PROCURRI

PROCURRI CORPORATION LIMITED

4Q2018 & FY2018 RESULTS

26 FEBRUARY 2019



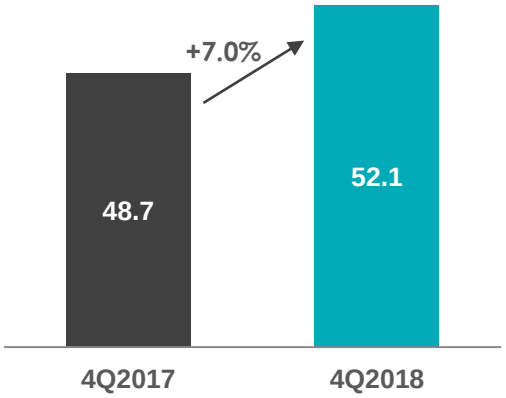
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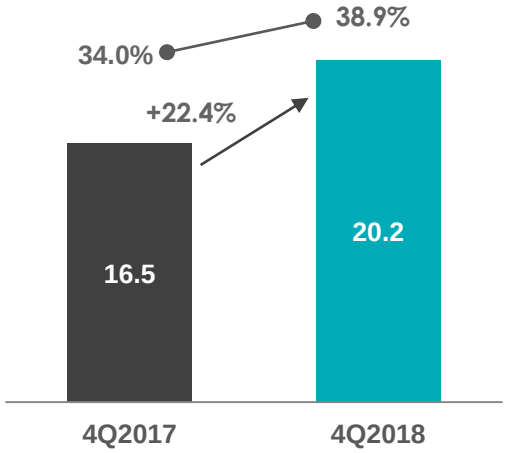
FINANCIAL HIGHLIGHTS

4Q2018 FINANCIAL SNAPSHOT

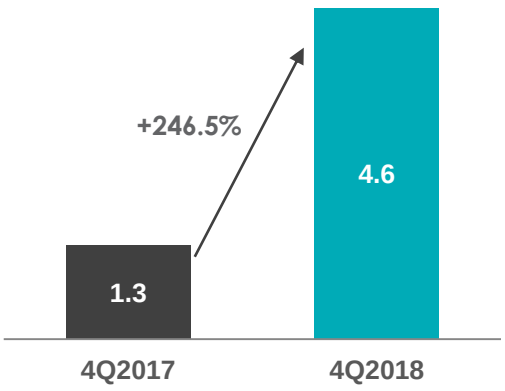
REVENUE (S$M)



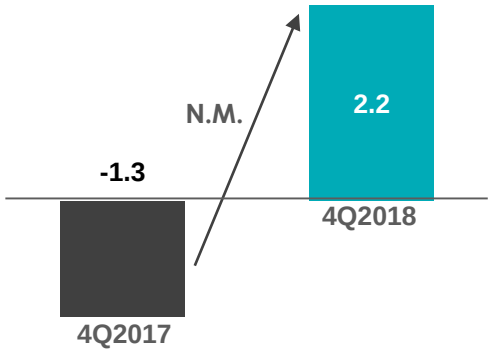
GROSS PROFIT (S$M) & GROSS PROFIT MARGIN (%)



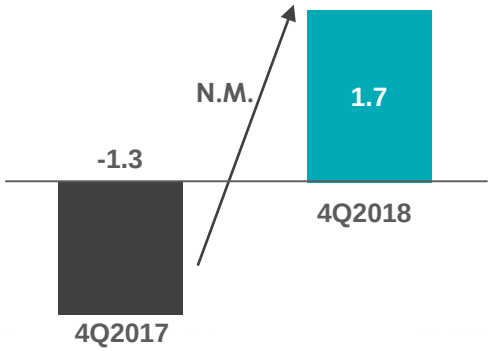
EBITDA (S$M)



PROFIT BEFORE TAX (S$M)



NET PROFIT (S$M)



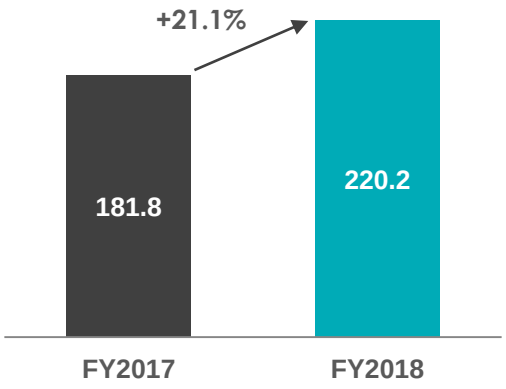
Lifecycle Services revenue up 26.2% from S$13.5m to S$17.1m

