



MYOB
FY14

RESULTS PRESENTATION

IMPORTANT NOTICE

The information contained in this document (including this notice) or discussed at the presentation (collectively, the **Presentation**) has been prepared by MYOB Holdings Pty Limited (**MYOB**).

The Presentation is subject to the conditions outlined below. Your receipt of the Presentation evidences your acceptance of those conditions.

The Presentation is not a prospectus, product disclosure statement, disclosure document or other offer document under Australian law or under any other law. It does not, and is not intended to, constitute an offer for subscription, financial product advice, invitation, solicitation or recommendation by any person or to any person with respect to the purchase or sale of any securities or financial products in any jurisdiction and also does not form the basis of any contract or commitment to sell or apply for securities in MYOB or any of its subsidiaries.

The information in the Presentation is an overview and does not contain all the information necessary to make an investment decision. It is intended to be a summary of certain information relating to MYOB and its subsidiaries (MYOB Group) and does not purport to be a complete description of the MYOB Group. It is provided for information purposes only and is subject to change without notice.

The information contained in the Presentation have been prepared without taking account of any person's investment objectives, financial situation or particular needs and nothing contained in the Presentation constitutes investment, legal, tax or other advice. You must not rely on the Presentation but make your own independent assessment and rely upon your own independent taxation, legal, financial or other professional advice.

No representation or warranty, expressed or implied, is made as to the accuracy, reliability, adequacy or completeness of the information and opinions contained in the Presentation. The Presentation may contain certain forward looking statements, including estimates, projections and opinions (Forward Statements). Forward Statements may involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the MYOB Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. Actual future results and operations could vary materially from the Forward Statements. Similarly no representation is given that the assumptions upon which Forward Statements may be based are reasonable. Circumstances may change and the contents of this document may become outdated as a result.



To the maximum extent permitted by law, the MYOB Group and each of its affiliates, directors, officers, partners, employees, advisers and agents and any other person involved in the preparation of the Presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, the Presentation. The MYOB Group accept no responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of the presentation or this document, which may affect any matter referred to in the Presentation.



AT
MYOB
WE ARE PASSIONATE
ABOUT MAKING
BUSINESS LIFE EASIER



Love your work

AGENDA

1

EXECUTIVE
SUMMARY

2

MYOB
BUSINESS
HIGHLIGHTS

3

FY14
FINANCIAL
SUMMARY

4

SUMMARY

5

Q & A

6

APPENDIX



EXECUTIVE SUMMARY

MYOB FY14

SUMMARY OF 2014

2014 has been a transformational year for MYOB, the leading accounting and payroll solutions provider in Australia and New Zealand. It was a year that saw us deliver:



16% revenue growth and
15% EBITDA growth



fast uptake in SME cloud solutions –
67% of new MYOB registrations in Q4



more than 500,000 paying users and
1.2 million active users



\$42 million spent on R&D to
strengthen our position as the
leading innovator in our category

MYOB CONTINUES TO:



maintain our position as a market
leader in an attractive industry



strengthen our brand, customer loyalty
and customer advocacy



accelerate innovation to benefit from
cloud growth trends

"I am extremely proud of where MYOB is today and what has been achieved in a relatively short period. Three years ago we had not yet taken our flagship SME solution AccountRight into the cloud. Now we are in the cloud across all areas of our business."

Tim Reed
MYOB CEO

FINANCIAL **HIGHLIGHTS** OF FY2014

A highly successful business year resulting in strong double digit growth driven by:

rapid uptake in cloud solutions

strategic acquisitions

new innovative solutions

Revenue of
\$287 million
with
16% growth

Recurring revenue of
\$270 million
representing
94%
of group revenue

EBITDA of
\$138 million
with
15% growth

Operating cashflow of
\$119 million
with
86%
conversion from EBITDA

"MYOB has definitely helped us achieve our business goals and I would recommend it to anyone."

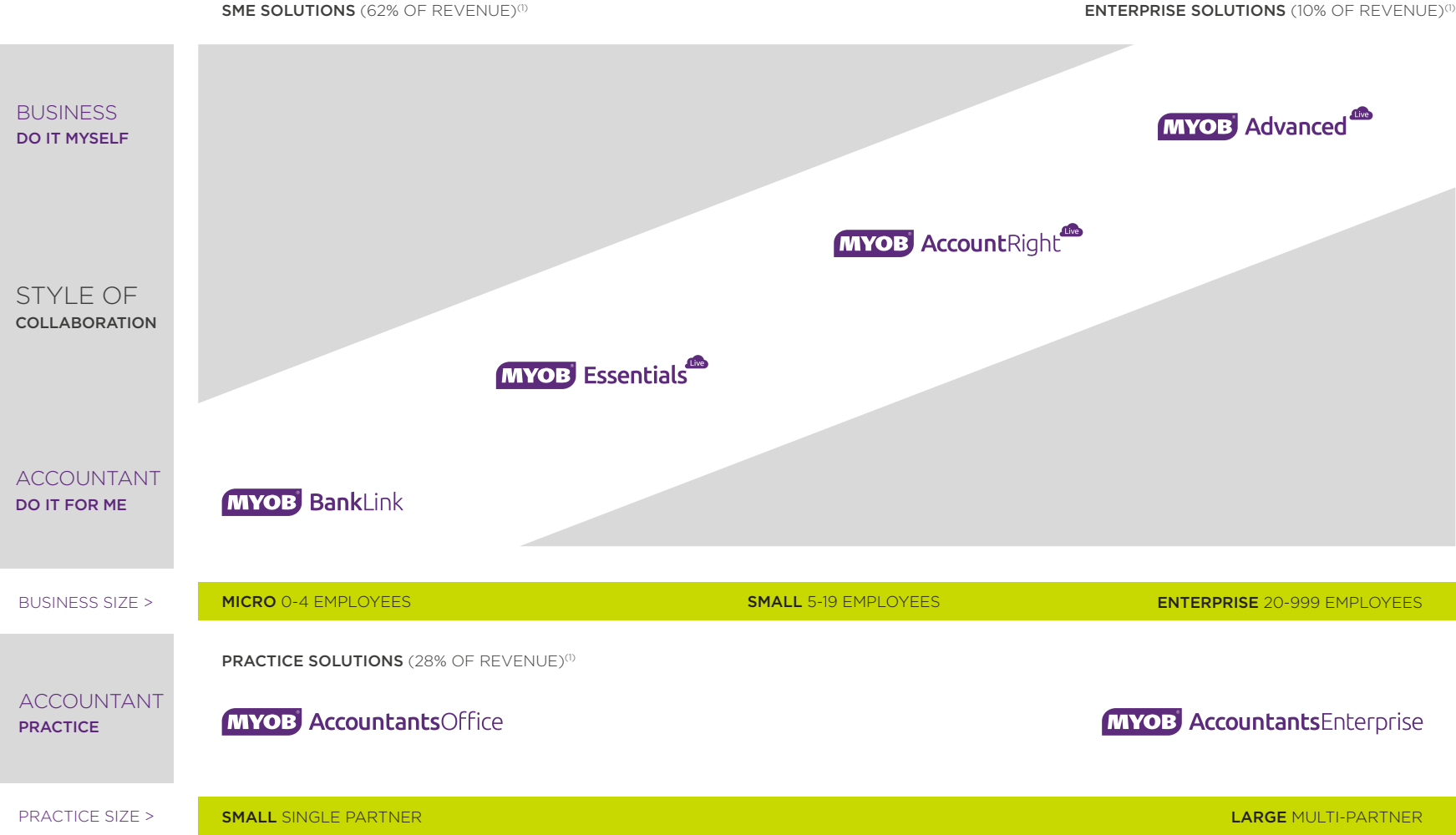
Peter Gilchrist
Gilchrist Bros Limited

MYOB PRODUCT OFFERING – MAKING BUSINESS LIFE EASIER

MYOB is focused on making business life easier for over 1.2 million SMEs

“ MYOB was really handy because it’s intuitive ... and I can access it via my smartphone which is essential when I am travelling.”

