

29 November 2017

ASX Announcement

Trading Update

- H1 FY18 Underlying EBITDA⁽¹⁾ is expected to be between \$7.0m and \$7.3m.
- Modest revenue increase on prior corresponding period due to soft public sector revenue in NZ during protracted election period. Other areas of business performing to expectation.
- Restart of significant public sector projects expected early H2 providing confidence on improved earnings performance in New Zealand across the second half.
- Reduction of non-billable overhead costs by an annualised amount of circa \$2.5m per annum will benefit H2.
- Net debt is tracking in line with management expectations. As per usual business cycle, working capital movements will see a slight increase in net debt for the half year period, followed by strong H2 operating cash flow leading to a reduction in net debt at the full year.
- Consistent with prior years, H2 EBITDA expected to be significantly stronger than H1.

Commenting Mr Baskerville said:

"We are pleased with the expected earnings for the first half given the pause in New Zealand public sector spend during the election period."

"The company will achieve this result without significant impact to billable staff numbers ensuring capacity to return quickly to expected revenue and earnings levels as work ramps up in the second half."

"Management have also been highly focused on costs during the period with annualised overhead reductions of approximately \$2.5m per annum that will further improve second half earnings and beyond."

"The company is tendering on some exciting opportunities currently and we are confident that this combined with the above comments places the company well to deliver a pleasing second half and full year result."

⁽¹⁾Underlying EBITDA excludes \$0.4m in redundancy costs.

"We would like to personally thank our leadership team and staff for the commitment through what has been an extremely busy and high pressure period."

"We also sincerely thank our shareholders for their support and look forward to delivering a solid full year result."

For more information please contact:

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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.