23 AUGUST 2017

FY17 RESULTS

Chief Executive Officer : John Croll
Chief Financial Officer : James Orlando

AGENDA

Overview of FY17 Results	John Croll
Strategic Focus	John Croll
FY17 Financial Performance	James Orlando
Q&A	John Croll & James Orlando

curiosity innovation

FY17 RESULT OVERVIEW

isentia

$M	FY17	FY16	VAR %
REVENUE	**155.1**	**156.0**	**(1%)**
ANZ	107.9	107.0	1%
ASIA	32.9	28.5	16%
CM	14.4	20.6	(30%)
EXPENSES	**113.7**	**105.0**	**(8%)**
EBITDA	**41.5**	**51.0**	**(19%)**

- Revenue was slightly below the prior year with strong growth in Asia partially offsetting the decline in Content Marketing (CM)
- ANZ revenue impacted by customer churn and competition in FY17 H1 relating to the copyright agreement
- ANZ competitive environment stabilised in FY17 H2. Full year revenue growth of 2.6% after normalizing for reclassification of Two Social revenue
- Increase in expenses mainly due to $5.3m copyright cost increase and acquisition related costs in Asia
- Strong balance sheet and cash flow
- Isentia declares a 50% franked final dividend of 3.08 cents per share

REAL DATA AND INSIGHTS

11 countries
5,000+ clients
13,000 broadcast summaries daily
30,000 print items daily
300,000 FB comments/posts daily
1,200,000 online news items daily
3,200,000 forum posts daily
4,500,000 tweets daily

ISENTIA: MARKET LEADER IN ASIA-PACIFIC

- Core media intelligence business is the market leader across Asia-Pacific
- Continued investment in technology and SaaS platforms is further improving Isentia's competitive position in ANZ and Asian markets
- Copyright payments are stable for FY18
- STORIES and further improvements to the Mediaportal platform will deliver improved revenue growth
- Insights business continues to experience double digit revenue growth in ANZ and Asia
- A clear plan for our content marketing business will see it fully integrated into Isentia and delivering a positive EBITDA contribution

FY18 ANZ – A FOCUS ON THE CORE

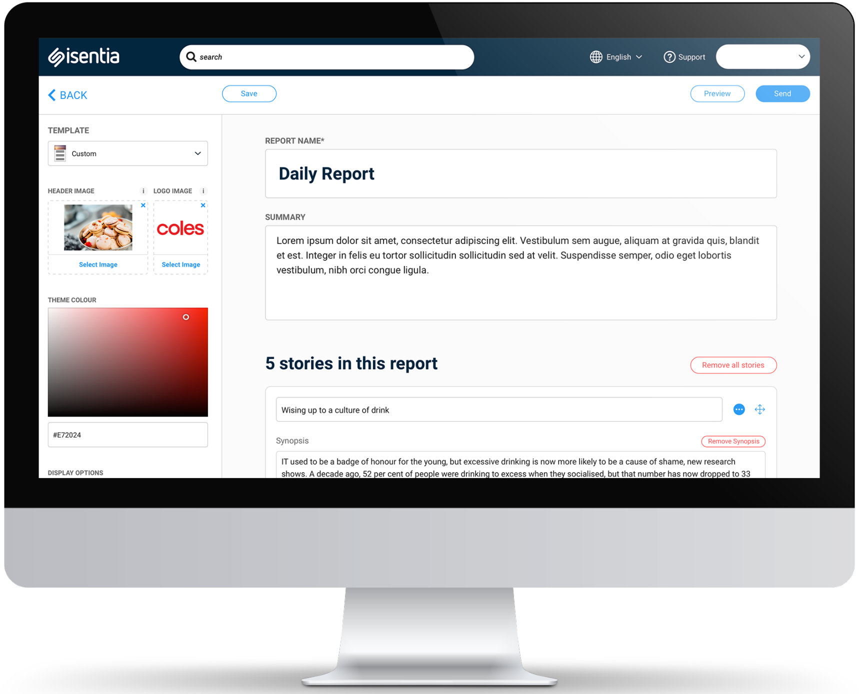
- Isentia is the market leader in the ANZ media intelligence market
  - Strong relationships with government and corporate clients
  - An essential service becoming more essential with media complexity
  - High recurring revenue with more than 85% of client subscriptions now fixed
  - Generates strong cash flow through scalable technology platforms

