

# atturra

## FY23 Full Year Results

31 AUGUST 2023

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This presentation has been authorised for release to the ASX by the Board of Atturra Limited.

Atturra Limited | ABN: 34 654 662 638 | Level 2, 10 Bond Street, Sydney, NSW 2000

# Agenda

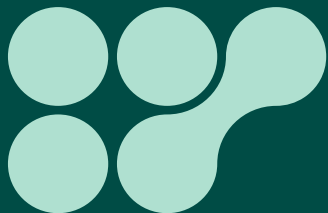
| Results Summary

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"I am proud to announce today that Atturra has continued to deliver ongoing strong growth while exceeding overall profit objectives.

This result reinforces the strength of our strategy ensuring we have leadership positions in key technologies and industries.

**Revenue** increased by **33%** on prior comparable period (pcp) to **\$178.3m**. Our statutory **EBIT** increased by **34%** on pcp to **\$16.6m** and our underlying **EBITDA** increased by **39%** on pcp **\$21.0m**.

This strong result positions Atturra well to continue to invest in its strategy and bring on additional market leading capabilities."

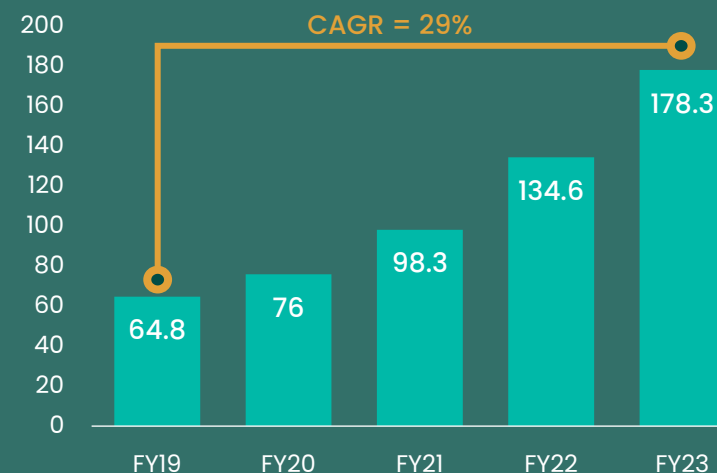
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**Stephen Kowal**

CEO Atturra



**Revenue FY19–FY23**



# 02 Business Overview



# Vision and Strategy

Our Vision and Strategy remain unchanged. Atturra aims to be **Australia's leading Advisory and IT solutions provider**. We will achieve this by focusing on these strategies:



## Industry Strategy

**Our industry strategy is to focus on industries in which there is:**

- a high barrier to entry, for example Defence requiring security clearances, which helps client retention
- no clear market leader so Atturra can become a market leader. This is the case in Local Government, Education and Manufacturing



## Technology Strategy

**Our technology strategy is to focus on:**

- high growth technologies so we can grow in lockstep, for example Boomi and Smartsheet, in which we are now market leaders
- specialist technologies, such as webMethods, OpenText and QAD, so Atturra can become the dominant player in those technologies

# Business Philosophy

Our Business Philosophy continues to focus on growth while delivering a sustainable margin



## Growth Philosophy

GROWTH PER ANNUM

# 20%+

targeting a mix of both organic and inorganic



## Investment Philosophy

IS TO FOCUS ON:

# 10.5%+

Underlying\* EBITDA margin of approximately 10.5% and investing consistently into business growth and IP

\* Underlying represents a non-IFRS measure and management consider this to be a better representation of operating profit and results moving forwards. The previous strategy was 9%+ EBIT which translates to 10.5%+ underlying EBITDA, as a result no material change.

# Industry Focus (remains unchanged)

## CLIENT SECTOR



Local Government



Federal Government



Defence



Education



Utilities



Financial Services



Manufacturing

Simplify



Optimise



Modernise

## FY23 PROGRESS BY INDUSTRY

Expanded to over 140 Local Government Authorities across Australia and New Zealand providing expertise in TechnologyOne, Infor, Microsoft, Boomi and other leading council solutions.

One of the largest publicly listed Advisory, IT Services and Solutions providers to Federal Government providing ongoing support to priority areas such as Australia's biosecurity and health services.

