

Half Year 2016

Market Update



10 August 2016

MitulaGroup^o

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This presentation is unaudited.

Half Year 2016 Financials

Half Year 2016 Financial Performance (Statutory Basis)

AUD 000's	6 Months to 30 June 2016	6 Months to 30 June 2015	Growth
Revenues	13,587	8,898	52.7%
Cost of Sales	(1,690)	(1,135)	48.9%
Gross Profit	11,897	7,764	53.2%
Operating Expenses ⁽¹⁾	(5,332)	(4,758)	12.1%
One Off Adjustments ⁽²⁾	574	879	(34.7%)
Adjusted Operating Expenses	(4,758)	(3,879)	22.7%
Adjusted EBITDA	7,139	3,884	83.8%
<i>Adjusted EBITDA Margin</i>	52.5%	43.7%	
Profit for the Half Year	4,687	1,800	160.4%
Operating Cash Flow	6,072	2,452	147.6%
Cash Balance (end of period)	22,239	19,577	13.6%

(1) Operating expenses exclude Cost of Sales. Cost of Sales is the cost of purchasing traffic to the Mitula Group sites.

(2) One off Adjustments relate to AUD 574,000 of IPO Share Based Payments in 2016 and AUD 879,000 of Non-Financial IPO Expenses in 2015.

Source: Interim Financial Report. Prepared on a statutory basis.

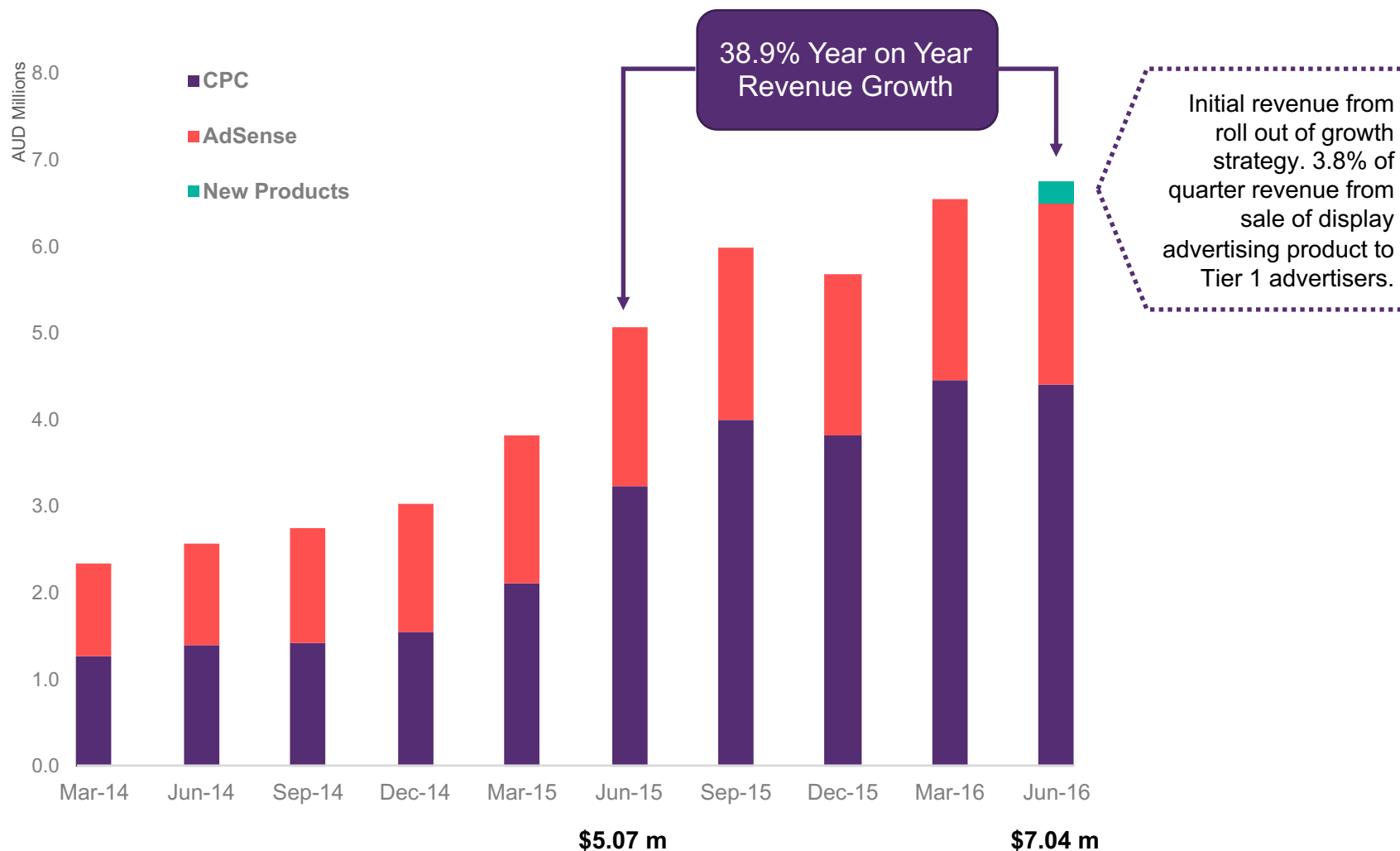
Revenue Growth by Region (Statutory Basis)

AUD 000's	6 Months to 30 June 2016	6 Months to 30 June 2015	Growth
Americas Revenues	3,486	3,355	3.9%
APAC Revenues	2,777	1,872	48.3%
EMEA Revenues	7,324	3,671	99.5%
Totals	13,587	8,898	52.7%

Revenue from the Americas flat due to significant devaluation of the local currencies leading to decreased purchase of clicks priced in USD

Source: Interim Financial Report. Prepared on a statutory basis.

Quarterly Revenue Growth (Statutory Basis)



Source: Internal Management Reports. Prepared on a statutory basis.

Reconciliation of Half Year Financials to March Quarter Forecast

Presented in March Quarter Update ⁽¹⁾					
<i>AUD 000's</i>	March Qtr. 2016 Actual	June Qtr. 2016 Forecast	Half Year 2016 Forecast	Statutory First Half 2016 Results	Variance
Revenue	6,656	7,176	13,832	13,587	(245)
EBITDA	3,330	4,061	7,391	7,138	(253)
<i>EBITDA Margin</i>	50.0%	56.6%	53.4%	52.5%	
Profit for Half Year	2,647	3,223	5,870	4,686	(1,184)

Forecast excluded two statutory non cash items – share based payments related to IPO (\$574,000) and an allowance for depreciation of intangibles associated with Lokku acquisition (\$636,000)

(1) Quarterly average exchange rates used whereas average used for first half 2016 accounts.

