

## ASX Announcement

Symbio Holdings Limited (ASX: SYM)

20 February 2023

# Symbio Reports 1H23 Results Reiterates FY23 EBITDA guidance of \$26 million - \$30 million

Symbio Holdings Limited (ASX: SYM or “the Company”), a leading voice communications software provider, today announced its financial results for the half year ended 31 December 2022 (“1H23”), reiterating FY23 EBITDA guidance of \$26 million to \$30 million as announced in its December 2022 trading update.

### 1H23 summary:

- Recurring revenue up 5% to \$57.2 million (1H22: \$54.4 million)
- Recurring gross margin flat to \$32.1 million (1H22: \$31.9 million)
- EBITDA down 33% to \$11.6 million (1H22: \$17.3 million)
- NPATA down 34% to \$4.4 million (1H22: \$6.7 million)
- Earnings per share of 0.1 cents per share (1H22: 5.3 cents per share)
- Interim dividend of 1.70 cents per share fully franked
- Strong balance sheet with \$38.1 million in cash and no drawn debt as at 31 December 2022

### Commenting on the results, Symbio Co-founder and CEO Mr. Rene Sugo said:

“Symbio finished the first half as a cash generative and profitable business with a strong balance sheet and solid strategy to return to growth. Despite the set back in the first half around inventory returns and customer delays, there were positive organic growth indicators in the business. The CPaaS business continued number porting generating an overall 6% growth in numbers; the TaaS business achieved 15% growth in services; and UCaaS achieved 34% growth in seats.

“The strong balance sheet, history of retained earnings and overall confidence in the business has allowed the board to announce an interim dividend of 1.7 cents per share fully franked.

“In response to the global economic slow-down that was felt particularly by the technology sector in which Symbio and a lot of its customers operate, we immediately reduced expenditure by implementing a hiring freeze and reducing discretionary spending in travel, sales, and marketing. We are also reducing our FY23 capex by \$2 million by deferring selected product development and projects. The company is focussing on improving profitability and achieving additional operating efficiencies to return to EBITDA growth in FY24.

“We remain confident that the global megatrends of enterprise cloud adoption and new ways of working, including hybrid working, will prevail through the current period of uncertainty. Our expansion into the new high-tech Asian markets of Singapore, Malaysia and Taiwan will increase our addressable market further fueling long term growth.”

## **Strategy update**

### *Asian market expansion*

Customer uptake in Singapore continues to increase with a further 7 new customers contracted and 3 onboarded within the last 6 months. We have a further 24 new customers in pricing and contract negotiations. Phone numbers on network are growing quickly as customers establish their operations in this new market. Additionally the UCaaS business is building a solid pipeline of enterprise customers through our strategic partners Cisco and Microsoft.

Symbio was granted Malaysia Digital Economy Corporation (MDEC) status and a tier-two license during the half, allowing it to commence trading and complete its network build for an organic market entry into Malaysia. The tier-one license is progressing well and will allow Symbio to improve future operating margins once granted.

The Taiwan market continues to show promise. Discussions are progressing with regulators, potential M&A targets, and tier-one carriers in Taiwan.

### *Acquisitions*

Post period, Symbio completed the acquisition of Intrado Australia’s Cisco-focused end-to-end Cloud Calling, Contact Centre and Collaboration business, providing services to key partners and Enterprise & Government customers in Australia. The \$5 million acquisition was funded from cash reserves and the transaction completed on 31 January 2023. It effectively doubles the size of Symbio’s existing UCaaS business, adding 60,000 seats. It is expected the acquisition will add approximately \$12.5 million of annual recurring revenue, over \$6 million in annual recurring gross margin, and \$2 million of EBITDA after network and technology synergies.

Symbio continues to carefully evaluate potential acquisitions that support its strategy with either domestic market share growth or new market entry.

## **Results briefing**

There will be a webinar and results presentation held on Monday 20 February 2023 at 09:00 am. For registration and details, please visit <https://investors.symbio.global/>

A recorded version of the webinar will be made available for later viewing at the same web address.

This announcement has been authorised for release by the Board.

**ENDS**

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**About Symbio**

Symbio (ASX: SYM) is a software company changing the way the world communicates.

Symbio's technology replaces old-fashioned telecom networks with software, making it faster and easier to deliver modern cloud-based communication services, unlocking endless new applications for calling, messaging, and phone numbers.

Symbio is the backbone for the global cloud communication industry. Over 600 service providers – from telecom start-ups to the world's biggest software companies – rely on Symbio for the connectivity, quality and expertise they need to solve complex communication challenges.

Headquartered in Sydney, Symbio powers billions of calls and messages each year, owns networks in three countries and employs over 500 staff worldwide.

For more information about Symbio visit [www.symbio.global](http://www.symbio.global)