

atturra

FY23 Half Year Results

24 FEBRUARY 2023

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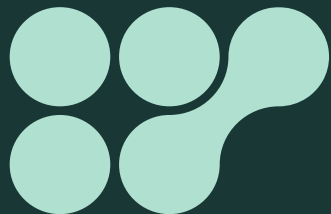
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This presentation has been authorised for release to the ASX by the Board of Atturra Limited.

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Agenda

- | Results Summary
- | Business Overview
- | Financial Performance
- | Outlook



"I am proud to announce today that the Atturra team has had an exceptional start to FY23, continuing on from FY22. We have seen strong demand across the business, and importantly continued high team morale.

The result reinforces the strength of our focused strategy ensuring we have leadership positions in key technologies and industries.

Revenue increased by **34%** on prior comparable period (pcp) to **\$82.8M**. Impressively, even after costs related to acquisitions and employee share based payments, our statutory **EBIT** increased by **39%** on pcp to **\$7.7M**.

This strong first half positions Atturra well to continue to invest in its strategy, and bring on additional market leading capabilities."

Stephen Kowal, CEO Atturra



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Business Overview



Vision and Opportunities

Atturra aims to be **Australia's leading Advisory and IT solutions provider**. We will achieve this by focusing on these strategies:



Industry Strategy

A FOCUS ON INDUSTRIES IN WHICH:

There are a high barrier to entry, for example Defence requiring security clearances, which drives client retention.

There is no clear market leader so Atturra can become the dominant player in those industries. This is the case in Local Government where Atturra is rapidly becoming a service provider of choice growing to over 130 Local Government Authorities in 1st Half FY23.



Technology Strategy

IS TO FOCUS ON:

High growth technologies so Atturra can grow in lockstep, for example Boomi, Smartsheet and Microsoft.

Specialist technologies, such as webMethods, OpenText and QAD, so Atturra can become the dominant player in those technologies.

Business Philosophy

Our Business Philosophy remains unchanged from IPO

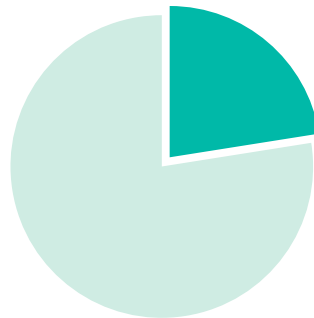


Growth Philosophy

Unchanged :

20 - 25%

Growth per annum, target a mix of 50% organic and 50% inorganic

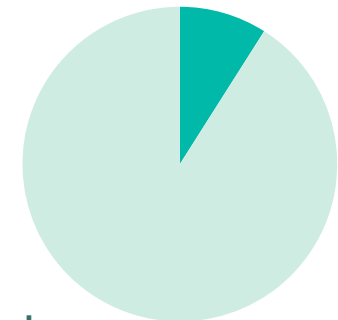


Investment Philosophy

IS TO FOCUS ON:

~9%

Sustainable Underlying EBIT Margin of approximately 9% and investing consistently into business growth and IP



Industry Focus

CLIENT SECTOR

CORE CLIENT DEMANDS

1H FY23 PROGRESS BY INDUSTRY



Local Government



Federal Government



Defence



Education



Utilities



Financial Services



Manufacturing

Simplify

Optimise

Modernise

Expanded to over 130 Local Government Authorities across Australia and New Zealand providing expertise in TechnologyOne, Infor, Microsoft, Boomi and other leading council solutions.

One of the largest domestic Advisory, IT Services and Solutions providers to Federal Government providing ongoing support to priority areas such as Australia's biosecurity and health services.

Over 250 security cleared personnel that provide both technical and advisory services to Defence including to the Defence Strategic Review. Now engaged in 8 of the 14 services and groups, increasing focus on supporting Australia's sovereign capability areas.

Successfully completed key projects at QUT and Victoria University that further enhanced our reputation in the education sector.

Updates to regulatory compliance are driving significant technology changes in the industry. Atturra is a key partner enabling this change for energy providers relying on webMethods or Boomi technologies. Expanded focus in 1H FY23 as a key Microsoft partner in this space.

