



## Company announcement and media release

3 December 2014

### **8common Limited delivers on expectations, readies its product for growth and entry into Asia**

Dual Sydney and Singapore headquartered technology company 8common Limited (ASX: 8CO) was pleased to provide its shareholders with an update on the Company at its Annual General Meeting in Sydney on Friday 28<sup>th</sup> November 2014.

In summary, the 2014 financial year and Q1 2015 demonstrated the strengths of the groups' business model with its strong recurring revenue base and growth across multiple metrics. The results were underpinned by smooth transition of ownership, execution of product updates and securing important partnerships with industry leaders. Further growth is expected as the Company prepares to enter the Human Resources (HR) space via a planned acquisition of an established employee survey business and partnership with a full-suite HR managed services and solutions provider.

#### **Key highlights:**

- **FY15 Q1 year on year revenue up 6.5% to \$642,700**
- **Added \$200,000 in operating and financing cash flows in Q1 through client growth and improved product offering**
- **Planned HR acquisition expected to be earnings per share accretive (net profit before tax of \$350,000 expected in the first calendar year)**
- **Cash position in excess of \$1.6m**

#### **Expense8**

8common's expense management subsidiary, Expense8, has achieved a number of significant developments over the past year.

#### **Highlights:**

- Integrated travel and expense modules developed and product revamped
- Year on year Q1 revenue grew 15.3% to \$365,183
- SaaS revenue grew 8.2%
- SaaS transactions grew 48.2%
- Customer hosted revenue grew 44.5%
- 1st Government Private Cloud deployed
- Clients and users in 8 countries (added the Philippines recently)

Commenting on the Expense8 business, Nic Lim, CEO of 8common Limited, said, "Travel and expense management is a large and growing market, and our Expense8 offering is gathering very strong momentum. Our localised features and product customisation have been a key driver to growing our client base, and we have been able to further enhance and update our offering over the past year. We are very excited to build on this success and expand our offering into Asia."



## **Realtors8**

8common's real estate software subsidiary, Realtors8, has also continued to make strong progress over the past year, announcing some key developments.

### Highlights:

- New website and platform launched successfully
- Strong early performance of new pricing structure which positions the business for more custom and performance revenue
- Year on year Custom solutions revenue up 96.4%
- The number of billed sites grew strongly, reaching 1,887 in October

Commenting on Realtors8, Mr Lim, said, "We took a bold step by bringing down the subscription pricing structure and promoting custom and performance related pricing. This has worked very well with custom revenue growing 96.4% against the same period last year. The combination of the new platform together with the new media format products and lead generation puts us in a sound position to expand Realtors8 into Asia."

## **Outlook for FY15**

Financial year 2015 has started well as evidenced by the strong first quarter performance. The move into the HR space via the planned acquisition and product partnership will see positive contributions to the financials of the group for FY2015, in addition to the growth of the Expense8 and Realtors8 businesses. The Asian growth strategy is a core focus for the business over the remainder of the financial year, and we expect to see the positive impact of this late in FY2015. 8common is expecting strong revenue and earnings growth for FY2015.

Commenting on 8common's outlook for FY2015 and beyond, Mr Lim said:

"It has been a very busy year with the acquisitions and the completion of the successful IPO. The 2015 financial year has started off well and we are looking forward to continuing the growth trend. We have a sound financial position with a well-defined growth plan, and see a number of additional growth opportunities available to us. Value accretive acquisition opportunities and high growth investments are firmly on our radar.

"We remain very excited about the 8common business and the significant opportunities to create value for our shareholders."

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## **About 8common Limited**

The 8common is listed on the Australian Securities Exchange (ASX:8CO). It is an enterprise software company with a primary business is in the development and distribution of two established software solutions: Expense8 and Realtors8. The business models deliver a combination of highly recurring annual and monthly subscription, custom services and transactional based revenues.

[www.8common.com](http://www.8common.com)