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By E-Lodgement

**PRELIMINARY FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020 (APPENDIX 4E)  
AND QUARTERLY ACTIVITY REPORT (APPENDIX 4C)**

Acumentis Group Limited ("the Company") is pleased to release its Appendix 4E – Preliminary Final Results for the year ended 30 June 2020 and its Quarterly Activity Report and associated Appendix 4C (Quarterly Cash Flow Report) to the market.

- Acumentis delivers strongest quarter of revenues since the affected period of 2019, averaging \$3.7M revenue a month
- Company achieves recovery in revenues and profits in the second half of FY2020
- Company well positioned to deliver on future demand for valuation activity and professional property services, driven from increases in refinancing and activity in the property sector
- Further investment into IT systems and valuation management system enables the business to enhance its ability to securely and efficiently service its major banking, Government and private clients and provide industry leading service
- Cash position and access to funding remains strong

**QUARTERLY ACTIVITY REPORT (APPENDIX 4C)**

**Overview of Acumentis' operating environment**

We are seeing increases in valuation activity due to increases in property debt refinancing. This trend is largely driven by historically low interest rates, which we expect to remain low for the foreseeable future. Banking and Financial Institutional future requirements to restructure commercial debt should support demand for our valuation and professional property services. These trends are positive for the industry and Acumentis.

We believe demand for our services will be further buoyed by local and federal government stimulus measures, injecting capital to focus on construction and economic recovery. Such investment encourages demand for professional property services, which we are well positioned to capture.

We are confident that changing economic circumstances will lead to an increase in activity and, in-turn, demand for our professional services, despite the challenging local and global environment.



## Business Activities for the Quarter

The business activities of the Company remained unchanged during the quarter to June 2020.

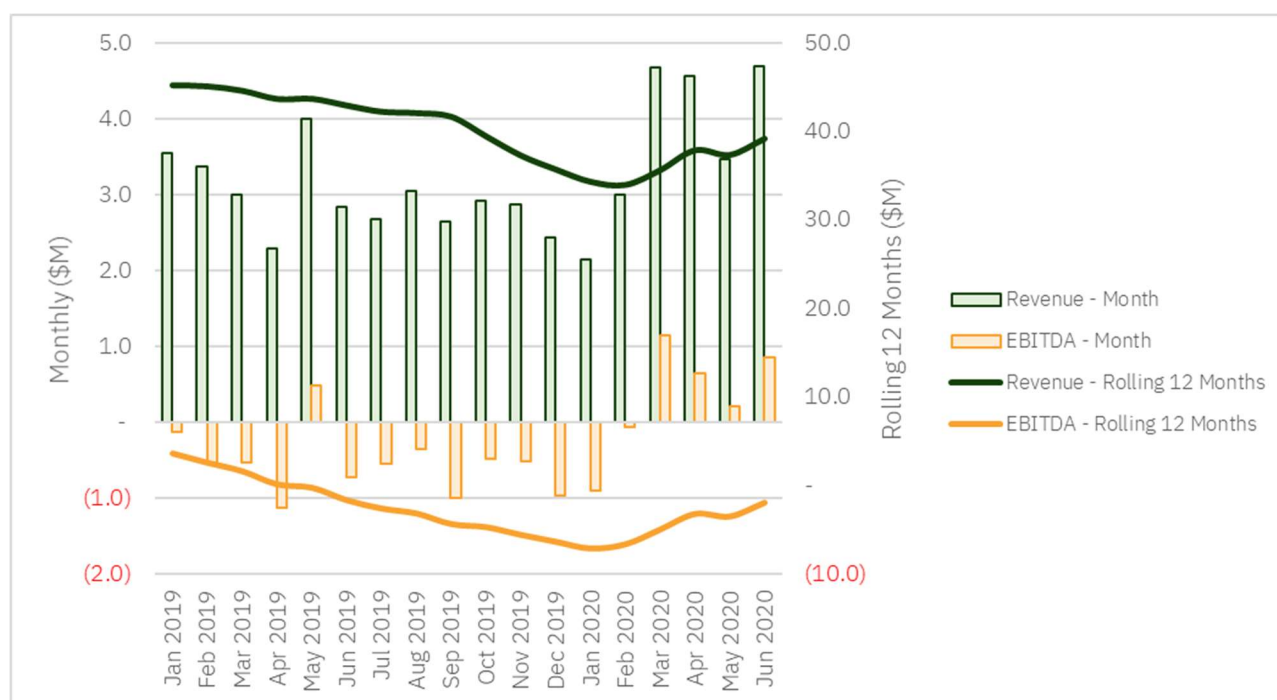
Revenues continued to grow as the Company completes its transformation as announced following its recapitalisation in August 2019.

