



# FY22 Results Presentation

February 2023

CEO Charif Elansari





We are a global partner-centric company building secure, scalable and highly useable cloud backup technologies for businesses, big and small



### Mission Critical for Cyber defence

Large and growing addressable market



### Industry leader in cloud backup

Voted #1 Microsoft 365 Backup for 3 years in a row



### Growing global presence

Over 930K users across +100 countries



### Highly responsive team

>80 colleagues across Asia Pacific, North America and Europe



### Scalable and Recurring Revenue

Pure SaaS via scalable partnership business model

# The Challenge

90%

of Cybersecurity attacks start with email



\$20B

global cost of ransomware in 2022



200K

privacy breach cases reported in year 1 of GDPR



62%

of breaches and data loss occur through human error



# The Opportunity

Massive **budget allocations** to Cybersecurity and backup

20k **Software-as-a-Service** providers with >15B end users

84% of companies **don't backup** their SaaS application data (US)

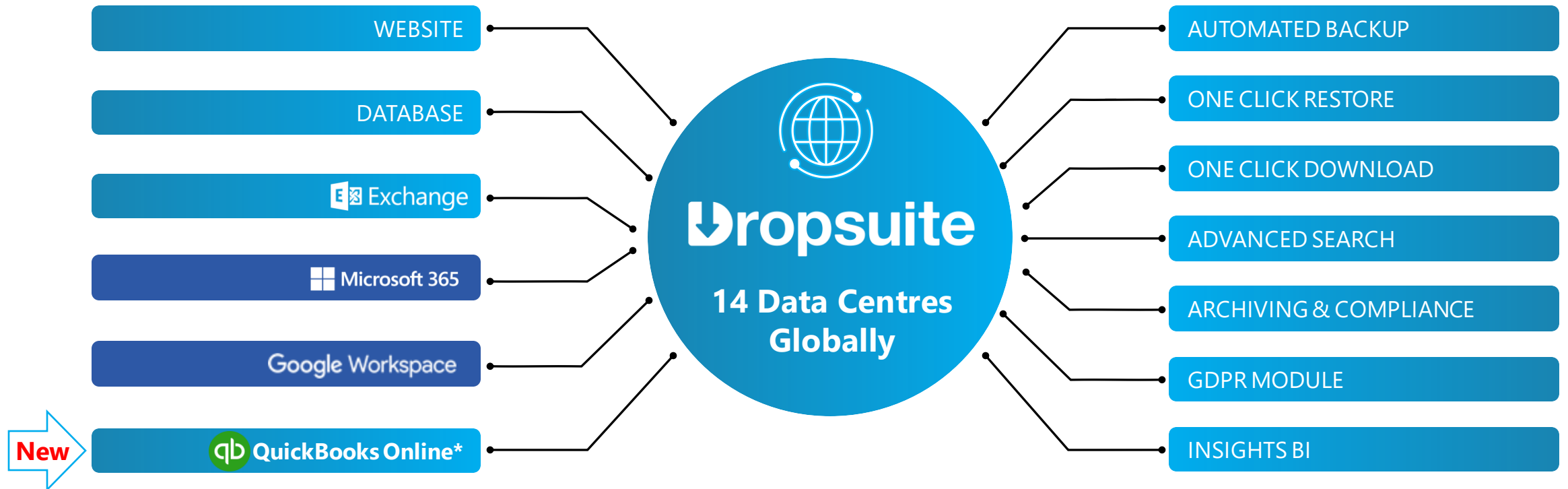
Data Privacy and security **regulation** coupled with remote work

General Data Privacy Regulation (GDPR) is a set of strict data privacy rules that went into effect in mid 2018

1. Source: <https://www.globenewswire.com/news-release/2020/03/04/1995163/0/en/Cloud-Backup-and-Recovery-Software-Market-to-Reach-22-22-Billion-Globally-by-2025-Says-Allied-Market-Research.html/>

# Exceptional User Experience

Simple intuitive interface that is packed with useful and powerful features, including search, insights and analytics



\*QUICKBOOKS ONLINE is North America's leading Cloud-based accounting software for SMEs by Intuit (NASDAQ: INTU). Dropsuite is now providing backup for this mission critical information, fully integrated into the partner portal. Monetisation expected to start in April 2023.

