



RNTS MEDIA

**2015 Full Year Results**

14 April 2016

# Agenda

- Overview
- Financial Review
- Growth Drivers
- Strategy and Corporate Milestones
- Summary
- Q & A

**Our mission is to fuel the app economy by creating solutions  
for smarter ad monetization**

**2015**



Invested for growth

**2016**



Deliver growth targets:  
€200m+ run-rate by the  
end of the year

**2017**



Scaling towards  
break-even

# Highlights 2015

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## **Re-positioned RNTS Media in line with strategic vision**

- 100% focus on mobile advertising technology
- Discontinued non-core assets

## **Strengthened the capabilities of Fyber**

- Acquisition and integration of Falk Realtime
- Expansion of global reach to over half a billion monthly active users
- Launch of many new features and ad formats addressing central market trends

## **Secured funding to pursue growth strategy**

- €100m convertible bonds issue

## **Enhanced corporate governance**

- Listing upgrade to Prime Standard of Frankfurt Stock Exchange
- Expansion of Management Board & key senior management hires
- Nomination of new Supervisory Board members

# Financial Review



# Investing to accelerate revenue growth

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€m	2015	2014	Change
Revenue	81.1	64.0	27%
Gross margin %	30.0%	38.1%	-8.1 pp
Adjusted EBITDA	-13.7	0.7	n/m
Adjusted basic loss per share	-14c	-4c	n/m

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- Realigned RNTS as a leading pure ad tech play
- Investment in technology, sales and acquisitions
- Profitability will be driven by scale – the foundations of which have been laid in 2015

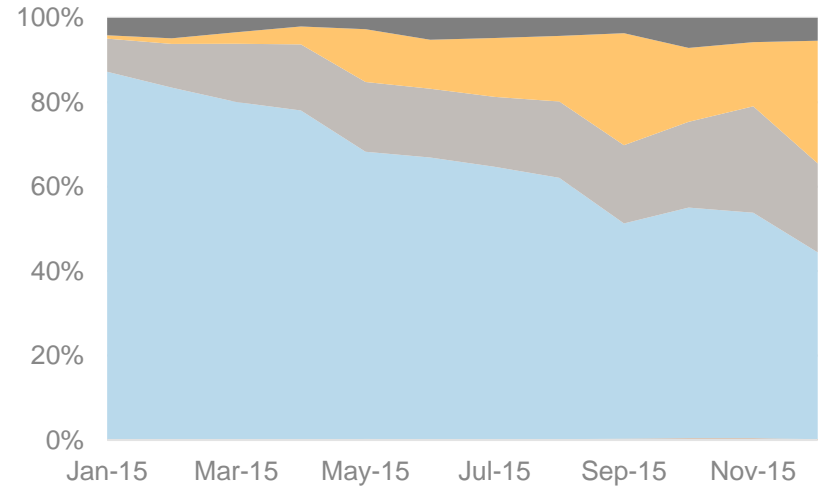
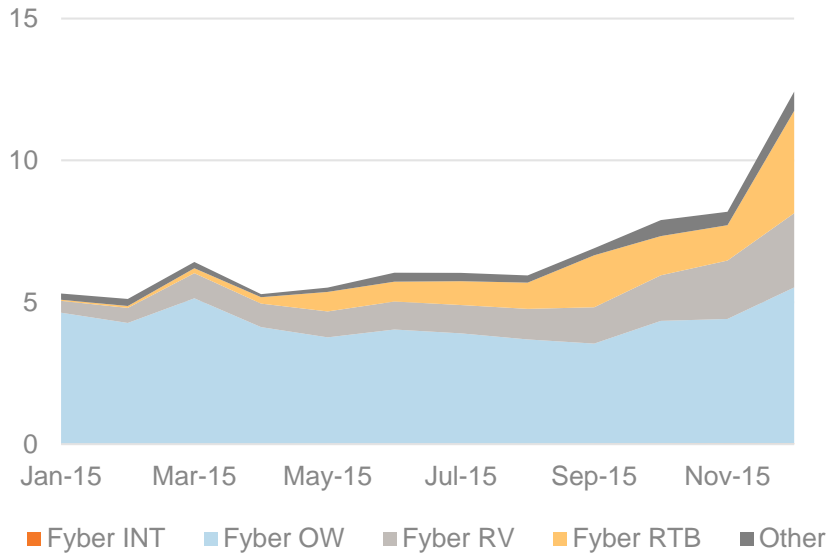
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Note: Pro-forma results show the financials of the Group as if Fyber had been acquired on 1 January 2014  
Results adjusted to exclude separately disclosed items as explained in the notes to the consolidated financial statements.

