



FY17 INTERIM RESULTS

A GREAT PLACE TO BE

— H1 FY17

CONTINUED SOLID PERFORMANCE

REVENUE¹
\$344.1m, up 8%

UNDERLYING EBITDA²
\$35.0m, up 15%

STRONG CASH
GENERATION AND
FLEXIBLE BALANCE
SHEET

UNDERLYING EBIT²
\$30.1m, up 19%

RECORD
INTERIM DIVIDEND
9.2cps, up 60%

ABILITY TO INVEST
IN GROWTH
OPPORTUNITIES

¹from continuing operations

²from continuing operations, excluding ESP

INCOME STATEMENT

ANOTHER STRONG PERIOD OF GROWTH

(\$m unless otherwise stated)	H1 FY17	H1 FY16	
CONTINUING OPERATIONS			
Revenue	344.1	318.6	+8%
Gross Profit %	37.3%	34.9%	
Underlying EBITDA¹	35.0	30.4	+15%
Non-cash benefit from discontinued proprietary products (ESP)	0.0	3.1	
EBITDA	35.0	33.5	+4%
EBIT	30.1	28.3	+6%
PAT	21.4	19.4	+10%
Discontinued operation (net of tax)	0.3	(3.8)	
PAT including discontinued operations	21.8	15.6	+40%
Interim Dividend	9.20cps	5.76cps	+60%

¹ from continuing operations excluding ESP

Retail revenue up 5%

- Cycling a very strong H1 FY16
- Optimisation plan delivering benefits

SMB revenue up 35%

- Full benefit of prior period acquisitions
- Organic growth

Enterprise revenue up 16%

- Account wins and pipeline build
- Growth in managed and professional services

Gross margin up

- Lower device sales in mix
- Higher margins from business channels

Offset by:

- Some softening of profitability on a per connection basis
- Lower ESP contribution (\$3.1m in H1 FY16) – now expired

Profit up

- Underlying EBITDA¹ up 15%
 - Retail LFL EBITDA up 7%
- Underlying EBIT¹ up 19%
- Underlying PAT¹ up 24%

Increased shareholder returns

- Record interim dividend 9.20cps
- Up 60% on prior year
- Fully franked

BALANCE SHEET

CASH GENERATION STRONG, FLEXIBILITY TO INVEST

(\$m)	31 Dec 16	31 Dec 15
Cash	35.1	28.5
Current assets (exc. cash)	46.4	42.8
Non-current assets	97.7	89.3
Total assets	179.2	160.6
Current liabilities	(95.7)	(93.6)
Non-current liabilities	(4.5)	(11.0)
Total liabilities	(100.2)	(104.6)
Net assets	79.0	56.0
Cash	35.1	28.5
Debt	(7.0)	(17.9)
Net cash	28.1	10.6

Higher cash balances

- Solid cash conversion
- Favourable timing of receipts

Tight management of working capital

- Receivables up on higher turnover (+ \$4.4m)
- Inventory at under two weeks (- \$0.9m)

Non-current assets up

- Goodwill up on acquisitions (+ \$11.0m)

Current liabilities stable

- Payables up (+ \$11.9m),
offset by reduced debt (- \$5.7m)

Non-current liabilities down

- Lower levels of debt (- \$5.2m)

Healthy debt position

- No net debt
- \$7.0m gross debt at period end

CASH FLOW

CASH DIRECTED TOWARDS DIVIDENDS, INVESTMENTS IN FUTURE GROWTH AND DEBT REDUCTION

(\$m)	FY17 H1	FY16 H1
Operating cash flows <i>from continuing operations</i>	36.5	30.8
Investing cash flows <i>from continuing operations</i>	(1.1)	(12.7)
Financing cash flows <i>from continuing operations</i>	(19.7)	(4.0)
Cash flows <i>from discontinued operations</i>	0.0	(1.2)
Net cash movement	15.7	12.9
Opening cash balance	19.4	15.6
Closing cash balance	35.1	28.5

