

Half Year 2017

# Results Presentation

10 August 2017

MitulaGroup<sup>o</sup>



Mission:

To be a leading  
player in the  
global online  
classifieds  
industry

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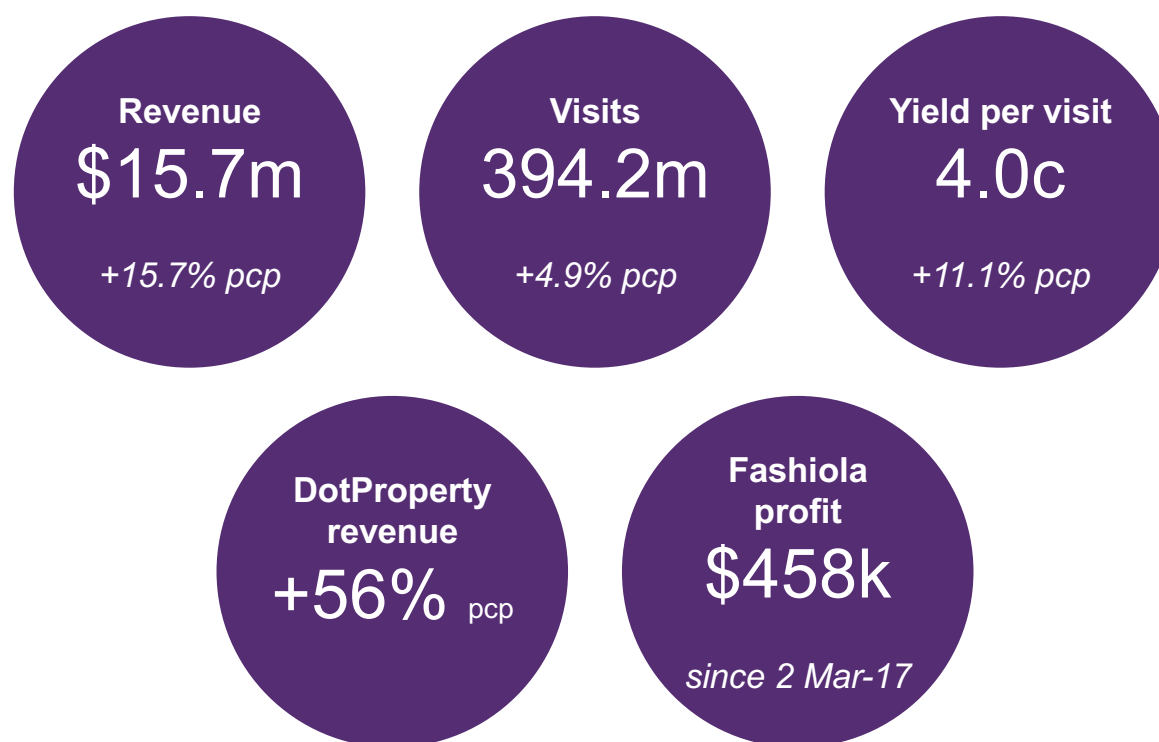
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## Half year 2017 performance

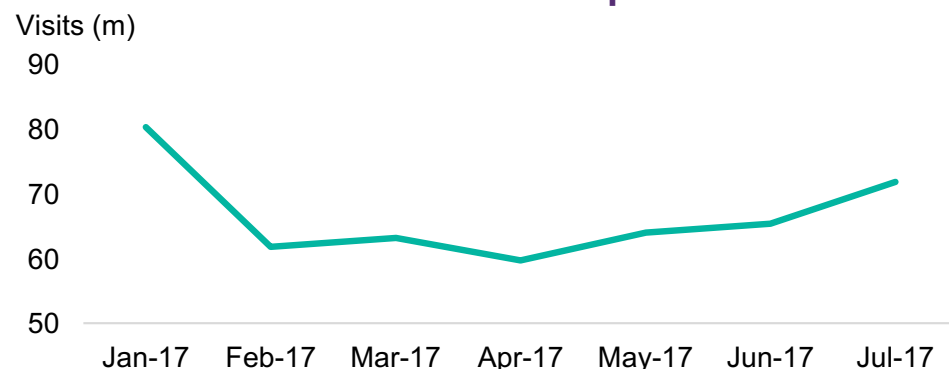


### Key highlights

- **Record visits delivered** in January 2017 with strong growth in yield
- Continued **implementation of 'Closer to the Transaction'** strategy
- **DotProperty delivered strong growth** in visits, revenue and yield per visit
- **Acquisition of Fashiola fashion vertical network completed** and positive contributor to the Group
- **Launched six new sites** under the Fashiola, Nestoria and Nuroa brands
- Appointed **Georg Chmiel** to the Board
- Released quarterly **housing price trend reports** in Spain

