



FY16 Results

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24 August 2016



Agenda

Overview of FY16 Results
and Business Performance

FY16 Financial Performance

FY17 Outlook

2020 Strategy

Q&A

John Croll

Nimesh Shah

John Croll

John Croll

John Croll &
Nimesh Shah



FY16 Results Overview and Business Performance

FY16 delivers strong growth

Financial Performance

- 23% YoY revenue growth to \$156m
- 19% YoY growth in Value Added Services (VAS)
- King Content revenue of \$21m, well above expectations
- 20% YoY EBITDA growth to \$51m
 - ANZ SaaS/VAS EBITDA margin increased from 45% to 46%
 - Asia SaaS/VAS EBITDA margin increased from 23% to 24%
 - King Content acquisition FY16 margin of 18% with H2 margin of 21%
- 19% YoY growth in underlying NPATA to \$33m
- 19% YoY growth in underlying EPS to 16.3c

Operational Outcomes

- ANZ fixed fee increased to 78% of total ANZ SaaS revenue
- Recurring revenue of 73% of total revenue
- Reduction in Asia client churn and low ANZ churn maintained
- Continued growth in client numbers and increase in Average Revenue per Client (ARPC)
 - 8% ARPC growth in ANZ driven by cross-sell of higher margin Insights products
 - 11% ARPC growth in Asia and YoY growth in VAS clients
 - 20% ARPC growth for top Content Marketing clients

ISENTIA DECLARES FINAL DIVIDEND OF 4.43 CENTS PER SHARE 100% FRANKED

Strategic initiatives delivered in FY16

Higher value clients

Cross sell increasing ARPC

- Increased ARPC being driven by
 - Strong NPS scores and client relationships providing the foundation for up-sell opportunities
 - Increasing complexity of the media cycle as both speed and diversity of content sources increase, providing further opportunities for Insights and Media Database
- King Content's clients ARPC increasing through demand for strategy and multi-regional engagements, Communiqué subscriptions and more complex content programs including video
- Isentia is making further Investment in cross selling resources to drive increased penetration of Value Added Services and Content Marketing

Ahead of schedule on Fixed Fee Contracts for ANZ SaaS

- 78% of ANZ SaaS revenue is now on annual fixed fee contracts, well ahead of schedule
- Significant area of focus for account management teams in H2 FY16
- ANZ client churn rates maintained in FY16
- Asia's client contracts are already predominantly fixed and churn reduced to 6% from 10%

Global Leadership in Insights & Content Marketing

- Isentia's developments in Insights and Content Marketing recognised by further global awards
- AMEC Awards are proof points that our Insights deliver real value and analysis in a complex media environment.
 - AMEC – Communications Research and Measurement Company of the Year 2016 & 2015
- Best use of Social Analytics at the CMO Asia Awards for a benchmarking project for a major Asian bank
- King Content's awards are focused on the ROI for clients demonstrating the excellence in strategy and execution
 - Content Marketing Institutes's Content Marketing ROI/Measurement Program for 2016

Strategic initiatives delivered in FY16

Investment in Products and Services

10% of revenue invested in R&D with strategic enhancements to:

Mediaportal

- Enhanced responsive Interface developed to improve client experience across all devices
- Redesigned to scale on AWS cloud

Communiqué

- New white label tier to provide Communiqué on a SaaS subscription basis
- YouTube integration to export videos directly to a client's channel with performance metrics
- API developed to provide clients with the ability to retrieve content, metadata and performance metrics from Communiqué

Mobile Apps

- New mobile Mediaportal for iPhone and Android to sustain price increases, improve client retention and broaden usage across client organisations
- Enhanced client experience for senior managers across the clients' organisation
- Rolled into the Mediaportal license

Comprehensive online, social and mainstream content sources

- Rapidly expanding unique content with ISENTIA having the most comprehensive 'all media' coverage across Asia Pacific
- Licensing agreements across online, social and mainstream content delivered in a number of ISENTIA markets
- Only licensed Media Intelligence company across all media platforms
- New ISENTIA web crawlers capture new data at a frequency of 1 to 5 mins, a huge improvement in speed and scalability
- Increase in online news sources to more than 135,000 from 50,000 available to ISENTIA's clients

Transition to cloud technology delivers speed, relevance, scalability and agility

- More than 100 Amazon Web Services (AWS) based servers capturing and processing online and social media data
- Increased content retention with more than 220 million media items stored on AWS
- Mediaportal migration to the cloud to be completed in FY17 Q1 delivering an enhanced client experience in speed and accessibility
- Social listening migrated to the cloud in December 2015
- Massive expansion in ISENTIA search technology managing 500,000 Boolean search queries at a rate of 300 documents per second

Strategic initiatives delivered in FY16

Acquisitions

King Content delivering excellent growth

- Revenue 50% above expectations for FY16
- FY16 H2 margin of 21% and FY16 margin of 18%
- King Content new client growth to 120 from 40 at acquisition
- Client wins in USA and UK markets being generated by existing client recommendations
- Communique new tiering structure focused on securing longer term client contracts
- Isentia's account management and sales teams fully trained across King Content products and incentivised for content marketing sales with client wins delivered
- The Content Marketing market in APAC is approximately \$5.6bn providing continued growth opportunities for King Content

