# RESEARCH REPORT

**sequoia** FINANCIAL GROUP

## Pureprofile (PPL)

Research driven consumer insights enabling targeted digital marketing strategies

| | |
|---|---|
| Price Target | $0.079 |
| Share Price | $0.042 |
| Implied Return | 88.1% |

## Investment Summary

- PPL is a global data and insights business providing online market research and digital advertising services for brands, agencies and publishers. Its competitive advantage in providing insights through first-party data positions it well to benefit from the rapidly changing consumer habits currently evident and the reduced access for brands to third-party data.

- PPL continues to expand its operations outside of Australia into new markets (UK, EU, US), targeting 50% of revenue from offshore. This offers strong growth potential given its current low market shares in these territories.

- Revenue is increasingly stable, with c.90% coming from repeat clients in FY22 and c.15% of data & insights revenue being annuity style.

- PPL has a broad and loyal client base, with an average tenure of 4.4 years. The company has low customer concentration with the largest accounting for <5% of revenue. Strong client loyalty is evidenced by a top-quartile Net Promoter Score of 80 for FY22.

- PPL is profitable on an underlying basis and generating positive operating cash flow, which allows it to continue to re-invest in the business. In FY23 the company will invest in sales capability, panels, technologies and platforms to extend the global footprint, expand the customer base, and grow revenues.

- Based on current forecasts, we derive a DCF equity value for PPL of $0.079 per share, with potential upside from acquisitions and/or new partnerships.

Joh Snyman

+61 400 897 559

johsnyman@corporateconnect.com.au

### Company Data

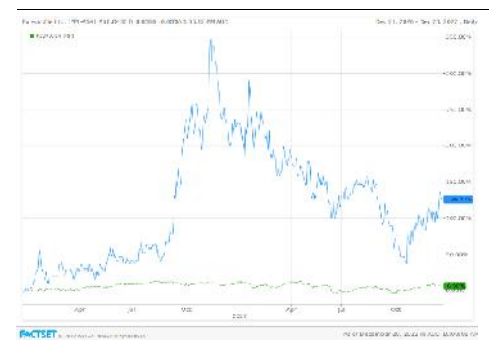| | |
|---|---|
| ASX code | PPL |
| ASX price | $0.042 |
| Shares on issue | 1,107.0m |
| Market capitalisation | $46.5m |
| Cash on hand | $5.3[1] |
| 12-month price range | $0.028 – $0.067 |
| ASX turnover (3m avg. daily vol.) | 0.84m |

[1] Cash = Latest reported balance (2022 AR)

### Key Personnel

| | |
|---|---|
| Martin Filz | MD and CEO |
| Melinda Sheppard | COO and CFO |
| Andrew Edwards | Non-Executive Chairman |

### Major Shareholders

| | |
|---|---|
| Principis Master Fund SPC | 15.55% |
| J P Morgan Nominees Aust. Pty Limited | 11.49% |
| Bond St Custodians Ltd (Salter A/C) | 5.26% |
| Appwam Pty Ltd | 4.52% |
| Mr Christopher Wayne Lonergan | 2.98% |

**Earnings Estimates (A$)**

| | | FY21 | FY22 | FY23e | FY24e | FY25e |
|---|---|---|---|---|---|---|
| **Sales** | $m | 30.0 | 41.7 | 49.8 | 57.0 | 63.2 |
| growth | % | | 39.0% | 19.3% | 14.5% | 10.9% |
| **EBITDA** | $m | 3.1 | 4.0 | 4.7 | 6.7 | 8.9 |
| **EBIT** | $m | -0.6 | 0.8 | 1.3 | 3.2 | 5.2 |
| margin | % | | 1.8% | 2.6% | 5.5% | 8.2% |
| **PBT** | $m | -3.3 | 0.3 | 1.1 | 3.1 | 5.3 |
| **Adj NPAT** | $m | -3.4 | 0.2 | 0.7 | 2.2 | 3.7 |
| growth | % | | -105.0% | 346.6% | 191.3% | 72.0% |
| **Rep NPAT** | $m | 2.8 | -2.2 | 0.7 | 2.2 | 3.7 |
| | | | | | | |
| **Adj EPS** | cps | -0.3 | 0.0 | 0.1 | 0.2 | 0.3 |
| EPS grwth | % | | -104.7% | 346.6% | 191.3% | 72.0% |
| PE | x | -13.2 | 278.8 | 62.4 | 21.4 | 12.5 |
| | | | | | | |
| **DPS** | cps | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payout | % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Div yield | % | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Source: Company data and CCR estimates

### Price Chart (ASX: PLL)



Source: Factset

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

## Investment Summary

### Investment Thesis

Pureprofile (PPL) is a global data business providing consumer insights and digital advertising services to client companies and agencies around the world. The key elements of the investment case for PPL are as follows:

- Favourable industry tailwinds – PPL's competitive advantage in providing insights through first-party data positions it well to benefit from the rapidly changing consumer habits currently evident and the reduced access for brands to third-party data.
- Global opportunity – PPL continues to expand its operations outside of Australia into new markets across Europe, the US and South-East Asia. This is being facilitated by its expanding partnership program with new publishers, financial institutions and loyalty programs. The company is targeting 50% of total revenue from markets outside of Australia. Expanding in these markets offers strong growth potential for PPL given its current low market shares in these territories.
- Counter-cyclical – Revenue and earnings are somewhat protected from macro-economic pressures given that PPL's market research services become more important to brands and advertisers during periods when consumers are under pressure, and they need to gain a better understanding of resulting behavioural changes.
- Recurring revenues – The PPL revenue base is increasingly stable, with c.90% of FY22 revenues coming from repeat clients and c.15% being annuity style revenue (within data & insights). Repeat business is underpinned by strong client loyalty.
- Competitive advantage – PPL has built a solid foundation for continued success in Data and Insights research, including an expansive panel, premium data and enhanced technological capabilities. Key competitive advantages include its global reach of millions of profiled consumers, 20+ years of experience in online market research and high service levels.
- Broad and loyal client base – PPL's client base includes major global corporations and their agencies and researchers across many sectors worldwide, as well as major Australian groups. Many of these are long term clients, with an average tenure of 4.4 years. The company has low customer concentration with the largest customer estimated to account for less than 5% of total revenue. Strong client loyalty is evidenced by PPL's top-quartile Net Promoter Score (NPS) of 80 for FY22, supported by its offering of consultative and solution-oriented client-first services.
- Cash flow positive – PPL is profitable at the EBITDA and underlying NPAT levels and generating positive operating cash flow, which allows it to continue to re-invest in the business. In FY23 the company will invest in sales capability, panels, technologies and platforms to extend the global footprint, expand the customer base, and grow revenues. PPL intends to balance growth investment and improving margins / cash flow.
- Driving operating efficiency – PPL also continues to invest in industry leading technology, increased automation and improved processes to support clients' changing needs and to drive its business. This investment further improves the company's operational efficiencies and drives increasing profitability.
- Acquisition and partnership upside – PPL has an incremental M&A strategy to help accelerate growth and increase access to new markets and more panellists to drive revenue. Partnerships are also a core part of PPL's growth strategy and can provide an effective entry to new territories and access to increased panellists and data points. Discussions with several potential new partners are ongoing in the UK, US and Asia and the company hopes to announce new agreements during FY23.
- Strong culture – PPL recruits industry leaders across the globe and supports employee development through tailored online learning programs and clear career pathways. The company has achieved Great Place to Work certification with a 98% rating from employees, compared to 55% for the average Australian company. The strong people culture sees PPL rewarded with high levels of engagement and innovation, translating to higher client satisfaction and returns for the business.

