



**RESULTS FOR THE YEAR  
ENDING 30 JUNE 2015**

**Wayne Sidwell**

Executive Chairman

**Stephen Rees**

Chief Executive Officer - Australia/NZ

**Andrew Lumsden**

Chief Financial Officer

- ▶ One of the world's leading provider's of content creation, production and content management services.
- ▶ Global capacity with operations in Melbourne, Sydney, Adelaide, Auckland, London, Singapore, Kuala Lumpur, New York, Ohio, Los Angeles and Hong Kong.
- ▶ Unique client site (Hub) service delivery model.
- ▶ Leading edge technology offering (Knowledgewell).
- ▶ Reliable history of growth and fully-franked dividend payments.

750

+ VALUED  
CLIENTS

460

+ TALENTED  
PEOPLE

11

+ LOCATIONS  
WORLDWIDE

60

+ GLOBAL  
BUSINESS HUBS

# BLUE CHIP CLIENT BASE

wellcom  
worldwide



## 3 STREAMS OF BUSINESS



CONTENT

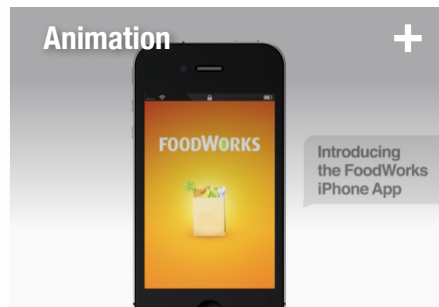


PRODUCTION



TECHNOLOGY

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

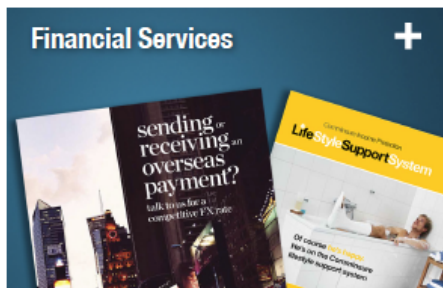
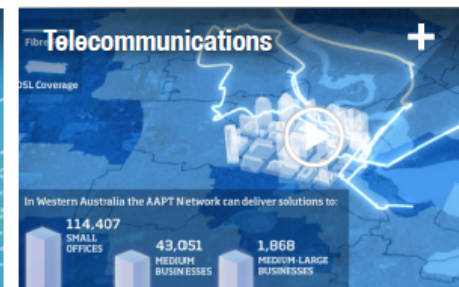