IT Distribution gross profit margin up 6 pts from 25.1% to 30.9%

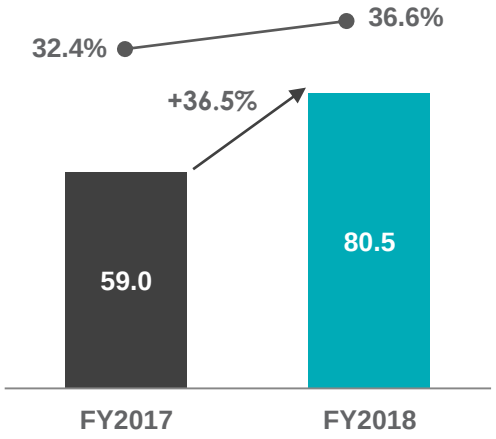
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FY2018 FINANCIAL SNAPSHOT

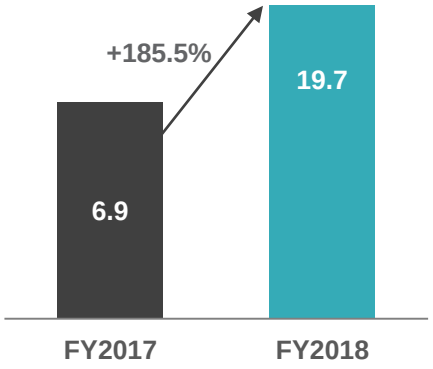
REVENUE (S$M)



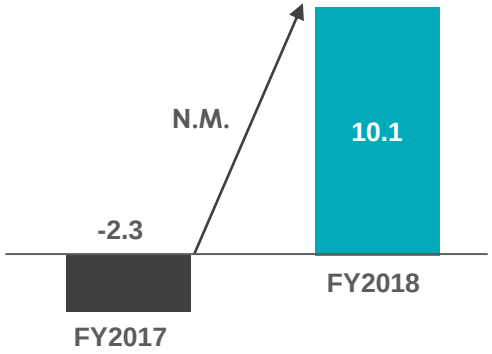
GROSS PROFIT (S$M) & GROSS PROFIT MARGIN (%)



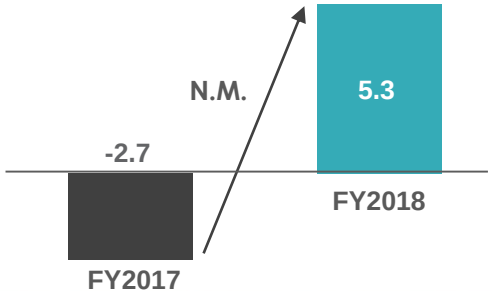
EBITDA (S$M)



PROFIT BEFORE TAX (S$M)



NET PROFIT (S$M)



