



**INVESTOR
PRESENTATION | FY23**

HUBiFY
UNIFYING PEOPLE AND TECHNOLOGY

BUSINESS
UPDATE

HUBiFY
UNIFYING PEOPLE AND TECHNOLOGY

OUR COMPANY

One hub enabled by partnerships with industry leading companies

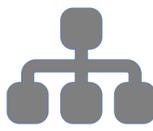
The hub for all your business Telco, IT & Technology needs

Unifying people & technology for over 20 years

Our customers are organisations with 10 to 1,000 employees who value personalised service, reliability and forward-thinking solutions that allow them to focus on their core business.




Managed Services

 
Business IT IT Infrastructure

 
Business Continuity Cloud


Internet & Networks

 
Managed Routers NBN Enterprise

 
Fibre Managed WiFi

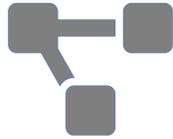

Voice

 
Hosted Voice Inbound

 
Microsoft Teams SIP & On-Premise


Mobility

 
Business Plans Device Management

 
Machine to Machine (IoT) Global Sim


Cybify
by HUBIFY

 
RECOVER COMPLIANCE

  
ALERT DEFENCE AUDIT

COMPANY TRANSFORMATION

Building from a Mobility & Voice reseller to a Hubify Brand partnering with Australian SMEs to lead with Managed Services & Cyber Capability

The ways we do business, locally & globally is shifting. We are agile & evolve based on customer needs. From basic Voice, Internet, & Networking, toward becoming a full-service MSP with a comprehensive Cyber Security offering.

NBN Enterprise Hosted Voice Business Plans Global Sim
 Fibre Inbound SIP & On-Premise Device Management

Business IT Cloud Managed Routers Managed WiFi
 Business Continuity IT Infrastructure Machine to Machine (IoT) Microsoft Teams

RECOVER COMPLIANCE
 ALERT DEFENCE AUDIT

Mobility Internet & Networks Voice

<FY21

Managed Services

FY22

Cybify
by HUBIFY

FY23

Revenue From Customers \$17.5m +17% YoY Growth
 Recurring Revenue 60%
 Gross Margin 76%

Revenue From Customers \$23.8m +36% YoY Growth
 Recurring Revenue 68%
 Gross Margin 71%

Revenue From Customers \$25.7m +8% YoY Growth
 Recurring Revenue 82%

PERFORMANCE HIGHLIGHTS FY23



FY23 Results

Year Ended	30 June 2023 (Audited)	30 June 2022 (Actual)	% Change
Revenue from Customers	\$25.79m	\$23.81	8%
Adjusted EBITDA	\$4.40m	\$1.0m	342%
Cash at Bank	\$5.61m	\$2.68m	109%

- Record Customer Revenue FY23 of \$25.72m
- Recurring revenue grew to \$21.61m or 84% of total revenue
- Record Adjusted EBITDA FY23 of \$4.40m after removing restructuring and acquisition costs (\$0.96m)
- Operational efficiencies on past acquisitions fully realised with reduced cost base going forward provides the operational leverage to continue organic and acquisitive growth within the managed services area.
- 30 June 2023 closing cash of \$5.61m with no bank debt.

What's next

- Delivering continued innovation in Managed Services solutions via the Hubify One managed services package
- Enhanced Cyber Security rollout through in-house expertise providing clients with specialised solutions in proactive cyber defence, alerts, business continuity, backup and disaster recovery
- Continued client retention with targeted Account management and professional services support whilst ensuring low customer churn
- Targeted digital marketing campaigns to CEOs, CFOs & CTOs, building the sales pipeline
- Maintain an acquisitions pipeline within the MSP space against income accretive targets
- Deliver increasing underlying operating cashflow with capacity for additional MSP clients against existing resourcing levels

