



Audinate 2017 Annual General Meeting

27 October, 2017

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David Krall
Chairman of the Board



Welcome

Chairman's Address

CEO's Presentation

Formal Business



David Krall
Chairman of the Board



Lee Ellison
Chief Executive Officer



Tim Finlayson
Non-Executive Director



John Dyson
Non-Executive Director



Alison Ledger
Non-Executive Director



Roger Price
Non-Executive Director

Highlights: Listing on the Australian Stock Exchange

- ASX Listing: 30 June, 2017 (“AD8”)
- \$21,000,000 capital raise
 - \$14.0M primary capital
 - \$7.0M secondary capital
- Market cap of \$120M*
*(as of 24 October, 2017)



Dante distributes high quality digital audio signals over computer networks

Stadiums

Churches

Conference
Rooms

Casinos

Parliament

Education

Transport

Hotels

Concerts & Theatre

Cruise Ships

Audio Is Everywhere

So is Audinate



Audinate products

Chips



Modules



Cards



Software



Customers (OEM Brands)



SHURE

Solid State Logic
SOUND || VISION

Symetrix

Focusrite

HARMAN

BOSE

BOSCH

SENNHEISER

SONY

Roland

CRESTRON



OEM Products



Audinate is the dominant global supplier of digital audio networking



- Audinate is the leading supplier of digital audio networking for the Professional AV industry
- Audinate's market leading Dante networking has been adopted by over 380 OEM brands
- More than 5x OEM products available on the market than any other competitor
- High gross margins of 75%, reflecting strong product differentiation and market leadership

The Dante platform is used in thousands of installations for professional AV verticals globally



Sydney Trains- Sydney, Australia

Financial highlights – FY17

30%
growth in
revenue to
USD 11.3M

\$0.8M
statutory
EBITDA
compared to
\$0.1M loss
pcp*

\$0.3M
better than
prospectus
forecast pro
forma with
EBITDA loss
of (\$0.4M)

\$1.2M
in positive
operating
cashflow

\$14M
in primary
capital raised

*Statutory EBITDA excludes the one-off impact of IPO costs and for conversion of preference shares



Melbourne Convention Centre- Melbourne, Australia



Lee Ellison
Chief Executive Officer





Rapid product development

Commercially supported, turnkey solution for OEMs, with unsurpassed networking expertise



Plug and play

Auto discovery with one-click routing and stored network configuration



Simplified connection management

Simple, logical user interface, easy to scale, real-time network monitoring



Interoperability

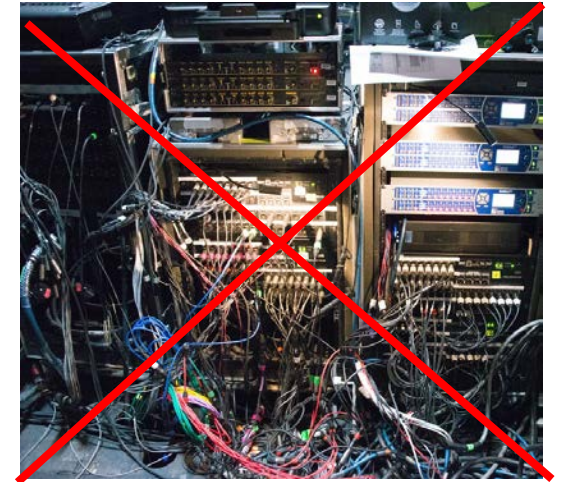
Interoperability between all Dante-enabled devices regardless of the manufacturer



Product ecosystem

Large number of available Dante-enabled devices, interoperability, and support services

