



(ASX: VN8)

Investor Presentation

FY23 Results

August 2023



→ Disclaimer

This document contains summary background information about Vonex Limited (ASX: VN8) and its activities as at its release date.

This document is not a recommendation or advice about Vonex Limited and is not intended to be relied on as advice to investors and potential investors.

It does not purport to be complete or contain all information that a person may require before investing in Vonex Limited.

Investors and potential investors should determine their interest in proceeding with any investment in Vonex Limited on the basis of all independent investigations that they consider necessary or desirable and should obtain their own legal, financial, taxation and other professional advice.

This document is not a prospectus, disclosure document, product disclosure statement or offer.

It does not constitute an invitation, solicitation, recommendation or an offer to purchase or subscribe for securities.

This document contains “forward looking statements” including statements about Vonex Limited's current intent, belief or expectations and guidance on future earnings and financial positions and performance.

Forward looking statements made in this presentation are believed to be reasonable at the time of release but those statements are subject to risks, uncertainties and other factors which could cause actual results and performance to differ materially from the future results and performance expressed, projected or implied by those statements.

Forward looking statements should not be relied on as a guarantee of future performance.

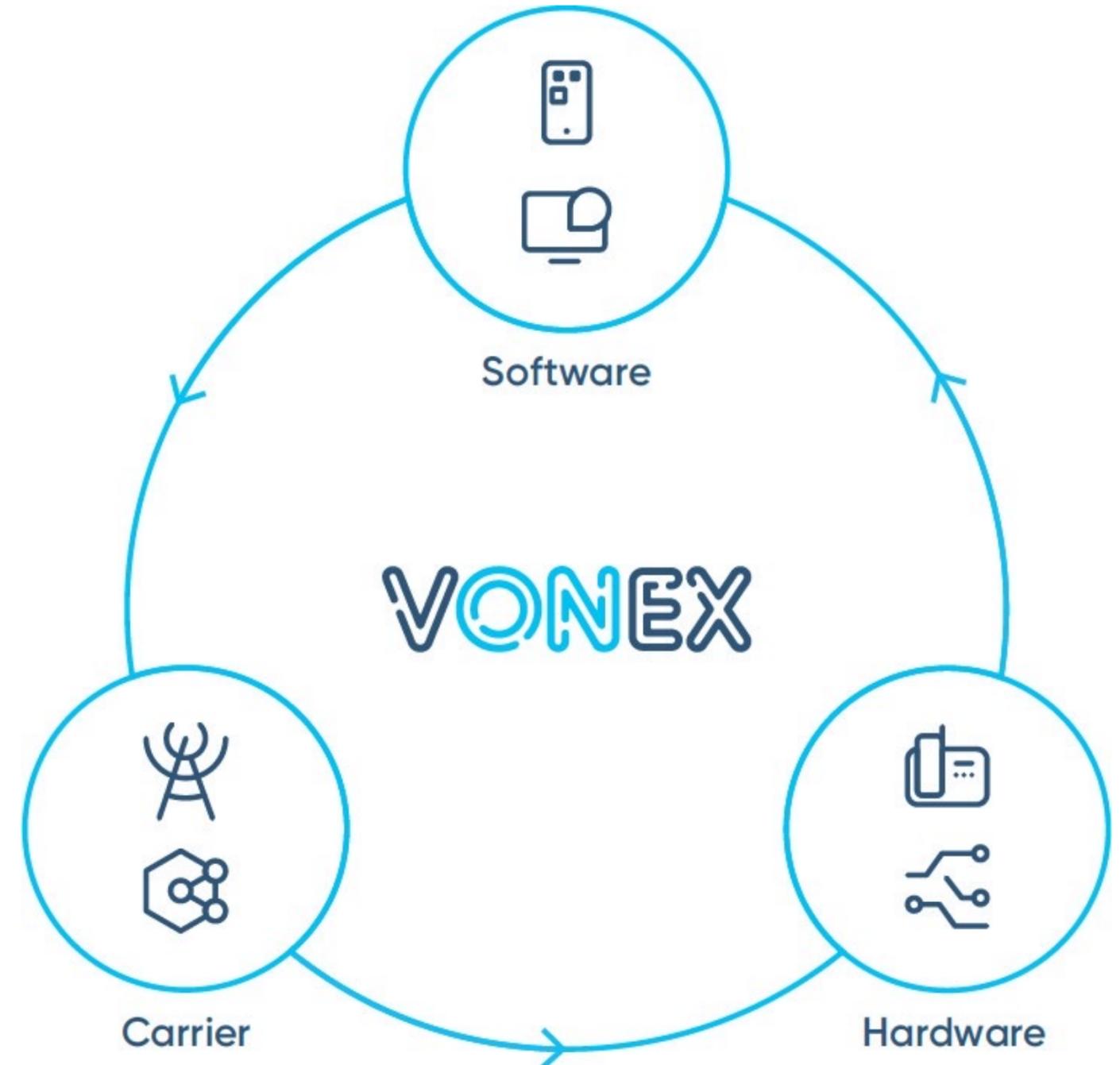
No representation or warranty, express or implied, is made by any person as to the fairness, accuracy, completeness or reliability of the information, opinions and conclusions contained in this document.

