

H1FY2017 results presentation
Pureprofile Limited (ASX:PPL)

Pureprofile 

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The board

Presenting Today



Andrew Edwards
Executive Chairman



Paul Chan
CEO



Geoff Nesbitt
CFO



Cliff Rosenberg
Non executive director



Matt Berriman
Non executive director

The opportunity

Pureprofile is building products that will deliver value to hundreds of millions of people worldwide.

We are creating a future where consumer profiles will become a personal asset that will empower people to make better decisions with access to information they have never had before.

The companies within the group combine to match relevant content to these empowered people. Be it brands, publishers or agencies, Pureprofile has become their next generation partner.

A high-angle, top-down photograph of two men sitting at a white table, looking at a laptop. The man on the left is wearing a blue and white checkered shirt and is pointing at the laptop screen with his right hand. The man on the right is wearing a light blue polo shirt and a watch on his left wrist; he is gesturing with his right hand while looking at the screen. The laptop screen displays a colorful bar chart with multiple bars in shades of blue, green, yellow, and red. On the table, there is also a white cup of coffee and some papers. The entire image is overlaid with a semi-transparent dark blue filter.

H1FY17 results overview

H1FY17 delivers strong growth with 58.3% revenue and 69.6% operating EBITDA growth

Financial performance (statutory)

Statutory revenue of \$21.8m (pcp +58.3%)

- Result driven by strong organic and acquisition growth
- Australia \$11.7m (pcp +74.3%)
- International \$10.1m (pcp +43.4%)

Normalised operating EBITDA*

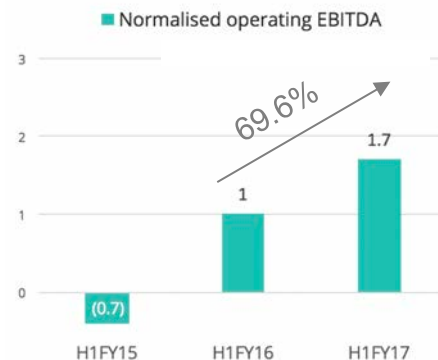
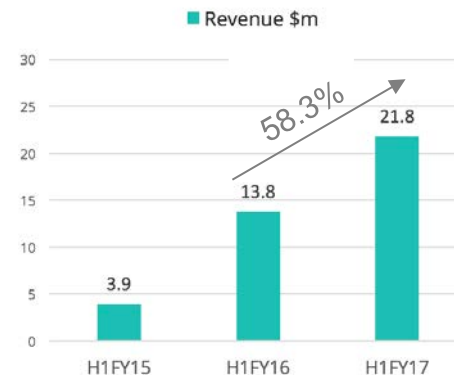
- Normalised operating EBITDA of \$1.7m (pcp +69.6%)
- Margin improvement 7.2% to 7.7% (+0.5bp)

Financial performance (pro forma**)

- Pro form revenue growth of 17.7% to \$32.3m
- 22.0% pcp growth in operating EBITDA to \$3.5m
- Adjusted NPATA to \$2.0m (in line with pcp)

* Normalised operating EBITDA excludes M&A transaction costs (\$1.9m), non cash share based payments (\$0.1m) and abnormal and non recurring costs (\$1.1m). Further detail referred to on page 21.

** The acquisition of Cohort was completed in November 2016. The statutory results include Cohort's contribution for 7 weeks. The pro forma figures show performance as if Cohort had been part of Pureprofile for a full 6 months.



