

ASX: CCG

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Comms Group Announces FY25 Results at Upper End of Guidance Range

Comms Group Limited (ASX:CCG) ("Comms Group" or the "Group"), a leading global telecommunications and IT services business, has today released its financial results for the full year ended 30 June 2025 (FY25).

FY25 HIGHLIGHTS

- Achieved FY25 revenue and EBITDA guidance.
- Total of \$10.4m in new ARR¹ sales contracts compared to \$7.5m ARR in FY24 (+35%).
- Finalised acquisition of leading Tasmanian telco TasmaNet in the year. Integration tracking to expectations.
- Underlying EBITDA lower vs pcg due to enhanced sales costs - benefit expected in FY26 and beyond.
- Operating cashflow of \$3.6m and Free Cashflow of \$3.3m, includes one off costs. Adjusted for one-off costs related to TasmaNet acquisition of \$0.7m, operating cashflow increased vs pcg.
- Final dividend of 0.125 cents per share (fully franked), total FY25 dividends of 0.25 cents per share.

RESULTS SUMMARY

A\$M	FY25	FY24
Operating Revenue	56.6	55.5
Gross Profit	27.1	26.2
Gross Margin	47.9%	47.3%
Underlying EBITDA ²	5.7	6.6
EBITDA	3.0	4.2
NPATA ³	2.2	2.3
Operating Cash Flow	3.6	3.8
Free Cash Flow	3.3	3.5

¹ Annual Recurring Revenue

² Underlying EBITDA is presented to provide an understanding of the underlying performance of the Group's operations. It reflects the results generated from ongoing operating activities that excludes non-operating adjustments considered to be non-cash or non-recurring in nature. These exclusions include net interest, tax, non-cash share LTIP costs, depreciation, amortisation and acquisition, integration & restructuring costs.

³ Net Profit After Tax and Amortisation of Acquired Customer Contracts and Brands.

Commenting on the Group's FY25 performance, CEO Peter McGrath said:

"FY25 was a pivotal year for Comms Group, with highlights being the acquisition of TasmaNet and the continued scaling of our Global & Wholesale Unified Comms business, a key driver of organic revenue growth.

New business ARR wins of \$10.4m was the highest on record, underpinned by Global and Wholesale Unified Comms with new ARR wins nearly six times FY24.

Comms Group achieved revenue and earnings at the top end of the revenue and EBITDA guidance range whilst undertaking the TasmaNet acquisition, a major achievement and testament to the dedication of the incredible team we have at Comms Group.

The step change in annualised revenue, EBITDA and free cash flow to occur over the coming months lays the groundwork for the company's next phase of growth. Looking forward, we remain focused on integrating TasmaNet to unlock cross-sell and synergies, while driving disciplined execution to accelerate organic growth across all three divisions."

KEY BUSINESS HIGHLIGHTS

Financial

- **Revenue & EBITDA at top end of guidance:** Delivered revenue and underlying EBITDA \$56.6m and \$5.7m respectively, at the top end of the guidance range (Guidance Revenue \$55m to \$57m and underlying EBITDA \$5m-\$6m).
- **ARR contract wins:** A total of \$10.4M new ARR in sales contracts won during the year, an increase of +35%. We enter FY26 with a strong revenue pipeline, reflecting expansion of Tier 1 relationships.
- **Continued Gross Margin % expansion:** Gross margin increased to 47.9% vs 47.3% pcp, attributable to organic sales growth in higher margin divisions and disciplined cost management.
- **Underlying EBITDA declined vs pcp due to higher costs:** Attributable predominantly to additional resources added to Global & Wholesale Unified Comms.
- **Operating Cashflow:** Delivered \$3.6m vs \$3.8m pcp, which include \$0.7m transaction costs related to the TasmaNet acquisition. Excluding these acquisition costs, cashflow from operations increased to \$4.3m, a 13% increase vs pcp.

STRATEGY

FY26 is poised to be a year of momentum, driven by our strategic focus on expansion and growth, with key initiative execution across all divisions. Key focus areas include:

- **TasmaNet Integration:** Successful transition and integration of TasmaNet.
- **Integration and rationalisation of duplicated networks and platforms:** To reduce overall costs and enhance capabilities.
- **Global & Wholesale Unified Communications:** Leverage our growing footprint and capabilities to provide key services to additional MNCs and wholesale partners.
- **Collaboration and Communication:** Enhance our direct sales network and reseller partners, to target additional government and mid-market customers.
- **Secure Managed IT Solutions:** We continue to see strong opportunities in the mid-market corporate and Government sectors, where cross sell opportunities are being driven by the adoption of best-of-breed workplace solutions. Explore additional opportunities with newly gained customers from the TasmaNet acquisition.
- **A focus on cash generation and debt reduction:** Underpins our commitment to operating with a conservative capital structure.

OUTLOOK

We are targeting run-rate revenue of \$75m+ and run-rate underlying EBITDA of \$9m to \$10m once TasmaNet is fully transitioned.

We will provide FY26 guidance as the year progresses

RESULTS BRIEFING

Comms Group CEO Peter McGrath, and CFO Matthew Beale will host a webinar to discuss the full year results on Thursday 28 August 2025 at 11:30am (AEDT). Please note that the webinar will be recorded, and a copy will be made available on Comms Group's website shortly after it is completed.

Webinar link: <http://bit.ly/3Hqz7nw>

Investors are invited to submit questions prior to the webinar to investors@commsgroup.limited or do so via the Q&A function on Zoom.

Authorised for release by the Board of Comms Group Limited.

ENDS

FOR MORE INFORMATION

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ABOUT COMMS GROUP

We enhance business agility through innovative cloud-based communications and secure managed IT solutions.

Comms Group provides a full range of advanced communications, collaboration and IT solutions from the Cloud. We specialise in the delivery of secure managed IT solutions, modern workplace offerings, managed services, cloud hosting, cloud communications, CPaaS and UCaaS, delivering reliable and scalable technology solutions to empower businesses.

Cloud Communications and Collaboration

Cloud communications service provider to Australian SME & corporates with award winning customer service. Key offerings include unified communications solutions including Microsoft Teams Calling, value added services, cloud business phone/hosted PBX, inbound/toll-free services, mobile services, extensive connectivity solutions including fibre and NBN broadband, SD-WAN and secure firewall services.

Secure Managed IT Solutions

Award-winning IT & Cloud Services Managed Service Provider supporting corporate customers' ICT needs. We assist mid-market businesses with tailored solutions for enhanced productivity, security, and efficiency. Our proactive IT support and flexible cloud solutions drive your business forward, while multi-layered protections keep your data and systems secure. We work closely with our customers to create a secure, modern workplace where their organisation can thrive.

Global And Wholesale Unified Communications

Specialist UCaaS for international business and wholesale voice for telco and OTT customers with global network reach. With our cloud-based network and expertise in Microsoft Teams, Cisco Webex and SIP, we offer fully managed services and PSTN replacement services in over 65+ countries. We provide global MNCs seamless international unified communications solutions over a reliable global network with the latest product solutions and high levels of technical knowledge and global 24x7 support.