

MOQ Limited

Investor Presentation

H1 FY19 Results

26 February 2019



MOQ Limited
ASX:MOQ

H1 FY19 financial highlights

Scaling operations underpin strong growth across all metrics¹



Revenue^{1,2}

Growth of
19.9%

With Gross Profit
Growth of
22.0%



Recurring Services Revenue

Growth of
17.2%

With Gross Profit
Growth of
45.8%



EBITDA

Growth of
50.8%



Operational Expenses³

Down from
16.3%
of Revenue to
15.6%
of Revenue



Cash Position

Growth of
49%
To
\$5,667,581

¹ Growth % compares H1 FY19 vs H1 FY18

² Growth calculated on revenues and GP excluding Other Income of \$67k

³ Operational Expenses excluding Depreciation & Amortisation

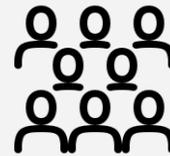
H1 FY19 operational highlights

Doing what we said we would do.



Managed Services Investment for Key Clients

Over 2,000 hours invested in establishing and transitioning seven new clients into Recurring Services revenue streams.



New SkoolBag Products

New SkoolBag mobile application.
The addition of an electronic school newsletter to Skoolbag Offering.
Pricing increase to reflect the enhanced value of the new SkoolBag All-in-one suite.



Microsoft Partnership

Over \$3.5 Million of net new business in delivered Services Projects and Opportunity conversion in H1FY19 due to increased focus on the Microsoft Partnership.



H1 FY19
financial performance

Earnings growing faster than revenues as platform scale benefits begin to flow

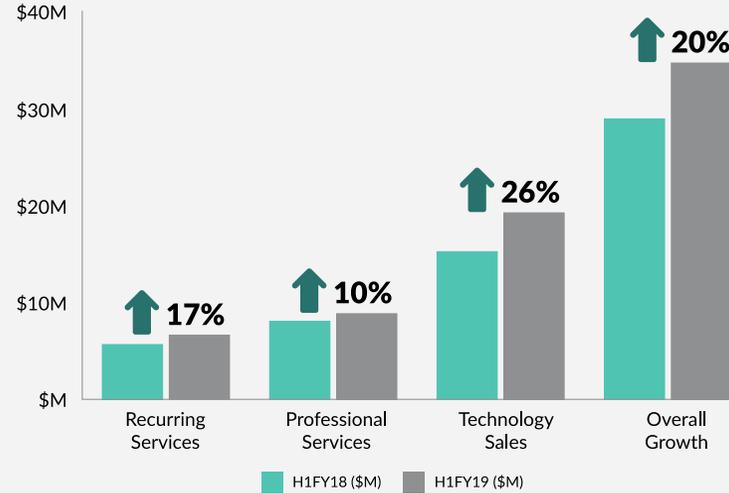
Item	H1FY19 \$'M	H1FY18 \$'M	% Change
Revenue from ordinary activities*	34.7	28.9	20%
Gross Profit*	6.9	5.7	21%
EBITDA*	1.5	1.0	51%
EBIT*	1.2	0.7	74%
NPAT	0.9	0.4	98%
EPS (cents)	0.5300	0.2679	98%

*H1FY19 was the first reporting period in which MOQ adopted the new accounting standard AASB 15 – Revenue from Contracts with Customers. This has a negative impact on the Group's revenue of \$822k and both GP and EBITDA of \$167k. We expect this adjustment to be reversed and taken up in the Group's revenue, GP and earnings in H2FY19 as the contract is completed.

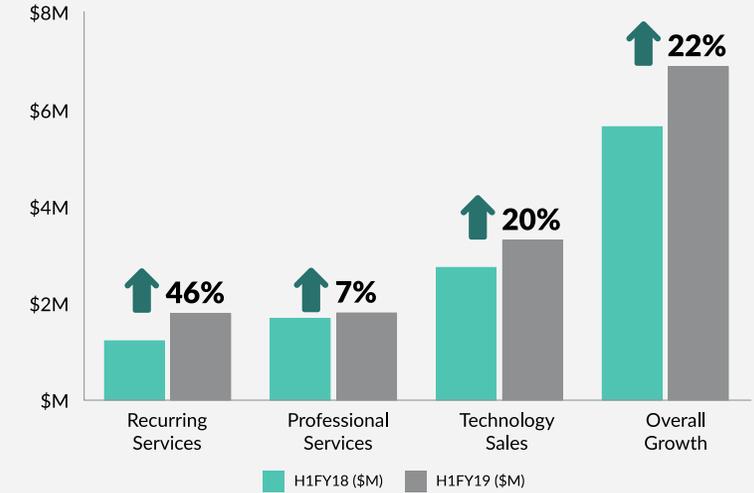
Accelerating growth in recurring services revenue

- HIGHLIGHT:** Growth in recurring services revenue of 17% whilst **Gross Profit growth was 46%** driven by:
 - Increased focus on sales activity in FY18, with new contracts closed and delivered in H1FY19
 - Investments in FY17 and FY18 in systems and people
- Technology Sales continue to improve on the back of major projects won and delivered, predominantly in the QLD market in H1FY19
- Professional Services: less growth as the blend changes due to focus on Managed Services and also workload shifts.

