

# H1 FY25 Investor Presentation

**27 February 2025**

Mach7 Technologies develops innovative image management and viewing solutions that form the core of an integrated enterprise imaging ecosystem.

# Agenda

1 Business Overview

2 H1 FY25 Results

3 Outlook



**Mike Lampron** | CEO



**Dyan O'Herne** | CFO



# Business Overview

# Our Business

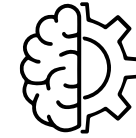


## Our Purpose

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To enable exceptional patient care by empowering healthcare providers to make more informed decisions.

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## Our Offering

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Innovative data storage, management and image viewing solutions for the healthcare enterprise.

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# Our Value Proposition



## Global Company with a Personal Touch



A future-proof solution built on a modern technology stack that allows customers to grow, adapt and innovate.



Personalised customer service and support to ensure product stability, optimal performance and user satisfaction.

## Unique Deployment Flexibility



Vendor neutral solutions give independence; modular products allow select deployments.



Capable of being used on existing IT infrastructures to leverage existing investments.



Deploy on premise or in the cloud with integration to the latest technology platforms.

## Lasting Technology Built for the Entire Enterprise



A software-only solution designed for the whole healthcare organisation.



A highly performant Enterprise Imaging Platform with robust interoperability and scalability to adapt to changing needs.



A best of breed single universal viewing and data management platform to unify patient records.



Support for telemedicine, teleradiology and tele-mammography workflows.



A secure solution designed to incorporate the latest advanced applications including AI algorithms, analytics and business intelligence tools.

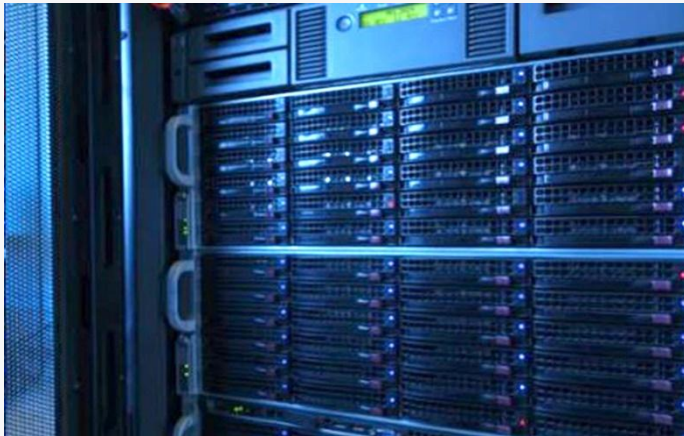
# Our Solution: Enterprise Imaging Platform



## Enterprise Data Management

### Vendor Neutral Archive

- ✓ Consolidate **ALL** images across the enterprise
- ✓ Allows customers to take control of their data
- ✓ Leverage existing IT infrastructure
- ✓ Store in native format or wrap in DICOM
- ✓ On-premise or via **Cloud** infrastructure



## Enterprise Diagnostic Viewing

### eUnity Enterprise Diagnostic Viewer

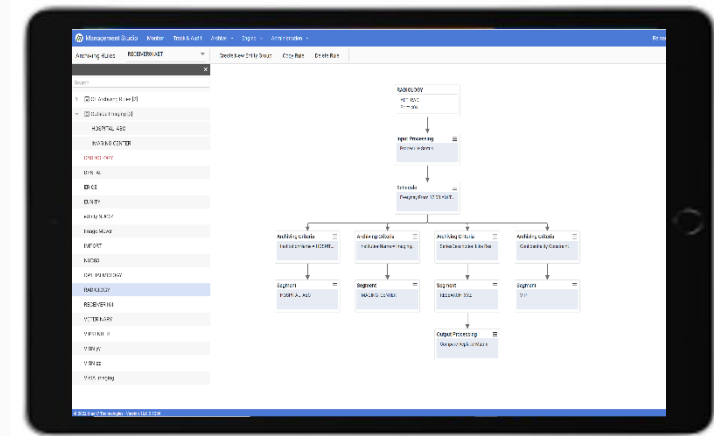
- ✓ Zero footprint HTML-5 viewer; 100% fidelity
- ✓ Virtual aggregation of imaging data across the enterprise
- ✓ 3D/MIP/MPR/**Mammography**/Pet CT
- ✓ Image enable the EMR
- ✓ Image enablement for downtime PACS solution
- ✓ Research and **AI** test platform



