



Datalex reports 26% growth in Adjusted EBITDA, proposes a first dividend and expands presence in China

Dublin - 25 March 2014: Datalex plc, a leading provider of ecommerce and retail solutions to the global travel industry, today announces final results for the year ended 31 December 2013.

Financial Highlights

In 2013 Datalex delivered its fourth consecutive year of growth in both Adjusted EBITDA and cash and has set the foundation for continued growth in the years ahead. The financial highlights for the year include:

- Total revenue up 18% to US\$38.1m
- Transaction revenue up 19% to US\$17.5m
- 26% increase in Adjusted EBITDA¹ to US\$7.5m
- Profit after tax up 43% to US\$1.6m
- Basic Earnings Per Share up 41% to 2.24 cents
- 15% increase in cash reserves to US\$16.9m
- First ever dividend proposed of two US cents per share

Aidan Brogan, CEO of Datalex plc said: *“2013 has been a year of performance and growth in our business, as we continue to achieve double digit percentage growth in Adjusted EBITDA and cash. We have signed significant new contracts with leading airline brands, such as JetBlue and Virgin Atlantic which secures transaction revenue growth in the medium term. As a strong statement of confidence in the company’s growth prospects, I am also pleased to report that the Board has proposed the payment of the first dividend in the company’s history.”*

Year ended 31 December	2013	2012	Change
	US\$m	US\$m	%
Total Revenue	38.1	32.4	+18%
Transaction revenue included in total revenue	17.5	14.7	+19%
Total cost of sales, selling & marketing costs and administrative expenses	36.8	32.3	+14%
Profit after tax	1.6	1.1	+43%
Adjusted EBITDA	7.5	6.0	+26%
Basic EPS (cents)	2.24	1.59	+41%
Cash and cash equivalents	16.9	14.6	+15%
Net Working Capital	19.3	15.2	+28%

The Net Profit for the year includes; recognition of a deferred tax asset of US\$0.2m (2012: US\$0.8m), amortisation of product development costs of US\$4.3m (2012: US\$4.5m), capitalised development expenditure of US\$3.0m (2012: US\$3.5m) and share option amortisation charge of US\$0.7m (2012: US\$0.2m).

Our cost base grew by 14% to US\$36.8m (2012: US\$32.3m). The main increases were in payroll costs (excluding share option amortisation costs) which rose by US\$1.6m to US\$17.8m and contractor costs, up US\$0.9m to US\$7.5m. These additional resource costs reflect the increase in services revenue generated in the year, coupled with the weakening of the Dollar against the Euro in 2013 compared to 2012.

¹ Earnings before Interest, Tax, Depreciation and Amortisation and non-cash share-based compensation expense.



Operational Highlights

2013 was a year of significant progress for the Datalex business across a number of areas:

- We brought our TDP platform live at a number of new customers, including WestJet and Virgin Australia.
- We signed contracts with some of the world's most innovative travel brands, including JetBlue Airways and Virgin Atlantic.
- In mid 2013 Datalex and Hewlett Packard Enterprise Services (HPES), a leading provider of passenger service systems and products to the travel and transportation industry, entered into a marketing and product agreement for the provision of retail solutions to the travel and transportation industry.
- Datalex also began collaborating with PROS, a leading Big Data software company on a number of exciting new revenue management capabilities which will allow airlines optimise both air and ancillary revenue.
- In November 2013 Datalex was named as the 'World's Leading Travel Merchandising Solution Provider' at the World Travel Awards.

These achievements reinforce our status as the leading provider of travel retail solutions in the global market, and lay the foundations for continued growth and performance in 2014. The current new business pipeline is strong and we anticipate closing two new contracts in the second quarter of 2014.

Growth Strategy

Our goal is to be the leading provider of travel retail capabilities to the global travel industry. With that in mind we have developed a five year growth strategy based on three distinct horizons which we are confident will deliver double digit percentage annual growth in Adjusted EBITDA in the period to 2017.

Horizon 1: Organic Growth

Focus on new customer acquisition and organic growth from current customers, enhanced by strategic partnerships with industry leading players

Horizon 2: Vertical & Horizontal Growth

1. Extend offering to new horizontal segments such as in-flight and destination based services.
2. Expand market reach to new travel verticals such as rail, hotel, agency etc.

Horizon 3: End to End Offering

Enable the complete travel experience, extend offering to include fulfilment and merchant services.

The main drivers of growth will be customer acquisition, product expansion and selective strategic partnerships to leverage the existing investment in our product. Our 2013 results represent a strong start to our plan and helps validate our medium term goals.



Dividend

Datalex is pleased to announce that it will seek shareholder approval at its upcoming AGM to pay a first ever dividend of two US cents per share.

Paschal Taggart, Chairman of Datalex plc said: *“The Company has developed an ambitious five year strategy to deliver significant growth in shareholder value, primarily through organic expansion and selective strategic partnerships. Given the projected growth in the business and increasing cash conversion, we believe that our balance sheet strength supports the commencement of a dividend policy”.*

2014 Outlook

In 2013, one billion people globally used Datalex software to shop for their travel needs. This number will grow in 2014, as we bring new customers live on our platform. We believe that the momentum in our existing customer base and the impact of the new customer wins in 2013 will drive 18% - 20% growth in Adjusted EBITDA in 2014. The current year will also be a year of investment in the future for Datalex, as we look to lay the foundations for future phases of growth. During 2014 we plan to:

- Open an office in Beijing to directly serve the strategically important Chinese market.
- Continue to invest in our data centre and hosting infrastructure to support growth and to ensure we have a market leading solution for our customers.
- Invest in the key retail capabilities and skills sets that will enable us to retain our position as the leading supplier of retail solutions to the travel industry.

Our 2013 Datalex Annual Report is available at: https://www.datalex.com/results_2013/

Investor Contact:

David Kennedy
Finance Director
+353 1 806 3500
david.kennedy@datalex.com

Media Contact:

Doug Keatinge
FleishmanHillard
+353 860374163
Douglas.keatinge@fleishmaneuropa.com

About Datalex

Voted the ‘World’s Leading Travel Merchandising Solution Provider’ at the 2013 World Travel Awards, Datalex is a leading provider of ecommerce and retail software solutions to the global travel industry. Its customers use Datalex TDP to maximise value from their complete retail brand experience. Datalex is technology partner to some of the world’s largest and most profitable travel retailers. Its customers include Delta Air Lines, Frontier Airlines, WestJet, Air China, Virgin Atlantic, Virgin Australia, SITA, Aer Lingus and JetBlue.

Founded in 1985, the company is headquartered in Dublin, Ireland, and maintains offices across Europe and the USA. Datalex is a publicly listed company and trades on the Irish Stock Exchange (ISE:DLE).

This press release contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results.