

# 1H 2023 Results Presentation

February, 2023

ASX: IMB



INTELLIGENT  
MONITORING GROUP

ASX IMB

**All Australian Security Solution.**

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# IMG OVERVIEW

Australia's largest independent security monitoring provider with >70,000 connections

Intelligent Monitoring Group ("IMG") provides **A1 Graded 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** from 3 control rooms across Australia

IMG services over 70,000 customers around Australia directly and in association with ~700 independent security companies around Australia.

The Australian security industry remains **highly fragmented**, with no clear market leader, paving the way for potential consolidation at attractive returns

95% of IMG's revenue is subscription based with a **diversified and "sticky" customer base** across government, commercial, residential and personal emergency response

The use of smart, high resolution cameras, with monitoring capability will create substantial opportunities for many industries over the coming decade as **cameras are used as alarms**

# Results Overview 1H 2023

Realising the benefits from acquisitions and integration

Revenue **+\$15.9m (+30%)**

Gross Margin **+\$6.2m (+37%)**

Underlying EBITDA **+\$1.9m (+12%)**

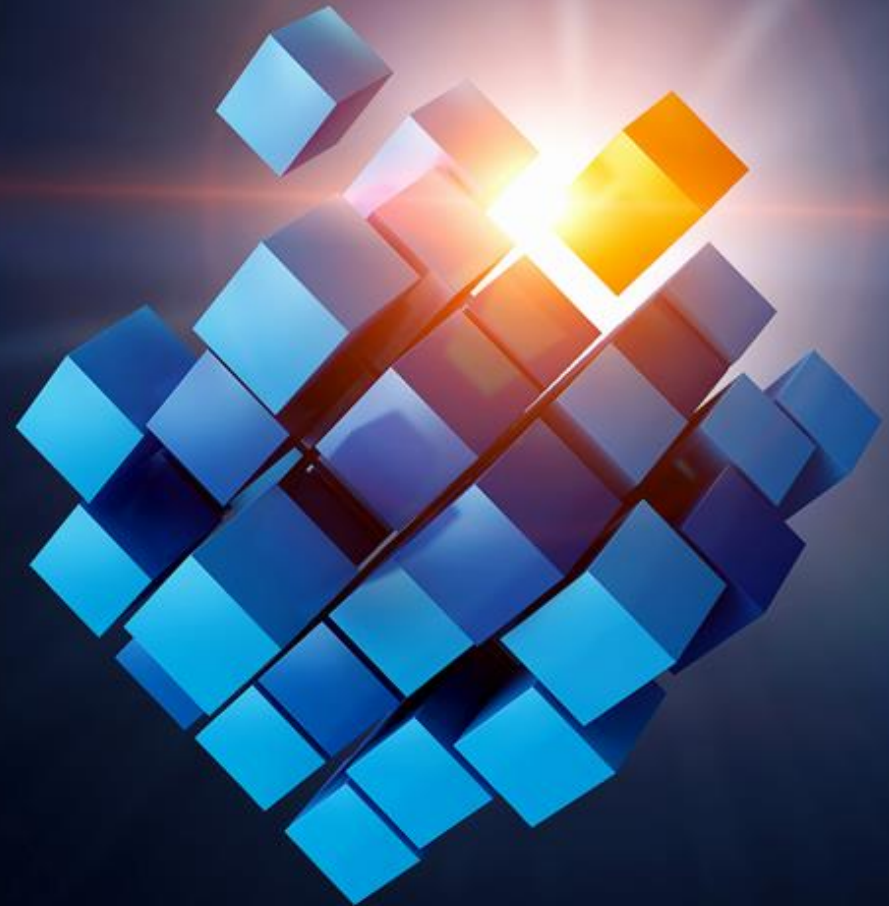
Underlying EBITDA excl MTG **+\$2.7m (+54%)**

Cashflow from operations (exATO payment plan) **+\$0.2m**

**(+\$0.8m Q2 2023)**

Cashflow from operations excl MTG and payment plan **+\$1.0m**

Net debt **\$28.9m**



# Advanced Inland (AIS) Acquisition

Validating the selective acquisition strategy

Customers 5,125 (+4%)

Revenue +\$4.2m (+10%)

Underlying EBITDA +\$0.6m (+54%)

The addition of AIS to the business has proven a model of how to selectively acquire security companies, and retain the best of local operations and strength and combine it with the national scale and presence of IMG.

