ASX Release

FOR IMMEDIATE RELEASE **24 February 2020**

Isentia Reports H1 FY20 Financial Results

- Revenue of $56.5 million, down $5.7m on H1 FY19
- Transformation program variabilises cost base; total costs down $5.2m on H1 FY19
- Underlying EBITDA of $10.5m,[1] down $0.5m on H1 FY19
- Underlying EBITDA margin of 18.5%[1] (H1 FY19: 17.7%)
- Net Profit After Tax and Amortisation (NPATA) of $3.6m; H1 FY19 loss of $19m due to $22.3m write-down of intangible assets
- Net debt reduced by $9.7m to $31.4m at 31 Dec 2019 (31 Dec 2018: $41.1m)
- Reaffirm FY20 guidance, including EBITDA guidance of $20-23m[2]

Isentia Group Limited (ASX: ISD) today released its financial results for the six months ended 31 December 2019.

H1 FY20 revenue was $56.5m, with double digit revenue growth in South East Asia, offset by lower revenue in ANZ due to a period of increased competitive tension, as well as ongoing challenges in North Asia.

The successful execution of transformation programs has introduced greater variability into Isentia's cost base and delivered a 10% reduction in total costs. As a result, the decline in H1 FY20 revenue had a limited impact on Underlying EBITDA which was $10.5m in the half. The importance of a more variable cost base in preserving profitability was highlighted by the expansion in the underlying EBITDA margin to 18.5% from 17.7% in the previous corresponding period (pcp).

Isentia Managing Director and CEO Ed Harrison said: "The first half of FY20 has been another transformative period for the company. Despite revenue challenges in some markets, we were able to maintain profitability and increase operating margins due to the increased flexibility of our cost base.

"Our SaaS platform, Mediaportal remains the most widely used media intelligence platform in the Asia-Pacific region with over 36,000 users, highlighting the critical nature of our software and managed services.

"South East Asia had another strong half and we invested to drive further growth in these markets. North Asia remained challenging, but we continued to restructure the business accordingly. In ANZ, we attracted new clients and increased win backs despite that market being in a competitive phase.

---

[1] Pre-AASB 16

[2] Excluding the impact of AASB 16

"The implementation of our strategy remains on schedule and clients are starting to see the benefits of our investment in product development and technology with the release of multiple new features to enhance the user experience. A key element of our strategy has been the use of AI and machine learning to drive automation and other efficiency programs which are increasing the speed and accuracy of our content delivery to clients. Our new mobile app is receiving positive customer feedback, and we recently expanded our Insights suite with the launch of a product that allows organisations to measure reputation. This hard work will continue over the next six months as we reinforce our leadership position across the APAC region."

Strategy Update
Isentia continued to make progress in delivering against its three-year strategic plan which was launched in February 2019. During H1 FY20, Isentia implemented further enhancements to Mediaportal, introduced best-in-class engineering practices and extended the use of AI and machine learning to automate multiple workflows.

ANZ results
In H1 FY20, ANZ revenue was $39.5m. Despite the competitive landscape in Australia, sales initiatives continued to win new clients as well as win back clients from other providers. In ANZ, transformation programs, including those targeting labour efficiencies, delivered a more variable and lower cost base (20% or $5.6m lower on pcp). The ANZ Contribution (pre AASB 16) of $16.2m was 2.5% higher on pcp and the contribution margin expanded to 41% from 35% in H1 FY19.

Asia results
In H1 FY20, Asia revenue was $17.0m with double digit revenue growth in South East Asia offset by underperformance in North Asia, which was impacted by unrest in Hong Kong and the decline in traditional media in China. The Asian cost base was reduced by 4.5% as a result of initiatives to right size the North Asian cost base and the recent launch of process efficiency programs, which were partially offset by increased investment to drive growth in South East Asia. Asia Contribution (pre AASB 16) of $2.1m was 10.5% higher on pcp and the contribution margin increased to 12% (H1 FY19: 11%).

Balance sheet and cash flow
Operating cash conversion remains strong and management of the cash envelope continues to be a priority. Operating cash flow of $3.9m reflected lower revenue, an increase in taxation and the reversal of timing benefits in the prior period. Net debt was reduced by $9.7m to $31.4m at 31 December 2019 from $41.1m at 31 December 2018.

FY20 Outlook
The media intelligence market has remained competitive in Australia in the second half of FY20. The performance in South East Asia has continued to be strong while North Asia is still challenging.

Isentia is assessing the impact of the COVID-19 outbreak on its Asian operations, including on the demand for media intelligence in the region, its sales pipeline and the ability of staff to deliver product and managed services. At this stage, the outbreak has not had a material impact on the business, but the situation is being closely monitored, and the company will update the market should this change.

The successful execution of the next stage of the strategic plan is a key priority for the Board and management team and Isentia continues to invest in its products and technology to deliver superior customer outcomes. Despite revenue challenges in some markets, the cost transformation means that Isentia reaffirms FY20 guidance including EBITDA guidance of $20-23m (pre AASB16).

Investor Conference Call
Isentia Managing Director and CEO Ed Harrison and CFO Peter McClelland will host a conference call with the investment community including a Q&A session at **10am AEDT today (24 February 2020)**.

To listen to the webcast please visit:

https://webcasting.boardroom.media/broadcast/5e41fdd9a06c822d0a097221

NB. This is an analyst and investor call. The media are welcome to listen to the presentation.

For more information:

Investors	**Media**
Françoise Dixon	Helen McCombie
Citadel-MAGNUS	Citadel-MAGNUS
+61 412 292 977	**+ 61 411 756 248**

The release of this announcement was authorised by the Board.

