



FY24 Financial Results Presentation

ASX:FSG
August 2024

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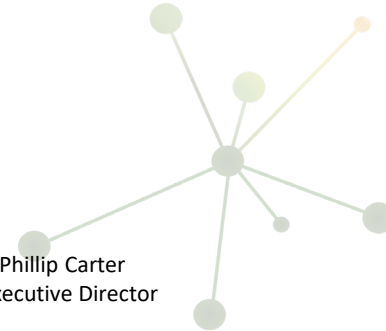
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Australia's Leading Telecommunications Carrier for rural, regional and remote Australia

We connect and service regional, rural and remote Australian industries bridge the digital divide between metro and rural Australia, digitally enabling key industries such as agriculture, agribusiness, resources and mining.

Board of Directors



Dr. Ken Carr
Chairman and
non-Executive Director



Dr Carr (PhD Bus Adm. MBA) is a seasoned, non-executive director and chair, having held CEO/MD roles in 5 ASX listed companies primarily in the, telecoms, banking, payments and electronic manufacturing sectors and non-executive director roles in 3 others, including 2 as chair.

Dr. Carr has held a board position on FSG since listing in 2015 and is also a current Non-Executive Director of two private Mining Services businesses in Rural Australia involved in hire and automation. His previous experiences in technology from executive roles at British Telecom, and AT&T and electronics manufacturing provide a solid grounding in areas where FSG is targeting.

Andrew Roberts
Managing Director and CEO



Mr Roberts is a business executive/entrepreneur with over 30 years' experience in the IT and telecommunications industry in Australia, New Zealand, Asia Pacific, and the United Kingdom.

He is current the Founder, Managing Director, and CEO of Field Solutions Group, an ASX listed Telecommunications Company with its soul focus on delivering Telecommunications and Digital Enablement for Rural & Regional Australia. He has extensive strategic IT and commercial experience in business aggregation, business analysis/strategy, sales, marketing, professional services, operations, and general management.

He has previously been a director of Comops Limited (ASX: COM) and was recently head of strategy and cloud operations at Rubik Financial Limited (ASX: RFL). Mr Roberts was also the deputy chair of the Young and Well Cooperative Research Council, a federally funded not-for-profit organisation focusing on the use of technology to assist wellbeing in young people's lives.

Wendy Tyberek
Non-Executive Director



Ms Tyberek is a chartered accountant with over 30 years' experience in financial business management and related technologies in Australia and the UK.

Wendy is a non-executive Director and the joint company secretary.

Previously and from start up, she was the CFO for the Group. Wendy has extensive experience in working with executive leadership teams to strategically deliver financially successful technology based solutions to private and public sector enterprises.

Her previous roles have included senior positions with MYOB, Comops (ASX:COM), Solution 6 and Deloitte.

Dr. Phillip Carter
Non-Executive Director



Dr Carter (PhD, MAppFin, BEng, SFFIN, FAICD) is a joint managing director of Kestrel Capital Pty Ltd.

He has extensive experience developing and financing technology rich industrials in Australia, Europe and the United States of America.

As chairman of Prism Group Holdings, he led the restructure and turnaround of its global operations and subsequent sale of the business to a US competitor, delivering significant returns to investors. Previously, Phillip headed a leading United Kingdom technology consulting and investment advisory practice and managed the InterTechnology Fund, recognised by the European Private Equity and Valuations Capital Association (EVCA) as one of the most active development capital funds in Europe. Other current directorships: Kestrel Growth Companies Limited, Tambla Limited and Consolidated Financial Holdings Limited.

FY24 Highlights

FY24 Highlights



Revenue increase of 13% to \$63.43M (FY23: \$55.82M)



EBITDA increase of 5% to \$5.39M (FY23: \$5.12M)



Cashflow from Operations increased 34% to \$11.21M (FY23: \$8.26M)



NPAT Loss of \$2.86M (FY23: Loss \$2.40M)
includes amortisation of contracts acquired on acquisition of TasmaNet



Infrastructure builds set to complete H1 FY25

Notes:

*YoY - Year on Year comparison shown above are to H1 FY23 results.

