

SOCO Corporation Ltd (ASX:SOC)

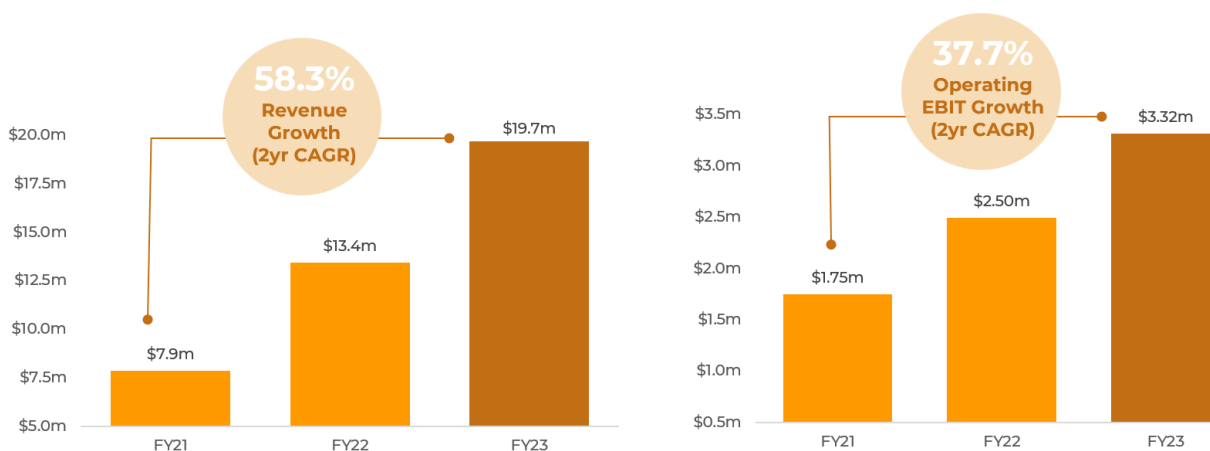
Results Announcement – Year Ending 30 June 2023

SOCO Corporation Ltd (ASX:SOC) (“Company” or “SOCO”), is pleased to confirm FY23 revenue of \$19.7M representing organic growth of 46.6% over FY22, and a 6.4% increase over the prospectus forecast of \$18.5M. This marks another record year of revenue for the company.

SOCO is also pleased to announce an FY23 final dividend of 0.5c per share, representing 51% of 2H FY23 NPAT (January to June 2023).

FY23 FINANCIAL HIGHLIGHTS

- FY23 revenue of \$19.7M, up 46.6% on the prior corresponding period (pcp) and \$1.2M ahead of prospectus forecast
- Statutory FY23 Operating EBIT¹ of \$3.3M up 32.8% on the pcp
- Pro forma FY23 EBIT (including public company costs) of \$2.7M, lower than prospectus pro forma forecast of \$3.0M
- Statutory FY23 NPAT of \$1.5M is 3.1% ahead of prospectus forecast of \$1.4M
- Strong cash conversion of 110% (before IPO cash expenses)
- Cash on hand of \$6.5M, 13.2% higher than prospectus forecast



1. Operating EBIT is a non-IFRS metric and is calculated as net profit before interest, IPO expense, public company cost, share-based remuneration, and taxes. These measures, which are unaudited, are important to management as an additional way to evaluate the Company's performance.

“We are delighted with our record revenue of \$19.7M, a 46.6% increase on the prior financial year and \$1.2M ahead of prospectus forecasts.”

Simon Forth, SOCO Chief Executive Officer



FINANCIAL PERFORMANCE

FY23 revenue of \$19.7M representing organic growth of 46.6% over FY22, and a 6.4% increase over the prospectus forecast of \$18.5M.

Operating EBIT¹ of \$3.3M represents growth of 32.8% over pcp despite some additional one-off costs incurred during the financial year.

The Company's statutory FY23 NPAT of \$1.5M is 3.1% ahead of the prospectus forecast.

| | 30 Jun 2023 | 30 Jun 2022 | Change | Prospectus Forecast 30 Jun 2023 | Change |
|--|-------------|-------------|--------|---------------------------------------|--------|
| | \$ | \$ | % | \$ | % |
| Revenue | 19,693,164 | 13,432,984 | 46.6 | 18,502,000 | 6.4 |
| Operating EBIT * | 3,315,264 | 2,497,068 | 32.8 | 3,640,000 | (8.9) |
| Net interest income/(expense) | 32,665 | (8,835) | 269.7 | (7,000) | 366.6 |
| Net profit before income tax and significant items | 3,347,929 | 2,488,233 | 34.6 | 3,633,000 | (7.8) |
| <i>Significant items:</i> | | | | | |
| IPO expense | (899,523) | - | - | (957,000) | 6.0 |
| Public company cost | (295,610) | (54,500) | - | (289,000) | (2.3) |
| Share-based remuneration | (77,894) | - | - | (289,000) | 73.0 |
| Net profit before income tax expense | 2,074,902 | 2,433,733 | (14.7) | 2,098,000 | (1.1) |
| Income tax expense | (592,679) | (633,672) | 6.5 | (661,000) | 10.3 |
| Net profit after income tax expense | 1,482,223 | 1,800,061 | (17.7) | 1,437,000 | 3.1 |

The Company has a strong cash balance of \$6.5M and is announcing an FY23 final dividend of 0.5c per share, representing 51% of 2H FY23 NPAT (January to June 2023) in alignment with the dividend policy as stated in the prospectus.

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OPERATIONS

- Expanding client base with 5 new state government clients, and 2 new federal government organisations added
- “Great Place to Work” re-accreditation
- Sales pipeline remains strong, now with an expanded offering that includes security and AI

2H FY23 OPERATIONAL UPDATE

In 2H FY23 SOCO’s client base expanded in-line with expectations, including 5 new state government clients along with 2 new federal government organisations.

During this period the Company retained its ‘Great Place to Work’ accreditation for the second year running.

With Microsoft’s AI offering, Copilot currently in beta testing, SOCO has begun to expand its offering to include AI consulting. SOCO CEO, Simon Forth said *“Our expanded service offerings in the areas of Azure AI and information security have been extremely well received by our government clients. We expect our corporate sector clients will also take advantage of our wider range of services.”*

OUTLOOK

The Company intends to build on a successful FY23 and continue to grow the SOCO team and operations across the country. In particular, SOCO will look for opportunities to expand in Melbourne, Sydney, and Perth.

The sales pipeline is consistently strong across all categories, especially in government.

SOCO continues to explore targeted merger and acquisition opportunities.

AUTHORISATION

This announcement has been authorised for release by the Board of SOCO Corporation Ltd.

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ABOUT SOCO

SOCO (ASX:SOC) is one of Australia's fastest-growing IT consultancies. SOCO's consulting teams solve business problems by applying and modernising IT systems to improve business processes - digitally transformational outcomes. Key to SOCO's success is the 4D methodology (Discover, Design, Deliver, Drive®), designed to place clients at the heart of the business, creating a genuine partnership every step of the way. SOCO's target markets include federal government, local and state government, along with large corporates. As a people business, SOCO seeks to maintain competitive advantage by creating exceptional employment experiences for our team.