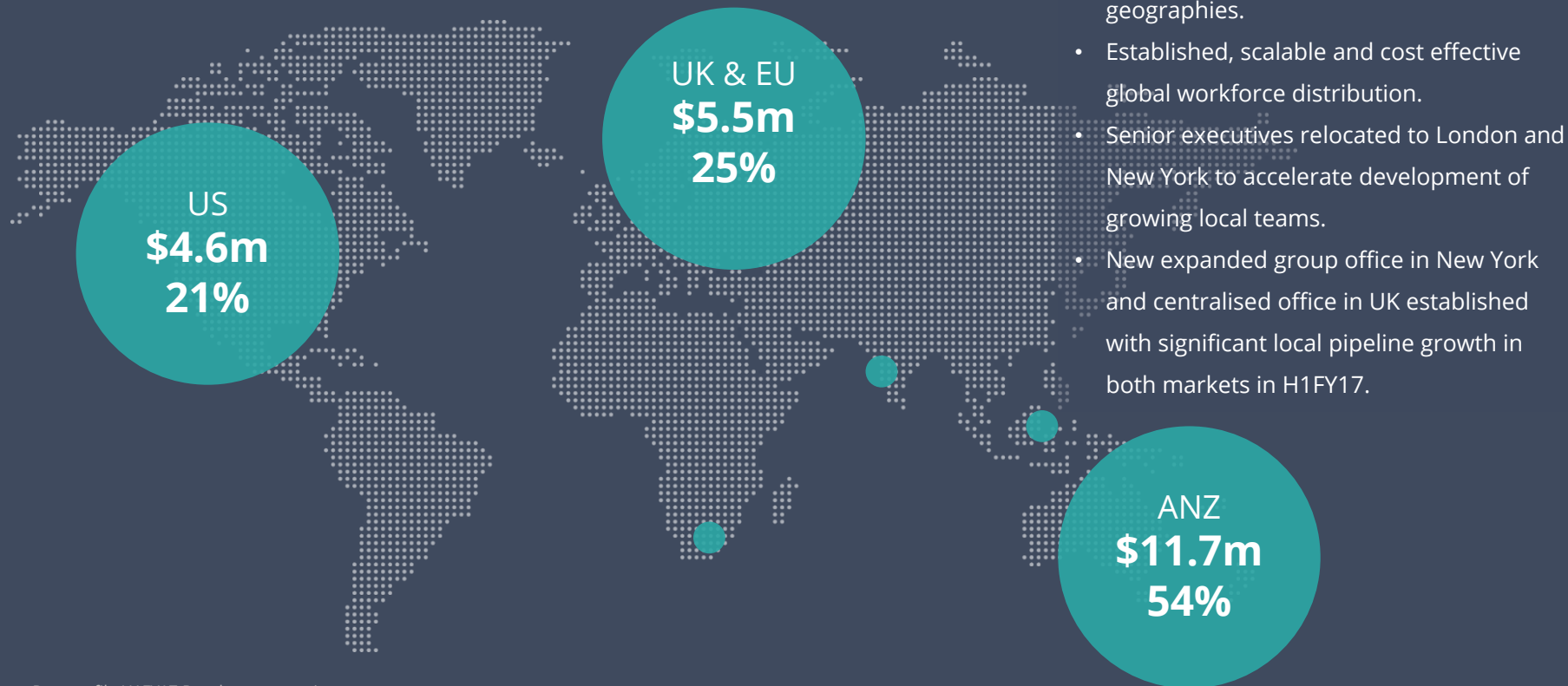
H1FY17 – pro forma financial performance

Half year ended	Dec 16 \$m	Dec 15 \$m	% Change
Statutory revenue			
Data and Insights	6.4	5.4	18.5
Programmatic	11.5	8.4	36.9
Lead generation	4.0	-	
Total statutory revenue	21.8	13.8	58.3
Pro forma* impact	10.4	13.6	
Total pro forma revenue	32.3	27.4	17.7
Gross profit	15.0	12.8	17.8
People costs	(10.1)	(8.8)	14.0
Overheads	(1.4)	(1.1)	28.2
Pro forma operating EBITDA	3.5	2.8	24.8
Transaction/non-operating costs	(3.1)	(1.1)	
EBITDA	0.4	1.7	
Net finance costs	(0.1)	(0.0)	
Depreciation & amortisation	(1.2)	(0.6)	
Adjusted PBT	2.2	2.2	
Income tax expense	(0.2)	(0.2)	
Adjusted NPATA	2.0	2.0	
Gross profit margin %	46.5%	46.5%	
Operating EBITDA %	10.8%	10.1%	
People costs/revenue %	31.2%	32.1%	

- Continued revenue growth across each of the three Business units
- Reduction in staff costs as a % of revenue to 31.2% (H1FY16 32.1%)
 - Increase in productivity and realisation of acquisition synergies
- Operating EBITDA margin improved to 10.8% in H1FY17 (H1FY16 10.1%)
- Transaction / non operating costs of \$3.1m include Cohort transaction costs (refer to page 21 in Appendix for details).
- Adjusted NPATA excludes transaction, abnormal and non recurring costs and tax effected amortisation of intangibles

* The acquisition of Cohort was completed in November 2016. The statutory results include Cohort's contribution for 7 weeks. The pro forma figures show performance as if Cohort had been part of Pureprofile for a full 6 months.

H1FY17 Segment revenue: By geography



A high-angle, top-down photograph of two men sitting at a white table, working on a laptop. The man on the left, wearing a blue and white checkered shirt, is pointing at the laptop screen with his right hand. The man on the right, wearing a light blue polo shirt, is gesturing with his right hand while looking at the screen. The laptop screen displays a colorful bar chart with multiple bars in shades of blue, green, yellow, and red. On the table, there is also a white cup of coffee and some papers. The background is a light-colored, textured surface. The entire image is overlaid with a semi-transparent blue filter.

Business performance

Strategic execution in H1FY17 creates further scale in Australia and accelerates international growth

Cohort Group Acquisition

- Acquisition completed 8 November 2016
- The addition of Cohort provides significant consumer acquisition and profile scale.
- 58.8% pcp revenue growth in the UK accelerating international growth strategy.
- New programmatic audience products built around the 2.5 million Cohort profile personas will launch in H2FY17
- Exciting new B2C and B2B lead generation apps will commence development in H2FY17 built on the Pureprofile platform and enable new distribution channels
- Cross selling across group business units has started well and is already delivering increased pipeline and new sales.