# Revenue Diversification

## Monthly gross revenue by source

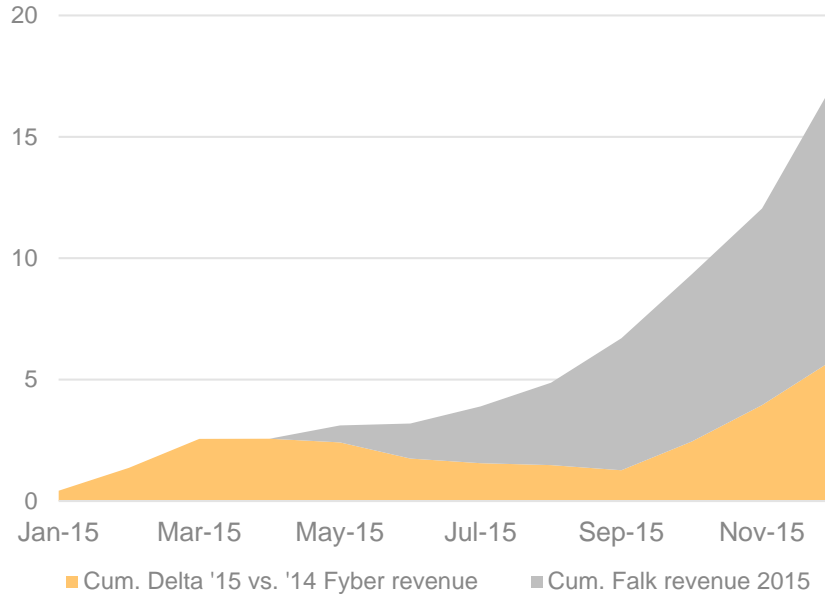
€m



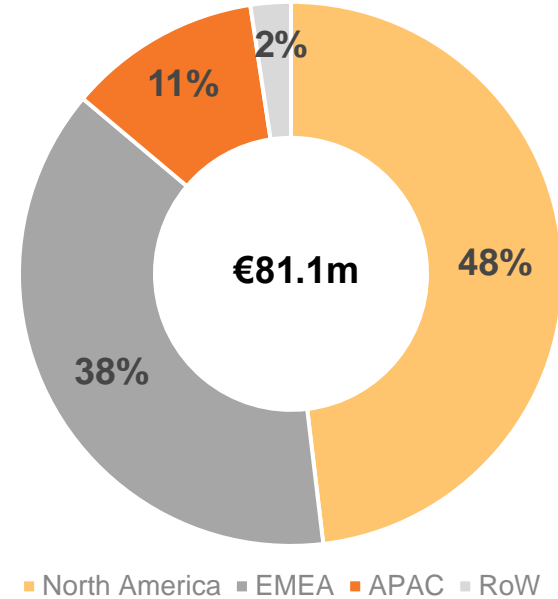
Note: INT, OW and RV all provided by Fyber | Fyber RTB is the total of all programmatically monetized traffic across formats

# Revenue Diversification

## Revenue variance to 2014



## Revenue by geography





# Pro-Forma Financial Results, 2015

€m	2015	2014	Change
Revenue	81.1	64.0	27%
Gross margin %	30.0%	38.1%	-8.1 pp
Adjusted personnel costs	-23.0	-12.6	83%
Adjusted other operating expenses	-20.0	-13.6	48%
Adjusted other operating income	4.9	2.4	104%
Adjusted EBITDA	-13.7	0.7	n/m
Adjusted D&A	-1.4	-2.2	-36%
Net interest	-3.4	-0.5	n/m
Tax	2.3	0.2	n/m
Adjusted loss after tax	-16.2	-1.8	n/m
Adjusted basic loss per share	-14c	-4c	n/m

Note: Pro-forma results show the financials of the Group as if Fyber had been acquired on 1 January 2014  
Results adjusted to exclude separately disclosed items as explained in the notes to the consolidated financial statements.

