

# Stoun.

INVESTOR BRIEFING

26 October 2016





## OUR STRATEGY

CREATE GREAT CONTENT | DISTRIBUTE IT BROADLY  
| ENGAGE AUDIENCES & ADVERTISERS |



LEVERAGING NINE'S EXPERTISE  
IN THE CREATION & DISTRIBUTION  
OF PREMIUM VIDEO CONTENT

## OUR BUSINESS



**9 Go! Gem Life**

Australia's leading  
FTA network in the  
key advertiser  
demographics



**nine digital**

Diverse portfolio of  
market leading digital  
platforms across News,  
Sport, Entertainment  
and Lifestyle



**Stan. 9 Now**

Unique mix of leading  
local advertising and  
subscription based  
on-demand television  
services



**9 PRODUCTION**

Television content  
production and  
distribution

# STAN IS PART OF FAIRFAX MEDIA'S LEADING PORTFOLIO OF INFORMATION BRANDS, MARKETPLACES AND ENTERTAINMENT ASSETS



## OUR PORTFOLIO:

<h3>INFORMATION</h3>	<h3>MARKETPLACES</h3>	<h3>ENTERTAINMENT</h3>
<p>NEWS, BUSINESS, SPORT, LIFESTYLE, CONTENT MARKETING</p> <p>Includes:</p> <p><b>The Sydney Morning Herald</b></p> <p>Australia's No. 1 masthead across all platforms</p> <p> </p>	<p>REAL ESTATE LISTINGS AND SERVICES CARS, JOBS, DATING AND TRANSACTIONS</p> <p>Includes:</p> <p><b>Domain</b></p> <p>Australia's fastest growing online real estate business</p> <p> </p>	<p>SUBSCRIPTION VIDEO ON DEMAND, RUNNING, SWIMMING, FOOD, WINE, LIFESTYLE, THE ARTS, MUSIC, RADIO</p> <p>Includes:</p> <p><b>Stan.</b></p> <p>Australia's leading local SVOD platform</p> <p> </p>

## OUR STRATEGY:

Creating shareholder value by developing and building on core strengths, delivering publishing transformation, and investing to build-out new revenue streams.



**TRANSFORM PUBLISHING**



**GROW DOMAIN**



**CREATE NEW REVENUE STREAMS**

# AUSTRALIA'S SVOD SUCCESS STORY



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# SUBSCRIPTION TV MARKET

SVOD provides great value for money in the subscription TV category

	Premium Pay TV	Skinny Bundles	Subscription VOD
	<ul style="list-style-type: none"> <li>•Cable/ Satellite Television with set-top box</li> <li>•Linear channels with catch-up VOD</li> <li>•High priced bundles</li> </ul>	<ul style="list-style-type: none"> <li>•OTT service with puck device</li> <li>•Linear channels with catch-up VOD</li> <li>•Low entry price with limited content offering</li> </ul>	<ul style="list-style-type: none"> <li>•OTT service</li> <li>•VOD for entire catalogue</li> <li>•Affordable price for entire library of box sets and movies</li> </ul>
Estimated average monthly cost	<b>\$80-95</b>	<b>\$30-\$40</b>	<b>\$10-\$15</b>

Australia

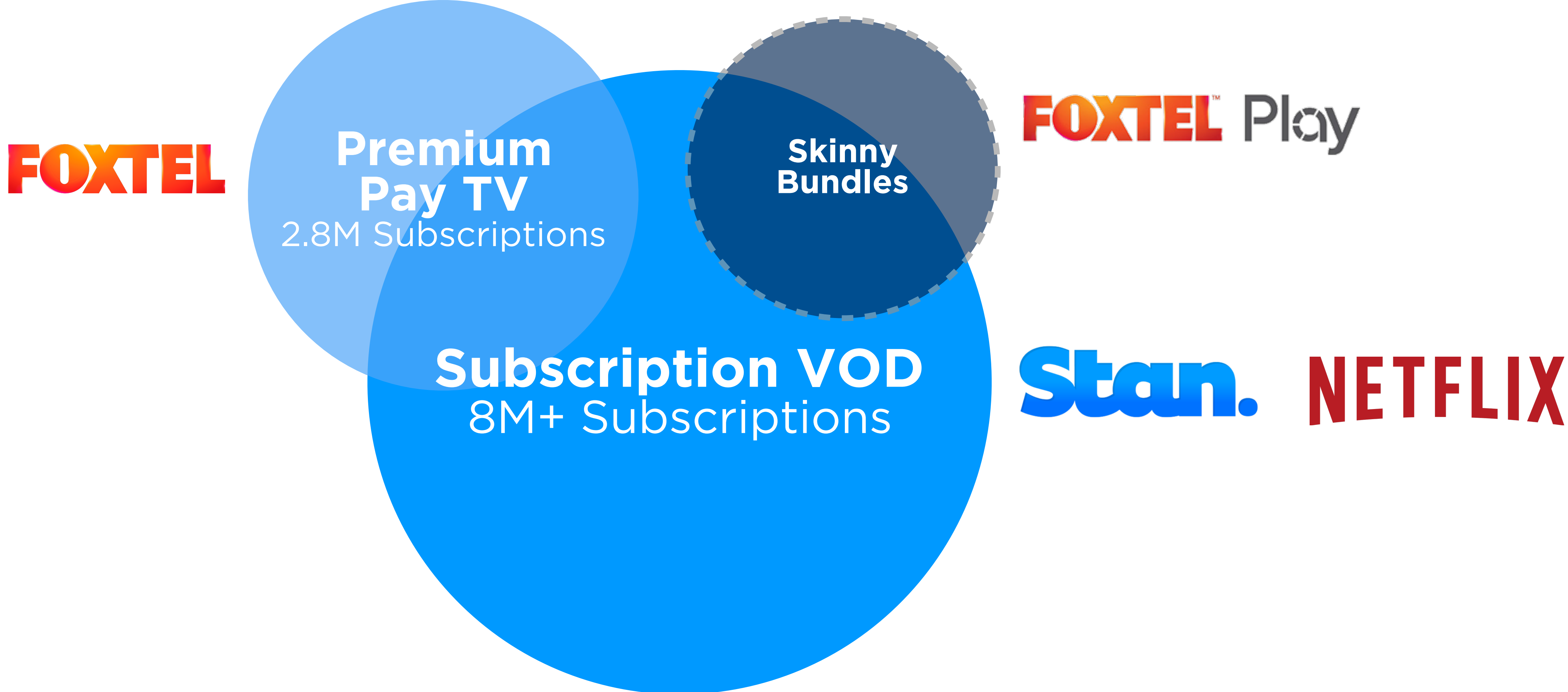


UK



# AUSTRALIAN SUBSCRIPTION TV MARKET

SVOD complements PayTV and multiple SVOD subscriptions drive growth of the category