Source: March Quarter Analyst Presentation, Interim Financial Statements for Half Year Ended 30 June 2016

Key Performance Indicators

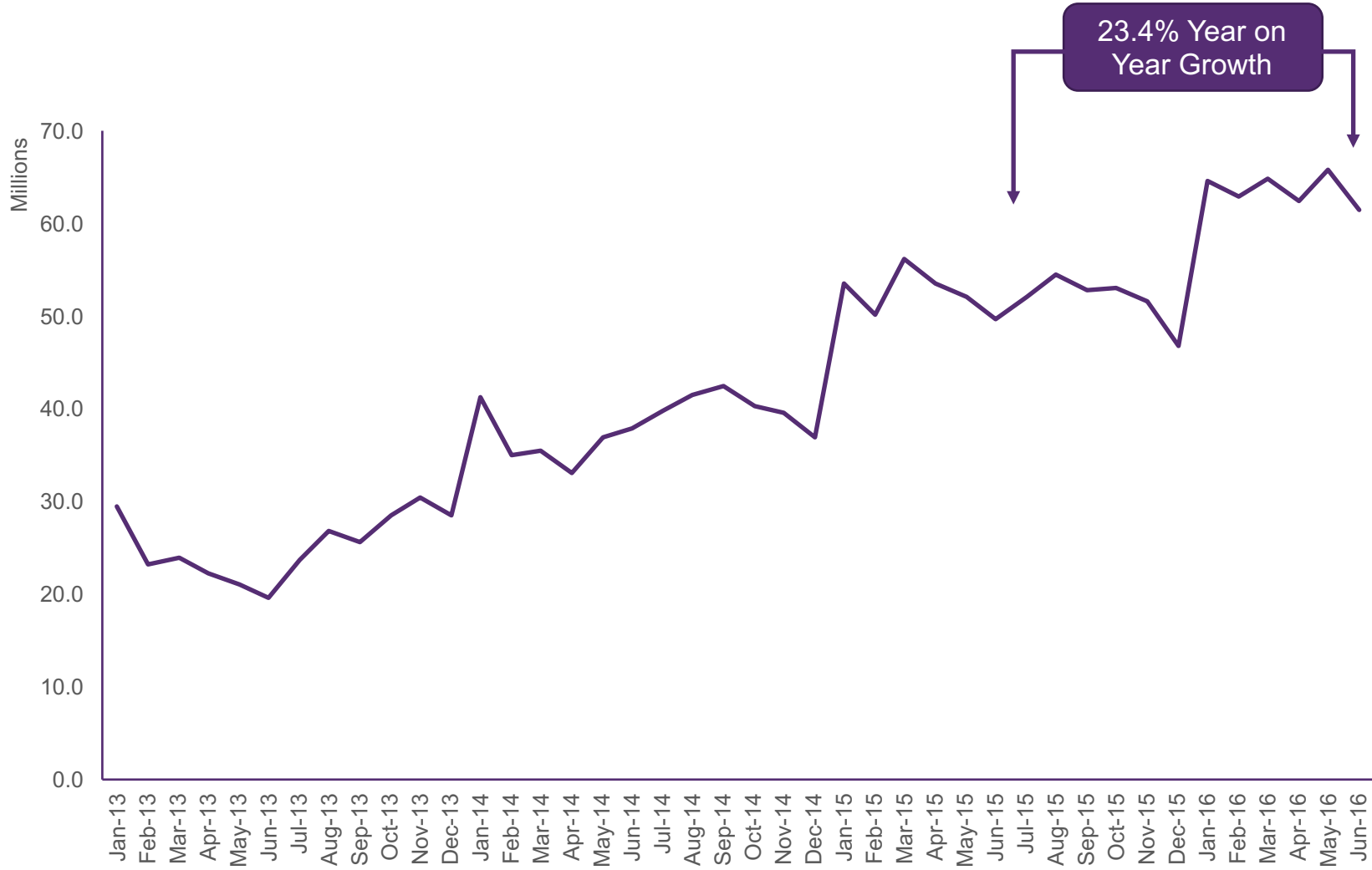
June Quarter 2016 KPI's - Year on Year Comparison

	June Qtr. 2016	June Qtr. 2015	Growth
Visits (m)	189.7	155.4	22.1%
Visits from Organic Search (%)	64.3%	72.6%	-
Email Alert Subscribers (m) (qtr. end)	11.0	7.3	50.7%
Click Outs (m)	276.2	224.9	22.8%
Click Outs Sold (m)	112.1	125.7	(10.8%)
Click Outs Sold (%)	40.6%	55.9%	-
Yield / Click Out Sold	3.93 cents	2.58 cents	52.4%

