

**ASX Code: FDV**

25 October 2018

**Bell Potter Emerging Leaders Conference Presentation**

Frontier Digital Ventures (ASX: FDV) is pleased to announce that its CEO Shaun Di Gregorio will be presenting at the Bell Potter Emerging Leaders Conference at **11:00am (Sydney time) on Thursday 25<sup>th</sup> October 2018.**

The conference gives the opportunity for Frontier to showcase itself to some of Australia's leading institutional investors. Shaun will present alongside some of the leading high growth emerging companies in Australia.

The updated presentation is attached to this announcement.

**- Ends -**

For more information, please contact:

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Chief Executive Officer

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**About FDV Limited**

FDV is a leading operator of online classifieds businesses in underdeveloped, emerging countries or regions. With a track record of building and supporting market leading online businesses, FDV is an expert in the online classifieds space with a particular focus on property and automotive verticals and general classifieds websites. Its portfolio currently consists of interests in 15 leading companies, operating businesses across 15 markets. With the extensive support offered to the local operating companies, coupled with its own energy and work ethic, FDV is bringing outstanding companies of global significance to their full potential and setting a new global standard of excellence in the field.



**FRONTIER**  
DIGITAL VENTURES

## ONLINE CLASSIFIEDS IN FRONTIER AND EMERGING MARKETS

BELL POTTER EMERGING LEADERS CONFERENCE | 25 OCTOBER 2018

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Why online  
classifieds?



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Why frontier  
and emerging  
markets?





# Who is FDV?

- Operator of market leading online classifieds websites in frontier and emerging markets
- Portfolio revenues have tripled since IPO in August 2016 to A\$18.2m in 1H 2018 with a CAGR of 69%
- Strong background and experience with the best ASX online classifieds stories
- FDV's business model is focused on unlocking v2.0 online classified revenue streams on the way to the transaction
- Approaching profitability across its portfolio of market leading businesses

# FDV's unique business model



FDV identifies a high quality local entrepreneur and market opportunity



*Enters market at an early stage and invests in high potential classified businesses*

FDV invests with highly structured, valuable investment terms



*Creates **valuable call options** for follow-on investment at pre-agreed prices*

FDV optimises the business in partnership with the entrepreneur



*Combines **the best local expertise** with FDV's track record of online classifieds success*

# Operator of market leading online classifieds businesses in Developing Asia (ex China), Central & South America and MENA



## 1 INVESTS

Invests in companies that can gain the most from FDV optimisation

## 2 OPERATES

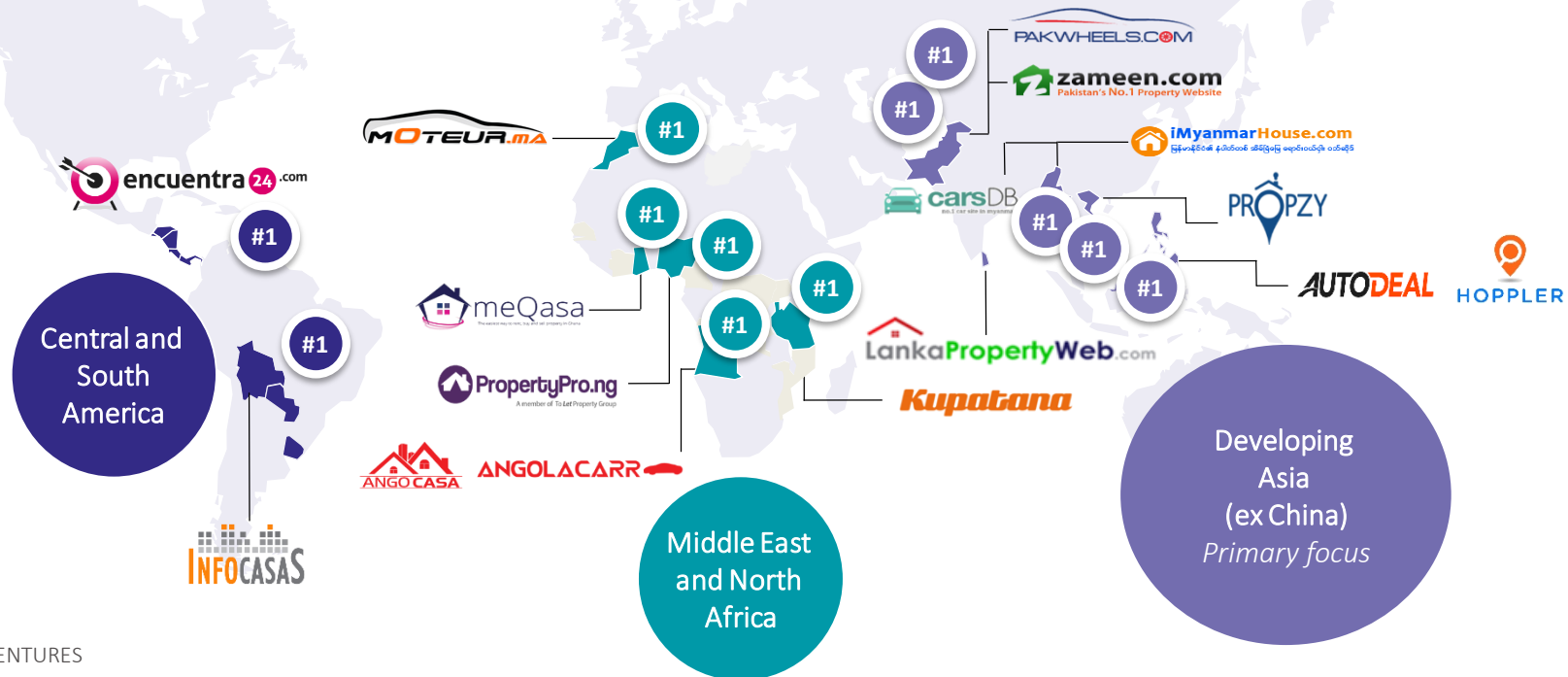
Owens a portfolio of market leading online classified companies

