



AMBERTECH LIMITED

ASX:AMO

Investor Presentation
8 October 2020



SOURCE SUPPLY SUPPORT

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Executive Summary



- Ambertech Limited (ASX: AMO) is a leading producer and value-added distributor of audio-visual (AV) and communications solutions
- Supporting a 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 New Zealand
- Ambertech is well positioned to take advantage of strong macro growth and adoption of AV technology in light of COVID-19 across its key markets:
 - Professional
 - Lifestyle/Commercial
 - Retail
- Ambertech has an extremely strong technology and product suite that has allowed the business to achieve the following key highlights:
 - Successful acquisition and integration of Hills AV business bringing scale, geographic spread and strengthening professional customer base
 - Profitable business – delivered strong revenue of \$33.1m and EBITDA of \$3.7m in 2H FY20
 - Strong platform to build future growth primarily through professional, commercial and residential dealer sales

Executive Summary



Division	Professional	Lifestyle / Commercial	Retail
Products and Services	 <p>Media Systems Supply, installation and support of major systems for the Broadcasters, and production industry</p>  <p>Defence Law Enforcement Security Specific products focussed on defence and law enforcement</p>  <p>Professional Products Products for professional users spanning music, studios, broadcasters and post production</p>	 <p>Commercial Installations A range of exclusive brands focusing on commercial and educational clients</p>  <p>Residential Installations A range of exclusive brands complementary to the residential installation space.</p>	 <p>Home Entertainment A focus on exclusive product representation in areas where product differentiation is clear in capability and value, providing:</p> <ul style="list-style-type: none"> • Home cinema • Universal Remote Controls • Audio Visual accessories
Key customers	Department of Defence Royal Australian Navy Australian Police Force Attorney Generals Office ABC Studio / Production Facility Channel 9 Network 10	Diversify Fredon Programmed Electronic Living AV Australia JFK	JB Hi-Fi Other specialist AV retailers (with centralised distribution) selling to consumers who require universal remotes and other basic electronic products
FY20 Revenue contribution	~A\$25m (42%) ~A\$5m SaaS / contracted recurring revenue	~A\$25m (42%)	~A\$10m (16%)

SOURCE SUPPLY SUPPORT

1. Company Overview: Case Study 1 – Professional



- Auzbiz Sydney

Client Overview	<ul style="list-style-type: none">• Auzbiz A new business providing Live and on demand video of the Australian business, markets, economy and Start Ups https://www.ausbiz.com.au/
Use Case Scenario / Client Challenges	<ul style="list-style-type: none">• The client required a cost effective two studio solution based out of the Sydney CBD area. The system had to have minimal operational staff leading to a high level of Automation is required. The program output would be an on demand and live service available to all carriage networks as they become available.
Solution	<ul style="list-style-type: none">• Amber took the opportunity to implement a number of new technologies including a Full NDI workflow allowing the implementation of Robotic cameras, a fully automated presentation system and Media Management. This allowed for a small production team and fast installation. https://www.ambertech.com.au/news/11362/ausbiz-goes-live-with-studio-build-led-by-amber-technology
Results	<ul style="list-style-type: none">• The system has been on air for over 6 months and is producing eight hours of live production 5 days a week. In addition to this there is a catch up service allowing clients to view material in an on demand basis.• The new NDI compressed format has proven to be a new standard which has allowed tis style of installation to function efficiently and within a budget.

