

MYOB

RESULTS
PRESENTATION

FY15



FOR THE YEAR ENDED
31 DECEMBER 2015

TIM REED
CHIEF EXECUTIVE OFFICER

RICHARD MOORE
CHIEF FINANCIAL OFFICER

25 FEBRUARY 2016



Important notice

The information contained in this document (including this notice) or discussed at this presentation (collectively, the Presentation) has been prepared by MYOB Group Limited (MYOB).

The Presentation is subject to the conditions outlined below. Your receipt or viewing of the Presentation evidences your acceptance of those conditions and that you agree to be bound by them.

NO OFFER OF SECURITIES

The Presentation is not a prospectus, product disclosure statement, disclosure document or other offer document under Australian law or under any other law. It does not, and is not intended to, constitute an offer for subscription, financial product advice, invitation, solicitation or recommendation by any person or to any person with respect to the purchase or sale of any securities or financial products in any jurisdiction, and also does not form the basis of any contract or commitment to sell or apply for securities in MYOB or any of its subsidiaries.

The information contained in the Presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs and noting contained in the Presentation constitutes investment, legal, tax or other advice. You must not rely on the Presentation but make your own independent assessment and rely upon your own independent taxation, legal, financial or other professional advice.

FINANCIAL DATA

All information in the Presentation is in Australian dollars.

The Presentation contains pro forma financial information. Such pro forma financial information has not been prepared in accordance with disclosure requirements of applicable accounting standards and other mandatory reporting requirements in Australia.

The pro forma historical financial information included in the Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Certain financial numbers labelled "pro forma" in this presentation have been adjusted to reflect certain pro forma items, including the impact of historical acquisitions and divestments, to eliminate non-recurring items and to reflect standalone public company costs, which have been more reflected in the historical and forecast periods.

Certain financial data included in the Presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These non-GAAP financial measures do not have a standardized meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards.

Although MYOB believes these non-GAAP financial measures provide useful information to users in assessing the financial performance and condition of its business, you are cautioned not to place undue reliance on any non-GAAP financial measures included in the Presentation.

FORWARD STATEMENTS

No representation or warranty, expressed or implied, is made as to the accuracy, reliability, adequacy or completeness of the information and opinions contained in the Presentation.

The Presentation may contain certain forward looking statements, including estimates, projections and opinions (Forward Statements). We use words such as 'will', 'may', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify Forward Statements. Forward Statements may involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the MYOB Group, and have been made based upon management's expectations and beliefs concerning future developments and their potential effect on us. No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. Actual future results and operations could vary materially from the Forward Statements. Circumstances may change and the contents of this Presentation may become outdated as a result.



PAST PERFORMANCE

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance.

DISCLAIMER

The information is supplied in summary form and is therefore not necessarily complete. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

To the maximum extent permitted by law, the MYOB Group and each of its affiliates, directors, employees, officers, partners, agents and advisers and any other person involved in the preparation of the Presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, the Presentation. The MYOB Group accept no responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of the presentation or this document, which may affect any matter referred to in the Presentation.

This presentation should be read in conjunction with MYOB's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

FY15 Results presented by:



Tim Reed

CHIEF EXECUTIVE OFFICER

Appointed Chief Executive Officer in 2008

Joined MYOB in 2004

Prior to 2004, worked in Silicon Valley within a number of companies in global technology and internet markets



Richard Moore

CHIEF FINANCIAL OFFICER

Appointed Chief Financial Officer in 2012

Prior to MYOB, was the CFO of Jetstar Airways

Previously held senior finance roles with Bankwest Business and GE Capital

1

EXECUTIVE SUMMARY

2

BUSINESS HIGHLIGHTS
AND STRATEGY

3

FINANCIAL SUMMARY

4

OUTLOOK

5

Q & A

6

APPENDIX



1

EXECUTIVE SUMMARY



FY15 Financial Highlights

MYOB CONTINUES TO DELIVER ON OR ABOVE PROSPECTUS FORECAST

PRO FORMA REVENUE OF

\$328 MILLION

UP 10% YOY¹



PRO FORMA EBITDA OF

\$153 MILLION

UP 19% YOY¹



PRO FORMA NPATA OF

\$86 MILLION

UP 22% YOY¹



PRO FORMA CASHFLOW
CONVERSION OF

87%

DOWN 1% YOY¹



SME PAYING USERS

545K

UP 8% YOY¹



SME ARPU OF

\$379

UP 5% YOY¹



On or ahead of
prospectus forecast



Dividend declared
of 5.0c per share

Pro forma NPATA EPS
of 14.7c

Recurring revenue up 11%
to \$312 million, or 95.1%
of total revenue

Statutory EBITDA of \$124 million
and NPAT of (\$42 million)

Note: 1. vs pro forma FY14 per IPO prospectus on a like-for-like basis.

Operational Highlights: 2015 – a year of transformation

“

DURING OUR FIRST YEAR AS A PUBLICLY TRADED COMPANY WE ARE ESPECIALLY PLEASED TO MEET OR EXCEED ALL OF THE FORECASTS WE PUBLISHED DURING OUR IPO PROCESS.

JUSTIN MILNE CHAIRMAN

➤ COMPELLING FINANCIAL PERFORMANCE

Returned to the public market in May 2015

Grew revenues 10% and comfortably achieved prospectus forecasts

➤ SME GROWTH

8% paying user growth, 5% ARPU growth

Accelerating online adoption, with 170,000 online users; up 46% on 2014

Online referrals from accountants up by 27%

➤ ACCOUNTING PRACTICES BEGINNING TO MOVE ONLINE

Over 1,000 practices using MYOB Portal

Online versions of BankLink & Practice Ledger on track to be released in 2016

➤ TARGETED INVESTMENT IN FUTURE GROWTH

15% of revenue invested in technology in 2H15

Investment in digital sales and marketing resources increased >30%

Leadership in New Zealand payroll: PayGlobal, Ace Payroll and IMS acquisitions combined with MYOB's existing footprint mean over 30% of the New Zealand SME workforce are now paid by MYOB

➤ DIFFERENTIATED VISION

Vision: bold strategy of connected practice underpinning investment in the MYOB online platform

2

BUSINESS HIGHLIGHTS AND STRATEGY



Growth Strategy

WE ARE COMMITTED TO DELIVERING BUSINESS GROWTH BY:

1

Growing online accounting subscribers – both new and upgrading our base

2

Investing in R&D to fund innovation that drives the uptake (penetration) of online accounting

3

Continue to drive returns on our investment in innovation through driving ARPU and retention

4

Building an intelligent, intuitive online platform that meets the future needs of SMEs and their advisers

5

Delivering market leading online connected services and an eco-system to enrich our platform

6

Ensuring ongoing success through a highly engaged team

7

Targeting strategic acquisitions that complement MYOB's organic growth

WITH THIS STRATEGY WE INTEND TO DELIVER VALUE TO SHAREHOLDERS BY:

