



FY2021 Trading Update

10 May 2021

Solution Dynamics (SDL or Company) has previously provided FY2021 earnings guidance for net profit after tax of \$2.0-2.5 million. The Company advises that it now expects to report a full year FY2021 net profit after tax of around \$2 million.

This is largely the result of certain expected international revenues slipping from late fourth quarter FY2021 into the first quarter of FY2022. Additionally, the recent COVID resurgence in several countries is affecting current processing volumes. SDL notes that revenue from some of the Company's larger international customers can be volatile in the short-run and the timing of some projects can cause material changes around interim and full year result periods.

SDL is pleased to advise that, after a major New Zealand customer re-tendered its communications volumes, the Company has successfully retained the business (subject to concluding re-contracting), for a further three plus two year term. While the domestic print and mail-house market has increasing excess capacity, the Company continues to see opportunities develop locally.

Additionally, SDL continues to review its management team structure to ensure cost efficiency and optimal service delivery.

The Directors note that SDL continues to have a strong pipeline of growth opportunities internationally. The Company's North American business is expanding rapidly and positive progress in the rate of vaccination in the UK means that currently depressed revenues from that region are likely to progressively normalise over FY2022. These factors should ensure SDL is well positioned for strong revenue and earnings growth in FY2022.

For further information please contact:

John McMahon
Chair
+61-(0)410-411 806

Nelson Siva
Director & Chief Executive Officer
+64-(0)21-415 027

Physical Address
18-24 Canaveral Drive, Rosedale
Auckland 0632, New Zealand

Postal Address
PO Box 301248, Albany
Auckland 0752, New Zealand

Contact
Phone: +64 9 970 7700
Email: info@solutiondynamics.com

New Zealand ▪ United Kingdom ▪ United States of America

www.solutiondynamics.com