



MNF Group Annual General Meeting

Rene Sugo, Group CEO
25 October 2016



Corporate profile



Financial summary



Forecast

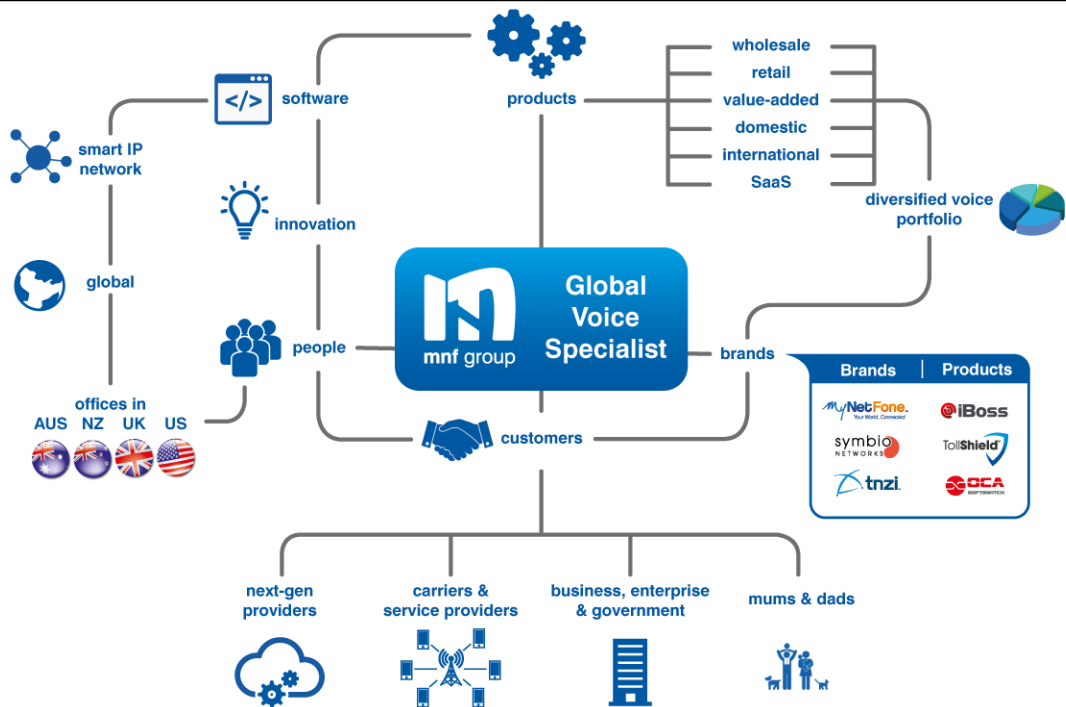


Future roadmap

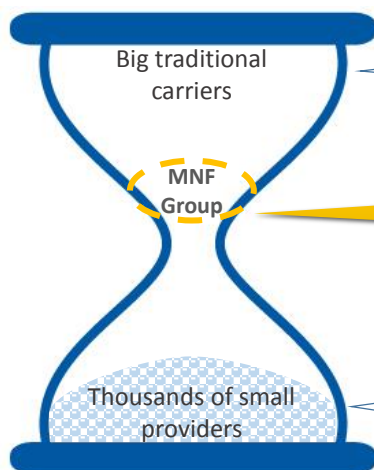


Corporate profile

3



Industry overview



- Vertically integrated
- Diluted in their offers
- Focus internal, not wholesale

- **Opportunity!**
- **Unique position – scale + flexibility**
- **Next-generation network**

- Big growth sector
- New generation of OTT providers
- Focus on innovation & valued-add services
- Need infrastructure capabilities
- 'Big telcos' don't understand their needs

