

Webcentral Group Limited (ASX: WCG)

Financial and Operational update

ASX Announcement
28 April 2021



Financial Results – Q3 FY21

Unaudited Results ¹ \$M	Half year ended 31-Dec-21	Quarter ended 31-Mar-21	Year to Date 31-Mar-21
Revenue	31.5	14.1	45.6
EBITDA ²	2.4	3.2	5.6
EBITDA %	8%	23%	13%

- 5GN direct sales leveraging the WCG digital marketing team to grow organic sales.
- Continued development of IT systems to allow additional products and services to be delivered seamlessly.
- Development of AI technology to improve customer experience and product delivery.
- Substantial completion of non-core TSA obligations with TPP Wholesale expected to cease in August 21.

Financial Performance – Interim Quarter 3 FY21

- \$3.2m EBITDA Q3 significant improvement underpinned by tight cost management and refocus on core, profit generating operations.
- \$14.1m Revenue Q3 stabilised revenue.
- Rent reductions during the quarter of \$5.5m (Nett \$3.8m) annualised with scope for additional improvements on the basis of further current excess capacity in Melbourne.
- Expected approval of initial \$15m bank debt facility in May, allowing WCG to partially repay 5GN loan. Strong free cash flows of over \$1m per month will allow continued repayment over time. Saving of financing costs from move to commercial debt provider.

Operational Update

- Customer support and service continued to be the focus with significant improvement experienced in the last 3 months:
 - 25 onshore staff moving to a total of 50 by June 21
 - 25% of customer calls answered by onshore staff – moving to 100%
 - Technical support moving to 24/7 support from May 21
 - Customer service performance improved to more than 80% across Email, Phone and Chat
 - Average case age halved and 70% aged tickets closed.

About Webcentral Group

Webcentral is an Australian owned digital services company who empowers more than 330,000 customers to grow and thrive in the online world. Our portfolio of digital services is extensive, with market leading offers across domain management, website development and hosting, office productivity applications and digital marketing.

Our customer focussed heritage has been built on expertise, innovation, and personalised service; critical attributes delivered through our culture and embraced by our people. This is demonstrated through more than 25 years of online industry leadership across Australia's digital foundation brands such as Melbourne IT, Netregistry and WME.

The Webcentral mission is dedicated to leading online success for our customers. We achieve this by building trusted and valued client relationships which convert successful business outcomes at each milestone across the customers' digital journey.

1. Unaudited results for the quarter ended 31 March 2021
2. EBITDA before non-recurring transaction and acquisition costs