



## ASX Release

FOR IMMEDIATE RELEASE

30 June 2020

### North Asia closure and trading update

Isentia Group Limited (ASX: ISD) today announces that it will close its North Asian operations and provides a trading update.

#### North Asia closure and strategic alliance with Wisers

Following an extensive strategic review, Isentia has decided to exit its loss-making North Asian operations which it has determined are no longer core to its strategy due to the poor alignment of these assets with the rest of the business and the substantial capital investment needed to meet the unique customer requirements and reach scale in these markets.

As part of this process, Isentia has entered into a strategic alliance with Wisers Information Limited, a leading provider of big data smart business intelligence solutions based in Hong Kong. Isentia will work with Wisers to transition clients in Beijing, Shanghai, Hong Kong and Taiwan to ensure that they continue to have access to media intelligence and insights. The alliance allows both parties to explore further opportunities to collaborate across other markets.

At the same time, Isentia has reached agreement to sell its stake in its Korean business to its local partner and will exit this market.

From a financial perspective, the exit is expected to result in one-off net cash closure costs of \$3m to \$4m which will be incurred over the next 12 months, primarily in H1 FY2021. In addition, there may be a non-cash impairment against the carrying value of the North Asian assets which is currently being determined but will not impact existing banking covenants. In FY2020, North Asia is expected to contribute \$8.7m in revenue and an EBITDA loss of \$1.3m. North Asia will be treated as discontinued operations in the FY2020 accounts.

Isentia Managing Director and CEO Ed Harrison said: “The decision to exit our North Asian markets was not taken lightly but reflects our relentless strategic focus on building regional scale with a single platform. The exit streamlines our business and clears the path for innovation to reach all our markets simultaneously. The strategic alliance with Wisers represents a unique opportunity to transition our clients to a leading local business intelligence provider and to explore the possibility of further collaboration in other regions.”

Isentia remains committed to its South-East Asian markets where it is a leading provider of social media analytics and has close partnerships with local and multi-national clients. Unlike North Asia, revenue in South-East Asia is highly recurring and continues to record strong growth. Driving scale in this region remains a strategic priority for Isentia through targeted investment in multi-market sales, product development and technology.

Isentia Group Limited ACN 167 541 568

Level 3, 219-241 Cleveland, Strawberry Hills NSW 2012, Australia T +61 2 9318 4000, [isentia.com](http://isentia.com)



### Trading update

Isentia expects underlying EBITDA (including North Asia and pre AASB16) in FY2020 to be in the range of \$20m to \$21m. Although COVID-19 has disrupted many of our customers' operations, the essential nature of Isentia's products and services, especially during a crisis, has mitigated the impact of the pandemic on the business. Isentia has also benefited from the early implementation of cost saving measures as well as the acceleration of existing cost management programs. As a result, Isentia's financial position remains strong with good cash conversion from underlying EBITDA and significant headroom on its existing \$47.5m bank facility which does not expire until 31 July 2021.

Mr Harrison said: "In recent months, the value our customers place on our products and services has been reflected in the increased utilisation of our Mediaportal platform. Our incredible team has worked hard to ensure that our clients received the most up-to-date and relevant media intelligence to support their decision-making during this critical time.

"As we enter a new financial year, the Board and management remain focused on the successful execution of our strategic plan and will continue to invest in product and technology to deliver superior customer outcomes and drive earnings growth across Australia, New Zealand and South-East Asia."

### For more information:

#### Investors

Françoise Dixon  
Citadel-MAGNUS  
**+61 412 292 977**

#### Media

Helen McCombie  
Citadel-MAGNUS  
**+ 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. 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](http://www.isentia.com)

### About Wisers Information Limited

Founded in Hong Kong in 1998, Wisers is the world's leading expert in all-media big data smart business intelligence solutions. With over 20 years of experience in collecting massive media data, cutting-edge AI development and scientific analysis model, Wisers provides innovative products and solutions to more than 2,500 customers around the world. [www.wisers.com](http://www.wisers.com)