PROCURRI



PROCURRI CORPORATION LIMITED

ANNUAL GENERAL MEETING

17 JUNE 2020

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Please refer to Procurri Corporation Limited's Financial Results for the Fourth Quarter Ended 31 December 2019 available at www.sgx.com.

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AGENDA

01



Business Overview

02



Financial Highlights

03



Corporate & Business Updates

04



Group Outlook & Strategies

Link to corporate video:
https://www.youtube.com/watch?v=WctkH5zfRCY

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BUSINESS OVERVIEW

PROCURRI

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OUR STORY

Headquartered in Singapore, Procurri is a leading global independent provider of Lifecycle Services and Data centre Equipment that was listed on SGX-ST Mainboard on 20 July 2016

Vision

To unlock opportunities in the IT industry by **changing the way the world buys technology through a shared platform**

Mission

To be the **global aggregator** of IT services and enterprise hardware to our channels, offering a **converged network** that combines **technology**, **finance** and **logistics domains**



First player in a highly fragmented market to be **publicly listed**

Coverage in more than **100 countries**

Over **400 employees**

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STRATEGIC ADVANTAGE









- **Established IT hardware resale service to** support the global IT supply chain with affordable and quality data centre equipment ranging from Cisco networking, HPE enterprise servers to IBM storage during this trying times as businesses across the globe grapple with the new normal.
- **Strengthened delivery capabilities in Rockland Congruity LLC** to boost our in-house third-party maintenance capacities and increase our competitiveness in the third-party maintenance industry worldwide.
- **Clinched a broad, promising, and deep partnership with Ingram Micro to** further fortify our ITAD capabilities and extend our reach in the global ITAD market.



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STRATEGIC GOALS

- **Develop, crystalise, and enhance the Group's three intertwined businesses - IT hardware resale, third-party maintenance, and IT asset disposition –** to become the first robust and structured global platform to deliver end-to-end solutions as corporations worldwide pivot to the cloud.



- **Acquiring customers at the lowest acquisition cost through hardware resale** and moving up the value chain with more valuable business solutions through our complete solution package.



- **Leveraging inherent advantage** – the Group's world-class services – for precise operations





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INDUSTRY OVERVIEW

Situation

Amid a confluence of factors from the Covid-19 pandemic and the 5G push to big data, there is an acceleration towards cloud computing worldwide.

Pain Point

With the Covid-19 pandemic and countries around the world at various stages of lockdowns, the global IT supply chain has been thrown into disarray. Channel partners find it increasingly harder to source for customized IT solutions and services during the work-from-home period.

More Demand Drivers

- High growth in cloud services fuels demand for equipment and services during the transition period
- Stepped up cloud adoption will propel demand for asset disposal, maintenance works and newer equipment

Solution

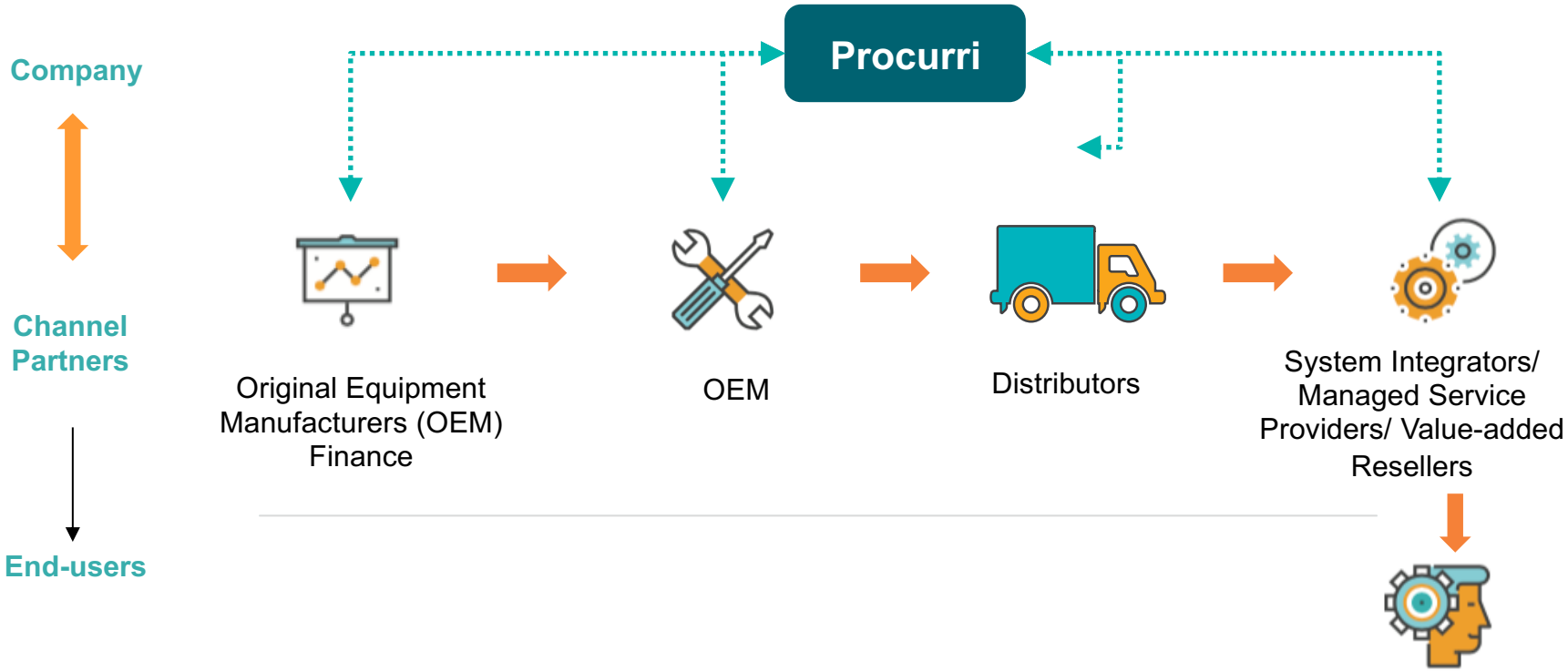
As an independent provider of IT equipment and solutions, Procurri capitalises on the growing demand by:

- ✓ Acting as a **market maker** for **middle lifecycle** equipment
- ✓ Extending **multi-brand** offerings for **previous generation** equipment and services
- ✓ Offering **customised** solutions and services for unique channel demands
- ✓ Offering **integrated** IT solutions and services at a cost-friendly package
- ✓ Pivoting as a **trusted partner** in an otherwise unregulated market
- ✓ Leveraging on a **global** distribution and services network



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OUR ECOSYSTEM



Channel Partners

We are both a **supplier and customer** for channel partners – we purchase partners' IT equipment, remarket them, and offer a range of services

Channel Focus

We are the only global player who is channel-dedicated.

