



## NEWS RELEASE

### DECLOUT REPORTS STRONG EARNINGS, NET PROFIT UP 75% FOR FY2014

- Stellar performance from combination of M&A activities and strong organic growth, laying strong foundations for the 4 business groups moving forward
- Revenue, EBITDA and gross profit doubled to \$157.0 million, \$11.2 million and \$41.6 million respectively
- NPBT increased nearly four-fold to \$3.8 million; NPAT up 75% to \$3.4 million
- VDC segment turned around and achieved profitability, with 564% increase in revenue and 16% contribution to Group's total revenue

**Singapore, 26 February 2015** – SGX-Catalist listed DeClout Limited ("DeClout" or the "Company" or, together with its subsidiaries, the "Group"), a provider of next generation technology services offering a full suite of information and communications technology solutions, has announced its unaudited financial results for the financial year ended 31 December 2014 ("FY2014").

#### Group Financial Highlights

	<b>FY2014 (\$'000)</b>	<b>FY2013 (\$'000)</b>	<b>Change</b>
<b>Revenue</b>	157,009	72,895	115%
<b>Gross Profit</b>	41,566	18,923	120%
<b>Gross Profit Margin</b>	26%	26%	-
<b>EBITDA</b>	11,170	5,409	107%
<b>Profit Before Tax</b>	3,773	800	372%
<b>Profit After Tax</b>	3,357	1,918	75%
<b>Basic Earnings Per Share (Sing Cents)</b>	0.52	0.82	(37%)
<b>Net Asset Value Per Share (Sing Cents)</b>	14.01	11.83	18%

The Group delivered a strong performance in FY2014, doubling its revenue to \$157.0 million (\$72.9 million in FY2013), gross profit to \$41.6 million (\$18.9 million in FY2013) and EBITDA to \$11.2 million (\$5.4 million in FY2013). The stellar performance is a result of the execution of 7 mergers and acquisitions ("M&A") across its 4 business groups (Procurri, Acclivis, Beaçon and Corous360) and a combination of organic high growth in the IT Infrastructure Services segment.

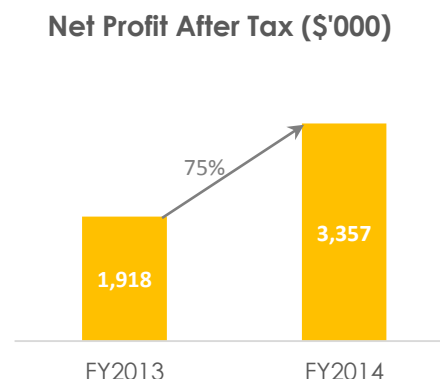
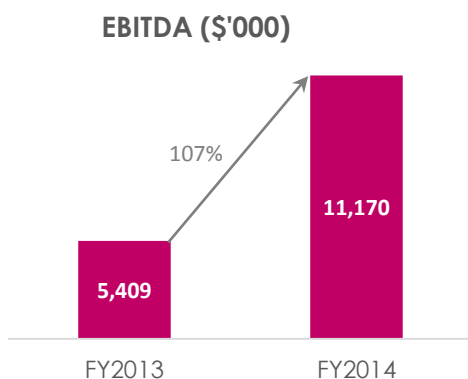
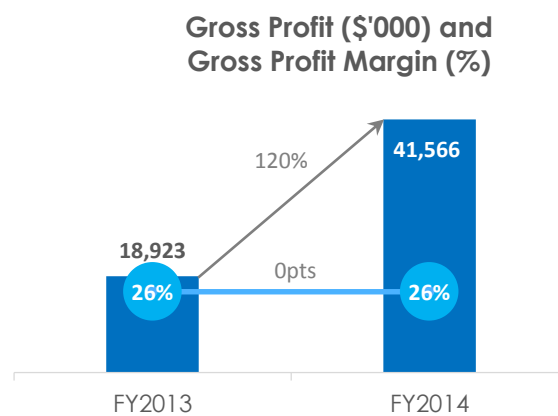
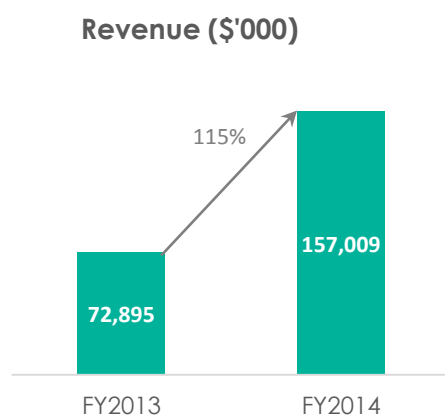


Profit before tax jumped 3.7 times from \$0.8 million in FY2013 to \$3.8 million in FY2014. Net profit after tax increased by 75% to \$3.4 million from \$1.9 million in the previous year.

