

FY18 Results

CommsChoice Group

August 2018

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Introduction

- ✓ 5 ICT providers come together in 2017 to become Comms Choice Group (ASX:CCG)
- ✓ Compelling market opportunity – Technology, Cloud, NBN
- ✓ Strong complementary skills and capabilities with well articulated value proposition
- ✓ Sound platform for continued growth



DATA NETWORK

- Multi-carrier
- Simplify networks
- Connect to the cloud



VOICE NETWORK

- Replace legacy ISDN & PABX
- Hosted voice
- Collaboration functionality



MANAGED SERVICES

- Design
- Deliver
- Support

Business Overview

Value Proposition

CommsChoice provides a fresh approach to innovative, vendor neutral managed network services and hosted voice for ANZ businesses to optimize costs and improve performance.

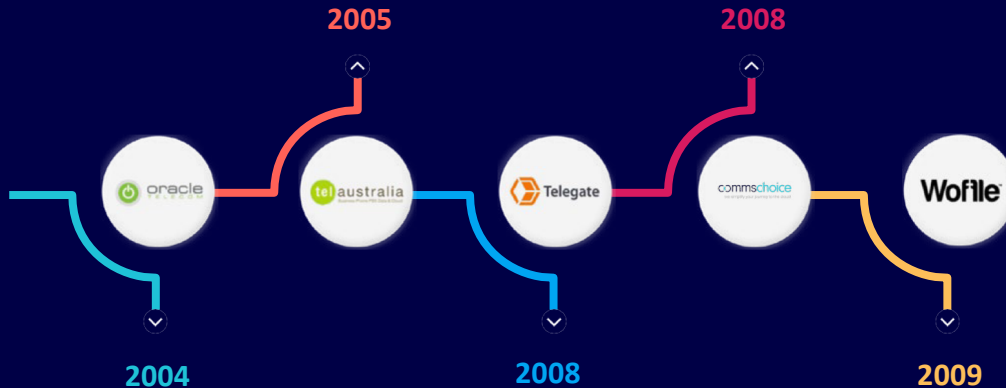
Our proven onboarding capability, experience and service delivery sets us apart.

We simplify your journey to the cloud



Company History

In December 2017, CommsChoice Group brought together 5 complementary ICT businesses to solve the problems commonly experienced with traditional ICT providers.



FY18 Highlights

- Successful listing on ASX in December 2017
- Integration of 5 business well underway
- Best of breed capability brought together
- Strong value proposition
- Building strong pipeline of work

Business Overview

Core Offerings



Internet & NBN

Cost effective, vendor neutral network access across the country



Hosted Voice

No Hardware. No Software. Just Cloud PABX.



Mobility

Managed mobility to secure your data and control costs.



SD-WAN

Next generation WAN. Ditch those dedicated private links.



Collaboration

Connect your teams to improve productivity and reduce travel cost.



Managed Services

Focus on your core business – let us manage your network.

Core Competencies. Why CCG?



Deployment

Our onboarding and project managers ensure deployed as planned.



Customer Service

24/7 professional support keeps you operating.



Training

We make sure that you can operate the things we deliver.



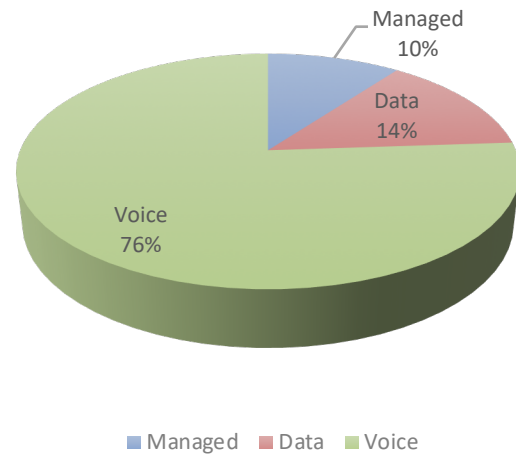
Single Bill

Just plain convenient. And we use check your first invoice with you to confirm accuracy.