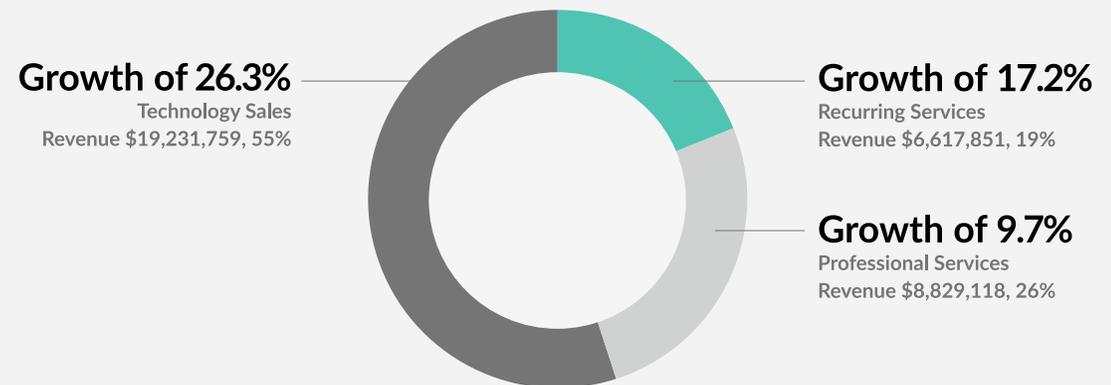
Revenue Growth by Segment H1FY19 vs H1FY18



Gross Profit Growth by Segment H1FY19 vs H1FY18



H1FY19 Revenue Mix and Growth over H1FY18



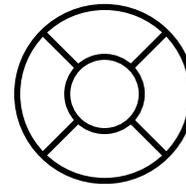
H1 FY19 Revenue Analysis by:

Line of Business Segment Geography



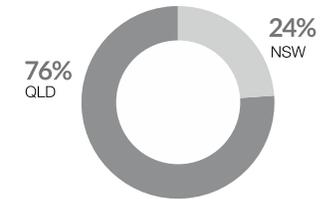
Services Revenue by **Line of Business** within MOQdigital v H1 FY18

Business Services – (including Applications,
Data and Analytics Practice) growth of **+21%**
Infrastructure Services growth of **+18.9%**
Operational Services growth of **+21.8%**



Revenue by **Segment** Highlights v H1 FY18

Growth of **+9.7%** in **Professional Services**
Growth of **+17.2%** in **Recurring Services**
Growth of **+26.3%** in **Technology Sales**