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OUR BUSINESS STRUCTURE

IT Distribution

- Hardware Resale
- Supply Chain Management

Lifecycle Services

- IT Maintenance Services
- Hardware-As-A-Service
- IT Asset Disposition and Data Centre Services



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OUR CHANNEL PARTNERS

Procurri's partnership network spans across all levels of the IT supply chain to include **OEMs, resellers, managed serviced providers, and global outsourcers** among others



IBM Silver Business Partner

(Procurri Singapore Pte. Ltd. & Procurri Europe Limited)



Blancco ITAD Partner – Gold Level

(Asia-Pacific Region)



Oracle PartnerNetwork – Gold Level Partner

(Procurri Singapore Pte. Ltd.)



NetApp Silver Partner

(Procurri Europe Limited)



HPE Replacement Parts Business Partner

(the United Kingdom & United States)



Lenovo Data Center Partner – Gold Level

(Procurri Singapore Pte. Ltd.)



Juniper Certified Pre-owned Business Partner

(United States)



Certified Pre-owned Business Partner

(United States)

300

Over 300 customers across all levels of the IT supply chain

50%

Approx. 50% of CRN500 resellers are Procurri' customers

Diversified

No individual customer accounts for more than 5% of revenue or gross profit

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HARDWARE RESALE

The entire value chain of procuring and remarketing IT hardware and equipment

1 PURCHASE



Pre-owned and new resale equipment

From surplus after upgrading work, end-of-lease equipment, large firms' three-year-cycle, unused factory sealed equipment

2 ASSESSMENT



Quality and value check

Equipment are either:

- Remarketed
- Harvested for usable parts to support maintenance
- Sent to third party for recycling

3 VERIFICATION



Recovery, refurbishment, data deletion

4 STORE & STAGE



Tag, inventorise & pack

5 REMARKET



Global reselling opportunities

Extensive reach across 100+ touchpoints globally, ensuring quick delivery within 7 days*

Customers can **sell** or **consign** their hardware through Procurri's **asset trade-in** and **buy-back programme**

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HARDWARE PRODUCT LINE

	DELL	HP	IBM	Oracle Sun	CISCO	NetApp	EMC
Servers	• PowerEdge rack, Blade, Tower	• ProDLliant ML//SL • Blade BL	• WintelxSeries (Lenovo) • Power iSeries & pSeries	• Sunfire/ Sunray • Sparc/ Ultra • Enterprise • Netra/ T series • Blades • M series	• B series • C series		
Storage	• PowerVault • MD Series (DAS, NAS, SAS) • Equallogic • Compellent	• StorageWorks • MSA range • EVA range	• FAStT range • DS range	• StorEdge • STK series		• DMSK series • FAST series • V-series	• CX – Clariion • FC series • VNX • Celerra
NAS	• PowerVault NX Series	• 1000 series • 1500 series • 2000 series B & DL	• 519x • N series appliance				
TAPE	• All Single drives • PowerVault ML & TL ranges	• All single drives • StorageWorks • MSL, EML, ESL	• All single drives • 3xxx range • 4xxx range • TS series libraries	• All single drives • L series • SL series • StorEdge range			
Networking equipment	• Dell PowerConnect	• ProCurve • FC Switches • HP/Brocade • MDS/Cisco	• 17xx series • 2xxx series • 3xxx series • 5xxx series • 8xxx series		• Switching products • Routing products • Security products • Wireless products		

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INDEPENDENT MAINTENANCE SERVICES

Multi-brand maintenance provision for new, out-of-warranty, and end-of-life IT equipment

- ✓ **One Touch Point**
  A single point of contact for customers' set of multi-brand hardware equipment, removing the need to sign maintenance contracts with different OEMs for each component
- ✓ **Customisable SLAs**
  Solutions with simple price plan tailored to customers' specific requirements
- ✓ **Increase Cost Savings**
  Perfect for end-of-life/EOSL hardware with savings up to 65% vs OEM



Leverages on **parts** from the Group's Hardware Resale and ITAD unit



Our operations, methodologies and processes are governed by industry standards, exemplified by our **ISO 9001 Quality Management*** certification



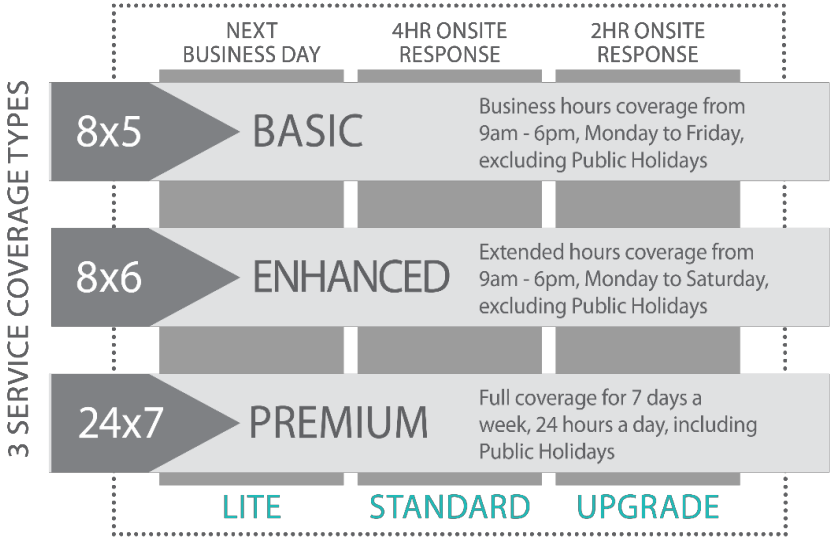
Certified team of engineers trained to maintain a wide range of **multi-bran**d equipment