Analogue signal distribution



Dante signal distribution



Operational highlights – FY17

35%
growth in
Dante-
enabled
products

48%
growth in
hardware
units shipped
to 180k

369
OEM brands
adopted
Dante

Dante
Broadway
and Dante
Adaptors
launched

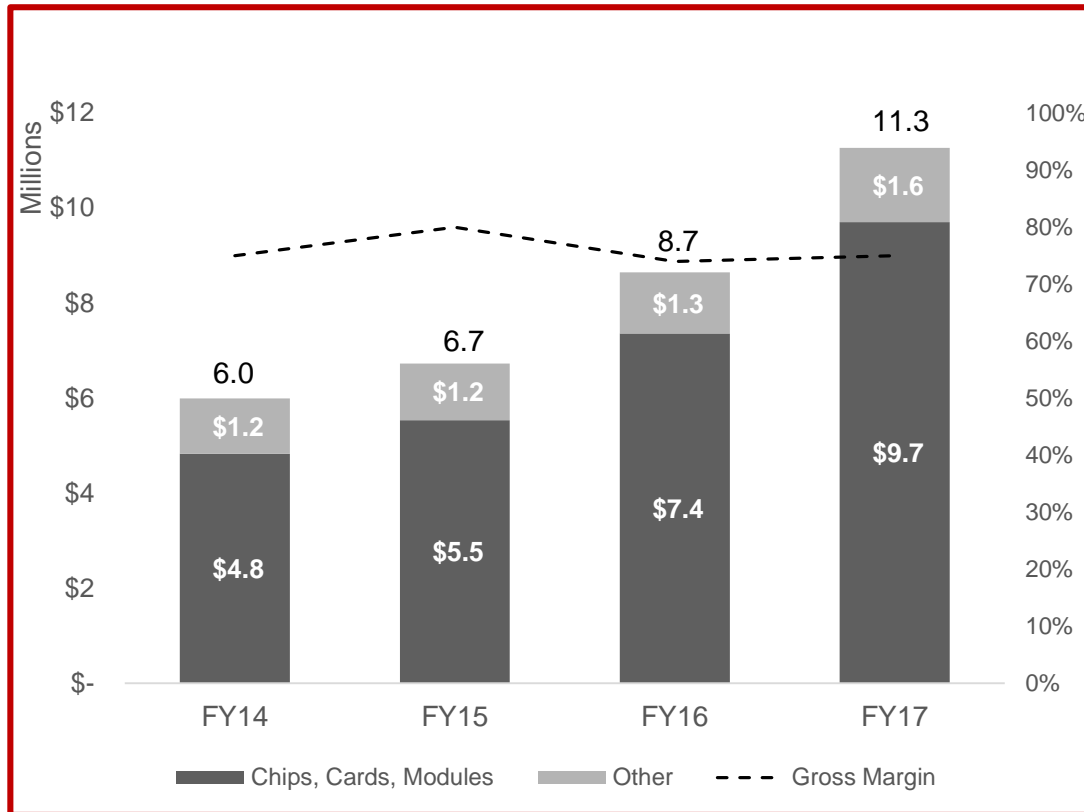
39,000
online
certification
courses
delivered



Westfield Mall Shopping Centre- London, England

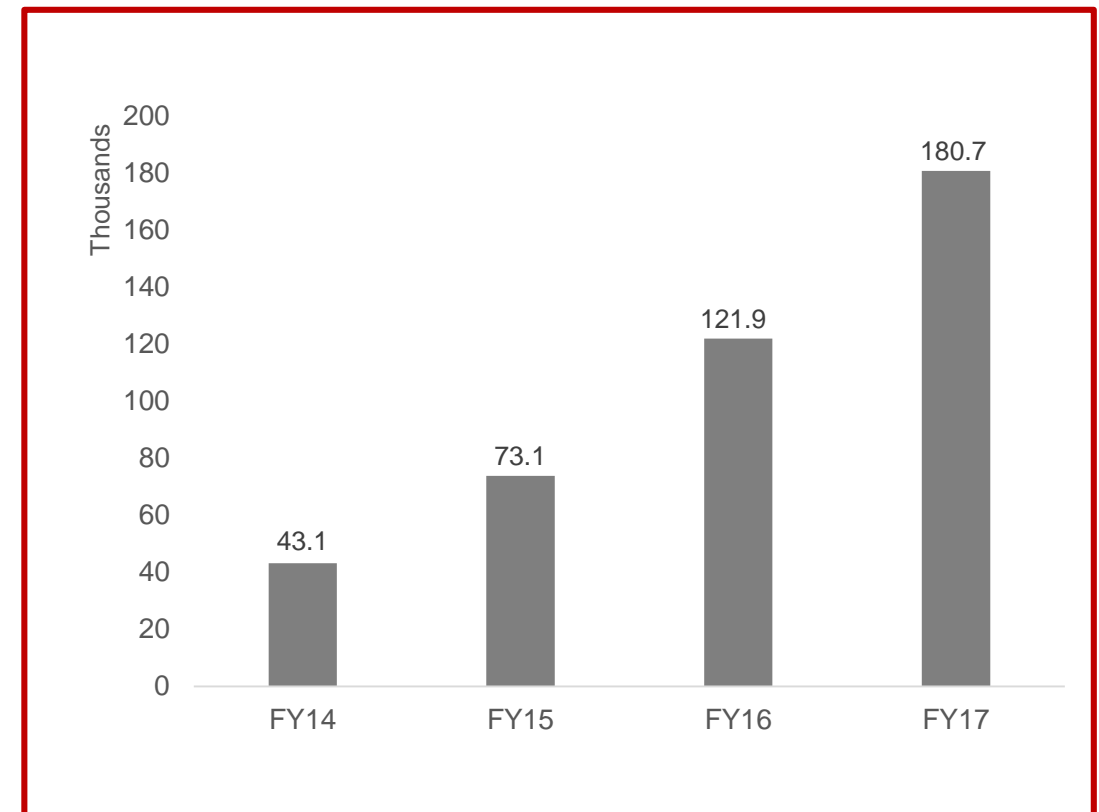
Strong growth in revenue and units shipped