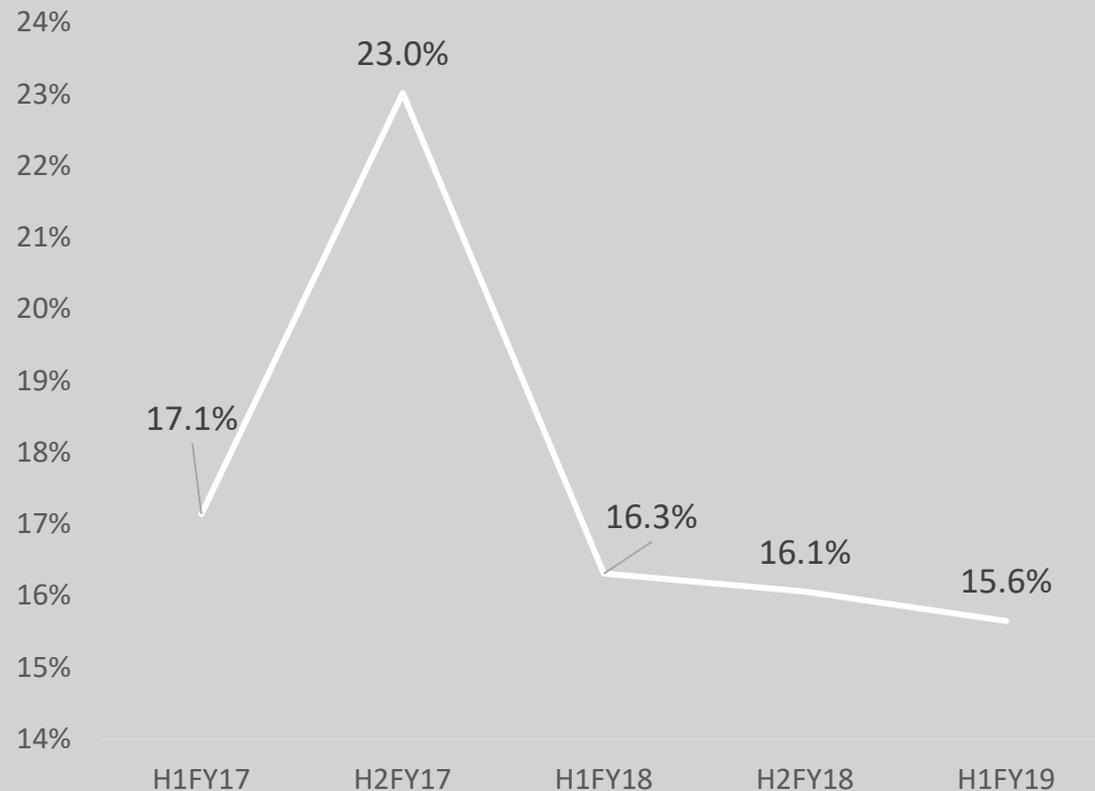


Revenue By **Geography** v H1 FY18

NSW branch growth of **+23%**
QLD branch growth of **+19%**

Operating Expenses

Downward Trend - Operating expense % Revenue



Item	H1FY19	% of	H1FY18	% of
	\$'M	Revenue	\$'M	Revenue
Operating expense (excl. Depn, Interest)	5.4	15.6%	4.7	16.3%

- Major component of operating expenses are people-related. We prioritise investments in revenue-generating heads (e.g. sales) that will provide a return
- Other investments being made in a more robust management structure to help us grow. Examples previously announced are in People and Culture, NSW branch management
- We remain focused on driving operating expense towards 14% of revenues in the medium term

Growing cash balance supports growth initiatives

Consistency in Performance

Balance Sheet	31-Dec-18 \$'M	31-Dec-17 \$'M	% Change
Cash	5.7	3.8	49%
Current Assets	16.4	11.9	38%
Current Liabilities	13.8	10.0	38%
Net Tangible Assets	4.9	4.4	13%
Current Ratio	1.19 : 1	1.19 : 1	0%

- Consistency in Working Capital performance – as measured by Current ratio
- Cash balance continues to grow **(49% vs H1FY18)**, driven by profitable growth and helped by strong Technology sales where we can leverage strong vendor relationships and terms to obtain positive cashflow outcome.

Strong growth in operating cashflows

Cashflow:	H1FY19 \$'M	H1FY18 \$'M	% Change
Operating Cashflow	2.9	1.2	145%
Investing Cashflow	-1.2	-0.6	86%
Financing Cashflow	0.0	0.0	0%
Free Cashflow	1.7	0.5	215%

- Strong growth in cash from operating activities of 145% vs H1FY18, partly driven by revenue growth
- Disciplined approach to investments, with recent activities mainly around growing the IP in Skoolbag in recent halves, as well as significant investment in transitioning 2 major Managed Services contracts in H1FY19.

Growth strategy underpins
positive outlook for H2 FY19



MOQ Limited

ASX:MOQ is a leading provider of Specialist Services focused on Applications, Data and Infrastructure solutions to drive positive business outcomes from technology adoption.

Additionally MOQ is the proud owner and developer of the SkoolBag platform, a market leading Software-as-a-Service ("SaaS") communications platform, serving the education and sports verticals.



MOQ Limited (ASX: MOQ)



Key Strategic Objective

To build a market leading digital technology business and pursue positive growth by both organic investment and through synergistic acquisitions in the technology sector.

Digital Initiatives won or delivered during H1 FY19



Digital project for the establishment of an Application and Data Integration Services Environment and Foundational Services and Support, utilising BizTalk and BizTalk360



