



Pureprofile (ASX:PPL) Investor Presentation

FY2017 Financial Results

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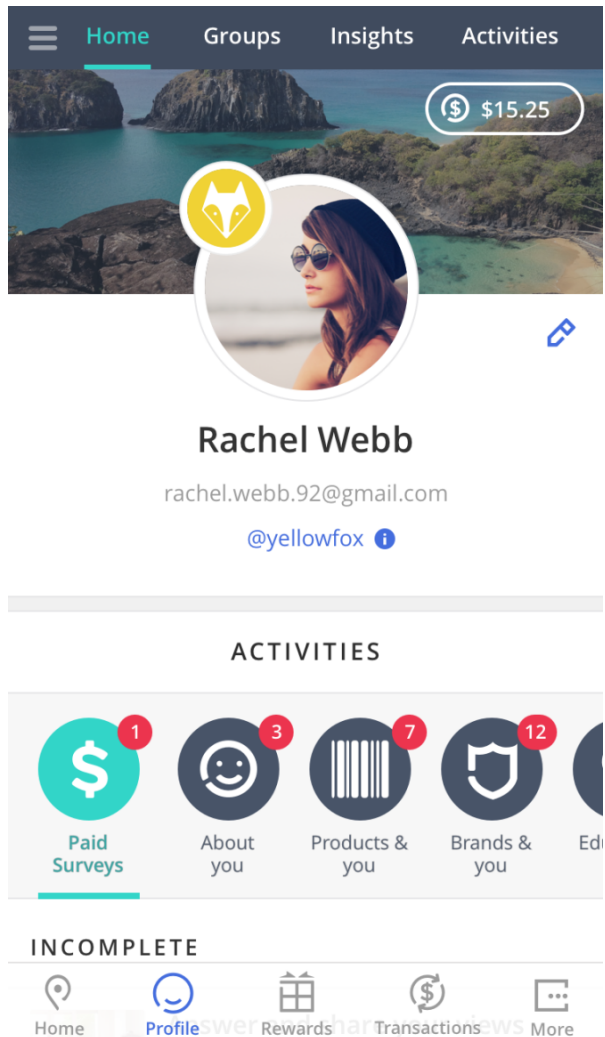
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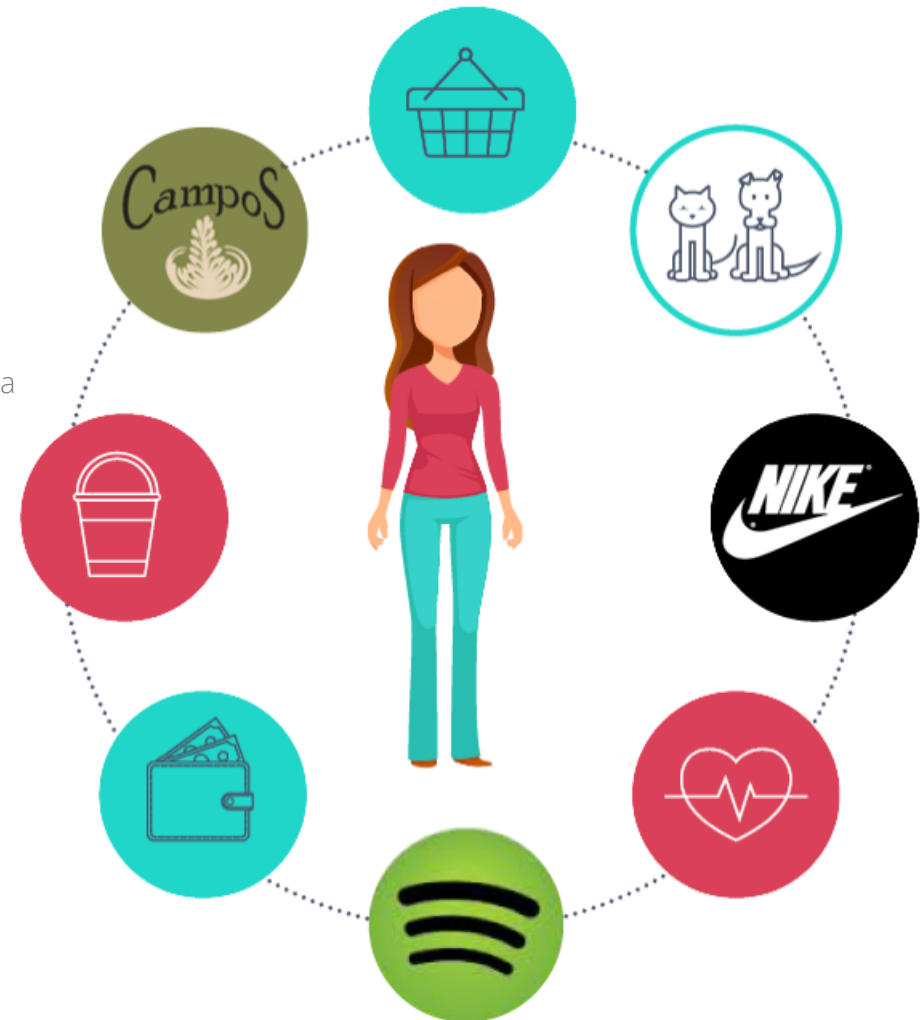
We reward consumers for their data