Revenue (USD\$M)



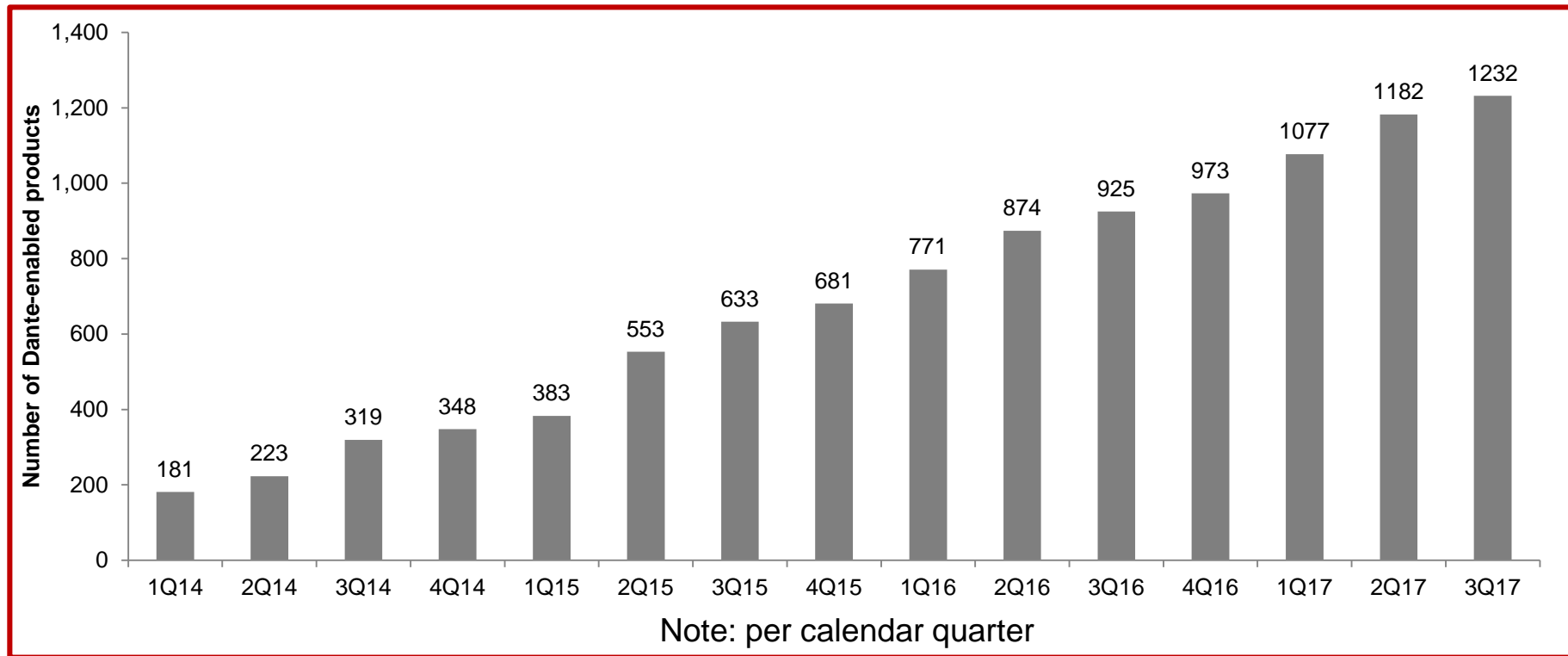
- 30% USD revenue growth in FY17
- 4% better than FY17 forecast
- Audinate bills customers & pays COGS in USD

