

# H1 FY24 Results Presentation.

The Swift logo is a circular emblem with a blue-to-purple gradient. The word "swift" is written in a white, lowercase, sans-serif font across the center. A thin, light blue arc is visible in the background, curving around the top and right sides of the logo.

**swift**

Brian Mangano CEO  
Ryan Sofoulis CFO

**28 February 2024**



# H1 FY24 Financial Highlights.



Revenue  
**\$9.5m**

Enterprise  
EBITDA  
**\$1.4m**

Group  
EBITDA  
**\$0.9m**

Subscription  
Revenue  
**\$7.0m**

Swift  
Access  
sales  
CAGR  
**85%**

Cash  
Position  
**\$2.5m**

▲ **125%**

**Strong results driven by trend toward higher margin products**

# We deliver.

Swift delivers truly customer-centric end-to-end solutions by transforming the Television from a passive entertainment device into an interactive experience at the heart of any community.

The Swift Access device can take any TV beyond the “Smart” TV of today to the next level – “**Smarter than a Smart TV**”



## Entertain Engage Enable

Better than at home. **Content** specifically curated for the **Mining** and **Aged Care** sectors.

[+ more](#)

Customisable **personalised** communications. Features and tools to improve inclusivity and belonging. Facility **integration**.

[+ more](#)

**ICT** services, network **infrastructure** and **support**. Product adaptations for accessibility and inclusivity. State of the art user interface.

[+ more](#)

# Our products.

Swift's **Entertain-Engage-Enable** come to life with Swift Access across different managed communities

## Mining.

Create a **resort style** experience

Powered by proprietary **low bandwidth** technology

Easy-to-use **content management** system for site and company information

Ability to interrupt viewing to **deliver alerts and messages**

**Specialist content** to support mental health and wellbeing in a physically isolated environment



## Aged Care.

Create a **personalised** experience

Platform to **share** information and **build community** to reduce emotional isolation

Unique features and tools for **inclusivity** and communication

Specialist **content curated** for residential aged care





# Results summary.



\$ millions	H1 FY24	H1 FY23	%
Subscription Revenue	7.0	6.9	1%
Project Revenue	2.5	2.7	(7%)
<b>Total Revenue</b>	<b>9.5</b>	<b>9.6</b>	<b>(1%)</b>
Operating Expenses (Enterprise)	(8.1)	(8.7)	7%
Corporate Expenses (Listing costs)	(0.5)	(0.5)	-
<b>EBITDA</b>	<b>0.9</b>	<b>0.4</b>	<b>125%</b>
Corporate Expenses (add back)	0.5	0.5	-
<b>Enterprise EBITDA</b>	<b>1.4</b>	<b>0.9</b>	<b>56%</b>

## Key points.

- EBITDA up 125% against prior corresponding period.
- Subscription revenue is influenced by the following factors:
  - Movement in product mix balance from largely reselling Foxtel entertainment only package.
  - Increase in Swift Access screen sales which drives margin improvement due to lower direct cost of sales.
  - Lead time between Swift Access sale and Subscription revenue generation.
  - Client site scheduling for system installation work.
  - New SaaS Aged Care Engagement (ACE) Subscription will deliver significant margin improvement.
- FY24 H1 project revenue is down 7% due to client timing of installation activities and delays of general communications upgrade work within some sections of the Mining sector as a result of commodity pricing.
- Operating margins/costs improved by \$600,000 for the half.
- FY24 H1 Enterprise EBITDA \$1.4 million for the half continues to demonstrate the potential profitability of the underlying business.
- Operating overheads remained low, even with additional inflationary cost pressures on the business.

EBITDA (earnings before interest, income tax expense, depreciation and amortisation) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS which has been adjusted to eliminate the effects of tax, depreciation and amortisation, fair value adjustments, impairment expenses, loss on disposal of assets and other one-off items including restructuring costs. In the prior year.