Asia acquisitions expand footprint and capabilities

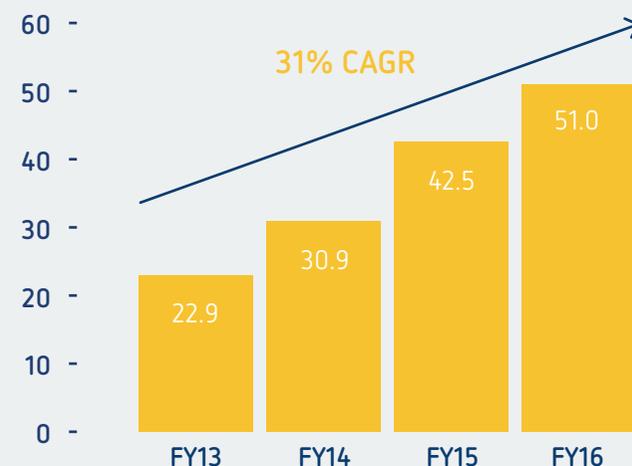
- Excellent partner acquired for entry into the South Korean market
- Bolt-ons deliver:
 - In-market social media and media database capability
 - Revenue growth and margin expansion
 - Barriers to entry
- Proven record of increasing the ARPC by cross selling additional products to acquired clients

Significant growth achieved since FY13

Revenue \$m



EBITDA \$m



NPATA \$m



Revenue growth

- Local account management teams in 19 offices servicing more than 5500 clients
- Client wins and retention of longer term contracts provides strong annuity revenue growth
- Continued increase in ARPC via investment of \$53m over the 4 years in Isentia's product strategy
- Strategic acquisitions that strengthen Asia market share and capability
- King Content provides access to marketing budgets of the existing client base
- Large total addressable markets available in VAS and Content Marketing in all geographic markets and SaaS across Asia

EBITDA Performance

- Scalable business model with margin expansion across all markets
- Investment in R&D delivers operational efficiencies and increased margins through higher ARPC
- Asia EBITDA margin expansion from 11% to 24% between FY13 and FY16. Group EBITDA margin expansion from 22% to 33% between FY13 and FY16
- Strong incremental margin for VAS product at 65%

NPATA Performance

- Since listing in FY14 NPATA has increased 72% supported by investment in organic growth and acquisitions



FY16 Financial Performance

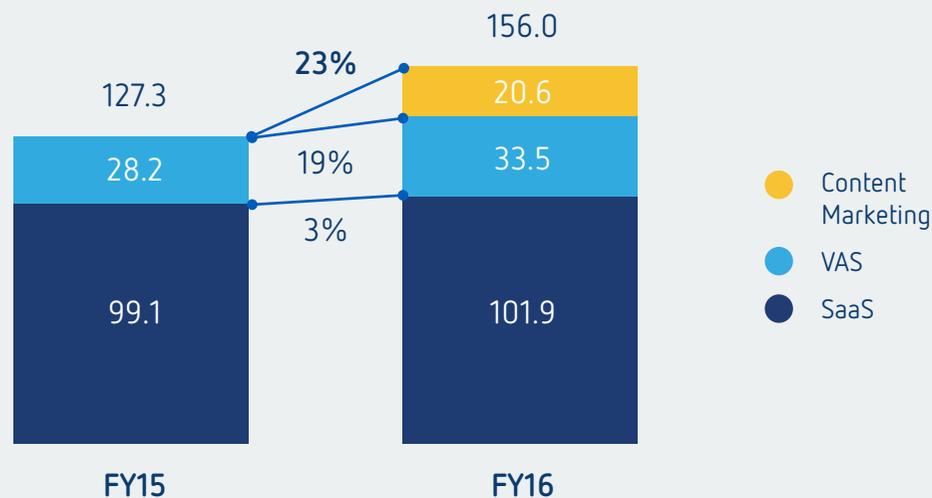
Asia, VAS and Content Marketing deliver FY16 Growth

\$M	FY16	FY15	VARIANCE \$M	VARIANCE %
Revenue	156.0	127.3	28.8	23%
SaaS - Media Intelligence	101.9	99.1	2.8	3%
VAS	33.5	28.2	5.3	19%
Content Marketing	20.6	0.0	20.6	NA
ANZ (incl. content marketing)	119.3	103.0	16.3	16%
Asia & Rest of World (incl. content marketing)	36.7	24.3	12.4	51%
Expenses	(105.0)	(84.8)	(20.2)	(24)%
EBITDA	51.0	42.5	8.5	20%
<i>EBITDA Margin</i>	33%	33%		
NPATA	31.1	26.5	4.6	17%
Underlying NPATA*	32.6	27.4	5.3	19%
Earnings per share (cents)	16.3	13.7	2.6	19%

* Underlying NPATA excludes the impact of non-recurring items of \$1.6m (net) relating to acquisition related items and restructuring costs