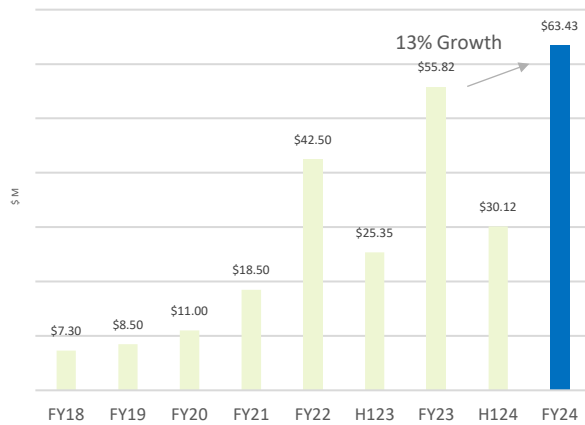
FY24 Financial Highlights

7 year-on-year growth in Revenue and EBITDA

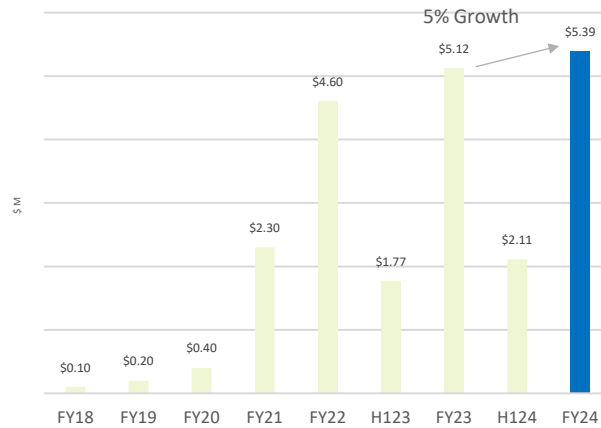
Revenue
\$63.43m
+13% YoY¹

EBITDA
\$5.39m
+5% YoY¹

NPAT
-\$2.86m
19% YoY¹



Growth in key sectors driving sustained top line growth



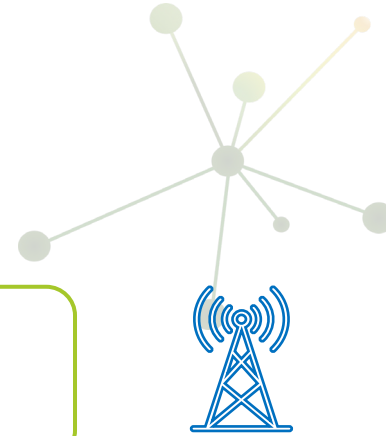
Flattening EBITDA reinvestment in operations and business expansion



Statutory NPAT reflects post-acquisition accounting treatment of the TasmaNet customer contracts.

Notes:
1. Year on Year comparison shown above are to FY23 results.

FY24 - Core & Infrastructure Financial Breakdown



Revenue
% of combined revenue

Gross Margin
% of Gross Margin

EBITDA
EBITDA Margin %

CORE

Lower than forecast revenues attributed to larger projects and longer delivery cycles

On target sales

Sustained Gross Margins

INFRASTRUCTURE

59% complete with full delivery in Q1 2025

97% build approvals completed

\$4.8M in grant income received

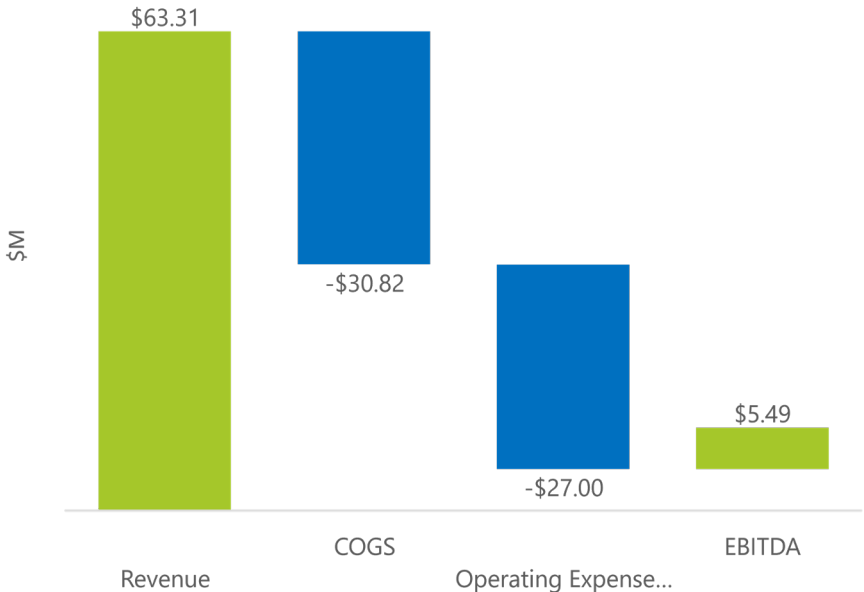
	Revenue	Gross Margin	EBITDA
Core	\$ 60.68M 96%	\$ 31.13M 95%	\$7.61M 12.6%
Infrastructure	\$ 2.75M 4%	\$ 1.47M 5%	-\$2.18M
Total	\$ 63.43M	\$ 32.60M 43%*	\$5.43M 8.6%
		\$ 4.8M Grant Income**	

Notes:
* 43% Average Gross Margin
** Grant Income received from Government programs not reported in revenue

Cash Flow from Operations



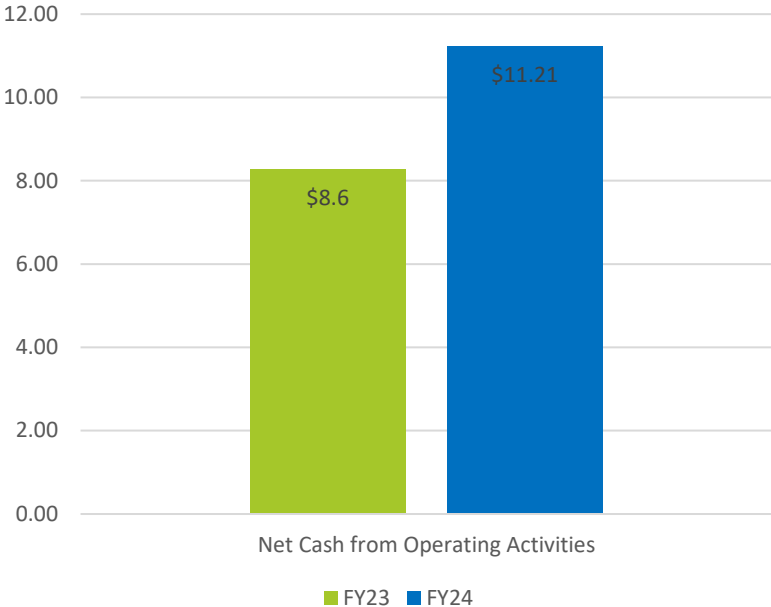
FY24 Revenue Waterfall



Cash Flow from Operations


\$11.21M
 34% increase YoY

Operating Cashflow





FY24 Core Business Revenue & Sales Outlook

- Private LTE production deployment to key customers
- Ongoing demand in our security, CCTV, Access control
- First Tier mining project opportunities

