

# **Annual General Meeting - CEO Presentation**

**27th November 2018**

# BUSINESS UNIT OVERVIEW.

## Core

## Primary Revenue Model

### Symphony.

A global enterprise SaaS platform, providing digital media buying workflow solutions to the world's largest advertising agencies.

**Licence Fees** – recurring subscription revenue, with guaranteed minimums (fixed licence fees) and variable licence fees for each market based on value of media managed (by tier).

### Media.

A global digital media trading platform, enabling media buyers and sellers to trade premium display advertising on a targeted, forward-guaranteed basis (direct buys).

**Trading Fees** – a percentage of all media spend on the platform is collected from the publisher. Percentages vary from 5% (Adslot tech fee) to 15% (includes Adslot demand fee).

## Non-core

### webfirm

Webfirm – an Australian-based digital marketing services business, providing website design, hosting, search engine optimization (SEO), search engine marketing (SEM) and social media marketing services to SMBs.

**Services Fees** – fees charged on hourly or fixed basis for design development or consulting; recurring fees charged for SEO, Web hosting and marketing services at package rates

# **STRATEGIC REVIEW UPDATE**

# Strategic Review Objectives

In February 2018 the company agreed on a series of strategic imperatives for the business

1. Maintain the Symphony product and grow its user base
2. Focus on the US market for Trading Fee revenues
3. Implement a cost reduction plan.

*How has the company performed against them?*

**SYMPHONY.**

# **Objective: Maintain Symphony and grow its user base**

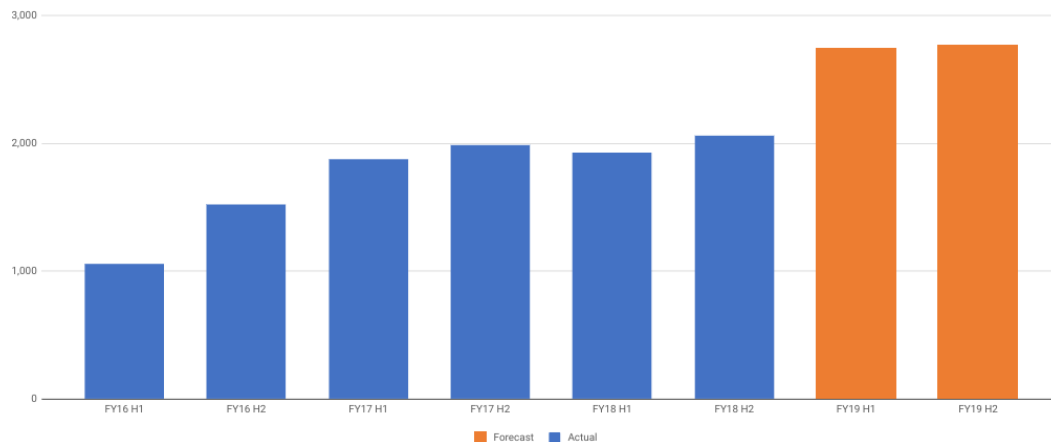
What has the company achieved over the past 9 months;

- Deployed Symphony to India
- Agreed to updated MSA terms with GroupM
- Target markets for FY19 deployment nominated – 3 x APAC markets on target for end 2018
- Revenue projected to increase by over 38% FY19 vs FY18
- Progressed pipeline with other agency clients

# SYMPHONY HAS RETURNED TO GROWTH.

- Contracted Symphony Licence Fee revenue forecast to grow by 38.7% to \$5.5m in FY19
- Symphony Licence Fees ahead of forecast in September quarter, mostly due to FX gains in USD/AUD
- A series of updated terms to Adslot's global Symphony agreement with GroupM were agreed in July, resulting in:
  - Agreed deployment schedule for a minimum of five additional markets in FY19
  - Expected growth in Symphony License Fees for major markets already deployed

Symphony Licence Fees (Normalised)  
Half-on-Half FY16 - FY19



	FY16 (a)	FY17 (a)	FY18 (a)	FY19 (f)
Sym Lice Fee Rev	2,579,351	3,862,710	3,989,671	5,502,560
YoY% Growth		49.8%	3.3%	37.9%
Ending ARR*	3,066,418	4,064,041	4,425,619	5,528,862
YoY% Growth		32.5%	8.9%	24.9%

\* Ending ARR (Annual Recurring Revenue) is calculated by multiplying last quarter's revenue by 4