Pureprofile 

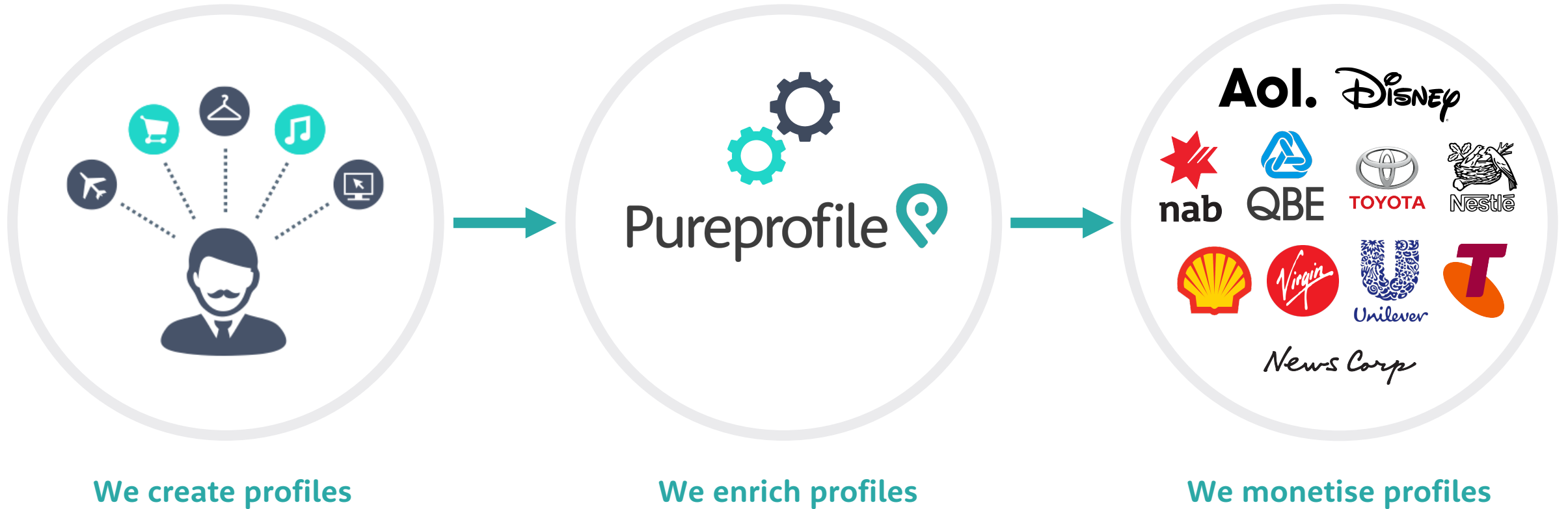


Profiles

are created from consumer data



We create, enrich and monetise profiles



How we generate revenue



Market Research



SaaS Platform



Media Buying



Media Sales



Lead Generation

The **Pureprofile** platform delivers **brands** data and insights via **consumer** engagement applications

