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Full Year 2017

Results Presentation

February 2018

MitulaGroup^o



*A leading player in
the global online
classifieds
industry*

FY2017 was another year of strong profitable growth for Mitula

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Revenue

+20%

A\$33.6m

Yield/Visit

+15%

A\$0.042

Visits

807m

+5.4%

EBITDA
Margin

35%

FY2017 highlights

- Record annual visits and yield per visit underpinned **revenue growth of 20%**
- **Strong cash position** with A\$13m cash at bank
- Strong progress in rollout of **'Closer to the Transaction'** strategy
- Successfully launched **organic advertising initiatives**
- DotProperty **continued strong growth** on all key metrics
- Fashiola delivered **growth greater than acquisition business case**
- **Traffic recovery achieved** across Mitula's network of sites

Mitula has delivered strong growth since listing in July 2015

	At Listing ¹	FY2017	% change
Revenue¹	A\$14.6m	A\$33.6m	130%
Revenue streams	2 revenue streams CPC and AdSense	Multiple revenue streams CPC, AdSense, advertising and transaction	
EBITDA¹	A\$5.9m	A\$11.6m	97%
Brands	2	7	
Sites	51	225	341%
Portals	-	10	
Countries	38	54	42%
Quarterly visits²	147m	193m	31%
Employees	55	185	236%

1. Listing occurred 1 July 2015. Statutory revenue and EBITDA at listing is for the 12 month period to 30 June 2015.

2. June 2015 quarter vs December 2017 quarter

Mitula is a leading global digital classifieds group

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Global presence

- Branded sites are in 54 countries and available in 19 languages
- Across property, employment, motoring and fashion

Recognisable brands

- Mitula, Fashiola, Kleding.nl, DotProperty, Nestoria and Nuroa
- Across transaction, advertising and vertical search sites

Profitable since foundation

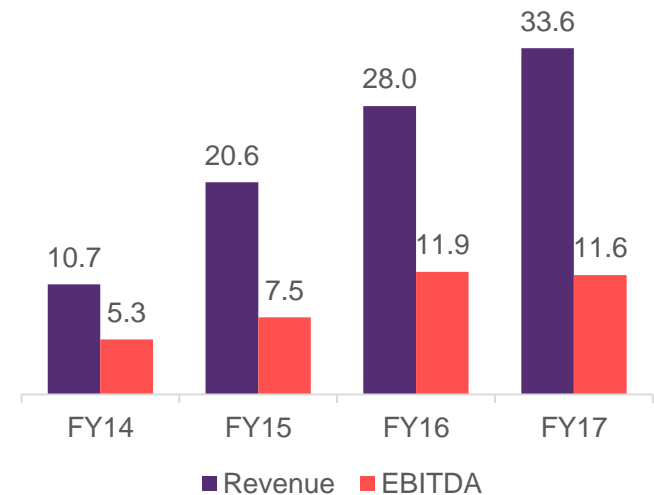
- Delivered consistent revenue growth and >30% EBITDA margins
- Cashflow-positive operations and strong cash position

'Closer to the Transaction' strategy

- Focused on extracting increased value from each visit (yield)
- Focused on leveraging visits to generate higher-yield advertising and transactional revenues



Financial growth (A\$m) ¹



1. Statutory revenue and EBITDA for 12 month periods ending 31 December

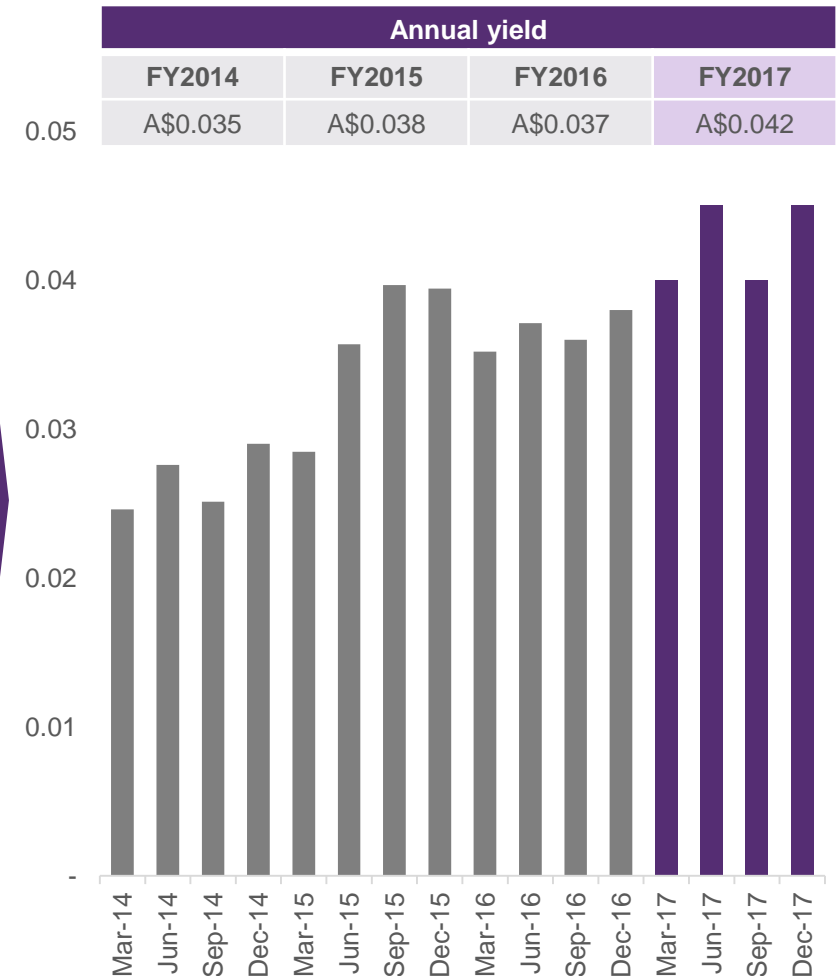
“Closer to Transaction” strategy driving yield per visit growth

