FY19 Results & Strategy Update

23 August 2019

Agenda

1. **FY19 Overview**
   Ed Harrison, CEO
2. **FY19 Financial Performance**
   Peter McClelland, CFO
3. **FY20 Outlook**
   Ed Harrison, CEO
4. **Q&A**
   Ed Harrison, CEO
   Peter McClelland, CFO

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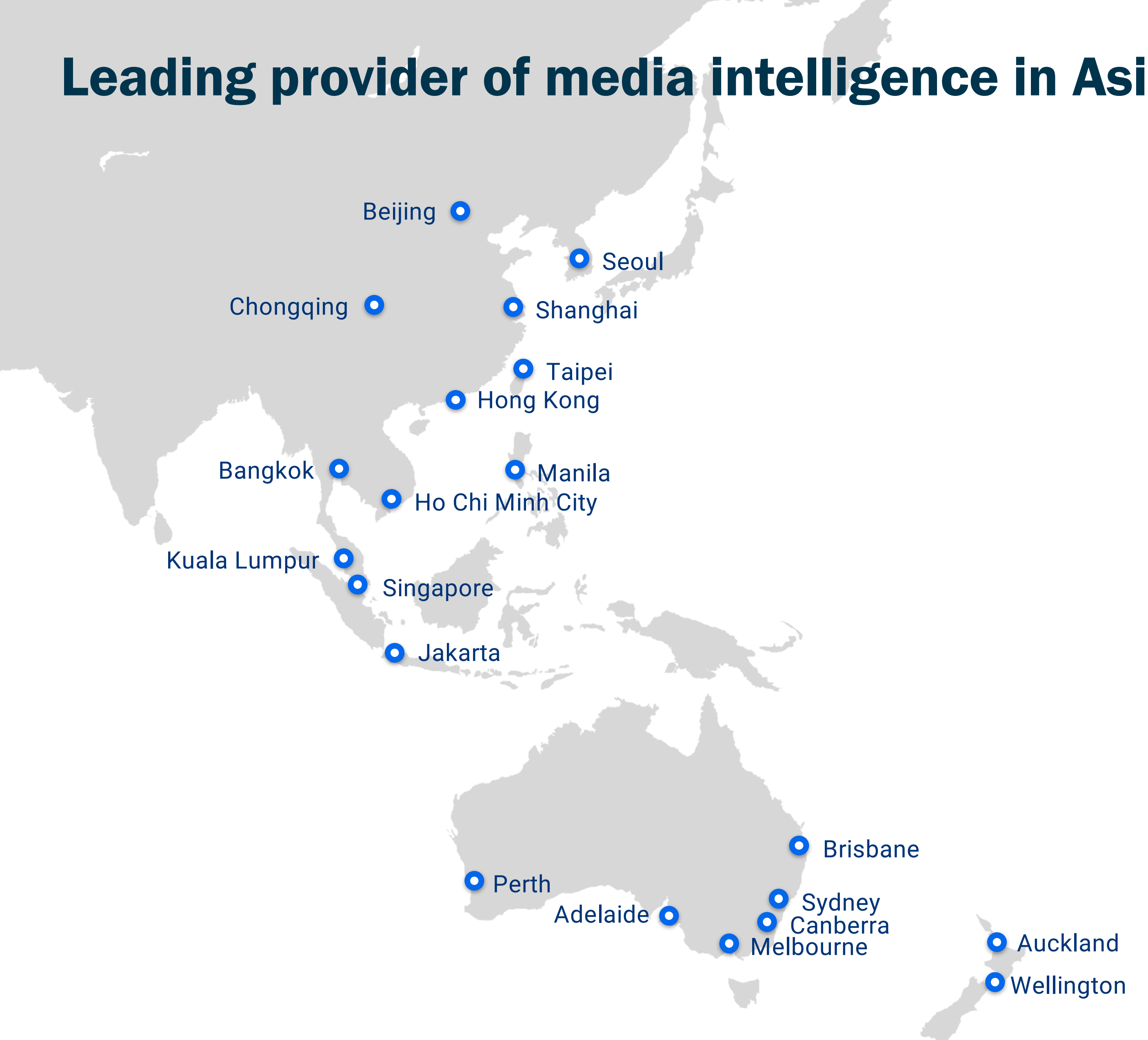
FY19 Overview

Ed Harrison, CEO

Leading provider of media intelligence in Asia-Pacific



FY19 Revenue by Region

ASIA 28%	ANZ 72%

11
Markets

18
Languages

3,336
Subscription customers*

78%
Recurring revenue**

*Average subscription customers over 6 months to 3o June 2019.
**Percentage of FY19 revenue that is recurring (subscription & VAS revenue).

Isentia is well-positioned for success with unique strengths

APAC
market leader
in media intelligence

Close partnerships with
multinational
and local clients

Strong
client service
ethos

Leading provider of
social analytics
in Asia

Local client base and expertise
11 markets

Globally awarded
Insights
business

FY19 Financial Overview

Revenue of
$122.5M
in line with FY19 guidance

Underlying EBITDA[1] of
$23.1M
in line with FY19 guidance

Underlying NPATA
$9.2M
in line with underlying EBITDA

NPAT loss of
$34.3M
due to a write-down of intangible assets in FY19

Operating cash flow of
$25.9M
due to strong conversion from underlying EBITDA[2]

Net debt reduced by
$14.8M
to $28.3M at 30 June 2019

Gross debt reduced by $22m since 2017

[1] Underlying EBITDA and underlying NPATA reflect adjustments for certain non-operating items. See Group Financial Results page 31.
[2] Operating cash flow reflects timing benefit in respect to payments. See Cash Flow statement on page 22.