Revenue model:
Cost per data set

SaaS Platform delivers **client self service** and white label solutions for **alliance partners**

Revenue model:
SaaS license fees and revenue share

Sparcmedia buys targeted programmatic media for **brands** planned and optimised with Pureprofile data and insights

Revenue model:
Percentage of media purchased

AdSparc improves **publisher** ad revenue yield via programmatic platforms and Pureprofile data and insights

Revenue model:
Percentage of media sold

Connects **brands** to high quality **leads** from owned media and partner publishers optimised via Pureprofile data and insights

Revenue model:
Cost per lead

FY2017 financial highlights



\$63.3m

Pro forma
Revenue*



\$52.9m

Statutory
Revenue#



48%

Gross Profit
Margin



\$6.7m

Underlying
EBITDA**



\$2.0m

Annualised
cost savings##

* Pro forma figures – calculated as if Cohort Group and Sparc had been owned by Pureprofile for the full 12 month period and comparative period

Statutory Revenue – includes revenue from Cohort Group from the date of acquisition (8/11/16)

** Underlying EBITDA excludes transaction expenses relating to the acquisition of Cohort and other abnormal expenses

Impact of cost savings as a result of organisational restructure to be realised in FY2018

Financial summary

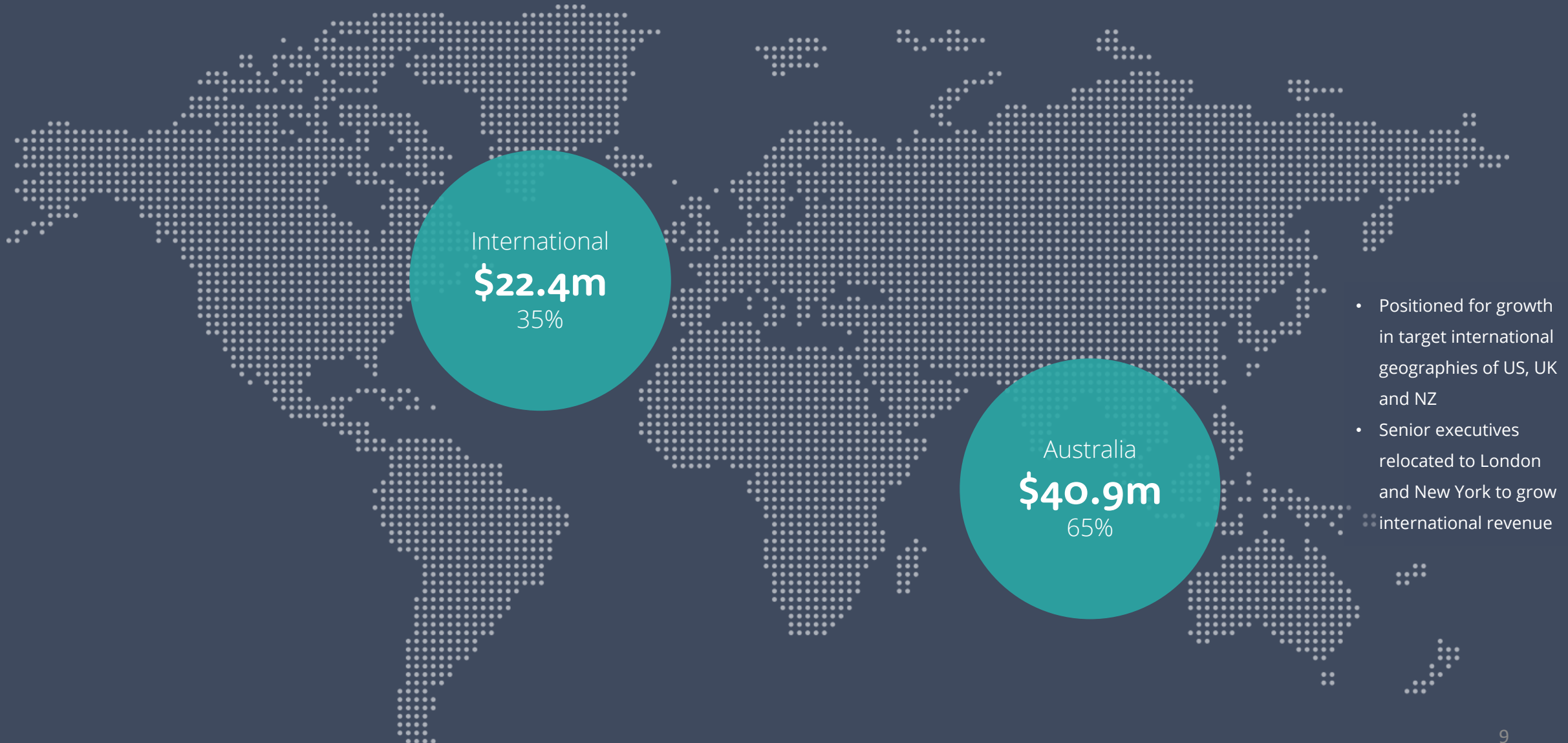
Pro forma* - profit and loss \$A million			
Year Ending 30 June	FY17	FY16	Growth
Data & Insights	13.3	11.1	20%
Programmatic Media	22.3	17.4	28%
Performance	27.7	26.5	5%
Total revenue	63.3	55.0	15%
Gross profit	30.4	25.7	18%
GP %	48%	47%	
Other costs	23.4	20.3	15%
EBITDA	0.9	(1.3)	
Underlying EBITDA**	6.7	5.6	20%
Underlying EBITDA %	11%	10%	
Net Profit After Tax (NPAT)	(3.0)	(2.1)	43%
Underlying Net Profit After Tax	1.7	3.2	(47%)