International expansion

- Pureprofile publisher platform successfully deployed into US market via large scale proof of concept with News Corp.
- AdSparc continues strong international revenue growth
- Senior leadership moved to expanding London and New York offices.

Pureprofile platform delivering clear competitive advantages with increasing pipeline and revenue

Pureprofile Data and Insights continues strong organic growth

- Continued strong organic growth with wins including CUB and AOL.
- Of particular note, Pureprofile has won a major new client in Unilever who will be a foundational direct brand client on the next generation Pureprofile platform.

AdSparc delivers 189% growth pcp

- Local Publisher business development resources added in New York in H1 FY17
- Exciting roadmap of product releases planned for FY18. Applications will focus on profiling via innovative in page widgets, audience profiling, machine learning and ultimately improved yield optimisation.
- The News Corp US proof of concept has provided platform performance and scale validation.

Sparcmedia delivering industry leading programmatic media buying via deep integration with proprietary Pureprofile data and insights

- Sparcmedia has been upgraded over last 12 months to deliver superior data and insights capabilities for pre and post programmatic media campaigns.
- Pureprofile platform enhancements to be rolled out in FY18 will greatly improve scale and cost efficiencies via Pureprofile's SaaS platform and proprietary data and insights with live programmatic media campaign analytics. This will allow for superior campaign planning, optimisation and results via industry leading dashboard technology.



Unilever



Aol. Platforms

A blurred photograph of people walking in a modern office hallway, overlaid with a teal color filter. The word "Outlook" is centered in white text.

Outlook

| Pureprofile FY17 outlook

Pureprofile Data and Insights strong organic growth to continue

- Expecting new publisher contract wins in Australia and Internationally for the industry leading Pureprofile platform.
- Expansion of the News Corp alliance.

Programmatic media businesses to continue international revenue growth

- Programmatic business units will continue to benefit from deeper integration with the Pureprofile platform.
- Increased local business development in New York expected to generate further publisher partners.
- Fast changing programmatic ecosystem will continue to put emphasis on data and insight capabilities in line with broader media and advertising markets.

Cohort accelerating international growth

- The integration of Cohort is proceeding well with the international business expected to continue to grow strongly in the second-half.
- Cohort is expected to exceed the minimum hurdles required for payment of the earn-out. These hurdles are 10% revenue and gross profit growth (compared to FY2016) and FY2017 EBITDA of at least \$4m. Accordingly, a provision of \$8.5m has been made for deferred consideration which is payable in Q2 FY2018.

The background of the slide features a dark, semi-transparent image. It depicts a person in a light-colored business suit and a patterned tie, holding a magnifying glass. The magnifying glass is positioned over a city skyline, with the lens focusing on a specific building. The overall color palette is muted, with shades of blue, grey, and white, creating a professional and analytical atmosphere.

H1FY17 financial update

Balance sheet

- Cash & cash equivalents of \$5.1m at 31 December 2016
- Deferred consideration –
 - first \$4m would be paid in PPL shares (escrowed until May 2018),
 - The balance is payable in either cash or PPL shares at vendors discretion
 - Refer 'Cohort Group consideration slide for further information
- New CBA facility in November 2016 to provide working capital flexibility
- Intangibles - Platform, includes development of Pureprofile and Cohort platforms
- Intangibles IP, comprised of customer contracts and partner networks of Cohort
- Intangibles - Goodwill relates to the Cohort acquisition (H1FY17) and the Sparcmedia (H1FY16)

As at:	Dec 16 \$m	Dec 15 \$m
Cash	5.1	1.8
Net working capital	(2.5)	(2.0)
Deferred consideration	(8.5)	(1.5)
current net liabilities	(5.9)	(1.7)
Fixed Assets	0.4	0.3
Intangibles - Platform	14.9	5.4
Intangibles - IP	5.2	0.1
Intangibles - Goodwill	16.1	5.6
Other non current liabilities	(1.3)	1.4
Non current net assets	35.3	12.8
Net Assets	29.4	11.1

** Cohort is expected to exceed the minimum hurdles required for payment of the earn-out. These hurdles are 10% revenue and gross profit growth (compared to FY2016) and FY2017 EBITDA of at least \$4m. Deferred consideration is payable in Q2 FY2018*

Cash flow

- Operating cash flow (excluding interest and taxes) of \$1.4m
- New debt facility for working capital and acquisitions
- Tax refund due from R&D tax concessions

For the half year ended:	Dec 16 \$m	Dec 15 \$m
Operating EBITDA	3.5	2.8
Transaction & Non Operating costs	(3.1)	(1.1)
EBITDA	0.4	1.7
Net working capital movement	1.0	(3.7)
Operating cash flow	1.4	(2.0)
CAPEX (both PPE & Intangibles)	(2.1)	(1.3)
Acquisitions	(15.6)	(3.9)
Operating cash flow after Investments	(16.3)	(7.3)
Net proceeds of capital raising	16.1	9.0
Debt (Current/non current)	4.9	-
Net Interest	(0.1)	-
Tax Refund	0.5	-
Cash & cash equivalents	5.1	1.8

