

KORDIA GROUP LIMITED	
Results for announcement to the market	
Reporting Period	12 months to 30 June 2017
Previous Reporting Period	12 months to 30 June 2016

	12 months to 30 June 2017 (NZD'000)	12 months to 30 June 2016 (NZD'000)	Percentage change
Revenue from ordinary activities	200,914	240,687	(16%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	18,185	38,594	(52%)
Profit (loss) after tax	(1,154)	12,260	(109%)

	Interim Dividend	Final Dividend
Amount	Nil	Nil
Dividend Payment Date	-	-

KORDIA GROUP FULL YEAR RESULTS

Kordia Group delivered a revenue of \$201m for the year ended 30 June 2017, with an EBITDA of \$18.2m and a full year net loss after tax of \$1.2m.

While \$13.5m in dividends were paid last year, due to a strong result for the year ended 30 June 2016, a 2017 dividend will not be paid on the back of the results.

The Group's net debt is \$1.8m and the balance sheet remains strong. Kordia Group is well positioned to both deliver returns to the shareholder and invest in future growth opportunities.

Kordia's New Zealand business performed well, with its telecommunications, wholesale, and its media and broadcast divisions all exceeding targets for the year.

The completion of several large projects in the Australian contracting business, combined with delays in the commencement of new contracts, impacted Kordia's first half year results; with a net loss after tax of \$1.8m.

To help return the business to sustainable profits, the Board implemented a series of strategic actions during the first half of the year. This included the appointment of Hamish Guild as CEO of Kordia Solutions and a full restructure of the Australian business to help create a more agile and flexible Australian Solutions team that is better placed to meet the needs of a largely contracting-based environment.

Following these changes, the Group achieved a net profit after tax of 0.6m in the second half of the financial year; with the Australian arm of the business well positioned for future growth.

Aura Information Security, the specialist cyber security consultancy acquired by Kordia in November 2015, performed well and exceeded its targets. The launch of Cyber Security by Kordia, New Zealand's most comprehensive suite of security solutions, in March 2017 also further cemented the Group's focus on being a leading provider of mission-critical technology solutions.

Dividend

The Group paid a special dividend of \$5m in October 2015 given the strong result and the strength of its balance sheet. A further interim dividend of \$1m was paid on 31 March 2016, this was followed by a final dividend of \$7.5m in September 2016.

Given the dividends paid last financial year (\$13.5m in total) an interim and final dividend has not declared on the back of the results.

Highlights

Kordia Group Limited

- Health and Safety – The Group is compliant with NZS4801 and Australia has achieved renewal of federal certification. The Board considers the Group to be well positioned to comply with the new legislation.



- Maritime – Kordia completed the roll out of a nine-station coastal marine VHF monitoring network for the state of Victoria. The Australian Maritime Safety Authority has also extended their contract until June 2022 for HF marine monitoring services.

Kordia Solutions Australia (KSA)

- Industry expert Hamish Guild joined the business as CEO of Kordia Solutions in January 2017.
- The restructure of Kordia's Australian operations during the first half of the year has significantly reduced the cost base and improved the business model.

Kordia New Zealand (KNZ)

- There is continued growth in media, telecommunications and cyber security business
- Aura Information Security, acquired by Kordia Group in November 2015, performed well and met its 12 months' performance targets
- The launch of Cyber Security by Kordia – New Zealand's most comprehensive suite of cyber security solutions – has positioned the business well for future growth in this dynamic space.

Summary

Kordia Group has a rich 60-year-plus history of designing, delivering and operating complex technology solutions. Through its Cyber Security by Kordia portfolio, the business is now able to provide a wide range of mission-critical technology solutions designed to meet our customers' varying needs – whether their focus is around connectivity, online security; or both.

With a better aligned Australian business, and a range of exciting new opportunities on the horizon, Kordia is well positioned to capitalise on the growing demand for mission-critical technology solutions on both sides of the Tasman; with cyber security, 5G and the Internet of Things (IoT) squarely in our sights.

For the Board,
John Quirk
Chair

Kordia Group

About Kordia NZ

Kordia New Zealand is New Zealand's leading provider of mission critical networks, cyber security and technology solutions. With a rich heritage in broadcast and a focus on business to business telecommunications, Kordia NZ delivers the highest customer satisfaction scores in the industry.

