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SUCCESSFUL ROLLOUT OF NEXT GEN SaaS PLATFORM

Financial Results for the six months to 31 December 2020

25 February 2020 – Sydney, Australia: Infomedia Ltd (ASX:IFM), a leading SaaS[1] platform provider in parts, service and data insights solutions to the global automotive industry, today announced its first half financial results for the six months to 31 December 2020 (1H21).

1H21 Highlights

- Resilient outcome in period of global uncertainty
  - Revenue of $47.7 million remained steady pcp
  - NPAT increased 3% to $9.3 million
  - Investment in development and successful rollout of Next Gen SaaS platform resulted in Cash EBITDA of $9.5 million down (16%) pcp
- Next Gen SaaS platform rollout extremely positive; successful adoption across entire global customer base
- Strategic win of Ford Europe parts contract, significant endorsement of the Next Gen platform

Infomedia reported revenue to $47.7 million for 1H21, compared to $47.9 million reported in the previous corresponding period (pcp). Earnings before interest, tax, depreciation, and amortisation (EBITDA) was $22.4 million, down (2%) pcp. Net profit after tax (NPAT) increased 3% to $9.3 million, up from $9.0 million pcp. EPS declined (13%) pcp to 2.49 cents due to the dilutive effect of the capital raise in 2H20.

Cash EBITDA, a key internal metric to identify the cash impact of capitalised development costs in reported NPAT decreased (16%) to $9.5 million, down from $11.4 million pcp. This is a reflection of the significant investment in the development and delivery of the integrated Next Gen SaaS platform.

	1H21 A$'000	1H20 A$'000	Movement
Group revenue	47,689	47,885	0%
Cash EBITDA	9,545	11,414	(16%)
Development costs capitalised	(12,448)	(10,296)	21%
EBITDA	22,372	22,899	(2%)
NPAT	9,331	9,041	3%
Earnings per share (cents)	2.49	2.86	(13%)
Interim dividend per share (cents)	2.15	2.15	0%

Infomedia Ltd is a highly cash generative business and maintains a solid financial position. Net current assets were $94.1 million at 31 December 2020 ($98.0 million at 30 June 2020). Cash and cash equivalents were $97.3 million, down 6% on 30 June 2020, reflecting the cash cost of investment in the Next Gen SaaS platform. Net cash from operating activities increased 19% pcp reflecting improved collections and confidence across Infomedia's global customer base.

Infomedia Ltd CEO, Mr Jonathan Rubinsztein said: "The result is in line with our expectations having anticipated the impact of delayed negotiations and installations. We worked very closely with our customers during the year, initially to offer immediate support in response to COVID, and later to ensure the smooth transition to the Next Gen SaaS platform.

As the calendar year came to an end, the quality of our relationships across our customer base was enhanced with more strategic discussions. The global pandemic accelerated digital transformation in the automotive industry. Customer demand for digital solutions increased at the time we were delivering an integrated SaaS platform. The positive feedback and successful adoption of Next Gen across our entire customer base has been tremendous," he said.

[1] *SaaS – software as a service*

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"In addition to our previously announced win with Ford Europe, we've had a number of wins across our expanded addressable market and see significant opportunities to leverage our existing assets via the platform to existing customers, new customers and into new markets.

Travel restrictions and lockdowns continued to have an impact through to the end of the calendar year and into the first few months of 2021, particularly in the Americas and Europe, affecting the timing of sales converting to revenue.

We remain focussed on growth in our core, both organically and via M&A. We are focussed on delivering accretive and sustained growth to our shareholders, value to our customers and opportunities for our employees," Mr Rubinsztein said.

Outlook

The Board is confident Infomedia is well positioned to leverage disruption underway in the global automotive market. Strategic focus, investment in innovation and data and the pursuit of M&A are expected to drive Infomedia's future performance. Since the capital raise, we have yet to close an acquisition but remain vigilant in our pursuit of transactions and disciplined in our approach.

We anticipate some moderate organic growth in the second half of the 2021 financial year. Lockdowns and travel restrictions will continue to hamper the timing of sales converting to revenue although trading will likely improve as restrictions ease as a result of widespread vaccination.

The impact of the global pandemic is ongoing, specifically with regard to delays in sales converting to revenue across our regions. Whilst the effect on our financial results has been modest to 31 December 2020, it is not possible to estimate the potential impact after this reporting date. The situation continues to change and is dependent on measures imposed by authorities in relevant jurisdictions, such as maintaining social distancing requirements, quarantine, vaccines, travel restrictions and economic stimulus.

In the medium term, we anticipate a return to consistent, sustained growth buoyed by recent strategic wins across all regions and remain committed to an aspirational target of doubling revenue to $200 million by 2025 as shared at our 2020 Annual General Meeting.

1H21 Dividend

Infomedia Ltd declared a fully franked interim dividend of 2.15 cents per share. Infomedia's dividend record date will be 4 March 2021 and the payment date will be 26 March 2021.

ENDS

This release was authorised by the Infomedia Ltd Board.

1H21 Results webcast: Infomedia Ltd CEO, Jonathan Rubinsztein and CFO, Richard Leon will present the 1H21 Investor Presentation via webcast at 10:00am AEDT today 25 Feb 2021.

The webcast will be available via the following link http://www.openbriefing.com/OB/4148.aspx

About Infomedia: Infomedia Ltd (ASX:IFM) is an Australian-based SaaS platform provider in parts, service and data insights solutions to the global automotive industry. Infomedia has led innovation in service infrastructure within global automotive distribution networks for more than 25 years and continues to expand its reach within the three regions in which it operates.

Please visit Infomedia's website https://www.infomedia.com.au and YouTube channel https://www.youtube.com/infomedialtd for more information.

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