### Milestones

Key events and data points to track the company's progress over coming periods include the following:

- Upcoming 1H FY23 result, due in Feb 2023.
- Successful expansion of international D&I operations into the UK, Europe and US markets, whilst continuing to grow in Australia.
- Progressive improvement in profitability during FY23, meeting guidance for 9-10% EBITDA margins for the year.
- Ongoing investment in client-facing technology and internal systems to drive efficiencies.
- Continuing positive free cash flow generation allowing for re-investment in the business to support future growth.
- Progressive revenue and margin improvement in the medium term, driven by new customer wins and associated scale benefits, together with improving gross margins driven by decreased reliance on external panels.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies
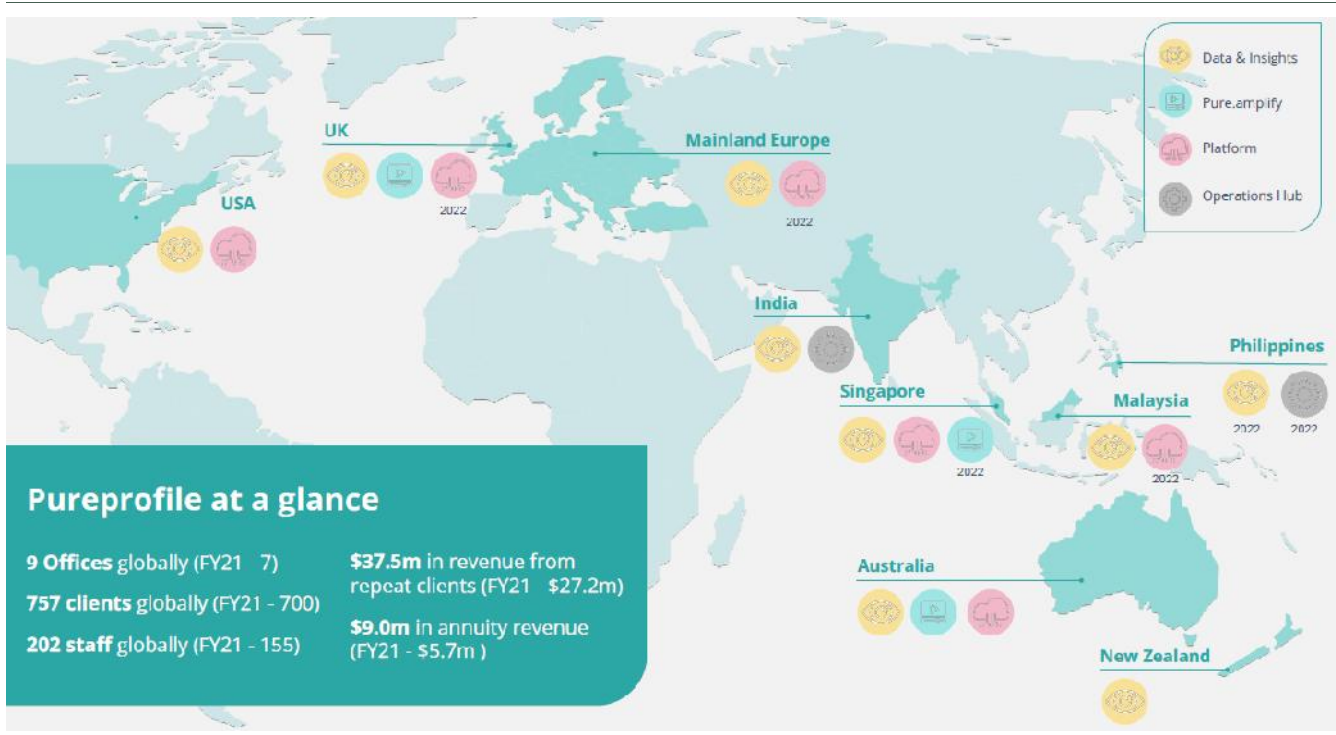
## Company Profile

### Background

PPL is a global data and insights organisation providing online market research and digital advertising services for agencies, marketers, researchers and publishers. Its vision is to deliver more value from the world's information, allowing deeper connections between organisations and their audiences.

PPL's mission is to reward people for sharing their thoughts, opinions and behaviours and to provide valuable, actionable insights to businesses for better decision making.

The company was founded in 2000 and is based in Surry Hills, Australia. Apart from Australia, it now operates in 9 other countries across North America, Europe and the APAC region. Key commercial hubs are located in Singapore, the UK and the Netherlands, with US operations currently run from the UK. The company also has outsourcing centres in India and the Philippines.

PPL is truly a global business, having completed research studies in >90 countries in FY22. This extended to virtually every part of the world, including Europe, the Americas, Asia, Africa and the Pacific. The volume of multi-country studies increased 18% in the FY22 year.

**Fig. 1 – PPL's Global Reach**



Source: Pureprofile

### Revenue model

PPL is in the business of using data to help client businesses thrive. The company generates revenue by monetising access to its panel network of deeply profiled consumers by global brands, publishers and advertisers. This is done in a number of ways, including:

• Providing market research to global brands and advertisers.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

- Through licensing its profiling technology platform to global media publishers who are then able to use it (and the profiles it generates for them) to optimise yields from their websites and apps.
- Through media sales, including programmatic buying and selling of ad inventory and performance marketing for advertisers and global brands.

**Fig. 2 – How Pureprofile Works**



Source: Pureprofile

## Products / Services

### Data & insights

PPL's research division enables organisations to understand their audiences. It conducts online market research solutions through a global panel network of highly engaged, demographically diverse consumers, delivering rich insights into human behaviour.

PPL builds in-depth profiles of consumers via its proprietary and partner panels and give client businesses a greater ability to understand, target and engage with their audience/customers.

The company connects its clients to groups of these deeply profiled consumers and offers a range of market-leading services to deliver critical insights to clients quickly and effectively. Services can range from providing a sample/panel only, through to full service (e.g. designing the study). Data & insights accounts for ~75% of PPL's revenue.

### Pure.amplify media

The digital advertising division leverages and activates the rich insights sourced from research to execute targeted and impactful digital marketing strategies on behalf of advertisers and publishers. First-party data allows PPL's advertising campaigns to reach the right people, in the right channels, at the right time. PPL's digital media solutions are suitable for a cookie-less environment.

The company plans, executes and optimises every step of clients' digital advertising campaigns for maximum impact. Advertising campaigns account for ~10% of revenue.

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

**Self-service SaaS platform**

PPL operates a proprietary technology platform allowing clients access to insights and campaigns. This platform provides cutting-edge SaaS solutions that allows clients to manage, enrich and activate their data, delivering consumer intelligence for the future.

PPL offers its clients increasingly greater insights through the build-out of new SaaS-based products. These now include:

- Insights Builder – A powerful self-service tool that allows clients to conduct fast, high-quality consumer research themselves by accessing PPL's engaged panel member base. Results are delivered via real-time dashboards and interactive reports.
- Audience Builder – This SaaS platform creates a unique member hub for a client's customer base, allowing the client to build more data about their own members. The Flybuys loyalty program, for example, is a user of this platform. There are three value-added outcomes for clients, being on-demand consumer insights, increased customer loyalty and additional revenue streams. PPL typically gets a revenue share of ~60% for any surveys completed through this platform.
- Audience Intelligence – Built on millions of verified transactions across Australia, Audience Intelligence provides pivotal consumer spend data via intuitive dashboards and custom reports for 1,000 of the most popular retail brands. Brands submit their own data in exchange for the opportunity to access broader market data curated from competitors' submissions.

These products, particularly Audience Intelligence, have been validated in recent periods through the signing of marquee clients such as Coles and UberEats.  The Audience Intelligence SaaS solution was also recognised as an ABA 100 Winner for SaaS innovation in The Australian Business Awards 2021.

The SaaS platform business continues to grow rapidly (from a relatively small base) on the back of growing support by clients for the Audience Intelligence, Audience Builder and Insights Builder solutions. The Audience Builder solution in particular is showing strong revenue growth. The SaaS platform business accounts for ~10% of PPL's revenue.

## Customers

PPL's client base includes major global corporations and their agencies and researchers across many sectors over the world, as well as major Australian groups. Many of these are long term clients, with an average tenure of 4.4 years.

