

FY 17

First Half Results Investor Presentation

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Summary

- ARR of \$31.1m¹
 - Small increase for the last 6 months
 - Down 7.6% constant currency from December 2015²
- Operating Revenue of \$15.5m for the last 6 months
- Retention rate of 84% by value
 - 87% annualised for 6 months to December 2016
- Gross margin of 74.4%
- Cash of \$6.0m
- Net loss of \$1.3m

1. Annualised Recurring Revenue (ARR) is a non-GAAP financial performance measure used internally by SLI as a basis for its expected forward revenue. ARR is calculated based on the subscription revenue from the existing customer base in the reference month and then annualised using exchange rates at the end of the reference month. ARR does not account for changes in behaviour of customers. For the Site Champion component of ARR it is necessary to apply judgement to mitigate the effects of one-off events that impact the reference month revenue of the calculation.
2. On a reported basis the reduction in ARR over the past 12 months was 12.5% which is different from the above measure because of unfavourable exchange movement.



Key takeaways

1	Positive increase in ARR for the half
2	No need to raise capital
3	Large enterprise & upsell continue to be significant
4	Customer mix is improving
5	We have a clear vision for growth and profitability
6	Cautiously optimistic about growth



New accounts, including large accounts

- 39 new accounts
- Continued success in adding large accounts
- Major wins last quarter were Crate & Barrel and Rocky Mountain ATV
- Optimistic large deals to continue in H2

Impact of larger accounts

- Higher average contract values
- Higher margin
- Similar selling costs
- Slightly longer sales cycle