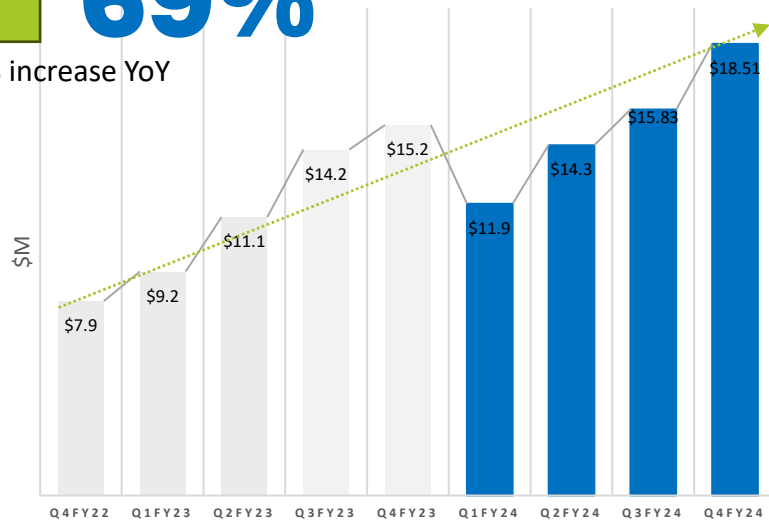
Recurring Revenue

as % of total core revenue

69%

22% increase YoY

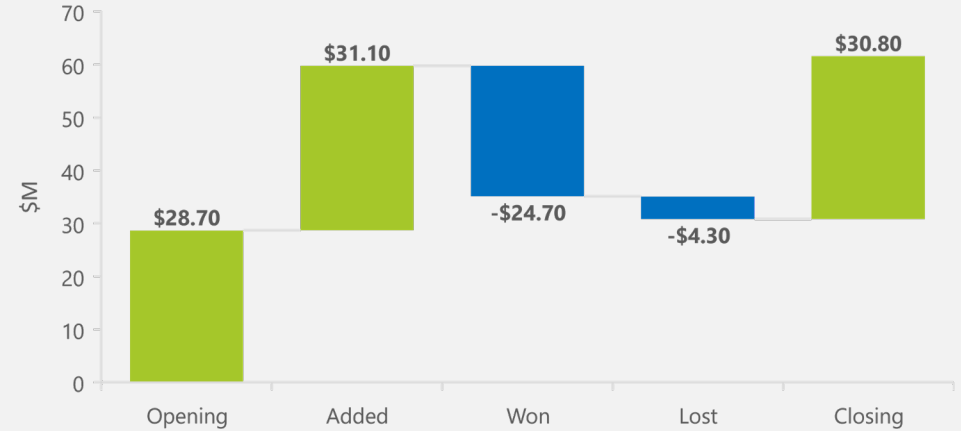
Q-on-Q / Y-on-Y Revenue growth



- Sustained Revenue growth (21% YoY)
- 69% Recurring Revenue (MRR) (as percentage of total revenue)

Sales Pipeline* movement

01/07/2023 – 31/12/2023



*Value of sales opportunities Total Contract Value in \$M with > 50% likelihood

- Continued strong sales, especially Half year sales slightly behind due to extended contracting times on large opportunities and economic factors impacting some sectors.
- Larger opportunities in all sectors driving larger pipeline
- Longer sales & contracting cycles (and delivery)
- Continued focus on delivery and service efficiency improvements and order-to-cash process.



Industry Focused Structure

Implemented in late FY23, our redesigned core business operations are structured to focus on key vertical markets.



**Mining &
Resources**



Rural & Regional



Wholesale



Public Sector

- Enhanced industry-specific offerings
- Industry competitive advantage
- Improved delivery and customer service
- Increased gross margins



Product Innovation

Maturing structure is delivered significant benefits during FY24 including several important customer focused product solutions.



Physical security (CCTV/access control) product line for enterprise and mining



RAN Enabled Connectivity products, private LTE



SD-WAN solution and managed service offerings designed to state government requirements



Ultra-high-capacity GPON-based village connectivity solutions for aged care facilities and mining camps.



Agricultural telemetry and integrated connectivity, IoT, and BI applications for agribusiness.

- Improve unique selling proposition and competitive advantage
- Increase share of wallet
- Improved service “stickiness”
- Improved margins



Adapting to Growth

FSG has expanded its capabilities and product offerings significantly, leading to a notable increase in the value of customer contracts and the size of client organisations



Larger customer contracts



Larger, more complex client organisations



Greater performance, compliance and certification requirements



Higher cost to serve costs as we internalise and rationalise change

- Projects aimed at operational capabilities and efficiency
- Established Philippines operations to create a cost-effective, scalable, centralised support capability
- Emphasis on information security standards and certifications, governance and compliance
- ISO27001:2013/2022 update

FY24

Regional Australia Network (RAN)



The RAN Vision



FSG's RAN is designed to be Australia's **Neutral Mobile Network**, creating **real net-new coverage** and providing a comprehensive solution for **active sharing** and a commercially attractive framework.

