

wellcom
WORLDWIDE

**RESULTS FOR THE YEAR
ENDED 30 JUNE 2017**



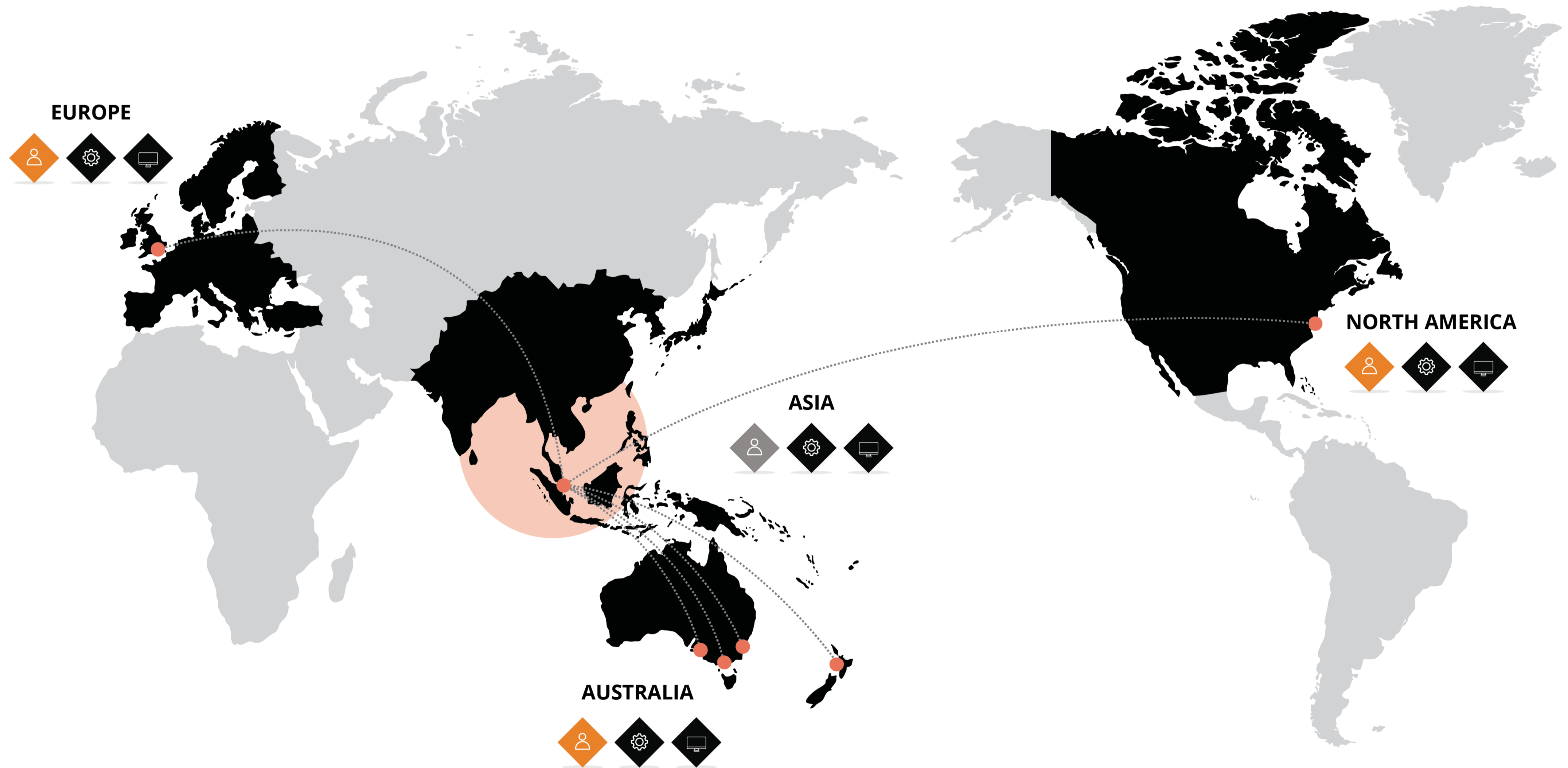
“We are the world’s leading independent
creative production and marketing services agency”