New debt facility

- CBA facility established November 2016
- Term:
 - Facility A - 3 years to 30 September 2019
 - Facility B - 1 year to 7 November 2017
 - Facility C - 1 year to 7 November 2017
- Both Facility B and C provide for extensions
- Working Capital facility was drawn to refinance previous receivable facility

\$m	Facility Commitment	Facility Drawn
Facility A - Acquisition facility	4.0	(4.0)
Facility B - Working Capital	3.0	(1.9)
Facility C - Lease guarantee	0.5	-
Total Debt Facility	7.5	(5.9)
Cash and cash equivalents		5.1
Net debt at 31 December 2016		(0.8)



Appendices

An aerial photograph of a dense urban skyline, likely New York City, featuring numerous skyscrapers and a body of water in the background. A large, thin, white semi-transparent circle is overlaid on the image, centered around the text. The text "Cohort acquisition" is written in a bold, white, sans-serif font, positioned in the center of the image.

Cohort acquisition

Cohort Group consideration

	Initial Payment	Earn-out Tranche 1	Earn-out Tranche 2
Amount	\$18m	\$4m	Up to \$15m
Consideration Type	\$15m cash/ \$3m shares	\$4m shares	Cash or shares - Up to \$10m at sellers election, any amount above \$10m at PPL election
Timing of Payment	Nov-16	Q2/FY2018	Q2/FY2018
Calculation	Nil	Cohort FY2017 normalised EBITDA >= \$4m	Subject to 10% growth in revenue and GP for FY2017 (over pcg); 5x FY17 EBITDA between \$4m - \$5.9m, or 6x FY17 EBITDA above \$5.9m and capped to \$6.5m
Issue price of PPL shares	\$0.45	\$0.45	First \$10m, higher of \$0.50 and 30 day VWAP prior to issue. Between \$10-\$15m, 30 day VWAP prior to issue
Restriction periods	\$1m cash deferred for 12 months from Completion. PPL shares escrowed to 6 May 2018	PPL shares escrowed until 6 May 2018	Nil

Cohort Group valuation and earn out scenario's

\$A Millions					
EBITDA Scenario's	Initial Payment	Earn-out Tranche 1	Earn-out Tranche 2	Total	EBITDA(x)
\$3.0	\$18	\$0	\$0	\$18	6.00
\$4.0	\$18	\$4	\$0	\$22	5.50
\$5.0	\$18	\$4	\$5	\$27	5.40
\$6.0	\$18	\$4	\$12	\$34	5.67
\$6.5	\$18	\$4	\$15	\$37	5.69
\$7.0	\$18	\$4	\$15	\$37	5.29

Consideration Type \$15m cash / \$3m PPL shares PPL shares First \$10m sellers election cash/shares

*Indicative Scenarios;

(1) Assumes FY17 Revenue and GP > 10% pcg

H1FY17 Transaction and non-recurring costs (pre-tax)

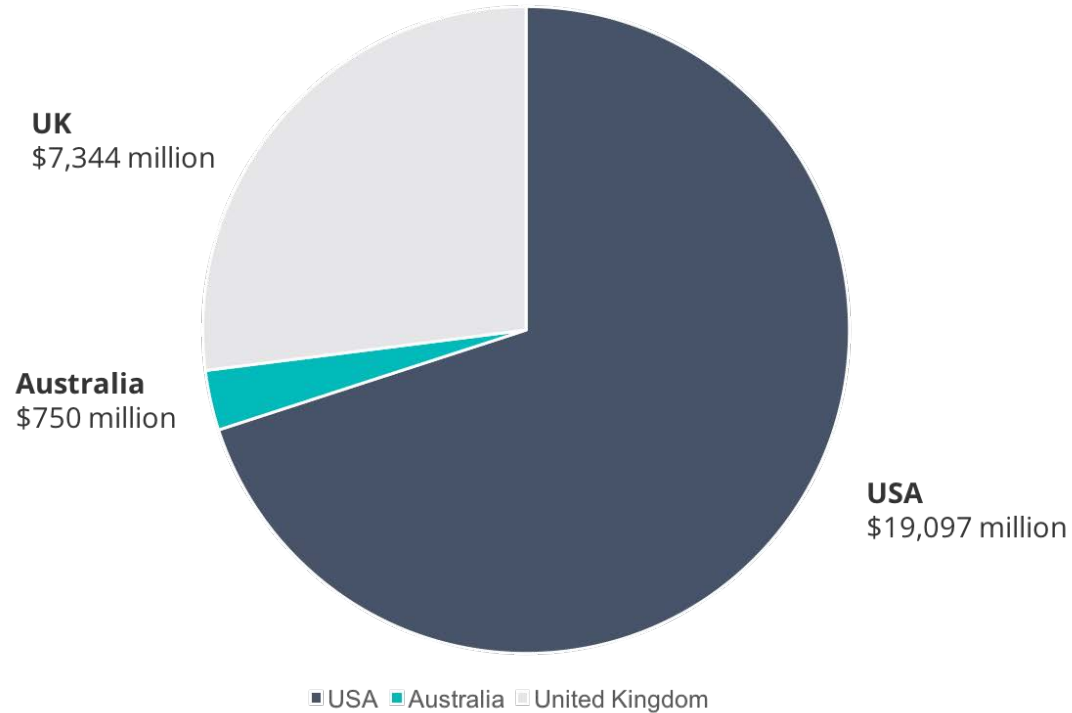
	1H FY16	1H FY17
M&A transaction costs	\$0.2m	\$1.9m
IPO transaction costs	\$0.2m	-
Non cash share based payments	\$0.2m	\$0.1m
Restructuring costs	\$0.3m	\$0.9m
Other	\$0.2m	\$0.2m
TOTAL	\$1.1m	\$3.1m

