

KORDIA GROUP LIMITED	
Results for announcement to the market	
Reporting Period	6 months to 31 December 2019
Previous Reporting Period	6 months to 31 December 2018

	6 months to 31 Dec 2019 (NZD'000)	6 months to 31 Dec 2018 (NZD'000)	Percentage change
Revenue from ordinary activities	101,190	108,877	(7%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	13,631	10,536	29%
Profit (loss) after tax	1,020	745	37%

KORDIA GROUP HALF YEAR RESULTS

Telecommunications, broadcast and cyber security business Kordia Group has reported a revenue of \$101.2m for the half year ended 31 December 2019. The Group's EBITDA was \$13.6m and the company posted a profit after tax of \$1.02m. The Group's balance sheet remains strong with net debt of \$3.7m at the half year.

Group Chair, John Quirk, says the figures reflect the solid performance by Kordia's New Zealand business units, coupled with improved stability of the Australian telecommunications market which has enabled the Australian Solutions business to recover.

Kordia's New Zealand business units continue to go from strength-to-strength, with a wide range of projects and initiatives scheduled to commence in the coming financial year. The acquisition of cloud consultancy Emerging Technology Partners in February will usher in new streams of work, complementing Kordia's existing cloud connectivity and cyber security businesses.

"Our New Zealand networks division had a strong first half, driven by continued customer growth in Secure WAN. The business is optimistic heading into the latter part of the year, with the introduction of new connectivity and cloud solutions providing ongoing opportunities," says Quirk.

Kordia's specialist cyber security division, Aura Information Security, made pleasing progress with 18% year on year revenue increases.



“Cyber security is now firmly on the agenda for most Boards, and Aura has elevated itself as a market leader in the field. With updates to the Privacy Act due later this year affirming the need for organisations to adopt a robust digital risk strategy, we expect Aura’s work will continue to be in demand by enterprise and Government clients alike,” Quirk continued.

Kordia’s Media division achieved notable results, securing significant long-term contract renewals and new business wins with the new Pop-Up TV channel service. Our Maritime business continued its steady performance, with the New Zealand Maritime Operations Centre heavily involved in distress communications associated with the White Island eruption in December.

In New Zealand, the Solutions business is currently delivering several significant projects, including a project in Vanuatu to upgrade the national infrastructure, as well as a Wi-Fi and LAN install for the Christchurch Convention Centre.

Quirk says the board is optimistic that a more stable Australian Telco market will see the Group’s 2020 full year financial performance return to a more positive position year on year. While the impact of the Chinese vendor ban trailed into the start of the current financial year, from late Q1 work volumes have begun to pick up on the back of various 5G roll-out programs.

“At the start of September, Kordia Solutions Australia was awarded the Optus Mobile contract which covers work for a term of 3 years. Initial work volumes have been received with work commencing in September and will ramp as the programme grows in 2020. Our Australian contracting business is recovering, with revenue and EBIT improving quarter on quarter” Quirk explained.

“The Group’s health and safety performance has remained strong with TRIFR at 2.55 versus a target of <5, with a strong emphasis on high potential health and safety risks.

Customer satisfaction as measured by net promoter score continues to be an industry leading 50 and we expect this to continue to grow. Similarly employee net promoter score is strong at 28” continued Quirk.

“As a digital technology business, Kordia’s commitment lies in positioning itself as a trusted partner to its customers with the high-tech capability to aid business transformation, capitalising on new business opportunities within our connectivity, cyber security and cloud offerings, and bringing more and more relevant digital services to market. Combined this puts the company in a better position to help our customers thrive,” concludes Quirk.

For the Board,

John Quirk

Chair

Kordia Group