PRODUCTION

wellcom  
worldwide

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



Melbourne

Sydney

Adelaide

Auckland

London

Singapore

Kuala Lumpur

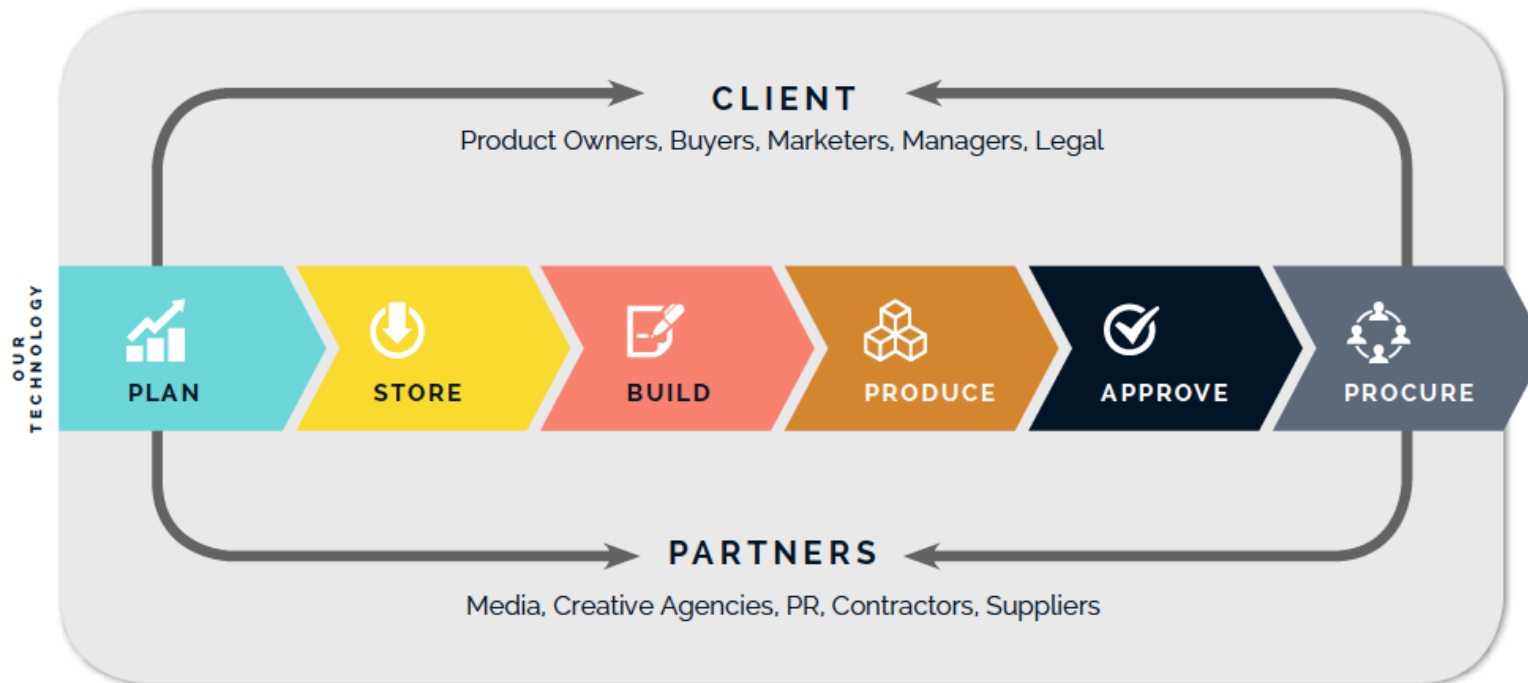
New York

Ohio

Los Angeles

Hong Kong

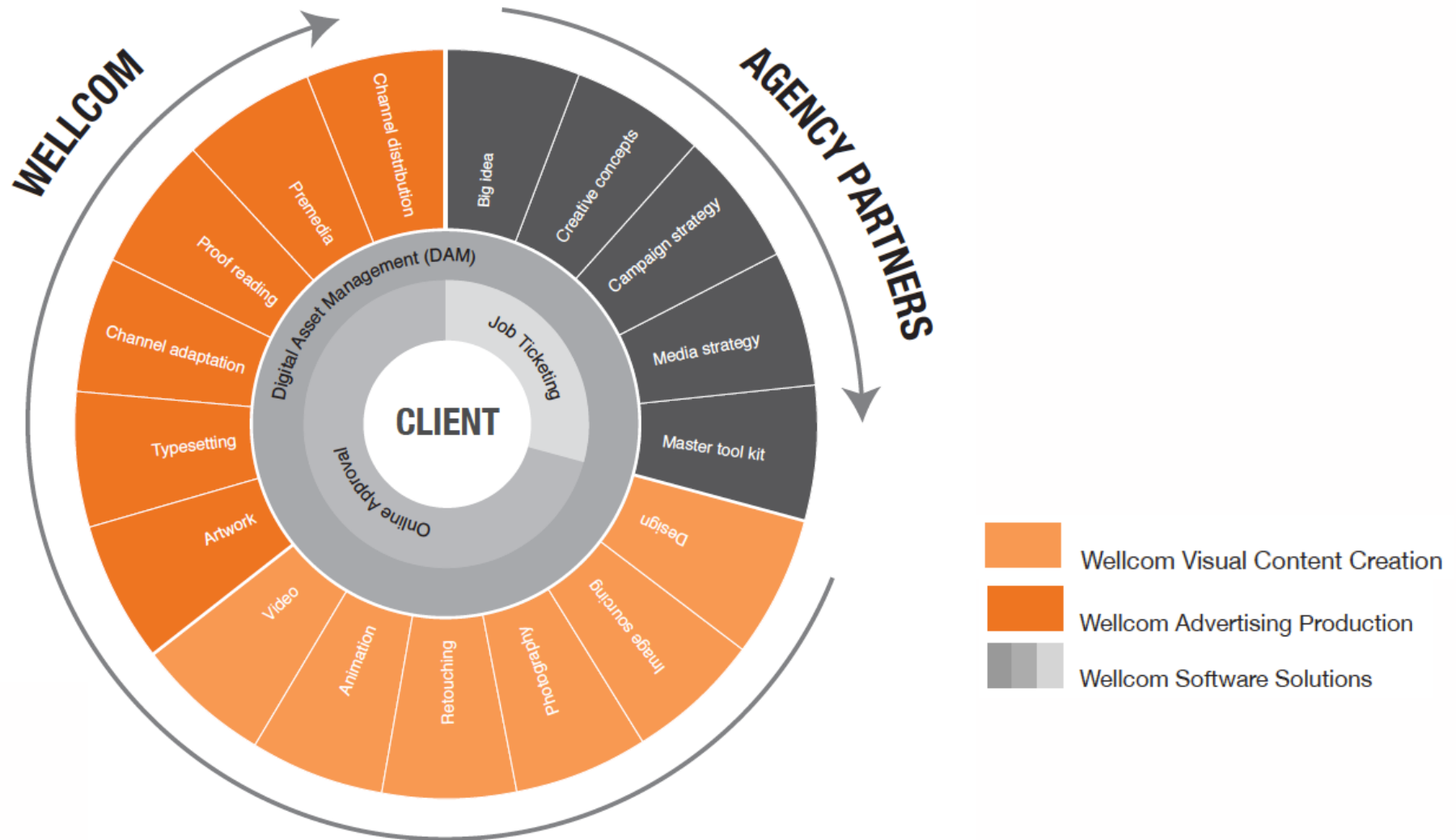
We develop and deploy technology that automates manual tasks, simplifies processes and reduces cost. Our technology is used to produced promotional collateral with speed, accuracy and consistency.





