



Briefing – May 2019



Agenda

- RXP Group Overview
- Making Happier Humans
- Examples of work - discussion
- Closing Comments
- Questions



rxpgroup

Enabling digital transformation via our ability to connect expression, experience and enablement.



ASX

2011 Listed Company
Market Cap ~\$70m

750+

People
(Melb, Syd, Can, Hob, HK)

100+

Active Clients

Financials

FY18 Revenue: \$144.5m

FY18 EBITDA*: 15.2m

FY18 Dividend: 3.5cps

Investment highlights

Strong growth in digital work

- Positioned well to take advantage of the desire for businesses to digitally transform

Blue Chip client base

- Diverse set of clients across a range of industry verticals

Growing earnings

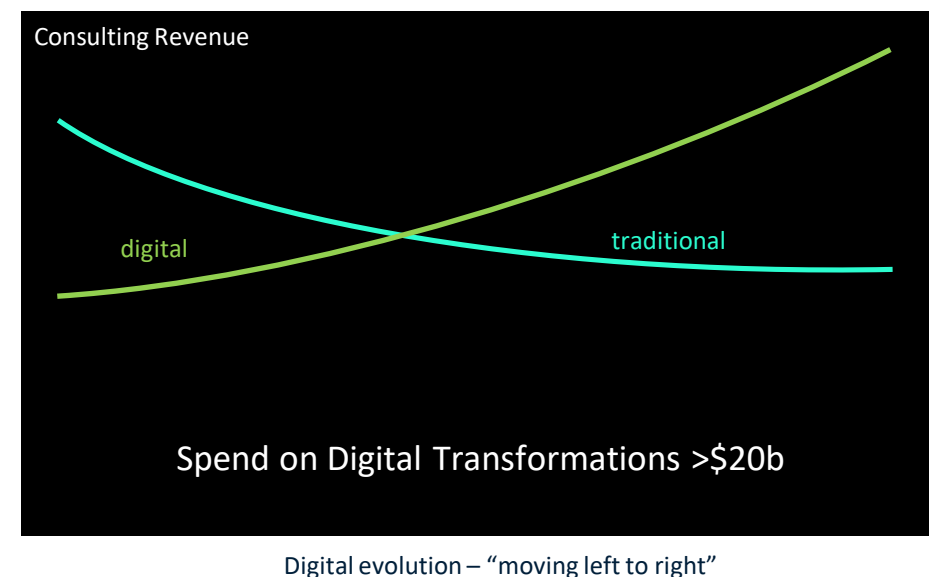
- Forecasting double digit EBITDA growth in FY19

