ep&t global
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EP&T Global Releases H1 FY24 Results

26 February 2024

Building energy optimisation company EP&T Global Limited (ASX: EPX) (EP&T or the 'Company') is pleased to announce it has released its half year results for the period ended 31 December 2023.

H1 FY24 Highlights

- **Statutory revenue up 29%** to $6.5m on the prior corresponding period.
- **Recurring revenue up 37%** to $5.9m, representing over 90% of total revenue.
- **Underlying EBITDA loss reduced by 76%** to ($0.5m) compared to the prior corresponding period.
- **Cash flow from operations was positive $0.6m**, being a $3.2m improvement over the prior period (31 December 2023: negative $2.6m).
- **Contracted buildings up 8% to 531** (31 December 2022: 491).
- Total cash on hand of $0.7m at 31 December 2023.

H1 FY24 Results summary

| | Consolidated H1 FY24 | | |
| | Dec-23 | Dec-22 | Change |
Financial Results	$	$	%
Revenue	**6,474,934**	**5,021,405**	**29%**
Net Loss After Tax	(1,851,098)	(1,886,857)	-2%
Interest, taxation and depreciation	(1,330,525)	(815,005)	63%
EBITDA	**(520,573)**	**(1071,852)**	**-51%**
Add / (Less): Impairment of assets and share based payments expense	21,515	(45,390)	-147%
Less: Client financial settlement	-	(935,035)	n/a
Underlying EBITDA	**(499,058)**	**(2,052,277)**	**-76%**

EP&T achieved revenue of $6.5m for the half year to 31 December 2023, a 29% increase from the prior period. This was driven by growth in the Company's subscription based, data-as-a-service revenue model, with over 90% of revenue being subscription based. Underlying EBITDA loss decreased 76% to ($0.5m), reflecting the revenue growth in the period (up 29%) and the improvements implemented in operational efficiencies during the period.

H1 FY24 Statutory Revenue

Revenue	Consolidated		
	Dec-23	Dec-22	Change
	$	$	%
Recurring subscription revenue	**5,919,082**	**4,327,799**	**37%**
Projects revenue	519,746	631,346	-18%
Service and maintenance revenue	36,106	62,260	-42%
Total Revenue	**6,474,934**	**5,021,405**	**29%**
Recurring subscription revenue % of total revenue	91%	86%	

Recurring subscription revenue increased by 37% to $5.9m due to continued installation of contracted projects. Recurring revenue now accounts for over 90% of total revenue.
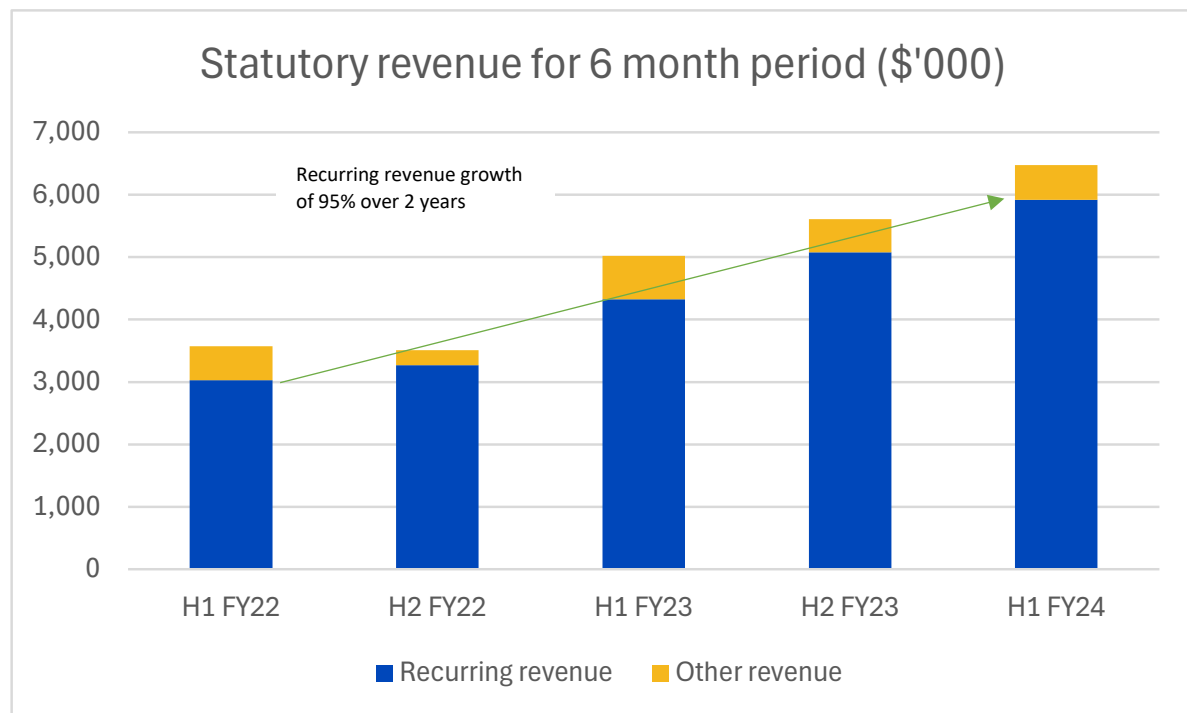
Projects revenue was down 18% over the prior period. In 2022 there was a focus on upfront project revenue contracts, as a means to bring cashflow forward to better match installation cashflows to business cashflows. This is still being undertaken for selected customers, however, EP&T has also introduced establishment fees for some clients as part of its subscription based commercial model.

