



28 February 2023

Progress made on multiple fronts: Outlook continues to improve with Growth in Revenue and Earnings

ASX: IMB

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Highlights

- Intelligent Monitoring Group Limited ("IMG") has delivered an underlying cashflow positive first half (Operating cashflow of \$0.2m excluding the ATO payment plan) with Revenue +30%, EBITDA +11% (EBITDA +48.8% ex MTG).
- The platform replacement project is complete, the sales platform is built, and the growth options are beginning to be delivered.
- The acquisition of Advanced Inland Group (AIS) has surpassed expectations, and the acquisition of Mammoth Technology Group (MTG) will begin to deliver in 2H23 with the Bunnings roll out commencing in March.
- Post period, the Company acquired Monitored 24/7 in WA for ~\$300k. This has been a positive contributor to earnings, but also strengthened the team further in the WA market.
- IMG remains on track to deliver an underlying group EBITDA of >\$5.9m for FY23 and this implies a strong profit level for FY24. The group delivered an annualized EBITDA in Jan of \$6.3m (or \$7.3m excluding MTG).
- These expected numbers put the group on track for a refinancing of its current debt prior to the debt being due in September 2023. IMG is advanced and engaged (via its advisor NEU capital) in numerous discussions with debt counterparts to achieve this.

Management Commentary

IMG is pleased to announce a significant lift in the performance of the business, as it exits the platform improvement project, integrates AIS into the business, sees sales growth from MTG and begins to offer leading services and solutions in a refreshed way to its stable customer base.

In particular, the underlying EBITDA of \$1.9m whilst only an +11% improvement on 1H22 includes the \$0.7m loss for newly acquired MTG, as it rolls out the Bunnings contract, and builds up its sales base (via the opening of the Mammoth Lab in Melbourne). The underlying EBITDA of \$2.6m (excl MTG) is a better representation of the strength in the Group as MTG closes towards profitability in 2H23.

During this period, we saw the bedding down of the significant Advanced Inland (AIS) business. At acquisition, AIS added ~1/3 to our existing staffing, and it is very pleasing to see how it has progressively joined the IMG Group and delivered stable and above expectation results. This has given the board and management significant confidence in its ability to integrate, and strategically build the business via opportunistic acquisitions.

INTELLIGENT MONITORING GROUP LIMITED

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As a result of this confidence IMG further acquired the business of Monitored 24/7 in WA in January 2023. This is a relatively small acquisition (\$300k) made at our target value levels (~3x EBITDA) and importantly has added to our experience and depth in WA. During the first two months of ownership, Monitored 24/7 has gone from strength to strength and surpassed our initial expectations.

Looking backwards, it can't be underestimated how far the business has come in the past six months. IMG has asked a lot from its staff, its customers, and its shareholders, but we have done so with the clear expectation that this hard work will leave us very well placed to offer leading service and products moving forward. It is great to see this potential beginning to be realised.

Dennison Hambling, Managing Director, IMG commented:

"IMG continues its journey and plan to create Australia's largest provider of security monitoring services and solutions. Over the past six months we have seen the business fundamentally change, placing us in a position operationally, culturally, and post refinance, financially to deliver upon the clear, and significant opportunity set, that this fragmented and sluggish industry displays".

-ENDS-

Authorisation: This announcement is authorised for release by the Board of Intelligent Monitoring Group Limited.

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About Intelligent Monitoring Group Limited

Intelligent Monitoring Group Limited (ASX: IMB) provides monitored security and IOT solutions that ensure the safety and protection of Australian businesses, homes and individuals 24 hours a day, 365 days a year.

The Company operates with the highest security accreditation from its two-significant monitoring centres.

GROWTH STRATEGY

The Australian security industry remains highly fragmented, with no clear market leader.

Given its stable revenue streams and fixed infrastructure cost model, the industry remains conducive to selective consolidation at attractive returns.

TECHNOLOGY A KEY DRIVER FOR CHANGE

Technology change (IOT & Ai) has created substantial opportunities to profitably extend the Company's existing skills into new complementary market areas and customer opportunities.

The use of Smart, High Resolution cameras, with monitoring capability will create substantial opportunities for growth in many industries over the coming decade. **'Cameras as alarms'**

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