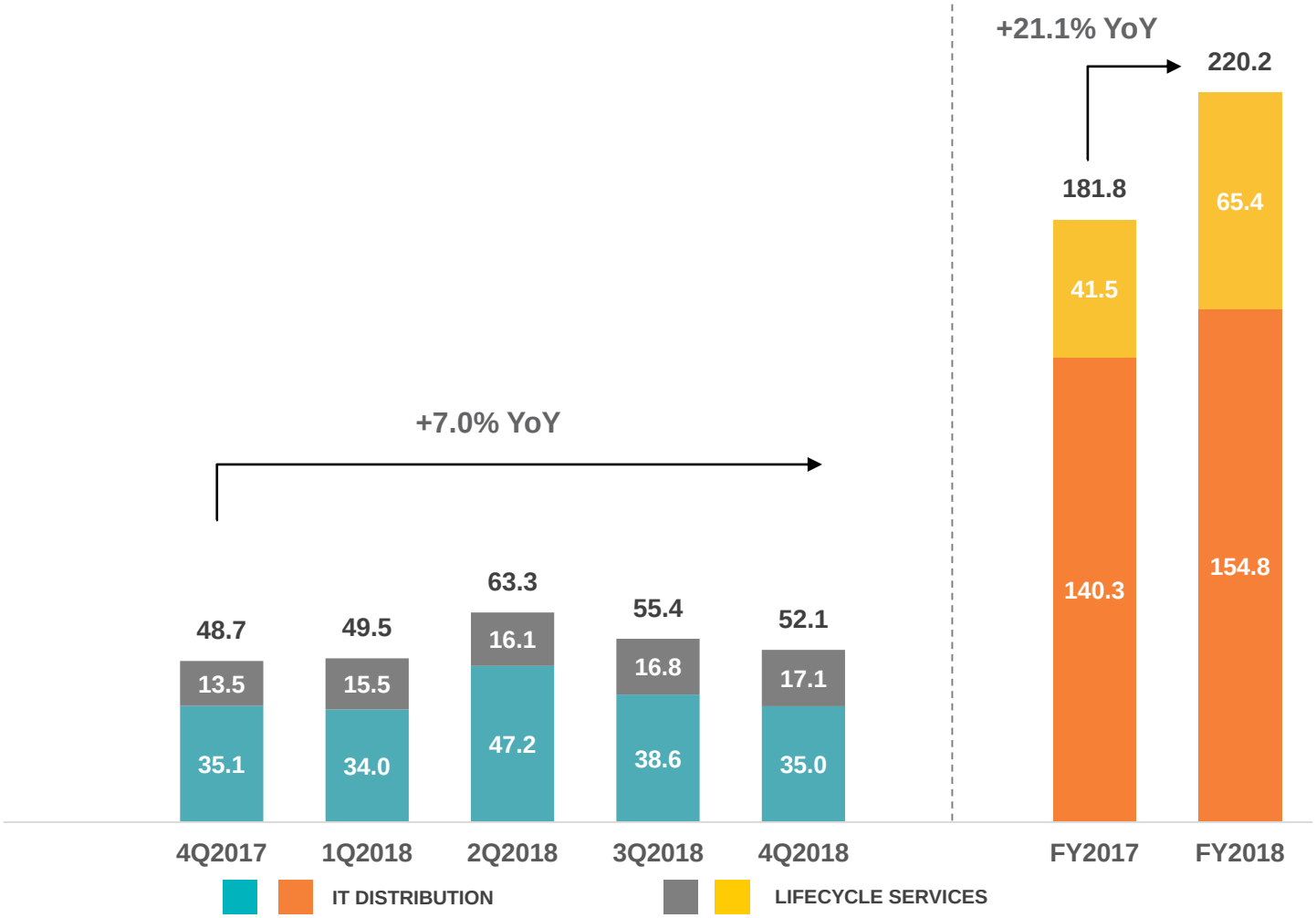
Gross profit from Lifecycle Services up 85.3% from S$20.4m to S$37.7m

Higher-margin Lifecycle Services accounted for 46.9% of overall gross profit

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REVENUE OVERVIEW

REVENUE (S$M)



LIFECYCLE SERVICES
+57.7% increase YoY (FY2018) due to better performance from the Americas and EMEA

