

# Infomedia Ltd

Investor Update Half Year FY13



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Richard Graham  
Executive Chairman



Jonathan Pollard  
Chief Financial Officer



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## Investor Update Half Year FY13

### Agenda

- Understanding Infomedia – the Basics (Optional)
- First Half FY 13 Financial Review
- Operational Highlights 1H13



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## Investor Update Half Year FY13

### Understanding Infomedia – the Basics



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## Understanding Infomedia – the Basics

### The Model

- **Underlying Nature:** Hybrid - Software Development / Information Publishing
- **Expressed As:** Application / SaaS Solutions Providers
- **Product Nature:** Sales Transaction Enabling
- **Product Importance:** Mission Critical to Competitively Advantageous
- **Transaction Model:** Products Licensed Only – Never Sold
- **Economics:** Leveraged Recurring Revenue Model
- **Churn:** Very Sticky
- **Core Values:** Quality, Service, Innovation, Value for Money



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## Understanding Infomedia – the Basics

### The Timeline


- **Founded in 1988**
- **Released Microcat electronic parts catalogue (EPC) 1990**
- **Subscription Growth Doubling Annually**
- **First Overseas Release – Europe – 1997**
- **Public Listing 2000**
- **Product Development Era**
- **Second Product line Fully Released – Superservice Menus 2005**
- **Perfect Storm Era 2005 – 2009**
- **Commenced Fully Online Push – 2010**
- **Superservice Solution Suite Strategy Commenced – 2011**
- **Turn-around Success Acknowledged - 2012**








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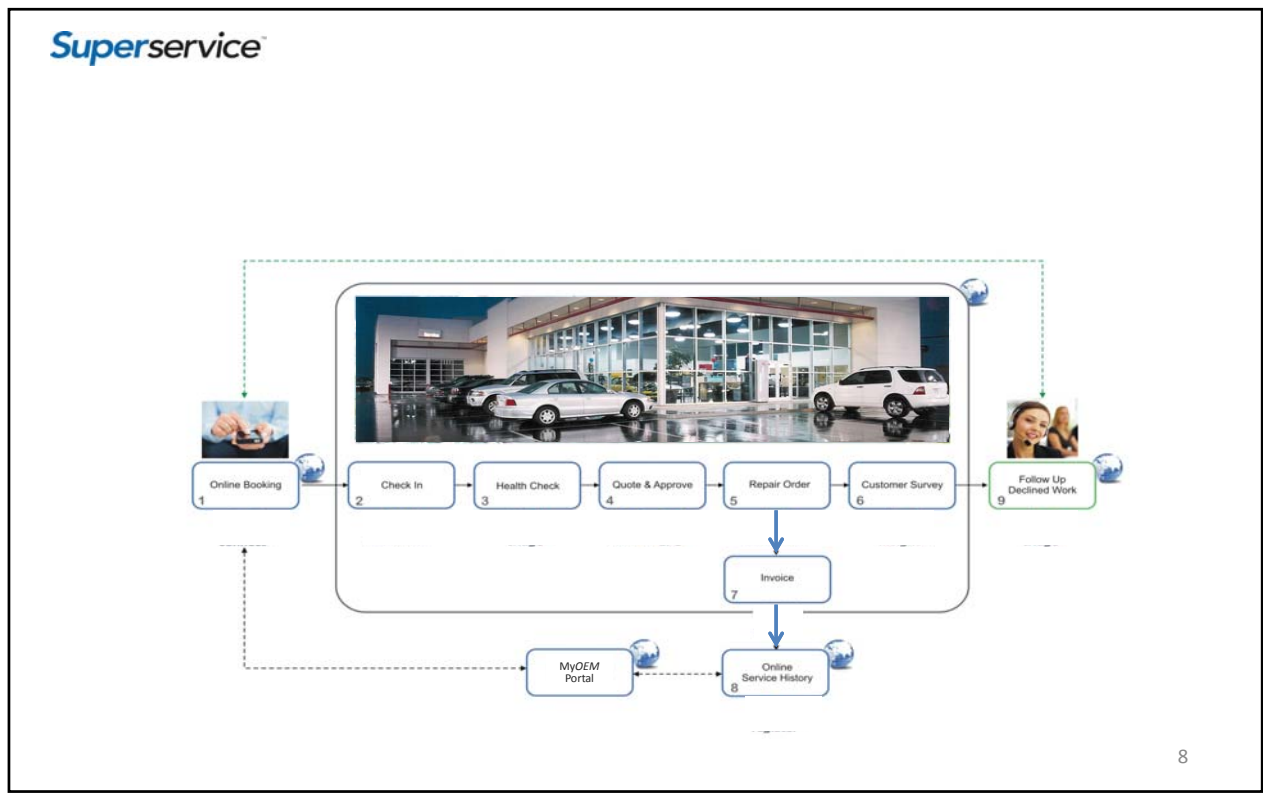