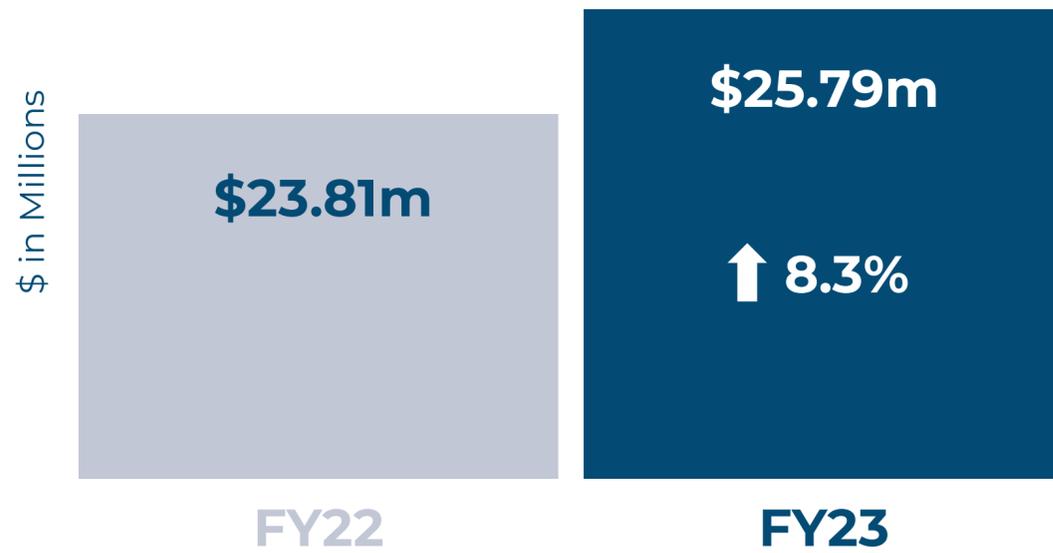
FINANCIAL
RESULTS

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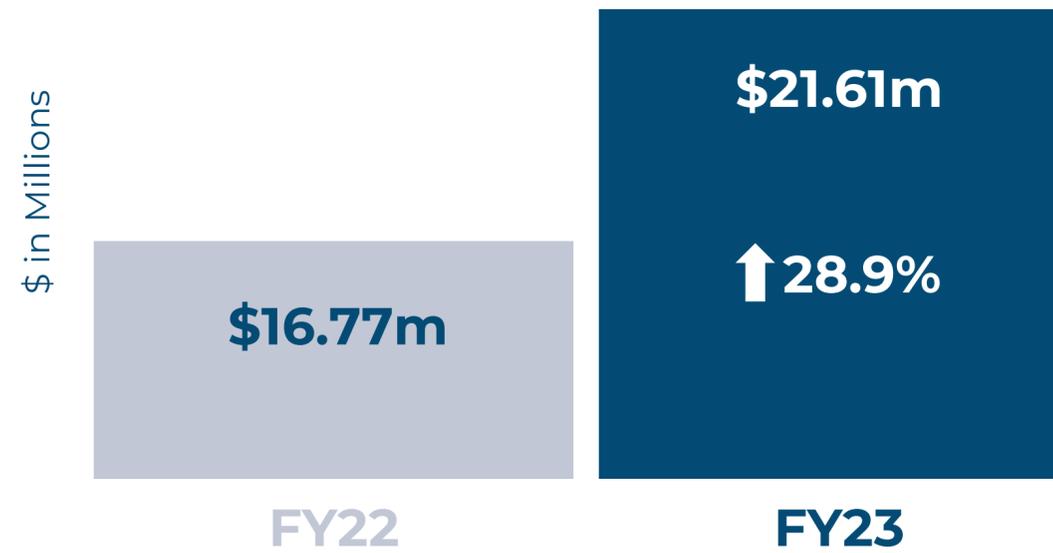
KEY FINANCIAL INDICATORS FY23



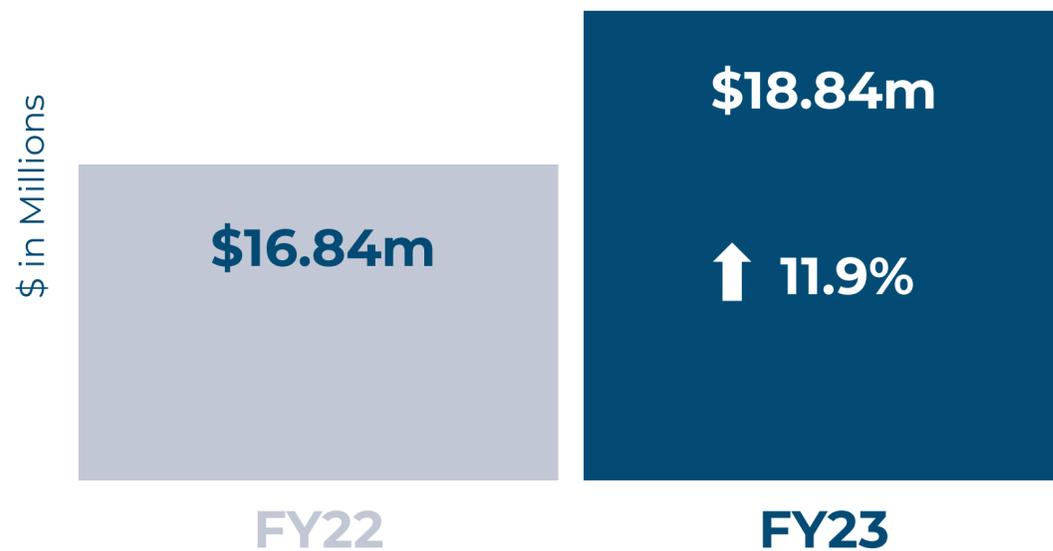
Customer Revenue



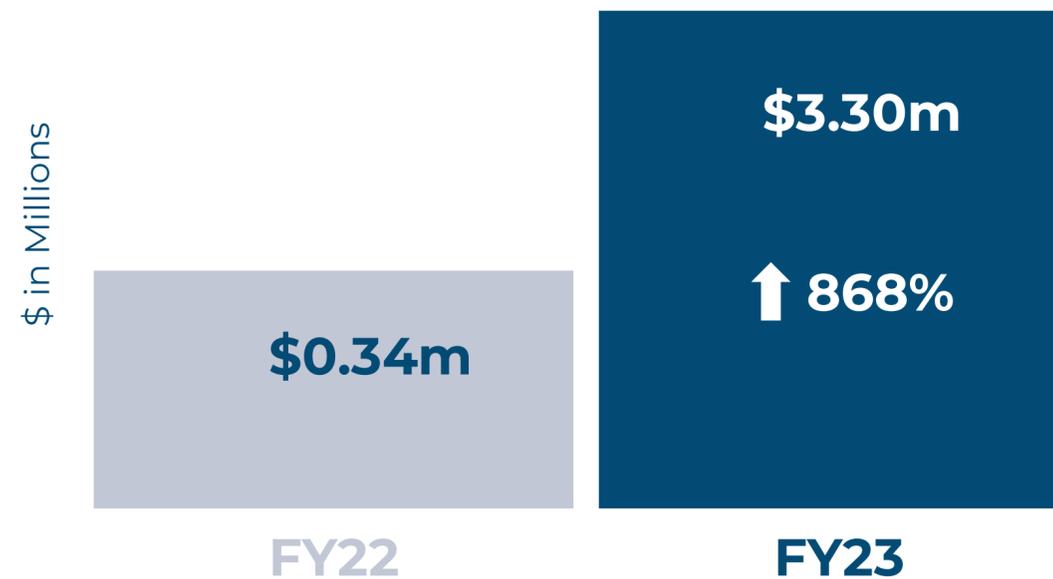
Recurring Revenue



Gross Margin* – Customer Revenue



EBITDA



Key Highlights

- Revenue from Customers up 8.3% to \$25.78m with a 18% increase in Managed Services to \$9.8m
- Recurring Revenue up 28.9% to \$21.61m representing 83.9% of total underlying revenue
- EBITDA of \$3.30m inclusive of restructuring & acquisition charges of \$0.96m in line with streamlining sales and operations teams with the integrated Managed Services division