- ANZ Media Intelligence business initiatives
  - Product Improvements to Mediaportal have improved client retention and increased Isentia's competitive position
  - STORIES delivered to market with positive feedback from clients. Will become revenue generating in FY18
  - Client retention is strong with stable client numbers in Q4
  - The ANZ business reorganised to provide increased focus on retention and new sales
  - Product pipeline strong for H1 FY18 in ANZ markets

MEDIAPORTAL PRODUCT INITIATIVES

Reports & Alerts

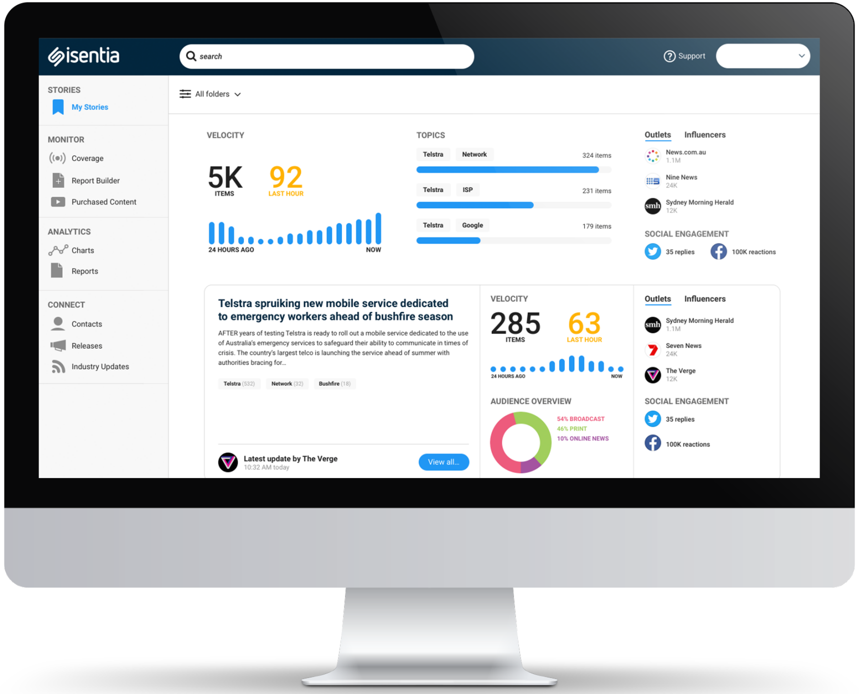
- The most used function on Mediaportal is being totally redesigned and updated
- Supports clients in designing and building their own customised reports
- Flexible formats for any device
- Integrates Isentia's content into clients' daily workflow
- Imports data from external or client's own sources
- To be released to clients in September to further improve market leadership and client retention



NEW PRODUCT INITIATIVES

STORIES – Integrated Media Intelligence

- Fully integrates print, broadcast, online and social media content
- Reduces time and effort for clients to understand depth and breadth of a story
- Trial rolled out to 300 clients in FY17 Q4 with positive feedback
- Clients being provided a free trial prior to making a decision on an opt out basis
- Will be sold to clients as a new product with separate pricing structure