# The Dropsuite Advantage



## Seamless Partner Integration

Integrates with any partner infrastructure and delivers streamlined provisioning, billing and support



## Exceptional User Experience

Simple intuitive interface that is packed with useful and powerful features, including search, insights and analytics



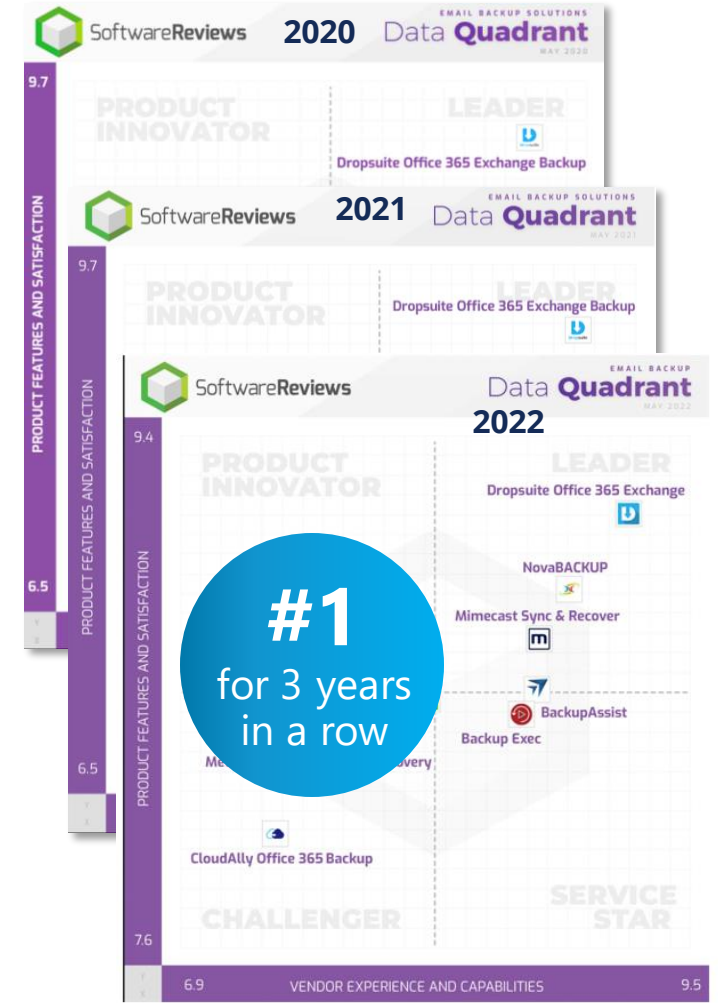
## Cutting-edge Cloud Platform

Built for the cloud from day one. Secure public and private cloud platform deployed globally to meet data sovereignty regulatory requirements



## Highly Responsive Team

Expert training, marketing and technical support delivered by an agile and passionate team



# FY2022 Results

(Jan – Dec 2022)

# Financial Summary for FY2022 (Jan-Dec 2022)

A\$ million	2022	2021	Change (%)
Revenue from operating activities	20.69	11.69	77%
Interest Income	0.26	0.004	>100%
Gross margin %	66%	64%	200 basis points
Operating expenses	(12.36)	(7.54)	64%
Net Profit/(Loss) from ordinary activities	1.45	(0.03)	>100%
EBITDA	1.25	0.003	>100%
Underlying EBITDA <sup>1</sup>	2.11	0.39	>100%
Net Cash Generated/(Used) from Operations	0.93	0.26	260%