The customer base is well diversified and can be classified as follows:

- Brand owners and advertisers
- Media buying and advertising agencies, acting on behalf of major advertisers
- Market research companies
- Public relations (PR) agencies and corporate (in-house) PR departments
- Academic and applied research studies
- Universities and education providers
- Other research panel providers

PPL has a global client base, which it services by providing them with information and insights to make better business decisions. The company has delivered solutions for 757 current clients, representing an 8% yoy increase in active clients in FY22 (and +19% outside Australia). This translated to a 35% yoy increase in completed research surveys. The number of SaaS clients also grew strongly, with revenue +217% over the same period. There were 136 new global clients signed in FY22 (see chart below).

PPL prides itself on being a client centric business with a focus on solving their everyday needs by providing flexible and bespoke solutions as required. Processes and systems are an important consideration for clients, and PPL's investment decisions are geared towards clients' needs.

The company's value proposition for clients is clear and uncomplicated:

- Global reach – Ability to directly access millions of deeply profiled consumers.
- Trust – Having >20 years' experience in the field of online market research.
- Service – Providing quick responses, personal service and dedicated teams.

Given its strong value proposition, PPL has experienced high levels of loyalty from clients. In FY22 its Net Promoter Score (NPS) was 80, placing it in the top quartile of global organisations for client loyalty. PPL's value proposition is further supported by its culture of being client centric, listening to their needs and ensuring PPL employees are engaged, passionate and consultative.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

PPL has experienced strong growth in recent periods due to growing market share from competitors and accelerated growth outside of Australia in Asia, the UK, Europe and the US. The company has low customer concentration with the largest customer estimated to account for less than 5% of total revenue.

PPL has a high level of recurring revenues, with c.90% of FY22 revenues coming from repeat clients, and c.15% being annuity style revenue (within data & insights). Repeat clients are defined as loyal customers who spent money with PPL in the prior year. The annuity revenue represents long-term studies that are conducted at given intervals to build a time series. This growing level of recurring revenues is making the PPL revenue base increasingly stable.

**Fig. 3 – Selection of New Clients in FY22**



Source: Pureprofile

## Suppliers

### Panels

PPL uses a panel of ~2m account holders to conduct market research. The company delivered a 35% uplift in panel acquisition in FY22 (including +43% offshore), as well as improving the quality and engagement of panellists. Panellists are usually recruited by running campaigns on social media.

Members are paid for expressing their thoughts and opinions on given topics via a variety of surveys, typically ~10% of survey value. They can also earn rewards, which come in various forms/options. In addition to rewards earned, members are often motivated by the desire to help shape the future of everyday products for themselves, their families and consumers in general.

The surveys are available online or through the Pureprofile app and can normally be completed over an extended period of time, which allows members to do it in their own time (on average, about 12 / month in Australia, 8 in the UK). Too few surveys can result in attrition of the panel. PPL has been able to drive panel quality and engagement by improving their experience through technological improvements and adopting new redemption policies, which provide panellists an opportunity to earn more and giving PPL a higher yield per panellist.

When PPL is unable to put together a large enough panel relevant to a given client survey, it needs to augment its panel by accessing additional panellists through strategic partnerships (e.g. a loyalty scheme or other online community), or via competing panel companies. This comes at an increased cost and results in lower gross margins for PPL. However, it is also a lower risk way to enter new markets such as the US. Longer term, as PPL expands its own internal panel, it will rely less on external panels and this should drive increased gross margins going forward.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

The longer panellists stay on the panel, the more surveys they complete, the more their profile is refined and the more valuable they become. Clients want a deeply profiled panel to maximise insights. Consequently, and because of the cost of panel acquisition, it is in PPL's interest to retain panellists and minimise churn.

### Strategic Partnerships

Partnerships are a core component of PPL's growth strategy and can provide an effective entry to new markets and territories. They increase panellists and data points and drive revenues and profits.

During FY22 PPL signed several new strategic partnerships, both domestically and overseas, to augment existing successful partnerships. In January 2022, PPL announced a new partnership with theAsianparent, the largest content and community platform for parents across 11 countries throughout Southeast Asia, reaching 35m users per month. It also signed iGoDirect in Australia. Flybuys in Australia continues to perform strongly, with member surveys up >500% in FY22.

In FY22, PPL grew its active community members for partners to 136k (+62k). They completed 1.7m surveys and generated 336.5m reward points.

Discussions with several potential new partners are ongoing in the UK, US and Asia and the company is hopeful of announcing new agreements during FY23.

### People

PPL has taken great care to develop the right work environment and a strong people culture. It does this by providing employees with a supportive, collaborative, open and flexible environment. PPL also invest in their personal and professional development.

The company has further embraced fully flexible ways of working in the office, at home, or anywhere in the world through a hybrid working model. This seeks to balance the desire for flexibility and empowerment that comes from staff being able to work to their own schedule, with the benefits of working in the office such as increased connection, collaboration, learning and wellbeing.

In return for the positive working environment, staff reward the business with high levels of engagement, inspiration, innovation and loyalty. These factors translate to higher levels of client satisfaction and returns for the company.

In its annual Global Engagement Survey for FY22, PPL recorded a pleasing engagement score of 82%, with 95% of staff recommending PPL as a great place to work and >50% of new hires coming from team referrals.

### Technology

PPL uses Amazon Web Services (AWS) for all its infrastructure services, including data centres. The company undertook a substantial upgrade of its technology in FY22, replacing in-house legacy systems with leading 3rd party systems across the following areas:

- Global panel management
- Client reporting
- Research quality suite

In FY22, PPL also added data security solution CleanID to its operations, following completion of a successful pilot. Developed by OpinionRoute, CleanID is a best-in-class fraud and duplication detection system designed to analyse and identify device level attributes to eliminate known data threats in real time.

## Regulation

Regulatory requirements relating to data protection and privacy continue to tighten up around the world. To meet these regulatory obligations, major players like Apple and Google are in the process of committing to no longer supporting third-party cookies which assist in consumer targeting for advertising campaigns.

It is expected that for brands to stay on top of evolving consumer habits (e.g. online shopping and remote working), and with reducing access to third-party data, that PPL's competitive advantage of providing insights through first-party data should provide the company with significant tailwinds into the foreseeable future.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies
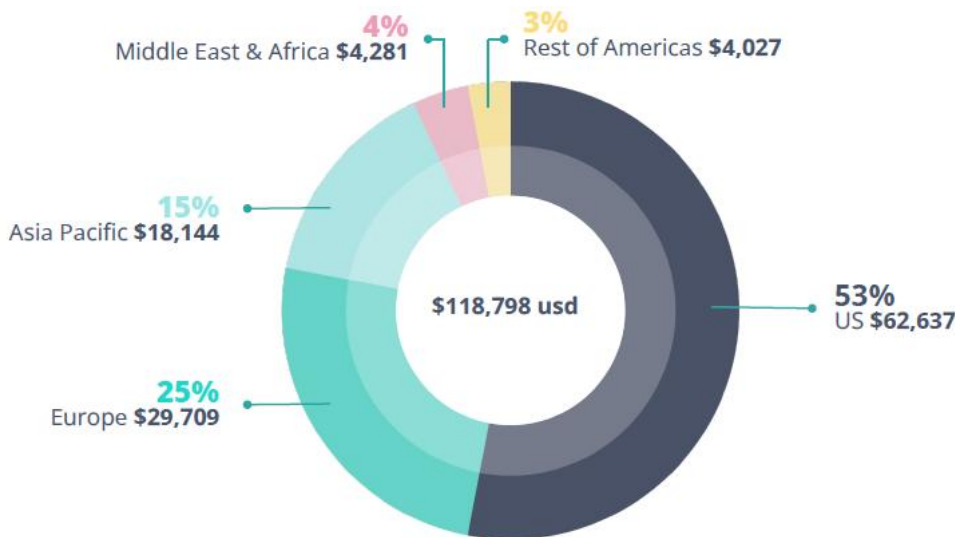
## Business Analysis

### The Data and Insights Industry

**The market opportunity**

The size of the Global Insights market is estimated at US$118.8bn in 2021. The chart below provides a breakdown by key regions.