# Cash Flow Statement 2015

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- Net Cash Flow from operating activities was €-12.6m and thus €-6.0m lower than in 2014
- Capital Expenditure amounted to €-6.3m both for investment into equipment (€-3.5m; mainly for data center expansion) and capitalized development work (€-2.8m)
- Acquisition related investment amounted to €-10.5m for 100% of the shares of Falk Realtime
- Financing activities have generated €88.5m – the proceeds of the Convertible Bonds net of repayment of previously used short- and long-term borrowings

# Separately Disclosed Items Pro-Forma, 2015

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€m	2015
Discontinued operations (Big Star Global)	-14.4
Non-cash accounting charges for stock options, warrants etc.	-2.6
Amortization of acquisition intangibles	-2.5
Listing upgrade and other non-recurring income and costs for all Group companies	-1.7
Transaction costs related to acquisitions	-1.2
Related tax effects of the items listed above	0.7
<b>Total</b>	<b>-21.7</b>

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# Financial Position and Financing

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- Financial position
  - €79.1m of cash in Dec 2015 reflecting the proceeds from the Convertible Bonds placed in 2015
- Available Financing
  - €50.0m of Convertible Bonds not yet placed
  - €37.0m of Sapinda Invest Rolling Credit Facility until April 2017
  - \$8.0m of Silicon Valley Bank working capital facility until Sept 2016 – negotiations on replacement have already started
  - Both facilities are not drawn

# Major Financial Commitments

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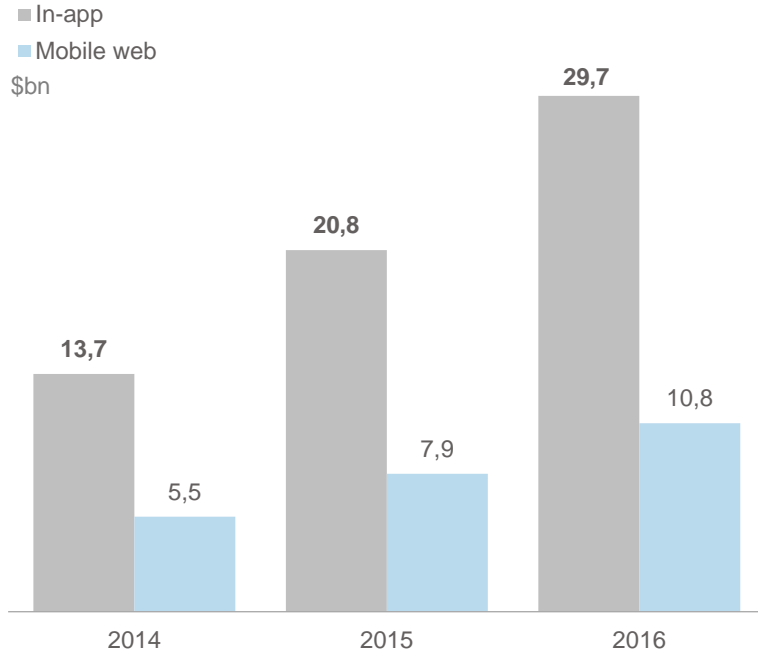
- Next 12 months
  - \$46.0m due at Closing of the Inneractive transaction – early May
  - Up to €20.0m in earn-out and retention payments until H1 2017 for both Heyzap and Inneractive

