

# Datalex

RESULTS  
2016



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At a Glance

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**FORWARD LOOKING STATEMENTS**

Some statements in this presentation are forward looking. They represent expectations for Datalex's business and involve risks and uncertainties. Datalex has based these forward-looking statements on current expectations and projections about future events. Datalex believes that expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond Datalex's control, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.



# 2016 Review

Aidan Brogan, CEO

**Datalex**  
You get a better view of people from here.

**A Market Leader in Digital Commerce for Travel Retail**  
Our software enables airlines to adapt  
faster and better to the ever changing needs  
of customers.

# At a Glance



## Global Scale & Reach

>500

Global travel retail experts  
5 office locations across 4 continents  
Highest growth markets e.g. China

## Enabling a Digital Marketplace

>1Bn

Shoppers use our software to shop for their travel needs.

## Product Strength & Innovation

\$20Bn

Passenger revenues transacted through our platform.

## Installed Customer & Partner Base

50+

Global brand customers & partners

2016

We continued to successfully deliver on our strategy for growth and the creation of shareholder value, with double digit growth across the key metrics of revenue, Adjusted EBITDA and cash, while undertaking significant investment to drive future growth.

# 2016 Highlights

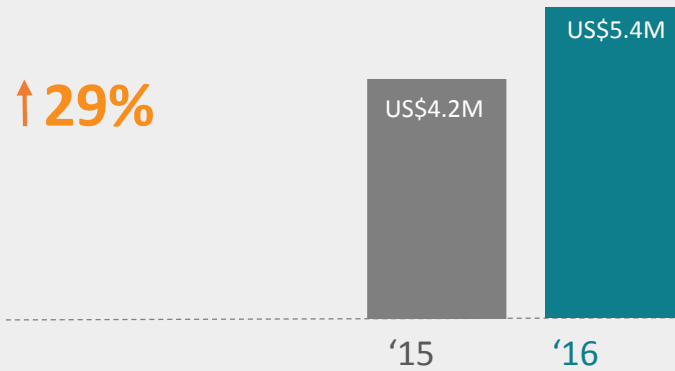
Total Revenue



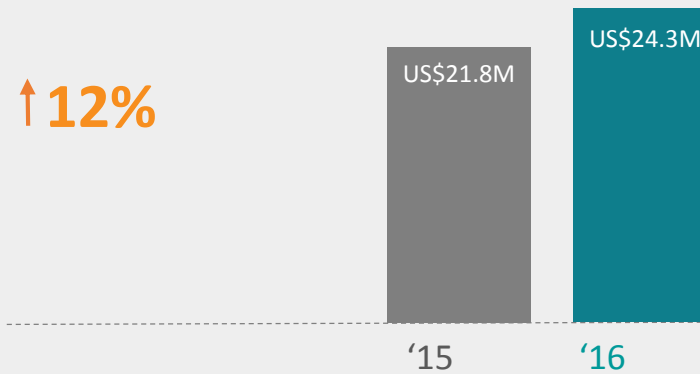
Adjusted EBITDA



Profit after tax