## 3 PARTNERS

Operates businesses in partnership with local entrepreneurs

## 4 UNLOCKS

Adds expertise to unlock material value with local partners





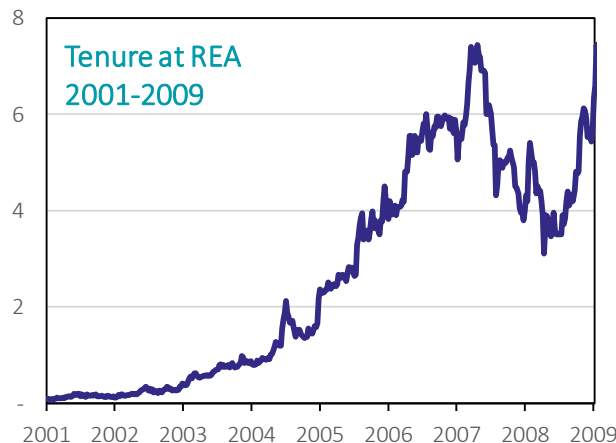
# Leading management team with a strong background and experience with some of the best ASX online classifieds stories



**Founder and CEO**  
Shaun Di Gregorio

- One of the top online classifieds executives in Australasia with a track record of success
- Former CEO of iPropertyGroup (ASX: IPP) and General Manager at REA Group
- Spearheaded the transformation of iProperty Group from a US\$15m small online business into the largest listed internet company in ASEAN with a market capitalisation of US\$600m
- As General Manager of the core Australian REA Group business and one of its global leaders, grew the business alongside a team of 8 people with a revenue of A\$5m into a company with more than 300 staff and revenue exceeding A\$150m