Alice Zaslavsky
Alice in Frames



Note 1: Revenue contribution FY14.

BY DELIVERING A SUITE OF **LEADING** CLOUD SOLUTIONS

Placing MYOB at the centre of a mobile, connected world

1

Accountant
collaboration

2

Auto
bank-reconciliation
via bank feeds

3

Businesses
on the go

4

Streamlining
regulatory
compliance

5

Smart bills

7

Payments

6

Flexible APIs

Cloud accounting can save
significant time and money for
SMEs and accountants, while
increasing insight and accuracy.

Tim Reed MYOB CEO



BUSINESS HIGHLIGHTS

MYOB FY14

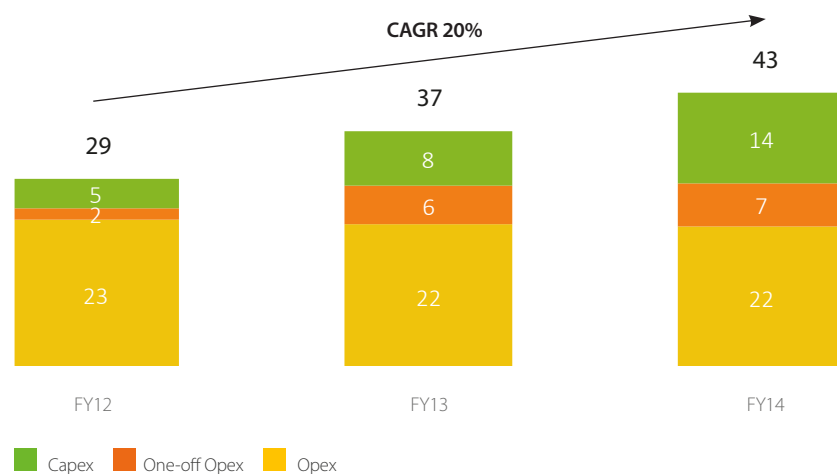


CONTINUING **INVESTMENT** IN CLOUD AND MOBILE

R&D and opex spend is driving MYOB's cloud and mobile offerings and other value-add services

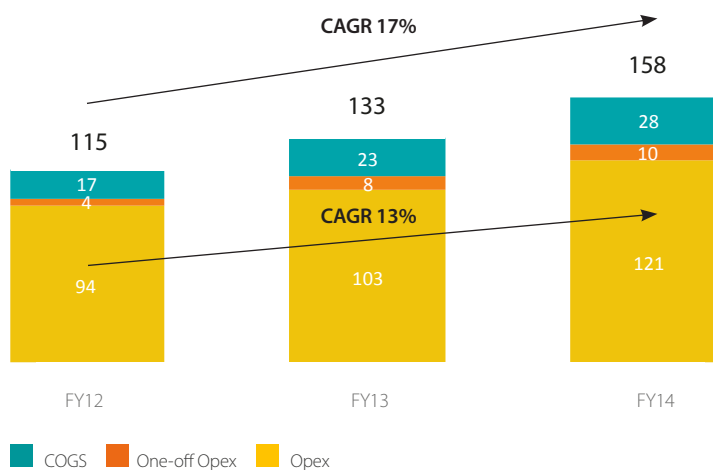
OVER \$100M SPENT ON R&D OVER LAST 3 YEARS

\$m spent on R&D ⁽¹⁾



INVESTMENT TO BUILD SME CLOUD AND MOBILE OFFERING ALREADY LARGELY INCURRED

\$m spent on opex ⁽²⁾



"MYOB Thank you!!
Loving the PayDirect card reader
– money side of things running
very smoothly thank you!"

Angie Baxter
Angie Baxter Photography

Regional Innovator



Australian Mobile & App
Awards 2014 MYOB PayDirect
recognised for innovation

Already released



MYOB PayDirect
Take credit for what you do



MYOB OnTheGo
The new app for AccountRight
and MYOB Essentials subscribers



Smart bills
Pay bills with automatic
recording and reconciliation

MYOB Advanced ^{Live}

MYOB Advanced
Cloud based
enterprise solution

In motion



MYOB AccountantsOffice and
AccountantsEnterprise
Cloud based accounting suite

SUCH AS **SMART BILLS**

MYOB continues to provide better value for SMEs by including innovations in product functionality such as smart bills at no additional cost⁽¹⁾

“Getting bills emailed straight in means that our data entry just happens. This will be great at the end of the year – everything is just there, nothing is lost or misfiled.”

Margaret Whitfield
My SOS



Key data fields are captured from supplier invoices and entered it into the product



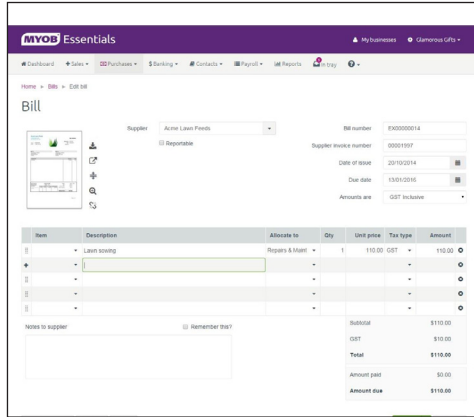
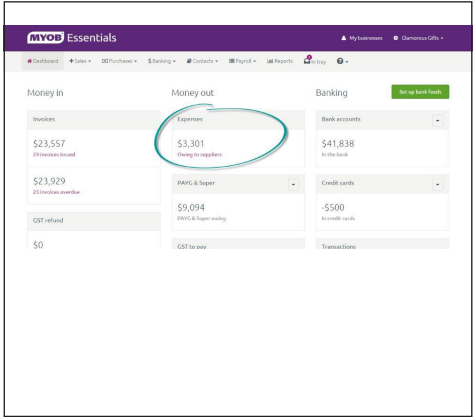
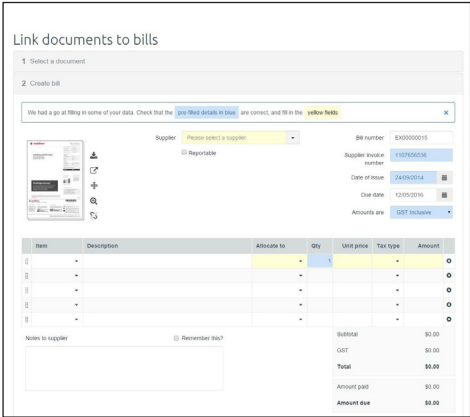
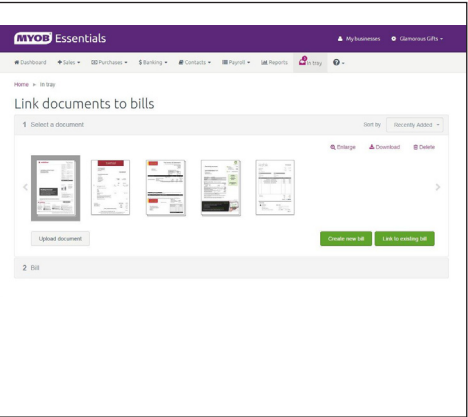
Smart bills is fully integrated into the workflow of the product