## Traffic recovery well underway across Mitula Group sites

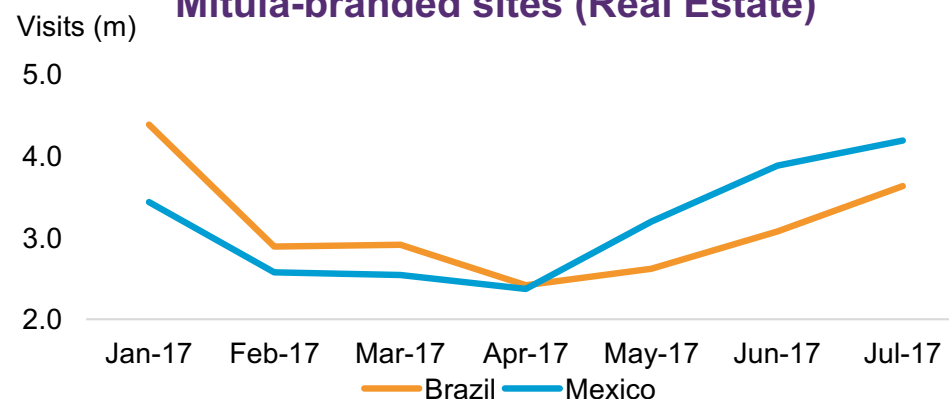
### Overall Mitula Group traffic



### Commentary

- In February Mitula branded sites experienced a significant decrease in organic search traffic from Google
- Between February and April, traffic did not recover as expected
- In April a configuration error, which was causing webpages to be delivered slower than usual, was identified and corrected
- Since the correction, overall traffic has recovered and July was the second best traffic month for the Group – 8.8% increase over July 2016
- Some countries are recovering faster than others with Mexico and Brazil, two major countries, performing well
- Mitula continues to actively monitor this recovery

### Mexico and Brazil Mitula-branded sites (Real Estate)



## Mitula growth strategy: “Closer to the Transaction”



### Core business

Grow traffic to vertical search sites in all countries

Monetise traffic through sale of clicks and Google AdSense



**51 countries**  
**105 sites**

### New higher value revenue streams

Create listing and display advertising opportunities on existing vertical search sites

In selected markets, operate portals to capture listings and advertising revenue



**9 countries**  
**Acquired Sept 2016**

In selected markets, capture revenue from primary and secondary transactions including property sales, mortgages, insurance, financing and clothing sales



**19 countries**  
**Acquired March 2017**

**Better value capture underpinned by increasingly detailed understanding of visitors**

# Summary financial performance for half year 2017

## Results commentary

### Revenues

- The Company delivered strong growth during the first half with a record \$15.7m in revenues, driven by an 11% increase in yield per visit and 5% increase in visits
- Half-yearly revenues have nearly doubled since the Group's IPO

### Expenses

- Cost of sales (purchased traffic) was higher than expected due to the configuration error and the need to fulfil existing customer contracts plus purchased traffic by Fashiola
- Operating expenses were higher, primarily due to the inclusion of DotProperty for a full 6 months and Kleding BV (Fashiola) from March onwards

### Cash flow

- A solid operating cash in flow of \$4.9m including the expenses associated with investments
- Investing cash outflow of \$14.5m was largely driven by the acquisition of Kleding BV (Fashiola)