- Data and Insights and Programmatic Media services continued to grow strongly in Australia, NZ, US and UK
- The Cohort Performance business was acquired in November 2016 and was subject to an earn-out period, which concluded on 30 June 2017. Full integration of the Performance business commenced in July 2017 and improvements are expected from Q2 FY2018
- With the Cohort earn-out period completed and the Sparc (Programmatic Media) business now fully integrated, PPL implemented changes throughout its businesses in July and August 2017 which will improve overall performance and reduce costs by approximately \$2m on an annualised basis

* Pro forma figures – calculated as if Cohort Group and Sparc had been owned by Pureprofile for the full 12 month period and comparative period

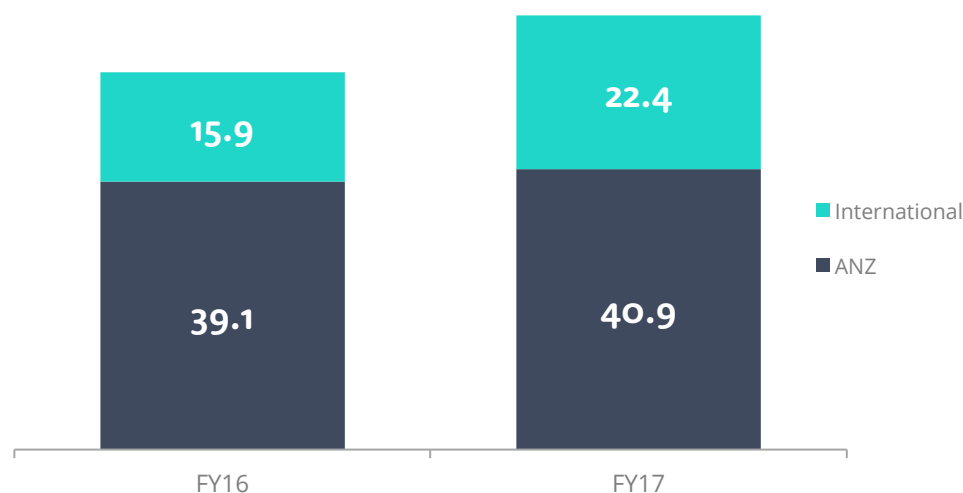
** Underlying figures exclude transaction expenses relating to the acquisition of Cohort and other abnormal expenses.

