

# RP Data Limited AGM Presentation

October 2010



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# 1. Highlights & Financial Performance



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# Financial Performance Highlights

Strong overall performance in FY10

Result	Reported	Normalised	Normalised Performance vs. FY09
Revenue	\$57.8m	\$57.8m	↑ 15%
Fixed Operating Expenses	\$26.1m	\$26.1m	Flat
EBITDA	\$19.6m	\$21.0m	↑ 28%
NPAT	\$7.7m	\$8.7m	↑ 47%
Net Debt		\$15.4m	↓ \$6.9m
Capex		\$9.8m	↓ 15%
Dividends		1.5c	Flat

# Operational Performance Highlights

## Continuing strong growth in Analytics

- Solid growth in core Data business
  - Average monthly customers up 6% on pcp to 9,685
  - Average monthly spend per customer (ARPU) up 7% on pcp to \$335
  - Multiple sales of high value products into major corporate groups
- Accelerating growth in Analytics
  - Analytics products have achieved scale and making positive contributions
  - Revenue growing strongly with a 53% increase over FY09
  - Risk Analytics taking hold early with one major bank in production and strong customer engagement for pilots over the coming months
  - New Profitability Analytics developed with 3 customer signed and 4 trials pending
- Margins improving with scale in Analytics being achieved
- Fixed Overhead costs flat
- Acquisition of ValEx and VMS completed

# Profit and Loss

Period Ending A\$M	Reported FY09	Notes	Reported FY10	Change %	Notes	Normalised FY09	Normalised FY10	Change %
Revenue	49.1	(2)	57.8	18%		50.1	57.8	15%
Variable Costs	(7.7)		(10.7)	39%		(7.7)	(10.7)	39%
Fixed Operating Expenses	(25.4)	(3)	(26.1)	3%		(26.0)	(26.1)	0%
Acquisition Costs	-		(1.3)	n/a	(1)	-	-	n/a
<b>EBITDA</b>	<b>16.0</b>		<b>19.6</b>	<b>23%</b>		<b>16.3</b>	<b>21.0</b>	<b>28%</b>
<i>EBITDA Margin</i>	<i>33%</i>		<i>34%</i>			<i>33%</i>	<i>36%</i>	
Depreciation & Amortisation	(7.0)		(7.7)	10%		(7.0)	(7.7)	10%
<b>EBIT</b>	<b>9.0</b>		<b>12.0</b>	<b>33%</b>		<b>9.3</b>	<b>13.3</b>	<b>43%</b>
Net financing costs	(1.9)	(4)	(1.4)	(25%)		(1.9)	(1.4)	(25%)
<b>Profit before tax</b>	<b>7.2</b>		<b>10.6</b>	<b>48%</b>		<b>7.5</b>	<b>11.9</b>	<b>60%</b>
Tax expense	(1.6)	(5)	(2.8)	80%		(1.6)	(3.2)	105%
<b>Net Profit after tax</b>	<b>5.6</b>		<b>7.7</b>	<b>38%</b>		<b>5.9</b>	<b>8.7</b>	<b>47%</b>
Basic EPS (c)	3.9		5.4	37%		4.1	6.0	46%
Cash EPS (c)	5.3		7.0	31%		5.3	7.0	31%
Shares On Issue	142.3		143.8			142.3	143.8	

## FY10 Adjustments

(1) Acquisition costs of \$1.3m associated with the acquisition of Valex and VMS

## FY09 Adjustments

(2) One off unearned revenue adjustment \$1m

(3) One-off Software impairment \$0.6m and ATO Provision write back (\$1.3m)

(4) Bank charges allocated to financing costs (\$0.3m)

(5) R&D tax credit of (\$0.4m) and 2H09 tax adjustment of \$0.4m

# Adjusted Cash NPAT

Period Ending A\$M	Normalised FY09	Normalised FY10	Change %	Pro-forma** FY10
<b>Reported NPAT</b>	<b>5.9</b>	<b>8.7</b>	<b>47%</b>	<b>10.8</b>
Significant non-cash items:				
IP Credit	0.2	0.5		0.5
Amortisation of Data, Contracts, Software and Customer Relationships	2.0	1.3		4.4
	2.2	1.8		4.9
Tax effect	(0.5)	(0.5)		(1.3)
Significant non-cash items net of tax:	1.7	1.3		3.6
<b>Adjusted Cash NPAT*</b>	<b>7.6</b>	<b>10.0</b>	<b>32%</b>	<b>14.4</b>
<b>Adjusted Cash EPS (cents per share)</b>	<b>5.3</b>	<b>7.0</b>	<b>31%</b>	<b>9.9</b>

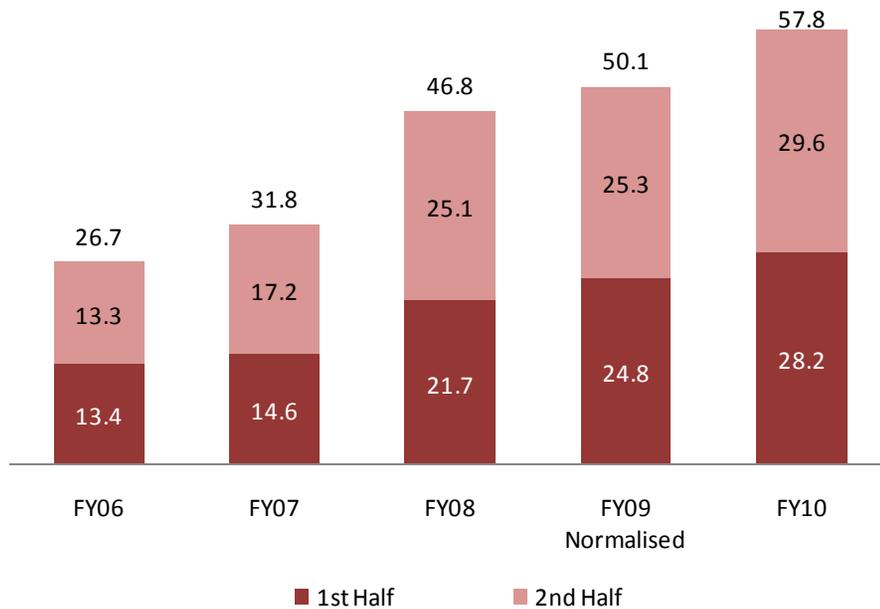
\*Adjusted Cash NPAT adds back non-cash amortisation of customer relationships, contracts, software, data acquired as a result of acquisitions and IP credit

\*\*Includes the acquisitions of ValEx and VMS; Interest expense calculated on \$44m of pro-forma gross acquisition debt at a 7.25% pa cost of debt

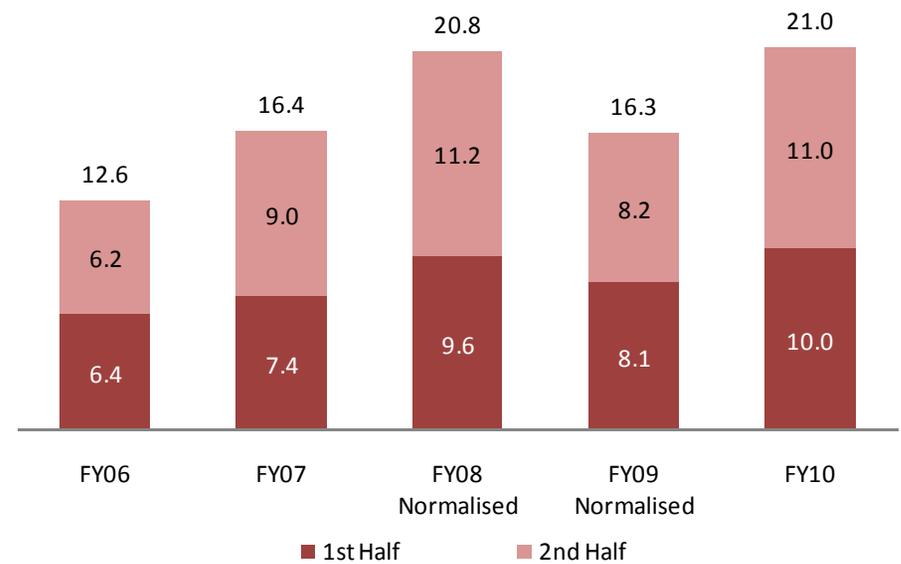
# FY10 Results

Revenue growth of 15% with Analytics gaining momentum

### FY06-FY10 Revenue (A\$m)



### FY06-FY10 EBITDA (A\$m)

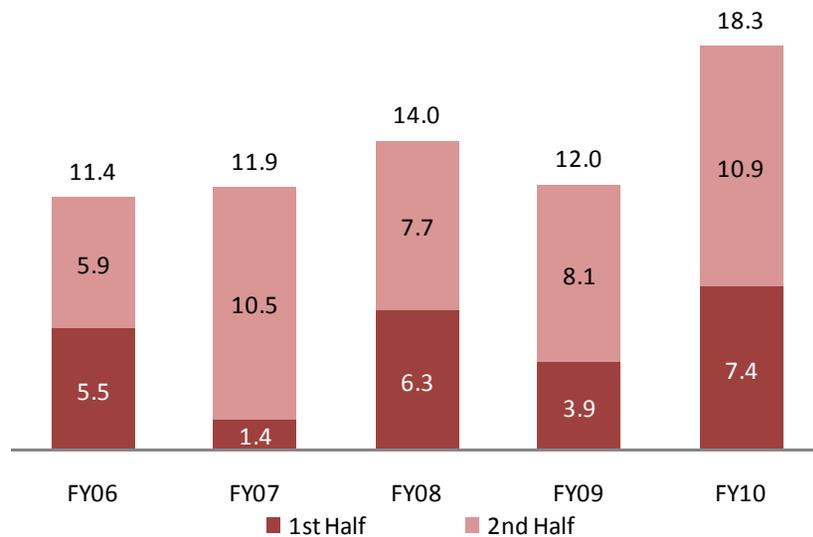


# Cashflow

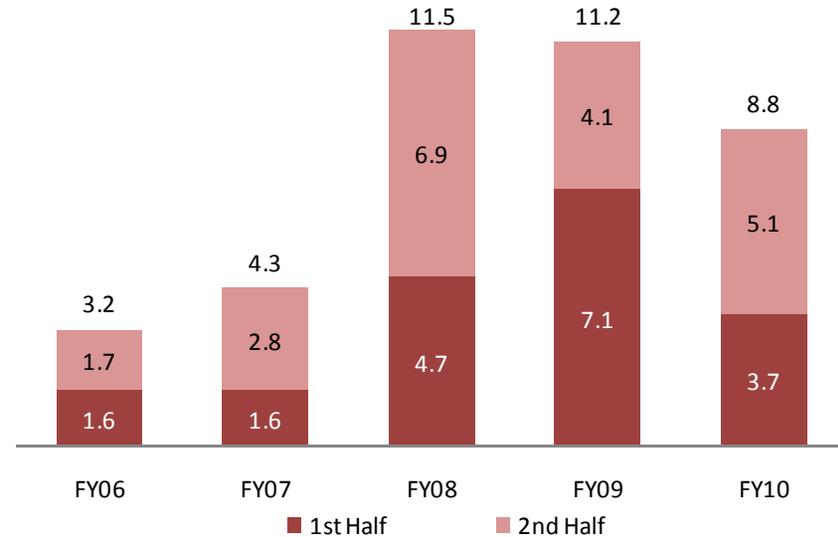
Reduced Capex spend and improved operating cashflow reflect improved underlying performance

- Major transformation milestone achieved with new RP Professional platform launched 31<sup>st</sup> July 2010

