



**RESULTS FOR THE HALF
YEAR ENDED 31st DECEMBER
2017**



The world's leading independent creative production agency

Specialising in content creation, production and software solutions.

Significant new business wins

Australasia

- Countdown (Studio & Technology)
- News Corp Australia (Design & Technology)
- SPC Ardmona (Design & Technology)
- Haymes Paints (Technology)
- True Alliance (Photography)
- Barry Plant (Videography)

United Kingdom

- Expedia (Digital)
- Mother Agency (Design)

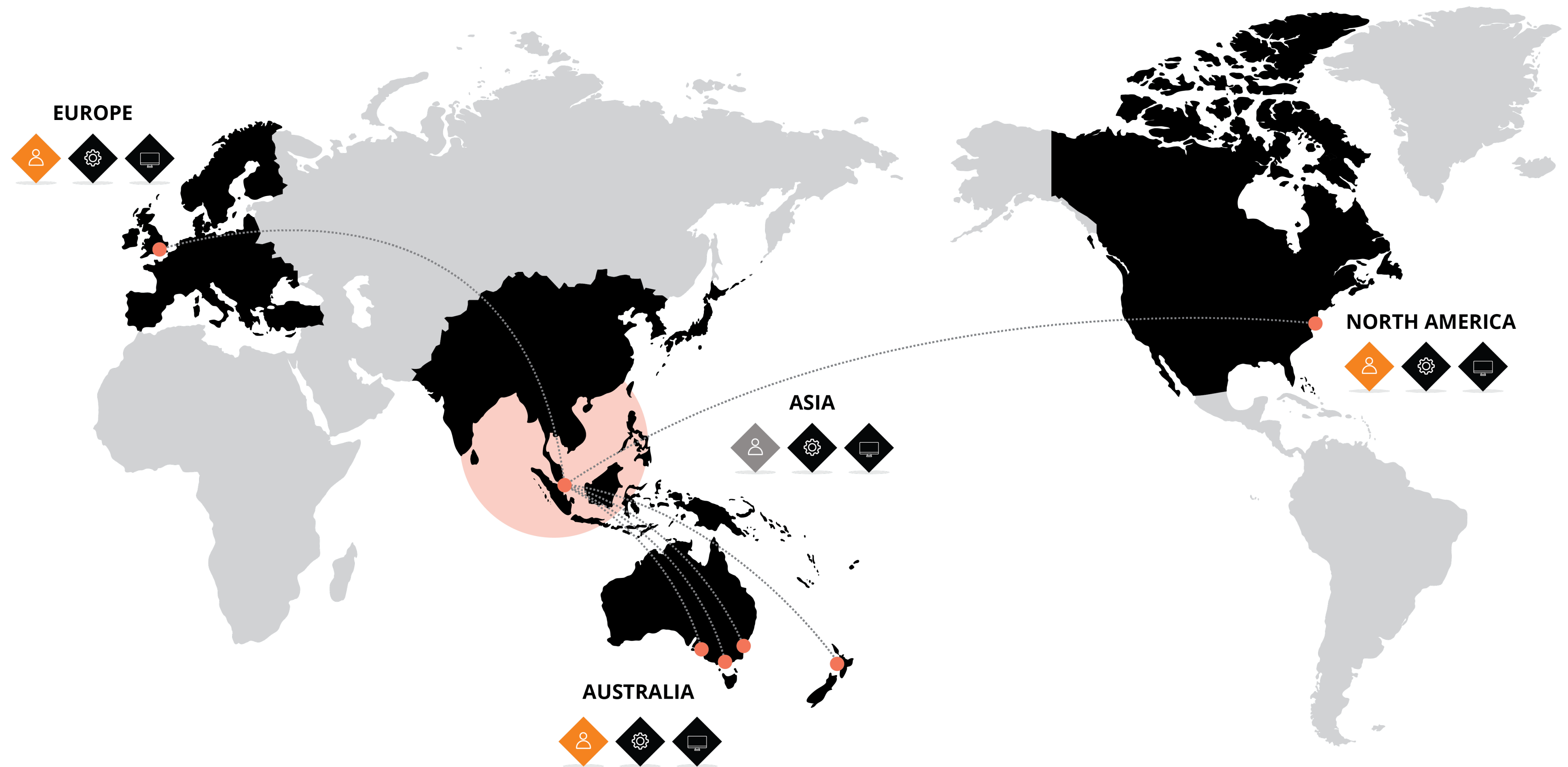
United States

- Southeastern Grocers (Technology)
- Red Lobster (Digital)
- Wellspun (Photography & Videography)

