



## RXP SERVICES LIMITED

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## RXP's focused strategy driving strong growth

Technology services provider RXP Services Limited (ASX: RXP) is pleased to announce its results for the 12 months ended 30 June 2014 (FY14), which saw the company deliver another year of strong growth across all key metrics. Revenue was up 85% to \$56 million, while net profit after tax (NPAT) was up 86% to \$6.5 million.

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 in its third year as an ASX listed company. The results over the past 12 months reflect the successful execution of the company's ongoing strategy; a strategy that has been focused on growing our people and capabilities, our brand and brand awareness, our partnerships, and increasing the penetration of RXP's specialisations within existing clients and into new clients.

"RXP has grown substantially over FY14, both organically and through acquisition. Importantly, RXP has been able to grow across all key financial and operating metrics even in a challenging operating environment.

"The foundations for continued growth are in place and we are genuinely excited by the opportunities we see ahead for RXP. The company is in a very strong financial position, with growing earnings and cash flows combined with a very healthy balance sheet that has \$18.4 million cash and no debt."

### **FY14 financial highlights**

- Revenue up 85% to \$56.0 million (FY13: \$30.2 million)
- Profit Before Tax (PBT) up 90% to \$9.3 million (FY13: \$4.9 million)
- PBT margin increased to 16.6% (FY13: 16.3%)
- NPAT up 86% to \$6.5 million (FY13: \$3.5 million)
- Cash at bank of \$18.4 million with zero debt



### **FY14 operational highlights**

- **Staff numbers grew by 98% to 420** (30 June 2013: 212) - combination of organic growth and through acquisitions. Our People & Talent team have done a great job and continue to drive retention whilst also attracting new talent
- **Successfully completed six acquisitions** - our single brand integration strategy has been maintained
- **Opened new Brisbane office** - opening up new client opportunities and already producing good results
- **Opened 'Near Shore' applications development centre in Hobart** - allowing increased level of workforce flexibility and efficiency that has already proven to be highly beneficial to ourselves and our clients
- **Significant client wins from existing and new clients across a range of industry verticals** - our "recruiting ahead of the curve" strategy implemented late in 1H14 was the right strategy and Practice "cross-sell" is on the increase
- **New "Partnering Agreements" have been established and existing ones strengthened** - our 'Mainstream, Challenger, Disruptive' Partnering approach is working.

Mr Fielding said that FY14 saw RXP enhance its market reputation amongst clients and potential clients, while also improving and expanding the company's service capabilities.

"The launch of our 'Near Shore' applications development capability based in Hobart is an example of our nimble and aggressive approach to building on our capabilities. We will continue to focus on building an integrated company – one that works as a united team under one brand and that we internally refer to as 'OneRXP'," added Mr Fielding.

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

Commenting on RXP's outlook, Mr Fielding said:

"Over the next 12 months, RXP will continue to execute on its focused growth strategy centred on organic and acquisitive growth. We have no intention of slowing down and resting on our laurels.

"Underpinning the company's growth strategy is a set of key strategic priorities to ensure we remain focussed on the areas that will deliver the greatest sustainable growth and value for RXP and the company's key stakeholders – shareholders, staff and clients.



“We are again targeting strong revenue and earnings growth in FY15, and expect to maintain a PBT margin in line with this past year, allowing us to continue to grow both organically and through acquisition. We have had a strong start to FY15 with July 2014 revenue in excess of \$6 million, and the company’s balance sheet is in great shape. All things going well, the board is looking to potentially initiate a dividend policy in the second half of FY15.

“RXP has built an exceptional team that has a reputation for delivery on all fronts. We are able to offer a spread of services and specialisations to our diverse client base, and we have a good mix of geographies in which we operate. This spread and diversity manages our risk while simultaneously creating attractive growth opportunities.

“So we have entered FY15 excited by the growth opportunities that lie ahead, and are confident that we are well placed to continue to deliver outstanding results.”

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**About RXP Services Limited**

RXP Services Limited (RXP) is a Technology 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.