



# Tungsten Corporation plc

RESULTS FOR THE YEAR ENDED 30 APRIL 2017 (FY17)

24 July 2017



# IMPORTANT INFORMATION

This document contains forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and trading margins, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. Any forward-looking statement is based on information available to Tungsten as of the date of this statement. All written or oral forward-looking statements attributable to Tungsten are qualified by this caution. Tungsten does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in Tungsten's expectations.

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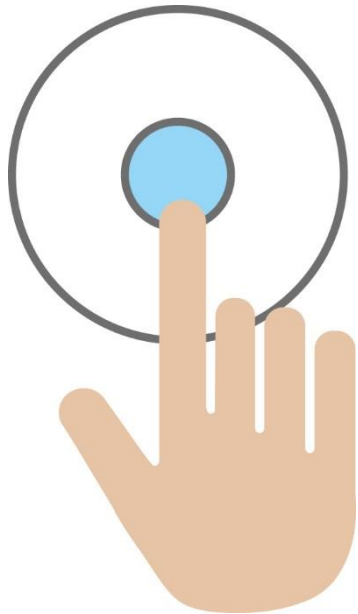
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# RICHARD HURWITZ

## CHIEF EXECUTIVE OFFICER



# Demonstrating strong revenue growth and control over costs



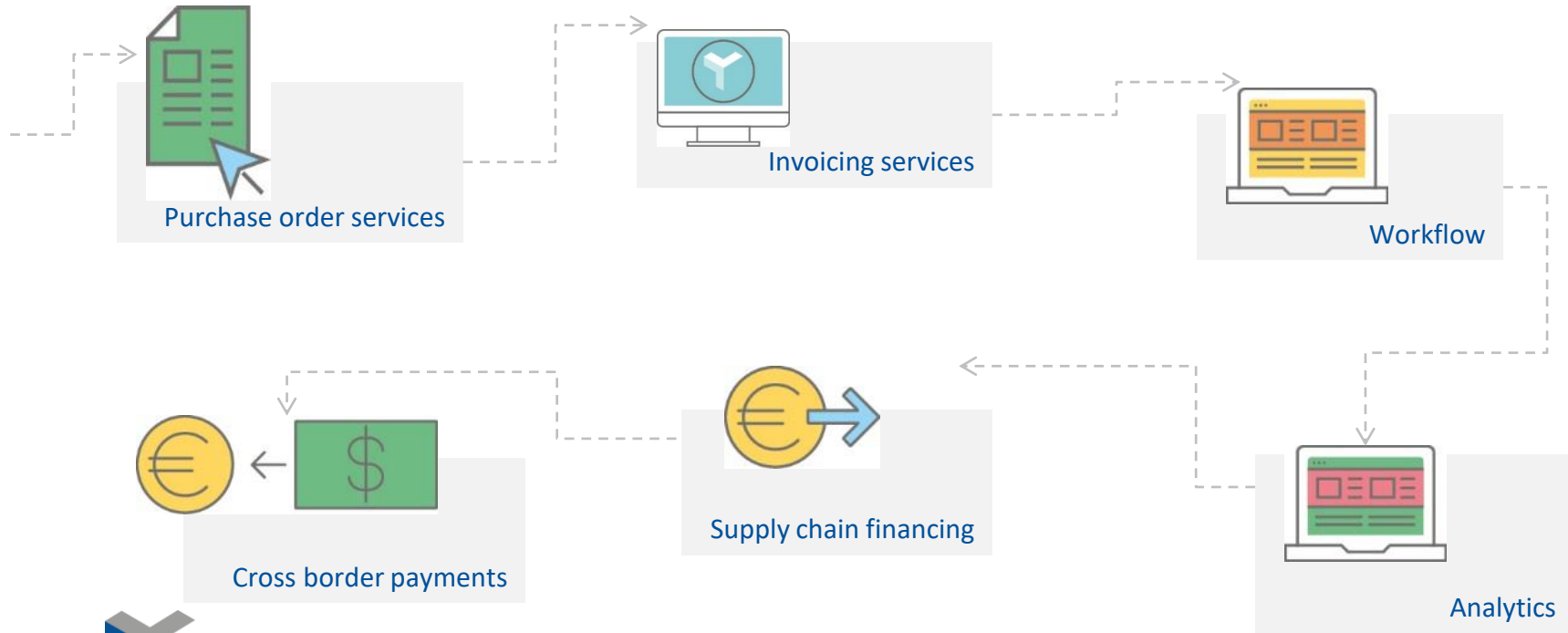
## FY17 financial highlights

- ✓ Revenue  
+21% to £31.3 million  
+12% at constant exchange rates
- ✓ EBITDA<sup>1</sup> loss  
down by £4.4 million to £11.8 million
- ✓ Statutory loss  
