



ASX Announcement

Results For Announcement to Market Financial Year Ending 31 December 2016

14 February 2017

Results Highlights

	2016 Result	2015 Result	% Change	Amount Change
Revenue	\$97.8 million	\$91.4 million**	Up 7%	\$6.4 million
EBITDA	\$35.3 million	\$36.6 million	Down 4%	\$1.3 million
Adjusted EBITDA*	\$40.5 million	\$39.2 million	Up 3%	\$1.3 million
NPAT attributable to owners of the parent	\$11.0 million	\$14.6 million	Down 25%	\$3.6 million
Adjusted NPAT attributable to owners of the parent*	\$20.8 million	\$19.3 million	Up 8%	\$1.5 million
EPS	9.8 cents per share	13.1 cents per share	Down 25%	3.3 cents per share

*Adjusted for net expenditure incurred in establishing and developing Reckon One both for the domestic and international markets as well as establishing the Document Management market in the USA and Australia and New Zealand. Refer note 5 to the preliminary financial report for details of this adjustment.

**Prior year restated for ASIC fee reporting.

Summary commentary

The results for 2016 reflect:

- Delivery against guidance
- Revenue growth of 7% (8% on a constant currency basis)
- Stronger 2nd half revenue growth (10% on a constant currency basis)
- Continued volume growth across all divisions:
 - Online business division users reach 39,000 (18% growth) as ReckonOne gains momentum;
 - Document management seats reach 51,000 (15% underlying growth), with online portal users now 617,000;
 - APS seats reach 92,000 (8% growth), including several major new clients in 2016;
 - nQueue revenue growth of 12% as scan products gain further traction;

- A weak year in the content business offsets some of the gains made above
- The last major shift to subscription completed in the 1st half, with 82% of available revenue now subscription.
- Underlying profit growth of 8% however significant investments have been made in new markets with high growth potential.
- The Smart Vault acquisition has been bedded down and is performing better than originally anticipated.

Group CEO, Clive Rabie said:

“2016 has seen a continuation of strong unit based revenue growth across all of the key parts of our business. We enter 2017 with a strong pipeline, which together with our already substantial subscription base, we believe will sustain this growth for this year and beyond.

We have invested heavily in developing new markets for our Document Management and Business products, and this is already showing signs of paying off. The market potential here is enormous and hence we intend to continue to invest in these new markets in 2017, for the long-term benefit of the Group.

Significant progress has been made towards achieving our development goals in 2016 as we enter the final year of above normal investment in our product suite. This reinforces our ability to continue to deliver top quality and relevant technology to the largest accounting and legal firms in the world and business customers.

We remain excited about the potential growth opportunities across all of our divisions.”

For further information, please contact:

Mr Clive Rabie
Group CEO
Reckon Limited
(02) 9577 5946

Mr Chris Hagglund
CFO
Reckon Limited
(02) 9577 5414

