

RXP SERVICES LIMITED

ABN 30 146 959 917

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FY16 another record year for RXP; FY17 guidance reaffirmed

RXP Services Limited (ASX: RXP) was pleased to provide its shareholders with an update on the Company at its 2016 Annual General Meeting in Melbourne today.

RXP delivered record growth across all key metrics in the 2016 financial year, continuing the company's year-on-year growth trajectory. The results reflect the company's continued focus on its people, and on strengthening the depth of its talent, in order to continue to deliver greater value to its clients.

Key highlights for the 2016 financial year

- Revenue up \$47.9 million (61%) to \$127.1 million
- EBITDA increased \$8.9 million to \$16.6 million
- NPAT increased to \$10.6 million
- EPS up 127% to 7.6 cents
- Underlying EBITDA of \$18.2 million, up \$7.6 million (71%)
- Improved underlying EBITDA margin of 14.3%
- Continued growth in operating cashflow, up 105% to \$14.8 million
- Headcount increased 66% to 779 people
- Final dividend of 2.0 cps fully franked; total FY16 dividend of 3.0 cps fully franked

Commenting on the 2016 financial year, RXP Chief Executive Officer Ross Fielding said:

“We are extremely proud of the results produced by RXP over 2016. We continued to evolve our capabilities over the year such that we now have in place an end-to-end capabilities set, which is further validating our One-RXP strategy. The ongoing evolution and growth across all RXP specialisations has enabled our headcount to increase 66% to 779 people as at 30 June – something we are very proud of.

“The Engage Viidacom and 10 collective acquisitions were completed in FY16 are now fully embedded into the One-RXP model. In addition, we also achieved strong organic growth across existing specialisations.”

Outlook for the 2017 financial year

Commenting on RXP’s outlook for FY17 and beyond, Mr Fielding said:

“We have made a strong start to the 2017 financial year, and are expecting to deliver at the top end of our revenue growth guidance of 10-15%, and maintain a target EBITDA margin of 13-14%.

“With an enhanced capability set and the One-RXP strategy deeply entrenched in our culture, we expect to see continued cross-practice growth in client work. We are seeing a growing level of spend in our sector as clients look to leverage design thinking and new technologies to help them grow their businesses which is helping to drive a strong pipeline of work across our specialist practices.

“With a strong balance sheet in place and growing cashflow conversion, we continue to be very well placed to participate in industry consolidation.

“Given the healthy outlook and strong financial position, our progressive dividend policy remains in place. We look forward to continuing to deliver excellent outcomes for our people, clients, partners, and our shareholders.”

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About RXP Services Limited

RXP Services Limited (ASX : RXP) is an ICT and digital professional services company, providing consulting and professional services to a number of S&P/ASX 200 corporations and government bodies here in Australia and in Asia. We are committed to combining the best people, innovative technologies, creative design and proven methodologies to help clients fully realise their potential in a digital world.