

A light gray, semi-transparent world map is centered in the background of the slide, showing the outlines of continents and major landmasses.

Appen Limited

Annual General Meeting

27th May 2016

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A light gray, stylized world map is centered in the background of the slide, showing the outlines of continents.

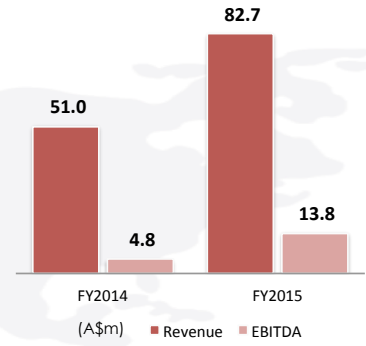
CEO presentation

Company snapshot

Appen (APX) is a global language technology company with operations in Australia, the US and The Philippines

Strong growth in 2015

~A\$190M market capitalisation¹



Customers include the world's leading technology companies, auto makers and governments

Covering over 130 countries and 180 languages

230 employees and over 350,000 on-demand global crowd

1. At 25th May 2016



Appen's high quality data is critical to automatic speech recognition, used by the world's leading technology companies and government security agencies



Appen supports major ecommerce vendors to improve their search accuracy and make shopping easier, improve conversion rates and grow business

Appen works with leading search and social media companies deliver relevant content and news



Appen helps the world's leading vehicle makers develop hands-free, voice-activated systems for safer driving



Appen works with gaming console providers for voice activated commands that enhance the player's experience



Positioned for growth

Leading position in high growth language technology and machine learning markets underpinned by deep linguistic and crowd-sourcing capabilities

Global customer base of the world's leading technology companies, auto manufacturers and governments

Scalable business model including variable cost base and on-demand crowd for global deployment at strong margins

Strong balance sheet with no debt provides a solid foundation for growth

Full year results (A\$m)

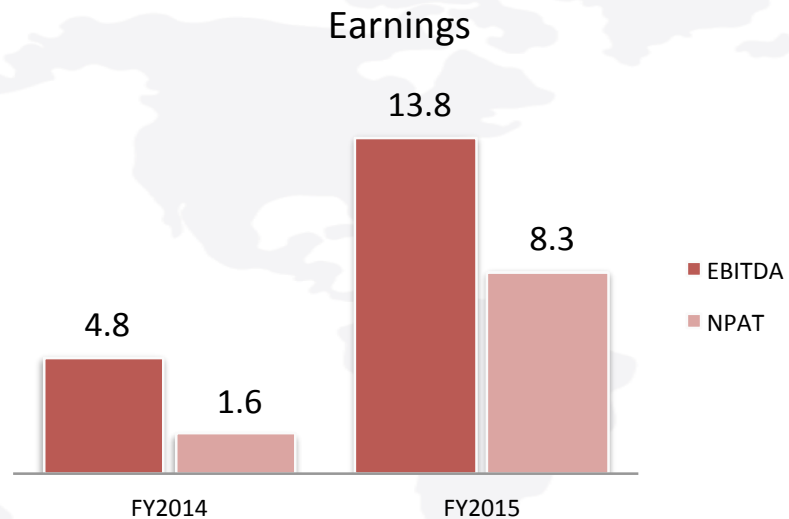
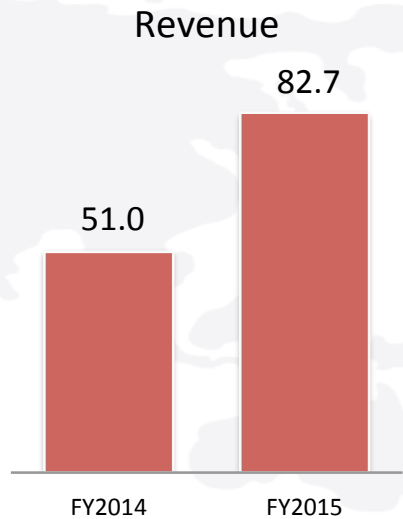
Revenue up 62%