FY06-FY10 Net Operating Cashflow (A\$m)



FY06-FY10 Cash Capex (A\$m)



# Balance Sheet

## Improved trade debtor collections and reduced debt

Period Ending	30-Jun-09 A\$M	30-Jun-10 A\$M	Change %
Cash	5.9	2.1	(64%)
Trade debtors	3.4	2.2	(36%)
Intangibles	59.7	62.4	5%
Other assets	9.1	9.5	5%
<b>Total assets</b>	<b>78.1</b>	<b>76.2</b>	<b>(2%)</b>
Trade creditors	5.6	5.1	(9%)
Debt (interest bearing)	28.2	17.6	(38%)
Other liabilities	12.4	14.5	17%
<b>Total liabilities</b>	<b>46.2</b>	<b>37.2</b>	<b>(20%)</b>
<b>Net Assets</b>	<b>31.9</b>	<b>39.1</b>	<b>23%</b>
Net Debt	22.3	15.4	(31%)
Gearing <sup>1</sup>	41%	28%	(31%)
Interest cover <sup>2</sup>	8.6x	13.9x	63%

<sup>1</sup> Gearing = Net debt / (Net Debt + Equity)

<sup>2</sup> Interest cover = EBITDA/net interest expense

# Update on Acquisitions – Valex & VMS

- **Greater penetration of existing customer base**
  - Expand current contracts with wider range of services and options (in-source/outsource)
  - Integrate core Data and Analytics suite into both platforms for increased customer access
- **Geographic expansion**
  - Deploy to New Zealand JV
  - Follow current customers into new markets
- **Product and services expansion**
  - More valuation types (construction, commercial)
  - Related property services (quantity surveying, pest inspection, building reports)
- **Create model for next generation valuer – integrated data and analytics for valuers**
- **Faster deployment of CoreLogic IP**
- **Integration proceeding according to plan**

# Update on Acquisitions

## Pro-forma FY10 Financial Performance

Pro-forma FY10 (A\$m)	8 months Actual + 4 months Forecast (As at 11 May 2010)	12 months Actual (Year ending 30 June 2010)
Revenue	32.1	32.4
EBITDA	9.2	9.7
EBITDA Margin <sup>1</sup>	29%	30%
Depreciation	0.4	0.4
Amortisation <sup>2</sup>	3.1	3.1
EBIT	5.7	6.2
Purchase Price <sup>3</sup>	46.0	46.0
Implied FY10 EBITDA Acquisition Multiple	5.0x	4.7x

<sup>1</sup> Current MHNV EBITDA margin is approximately 20%

<sup>2</sup> Estimated Amortisation based on the indicative Purchase Price Allocation of the acquisitions

<sup>3</sup> Excludes contingent consideration of up to \$2.0 million if certain conditions are satisfied

## 2. Operational Performance

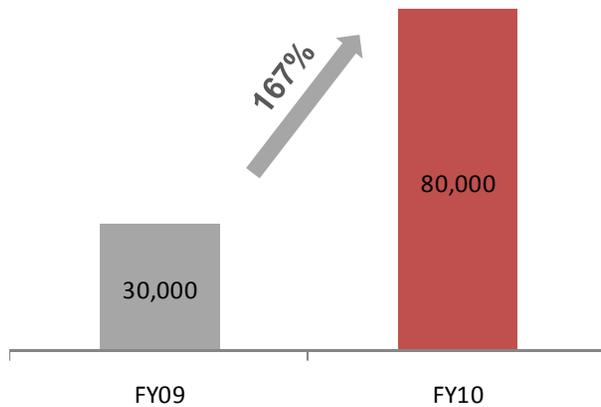


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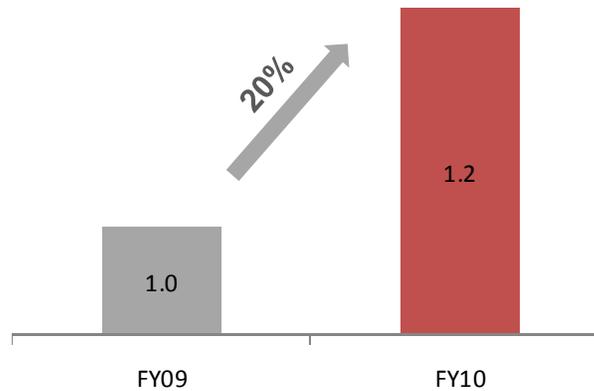
# Operational Performance - Commentary

Strong growth in all activity metrics across the business

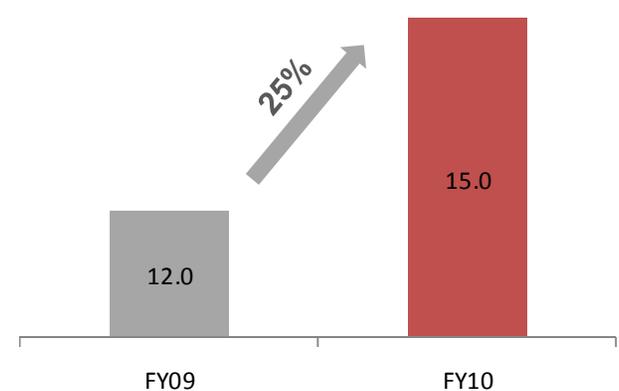
### Number of End Users



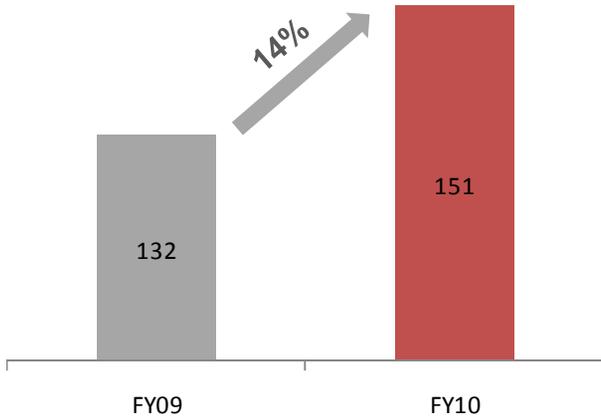
### Number of User Logins (millions per month)



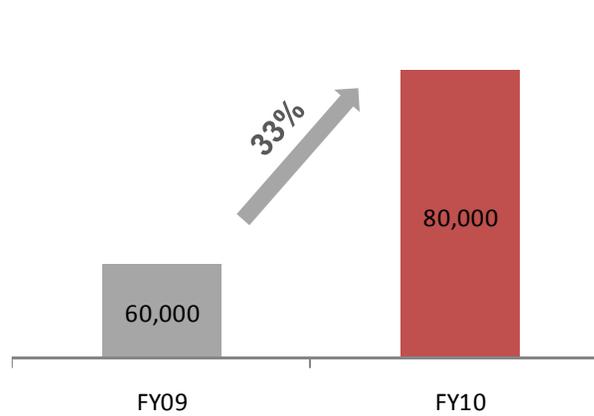
### Number of Page Views (millions per month)



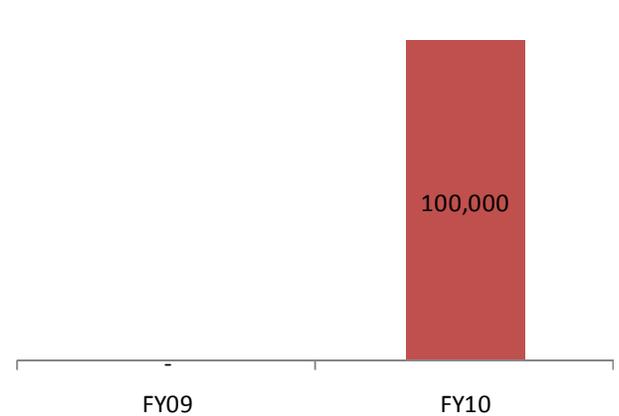
### Number of Data Records (millions)



### Number of CMAs (per month)



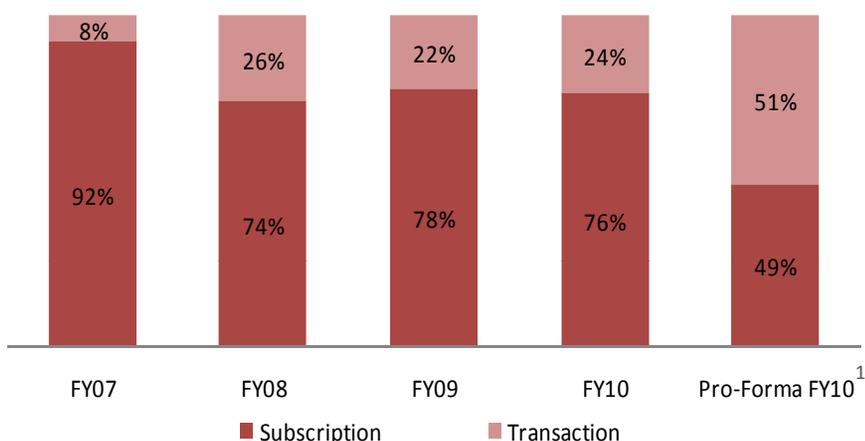
### Physical Valuations (per month)



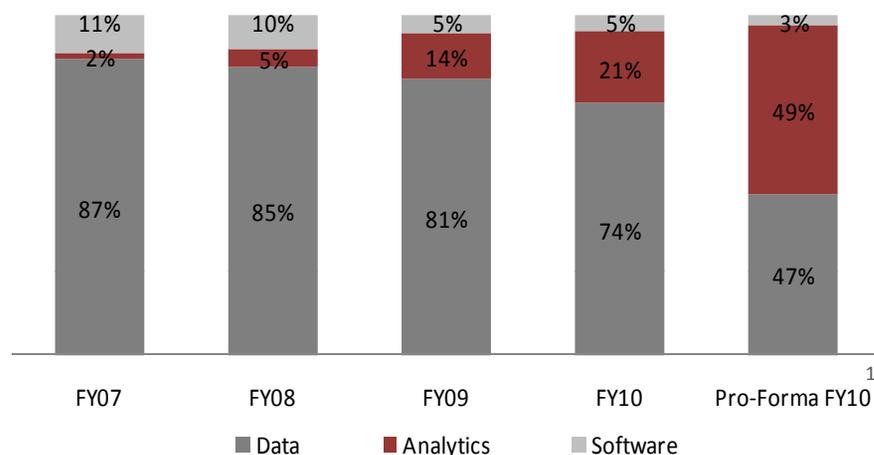
# Product Mix Overview

## Increased Analytics revenue

### Subscription vs. Transaction Revenue



### Revenue by Business Segment



Business Segment	Data	Analytics	Soft ware
<b>Subscription Products &amp; Services</b>	<ul style="list-style-type: none"> <li>Residential (Property Data, On The Market)</li> <li>Commercial (Cityscope)</li> <li>Syndicated Reports</li> <li>Government &amp; Licensing</li> </ul>	<ul style="list-style-type: none"> <li>Indices</li> <li>Risk &amp; Fraud Solutions</li> </ul>	<ul style="list-style-type: none"> <li>Real estate software</li> <li>Support</li> </ul>
<b>Transaction Products &amp; Services</b>	<ul style="list-style-type: none"> <li>Consumer reports</li> <li>Titles</li> <li>Training</li> <li>Custom Data</li> </ul>	<ul style="list-style-type: none"> <li>AVMs, EVR and Full Valuations (MHNV)</li> <li>Custom Analytics</li> <li>Risk &amp; Fraud Solutions</li> <li>Property Research</li> <li>Panel Management (VE, VMS)</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> <li>Implementation services</li> </ul>

