

H1 FY25 Results Announcement

EP&T Global Limited (**ASX: EPX**) (EP&T or the 'Company') is pleased to announce its Half Year results for the six-month period ended 31 December 2024.

H1 FY25 HIGHLIGHTS

- ↑ Annual Contract Value¹ (ACV) of \$16.9m **up 16%** on the prior corresponding period (PCP).
- ↑ Annual Recurring Revenue² (ARR) of \$14.0m **up 15%** on PCP.
- ↑ Six-month **statutory Total Revenue up 16%** to \$7.5m for the half year.
- ↑ Six-month **statutory Recurring Revenue up 25%** to \$7.4m.
- ↑ **Recurring Revenue continues to represent over 90%** of Total Revenue.
- ↑ Six-month **underlying EBITDA loss reduced by 96%** resulting in the business approaching EBITDA breakeven.
- ↑ **Cash flow from operations was \$0.9m a 39% improvement** over the PCP.
- ↑ Coda Cloud **acquisition completed adding a new business vertical**

RESULTS SUMMARY – SIX MONTHS TO 31 DECEMBER 2024

	Consolidated		
\$'000	Dec-24	Dec-23	Change
Revenue	7,539	6,475	16%
Net Loss After Tax	(1,685)	(1,851)	-9%
Interest, taxation and depreciation	1,552	1,331	17%
EBITDA	(133)	(520)	-74%
Less: Recovery of impaired assets	(83)	(117)	-29%
Add: Share based payments	6	138	-96%
Add: Coda acquisition & pre-revenue costs	146	-	
Add: Residual legal costs - past recovery	44	-	
Underlying EBITDA	(20)	(499)	-96%

EP&T's H1FY25 Underlying EBITDA loss decreased 96% and is approaching EBITDA breakeven. This is a circa \$0.5m improvement in underlying EBITDA, driven by:

- ✓ Revenue growth for the first six months of 16% on the PCP:
- ✓ Continued cost control, even with a slightly higher workforce increasing from 66FTE (Dec 2023) to 71FTE (Dec 2024):
- ✓ Managing the acquisition of the Coda Cloud assets and technology³ as well as expanding our product functionality and market fit to evolving customer needs.

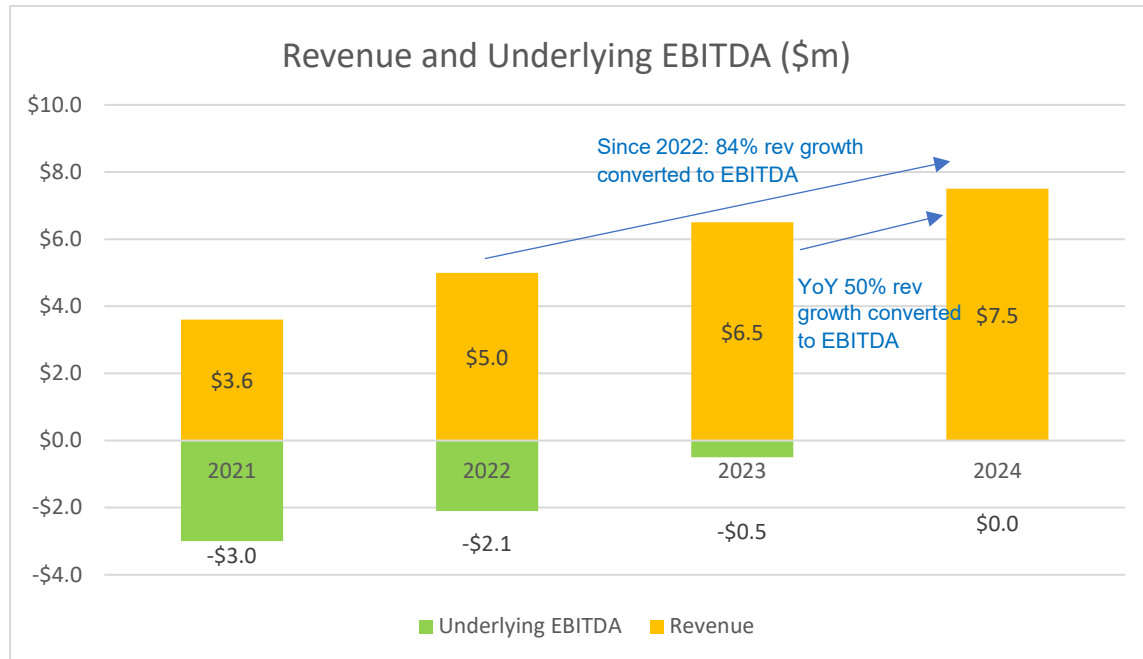
EP&T is starting to see the benefits of the sizable steps taken in 2022 and 2023 to transform the business. Revenue growth of 16% for the first six months compared to the PCP, together with a continued focus on cost control and working capital management, has enabled the