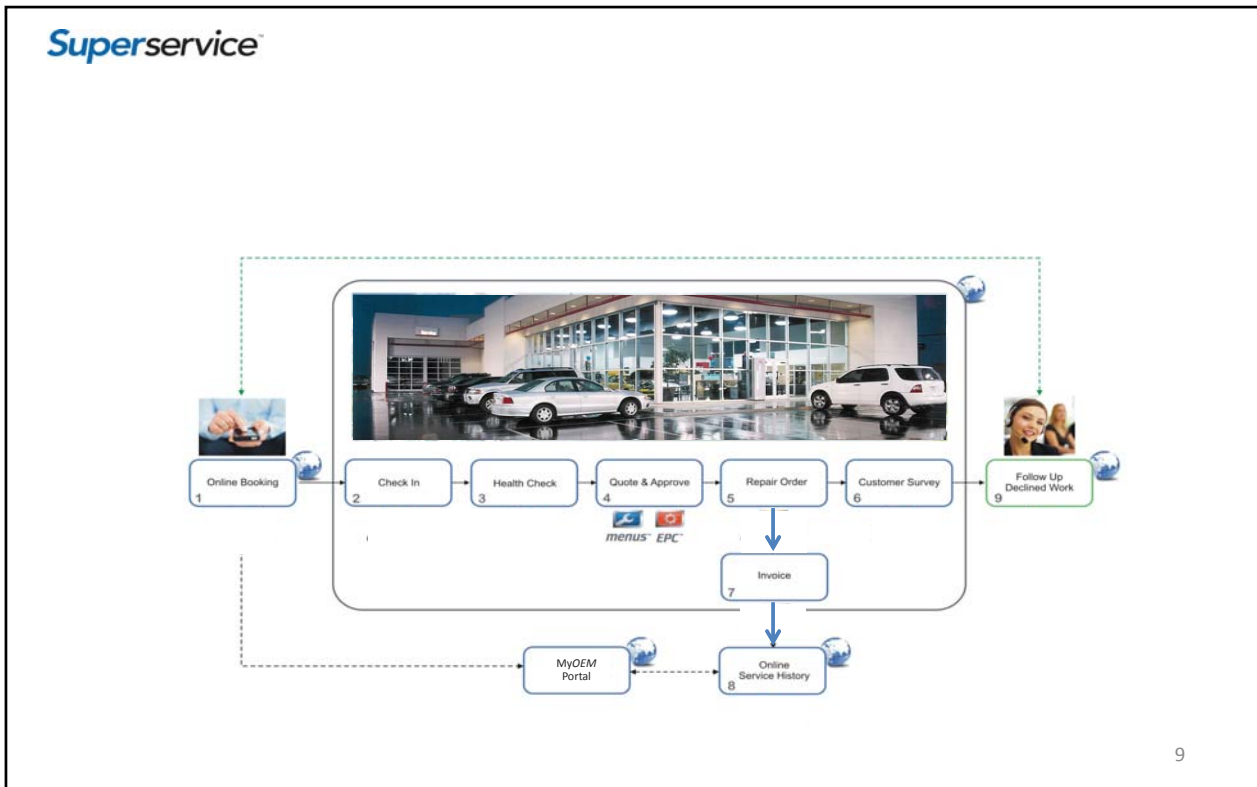
# Understanding Infomedia – the Basics



- menus™ 
- command™ 
- triage™ 
- insight™ 
- register™ 
- connect™ 
- EPC™ 

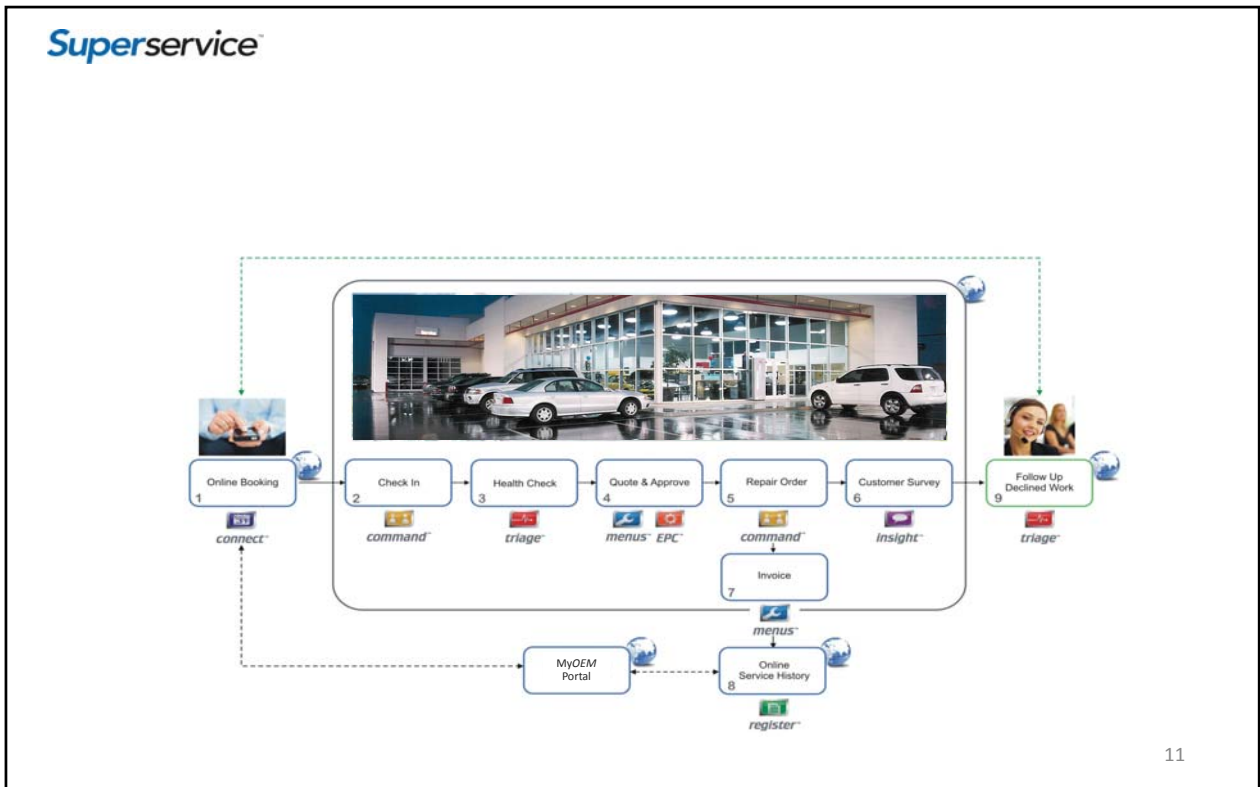
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**Superservice**

	Microcat LIVE Online electronic parts catalogue with Menu interface
	Precision Quoting, highlighting VIN specific menu information
	eVHC with interface to VIN specific menus for automated pricing
	Real time CSI measurement before customer leaves dealership
	Secure, online service history recording, linked to MyOEM portal
	Self-serve online customer appointment booking – 24/7



