

Tuesday 28 April 2020

ASX Announcement

Empired wins multi-million-dollar digital services contracts with Western Power

- Empired Limited has secured a Managed Services Contract and a preferred Master IT Supply Contract for up to seven years with Western Power.
- Both contracts provide an initial term of five years, plus two one-year options to extend allowing the provision of services for up to seven years.
- Across the initial five-year term, the Managed Services Contract has an estimated value of \$31m and the Master IT Supply Contract has an estimated value of \$30m.
- Together the contracts represent by far the largest deal ever entered into by Empired, with a highly material increase to contracted recurring revenue and an exciting strategic growth opportunity.
- Empired will commence transition of Infrastructure Managed Services during the fourth quarter of FY20 and expects to be providing all core services by early August 2020. The contract will not require any capital investment by Empired however Empired does anticipate some operating expenses during the fourth quarter ramp up period.
- The core infrastructure managed services will see Empired provide Enterprise Compute and Managed Workplace Services to 3,300+ Western Power staff and contractors, encompassing 24x7 service management (leveraging Empired's state-of-the-art service desk and national operations centres), enterprise server, storage and cloud operations, network services for over 2,000 network devices across 30 sites as well as end user services.
- Under the Master IT Supply Contract Empired will deliver a Technology Enhancement Program across all infrastructure platforms to support the continued evolution of core backend services to cloud and digital platforms.
- The Master IT Supply Contract nominates Empired as preferred supplier for a broad range of services in addition to the Technology Enhancement Program.
- Empired has partnered with global giant HCL Limited to provide access to international capabilities and world leading intellectual property (IP) in the energy and power distribution markets.
- Western Power is a Western Australian State Government-owned corporation whose vast transmission and distribution network connects Western Australians to a wide range of both traditional and renewable energy sources. They build, maintain and operate the electricity network in the south west of Western Australia. The Western Power Network forms the vast majority of the South West Interconnected Network (SWIN).

⁽¹⁾Estimated value is based on revenue anticipated within the initial 5 year term of the contract and excludes any estimates for years 6 and 7. The Revenue estimate for the Managed Services Contract is based on the current contracted scope. The Revenue estimate for the Master IT Supply Contract is based solely on the Technology Enhancement Program and excludes any estimates for additional project services. All estimates are forward looking statements and are subject to change.

MEDIA RELEASE

Empired wins multi-million-dollar digital services contracts with Western Power

April 28, 2020 – Empired Limited has secured two contracts with Western Power to provide a diverse range of digital services for up to seven years. Collectively the two contracts have an estimated value of \$61m over the initial five year term.

An Infrastructure Managed Services contract, with an estimated value of \$31m over five years will see Empired provide end user computing services to more than 3,300+ Western Power staff and contractors, provide 24x7 service management leveraging Empired's state-of-the-art service desk and national operations centres, manage all data centres and cloud operations, plus manage more than 2,000 network devices across 30 sites. Transition of these services will commence immediately and is expected to be completed by early August 2020.

In addition, Empired Limited has been awarded a preferred Master IT Supply Contract with an estimated value of \$30m over five years for the provision of a technology enhancement program in support of the Managed services scope.

The technology enhancement program will see Empired continue to evolve core backend services to cloud and digital platforms. Empired has partnered with global giant HCL Limited to provide leveraged offshore resourcing and access to world-leading intellectual property (IP) in the energy and power distribution markets.

Russell Baskerville, managing director, Empired, said, "Empired is very proud to have been selected to partner with Western Power to deliver modern managed services across all of Western Power's end user computing and core IT and operational technology infrastructure requirements.

"Western Power operates the majority of power distribution in Western Australia. It is a privilege and testament to Empired's capability to be trusted by Western Power to manage systems that are critical to the safe and reliable distribution of power to Western Australia."

Andrew Smith, CIO, Western Power, said, "Empired's solution provided a modern approach to managed services, incorporating continuous innovation, the use of artificial intelligence operations, a state-of-the-art operations centre, and access to global IP and thought leadership through the HCL partnership. We are confident this will let Western Power drive improved efficiency and productivity while ensuring digital platforms are optimised to provide improved services to all stakeholders.

"The energy market is a rapidly changing landscape. With customers' energy needs evolving, Western Power's focus is always firmly on the future and we look forward to working with Empired through this journey."

Russell Baskerville said, "While we navigate an uncertain economic climate as a result of the COVID-19 pandemic, Empired's focus is firmly on delivering on its commitments to Western Power. This contract win is testament to Empired's extensive capability and its ability to compete and win against the largest Australian and International competitors."

Western Power is a Western Australian State Government-owned corporation. Its vast transmission and distribution network connects Western Australians to a wide range of both traditional and renewable energy sources to power a vibrant modern lifestyle. It builds, maintains and operates the electricity network in the south west corner of Western Australia. The Western Power Network forms the vast majority of the South West Interconnected Network (SWIN).

This announcement has been approved by the board of directors

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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 1,000 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.