



Market Release 28th August 2015

Appen Announces First Half 2015 Results and Upgrades Full-Year Forecast

Appen Limited (“Appen”) (ASX:APX) today announced its First Half results for the period ending 30th June 2015. APX’s financial year is the calendar year.

Appen, a leading global provider of high quality language data and services to major technology companies and government agencies, is pleased to announce a record first half result for the financial year 2015.

The Company’s revenue is up 33% on the first half of the prior year to \$35.8M, EBITDA is up 44% to \$4.8M and net profit after tax (NPAT) is up 28% to \$2.7M.

	FY2015 1H	FY2014 1H	% change
Language Resources	13,064	11,924	10%
Content Relevance	22,740	14,978	52%
Total Revenue	35,804	26,902	33%
EBITDA	4,843	3,370	44%
EBITDA Margin	14%	13%	1%
NPAT	2,678	2,088	28%

Revenue growth has been driven by the strong performance of the Company’s Content Relevance division through the addition of substantial new customers in web search, social media and eCommerce and ongoing demand in Language Resources.

As well as adding revenue, the new customers improve the Company’s customer diversification. Appen’s customers include 9 of the world’s top 10 technology companies.

Appen’s Chairman, Chris Vonwiller, said “We are pleased to deliver such a strong result for our shareholders in our first half year of reporting. The demand for our services and data has continued to grow as more technology companies and government agencies rely on Appen to improve the way they interact with natural languages in their work and product development.

The Company’s CEO, Mark Brayan, added “Our new Content Relevance customers resulted from the successful execution of the strategy outlined in our Prospectus to improve customer diversification. Our Language Resource division also grew on the



prior half thanks to the recurring demand from our existing customers. We have an outstanding team in place at Appen and it's great to see our clients continuing to recognise our quality products and services"

The Company's new Content Relevance customers require investment in their ramp up phase and revenue timing can vary in early stages of the projects. Revenue becomes more predictable as projects mature.

Appen derives over 95% of its revenue from outside Australia and has benefited from the falling Australian dollar. Revenue is up 15%, EBITDA up 15% and NPAT up 15% on a constant currency basis after adjusting for one-off costs incurred in the period associated with the Company listing on the Australian Stock Exchange, illustrating the strength of the underlying business.

The Board have declared a dividend of 1.2c per share, 100% franked. The dividend will be paid on 25th September 2015 with a record date of 4th September 2015. The Company maintains a strong balance sheet free of debt and a cash position at 30 June 2015 of \$5.2M.

Due to the ongoing performance and potential of the underlying business and the impact of the falling AUD, Appen is upgrading its full year FY2015 guidance with revenue in the range \$68M to \$76M and EBITDA \$9.5M to \$11.2M, exceeding the Prospectus forecasts of \$53.6m revenue and \$6.8m EBITDA and up from the prior year \$49.1m revenue and \$5.3m EBITDA. The guidance assumes an exchange rate of 73c (AUD to USD).

Please contact for more information:

Mark Byrne (CFO and Joint Company Secretary) mbyrne@appen.com +612 9468 6322
Leanne Ralph (Joint Company Secretary) leanne.ralph@boardworx.net.au

Conference Call

Mark Brayan (CEO) and Mark Byrne (CFO) will host an investor briefing call today at 11:30am AEDT.

Analysts, investors and media who wish to join the briefing call should dial 1800 123 296 or +61 2 8038 5221 and when prompted input Conference ID 2211 5405.

About Appen: *Appen is a language technology and data solutions provider that has a services capability in more than 140 languages and dialects for global technology companies and government agencies.*

Appen offers large scale training data, linguistic models and consulting services to assist leading technology companies and government agencies in the development of internet and mobile connected products including

- Content Relevance (e.g. search relevance optimisation);
- Language Resources (e.g. speech recognition or speech synthesis, security and intelligence)



Components of language technology can increasingly be found in modern society including smartphones, social media content analytics software, e-commerce platforms, automobiles and government security and intelligence. Demand for language technology is growing with the development of mobile communications (phones, tablets, laptops), consumer electronics (game and TV consoles), cloud services, search technology and social media that enable communication and intelligent information retrieval across platforms and languages