This enables better cash flow management and easier compliance



It allows for greater collaboration between SMEs and their trusted accountant or bookkeeper – the transaction is visible to both parties



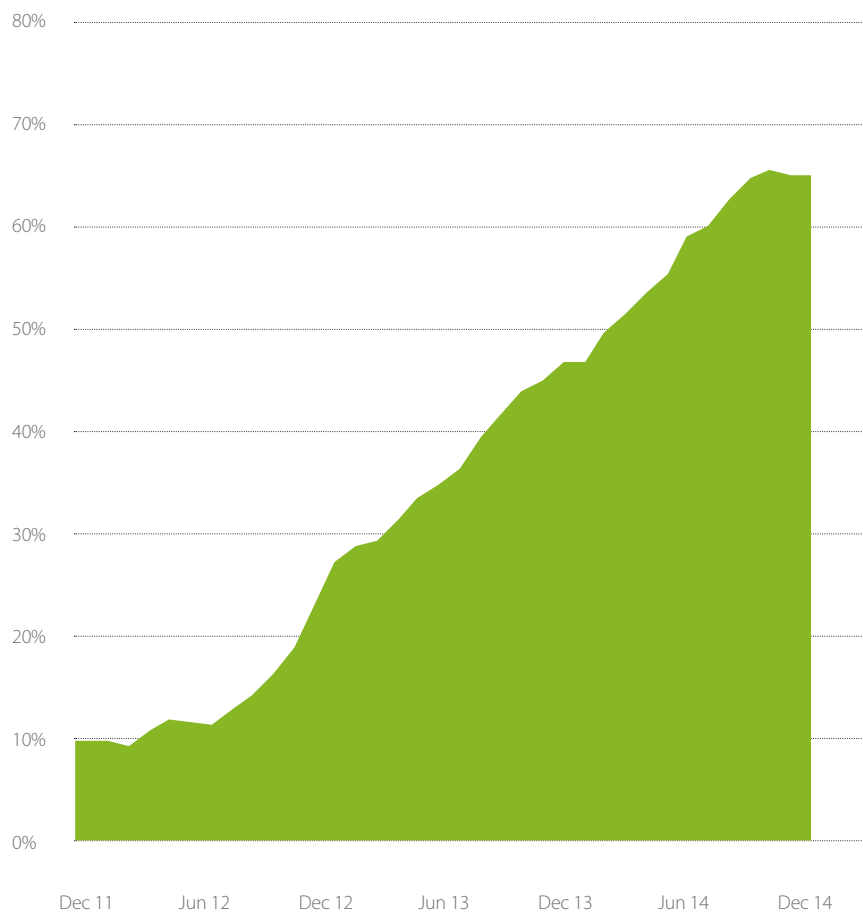
Note 1: This feature has already been launched in MYOB Essentials and is an imminent release in MYOB AccountRight. Competitor offerings require add-on modules with costs starting from \$21.95 per month per 50 items processed.

RESULTING IN **RAPID** CLOUD ADOPTION FROM NEW CLIENTS

Two thirds of new SME registrations today are cloud registrations, driving rapid cloud subscriber and paying user growth

In the 3 months to December 2014, **67%** of new SME product registrations⁽¹⁾ were cloud subscriptions – up from **48%** in Q4 2013 and **24%** in Q4 2012

MYOB SME CLOUD REGISTRATIONS AS % OF TOTAL NEW REGISTRATIONS (L3M)⁽¹⁾



"WOW...127 transactions
3 minutes approved done,
dusted, reconciled ... that
would have taken me hours
in the old system. I love the
new 'approve' all button.
Happy customer."

Paula Nelsson
Berri & Riverland
Newsagencies

DRIVING INCREASED CATEGORY PENETRATION

MYOB continues to provide accounting solutions to a record share of new SMEs

"Purchased accounting software immediately on starting the business, and bought MYOB because it had the reputation of being user friendly."

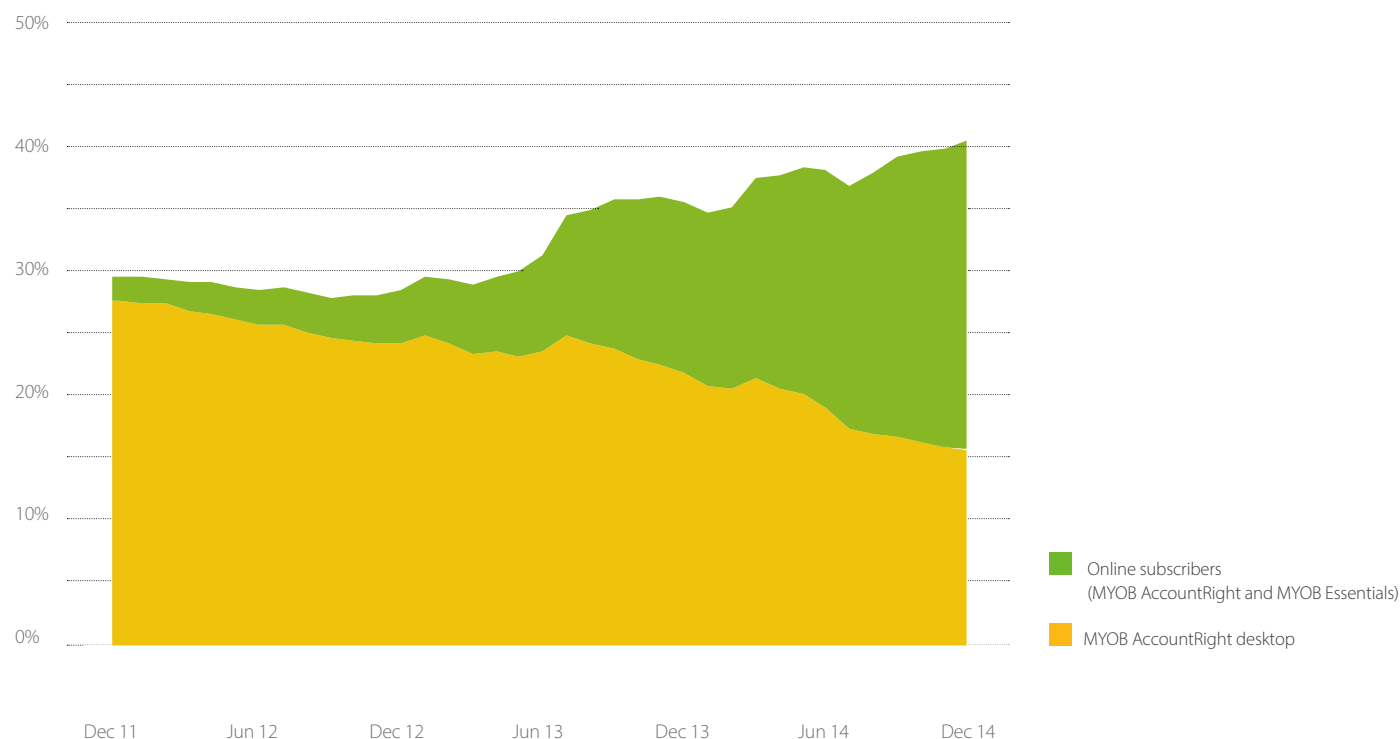
Suzanne Dodds

Cool A Cooler

MYOB's new product registrations⁽¹⁾ for SME's have increased significantly as a % of new GST registrations, growing from **30%** in December 2011 to **40%** in December 2014