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Transformative Initiatives

- 1 ‘Portalise’ vertical search sites with advertising initiatives
- 2 Rapidly grow portal advertising business (e.g. DotProperty)
- 3 Aggressively drive growth of fashion vertical
- 4 Implement property transaction initiatives in selected markets
- 5 Leverage innovation fund to accelerate growth of advertising, transaction and data opportunities

Yield (A\$ per visit) ¹

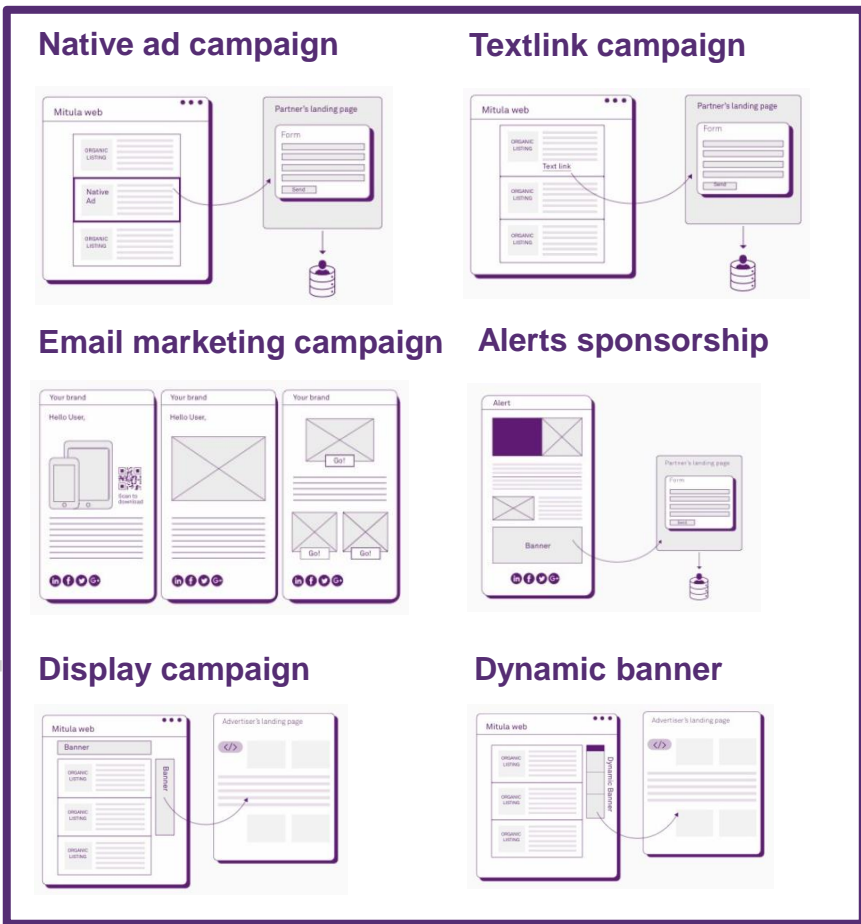


1. Yield per visit calculated as total revenue / total visits for the period

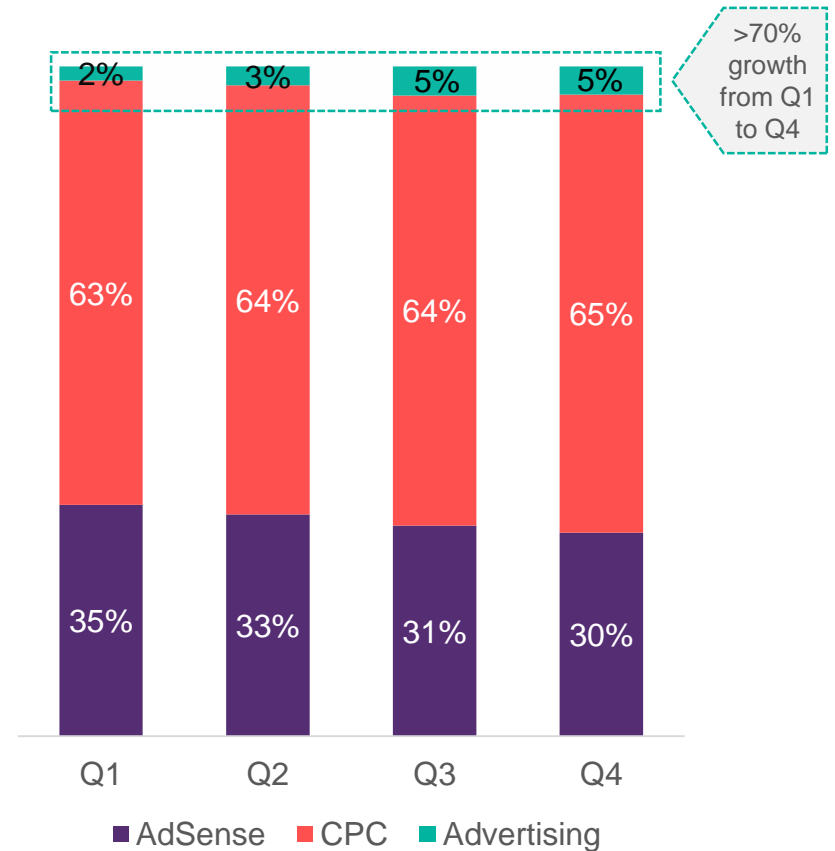
1 'Portalise' vertical search sites with advertising initiatives

