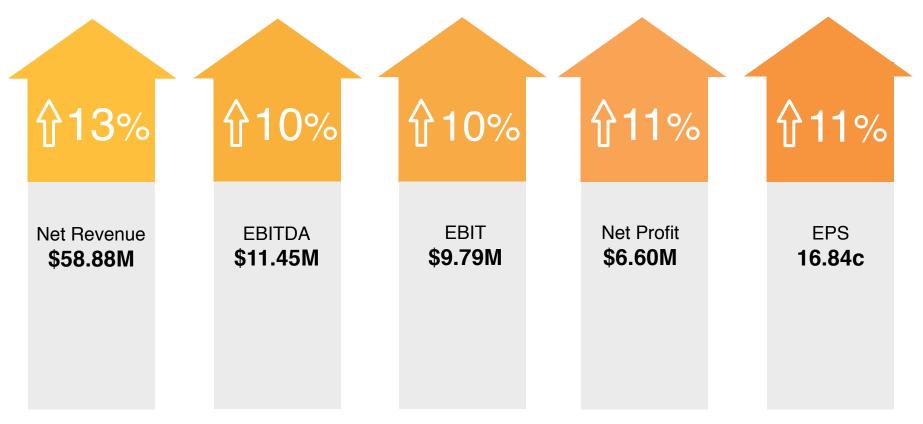


1H19 RESULTS PRESENTATION

ASX: WLL



# 1H19 RESULTS





# Wellcom is the world's leading independent creative production agency.

Specialists in content production and workflow technology.



## **WE WORK WITH PREMIUM BRANDS GLOBALLY**



















































































# **OUR BRANDS**

**CREATIVE** 





**PRODUCTION** 



**TECHNOLOGY** 





#### **VALUE TO THE INDUSTRY**

Wellcom is a global creative production and marketing services agency. We provide brands and advertisers the talent, scale, technology and expertise to produce and deliver effective omnichannel marketing, efficiently.

Best-practice

Speed to market

Return on Investment (ROI)

High-quality

Brand champions



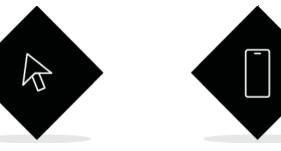
#### **OUR SERVICES**

We help brands produce marketing and advertising content, for all channels, quickly, accurately and cost effectively.