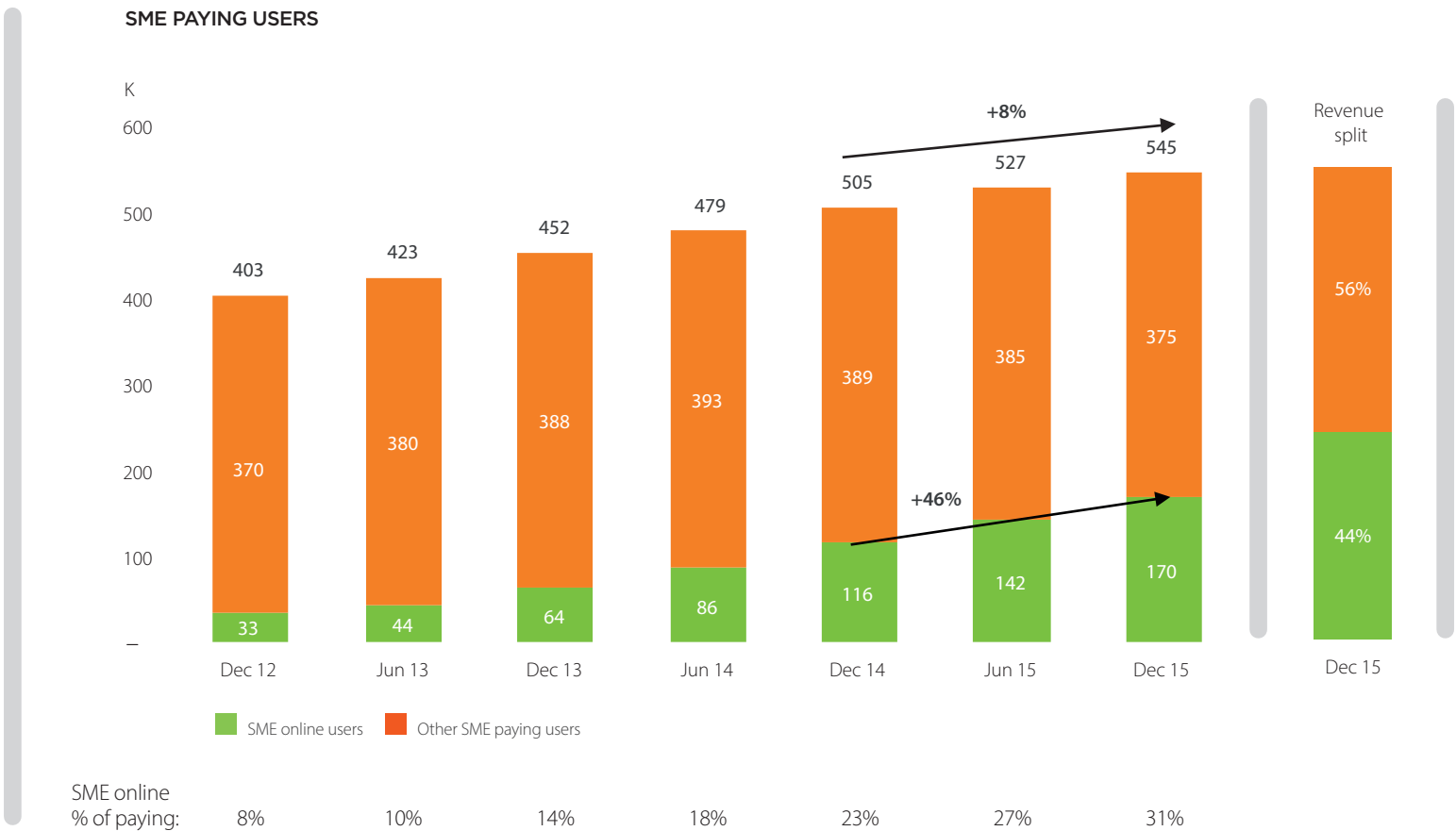
Increasing the number of paying users, ARPU and retention rates...

...which ultimately drive recurring revenue, earnings, cashflow, and dividend yield

Continued strong growth in online subscribers

SME online user base growing strongly

Management expect increase in “SME online as % of paying” to accelerate in 2H16 and 2017 once online version of BankLink is available



Note: Number of users in December 2012 has been amended to include BankLink, which was acquired by MYOB in May 2013, in order to allow for a like for like comparison.

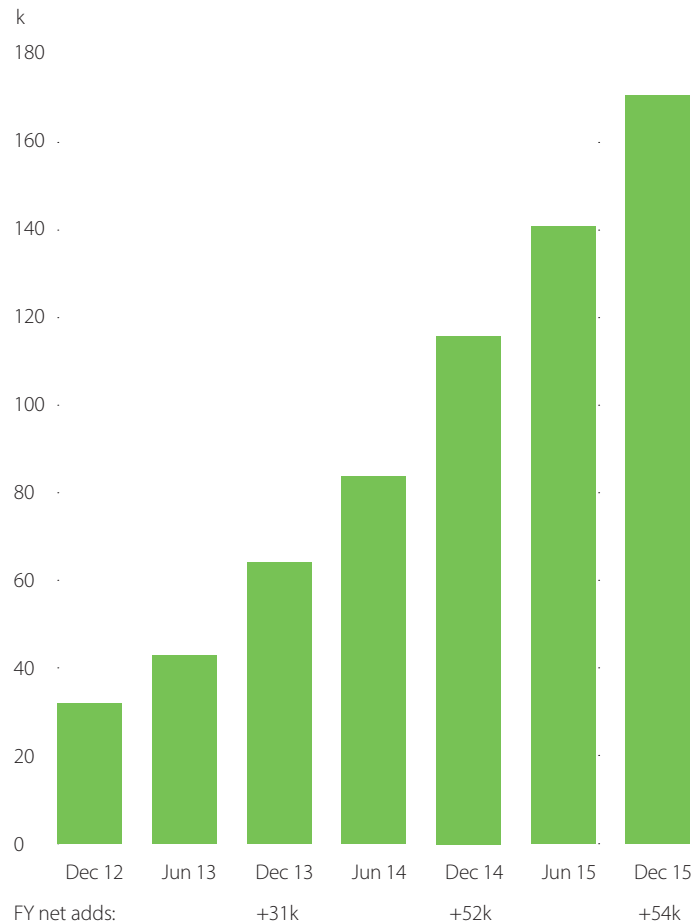
Growth coming from new subscribers ...

Net online adds in 2H15 were up 7% on 1H15

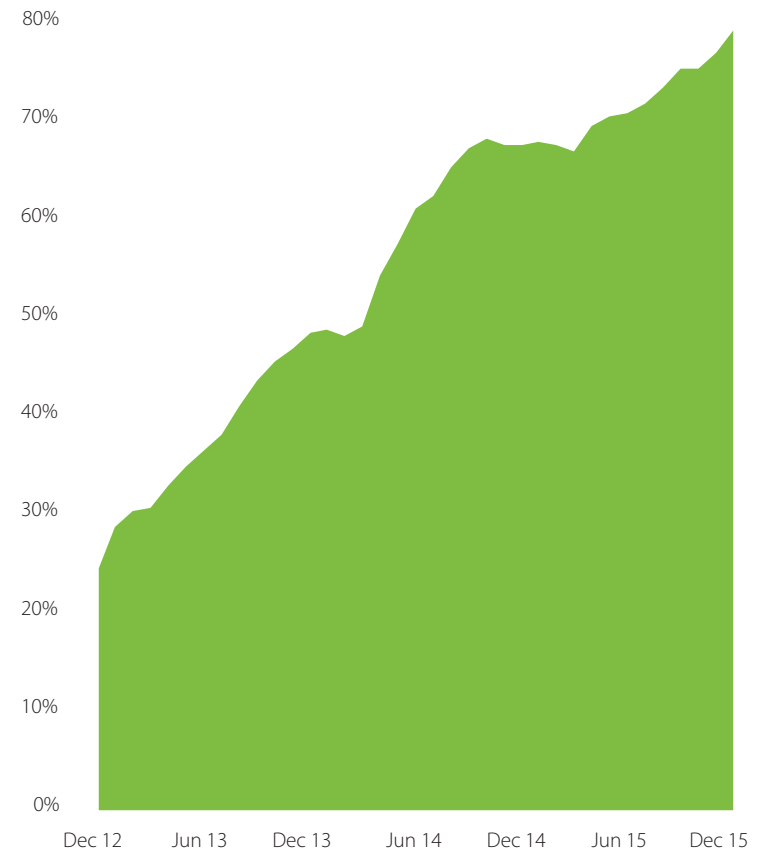
170k SME online subscriptions – up 46% YoY from 116k in December 2014

78% online registrations in the 3 months to December 2015, up from 70% in June 2015, with in-store demand for perpetual licenses higher than expected in IPO forecast

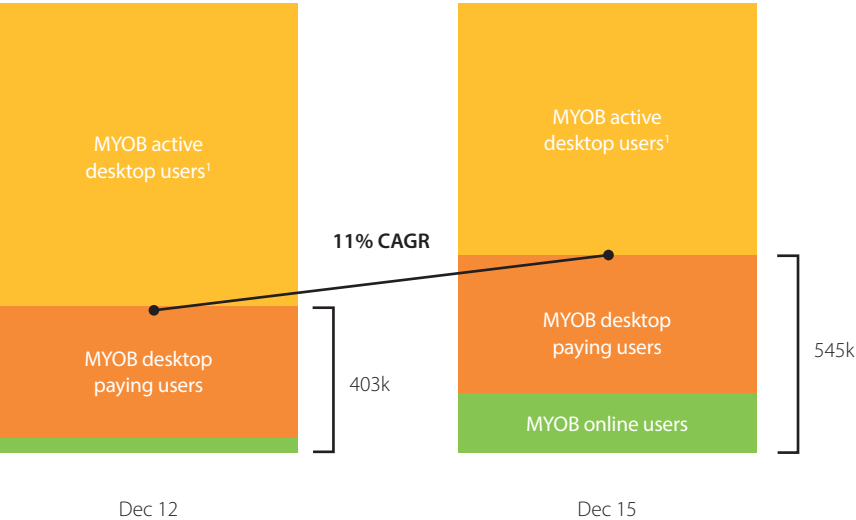
SME ONLINE SUBSCRIPTIONS



SME ONLINE REGISTRATIONS (L3M)



...and upgrading existing clients



Paying user growth driven by online registrations, coming from new to MYOB and existing clients

Note: 1. Internal management data as at Dec 2015. Active desktop non-paying users confirmed via anti-piracy "pinging" mechanism.

