

Thursday, 20 July 2017

## Swift FY17 Preliminary Results and 4C Commentary

ASX: SW1

### **\$2.5 MILLION EBITDA GROWTH**

Leading telecommunications and content solutions provider Swift Networks Group Limited (ASX: SW1, “Swift” or “the Company”) is pleased to present its preliminary (unaudited) results for the year to 30 June 2017.

**Strong quarterly year-on-year growth to close out FY17:** Swift achieved exceptionally high cash receipts from customers of \$4.8 million in the June quarter, growing 27% compared to the June quarter of FY16.

Operational activities generated net cash of \$107,000 during the June quarter, resulting in Swift achieving increasing positive cash flow for the second consecutive quarter.

**Accelerating annual revenue growth:** As at 30 June 2017, Swift revenue for FY17 is expected to be \$17.0 million. This represents growth of 18% compared to the \$14.4 million reported at 30 June 2016 and a 28% increase in current annual contracted revenues versus the same time last year.

This growth reflects the strong momentum continuing to build across the Company’s key markets with multiple new contract wins secured during the year.

**Tight cost control drives margin expansion:** A resolute focus on renegotiation of content costs and leveraging overheads, coupled with the significant increase in revenue generation, has driven a substantial uplift in Swift’s gross margin, increasing by 222% year on year.

**Significant improvement in profitability:** The Company expects EBITDA for FY17 to be \$1.0 million. This reflects a remarkable financial turnaround compared to the normalised EBITDA loss reported in FY16 of (\$1.5 million), and substantially exceeds recent analyst forecasts.

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**Strong cash position:** The Company's cash balance at 30 June 2017 was \$2.24 million, noting that due to the timing of receivables the cash balance was \$2.63 million 3 business days later.

Subsequent to the end of the period, Swift strengthened its balance sheet by raising \$4.5 million (before costs) through a share placement to fund the Company's transformational acquisition of Video on Demand. This will increase Swift's market share dramatically, with site numbers to rise by more than 67% once the acquisition is complete.

Swift Chief Executive Officer, Xavier Kris, said:

*"FY17 has been a strong year for Swift as we have successfully executed the strategy outlined to shareholders 12 months ago. We continue to experience demand for our content and connectivity services across our target markets and we look forward to further enhancing our offering and growing our customer base in FY18 in addition to integrating our new accretive acquisition, Video on Demand."*

## About Swift Networks Group Limited

**Swift Networks Group Limited (ASX: SW1)** is a diversified telecommunications and content solutions provider, entertaining guests and connecting them to the world.

Swift's connectivity and content delivery platform empowers guests to watch, play, connect and interact. Swift brings accommodation providers opportunities to generate additional revenue and offers meaningful data insights to retain existing and drive new business.

Swift sources premium multi-lingual content from around the world and curates, packages and distributes it to clients' guests through its cloud-based platform. The company's services include free-to-air television, pay television, telecommunications, Internet, data, wireless networks and streaming video on demand with content from some of Hollywood's largest studios.

Running in more than 150 sites across the mining, oil, gas, aged care, retirement village and hospitality sectors, Swift's fully integrated platform is deployed in some of the world's harshest regions, where reliability, flexibility and scalability are critical success factors.

## For more information, please contact:

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