VI	Sl	JAI	L
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Photography

Retouching

CGI / Motion Graphics / Animation

Tactical Retail

Art Direction / Copy Writing

#### **PRINT**

Catalogues

Point Of Sale

Brochures

Magazines

Newspapers

#### MOVING IMAGE

Commercials

Broadcast

Film

Social Video

Corporate Videos

#### **DIGITAL**

Display Advertising & email

Responsive Design

Websites

Microsites

App Development

#### SOCIAL

Facebook

Instagram

Content

Video

Blog



#### **ENGAGEMENT PILLARS**

# ONSITE • OFFSITE • OFFSHORE

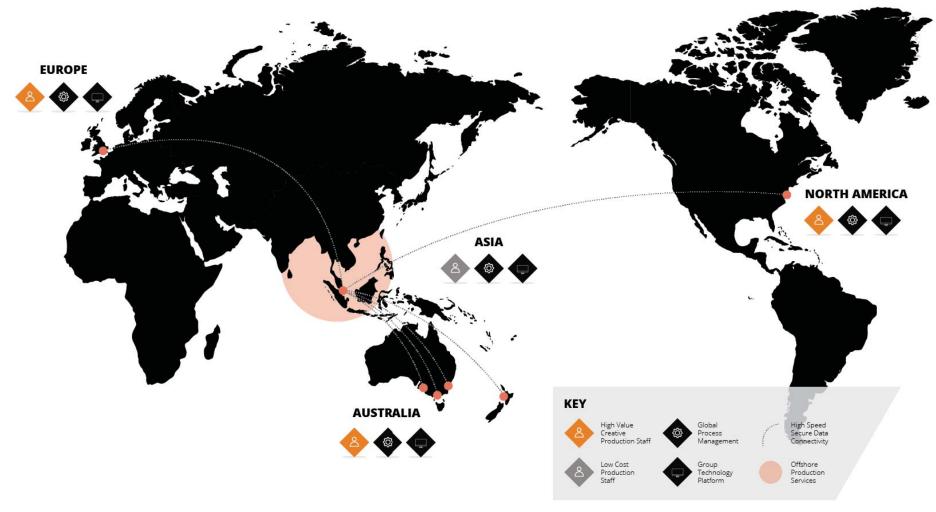
**DESIGN STUDIOS** 

**CONTENT STUDIOS** 

**PRODUCTION SERVICES** 

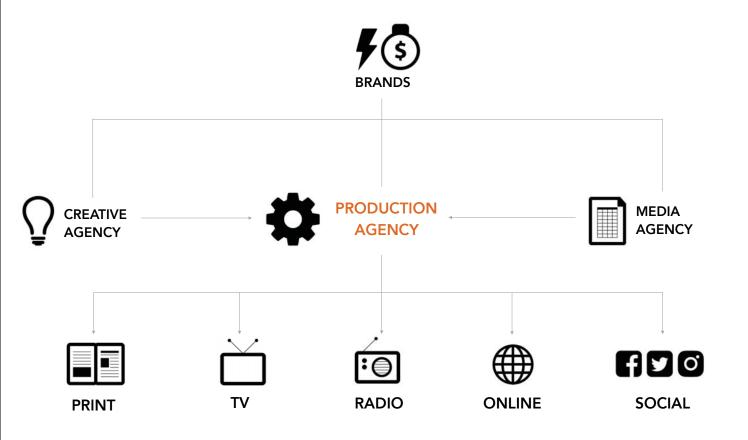


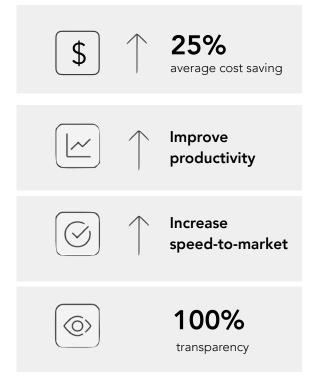
# 24/7 PRODUCTION CAPABILITIES





# PRODUCTION DECOUPLING







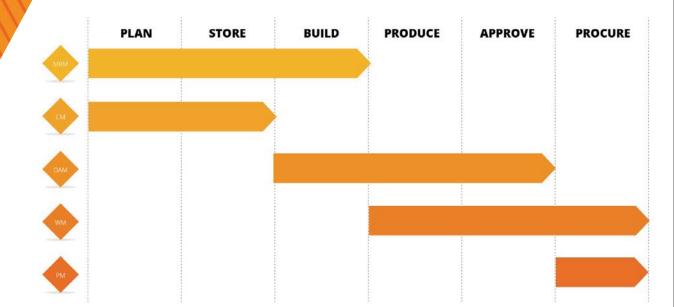


Marketing Operations Technology

# Knowledgewell makes marketing easier, reducing time and cost.

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'S CORE MODULES**





#### **BRANDSYSTEMS ACQUISITION**

Acquisition of BrandSystems Pte Ltd effective as of September, 2018.

# **BrandSystems**

Marketing Resource Management (MRM) solution has become the fastest growing module in the Knowledgewell platform.

Integration of existing technology resources, including the development team in India to be completed during the second half of FY19.

MRM will continue to be branded *BrandSystems*, targeting the fastest growing marketing SaaS category.



## **NEW BUSINESS WINS**

**AUNZ** 

Kayo

**DAVID JONES** 













US

LOFT

**RĒVO** 





ESTĒE LAUDER



UK







CHRISTIE'S





#### **KAYO SPORTS**

Kayo

Case Study: Speed to market

Kayo Sports, a start-up dubbed 'the Netflix of sports,' officially launched in Australia in late November.

Tasked with building and delivering thousands of assets for multiple channels in 7 weeks, Wellcom identified several opportunities for greater production efficiency to ensure on-time project delivery and cost savings for the client.

## 18,425

print and digital deliverables within first 7 weeks. Over 500 assets delivered each day.

## 1,842

builds for print, digital and office screens.

## 99

builds identified as repetitive artwork, and automated for significant cost savings and increased speed to market by over 30%.











#### **BODY SHOP**

#### THE BODY SHOP

#### Case Study: Global Production

The Body Shop is one of the world's best known ethical cosmetic brands, and a new global integrated content partner of Wellcom Worldwide.

We provide an innovative and industry-leading global on-site and off-site creative content studio network to support their inhouse ideation and marketing teams, wholesale channels and 3,000 stores in 66 countries.

Over the last 3 months:

#### 19

global omni-channels events delivered

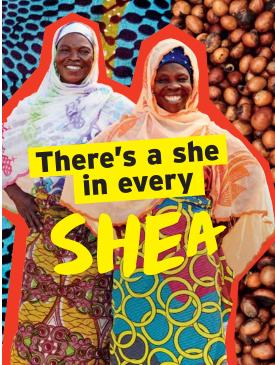
#### 5,600

creative assets produced

Through our people, processes and technology we've delivered a 40% reduction in production costs across the Global and EMEA Marketing and Brand teams.

We continue to offer further efficiencies by leveraging our Kuala Lumpur team, and utilising our Knowledgewell platform.