## Financial summary (A\$m)

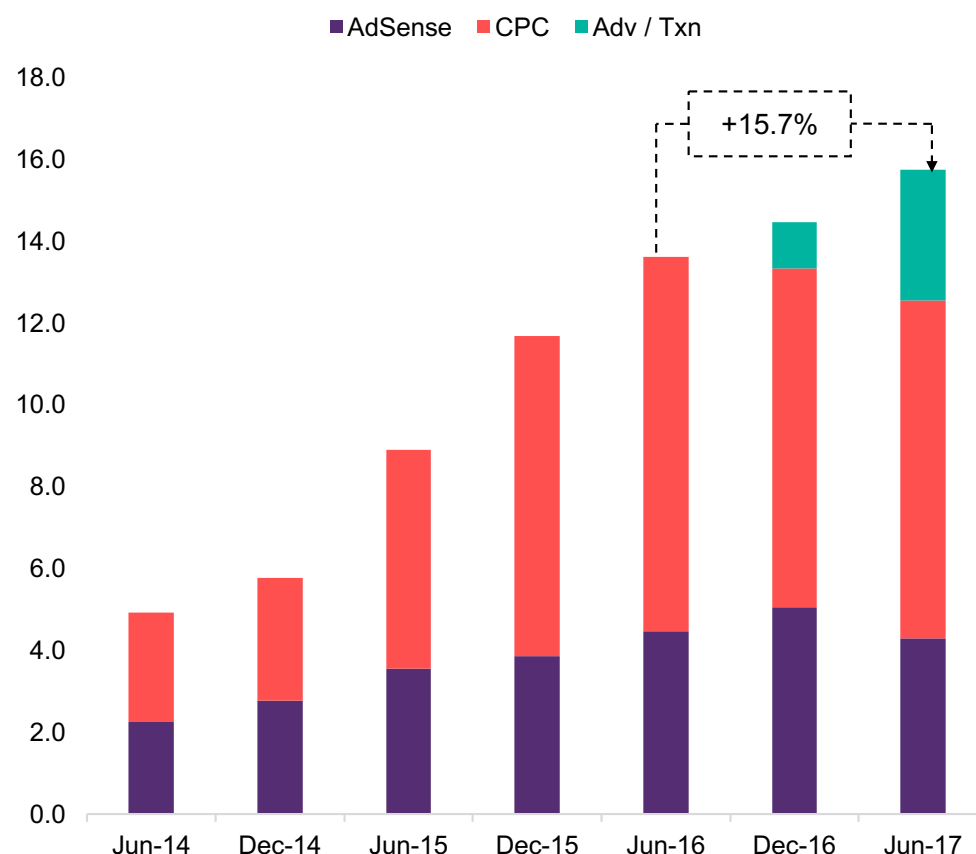
Financial performance	1H2017	1H2016	Change (%)
Revenues	15.7	13.6	15.7%
Cost of Sales	(3.4)	(1.7)	(99.6%)
<b>Gross Profit</b>	12.3	11.9	3.4%
Operating Expenses	(6.9)	(5.3)	(30.2%)
<b>EBITDA</b>	5.4	6.6	(17.7%)
<i>EBITDA Margin</i>	34.4%	52.5%	n/a
<b>Total Comprehensive Income</b>	2.7	4.4	(38.3%)

Cash flow metrics	1H2017	1H2016	Change (%)
Operating cash flow	4.9	6.1	(19.7%)
Investing cash flow	(14.5)	(3.0)	(383.3%)
Financing cash flow	-	(1.9)	-

