



FY22 Financial and Operational Results

Investor Briefing

29 AUGUST 2022

ersonal use only

ersonal use only

FY22 Highlights

FY22 Highlights

	✔ Revenue of \$51.7M up 130% year-on-year on a Statutory basis ¹ and up 67% on FY21 Pro Forma Results ²
	✔ Underlying EBITDA ³ of \$13.0M, up 129% on FY21 Underlying EBITDA ²
	✔ First positive Underlying NPAT ³ of \$58k, up from Net Loss after Tax position of (\$2.9M) in FY21
	✔ A 26% year-on-year increase in subscriber numbers to 38,582
	✔ Financially completed 5 accretive acquisitions during the FY22 year, and integrated the 2 accretive acquisitions financially completed in late FY21
	✔ Undertook a successful capital raise of over \$45M via a placement and share purchase plan in October-November 2021
	✔ Secured \$32M bank financing facilities in June 2022, combining with our strong cash position \$32M at 30 June 2022 to provide additional firepower
	✔ Announced the acquisition of Moose Mobile in July 2022, with completion expected in September 2022

Notes:

1. Statutory results as per the Annual Report - 30 June 2021. FY21 reflects Swoop for 12 months and only one month of Node1, Stemify and Beam.
2. Year on year comparisons shown above are to the FY21 Pro Forma Results. FY21 Pro Forma Results have been prepared using information from the audited FY21 Annual Report dated September 2021. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.
3. Underlying EBITDA and Underlying NPAT exclude non-cash (share based payment expenses) and other one-off items (acquisition and integration costs, one-off legal costs) that are not considered to be reflective of underlying earnings.

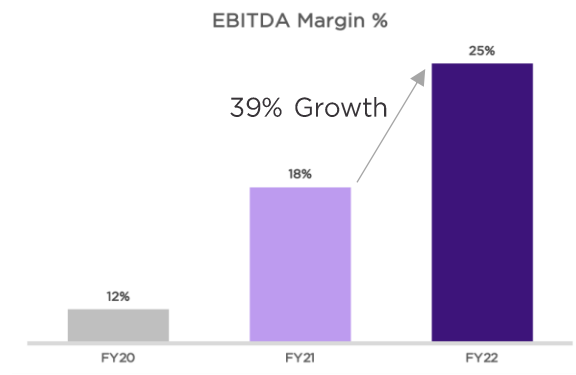
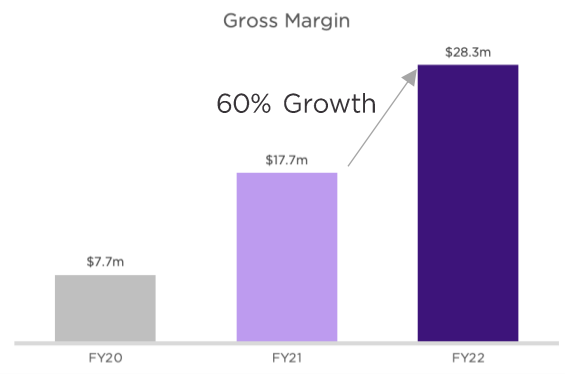
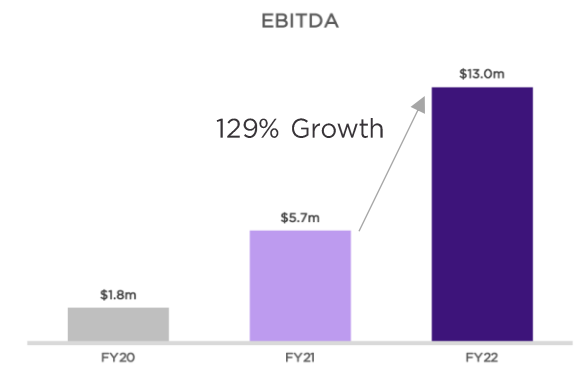
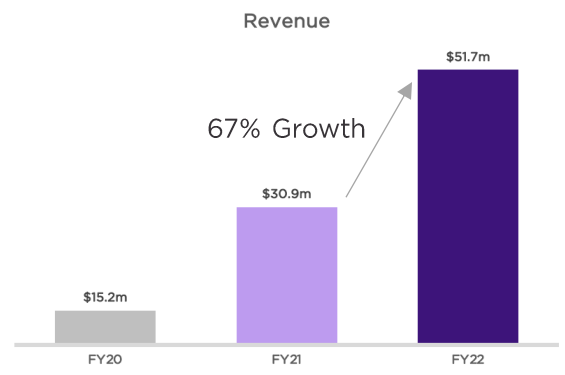
FY22 Financial Highlights

