

ONE TO WATCH

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MOTIO LIMITED (ASX:MXO)

Well capitalised with a long runway for growth

Who is MXO Limited?

An out-of-home (OOH) and place-based media company connecting brands with on-the-go consumers through its platform of data-led networks across Australia. With significant coverage of transit, convenience, health and leisure sites across Australia, MXO enables brands to reach, engage and communicate with consumers at the moment of maximum influence.

MXO has been selecting locations where it can anonymously garner first party data from its property partners or represented digital out-of-home networks and app platforms. This data is then aggregated to advertisers to unlock a deep understanding of consumer patterns and audience behaviour. This is being developed through first party data sources, presence, and sensor technology (which forms part of the digital screen display installations within their environments). During this process, the audience information is anonymously harvested on a viewer's age, sex, mood and viewing time. MXO are working on machine learning and AI technology which will offer continual



enhancements as data is received, evolving naturally with an increasing range of human signals and observations. The developing platform's learning capacity will grow in parallel with acquired data, resulting in a more thorough and detailed analysis of its viewers. This technology is not new per se, as it has been in existence for a while (used by Westfield as an example), however, it is the first time the technology is being utilised as a centralised platform/network providing feedback/data based on audience interactions and engagement with digital content, not only to brands and their advertising agencies but the property partners as well. Through this specialised audience focus, MXO is connecting its networks programmatically, allowing advertisers to automatically program how they buy advertising on the MXO platforms. These platforms enable brands to engage with a desired population at crucial times that are relevant to a person's mindset, location, behaviour, habits and spending patterns.

Learn more

- [Where DOOH began](#)
- [How programmatic advertising work](#)
- [Real world example - Foodora](#)
- [Technical explanation](#)

What's changed?

The appointment of Managing Director Adam Cadwallader 10th July 2019. Adam has dedicated the past 25 years to the media industry, 19 of those being in the OOH sector with the past seven of those as Group Sales Strategy Director for oOh media Ltd (ASX:OOH). During this time Adam grew oOh's Place Based Media business Locate by oOh, organically and by acquisitions. Adam has been at the forefront of the industry's growth through Digital, content, data, audience measurement and most recently automation and programmatic trading. Since joining, Adam has managed to grow the company, diversifying across several exciting opportunities during a time where the media industry was impacted severely by COVID-19.

MXO today

Favorably placed to capitalise on an industry historically lazy to exploit advantages of a packaged, data orientated, highly scalable offering.

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Highlights

Legacy agreement

With XTrackTV JCDecaux (previously APN Outdoor) Outdoor market DOOH content and advertising for distribution onto MXO's digital screen networks in Melbourne and Brisbane railway facilities. These assets form part of Outdoor Limited's national XTrack TV network. This agreement enables JCDecaux to innovative access, patented software products and data relationships developed by MXO's subsidiary, Contact Light.

JCDecaux utilise Contact Light's software platforms to enhance engagement with all JCDecaux DOOH commuter audiences across Australia. This is an exclusive agreement that expires June 2022, unless extended further (as anticipated).

"We recognise the significance that data and technology plays in the products we develop and deliver to our customers at present and into the future. They improve efficiencies, ease of transactions and increase audience engagement. MXO and Contact Light are vital players in this space and we are very pleased to be continuing our partnership. This agreement and the innovation it delivers will provide an increased focus by APN Outdoor on data and technological innovation throughout our product offering."

James Warburton
APN Outdoor CEO
 28 June 2018

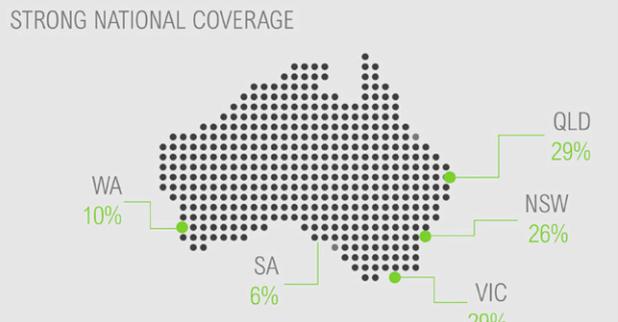
About JCDecaux

- [Video 1](#)
- [Video 2](#)

31 December 2019

Acquisition: Adline Media Pty Ltd

Adline is an OOH media and marketing company well established in the sport and leisure sector with diversified revenue streams. The company operates across 65 locations Australia wide having sports software re-seller agreements across 94 sports centres covering more than 20,000 active teams and sporting groups. This includes rights to online media, e-marketing and first party data (information collected directly from an audience or customers. Data from behaviours, actions or interests demonstrated across the web or apps).



Further, Adline has supply agreements across 136 locations giving access to group incentivized pricing with major beverage and other group supply requirements. As well as having further access to first party data information in real time to active campaigns directly to the sports and communities at the right time and place. Whilst Adline has strong national coverage, there remains substantial runway for further growth across all major capital cities (as can be seen in the image above - Source: MXO).