EBITDA up 189%

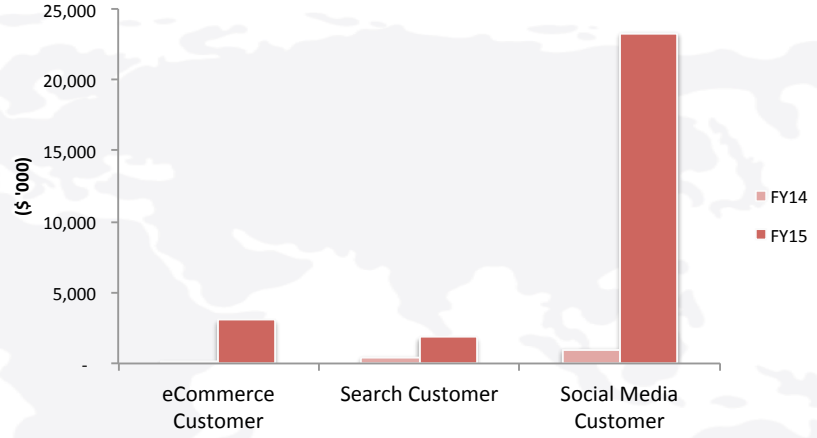
NPAT up 414%

Pro forma EBITDA up 110%

Pro forma NPAT up 136%



New revenue growth



Revenue in FY2015 from customers won after successful pilots in FY2014

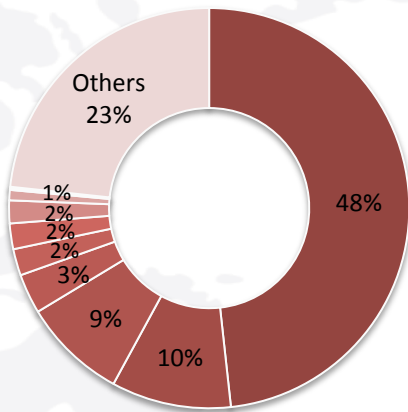
Customers won through successful pilots in FY2014 provided substantial revenue in FY2015

Improved customer diversification

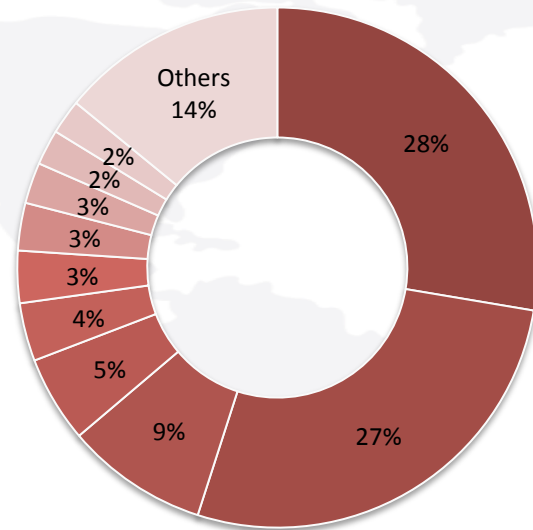
Improved revenue distribution across top ten customers