Created unique IP with an integration and data architecture building on multiple technologies to support the growing expansion of finance, superannuation and banking businesses. This includes the expansion of our partnerships with Snowflake, Okta and VaultSpeed.

Achieved QAD targets for FY23 and added two new clients. Fully integrated the Kettering acquisition into Atturra's processes and systems and fully integrated QAD Australia clients and staff that Atturra acquired as a part of the QAD restructure.

Business overview

Advisory & Consulting

Focused on capability growth and closer integration with other Atturra capabilities. Continued support to Defence in Joint Experimentation, Integrated Air and Missile Defence, Maritime Intelligence and Guided Weapon Explosive Ordnance. Outside Defence major support to Australia's Biosecurity Operations and for the expansion of the Australian Antarctic Division's activities.

Business Applications

Expanded range of solutions for Local Government and Education clients through new partnership with Efficiency Leaders and reseller agreement with Curious Thing AI. Grew New Zealand client base with the addition of Hawkes Bay Regional Council and Marlborough District Council.

Data & Integration

Largest Boomi services team in Australia. Developed an end-to-end data reference architecture to expand our go to market capability. Winner of APAC 2022 Smartsheet Partner of the Year award and Smartsheet ENGAGE APAC Spotlight awards for DCJ and Future Fund.

Cloud Business Solutions

Maintained a 100% client retention rate in Federal Government and added an industry focus in utilities with Icon Water and Unity Water. Grew Application Managed Services (AMS) revenue within Federal Government, adding the Department of Defence as a key client.

Management Control Solutions

Expanded data science capabilities and continued supporting Defence clients with management system transformation and Java development. Introduced predictive analytics solutions, complementing prescriptive and AI decision support capabilities.

Industry Engagement

Atturra continues to provide industry capability and expertise by connecting over 400 Australian SMEs with Defence, federal, state and local government clients.

1H FY23 Achievements



Capital Raise

\$25M Capital Raise
To fund acquisitions



Award-winning

APAC 2022
Partner of the
Year Award
for Smartsheet

APAC 2022
2x Smartsheet ENGAGE
Spotlight Awards



Award-winning

CRN 2022
Impact Award for
Platform Innovation



Award-winning

**APAC Insider Australian
Made Award**
Best Advisory &
Consulting Company -
Australia



Partnerships

OpenText
Promoted to OpenText
Professional Services
Partner for SAP

**Microsoft Solutions
Partner**
New Cloud Partner
Program for multiple
designations

Atturra's rapidly growing client base

Our business continues to expand with over 45 new clients in the first 6 months of the year.



Financial Performance



Atturra 1H FY23 Financial Highlights

Atturra Results

\$82.8m
Revenue

\$7.7m
EBIT

\$55m
Cash

\$4.5m
NPAT



Revenue growth 34% on pcp



EBIT growth of 39% on pcp



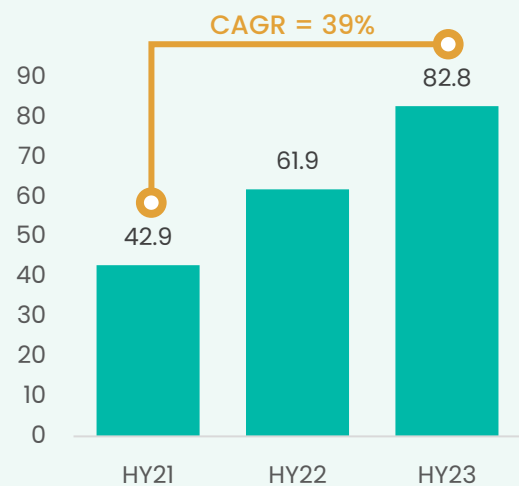
Strong Balance Sheet – Well placed to acquire with cash balance of \$55m



