



PROCURRI CORPORATION LIMITED

(Company Registration Number: 201306969W)

For Immediate Release

Procurri's FY2022 Revenue Crosses S\$250 million; Gross Profit Climbs 7.8%; Declares Dividend of S\$0.01 per share

- Delivers normalised EBITDA of S\$6.3 million as compared to S\$4.4 million in FY2021
- Proposed a final dividend of 1.0 Singapore cent per share as part of its commitment to unlock value for the shareholders
- In Q1FY2023, the Group pledges to resume quarterly reporting, continuing commitment to transparency and corporate governance
- Committed to further expanding its presence in Asia and exploring the market's untapped potential
- Continue to leverage on the growing market opportunities in the Lifecycle Services segment

SINGAPORE, 1 March, 2023 – Procurri Corporation Limited (SGX: BVQ) ("Procurri" or the "Company", and together with its subsidiaries, the "Group"), one of the leading global providers of sustainable IT solutions, today announced its financial results for the full year ended 31 December 2022 ("**FY2022**"), following the completion of its compliance placement and resumption of trading of its securities in January 2023.



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Financial Performance

	FY2022 S\$'000	FY2021 S\$'000 (Restated)	Change %
Revenue	250,040	249,628	+0.2
Gross profit	65,229	60,498	+7.8
Gross profit margin (%)	26.1%	24.2%	+1.9
EBITDA	5,517	6,597	-16.4
Profit before tax	178	1,578	-88.7
Non-recurring items			
- Exchange gain	118	1,060	-88.9
- Global Parts Centre sales tax recovery	-	1,118	N.M.
- Goodwill impairment	(250)	-	N.M.
- Cost optimisation exercise	(663)	-	N.M.
Total non-recurring items	(795)	2,178	-136.5
Normalised EBITDA	6,312	4,419	+42.8
Normalised Profit before tax	973	(600)	N.M.

Procurri reported a 0.2% y-o-y increase in revenue to S\$250.0 million and a 7.8% y-o-y surge in gross profit to S\$65.2 million for FY2022. The Group's favourable sales mix and a decrease in allowance for stock obsolescence continued to drive financial performance throughout the year and led to a 1.9% expansion in gross profit margins to 26.1%.

During the period, the Group implemented cost-cutting measures and realigned its future growth strategies. Taking into account the current market trends and shifting economic conditions, the Group relocated much of its first level network operations team from the UK and US to Malaysia and Kosovo, thereby benefitting from the greater availability of talent at a more competitive cost base. Additionally, in order to improve operational efficiency, Procurri retired its 50,000 sq. ft. facility in Boston, USA, and consolidated and centralised its facilities into Norcross, Atlanta and Richardson, Texas. This enabled the Group to better manage efficiency, maximise resources and reduce costs.

This strategic move to optimise operations resulted in the Group incurring additional one-off non-recurring expenses of S\$0.7 million in FY2022 (including relocation to new facilities and



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retrenchment benefits). The Group expects to reap the rewards of these initiatives in its Lifecycle Services and Third Party Maintenance segments in 2023.

On a normalised basis, Procurri's EBITDA improved 42.8% y-o-y to S\$6.3 million, while normalised profit before tax turned positive to S\$1 million in FY2022.

Cash position

Overall, the Group generated a positive net operating cashflow of S\$8.9 million as well as cash and cash equivalents of S\$32.6 million, resulting in a healthy net cash position of S\$17.7 million as of 31 December 2022.

Corporate Initiatives

To show our commitment towards creating value for our shareholders, the Group proposed a final dividend of 1.0 Singapore cent per share, marking its first dividend pay-out in six years. The dividend comes as a gesture of gratitude for shareholders' continued support of the Group.

As part of the Group's efforts to improve transparency and corporate governance, Procurri will voluntarily resume quarterly reporting of its financial statements, beginning with the next fiscal quarter. The Group believes that this will provide greater clarity into its operational performance, as well as highlight areas of potential growth and opportunity.

Business Outlook

New Geographical Market Segment

The Group is keen to capitalise on the potential of the Asian market and expand its market share, leveraging on the extensive network of its Japanese-owned substantial shareholder,



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DeClout Pte. Ltd. In particular, it is looking to increase contributions from the Asia market among its 3 regions, making it a crucial driver of revenue and profitability for the business.

Ongoing Opportunities

The structural shift in enterprise IT hardware consumption patterns towards more sustainable IT practices has rapidly gained momentum. In response, Procurri has identified several drivers for this change:

- 1) **Governance and policy led drivers:** Both incentives and punitive measures are pushing companies towards more sustainable IT solutions. This includes IT lifecycle extensions and the safe disposal of obsolete IT equipment.
- 2) **Supply chain bottlenecks:** Corporates are more inclined to purchase refurbished products to reduce supply uncertainty.
- 3) **Economic headwinds:** Slower global growth has prompted businesses to review corporate IT budgets in search of cheaper alternatives that can extend the life of existing assets.

As one of the world's leading solution providers for IT infrastructure lifecycle management, Procurri stands to benefit from these structural tailwinds. The Group's carbon neutral accredited facilities in APAC, North America and Europe further demonstrates its outstanding record in the industry.

Commenting on the Group's FY2022 results, Mr. Mat Jordan, Head of Global Business of Procurri, said, ***"We find ourselves in a unique position to capture the exciting opportunities driven by the increase in demand in the sustainable IT lifecycle market. We are already experiencing the benefits of the implementation of global operational systems. Real-time inventory tracking, in particular, has tremendously helped us reduce the risks of stock obsolescence. Over the past year, we worked hard to strengthen our offerings, so that we can now embark on the next phase of growth."***



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About Procurri

Procurri is one of the leading global independent providers of Third Party Maintenance Services, IT Asset Disposition (“ITAD”) & Data Centre Services and Hardware Distribution & Resale. 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 – (i) Asia Pacific, (ii) the Americas and (iii) Europe (including the UK), 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.

For more information, please visit: <https://www.procurri.com/>

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