



Results Presentation for Year Ended 30 June 2015

25 August 2015

Rene Sugo – CEO

Agenda



Corporate Profile



Financial Summary



Business Overview



TNZI Acquisition Update



FY16 Roadmap

Corporate Profile

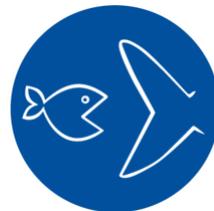


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Corporate Profile



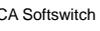
- Founded in 2004 and listed in mid 2006
- Grew from start-up to become a global Tier 1 player in the voice communications sector
- Built own fully interconnected national network
- Top tier global provider billing over 6 Billion minutes per annum
- Multi-brand strategy spans all voice and data market segments: Residential, Business, Enterprise, Government, Wholesale & Infrastructure enablement
- Industry challenger and disruptor creating new value through software development, infrastructure enablement & innovation.



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Extensive Product Portfolio



	Retail	Wholesale					
Services	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> Residential  </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> Business  </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> Enterprise & Government  </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> Wholesale Carriage  </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> VoIP Managed Services  </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #f0f0f0;"> SaaS  </div>	
Brands	 PennyTel 	 CONNEXUS 				  symbio NETWORKS  iBoss	 TollShield  OCA Softswitch  iBoss
Markets							
The MyNetFone Group – The global voice capability specialist.							

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Financial Summary



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Financial Highlights FY15



Reported Result	FY15	FY14	Var %
Revenue	\$85.7M	\$59.3M	+44%
Gross Profit	\$31.8M	\$24.3M	+31%
EBITDA	\$12.2M	\$9.0M	+35%
EBITDA Margin	14.2%	15.2%	
NPAT	\$7.2M	\$5.8M	+24%
Earnings per Share (EPS)	11.49cps	9.26cps	+24%
Dividend per Share (DPS) Fully Franked	5.75cps	4.5cps	+28%

- Full year EBITDA of \$12.2M was 9% ahead of our original FY15 guidance.
- Results include 3 months of contribution from TNZI.
- Underlying result includes once-off acquisition costs of \$0.3M for TNZI transaction.
- EBITDA Margin decrease is due to weight of TNZI contribution at lower margins.

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Free Cash Flow



	FY15 \$m	FY14 \$m
Operating cash flow	12.8	10.1
Tax paid	(3.0)	(1.5)
Interest	(0.2)	(0.0)
Capital expenditure	(3.8)	(0.9)
Free cash flow	5.8	7.7

- CAPEX in FY15 was higher than historical due to re-engineering the domestic interconnect network which will realise substation operating synergies & increase capacity to 9 Billion minutes per annum.
- Future CAPEX for Domestic business is expected to return to historical levels going forward.
- Global CAPEX for TNZI expansion expected at circa \$5M in FY16.

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Free Cash Flow Utilisation



	FY15 \$m	FY14 \$m
Free cash flow utilisation	5.8	7.7
Dividend payments	(3.1)	(2.5)
Acquisitions:		
Previous Acquisitions	(1.9)	(2.7)
TNZI purchase price	(22.0)	-
TNZI working capital adjustment	(4.7)	-
Net Debt movement	25.2	(0.2)
Other	(0.5)	0.3
(Decrease)/increase in cash on hand	(1.2)	2.6

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Bank Debt



	FY15 \$m	FY14 \$m
Cash	6.3	7.4
Loan	(25.3)	-
(Net Debt)	(19.0)	7.4

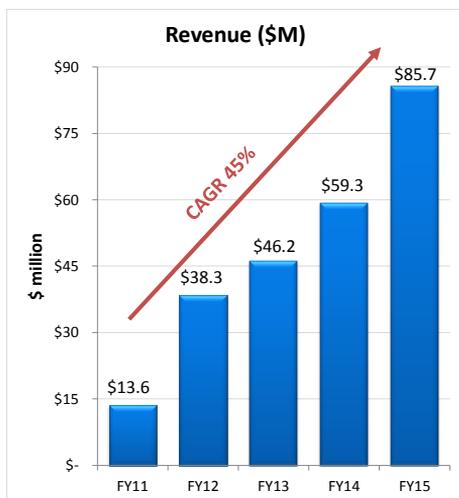
Bank Debt Key Measures:

Bank Debt / EBITDA	2.1 x	-
Net Debt / EBITDA	1.6 x	-
Bank Debt / Equity (FY15)	1.3 x	-
Bank Debt / Equity (post capital raising)	0.7 x	-

- Minimum principle debt repayments expected in FY16: \$2.5m

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Key Metrics - Revenue

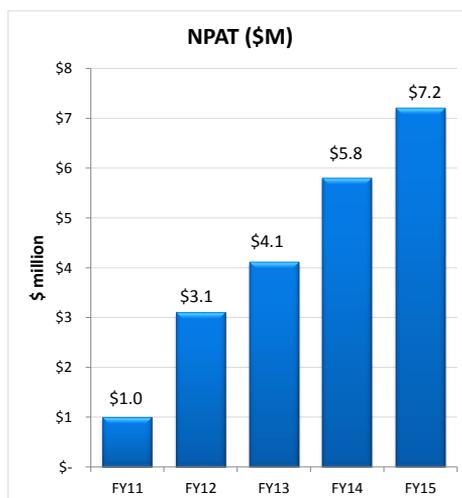
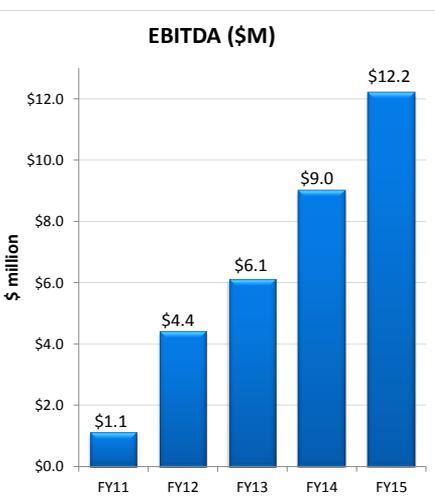


- Consistent growth driven by organic and acquisitive success.
- Revenue includes 1Q of TNZI revenue (excluding USA revenue).¹
- TNZI FY16 revenue expected to reach approx \$100M.
- For full details and commentary, please see the Directors' Report as lodged with the ASX on 25 August 2015.

¹ 1. TNZI USA asset acquisition due to complete in October 2015.

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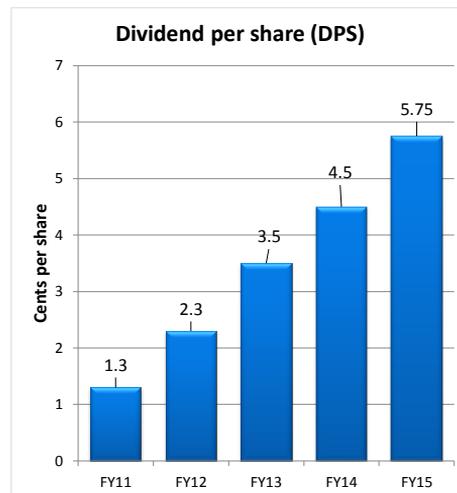
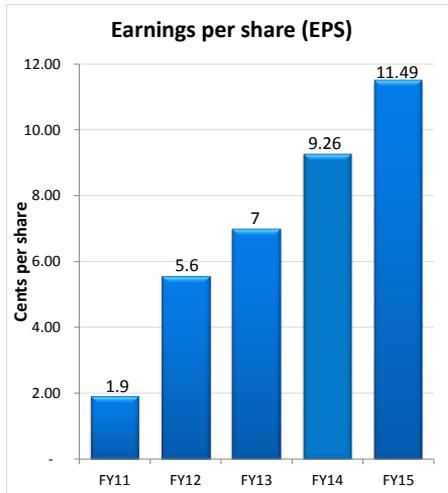
Key Metrics – EBITDA & NPAT



- EBITDA performance is 9% ahead of original FY15 guidance.
- Strong EBITDA performance over 5 years – 62% CAGR.

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Earnings & Dividend Growth



🔗 Solid Earnings and Dividend growth over 5 years, 43% and 35% CAGR respectively.