Source: Internal Management Reports

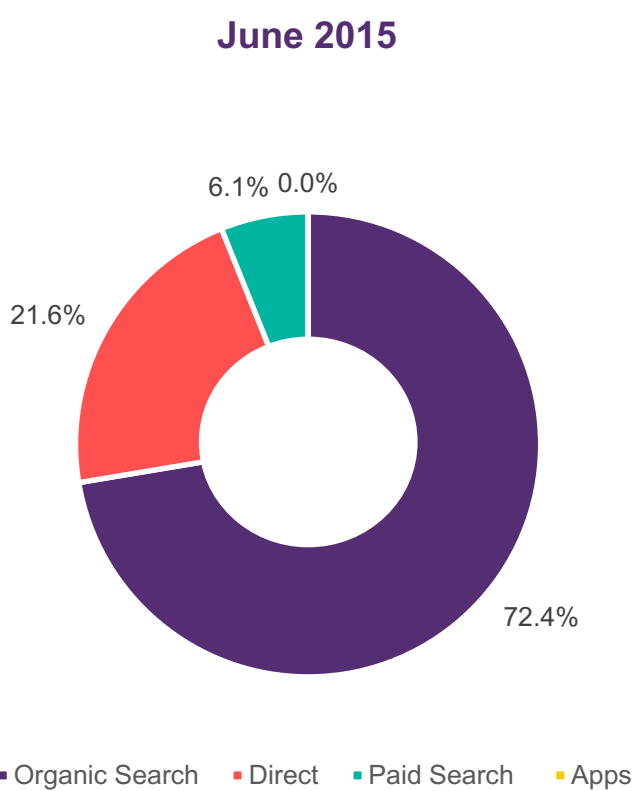
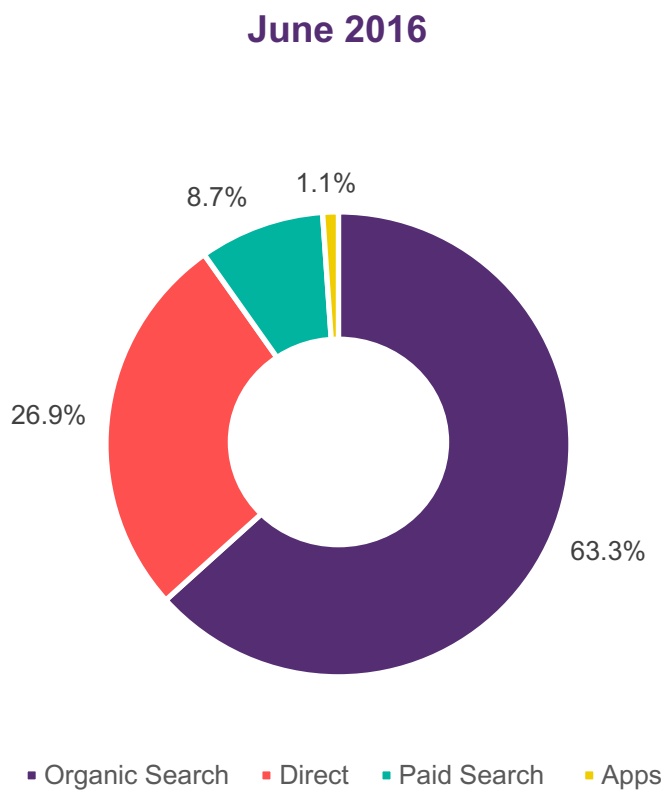
Half Year 2016 - Market Update

