



Amcom continues to execute, delivering a net profit of \$11.5m for 1H

18 February 2014

Australian Securities Exchange Limited

Highlights

- Revenue up 4% to \$82.9m
- EBITDA* up 16% to \$22.4m
- NPAT before significant items* up 14% to \$11.5m
- Earnings per share (NPAT before significant items)* up 14% to 4.7 cents
- Interim dividend up 10% to 2.2 cents per share fully franked
- Return on equity 19% annualised up from 18%

Amcom Telecommunications Limited (“Amcom”) (ASX: AMM), a leading Telecom and IT Service provider, today announced its results for the six months ended 31 December 2013.

Net profit after tax before significant items* increased 14% to \$11.5m. Earnings per share increased by 14% to 4.7 cents per share, after excluding the effect of once off items. Amcom’s earnings growth continues to be organically driven from the company’s operations which have expanded substantially both in size and scope in recent years.

Revenue increased 4% to \$82.9m with the core data networks again performing strongly with revenue up 11%. Amcom increased its annual recurring revenue base from annuity style business streams to \$116m at 31 December 2013 up from \$98m as at 31 December 2012.

Amcom’s CEO Clive Stein commented “The recurring revenue base has increased 18% over this period predominantly by organic growth. The demand for our core data and hosted products continues strongly and is a lead indicator to the growth of the business”.

The past six months have been a busy period marked by the deployment of the Amcom Cloud Collaboration (ACC) platform (the Cisco hosted IP telephony), the acquisition of Acure Technology and expansion of our data centre foot print and the data networks upgrade. The investment required to fund these initiatives ahead of any revenue has resulted in a relatively constant operating cash flow performance of \$16.9m compared to the previous corresponding period. Net debt increased to \$34.1m largely as a result of the data centre acquisitions which completed in the first quarter. As a result balance sheet gearing increased to 22%# with the net debt level comfortable at less than one years annualised EBITDA.

Commenting on the results, Mr Stein said, “Over the past few years we have invested in the opportunities arising from the convergence of the telecommunications and IT sectors. We have successfully balanced performance and growth - continued execution will drive shareholder returns into the future.”

The Board has declared a fully franked interim dividend of 2.2 cents per share an increase of 10% from the previous interim dividend. The interim dividend is payable on 4 April 2014 to shareholders on the register as at 21 March 2014. The recently announced Dividend Reinvestment Plan will apply to this interim dividend with a DRP discount rate of 2.5% to the volume weighted average share price on the ASX for the five days commencing on the business day after the dividend record date. The last day for receipt of DRP election notices is 21 March 2014.

* non AIFRS financial information refer to appendix 1

net debt / (net debt + shareholders equity)

Outlook

The growth momentum across the Amcom group continues. The core data networks business is expected to remain strong and will be complemented by an increasing contribution from newer offerings such as Amcom Cloud Collaboration Services (Cisco hosted IP telephony platform).

The earnings outlook is consistent with the guidance previously provided of double digit percentage growth in underlying net profit after tax in FY14.

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About Amcom

Amcom is an award-winning, ASX listed, IT and Telecommunications company employing over 320 talented people across Australia.

Through the delivery of innovative, flexible and cost effective solutions and superior customer service, Amcom has become the provider of choice for the converging Information, Communication and Technology (ICT) needs of business and government across Australia.

Amcom's product set includes national data network access delivering business grade data and internet services, business class IP voice, cloud solutions and managed services; all supported by our extensive fibre-optic network and an extensive range of ICT advisory, integration and security solutions. For further information, visit: www.amcom.com.au

Amcom Telecommunications Limited
Results December 2013

The Directors believe that the presentation of non-AIFRS financial information is useful for readers of this document to provide information of the company's profit results that is consistent with equity valuation and investment research methodologies generally adopted in Australia.

The following table reconciles the non-AIFRS financial information in this document to the AIFRS based profit result included in the Appendix 4D lodged with the ASX.

\$ 000	1 H 14	1 H 13
Net profit after tax	11,051	9,954
Income tax expense	4,380	3,731
Acquisitions and integration expenses*	593	94
Depreciation & amortisation	5,328	4,682
Interest revenue	(129)	(156)
Finance costs	1,158	925
EBITDA *	22,381	19,230
Depreciation & amortisation	(5,328)	(4,682)
EBIT *	17,053	14,548
Interest revenue	129	156
Finance costs	(1,158)	(925)
Profit before tax *	16,024	13,779
Income tax expense*	(4,525)	(3,731)
Net profit after tax before significant items *	11,499	10,048

* non AIFRS financial information