* Gross Margin on Customer Revenue is calculated as revenue from contracts with customers less cost of sales

FY23 – FINANCIAL PERFORMANCE

	FY23	FY22	Variance
Total Revenue	\$25.79m	\$24.61m	4.8% ↑
Revenue from Customers	\$25.77m	\$23.80m	8.3% ↑
Recurring Revenue	\$21.61m	\$16.77m	28.9% ↑
Annualised Recurring Revenue (exit run rate)	\$16.90m	\$17.71m	-13.0% ↓
Recurring Revenue vs Total Revenue %	83.79%	68.20%	22.9% ↑
Gross Margin on Revenue from Customers*	\$18.85m	\$16.84m	12.0% ↑
Gross Margin on Revenue from Customers %*	73.15%	70.70%	2.0% ↑
EBITDA	\$3.30m	\$0.34m	868% ↑
Adjusted EBITDA **	\$4.40m	\$1.0m	344% ↑
Profit After Tax	\$0.51m	(\$1.24m)	141% ↑
Cash & cash Equivalents	\$5.61m	\$2.7m	109% ↑

* Gross Margin on Revenue from Customers is calculated as revenue from contracts with customers less cost of sales

** Adjusted EBITDA excludes restructuring and acquisition costs and share-based payments reserve

Key Highlights

- Customer Revenue improvements in MSP divisions drove an increase in total customer revenue of 8.3% on pcp to \$25.77m
- Recurring Revenue up 29% on pcp to \$21.61m representing 84% of total customer revenue, or \$19.0m (74% of total revenue) after excluding the termination payment from the exit from the Optus Small Business program.
- Annualised recurring revenue reflects the annualised run rate following the exit from the mobility Optus Small Business Program
- EBITDA of \$3.30m and adjusted EBITDA of \$4.40m up on \$3.40 on the prior year and after removing restructuring and acquisition costs (\$0.96m) and non-cash entries to the share-based payments reserve of (\$0.14).

BALANCE SHEET & CASHFLOW

	FY23	FY22	Variance
Cash & cash Equivalents	\$5.61m	\$2.68m	109% ↑
Receipts from Customers	\$31.31m	\$24.24m	29.2% ↑
Payments to suppliers & employees	-\$28.16m	-\$24.86m	13.3% ↑
Restructuring & Acquisition Costs	\$0.96m	\$0.65m	47.7% ↑
Government Grants	\$0.00m	\$0.80m	-100% ↑
Underlying Operating Cashflow	\$4.28m	\$0.76m	463% ↑