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## Investor Update Half Year FY13

### Financials



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## HY13 Highlights

## Key Metrics

- ↑ Subscriptions
- ↑ Sales revenue
- ↑ Cash flow
- ↑ Net profit
- ↑ Dividend

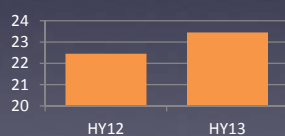
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## Financial Overview HY13/HY12

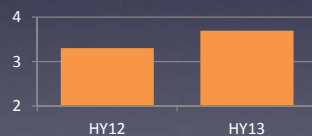
- Sales revenue increase \$1.0m (\$1.5m constant currency)
- Net profit increase \$1.5m
- \$221k sales annualised from acquisition
- Operating cashflow up \$0.4m to \$3.7m
- Continuing adverse FX but less material
- Continued investment in R&D – small P&L impact given amortisation run rate
- Interim FY13 fully franked dividend of 1.27 cents per share (franked to 0.5c)
  - Record date 06 March 2013
  - Paid 19 March 2013

\$'000	Constant currency				HY13
	HY12	variance	FX impact	Total variance	
<b>Sales revenue</b>	22,452	1,537	(532)	1,005	23,457
Operating expenses	(18,826)	(341)	836	495	(18,331)
<b>Adjusted EBITDA</b>	<b>3,626</b>	<b>1,196</b>	<b>304</b>	<b>1,500</b>	<b>5,126</b>
Hedging gain	1,303	0	(617)	(617)	686
R&D capitalisation	3,082	737	0	737	3,819
D&A	(2,965)	(851)	0	(851)	(3,816)
Interest & Tax	(1,143)	441	7	448	(695)
<b>Net profit after tax</b>	<b>3,903</b>	<b>1,523</b>	<b>(306)</b>	<b>1,217</b>	<b>5,120</b>
	USD spot				103c
	USD hedge				99c
	EUR spot				82c
	EUR hedge				74c

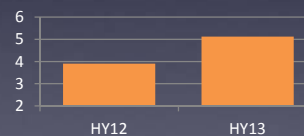
Sales \$m



Operating Cashflow \$m



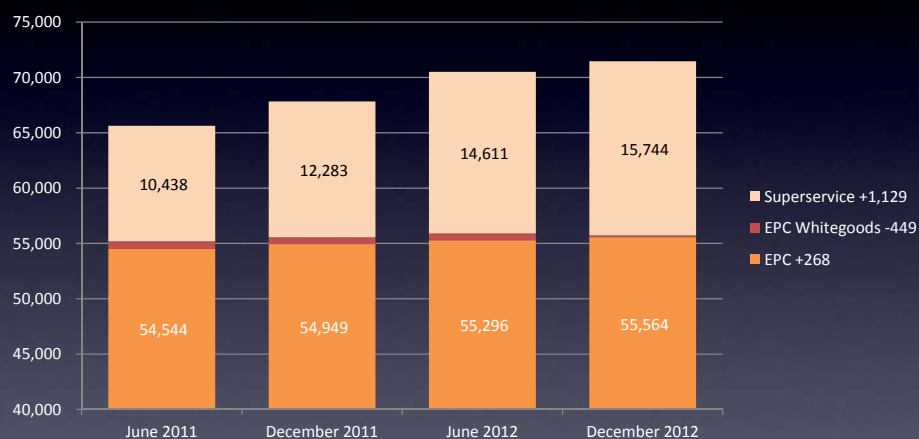
NPAT \$m



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## Subscription Equivalents

## Infomedia recurring subscriptions HY13 growth



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## Solution revenue breakdown HY13/HY12

