

21 February 2018

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**MELBOURNE IT LTD (ASX: MLB)**  
**Release of Full Year 2017 Financial Results**  
**Delivering on the Promise of Continuing Strong Growth**

Melbourne IT (ASX: MLB) is pleased to announce its results for the year ending 31 December 2017, reporting strong increases in revenue, EBITDA, and net profit after tax.

**2017 Financial Results**

<b>Year Ended 31 December 2017</b>	<b>2017</b>	<b>2016</b>	<b>↑%</b>
Revenue (\$M)	\$197.8	\$168.4	17% ↑
EBITDA (\$M)	\$31.9	\$28.2	13% ↑
NPAT (\$M)	\$14.0	\$10.7	31% ↑
Full Year Dividend (cents per share)	11.0c	8.0c	38% ↑

At the company's full year results announcement, Melbourne IT CEO, Martin Mercer said that "Melbourne IT has delivered on its promise of continuing strong growth, with revenue up 17%, underlying EBITDA up 36%, and underlying EPS up 20%. These results are consistent with our guidance".

In light of this very pleasing performance, the Board of Melbourne IT has declared a final fully franked dividend of 7.5 cents, an increase of 25% on last year. This brings the full year dividend to 11 cents, a 38% increase on 2016.

Melbourne IT has successfully completed the integration of Netregistry and Uber Global, realising \$10M of annualised synergy savings in the process. The impact of this can be seen in the Small to Medium Business (SMB) division's results, with underlying EBITDA up 48% on the prior corresponding period and the underlying EBITDA margin up 4 percentage points to 24%. Moreover, its focus on managed marketing solutions is gaining momentum – revenue from these services accounted for 25% of direct revenue in 2017 and grew 194% year-on-year.

Similarly, Enterprise Services (ES) is well on its way to becoming Australia's most impactful digital technology partner for the enterprise and government markets. It has assembled a broad portfolio of digital solutions and an enviable stable of marquee brands. In 2017, revenue grew 35% and underlying EBITDA grew 14%.

**2018 Outlook**

Looking to 2018 Mr Mercer said that “we are confident of sustainable organic growth across both ES and SMB. We are investing to deliver this growth, execute well, and enhance returns to shareholders. Our guidance for 2018 reflects this growth and investment. We expect revenue to grow at least in line with last year, while underlying EBITDA will temporarily grow at a slower pace while we digest the investments in 2018. Looking ahead to 2019, underlying EBITDA and underlying profit growth will accelerate”.

Melbourne IT has advised that it expects to report underlying EBITDA for 2018 in the range of \$41.5m - \$45.5m, and underlying undiluted EPS is expected to be in the range of 17.3 cents to 19.6 cents per share.

The 2017 Full Year Results Presentation to shareholders is available at <http://www.melbourneit.info/investor-centre/company-announcements>.

Media contact:

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Chief Executive Officer  
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**ENDS.**

**About Melbourne IT**

Melbourne IT Group is a publicly listed company with offices in Melbourne, Sydney, Brisbane, Auckland and Canberra.

Melbourne IT has approximately 850 staff and operates two businesses marketed under 8 brands.

The Small and Medium Business Division (SMB) is Australia’s largest domains and hosting business with revenues of approximately \$100m and 400 staff. The SMB business operates under the Melbourne IT, WebCentral, Netregistry, WME, and TPP brands.

The Enterprise Services Business (ES) is Australia’s leading provider of digital solutions to large enterprises and government organisations with revenues of approximately \$95m and 450 staff. ES is based in Sydney, Melbourne and Brisbane and has a blue chip customer base. It operates under three brands, Melbourne IT, Infoready and Outware.

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