

7 May 2019

ASX Announcement

Completion of Main Roads WA Contract Provision of ICT Infrastructure Services

Update

- Empired advises that it was notified late yesterday that it has not been selected as preferred bidder and has been selected as reserve bidder for Contract 125/17 - Provision of ICT Infrastructure and Systems Services 2018-2023 (incorporates replacement of Empired's current contract) with Main Roads WA (Main Roads).
- Empired's current contract (Provision of ICT Infrastructure Services) has been extended until 10th of August 2019.
- During the second half, Main Roads has reduced the services under the existing contract in preparation for transition to the new contract. Management estimate FY19 Underlying EBITDA to be between \$1.5m and \$2.0m less than originally anticipated.
- The revenue impact in FY20 is estimated to be approximately \$10m. Empired is confident that growth in other areas of its business will offset this reduction and lead to relatively flat revenue growth in FY20.
- Empired continues to have in excess of \$200m in qualified strategic contracts that it will contest over the coming 12 months and expects to have news to report in the coming months.

Background

- On 31 October 2013, Empired announced that it had secured a contract with Main Roads to provide Infrastructure services with an estimated value of \$48m over 5 years.
- In August 2018, Main Roads issued a request for tender for the Provision of ICT Infrastructure and Systems Services to replace both Empired's contract and a contract held by another provider delivering ICT systems (applications) services.

Russell Baskerville, Managing Director, Empired said, "We are extremely disappointed that we were not selected to provide ICT Infrastructure and Systems services to Main Roads. However, we respect Main Roads decision and will work closely with Main Roads and the new service provider to ensure a smooth transition of services."

"We remain steadfast in our strategy with an outstanding pipeline of large strategic contracts to contest throughout FY20 and a high degree of confidence in our growth prospects."

For more information, please contact:

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About Empired Limited

Empired Limited is an IT Services provider with a broad range of capabilities targeted at delivering enterprise IT solutions that improve efficiency, productivity and competitive advantage for our clients.

Our clients are medium to large corporate and government organisations within key industries including Energy and Natural Resources, State and Federal Government, Finance and insurance, Utilities and Transport.

We offer a broad range of services from managed services to digital transformation. Together they provide a breadth of service and expertise not seen in other consultancies of similar pedigree allowing Empired to deliver 'end to-end' business solutions that assist our customers in driving their key business outcomes.

With a team of over 1,000 people located throughout Australia, New Zealand and North America, Empired has built a reputation for service excellence. This combined with our strategy that is underpinned by initiative, innovation and growth ensures that in a dynamic and rapidly growing technology market place Empired is strongly positioned to capture market share and continue to build on its success.

Important notice re forward looking statements

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, and business and operational risk management. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

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