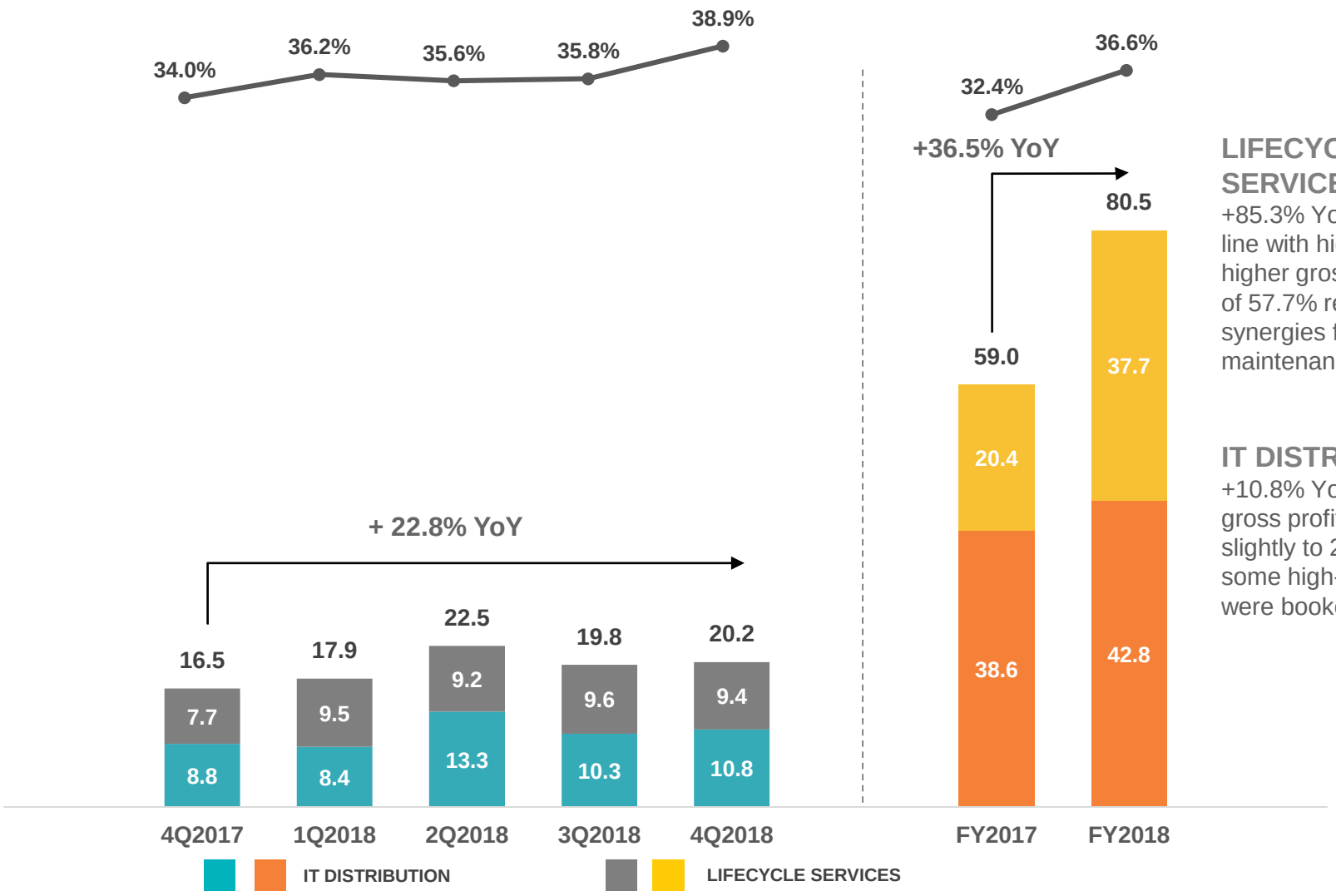
IT DISTRIBUTION
+10.3% YoY (FY2018) largely due to higher contributions from APAC and the Americas

Consistent revenue growth underpins the strong fundamentals of the Group's business model and operations

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GROSS PROFIT OVERVIEW

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



LIFECYCLE SERVICES

+85.3% YoY (FY2018), in line with higher revenue; higher gross profit margin of 57.7% reflects synergies from in-house maintenance capabilities

