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## Financial Performance and Growth Opportunities

- FY2018 operating revenue of \$25.51 million and normalised EBITDA of \$5.93 million
- Digital Performance Marketing (DPM) platforms further developed to enable strong DPM EBITDA margin performance
- FY2019 focus on key scaling DPM business in Australia and the UK with an expanding client base – positive performance projected

Digital Customer Acquisition Company Impelus Limited (**ASX: IMS**) (**IMS, Impelus or Company**) provides this financial performance and growth opportunities update to shareholders.

### Overview

- Impelus is well positioned to capitalise on the investment it has made in strengthening and shifting its focus to a 'pure play' Digital Performance Marketing business.
- The DPM technology platform further developed to enable strong DPM EBITDA margin performance through the scale up of operations in Australia and the United Kingdom.
- New Lead Generation/Customer Acquisition digital assets that enable higher revenue generation per lead is strengthening.
- Expanding client base covers major industries including utilities, telecommunications, finance, health, travel, insurance, education, entertainment and FMCG (fast moving consumer goods).

### Financial performance summary

- FY2018 operating revenue of \$25.51 million and normalised EBITDA of \$5.93 million.
- FY2018 reported EBITDA of \$4.55 million – in line with expectations.
- FY2019 focus on key growth areas in DPM business in both Australia and the UK with an expanding client base and positive DPM performance projected.



## Financial discipline

- FY2018 revenue of \$25.51 million and gross margin of \$17.14 million (67.2% gross margin percentage).
- FY2018 reported EBITDA of \$4.55 million (17.8% EBITDA margin percentage) with normalised EBITDA of \$5.93 million (23.2% normalised EBITDA margin percentage), adjusting for one-off and non-recurring items including restructuring costs.
- Cash and cash equivalents as at 30 June 2018 solid at \$3.33 million.
- Balance sheet strengthened. Bank debt has decreased in the second half (**H2FY2018**) through regular payments from \$7.97 million at 31 December 2017 to \$6.9 million at 30 June 2018 – a \$1.09 million reduction in H2FY2018. Debt reduction continues (bank debt reduced to \$6.45 million at 31 August).
- Direct Carrier Billing (**DCB**) activities in run-off with projected revenues of \$1.2 million and \$0.3 million positive EBITDA margin contribution in FY2019.
- Divestment process of the Clipp business continues. In the interim Clipp has provided a small positive gross margin contribution to the Company.

## FY2019 overview and global growth opportunities

- Stabilised and positive DPM performance projected for full year FY2019 with a focus on key product development areas in the DPM business in Australia and the UK.
- Positive operating cashflows projected for full year FY2019.
- One-off and non-recurring expenditures in FY2019 expected to be minor with provisions booked in FY2018 (including impairment provisions). Associated cash outflows likely to be exceeded by sale proceeds from non-core asset sales.
- The progress the Company has made in the development of its infrastructure has strengthened the growth platform for its operations with a focus on building its capability in higher value lead generation where there is increasing demand. Several operational initiatives are in development to reinforce this strategy.
- UK operations are trading very well, and new client relationships are being established with growth opportunities identified in other European markets. IMS sees considerable scope for growth in the UK operations, and the Company is well advanced with plans to establish a greater presence there to deliver organic revenue and earnings growth.
- Key DPM hires completed in Australia and the UK as part of the Company's growth plans.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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## **ABOUT IMPELUS LIMITED**

Impelus Limited (ASX: IMS) is a Customer Acquisition Engine that enables businesses to cost efficiently find customers through digital channels, at scale, globally. To learn more please visit [www.impelusc corp.com](http://www.impelusc corp.com) or follow us on Twitter @ImpelusLimited

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Forecasts and estimates may be materially different and may be affected by many factors such as the timely release of products and services, dependencies on third parties, the overall global economy, competition in the industry and other events beyond the control of or unforeseen by Impelus Limited and its subsidiaries.