5



Why invest in MNF Group



Credible player in big market



Future-proof cloud voice network



Diversified voice services portfolio



Value-added intellectual property



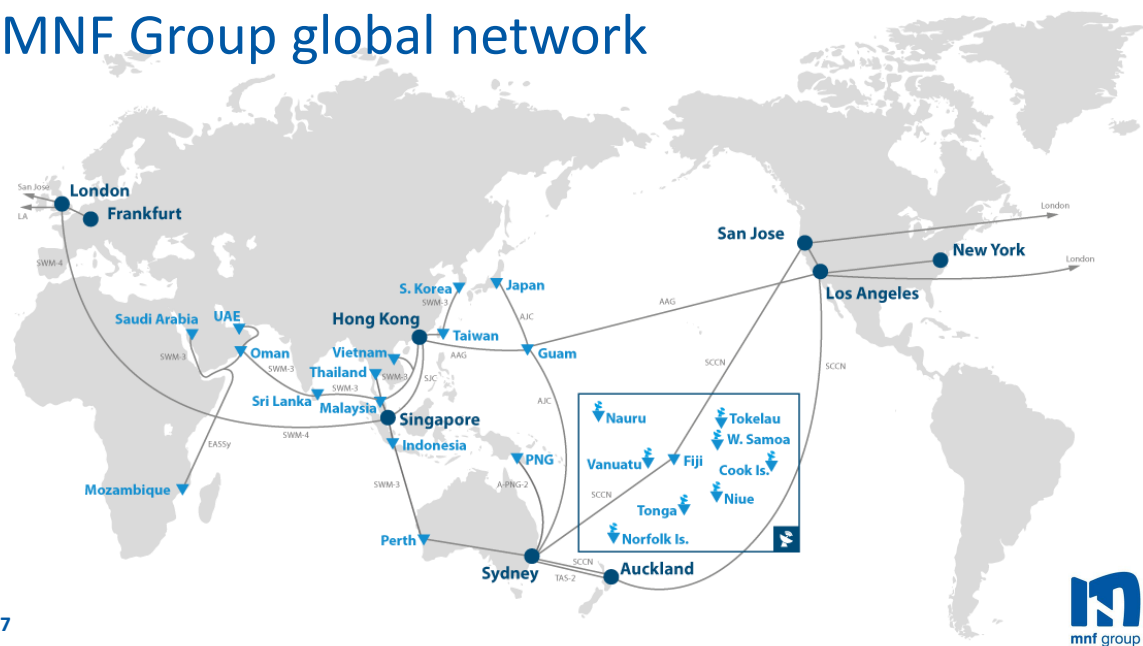
Consistent EBITDA growth



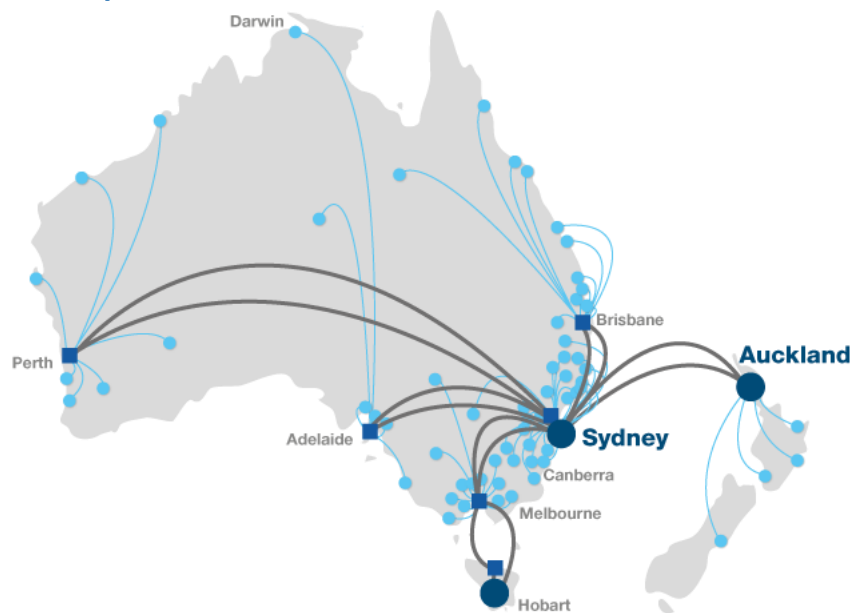
Global growth potential

7

MNF Group global network



MNF Group domestic network





10



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

11



Financial Highlights FY16

Reported Result	FY16	FY15	Δ
Revenue	\$161.2m	\$85.7m	+88%
Gross Profit	\$48.6m	\$31.8m	+53%
EBITDA	\$17.8m	\$12.2m	+46%
NPAT	\$9.0m	\$7.2m	+25%
Earnings per share (cents)	13.45	11.49	+17%
Dividend per share - fully franked (cents)	7.0	5.75	+22%
Net Tangible Assets (NTA) per share (cents)	12.1	(24.3)	

- Result includes a full 12 months of contribution from TNZI business (prior year 3 months).
- EBITDA is 2.9% above forecast, and NPAT is 7.0% above forecast.



12

PER SEGMENT GROSS MARGIN



Domestic Retail margin steady overall, with strong underlying growth in Small Business and Government & Enterprise sub-segments.

Domestic Wholesale margin up 49% YoY organically.

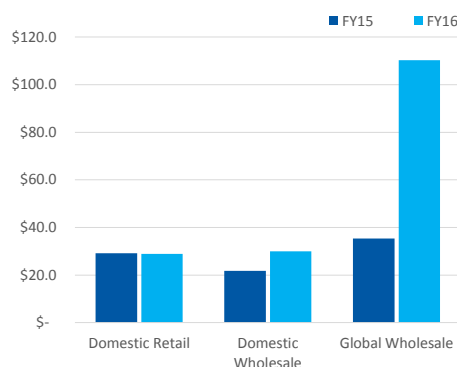
Global Wholesale performing above expectation with relative full year margin growth of 21% YoY.

PER SEGMENT REVENUE

Domestic Retail revenue steady overall.

Domestic Wholesale growth is fully organic, and mainly high value recurring business.

Global Wholesale revenue growth is due to full year contribution of the TNZI business, with only 1 month of US business.



13

Investor Metrics

Metric	Value
Number of Shares	67.9m
Share Price	\$4.80
Market Capitalisation	\$326m
FY16 Total Dividend (fully franked)	7.0 cents

➤ Share price is as at 24 October 2016



14

Commercial in Confidence





Forecast

15



Forecast FY17

Forecast Result	FY17	FY16	Δ
EBITDA	\$22.3m	\$17.8m	+25%
NPAT	\$11.0m	\$9.0m	+22%
Earnings per share (cents)	16.08	13.45	+20%

- Forecast model based on 100% organic growth for FY17.
- Upside from any new major customer wins is not included.
- Upside from new business from upcoming major projects (i.e. Hong Kong PoP, Mobile MVNO) not included.
- Upside from any future acquisitions is not included.
- Forecast includes full expense of further substantial investment in our R&D resources to support strong growth well into the future.