To the maximum extent the law permits, Vonex Limited, its related companies, their directors, officers and employees, expressly disclaim all liabilities and responsibility in respect of any loss, cost, damage or expense incurred by any person as a result of the use or reliance on anything contained in or omitted from the information in this document, including without limitation any liability arising from fault or negligence or otherwise. The information in this document is subject to change without notice.

Who We Are

Vonex Ltd (ASX:VN8) provides advanced technology to keep business communications ahead of the game.

Our products are scalable and customisable to the thousands of Australian businesses we keep connected, wherever they go however they grow.



What We Do

SME Business



Phone Systems

NBN-ready office phone solutions. Options for on premise & cloud

- Hosted Cloud Phone Systems
- SIP Trunks
- Microsoft Teams Integration



4G & 5G Mobile

SIM-only mobile plans

- 4G & 5G Voice & Data
- Mobile Fleet



Internet & NBN

Future-proof NBN & high speed ethernet

- NBN
- Fibre
- Mobile Broadband
- 5G



Value Added Services

1300 numbers, conferencing, e-fax desktop SMS & more

- e-Fax
- Desktop SMS
- Domain
- Web Hosting
- Audio Conferencing
- Landline: 1300/1800, International Numbers

Wholesale



Wholesale Products

Delivering excellence in wholesale connectivity

- Business Fibre
- IoT/M2M
- Hosted PBX & SIP
- NBN
- 4G & 5G Voice & Data
- Mobile Broadband

Consumer



Consumer Products

Consumer phone systems

- Home Phone
- Consumer NBN
- Consumer Mobile

Vonex Corporate Snapshot

Vonex's near-term priorities are to maintain a strong organic growth trajectory, while:

- Keeping the focus on our Customers
- Consolidating and fully integrating acquisitions
- Maximising synergies
- Driving operational cost efficiencies
- Building a consistent and success-oriented culture

Key Metrics →

FY23 revenue	\$45.4m
FY23 Profit (Loss) ¹	(\$22.8m)
FY23 net operating cashflow	\$2.6m
Market cap at \$0.028/share	\$10.1m
Net debt ²	\$19.8m
Enterprise value	\$29.9m

Note 1 → The full year statutory loss of (\$22.8m) included the 1HFY23 impairment expense of \$19.5m previously disclosed to the market (a non-cash impact on the Company)

Note 2 → As of 30 June 2023

FY23 Highlights



FY23 gave us an excellent example of Vonex working creatively to deliver for our partners

→ More Telecom

- With ongoing engagement with More Telecom the Vonex software team successfully built, commissioned and delivered a specific portal for More Telecom, which has recently been accepted.
- This platform also provides the foundation of the latest Vonex portal to be released to Vonex's existing customers later this year.
- More Telecom is now able to move forward with their intended take up of Vonex services.



Our Business

Capabilities

- **Deep Expertise** – building, managing and supporting voice and data networks and providing value-added services
- **Sophisticated and Scalable Networks** – including market-leading hosted PBX platform and fully redundant core data network with 7 Points of Presence (PoP) across Australia

Team

- **Strong Leadership** – across technical, support and operations teams
- **Large Team** – 140+ team members with ~77 across Australia, and scalable ~66 person support and developer team in the Philippines
- **300+ Channel Partners** – across Queensland, NSW, VIC, NSW, WA and SA

Customers

- **22,000+ Customer Accounts** – across SME, wholesale and residential segments¹
- **Churn Rate** – of 1.5% per month across the customer base²

Growth Strategies

- **Cross-sell** – in particular, data services to existing SMB and Wholesale customers
- **Customer Acquisition** – drive additional sales through the Channel Partner network
- **Improve Retention** – through more proactive account management

Market Drivers

- **Aligns to High Growth Hosted PBX Market** – which is forecast to grow by a CAGR of 18.7% between 2020 and 2027³
- **Bundling of Services** – SMB customers seek a one-stop-shop for all their communications needs
- **Remote Working** – continuing to drive the adoption of cloud-based managed services

Note 1 → Customer account numbers may include duplications from customers migrating from one Vonex brand to another

Note 2 → Average monthly churn (based on the number of customers) for Jan-Mar 23 period

Note 3 → Source – 'Business Markets Insights, Asia Pacific Cloud Pacific Market to 2027'

Key Strategic Sales Pillars

Vonex remains committed to organic growth and has invested in State based sales strategies targeting multi channel acquisition of new customers and increases in ARPU of the entire customer base. This is coupled with a focus on new growth opportunities and eliminating unnecessary churn. It is expected that these strategies will assist in accelerating organic growth in FY24.