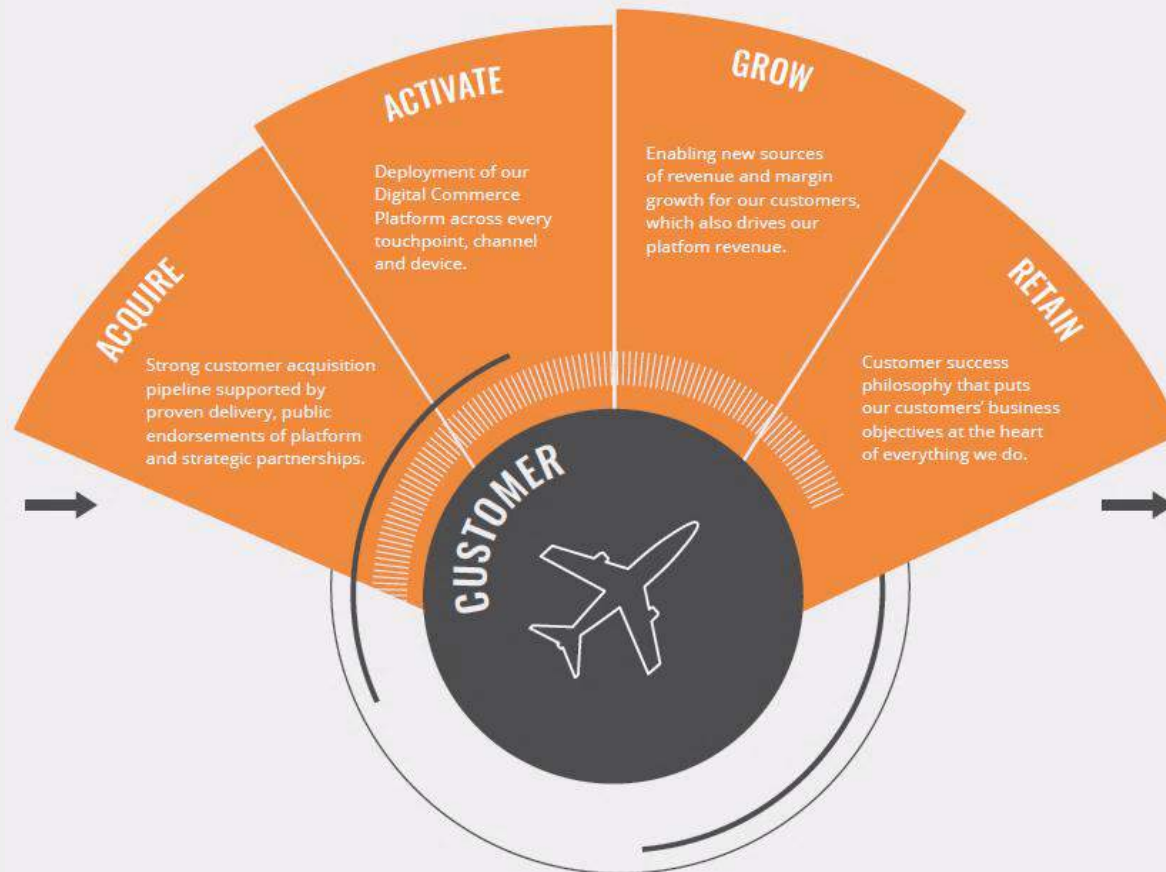
Cash



# Strategy & Business Model

## Strategic Pillars

-  PERFORMANCE SUCCESS
-  CUSTOMER SUCCESS
-  PARTNER SUCCESS
-  PRODUCT SUCCESS
-  PEOPLE SUCCESS



Customer Success is the foundation of our business model. Our products and services are increasingly critical to customer engagement and ultimately to both customers' performances and our own.

## Investment & Returns

Our business model generates value for all stakeholders including:

**REVENUES**  
**19%**  
to US\$55.3m


**GROWTH**  
**27%**  
Basic EPS to 7.22 US cent

**18%**  
Increase Adjusted EBITDA to US\$12.2m

**SHAREHOLDERS' RETURNS**  
**>US\$10M**  
Dividends 2014 – 2017

**EMPLOYEES**  
**>80**  
New employees in 2016

# 2016 Business Highlights

 PERFORMANCE SUCCESS

- Double-digit growth across all key metrics of revenue, Adjusted EBITDA and cash and short term investments
- Balancing performance with investment in future growth

18% Growth in Adjusted EBITDA

 CUSTOMER SUCCESS

- Continued validation of market leader position
- Lufthansa Group, Europe's largest group of airlines
- Swiss International Air Lines
- HNA Group

15% Growth in Platform Revenue

 PARTNER SUCCESS

- IBM Watson Partnership accelerates digital commerce innovation
- Neusoft partnership extends China market reach
- JetBlue Technology Ventures – Innovation Lab partnership
- Agility Partner Network: Growing ecosystem of users

Expanding Market & Product Reach

 PRODUCT SUCCESS

- System performance & scale
- Dynamic pricing, merchandising & payments
- API First / Cloud – Open systems supports growing ecosystem of partner users
- Setting technology standards to enable Future of Travel Retail (IATA)

