

ASX ANNOUNCEMENT

Acumentis Group Limited (ASX: ACU)



23 February 2022

ASX Market Announcements Office
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By E-Lodgement

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HALF YEAR RESULTS – DECEMBER 2021

Acumentis Group Limited (“Acumentis” or the “Company”) has today released its half year results for the six months to 31 December 2021 and provides an update on trading during the period.

Highlights

- Revenue up 26% on six months to December 2020
- Profit before tax up 13% on six months to December 2020
- EBITDA (adjusted refer note 1 below) at 4% of revenue
- \$1.9M cash generated from operating activities
- Cash balances at end of period \$3.6M
- Completed acquisition of remaining 57.8% of Acumentis WA effective 1 July 2021
- Acquired 100% of Acumentis SA effective 1 February 2022

A summary of the results for the six months to 31 December 2021 are as follows:

	31 Dec 21 6 months \$'000	31 Dec 20 6 months \$'000 Normalised ²	31 Dec 20 6 months \$'000 Reported
Revenue	28,965	20,678	22,998
EBITDA	1,161 ¹	231	2,725
PBT	1,653	(898)	1,465
NPAT	1,587	(634)	1,033
EPS	0.92 cents	(0.41) cents	0.66 cents

Note 1: 31 Dec 21 EBITDA excludes \$1.5M profit on de-recognition of investment in associated entity on acquisition of Acumentis WA

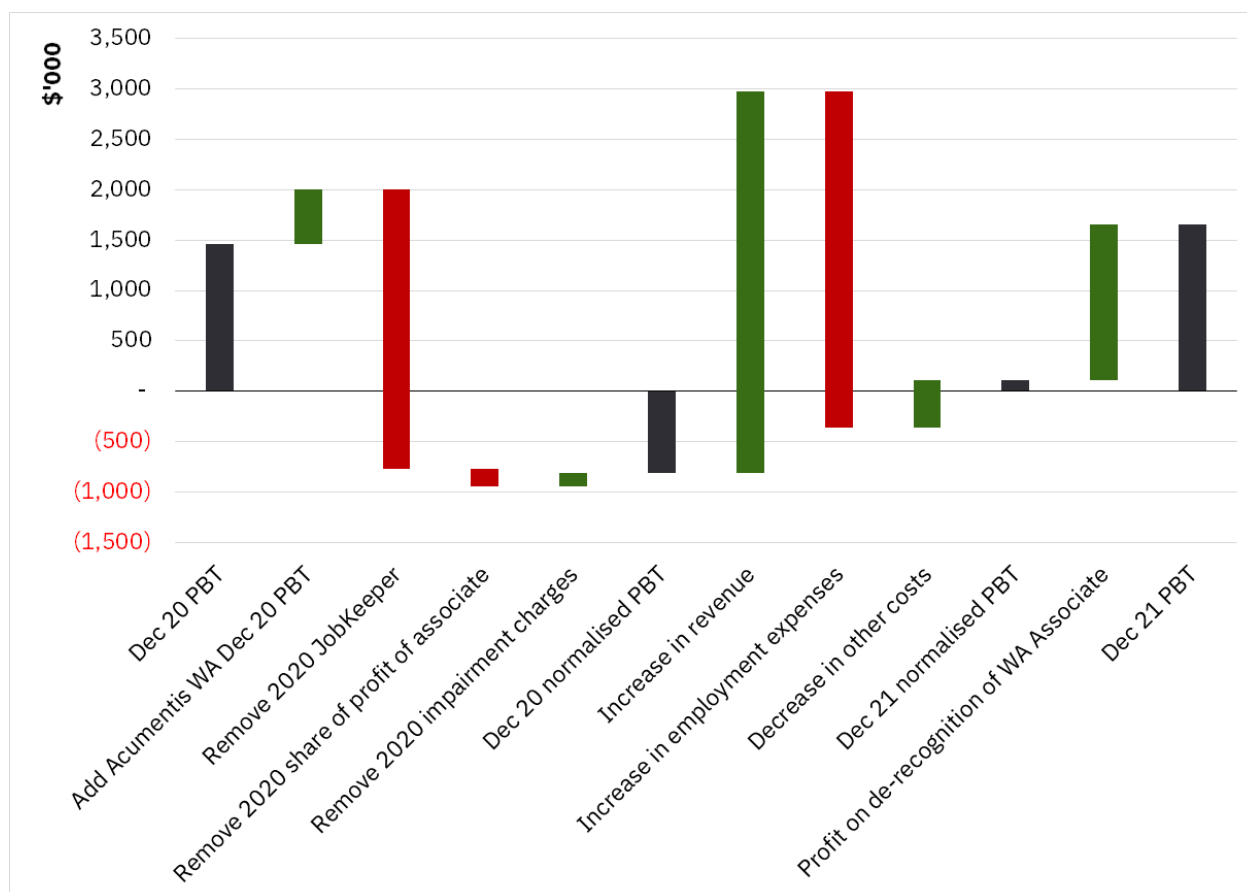
Note 2: Dec 20 normalised results

The comparable Dec 2020 results included the following non-recurring items:

- \$2,320K of JobKeeper income
- \$131K impairment charge
- \$174K share of profit of associate (Acumentis WA)

The “normalised” results in the above table exclude these items.

Comparing the PBT to the comparable period, the major changes are represented in the following chart:



Acumentis has been successful in continuing to grow its revenues via appointment to panels, diversification of services, recruitment of additional professional staff and geographical expansion.

The industry is negotiating a skills shortage with recruitment proving both challenging and more expensive. This has resulted in employment costs increasing at a higher rate than the increase in revenue that the business has achieved. This is putting downward pressure on margins in the short term.

The higher staff costs, arising from this investment in ongoing growth, have resulted in lower than expected first half profits despite the increased revenues and tight control of overhead costs.

We anticipate continued savings in overhead costs, however delivering improved margins may not be achieved in the short term and in the balance of FY22.

The increase in COVID19 cases on the Eastern Seaboard is adversely impacting the broader economy and may affect the ability of our clients to provide instructions to Acumentis. We are also seeing a number of Acumentis staff testing positive (or being a close contact of a positive case) and being furloughed which may impact our ability to deliver services.

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Given these ongoing impacts, whilst we anticipate our full year revenues will exceed \$50M, our full year EBITDA may fall short of the \$3M included in the previous guidance. However, we remain on track to achieve our longer term strategies.

By order of the Board.

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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.