



MARKET RELEASE

Integrated Research Limited FY24 First Half Results

Sydney, Australia, 22 February 2024 – Integrated Research (ASX:IRI) a leading global performance management and analytics provider for unified communication and collaboration, IT infrastructure, and payment ecosystems, today released its results for the six-month period ending 31 December 2023.

Key highlights:

- Total Contract Value (TCV) and statutory revenue up 6% on the previous corresponding period (pcp).
- Statutory EBITDA up 29% to \$11 million on pcp.
- Statutory NPAT up 248% to \$11.2 million on pcp.
- Cash at bank increased by 16% to \$21.5 million as at 31 December 2023.

Total Contract Value for the six months to 31 December 2023 was \$41.3 million, a 6% increase over pcp. This was at the higher end of the guidance range provided by the company on 11 January 2024.

Statutory revenue for the period was \$40.8 million, up 6% on the pcp. Statutory EBITDA was up 29% to \$11 million. The Company reported Statutory Net Profit After Tax (NPAT) of \$11.2 million, a 248% increase on the pcp, supported by an increase in interest income, due to high interest rates and cash balance.

Proforma revenue decreased by 2% and proforma subscription revenue declined by 4%, on pcp, primarily due to the high Collaborate churn rate. Proforma EBITDA was down 10% to \$7.4 million.

Peter Lloyd, Chair, IR, said "The 1st half of FY24 continues the build on our financial capacity with a solid balance sheet, growing net assets, and strong cash reserves; based on improving sales momentum and disciplined expense management delivering profit and cash generation. This sound financial base sets a platform for the company to consider growth initiatives to deliver new revenue streams and improve shareholder returns."

Total Contract Value (TCV)

TCV includes on-premises licenses (including attached maintenance), SaaS, testing, and services bookings.

By product, TCV grew strongly across Transact and Infrastructure, up 27% and 45% respectively, on higher renewals. Collaborate TCV declined by 15%, supported by strong renewals, but offset by a decline in new business.

By geography, the Americas reported a 50% increase in TCV, buoyed by the \$10.1m Fiserv Inc. contract renewal. Europe and APAC results both declined, 31% and 42% respectively.

The average contract length from sales during the period was four years, in line with the prior year.



Integrated Research Ltd > ABN 76 003 588 449

Level 9, 100 Pacific Highway, North Sydney NSW 2060 Australia

t: +61 (2) 9966 1066 e: investor@ir.com

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Proforma Results

Proforma subscription revenue was down 4% on the pcp, mainly due to a decline in Collaborate revenues, which were down 10% during the period. Transact revenues were up 13%, with Infrastructure revenues flat over the period.

During the half, 88% of proforma revenue was of a recurring nature, similar to the pcp. This represented multi-year non-cancellable licenses and related maintenance contracts.

Annual Recurring Revenue (ARR) was \$64.0 million, down 5% on the prior year, primarily influenced by the substantial churn in our Collaborate business across all geographies.

Expenses

Expenses were down on account of disciplined cost management. While the company remains focused on managing costs, we anticipate expenses to moderately increase in H2 FY24.

Cash

The Company's net cash position as at 31 December 2023 was \$21.5 million, compared to \$18.6 million as at 30 June 2023.

The cash conversion rate continues to improve due to a reduction in Days Sales Outstanding (DSO) on current receivables.

The Company remains debt free.

Dividends

The Board has not declared an interim dividend.

Priorities for FY24

Our key priorities for FY24 remain unchanged. These include:

- **Markets** – continue growth momentum across all regions.
- **New business** – win more new business and expand the product footprint.
- **Existing customers** – improve customer retention and renewal yield.
- **Cost base** – tightly manage costs to align with expected developments in the trading environment.
- **Product innovation** – collaborate with customers to reduce development cycles and validate use cases.
- **Financial** – increase profitability and retain a strong balance sheet.

John Ruthven, Chief Executive Officer, IR said, “We are pleased with the momentum in the first half and the platform it provides for second half performance. We benefitted from the company's strong renewal base and exercised cost discipline to improve profitability and cash.

Our Transact and Infrastructure product-line performed well, up significantly on the prior period, bolstered by several large contracts. Whilst Collaborate headwinds persist our go-to-market focus is on larger enterprises, with complex environments, as well as industry verticals where our value proposition resonates.

As we turn our eye to the future, our improved cash position enables the pursuit of a product led growth agenda.”



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About Integrated Research (IR)

IR is a leading global performance management and analytics provider for unified communication and collaboration, IT infrastructure and payment ecosystems. With a global enterprise customer base in over 60 countries who rely on IR solutions to connect people, global economies or the world. IR simplifies complex data streams, provides actionable insights and ensures business continuity of critical systems. To learn more about the organization, please visit ir.com .

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