Over 250 security cleared personnel that provide both technical and advisory services to Defence including to the Defence Strategic Review. Now engaged in over 10 of the 17 Services and Groups, increasing focus on supporting Australia's sovereign capability areas.

Continued strong engagement in Higher Education with a new partnership with AvePoint and significant expansion into K-12, accelerated by the acquisition of Somerville. We now support over 20,000 laptops through our School Laptop Program.

Updates to regulatory compliance continue to drive significant technology changes. Atturra is a key partner enabling this change for energy providers relying on webMethods or Boomi technologies. Successfully expanded our Microsoft practice into water utilities.

Created unique IP with an integration and data architecture building on multiple technologies to support the growing expansion of our finance, superannuation and banking clients. This includes the expansion of our partnerships with Snowflake, Okta and VaultSpeed.

Won the global growth award for QAD and signed a new contract with QAD extending our partnership through until 2026.

# Business Overview

## Advisory & Consulting

Continued support to Defence in Joint Experimentation Directorate providing analytical capability for the Defence Strategic Review. Also engaged by Sports Integrity Australia (SIA) to develop an operating framework and Australian Pesticides and Veterinary Medicines Authority (APVMA) to implement their business strategy.

## Business Applications

Expanded range of solutions for Local Government and Education clients through new partnerships with Payble, Torque and AvePoint. Extended the QAD partnership to 2026 so we can continue to support new and existing Manufacturing clients.

## Data & Integration

Atturra has the largest team of onshore Boomi consultants in Australia. We signed partnerships with Denodo, Nux and Wolfram and expanded capabilities to the greater Asia region. Expanded client adoption of AI risk confidence analytics and use of predictive models for complex production systems.

## Cloud Business Solutions

Maintained a 100% client retention rate in Federal Government and added an industry focus in utilities with multiple new logos in FY23. Secured 4 out of 6 designations in the Microsoft Cloud Partner Program and signed a new partnership with Databricks.

## Managed Services

Atturra has expanded its managed services capabilities with the successful acquisition of Somerville. Providing technology solutions with 24/7 customer support in connectivity, cloud and modern workplace.

## Industry Engagement

Atturra continues to provide industry capability and expertise by connecting over 400 Australian SMEs with Defence, Federal, State and Local Government clients.



# FY23 Achievements



## Acquisitions

**Hammond Street  
Developments  
Pty Ltd**  
February 2023

**The Somerville  
Group Pty Ltd**  
April 2023



## Award-winning

**QAD**  
Global Award  
for Growth

**Nuix**  
New Partner of the Year

**Smartsheet**  
Partner of the  
Year Award

**HPE**  
Service Provider  
of the Year



## Award-winning

**CRN**  
Impact Award for  
Platform Innovation

**APAC Insider  
Australian Made  
Award**  
Best Advisory &  
Consulting Company  
(Australia)



## Partnerships

**Microsoft**  
Cloud Partner  
Program 4 out of 6  
designations

**Torque**  
GRC Lighthouse

**Payble**  
Online payment  
applications



## Partnerships

**Databricks**  
One platform for data

**Denodo**  
Unified data access

**AvePoint**  
Optimise SaaS  
operations

**Wolfram**  
Leading analytics  
platform

# Atturra continues to grow its client base

Our business continues to expand with over 70 new clients during the financial year.

