



# **Pureprofile (ASX: PPL) Half Year Presentation**

FY2020 Half Year Financial Results  
February 2020

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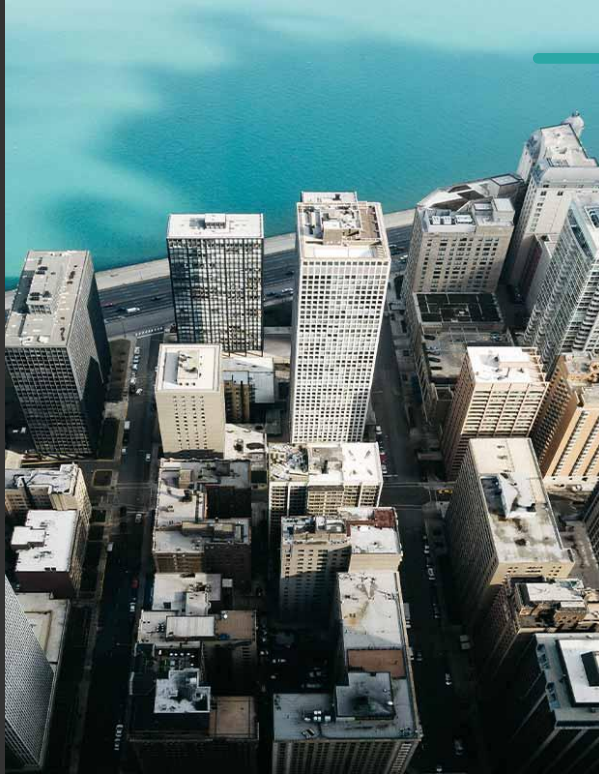
————— • **We connect consumers to more of what they want, and our clients to more of the people that matter**





## • FY2020 Half Year Overview

- **Continued growth in core Data & Insights business:** revenue up 6% (on pcp) to \$10.0m.
- **Strong growth in UK region:** UK Revenue up 12% (on pcp) to \$3.4m.
- **1H20 EBITDA** (incl. discontinued businesses): \$0.7m (1H19: \$0.3m).
- **Business transformation:** Strategy to simplify the business and focus on core growth units progressing well
  - Further savings realised through executive team restructure, automation, technology rationalisation and relocation of UK office.
  - UK Performance business turnaround is in progress with YOY growth expected in Q3.



## • FY2020 Half Year Overview

- **Continuing business 1H20 revenue:** \$13.5m (1H19: \$13.9m) (growth in D&I masked by Media & Performance business declines).
- **Statutory 1H20 revenue** (incl. discontinued businesses and other income): \$13.4m (1H19: \$23.8m).
- **1H20 EBITDA** (continuing businesses only): \$0.9m (1H19: (\$0.7m)).
- **Stable financial position:** supportive existing lender has advanced additional working capital during H1 which allowed the business to repay and settle its debtor financing facility in October 2019.
- **Cash results:** monthly cash used for operating activities continues to improve despite a higher volume of payments made in Q1 to reduce supplier liabilities.
- **Today:** continuing growth across the D&I business globally; rising profitability with strong cost management (incl. Sydney office relocation); forecast operating cash flow positive in Q4. Commercialise existing technology as packaged research product. Focus on business turnaround for the Media and UK Performance businesses.

# Continuing Businesses

## Profit and Loss

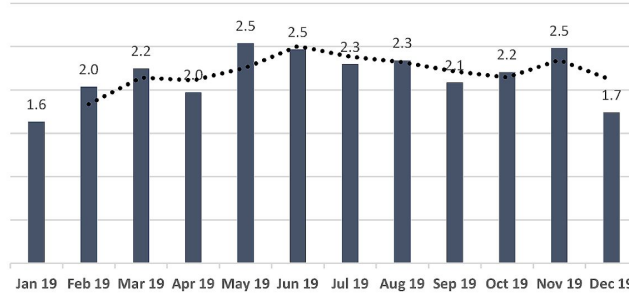
- EBITDA for 1H20 was \$0.9m, improved from (\$0.7m) in 1H19 driven by cost savings realised from savings in employee benefits, technology and other expenses.
- Gross Margin % was flat year on year.
- Other expenses were 21% lower than 1H19 due to the success of the cost restructuring program across the year.
- Data and Insights revenue growth continued in 1H20 with 6% global growth and UK growth of 51% to \$2.5m AUD.
- Media revenue decline of 24% for the half impacted by a reduction in agency spend from 2 key clients.
- Performance revenue decline of (36%). However 1H20 average monthly revenue of \$154k, up on 2H19 average monthly revenue of \$133k.

