



MNF Group Investor Presentation

Rene Sugo, Group CEO
February 2016



Corporate profile



Financial summary



Forecast



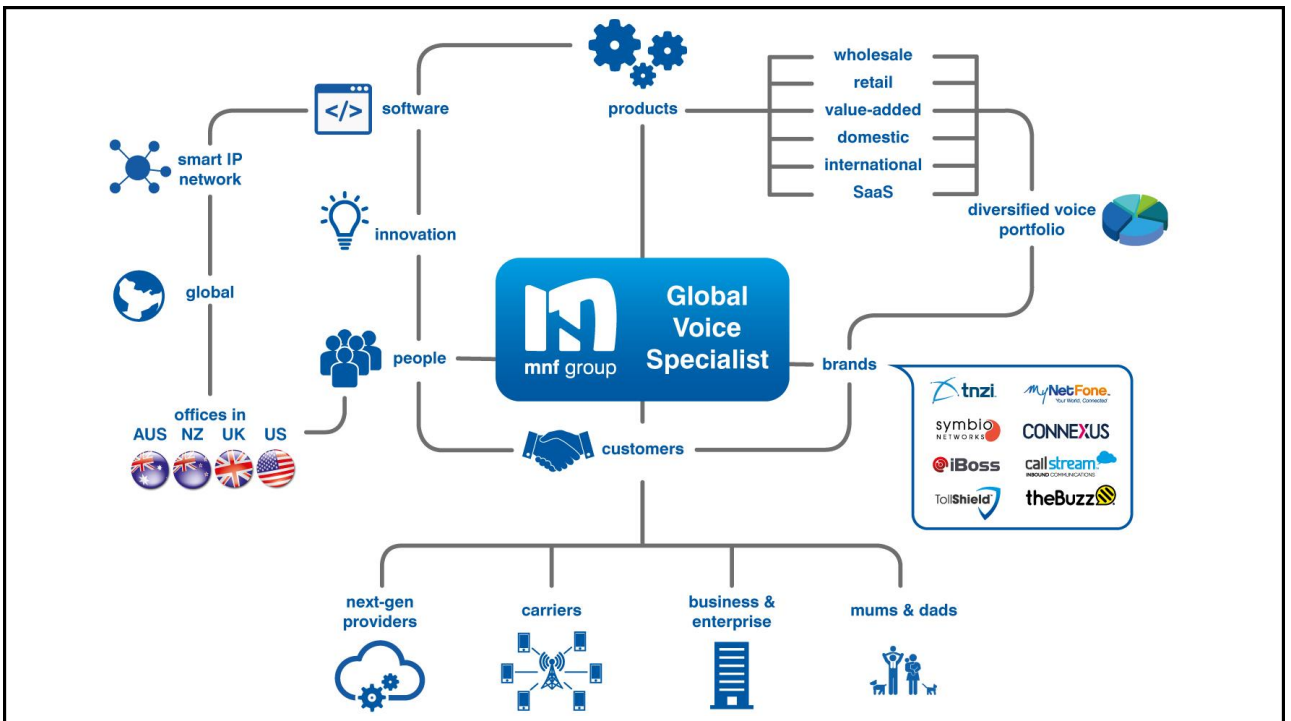
Future roadmap



