

**ASX: CCG**

**ASX Release 27 February 2025**

**Comms Group Reports Solid Results for 1<sup>st</sup> Half FY25  
with further investment in Global Business. Interim dividend declared.**

**Comms Group Limited (ASX:CCG) (“Comms Group”)** has today released its financial results for the half year ended 31 December 2024 (**1H FY25**).

**KEY HIGHLIGHTS**

- Total revenue of \$27.05m for the half - an increase of 0.3% on the previous corresponding period.
- Underlying EBITDA<sup>1</sup> for the half was \$2.4m - a decrease of 19% on the previous corresponding period. This was primarily driven by further investment in additional staff for the Global business to support future growth that has given rise to an increase in employee costs over the last six months.
- Our strongest half on record with new business contracts signed with a total of \$5.9m in new ARR<sup>1</sup>. Revenue from the new business will start to flow in the 2<sup>nd</sup> half FY25.
- Recently completed key security certifications - ISO27001:2022, SOC 2 and UK Cyber Essentials to unlock further opportunities with enterprise & Govt in UK, Europe and North America.
- For the full year FY25, guidance for group revenues at \$55m to \$57m and underlying EBITDA of \$5.0m to \$6.0m is now expected as the business invests in further staff to support the Global business and revenue from recent key contract wins will start to flow in the 2<sup>nd</sup> half of FY25.
- An interim dividend of 0.125c (\$0.00125) per share (fully franked) has been declared.

**RESULTS SUMMARY**

<b>A\$M</b>	<b>1H FY25</b>	<b>1H FY24</b>
Operating Revenue	27.05	26.96
Gross Profit	13.1	12.9
<i>Gross Margin</i>	<i>48.3%</i>	<i>47.7%</i>
Underlying EBITDA <sup>1</sup>	2.4	3.0
EBITDA	1.4	1.7
NPAT	(0.3)	(0.3)

<sup>1</sup> **Underlying EBITDA** is presented to provide an understanding of the underlying performance of the Group’s operations. It reflects the results generated from ongoing operating activities that excludes non-operating adjustments considered to be non-cash or non-recurring in nature. These exclusions include net interest, tax, non-cash share LTIP costs, depreciation, amortisation and acquisition, integration & restructuring costs.

Commenting on the 1<sup>st</sup> Half FY25 results, CEO and Managing Director Mr Peter McGrath said

*“We are pleased to see positive momentum in the business and significant new business won that will translate to revenue in future periods. The half saw the strongest new business results in the business on record with \$5.9m in new ARR<sup>1</sup> secured. We also have invested in additional key positions to support future growth with staff added in Singapore and Australia to support our Global business. Together with the key wins announced to the ASX in September and November 2024<sup>2</sup>, we are seeing a strong pipeline emerge of quality deals and 2025 has started strongly with some key new customers secured in January.”*

*“The further investment in new staff has impacted our short-term results however we are confident that the additional investment will assist us with future key growth opportunities being secured.”* said Mr McGrath.

## **KEY BUSINESS HIGHLIGHTS 1<sup>st</sup> HALF FY25**

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### **Financial**

- Total operating revenue of \$27.05m includes \$6.1m from the Global business (1H FY24 \$5.8m), \$11.6m from the (domestic) Cloud Communications and Collaboration business (1H FY24 \$11.9m) and \$9.3m from Secure Modern Workplace Solutions (1H FY24 \$9.3m).
- Continued focus on supplier cost management and despite pricing and supply cost pressures, Group gross margin increased to 48.3%.
- Gross Profit increased to \$13.1m – a 1.5% increase on the previous corresponding period.
- Operating expenditure \$10.7m compared to H1 FY24 \$9.9m, the majority of which is accounted for by an increase in employee costs including investment in a number of new positions to support the Global division.
- Cash at bank of \$2.7m relative to \$2.4m at 31 December 2023, an increase of \$0.3m after term loan repayments of \$0.6m and dividend payments \$0.9m made during the half.
- Closing cash balance was impacted negatively by a delayed debtor payment of ~\$0.6m. The business has reached agreement with the customer on this being paid in the 2<sup>nd</sup> half FY25.
- \$7.0m of term loan debt as at 31 December 2024, a decrease of \$1.1m from 31 December 2023.
- An interim dividend of 0.125c (\$0.00125) per share (fully franked) has been declared.