24x7 global helpdesk

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MAINTENANCE SERVICE LINES



A **Parts-only Support**
Parts replacement for usage based on the given equipment model

B **Labour-only Support**
Onsite FE support based on the given equipment model

C **Full Support**
End-to-end FE and parts replacement support based on the given equipment model

AMERICAS

- Canada
- Costa Rica
- **Mexico** *(Country Office)*
- Puerto Rico
- **United States** *(Country Office)*

MIDDLE EAST

- Saudi Arabia
- United Arab Emirates

EUROPE

- Austria
- Belgium
- Croatia
- Czech Republic
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Netherlands
- Norway
- Poland
- Portugal
- Spain
- Sweden
- Switzerland
- Turkey
- **United Kingdom** *(Country Office)*

ASIA-PACIFIC

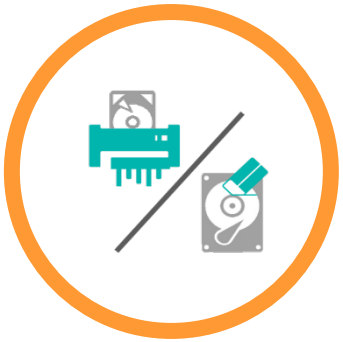
- Australia
- Bangladesh
- Brunei
- **China** *(Country Office)*
- Hong Kong
- **India** *(Country Office)*
- Indonesia
- Japan
- *Office)*
- **Malaysia** *(Country Office)*
- Myanmar
- New Zealand
- Philippines
- **Singapore** *(Global HQ)*
- South Korea
- Sri Lanka
- Taiwan
- Thailand
- Vietnam

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ITAD AND DATA CENTRE SERVICES

When an equipment is sent to the ITAD unit, it will be stringently assessed for value and quality, with the next course of action either/including:

- ✓ **Data Destruction**
  Execute and certify deletion of critical enterprise data
- ✓ **Value Recovery**
  Refurbish IT equipment to extract greater recovery value and prolong lifespan
- ✓ **Remarketing**
  Refurbish IT equipment or components through Procurri's hardware resale unit, or harvest components to support its maintenance services
- ✓ **Recycling**
  Assist customers on recycling options following certified deletion



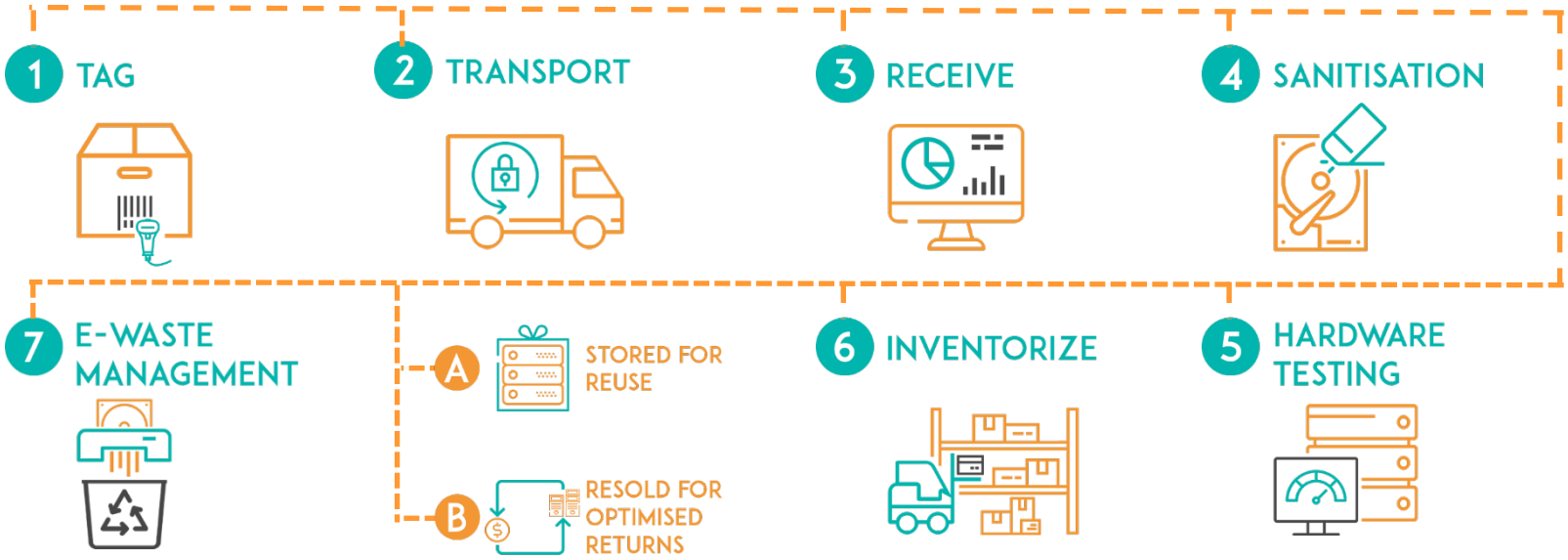
We offer thorough and secure **data disposal and data sanitisation services** (US DoD 5220.22-M (3 and 7 pass)), and provide reports upon completion



Our high quality and environmental standards are affirmed by international organisations, such as the **ISO 14001 Environment Management System*** certification

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ITAD AND DATA CENTRE SERVICES



Certified, approved & recommended by **18 governing bodies** globally

100% tamper-proof audit trail

100% compliant with regulatory standards

Secure erasure for **enterprise storage equipment** and consumer devices like PCs, laptops, phones & tablets

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SYNERGISTIC BUSINESS UNITS

Procurri's comprehensive range of IT equipment and services reap synergies across the subsegments, with the units feeding and plugging components and expertise from and onto each other

PURCHASE/RECEIVE



IT Hardware and equipment

LIFECYCLE SERVICES



Maintained or harvested for parts



Safely processed and disposed through Procurri's ITAD services

RESELL/RETURN



Refurbished IT hardware and equipment



Harvested parts for future refurbishment works

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GLOBAL REACH



Global Coverage of

>100

Countries;

6

Regional Hubs in Singapore, U.S, and U.K.