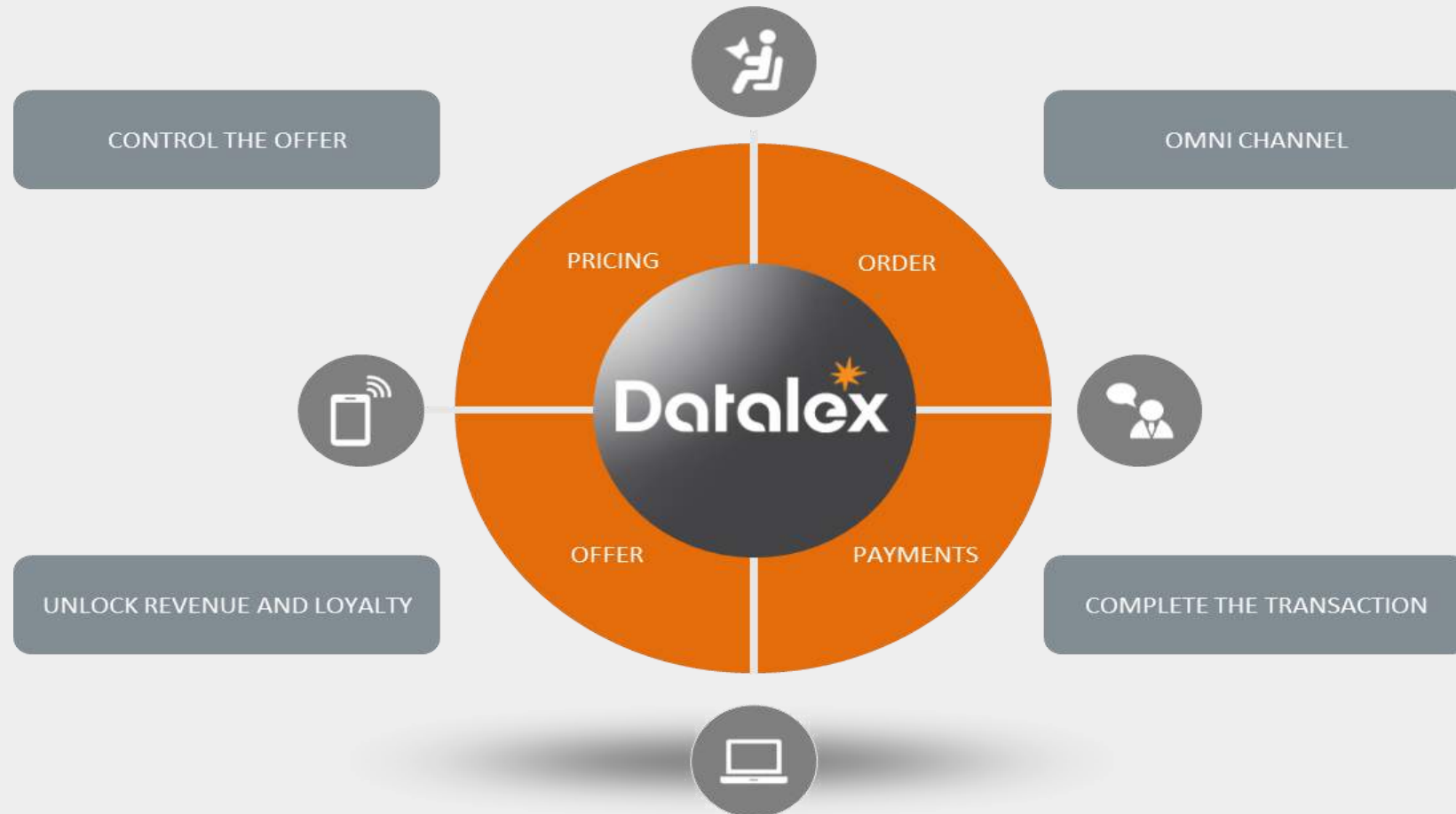
>1Billion Shoppers Worldwide

 PEOPLE SUCCESS

- New leadership appointments
- Flexible outsource resourcing model
- Expansion across global markets
- Continued investment in organisation development for development and retention of world class talent

