



Pureprofile (ASX:PPL) Investor Presentation

H1 FY2018 Financial Results

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Situation Analysis and Chairman's Update



- PPL is focused on improved communication with stakeholders, including clarity around our value proposition and key drivers of financial performance.
- The Company has faced challenges as it has evolved from a single operating business unit to an integrated global offering across multiple business units in a high growth and evolving market. These challenges have been identified and are being addressed with the necessary changes including key changes to the Executive team, the business strategy and cost base.
- In January 2018, Paul Chan resigned from his roles of Chief Innovation Officer and Director and has left the Company.
- Nic Jones, joined as CEO in December 2017, is driving the transformation of PPL to the next stage of sustainable growth.
- Board being reconstituted to fit the needs of the Company and Executive Chairman moving to Non Executive Chairman in near term.
- PPL generates annual revenue of ~\$60M connecting global brands to over 55m profiles, with a gross margin of ~44%. Partnerships include Unilever, OMD, Virgin Velocity, APN Outdoor, News Corp.

CEO's Initial Observations and Update



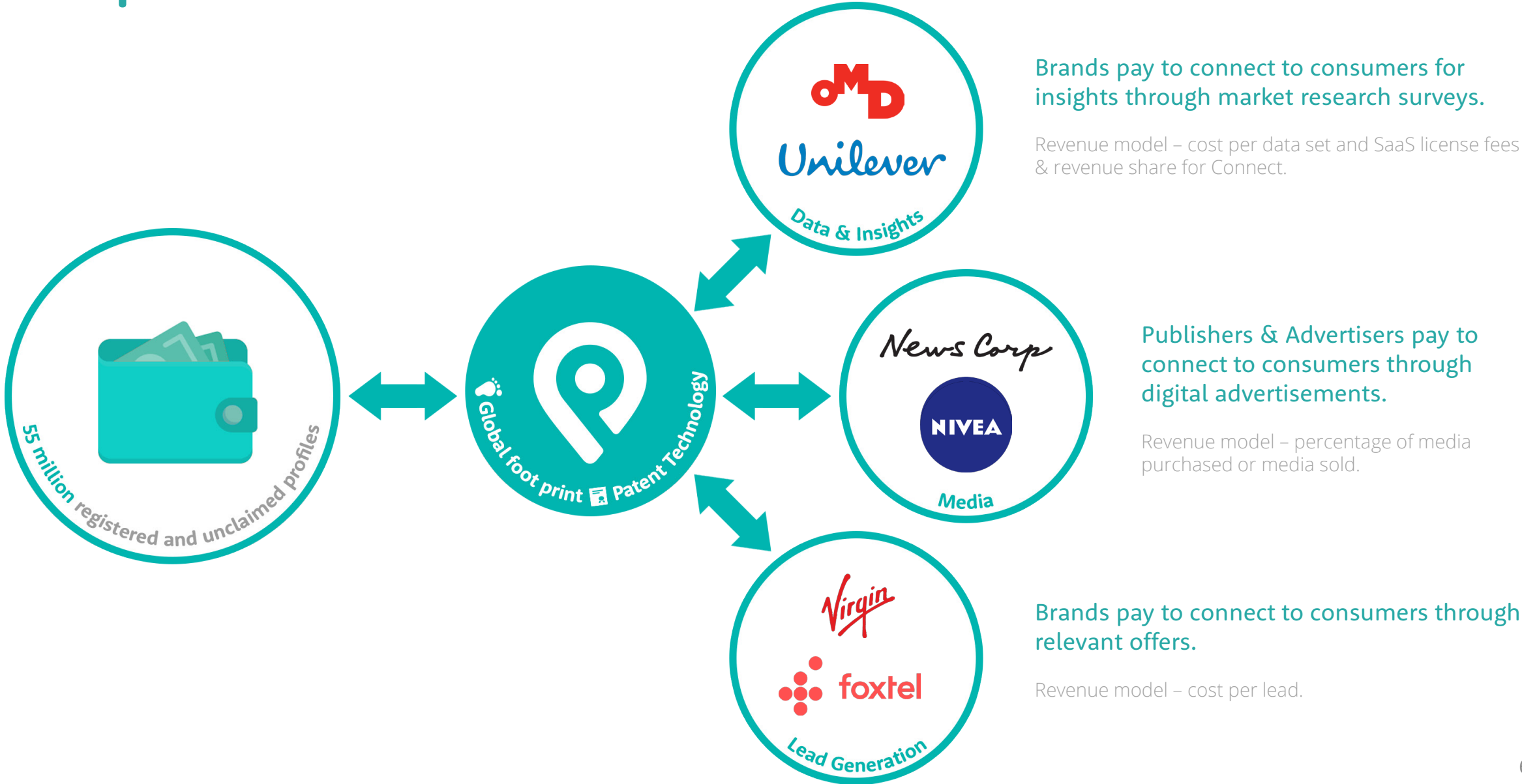
- Pureprofile is a business with massive potential purpose.
- As Content Creators' and Distributors' paths to monetisation become further challenged, as users demand real value for their data and Brands look for new ways to connect with customers Pureprofile is ready to connect them together and increase value for all parties : *Data is the new currency*
- Pureprofile is being re-positioned to take full advantage of this significant opportunity.
- A fully integrated and complete solution will build revenues across all parts of the business.
- Strategy being implemented to build the business under the Pureprofile brand.
- Starting to build a new team : CTO & UK MD hired, currently recruiting new CFO. Deloitte has taken over day to day Finance responsibilities.
- Necessary rationalisation of structure and costs underway, with a 20% reduction targeted.
- Promise of regular and open communication to the market.
- I was excited to take on the opportunity, I'm even more excited now I appreciate the size of the opportunity!

