

# Ambertech LIMITED

SOURCE SUPPLY SUPPORT

FULL YEAR RESULTS FY 2023  
INVESTOR UPDATE - AUGUST 2023

ASX: AMO



# Executive Summary

- Leading value-added distributor of high technology audio-visual (AV) and communications solutions.
- Distribution network of professional, commercial and residential installers, consumer electronics (CE) & musical instrument (MI) retailers, content creators, broadcasters, government and non-government users of communications infrastructure across Australia and NZ.
- Continuing success driven by of the adoption of AV technology across key markets.
- Delivering on clear strategy for growth via business and agency acquisition.
- Successful acquisition and integration of Hills AV business (Nov 19), Noise Toys Imports MI business (Sep 21), Connected Media Australia (Oct 21) and Convoy International business (Jan 23).
- Opportunities for growth via acquisition continue to emerge and we are active in this space.



# Results Highlights



Revenue growth of 9.4% on previous corresponding period.



Revenue in line with company expectations, earnings impacted by increased costs. Investment to drive future growth.



Final dividend of 1.0 cents, fully franked



EPS of 2.1 cents.



Working Capital remains strong



Ongoing dividend payout commitment

Supporting our dealer network with world class product solutions and support.



**COMMERCIAL INSTALLATIONS**

Audio visual and infrastructure brands for commercial custom installation projects.



**SPECIALIST HI - FI**

Renowned high-fidelity brands for personal audio devices, advanced home audio components and digital accessories.



**RESIDENTIAL INSTALLATIONS**

Audio visual and infrastructure brands for home cinema, multi room AV and more.



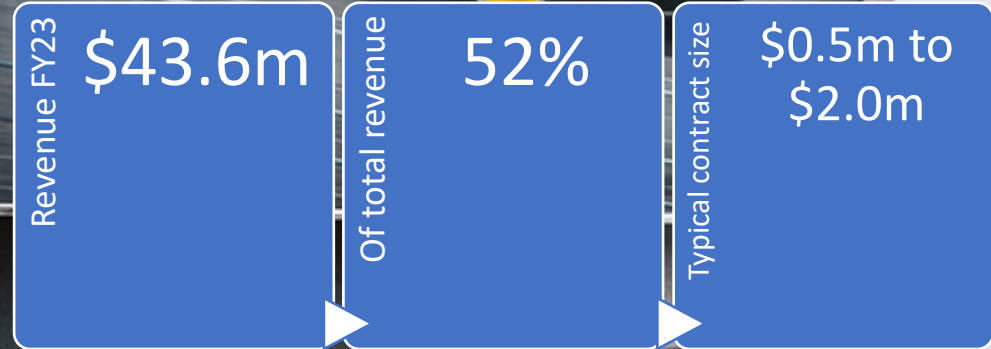
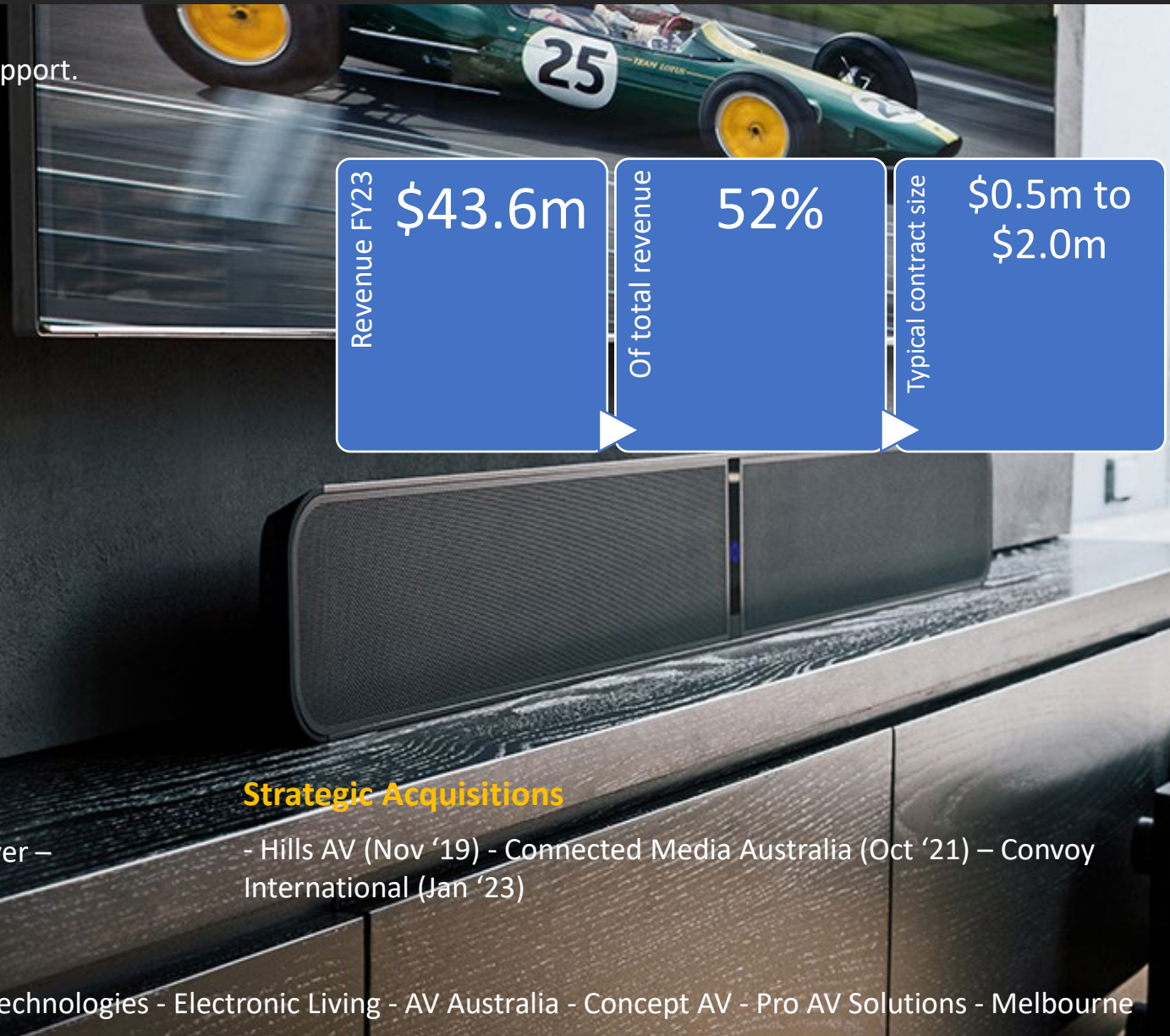
- Acquisition provides additional scale and allows for the creation of a new dedicated Specialist HiFi sales team.