Operating activities

- Earnings growth
- Strong cash conversion
- Working capital control

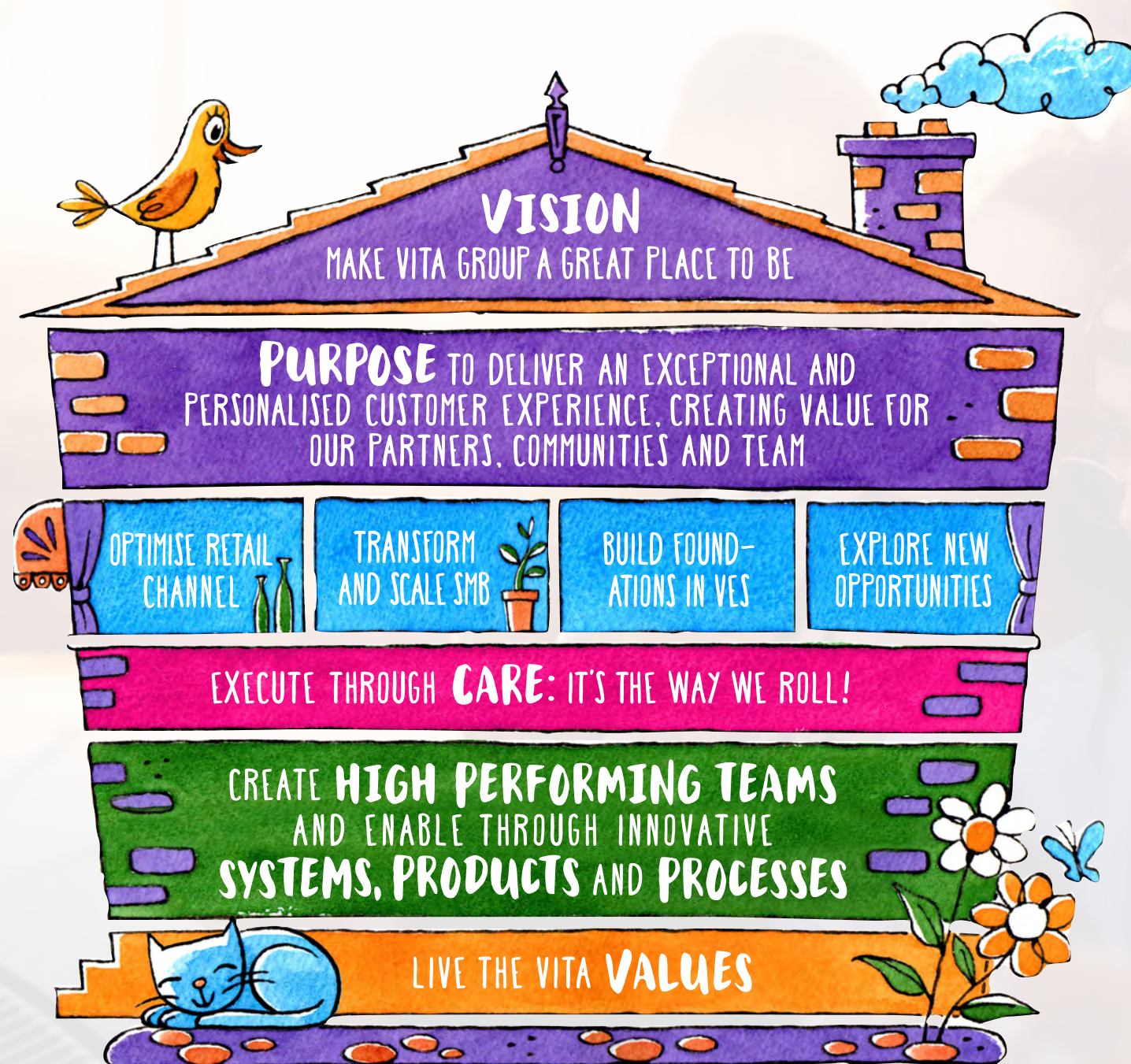
Investing activities

- Capex directed towards fitouts (\$4.8m) and IT development (\$1.3m)
- Proceeds of maturing term deposit received (\$5.0m)

Financing activities

- Dividends (\$12.5m)
- Repayment of borrowings (\$8.9m)

— OUR STRATEGY REMAINS UNCHANGED



At our core, we are a consultative-sales organisation providing our customers with holistic solutions.