This enables Mobile Network Operators (MNOs) to **increase their coverage** and **reach new subscribers** in a cost-effective manner and **eliminate duplicate capital investments**.

At the same time, it aligns with the government's goal and commitment of ensuring **equal access to high-quality mobile services** for all Australians.



What is the RAN?

Regional Australia Network



**Infrastructure
and/or
Electronics**



**4th Mobile
network**



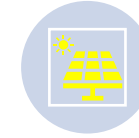
Active sharing



**Net new
coverage**



4G/5G



**Sustainable
Power Options**



Australia's 4th Mobile Network, designed as a neutral network, delivering :

- Comprehensive Active Sharing Options
 - MOCN
 - MORAN
 - Roaming
 - Co-Location
- Delivering net New Coverage to rural, regional and remote Australia
- 4G / 5G Ready
- Ability to be grid connected or Solar Powered
- Fibre / Microwave / LEO Backhaul options



Domestic Roaming

Active Sharing



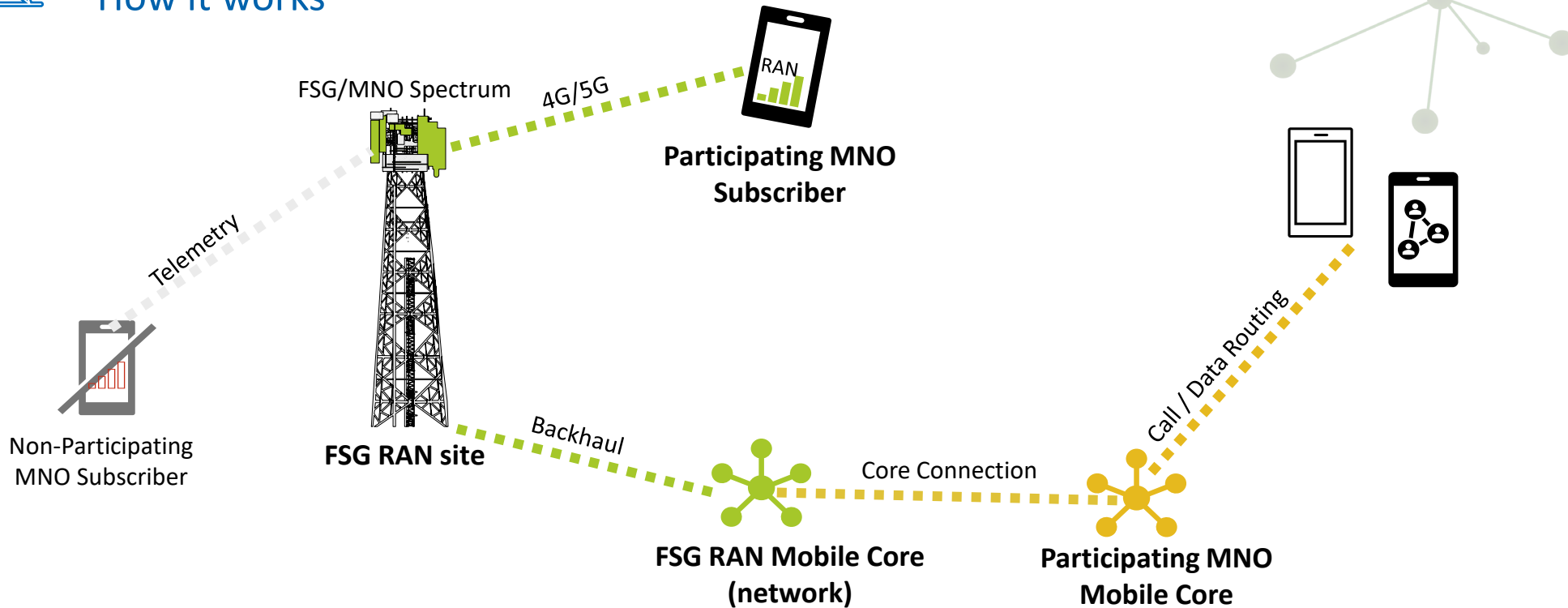
FSG's RAN (Regional Australia Network) has been designed to support domestic roaming, with OPTUS Trials commencing H1 FY25

- **What is Roaming ?**
 - International standard, allowing networks to share access when appropriate commercial arrangements are in place
- **A great solution for Rural, Regional and Remote Australia**
 - Delivering new coverage for all carriers is a priority, essentially not disadvantaging consumers
 - Delivers more value for Federal and State Government as they can fund a single “Neutral” organisation, vs. a single carrier that can only deliver services to a single network.
 - Roaming does not require large integration costs and delivers voice and data services (4G/5G)



Voice & Data Roaming

How it works



- FSG RAN Site and/or Electronics and Spectrum
- Option for participating MNO supplied Spectrum
- Simple, one-time core connection to participating MNO
- Participating subscriber connects and has full voice / data services
- Telemetry collection for non-participating subscribers

- **Net New Coverage**
- **Cost-effective deployment**
- **Opex usage-based revenue model**