## Key Brands

- Australian Monitor - Sonance – Williams AV - RTI - Bluesound - NAD - Aver – Grandview - Newline

## Key Customers

- One Diversified - Fredon Technology - Programmed Electrical - Vizcom Technologies - Electronic Living - AV Australia - Concept AV - Pro AV Solutions - Melbourne HiFi – Harvey Norman Commercial



## Strategic Acquisitions

- Hills AV (Nov '19) - Connected Media Australia (Oct '21) – Convoy International (Jan '23)

# Business Segments

## Professional

Supporting a strong dealer network and a range of media and communications users with world class product solutions and ongoing support including SaaS.



**PROFESSIONAL PRODUCTS**

Pro audio equipment for live sound productions, recording studios and post production.



**MUSICAL INSTRUMENTS**

Guitars, instruments and music technology for musicians of all levels.



**MEDIA SYSTEMS**

Content creation, acquisition, delivery, processing, asset management for broadcast and new media.



**DEFENCE, LAW ENFORCEMENT AND SECURITY (DLES)**

Specialised data communications and video technology for Defence, Law Enforcement and Security.



### Key Brands

- EVS –Telestream - Avid – Solid State Logic – Silvus – Neutrik – Canare – Radial - Strymon – Warwick Guitars


### Strategic Acquisitions

- Noise Toys (Sep '21)

### Key Customers

- Department of Defence – Royal Australian Navy - ABC – Fox Sports – Seven Network – Nine Network – Network Ten - Soundbay – Factory Sound – Sounds Easy

Exclusive brand representation in areas where product differentiation is clear in capability and value.