1. Underlying EBITDA excludes Share Based Payments Expense (0.9m)

# Strong Operational Metrics Delivered

## Positive momentum across the business maintained

Annual  
Recurring  
Revenue<sup>1</sup>

**\$25.4m**

↑ 67% on PCP

Paid  
Users

**935k**

↑ 44% on PCP

ARPU

**\$2.26**

↑ 16% on PCP

Gross  
Margin

**66%**

↑ 200 basis  
point YoY

Direct  
Transacting  
Partners

**491**

↑ 20% on PCP

Revenue  
Churn

**<3%**

↔ 0% on PCP

1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted monthly recurring revenue multiplied by 12 months. PCP based on Constant Currency

2. December 2022 Revenue Churn is defined as Lost Revenue in December 2022 divided by December 2021 Revenue

3. Percentage growth is on previous corresponding period and constant currency



# Trend of positive cash position continues

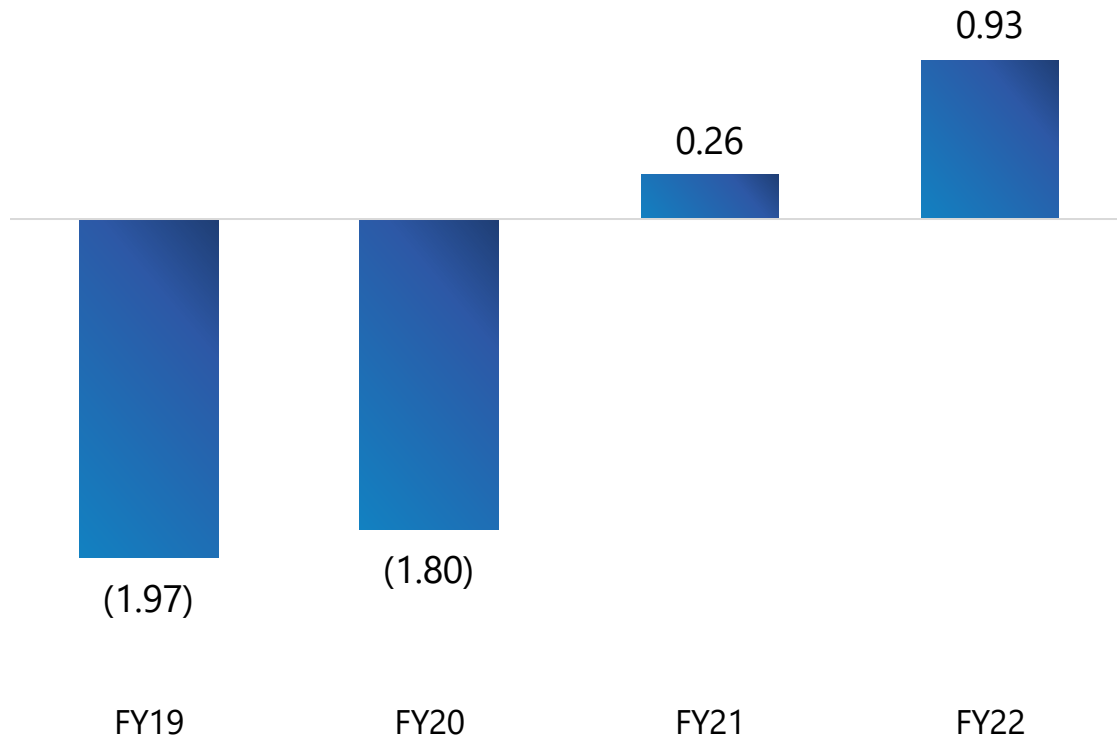
A\$ million	2020	2021	2022	Change (%)
Cash Receipts	6.09	10.84	18.8	73%
Net Cash Generated from Operations	(1.80)	0.26	0.93	260%
Cash at hand	2.89	21.60	22.34	3%

## Drivers for strong growth:

- Receipts from customers increased 73% on prior year, in line with overall revenue increase across the year, whilst remaining vigilant on cash collections.
- Payments to suppliers increased 65% on prior year, with investment in head count, training, marketing and tooling.
- Cash at hand available to invest in organic growth and M&A opportunities