MYOB NEW PRODUCT REGISTRATIONS AS A % OF 12 MONTH LAGGED GST REGISTRATIONS⁽¹⁾

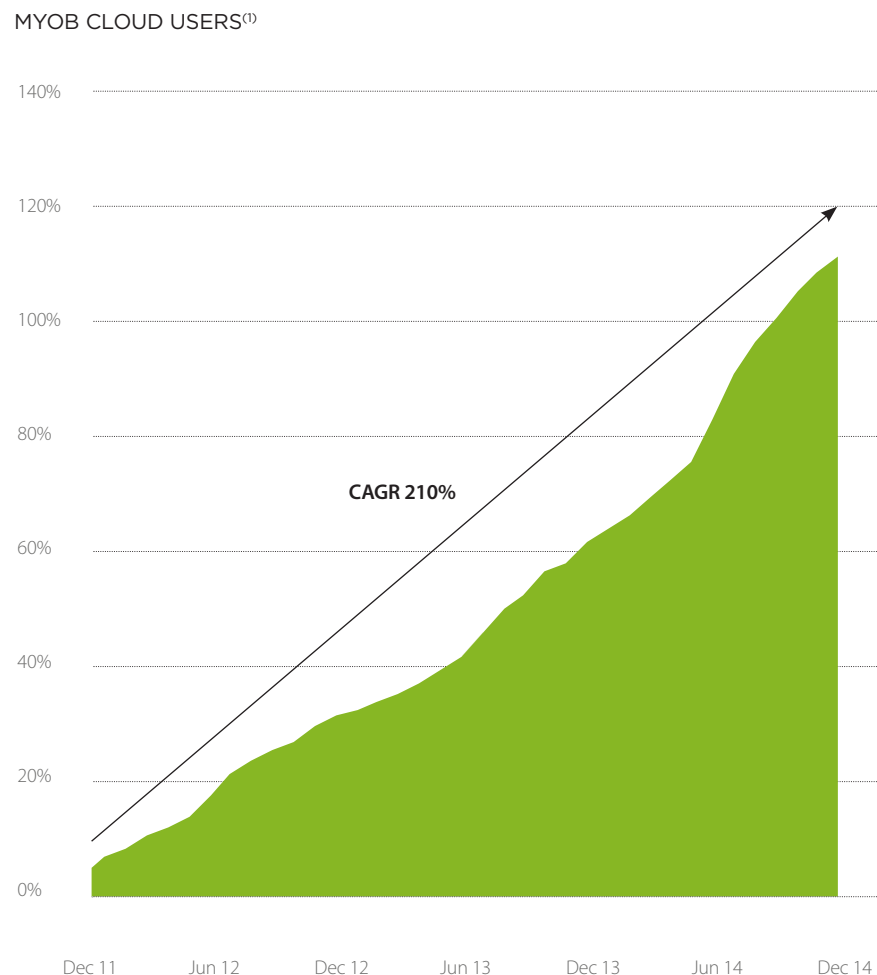
% of lagged GST registrations



AND ACCELERATING **GROWTH** IN CLOUD USERS

Cloud user growth accelerating behind innovative new features

At the end of December 2014, MYOB held **116k** SME cloud subscriptions for MYOB Essentials and AccountRight products – up from **86k** in June 2014⁽¹⁾



"If there is something the accountant needs to change then it is done instantly. We are looking at the same data, it's more real time viewing."

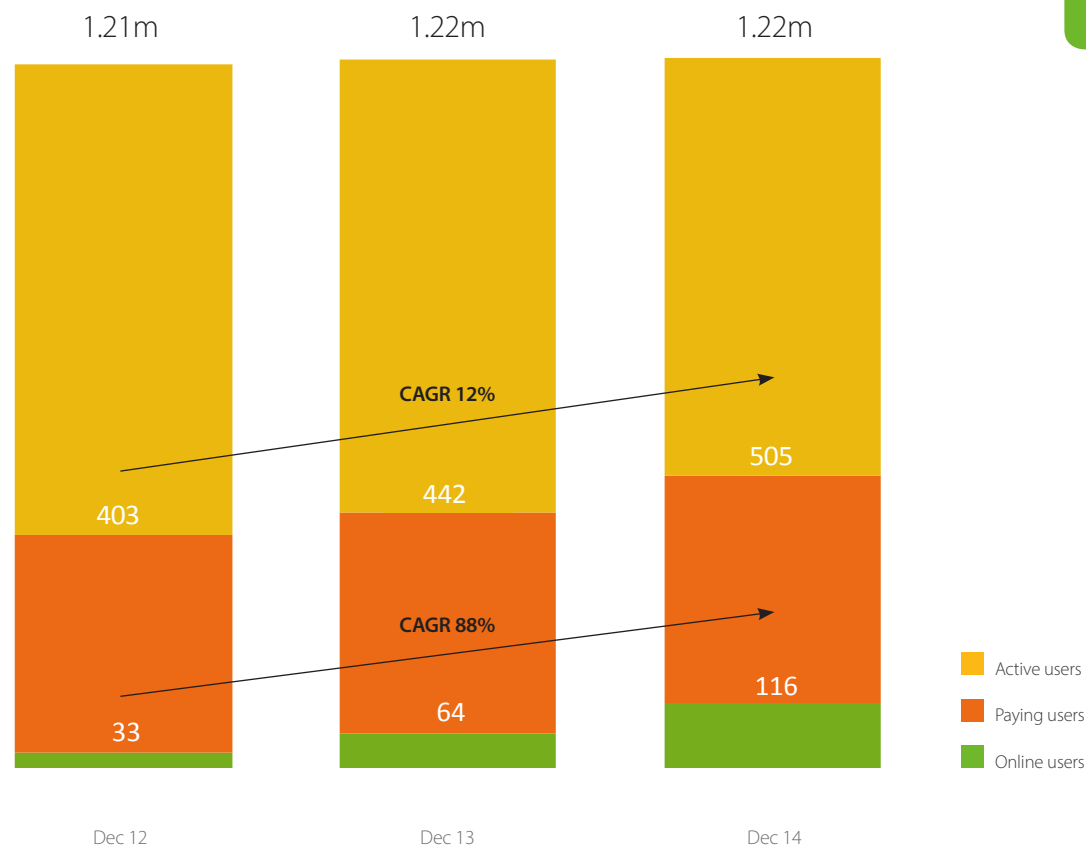
Linda Wighton
Sydney Signs

HELPING DRIVE **GROWTH** IN PAYING SME CLIENTS

MYOB has grown paying users by 12% annually and cloud users by 88% annually over the past 2 years

Cloud subscriptions driving ARPU and retention

Opportunity to grow non-paying MYOB users into paying user base



"The standout features are bank feeds and the security of the cloud. Automatic back up to the cloud has saved a lot of CDs of backups and, of course, time actually doing the backing up."