Focused on rolling out advertising initiatives across the vertical search sites

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FY2017 vertical search site revenue split (%)



Note: excludes revenue from DotProperty and Fashiola

2 Rapidly grow portal advertising business

DotProperty well positioned within fast growing South East Asia markets

Key highlights

- Continued strong growth across key South East Asian markets
- Growth in all key metrics
- Focus on New Homes Developer monetisation
- Recently appointed Natt Ford as GM to drive the next phase of growth



Revenue
+37%
pro-forma growth

Visits
18.3m
+57%



Leads
598k
+281%

Advertisers
+35%
y/y growth

3 Aggressively drive growth of fashion vertical business

Fashiola continues to generate momentum in the online fashion industry

Revenue
+39%
y/y growth

Visits
38.6m
+46%

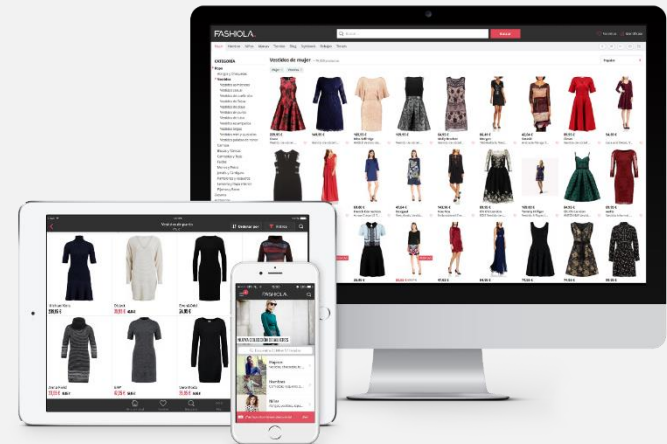
GTV
\$49.2m
+34%

Transactions
476k
+26%

FASHIOLA.

Key highlights

- **Completed integration** with Mitula Group
- **Synergies captured** from marketing and technology migration
- Profitable with **strong margins**
- **Launched 8 new countries** in 2017



4 Implement property transaction initiatives in selected markets

Opportunity

- Mitula Group generates high volumes of clicks and leads to advertisers
- Advertisers convert these clicks and leads to transactions
- Portals around the world are moving into the transaction space by leveraging traffic to close transactions – especially in emerging markets
- New businesses, such as Purple Bricks and Compass, are changing how property is sold
- Income earned from commission on a transaction is significantly higher than income from clicks and advertising sales

Approach

- Pilot was launched in the Thailand market (Q4 FY2017)
- Headed up by Ben Neve, former GM of DotProperty
- Listings sourced from new home developers
- Listings marketed on DotProperty and Mitula Group vertical search sites to generate leads
- Utilises on-the-ground salesforce to close leads and capture commissions
- Closed 20 property transactions since launch with total sales value of A\$4.9m

5 Leverage innovation fund to accelerate growth of Mitula

The objective of the innovation fund is to rapidly accelerate the growth of the Mitula Group by partnering with the best and brightest minds in online classified markets across advertising, transaction and data opportunities

Fund mechanics

- Allocated up to A\$4.0m for investment
- Focus on early stage businesses
- Investments must be aligned to the “Closer to the Transaction” strategy
- Investments should leverage Mitula Group assets (i.e. knowledge, technology, data or traffic)
- Take ~20% stake in target companies
- Take options to potentially increase stakes
- Hold 5 to 10 investments at any time
- Fund reports to Gonzalo Ortiz, Mitula Group Non-Executive Director

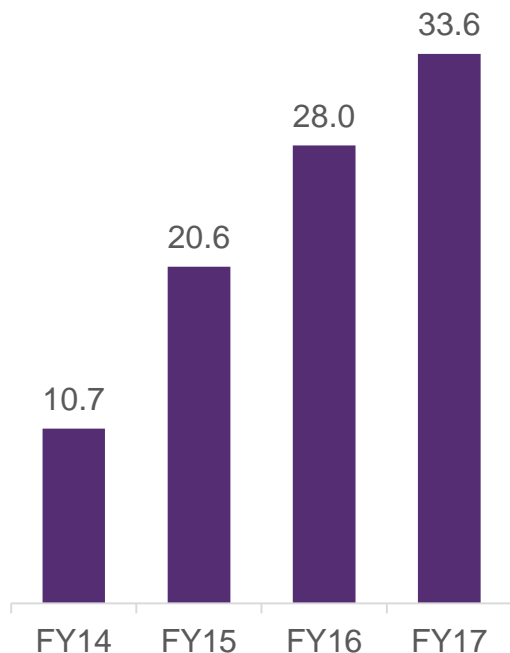
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FY2017 financial highlights