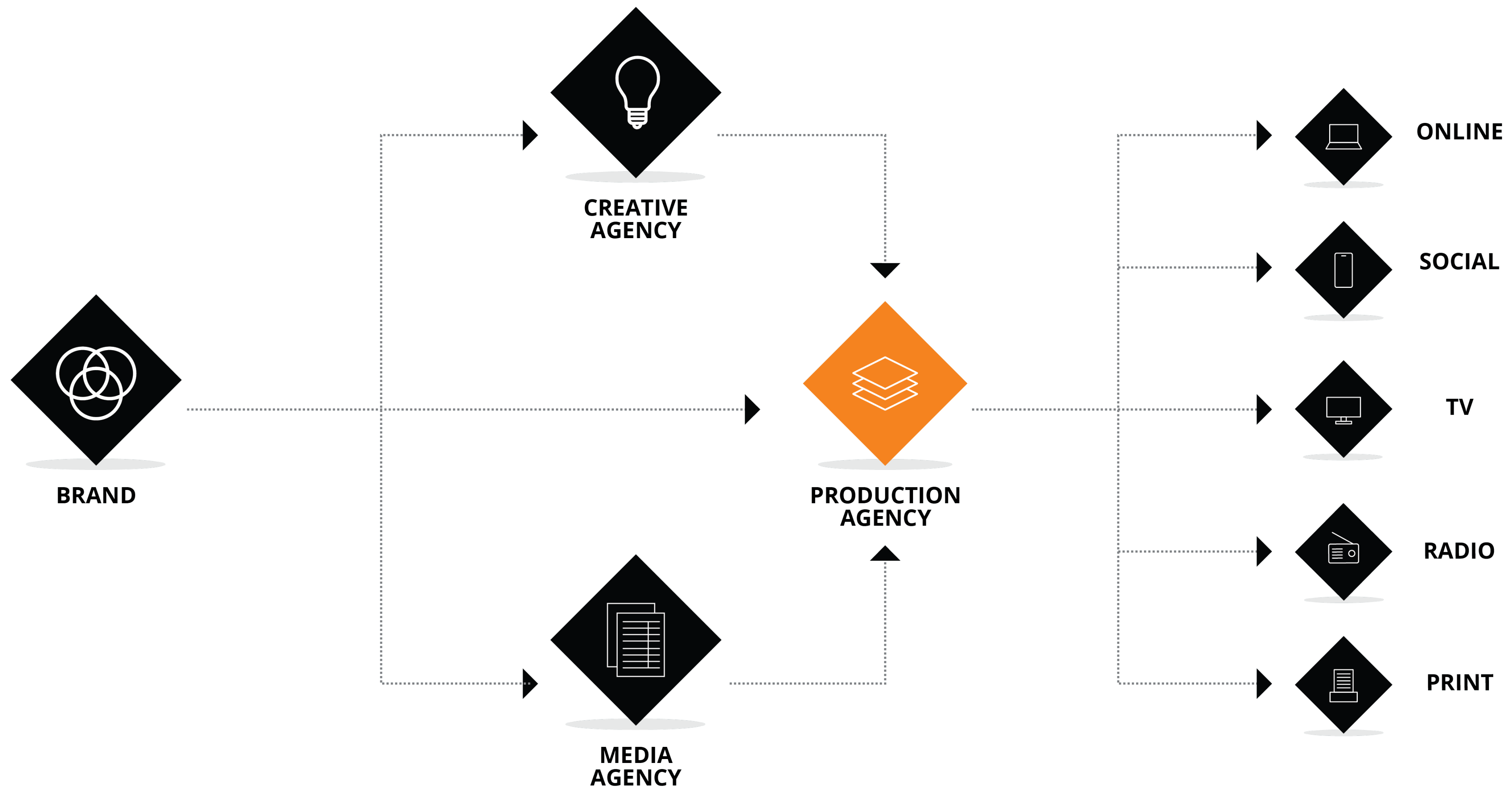
Blue chip clients



24/7 Global Production Capacity



Market Positioning



Industry Agnostic

Food+



Liquor+



Fashion+