FY2017 pro forma revenue by geography



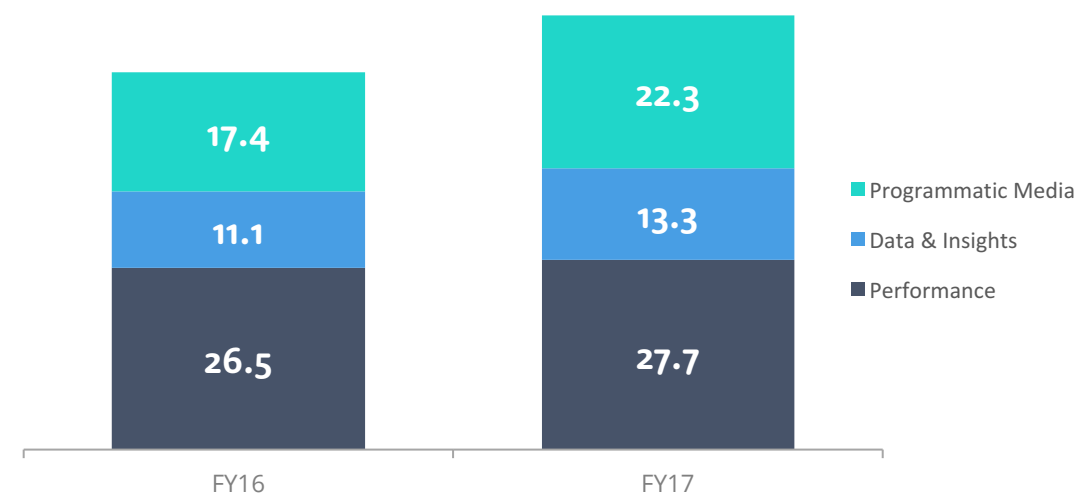
Revenue analysis

Revenue* by geography (\$m)



- Revenue from our US and UK businesses grew by 41% in FY2017
- Senior executives relocated to London and New York to grow international revenue

Revenue* by business unit (\$m)



- Strong growth during FY2017 in Data and Insights (up 20%) and Programmatic (up 28%)
- Performance grew revenue by 5% during FY2017

* Pro forma figures – calculated as if Cohort Group and Sparc had been owned by Pureprofile for the full 12 month period and comparative period

Reconciliation of underlying results

Year Ending 30 June		FY17
Reported EBITDA		0.7
less: Pro forma and other one off adjustments		
Pro forma impact of acquisition		1.6
Non-recurring and one-off items		1.9
Share-based payments expense		0.1
Non-recurring M&A expenses		2.4
Underlying EBITDA		6.7

- Pro forma impact of acquisition – reflects the additional EBITDA that would have been recorded if Cohort had been a part of the Group since 1 July 2016
- Non-recurring and one-off items – relate to one-off expenses, which are specific to circumstances at the time and include recruitment fees, consultant fees as a result of the transition of key management personnel, integration of business and introduction of new products
- Non-recurring transaction and capital raising expenses – relate to one-off legal, audit, corporate advisory and accounting services expenditure associated with the acquisition of Cohort, other non-progressed acquisitions during the year and capital raising

Balance sheet

As at 30 June	\$m FY17	\$m FY16
Cash and cash equivalents	4.0	1.8
Net working capital	0.4	(0.8)
Other assets	4.9	4.3
Fixed Assets	0.4	0.3
Intangibles	39.2	11.1
Total Assets	48.9	16.7
Current liabilities and provisions	14.3	3.8
Non-current liabilities and provisions	5.8	1.8
Net Assets	28.9	11.1

- Working capital position improved relative to FY2016 and H1 FY2017
- Current liabilities – includes Cohort earn out provision of \$8.5m at 30 June 2017 - finalised post year end (\$8.6m)
 - \$4m to be paid in shares (escrowed until May 2018)
 - \$4.6m to be paid in cash
 - PPL is currently reviewing a range of funding alternatives to assist with payment of the cash consideration
 - It is not envisaged that a capital raising will be required
- Intangible Assets – Includes internally developed platform assets, goodwill and other intangible assets acquired with the Cohort acquisition
 - \$26.2m of intangibles attributable to Cohort acquisition
- CBA debt facilities in place as of November 2016 to fund Cohort Acquisition and working capital requirements
 - Liabilities include \$3.5m current and \$2.9m non-current

