



3 May 2018
Market Announcements Office
ASX Limited

MARKET RELEASE

MYOB presentation at Macquarie Australia Investor Conference

Please find attached a copy of MYOB's (ASX:MYO) investor conference presentation to be delivered today.

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About MYOB

MYOB Group Ltd (ASX: MYO) is a leading provider of online business management solutions. It makes business life easier for approximately 1.2 million businesses and accountants across Australia and New Zealand by simplifying accounting, payroll, tax, practice management, CRM, job costing, inventory and more. MYOB operates across three core segments – Clients and Partners (business solutions to SMEs and Advisers); Enterprise Solutions (larger businesses) and Payment Solutions. It provides ongoing support through client service channels including a network of over 40,000 accountants, bookkeepers and other consultants. It is committed to ongoing innovation, particularly through its Connected Practice Strategy and through the development of the MYOB Platform. For more information, visit <http://investors.myob.com.au/Investors> or follow @MYOB on Twitter.



Macquarie Australia Investor Conference

3 May 2018

Presenter

Tim Reed Chief Executive Officer

myob simplify
success

MYOB delivered strong growth in 2017 across all key financial and operational measures

Double digit Revenue, EBITDA and NPATA growth; with accelerating online subscriber growth

Revenue

\$416m

↑ 12% YEAR ON YEAR

Recurring revenue up 13% to \$400 million, or 96% of total revenue

Underlying EBITDA

\$190m

↑ 11% YEAR ON YEAR

Statutory EBITDA up 11% to \$182 million

NPATA

\$102m

↑ 10% YEAR ON YEAR

NPATA EPS up 8% to 16.9 cents

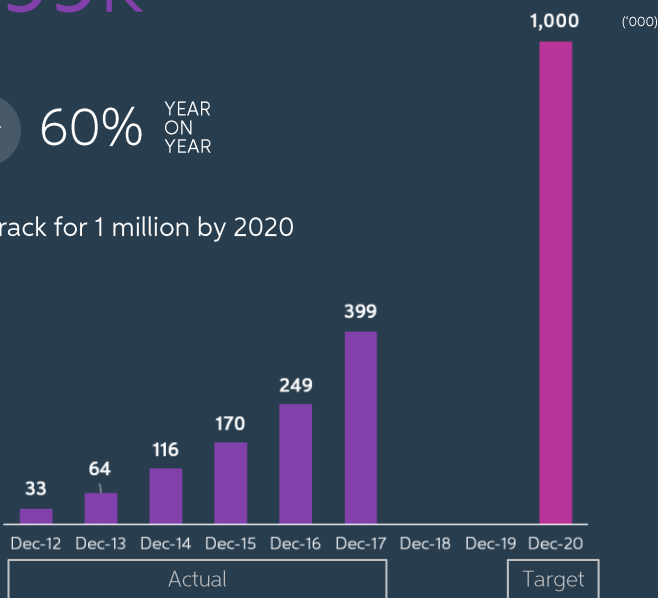
Online subscribers

399k

↑ 60% YEAR ON YEAR

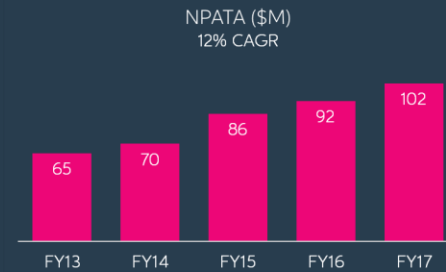
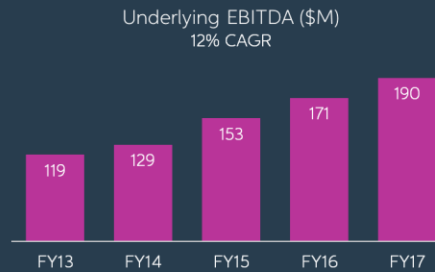
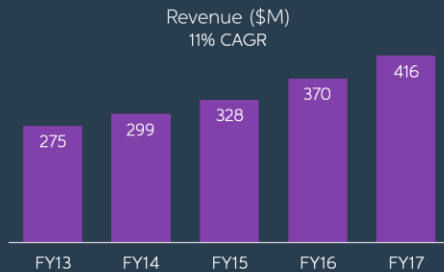
On track for 1 million by 2020