21

regional offices across Americas, APAC & EMEA

TECHNICAL EXPERTISE

GLOBAL DISTRIBUTION

SUPPLY NETWORK

*includes our partners' warehouses, which are stocked with our parts & equipment to serve our maintenance customers globally

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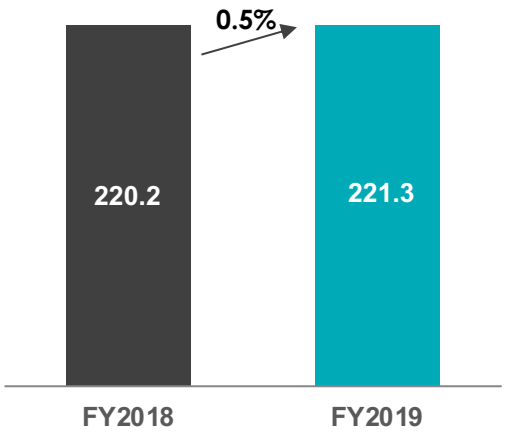
FINANCIAL HIGHLIGHTS

PROCURRI

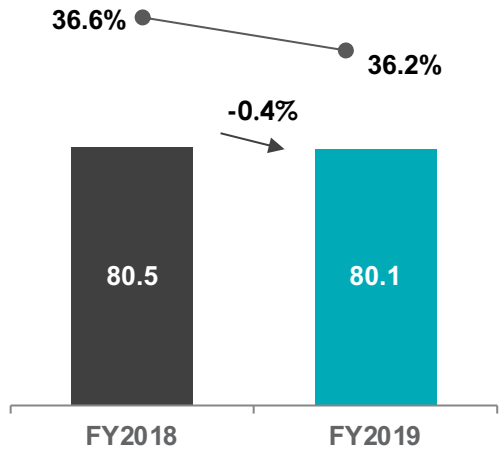
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FY2019 FINANCIAL SNAPSHOT

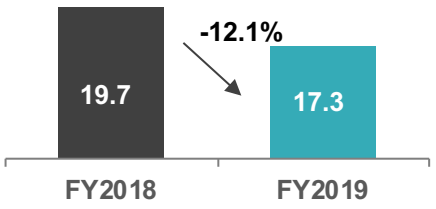
REVENUE (S$M)



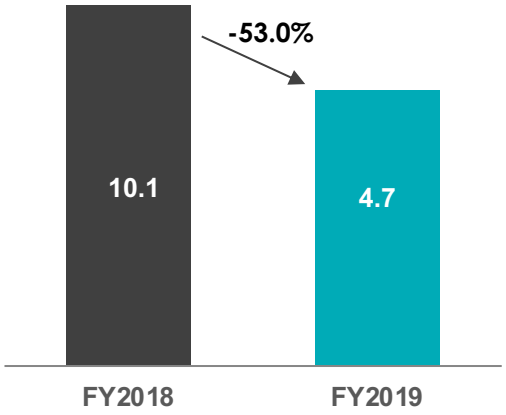
GROSS PROFIT (S$M) & GROSS PROFIT MARGIN (%)



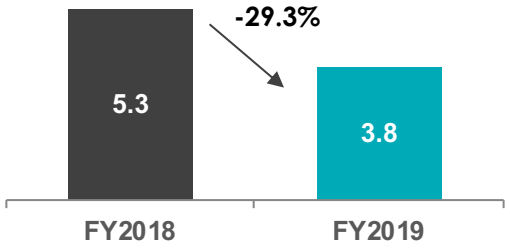
EBITDA (S$M)



PROFIT BEFORE TAX (S$M)



NET PROFIT (S$M)