16



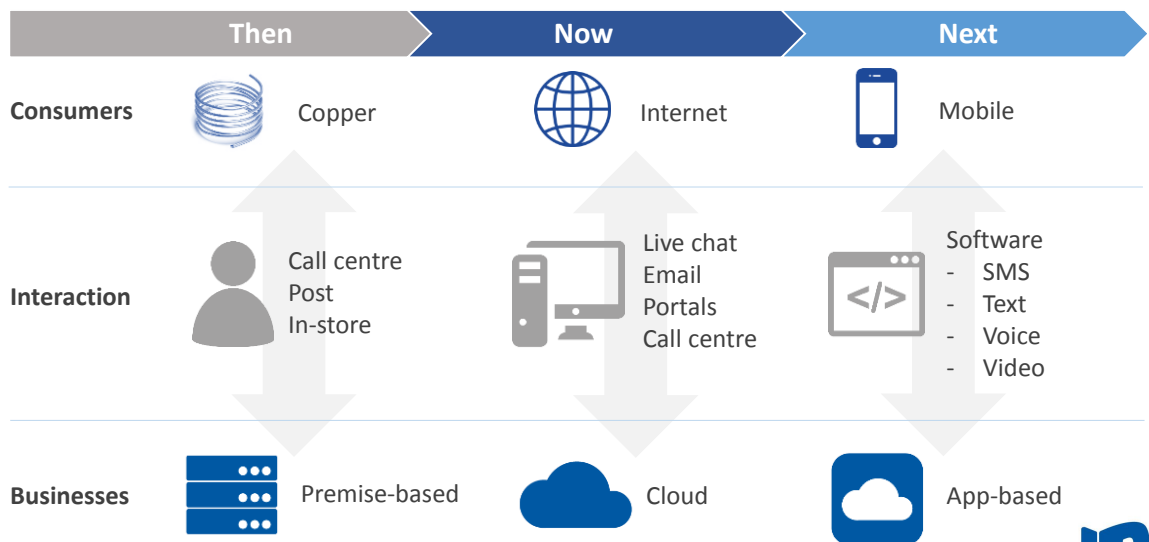


Future roadmap

17



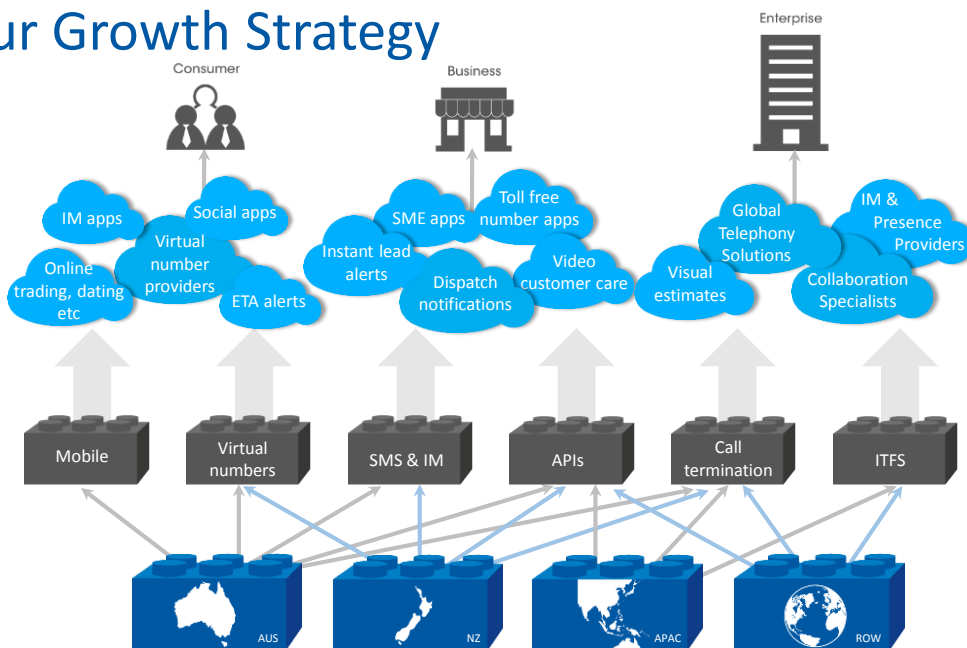
Future of Voice Communications



18



Our Growth Strategy

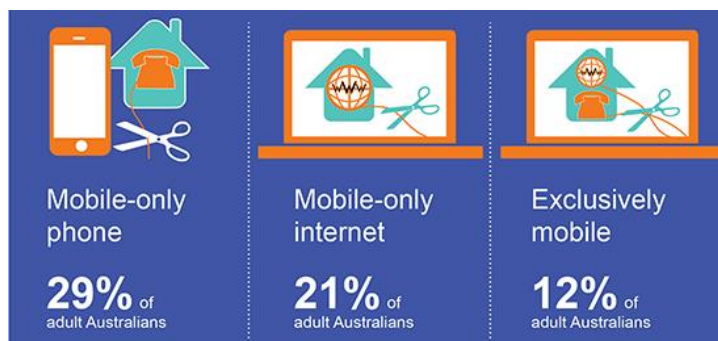


19



Mobile Access Strategy

- Mobile is a key access strategy for consumers and small business



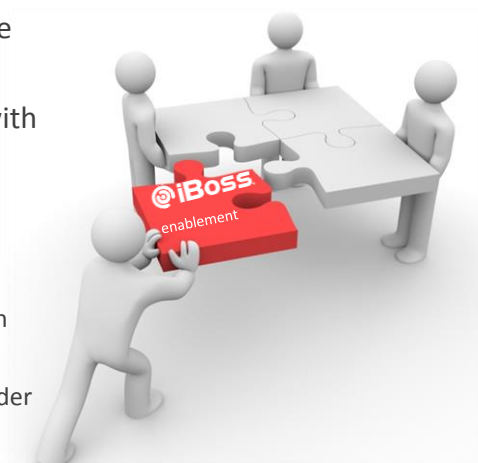
20

Source: <http://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Australians-get-mobile>



Mobile on the iBoss Platform

- MNF can now bring a new virtual mobile brands to market in under 4 weeks
- On Telstra Wholesale mobile network with 98.8% Australian population coverage
- Four new brands already underway
- On our proven iBoss platform
 - Complements existing products sold through iBoss
 - Provides rapid scale – activating a SIM in under 7 seconds
 - Proven with 400,000+ mobile users already active (MVNE)



21

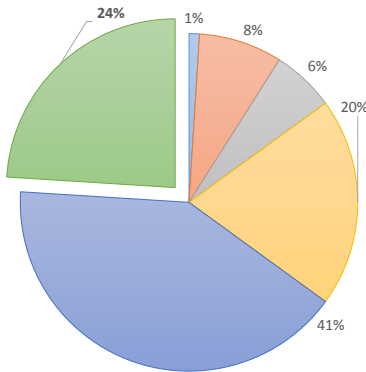
Rise of Micro-MVNO

	Why?	How? @iBoss
Want	Cement existing base + Add brand value & reach	Customer engagement, CRM + Customised plans & bundling
Need	Low cost to serve Fast speed to market Straight forward costing	APIs & high automation 4 weeks go to market Low CAPEX, management reporting