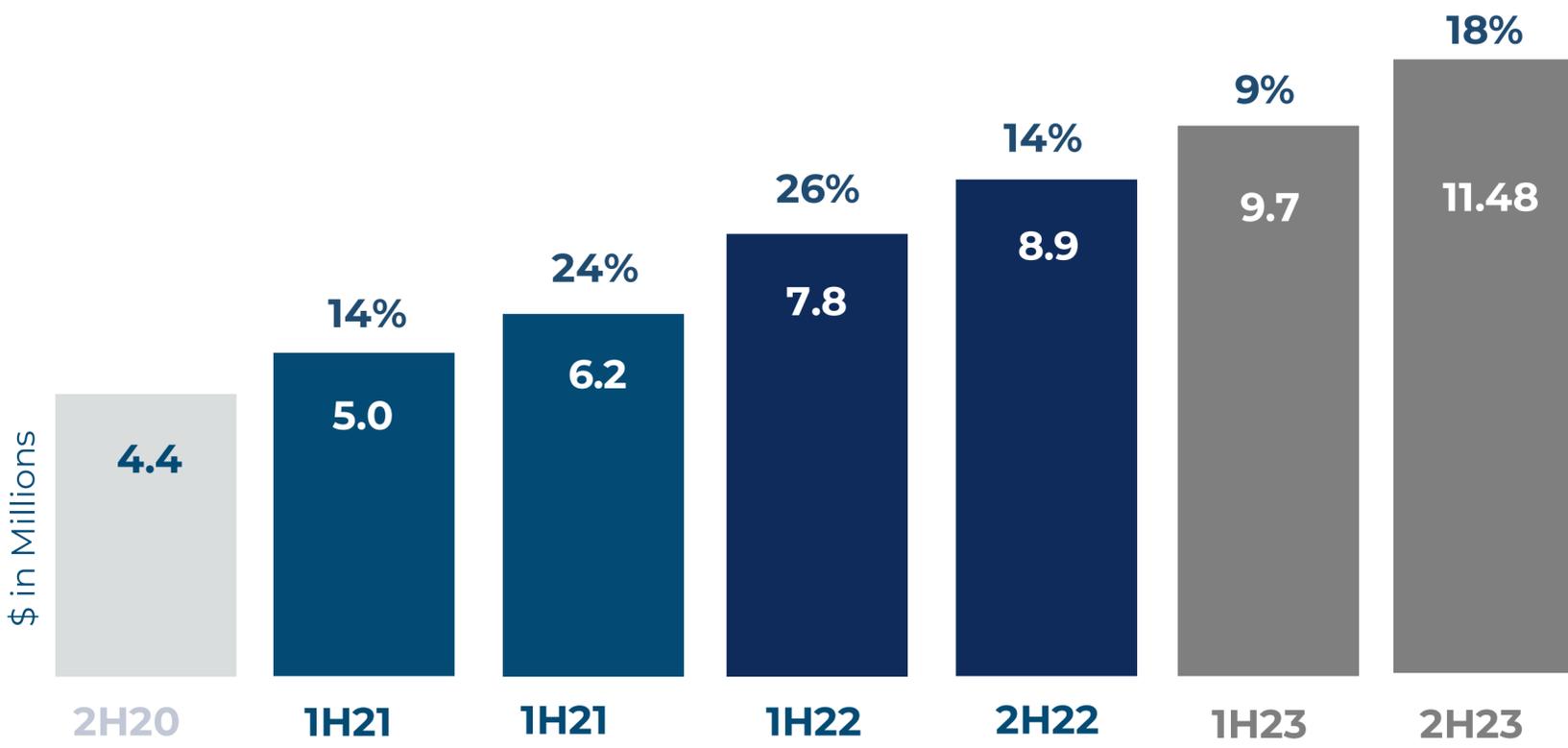
Key Highlights

- \$5.61m cash at 30 June, no bank debt
- \$4.28m underlying operating cashflow excluding restructuring costs of \$0.84m and acquisition costs of \$0.12m
- Minimal Capex requirements in delivering a service support business