Visits



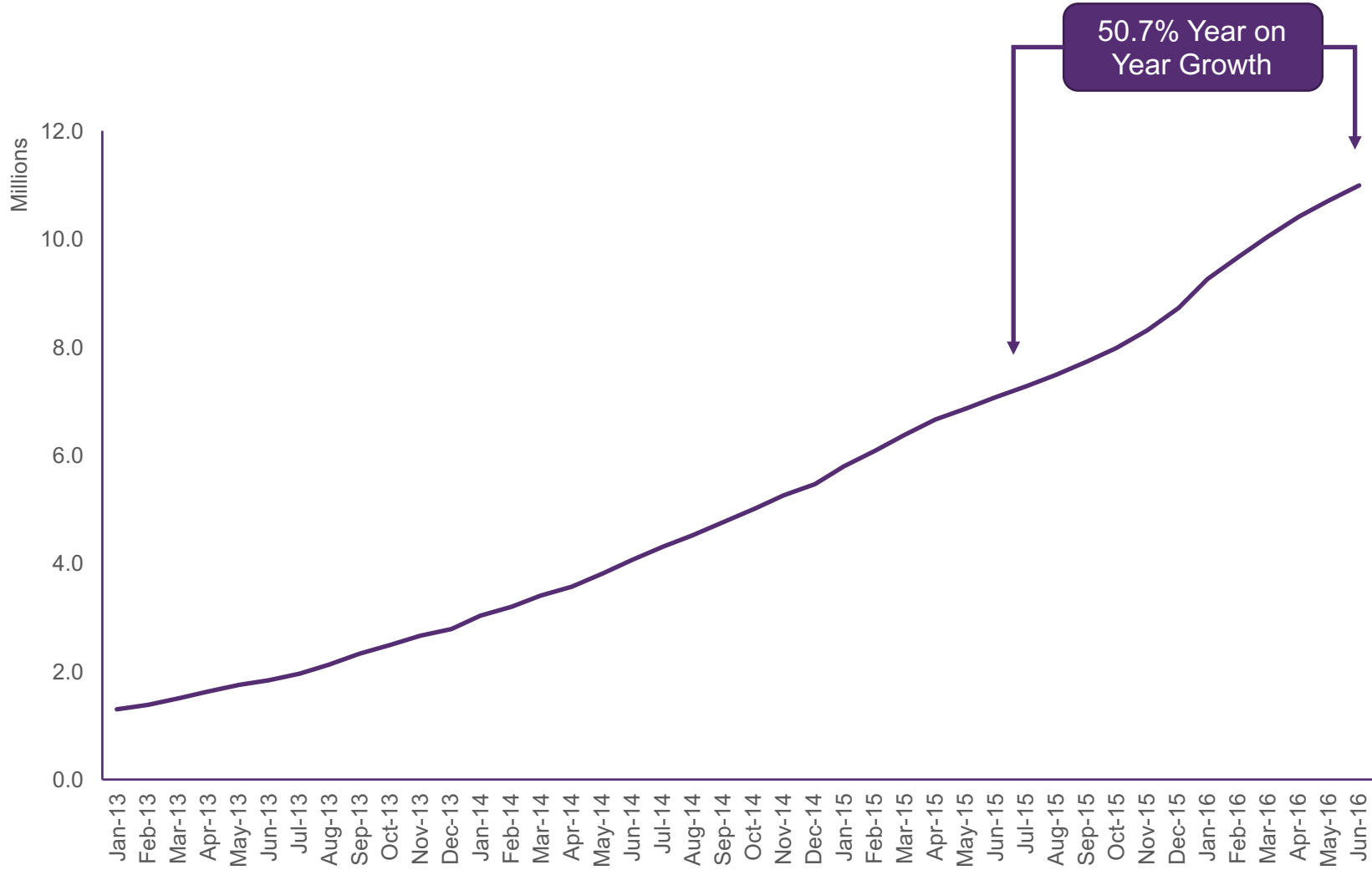
Source: Internal Management Reports

Source of Visits



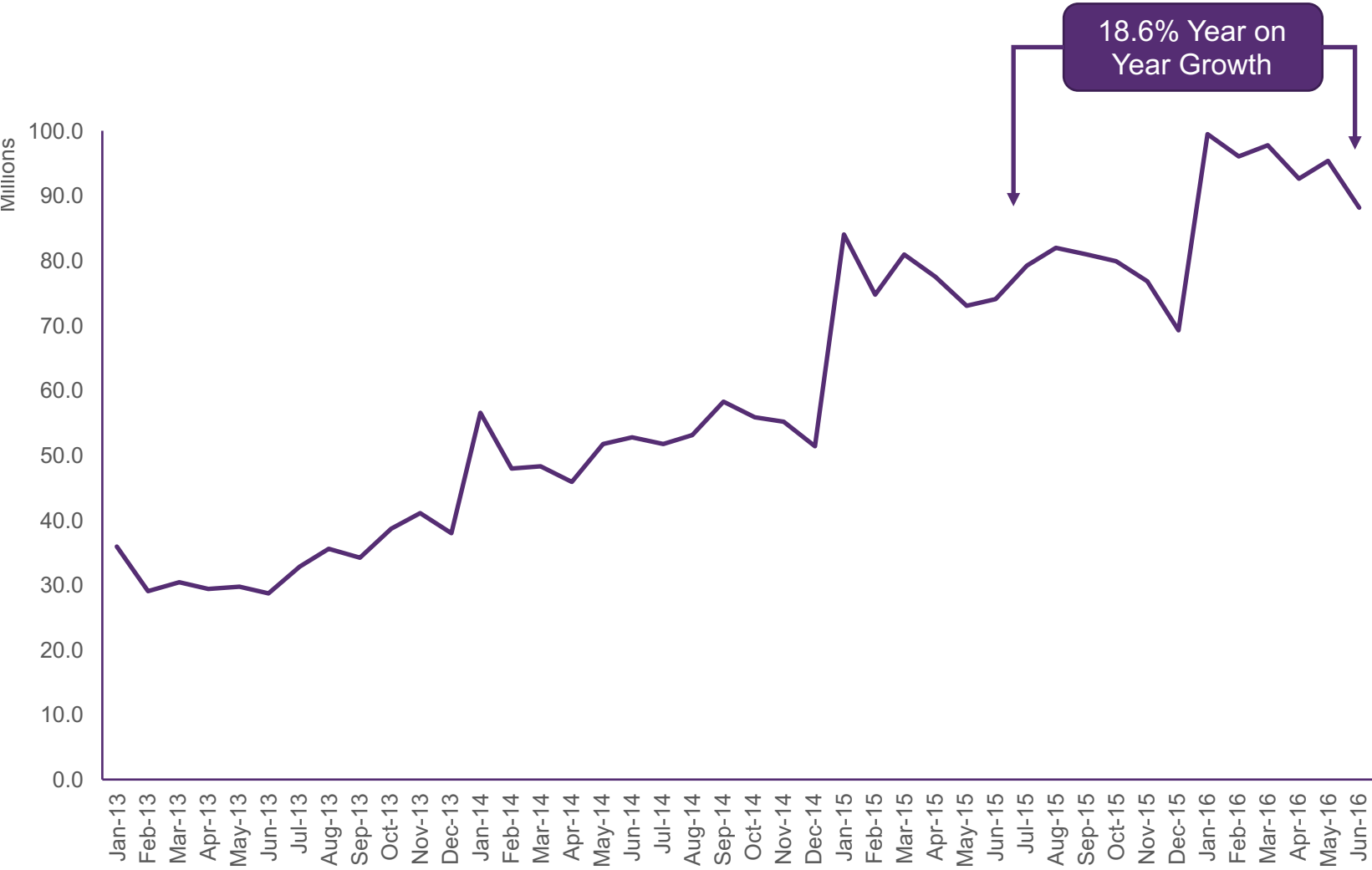
Source: Google Analytics

Email Alert Subscribers



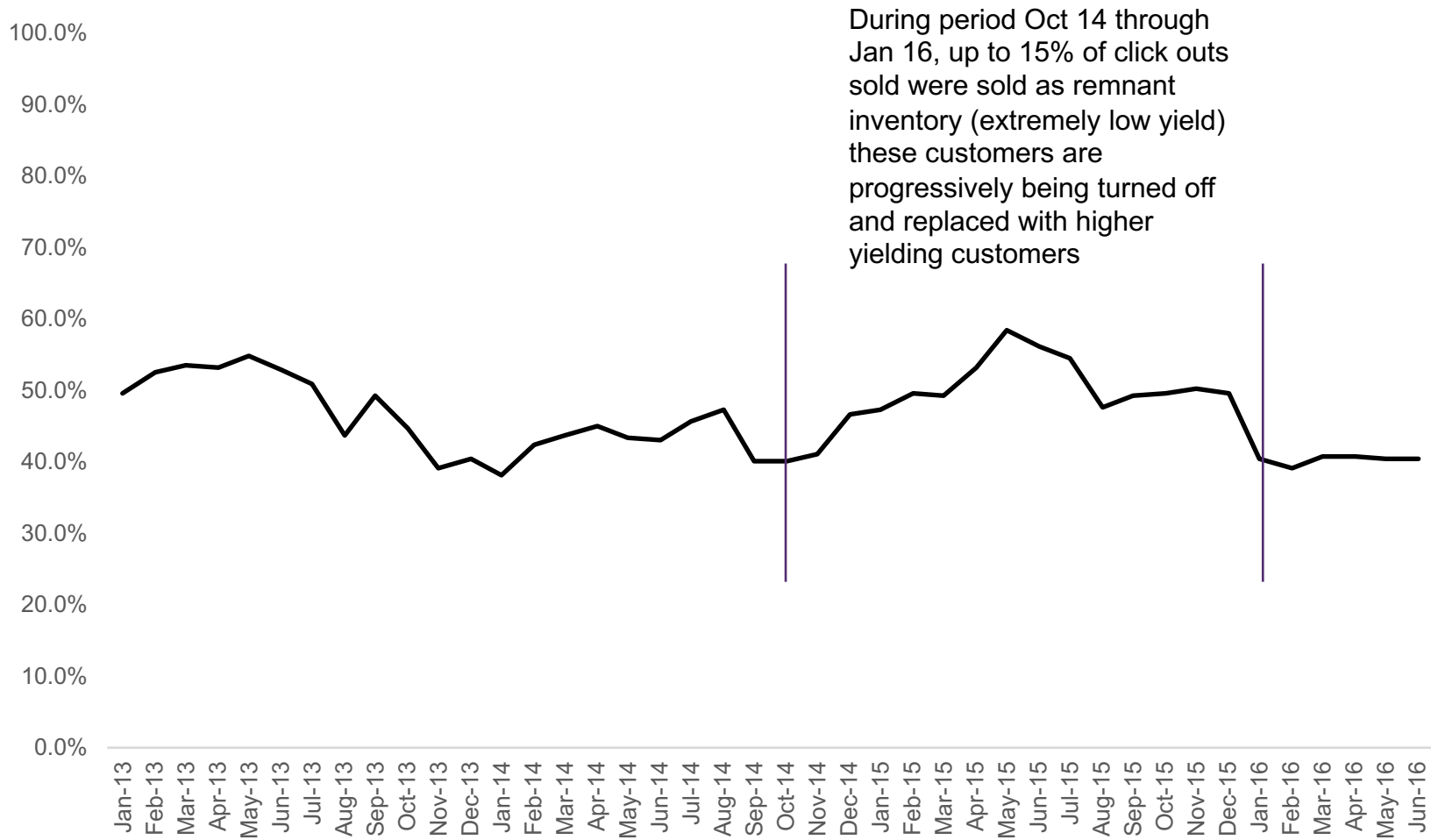
Source: Internal Management Reports

Click Outs



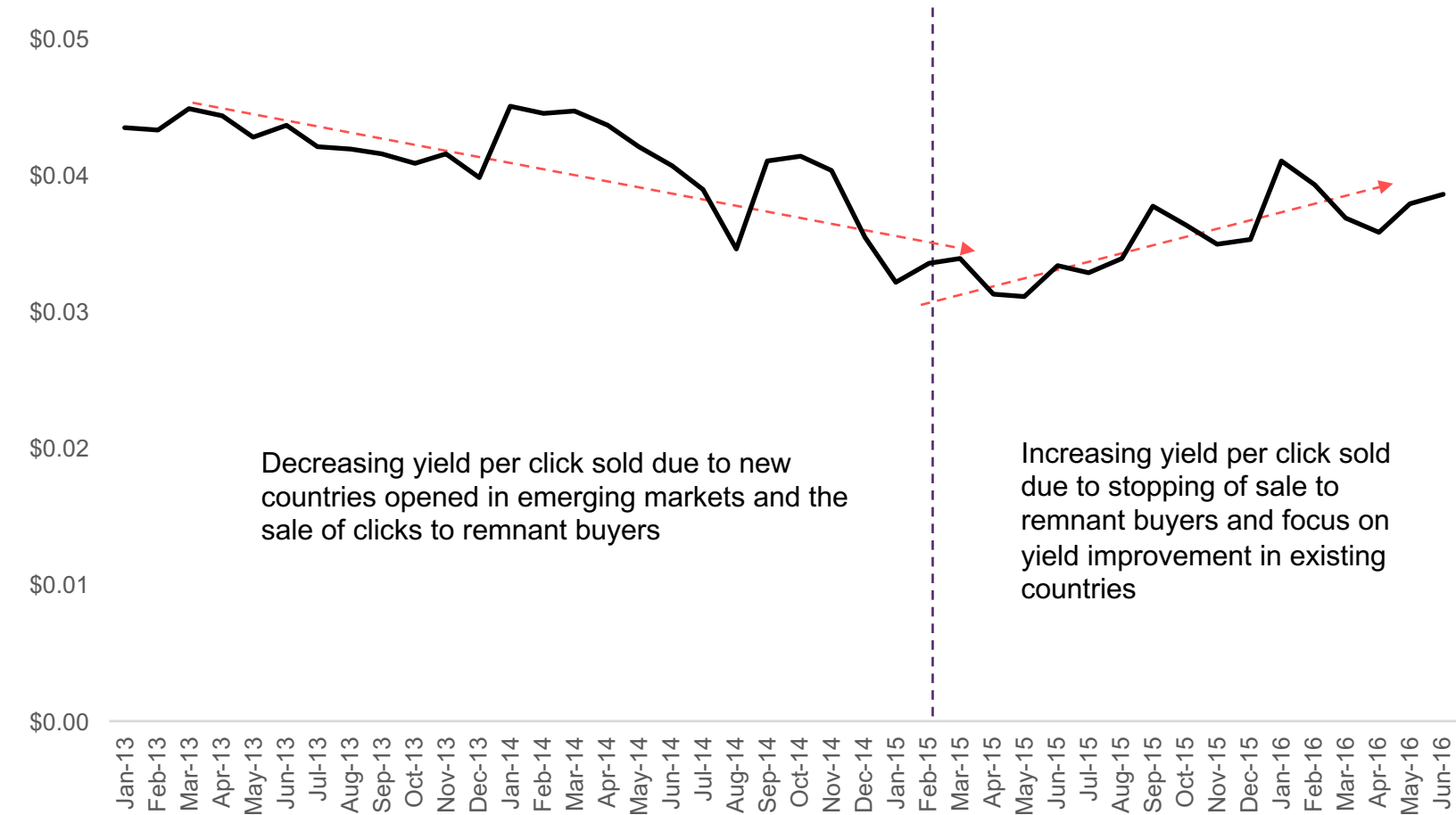
Source: Internal Management Reports

Percentage Click Outs Sold



Source: Internal Management Reports

Average Yield Per Click Sold



Source: Internal Management Reports; Figures in AUD

Growth Strategy

Market Segmentation

	Market Characteristics	Example Countries
Tier 1 Established Markets	<ul style="list-style-type: none"> • Mature portal markets with clear structure (verticals and horizontals) • Major and minor players investing heavily in marketing and traffic generation • Vertical search seen as a legitimate source of traffic 	UK, DE, AU
	<ul style="list-style-type: none"> • Rapid growth markets that are emerging • Major players investing heavily in growth including traffic generation • Vertical search seen as a legitimate source of traffic 	IN, BR
Tier 2 Emerging Markets	<ul style="list-style-type: none"> • Rapid growth markets with high population and low (but growing) internet usage • Market structure not yet determined • Mitula position is strong however slow to monetise 	MX, PH, CO
Tier 3 Early Stage /Small Markets	<ul style="list-style-type: none"> • Small markets with low population but clear structure • Vertical search seen as legitimate source of traffic • Revenues will always be low due to inherent size of market 	NZ, BE, NL
	<ul style="list-style-type: none"> • Early-stage without clear market structure • Under going rapid growth but still early stage • Have long term potential to be relevant markets 	PK, NG, KE