**Fig. 4 – Global Insights Turnover, 2021**



Source: Pureprofile / ESOMAR Global Market Research 2022

**Industry growth drivers**

The industry continues to benefit from current favourable global trends. The increasing trend to businesses operating in a cloud-based environment, combined with the impact of COVID-19, has accelerated the transition to remote working and online shopping.

The consequences of these shifts are substantial and have driven ongoing changes to consumer buying habits.

In addition, regulatory requirements relating to privacy and data protection continue to be tightened. As a consequence of these obligations, major players like Apple and Google are planning to cease supporting third-party cookies. These cookies assist in consumer targeting for advertising campaigns.

PPL's competitive advantage in providing insights through first-party data positions it well to benefit from the rapidly changing consumer habits currently evident and the reduced access for brands to third-party data. Competitor disruption is another key tailwind for PPL.

**Artificial intelligence**

Artificial Intelligence (AI) is becoming a major theme in the Data and Insights Industry and central to new product innovation. Machine learning and the capacity to handle large amounts of data make AI a very good fit for market research, including enabling more comprehensive predictive analytics and behavioural research. Many platforms are exploring automated insights by highlighting key findings and applying an embryonic layer of automated interpretation over this, so clients can readily read into the importance of certain data and results.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

Emerging economic challenges will test industries in new ways in coming periods, and market research will need to respond with speed and agility. There is likely to be continued focus on automation and machine learning as the market turns to solutions that provide predictive analytics at scale.

Growth rates across the Data and Insights industry have been strong, as shown in the table below for 2021.

**Fig. 5 – Global Insights Net Growth Rates 2021 (adj. for inflation)**
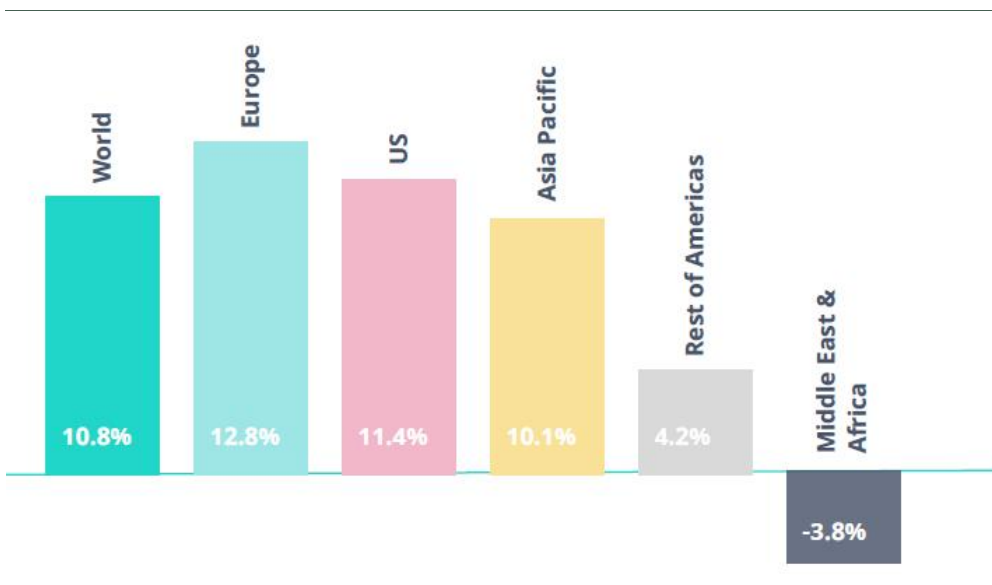


Source: Pureprofile / ESOMAR Global Market Research 2022

## The Digital Advertising Industry

**The market opportunity**

The global advertising market is expected to grow 9.2% in 2022, reaching US$745bn, according to Dentsu advertising spend forecasts. This level will exceed the 2019 pre-Pandemic spend levels by almost 19%. Within this is a significant shift towards digital advertising, which is expected to account for a share of around 55%.

According to eMarketer, it is also predicted that >90% of digital display advertising dollars in 2022 will be transacted programmatically (US$115bn). This reflects the continued embrace by agencies and brands of automated media buying as standard practice in their advertising strategies.

**Growth drivers**

The growth of TikTok and connected TV were the predominant channel trends of FY22. A connected TV (CTV) is a device that connects to or is embedded in a television to support video content streaming (e.g. Xbox, PlayStation, Apple TV).

In terms of social media usage, there were 4.62bn people active on these platforms at the start of the year, with the average daily time spent being 2h 27mins. TikTok was a key driving force of these high numbers, with the platform boasting close to 750m monthly users worldwide.

CTV usage also increased in FY22, with Australia's average household now containing 6.7 video-capable screens. Global CTV ad spending is projected to rise 23% to US$20.3bn by the end of 2022 (c.f. US$16.6bn in 2021). This represents a share of nearly 12% of total global TV ad spend of US$171bn.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

The shift in media consumption is driving the trend toward consumer interaction, rather than one-way messaging, leading to an increased focus on conversational marketing and sentiment analysis.

The advertising industry is set to evolve rapidly in coming periods, with video being a key driver for the ad market and new media categories rapidly emerging. Global retailer media is expected to grow by c.25% pa to US$100bn over the next 5 years and account for over 25% of total digital media spending by 2026. Going forward, brands are likely to gravitate towards omnichannel campaigns, powered by advanced adtech that enables programmatic, customisable advertising across proven channels, with regular feedback on brand impact.

## Goals & Strategy

PPL is focussed on growing its business through 3 core strategies. These include:

- Extending global reach – continuing to expand the business outside of Australia, growing its global panel and adding complementary data sources through strategic partnerships.
- Leveraging proprietary data – Seeking more data to drive more insights.
- Self-service – Innovating, enhancing and accelerating the SaaS self-service solutions currently provided.

**Fig. 6 – PPL's Corporate Growth Strategy**
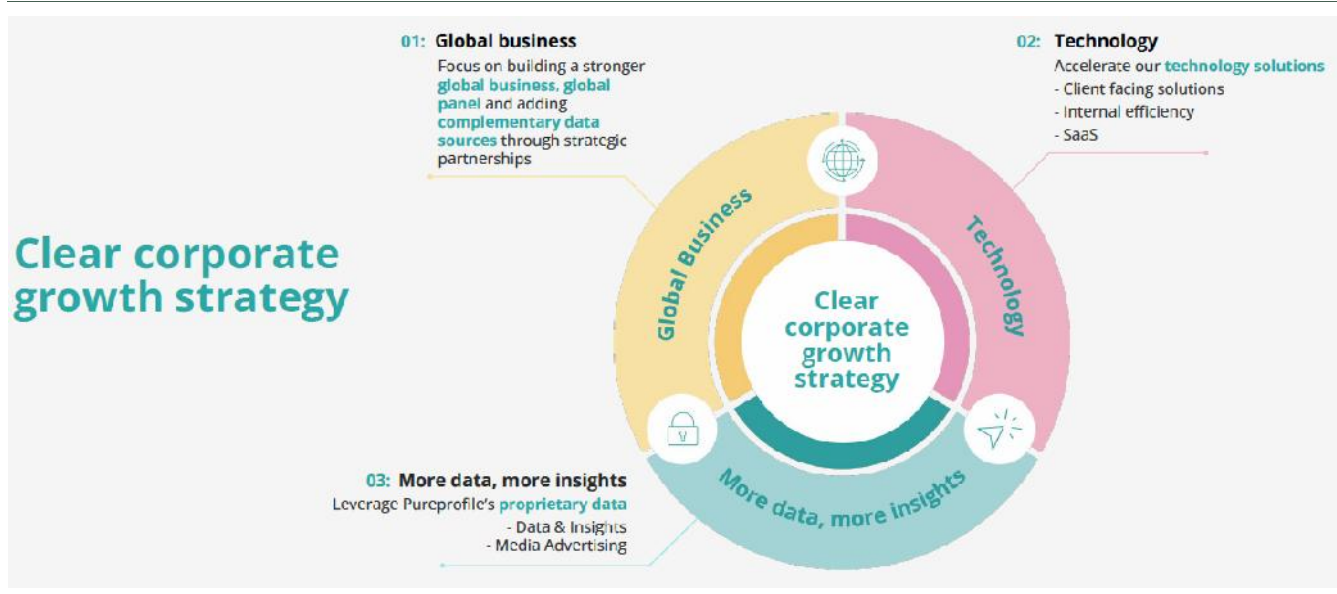


Source: Pureprofile

Underneath this, PPL developed a detailed 3-stage corporate strategy for the medium term. Data and analytics are central to this strategy, which the company will seek to leverage through all stages of the plan.

