

Annual General Meeting

# AGM Presentation



May 2018

MitulaGroup<sup>o</sup>

*A leading player in  
the global online  
classifieds  
industry*

# Agenda

## Welcome

1. Chairman's address
2. Transaction update
3. Formal business of the AGM
4. Question and answers

## End of meeting

# 1. Chairman address

## FY2017 was another year of strong profitable growth for Mitula

Revenue

**+20%**

A\$33.6m

Yield/Visit

**+15%**

A\$0.042

Visits

**807m**

+5.4%

EBITDA  
Margin

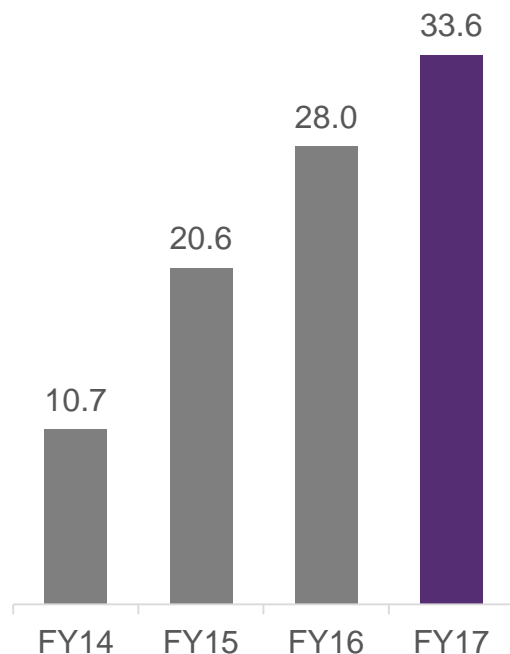
**35%**

### FY2017 highlights

- Record annual visits and yield per visit underpinned **revenue growth of 20%**
- **Strong cash position** with A\$13m cash at bank
- Strong progress in rollout of '**Closer to the Transaction**' strategy
- Successfully launched **organic advertising initiatives**
- DotProperty **continued strong growth** on all key metrics
- Fashiola delivered **growth greater than acquisition business case**
- **Traffic recovery achieved** across Mitula's network of sites