# CONTINUED DEVELOPMENT THE SYMPHONY PLATFORM

- Market deployments continue
  - 1 x APAC market: pre-deployment activities complete and awaiting imminent deployment this quarter.
  - 2 x APAC market: pre-deployment to be completed by December 31, with deployment scheduled to occur in Q3 FY19.
  - 1 x EMEA market: pre-deployment scoped with deployment anticipated in Q4 FY19.
- Ongoing improvements to the Symphony platform continue to be developed. During the September quarter these included;
  - Integration with Facebook and Google Adwords
  - Management of multiple currencies within single campaigns
  - Campaign billing based on actual delivery and publisher (1<sup>st</sup> party) measurement



**ADSLOT MEDIA.**

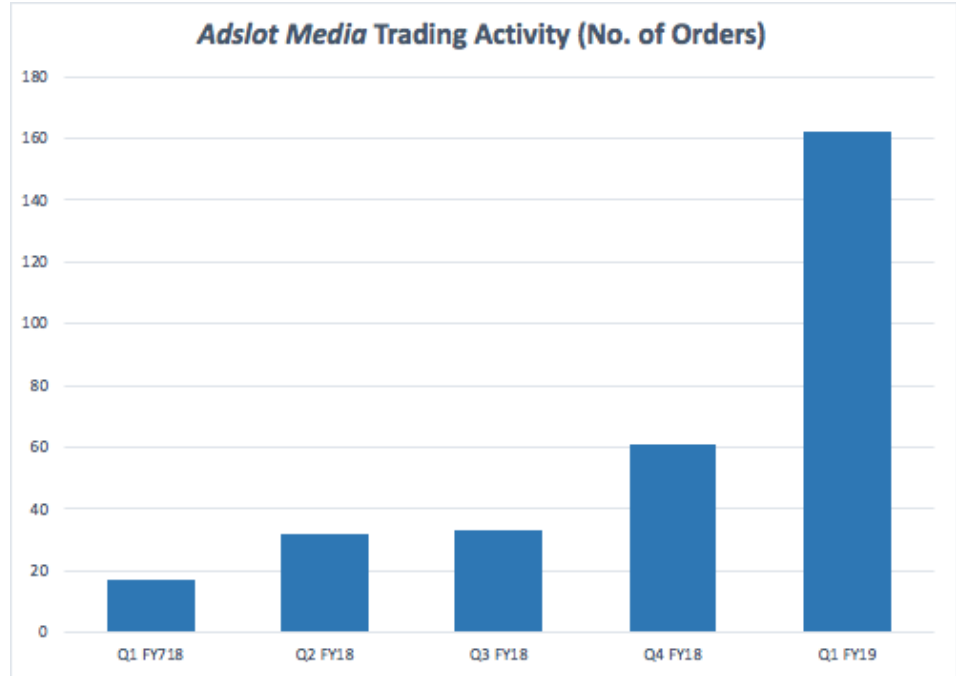
# **Objective: Focus on the US market for Trading Fees**

What has the company achieved over the past 9 months;

- Launched Audience First capability
- Signed significant US publishers
- Significant growth in bookings for Sept quarter
- Maintained Adslot Media growth in non US markets







# TRADING ACTIVITY INCREASED SIGNIFICANTLY IN THE SEPTEMBER QUARTER.

- Activity increased across all geographies (US, UK, Europe and Australia)
- Good representation of small and large agencies in each market
- Individual orders ranged in size from \$845 (smallest) to \$722,472 (largest)
- Average order size was \$33,732



# A SAMPLE OF ACTIVE AGENCIES AND THE BRANDS\* THEY PURCHASED MEDIA FOR IN THE SEPT QTR.

## Agencies

 Hearts & Science	 MINDSHARE
 <b>WM</b> WAVEMAKER <small>MEDIA. CONTENT. TECHNOLOGY.</small>	 <b>MOBK0j</b>
 BLUE 449	 <b>ikon</b>

