SWIFT

ASX: SW1

INVESTOR PRESENTATION SEPTEMBER 2019

Darren Smorgon, Chairman
Pippa Leary, CEO
George Nicholls, CFO

SWIFT MEDIA

TRANSITIONING TO THE FUTURE

Swift is a specialist media company delivering a high proportion of recurring subscription revenue in Mining and Aged Care, complemented by advertising revenues in Health and Wellness.

- Swift Media explained
- New CEO observations
- Swift at a glance
- Growth strategies
- Key financials
- Execution priorities
- Summary

NEW CEO OBSERVATIONS

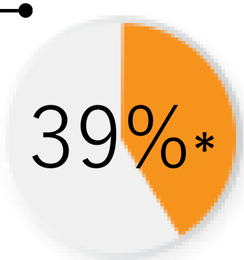
- Strong capabilities. Scalable technology.
  Leading market position in the key market of Resources.
- Medical Media acquisition performing to plan.
  Provides a growth runway in the Health + Wellness vertical.
- Residential Aged Care, national advertising in Health + Wellness and increasing market share in Resources are substantial growth opportunities and key priorities.
- FY20 is a transition year: increase understanding of customer needs, enhance product set and upgrade sales and marketing capabilities.
- Clear execution road map with new hires, R&D investments, strong capital disciplines, targets and accountability.
- Committed to an open and transparent ongoing dialogue with the market

SWIFT AT A GLANCE

MINING AND RESOURCES

33,000 ROOMS
43 SITES

MARKET SHARE
BY SCREENS



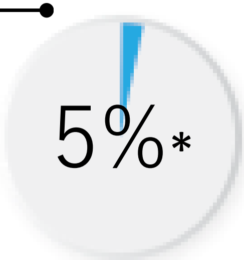
MEDIUM
GROWTH POTENTIAL

- Rio Tinto
- BHP
- Chevron
- Hancock Prospecting

RESIDENTIAL AGED CARE

12,600 ROOMS
134 SITES

MARKET SHARE
BY SCREENS



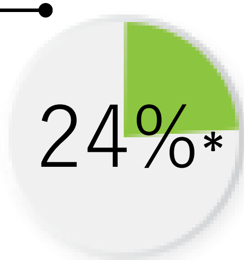
HIGH
GROWTH POTENTIAL

- Helping Hands
- Uniting Aged Care
- McKenzie
- Regis
- Allity

HEALTH AND WELLBEING

2,200 SCREENS
1,695 SITES

MARKET SHARE
BY SCREENS



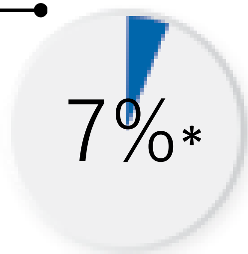
HIGH
GROWTH POTENTIAL

- Amgen
- Astra Zeneca
- Dept Health
- Medtronic
- Starlight Foundation

HOSPITALITY AND OTHER

17,100 ROOMS
132 SITES

MARKET SHARE
BY SCREENS



LOW
GROWTH POTENTIAL

- Peppers
- Raddison
- Holiday Inn
- QT
- Hilton

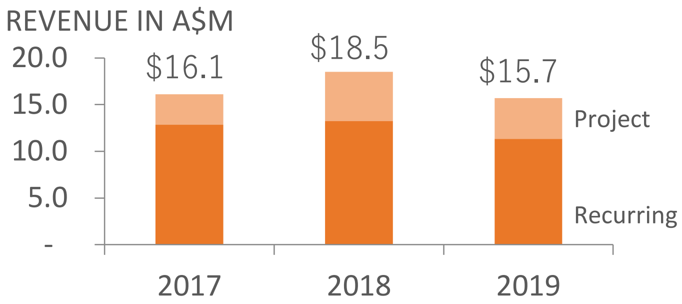
* NB. Management estimate

GROWTH OPPORTUNITES: **MINING AND RESOURCES**

MARKET SIZE

115,000
Rooms in remote camps

250+
Sites in remote camps



DYNAMICS

- Superior, broader offering than entertainment only providers
- Structural tailwinds of mine compliance and miner welfare
- Plan underway to develop competitive offering to BYOD / BYOS
- 18 months sales cycle
- Recurring revenue per room per month plus project revenue
- Attractive working capital terms
- Typical contract term 3 years with a 2 year option