Auzbiz Control room view to Studio



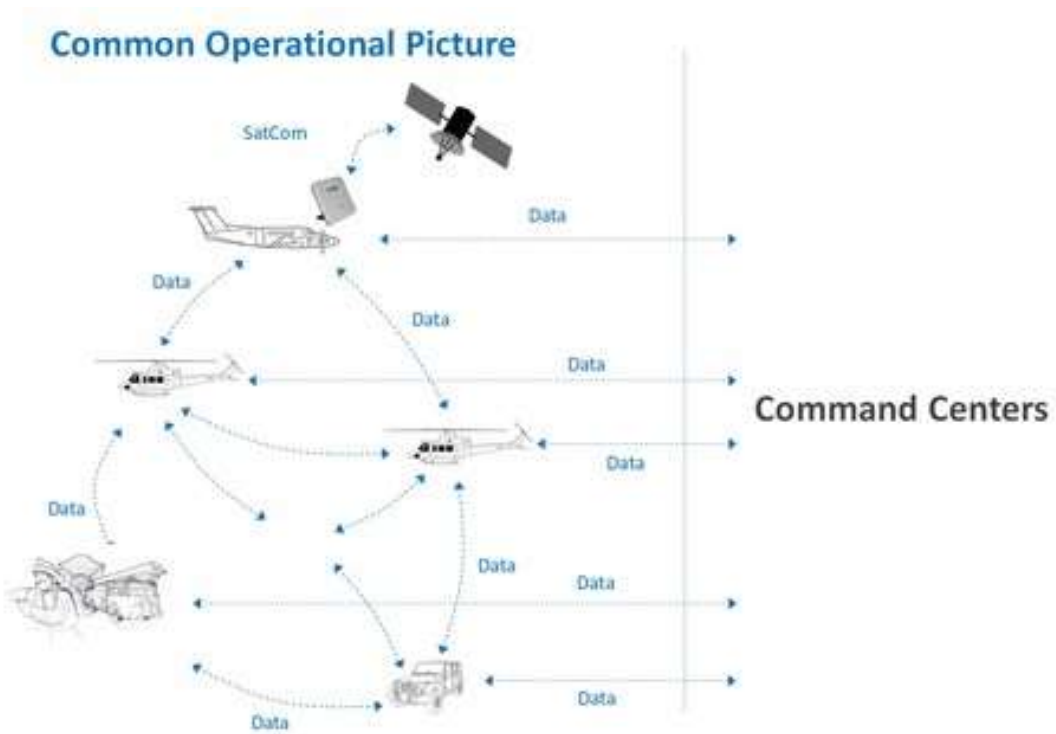
1. Company Overview: Case Study 2 – Professional



- National Aerial Firefighting Centre (NAFC) ACT

Client Overview	<ul style="list-style-type: none">• The National Aerial Firefighting Centre (NAFC) required an addition to their existing communications infrastructure to facilitate real time communications for video and data links to their aerial assets. The NAFC have a number of optical and infrared cameras deployed on fire surveillance aircraft and having real time visibility of this information will allow for faster and more informed decisions.
Use Case Scenario / Client Challenges	Although cellular and PSMB connections may be available 99% of the time, it has been regularly demonstrated that they cannot be guaranteed in an emergency situation. The infrastructure that they depend on may be compromised. This is especially true during natural disasters such as bushfires or floods, and public happenings such as large stadium events. Often during natural disasters, physical damage to infrastructure can occur, while at public events, cellular systems can be overloaded by the presence of large numbers of people gathered in one small area accessing the networks.
Solution	After much research, NAFC selected Silvus MN-MIMO radios as their network link of choice for aerial applications. The Silvus system has been extensively used in the USA and Europe for similar applications, with great success. Silvus has a family of mesh radio products specifically designed to address the growing demand for distributing video and other high bandwidth data in harsh tactical environments. Silvus StreamCaster radios, featuring MN-MIMO at the core, join together to form a robust, self-healing, self-forming fluid mesh network.
Results	The result is demonstrated network links from a helicopter to a state's emergency network from a range of around 150 kilometres from the receive sites, delivering video and metadata to control, and feeds to ground crews, either with or without service from the cellular system. An easy-to-use graphical interface enables monitoring, control and configuration of all radios on a single screen, from any node on the network. An extensive application programming interface enables full interaction with a wide range of ISR and management systems.

