



PROCURRI CORPORATION LIMITED
(Company Registration Number: 201306969W)

For Immediate Release

Procurri Unveils FY2023 Performance Fuelled by Cost Rationalisation, Eyes IT Asset Disposition (“ITAD”) Trends

- Navigating a challenging fiscal landscape, Procurri saw revenue decline 21.1% YoY
- Remains committed to transitioning towards a services-oriented business model, with Lifecycle Services Revenue increasing 26.9% YoY
- Achieved a 2.7-percentage-point YoY improvement in Third Party Maintenance gross profit margins through cost rationalisation
- To continue cost rationalisation efforts and expand digital and lifecycle service offerings to capitalise on ITAD industry trends

SINGAPORE, 29 February 2024 – Procurri Corporation Limited (SGX: BVQ) (“Procurri” or the “Company”, and together with its subsidiaries, the “Group”), one of the leading global providers of sustainable IT solutions, today announced its financial results for the full year ended 31 December 2023 (“FY2023”).

Financial Performance

Table 1: Financial Highlights

S\$ million	2H2023	2H2022	Y-o-Y Change	FY2023	FY2022	Y-o-Y Change
Revenue	97.2	128.9	(24.6%)	197.2	250.0	(21.1%)
Gross Profit	16.8	31.3	(46.5%)	41.9	65.2	(35.8%)
Gross Profit Margin (%)	17.3%	24.3%		21.2%	26.1%	
Operating expenses (Selling and Administrative expenses)	24.3	30.8	(21.2%)	53.0	63.9	(17.0%)
EBITDA	(4.1)	1.5	N.M.	(6.0)	5.5	N.M.
(Loss)/Profit Before Tax	(6.4)	(1.4)	370.5%	(10.7)	0.2	N.M.



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S\$ million	2H2023	2H2022	Y-o-Y Change	FY2023	FY2022	Y-o-Y Change
Exceptional items						
- Income from settlements	2.5	-		2.5	-	
- Investment in additional resources in new business	(1.4)	-		(3.5)	-	
- Exchange (loss)/gain	(0.6)	(0.9)		(0.3)	0.1	
- Goodwill impairment	-	(0.3)		-	(0.3)	
- Cost optimisation exercise	-	(0.7)		-	(0.7)	
Total exceptional items	0.5	(1.8)	(126.5%)	(1.3)	(0.8)	63.5%
Normalised operating expenses**	(22.9)	(30.2)	(24.1%)	(49.5)	(63.2)	(21.7%)
Normalised EBITDA**	(4.6)	3.3	N.M.	(4.7)	6.3	N.M.
Normalised (Loss)/profit before tax**	(6.9)	0.5	N.M.	(9.4)	1.0	N.M.

* Figures may differ as they are rounded up to 1 decimal point.

**Excludes non-recurring items.

In FY2023, the Group reported a revenue of S\$197.2 million, reflecting a 21.1% year-on-year (“y-o-y”) drop compared to the year ended 31 December 2022 (“FY2022”). The Group's gross profit declined 35.8% y-o-y to S\$41.9 million in FY2023. This decline was primarily driven by the challenging market conditions post-pandemic and the strategic decision to sell inventories at lower margins to address supply chain accumulation and market demand concerns.

Despite these challenges, the Group successfully executed a cost rationalisation exercise in the second half of 2022 (“2H2022”). Additionally, lower commissions were paid due to the decreased gross profit y-o-y, contributing to 21.7% y-o-y reduction on the normalised operating expenses, from S\$63.2 million in FY2022 to S\$49.5 million in FY2023. This was achieved through prudent cost management strategies and operational efficiencies.

To address the challenging industry conditions in the hardware trading market, which is heavily dependent on supply and demand fluctuations, the Group pivoted to allocate additional resources to new businesses. In FY2023, the Group invested S\$3.5 million to expand processing facilities within the Lifecycle Services business segment, aimed at enhancing its Lifecycle Services offerings and focused on growing digital sales channels by investing in its e-commerce business, reflecting its commitment to diversify revenue streams and seize emerging market opportunities.



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As a result, the Group's normalised EBITDA, excluding exceptional items, recorded a loss of S\$4.7 million in FY2023, compared to a profit of S\$6.3 million in FY2022.