Cash flow

As at 30 June	\$m FY17	\$m FY16
EBITDA	0.7	(0.8)
Net working capital	1.6	0.3
Other	0.1	0.1
Operating cash flows	2.4	(0.4)
Capital expenditure	(5.3)	(3.5)
Acquisitions	(15.0)	(2.6)
Expenses relating to acquisition	(2.2)	(1.4)
Investing cash flows	(22.5)	(7.5)
Proceeds of borrowings	6.2	(0.1)
Issue of shares	17.0	10.0
Transaction costs	(0.6)	(0.9)
Financing cash flows	22.6	9.0
Total cash flows	2.5	1.1
Opening cash balance	1.6	0.5
Closing cash balance	4.0	1.6
Facility B – Working Capital	(2.4)	(0.3)
Net cash balance 30 June	1.6	1.3

- Positive operating cash flow in FY2017
- Total cash and cash equivalents on 30 June 2017 of \$4.0m
- Net cash position at 30 June 2017 \$1.6m (\$4.0m cash net of \$2.4m working capital facility drawings)
- Increase in net working capital following the acquisition of Cohort
- Capital expenditure of 10% of revenue reflects continued investment in platforms and product to drive scalable growth
- Issue of shares in FY2017 used to pay for Cohort acquisition and related transaction expenses
- Existing ANZ business loan repaid and replaced with new CBA debt facility

Net debt

As at 30 June 2017	\$m Available	\$m Drawdown
Facility A – Acquisition	4.0	4.0
Facility B – Working Capital	3.0	2.4
Facility C – Lease Guarantee	0.5	0.1
Total Debt	7.5	6.5
Cash and cash equivalents		4.0
Net Debt		2.4

- CBA facility established November 2016
- Total facility of \$7.5m
 - Facility A - 3 years to 30 September 2019
 - Facility B - 1 year to 7 November 2017
 - Facility C - 1 year to 7 November 2017
- Currently in discussion with CBA regarding renewal of Facility B

Acquisition update - Cohort

Cohort Group

- Established in 2008, Cohort Group is one of Australia's leading performance marketing companies
- Pureprofile acquired Cohort for an initial payment of \$18.0m on 8 November 2017
- The transaction included an earn out payment (**Earn Out**) based on results from 8 November 2016 through 30 June 2017
- During the Earn Out period, PPL was unable to significantly change or integrate the business

Earn Out Consideration

- Following completion of the Earn Out Period on 30 June 2017, the following consideration is payable to the Cohort vendors:
 - A total of 8,888,889 new shares will be issued to the vendors at a price of \$0.45 per share. These shares are escrowed until 6 May 2018; and
 - Cash consideration of \$4.59m
- PPL is currently reviewing a range of funding alternatives to assist with payment of the cash consideration