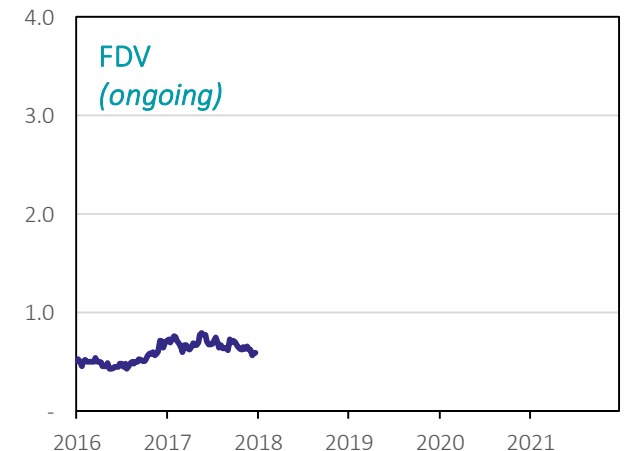
**REA Group (ASX: REA)**



**iPropertyGroup (ASX: IPP)**

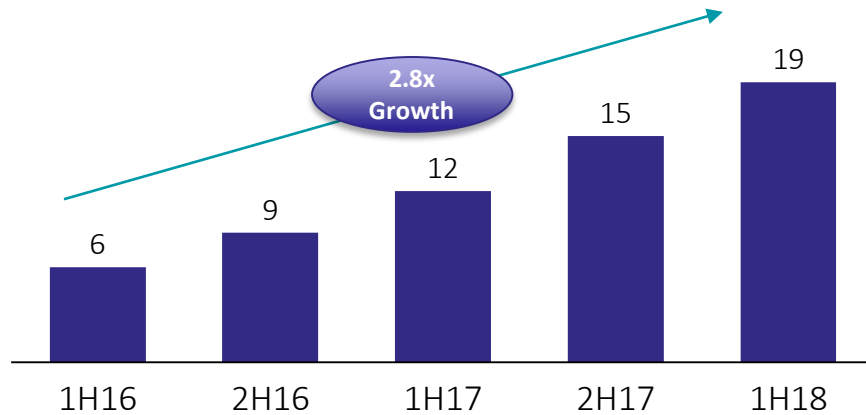


**FDV (ASX: FDV)**

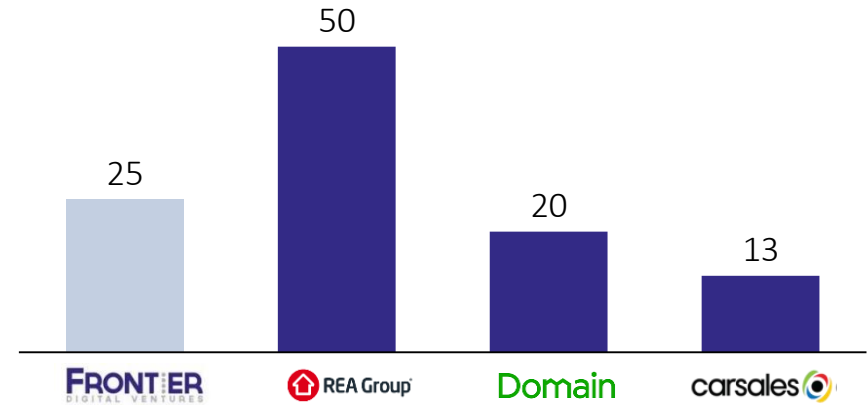


# Increasing internet penetration rates in emerging markets represents a large monetisation opportunity for FDV

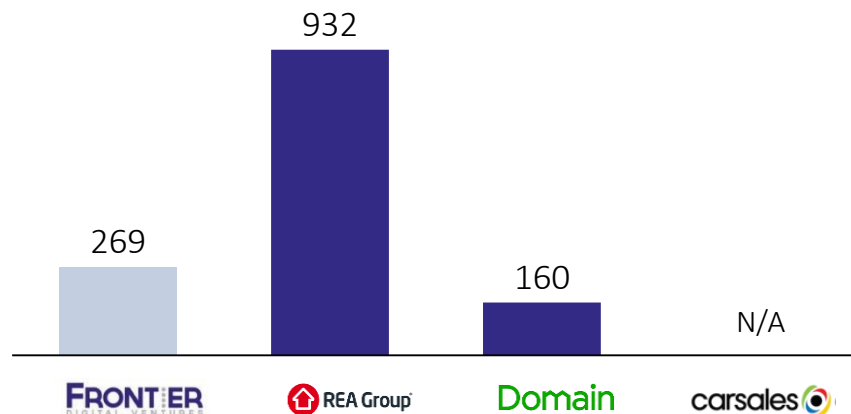
Quarterly revenue (A\$m, 100% basis, pro-forma unaudited)



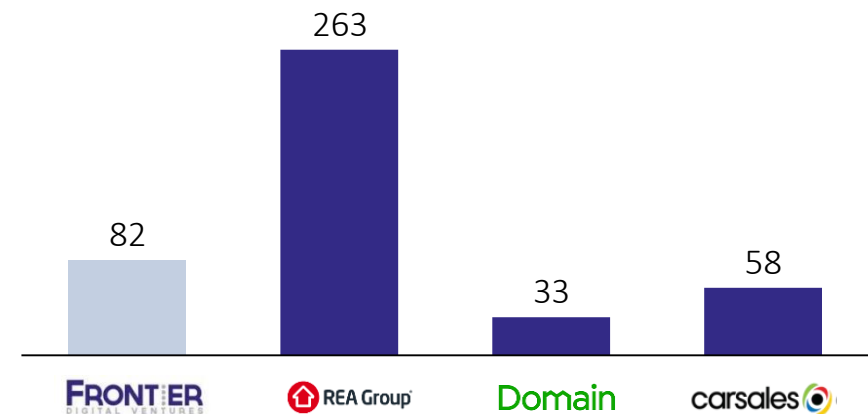
Number of Monthly Page Visits (millions)



Number of Page Views (millions)



Average Monthly Total Time on Site (minutes)



Source: Management accounts; Company filings

FRONTIER DIGITAL VENTURES



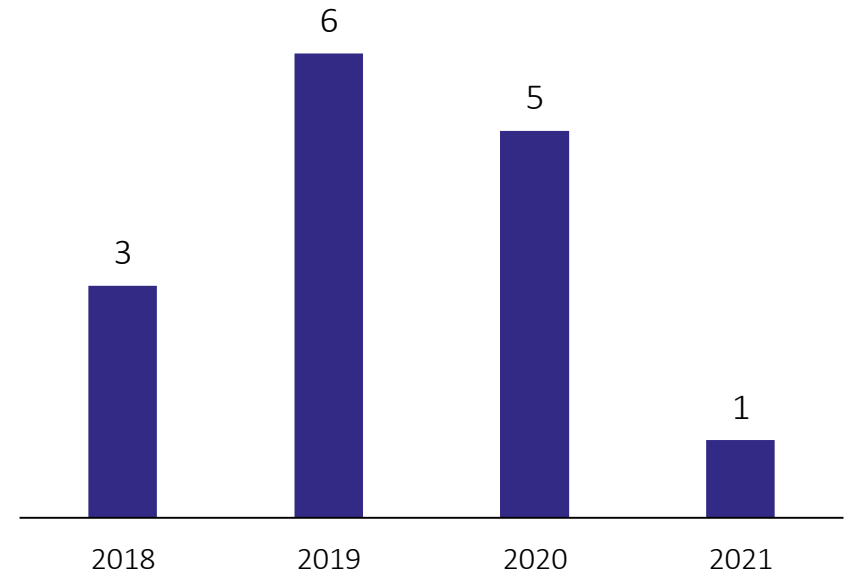
# Portfolio progression to profitability