These costs are not considered as representative of the Group's ongoing operations.

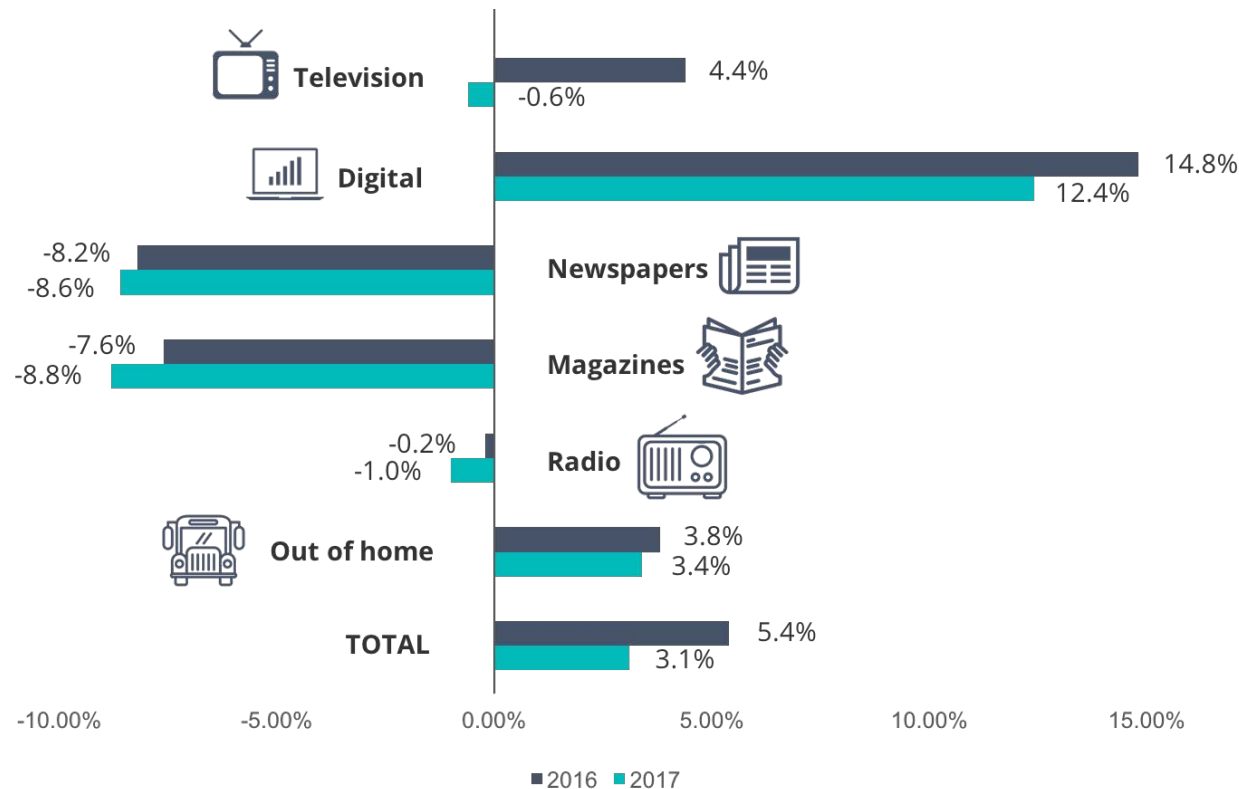
A blurred background image showing several business professionals in motion, walking past a wall with a grid of small circular holes. A large, thin white circle is superimposed on the right side of the image. The overall color palette is muted, with a blue-grey tint.

