



NEWS RELEASE

PROCURRI RECORDS 10.5% REVENUE GAINS FOR FY2016, PROPELLED BY SOLID GROWTH IN LIFECYCLE SERVICES

- Excluding IPO expenses, EBITDA surged 11.6% to S\$15.1 million for FY2016 on the back of a stronger top-line and sustained margins
- Recent acquisition in the UK and joint venture in the US will bolster predictable recurring income from the Lifecycle Services segment in the future
- On track to achieve “Strategy Complete” through both organic growth and selective inorganic routes

Key Financial Highlights

| S\$'000 | FY2016 | FY2015 | Change |
|---|---------------|---------------|---------------|
| Revenue | 135,750 | 122,814 | +10.5% |
| Gross Profit | 46,037 | 41,622 | +10.6% |
| Gross Profit Margin | 33.9% | 33.9% | - |
| Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) | 12,959 | 13,571 | -4.5% |
| <i>EBITDA (before IPO expenses)</i> | <i>15,140</i> | <i>13,571</i> | <i>+11.6%</i> |
| Profit Before Tax | 7,797 | 9,997 | -22.0% |
| <i>Profit Before Tax (before IPO expenses)</i> | <i>9,978</i> | <i>9,997</i> | <i>-0.2%</i> |
| Net Profit | 5,322 | 8,772 | -39.3% |
| <i>Net Profit (before IPO expenses)</i> | <i>7,503</i> | <i>8,772</i> | <i>-14.5%</i> |

Singapore, 21 February 2017 – Procurri Corporation Limited (“**Procurri**” and together with its subsidiaries, the “**Group**”), a leading global independent provider of Data Centre Equipment¹ and Lifecycle Services², today announced its financial results for the full year ended 31 December 2016 (“**FY2016**”).

Notwithstanding the challenging market conditions posed by Brexit and a low-growth global economy, the Group managed to record a 10.5% year-on-year (“**yoy**”) rise in revenue, from S\$122.8 million for FY2015 to S\$135.8 million for FY2016. Similarly, there was a marked improvement in the Group’s gross profit, which climbed 10.6% from S\$41.6 million for FY2015 to S\$46.0 million for FY2016. As a result of stronger sales, the Group reaped S\$15.1 million in EBITDA (excluding IPO expenses) for FY2016, representing a 11.6% yoy growth.

¹ Data Centre Equipment refers to servers, storage, and other networking equipment

² Lifecycle Services refers to various information technology hardware, equipment, and software services rendered during the lifecycle of information technology hardware and equipment

This growth was fuelled by the Group's successful execution of its ongoing strategy to strengthen its Lifecycle Services segment, which yields more attractive margins and greater income resilience and visibility in the longer term. As the rapid expansion of this segment necessitates an increase in staff count and rental and other expenses, administrative expenses rose by 28.0% yoy to S\$27.4 million for FY2016.

Nonetheless, the Group's concentrated efforts to expand Lifecycle Services have culminated in the successful clinching of several strategic multi-year contracts across (i) the Americas, (ii) Europe, Middle East and Africa ("**EMEA**") and (iii) Asia-Pacific. This translated into a 26.6% yoy surge in the segment's revenue, from S\$23.3 million for FY2015 to S\$29.4 million for FY2016. In line with the increase in investment cost pumped into this segment for future growth, gross profit inched up 2.8% yoy to S\$14.6 million.

On the IT Distribution front, the Group made headway in growing its market share within the community of Value-Added Resellers and Original Equipment Manufacturers. This channel-centric focus contributed to the segment's 14.7% yoy gain in gross profit to S\$31.5 million for FY2016, on the back of a 6.8% growth in revenue to S\$106.3 million.

Commenting on the Group's FY2016 performance, **Mr Sean Murphy, Procurri's Global Chief Executive Officer**, said, "We have made significant progress towards our prioritised goals set out for 2016. Our listing on the SGX-ST Mainboard in July 2016 serves as the springboard from which we catapulted our brand into a wider market with larger and more established partners and customers. With this strong foundation in place, we are executing our roadmap to ramp up our Lifecycle Services so that it will eventually contribute to at least half of our top-line – our "Strategy Complete". The rationale behind our plan is to achieve strengthened margins and recurring income streams to support sustainable and predictable future growth."

Following this blueprint, the Group has taken significant steps towards its goal. In addition to the acquisition of EAF Supply Chain Holdings Limited in the UK in November 2016, the Group has recently forged a joint venture with Congruity LLC to establish Rockland Congruity LLC. In line with the principle behind "Strategy Complete", this synergistic alliance will expand the Group's independent maintenance and IT support service offerings in the Americas.

Mr Sean Murphy concluded, "Although acquisitions are a major driver for our growth plans, we are extremely selective about our targets. Ideally, our targets should already be plugged into our established IT ecosystem as one of our strategic partners, with an acquisition being a logical next step to improve our margins and enlarge our market share. As we enter 2017, we are well-positioned to seek more sources of inorganic growth, while leveraging on our economies of scale and cross-selling opportunities to grow organically.

To reward our loyal shareholders, we are proposing a one-tier tax exempt final dividend of 0.475 Singapore cent per ordinary share, to be approved at our upcoming Annual General Meeting in April 2017."



This press release should be read in conjunction with Procurri Corporation Limited's Unaudited Fourth Quarter and Full Year 2016 Financial Statements Announcement for the Period and Year Ended 31 December 2016 available at www.sgx.com.

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About Procurri

Procurri is one of the leading global independent providers of Data Centre Equipment and Lifecycle Services. By offering a converged network that combines the technology, finance and logistics domains, Procurri aims to be a global aggregator of enterprise hardware and services to its channels.

Since its incorporation in 2013, Procurri has grown rapidly through the years and now operates offices across three regional hubs – Asia Pacific, Americas and EMEA – with its global headquarters located in Singapore. Through its direct presence and global network of partners, Procurri's business covers over 100 countries worldwide, providing a single touchpoint for its customers' Data Centre Equipment and Lifecycle Services needs.

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DBS Bank Ltd. was the issue manager and underwriter (the "Issue Manager and Underwriter") for the initial public offering of shares in, and listing of, Procurri Corporation Limited on the Main Board of the Singapore Exchange Securities Trading Limited. The Issue Manager and Underwriter assumes no responsibility for the contents of this news release.