Emma Lowe
Monowai Estate

AND **INCREASED** LIFETIME VALUE TO MYOB

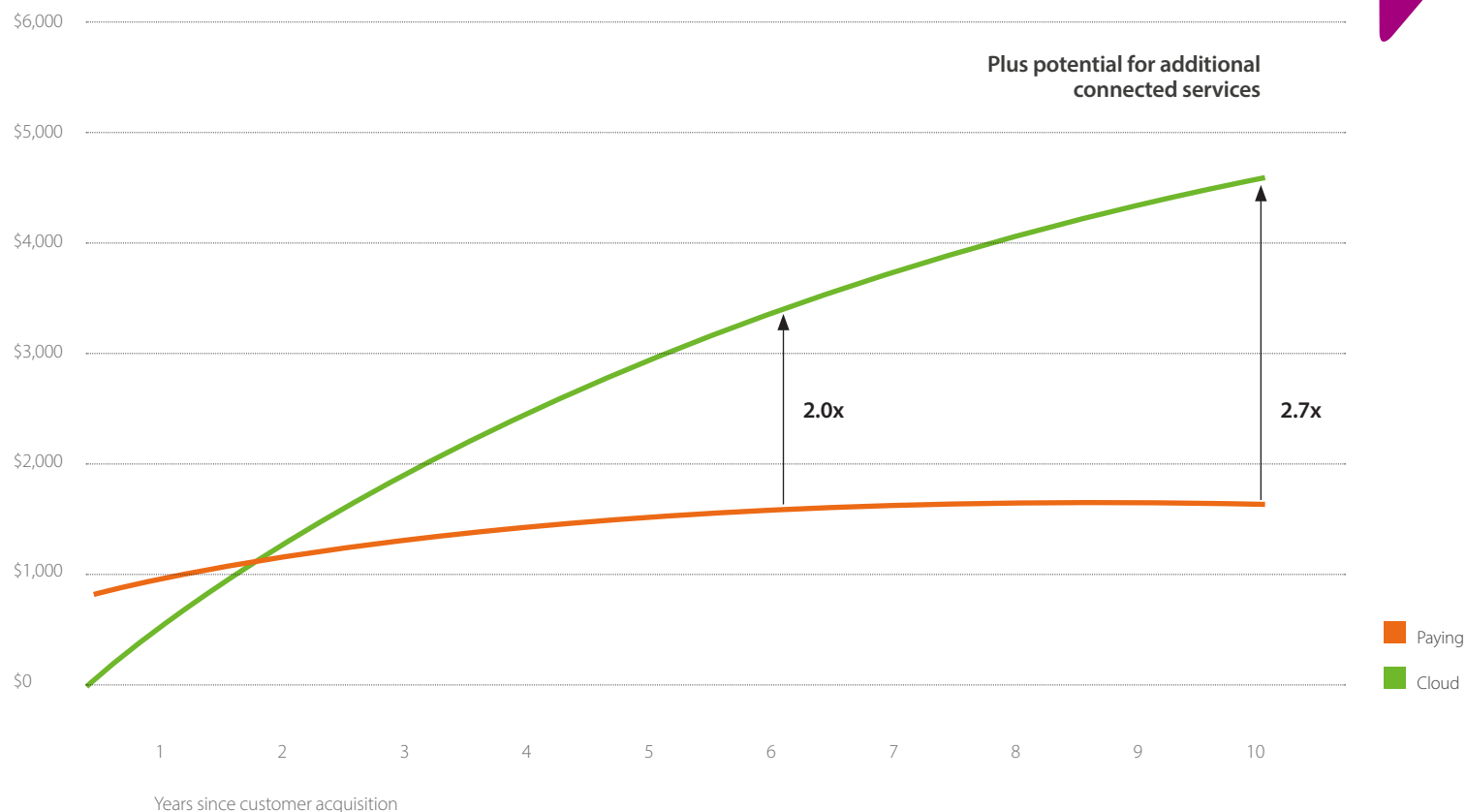
Lifetime value of cloud subscriber revenue model superior to selling desktop perpetual licenses

Paying users
100% cloud
vs. **30%** paying
(desktop)

Active annual
retention
83% cloud
vs. **74%** paying

ARPU benefits
Higher attach rates
Upsell of connected
services

ESTIMATED CUMULATIVE LIFETIME VALUE PER CUSTOMER ⁽¹⁾



"I love MYOB Essentials. It's the first intuitive accounting product I have used and I test many of them #loveyourwork."

Lielette Calleja
Legally Counts

Source: Internal Management data.

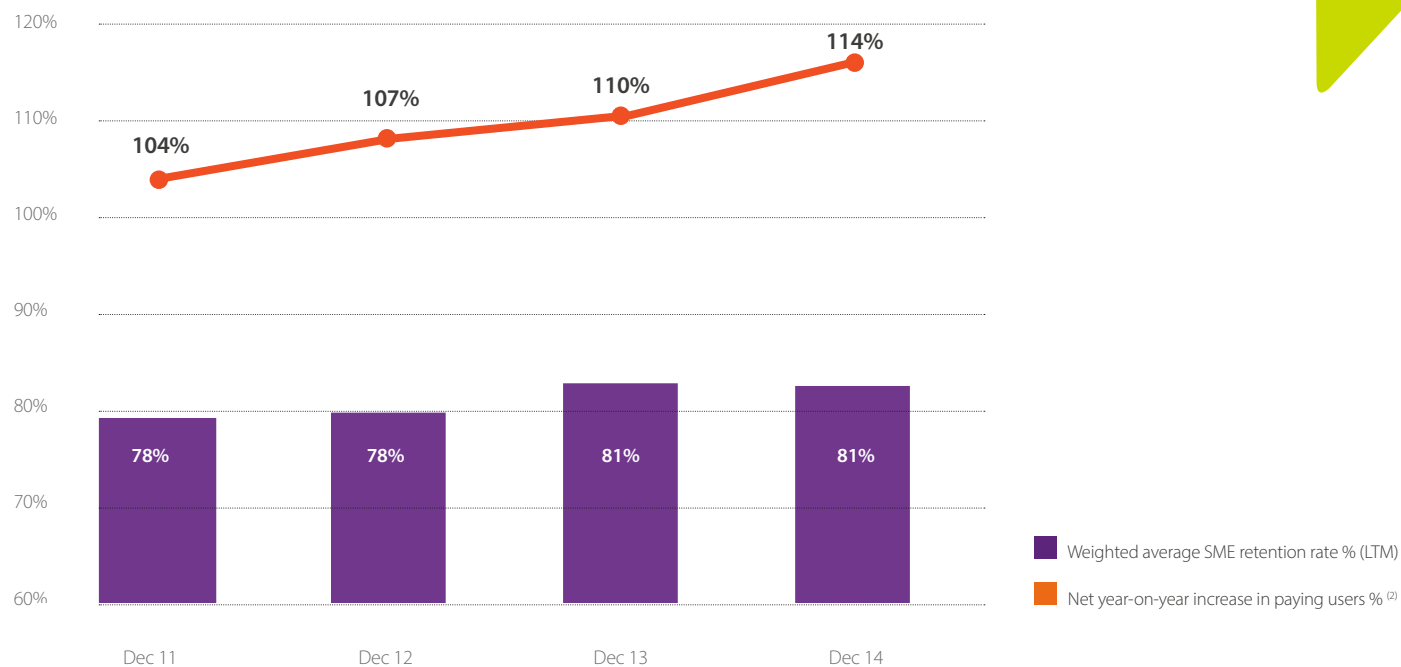
Note 1: Based on AccountRight paying (desktop) and online (subscription) products. Assumes that for the paying (desktop) product, users make upfront payments of \$840 for their perpetual licences, 30% of them become paying users and those paying users have an annual user retention rate of 74%. Assumes that for the cloud product, cloud users make no upfront payment, 100% of them are paying users and their annual user retention rate is 83%. Both paying (desktop) and cloud products assume a 5% price escalation per annum, and a paying user monthly payment of \$70 for both cloud products and paying (desktop) products.