Profit & loss \$A million				
Period ending 31 December	1H20	1H19	Var \$	Var %
Data & Insights	10.0	9.5	0.6	6%
Media	2.2	2.9	(0.7)	(24%)
Performance	0.9	1.4	(0.5)	(36%)
Other revenue	0.3	0.1	0.2	200%
<b>Total revenue (inc Other income)</b>	<b>13.4</b>	<b>13.9</b>	<b>(0.5)</b>	<b>(4%)</b>
Gross Profit	7.7	8.0	(0.2)	(3%)
GM%	58%	58%	NA	0%
Other Expenses	6.9	8.7	1.8	21%
EBITDA	0.9	(0.7)	1.6	218%

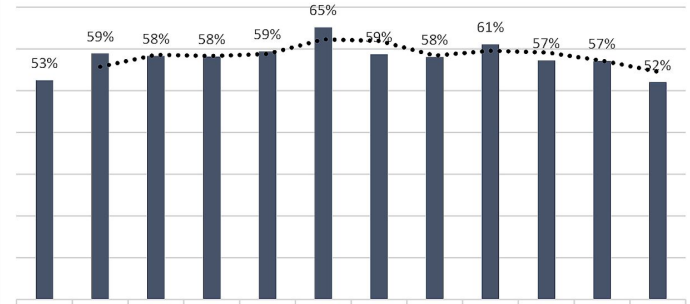
# Continuing Businesses Update

EBITDA improvement due to an ongoing reduction in monthly expenses, coupled with stable monthly revenue and GM%. December EBITDA impacted by seasonally low revenue following a strong November revenue result.

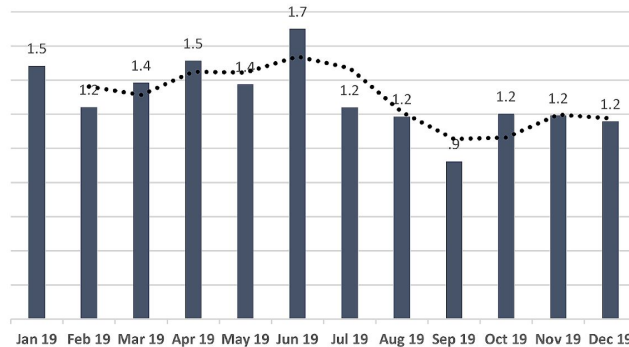
**Group Continuing Businesses  
Total Monthly Revenue \$m**



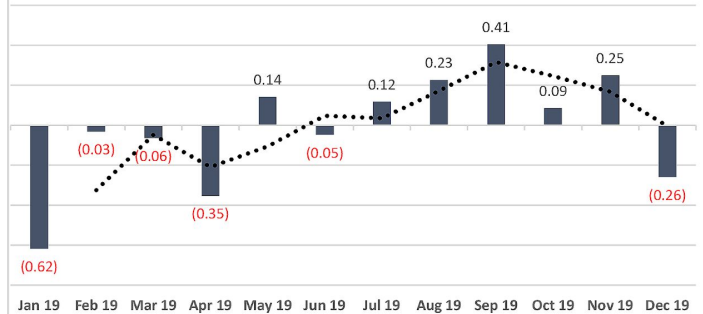
**Gross Margin %**



**Total Monthly Expenses \$m**



**EBITDA \$m  
(Continuing businesses only)**



# Statutory Profit and Loss

- Discontinued businesses include the Media Trading and Performance ANZ business units sold during FY19.
- GM% improvement due to sale of discontinued lower margin business units.
- Depreciation and amortisation expense up by \$0.2m, however 1H20 includes \$0.5m related to right of use lease assets.
- Net Profit (Loss) After Tax improvement of \$0.9m due to reduction in non cash write-down of intangibles & income tax expense offsetting an increase in amortisation expenses and in Finance Costs.

