

4 August 2014

# ASX Announcement

## FY2014 Unaudited Full Year Headline Results

### FINANCIAL HIGHLIGHTS

- **Record Revenue of \$67M up 44%**
- **Record EBITDA of \$7.1M up 98%**
- **Record Net Profit Before Tax of \$4.3M up 119%**
- Underlying<sup>(1)</sup> EBITDA of \$5.7M
- Positive Operating Cash Flow of \$5.3M
- Cash at June 30, 2014 of \$8M
- Net Interest Bearing Debt of \$5.2M
- Will declare final fully franked dividend on release of audited accounts
- Enter FY15 with approximately 45% of Revenue contracted.

### STRATEGIC HIGHLIGHTS

- Acquired OBS Pty Ltd in October 2013, adding \$32M of annualised Revenue in high growth services across the East Coast, cementing Empired as the largest Microsoft SharePoint partner in Australia. All 2014 financial targets met.
- Acquired eSavvy Pty Ltd in May 2014, doubling the Sydney office and cementing Empired as the largest Microsoft CRM partner in Australia.
- Secured \$50M contract with a major resources company, mobilisation and ramp up costs expensed in FY14 and on track to provide contribution in FY15 with potential for considerable upside with the customer.
- Secured \$46M contract with Main Roads WA, underpinning contracted Revenue for the next 5 years.
- Raised \$15M of equity capital through a strongly oversubscribed institutional placement. This provided material improvements to trading liquidity and provides a strong balance sheet for growth.

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## Release

Australian listed IT Services company Empired Limited ("Empired" or "the company") today announced unaudited full year headline results for FY14 delivering a strong financial, strategic and operational performance.

Revenue was up 44% to \$67M, with services Revenue representing 85% of this result. Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) grew 98% to \$7.1m and net profit before tax was up 119% to \$4.3M.

Net operating cash flow was strong with \$5.3M of positive net operating cash flow for the year. The balance sheet is also in a sound position to fund growth activities with Net Interest Bearing Debt of \$5.2M and cash at June 30 of \$8M.

The Board has flagged its intention to declare a fully franked dividend in line with the release of its full year audited accounts, demonstrating the board's confidence for the year ahead.

Commenting on the full year performance Managing Director, Mr Russell Baskerville said "We are delighted to deliver a strong financial performance during a period that has presented difficult economic conditions for many organisations in our sector and the broader market."

"We are confident that this is a result of our clear strategy to focus on providing our clients with business solutions that are underpinned by our commitment to deliver them efficiency, productivity and growth."

"The market is clearly evolving with many organisations challenging traditional business models to deliver more for less, whilst continuing to capitalise on new growth opportunities. We are confident Empired is well placed to assist our clients with these challenges."

"Both organically and acquisitively we have ensured that our services have matured and are aligned to global growth mega trends. We are well placed to secure market share in high demand services around Cloud, Big Data / Business Analytics, Mobile, Social and Security."

"Our underlying business model continues to focus on core operational business systems that are fundamental to our customer's day to day business performance, providing contracted recurring revenue that is predictable and defensive in its nature. This provides us confidence into FY15 with approximately 45% of target revenue contracted."

"Our acquisitions have performed well, they have met all financial performance expectations and have aligned positively into our broader culture. We are confident that these transactions have built upon our strong base and provide a broader national platform to leverage in the coming years."

"We are also very proud of our organic growth success where we secured \$96M of services across two major contracts. The ability to reference these and the increased profile these have delivered provides an exceptional opportunity to continue our success in securing these large contracts."

In closing Mr Baskerville said "We would like to extend our thanks and appreciation to all our key stakeholders for their continued support and to our people for their conviction and passion in achieving excellence and striving tirelessly toward Empired's goals."

"We remain excited by our prospects and look forward to collectively delivering another transformational year in FY15."

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## About Empired Limited

Empired Ltd is a national IT Services Provider with a broad range of capabilities and experience. First established in 1999, Empired is a publicly listed company (ASX: EPD) that is proud to have its foundations in Western Australia, with a strong national presence. With approximately 450 staff, Empired has built a reputation for service excellence and is a leading provider of business technology solutions in the Corporate and Government sector.

Our flexible service delivery approach and “can do” attitude has enabled Empired to secure clients that range from medium size entities through to large enterprise accounts with services delivered across Australia, South East Asia and beyond.

Empired focuses on providing companies with tailored IT service solutions that address their specific needs. We have established long-term client relationships and are continually invited to help enhance their business processes.

Empired offers a range of services complemented by hardware and software products that enable it to provide comprehensive and professional ICT solutions.

Website: [www.empired.com](http://www.empired.com)

<sup>(1)</sup> Underlying EBITDA excludes a one off \$2M credit to the P&L as a result of a negotiation that reduced deferred payments to the vendors of OBS Pty Ltd by \$2M in cash and \$0.6M of transaction costs associated with the acquisition of OBS Pty Ltd and eSavvy Pty Ltd.