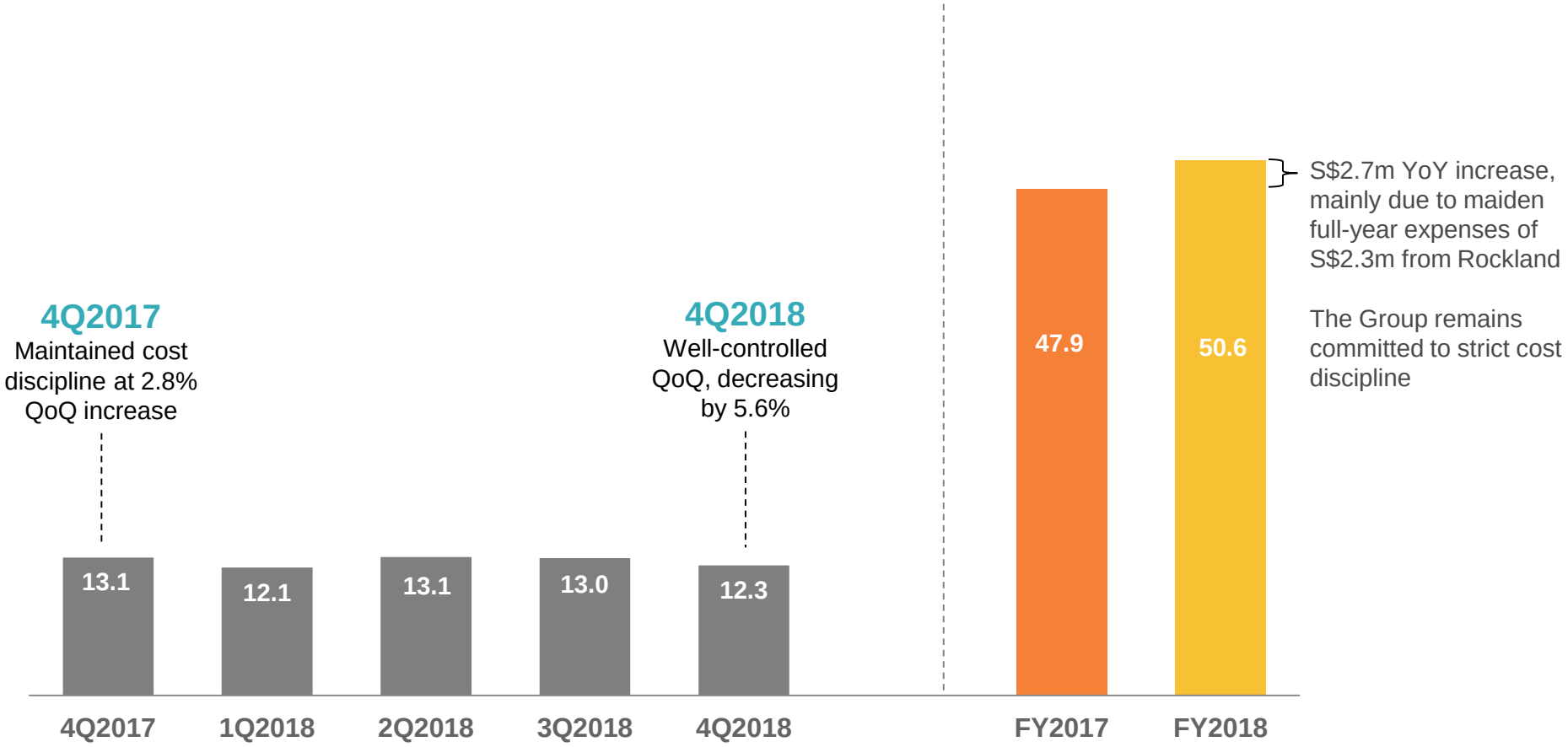
IT DISTRIBUTION

+10.8% YoY (FY2018); gross profit margin up slightly to 27.6%, as some high-margin deals were booked

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ADMINISTRATIVE EXPENSES

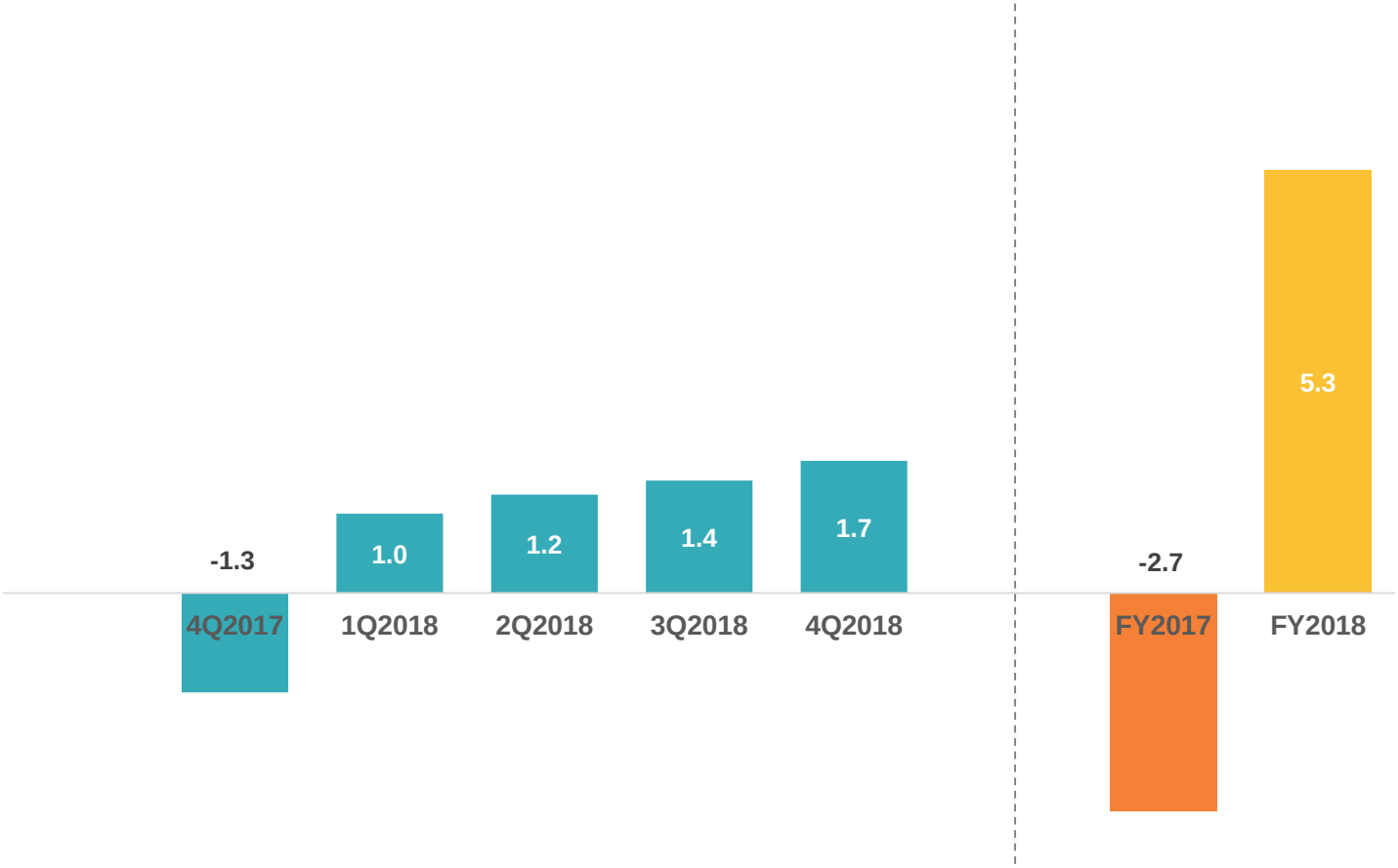
ADMINISTRATIVE EXPENSES (S$M)