Financial position	1H2017	1H2016	Change (%)
Cash	10.9	22.2	(50.1%)
Debt	-	-	-

# Product revenue

## Financials – Half Yearly Revenues (A\$m)<sup>1</sup>



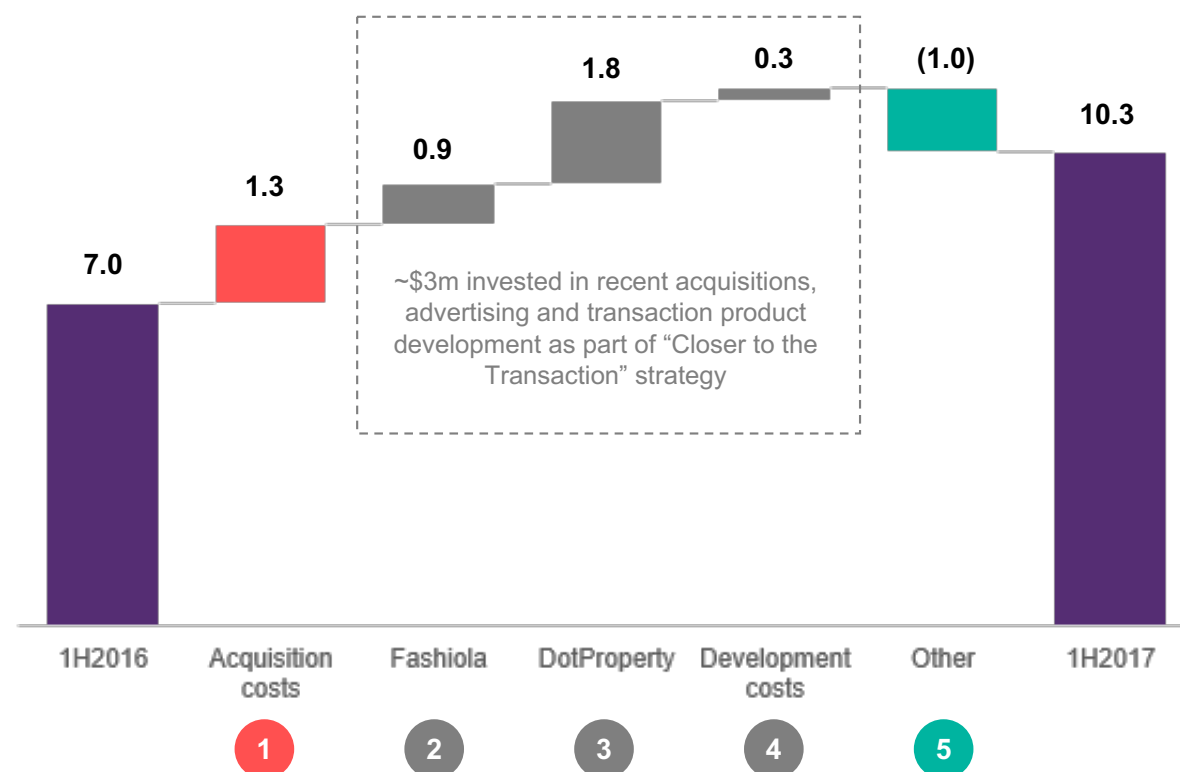
## Commentary

- **Advertising and transaction revenues accounted for 21.2% of total revenues in June half year**
- Focus is on **extracting more value from existing visitors** rather than just growing visitor numbers
- Mitula Group is building a **data mining capability** to profile visitors and target them with advertising and transaction based products and services
- **DotProperty** and **Kleding/Fashiola** acquisitions support our acceleration of “Closer to Transaction” strategy
- **Other products and services** being developed for select markets include mortgage and insurance products, display advertising for existing customers, and new homes sales

1. Advertising and transaction-based products launched in June 2016. These include display advertising products on Mitula sites, listings and promotion products on DotProperty sites, transaction revenue on the fashion vertical and data products. Transaction revenue from Fashiola only included from 3 March 2017  
Source: Interim financial report, management accounts

# Review of 1H2017 operating expenses

## Operating expenses bridge (A\$m)



- 1 Acquisition costs:** additional traffic acquisition costs to fulfil contracts for CPC business (not including Fashiola traffic)
- 2 Fashiola:** 4 month of operating expenses from the Fashiola business (including traffic)
- 3 DotProperty:** 6 months of operating expenses from the DotProperty business
- 4 Development costs:** new advertising and transaction product development expensed
- 5 Other:** reallocation of staff to new products, removal of IPO related costs (in 2016 numbers), operational cost savings, no STI payment