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Investor Metrics



Metric	Value
Number of Shares	66,764,269
Share Price	\$3.20
Market Capitalisation	\$214M
FY15 Dividend (full year)	5.75cps (franked)

- Share price is as COB of the 24th August 2015.
- There is a Dividend Reinvestment Plan (DRP) for this dividend.
- Dividend timetable:
 - ◆ Record date: 3 September 2015
 - ◆ Closing date for DRP election forms: 4 September 2015 (5:00pm Sydney time)
 - ◆ DRP price announcement: 15 September 2015
 - ◆ Payment date: 30 September 2015

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Business Overview



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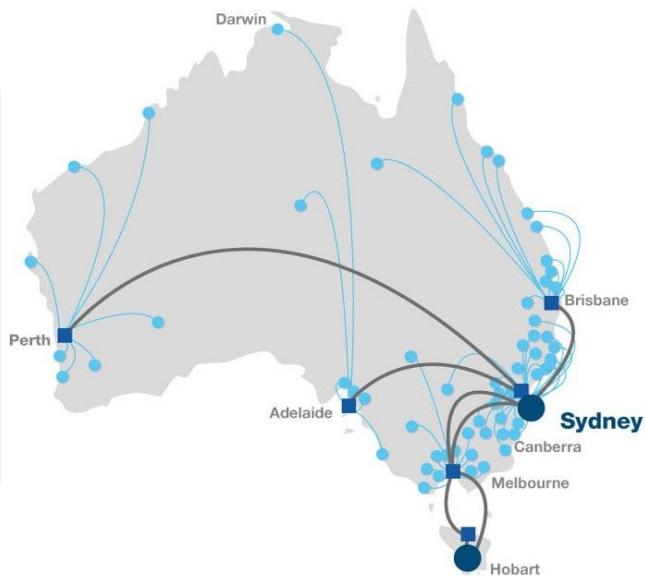
Domestic Voice Network

myNetFone
Your World, Connected

Largest VoIP Network
in Australia.

One of only 5 fully
interconnected
national voice
networks.

Completed CAPEX re-
engineering in FY15.
Capacity to handle in
excess of 9 Billion
minutes per annum
traffic.



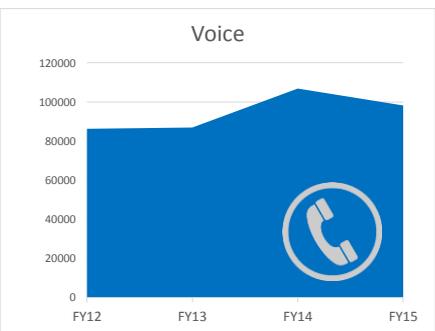
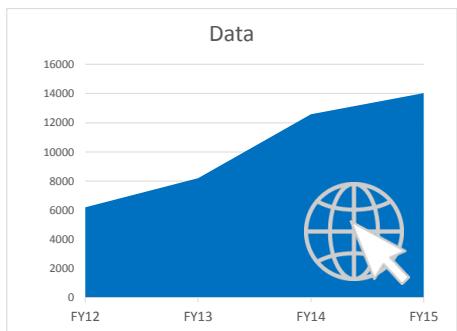
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Global Voice Network



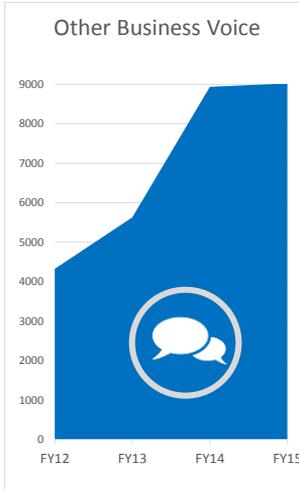
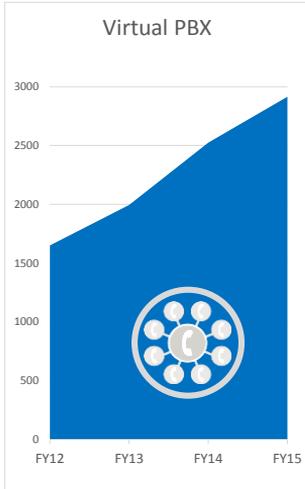
Note: Full TNZI global network as acquired in April 2015. US assets (customers, staff and network) are subject to US regulatory approvals expected to complete in October 2015.

Services in Operation: Domestic Residential



- 🔗 Data Services (DSL and NBN) continue to grow steadily with 11% YoY growth.
- 🔗 Voice Services steady overall after rationalising inactive PennyTel customers.
- 🔗 Residential brands and offers plan to relaunch in FY16/Q3 to maximise NBN opportunity.

