

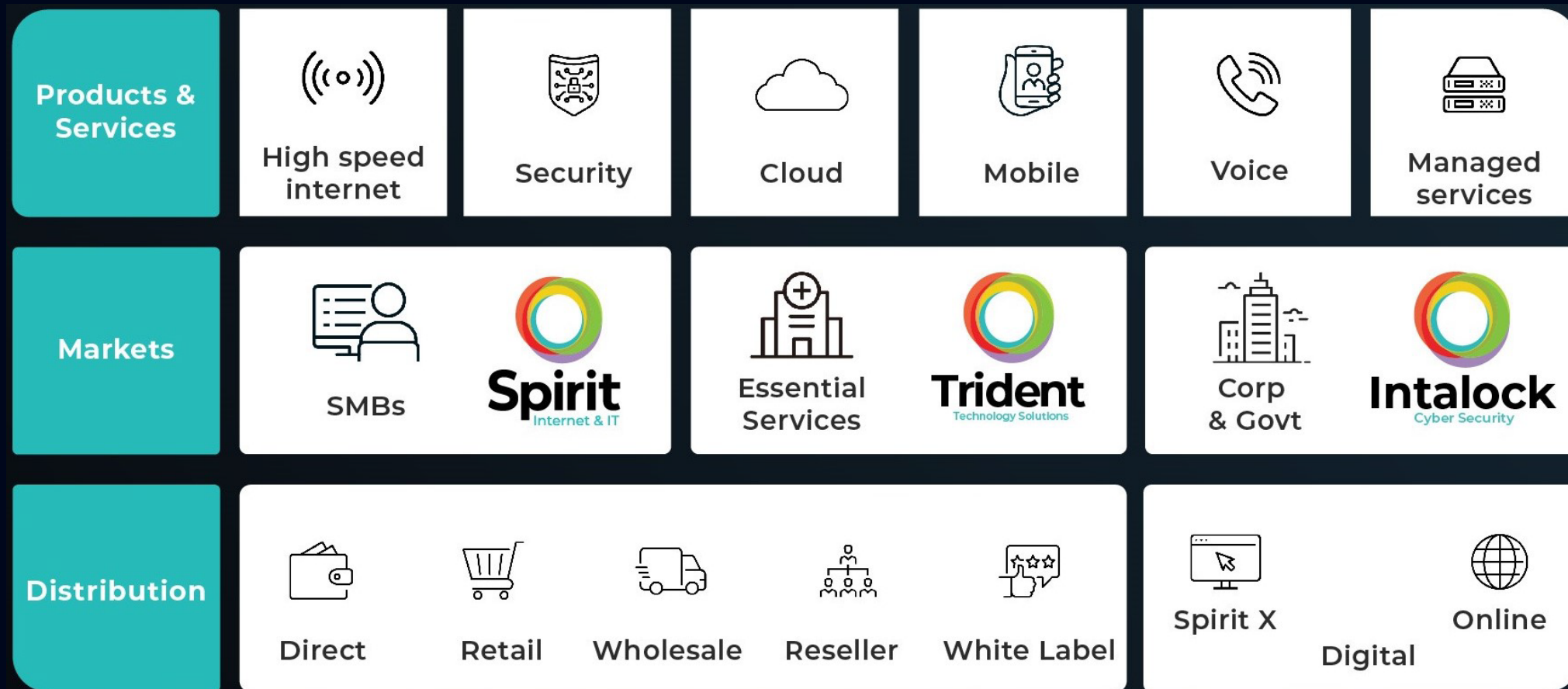
Spirit Technology Solutions Ltd (ASX:STI)

# Building A Modern Telco For Business

Record Growth & Scale – H1 Market Update | February 2021

# Spirit's Expanded Operating Model For Growth

The Spirit operating model has now been transformed into an integrated IT & Telco business. The product set represents a set of offerings which are vital for businesses to operate efficiently, remotely and securely in 2021 and beyond.