Value Creation by Segment

	Visits (m)	Clicks (m)	Clicks / Visit	Clicks Sold (m)	% Tier Clicks Sold	Yield (c)	Strategic Implications
Tier 1 Established Markets	29.9	41.5	1.39	25.1	60.5%	4.2	<ul style="list-style-type: none"> • Prime creator of CPC value for Mitula Group • Strong driver of growth • Continue existing CPC product offering • Identify opportunities to increase revenues through enhanced product offerings
Tier 2 Emerging Markets	29.6	47.6	1.61	11.9	25.0%	2.1	<ul style="list-style-type: none"> • Value being “left of the table” • High number of clicks unsold or being sold at low yields • Implement new monetisation initiatives to increase yield/visit
Tier 3 Early Stage / Small Markets	3.0	3.5	1.17	0.8	22.9%	6.4	<ul style="list-style-type: none"> • No real short term value for Mitula Group • Allow to grow naturally and revisit if / when scale achieved

Source: Internal Management Reports (Apr 2016)

Tier 1 Established Market Growth Strategy

Product	Approach	Implication	
AdSense	<ul style="list-style-type: none"> Continue to present AdSense advertisements on Tier 1 sites and optimise where possible 	<ul style="list-style-type: none"> Continued growth in AdSense revenues in line with traffic growth 	Existing business
CPC Revenues (Direct)	<ul style="list-style-type: none"> Continue to grow CPC sales team and drive increased sales to major customers 	<ul style="list-style-type: none"> Continued growth in CPC revenues through increase traffic sales and increased yields 	
CPC Revenues (Self Service)	<ul style="list-style-type: none"> Launch self service capacity for smaller portals and general classified sites (~95% of advertisers) to purchase “click packages” using credit cards 	<ul style="list-style-type: none"> Access new CPC revenue streams from ~95% of smaller advertisers not currently being serviced by direct sales team Increase clicks sold and yield 	In development for Q3 or Q4
Advertising Products	<ul style="list-style-type: none"> Launch range of advertising products on Tier 1 sites whereby existing CPC advertisers can purchase branding options or can on-sell these products to their advertisers 	<ul style="list-style-type: none"> Access new revenue streams from the existing customer base Increase yield per visitor 	Initial New Product Revenues in June Qtr.

Example New Products

Display / Banners

Mitula Group logo and search bar. Filters: Location (Mumbai), Price (Any), House type (Any). Results: 8,87,846 properties. Listings include 'Kumar Parvati - Buy Apt Al Vidyha Vihar, Prime Spot', 'Apartments in Mumbai - puranibutlers.com', and 'Homes for Sale in Mumbai - jayjay.com'. A red box highlights a '300x250' banner area.

Special Branding Options

Zoopla logo and search bar. Filters: Location (London), Price (Any), House type (Any). Results: 2 Bed Flat For Sale Goodmans Fields Aldgate, 1 Bed Flat For Sale Goodmans Fields Aldgate, Flat For Sale Leman Street Aldgate. A red box highlights a '300x600' banner area.

Tier 2 Emerging Market Growth Strategy

Product	Approach	Implication	
AdSense	<ul style="list-style-type: none"> Continue to display AdSense advertisements on Tier 2 sites and optimise where possible 	<ul style="list-style-type: none"> Continued growth in AdSense revenues in line with traffic growth and underlying Google AdWords rates 	Existing business
CPC Revenues (Direct)	<ul style="list-style-type: none"> Continue to serve existing Tier 2 customers with direct sales team 	<ul style="list-style-type: none"> Continued growth in CPC revenues through increase traffic sales and increased yields 	
CPC Revenues (Self Service)	<ul style="list-style-type: none"> Launch self service capacity for smaller advertisers (portals and general classifieds sites) in selected Tier 2 markets to purchase “click packages” 	<ul style="list-style-type: none"> Access new CPC revenue streams from smaller advertisers not currently being serviced by direct sales team Increase clicks sold and yield per visit 	Products in development for Q3 and Q4 release
Direct Listing Products	<ul style="list-style-type: none"> Allow end customer (agents, developers, employers, car dealers, private sellers) to advertise directly on Mitula 	<ul style="list-style-type: none"> Access new revenue streams from a new customer base Increase yield per visit 	
Advertising Products	<ul style="list-style-type: none"> Launch sales team to directly target large employers, developers, and auto manufacturers in selected markets 	<ul style="list-style-type: none"> Access new revenue streams from a new customer base Increase yield per visit 	

Outlook

Outlook for Second Half Year 2016

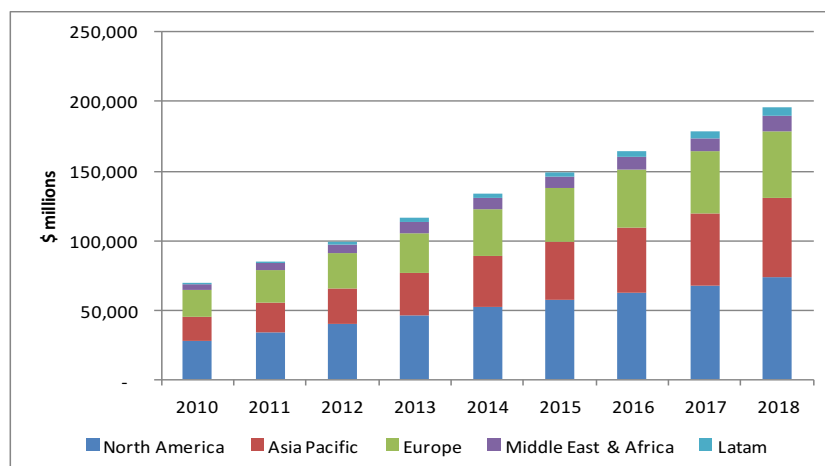
- Growth of AdSense revenue in line with growth of visitation to Mitula Group sites
- Growth of CPC revenue especially from Tier 1 advertisers
- Roll out of new vertical search sites in existing and new countries
- Roll out of new products and services for existing Tier 1 advertisers
- Roll out of new direct products and services for Tier 2 markets
- Continued nurturing of Tier 3 markets