Automotive+



Agricultural+



Retail+



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
Content
Video
Blog

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

MRM

Marketing resource
management

CM

Campaign
management

DAM

Digital asset
management

WM

Workflow
management

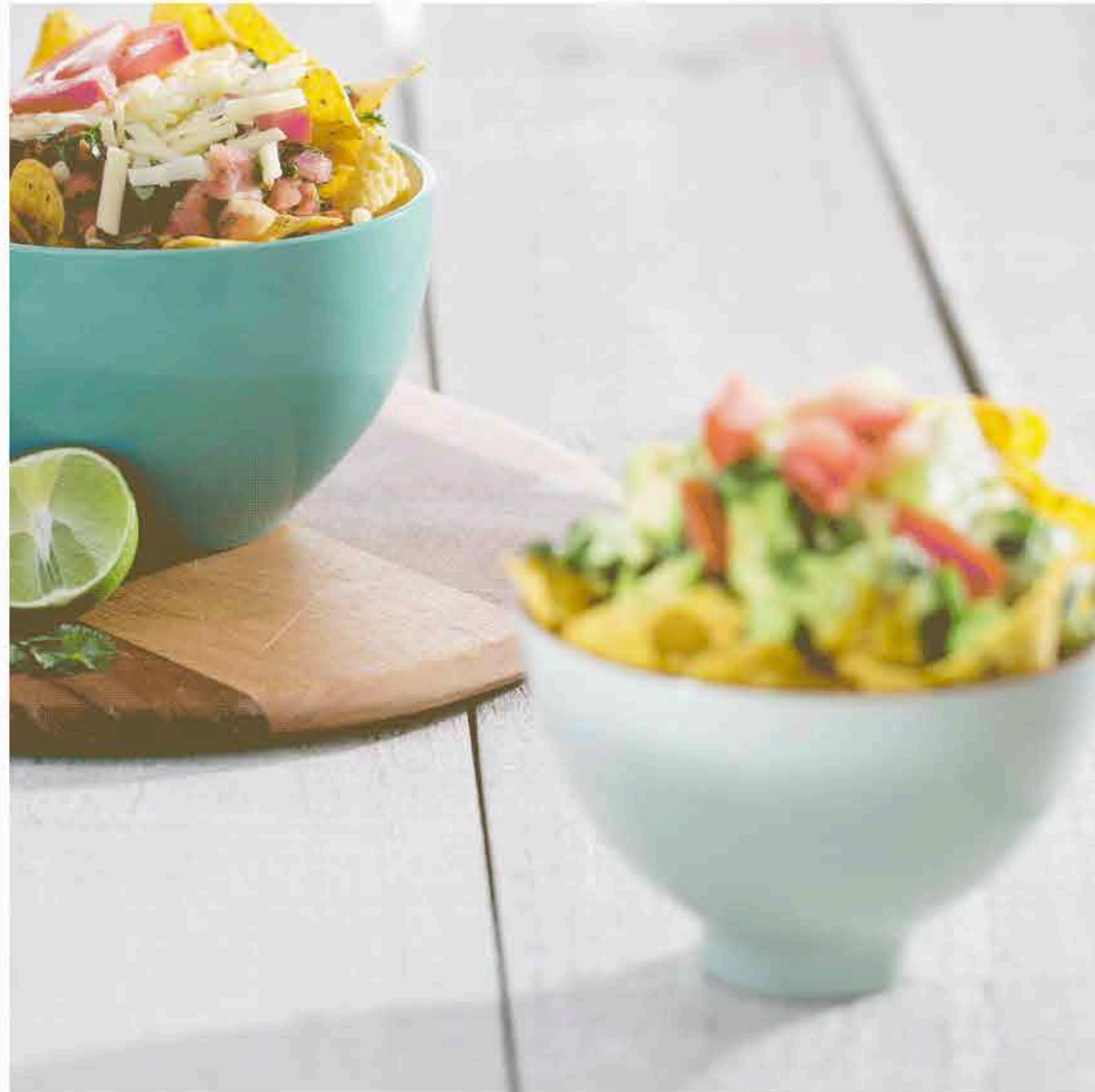
PM

Print
management