FY18 ASIA – A FOCUS ON THE CORE

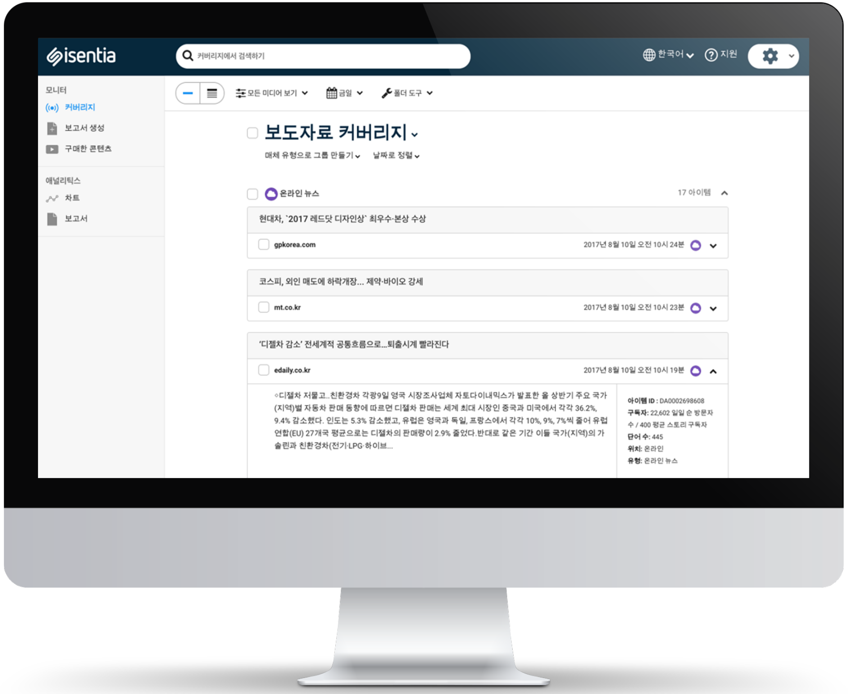
- Isentia is the market leader in the Asian media intelligence market
  - Isentia has the most comprehensive data and media sources across Asia
  - Technology platform fully supports all Asian languages
  - High recurring revenue with 100% of client subscriptions fixed
  - Recent acquisitions fully integrated into Isentia

- Full rollout of Mediaportal to further improve competitive position in Asia
  - Mediaportal to be delivered to the Korean market in September
  - Taiwan office opened in July with Mediaportal to be delivered to the market soon after the Korean implementation
  - The cloud based Mediaportal version to be rolled out to all Asian offices
  - A focus on client retention to deliver improved results

PRODUCT INITIATIVES FOR ASIA

Mediaportal - Asia

- Mediaportal to be delivered to the Korean market in September
- Full functionality of the Mediaportal platform
- Strong sales pipeline has been developed
- Taiwan and other Asian markets to be delivered in FY18
- Improve SaaS client numbers through organic growth and retention



FY17 FINANCIAL PERFORMANCE

FY17 FINANCIAL RESULTS - SUMMARY

GROUP P&L - FY17	YEAR			
$ M	**FY17**	**FY16**	**Variance $M**	**Variance %**
SaaS – Media Intelligence	103.3	101.9	1.4	1%
VAS	37.5	33.5	4.0	12%
Content Marketing	14.4	20.6	(6.3)	(30%)
Revenue	**155.1**	**156.0**	**(0.9)**	**(1%)**
Copyright expenses	(17.7)	(12.4)	(5.3)	(43%)
Other expenses	(96.0)	(92.6)	(3.3)	(4%)
Expenses	**(113.7)**	**(105.0)**	**(8.7)**	**(8%)**
EBITDA	**41.5**	**51.0**	**(9.5)**	**(19%)**
EBITDA Margin	*27%*	*33%*		
NPAT	**(13.5)**	**24.3**	**(37.8)**	**(156%)**
Underlying NPATA*	**24.7**	**32.6**	**(7.9)**	**(24%)**
Earnings per share (cents)	12.4	16.3	(4.0)	(24%)

* Underlying NPATA excludes non-recurring items

Key messages:

- SaaS growth slower in ANZ (1%) than Asia (3%)
- Normalised VAS revenue growth of 19%
- Increase in copyright costs following renegotiation of the copyright contract in Australia
- EBITDA includes $4.4m loss for King Content, core EBITDA of $45.9m
- King Content impairment in FY17 of $39.4m

ANZ RESULTS SUMMARY

ANZ P&L - FY17	YEAR		
$ M	FY17	FY16	Variance %
Revenue			
SaaS – Media Intelligence	87.5	86.7	1%
VAS	20.4	20.3	0%
Total SaaS/VAS	**107.9**	**107.0**	**1%**
ANZ EBITDA	***46.6***	***49.4***	**(6%)**
EBITDA Margin	43%	46%	
Content Marketing Revenue*	**8.6**	**12.4**	**(30%)**

