



SWIFT ACCELERATES EARNINGS

Leading communications, content and advertising solutions provider Swift Networks Group Limited (ASX: SW1, "Swift" or "the Company") is pleased to present its preliminary unaudited results for the half year to 31 December 2018.

167% EBITDA INCREASE

CONTINUED REVENUE GROWTH

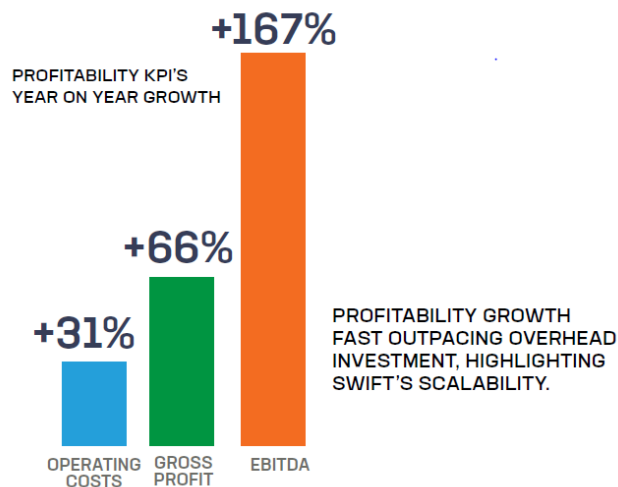
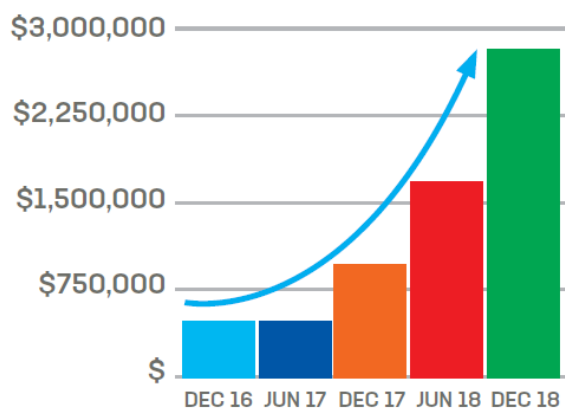
Swift achieved unaudited revenue of \$12.6 million in H1 FY19, delivering year-on-year revenue growth of 21%. This growth reflects the momentum Swift continues to build with new and existing clients across its target markets of Resources, Aged Care, Retirement Living, Hospitality, Student Accommodation, Health and Government.

ACCELERATING PROFITABILITY

Swift continues to capitalise on the operating leverage inherent to its business model, delivering substantial profit margin expansion in the half year to December 2018.

Focusing on profitability, the Company's gross profit margin is now up to 54% (H1 FY18: 39%), and its earnings before interest, tax, depreciation and amortisation (EBITDA) margin up to 22% (H1 FY18: 10%) as the business continues to scale.

EBITDA TREND ANALYSIS
HALF YEARLY SINCE LISTING





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ASX RELEASE
23 JANUARY 2019
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EXCEPTIONALLY STRONG EARNINGS GROWTH

Swift's succession of material contract wins across all verticals has resulted in an expected EBITDA for H1 FY19 of \$2.8 million.

This achievement represents year-on-year EBITDA growth of 167% and a continuation of the exceptional earnings trend delivered since the Swift business listed on the ASX in June 2016.

POSITIVE CASH FLOWS RE-INVESTED

Swift's sustained revenue and profit growth has translated into positive net operating cash flow of \$1.6 million, up 25% compared to H1 FY18.

This positive cash flow has facilitated re-investment across the Swift business. The Company has improved its internal systems, implementing the Net Suite Enterprise Resource Planning (ERP) system, expanded its world-class content catalogue with highly sought-after live eSports content, delivered product development with the launch of its Over-The-Top (OTT) Lumiair system and deployed its targeted advertising capability. Swift has also been actively pursuing its inorganic growth agenda culminating in its acquisition in December 2018 of out-of-home digital advertising specialist Medical Media.

ROBUST CASH POSITION

Swift's cash position (net of bank debt) as at 31 December 2018 was \$2.7 million, up 103% year-on-year, with \$3 million in undrawn debt facilities providing significant balance sheet flexibility. The Company is currently in discussions with tier-one funding providers to expand the size of its facilities for the combined Swift and Medical Media business.

PERFORMANCE MILESTONE ACHIEVED

Based on the preliminary unaudited financials, The Class A performance share milestone has been reached, representing revenue generation from more than 44,000 rooms receiving a Swift service as per the share purchase agreement executed in November 2015.

16.67 million shares (of the 38.38 million performance shares issued) are therefore expected to vest to Swift's founders, following completion of the half year financial audit.

Swift's founders (the Sofoulis family and related parties) will place the vested shares into voluntary escrow for a six-month period.

The Class B performance share milestone (representing revenue generation from more than 53,000 rooms receiving a Swift service and resulting in a further and final 16.67 million shares to be paid to Swift's founders) is likely to be met within the next 12 months.

Further information on the Company's capital structure can be found in the accompanying presentation released to investors today.

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SWIFT CHIEF EXECUTIVE OFFICER, XAVIER KRIS, SAID:

"Swift's underlying business continues to grow from strength to strength. We continue to deliver on our promises to our clients, our staff, our partners and our investors."

"Our commitment is reflected in the performance of the business from both an operational and financial standpoint across our Australian and international target markets, in line with the strategy communicated at the time of listing."

"We are particularly encouraged by the ability to further monetise our deployed assets and generate advertising revenue streams through our acquisition of the Medical Media business. We look forward to delivering continued growth in diverse, scalable, recurring earnings both directly and through our partner network in 2019."

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ABOUT SWIFT NETWORKS GROUP LIMITED

Swift Networks Group Limited (ASX: SW1) is a diversified telecommunications, content and advertising solutions provider. Swift empowers guests to watch, play, connect and interact and provides accommodation providers with meaningful insights and opportunities to drive new business. Swift delivers customised content, communications and targeted advertising across secure closed networks. Swift's services include free-to-air television, pay television, telecommunications, video on demand with content from some of Hollywood's largest studios, integrated advertising and analytics. Running in approximately 360 sites (circa 75,000 rooms) 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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