



(ASX: VN8)

# AGM Presentation

FY24 Results



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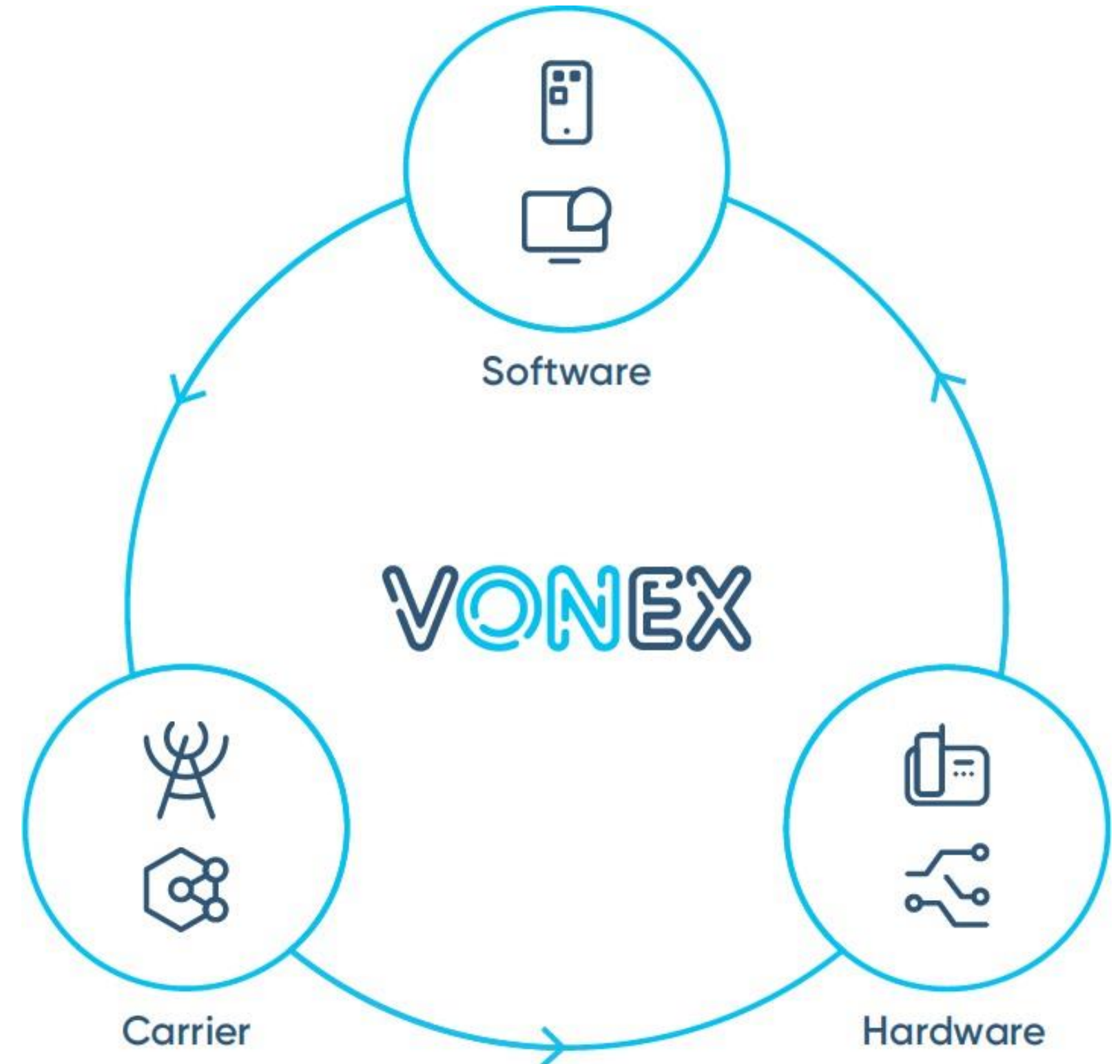
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# Who We Are

**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 & Enterprise				Wholesale	Consumer
					
Phone Systems	4G & 5G Mobile	Internet & NBN	Value Added Services	Wholesale Products	Consumer Products
NBN-ready office phone solutions. Options for on premise & cloud	SIM-only mobile plans	Future-proof NBN & high speed ethernet	1300 numbers, conferencing, e-fax desktop SMS & more	Delivering excellence in wholesale connectivity	Consumer phone systems
→ Hosted Cloud Phone Systems → SIP Trunks → Microsoft Teams Integration	→ 4G & 5G Voice & Data → Mobile Fleet	→ NBN → Fibre → Mobile Broadband → 5G	→ e-Fax → Desktop SMS → Domain → Web Hosting → Colocation → Audio Conferencing → Landline: 1300/1800, International Numbers	→ Business Fibre → IoT/M2M → Hosted PBX & SIP → NBN → 4G & 5G Voice & Data → Mobile Broadband → Colocation	→ Home Phone → Consumer NBN → Consumer Mobile

# Vonex Corporate Snapshot

Vonex's near-term priorities

- Maintaining focus on our Customers.
- Growing the business across value segments.
- Increasing market share.
- Operational efficiency through automation.
- Building a consistent and success-oriented culture.