About Isentia
Isentia (ASX:ISD) is APAC's leading integrated Media Intelligence and Insights business with operations in 11 markets. Isentia blends market-leading monitoring experience with analytics to help the world's biggest brands uncover the whole picture – and act on it. Powered by cutting-edge technology and a team of world class experts, our mission is to help businesses leap-forward where only genuine insight can take them. To find out more about how we inform better decisions, please visit **www.isentia.com**

H1 FY20 Results

24 February 2020

Agenda

1. **H1 FY20 Overview**
   Ed Harrison, CEO
2. **H1 FY20 Financial Performance**
   Peter McClelland, CFO
3. **FY20 Outlook**
   Ed Harrison, CEO
4. **Q&A**
   Ed Harrison, CEO
   Peter McClelland, CFO

1

H1 FY20 Overview

Ed Harrison, CEO

Leading provider of media intelligence in Asia-Pacific

H1 FY20 Revenue by Region

ASIA	ANZ
30%	70%

11
Markets

18
Languages

3,263
Subscription customers[1]

90%
Recurring revenue[2]

1. Average subscription customers over 6 months to 31 Dec 2019.
2. Percentage of H1 FY20 revenue that is recurring (subscription & VAS revenue). Social Insights recurring revenue in Asia included from H1 FY20.

Isentia well positioned with unique strengths

	ANZ	Asia
Market trends	Increasing demand for: • greater speed & functionality • powerful on-platform analytics & insights • self-serve options supplemented with human expertise	Increasing demand for: • social media monitoring due to rapid growth of social platforms • cross-regional partners driven by growing multi-nationals • complex media intelligence solutions as local PR & Comms departments grow in sophistication
Leadership	• Most extensive suite of media intelligence products & services • High quality client base including government, leading corporates • Globally awarded insights capability	• Deep expertise in social media analytics • Close partnerships with local and multi-national clients • Unique data sources & multi-language tech capabilities

H1 FY20 Financial Overview

Revenue
$56.5M
$5.7m lower on pcp

Cost base reduced by $5.2m or
10%
Transformation programs provide a variable cost base

Underlying EBITDA[1]
$10.5M
$0.5m lower on pcp

Underlying EBITDA margin
18.5%
Up from 17.7% in pcp

NPATA of
$3.6M
AASB16 neutral impact on NPATA

Net debt
$31.4M
Reduced by $9.7m vs 31 Dec 2018

[1] Underlying EBITDA adjusts for certain non-operating items and is pre AASB 16. Underlying EBITDA post AASB16 was $12.4m

H1 FY20 Operational Overview

Varied market performance

Period of increased competition in ANZ

Double digit growth in SE Asia

North Asia impacted by unrest in Hong Kong, structural decline in Chinese print media

Delivered on strategy

Product transformation begins to solidify leadership position

Over 50 ANZ clients returned from competitors

Completion of numerous automation & other efficiency programs

Restructured cost base

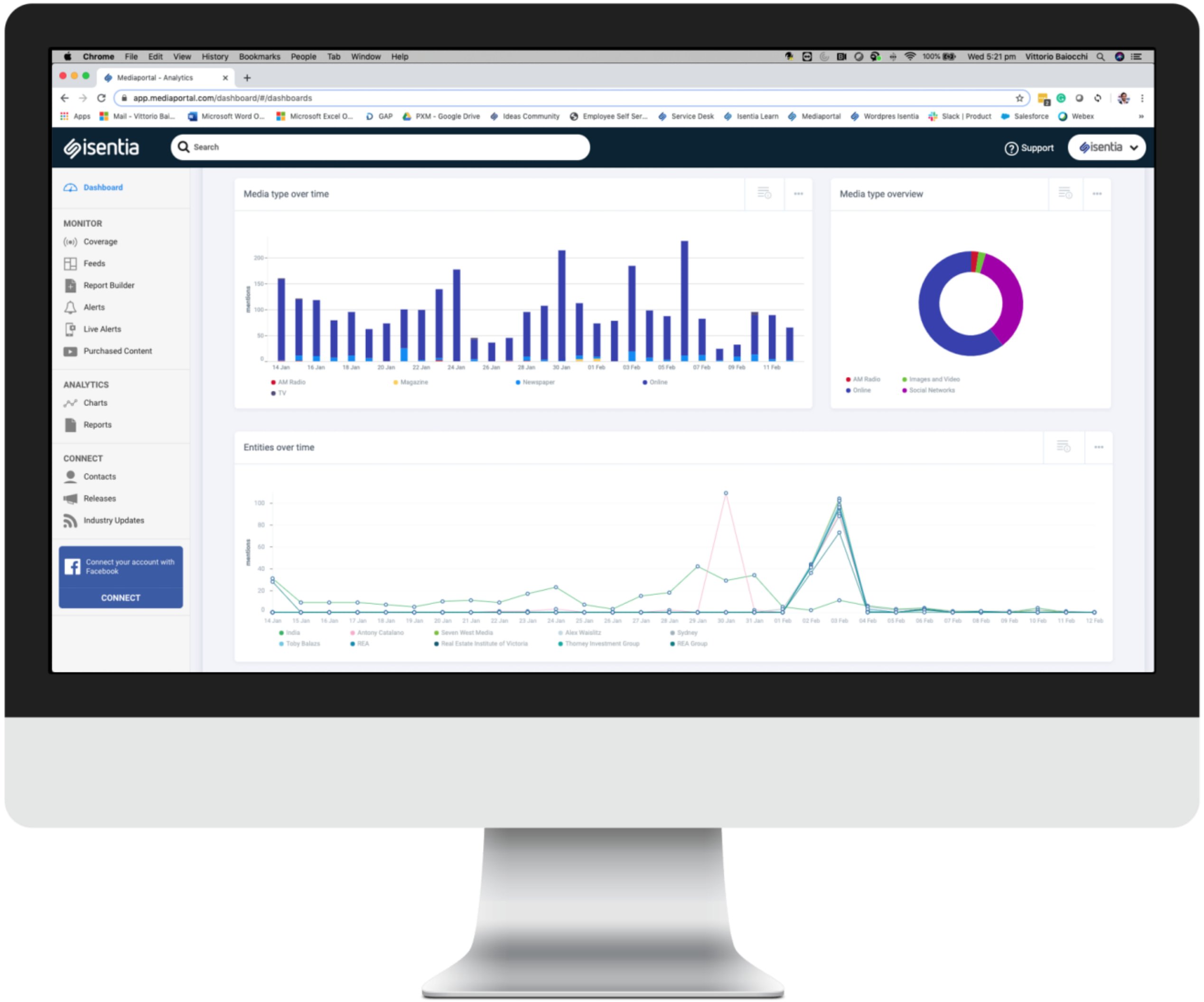
Variabilisation of cost base to preserve future profitability