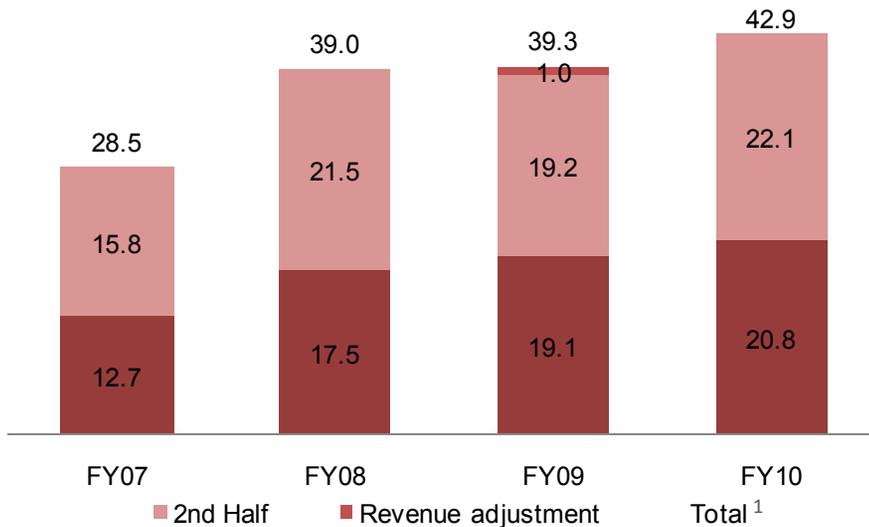
Note 1: Includes ValEx and VMS acquisitions

# Data Segment Results

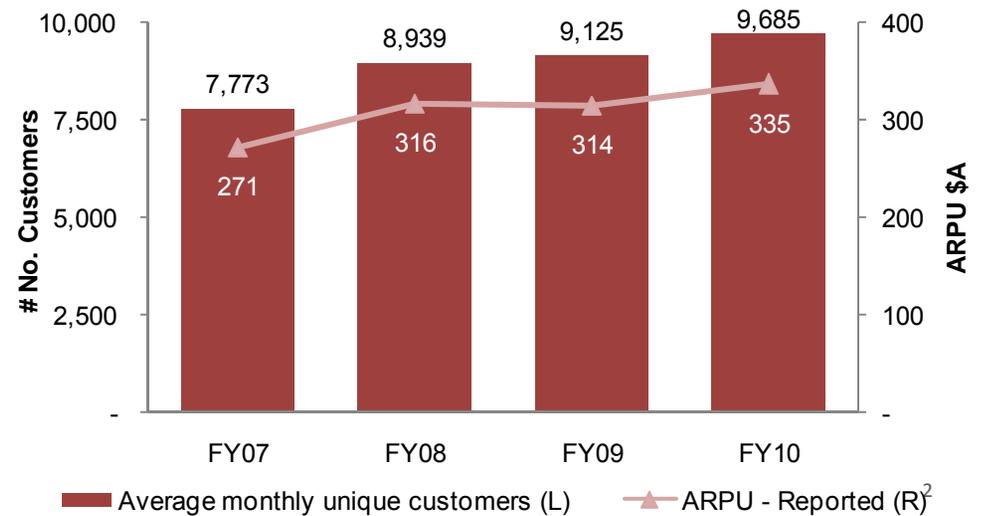
## Increasing subscription based revenues

Period Ending A\$M	FY08	FY09	FY10	FY09-10 % Change
Subscription revenue	33.8	35.4	38.9	10%
Transactional revenue	5.2	3.9	4.0	1%
<b>Total revenue</b>	<b>39.0</b>	<b>39.3</b>	<b>42.9</b>	<b>9%</b>

### Data Revenue (A\$m)



### Key Performance Indicators



Note 1: One time unearned revenue adjustment in 2H09 of \$1m

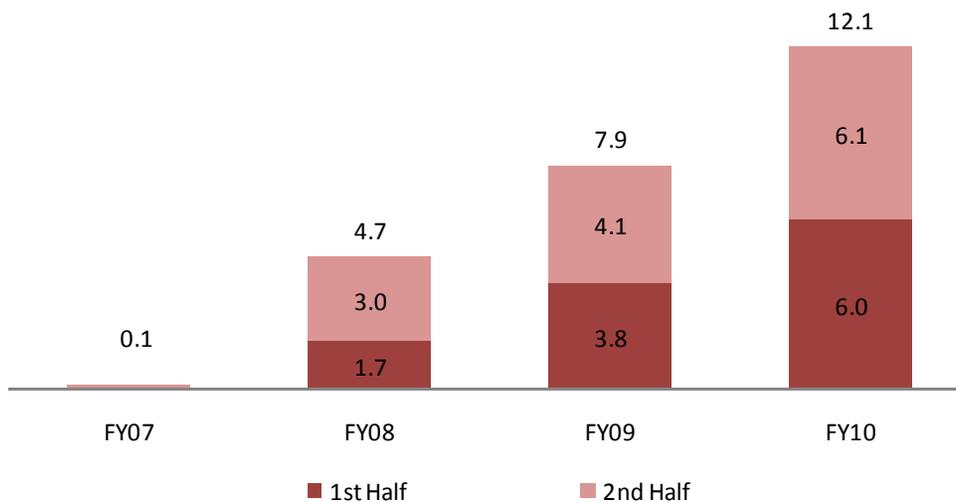
Note 2: FY09 ARPU before adjustment of \$325

# Analytics Segment Results

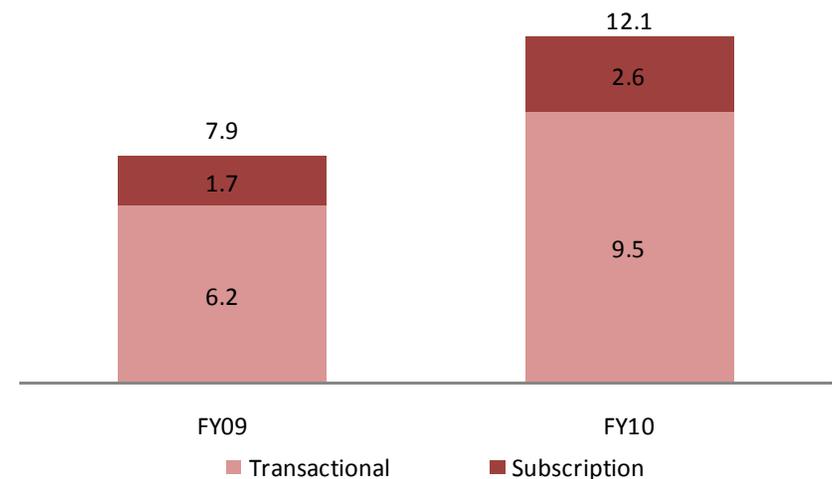
## Continued strong growth in Analytics

- 53% growth in Analytics revenues on FY09
- 79% of revenues transactional based

Analytics Revenue (A\$m)



Transactional vs. Subscription Revenues

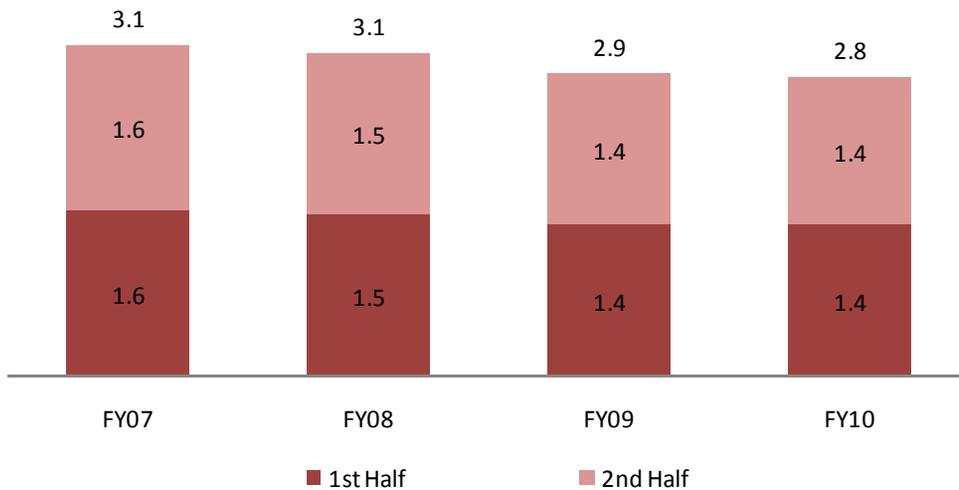


# Software Segment Results

## Software held flat

- Growth opportunities are being evaluated

### Software Revenue (A\$m)



### Transactional vs. Subscription Revenues



# Operating Costs – Detailed Results

## Strong cost containment

Period Ending	FY09 A\$M	FY10 A\$M	FY09-10 % Change
<b>Variable Cost of Sales</b>			
Sales based incentives	0.8	1.2	46%
Licence fees	2.4	2.6	9%
Other third party costs	4.5	6.9	53%
<b>Total Variable Expenses</b>	<b>7.7</b>	<b>10.7</b>	<b>39%</b>
<b>Fixed Operating Expenses</b>			
Staff Costs	17.2	17.7	3%
Professional Fees	2.1	1.5	(30%)
Occupancy	1.3	1.7	29%
Communications	1.3	1.1	(16%)
Marketing & Advertising	1.4	1.1	(24%)
Software & Hardware Maintenance	0.5	0.9	70%
Other	2.2	2.1	(4%)
<b>Total Fixed Expenses</b>	<b>26.0</b>	<b>26.1</b>	<b>0%</b>
<b>Total Expenses before one-offs</b>	<b>33.8</b>	<b>36.8</b>	<b>9%</b>
One-off Expenses <sup>1</sup>	(0.7)	1.3	nmf
<b>Total Expenses after one-offs</b>	<b>33.1</b>	<b>38.2</b>	<b>15%</b>

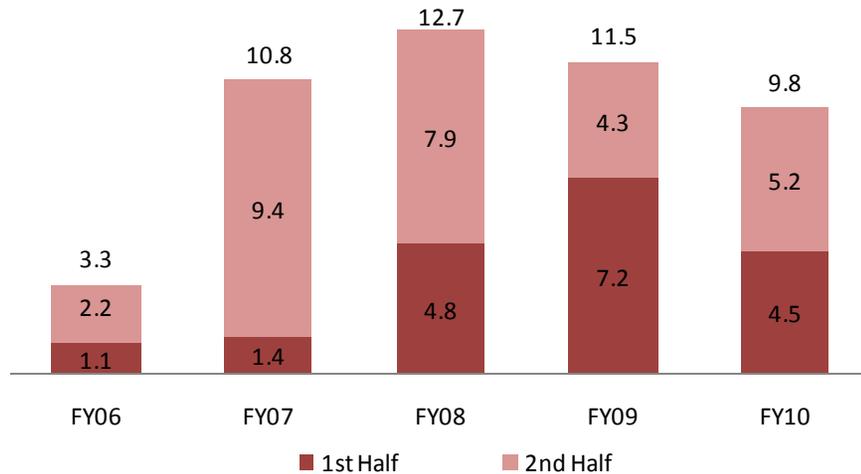
Note 1: One off expenses include: Software impairment \$0.6m and ATO Provision write back (\$1.3m) in FY09. Acquisition costs in FY10