## Key Metrics →

	FY24	FY23	% Diff
Revenue	\$48.4m	\$45.4m	+6%
Net operating cashflow	\$4.7m	\$2.6m	+85%
Market cap <sup>2</sup>	\$12.7m	\$10.1m	+26%
Net debt <sup>1</sup>	\$19.7m	\$19.8m	-1%
Enterprise value	\$32.4m	\$29.9m	+8%

Note 1 → As at 30 June 2024

Note 2 → Market cap FY24 @ \$0.035 and FY23 @ \$0.28

# 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, enterprise, wholesale and residential segments<sup>1</sup>
- **Churn Rate** – of <1.1% per month across the customer base<sup>2</sup>

## 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

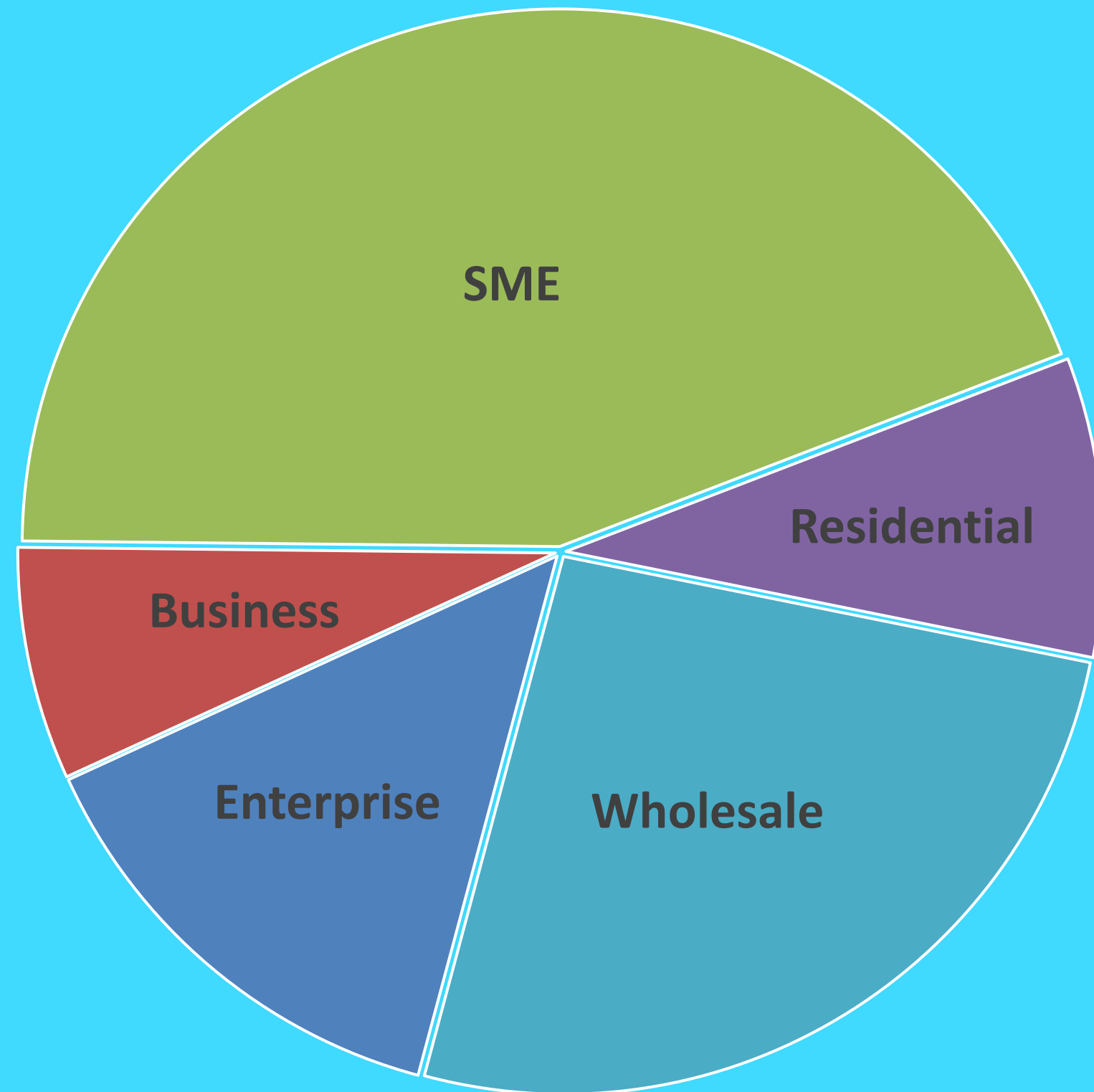
- **Aligns to High Growth Hosted PBX Market** – which is forecast to grow by a CAGR of 18.7% between 2020 and 2027<sup>3</sup>
- **Bundling of Services** – SMB customers seek a one-stop-shop for all their communications needs
- **Remote Working** – continuing to drive the adoption of cloud-based managed 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 % of revenue) for Jan-Oct 24 period

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

# Vonex is a diverse business



Whilst SME is a large part of Vonex heritage and revenue today we also have customers in other segments acquired mainly through acquisition.

Note 1 → Segments represent revenue % Nov 24

# Outlook



**Vonex continues to see a positive outlook despite distractions and a highly competitive market.**

- Further increase automation in our systems to reduce complexity, increase accuracy and continue reducing cost.
- Lift our run rate to increase revenue through performance improvement.
- 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

📞 1800 828 668

✉ [ian.porter@vonex.com.au](mailto:ian.porter@vonex.com.au)

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# Appendix

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

	<b>FY24</b>	<b>FY23</b>
<b>Statutory loss after tax</b>	<b>\$ (1.3)</b>	<b>\$ (22.8)<sup>1</sup></b>
Depreciation	\$ 1.0	\$ 1.0
Income tax expense / (benefit)	\$ (0.7)	\$ (0.6)
Interest & finance expense	\$ 4.2	\$ 2.4
Amortisation	\$ 2.1	\$ 2.0
Adjustments to convert to underlying EBITDA	\$ 0.0	\$23.0
<b>EBITDA</b>	<b>\$ 5.3</b>	<b>\$ 5.0<sup>2</sup></b>

**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** → FY23 EBITDA was underlying EBITDA, which 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.