



MNF Group Annual General Meeting

Rene Sugo, Group CEO
14 November 2017



Corporate Profile



Financial Summary



Forecast



Future Roadmap





Corporate Profile



Why invest in MNF Group?



Credible player in big market



Future-proof cloud voice network



Diversified voice services portfolio



In-house software intellectual property

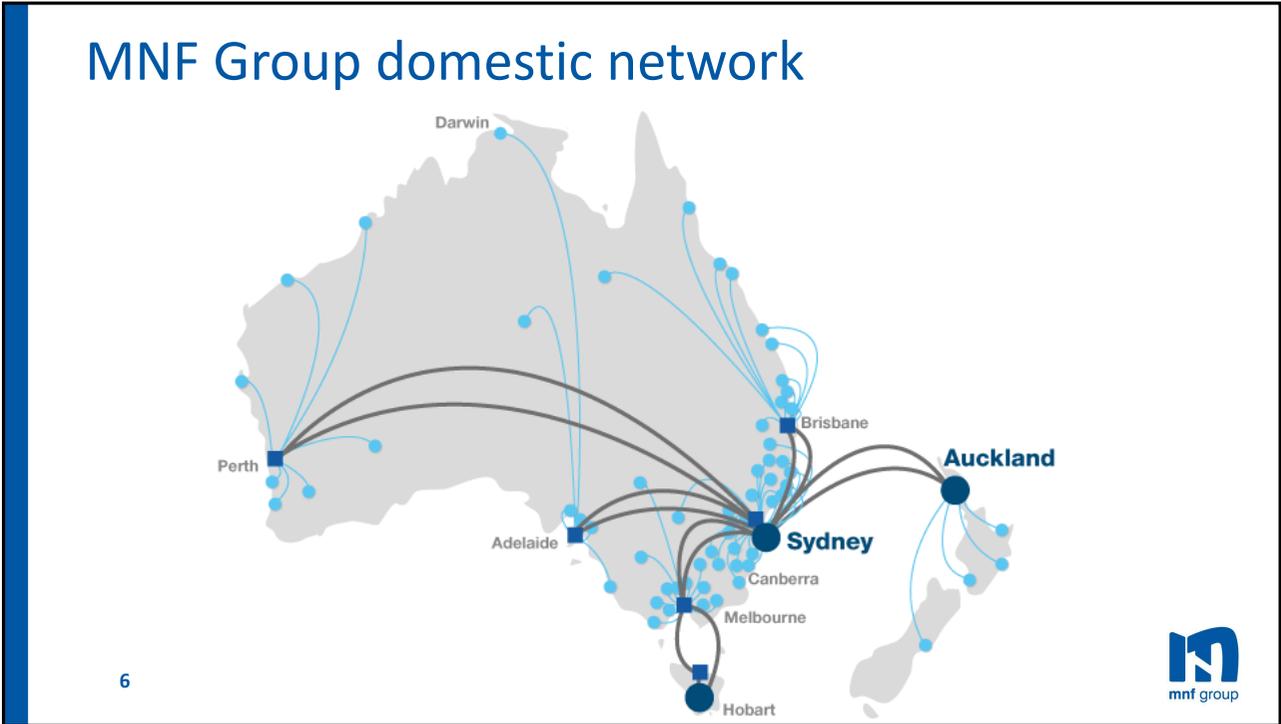
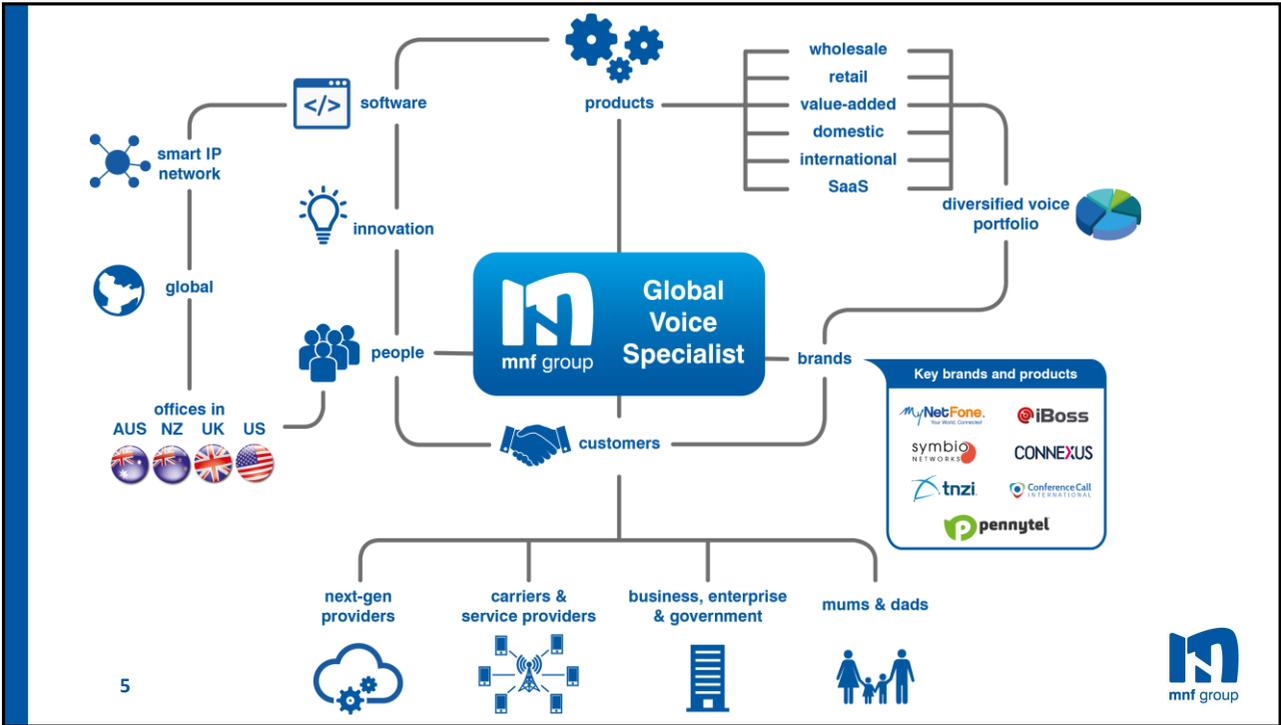