Cost base reduced by 10%

We have delivered on our commitments in H1 FY20

	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

Mediaportal is APAC's most widely used media intelligence platform



Investment in Mediaportal is delivering:

- increased number of data sources
- broader analytics tools
- greater customer engagement and platform utilisation

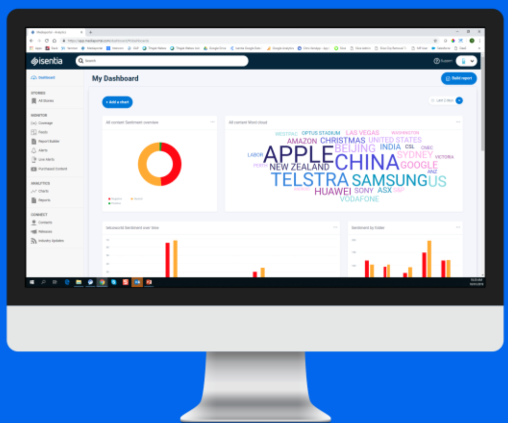
>36k Mediaportal Users

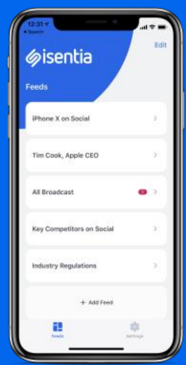
>6m Data sources

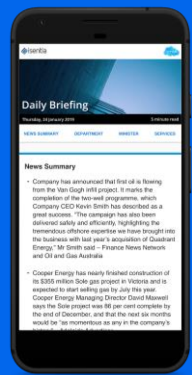
Isentia offers most extensive suite of products and services

Empowering our customers to make great decisions

- Unique provider of software plus managed services
- Fast and powerful proprietary SaaS platform utilising machine learning
- Leading provider of embedded analytics and multilingual capabilities
- Unmatched data set in terms of size and diversity of content
- Access to expert advice and support in event of crisis
- Proprietary search algorithms deliver accurate and relevant content