Client growth and cross sell underpin revenue growth

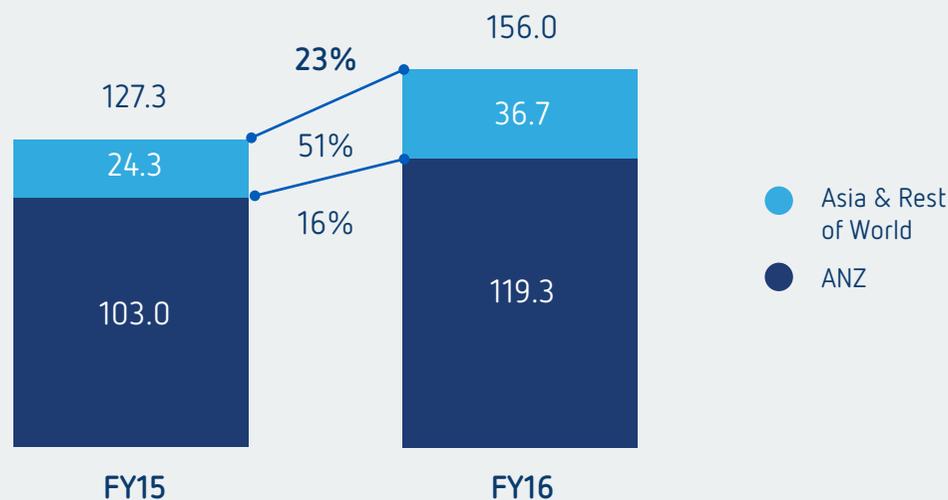
Revenue By Product/Service Line \$M



Key Points

- Cross sell of VAS products and acquisition of King Content underpinned strong group revenue growth of 23%
- VAS revenue uplift of 19% to \$33.5m supported by increases in ARPC and higher penetration of database and Insights products
 - ANZ VAS growth of 20%
 - Asia VAS growth of 18%
- SaaS revenue growth of 3% underpinned by solid Asia performance
- Revenue from King Content acquisition of \$20.6m reflects 68% proforma full year YoY growth
- Asia/Rest of World revenue now makes up 24% of total revenue compared with 19% in the prior year

Revenue By Geography \$M (Including Content Marketing)



Australia/New Zealand Results

\$M	FY16	FY15	VARIANCE %
Revenue			
SaaS - Media Intelligence	86.7	86.0	1%
VAS	20.3	17.0	20%
Total SaaS/VAS	107.0	103.0	4%
Content Marketing	12.3		NA
Total Revenue	119.3	103.0	16%
EBITDA			
SaaS/VAS	49.4	46.5	6%
Content Marketing	2.1		NA
Total EBITDA	51.5	46.5	11%
EBITDA margin %			
SaaS/VAS	46%	45%	
Content Marketing	17%		
Total	43%	45%	

Key Points

- VAS growth of 20% underpinned by strong performance of Insights revenue with cross sell and product enhancement delivering the increase
 - Insights penetration increased to 10.7% from 8.0% YoY
 - Database penetration increased to 21% from 17.3% YoY
- SaaS growth of 1% reflects transition of clients to fixed price contracts, currently 78% of ANZ SaaS revenue, ahead of expectations
- ARPC of \$33.9K increased 8% YoY underpinned by increased penetration of high value Insights products and 8% increase in spend from top 200 clients
- Price increase in May/June 2016 aligned to new content agreement with publishers
- Client churn maintained at less than 5% of client numbers and less than 1% of client revenue
- SaaS/VAS EBITDA growth of 6% and continued margin improvement from 45% to 46%. Systems efficiency assisted in the margin improvement

ANZ Annualised Average SaaS/VAS Revenue Per Client ARPC (\$)



VAS Penetration of ANZ Unique Customers (%)



Asia Results

\$M	FY16	FY15	VARIANCE %
Revenue			
SaaS - Media Intelligence	15.3	13.1	17%
VAS	13.2	11.2	18%
Total SaaS/VAS	28.5	24.3	17%
Content Marketing*	8.2	-	NA
Total Revenue	36.7	24.3	51%
EBITDA			
SaaS/VAS	6.9	5.7	22%
Content Marketing*	1.5	-	NA
Total EBITDA	8.4	5.7	49%
EBITDA margin %			
SaaS/VAS	24%	23%	
Content Marketing	18%	-	
Total	23%	23%	

* Content marketing includes Rest of World (USA/UK)

Key Points

- Strong growth in revenue achieved by
 - 6% increase in client numbers supported by Mediaportal platform and significant decrease in client churn to 6% from 10%
 - Greater China delivering high value client wins in targeted industry verticals
 - VAS clients increase to 381
- ARPC of \$15.7K increased 11% YoY underpinned by VAS ARPC increase to \$34.9K
- SaaS/VAS EBITDA margin expansion to 24% from 23%
- Currency impact on Asian earnings 2.9%

Asia Annualised Average SaaS/VAS Revenue Per Client ARPC (\$)



Asia VAS - Annualised Average Revenue Per Client ARPC (\$)