Consistent long term EBITDA growth

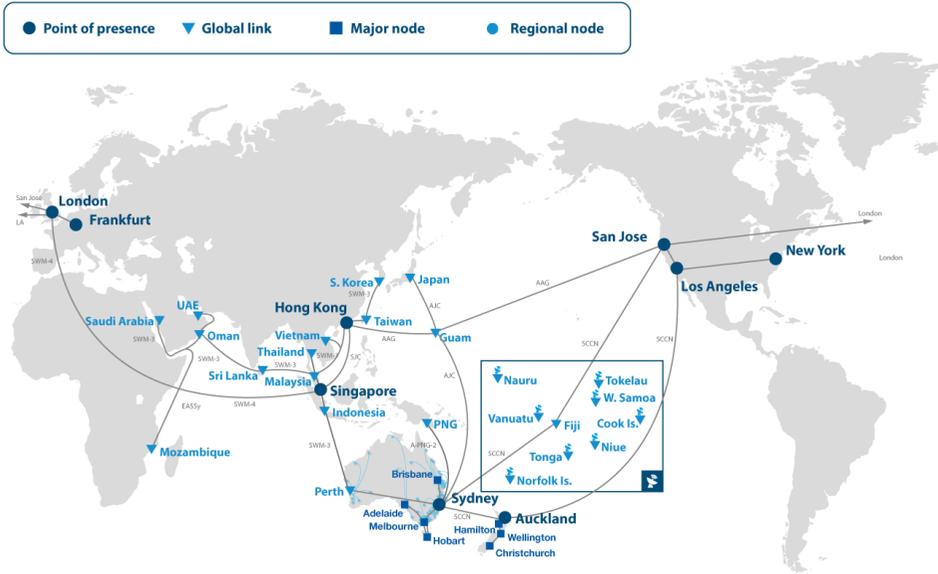


Global growth potential





MNF Group global network



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Innovation Track Record

- 2017 Best Voice and PBX Provider, CommsDay Edison Awards
- 2017 Vendor Innovation – Emerging, ACOMMS
- 2016 Vendor Innovation – Emerging, ACOMMS
- 2017 Best Global Voice Services Company, APAC Insider NZ Business Awards
- 2016 NSW Business Services Winner for Tollshield Fraud Protection, iAwards
- 2016 NSW Innovation and Platforms Winner for Tollshield Fraud Protection, iAwards
- 2016 National Winner for Tollshield Fraud Protection, iAwards
- 2016 Growth Company of the Year, Australian Growth Company Awards