**Stage 1 – Company restructure and recapitalisation**

- Restructure the company operations by divesting unprofitable or non-core business units.
- Strengthen the balance sheet with a capital raise and debt to equity swap to provide the foundation to deliver on growth ambitions.
- Refresh executive team to provide sector expertise and to enhance leadership capability.

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

**Stage 2 – Invest in people, panels and technology**

- Replicate successful Australian Data & Insights business unit in new markets outside of Australia, building a stronger global business.
- Focus on global panel expansion (and adding complementary data sources) through a combination of new strategic partnerships, acquisitions or organic growth.
- Leverage Pureprofile proprietary data via the Data & Insights and Pure.amplify divisions (more data, more insights).
- Drive efficiency and improve project profitability to improve margin by increasing automation, improving processes and providing greater client service (including SaaS solutions Audience Builder, Audience Intelligence and Insights Builder).
- Continue to evolve core technology by implementing new technology solutions.
- Develop a highly motivated organisational culture with a clear goal of enhancing shareholder value and employee experience.

**Stage 3 – Overlay end client facing technology**

- Provide end to end solutions directly to brands providing an integrated suite of products, services and tools.
- Enable brands to reach consumers using 1st party data allowing them to build better relationships with their customers, providing more value, and optimising their marketing campaigns.
- Continue to identify acquisition opportunities that can help accelerate growth and fill technological gaps.

PPL has completed the first phase of its long-term objective of building a truly global, leading Data & Insights business. In FY22, the company continued to execute on Stage 2 of its corporate strategy, focussed on investment in people, panels and technology.

In FY23 the company will further invest in sales capability, panels, technologies and platforms to build scale in the business and take advantage of the opportunities in existing and new markets. PPL intends to do so whilst retaining the right balance between investing for growth and improving operating margins and growing operating cash flow. Specific strategic initiatives include:

- Developing new partnerships – Delivering a successful US Audience Builder pilot. Enhancing existing partnerships launched in FY22 and signing additional ones in SE Asia, UK and US. New partnerships will add to existing global audiences, allow for more insights to be generated for more clients and drive revenue and profitability.
- Technology launches – Complete implementation of the core panel management system into new markets including SE Asia, to support growth and further support Audience Builder solution partnerships in these regions. Developing further openness of the systems and connectivity to clients, partners and suppliers. These initiatives will deliver revenue opportunities, increased member yield/retention and improved business efficiencies.
- Global business growth – Focusing on onboarding of commercial sales capability in the UK and European businesses. Investment in further commercial capability, will set up the business to deliver continued growth in FY23 and FY24 by attracting new clients and revenue in these regions.

**Plans in advertising**

In the advertising business, PPL is focussing on onboarding brands directly and managing their global omnichannel campaigns. The business looks to establish strategic partnerships with leading customer intelligence and data enrichment platforms with integrated identity solutions. This enables Pure.amplify to provide its clients with bespoke audience targeting and activation, including extensive insights and measurement.

The delay in Google's deprecation of 3rd party cookies to 2024 is allowing Pure.amplify time to further develop its bespoke cookie-less solutions. This involves building on its ability to connect with customers in premium environments in a more targeted way, using first-party data and world class technology.

This is being achieved by leveraging first-party assets to build campaigns for bespoke audiences, then connecting with them programmatically across the proven media channels these audiences were browsing. The resulting outcome is highly-targeted advertising that exceeded campaign goals.

By using proprietary measurement methodologies via its research division, PPL has been able to successfully gauge brand uplift and awareness, and make these available to clients pre-, mid- and post-campaign. With more advertisers preparing for a post-cookie future, PPL expects to further hone these offerings in FY23.
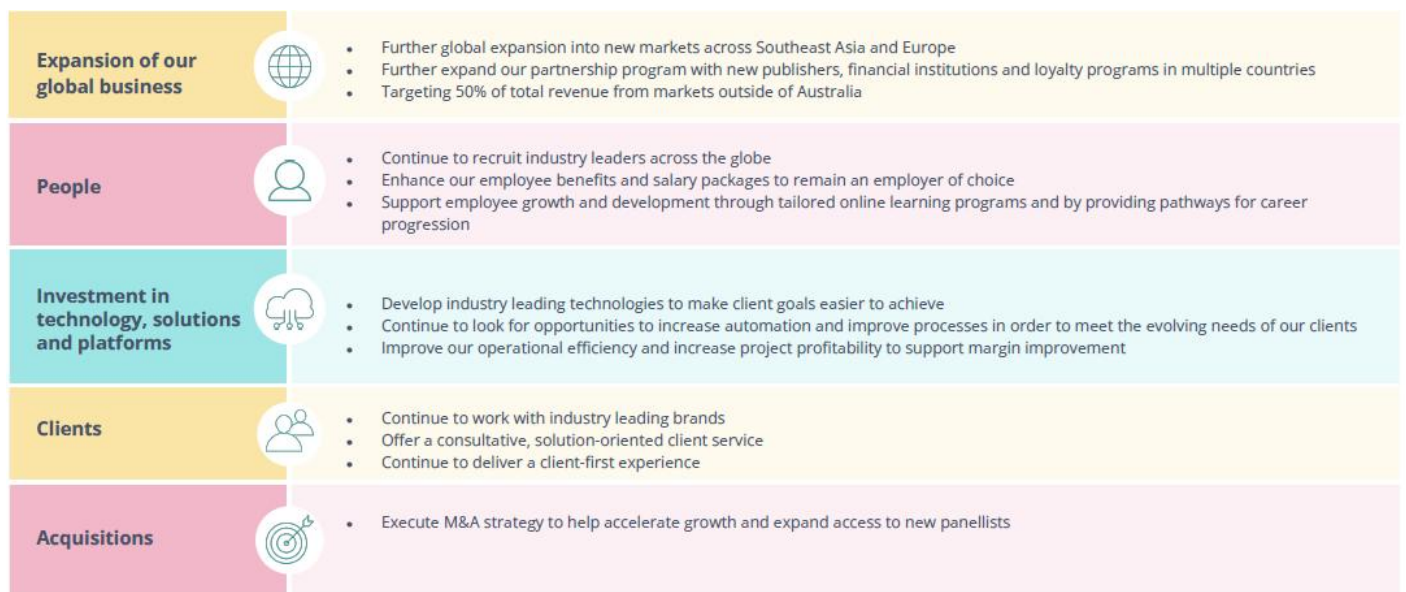
# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

In 1Q FY23, PPL announced that it will close its Pure.amplify business in the UK. This business was not considered core to the company and only contributed $1.3m revenue in FY22 and generated a small loss. PPL expects to retain some revenue and clients, which will be managed via the APAC region.

The group's key initiatives for FY23 are outlined in the chart below.

**Fig. 7 – Strategic Priorities to Support PPL's Growth Plan**



| Expansion of our global business | • Further global expansion into new markets across Southeast Asia and Europe |
| --- | --- |
| | • Further expand our partnership program with new publishers, financial institutions and loyalty programs in multiple countries |
| | • Targeting 50% of total revenue from markets outside of Australia |
| People | • Continue to recruit industry leaders across the globe |
| | • Enhance our employee benefits and salary packages to remain an employer of choice |
| | • Support employee growth and development through tailored online learning programs and by providing pathways for career progression |
| Investment in technology, solutions and platforms | • Develop industry leading technologies to make client goals easier to achieve |
| | • Continue to look for opportunities to increase automation and improve processes in order to meet the evolving needs of our clients |
| | • Improve our operational efficiency and increase project profitability to support margin improvement |
| Clients | • Continue to work with industry leading brands |
| | • Offer a consultative, solution-oriented client service |
| | • Continue to deliver a client-first experience |
| Acquisitions | • Execute M&A strategy to help accelerate growth and expand access to new panellists |

Source: Pureprofile

## Acquisitions

PPL has made it clear that potential acquisitions form a part of its growth strategy going forward and notes that the current market environment is presenting quite a few small to medium sized prospects. Such acquisitions would provide opportunities to enhance panels, enter and develop key target markets and attract senior executives.