Strong cashflow generating business

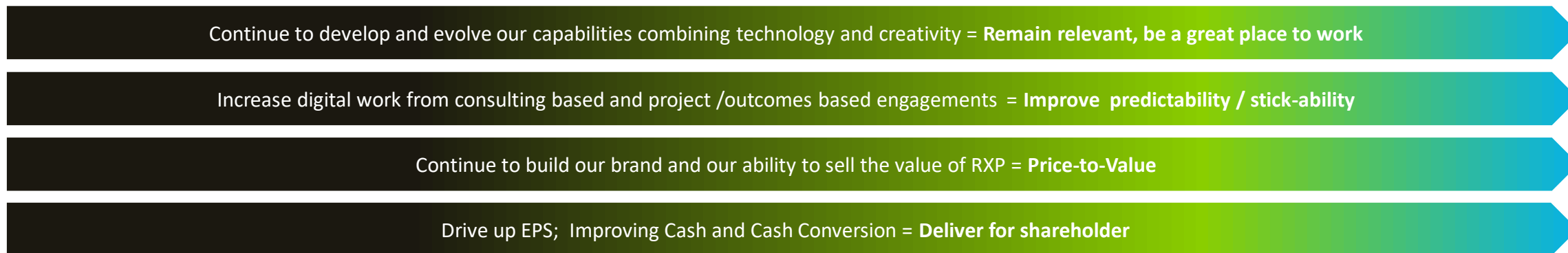
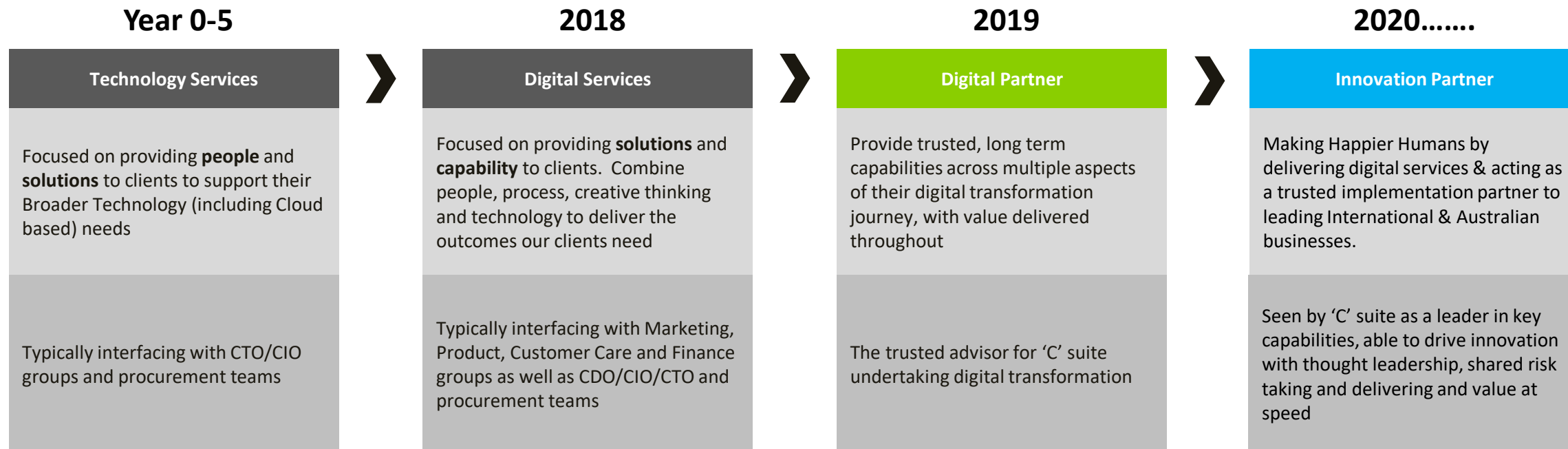
- Forecasting ~85% cash conversion for FY19

Attractive dividend yield

- Progressive dividend policy in place (H1 FY19 NPAT payout ratio of 63%)



Our Journey



Our Clients

We work with the regions top brands across private and public sector.



Partners



alteryx

servicenow





Our mission for
Australian businesses

working together every experience can be made happier

What we believe...

1

Empathy trumps technology.

2

Make the complex simple & the simple compelling.