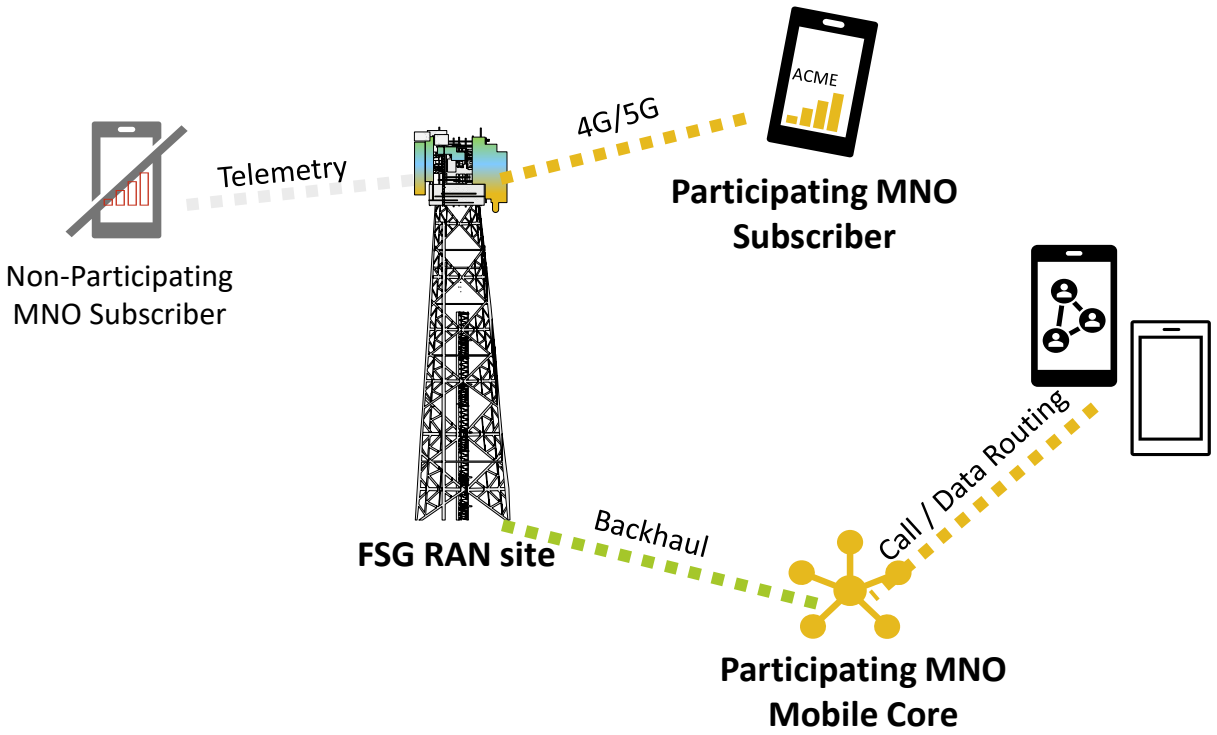


Neutral Host (MOCN/MORAN)

Active Sharing



FSG's RAN (Regional Australia Network) has been designed to offer MOCN/MORAN neutral hosting, with OPTUS Trials commencing H1 FY25

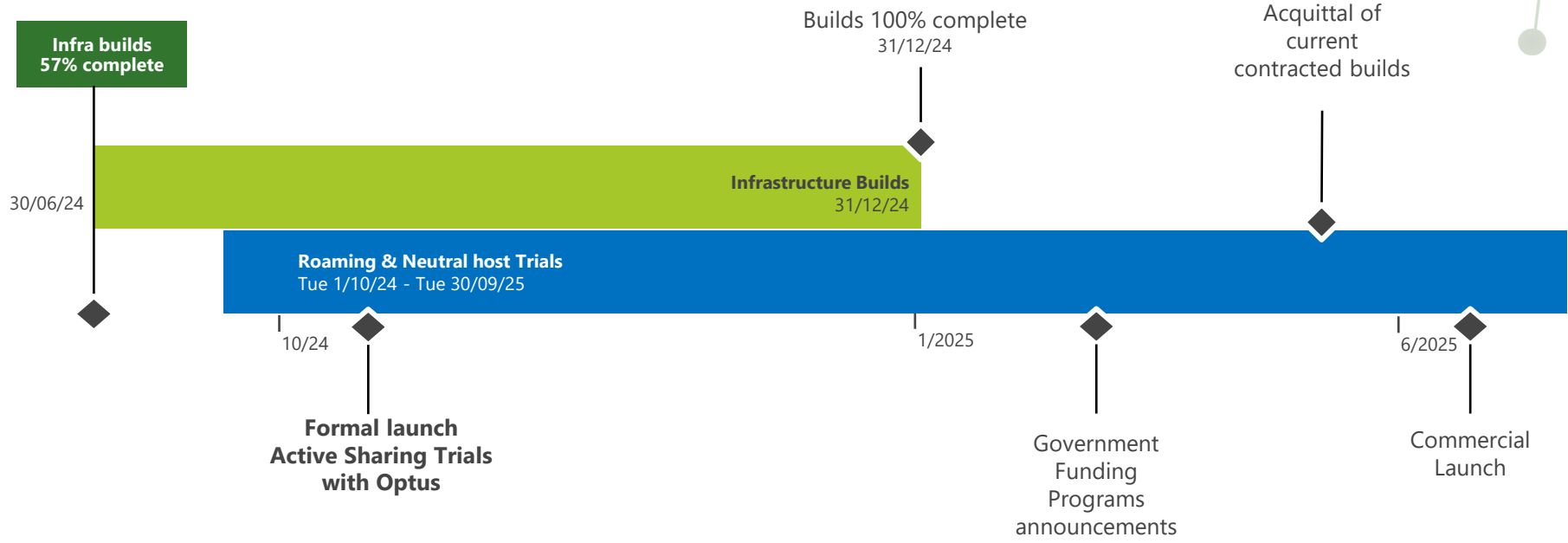
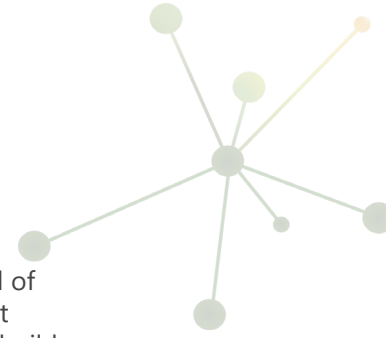