# Balance sheet.



\$ millions	31 December 2023	30 June 2023
Cash	2.5	2.1
Receivables	2.5	3.2
Inventory	0.7	1.5
Other current assets	0.7	0.6
<b>Total current assets</b>	<b>6.4</b>	<b>7.4</b>
Intangible assets	2.6	2.4
Other non-current assets	1.2	1.7
<b>Total non-current assets</b>	<b>3.8</b>	<b>4.1</b>
<b>Total assets</b>	<b>10.2</b>	<b>11.5</b>
Trade and other payables	5.7	6.2
Other current liabilities	2.3	2.9
<b>Total current liabilities</b>	<b>8.0</b>	<b>9.1</b>
Non-current borrowings	6.4	6.4
Other non-current liabilities	1.6	1.7
<b>Total non-current liabilities</b>	<b>8.0</b>	<b>8.1</b>
<b>Total liabilities</b>	<b>16.0</b>	<b>17.2</b>
<b>Net assets</b>	<b>(5.8)</b>	<b>(5.7)</b>
<b>Total equity</b>	<b>(5.8)</b>	<b>(5.7)</b>

## Key points.

- Cash balance \$2.5 million up 19% from 30 June 2023.
- Reduction in Receivables and Inventory working capital lock up largely offset by reduction in current liability position.
- \$1.1 million improvement to current liability position.
- Intangible assets reflect continuing operations current technological investment.
- \$215,000 investment in ASX listed business.
- \$261,000 reduction in Borrowings and associated costs.
- Total Equity position of the company remains stable.