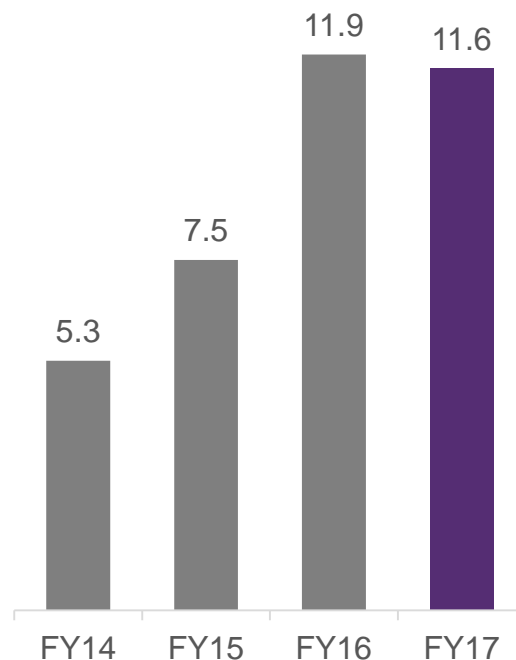
## FY2017 financial highlights

### Revenue (A\$m)



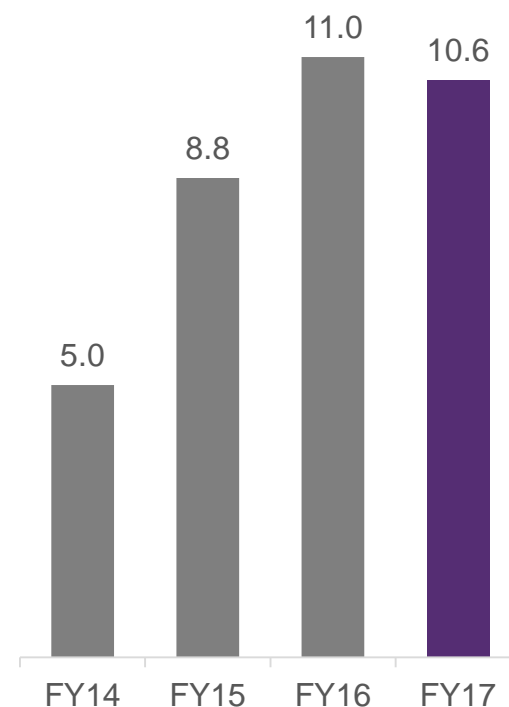
- 14.8% increase in yield per visits to A\$0.042
- 5.4% increase in visits to 807.1m
- On a constant currency basis revenue was A\$34.1m (22% growth)

### EBITDA (A\$m)



- Increased traffic acquisition costs
- Inclusion of DotProperty and Fashiola operating expenses
- Significant investment in new advertising products

### Cashflow from operations<sup>1</sup> (A\$m)



- Strong cash flow conversion
- Flexible balance sheet to grow organically and through investment opportunities

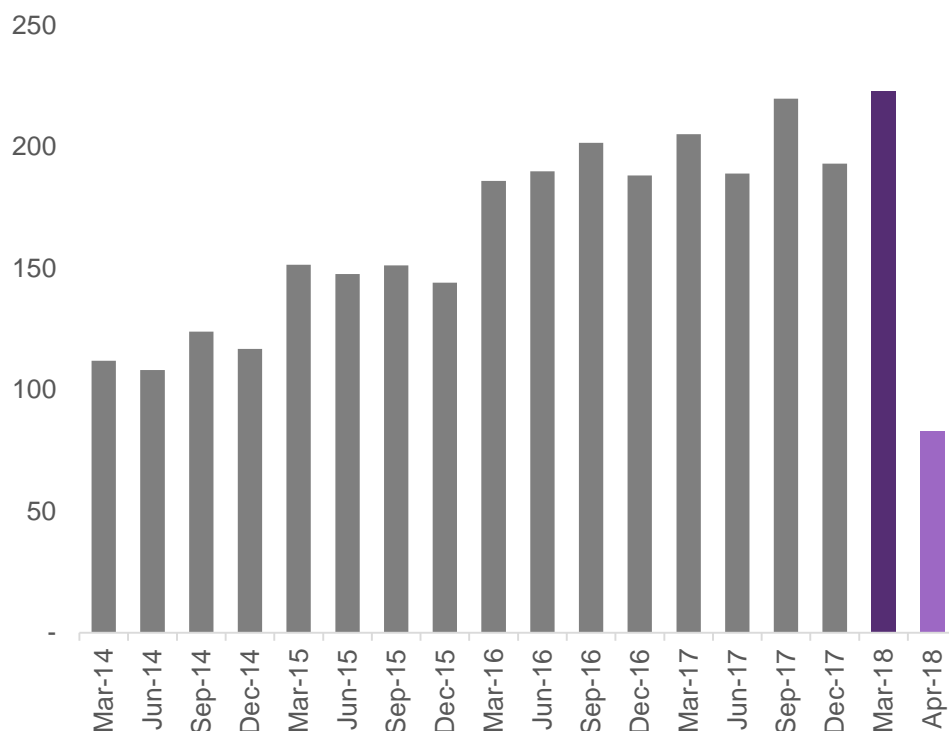
Note: All numbers based on statutory accounts

1. Cash flow from operations defined as receipts from customers less payments to supplier and employees

## Record start to FY2018 underpinned by strong traffic

### Quarterly visits (m)

Annual visits				
FY2014	FY2015	FY2016	FY2017	YTD
460.8m	594.4m	765.5m	807.1m	306.0m