>80 Global New Expert Hires

# Product Strength & Innovation



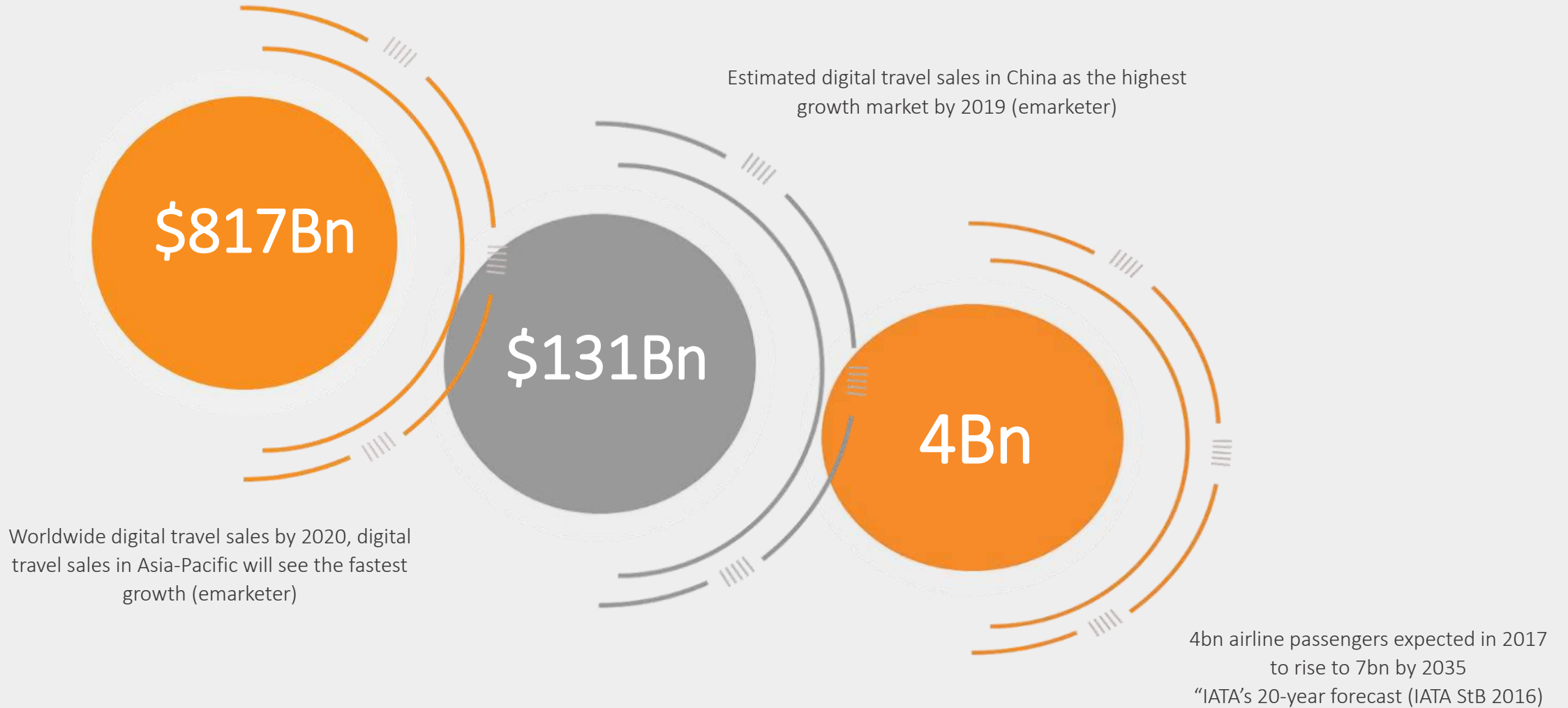
A UNIQUE STRATEGIC ASSET FOR AIRLINES

## Market Review

*“Airlines require distribution platforms that allow them to actively and nimbly retail their products with the same control, flexibility and detail as any other online retailer.”*

IATA Future of Distribution Report 2016-2021

# Digital Economy Disrupts



Airline revenue and margin expansion  
demands retail agility and pace



**Products & Services**



**Revenue Optimisation**



**Customer Centric Retail**

# The Winners enabled by Datalex Digital Commerce

“Aer Lingus continues to be profitable, driven by our hybrid strategy (short/long haul) and Datalex provides the retail and innovation layer that integrates with our legacy PSS system“

Stephen Kavanagh, CEO, Aer Lingus

“Digital is core to our future and Datalex is a key partner enabling Brussels Airlines to deliver innovative and tailored solutions to our guests.“

Simon Lamkin, CIO, Brussels Airlines

“Our partnership with Datalex has been a significant contributor to RASM improvement and margin expansion.“

JetBlue Investor Day, December 2016

**23% ROIC**

IAG's "most profitable tool"  
(2016 IAG Results)

**42%**

increased conversion rates for B2C enabled through Datalex Platform

**>\$260M**

annual incremental operating income enabled through Datalex Platform

## 2016 Review

Datalex's market opportunity continues to expand. Demand for our Digital Commerce Platform continues to grow as we enable airlines to adapt faster and better to the ever changing needs of customers. Our priority is to scale the organisation and platform to execute on this opportunity which will deliver value to our shareholders.