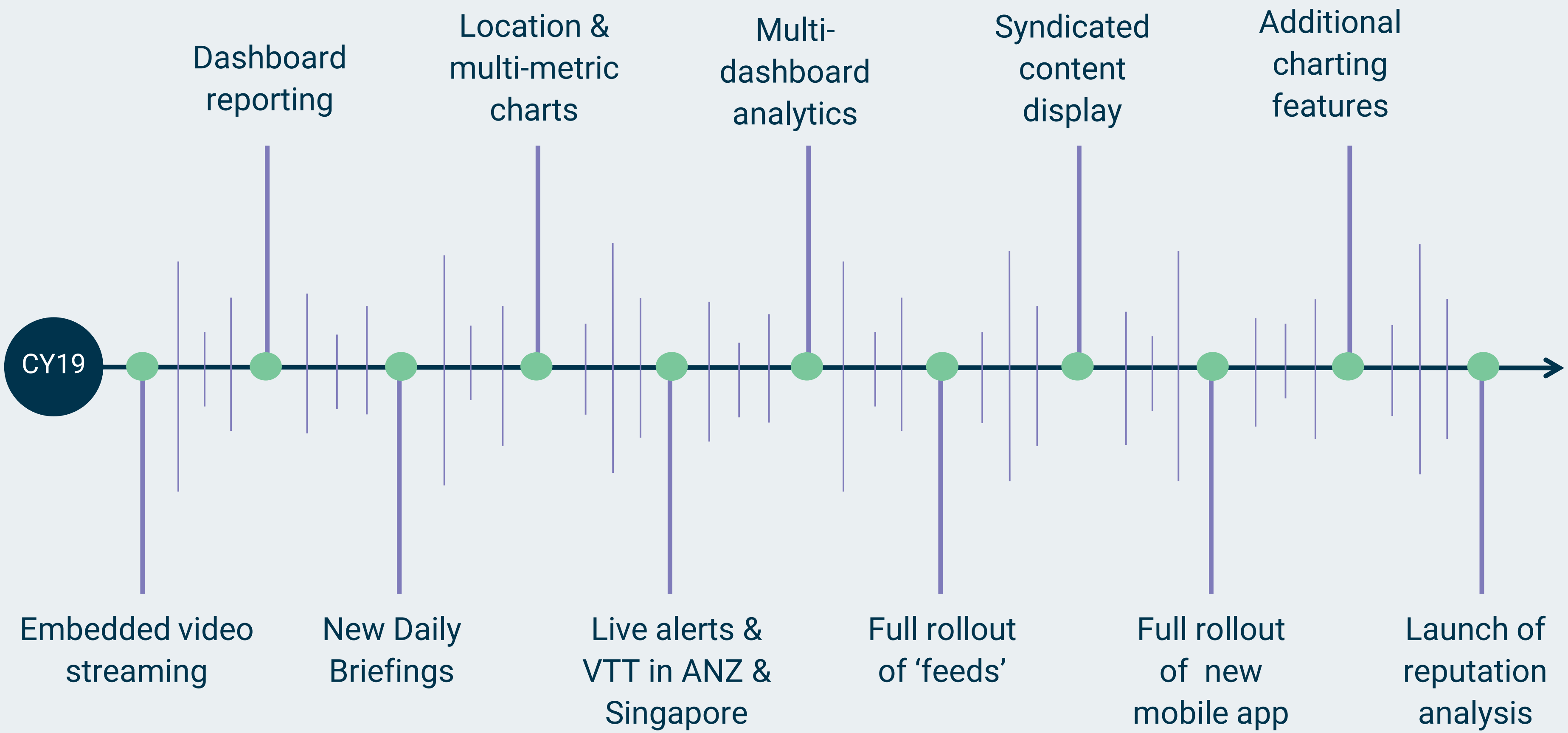




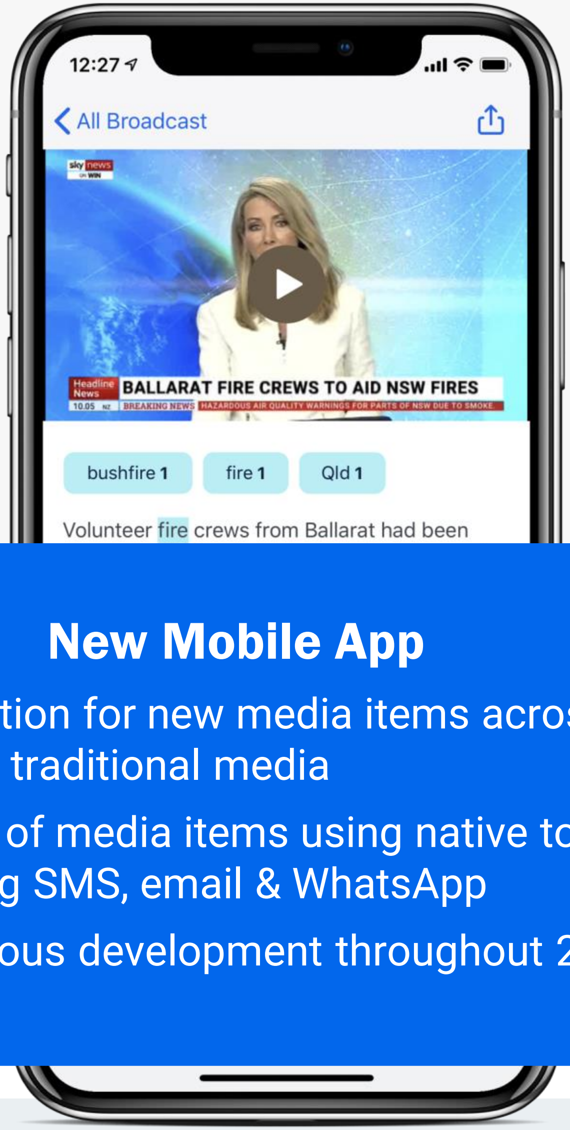


We are delivering more market-centric features …

Ongoing enhancement of Mediaportal platform



... and world-class product



New Mobile App

- Notification for new media items across social & traditional media
- Sharing of media items using native tools including SMS, email & WhatsApp
- Continuous development throughout 2020

Reputation Analysis

- Entirely new approach to reputation management
- Reporting methodology combines social & survey data
- Allows organisations to understand what stakeholders think, feel and say about them

Investing in technology to improve client experience

- Best-in-class engineering practices
- Latest generation programming languages
- Leading-edge cloud architectures
- Integrating third party SaaS providers into tech stack
- Increased use of AI & machine learning

Business Outcomes

- Scalable and reliable tech stack
- Reduced costs across data pipelines
- Faster product development

Client Outcomes

- Faster delivery of content
- Improved relevance
- Continuous release of new products and features

2

Financial Performance

Peter McClelland, CFO

H1 FY20 Financial Results Summary [1]

Focus on stabilising and setting the base for profitable growth

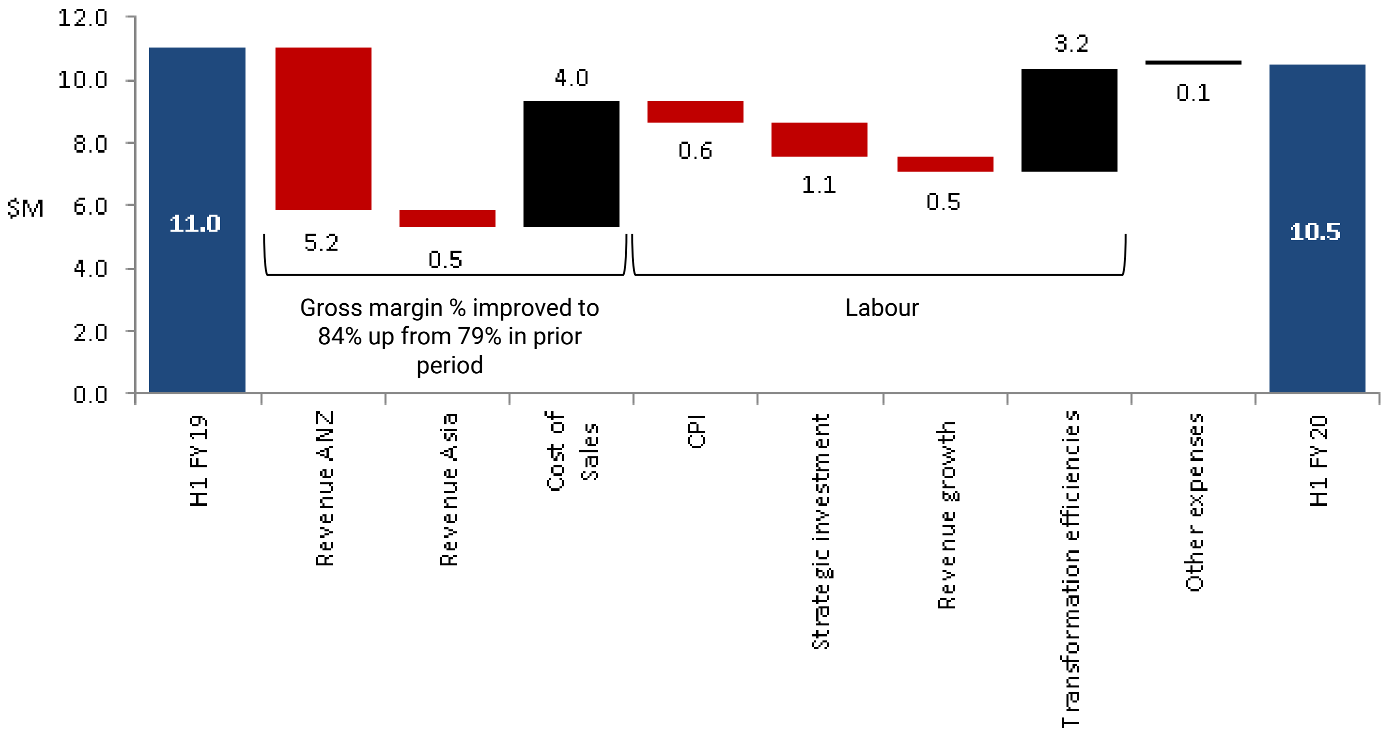
Overview	H1			
$M	**FY20**	**FY19**	**VARIANCE**	**VARIANCE %**
Revenue	**56.5**	**62.2**	**(5.7)**	**(9.1%)**
ANZ	39.5	44.7	(5.2)	(11.6%)
ASIA	17.0	17.5	(0.5)	(2.8%)
Cost of Sales	**9.0**	**13.0**	**4.0**	**30.6%**
Operating Expenses	**37.0**	**38.2**	**1.2**	**3.1%**
Underlying EBITDA pre AASB 16[1]	**10.5**	**11.0**	**(0.5)**	**(4.5%)**
Underlying EBITDA Margin	*18.5%*	*17.7%*		
Underlying EBITDA incl AASB 16	**12.4**	**11.0**	**1.4**	**12.7%**
Subscription Customers	**FY20**	**FY19**		
Average Monthly Customers	3263	3390		