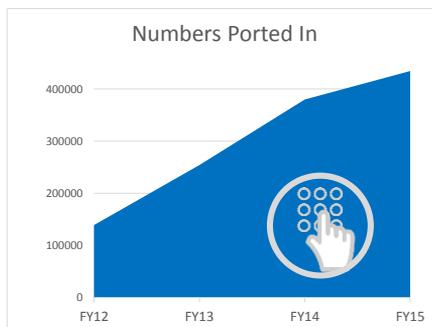
Services in Operation: Domestic Small to Medium Business



- Virtual PBX growth consistently strong with 16% YoY growth
- Almost 3,000 SMB's now using MNF VPBX!
- Overall other voice services steady for the period.
- New products launched "Voice-Link" and "VPBX Plus" in FY15/Q4 showing strong potential to increase uptake.

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Services in Operation: Domestic Wholesale



- Wholesale service provider customers grew 45% on previous year.
- Strong indicator for future wholesale services and revenue growth in FY16.
- Number portability remains strong with 14% YoY growth to 434,000 numbers.
- Overall hosted numbers sitting at 2.4 million numbers across domestic network.
- Wholesale aggregation SIO (iBoss) debut at 2,000 after launch in November 2014.

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TNZI Acquisition Update



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TNZI Acquisition Overview



TNZI Brand

- Globally recognised Tier 1 industry leader

Customers

- Extensive portfolio of 220 established global partnerships

Software

- Sophisticated custom-built voice trading systems

Network

- Global network spanning 4 continents

Staff

- Specialised staff in sales, engineering and finance



Note: US assets are pending US regulatory approval which is expected in October 2015.

Rest of world transaction was completed on 23rd April 2015, with financial effective date of 1st April 2015.

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TNZI Customer Opportunity



Customer base provides opportunity to:



Increase minutes trading volumes quickly with minimal investment.



Increase margins from incremental product offerings.

- Global customer base expected to generate approximately AU\$100M per annum in voice trading revenues.
- Over 220 contracted agreements with many Tier 1 global operators, with many difficult to replicate agreements.
- Includes 3 year exclusive agreement with Spark of New Zealand, worth approximately AU\$10M per annum.
- Includes many hard to reach destinations with incumbent infrastructure, such as Pacific Islands.

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TNZI Post-Acquisition Update



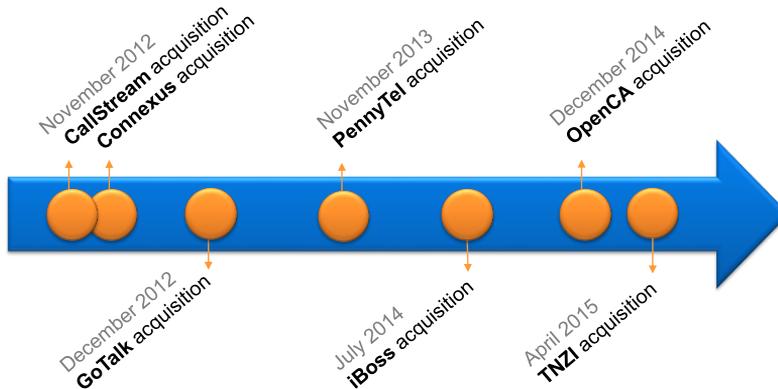
- ✓ Staff/HR integration complete – restructure of MNF/TNZI teams.
- ✓ Network merger complete – leverage each other's networks for mutual traffic flows.
- ➔ TNZI network upgrade underway:
 - UK PoP expansion due to complete in September 2015
 - New Hong Kong & Singapore PoPs due to complete in December 2015
- ➔ Roll out of new value added services to TNZI customers commenced:
 - Sales activity for Hosted Services and SaaS services underway. First customer deals already signed.

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Acquisition History



Ability to integrate, leverage and expand acquired businesses



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Acquisition Pipeline



Company remains committed to growth by acquisition

- Strict policy around evaluation of opportunities

Several opportunities in the pipeline

- High potential synergy savings due to in-house network and software capabilities

Looking to build value through leveraging synergy

- 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



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FY16 Roadmap



Continue to produce organic growth in key areas:

- Domestic Small to Medium Business – Virtual PBX sales
- Domestic Wholesale – Managed Services sales



Execute global strategy into TNZI footprint:

- Complete TNZI network upgrades and expansion
- Roll out Symbio managed services products into key global markets



Build our intellectual property value through strategic development of our software assets



Continue to search for accretive acquisitions

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Thank you



For further information please contact:

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Did we mention our awards?



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