¹ ACV is defined as recurring annualised contracted revenue. It comprises both existing contracts that have been installed and are being invoiced to customers and new contracts currently under installation.

² ARR is defined as the recurring annualized contract revenue that has been installed and is currently being invoiced to customers.

³ Coda technology and assets acquisition as per the Company ASX release on 2 October 2024.

business to improve its EBITDA. Having attained operating cash flow breakeven, the focus is now to continue to improve EBITDA.



Given the improvements made in 2022 and 2023 to operational efficiency and reducing costs, whilst continuing to grow the revenue base, it has meant that between 31 December 2022 and 31 December 2024, EPX grew \$2.5m of additional revenue (six month period). As the chart above shows, approx. 84% or \$2.1m has converted to underlying EBITDA. By going directly to earnings the steps taken have improved the performance of the business.

STATUTORY REVENUE

Total Statutory Revenue for the six-month period to 31 December 2024 is \$7.5m, an increase of 16% from the prior corresponding period. This growth came from the Company's recurring, data-as-a-service revenue model, which again is over 90% of total revenue.

	Consolidated		
\$'000	Dec-24	Dec-23	Change
Recurring revenue	7,427	5,955	25%
Projects revenue	112	520	-78%
Total Revenue	7,539	6,475	16%
Recurring subscription revenue %	99%	92%	

Statutory recurring revenue for the six months increased by 25% to \$7.4m due to the continued installation of contracted projects. With recurring revenue continuing to represent over 90% of Total Statutory Revenue, this continues the trend in the business since 2022. During the last three years, recurring revenue has grown at a CAGR of 32%.



Project revenue was down 78% over the prior period. Project revenue is non-recurring but may arise from the existing customer base. It is predominantly installations for example of meters for customer needs not connected to the ongoing recurring data-as-a-service business. Project revenue will fluctuate year on year and is not an integral or marketed product offering.

STATUTORY EXPENSES & OTHER INCOME AND EXPENSES

Net Operating Expenses for the six-month period to 31 December 2024 increased 9% to \$7.8m during the period of Recurring Revenue increasing by 25%. The efficiencies implemented over the last 24 months to support on-going growth in recurring revenue, has been a key focus of the business.

Other key items to note are:

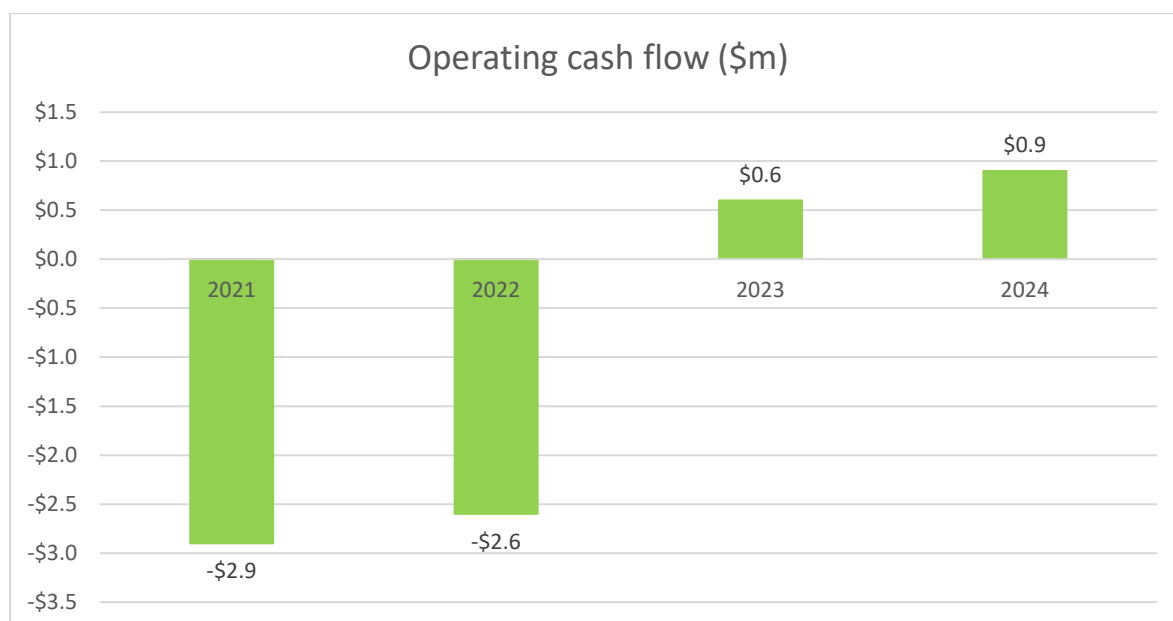
- Employee benefits expenses, EP&T's biggest cost, increased from \$4.9m to \$5.5m (12%) compared to the PCP. This is due to the following:
 - An STI for the executive team was paid during this six-month period, recognising the achievement of certain of their FY24 KPI's. It is the first time an STI has been paid since the 2022 restructure and business transformation started. This was \$0.3m of which \$0.1m is paid in cash and \$0.2m will be in shares to ensure ongoing alignment with the business.
 - Investment in adding a product team and a dedicated marketing function, as EPX looks to expand revenue, as well as additional support in sales and customer success added \$0.1m to staff costs.
- Other expenses have increased over the prior period, mainly due to costs related to:
 - the Coda acquisition \$0.1m:
 - participation in customer facing conferences and events \$0.1m: and
 - legal fees to prosecute a Dubai customer dispute \$0.1m currently in court, due to owing EP&T outstanding debtors amounts.
- Depreciation and amortisation increased by \$0.2m (or 17% PCP) due to the growth in revenue generating installed hardware on customer premises. This enabling infrastructure hardware is critical to deliver accurate and reconcilable energy usage

data. This provides a level of data accuracy, from which EP&T can then deliver significant savings for customers.

\$'000	Dec-24	Dec-23	Change
Raw Material and Consumables	(314)	(481)	-35%
Employee benefits and expenses	(5,465)	(4,872)	12%
Other Expenses	(2,374)	(1,794)	32%
Total Operating Expenses	(8,153)	(7,147)	14%
Other income cost recoveries	398	35	
Net Operating Expenses	(7,755)	(7,112)	9%
Finance Costs	(76)	(84)	-10%
Depreciation and amortisation	(1,398)	(1,192)	17%
Reversal impairment of assets	83	117	-29%
Total Expenses	(9,544)	(8,306)	15%
Total (net of other income cost recoveries)	(9,146)	(8,271)	11%