- FSG RAN Site and/or Electronics broadcasts participating MNO network
- **Multiple Spectrum** options including:
 - shared FSG and/or MNO spectrum (MOCN)
 - dedicated BYI MNO spectrum (MORAN)
- More complex integration requirements and timeline
- Native MNO network features
- Capex & Opex Revenue Model



RAN Roadmap

Objectives and Milestones

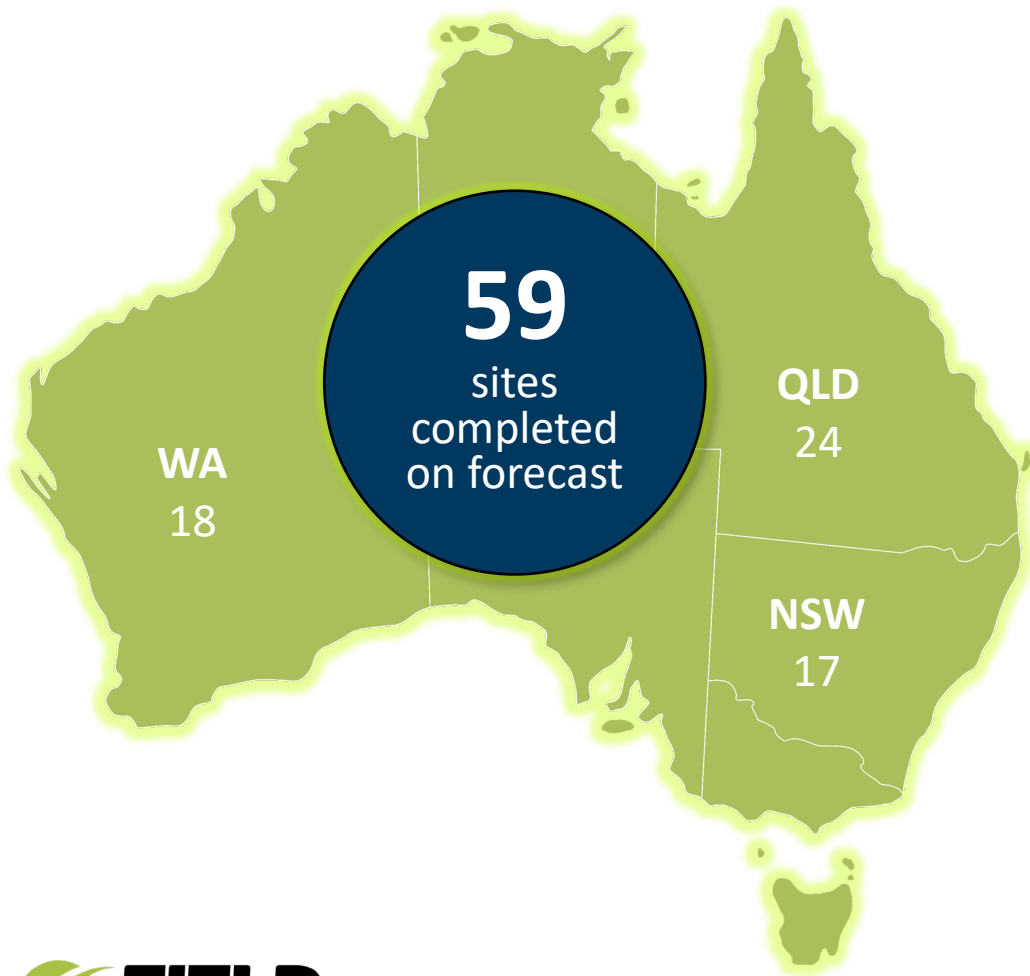


- Focus for FY25 is the completion of the infrastructure build and the commencement of trials
- Completion of all Federal Government contracts is scheduled for FY25