Based on current expectations, 3 operating companies are expected to begin to trade profitably by the end of CY2018 and 6 more companies by the end of CY2019

- Approximately half of the operating companies are expected to begin to trade profitably before 31 December 2019
- FDV expects to see an increase in potential liquidity events as more of its operating companies progress towards profitability
- FDV continuously manages its portfolio on an underlying equity value basis which may result in decisions to prioritise market leadership and/or revenue over near term profitability
- FDV therefore expects some variance to the current profitability timing forecasts provided

Current expectation of cash flow breakeven timing across FDV's portfolio (#)<sup>1</sup>



## Notes:

- 1 The current expected timing of cash flow breakeven is based on FDV's detailed half year budgeting process with each operating company. The budgeting process produces revenue and cost forecasts based on historic growth trends and known upcoming events which may have an impact on cash flow. The exact cash flow breakeven timing of each operating company is based on assumptions which may not be realised and may be influenced by unanticipated events. Circumstances may occur which alter the expected timing and there is no guarantee that cash flow breakeven will be achieved when anticipated. In respect of each operating company, the assumptions on which cash flow breakeven have been calculated include (1) material customers are not lost (2) operational performance continues as forecast (3) any M&A activity occurs as planned (4) no revenue impact due to the need to maintain market position and (5) general economic conditions remain consistent.

1

Who is  
FDV?



2

Why online  
classifieds?

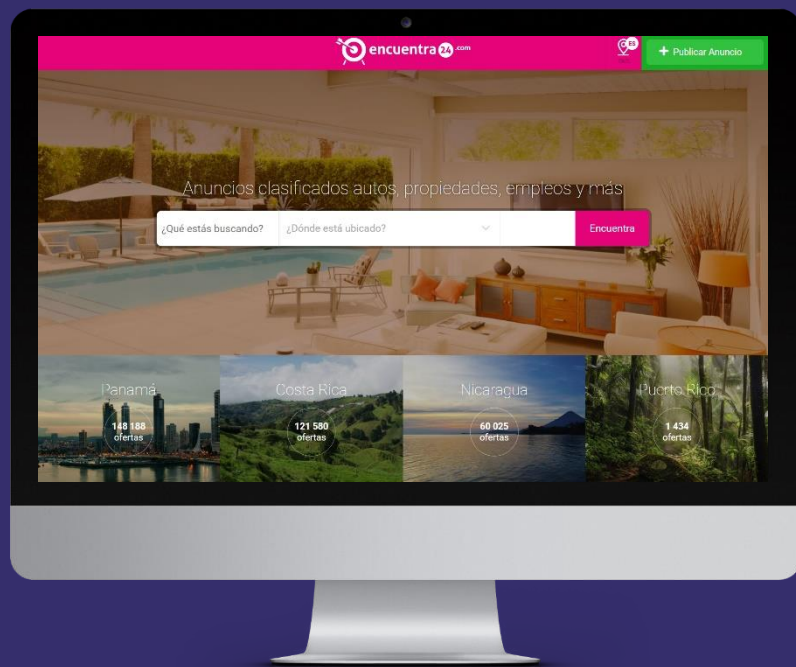


3

Why frontier  
and emerging  
markets?








# Online classifieds have been one of the most successful online business models



At its core the basic business model has remained largely unchanged for 20+ years

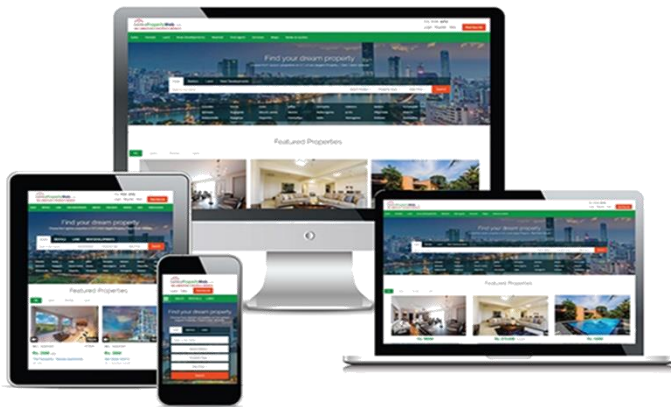


The online classifieds business model has been central to a number of the world's valuable internet companies

	Market capitalisation	
	Now...	10 years ago...
 <b>REA Group</b> #1 property portal in Australia	<b>A\$12bn</b>	<A\$1bn
 <b>rightmove</b> #1 property portal in UK	<b>A\$8bn</b>	A\$1bn
 <b>AutoTrader</b> #1 car portal in UK	<b>A\$8bn</b>	unlisted
 <b>carsales.com</b> #1 car portal in Australia	<b>A\$4bn</b>	<A\$1bn
 <b>PURPLE BRICKS</b> #1 online agent in UK	<b>A\$2bn</b>	unlisted

Online classifieds businesses have significant leverage to both population and economic growth factors

...