## Workflow Orchestration

### Communication Workflow Engine

- ✓ Data Normalisation through Dicom Tag Morphing
- ✓ Dicom Routing for complex workflows
- ✓ Sophisticated **AI Workflow Optimisation**
- ✓ Data anonymisation
- ✓ Image lifecycle management
- ✓ HL7 and clinical event-based rules engine





# Our Strategic Priorities



Leverage strategic pillars to drive next phase of growth



## Cloud Enablement

Leverage cloud-based APIs and storage models to provide greater flexibility for IT deployment strategy.



## Service and Supportability

Utilise proven, industry-standard applications and technologies to increase the speed of implementations and problem resolution.



## Integration and Interoperability

Continue expanding our independent, deconstructed model with streamlined plug-and-play interoperability across the healthcare ecosystem.





# Our Innovation: UnityVue

## A next-generation radiology reading solution

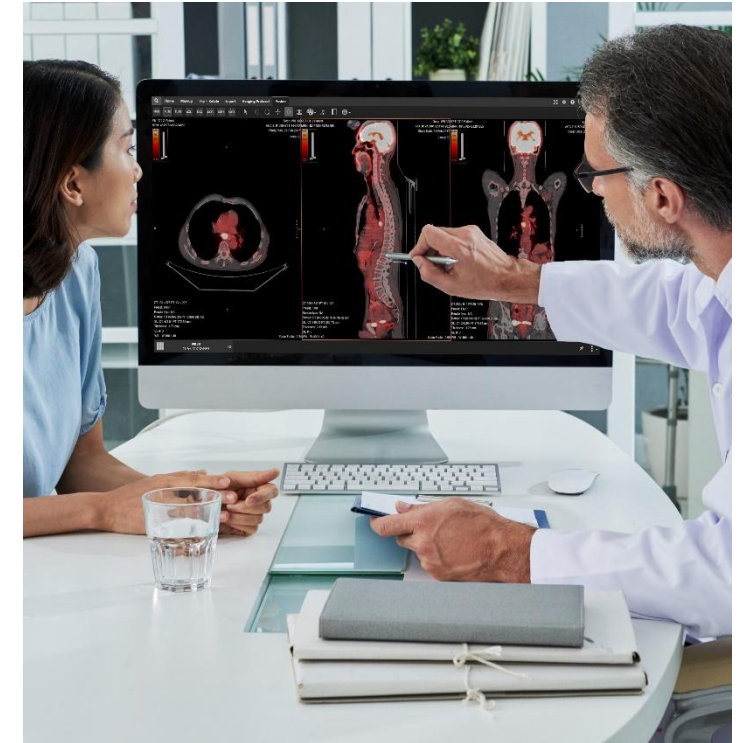
**UnityVue** is a transformative overlay or alternative to legacy PACS systems.

Its unified worklist and viewer deliver essential tools and information, enhancing radiologists' efficiency and well-being, through its intuitive, stress-reducing workflow experience.

Our focus is on large **Integrated delivery networks (IDNs)**, hospital systems and Radiology Group practices with multiple PACS solutions

**IDNs** are becoming a dominant force in US healthcare with 1,100 IDNs across the US (April 2024)

**Radiology Group Practices** continue to consolidate. There are over 1,575 practices with 10 or more radiologists in the US performing at least 500k+ studies per annum



**UnityVue merges NewVue's workflow orchestration with Mach7's image management to transform radiology practices and IDNs**

**Watch the Product Video here**



# Our Progress Against Strategy



Strengthening business and competitive positioning

## Team

- ✓ Realign sales team to focus on net new sales and customer success
- ✓ Investment in three strategic pillars in H1 FY25
- ✓ Implement cost out initiatives to drive operating leverage and progress towards target for ARR to cover OPEX and profitability

## Customers

- ✓ Focus on net new logos and conversion of a large and diverse pipeline of opportunities
- ✓ Continue to leverage installed base to drive sales orders and revenue growth
- ✓ Creation of dedicated Customer Success Team to enhance customer intimacy

