

ASX ANNOUNCEMENT

24 AUGUST 2015

OBJECTIVE CORPORATION LIMITED FINAL RESULTS FY2015

[Objective Corporation](#) (ASX:OCL) today announced its final results for financial year 2015 (FY2015).

Revenue increased by 3% to \$50.0 million (FY2014: \$48.6 million) and net profit after tax (NPAT) decreased by 21% to \$4.5 million (FY2014: \$5.7 million) for the year ended 30 June 2015.

The company added 38 new subscription customers in FY2015, the timing of which has a latency effect on reportable revenue and profit. The Company's recurrent revenue increased to \$27.1 million during the year, representing 54% of total revenues.

As a result, Objective's statement of financial position remains very healthy. For the year ended 30 June 2015, cash flow from operating activities, increased by 38% to \$8.5 million and as at year end the company had cash and cash equivalents of \$20.2 million with no external borrowings.

FINANCIAL SUMMARY

Results summary for year ended 30 June	FY2015 \$m	FY2014 \$m	Change (%)
Revenue	50.0	48.6	3
EBITDA	5.4	7.1	(24)
Net profit after tax	4.5	5.7	(21)
Cash flow from Operations	8.5	6.1	38
Cash at Balance Date	20.2	15.0	35
Asia Pacific revenue	41.1	40.3	2
European revenue	8.2	7.6	8
R & D (fully expensed)	11.0	9.7	13
Earnings per share	5.0 cps	6.0 cps	(17)
Final Dividend (100% Franked)	3.75 cps	3.5 cps	7

Directors declared a fully franked dividend of 3.75 cents per share.

Mr Tony Walls, CEO, Objective Corporation said: "Overall, we were quite satisfied with the progress of the company during the 2015 financial year. We committed to an accelerated R&D investment program in our cloud-based Enterprise Content Creation solution to take advantage of further opportunities in the global Financial Services and Insurance sector. However, this investment, along with the accounting effect of subscription licencing had a short-term negative impact on profitability."

OPERATIONS BY SOLUTION LINE

ENTERPRISE CONNECT MANAGEMENT (ECM)

New business and new business models characterised our ECM solution line throughout FY15.

New ECM customers included: Bundaberg Regional Council in Queensland, City of Boroondara in Victoria, Government House in Western Australia and Waitomo District Council in New Zealand.

The University of Sunshine Coast will be our first customer to run Objective ECM on the Microsoft Azure cloud.

As at June 30, 85% of our customers had migrated to the Objective 8 platform.

This high rate of software-edition currency in a portfolio that includes large, and very long-term customers is a result of our ongoing focus on customer retention and demonstrates our ability to deliver ongoing business value to customers. Throughout the year we also delivered a record number Business Process Automation projects to customers and assisted customers integrate Objective ECM into their line-of-business (LOB) systems.

We also witnessed concrete evidence of organisations transitioning to cloud computing models with our Managed Services run rate increasing by 68%. This is a subscription service where customers ask us to manage their environments for them as a precursor to ultimately moving to a full cloud service.

ENTERPRISE CONTENT CREATION (ECC)

During the year the primary focus of the Objective ECC team was to deliver the Version 5 cloud platform and to expand our footprint in the Financial Service and Insurance (FSI) sectors in our current geographic markets, whilst continuing to service our significant portfolio of over 200 customers in the Public Sector.

The accelerated investment in Research and Development (R&D) of this platform is complete, with Version 5 due to go live in September 2015, after extensive customer testing over the past 6 months.

New ECC Customers in FSI included: AMP Financial Services, AMP Capital, Colonial First State and Clearview. We anticipate the announcement of several new FSI customers soon after the Version 5 launch.

During the year we also welcomed many new Public Sector customers including, Kirklees Council, the Association of Greater Manchester Authorities, Central Lincolnshire Joint Strategic Planning Committee, Buckinghamshire County Council, The Highland Council, Harrogate Borough Council, Stockton-on-Tees Borough Council, Gisborne District Council, Waikato Regional Council, Environment Canterbury, Hawke's Bay Regional Council and Environment Southland.

OBJECTIVE CONNECT

The Objective Connect solution had an outstanding year, with both the number of users and subscription revenue growing by more than 100% over the course of the year.

Objective Connect is now used in 68 countries. We are witnessing increasing demand from the Public Sector, Healthcare and Financial Services sectors; therefore the research and development efforts in this cloud-based solution are being focused on the requirements of these vertical markets.

The Connect solution is now running on the Microsoft Azure cloud in Australia and Europe. The solution has become trusted as an Enterprise-grade solution and we are confident that its distribution through digital marketplace engagement will deliver triple-digit revenue growth again in FY2016.

OUTLOOK

Mr Tony Walls, CEO, Objective Corporation said: “As a company, we are pleased with the progress that we made during FY2015. The building blocks are in place for a very successful FY2016.

“To execute our growth strategy, over the past year we have increased investments in all facets of our company well ahead of the expected revenue. These included investments in global executive and regional management appointments, research and development and geographic reach. Whilst we are confident of improving revenue in all business lines in FY2016, we will be diligently focused on managing our cost-base growth, without stifling our opportunity to continue to grow in future periods.

“We are excited by our new relationship with Microsoft and the potential benefits it will bring both organisations. It is however a long-term commitment where we are allowing reasonable lead-time in terms of its translation into financial results.

“Looking forward, we remain confident and committed to our strategy of growing all of our business lines. There are significant growth opportunities and we are confident in our competitive position in the marketplace.

“The Board and management of Objective Corporation would like to thank our loyal customers, staff and shareholders, for their commitment and valuable contribution to the success of the company.”

ABOUT OBJECTIVE CORPORATION

Objective Corporation (ASX:OCL) is an established leader and specialist provider of content, collaboration and process management solutions for the public sector and regulated industries. Its solutions empower effectiveness, efficiency and transparency, helping organisations deliver better customer outcomes at a lower cost.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Objective Corporation

Ph: +61 2 9955 2288

Fax: +61 2 9955 5011

Email: enquiries@objective.com