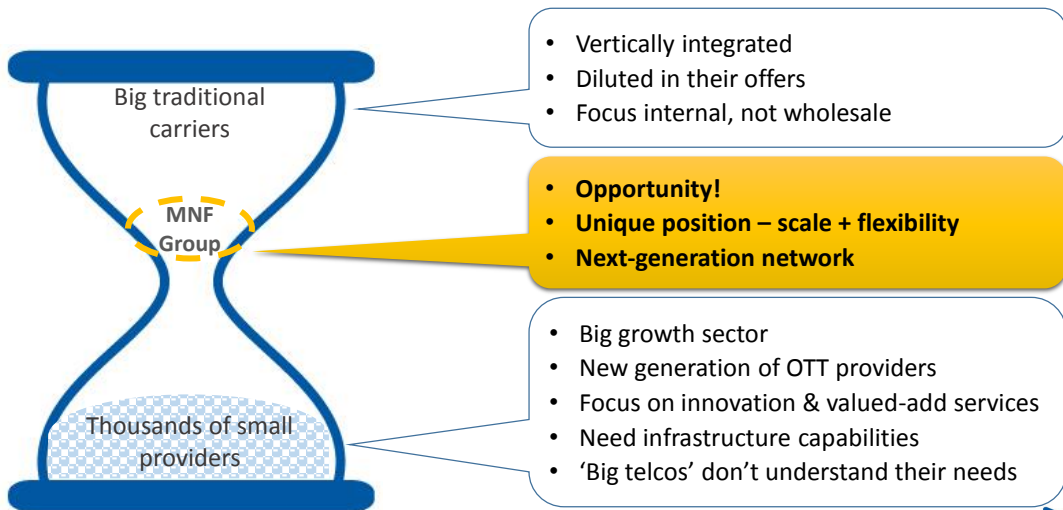


Corporate profile

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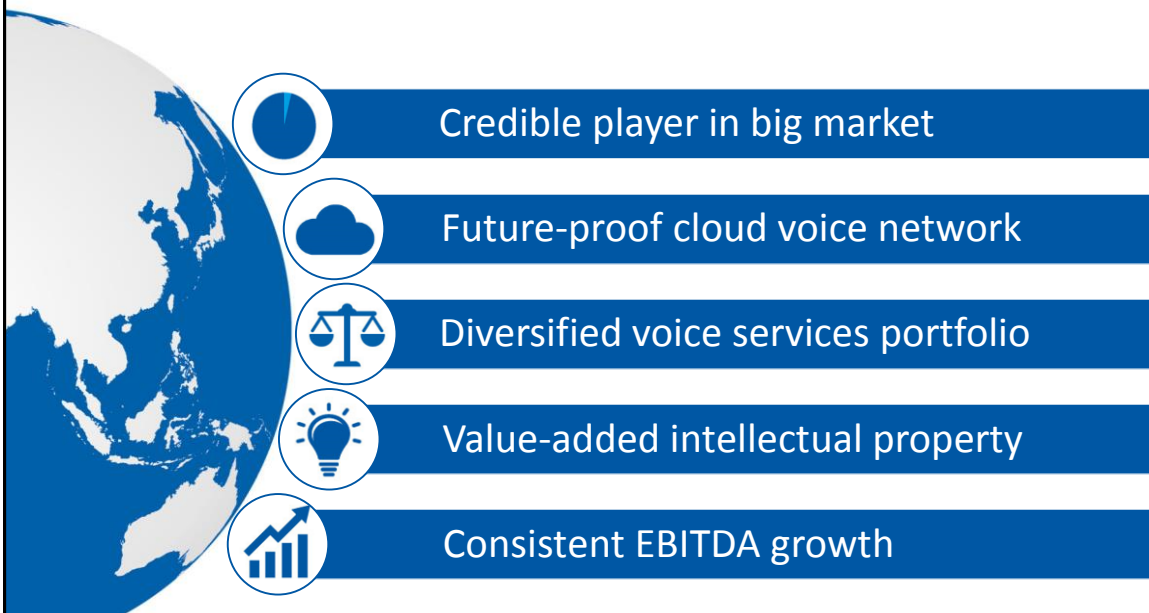
Industry overview