FY2017 financial highlights

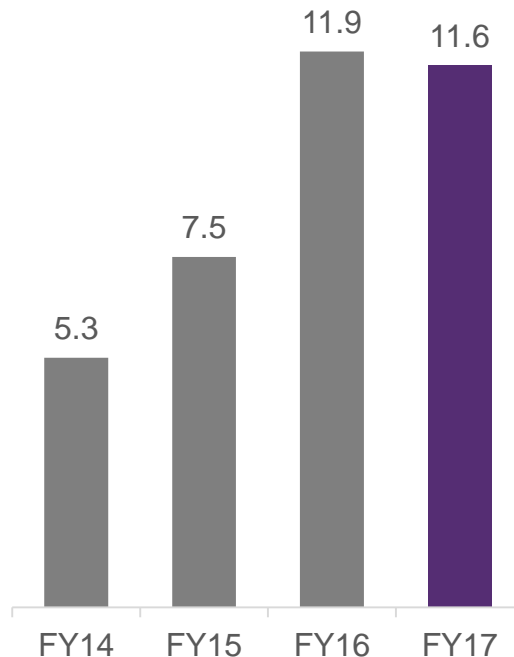
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Revenue (A\$m)



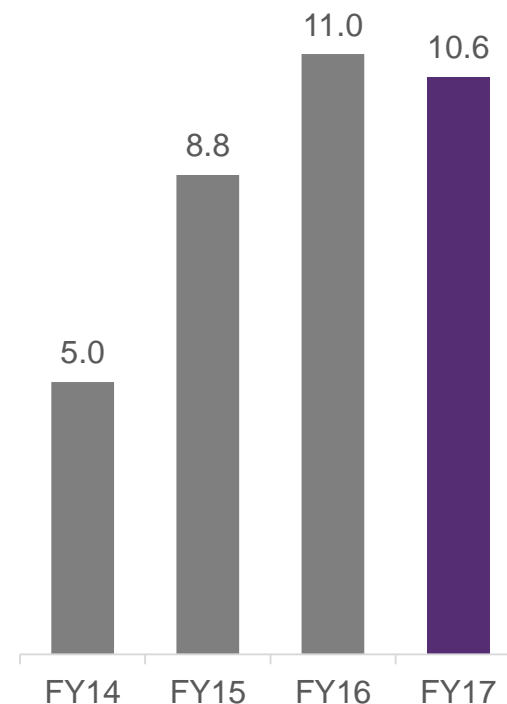
- 14.8% increase in yield per visits to A\$0.042
- 5.4% increase in visits to 807.1m
- On a constant currency basis revenue was A\$34.1m (22% growth)

EBITDA (A\$m)



- Increased traffic acquisition costs
- Inclusion of DotProperty and Fashiola operating expenses
- Significant investment in new advertising products

Cashflow from operations¹ (A\$m)



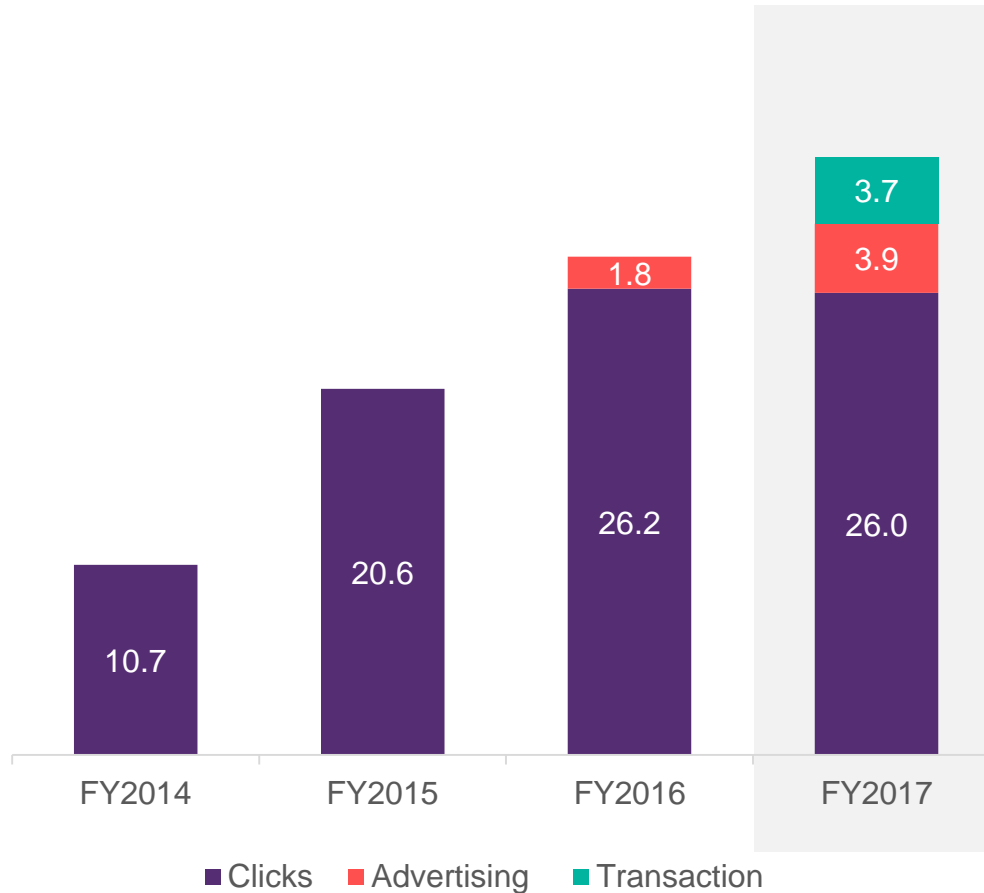
- Strong cash flow conversion
- Flexible balance sheet to grow organically and through investment opportunities

