

## COSOL confirms strong H1 revenue and earnings growth, FY24 momentum carries through to FY25

**Brisbane, 14 November 2024 – COSOL Limited (COSOL, ASX: COS)** is pleased to announce it will see strong revenue and profit growth in the first half of FY25 as momentum from the end of FY24 carries through to the current financial year.

Major contract wins and extensions from Q4 FY24 have underpinned strong revenue growth in H1 FY25, locking in a buoyant H1 performance and providing a springboard for continued growth across all key metrics for the full financial year.

COSOL is on track to deliver revenue growth of 17.0% - 20.0% over H1 FY24 and to be in the range of \$57.5 to \$58.4 million.

First half underlying EBITDA<sup>1</sup> growth is expected to be in the range of 17% to 25%, with underlying EBITDA margin for the first half to be in the range of 14.1% to 14.7%. Seasonally our first half EBITDA margin is lower than the overall year.

COSOL Chairman Geoff Lewis said the Board was pleased that momentum at the end of FY24 had carried through strongly in the 2025 financial year.

“This is testament to COSOL’s investment in deep capability and the manner in which COSOL has been able to demonstrate real benefits for clients in the form of efficiencies and material cost savings,” he said.

“COSOL has consistently delivered 30%+ growth in revenue and EBITDA since listing in 2020<sup>2</sup>. In FY24, we delivered 35% growth in revenue, 33% in underlying EBITDA, and an underlying EBITDA margin of 15.4%.

“This consistent growth means there is a positive predictability to COSOL’s operating performance – and we’ll do it again for the full year FY25.”

First half growth has been driven by key client wins across the Group in Q4 FY24 and early FY25 with organisations such as Horizon Power, Department of Transport in Victoria, QBuild and CleanCo, and extended work with the Department of Defence.

These long-term contracts create further momentum into FY25 and beyond.

In addition, COSOL continued to expand its capabilities in providing end-to-end Asset Management software and solutions with the successful acquisition and integration of AssetOn Group and Core Asset Co.

These strategic acquisitions position COSOL well to deliver a sector-leading Asset Management as a Service offering to our expansive blue chip client base and a platform to win new customers in the asset intensive market.

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<sup>1</sup> Underlying EBITDA excludes \$0.6m of acquisition costs in FY24.

<sup>2</sup> On a compound annual growth rate basis.

Chief Executive Officer Scott McGowan said: “Off the back of a strong second half in FY24 and a number of major contract wins in that period, COSOL has seen strong trading conditions in the first half of FY25 which will deliver another period of growth and establishes a platform for continued double digit growth in FY25”.

Year to date highlights include:

- New customers Genisis Energy and Coca-Cola Europacific Partners for both COSOL’s proprietary solution Enterprise Asset Management as a Service platform and Application Managed Support, increasing our IBM market share in Australia and New Zealand
- Expansion and extension of the implementation project for the EAMaaS platform for the Department of Transport and Planning Victoria. In addition, Maximo licensing to Yarra Trams franchise as part of the new operating process
- Significant growth in the Asset Management People business in Western Australia and consolidation of the operations with the East Coast business driving both revenue and operating synergies

New client and project wins across the Group include:

- Coronado Global Resources – Data migration and transformation utilising COSOL’s proprietary software, RP Connect
- Yarra Trams Franchise – IBM Maximo licenses in conjunction with the DTP platform roll out
- Covalent Lithium – SAP advisory and system optimisation
- CS Energy – Strategic asset managed advisory led by the Asset Management Process business, the strength of which was increased with the recently acquired Core Asset Co consulting team. This win demonstrates cross-selling and expansion of COSOL’s Asset Management capabilities delivered into an existing COSOL customer.
- Citic Pacific Mining – OnPlan subscription and implementation

#### **COSOL strategy capitalising on market trends**

The heavy asset industry in which COSOL's clients operate is experiencing significant tailwinds that will continue to positively impact COSOL, with existing and potential new clients looking to embrace a new digital world to enhance productivity and improve operational efficiencies from their physical assets. These megatrends include:

- Digitisation of asset information that allows enhanced data driven decision making
- A requirement to achieve environmentally sustainable operations to meet higher levels of ESG compliance
- Increasing supply chain costs that requires greater efficiency gains from high capital cost assets
- Major upgrades to Enterprise Asset Management platforms, particularly SAP, IBM Maximo and Hitachi Ellipse

#### **Outlook for FY25**

The expected first half results create the base for a strong full year, with contributions from all segments .

Full year trading conditions are expected to remain robust, with the customary greater weighting in H2 revenue and margins.

The second half will see revenue from the new managed services contracts for QBuild and DTP which are anticipated to go live over the next few months.

COSOL's pipeline of opportunity through to FY26 is strong and expanding, notably in AMaaS, managed services and business intelligence and data analytics.

The outlook for the natural resources, infrastructure and government sectors is especially positive as investment continues in these critical infrastructure sectors.

To capitalise on this outlook, COSOL's strategic priorities for the period are:

- Expanded customer engagement for AMaaS capabilities
- Growth in ARR and next generation productivity tools
- Customer acquisition through market leading position
- Strategic acquisitions

#### **Board renewal and appointment of MD & CEO**

Following completion of Phase 1 of COSOL's OneCOSOL operating model transformation, which has included the integration of recently acquired businesses and a refreshed management structure, the Board has decided to initiate a Board renewal process.

The current Directors have been in office since listing and have fulfilled COSOL's ambition to offer clients a fully integrated, end-to-end asset management service helping them to digitise and optimise heavy assets, as diverse as power plants, mining equipment fleets, defence systems and transport infrastructure. During this time the Board has led COSOL in expanding and deepening its expertise and signature asset management capabilities, including with the acquisition of five businesses (Add-Ons, Clarita Solutions, Work Management Solutions, AssetOn Group, OnPlan Technologies and Core Asset Co) and development of COSOL's unique end-to-end Asset Management as a Service solution. This has seen COSOL experience strong operational and financial performance, and set the platform for growth in FY25 and beyond.