DRIVEN BY **IMPROVED** RETENTION RATES

Higher attach rates and improved retention rates driving year-on-year growth in paying users

Retention has improved from **78%** in LTM December 2011 to **81%** in LTM December 2014, with cloud retention materially higher than retention for desktop products

MYOB'S HISTORICAL WEIGHTED AVERAGE SME RETENTION RATE AND NET INCREASE IN PAYING USERS % (LTM)⁽¹⁾



"MYOB is good for the clients, good for the firm, and the customer support you get is wonderful. I am a massive MYOB advocate – you don't stay with a solution for 11 years if you don't believe in the product."

Russell Jaggard
Shepherd Hensman Ltd

Note 1: Chart includes proforma BankLink pre May 2013. 2: A rate of 100% for net year-on-year increase in paying users implies there was no increase in the number of paying users in that year.



FINANCIAL SUMMARY

MYOB FY14



SUMMARY OF FY2014 RESULTS

Double digit growth across the board driven by continued investment

FINANCIAL HIGHLIGHTS

| A\$m; year ended 31 Dec | 2012 Actual | 2013 Actual | 2014 Actual | V% |
|-------------------------|----------------|----------------|----------------|-----|
| Revenue | 217.6 | 246.6 | 287.2 | 16% |
| Gross profit | 200.5 | 224.0 | 259.0 | 16% |
| Operating expenses | (94.0) | (103.1) | (120.6) | 17% |
| EBITDA | 106.5 | 120.9 | 138.5 | 15% |

KEY TAKEAWAYS



16%
revenue growth



94%
recurring revenue



17%
increase in OPEX to fund
strategic growth initiatives



15%
EBITDA growth



48%
EBITDA margin

"MYOB has made it easier for me – it does it all for you. I can produce a report of who hasn't paid and then follow up on them."

Michelle Barnes
Barnes Precision Engineering

SME SOLUTIONS – 62% OF REVENUE

Underlying double digit growth in subscription revenue with a very high uptake of cloud offerings

OVERVIEW

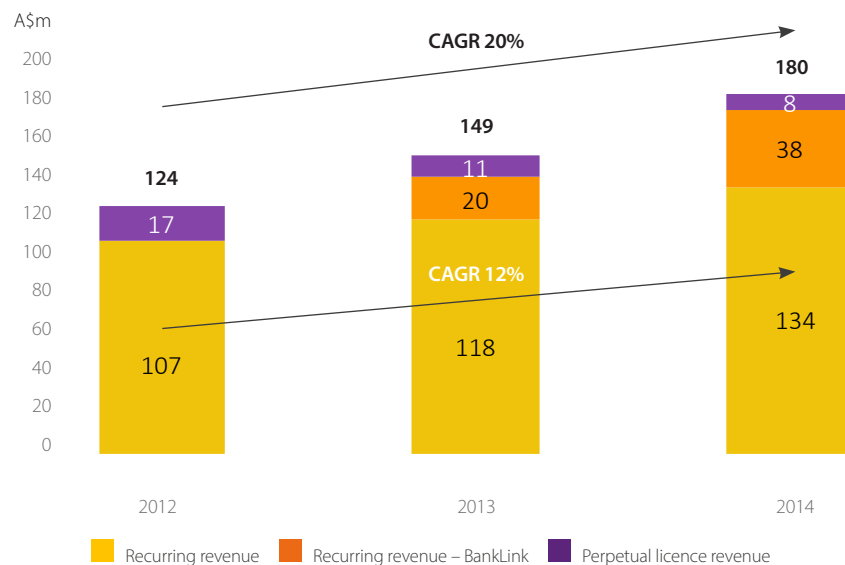
Market Segments

Micro and small businesses

Products

MYOB BankLink
MYOB Essentials
MYOB AccountRight

HISTORIC REVENUE



MARKET UPDATE



Recurring revenue now

95% of total



Cloud adoption driving
recurring revenue
(excl. BankLink) up

14% on 2013



Strong adoption of cloud
driven by key time saving
features, such as auto bank
reconciliations and smart bills



MYOB PayDirect provides
integrated mobile payments,
key to improving SME
cash flows



Launch of MYOB Kounta
delivered further integration
benefits for SMEs

“It’s fantastic anywhere,
anytime to log in and see
how we’re going, if I get
suppliers ringing up I can
log in and check where
things are at.”

Narell Hall
Boost Juice

PRACTICE SOLUTIONS – 28% OF REVENUE

Consistent growth continues

OVERVIEW

Market Segments

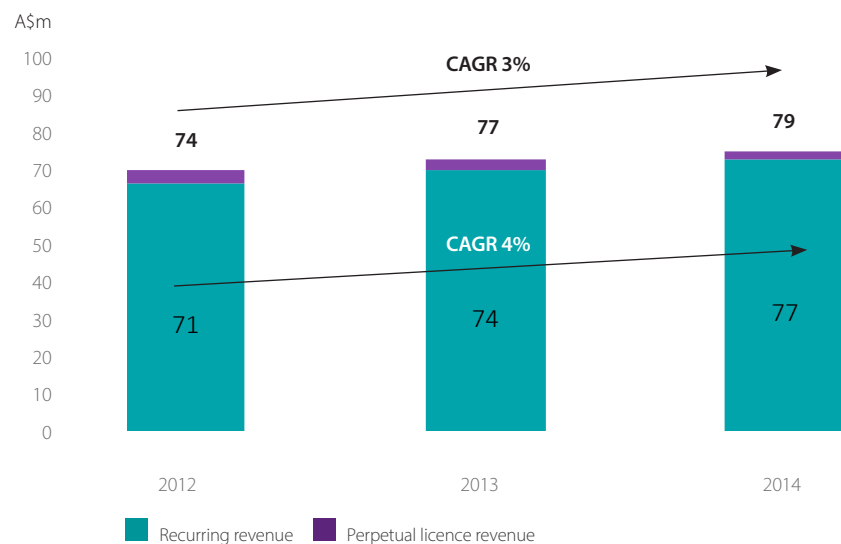
Accountants in public practice

Products

MYOB Accountants Office

MYOB Accountants Enterprise

HISTORIC REVENUE



MARKET UPDATE



Total revenue up

3%



97%

recurring revenue



Integrated practice management solutions drive client efficiencies



MYOB Portal⁽¹⁾ will deliver significant online collaboration benefits

“Excited by the prospect of a client portal developed by MYOB, which will enable us to deliver client work for electronic signature in a secure environment.”