Market opportunity

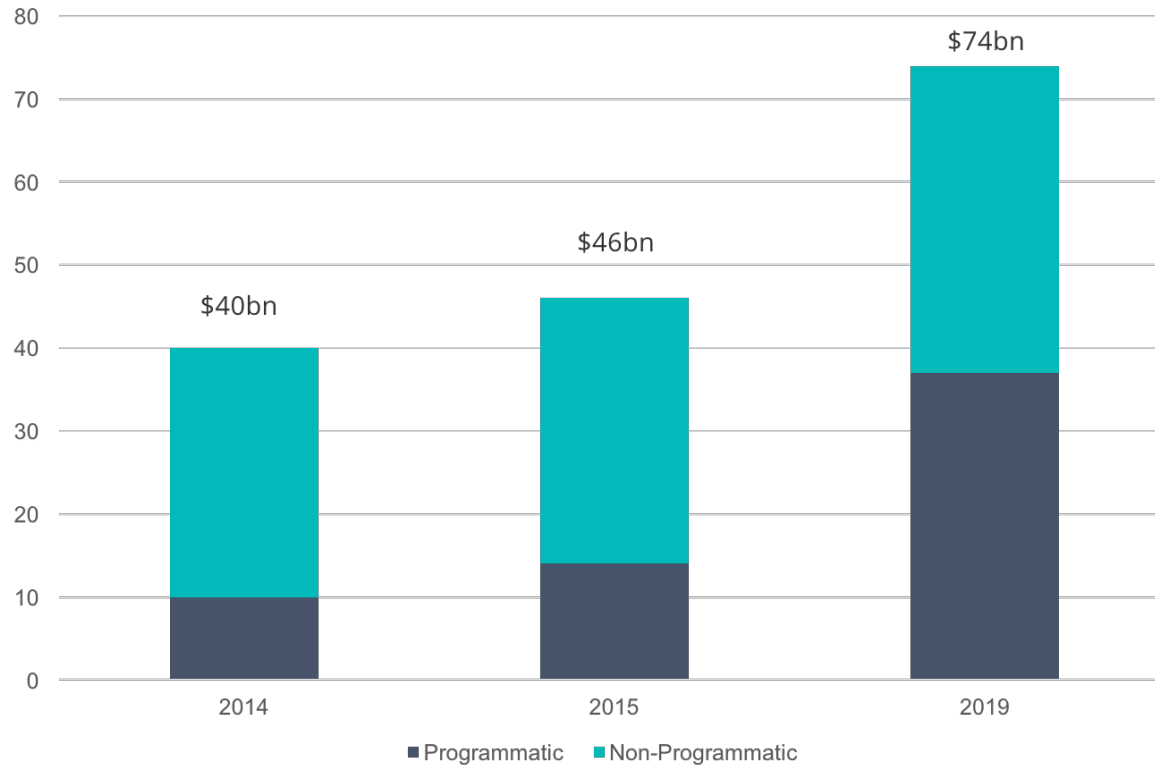
Total addressable target market



Global advertising growth by Media (2016-2017)



Global display and video spend (US\$ billions)



A man in a dark suit, white shirt, and red patterned tie is looking down at a tablet computer. The image is overlaid with a semi-transparent blue filter. The text "Group business units" is centered in white.

Group business units

A man with a beard is sitting in a workshop, looking down at a smartphone. A bicycle is visible in the foreground on the left. The background is slightly blurred, showing shelves with various items.

WE ARE IN THE BUSINESS
OF CONNECTING
**EMPOWERED
CONSUMERS**
WITH RELEVANT
BRANDS

Pureprofile business units



Data & Insights

Quantitative Research

We help marketers profile consumers.

SaaS Platform

We supply technology to help publishers profile their audiences.



Programmatic Media

Sparc Media (demand side)

We help advertisers deliver programmatic media campaigns.

Media Trading

We trade across many programmatic media exchanges.

Adsparc (supply side)

We help publishers maximise their yields.



Performance

Lead generation

We deliver industry leading quality leads that make sales for brands

Data monetisation

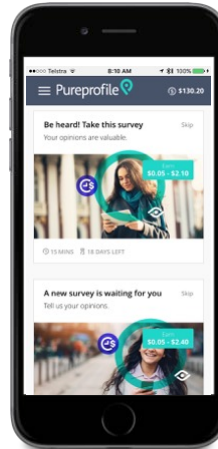
We leverage our large proprietary data assets to help partners and brands with their data needs.

Pureprofile creates deep profiles from highly engaged members and generates revenues from targeted research surveys

Pureprofile



Pureprofile charge brands, agencies and researchers to target highly profiled consumers to complete research surveys



Pureprofile members interact via a personalized feed matching their profile to surveys, content and other activities