National Aerial Firefighting Centre



1. Company Overview: Case Study 3 – Lifestyle / Commercial



- Ritz Carlton Perth

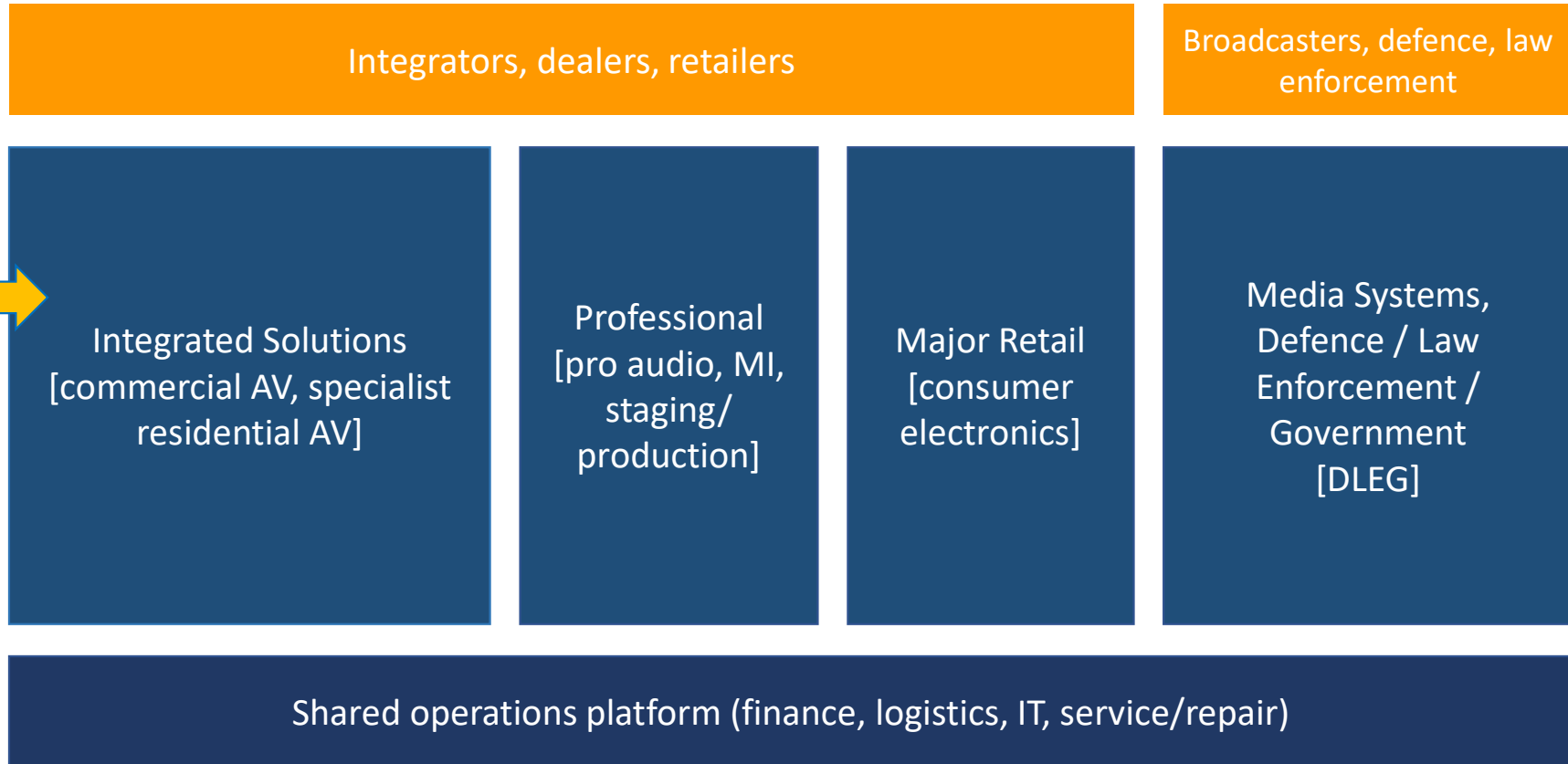
Client Overview	<ul style="list-style-type: none">• The Ritz Carlton is Perth's newest luxury hotel. Programmed Electrical Technologies (PET) were engaged to supply a number of technology solutions. The AV solution had to a premium solution meeting the 5 star rating of the hotel. https://www.ritzcarlton.com/en/hotels/australia/perth/hotel-overview
Use Case Scenario / Client Challenges	<ul style="list-style-type: none">• The clients objectives was to create an optimum audio experience in all public areas, including the lobby and porte cochere, ballrooms, food and beverage areas, the outdoor pool and terrace. This meant not only from a technology ,volume and clarity perspective, but also with regards to audibility support for those with hearing limitations.
Solution	<ul style="list-style-type: none">• A selection of products and systems from Amber Technology portfolio were specified by PET, including Sonance Pro series, Sonance Landscape Series, JTS microphones, and Williams IR hearing augmentation system.• The solutions were installed in all of the public spaces including the outdoor terrace level where the Landscape series were used extensively with fourteen satellites and four subwoofers.
Results	<ul style="list-style-type: none">• Upon completion of the AV installation. Laura Ashcroft . Hotel Project Manager for the Ritz Carlton Perth commented; The overall service provided by PET was very professional and we are very happy with the outcome.

