

23<sup>rd</sup> November 2020

# ASX Announcement

## H1 FY21 Guidance and Full Year Outlook

### Guidance

- Record H1 Revenue forecast to be in the range of \$87m to \$89m (H1 FY20 \$84m)
- Record H1 EBITDA<sup>(1)</sup> forecast to be in the range of \$15.8m to \$16.5m (H1 FY20 \$7.8m)
- Operating cash flow / EBITDA to be between 85% and 95%
- Forecast Net Cash<sup>(2)</sup> position at 31 December 2020
- Directors intend to declare an interim dividend in February 2021 with a target FY21 pay-out ratio in the range of 30% to 40%, moving to a medium term dividend policy of a pay-out ratio in excess of 50%.

### Outlook

- FY21 Revenue, EBITDA and EPS forecast to be up strongly on PCP subject to no material adverse changes to trading conditions as a result of the COVID 19 pandemic.
- Solid full year EBITDA to operating cash flow conversion forecast resulting in a continuing cash build.
- Sales pipeline is currently up 40% on pcp and forecasts indicate record first half sales results.
- FY22 growth will be underpinned by a full year contribution from Western Power Managed Services and Asset Refresh contracts combined with additional forecast revenue from the recent Western Power Systems Integrator contract win.
- Over the coming 12 months the company will contest a number of multi-year strategic deals that, if successful, will provide a material uplift in earnings in FY22 and beyond.

### **This announcement has been approved by the Board of Directors.**

(1) EBITDA includes \$4.8m in government Job Keeper payments. Empired advises that the final Job Keeper payments received were for the month of September 2020 and that it does not currently anticipate qualifying for any further payments

(2) Net Debt and Net Cash excludes the impact of AASB16 Leases

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Empired forecasts strong revenue and earnings growth  
on the back of multi-million dollar contract wins

Ahead of Empired's AGM to be held at 11am WST today the company has provided guidance forecasting a strong increase in growth and overall financial performance on the back of a number of multi-million dollar contract wins secured earlier in the year.

The company said it expected first half revenue in the range of \$87m to \$89m and first half EBITDA in the range of \$15.8m to \$16.5m up from \$7.8m reported in the first half of the prior financial year.

Empired Managing Director Russell Baskerville said "We have been delighted with the progress made in ramping up services relating to a number of key contract wins over the prior six months. In the face of challenging conditions our team has transitioned and commenced service delivery ahead of time and in line with anticipated financial performance."

"This combined with pleasing earnings growth across the Australian East Coast and an outstanding performance from our New Zealand operations provides confidence in our solid first half guidance and continued growth into the second half."

The company also flagged an intention to commence dividend payments, with the first dividend payment to be declared in February 2021 along with its first half financial results. The intention of the directors is to target an FY21 dividend pay-out ratio in the range of 30% to 40% moving in the mid term to a pay-out ratio in excess of 50%.

Commenting Mr Baskerville said "We believe this is a clear positive message of confidence in our outlook. The company has a strong base of long-term contracts combined with high levels of ongoing cash conversion and a Net Cash balance sheet."

The company has also highlighted a strengthening pipeline and a number of strategic contracts to be contested over the coming 12 months.

Mr Baskerville said "We have held firm on our strategy over a number of years and we believe our Microsoft partnership, investments in Managed Services and a modern Digital Services portfolio are key drivers to record sales opportunities across all our regions and our ability to compete and win in large, multi-year strategic contracts."

"I'd like to acknowledge our staff for their tremendous effort through a challenging time and the critical support that our partners and clients provide as we pursue the goal of building the most respected Digital Services company across the ANZ region."

ENDS

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**About Empired Limited**

Empired Limited is an international IT Services Provider with a broad range of capabilities and a reputation for delivering enterprise class IT services and solutions. Established in 1999, Empired is a publicly listed company (ASX: EPD) formed in Western Australia.

With a team of over 1,000 people located throughout Australia, New Zealand, North America and Asia, Empired has built a reputation for service excellence and is a leading provider of business technology solutions to both government and private sectors. We work with clients, leveraging technology solutions to deliver their organisations improved efficiency, productivity and competitive advantage.

Empired provides a broad range of services enabling 'end-to-end' advice and solutions assisting our clients through their digital transformation journey and ensuring robust ongoing lifecycle management.

Our flexible service delivery approach and “can do” attitude has enabled Empired to secure clients that range from medium size entities through to some of the world's largest long standing enterprise's accounts with services delivered across Australia, New Zealand, South East Asia and beyond.

**Important notice re forward looking statements**

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, and business and operational risk management. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.