* See page 15

Key messages:

- SaaS growth impacted by churn in H1
- VAS normalised revenue growth of 12%
- Copyright impact of $5.3m vs. prior comparative period
- EBITDA increased 5.1% excluding Copyright Agency Limited (CAL) cost increase
- Business line EBITDA does not include direct service delivery costs – currently in head office

ASIA RESULTS SUMMARY

ASIA P&L - FY17	YEAR		
$ M	**FY17**	**FY16**	**Variance %**
Revenue			
SaaS – Media Intelligence	15.8	15.3	3%
VAS	17.1	13.2	30%
Total SaaS/VAS	**32.9**	**28.5**	**16%**
ASIA EBITDA	***6.6***	***6.9***	**(5%)**
EBITDA Margin	*20%*	*24%*	
Content Marketing Revenue*	**5.7**	**8.3**	**(31%)**

* See page 15

Key messages:

- SaaS impacted by delay in rollout of Mediaportal in Korea
- Acquisitions including Boomerang (Vietnam), SNC and Beyond (Korea) and New Point (Hong Kong) supported strong YoY VAS revenue growth
- EBITDA impacted by:
  - Higher data costs in North Asia predominantly China and Korea
  - Bad debt clean up of $0.5m
- Business line EBITDA does not include direct service delivery costs – currently in head office

CONTENT MARKETING

CONTENT MARKETING P&L - FY17		YEAR	
$ M	**FY17**	**FY16**	**Variance %**
Revenue			
Content Marketing	14.4	20.6	(30%)
CM EBITDA	**(4.4)**	**3.6**	**(221%)**
EBITDA Margin	*(31%)*	*18%*	

Key messages:

- Focus on key customers only
- Targeted up/cross sell
- Hard decisions have been taken on right sizing the business

OPERATING EXPENSES

GROUP EXPENSES - FY17	YEAR			
$ M	FY17	FY16	Variance $M	Variance %
Employee expenses	63.2	62.8	0.6	1%
Copyright	17.7	12.4	5.3	43%
Cost of sales	14.3	13.0	1.3	10%
Occupancy	5.7	5.4	0.3	5%
Software and support	4.1	3.5	0.6	16%
Communication and Marketing	3.8	3.2	0.6	17%
Other operating expenses	5.0	4.9	0.1	2%
Total operating expenses	**113.7**	**105.0**	**8.7**	**8%**
Headcount	*1175*	*1195*	*(20.0)*	*(2%)*

Key messages:

- Staff costs:
  - Continued actions to move production to Manila Content Hub from higher cost locations
  - Specific automation projects underway to reduce overall staff cost
- Copyright:
  - Cost increase due to CAL renegotiation
  - Operating cost increase ex CAL of 3.2%.
  - Stable outlook for FY18
- Other COS increase driven by Korea Acquisition content requirements
- ANZ headcount decrease of 46 offset by increases in Asia related to acquisitions

FINANCIAL RESULTS OVERVIEW

GROUP P&L CGU – FY17	YEAR			
$M	FY17	FY16	Variance $M	Variance %
ANZ	**116.5**	**119.3**	**(2.8)**	**(2%)**
SaaS – Media Intelligence	87.5	86.7	0.8	1%
VAS	20.4	20.3	0.1	0%
Content Marketing	8.6	12.4	(3.7)	(30%)
Asia	**38.6**	**36.7**	**1.9**	**5%**
SaaS – Media Intelligence	15.8	15.3	0.5	3%
VAS	17.1	13.2	3.9	30%
Content Marketing	5.7	8.3	(2.6)	(31%)
Revenue	**155.1**	**156.0**	**(0.9)**	**(1%)**
Expenses	**(113.7)**	**(105.0)**	**(8.7)**	**(8%)**
EBITDA	**41.5**	**51.0**	**(9.5)**	**(19%)**
EBITDA margin	*27%*	*33%*		
Depreciation and amortisation	(5.7)	(4.7)	(1.1)	(23%)
Amortisation of acquired intangibles	(10.4)	(9.0)	(1.4)	(16%)
Finance costs	(2.8)	(2.8)	0.0	(1%)
Profit/(loss) before tax	**22.5**	**34.5**	**(12.0)**	**(35%)**
Tax	(5.7)	(8.6)	2.9	34%
Non-recurring items (net of tax)	(30.2)	(1.6)	(28.5)	
Amortisation of acquired intangibles (Add back)	8.0	6.8	1.2	17%
NPATA	**(5.5)**	**31.1**	**(36.5)**	**(118%)**
Underlying NPATA	**24.7**	**32.6**	**(7.9)**	**(24%)**
Underlying earnings per share (cents)	12.4	16.3	(4.0)	**(24%)**

