



19% Increase in Revenue, 29% Growth in Profit after tax and 25% Increase in Dividend

Dublin - 28 March 2017: Datalex plc (ISE: DLE), a leading provider of digital commerce solutions for travel retailers, today announces results for the year ended 31 December 2016.

2016 Highlights

2016 represented another year of strong performance for Datalex, with double-digit growth in revenue and Adjusted EBITDA, and a number of significant developments in our business that will underpin our growth in the years ahead. These include (1) the go-live of our platform at Swiss International Air Lines and two further members of the Hainan Group of Airlines in China, (2) the selection of our digital commerce platform by the Lufthansa Group - Europe's largest airline group, and (3) new partnerships with IBM and Neusoft.

Key financial highlights from 2016 include:

- 15% increase in platform revenue to US\$26.4m
- 18% growth in Adjusted EBITDA to US\$12.2m
- 29% increase in profit after tax to US\$5.4m
- 27% growth in Basic EPS to 7.22 US cents
- 32% increase in cash generated from operations to US\$17.1m
- 12% growth in cash reserves to US\$24.3m
- Proposed 25% increase in dividend to 5 US cents per share

Year ended 31 December	2016	2015	Change
	US\$m	US\$m	%
Total revenue	55.3	46.6	+19%
Platform revenue included in total revenue	26.4	22.8	+15%
Operating costs	50.1	42.6	+18%
Profit after tax	5.4	4.2	+29%
Adjusted EBITDA	12.2	10.4	+18%
EPS – Basic (cents)	7.22	5.67	+27%
Cash generated from operations	17.1	13.0	+32%
Cash and short term investments	24.3	21.8	+12%



Commenting on today's results, Aidan Brogan, CEO of Datalex said: *"2016 was another year of strong performance and growth for Datalex, which further strengthens our position as a leader in digital commerce for travel retailers. We delivered double-digit growth across key metrics, while significantly increasing investment in both our product and our people, to ensure this growth trajectory is sustainable into the future. Our selection by the Lufthansa Group and our new partnership with IBM represent significant validations of both our product and our market strategy, and as a result, we are seeing a strengthening of our pipeline of new business opportunities, particularly among larger carriers. Our collaboration with Neusoft will help us scale in the Chinese market."*

Financial and Operational Review

Total revenue increased by 19% in the period to US\$55.3m (2015: US\$46.6m), which included a 15% increase in platform revenue to US\$26.4m (2015: US\$22.8m) driven by new go-lives and the full year impact of the customers we brought live during 2015. Professional services revenue grew by 30% to US\$26.7m in 2016 (2015: US\$20.5m) driven by deployments at new customers and an increasing demand for new product enhancements at existing customers.

Operating costs grew by 18% to US\$50.1m (2015: US\$42.6m). The main cost increases were payroll, contractor and consultant costs (after capitalisation of product investment), which rose by 25% or US\$7.0m to US\$34.6m (2015: US\$27.6m). This delivered both the US\$6.2m increase in services revenue, and the scaling capabilities added across the organisation which position the business for further growth. Of total resource costs in 2016, 43% relates to outsource partners, an approach which provides our business with a flexible and scalable operating cost model.

Adjusted EBITDA grew 18% to US\$12.2m in 2016 (2015: US\$10.4m), driven primarily by our growth in platform revenue of US\$3.5m. Our Adjusted EBITDA margin was consistent year on year at 22%, despite a 30% growth in services revenue. The 2016 profit after tax of US\$5.4m (2015: US\$4.2m) includes amortisation of product development of US\$5.0m (2015: US\$4.3m). Capitalised development expenditure in 2016 was US\$9.2m (2015: US\$6.0m).

Cash generated from operations grew 32% to US\$17.1m in 2016, (2015: US\$13.0m) and this strong performance enabled us to invest US\$9.2m in product investment, pay an increased dividend of 4 US cents per share and grow our cash reserves to US\$24.3m (2015: US\$21.8m). This also demonstrates that our core business can continue to provide the platform for continued investment and growth in the years ahead.

Scaling the Business for Growth

We continue to invest in key scaling capabilities to execute on our growing market opportunity. During 2016 we hired more than 80 new employees in areas such as product management, software development, sales and customer success.

Accelerating Digital Innovation for Travel Retail

Airlines are increasingly aware that their commercial future is reliant on a rapid shift from legacy systems to more flexible, dynamic and customer-centric digital commerce platforms. We are accelerating our product investment in a number of key areas, in response to the growing market opportunity with global carriers, as evidenced by the signing of the Lufthansa Group. Our product investment of US\$9.2m in 2016 (2015: US\$6.0m) supports portfolio expansion in the areas of system performance, payments, pricing and revenue optimisation.



Dividend

The Board is pleased to recommend to shareholders for their approval, a dividend of 5 US cents per share, representing a 25% increase on dividends paid in 2016. This payment, if approved, will bring total dividends paid to shareholders since 2014 to over US\$10m.

2016 Business Developments

2016 was another year of strong progress in our business, with a number of significant events which will underpin our growth in 2017 and beyond.

- We brought a number of new airlines live on our platform, including Swiss International Air Lines, a member of the Lufthansa Group, and two additional Hainan Group airlines - Tianjin Airlines and Air Changan.
- A very significant strategic milestone for us in 2016 was the selection of the Datalex Digital Commerce Platform by the Lufthansa Group, Europe's largest group of airlines. The Lufthansa Group will leverage the Datalex Digital Commerce Platform to retail all product and services across digital channels.
- A key strand of our scaling strategy is to work with market leading partners to enhance our product and market reach. During 2016 we agreed a partnership with IBM, bringing together our Digital Commerce Platform with IBM's Watson cognitive computing and artificial intelligence capabilities to develop a next generation cognitive travel retail product.
- We have also agreed a partnership with Neusoft, the largest IT solutions and services business in China. This will enhance our market presence and scale our delivery capability in this high growth market.

These developments will help us expand our global market footprint and will lay the foundations for further growth in the business in the years ahead.

Outlook

2016 was our seventh consecutive year of double-digit growth in Adjusted EBITDA, which was achieved whilst accelerating significant investment to drive future growth.

Datalex is a recognised industry leader helping to transform and shape the future of the travel retail experience. Our market opportunity continues to expand and demand for our Digital Commerce Platform continues to grow. Our strategy is to scale the business to execute on this opportunity, as we continue to invest in our product and people. We are confident of new customer signings in 2017 as well as continued growth across our installed customer base. This will enable us to deliver growth and value for our stakeholders in the future. We are confident that we will again deliver 15%-20% growth in Adjusted EBITDA in 2017.

Our 2016 Datalex Annual Report is included in the attached PDF and is also available at:

<http://www.datalex.com/investors>



About Datalex

Datalex is a market leader in digital commerce solutions for travel retailers. The Datalex Digital Commerce Platform enables a travel marketplace of over one billion shoppers covering every corner of the globe, driven by some of the world's most innovative airline retail brands. Its customers include Aer Lingus, Air China, Air Malta, Air Transat, Brussels Airlines, Copa Airlines, Edelweiss Air, Hainan Group of Airlines, HP Enterprise Services, JetBlue Airways, Lufthansa Group, Philippine Airlines, SITA, STA Travel, Swiss International Air Lines and Virgin Australia. The Company is headquartered in Dublin, Ireland, and maintains offices across Europe, USA and China. Datalex is a publicly listed company and is listed on the Irish Stock Exchange (ISE: DLE). Learn more at datalex.com or follow on Twitter @Datalex.

This announcement 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. Datalex undertakes no obligation to update any forward-looking statements.

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