- Revenue trends consistent with prior period.
- Transformation programs continue to deliver greater variability and overall reductions in cost structure. Total costs reduced by $5.2m or 10%.
- Underlying EBITDA margin pre AASB16 improved to 18.5%
- Implementation of AASB 16 Leases increased underlying EBITDA by $1.9m. NPAT impact is neutral.

[1] Underlying EBITDA reflects adjustments for certain non-operating items.

Underlying EBITDA pre AASB16[1]

Cost transformation programs deliver a variable cost base to protect profit margins



H1 revenue below pcp with continued double digit growth in South East Asia offset by competitive landscape in Australia and declines in North Asia

Transformation programs have delivered:

- Greater variability to cost structures
- Total year on year cost reduction

Allowing absorption of:

- Inflation
- Strategic investment in Product & Tech and Business Development
- Cost increases in South East Asia in line with revenue

[1] Underlying EBITDA reflects adjustments for certain non operating items.

H1 FY20 ANZ Results Summary

ANZ market challenging but transformation programs stabilise profitability

ANZ		H1		
$M	**FY20**	**FY19**	**VARIANCE**	**VARIANCE %**
Revenue				
SaaS - Media Intelligence	31.0	35.8	(4.8)	(13.4%)
VAS	8.5	8.9	(0.4)	(4.5%)
Total SaaS/Vas	**39.5**	**44.7**	**(5.2)**	**(11.7%)**
ANZ Contribution pre AASB 16	**16.2**	**15.8**	**0.4**	**2.5%**
Contribution Margin	41%	35%		
ANZ Contribution incl AASB 16	**16.3**	**15.8**	**0.5**	**3.1%**

ANZ revenue has seen continued growth in new revenue offset by competitive pressures driving net client losses and price compression

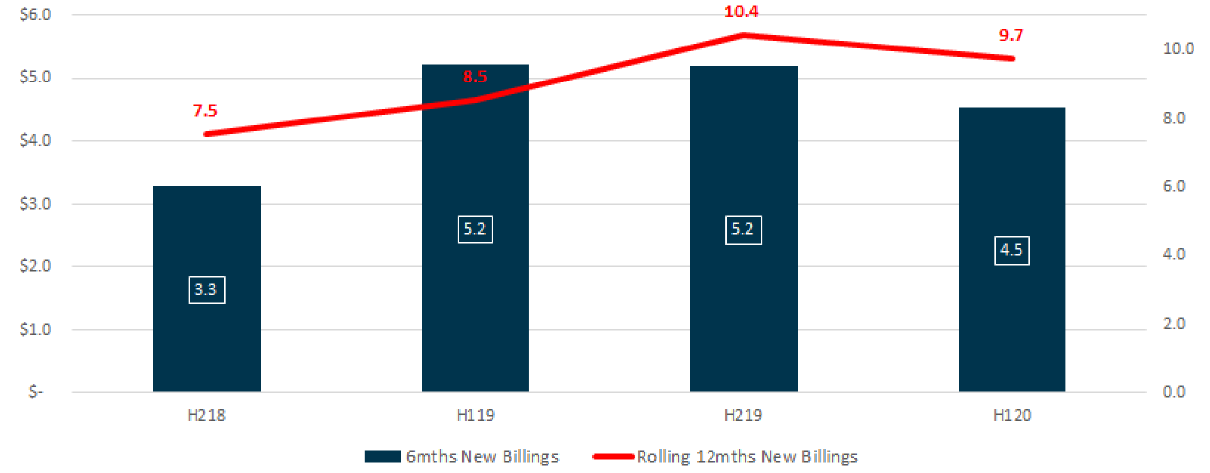
Cost transformation programs preserve profitability and deliver $5.6m or c.20% lower cost base:

- Variable copyright structure contributing along with other cost of sales initiatives
- Labour efficiency programs

