

ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)



29 July 2022

ASX Market Announcements Office
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By E-Lodgement

PRELIMINARY FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022 (APPENDIX 4E)

Acumentis Group Limited (“Acumentis” or “the Company”) is pleased to release its Appendix 4E – Preliminary Final Results for the year ended 30 June 2022.

Highlights

- Annual revenues increased by 26% from \$44M to \$55M reflecting the acquisitions and organic growth
- On-track to reach \$60M for FY23
- Acquired the remaining 57.8% of Acumentis (WA) in July 2021 and 100% of Acumentis (SA) in February 2022
- The WA and SA businesses contributed \$8.4M of revenues and \$1.0M of profit before tax
- Strong performance from the metro residential and regional businesses
- Restructured commercial and government businesses to improve margins and operating cashflows for FY2023
- Business continues to diversify revenue streams with fees from private and corporate clients increasing from 16% to 25% of total fees

Tim Rabbitt, CEO and Managing Director, noted:

“The year ended 30 June 2022 has been a mixed year for Acumentis.

Our newly acquired WA and SA businesses have performed well and our strong, well established, metro residential and regional teams continue to meet or exceed expectations delivering great outcomes for clients, the business and our employees.

However other areas of the business have not performed to our expectations. As a result, we have taken positive actions to restructure these business lines and the way we deliver our services which, together with changes to our IT&T, will reduce costs and improve profits.

With this restructure addressing loss making divisions and improvements to our operating efficiencies, we have positioned the business to deliver a much improved result for the coming year which confirms the strategies that we have successfully executed over the last 3 years.”

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Summary of FY2022 results

	1 st Half \$'000	2 nd Half \$'000	FY2021 \$'000	1 st Half \$'000	2 nd Half \$'000	FY2022 \$'000
Revenue	20,678	23,371	44,049	27,426	27,943	55,369
Government grant income	2,320	-	2,320	-	-	-
Gain on de-recognition of investment in associated entity	-	-	-	1,539	-	1,539
	22,998	23,371	46,369	28,965	27,943	56,908
EBITDA	2,852	2,103	4,955	1,101	934	2,035
Operating profit / (loss)	1,596	913	2,509	252	(214)	38
Gain on de-recognition of investment in associated entity	-	-	-	1,539	-	1,539
Acquisition costs expensed	-	(5)	(5)	(138)	(18)	(156)
Impairment charges						
- Intangible assets	-	(11,904)	(11,904)	-	-	-
- Right of use assets	(131)	-	(131)	-	-	-
Profit / (loss) before tax	1,465	(10,996)	(9,531)	1,653	(232)	1,421

The results for the year ended 30 June 2022 reflect the positive contributions from the WA and SA businesses acquired effective 1 July 2021 and 1 February 2022 respectively offset by non-recurring expenses incurred in restructuring loss making divisions and in transitioning to a new IT&T managed service provider.

The WA business contributed \$7.6M of revenues and \$0.9M of profit before tax.

The SA business contributed \$0.8M of revenue and \$0.1M of profit before tax.

Overall revenues increased from \$44.0M in FY21 (excluding government grants) to \$55.4M.

The company delivered a small operating profit and a profit before tax of \$1.4M (FY2021 loss of \$9.5M). The result for the year ended 30 June 2022 includes the following significant items:

Income

- Gain on de-recognition of investment in associated company \$1,539K

Expenses

- Redundancy and termination costs \$248K
- IT&T MSP migration non-recurring costs \$395K
- Acquisition costs expensed \$156K

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Outlook

Revenues for FY23 are on track to reach \$60M. With the restructuring undertaken in FY22 and finalisation of the MSP migration, improvements in profitability are expected in FY23.

By order of the Board.

John Wise
Company Secretary
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About Acumentis

Acumentis is entrusted to provide commercial and residential valuations, research and property advice to many thousands of homeowners, investors, developers and lenders. The company offers property valuation, insurance valuation and advisory services to clients including major banks and financial institutions, property developers, property trusts, government, lawyers, accountants, real estate agents and major and independent retailers. With 40 offices and more than 300 staff in metropolitan and regional locations around the country, Acumentis is Australia's only independent, locally owned, ASX-listed property valuation company.

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