Post Earn Out Integration

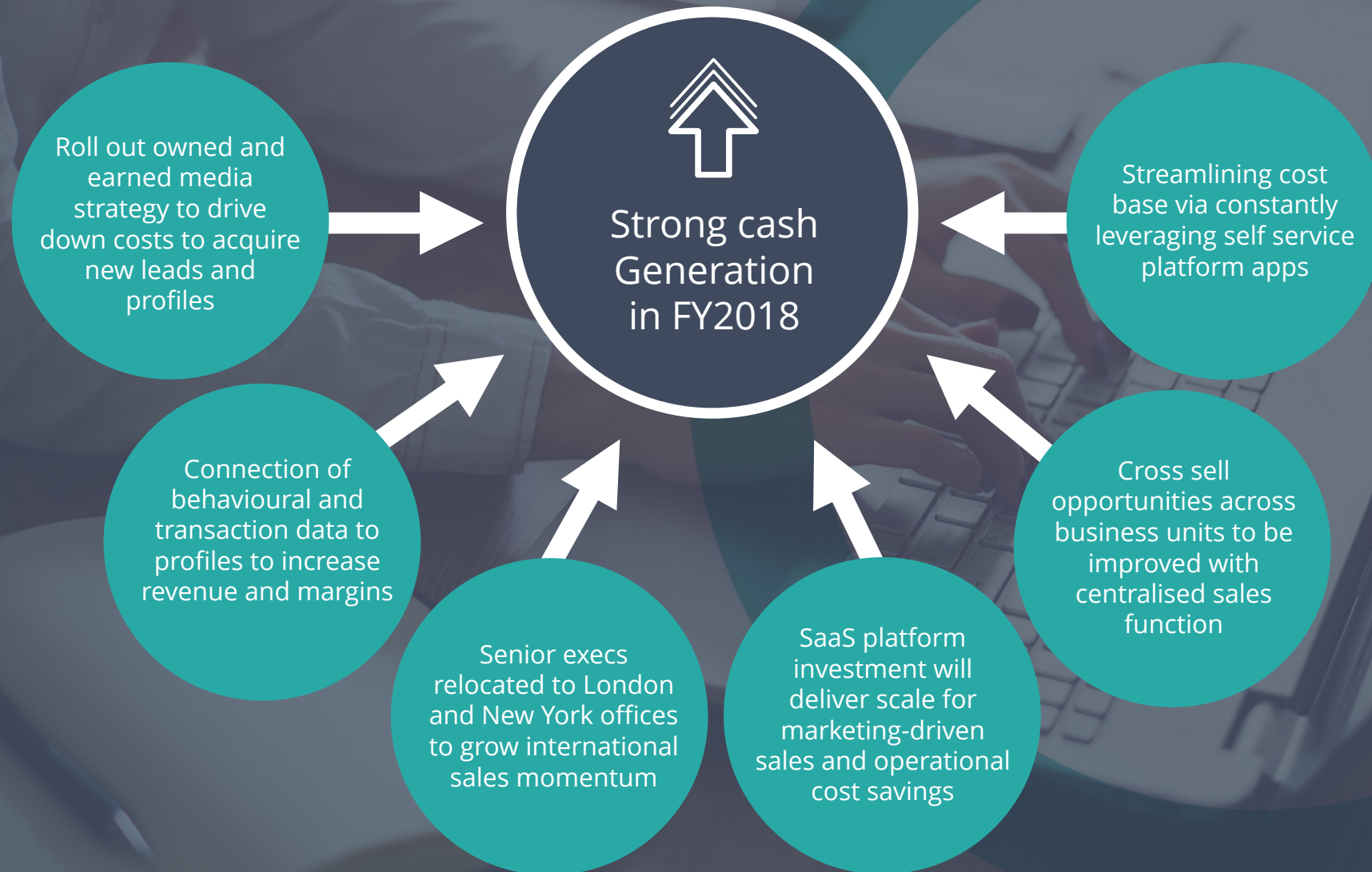
- In July 2017, with the Earn Out period completed, PPL commenced integrating and streamlining the Performance business and appointed Will Langton as Global Managing Director (of the Performance business)
- Will was one of Cohort's first employees and prior to his promotion, he held the position of CFO for 9 years. Will is based in the UK which is the fastest growing market for the Performance business
- The integration and realisation of synergies will continue throughout FY2018 with significant improvements in performance expected from Q2 FY2018 onwards

News Corp – extension of alliance

- Pureprofile entered into a new 2-year term with News Corp to extend its engagement on News Connect
- The extended agreement supports the expansion of News Connect across News Corp's global digital assets
- News Connect enables improved audience targeting for News Corp's clients, thereby increasing the yield from News Corp's digital assets
- It offers consumers access to premium content in exchange for answering questions designed to help News Corp create and develop deeper consumer profiles
- Pureprofile will charge ongoing SaaS licence fees for the use of its technology and custom development fees. Pureprofile will also earn a share of revenue generated by connecting brands and agencies to profiled consumers

News Corp

Investing in future scale and growth





Growth

- Maintain International growth rate
- Focus on larger global contracts



Product

- Revenue growth driven by new products rolling out in FY18 (See strategic growth initiatives in appendix).