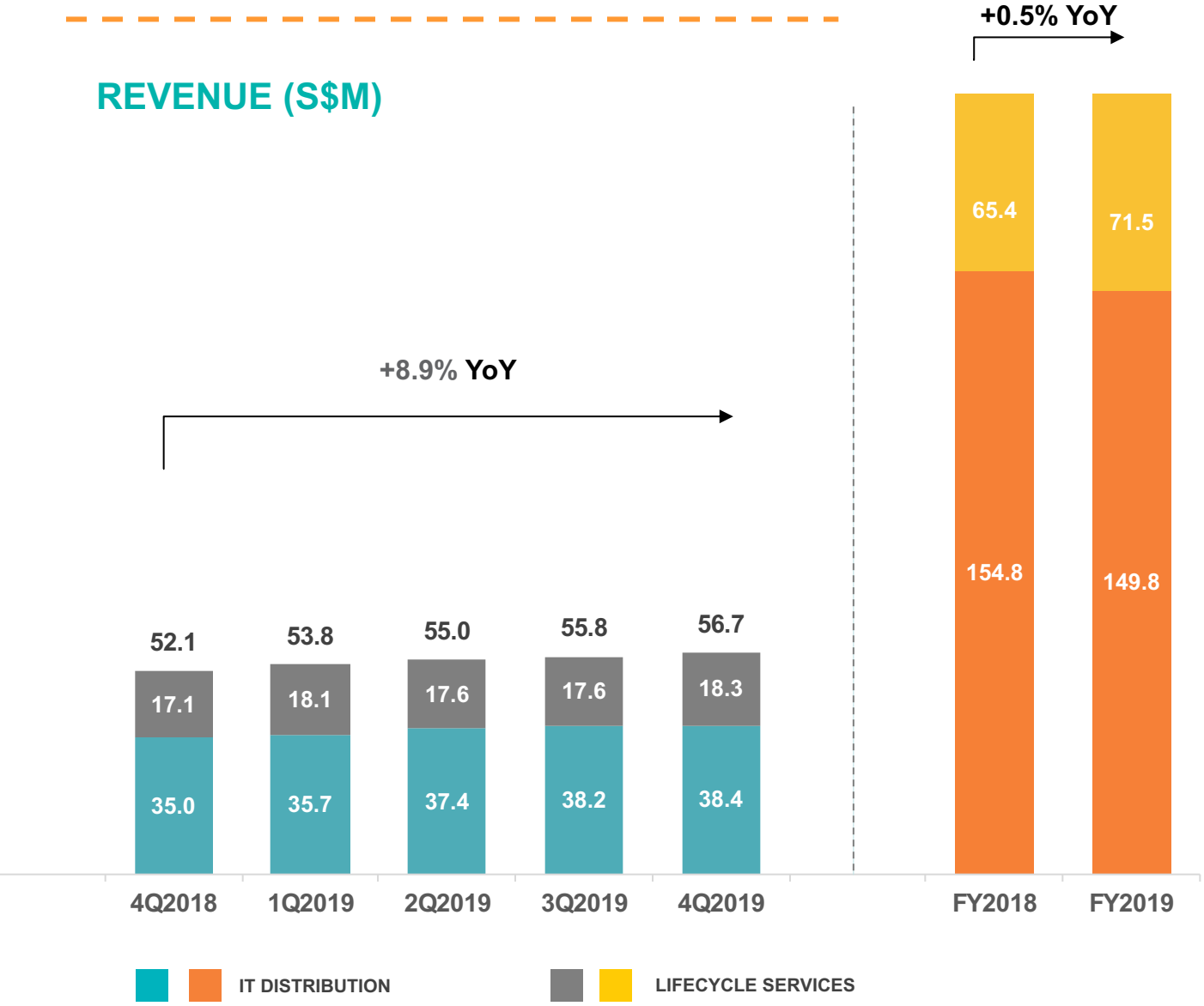


Lifecycle Services accounted for 50.8% of the total gross profit

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REVENUE OVERVIEW

REVENUE (S$M)



LIFECYCLE SERVICES

9.3% increase YOY on the back of better performance for the segment from the Americas, Europe (including the UK), Middle East, Africa, and Asia Pacific

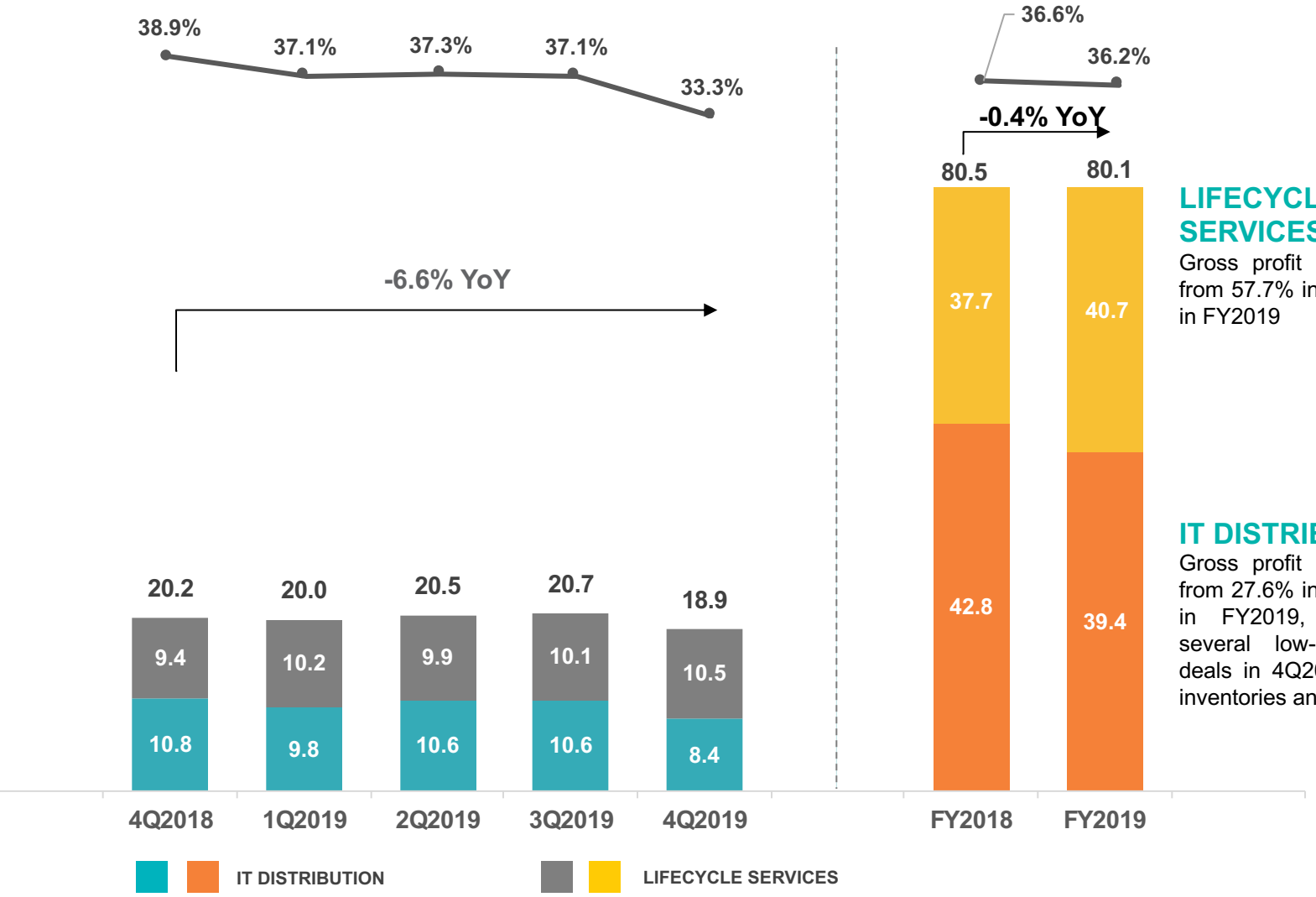
IT DISTRIBUTION

3.3% decrease YoY (FY2019) due to lower contribution from the Asia Pacific

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GROSS PROFIT OVERVIEW

GROSS PROFIT (S$M) & GROSS PROFIT MARGIN (%)