↑ 73% 1Q18 NET ADDS GROWTH YEAR ON YEAR

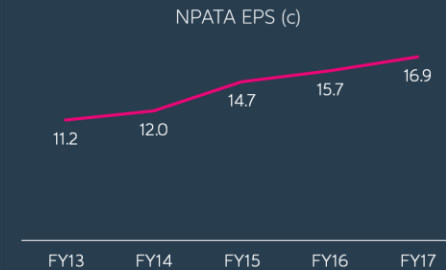
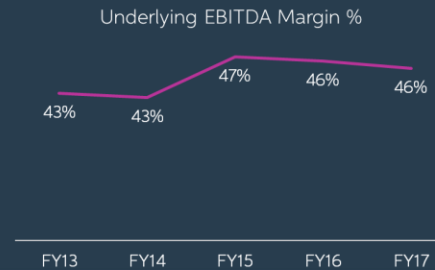
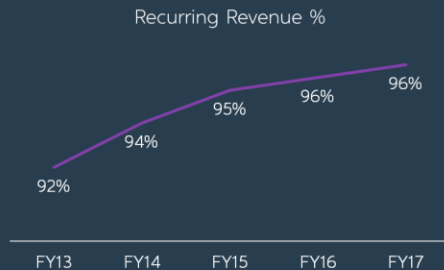


Compelling growth trajectory, led by high levels of recurring revenue, online subscriber growth and improved retention rates

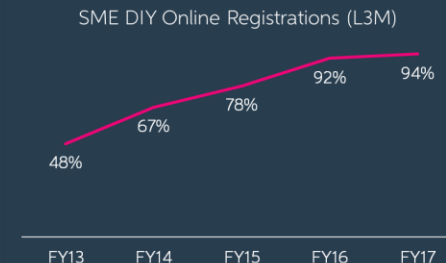
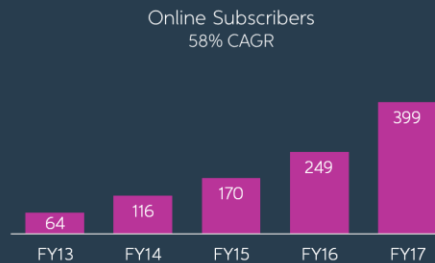
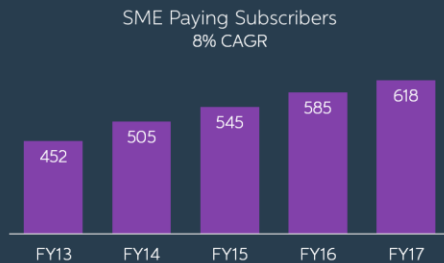
Consistent double digit growth across all key financial metrics



High levels of recurring revenue and industry leading margins



Acceleration in online subscriber growth continues

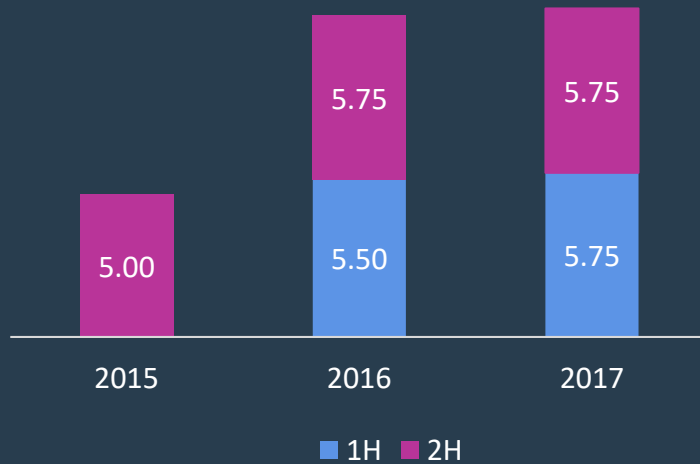


Note: 1. FY13-15 financial measures noted on a pro forma, like-for-like basis.

