COSOL delivers record profit, revenue growth across all markets, strong platform for FY24

Highlights

- Revenue up 55.7% at $75.1 million
- EBITDA up 37.4% to $11.6 million (15.5% margin)
- EBIT up 37% to $11.1 million (14.8% margin)
- NPAT up 44.3% at $8.0 million
- Basic EPS up 35.4% at 5.43 cents per share
- Final dividend of 1.46 cents, full year distribution of 2.46 cents fully franked – up 28%
- Strong outlook for FY24, further growth expected in all markets

Brisbane, 23 August 2023 – COSOL Limited (**COSOL, ASX: COS**) (**"COSOL"** or the **"Company"**) is pleased to announce strong revenue and profit growth for the 12 months to 30 June 2023, and a strong outlook for the 2024 financial year.

The Company's audited results released today show record revenue of $75.1 million, a 55.7% increase on FY22 and a continuation of the strong growth achieved since listing in January 2020.

EBITDA was 37.4% higher at $11.6 million and the EBITDA margin was 15.5%, notwithstanding a number of once-off transformation and transaction costs for a non-completed acquisition.

Earnings before interest and tax (EBIT) were 37% higher at $11.1 million, with the EBIT margin remaining strong at 14.8%.

The results also show a record after tax profit of $8.0 million, a 44.3% increase on the previous corresponding period.

Basic earnings per share were 35.4% higher at 5.43 cents, highlighting the commitment of the COSOL Board and Management to drive organic growth and inorganic growth where it adds strategic and shareholder value.

The Directors have declared a final dividend of 1.46 cents, bringing the full year fully franked distribution to 2.46 cents per share, an increase of 28% over FY22.

COSOL Chief Executive Officer Scott McGowan said "the FY23 profit performance was pleasing given it was achieved against a backdrop of substantial operational change, the continued expansion of existing business units and the integration of WMS in August 2022.

"We're committed to growing COSOL to become the pre-eminent provider of software and services to owners of heavy asset networks, but we will only do this where operating margins and profitability is protected and enhanced," he said.

"We are confident in achieving another strong year in FY24 with further organic growth projected, underpinned by significant contracted revenue, a growing pipeline and first contributions from the AssetOn Group (recently acquired and expected to close in early September).

On a *pro forma* basis[1], COSOL's FY23 result incorporating the AssetOn Group business would have produced EBITDA of $15.4 million on revenue of $103.4 million.

"The acquisition of AssetOn Group gives us an outstanding base from which to further expand our Asset Management as a Service (AMaaS) capability as a true end-to-end solution for clients. This has resonated positively with clients looking to maximise efficiencies and eliminate waste in their networks" said Mr McGowan.
"COSOL's unique blend of software, systems and people with deep industry expertise allows us to deploy with powerful effect and achieve great outcomes for clients".

[1] Pro forma refers to the consolidation of Cosol Limited audited FY23 performance and AssetOn Group's normalised FY23 financial performance

"The acquisitions of WMS in FY23 and now AssetOn Group will add expanded capability and depth to COSOL's market presence, which we believe will underwrite strong organic growth in FY24 and beyond."

Other operational highlights for FY23 included:

- Driving strong growth and record revenue while maintaining strong operating margins and organic revenue and EBITDA growth of 18% and 15% respectively.
- Significant contract wins including an $8.2 million contract to deliver services to the Department of Defence's ERP program and a $4 million contract to deliver asset management services to Glencore's Koniambo mine in New Caledonia, utilising COSOL's Brisbane-based asset management reliability centre.
- Strong revenue and margin results in North America with a number of key agreements signed, including with Arch Resources, SSR Mining and De Beers Canada.
- Successfully integrating the WMS business into COSOL and rolling out expanded services across the COSOL client network.
- Completing the OneCOSOL transformation program that streamlines internal operations and achieves revenue synergies across the entire customer base.

COSOL is in a strong position for the 2024 financial year and has a positive outlook for the period.

The Company's key priorities for FY24 are:

- Driving continued organic revenue growth with consistent year to year operating margins.
- Integrating newly acquired AssetOn Group and maximising the cross-sell of its services to COSOL's client base and cross sell of COSOL's services to AssetOn Group clients.
- Assessing further acquisition opportunities that are currently before the Company and additional opportunities as they present.
- Achieving further sales of COSOL's signature and proprietary solutions with a focus on annuity revenue opportunities for COSOL's AMaaS solution.

The 1.46 cents final dividend will be paid on November 6th, 2023. The record date for entitlements to this dividend will be October 20th, 2023.

For more information, please contact:

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

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 customers 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.