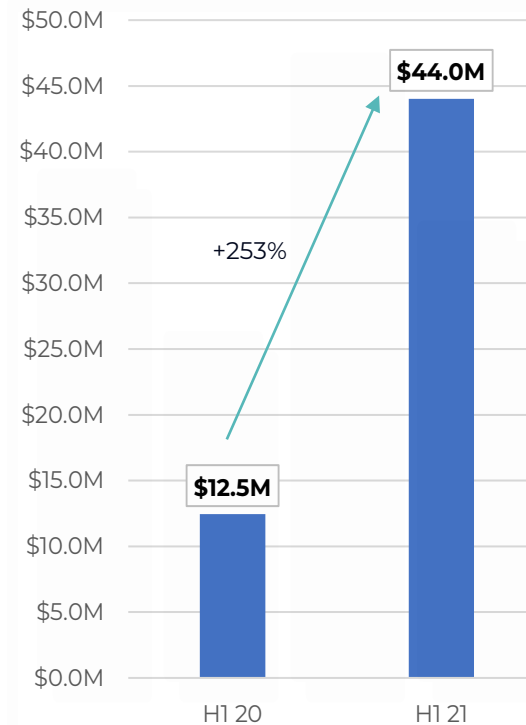


# Scale & Growth at record: up 253% YoY

Record growth in H1 21 across all key financial indicators:

- Total revenue and other income for the half was **\$44.0M**, up **253%** year on year (YoY)
- Total Recurring & S&P \*\* revenue for the half was **\$43.1M**, up **246%** YoY
- Recurring revenue up **99%** YoY to **\$21.1M** and S&P\*\* revenue up **1,089%** YoY to **\$22.1M**
- H1 21 Underlying EBITDA\* to **\$4.4M**, up **176%** YoY
- NPAT to **\$0.5M**, up **169%** YoY
- 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 & Other Income  
+253%