Capital Efficiency and Balance Sheet strength

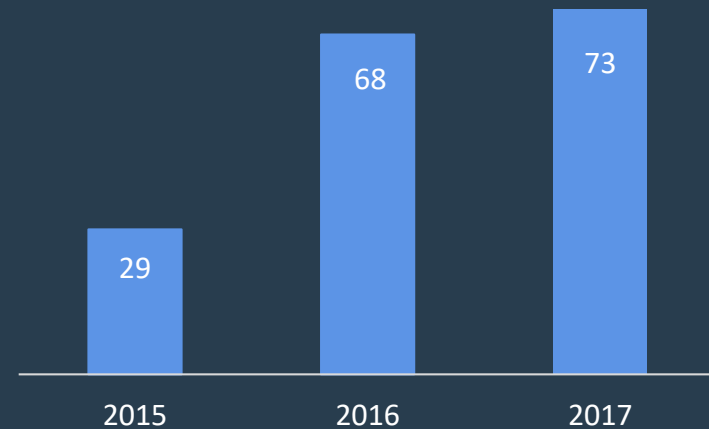
Since listing in May 2015, MYOB has returned more than \$184 million of capital to its shareholders

Dividends declared (cents)



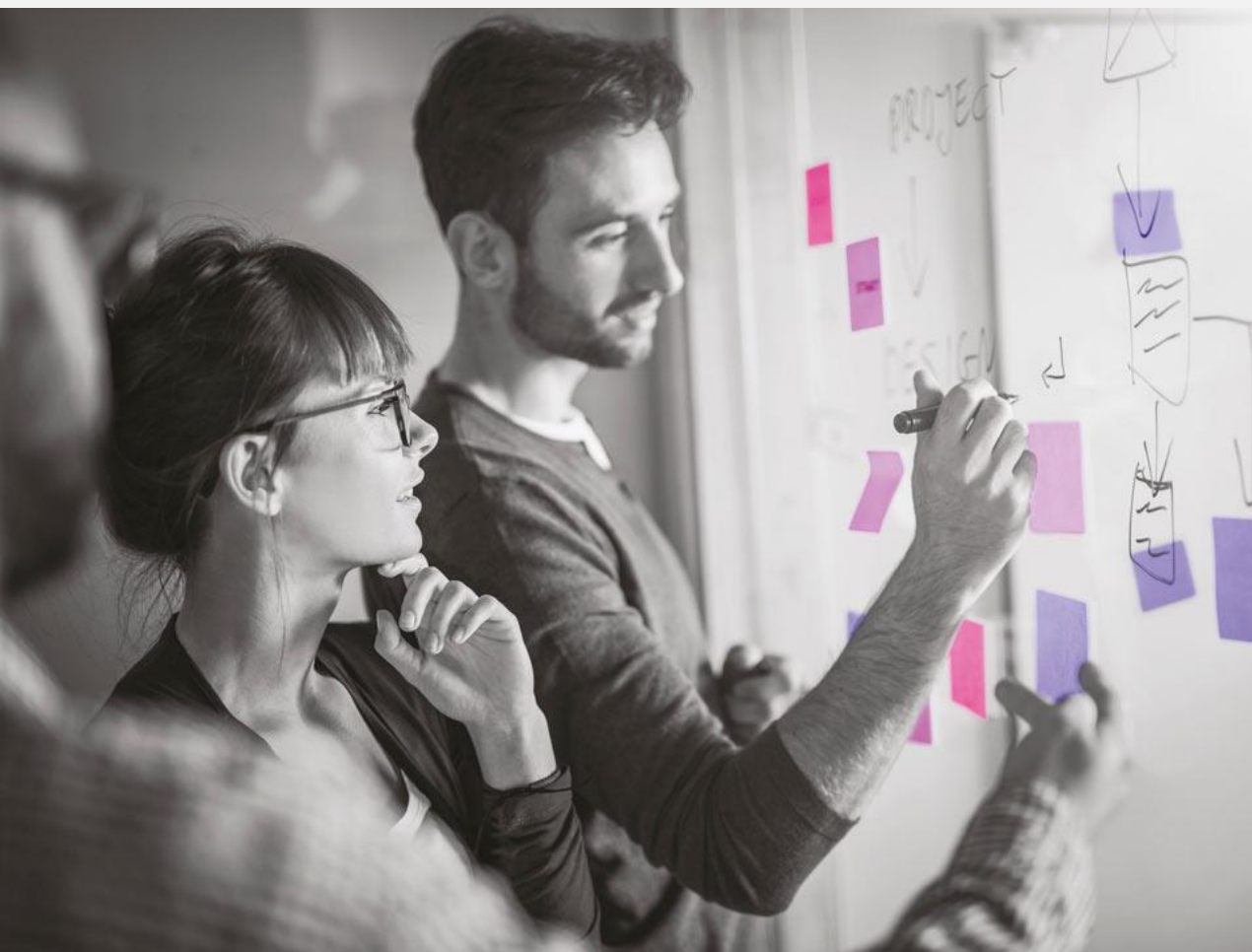
- FY17 total dividends of 11.5 cents per share
- 68.6% dividend payout ratio
- Dividends expected to be franked from 2H19 onwards