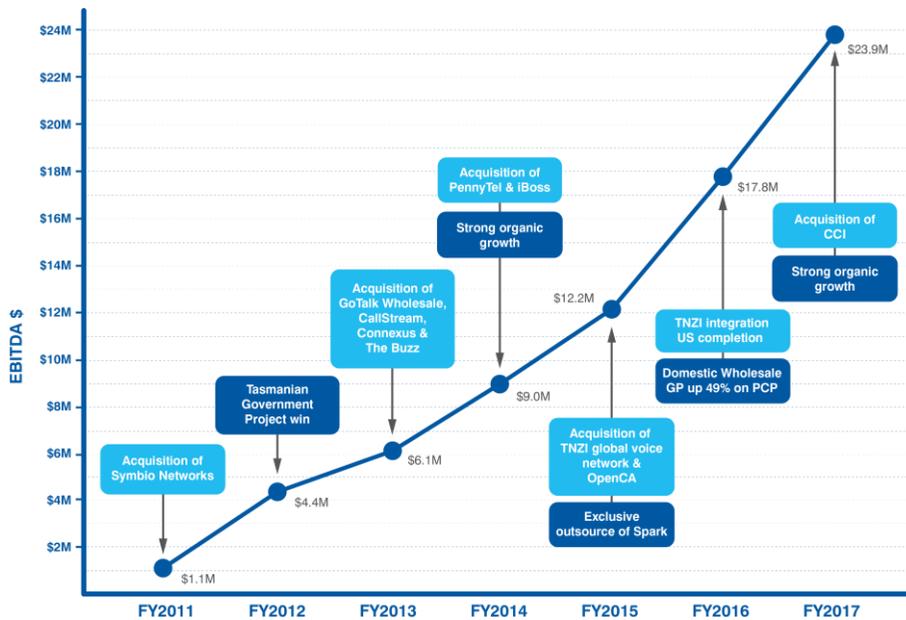


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More Information: <https://mnfgroup.limited/about/awards>



Performance Track Record



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Financial Summary



Financial Highlights FY17

Reported Result	FY17	FY16	Δ
Revenue	\$191.8m	\$161.2m	+19%
Gross Profit	\$58.6m	\$48.6m	+21%
EBITDA	\$23.9m	\$17.8m	+34%
NPAT	\$12.1m	\$9.0m	+34%
Earnings per share (cents)	17.32	13.45	+29%
Dividend per share - fully franked (cents)	8.25	7.0	+18%
Net Tangible Assets (NTA) per share (cents)	28.4	12.1	+135%

- Results include 5 months contribution from CCI.

PER SEGMENT GROSS MARGIN



Domestic Retail margin is up 25% YoY, a combination of organic growth of 7% and the addition of 5 months of CCI.

Domestic Wholesale margin up a strong 24% YoY organically, with further growth potential.

Global Wholesale performing inline with expectation with full year margin growth of 15% YoY.

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PER SEGMENT REVENUE

Domestic Retail revenue up 11% YoY.

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

Global Wholesale revenue growth assisted by the inclusion of a full 12 months of TNZI US business and new business from network upgrades in London, Los Angeles and Hong Kong. Up 22% YoY.



Investor Metrics

Metric	Value
Number of Shares	73.80m
Share Price	\$5.52
Market Capitalisation	\$403m
FY17 Total Dividend (fully franked)	8.25 cents