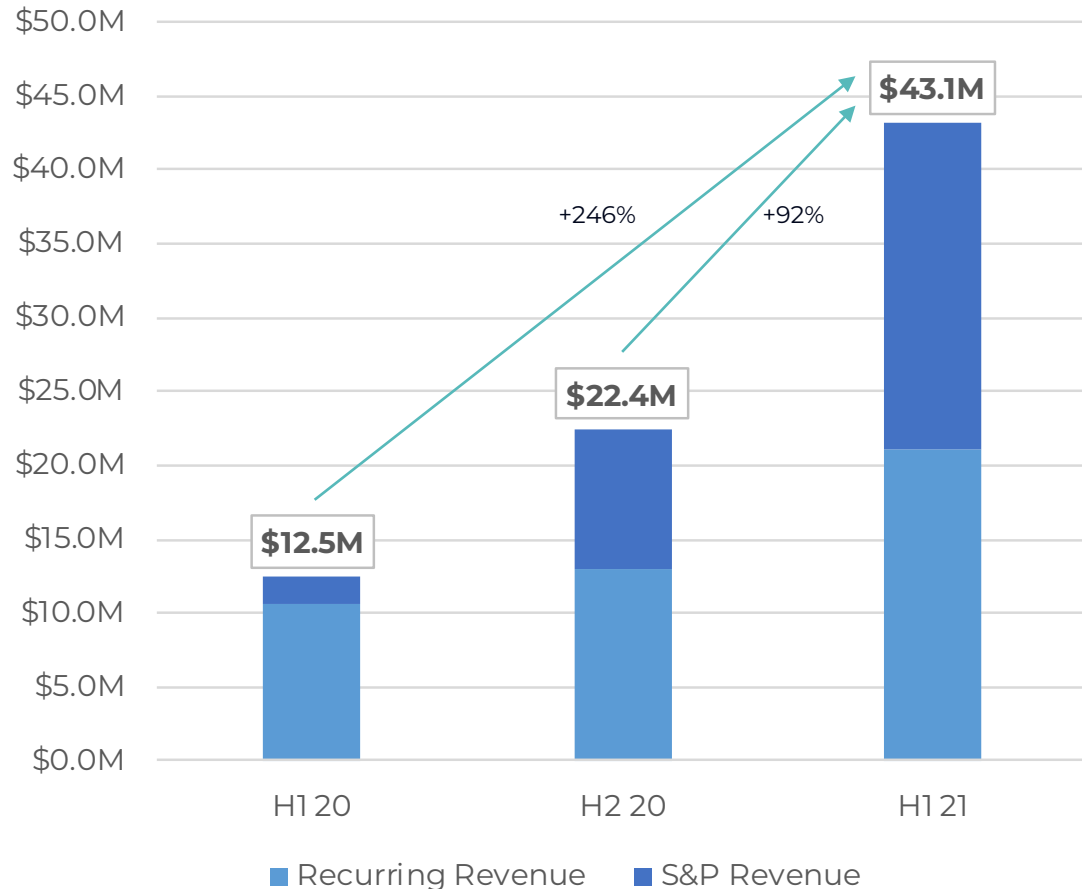


Underlying EBITDA  
+176%



• Underlying EBITDA excludes business acquisition & integration costs, share based payments & restructuring costs. Refer NPAT slide  
\*\*S&P = Solutions & Projects Revenue. Project revenue includes government grant infrastructure revenue