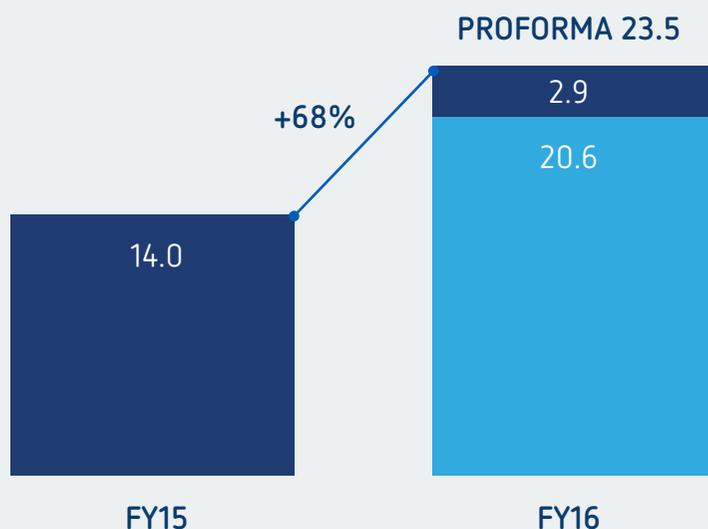


King Content Results

\$M	FY16
Revenue	
ANZ	12.3
Asia / Rest of World*	8.3
Total Revenue	20.6
EBITDA	3.6
EBITDA margin %	18%

* Content marketing includes Rest of World (USA/UK)

King Content Proforma Revenue (\$m)



Note: King Content acquired in August 2015. Proforma shows revenue for 12 months to June 2016

Key Points

- Revenue outperformed expectations at \$20.6m reflecting pro forma YoY increase of 68%. Drivers included strong market growth, client wins and increases in ARPC
- Client portfolio of 120 compares with 40 at acquisition
- Integration progress ahead of schedule with Asian sales teams performing strongly. Fully integrated offices in Singapore and Hong Kong
- Increasing integration of the business with Isentia provides solid client wins and pipeline of new client opportunities
- Top 10 clients' ARPC is \$1m, representing YoY growth of 20%. Remaining client base ARPC is \$95K
- FY16 EBITDA margin of 18% in line with guidance with strong performance in H2. Strategic investment in H1 in headcount, marketing and support functions together with integration of the business helped deliver the H2 margin improvement to 21%

Key Operating Expenses Drivers

\$M	FY16	FY15	VARIANCE \$M	VARIANCE %
Cost of sales	32.1	23.9	8.2	34%
Employee expenses	62.8	52.6	10.3	20%
Other operating expenses	10.1	8.4	1.7	20%
Total operating expenses	105.0	84.8	20.2	24%

Key Points

- Operating expenses increased 24% reflecting acquisition of King Content
- Excluding King Content acquisition, expense growth of 4% notwithstanding increased investment in
 - Transition to cloud technology
 - Marketing to drive client growth
 - New hires with R&D capabilities
 - Executive options

FY16 Results Overview

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Content Marketing	20.6	0.0	20.6	N/A
ANZ (incl. Content Marketing)	119.3	103.0	16.3	16%
Asia & Rest of World (incl. Content Marketing)	36.7	24.3	12.4	51%
Expenses	(105.0)	(84.8)	(20.2)	(24)%
Cost of sales	(32.1)	(23.9)	(8.2)	(34)%
Employee costs	(62.8)	(52.6)	(10.3)	(20)%
Other operating expenses	(10.1)	(8.4)	(1.7)	(20)%
EBITDA	51.0	42.5	8.5	20%
<i>EBITDA margin</i>	<i>33%</i>	<i>33%</i>		
Depreciation and amortisation	(4.7)	(4.3)	(0.4)	(10)%
EBITA	46.3	38.2	8.1	21%
Amortisation of acquired intangibles	(9.0)	(9.4)	0.3	4%
EBIT	37.3	28.9	8.4	29%
Finance costs	(2.8)	(2.4)	(0.5)	(20)%
Profit/(loss) before tax	34.5	26.5	8.0	30%
Tax	(8.6)	(6.0)	(2.6)	(43)%
<i>Effective tax rate</i>	<i>25%</i>	<i>23%</i>		
Non-recurring items (net of tax)	(1.6)	(0.9)	(0.7)	(78)%
NPAT	24.3	19.6	4.6	23%
Amortisation of acquired intangibles	6.8	6.9	(0.1)	(2)%
NPATA	31.1	26.5	4.6	17%
Underlying NPATA*	32.6	27.4	5.3	19%
Earnings per share (cents)	16.3	13.7	2.6	19%
Dividend per share (cents)	8.1	6.9	1.2	18%

* FY16 underlying NPATA excludes the impact of non-recurring items of \$1.6m (net) relating to acquisition related items and restructuring costs

Operating Cash Flow

\$M	FY16 H1	FY16 H2	FY16	FY15
EBITDA	23.5	27.5	51.0	42.5
Net working capital	(4.6)	(3.4)	(8.0)	(2.5)
Non-cash items	0.0	0.1	0.1	0.3
Operating cash flow	18.9	24.2	43.1	40.3
Cash conversion %	80%	88%	85%	95%
Capex (both PPE and intangibles)	(3.3)	(5.9)	(9.2)	(5.2)
Acquisitions	(26.6)	(4.2)	(30.7)	(1.9)
Other	0.0	(0.4)	(0.4)	(0.0)
Operating cash flow after capex	(10.9)	13.7	2.8	33.2
Proceed / (Repayment) of borrowings	27.0	0.0	27.0	(22.0)
Dividends paid	(7.6)	(7.4)	(15.0)	(6.2)
Net interest	(1.3)	(1.3)	(2.6)	(2.2)
Tax Paid	(3.2)	(3.4)	(6.6)	(2.0)
Non-recurring items	(1.7)	(1.3)	(3.0)	(0.2)
Net cash flow	2.2	0.3	2.4	0.6