down by £14.7 million to £12.5 million
- ✓ Net cash and invoice receivables<sup>2</sup> up £12.5m to £21.8 million

<sup>1</sup> EBITDA is defined as operating loss before depreciation, amortisation, impairment, discontinued operations and share-based payments changes

<sup>2</sup> Transitional financing prior to implementation of additional funding arrangements with partners, with outstanding balance amounting to £35,000 at 21 July 2017

# Helping to remove friction from the global supply chain efficiently and securely



# Trusted by growing numbers of SMEs, governments and multi-national organisations

over  
**250,000**  
customers



**17.1m**  
transactions  
processed



**72%**  
of Fortune 500  
served by  
Tungsten Network



**183**  
complex,  
international  
buying organisations



# Stable and focussed on achieving profitability



# Effective execution delivering strategic results



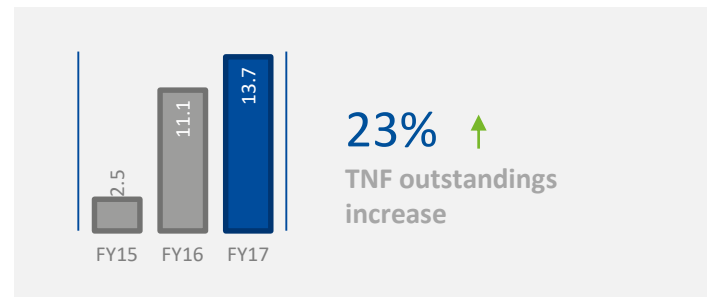
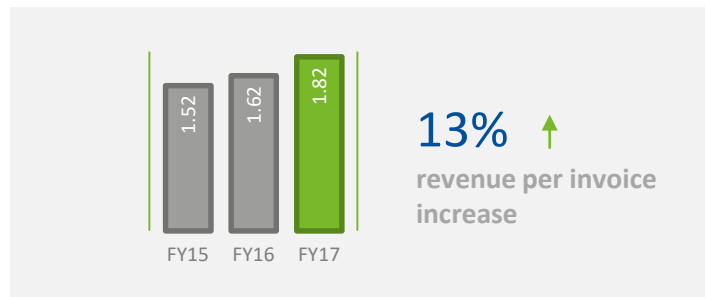
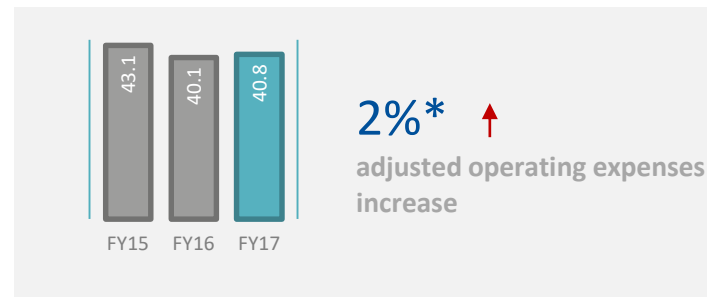
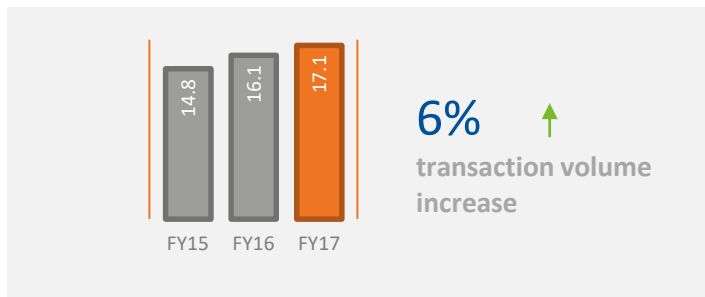