# Growth Drivers

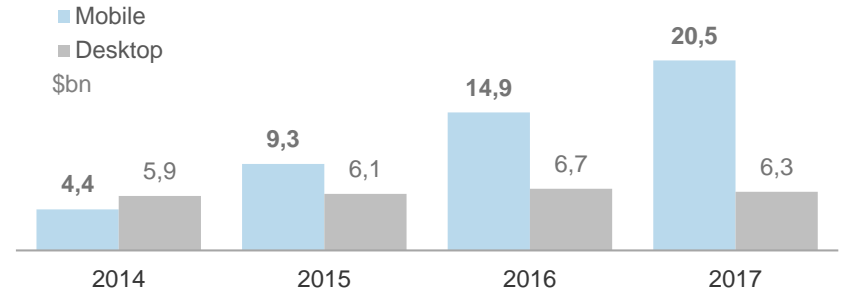


# Significant Market Opportunity

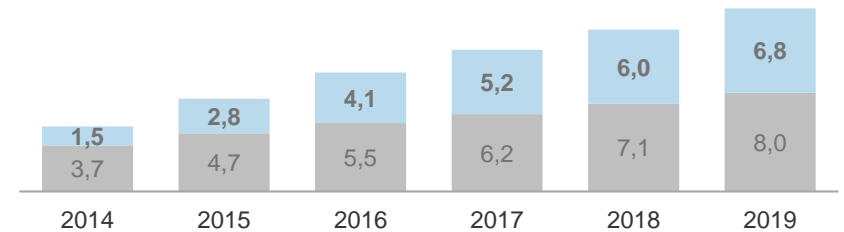
## Mobile in-app ad spending outpacing web 3-to-1