Dante units shipped Chips Modules and Cards



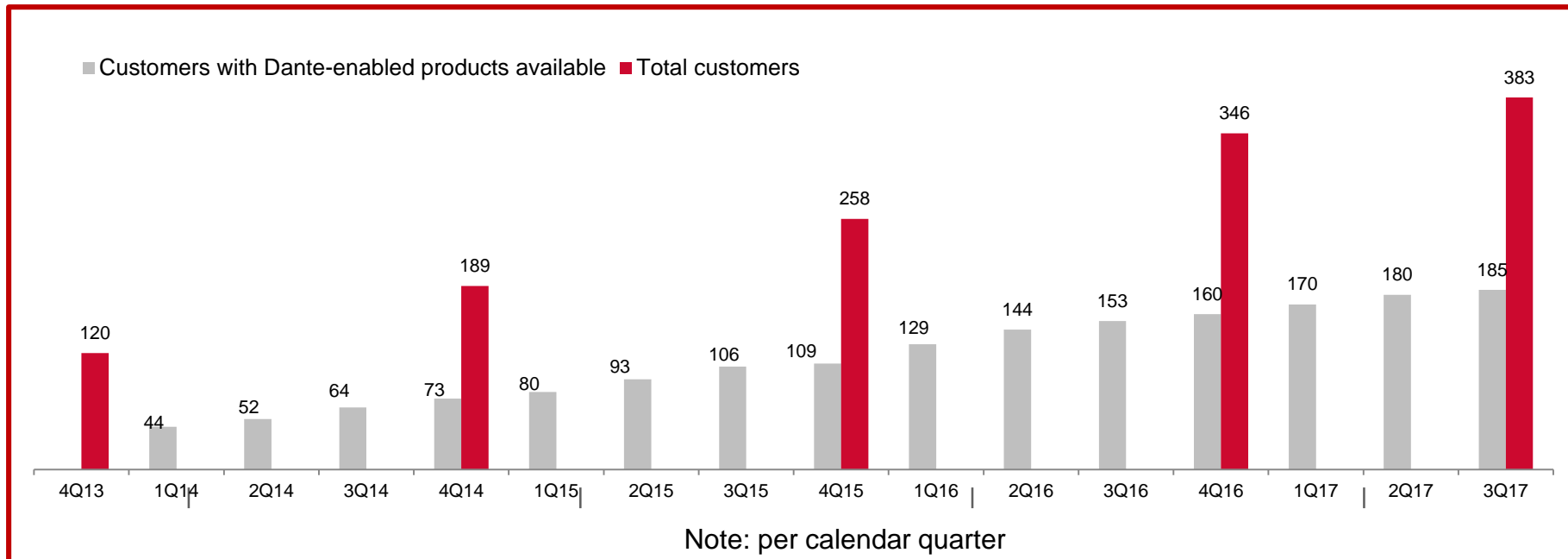
- 48% growth in units shipped in FY17
- 5% better than FY17 forecast
- > 70% growth in Ultimo, ~ 30% growth in Brooklyn

Total Dante-enabled products available



Consistent growth in number of Dante-enabled products available in the market

Total customers and customers with Dante-enabled products available



- Audinate has grown to 383 OEM customer brands as at 30 September 2017
- 185 OEM brands have announced products in the market
- Number of customers with Dante-enabled products available lags total customers due to OEM product development cycle