... all around the world

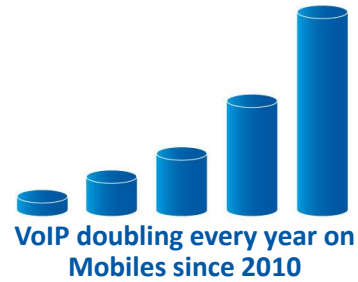


Why invest in MNF Group



Growth opportunities

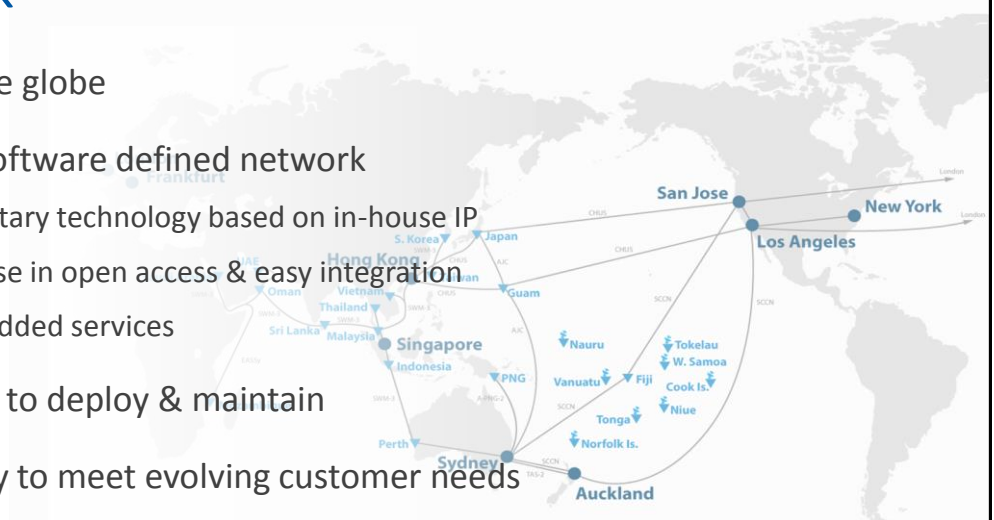
- More voice minutes globally
- Shifting from traditional carriage to VoIP
- Power balance moving toward OTT providers
- Plenty more market share to gain!

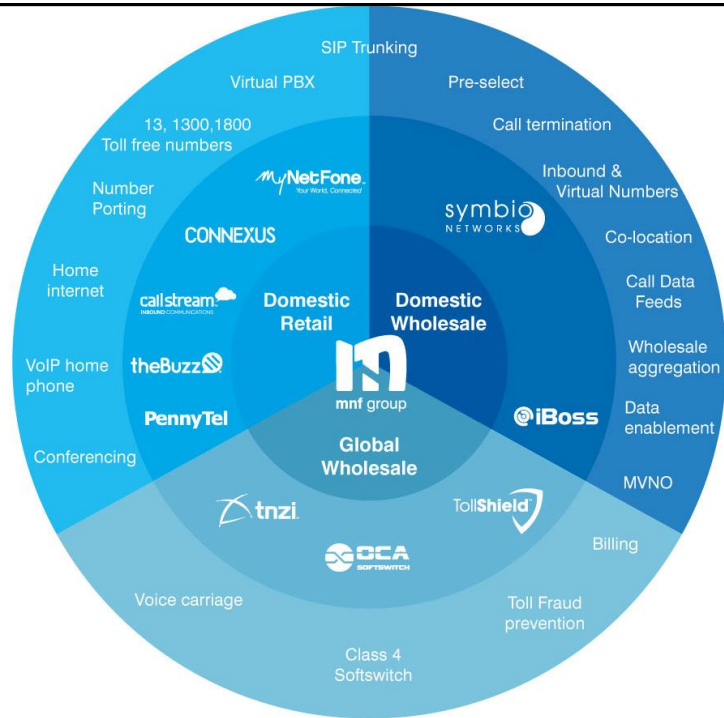


Sources: WhichVoIP, pocketgamer.biz

Network

- Spans the globe
- Smart, software defined network
 - Proprietary technology based on in-house IP
 - Expertise in open access & easy integration
 - Value added services
- Low cost to deploy & maintain
- Flexibility to meet evolving customer needs

