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MNF to acquire Conference Call International (CCI)

Rene Sugo – CEO
1 February 2017



Acquisition Details



Updated Forecast



Strategic Fit with MNF





Acquisition Details

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CCI Business Summary

- Originally founded in 2001
- Provides high quality audio-conferencing and collaboration services in Australia, New Zealand and Asia Pacific
- Over 5,000 Business, Enterprise & Government customers, including many top 500 enterprises
- Currently generating in excess of 50 million minutes per annum of high quality audio conferencing



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Acquisition Highlights

- Consideration of **\$17.5m** (net cash)
- EBITDA forecast of **\$3.5m FY17** run-rate performance
 - Consideration is 5.0x forecast EBITDA multiple
- **\$0.5m** per annum EBITDA synergies from FY18
 - Consideration is 4.4x forecast EBITDA multiple (post-synergy)
- Funded through capital raising of **\$18m at \$4.50**
 - Acquisition is forecast to be EPS accretive by 3.6% in FY17, and 10.0% in FY18

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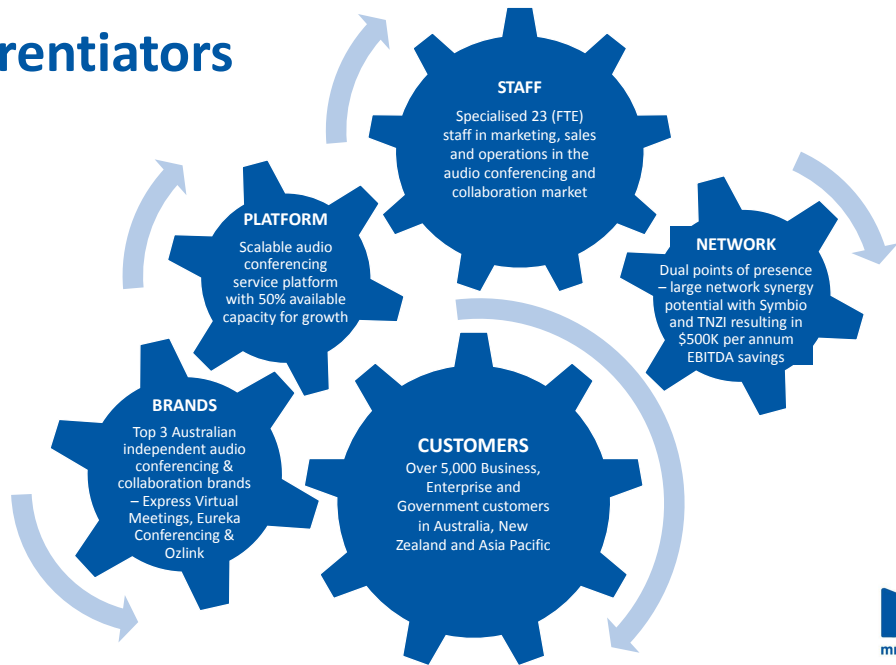
Acquisition of CCI

Brands	<ul style="list-style-type: none">• Top 3 Australian independent audio conferencing & collaboration brands – Express Virtual Meetings, Eureka Conferencing & Ozlink.
Customers	<ul style="list-style-type: none">• Over 5,000 Business, Enterprise and Government customers in Australia, New Zealand and Asia Pacific.
Platform	<ul style="list-style-type: none">• Scalable audio conferencing service platform with 50% available capacity for growth.
Network	<ul style="list-style-type: none">• Dual points of presence – large network synergy potential with Symbio and TNZI resulting in \$500K per annum EBITDA savings.
Staff	<ul style="list-style-type: none">• Specialised 23 (FTE) staff in marketing, sales and operations in the audio conferencing and collaboration market.