SPECIALISING IN CONTENT CREATION AND INNOVATIVE TECHNOLOGY

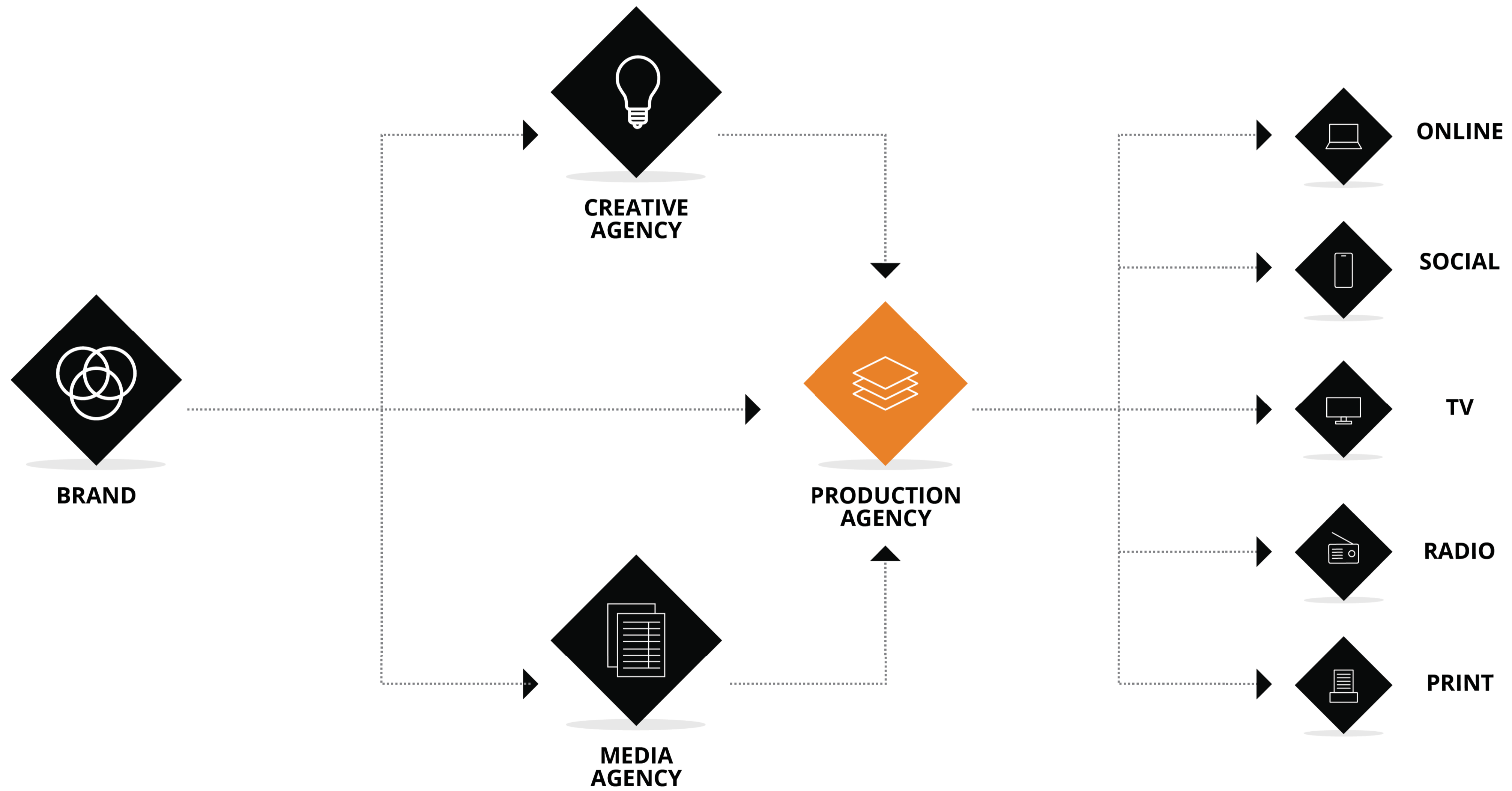
Blue chip clients



24/7 Global Production Capacity



Market Positioning



Industry Agnostic

Food+



Liquor+



Fashion+



Automotive+



Agricultural+



Retail+



3 streams of business



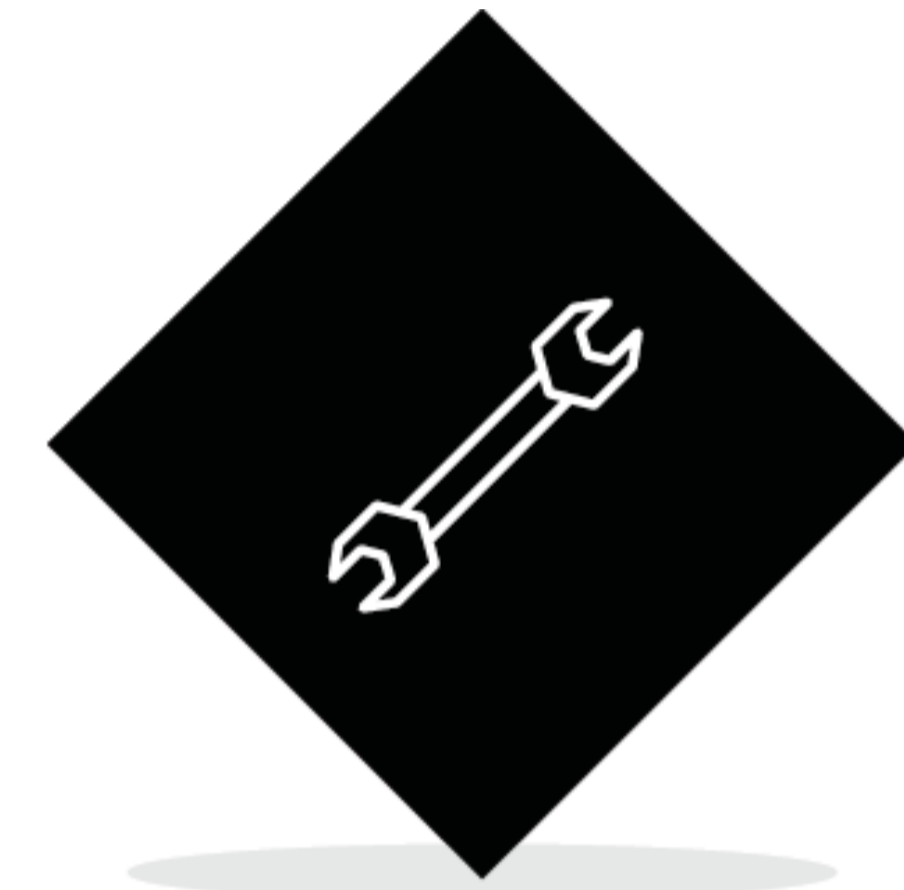
CONTENT

Design
Copywriting
Art Direction
Photography
Creative Retouching
CGI
Animation
3D
Video



PRODUCTION

Production Management
Traffic Management
Artwork
Colour Management
Adaptation
Translation
Print Production
Digital Production
TV / Video Production



TECHNOLOGY

Marketing Resource Management
Digital Asset Management
Online Approval
Catalogue Automation
Local Area Marketing
Print Procurement
App Development
Workflow Automation