# Recurring and S&P Revenue up 246% YoY

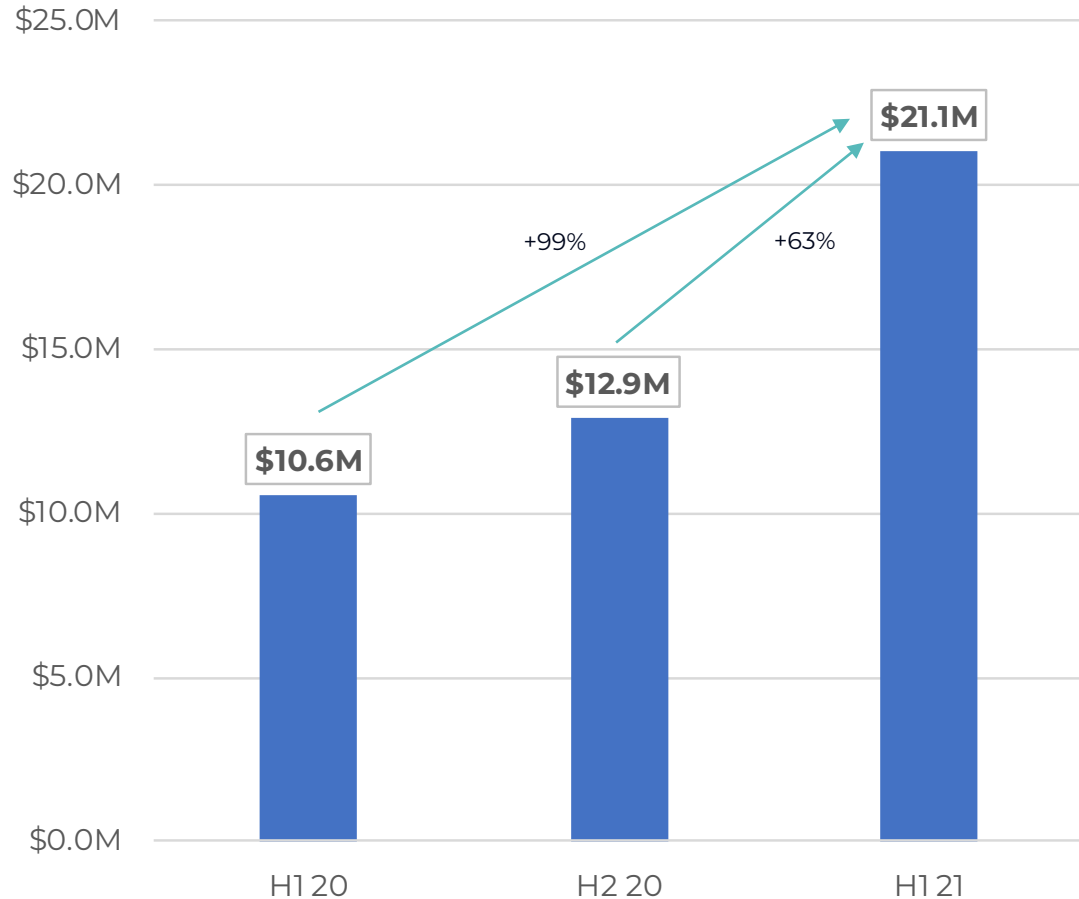


## H1 21 Recurring and S&P Revenue Growth to \$43.1M

- Revenue for the half at \$43.1M, up 246% YoY and 92% on H2 20.
- Recurring revenue at \$21.1M, 99% up YoY and 62% up on the previous half.
- Solution & Project\* revenue at \$22.1M, 1,089% up YoY and 132% on the previous half.

\* Solutions & Projects Revenue. Project revenue includes government grant infrastructure revenue