Tools in place to assist migration from MYOB desktop products and competitors

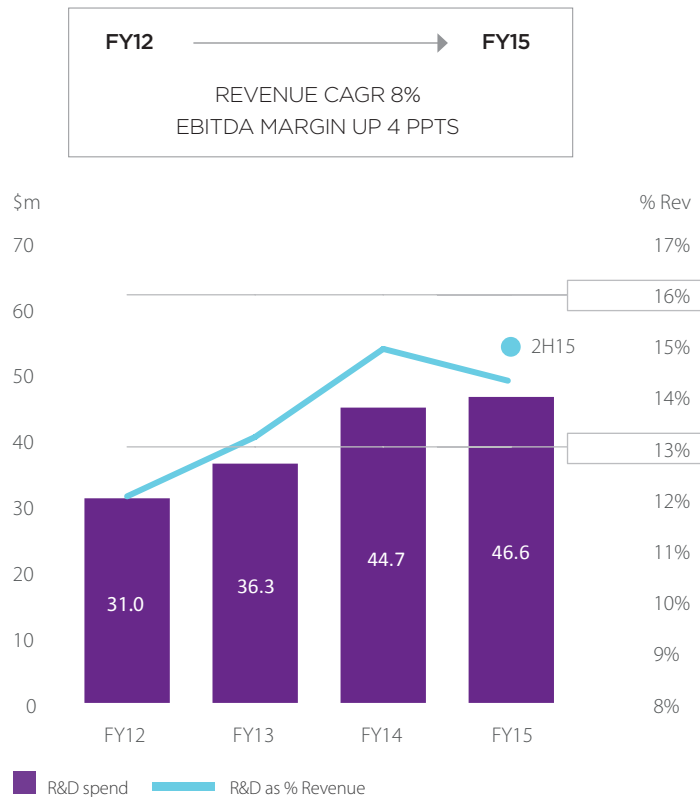
Select the service right for you & make the move today

Move from	Upgrade	PC or MAC
Xero or QuickBooks / Reckon Accounts to AccountRight	Older AccountRight software to the new AccountRight	AccountRight or AccountEdge to MYOB Essentials
Find out more	Find out more	Find out more

Targeted and disciplined investment in product innovation...

MYOB INVESTED 15% OF REVENUE IN PRODUCT IN 2H15 TO DRIVE INNOVATION AND MARKET SHARE

R&D SPEND¹



- MYOB has grown revenue and EBITDA margins while increasing R&D spend by >50% from 2012
- Investment focus is to drive growth
- Continued investment in the MYOB online platform means spend will remain in the previously advised 13%-16% of revenue range

Note: 1. Total R&D spend (opex + capex) as % of revenue.

...with plenty of opportunity to grow

SME ACCOUNTING

Online adoption is <20% after 5 years
Desktop ~70% penetration after 25 years

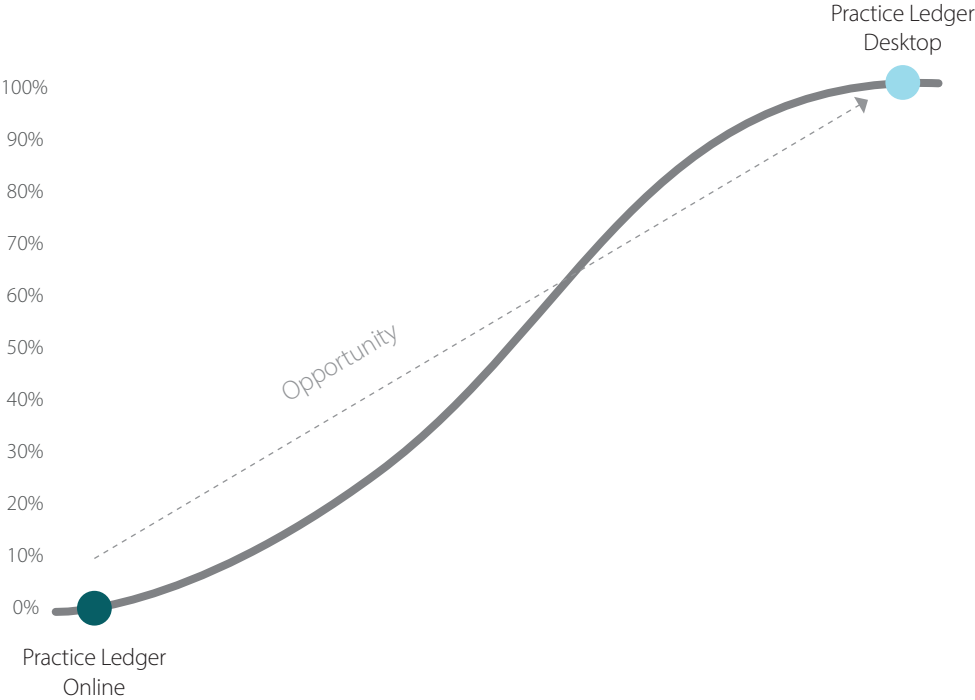
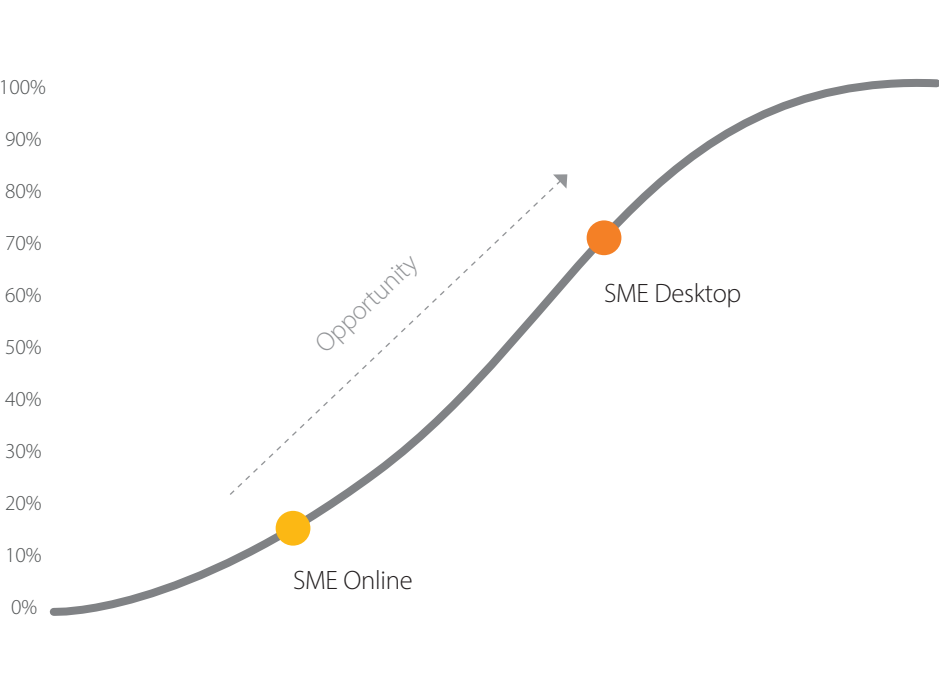


PRACTICE LEDGER

Online adoption in its infancy; MYOB to release product in 2016
Desktop penetration complete