A change in direction throughout FY19

New Executive Team

Driving a material shift in culture and capability

New Chief Executive Asia recently appointed

New Strategy

Launched in Feb FY19

H2 FY19 milestones achieved

Restructured Cost Base

Favourable interim copyright licence in place

Cost out program delivered $5.2M in FY19

Strategic growth investment underway

Our strategy

Empowering clients to make great decisions

Establish an efficient operating model underpinned by single technology platform

Deliver world-class, market-centric product innovation

Create regional scale to strengthen Asia Pacific leadership

Improve our core

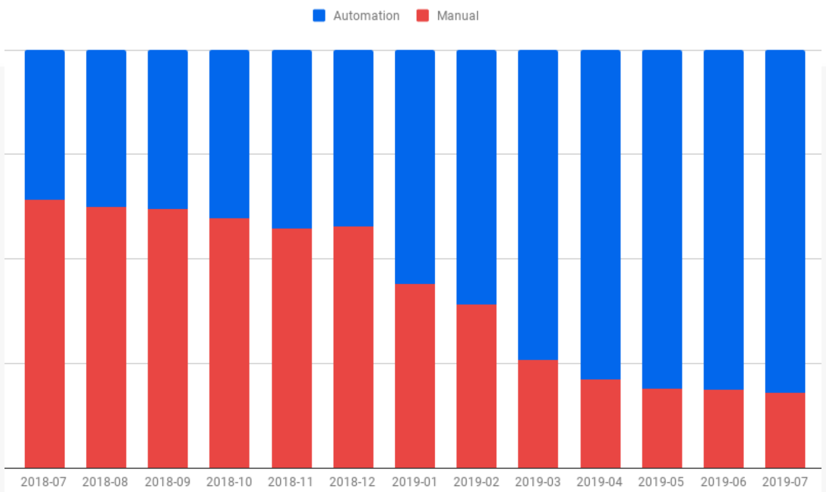
Differentiate and grow

Drive a material shift in culture and capability

We have delivered on our commitments in H2 FY19

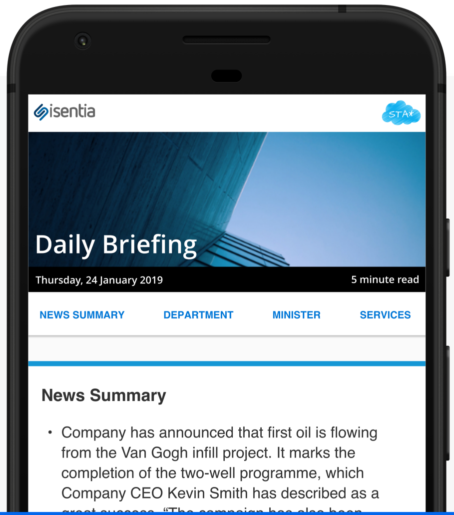
	H2 FY19 → RESET THE BASE	FY20 → TRANSFORM	FY21/22 GROW
Establish an efficient operating model underpinned by single platform	• Tech solution for single platform fully architected • ANZ Press automation • New workflow for ANZ Daily Briefings • Relocate ANZ administration roles	• Number of platforms/ systems substantially reduced • English-language broadcast automation • ANZ production workflow automation complete	• Single platform and best-practice systems in place • Continue to seek opportunities for further automation
Deliver world-class, market-centric product innovation	• New product innovation culture designed and implemented • Launch new mobile app • Launch new mobile-responsive Daily Briefings	• Launch updated Insights product suite • Launch new self-serve features • Launch other new market-validated products and features	• Continued innovation and product releases to address the changing market • Explore options to grow through partnership
Create regional scale to strengthen Asia Pacific leadership	• Increase product development team in SE Asia • Develop multinational offering and sales structure • Refocus China on Insights	• Build enhanced Asia-led social analytics in Mediaportal to benefit Asia and ANZ • Implement shared service model	• Complete client migration to single platform • Continue to launch new Asia-focused products • Explore options to scale China profitably

Establishing an efficient operating model



Press Automation

- Press relevancy processing now 80% automated using machine learning
- FTE cost reduction
- Faster delivery of content to clients
- Increased levels of accuracy in delivering relevant content