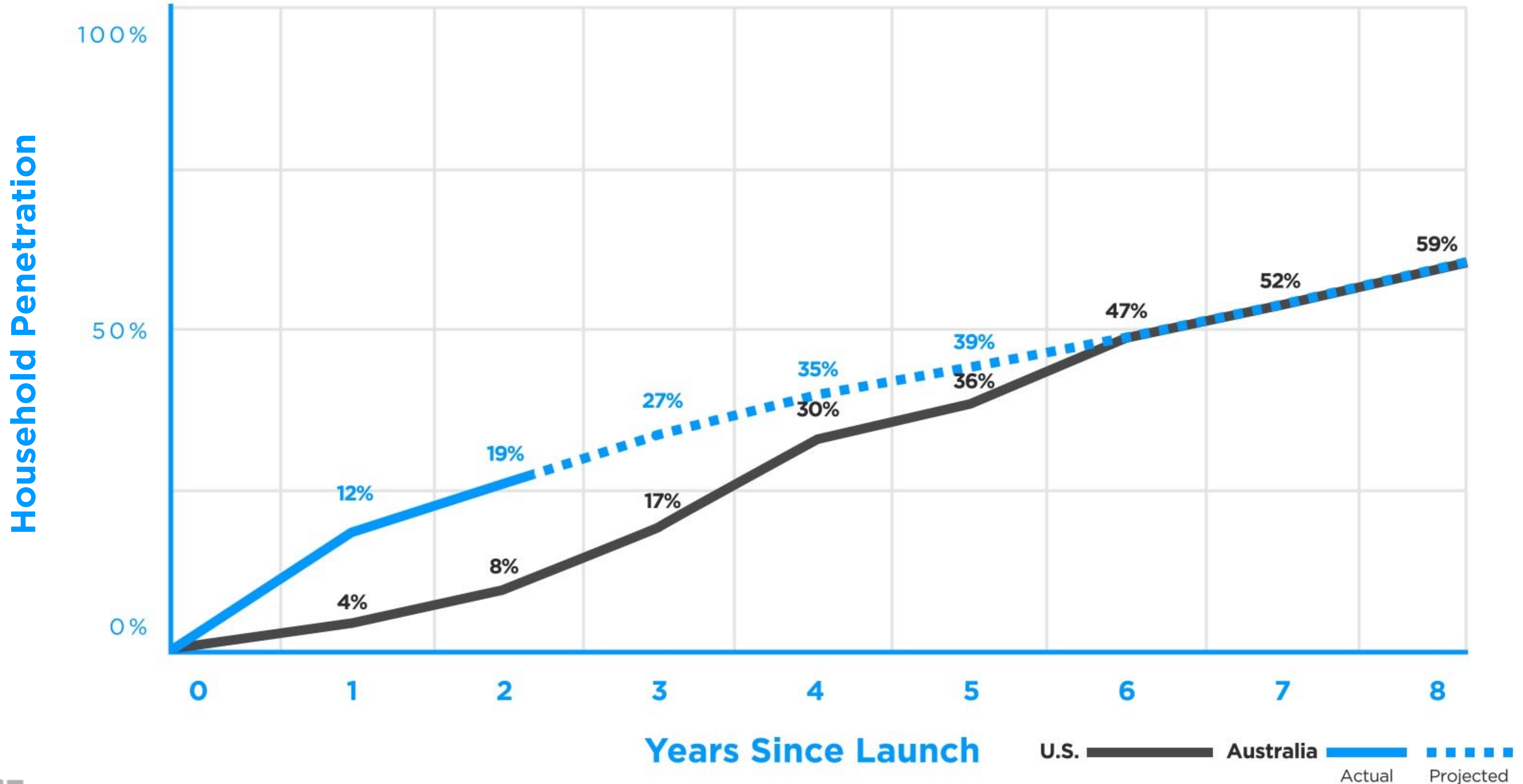


Note: Estimated market size at maturity phase of the category



# MARKET PENETRATION AT SAME STAGE

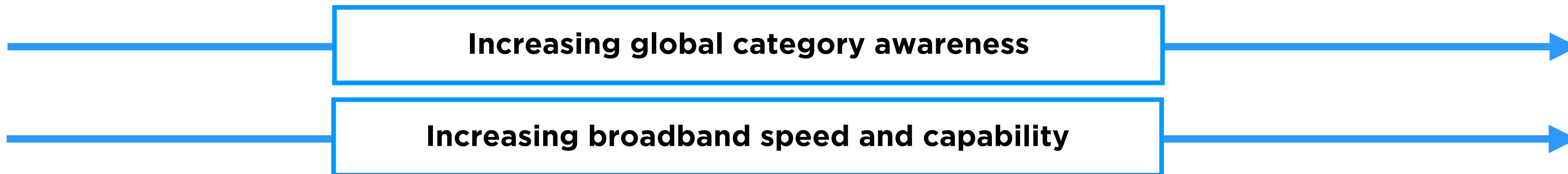
Faster market growth favours local players