Trevor Harrison

Director MRL Group

ENTERPRISE SOLUTIONS – 10% OF REVENUE

Robust double digit growth in recurring revenue with expanding network

OVERVIEW

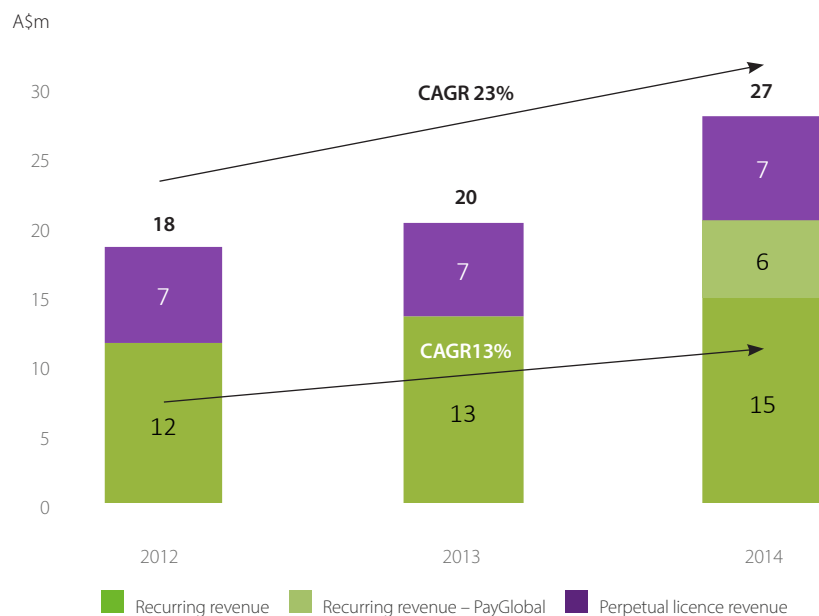
Market Segments

Medium and larger businesses

Products

MYOB Advanced
MYOB Exo
MYOB PayGlobal

HISTORIC REVENUE



MARKET UPDATE



38%
revenue growth



74%
recurring revenue with
10% YOY underlying
recurring revenue growth



MYOB Advanced launched in January 2015, bringing cloud benefits to larger businesses



Successful strategic acquisition of PayGlobal⁽¹⁾ increasing reach in payroll solutions

"One of the biggest advantages of choosing PayGlobal was its ability to interpret our various employee award conditions. This alone has saved our payroll department an astronomical number of hours per week in processing."

Nadia Lake
Compass Groups

STRONG AND STABLE BALANCE SHEET

MYOB continues to generate healthy cash flows

| \$ Million | Dec 2013 | Dec 2014 |
|------------------------------|--------------|--------------|
| Cash | 34 | 4 |
| Goodwill | 810 | 827 |
| Intangible assets | 456 | 412 |
| Other assets | 33 | 122 |
| Total assets | 1,333 | 1,365 |
| Senior debt | 474 | 633 |
| Subordinated notes | 155 | 155 |
| Other liabilities | 96 | 77 |
| Total liabilities | 725 | 865 |
| Total equity | 608 | 500 |
| Senior leverage ratio | 3.64x | 4.41x |
| Total leverage ratio | 4.86x | 5.47x |

KEY TAKEAWAYS



MYOB's financial position continues to be strong



Continued amortisation of intangible assets (commercialised software, customer relationships and brand)



Continued high cash generation, with
86%
cash conversion



Balance sheet recapitalisation in September taking advantage of favourable interest rate and margin environment

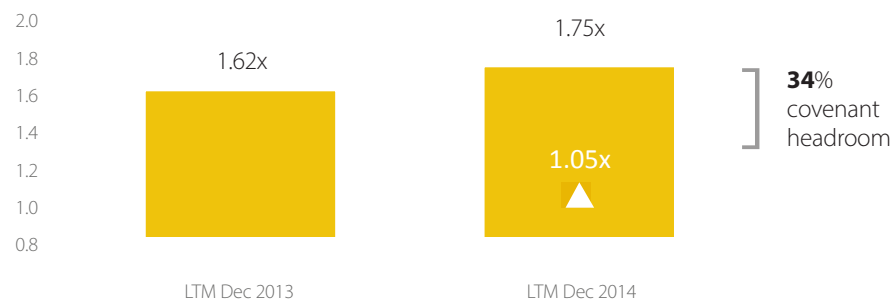
"MYOB is much better value than its competition, and easier to use as all the functionality is already in the product with no need to learn multiple systems."

Debra Anderson
Legally Counts

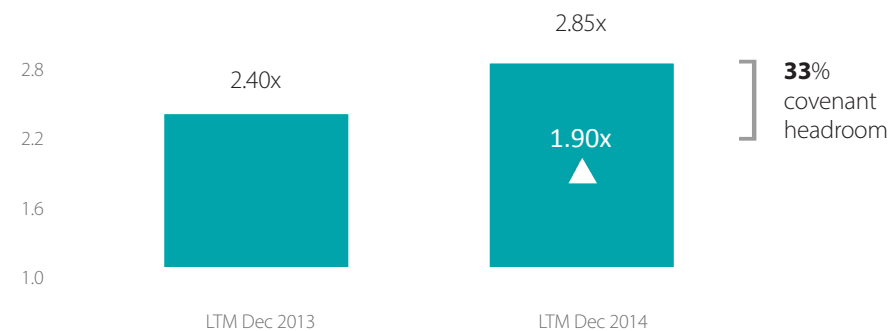
CREDIT PROFILE REMAINS **STRONG**

MYOB retains at least 25% headroom in all senior debt covenants after the balance sheet was recapitalised in September