# DAVID WILLIAMS

## CHIEF FINANCIAL OFFICER



# Progress made on our four headline KPIs in FY17



\*4% decrease on constant currency basis

# Revenue growing and EBITDA loss continuing to decrease

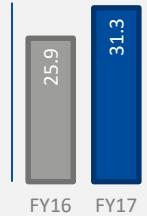
Group revenue		£m	Adjusted operating expenses		£m
FY17	31.3		FY17	40.8	
FY16	25.9		FY16	40.1	
FY15	22.4		FY15	43.1	

Cost of sales		£m	EBITDA loss		£m
FY17	2.3		FY17	11.8	
FY16	1.9		FY16	16.2	
FY15	2.5		FY15	23.1	

# £0.6m net impact of currency movements on EBITDA loss

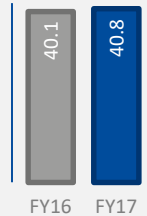
Revenue



**+£5.4m**  
**+21%**  
as reported

**+£3.2m**  
**+12%**  
constant currency

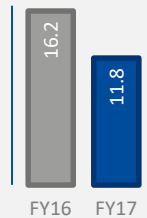
Adjusted operating expenses



**+£0.7m**  
**+2%**  
as reported

**-£1.8m**  
**-4%**  
constant currency

EBITDA loss



**+£4.4m**  
**-27%**  
as reported

**+£5.0m**  
**-31%**  
constant currency

# Continuing transformation of our cost base

FY17 Activity



**-£1.0m**

annualised saving from Finance & HR shared service centre



**-£1.0m**

annualised saving from procurement activities



**+£1.5m**

additional expenditure on systems and development

FY18 Activity



**-£1.5m**

annualised saving from moving to new IT outsourced provider



**-£0.5m**

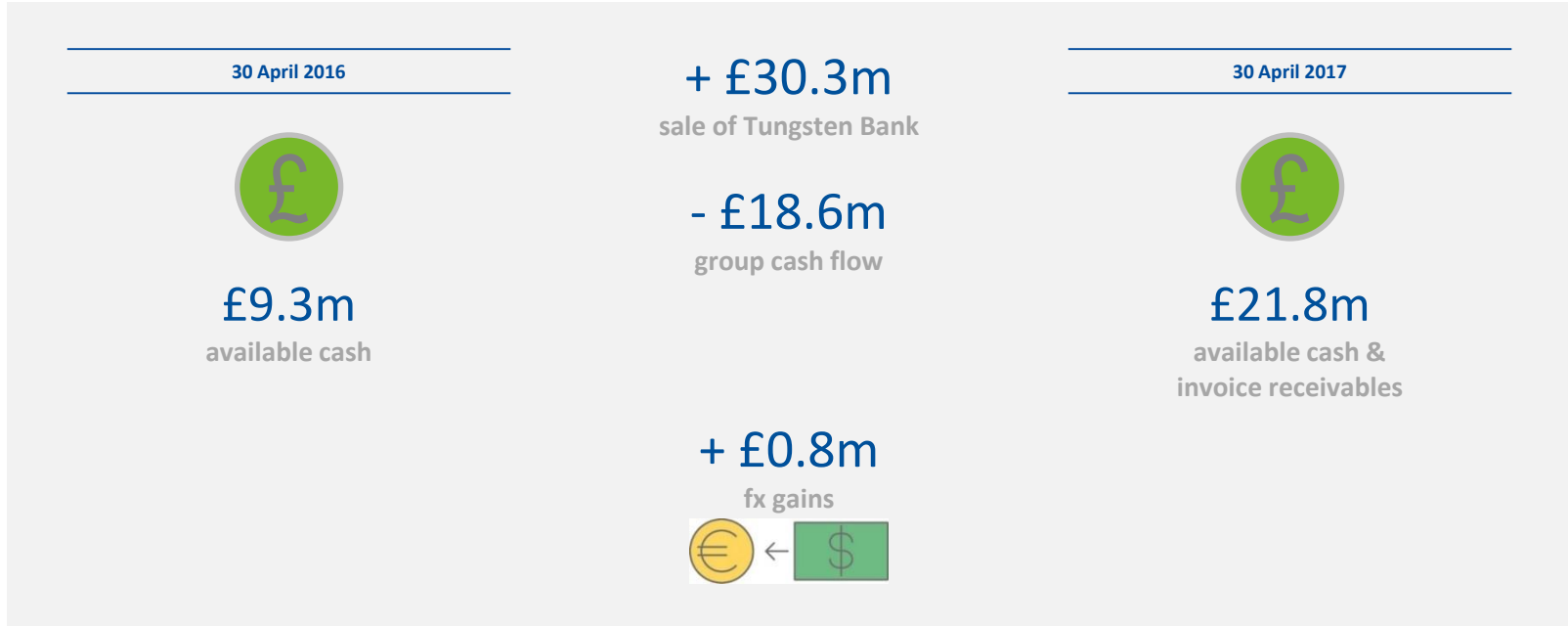
annualised saving from further organizational changes