Data Source: Netflix, Nielsen, Leichtman Research Group, Stan estimates

# DRIVERS OF ACCELERATED GROWTH

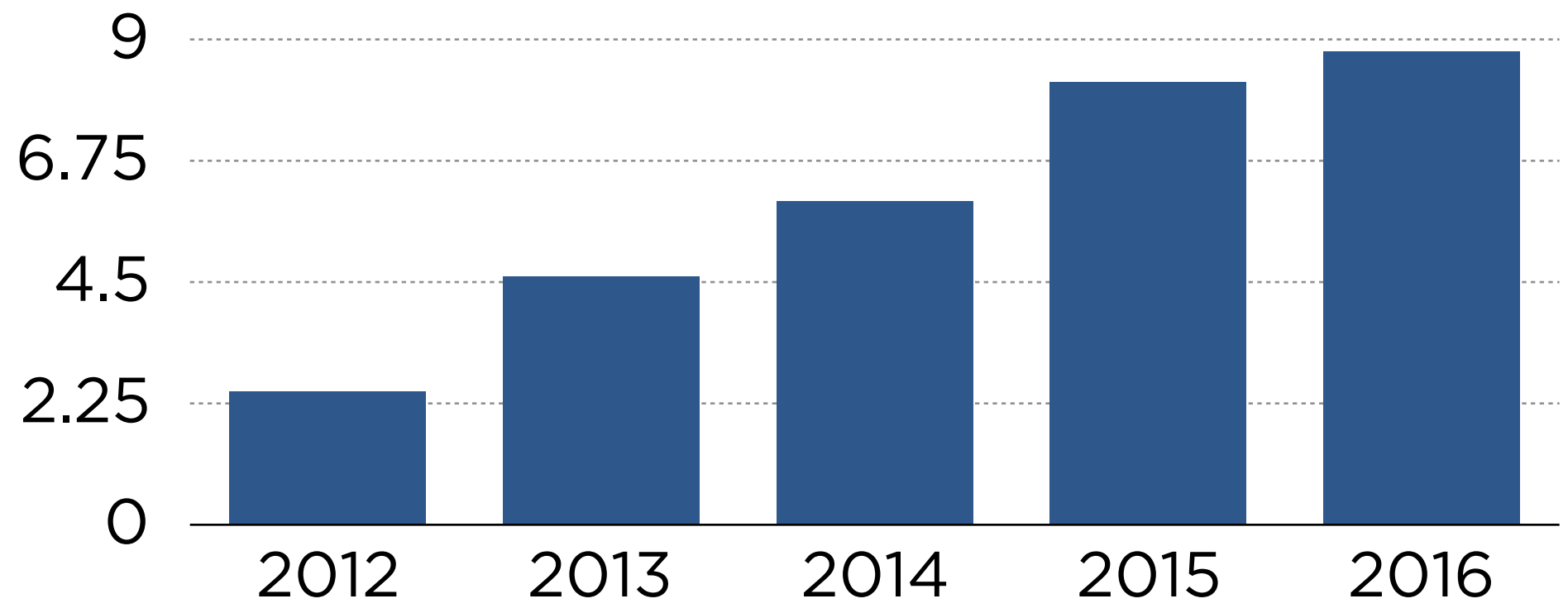
Category awareness, broadband speed and available viewing platforms accelerate growth