Revenue
\$51.7m
 +67% YoY¹

Gross Margin
\$28.3m
 +60% YoY¹

Underlying EBITDA
\$13.0m
 +129% YoY¹

EBITDA Margin
25%
 +39% Growth YoY¹



Notes:

1. Year on year comparisons shown above are to the FY21 Pro Forma Results. FY21 Pro Forma Results have been prepared using information from the audited FY21 Annual Report dated September 2021. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.



FY22 Business Update

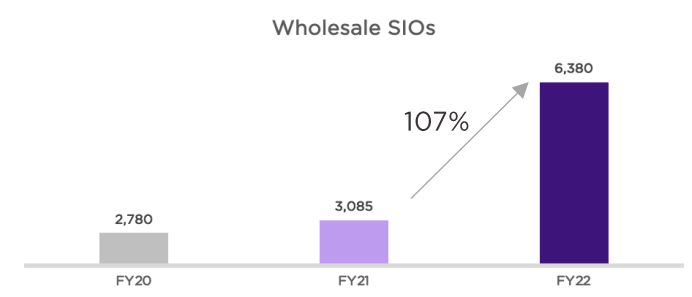
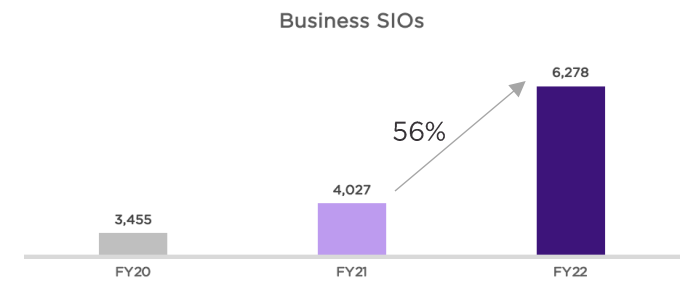
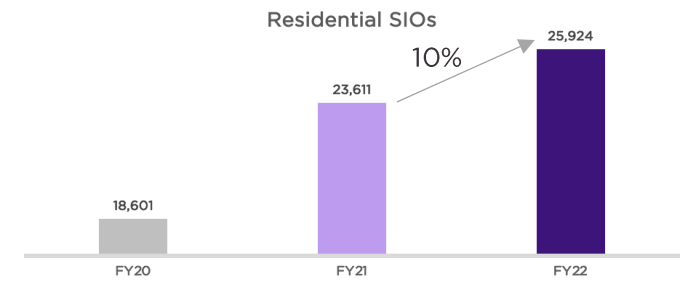
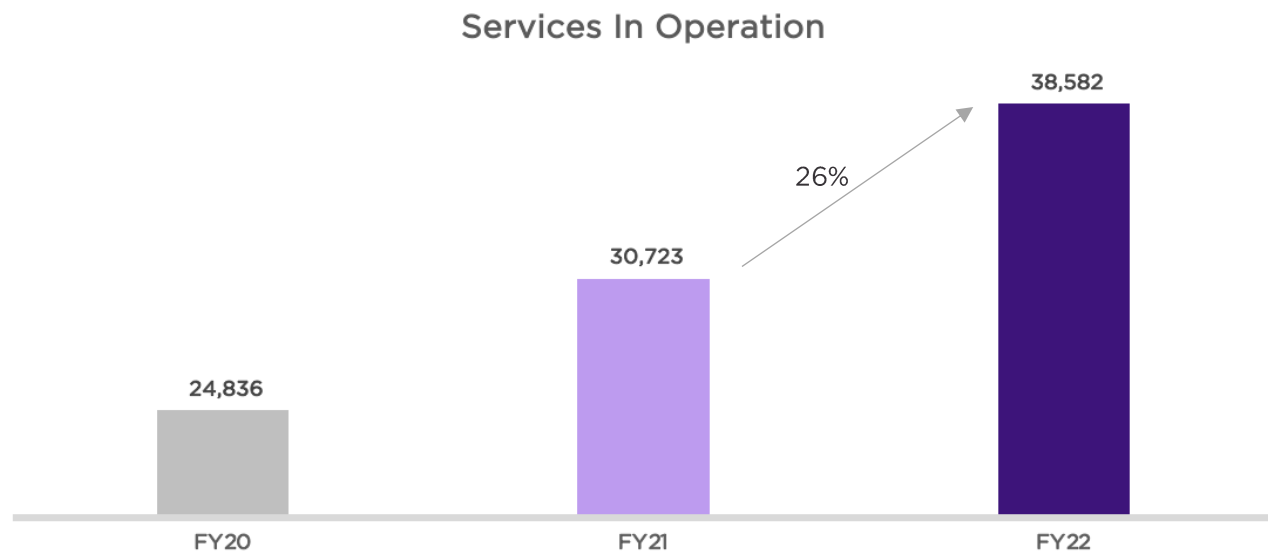
ersonal use only