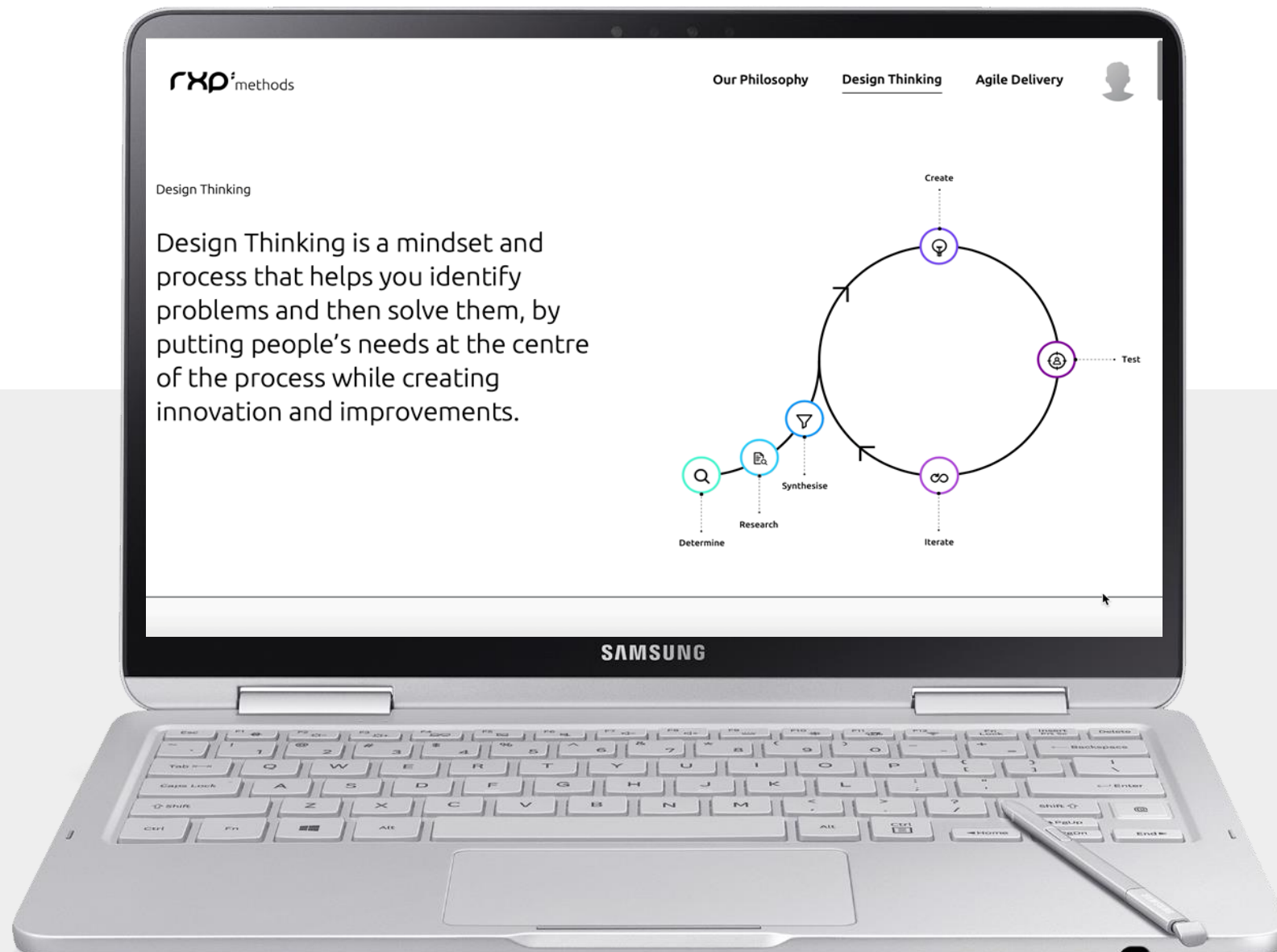
3

Brand Expression must match Brand Experience.

