



RESULTS FOR THE YEAR ENDING 30 JUNE 2014

Wayne Sidwell

Executive Chairman

Steve Rees

Chief Executive Officer - Australia/New Zealand

Andrew Lumsden

Chief Financial Officer

- ▶ World's leading provider of content creation, production and content management services.
- ▶ Global capacity with operations in Australia, New Zealand, Asia, UK and US.
- ▶ Unique client site (Hub) service delivery model.
- ▶ Leading edge technology offering (Knowledgewell).
- ▶ Reliable history of growth and fully-franked dividend payments.

80,000

+ completed jobs and counting

400

+ talented craftspeople

10

locations world wide

60

+ global business hubs

BLUE CHIP CLIENT BASE



3 STREAMS OF BUSINESS



CONTENT



PRODUCTION

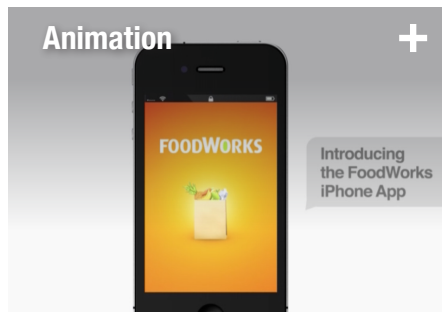


TECHNOLOGY

CONTENT CREATION

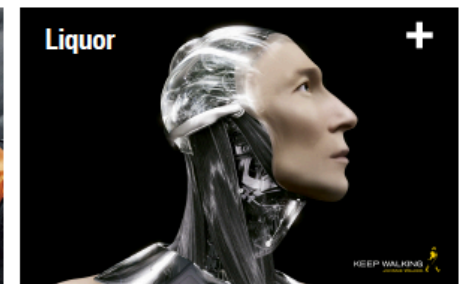
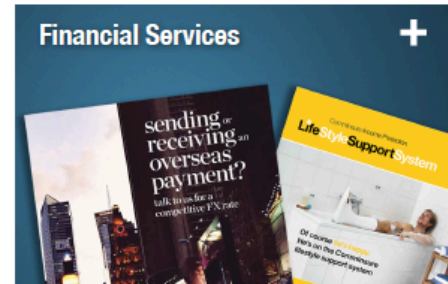
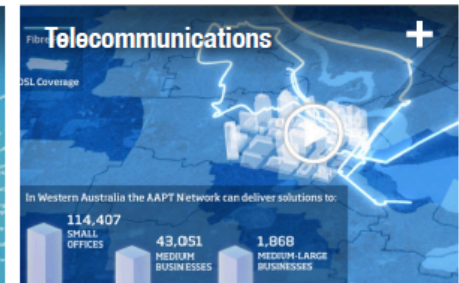


We create rich and engaging content that helps leading brands make strong and meaningful connections with their customers.





We combine the content we create with tactical messaging and produce advertising and marketing collateral for leading industries.