**+£1.0m**

additional sales, marketing and product development costs

# Sale of Tungsten Bank has strengthened the Group liquidity position



# RICHARD HURWITZ

## CHIEF EXECUTIVE OFFICER



# Our performance in FY17 demonstrates that we are in a position to pursue profitable growth



Increased the Company's opportunity to generate revenues



Costs under control; spending in areas to support growth



Focus on brand awareness has resulted in increased new deal flow



Systems are more secure and reliable



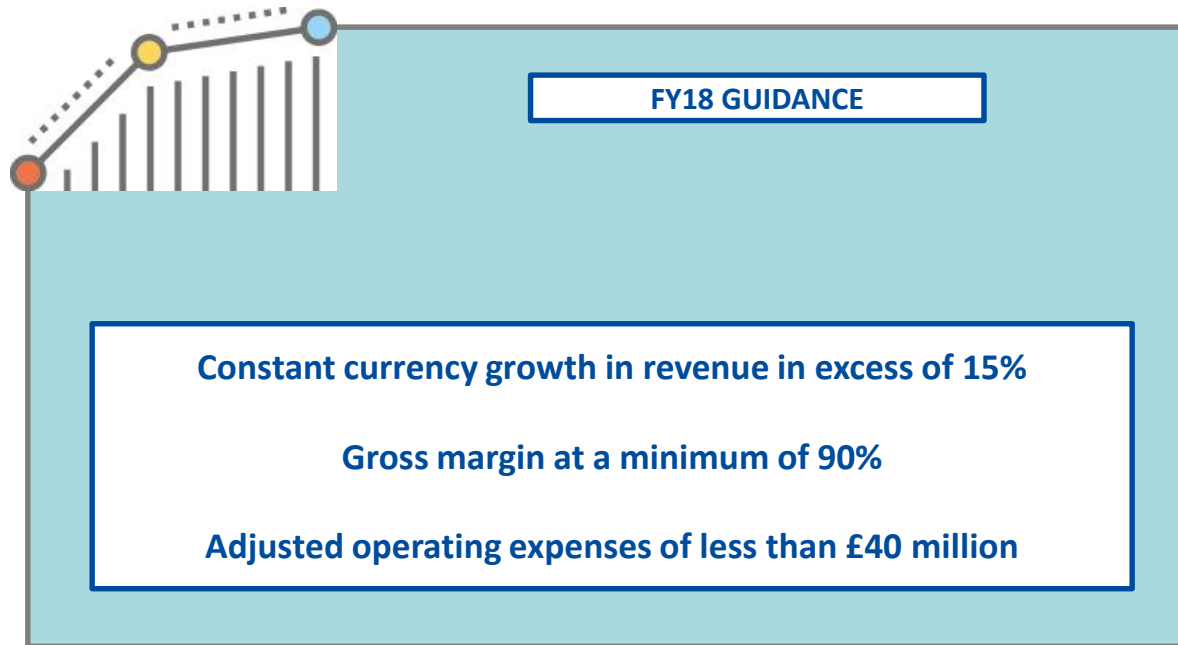
Employees, customers & prospects engaged; new partnership opportunities emerging



Balance sheet strengthened; opportunities can be identified and pursued with pace



# We remain on track to achieve monthly EBITDA breakeven in calendar 2017





# Q&A