OPPORTUNITY

Leverage and grow market leadership position to increase room share

EXECUTION

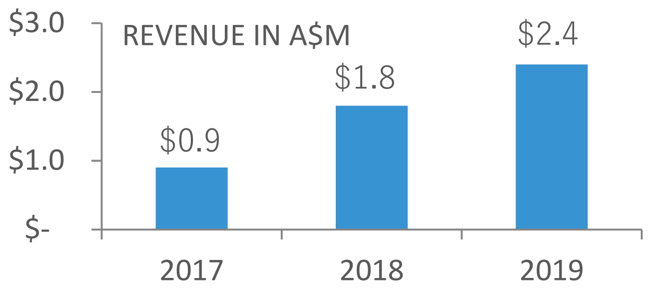
1. Improve the product to reflect changing customer behaviour (BYOD/BYOS) and continue to add content and additional services
2. Deepen sales and support capabilities
3. Enhance distribution network through resellers, facility managers and camp builder relationships

GROWTH OPPORTUNITES: **RESIDENTIAL AGED CARE**

MARKET SIZE:

207,000
Residential Aged Care Places*

2,700
Residential Aged Care Facilities*



OPPORTUNITY

Improve product to accelerate growth and become clear leader in residential aged care.

EXECUTION

1. Work with operators to evolve product to better meet needs of residents and carers
2. Improve technology and enable expansion into new markets
3. Build a high performing sales, delivery andmarketing team that deeply understands customer needs to targe convert and retain providers

DYNAMICS

- Long term growth runway
- Low penetration of entertainment and communications providers today
- Structural tailwinds due to Royal Commission recommendation to improve quality of care and ageing population
- 4-18 months sales cycle depending on size of provider
- Recurring revenue per room per month
- Scope for margin expansion at scale due to low content costs
- Typical contract term 3 years

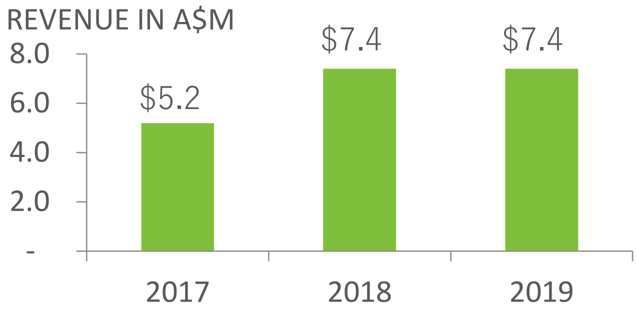
*Source: Australian Institute of Health and Welfare, GEN Aged Care Data, 30 June 2018

GROWTH OPPORTUNITES: **HEALTH & WELLNESS**

MARKET SIZE

7,500
GP Practices

$25-30M
Immediately Addressable National Advertising Spend



DYNAMICS

- DOOH is growing faster than all other forms of media
- Significant dwell times compared to other DOOH
- Well structured market with low competitive intensity
- Competitive differentiator: broader content and local advertising
- 4-6 weeks sales cycle for local; 3 months for national
- Typical contract term 2 years
- $3k per screen capex cost, $2k pa in local advertiser contract value
- New CRM expected to improve historical high churn rates
- Scope for margins to reach group average at scale
- Multiple adjacent growth opportunities over time

OPPORTUNITY

Scale by increasing screen network size, quality and utilisation. Expand offering to national advertisers.

EXECUTION

1. Expand screen network to increase national advertisers and local SME leads
2. Reposition brand and evolve content to "health and wellness"
3. Invest further in sales capabilities and leverage CRM to increase sales effectiveness, yield and retention

MEDICAL MEDIA: PERFORMING TO PLAN

CONTENT REACHING
OVER 5 MILLION VIEWERS EVERY MONTH*

PATIENTS AVERAGE
35 MINUTES
IN THE PRESENCE OF A SCREEN

PORTFOLIO OF
OVER 2,300 SME ADVERTISERS

GROWING NUMBER OF
NATIONAL ADVERTISERS

As well as expanding in hyper local and regional advertising, Medical Media has begun to expand its portfolio of national advertisers.