\$'000	HY12	Constant	Constant	FX	Total	Total	
		currency	currency				
		variance	%			HY13	%
Parts solutions revenue	17,010	716	4%	(373)	343	17,353	2%
Service solutions revenue	4,181	836	20%	(157)	679	4,860	16%
Other revenue	1,261	(15)	(1%)	(2)	(17)	1,244	(1%)
<b>Sales revenue</b>	<b>22,452</b>	<b>1,537</b>	<b>7%</b>	<b>(532)</b>	<b>1,005</b>	<b>23,457</b>	<b>4%</b>
USD spot	105c					103c	
EUR spot	75c					81c	

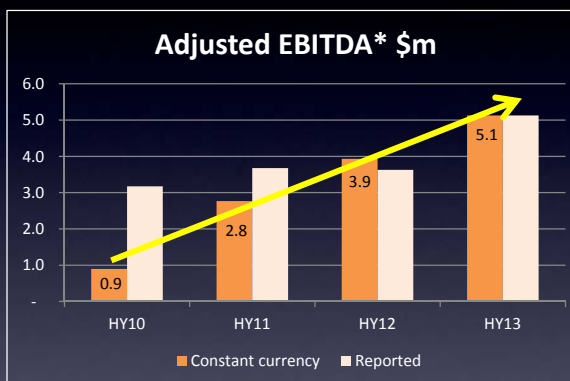
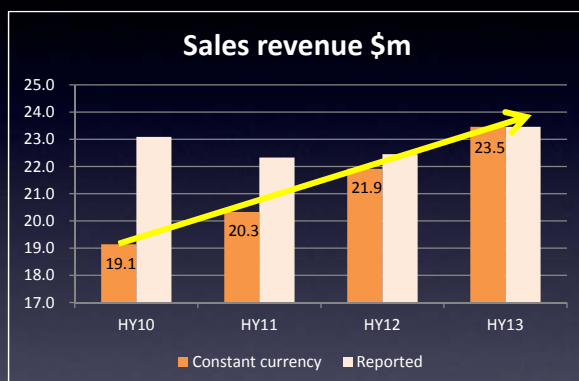
- \$1.5m (7%) constant currency revenue increase
- Growth in both Parts (4%) and Service revenues (20%) constant currency
- Reported revenue increase \$1m (4%), \$0.2m from acquisition annualisation

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Previous underlying growth  
Now real growth



\*excludes hedging gain, capitalisation, D&A, interest and tax

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## Balance Sheet

\$'000	December 2012	June 2012
Cash	5,945	6,646
Trade Receivables	4,614	4,033
Derivatives	329	693
Goodwill & Intangibles	34,494	34,106
Other	3,266	3,500
<b>TOTAL ASSETS</b>	<b>48,648</b>	<b>48,978</b>
<b>TOTAL LIABILITIES</b>	<b>(11,455)</b>	<b>(12,733)</b>
<b>NET ASSETS</b>	<b>37,193</b>	<b>36,245</b>
Share capital	10,799	10,799
Retained profits	25,110	23,412
Current year profits	5,120	8,461
Dividends	(4,155)	(6,763)
Other reserves	319	336
<b>TOTAL EQUITY</b>	<b>37,193</b>	<b>36,245</b>

- Strong Balance Sheet
- Debt Free - \$5.9m cash as at 31 Dec 12
- \$8.0m cash as at 31 Jan 13

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## Summary of FX cover as at 21 February 2012

## Forward FX contracts

Currency	Year	Company sells '000	Exchange rate
USD	FY13	3,550	97c
USD	FY14	750	100c
EUR	FY13	3,270	76c
EUR	FY14	2,760	75c

## Collar contracts

Currency	Expires end	Company sells '000	Protection rate	Participation rate
USD	Q3FY13	1,000	110c	88c
USD	Q4FY13	775	110c	88c
USD	Q1FY14	1,500	106c	99c
USD	Q2FY14	1,500	106c	99c

## Enhanced collar contracts

Currency	Monthly during	Company sells '000 (Monthly)	Protection rate	Participation rate	Strike rate*
EUR	FY14	460	79c	69c	77c
EUR	FY14	420	79c	69c	78c