- 1.** Expansion of Channel Partner network for acquisition of new SME customers.



- 2.** Continuous improvement from inbound direct sales team servicing enquiries and facilitating new sales in conjunction with Partners.



- 3.** Outbound direct sales to target higher average revenue per user (ARPU) business customers with more complex requirements.

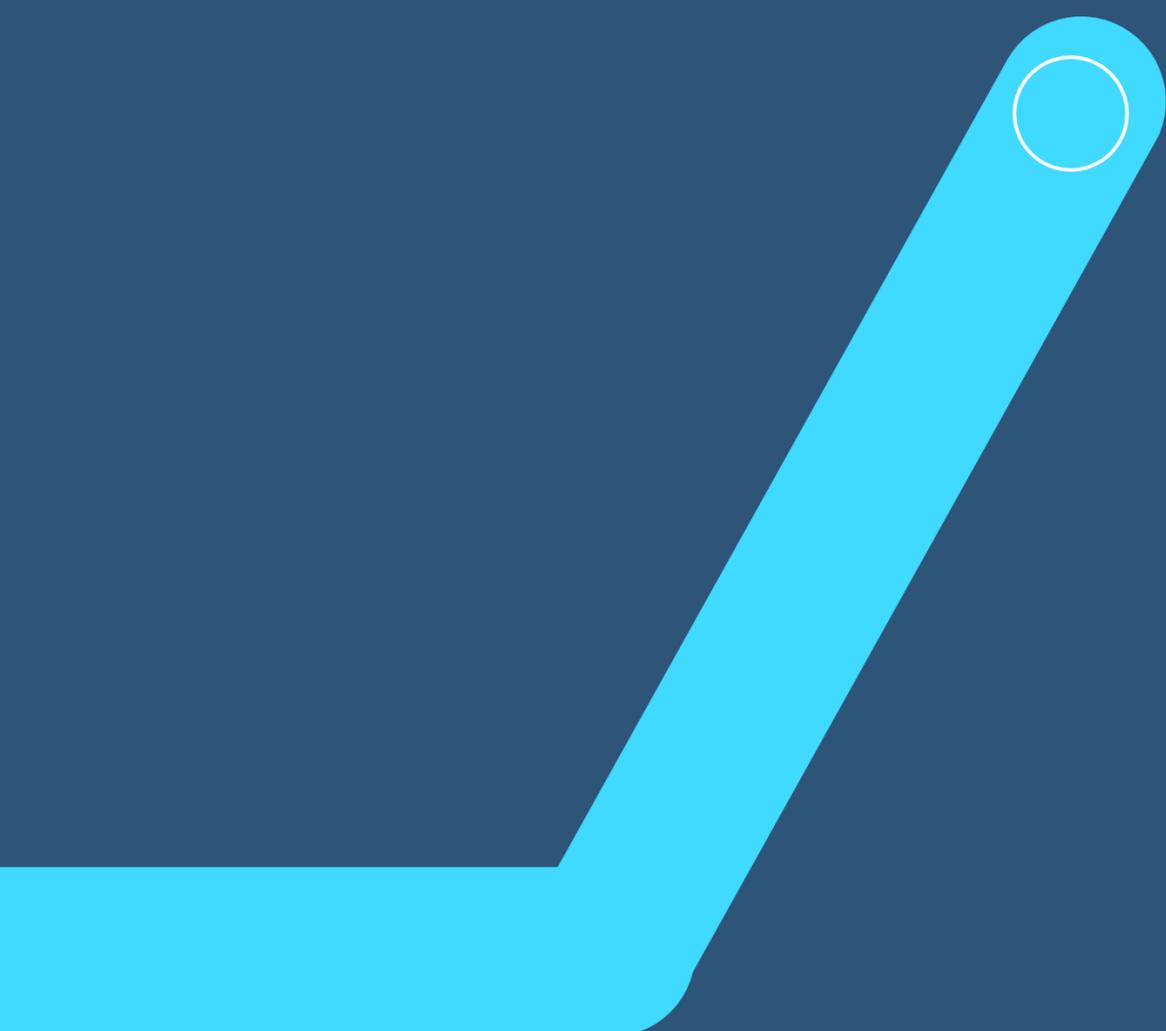


- 4.** Optimising and improving customer experience through call centre consolidation and reorganisation.