No single customer > 28%

FY2014



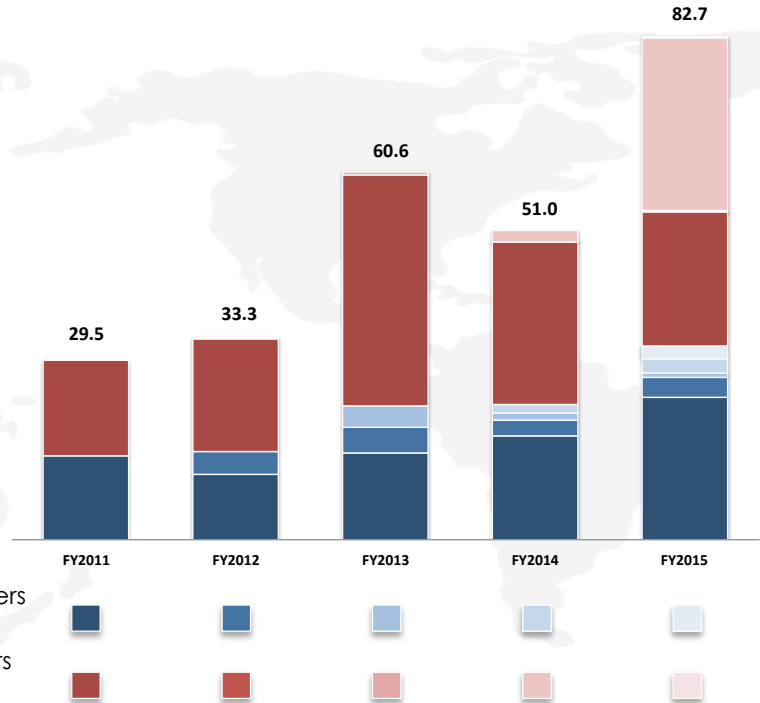
FY2015



Percentage of revenue from top ten customers in FY2014 and FY2015

Repeat revenue

Appen maintains long and growing relationships with customers that drive repeat revenue year-on-year



Strong growth from both divisions (A\$m)