With the increase in minority interest in the Procurri group after its restructuring exercise in early 2014, net profit attributable to non-controlling interests was \$1.7 million in FY2014 compared to a loss of \$22,000 in FY2013, and profit attributable to shareholders of the Company declined by 15% from \$1.9 million in FY2013 to \$1.6 million in FY2014. Coupled with the issuance of shares for the Group's M&A activities, basic earnings per share (EPS) fell 37%. However, net asset value (NAV) per share increased 18% largely contributed by the various M&A activities.

Notwithstanding the focus on aggressive growth in revenue and market share, the Group continues to register a gross profit margin above 25% for the last 3 years, demonstrating the strength and sustainability of its core businesses.

Mr Vesmond Wong, Chairman and Group CEO of DeClout, said: "We are very pleased with the results - doubling our revenue, gross margin and EBITDA, crossing the \$100 million mark in the top line and achieving significant profitable growth in the 2H2014, turning around the loss in 1H2014. Our commendable results come on the back of our successful M&A executions, and the rapid expansion of the Group's operations establishing into four substantial business groups, each with a clear business focus. I am proud to report that we have made significant progress on our globalisation plan and also delivered on what we promised to our shareholders."

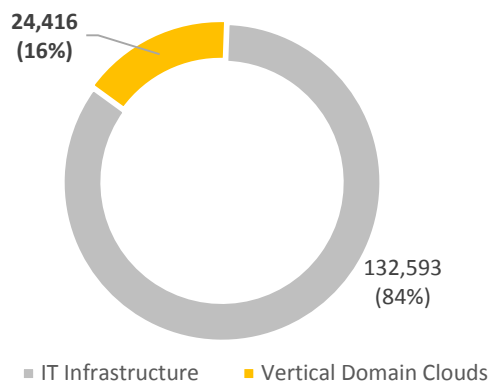




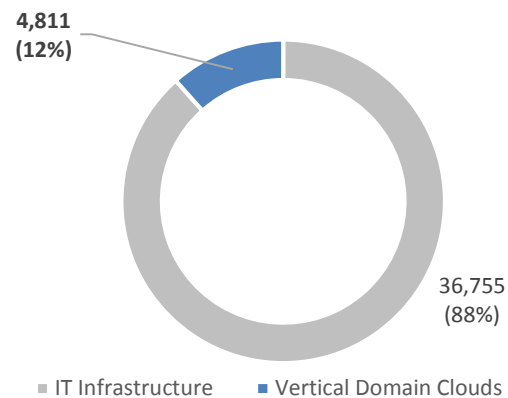
## Segmental Review

Both the IT Infrastructure Services (IT Infra) and Vertical Domain Clouds (VDC) segments recorded stellar performance in addition to their growth momentum from previous year.

Contribution by Segment to Group Revenue (\$'000)



Contribution by Segment to Group Gross Profit (\$'000)