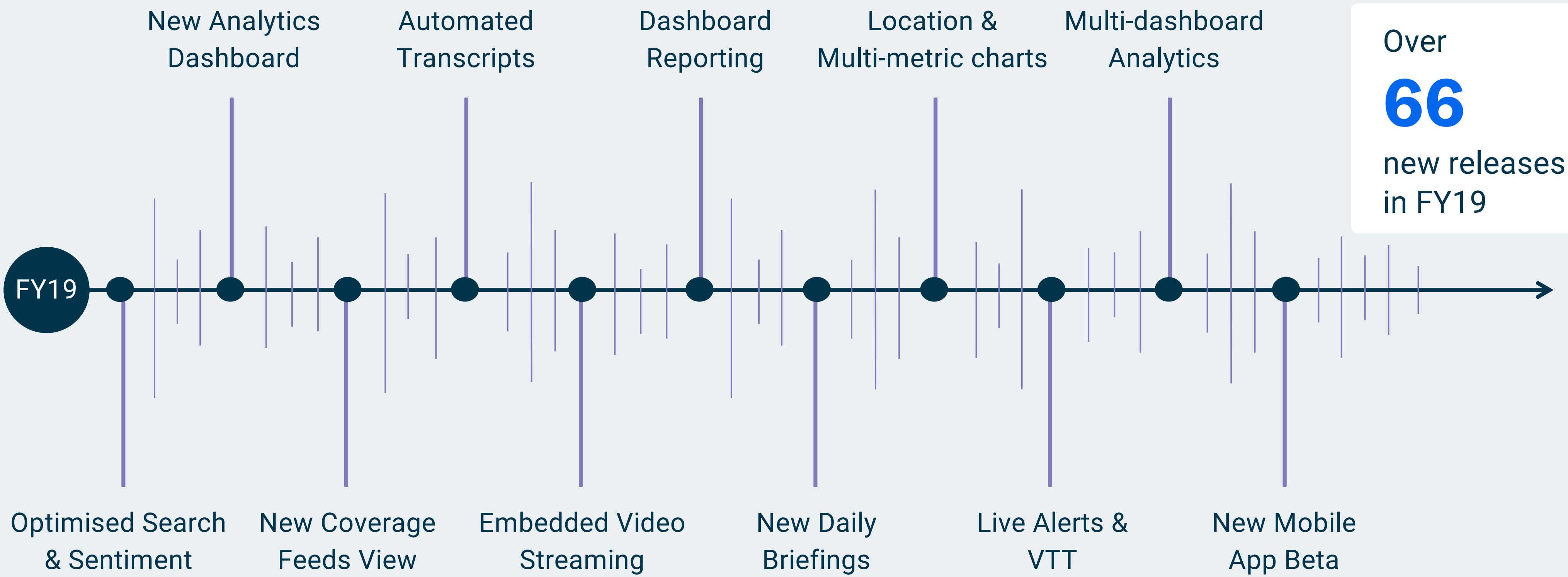


Daily Briefings

- New proprietary production platform
- Faster delivery to clients
- New mobile-friendly, email optimised experience
- Improvement in labour efficiency

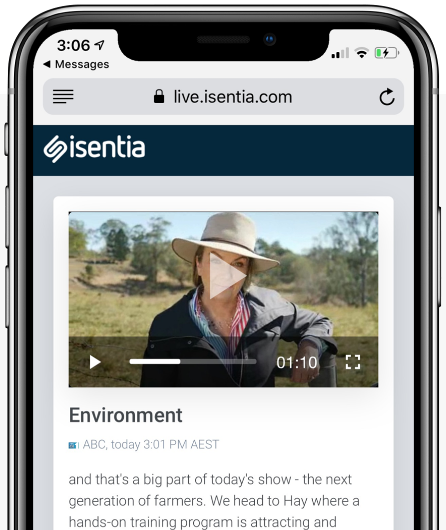
Delivering world-class, market-centric product innovation

Product release velocity increased threefold



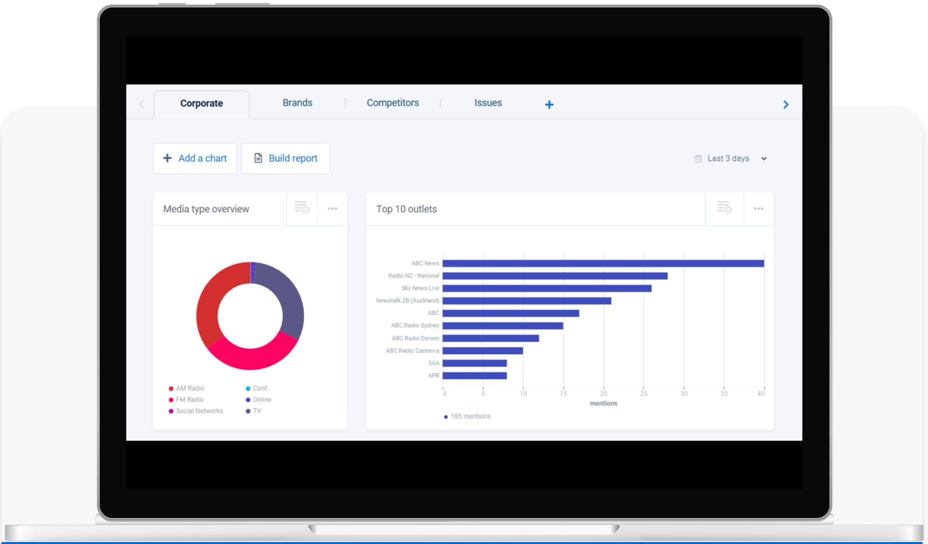
Over
66
new releases in FY19

Delivering world-class, market-centric product innovation



Live Alerts

- New real-time SMS alerting system using voice to text technology
- Delivers shareable broadcast content to clients
- Strong growth in usage since launch



Dashboard Analytics

- Powerful on-platform analytics tools including multi-dashboard capabilities, integrated reporting and customisable data visualisation
- 44 new features released since launch
- Available to clients across Asia-Pacific

Favourable interim copyright outcome

Australian Copyright Tribunal issued orders for an interim licence on 23 April 2019 which apply from 1 December 2018.

Interim licence is important because it;

- aligns copyright costs with competitors
- introduces variable volume based fee
- reduces copyright costs

Isentia remains committed to adoption of an industry-wide copyright licence to ensure a level playing field with competitors and a fair value exchange with publishers.

Final determination of terms of the licence will be retroactive to 1 December 2018.

A hearing date for the application has been set for late 2020.