**HOME ENTERTAINMENT**  
High-end audio visual and accessory brands for the home.

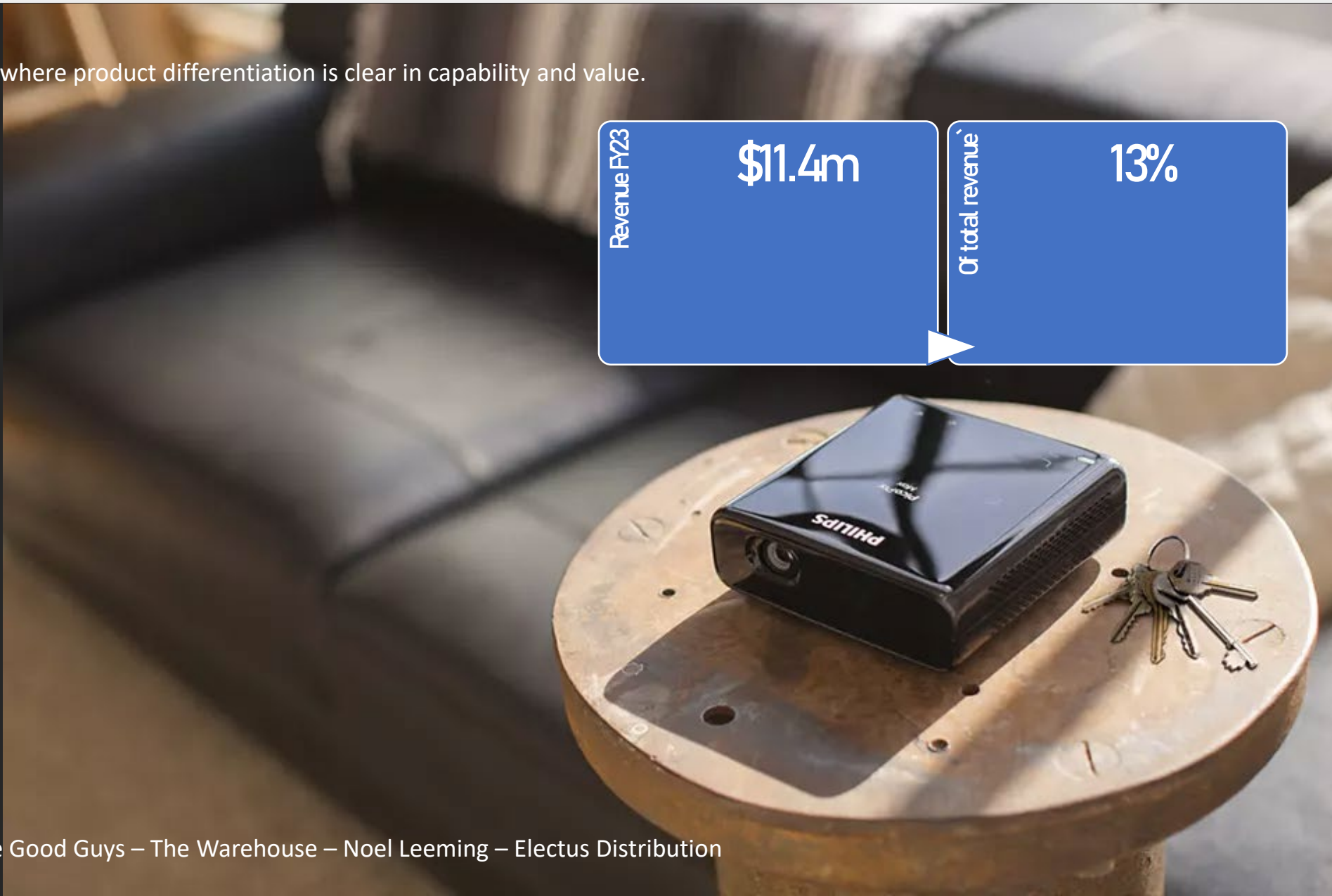


### Key Brands

- One For All – Philips