# MARKET POSITIONING

We are an integral part of the advertising and marketing ecosystem.





## KEY PERFORMANCE HIGHLIGHTS

### NET REVENUES



**FULL SERVICE HUBS  
NOW ACCOUNT FOR  
MORE THAN 70%  
OF GLOBAL REVENUES**

### EARNINGS BEFORE INTEREST AND TAX



### NET PROFIT AFTER TAX



### STRONG CASH AND FINANCIAL POSITION

Cash flows from operating activities of \$13.78M

Cash on hand approximately \$11.7M

Net tangible assets per share of 42.51 cents

**FULLY FRANKED  
FULL YEAR  
DIVIDENDS  
INCREASED  
TO 20.5 CENTS  
PER SHARE**

- ▶ Major retailers and corporations continue to de-couple their content production from the traditional advertising agency model (Stockland, Coles, Tempur Sealy, Simon Malls, BASF).
- ▶ Demand for high quality visual content continues to grow, with the speed at which brands can create this content being critical to their success.
- ▶ Digital remains the fastest growing marketing channel.
- ▶ Catalogues (print and online) remain an integral part of the multichannel marketing approach.
- ▶ Global brands are seeking regional partners to adapt content for local markets.

### Australasia

- ▶ Stockland Property Group (Graphic design, Video)
- ▶ Target (Photography, Video, Print Management)
- ▶ Coles (Graphic Design, Print Management)
- ▶ Super Cheap Auto (Technology)
- ▶ Freedom Furniture (Graphic Design)
- ▶ Dick Smith (TVC Production)
- ▶ Kmart (Photography, Video)

### United Kingdom

- ▶ BASF (Graphic Design)
- ▶ Canon (Graphic Design)
- ▶ Leagas Delaney (Graphic Design)

### United States

- ▶ Tempur Sealy (Graphic Design)
- ▶ Simon Malls (Technology)
- ▶ Chico's (Digital Strategy)

## KEY RESULTS

	FY15 (\$m)	FY14 (\$m)	Change (%)
Statutory revenue	115.35	90.09	+28.0
Net revenue *	85.90	62.74	+36.9
EBITDA	16.07	12.99	+23.7
EBIT	13.90	11.40	+21.9
Net profit for the period	9.76	8.60	+13.5
EPS (cents)	24.91	21.93	+13.6
DPS (cents)	20.50	19.00	+7.9
Franking (%)	100.0	100.0	-
Return on net assets (%)	15.40	14.72	+4.6

- ▶ Net revenues up by 37% to \$85.90M.
- ▶ Net profit up 14% to \$9.76M.
- ▶ Dividend per share increased to 20.5 cents per share.
- ▶ Significant franking credits remain within the Group.

\* Net revenue excludes print management and other pass through costs

## SUMMARY FINANCIAL POSITION

	FY15 (\$m)	FY14 (\$m)
Cash and debtors	30.89	22.06
Inventories and work in progress	1.34	1.67
Intangibles (Goodwill)	44.49	41.43
Intangibles (Software Development)	1.25	0.77
Debt	2.86	0.28
Equity	63.37	58.38
NTA per share (cents)	42.51	38.96
Debtor days	42	43
Working capital ratio	1.56	1.78
	FY15 (\$m)	FY14 (\$m)
Capital expenditure	2.06	1.69
Net cash flows from operating activities	13.78	7.32

- ▶ Strong financial position with no net debt.
- ▶ Capital expenditure includes new business wins (Kmart, Target), and a full year of theLab.
- ▶ Cash flows from operating activities of \$13.78M.

