



Facilitate Digital (ASX:FAC)

Investor Briefing

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CEO

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**Generational
industry change**



**Market
Leadership**



**Significant
Growth**

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Executive Summary

- FAC is the leading provider of workflow/trading and advertising software to digital media agencies
- Highly differentiated, proprietary solutions that solve clients' problems
- Customer validation from all "Big 5" media agencies
- Opportunity to become the standard "operating system" for advertising workflow & trading - \$2+ billion market opportunity
- Recurring revenue model, significant growth outlook for FY13 & beyond
- Highly innovative and experienced management team & Board

Financial Highlights

(\$m) AUD	FY07	FY08	FY09	FY10	FY11	H1 12
Revenue	3.89	3.69	6.48	7.54	7.23	4.29
EBITDA	1.15	(1.55)	0.77	1.82	1.09	1.46
EBITDA Margin %	29.5%	(44.2)%	11.9%	24.1%	15.1%	34.1%
NPAT	(0.05)	(0.12)	(9.16)	0.01	(0.55)	0.75
Normalised NPAT	0.86	(1.24)	(2.22)	0.01	(0.55)	0.75
EPS (cps)	0.91	(1.16)	(1.87)	0.01	(0.42)	0.54
Net cash	2.59	1.63	1.43	1.44	1.34	0.93
ROE %	18.53	(0.99)	(55.25)	0.30	(11.6)	14.70

* The Australian dollar has strengthened considerably in each year since fiscal 2009 (18%, 13%, and 5% yearly average increases versus USD in 2010, 2011, and 2012). Thus, presented revenue growth has been significantly impacted. For example, \$1 million of USD revenue in fiscal 2009 would have been AUD \$1.34 million, while \$1 million of USD revenue in 2012 would be AUD \$0.96 million.

Trends in the Global Media Agency World

1. Advertising migration to digital

"Our belief is that all of our **services are digital and will become digital** ...two years from now you won't even use that word to make a distinction."

John Wren - Global CEO **OmnicomGroup**

2. Agency workflow automation

'Right now it's more about looking at individual steps inside of this value chain, especially for digital, where shockingly enough, **it's the least mature when it comes to automation** even though it's the most progressive one because it's digital in nature. It should be much more automated'.

