

23 February 2017

ASX Announcement

First Half FY17 Results - In Line with Guidance

First Half FY17 Highlights

- **Revenue \$84m, up 8%**
- **EBITDA \$6.4m, up from \$0.9m and in line with guidance**
- **Positive Operating Cash Flow of \$1m, up \$5.3m[#]**
- **Net Debt \$30m, down \$3m from 31 December 2015**
- **Undrawn bank facilities and cash of \$6.5m**

First Half FY17 Commentary

- Circa 60% of revenue associated with long-term multi-year contracts.
- Operations continuing to strengthen with Q2 EBITDA stronger than Q1 inclusive of New Zealand earthquake impact and annual holiday period in Q2.
- Reduction in overhead expenses combined with improved gross margins delivering improved profitability.

FY17 Outlook

- Strong sales pipeline underpinning management confidence in pleasing revenue growth across FY17 with strengthening growth into FY18.
- FY17 H2 EBITDA expected to be significantly stronger than H1 EBITDA delivering substantial profitability improvements on prior year.
- Forecasting strong EBITDA to operating cash flow conversion for full year FY17.
- Forecasting material reduction in net debt at the full year.
- Expecting margin expansion and solid earnings growth in FY18.

[#] H1 FY16 Operating cash flow normalised for \$3.8m lease incentive received

Commenting on the first half result Mr Baskerville said, "We are delighted to report a solid first half result and remain acutely focused on our financial performance."

"Our confidence in a strong second half performance and continued growth in FY18 is underpinned by a solid pipeline of sales activity, increased levels of recurring revenue and services aligned to growth areas of the market."

"We have a number of programs underway to continue to drive margin improvement including the ramp up of our delivery centre in Bengaluru, improved operational systems to drive improvements in utilisation and a more efficient, lower cost operating model."

"These initiatives provide confidence in continued growth in profitability as we strive toward another record H2 result, delivering a high level of EBITDA to cash conversion and a material reduction in our net debt levels."

"Our resolve to continue to deliver high quality services that transform our clients businesses in an ever present digital era is steadfast and remains our highest priority."

"I would like to take this opportunity to thank all of our stakeholders for their support and we look forward to once again delivering a record second half financial performance."

For more information, please contact:

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About Empired Limited

Empired Limited is an IT Services provider with a broad range of capabilities targeted at delivering enterprise IT solutions that improve efficiency, productivity and competitive advantage for our clients.

Our clients are medium to large corporate and government organisations within key industries including Energy and Natural Resources, State and Federal Government, Finance and insurance, Utilities and Transport.

We offer a broad range of services from managed services to digital transformation. Together they provide a breadth of service and expertise not seen in other consultancies of similar pedigree allowing Empired to deliver 'end to-end' business solutions that assist our customers in driving their key business outcomes.

With a team of over 900 people located throughout Australia, New Zealand and North America, Empired has built a reputation for service excellence. This combined with our strategy that is underpinned by initiative, innovation and growth ensures that in a dynamic and rapidly growing technology market place Empired is strongly positioned to capture market share and continue to build on its success.

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.