Capital returned to shareholders



- On market share buyback continues
- \$3m purchased in FY17, and a further \$14m in 1Q18.
- \$184m of capital returned to shareholders since listing

Our vision is to help businesses succeed



At MYOB, we take great pride in helping businesses succeed. That's why every single thing we do, each and every day, aligns to this vision.

We believe when small and medium sized businesses thrive, so too does the local and national economy.

Our strategy is aligned to our vision and delivers long term value for shareholders

1.

Growing online subscribers

Accelerate growth in existing markets

2.

Increasing Lifetime Value

3.

Increasing TAM through Payments

Penetrate new markets already opened

4.

Increasing share and TAM through Enterprise

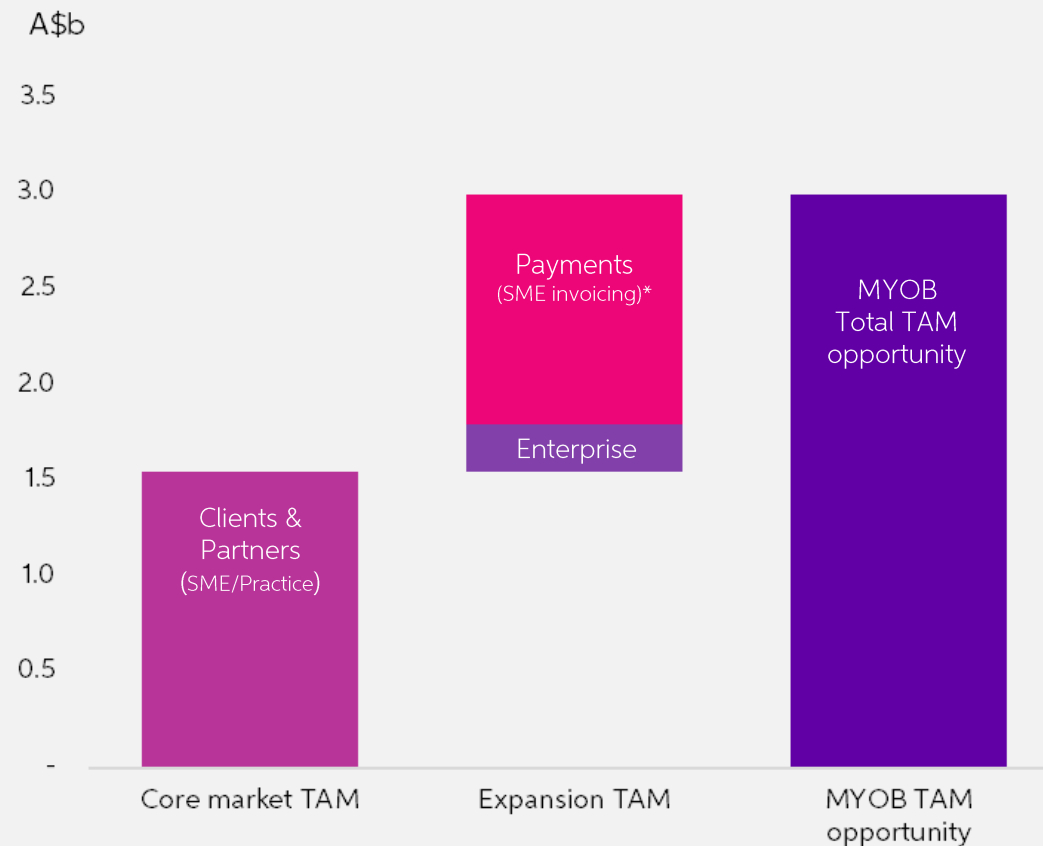
5.

Strategic Acquisition Opportunities

Strengthen core and new TAM

Our market opportunity in Australia and New Zealand across all segments, is significant