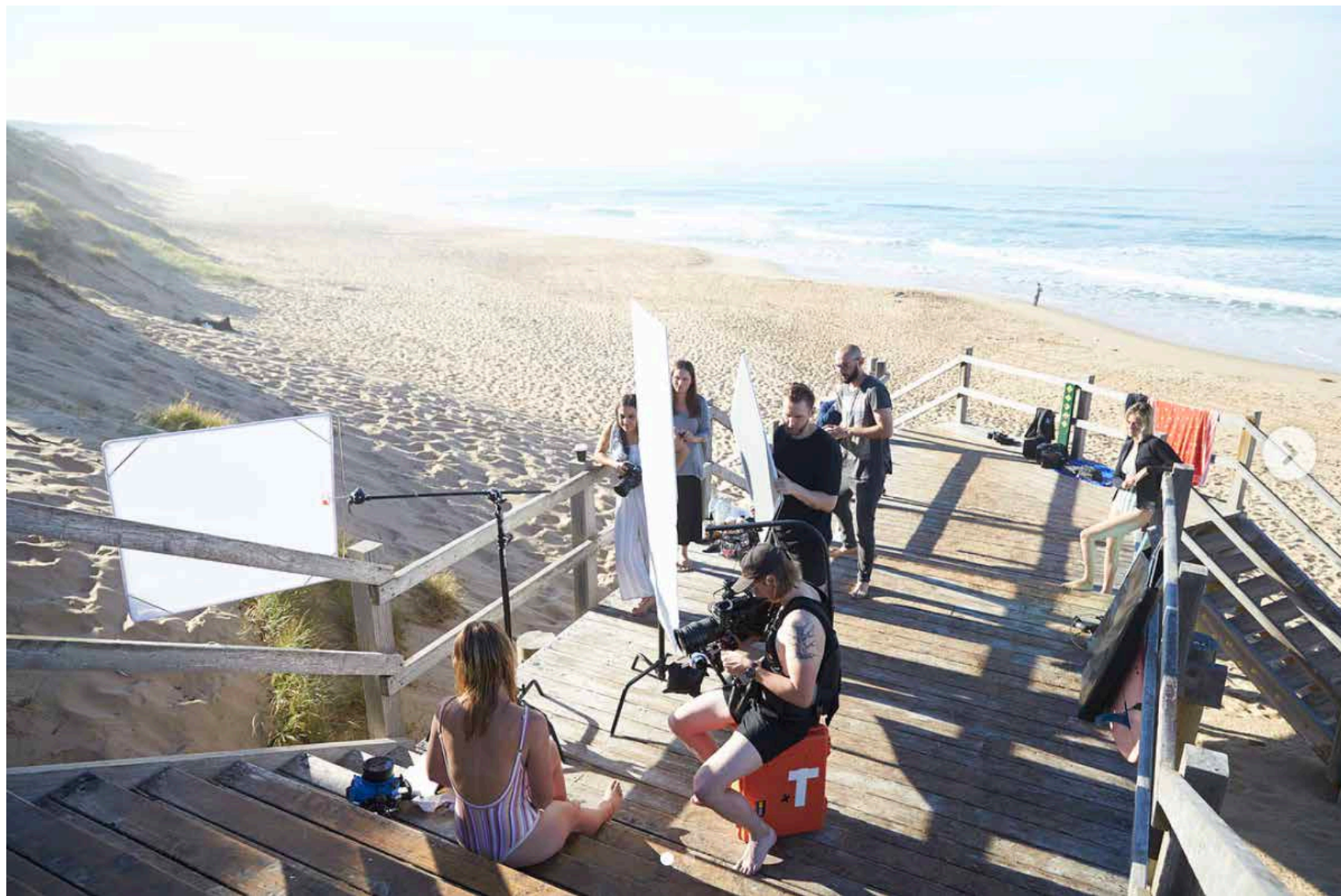
Our Latest Work



Photography



Photography





Social Ads

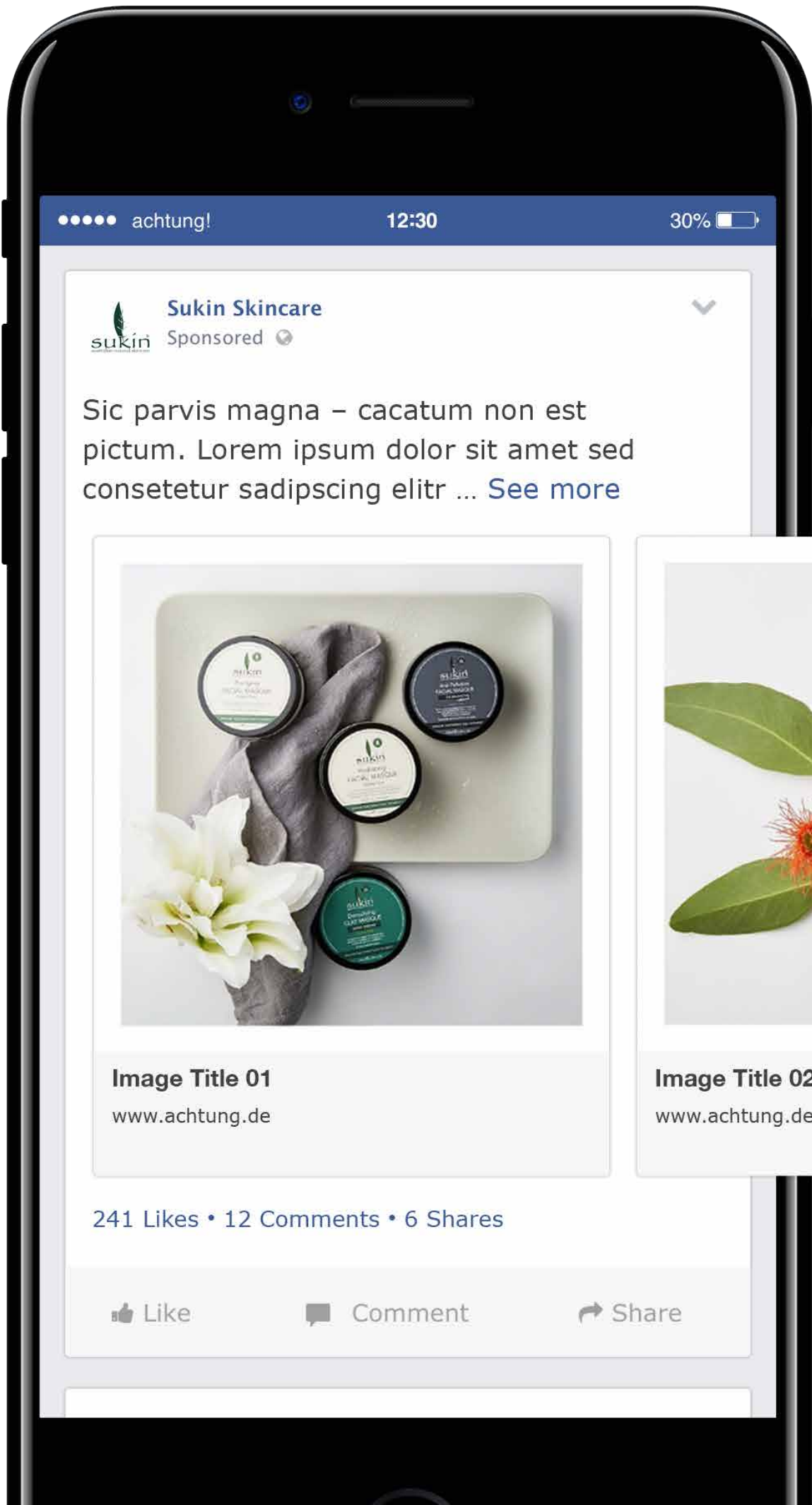
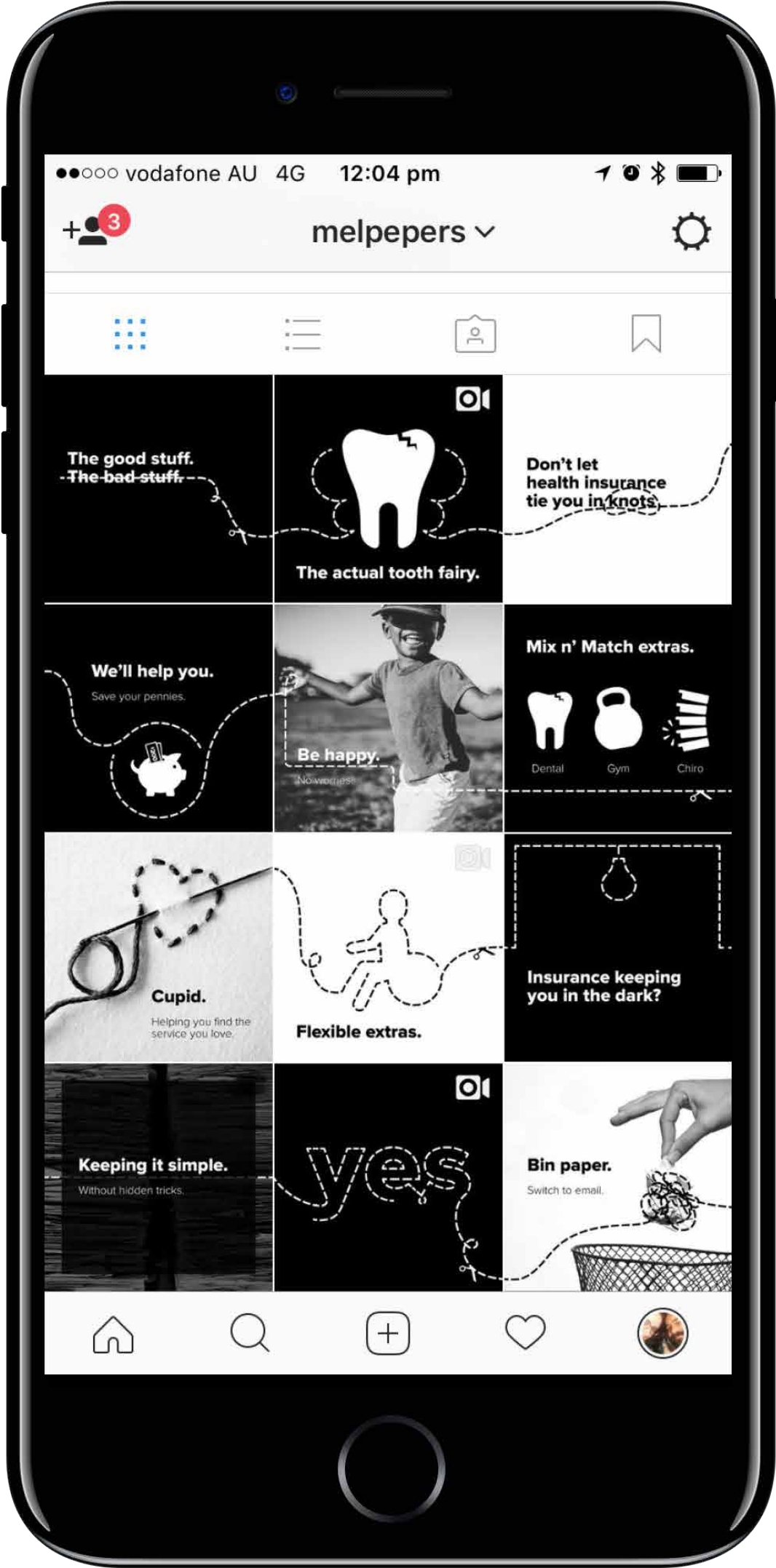