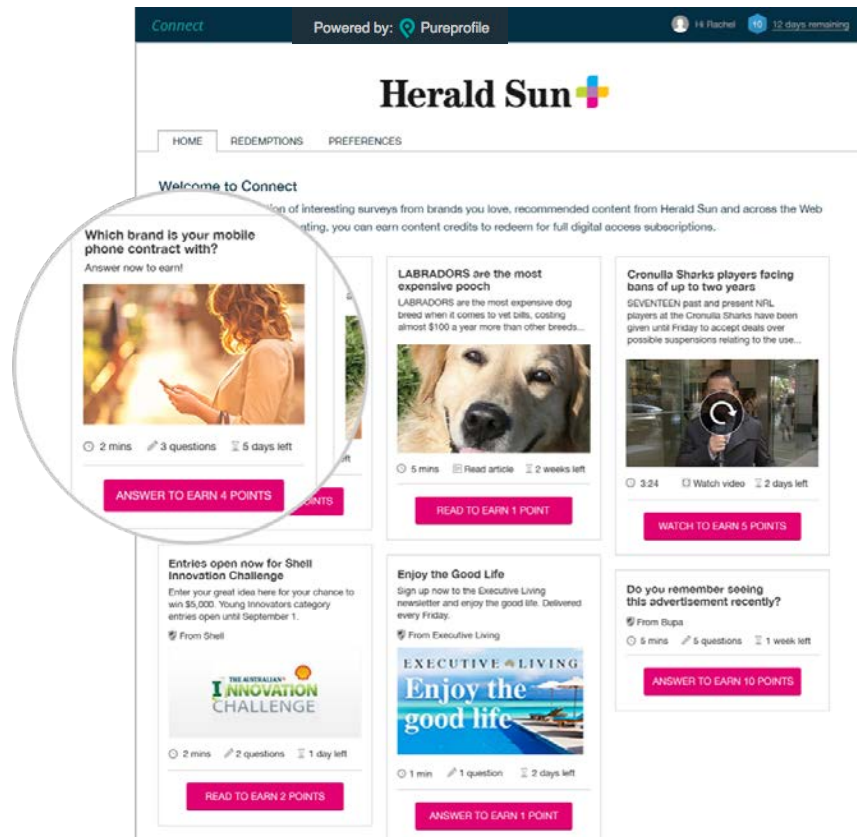


Pureprofile members earn rewards for completing surveys and other activities.

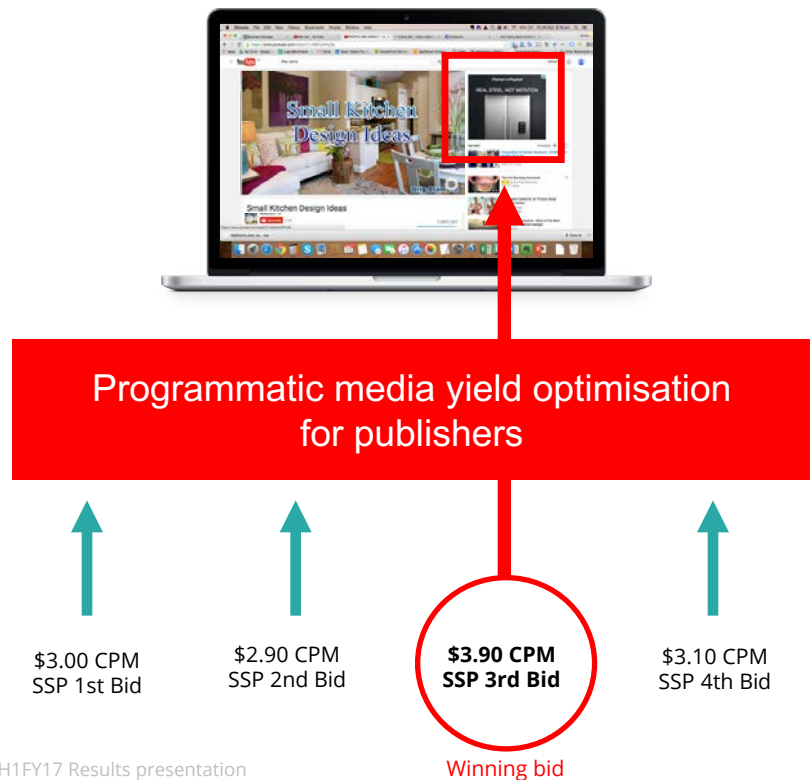
Pureprofile partners with large publishers with millions of regular visitors and creates deep profiles that are monetised creating scalable revenue streams



Our SaaS technology platform enables publishers to profile their audience and deliver more relevant content and advertising experiences



AdSparc earns revenue from publishers by improving revenue (yield) via programmatic media (sell side)



AdSparc 
A Pureprofile company

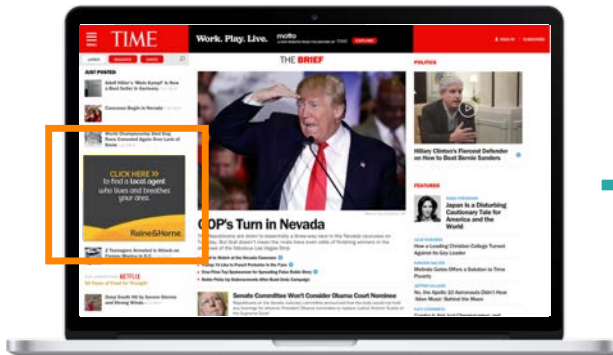
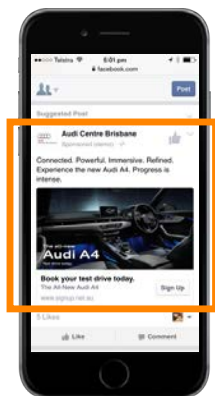
AdSparc increases publisher yield:

- Takes publisher ad inventory and manages programmatic selling via large pool of display, video and native SSPs.
- 20-30% revenue share of publisher inventory sold.
- Developing proprietary yield management platform that will be integrated with the Pureprofile publisher platform. This will create deeper publisher relationships and accelerate growth in FY17.