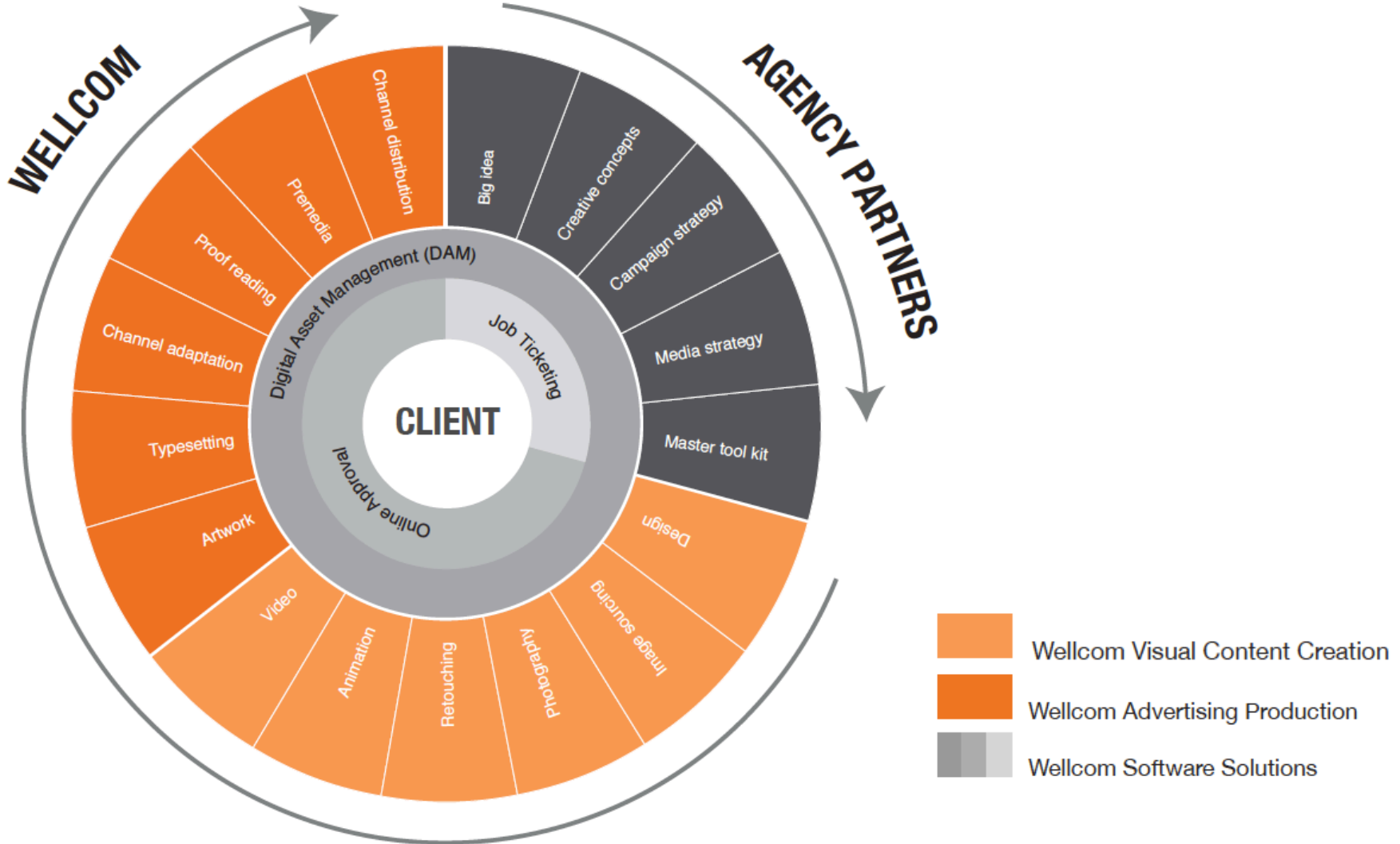




Wellcom develops and deploys technology that automates manual tasks, simplifies processes, reduces cost and enables large volumes of marketing collateral to be produced with speed, accuracy and consistency.



WE ARE AN INTEGRAL PART OF THE ADVERTISING AND MARKETING ECOSYSTEM.



Net revenues (excluding print management pass through costs) of \$62.7M, up 17%.

- ▶ Client site “Hubs” now account for > 70% of global revenues.

Earnings before interest and tax of \$11.4M, up 10%.

- ▶ Group operating margins, excluding US acquisition integration, maintained at 23%.

Net profit after tax of \$8.6M, up 10%.

Strong cash and financial position.

- ▶ No debt and cash flows from operating activities of \$6.9M.
- ▶ Cash on hand approximately \$6.1M.
- ▶ Net tangible assets per share of 38.96 cents.

Fully franked full year dividend increased to 19 cents per share.

- ▶ Retail spending was depressed in the lead up to, and following, the federal budget.
- ▶ Retailers continue to invest in catalogues (print and online).
- ▶ Video is the fastest growing marketing channel.
- ▶ Procurement endorse “production decoupling” as best practice.
- ▶ “Big Data” trends focussed on delivering personalised content to increase online conversion rates.
- ▶ Working with major retailers, financial institutions and corporations to create and distribute content.
- ▶ Global brands are seeking regional partners to adapt content for local markets.

Australasia

- ▶ Whybin TBWA / David Jones (Content Creation and Advertising Production)
- ▶ MSD Pharmaceuticals (Global Content Adaptation, Online and Mobile Content Development)
- ▶ Stockland (Content Creation, Advertising Production, Knowledgewell Technology)
- ▶ Kmart (Content Creation)
- ▶ Laubman and Pank (Content Creation, Advertising Production)
- ▶ Target (Content Creation)

United Kingdom

- ▶ BASF (Content Creation and Advertising Production)
- ▶ Visit England (Content Creation and Advertising Production)
- ▶ The White Company (Content Creation)
- ▶ Accurist (Advertising Production)

United States

- ▶ Simon Malls (Content Creation and Advertising Production)
- ▶ BBH New York (Content Creation and Advertising Production)

KEY RESULTS

	FY14 (\$m)	FY13 (\$m)	Change (%)
Statutory revenue	90.09	78.46	+14.8
Net revenue *	62.74	53.61	+17.0
EBITDA	12.99	11.94	+8.8
EBIT	11.40	10.35	+10.1
Net profit for the period	8.60	7.85	+9.5
EPS (cents)	21.93	20.03	+9.5
DPS (cents)	19.0	18.0	+5.6
Franking (%)	100.0	100.0	-
Return on net assets (%)	14.72	13.86	+6.2

- ▶ Net revenues up by 17% to \$62.74M.
- ▶ Net profit up 9.5% to \$8.60M.
- ▶ Internal investment in new business development and marketing.
- ▶ Dividend per share increased to 19 cents per share.
- ▶ Significant franking credits remain within the Group.