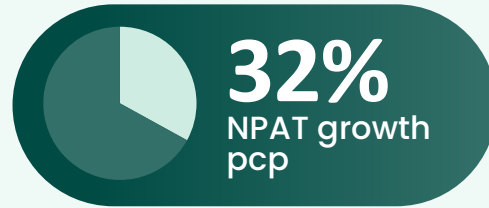
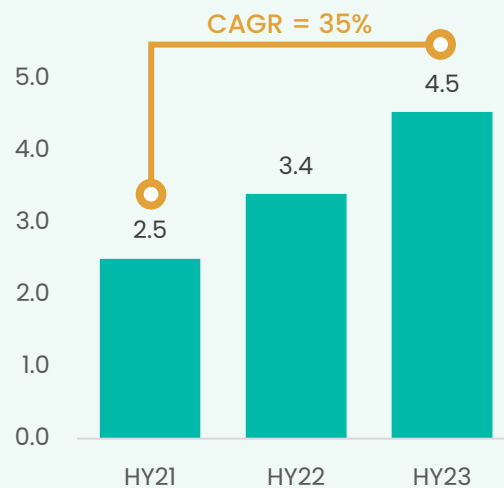
NPAT growth of 32% on pcp

Financial performance continued...

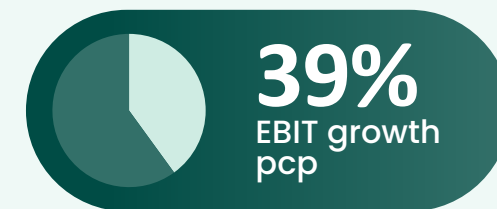
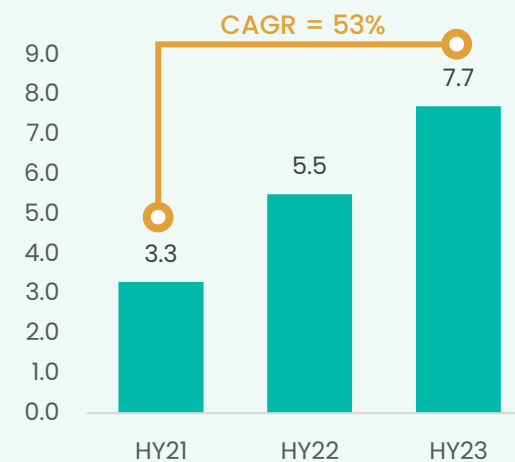
Consolidated Revenue