Key Points

- Operating cash flow conversion of 88% for FY16 H2. Improvement from 80% in FY16 H1
- Capital expenditure at 5.9% of revenue reflects continued investment in product including Mediaportal and Communiqué, building scalable platform and revitalising Asian offices to attract key talent that supports growth
- Increase in net working capital due to growth in Asia and the acquisition of King Content
- A final dividend is declared of 4.43 cents per share :
 - 18% increase YoY
 - 50% payout of FY16 H2 underlying NPATA
 - FY16 H2 franked at 100%
- Total dividend for FY16, 8.13 cents

Capital Structure

\$M	FACILITY COMMITMENT	DRAWDOWN
Facility A	55.0	55.0
Facility B	10.0	1.0
Total debt	65.0	56.0
Cash and cash equivalents and prepayments		8.1
Net debt		47.9
Leverage ratio		0.94x

Key Points

- Total facility of \$65 million
- Refinancing of an additional \$10m completed in early July 2016 with favourable terms
- \$8 million cash and equivalents
- Loan covenant 3.25x providing leverage headroom of 72% and balance sheet flexibility
- Since listing the leverage ratio has reduced from 1.5x to 0.9x notwithstanding five acquisitions which were fully debt funded. The current debt ratio provides optionality to continue to fund the growth of the business

FY17 OUTLOOK

FY17 Outlook

- Isentia expects to deliver revenue and EBITDA growth in the low to mid-teens in FY17
- For the three years beyond FY17, Isentia's 2020 strategy is expected to deliver strong revenue and earnings per share growth

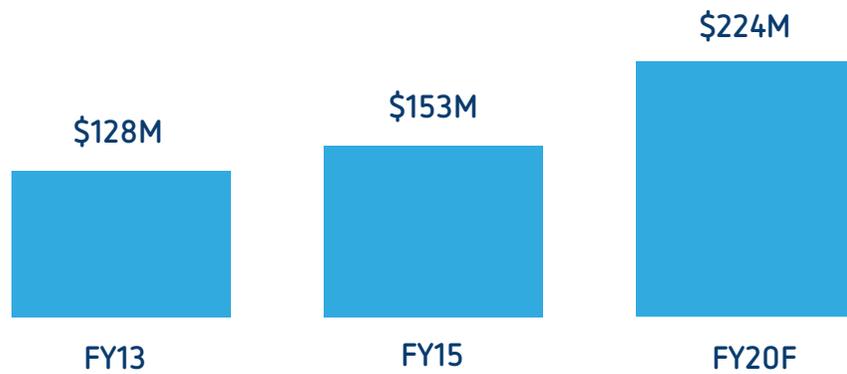
2020 STRATEGY

Global Media Intelligence market observations

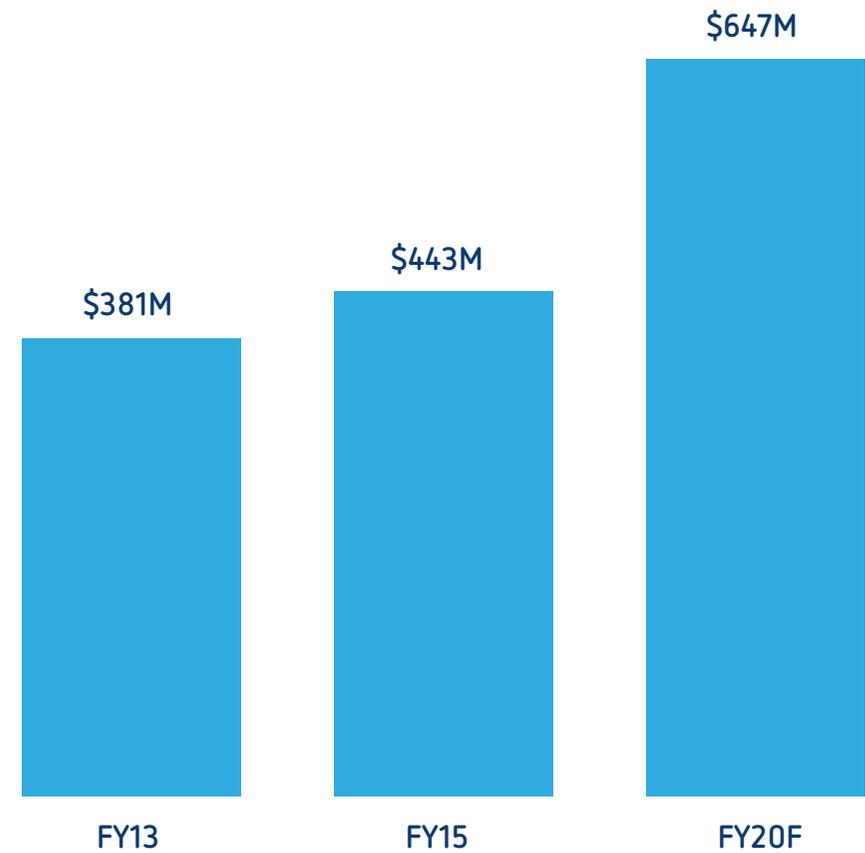
- The global market for media intelligence is worth \$4.3B
 - Social media listening and insights has been growing at 22.6% p.a.
 - The global media intelligence market is driven by:
 - › Media consumption shifting online, particularly to social media, and on to mobile devices
 - › An increasingly complex media landscape driving demand for a single media monitoring platform and insights services
 - › A transition of media monitoring clients to fixed fee pricing
- The global market for media intelligence is forecast to grow at 6% p.a. over the next 5 years, driven primarily by social media which will comprise 50% of the market by 2020