➤ Share price is as at market close 13 November 2017



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Forecast



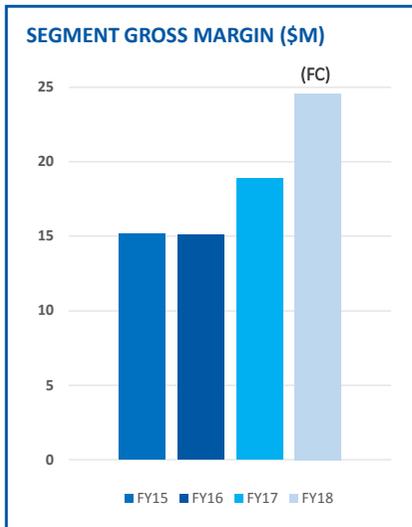
Forecast FY18

Forecast Result	FY18	FY17	Δ
Gross Margin	\$72.3m	\$58.6m	+23%
EBITDA	\$28.5m	\$23.9m	+19%
NPAT	\$15.0m	\$12.1m	+24%
Earnings per share (cents)	20.50	17.32	+18%

- Forecast model based on 100% organic growth for FY18.
- Upside from any new major customer wins is not included.
- Upside from any future acquisitions is not included.
- Forecast includes increase in expense for further substantial investment in our R&D resources to support strong growth well into the future.
- Forecast includes increase in expense for additional office accommodation required for future growth.



Domestic Retail



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Residential

- > Continued cautious approach to NBN with defensive strategy while waiting for NBN impact to play out in the market
- > Pending re-launch of PennyTel as a consumer mobile brand

Small Business

- > Continue to drive aggressive product strategy lead by Virtual PBX product suite – new product release now in beta
- > Pending re-launch of new fully “app” based products – FY18/Q4

Government & Enterprise

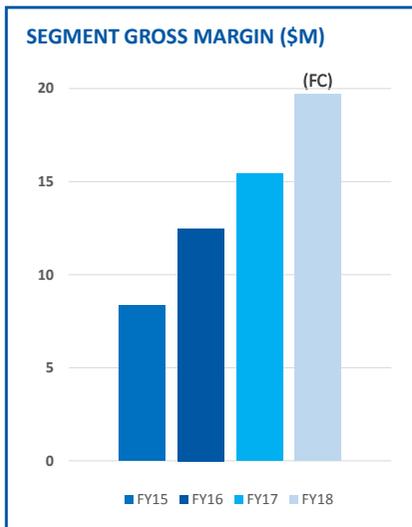
- > Launch of MNF Enterprise brand to increase momentum
- > New Broadsoft initiative – FY18/Q3 launch
- > New Microsoft Skype-for-Business initiative – launched

Conference Call International

- > Investment in additional bridge capacity for organic growth
- > Investment in new collaboration capabilities – including desktop sharing and video conferencing as a service
- > New MNF conferencing initiative – launched
- > Continue to drive organic growth through increasing market share, grow product portfolio leveraging MNF’s software skills



Domestic Wholesale



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Strong Organic Growth

- > Multi-dimensional organic growth – new customers, new capabilities, and existing customer growth

Numbering Services

- > Enhanced software automation capabilities – for all number types
- > New International Toll Free capabilities – launched
- > New innovative numbering services under development

iBoss

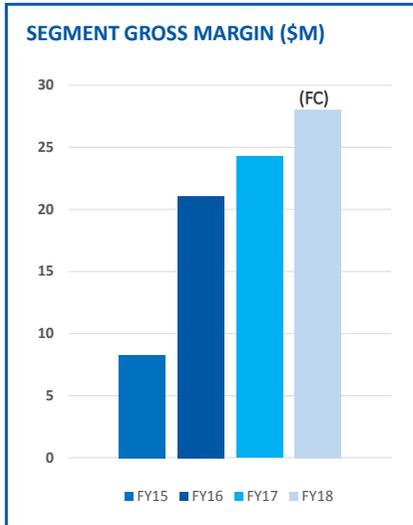
- > Continued focus on small RSP onboarding for all service types including mobiles.

New Zealand

- > New domestic voice network ready for launch – FY18/Q3.
- > Fully automated number portability for all number types.
- > Full voice product suite from launch date.
- > iBoss for UFB and other products to follow in early FY19.



Global Wholesale



Minutes (Legacy Usage) Business

- Continue to defend margins by increasing market share.
- Post-acquisition POP upgrades completed in UK, HK, USA. Now augmenting capacity.
- Pending POP upgrade in NZ – FY18/Q4 launch.
- New POP deployment in Australia – FY19 launch.

Next Generation Business

- Multi-dimensional organic growth – new customers, new capabilities, and existing customer growth.
- Added International Toll Free service capabilities.