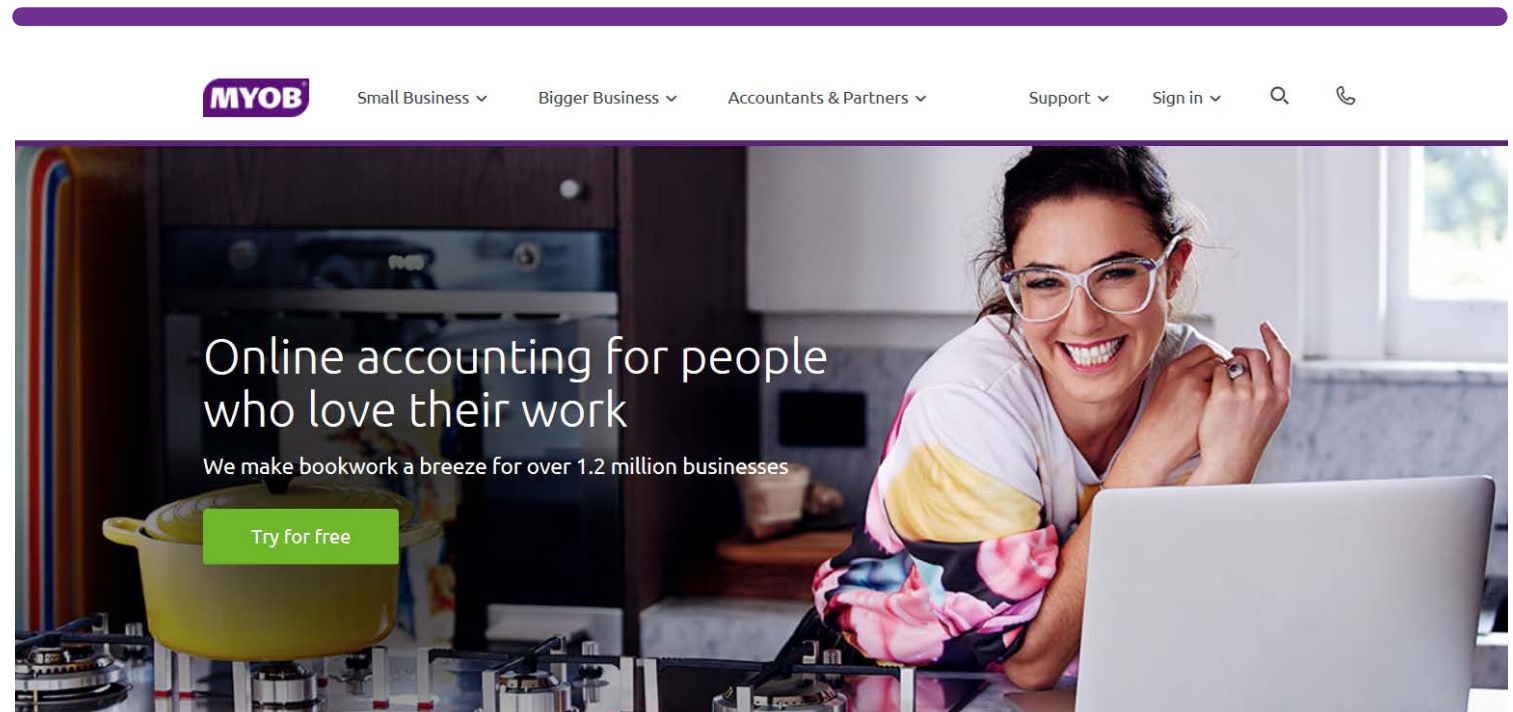


ACCOUNTING SOFTWARE PENETRATION



Investing in digital marketing platform to further lift penetration

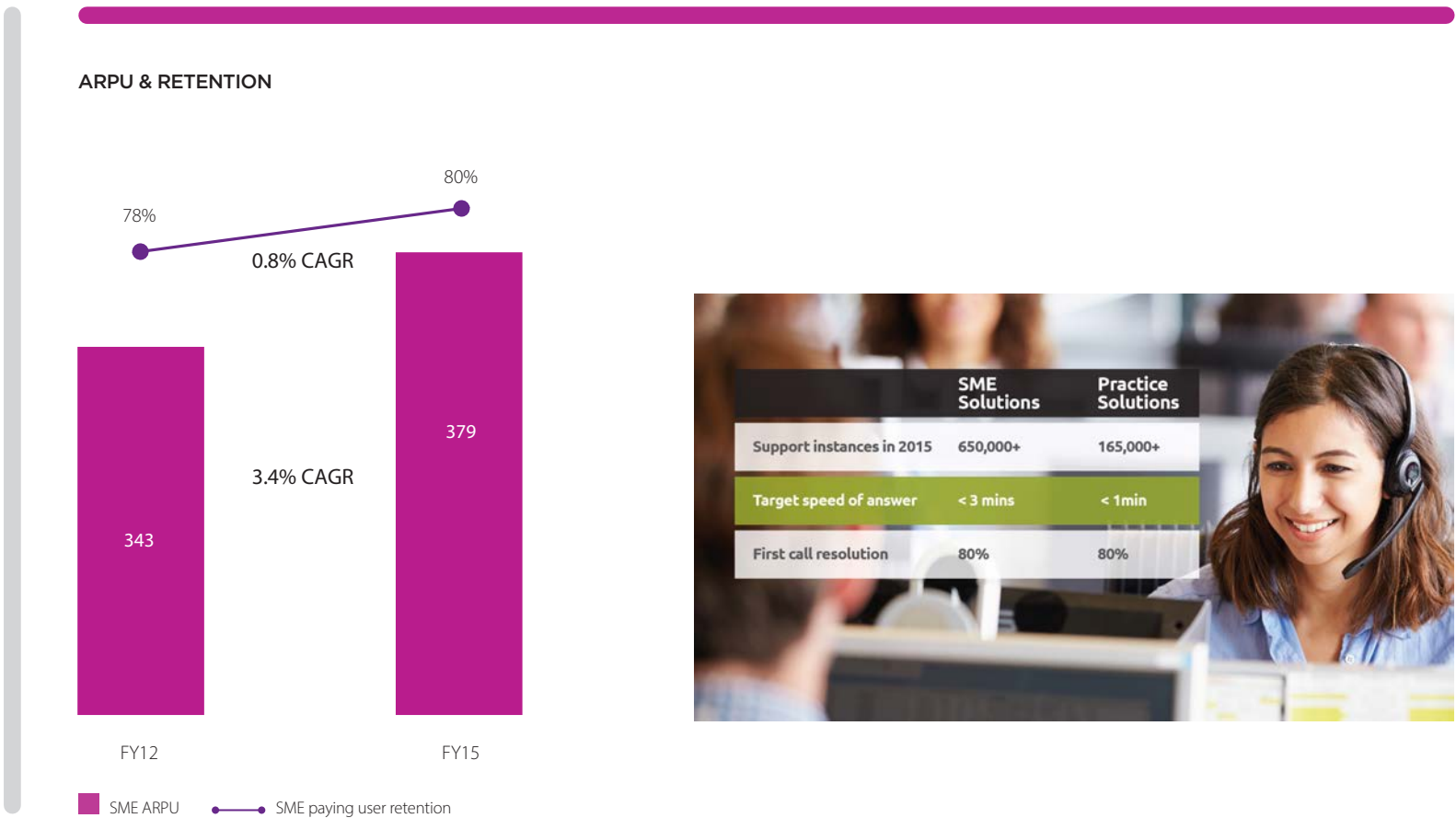
In 2015 MYOB partnered with Adobe Experience Manager to commence development of a new MYOB CMS (Content Management System) and eCommerce experience to be launched in 2016. We increased investment into marketing, driving market leading awareness (90%+) of MYOB Brand.



Adobe Experience Manager

Return on investment in innovation and support also coming through ARPU and retention

Investment in innovation and support delivering healthy SME ARPU increases and improving retention



	SME Solutions	Practice Solutions
Support instances in 2015	650,000+	165,000+
Target speed of answer	< 3 mins	< 1min
First call resolution	80%	80%

We have a differentiated view of the future of the accounting industry, and are building the MYOB online platform to power that vision

Traditionally MYOB solutions have automated three separate business processes with stand-alone solutions:

- Transactional processing: SME Accounting
- Compliance: Practice Solutions
- Advisory: Mix SME, Practice and add-on solutions.

While further automation is happening, the big change underway is that these three business processes are becoming one. We call this the Connected Practice.

MYOB will support Connected Practices with an intelligent, intuitive platform that recognises SMEs and their advisors, customises their working relationships and connects them to government regulators, add-on partners, financiers and other members of the business eco-system.

This will:

- Save time
- Match responsibility and skills
- Enable closer working relationships.

MYOB, helping businesses succeed.