Workforce restructuring and re-negotiation of material supplier contracts undertaken to realise cost synergies.

Investment underway to build a Customer Relationship Management (CRM) system to improve customer conversion, retention, satisfaction rates.

Exploring other opportunities to increase screen network footprint in Health and Wellness market.

1. **ESTABLISH SCREENS**
2. **ENGAGE CONSUMER**
3. **SELL CONTEXTUAL ADVERTISING**

*Source: GP Practices and management estimates

CUSTOMER AND MARKET INSIGHTS

	Mining and Resources	Aged Care	Health and Wellness
Structural Trends	• 57 new projects will require 21,000 new onsite workers by 2024*	• Royal commission increase requirements for residential aged care providers • Ageing population	• National advertising spend in DOOH steadily increasing • Video marketing dominates across fragmented market
Customer Requirements	• Mine operators need to communicate one to one with employees • Increasing compliance, safety and miner wellbeing obligations	• Needing to address dementia and social isolation • Time poor, non-English speaking carers	• Practices need ability to communicate with their patients • Advertisers want targeted audiences
Market Dynamics	• Shift towards BYOD and BYOS • Entertainment only offerings perceived to be too expensive	• Pressure on facility margins • Interest in value added services to attract new residents	• SME buyers • GP market contested but barriers to entry for new players • Large health focused national advertising opportunity

*Source: 2019 – 2024 Workforce report: Australian Resources and Energy Group (AMMA)

FINANCIAL TRACK RECORD

CONSISTENTLY GROWING RECURRING REVENUE

Swift has historically grown revenues through a combination of organic and inorganic initiatives to establish a presence in its target market verticals whilst delivering profitability and cash flow.

Key financial highlights	2017	2018	2019
Revenue	17.0	22.3	24.7
Recurring revenue	12.8	16.1	18.0
Underlying EBITDA	1.0	2.7	2.4
Margin	5.8%	12.0%	9.5%
Operating cash flows	(0.1)	2.6	0.2*
Cash receipts	16.2	20.8	18.2
Earnings per share	(1.6)	(6.9)	(5.2)

*$2.55m of costs relating to the acquisition and integration of Medical Media are included in Operating Cash Flow of the Statement of Cash Flows in the FY 2019 Annual Financial Statements