Crate&Barrel

- IR #71¹
- NZD 800m online sales
- 8.8m monthly visits



- Top 50,000 Global Alexa Ranking²

1. IR = Internet Retailer Top 500

2. Alexa = Ranking of all global sites by traffic



Customer mix is improving

6 Month Rolling Initial ACV



New customer initial ACV¹

\$40,000

>

\$31,000

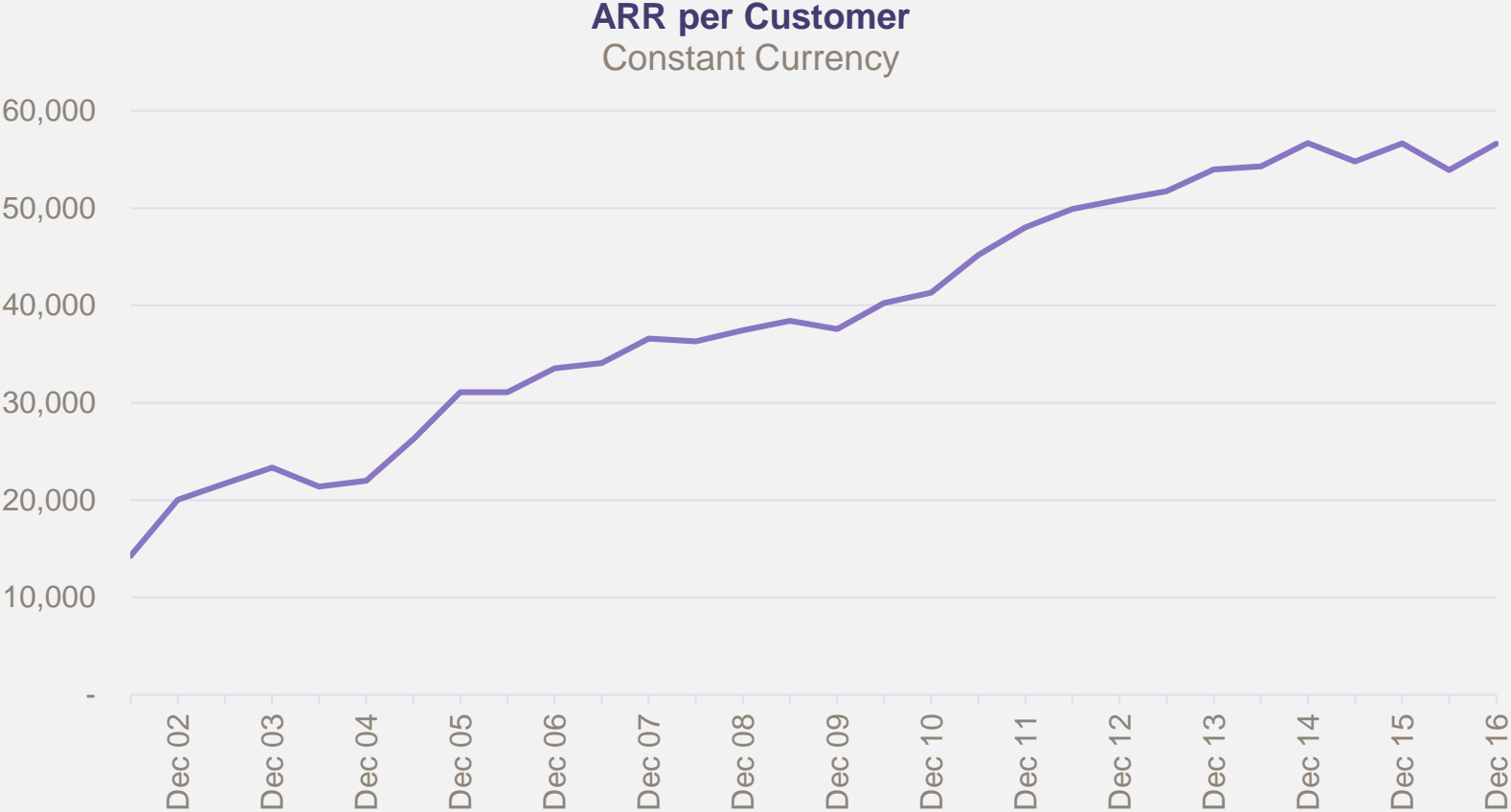
Lost customer ACV



ARR per customer is rising

Reflects

- ACV remains strong
- Continued strength of upsell post onboarding
 - 63% growth over first 4 years



Balancing, optimising and prioritising spending across the organisation

- Adding to R&D team in New Zealand
- Reducing sales & marketing expenditures
- Taking costs out of the business
- Plan to achieve cash flow breakeven in the near term
- Adding Corporate Development function



Investing in our product

Key H1 Accomplishments

- SLI ESP (Enhanced Search Personalisation), which personalises the results shown on search and navigation pages in real time
- A new section in our Commerce Console that gives control over Site Champion, our SEO product
- A new JavaScript tracking technology that provides more comprehensive data for personalising the shopping experience and which is easier for retailers to install

Key H2 Goals

- Support for HTTP2, a major revision of the internet network protocol, which promises speed and performance improvements for retailers
- Adding SSL certificate management to our Commerce Console
- A new analytics platform, which will provide enhanced scalability and flexibility over our current systems
- Launch of many improvements to our core products

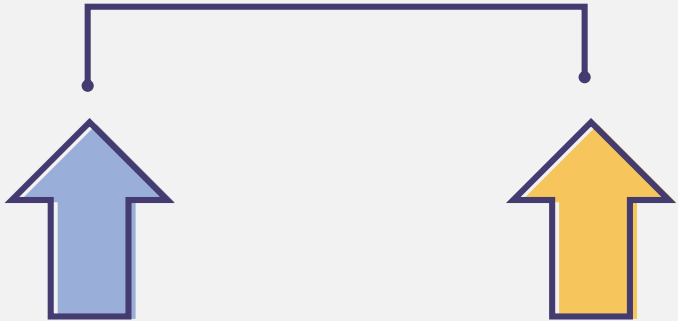
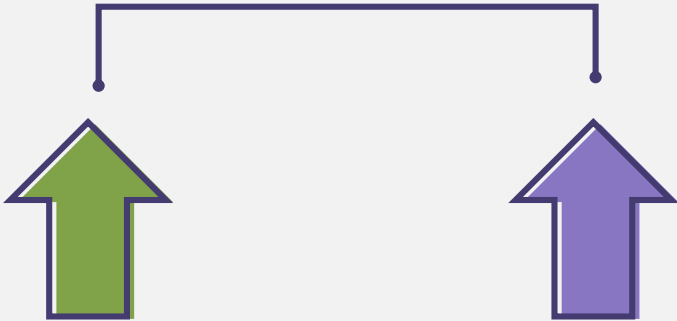


Customers succeed with SLI

Pet360

Claset.