Financial Performance

	Market Guidance (May 2018)	FY18
Revenue	20.4	20.7
Cost of Sales	11.1	11.7
Gross Margin	9.3	9.0
Opex	7.5	7.2
EBITDA	1.8	1.8
EBITDA %	8.8%	8.7%

- Proforma revenue ahead trading update.
- **EBITDA of \$1.8m** in line with trading update.



Revenue streams

Revenue streams for the period since list are:

- Managed services income **\$2.0m (annualised)**.
- Data Networks **\$2.8m (annualised)**.
- Voice networks **\$15.7m (annualised)**

Cash Flow

\$m Group	H2 2018 Reported
Operating cash flow	(1.0)
Investing cash flow	(4.3)
Financing cash flow	6.9
Net cash flow	1.6
Cash at 31 December	1.7

- Operating cash outflow reflects the initial working capital needs of the business following the acquisitions.
- Investing cash flows represent the cash element of the acquisition consideration together with the investment in ACaaS.



Balance Sheet

\$m Group	At 31/12/17	At 30/6/18
Cash	3.7	1.7
Total assets	36.5	34.9
Borrowings	(0.1)	-
Total liabilities	(6.8)	(6.4)
Net assets	29.6	28.5
Equity attributable to members of the parent	29.6	28.5

- Net cash of \$1.7m
- Debt free
- Strong balance sheet



Investor Metrics

Metric	Value
Number of shares	108.7m
Share Price 29 August 2018	\$0.15
Market Capitalisation	\$16.3m
Net (debt)/cash	\$ 1.7m
Enterprise Value	\$14.6m



Favorable Market Conditions

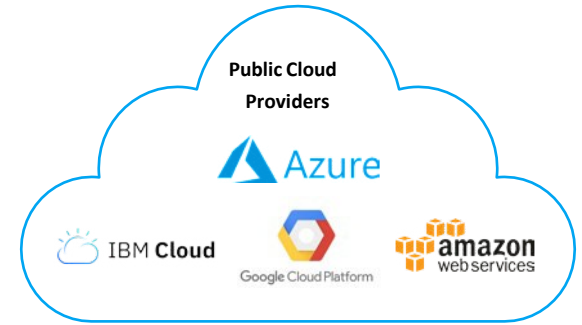
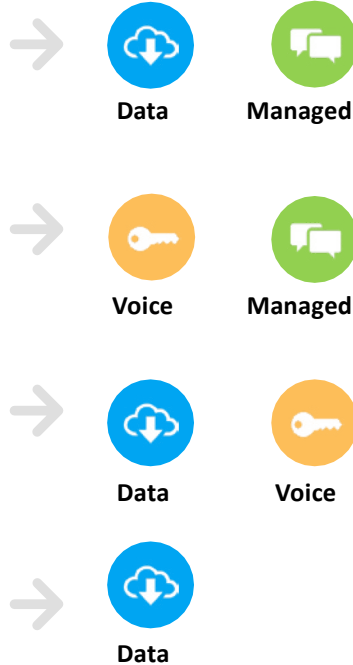
Customers needing data networks to connect all offices securely and reliable to the cloud