# Cash flow summary.

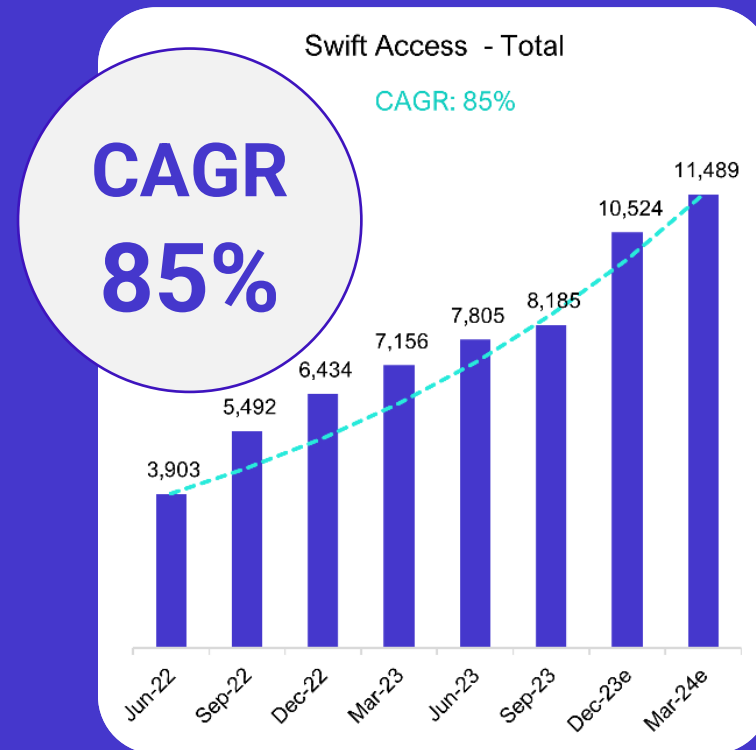
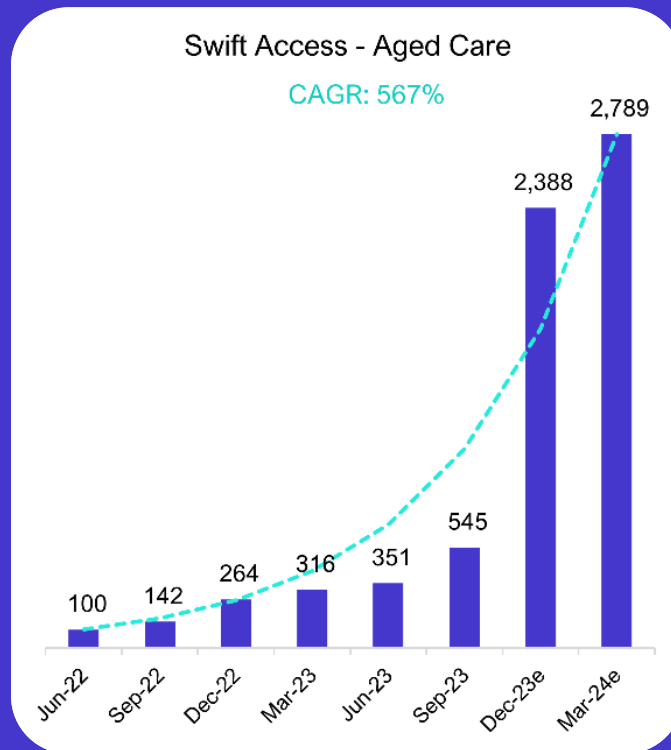
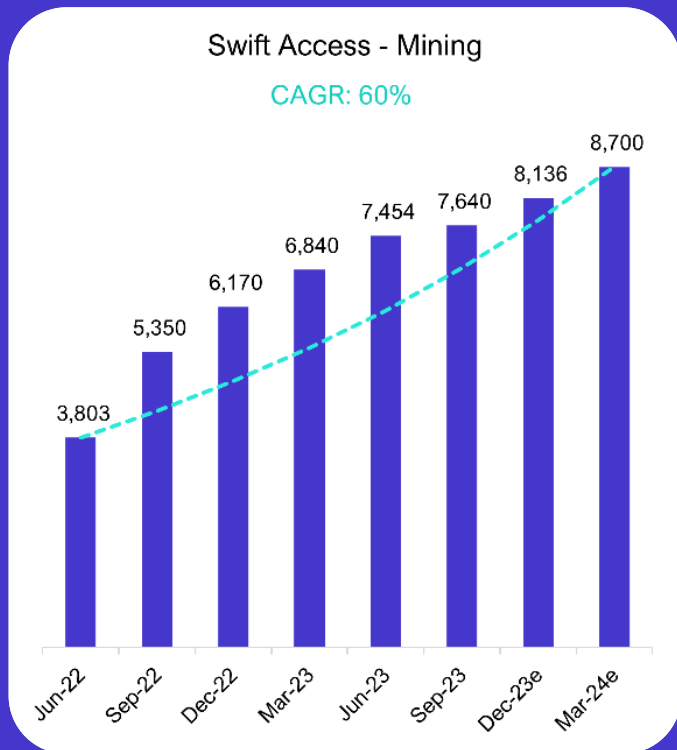


\$ millions	H1 FY24	H1 FY23
Cash receipts from operations	9.6	9.2
Cash payments for operations	(9.6)	(9.5)
Finance costs	(0.4)	(0.5)
Interest received	-	-
Government grants	-	-
R&D income	1.4	-
<b>Cash generated from operations</b>	<b>1.0</b>	<b>(0.8)</b>
Purchase of property, plant and equipment	(0.1)	(0.1)
Product development payments	(0.7)	(0.5)
Proceed from sale of listed shares	0.3	-
<b>Cash used in investing activities</b>	<b>(0.5)</b>	<b>(0.6)</b>
Net proceeds from issue of shares	-	-
Payments for borrowings and costs	-	(0.6)
Repayment of lease liabilities	(0.1)	(0.1)
<b>Cash used for financing activities</b>	<b>(0.1)</b>	<b>(0.7)</b>
Net increase/(decrease) in cash	0.4	(2.1)
Cash at beginning of the period	2.1	3.7
<b>Cash at end of the period</b>	<b>2.5</b>	<b>1.6</b>

## Key points.

- \$1.0 million cash generated from operations.
- \$1.4 million cash generated from operations before interest.
- Receipts from operations increased by 4% between comparable periods.
- Operational payments remain stable against FY23 despite inflationary pressures.
- Finance costs reduced by 20% from previous corresponding period.
- R&D income of \$1.4 million received during the period.
- Borrowings reduced by \$261,000 through the exercise of warrants by the lender, Pure Asset Management.
- During H1 Swift sold \$300,000 worth of ASX listed Motio shares (MXO). 8.6 million shares currently held at a value of \$215,000.