Profit & loss \$A million				
Period ending 31 Dec	1H20	1H19	Var \$	Var %
Continued Businesses	13.4	13.9	(0.5)	(4%)
Discontinued Businesses	0.0	10.3	(10.3)	(100%)
<b>Total revenue (inc other income)</b>	<b>13.4</b>	<b>23.8</b>	<b>(11.0)</b>	<b>(45%)</b>
Gross Profit	7.7	11.2	(3.5)	(31%)
GM%	58%	46%	NA	11%
Other costs	6.8	8.7	1.9	22%
Other costs (discontinued bus.)	0.2	2.2	2.0	90%
<b>EBITDA</b>	<b>0.7</b>	<b>0.3</b>	<b>0.4</b>	<b>141%</b>
Finance Costs	1.7	1.3	(0.4)	(31%)
Depreciation & Amortisation	2.2	2.0	(0.2)	(10%)
Impairment/Disposal of Assets	2.1	2.7	0.6	22%
Income Tax Expense	0.0	0.5	0.5	100%
<b>Statutory Net Profit (Loss) after tax</b>	<b>(5.4)</b>	<b>(6.3)</b>	<b>0.9</b>	<b>14%</b>



# Balance Sheet

- Reduction in Intangibles due to impairment of goodwill related to the Media business of \$2.1m and a net reduction in Software of \$0.2m (Asset additions of \$1.3m offset by amortisation of \$1.5m).
- Reduction in trade & other payables due to a high volume of payments made in Q1 to reduce supplier liabilities.
- Debtor financing facility repaid and settled in Q2.
- Overall increase in Liabilities by \$4.4m. \$2.6m relates to lease liabilities & further drawdown on financing facility.
- Debt facilities extended to 1 April 2021.

\$A million		
Period ending 31 Dec	1H20	2H19
Cash and cash equivalents	0.6	0.5
Trade and other receivables	5.2	6.4
Other	1.3	1.1
<b>Total Current Assets</b>	<b>7.2</b>	<b>8.0</b>
Fixed Assets	0.2	0.2
Intangibles	8.6	11.1
Right of use asset	2.5	0.0
<b>Total Non-Current Assets</b>	<b>11.3</b>	<b>11.3</b>
<b>Total Assets</b>	<b>18.5</b>	<b>19.3</b>
Trade and other payables	6.2	9.3
Borrowings	0.0	16.5
Income Tax	0.1	0.1
Provisions	1.9	2.0
Contract & Lease liabilities	0.6	0.3
<b>Total Current Liabilities</b>	<b>8.7</b>	<b>28.2</b>
Borrowings	21.6	0.0
Provisions	0.1	0.1
Lease Liabilities	2.3	0.0
<b>Total Non-Current Liabilities</b>	<b>24.0</b>	<b>0.1</b>
<b>Total Liabilities</b>	<b>32.7</b>	<b>28.3</b>
<b>Net Assets</b>	<b>(14.2)</b>	<b>(8.9)</b>



# Cash Flow

- Operating cash flows improved by \$0.8m predominantly due to savings realised during H1 and the continued improvement in collections of receipts from customers.
- Average monthly cash used for operating activities of \$0.2m/month in Q2, an improvement on Q1 \$0.4m/month.
- Payment for Intangibles which relate to technology development improved by \$0.2m on pcip.
- Additional funding provided by existing lender used to repay and settle the debtor financing facility in Q2.
- Pureprofile aims to return to positive operating cash flow in Q4.

As at 31 Dec	\$m 1H20	\$m 1H19
EBITDA	0.7	0.3
Net working capital movement	(1.3)	(0.3)
Other	(0.2)	(1.6)
<b>Operating cash flows</b>	<b>(0.8)</b>	<b>(1.6)</b>
Capital expenditure	(0.0)	(0.0)
Acquisitions	0.0	0.0
Proceeds from disposals	0.0	0.2
Payments for Intangibles	(1.3)	(1.5)
<b>Investing cash flows</b>	<b>(1.3)</b>	<b>(1.3)</b>
Net proceeds of borrowings	5.1	1.8
Repayment of borrowings	(2.1)	0.0
Repayment of lease liabilities	(0.8)	0.0
<b>Financing cash flows</b>	<b>2.2</b>	<b>1.8</b>
Total cash flows	0.1	(1.1)
Opening cash balance	0.5	2.5
<b>Closing cash balance</b>	<b>0.6</b>	<b>1.4</b>



## • FY2020 H2 Outlook



Revenue growth continuing in core D&I business with a recovery of revenue for the Media & Performance businesses. Focus on building greater sales capability in ANZ.



Ongoing reduction in costs through automation, technology rationalisation and further occupancy savings due to Sydney office relocation.



FY20 EBITDA guidance of \$2.7m to \$3m.



Q4 Positive net cash flows from operating activities.



Explore capital restructuring initiatives and other strategic options to reduce debt exposure.



**Thank you**