Pureprofile Business Model

Pureprofile connects brands and content owners to consumers using data and technology, allowing consumers to monetise their profiles.



Pureprofile Business Model



Technology Update

- New generation technology Data and Insights platform delivered enabling business to scale, but also allowed to create and deploy white label platform instances for customers. Main example and a major success story is the News Connect platform.
- The platform features new consumer apps, web and mobile, that offer an exponentially better end-user experience, way ahead of the competition.
- Multiple business processes automated to reduce costs and improve efficiencies.
- New generation, fully scalable behavioural tracking platform, now able to capture and process billions of events from millions of users.
- Key integration work recently completed allowing tagging of ~3 million Cohort leads per quarter to be captured for further monetisation across PPL network.
- New CTO in place with renewed focus and discipline aligned with commercial objectives and opportunities. Disciplined approach to investment.
- Key focus of development will be on optimising and unifying existing systems and improving integration with 3rd party systems.

Pureprofile Winning Business

- Integration of sales efforts across Pureprofile's operating segments yielding results with increasing recent customer wins from cross selling strategy, including various Cohort originated customers now active customers of Pureprofile's Media business and multiple examples of Pureprofile D&I and Media originated customers now active customers of Cohort. Example customers include Nivea and HelloWorld brands.
- New business win with APN Outdoor for the D&I division implementing research partnership and received widespread media.
<http://www.apnoutdoor.com.au/about-us/our-news/07-02-2018/apn-outdoor-unveils-new-research-partnership-with-pureprofile>
- Cohort extended it's engagement with Velocity Rewards program.
- Key D&I partnership with the widely respected Centre for Amplified Intelligence. Examples of joint research projects include:
<https://mediaweek.com.au/benchmark-tv-karen-nelson-field/>
https://www.warc.com/newsandopinion/news/video_ads_on_mobile_have_higher_sales_impact/40093
- Expanding pipeline of new business opportunities

1st Half FY18 Snapshot



* Impact of implemented but not yet realised and additional annualised cost savings as a result of organisational restructure to be realised in FY2018

Consolidated Profit and Loss

Pro forma* - profit and loss \$A million			
Period Ending 31 December	1H18	1H17 ¹	Growth
Data & Insights	8.1	6.6	23%
Media	9.1	11.3	-19%
Lead Generation	11.1	14.4	-23%
Total revenue	28.3	32.3	-12%
Gross profit	12.5	15.0	-17%
GM %	44%	46%	-2%
Other costs	12.4	14.6	8%
EBITDA	0.1	0.8 ¹	nm
Underlying EBITDA**	1.3	3.9 ¹	-66%
Statutory Net Profit (Loss) After Tax	-8.8	-1.9 ¹	nm