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CCI Differentiators



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CCI Overview

Quality	<ul style="list-style-type: none"> • Exceptional audio quality • 99.99% service reliability • Fully owned and locally hosted platform
Flexibility	<ul style="list-style-type: none"> • No reservations required • Toll free numbers in 40 countries • Wide range of features
Excellent Support	<ul style="list-style-type: none"> • 24x7 Australian based customer support • Simple set-up and use by customers • Attended conferencing support
Low cost to Serve	<ul style="list-style-type: none"> • Highly automated operational systems • Scalable platform with 50% spare capacity for growth • Highly automated and targeted marketing using SEO, PPC and key word remarketing

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CCI Growth Opportunities



Updated Forecasts

Reaffirm MNF Organic FY17 Forecast

Forecast	FY16 Actual	FY17 Forecast	Var %
EBITDA	\$17.8m	\$22.3m	+25%
NPAT	\$9.0m	\$11.0m	+22%
Earnings Per Share (cents)	13.45	16.08	+20%

- Represents MNF Organic forecast prior to acquisition of CCI.
- Re-affirming previous guidance – H1 results are in line with budget.
- Forecast is based on current operating assumptions and is to be used only as a guide.
- MNF H1 FY17 results to be released 14 February 2017.
- EPS is calculated prior to any capital raising for CCI acquisition.

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CCI Full Year FY17 Forecast

Forecast	FY16 Actual	FY17 Forecast	Var %
Revenue	\$7.4m	\$7.9m	+7%
Gross Margin	\$6.1m	\$6.8m	+11%
EBITDA	\$3.0m	\$3.5m	+17%
NPAT-A	\$1.9m	\$2.3m	+21%

- Data is purely for CCI organic business.
- FY16 actuals are un-audited.
- FY17 forecast is tracking well, and has been confirmed up until 31 December 2016.
- Forecast does not include any MNF Group synergy savings.
- NPAT-A is based on MNF operating assumptions and excludes amortisation in the hands of MNF.

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Combined FY17 Forecast

Forecast	MNF Organic FY17	New Combined FY17	Var %
EBITDA	\$22.3m	\$23.7m	+6.3%
NPAT	\$11.0m	\$11.6m	+5.5%
Earnings per share (cents)	16.1	16.7	+3.7%

- Updated MNF Group forecast based on 5 months contribution from CCI.
- Estimated once-off acquisition costs of \$0.5m accounted for in FY17 (not included in comparative).
- No CCI/MNF combined synergy savings are expected in FY17. Identified network and operational synergies of \$0.5m per annum EBITDA are expected in FY18.
- EPS is calculated based on \$18m capital raising dilution from 2 February 2017.

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Pro-forma Combined FY17 Forecast

Forecast	CCI Organic FY17	MNF Organic FY17	Pro-Forma Combined FY17	Pro-Forma Combined Uplift %
EBITDA	\$3.5m	\$22.3m	\$25.8m	+16%
NPAT-A	\$2.3m	\$12.7m	\$15.0m	+18%
Combined NPAT	\$1.3m	\$11.0m	\$12.3m	+12%
Earnings Per Share (cents)		16.08	17.1	+6%

- Pro-Forma forecast is derived assuming CCI being a member of the group for the entire FY17.
- Pro-Forma is provided in order to give a roll-forward estimate of combined group performance.
- No CCI/MNF combined synergy savings are expected in FY17. Synergies of \$0.5m EBITDA are expected in FY18.
- EPS is calculated based on \$18m capital raising dilution for the full year.

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Strategic Fit with MNF

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Strategic Fit with MNF

NETWORK

MNF has extensive domestic and global voice network assets.

Current network synergy of \$0.5m per annum EBITDA.

Future low cost scale and reach opportunity for CCI with MNF global network.

DEVELOPMENT

CCI is already moving towards higher value growth opportunity in the collaboration space (desktop/voice/video).

MNF technical and development expertise will provide CCI opportunity to grow market share domestically.