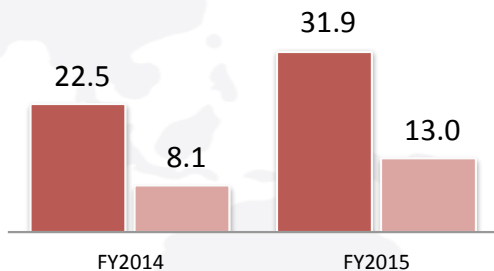
Language Resources
revenue up 42%

Improvement on high margins

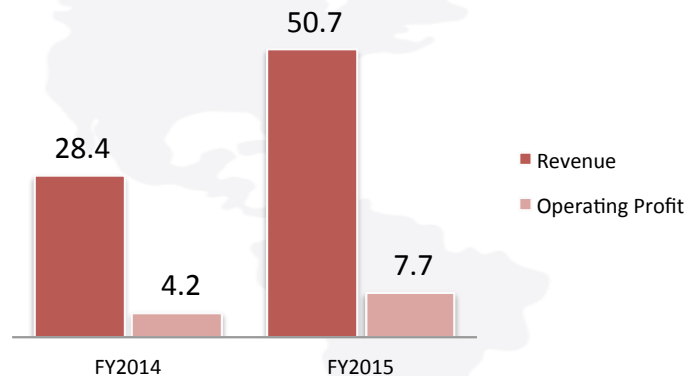
Content Relevance
revenue up 78%

Operational scalability from
offshoring and technology

Language Resources

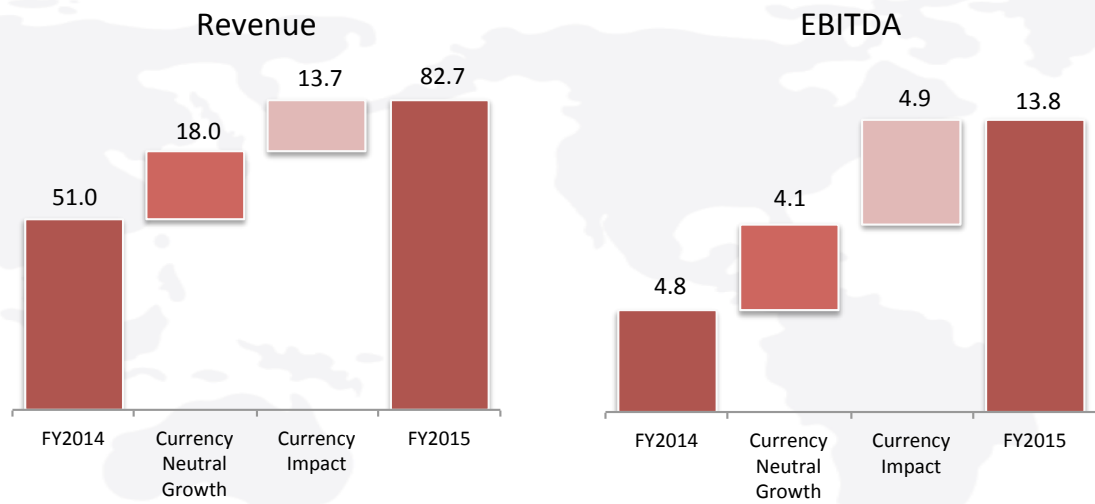


Content Relevance



Currency impact (A\$m)

Results have benefited from the falling AUD



People and culture

Employee satisfaction high at 90%

Turnover low at 13%

230 employees, up from 150 in FY2014

Over 350,000 crowd-sourced on-demand independent contractors worldwide

180 languages and dialects

Rated in Flexjobs Top 100 companies for remote work

Active in-house Corporate Social Responsibility program



Full year results (A\$m)

	FY2015	FY2014	% change	% change constant currency
Statutory Results				
Language Resources	31.9	22.5	42%	
Content Relevance	50.7	28.4	78%	
Total Revenue	82.7	51.0	62%	35%
EBITDA	13.8	4.8	189%	85%
EBITDA Margin	17%	9%		
NPAT	8.3	1.6	414%	144%
Pro Forma Results*				
EBITDA	14.0	6.7	110%	48%
NPAT	8.5	3.6	136%	38%

Revenue up 62% on FY2014

Language Resources up 42%

Content Relevance up 78%

EBITDA up 189% (Pro forma up 110%*)

Margin improvement due to operational scalability underpinned by offshoring and technology

NPAT up 414% (Pro forma up 136%*)

*Pro forma results exclude one-off expenses associated with the IPO and other non-recurring items

Balance Sheet (A\$m)

	FY2015	FY2014
Current Assets	30.3	18.9
Non-Current Assets	11.7	11.2
Total Assets	42.0	30.1
Current Liabilities	11.4	9.3
Non-current Liabilities	1.9	1.2
Total Liabilities	13.3	10.5
Net Assets	28.7	19.6
Total Equity	28.7	19.6

Strong balance sheet. No debt.

Current assets up due to increase in cash reserves and receivables related to increase in revenue volumes

Interim dividend of 1.2 cents per share fully franked

Final dividend of 3.0 cents per share fully franked

Total dividend for year of 4.2 cents

Cash Flow (A\$m)

	FY2015	FY2014
Receipts	72.5	58.8
Payments and other	(67.6)	(49.6)
Cash flow from operations before interest and tax	4.9	9.2
Taxes	(0.9)	(0.9)
Total Cash flow from Operations	4.0	8.3
Cash flows - Investment Activities	(0.6)	(11.4)
Cash flows - Financing Activities	(0.5)	5.3
Net Cash flow for the period	2.9	2.2
Opening cash balances	8.6	5.8
FX Impact	1.2	0.6
Closing cash balances	12.7	8.6

Cash balance increased by \$4.1m

Cash flow from operations impacted by:

Working capital investment relating to increased sales volume

IPO payment of \$1.3m

Cash flow reconciliation (\$m):

EBITDA	13.8
Working capital (Balance Sheet movement)	(6.2)
Payment of IPO costs not going through P&L	(1.3)
FX impact	(1.2)
Other	(0.2)
Cash flow from operations before interest and tax	4.9

Outlook - Pipeline

FY2016 orders in hand over \$75m at end April 16

Pipeline continues to build:

- Successful conversion of a key pilot to production

- Large pilot secured in a major technology company

- Re-signed contracts with major social media and security clients

Full year outlook for earnings growth trending to high teen percentages and above

- Outlook susceptible to timing of work from major customers and a stronger Australian dollar (outlook at 76c)

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Thank you

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