Appendix

Business Overview

Paid Search Advertising Industry Overview

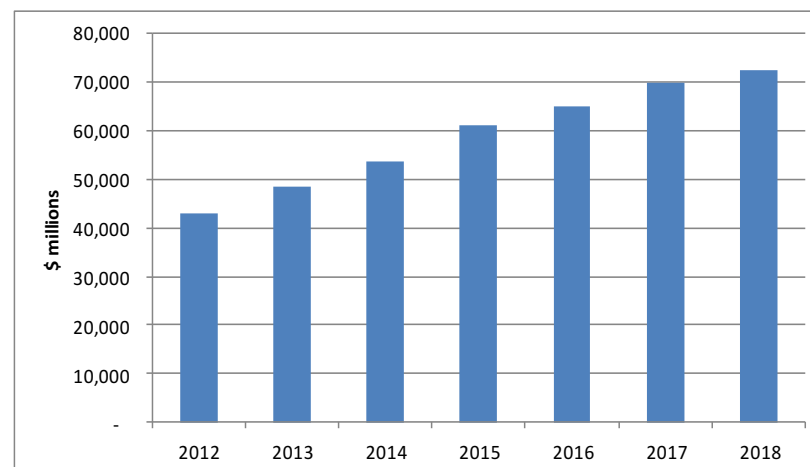
Online Advertising Expenditure - 2010 to 2018



The Mitula Group operates in the global online advertising industry:

- Second largest advertising platform after television;
- Expenditure on online advertising is projected to increase to \$196 billion by 2018; and
- Asia Pacific is one of the fastest growing regions.

Global Paid Search Advertising Expenditure - 2012 to 2018

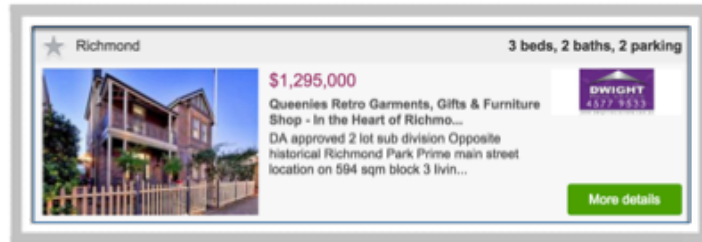


Paid search advertising, the segment the Mitula Group operates in, is the fastest growing online advertising format:

- Accounts for 40% of the total online advertising expenditure globally;
- Expected to grow to \$74 billion in 2018 – a growth rate of 8% p.a.; and
- Paid search expenditure in the Asia Pacific is expected to grow at 12% p.a., and in Latin America at 18% p.a., between 2014 and 2018.

Source: Frost & Sullivan estimates based on IAB Online Advertising Expenditure reports; Frost & Sullivan forecasts

How Vertical Search Works



1

Listings from advertiser sent to Mitula



2

User makes a search request

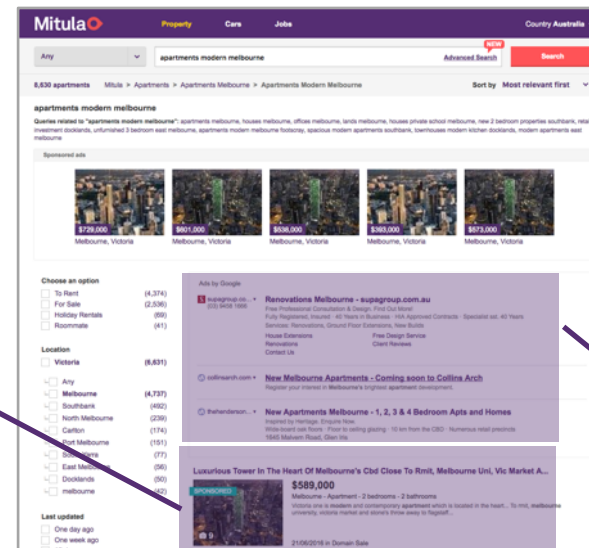
3

User reviews search results and clicks AdSense or listing



5

User clicks on listing ("Click Out") and redirected to original listing details



4

User clicks on AdSense

Google AdSense Ads

Mitula Property Cars Jobs Country Australia

Any

8,630 apartments Mitula > Apartments > Apartments Melbourne > Apartments Modern Melbourne Sort by Most relevant first

apartments modern melbourne

Queries related to "apartments modern melbourne": apartments melbourne, houses melbourne, offices melbourne, lands melbourne, houses private school melbourne, new 2 bedroom properties southbank, retail investment docklands, unfurnished 3 bedroom east melbourne, apartments modern melbourne footscray, spacious modern apartments southbank, townhouses modern kitchen docklands, modern apartments east melbourne

Sponsored ads

\$729,000	\$601,000	\$538,000	\$383,000	\$573,000
Melbourne, Victoria	Melbourne, Victoria	Melbourne, Victoria	Melbourne, Victoria	Melbourne, Victoria

Choose an option

<input type="checkbox"/> To Rent	(4,374)
<input type="checkbox"/> For Sale	(2,536)
<input type="checkbox"/> Holiday Rentals	(69)
<input type="checkbox"/> Roommate	(41)

Location

<input type="checkbox"/> Victoria	(6,631)
<input type="checkbox"/> Any	
<input type="checkbox"/> Melbourne	(4,737)
<input type="checkbox"/> Southbank	(492)
<input type="checkbox"/> North Melbourne	(239)
<input type="checkbox"/> Carlton	(174)
<input type="checkbox"/> Port Melbourne	(151)
<input type="checkbox"/> South Yarra	(77)
<input type="checkbox"/> East Melbourne	(56)
<input type="checkbox"/> Docklands	(50)
<input type="checkbox"/> melbourne	(42)

Last updated

<input type="checkbox"/> One day ago
<input type="checkbox"/> One week ago
<input type="checkbox"/> 15 days ago

Ads by Google

Renovations Melbourne - supagroup.com.au
Free Professional Consultation & Design, Find Out More!
Fully Registered, Insured - 40 Years in Business - HIA Approved Contracts - Specialist est. 40 Years
Services: Renovations, Ground Floor Extensions, New Builds
House Extensions Free Design Service
Renovations Client Reviews
Contact Us

New Melbourne Apartments - Coming soon to Collins Arch
Register your interest in Melbourne's brightest apartment development.