Discussions with several potential new partners are also ongoing in the UK, US and Asia. PPL is hopeful of announcing new partnership agreements during FY23. Partnerships can provide an effective entry into new markets and territories, as well as helping to build up panellists and data points to drive increased sales revenue and profits.

PPL is expecting FY23 to be another year of investment towards building a sustainable global business. It does intend however, to ensure that it maintains a disciplined approach towards balancing investment spend against profitability and cash flow generation. The company will focus in particular in FY23 on expanding its US business.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

## Competition

### Competitive Landscape

The nature of PPL's market research competitors varies widely, reflecting the diverse online marketing industry in which it operates. The table below sets out the key competitive themes in PPL's markets.

It is difficult to properly assess market shares given the wide variety of competitors in the online market research space. However, PPL is the #1 player in Australia and continues to build market share through its offer which is known for its quality, speed and customer service. The UK and US are much larger markets (around 14x and 40x respectively), where PPL has much lower share. As a true global business, with offices in the northern and southern hemisphere, PPL is estimated to be the #5 largest player.

Market share has been boosted particularly in the period post Covid-19. Most competitors put off staff during the pandemic, which have left them struggling to scale up and rebuild capability. PPL retained staff and has been able to respond quickly as the market has recovered.

**Fig. 8 – PPL's Key Competitors**

| Industry segment | Key competitors | Competitive environment |
|---|---|---|
| Market research | • Nielsen<br>• Kantar (WPP)<br>• Roy Morgan Research | • These competitors rely on research teams using predominantly survey-based research methodologies to capture data from groups/samples of respondents.<br>• These large global firms face significant challenges augmenting their traditional business models with methodological and technological advancements in data collection.<br>• These competitors may commission work from PPL when advanced technological data collection methods are required. |
| Lower cost self-survey offerings | • Survey Monkey (part owned by Google)<br>• Google consumer surveys<br>• aytm.com | • These platforms enable businesses to access market feedback directly.<br>• Not suitable for more complex research requirements. |
| Online market research panels | • Dynata<br>• Lightspeed Research (WPP)<br>• YouGov<br>• Toluna | • Highly competitive environment.<br>• Engagement with panel/member base requires sufficient survey volumes and strong rewards to minimise churn and acquisition costs and to maintain response rates and valuable historical profiles. |

Source: Pureprofile

### Competitive Advantages

PPL has built a solid foundation for continued success in Data & Insights research, including an expansive panel, premium data and enhanced technological capabilities.

Key competitive advantages include:
• Global reach – PPL has direct access to millions of deeply profiled consumers.
• History – PPL has >20 years' experience in online market research.
• Service – The company provides a high level of service built on dedicated teams, quick response times and personal service.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

### Key Risks

The following is a summary of material business risks that could adversely affect PPL's financial performance.

#### Innovation and market trends

The surging global interest to understand human behaviour is leading to increasing complexity in the Data and Insights industry. This is driving constant innovation and technology is playing an increasingly important part in delivering valuable insights. To remain at the forefront of the industry, PPL needs to maintain highly experienced product development and technology teams to keep up with technological advances and industry trends.

#### Privacy and data breach

As part of its operations, the company handles personal and sensitive information. It invests in technology and resources to manage privacy and data risks, as well as having privacy policies in place which are reviewed on a regular basis for all jurisdictions. PPL has engaged a European Union representative to represent the company in relation to its General Data Protection Regulation (GDPR) requirements and compliance practices.

#### Platform and technology risks

PPL relies on its own proprietary technology and the technology of other suppliers in order to service its clients and to support and maintain its panels. There are risks that the technology may fail, become unreliable or obsolete if PPL or its suppliers don't maintain an adequate level of re-investment.

#### Cybersecurity and IT infrastructure

To maintain its cybersecurity resilience, PPL conducts regular security testing and has worked with an external IT consultant to implement a framework to combat cybersecurity incidents. Amazon Web Services (AWS) is used for all infrastructure services providing access to comprehensive compliance controls. AWS supports and implements a number of security standards and compliance certifications, helping PPL to satisfy compliance requirements for all regulatory agencies around the world.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

## Financial Analysis

### Business Economics

PPL has delivered strong improvement in financial performance over the last 2-3 years. In FY22 the company recorded record revenue from continuing operations. Sales revenue was $41.7m (+39% on pcp), driven by strong growth from both new and existing clients in all markets. Revenue from the latter was up 30% on pcp, with average revenue per project expanding 13% in the period. This is a function of PPL's industry leading research solutions driving continuing client loyalty and share of wallet. Revenue from markets outside of Australia was up 48% as the company continues to expand global operations.

The core Data & Insights segment (including the SaaS platform) delivered equally strong sales of $35.5m (+39% on pcp). This was supported by a number of commercial appointments with strong research industry experience during the prior year.

Underlying EBITDA in FY22 was $4.0m (+28% on pcp of $3.1m). The underlying basis adjusts statutory EBITDA for significant/non-recurring items and share-based payment expense. Underlying EBITDA margins were slightly down in FY22 at 9.6% compared with 10.5% in the pcp. This was driven by increased re-investment in people, panels and technology to drive sustaining top-line growth in FY23 and beyond.

Reported NPAT was -$2.2m against $2.8m in the pcp. However, the prior year included a one-off gain on loan forgiveness amounting to $8.4m, partly offset by restructuring, acquisition and capital raising costs of $1.1m.

**Outlook**

In line with its corporate strategy, PPL is on track to expand its international operations into the larger UK, Europe and US markets, whilst continuing growth in Australia. The company will continue to invest in sales and operational capability in FY23, but balance this against maintaining strong positive operating cash flow.

PPL continues to drive internal efficiency with new systems, including a global project management system, a new feasibility tool and enhanced reporting for panel management. This delivers greater speed, client quality and operational efficiency.

Revenue in 1Q FY23 was +17% on pcp, and EBITDA $1.0m at an 8.3% margin. This was ahead of company expectations for the quarter, which was expected to be affected by continued investment in markets outside of Australia. PPL expects profitability to progressively increase over the balance of the financial year.

The record revenue for the quarter was attributed to strong growth in PPL's core Data and Insights business, from both new and existing clients across all markets, with survey volumes +7% on pcp. The pricing review implemented during 2H FY22 has positively impacted the business with the average revenue per survey completed increasing +17% on pcp. In aggregate, PPL has guided to revenue growth of $48-52m for FY23.

PPL noted that Q1 momentum sets it up for a strong FY23 and reiterated guidance for EBITDA margin to be 9-10% for the full year. In the longer term, we expect PPL to deliver increasing margins as it expands the revenue base, builds scale and leverages its reasonably fixed operating cost structure. We also expect improving gross margins driven by decreased reliance on external panels and increased yield (# surveys completed) from the internal panel. In addition, there is a margin opportunity from reducing the number of less profitable or marginal smaller clients/projects.

### Capital Management

PPL has engineered a significant turnaround in the last few years, after a period of losses and escalating debt. The company was recapitalised in late 2020 via a debt/equity swap and has since shifted focus from survival to sustainable growth. Strong free cash flow generation has allowed ongoing repair of the balance sheet, as well as investment in the business.

This investment has mainly comprised the establishment of new international offices, further development of the SaaS platforms, growth in market research panellists and upgrade of the company's technology. There has also been an extensive recruitment drive across the leadership, senior sales and marketing teams and support staff.

Net operating cash flow was again positive in FY22, at $3.9m (up 63% from $2.4m in the pcp). The strong cash performance was driven by the robust profit result as well as more proactive debt collection.