Note: All numbers based on statutory accounts

1. Cash flow from operations defined as receipts from customers less payments to supplier and employees

Increasing contribution from transactions and advertising

Revenue breakdown (A\$m)^{1,2,3}



Mitula is focused on extracting more value from existing traffic and continuing to improve revenue mix

FY2017 revenue mix

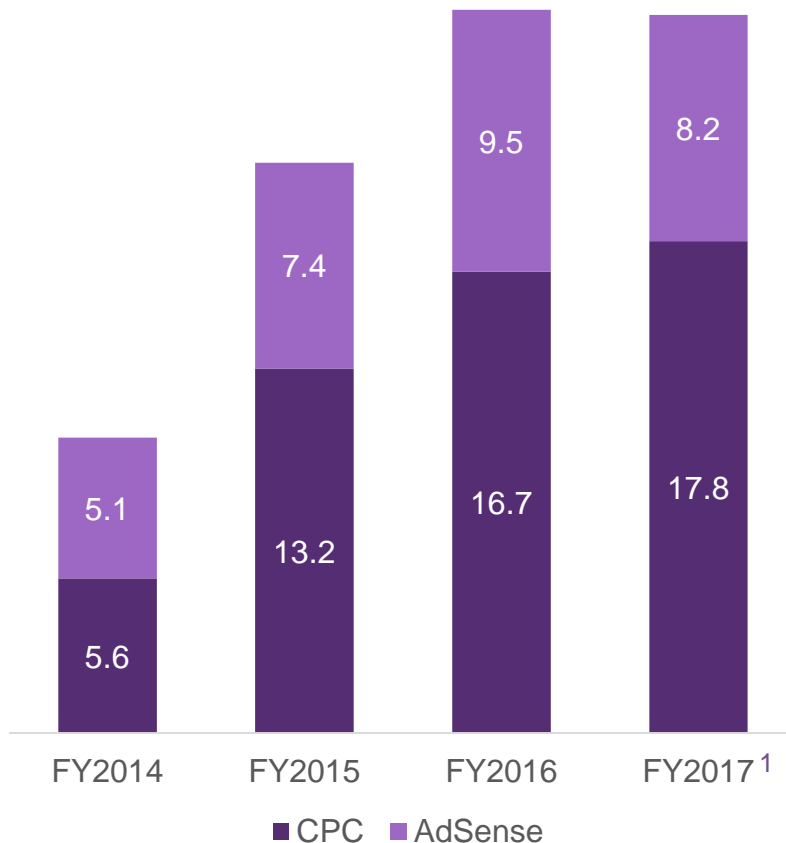
- Transaction: 11% (FY2016: 0%)
- Advertising: 12% (FY2016: 6%)
- Clicks: 77% (FY2016: 94%)

1. Transaction based revenues include commission revenue on Fashiola sites and commission from the sale of houses
 2. Advertising based revenue include initiatives launched in June 2016. These include display advertising products on vertical search sites, DotProperty and advertising placements on Fashiola sites
 3. Click based revenues include CPC and AdSense on vertical search sites and CPC sales on Fashiola sites

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CPC based revenue continues to perform strongly

Click based revenue financial performance (A\$m)



Key highlights

- Despite challenging conditions, CPC continues to **perform well achieving 6.6% growth** in FY2017 and is expected to grow further in FY2018
- AdSense performance in FY2017 was adversely impacted by lower than expected growth in traffic and a decrease in average AdSense yield per click. This is **consistent with challenges faced by other participants** in the broader sector

Mitula recognised the key challenges early and has invested in optimising the vertical search business to extract more value per visit

1. FY2017 CPC revenues were A\$17.0m from vertical search sites plus A\$0.8m from CPC clicks on Fashiola sites

Review of FY2017 operating expenses

Operating expenses bridge (A\$m)



- 1 **Traffic costs:** additional traffic purchased across all business units
- 2 **Fashiola / DotProperty:** combined operating expenses from 10 months of Fashiola and full-year of DotProperty (excluding traffic costs)
- 3 **New Product Development:** additional new business development costs (over FY2016 investment level)
- 4 **Savings:** savings in costs related to the core 'clicks' business (compared to FY2016)

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Mitula's strategy to maximise shareholder returns

Mitula's approach is based on firm foundations

- Implementation of 'Closer to the Transaction' strategy
- Maintain balanced stable and high growth exposure
- Retain flexible and resilient financial position

Disciplined capital allocation framework

- Selective investment into existing businesses to maximise value and returns through the cycle
- Committed to retaining a strong balance sheet
- Assessment of value-accretive investment opportunities
- Return excess capital to shareholders in the most efficient manner