OVER  
**70**  
NEW CLIENTS



# Financial Performance



# Atturra FY23 Financial Highlights

## Atturra Results

**\$178.3m**  
Revenue

**\$16.6m**  
EBIT

**\$21m**  
Underlying  
EBITDA\*

**\$10.6m**  
NPAT



Revenue growth of 33% on pcp



EBIT growth of 34% on pcp



Underlying EBITDA of  
\$21m exceeding guidance

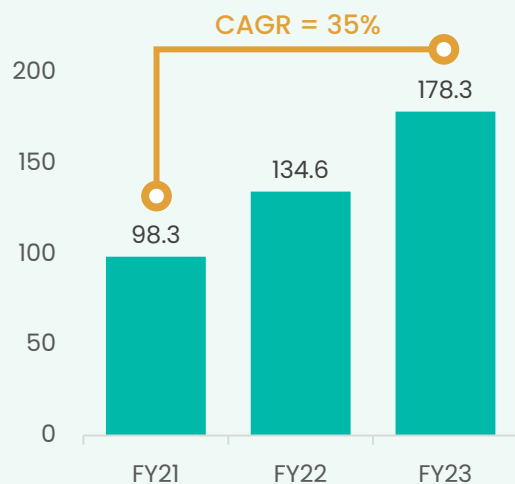


NPAT growth of 32% on pcp

\* Underlying EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents profit under AASBs adjusted for specific items, including capital raising and Initial Public Offering (IPO) costs, share based payments, merger and acquisition (M&A) transaction costs and retention costs.