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Financial Performance

Peter McClelland, CFO

FY19 Financial Results Summary [1]

Focus on stabilising and setting the base for profitable growth

OVERVIEW				
$M	**FY19**	**FY18**	**Variance**	**Variance %**
Revenue	**122.5**	**132.6**	**(10.1)**	**(7.6%)**
ANZ	87.6	97.7	(10.1)	(10.3%)
ASIA	34.8	34.9	(0.1)	(0.3%)
Cost of Sales	**23.8**	**25.3**	**1.5**	**5.9%**
Operating Expenses	**75.7**	**74.1**	**(1.6)**	**(2.2%)**
Underlying EBITDA[2]	**23.1**	**33.1**	**(10.0)**	**(30.2%)**
EBITDA Margin	*18.8%*	*25.0%*		

SUBSCRIPTION CUSTOMERS	H1 FY18	H2 FY18	H1 FY19	H2 FY19
Average monthly customers	3,456	3,420	3,390	3,336

FY19 revenue below PCP due to continued competitive landscape in Australia.

Double digit revenue growth in South East Asia offset by challenges in North Asia.

H2 costs $3M lower than H1.

Lower cost of sales due to interim copyright licence, effective from 1 Dec 2018.

Cost saving initiatives offset by:

- Investment in key strategic areas for growth;
- Inflationary pressure;
- Lower capitalisation of internal labour reflects shift in product development investment profile.

[1] The financial results represent the ongoing business operations of the Group and adjusts exited businesses from prior periods. This is also reflected in the following pages, excluding Appendix.
[2] Underlying EBITDA reflects adjustments for certain non operating items. See page 31.

FY19 ANZ Results Summary

ANZ market challenging but transformation programs contributing

ANZ				
$M	**FY19**	**FY18**	**VARIANCE**	**VARIANCE %**
Revenue				
SaaS - Media Intelligence	69.4	79.4	(10.0)	(12.6%)
VAS	18.2	18.4	(0.2)	(1.1%)
Total SaaS/Vas	**87.6**	**97.7**	**(10.1)**	**(10.3%)**
ANZ Contribution	**34.4**	**40.2**	**(5.8)**	**(14.4%)**
Contribution Margin	39%	41%		

ANZ Contribution is the profit before the allocation of Head Office costs.

ANZ revenue YOY impact:
- New SaaS client wins;
- SaaS client losses; and
- Competitive pricing, volume declines offset by upsell.

FY19 SaaS subscription impacted by H1 client losses.

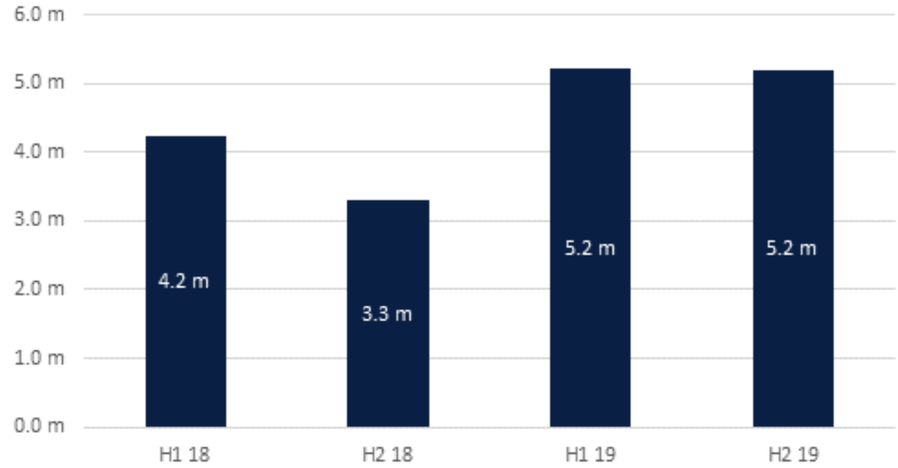
VAS revenue remains resilient highlighting client demand for insights products and supported by product launches.

Interim copyright ruling ensures better margin management through a more variable cost structure.

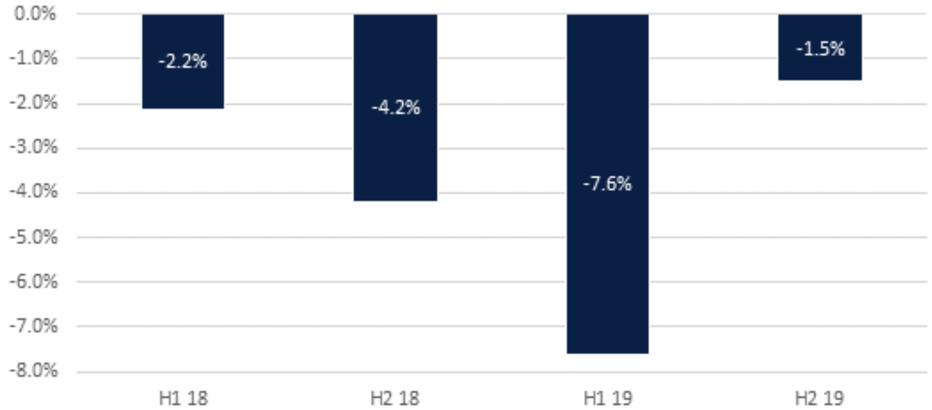
Transformation initiatives continue to be implemented with positive impact.
- Costs $4.3M below prior year
- H2 costs 16% lower than H1.

Focus On Client Acquisition And Retention

Annualised New Billings – Continue To Improve



Net Win/Loss, Subscription Billing Run Rate[1] - Improves In H2



[1] Net change in the subscription billing run rate over the period due to client wins and losses.