Key Operating Metrics (Jun-22)



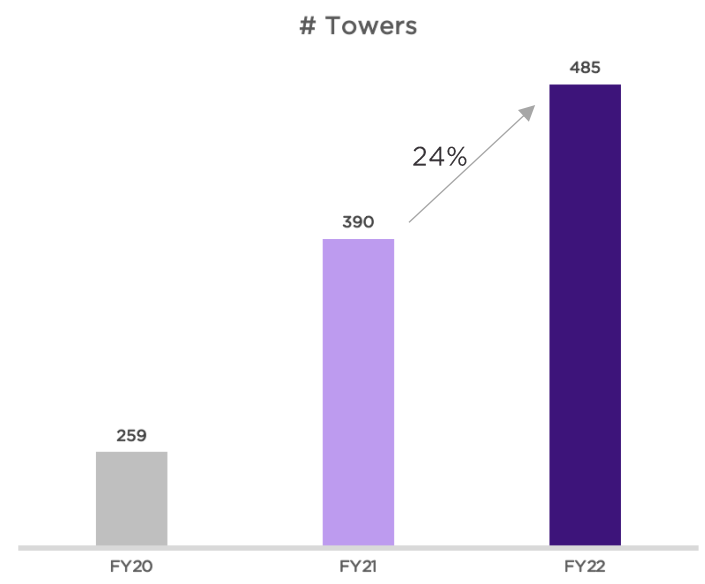
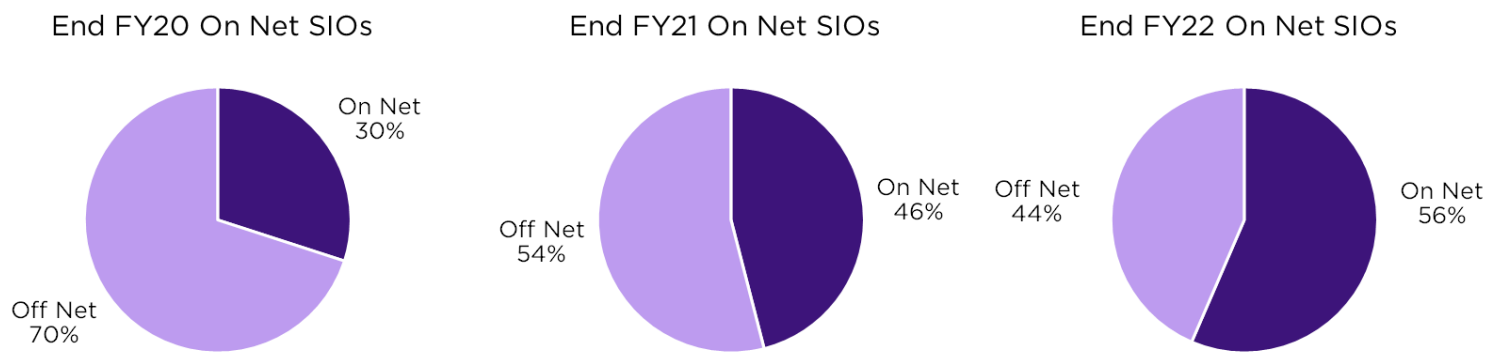
FY22 SIO Growth

