

28 February 2019

## ASX Announcement

### H1 FY19 Results

- **4% increase in revenue on pc<sup>(1)</sup> to \$89m**
  - Australian Revenue of \$60m, up 7% pc<sup>(1)</sup>
  - New Zealand Revenue of \$29m, down 2% pc<sup>(1)</sup> (Stabilised and expect return to growth in FY20)
- **23% increase in EBITDA on pc<sup>(1)</sup> to \$8.2m**
- **50% increase in NPAT on pc<sup>(1)</sup> to \$2.2m**
- **49% increase in Earnings per Share on pc<sup>(1)</sup> to \$0.014**
- **Net debt increased to \$15.4m up 14% pc<sup>(1)</sup>** (Expect to reduce at 30 June 2019 on pc<sup>(1)</sup>)

### Highlights

- Secured multi-year, multi-million dollar Digital Transformation contract in NZ Public Sector with DIA<sup>(2)</sup>
- East Coast expansion strategy delivered 14% growth on pc<sup>(1)</sup>
- Digital Solutions (Australia) grew by 16% on pc<sup>(1)</sup>
- Investments in Cohesion delivering SaaS growth with contracted users up 65% to 11,000+
- Investments in Managed Services key to positioning to bid on \$300m+ of large multi-year strategic contracts in the coming 12 months.

### Outlook

- Expect double digit earnings growth in both FY19 & FY20 underpinned by:
  - Expected growth in multi-year contracts in FY20
  - Exposure to high growth services
  - Recovery in New Zealand
- Empired will contest \$300m+ in large strategic deals over coming 12 months
- In line with typical earnings skew H2 EBITDA to be stronger than H1 EBITDA
- Full year operating cash flow will reduce FY19 Net Debt on pc<sup>(1)</sup>

## Commentary

Commenting on the result and outlook Mr Baskerville said "We are delighted to again deliver a solid financial performance whilst continuing to deliver on key strategic initiatives."

"Strategic milestones included positioning to bid on \$300m+ in strategic contracts, securing material contracts for digital transformation, delivering strong growth into the East Coast and 65% growth in SaaS users on Cohesion."

"We are confident that our strategy firmly positions Empired as a leader in the Australian & New Zealand digital services market and that this will underpin future growth."

"We thank our staff, clients, partners and shareholders for their support and look forward to an exciting chapter for Empired ahead."

For more information, please contact:

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(1) *Prior Corresponding Period*  
(2) *Department of Internal Affairs (NZ)*

## 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.