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<sup>1</sup> ARR refers to annual recurring revenue

<sup>2</sup> ASX Announcement (9 Sept 2024) – “Comms Group secures A\$2.4M contract with leading global SaaS Provider”

## Customers, Sales and Growth Initiatives

- 1<sup>st</sup> half FY25 was our best half on record in terms of new business signed with a total of \$5.9m in new ARR<sup>1</sup>. Revenue from the new business will start to flow in the 2<sup>nd</sup> half FY25.
- Key customer deals were announced to the market including with a global SaaS provider and a major international technology company<sup>2,3</sup>
- We continue to see good customer demand across the business with a solid pipeline of opportunities in all three business units. Our Global business in particular is building a significant pipeline of quality deals.
- We have added key sales resources in Singapore as well as additional resources to support the Global business in Australia.
- Separately, we have spent significant time and resources on expanding our capabilities and footprint in the Asia Pacific region as well as Latin America and Europe.
- These initiatives have added some additional costs to the business in the short-term but we expect to see the benefits from these initiatives moving forward.
- In particular, we would expect to see increasing revenues emerging from some of our strategic partners.
- Our footprint and licence expansion in Asia is also opening up opportunities with wholesale customers as we are one of the most licenced voice providers in the region.

## OUTLOOK

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- FY25 Group revenue expected in the range of \$55m to \$57m.
- Underlying EBITDA expected to be in the range of \$5.0m to \$6.0m.

## RESULTS BRIEFING

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Comms Group CEO Peter McGrath, and CFO Matthew Beale will host a webinar to discuss the half year results on Thursday 27<sup>th</sup> February 2025 at 11:30am (AEDT). Please note that the webinar will be recorded, and a copy will be made available on Comms Group's website shortly after it is completed.

Webinar link: <https://bit.ly/4h8gPUO>

Investors are invited to submit questions prior to the webinar to <https://commsgroup.limited/feedback> or do so via the Q&A function on Zoom.

**Authorised for release by the Board of Comms Group Limited.**

**ENDS**

### FOR MORE INFORMATION

Peter McGrath

Chief Executive Officer

<https://commsgroup.limited/feedback>

Matthew Beale

Chief Financial Officer

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<sup>3</sup> ASX Announcement (25 Nov 2024 – “CCG to provide key telecom services to global tech company”)

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## **ABOUT COMMS GROUP**

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We enhance business agility through innovative cloud-based communications and secure modern workplace solutions.

**Comms Group** provides a full range of advanced communications, collaboration and IT solutions from the Cloud. We specialise in the delivery of secure modern workplace IT solutions, managed services, cloud hosting, cloud communications, CPaaS and UCaaS, delivering reliable and scalable technology solutions to empower businesses.

### **Cloud Communications and Collaboration (Next Telecom)**

Cloud communications service provider to Australian SME & corporates with award-winning customer service. Key offerings include unified communications solutions, including Microsoft Teams Calling, value-added services, cloud business phone/hosted PBX, inbound/toll-free services, mobile services, and extensive connectivity solutions, including fibre and NBN broadband, SD-WAN and secure firewall services.

### **Secure Modern Workplace Solutions (onPlatinum)**

Award-winning IT & Cloud Services Managed Service Provider supporting corporate customers' ICT needs. We assist mid-market businesses with tailored solutions for enhanced productivity, security, and efficiency. Our proactive IT support and flexible cloud solutions drive your business forward, while multi-layered protections keep your data and systems secure. We work closely with our customers to create a secure, modern workplace where their organisation can thrive.

### **Global UCaaS and Wholesale (Comms Group Global)**

Specialist UCaaS for international business and CPaaS for wholesale customers with global network reach. With our cloud-based network and expertise in Microsoft Teams, Cisco Webex and SIP, we offer fully managed services and STN replacement services in over 65+ countries. We provide global MNCs with seamless international unified communications solutions over a reliable global network, along with the latest product solutions and high levels of technical knowledge and global 24x7 support.