THE CONNECTED PRACTICE

POWERED BY MYOB

COMPLIANCE

MYOB AO | MYOB AE

ADVISORY

MYOB SME | MYOB AO/AE | ADD-ON SOLUTIONS

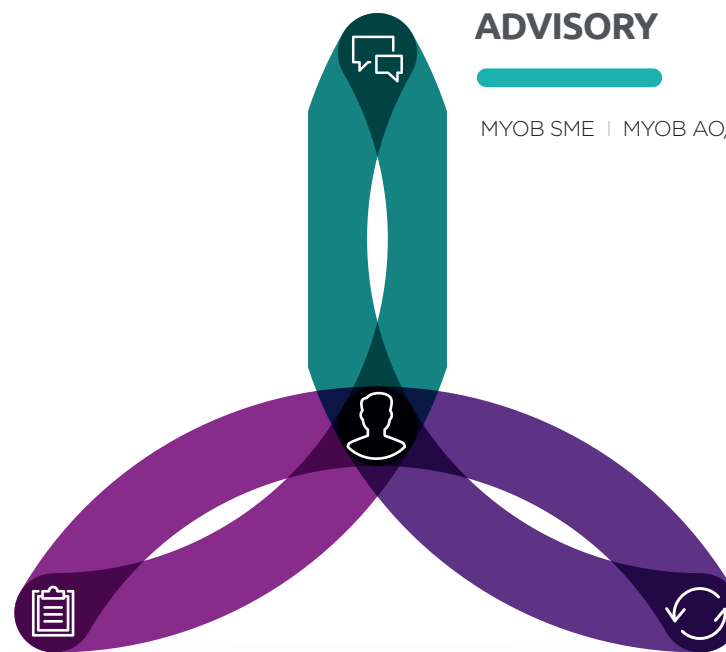
TRANSACTIONAL PROCESSING

MYOB BANKLINK | MYOB ESSENTIALS | MYOB ACCOUNTRIGHT

“

...[#MYOBCINCITE] KEYNOTE SPEECH AND CORE MESSAGE ON THE CONNECTED PRACTICE WAS SOMETHING THAT I WOULD HAVE PAID TO LISTEN TO. WELL DONE TO MYOB FOR PICKING UP THE PACE AND MAKING THIS INDUSTRY MORE EXCITING.

LIELETTE CALLEJA MYOB PARTNER



Our high-performing team underpins our confidence in our future

MYOB HAS BEEN CONSISTENTLY RECOGNISED AS A LEADING EMPLOYER

We drive performance by aligning values and goals so that together, we can execute our strategic plan. We do this by thought leadership, learning, and engagement, including:

- new Employee Value Proposition 'Your Work Matters';
- investing in team member development via our award winning Learning Lab;
- tapping into the passion of our team members through engaging workplaces and events such as Purple Awards and Purple Film Fest; and
- offering employee benefits tailored to our employees' needs, as part of our #MYOBLIFE program.

YOUR
WORK
MATTERS



#MYOB
LIFE

MYOB TEAM AWARDS IN 2015



AHRI AWARDS 2015
Marshall Goldsmith Award for Talent Development
WINNER AHRI

“

IN AN IP BUSINESS, ATTRACTING AND RETAINING THE BEST PEOPLE IS THE ONLY PATH TO SUCCESS. WE'RE EXTREMELY PROUD OF THE DYNAMIC CULTURE THAT EXISTS AT MYOB, AND EVEN MORE SO BY THE FACT IT IS TRULY OWNED AND TREASURED BY TEAM MEMBERS.

ALLA KEOGH
MYOB HEAD OF PEOPLE & PERFORMANCE

Led by an experienced management team



Tim Reed

CHIEF EXECUTIVE OFFICER



Richard Moore

CHIEF FINANCIAL OFFICER



James Scollay

GENERAL MANAGER,
SME SOLUTIONS



Andrew Birch

GENERAL MANAGER,
INDUSTRY SOLUTIONS



Adam Ferguson

GENERAL MANAGER,
ENGINEERING & EXPERIENCE



John Moss

CHIEF STRATEGY OFFICER



Simon Raik-Allen

CHIEF TECHNOLOGY OFFICER



Alla Keogh

HEAD OF PEOPLE &
PERFORMANCE



Ben Ross

GENERAL MANAGER,
DESIGN & USER EXPERIENCE



Natalie Feehan

GENERAL MANAGER,
MARKETING



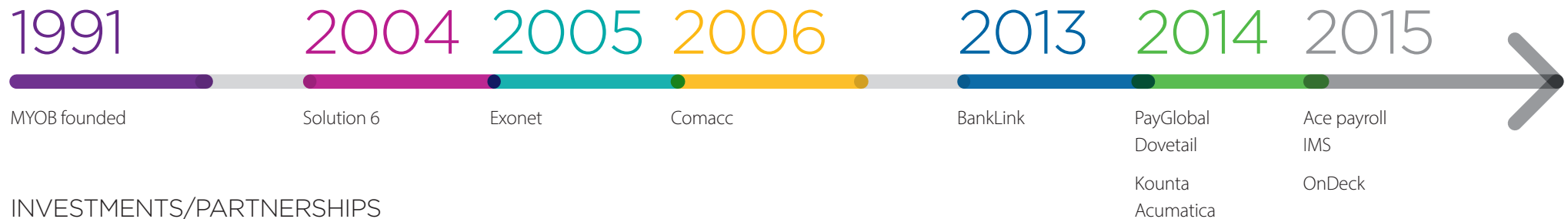
Ian Boylan

GENERAL COUNSEL
& CO SECRETARY

With the opportunity to complement organic growth with strategic acquisitions and investments

MYOB HAS A HISTORY OF WELL EXECUTED, ACCRETIVE ACQUISITIONS AND INVESTMENTS

ACQUISITIONS



INVESTMENTS/PARTNERSHIPS

ACQUISITION/INVESTMENT CRITERIA:

1

A complementary product or functionality currently not in the MYOB product suite (Solution 6, Exonet, Comacc, BankLink)

2

Technology, IP or partnership to bring online solutions and connected services to market more quickly (Dovetail, Acumatica, Kounta, OnDeck)

3

EBITDA accretive businesses, with a complementary client base (PayGlobal, Ace Payroll, IMS)

3

FINANCIAL SUMMARY

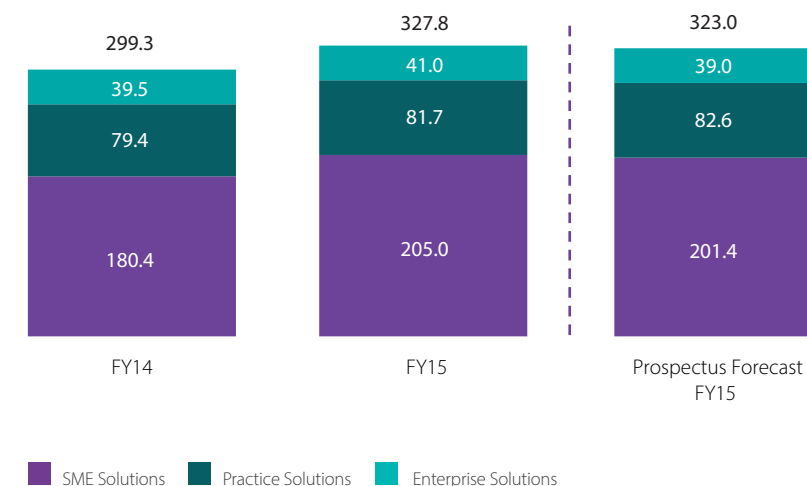


2015 financial results are ahead of prospectus forecasts

MYOB PRO FORMA¹ FINANCIAL PERFORMANCE AND FORECASTS

A\$m; 12 months ended 31 December	FY14	FY15	FY15 Prospectus forecast	v FY14	v Prospectus forecast
Revenue	299.3	327.8	323.0	10%	1%
Operating Expenses	(170.8)	(174.9)	(172.4)	2%	1%
EBITDA	128.5	152.9	150.6	19%	2%
NPATA ²	70.3	85.9	84.8	22%	1%
Recurring Revenue %	93.8%	95.1%	95.0%	1.3%	0.1%
EBITDA Margin %	42.9%	46.6%	46.6%	3.7%	0.0%

PRO FORMA REVENUE (\$ MILLIONS)



	CAGR	
	FY12-14	FY14-15
SME Solutions	9.5 %	13.7 %
Practice Solutions	3.3 %	2.9 %
Enterprise Solutions	8.6 %	3.8 %
Total	7.7 %	9.5 %