Strong CAGR growth is forecast for ANZ and Asia Media Intelligence markets

ANZ media intelligence market forecast A\$m

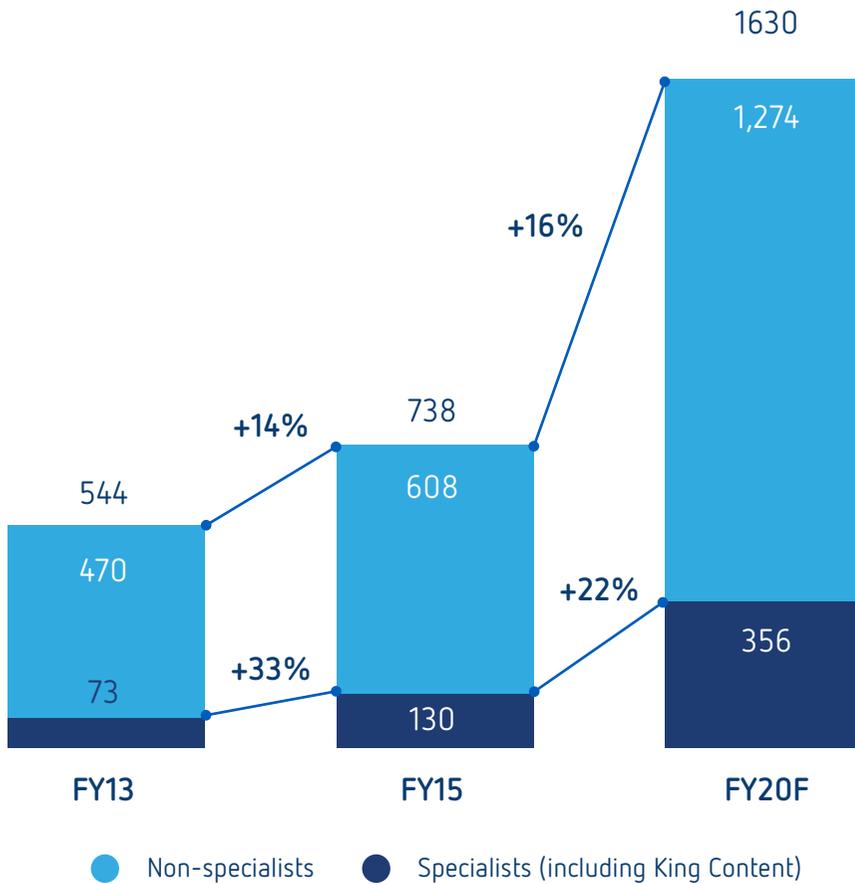


Asia media intelligence market forecast A\$m

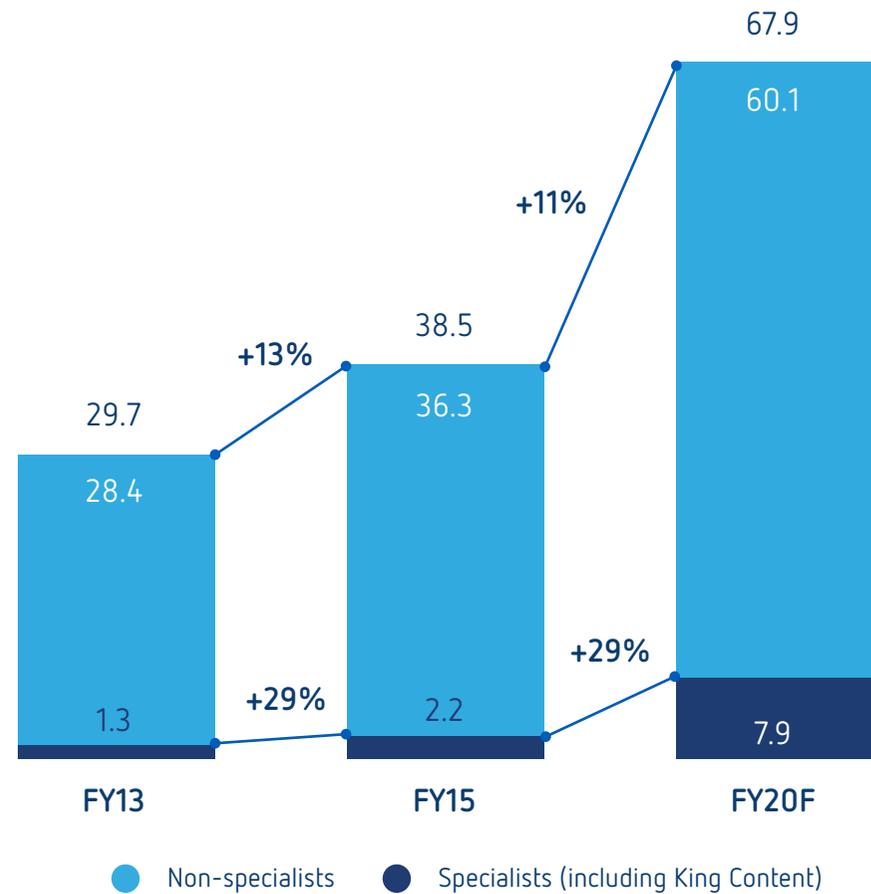


The content marketing specialist market is forecast to reach 22% and 12% of the Australian and global markets respectively