# Financial Highlights (continued)

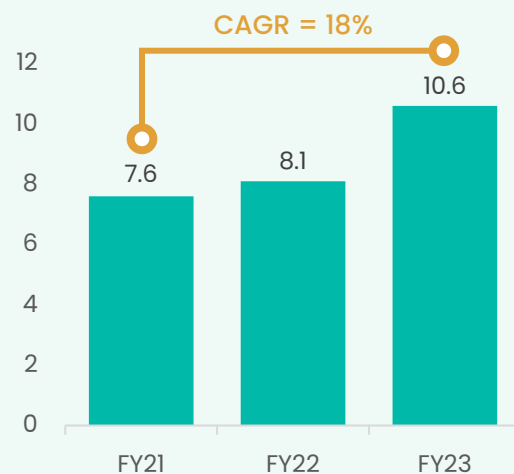
## Consolidated Revenue



**33%**

Revenue  
growth  
pcp

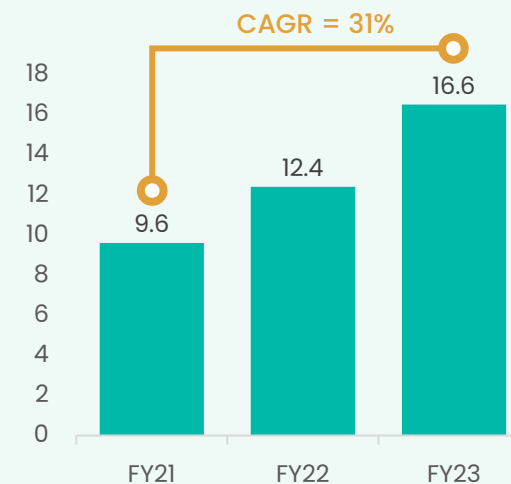
## Consolidated Net Profit After Tax



**32%**

NPAT  
growth  
pcp

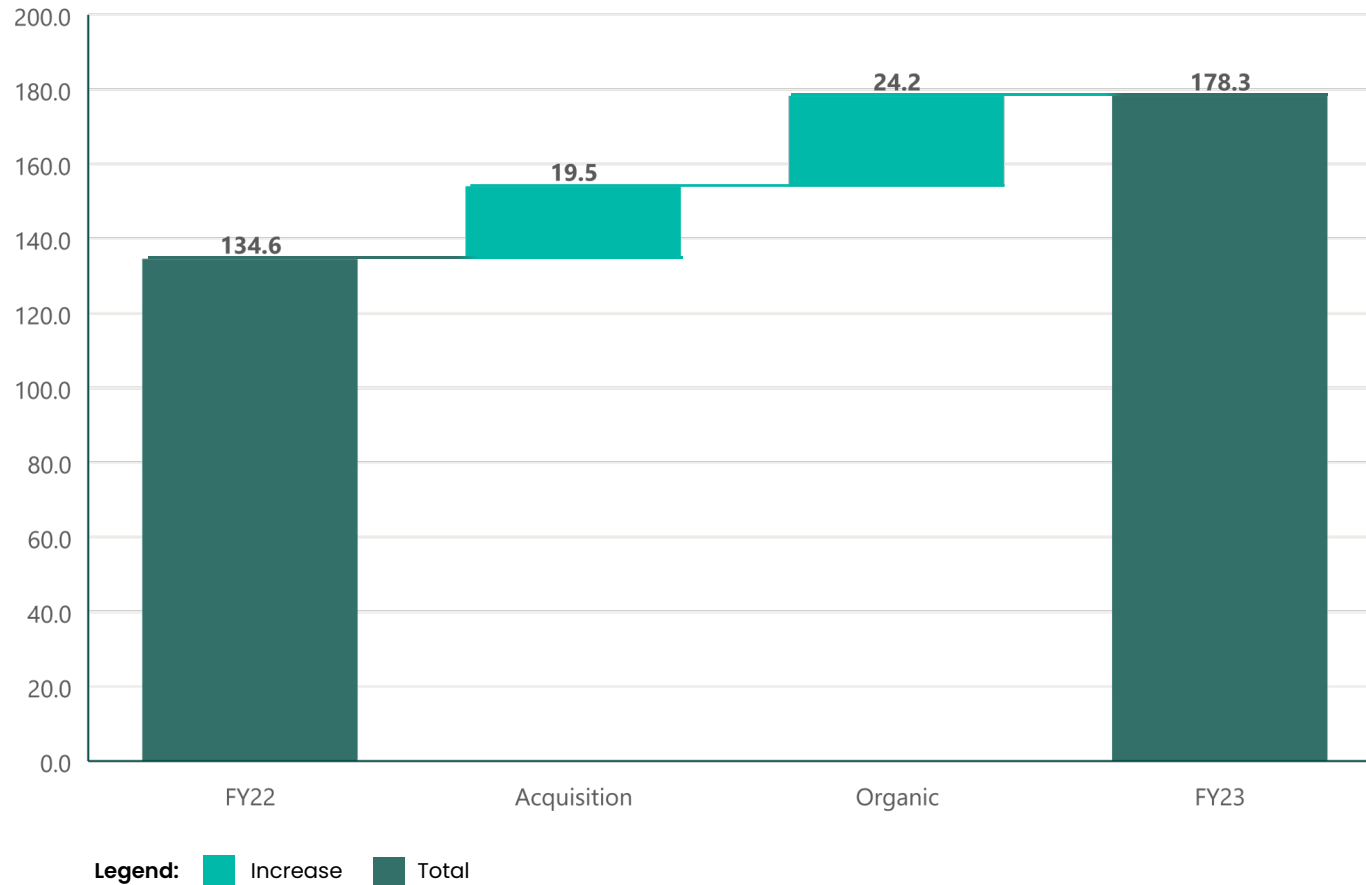
## Consolidated EBIT



**34%**

EBIT  
growth  
pcp

# Revenue Bridge



# 33%

**Strong Revenue growth on pcp driven by a mix of organic and inorganic growth in line with company strategy.**

### Acquisition Contribution

The revenue from acquisitions made in FY23, based on the revenue of those acquisitions in FY22.

### Organic Growth

Growth from the core businesses and the growth of acquisitions since acquisition (difference between FY22 and FY23).

# FY23 Financial Results

	FY23	FY22	%
<b>Revenue from customers</b>	<b>178,331</b>	<b>134,579</b>	<b>33%</b>
EBIT	16,571	12,355	34%
EBITDA (Underlying)*	21,009	15,141	39%
NPAT	10,643	8,085	32%
EPS (cents)	4.71	4.12	14%
Gross Margin	54,108	46,369	17%
Gross Margin %	30.3%	34.5%	
EBIT Margin	9%	9%	

\* Underlying EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents profit under AASBs adjusted for specific items, including capital raising and Initial Public Offering (IPO) costs, share based payments, merger and acquisition (M&A) transaction costs and retention costs.