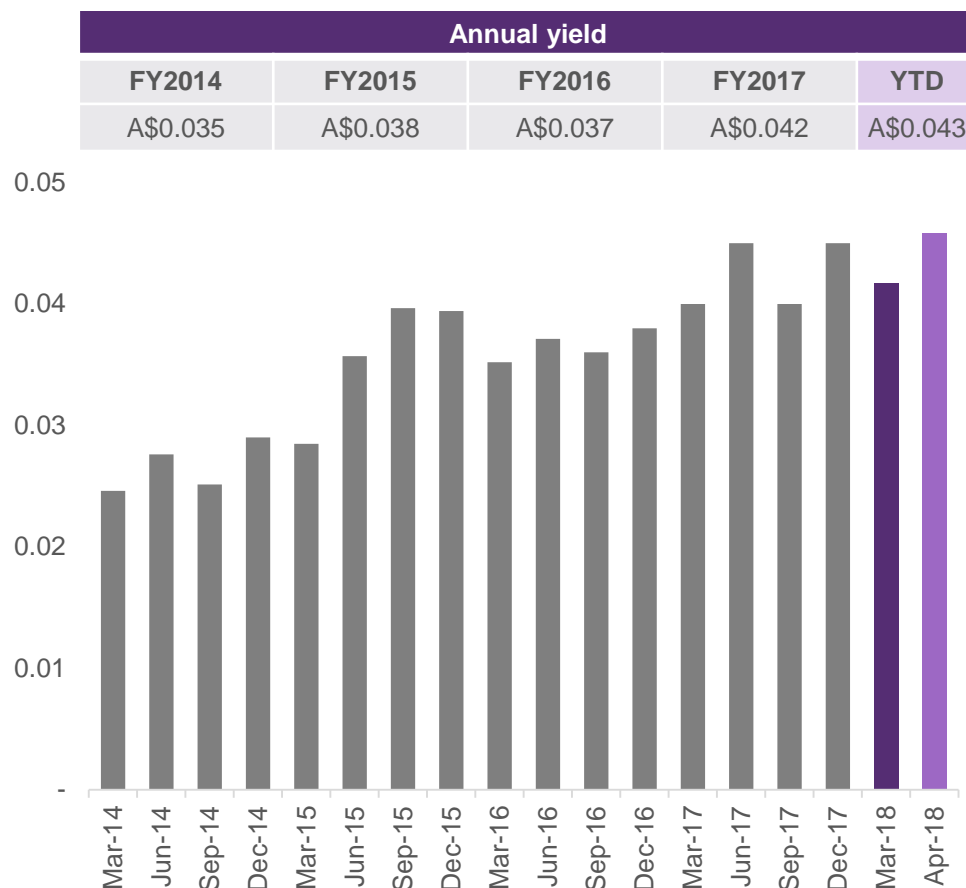


### FY2018YTD highlights

- Record visits achieved to date, with consecutive record monthly visits in March 2018 and April 2018
  - 1Q FY2018 visits: ~223m (+8.8% over 1Q FY2017)
  - March 2018 visits: ~80.8m (+27.8% over March 2017)
  - April 2018 visits: ~83.0m (+39% over April 2017)
- Strong progress in implementing 'Closer to the Transaction' strategy
- Appointed Simon Bray as GM of Real Estate in April 2018
- Appointed Natt Ford as GM of DotProperty business in January 2018

## Record revenues achieved to date with growing yields

### Quarterly yield (A\$ per visit)



### FY2018YTD highlights

- Record revenue achieved to date, with consecutive record monthly revenue in March 2018 and April 2018
  - 1Q FY2018 revenue: A\$9.3m (+17.4% over 1Q FY2017)
  - March 2018 revenue: A\$3.5m (+30.1% over March 2017)
  - April 2018 revenue: A\$3.8m (+44.7% over April 2017)
- Advertising and transaction-based products and services generated ~24% of 1Q FY2018 revenue
  - ~23% in April 2018

