



29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119 | Tel: (65) 64681300 | Website: <https://www.procurri.com/>

NEWS RELEASE

Procurri reported net profit of S\$1.8 million for 1Q2019, delivering QoQ net profit organic growth for five consecutive quarters

- Revenue increases 8.7% YoY to S\$53.8 million for 1Q2019, a record first quarter revenue with growth from both the Lifecycle Services and IT Distribution segments
- Gross profit increases 12.0% YoY to S\$20.1 million for 1Q2019, with the higher-margin Lifecycle Services segment achieving the Group's target to account for half of overall gross profit
- Intensified strategy to capture higher-margin opportunities produces positive results; Group looks to continue expanding its network of partners to ride on favourable industry outlook

Singapore, 2 May 2019 – Procurri Corporation Limited (“Procurri” or the “Group”), a leading global provider of lifecycle services and data centre equipment, today announced its financial results for the three months ended 31 March 2019 (“1Q2019”).

FINANCIAL HIGHLIGHTS	1Q2019 (S\$'000)	1Q2018 (S\$'000)	CHANGE (%)
Total Revenue	53,817	49,492	8.7
Gross profit	20,070	17,924	12.0
EBITDA	5,550	4,503	23.3
Profit/(Loss) before tax	2,534	1,979	28.0
Net profit	1,753	1,002	75.0

The Group's revenue grew by 8.7% year-on-year (“YoY”) to S\$53.8 million for 1Q2019, with both business segments seeing growth. The IT Distribution segment saw higher contribution from North and South America (the “Americas”), while growth for Lifecycle Services was attributed to better performance from the Americas and the Europe (including the UK) and Middle East and Africa (“EMEA”).

Gross profit grew 12.0% YoY to S\$20.1 million for 1Q2019 on the back of higher revenue and higher margins. Overall gross profit margins expanded to 37.3% for 1Q2019 from 36.2% for 1Q2018. This was mainly due to some higher-margin deals from the IT Distribution segment and larger revenue contribution from the higher-margin Lifecycle Services segment. Lifecycle Services made up about 50.9% of the Group's gross profit, achieving the Group's target for the segment to make up half of overall gross profit by 2022.

The improvement in revenue and gross profit margin gave rise to a pre-tax profit of S\$2.5 million in 1Q2019, a 75.0% growth from 1Q2018's S\$2.0 million. Net profit of S\$1.8 million in 1Q2019 marks the fifth consecutive quarter of quarter-on-quarter (“QoQ”) net profit growth.

Commenting on the Group's results, **Mr Sean Murphy, Chairman and Global CEO of Procurri** said, “*We kicked off the year with a solid performance and it is our unyielding commitment to the Group's channel strategy that continues to broaden our presence on a global scale. As we form more partnerships with top tier OEMs and channel partners, such as Nutanix and PureWRX, we continue to capture more of the market in data centre*”



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equipment and lifecycle services. Gaining full control of Rockland Congruity LLC (“Rockland”) has also bolstered our capabilities and competitiveness in the third-party IT maintenance industry.

Our progress underscores our position as one of the leading players in the industry and these developments come at an opportune time as we grow alongside rapid cloud adoption in the industry. Doors are opening for us and we are well-poised to seize opportunities in the higher-margin lifecycle services segment, such as migration, maintenance and IT asset disposition (“ITAD”) opportunities. Novo Tellus’ strategic input will also help us expedite our expansion in the Asia Pacific region.

As we embark on our next arc of growth, we will leverage on our improved capabilities and actively seek partnerships and acquisitions to accelerate our growth momentum.”

- End -

This news release should be read in conjunction with Procurri’s Unaudited Financial Statements Announcement for the Period Ended 31 March 2019 available at www.sgx.com.

ABOUT PROCURRI CORPORATION. (BLOOMBERG TICKER PROC:SP)

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 United Kingdom), Middle East and Africa – 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.

<https://www.procurri.com/>

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