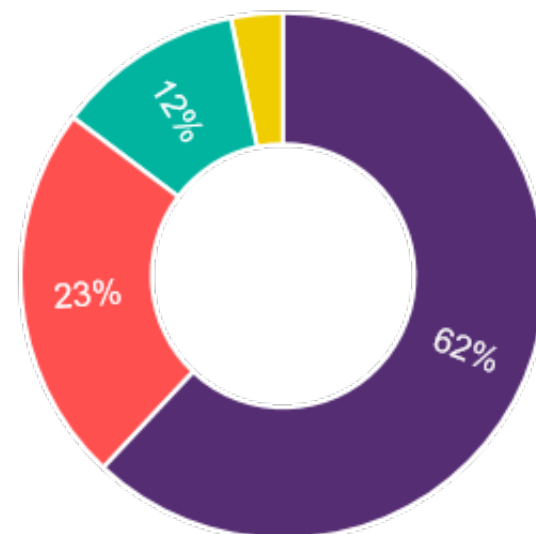


## Source of visits

*Majority of traffic to Mitula is derived from organic searches and direct queries*

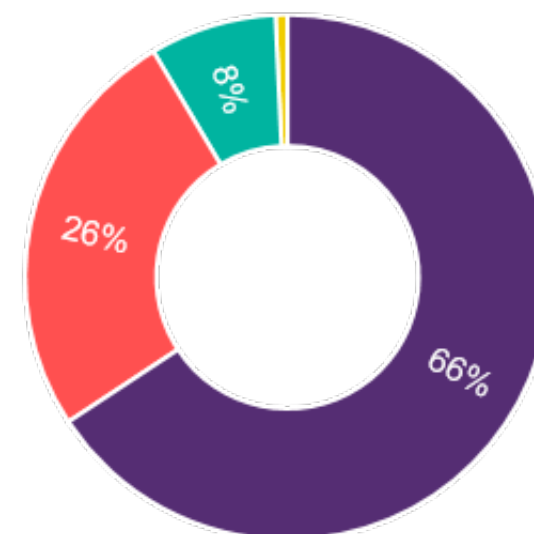
*Only a minority of traffic is from paid searches*

1H2017 visits



■ Organic search ■ Direct  
■ Paid search ■ Apps

1H2016 visits



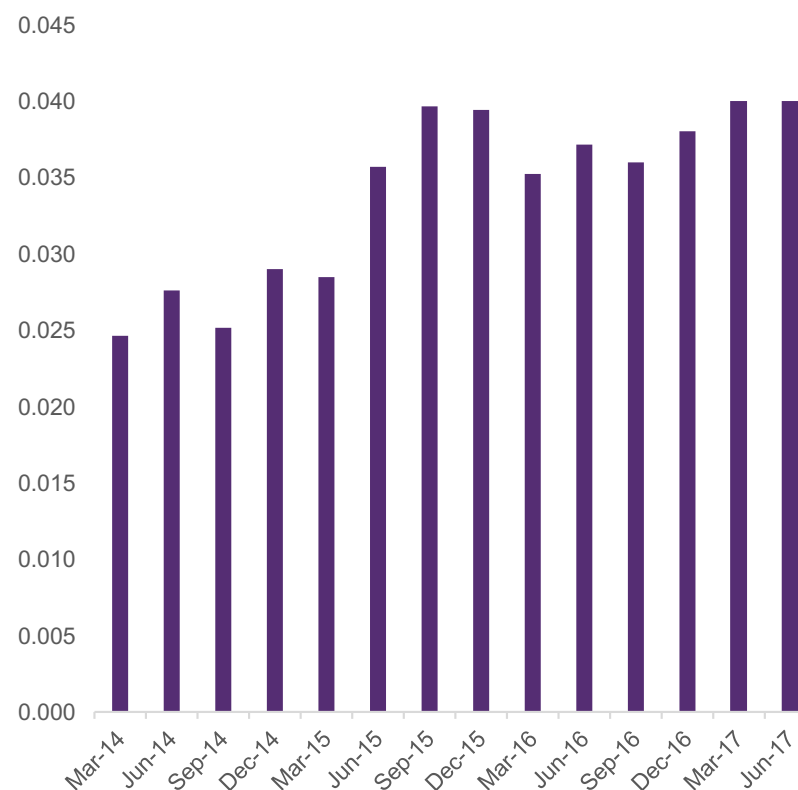
■ Organic search ■ Direct  
■ Paid search ■ Apps

