

29 February 2016

Mitula Group Delivers Strong Year on Year Financial Growth and Achieves its CY 2015 Pro Forma Forecast

The Mitula Group Limited (“**Mitula Group**”) (ASX:MUA), a leader in classifieds vertical search, has released its full year preliminary financial report for the twelve months ending 31 December 2015.

Key financial highlights for the twelve months ending 31 December 2015 include:

- Revenue increased by 92.2% from \$10.7 m to \$20.6 m;
- Adjusted EBITDA increased by 78.6% from \$5.3 m to \$9.5 m;
- Operational cash flow increased by 77.9% from \$4.9 m to \$8.8 m;
- Cash balance was \$21.0 m as at the end of the period; and
- Mitula Group achieved its Prospectus CY 2015 Pro Forma forecast.

Gonzalo del Pozo, the Mitula Group’s CEO, commented: “We are very pleased with the strong, across the board performance of the Mitula Group in 2015 and that we were able to achieve our Prospectus CY 2015 Pro Forma forecasts.

“During 2015 we were able to significantly grow revenues while undertaking a corporate restructure, listing the company on the ASX, and acquiring Lokku Limited in the UK. Of note was the strong growth in revenue in all regions, particularly the Asia Pacific region.

“We are also very happy with our strong start to 2016. In January we achieved 61.3 million visits and 93.0 million click outs – respectively a 21.0% and 24.2% year on year growth.

Simon Baker, Chairman, added: “Gonzalo and the team have done an outstanding job at delivering the Prospectus CY 2015 Pro Forma forecasts. What is pleasing is that this was achieved in a challenging environment with fluctuating exchange rates and a number of operational distractions including the IPO and Lokku acquisition. With the strong start to 2016, we remain on track to deliver our Prospectus FY 2016 Pro Forma forecasts.”

CY 2015 Financial Performance (Statutory Accounts)

On a statutory¹ basis, the Mitula Group delivered strong growth on all key financial measures. Revenues were up 92.2% year on year, adjusted EBITDA was up 78.6% and adjusted operating cash flow was up 77.9%.

¹ The statutory accounts in 2015 reflect 12 months of Mitula Classified SL and 8 months of Lokku Limited which was acquired on the 8th May 2015. The statutory accounts in 2014 reflect 12 months of Mitula Classifieds SL only.

<i>\$000's</i>	2015	2014	Growth
Revenues	20,568	10,699	92.2%
Adjusted ² Operating Expenses	(11,025)	(5,356)	105.8%
Adjusted EBITDA	9,543	5,343	78.6%
<i>Adjusted EBITDA Margin</i>	<i>46.4%</i>	<i>49.9%</i>	
Adjusted Operating Cash Flow	8,797	4,941	77.9%
Cash Balance (end of period)	21,020	4,197	400.4%

Of particular note was the 92.2% growth in revenue with Lokku Limited contributing \$4.0 m from its acquisition on 8 May 2015. On a regional basis, the Asia Pacific delivered a 251.1% growth in revenues while the Americas and EMEA delivered a 75.6% and 63.6% increase respectively.

<i>\$000's</i>	2015	2014	Growth
Americas Revenues	6,754	3,845	75.6%
APAC Revenues	4,872	1,388	251.1%
EMEA Revenues	8,942	5,466	63.6%

During 2015 there were \$2.0 million in expensed one-off costs associated with the Initial Public Offering and the acquisition of Lokku Limited in the UK.

The Adjusted Operating Expenses, where these one-off costs are removed to more accurately reflect the underlying operating performance, increased by 105.8% during the period. This expense increase was primarily driven by the hiring of additional staff in line with business growth, the relocation to a larger office in Madrid, and the operating expenses added with the acquired Lokku business which traditionally operated at a lower EBITDA margin.

The Adjusted EBITDA, where the one-off costs are removed, increased by 78.6% from \$5.3 million to \$9.5 million giving an Adjusted EBITDA Margin of 46.4%.

The business delivered \$8.8 million in adjusted operating free cash flow and ended the period with in a strong position with \$21.0 million cash on hand.