Hagen Wenzek - Global CTO, Mediabrands



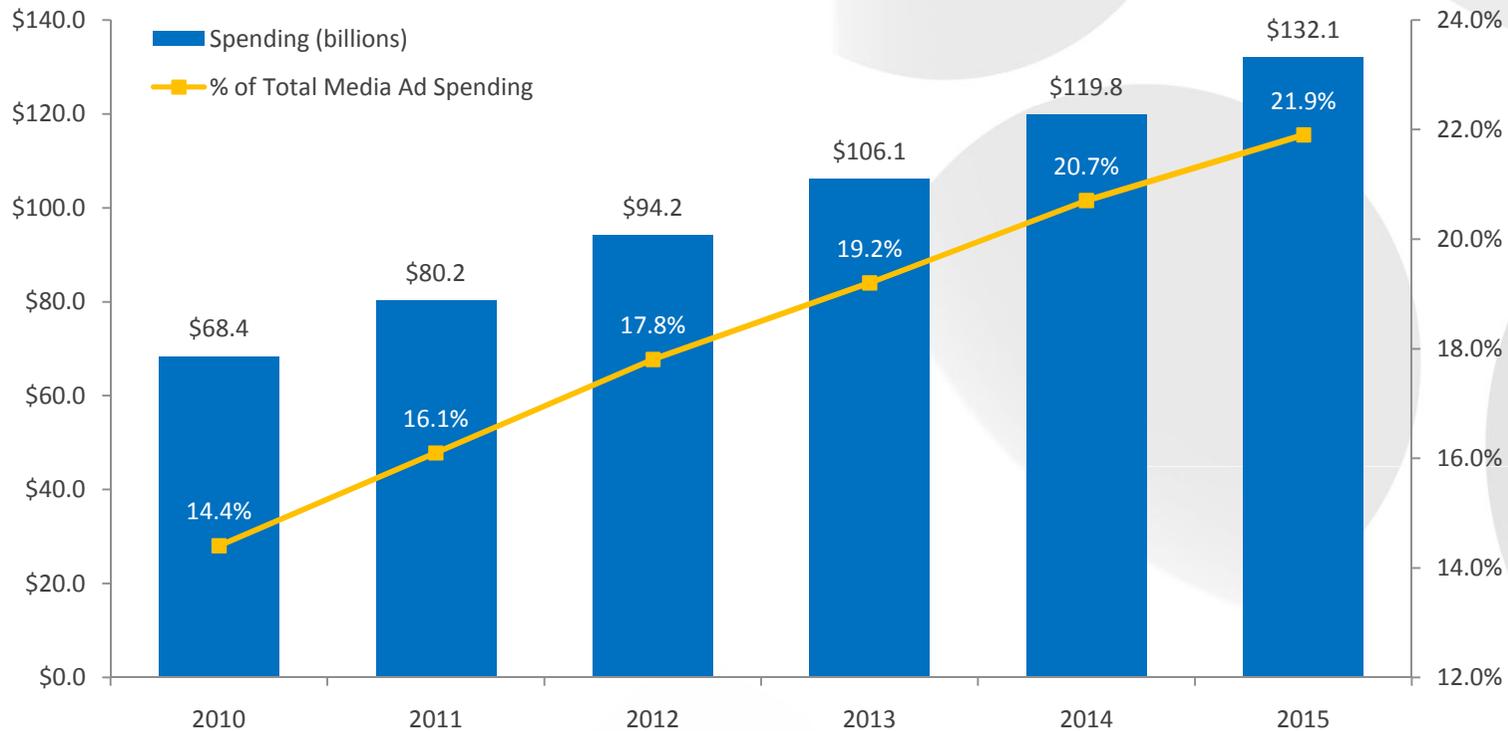
3. Industry consolidation



- Technology dominated M&A in 2011, in particular web, cloud and data technology
- 2011 deal volume was up 13%, from 2,658 deal to 3,006 deals
- Full-year M&A value was \$167.7 billion, a 41% increase over \$119 billion in 2010
- 2011 deal volume increased in every sector, software being the highest volume of any sector
- For the second consecutive year, cross-border (CB) deals grew faster than in-border (IB)
- CB represented 36% of total 2011 volume, up from 34% in 2010 and 31% in 2009

Digital Fueling Ad Growth

Online Ad Spending Worldwide, 2010-2015



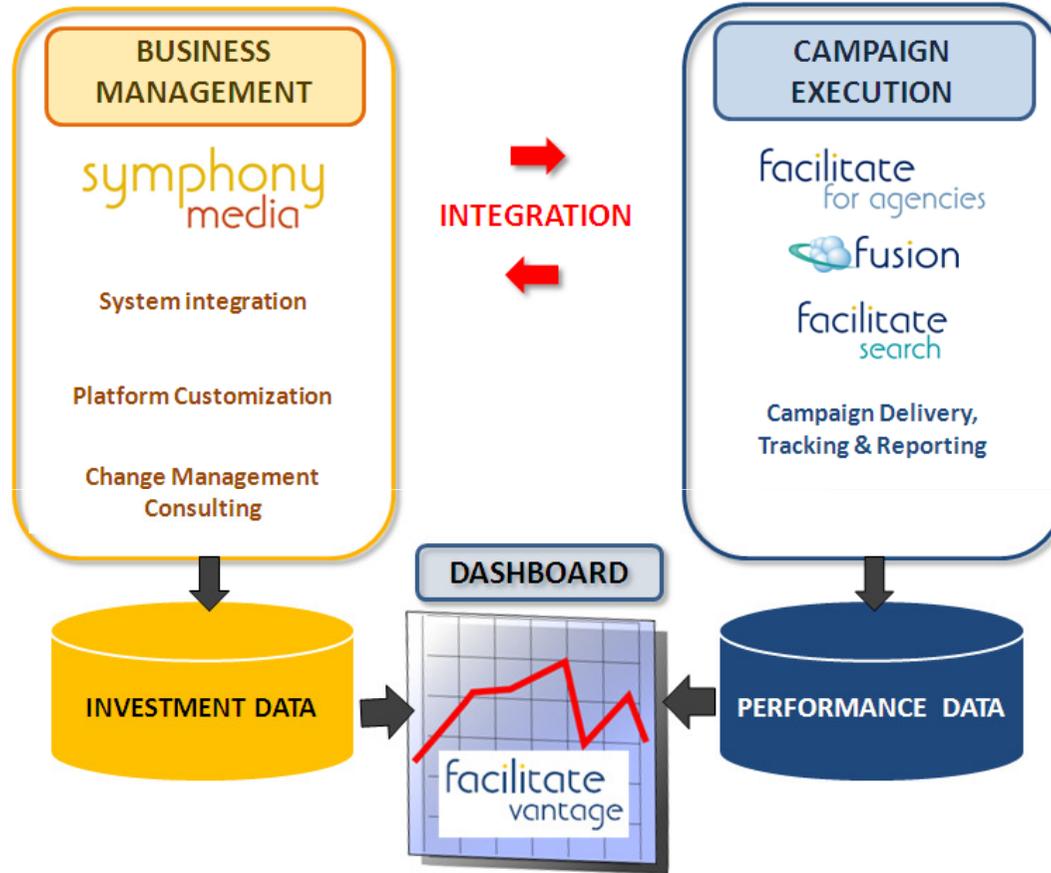
DIGITAL MEDIA CURRENTLY ACCOUNTS FOR 30% OF TOTAL MEDIA CONSUMPTION BUT REPRESENTS ONLY 16% OF AD SPEND