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NET PROFIT AFTER TAX OVERVIEW

NET PROFIT AFTER TAX (S$M)



Turnaround in Net Profit After Tax from a loss of S$2.7 million in FY2017 to a profit of S$5.3 million in FY2018

Healthy quarter-on-quarter growth throughout FY2018

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FY2018

BALANCE SHEET HIGHLIGHTS

S$'000	AS AT 31 DEC 2018
Current Assets	102,732
Inventories	21,055
Trade and other receivables	53,365
Cash and bank balances	18,082
Other Current Assets	10,230
Non-current Assets	37,833
Intangible Assets	12,854
Plant and equipment	22,054
Other Non-current Assets	2,925
Current Liabilities	65,193
Trade and other payables	31,485
Deferred income	18,831
Loans and borrowings	9,993
Income tax payable	4,884
Non-current Liabilities	6,331
Shareholders' Equity	69,041
Total Equity and Liabilities	140,565

KEY RATIOS	31 DEC 2018
Debt-to-equity ratio	Net cash
Current ratio	1.58
NTA per share (cents)*	19.74
NAV per share (cents)*	24.25

*Based on 284,689,000 number of shares in issue as at 31 Dec 2018

LATEST NEWS – CHANNEL PARTNERSHIP





- Partnering with PureWrx, a US-based distributor of OEM Certified Pre-owned hardware
- Will offer Juniper Certified Pre-Owned routing, switching and security products to qualified Juniper products
- PureWrx has built OEM certified pre-owned, trade-in and branded asset management programs for leading brands and manufacturers in several industries

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PROCURRI

GROUP OUTLOOK



GROUP OUTLOOK

- Capitalise on global movement to cloud-based infrastructure to secure more high-margin business in 2019
- Acquisition of remaining 49% stake in Rockland Congruity will enable the Group to compete more effectively in the third-party IT maintenance industry





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APAC SIGNIFICANCE



- Deepening customer base and capabilities built around a unique eco-system
  - Understanding addressable markets in APAC
  - Identify new potential markets to enter
  - Refine go-to-market strategies and target customer profiling