14 April 2020

Acquisition: Ooh Media health network assets

This investment gives MXO exclusive access to a high quality DOOH network with Australia's leading Medical Centre provider Healius Limited (ASX:HLS) (soon to be BGH), providing an exceptional launch pad for MXO's new sales company MXO by [Enormity](https://maxnolan.co/portfolio/enormity/) <https://maxnolan.co/portfolio/enormity/>. This platform allows medical and dental management direct, centralised access to communicate important messaging instantaneously to customers within their multi-disciplinary large scale facilities.

This network allows MXO to continue to develop rich content "entertaining and engaging people in the waiting areas and, key focal points such as pharmacy will enable brands to engage consumers with more than just advertising, unlocking the moment of maximum influence at the intersection of time, place and intent".

"This acquisition will allow us to expand our business within a sector that is clearly experiencing a spike in clientele at present and is central to MXO's strategy of owning networks in out-of-home and advertising technology."

Adam Cadwallader
MXO Limited

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5 June 2020

Exclusive rights to CALTEX

MXO was awarded rights to the Caltex in-store media network comprising over 1,000 High Definition digital displays in more than 500 petro- convenience locations across regional and metropolitan Australia. This partnership commenced through the launch of MOTIO GO and has a five year term, with the option to extend. Digital displays are in-store and point of purchase ‘pinch points’, making it the most widely scaled on-the-go convenience offerings in the Australian market. Commercial terms of the Sale Representation Agreement :

- MXO will sell media to brands and their ad agencies.
- MXO will receive a fee (sales commission) on a variable or a per sale basis.
- As a result of this contract, MXO expects to increase its turnover (on a standardised basis) by a minimum of approximately 10% over the next twelve months.

“The full motion, high definition network, with displays positioned in the most viewable locations offer brands the opportunity to communicate at the moment of maximum influence in a perfect intersection of time, place and intent. This, combined with anonymised customer data, enables MOTIO to offer tactical, audience-based campaigns that match true consumer behaviour.”

Adam Cadwallader
MXO Limited



“The Swift network offers MXO a breadth across the market and provides a high calibre extension to MXO’s value proposition to brands. The digital screen network, with displays centrally located in GP practices, in combination with our recently acquired network, is unique. It offers our customer the opportunity to engage with audiences in ultra-long dwell time environments with a combination of relatable content and advertising that informs and entertains. The agreement is well-timed given the emerging recovery in national advertising spend.”

Adam Cadwallader
MXO Limited

16 June 2020

Swift Media partnership

MXO has been awarded a three and a half (+2 year option) national agency and programmatic sales rights for Swift Media’s (ASX:SW1) 1,400-strong place based, national Health and Wellbeing screen network (formerly Medical Media).

“By combining the networks and leveraging MXO’s proven expertise we look forward to driving accelerated sales growth and improved screen utilisation. Swift will continue to drive local advertising sales, while national advertisers will be able to access Swift’s network through MXO’s Motio Health brand.”

Pippa Leary
CEO, Swift Media

MXO will oversee national and programmatic display sales, while Swift continues to monetise its network using its highly successful local in-house sales force. Under the agreement, revenue from national and programmatic display sales will be shared between the parties with MXO receiving a 35% commission.

Revenue model

In recent years the lion share of revenue had come from two clients both MTM Melbourne, and Queensland Rail. As expected, during COVID-19 lockdowns revenue was impacted. Fortunately the bottom line was insulated somewhat by cost cutting measures (staff took pay cuts), and rent reduction agreements with both clients. Never the less, during normal conditions, revenue from this channel alone has left shareholders frustrated and uninspired as the runway for growth has been limited. As it stands MXO has successfully diversified its revenue through multiple pathways applying core technology through a closed loop system designed to leverage audience data.

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Revenue model breakdown:

- 1 Media ownership and advertising - owning either DOOH or OOH assets and charging a fee for advertising.
- 2 AdTech and Sportech - collection of data through media representation in customer focused environments, using friendly sensors and presence analytics in real time for property partners. Providing data that enhances customer experience, increase engagement, and provide accessibility to brands and businesses in the out-of-home arena or 'where people play' for fun.
- 3 Content and Creative - Enormity (MOTIO) creates templates, writing content, and advertising templates, as well as producing complete advertisements. Enormity offers media concepts, strategies and overall recommendations based on accumulated audience data.

Ideally, MXO is looking to package all three aspects into a complete offering allowing the company to extract full benefit from customers through media campaigns. The traditional OOH model is outdated, and being replaced with interactive, engaging DOOH technology, focused around audience data and programmatic targeting.

"MXO has been re-set for growth over the next 3+ years. The team has created a true and realistic foundation, established management systems and processes with strong integrity. We are developing a culture that is hardworking, flexible, and steeped in partnership with our team, our customers and our suppliers. We are set to take advantage of growth and whilst we are prudent about the immediate future, we are relentless in our drive and ambition to build a company that provides a platform for exceptional performance in all aspects of its being"

Adam Cadwallader
MXO Limited

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