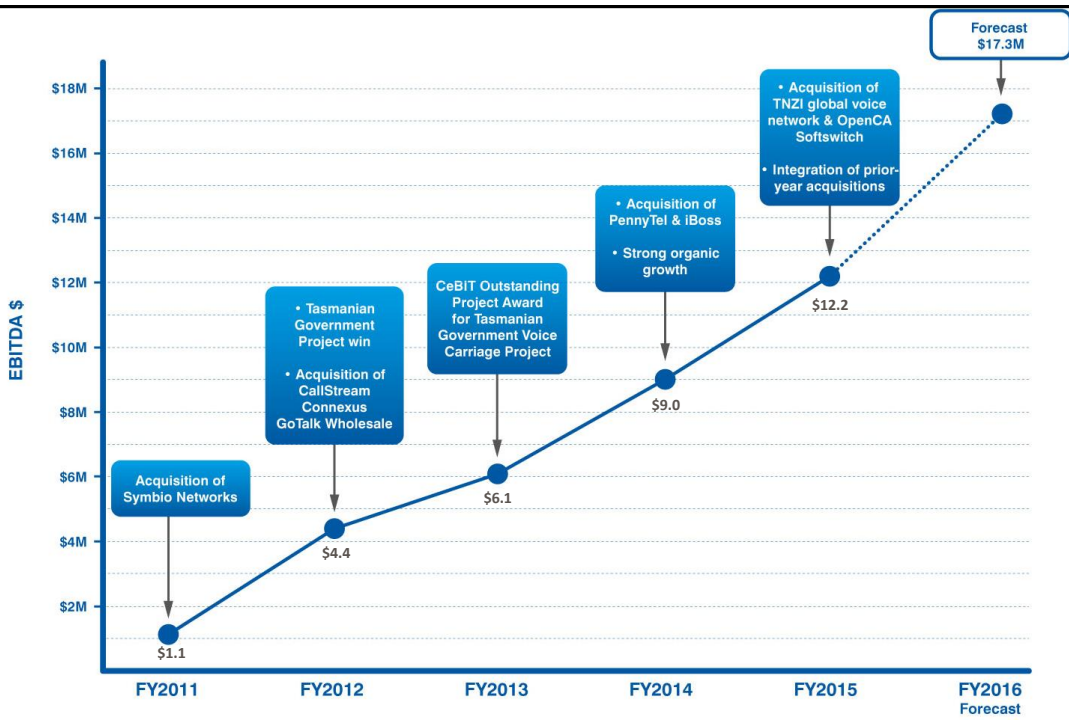




Innovation

- Own intellectual property and R&D capabilities
 - Consistent track record of innovation
 - Plug & play VoIP, Virtual PBX, number porting
 - Embracing new service models to monetise software assets: SaaS toll fraud mitigation, wholesale aggregation, MVNO
- Global export of innovations via TNZI





Financial summary

Financial Highlights H1 FY16

Reported Result	H1 FY15	H1 FY16	Δ
Revenue	\$30.3m	\$84.0m	+177%
EBITDA	\$5.0m	\$8.2m	+64%
NPAT	\$3.1m	\$4.0m	+29%
Earnings per share (cents)	4.98	6.01	+21%
Interim dividend per share - fully franked (cents)	2.5	3.5	+40%
Net assets per share (cents)	19.4	53.3	+175%

- H1 FY16 results includes a full 6 months of contribution from TNZI business.

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Free Cash Flow

	FY16 H1 \$m	FY15 H1 \$m
Operating cash flow	6.6	3.0
Tax paid	(2.0)	(1.9)
Interest	(0.5)	(0.0)
Capital expenditure	(1.9)	(1.0)
Free cash flow	2.2	0.1

- Future CAPEX for Domestic business has returned to historical levels in FY16 – expected at circa \$1m.
- Global CAPEX for TNZI expansion in progress in FY16 – expected at circa \$5m.

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Free Cash Flow Utilisation

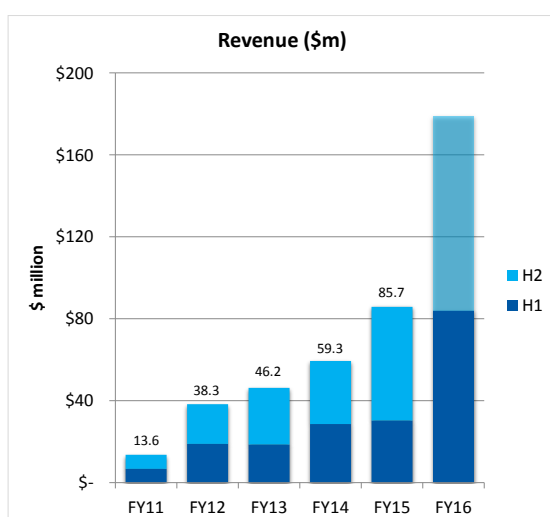
	FY16 H1 \$m	FY15 H1 \$m
Free cash flow	2.2	0.1
Dividend payments	(2.2)	(1.6)
Increase in equity	14.7	-
Acquisitions:		
Previous Acquisitions	(0.0)	(1.9)
Net Debt movement	(10.4)	-
Other	0.3	(0.2)
(Decrease)/increase in cash on hand	4.6	3.6

- Minimum debt repayments required in FY16: \$2.5m.
- Debt outstanding as of 16th February 2016 is \$14.9m.
- Net Debt has decreased from \$19.0m in June 2015 to \$4.1m in December 2015.