LIFECYCLE SERVICES

Gross profit margin decreased from 57.7% in FY2018 to 56.9% in FY2019

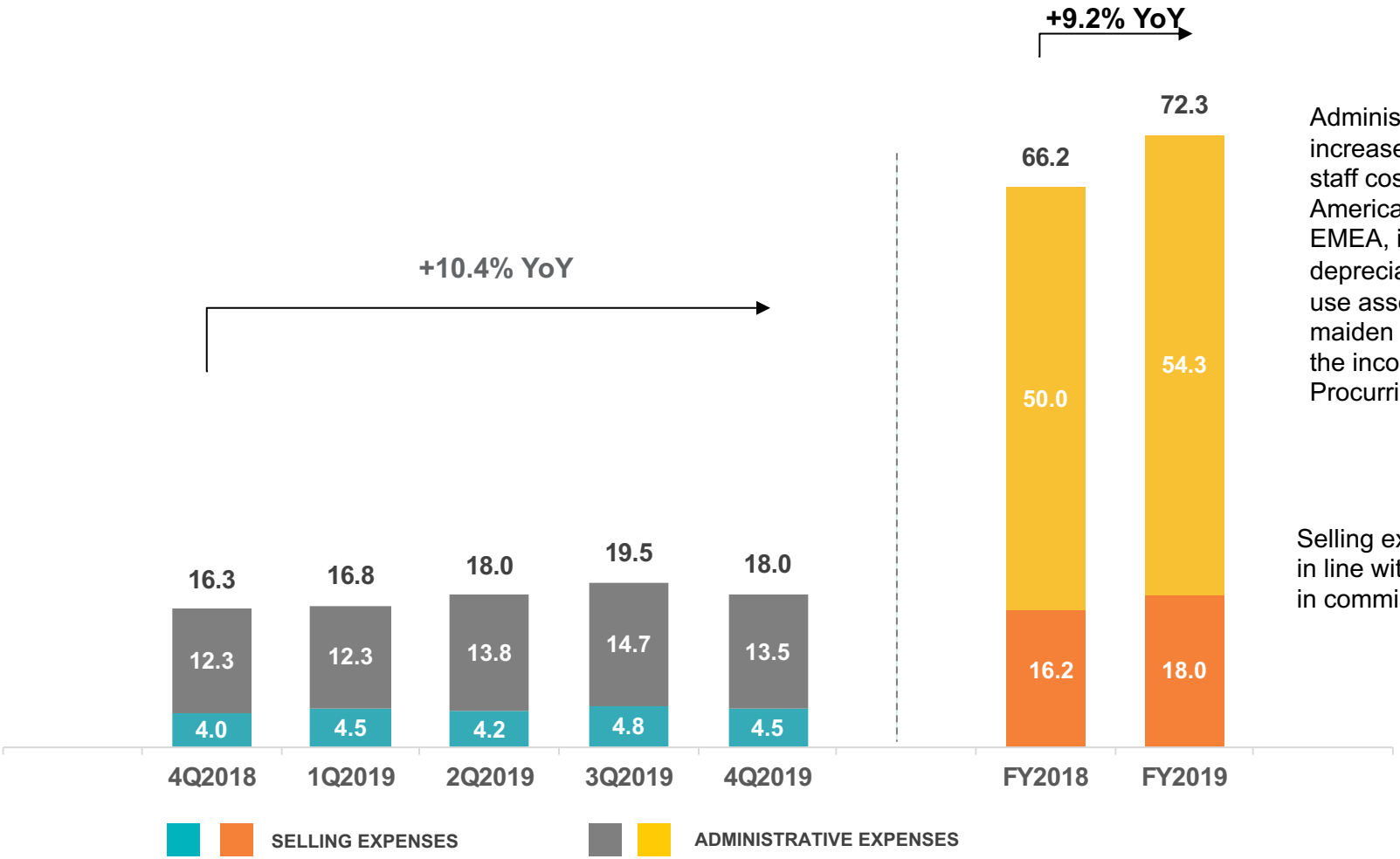
IT DISTRIBUTION

Gross profit margin decreased from 27.6% in FY2018 to 26.3% in FY2019, mainly due to several low-margin hardware deals in 4Q2019 to clear aged inventories and ITAD investment

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OPERATING EXPENSES

OPERATING EXPENSES[1] (S$M)



Administrative expense increase due to higher staff cost in the Americas and the EMEA, increased depreciation of right-of-use assets and the maiden expenses from the incorporation of Procurri Germany