## 2. Transaction update



## Transaction overview

***On 9 May 2018, Mitula entered into a binding Scheme Implementation Deed with LIFULL, to merge the operations of Mitula and Trovit to create a leading global online classifieds and marketplaces group, by way of Scheme of Arrangement***

### **Mitula shareholders are entitled to receive:**

- 0.0753 shares in LIFULL for each Mitula share, which equates to A\$0.85<sup>1</sup> per Mitula share; or
- A\$0.80 cash consideration for each Mitula share for holdings up to 20,000 Mitula shares, with consideration for the balance of the holding being 0.0753 shares in LIFULL for each Mitula share

### **Protection from adverse movement in LIFULL shares and exchange rates, while enabling upside participation**

- Share exchange ratio adjustment mechanism protects Mitula shareholders from any adverse movement of up to 10.7% in the A\$ of LIFULL shares prior to completion of the Scheme, while enabling participation in the first 8% of any upside movement (please refer to slide 10 for additional details)

### **Merger of Mitula and Trovit creates a significant player in the global online classifieds industry**

- The combined business will operate in 63 countries, have more than 400m listings, and receive more than 170m visits per month – providing customers access to more traffic and greater range of products and services

### **Mitula Board unanimously recommends the Scheme of Arrangement (Scheme)**

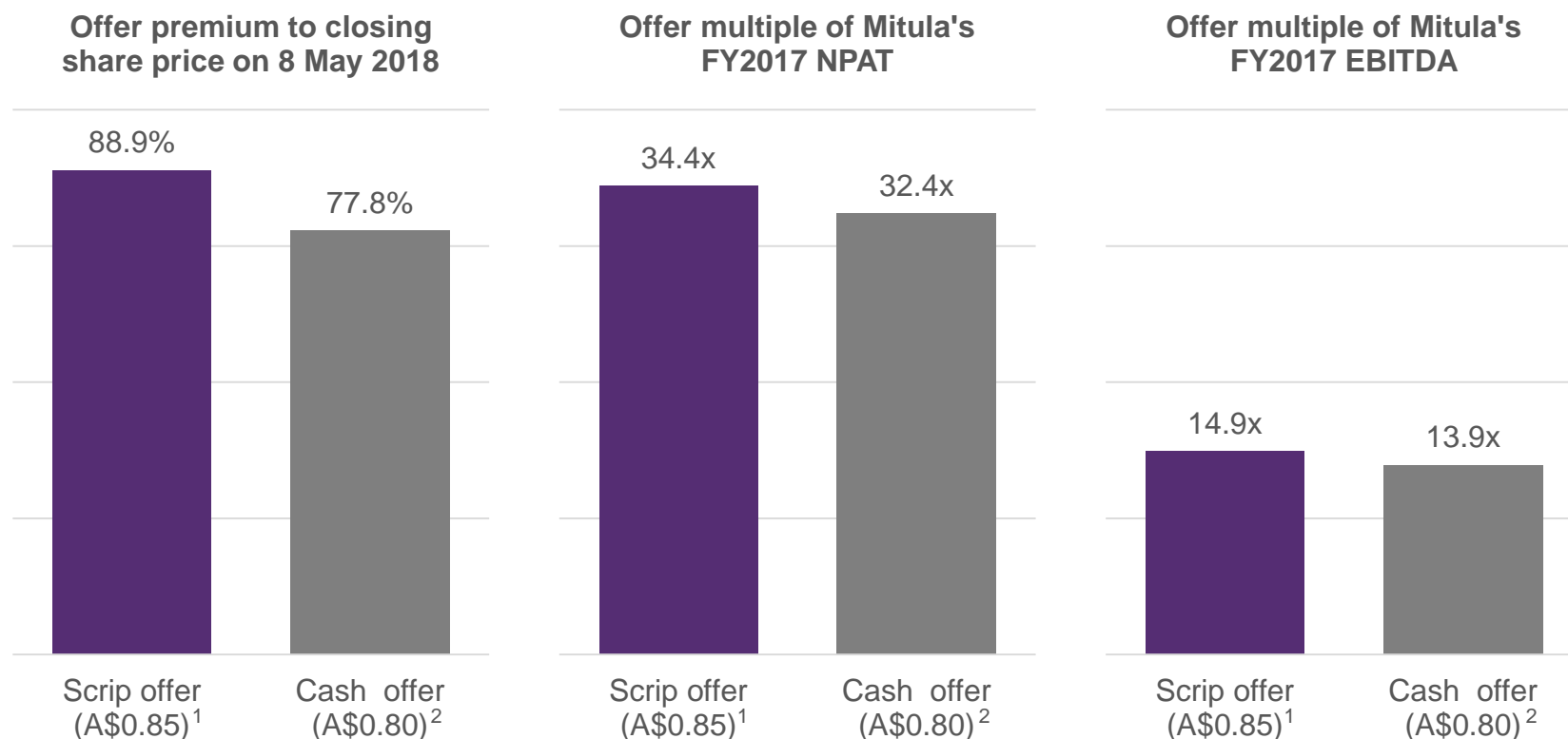
- The Mitula Board unanimously recommends that Mitula shareholders vote in favour of the Scheme<sup>2</sup>