AIS won a new bureau customer (200 customers) for IMG in 1H 2023, lifting its total line count by ~2% since acquisition. This would be the first time an acquisition for the group has seen positive line growth, post acquisition, validating the approach of the “new” team.

With the confidence of the AIS acquisition behind us, Post period, IMG acquired the assets of **Monitored 24/7** in WA for ~\$0.3m (30% deferred consideration), this included welcoming a seasoned security sales veteran into the organisation.





# Mammoth Acquisition

To validate the selective product strategy

Revenue +\$0.5m

Gross Margin +\$0.07m

Underlying EBITDA -\$0.7m

The addition of MTG has added significant strength to our product understanding and the successful launch of the Simple by Monkey Vision product in Bunnings will create a significant first pathway to real growth and financial returns.

In Jan 2023 MTG opened its doors to the Mammoth Lab in Chapel Street, Victoria. This has created new material conversations and opportunities for the IMG group, which we expect to benefit the business through the 2H of CY2023.

**MTG is expected to trade to a break even EBITDA during Q4 2023 as the Simple by Monkey Product settles into Bunnings.**



# Leading platform in place

## Optimisation and service enhancement underway

IMG successfully completed the merging of its two principal control rooms operations in Feb 2023.

This combined with the rollout of targeted automation (of lower priority services) and new direct customer interfaces (reducing error between customers, local security providers and IMG) will allow IMG to focus on delivering the best call response time, for emergency calls and alarms in Australia.

It will also move IMG towards achieving an R1 redundancy grading, which is only achieved by 2 other operators in the market.

This means that customers can be assured, that IMG is best placed to answer their alarms, no matter the conditions in any one local area, and provide a more reliable service than 98% of control rooms in Australia.

IMG is working on linking several, traditionally difficult to monitor devices (thermal cameras, advanced alarm systems) to our rooms in coming months. This will put IMG into position as the leading provider of monitoring solutions in Australia.



# PERS Strategy

Significant growth category beginning to emerge

Customers 9,117 (+7.1% from July 22) as of Feb 23

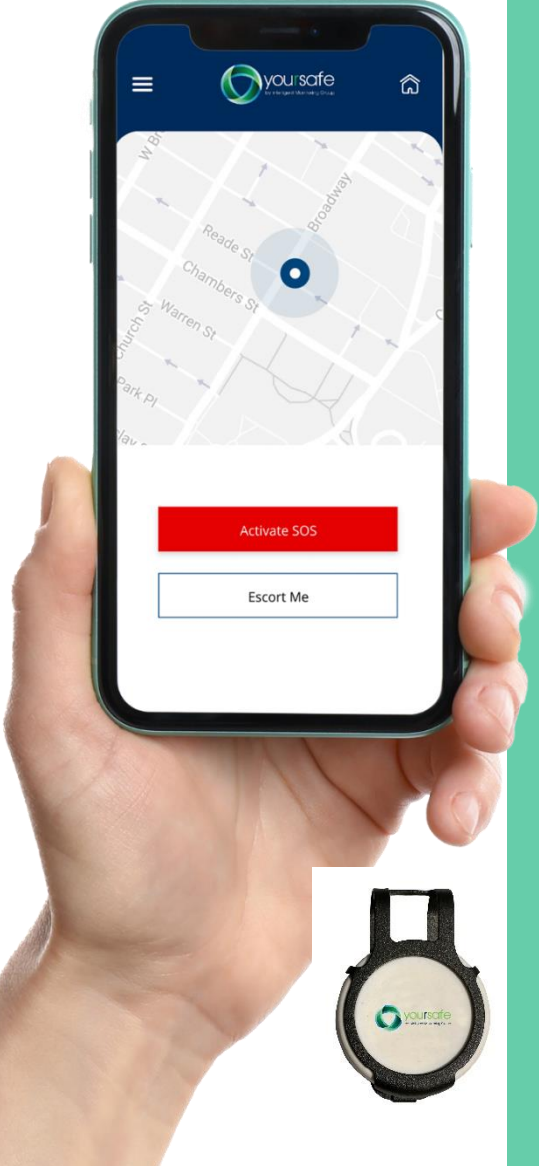
Annual Sales RR +\$1.3m (+17.2% from July 22)

The creation of direct accountability for the PERS business under a dedicated team has led to a lift in product sales, and order book.