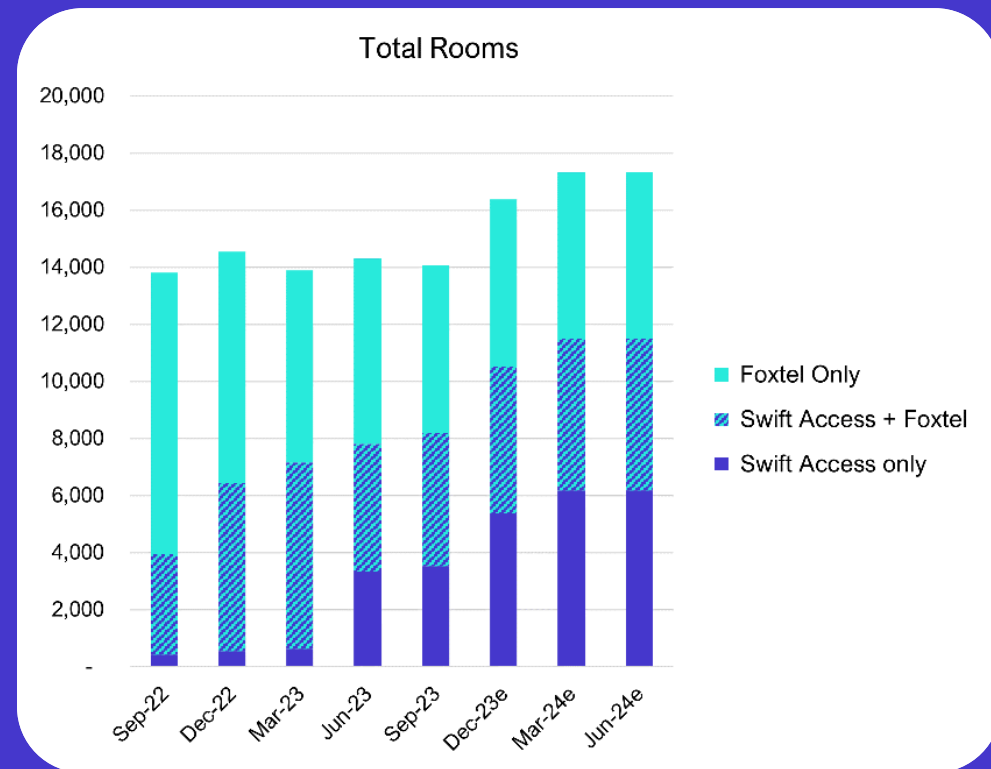
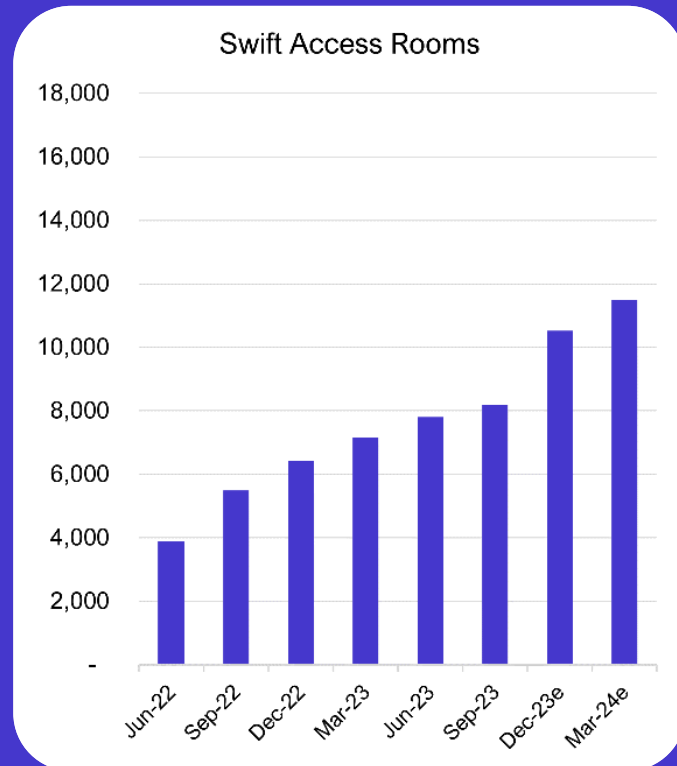
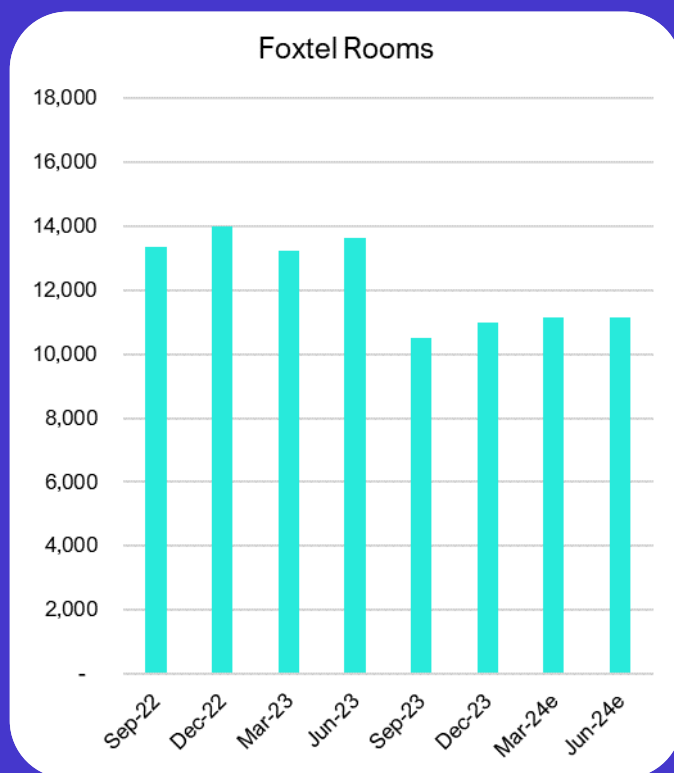
# Swift Access sales.