Creative Production Services



VISUAL

Photography
Retouching
CGI
Motion Graphics
Animation



PRINT

Catalogues
Point of Sale
Brochures
Magazines
Newspapers



TV

Commercials
Broadcast
Feature Videos
Documentaries
Corporate Videos



DIGITAL

Display Advertising
Responsive Design
Websites
Microsites
App Development



SOCIAL

Facebook
Instagram
Twitter
LinkedIn
YouTube

Our rebranding

wellcom
WORLDWIDE

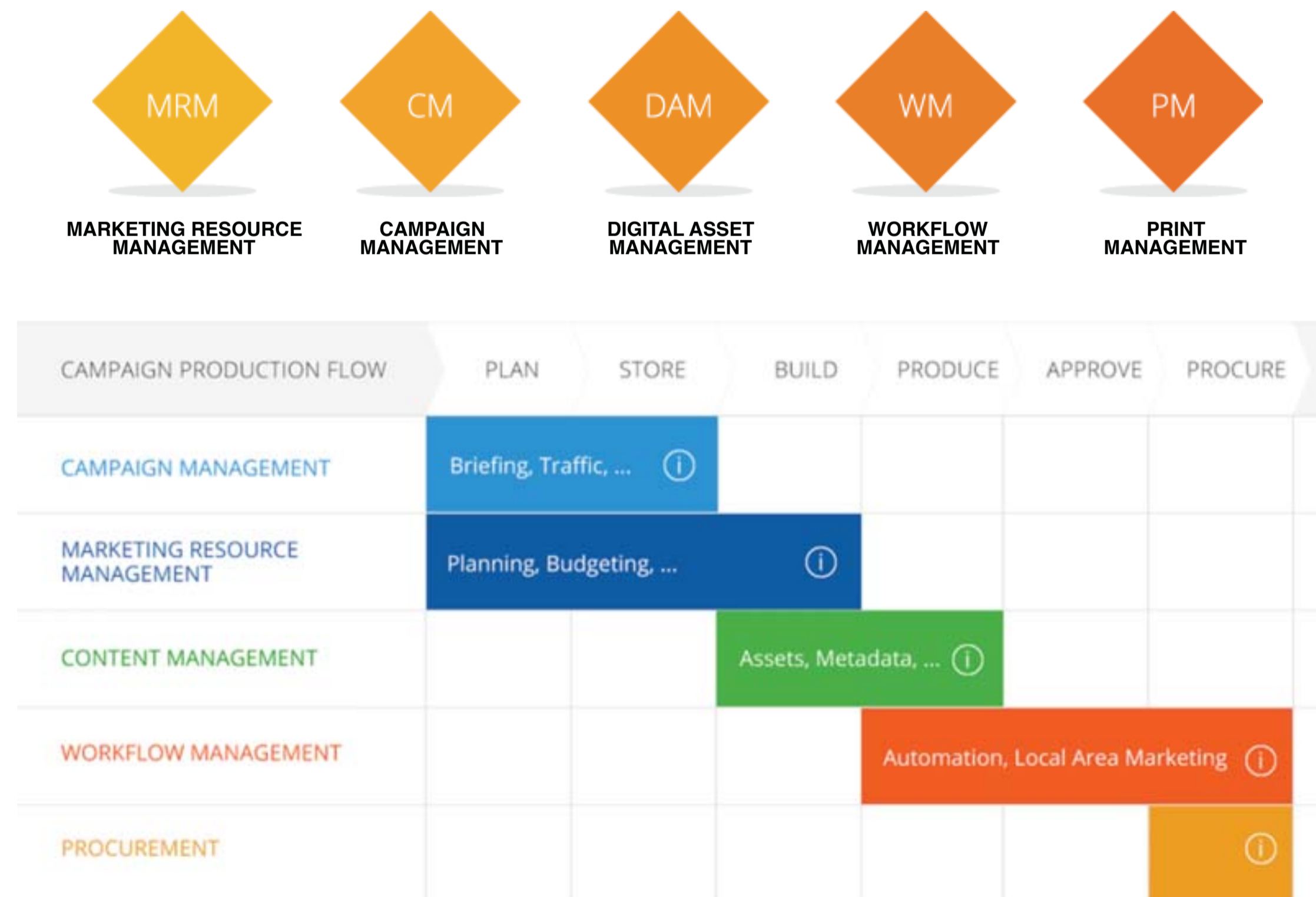
 **knowledgewell**



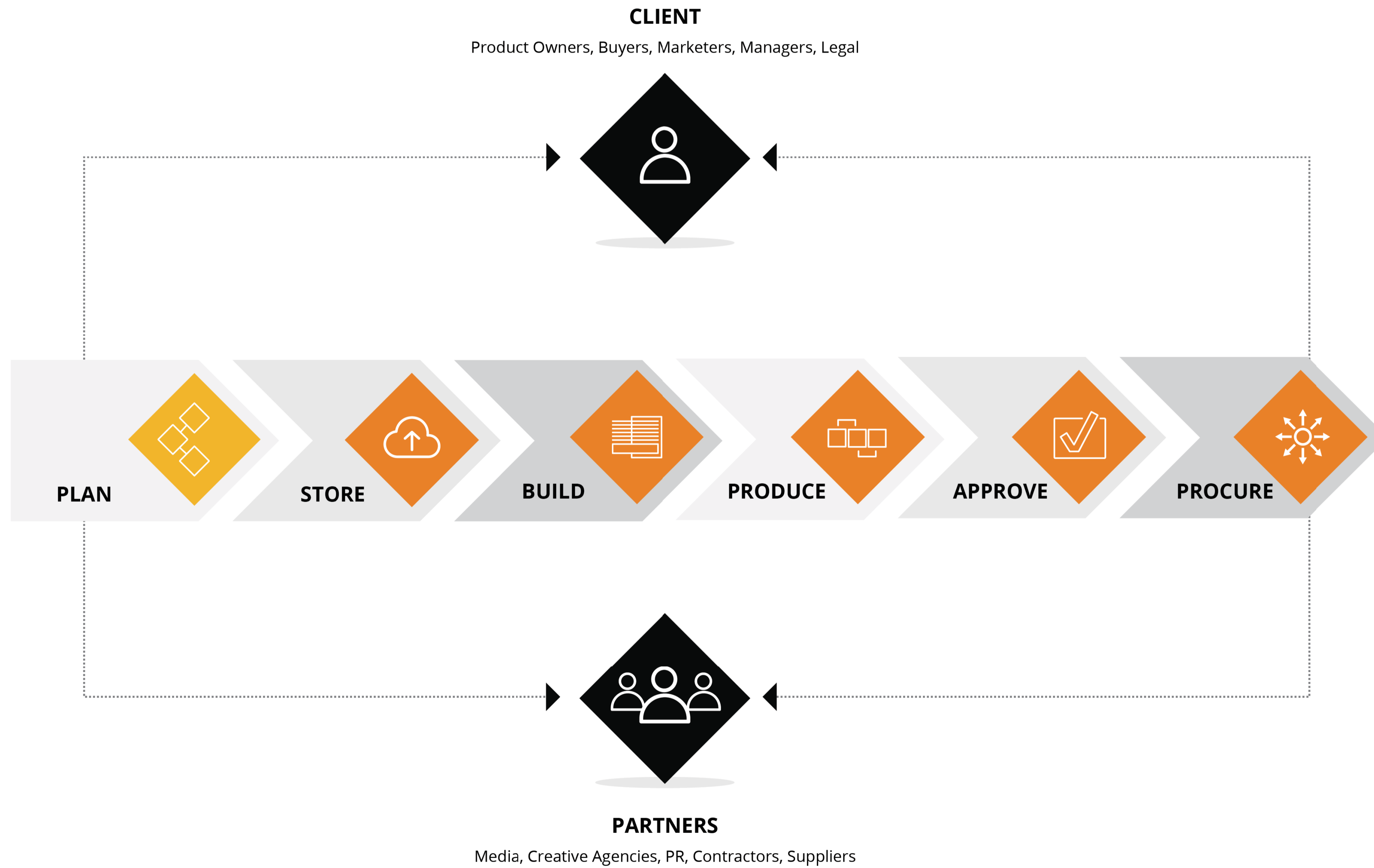
Our marketing operations technology, empowers content, simplifies processes and automates repetitive manual tasks.