# Capex

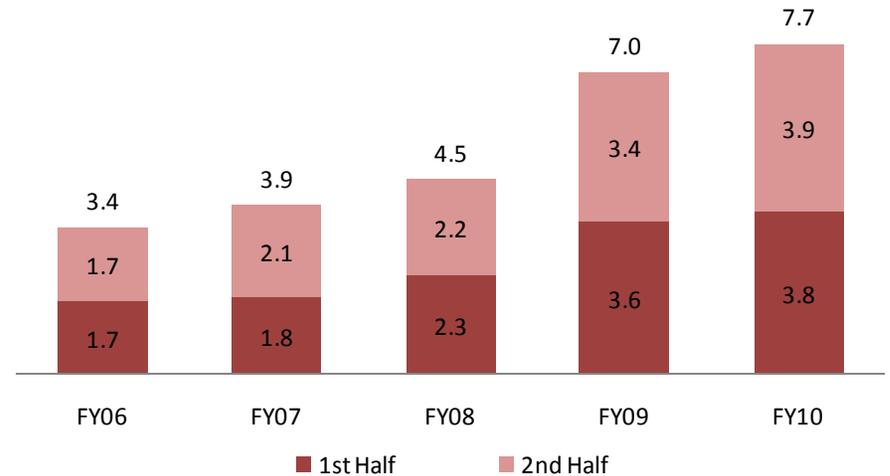
Capex spend down 15%, with continued strong investment in Data collection

Period Ending	FY09 A\$M	FY10 A\$M	Change %
Software development	7.4	6.6	(11%)
Capitalised data	1.9	2.5	30%
Property, plant and equipment	2.2	0.7	(69%)
<b>Total Capex</b>	<b>11.5</b>	<b>9.8</b>	<b>(15%)</b>
Depreciation & amortisation expense	7.0	7.7	10%

Capex (A\$m)



Depreciation & Amortisation (A\$m)



# 3. Outlook



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# FY11 Outlook & Key Focus

## Integration of acquisitions and increased product offerings

- Successful integration of ValEx and VMS businesses into RPX
  - currently running according to integration plan
- Leveraged Data services
  - Increased penetration in professional segments and reduce churn with new platform
  - Increased ARPU with launch of new RPP platform providing new services and solution bundles
- Volume growth in Analytics
  - Increase transaction volumes in valuation and risk analytics solutions through customer acquisition to offset softer market conditions
  - Increased pull through of analytics integrated through newly acquired platforms
  - NZ expansion albeit in depressed market conditions
  - Market new profitability analytics suite to corporate and government
  - New solutions for custom data and enhanced analytics
- Completion of business transformation leading to faster time to market, increased efficiency and reduced risk

# Appendices

– Australian residential property market



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# *Residential market*

*It's about tangible results for industry professionals everyday.*

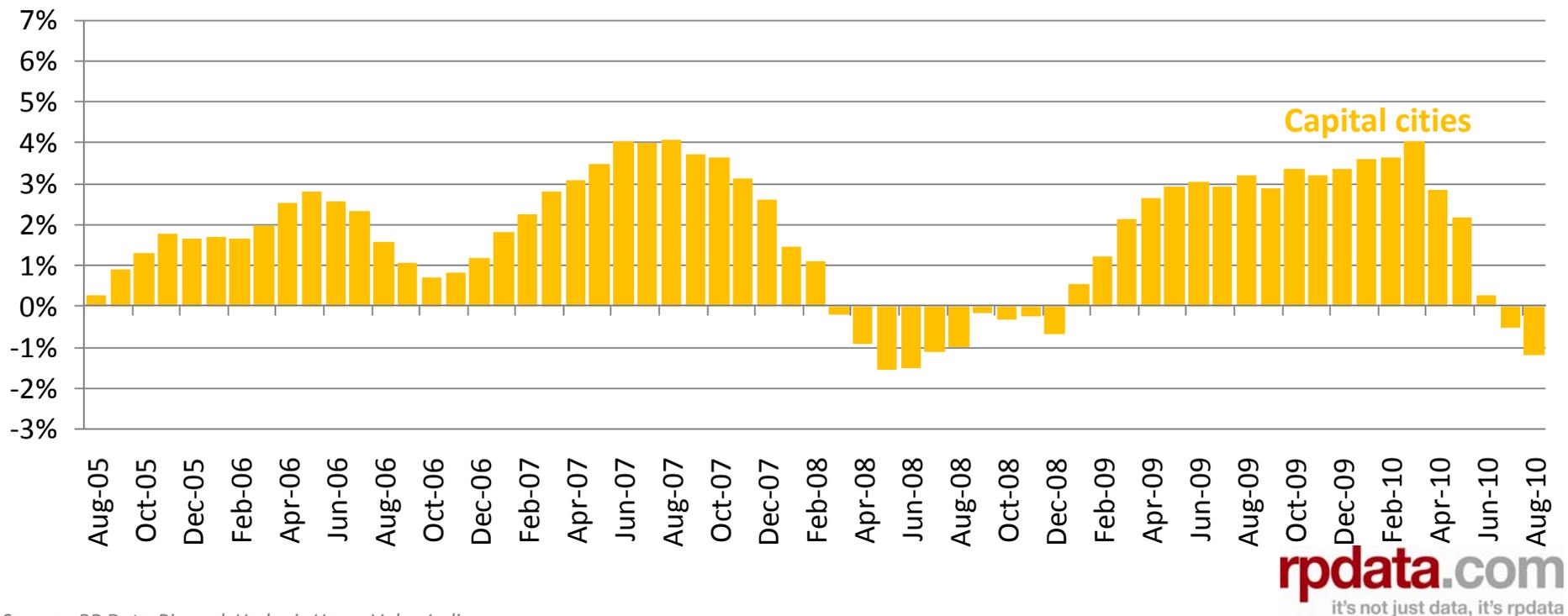
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# Market conditions are transitioning

*A soft landing in value growth after 17 consecutive months of capital gains*

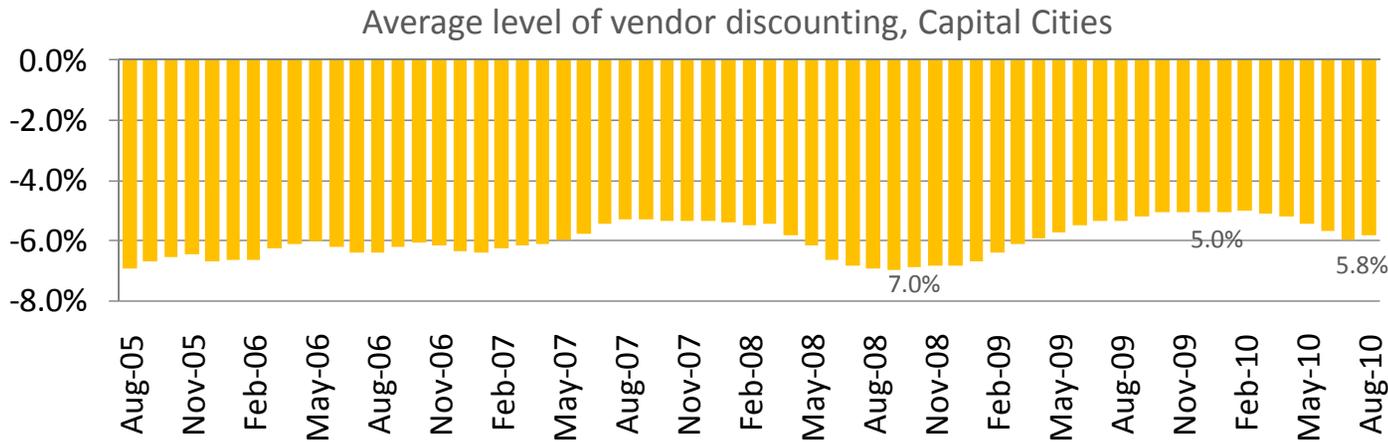
- Across the combined capital cities home values are up 16.2% since the start of 2009
- June brought the first decline in home values after 17 consecutive months of capital gains
- Over the three months ending August 2010 capital city home values are down 1.2%

Rolling quarterly change in home values

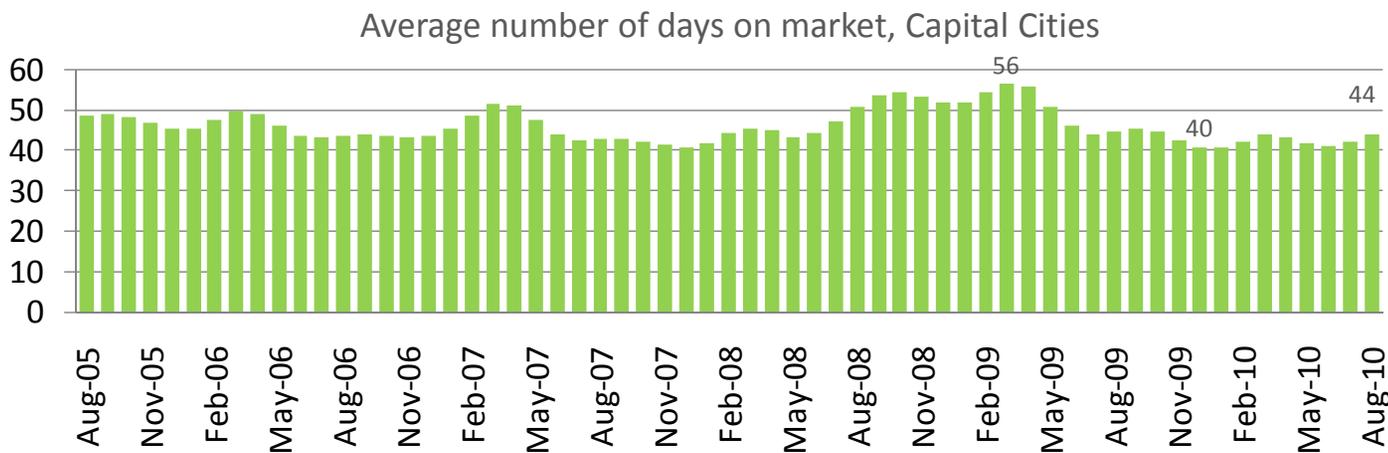


# Market conditions are transitioning

*Residential market conditions are moving in favour of the buyer*



Buyers are gaining leverage in negotiations.