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Additional information

Corporate overview







Trading information

Share price	A\$	0.390
52 week low/high	A\$	0.380/1.030
Shares outstanding	m	215.4
Market capitalisation	A\$m	84.0
Cash	A\$m	13.1
Debt	A\$m	-
Net debt / (net cash)	A\$m	(13.1)
Enterprise value	A\$m	70.9

Mitula share price performance (A\$)



Board of directors

	Simon Baker Independent Non-Executive Chairman
	Gonzalo del Pozo Executive Director, CEO and Founder
	Sol Wise Independent Non-Executive Director
	Gonzalo Ortiz Independent Non-Executive Director
	Joe Hanna Independent Non-Executive Director
	Georg Chmiel Independent Non-Executive Director

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Financial performance

Summary

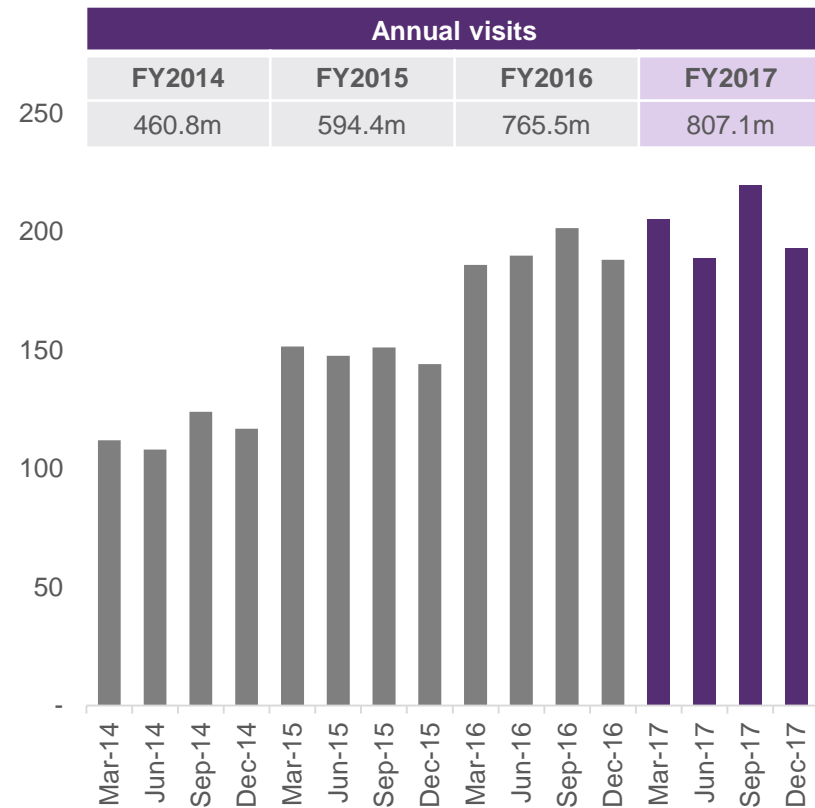
Financial performance		FY2017	FY2016	Change (%)
Revenue	A\$m	33.6	28.0	20%
Americas	A\$m	7.2	7.5	(5%)
APAC	A\$m	7.0	6.8	3%
EMEA	A\$m	19.4	13.7	42%
Cost of sales	A\$m	(7.7)	(3.5)	120%
Gross profit	A\$m	25.9	24.5	6%
Gross margin	%	77%	87%	
Operating expenses	A\$m	(14.2)	(12.6)	13%
EBITDA	A\$m	11.6	11.9	(2%)
EBITDA margin	%	35%	43%	
Profit before tax	A\$m	6.9	10.5	(34%)
NPAT	A\$m	5.3	8.2	(35%)
NPAT margin	%	16%	29%	
Financial position		FY2017	FY2016	Change (%)
Cash	A\$m	13.1	20.5	(36%)
Debt	A\$m	-	-	na

- On a constant currency basis, revenue was A\$34.1m (representing a growth of 22%)
- Strong growth in high value markets
- Increased traffic costs to fulfil contracts
- Investment in new products and services; full year of DotProperty and 10 months of Fashiola expenses
- Increased depreciation and amortisation related to DotProperty, Fashiola and Nuroa
- Foreign currency exchange loss increased by A\$1.3m year over year (non-cash item)
- Primarily due to cash component of Fashiola acquisition