1. Based on LIFULL 5 day (ending 8 May 2018) VWAP share price of ¥925 and AUDJPY exchange rate of 81.9  
2. In the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Mitula shareholders

## Key transaction highlights

*In recommending the Scheme, the Mitula Board notes that the offer represents an attractive premium and structured to provide the opportunity for Mitula shareholders to share in the future growth of the combined business*

**Offer represents a highly attractive premium and significant multiples of historical earnings**

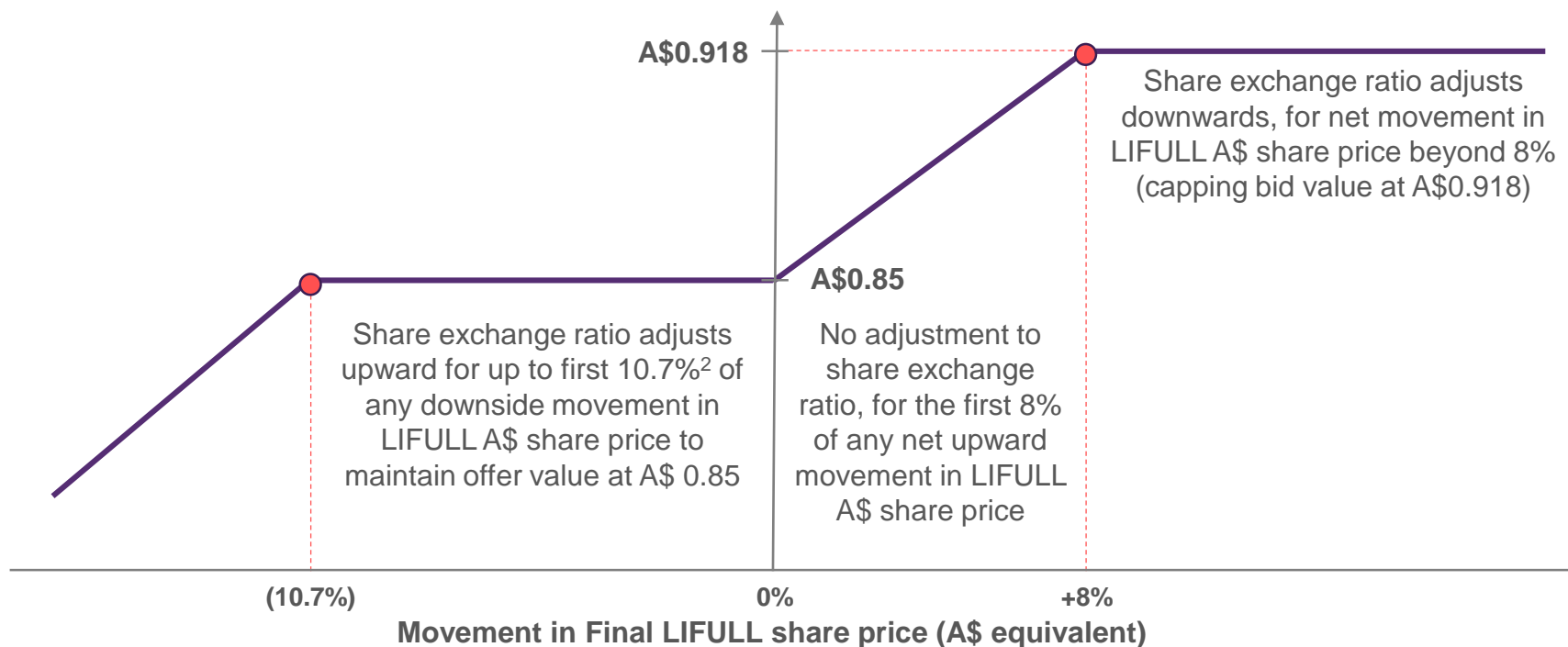


1. Based on LIFULL 5 day (ending 8 May 2018) VWAP share price of ¥925 and AUDJPY exchange rate of 81.9
2. Shareholders are entitled to receive A\$0.80 cash consideration per Mitula share for their first 20,000 Mitula shares

## Offer consideration mechanics (overview)

*The share consideration is subject to a share exchange ratio adjustment mechanism which protects Mitula shareholders from any adverse movement of up to 10.7% in LIFULL A\$ share price and enables participation in the first 8% of any upside movement<sup>1</sup>*

### Scrip offer value per Mitula share (A\$)



1. Adjustment to the share exchange ratio will be determined by movement in both the LIFULL share price and the JPYAUD exchange rate at the date of the Deed and the 10 day VWAP in the period up to and including the record date being the 3<sup>rd</sup> business day following the Second court approval of the Scheme
2. Subject to a maximum additional issuance of LIFULL shares of 12% - refer to Scheme Implementation Deed for further details