## Shift to programmatic trading with mobile taking major share

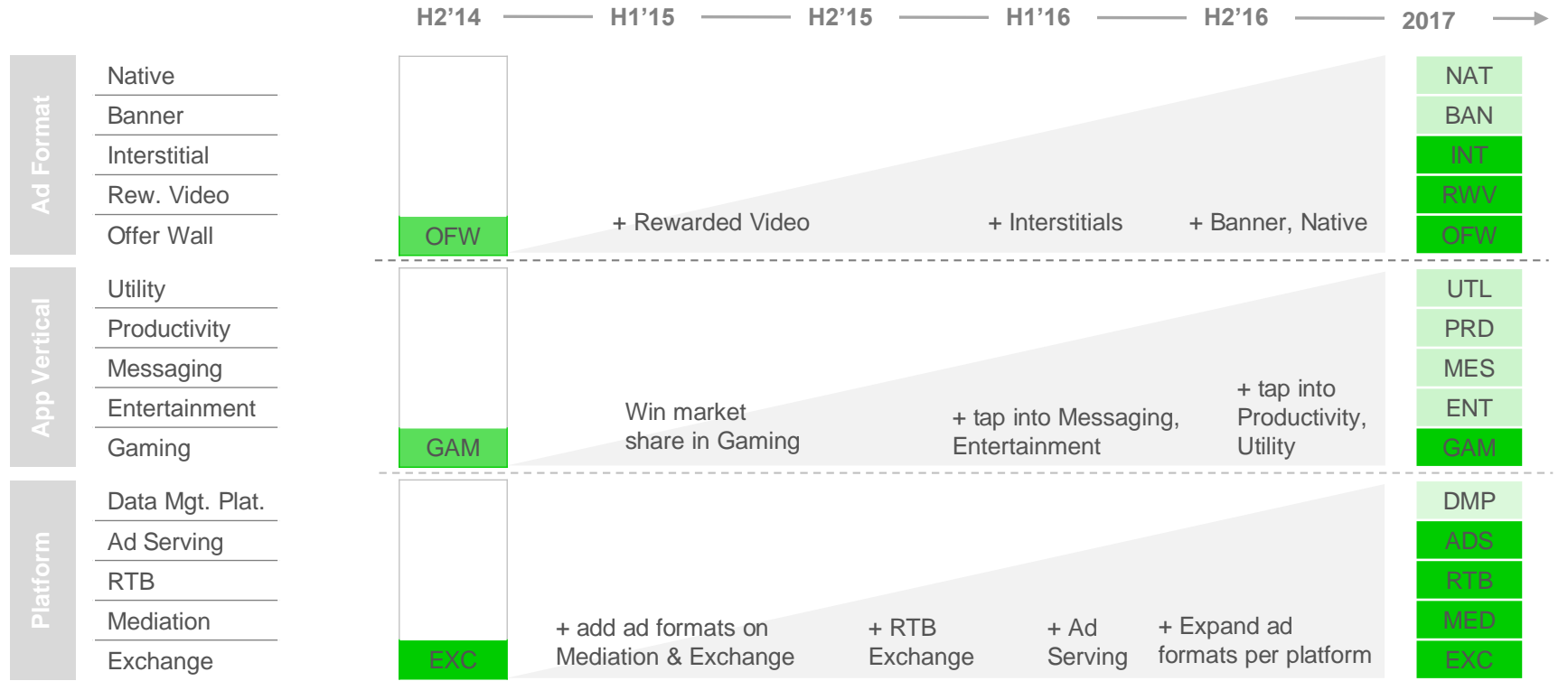


## Strong growth of mobile video ad spending



Note: eMarketer Mar 2015, Oct 2015; based on US market only

# Three Primary Dimensions driving Growth





# Strategy and Corporate Milestones



# Pillars of Success

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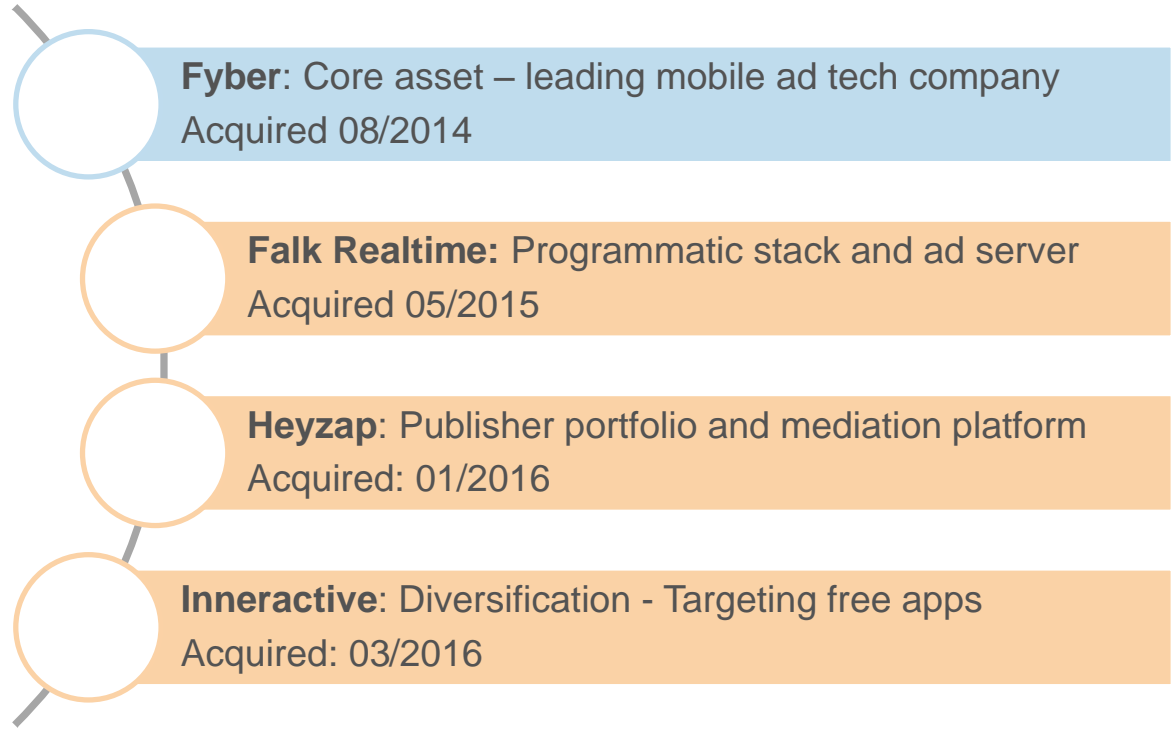
- Comprehensive product & tech offering in all relevant ad formats
- Meaningful reach and scale in addressable publisher verticals
- Open access to relevant demand sources via unified platform

# Milestones To Date

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Listing upgrade  
Placement of convertible bonds  
Management extension