* Net revenue excludes print management pass through costs

SUMMARY FINANCIAL POSITION

	FY14 (\$m)	FY13 (\$m)
Cash and debtors	22.06	28.57
Inventories and work in progress	1.67	0.95
Intangibles (Goodwill)	41.43	35.11
Intangibles (Software Development)	0.77	Nil
Debt	Nil	Nil
Equity	58.38	56.67
NTA per share (cents)	38.96	52.29
Debtor days	43	43
Working capital ratio	1.78	2.61
	FY14 (\$m)	FY13 (\$m)
Capital expenditure	1.69	0.89
Net cash flows from operating activities	6.86	7.60

- ▶ Strong financial position with no debt.
- ▶ Net capitalised software development costs of \$0.77M.
- ▶ Capital expenditure includes relocation of NSW operations to state of the art premises.
- ▶ Cash flows from operating activities of \$6.86M.

FY GROUP RESULTS 2014

\$'000 AUD	FY14 (\$'000)	FY13 (\$'000)	Change (%)
Statutory revenue	90,088	78,462	+14.8
Less: Pass through costs	(27,353)	(24,855)	+10.1
Net revenue	62,735	53,607	+17.0
Results from operating activities	13,289	12,214	+8.8
Margin	21.2%	22.8%	
Unallocated & restructure*	(1,893)	(1,864)	+1.6
Net interest income	209	492	-57.5
Income tax expense	(3,010)	(2,991)	+0.6
Net profit for the year	8,595	7,851	+9.5

* Includes \$528k of redundancy costs in FY14 (FY13: \$314K)

\$'000 AUD	FY14 (\$'000)	FY13 (\$'000)	Change (%)
Net segment revenue	47,320	44,708	+5.8
Segment result	12,000	10,883	+10.3
Margin	25.4%	24.3%	
Staffing	296	287	+3.1

- ▶ Net segment revenues up 5.8%.
- ▶ Margin improvement from 24.3% to 25.4%.
- ▶ Increased investment in new business development and marketing.
- ▶ Leveraging low cost production through Wellcom Malaysia Centre of Excellence.
- ▶ DSO of 41 days (Jun 14) from 41 days (Jun 13).

UNITED KINGDOM

\$'000 AUD	FY14 (\$'000)	FY13 (\$'000)	Change (%)
Net segment revenue	10,224	8,897	+14.9
Segment result	1,058	1,331	-20.5
Margin	10.3%	15.0%	
Staffing	50	52	-3.8

- ▶ Net segment revenues up 14.9% to \$10.22M.
- ▶ Expected improvement in margins during FY15.
- ▶ Active marketing of our Knowledgewell technology platform.
- ▶ DSO of 62 days (Jun 14) from 60 days (Jun 13).

UNITED STATES

\$'000 AUD	FY14 (\$'000)	FY13 (\$'000)	Change (%)
Net segment revenue	5,201	-	n/a
Segment result	231	-	n/a
Margin	4.4%	-	
Staffing	78	-	n/a

- ▶ Acquisition of theLab on 1st March 2014 performing to expectations.
- ▶ Net segment revenues of \$5.2M.
- ▶ Leveraging global relationships.
- ▶ Active marketing of our Knowledgewell technology platform.
- ▶ DSO of 37 days (Jun 14).

- ▶ Entry into the US market via BBH new business and acquisition of theLab LLC.
- ▶ Established a group wide content distribution network to support global business opportunities.
- ▶ New business wins in new industry sectors - Pharmaceutical, Optical, Property and Industrials.
- ▶ Growth in creative content, video production and digital web services.
- ▶ Integrated production capabilities are a unique point of difference in the market.
- ▶ Further leverage of low cost production through Wellcom's "Centre of Excellence" - K.L.
- ▶ Continual development and deployment of Knowledgewell technology.
- ▶ Continued focus on complementary acquisitions.

CONTACT DETAILS



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Executive Chairman

Stephen Rees

Chief Executive Officer - Australia/New Zealand

Andrew Lumsden

Chief Financial Officer

DISCLAIMER

The material in this presentation is a summary of the results of Wellcom Group Limited (Wellcom) as at the 20 August 2014, for the year ended 30 June 2014 together with an update on Wellcom's activities, and is current at the date of preparation 20 August 2014. Further details are provided in the Company's full year accounts and results announcement released on 20 August 2014.

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