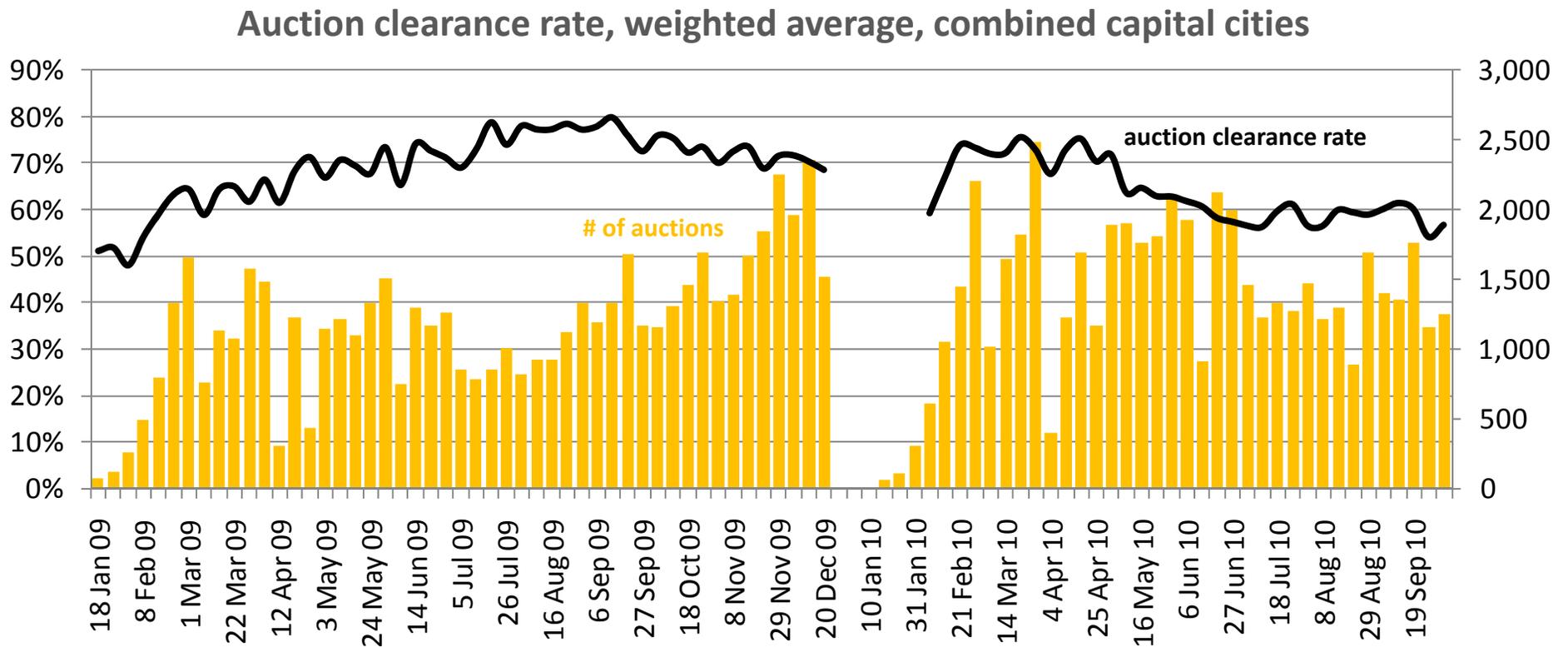


Properties are taking longer to sell.

# Market conditions are transitioning

*Auction market results have moderated compared with last year*

- Clearance rates are now averaging about 60% compared with rate 70-80% last year.

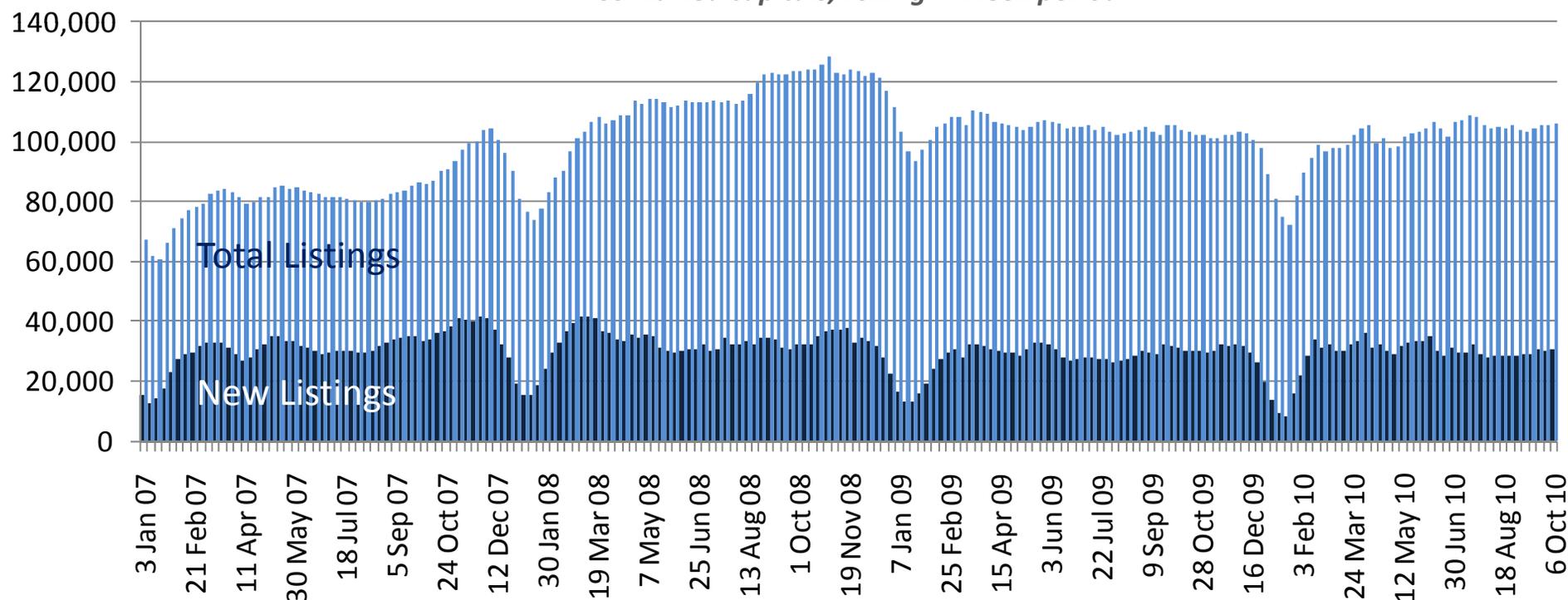


# Effective supply remains controlled

*There hasn't been any dramatic movement in effective stock levels*

- Spring selling season yet to kick off
- Property listings showing a modest lift

**Number of properties advertised for sale**  
*Combined capitals, rolling 4 week period*

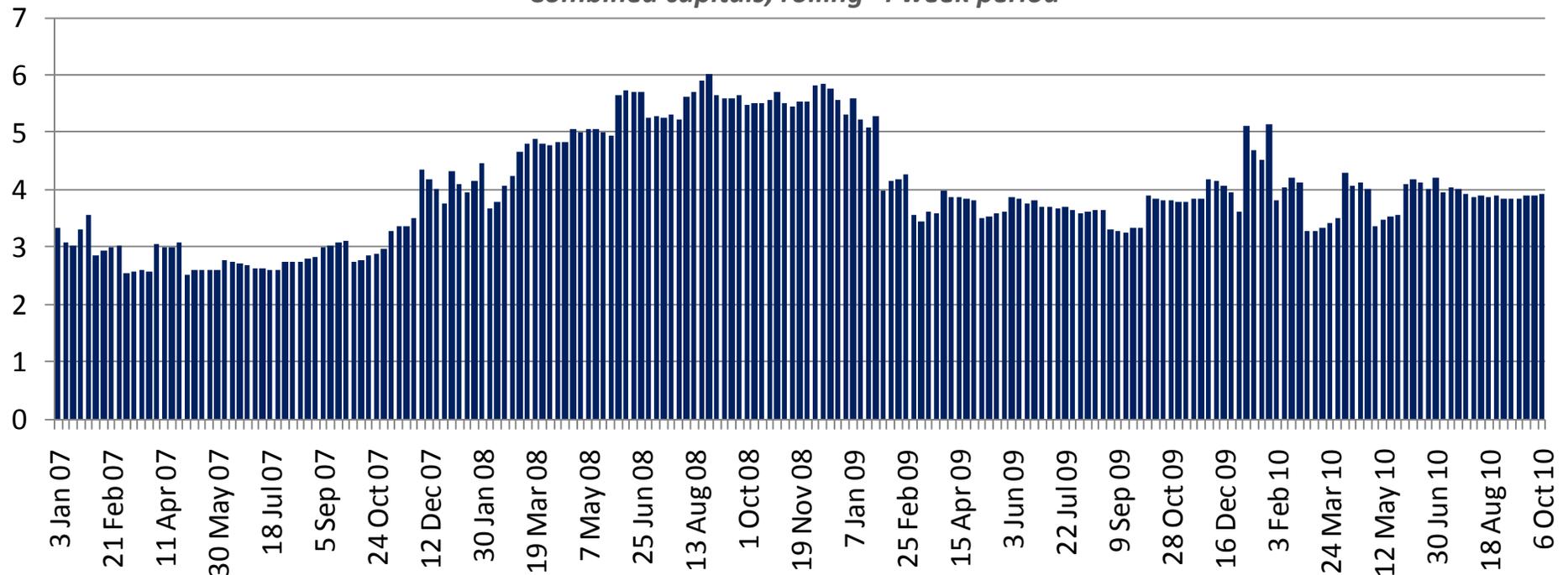


# Effective supply remains controlled

*The months of supply estimated remains constrained*

- Based on the rate of sale and number of properties available for sale, there is about 4 months of *effective* supply in the market

**Months of *effective* housing supply**  
*Combined capitals, rolling 4 week period*

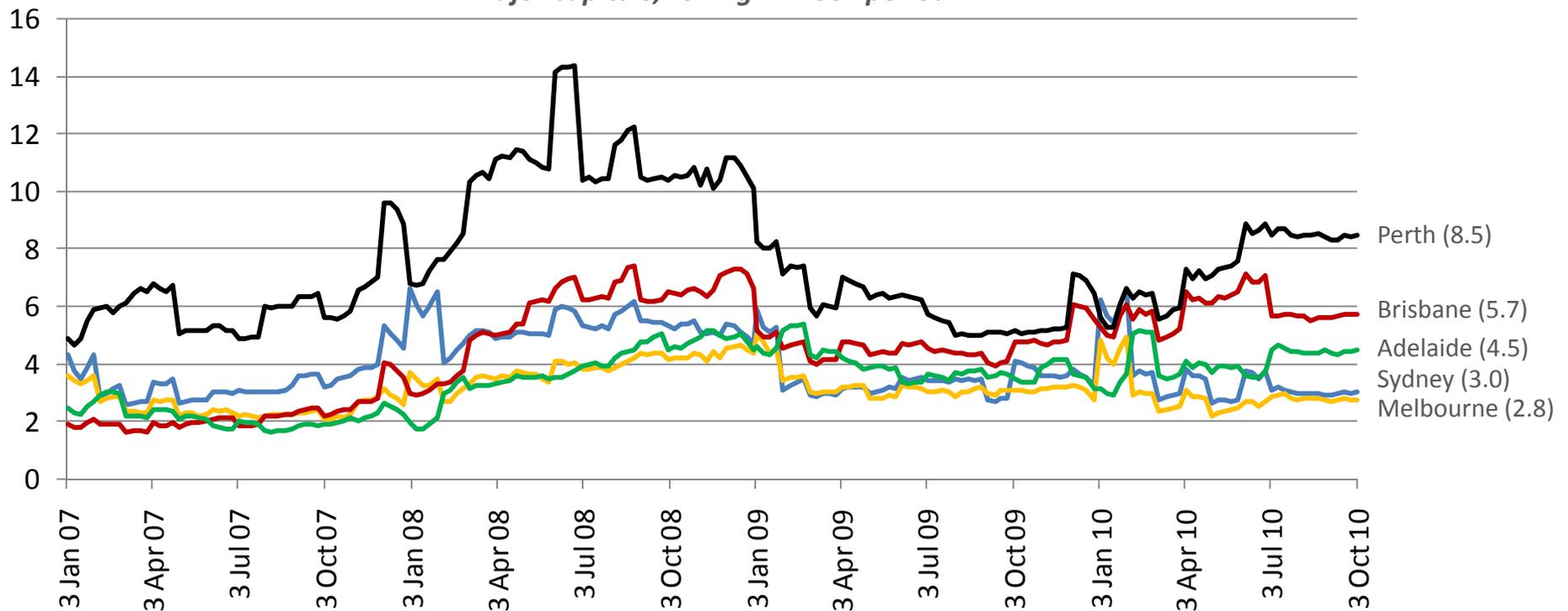


# Effective supply remains controlled

*Brisbane and Perth are still showing higher than average effective supply levels*