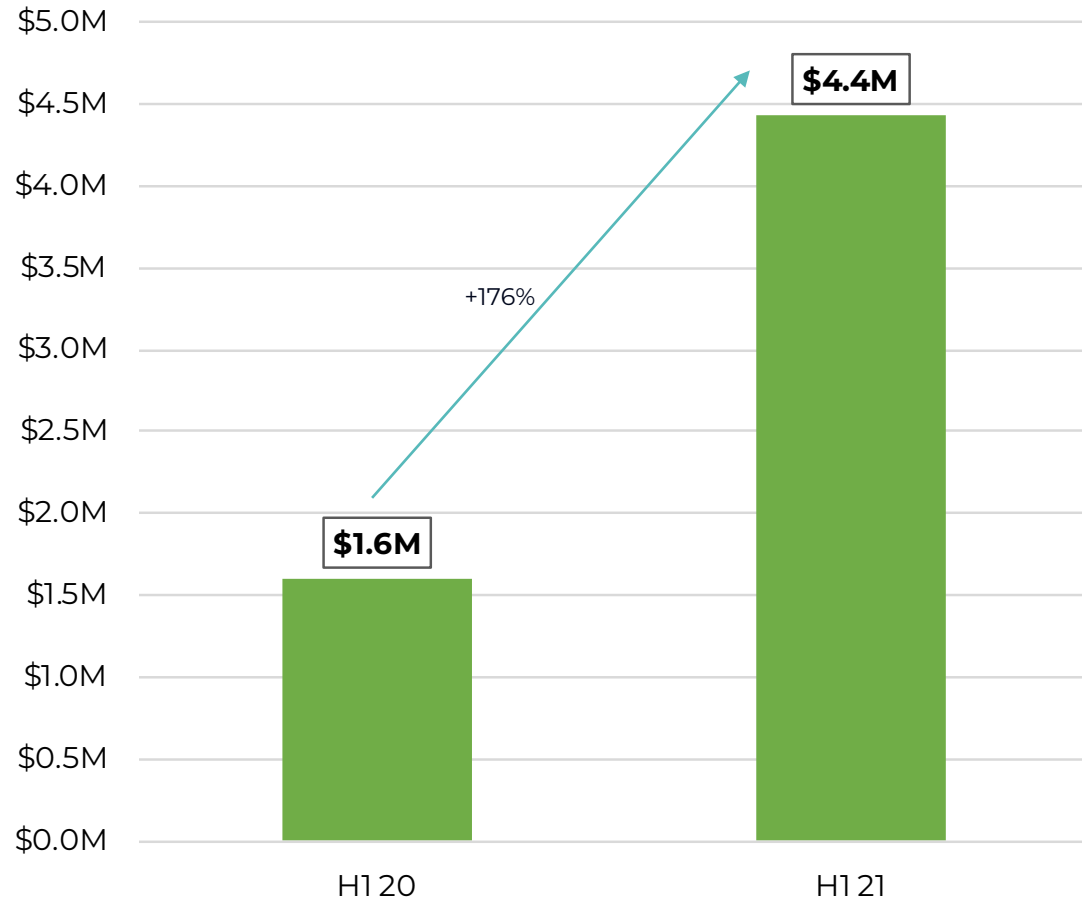
# Recurring Revenue up 99% YoY



## H1 21 Recurring Revenue Growth to \$21.1M

- Total recurring revenue for the half at \$21.1M, up 99% YoY and 63% on H2 20.
- Managed Services recurring revenue at \$7.7M, 598% up YoY and 111% up on the previous half.
- Cloud solutions recurring revenue at \$2.0M.
- Security services recurring revenue at \$0.9M.
- Data services recurring revenue at \$7.9M.
- Voice services recurring revenue at \$2.4M, 40% up YoY and 41% up on the previous half.
- Other recurring revenue at \$0.2M

# Underlying EBITDA\* up 176% YoY



## H1 21 Underlying EBITDA\* to \$4.4M

- Underlying EBITDA\* for the half at \$4.4M, up 176% YoY.
- Strong EBITDA performance even with significant investment and transformation in flight during H1.
- On-going investment will continue in system automation and consolidation in order to improve EBITDA margins.

\*Underlying EBITDA; excludes business acquisition & integration costs, share based payments & restructuring costs. Refer to NPAT slide for detail.

# Year on Year NPAT up 169%

	H1 20	H1 21	YoY	YoY%
<b>Recurring &amp; S&amp;P Revenue</b>	\$12.5M	\$43.1M	\$30.7M	246%
Cost of sales	(\$3.4M)	(\$22.7M)	(\$19.3M)	(571%)
Gross Profit	<b>\$9.1M</b>	<b>\$20.4M</b>	<b>\$11.4M</b>	<b>125%</b>
Gross Profit %	72.8%	47.4%		
Other income	\$0.0M	\$0.9M	\$0.9M	
Operating Expenses	(\$8.3M)	(\$18.0M)	(\$9.7M)	(117%)
EBITDA*	\$0.8M	\$3.4M	\$2.6M	320%
EBITDA %	6.4%	7.8%		
Business acquisition & integration costs	\$0.2M	\$0.8M	\$0.6M	384%
Business restructuring costs	\$0.4M	\$0.0M	(\$0.4M)	(100%)
Share based payments	\$0.3M	\$0.3M	(\$0.0M)	(2%)
<b>Underlying EBITDA*</b>	<b>\$1.6M</b>	<b>\$4.4M</b>	<b>\$2.8M</b>	<b>176%</b>
Underlying EBITDA* %	12.9%	10.3%		
Finance costs	(\$0.2M)	(\$0.3M)	(\$0.1M)	(74%)
Depreciation and amortisation expense	(\$1.6M)	(\$2.8M)	(\$1.2M)	(79%)
Income tax benefit	\$0.2M	\$0.2M	\$0.0M	22%
<b>NPAT</b>	<b>(\$0.7M)</b>	<b>\$0.5M</b>	<b>\$1.2M</b>	<b>169%</b>

	H1 20	H1 21	YoY	YoY%
Sales revenue	\$12.3M	\$42.8M	\$30.5M	248%
Government Infrastructure grants	\$0.2M	\$0.3M	\$0.2M	109%
<b>Recurring &amp; S&amp;P Revenue</b>	<b>\$12.5M</b>	<b>\$43.1M</b>	<b>\$30.7M</b>	<b>246%</b>
Other income	\$0.0M	\$0.9M	\$0.9M	-
<b>Total revenue &amp; other income</b>	<b>\$12.5M</b>	<b>\$44.0M</b>	<b>\$31.6M</b>	<b>253%</b>

\* For EBITDA view Disclaimer Important Information. Numbers subject to rounding.  
Refer Spirit Technology Solutions Ltd Interim Report for the half year ended 31 December 2020.

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EBTDA is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax.

Underlying EBITDA is EBITDA adjusted to exclude business acquisition & integration costs, business restructuring costs and share based payments. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting. Refer Spirit Technology Solutions Ltd Interim Report for the half year ended 31 December 2020.



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