- 38,582 Services in Operation (SIOs) in Jun-22, having increased by 7,859 services or 26% in the financial year
- All sectors grew in the year, Residential by 2,313, Business by 2,251 and Wholesale by 3,295



FY22 Infrastructure Expansion

- More than half of our services are now on Swoop's network
- Our Fixed Wireless tower footprint grew by 95 to 485 towers in FY22, representing an increase of 24%



FY22 Financial Results

Financial Results

Financial Results (\$000)

	FY21 ¹	FY22	Change
Revenue	30,882	51,668	20,786
COGS	(13,199)	(23,352)	(10,153)
Gross Margin	17,683	28,316	10,633
Gross Margin %	57%	55%	
Operating Expenses and Overheads	(11,997)	(15,271)	(3,274)
Underlying EBITDA ⁵	5,686	13,045	7,359
Underlying EBITDA %	18%	25%	
Underlying NPAT ⁶	(2,876)	58	2,934
Statutory NPAT	(13,789)	(4,883)	8,906

- Revenue increased by 67% over the prior corresponding period (pcp)
- Revenue growth reflects organic growth³ of 9% plus contribution from acquisitions⁴
- EBITDA margin reflects increased scale and operational efficiencies

Notes:

- Year on year comparisons shown above are to the FY21 Pro Forma Results. FY21 Pro Forma Results have been prepared using information from the audited FY21 Annual Report dated September 2021. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.
- FY22 is based on the unaudited Preliminary Final Report dated 29 August 2022.
- Organic growth is based on entities included in the FY21 Pro Forma Results for a full 12 month period and therefore excludes the organic growth derived from acquired entities while under the ownership of Swoop.
- FY21 and FY22 acquisitions - Beam (June 2021), Speedweb (July 2021), Countrytell (July 2021), Voicehub (November 2021), Luminet (April 2022).
- Underlying EBITDA excludes non-cash (share based payment expenses) and other one-off items (acquisition and integration costs, one-off legal costs) that are not considered to be reflective of underlying earnings.
- Underlying NPAT excludes non-cash (share based payment expenses) and other one-off items (acquisition and integration costs, one-off legal costs) that are not considered to be reflective of underlying earnings.

Revenue Analysis

Segment Revenue (\$000)

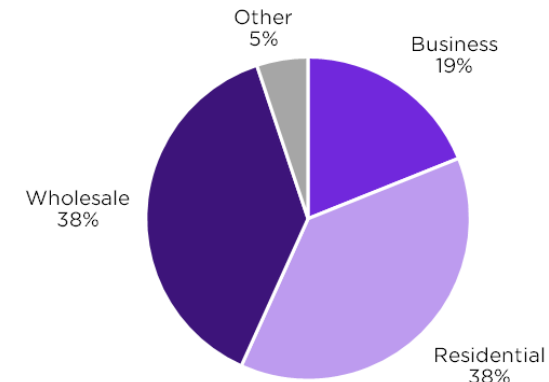
	FY21 ¹	FY22	Change
Business	3,121	9,773	+213%
Residential	14,890	19,551	+31%
Wholesale	12,871	19,702	+53%
Other	-	2,641	-
Total	30,882	51,667	67%

- Business revenue growth driven by organic growth of the NBN EE market, plus Countrytell acquisition
- Wholesale revenue growth reflects solid organic growth plus VoiceHub acquisition
- Residential revenue growth reflects organic SIO growth of ~10% (annualised) for the reporting period plus contribution from acquisitions

Notes:

1. FY21 Pro Forma Results add in the results of Node 1 as if included for the full period of FY21, providing a like for like comparison of the two businesses that listed in May 21.
2. FY22 is based on the unaudited Preliminary Final Report dated 29 August 2022.