Key messages:

- Increase in Depreciation and Amortisation driven by internal product development for STORIES, Mediaportal Recharge and the mobile app
- Amortisation increased due to Asia acquisitions
- Non-recurring items include King Content impairment, fair value adjustments

CASH FLOW

Strong operating cash performance as Isentia focuses on core

$ M	FY17	FY16
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	179.6	167.5
Payments to suppliers and employees (inclusive of GST)	(136.1)	(127.5)
Net interest	(2.9)	(2.6)
Income taxes paid	(6.9)	(6.6)
Net cash from operating activities	**33.7**	**30.8**
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired		(29.2)
Payment to vendors for prior year assets acquisition	(7.0)	(0.3)
Payment for security deposits		(0.4)
Payment for property, plant and equipment	(2.8)	(2.4)
Payments for intangibles	(11.5)	(6.7)
Payment for purchase of asset acquisition	(1.2)	(1.2)
Net cash used in investing activities	**(22.6)**	**(40.3)**
Cash flows from financing activities		
Proceeds from borrowing	9.0	38.5
Repayment of borrowing		(11.5)
Dividends paid	(15.1)	(15.0)
Net cash from (used in) financing activities	**(6.1)**	**12.0**
Net increase in cash and cash equivalents	**5.1**	**2.4**
Cash and cash equivalents at the beginning of the financial year	8.1	5.7
Cash and cash equivalents at the end of the financial year	13.3	8.1

FY18 OUTLOOK

- Management intend to provide guidance at the Annual General Meeting scheduled for late November 2017

Q & A

APPENDIX

BALANCE SHEET AND CAPITAL STRUCTURE

$ M	FY17	FY16
Current assets		
Cash and cash equivalents	13.3	8.1
Trade and other receivables	31.2	40.0
Other	3.1	2.1
Total current assets	**47.6**	**50.3**
Non-current assets		
Property, plant and equipment	4.7	3.9
Intangibles	153.0	196.3
Other	5.4	8.1
Total non-current assets	**163.0**	**208.4**
Current Liabilities		
Trade and other payables	19.3	19.3
Contingent consideration	3.0	7.0
Borrowings	-	55.9
Other	5.9	9.3
Total current liabilities	**28.2**	**91.4**
Non-current liabilities		
Borrowings	64.9	-
Contingent consideration	5.0	21.7
Other	17.8	19.9
Total non-current liabilities	**87.7**	**41.6**
Total equity	**94.7**	**125.7**

$ M	FACILITY COMMITMENT	DRAWDOWN
Facility A	65.0	65.0
Facility B	10.0	0.0
Total debt	**75.0**	**65.0**
Cash and cash equivalents and prepayments		13.3
Net debt		**51.7**
Leverage ratio		**1.25x**

RECONCILIATION

Reported NPAT to Underlying NPATA

ISD FY17 Reported NPAT to underlying NPATA reconciliation	$M
NPAT	**(13.5)**
Add: Amortisation of customer relationships and contracts	8.3
Amortisation of acquired software	2.1
Net of tax on amortisation of customer relationship/contracts and acquired software	(2.4)
NPATA	**(5.5)**
Add: Impairment of assets	39.4
Less: Net gain recognised on reversal of contingent consideration	(13.8)
Add: Non-recurring items including acquisition costs	4.6
Underlying NPATA	**24.7**

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