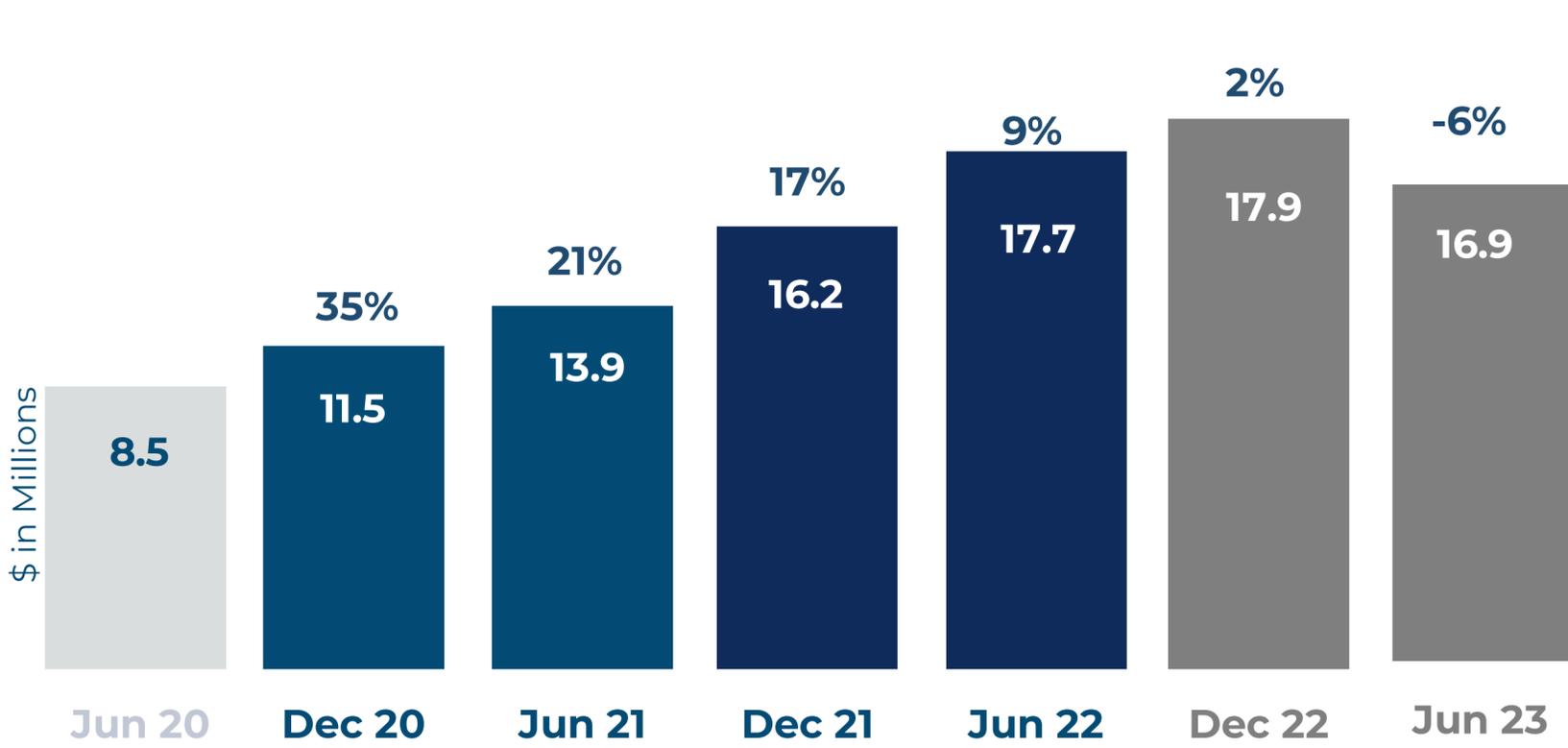
RECURRING REVENUE GAINS DRIVEN BY MSP



Actual Recurring Revenue – Half on Half

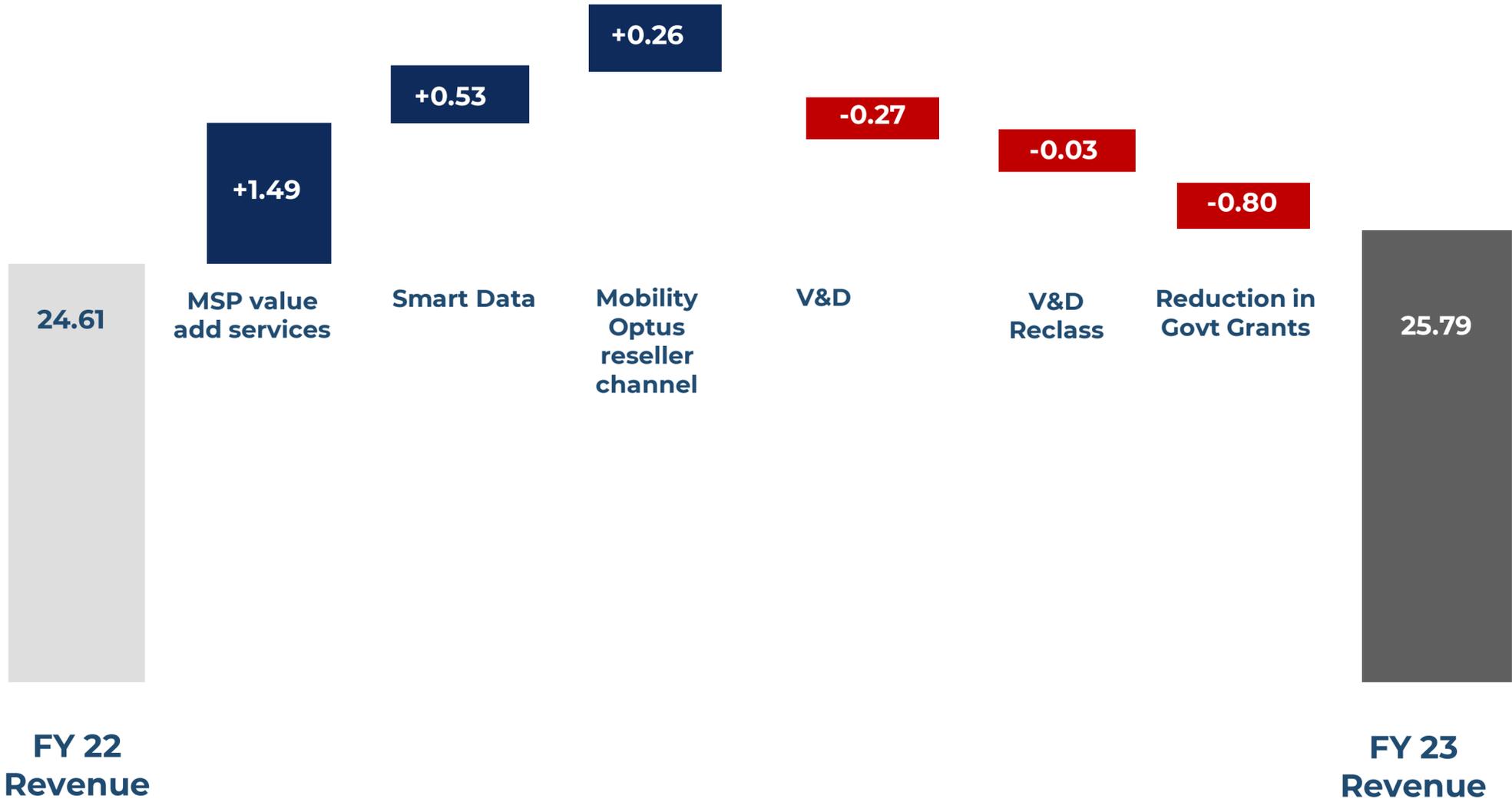


Annualised Recurring Revenue*



* Exit Run Rate annualised at each period.
 ** June 23 reflects the annualised run rate following the exit from the mobility Optus Small Business Program

