

MSL Solutions Limited (ASX: MPW) FY2017 & FY2018 earnings update

17 August 2017: MSL Solutions Limited (ASX: MPW) (**MSL or the Company**) today announces an update to its anticipated earnings result for the financial year ended 30 June 2017 (**FY17**) and 30 June 2018 (**FY18**).

- **Strong performance from underlying businesses, including those recently acquired.**
- **MSL reconfirms the Pro Forma forecast for FY18 (as detailed in the Prospectus) of \$6.45 million EBITDA and \$5.92 million NPATA will remain unchanged.**
- **MSL strengthens its management team with the appointment of a new Chief Financial Officer.**

FY2017 Results:

Based on the current expected results for the year ended 30 June 2017, which remain subject to finalisation of the audit, MSL will deliver a Proforma NPAT in line with the forecast previously provided. As reported in the recently lodged Appendix 4C, operating cash flow was in line with expectations.

Whilst the reported NPAT result is expected to be in line with the forecast, the EBITDA was impacted due to the interpretation of pro forma adjustments relating to the acquisitions and the subsequent internal treatment of employee share based payments, which have been identified through the audit process. This has resulted in the expected EBITDA result to be \$1.9 million below the forecast.

The Board of MSL reiterates that the adjustments are isolated to FY17 and will have no impact on the business going forward.

As a result of these adjustments, the Company anticipates the FY17 results to be as follows:

MSL Limited Unaudited results	STATUTORY (UNAUDITED)	PRO FORMA ADJUSTMENTS	PRO FORMA (UNAUDITED)	PRO FORMA (FORECAST)	PRO FORMA VARIANCE
A\$'000S	FY17		FY17	FY17	FY17
Revenue	23,665	5,015	28,680	29,263	(583)
EBITDA	(6,784)	8,788	2,004	3,988	(1,984)
NPATA	(6,700)	9,411	2,711	3,476	(765)
Amortisation	(4,122)	-	(4,122)	(4,900)	778
NPAT	(10,822)	9,411	(1,411)	(1,424)	13

FY2018 Outlook:

MSL reconfirms the FY18 forecast guidance provided in the Prospectus as follows (A\$'000S):

Revenue	\$ 35,557
EBITDA	\$ 6,450
NPATA	\$ 5,920
NPAT	\$ (476)

The Company provides further commentary around this outlook guidance:

Revenue: \$35.5m; 87% of FY18 target revenues is already contracted or within run-rates

- Greater than \$15m (43%) of this amount is already contracted as baseline Recurring Revenue as at June 2017;
- Recurring Annuity Revenues are forecast to be greater than 50% of total revenues in FY18;
- The FY17 run-rate for Other Revenue from new sales was \$14.2m, approximately 40% of the total FY18 forecast revenue;
- \$1.3m (4%) of sales orders contracted by 3rd July will contribute towards FY18 revenue;
- MSL has recently executed its first stadium customer in Europe, outside of the UK, through a partner firm and has also continued sales and partnering initiatives in the US and Australia.

Costs:

- Gross margins are expected to remain strong, in line with prior forecast projections;
- Recurring operating costs are in line with expectations going into FY18;
- Headcount as at June 2017 is at 136 versus the FY18 forecast of 141.

Appointment of new CFO

The Board of MSL are pleased to advise that Andrew Ritter has been appointed as the Company's Chief Financial Officer, in addition to his existing role as Company Secretary. Mr Ritter has over 18 years of international finance experience, with previous roles as CFO and Company Secretary of ASX listed global IT & Telco organisations. Andrew is a Chartered Accountant, holds a Bachelor of Commerce degree, a Graduate Diploma of Applied Corporate Governance and is a Fellow of the Governance Institute of Australia and the International Institute of Chartered Secretaries and Administrators.

Ends

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About MSL Solutions Limited

MSL Solutions Limited (ASX: MPW) is an Australian based global provider of hosted, software as a service (**SaaS**) and on-site deployed solutions to clients in the sport, leisure and hospitality sector. MSL services member organisations across APAC, EMEA and North America through its MPower Platform. MSL has a head office in Brisbane and offices in Sydney, Melbourne, UK and Denmark. To discover more about MSL please visit www.mpowermsl.com.

About MPower Platform

MSL's MPower Platform connects member organisations' business software and data needs to improve guest engagement, loyalty, gain business efficiencies and improve governance. MSL provides scalable full venue business software applications and data solutions integrated through the MPower core integration architecture. This means that MSL can provide solutions to both small and large organisations and associations. MSL provides cloud based SaaS, hosted and on-site deployed software, data and loyalty/media solutions.