Ritz Carlton Project Perth



Organisational Structure

HILLS.



3. Financial Highlights



FY20 Commentary

Major factors affecting the result:

- HAV acquired brands contributed \$9.5M in revenue;
- Anticipated recognition of ABC contract revenue in FY20 of \$2.5M delayed until FY21;
- COVID-19 impact on top line assessed to be approx. 35% during last quarter;
- Positive JobKeeper cash boost with impact on profit of \$1.1M;
- Transaction and restructure costs associated with HAV acquisition \$0.7M

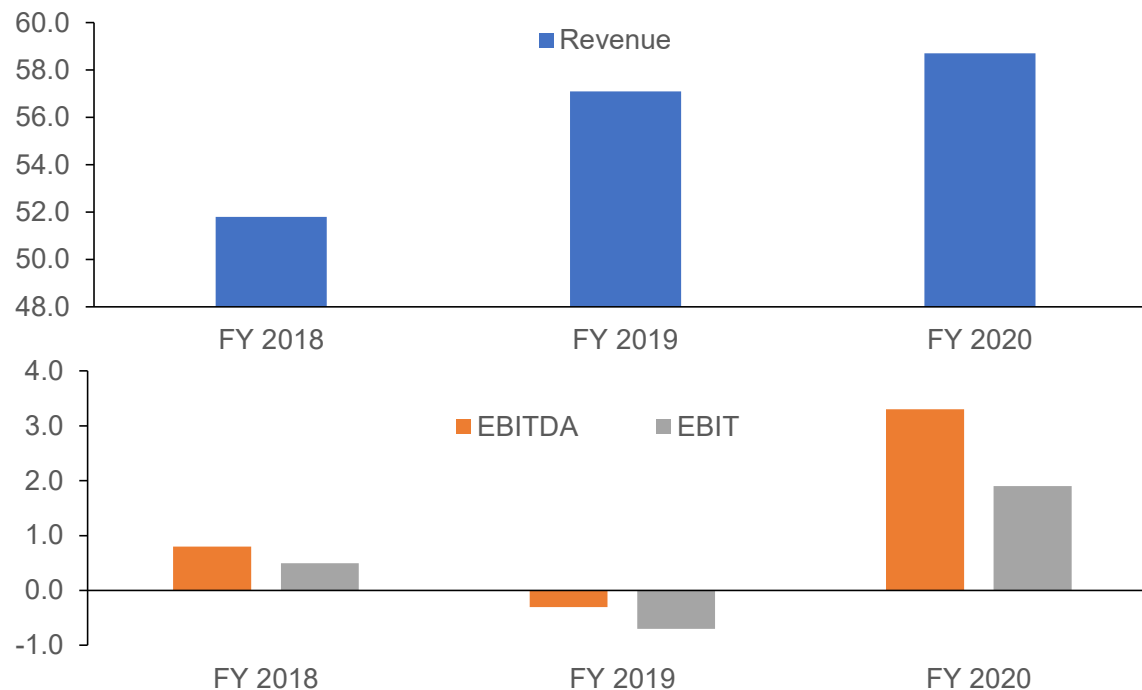
(A\$m)	FY20	FY19	% Δ
Revenue	58.7	57.2	2.6
Cost of Goods	40.5	41.6	(2.6)
Gross Profit	18.2	15.6	16.7
<i>GP Margin (%)</i>	31.0	27.3	3.7
EBITDA	3.3	(0.3)	1,200.0
<i>EBITDA Margin (%)</i>	5.6	(0.5)	6.1
EBIT	1.9	(0.7)	371.4
<i>EBIT Margin (%)</i>	3.2	(1.2)	4.4
NPAT	0.8	(1.3)	161.5
EPS (cents)	1.4	(4.4)	131.8

