

# Q1 FY21 RESULTS PRESENTATION

## TALKING POINTS

The following talking points accompany the Q1 FY21 Results presentation released to the ASX on 20 October 2020 and were delivered at the Investor Call on 21 October 2020.

**Pippa Leary, CEO:**

### **Q1 FY21 FINANCIAL HIGHLIGHTS**

Let me say upfront, we are very pleased with these results. Over the past 12 months we have had a laser-like focus on driving profitable sales, process improvements, enhancements in our delivery to customers, and the development of new product and infrastructure technologies. While there is much more to do, I am pleased to report we have made progress on each of these measures in the first quarter of FY21.

### **Highlights**

- Supported by efficiency gains, Q1 FY21 represents 160% growth in EBITDA year on year.
- Margin expansion is beginning to come through. EBITDA margin of 5% in Q1 FY21 reflects a continuing and positive trend.
- Revenue was \$5.9m, up 23.4% on Q4 FY20.
- Strong growth in Mining and Resources' revenue, increasing 50% over Q4 FY20, and 30% over the prior corresponding period.
- We also saw a 200% increase in project revenue, which is expected to convert into recurring revenue over time.
- While revenue in Aged Care was down 13% over Q4 FY20, and -10% versus the prior corresponding period, due to ongoing access restrictions from COVID-19, this was expected.
- Business' cashflow continues to improve, we were effectively operating cashflow breakeven for the quarter.
- Prudent management of cash resources by Geoff and the team saw us ending the quarter with \$1.9m net cash reserves.

We also made improvements in process and capabilities – these will support future growth and efficiencies:

- New retention strategy in Health and Wellbeing has resulted in a 100% improvement in our ability to retain existing clients.
- Hired new Chief Financial Officer, Head of Product and Project Managers.
- Strengthening reporting capabilities with a new Data Analyst.

As I have said before, we have strong growth ambitions at Swift. We aim to be a much larger company and we are building for the future. Today our sales pipelines are far stronger than they were 6 months ago, setting us up for strong growth in 2021.

## **SWIFT**

For the new investors on the call let me quickly recap on who we are: *We are a specialist technology company that provides entertainment and communication solutions to connect and engage isolated communities.*

- There's an important refinement here – we have examined our strengths and growth strategy and redefined ourselves.
- Even though our name has the word media included - media relates to the content we provide. Our unique technology, our product strength and the resulting revenue model make us a technology company rather than a media business.
- 70% of our revenue is subscription based, typically from 3-5 year contracts, where the facility owner pays a recurring license fee.
- Over the next few months, you will see us refine our metrics and drivers to reflect this.

## **GROWTH OPPORTUNITIES: MINING AND RESOURCES**

Our efforts in Q1 have set us up for strong growth across the rest of the year:

- We saw 200% growth in project revenue, which is a leading indicator of recurring revenue.
- We also retained 100% of our customers in Q1, as well as winning new contracts worth \$1.2m.

- We delivered \$1.8m worth of jobs including work for Atlas Iron, Rio Tinto and Howard Springs – the government's new COVID 19 quarantine camp in the Northern Territory. Importantly, all those jobs were delivered on budget and a number were delivered ahead of schedule.
- Process improvements in Delivery and Support are really starting to pay off. In Q1, we won \$900k of revenue from variation work.
- As a result of this refocus in Mining and Resources, we are seeing a significant increase in tender activity – 28% increase year on year.
- We are well placed to capitalise on the \$40bn Mining capex boom – especially in Iron Ore and Gold, as well as Copper and Lithium which will fuel the carbon neutral energy boom. All of these minerals are mined remotely.
- We are further refining our platform as a solution to social isolation, as well as enhancing its ability to meet compliance requirements around OHS and miner mental health. Importantly we can supply indigenous content from traditional owners that is specific to each mine location making this a must-have in terms of mine compliance.
- We will also continue to adapt Swift Plus for exploration, mobile, rail and road camps, allowing us to expand into adjacent markets and move earlier in the mine lifecycle.

#### **GROWTH OPPORTUNITIES: RESIDENTIAL AGED CARE**

- In Aged Care, access restrictions continue to be a challenge due to bio security. However, this quarter we were able to onboard Swift Plus into 800 rooms across five Aged Care facilities including: Applewood, Rivervue, Adventist Care Rossmoyne Waters, IRT and Andrew Kerr.
- We also continued to evolve the My Family My Community app to fit with Swift Plus, allowing simple communication with Aged Care residents and their families, as well as introducing advanced scheduling of notices into the Swift Plus system.
- As we've seen restrictions begin to lift in WA and SA, we've begun more aggressive outbound marketing, and this has resulted in a flurry of new sales opportunities in Q1.
- We like this sector because it has structural growth. COVID and the Royal Commission have highlighted the social isolation issue – our product solves for this. We are well placed to accelerate sales as access restrictions lift nationwide.

## SUMMARY AND OUTLOOK

In summary:

- We've had a very positive start to FY21 with 160% increase in Q1 EBITDA year on year
- Swift is well placed to benefit from two long term structural growth drivers:
  - **Mining and Resources:** \$40bn mining capex boom.
  - **Aged Care:** well placed to leverage positive structural trend of ageing population as access reopens.
- We are now starting to look with more confidence at the rest of FY21.
- We are building for growth – we do want to be a much larger business and to achieve this we will continue to upgrade our sales capability, our technology and our processes in order to drive profitable growth, but there is more to do.
- We have a strong and growing pipeline of new sales opportunities and I look forward to updating you as we progress.

**END**

## ABOUT SWIFT MEDIA LIMITED

Swift Media is a specialist technology company delivering premium entertainment, communications, and advertising to an audience of 5M+ via 60,000 digital assets nationally across Mining and Resources, Residential Aged Care and Health & Wellbeing environments. We connect and engage communities through entertainment and communications solutions.

This announcement was approved and authorised for release by the Continuous Disclosure Committee.

### FOR MORE INFORMATION, PLEASE CONTACT:

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