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Digital Display

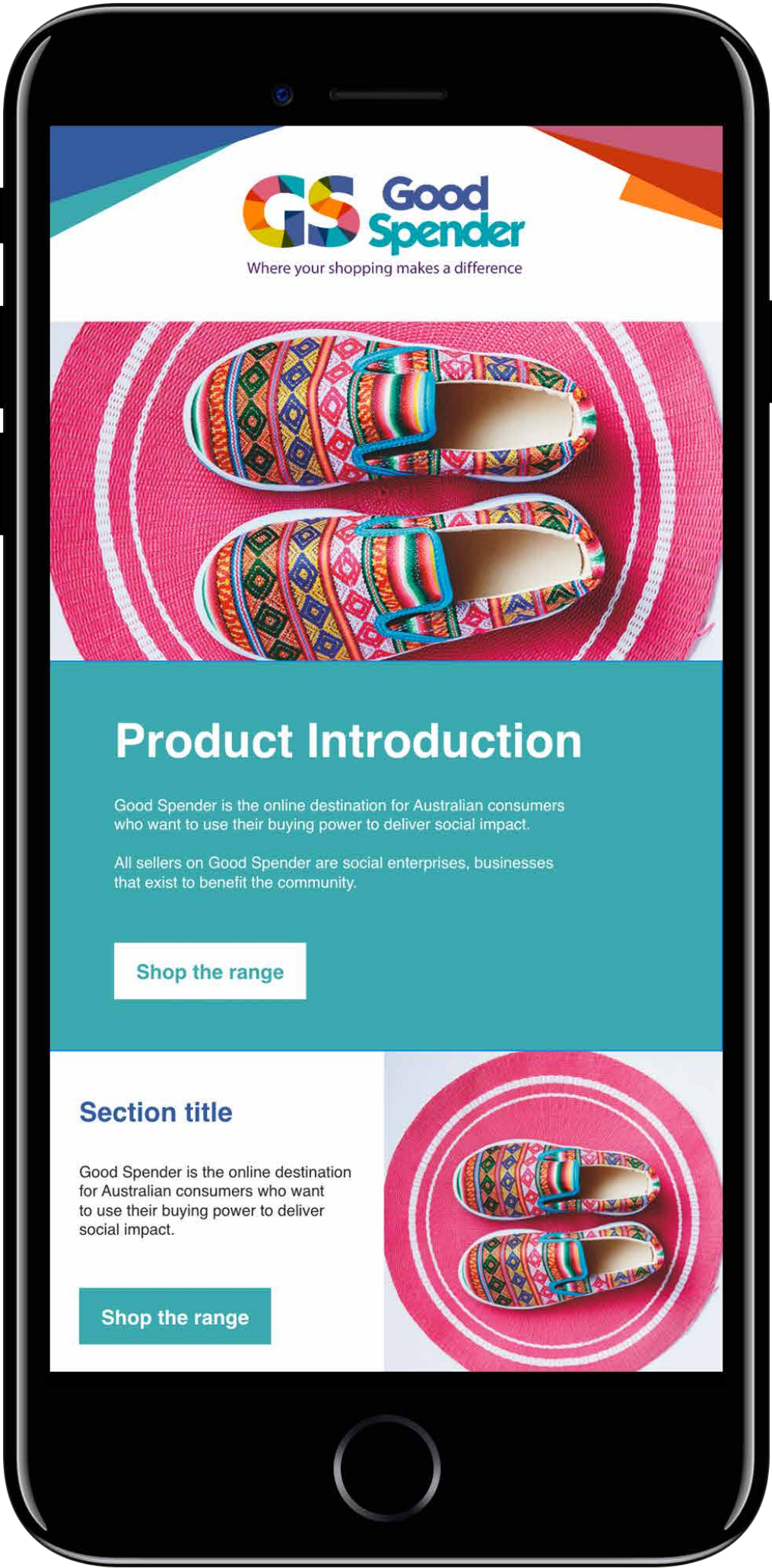
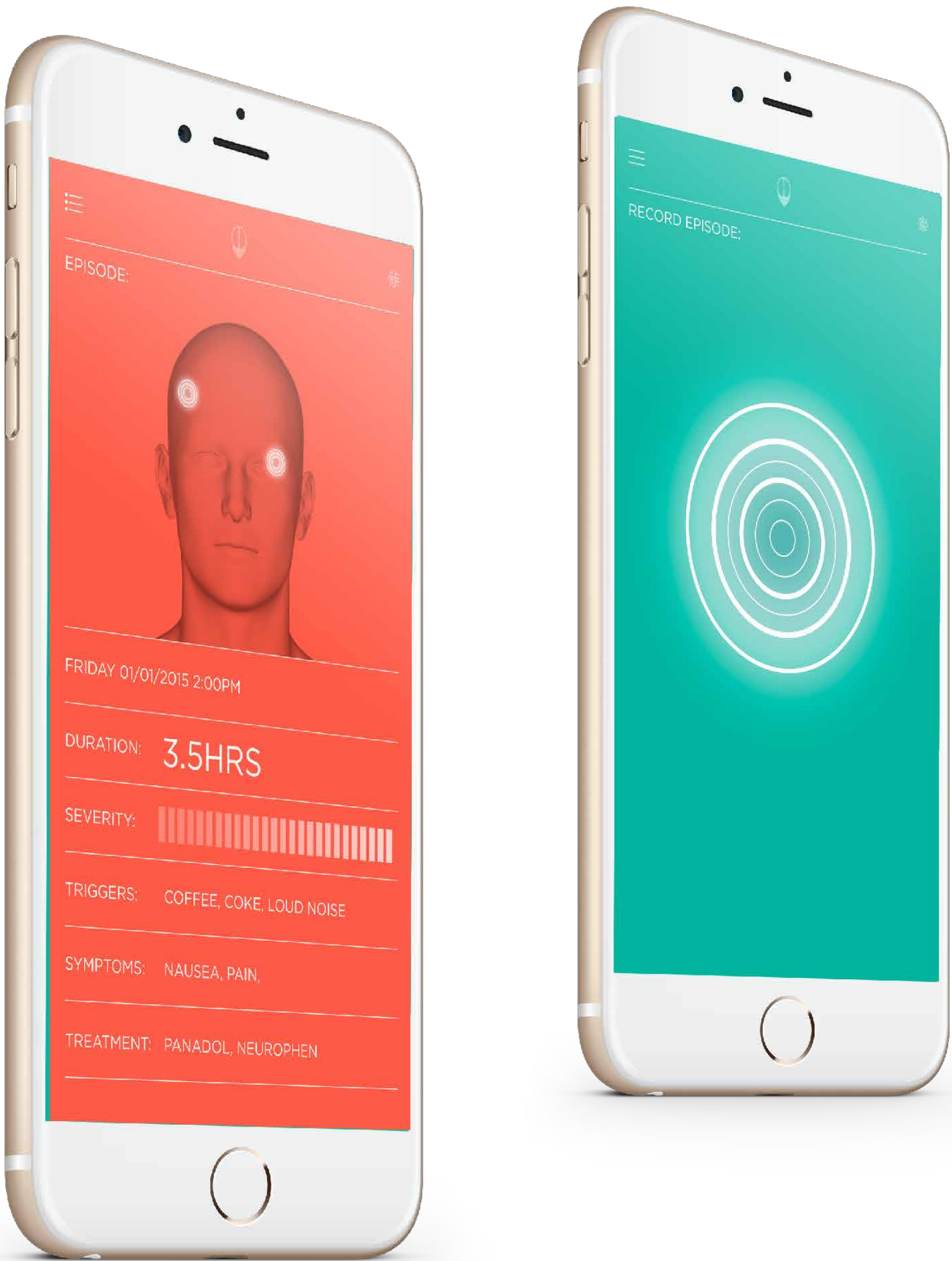