## Brands\*

 <b>AT&amp;T</b>		 bp	 <b>BENTLEY</b>	 <b>BREITLING</b> <small>1884</small>	<b>BVLGARI</b>
<i>Cartier</i>	 <b>CHANEL</b>	<b>DKNY</b>	 <b>DELL</b>	<b>DIAGEO</b>	 <b>DISNEY</b>
<i>Fairmont</i> <small>HOTELS &amp; RESORTS</small>	 <b>Ford</b>	<b>GUESS</b>	 <b>HERMÈS</b> <small>PARIS</small>	<b>L'ORÉAL</b>	 <b>LOUIS VUITTON</b>
<b>LONGINES®</b>	 <small>MANDARIN ORIENTAL THE HOTEL GROUP</small>	 <b>Marriott.</b>	 <b>NESPRESSO.</b>	 <b>PRADA</b> <small>MILANO ROMA</small>	<b>RALPH LAUREN</b>
 <small>ROLLS ROYCE</small>	 <b>SAP®</b>			 <b>TUDOR</b>	 <b>UNIVERSAL</b> <small>A COMCAST COMPANY</small>

**\*IMPORTANT NOTE:** Brands are not direct clients of Adslot, but clients of the agencies who buy advertising on their clients' behalf via *Adslot Media*

# AND AN EVER GROWING NUMBER OF PUBLISHERS SIGNING UP TO THE PLATFORM TO SELL THEIR INVENTORY.

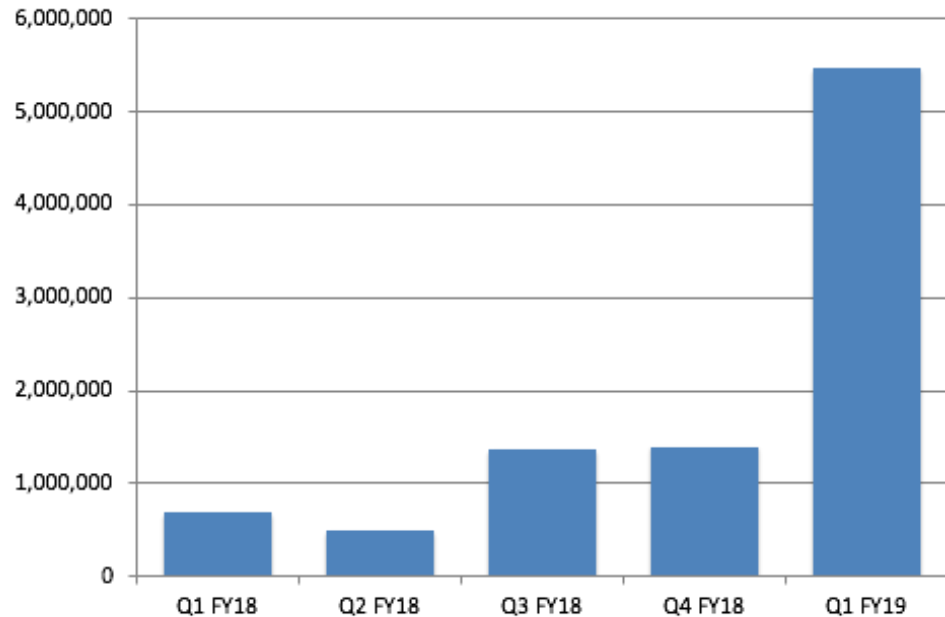
	CONDÉ NAST		GANNETT		haymarket	The Guardian		Trinity Mirror
			Forbes	FT FINANCIAL TIMES	Telegraph.co.uk		Oath:	
Time Inc.				The New York Times				
	MailOnline		The Washington Post	IBTimes	Vox		NY DAILY NEWS	
BUSINESS INSIDER						POPSUGAR	Domain	

**Note:** publisher contracts are non-exclusive and do not have guaranteed volume, expenditure or revenue conditions. Publisher logos emphasized by red border have the capacity to target advertising based on advertiser 1<sup>st</sup> party audience data (Audience First)

# DRIVING RECORD \$ VALUE OF MEDIA TRADED ON THE ADSLOT MEDIA PLATFORM.

- Gross value of media traded on the platform in the September quarter was \$5.64M
  - An almost four-fold increase on the June quarter's \$1.38M
  - And more than the previous six quarters combined
- US Pipeline remains strong on both the publisher (supply) and agency (demand) sides.

Value of Media Traded - Stand Alone Adslot (AUD)



# **COST MANAGEMENT.**

# Cost Management

What has the company achieved over the past 9 months;

- Reduced cash burn at critical phase for the business
- Shown ongoing commitment to cost management
- Minimised impact on product investment and key client relationships



# **What have we achieved in 2018?**

1. Restructured the GroupM Symphony relationship and returned SYM revenue to growth
2. Shown first meaningful and consistent Adslot Media trading across multiple markets
3. Managed costs across the business
4. Improved share price and investor sentiment

**Thank You**