New wins:

- Continued strong growth in new clients volume and value.

Net change in the subscription billing run rate from wins/losses was impacted by:

- a few large client losses in H1 FY19
- volume and value of client churn lower in H2 FY19 v H1 FY19

Programs to drive client acquisition and retention:

- Focus on new sales and competitive win backs;
- New product features; and
- Product packaging and pricing.

FY19 Asia Results Summary

Double digit revenue growth in South East Asia, though North Asia disappointing

ASIA				
$M	**FY19**	**FY18**	**VARIANCE**	**VARIANCE %**
Revenue				
SaaS - Media Intelligence	16.1	15.6	0.5	3.2%
VAS	18.7	19.2	(0.5)	(2.6%)
Total SaaS/Vas	**34.8**	**34.9**	(0.1)	(0.3%)
ASIA Contribution	**3.0**	**4.8**	**(1.8)**	**(37.5%)**
Contribution Margin	9%	14%		

Asia Contribution is the profit before the allocation of Head Office costs.

Total Asia revenue was flat year on year.

South East Asia revenue was up 17% offset decline in North Asia.

Costs rose by 6%:

- South East Asia cost growth with business expansion;
- Cost 'right sizing' actions being taken in North Asia;
- Investment in sales teams, establishment of management hubs. Excluding these items, operating expenses were flat on PCP.

Margin impacted by North Asia revenue decline and investment in sales and marketing in South East Asia.

Ongoing focus on client acquisition given relative penetration in key markets and better leveraging of infrastructure across the region.

Operating Expenses

Reinvestment of cost savings to drive business growth

TOTAL EXPENSES				
$M	**FY19**	**FY18**	**VARIANCE $M**	**VARIANCE %**
Employee expenses	58.2	56.2	(2.0)	(3.6%)
Cost of Sales	23.8	25.3	1.5	5.9%
Occupancy	5.2	5.2	0.0	0.0%
Software and support	3.7	3.4	(0.3)	(8.8%)
Communication & Marketing	2.7	3.7	1.0	27.0%
Other operating expenses	5.8	5.6	(0.2)	(3.6%)
Total expenses	**99.4**	**99.5**	**0.1**	**0.1%**
Full-time Equivalent (FTEs)	*1163*	*1186*	*23*	2%

Prior year comparatives excludes exited businesses.

Total expenses slightly below FY18.

ANZ copyright savings reflected in Cost of Sales reduction.

H2 cost base $3M lower than H1.

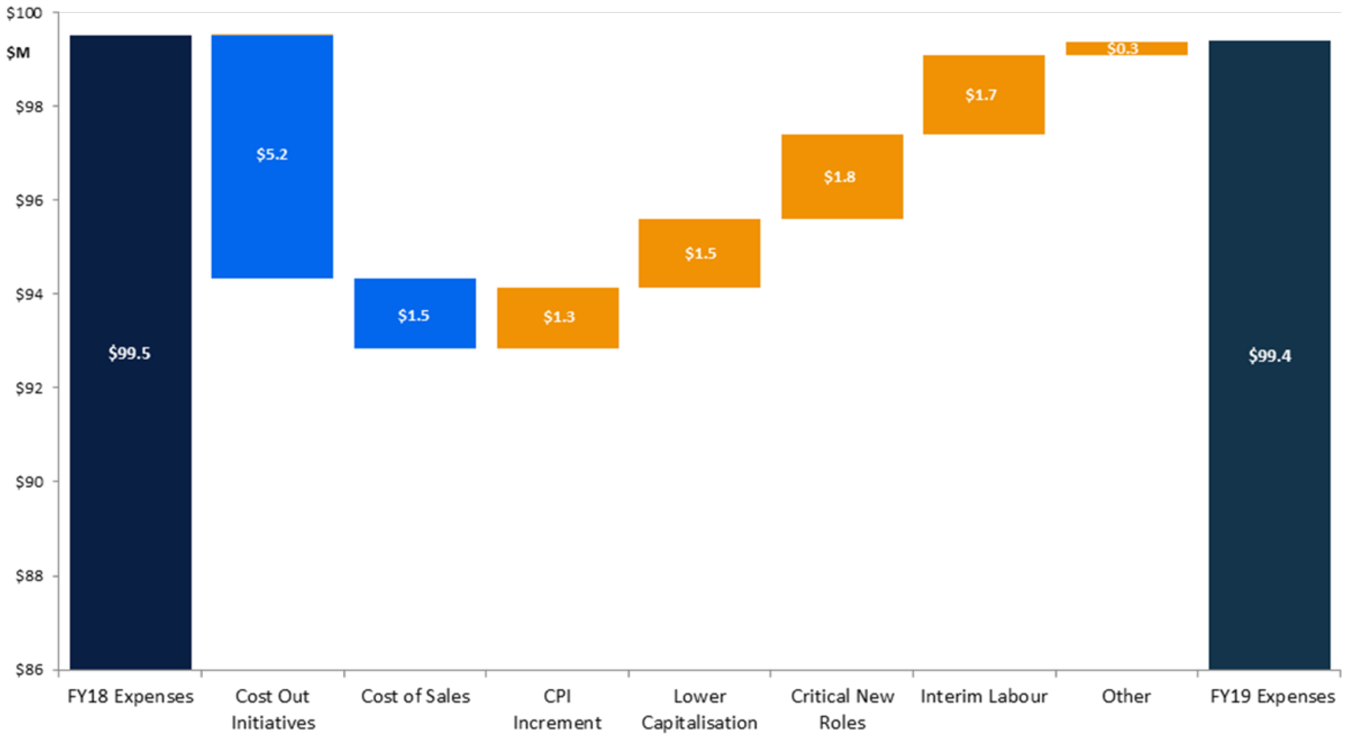
Cost-out program delivered FY19 savings of $5.2M ($4.0M in labour savings).