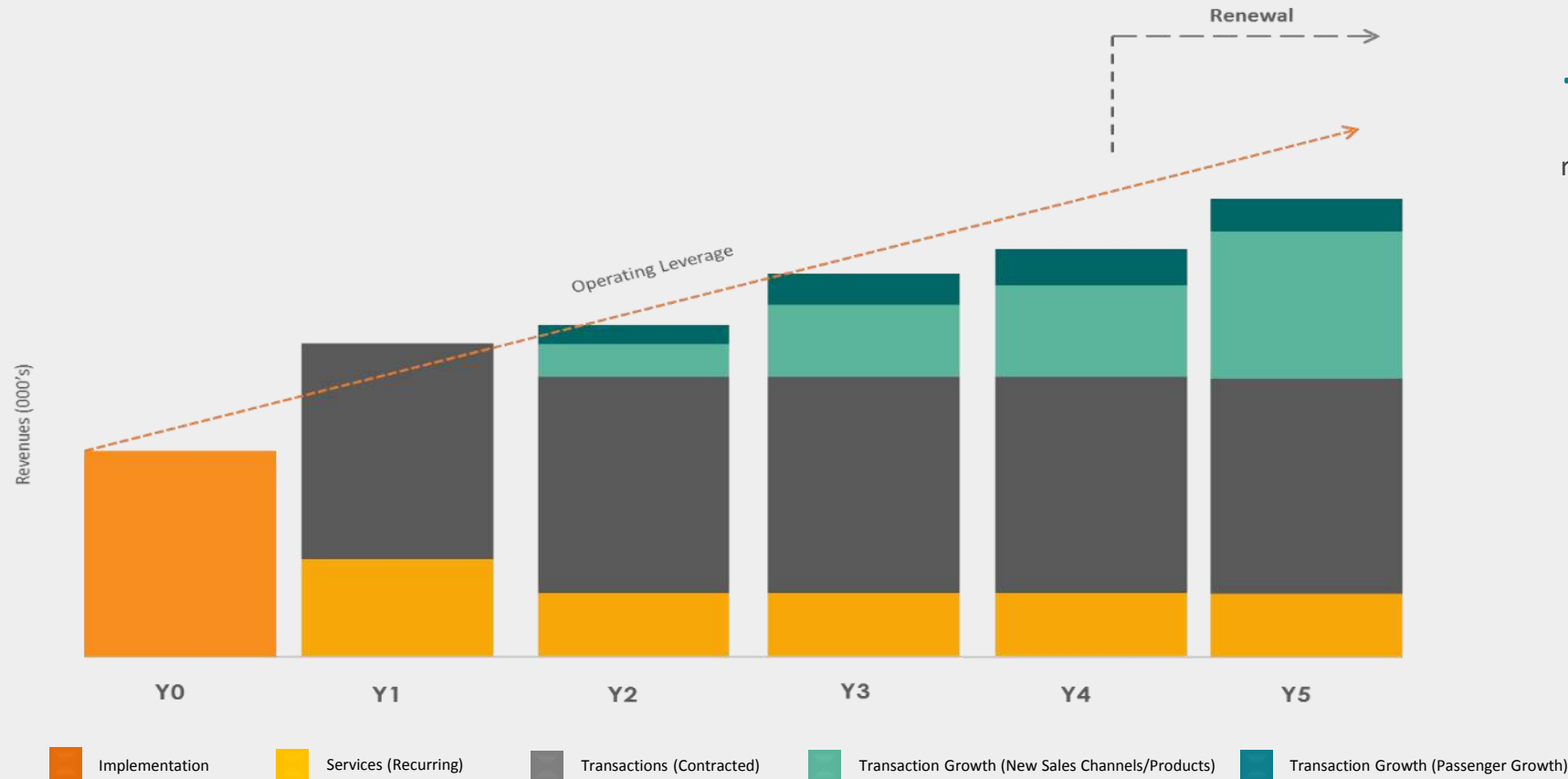
# Financial Highlights

David Kennedy, CFO

**Datalex**

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# Powerful Commercial Model



**75%+**

recurring revenue every year

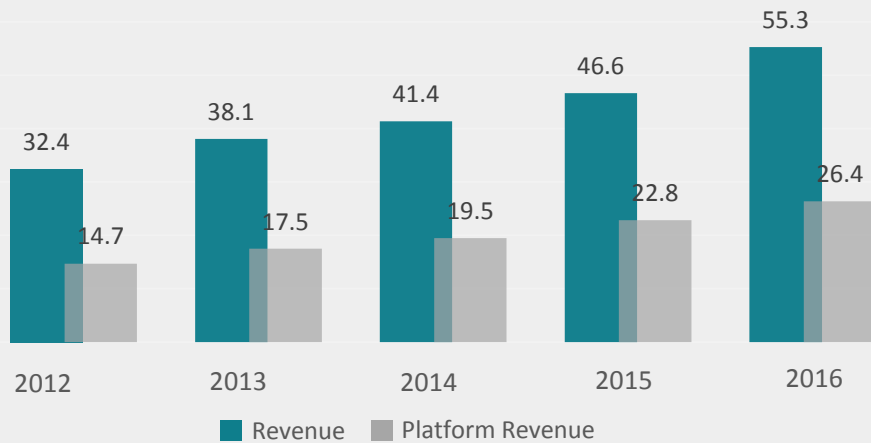
- ✓ Volume Driven Growth
- ✓ Five Year Contract Average
- ✓ Increasingly Critical Enterprise Solution