The June 2020 quarter saw revenues increase 16% compared to the March 2020 quarter, excluding the impact of JobKeeper payments received.

Cash expenditure was in line with expectations, however there was one non-cash impairment charge relating to surplus leased space of \$0.3M booked in June 2020.

The Company has continued its investment in technology as well as geographical, service and client diversification. We believe that its valuation management system is the only ISO27001 and provisionally IRAP certified system in Australia.

The following graph displays revenue and EBITDA per month (left hand axis) and on a rolling 12-month basis (right hand axis) since January 2019 and illustrates the recovery in revenues and profits in the second half of FY2020 and particularly in the last four months of the financial year.



Quarterly cash generated from operating activities was \$3.1M compared to the consumption of \$1.8M of cash in the previous quarter.

At 30 June 2020, the Company has cash balances of \$1.8M and an unused overdraft facility of \$1.2M.

Appendix 4C, item 8.4, indicates available funding of \$6.1M based on the current quarter operating cashflows.

## Payments to Associates (refer section 6 of Appendix 4C)

During the previous quarter, director's fees totalling \$89,000 were paid to non-executive directors of the Company in line with their employment contracts.



**PRELIMINARY FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020 (APENDIX 4E)**

Acumentis delivered a second half operating profit of \$1.7M on the back of increasing revenues and the discontinuation of one-off costs associated with the 2019 criminal cyber-attacks.

**Summary of FY2020 results**

	1 <sup>st</sup> Half \$'000	2 <sup>nd</sup> Half \$'000	FY2019 \$'000	1 <sup>st</sup> Half \$'000	2 <sup>nd</sup> Half \$'000	FY2020 \$'000
Revenue	23,844	19,151	42,995	16,832	21,138	37,970
Government grant income	-	-	-	-	1,315	1,315
	23,844	19,151	42,995	16,832	22,453	39,285
Operating profit / (loss)	522	(2,574)	(2,052)	(4,247)	1,715	(2,532)
Acquisition costs expensed	-	(528)	(528)	-	-	-
Impairment charges						
- Investment in Associates	-	(753)	(753)	-	-	-
- Intangible assets	-	(12,284)	(12,284)	-	-	-
- Right of use assets	-	-	-	(182)	(315)	(497)
Profit before tax	522	(16,139)	(15,617)	(4,429)	1,401	(3,029)

The results demonstrate the impact of the cyber-attacks on the 2<sup>nd</sup> half FY2019 and 1<sup>st</sup> half FY2020 results with the rebound in revenues and profits in the 2<sup>nd</sup> half of FY2020.

The government grant income relates to JobKeeper receipts.

The impairment charges for right of use assets incurred in FY2020 relate to surplus leased office space in Brisbane and Sydney. The Brisbane space has been sub-let and the whilst the Sydney space remains available for lease, there has been considerable interest, and this is likely to increase as a result of changing space requirements due to COVID-19.

**Outlook**

Acumentis experienced a downturn in revenues in May 2020 as a result of COVID-19, however, saw fees recover in June 2020.

Whilst we expect the balance of calendar year 2020 to continue to provide difficult trading conditions, we are optimistic that conditions will improve through FY2021.

Acumentis has retained its full workforce despite the impact of COVID-19 and is in a strong position to take advantage of future opportunities that will arise as the Australian economy recovers.

# ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)



By order of the Board.

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## **About Acumentis**

Acumentis is entrusted to provide commercial and residential valuations, research and property advice to many thousands of homeowners, investors, developers and lenders. The company offers property valuation, insurance valuation and advisory services to clients including major banks and financial institutions, property developers, property trusts, government, lawyers, accountants, real estate agents and major and independent retailers. With 40 offices and more than 300 staff in metropolitan and regional locations around the country, Acumentis is Australia's only independent, locally owned, ASX-listed property valuation company.