

ASX Announcement

24 February 2022

Atturra reports strong first-half result

Result key highlights:

- First-half revenue up 44% on prior corresponding period (pcp) to \$61.9m
- Underlying EBIT up 139% to \$6.4m, EBIT up 68% to \$5.5m
- 40% uplift in Net Profit After Tax to \$3.4m
- Acquisition of Kettering on track to complete 1 March
- Strong growth in Defence, local government businesses
- Healthy balance sheet as at period end; \$37.2m cash at hand, net debt \$5.8m

Sydney, Australia, 24 February 2022: Leading advisory and technology solutions provider Atturra Limited (ASX: ATA) (Company) today announced its results for the six months to 31 December 2021 (1H FY22). The Company reported that continued strong organic growth and contributions from acquired businesses drove a 44% increase in revenue to \$61.9 million compared to the prior corresponding period (pcp).

Consolidated earnings before interest and tax (EBIT) were up 68% to \$5.5m while underlying EBIT¹ increased by 139% to \$6.4m for the half. The Company reported a consolidated (statutory) net profit after tax of \$3.4m for the half, up 40% on the pcp.

Atturra commenced trading on the ASX on 22 December last year.

The December half result reflected strong client growth, particularly in the key Defence and local government sectors, and the benefits of a diversified technology partnership strategy.

Atturra Chief Executive Officer, Stephen Kowal, said: “The first-half result is very pleasing, especially in the context of having completed an IPO towards the end of the half. The growth and momentum in the business shows not only that our strategy is the right one for the Company, but that the team is successfully executing. The team deserves credit for delivering this result in an uncertain and disrupted external environment and amid IPO preparations.”

A key pillar of Atturra’s commercial strategy is a focus on partnerships offering reach into both high-growth software markets (such as Boomi, Smartsheet and Microsoft) and specialist markets in which Atturra can become the dominant provider (such as webMethods and QAD).

From a vertical industry standpoint Atturra has sought to strengthen its foothold in industries either with high barriers to entry, notably Defence, or that lack a clear market leader and therefore offer an opening for Atturra to dominate, such as local government. In the latter category Atturra has rapidly emerged as a leading service provider of choice, with more than 100 councils signed as clients by the end of the December half.

Operational highlights

Mentum Systems, acquired by Atturra in August 2021 for its specialist capability in decisions-support systems and data science, was successfully integrated as Atturra Management Control Systems during the half.

¹ Underlying EBIT is as per financial statements and excludes IPO expenses, share-based payments and government grants.

The newly acquired Mentum Systems contributed \$2.3m to the Company's first-half revenue result, with the remainder of the \$18.9m revenue uplift for the period attributed to prior-year acquisitions (\$8.3m) and organic growth (\$8.9m), offset by a divestment of \$0.6m.

Atturra signed new technology partnerships during the half with Snowflake, Okta, Apigee (part of Google Cloud) and Infor, for which Atturra is now the leading Pathway Services Provider in Australia. Atturra is now the sole consulting partner in Australia for cloud scheduling and timetabling platform Semestry.

The strength of Atturra's portfolio of partnerships is evident in its winning two partner awards for Boomi and another for Smartsheet during the period.

The Company signed more than 45 new clients across multiple industries in the first half and expanded its Defence industry footprint to span nine of 16 services and groups designated by the Department of Defence. Atturra's advisory arm strengthened its activity in line with the Department's recently announced Sovereign Industry Capability Priorities, many of which align closely with Atturra's technology capabilities.

With lengthy procurement cycles and onerous security requirements making for long retention rates in Defence contracting Atturra is well positioned for sustained revenue growth from this sector.

The company's balance sheet as at 31 December was strong, with a cash position of \$37.2m and net debt of \$5.8m.

Update on Kettering acquisition

Atturra remains on track to complete its acquisition of ERP implementation business Kettering Professional Services by 1 March, with most conditions precedent now satisfied.

Based in Brisbane, Kettering specialises in ERP solutions for the manufacturing sector. The acquisition positions Atturra as the market leader in QAD ERP solutions in Australia, boosts its base of manufacturer clients to above 50 and presents cross-selling opportunities for other Atturra business and advisory lines.

Subject to reviews on revenue recognition Kettering is anticipated to add incremental revenue of \$1.6m and EBIT of \$0.18m to the FY22 full-year result.

Outlook

Atturra said that it anticipated revenue in the range of \$127m to \$130m for the full year, with the range affected primarily by the revenue recognition of software deals.

Underlying EBIT is expected to be in the range of \$11.7m-\$12.3m, depending on the speed of planned investments and the start date of planned new hires.

The revenue and EBIT forecasts include the anticipated part-year contribution of the Kettering business.

Atturra reiterated its long-term target of achieving sustainable EBIT growth of around 9% while continuing to invest in the growth of the business.

Mr Kowal said: "We expect the momentum established in the first half to continue through to the end of the full year. The strong recent performance gives us the ability to accelerate investment in growth, specifically training capability and executive talent across sales, technology and other key areas.



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We will also be investing in an expanded managed-service capability, which will support recurring revenue from FY23, while strengthening employee engagement to consolidate Atturra's position as an employer of choice in a competitive talent market.

With a strong balance sheet, we have the capital flexibility to consider strategic acquisitions that align with our existing business platform.

It's an exciting time for Atturra. We're confident that the foundation is in place for Atturra to continue to take a leading role in Australia's technology services and advisory sector."

- ENDS -

This announcement is authorised for release by the Board of Directors of Atturra Limited.

About Atturra:

Atturra is a leading ASX-listed technology services business. Atturra is a leader in designing, implementing, and maintaining IT solutions for many of Australia's largest private and public entities. Atturra offers consulting, IT services and technology solutions to accelerate digital transformation in the growing Australian IT services market, with an estimated spend of \$37.0 billion in 2021.

Further information can be found on the company's website atturra.com or by contacting Atturra via email investorrelations@atturra.com

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