# Reinvesting for future growth while maintaining profitability

## Actual Operational Cashflow (A\$M)

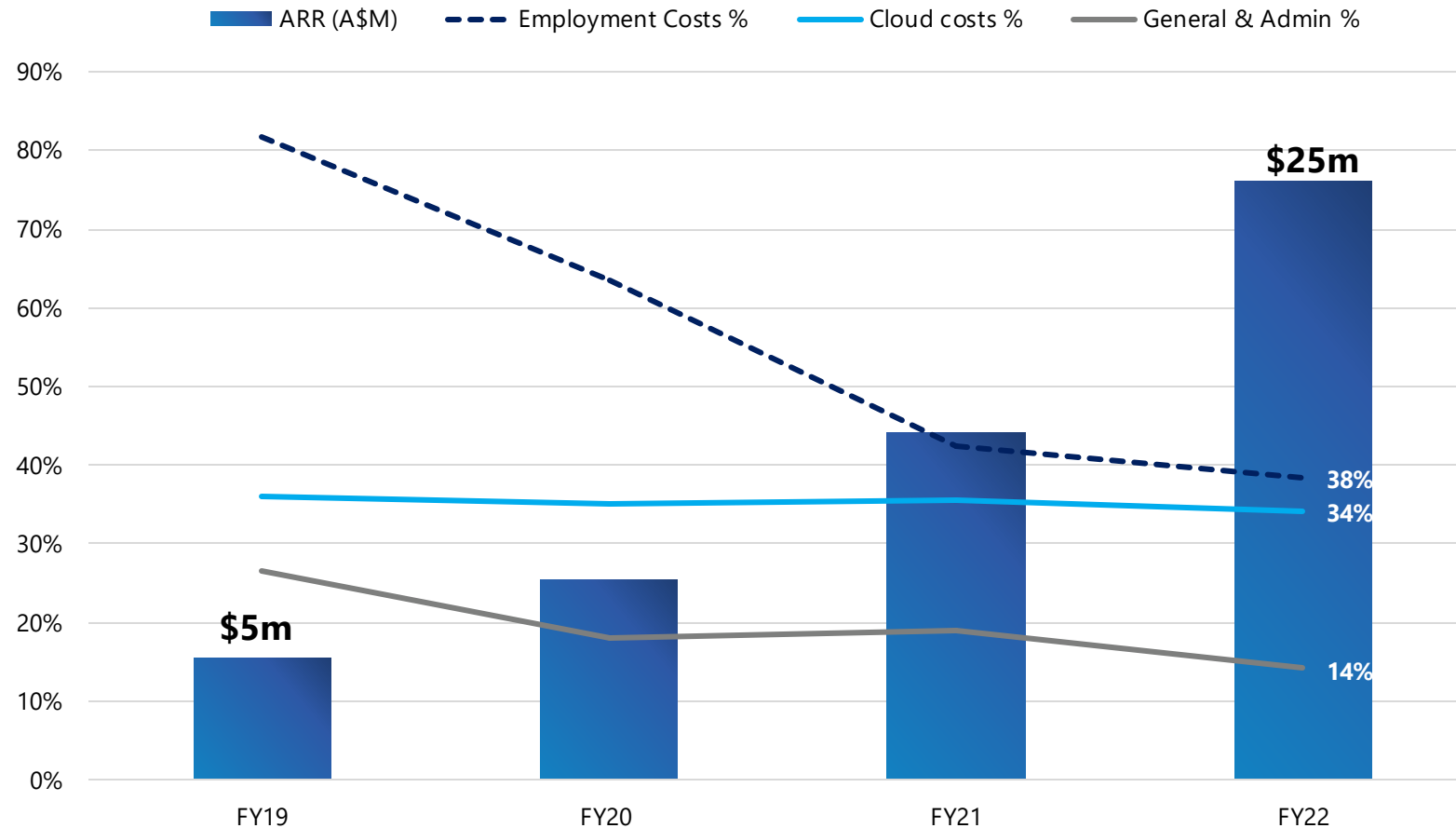


### Second year of positive cashflow generation in FY22 delivered by:

- Receipts from Customers increased 73% off the back of strong collections for the year
- Payments to Suppliers increased by 65%, with staff costs contained to a 55% increase and marketing costs increasing 103% (albeit off a covid-low base)
- Overall, Operating Cashflow (actual) increased 260% on prior year, assisted by the operating leverage created during the year