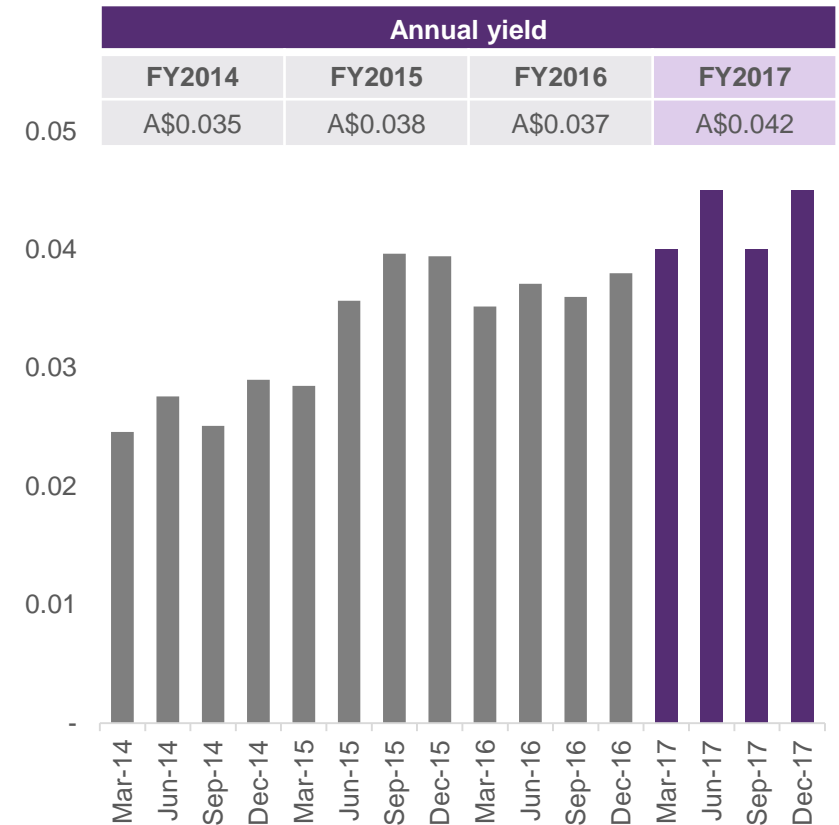
1. Constant currency approach based on applying FY2016 currency rates to FY2017 revenue. The Mitula Group does not undertake any currency hedging

Mitula achieved record visits and yields in FY2017

Quarterly visits (m)



Yield (A\$ per visit)



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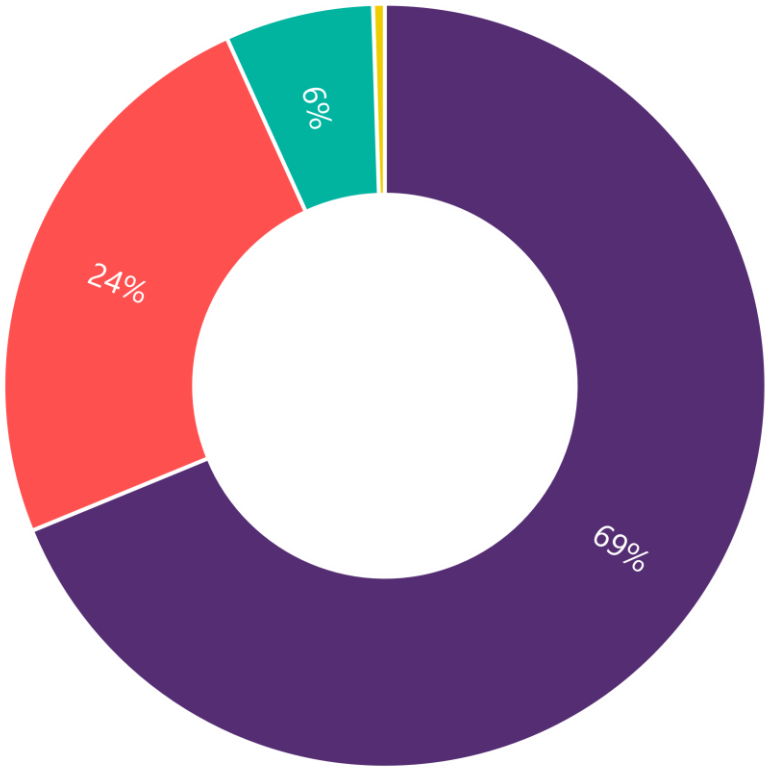
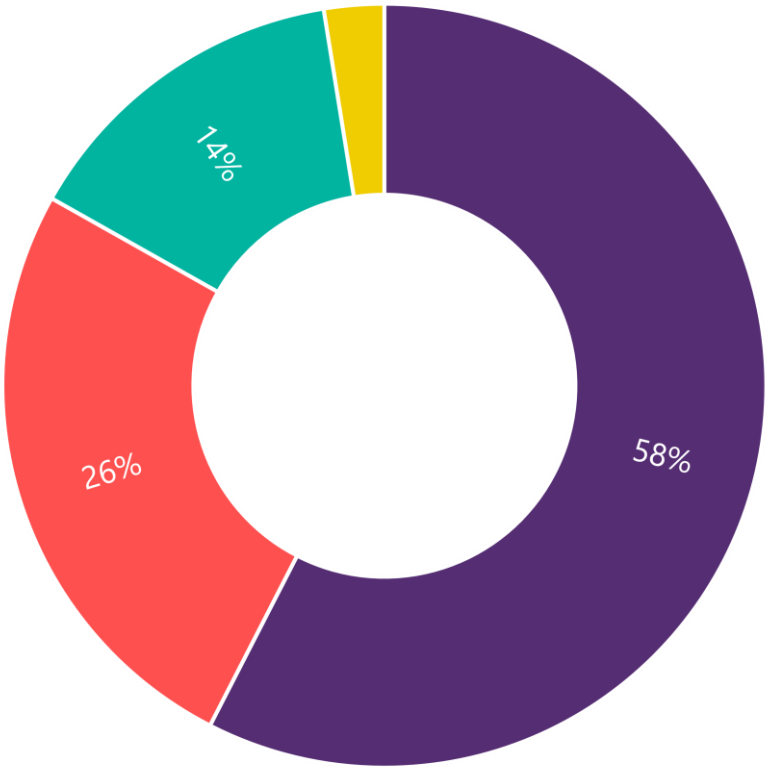
Mitula is focused on extracting more value from existing visits, with record yields achieved
FY2017 visits grew >5%, despite the challenges that impacted traffic volumes during the year