- Work closely with OEM partners to increase penetration, and expand the Dante ecosystem to take advantage of the network effect
- Drive market awareness and increase adoption of Dante among consultants, system integrators, and end customers
- Expand sales, marketing and customer service to support new product introductions which leverage the existing installed base
- Continued education training programs on the benefits of Dante



Foo Fighters World Tour

- Investing in new product development initiatives to double the addressable market size
- Introduce Dante Domain Manager software platform offering a suite of services to better manage, control and secure Dante-enabled networks
- Launch cost-effective adapters to increase proliferation Dante enabled endpoints
- Prototype IP video distribution solution to displace HDMI cables to enable the “V to AV”
- Improve operational efficiencies by investing in back-end systems



Indian Wells Tennis Center- Indian Wells, California

SECURITY

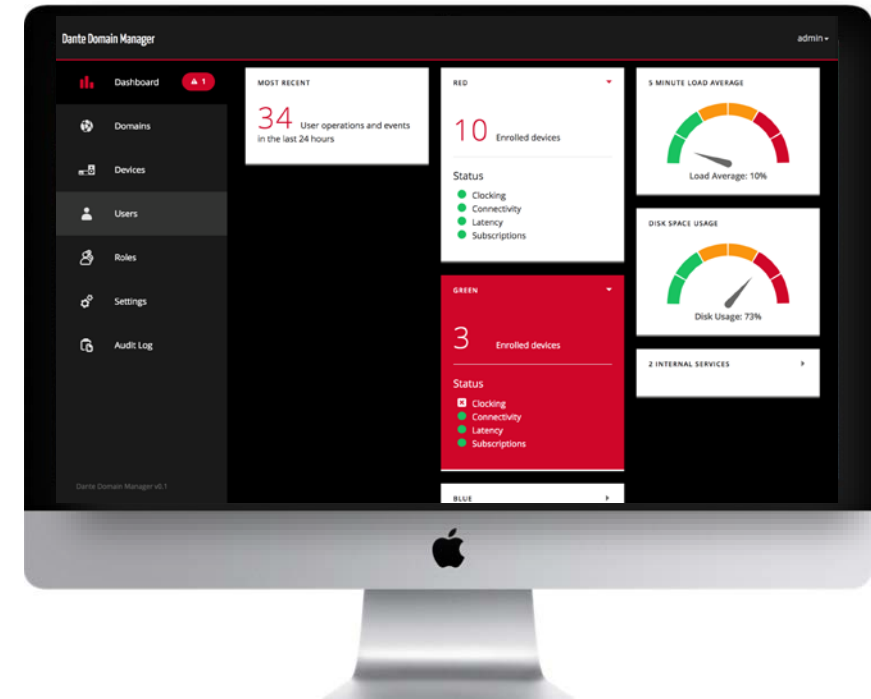
- Usernames/passwords identify users
- Roles control access to the system

SCALABILITY

- Create Dante systems spanning campus networks
- Group Dante devices into logical managed systems

VISIBILITY

- Centralise Dante system management
- Monitor system status and changes from anywhere