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FY23 Statutory Expenses

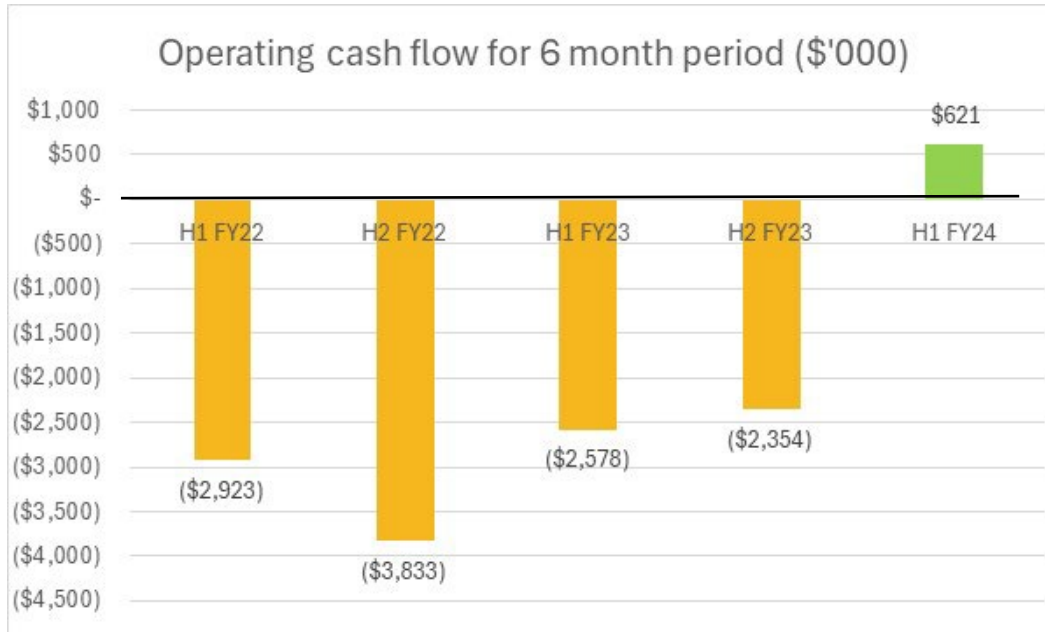|	Consolidated		
	Dec-23	**Dec-22**	**Change**
Expenses	**$**	**$**	**%**
Raw Material and Consumables	(480,798)	(304,781)	58%
Employee benefits and expenses	(4,872,404)	(5,012,955)	-3%
Other Expenses	(1,794,432)	(2,111,330)	-15%
Total Operating Expenses	**(7,147,634)**	**(7,429,066)**	**-4%**
Finance Costs	(84,346)	(40,000)	111%
Depreciation and amortisation	(1,192,206)	(714,433)	67%
Impairment reversal/(Impairment) of assets	116,907	1,116,360	-90%
Total Expenses	**(8,307,279)**	**(7,067,139)**	**18%**

Total operating expenses for the period to 31 December 2023 fell 4% to $7.1m. Key items to note are:

- Employee benefits expenses were down 3%. The new executive team hires in 2023 together with business restructure led to improvements in operational efficiency. As a result revenue growth of 29% in the 6 months to 31 December 2023 was achieved with a 3% decline in employee expenses.
- Other expenses fell by 15%, from $2.1m to $1.8m as the business remains focused on cost control.
- Depreciation and amortisation increased $0.5m (111%) due to the growth in revenue generating installed hardware on customer premises. This hardware is vital to deliver accurate and reconcilable energy usage data. It is with this level of data accuracy EP&T can deliver significant savings for customers.

Operating Cash flow

In a pleasing result operating cashflow for the half year to 31 December 2023 was $0.6m, being a $3.2m improvement over the prior period (31 December 2022: ($2.6m)).

The business remains very focused on managing cash flows. This is evident in the chart below. Management is focussed on better matching cash outflows with inflows from customers and prioritising resources to drive revenue growth.

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Operating cash flow for 6 month period ($'000)

Period	Value
H1 FY22	($2,923)
H2 FY22	($3,833)
H1 FY23	($2,578)
H2 FY23	($2,354)
H1 FY24	$621

EP&T Chief Financial Officer, Patrick Harsas said "The results for the half year to 31 December 2023 are a significant improvement over the prior corresponding period and prime EP&T for continued success. I am very pleased to see the operational changes of the past 12 months delivering transformational performance across the whole business. What we have accomplished over the last 12 months is a testament to the focus and dedication of the team.

Looking forward, the nature of EP&T's data as a service business, continues to be in demand by existing and new customers. With a strong pipeline of opportunities, we are now focussed on driving revenue growth. Initiatives are being rolled out to target improvements in sales lead times and include enhanced productisation to better align to our customers net zero and ESG ambitions.

The successful February 2024 capital raise, will also allow EP&T to pursue greater ACV growth with our existing customers as they work with us to optimise their portfolios around the world."

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This announcement has been authorised for release to the ASX by the Board of EPX

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CFO & Joint Company Secretary

ABOUT EP&T Global

EP&T Global, the most trusted building efficiency platform provider, is a data as a service platform that delivers sector leading cost and energy efficiency in buildings. EP&T is a global leader in reducing energy costs and delivering energy efficiency in the built environment, servicing over 7 million sqm of floorspace across 5 continents. EP&T's proprietary technology solution combines multiple information sources with cloud-based data analytics to detect real-time energy inefficiencies in buildings. This highly accurate identification of faults and inefficiencies enables EP&T to collaborate with building managers to improve and optimise building plant operating systems.

EP&T's "EDGE Intelligent System" is a data repository incorporating 20+ years of building energy efficiency knowledge – collecting and analysing more than 5.6 billion points of data per annum with proprietary algorithmic analysis and machine learning.

To learn more visit www.eptglobal.com
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