

NEWS RELEASE

## Procurri Achieves Profit Before Tax of S\$5.2 million for 1H2018

- 2Q2018 profit before tax of S\$3.2 million
- Gross Profit Margin (“GPM”) in 1H2018 increased to 35.8% from 32.2% in 1H2017; Lifecycle Services GPM rose to 59.2% from 36.0%

S\$(‘000)	2Q2018	2Q2017	Change (%)	1H2018	1H2017	Change (%)
Revenue	63,288	43,595	45.2	112,780	81,899	37.7
Gross profit	22,504	13,475	67.0	40,428	26,339	53.5
Earnings before interest, taxation, depreciation and amortisation	5,487	970	465.7	9,990	2,604	283.6
Profit before tax	3,212	(1,495)	N.M.#	5,190	(1,472)	N.M.#
Net profit	1,243	(1,670)	N.M.#	2,245	(1,506)	N.M.#

#N.M. denotes Not Meaningful

**Singapore, 6 August 2018** – Procurri Corporation Limited (“Procurri” and together with its subsidiaries, the “Group”) today reported a profit before tax of S\$5.2 million for the six months ended 30 June 2018 (“1H2018”), as compared with a pre-tax loss of S\$1.5 million reported in the previous corresponding period (“1H2017”). Profit before tax for the three months ended 30 June 2018 (“2Q2018”) increased year-on-year and quarter-on-quarter, mainly driven by strong contributions from its higher-margin Lifecycle Services business segment and the recovery of its IT Distribution business segment.

Gross profit grew 53.5% to S\$40.4 million in 1H2018 from S\$26.3 million in 1H2017, outpacing revenue growth of 37.7% to S\$112.8 million in 1H2018 from S\$81.9 million in 1H2017. Overall GPM rose 3.6 percentage points in 1H2018 to 35.8% from 32.2% in 1H2017, with Lifecycle Services GPM increasing to 59.2% from 36.0% over the comparative periods. GPM for the IT Distribution business segment declined to 26.8% from 31.2%, due to a deliberate strategy to capture higher market share and diversify the brand mix of hardware sales at lower margins.

The Group is on track to achieve its goal of growing the higher-margin Lifecycle Services business segment to contribute to half of the Group’s total gross profit. This segment contributed S\$18.6 million, or 46.0% of the Group’s gross profit for 1H2018, compared to S\$6.0 million or 22.9% for 1H2017.



Administrative expenses increased to S\$25.3 million in 1H2018 from S\$22.1 million in 1H2017, mainly due to the additional two months of expenses from Rockland Congruity LLC (“Rockland”) recorded in 1H2018 compared to 1H2017.

For 2Q2018, the Group reported revenue growth of 45.2% to S\$63.3 million from S\$43.6 million in the previous corresponding period (“2Q2017”). Gross profit increased 67.0% to S\$22.5 million in 2Q2018 from S\$13.5 million in 2Q2017, translating to an improved overall GPM of 35.6% in 2Q2018 compared to 30.9% in 2Q2017.

The better financial performance in 2Q2018 and 1H2018 validates the Group’s four-pronged strategy announced on 30 January 2018 to sharpen its value proposition and strengthen its market foothold globally.

Mr Sean Murphy, the Group’s Chairman and Global CEO said: “The second consecutive quarter of strong performance is the fruit of the execution of our strategic roadmap to accelerate our expansion and capture a bigger slice of the global enterprise hardware market, with a strong focus on the higher-margin Lifecycle Services.”

“We are continuing to work hard to deepen our value proposition within existing markets, while seeking further opportunities in new geographies, particularly in Asia-Pacific,” he added.

Barring unforeseen circumstances, the Group is on track to being profitable for the full year ending 31 December 2018.

This press release should be read in conjunction with Procurri’s Unaudited Financial Statements Announcement for the Period Ended 30 June 2018 available at [www.sgx.com](http://www.sgx.com).

**-End-**



## **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.

For media and investor enquiries, please contact:

Procurri Corporation Limited

Investor Relations

Karin XIAO, [karin.xiao@procurri.com](mailto:karin.xiao@procurri.com)

Tel: +65 6486 1318

WeR1 Consultants Pte Ltd

Investor Relations

Roshan SINGH, [roshansingh@wer1.net](mailto:roshansingh@wer1.net)

Tel: +65 6737 4844