### Key Customers

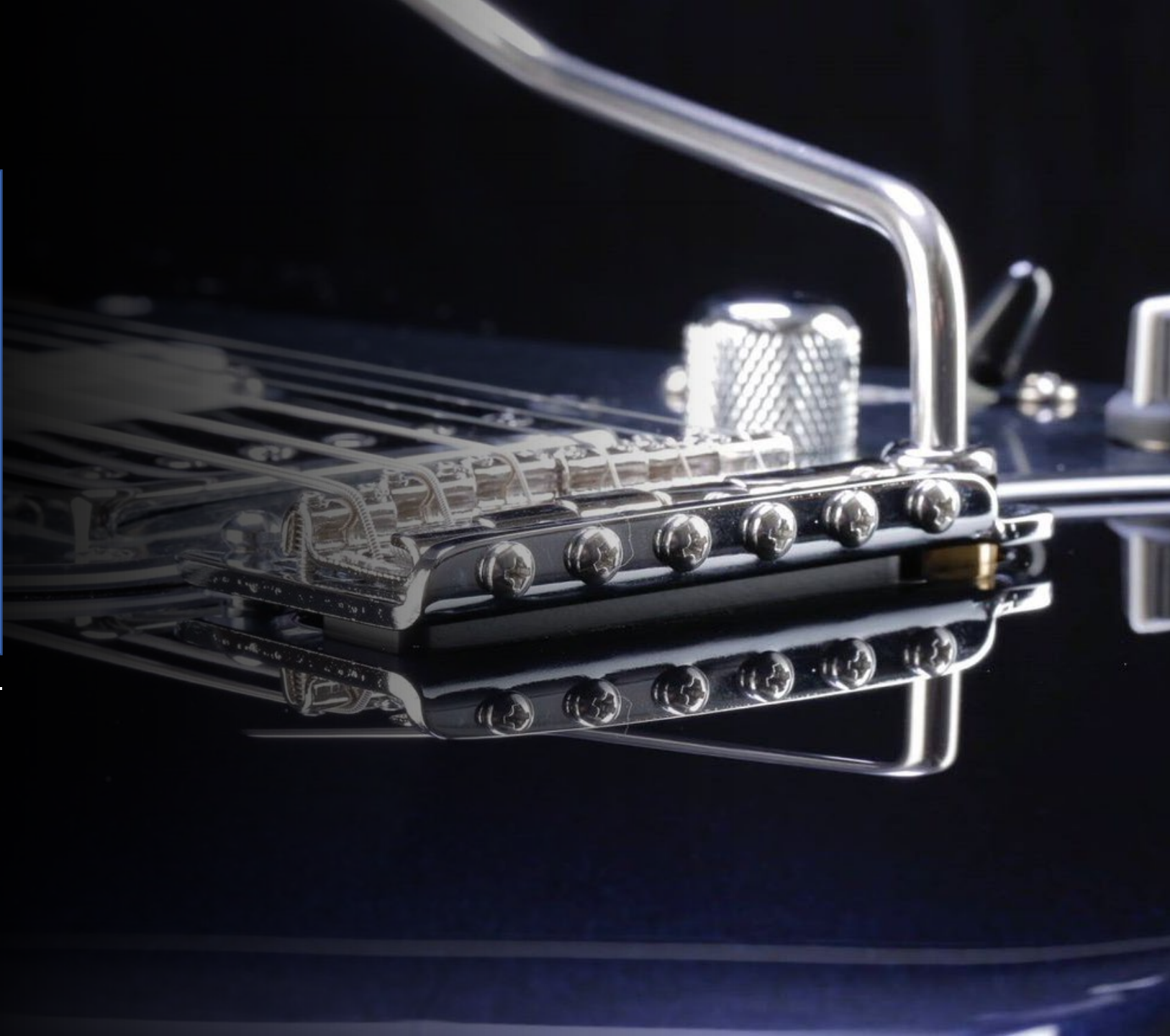
- JB HiFi – Harvey Norman – Big W – The Good Guys – The Warehouse – Noel Leeming – Electus Distribution