# Operating Leverage Improvements

Costs as % of revenue reducing with increased scale

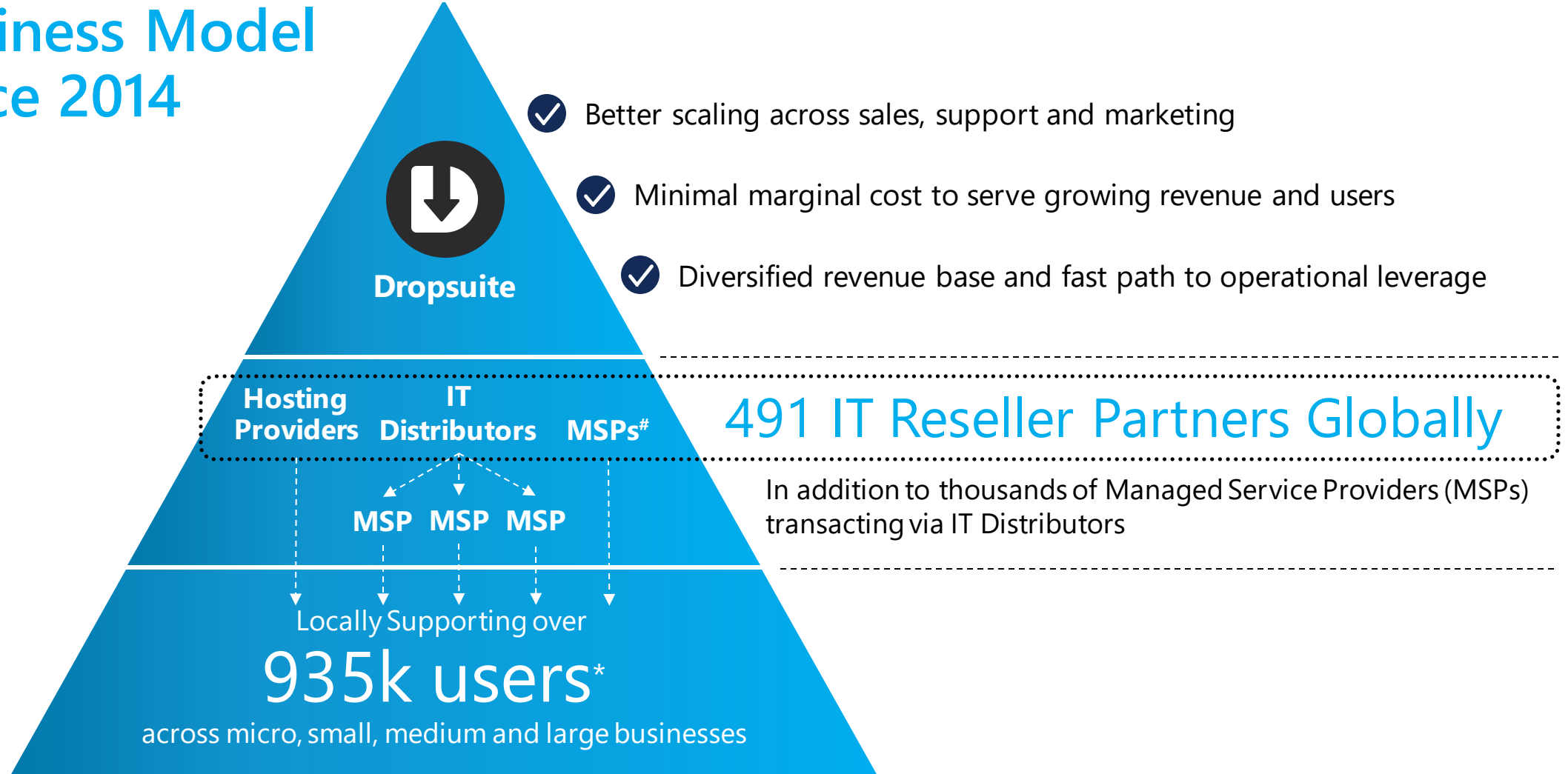


## Operating leverage improvements

- Employment costs as % of revenue reducing YoY after material team expansion
- Cloud costs % and General & Admin costs % continue declining trend

# Delivering Future Growth

# Partner-led Business Model Since 2014



MSP: Managed Service Provider is an outsourced IT provider ensuring business availability and security for mostly small and medium businesses (SMBs)

\* # of MSPs: As at 31 December 2022

# Notable MSP Trends and How We Win



## Notable & Emerging Trends

- Ever **growing cyber and ransomware threat** landscape affecting both users and MSPs