Cash at bank as at Jun 2022 reached $5.3m, with financial debt (including lease liabilities) down to $4.1m (so a net cash position of $1.2m). PPL expects full year FY23 operating cash flow to remain positive.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

## Valuation

We have modelled PPL's business based on its reported results to date and our understanding of the company's operations and strategy. Our forecasts are summarised in the appendix to this report. We have also completed a DCF valuation for PPL, based on our current forecasts. The valuation is presented in the chart below and arrives at an equity value of $0.079 per PPL share.

**It is important to note that our forecasts and valuation are based on a number of assumptions, which could vary significantly in nature, timing and magnitude from the estimates we have adopted. Some of the key assumptions are discussed below. Given the significant recent transformation of the company, there is naturally a high level of uncertainty surrounding any forecast assumptions, and accordingly our forecasts and valuation should be treated with due caution.**

**Fig. 9 – DCF Valuation**

| Year | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|---|
| EBIT | 1.3 | 3.2 | 5.2 | 8.0 | 9.0 | 9.9 |
| Depreciation & Amort | 3.4 | 3.6 | 3.8 | 3.9 | 4.1 | 4.3 |
| Tax | -0.3 | -0.9 | -1.6 | -2.5 | -2.9 | -3.2 |
| Adj for Net Int tax shield | -0.1 | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 |
| Inv in Net working capital | 0.4 | 0.3 | 0.3 | 0.4 | 0.2 | 0.2 |
| **Operating CF before financing** | **4.7** | **6.1** | **7.7** | **9.9** | **10.6** | **11.4** |
| | | | | | | |
| Capex | -0.1 | -0.1 | -0.1 | -0.1 | -0.1 | -0.2 |
| Inv in Intangibles | -3.5 | -3.7 | -3.9 | -4.1 | -4.3 | -4.5 |
| Inv in net other assets | -0.3 | -0.3 | -0.5 | -0.1 | -0.5 | -0.3 |
| **Free CF before financing** | **0.8** | **2.0** | **3.2** | **5.6** | **5.7** | **6.4** |
| Terminal Value [FCF*(1+g)/(WACC-g)] | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 133.5 |

| | | | |
|---|---|---|---|
| Risk free rate (Rf) | 3.75% | NPV of explicit free cash flow | $16.0 |
| Market risk premium (Rm-Rf) | 6.5% | NPV of terminal value | $77.3 |
| Beta (β) | 1.60 | **Total Company Value ($m)** | **$93.3** |
| Cost of equity capital (Ke) | 14.2% | | |
| | | Less Net Debt | $2.8 |
| Cost of debt (Kd) | 7.0% | Less Minority Interests | $0.0 |
| Corporate tax rate (Tc) | 30.0% | **Value of Equity ($m)** | **$96.2** |
| Target gearing [d/(d+e)] | 50.0% | | |
| WACC | 9.5% | Shares on Issue (EFPO) (m) | 1262.8 |
| | | Adj for notional conversion ($m) | 3.0 |
| Terminal growth rate (g) | 4.5% | **Value per share ($)** | **$0.079** |

Source: Pureprofile

The following key assumptions underpin our forecasts and valuation, together with the assumed valuation inputs shown above:

- Data & Insights APAC revenue growth of +9.2% CAGR over the next 5 years, driven by solid client growth, increasing numbers of surveys per client, as well as pricing gains.
- Data & Insights UK / EU / US revenue growth of +22.3% CAGR over the next 5 years, driven by international expansion, increasing numbers of surveys per client and also pricing gains.
- SaaS platform revenue growth of +12.6% CAGR over the next 5 years, driven by increasing surveys per client and pricing gains.
- Data & Insights EBITDA (including SaaS platform) expanding 2.2x over the same period as PPL benefits from strong revenue growth, gross margin gains, efficiency improvements and fixed cost leverage. We forecast EBITDA margin expansion of 3.4% points to 33.9% by FY27, notwithstanding ongoing reinvestment into the business.
- Pure.amplify Media AU revenue growth of +5.4% CAGR over the next 5 years, driven by growth in ad numbers combined with negligible pricing gains.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

- Pure.amplify Media AU EBITDA recording solid growth over the period with margins expanding around 1.8% points to 11.9% as PPL benefits from revenue and efficiency gains and further fixed cost leverage. Again, we assume some concurrent re-investment in the business.

- For Pure.amplify Media UK, we assume zero revenue and EBITDA contribution form FY23, following PPL's decision to exit this non-core loss-making business. In practice, the company may hold onto some of the revenue from this business, as it will seek to service the clients in question from within the Pure.amplify AU operations.

- Overall EBITDA margins expand 7.7% points over the relevant period to 17.3%, driven by the improvements in the individual segments plus the benefit of mix change as the higher margin D&I business grows faster than Pure.amplify Media.

- Non-cash charges previously identified by PPL are treated as non-recurring items.

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

## Appendix 1 – Board of Directors

### Martin Filz
**Managing Director and CEO**

Martin is one of the most well-respected and influential individuals in the market research industry and has held senior executive roles as Managing Director of EMEA and APAC at Research Now (now a part of Dynata) and CEO of EMEA / APAC at Kantar-owned, Lightspeed GMI. He joined Pureprofile from Eureka AI, a business intelligence platform, where he was Managing Director and Chief Revenue Officer.

Martin is active in digital and research bodies including the Association of Market and Social Research Organisations (AMSRO), ESOMAR, the Australian Market and Social Research Society (AMSRS), and the Interactive Advertising Bureau (IAB).

### Andrew Edwards
**Non-Executive Chairman**

Andrew has more than 30 years of marketing and executive leadership experience. Prior to joining Pureprofile, Andrew was Chairman and CEO of internationally renowned advertising and marketing agency, Leo Burnett Group UK and Ireland and President of Leo Burnett Central Europe. Andrew was also a Global Board Director with the specific remit of driving mergers and acquisitions in Europe, the Middle East, Africa and roll out of the group's social and mobile strategy.

Prior to his roles at Leo Burnett, Andrew ran Australia's most successful and awarded direct and database marketing company, Cartwright Williams. Andrew now focuses his time on Pureprofile and his portfolio of other business interests.

### Sue Klose
**Non-Executive Director**

Sue Klose is an experienced Non-Executive Director and executive, with a diverse background in digital business growth and operations, corporate development, strategy and marketing. Previously the Chief Marketing Officer of GraysOnline and COO of 12WBT, she brings deep experience in digital operations, marketing and brand strategy, and digital product development. As Director of Digital Corporate Development for News Ltd, Sue screened hundreds of potential investments, leading multiple acquisitions and establishing the CareerOne and CarsGuide joint ventures.

She is currently a Non-Executive Director of Envirosuite (ASX: EVS), Nearmap (ASX: NEA), Stride and Honan Insurance Group.

### Albert Hitchcock
**Non-Executive Director**

Albert Hitchcock was the Chief Technology and Operations Officer for Pearson, the world's leading learning company from March 2014 until January 2022. In this role Albert led Digital product development, Information technology, Operations encompassing Supply chain, Procurement, Customer service, Real Estate and shared services across Finance, HR and Technology. Albert spent a 28-year career in the technology industry working for BAE systems, Racal Electronics and Nortel Networks.

In January 2007 Albert joined Vodafone and was appointed into the role of Vodafone Group Chief Information Officer. Albert is currently a Non-Executive Director of Nationwide Building Society. Albert is a Fellow of the Institute of Engineering and Technology and a Chartered Engineer. Albert is based in London.