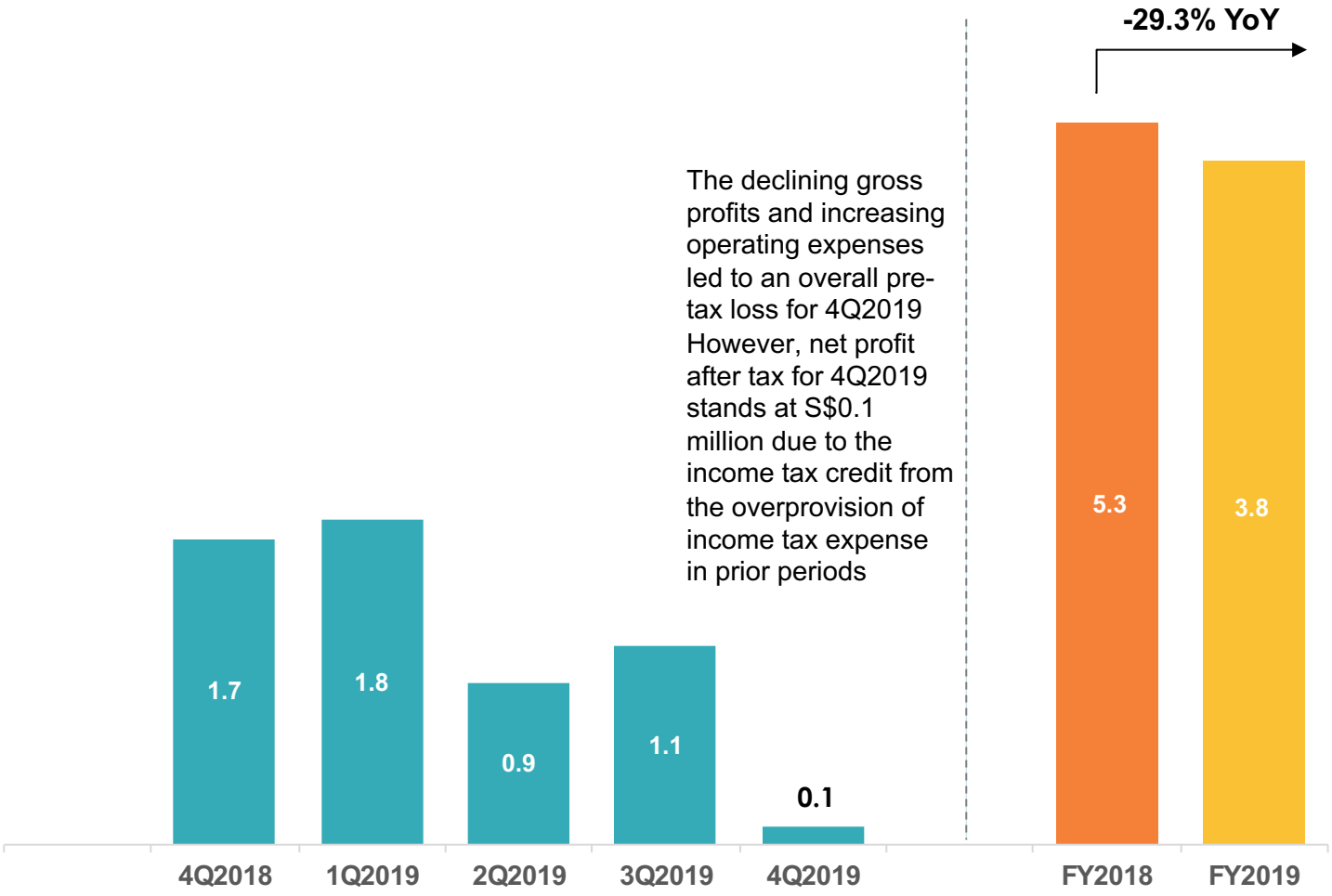
Selling expenses grew in line with the increase in commission rate

[1]Operating expenses comprise Selling expenses and Administrative expenses

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NET PROFIT AFTER TAX OVERVIEW

NET PROFIT AFTER TAX (S$M)



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FY2019

BALANCE SHEET HIGHLIGHTS

S$'000	AS AT 31 DEC 2019	AS AT 31 DEC 2018
Current Assets	**108,575**	**103,493**
Inventories	26,354	21,816
Trade and other receivables	51,214	53,365
Cash and bank balances	17,132	18,082
Other current Assets	13,875	10,230
Non-current Assets	**41,339**	**37,833**
Intangible assets	13,687	12,853
Plant and equipment	13,005	22,054
Other Non-current assets	14,647	2,926
Current Liabilities	**87,359**	**65,954**
Trade and other payables	46,680	32,246
Deferred income	25,386	18,831
Loans and borrowings	11,230	9,993
Other current liabilities	4,063	4,884
Non-current Liabilities	**15,855**	**6,331**
Shareholders' Equity	**46,700**	**69,041**
Total Equity and Liabilities	149,914	141,326

KEY RATIOS	31 DEC 2019	31 DEC 2018
Debt-to-equity ratio	Net cash	Net cash
Current ratio	1.24	1.57
NTA per share (cents)*	11.60	19.74
NAV per share (cents)*	16.40	24.25

*The decline in NTA per share and NAV per share was due to the acquisition of 49% equity interest in Rockland



CORPORATE & BUSINESS UPDATES

PROCURRI

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2019 DEVELOPMENTS

Procurri continues to forge partnerships, extend its capabilities and move up the value chain

Partnership with PureWRX	**February 2019** Top OEM-certified pre-owned IT hardware platform which opens opportunities to expand on ITAD services
Welcomed Novo Tellus as Largest Shareholder	**March 2019** Aid in enhancing Asian presence and deepen penetration in the Americas and Europe
Incorporation of Procurri GmbH in Germany	**March 2019** Extending footprint in Europe and build up Procurri's leadership in the EMEA region
Acquired Remaining 49% Stake in Rockland	**April 2019** Increases competitive edge in global storage maintenance services and enhance synergies to benefit long-term profitability
Partnership with Ingram Micro	**December 2019** Collaborating with Ingram Micro to elevate our ITAD offerings to bring a more comprehensive ITAD solutions globally
Incorporation of Procurri Canada Limited	**December 2019** Expanding further into the North America region

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SHORT-TERM DEMAND SURGE

The Covid-19 impact has sparked off the biggest work-from-home drive worldwide

Reuters Technology News	Work-from-Home drive triggers demand jump for chips, laptops, and network peripherals, as companies rush to build virtual offices. Data centres also need bigger pipes to carry heavier traffic.
PC News	Demand for PCs soar as more people are working from home. Products have been flying off the shelves, according to Canalys Research Director.
The Straits Times	Brisk sales of laptops as people gear up to work at home during the circuit breaker period.