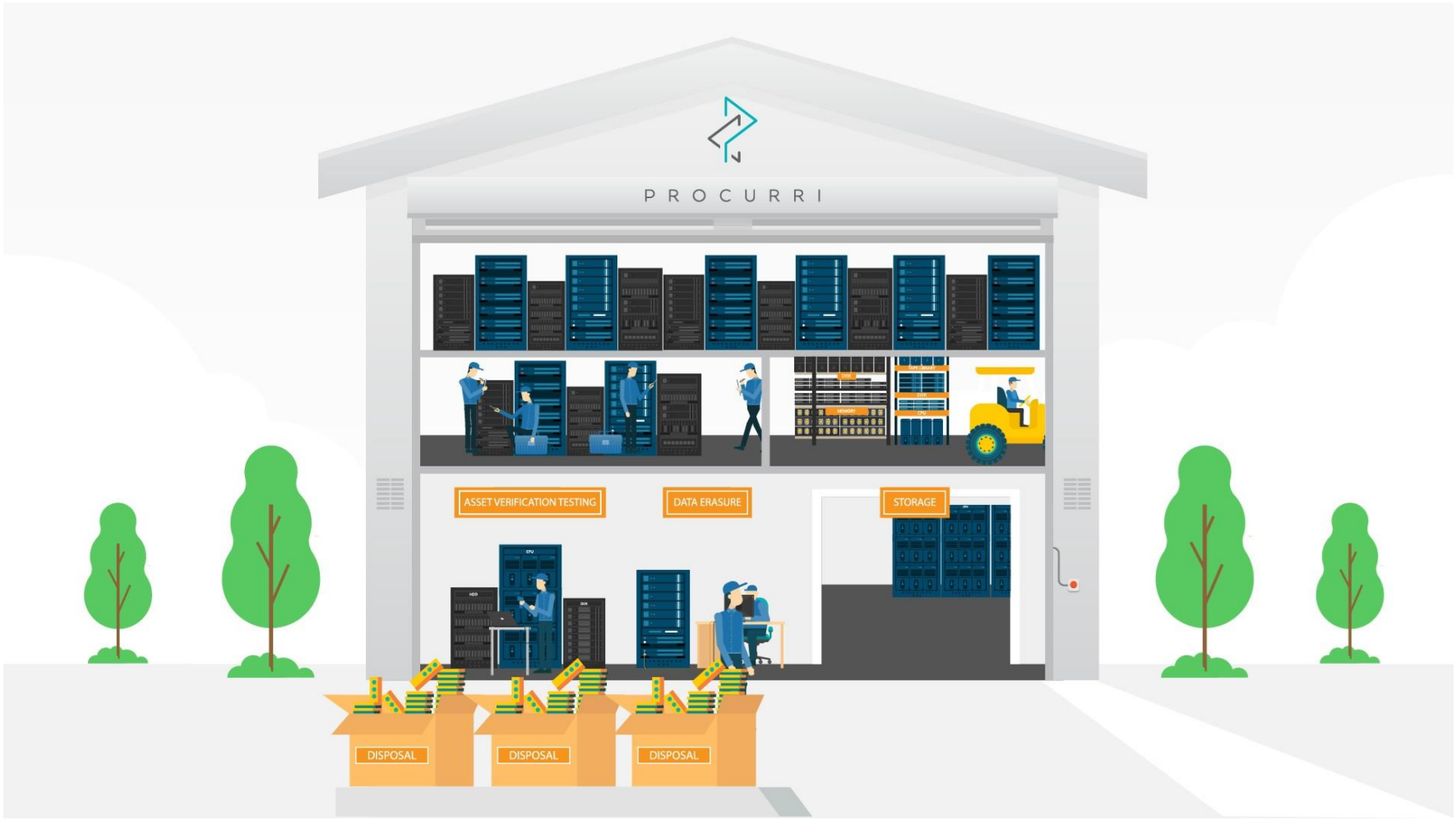
- Singapore as a HQ remains key to APAC growth
  - IT talent and service delivery
  - Supportive regulatory framework

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PROCURRI



CORPORATE OVERVIEW



Link to corporate video: https://www.youtube.com/watch?v=829YukAZc48&feature=youtu.be

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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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GLOBAL REACH

LIFECYCLE SERVICES

Independent Maintenance Services

IT Asset Disposition & Data Centre Services

IT DISTRIBUTION

Hardware Resale



TECHNICAL EXPERTISE

GLOBAL DISTRIBUTION

SUPPLY NETWORK

GLOBAL COVERAGE OF >100 COUNTRIES • 3 REGIONAL HUBS IN SINGAPORE, U.S. AND U.K.

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OUR PROPOSITION

Our channel partnerships globally

PROCURRI

As one of the largest global independent provider of IT services and enterprise hardware, Procurri is **a trusted source for genuine refurbished, certified pre-owned or new-in-box products** through its partnerships with **leading Tier-1 channels**. Some of our partnerships include:

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

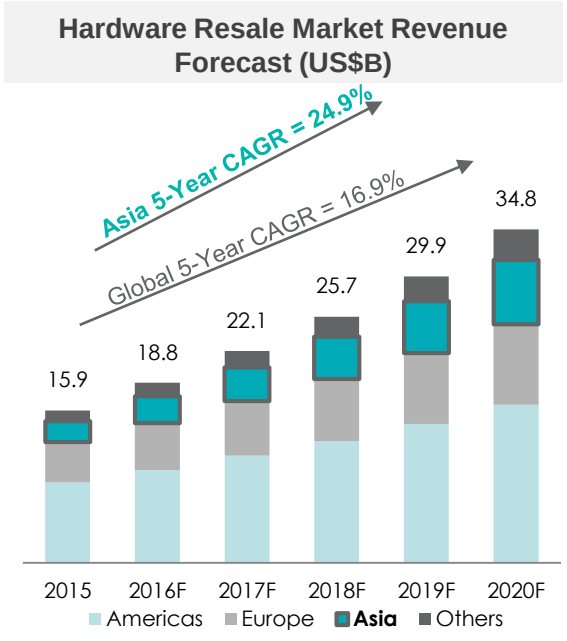
(United States)

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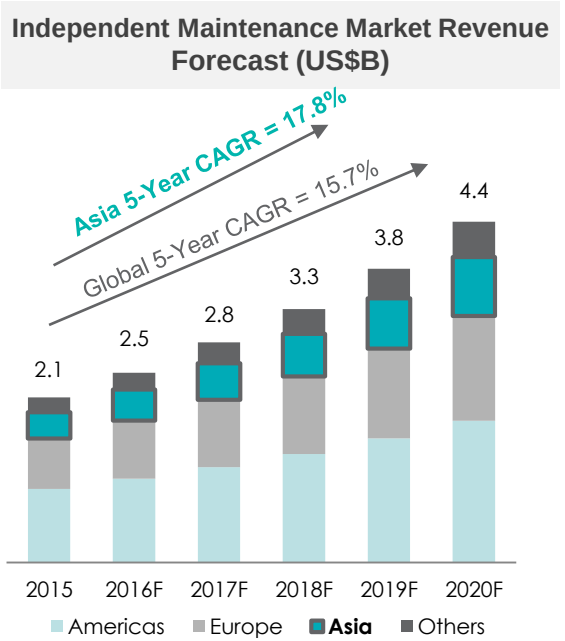
IT OPERATING LANDSCAPE

- Amidst a proliferation of mobile devices, e-commerce, fintech and Internet of Things, cloud adoption has grown rapidly
- Increasing importance of IT service management in enterprises' cloud computing efforts and big data initiatives
- Sales of infrastructure products for cloud IT, both public and private, has grown 25.5% YOY in 3Q17
- Shift in IT infrastructure investment to an increasing adoption of modular and open server / cloud architecture to cope with fast-paced changes in business needs

Global Data Centre Hardware Market
5-Year CAGR = 11.7% (2020: US$293B)



Global IT Maintenance Market
5-Year CAGR = 9.6% (2020: US$42B)



KEY DRIVERS

Growth of cloud, e-commerce and big data

CAPEX to OPEX

Pay as you use, brand agnostic

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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



Traditional intermediary roles, such as OEMs, VARs and SIs, have changed – leading to industry consolidation



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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RECENT STRATEGIC DEVELOPMENTS

Forged partnership to offer Juniper Certified Pre-owned	Partnering with PureWrx to offer Juniper Certified Pre-Owned routing, switching and sercurity products to qualified Juniper channel partners
Won contract from pharmaceutical giant	To maintain mission-critical enterprise hardware, including data centre equipment and data storage, for a European pharmaceutical giant in the UK and APAC.
Secured agreements from tech giants	Appointed by Cisco and Hewlett Packard Enterprise as partners in their pre-owned equipment reseller and replacement parts programmes respectively.
Formed Rockland Congruity in January 2017	51%-owned US JV spearheading Procurri's global storage maintenance services. Currently in negotiations to acquire remaining stake in Rockland.
Acquired EAF in November 2016	Deepened UK presence and leveraging EAF's existing strong relationships in Europe with major OEMs to expand these partnerships globally.

Anchors Procurri's position as a trusted global intermediary that is adding on new capabilities and moving up the enterprise equipment market value chain.

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PROCURRI



CORPORATE & BUSINESS UPDATE

GO FORWARD STRATEGIES



CEMENTING THE GROUP'S CREDIBILITY

Forge strategic partnerships with OEMs and capitalise on our authorised 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 our Lifecycle Services business to provide greater income predictability and sustainable earnings



EXPANDING MARKETS AND ENLARGING CUSTOMER BASE

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



IMPROVING INTERNAL EFFICIENCIES & HARNESSING ECONOMIES OF SCALE

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

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THANK YOU

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Please refer to Procurri Corporation Limited's Financial Results for the Period Ended 30 June 2018 available at www.sgx.com.

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