Strategy = innovation → proprietary products → client solutions

- FAC has a continuing commitment to innovation
- Leveraging our capabilities and knowledge in the areas of advertising, data and workflow
- Strategy to create ongoing improvements in software functionality to help agency clients with:
 - Workflow
 - Trading
 - Data
 - Cross Media
- Disciplined focus on ensuring R&D generates high ROI for Shareholders

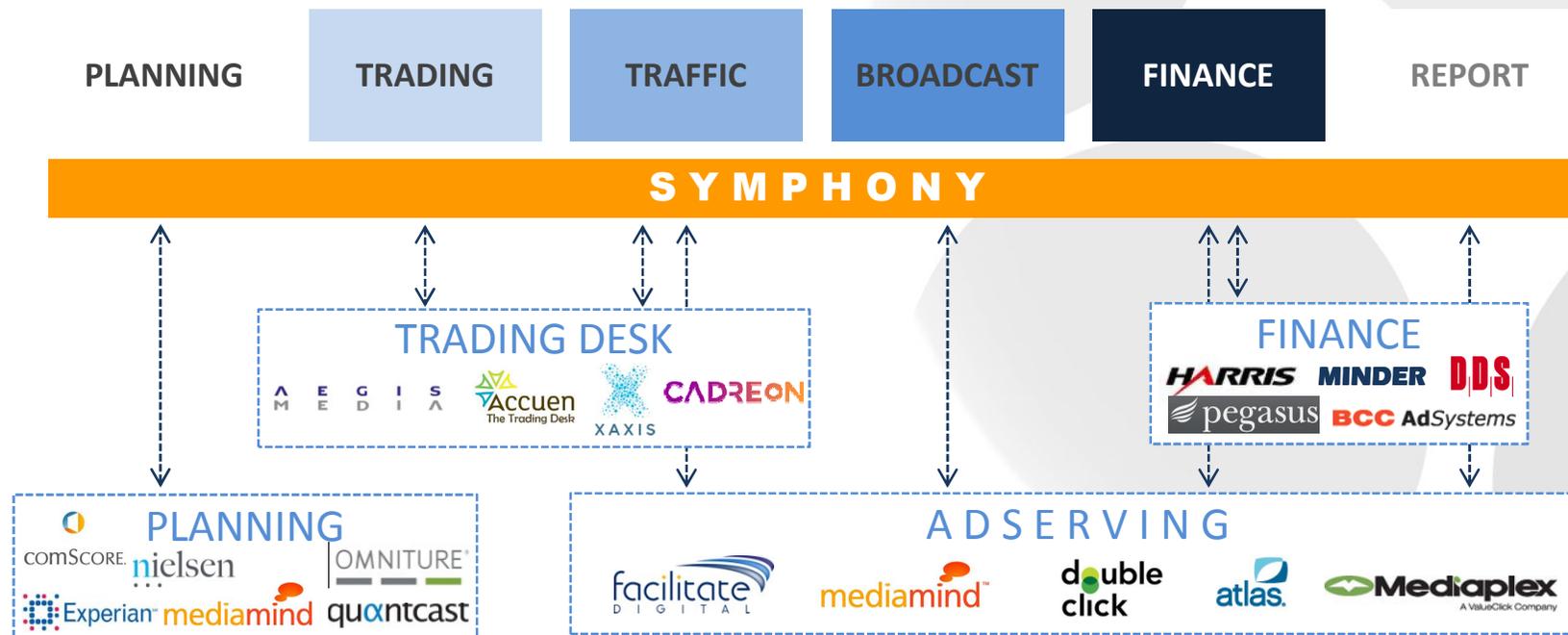
Proprietary Product Suite

- Integrates multiple disparate tools critical to media agencies
- Automates the creation and iteration of complex documentation
- Links media spend data with the agency finance platform
- Provides detailed media spend history to underwrite price discovery & negotiation
- Creates a minimum standard of best practice
- Allows global agencies to implement a single, integrated workflow across agencies and markets