FDV's portfolio of online classifieds businesses covers:

**900m+** population

**US\$1.8tn** market GDP

**+5.3%** average GDP growth rate

**268m** total website sessions in 2017

FDV has focused its portfolio on markets that optimise these key factors



Fast growing  
GDP per capita



High internet  
penetration



High mobile  
penetration



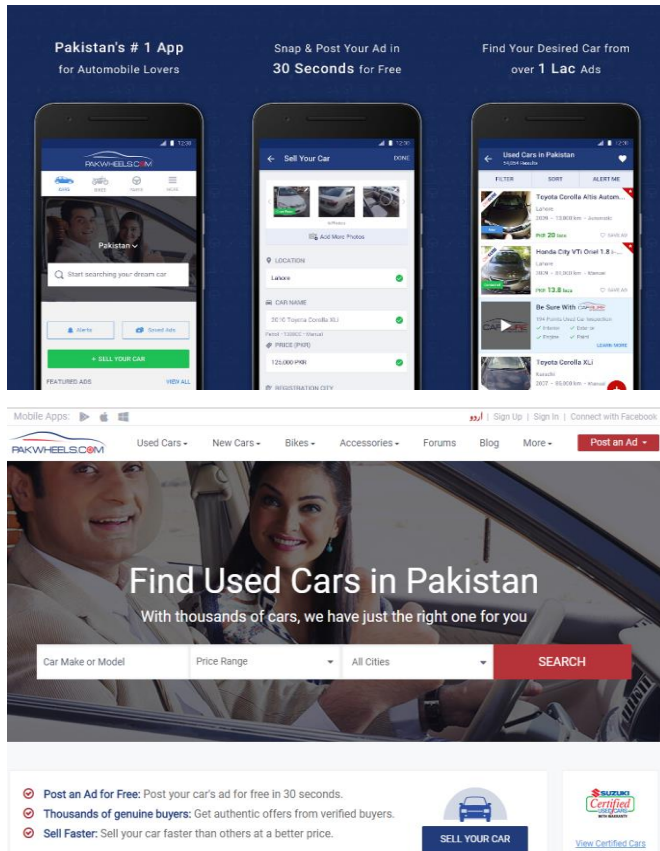
Nascent existing  
industry



# Unlocking ancillary revenue opportunities outside of the traditional online advertising model across the FDV portfolio



## The PAKWHEELS Example



## Revenue Streams

		Launch Date	Statistic
1	Core Listing / Advertising Revenue		Continued optimisation of product through pricing increases etc.
2	Car Certification Services	Aug-18	More than 350 cars certified since launch
3	Car Inspection Services	Jan-16	~9% Market share
4	Car Financing and Insurance Revenue	Jul-15	Crucial part of the value chain
5	Automotive Trade Shows	Mar-11	~500k visitors to the shows annually

- Increase levels of penetration
- Capture market share
- Grow into new adjacencies

Transaction based model driving revenue growth through the entire value chain

1

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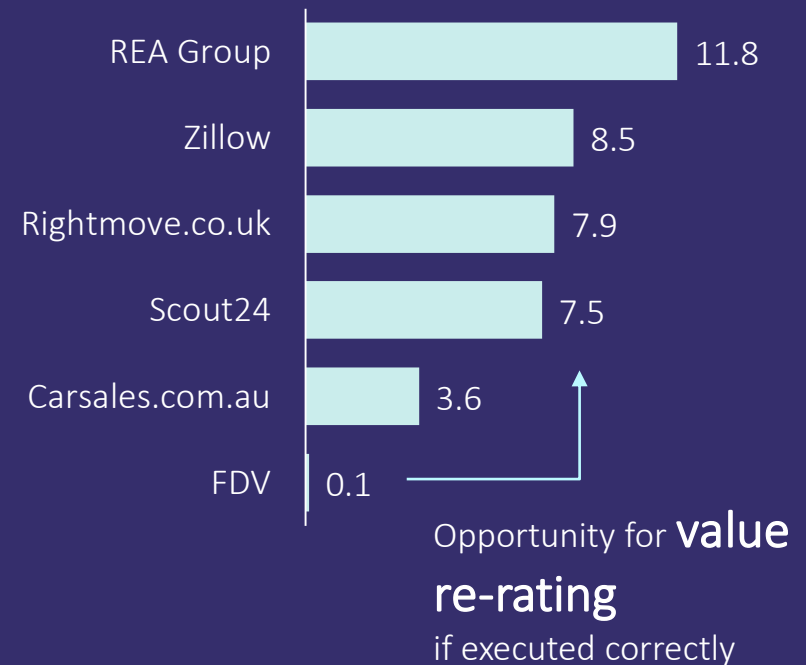


Frontier and emerging markets present a **unique opportunity** to build online classifieds businesses with a focus on getting closer to the transaction

