

## EP&T Releases FY21 Results

**27 August 2021**

Building analytics company EP&T Global Limited (ASX: EPX) (EP&T or the 'Company') is pleased to announce it has released its full year FY21 results for the period ending 30 June 2021. This is the Company's first full year financial results release following its successful listing on the ASX in May 2021.

### FY21 Highlights

- Annualised contract value (ACV) increased by \$3.3 million (43%) to \$10.9 million during the year ended 30 June 2021.
- Unbilled Contract Value (UCV) has increased 57% from A\$27.1m to A\$36.6m over the same timeframe.
- The number of buildings contracted with EP&T increased by 49%, up from 259 at June 2020 to 387 at June 2021.
- EP&T's global client footprint expands from 18 to 22 countries during FY21.
- Significant contract won with three subsidiaries of DWS Group GmbH & Co. KGaA ("DWS") with combined ACV of \$2.0 million and TCV of \$6.0 million over the three year contract term.
- EP&T successfully entered the education vertical following the signing of five contracts in both Dubai and Australia with a combined ACV of A\$335k and TCV of A\$1.6m.
- Revenue of \$6.1 million, a 9.7% decrease from prior year. Ability to convert new contracts into revenue significantly impacted by COVID-19 restrictions globally.
- Cash receipts of \$7.6 million for the 12-month period down from \$9.1 million in FY20 – impacted by the transition to a subscription-based model completed in FY21.
- Total cash on hand of \$5.3 million as at 30 June 2021.

### FY21 Results

	Consolidated Jun-21 \$	Aggregated Jun-20 \$	Change %
<b>Financial Results</b>			
Revenue	6,077,746	6,733,134	-9.7%
Underlying EBITDA	(3,257,019)	(2,471,841)	-31.8%
IPO costs, asset impairment, convertible note fair value adjustments and share based payments	(8,629,045)	(1,302,573)	-562.5%
Interest, taxation and depreciation	(270,797)	(332,574)	18.6%
Net Loss After Tax	(12,156,861)	(4,106,988)	-196.0%

EP&T achieved revenue of \$6.1 million in FY21, a 9.7% decrease from FY20. The Company's ability to convert new contracts into revenue was significantly impacted by COVID-19. Global restrictions to building access and travel combined to delay the commencement of the provision of ongoing services by EP&T to new customers. These delays do not reduce the total contract value to be derived by EP&T as the contract term only commences when ongoing services are first delivered. The Company also granted temporary pauses to services and billing to a number of customers whose building occupancy was significantly impacted by COVID.

Underlying EBITDA excludes a fair value adjustment of \$4.0 million which was recognised in the profit and loss as a result of the conversion to equity of all convertible notes previously issued with a face value of \$7.9 million at the time of EP&T's IPO in May 2021. Underlying EBITDA also excludes Initial Public Offering ('IPO') costs of \$1.0 million, impairment of assets of \$2.0 million, finance costs related to convertible notes of \$0.8 million and share-based payments expense of \$0.9 million relating to options issued prior to IPO.

**EP&T Chief Executive Officer Trent Knox said**, despite the impact of COVID-19, which impacted the ability to convert new contracts into revenue, the Company had a strong FY21 following the successful closing of significant contracts.

“We were pleased with the strong momentum the Company witnessed in FY21, with 43% ACV growth. The Company was awarded contracts for over 120 buildings across 14 countries with terms ranging from one to seven years. Unbilled Contract Value increased by 57% to A\$36.6m over the year. We are very proud to have achieved this despite the challenging market conditions that our sales teams have faced during COVID-19.

“Following the successful IPO we are well positioned to drive future growth via further investment, product innovation and international expansion into markets where we see commercially viable growth opportunities.”

### Key Operating Metrics

	Jun-21	Jun-20	Change
Annualised contract value (ACV) (\$000)	10,872	7,649	43%
Annualised Recurring Revenue (ARR) (\$000)	5,307	5,076	5%
Unbilled contract value (\$000)	36,648	23,390	57%
Recurring revenue %	82%	82%	-
Number of contracted sites	387	259	49%

During the year ended 30 June 2021, Annualised contract value (ACV) increased by \$3.3 million (43%) to \$10.9 million. ACV is calculated as the annualised monthly fees charged under contracts with customers.

Annualised Recurring Revenue (ARR) represents the annualised amounts being invoiced by EP&T to customers under long term contracts at a point in time. The difference between ACV and ARR is the backlog of projects yet to be fully completed and which are yet to commence invoicing. During FY21 the backlog has increased to \$4.9 million as a result of the large number of contract wins in the period, combined with installation delays, predominantly due to COVID-19 restrictions. The backlog is an indicator of future ARR growth to be delivered from the pipeline of projects on hand once ongoing services commence. Over 90% of the installation backlog is in the European and Middle East markets.

