



D A M S T R A

27 November 2019

### **Damstra provides an update for the first quarter of FY20**

- Cash receipts from customer of \$4.2 million, up 41% on the prior comparative period and in line with Prospectus forecasts.
- Operating cash flow of \$1.7 million over the first quarter of FY20 against a full year Prospectus forecast net cash flow from operating activities of \$6.6 million.
- Registered licences of 333,404 at 31 October, an increase of 48% over the preceding year.
- Client retention of 100% during the first quarter of FY20.
- Financial performance tracking in line with Prospectus forecasts as a result of strong operational outcomes achieved in Australia and across the international business during the first quarter of FY20.
- Damstra remains on track to achieve Prospectus forecasts for FY20.

Damstra Holdings Limited (**Damstra** or the **Company**), an Australian-based provider of integrated workplace management solutions, provides an update on financial and operational performance for the first quarter of FY20.

During the quarter ending 30 September 2019, Damstra generated cash receipts from customers of \$4.2 million, up 41% on the prior comparative period. The Company delivered an operating cash flow of \$1.7 million over the period against a full year Prospectus forecast net cash flow from operating activities for FY20 of \$6.6 million.

At 31 October 2019, the number of licences deployed was 333,404, an increase of 48% over the preceding year. Importantly, client retention was 100% during the first quarter of FY20.

Financial performance continues to track in line with the Prospectus forecast as a result of solid operational outcomes delivered during the first quarter of FY20.

### **International operations**

Solid outcomes during the first quarter supports Damstra's Prospectus target to deliver 25% of total revenue from international operations during FY20.

Damstra's contract with Newmont Goldcorp will see Damstra's workforce management, access control and learning management solutions deployed across a range of Newmont sites and geographic locations during FY20. The solution is being implemented throughout Australia and the United States, with 5,000 users now active. Deployment activity is currently

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underway in South America and Africa and is expected to be complete during the last quarter of FY20.

Throughout the first quarter, Damstra has been active in deploying its solution across a number of projects in New Zealand including; Christchurch Convention Centre, Waikeria Prison, Auckland Airport and the Metro Sports Facility, supporting further growth in international revenue.

Damstra's first pilot program across 300 users in the UK with Skanska, one of the world's leading project development and construction groups, continues to progress well.

Damstra's CEO, Christian Damstra said: "A key plank to our growth strategy is our international expansion. We are progressing well against our targets and remain on track to deliver a significant uplift in our revenue contribution from offshore markets in FY20."

### **Australian operations**

During the first quarter of FY20, Damstra secured a number of new clients which will see the solution deployed across various sites and projects in the Australian market including:

- QUBE in relation to the Moorebank Intermodal Precinct, encompassing the construction and operational phase of the project with all tenants utilising the Damstra workforce management and access control solution;
- MLG Oz which operates across 18 locations in WA and NT, and provides services to mining clients including BHP, Fortescue Metals Group, and Northern Star; and
- Tasmanian Water, we have commenced the deployment of Damstra's workforce management and asset management modules.

Damstra's learning management solution has seen strong growth in the customer base during the period, including the addition of a number of smaller customers across a number of geographies and various market segments.

Expanding Damstra's channel partner strategy, during the period Damstra signed a strategic reseller agreement with TechnologyOne. This agreement enables Damstra's learning management module to be sold to existing and new TechnologyOne clients.

Solid growth across the existing customer base has been achieved during the first quarter of FY20 with Damstra's solution expanding across a number of projects. This includes:

- CPB Contractors where the solution is currently deployed across 18 projects and will be extended across an additional five projects during the second quarter, including Western Sydney Airport Stage 1, Victorian Western Highway Duplication, Queensland Cross River Rail projects, Monash Freeway and North East Link Vic;
- John Holland with six projects underway including North West Private Hospital in Brisbane and the Macquarie Park Development and a further two projects to commence in the second quarter; and

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- Deployment across 15 projects with Laing O’Rourke including a number of long-term projects such as Osborne Future Submarine North Development Project (SA), Australian Singapore Military Training Initiative in Queensland and the Northern Connect in Western Australia.

Further, during the period Damstra executed an increased statement of work with existing client NBN. This extends revenue potential beyond existing arrangements, underpinning FY20 growth during the second half and supporting growth opportunities into FY21.

## **FY20 Outlook**

Damstra’s CEO, Christian Damstra said: “Damstra has commenced the financial year strongly, with continued expansion across our existing clients and the addition of new clients to the Damstra platform. This strong performance during the first quarter sees us on track to meet our FY20 Prospectus forecasts.”

\*Unless otherwise specified, all amounts are provided on an unaudited basis.

## **Ends**

## **Enquiries**

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## **About Damstra**

Damstra is an Australian-based provider of integrated workplace management solutions to multiple industry segments across the globe. The Company develops, sells and implements integrated hardware and software-as-a-service (SaaS) solutions in industries where compliance and safety are of utmost importance. These solutions assist Damstra’s clients to better track, manage and protect their staff, contractors and their organisations, and to reduce the risks associated with worker health, safety and regulatory compliance.

The Company has been operating since 2002 and has grown from providing an Australian mining contractor management solution to an integrated workplace management solution provider with a growing client base in international markets. Damstra has approximately 350 clients across eight countries with over 330,000 registered licences (as at 30 June 2019).

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Operations are maintained in Australia, New Zealand, the United States, the United Kingdom and a global operations centre in the Philippines.

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- current views, expectations and beliefs as at the date they are expressed, and which are subject to various risks and uncertainties.

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