

NEWS RELEASE

Procurri achieves a record high of S\$10.1 Million Profit before tax in 2018

- **Record high revenue through organic growth of 21.1% year-on-year with margin expansion**

S\$('000)	4Q2018	4Q2017	Change (%)	FY2018	FY2017	Change (%)
Revenue	52,073	48,668	7.0	220,236	181,822	21.1
Gross Profit	20,236	16,536	22.4	80,503	58,968	36.5
EBITDA	4,646	1,341	246.5	19,738	6,913	185.5
Profit/(Loss) Before Tax	2,204	(1,267)	N.M.	10,077	(2,276)	N.M.
Net Profit/(Loss)	1,670	(1,255)	N.M.	5,337	(2,749)	N.M.

N.M. – Not Meaningful

Singapore, 25 February 2019 – Procurri Corporation Limited (“**Procurri**” and together with its subsidiaries, the “**Group**”), a global data centre services company, ended 2018 with its second-highest annual net profit since its inception as global demand for IT lifecycle services and data centre equipment drove its revenue and pre-tax earnings to all-time highs.

The Group made a net profit of S\$5.3 million in the 12 months ended 31 December 2018 (“**FY2018**”), reversing from a loss of S\$2.7 million in the previous year (“**FY2017**”). Fully diluted earnings per share amounted to 1.89 Singapore cent.

Revenue for FY2018 rose 21.1% to S\$220.2 million, crossing the S\$200 million mark for the first time. The Lifecycle Services business grew 57.7% to S\$65.4 million, while the IT Distribution business contributed S\$154.8 million in revenue, up 10.3% from FY2017.

With growth in overall revenue outpacing an increase in cost of sales, the Group delivered a record gross profit of S\$80.5 million, of which nearly half came from the Lifecycle Services business. Overall gross profit margin rose to 36.6% from 32.4% as the Group scales up its in-house maintenance capabilities.

The improvement in revenue and gross profit margin offset higher selling and administrative expenses, giving rise to a record pre-tax profit of S\$10.1 million in FY2018 compared with a pre-tax loss of S\$2.3 million in FY2017.



Mr Sean Murphy, the Group's Chairman and Global CEO, said: "Our 2018 revenue and profit before tax performance are the best in the history of Procurri. We delivered four consecutive quarters of increasing net profit, driven by our growth in our higher-margin Lifecycle Services business, and tightened our grip on administrative expenses."

"Increasing cloud adoption, in disrupting the traditional data centre industry and changing the way businesses consume technology, is beneficial to us and remains a key catalyst in driving the Group's continued growth. As a leading global aggregator of IT services and enterprise data centre equipment, we expect to attract more of the global 2000 companies. Besides fuelling our growth, this strategic shift in the global IT industry will ultimately also enhance value for all shareholders of Procurri."

This press release should be read in conjunction with Procurri's unaudited financial statements for the period ended 31 December 2018 available at 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 channel that combines the technology, finance and logistics domains, Procurri aims to be a global aggregator of enterprise services and hardware to its customers.

Incorporated in 2013, Procurri has grown rapidly through the years and now has offices across three regional hubs – Asia Pacific, Americas and the Europe (including the UK), Middle East and Africa ("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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