20 July 2021

FY 21 Revenue at $104.5M up 200% YoY
H2 21 revenue grew 37% to $60.5M
Record FY21 EBITDA Result

Spirit Technology Solutions Limited (ASX:ST1) is pleased to provide an unaudited trading update for H2 FY21 & FY21, demonstrating continued strong growth despite the challenging conditions caused by lockdowns across Australia.

- **Year on Year revenue[1] grew by 200% to $104.5M.**
- **Spirit grew revenues[1] by 37% from $44.0M H1 FY21 to $60.5M H2 FY21.**
- **The company has continued to grow profits in H2 FY21 with unaudited FY21 Underlying EBITDA[2] of $11.5M up 208% from FY20 (FY21 audited financial results will be released to market in August 2021).**
- **Recurring revenue[1] base continues to strengthen - up 33% to $27.2M on H1 FY21.**
- **Sales Total Contract Value for Q4 FY21 was a record $31.8M demonstrating organic growth and demand for the Spirit products (TCV combines recurring & non-recurring contracted sales).**
- **Strong balance sheet with $24.2M of cash and available debt as at 30 June 2021 (net debt at only $1.5M).**

	H2 21 (Unaudited)	H1 21	Change $	Change %
Revenue & Other Income	**$60.5M**	$44.0M	↑ $16.5M	↑ 37%
Underlying EBITDA[2]	**$7.1M**	$4.4M	↑ $2.7M	↑ 59%

	FY 21 (Unaudited)	FY 20	Change $	Change %
Revenue & Other Income	**$104.5M**	$34.9M	↑ $69.6M	↑ 200%
Underlying EBITDA[2]	**$11.5M**	$3.7M	↑ $7.8M	↑ 208%

Managing Director, Sol Lukatsky, said: "We continue to execute to strategy with these very strong results. Organic demand for the product set across: Data, Cyber, Managed Services, Voice and importantly Spirit's bundled offering continues to be very positive. We continue growth momentum with larger contracts in the mid and corporate markets in Q4 FY21 and have also seen strong demand from the SMB segment for our voice and data products with record sales results. In terms of Underlying EBITDA[2] margins, May-June saw healthy margins across the portfolio. At the same time, we continue to take a conservative view on margins into FY22 as labour costs, IT hardware supply chain challenges and availability of IT&T skills potentially impact supply side deployments across the entire industry."

To assist the market in understanding the operational and financial transformation undertaken in FY21, Spirit is pleased to provide the following earnings guidance on FY22.

	FY 22 GUIDANCE	FY 21 (Unaudited)	Change % Ranges
Revenue & Other Income	**$150M - $155M**	$104.5M	↑ 44% - 48%
Underlying EBITDA %[2]	**12.5% - 13.0%**	11%	
Underlying EBITDA $[2] (Applying a revenue of $155M)	**$19.4M - $20.2M**	$11.5M	↑ 68% - 75%

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This guidance reflects the organic demand that Spirit is seeing in its product set capability balanced by the cost pressures being experienced in the current tight labour market combined with our intention to accelerate investment in brand, sales people and systems. Importantly, the earnings guidance is also provided in a volatile context given the continuing lockdowns being experienced across Australia. The FY22 Underlying EBITDA forecasts reflected are in the range of 12.5% - 13%. Given the factors outlined, the forecast range reflects Spirit's full year FY22 expectations.

Spirit continues to execute to strategy and is building a highly valuable IT&T asset for its shareholders and customers. With a very strong balance sheet showing $24.2M of cash and available debt as at 30 June 2021, growing profits, organic sales increasing and the integration of acquisitions on target. Spirit enters FY22 in a position to take advantage of growth opportunities.

[1] Revenue refers to sales revenue and other income.

[2] EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude business acquisition & integration costs, share based payments and business restructuring costs. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

– ENDS –

This announcement is authorised for release to the market by the Board of Directors of Spirit Technology Solutions Ltd. For all media enquiries regarding this announcement please contact:

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