- Ad-serving platform publishes and tracks advertising content to the web
- Provides targeting capabilities (intelligent ad selection based on user controlled business rules)
- Ability to optimise campaign performance in real time
- Purpose built modules within to execute campaigns including display, search, rich media, & performance media
- Global technology used in 19 countries
- Fully integrated with *Symphony*

Client solutions: integration + automation → efficiency & scalability



- The value of a platform – drive efficiencies by integrating the agency toolset
- 30-40% labour cost benefit for the agency
- Other benefits include scalability, speed of campaign execution , reduced human error, central consistent standards across campaigns, clients, markets
- A singular workflow platform creates a singular data asset
- **‘Bloomberg’ for Media**

Value Proposition and Revenue Models - by Product

Product	Function	Value to Client	Revenue Model
	<p>Workflow & Trading Platform for Media Agencies</p>	<ol style="list-style-type: none"> 1. Streamlines otherwise manual workflow for 30-40% efficiency gain 2. Aggregation of buying data to inform the buying process 3. Framework to create data uniformity across investment and campaign data assets 4. Analysis of buying data across campaigns, clients, agencies and markets 5. Aggregation of current & future trading models 	<p>Fixed & variable – revenue generated from either:</p> <ul style="list-style-type: none"> (a) Monthly license per seat (b) Premium CPM price point (if bundled with FFA) (c) Increment on monthly license for optional modules (d) Transaction fees - % of spend
	<p>Publishing and tracking of online advertising, including display, search, performance media and rich media</p>	<ol style="list-style-type: none"> 1. Reporting to assess campaign performance (real time) 2. Tools to optimise campaign performance 3. Data capture and aggregation of campaign performance to inform the planning process 4. Critical data asset for agency Trading Desk 	<p>Variable – fixed fee (CPM) x variable activity (ie. every impression, click...)</p>

Existing value proposition & revenue models
 Future value proposition & revenue models

Competitive Landscape - Benchmarks

	symphony media	i-desk	Mediabank	AdDazzle	MediaVisor
Global Platform	●	●	●	●	●
Agnostic Platform	●	●	●	●	●
Global Support Footprint	●	●	●	●	●
Multi Language & Currency	●	●	●	●	●
Cross Stakeholder Collaboration	●	●	●	●	●
Configurable User Profiles / Access	●	●	●	●	●
Pre Sales Consulting & Workflow Analysis / Optimisation	●	●	●	●	●
Team - Media Agency Professionals	●	●	●	●	●

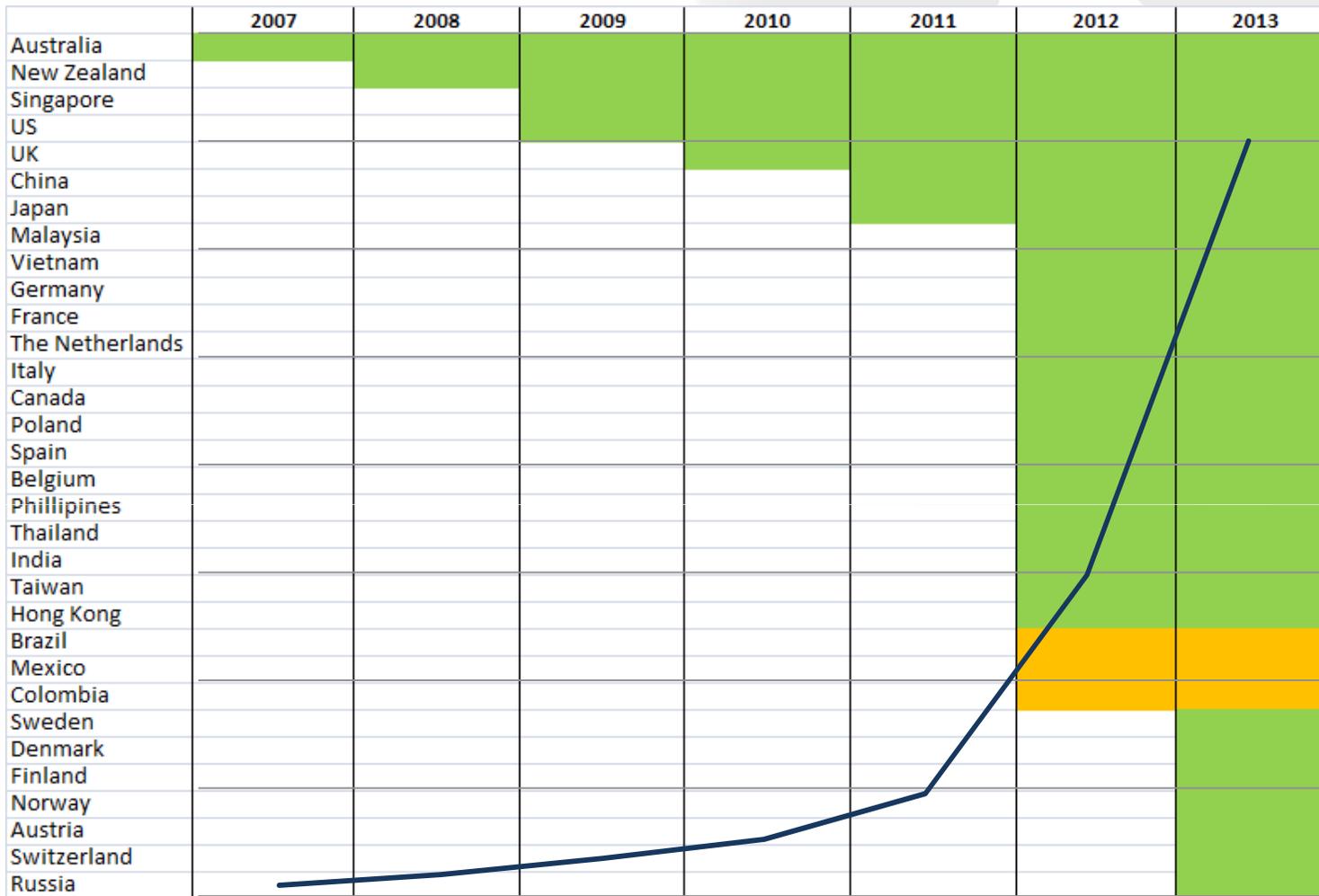
● = Strong ● = Partial Capabilities ● = Weak /None