Designed to deliver our clients with end-to-end management visibility. It provides a collaborative platform, connecting key partners and suppliers to business critical projects.

KnowledgeWell reduces time and cost and makes marketing easier.



SaaS solution



Marketing Solutions

Wellcom designs and implements bespoke solutions for leading international brands. We deploy a consultancy approach, modernising legacy processes with current business logic.

These partnerships are long term initiatives, requiring significant change and category management expertise, we work closely with our clients to develop best in class solutions and provide the people, technology and expertise to deliver on our recommendations.



Global Adaptation



Print Management



On-Site Studio



Decoupling



Offshoring



Retail

Our Latest Work



Social Media

Bulla Dairy Australia

- Social media management
- Social planning & strategy
- Content creation: imagery, video, copywriting
- Enriched DAM



On Location Photography



Video & 3D production

MotorOne

- Filming
- Art Direction
- 3D animation
- Post-production



Fashion Photography

Style Shoots solution

- eComm Photography automation
- Flat lays, mannequin, product
- Image capture to CMS
- Integration with KW DAM



J.C.Penney TVC

J.C.Penney

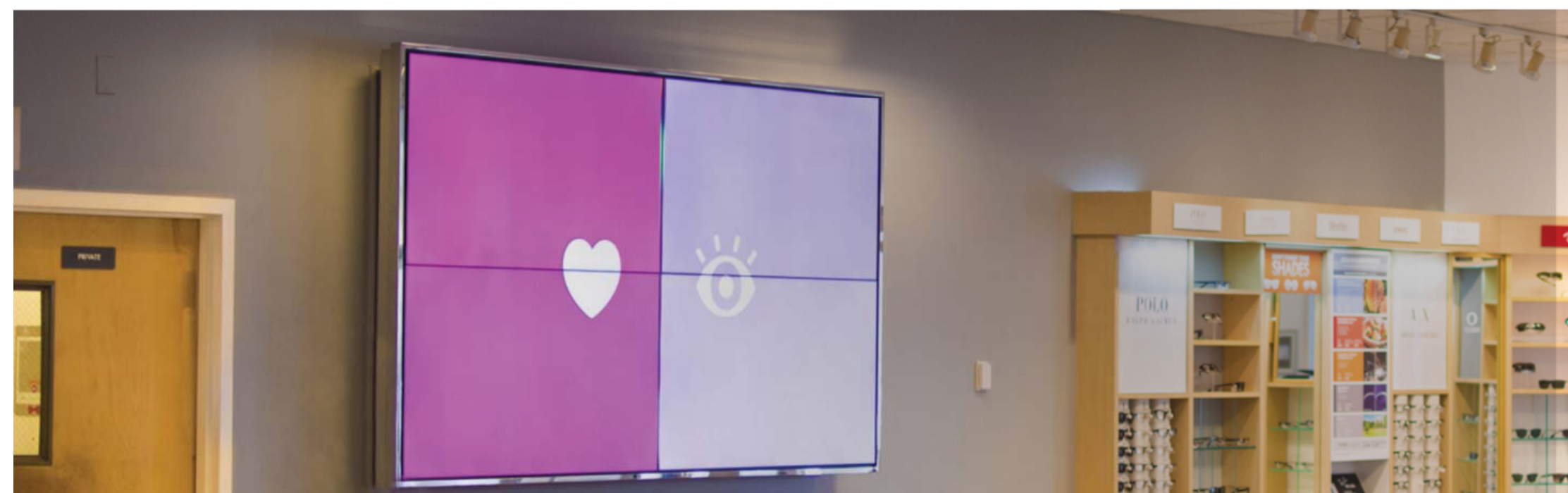
- TVC & Video Production
- Art Direction
- Design and Execution
- Post-production
- Video only solution