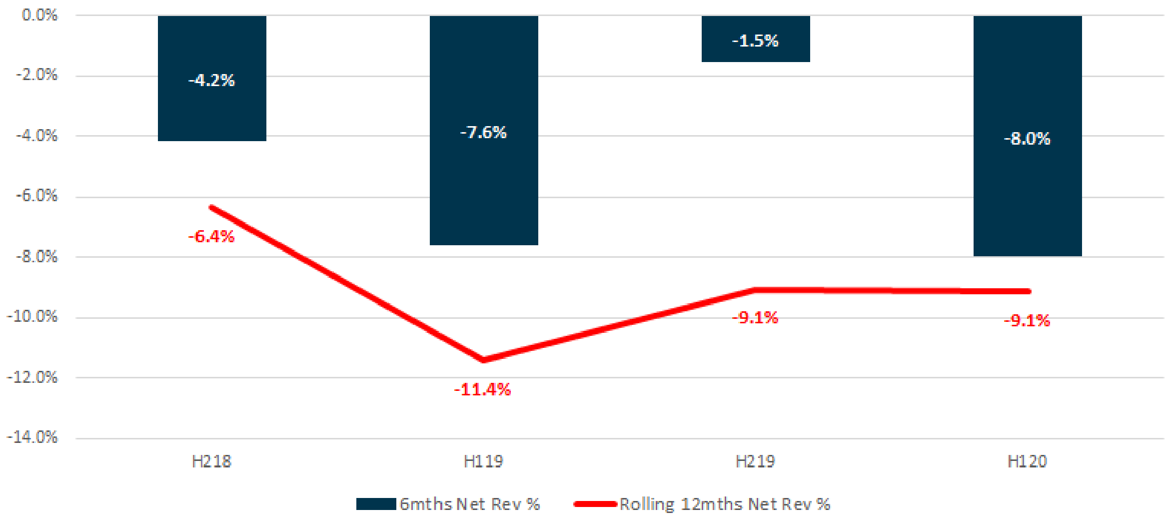
ANZ Contribution is the profit before the allocation of Head Office costs.

ANZ Focus On Client Acquisition And Retention

ANZ Annualised New Billings $m



ANZ Net Win/Loss of Subscription Billing[1]



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

New sales:

- Strong new revenue and win back performance continues
- Annualised new revenue of $9-10m

Net Win / Loss:

- Seasonality and timing of contract renewals impact on H1 with the loss of a few larger clients impacting on results
- Rolling 12 month net losses steady at 9.1%

H1 FY20 Asia Results Summary

Double digit revenue growth in South East Asia, North Asia underperforming

ASIA	H1			
$M	**FY20**	**FY19**	**VARIANCE**	**VARIANCE %**
Revenue				
SaaS - Media Intelligence	8.3	8.0	0.3	3.8%
VAS	8.7	9.5	(0.8)	(8.4%)
Total SaaS/Vas	**17.0**	**17.5**	**(0.5)**	**(2.8%)**
ASIA Contribution pre AASB 16	**2.1**	**1.9**	**0.2**	**10.5%**
Contribution Margin	12%	11%		
ASIA Contribution incl AASB 16	**3.1**	**1.9**	**1.1**	**58.7%**

Double digit client growth in Asia

- Double digit revenue growth in South East Asia
- North Asia impacted by demonstrations in Hong Kong and a decline in traditional media in China

Total Asia cost reduction of $0.7m or 4.5%

- Cost actions continue to right size in North Asia
- Investment in resources in South East Asia in line with revenue growth
- Process efficiency programs launched across Asia

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

Group Operating Expenses[1]

Cost transformation programs providing a variable cost base and year on year savings

Total Expenses		H1		
$M	FY20	FY19	VARIANCE	VARIANCE %
Employee expenses	28.6	29.6	1.0	3.4%
Cost of Sales	9.0	13.0	4.0	30.6%
Occupancy	2.7	2.6	(0.1)	(3.8%)
Software and support	1.9	1.9	0.0	0.0%
Communication & Marketing	1.2	1.4	0.2	14.3%
Other operating expenses	2.6	2.6	0.0	0.0%
Total expenses	**46.0**	**51.2**	**5.2**	**10.1%**
Full-time Equivalent (FTEs)	*1162*	*1198*	*36*	*3.0%*

[1] Excludes AASB 16

Cost transformation programs deliver greater variability into business operating model.

Total expenses (pre AASB16) reduced by $5.2m or 10%

- Net labour savings in ANZ and North Asia
- Investment in labour in Product, Tech and Business Development in line with strategy
- Management of labour cost inflation pressures
- Cost of sales savings through variability added to Australia copyright and Asia production costs

FY20 costs shown pre impact of AASB16 for comparative purposes. AASB16 would decrease occupancy by $1.9m and total expenses reduce to $44.1m

Cash Flow

Operating cash conversion remains strong

Cash Flows			Comparable financial information	
$M	H1 FY20 Per HY report	AASB 16 adjustment	H1 FY20	H1 FY19
Cash flows from operating activities				
Receipts from customers (inclusive of GST)	63.6		63.6	69.2
Payments to suppliers and employees (inclusive of GST)	(56.1)	1.9	(58.0)	(58.4)
Net Interest	(1.3)	(0.2)	(1.1)	(1.2)
Income taxes paid	(2.2)		(2.2)	(1.5)
Net cash from operating activities	**3.9**	**1.7**	**2.2**	**8.1**
Cash flows from investing activities				
Payments to vendors for prior year assets acquisition	-		-	(2.4)
Payments for property, plant and equipment	(0.6)		(0.6)	(0.7)
Payments for intangibles	(4.5)		(4.5)	(3.0)
Proceeds from release of security deposits	0.1		0.1	0.0
Net cash used in investing activities	**(5.0)**	-	**(5.0)**	**(6.0)**
Cash flows from financing activities				
Proceeds from borrowings	5.0		5.0	-
Repayment of borrowings	(5.8)		(5.8)	(4.0)
Repayments of leases	(2.0)	(1.7)	(0.3)	(0.2)
Net cash from/(used in) financing activities	**(2.7)**	**(1.7)**	**(1.0)**	**(4.2)**
Net increase in cash and cash equivalents	**(3.8)**	-	**(3.8)**	**(2.0)**
Cash and cash equivalents at the beginning of the financial period	14.7		14.7	11.9
Cash and cash equivalents at the end of the financial period	10.9		10.9	9.9

- Cash conversion remains strong. The reversal of prior period timing benefits impacted H1.
  - Adjusting for these - comparable net cash from operations increases to $7.7m
- No dividends paid or declared during the period
- AASB16 reclassification between operating activities and financing activities.