## Key performance indicators

### Quarterly Visits (m)



### Yield per visit (A\$)



Source: Internal Management Reports, Google Analytics

## Closer to the Transaction: DotProperty



### Mitula acquired DotProperty in September 2016

- Head office based in Bangkok, Thailand and regional office in Philippines
- DotProperty was launched in 2013 as a South East Asian property portal network
- Currently DotProperty operates 10 property portals covering nine fast growing South East Asian markets<sup>1</sup>
- Monetises sites through a combination of listing products for agents and developers primarily in Thailand and the Philippines

### Strategic rationale

- DotProperty facilitates Mitula's '**closer to the transaction**' strategy
- **Significant value upside potential** by operating portals to capture listings and advertising revenue
- Enhances and **increases monetisation of property based visits** in Tier 2 markets (South East Asia)
- Targeted markets experience high property transaction volumes with small, but **growing, proportion of online advertising spend**

**DotProperty fully integrated and positioned to drive further revenue and yield growth**

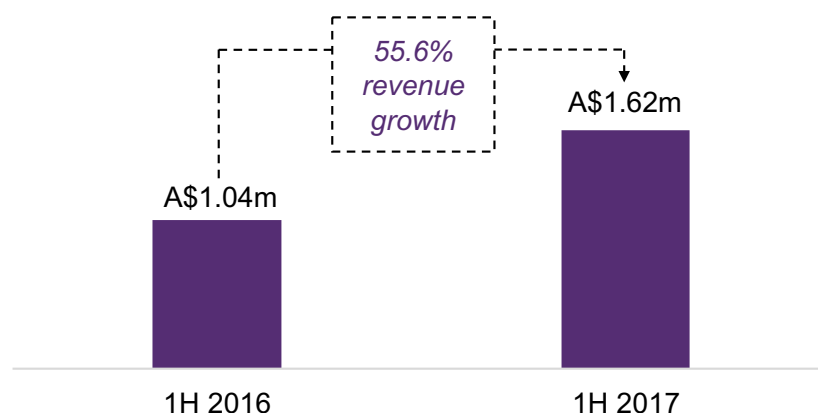
1. Thailand (2 sites), Philippines, Indonesia, Malaysia, Singapore, Laos, Cambodia, Myanmar, Vietnam  
Source: Management accounts and reports

# DotProperty performance

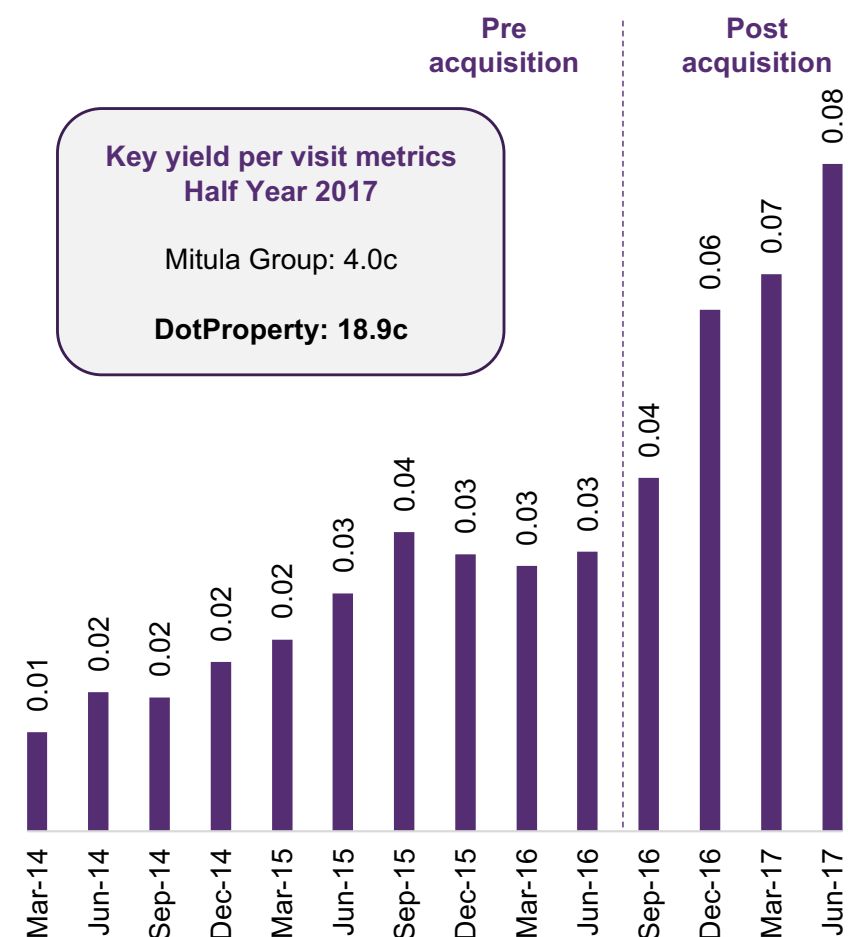
## Performance metrics since acquisition