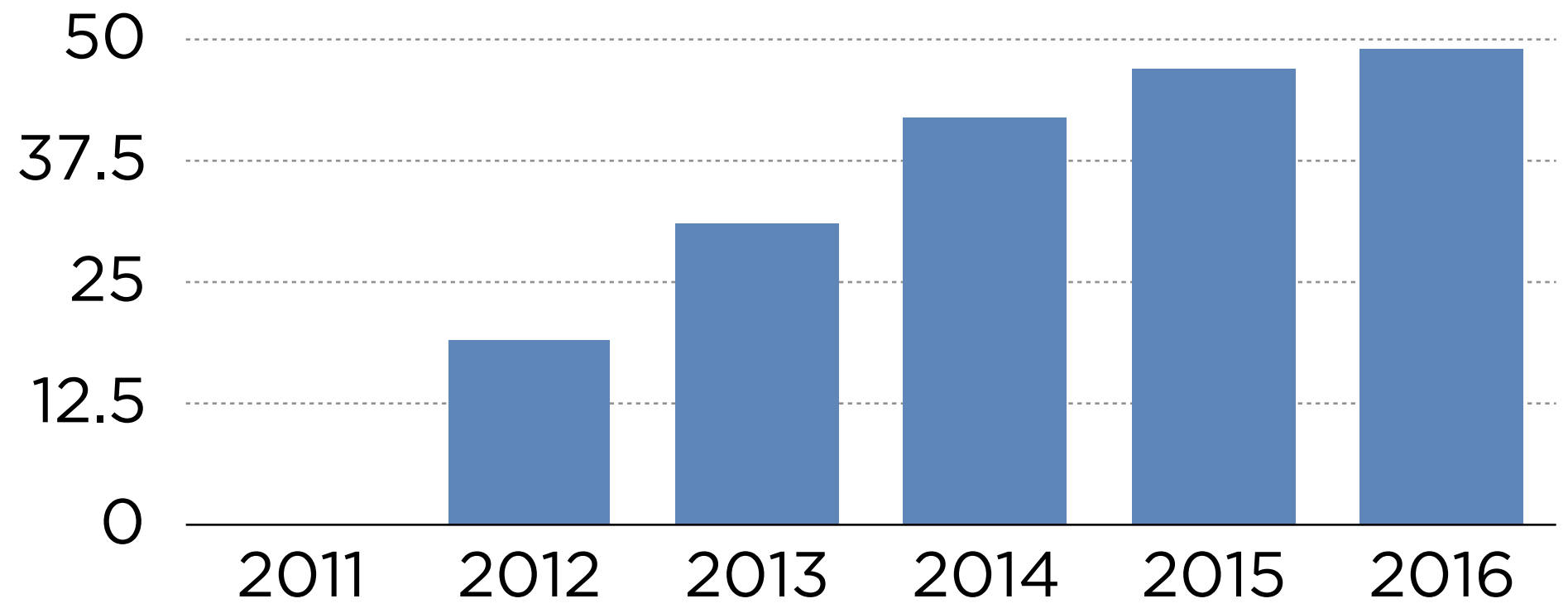
# TECHNOLOGY DRIVING SVOD GROWTH

SVOD platforms and broadband speed in Australia growing fast

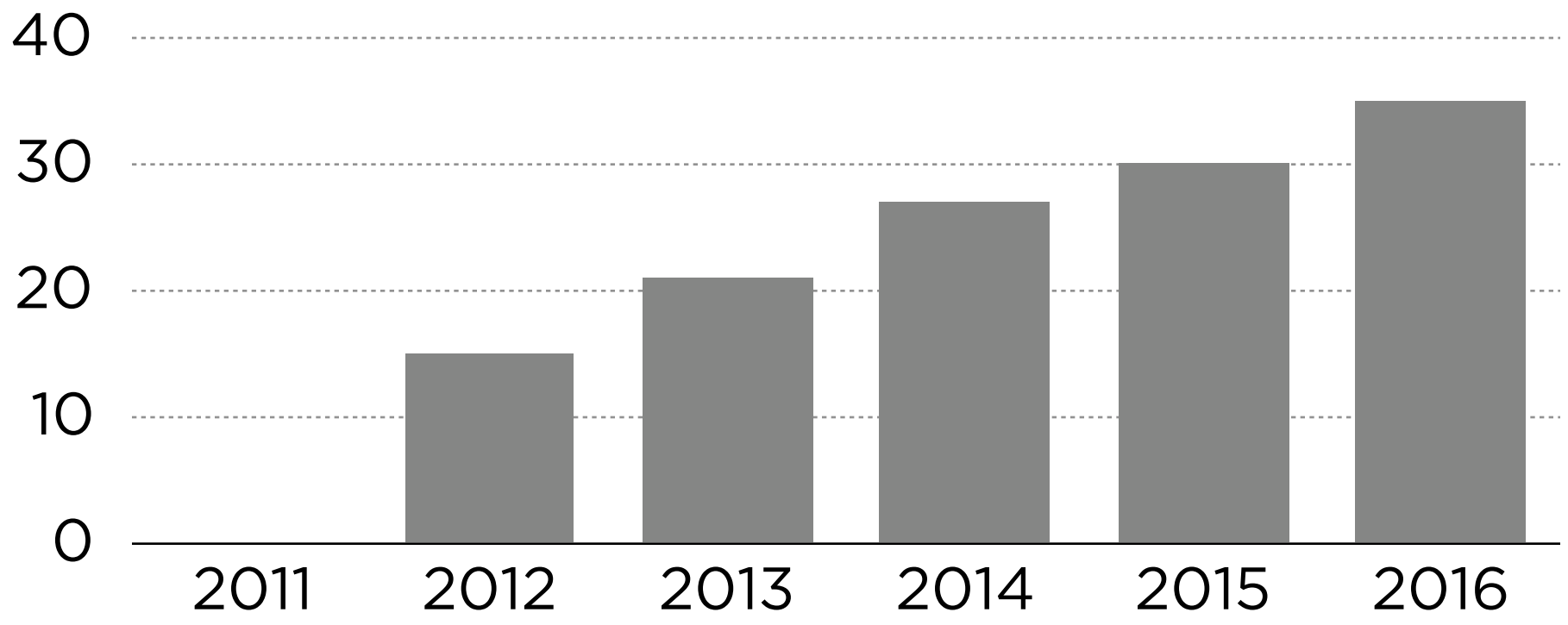
### Average Broadband Speed (mbs)



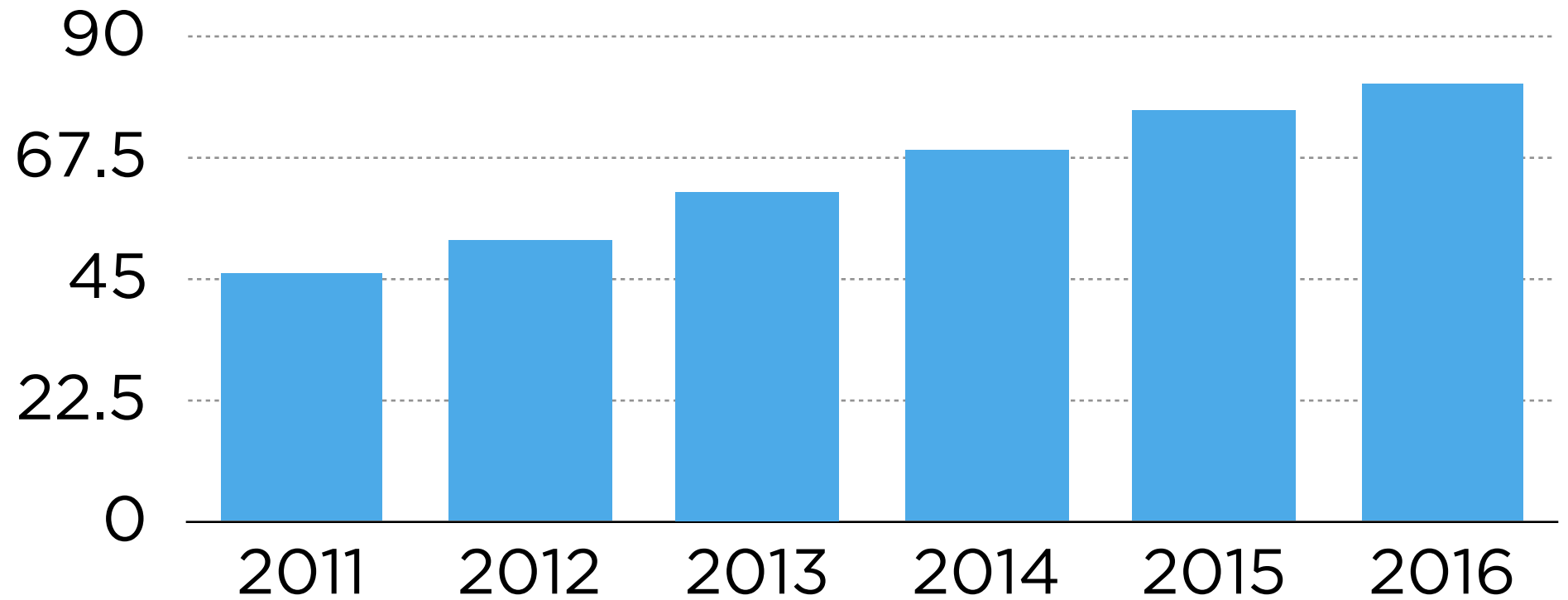
### Tablet Penetration (%)



### SmartTV Penetration (%)



### Smart Phone Penetration (%)



Data Source: OzTAM, Akamai

# AUSTRALIA'S SVOD SUCCESS STORY



# STRATEGIC CONTENT POSITIONING

Stan's strategic Network, Studio and original programming is highly differentiated

US/Global Networks	SHOWTIME	NETFLIX	amazon.com Prime	HBO
SONY PICTURES	7	0	0	
STARZ	4	0	0	
WB	9	3	0	
NBCUniversal	1	2	1	
BBC	1	0	0	
FREMANTLEMEDIA	5	1	1	
Other/Indies	6	13	0	
	 <b>Stan.</b> ORIGINALS	 <b>NETFLIX</b> ORIGINAL SVOD	 <b>amazon.com</b> Prime amazonstudios	 <b>FOXTEL</b> Premium Pay TV & Skinny Bundle



Notes: Fox, CBS, Disney, NBC Universal with pay TV or free to air; amazon confirmed global deals with Australian rights