Infrastructure Build Update



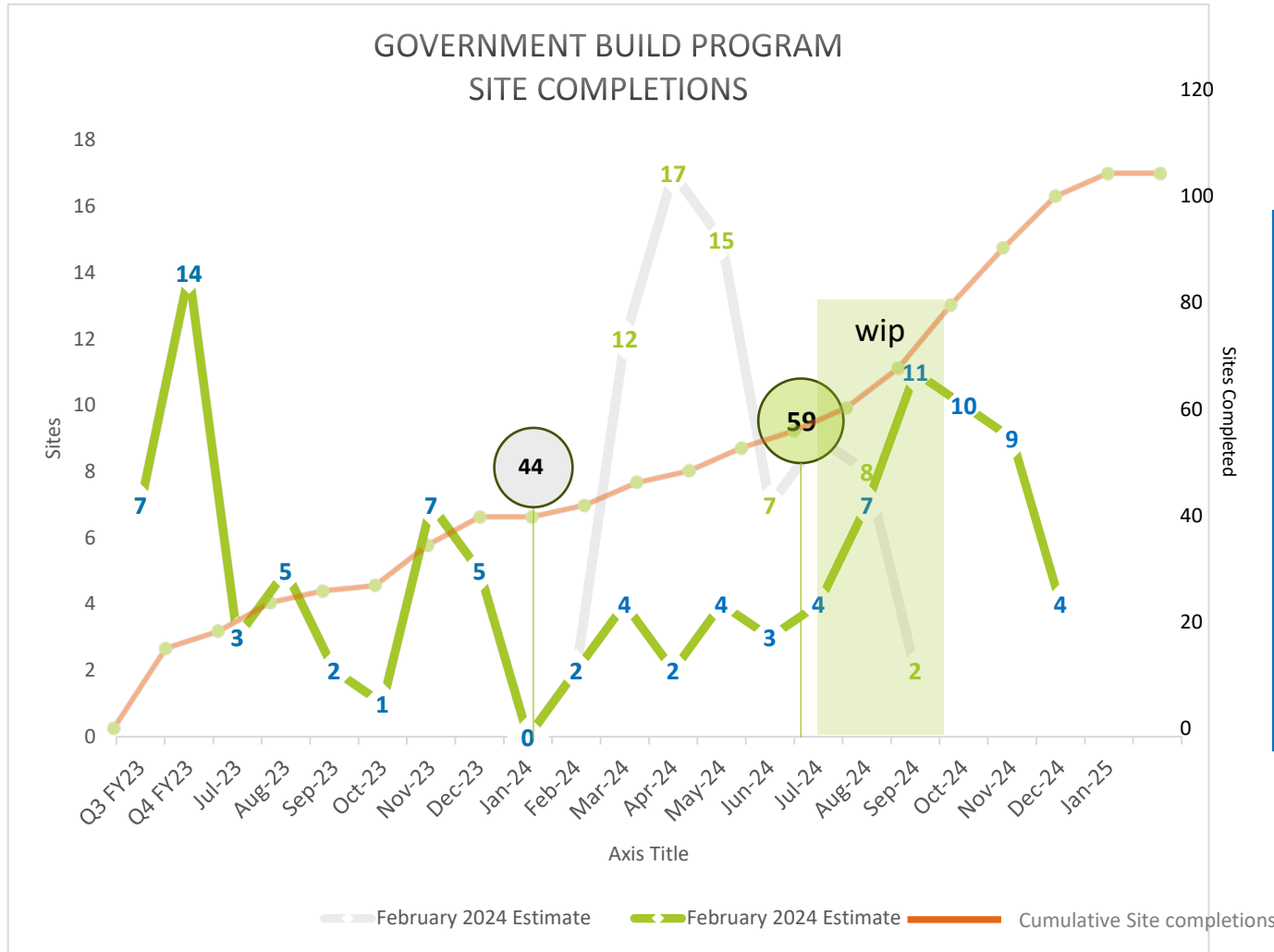
FY24 Infrastructure Build Progress



- Review of build programs based on:
 - Economic viability
 - Government prioritiesresulted in reprioritisation, relocation, and in some cases, cancellation of sites.
- FSG requested cancellation of 31 uncommercial sites. Ongoing there was no material impact to our anticipated earnings either from build or operations
- Reduction in ~\$7.9M in grant income with and equivalent reduction in costs
- \$4.8M in grant income was received in FY24 with a further ~\$7.6M expected during FY25.



FY24 Infrastructure Build Forecast



- **59 sites completed** at June 30, 2024
- **97% build approvals** completed
- **57% complete** with program completion on track by end of H125



