



## RXP SERVICES LIMITED

ABN 30 146 959 917

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## RXP's focused strategy driving strong growth in the second half

Technology services provider RXP Services Limited (ASX: RXP) is pleased to announce its results for the 12 months ended 30 June 2015 (FY15), delivering another year of strong growth across all key metrics.

### FY15 saw growth across all key metrics and maiden dividend declared

- Revenue up 41.5% to \$78.9 million (FY14: \$55.7 million)
- Profit Before Tax (PBT) up 12.4% to \$10.4 million (FY14: \$9.3 million)
- NPAT up 13.2% to \$7.4 million (FY14: \$6.5 million)
- No debt and cash at bank of \$12.1 million
- \$25 million Westpac acquisition debt facility now in place
- Maiden dividend of 1.25cps fully franked payable 9 October 2015

### Strong momentum generated in the second half

Commenting on the success of the company's focused growth strategy, RXP Chief Executive Officer Ross Fielding said:

"We are delighted with the results RXP has been able to achieve over the past 12 months. Despite a soft first half driven by key project deferrals in the second quarter, we achieved excellent growth at the top line. This result demonstrates the success of our, client-focused practice-led, approach within a "OneRXP" environment and validates our view of ongoing growth and spend in the sector.

"In the second half of FY15 we generated strong momentum, driving utilisation back to planned levels as deferred projects commenced and new work was won. We are seeing increases in both the size and duration of our diverse client engagements, whilst also leveraging cross-selling opportunities. We have continued to execute our "mainstream, challenger, disruptive partner" strategy and as our partner engagement model evolves we are gaining traction in joint RXP-Partner solution development; winning new clients as a result of these relationships.

"Acquisitions have been a part of our history and we are proud of our ability to integrate acquired businesses while maintaining our "OneRXP" strategy. In FY15, we successfully completed the acquisition and integration of Centrum systems to further broaden our client offering. Post 30 June, we also announced the acquisition of engageViidacom, our largest acquisition by number of people,

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which increases our capabilities in large project delivery and expands our footprint in the Telecommunications & Media sector.

“In a newer move for RXP, we commenced licencing our own IP-backed Products/Solutions in FY15. This commercialisation materialises the effort put in over the past couple of years and we are pleased to have seen growth in these “As A Service” offerings and will continue to focus on the evolution and development of this revenue stream.”

### **Strong balance sheet and maiden dividend**

As at 30 June 2015, RXP had no debt and a cash balance of \$12.1 million. Reflecting the strength of RXP’s business, a \$25 million acquisition debt facility was put in place with Westpac to enable RXP to continue pursuing EPS accretive acquisitions and provide greater flexibility in balance sheet management.

FY15 Operating cashflows increased to 84% of EBITDA, up from 32% of EBITDA in FY14. With good growth in the second half, strong operating cashflows and balance sheet, the Board has declared a final FY15 dividend of 1.25 cents per share fully franked. This represents a payout ratio of 23%, and marks the implementation of a progressive dividend policy by the RXP Board. The final dividend will be paid on 9 October 2015, with a record date of 16 September 2015.

### **Positive outlook with continued growth expected**

FY15 was another year of growth for RXP across its people, clients, revenue and earnings. RXP has a firm belief in the ongoing growth and spend in the sector and will continue to develop, expand and evolve its specialisations to meet client needs. RXP will continue to focus on the development and evolution of “RXP Solutions” and “As A Service” offerings and expect this to be an important source of growth in the future.

RXP anticipates continued revenue and earnings growth in FY16, with current forecasts indicating revenue in excess of \$105 million.

Commenting on RXP’s outlook, Mr Fielding said:

“Underpinning the company’s growth strategy is a set of key strategic priorities which ensures we focus on the areas that will deliver the greatest growth and value for RXP. We have always focused on our people and have an exceptional team with a winning culture. This team, and our client focused practice-led approach, within a “OneRXP” environment positions us well to continue to execute our strategy.

“We offer a spread of specialisations to our diverse client base and operate in a mix of geographies. Combined with our strong balance sheet and acquisition debt facility, RXP is conservatively positioned from a risk perspective, while simultaneously poised to take advantage of attractive opportunities.



“We have the team, the clients, partners and balance sheet to support growth and are excited by the opportunities that lie ahead.”

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**About RXP Services Limited**

RXP Services Limited (ASX: RXP) is an ICT professional services company. RXP provides consulting and professional services to a number of S&P/ASX 200 corporations and government bodies here in Australia and in Asia. With staff and offices in Melbourne, Canberra, Sydney, Brisbane, Hobart and Hong Kong, RXP has been providing expert consulting services to clients for over 20 years. Our focus is on ensuring clients maximise the benefits they receive from both their existing and future Technology investments.