# DIFFERENTIATED CONTENT PROPOSITION

Stan has a unique content proposition for the Australian market



- Showtime output deal
- Best of US/UK studios and networks
- Stan Originals

**\$10**  
HD, 3 Streams



- Focus on Netflix Originals

**\$8.99**  
SD, 1 Stream

**\$11.99**  
HD, 2 Streams

**\$14.99**  
UHD, 4 Streams



- Amazon Originals
- First run shows

TBC

# AUSTRALIA'S SVOD SUCCESS STORY



# STRATEGIC ALIGNMENT OF SHAREHOLDERS

Content and Marketing Synergies with Nine and Fairfax



## Content synergies with Nine

Acquisition of content from networks and studios

Original productions

## Marketing synergies with Fairfax and Nine

Mass market consumer reach through shareholder assets



# AUSTRALIA'S SVOD SUCCESS STORY



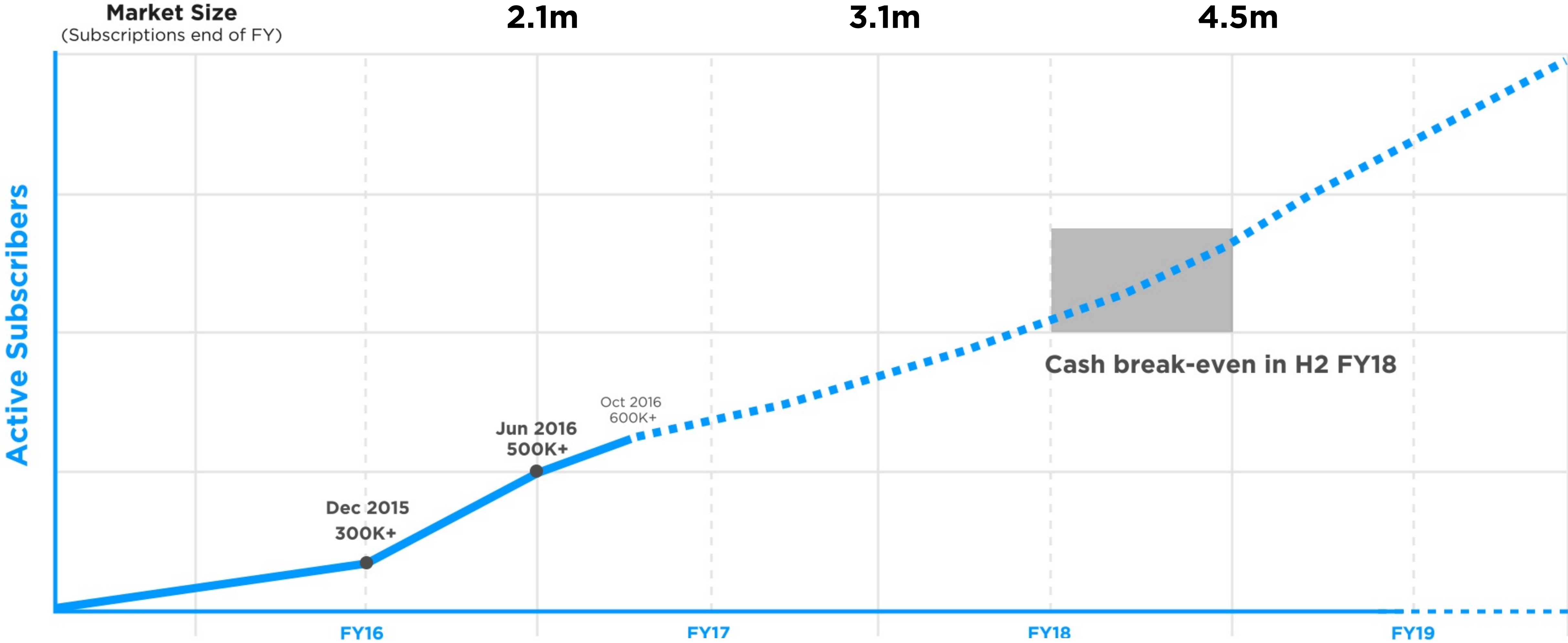
**1,400,000** SIGNUPS

**600,000** ACTIVE SUBS

**1,500,000** ACTIVE USERS

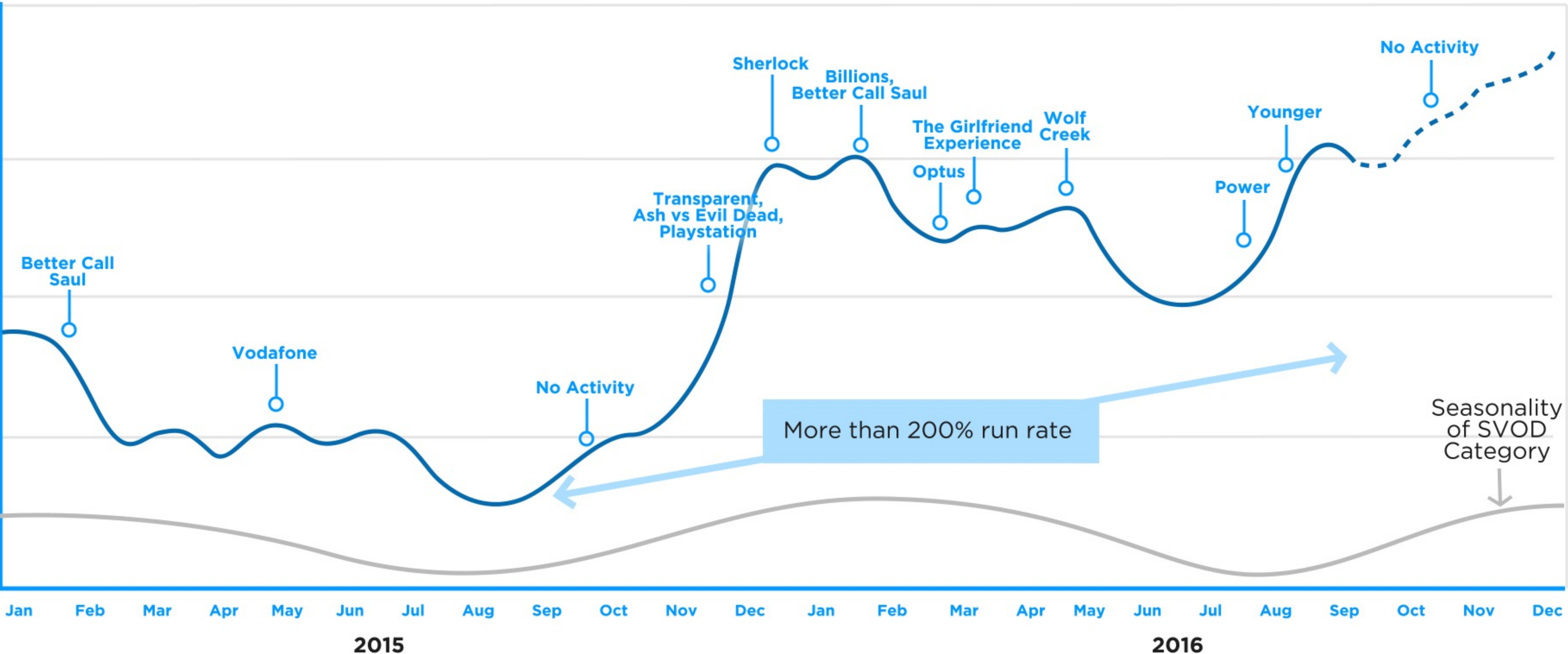