Nice to have	Additional revenue streams	Margin to be made



22

Investment in Innovation

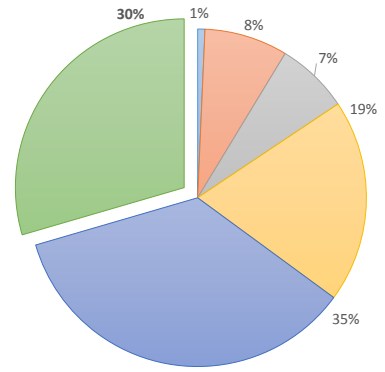


FY16 Resources

■ Legal
■ Finance
■ Global Commercial
■ Domestic Commercial
■ Operations



FY17 Resources



- Continued investment in innovation with value creating talent.
- Building long term future growth.
- Platform & Networks division is our R&D engine.



MNF FY17 Roadmap



Domestic



Continue to drive **organic growth**:

- Build on reputation as the “go-to” wholesale provider in Australia and New Zealand
- Small to Medium Business Virtual PBX growth
- Drive service provider acquisition on iBoss



Continue to build software **intellectual property** base



Global



Execute **TNZI strategy**

- Complete integration works
- Continue network upgrade
- Productise more markets in Asia-Pacific region



Continue to roll out Symbio **managed services** products into global market



Become the “go-to” **specialist** for voice in Asia-Pacific region



Thank you

- For further information please contact:

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- Visit our corporate web site <http://mnfgroup.limited>
- Did we mention our awards?



25

Q & A

26



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