- 33% increase on pcp in revenue** to \$178.3m
- Quality of business** is within the Gross Margin guidance range of 28-35%
- Earnings per share** up 14% to 4.71 cents

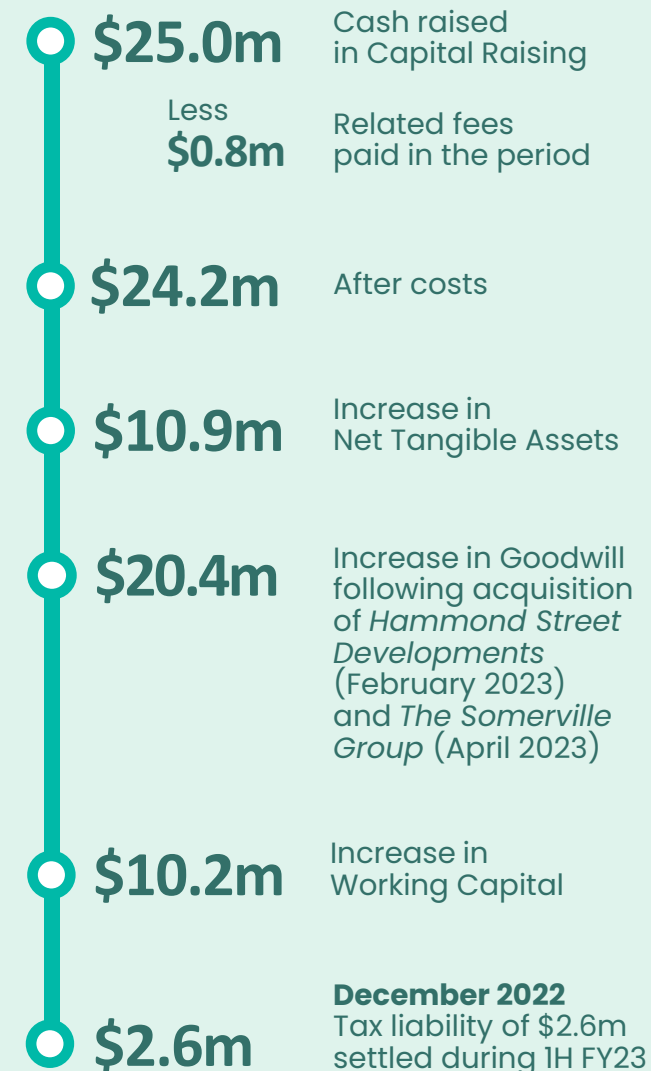
**EBITDA and Underlying EBITDA** are calculated as follows:

	FY23	FY22
<b>Profit after income tax</b>	<b>10,643</b>	<b>8,085</b>
Add: Interest expense	1,110	499
Less: Interest income	-490	-10
Add: Income tax expense	5,308	3,781
<b>Reported EBIT</b>	<b>16,571</b>	<b>12,355</b>
Add: Depreciation & Amortisation	2,314	1,330
<b>Reported EBITDA</b>	<b>18,885</b>	<b>13,685</b>
Add:		
IPO expense	-	480
Share based payments	1,155	357
Contingent Consideration Revaluation	-	619
M&A Transaction Costs	570	-
M&A Related Retentions	399	-
<b>Underlying EBITDA</b>	<b>21,009</b>	<b>15,141</b>

# Balance Sheet

	30-Jun-23	30-Jun-22	% Change
Cash and cash equivalents	44,250	35,130	26%
Trade and other receivables	39,627	32,840	21%
Contract assets	422	420	0%
Inventories	755	0	*Nm
Other current assets	2,356	2,719	-13%
Investments accounted for using the equity method	1,191	1,365	-13%
Property, plant and equipment	1,410	141	900%
Right-of-use assets	9,951	5,887	69%
Intangible assets	56,539	30,746	84%
Deferred tax asset	5,869	6,635	-12%
<b>Total Assets</b>	<b>162,370</b>	<b>115,883</b>	<b>40%</b>
Trade and other payables	41,339	35,945	15%
Contract liabilities	7,616	5,712	33%
Borrowings	5,352	4,750	13%
Lease liabilities	10,196	6,146	66%
Income tax payable	906	3,532	-74%
Employee benefits	9,116	7,105	28%
Other liabilities	8,784	10,289	-15%
<b>Total Liabilities</b>	<b>83,309</b>	<b>73,479</b>	<b>13%</b>
<b>Net Assets</b>	<b>79,061</b>	<b>42,404</b>	<b>86%</b>