Video Retail Solutions

Lenscrafters

- Copywriting
- Digital design
- Motion graphics
- Strategy
- Video production
- Pre-production



SaaS Solutions

Tesco - Knowledgewell Solution

- Digital Asset Management
- Product Information Management
- Online Approval workflow
- Marketing Resource Management
- Local Area Marketing

The screenshot displays the Tesco Knowledgewell Solution interface. At the top, the Tesco logo is on the left, and navigation links for Home, Assets, Campaigns, Distributions, Reports, and Tools are in the center. A user profile for 'Hello Shaun Gray' is on the right. Below the navigation is a search bar with the placeholder text 'Enter Search Criteria'. To the right of the search bar are two buttons: 'Keyword Match' (highlighted in green) and 'Exact Match'. Below the search bar, a status bar indicates 'Your search for "" in Campaigns, Jobs returned 2403 records'. To the right of this status bar are three buttons: 'Create New Campaign', 'Newest First', and '10'. Below the status bar, the main content area is titled 'Campaigns 210' and 'Show All'. The content area displays a grid of 10 campaign cards, each with a thumbnail image, a title, a date, and a job count. The cards are: 1. 'Code of Conduct' (23 May 2017 11:18, 1 Job), 2. 'Executive Board' (23 May 2017 11:07, 1 Job), 3. '1237 PRESS - Northern Ireland - Local ...' (01 Feb 2017 16:42, 6 Jobs), 4. '1247 PRESS - Toys Oct-Dec 2016' (27 Jan 2017 11:34, 127 Jobs), 5. '1286 PRESS - Christmas Additional Bo...' (17 Jan 2017 09:47, 9 Jobs), 6. '1284 PRESS - Toys 3 for 2 extra bookings' (17 Jan 2017 09:45, 8 Jobs), 7. '1278 PRESS - Project T' (17 Jan 2017 09:42, 21 Jobs), 8. '1261 Sugar Tax Sunday Press' (17 Jan 2017 09:40, 7 Jobs), 9. '1257 PRESS - Sugar Tax' (17 Jan 2017 09:39, 11 Jobs), and 10. '1235 PRESS 3 for 2 Oct-Dec 2016' (17 Jan 2017 09:36, 18 Jobs).

Significant new business wins

Australasia

- AHM - Medibank (Creative Design, Digital and Social)
- Sigma Pharmaceuticals (Graphic Design)
- Treasury Wine Estates (Technology)
- Chemmart (Technology)
- Mercer Australia (Graphic Design, Technology)
- News Corp Australia (Graphic Design, Technology)

United Kingdom

- Havas Worldwide (Graphic Design)
- Tesco (Technology)

United States

- Pernod Ricard (Graphic Design, Web Development)
- Pink - Victoria Secret (Creative Retouching)
- DKNY (Technology)
- Southeastern Grocers (Technology)
- JCPenney (TVC/Social Video)
- Red Lobster (Digital)

Key results

- Net revenues were constant excluding foreign exchange impact
- Earnings outperformed guidance following strong fourth quarter
- EBIT down 1% on a constant currency basis
- Dividend per share increased to 23 cents per share
- Significant franking credits remain within the group

	FY2017 (\$M)	FY2016 (\$M)	CHANGE (%)
Statutory revenue	145.17	156.24	(7.1)
Net revenue*	98.69	103.38	(4.5)
EBITDA	18.73	19.08	(1.8)
EBIT	15.97	16.44	(2.9)
Net profit for the period	10.63	11.10	(4.2)
EPS (cents)	27.12	28.33	(4.3)
DPS (cents)	23.0	22.5	2.2
Franking (%)	100	100	-
Return on net assets (%)	16.11	16.97	(5.1)

* Net Revenue excludes Print Management and other pass through costs.