## Product

- ✓ Leverage investment in product innovation to demonstrate customer-centric mindset and increase scalability of the business
- ✓ Positive feedback received from customers on UnityVue offering

# H1 FY25 Results



# H1 FY25 in Review

## Positioning Mach7 for long-term growth

- ① Delivered strong growth in CARR, ARR and revenue
- ② Achieved positive EBITDA and NPATA as strong revenue growth and cost discipline drove operating leverage and further progress towards Recurring Revenue covering OPEX
- ③ Invested in people, processes and tools to drive growth and innovation
- ④ Initiated on-market buy-back program as part of Mach7's ongoing capital management strategy
- ⑤ Strong financial position with no debt.
- ⑥ Reaffirm FY25 guidance for CARR and revenue growth of 15-25% and OPEX growth to be less than revenue growth



# H1 FY25 Financial Highlights



**A\$17.7M**

**Revenue**

+A\$4.4M or +33% on PCP<sup>1</sup>  
On track to meet FY25  
Guidance<sup>2</sup>

**A\$12.6M**

**Recurring Revenue<sup>3</sup>**

+A\$2.8M or +28% on PCP  
71% of total revenue  
(PCP: 74%)  
80% of OPEX (PCP: 72%)

**A\$31.8M**

**CARR<sup>4</sup>**

+A\$5M or +19% on PCP  
On track to meet FY25  
Guidance<sup>2</sup>

**A\$25.1M**

**ARR<sup>5</sup> Run Rate**

+A\$6.5M or +35% on PCP  
~80% of OPEX (PCP: ~65%)

**A\$15.8M**

**Operating Expenses**

A\$2.1M or +15% on PCP  
On track to meet FY25  
Guidance<sup>2</sup>

**A\$0.8M**

**EBITDA (adjusted)<sup>6</sup>**

(PCP: -A\$1.6M)

**A\$1.4M**

**NPATA<sup>7</sup>**

(PCP: -A\$1.2M)

**NPAT -A\$1.9M**

(PCP: -A\$4.6M)

**A\$23.6M**

**Closing Cash**

(PCP: A\$22.7M)  
A\$25.3M at 29 Jan 2025  
Strong financial position  
with no debt

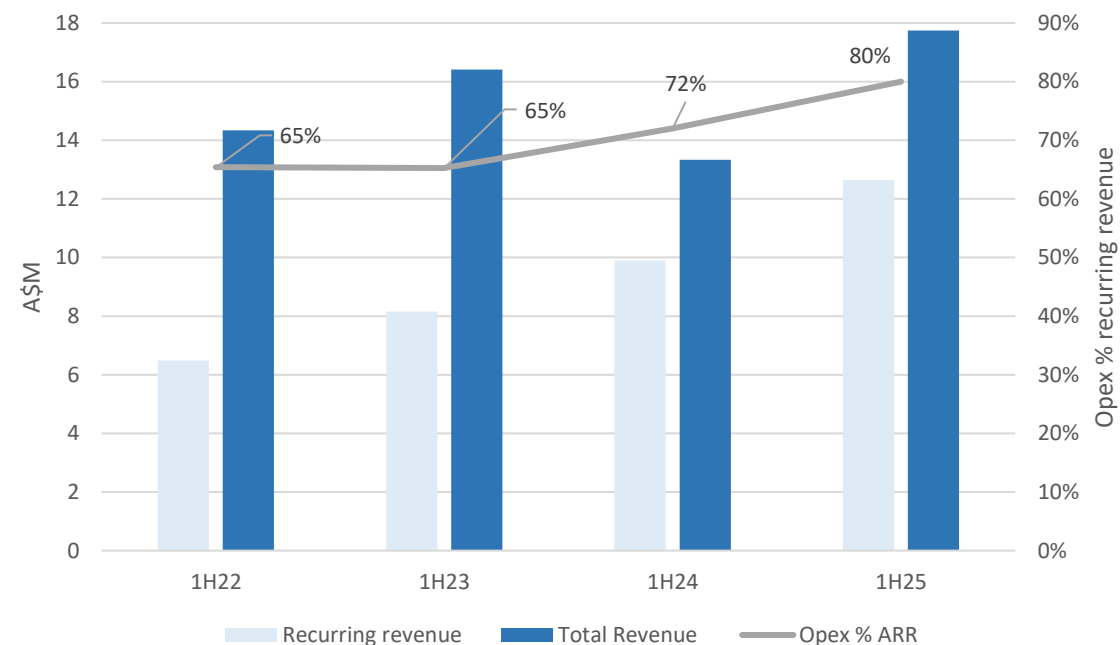
1. PCP – Prior Corresponding Period; 2. FY25 guidance is for 15-25% growth in CARR and revenue on pcp and for opex growth to be less than revenue growth; 3. Recurring revenue consists of Subscription revenue and Maintenance and Support revenue recognised; 4. CARR: Contracted Annual Recurring Revenue; 5. Annual Recurring Revenue (ARR) is revenue earned from Subscription and Maintenance and Support fees at the end of June / December, annualised; 6. EBITDA adjusted for net unrealised foreign exchange movements and non-cash share-based payments; 7. NPATA: (Net Profit After Tax and before Amortisation) is NPAT adjusted for amortisation of acquired intangibles.

