



MARKET ANNOUNCEMENT

Half Year Results Trading Update

Sydney, 11 January 2024 – Integrated Research (IR) (ASX: IRI), a leading global provider of user experience and performance management solutions for payment transactions and collaboration systems provides the following trading update for the six months ended 31 December 2023.

Six Months ended (A\$m)	31 December 2023 (guidance)	31 December 2022 (actual)	% change
Total contract value	39 – 42	38.9	0% – 8%
Statutory revenue	39 – 42	38.4	1% – 9%
Pro-forma revenue	36 – 38	38.1	(6% – 0%)
EBITDA	10 – 12	8.5	17% – 41%
Cash At Bank	21.5	18.6*	16%

*At 30 June 2023

A stronger renewals period than FY23, has resulted in an increase in reported Total Contract Value (TCV), anticipated to be in the range of \$39m - \$42m, up 0% - 8% on the previous corresponding period (pcp).

By deal type, renewals/capacity comprised 85% - 90% of the TCV result, with new customers accounting for 3-7%. Renewals showed a strong increase versus pcp with growth across all product lines. New customer sales are down on the prior period with a decline across all product lines.

On a geographic basis, the Americas TCV performance was strongly ahead of the pcp, with growth across all product lines, and strong growth in Transact and Infrastructure (the Fiserv contract). The Asia-Pacific region declined versus pcp with the Collaborate decline partially offset by growth in the Transact and Infrastructure product lines. Europe also declined, particularly across Transact and Infrastructure partially offset by an increase in Collaborate.

The IR business model can be large and lumpy, as evidenced by the Fiserv contract signing announced in December. Attributing the \$10.1m of Fiserv TCV across the generating regions (as opposed to the statutory booking in the prior paragraph), Europe grew, and the Americas grew at a lower rate.

Subject to audit, the Company expects the TCV result to translate into reported statutory revenue in the range of \$39m - \$42m for the period, an increase of 1% - 9% on the pcp. On a pro-forma basis, revenue is anticipated to be in the range of \$36m - \$38m, down -6% – 0% on the pcp, reflecting lower recurring (licence) revenue.

During FY24, IR has continued to actively manage expenses to reflect the size and focus of the business, and ongoing strategic challenges. While the Company experienced a material reduction in expense across all categories, this is not expected to continue in the 2nd half. Inflationary pressures are increasing around salaries, other employee related costs, and travel as face-to-face client meetings, events and trade shows return to normal. As a result of the strong renewals/statutory revenue, and ongoing cost management, statutory EBITDA in 1H FY24 is anticipated to be in the range of \$10m - \$12m, an increase of 17% - 41% on the pcip.

Cash at Bank increased on the pcip to \$21.5m as a result of strong collections focus, expense management and upfront payments from customers. This cash balance excludes restricted cash for security deposits.

Commenting on the earnings guidance update, John Ruthven, CEO said:

“It is pleasing to see the Americas continued return to growth, as well a strong performance in the Transact and Infrastructure portfolio.”

“The strength of the renewal base continues to underpin overall company performance. Contract length grew with a strong Transact and Infrastructure contribution, a pleasing indicator of both customer confidence and the long-term value of IR’s products.”

“New business was slower than anticipated in the half, the challenge in the second half will be to convert a solid pipeline of new-to-existing and new customer opportunities. The improved cash position continues to highlight the value of our blue-chip customer base.”

“Good fiscal management saw a reduction in expenses in the half, however we anticipate upward cost movement in the second half. Inflationary pressures are evident across most expense categories including salaries and travel.”

The Company looks forward to providing greater detail at the time of the interim results, which are anticipated to be released on 22 February 2024.

By Authority of the Board.

Will Witherow
Company Secretary
Integrated Research Limited
ABN: 76 003 588 449

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About Integrated Research Limited (ASX: IRI). Integrated Research (IR) is the leading global provider of user experience and performance management solutions for payment transactions and collaborative systems. We create value through our real-time, scalable & extensible hybrid cloud platform and our deep domain knowledge to optimize operations of mission critical systems and improve user experience through intelligent and actionable insights. We enable many of the world’s largest organizations to simplify complexity and provide visibility over systems that millions of people can’t live without – systems that allow them to transact and collaborate. For further information on IR, visit www.ir.com.