

NEWS RELEASE

## Procurri's 1Q2018 Net Profit Rises Six-Fold to a Record S\$1.0 Million

- Net profit increase driven by higher-margin Lifecycle Services business segment, which achieved gross profit margin of 61.5% in 1Q2018
- Administrative expenses declined by 7.1% quarter-to-quarter, demonstrating the Group's commitment to strict cost discipline

| S\$('000)   | 1Q2018 | 1Q2017 | Change (%) |
|---|--------|--------|------------|
| Revenue   | 49,492 | 38,303 | 29.2       |
| Gross Profit  | 17,924 | 12,863 | 39.3       |
| Earnings before interest, taxation, depreciation and amortisation | 4,503  | 1,635  | 175.4      |
| Net Profit  | 1,002  | 164    | 511.0      |

**Singapore, 25 April 2018** – SGX-listed Procurri Corporation Limited (“Procurri” and together with its subsidiaries, the “Group”) today announced that its net profit for the three months ended 31 March 2018 (“1Q2018”) rose six-fold to a record first quarter performance of S\$1.0 million from S\$164,000 a year ago (“1Q2017”), mainly driven by the higher-margin Lifecycle Services business.

The sharp improvement reflects the early fruits of a strategic shift in 1Q2017 to support more maintenance projects with in-house capabilities rather than outsourcing. This also affirms the Group's ability to synergise new acquisitions and spur organic growth.

The Lifecycle Services business segment contributed S\$15.5 million revenue in 1Q2018, more than double the S\$7.5 million in 1Q2017, mainly due to better performance across all geographies. The IT Distribution business segment grew 10.6% to S\$34.0 million in 1Q2018 from S\$30.8 million in 1Q2017, boosted by better performance from the Americas.



The Group's gross profit ("GP") rose to S\$17.9 million in 1Q2018, up 39.3% from S\$12.9 million in 1Q2017. This represents a GP margin of 36.2% in 1Q2018 (33.6% in 1Q2017). The higher GP and GP margin were lifted by the Lifecycle Services business segment, which recorded a GP of S\$9.5 million and a GP margin of 61.5% in 1Q2018, up sharply from S\$2.9 million and 38.9% in 1Q2017, respectively.

The Group recorded administrative expenses of S\$12.1 million in 1Q2018, which included three months of expenses from Rockland Congruity LLC ("Rockland"), its 51%-owned company spearheading the Group's global storage maintenance services. In comparison, administrative expenses of S\$9.8 million in 1Q2017 included one month of expenses from Rockland. On a sequential basis, administrative expenses in 1Q2018 was 7.1% lower than the S\$13.1 million for the three months ended 31 December 2017.

The Group recorded a positive working capital of S\$32.9 million as at 31 March 2018 compared to S\$29.8 million as at 31 December 2017.

Earnings per share increased to 0.35 Singapore cent in 1Q2018 from 0.06 Singapore cent in 1Q2017. Net asset value per share of 23.07 Singapore cents as at 31 March 2018 was up slightly from 22.61 Singapore cents a year ago.

Mr Sean Murphy, the Group's Chairman and Global CEO, said: "Procurri was founded with the vision of helping global enterprises on their cloud adoption. I am glad to see that our strategic positioning to assist global enterprises in their digital transformation is beginning to be reflected in our financial performance."

"We are on track to achieving our goals as set out in our Corporate and Business Update announced on 30 January 2018, including our aim to bring the Group back to profitability for the full year ending 31 December 2018."

Barring unforeseen circumstances, the Group expects the financial results for the second quarter ending 30 June 2018 to be profitable.

This press release should be read in conjunction with Procurri's Unaudited Financial Statements Announcement for the Period Ended 31 March 2018 available at [www.sgx.com](http://www.sgx.com).

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## About Procurri

Procurri is one of the leading global independent providers of Lifecycle Services and Data Centre Equipment. By offering a converged network that combines the technology, finance and logistics domains, Procurri aims to be a global aggregator of enterprise hardware and services to its channels.

Incorporated in 2013, Procurri has grown rapidly through the years and now has offices across three regional hubs – Asia Pacific, Americas and EMEA – with its global headquarters located in Singapore. Through its direct presence and global network of partners, Procurri’s business covers over 100 countries worldwide, providing a single touchpoint for its customers’ Lifecycle Services and Data Centre Equipment needs.

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*DBS Bank Ltd was the issue manager and underwriter (the “Issue Manager and Underwriter”) for the initial public offering of shares in, and listing of, Procurri Corporation Limited on the Main Board of the Singapore Exchange Securities Trading Limited. The Issue Manager and Underwriter assumes no responsibility for the contents of this news release.*