FY22 Revenue Mix

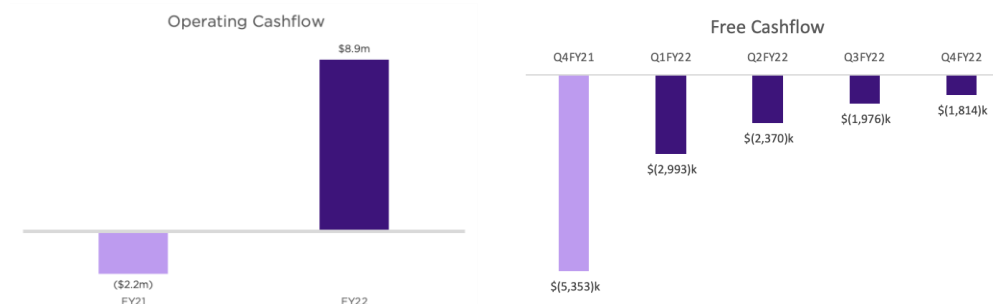


Summary Cash Flow

Summary Cash Flow (\$000)

	FY21 ²	FY22
Customer Receipts	22,730	51,435
Payments to Suppliers and Employees	(26,971)	(43,123)
Other net operating cash flows	2,040	549
Operating Cash Flow	(2,201)	8,861
Capex	(5,915)	(17,941)
Free Cash Flow ³	(8,116)	(9,080)
Other Investing Activities	(627)	(19,695)
Financing Activities	23,614	43,228
Cash Flow Movement	14,871	14,453
Opening Cash	2,627	17,498
Fx changes	-	70
Closing Cash Balance	17,498	32,021

- Free Cash Flow continues to improve, from (\$2.9m) in Q1 FY22 to (\$1.8m) in Q4 FY22
- Majority of capex is network expansion and supporting customer and network systems
- Other investing outflows is acquisitions consideration, net of cash acquired
- Financing activities is primarily the capital raise and share placement which were completed in October and November respectively
- Strong closing cash position of \$32m.



Notes:

- Cash flows for both FY21 and FY22 as extracted from the unaudited Preliminary Final Report dated 29 August 2022.
- Statutory results as per the Annual Report - 30 June 2021. FY21 reflects Swoop for 12 months and only one month of Node1, Stemify and Beam.
- Free Cash Flow is defined as Operating Cash Flow less Capex

Summary Balance Sheet

Summary Balance Sheet (\$000)

	FY21	FY22
Cash at Bank	17,498	32,021
Other Current Assets	7,085	7,404
Trade and Other Payables	(9,810)	(14,307)
Deferred Consideration	(5,525)	(5,479)
Other Current Liabilities	(4,547)	(4,049)
Net Current Assets	4,701	15,590
Property, Plant and Equipment (including ROU)	23,816	45,364
Intangible Assets	28,729	44,414
Other Non-Current Assets	2,466	3,438
Non-Current Liabilities	(10,176)	(12,222)
Net Assets	49,536	96,584
NTA	14.5 cents	26.9 cents

- Strong cash position, with a debt facility finalised in June 22, provides substantial firepower for acquisitive and organic growth
- Growth in fixed assets reflects recent acquisitions plus network infrastructure expansion
- NTA position has significantly improved as the business scales
- Deferred consideration represents amounts payable for Beam, Countrytell, VoiceHub, Luminet, IFibre
- Intangible assets represents predominantly goodwill, customer relationships and software

Notes:

1. Balance sheet for both FY21 and FY22 is extracted from the unaudited Preliminary Final Report dated 29 August 2022.

FY22 EBITDA Growth

- Increase in EBITDA came from both partial contribution from acquisitions and organic growth and efficiencies in the combined business; 59% and 41% of Total FY22 EBITDA growth respectively.