Growth in the lone worker category has been consistent and we are now expanding the offer into the residential care sector where we are seeing positive results.

IMG have developed our own safety app, **yoursafe**, which was soft launched in Feb and has recently succeeded in connecting its first customers - a major national health employer.

The **yoursafe app** is a compelling safety product for organisations who are looking to satisfy their work health occupational & safety obligations as well as to provide safe at work and after hours working conditions for their employees. It is also a suitable device for families and individuals looking to have direct access, to a AI Graded national security control room.



For as little as \$15 per month, this is an incredibly effective way to make sure youRsafe.

Now available on the App Store or Google Play



TEQ-Secure Beacon





# IMG GROUP STRUCTURE



## Product & innovation hub

Mammoth Lab & Retail product strategy (Monkey Vision)  
Revenue \$0.5m  
EBITDA -\$0.7m  
Market share <1%  
Market size ~\$500m pa



## Wholesale Monitoring

45,700 lines  
Revenue \$7.2m  
EBITDA \$2.3m  
Market share of (~2000) security companies ~ 35%



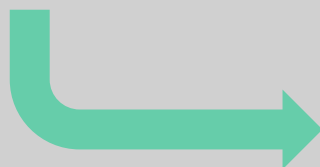
## Direct brands (via acquisition)

25,080 customers  
Revenue \$7.4m  
EBITDA \$2.3m  
Market share 3.1%

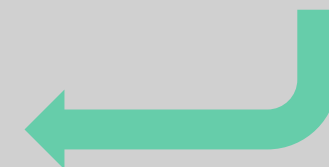


## Guarding & Training

Revenue \$0.8m  
EBITDA \$0.05m  
Market share ~1%



**Creates new customer opportunities**



# Conclusion

## Positive momentum developed

With the Patriot platform in place, the product strategy clear, a resourced sales team, and a number of growth areas, IMG is focused on becoming the largest security and IOT monitoring company in Australia.

As of the month of January 2023 the business is delivering a run rate underlying EBITDA of \$6.3m (or \$7.3m excluding MTG) and expects this to lift further during the 2H 2023, to deliver on or **above the guidance level of >\$5.9m Normalised Group EBITDA for FY2023.**

With positive momentum and a strong recurring customer base, the business expects this to lead to a very strong FY2024 result.

IMG engaged with NEU Capital in Sept 2022 and is currently in the process of working through refinancing options for its current debt facilities. The engagement with the debt market has been strong, and the company believes it is **well placed to achieve a successful refinancing** before the debt is due at the end of Q1 2024.







## Growth Driver: VIDEO VERIFICATION

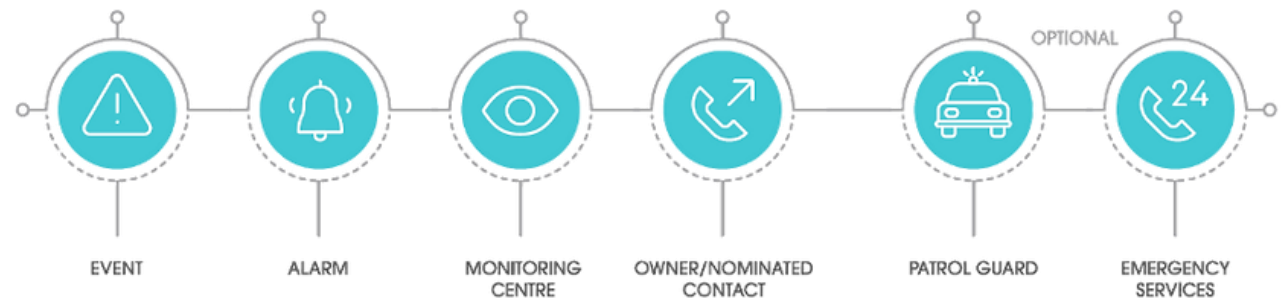
Saving on human based patrol costs and call outs

AI powered smart cameras have hundreds of uses, from human detection, vehicle identification and classification, people counting, heat mapping, facial recognition cameras are very affordable and can be remotely monitored by our control rooms saving money and time.