- Data and Insights growth continued with +15% growth in Australia and +100% growth in International revenues.
- Media revenues (-19%) were impacted by the delay in realisation of integration benefits of the PPL value chain in what is a rapidly evolving and high growth market. The challenges are being addressed with the offering being re-positioned.
- Cohort revenue decline as a result of key customer losses, integration and earn out related issues. Now stabilized.
- Gross Margin % decline driven by larger campaign sizes in D&I and unfavorable revenue mix. Now stabilized.
- Other costs impacted by duplication of key costs items across acquired businesses, cost reductions expected in 2H18.
- Net Profit (Loss) After Tax impacted by \$7M non cash write-down of intangibles relating to Cohort.

* Pro forma figures – calculated as if Cohort Group had been owned by Pureprofile for the full 6 month period of the comparative period

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

¹Restated to reflect revaluation of prior year earn out. Includes positive \$0.4m increase in Other Income.

Reconciliation of underlying results

Period Ending 31 December		1H18
Loss After Income Tax		-8.8
add:		
Restructuring Costs		1.2
Share-based payments expense		0.0
Finance Costs		0.8
Impairment and disposal of Intangible Assets		7.0
Depreciation & Amortisation		2.6
Income Tax Benefit		(1.5)
Underlying EBITDA		1.3

- Restructuring costs primarily relate to staff redundancies
- Impairment of assets relates to write-down of intangible assets and disposal of brand relating to the Cohort business

Cash Flow

As at 31 December	\$m 1H18	\$m 1H17
EBITDA	0.1	(1.4)
Net working capital movement	1.5	1.1
Other	(0.9)	0.4
Operating cash flows	2.4	0.1
Capital expenditure	(0.2)	(0.1)
Acquisitions	(3.3)	(15.5)
Payments for Intangibles	(2.2)	(2.0)
Investing cash flows	(5.7)	(17.6)
Net Proceeds of borrowings	6.0	3.4
Issue of shares	0	17.0
Transaction costs	0	(0.9)
Financing cash flows	6.0	19.5
Total cash flows	2.7	2.0
Opening cash balance	1.7	1.6
Effect of Exchange Rate Changes	0.6	0.0
Closing cash balance	5.0	3.6

- Operating cash flows excludes payments for intangibles (capitalised expenses).
- \$2.2M of capitalised expenses relates to technology development for 1H FY18.
- \$3.3M payment for acquisitions for 1H FY18 relates to the earn out for Cohort acquisition.