STRATEGY INTO ACTION

EXECUTION OF PLAN ALREADY HAPPENING

FY10

FY11

FY12

FY13

FY14

FY15

FY16

H1 FY17



COMMENCED TRANSFORMATION OF
RETAIL NETWORK TO BRANDED CHANNEL

NON-BRANDED POPS

BRANDED POPS

BEGAN RETAIL OPTIMISATION PROGRAM

BRANDED POPS

NON-BRANDED POPS

sprout

NEW OPPORTUNITIES FROM ACCESSORY BRAND SPROUT TO COMPENSATE FOR DEVICE MARGIN REDUCTION

INTERNAL DISTRIBUTION NETWORK

EXTERNAL DISTRIBUTION NETWORK



BEGAN TRANSFORMATION OF BUSINESS (SMB)

REVENUE



BEGAN BUILDING FOUNDATIONS BUSINESS (ENTERPRISE)

REVENUE



CONTROLLED
OMNI-CHANNEL
GROWTH

BEGAN TO
EXPLORE TAKING
COMPETENCIES
INTO NEW
CATEGORIES

NEW OPPORTUNITIES

WILL LEVERAGE OUR CORE COMPETENCIES

OUR CORE COMPETENCIES

Interpreting market trends

Consultative sales

Exceptional customer experiences

Strong operating rhythms

Planning, execution, and measurement

High-performance culture

Ability to scale quickly

Entrepreneurial spirit

NEW OPPORTUNITIES

CATEGORY CHARACTERISTICS

Lends itself to consultative selling

Scope for growth

Scaleable

Fragmented / ready for consolidation

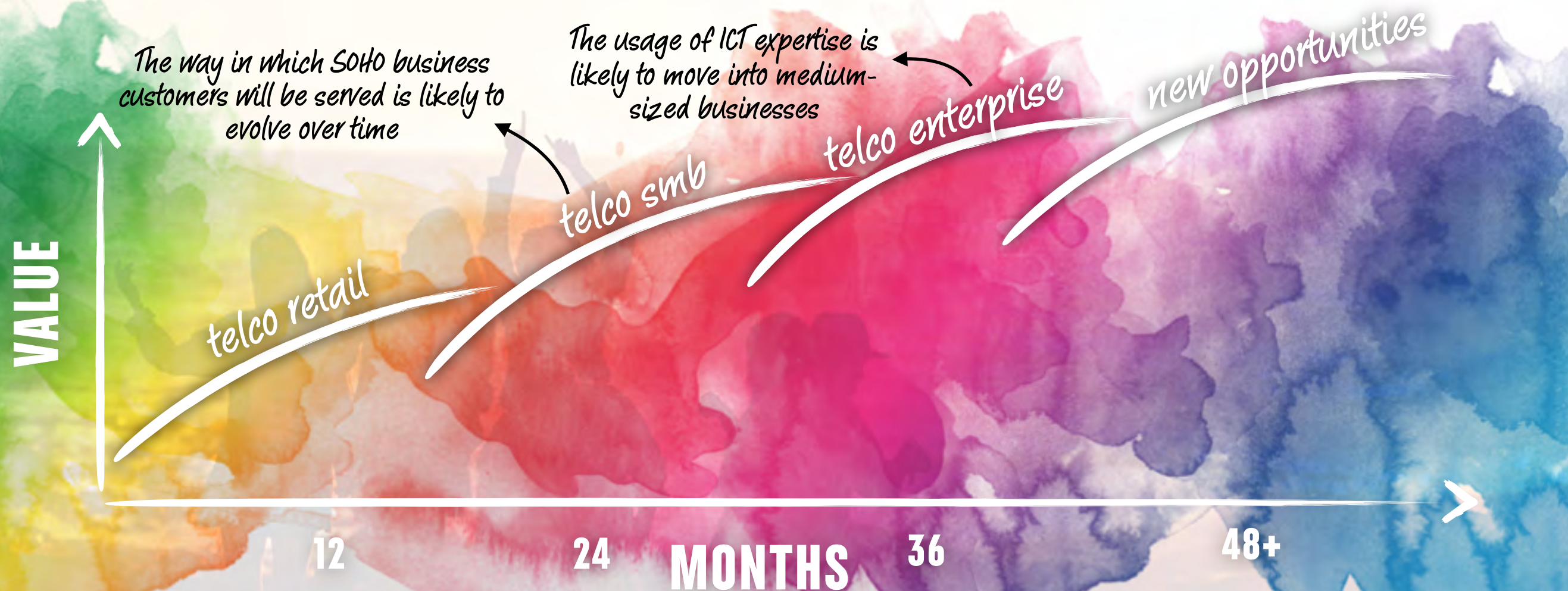
Ability to disrupt

High margin structure

Brand ownership

OUR GROWTH HORIZONS

DESIGNED TO DELIVER SUSTAINED VALUE OVER TIME



RETAIL

- Physical optimisation delivering benefits
- Investment in people and technology delivering productivity gains
- Scope for further growth by reducing variability of performance within network
- Further physical optimisation to come
- Leveraging SOHO customers

SMB

- Attractive, but fragmented market segment
- Acquisitions have delivered meaningful scale
- Significant opportunity to continue growing revenues and improve productivity
- Partnering with Telstra to optimise go-to-market model, leveraging retail and enterprise channels

ENTERPRISE

- Revenue growth
- Building a business of scale, centred around professional and managed services
- Derive greater income from annuity business
- ICT expertise moving down the value chain

NEW OPPORTUNITIES

- Extending core competencies into other categories that meet required category characteristics
- May involve both targeted acquisitions and greenfield development
- Timing as opportunities arise

— WE CREATE VALUE

BY INVESTING IN HIGH-PERFORMING TEAMS

COACHING FRAMEWORK

