
MOBILE EMBRACE

ASX:
MBE

FY 2016 Results
Chris Thorpe, CEO



REACH



ENGAGE



TRANSACTION



EMBRACE




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2016 FY RESULTS

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MOBILE EMBRACE DELIVERS ANOTHER RECORD RESULT

REVENUE

- Record Revenue \$60.6m up 83% YoY
- 5 Year Revenue CAGR 40%

EBITDA

- Record EBITDA \$9.5m up 86% YoY
- 5 Year EBITDA CAGR 100%

NPAT

- Record NPAT \$4.9m up 63% YoY
- 5 Year NPAT CAGR 453%

EPS

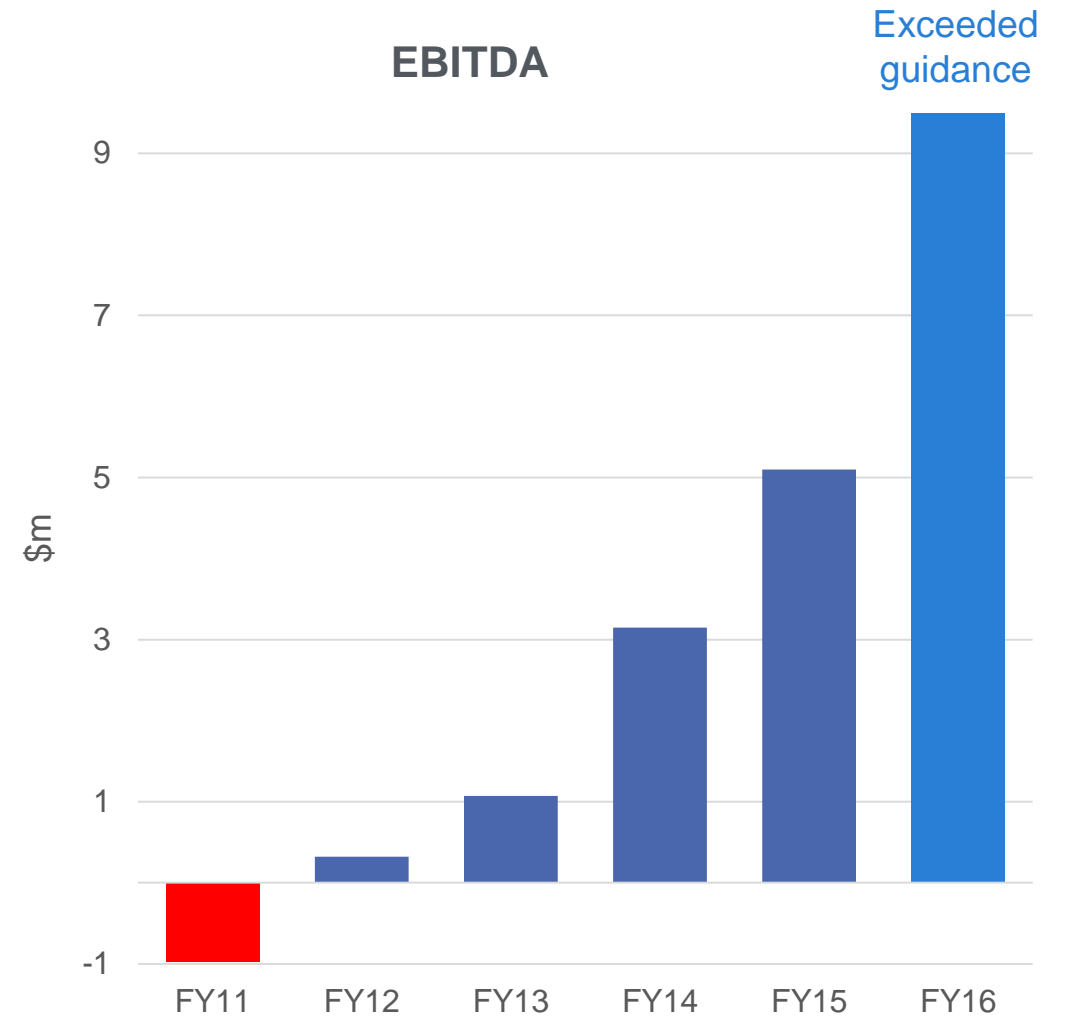
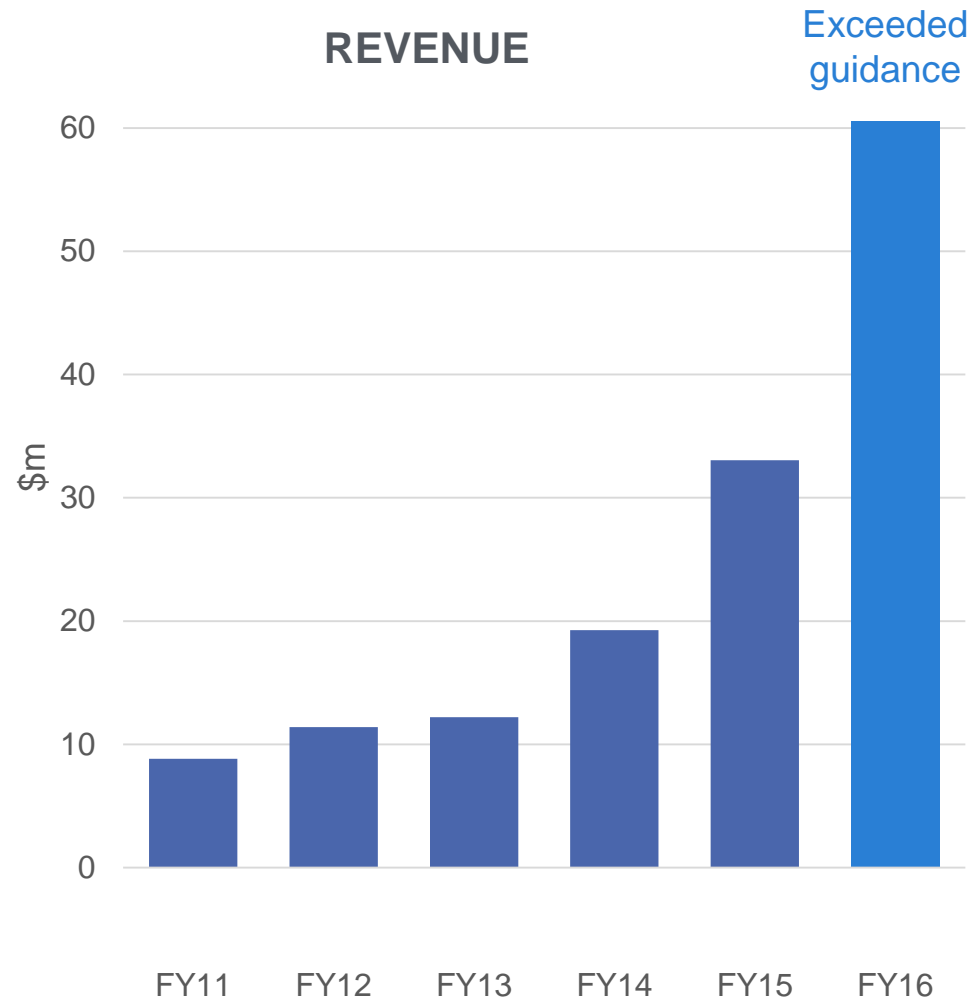
- EPS 1.26 cents per share up 58% YoY
- 5 Year EPS CAGR 325%