# Transaction timetable

***Mitula is currently preparing an Scheme Booklet which will contain information relating to the Scheme, including the reasons for the Directors' recommendation, the Independent Expert Report and details of the Scheme meeting***

## Scheme timetable<sup>1</sup>

Key deliverable	Timing
Scheme Implementation Deed announced	Early May 2018
Regulator's Draft provided to ASIC	Late June 2018
LIFULL shareholder meeting (to approve issue of LIFULL shares)	Late June 2018
First Court hearing	Mid July 2018
Scheme Booklet sent to shareholders	Mid July 2018
Scheme meeting	Mid August 2018
Final Court hearing	Late August 2018
Effective date	Late August 2018
Record date	Late August 2018
Implementation date	Early September 2018

1. Dates are indicative and subject to change

# LIFULL corporate overview

## Overview

- Established in 1997 and is the leading player in the Japanese property portal industry
- Listed on the Tokyo Stock Exchange with a market capitalisation of ~¥91.1bn (~A\$1.1bn)<sup>1</sup>
- In November 2014, LIFULL acquired Trovit, and now operates the leading global classifieds aggregator for real estate, cars and jobs
- Major LIFULL shareholders include: Taksahi Inoue, Founder and CEO (~27.7%) and Rakuten (~20.0%)

## Summary of LIFULL financials<sup>2</sup>

		FY16 <sup>3</sup>	FY17 <sup>3</sup>	1H18 <sup>3</sup>
<b>Sales</b>	A\$m	291.4	367.6	205.6
<b>Operating profit</b>	A\$m	45.3	50.0	29.0
<b>Income before taxes</b>	A\$m	45.5	50.2	28.2
<b>Income</b>	A\$m	30.7	34.5	17.9
<b>Income per share</b>	A\$	0.26	0.29	0.15