OPERATING CASH FLOW

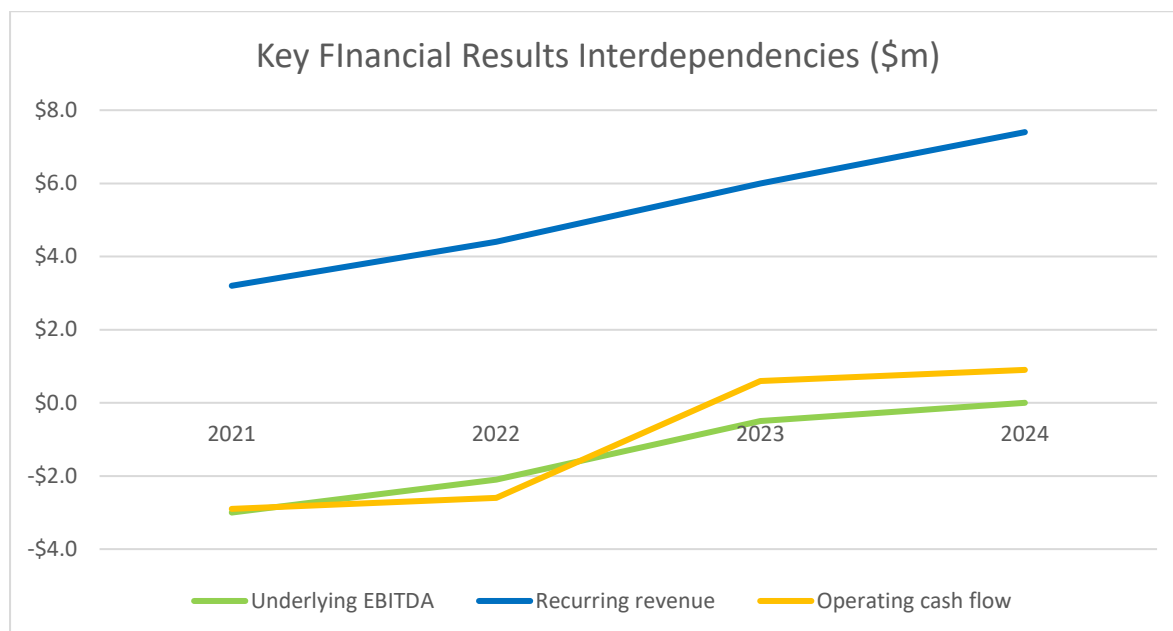
Operating cash flow for the six-month to 31 December 2024 continued to strengthen and improve in the reporting period. The inflow of \$0.9m is a 39% improvement over the prior corresponding period. It also reflects a \$3.5m turnaround from the operating cash burn in 2022, being \$1.0m higher than the \$2.5m increase in revenue growth over the same period.



The business remains focused on managing cash flows. Management processes better align cash outflows with cash inflows from customers, whilst continuing to also drive revenue growth opportunities.

The chart below highlights how the improved management of cash flows and revenue growth

practices at EP&T, translate into improved operating results.



CODA CLOUD ACQUISITION

As announced on 2 October 2024, EP&T purchased the Coda Cloud business assets and technology for \$0.2m, being approximately a 0.36x 2023 revenue multiple. On 23 December 2024, EP&T announced it had secured customer agreements with a projected ACV⁴ of over \$0.5m⁵. The announced ACV represents 2.5x the initial acquisition cost, and it is expected that the acquired technology and the new sales vertical it opens, will continue to deliver value enhancing growth.

EP&T Chief Financial Officer, Patrick Harsas said *“The result for the half year to 31 December 2024 continues to support the strategy EP&T implemented in changing the business model, to drive operational efficiencies whilst also investing in growth. I am very pleased that EP&T again achieved double digit recurring revenue growth whilst also delivering underlying EBITDA and operating cash flow improvements. The company has now significantly moved on from where it was just two years ago.”*

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

John Balassis
CEO & Director
investor@eptglobal.com

Patrick Harsas
CFO & Joint Company Secretary

⁴ Projected or prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately delivered. The projected information is based on the sites that had the Coda technology installed prior to EP&T acquiring the Coda technology and assets and is based on the sites operating as per the installed technology acquired as announced to the ASX on 2 October 2024.

⁵ All consideration converted from GBP to AUD at the rate of \$1.00 = £0.55

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



For personal use only