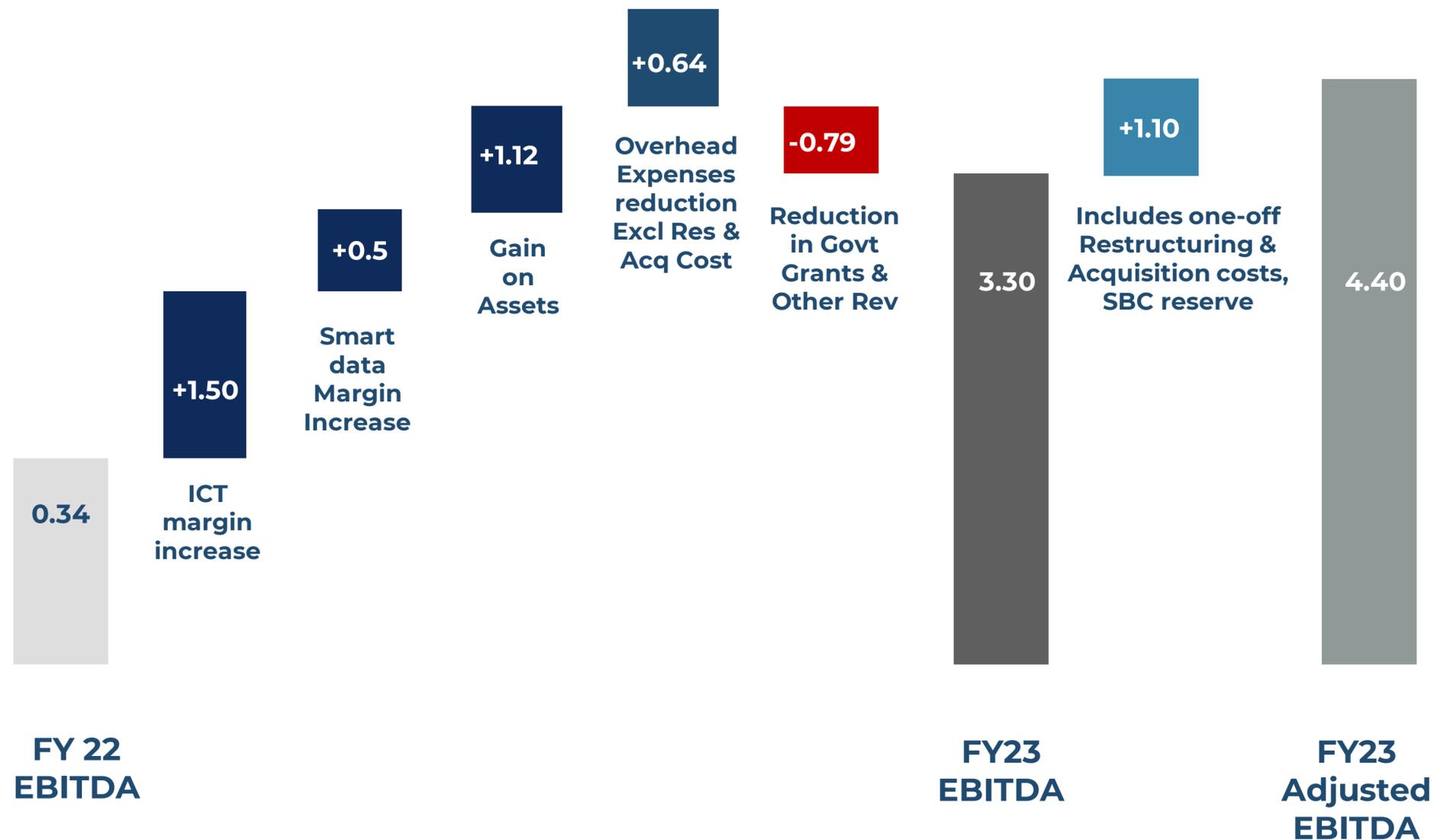
REVENUE WATERFALL FY23 vs FY22



Key Highlights

- Managed Services** is the driver of revenue growth up 18% to \$9.77m in FY23 with addition of new customers and inclusion of new acquisitions.
- Smart Data** up 30% to \$2.25m driven by increasing client demand.
- Mobility** up 3.2% to \$8.45m inclusive of the exit from the Optus Small Business program and new Optus Enterprise contract. The SME contract termination payment of \$2.28m was finalised in April 2023.
- Voice & Data** overall revenue 5% below FY22 in line with market decline in fixed voice revenues and reductions in hardware requirements.
- Other revenue:** Cessation in Govt grants as \$0.8m received in FY22.

EBITDA WATERFALL FY23 vs FY22



Key Highlights

- Customer Revenue up 8% to \$25.8m and associated gross margin improved to 74% driven by ICT performance in areas such as onsite hosting and MSP services that were resourced by HFY employees
- Smart Data margin increase is reflected of the increased client demand
- Gain on Assets +\$1.12m represents revaluation of external investment in cyber security provider Internet 2.0. Investment now valued at \$1.15m after sale of \$0.41m
- Administration costs +\$0.64m includes +\$0.96m in restructuring and acquisition costs included in adjusted EBITDA. With inflation impacts a real overhead expense decline was delivered.
- Reduction in Government grants as pcp FY22 includes \$0.79m received.
- EBITDA FY23 result of \$3.30m with Adjusted EBITDA of \$4.40m after exclusion of \$0.84m in restructuring costs, \$0.12 acquisition costs and Share based payments reserve entries of \$0.16.

DIVISIONAL
RESULTS

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FY23 DIVISIONAL PERFORMANCE

CUSTOMER REVENUE & MARGIN

Division	Segment	FY 23	FY 22	Variance	FY23 GP Margin %
Managed Services*		9.77	8.28	18.0%	64.0%
	MSP	5.20	3.89	33.7%	81.0%
	Hardware	1.12	1.08	3.6%	23.8%
	Licensing	1.40	1.12	24.7%	17.2%
	Professional Services	1.46	1.55	(5.7%)	73.1%
	Voice services	0.58	0.63		73.1%
Voice*		2.59	2.80	(7.5%)	58.7%
	IP Telephony	2.22	2.37	(6.4%)	58.1%
	Other	0.37	0.43	(13.7%)	62.1%
Data*		2.73	2.81	(2.9%)	32.0%
	Networks	2.73	2.81	(2.9%)	31.0%
Mobility*		8.45	8.19	3.2%	96.8%
	Small Medium Business	5.71	5.43	5.1%	100.0%
	Enterprise	2.35	2.45	(3.8%)	100.0%
	Wholesale	0.39	0.32	23.6%	31.0%
Other	Smart Data	2.25	1.72	30.5%	100.0%
Total		25.79	23.81	8.3%	73.8%

* FY22 Divisional figures are restated post integration of acquisitions to reflect the segment activities performed by in-house teams

Key Highlights

- Overall, 8% customer revenue growth. Reclassification of revenue segments has restated FY22 post integration of acquisitions to reflect the segment activities performed by in-house teams
- Managed Services revenue growth 33.7% with Gross margin of 81% as MSP is supported by internal staff. Professional Services 6% below FY22 with internal staff resourcing achieving a 73% gross margin.
- Voice revenue associated with value added management has been transferred to MSP. IP telephony 6% below FY22 at 58% gross margin.
- Data revenue represents NBN and Fibre with defined wholesale pricing at 32% margin.
- Mobility revenue across Optus Small business includes exit payment from segment in April 2023. Enterprise is 4% below FY22 and continues under the new Optus agreement.
- Smart Data growth via increased client demands serviced by internal staff and systems

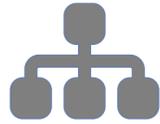
MANAGED SERVICES

Organic growth of 18% in line with the company's strategy to continue building annuity revenue through value added services to clients

Managed Services is the driver of total company revenue growth and MSP is up 18% to \$9.77m with addition of new customers and inclusion of new acquisitions.