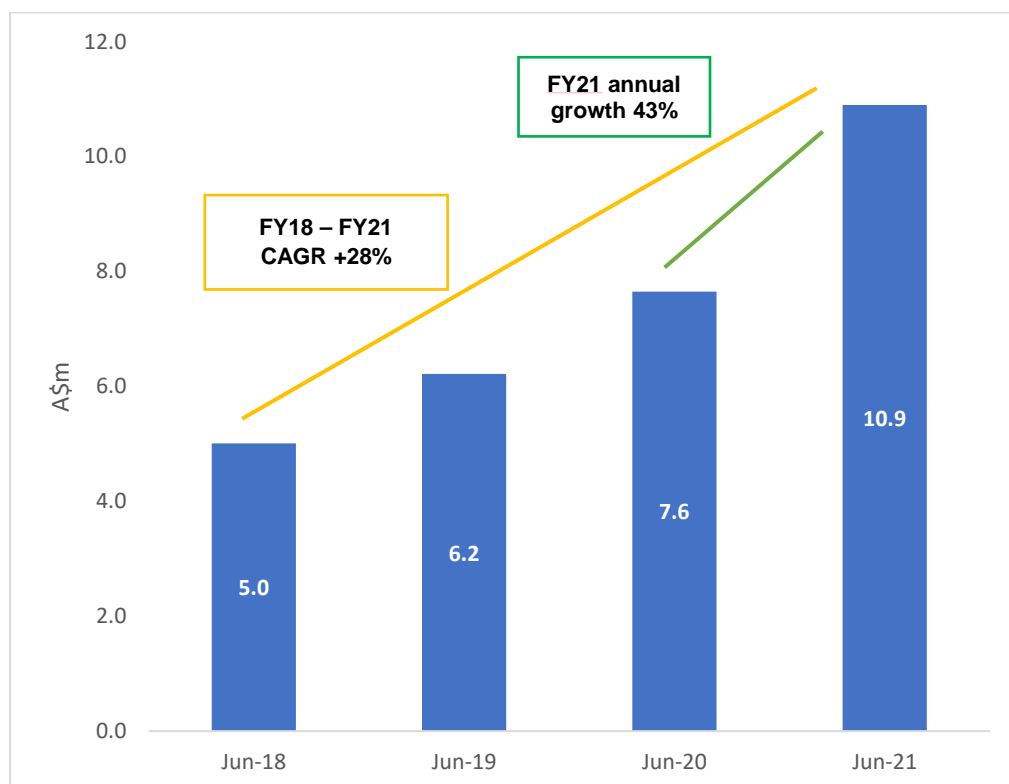
Unbilled Contract Value (UCV) represents the contracted amounts remaining to be billed by EP&T to customers over the unexpired term of contracts on hand. Over the course of the 2021 financial year, UCV has increased by \$13.3 million from \$23.4 million to \$36.6 million (57% growth). The average term remaining on all contracts that EP&T has on hand is 3.4 years.

The new contract wins in FY21 added over 120 new buildings to EP&T's portfolio, increasing the Company's total contracted buildings to 387 and its global customer footprint from 18 to 22 countries. The number of new buildings added to EP&T's client base in FY21 was more than double those added in FY20.

## ACV Growth 2018-2021

ACV growth is the key metric for sales activity in a period and is a forward indicator for future revenue and cash collections. Under EP&T's business model, ACV is invoiced to customers on a recurring basis (typically monthly) following the completion of installation and commencement of EP&T's services with revenue recognition commencing in line with these services. EP&T has continued to deliver ACV growth through FY21 and retains a pipeline of new opportunities across a strong spread of verticals, products and geographies.

ACV at the end of each financial year from FY18-FY21 is shown below:



## Outlook

There are significant tailwinds for EP&T in the Building Energy Management Systems (BEMS) segment. Globally, there is a major focus on Environment, Sustainability, Governance (ESG) outcomes and Net Zero emissions targets which provide further opportunity for EP&T. The acceleration of growth in new contract wins signifies the relevance of the EP&T technology solution.

EP&T's EDGE Intelligent System provides the granular data necessary for the first step in supporting customers on a Net Zero pathway. COVID-19 economic recovery plans are underway in many markets and corresponding business activities are continuing to pick up.

EP&T's priorities moving into FY22 are focussed on continued growth through investment in sales and marketing activity supported by product development and innovation. The expansion of the product suite is a further opportunity to increase cross and up-sell opportunities within current customer portfolios and also increase EP&T's addressable market for new customers.

The Company has a strong focus on the conversion of uninstalled ACV to ARR which is key to increasing revenues and improving operating cash flows. Uncertainties do remain in some markets relating to the ongoing impacts of COVID-19, however, access restrictions for EP&T to complete installations have been easing in recent months.

As markets and travel restrictions open up the value proposition of the EP&T solution and its customer focussed subscription engagement model should significantly enhance sales opportunities.

## **Annual General Meeting**

EP&T Global Limited advises that its Annual General Meeting will be held on or about 18 November 2021. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to ASX immediately after despatch.

In accordance with the ASX Listing Rules, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEST) 23 September 2021.

*This announcement has been authorised for release to the ASX by the Board of EPX*

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## **ABOUT EP&T Global**

EP&T Global is optimising buildings for a sustainable future.

EP&T's proprietary technology solution combines multiple information sources with cloud-based data analytics to detect real-time energy inefficiencies in buildings. This highly accurate identification of faults and inefficiencies enables EP&T to collaborate with building managers to improve and optimise building plant operating systems.

EP&T's "EDGE Intelligent System" is a data repository incorporating 20+ years of building energy efficiency knowledge – collecting and analysing more than 5.6 billion points of data per annum with proprietary algorithmic analysis and machine learning.

**[www.eptglobal.com](http://www.eptglobal.com)**