FY19 RESULTS SUMMARY

INVESTING FOR LONG TERM GROWTH

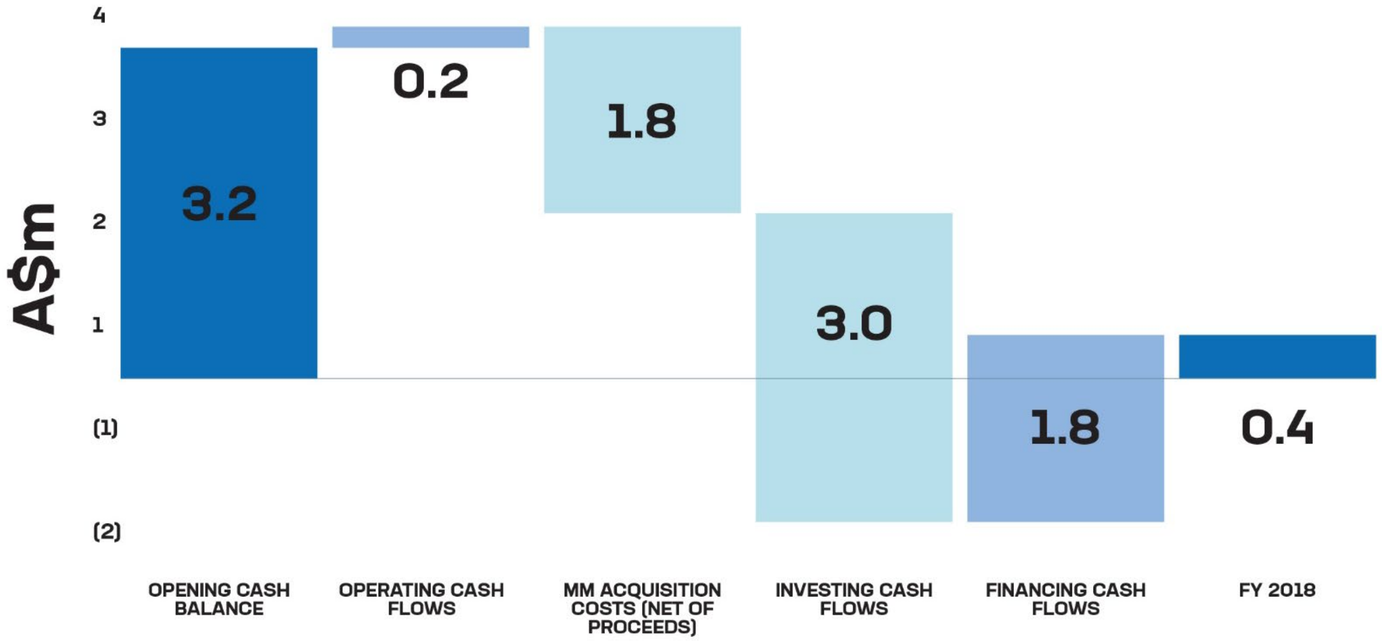
	2018 (A$m)	2019 (A$m)	Comments
Revenue	22.3	24.7	Inclusive of $2.6m from Medical Media acquisition
Underlying EBITDA	2.7	2.4	
Depreciation, amortisation and impairment	(2.5)	(4.1)	Includes impairment charges of $629k
Other	(0.2)	(2.6)	Acquisition related integration and restructuring costs
FV adjustments	(5,7)	(1.5)	Non-cash year end adjustment to the fair value of financial liabilities in respect of various performance shares
SBP	(1.7)	(1.2)	Share based payments issued to executives to be settled in equity subject to vesting conditions in the future
Interest and Tax	(0.3)	0.1	
NPAT	(7.7)	(6.9)	

FY20 is a transition year as Swift undertakes the following:

- Exiting non-core business activities such as student accommodation, maritime and e-sports
- Integrate the Medical Media business
- Invest in product development capabilities, eg. hiring CCO, Product Managers, BA.
- Invest in sales and marketing capabilities, eg. new CRM, 5 new FTEs in Aged Care sales

FY19 CASH FLOW

CONTINUED INVESTMENT FOR FUTURE GROWTH



Historical positive operating cash flows provided Swift the flexibility to offer deferred payment terms for material new customer contracts.

Existing cash reserves invested in:

- Medical Media acquisition
- Swift platform enhancements
- NetSuite Enterprise Resource Planning (ERP) system

At reporting date Swift has undrawn facilities of $2m available with BankWest and is fully compliant with its covenants.

EXECUTION PRIORITIES

STRUCTURED AND DISCIPLINED APPROACH TO DELIVERING RESULTS

- Build on existing foundations in core verticals
- Year of transition and consolidation
- Ongoing growth and investments to build scale

Q1

Exiting non-core businesses, eg. student accommodation, maritime and e-sports

Identified skills gaps in customer research and product development

Delivered high level business strategy

Hired Chief Customer and Strategy Officer

Q2

Deepening customer expertise in residential Aged Care

Implement CRM

Broaden skillset on Board

Q3

Establish sales and service model and hire Head of Enterprise Sales for Aged Care

Explore screen acquisition opportunities to scale network in Health and Wellness

Q4

Launch “Swift Plus”, tailored product for Aged Care

New hires in Aged Care sales and delivery team

Evolve product in Mining and Resources

SUMMARY

- FY20 transition year as we enhance product, make growth investments, upgrade skillsets and position the business for long term sustainable growth
- Profitable core business in Mining and Resources with strong growth opportunities in Aged Care, Wealth and Wellness
- New chair, CEO, CCO and ongoing board refresh
- Strong focus on key priorities:
  1. Upgrade our product offering in residential Aged Care to accelerate growth
  2. Leverage our market leading position in Resources and Mining to increase share
  3. Scale Health and Wellness by improving and expanding the screen network and increase national advertising
- Commitment to open and transparent engagement with investment community

Appendix

MINING & AGED CARE SERVICES ON SWIFT TV'S