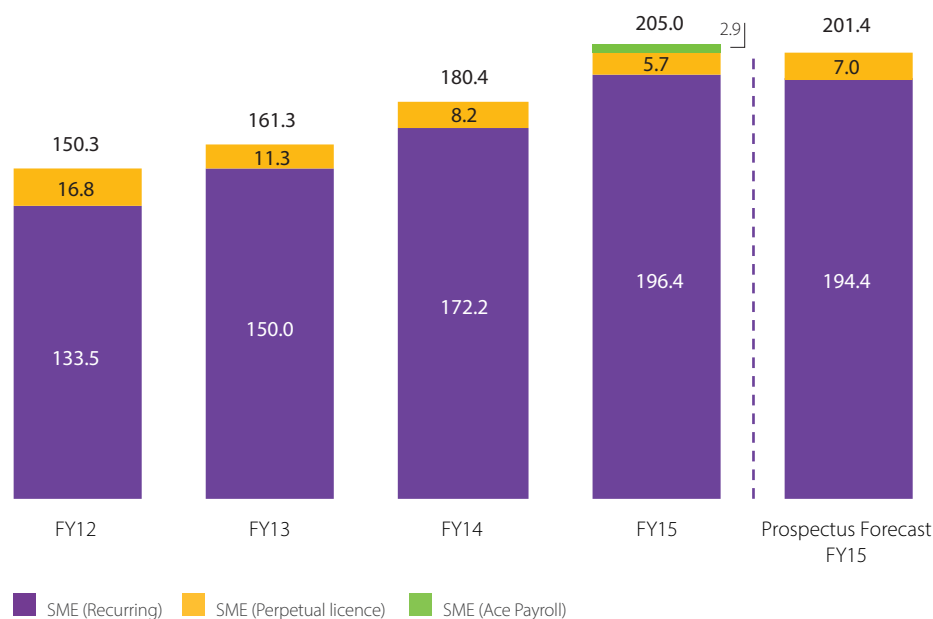
Note: 1. Pro forma adjustments have been made to statutory revenue and NPAT results to reflect the impact of the operating and capital structure now in place following completion of the IPO, as if it was in place as at 1 January 2014. In addition, certain other adjustments have been made to reflect the impact of historical acquisitions and divestments, to eliminate non-recurring items and to reflect standalone public company costs.

2. MYOB considers NPATA (net profit after tax and after adding back the tax effected amortisation expense related to acquired intangibles), rather than NPAT, to be a more meaningful measure of after tax profit due to the large amount of non-cash amortisation of acquired intangibles that is reflected in NPAT.

SME delivered 63% of total group revenue with 8% growth in paying users

PRO FORMA SME SOLUTIONS REVENUE (\$ MILLIONS)

	CAGR	
	FY12-14	FY14-15
SME (Recurring)	13.6 %	14.1 %
SME (Ace/IMS)	-	-
SME (Perpetual Licence)	(30.3)%	(30.0)%
Total	9.5 %	13.7 %
<i>Total excl. Ace & IMS</i>	<i>9.5 %</i>	<i>12.1 %</i>



KEY PRO FORMA REVENUE METRICS

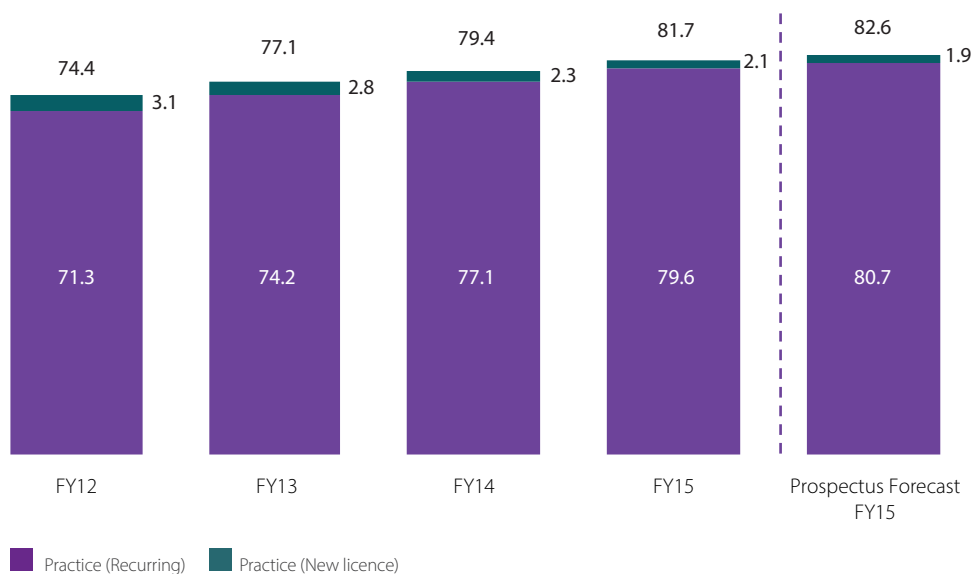
	FY14	FY15	FY15 (Prospectus forecast)
Number of paying users ('000s)	505	545	545
Recurring revenue as a % of SME Solutions pro forma revenue	95%	97%	97%
Average revenue per paying user (ARPU) (\$)	360	379	370
SME online registrations as a % of total new SME registrations	62%	72%	83%

- 12% underlying revenue growth driven by 14% uplift in recurring revenue
- Recurring revenue growth has been driven by growth in online users, delivering:
 - 8% growth in the paying user base;
 - high and stable retention rates (up 2% on prospectus forecast); and
 - 5% growth in ARPU
- Ace Payroll & IMS contributed \$2.9m of revenue in 2016 (of which \$2.7m was recurring)

Practice Solutions delivered 25% of group revenue, and launched MYOB Portal – a market leading SME/Practice collaboration tool

PRO FORMA PRACTICE SOLUTIONS REVENUE (\$ MILLIONS)

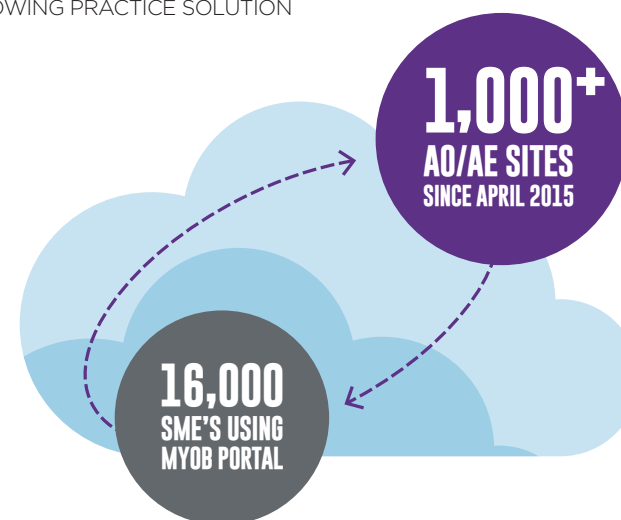
	CAGR	
	FY12-14	FY14-15
Practice (Recurring)	4.0 %	3.2 %
Practice (New licence)	(13.9)%	(8.1)%
Total	3.3 %	2.9 %



- Revenue growth primarily ARPU driven
- Extremely successful launch of the MYOB Portal in April 2015, the first online practice module, which is being used by 1,000+ practices and 16,000+ clients
- In 1H16 we will launch the next module – an online practice ledger which will start the journey towards the Connected Practice

MYOB Portal

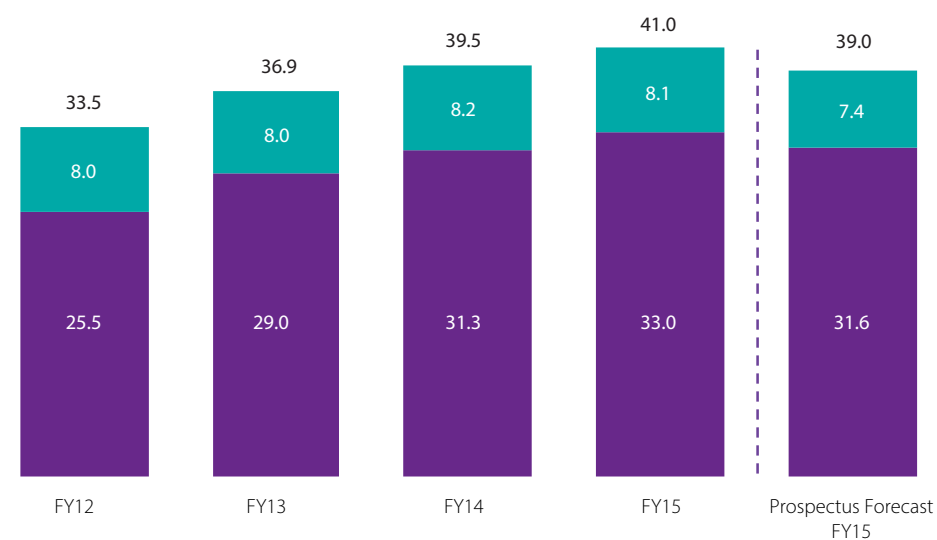
OUR FASTEST GROWING PRACTICE SOLUTION



Enterprise Solutions delivered 13% of group revenue, exceeding forecast driven by growth in online subscriptions