# Financials

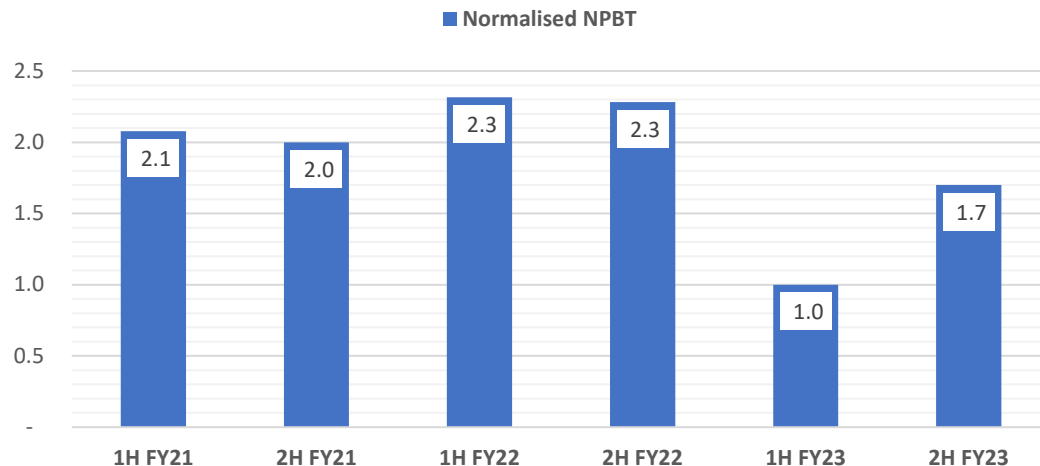
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## Commentary

- Revenue growth across multiple sectors with further capacity from key brands in FY24.
- Travel, marketing and employment costs up reflecting increased business activity with greater dealer and supplier interaction – however we expect this investment to drive further growth in future reporting periods.
- Improved second half result underpinned by project work and acquisition.

Normalised NPBT by Half Year (\$m)



(A\$m)	FY23	FY22
Revenue	84.2	77.0
Cost of Goods	(55.5)	(50.0)
Gross Profit	28.7	27.0
<i>GP Margin (%)</i>	34.1%	35.1%
<b>EBITDA</b>	<b>4.9</b>	<b>7.5</b>
<i>EBITDA Margin (%)</i>	5.8%	9.7%
EBIT	3.8	6.2
<i>EBIT Margin (%)</i>	4.5%	8.1%
<b>NPBT</b>	<b>2.7</b>	<b>4.6</b>
<b>NPAT</b>	<b>1.9</b>	<b>3.7</b>
<b>Adjusted NPAT (Jobseeker FY22)</b>	<b>1.9</b>	<b>3.1</b>
EPS (cents)	2.1	4.2
Div PS (cents)	1.5	3.1



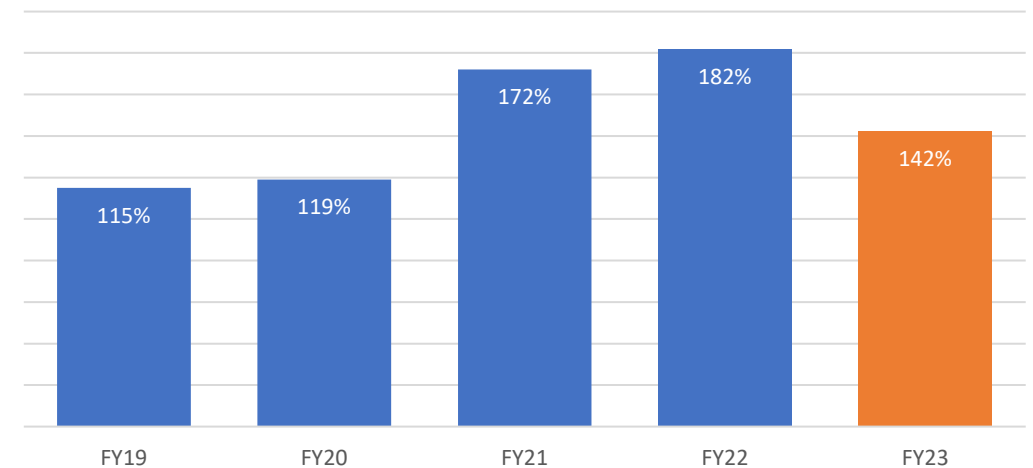
## Balance Sheet Summary

(A\$m)	FY23	FY22
Current Assets	42.9	35.1
Current Liabilities	23.2	14.4
<b>Working Capital</b>	<b>19.7</b>	<b>20.7</b>
<b>Adjusted Working Capital (excluding cash)</b>	<b>18.1</b>	<b>18.5</b>
Non Current Assets	9.4	9.4
Non Current Liabilities	6.6	7.9
<b>Net Assets</b>	<b>22.5</b>	<b>22.2</b>
Intangibles	(4.7)	(4.3)
<b>Net Tangible Assets</b>	<b>17.8</b>	<b>17.9</b>

- Working capital and NTA steady during the period.