Key metrics	August 2016	July 2017	Growth (%)
Visits	0.8m	2.0m	148%
Page Views	2.7m	7.0m	162%
Listings	568,800	1,363,100	140%
Agents <sup>1</sup>	20,200	73,400	263%
Developers	1,278	1,722	35%

## Underlying growth in DotProperty's revenue<sup>2</sup>



## Mitula Group Yield per visit: Countries<sup>3</sup> DotProperty operates (A\$)



1. Inclusive of paying and trial agents 2. DotProperty revenues are unaudited. For comparative purposes, periods are presented on a pre-IFRS adjustments for timing basis. In the statutory accounts revenues for the period are recorded at \$1.4m. 3. Thailand, Philippines, Indonesia, Malaysia, Singapore, Laos, Cambodia, Myanmar, Vietnam

Source: Management accounts

## Closer to the Transaction: Kleding/Fashiola

FASHIOLA.



### Mitula acquired Kleding BV in March 2017

- Kleding BV is the owner of 16 fashion vertical search sites operating under the Kleding.nl and Fashiola brands primarily across European markets<sup>1</sup>
- Kleding/Fashiola displays listings from multiple brands on one platform, where users can select items to purchase (who are then directed to originating store to complete)
- Kleding/Fashiola's revenue model
  - ~10% of any transaction completed by the user in the first 30 days on that store
  - Brand display advertising (~10% of revenues)

### Strategic rationale

- Kleding/Fashiola **complements Mitula's strategy** to move 'closer to the transaction'
- Accelerate movement into the fashion vertical and associated transaction based revenues
- **Leverage Mitula's strong presence** in existing Tier 1 established markets to accelerate growth
- **Significant market:** eCommerce fashion sales expected to grow to US\$633bn by 2021
- **Attractive demand dynamics:** growing trends in consumers who prefer to purchase online

**Integration of Kleding BV is on track and expected to be a key value driver in the long term**

1. European markets: Netherlands, Denmark, United Kingdom, Germany, Austria, Sweden, France, Poland, Italy, Switzerland, Spain, Portugal, Finland, Norway and Belgium; Other markets: Australia, Brazil, Mexico and the USA.

Source: Management accounts and reports, McKinsey, Statista, PWC Feb 2016 Survey of Online Consumers

## Kleding/Fashiola performance metrics

### Performance metrics since acquisition

Key metrics	March 2017	July 2017	Growth (%)
Listings	18m+	18m+	na
Visits	2.0m	3.2m	60%
Page views	11.8m	16.1m	36%
Click outs	0.9m	2.1m	133%