APPLICATION (APP)

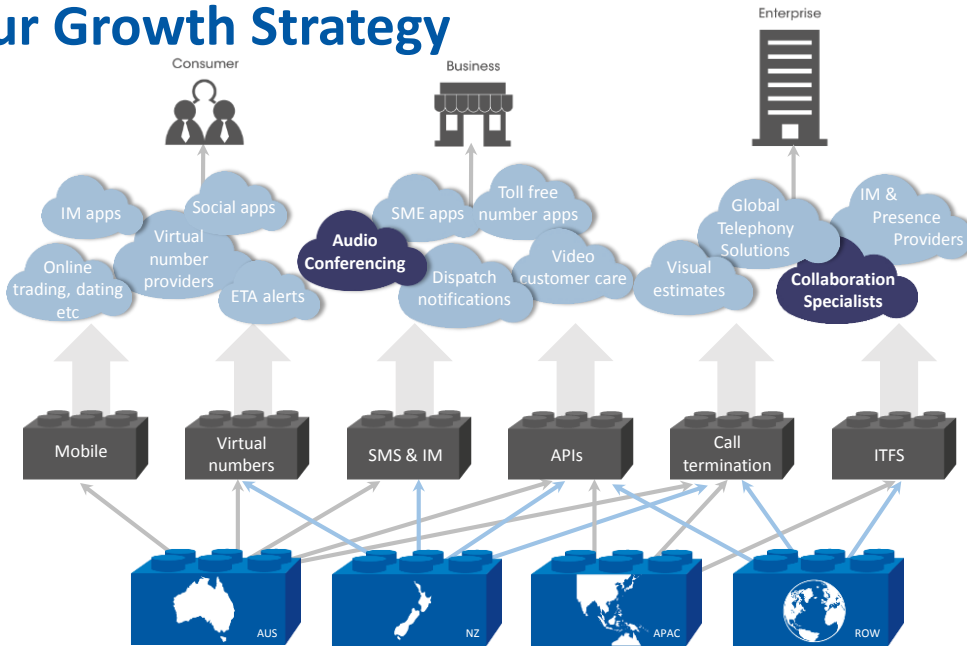
MNF already serves most of the global audio conferencing and collaboration specialists through Domestic Wholesale and Global Wholesale segments.

CCI complements MNF direct **Domestic Retail** segment portfolio with a high margin recurring revenue application.

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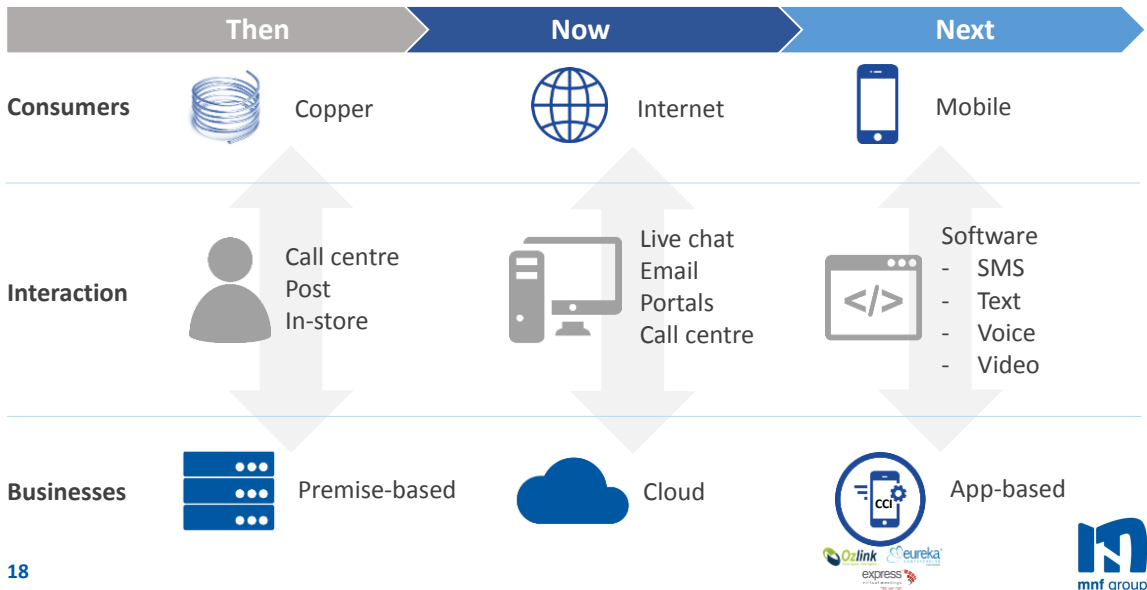
Our Growth Strategy



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Future of Voice Communications



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Thank you

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