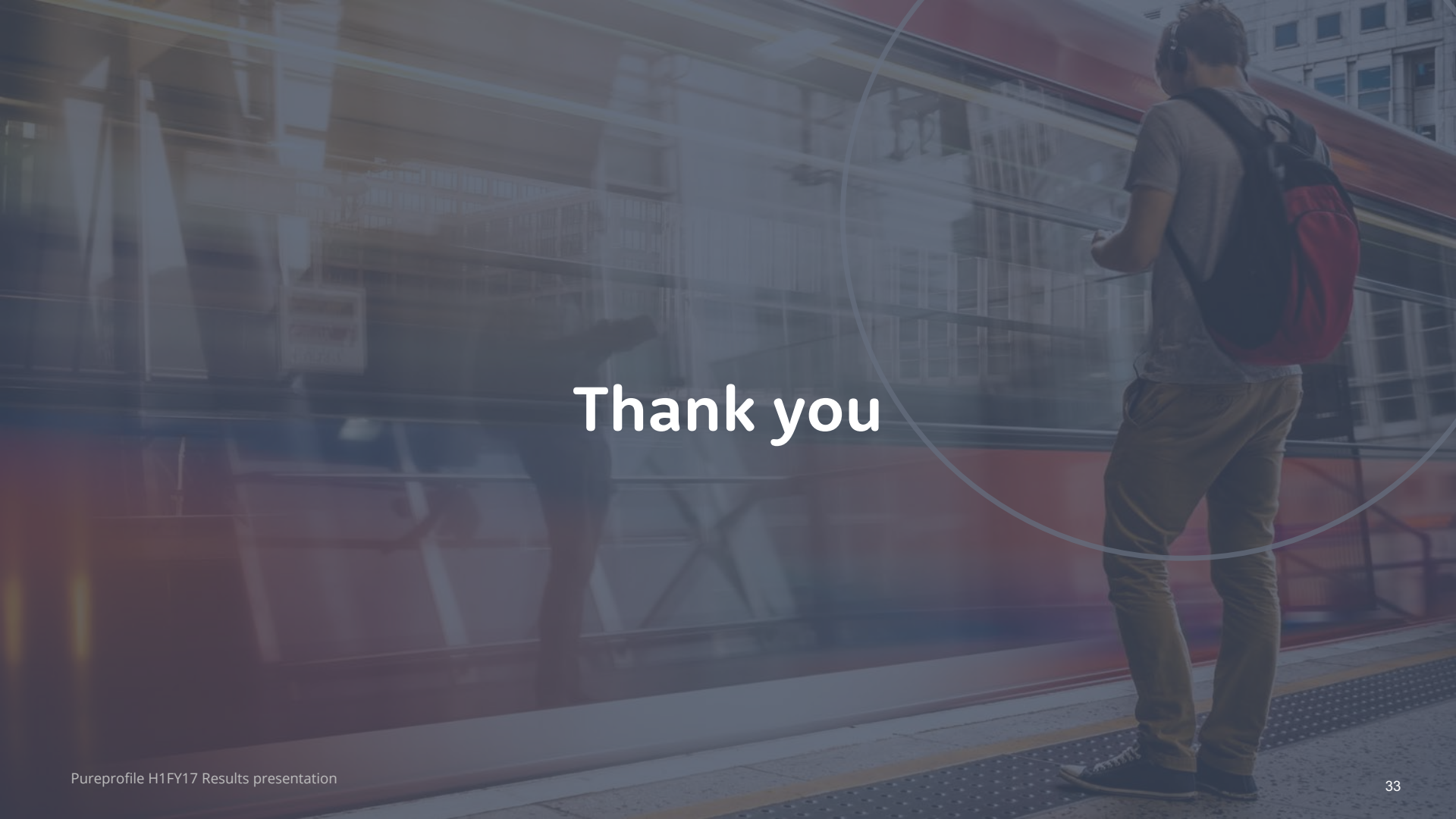
Sparcmedia earns revenue from advertisers via programmatic media trading (buy side) of digital display advertising on the web and mobile



Improved
targeting with
Pureprofile
Data + Insights



Deeper insights
and improved
optimisation
with Pureprofile
Data + Insights



Thank you

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