4

Design the right thing. Design the thing right

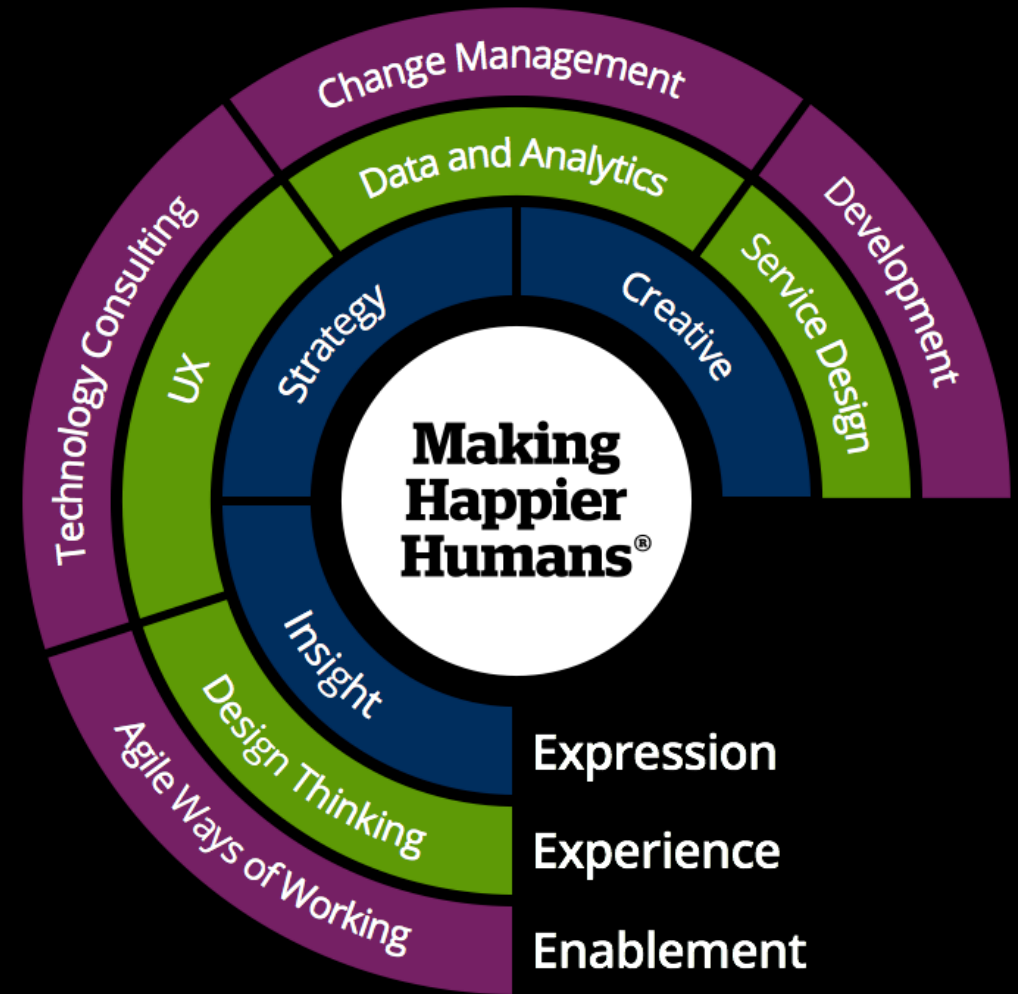
Design Thinking – our portal



Enhanced Capability Model

The RXP capability model brings together our end-to-end offerings in a simplified structure, focusing on Expression, Experience and Enablement.

- **Expression:** Defining business and brand strategy upfront ensures a successful brand, customer and employee experience.
- **Experience:** We focus on helping our clients leverage technology to design 'signature' customer experiences that generate greater loyalty, engagement and advocacy.
- **Enablement:** Good ideas are worthless without the ability to execute. Enablement is at the heart of our business.



Closing Comments

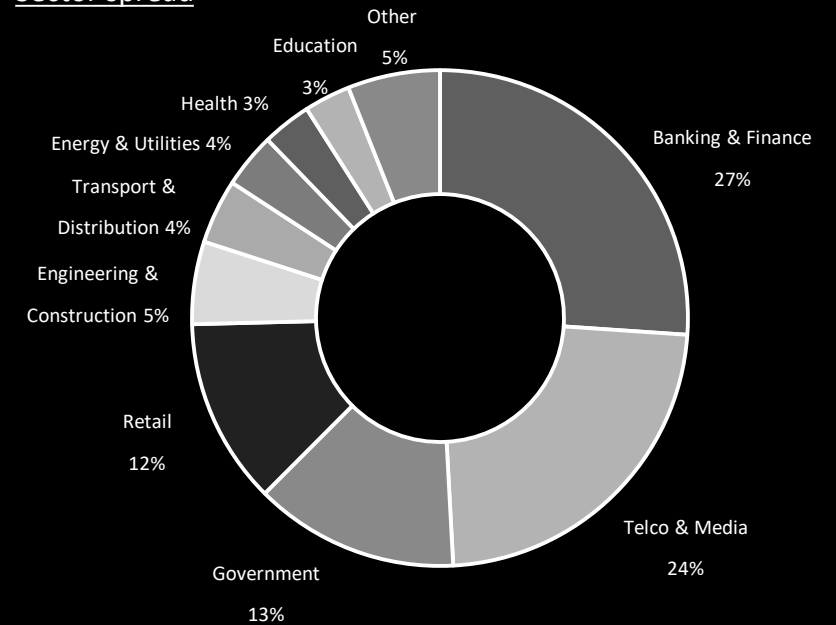
Client list and mix remains strong

- Retained all existing MSAs, expanding a number of them
- Added new clients in FY19 with new MSAs in place
- Our end-to-end capabilities combined with Making Happier Humans positioning is differentiating us in the market
- Pipeline of work continues to build as we leverage our end-to-end digital capabilities