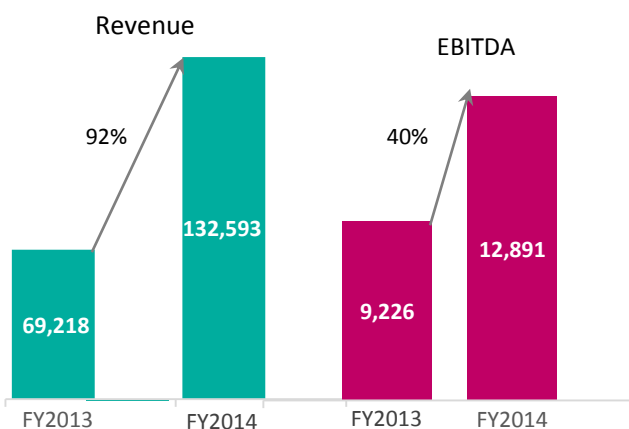


## IT Infra Segment

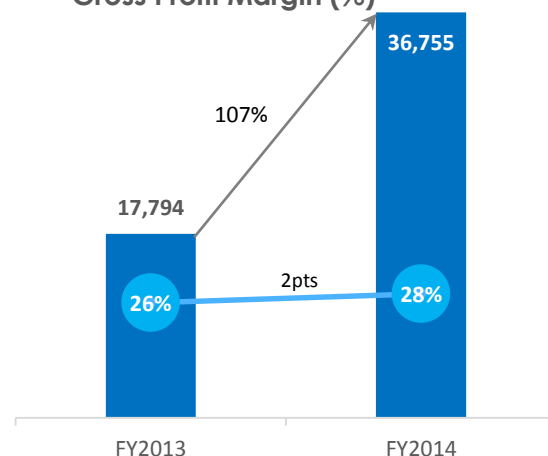
Revenue for the **IT Infra Segment** grew 92% to \$132.6 million in FY2014 from \$69.2 million in FY2013, contributing to 84% of the Group's total revenue. The increase was mainly attributed to the US and UK operations of Procurri, the Group's IT Asset Recovery and Independent Maintenance Services arm.

EBITDA increased by 40% to \$12.9 million, compared to \$9.2 million in FY2013. Gross profit surged by 107% from \$17.8 million to \$36.8 million and gross profit margin rose by 2 percentage points to 28%.

IT Infrastructure Services Revenue and EBITDA (\$'000)



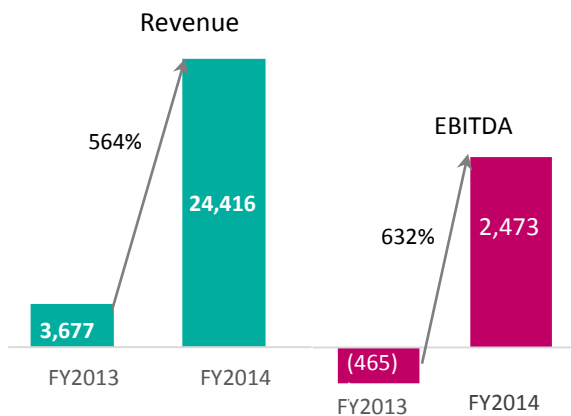
IT Infrastructure Services Gross Profit (\$'000) and Gross Profit Margin (%)



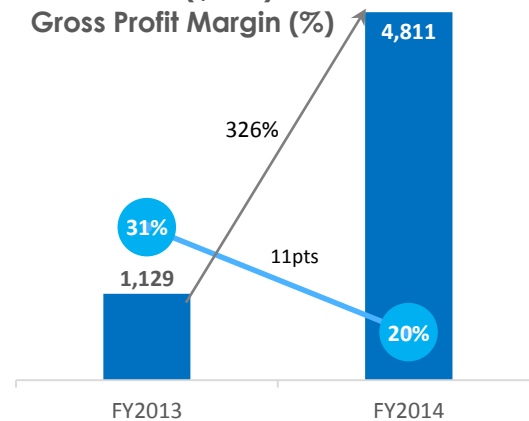


The **VDC segment** pulled in 16% of the Group's revenue and had a significant turnaround to profitability. Total revenue grew more than five-fold to \$24.4 million from \$3.7 million in FY2013, mainly from the new games distribution business of Corous360 in Singapore, with gross profit jumping more than three-fold to \$4.8 million. Although margins fell by 11 percentage points due to lower gross profit margins from the new revenue streams, EBITDA increased significantly to \$2.5 million.

