

22 January 2014

# Escher Group Holdings plc

## Year-end trading update

Escher Group Holdings plc (AIM: ESCH, "Escher" or the "Group"), a world-leading provider of outsourced, point-of-service software to the postal industry, has published a trading update for the year ended 31 December 2013.

The Group has traded satisfactorily in the twelve months ending 31 December 2013. Reported revenue for the full year is expected to be approximately \$24.7 million (2012: US\$23.0 million) an 8% increase over the prior year. Adjusted EBITDA\* is expected to be approximately \$4.0 million (2012: \$6.4 million). Net debt at 31 December 2013 was US\$2.3m (December 2012: US\$2.2m).

Escher's Postal Solutions business performed strongly during the year, with services revenues increasing following new contract wins in 2012. During 2013, there were also a number of contract renewals and contract extensions with customers including An Post, Posten Norge, Saudi Post, Brunei Post and Israel Post.

The Group continues to invest in its Interactive Services business, which provides retail/mCommerce, eGovernment and community based message solutions (RiposteTrEx). These solutions are now gaining traction with customers. In December 2013, the South African Post Office selected the RiposteTrEx™ platform to deliver its eRegistered mail solution following a rigorous tender process. In July 2013, Escher signed its first contract to provide peer-to-peer mobile payments for Irish restaurant chain Graham O'Sullivan Restaurants.

The Group is also seeing a good pipeline of tenders in both Postal Solutions and Interactive Services.

Escher expects to publish its year end results in the week commencing 10 March 2014.

**Liam Church**, Escher's Chief Executive, commented:

***"The investment in and expansion of our offering during 2013 has positioned us well to benefit from the investment that postal services are making in their post office networks and in diversifying their businesses."***

***"Governments also continue to invest in post offices as their front office in the community and in providing public digital services, an area in which we are gaining traction."***

\* Operating profit before, depreciation, amortisation, share based payments and exceptional items.

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## **About Escher Group**

Escher is a world leading developer and provider of outsourced, point of service software for use in the postal industry worldwide. Its core software, RiposteEssential, enables post offices to expand upon their traditional offering, providing additional new services, reducing costs and increasing efficiency. Riposte is a messaging middleware that enables applications operating on different computers to communicate with each other. The Riposte software manages data, monitors the system status and communicates across the network. Escher operates across two divisions - its Retail Software Division and its Message Based Communications Division.

The Retail Software Solution (RiposteEssential) serves the postal and courier markets. Transactions include mail and financial services and the system is integrated with utilities and financial services companies, banks and central and local governments.

Escher's Message Based Communications Division (RiposteTrEx) is based on a digital post office box model and is designed to provide a national digital infrastructure linking governments, businesses and citizens via a secure platform.