# Proven Track Record

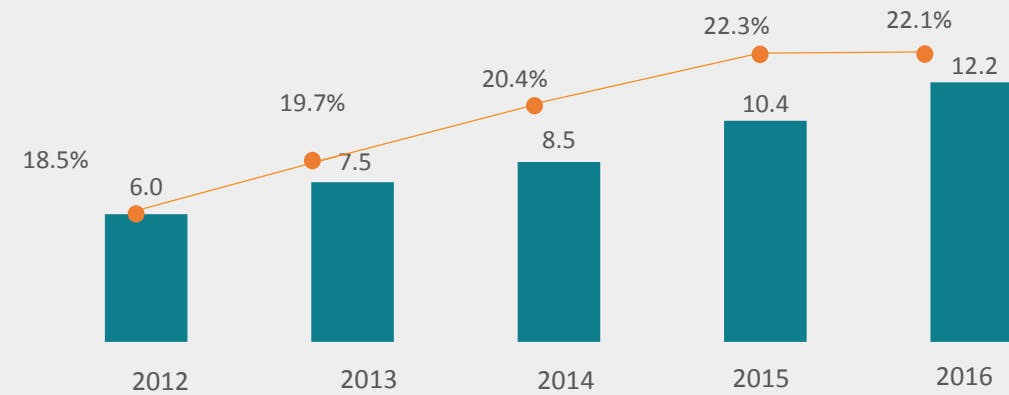


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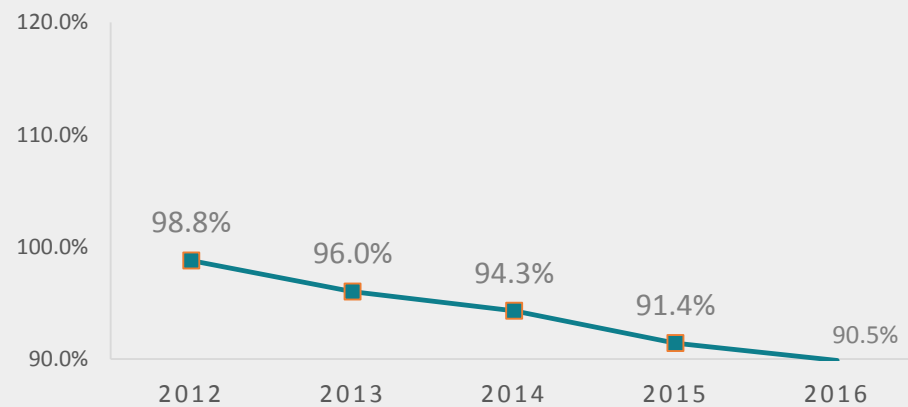
### Revenue (US\$M)



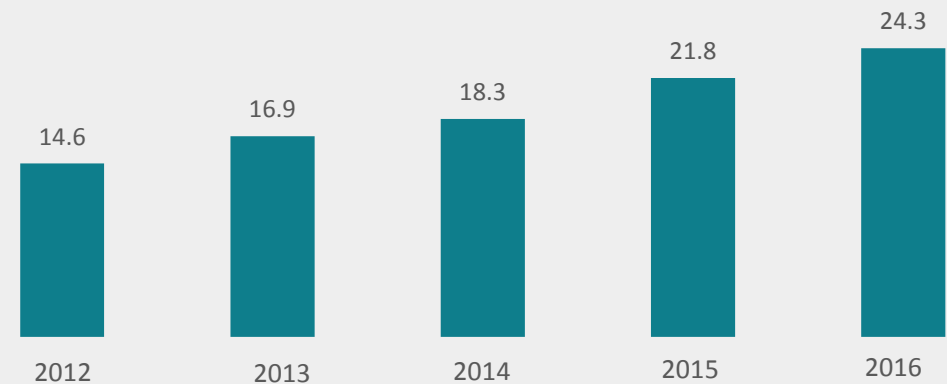
### Adjusted EBITDA (US\$M) & Margin (%)



