

ASX Announcement

19 August 2015

Konekt Limited (ASX: KKT)

KONEKT LIMITED ANNOUNCES FULL YEAR RESULTS

Konekt delivers strong revenue and profit growth

Konekt Limited (ASX: KKT) today announced a profit after tax of \$1.5m compared to a profit of \$1.0m for the prior year.

Key points:

- Revenue \$35.1 million, up 7% on prior year
- Net Profit after Tax \$1.5 million, up 45% on prior year
- Earnings per share of 2.0 cents, up 48% on prior year
- Strong balance sheet, cash balance of \$3.0m and no net debt
- Excellent return to work and case management performance across our major accounts
- The “Strengthening the Core” (STC) program implemented and benefits seen in strong second half performance
- Completed reconfiguration of offices delivering ongoing savings
- Continued investment in people and customer engagement

Wednesday 19 August 2015 – In announcing Konekt’s full year results today, Chief Executive Officer, Damian Banks said “The year ended 30 June 2015 was a transformative year for Konekt and very pleasing on a number of fronts. The benefit of a range of initiatives undertaken over the past two years to improve our performance and strengthen our position, are clearly evident in our 2015 financial results. Following on from our half year result, Konekt has continued to perform strongly, with growth in total revenue, EBITDA, profit after tax and earnings per share.”

“We delivered much improved financial performance in 2015. Revenue from operations increased by \$2.3m to \$35.1m, EBITDA increased by 40% to \$2.4m reflecting better cost management and utilization rates, and NPAT increased by 45% to \$1.5 million. Importantly, the momentum we have seen half by half over the past three years continued, with the second half of the year again showing half on half growth”.



Konekt

Konekt reported 30 June 2015 cash on hand of \$3.0m, up from \$1.9m a year earlier. This result showed an excellent conversion rate of net profit after tax to cash, after allowing capital expenditure of \$1.2m for the year.

The Company achieved some very good business wins during the year. This reflects the increased capability we have built in the business and our improved customer focus, as seen in a substantial improvement in our customers' net promoter scores for the second year running.

2015 was a transformative year for Konekt. In 2016 we expect low single digit growth in the overall market. Konekt is well positioned for growth above market trends. We expect the benefits of improved productivity together with contract wins during the last twelve months and a stronger business pipeline to deliver continued momentum in the coming year.

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About Konekt:

Konekt is Australia's largest provider of organisational health and risk management return to work solutions. Konekt's focus is on helping organisations minimise the impact of workplace injury and related workplace costs, resulting in reduced workers' compensation premiums. With over 300 staff and 34 offices around Australia, Konekt has both the business reach and expertise to service Local as well as multi state Corporate and Government business.

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