ASX ANNOUNCEMENT

28th February 2017

APPEN ANNOUNCES FULL YEAR 2016 RESULTS

Appen Limited ("Appen") (ASX:APX) today announced its Full Year results for the year ended 31st December 2016. Appen is a leading global provider of high quality language data and services to major technology companies and government agencies.

A$m	FY2016	FY2015	% change	% change constant currency
Statutory Results				
Language Resources	37.7	31.9	18%	
Content Relevance	73.2	50.7	44%	
Total Revenue	111.0	82.7	34%	33%
EBITDA	17.2	13.8	24%	22%
EBITDA Margin	15.5%	16.7%		
NPAT	10.5	8.3	26%	23%
Underlying Results*				
EBITDA	17.3	14.0	23%	21%
NPAT	10.6	8.5	25%	24%

*Underlying results exclude one-off expenses associated with the IPO and transaction costs

With reference to the Company's statutory results, revenue grew 34% on FY2015 to $111.0m, EBITDA was up 24% to $17.2m and net profit after tax (NPAT) grew 26% to $10.5m.

The Company derives the majority of its revenue offshore, mostly in USD, and its results are subject to currency fluctuations. Excluding the impact of foreign currency, revenue growth was up 33%, EBITDA up 22% and NPAT up 23% on the prior year, highlighting the strength of the underlying business.

Growth in the Company's revenue came from new and existing projects with current customers as well as new customer acquisition. Appen's customers include eight of the top ten global technology companies.

The Company delivered strong cash conversion in 2016 due to changes in the payable cycle and improvement in timing of customer receipts.

The Company's earnings result was up on the prior year but slightly down on a percentage of revenue basis due to the impact of volume discounts on Content Relevance work. Productivity improvements and cost controls implemented in 2H are delivering margin recovery in Q4 2016 and Q1 2017.

Appen's Chairman, Chris Vonwiller, said "This is another outstanding result for Appen. We have built on last year's strong performance by focussing on our customers and delivering quality work. This has led to revenue growth from new projects and existing programs."

The Company's CEO, Mark Brayan, added "Our team has done another amazing job this year. The increasing use of machine learning and artificial intelligence (AI) is driving the demand for quality data and Appen is well positioned to continue to respond to this opportunity."

Appen is targeting mid to high teen percentage EBITDA growth in FY2017. Year to date revenue plus orders in hand currently total $70m.

Natural language processing, machine learning and AI is being increasingly harnessed to automate business processes and personal tasks. This offers the opportunity for Appen to supply high quality data to a growing number of users and applications.

Appen has a strong balance sheet with ample cash reserves and no debt. The Company is well placed to seize opportunities for growth that are consistent with our long-term strategy to be the leading language and data provider for natural language, machine learning and artificial intelligence opportunities.

The Board has declared a final dividend of 3.0c per share, fully franked. This follows the 2.0c half-year dividend in September 2016. The full year dividend is up 19% on the 2015 dividend of 4.2c. The final dividend will be paid on 23th March 2017 with a record date of 6th March 2017.

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Conference Call

Investors are invited to join a conference call hosted by Mark Brayan, CEO and Kevin Levine, CFO today at 11:00am AEDT.

To access the call please use the numbers below:

Toll Free: 1800 123 296
Toll: +61 2 8038 5221
Conference ID: 6897 2061

International Dial-in Numbers:
Canada   1855 5616 766
China   4001 203 085
Hong Kong   800 908 865
India   1800 3010 6141
Japan   0120 477 087
New Zealand   0800 452 782
Singapore   800 616 2288
United Kingdom   0808 234 0757
United States   1855 293 1544

About Appen

Appen is a global language technology solutions provider with capability in over 180 languages and 130 countries, serving global technology companies, automakers and government agencies.

Appen offers high quality large scale training data, linguistic models and consulting services to assist the development of technology products and services that rely on natural languages including smartphones, digital assistants, social media, content analytics, software, e-commerce platforms, automobiles, government security and intelligence, consumer electronics (game and TV consoles), cloud services and search technology.