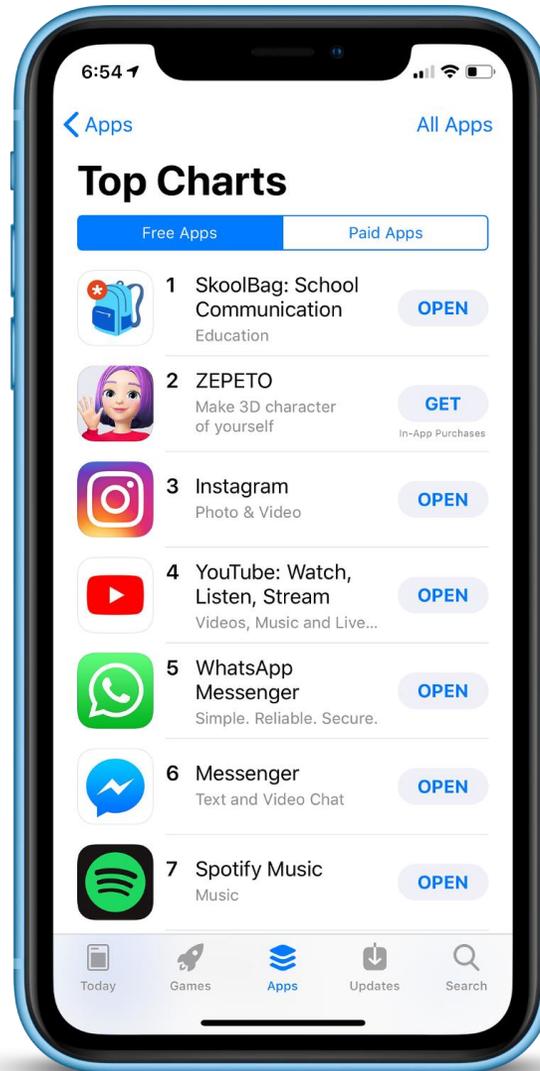
MOQdigital completed the design and build of a customised infrastructure platform for Enzen Australia so it can provide services to one of its key energy industry clients in Australia. (Go Live and Operational Readiness from February 17, 2019).



DP World selected MOQdigital to help improve its IT Operations Support by implementing a Service Desk facility. The service was initiated, transitioned and delivered in H1FY19 and is fully operational.

SkoolBag:

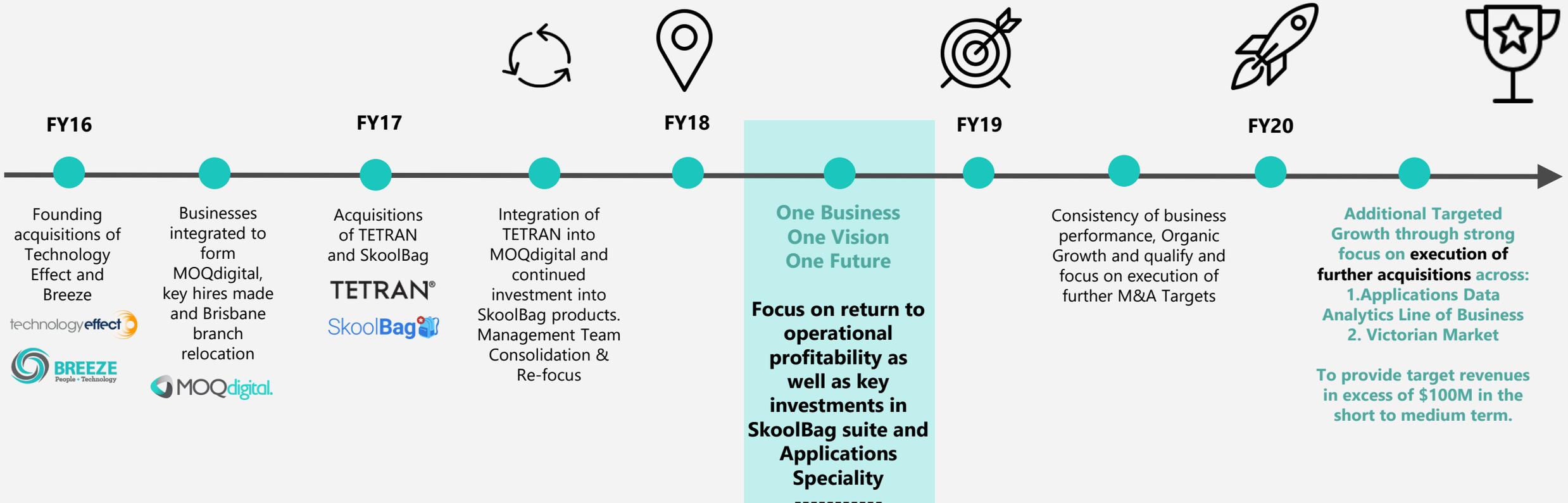
- Full roll-out of the new SkoolBag mobile application now complete
- Commenced migration of SportsBag/BizBag customers to the new application in order to consolidate technology stack.
- New features released enable increased customer value due to additional use cases across organisations.
- Further roll-out of eNewsletter including further feature enhancements. Very positive initial feedback from customers.
- Ongoing security upgrades and improvements
- New pricing model (first price increase in 6 years)



The new SkoolBag app reached
#1 on the app store
in December 2018



Journey to our Current State: Readiness for further M&A and Growth



We're not slowing down in H2 FY19

Continuing from H1 FY19 - Key actions to underpin growth in H2 FY19 and beyond



Profitable Growth

Continue to drive Organic Growth and improve and maintain consistency in run rate EBITDA with a medium term goal of 9 to 10% return on Revenue.