WE ARE

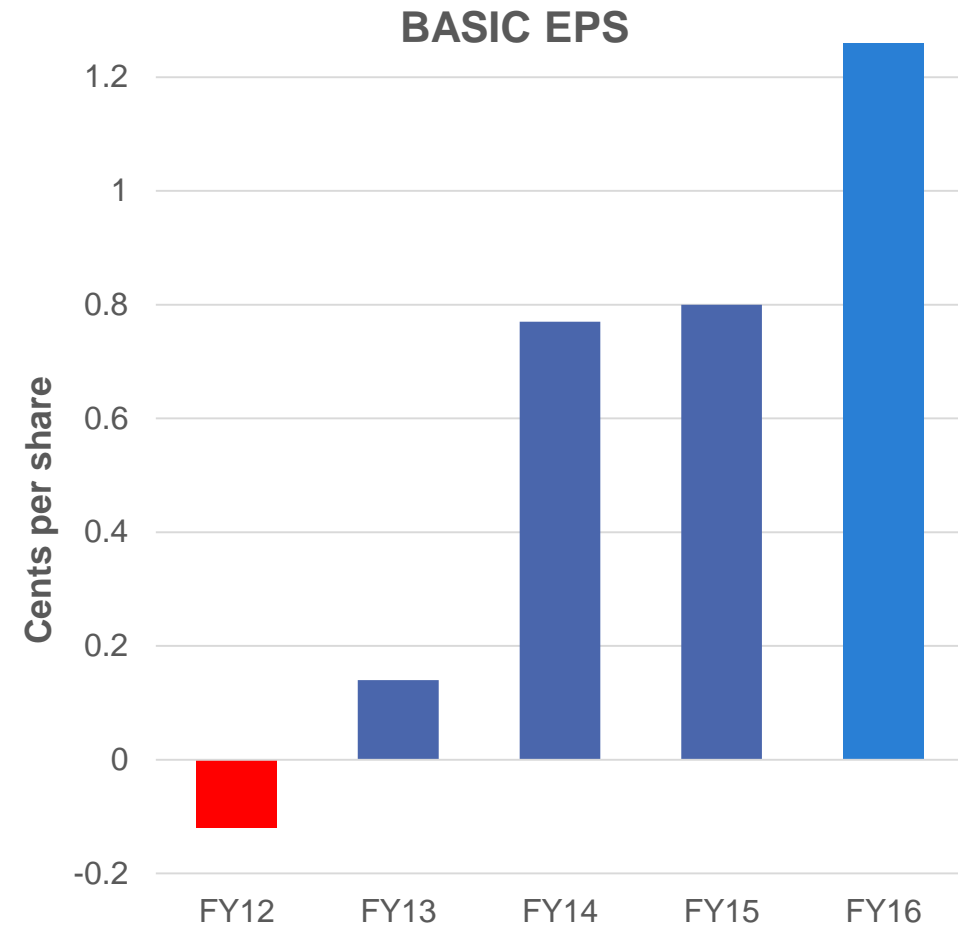
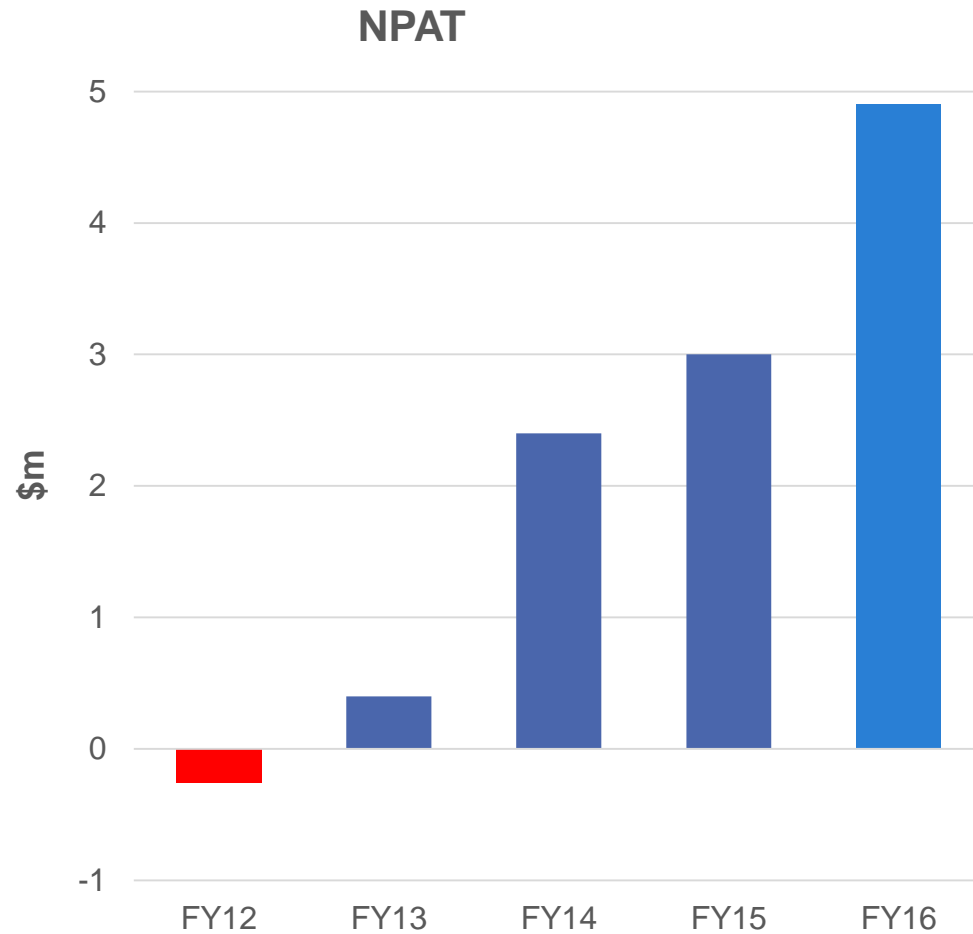
**PROVEN
PROFITABLE &
GROWING**