² Adjusted Operating Expenses remove the one off costs associated with the Initial Public Offering, share based payments associated with the IPO and the costs associated with the acquisition of Lokku Limited.

Financial Performance vs CY 2015 Pro Forma Forecast

In its June 2015 Prospectus, the Mitula Group presented two Pro Forma forecasts – one for the 12 months ended 31 December 2015 (CY 2015) and one for the 12 months ended 30 June 2016 (FY 2016). These Pro Forma forecasts were to reflect the operating and capital structure following the IPO as if they had been in place for the full period. This includes reflecting the impact of historical acquisitions to eliminate certain non-recurring items and to reflect public company cost on the full period presented.

On page 6 of the ASX Appendix 4E, there is a reconciliation of the statutory results with the Pro Forma results for the 12 months to 31 December 2015.

The following is a comparison of the Pro Forma CY 2015 results with the Pro Forma CY 2015 forecast.

	Pro Forma Results CY15 \$000's	Pro Forma Forecast CY15 \$000's	Variation \$000's	Variation %
Revenue	22,537	22,705	(168)	(0.7%)
Cost of Sales	(2,739)	(3,033)	294	9.7%
Gross Profit	19,798	19,672	126	0.6%
%Gross Margin	87.8%	86.6%		
Operating Expenses	(9,456)	(9,250)	(206)	(2.2%)
EBITDA	10,342	10,422	(80)	(0.8%)
%EBITDA Margin	45.9%	45.9%		
Depreciation and Amortisation	(264)	(213)	(51)	(23.9%)
EBIT	10,078	10,209	(131)	(1.3%)
Net Finance Income / (Expense)	(58)	272	(330)	(121.3%)
Profit Before Tax	10,020	10,481	(461)	(4.4%)
Tax Expense	(2,039)	(2,730)	691	25.3%
NPAT	7,981	7,751	230	3.0%

As can be seen from the above table, while the company slightly missed on its revenue target by \$168,000 or 0.7%, it slightly over achieved on the gross profit target by \$126,000 or 0.6%.

At the EBITDA level, the the Mitula Group missed its forecast by \$80,000 or 0.8% but overachieved its NPAT (net profit after tax) target by \$230,000 or 3.0%.

Therefore, on balance, the Mitula Group achieved its CY 2015 Pro Forma forecast.

Key Performance Indicators

The Mitula Group has had a strong start to the 2016 with a record number of visits and click outs from its network of sites in January.

In January 2016, there were 61.3 million visits to the Mitula Group sites, and increase of 21.0% over January 2015. At the same time, there were a record number of click outs with 93.0 million being generated, a 24.2% year on year growth.

KPI	Jan 2016	Jan 2015	Change
Advertisers	13,705	11,891	15.3%
Listings (m)	263.0	211.3	24.5%
Monthly Visits (m)	61.3	50.6	21.0%
Visits from Organic Search (%)	68.7%	73.2%	n/a
Monthly Click Outs (m)	93.0	74.9	24.2%
Click Outs / Visit	1.52	1.48	2.6%
Click Outs Sold (m)	37.8	37.0	2.3%
Paying Advertisers	625	548	14.1%

The number of click outs sold remained relatively flat while the total number of click outs generated increased by 24.2%. This was primarily due to discontinuing the sale of high volume remnant (i.e. extremely low cost) clicks and this volume being replaced by the sale of clicks at higher yields.

Forecast

The company continues to remain on track to deliver its CY 2015 and FY 2016 financial forecasts as outlined in its June 2015 Prospectus.

ENDS

About the Mitula Group

The Mitula Group is a leading operator of 57 vertical search sites in 44 different countries across real estate, employment, motoring, and in some countries vacation rentals. These sites are in 18 different languages and operate under either the Mitula and Nestoria brands.

Advertisers send listings to the Mitula Group and when a visitor to one of the Mitula Group sites clicks on one of these listings, they are redirected back to the source site, thus generating traffic for the advertiser.

The Mitula Group generates revenues from Google AdSense on its sites and from advertisers paying for additional clicks on a CPC (cost per click) basis.

The company was founded in 2009. It listed on the Australian Securities Exchange on 1 July 2015 and trades under the ticker code MUA.

Further Information

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