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MELBOURNE IT LTD (ASX: MLB)
Release of Full Year 2016 Financial Results
Turnaround Complete – Accelerating Organic Growth

Melbourne IT (ASX: MLB) is pleased to announce its results for the year ending 31 December 2016, reporting strong increases in reported revenue, EBITDA, and net profit after tax.

2016 Financial Results

Year ended 31 December 2016 (A$)	FY16	FY15	↕%
Revenue	$168.4m	$150.3m	12%
EBITDA	$28.2m	$16.5m	71%
NPAT	$10.7m	$5.6m	91%
Final Dividend	$0.06	$0.04	50%

Results are reported numbers.
Figures throughout this document may not total exactly due to rounding and includes non-IFRS financial information that is relevant for users understanding of underlying performance

Melbourne IT CEO, Martin Mercer noted that Melbourne IT has achieved guidance on both a reported and underlying basis. “We are very pleased that our underlying EBITDA of $28.4m was comfortably within our guidance range. This represents 29% YoY growth driven by particularly strong growth of 68% H2 on H1”, said Mr Mercer.

In light of this very pleasing performance, the Board of Melbourne IT has declared a final dividend of $0.06 (100% franked), an increase of 50% on last year. This brings the full year dividend to $0.08, a 60% increase on 2015.

2017 Outlook

Melbourne IT has been focusing on three key priorities over the past three years: integrating recent acquisitions and realizing $10M of annualized synergy savings, returning its Small to Medium Business (SMB) division to growth, and accelerating the transformation of its Enterprise Services (ES) division to the leading provider of complete digital solutions for large companies and government departments. Today Melbourne IT is declaring “mission accomplished” on these three priorities.

“We are confident in our ability to drive growth and profitability at Melbourne IT,” Mr Mercer said. “Over the past 3 years, we have been focusing on rebuilding our two business divisions and restoring the financial foundations of Melbourne IT. I’m delighted to say that the painstaking work of rebuilding and transformation is complete. The future will be characterized by innovation and accelerating organic growth."

Melbourne IT has realised $8.5M of the $10M of forecast synergy savings from the integration of Netregistry and Uber Global and has clear line of sight to the remaining $1.5M. SMB exits 2016 growing at the top and bottom lines and its new focus on managed marketing solutions is gaining momentum – revenue from these services accounted for 20% of SMB revenue in 2016 and grew at 56% YoY. And 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. Over the past 3 years, ES has tripled in size and in 2016 its revenue grew 73% and EBITDA grew 87%.

Melbourne IT has advised that it expects to report underlying EBITDA for 2017 in the range of $31m - $34m, and underlying undiluted EPS is expected to be in the range of $0.15 to $0.17 per share.

The 2016 Full Year Results Presentation to shareholders is available at
http://www.melbourneit.info/investor-centre/company-announcements.

Media contact:

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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's purpose is to "fuel our customers' success through the smart use of technology". By 2020 we aim to have fuelled the success of over one million businesses. Our customers will love us, our people will be our most passionate advocates, and our investors will be rewarded.

Melbourne IT has approximately 650 staff and operates two businesses marketed under 7 brands.

The Small and Medium Business Division (SMB) is Australia's largest domains and hosting business with revenues of approximately $100m and 300 staff. The SMB business operates under the Melbourne IT, WebCentral, Netregistry and TPP brands.

The Enterprise Services Business (ES) is Australia's leading cloud enabled software and services business with revenues of approximately $70m and 350 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.

Visit: www.melbourneit.com.au