Tier 1 Customer Validation

Facilitate Digital work with every major agency within 5 of the 6 global agency groups in various markets around the world

Holding Company	Global Media Agency Division	Global Agency Brands
WPP	groupm	   
OmnicomGroup		  
 Interpublic Group		 
 PUBLICIS GROUPE		 
		 

Symphony Adoption Foreshadowing Accelerating Growth



Number of Users

1st Growth Driver: Roll out of existing contracts- significant growth

Roll out of Existing Contracts underpins FY12 – FY15e

- Signed exclusive global contract with Mediabrands (4th largest agency group in the world)
- Signed exclusive regional contract with GroupM (largest agency group in the world)
 - Commenced rollouts into key markets across Europe and Asia
 - Program of market rollouts will continue for 2-3 years
 - Building unrivalled global coverage
 - Significant annuity revenues will be realised
 - Revenues –significant growth in FY13 and beyond
 - High incumbency – 2-3 year rolling contracts and retention rate of 98%

2nd Growth Driver: New products - significant growth

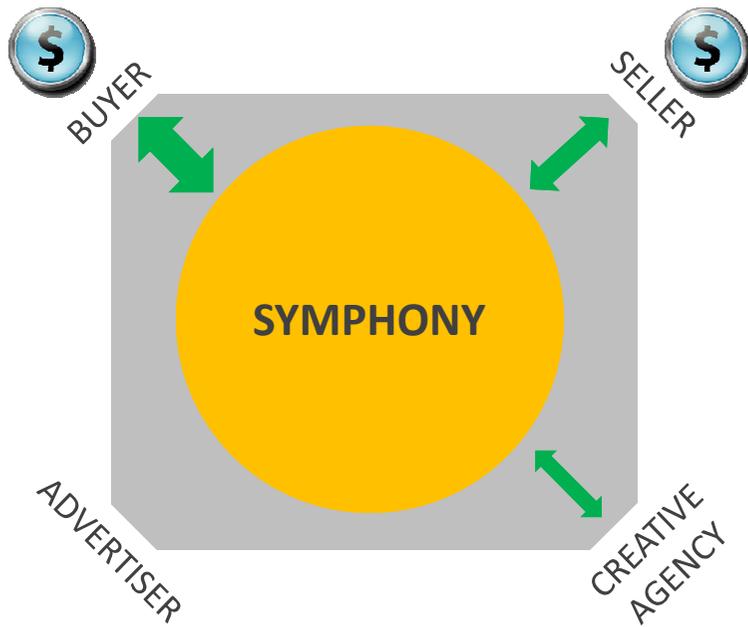
Continuing **enhancements to *Symphony*** to ensure it remains the industry leader