Legacy customer PABX need replacement, customers looking for opex models

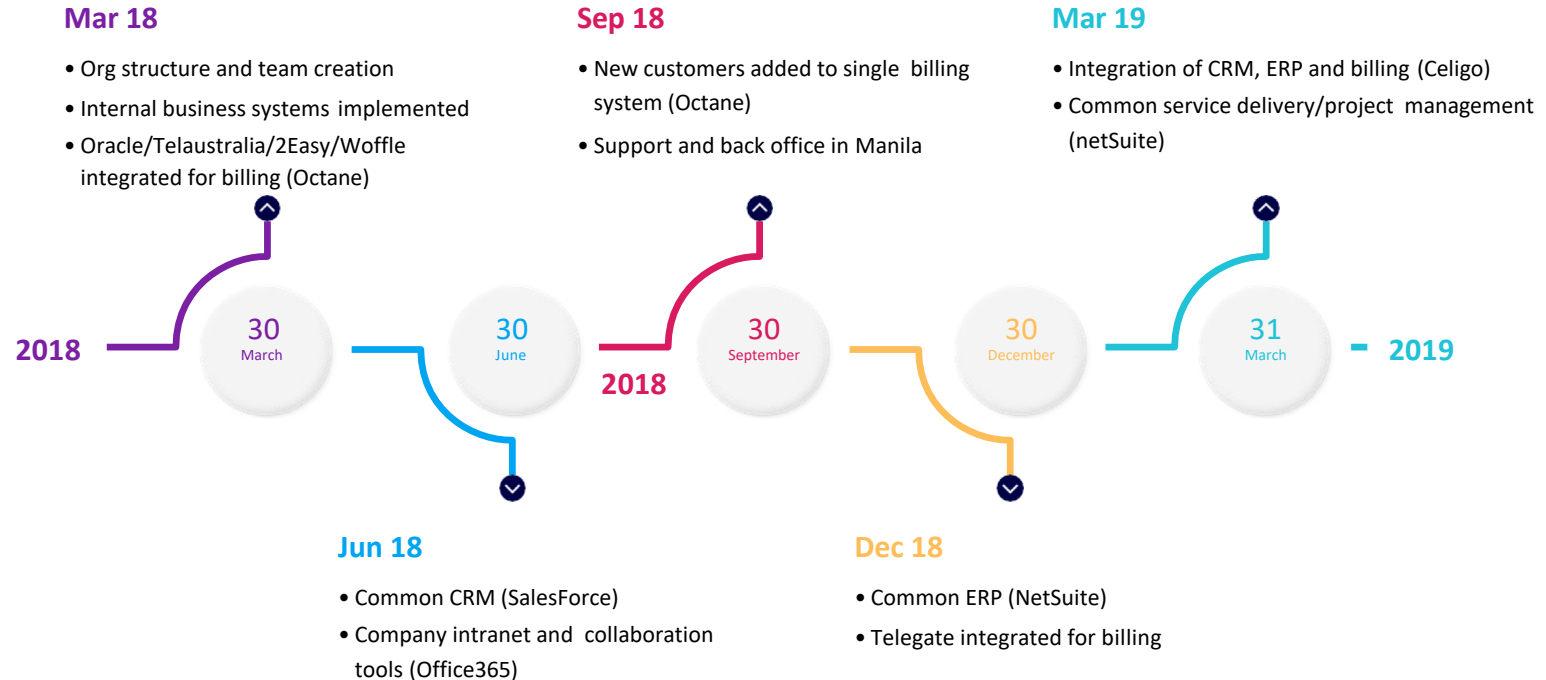
NBN replacing ISDN creates an opportunity for CCG

CCG ready to capitalise on NBN availability

CCG Capability



Integration Update



Outlook & Guidance




- ✓ Integration of CCG businesses continues with uniform operations and improving customer experience
- ✓ Strong financial position to pursue both organic and inorganic growth
- ✓ CCG is well position to take advantage of favourable market conditions
- ✓ Aiming for double digit growth in FY19