ESTIMATED TOTAL ADDRESSABLE MARKET (TAM)



* \$1.2 trillion of invoices raised annually on SME accounting software in Australia, conservatively assuming a 10bp net merchant fee

MYOB's vision for the accounting industry. The Connected Practice.

Advisers

Accountants and Bookkeepers become **business coaches** and **compliance managers**

Transaction Processing

Become primary owner of automated transaction processing, configure systems, process only anomalies

Compliance

Review prefilled data; ensure deadlines met

Advisory

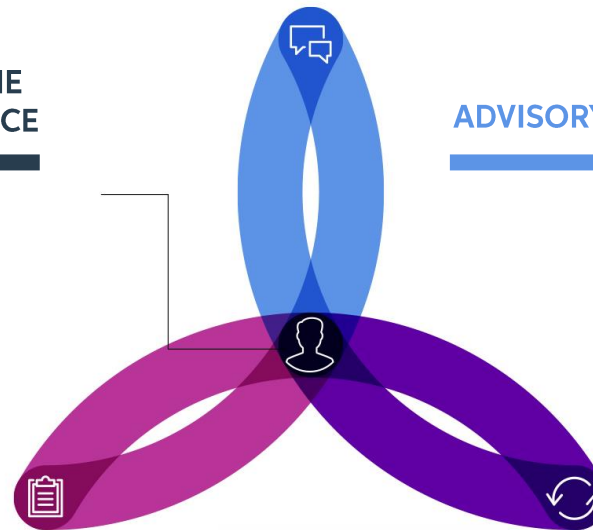
Review business performance and cashflow, recommend improvements, consult on key business decisions

RUN THE PRACTICE

ADVISORY

COMPLIANCE

TRANSACTION PROCESSING



SMEs

Things just get done

Mobile Moments

Quick and easy accounting on a mobile device e.g. get a bill, approve it, file it, account for it, schedule payment, all in 5-10 seconds on a mobile device