- Supply is highest in the weakest markets

Months of *effective* housing supply  
Major capitals, rolling 4 week period

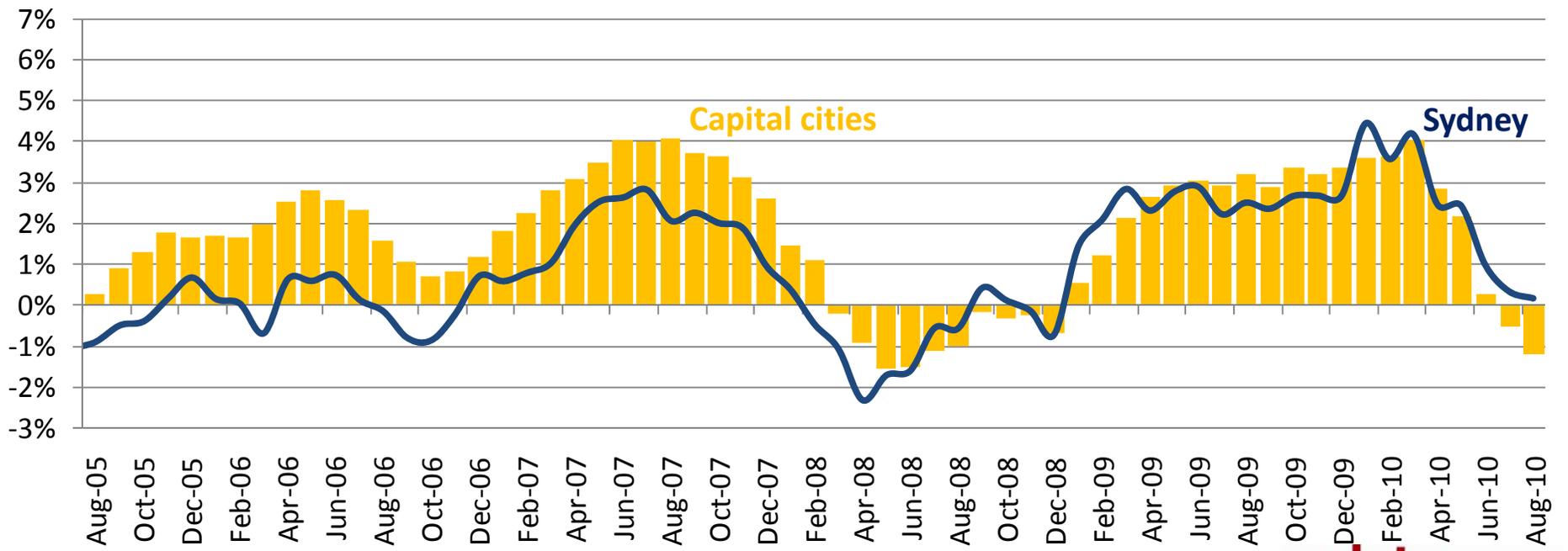


# Sydney

*Slowing market conditions, however capital gains remain slightly positive*

- It took until April 2009 for Sydney home values to recover to their 2004 peak.
- Sydney is one of the few markets where value growth has remained in the black since July this year.

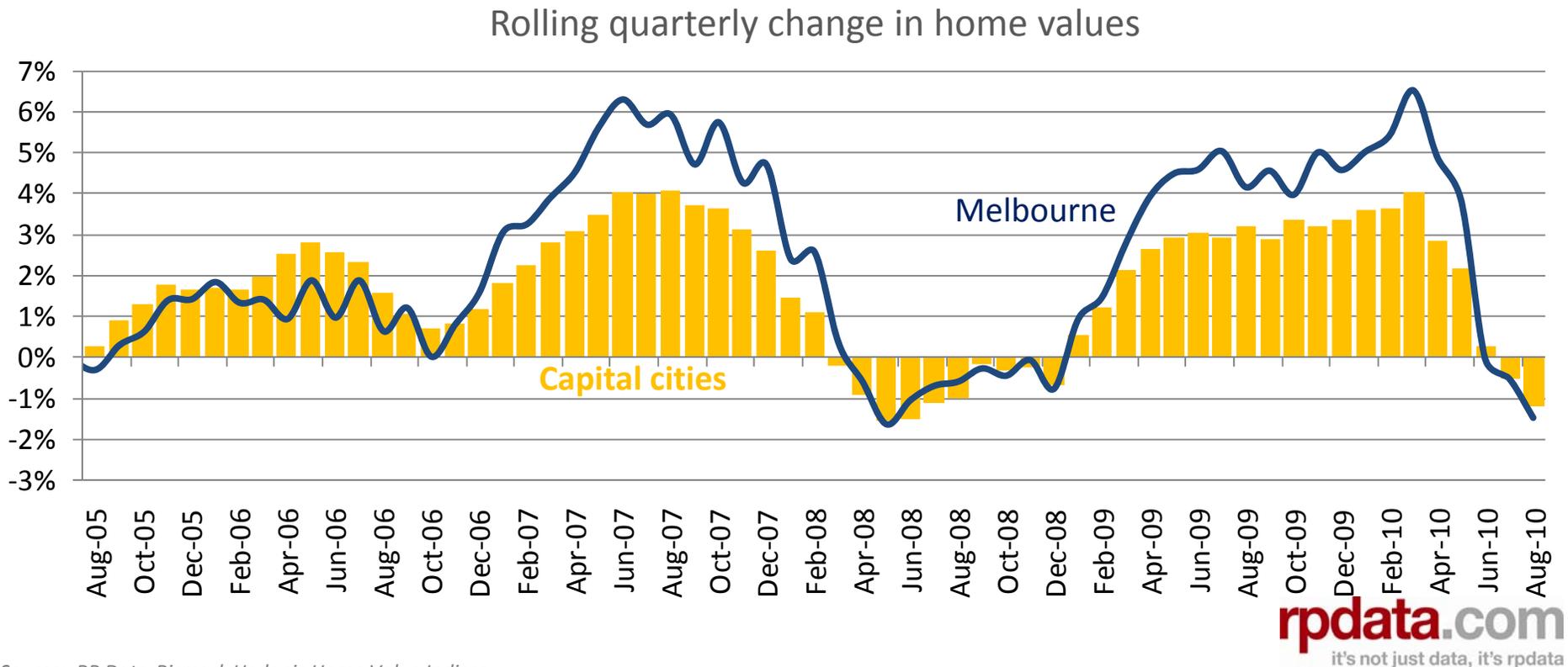
Rolling quarterly change in home values



# Melbourne

*Two strong growth cycles have seen Melbourne values increase 51% since 2007*

- Two strong cycles of growth – Melbourne home values are now 51% since the start of 2007
- Melbourne prices are now only 15% higher than Sydney's compared with being about 50% higher in 2004.

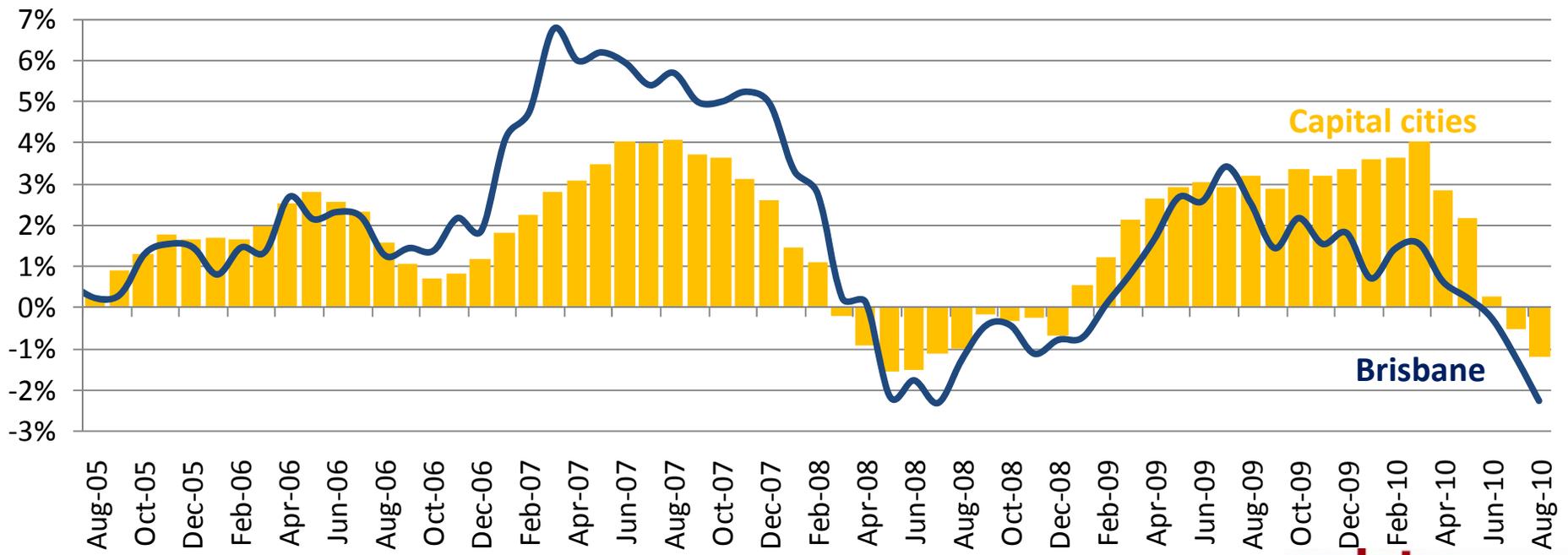


# Brisbane

*Brisbane has underperformed compared to most other capitals*

- Brisbane home values are up just 6% since the start of 2009
- Over the three months ending August 2010 Brisbane values are down 2.3%
- Despite the recent under-performance, over five years Brisbane's annual rate of growth (7.0%) is virtually the same as the combined capitals (7.1%)

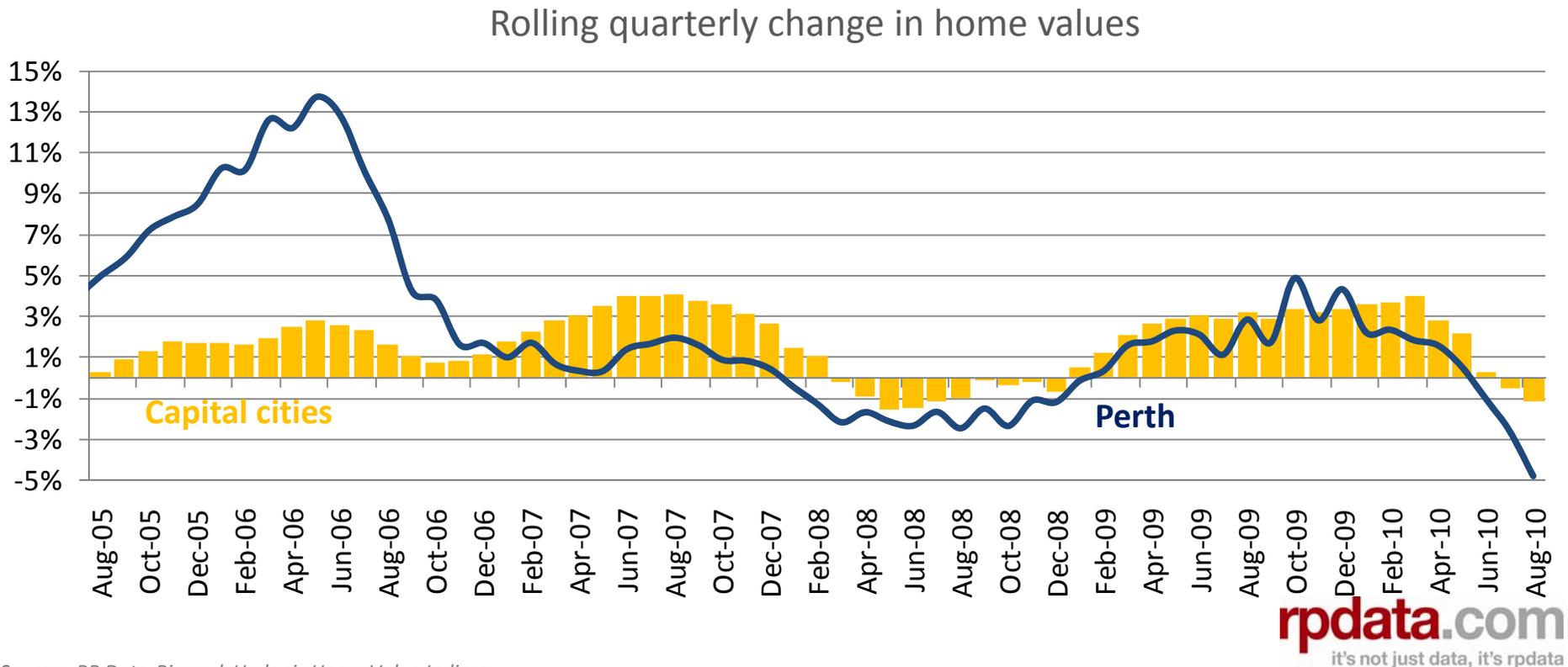
Rolling quarterly change in home values



# Perth

*Perth is the weakest capital city with values down 4.6% over the 3 months to August*