New Apartments Melbourne - 1, 2, 3 & 4 Bedroom Apts and Homes
Inspired by Heritage. Enquire Now.
Wide-board oak floors - Floor to ceiling glazing - 10 km from the CBD - Numerous retail precincts
1645 Malvern Road, Glen Iris

Luxurious Tower In The Heart Of Melbourne's Cbd Close To Rmit, Melbourne Uni, Vic Market A...

SPONSORED

\$589,000
Melbourne - Apartment - 2 bedrooms - 2 bathrooms
Victoria one is modern and contemporary apartment which is located in the heart... To rmit, melbourne university, victoria market and stone's throw away to flagstaff...

21/06/2016 in Domain Sale

- The Mitula Group displays Google AdSense advertisements on its websites.
- Google AdSense advertisements are administered, sorted, and maintained by Google and are targeted to the website's content and audience.
- The Mitula Group and Google share in the revenue generated by users of website clicking on these advertisements.
- Google AdSense advertisements are usually displayed on Website at the top of the search results and on the right hand side of the search results.
- The Mitula Group has a Premium AdSense publisher account that enables it to customise the format and placement of the Google AdSense advertisements.

Direct CPC Revenue

☐ 15 days ago
☐ One month ago

Max price: \$
☒ Customise
☐ \$0 - \$75,000
☐ \$75,000 - \$150,000
☐ \$150,000 - \$225,000
☐ \$225,000 - \$300,000
☐ \$300,000 - \$375,000
☐ \$375,000 - \$600,000
[+ See more...](#)

Min bedrooms:
☐ 1+ bedrooms
☐ 2+ bedrooms
☐ 3+ bedrooms
☐ 4+ bedrooms

Min bathrooms:
☐ 1+ bathrooms
☐ 2+ bathrooms
☐ 3+ bathrooms
☐ 4+ bathrooms

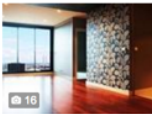
Pictures
☐ With Pictures (6,450)

House type
☒ Any
☐ Apartment (6,335)
☐ House (130)
☐ Flat (128)
☐ Studio (74)
[+ See more...](#)


Get email alerts

☒ Yes, I accept Miluma's terms and conditions and privacy policy

Sponsored ads



Melbourne, Victoria
Contact Agent
 Melbourne - Apartment - 3 bedrooms - 2 bathrooms



Port Melbourne - Apartment
 Port Melbourne are one of the most popular suburbs in Melbourne, within short... In regenerating areas of port Melbourne, this inner city industrial waterfront is forecasting...

Luxurious Tower In The Heart Of Melbourne's Cbd Close To Rmit, Melbourne Uni, Vic Market A...

\$589,000

Melbourne - Apartment - 2 bedrooms - 2 bathrooms
 Victoria one is modern and contemporary apartment which is located in the heart... To rmit, melbourne university, victoria market and stone's throw away to flagstaff...

17/06/2016 in Domain Sale

East Facing Apartment In The Heart Of Melbourne

For Sale \$350,000

Melbourne - Apartment - 1 bedroom - 1 bathroom
 Aura apartments is perfectly situated to at that Melbourne has to offer... in a virtually brand new building! This one bedroom apartment offering a brilliantly modern...

12/07/2016 in Domain Sale

Similar apartments : Large one bedroom apartments melbourne

Aura Melbourne

\$330,000

Melbourne - Apartment - 1 bedroom - 1 bathroom
 Great city lifestyle this convenient city modern apartment is positioned... This could be your opportunity to tap into the Melbourne cbd lifestyle at a very affordable...

2 weeks + 2 days ago in Domain Sale

Similar apartments : Modern apartments park docklands

Amazing Location One Bedroom Apartment In Melbourne Qv2

Offer Over \$450,000

Melbourne - Apartment - 1 bedroom - 1 bathroom
 Wonderful located right in the heart of Melbourne cbd, this apartment on level 12th of one of Melbourne's most popular building qv2 spreading over 50sqms approximately...

16/02/2016 in Domain Sale

Similar apartments : Apartments size Melbourne

East Melbourne's Apartment Extraordinaire!

POA

East Melbourne - Apartment - 3 bedrooms - 3 bathrooms
 This outstanding whole floor apartment delivers the best of everything – extraordinary fitzyro gardens, sensational 180° views of the Melbourne skyline and beyond, unbeatable...

29/07/2015 in Domain Sale

Similar apartments : Apartments elevator

Situated In The Heart Of Melbourne Cbd

Offers Above \$520,000

Melbourne - Apartment - 2 bedrooms - 1 bathroom
 This 2-bedroom apartment is situated in the heart of Melbourne cbd, the world's... Market, and southern cross station. Apartment features:- modern open plan living...

26/04/2016 in Domain Sale

Similar apartments : City apartments Melbourne university

Port Melbourne Luxury Off The Plan Apartment For Sale

Price upon request

Port Melbourne - Apartment
 Port Melbourne are one of the most popular suburbs in Melbourne, within short... In regenerating areas of port Melbourne, this inner city industrial waterfront is forecasting...

25/06/2016 in Domain Sale

Similar apartments : Apartments new luxury victoria

- The Mitula Group displays advertisers' listings on its websites, initially free of charge. Those listings may only receive a limited number of click outs.
- If an advertiser would like to receive more click outs than the limited number provided free of charge, the advertiser must pay the Mitula Group, on a 'cost-per-click' basis, to receive those additional click outs. This is referred to as Direct CPC Revenue, contributed by a paying advertiser.
- The amount paid per click out by a paying advertiser varies by vertical (real estate, employment, motoring) and by country.

Operational Countries



Contact us

Gonzalo del Pozo
CEO

gonzalo@mitulagroup.com

Simon Baker
Chairman

simon@mitulagroup.com

HQ:
Mitula Group Ltd.
Enrique Granados 6, edif. B
28224 Pozuelo de Alarcón
Madrid, Spain
+34 917 082 147

MitulaGroup