COSOL delivers strong HY25 performance, underpinned by organic growth

Highlights

- **Delivery of strong, predictable growth in revenue and profit**
- **Revenue up 17.8% to $57.8m with gains across all segments**
- **Underlying EBITDA[i] up 17.6% to $8.2m**
- **NPATA[ii] growth of 14.5% to $4.9m**
- **Operating margin[iii] remains strong at 14.1%**
- **Underlying earnings per share[iv] growth of 5.3%**
- **Strong start to H2, budgeting additional material gains in revenue and earnings**

Brisbane, 19 February 2025 – COSOL Limited (COSOL, ASX: COS) is pleased to announce another strong operating result for the six months to 31 December 2024, with gains in revenue, profit and underlying earnings per share. These results affirm COSOL's position as a leader in the asset centric digital transformation market.

Strong contributions from all industry segments drove revenue to $57.8m – up 17.8% on the previous corresponding period – including initial contributions from four new, long term managed service contracts in the natural resources, energy & water and transport & infrastructure sectors.

Underlying EBITDA was up 17.6% at $8.2m and underlying earnings per share were 5.3% higher at 2.47 cents.

Net profit after tax was up 14.5% to $4.3m after adjustments for non-cash acquisition amortisation charges.

Importantly, operating margins again remained consistent at 14.1% (unchanged from previous corresponding period) through a period of high revenue growth, gross margins were lower than previous corresponding period through a combination of embedding the new managed services clients and the impact of higher growth in lower margin professional services which establishes a beachhead in net new customers. COSOL continues to invest in proprietary IP software solutions with the addition of AI capabilities being co-developed with clients in data quality dashboards and conversational AI managed services.

The underlying strength of COSOL's operating margin reflects the strength of the COSOL model, and the ability to deliver organic growth and still deliver strong profitability. COSOL expects to grow its operating margin as it embeds new clients and managed services contracts, and continues to map digital transformation projects for clients. COSOL is well positioned to win these projects with its proprietary IP and software and market leading data transformation capabilities with the Toustone acquisition deepening COSOL's ability to deliver digital solutions to its blue-chip client base.

Managing Director Scott McGowan said the result extended COSOL's track record of delivering consistent profit growth since listing in 2020.

"This is a solid result driven by organic revenue growth, and we expect a strengthening of our key financial metrics in the full year as new contracts and further revenue synergies kick in," said Mr McGowan.

"We are seeing demand for COSOL services continuing to grow across mining, energy, infrastructure, State and Commonwealth governments, and all key segments, driving further gains in revenue growth in the second half.

Mr McGowan said operational highlights for the year included the start of four new managed services contracts that have already started driving incremental advisory revenue.

He said the core COSOL business continued to record double digit organic growth – in revenue and earnings.

The acquisition of data analytics group Toustone in December 2024 gave momentum to COSOL's strategic shift towards building digital solutions that create an unrivalled position in enterprise asset analytics.

"Our customers are active in essential highly regulated, non-discretionary areas like maintenance of physical assets where they are constantly on a mission to find digital solutions to identify savings and implement material efficiencies," said Mr McGowan.

Mr McGowan said COSOL's acquisitions and investments in people and skills in its data, AI and analytics capabilities provide it with digital solutions to strengthen the bond between COSOL and its clients. As a result, the outlook for FY25 H2 and for FY26 is positive, with a strong pipeline of contracted and new opportunities in both Australia and the USA, and continued investment in our client engagement and co-development of leading-edge IP solutions to drive long term organic revenue growth.

This announcement was authorised for release by the Board of Directors of COSOL Limited.

For more information, please contact:
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About COSOL

COSOL is a global provider of technology-enabled asset management solutions to optimise operational performance in asset intensive industries such as natural resources, energy and water utilities, public infrastructure and defence.

COSOL provides advice, operational expertise and business optimisation outcomes to help clients achieve economic and sustainable improvements in their business operations and supply chains.

Drawing on our signature solutions and proprietary software, COSOL delivers an Asset Management as a Service capability – a complete outsourced solution for asset management operations that helps optimise asset performance.

Since listing on ASX in 2020, COSOL has delivered profitable growth, strong operating cashflows and successful strategic acquisitions.

https://cosol.global/

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[i] Underlying EBITDA is a non-statutory measure and margin excludes ~$0.5m of acquisitions costs in FY25 H1 (see slide 29 of COSOL's FY25 Half Year Results Presentation released 19 February 2025).

[ii] Underlying NPATA is a non-statutory measure and excludes the tax adjusted impact of intangibles amortisation ($0.49m) and acquisition costs ($0.35m) for in FY25 H1 (see slide 29 of COSOL's FY25 Half Year Results Presentation released 19 February 2025).

[iii] Operating margin is a non-statutory measure and constitutes the Underlying EBITDA margin (see slide 29 of COSOL's FY25 Half Year Results Presentation released 19 February 2025).

[iv] Underlying EPS is a non-statutory measure and calculated as underlying NPAT divided by weighted average shares on issue (see slide 29 of COSOL's FY25 Half Year Results Presentation released 19 February 2025).