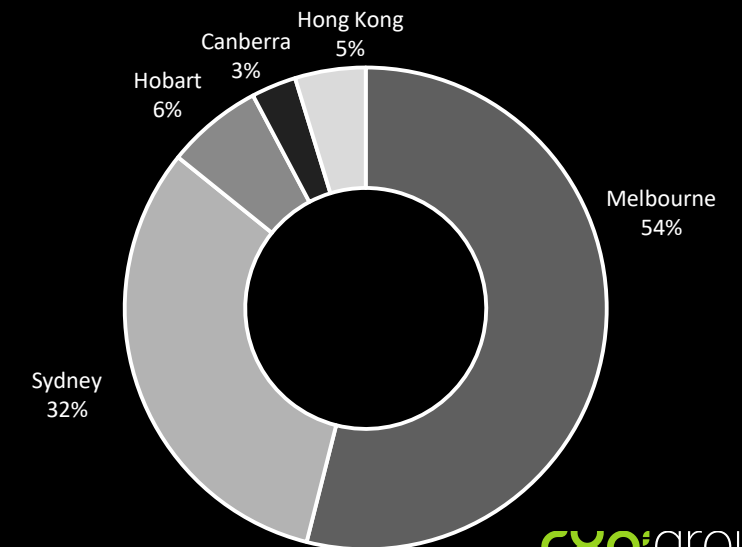
Expect EBITDA growth to be achieved in FY19

- Maintain guidance of double digit earnings growth
- Progressive dividend policy remains in place

Sector spread



Regional spread



Appendix – H1 FY19 financials

H1 FY19 P&L

	1H FY19 (\$'000)	1H FY18 (\$'000)	Growth
Revenue	71,358	70,201	1.6%
Underlying EBITDA	8,361	7,607	9.9%
Underlying EBITDA margin	11.7%	10.8%	
- Non-recurring rebate	-	541	
- Redundancy expense	669	174	
- Borrowing Costs	-	76	
- Acquisition cost expense	-	366	
EBITDA	7,692	6,450	19.3%
EBITDA margin (%)	10.8%	9.2%	
Profit Before Tax	6,562	5,661	15.9%
Income Tax	(2,070)	(1,457)	
NPAT	4,492	4,204	6.9%
Reported EPS (cents)	2.79	2.67	4.5%

H1 FY19 Balance Sheet

	31 Dec 2018 (\$'000)	30 Jun 2018 (\$'000)
Assets		
Cash	12,040	14,011
Receivables & Accrued Income	33,174	31,469
Property, plant & equipment	2,223	2,412
Deferred Tax Assets	2,291	2,386
Intangibles	119,455	119,694
Other	1,869	2,359
TOTAL ASSETS	171,052	172,331
Liabilities		
Trade and other Payables	21,064	20,037
Borrowings	23,000	13,000
Deferred Liabilities	2,000	15,500
Accrued Staff Provisions	3,766	3,880
TOTAL LIABILITIES	49,830	52,417
NET ASSETS	121,222	119,914
Contributed Equity	93,621	93,621
Reserves	197	159
Retained Earnings	27,404	26,134
TOTAL EQUITY	121,222	119,914

H1 FY19 Cash flow

Key cash flow Items	H1 FY19 (\$'000)	H1 FY18 (\$'000)	Change (\$'000)	Change (%)
Operations (before interest and tax)	7,269	4,651	2,618	56%
Tax paid	(1,816)	(2,070)	254	12%
Net interest	(410)	(314)	(96)	(31%)
From operations	5,043	2,267	2,776	122%
From investments	(13,792)	(18,209)	4,417	
From financing	6,778	10,624	(3,846)	
Net cash flows	(1,971)	(5,318)	3,347	
Closing cash balance	12,040	12,285	(245)	(2%)
Operations (before interest and tax) as % of EBITDA	95%	72%		

H1 FY19 Capital management

	H1 FY19	H1 FY18
Interim Dividend	1.75cps	1.50cps
Payout Ratio on NPAT	63%	56%
Record Date	21 March 2019	22 March 2018
Expected Payment Date	11 April 2019	12 April 2018

rxpgroup = **Making
Happier
Humans®**