

KORDIA GROUP LIMITED	
Results for announcement to the market	
Reporting Period	12 months to 30 June 2019
Previous Reporting Period	12 months to 30 June 2018

	12 months to 30 June 2019 (NZD'000)	12 months to 30 June 2018 (NZD'000)	Percentage change
Revenue from ordinary activities	203,373	217,236	(6%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	16,679	27,022	(38%)
Profit (loss) after tax	(149)	5,662	(103%)

KORDIA GROUP FULL YEAR RESULTS

Kordia Group, a leading provider of mission-critical technology solutions, has posted revenue of \$203m for the year ended 30 June 2019. The company's earnings before income tax, depreciation and amortisation (EBITDA) is \$17m, and the company reports a loss after tax of \$149,000.

Kordia Group Chair, John Quirk, notes that while the Group's New Zealand business units performed exceptionally well, the Australian business unit struggled in a highly volatile and disrupted Australian telecommunications market.

"This was largely due to the Chinese vendor ban which resulted in delays to several projects and significantly affected the Group's overall performance."

Quirk says that despite the setbacks experienced by the Australian business, the Group had record growth in other areas, with the Networks and Cyber divisions experiencing particularly strong growth over the past year.

“As cyber threats continue to skyrocket, so too does demand for expert cyber security advice and support – something Kordia’s independent cyber security division, Aura Information Security, is well placed to leverage.

“Aura continues to carve out a fantastic reputation as the ‘go to’ provider in the cyber security market. As a result, they experienced rapid growth with revenue up 36 percent on the previous year,” he says.

Kordia Group’s Networks division continues to perform well with the introduction of innovative new technology solutions – including Unified Security Management, SD-WAN and SIP for Microsoft Teams – all being welcomed by customers.

The New Zealand Solutions division completed several significant projects over the past year, one of which included an upgrade to Radio 2AP’s AM and FM broadcast transmission infrastructure in Apia, Samoa.

With 5G rollout gaining momentum, the New Zealand Solutions team was involved in the design, planning and implementation of several significant 5G in-building coverage (IBC) projects. The Group expects this activity to increase over the coming years.

“During the second half of the year, the Australian Solutions team secured two significant 5G projects, something the Group sees as a positive indication that 5G investment is reigniting, albeit with a different set of underlying technology providers,” Quirk notes.

Kordia’s Media and Maritime divisions also continue to achieve positive results, with both securing significant long-term contracts and contract extensions.

Quirk highlights that underpinning the ongoing success of the Group, is Kordia’s team of highly skilled experts.

“Our people are what makes Kordia Group what it is. With the appointment of our new EGM of People & Culture, I’m delighted to say the areas of wellbeing, diversity and inclusion are receiving more attention than ever before and the Group is placing a renewed focus on the health and safety of our team, and on sustainability.”

Summary

While the past 12 months has seen unprecented volatility and disruption in the Australian telco market, Quirk notes there are positive signs this period of market disruption is coming to a close.



“We are starting to see recovery in the Australian telco market, with investment in 5G picking up in the final quarter and several new projects being signed.

“The Group is confident the Australian Solutions business is well poised to leverage its solid reputation, expertise and long-standing relationships with major telco carriers to maximise on future opportunities,” Quirk notes.

Kordia’s New Zealand business units also continue to go from strength-to-strength, with a wide range of projects and initiatives scheduled to commence in the coming financial year.

“As a technology company, innovation and evolution is vital. Kordia Group’s primary goal for the coming year is to actively seek out opportunities to further invest in new technologies and services that will better help our customers navigate what is an increasingly complex online world,” Quirk concludes.

For the Board,
John Quirk
Chair
Kordia Group