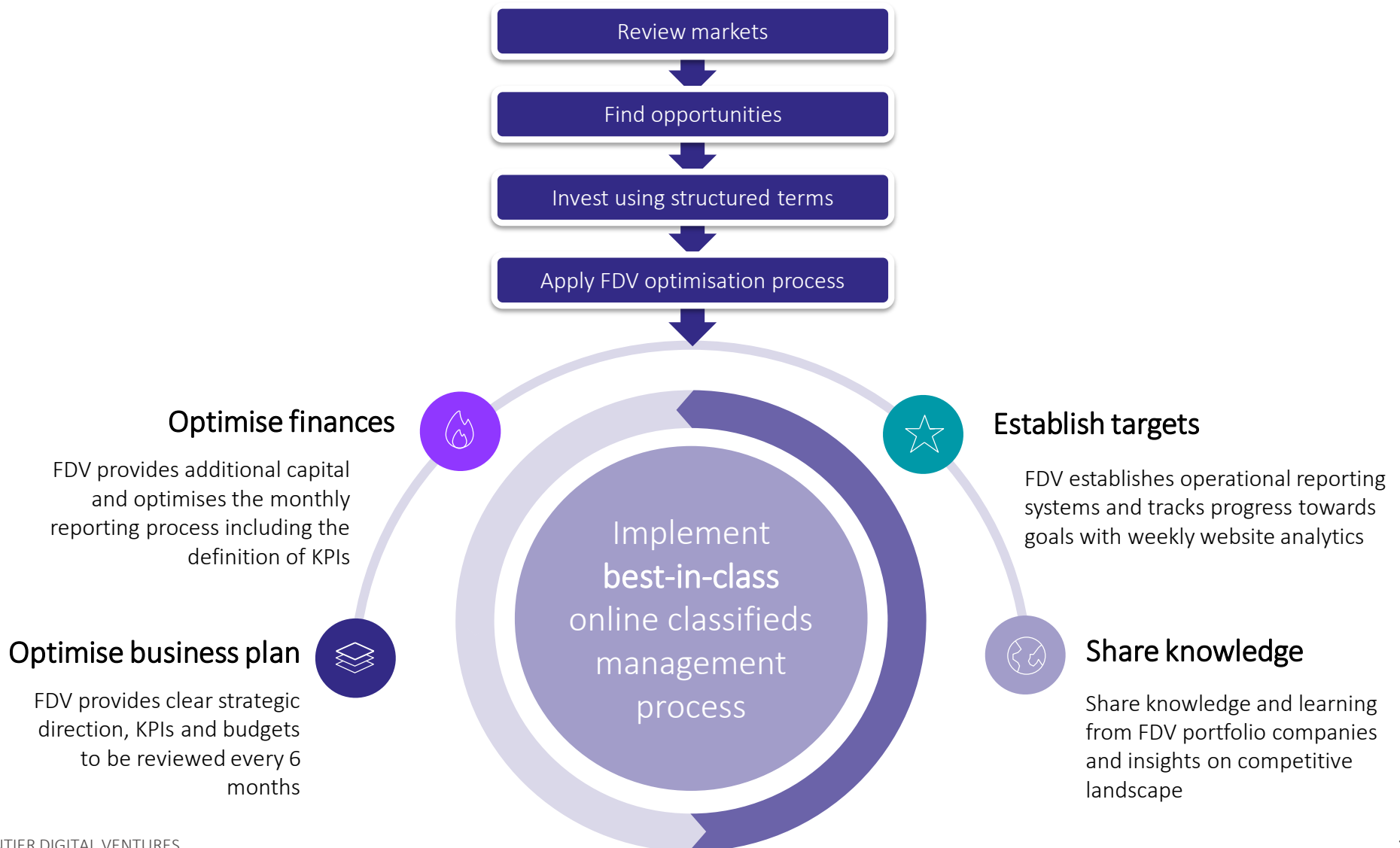
- ✓ Early stage markets and low entry price
- ✓ Leverage knowledge from established markets
- ✓ Lower levels of trust between buyers and sellers
- ✓ Online classified websites often form a market
- ✓ Opportunity to become the intermediary between buyers and sellers
- ✓ Being closer to the transaction is now a reality

...with potential for a **significant value re-rating** if successful

Market capitalisation  
(A\$bn)