3. Key Operating Metrics



FY20 Revenue growth factors:

- HAV Acquisition positive
- COVID-19 impacts
- Some agency reorganisation
- Timing of ABC contract



(A\$m)	FY18	FY19	FY20
Revenue	51.8	57.2	58.7
EBITDA	0.8	(0.3)	3.3
EBIT	(0.3)	(0.7)	1.9
EPS (cents)	(0.5)	(4.4)	1.4

4. Executing Growth Strategy



- Ambertech is focused on increasing market share in Professional and Lifestyle / Commercial categories and increasing recurring revenues and margin through the following key growth initiatives

Organic	Professional	<ul style="list-style-type: none"> • Expanded our reach into more system sales where we take the role of a complete supplier. Recent examples being the ABC project and Ausbiz. • Focused on increasing our recurring services model where multi year support contracts are entered into. • Increasing our own IP capability with the acquisition of Australian Monitor. The R&D for new product development continues with four new products in development.
	Lifestyle / Commercial	<ul style="list-style-type: none"> • There are a number of opportunities in the product portfolio to increase the depth of sales, being in the areas of Video conferencing and Streaming products – this has recently been expanded due to the high demand as a result of the work force working from home.
	Retail	<ul style="list-style-type: none"> • We are introducing a range of new low cost LED based projectors to the market. In addition to this we are expanding the representation of the current product to additional retailers.
Inorganic	Acquisition	<ul style="list-style-type: none"> • Ambertech is actively looking acquisition opportunities and we have identified a number of companies within each area of the business. • We have disciplined framework for approaching relevant acquisition opportunities.

4. FY21 Outlook



- Dividend declared in relation to FY20 to be paid in October of 0.3 cents per share. The Board have reaffirmed its intention to target a dividend pay-out ratio of 45% to 55% going forward.
- The commercial and professional sectors remain strong but the COVID-19 impacts on the events and entertainment segment mean this area remains a challenge for the overall business.
- The business has continued to perform in all the other segments in the new financial year, following on the trend of the second half of FY2020. Uncertainty surrounding the general market means no firm projections are provided at this time.

5. Appendix

1H FY20 New Contract Wins



Professional

- Ambertech has been awarded a contract with Leonardo to upgrade the RAN Anzac fleet with Silvus radio solutions. Phase 1 is scheduled for delivery in May 2020 (\$900k for Phase 1) and there are two subsequent phases.
- Ambertech has recently been awarded a contract with the ABC TV for the supply of acquisition and playout servers for their television operations. The deal is valued at \$4.9million, including a \$1.4million support contract over a five-year period. It is expected that the company will recognise \$2.8million in revenue for the 2020/21 financial year.
- Ambertech has been awarded a contract with Network 10 for the upgrade of their storage infrastructure for the Avid Editing systems. The project delivery schedule is in March 2020 (\$700K) and will be completed this financial year.

Capital Structure and Ownership



Capital Structure	Value
Number of shares	76.5m
Shares price (7 October 2020)	\$0.10
Market capitalisation	\$7.6m
Cash at bank (30 June 2020)	\$0.9m / \$4.8m debt
Enterprise Value	\$11.5m

Key Shareholders ([insert date])	%
Appwam	34.3%
Wavelink Systems	9.4%
Crowton Pty Limited	6.2%
Greig & Harrison Pty Ltd	5.7%
Regal Funds Management Pty Ltd	5.4%
Sub-total	61.0%
Top 20	85.7%
Remaining	14.3%

