



MARKET RELEASE

Integrated Research Limited FY25 First Half Results

Sydney, Australia, 20 February 2025 – Integrated Research (ASX:IRI) a leading global provider of technology that harvests and analyses data to help enterprise clients optimise their IT ecosystem, today released its results for the six-month period ending 31 December 2024.

Highlights

- New business growth of 76% to \$7.6m versus PCP (prior corresponding period)
- TCV (Total Contract Value) and statutory revenue down 36% to \$26.5m and 29% to \$28.8 on PCP respectively due to softer 1H renewals book
- EBITDA² of \$4.6m down by 58% on PCP
- Strong fundamentals – pro forma revenue¹ steady, cost management discipline
- New product released; major US bank signed

Revenue

With a softer renewals book in 1H, statutory revenue was down 29% versus PCP, EBITDA was down 58% against PCP to \$4.6 million, and Net Profit After Tax (NPAT) decreased by 59% to \$4.6 million. NPAT was supported by an increase in interest income, reflecting increased cash on deposit, offset by a higher effective income tax expense, given prior utilisation of carried forward R&D tax credits.

Pro forma revenue apportions licence fee revenue evenly over the life of the contract. Pro forma revenue was steady, decreasing by 2%.

Pro forma EBITDA³ was up 53% to \$11.8 million on PCP, which included gains from currency exchange and the sale of non-core business.

Peter Lloyd, Chair, IR, said “The first half of FY25 continues the build on our financial capacity with a solid balance sheet, and strong cash reserves. With positive signs of new business revenue improvement and disciplined expense management delivering profit and cash generation, our sound financial base sets a platform for the company to pursue growth initiatives to deliver new revenue streams and improve shareholder returns.”

Growth in New Business

In 2024 the Company announced a strategic reset. The reset focuses the Company on growth via new business (new clients and upsell to existing clients), underpinned by investment in the development of new products aligned to the core competencies and DNA of the business.

In 1H FY25 the Company launched a new product - *High Value Payments* – and secured a large US bank as a foundation client. This milestone demonstrates the Company’s ability to create and commercialise new product as per the product led growth strategy.



Expenses

Expenses were down on account of disciplined cost management.

Cash

The Company's net cash position as of 31 December 2024 was \$31.1 million, compared to \$31.9 million at 30 June 2024.

The cash conversion rate declined during the period due to the soft 1H renewal cycle and deal mix, resulting in less cash being received up-front.

The Company remains debt free.

Dividends

The Board has not declared an interim dividend.

Priorities for 2H FY25

The Company is focused on the execution of its product-led growth strategy, with priority against the following:

- Invest in innovation to create and commercialise new products
- Grow sales pipeline and revenue contribution from new business (new clients and upsell to existing clients)
- Transition to sustainable growth and a future less reliant on contract renewals

Ian Lowe, Chief Executive Officer, IR said, "We are encouraged to see early signs of progress against our product-led growth strategy. The launch of High Value Payments and securing a large US bank as a foundation client points to our ability to productise new capabilities and sell these into enterprise level clients, consistent with our ideal client profile (ICP). As new product momentum builds and washes through the sales cycle, it places the Company in the best possible position to deliver sustained growth.

The Company expects to make further new product announcements in coming months."



Reconciliation of Revenue and Pro forma Revenue, and Net Profit After Tax (NPAT) to EBITDA and Pro forma EBITDA.

In thousands of AUD	1H25	1H24
Revenue	28,839	40,844
Term license fees recognised upfront	-17,239	-28,246
Amortised license fees	24,960	24,716
Pro forma Revenue ¹	36,560	37,314
Net Profit after Tax (NPAT)	4,572	11,181
Income tax expense	1,403	805
Finance Income	-1,440	-1,078
Depreciation and Amortisation	108	49
EBITDA ²	4,643	10,957
Cost deferral related to over time revenue	-606	277
One-time revenue conversion	7,720	-3,530
Pro forma EBITDA ³	11,757	7,704

¹ Pro forma revenue provides a non-statutory alternate view of underlying performance by restating term licence fee revenue to be on a recurring subscription basis (i.e., over time), rather than upfront at the commencement of a contract, per the statutory view. Other recurring revenues such as maintenance fees and cloud services, as well as other non-recurring revenue streams such as perpetual licence fees, professional services and one-time testing services are consistently treated, as part of pro forma and statutory revenue views.

² EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) is a non-IFRS measure used to evaluate the Company's operating performance by focusing on profit from core operations and excluding the effects of capital structure, tax rates, and non-cash accounting items like depreciation and amortisation.

³ Pro forma EBITDA provides a non-statutory alternate view of the underlying operating performance of the Company by using pro forma revenue instead of statutory revenue and then deducting operating expenses after adjusting commission costs for timing differences, to ensure revenues and expenses are matched to the correct periods.



This announcement is approved for release by the Board.

Leanne Ralph

Company Secretary

Integrated Research Limited

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About Integrated Research Limited (ASX: IRI). Integrated Research (IR) is the leading global provider of user experience and performance management solutions for payment transactions and collaborative systems. We create value through our real-time, scalable & extensible hybrid cloud platform and our deep domain knowledge to optimise operations of mission-critical systems and improve user experience through intelligent and actionable insights. We enable many of the world's largest organisations to simplify complexity and provide visibility over systems that millions of people can't live without – systems that allow them to transact and collaborate. For further information on IR, visit www.ir.com.