# The FDV optimisation process



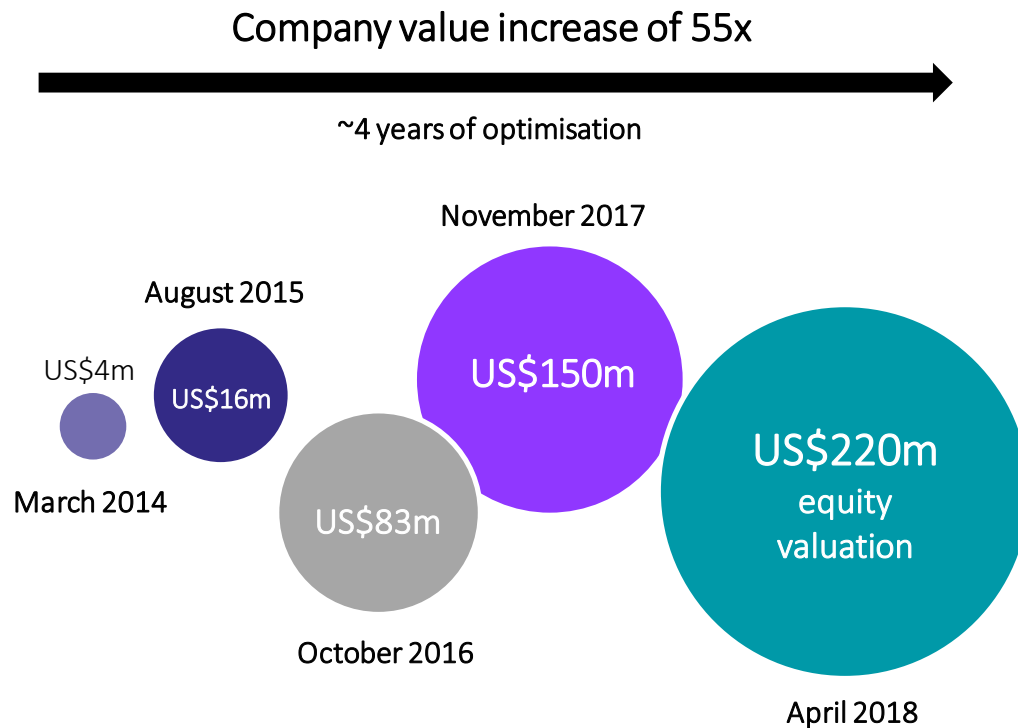


# Zameen Case Study: Demonstrated value creation

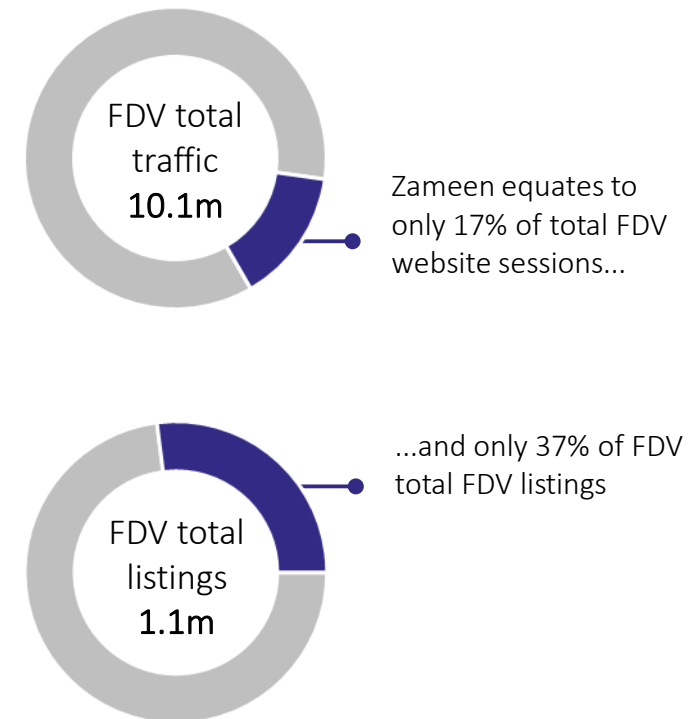


FDV's first investment, Zameen, has already increased in total equity value by more than 55x since the initial investment in March 2014 (30% stake now worth US\$66m)

## Growth in Zameen equity value



## Contribution to FDV portfolio

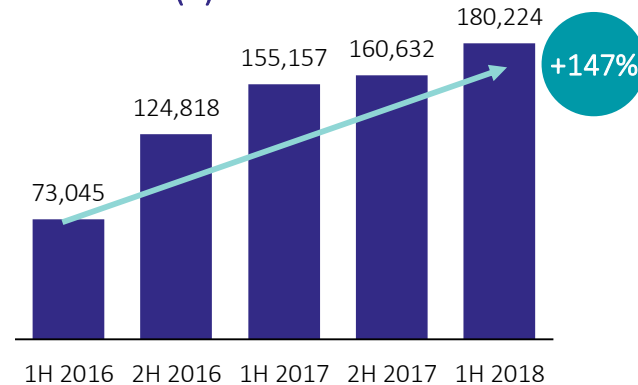


# Consistently generated portfolio wide growth over key metrics

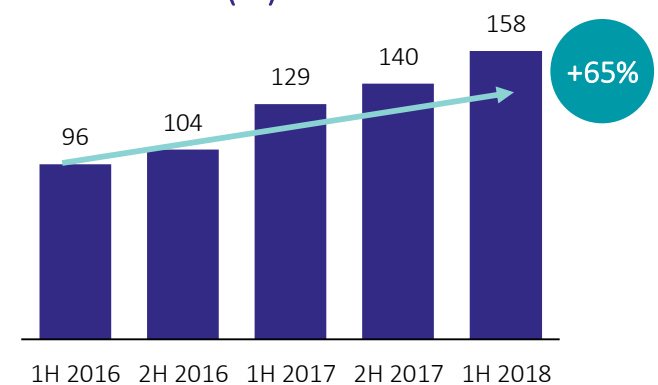


Strong growth in key operating metrics across the portfolio with a **clear focus on important monetisation metrics (advertisers and leads)**