Board of Directors



<p>Peter Wallace Chairman and Non Executive Director</p>	<ul style="list-style-type: none"> Peter Wallace is the founder and Managing Director of Endeavour Capital Pty Limited, an independent corporate advisory firm. Prior to establishing Endeavour Capital Pty Limited in 1998, he was an Investment Director with private equity company Hambro Grantham. Mr Wallace has been a non executive director of over 20 groups of companies. He is currently the non executive chairman of ASX listed, Ideas International Limited. Mr Wallace has a Bachelor of Commerce degree from the University of New South Wales and a Master of Business Administration degree from Macquarie University. He is a member of the Institute of Chartered Accountants, and a fellow of the Australian Institute of Company Directors. Mr Wallace has been a director of Ambertech's Group companies since February 2000 and Chairman of Ambertech Limited since October 2002.
<p>Peter Amos Managing Director</p>	<ul style="list-style-type: none"> Peter Amos graduated from Sydney Technical College (now University of Technology, Sydney) with a Radio Trade Certificate and from North Sydney Technical College with an Electronics Engineering Certificate. He joined Rank Electronics, the Company from which Ambertech was formed via a management buyout, as a technician in the mid 1970s, rising from Senior Technician to Service Manager. Upon the formation of Ambertech Limited, Mr Amos became Technical Director of the Ambertech Group. He also served in a senior role as Marketing Director of Quantum Pacific Pty Ltd, another company owned by the Ambertech Limited, until it was sold in the mid 1990s. Mr Amos has served as Managing Director of Ambertech Limited since 1995 and presided over the growth of the Company since that date. Mr Amos has been a director of Ambertech's Group companies since 1987.
<p>Thomas Amos Non Executive Director</p>	<ul style="list-style-type: none"> Tom Amos founded telecommunications consultancy Amos Aked Pty Limited in the early 1980s. His career in telecommunications and media spans over 30 years, during which time he has been involved in all facets of the industry. An engineer by profession, Mr Amos holds a B.E. (Electrical Engineering) degree from Sydney University. Mr Amos has also been prominent in the telecommunication deregulation debate over a period of 15 years as a (former) director and Vice Chairman of Australian Telecommunications Users Group Limited ("ATUG") and as an industry commentator. He is a director of BigTinCan Ltd (ASX:BTH) and Wave Link Systems Pty Limited. Mr Amos has been a director of Ambertech's Group companies since June 1997.
<p>David Swift Non Executive Director</p>	<ul style="list-style-type: none"> David Swift, who holds a B.E. (Electrical Engineering) degree from the University of NSW, has extensive experience in both the telecommunications and professional electronics industries. Mr Swift, a co-founder of Amos Aked Swift Pty Ltd and the founder of AAS Consulting Pty Ltd, is currently an independent telecommunications management and technology consultant operating in the Australasian Pacific region. Mr Swift is a past Director and the Chairman of the Australian Telecommunications Users Group Limited (ATUG). In addition to his consulting experience he has had significant management experience through senior positions with both Westpac Banking Corporation and Telecom Australia. Mr Swift has been a director of Ambertech's Group companies since June 1997.
<p>Santo Carlini Non Executive Director</p>	<ul style="list-style-type: none"> Mr Santo Carlini was appointed to the Board as a Non-Executive Director effective 1 March 2020. Mr Carlini brings to the Ambertech Board key Audio-Visual industry experience in the major professional and installation market segments, with over 20 years dedicated to achieving the best product and service outcomes for customers. Mr Carlini is General Manager at WES Alliance Pty Ltd (WES). The company was founded in 1984 and since 1995 he has successfully grown, first as part of the team and then as General Manager, the WES business from a specialist supplier of Electronic Parts to a leading supplier of audio, visual products and solutions to the domestic and commercial installation market. Mr Carlini has strong international products and supply experience. This expertise has been built from a business need to match the continuous domestic market demands by sourcing products from around the world that are the best fit audio and visual products to meet the demands of the competitive and evolving Australian marketplace. Mr Carlini's appointment to the Board of Directors will be subject to shareholder approval at the next Company AGM.
<p>Robert Glasson Company Secretary</p>	<ul style="list-style-type: none"> Robert Glasson holds a Bachelor of Business degree from the University of Technology, Sydney, and is a member of the Institute of Chartered Accountants in Australia. Mr Glasson joined Ambertech Limited in July 2002 and also holds the position of Chief Financial Officer. He was appointed to the role of Company Secretary on 1 November 2004.