Track business performance

Leverage AI set up by adviser, SME views through any device

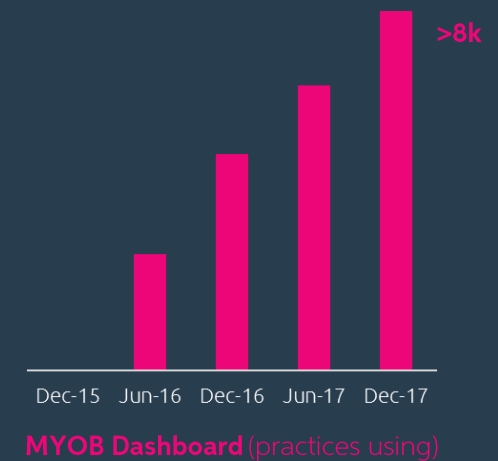
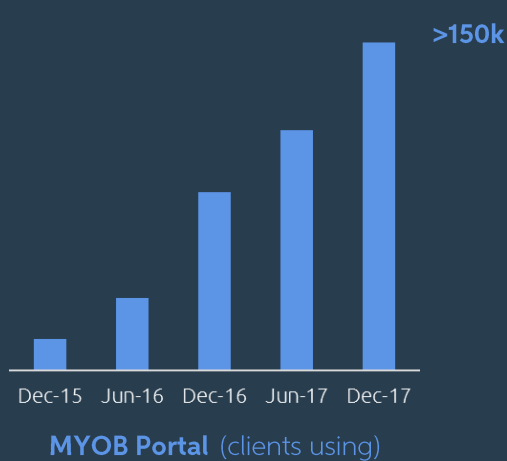
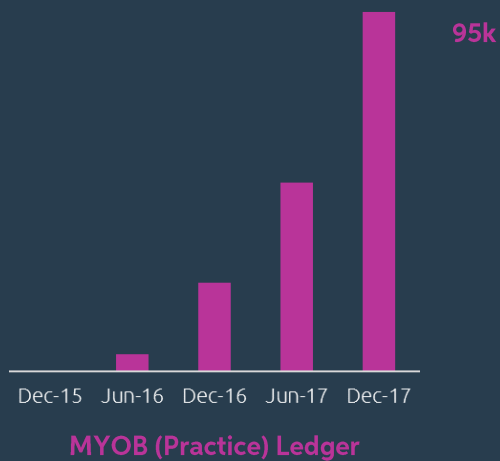
Interactions with adviser via MYOB apps

Questions, source docs, signing and compliance lodgment, all via a shared online workspace

The Connected Practice will deliver seamless connectivity across the ecosystem, to enable effective, insight-led decision making by businesses and their advisers, ultimately driving increased referrals of SME solutions for MYOB.

The **MYOB Platform** delivers the tools to Advisers and SMEs that make the Connected Practice a reality

MYOB Online Practice Tools

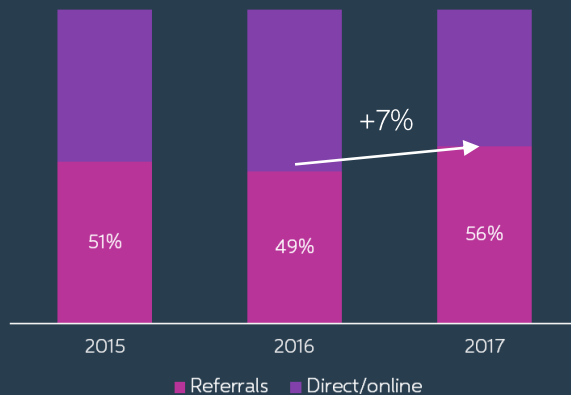


MYOB Advisor launched 1Q18

- AI and Natural Intelligence Generation technology
- Interprets financial information and creates written reports in natural language
- General release expected in mid 2018

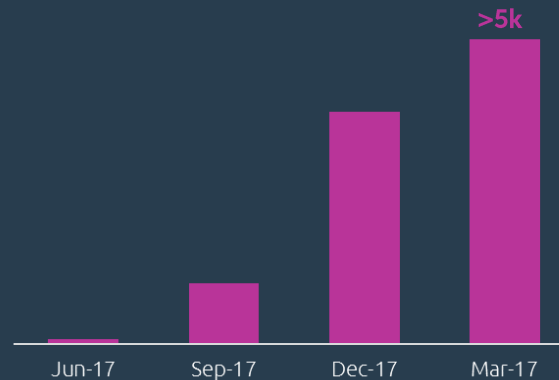
Advisers are becoming even more important to our business