Our Virtual video patrols provide an alternative to human guards providing a video based patrol service with AI functions. Add PA speakers for 2 way communication.

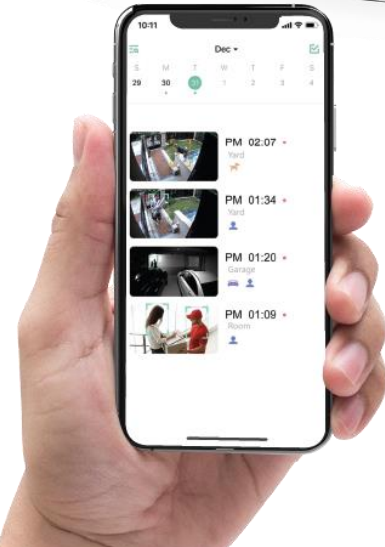
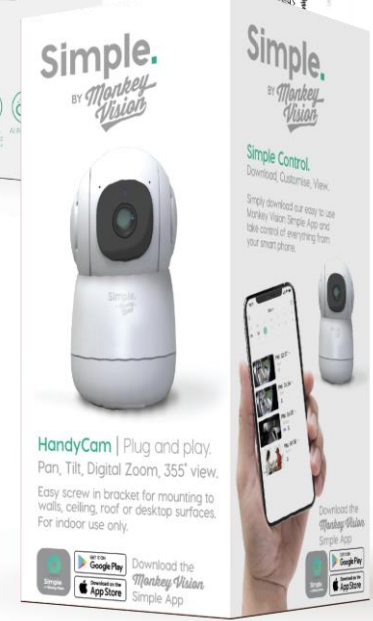
Perfect for exterior building checks. We can respond to traditional interior alarms by accessing onsite cameras.

IMG estimates its existing customers have ~375,000 cameras already in place today. Which could be video verified.



# Growth Driver: CONSUMER SELF INSTALL (DIY) BATTERY POWERED WIFI PRODUCT RANGE

Products sourced and developed by Mammoth Technology Group





# 1H 2023 FINANCIALS OVERVIEW

1H 2023 Financials	1H 22	1H 23	Change	Target FY23	Target RR Last Qtr 23
Revenue	12.2	15.9	30%	32.0	
Operating costs	(10.5)	(13.2)	27%	28.0	
<b>EBITDA (pre Mammoth)</b>	<b>1.7</b>	<b>2.7</b>	<b>+54%</b>	<b>6.6</b>	<b>7.0</b>
Mammoth	0	(0.7)	Na	(0.7)	0.1
<b>EBITDA</b>	<b>1.7</b>	<b>1.9</b>	<b>+11%</b>	<b>5.9</b>	<b>7.1</b>
Depreciation	(0.1)	(0.1)	0%	0.2	
Amortisation of prior customers acquired	(2.9)	(3.4)	+53%	5.8	
<b>EBIT</b>	<b>(1.3)</b>	<b>(1.5)</b>	<b>-16%</b>	<b>(0.1)</b>	
Interest	(3.6)	(2.9)	-21%	(4.8)	
Tax	-	-	-	-	
<b>NPAT</b>	<b>(0.6)</b>	<b>(4.6)</b>	<b>-</b>	<b>(4.9)</b>	
Non recurring items	(4.4)	(0.2)	-	0.2	
<b>NPAT pre Amortisation and Non recurring Items</b>	<b>(2.1)</b>	<b>(1.1)</b>	<b>+49.1%</b>	<b>0.7</b>	

Capital Structure	30-Jun	31-Dec
Shares on Issue	122.7	122.7
Share price (\$)	0.079	0.15
<b>Market cap</b>	<b>9.7</b>	<b>18.4</b>

## Notes:

- Run rate annualized Group EBITDA of \$6.3m in Jan or \$7.3m (excl MTG)
- MTG losses to cease during March FY23
- Expect to be inside refinance range for business in Q4 as expected
- IMG Tax losses of \$18.2m retained