Greater depth **of quality assurance** of our customer service capabilities

INSIGHT SELLING

Implementing **capabilities** and **systems** to deliver **customer insights** across all channels – the basis of our "consultative selling" ethos

ACADEMY PROGRAM

Continued focus on identification of talent in sales and leadership roles, with Academies in place to build **capability** enhancing our culture of self and team development

TEAM ENGAGEMENT

Major focus on identifying team member **engagement** in all areas of the group, and discovering how we can improve **engagement** and **productivity**

COMMUNITY ENGAGEMENT

Continued focus on providing avenues for our team to **give back** to the **communities** in which they live through the **Vita Foundation**

UNDERPINNED BY OUR VALUES

— WE DRIVE PRODUCTIVITY THROUGH SYSTEMS AND PROCESSES

OPERATING RHYTHMS

Leveraging known **disciplines and operating rhythms** and transferring into **business channels** and new growth opportunities

PERFORMANCE MANAGEMENT

Further evolving **performance measurement and reward programs** to drive **sustained performance**

SIMPLIFY PROGRAM

Reducing cost-to-serve through **continual simplification of processes** such as back of house provisioning

ENABLED BY INVESTMENTS IN SYSTEMS

SALESFORCE

AUTOMATION

ANALYTICS

XLR8™

OFFICE 365

The way we create value through our high-performing people and drive productivity through systems and processes is unique to our business

— OUTLOOK H2 FY17

PROACTIVELY ADDRESSING THE SOFTENING OF UNIT ECONOMICS Q3 FY17, THROUGH:

IMPROVED PRODUCTIVITY

- Focus on improving performance variation
- Benefits of up-sell and cross-sell
- Support new products as they are introduced

CONTINUED IMPROVEMENT IN PROFITABILITY OF BUSINESS CHANNELS

- Embedding operating rhythms
- Developing leadership and sales capability
- Using technology to nurture customers
- Evolving business customer mix in retail, SMB and enterprise

CONTINUED OPTIMISATION OF PHYSICAL PORTFOLIOS

- Five Telstra company-owned stores to be acquired end Q3 FY17
- Further optimisation through acquisition, divestment and closure likely
- Further strengthening of national clusters

EFFECTIVE MANAGEMENT OF COST BASE

- Simplify program
- Maximise benefits from digital environment and new technology



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