

ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)

12 February 2021

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By E-Lodgement

HALF YEAR RESULTS – DECEMBER 2020

Acumentis Group Limited (“Acumentis” or the “Company”) has today released its half year results for the six months to 31 December 2020 and provides an update on trading during the period.

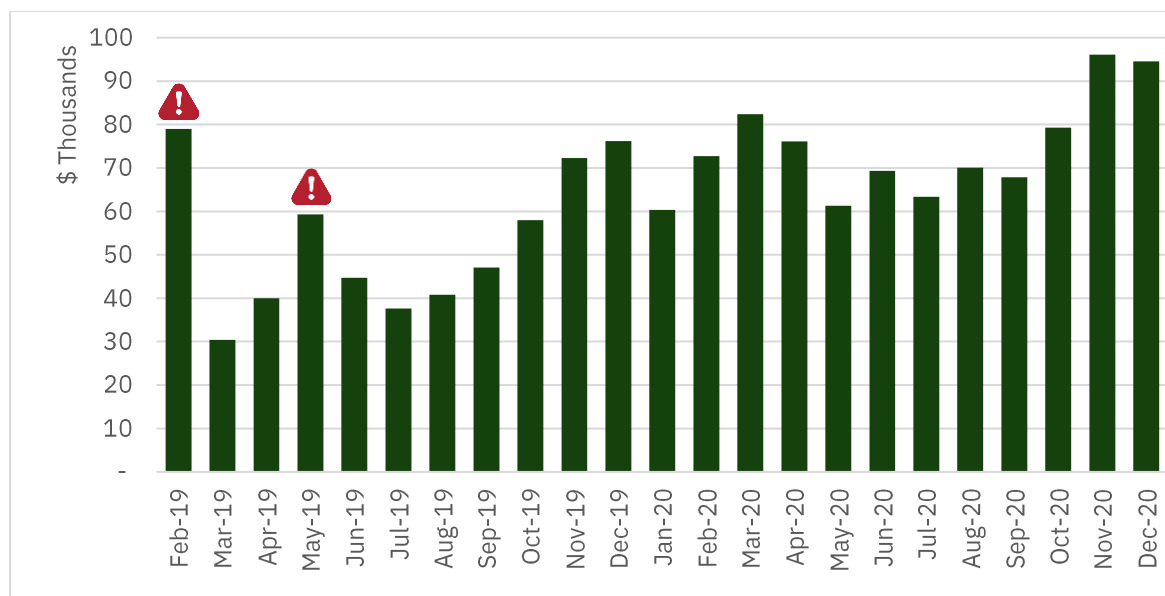
Highlights


- Revenue up 37% on six months to December 2019
- Profit before tax up 133% on six months to December 2019
- EBITDA at 11.8% of revenue
- \$3.2M cash generated from operating activities
- Cash balances at end of period \$3.2M
- Surplus office space successfully sub-let

Acumentis continues to implement its strategic plan including:

- Development of its bespoke valuation management system “Acumentis Accuity” eliminating reliance on third party systems, reducing overall operating costs and further enhancing the Company’s market leading IT infrastructure,
- Expansion of geographical coverage, particularly in regional Victoria, and
- Paying down a further \$650K of term debt.

The financial results of the period reflect the ongoing rebuild of revenues from financial institution valuation panels, as demonstrated by the average daily fees (based on working days excluding public holidays and office closure over Christmas) achieved from our panel appointments:



 Indicates timing of cyber-attacks / data theft.



The above chart shows the impact of the cyber-attacks and the relatively smaller impacts of COVID-19 from April to September 2020. The main impact of COVID-19 was experienced in border regions where the ability for staff to perform valuations across State borders was adversely impacted by border closures and travel restrictions. These were temporary and relatively short lived and are no longer impacting Acumentis.

The final quarter of 2020 experienced strong growth in valuation instructions from financial institution panel appointments. This reflects increasing activity in the residential property sector driven by historically low interest rates, improved business and consumer confidence, and an increased focus on regional areas with the ability for many businesses to operate with employees working from home or in decentralised locations.

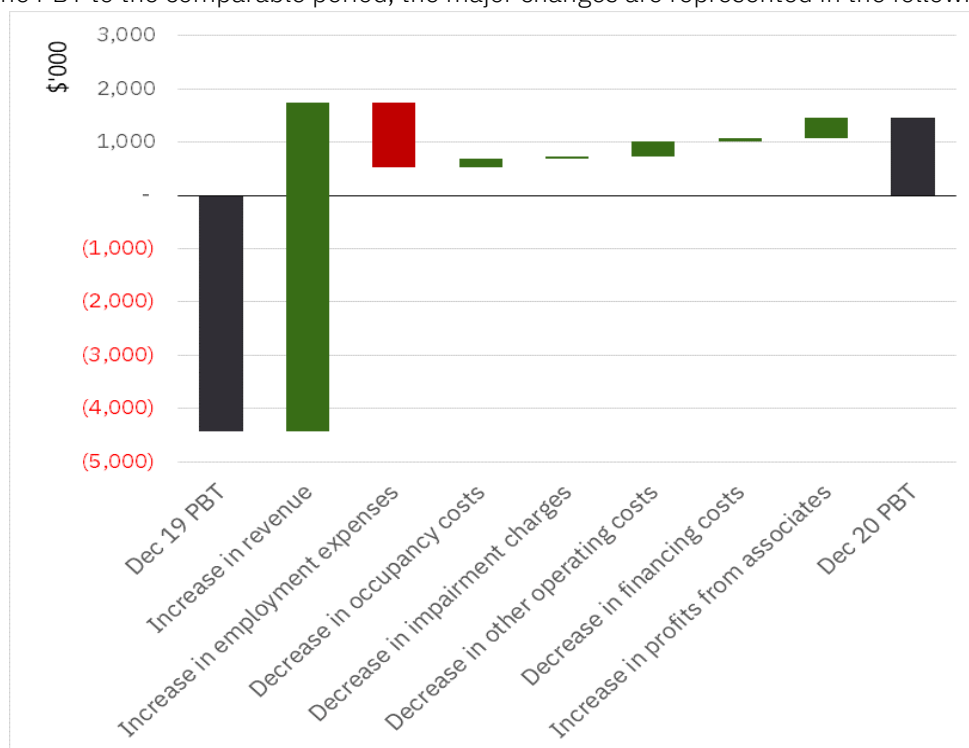
Acumentis has now effectively recovered from the 2019 cyber-attacks and is fully focussed on future growth, expansion of capabilities and a return to rewarding our loyal shareholders via dividend payments which are expected to recommence in FY2022.

A summary of the results for the six months to 31 December 2020 are as follows:

	31 Dec 20 6 months \$'000	31 Dec 19 6 months \$'000	30 Jun 20 12 months \$'000
Revenue	22,998	16,832	39,285
EBITDA	2,725	(3,164)	(475)
PBT	1,465	(4,431)	(3,029)
NPAT	1,033	(3,454)	(2,555)
EPS	0.66 cents	(2.56) cents	(1.76) cents

The results for the six months to December 2020 include a one off impairment charge of \$131K in relation to the office lease right of use intangible asset which reflects the lower rentals achieved via the sub-lease of surplus office space. From April 2021 rental income of \$0.3M per annum will be booked from the sub-lease.

Comparing the PBT to the comparable period, the major changes are represented in the following chart:



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Acumentis anticipates that the second half results for FY2021 will be broadly in line with those for the first half provided the economic impacts of COVID-19 remain at current levels.

By order of the Board.

John Wise
Company Secretary
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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.