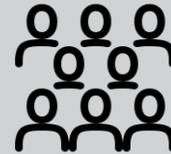
Recurring Services

All 4 Lines of Business are being driven to grow their contracted Recurring Services volume by enhancing their market offering to include Managed Services.



Leverage Digital Trends

Prioritise investment in our Applications, Data and Analytics speciality practice and associated solutions – a high value high return focus area that differentiates MOQ



New SkoolBag Products

Continue to invest in SkoolBag to ensure uptake of the new and enhanced product suite. Ongoing innovation to satisfy needs of a broader addressable market. New partnerships to deliver further value to customers.



Microsoft Partnership

Microsoft is growing its market penetration into our mid tier client base substantially - we have continued to strengthen our relationship and investment in their 'As A Service' offerings and Application Stack



Complete M&A

Aim to complete at least one high quality transaction to improve Recurring Services, Technology Specialisation or geographic presence this financial year



Positive outlook for H2 FY19

1. Increase market demand for Digital Transformation services and solutions
2. Revenue from key new client wins in H1 FY19 to flow through
3. Benefits from transition of Enzen Managed Service (Feb 2019) to begin flowing
4. Improving Recurring Services Pipeline to be converted into sales
5. Aiming for one complementary acquisition to be completed
6. Increased revenue via new features and pricing of the SkoolBag product suite

Appendix

MOQ Board



David Shein

Non-Executive Chairman

- Established Com Tech Communications and built it to revenues of \$700m, 1400 employees (acquired by Dimension Data, 2001).
- Chairman and founding investor of Macromatix (Sold to TPG ventures, 2012). Invests in early stage technology companies many of which have been successfully exited.



Joe D'Addio

Executive Director

- 35+ years in IT Industry with extensive experience in Professional Services and Technology into the Enterprise market. Held key Management and Director positions building and leading IT businesses with Com Tech Communications, Dimension Data and co-founded Technology Effect.



Scott McPherson

Executive Director

- 25+ years experience at Com Tech Communications, Dimension Data.
- Started as a systems engineer, transitioned into a solutions architect and then into practice management. Co-founded Technology Effect.



Michael Pollak

Non-Executive Director

- 20+ years experience in audit, insolvency and corporate advisory.
- Currently Director of Big Star Energy Limited
- Recently a Director of Janison Education Group Ltd (ASX:JAN) and UCW Ltd (ASX:UCW).



Joey Fridman

Non-Executive Director

- Co-founder and CEO of Monash Private Capital an independent principal investment and advisory firm.
- Previously CFO of Investec Bank Australia and Chairman of the bank's Investment Committee. Joey brings a comprehensive mix of financial, strategic, operational, risk management and commercial skills.

Capital Structure



■ Directors and Management ■ Other Investors

52 Week Share Price: **\$0.18-\$0.29**
Shares on Issue: **161.3 million**
Market Cap: **\$29 million***

*as at February 22, 2019

MOQdigital Go To Market Focus

Whether its cloud, on-premises or a hybrid approach – our experience working with industry leading technologies in data, applications and systems, allows us to create solutions that address a range of business critical challenges.



Key Market Offerings:



Journey to the Cloud



Business Insights



End-User Experience



Service First



Cyber Security



Identity



Internet of Things



Future Workplace

SkoolBag Go To Market Focus

SkoolBag's vision is to bring every school and organisation community closer together through simple, unified and reliable communication.

Our core focus:



Institutions &
organisations



Teachers, coaches
& leaders



Parents, families
& communities

Deliver further value via productivity improvements, new features and integrated services.

Increase usage via improved user experience, easier access to personalised information. Deliver further value via premium content, products and services.

Revenue Models:

- Subscriptions
- Premium features and services – build, partner or acquire
- Premium content

Vertical Focus & Sample Client base



Education					
Financial Services					
Utilities & Transport					
Health & Aged Care					
Hotels & Property					
Government					

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MOQ is well positioned for strong organic growth



MOQ will continue to invest in its people and strategic partnerships to ensure a high value proposition into market



MOQ is actively seeking strategic M&A opportunities



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