\*rate if spot rate on expiry is below participation rate

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## FY13 2nd half themes

Relative to 1<sup>st</sup> half FY13:

- Forecasted increase in sales revenue (Strong pipeline/timing risk)
- Expected small increase in operational costs
- Adverse FX impact as lower contract rate hedges roll off
- Continued R&D investment
- Increased amortisation and tax expense

Consequences:

- Full year FY13 Cashflow from Operations: \$9.5m - \$10.5m
- Revised Full year FY13 Net Profit guidance: \$8.5m - \$9.5m

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## Investor Update Half Year FY13

### Operational Highlights 1H13



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## Operational Highlights 1H13

### The Timeline

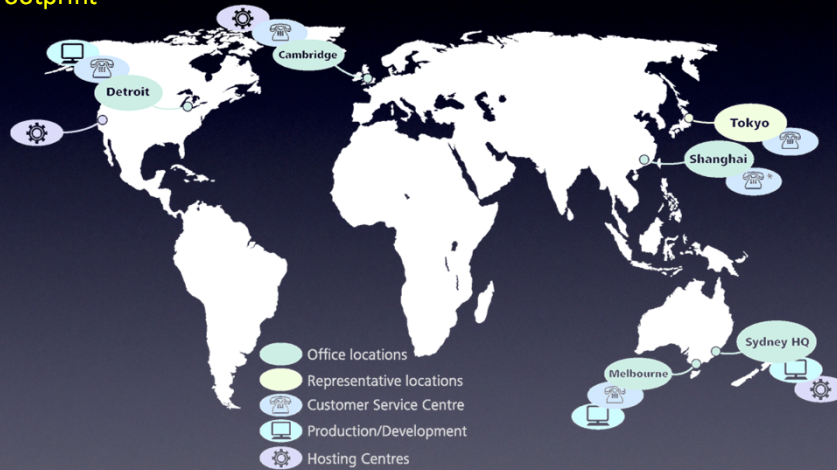
- **Sales:** Launched Chrysler, General Motors and Toyota Superservice in USA – 76 Trial Sites
- **Sales:** Expansion into Russia, SA and ME with SS Menus and Triage
- **Core:** DLA Renewals with Ford & Toyota in USA, and JLR Globally
- **Core:** New and Renewed 6 Lubrication Producers for PCLube Recommendation DB
- **Development:** Integration Protocols for Tighter Integration Between SS Products
- **Development:** Creation of the Superservice Connect Application
- **Strategy:** Simplifying European Structure
- **Operations:** Prep for Cambridge Move
- **Marketing:** Launch Superservice.com
- **Systems:** Real-time Data Redundancy – Sydney <> Melbourne
- **Board:** Reviewed and Improved DRP; AGM

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# Operational Highlights 1H13

## Company Footprint



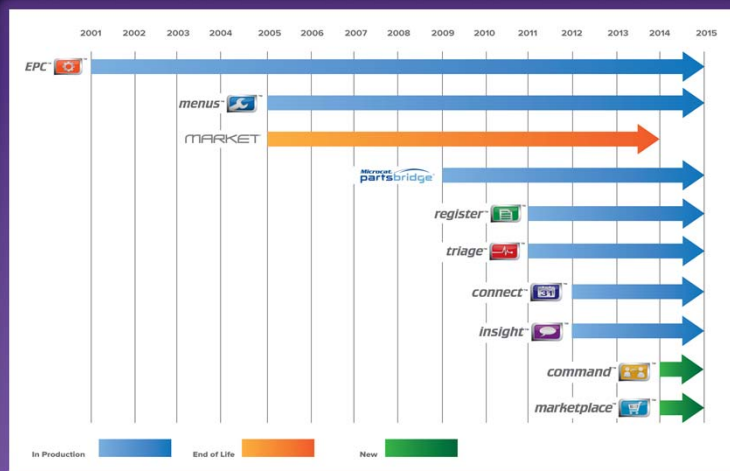
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\* Opens 2013



# Operational Highlights 1H13

## Near-term Product Roadmap



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