Labour savings offset by:

- Lower capitalisation reflecting shift to agile product development and continuous delivery (also resulted in lower capex);
- CPI cost growth; and
- Investment in critical new roles and capabilities to support strategic plan.

Cost Savings Reinvested For Future Growth

Expenses movement FY18 to FY19



Cost-out initiatives generated incremental savings of $5.2M in FY19 on PCP, primarily in labour.

Interim copyright ruling in H2, offset by increases in other costs of delivery.

Lower capitalisation and CPI wage increases added $2.8M vs FY18.

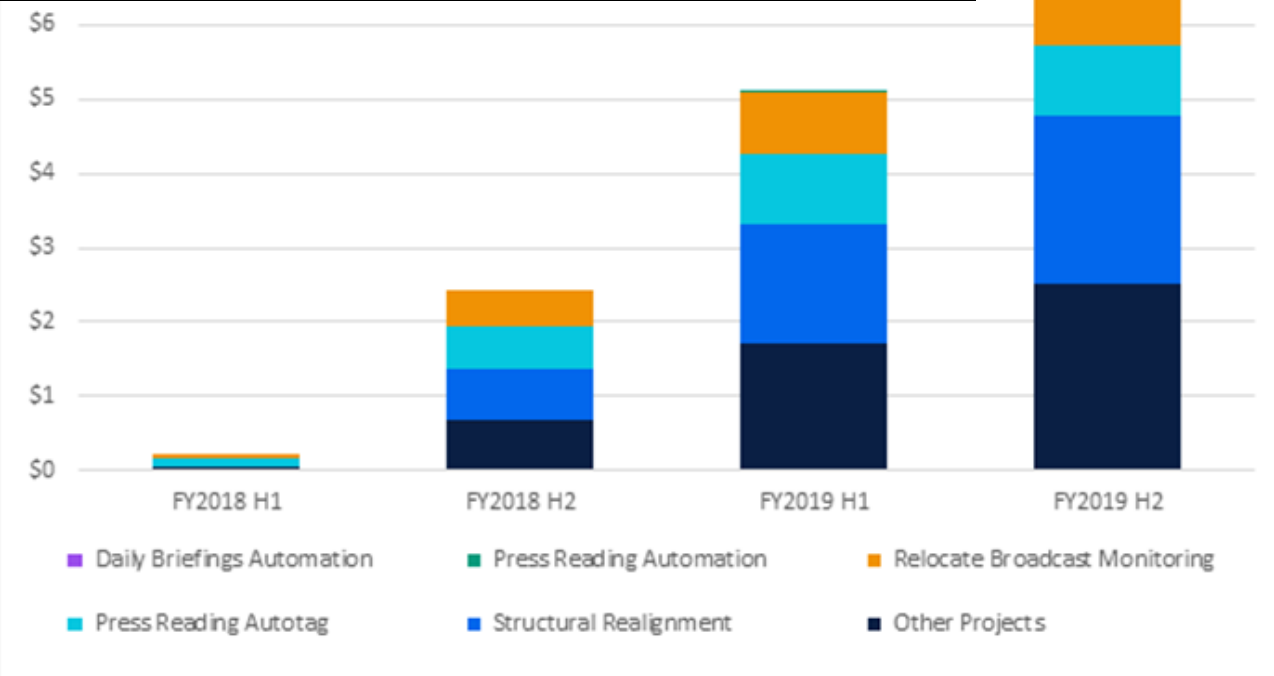
Investment in critical new roles and capabilities included:

- Product development and project management expertise;
- Executive and sales leadership;
- Infrastructure support;
- Interim labour required to improve service quality, ahead of future automation and transition periods.

Ongoing Cost Transformation

Exceed commitment to deliver $7M in cost reductions in FY19

CUMULATIVE ANNUALISED SAVINGS FY18-FY19			
Initiatives	**FY18 Savings**	**FY19 Savings**	**YOY Savings**
Cumulative Cost Savings from Initiatives since FY18	$2.4m	$7.6m	$5.2m



Cost programs have been essential to contain cost growth and allow investment areas for business growth and increase flexibility.

Press Automation and Daily Briefings platform completed.

Other projects continue to deliver steady cost reductions as forecast.

Cash Flow

Operating cash conversion remains strong

$M	FY19	FY18
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	135.2	158.7
Payments to suppliers and employees (inclusive of GST)	(106.9)	(125.8)
Net interest	(2.2)	(2.1)
Other revenue	0.0	1.1
Income taxes paid	(0.2)	(3.5)
Net cash from operating activities	**25.9**	**28.4**
Cash flows from investing activities		
Payments to vendors for prior year assets acquisition	(2.5)	(2.4)
Payments for property, plant and equipment	(1.2)	(1.1)
Payments for intangibles	(7.1)	(8.5)
Payment for purchase of asset acquisition	-	(0.5)
Proceeds from disposals	0.0	0.3
Net cash used in investing activities	**(10.7)**	**(12.1)**
Cash flows from financing activities		
Proceeds from borrowings	-	2.0
Repayments of borrowings/leases	(12.4)	(12.1)
Dividends paid	-	(7.5)
Net cash from/(used in) financing activities	**(12.4)**	**(17.6)**
Net increase in cash and cash equivalents	**2.8**	**(1.3)**
Cash and cash equivalents at the beginning of the financial year	11.9	13.3
Cash and cash equivalents at the end of the financial year	14.7	11.9

Strong operating cash conversion from Underlying EBITDA.