## GROUP RESULTS FY15

	FY15 (\$'000)	FY14 (\$'000)	Change (%)
Statutory revenue	115,354	90,088	+28.0
Less: Pass through costs	(29,459)	(27,353)	+7.7
<b>Net revenue</b>	<b>85,895</b>	<b>62,735</b>	<b>+36.9</b>
<b>Results from operating activities</b>	<b>16,707</b>	<b>13,289</b>	<b>+25.7</b>
<b>Margin</b>	<b>19.5%</b>	<b>21.2%</b>	
Unallocated & restructure*	(2,808)	(1,893)	+48.3
Net interest (expense)/income	(99)	209	
Income tax expense	(4,037)	(3,010)	+34.1
<b>Net profit for the period</b>	<b>9,762</b>	<b>8,595</b>	<b>+13.6</b>

\* Includes \$583K of redundancy costs in FY15 (FY14: \$528K)

	FY15 (\$'000)	FY14 (\$'000)	Change (%)
Net segment revenue	53,066	47,320	+12.1
Segment result	12,479	12,000	+4.0
Margin	23.5%	25.4%	
Staffing	312	296	+5.4

- ▶ Net segment revenues up 12%.
- ▶ Segment result up 4%, margins impacted by new business wins at comparatively lower margins.
- ▶ Includes investment in new business wins (Kmart, Target)
- ▶ Leveraging low cost production through Wellcom Malaysia Centre of Excellence.
- ▶ DSO of 40 days (Jun 15) from 41 days (Jun 14).



## UNITED KINGDOM

	FY15 (\$'000)	FY14 (\$'000)	Change (%)
Net segment revenue	13,027	10,224	+27.4
Segment result	365	1,058	(65.5)
Margin	2.8%	10.3%	
Staffing	60	50	+20.0

- ▶ Net segment revenues up 27% to \$13.03M.
- ▶ Includes significant investment in new business wins (BASF, Canon, Leagas Delaney)
- ▶ DSO of 64 days (Jun 15) from 62 days (Jun 14).

## UNITED STATES

	FY15 (\$'000)	FY14 (\$'000)	Change (%)
Net segment revenue	19,830	5,201	+281.3
Segment result	3,862	231	+1,571.9
Margin	19.5%	4.4%	
Staffing	90	78	+15.4

- ▶ Wellcom US performing ahead of expectations.
- ▶ FY15 includes full year contribution from theLab LLC acquired 1 March 2014.
- ▶ Leveraging global relationships.
- ▶ Active marketing of our Knowledgewell technology platform.
- ▶ Acquisition of Dippin' Sauce, LLC - 1 July 2015.
- ▶ DSO of 51 days (Jun 15) from 37 days (Jun 14)

# dippin' sauce

- ▶ Founded in 2005 and based in New York, Dippin' Sauce provides a range of specialist marketing production needs including photography, high-end creative retouching, mobile retouching, Computer Generated Images (CGI), on-location/on-site shoot services, pre-press capabilities, and colour management services.
- ▶ Dippin' Sauce current clients include Harry Winston, Vogue, Christie's and FCB Heath.



- ▶ Establishment of Wellcom Hong Kong to further Group wide content distribution network and support global business opportunities.
- ▶ New business wins including Kmart, Target, Coles, Super Cheap Auto, Freedom Furniture, BASF, Canon, Leagas Delaney, Tempur Sealy and Chico's.
- ▶ Acquisition of Dippin' Sauce, LLC (New York) growing creative and digital services.
- ▶ Expansion of video production services in all key markets.
- ▶ 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



### **Wellcom Group Limited**

870 Lorimer Street  
Port Melbourne  
Victoria 3207  
03 9946 8000

### **Wayne Sidwell**

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 19 August 2015, for the full year ended 30 June 2015 together with an update on Wellcom's activities, and is current at the date of preparation 19 August 2015. Further details are provided in the Company's full year accounts and results announcement released on 19 August 2015.

This presentation includes forward-looking statements, opinions and estimates that are based on information, assumptions and contingencies which by their nature are subject to change, as are statements about market and industry trends, which are based on interpretations of current market conditions. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements, opinions and estimates are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Wellcom, and which may cause actual results to differ materially from those expressed or implied in this presentation.

The information contained in this presentation is given in good faith and has been prepared from information believed to be accurate and reliable. The information presented is in summary only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial circumstances or needs of any particular investor. To the maximum extent permitted by law, neither Wellcom nor its related corporations, directors, employees or agents, nor any other person, accepts any liability, for any loss or damage whether direct, indirect or consequential, arising from the use of this presentation, its contents or otherwise arising in connection with it.

This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of Wellcom is available on our website, [www.wellcomworldwide.com](http://www.wellcomworldwide.com).