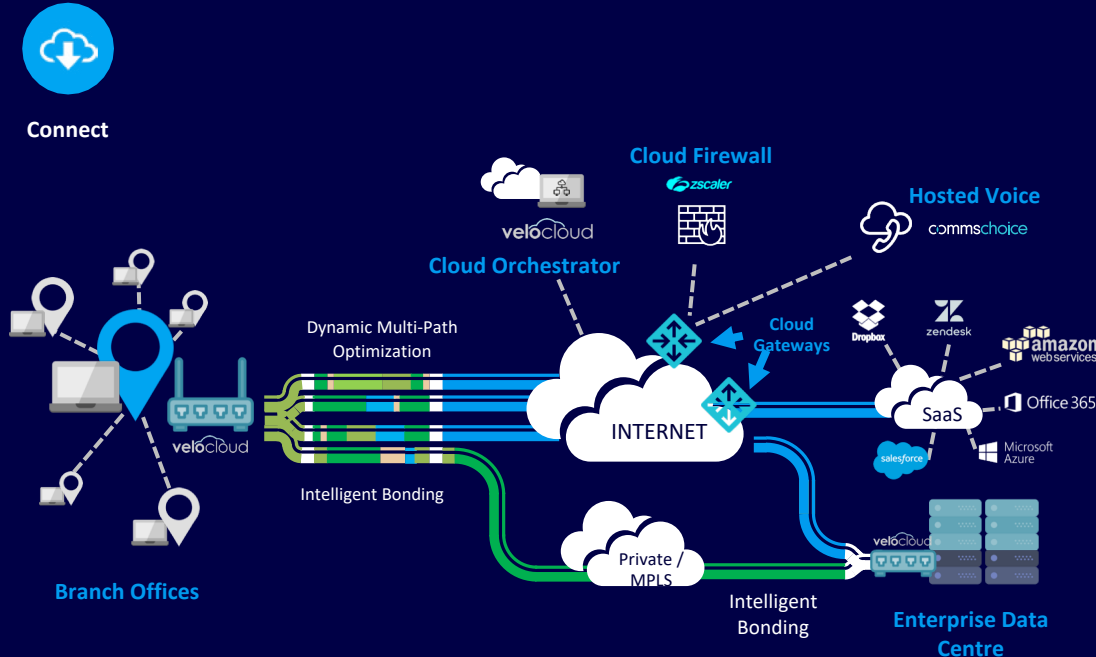
A woman with blonde hair, wearing a teal-colored short-sleeved shirt, is seated at a desk in an office. She is smiling and holding a black office telephone receiver to her ear with her left hand. The background is a blurred office environment with other people and desks. The word "Appendices" is overlaid in large white text on the left side of the image.

Appendices

Appendix 1 - Product Overview

	Customer Challenge	CCG Core Competencies	Benefits to Customer
 Data	Single-sourcing of data network limits capability and reach and quality	SD-WAN is to lower WAN costs using more affordable and commercially available data services	Cost savings vs MPLS
	Managing a global networks not possible with one carrier	Connecting customers to the cloud	One supplier
	Costly and complex carrier MPLS/IPWAN network and leverage transition to NBN	Multi-sourcing Internet and Network Access from many suppliers globally	Enable shift to cloud applications
 Voice	Inconsistent user experience across global sites with mix of technology/legacy equipment	Hosted voice platform	Location flexibility, one number any device Scalability and standard feature set globally
	Multiple suppliers - video/voice conferencing, messaging, etc	SIP (Replace legacy ISDN)	Presence, integrated messaging, video complement voice and improve internal communications and productivity
	Internally managing ageing, costly on-premises PABX network. Limited capability and scalability.	Wholesale Voice	Transition to SIP as a first step to hosted voice as ISDN/PSTN becomes obsolete
 Manage	Network cost & complexity (small IT Teams)	Managed Services (light)	Focus on core business (CCG manage communications and keep your business online)
	Managing multiple global providers is a challenge.	Architecture (Professional Service)	One contract, once number to call, one invoice
	Service level inconsistency	Delivery (project management)	Access to experts when you need them, no need to keep on team

Appendix 2 – SD WAN SCHEMATIC



- Leverage simple, ubiquitous, competitive internet for rapid deployment
- Deploy carrier redundancy for high availability
- Intelligent traffic management ensures voice and video are prioritised over less important workloads
- Eliminate unnecessary hardware and support contracts

Thank you

CommsChoice Group

August 2018

commschoice
we simplify your journey to the cloud