\* Nm – not meaningful





# Cash Flow

(AUD \$,000)	FY23	FY22	% Change
Opening Cash	<b>35,130</b>	<b>17,328</b>	<b>103%</b>
Cashflows from operations	10,469	10,170	Nm
Investments in Subsidiaries	-22,165	-13,658	Nm
Investments in PPE and intangibles	-282	-38	Nm
Proceeds from disposal of investment and share buy-back by equity accounted investment	664	-762	
Proceeds from disposal of PPE	98	-	
Impact of capital raising	23,128	20,975	Nm
Proceeds (repayment) of debt	-150	2,846	Nm
Lease Payments	-2,129	-1,052	102%
Dividends paid*	-513	-679	-24%
<b>Closing Cash</b>	<b>44,250</b>	<b>35,130</b>	<b>26%</b>

\*Payment to non-controlling interest in an 80%-owned subsidiary.

Nm – not meaningful

**Cash flow from operations**  
**\$10.5m** increase of  
 \$0.3m pcp

**Investment in Subsidiaries**  
 Acquisition of subsidiaries,  
 net of cash acquired

**\$18.4m**  
 Earn-out payments  
 to subsidiaries  
**\$3.8m**

Capital raised  
**\$25.0m**

Less  
**\$0.8m**  
 Related fees paid in the period

# Outlook 4



# Outlook

Despite general economic uncertainty Atturra continues to see strong demand.

In Canberra (primarily Defence and Federal Government) there continues to be disruption as a result of controversy around consulting groups, primarily the Big 4. This is driving short term volatility (similar to 2H FY23).

Despite disruption in Canberra Atturra sees no impact on its overall growth and profit strategy, as any regional disruption is expected to be offset by overperformance in other regions.

## FY24

**Australian IT Market continues to perform strongly despite broader macro-economic conditions.**



Continued buildout of Industry skills, with a focus on Education for FY24



Target 20%+ growth per annum, with approximately half from organic and half inorganic



As a result of the Somerville acquisition, Atturra will increase investments in creating more repeatable solutions

# Acquisition Strategy

## Continued Focus on Acquisitions

- Silverdrop further expands our capabilities in HR/Payroll systems growing our team and adding a technology stack that is prevalent in Local Government
- Upcoming acquisition (name confidential until announced). Expecting to close imminently a small managed services provider (revenue under \$6m) providing some additional scale and solutions into our managed services business
- Atturra continues to explore acquisitions in accordance with its Industry and Technology Strategy with a particular focus on bolstering its managed services and data and integration practices
- Atturra continues to see a favourable environment for acquiring capability over the next 6 months. Atturra anticipates slowing of overall acquisition strategy 2H FY24, and a strong focus on ensuring full integration

# Acquisition Strategy (continued)

## Integration Update

- Atturra continues to invest in integration of each acquisition, ensuring that the benefits of consistent systems and processes can be leveraged as Atturra grows.
- HSD acquired in FY23 has completed integration of all core processes, rebranding completed, majority of systems including HRIS and CRM are completed. The final integration action outstanding is the completion of the ERP consolidation which is scheduled to be completed on 1<sup>st</sup> of October 2023.
- As previously announced \$500,000 is planned to be spent on the integration of Somerville into Atturra, and \$175,000 on the integration of Silverdrop into Atturra.\*
- Atturra has completed the migration of Somerville into Atturra HRIS, and Atturra has moved AMS ticketing systems for 2 business units to Somerville systems with one remaining business unit in process.

\* These costs will be excluded when reporting Underlying EBITDA

# Investments and other items

## Timing of Government Work and Payments

Cash balance is strong at \$44m, in part due to timing of government payments (circa \$6m – note in FY22 \$4m timing benefit).

## Next 12 months

- Strong focus in 1H FY24 investing in managed services sales and solutioning (\$1.25m annualised)
- Strong focus in 1H FY24 investment into Education Sector with additional executives, sales and solution (\$0.75m annualised)
- Commencement of a ReadyTech Practice in 1H FY24 (\$0.50m annualised)
- Atturra is also investing in the 1H FY24 by hiring targeted capability that has entered the market as a result of the disruption caused in the consulting market in Canberra. This investment will incur additional costs in 1H FY24, however will be recouped within FY24.

# Q&A 05



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# Thank you

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