Balance Sheet

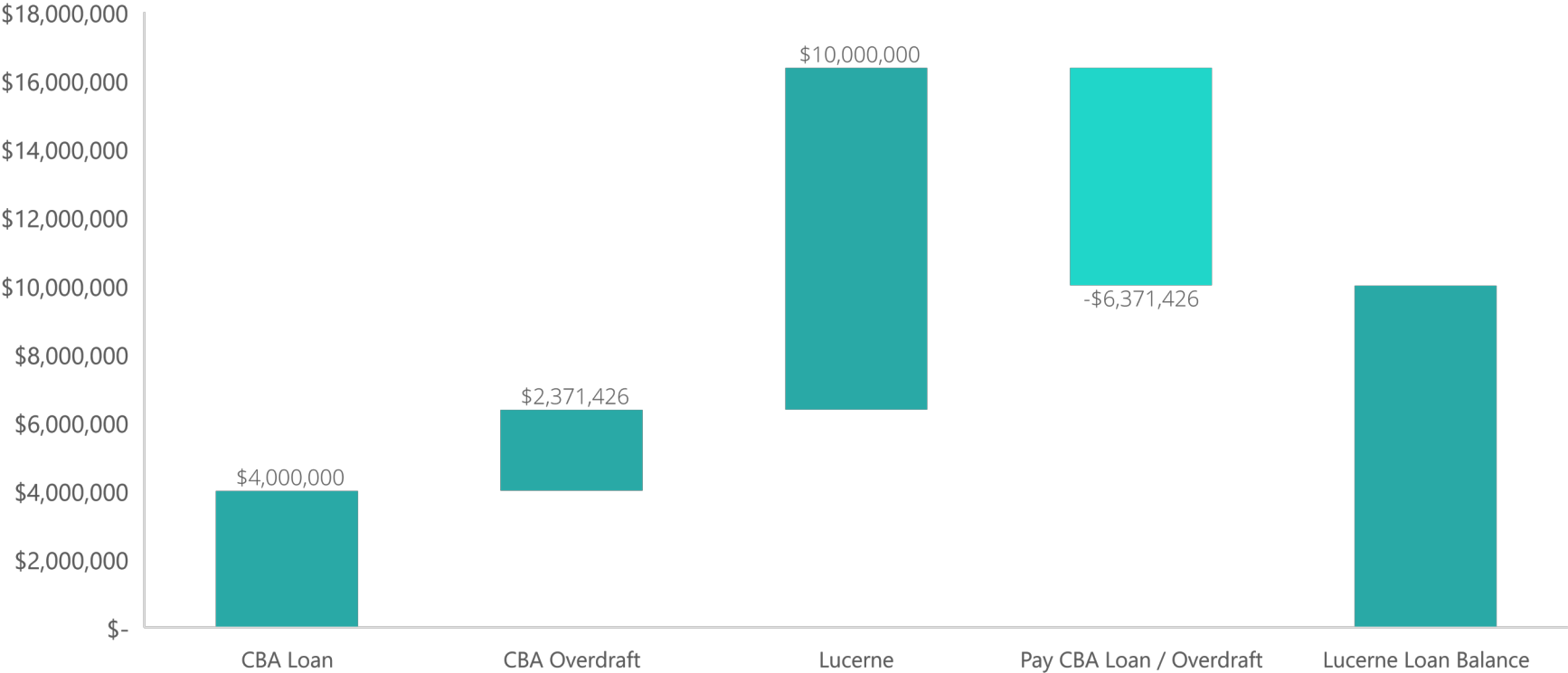
	\$m 1H18	\$m FY17 ¹
Cash and cash equivalents	5.0	4.0
Trade and other receivables	6.7	12.0
Other assets	7.2	5.0
Fixed Assets	0.5	0.4
Intangibles	32.0	39.2
Total Assets	51.4	60.6
Current liabilities and provisions	15.3	24.9
Non-current liabilities and provisions	13.0	5.8
Net Assets	23.1	29.9

- Reduction in intangibles due to impairment (\$6m) and disposal of brand (\$1m), offset by additions in H1 FY18.

¹Restated to reflect revaluation of prior year earn out. Includes positive \$0.4m reduction in current liabilities.

Debt Bridge

Movement in Debt Balance in H1 FY18



- \$10M Loan facility, expiring Nov 2019
- No earnings based covenants, and no exit fee

Company Snapshot

Shares on Issue	120M
Share Price as at 27/02/2018	\$0.10
Market Capitalisation as at 27/02/2018	\$12M
Cash at Bank (31 Dec 17)	\$5.0M
Debt Drawn (31 Dec 17)	\$10.6M
Net Debt (31 Dec 17)	\$5.6M
Enterprise Value	\$17.6M

Second Half FY 18 Outlook and Summary

- New Executive Team in place, with finance function overhaul
- Revenues and margins have stabilised, with key new business wins and developing pipeline of opportunities.
- Key focus of technology development will be on optimising and unifying existing systems and improving integration with 3rd party systems.
- Expect 2H18 revenues to be greater than 1H18 revenues, with stable gross margin %. Positive EBITDA contribution for 2H18 expected.
- Identified and executing on \$5m cost saving program across global cost base, reducing annualised cost run rate to be ~\$20m.
- Revenue growth and cash generation remains a key focus for the business.
- Committed to providing the market with regular updates.

Thank You

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