FINANCIAL RESULTS



NPAT AND EPS GROWTH

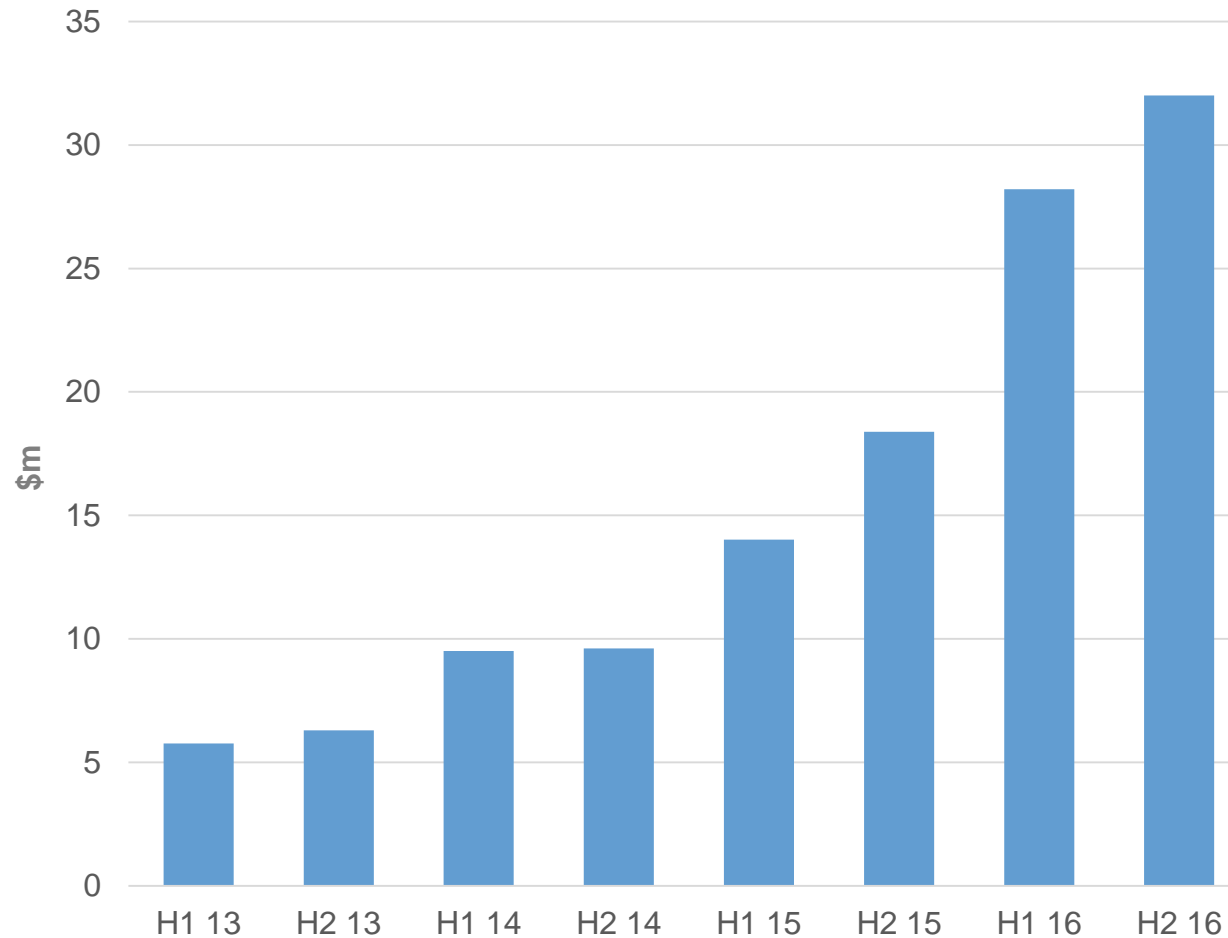


2016 FY COMPARISON



	FY12 \$m	FY13 \$m	FY14 \$m	FY15 \$m	FY16 \$m	Growth FY16 / 15	Compound Annual Growth Rate (CAGR)
Revenue	11.4	12.1	19.2	33	60.6	83%	40%
EBITDA	0.3	1.1	3.1	5.1	9.5	86%	100%
EBITDA Margin	3%	9%	16%	15%	16%	1%	40%
NPAT	(0.26)	0.4	2.4	3	4.9	63%	453%
Basic EPS (cents per share)	(0.12)	0.14	0.77	0.8	1.26	58%	325%