The initial stage of the Board renewal sees the following changes made effective immediately:

- Managing Director Ben Buckley resigns. Ben has been integral in driving COSOL's engagement with shareholders and the investment market and its business acquisitions, with responsibilities focused on investor relations and external communications, strategy development and M&A activities. As COSOL moves into the next phases of the OneCOSOL transformation program it is considered that the MD and CEO roles be combined and Ben has taken the opportunity to focus on his other extensive business interests. Ben will remain with COSOL as a part-time consultant to work on strategic initiatives. The Board thanks Ben for his efforts and significant achievements as Managing Director for the past 4 years.
- Chief Executive Officer Scott McGowan is appointed as Managing Director and Chief Executive Officer. Scott has been operating the business as CEO since COSOL's listing in 2020 and this appointment reinforces our commitment to the next phases of the OneCOSOL program and reflects his leadership in driving the growth and strategy of COSOL. Mr McGowan's remuneration arrangements will remain unchanged at this time and COSOL will inform the market of any future change.
- Non-Executive Director Grant Pestell has decided not to stand for re-election due to his extensive commitments as a Director of leading Perth commercial and corporate law firm MPH Lawyers and other directorships, and retires as a Non-Executive Director as at the commencement of the AGM. Grant has provided exceptional service to COSOL as a Director for over 5 years, and the Board thanks Grant for his valuable contribution to the growth and development of COSOL.

As a result of Mr Pestell's retirement, Resolution 3 regarding his re-election as a Director which was to be considered at COSOL's 2024 AGM today is withdrawn. The withdrawal of Resolution 3 does not affect the validity or any proxy votes already submitted or the other business to be conducted at the AGM, and the remaining resolutions will be put to shareholders as planned.

The next stage of the Board renewal process will see the Board positioned with the skills required to effectively support COSOL's platform for its future growth. Part of the renewal process will see the Board, with external assistance, review its governance and operations to consider its optimal composition and processes to drive performance in the coming phases of COSOL's strategy. The review will look at the size, skills and experience, independence and diversity of the Board, and identify any improvements to the Board's operation. The Board has committed to appoint an independent Chair, and may also make future appointments as a result of the review.

#### **Chairman's 2024 AGM Address**

The Chairman's Address to be delivered at COSOL's 2024 Annual General Meeting is attached to this announcement.

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This announcement was authorised for release by the Board of Directors of COSOL Limited.

For more information, please contact:

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### About COSOL

COSOL is a global Asset Management technology-enabled solution provider that optimises operations in asset intensive industries such as natural resources, energy and water utilities, public infrastructure and defence.

COSOL continuously invests in its ecosystem of software and services to help large-scale asset owners get more from their networks and to capture quantifiable business improvements measured in sustainability, efficiencies and profitability. Our mission is to help our customer achieve zero waste in their operations and supply chains using COSOL's creative leadership and passion for asset management innovation.

Since listing in January 2020, COSOL has delivered profitable growth, strong operating cashflows and successful strategic acquisitions.

<https://cosol.global/>



## Chairman's 2024 AGM Address

Welcome everyone to the 2024 Annual General Meeting of COSOL Limited.

It was a year of pleasing achievement for your Company, both operationally with record revenue and earnings, and strategically with achieving real momentum with COSOL's unique Asset Management as a Service.

COSOL is now delivering material efficiencies and savings for our valued customers across natural resources, energy and water, utilities, and to government in critical areas of national significance such as defence and transport.

2024 was the year when the COSOL's vision truly realised and we could give full expression to our ambitions to serve clients in a manner that made meaningful differences to their businesses and turned them into happy customers keen to stick with us.

We set out to build an internationally significant business to help asset owners optimise their performance using a unique blend of people, processes, systems and data – all underpinned by COSOL's own proprietary software.

That powerful combination delivered great outcomes for our customers in 2024 and created the springboard for another strong year operationally for COSOL.

I want to reflect on the components of that performance and to explain its relevance and significance to what lies ahead for our Company.

And, in essence, what lies ahead is significant, high margin growth that is both exciting and predictable.

That COSOL growth story and the abundance of growth opportunities is what energises this Board and executive team to hold bold ambitions about where we can take this company in the time ahead.

Some important facts to consider:

- COSOL has delivered consistent growth in revenue and earnings each year since listing in January 2020
- The platform to support continued strong growth in these key metrics is in place and locked in
- Markets in which COSOL operates are undergoing above-trend growth, fuelled by the availability and deployment of new technology (all of which COSOL either owns or is expert in delivery or both)
- COSOL's valued customer base is blue chip and experiencing exceptional growth demands of their own.

You can translate these factors in another way, which is:

- We have valuable technology, systems and processes...
- For which there is burgeoning demand...
- And we have the people and know-how to deploy successfully and profitably.

This is the global market in which COSOL lives, significant in what it can deliver to clients and with an ability to do this profitably with among the highest operating margins in our sector.

These operating margins are significant in understanding COSOL's future because that's the party of the market landscape where we fit in – value adding, selling proprietary software, securing more and more managed services contracts.

Increasingly, we're an essential part of our clients' supply chains, delivering services and optimisation in the same deal.

We help people run their asset networks efficiently but increasingly we're helping them better understand all aspects of the life cycle of critical assets – and the millions in savings that can flow from it.

With the core investment now set, FY25 and beyond is all about optimising our own asset fleet – capturing for COSOL what we do for our clients.

Our confidence in COSOL and the market opportunity is high and we look forward to delivering for our shareholders.

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