### Costs/Revenue(%)

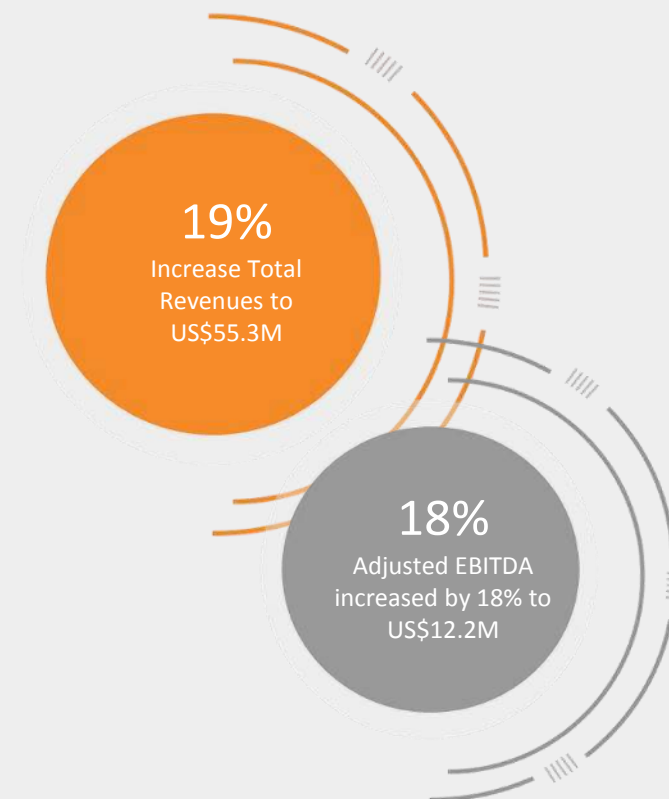


### Cash (US\$M)



# Continued Growth

US\$M	FY'16	FY'15	FY'14
Total Revenue	55.3	46.6	41.4
Platform Revenue	26.4	22.8	19.5
Operating Costs	50.1	42.6	39.0
Net Development	4.2	1.7	1.3
Adjusted EBITDA	12.2	10.4	8.5
Profit after tax	5.4	4.2	2.7
Basic EPS (US cent)	7.22	5.67	3.71