Lower operating cash due to trading conditions in ANZ despite:

- Improved collections;
- Timing benefit in respect to payments;
- Tax refund.

End of earnouts for SNC (Korea) and New Point Marketing (Hong Kong).

Lower capitalisation of internal labour drove lower payments for intangibles.

Management of our cash envelope is a key focus:

- Gross borrowings reduced by $22M in two years including an additional $12M during FY19;
- In FY19 Net debt reduced by $14.8M to $28.3M; and
- No dividends paid or declared during the period.

Debt Facility

Continued reduction of net debt

TERM DEBT $M	AVAILABLE	DEBT DRAWN	GUARANTEES DRAWN	UNDRAWN
Facility A1	25.0	25.0	-	-
Facility A2	35.0	18.0	-	17.0
Facility B (Bank guarantee facility)	1.0	-	0.4	0.6
Total Debt	**61.0**	**43.0**	**0.4**	**17.6**
Less: cash		14.7		
Net Debt		**28.3**		

RATIOS	BANK COVENANT	ACTUAL	HEADROOM
Leveraged ratio	3x	1.2x	59%
Interest cover	3x	10.7x	72%

Significant improvement in the net debt position from:

- $51.7M as at June 2017
- $43.1M as at June 2018 to
- $28.3M as at June 2019 which equates to a $14.8M reduction.

Net debt benefited from timing of payments.

Significant covenant headroom on debt facility.

Non Cash Write-down Of Previously Recognised Intangibles

INTANGIBLE $M	H1	H2	TOTAL
Internally Generated Software	$3.2		$3.2
Goodwill	$19.0		$19.0
Brands	$0.1	$18.7	$18.8
Total	**$22.3**	**$18.7**	**$41.0**

Goodwill in the Australian CGU* relating to prior year acquisitions and transactions.

Evaluated economic contribution of some historical system developments.

Derecognition of brands from prior acquisitions following strategic review.

These expenses are non cash and do not impact on debt covenants.

*CGU: Cash Generating Unit

3

FY20 Outlook

Ed Harrison, CEO

Our clear path to growth remains unchanged

	H2 FY19 → RESET THE BASE	FY20 → TRANSFORM	FY21/22 GROW
Establish an efficient operating model underpinned by single platform	• Tech solution for single platform fully architected • ANZ Press automation • New workflow for ANZ Daily Briefings • Relocate ANZ administration roles	• Number of platforms/ systems substantially reduced English-language broadcast automation • ANZ production workflow automation complete	• Single platform and best-practice systems in place • Continue to seek opportunities for further automation
Deliver world-class, market-centric product innovation	• New product innovation culture designed and implemented • Launch new mobile app • Launch new mobile-responsive Daily Briefings	• Launch updated Insights product suite Launch new self-serve features Launch other new market-validated products and features	• Continued innovation and product releases to address the changing market • Explore options to grow through partnership
Create regional scale to strengthen Asia Pacific leadership	• Increase product development team in SE Asia • Develop multinational offering and sales structure • Refocus China on Insights	• Build enhanced Asia-led social analytics in Mediaportal to benefit Asia and ANZ Implement shared service model	• Complete client migration to single platform • Continue to launch new Asia-focused products • Explore options to scale China profitably

Our clear path to growth remains unchanged

	3 YEAR CAGR[1] OBJECTIVES[2]
ANZ Revenue	1-3%
Asia Revenue	5-10%
EBITDA	10-20%

EBITDA accelerates over the plan as remediation and transformation investments translate into revenue and profit growth.

	H2 FY19 → RESET THE BASE	FY20 → TRANSFORM	FY21/22 → GROW
P&L Profile	• Cost restructuring programs continue with focus on production workflows	• Investment in tech and product capabilities funded by cost-out initiatives • Revenue stabilisation from product features, packaging and pricing	• Revenue growth accelerated across markets from prior and ongoing product development • Operating leverage results in costs reducing as a % of revenue
Capex	• \$8M – \$9.5M[4]	• +10% - 20% step up • Strategic partnerships	• Ongoing product development 7% - 8% of revenue • Targeted growth opportunities

[1] Commencing FY20-FY22, FY19 is the base period.
[2] These numbers do not constitute guidance.
[3] Consistent with 2019 guidance.
[4] Capex represents FY19 spend.

FY20 Guidance

Expect the rate of revenue decline to slow

Significant operating and capital investments in building new products and technology

FY20 EBITDA guidance of $20M – $23M

Excluding the impact of AASB16 lease accounting standard

4

Q&A

Ed Harrison, CEO

Peter McClelland, CFO

A

Appendix

Group Financial Results

Isentia Group (includes Content Marketing in FY18)