LONDON



20%

83%

162%

4X

Increase in revenue from search

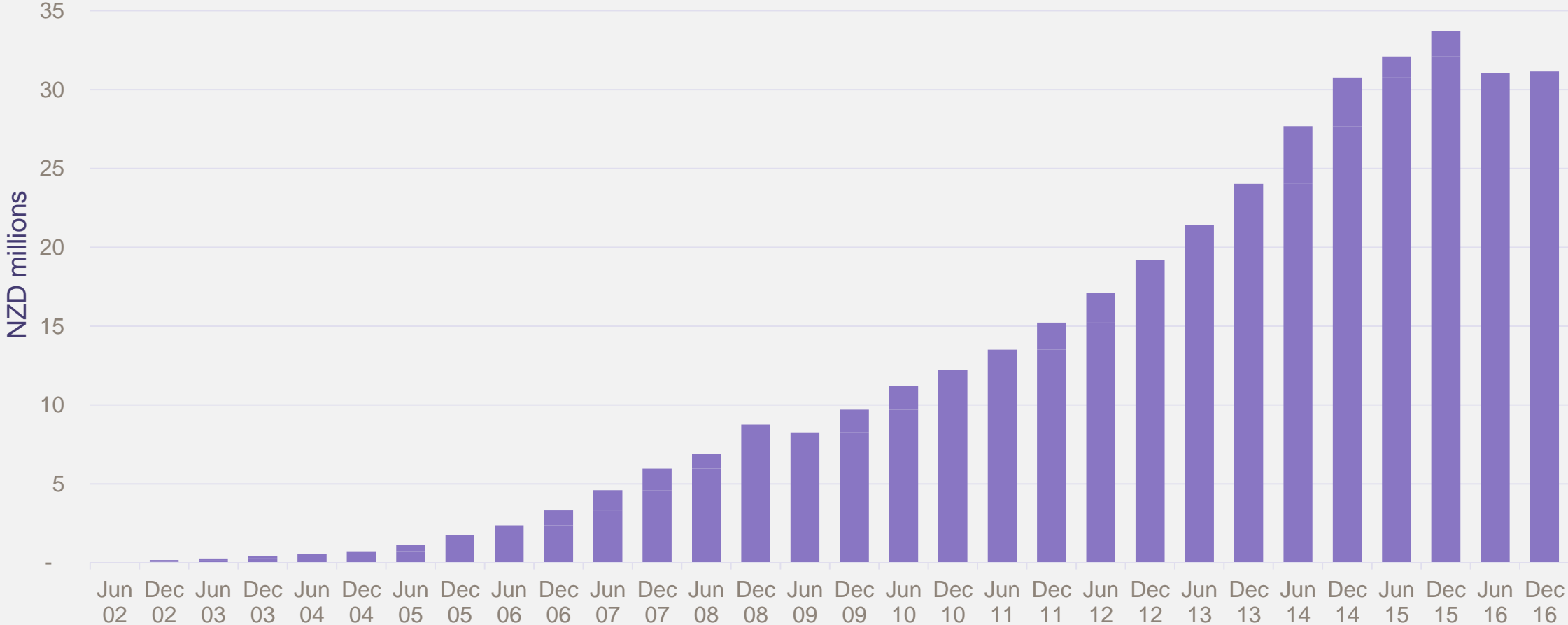
Of Site Champion visitors are new

Increase in revenue from search

Conversion rate

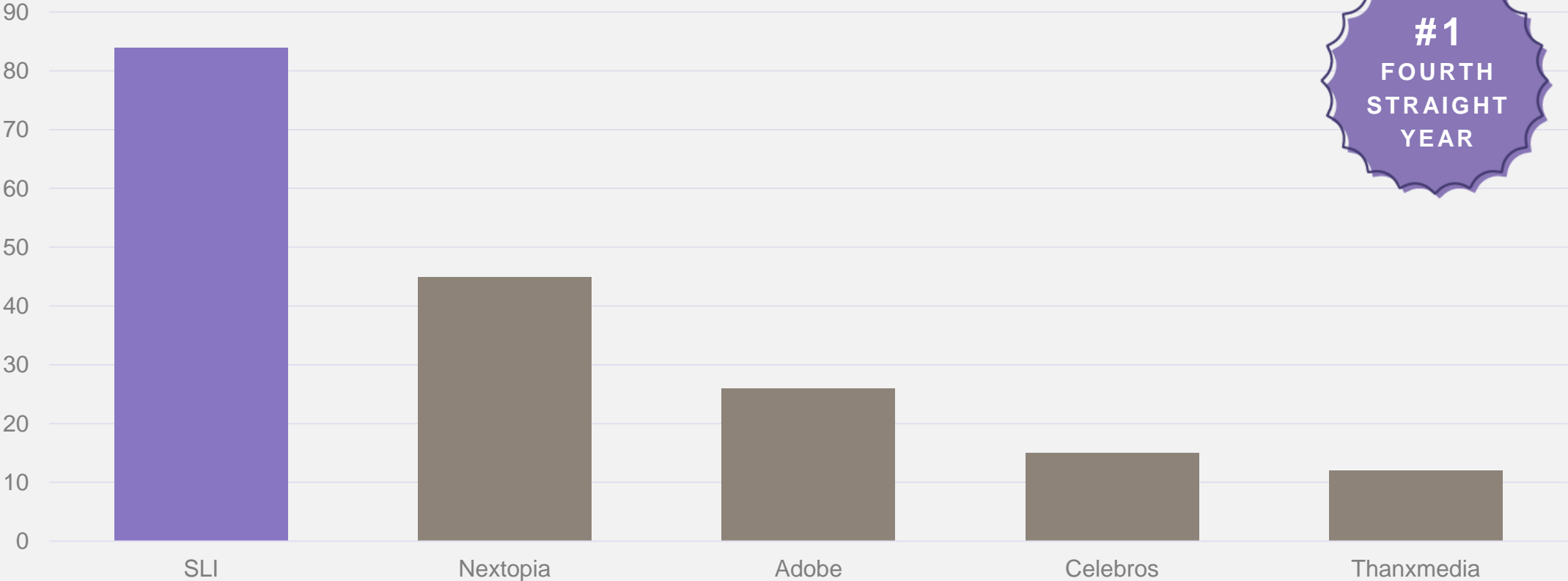
Restoring high quality, growing subscription revenue

ARR at 6 Monthly Reporting Periods
Constant Currency



More IR Top 1000 Retailers are using SLI than any other SaaS provider

Total 2016 IR Top 1000 US Customers by SaaS Vendor



#1
FOURTH
STRAIGHT
YEAR



Income statement—NZD 000

	6 months	6 months
	31 Dec 16	31 Dec 15
ARR (constant currency)	31,147	33,706
Operating revenue	15,482	17,367
Other income	273	75
Total revenue	15,755	17,442
Delivery costs	3,965	4,094
Growth costs	7,850	8,631
Other costs	5,190	5,163
Total costs	17,005	17,888
Loss before tax	(1,250)	(446)
Gross margin	74.4%	76.4%



Cashflow—NZD 000

	6 months	6 months
	31 Dec 16	31 Dec 15
Receipts from customers	15,499	18,109
Payments made to suppliers and employees	(16,473)	(18,354)
Other net cash flows from operating activities	405	91
Other cash flows (capex and share options exercised)	(184)	178
Net cash (outflow) / inflow	(753)	24
Opening cash balance	6,765	5,582
Closing cash balance	6,012	5,606



Key focus for next half

1