- **Cyber insurance** requirements are increasingly strict and complex
- **Revenue and margin** pressures with a move to the Cloud
- Growing **regulatory and compliance** requirements
- Growing **strain to hire IT professionals**, with increasing SLA expectations by end users

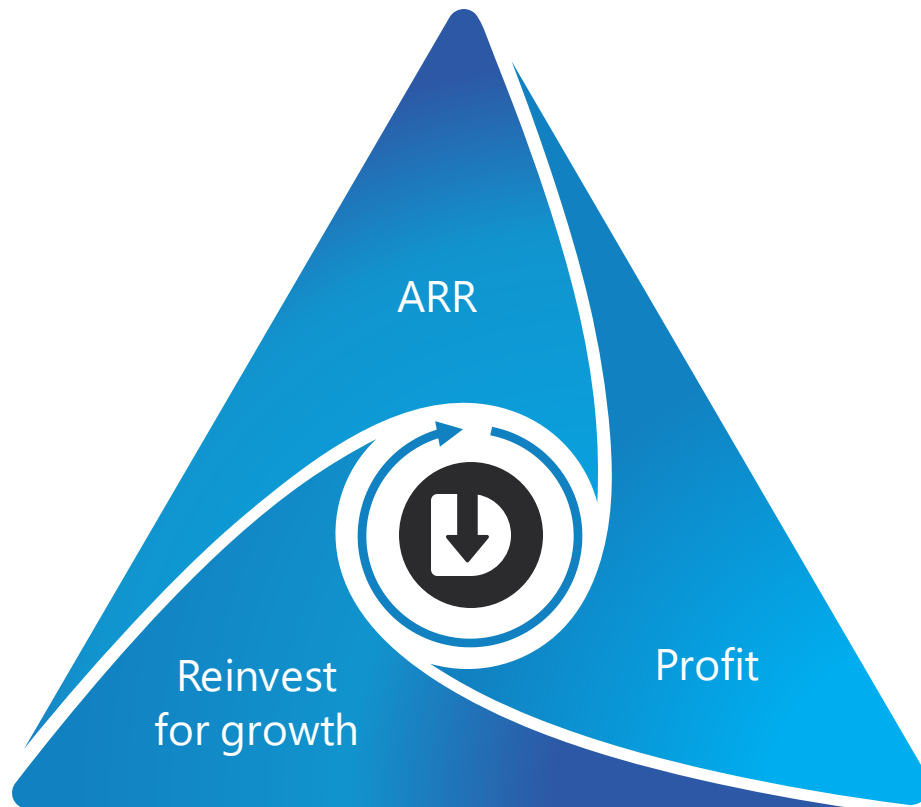


## How Dropsuite Drives MSP Success

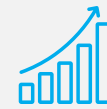
- Highly **secure and encrypted** data backup in a **separate Cloud**
- **Backup** along with security software **prerequisite** to obtain **cyber** insurance
- Backup is an integral component of the **security stack** sold to end users
- **Archiving and Compliance module** is a meaningful differentiator
- **“One-stop” solution** to all email backup needs integrated into MSP’s workflow