# 33% Revenue Growth on PCP

## Recurring revenue up 28% on PCP

- **Revenue** of A\$17.7M, up 33% on PCP (H1 FY24: A\$13.3M). On track to meet FY25 guidance
- **Recurring Revenue** of A\$12.6M, up 28% on PCP, accounting for 71% of total revenue (H1 FY24: 74%) and representing 80% of OPEX (H1 FY24: 72%)
- **Professional Services Revenue** of A\$1.5M, down 9% and represents 9% of total revenue (H1 FY24: A\$1.7M; 13% of total revenue)
- **Capital Licence Revenue** of A\$3.5M up 105% on PCP due to add-on and expansion orders from existing customers (20% of total revenue). (H1 FY24: A\$1.7M; 13% of total revenue)<sup>1</sup>
- **Product revenue** split similar to H1 FY24 at approximately 60/40 between VNA and Viewer

### High quality recurring revenue covering 80% OPEX



	H1 FY25	H1 FY24	% Change
Enterprise Diagnostic Viewer (eUnity)	7.0	5.6	25%
Enterprise Data Management (VNA) <sup>2</sup>	10.7	7.7	39%
<b>Total</b>	<b>17.7</b>	<b>13.3</b>	<b>33%</b>

1. Mach7 will continue to have some component of capital licences especially for customers in the APAC region  
2. Includes departmental workflow applications



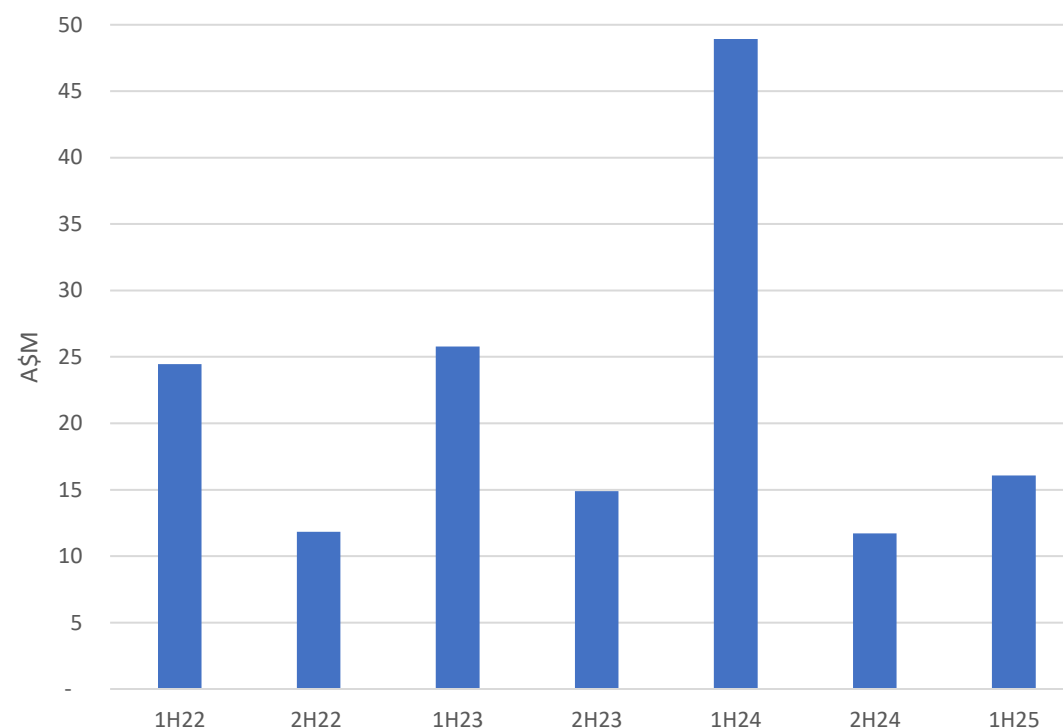
# Focused on conversion of strong pipeline