Table 2: Segmental Breakdown

S\$'000	2H2023	2H2022	Y-o-Y Change	FY2023	FY2022	Y-o-Y Change
Revenue						
Hardware	60,863	93,248	(34.7%)	127,467	180,377	(29.3%)
Lifecycle Services	15,553	11,898	30.7%	26,214	20,652	26.9%
Third-Party Maintenance	20,815	23,803	(12.6%)	43,511	49,011	(11.2%)
Gross Profits						
Hardware	3,230	20,773	(84.5%)	15,427	42,302	(63.5%)
Lifecycle Services	6,442	3,143	105.0%	10,453	6,184	69.0%
Third-Party Maintenance	7,111	7,428	(4.3%)	16,018	16,743	(4.3%)
Gross Profit Margins						
Hardware	5.3%	22.3%	(17.0ppt)	12.1	23.5	(11.3ppt)
Lifecycle Services	41.4%	26.4%	15.0ppt	39.9	29.9	9.9ppt
Third-Party Maintenance	34.2%	31.2%	3.0ppt	36.8	34.2	2.7ppt

The Lifecycle Services segment demonstrated strong performance, with a 26.9% y-o-y increase in revenue, rising from S\$20.7 million in FY2022 to S\$26.2 million in FY2023. Concurrently, gross profit grew from S\$6.2 million to S\$10.5 million, an encouraging 69.0% y-o-y growth. These gains reflect the Group's strategic focus on expanding its service offerings despite revenue declines and market volatility. Throughout this period, the Group exhibited resilience, navigating the dynamic business landscape through strategic initiatives.

The Third-Party Maintenance (TPM) segment demonstrated stronger gross profit margins, with a 2.7 percentage-point improvement as compared to FY2022. Despite an 11.2% y-o-y decrease in TPM segment revenue, gross profit decreased marginally by 4.3%. This improvement is primarily attributed to cost rationalisation activities in 2H2022, upscaling customers and discontinuation of loss-making contracts.



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Business Outlook

The current size of the ITAD Market is valued at USD 15.6 billion in 2023¹ and is expected to grow significantly from 2022 to 2030 at a compounded annual growth rate (CAGR) of 7.6%, hitting a market value of USD 28.6 billion by 2030².

The Group's strategic focus on Asia, the fastest-growing ITAD market³, puts it in an advantageous position to capitalise on changing consumption patterns towards more sustainable IT practices.

The adoption of new technology, product innovation, strict regulations, and increasing environmental consciousness will create growth opportunities for IT asset disposition providers like Procurri. However, incumbents who fail to recognise technological advancements, such as the increasing adoption of cloud technologies, will risk becoming obsolete. The Group offers several wrap-around services that help organisations transition to the cloud.

The Group is also well-positioned to assist businesses looking to navigate the challenges of a changing climate through its sustainable IT solution that helps to reduce global carbon footprint. As a recognised carbon-neutral business, the Group provides its customers with high-quality solutions for IT Lifecycle Services and Third-Party Maintenance services that are all processed within a zero-carbon emissions facility.

The Group is committed to its cost rationalisation strategy and will remain operationally adaptable to ensure its financial resilience against market fluctuations. To capitalise on emerging trends in the ITAD industry, it will continue to optimise its digital sales platforms and expand its lifecycle service offerings by enhancing professional services and modern workplace solutions.

¹ [IT Asset Disposition \(ITAD\) Market Size Projected to Reach USD 32,355.70 Million, Projecting 8.5% CAGR by 2032: Polaris Market Research](#)

² [Global IT Asset Disposition Market 2023 – 2032](#)

³ [IT Asset Disposition Market Size & Share Analysis - Growth Trends & Forecasts \(2024 - 2029\)](#)



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Commenting on the Group's FY2023 results, Mr Mat Jordan, Chief Executive Officer of Procurri, said, ***“While FY2023 has been a challenging year, we remain confident in our service offerings. We will continue to work closely with our clients to extend the natural lifespan of their IT hardware, and we believe this approach will continue to benefit from the shift towards a greener and more sustainable planet.”***

##END##

Procurri is one of the leading global independent providers of Third-Party Maintenance Services, IT Asset Disposition (“ITAD”) & Data Centre Services, and Hardware Distribution & Resale, aiming to be a global aggregator of enterprise services and hardware to its customers by offering a channel that combines the technology, finance, and logistics domains.

Incorporated in 2013, Procurri has grown through the years and now has offices across three regional hubs – (i) Asia Pacific, (ii) the Americas, and (iii) Europe (including the United Kingdom), the Middle East, and Africa – 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' Lifecycle Services and Data Centre Equipment needs.

For more information, please visit: <https://www.procurri.com/>

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