(A\$m)	FY23	FY22
Inventory	23.1	17.3

Annualised GPROI (Average Inventory)



- Holding stock for projects of approx. \$2.0M at year end.
- Positioned to see significant improvement in this metric in H1 FY2024.

## Cash Flow Summary

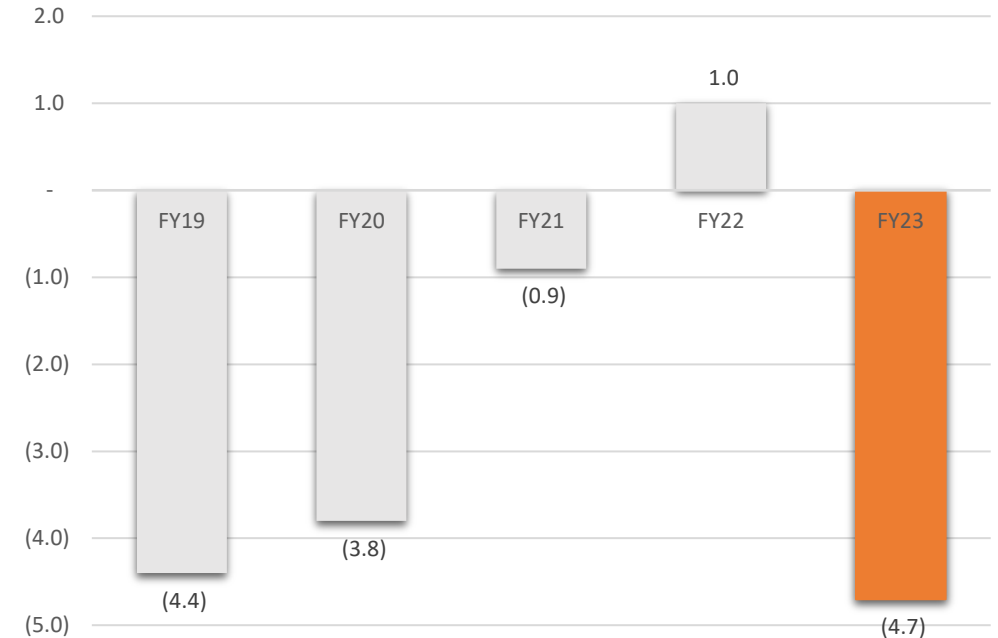
(A\$m)	FY23	FY22
Cash provided by Operating Activities	0.4	1.9
Cash used in Investing Activities	(3.0)	(2.0)
Cash provided by Financing Activities	2.0	0.6
<b>Net (decrease)/ increase in cash</b>	<b>(0.6)</b>	<b>0.5</b>

(A\$m)	FY23	FY22
Total Finance Debt	(6.3)	(1.2)
Cash	1.6	2.2
<b>Net Cash/(Debt)</b>	<b>(4.7)</b>	<b>1.0</b>

- Usage of Octet facility higher at balance date to manage inventory flows, including project deliveries.

Net Cash/(Debt) (\$m)



- Convoy acquisition (\$2.8m) and increase in inventory levels increased usage of debt facilities at balance date.
- Significant headroom remains available across all funding facilities with limits of up to \$15M.