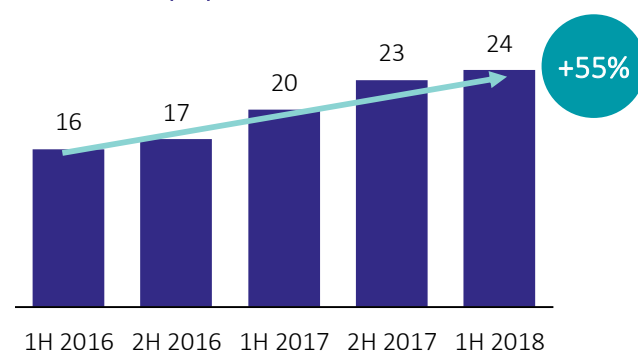
Advertisers (#)



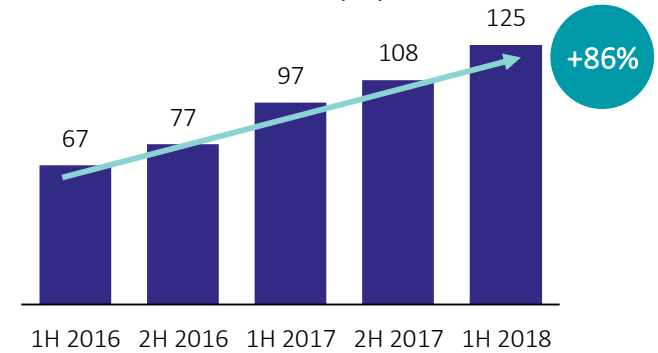
Total sessions (m)



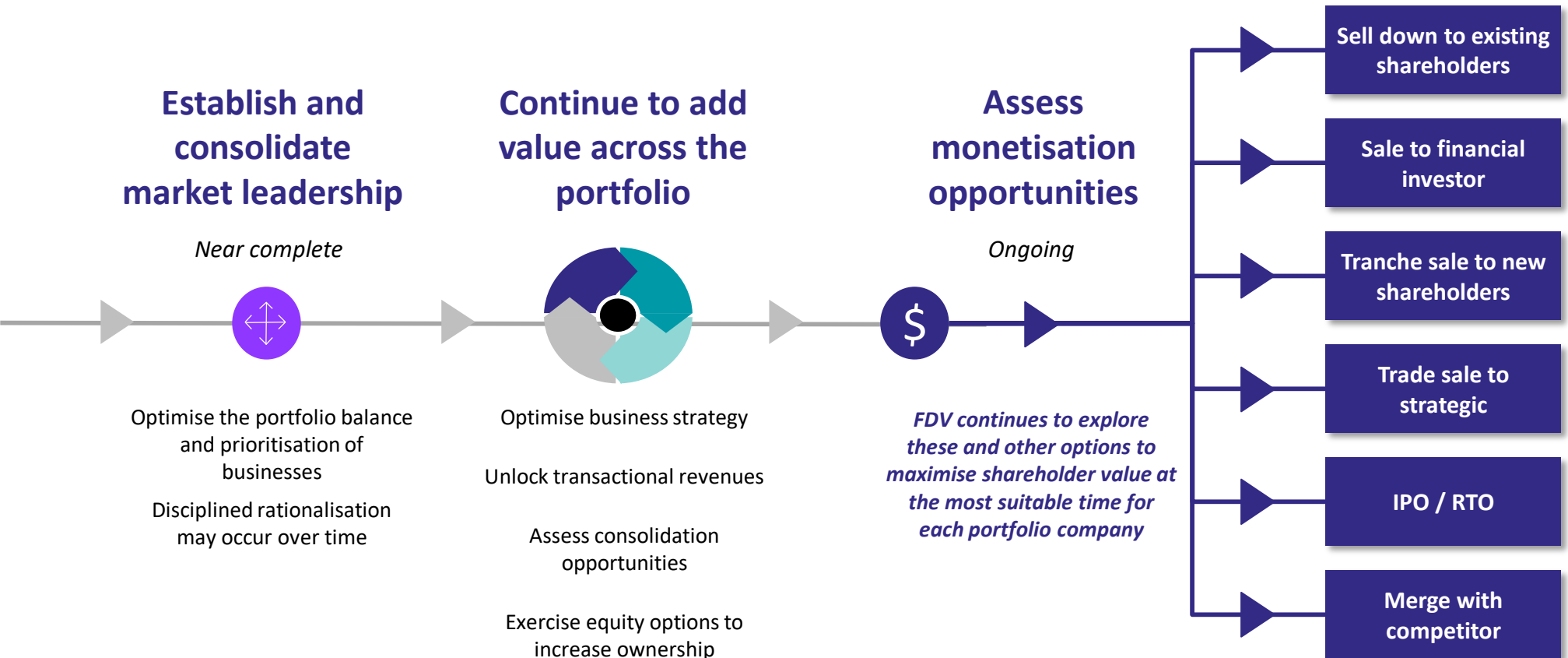
Total leads (m)



Total mobile sessions (m)



# Progress towards monetisation opportunities





# FRONT:ER

DIGITAL VENTURES

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