PRO FORMA ENTERPRISE SOLUTIONS REVENUE (\$ MILLIONS)

	CAGR	
	FY12-14	FY14-15
Enterprise (Recurring)	10.9 %	5.2 %
Enterprise (New licence)	1.2 %	(1.6)%
Total	8.6 %	3.8 %

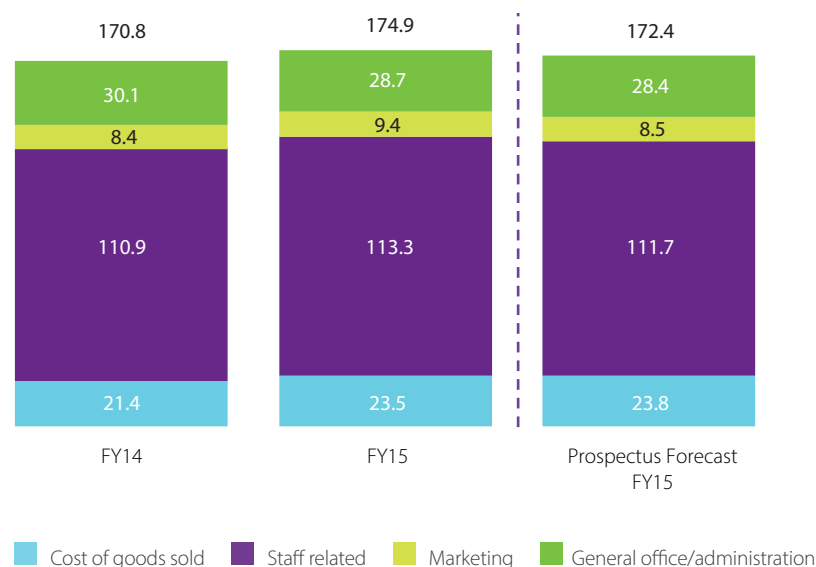


Enterprise (Recurring) Enterprise (New licence)

- Enterprise revenue growing more quickly than forecast, even with the headwind of shifting from up-front (MYOB Exo) to subscription (MYOB Advanced) licenses
- Stronger than expected revenues from PayGlobal driven by higher than expected sales conversion rates
- MYOB Advanced growth also exceeding expectations, with 91 enterprises using the software and a strong pipeline into 2016

Growth strategy is supported by investment – acquisition, marketing, research & development

PRO FORMA OPERATING EXPENSES (\$ MILLIONS)



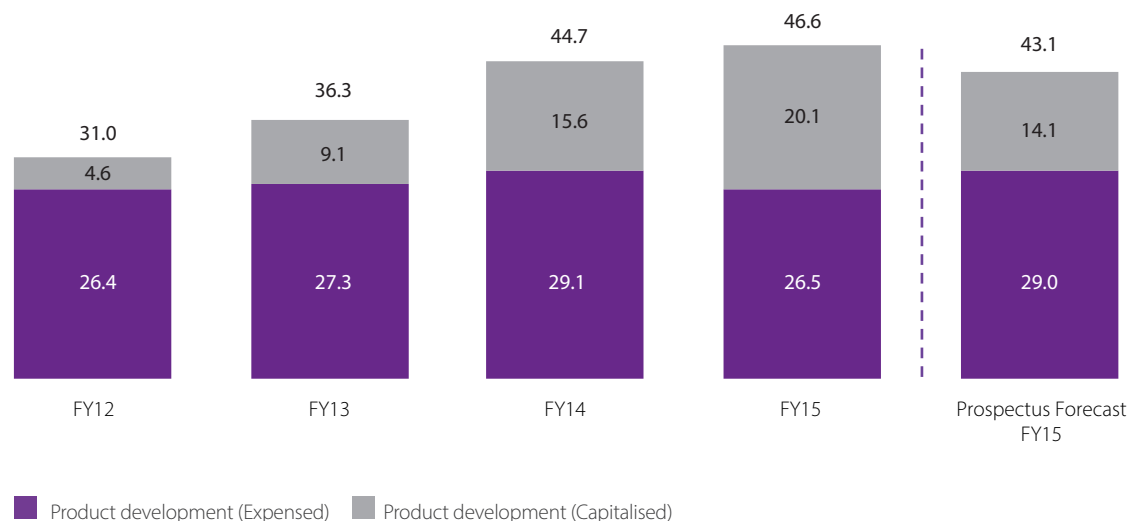
➤ Operating expenses up 2% on prior year and 1% on prospectus forecast, driven by:

- ongoing costs from Ace Payroll and IMS acquisitions; and
- investment in digital sales & marketing resources

➤ Total sales & marketing spend of \$61.9m in FY15 (up 7% YoY)

Note: 1. The MYOB accounting policy is to expense R&D on existing products, and capitalise R&D costs related to new products that have not been released in the market and have not generated any revenue, in order to match the timing of the expense and associated revenue.

PRO FORMA PRODUCT RESEARCH & DEVELOPMENT COSTS (\$ MILLIONS)



➤ Product development (R&D) costs are primarily staff-related. In 2H15 they were 15.0% of revenue, up from 13.4% in 1H15. This is likely to remain in the upper half of the 13%-16% of revenue range in 2016

➤ In 2H15 investment shifted to the MYOB single platform, including online versions of BankLink and Practice Ledger (to be launched in 1H16)

➤ As these products are yet to generate any revenue, this resulted in a higher capex/opex split than expected in the prospectus. This ~50/50 mix is likely to continue through 2016

Strong pro forma free cash flow and high pro forma cash flow conversion

PRO FORMA HISTORICAL AND FORECAST CASH FLOW CONVERSION

\$ in millions	Proforma Cash Flows		
	FY14	FY15	FY15 Prospectus forecast
EBITDA	128.5	152.9	150.6
Non-cash items in EBITDA	2.0	2.0	1.7
Change in net working capital	2.4	3.2	(5.2)
Operating free cash flow before capital expenditure	132.9	158.1	147.1
Capital expenditure	(20.1)	(25.4)	(17.5)
Net free cash flow before financing, tax and dividends	112.8	132.6	129.6
Cash conversion %	88%	87%	86%

- Strong cash conversion of >85%, in line with prior year and prospectus forecast
- Net free cash flow up \$3.3m from IPO forecast
- Change in net working capital is \$8.4m positive to IPO forecast, due to movements in unearned revenue. This was driven by the impact of recent acquisitions and a higher level of prepaid subscriptions than expected
- The majority of capex spend is R&D - \$20.1m of \$25.4m total capex in FY15 (79%)

4 OUTLOOK



MYOB 2016 outlook

FINANCIAL OUTLOOK

- MYOB reaffirms its 12 month June 2016 pro forma prospectus revenue, EBITDA and NPATA forecasts
- As controlled investment in online solutions continues, FY16 R&D expected to be in the upper half of the previously stated 13%-16% range
- We expect revenue growth for FY16 to be in line with historical trends, and EBITDA margins to remain in the 45%-50% range
- We also expect the 2016 dividend payout ratio to be in the range of 60%-80% statutory NPATA, in line with previous guidance