- 5.** Focuses on increasing ARPU of existing customers and reducing churn.

Outlook



Vonex continues to see a positive outlook for growth as the Company pursues a more cost effective operation.

- Restructuring and consolidating our call centres to not only drive efficiency and effectiveness but increase customer satisfaction.
- Vonex has built a strong platform to gain scale organically, targeting growth in lead generation, brand awareness and average revenue per user (ARPU).
- Vonex is well placed to capitalise on its increased market presence, lower marginal cost base and capacity to realise cross-selling opportunities.

Management & Board of Directors



Ian Porter / Chief Executive Officer

Ian Porter is the Chief Executive Officer of Vonex Ltd. Responsible for overseeing all facets of the organisation. Ian drives the mission, operations, customer retention and engagement with the Board of Directors. He is a strong leader within the organisation and throughout the sector earning him the reputation over the last 30 years of being highly driven, effective and influential leadership style that motivates team members. Ian proudly holds a seat on the Board of Directors for isseek-KDC Services Pty Ltd as Executive Director for the past 10 years. Before joining Vonex, Ian was the Chief Operating Officer at isseek and prior to this, held General Manager positions in Optus Consumer and Optus Wholesale in Sydney where he was instrumental in optimising product creation and delivery, and pre-Dotcom burst as a technical sales in Optus Business and project management.



Brent Paddon / Non-Executive Director

Mr Paddon is an experienced company director and manager with over 25 years experience in the telecommunications and IT sectors. Brent co-founded Brisbane Internet Technology which was sold to Asia Online in 1999, held senior management roles at WebCentral and PIPE Networks and co-founded Over the Wire in 2007, which listed on the ASX in 2015 and was acquired in March 2022 by Aussie Broadband Limited (ASX: ABB). He has detailed knowledge of the telecommunications industry and hands-on experience in starting and scaling successful businesses.



Jason Gomersall / Non-Executive Director

Mr Gomersall is a former Director of 2SG Wholesale and is the Founder, CEO and Managing Director of isseek Communications. Mr Gomersall has long been at the forefront of the telecommunications industry and the mobile phone market since being one of the foundation franchisees of the Optus World chain of retail stores in the 1990s.



Stephe Wilks / Non-Executive Chair

Mr Wilks is an experienced company director who has headed several Australian and international telecommunications and technology companies, including as Regional Director (Asia and Japan) Regulatory Affairs for BT Asia Pacific, Managing Director of XYZed Pty Ltd (an Optus company), Chief Operating Officer of both Nextgen Networks and Personal Broadband Australia, and as Consulting Director of NM Rothschild and Sons. He brings extensive technology leadership, strategic finance, M&A and governance expertise.



Mike Stabb / Company Secretary

Mike is a finance executive with over 30 years of Australian and International experience. He is a Fellow of the Institute of Chartered Accountants, graduated with Distinction from QUT with a Bachelor of Business (Accy & BusLaw), is a registered tax agent and a member of the Australian Institute of Company Directors. He has worked for Deutsche Bank in London and on Wall Street, and held CFO and senior finance roles in the telecommunications, radio communications and property industries in Australia. Most recently, he was CFO, Head of M&A and Company Secretary of Over the Wire Holdings Limited (ASX:OTW)



Contact Us →

Ian Porter

CEO | Vonex Limited

Level 6, 303 Coronation Drive, Milton QLD 4064

📞 13 VONEX

✉️ ian.porter@vonex.com.au

ASX:VN8

Appendix

FY23

A reconciliation between statutory results and underlying results is provided to the right (A\$m):

Statutory Loss after tax	\$ (22.8)
Depreciation	1.0
Income tax expense / (benefit)	(0.6)
Interest & Finance expense	2.4
Amortisation	2.0
Share Based Payment Expenses	0.6
Fair value of contingent consideration (On the Net acquisition)	(1.2)
Fair value of contingent consideration (Voiteck acquisition)	1.1
Acquisition, migration, prior period accruals & non-recurring consultants	2.3
Redundancy Expenses	0.4
Disposal of Mining Royalty	(0.2)
Full year Impact of On the Net (if owned for the full year)	0.5
Impairment of Goodwill	19.5
Underlying EBITDA ¹	\$5.0

Note 1 → Underlying EBITDA excludes share based payment expenses; acquisition, integration, migration and other non-recurring consultant costs; redundancy costs, the fair value of contingent consideration for the On the Net acquisition; the fair value of contingent consideration for the Voiteck acquisition; the impairment of goodwill associated with acquisitions; cost accruals relating to prior periods, noncore mining royalty income, and an adjustment to reflect if the OntheNet business was owned for the whole of FY23.