Debt Facility

Facility Renewed

Term Debt $M	Available	Debt Drawdown	Guarantees Drawn	Undrawn
Facility A1	34.3	34.3	0.0	0.0
Facility A2	11.0	8.0	0.0	3.0
Facility B	3.0	0.0	0.4	2.6
Total debt	**48.3**	**42.3**	**0.4**	**5.6**
Cash and cash equivalents and prepayments		10.9		
Net debt		**31.4**		

RATIOS[1]	BANK COVENANT	ACTUAL	EBITDA HEADROOM
Leverage Ratio	< 2.75x	1.48x	51%
Debt Service Cover Ratio	> 1.25x	2.45x	26%

[1] Ratios and headroom on 12 month rolling basis

- In December 2019, facility was extended to 31 July 2021.
- Net debt of $31.4m, down $9.7m on 31 Dec 2018.
- Covenant headroom on debt facility exists.

3

FY20 Outlook

Ed Harrison, CEO

COVID-19 Outbreak

- Isentia is assessing the impact of the COVID-19 outbreak on its Asian operations including on the demand for media intelligence in the region, sales pipeline and ability of our staff to deliver products and managed services.
- At this stage, the outbreak has not had a material impact on the business, but the situation is being monitored closely and Isentia will update the market should this change.

FY20 Outlook

Reaffirm FY20 Guidance

Expect revenue decline to be similar to FY19

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

AASB16 *Leases*

Adopted AASB16 Leases on 1 July 2019 which has resulted in the recognition of right-of-use assets and corresponding lease liabilities. Straight-line operating expense recognition in EBITDA is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities.

Overview

- Predominantly relates to office leases

Balance Sheet

- Initial recognition of right-of-use assets $10.1m and corresponding lease liability
- Finance lease capitalised previously under AASB117 with net carrying value of $1.2m now presented under right-of-use assets
- DTA and DTL recognised as a result of AASB16 adoption

Profit & Loss

- The adoption of AASB16 has resulted in a H1 increase underlying EBITDA by $1.9m
- This is offset by an increase in depreciation of $1.8m and net finance costs of $0.2m

Cashflow

- No impact on net cashflows
- Increase in reported operating cashflows offset by higher financing cashflows

Disclosure

- H1 2020 Profit & Loss, stated on a same basis as the prior year
- H1 2019 comparatives are not restated
- H1 2020 EBITDA and contribution shown pre and post AASB16 impact

Group Financial Results

Isentia Group

GROUP	H1			
$M	FY20	FY19	VARIANCE $M	VARIANCE %
ANZ	**39.5**	**44.7**	**(5.2)**	**(12%)**
SaaS - Media Intelligence	31.0	35.8	(4.8)	(13%)
VAS	8.5	8.9	(0.4)	(5%)
Content Marketing	-	-	-	-
Asia	**17.0**	**17.5**	**(0.5)**	**(3%)**
SaaS - Media Intelligence	8.3	8.0	0.3	4%
VAS	8.7	9.5	(0.8)	(8%)
Content Marketing	-	-	-	-
Revenue	**56.5**	**62.2**	**(5.7)**	**(9%)**
Copyright, consumables and other direct purchases	(11.8)	(16.0)	4.2	(26%)
Employee costs	(28.6)	(29.6)	1.0	(3%)
Other operating expenses	(5.6)	(5.6)	0.0	(0%)
Expenses	**(46.0)**	**(51.2)**	**5.2**	**(10%)**
Underlying EBITDA pre AASB 16	**10.5**	**11.0**	**(0.5)**	**(5%)**
AASB16 Adjustment	**1.9**	-	-	-
Underlying EBITDA after AASB 16 Adjustment	**12.4**	-	-	-
EBITDA margin	*18%*	*18%*	0.0	5%
Non-operating items	(0.5)	(1.5)	1.0	(64%)
Impairment of assets	-	(22.3)	22.3	(100%)
Loss on disposal of assets	(0.1)	(0.0)	(0.0)	121%
EBITDA	**11.9**	**(12.8)**	**24.7**	**(193%)**
Depreciation and amortisation	(5.2)	(3.7)	(1.5)	40%
Amortisation of acquired intangibles	(3.8)	(4.1)	0.3	(7%)
Finance costs	(1.2)	(1.2)	(0.0)	1%
Profit/(loss) before tax	**1.7**	**(21.8)**	**23.6**	**(108%)**
Tax	(1.0)	(0.3)	(0.6)	203%
NPAT	**0.7**	**(22.1)**	**22.7**	**(103%)**
add back: Amortisation of acquired intangibles after tax	3.0	3.2	(0.2)	(6%)
NPATA	**3.6**	**(19.0)**	**22.5**	**(119%)**
add back: Impairment of assets	-	21.6	(21.6)	(100%)
add: Extraordinary items (net of tax)	0.4	1.2	(0.8)	(69%)
Underlying NPATA	**4.0**	**3.8**	**0.2**	**5%**
Underlying Earnings per share (cents)	*2.0*	*1.9*	0.1	5%

- Underlying EBITDA excludes non- operating items.
- Depreciation and amortisation increased due to adoption of AASB16.

