

25 August 2016

ASX Announcement

FY16 Results

Empired Limited is pleased to report FY16 results that demonstrate improved second half trading performance and improvements to our balance sheet and liquidity:

- **Revenue \$160m – H1 \$79m – H2 \$81m**
- **⁽¹⁾EBITDA \$8.2m – H1 \$1.2m – H2 \$7.0m**
- **Positive Operating Cash Flow of \$11.6m – H1 \$(1.3)m – H2 \$12.9m**
- **Undrawn bank facilities and cash of \$14m**
- **Net Debt at 30 June 2016 of \$25.6m**

FY16 Highlights

- Revenue growth of 25% on prior year.
- Organic Revenue growth of 9% on prior year.
- 55% of Revenue generated from long term multi-year contracts or recurring / support style revenue.
- Investments in Data Analytics, Digital and Microsoft Dynamics resulted in outstanding growth across all three service offerings.
- Made strategic investments in Cloud, Mobility and Cohesion during the year.
- Transitioned in \$35m of strategic annuity based contracts.
- Cohesion market share accelerated to 4,500 users within NZ Government with strong growth anticipated in FY17.
- Implementation of an integrated operating / organisational model across Australia and New Zealand.
- Implemented a portfolio based sales organisation across Australia.

⁽¹⁾EBITDA adjusted to exclude the write off of \$0.7m (H1 \$0.3m, H2 \$0.4m) for doubtful debtors relating to a prior financial year.

FY17 Outlook

- Expecting solid growth in all key financial metrics in FY17.
- Enter FY17 with record level of contracted Revenue.
- Acute financial focus on profitability, operating cash flow and net debt reduction.
- Strong sales pipeline, refreshed sales leadership and expecting to benefit from portfolio based sales model.
- Positioned to secure strategic wins and growth in Cohesion in FY17.
- Confident that our strategic positioning is aligned with growth trends supporting our ambition to continue to capture market share during a time of significant change and disruption in the ICT sector.

Commenting on the full year results Mr Baskerville said "Following significant integration activities and disappointing earnings in the first half we are pleased to report a strong recovery in the second half."

"Importantly we have experienced pleasing operating cash flow in the second half significantly reducing our net debt level."

"High levels of contracted revenue, a healthy sales pipeline and services aligned to growth segments of the market provide us confidence in delivering a strong financial performance in the coming year."

"We thank our shareholders for their support and look forward to continuing our track record of revenue and earnings growth established over many prior years."

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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.