## LIFULL share price performance over the last 5 years(JPY)<sup>1</sup>



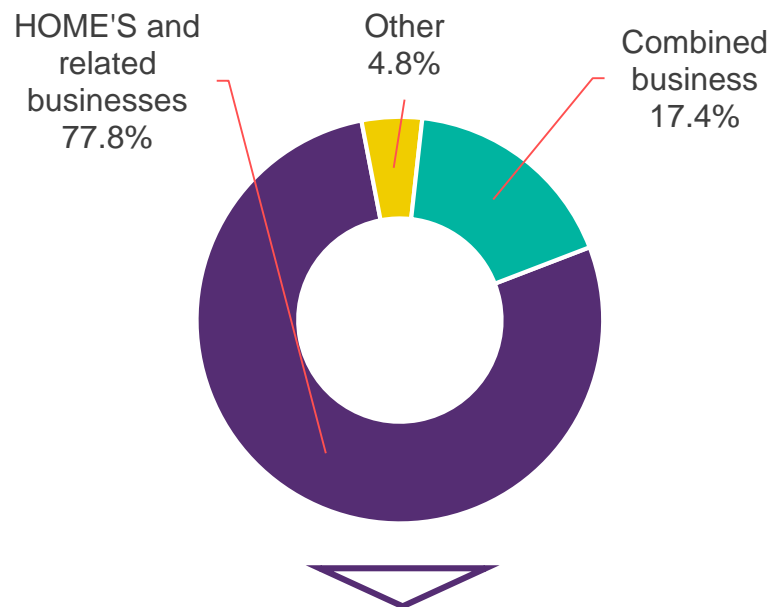
1. As at 23 May 2018

2. Converted from JPY to AUD based on average JPYAUD for the period – i.e. FY16: 0.0113; FY17: 0.0123; 1H18: 0.0116

3. LIFULL change its fiscal year end from 31 March to 30 September, starting from fiscal year ended 30 September 2017

# LIFULL operations and combined business

## LIFULL revenue contribution<sup>1</sup>



### HOME'S and related businesses

- A leading real estate portal site in Japan
- 27,000 clients <sup>2</sup>
- Monthly ARPA of \$1,260 AUD <sup>2</sup>

### Combined business

**Mitula**  + **trovit**

- Combination of Mitula and Trovit creates a significant global player in online classifieds
- **Operating in 63 countries**
- More than **400m listings**
- **170m visits** per month
- Provide customers access to **more traffic and greater range of products and services**
- Positioned to accelerate profitability through **increased investment efficiency** and new value creation
- **Multi-dimensional opportunities for revenue** underpins increase in potential value per user

1. Based on financial performance for January to December 2017

2. Source Lifull "Q2 Earnings Presentation" May 2018

### **3. Formal business of the AGM**

## **Items of business**

**Resolution 1:  
Adoption of the Remuneration Report**

**Resolution 2:  
Re-election of Director (Mr Sol Wise)**

**Resolution 3(a), 3(b), 3(c), 3(d) and 3(e):  
Approval of issue of shares to Directors in lieu of fees**



# Resolution 1

## Adoption of the Remuneration report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That the Remuneration Report forming part of the Director’s Report for the financial year ended 31 December 2017 be adopted.”*

### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
<b>Shares</b>	29,653,447	120,431	610,742	184,406
<b>%</b>	97.6%	0.4%	2.0%	-

## Resolution 2

### Re-election of Director (Mr Sol Wise)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That Mr Sol Wise, a Director retiring by rotation in accordance with the Company’s Constitution and the ASX Listing Rules, and being eligible, offers himself for re-election, is re-elected as a Director of the Company.”*

#### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
Shares	131,864,939	59,961	608,584	207,500
%	99.5%	0.1%	0.5%	-

## Resolution 3(a)

### Approval of issue of shares to Directors in lieu of fees – Mr Simon Baker

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 40,000 ordinary fully paid shares to Mr Simon Baker in lieu of accrued directors’ fees for the 6-month period ending 31 December 2017 (as described in the Explanatory Statement).”*

#### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
<b>Shares</b>	29,818,963	115,179	592,384	42,500
<b>%</b>	97.7%	0.4%	1.9%	-

## Resolution 3(b)

### Approval of issue of shares to Directors in lieu of fees – Mr Georg Chmiel

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 25,000 ordinary fully paid shares to Mr Georg Chmiel in lieu of accrued directors’ fees for the 6-month period ending 31 December 2017 (as described in the Explanatory Statement).”*

#### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
<b>Shares</b>	29,808,936	125,206	592,384	42,500
<b>%</b>	97.7%	0.4%	1.9%	-

## Resolution 3(c)

### Approval of issue of shares to Directors in lieu of fees – Mr Gonzalo Ortiz

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 25,000 ordinary fully paid shares to Mr Gonzalo Ortiz in lieu of accrued directors’ fees for the 6-month period ending 31 December 2017 (as described in the Explanatory Statement).”*

#### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
<b>Shares</b>	29,808,936	125,206	592,384	42,500
<b>%</b>	97.7%	0.4%	1.9%	-

## Resolution 3(d)

### Approval of issue of shares to Directors in lieu of fees – Mr Sol Wise

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 30,000 ordinary fully paid shares to Mr Sol Wise in lieu of accrued directors’ fees for the 6-month period ending 31 December 2017 (as described in the Explanatory Statement).”*

#### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
<b>Shares</b>	29,808,936	1,200	3,709,358	9,532
<b>%</b>	88.6%	0.0%	11.4%	-

## Resolution 3(e)

### Approval of issue of shares to Directors in lieu of fees – Mr Joe Hanna

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 30,000 ordinary fully paid shares to Mr Joe Hanna in lieu of accrued directors’ fees for the 6-month period ending 31 December 2017 (as described in the Explanatory Statement).”*

#### Proxies and online voting received as at 9am on 23 May 2018

	In favour	Against	Open	Abstention
<b>Shares</b>	29,808,936	1,200	3,709,358	9,532
<b>%</b>	88.6%	0.0%	11.4%	-

## 4. Questions and answers



# Mitula is a leading global digital classifieds group

## Global presence

- Branded sites are in 54 countries and available in 21 languages
- Across property, employment, motoring and fashion

## Recognisable brands

- Mitula, Fashiola, Kleding.nl, DotProperty, Nestoria and Nuroa
- Across transaction, advertising and vertical search sites

## Profitable since foundation

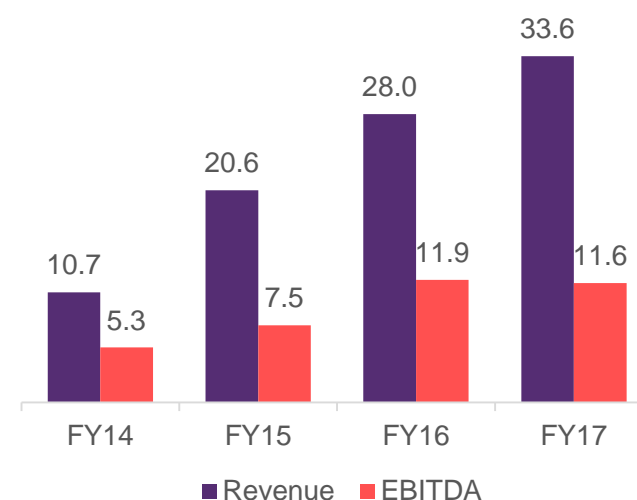
- Delivered consistent revenue growth and >30% EBITDA margins
- Cash flow positive operations and strong cash position

## ‘Closer to the Transaction’ strategy

- Focused on extracting increased value from each visit (yield)
- Focused on leveraging visits to generate higher-yield advertising and transactional revenues



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



1. Statutory revenue and EBITDA for 12 month periods ending 31 December

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