Protect our Cash

- Impact of customer losses in Q4 FY16
- Impact of unfavourable exchange rates
- Monitoring monthly cashflows
- Committed to achieving cashflow breakeven
- Committed to operating the company without an additional capital raise

2

Remain Focused on Restoring Growth

- Marketing efforts in Q2 showed early signs of success
- Monitor progress to build sales pipelines for Q4 and FY18
- Marketing results required prior to any increase in sales investment

3

Product Vitality

- Increase in development resource by 25% to accelerate new product delivery

4

Invest in Corporate Development

- Enhance the current technologies and products with 3rd parties



Q & A



Appendix



ARR by region

ARR by region at constant currency	Dec-16	Jun-16	Dec-15	YOY	6 mth
Total ARR	31,147	31,057	33,706	-8%	0%
North America	18,058	18,425	19,952	-9%	-2%
United Kingdom	6,815	6,494	6,200	10%	5%
Asia Pacific	4,906	4,745	5,112	-4%	3%
South America	1,368	1,394	2,442	-44%	-2%
ARR by region at reported currency	Dec-16	Jun-16	Dec-15	YOY	6 mth
Total ARR	31,147	31,191	35,597	-13%	0%
North America	18,058	18,083	20,263	-11%	0%
United Kingdom	6,815	6,953	7,607	-10%	-2%
Asia Pacific	4,906	4,787	5,242	-6%	2%
South America	1,368	1,368	2,484	-45%	0%