SME Sales Mix



>50% (and growing) of new SME software purchases come from Adviser referrals, with a further ~25% heavily influenced by their Adviser

New partner program uptake



Strong uptake of new partner program. MYOB's practice clients (AO/AE) using our rewards program refer at a rate of **9x** other advisers

Reasons for referring MYOB SME software

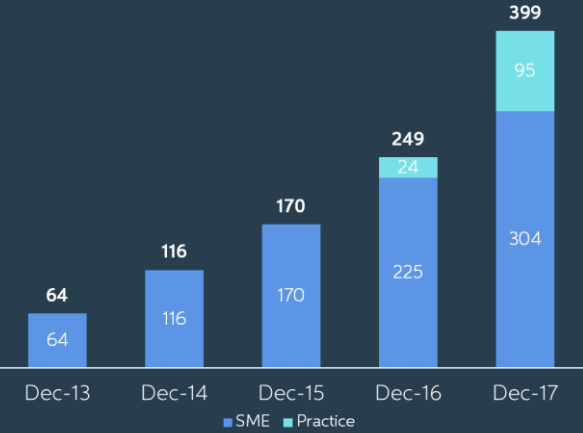
1. Adviser loves using MYOB
2. Adviser believes their client loves using MYOB
3. Adviser's understanding of the Connected Practice vision



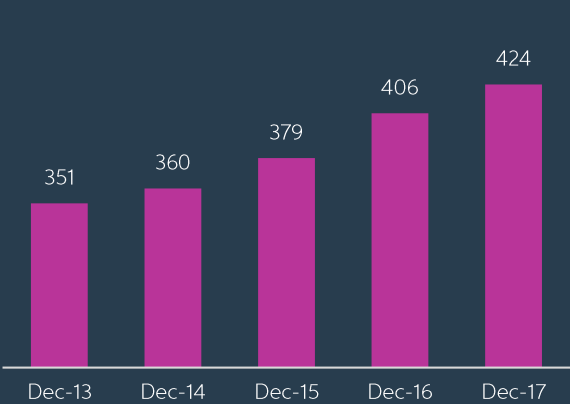
The Connected Practice strategy is becoming increasingly important in Adviser decision making

Growth in **Customer Lifetime Value**: continued subscriber growth, higher ARPU and improved retention rates

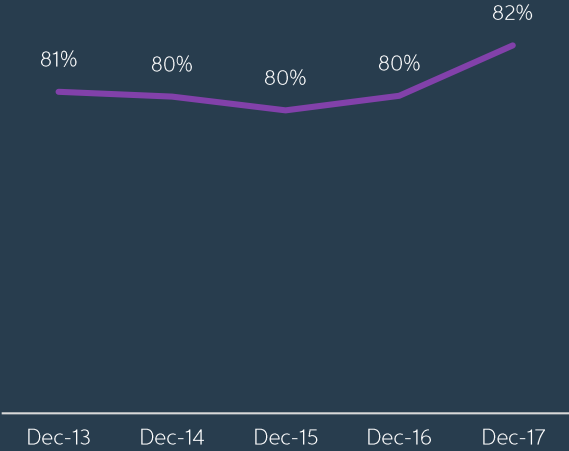
Online subscribers '000



SME Paying User – ARPU (\$)



SME Paying User – Retention



Payments acquisition unlocks a \$1.2bn TAM opportunity



2017 (9 months revenue)