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

### Pureprofile  (PPL: A$0.042)

**Valuation data**

| Year ending Jun | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| EPS (c) | (0.3) | 0.0 | 0.1 | 0.2 | 0.3 |
| P/E ratio (x) | (13.2) | 278.8 | 62.4 | 21.4 | 12.5 |
| P/E relative | | | | | |
| EPS growth (%) | | -105% | 347% | 191% | 72% |
| | | | | | |
| EV / EBIT (x) | 0.0 | 66.7 | 39.7 | 16.0 | 9.8 |
| EV / EBITDA (x) | 0.0 | 12.6 | 10.8 | 7.5 | 5.7 |
| | | | | | |
| CFPS (c) | 0.2 | 0.4 | 0.4 | 0.6 | 0.7 |
| Price / CF (x) | 0.0 | 11.9 | 9.6 | 7.3 | 5.8 |
| | | | | | |
| DPS (c) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Yield (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Franking (%) | 0% | 0% | 0% | 0% | 0% |
| | | | | | |
| NTA per share | $0.01 | $0.01 | $0.02 | $0.02 | $0.02 |
| Pr / NTA | 3.4 | 3.0 | 2.6 | 2.4 | 2.1 |

**Profit and loss ($m)**

| Year ending Jun | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| Sales revenue | 30.0 | 41.7 | 49.8 | 57.0 | 63.2 |
| *growth over pcp* | 0.0% | 39% | 19% | 14.5% | 10.9% |
| EBITDA | 3.1 | 4.0 | 4.7 | 6.7 | 8.9 |
| Dep'n and amort'n | (3.7) | (3.2) | (3.4) | (3.6) | (3.8) |
| EBITAg | (0.6) | 0.8 | 1.3 | 3.2 | 5.2 |
| Goodwill amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | (0.6) | 0.8 | 1.3 | 3.2 | 5.2 |
| *growth over pcp* | | -225% | 68% | 148% | 64% |
| Net interest expense | (2.7) | (0.5) | (0.2) | (0.1) | 0.1 |
| Pre-tax profit | (3.3) | 0.3 | 1.1 | 3.1 | 5.3 |
| Tax | (0.0) | (0.1) | (0.3) | (0.9) | (1.6) |
| *Effective tax rate* | -1.3% | 36.6% | 30.0% | 30.0% | 30.0% |
| Preference dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share of assoc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CCR adjustments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CCR adj profit | (3.4) | 0.2 | 0.7 | 2.2 | 3.7 |
| | | | | | |
| Reported profit (pre abn) | (3.4) | 0.2 | 0.7 | 2.2 | 3.7 |
| Abn / extra's (after tax) | 6.2 | (2.3) | 0.0 | 0.0 | 0.0 |
| Reported net profit | 2.8 | (2.2) | 0.7 | 2.2 | 3.7 |

**Profitability ratios**

| Year ending Jun | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| EBITDA / sales (%) | 10% | 9.6% | 9.4% | 11.8% | 14.2% |
| EBITAg / sales (%) | -2% | 1.8% | 2.6% | 5.5% | 8.2% |
| EBIT / sales (%) | -2% | 1.8% | 2.6% | 5.5% | 8.2% |
| Return on assets (%) | -3% | 2.3% | 4.4% | 9.2% | 13.5% |
| Return on equity (%) | -90% | 4% | 14.6% | 30% | 33.9% |
| Dividend cover (x) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**Liquidity and leverage ratios**

| Year ending Jun | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| Net debt / (cash) ($m) | 1.5 | (1.2) | (2.8) | (5.7) | (9.8) |
| Debt / equity (%) | 136.4% | 94.9% | 68.6% | 20.9% | -15.9% |
| Net debt / equity (%) | 39.8% | -26.6% | -55.2% | -78.5% | -88.8% |
| Interest cover (x) | | 1.5 | 6.0 | 52.4 | 35.7 |

**Segments ($m)**

| | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| Data & Insights | 25.7 | 35.5 | 44.6 | 51.5 | 57.4 |
| Pure.amplify Media AU | 3.3 | 4.9 | 5.2 | 5.5 | 5.8 |
| Pure.amplify Media UK | 1.1 | 1.3 | 0.0 | 0.0 | 0.0 |
| Corporate | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sales revenue | 30.0 | 41.7 | 49.8 | 57.0 | 63.2 |
| Data & Insights | 9.0 | 10.8 | 13.3 | 15.8 | 18.4 |
| Pure.amplify Media AU | 0.2 | 0.5 | 0.5 | 0.6 | 0.6 |
| Pure.amplify Media UK | (0.1) | (0.1) | 0.0 | 0.0 | 0.0 |
| Corporate | (6.0) | (7.3) | (9.1) | (9.6) | (10.1) |
| EBITDA | 3.1 | 4.0 | 4.7 | 6.7 | 8.9 |

**Cashflow ($m)**

| Year ending Jun | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| EBIT | (0.6) | 0.8 | 1.3 | 3.2 | 5.2 |
| Net interest paid | (2.7) | (0.5) | (0.2) | (0.1) | 0.1 |
| Dep'n and amort'n | 3.7 | 3.2 | 3.4 | 3.6 | 3.8 |
| Tax paid | (0.0) | (0.1) | (0.3) | (0.9) | (1.6) |
| Dividends from assoc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gross cash from op'n | 0.4 | 3.4 | 4.2 | 5.7 | 7.5 |
| (Inc) / dec in wk'g cap | 1.5 | 0.4 | 0.4 | 0.3 | 0.3 |
| Other | 0.5 | 0.1 | 0.7 | 0.6 | 0.5 |
| Operating cashflow | 2.4 | 3.9 | 5.2 | 6.7 | 8.3 |
| *Investing cashflows* | | | | | |
| Capital expenditure | (2.0) | (2.3) | (0.1) | (0.1) | (0.1) |
| Asset sales | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Investments / Divestments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | (3.5) | (3.7) | (4.1) |
| *Financing cashflows* | | | | | |
| Equity raised | 12.3 | 0.5 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Chg in loans | (10.8) | (0.5) | (0.6) | (2.0) | (3.3) |
| Other non-op flows | (0.0) | (0.0) | 0.0 | 0.0 | (0.0) |
| Net chg in cash | 1.9 | 1.7 | 1.0 | 0.9 | 0.8 |

**Balance sheet ($m)**

| Year ending Jun | 2021 | 2022 | 2023f | 2024f | 2025f |
|---|---|---|---|---|---|
| Cash | 3.6 | 5.3 | 6.3 | 7.2 | 8.0 |
| Receivables | 5.7 | 7.0 | 8.3 | 9.5 | 10.6 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current assets | 9.3 | 12.3 | 14.6 | 16.8 | 18.6 |
| Net PPE | 2.1 | 1.2 | 1.2 | 1.2 | 1.2 |
| Investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other intangibles | 6.2 | 5.8 | 5.9 | 6.2 | 6.4 |
| Other | 1.7 | 1.8 | 1.8 | 1.8 | 2.0 |
| Non-current assets | 10.1 | 8.8 | 8.9 | 9.2 | 9.7 |
| Total assets | 19.4 | 21.0 | 23.6 | 25.9 | 28.2 |
| | | | | | |
| Debt | 5.1 | 4.1 | 3.5 | 1.5 | (1.7) |
| Payables | 7.2 | 8.9 | 10.6 | 12.1 | 13.4 |
| Other | 3.4 | 3.7 | 4.4 | 5.0 | 5.5 |
| Total liabilities | 15.7 | 16.7 | 18.4 | 18.6 | 17.2 |
| Equity / reserves | 24.5 | 27.3 | 27.3 | 27.3 | 27.3 |
| Retained profits | (20.8) | (22.9) | (22.2) | (20.0) | (16.3) |
| Total s/h funds | 3.7 | 4.4 | 5.1 | 7.3 | 11.0 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total funds emp. | 19.4 | 21.0 | 23.6 | 25.9 | 28.2 |

Model summary as at 23/12/22

# RESEARCH REPORT

## Pureprofile (PPL)
Research driven consumer insights enabling targeted digital marketing strategies

### ANALYST DISCLOSURE AND CERTIFICATION

Analyst remuneration is not linked to the research or rating outcome. Where financial products are mentioned, the Analyst(s) may hold the financial product(s) referred to in this document, but SWM considers such holdings not to be sufficiently material to compromise the recommendation or advice. Analyst holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their personal, professional opinion about the matters and financial product(s) to which this document refers.

### GENERAL ADVICE WARNING, DISCLAIMER AND DISCLOSURE