FY22 EBITDA Breakdown



Acquisitions

Acquisitions Recap



7 accretive acquisitions completed to date



8th acquisition announced (Moose) to be completed in Q1 FY23



Significant pipeline in discussion across Fixed Wireless, Resell, Fibre, Voice

Name	Product	Geography	Segment	Infrastructure	Purchase Price	EBITDA	Date Completed	FY23 EBITDA
Announced								
Moose	Resell	Aust wide	Residential	-	\$24.0m	\$3.5m ¹	September 2022	\$3.2m
Planned (under investigation/in discussions)²								
Confidential targets	FW/Voice/Fibre/Resell	Aust wide	Residential/SME/Wholesale	Towers/Fibre	TBA	Combined up to \$8.5 - \$10m ¹	FY23	TBA

Notes

1. Based on vendor provided unaudited management accounts of the relevant targets; note contribution to Swoop EBITDA will vary due to integration costs, accounting policy harmonisation and potential synergies.
2. Swoop is in discussions with these targets and the terms of any potential acquisition have not yet been agreed. Accordingly, there is no guarantee these opportunities will be pursued or proceed.



Personal use only





Acquisitions Summary

Name	Product	Geography	Segment	Infrastructure	Purchase Price	Announced EBITDA	Date Completed	FY22 EBITDA Contribution
Community Communications	FW	Perth	Residential	14 Towers	\$0.3m	\$0.1m ¹	June 2021	\$0.1m
Beam	FW	Regional SA	Residential/SME	65 Towers	\$6.7m	\$1.6m ¹	June 2021	\$1.6m
Speedweb	Fixed Wireless (FW)	Regional VIC	Residential	51 Towers	\$1.75m	\$0.5m ¹	July 2021	\$0.5m
Countrytell	FW/Fibre/ Data Centres	Regional NSW	SME/Government	33 Towers/Data Centres/CBD Fibre	\$4.2m	\$1.0m ¹	July 2021	\$1.0m
Voicehub	Voice	National	Wholesale	-	\$6.0m	\$1.5m ¹	November 2021	\$0.87m
iFibre	Fibre	SA	Wholesale	Metro Fibre	\$1.5m	\$0.15m ¹	February 2022	\$0.06m
Luminet	Fibre	NSW	Wholesale	Metro Fibre	\$8.0	\$0.8m ¹	April 2022	\$0.2m

Notes

1. Based on vendor provided unaudited management accounts of the relevant targets; note contribution to Swoop EBITDA will vary due to integration costs, accounting policy harmonisation and potential synergies.

Acquisition Highlight – Moose Mobile

	<p>✔ Moose Mobile is a Queensland based national mobile virtual network operator (MVNO)</p>
	<p>✔ Moose provides over 95,000 mobile services on the Optus network to customers across Australia</p>
	<p>✔ Cross-sell potential – 95,000 Moose customers for Swoop Fixed Wireless and nbn services, and 26,000 Swoop residential broadband customers for a Moose mobile services</p>
	<p>✔ Strong cash generation with a very high proportion of EBITDA converting to cash</p>

Completion anticipated September 2022

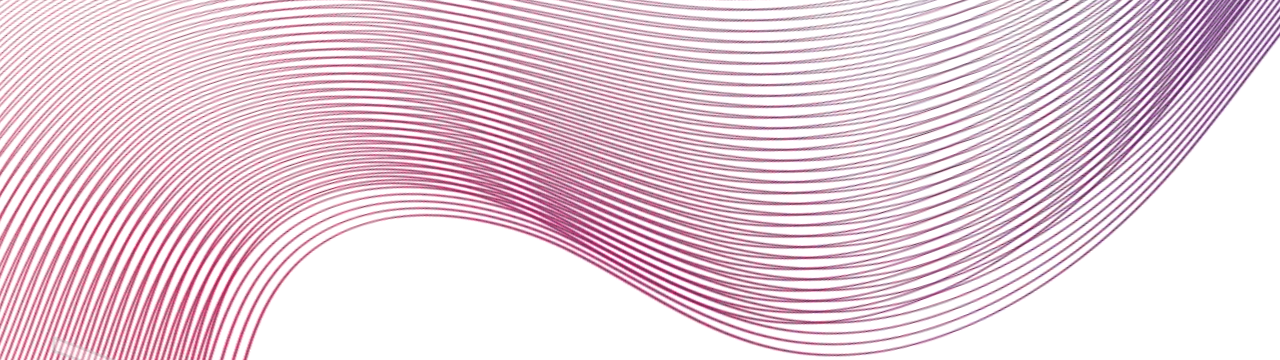
Purchase price of \$24m comprising \$19m in cash and \$5m in Swoop shares