- Integration with the agency finance and adserver toolset
 - Global and market specific aderving providers
 - Leading finance system providers
- Functionality advances in electronic trading
 - Fully electronic contract management and sign off
 - Management of complex discount matrixes
 - Management of country specific tax schedules
- Integrating data into campaign workflow and agency business process
 - Campaign performance forecasting
 - Linking campaign performance data with financial reconciliation
- Internationalisation
 - Multiple languages – English, Chinese, Japanese, French, German...
 - Dual language management

3rd Growth Driver: Pipeline of new contracts - significant growth

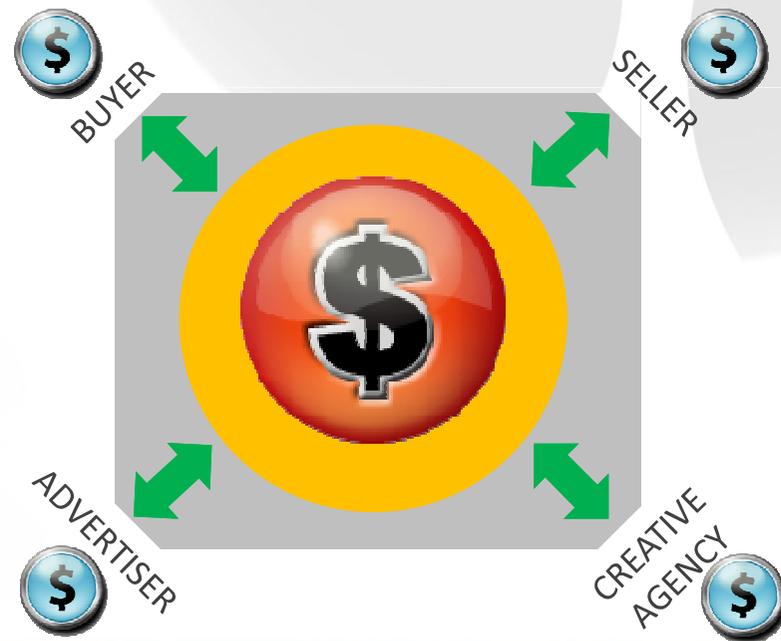
- The company has built a strong pipeline of major contracts
- The pipeline includes 5 of the 6 global agency groups – engaged at various stages of discussion/negotiation
- Revenue value of the **pipeline has grown by 100% since October 2011**
- Rollouts into key markets in APAC and Europe for existing clients will present significant opportunities for new business
- The company expects to announce new contracts in coming weeks and months