Majority of visits from organic searches and direct queries

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FY2017 visits breakdown

FY2016 visits breakdown



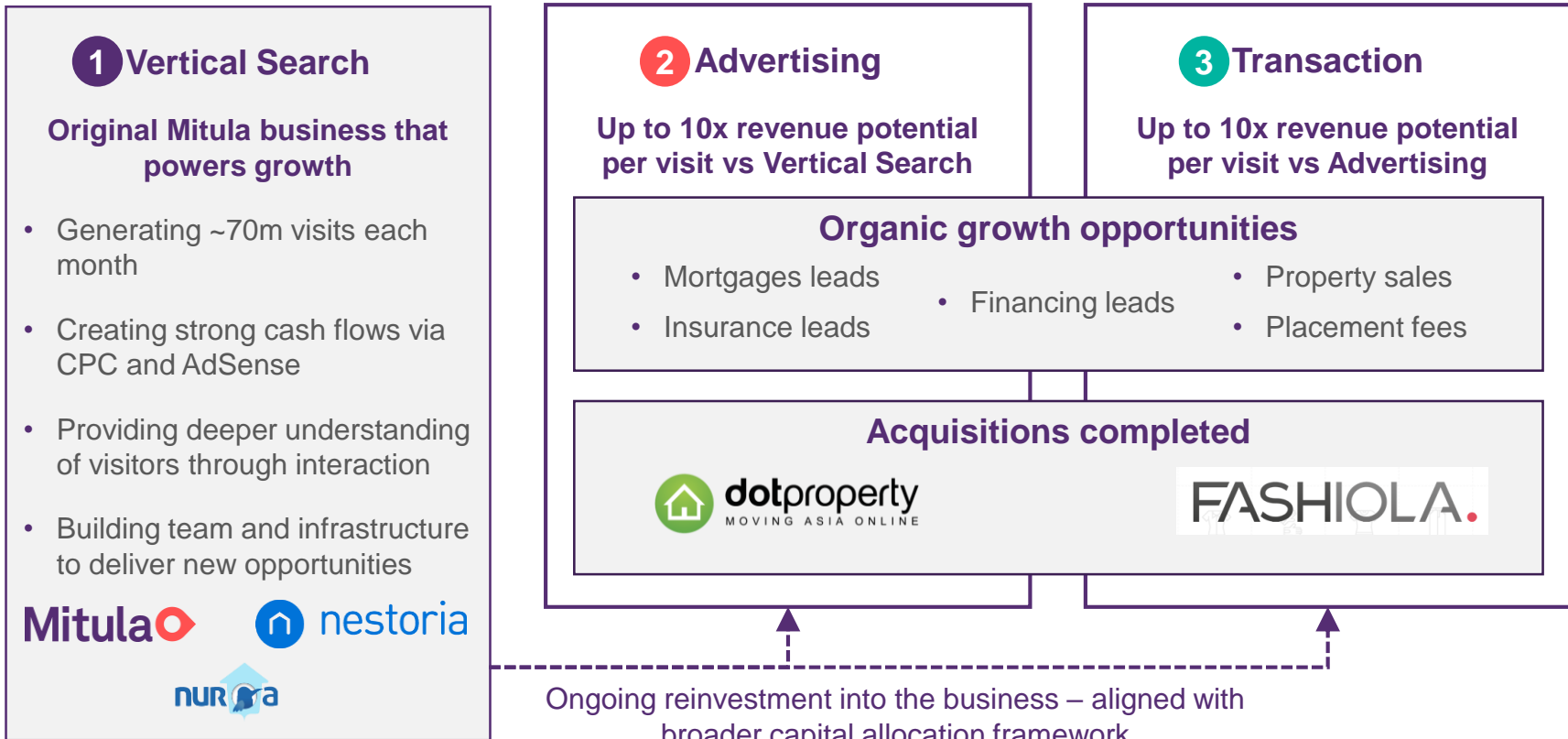
■ Organic search ■ Direct ■ Paid Search ■ Apps

Source: Google Analytics

Streamlined focus on moving “closer to the transaction”

Vertical Search creates free cash flow to reinvest into Advertising and Transaction businesses

Increasing value potential from ~70m visits per month



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Mitula is primarily focused on 10 to 15 key markets

Overview

- Mitula operates in 54 countries at different stage of economic development
- Countries are segmented into three tiers with a differentiated strategy by tier
- Across all markets, Mitula is capturing greater value from its high visit volumes

	1 Vertical Search	2 Advertising	3 Transaction
Tier 1 <i>Mature markets with established online portals and classifieds structure</i>	Sell more clicks Increase price Value-add to clicks	Sell display advertising to customers and other industry participants	Selectively enter secondary transaction space by sharing commissions
Tier 2 <i>Emerging markets with strong growth and evolving online classifieds structure</i>	Sell more clicks Prioritise Advertising and Transaction opportunities	Move into portals (where relevant) through acquisition and organic growth	Look for primary and secondary transaction opportunities in markets (where relevant)
Tier 3 <i>Early stage markets with no clear online classifieds structure</i>	Drive visit growth and monetisation through AdSense	Limited focus or investment (until scale is increased)	Limited focus or investment (until scale is increased)
Primary focus	Secondary focus		

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