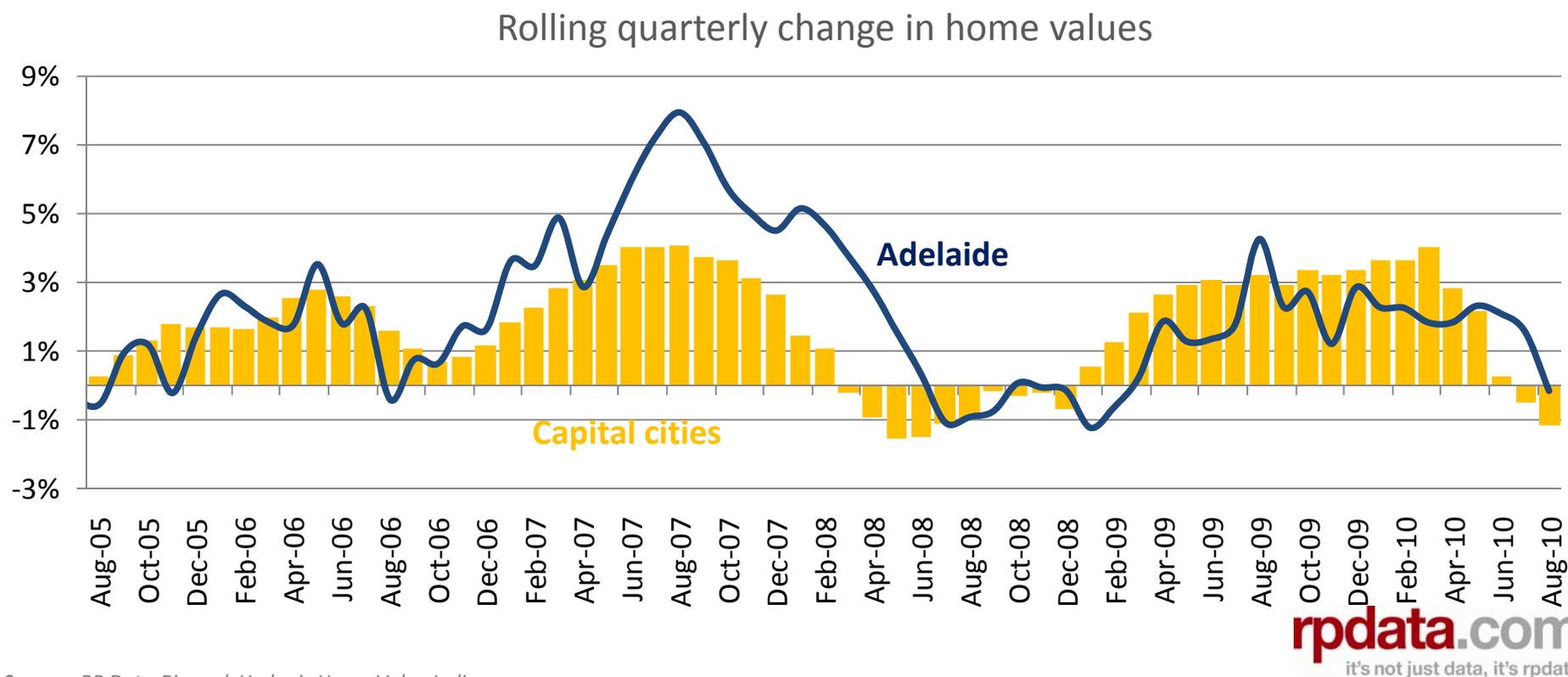
- Perth continues to recover from the overheated conditions seen back in 2006
- Low unemployment, high population growth and a surging resources sector may be the catalyst for an improved Perth performance.



# Adelaide

Values are up 35% since Jan '07, however Adelaide remains the most affordable mainland capital city

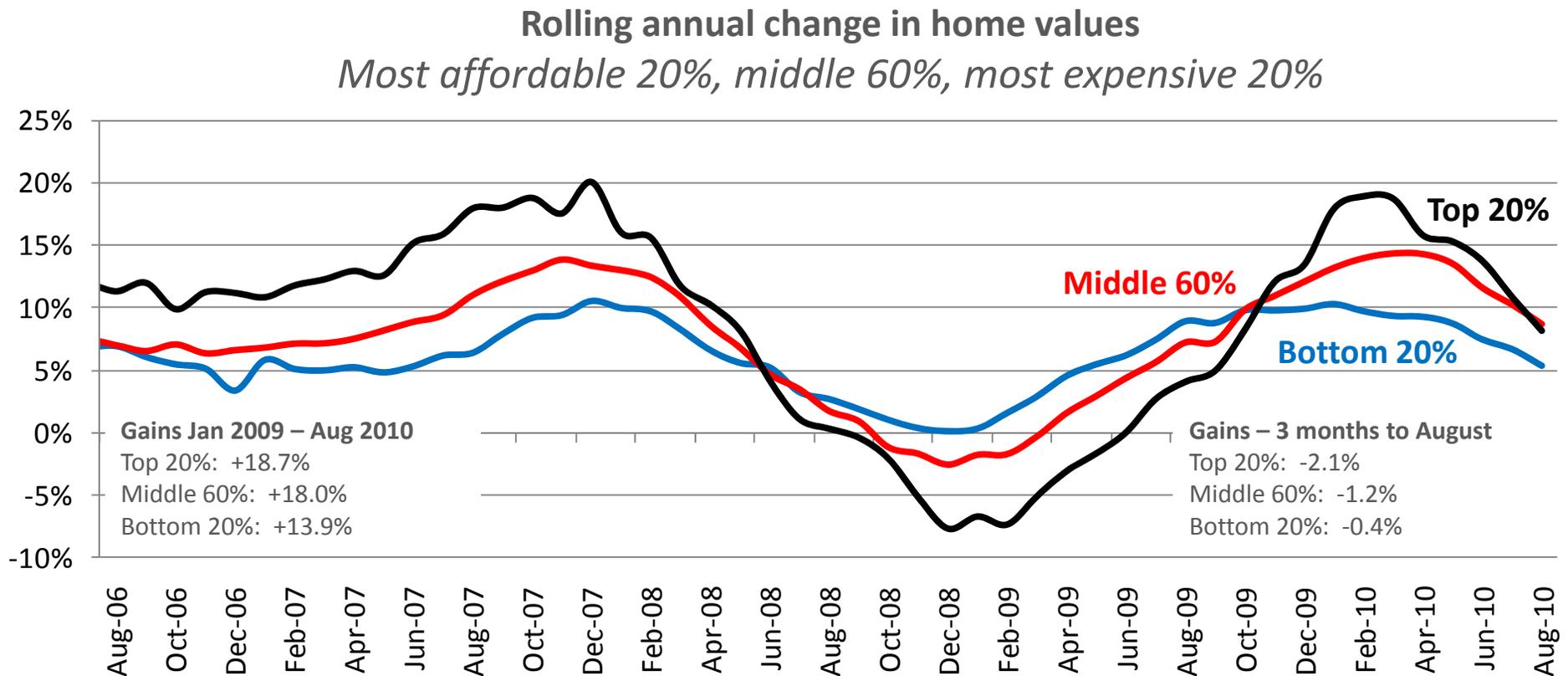
- Reasonably steady market conditions with affordability being a key driver



# Top end v Bottom end

*Capital gains in the premium markets are slowing faster than other price segments*

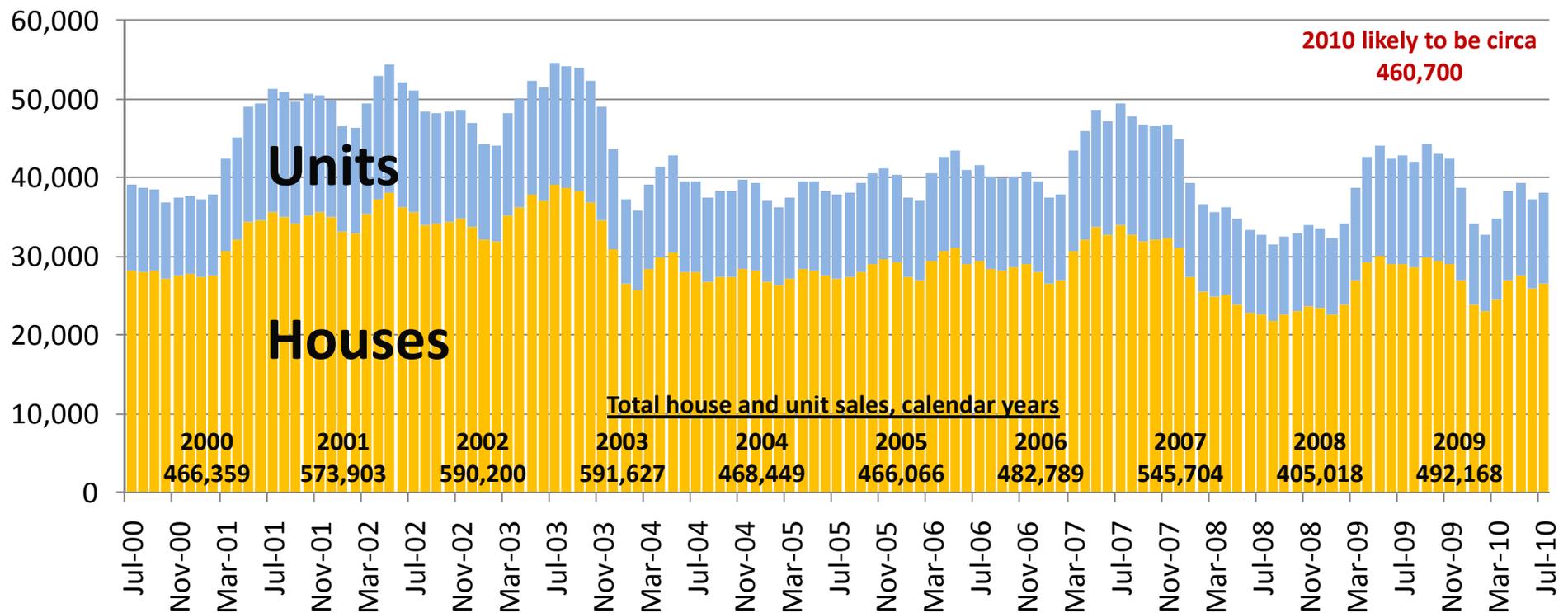
- Premium markets have recorded a higher level of volatility and values are slowing at a more rapid rate than the broader marketplace.



