

MOMENTUM BUILDING IN SUPERSERVICE™
Financial Results for the 6 months to 31 December 2017

22 February 2018 – Sydney, Australia: Infomedia Ltd (ASX:IFM), a leader in parts and service software to the global automotive industry, today announced its financial results for the six months to 31 December 2017 (1H18).

1H18 Result

As foreshadowed, Infomedia reported a subdued half year result with a one percent increase in revenue to \$35.3m for 1H18, when compared to \$34.8m reported in the previous corresponding period (pcp) and net profit after tax (NPAT) of \$5.7m, down 18 percent from \$6.9m in the previous corresponding period. EBITDA was \$12.4m, down eight percent pcp.

	1H18	1H17	movement
	A\$'000	A\$'000	
Group revenue	35,345	34,846	1%
Cash EBITDA	3,681	6,213	(41%)
Development costs capitalised	9,120	6,845	33%
EBITDA	12,441	13,470	(8%)
NPAT	5,708	6,973	(18%)
Earnings per share (cents)	1.84	2.25	(18%)
Dividend per share (cents)	1.40	1.70	(18%)

The 1H18 result reflects the impact of the completion of a European-based electronic parts catalogue (EPC) contract and an increase in development costs and associated investment in future growth.

Investment in capitalised product development increased to meet the needs of contractual commitments of major projects secured in 2017. Development work for those major projects was largely completed in the period on time and on-budget including the Nissan global EPC contract announced in February 2017.

Associated investments made in the period in the areas of infrastructure, sales, processes and upskilling, position Infomedia for future sustainable growth.

At a product level, Infomedia achieved strong double-digit revenue growth in its Superservice™ product in the period, which offset the loss of revenue from the above mentioned European-based EPC contract. Infomedia continued to invest in product innovation to enhance the product portfolio.

Momentum

Despite modest top-line growth, the Company is on track to accelerate growth from the second half as revenue from 2017 contract wins commences and will continue to ramp up into the financial year ending 30 June 2019 (FY19).

Investment in highly skilled leadership with backgrounds in technology, development, the global automotive industry and sales is an indication of the Board and Management’s confidence in leveraging Infomedia’s global presence and relevance with automotive manufacturers and dealers.

Infomedia’s CEO, Mr Jonathan Rubinsztein said: “Infomedia is one of very few global SaaS providers to the parts and services segments of the automotive industry. As pressure on new car sales numbers builds, automotive manufacturers and dealers are increasingly focused on the profitability of parts and service and that is driving momentum in our business,” Mr Rubinsztein said.

“Ongoing development and innovation within our product suite is attractive to automakers and dealers looking for efficiencies and customer retention. The development of an integrated product suite, combined with our experience and long-standing relationships with customers globally, means we are well positioned to be more relevant to our existing 150,000+ users and to new customers in new geographies”, Mr Rubinsztein said.

Outlook

Infomedia expects a stronger second half for the six months to 30 June 2018 through both revenue ramp and managing operating expenses at levels similar to 1H18. The Company anticipates year on year growth in reported Revenue, EBITDA and NPAT for FY18.

Infomedia expects momentum to continue in FY19 with the full benefit of recurring revenue from large contracts won in the previous year. In particular, the double-digit revenue growth of the Superservice™ suite of products will provide a platform for growth in revenue, EBITDA and profits into 2019 and beyond.

1H18 Dividend

Infomedia declared a fully franked 1H18 dividend of 1.40 cents per share. The dividend represents a payout ratio of 76% of NPAT consistent with the Company’s dividend policy of paying 75% to 85% of NPAT. Infomedia’s dividend record date will be 1 March 2018 and the payment date will be 29 March 2018. The Company’s Dividend Reinvestment Plan (DRP) will operate. No discounts will apply.

Shareholders wishing to participate in the DRP must ensure their DRP election forms are received by Infomedia’s registry services provider, Link Market Services, by logging into the Investor Centre at www.linkmarketservices.com.au before 5:00pm on 2 March 2018. Please refer to www.infomedia.com.au for further information on the DRP rules.

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Investor call and presentation: Infomedia Ltd CEO, Jonathan Rubinsztein and CFO, Richard Leon will present the 1H18 Investor Presentation via conference call and webcast at 10:30am AEDT today.

To join the conference call in Australia, dial +61 2 8038 5221 and enter Conference ID 8765636.

Dial in details for international callers (toll-free):

Canada 1855 5616 766
China 4001 203 085
Hong Kong 800 908 865
India 1800 3010 6141
Japan 0120 477 087

New Zealand 0800 452 782
Singapore 800 616 2288
United Kingdom 0808 234 0757
United States 1855 293 1544

Please dial the Australian number above if the country you are calling from is not listed.

The webcast will be available via the following link <http://www.openbriefing.com/OB/2818.aspx>

Further queries, please contact:

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About Infomedia: Infomedia Ltd (ASX: IFM) is a technology services developer and supplier of electronic parts catalogues and service systems to the global automotive industry. Infomedia also provides information management and analysis for the Australian automotive and oil industries. Infomedia has led innovation in service infrastructure within global automotive distribution networks for more than 25 years and continues to expand its reach within the three regions in which it operates.