Summary Balance Sheet

$M	December 2019	June 2019
Current assets		
Cash and cash equivalents	10.9	14.7
Trade and other receivables	18.2	20.6
Income Tax Refund Due	0.1	0.1
Prepayments	2.1	1.5
Total current assets	**31.2**	**36.9**
Non-current assets		
Property, plant and equipment	3.1	3.8
Right-of-use assets	10.5	-
Intangibles	95.1	97.3
Deferred Tax Assets	6.0	3.5
Total non-current assets	**114.7**	**104.7**
Total Assets	**145.9**	**141.6**
Current Liabilities		
Trade and other payables	12.8	17.8
Contract liabilities	5.0	5.2
Borrowings	2.8	3.8
Lease liabilities	4.0	0.6
Contingent consideration	-	0.7
Current Tax Liabilities	0.4	1.6
Provisions	4.1	5.4
Total current liabilities	**29.1**	**35.1**
Non-current liabilities		
Borrowings	39.1	39.2
Lease liabilities	6.9	0.6
Derivative financial instruments	0.2	0.3
Contingent consideration	1.3	0.6
Deferred Tax Liabilities	9.7	7.1
Provisions	0.3	0.6
Total non-current liabilities	**57.4**	**48.4**
Total Liabilities	**86.5**	**83.3**
Total equity	**59.4**	**58.2**

- Decrease in trade receivables in line with underlying revenue performance; continued focus on collections.
- Recognition of right-of-use assets and corresponding lease liability under AASB16.
- DTA and DTL increased due to the adoption of AASB16.
- Decrease in trade payables due to reversal of timing benefits in payments from prior period.
- Contingent consideration treated as non current.

Cash Flow – Cash Envelope

Operating cash conversion remains strong

Cash Flows			Comparable financial information	
$M	H1 FY20 Per HY report	AASB 16 adjustment	H1 FY20	H1 FY19
Underlying EBITDA	12.5	1.9	10.6	11.0
(Increase) / decrease in net working capital	(4.5)		(4.5)	1.3
Net cash from operating activities	**8.0**	**1.9**	**6.1**	**12.3**
Operating cash flow conversion %	*63.9%*		*57.3%*	*111.6%*
Payments for property, plant and equipment	(0.6)		(0.6)	(0.7)
Payments for intangibles	(4.5)		(4.5)	(3.0)
Proceeds from release of security deposits	0.1		0.1	0.0
Net cash used in investing activities	**(5.0)**	-	**(5.0)**	**(3.6)**
Net finance costs paid	(1.3)	(0.2)	(1.1)	(1.2)
Tax paid	(2.2)		(2.2)	(1.5)
Payments to vendors for prior year assets acquisition	-		-	(2.4)
Proceeds from borrowings	5.0		5.0	-
Repayment of borrowings	(5.8)		(5.8)	(4.0)
Repayments of leases	(2.0)	(1.7)	(0.3)	(0.2)
Other one-off items including restructuring costs	(0.5)		(0.5)	(1.5)
Net cash from/(used in) financing activities	**(6.8)**	**(1.9)**	**(4.9)**	**(10.7)**
Net cash flow	**(3.8)**	-	**(3.8)**	**(2.0)**
Cash and cash equivalents at the beginning of the financial period	14.7		14.7	11.9
Cash and cash equivalents at the end of the financial period	10.9		10.9	9.9
Gross drawn debt	**42.3**		**42.3**	**51.0**
Net debt	**31.4**		**31.4**	**41.1**

- The cash flow includes the reclassification between operating activities and financing activities under AASB 16. The comparable financial information excludes these adjustments.
- The increase in net working capital in H1 FY20 includes a reversal of prior period timing benefits. If this was adjusted, operating cash flow conversion would increase to 99.0%.
- In H1 FY20 further resources invested to develop a single technology platform, resulting in higher payments for intangibles.
- Management of the cash envelope is a key focus. In H1 FY20, net debt reduced by $9.8M from Dec 2018 to $31.4M.

Thank you

Disclaimer

This presentation contains general information about the activities of Isentia Group Limited (ACN 167 541 568 (Isentia or Company) which is current as at 21 November 2019. It is in summary form and does not purport to be complete. This presentation is not a recommendation or advice in relation to Isentia or any product or service offered by Isentia's subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision. It should be read in conjunction with Isentia's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange. These are also available at www.isentia.com.1

No representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this presentation. To the maximum extent permitted by law, Isentia, its subsidiaries and their respective directors, officers, employees and agents disclaim all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient through use of or reliance on anything contained in or omitted with this presentation. No recommendation is made as to how investors should make an investment decision. Investors must rely on their own examination of Isentia, including the merits and risks involved. Investors should consult with their own professional advisors in connection with any acquisition or securities.

The information in this presentation is for general information only. To the extent that certain statements contained in this presentation may constitute "forward-looking statements" or statements about "future matters", the information reflects Isentia's intent, belief, or expectations at the date of this presentation. Subject to any continuing obligations under applicable law or any relevant listing rules of the Australian Securities Exchange, Isentia disclaims any obligation or undertakings to disseminate any updates or revisions to this information over time. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Isentia's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Any forward-looking statements, opinions and estimates in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. For example, the factors that are likely to affect the results of Isentia include, but are not limited to, general economic conditions in Australia and Asia, exchange rates, competition in the markets in which Isentia will operate and the inherent regulatory risks in the business of Isentia. Neither Isentia, nor any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. In addition, please note that past performance is no guarantee or indication of future performance.

This presentation does not constitute an offer to issue or sell, or solicitation of an offer to buy, any securities or other financial products in any jurisdiction. The distribution of this presentation outside Australia may be restricted by law. Any recipient of this presentation outside Australia must seek advice on and observe any such restrictions. This presentation may not be reproduced or published, in whole or in part, for any purpose without the prior written permission of Isentia.