We are growing Swift Access sales in both our target markets, with Mining sales growing steadily to 7% of the market. Aged Care sales growth is accelerating following the Covid shutdowns as the market responds to new Aged Care Quality Standards/Regulations. Total room sales will continue to grow as new markets are introduced to Swift Access. (CAGR: Compound Annual Growth Rate)



# Evolving Product mix.



We are evolving the product portfolio from reselling only Foxtel to many clients, to a combined Swift/Foxtel offering and Swift Access as a stand-alone product.

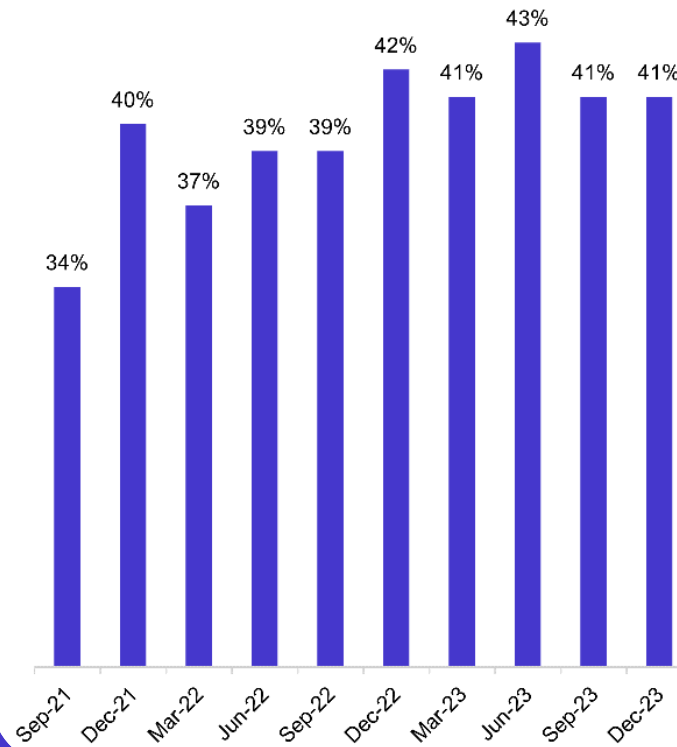
*Note: The above room numbers only include new Swift Access rooms contracted since product launch in March 2022, and rooms with Foxtel content provisioned. Legacy Swift systems and content only provision rooms are not included.*

# Margin Improvement.

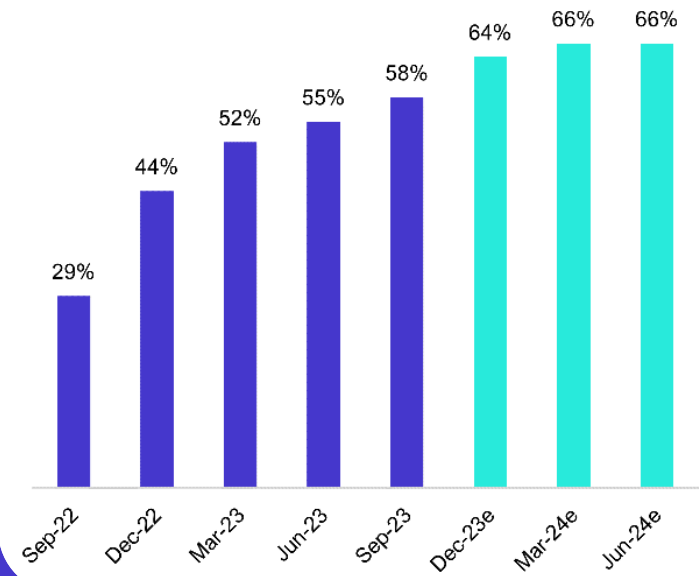


- As Swift Access sales increase to become a larger share of total room sales, Subscription Margin is trending higher.
- We expect the trend to Swift Access to continue.
- Continue to resell Foxtel in conjunction with Swift Access based on client requirements.

Subscription Gross Margin



Swift Access as % of All Rooms



# Achievements & Outlook.

S.

## H2



Large scale installation of Swift Access in Mining 7% of the market

Margin improved driven by installation of Swift Access

Pure Asset Management exercised warrants with funds applied to reducing debt

Growing Partnerships with Hubify and Checked In Care in Aged Care sector

Invested in brand recognition in Mining and Aged Care

Continued cost discipline throughout H1 FY24

Board and Executive team increase shareholdings through share purchases

Secured multiple new customers in Mining and Aged Care

Grow subscription earnings

Develop ACE platform and second-generation Swift Access platform

Seek further partnership opportunities in both Mining and Aged Care

Secure large provider Aged Care subscription contract for Engagement platform

Continue to secure new multi-year subscription contracts in Mining and Aged Care

Continue to pay down debt

Keep costs down and margins up

Launch Swift Access into new markets



# Our clients.

## Mining.

Market leaders with significant growth potential  
– site expansions and new sites.



## Aged Care.

A strong portfolio of Private and Not for Profit Providers.  
Also, with potential expansion into Retirement Living portfolio.

