Spirit Technology Solutions Ltd (ASX:ST1)
Building A Modern Telco For Business

Record Growth & Scale – Q2 21 and H1 21 Market Update

**January 2021** 

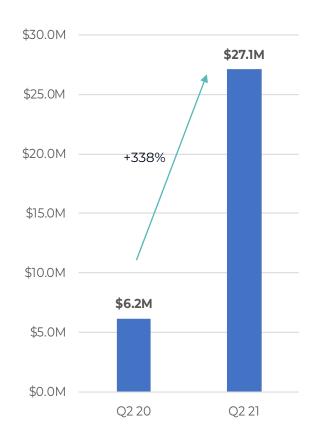


### Scale & Growth at record: up 338% YOY (Q2 FY21)

### Record growth in Q2 21 & H1 21 across all key financial indicators (unaudited):

- Total revenue for the half was \$42.7M, up 243% year on year (YoY).
- Total revenue for the quarter was \$27.1M, up 338% year on year (YoY) and 73% on Q1 21.
- Q2 21 recurring revenue up 116% YoY to \$11.5M and S&P\*\* revenue up 1,768% YoY to \$15.6M.
- H1 21 Underlying EBITDA\* in the range of \$4.1M -**\$4.4M** (H1 20 was \$1.6M).
- Positive Operating Cashflow for H1 FY21 of \$4.3M.
- Healthy balance sheet with \$23.3M of cash and available debt as of 31 December 2020.
- Acquisition integrations ahead of schedule.

#### **Total Revenue** +338%

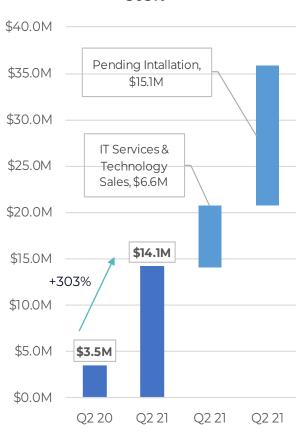




All numbers presented are on an unaudited basis



#### **B2B Sales / TCV** +303%

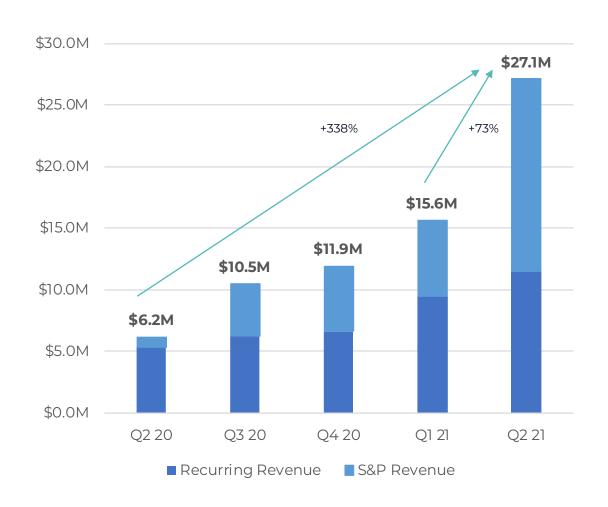




integration costs, Share based payments & Restructuring costs

<sup>\*</sup> Underlying EBITDA excludes business acquisition &

### Year on Year Revenue up 338% (Q2 FY21)



### **Q2 Total Revenue Growth to \$27.1M**

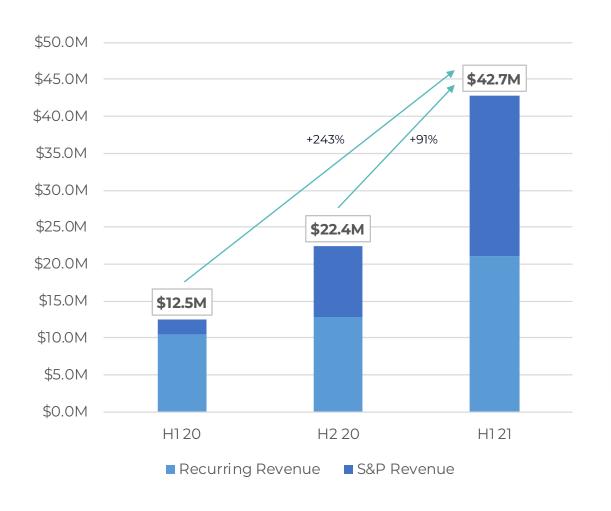
- Total revenue for the quarter at \$27.1M, up 338% YoY and 73% on Q1 21.
- Recurring revenue at \$11.5M, 116% up YoY and 21% up on the previous quarter.
- S&P\*\* revenue at \$15.6M, 1,768% up YoY and 155% on the previous quarter.