Business IT & Tech



IT Infrastructure



Business Continuity



Cloud Services

	FY 23	FY 22	Variance
MSP Revenue	9.77	8.28	18.0%
Recurring Revenue	8.65	5.18	67%
Gross Margin*	64.0%	62.2%	

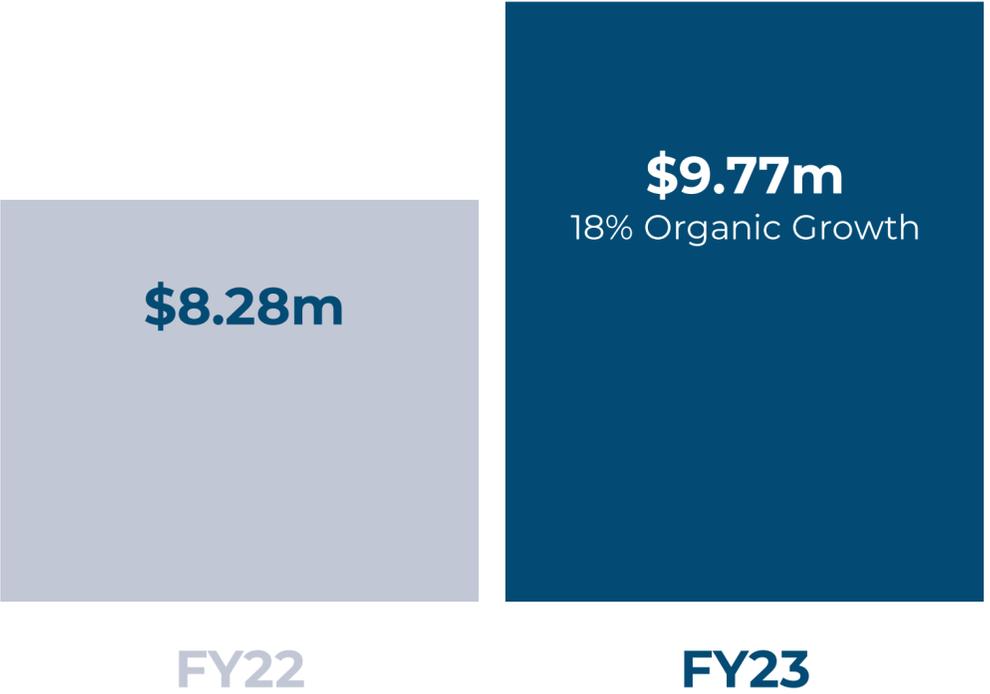
* Gross Margin on MSP includes cost of sales on customer services, professional services and licencing

Our Partners

Business Continuity



Cloud



VOICE

Overall revenue 5% below FY22 in line with market decline in traditional fixed voice revenues and reductions in hardware requirements



Hosted Voice



Inbound



SIP & On Premise



Microsoft Teams

	FY 23	FY 22	Variance
Voice Revenue	2.59	2.80	(7.5%)
Recurring Revenue	2.42	2.95	(17.8%)
Gross Margin	58.7%	57.0%	

Our Partners



The focus within the voice division is to migrate customers on traditional on-prem voice products to MS Teams and 3CX calling managed by in-house teams within the MSP division. The product migration has a reduced cost to serve as it rationalizes redundant systems and their support requirements.



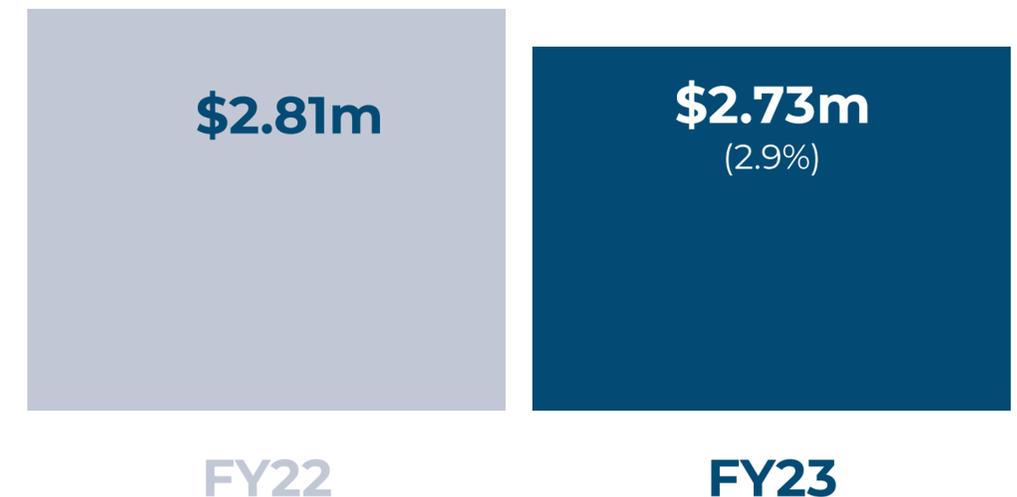
DATA - Internet & Networks

Recurring revenue delivered through added services to MSP solutions



Due to the low margins (particularly in NBN) the company views data as an enabler for Managed Services Growth and there is no specific focus on growth in this product as a stand-alone service. Customer churn continues to be low.

	FY 23	FY 22	Variance
Networks Revenue	2.73	2.81	(2.9%)
Recurring Revenue	2.73	2.81	(2.9%)
Gross Margin	31.0%	26.0%	



Our Partners



MOBILITY

Overall Mobility growth of 3% inclusive of the exit from the Optus Small Business program and new Optus Enterprise contract