REPORTING TIMELINE



SIMULTANEOUS REPORTING

5

Q & A



6

APPENDIX



Key operating metrics summary

SUMMARY OF KEY PRO FORMA OPERATING METRICS FOR THE HISTORICAL AND FORECAST PERIODS

	Notes	FY14	FY15	FY15 (Prospectus forecast)
MYOB Group				
Pro forma revenue growth %		9%	10%	8%
Recurring revenue as a % of total revenue	1	94%	95%	95%
Pro Forma EBITDA Growth %		8%	19%	17%
Pro forma EBITDA Margin %		43%	47%	47%
Pro forma NPATA Growth %		8%	22%	21%
Pro forma NPATA Margin %		23%	26%	26%
Pro forma product development costs as a % of total revenue	2	15%	14%	13%
SME Solutions				
Number of paying users ('000s)	3	505	545	545
Average paying user retention rate (%)	4	81%	80%	78%
Average revenue per paying user (ARPU) (\$)		360	379	370
SME online registrations as a % of total new SME registrations	5	62%	72%	83%
Pro forma revenue growth %		12%	14%	12%
Recurring revenue as a % of SME Solutions pro forma revenue	1	95%	97%	97%
Pro forma contribution margin %		68%	69%	70%
Practice Solutions				
Pro forma revenue growth %		3%	3%	4%
Recurring revenue as a % of Practice Solutions pro forma revenue	1	97%	97%	98%
Pro forma contribution margin %		72%	71%	71%
Enterprise Solutions				
Pro forma revenue growth %		7%	4%	-1%
Recurring revenue as a % of Enterprise Solutions pro forma revenue	1	79%	80%	81%
Pro forma contribution margin %		39%	48%	49%

Notes:

1. Recurring Revenue is the revenue received from paying users, as defined in Note 3 below.
2. Product development costs include both costs that are capitalised and costs that are expensed through the income statement.
3. Paying users comprise all online users and those desktop users that make additional maintenance payments (including MYOB BankLink customers).
4. Retention rate refers to the proportion of users that continue to use a given MYOB product in a 12 month period.
5. The number of MYOB SME Solutions online registrations as a percentage of total MYOB SME Solutions registrations in a given period.

Income statement

MYOB PRO FORMA FINANCIAL PERFORMANCE AND FORECASTS

\$ in millions	FY14	FY15	FY15 Prospectus forecast	v FY14	v Prospectus forecast
Revenue					
SME Solutions	180.4	205.0	201.4	14%	2%
Practice Solutions	79.4	81.7	82.6	3%	-1%
Enterprise Solutions	39.5	41.0	39.0	4%	5%
Total Revenue	299.3	327.8	323.0	10%	1%
COGS	(21.4)	(23.5)	(23.8)	10%	-1%
Staff related expenses	(110.9)	(113.3)	(111.7)	2%	1%
Marketing	(8.4)	(9.4)	(8.5)	12%	11%
General office / administration	(30.1)	(28.7)	(28.4)	-5%	1%
Total operating expenses	(170.8)	(174.9)	(172.4)	2%	1%
EBITDA	128.5	152.9	150.6	19%	2%
Depreciation	(3.9)	(4.8)	(4.9)	24%	-3%
Amortisation of capitalised in-house software	(6.5)	(8.2)	(8.0)	26%	2%
EBITA	118.2	139.9	137.7	18%	2%
Amortisation of acquired intangibles	(60.1)	(58.1)	(56.3)	-3%	3%
EBIT	58.1	81.9	81.4	41%	1%
Pro forma net interest expense	(17.6)	(16.8)	(16.6)	-5%	1%
PBT	40.5	65.1	64.8	61%	0%
Pro forma tax expense	(12.3)	(19.9)	(19.4)	62%	3%
NPAT	28.2	45.2	45.4	60%	0%
D&A add back (tax effected)	42.1	40.6	39.4	-3%	3%
NPATA	70.3	85.9	84.8	22%	1%

Note: Pro forma adjustments have been made to statutory revenue and NPAT results to reflect the impact of the operating and capital structure now in place following completion of the IPO, as if it was in place as at 1 January 2014. In addition, certain other adjustments have been made to reflect the impact of historical acquisitions and divestments, to eliminate non-recurring items and to reflect standalone public company costs.

Balance sheet

Balance Sheet (\$ in millions)	31 December 2014	31 December 2015	
	Audited Statutory	Pro forma	Actual
Assets			
Current assets			
Cash and cash equivalents	5.0	2.0	36.4
Other current assets	228.7	25.8	27.8
Total current assets	233.7	27.8	64.2
Non-current assets			
Intangible assets & goodwill	1,239.2	1,239.2	1,219.0
Other non-current assets	57.8	93.0	96.2
Total non-current assets	1,297.0	1,332.2	1,315.2
Total assets	1,530.8	1,360.0	1,379.4
Liabilities			
Current liabilities			
Interest-bearing loans and borrowings	223.9	2.0	0.0
Unearned revenue	40.1	40.1	42.9
Other current liabilities	33.9	51.4	35.6
Total current liabilities	298.0	93.5	78.5
Non-current liabilities			
Interest-bearing loans and borrowings	1,131.0	432.6	432.7
Other non-current liabilities	4.7	4.7	4.9
Total non-current liabilities	1,135.7	437.3	437.6
Total liabilities	1,433.7	530.8	516.2
Net assets	97.1	829.2	863.3
Equity			
Contributed equity	330.9	1,138.4	1,138.1
Retained earnings	(243.4)	(319.2)	(415.6)
Reserves	9.5	10.0	140.8
Total equity	97.1	829.2	863.3

➤ Most balance sheet measures in line with December 2014 prospectus pro forma

➤ Cash balance of \$36 million, driven by strong cash conversion even after both Ace Payroll and IMS acquisitions were purchased using operating cash

Reconciliation of statutory to pro forma NPAT and EBITDA

\$ in millions	Notes	NPAT		EBITDA	
		FY15	FY15 Prospectus forecast	FY15	FY15 Prospectus forecast
Statutory result		(42.3)	(43.9)	124.2	125.4
Offer transaction costs expensed	1	-	0.3	-	0.3
Public company costs	2	(0.7)	(0.7)	(0.7)	(0.7)
Net interest adjustment	3	103.5	102.3		
Acquisition transaction and integration costs	4	5.0	2.0	5.0	2.0
Offer related adjustments and other transaction costs	5	20.3	20.2	20.3	20.2
Business transformation one-off costs	6	1.7	1.0	1.7	1.0
Other non-recurring adjustments	7	2.3	2.3	2.3	2.3
Tax effect of pro forma adjustments	8	(44.7)	(38.1)		
Total pro forma adjustments		87.5	89.3	28.7	25.2
Pro forma result		45.2	45.4	152.9	150.6

Reconciliation of statutory to pro forma NPAT and EBITDA

NOTES

1

Expenses of the IPO relating to the sale of existing shares by the selling shareholders.

2

MYOB's estimate of the incremental costs that the Company would have incurred as a public entity from January to April 2015. These costs include Chairman and other non-executive director remuneration, additional audit and legal costs, listing fees, share registry costs, directors' and officers' insurance premiums as well as investor relations, annual general meeting and annual report costs.

3

MYOB's historical debt structure was refinanced in part by proceeds of the IPO and in part by the new banking facilities. The net interest expense included in the pro forma historical results and FY15 forecast has been adjusted to reflect the anticipated gross debt leverage ratio of MYOB using base rates that prevailed, or are assumed to prevail, during the relevant periods, based on the Australian Financial Markets Association Bank Bill Reference Rate ("BBSW"), and margins under the terms of the new banking facilities following completion.

4

An adjustment has been made to remove one-off transaction costs, redundancy and integration costs relating to the acquisition of MYOB by Bain Capital, and the acquisitions of BankLink, PayGlobal, Ace Payroll and IMS that were expensed in the statutory historical results and FY15 statutory and forecast results.

5

Adjustment to remove the impact of one-off senior management cash bonuses and the gifting of shares to eligible employees under the Employee Offer, expensed in the FY15 statutory actual and forecast results. Adjustment has also been made to remove one-off adviser fees, to eliminate the impact of historical advisory services fees and management fees paid to Bain Capital which will not continue post listing.

6

Adjustment to remove the impact of business transformation initiatives and costs including those relating to the closure of MYOB's Kuala Lumpur office in FY14.

7

Adjustment to reverse the impact of other one-off and non-recurring items that were expensed in the statutory historical results and FY15 statutory actual and forecast results, including costs associated with a 'pilot' campaign to test the effectiveness of brand advertising which has not generated directly attributable incremental revenues, the restructure of MYOB's partner sales management team and the non-cash gains and losses arising from the sale of non-current assets.

8

The tax impact attributable to adjustments referenced in footnotes 1 to 7 alone has been calculated using an effective tax rate of 30%. The effective rate in FY15 is 34% due to R&D tax incentives and higher than expected interest deductions carried forward from FY14.



MYOB **FY15** RESULTS PRESENTATION