# Why Invest.



**Swift is a Tech  
opportunity  
without the  
capital  
requirements of  
a new start-up**

- ✓ Established annual Revenue circa \$20 million
- ✓ Subscription Revenue \$14 million annualised
- ✓ Generating cash from operations
- ✓ Low market cap – 50% of Revenue
- ✓ Turn-around story
- ✓ Swift Access sales compound annual growth rate of 85%
- ✓ Target markets have strong growth outlook
- ✓ Enviable customer base (established path to market)
- ✓ Next-gen Swift Access product in development
- ✓ New ACE SaaS offer capturing market share
- ✓ Worldwide market opportunities for ACE SaaS



# Corporate.



Capital Structure (ASX: SW1)	
Share price – 27 February 2024	1.4 cps
Shares on issue	647 million
Market Capitalisation	\$9.0 million
Cash - 31 December 2023	\$2.5 million
Debt - 31 December 2023	\$7.4 million
Enterprise Value	\$13.9 million



Board and Management	
Charles Fear	Chairman
Brian Mangano	Managing Director
Pippa Leary	Non-Executive Director
Bradley Dennison	Non-Executive Director
Ryan Sofoulis	Chief Financial Officer
Suzie Foreman	Company Secretary

Major Shareholders	millions
Sofoulis Holdings Pty Ltd	92.1 (14.2%)
JP Morgan Nominees Australia Pty Ltd	59.1 (9.1%)
Sandhurst Trustees Limited	38.8 (6.0%)
Medical Media Investments Pty Ltd	27.6 (4.3%)
Mr Brian Francis Mangano	21.8 (3.4%)
Suetone Pty Ltd	12.0 (1.9%)



# Important notices.



This document has been prepared by Swift Networks Group Limited (ACN 006 222 395) (**Company**) and is current at the date of this document. The information contained in this document is a summary only and does not purport to be all inclusive or to contain all the information that a prospective investor may require in evaluating a possible investment in the Company and should not be relied upon by any person in connection with an offer or sale of the Company's securities. Any securities that may be issued by the company should be considered speculative and there is no guarantee implied or explicit that there will be a return on the capital invested or that any dividend will be paid or that there will be an increase in the price or value of the Company's shares in the future.

To the maximum extent permitted by law, the Company and its affiliates and their directors, officers employees, associates, advisers and agents each expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in, or for omissions from, this document including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom. The release, publication or distribution of this document (including an electronic copy) outside Australia may be restricted by law.

## **FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain plans, strategies and objectives of the management of the Company. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms "believes", "estimates", "anticipates", "expects", "predicts", "intends", "plans", "goals", "targets", "aims", "forecasts", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are based on the Company's current expectations and beliefs concerning future events at the date of this document and are expressed in good faith as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Whilst the Company believes it has reasonable grounds for making such forward-looking statements, such statements are subject to known and unknown risks, and significant uncertainties and other factors, many of which are outside the control of the Company. Actual results may differ materially from future results expressed or implied by such forward-looking statements. None of the Company, its affiliates or their directors, officers, employees, associates, advisers, agents or contractors makes any representation or warranty (either expressed or implied) as to the accuracy or likelihood of fulfilment of any future looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. Other than as required by law, including the ASX Listing Rules, the Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this document.

This document may contain information from third party sources, including industry or general publications, which have not been independently verified by the Company or its representatives. The Company makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of such third-party information or any conclusions reached from such information.

## **PAST PERFORMANCE**

This document contains information as to past performance of the Company. Such information is given for illustrative purposes only and is not — and should not be relied upon as — an indication of future performance of the Company. The historical information in this document is, or is based upon, information contained in previous announcements made by the Company to the market.

## **NOT FINANCIAL PRODUCT ADVICE**

The material contained in this document is not, and should not be considered as, financial product or investment advice. This document is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. This document is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate. You should make your own enquiries and investigations regarding all information in this document, including, but not limited to, the assumptions, uncertainties and contingencies which may affect the future operations of the Company and the impact that different future outcomes may have on the Company.

Thank you.