New contracts with existing customers demonstrate success of “land & expand” model

- **Sales orders** of A\$16.2M (TCV) compared to A\$49.5M in H1 FY24 which was a large renewal period with record sales orders
- **Annual Recurring Revenue (ARR)-type Sales of A\$10.1M** (62% of sales orders) representing Subscription and Maintenance and Support Fees. Recognised as revenue when customer achieves FPU or from date of renewal (H1 FY24: A\$43.0M, 87% of sales orders due to the shift to Subscription sales and the large renewal program in FY24)
- **Capital Software Sales of A\$3.5M** (22% of sales orders) primarily for existing customer add-on and expansion orders (H1 FY24: A\$1.6M, 3% of sales orders)
- **Professional Services Sales of A\$2.6M** (16% of sales orders), decreased compared to PCP (H1 FY24: A\$4.9M, 10% of sales orders)

Sales orders by half – TCV in constant currency<sup>1</sup>



1. Constant Currency - At average exchange rate for H1 FY25 of AUD/USD \$0.66

# Strong revenue growth and cost discipline drive positive EBITDA



On track to achieve FY25 guidance for revenue and opex growth

- **OPEX growth of 15%** includes targeted investment in three strategic pillars alongside careful cost management and enhanced operating leverage within the business
- **EBITDA (adjusted)** of A\$0.8M showing significant improvement over PCP (H1 FY24: -A\$1.6M)
- **NPATA of A\$1.4M and NPAT of -A\$1.9M** improved due to significant revenue growth and cost discipline. In the absence of amortisation for acquired intangibles, Mach7 had a profitable half year
- **Cash Receipts** from customers increased by 3% to A\$15.9M due to timing of contract milestones and ARR renewals
- **Operating Cash flow** of -A\$2.5M reflected specific investment in strategic pillars
- **A\$23.6M cash** at 31 December 2024 and no debt. At 29 January 2025, Mach7 had cash of A\$25.3M

Earnings (A\$M) <sup>1</sup>	H1 FY25	H1 FY24	\$ Change	% Change
Revenue	17.7M	13.3M	4.4M	33%
Cost of sales	(1.0M)	(1.0M)	-	-
Gross Margins %	94%	92%	-	-
Operating Expenses	(15.8M)	(13.7M)	(2.1M)	15%
EBITDA	0.5M	(2.3M)	2.8M	(121%)
EBITDA (adjusted) <sup>2</sup>	0.8M	(1.6M)	2.4M	(152%)
NPATA <sup>3</sup>	1.4M	(1.2M)	2.6M	(214%)
NPAT	(1.9M)	(4.6M)	2.8M	(60%)

Cashflow (A\$M) <sup>1</sup>	H1 FY25	H1 FY24	\$ Change	% Change
Cash Receipts	15.9M	15.5M	0.4M	3%
Net Operating CF	(2.5M)	(0.2M)	(2.3M)	1150%
Closing Cash Balance	23.6M	22.7M	0.9M	4%

