



# SWIFT

**ASX: SW1**

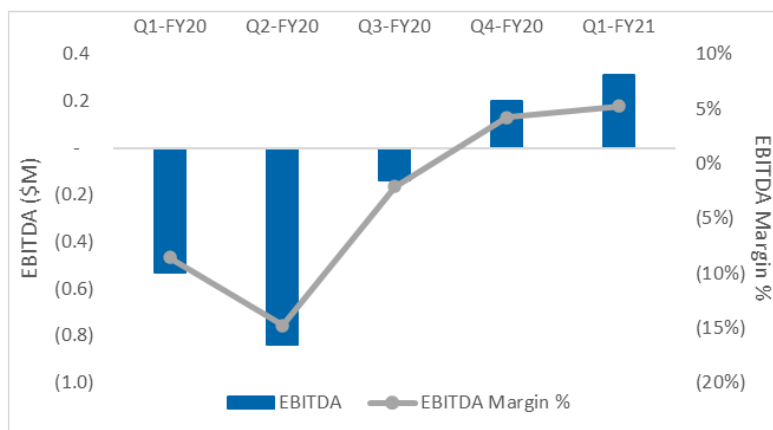
Q1 FY21 Update  
October 20, 2020

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**Geoff Greenberg, CFO**

# Q1 FY21 FINANCIAL HIGHLIGHTS

## EBITDA Growth of 160% vs prior year

- Strategies to streamline Swift beginning to drive margin expansion as EBITDA margin of 5% in Q1-FY21 reflects a continuing and positive trend
- Operating cash flow improvement - \$0.1m used versus \$1.5m in the prior quarter
- Prudent management of cash resources, ending the quarter on \$1.9m in net cash reserves



## Revenue up 23% quarter on quarter

- 70% of revenue long-term and contracted
- 200% growth in project revenue with \$1.2m of new contracts won and \$1.8m delivered in Mining and Resources over Q1
- Tender requests up 28% year on year – encouraging lead indicator of sales growth for 2021
- 100% retention of Mining and Resources customers

Financial highlights (unaudited)

(\$M)	Q1- FY20	Q4- FY20	Q1- FY21	Vs Q1 FY20	Vs Q4 FY20
Revenue	6.1	4.8	5.9	(3%)	23%
EBITDA	(0.5)	0.2	0.3	160%	50%
EBITDA Margin %	(9%)	4%	5%	+14 pp	+1 pp

# SWIFT

**Swift is a specialist technology company that provides entertainment and communication solutions to connect and engage communities**

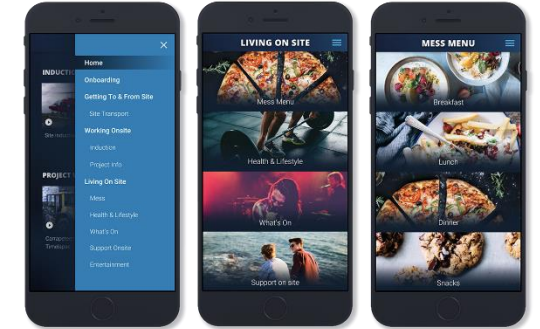
- Closed loop environments like remote mines, residential aged care and GP surgeries – high barriers to entry
- 70% recurring revenue on typically 3-5 year contracts
- Strong reputation in reliable communications infrastructure designed and delivered by experienced and efficient engineers and project managers
- Tech is in our DNA – unique solutions to meet different customer needs in each vertical
- Clever tech that enables premium on demand content in remote locations without the high bandwidth price tag
- Early release Hollywood blockbuster film content in Mining and Resources
- Curated content delivered via simple to use technology in Aged Care