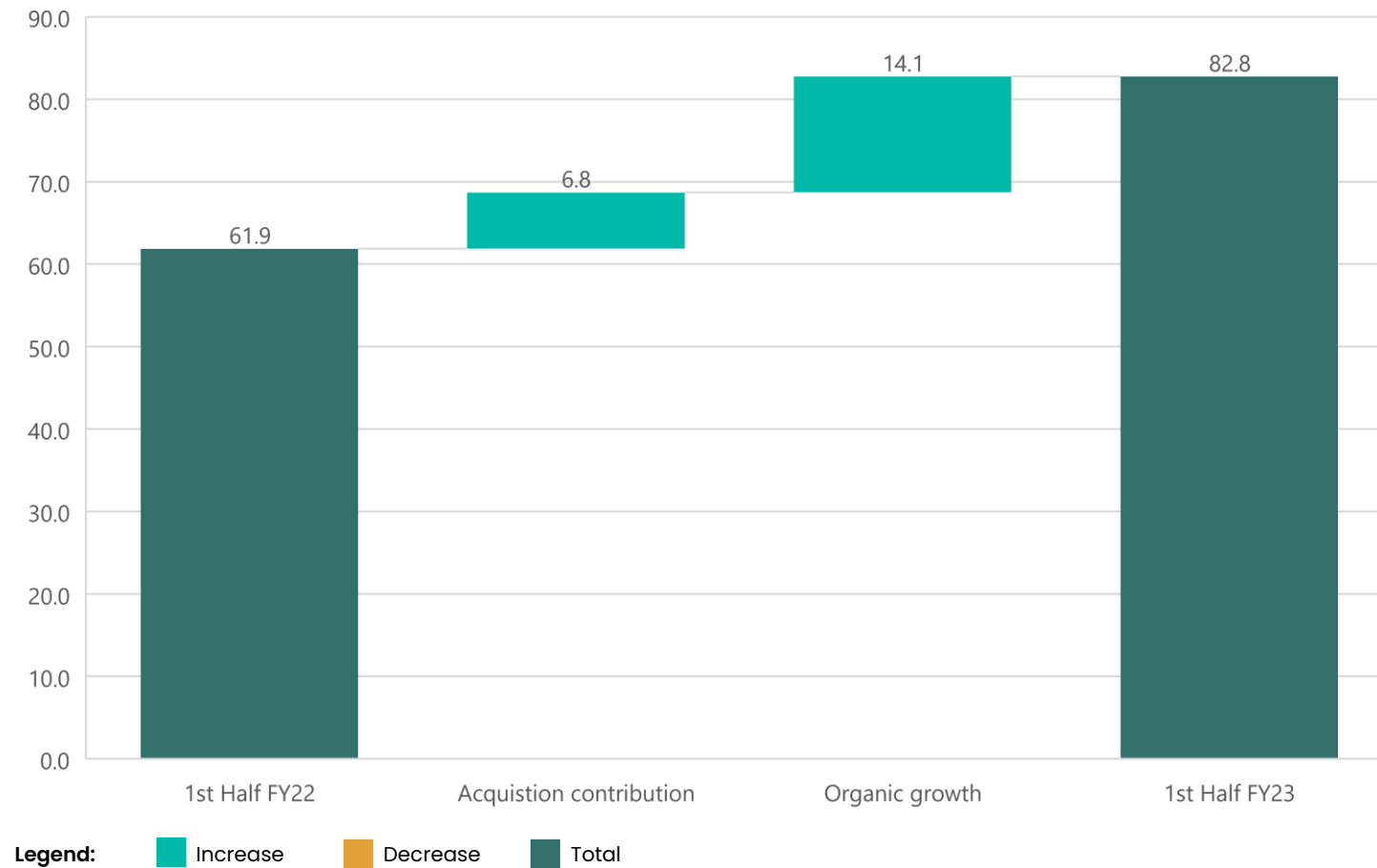
Consolidated Net Profit After Tax



Consolidated EBIT



Revenue Bridge



34%

Strong Revenue growth on pcp driven by a mix of organic and inorganic growth in-line with company strategy, made up of:

Acquisition Contribution

The revenue of the acquisitions made in 2H FY22, based on the revenue of those Acquisitions in 1H FY22.

Organic Growth

Growth from the core businesses and the growth of acquisitions since acquisition (difference between 1H FY22 and 1H FY23).

1H FY23 Financial Results

	H1 FY23	H1 FY22	%
Revenue from customers	82,769	61,879	34%
EBIT	7,709	5,531	39%
EBIT (Underlying)*	8,274	6,368	30%
NPAT	4,538	3,438	32%
EPS (cents)	2.12	1.98	7%
Gross Profit	26,046	21,174	23%
Gross Margin	31%	34%	-3%
EBIT Margin	9%	9%	0%
EBIT Margin (Underlying)	10%	10%	0%

*Underlying EBIT is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents profit under AASBs adjusted for specific items, including the Initial Public Offering (IPO) costs, share based payments and one-off merger and acquisition (M&A) transaction costs.

34% increase on pcip in revenue to \$82.8m

Quality of business is stable, Gross Margin slight decrease of 3% to 31%

Improved profitability
30% increase in underlying EBIT to \$8.3m

Underlying EBIT margin
steady at 10%

Earnings per share
up 7% to 2.12 cents

EBIT and Underlying EBIT
are calculated as follows:

	H1 FY23	H1 FY22
Profit after income tax	4,538	3,438
Add: Interest expense	423	134
Less: Interest income	-111	-3
Add: Income tax expense	2,859	1,962
Reported EBIT	7,709	5,531
IPO expense	-	480
Share based payments	451	357
M&A Transaction costs	114	-
Underlying EBIT	8,274	6,368