Strong Customer Growth of 24.3% over the last 12 months¹

Notes:

1. Mobile SIO growth over the 12 months to 31 July 2022





ersonal use only

Strategy & Outlook

Focus on Customer Obsession



Build on our strong brand

Google

4.6



facebook

4.8



Continued focus on
reducing churn now 0.8%
in July
(down 0.4% YoY)

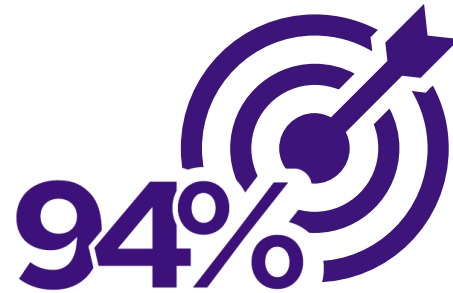


Grow number of Channel Partners
(13% growth in FY22)
now 260 active partners

Focus on Integration and Automation



Continue to build platforms and turn stuff off in FY23



Achieved 94% of targeted synergies from acquisitions in FY22

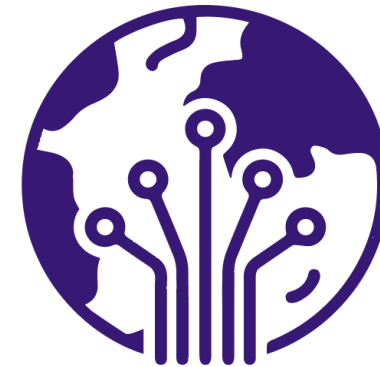


Additional 25% annualised synergies identified to be delivered in FY23

High Margin in Demand Products



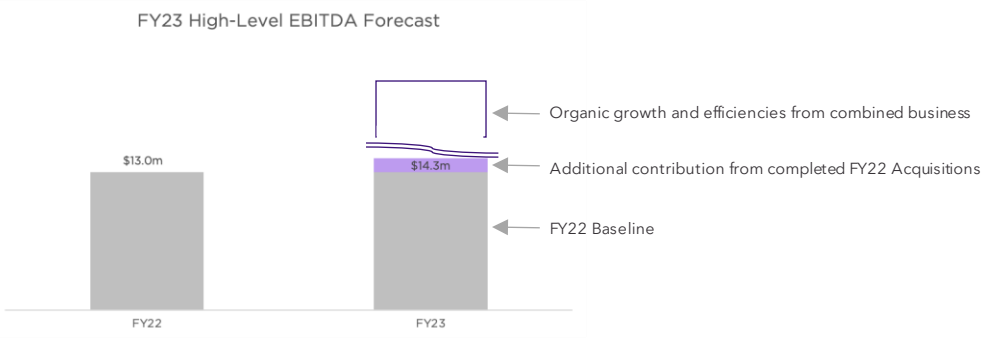
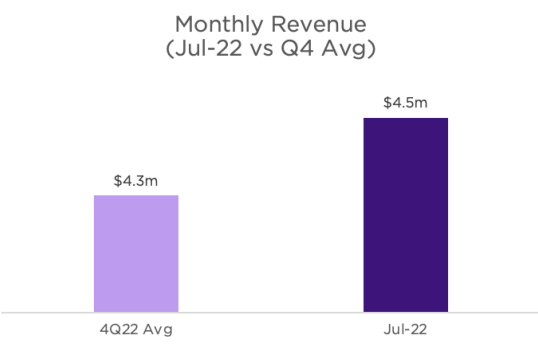
5G Fixed Wireless being rollout in strategic locations VIC & WA providing greater speeds



Expanding fibre based on customer demand in existing regions

FY23 Outlook

- Monthly Revenue (excluding one-off Projects) for July up 5% on Q4FY22 average (from \$4.3m to \$4.5m)
- Qtr on Qtr improvement in Free Cash Flow¹. Targeting FCF neutral to positive in FY23
- Strong YoY Increase in Operating Cashflow to continue into FY23
- FY23 includes additional contribution from acquisitions completed and announced in FY22; as well as continued growth and efficiencies from combined businesses.