# Investment Framework

## Our Investment Framework



## Enablers of Growth



Significant industry tailwinds



Product leadership



Growing partner network



Underserved large addressable market



Highly skilled and motivated team

# Our Growth Strategy and Ambition

01

## Existing Organic Business

- Maintain & sustain our product leadership
- Expand partner base currently 2% of MSPs globally are Dropsuite partners
- Grow sales footprint

02

## New Product Innovation

- Augment our data protection platform
- Cross-sell to existing channel partners
- Increase users, ARPU and maintain GM%

03

## Accretive Acquisitions

- Target accretive acquisitions
- Broaden our scope of data protection solutions
- Cross-sell to growing channel partner base

2025

## Our Ambition

- Leading backup and recovery company
- Grow at ~2x industry growth rates to 2025



# Investment Highlights and Outlook



**Strong market tailwinds** from data security and regulation



**Market leading position** in Microsoft 365 backup



**Highly engaged team** with the people and structure to support growth



**Advancing accretive M&A opportunities**



**ARR growth** via partner ecosystem and strong sales pipeline



**FY23 guidance** for positive EBITDA and Operating Cash Flow with Gross Margin operating in a similar range to 2022



dropsuite.com



Charif Elansari

Managing Director, Dropsuite  
charif@dropsuite.com



dropsuite



Dropsuite Limited

14 Emerald Terrace  
West Perth WA 6005, Australia



Investor Relations

Craig Sainsbury

Automic Markets  
craig.sainsbury@automicgroup.com.au  
+61 428 550 499

This presentation is authorised by the Board of Directors

# Appendix

# Board and Management



**Charif Elansari**  
Managing Director



**Theo Hnarakis**  
Non-Executive Chairman



**Dr. Bruce Tonkin**  
Non-Executive Director



**Ridley Ruth**  
Chief Operating Officer



**Manoj Kalyanaraman**  
Chief Technology Officer



**Bill Kyriacou**  
Chief Financial Officer



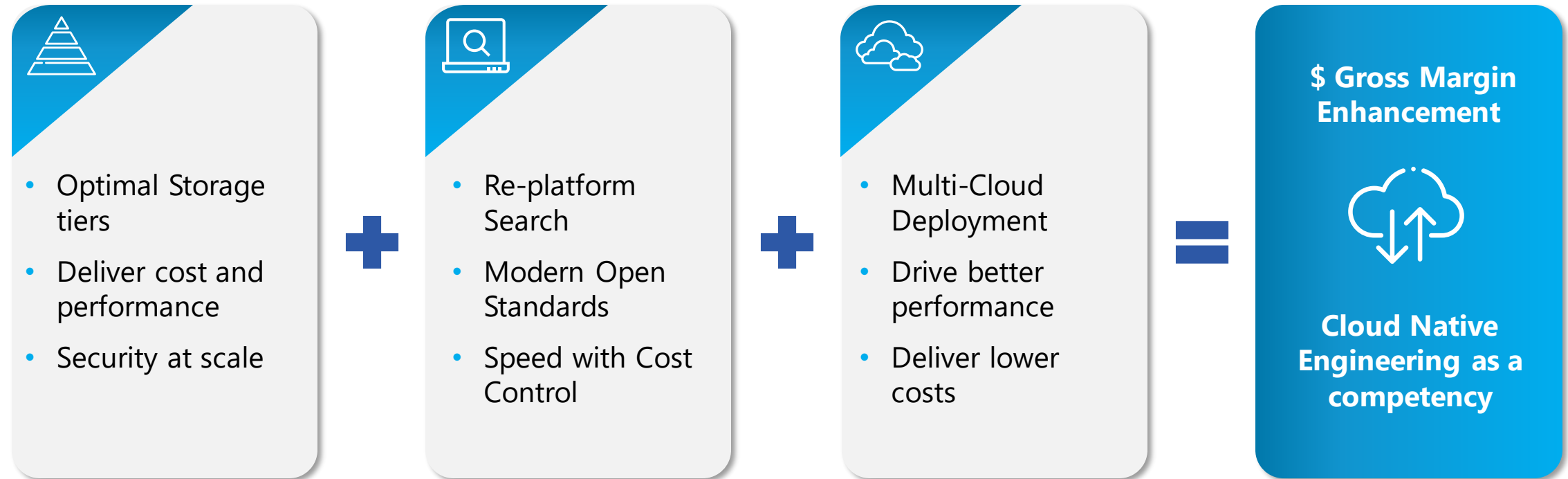
**Frederique van de Poll**  
Global Head of HR