IoT Solutions



Business Plans
Optus Network



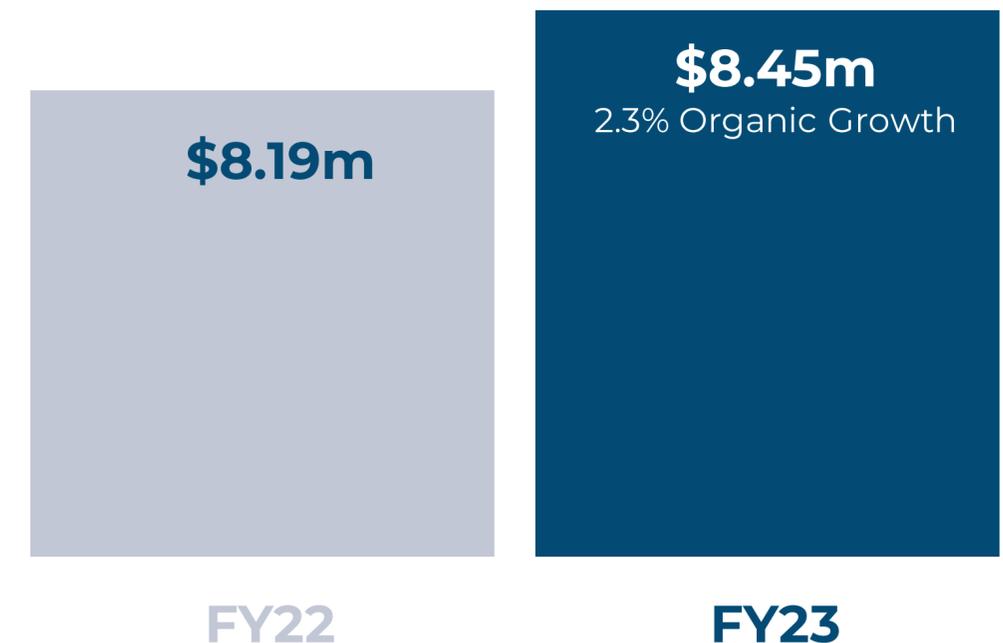
Mobile Device
Management



Global Sim
Hubify Network

Core revenue in the Mobility Division relates to the reseller partnership with Optus. The Small Business contract termination payment of \$2.28m was finalised in April 2023. The new Optus contract reflects the enterprise segment for FY24.

	FY 23	FY 22	Variance
Mobility Revenue	8.45	8.19	3.2%
Small Medium Business	5.71	5.43	5.1%
Enterprise	2.35	2.45	(3.8%)
Recurring Revenue	5.63	4.15	35.7%
Gross Margin	96.8%	100%	



Our Partners



SMART DATA

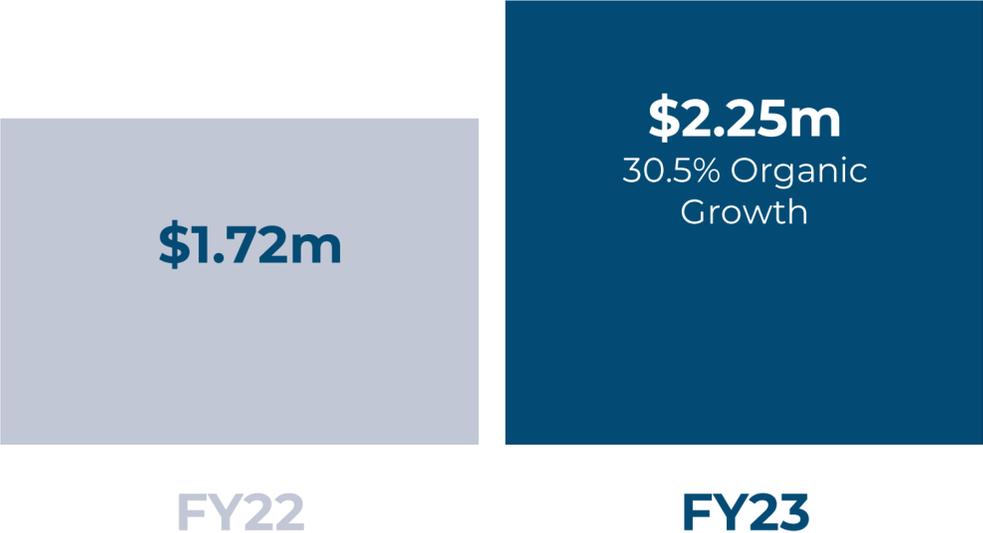
Significant Growth in revenue of 31% due to demand for quality lead data for Small Business and Enterprise



The Smart Data Division comprises of the Sennah business which provides lead generation activities to Optus Small Business Program and Optus Enterprise.

	FY23	FY22	Variance
Smart Data Revenue	2.25	1.72	30.5%
Recurring Revenue	2.25	1.72	30.5%
Gross Margin	100%	100%	

Key Customer



PERFORMANCE SUMMARY FY23



FY23 Results

- Revenue from Customers up 8% on pcp to \$27.79m
- MSP Division growth of 18% on pcp to \$9.77m representing 38% of total customer revenue
- Recurring Revenue up 29% on pcp to \$21.61m representing 84% of total customer revenue, or \$19.0m (74% of total revenue) after excluding one-offs.
- EBITDA of \$3.30m and underlying EBITDA of \$4.40m up on \$3.41 on the prior year and after removing restructuring and acquisition costs
- Positive \$4.28m underlying operating cashflow excluding restructuring costs of \$0.84m and acquisition costs of \$0.12m
- \$5.61m cash as at 30 June, Bank debt free

Outlook

The Company remains confident in continuing its strong organic revenue growth trajectory and realising the operating leverage in the Hubify business model/strategy and accelerating earnings near term based on:

- Delivering continued innovation delivering efficient Managed Services solutions via the Hubify One managed service package
- Enhancing the Cyber Security rollout through in-house expertise providing clients with specialised solutions in proactive cyber defence, alerts, business continuity, backup and disaster recovery
- Delivering increasing underlying operating cashflow with capacity for additional MSP clients against existing resourcing levels
- Continuing to hunt for growth businesses within our product and service offerings to expand our portfolio of cyber, SIM, IoT and smart data customer solutions

DISCLAIMER – EARNINGS DISCLOSURE



This update may contain forward-looking statements. Whilst Hubify Limited has no reason to believe that any such statements are either false, misleading, or incorrect. It cannot and does not warrant or guarantee that through either the passage of time or actions beyond the control of Hubify Limited they will not become so. Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made. Nothing contained in this presentation constitutes investment, legal, tax or other advice. This overview of Hubify Limited does not purport to be all inclusive or to contain all information which its recipients may require to make an informed assessment of the Company's prospects.

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