Regional Strategy

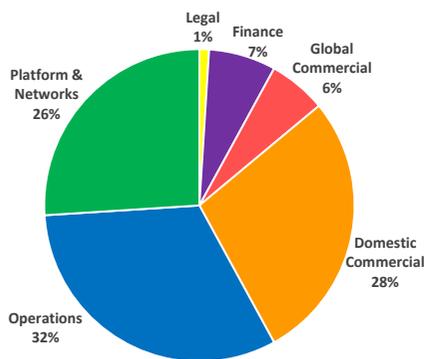
- Become the “go-to” specialist for voice services in Asia-Pacific region by continuing to develop infrastructure and relationships in the region.

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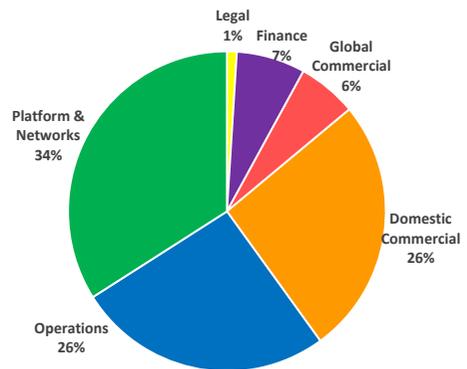


Investment in Innovation

FY17 Resources



FY18 Resources



- Platform & Networks division is our R&D engine
- Building long term future growth - continued investment in innovation with value creating talent
- Resourcing multiple initiatives to address a rapidly evolving market opportunity

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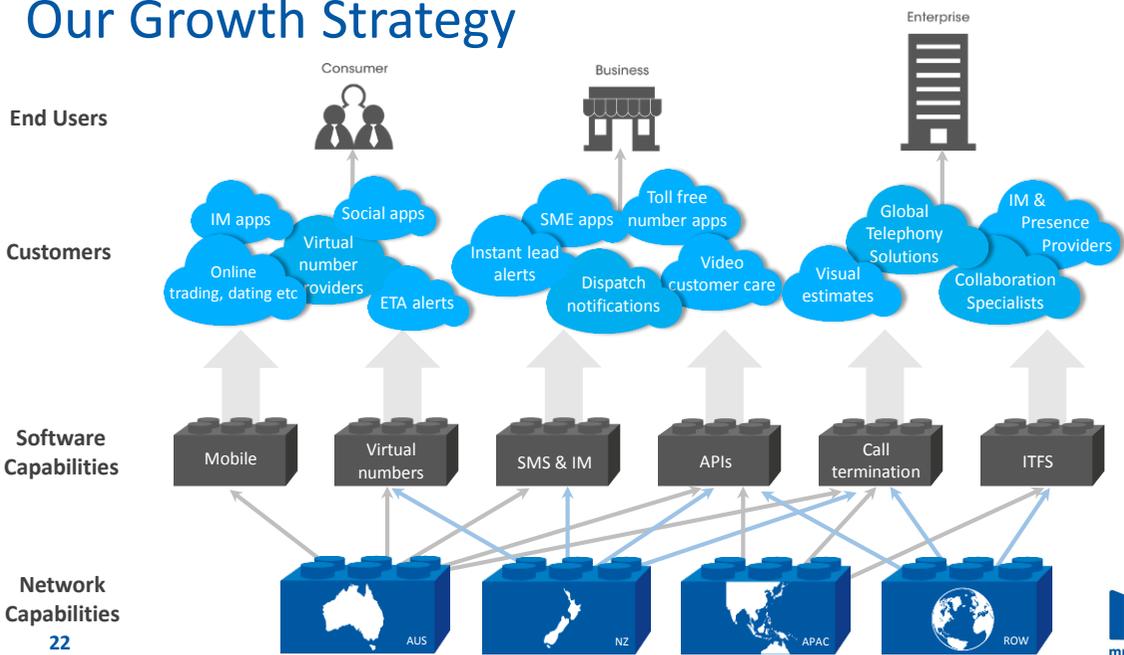