4th Growth Driver: the evolution from workflow to trading

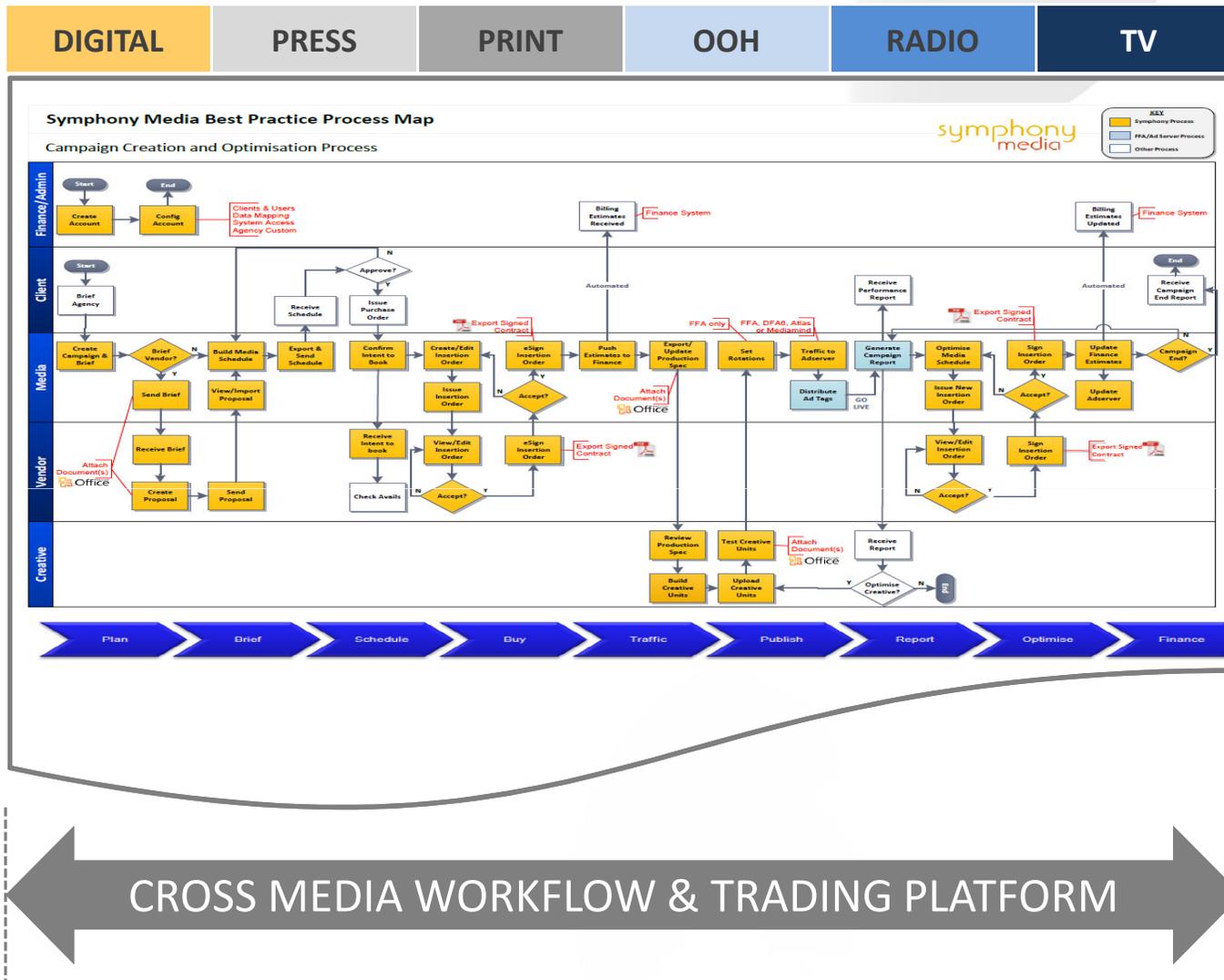


...today, *Symphony* 's workflow capabilities encompass 3 of the 4 stakeholder groups, create value principally for the buyer (media agency) and monetises 1 stakeholder (media agency)

...tomorrow, *Symphony* 's workflow capabilities will encompass all 4 of the stakeholder groups, generate revenue from each, and evolve to become a trading platform generating transactional revenues



Plus - The cross media opportunity



- In its current iteration, *Symphony* already provides campaign workflow automation and integration of business process.
- These same principles can be applied to non digital media for which there is a growing market need.
- The aggregation and centralisation of multiple media disciplines alone creates value for all four stakeholders, in particular large media buyers and sellers.
- The intellectual property within *Symphony* provides an optimal starting point from which to create cross media capabilities.

Sensitivities

- Long sales cycle – central decision making processes
- Pace and sequence of deployments influenced by client's objectives and capabilities
- Geographic distance to major clients
- Forex sensitivity

Conclusions

- Generational industry change + market leadership = significant growth outlook for FY13 & beyond
- Sense of urgency within Agencies as advertising spend migrates to digital
- FAC solves critical client problems – integrates/automates inefficient & high cost workflow
- Symphony has market leadership, ongoing innovation program to stay ahead
- 4 Growth drivers: roll out of existing contracts, new capabilities, strong sales pipeline & emergence of trading revenues
- Annuity revenue model, transactional revenue streams, global scalability
- Clear strategy + disciplined focus on execution
- Highly experienced Board and Management team

Appendix: The Board

Stuart Simson

Non Executive
Chairman

- Former Chairman of emitch Limited, largest online media agency in Aust and NZ
- Director of specialist online media agency, Switch Digital Pty Ltd and is a Director of Optimo Designs
- Former Managing Director of The Age and Sunday Age, and Editor and CEO of BRW
- Council Member of Leadership Victoria

Ian Lowe

CEO & Executive
Director

- Over 20 years experience in the media industry, including George Patterson Bates, PMP Limited (ASX:PMP) and Red Sheriff
- Executive management positions include Managing Director of Red Sheriff Ltd and CEO of Traffion Pty Ltd
- During Ian's tenure Red Sheriff grew from a staff of 10 to become a global leader in web analytics and market intelligence, with more than 1000 clients in 52 countries

Ben Dixon

COO & Executive
Director

- 15 years advertising agency experience directing large multinational accounts such as Telstra and Kraft Foods
- Senior management roles with industry leading agencies such as DDB and Mojo
- Co-founded Facilitate Digital Pty Ltd in 2000

Charles Sweeney

Non Executive
Director

- Graduated in Commerce/Law from Melbourne University in 1998
- Co-founded Facilitate Digital Pty Ltd in 2000
- Partner for leading firm Cooper Grace Ward, acting for listed and unlisted organisations in the arenas of Corporate Advisory, Capital Markets and IP/IT