**Eric Roach**  
SVP Global Channel Sales &  
Marketing

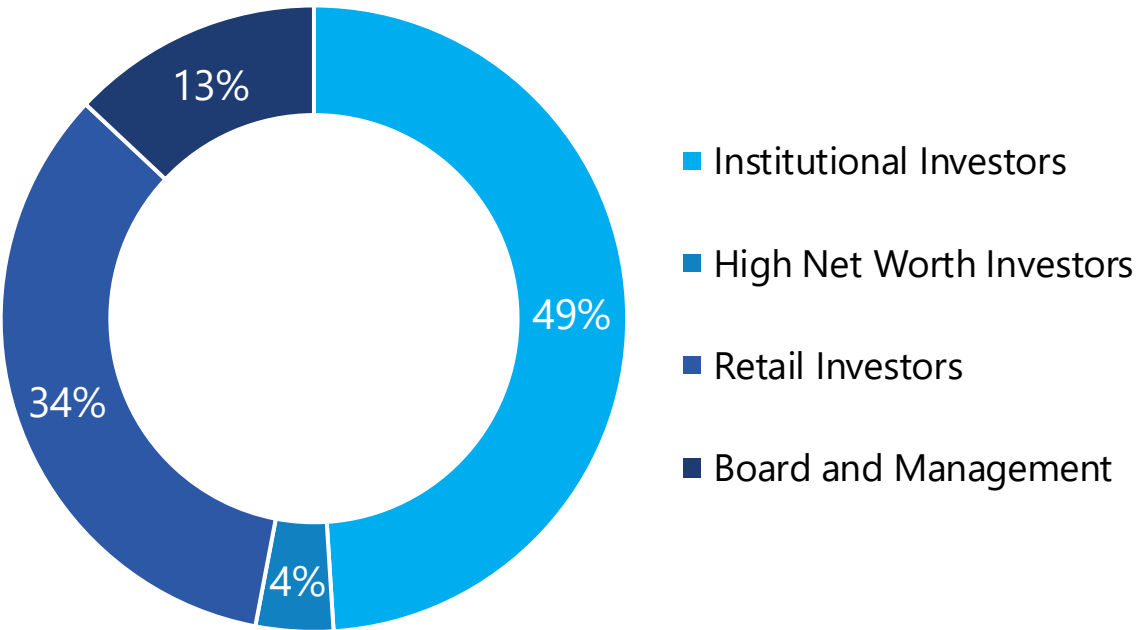
# Cutting-edge Cloud Platform

Built for the cloud from day one. Secure public and private cloud platform deployed globally



# Corporate Overview

## Top 50 share registry breakdown



### Financial Information

Share price as of December 31, 2022	18.0 cents
Ord Share on Issue (M)	690
52-week trading (low/high)	0.15/0.24
<b>Market Cap (\$)</b>	<b>\$124M</b>
Cash (31 December 2022)	\$22.3M
Debt (31 December 2022)	nil

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