**Cloud and on-premises in room entertainment and communications**



**Design and construct of reliable communications distribution infrastructure**



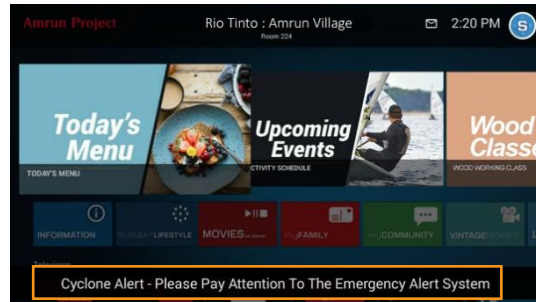
**Communication Apps**



**On the ground local and remote technical support 24/7**

## MINING & RESOURCES

*Delivering secure closed networks with customised communications and content.*



- Design and construction of networking infrastructure in remote locations
  - Site managed communications system delivered via TV and smart device applications
  - Movies, TV on Demand, Sport (Foxtel partnership)
  - Indigenous, mental health, wellbeing content
  - 24/7 remote and onsite technical support
  - Solution for exploration, mobile, rail/road camps
- 
- **67% of rooms are remote. Streaming-level bandwidth is impossible via satellite\* and extremely expensive to install via fibre for a standard sized camp in a remote location.**

## AGED CARE

*Making life better by helping residents and their carers engage, communicate and belong.*



- Time saving, facility managed communications, noticeboard and live streaming system delivered via TV
  - Aged Care specific relaxation and exercise content to improve quality of life, reduce isolation and support dementia sufferers
  - In-room access to premium entertainment curated specifically for Aged Care
  - Family mobile-to-tv application to stay connected with loved ones
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- **Alternatives are free-to-air TV which lacks the communications capabilities, or are tablet based which is a challenge for 85+ year olds**

## HEALTH & WELLBEING

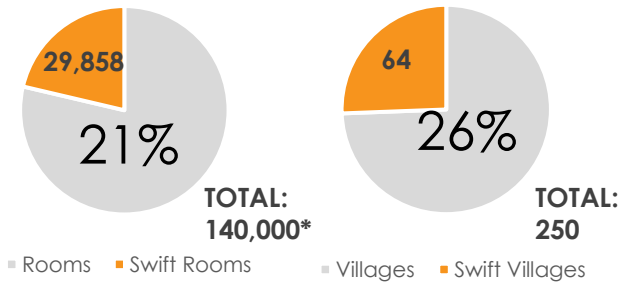
*Australia's leading DOOH health & wellbeing network in contextually relevant, captive audience environments.*



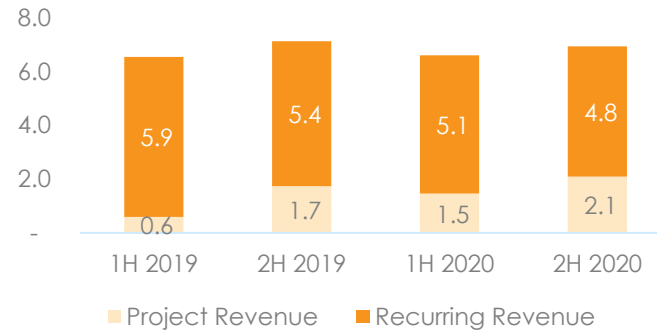
- Digital Out of Home advertising
  - Standards' compliant communication tool
  - Health & Wellbeing content designed to inform, educate and entertain patients at the point of care
  - Following strategic review, the Health & Wellbeing network has been significantly restructured to reduced costs
  - Partnership with XTD to drive national advertising growth
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- **Cost effective solution for clients whose only alternatives are expensive mass advertising and social media or hiring inhouse marketing capabilities**

# GROWTH OPPORTUNITIES: MINING AND RESOURCES

## SHARE OF ADDRESSABLE MARKET



## REVENUE IN A\$M



## OPPORTUNITY

Leverage and grow market leadership position to increase room share and build recurring revenue

## EXECUTION

- 1 Innovate product offering to better meet customer needs and changing behaviour
- 2 Target new revenue opportunities in Tier 2-3 mines to grow market share
- 3 Partner with facility managers, builders and miners to win construction jobs with recurring revenue
- 4 Productise Design/Construct and Support Services to create an end to-end competitive advantage and operational efficiencies