Balance Sheet

	31-Dec-22	30-Jun-22	% Change
Cash and cash equivalents	54,971	35,130	56%
Trade and other receivables	30,472	32,840	-7%
Contract assets	1,011	420	141%
Other current assets	2,361	2,719	-13%
Investments accounted for using the equity method	1,231	1,365	-10%
Property, plant and equipment	59	141	-58%
Right-of-use assets	7,296	5,887	24%
Intangible assets	30,874	30,746	0%
Deferred tax asset	5,963	6,635	-10%
Total Assets	134,238	115,883	16%
Trade and other payables	31,116	35,945	-13%
Contract liabilities	4,621	5,712	-19%
Borrowings	4,917	4,750	4%
Lease liabilities	7,591	6,146	24%
Income tax payable	854	3,532	-76%
Employee benefits	7,279	7,105	2%
Other liabilities	6,584	10,289	-36%
Total Liabilities	62,962	73,479	-14%
Net Assets	71,276	42,404	68%
Net Tangible Assets	40,402	11,658	247%
Working Capital	39,836	13,319	199%

○ **\$25.0m** Cash raised in Capital Raising

\$24.2m After costs

○ **\$28.7m** Increase in Net Tangible Assets

○ **\$26.5m** Increase in Working Capital

● **December 2022**
Tax liability of \$2.6M settled during 1H FY23

Cash Flow

(AUD \$,000)	H1 FY23	H1 FY22	% Change
Opening Cash	35,130	17,328	103%
Cashflows from operations	80	-1,270	NM
Investments in Subsidiaries	-3,800	-3,484	NM
Investments in PPE and intangibles	-42	-53	-21%
Proceeds from disposal of investment and share buy-back by equity accounted investment	664	-	NM
Proceeds from disposal of PPE	65	-	NM
Impact of capital raising	24,254	22,092	NM
Proceeds (repayment) of debt	-	3,802	NM
Lease Payments	-867	-551	57%
Dividends paid*	-513	-679	-24%
Closing Cash	54,971	37,185	48%

*Payment to non-controlling interest in Noetic Group Pty Ltd, an 80%-owned subsidiary.

NM – not meaningful

Cash flow to operations
\$0.1m increase of \$1.3m pcp

Investment in Subsidiaries
 Earn-out payments to subsidiaries
\$3.8m

Capital raised
\$25.0m
 Less
\$0.8m
 Related fees paid in the period

04 Outlook



Outlook

As outlined in the 30 Jan 2023 ASX announcement, 'Acquisition 03' is not proceeding.

If 'Acquisition 01' and 'Acquisition 02' proceed, this will result in a FY24 forecast of

- Revenue \$210M-\$230M*
- Underlying EBITDA** \$20.5M-\$22M***

Note, integration/restructuring costs are anticipated to be approximately \$0.5M, which are excluded when looking at underlying EBITDA.

The market continues to be strong, however the timings of spending and decisions within government are still affected by change of government (estimated timing benefit of \$2M in 1H FY23 revenue, brought forward from 2H FY23).

2H FY23 and FY24

Australian IT Market continues to perform strongly despite broader macro-economic effects.



As both acquisitions are anticipated to close within the next 8 weeks, Atturra will provide updated FY23 guidance on the close of the second Acquisition.



The acquisition of Hammond Street Developments ('Acquisition 02') is progressing well and anticipated to close in the next 14 days.



For 'Acquisition 01', due diligence is progressing positively, and a Share Purchase Agreement is expected to be executed within the next 14 days.

* Revenue range is largely driven by Agent or Principal basis in the managed services business, which will not be determined until the end of the due diligence.

** EBITDA is pre-AASB-16.

*** All revenue and EBITDA forecasts are estimates based on target representations that are subject to the outcomes of financial and other due diligence.

Other key items

Timing of Government Work and Payments

- Very strong 1H FY23 in part due to revenue timing of government work bringing forward approximately \$2M of revenue from 2H FY23.
- Cash balance is strong at \$55M, in part due to timing of government payments (circa \$4M – same as FY22).

Core Systems

- Delayed some modifications to financial systems, primarily pertaining to ARR reporting classifications, to avoid duplication in changes in anticipation of 'Acquisition 01'.
- Post completion of 'Acquisition 01' and financial systems integration and modification, Atturra intends to start reporting on ARR for FY24, including a clear definition of recurring revenue.
- HRIS implementation (SuccessFactors) is on track to complete in 2H FY23.

Q5 Question and Answers



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Thank you

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