Increase in Platform Revenue:  
**15%**

Increase in Adjusted EBITDA:  
**18%**

Increase in Cash and short term investments:  
**12%**

Increase in EPS:  
**27%**

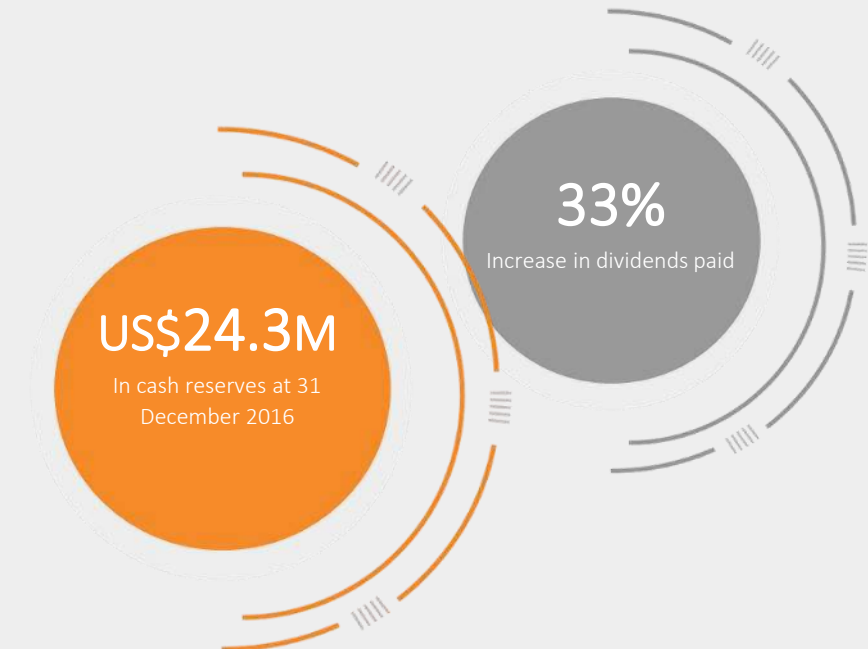
Increase in Profit after tax:  
**29%**

# Strong Balance Sheet

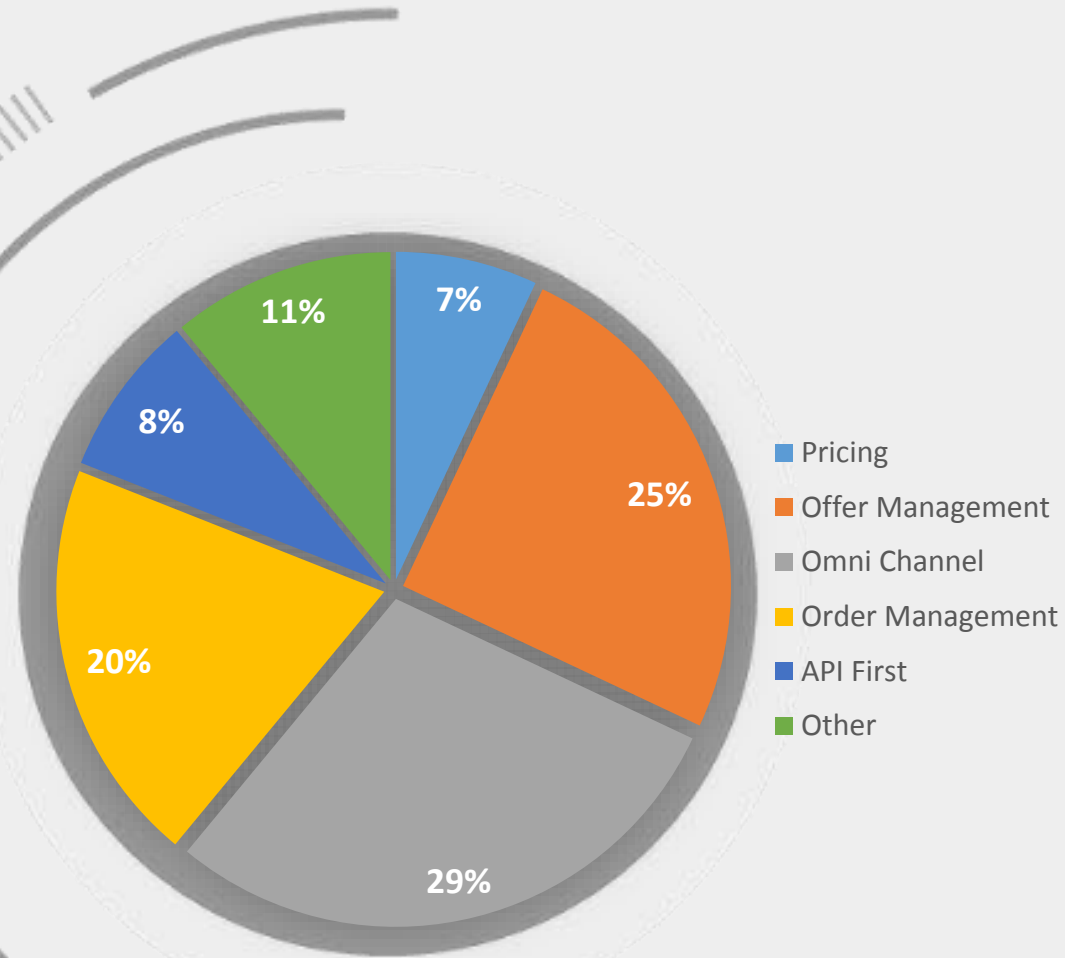
US\$M	FY'16	FY'15	FY'14
Total Assets	63.3	52.0	46.7
Receivables	15.5	11.6	11.3
Total Equity	42.8	39.6	35.5
Total Liabilities	20.5	12.5	11.1
Net Working Capital	19.9	21.1	19.2
Cash and Short Term investments	24.3	21.8	18.3
Net Cash Generated from Operations	17.1	13.0	9.6
Intangible Assets	19.2	15.4	14.0

**32%** increase in cash generated from operations to US\$17.1m:

- Dividend paid US\$3m
- Product investment US\$9.2m
- Growth in cash reserves US\$2.5m
- Focus on working capital management



# Accelerating Product Investment



- Product investment of US\$9.2m (2015: US\$6.0m)
- Driven by specific customer and market developments which will drive customer acquisition and platform revenue growth



# Summary & Outlook

Aidan Brogan

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# Sustainable Growth

## Growth

- ✓ Proven Track Record
- ✓ Pipeline Profile
- ✓ Installed Customer Base
- ✓ Business Critical System
- ✓ Land & Expand Potential

## Visibility

- ✓ 75% Recurring Revenue each year
- ✓ 5 Year Contracts
- ✓ High Retention Rates
- ✓ Operating Leverage
- ✓ 7 consecutive years of double digit growth in Adjusted EBITDA

## Sustainability

- ✓ Proven Market Proposition
- ✓ Favourable Market Dynamics
- ✓ Track Record of Performance
- ✓ Clear Strategy for Growth
- ✓ Solid Balance Sheet with Flexibility
- ✓ Partner Ecosystem

Guiding 15-20% in Adjusted EBITDA Growth for 2017

## LISTING PARTICULARS

EXCHANGE	Irish Stock Exchange
TICKER	ISE:DLE
ISSUED SHARE CAPITAL	76.1m

## LARGEST SHAREHOLDERS

IIU NOMINEES LIMITED	27.13%
PAGEANT HOLDINGS LIMITED	11.96%
KABOUTER MANAGEMENT LLC.	6.09%
PASCHAL TAGGART (CHAIRMAN)	3.32%

## ANALYST COVERAGE

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EVENT	DATE
AGM & Q1 Trading Update	MAY 2017
INTERIM RESULTS	AUGUST 2017
Q3 Trading Update	NOVEMBER 2017

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