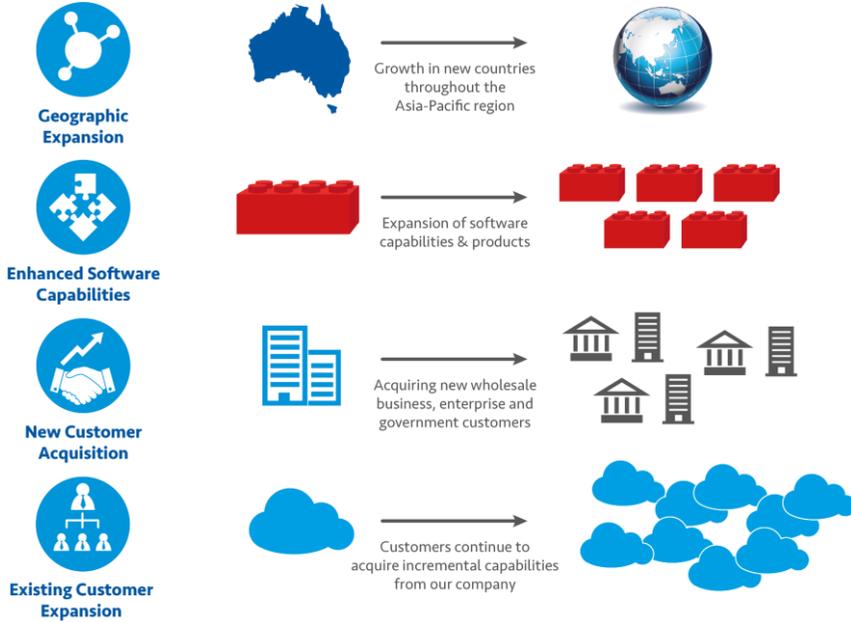
Future Roadmap



Our Growth Strategy



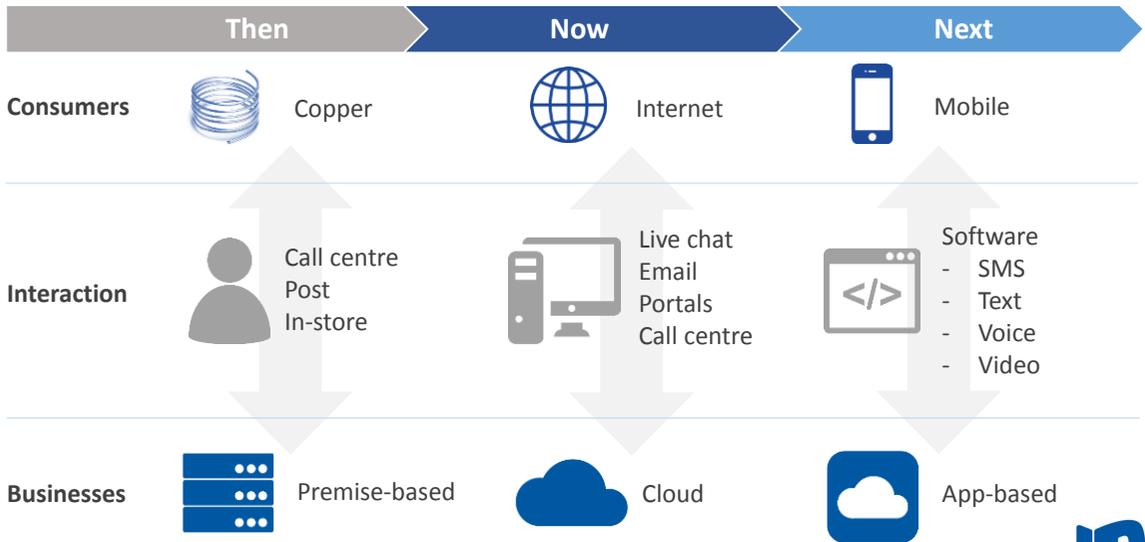
Our 4 Dimensional Growth Strategy



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Future of Communications



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MNF's role into the future



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Evolution of your digital identity

- > Phone numbers are now your universal digital identity card
- > *No company or application has been able to replicate the trust, ubiquity, security, versatility and availability of your phone number*
- > Now many apps like WhatsApp, Snapchat, Twitter, Facebook Messenger equate your account to your phone number



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<https://www.wired.com/story/how-your-phone-number-became-the-only-username-that-matters/>



Thank you

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



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