Group				
$M	**FY19**	**FY18**	**VARIANCE**	**VARIANCE %**
ANZ	**87.6**	**100.4**	**(12.8)**	**(13%)**
SaaS - Media Intelligence	69.4	79.4	(9.9)	(12%)
VAS	18.2	18.4	(0.3)	(2%)
Content Marketing	-	2.6	(2.6)	-
Asia	**34.8**	**36.8**	**(2.0)**	**(5%)**
SaaS - Media Intelligence	16.1	15.6	0.5	3%
VAS	18.7	19.2	(0.5)	(3%)
Content Marketing		1.9	(1.9)	-
Revenue	**122.5**	**137.1**	**(14.7)**	**(11%)**
Copyright, consumables and other direct purchases	(29.5)	(35.2)	5.7	16%
Employee costs	(58.2)	(60.0)	1.8	3%
Other operating expenses	(11.7)	(13.4)	1.6	12%
Expenses	**(99.4)**	**(108.5)**	**9.1**	**8%**
Underlying EBITDA	**23.1**	**28.6**	**(5.5)**	**(19%)**
Underlying EBITDA margin	*19%*	*21%*		
Non-operating items	(2.4)	(0.2)	(2.2)	(1,109%)
Impairment of assets	(41.0)	(1.8)	(39.2)	-
EBITDA	**(20.3)**	**26.6**	**(46.9)**	**(177%)**
Depreciation and amortisation	(7.1)	(8.7)	1.6	19%
Amortisation of acquired intangibles	(8.0)	(12.2)	4.2	34%
Finance costs	(2.2)	(2.2)	0.0	2%
Profit/(loss) before tax	**(37.5)**	**3.5**	**(41.0)**	**(1,179%)**
Tax	3.2	(2.2)	5.4	246%
NPAT	**(34.3)**	**1.3**	**(35.6)**	**(2,785%)**
add back: Amortisation of acquired intangibles (net of tax)	6.2	9.2	(3.0)	(32%)
NPATA	**(28.1)**	**10.5**	**(38.6)**	**(367%)**
add back: Impairment of assets (net of tax)	35.6	1.8	33.8	1,885%
add: Extraordinary items (net of tax)	1.7	(0.8)	2.5	(309%)
Underlying NPATA	**9.2**	**11.5**	**(2.3)**	**(20%)**
Underlying Earnings per share (cents)	*4.6*	*5.8*	*(1.2)*	*(20%)*

FY18 includes Gains from Fair value adjustment on contingent consideration and Proceeds from legal settlement

Underlying EBITDA excludes non- operating items.

Included in current year non-operating items:

- Restructuring related costs $1.9M; and;
- Other non-operating items $0.6M; and;
- Impairment of previously recognised intangibles $41.0M.

Depreciation and amortisation reduced due to exit from the content marketing business.

Summary Balance Sheet

$M	2019	2018
Current assets		
Cash and cash equivalents	14.7	11.9
Trade and other receivables	20.6	23.2
Other	1.6	3.3
Total current assets	**36.9**	**38.4**
Non-current assets		
Property, plant and equipment	3.8	4.6
Intangibles	97.3	142.4
Other	3.5	3.5
Total non-current assets	**104.7**	**150.5**
Total Assets	**141.6**	**188.9**
Current Liabilities		
Trade and other payables	23.0	17.9
Borrowings	4.3	0.3
Contingent consideration	0.7	3.2
Other	7.0	6.0
Total current liabilities	**35.1**	**27.5**
Non-current liabilities		
Borrowings	39.7	55.5
Contingent consideration	0.6	0.6
Other	8.1	14.9
Total non-current liabilities	**48.4**	**71.0**
Total Liabilities	**83.4**	**98.4**
Total equity	**58.2**	**90.5**

Bank Loans of $43M down from $55M in prior year.

Cash up $2.8M to $14.7M.

Improvement in DSO days and lower revenue driving lower trade receivables.

Higher trade payables due to favourable timing of payments.

Reduced current contingent consideration reflects end of earn out payment to SNC (Korea) and New Point Marketing (Hong Kong).

Current borrowings reflects the business intentions to pay down debt.

Cash Flow – Cash Envelope

Operating cash conversion remains strong

$M	FY19	FY18
Underlying EBITDA	23.1	33.1
EBITDA loss from content marketing	-	(4.5)
Group underlying EBITDA (including Content Marketing)	**23.1**	**28.6**
Increase / (decrease) in net working capital	7.9	7.1
Net cash from operating activities	**31.0**	**35.7**
Operating cash flow conversion %	***134%***	***125%***
Payments for property, plant and equipment	(1.2)	(1.1)
Payments for intangibles	(7.1)	(8.5)
Payment for purchase of asset acquisition/Disposals	0.0	(0.2)
Net cash from operating activities after investing activities	**22.7**	**25.9**
Net finance costs paid	(2.2)	(2.1)
Tax paid	(0.2)	(3.5)
Payments to vendors for prior year assets acquisition	(2.5)	(2.4)
Proceeds from borrowings	-	2.0
Repayment of borrowings	(12.0)	(12.0)
Repayments of leases	(0.4)	(0.1)
Dividends paid	-	(7.5)
Other one-off items including restructuring costs	(2.6)	(1.6)
Net cash flow	**2.8**	**(1.3)**
Opening cash balance	**11.9**	**13.3**
Closing cash balance	**14.7**	**11.9**
Gross drawn debt	**43.0**	**55.0**
Net debt	**28.3**	**43.1**

Strong operating cash conversion from Underlying EBITDA.

Lower operating cash due to trading conditions in ANZ despite:

- Improved collections;
- Timing benefit in respect to payments;
- Tax refund.

End of earnouts for SNC (Korea) and New Point Marketing (Hong Kong).

Lower capitalisation of internal labour drove lower payments for intangibles.

Management of our cash envelope is a key focus:

- Gross borrowings reduced by $22M in two years including an additional $12M during FY19 ;
- In FY19 Net debt reduced by $14.8M to $28.3M; and
- No dividends paid during the period.

Thank you