



# ASIA PACIFIC DIGITAL LIMITED

2016 Annual General Meeting

 25 November 2016



## CHAIRMAN'S ADDRESS

1. FY16
2. Strategic Partner Process
3. Performance and Outlook
4. Funding
5. What to Expect

## CORE MISSION

**To provide integrated digital solutions for large corporations who have complex and often cross-border digital needs.**

**Digital strategy, design, technology, marketing, client retention and analytics.**

## ESTABLISHED GEOGRAPHIC REACH

- Building capability in Asia since 2012
- Now 60% of personnel and ~30% of revenues
- Serving local blue chip and MNC clients with integrated approach across geographies, cultures and disciplines
- Scaling through a combination of local relationships and offshore delivery
- Velocity is growing: from one to six regional mandates across 15 countries in FY16


- 360 degree digital services
- Technology & operations hub
- Serving clients in these countries from APD locations



## PROGRESS v THREE YEAR KPIS

 **KPI**

**OUTCOME** 

1. Build core capabilities in Asia		Completed
2. 50% of revenues outside Australia		~30-35% - on track
3. Locate 50% of employees in Asia		~60% - completed
4. 30% growth rate in Asia		49% (excl-Global Clients)
5. Profit		Breakeven in June 2016 Targeting sustained profit during 2017

## STRATEGIC PARTNER PROCESS

- Evaluating bringing in a strategic partner that needs a platform for expansion in APAC and can accelerate APD's growth
- Process announced to ASX on 1 September; dialogue is underway with a small number of qualified parties
- Process has validated the strategic value of the APD platform to acquirers
- Directors to decide in the New Year which option will maximise long term shareholder value



### Diverse outcomes remain possible:

- 1 Sale of significant equity stake
- 2 Non-equity alliance
- 3 Remain independent and build profits

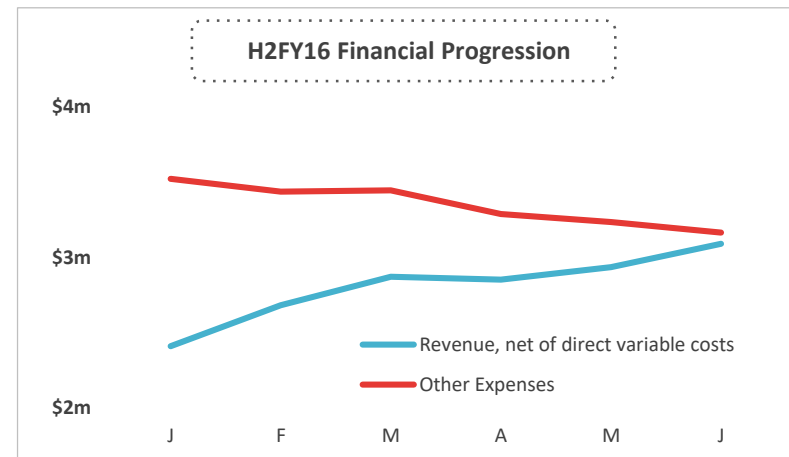
# CURRENT PERFORMANCE

## H2FY16: Core Business Achieved Breakeven

- Build phase nearly complete.
- Investment scaled back, non-performing businesses exited.

## FY17 YTD: Bottom Line Improvement vs PCP (1HFY16)

- Bottom line performance met internal targets to October:
  - Significant improvement in bottom line YTD versus PCP
  - Revenues for H1 likely to be down on prior year period
  - Focus on cost management more than offsets this
- Malaysia, Singapore, Manila and China performing well.
- Significant growth in number and value of pan-Asian mandates.
- Offset by decline in revenues from Ford as timing of new product launches slows and tech re-platform continues.
- Australia is taking longer than expected to fully integrate 360' Digital offering across the organisation - work in progress.



## SHAREHOLDER PURCHASE PLAN

- Offer of up to \$15,000 in new ordinary shares per shareholder
- Opportunity for smaller shareholders to increase participation as APD leverages its unique platform
- Attractively priced at \$0.44 per share, an 18% discount to 30 day VWAP
- Funds to be used for general working capital purposes
- Offer opens 30 November and closes 16 December 2016
- Directors commend this offer to shareholders





## WHAT TO EXPECT

- Continuing momentum in Asia
- Subdued performance in Australia, being actively addressed
- Focus on larger clients with higher revenues - longer selling cycle resulting in some revenue and earnings volatility as the pipeline builds
- Absolute focus on reaching sustainable profitability during 2017. Material bottom line improvement YTD versus PCP (H1 revenues will decline)
- Imminent decision on whether to “go it alone” or team up with a partner that needs APD’s skills and footprint and can accelerate APD’s growth





# FORMAL BUSINESS

# ITEMS OF BUSINESS

Item	Proxy Votes Received			%
	For	Against	Discretion	For/Discretion
<b>1</b> Financial, directors' and auditors' reports	n/a	n/a	n/a	n/a
<b>2</b> Remuneration Report	6,003,323	48,424	42,215	99.21%
<b>3a</b> Re-appointment of Roger Sharp	75,934,766	4,880	41,014	99.99%
<b>3b</b> Re-appointment of Fionn Hyndman	75,934,766	4,880	41,014	99.99%
<b>4a</b> Issue of securities to Fionn Hyndman in lieu of Directors' fees	75,900,192	18,432	41,014	99.98%
<b>4b</b> Issue of securities to Peter Hynd in lieu of Directors' fees	14,237,009	18,540	41,014	99.87%
<b>4c</b> Issue of securities to Roger Sharp in lieu of Directors' fees	6,034,324	18,432	41,014	99.70%
<b>4d</b> Issue of securities to Mark Dagleish in lieu of Directors' fees	75,900,084	18,540	41,014	99.98%
<b>4e</b> Issue of securities to Laura Ashton in lieu of Directors' fees	75,900,084	18,540	41,014	99.98%
<b>5</b> Refresh the Company's 15% placement capacity	75,914,187	42,555	22,704	99.94%