2018

Acquisition of Paycorp completed in April 2017

Integration into MYOB software complete

>16k PayDirect online transactions per month

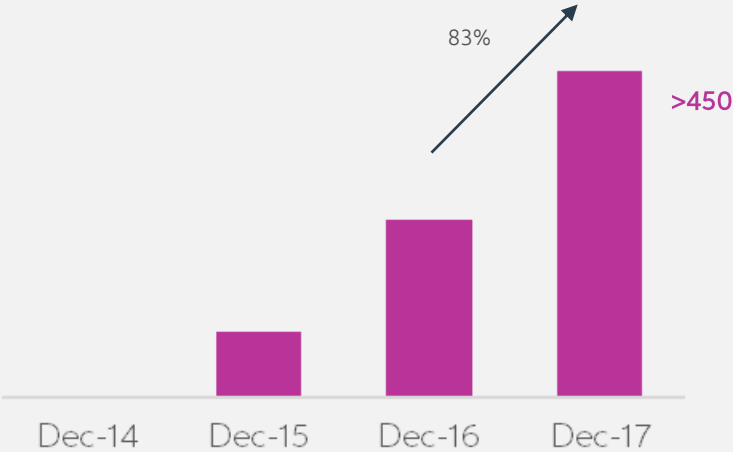
New payment types added to PayDirect to increase usage

Launch PayDirect in New Zealand

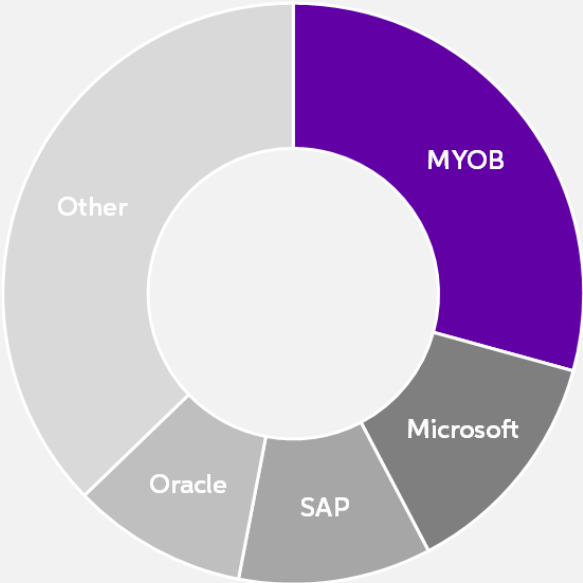
Creating a payments ecosystem

Enterprise: #1 in ERP in Australia and New Zealand

MYOB Advanced Business Sites



ERP Market Share by Vendor¹



83% growth in **MYOB Advanced** ERP sites;
now >500 by end of Q1'18

MYOB is the #1 ERP Vendor in Australia and New Zealand

Note 1: Source – iStart ERP Buyers Guide 2017-18; based on ANZ ERP sites installed (Exo, Advanced and Greentree)

Update on Reckon Accountant Group acquisition



Acquisition announced

17 November 2017
(subject to regulator approval)



ACCC status

Review period extended until 21 June 2018; Statement of Issues (SOI) published



NZCC status

Review period extended until 21 June 2018



Regulator decision

Expected in 2Q18

FY18 Guidance

The Connected Practice vision, together with the development of the MYOB Platform, is expected to continue accelerating online subscriber growth in 2018.

Organic revenue growth

We expect FY18 organic revenue growth to remain in the 8% – 10% range, with EBITDA margins of 43% – 45%.

With RAG¹, assuming a 2Q18 acquisition date we expect revenue growth to be 14% - 16%, with EBITDA margins of 41% – 43%.

R&D spend

We expect FY18 R&D investment to be approx. 16% of revenue.

We continue to pursue growth and investment opportunities whilst maintaining capital efficiency.

With RAG, acquisition transaction and integration costs relating to RAG (including accelerating Platform development) expected to be in the \$15m to \$20m range in FY18

Note: 1. "RAG" acquisition of Reckon Accountant Group assets, subject to regulatory approval

Q&A

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