



27 August 2015

Market Announcements Office
ASX Limited

MYOB 2015 HALF YEAR MARKET RELEASE

Attached is the MYOB 2015 half year market release for the six months ended 30 June 2015.

An investor presentation and half year financial report will be lodged separately.

Ian Boylan
Company Secretary
MYOB Group Limited

Supporting Resources

For more information on MYOB, please visit:

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MARKET RELEASE

27 August 2015

MYOB exceeds financial forecast with record cloud subscription growth
Compelling financial results, ongoing momentum and 94% recurring revenue model underpin outlook

Key 1H 2015 Highlights:

- Record uptake of cloud solutions in 1H bringing SME cloud subscriptions to 142,000 in June 2015, achieved 150,000 in early August 2015;
- 528,000 paying users, up 10 per cent year on year and ahead of prospectus forecast;
- 94% recurring revenue;
- Pro forma Revenue of \$161M, up 8 per cent year on year;
- Pro forma EBITDA of \$72M, up 14 per cent year on year;
- Pro forma NPATA of \$40M, up 14 per cent year on year;
- Management reaffirms its FY 2015 and 12 month June 2016 pro forma prospectus forecasts;
- MYOB awarded the BRW Most Innovative Large Company Award and placed second in the top 50 BRW's Most Innovative Companies' award.

Leading cloud accounting provider, MYOB Group Limited (ASX:MYO), has successfully delivered on paying user and cloud subscription growth expectations, reporting a record uptake of cloud solutions amongst SMEs in the 6 months to June 2015, firmly cementing the company's reputation as a leader in the cloud accounting and payroll space.

MYOB has today reported pro forma EBITDA of \$72M, up 14 per cent year on year and revenue of \$161M, up 8 per cent year on year. In addition, 94 per cent of 1H 2015 revenues are of a recurring nature. The strong recurring revenue growth has been achieved by 10 per cent growth in the paying user base, high retention rates driven by growth in the number of cloud users and 5 per cent growth in SME ARPU.

The figures have been shared today in the company's 2015 Half Year Results; the first since MYOB listed on the ASX in Australia's largest ever technology IPO in May.

CEO Tim Reed, said "There was always going to be a lot of attention put on these first results post our successful IPO and I am delighted that not only have we delivered on expectations, we have exceeded them".

The company has continued its transformation from long-standing software provider to a provider of innovative cloud accounting solutions for micro to mid-tier businesses in the first half of 2015. Among the highlights are the launch of MYOB Advanced, the first cloud-based ERP solution developed in Australasia, and the successful launch of MYOB smart bills in MYOB AccountRight Live.

MYOB also successfully introduced MYOB Portal, a cloud-based solution for accountants and the first product in the journey to re-imagine practice solutions MYOB Accountants Office and MYOB Accountants Enterprise in the cloud. MYOB Portal is aimed at delivering significant benefits in online collaboration to make business life easier for accountants and their clients.

MYOB smart bills and MYOB Portal were cited as just some of the reasons that MYOB was awarded the BRW 'Most Innovative Large Company' Award and placed second in the top 50 BRW's Most Innovative Companies' award earlier this month ([BRW Most Innovative Companies List 2015](#)).

"We have invested over \$115 million in research and development in the past three years and the R&D strategy we are executing on is proving extremely successful as we continue to make business life easier for Australian and New Zealand businesses," said Mr Reed.

"We are investing 13 to 16 percent of our revenue to drive innovation in the cloud. For instance, we plan to take the very popular BankLink product to the cloud in the future so that accountants can leverage the same functionality they love with all the benefits of working online.

"We are already at the centre of a connected SME / Accountant ecosystem and we want to continue to make that ecosystem one that makes business life easier for all our clients," he added.

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An investor presentation and half year financial report have been lodged separately and can be accessed via the MYOB Investor Relations page: <http://bit.ly/1LzXOZW>

About MYOB Australia (@MYOB)

MYOB Group Limited ABN 61 153 094 958

Registered office: Level 3, 235 Springvale Road, Glen Waverley, VIC 3150

MYOB (ASX: MYO) is a leading cloud based business management solutions provider. It makes business life easier for approximately 1.2 million businesses across Australia and New Zealand by simplifying accounting, payroll, tax, practice management, CRM, websites, job costing, inventory and more. MYOB provides ongoing support via many client service channels including a network of over 40,000 accountants, bookkeepers and other consultants. It is committed to ongoing innovation, particularly in cloud computing solutions, and in 2015 was awarded the BRW award for the most innovative large company for 500+ employees and placed 2nd in BRW's Most Innovative Companies Award list across all categories nationally. For more information, visit myob.com.au or follow @MYOB on Twitter

In line with the financial disclosure in the MYOB Group Limited Prospectus, pro forma adjustments have been made to statutory revenue, EBITDA and NPATA results to reflect the impact of the operating and capital structure in place following completion of the IPO in May 2015, as if it was in place as at 1 January 2014. In addition, certain other adjustments have been made to reflect the impact of historical acquisitions and divestments, to eliminate non-recurring items and to reflect standalone public company costs. This facilitates a like-for-like year on year comparison.