



## ASX ANNOUNCEMENT

31 August 2023

### FY23 Full Year Results – Swoop Records Revenue Growth of 51% and Exits Year with \$0.5M Positive Free Cash Flow

FY23 Highlights include:

- Revenue<sup>1</sup> of \$78.2M up 51% year-on-year from FY22 Revenue.
- Gross Margin of \$32.3M up 14% year-on-year on FY22.
- Underlying EBITDA of \$16.3M, up 25% on FY22.
- A 304% year-on-year increase in subscriber numbers to 155,843.
- Exited Q4 FY23 in a \$0.5m positive free cash flow (FCF) position.
- Operating Cash Flow continues to improve up 62% from +\$8.9M in FY22 to +\$14.3M in FY23
- Majority of FY23 capex spend on customer growth, as well as building customer and network systems.
- \$12M undrawn in available financing facilities, coupled with our strong cash position \$19M as at 30 June 2023, provide significant runway for growth and strategic opportunities.
- Bought back 9.3 million of Swoop Shares in FY23.
- Completed the acquisition of Moose Mobile in November 2022, adding a strong growth engine and FCF generator to the business.

After a successful debut on the ASX in May 2021, the company has continued to grow over its second full year as a listed entity. With a focus on cost control and targeted growth it has delivered its first quarter of positive Free Cash Flow in Q4 FY23, whilst continuing to integrate and build on the previous seven acquisitions that it completed prior to the start of the year.

For FY23 the business reported revenue growth of 51% on FY22 Results to \$78.2M and corresponding Underlying EBITDA of \$16.3M, up from \$13.0M.

Following on from the announcement in July 2022 the company completed the acquisition of Queensland-based national mobile virtual network operator Moose Mobile for \$24M in November. At the time of the announcement Moose provided over 94,000 mobile services on the Optus network to customers across Australia, which grew by 18% throughout the year to finish with over 111,000 services in June 2023.

The Moose acquisition was completed using the previously secured Westpac financing facilities, of which there remains \$12.0M available to fund further growth and expansion. Alongside this the company closed the year with a strong cash position of \$19.0M.

<sup>1</sup> Revenue from ordinary activities and other income

In August 2022 the company announced an on-market share buyback of up to 10% of the company's share capital, to capitalise on the recent movement in Swoop's share price and to use this outstanding opportunity to make a highly accretive investment in the Swoop business, and throughout the year the company purchased 9.3 million shares.

In June 2023, as part of the annual impairment testing required under AASB 136 *Impairment of Assets*, the company recognised an impairment loss of certain non-current assets and goodwill, with a total impairment charge of \$27.0M.

Commenting on the results, Swoop Chief Executive Officer Alex West said "We have had another fantastic year - with the strategic acquisition of Moose we launched Swoop into new markets and new services that we saw continue to thrive throughout the year. Our growth in revenues, both via the Moose acquisition and organic growth, shows the high demand for reliable, locally supported internet and mobile services in a post pandemic hybrid working environment, that remains resistant to pressures from increases in the cost of living.

We continued our strong focus on managing costs and cashflow, along with integration synergies flowing through to the bottom line, we delivered our first quarter of positive free cash flow heading into FY24, which was a massive turning point for the organisation. This discipline in capital management, along with our remaining Westpac financing facilities and cash balance provides a strong position to react quickly to growth opportunities in a potentially changing market.

The acquisition of Moose further consolidates our position of being well on track to creating the next national Australian Telco. Along with the Board, the Executive and the entire Swoop team are looking forward to an equally successful FY24."

## **FY23 Results Investor Briefing**

CEO, Alex West and CFO, Patricia Jones, will host an investor call starting at 10.00 a.m. (AEST) on 31 August 2023. The call details are as follows:

### **Teleconference Conference ID: 60721**

**Participant numbers:** Participants must pre-register for the call at the link below. They will then receive a calendar invite and a unique code which is to be quoted when dialling into the call.

**Pre-registration Link:** <https://registrations.events/direct/OCP60721>

This announcement has been authorised for release by the Board of Swoop Holdings Limited.

For further information, please contact:

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## **About Swoop**

Swoop is a premium provider of national broadband and voice services to residential, small business and channel customers with a focus on its own high margin fibre and fixed wireless infrastructure.

Whilst also providing residential mobile telephony for price-conscious customers via its Moose Mobile brand. Swoop is established and has the goal to build its business to become Australia's best challenger internet and telecommunications provider.

### **Forward looking statements**

This announcement contains forward-looking statements, which address a variety of subjects including, for example product development, marketing position and technical advances. Statements that are not historical facts, including statements about our beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. The Company's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.