Australian content marketing market by type of provider (2015-20, A\$m)



Global content marketing market by type of provider (2015-20, A\$b)



2020 strategy – A focus on strong growth

Optimise platform for growth

Data Intelligence Platform

- Cloud based single data warehouse to merge all existing databases and API connections from 3rd party data
- Increases speed, scalability and content sources for ISENTIA clients
- Provides competitive advantage as all content is integrated for new product development
- Will deliver revenue growth and margin improvement
- Phase 1 delivered

Cross-selling

- Increase cross-selling through dedicated resources and incentive structure
- Channel strategy to deepen penetration of industry verticals
- Organisational structure adjusted to facilitate cross-selling opportunities
- Will deliver revenue growth from installed client base

Operational efficiencies

- Content Hubs delivering increased production efficiencies with Phase 1 delivered
- Drive efficiencies through introduction of new technologies and increased automation
- Will deliver margin improvement

Enhance product offering

Storyview – Social Media Integration

- Create differentiated media intelligence offering with a consolidated "story view" across mainstream and social media
- Incorporate reaction to stories emerging from mainstream and social sources
- Unique product strategy currently being tested with clients
- Will deliver revenue growth in all markets

Mid-tier offering – expand the market

- Enhance mid-tier media intelligence offering
- Drive penetration in mid-tier market using existing ISENTIA capability
- Cross-sell other ISENTIA products
- Will deliver revenue growth in all markets

Media database with influencers

- Develop database offering to include social data and influencers
- Integrate across all product platforms
- Improves our competitive position and delivers revenue growth

Invest in high growth markets

Content Marketing – Integrated with ISENTIA

- Leverage ISENTIA data to offer unique and differentiated service
- Use ISENTIA sales teams to drive client introductions and cross-sell
- Expand presence in select Asian markets
- Monetise Communiqué as a stand-alone SaaS platform