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Key Metrics - Revenue

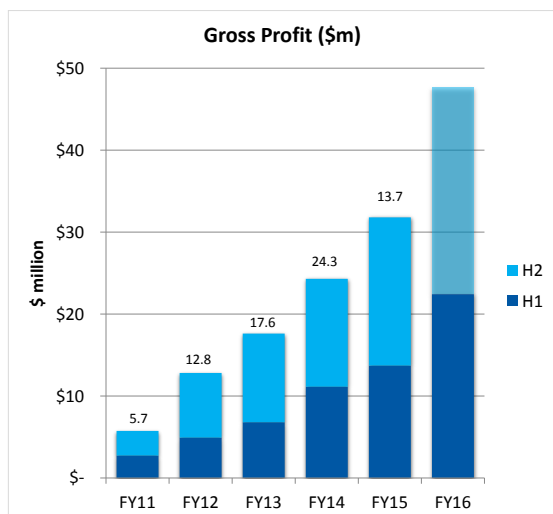


- Revenue increase of 177% on previous first half to \$84.0m.
- Large increases in revenue due to TNZI acquisition full period contribution.
- Strong organic growth domestically continues.
- Historical trend indicates second half revenue generally larger than first half.

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Key Metrics – Gross Profit

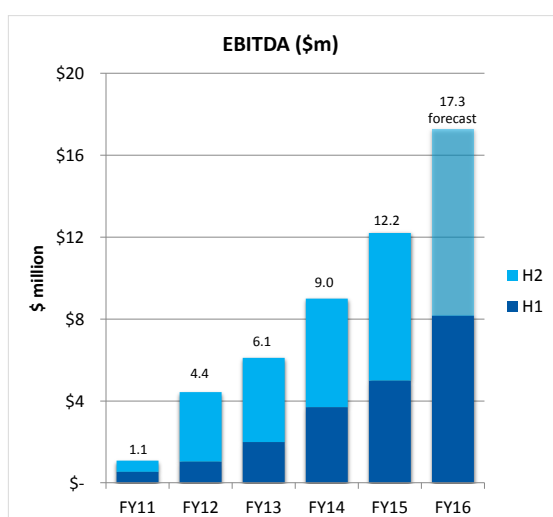


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- Gross Profit up 64% on previous first half to \$22.4m.
- Gross Profit margin decreased to 27% due to blending of high margin domestic business and incoming lower margin TNZI global business.
- Gross profit contribution evenly diversified between three main operating divisions: Domestic Retail, Domestic Wholesale and Global Wholesale.

Key Metrics - EBITDA

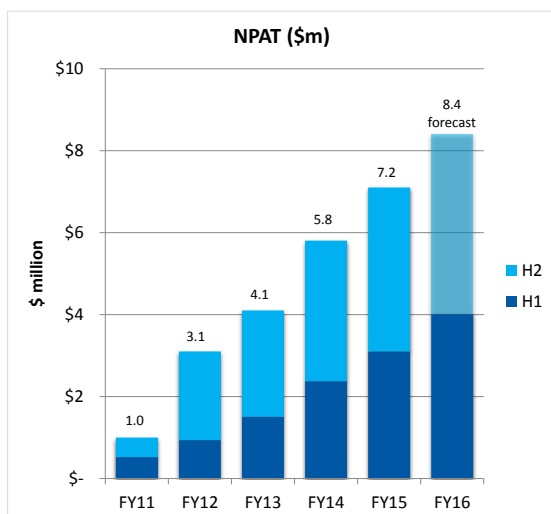


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- EBITDA growth of 64% on previous first half to \$8.2m.
- EBITDA growth in line with management expectations, and on track to reach forecast of \$17.3m for the full year.