Complete network management for Dante systems

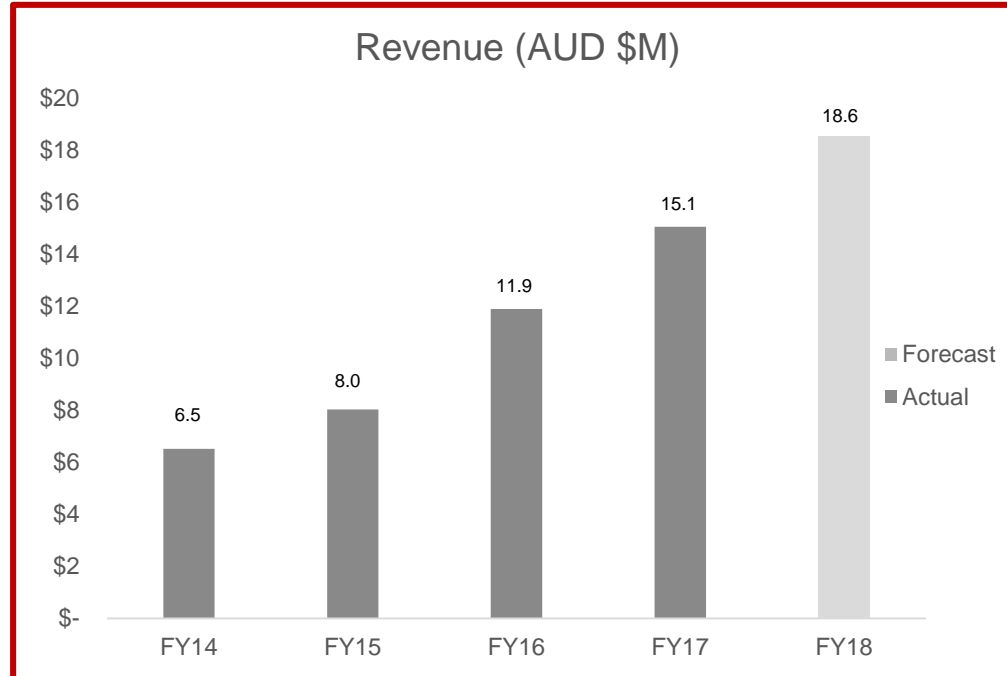
Dante Domain Manager is

- A software product
- A system management tool
- For system integrators and end users
- Sold into Dante installations

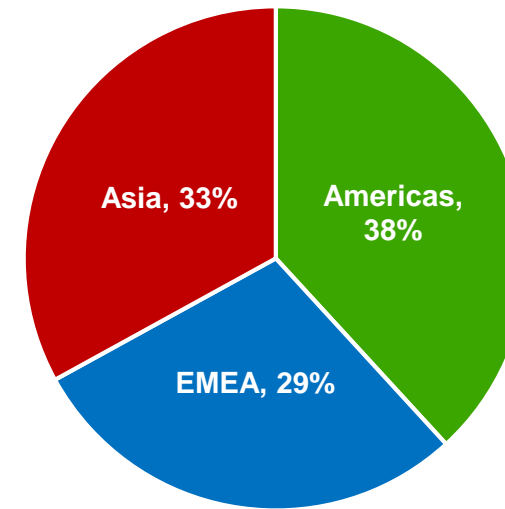
Builds upon the OEM product ecosystem

- Addresses customers felt needs
- Additive revenue opportunity
- New channel
- Complements existing OEM offerings

Opens the way for future software and service offerings



FY17 Revenue by region



- Audinate bills its customers in USD, therefore revenue is sensitive to FX fluctuations
- Consistent record of strong revenue growth, with FX impact evident in FY16
- Diversified global customer base, with no significant geographic concentration

A\$('000)	Forecast
Year Ended 30 June	FY18
Sales Revenue	18,552
COGS	(4,428)
Gross Profit	14,125
Employee related costs	(10,342)
Marketing expense	(2,006)
Admin and other operating expenses	(2,965)
Total operating expenses	(15,313)
EBITDA	(1,188)

- FY18 prospectus forecast was calculated using an AUD/USD exchange rate of 77c. The sensitivity to changes in exchange rates is summarised in the table below (per page 79 of the prospectus)

A\$('000)			FY18 EBITDA		FY18 NPAT	
			<u>Negative</u>	<u>Positive</u>	<u>Negative</u>	<u>Positive</u>
	<u>Assumption</u>	<u>Variance</u>				
Foreign exchange rate (AUD/USD)	-/+ 1c	105	(102)	104	(101)	
Foreign exchange rate (AUD/USD)	-/+ 5c	554	(486)	549	(482)	



Global market leader

- Dominant position as global leader in audio networking
- Five times the market adoption of its closest competitor



Significant market opportunity

- AV market currently in the early stages of transformation to digital networking
- Audinate is perfectly positioned to capitalise on market growth and increased penetration



Attractive financial profile

- High gross margins supported by strong IP
- Revenue growth supported by repeat product orders



Strong customer base

- Existing customer base includes leading global AV equipment companies
- Customer base is broad and expanding



Innovative products

- Strong portfolio of intellectual property developed in Australia
- Significant continued investment in R&D



Experienced management team

- Stable executive team with extensive industry experience
- Built Audinate into a sustainable market leadership position

Thank you for joining us today and your continuing support of the Company.