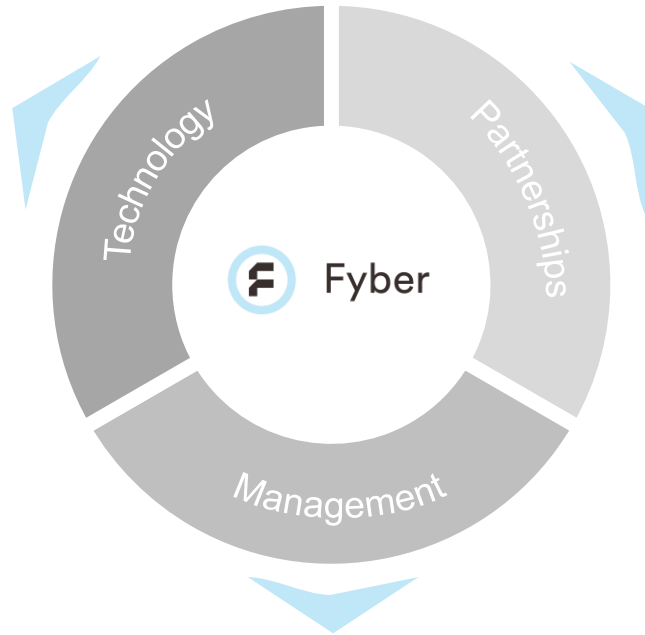
Note: Inneractive acquisition signed in 03/2016, closing expected in Q2/2016

# Fyber – Centerpiece of RNTS' Ad Tech Strategy

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Independent scalable platform, focus on app developer needs

Berlin based R&D center



Direct-to-publisher

Deep technical lock-in, creating long-term client relationships

Process, structure, systems, management bench to support an enlarged group

# Falk Realtime – Fast-Track to RTB, Programmatic

## Rationale

- Added programmatic trading and ad serving capabilities to Fyber’s tech stack
- Broadening partnerships on demand side, adding programmatic buyers
- Expanding addressable market to large media companies and O&O apps on supply side

## Integration Strategy and Progress

- Strong growth of stand alone business since acquisition (avg. + 50% MoM revenue growth; 0.9x revenue multiple for FY15)
- Integration of technology into Fyber platform on schedule, re-branded as Fyber RTB
- Retained entire team, appointed former Falk CTO and co-founder Henrik Basten to Group CTO at Fyber



### Targeted growth dimensions

Ad format 

App vertical 

Platform 

# Heyzap – Leadership in Freemium App Monetization

## Rationale


- Market leading position in Mediation, combined 500m+ MAU
- Expansion of publisher client base
- Step-function growth in ad spend under management
- Heyzap clients benefiting from improved monetisation capabilities of Fyber's ad exchange

## Integration Strategy

- Immediate, full integration
- Adding R&D tech hub in San Francisco
- Smooth and timely client transition key to success, reflected in earn-out structure



### Targeted growth dimensions

Ad format 

App vertical 

Platform 

# Inneractive – Diversification & Global Scale

## Rationale

- Diversify ad formats to native, banners on Exchange platform
- Expand addressable market to display oriented publisher verticals
- Expand network of DSPs connected to the Group's exchanges
- Leverage Inneractive's 3rd Party traffic for Fyber's direct demand

## Integration Strategy

- No immediate organisational and/or technical integration planned
- Strengthen Inneractive's and Fyber's demand by connecting both exchanges



### Targeted growth dimensions

Ad format	
App vertical	
Platform	

# Outlook 2016

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## **Focused execution of ad tech centric growth plan**

- Integrate acquired assets
- Deliver on Fyber's, Inneractive's product roadmaps
- Leverage organic growth with post-acquisition revenue synergies

## **Improving EBITDA performance**

- Drive scale – revenue growth from the existing infrastructure
- Increase take-rate by the introduction of higher value products
- Beneficial mix effects from the acquisition of Inneractive

**Targeting 2016 pro-forma Group revenues in excess of €160m;  
Revenue run-rate of €200m+ by the end of the year**



# Q&A





**Thank you!**

# Disclaimer

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