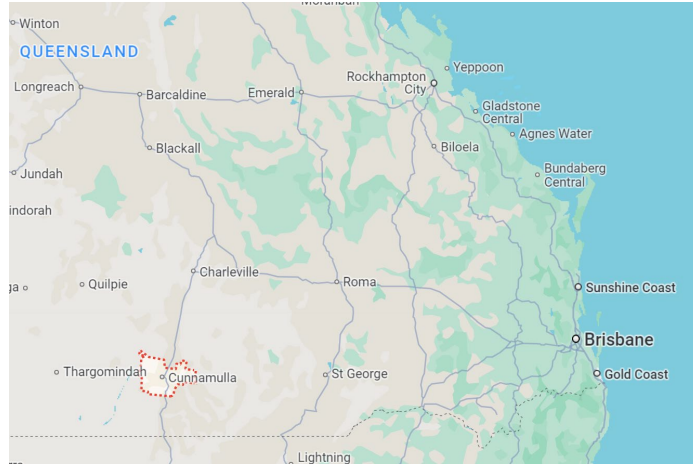
Cunnamulla QLD

FSG Build Projects Visual Tour

Cunnamulla QLD

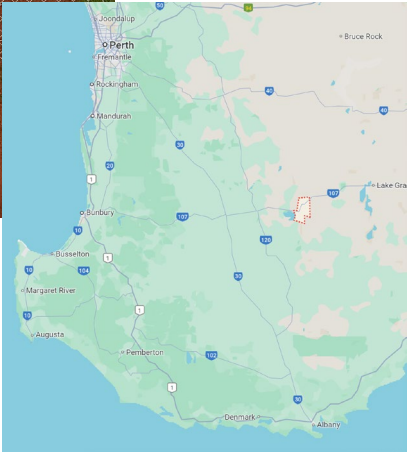
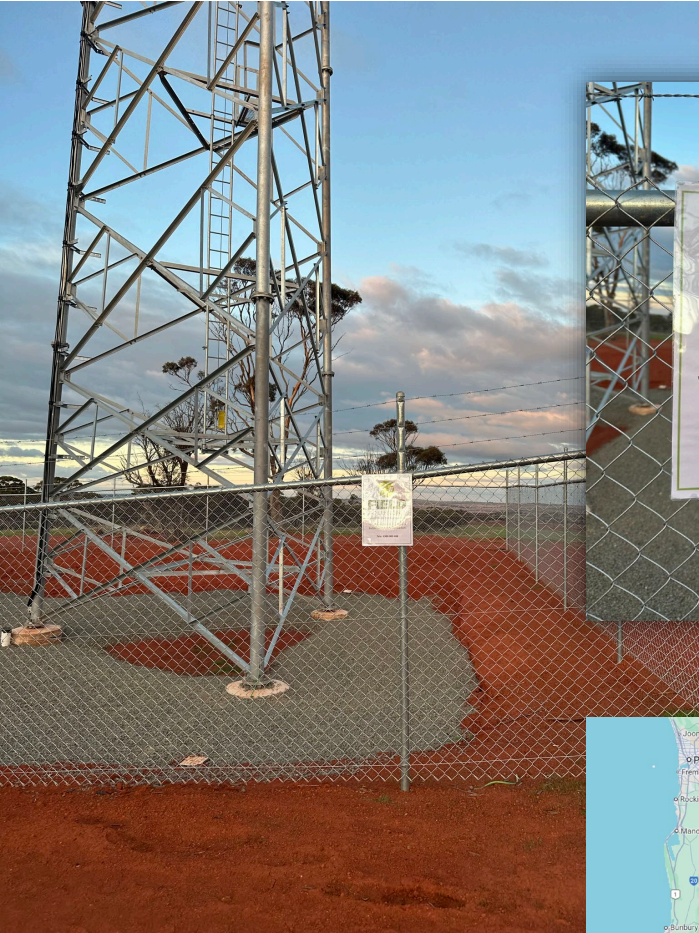
5 x 45m lattice towers

Active Share Roaming & Active Neutral host trials network



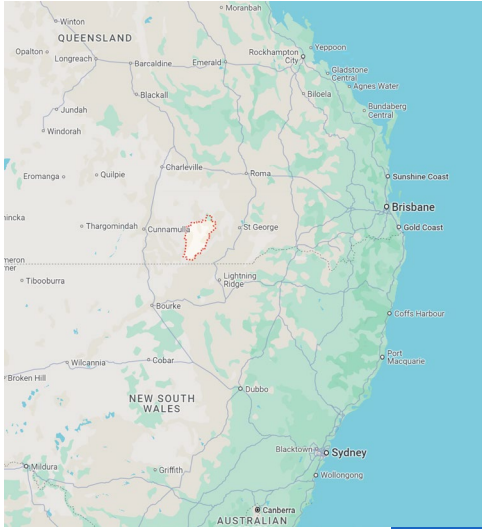
Dumbleyung WA

5 x 45m lattice towers



Bollon QLD

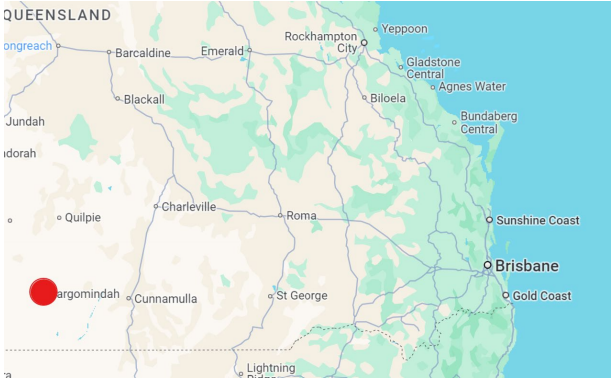
4 x 45m lattice towers



Bulloo QLD

3 x 45m guyed tower

The view from the top



NSW Telco Authority LEO Satellite EMU (Emergency Mobile Unit) rapid deploy private LTE solution



Conclusion

- FY24 financial results fell short of expectations, due to a range of approval delays, but still delivered our 7th year of consistent Revenue and EBITDA growth and a healthy 34% increase in cash flow from operations.
- **Core Business**
 - We experienced slower than expected sales in Q1/Q2-24, with the uncertain economic climate leading to opportunities being delayed or reduced, and while FY24 sales were on track, project revenues were delayed.
 - We start FY25 with a healthy delivery backlog and pipeline, as well as significant operational improvements resulting from our maturing structure.
 - FY25 will see continued focus on managed revenue growth, maintain gross margins, operational efficiency, as well as compliance and governance.
- **RAN & Infrastructure**
 - FY22/23 were marred with timeline and cost impacting issues for the RAN build projects, including extreme weather events and impacts of COVID on supply chain and labour supply.
 - FY24 marked significant progress on those programs, including completing 97% of site acquisitions, and 57% of builds.
 - A review of the build project identified several uncommercial* sites, we applied to the Federal Government and had them removed
 - FY25 will see the FSG RAN complete its construction program and commence active sharing trials with Optus and the Federal Government

** uncommercial meaning, increased cost to build and operate, with no material impact to their removal*

Investor Roadshows



FSG will be conducting investor roadshows with the FSG Executive team (CEO / COO / CFO) commencing **Monday 16 September, 2024**.

Please contact investors@fieldsolutions-group.com to schedule a presentation.



Thank you

www.fieldsolutions-group.com

For further investor enquiries please email:
investors@fieldsolutions-group.com