All numbers presented are on an unaudited basis



<sup>\*\*</sup> Solutions & Projects Revenue. Project revenue includes government grant infrastructure revenue

### Year on Year Revenue up 243% (H1 FY21)



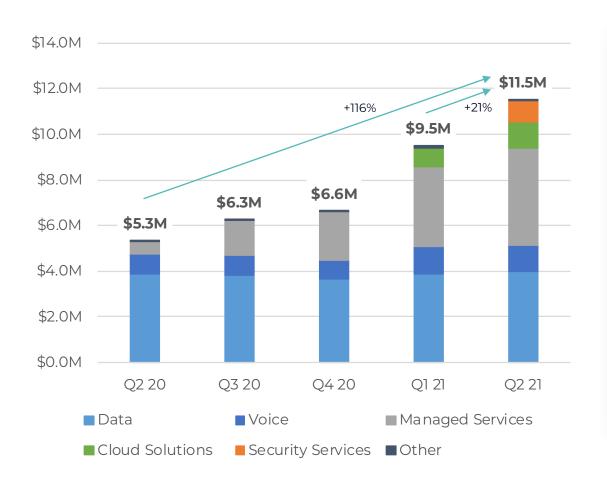
### H1 Total Revenue Growth to \$42.7M

- Total revenue for the half at \$42.7M, up 243% YoY and 91% on H2 20.
- Recurring revenue at \$21.1M, 99% up YoY and 63% up on the previous half.
- S&P\*\* revenue at \$21.6M, 1,044% up YoY and 128% on the previous half.



<sup>\*\*</sup> Solutions & Projects Revenue. Project revenue includes government grant infrastructure revenue All numbers presented are on an unaudited basis

### Year on Year Recurring Revenue up 116% (Q2 FY21)

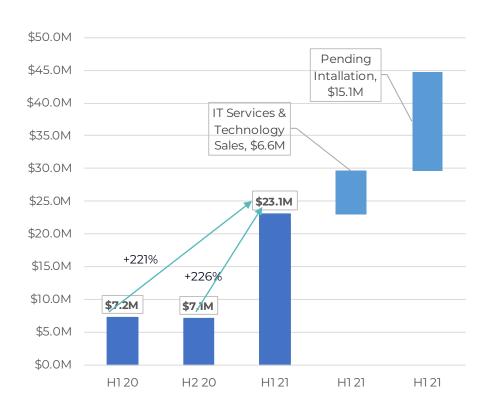


# Q2 Total Recurring Revenue Growth to \$11.5M

- Total recurring revenue for the quarter at \$11.5M, up 116% YoY and 21% on Q1 21.
- Managed Services recurring revenue at \$4.2M, 630% up YoY and 21% up on the previous quarter.
- Cloud solutions recurring revenue at \$1.1M, up 35% on the previous quarter.
- Security services recurring revenue at \$0.9M.
- Data services recurring revenue at \$4.0M.
- Voice services recurring revenue at \$1.2M, 41% up YoY and 0.4% up on the previous quarter.



### Year on Year B2B Sales / TCV up 221% (H1 FY21)



# H1 TCV at \$23.1M excluding pending installations & IT Sales:

- B2B TCV for the half at \$23.1M, up 221% YoY and 226% on H2 20.
- Total Data & IT services including pending installations at \$44.8M (pending installations \$15.1M, IT Services Technology Sales \$6.6M).
- IT Services Technology Sales includes orders placed so far for the schools notebook program which runs from October to January.

#### Note

B2B TCV incorporates recurring revenue across data, voice and managed services and cloud solution contracts calculated as monthly recurring revenue contract tenure in months.

IT Services Technology Sales reflect orders placed for non-recurring revenue items to be billed in January / February.



## **Growth coming in H2 FY21**



### RESELLERS GROWING

80+ new resellers signed nationally – further growth in play



#### SPIRIT BRANDED MOBILE PRODUCT TO LAUNCH

New Spirit branded mobile products and bundles to be launched nationally across Q3 21



#### LiveCall & LivePBX LAUNCHED

First unified voice communications platform operating from Spirit's own infrastructure at 75% gross margin



#### FEDERAL GOVERNMENT BUDGET TAX INCENTIVES

Spirit sees material demand from businesses refreshing IT&T needs – taking advantage of tax incentives



#### SALES ORDERS

Strong sales pipeline of large contracts across:
Corporate, Education and Health verticals.



#### NBN ENTERPRISE ETHERNET PROMOTIONS

Spirit sees material upside in light of new NBN EE geographic expansion and reduced pricing



#### SPIRIT X DIGITAL PLATFORM RECORD SQ'S

Over 20,000 new leads / service qualifications since 1 Jan 20.



### **ACQUISITIONS OPPORTUNITIES**

Target negotiations & DD continues



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