Operations

- Integrate Cohort to fully realise group sales strategies and leverage cross-sell opportunities
- Improve market communications



Cash

- Continued streamlining of costs across Pureprofile Group
- Increase penetration of self-serve platform to further automate processes and increase cash generation

A photograph of two young women sitting on the steps of a shop entrance. They are both smiling and looking at a tablet held by the woman on the left. The woman on the right is holding a large, light-colored woven tote bag. There are several shopping bags around them, including a blue and tan bag on the left and a white bag in the foreground. The shop window behind them displays high-heeled shoes and a sign with the number '30'. A large, semi-transparent teal circle is overlaid on the right side of the image.

Appendix

Strategic growth initiatives

	Strategy	FY17	FY18
Product and technology	<ul style="list-style-type: none"> Develop next generation Pureprofile platform that supports data and insight, programmatic media and lead generation apps Develop client self service apps to increase global operational scale and cost efficiencies Publish far more owned media assets (microsites) on the new platform and leverage huge insight creation capability. This will reduce lead generation costs, reduce new member costs, and cost-effectively promote group products online. 	<ul style="list-style-type: none"> Platform development focused on highly scalable back end data engine. Development of custom client apps including innovative “Dashboards” to support large client wins like Unilever and News globally. Investments in profile architecture and data collection to support the owned media strategy Content and Insights division now the biggest user of the new Pureprofile platform in terms of campaigns designed, built and launched. 	<ul style="list-style-type: none"> Launching self service apps to clients across all business units Integrating self service to help win new clients, improve client lock-in and reduce product delivery costs Developing new self service apps for programmatic media and performance clients to leverage platform and data investments Improve consumer propositions (Pureprofile and Cohort) around owned media strategy and enabling profiles with opt-in transactional and behavioural data
Strategic acquisitions	<ul style="list-style-type: none"> Create significant growth opportunities via synergistic acquisitions Leverage platform investments to upgrade new acquired businesses with superior data and insight capabilities, publisher propositions and self service to drive Australian and international revenue growth Combine demonstrated capabilities and scale across newly acquired businesses to support owned media strategy that will drive differentiated group sales and leverage platform investments 	<ul style="list-style-type: none"> Acquired Cohort Group, one of the largest and most established online lead generators in Australia with fast revenue growth in the UK and US The combined group now generates revenue in all stages of the marketing funnel. Sparc and AdSparc are at the top of the funnel, Cohort is at the bottom and Pureprofile can deliver insights across all sections 	<ul style="list-style-type: none"> Sparcmedia and AdSparc revenues and product delivery will be further integrated into the Pureprofile platform. Combined group sales strategies will support large brand revenue growth opportunities All business units will be supported with custom client app development to increase sales and client lock-in, taking advantage of existing platform development Acquisitions will not be actively pursued in FY2018
International expansion	<ul style="list-style-type: none"> Create differentiated products to take to market with combined group resources and platform investments Develop product market fit in the much larger US and UK markets Support fast growth with investment in local market talent and relocation of key senior executives 	<ul style="list-style-type: none"> Relocated proven key executives across Performance, Programmatic and Data and Insights to London and New York In FY2017 international revenue grew 41% 	<ul style="list-style-type: none"> Recruiting and growing local talent in line with demonstrated international growth Building integrated group sales strategies leveraging all business units around new products Growing publisher network to support revenues across all business units

Corporate Overview

ASX Code:	PPL
Listing date:	29 July 2015
Shares on issue:	111,171,611
Market cap (as at 30 June):	\$37.2m
Headquarters:	Sydney



Andrew Edwards
Executive Chairman

Former Leo Burnett UK
CEO and Chairman.



Clifford Rosenberg
Non-executive Director

Former MD of LinkedIn (ANZ)
and Yahoo! Australia.



Paul Chan
Managing Director, CEO

Founded Pureprofile
in 2000. Recognised innovator.



Matthew Berriman
Non-executive Director

Co-founder and CEO of Unlockd

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