### First half financials post 2<sup>nd</sup> March acquisition<sup>1</sup>

Metric	1H 2017
Revenues	\$1.6m
Profit	\$0.46m
Yield / Visit	18.6 cents

1. Kleding BV (Fashiola) revenues are unaudited and for period March through June 2017

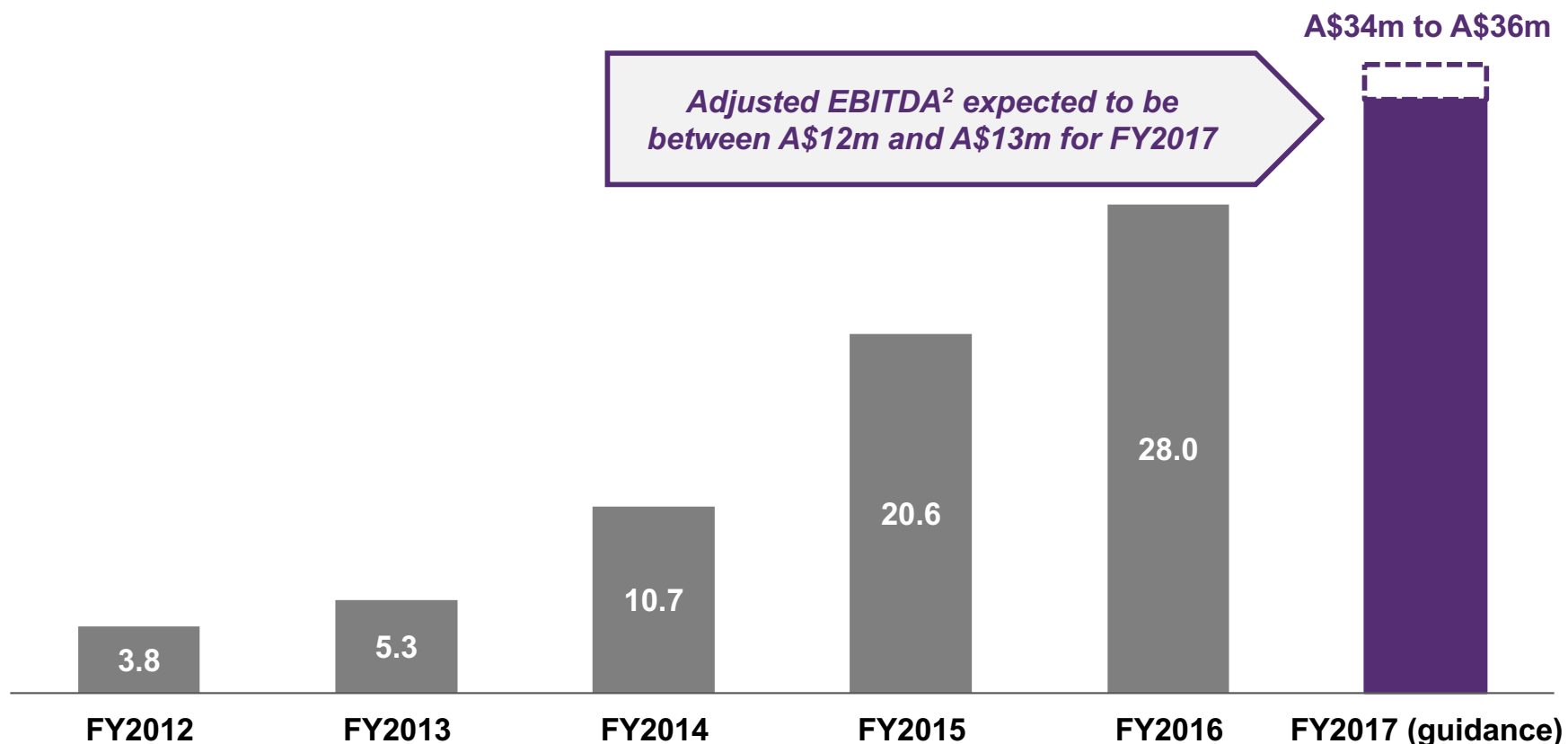
Source: Management accounts, Google Analytics

### Commentary

- **Strong growth** across all performance metrics for the first 4 months (since acquisition)
- **Traffic growth** the result of Mitula sharing SEO techniques and in driving traffic from vertical search sites
- **Click out improvement** the result of site optimisation
- Second half of year started well with **record 3.2 million visits** in July to Kleding/Fashiola sites
- **Strong yield per visit** of 18.6 cents compared to 5.2 cents from CPC and AdSense sales in the same operational markets

## FY2017 guidance: revenue and adjusted EBITDA

### Revenue<sup>1</sup> (A\$m)



**Strong revenue growth of >20% expected in FY2017**

1. Prepared on a statutory basis. Lokku Limited acquired 8 May 2015, Nuroa acquired 28 February 2016, and DotProperty acquired 2 September 2016

2. Adjusted EBITDA excludes any costs associated with IPO, share based payments and M&A initiatives. Guidance excludes Fashiola acquisition

Source: Management Reports

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