Geoff Dixon

Non Executive
Director

- One of Australia's most experienced and successful corporate executives
- Former Managing Director and Chief Executive Officer of Qantas Airways Limited
- Director of Crown Limited and Consolidated Media Holdings Limited
- Chairman of the Garvan Research Foundation, and Deputy Chairman of Tourism Australia

History

- **2001:** Founded in Sydney, Australia
- Initial focus on local ad serving market
- **2002:** Released v1.0 of ad serving platform and secured first agency customer
- **2004:** CEO Ian Lowe joined, expanded product set to include search and grew the client base to 30 across Aust/NZ
- **2005:** Identified significant un-addressed opportunity
- **2006:** Researched, designed, developed and released v1.0 of Symphony
- **2007:** Secured first major Symphony client, listed on ASX and grew the client base to 70 across Aust, NZ, Singapore, Hong Kong, UK and Europe
- **2009:** Signed largest agency group in Germany to ad serving platform
- **2010:** Signed major international contract with GroupM to deploy Symphony into their four largest agencies across 17 APAC markets, reconstituted the board.
- **2011:** Signed world's first global contract for agency workflow (IPG/Mediabrands). Global rollout program prepared.
- **2012:** Multiple market deployments underway include China, Australia, Germany, France, UK, Italy, Netherlands, Japan, Poland and Spain.
- **2012:** Business has over 150 customers in 25 countries and 50 staff - offices in Sydney, Auckland, Shanghai, Hamburg, Stockholm, London and New York



Appendix: Income Statement

Consolidated		FY 2011	HY 2012
Revenue	<i>Adserving</i>	\$5,163,307	\$2,909,593
	<i>Symphony</i>	\$1,523,623	\$751,700
	<i>Other</i>	\$157,023	\$627,599
Total Revenue		\$7,225,980	\$4,288,892
Total Cost of Sales		\$1,506,566	\$870,018
Gross Profit		\$5,719,415	\$3,418,874
GP %		79%	80%
Total Expenses		\$4,632,040	\$1,957,758
EBITDA		\$1,087,374	\$1,461,116
<i>Interest Paid</i>		\$40,983	\$37,908
<i>Depreciation</i>		\$94,998	\$54,606
<i>Amortization</i>		\$1,436,819	\$588,062
<i>ESOP</i>		\$19,932	\$9,227
NPBT		(\$505,358)	\$771,312
<i>Tax Expense</i>		<i>(\$47,673)</i>	<i>(\$23,735)</i>
NPAT		(\$553,031)	\$747,577
NP %		-8%	17%

Appendix: Cash Flow

Cash Flow Statement	9 Months to March 31
CASH FLOWS FROM OPERATING ACTIVITIES	2012
Receipts from customers	5,621,088
Payments to suppliers and employees	(4,479,922)
Finance costs	(34,195)
Income tax paid	(22,628)
Net cash provided by (used in) operating activities	1,084,343
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(45,642)
Capitalised development costs	(1,495,675)
Interest received	11,567
Net cash provided by (used in) investing activities	(1,529,750)
CASH FLOWS FROM FINANCING ACTIVITIES	
Cost of equity raising	(19,016)
Net cash provided by (used in) financing activities	(19,016)
Net increase (decrease) in cash held	(464,423)
Net Foreign Exchange Differences	(6,195)
Cash at beginning of period	1,336,933
Cash at end of period	866,315

Balance Sheet and Shareholder Table

(in AUD)

	as of December 31, 2011	
ASSETS		
Total Current Assets	\$	2,582,116
Total Non Current Assets	\$	5,152,754
TOTAL ASSETS	\$	7,734,870
LIABILITIES		
Total Current Liabilities	\$	2,072,955
Total Non Current Liabilities	\$	223,017
TOTAL LIABILITIES	\$	2,295,972
EQUITY		
TOTAL EQUITY	\$	5,438,898
TOTAL LIABILITIES AND EQUITY	\$	7,734,870

Shareholders	Shares Held	% of Total Shares
Directors		
Stuart Simson	664,753	0.5%
Geoff Dixon	7,494,063	5.4%
Charles Sweeney	7,996,095	5.7%
Ian Lowe	6,958,823	5.0%
Ben Dixon	17,878,825	12.8%
Executives & other personnel		
Tom Peacock	610,725	0.4%
Timothy Whitfield	552,828	0.4%
Damien Thomson	340,000	0.2%
Michael Lane	7,462,130	5.4%
Jonathan Axworthy	85,250	0.1%
Julian Baring	1,057,798	0.8%
Total Insider Holdings	51,101,290	36.7%
Total Shares	139,352,284	100.0%

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