**Vertical Domain Clouds  
Revenue and EBITDA (\$'000)**



**Vertical Domain Clouds  
Gross Profit (\$'000) and  
Gross Profit Margin (%)**



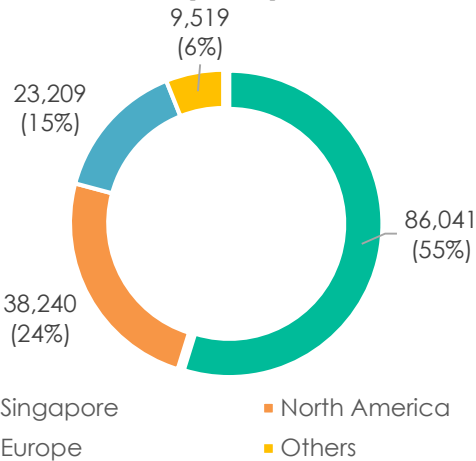
## Geographical Review

Our success in executing the Group's globalisation plan is seen in the shift in our Group's revenue generation from 76% locally in FY2013 to 55% locally in FY2014. Singapore, the home economy, still remains the Group's largest revenue contributor of \$86.0 million, comprising 55% of the Group's total revenue in FY2014.

Overseas revenue increased substantially by 303% from \$17.6 million to \$71.0 million in line with the Group's global expansion plans. Strong growth from North America and Europe operations has kicked in, with each market accounting for 24% and 15% of overall revenue respectively. Revenue from the rest of the Asia Pacific countries (excluding Singapore) also grew steadily to \$9.5 million, or 6% of FY2014's revenue.

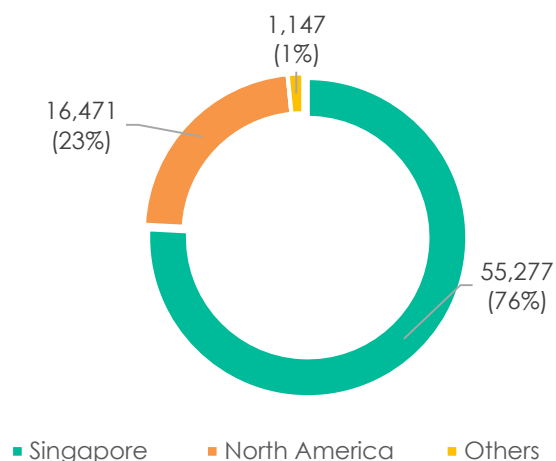


**Revenue by Country in FY2014**  
(\$'000)



\*"Others" refer to the rest of Asia Pacific countries

**Revenue by Country in FY2013**  
(\$'000)



## Outlook

On the back of the M&A activities undertaken in 2014 to drive the Group's globalisation strategy, the Group has bolstered the presence and operations of its four business units into substantial business groups.

Moving forward, while the Group will continue its growth strategy through strategic partnerships and M&As to expand its existing operations, it will also focus on the integration of its newly acquired businesses with existing operations to achieve greater synergy and operational efficiencies in order to generate higher returns to shareholders. The Group also expects to reap greater economies of scale and lower its overall operating costs from coordinated global purchasing and labour leverage.

Mr Wong concluded: "2014 is a year where we built a strong foundation for each of the Group's four business units to be more substantial companies. The Group has achieved good use of the funds raised from its previous rights issue for its expansion plans. I am hopeful that, barring unforeseen circumstances, we expect to reward shareholders through a potential monetisation of at least one business unit in the next 12-18 months."

- Ends -



## **About DeClout**

Led by a dynamic team of IT veterans, DeClout ([www.declout.com](http://www.declout.com)) aims to be the leader in next generation technology driven services in Asia, delivering innovative and cost-effective solutions that will make us the partner of choice for leading companies across the region.

Listed on the Catalist Board of the Singapore Exchange in 2012, the Group operates two core business segments - IT Infrastructure Services and Vertical Domain Clouds (VDCs) - out of Singapore, Malaysia, Indonesia, Thailand, Myanmar, Cambodia, the Philippines, United States, United Kingdom and the PRC.

The IT Infrastructure Services segment comprises businesses in data centre hardware and maintenance, cloud computing and systems integration as well as telco and network solutions.

Drawing on the expertise and synergies gained from our array of complementary IT Infrastructure Services, the Group is capitalising on exciting opportunities through our VDCs - vibrant, self-contained and scalable ecosystems or communities - starting with the online games and e-commerce industries. Our vision is to create diverse VDCs that serve the needs and aspirations of different businesses and user communities.

With comprehensive strengths across a range of IT products and solutions that are deployed across Asia Pacific, US and Europe, the company is committed to creating long-term value and growth potential for its customers.

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