# SUBSCRIBER GROWTH ON PLAN

Cash break-even projected in FY18



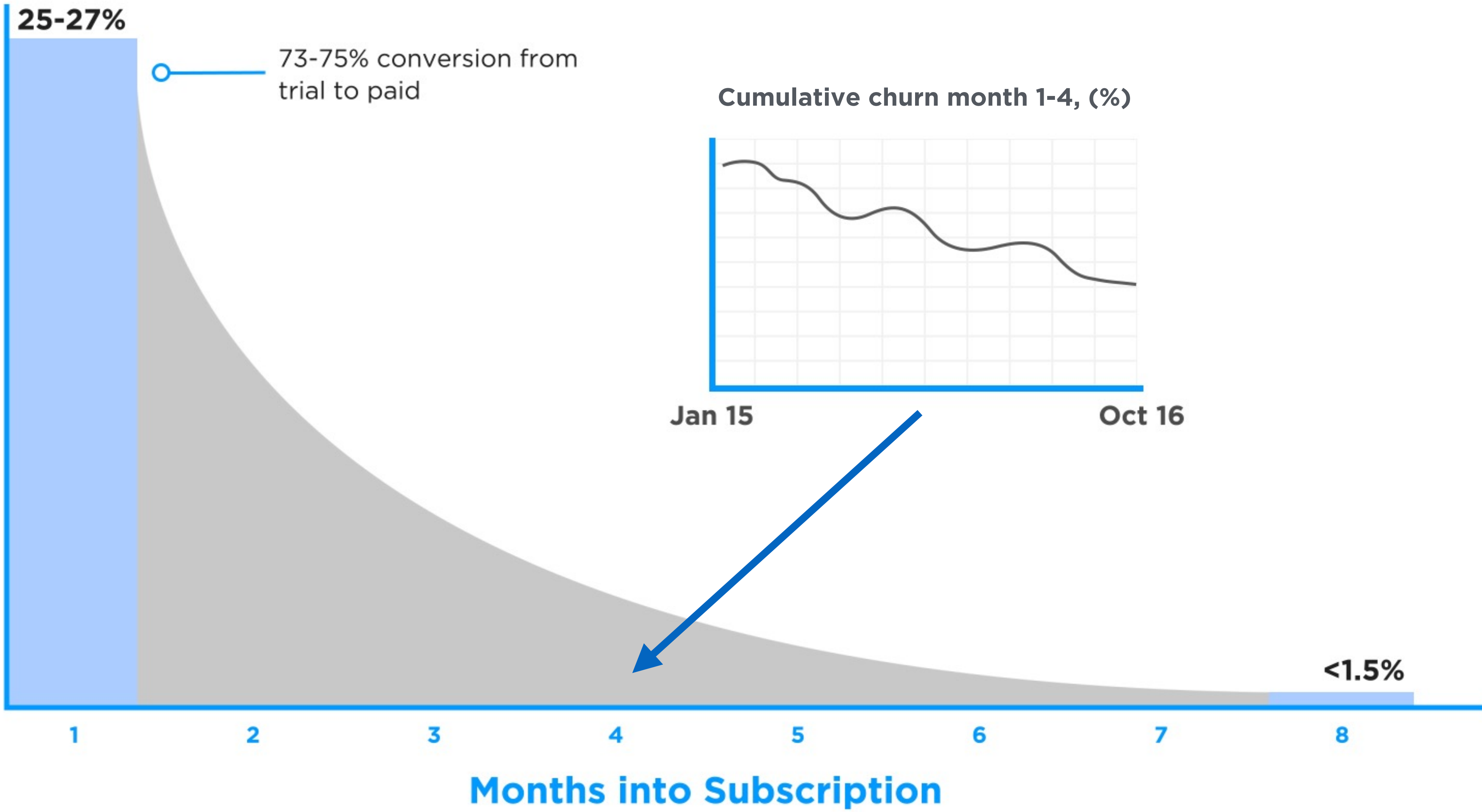
# SIGN-UP RUN RATE IS ACCELERATING

Current run rate at 200% year-on-year



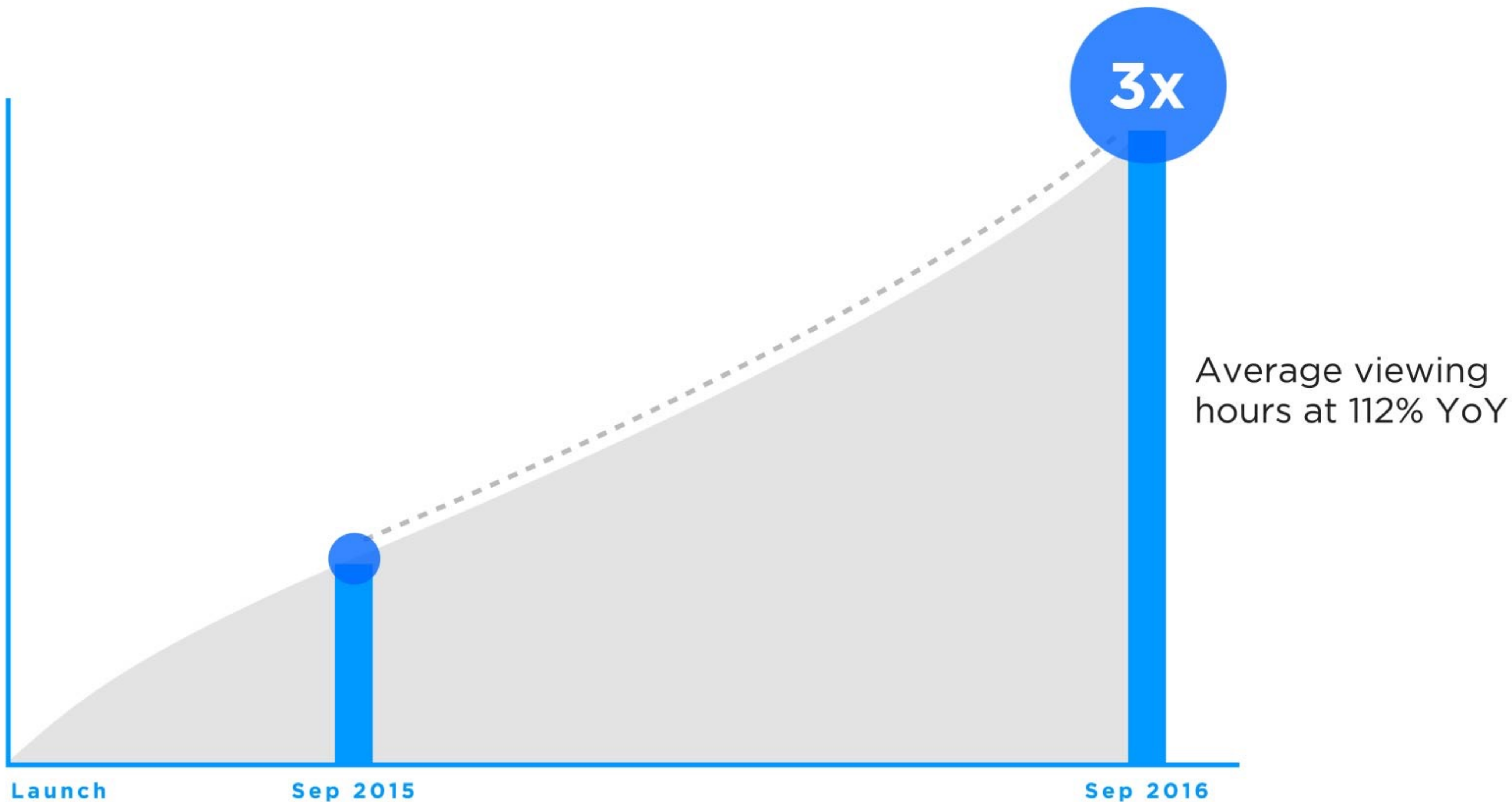
# CHURN IS DECLINING

Conversion to paid continues to increase



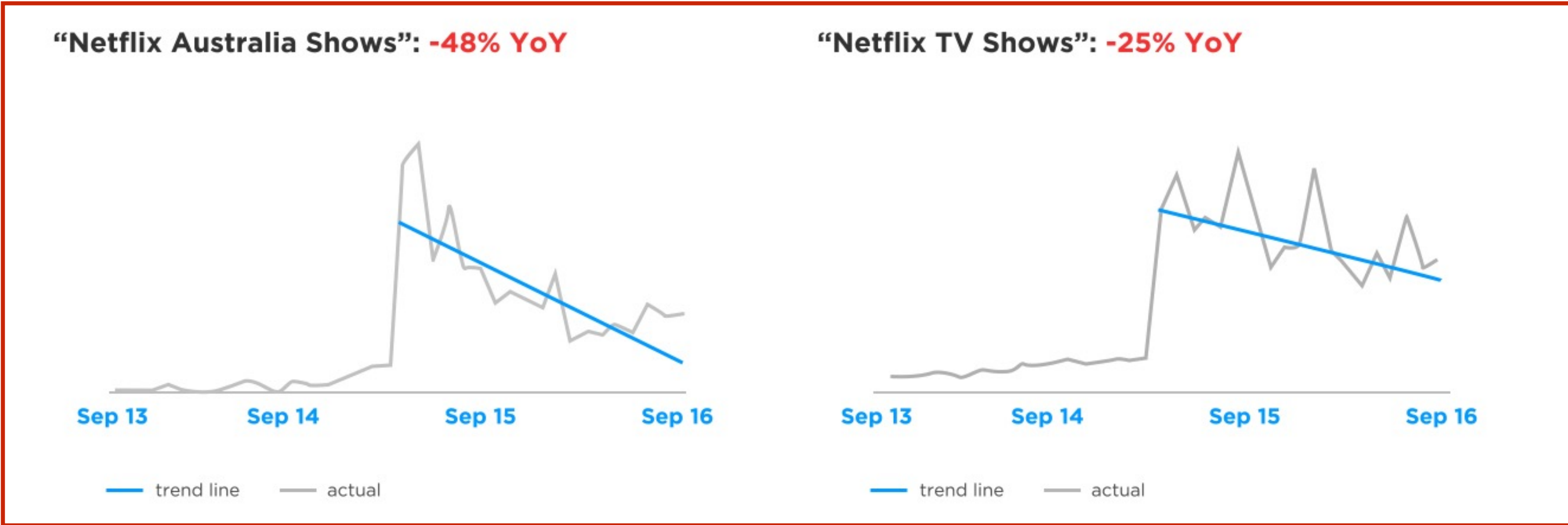
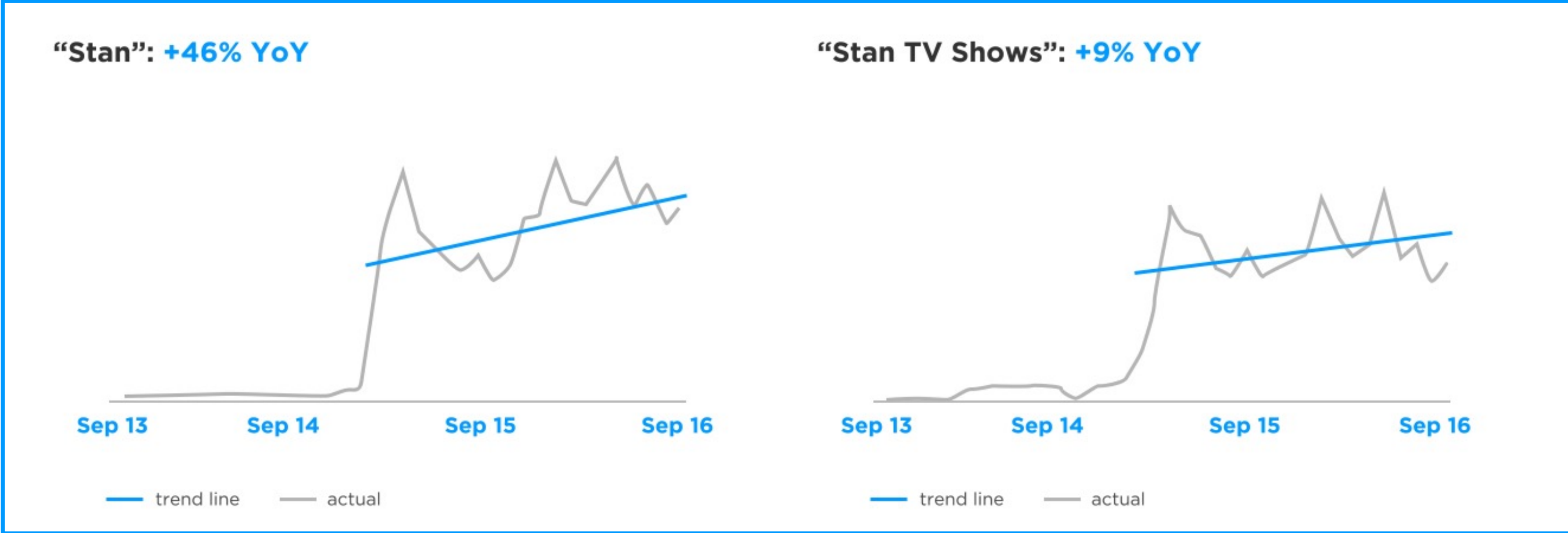
# ENGAGEMENT IS INCREASING