Key Metrics - NPAT

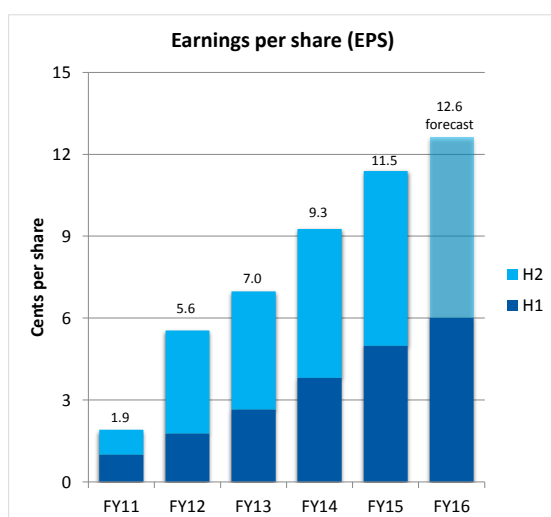


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- NPAT increased by 31% on previous first half to \$4.0m.
- Separation in growth between EBITDA and NPAT is due to increase in Depreciation and Amortisation due to TNZI acquisition.
- NPAT growth inline with management expectations, and on track to reach forecast of \$8.4m for the full year.

Earnings Growth

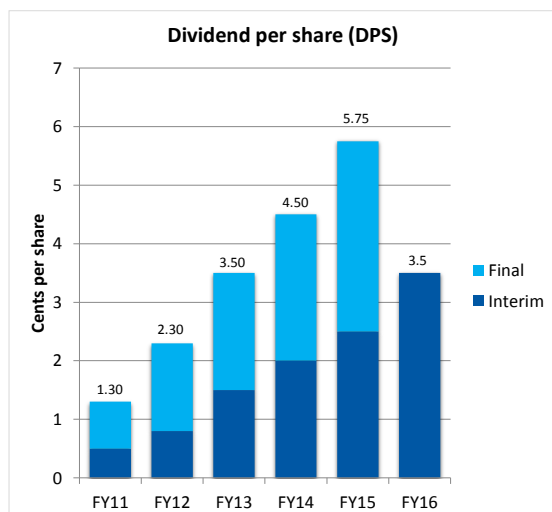


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- Consistent positive EPS growth for 11 consecutive reporting periods.
- EPS growth inline with NPAT growth.

Dividend Growth



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- Dividend payout at 58% of NPAT, is broadly consistent with historical trends.
- Dividend is fully franked.
- The Dividend Re-investment Plan instigated previously will be continued for this dividend.

Investor Metrics

Metric	Value
Number of Shares	66.9m
Share Price	\$3.49
Market Capitalisation	\$233m
FY16 Interim Dividend (fully franked)	3.5 cents

- Share price is as at 12 February 2016.
- There is a Dividend Reinvestment Plan (DRP) for this dividend.
- Dividend Timetable:
 - Record Date: 3 March 2016
 - Closing date for DRP election forms: 4 March 2016 (5pm AEST)
 - DRP Announcement: 16 March 2016
 - Payment Date: 31 March 2016

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Forecast

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FY16 Forecast

Forecast	FY15 Actual	FY16 Forecast	Var %
EBITDA	\$12.2m	\$17.3m	+42%
NPAT	\$7.2m	\$8.4m	+17%
Earnings per Share (EPS)*	11.5cps	12.6cps	+10%

- Re-affirming previous guidance – company performing well against management expectation.
- Forecast is based on current operating assumptions and is to be used only as a guide.
- Increases in Interest, Depreciation and Amortisation largely attributable to TNZI acquisition.
- *EPS forecast is based on forecast weighted average number of shares on issue of 66.8m.

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Future roadmap

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Future Acquisitions

- Company remains committed to growth by acquisition
 - Strict policy around evaluation of opportunities
- Looking to build value through synergy leveraging:
 - National network for margin uplift
 - Intellectual property capabilities
 - Skills and experience with complex integrations
- Sticking to product strategy
 - Leveraging voice technology and applications
 - Not looking to resell other networks

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FY16 Roadmap



Domestic

- Continue to drive organic growth in key areas:
 - Small to Medium Business Virtual PBX growth.
 - Wholesale Managed services growth.
 - Drive service provider acquisition on iBoss.
- Continue to build software intellectual property base.



Global

- Execute TNZI strategy:
 - UK PoP upgrade launched.
 - HK PoP upgrade due by May 2016.
 - USA completion due soon, followed by PoP upgrade.
- Continue to roll out Symbio managed services products globally.
- Drive TNZI customer acquisition.

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Thank you

- For further information please contact:
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- Visit our new corporate web site <http://mnfgroup.limited>
- Did we mention our awards?



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Q & A

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