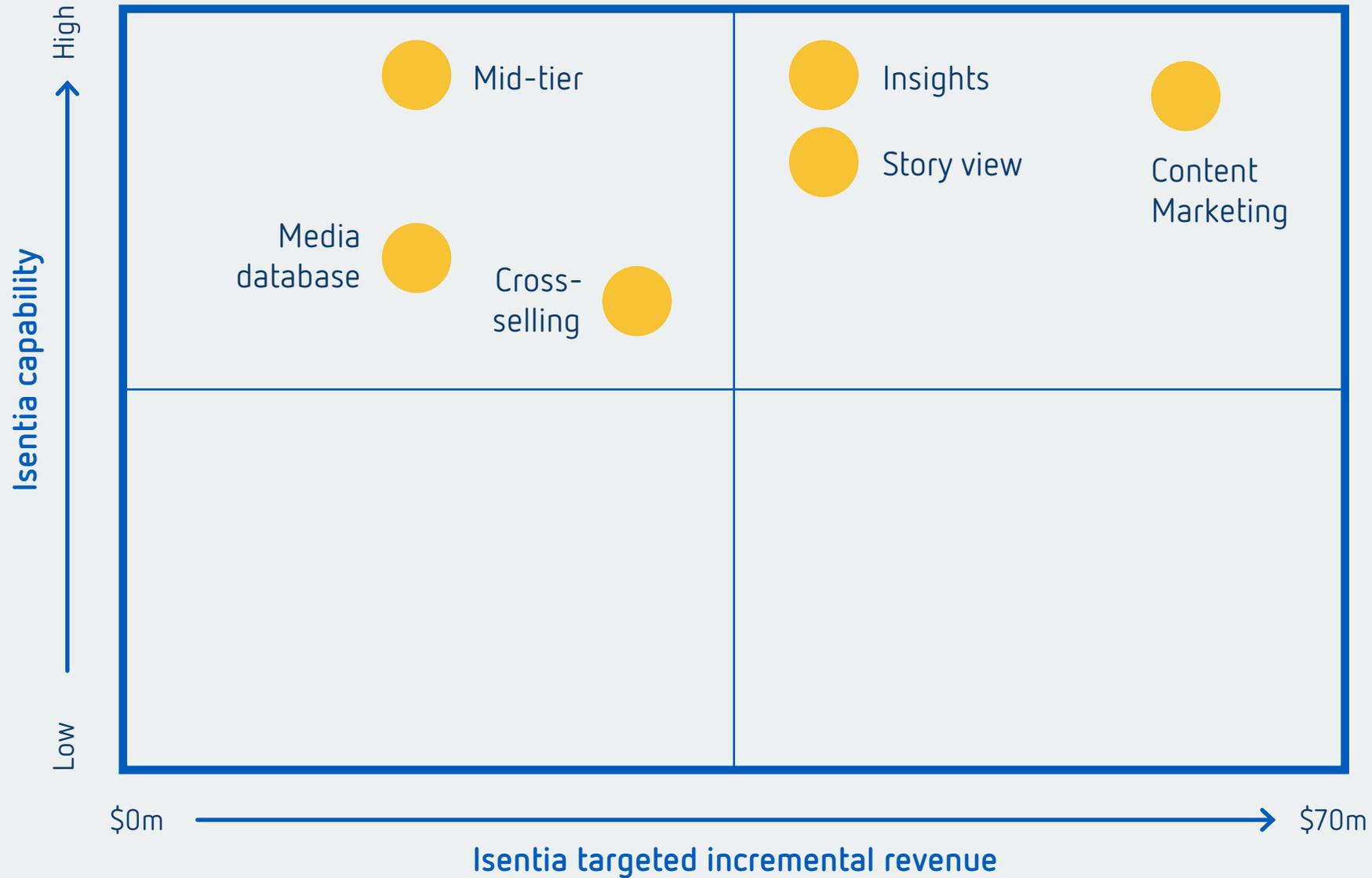
Insights – Leverage data and clients

- Leverage ISENTIA data and continue to build strategic alliances with 3rd party data providers
- Developed a unified data insights offering with King Content
- Lift penetration with redesigned Executive Briefings

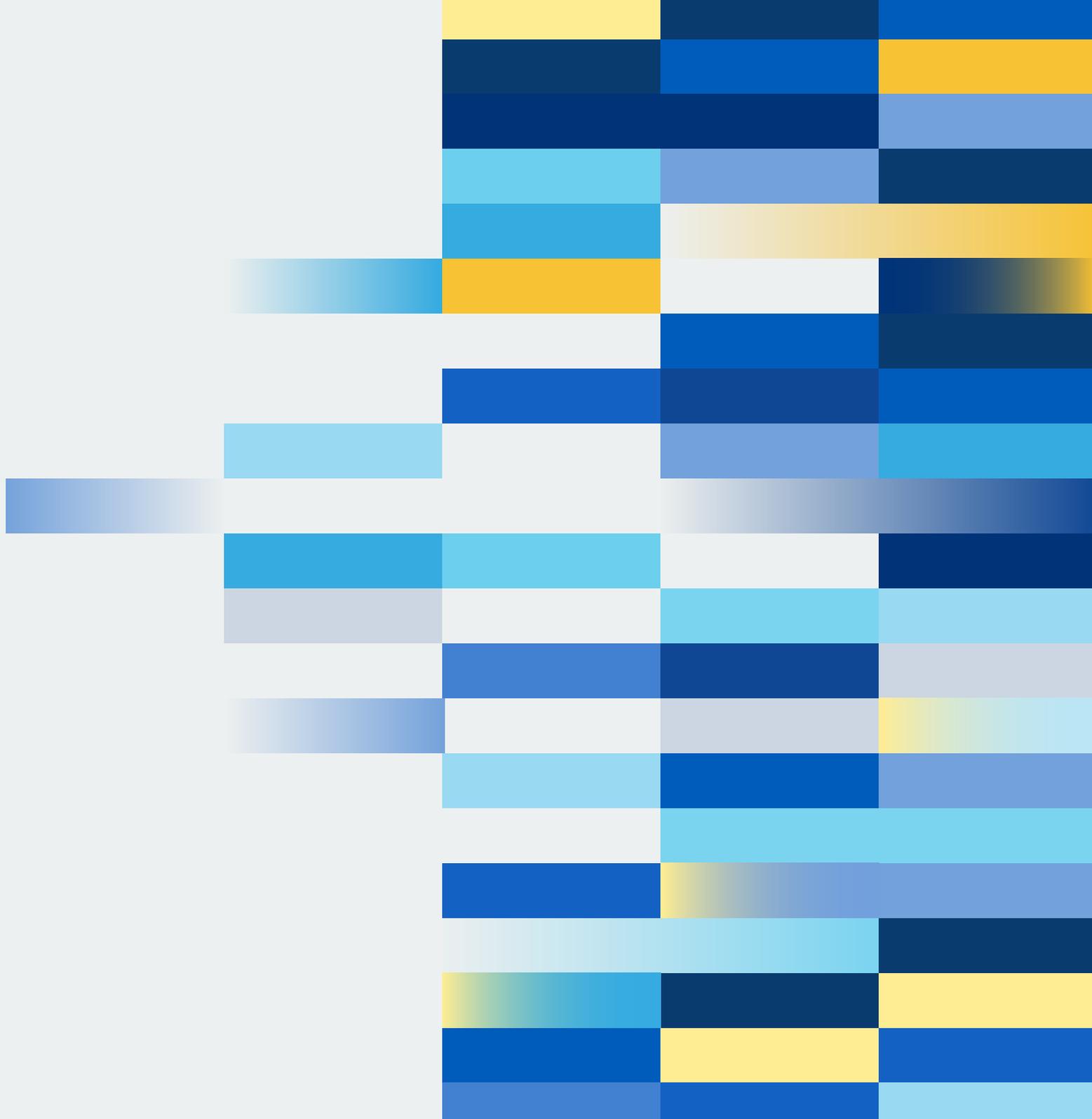
Asia - market and client growth

- Complete ISENTIA's Asian market footprint through strategic acquisitions
- Continue bolt-on acquisitions in key markets
- Build Asia to 40% of group revenue

Considerable revenue upside from 2020 Strategy



Q&A



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