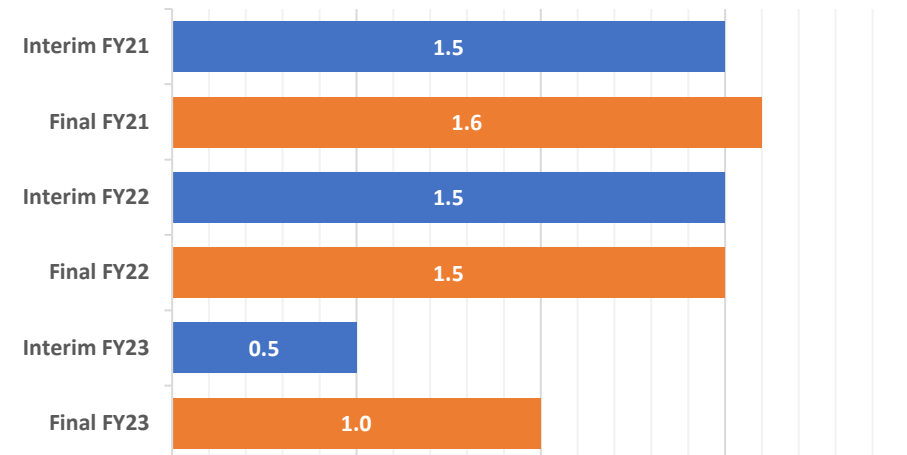
Capital Structure	
Share price (21 August 2023)	\$0.215
52 week range	\$0.21/\$0.40
Shares on Issue	93.2M
Options on Issue	1.1M
Market capitalisation	\$20.0M
Net debt (30 June 2023)	\$4.7M
Enterprise Value	\$24.7M

Substantial Shareholders (21 August 23)	%
Appwam Pty Limited	29.8%
Wavelink Systems	7.9%
Amos Super Fund	5.7%
Greig & Harrison	5.5%
Sub-total	48.9%
Top 20	69.1%

## Dividends

- Final dividend 1.0 cents per share
- DRP invoked for final dividend
- Full year dividend payout ratio of 75% of NPAT

### Dividend Cents per Share



- Board target payout ratio of min 50% of NPAT



# Growth Strategy and Outlook

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## Key Drivers

- Current brand portfolio has capacity for further growth, including brands recently acquired.
- Clear M&A strategy to achieve strategic growth targets across all markets.
- Further growth possible in additional aligned verticals not currently serviced.
- Focused on value creating opportunities where with a clear commercial case supported by Board and management expertise.

## Key Acquisition Attributes

- EPS positive
- High Inventory ROI
- Owned IP
- Recurring revenue
- Retention of key brands
- Retention of key people
- Limited brand conflict



- Final Dividend of 1.0 cents per share fully franked. Full year payout of 1.5 cent represents payout ratio of 75% of NPAT.
- Strong start to first half of FY2024 with multiple project milestones completed.
- Dealer based business continues to grow despite difficult economic environment.
- Opportunities for growth via acquisition continue to emerge and we are active in this space.
- More information at the AGM.

# Appendix



# Acquisition Success

Acquisition	Date	Market	Acquisition Price	Goodwill	Annual Revenue <sup>^</sup>
• Hills AV Business	Nov 2019	Commercial AV	\$4.6m	\$0.8m	\$25M
• Noise Toys	Sep 2021	Musical Instruments	\$0.6m	\$0.2m	\$2M
• Connected Media Australia	Oct 2021	Commercial & Residential AV	\$1.3m	\$0.3m	\$3M
• Convoy International*	Jan 2023	Specialist HiFi	\$2.8m	\$0.5m	\$5M

<sup>^</sup> Based on preliminary FY24 estimates.

## Acquisition Price

- Acquisition prices included stock at discounted value and may include accounts receivable and other identifiable assets
- Funding for acquisitions has been a combination of debt and equity



# Recent Contract Wins and Agency Gains

## Projects

- Contract for the supply of \$3m worth of SSL consoles with delivery in H1 FY2024.
- Ongoing contribution of the Network Ten contract. Revenue in the order of \$12m over 5 years with \$4.0M due in FY2024.
- Major law enforcement agency contract for \$2.2M.
- Several upgrades with national broadcasters.

## New Agencies

During the year:

- Breedlove Guitars
- Kasta Technologies
- James Tyler Guitars
- LEA Professional
- Amadeus Acoustics
- NAD
- Bluesound
- JBL
- ISO Acoustics

## Acquisition

Convoy International (Jan '23)

## *Future performance*

*This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Ambertech, the outcome and effects of the Offer and the use of proceeds, including the impact of the acquisition. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Ambertech, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and Ambertech specific risk factors that may affect Ambertech. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to Ambertech as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Ambertech undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.*

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