Viewing increased 3x year-on-year and more than 112% per subscriber



# STAN INTEREST GROWING FASTER THAN CATEGORY

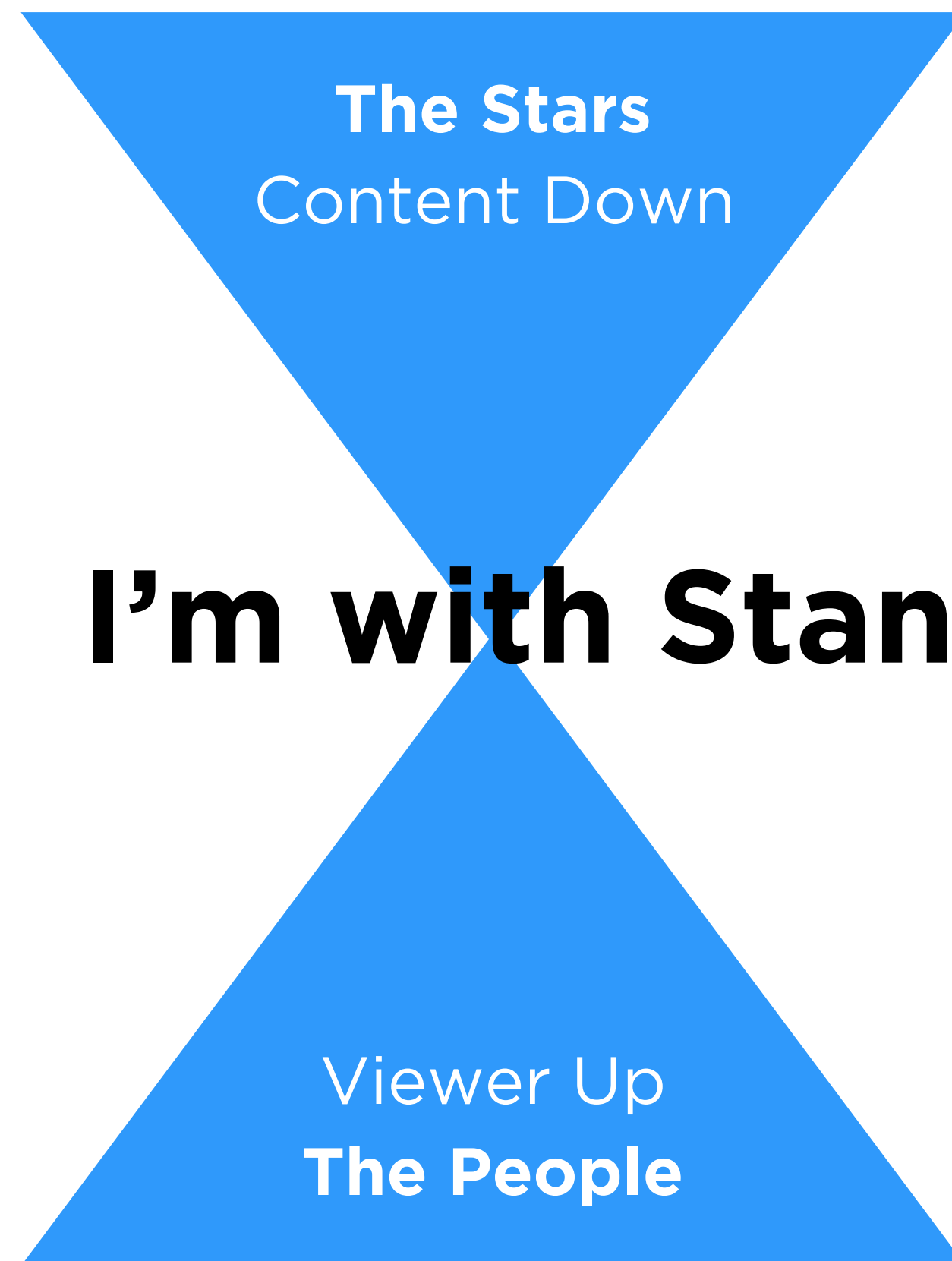
Search queries for Stan continue to experience strong growth trajectory



Data Source: Google Trends

# BRAND METRICS ARE POSITIVE

Current campaign drives trust and consideration





# CONTENT ROADMAP - EXCLUSIVES



Power S3  
18th July



Significant Mother  
7th September



No Activity S2  
October



Coming Soon  
November



Coming Soon  
November



Mozart In The  
Jungle S3  
10th December

JUL

AUG

SEP

OCT

NOV

DEC



The Circus S1  
1st July



Younger S1, S2 & S3  
17th August &  
September 30



Transparent S3  
24th September



Blunt Talk S2  
3rd October



Ash vs Evil Dead S2  
3rd October



Coming Soon  
December

# CONTENT ROADMAP - EXCLUSIVES



Sherlock S4  
Q3



Billions S2  
20th February



iZombie S3  
Q3



I'm Dying Up Here  
Q4



The Last Ship S4  
Q4



UnREAL S3  
Q4

JAN

FEB

MAR

APR

MAY

JUN



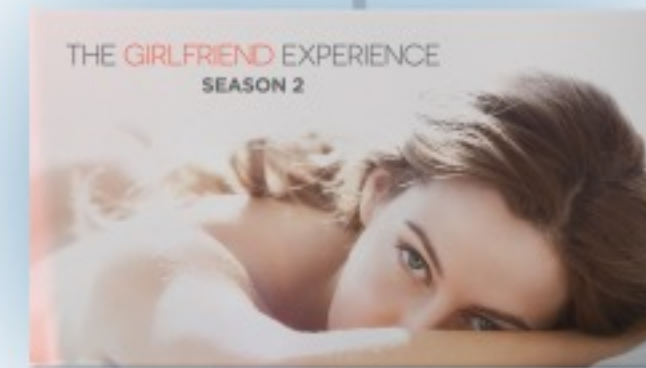
Coming Soon  
Q3



Better Call Saul S3  
Q3



Angie Tribeca S3  
Q3



The Girlfriend  
Experience S2  
Q4



Twin Peaks  
Q4



**PURITY**  
**SHOWTIME**

**Stoun.**