Notes:
1. Free Cash Flow is defined as Operating Cash Flow less Capex



Summary



Expanding organic revenue growth



Acquisitions integrating well and growing better under Swoop



Strong acquisition pipeline across our key growth areas



High Margin Products



Scale & Acquisition synergies delivered in FY22 and future benefits into FY23



Leverage the experience and capabilities to build the next large scale national telecommunications company

Appendix

Important Notice & Disclaimer

This presentation dated 29 August 2022 has been prepared by and is being issued by Swoop Holdings Limited ACN 009 256 535 (ASX: SWP) (**Company** or **Swoop**) for information purposes only. Each recipient of this presentation is deemed to have agreed to accept the qualifications, limitations and disclaimers set out below.

The information in this presentation is an overview and does not contain all information necessary for investment decisions. The information in this presentation should be read together with the Company's financial results for the year ended 30 June 2022 released on the ASX announcement platform on or around the date of this presentation together with other announcements and information about the Company released on its ASX announcement platform and on its website at <https://www.swoop.com.au/>. The information in this presentation does not constitute investment or financial product advice (nor taxation or legal advice) or a recommendation to acquire securities in Swoop and is not intended to be used as the basis for making any investment decision. This presentation does not take into account your individual investment objectives, financial situation or particular needs. In making investment decisions in connection with any acquisition of securities, investors or potential investors should rely on their own examination of the assets and financial position of the Company and should consult their own legal, business and/or financial advisers before making any investment decision.

The information contained in this presentation has been prepared in good faith by Swoop, however no representation or warranty expressed or implied is made by Swoop, its directors, officers, employees, advisers and agents (**Parties**) as to the accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in this presentation including any forecasts or prospective financial information. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or the future. To the extent permitted by law, none of the Parties takes any responsibility for any loss or damage suffered as a result of any inadequacy, incompleteness or inaccuracy in any such statement or information including, without limitation, any financial information, any estimates or projections and any other financial information.

To the maximum extent permitted by law, the Parties disclaim any liability to any person for any direct, indirect or consequential loss or damage which may be suffered by any person through the use or reliance on anything contained in or omitted in this presentation.

Future performance - Past performance information provided in this presentation may not be a reliable indication of future performance. Certain information in this presentation refers to

the intentions of Swoop, forecasts, forward looking statements and comments about future events. The occurrence of events in the future are subject to risks, uncertainties and other factors, many of which are outside the control of Swoop, that may cause Swoop's actual results, performance or achievements to differ from those referred to in this presentation. Such forward-looking statements speak only as of the date of this presentation. Forward looking statements should not be relied on as an indication or guarantee of future performance. Accordingly, the Parties do not give any assurance, representation or guarantee that the occurrence of the events or forward looking statements referred to in the presentation will actually occur or be achieved as contemplated, nor take any responsibility or duty to update or maintain these forward looking statements to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Financial data - All dollar values are in Australian dollars (AUD\$) unless as otherwise presented.

Non IFRS financial measures

Swoop uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this document as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by the Australian Securities and Investments Commission (ASIC). Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business. The principal non-IFRS financial measures that are referred to in this document is EBITDA. EBITDA is earnings before interest, tax, depreciation and amortisation and significant items. Management uses EBITDA to evaluate the operating performance of the business prior to the impact of significant items, the non-cash impact of depreciation and amortisation and interest and tax charges.

Although Swoop believes that these measures provide useful information about the financial performance of Swoop, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australia Accounting Standards and IFRS and not as a replacement for them.

ersonal use only

swoop

swoop.com.au