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CGI & 3D



Key results

- Net revenue increased 5%
- Earnings increased 5%
- Interim dividend per share increased to 10 cents per share
- Special dividend of 25 cents per share announced
- Significant franking credits remain within the group

	1H18 (\$M)	1H17 (\$M)	CHANGE (%)
Statutory revenue	75.87	73.93	2.6
Net revenue*	52.12	49.68	4.9
EBITDA	10.37	9.84	5.4
EBIT	8.91	8.47	5.2
Net profit for the period	5.96	5.70	4.6
EPS (cents)	15.21	14.53	4.7
Interim DPS (cents)	10.0	9.5	5.3
Franking (%)	100	100	-
Special DPS (cents)	25.0	-	-
Franking (%)	100	-	-
Return on net assets (%)	17.91	17.34	3.3

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

Summary of Financial Position

- Strong financial position with no net debt
- Significant improvement in cash conversion

	1H18 (\$M)	FY17 (\$M)
Cash & debtors	27.70	29.15
Inventories and work in progress	3.58	1.73
Intangibles (goodwill)	46.84	46.88
Intangibles (software development)	1.70	1.51
Debt	0.13	0.14
Equity	66.55	65.96
NTA per share (cents)	47.08	46.26
Debtor days	50	48
Working capital ratio	1.79	1.76
	1H18 (\$M)	1H17 (\$M)
Capital expenditure	1.03	0.81
Net cashflows from operating activities	6.46	2.66

Group Results 1H18

	1H18 (\$M)	1H17 (\$M)	CHANGE (%)
Statutory revenue	75.87	73.93	2.6
Less: pass through costs	(23.75)	(24.25)	(2.1)
Net revenue	52.12	49.68	4.9
Results from operating activities	10.48	9.96	5.2
Margin	20.1%	20.0%	0.5
Unallocated & restructure*	(1.57)	(1.49)	5.4
Net interest (expense)	(0.03)	(0.03)	-
Income tax expense	(2.92)	(2.74)	6.6
Net profit for the period	5.96	5.70	4.6

* includes \$419K of restructure costs in 1H18 (1H17 \$276K)

Australasia

- Increase in net segment revenues of 1%
- 1H18 included investment in new business wins including Countdown (NZ) and News Corp Australia
- Malaysia Centre of Excellence headcount growth of 40%, continuing to leverage low cost production
- DSO of 41 days (Dec 17) from 44 days (Jun 17)

	1H18 (\$M)	1H17 (\$M)	CHANGE (%)
Net segment revenue	27.91	27.60	1.1
Segment result	6.47	6.74	(4.0)
Margin	23.2%	24.4%	(4.9)
Staffing	336	314	7.0

United Kingdom

- Business unit restructure commenced 1H18, to include move to new premises 2H18
- FY18 result, excluding relocation charges, to improve upon FY17 result
- Tesco Knowledgewell software implementation completed 1H18
- New business wins including Mother (advertising agency) and Expedia
- DSO of 68 days (Dec 17) from 56 days (Jun 17)

	1H18 (\$M)	1H17 (\$M)	CHANGE (%)
Net segment revenue	8.13	9.20	(11.6)
Segment result	0.66	1.11	(40.5)
Margin	8.1%	12.1%	(32.7)
Staffing	68	88	(22.7)

United States

- Net segment revenues up 25%
- Strong improvement in margin and earnings
- Recent new business wins include J.C. Penney (TVC/ Sound/Video), Pernod Ricard (Graphic Design), Southeastern Grocers (Technology) and Red Lobster (Digital)
- DSO of 69 days (Dec 17) from 55 days (Jun 17)

	1H18 (\$M)	1H17 (\$M)	CHANGE (%)
Net segment revenue	16.07	12.88	24.8
Segment result	3.34	2.11	58.3
Margin	20.8%	16.4%	26.9
Staffing	91	90	1.1

Operations & strategy update

- Continued focus on proprietary Knowledgewell technology into local and overseas markets
- Nurture growth in social media content
- Expansion of video/TV production services in all key markets.
- Exploit new opportunities in decoupling digital and social production in overseas markets.
- Expanding market share in NZ with new production facilities in Ellerslie, Auckland
- Further leverage of low cost production through Wellcom's "Centre of Excellence" - K.L.
- Continued focus on complementary acquisitions, and strategic partnerships
- Ongoing assessment of capital management initiatives that will increase shareholder value whilst delivering on efficient capital structure for the business

Thank you