## KEY CLIENTS

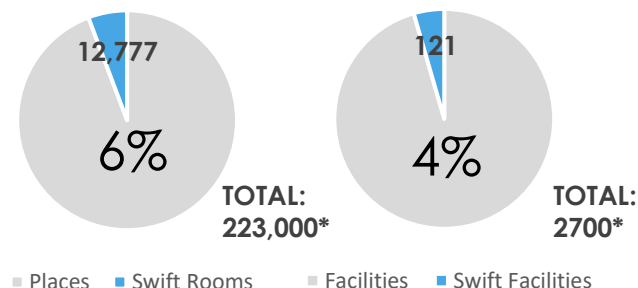


## DYNAMICS

- Strong growth in revenue increasing 50% over Q4 FY20, and 30% over the prior corresponding period.
- 200% growth in project revenue, leads to recurring revenue. 100% retention of customers, with 12 new contracts worth \$1.2m in Q1.
- Delivered \$1.8m worth of jobs for Atlas Iron, Rio Tinto and Howard Springs
- 28% increase in tenders year on year due to re-focus
- Well placed to capitalise on \$40bn Capex boom
- Strong positions in high demand commodities: Iron Ore and Gold
- Scope for increased market share growth
- Swift – solution to social isolation. Communication requirements around OHS, indigenous traditional owners and miner mental health increasing in importance
- Swift Plus for Mining: mobile, rail, exploration camps – opportunities earlier in mine lifecycle

# GROWTH OPPORTUNITES: RESIDENTIAL AGED CARE

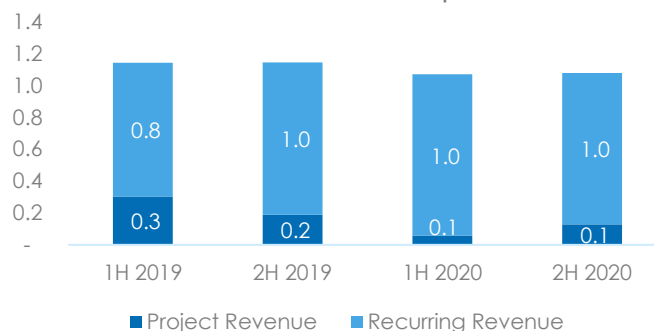
## SHARE OF ADDRESSABLE MARKET



## DYNAMICS

- While COVID-19 highlights the need for communication and social isolation solutions, access restrictions continue to be a challenge due to bio security risks
- Ensure we are well placed to drive new sales growth when access restrictions to facilities begin to lift, ongoing sales discussions at enterprise level
- Onboarded Swift Plus in 800 rooms across five Aged Care facilities – generating recurring long term revenue – including Applewood, Rivervue, Adventist Care Rossmoyne Waters, IRT and Andrew Kerr
- Positive structural trend of ageing population and Royal Commission raising standards
- Multiple adjacent growth opportunities over time

## REVENUE IN A\$M



## OPPORTUNITY

Leverage structural growth trends to drive sales growth and recurring revenues

## EXECUTION

- 1 Continue to evolve product suite to become vital for providers
- 2 Expand usage among existing customers
- 3 Target and convert new prospects to grow market share

## KEY CLIENTS



# SUMMARY AND OUTLOOK

- Strategies are beginning to show positive results – Q1 saw a 160% increase in EBITDA YOY, and cash flow has gone from -\$1.5m in Q4 to breakeven in Q1
- Swift is well placed to benefit from two long term structural growth drivers:
  - **Mining and Resources:** \$40bn mining capex boom, increase demand from remote Iron Ore, Gold, Copper and Lithium mines. Tender requests have increased 28% quarter on quarter.
  - **Aged Care:** Swift well placed to leverage positive structural trend of ageing population as access reopens.
- FY21 building for growth – strong and growing pipeline of new sales opportunities:
  - Continue to upgrade sales, processes and capabilities
  - Maintain cost discipline to drive profitable growth
  - Leverage Swift Plus in Mining and Resources and continue to roll out new Aged Care product
  - Evaluating strategic options in Health and Wellbeing
  - Consider initiatives to strengthen the balance sheet



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