# Low sales volumes have created challenges for the sector

- The number of home sales have been at about 'average' levels nationally
- Low finance approvals suggest volumes are likely to moderate further during 2011

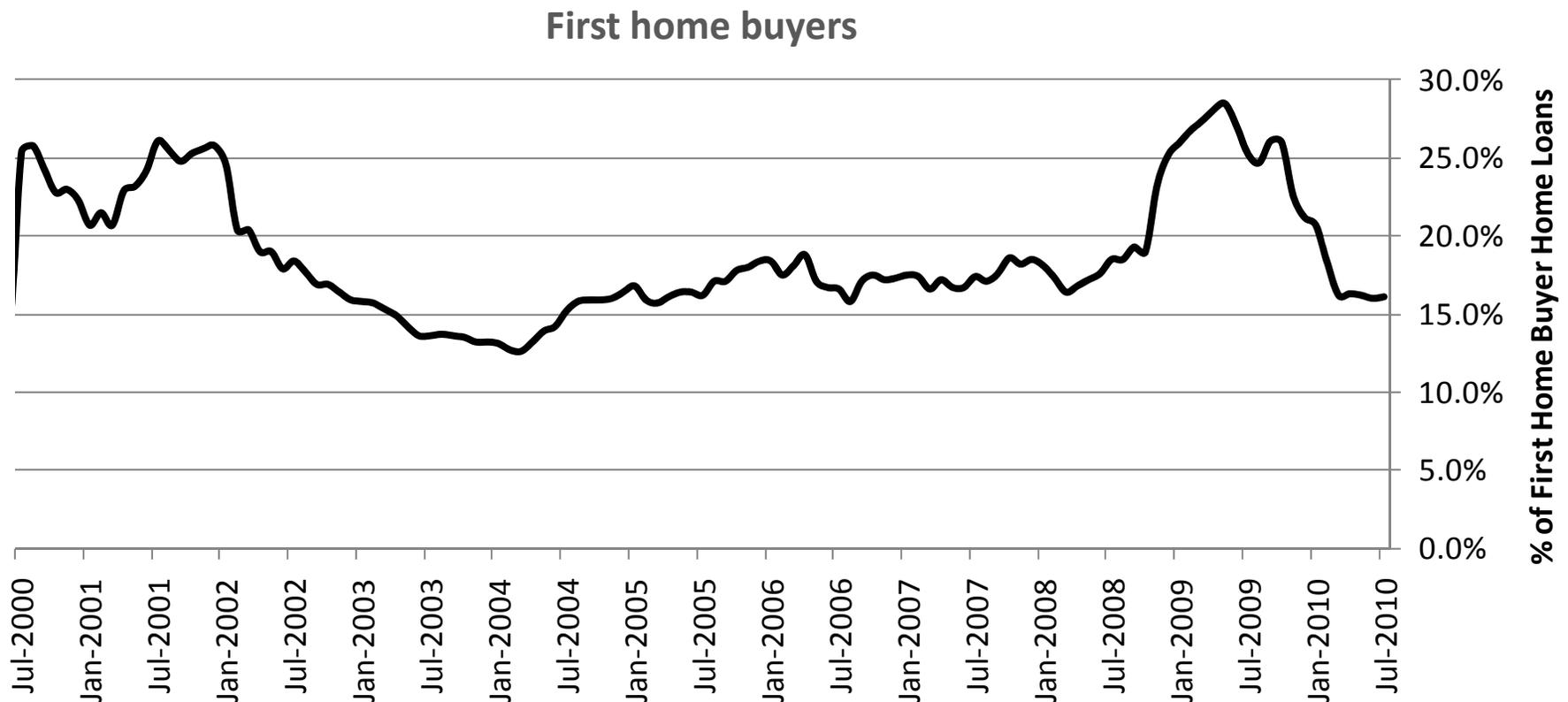
Volume of sales, National



Source: RP Data Note that the most recent six months of volumes data has been modeled based on the historical time lag in receiving the full set of sales data.

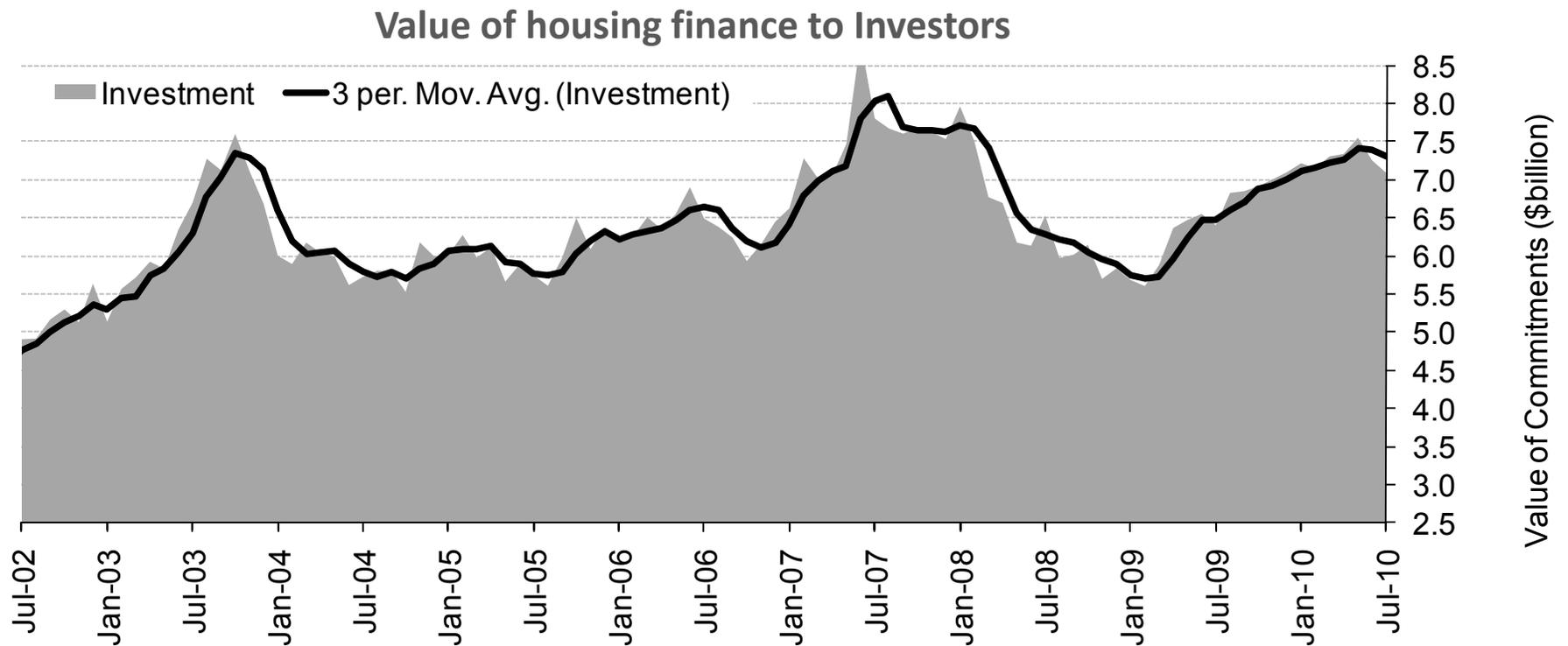
# First home buyers likely to remain on the sidelines

- After peaking at 28% of the overall owner occupier market, first home buyer numbers have fallen back to just 16% of the overall market



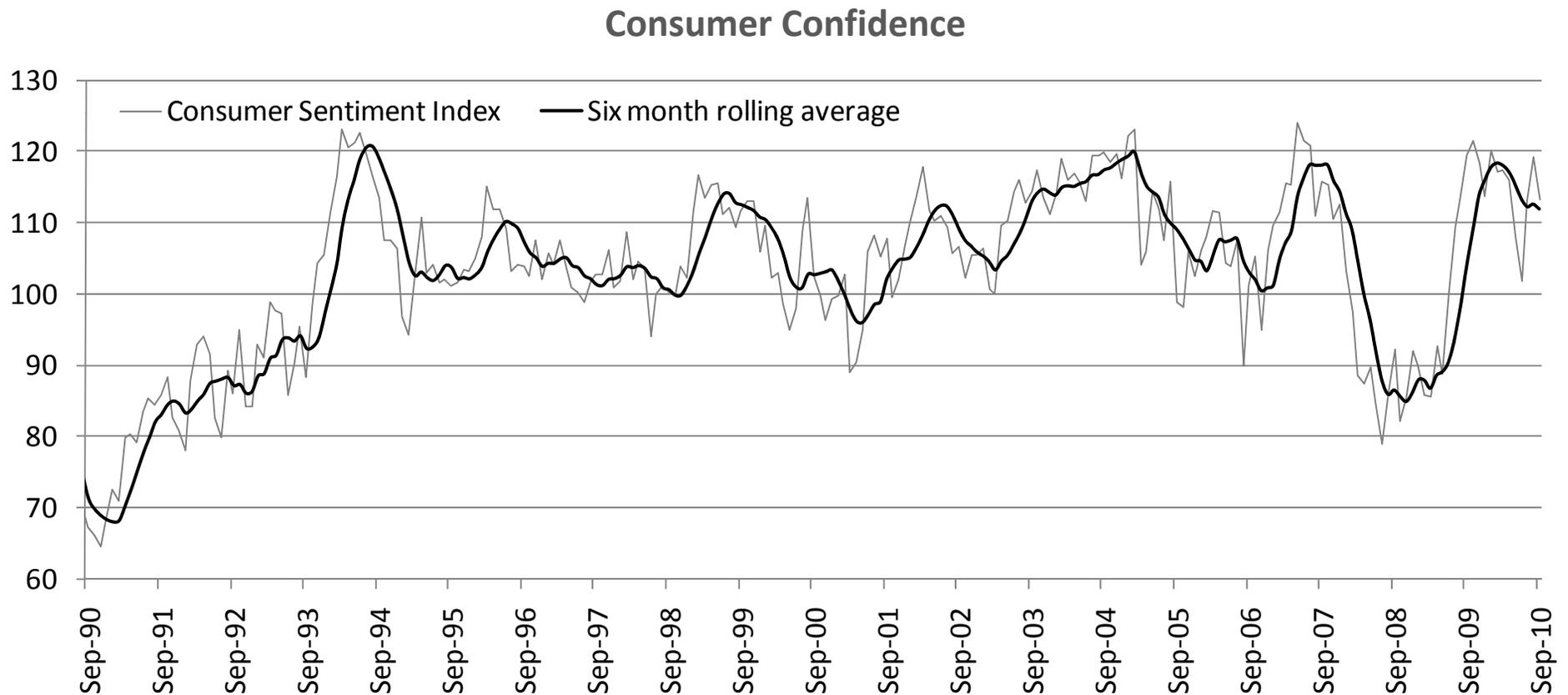
# Investment has continued to trend upwards until mid 2010

- With capital growth now leaving the market, investment is likely to taper.



# High consumer confidence is likely to underpin market health

- The consumer confidence index shows Australian's remain optimistic about economic conditions



**A challenging year ahead with higher interest rates balanced by strong economic conditions.**

**Major Drivers:**

- **Consumer confidence**
- **Strong jobs growth and low unemployment**
- **High levels of population growth**
- **Tight supply situation**
- **Improving rental market**

**Major Detractors:**

- **Higher interest rates (how high will they go?)**
- **Cuts to migration**
- **Tight finance / lending conditions**