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Profit GUIDANCE FOR 1H2020

Procurri expects its 1H2020 financial results to be worse off from 1H2019

Slow start in 2020 after the termination of Park Place transaction	Park Place's unsolicited bid for Procurri's third-party maintenance business was eventually scrapped due to the challenge of arriving at the right price and structure. Customers were unclear on the implications and held back on their orders.
Global Covid-19 pandemic and its impact	Countries around the world went into lockdowns to combat the Covid-19 spread, global supply chains were inevitably disrupted, and customers were delaying their buying decisions amid the uncertainties
Forgiven loans may soften the net profit decline for 1H2020	Two of Procurri's US subsidiaries were granted financial assistance amounting to US$3.4 million collectively under the US Paycheck Protection Program. This loan may be forgiven if Procurri meets certain set of criteria

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GROUP OUTLOOK & STRATEGIES



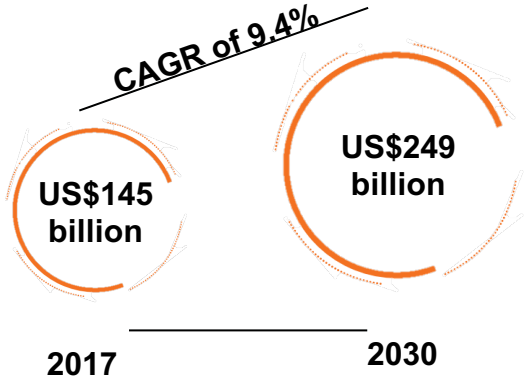
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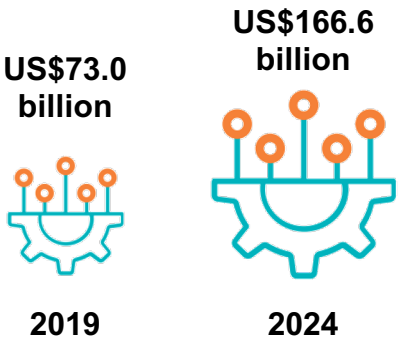
IT LANDSCAPE

Amidst a proliferation of mobile devices, e-commerce, fintech and Internet of Things, cloud adoption has grown rapidly. Cloud infrastructure investment on the whole continues to rise and also an increasing importance of IT service management and ITAD.

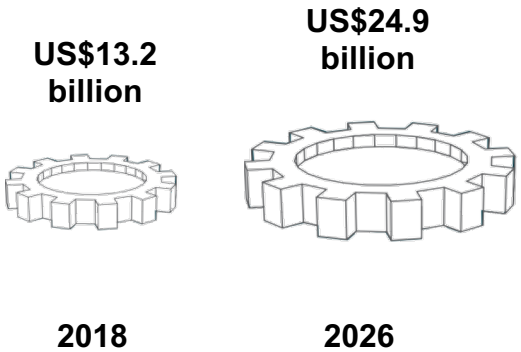
Global Managed IT Services Market[1]



Global Cloud Infrastructure Market[2]



IT Asset Disposition Market[3]



1. Global IT Managed Services Market Report: Global Opportunity with Market Forecast, 2017-2030 – Goldstein Research
2. Cloud Infrastructure Market by Service Type, Global Forecast to 2024 – MarketsandMarkets
3. Global IT Asset Disposition (ITAD) Market Size and Forecast t– Verified Market Research

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ADDRESSABLE MARKET

The markets the Group serve are highly fragmented with the top 4 companies, including Procurri, each holding less than 2 percent market share

LIFECYCLE SERVICES



Independent Maintenance Services → Global Spending on IT Maintenance ***US$41.9 billion*** in 2020* → Global Independent IT Maintenance ***US$4.4 billion*** in 2020*



IT Asset Disposition ("ITAD") & Data Centre Services → Global Demand for ITAD ***US$22.2 billion*** in 2026**

IT DISTRIBUTION



Hardware Resale → Global Spending on Data Centre Equipment ***US$292.9 billion*** in 2020* → Global Hardware Resale Market ***US$34.8 billion*** in 2020*

*Forecast according to Frost & Sullivan
**Forecast according to Acumen Research and Consulting

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EMERGING TRENDS



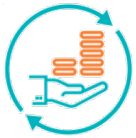
Increasing acceptance of the secondary IT market with more OEMs endorsing the sale of certified refurbished or excess equipment



Emphasis on use of certified genuine replacement parts to prevent equipment failure and data centre downtime



Strong shift towards open server architecture with a preference for **vendor-agnostic service providers**



Increased importance of return on investment and impact of depreciation from IT infrastructure, driving the shift from **capex to opex models**



Cloud migration fuelling demand for third-party maintenance services for IT hardware during the transition to the cloud and driving the need for data sanitisation and hardware disposal services as legacy IT assets are rendered obsolete by cloud computing.



Industry consolidation caused by change in traditional intermediary roles of OEMs, value-added resellers and system integrators



Shift in industry dynamics where only players with operation size and geographical reach can compete effectively to capture a meaningful market share

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STRATEGY COMPLETE

EXPANDING MARKETS AND ENLARGING CUSTOMER BASE

Tap on newly-acquired capabilities to strengthen Procurri's brand name, suite of services and enlarge customer base, while exploring potential earnings-accretive acquisition opportunities

CEMENTING THE GROUP'S CREDIBILITY

Forge strategic partnerships with OEMs and capitalise on authorized partner statuses to expand the Group's product lines and unlock cross-selling opportunities

GROWING HIGHER-MARGIN LIFECYCLE SERVICES SEGMENT

Leverage the "as-a-service" trend and ramp up Lifecycle Services business to provide greater income predictability and sustainable earnings

IMPROVING INTERNAL EFFICIENCIES & HARNESSING ECONOMIES OF SCALE

Continue rigorous cost control efforts and harness economies of scale from the improved centralized purchasing processes



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THANK YOU

INVESTOR RELATIONS

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THE PROCURRI PROMISE

INTEGRITY, INNOVATION, EXPERTISE & EXCELLENCE



Listed on the Main Board of the Singapore Exchange Securities Trading Limited on 20 July 2016, Procurri is an independent provider of IT lifecycle services and data centre equipment, such as servers, storage and networking products.

The Group's platform acts as a global aggregator for businesses to purchase, dispose and manage the lifecycle of enterprise hardware, including related services such as maintenance, leasing and rental, in over 100 countries through its global network of 14 offices and extensive partner locations.

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