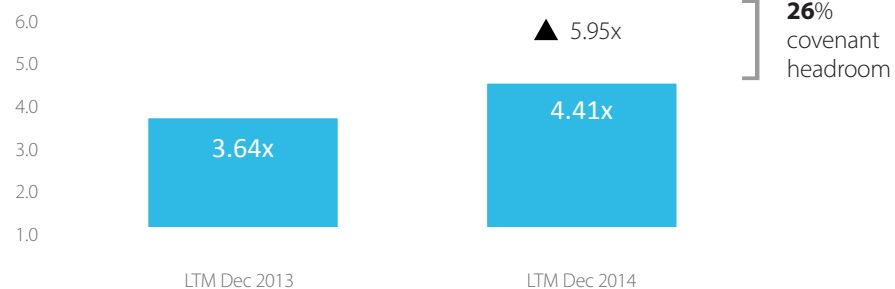
CASH FLOW COVER RATIO



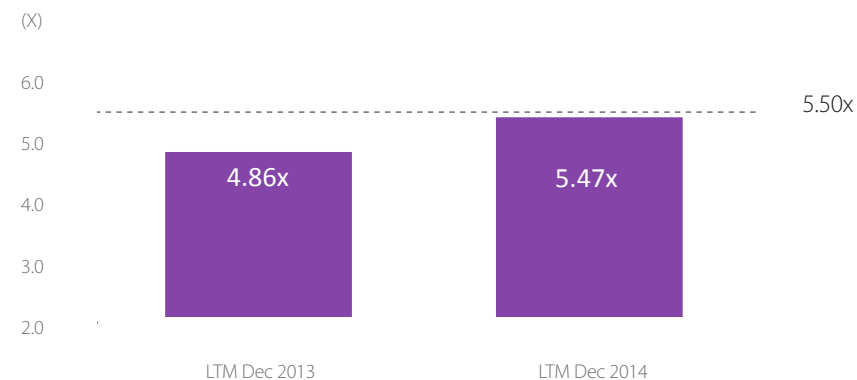
INTEREST COVER RATIO



SENIOR LEVERAGE RATIO



TOTAL LEVERAGE RATIO¹



■ MYOB ratio ▲ Relevant covenant

Note 1: No formal covenant for Total Leverage, capped at 5.50x for incurring additional debt only

CASH FLOW PROFILE

High cash flow conversion continues

FINANCIAL HIGHLIGHTS

| A\$m; 12m ended 30 June | 2013 | 2014 |
|----------------------------------|--------------|---------------|
| EBITDA | 120.9 | 138.5 |
| Change in NWC | (3.5) | (1.0) |
| Capital expenditure | (17.9) | (19.1) |
| Operating cash flows | 99.5 | 118.5 |
| Cash conversion | 82% | 86% |
| Net cash movement | 28.4 | (30.0) |
| Cash and cash equivalents | 33.6 | 3.6 |

KEY TAKEAWAYS



Operating cash flows up
19% on 2013



86%
operating cash conversion



\$118.5 million
operating cash to cover
\$51.1 million of interest
payments (including
\$7.2 million on
subordinated notes)



\$25.7 million
senior debt repayments
made before the refinancing
in September 2014



SUMMARY

MYOB FY14

SUMMARY



MYOB has had a transformational year delivering innovative cloud solutions for SMEs and partners resulting in successful double digit revenue and profit growth

SPEND IN R & D

MYOB spent \$42 million this year to drive innovative cloud solutions across all business segments in Australia and New Zealand

LAUNCHING AWARD WINNING PRODUCTS

Our user-centric design approach ensures great experiences for our clients, such as our award winning MYOB PayDirect product

ACCELERATED CLOUD MOMENTUM

Investment in delivering time saving features driving accuracy, mobility and collaboration has led to 67% of our new MYOB clients choosing cloud solutions in Q4 2014

DOUBLE DIGIT REVENUE GROWTH

Strong sales, key strategic acquisitions and strong cloud momentum has resulted in high revenue growth – up 16% to \$287 million

OUTSTANDING EBITDA

\$138 million with 15% growth

HIGH CASH GENERATION

Operating cash flows up 19% driven by 86% operating cash conversion

A man with a beard, wearing a blue shirt and a grey apron, is holding a large potted plant with long, green, blade-like leaves. He is looking down at the plant. The background is a greenhouse with a curved, translucent roof and various plants in the foreground.

Q & A

MYOB FY14



APPENDIX

MYOB FY14

INCOME STATEMENT

MYOB HOLDINGS INCOME STATEMENT

| A\$m; Full year ended 31 Dec | 2013 | 2014 | V% |
|------------------------------|---------------|---------------|-------------|
| P&L | | | |
| Revenue | 246.6 | 287.2 | 16% |
| COGS | (22.6) | (28.2) | 25% |
| Gross profit | 224.0 | 259.0 | 16% |
| Expenses | (103.1) | (120.6) | 17% |
| EBITDA | 120.9 | 138.5 | 15% |
| <i>EBITDA Margin</i> | <i>49%</i> | <i>48.2%</i> | |
| Other expenses | (14.7) | (27.9) | 90% |
| Depreciation/amortisation | (65.0) | (71.0) | 9% |
| EBIT | 41.2 | 39.6 | -4% |
| Net interest | (52.8) | (51.2) | -3% |
| Debt cost amortisation | (7.2) | (19.2) | 166% |
| Profit before tax | (18.8) | (30.8) | 64% |
| Tax | 4.7 | 9.5 | 101% |
| NPAT | (14.1) | (21.3) | 52% |
| NPATA | 28.9 | 25.7 | -11% |

Other expenses are one-off, equity funded and/or other expenses excluded from EBITDA under the senior facility agreement:

\$9.6million (2013 \$7.5m) one-off new product development and launch costs

\$9.9million surge investment (2013 \$1.1m) in sales force and MYOB PayDirect – cash neutral as investment costs funded by equity injection

\$8.4million integration, restructuring and management services fee (2013 \$6.1m)

FINANCIAL COVENANTS

MYOB FINANCIAL COVENANTS

| \$ Million, unless otherwise noted | LTM 31 Dec 2012 | LTM 30 Jun 2013 | LTM 31 Dec 2013 | LTM 30 Jun 2014 | LTM 30 Dec 2014 | Senior Facility Covenants | Note Covenants | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------------|--|---|
| | | | | | | | Suspension of interest condition | Restriction of additional debt and distribution |
| LTM Covenant ^A EBITDA | 107.5 | 121.2 | 126.9 | 137.1 | 145.4 | | | |
| LTM Covenant ^A cash flow | 89.5 | 99.9 | 107.4 | 115.8 | 123.8 | | | |
| LTM Covenant ^A cash flow conversion | 83.3% | 82.4% | 84.6% | 84.4% | 85.2% | | | |
| | | | | | | | | |
| Cash flow cover ratio ¹ (times) | 1.35 | 1.53 | 1.62 | 1.39 | 1.75 | Not less than 1.05 | Not less than or equal to 1.10 | |
| Senior leverage ratio ² (times) | 4.01 | 3.95 | 3.64 | 3.14 | 4.41 | Not greater than 5.95 | | |
| Interest cover ratio ³ (times) | 2.39 | 2.53 | 2.40 | 2.63 | 2.85 | Not less than 1.90 | | |
| Total leverage ratio ⁴ (times) | 5.45 | 5.23 | 4.86 | 4.27 | 5.47 | | | Not greater than 5.50 |

Notes:

1 Cash flow/debt service

2 Senior net debt/EBITDA

3 EBITDA/senior net cash interest costs

4 Senior net debt + subordinated notes/EBITDA

A man with a beard, wearing a brown shirt and dark pants, sits on a row of large coffee sacks in a warehouse. He is holding a small white cup and looking towards a barista. The barista, wearing a blue shirt and dark pants, stands to the right, also holding a small white cup. The background is a dark brick wall. The sacks are labeled with various coffee brands and origins, including 'LA PERLA DEL CAFE', 'VISTA AL VALLE', 'CAFE IMPORTS', 'CAFE BRASIL', and 'REGIONAL S'. A white rounded rectangle is overlaid on the left side of the image, containing the text 'THANK YOU'.

THANK YOU

ACSS121252-0215



Love your work