



MARKET ANNOUNCEMENT

Full Year Results Trading Update and CEO Transition

Sydney, 16 July 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 year ended 30 June 2024.

Highlights

- Strong rebound in Total Contract Value (TCV), Statutory Revenue and EBITDA, at the upper end of previous guidance provided in May 2024
- Robust cash conversion. Cash at bank now \$31.9m, up 72% on pcg
- Result provides a platform for a strategic shift to product-led growth
- Timing is right for new leadership and CEO transition

Year ended (A\$m)	30 June 2024 (Updated guidance. Subject to Audit)	30 June 2023 (actual)	% change (FY2024 Updated guidance vs. FY2023)
Total Contract Value	82-84	68.5	20%-23%
Statutory Revenue	82-84	69.8	17%-20%
Pro-forma Revenue ¹	74-75	75.6	(1%) – (2%)
EBITDA	23-25	12.1	90%-107%
Cash at Bank	31.9	18.6	72%

Financial Results

The company delivered a strong rebound of TCV, Statutory Revenue, EBITDA and cash due to high renewals, especially in Transact and Infrastructure, and new wins for Collaborate in the Americas, subject to audit. The result was offset by lower Collaborate TCV due to ongoing churn.

On a geographic basis, the Americas revenue performance of 35%-40% growth on pcg across all product lines underpinned the result. Asia-Pacific was weaker against a strong pcg. Revenue was down 5%-10%, with Transact and Infrastructure growth outweighed by the underperformance of Collaborate. Conversely in Europe, which reported a 25%-30% revenue contraction, Collaborate strong performance was offset by lower Transact and Infrastructure.

Subject to audit, the Company expects Statutory Revenue of \$82m-\$84m, an increase of 17%-20% on the pcg. On a pro-forma basis, revenue is \$74m-\$75m, down 1%-2% to pcg.

¹ Pro-forma revenue provides a non-statutory alternate view of underlying performance by restating term license fee revenue to be on a recurring subscription basis (i.e., over time of the contract period), rather than upfront at the commencement of a contract, per the statutory view. Other recurring revenues such as maintenance fees and cloud services, as well as other non-recurring revenue streams such as perpetual license fees, professional services and one-time testing services are consistently treated as part of pro-forma and statutory revenue views.

Statutory EBITDA in FY24 is expected to be in the range \$23m to \$25m, an increase of 90%-107% on the pc, due to higher revenue and strong cost control. Operating costs are down 18%-19% against pc (excluding impairment expenses).

Cash at bank increased by 72% on the pc to \$31.9m because of improved financial performance and focus on collections. This cash balance excludes restricted cash for security deposits.

Renewals for FY2025 are expected to be weighted to the second half of the year and the full year will rely more on new business than FY2024. Given the combination of IR's need for new products to drive incremental revenue growth and its current financial strength, the company will further review its resourcing and capital plans.

CEO Transition

The company's continuing reliance on renewals highlights the strength of its products and customer base, and at the same time, exposes a gap in new product development and commercialization.

FY2024 performance and resultant cash collection provides a platform for the company to invest in product-led growth.

It also provides the opportunity for new leadership and in consultation with the Board, John Ruthven will step down as CEO.

Peter Lloyd, Integrated Research's Chairman, said: "John's leadership has been fundamental to the company's turnaround. We are especially appreciative of his commitment and diligence through the very difficult pandemic years and thank him for his steady, firm and composed leadership throughout this turbulent phase.

"Our reliance on renewals and on-going Collaborate churn highlight untapped opportunities for new product development, and we recognise the need to capitalise and build upon the foundation established under John's leadership.

With this in mind, the search for John's successor is ongoing, and together, we will support the transition of a new CEO to lead the business to its next phase of growth".

The Company looks forward to providing greater detail upon reporting the full year results, which are anticipated to be released on 20 August 2024.

By Authority of the Board.

Will Witherow
Company Secretary
Integrated Research Limited
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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.