1. Note there may be some minor differences due to rounding

2. EBITDA adjusted for unrealised net foreign exchange movements and non-cash share-based payments expense

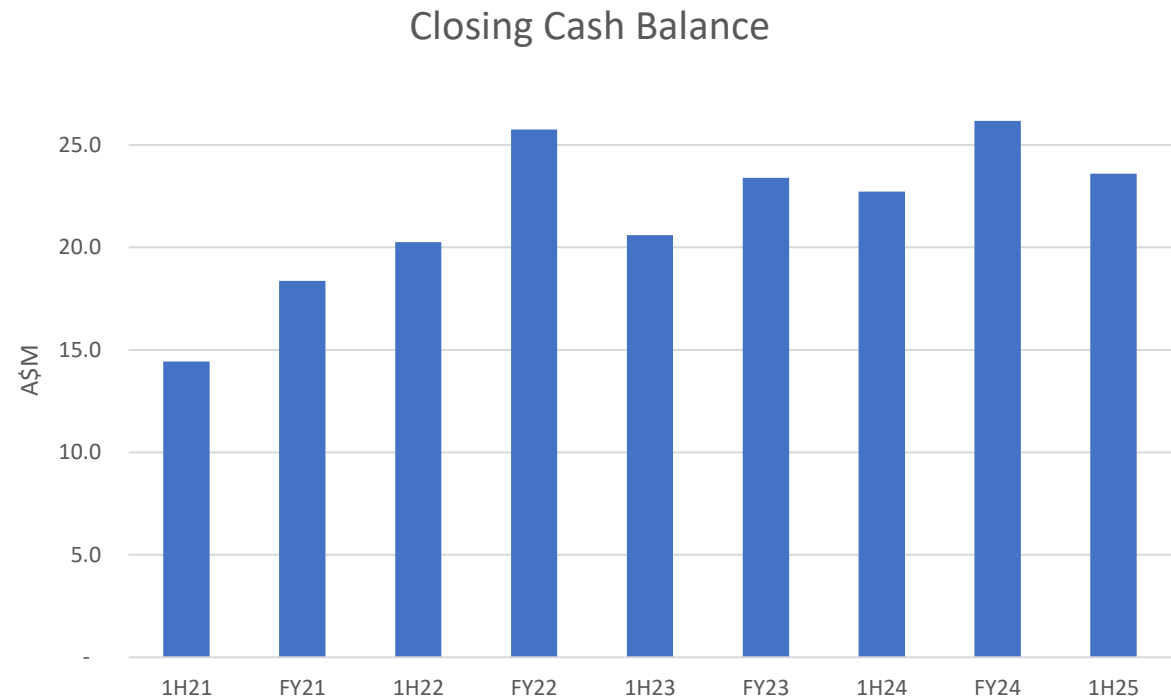
3. NPATA: (Net Profit After Tax and before Amortisation) is NPAT adjusted for amortisation of acquired intangibles

# Strong financial position with no debt



On-market share buy-back of up to A\$5M expected to commence in March 2025

- Cash on hand of A\$23.6M at 31 December 2024, up 4% on 31 December 2023 (A\$22.7M); A\$25.3M at 29 Jan 2025. Mach7 has no debt
- Transition to predominantly Subscription sales orders during FY24 has had little impact on cashflow, reflecting disciplined cash management
- Total receipts from customers of A\$15.9M, up 3% on PCP (H1 FY24: A\$15.5M)
- Total payments to suppliers increased by 18% when compared to PCP. The increase includes targeted investments for our three strategic pillars.
- H1 FY25, total capitalised development costs associated with R&D projects were A\$0.5M
- On-market share buy-back announced 30 January 2025 reflects strong cash inflows and Board's confidence in Mach7's future growth prospects





# Outlook





# Outlook



- As the healthcare landscape continues to evolve, Mach7 is perfectly aligned to compete in both acute and non-acute settings.
- We have realigned our sales team to have absolute focus on net new wins along with the creation of a customer success team to concentrate on existing business “land and expand” opportunities.
- Looking ahead, Mach7’s sales pipeline remains robust and diverse across regions, care settings and product offerings.
- We remain confident in our ability to execute and deliver value to our customers throughout FY25.

## Reaffirm FY25 guidance

CARR  
growth

15-25%

Revenue  
growth

15-25%

Opex  
growth  
<  
Revenue  
growth

## Contact Us

### **Investor Relations, Mach7**

Françoise Dixon  
+61 (0) 412 292 977  
[ir@mach7t.com](mailto:ir@mach7t.com)

Registered Office: Level 4 | 100 Albert Road,  
South Melbourne, VIC

This document was authorised for release to the  
ASX by Mike Lampron, Managing Director and  
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Mach7 Technologies



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