

14 February 2018

## ASX Announcement

### H1 FY18 Results

- **Revenue \$85m**
- **Revenue (Excluding Wellington) up 10%**
- **Underlying<sup>(1)</sup> EBITDA \$7.3m up 14%**
- **Operating cash flow \$5.3m up from \$0.9m pcpc**
- **Net Debt reduced to \$13.5m**

### H1 Highlights

- All major regions performing well outside of Wellington, which was disrupted as a result of the protracted New Zealand election period.
- Solid performance in growth regions with NSW Revenue up 15% and Auckland up 18%.
- WA Revenue up 10% and poised for solid growth in H2.
- US Revenue up 21%.
- Underlying EBITDA margin up from 7.6% to 8.5% whilst managing a decline in Wellington.
- EBITDA to Operating cash flow (OCF) of 80%
- EBITDA / OCF of 100% when adjusted for \$2m of work delivered during the H1 FY18 that was pre-paid by clients in H2 FY17.

### Outlook

- NZ continues to strengthen with a building sales pipeline.
- Empired expects solid Revenue growth in H2, over H2 FY17.
- Empired expects H2 EBITDA to be significantly stronger than the first half.
- Strong operating cash flow in H2 will continue to reduce net debt.
- Empired well placed to deliver strong earnings growth in FY19.

(1) Underlying EBITDA excludes one off redundancy costs of \$436,000 and doubtful debts \$122,000 relating to prior period revenue.

Commenting on the result Mr Baskerville said, "We are pleased with our first half financial performance. Management have grown key areas of the business whilst carefully managing the decline in Wellington to protect our earnings in H1 and capacity to quickly ramp up in H2."

"We are excited by what we are seeing across the company with pleasing growth in a number of key regions and in core service lines that are aligned to growth segments of the market."

"This combined with an improving NZ public sector outlook is expected to underpin a solid second half and an outstanding outlook for FY19."

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 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.