Summary of Financial Position

- Strong financial position with no net debt
- Prior period capital expenditure included full Apple Mac fleet refresh in Australia
- Significant improvement in second half cash conversion

	FY2017 (\$M)	FY2016 (\$M)
Cash & debtors	29.15	30.87
Inventories and work in progress	1.73	1.11
Intangibles (goodwill)	46.88	47.63
Intangibles (software development)	1.51	1.28
Debt	0.14	0.26
Equity	65.96	65.43
NTA per share (cents)	46.26	42.31
Debtor days	48	48
Working capital ratio	1.76	1.55
	FY2017 (\$M)	FY2016 (\$M)
Capital expenditure	1.19	2.87
Net cashflows from operating activities	10.11	13.59

Group Results FY17

	FY2017 (\$M)	FY2016 (\$M)	CHANGE (%)
Statutory revenue	145.17	156.24	(7.1)
Less: pass through costs	(46.48)	(52.86)	(12.1)
Net revenue	98.69	103.38	(4.5)
Results from operating activities	18.97	19.67	(3.6)
Margin	19.3%	19.0%	1.2
Unallocated & restructure*	(3.00)	(3.22)	(6.8)
Net interest (expense)	(0.07)	(0.15)	(53.3)
Income tax expense	(5.27)	(5.19)	1.5
Net profit for the period	10.63	11.10	(4.2)

* includes \$473K of redundancy costs in FY17 (FY16 \$641K)

Australasia

- Decrease in net segment revenues reflects loss of Dick Smith Electronics, Masters Home Improvement (both of which closed for business), and Stream Solutions (Westpac Bank)
- Segment result maintained following an improvement in margins
- Leveraging low cost production through Wellcom Malaysia Centre of Excellence
- DSO of 44 days (Jun 17) from 45 days (Jun 16)

	FY2017 (\$M)	FY2016 (\$M)	CHANGE (%)
Net segment revenue	53.59	56.02	(4.3)
Segment result	12.53	12.53	-
Margin	23.4%	22.4%	4.5
Staffing	317	304	4.3

United Kingdom

- Net segment revenues were constant excluding foreign exchange impact
- Duncan Stokes appointed as Managing Director of Wellcom London - 1 March 2017
- Tesco knowledgewell software implementation to be completed during first quarter of FY18
- Continuing to leverage global relationships in new business wins (Michael Kors, DNKY, Pink)
- DSO of 56 days (Jun 17) from 50 days (Jun 16)

	FY2017 (\$M)	FY2016 (\$M)	CHANGE (%)
Net segment revenue	17.65	19.72	(10.5)
Segment result	1.52	2.62	(42.0)
Margin	8.6%	13.3%	(35.3)
Staffing	89	83	7.2

United States

- Net segment revenues up 2% on a constant currency basis
- Strong improvement in margin and earnings
- Recent new business wins include J.C.Penney (TVC/Social Video), Pernod Ricard (Graphic Design), SouthEastern Grocers (Technology) and Red Lobster (Digital)
- DSO of 55 days (Jun 17) from 57 days (Jun 16)

	FY2017 (\$M)	FY2016 (\$M)	CHANGE (%)
Net segment revenue	27.46	27.64	(0.7)
Segment result	4.92	4.51	9.1
Margin	17.9%	16.3%	9.8
Staffing	87	87	-

Operations & strategy update

- Increase Knowlegewell global market penetration following the current implementation into the major supermarket retailers of Tesco (UK) and Southeastern Grocers (US).
- Dippin' Sauce London opened - November 2016.
- Expansion of video/TV production services in all key markets.
- Further leverage of low cost production through Wellcom's "Centre of Excellence" - K.L. (News Corp Australia, Mercer Australia).
- Ongoing development and deployment of Knowledgewell technology globally.
- Continued focus on complementary acquisitions, and strategic partnerships.

Thank you