

ASX Announcement - Thursday 31 August 2017

## **50% improvement in operating business EBITDA. Forward velocity improving, especially in large digital transformation projects.**

Asia Pacific Digital Limited ACN 000 386 685 (**ASX: DIG**) (the **Company, APD**) reports its audited result for FY17.

### **Summary:**

- The Company reported EBITDA of \$(4.1)m, a 41% improvement over the prior corresponding period (PCP) EBITDA of \$(7.0)m, which included now discontinued operations.
- Operating business EBITDA (excluding listed company costs) was \$(2.2)m, a 50% improvement over PCP, driven by a 33% improvement in continuing operations, with the balance achieved through discontinuation of non-core Venture operations during FY16.
- The 33% profit improvement in continuing operations was driven by tight management of operational margins and delivery of overhead efficiencies, notwithstanding a 17% reduction in revenues (primarily driven by a decline in revenues from Ford Motor Company).
- Scott Player appointed CEO of APD Australia. New capabilities and sales personnel being added across the region.
- The Company's priority remains delivering sustainable profitability, delayed by the Ford revenue decline, but expected within FY18.
- Robust revenue pipeline in place, with major new client opportunities at advanced stages across the region - management is focused on landing opportunities during Q1 and Q2 FY18.
- Digital transformation team being expanded to support recent client wins, including a reference project for a marquee ASX100 client.
- Informal dialogue continues with potential strategic partners. Formal process on hold until sustainable profitability is achieved.
- Programme of work to strengthen the Company's balance sheet is well advanced. Sale of non-core shareholding in e-commerce enabler aCommerce is in progress, indicating a strong ROI.

### **Chairman Roger Sharp said:**

**"APD experienced a tough second half as it addressed the decline in revenues from Ford Motor Company. However, the Company's forward pipeline has since firmed and in particular we are pleased with the outlook for our digital transformation practice."**

### **For more information:**

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### **About APD**

APD serves multinational corporate clients across the Asia Pacific region who need specialist expertise to drive the digital transformation of their businesses. Services include digital strategy, technology solutions, customer experience, creative, performance marketing, social media, customer retention and analytics. The Company's 350+ digital professionals operate from offices in Shanghai, Manila, Kuala Lumpur, Singapore, Sydney, Melbourne and Auckland.

**APD. Transformation Delivered**

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