

## MARKET ANNOUNCEMENT

## **FY 2022 Trading Update**

**Sydney, 16 May 2022 – Integrated Research (ASX: IRI)**, a leading global provider of user experience and performance management solutions for payment transactions and collaboration systems provides the following trading update.

As communicated in past trading updates, the Company's traditional sales cycle results in a significant number of new contract sales and renewals executed in the closing weeks of December and June of each year. As such it is currently difficult to provide specific guidance. The Company does however have enough visibility to provide an update relative to the annual performance of the prior year.

Whilst we continue to see strong sales in the Asia Pacific region, the second half turnaround anticipated for the Americas is yet to materialise. John Ruthven, CEO, is currently in the USA completing an operational review of the business to accelerate the business turnaround plan. European year-to-date sales remain ahead of the prior equivalent period.

Given the FY22 renewal cycle is lower than the prior year, the current year business plan is heavily weighted to the achievement of new business. The momentum achieved with new sales in the first half has slowed in recent months with delays in customer purchasing patterns. New business closed on a year-to-date basis represents 37% of Total Contract Value<sup>1</sup> (TCV). The Company now anticipates TCV to decline on the prior year, against previous guidance for growth.

Statutory revenue is highly influenced by licence fees from term contract wins. With a large number of contract outcomes to be decided over the next six weeks, it is currently difficult to predict statutory revenue for the year although it is highly probable that it will not exceed the prior year. The recent drop in the AUD/USD exchange rate will assist in reducing the shortfall. Pro-forma<sup>2</sup> revenue, a more predictable and stable measure of underlying performance, is anticipated to be down in the range of 3% to 7% for FY22 (1H FY22: down 7%) when measured against the prior year.

At the NPAT<sup>3</sup> level, it is anticipated that the Company will remain profitable, but for NPAT to be below the previous year (previous guidance<sup>4</sup> was for growth).

Cashflow generation, supported by continuing revenue streams, has remained strong during the second half of the year. The net cash balance at 30 April 22 was \$12.7 million (30 June 21: \$5.5 million).

The longer-term strategy for the business remains intact. We have maintained our commitment to our innovation agenda, with development spend anticipated to exceed \$10 million for the year. The combination of new solutions in the market, anticipation of a stronger renewal cycle and potentially a favourable exchange rate environment should provide a stronger platform for growth in the year ahead.

IR anticipates providing a further update to the ASX in mid-July following the close of the FY22 financial year.

By Authority of the Board.

David Purdue Company Secretary Integrated Research Limited ABN: 76 003 588 449

<sup>&</sup>lt;sup>1</sup>Refer to 1H presentation on page 27 for definitions (released to ASX on 17 February 2022)

<sup>&</sup>lt;sup>2</sup> Refer to 1H presentation on page 27 for definitions (released to ASX on 17 February 2022)

<sup>&</sup>lt;sup>3</sup>NPAT means statutory Net Profit After Tax excluding one-time through charges and credits (eg grant income from the forgiveness of US Paycheck Protection Program. Refer to 4D released to ASX on 17 February 2022)

<sup>&</sup>lt;sup>4</sup>Refer to 1H presentation on page 21 (released to ASX on 17 February 2022)

About Integrated Research Limited (ASX: IRI). Integrated Research (IR) is a leading global provider of user experience and performance management solutions for payment transactions and collaborative systems. We create value through our real-time, scalable & extensible hybrid cloud platform and our deep domain knowledge to optimize operations of mission critical systems and improve user experience through intelligent and actionable insights. We enable many of the world's largest organizations to simplify complexity and provide visibility over systems that millions of people can't live without – systems that allow them to transact and collaborate. For further information on IR, visit www.ir.com.

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