#### **PERNOD RICARD**

#### Case Study: On-site Creative Production Studio

Pernod Ricard is a leader in the US spirits and wine industry, and home to a strong portfolio of premium brands.

Not only do Pernod Ricard have around-the-clock access to their fully integrated on-site team, but any of our US resources as needed. Our 7 person team of on-site creatives and producers work directly with their marketing teams across 30+brands to concept and execute everything from POS, digital signage, and OOH to digital banner ads, social and special projects.

#### **Services**

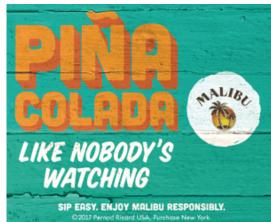
Digital/Social Strategy Art Direction Copywriting Ideation Design Photography









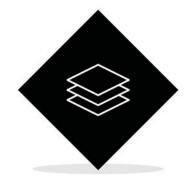




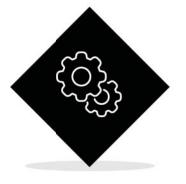
# **FUTURE TRENDS**



Creative in-house studios



Integrated creative, production and media (strategy)



Content Automation



Consultation services



# **KEY RESULTS**

- Net revenue increased 13%
- Net profit increased 11%
- Fully franked interim dividend per share increased to 11 cents per share

	41140	41140	CHANGE
	1H19 (\$M)	1H18 (\$M)	CHANGE (%)
Statutory revenue	79.95	75.87	5.4
Net revenue*	58.88	52.12	13.0
EBITDA	11.45	10.37	10.4
EBIT	9.79	8.91	9.9
Net profit for the period	6.60	5.96	10.7
EPS (cents)	16.84	15.21	10.7
Interim DPS (cents)	11.0	10.0	10.0
Franking (%)	100	100	-
Special DPS (cents)	-	25.0	-
Franking (%)	-	100	-
Return on net assets (%)	20.67	17.91	15.4



<sup>\*</sup> Net Revenue excludes Print Management and other pass through costs.

# SUMMARY OF FINANCIAL POSITION

- Strong financial position
- Goodwill, intangibles and debt increase relates to the acquisition of Brandsystems (MRM technology)

	1H19 (\$M)	FY18 (\$M)
Cash & debtors	32.27	32.98
Inventories and work in progress	3.00	2.23
Intangibles (goodwill)	51.99	47.60
Intangibles (software development)	2.23	1.86
Debt	13.02	10.23
Equity	63.85	60.43
NTA per share (cents)	24.90	28.87
Debtor days	55	50
Working capital ratio	1.81	1.70
	1H19 (\$M)	1H18 (\$M)
Capital expenditure	0.89	1.03
Net cashflows from operating activities	5.92	6.46



# 1H19 RESULTS

	1H19 (\$M)	1H18 (\$M)	CHANGE (%)
Statutory revenue	79.95	75.87	5.4
Less: pass through costs	(21.07)	(23.75)	(11.3)
Net revenue	58.88	52.12	13.0
Results from operating activities	11.15	10.48	6.4
Margin	18.9%	20.1%	(6.0)
Unallocated & restructure*	(1.36)	(1.57)	(13.4)
Net interest (expense)	(0.25)	(0.03)	733.3
Income tax expense	(2.94)	(2.92)	0.7
Net profit for the period	6.60	5.96	10.7

<sup>\*</sup> includes \$172K of restructure costs in 1H19 (1H18 \$419K)



# **AUSTRALASIA**

- Increase in net segment revenues of 11% to \$31.08M
- Increase in segment result of 12% to \$7.27M
- DSO of 53 days (Dec 18) from 40 days (Jun 18)

	1H19 (\$M)	1H18 (\$M)	CHANGE (%)
Net segment revenue	31.08	27.91	11.4
Segment result	7.27	6.47	12.4
Margin	23.4%	23.2%	0.9
Staffing	381	336	13.4



# **UNITED KINGDOM**

- Increase in net segment revenues of 32% to \$10.73M
- DSO of 60 days (Dec 18) from 49 days (Jun 18)
- New business wins include Mother (advertising agency), Expedia and The Body Shop

	1H19 (\$M)	1H18 (\$M)	CHANGE (%)
Net segment revenue	10.73	8.13	32.0
Segment result	1.40	0.66	112.1
Margin	13.0%	8.1%	60.5
Staffing	80	68	17.6



# **UNITED STATES**

- Net segment revenues up 6%
- DSO of 59 days (Dec 18) from 64 days (Jun 18)
- Segment margin impacted by the loss of JCPenney and an increase in building lease costs

	1H19 (\$M)	1H18 (\$M)	CHANGE (%)
Net segment revenue	17.07	16.07	6.2
Segment result	2.48	3.34	(25.7)
Margin	14.5%	20.8%	(30.3)
Staffing	121	91	33.0