RECORD HALF YEAR REVENUE GROWTH



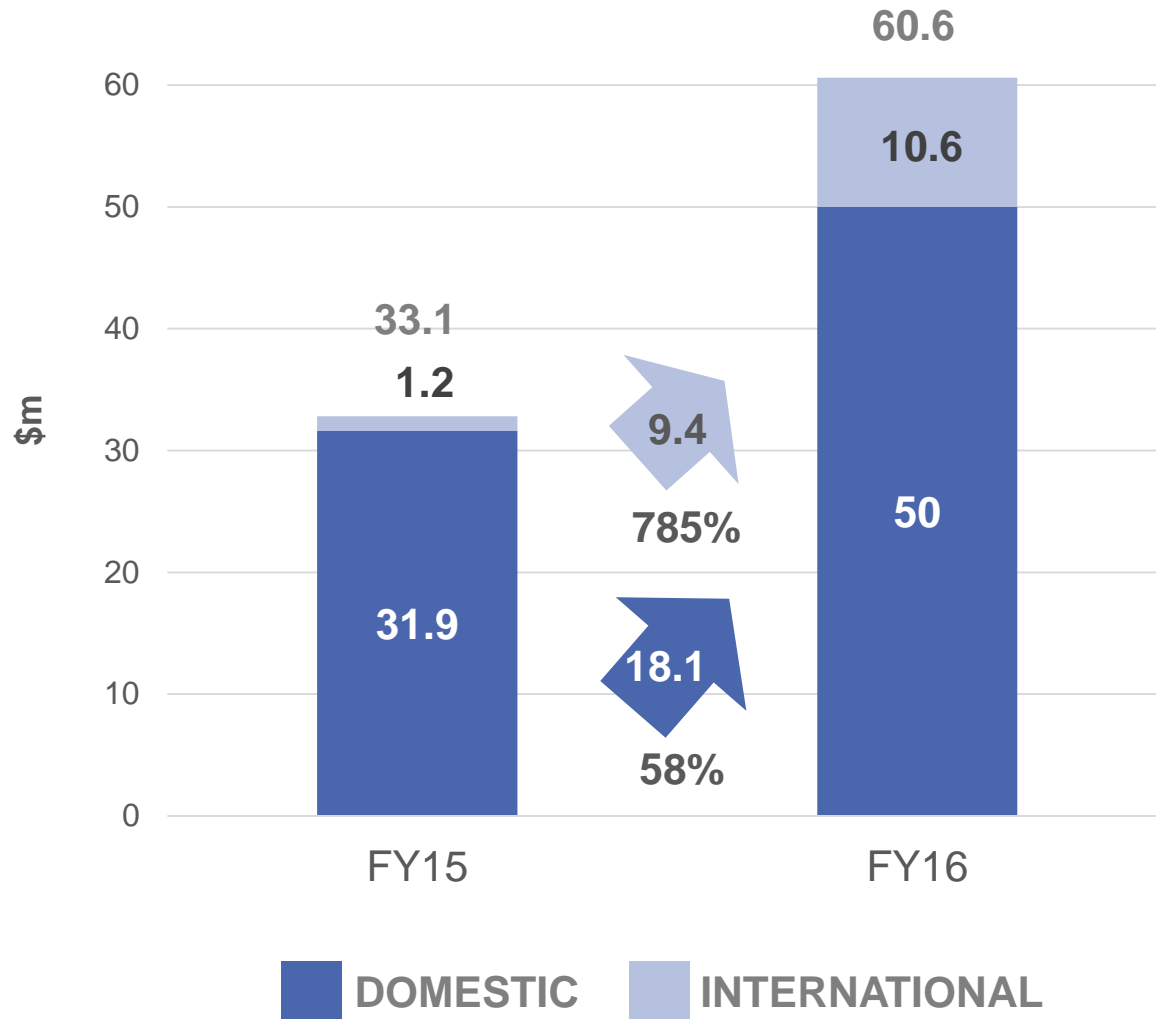
RECORD REVENUE GROWTH
H2 FY16 \$32.2m up 74% on pcip

Q4 REVENUE
\$18m up 78% on pcip

STRONG ORGANIC GROWTH
Driving predictable annuity revenue globally across the business

DELIVERING GLOBAL SCALE
Leveraging technology infrastructure to drive scalable revenue

GROUP REVENUE DOMESTIC VS INTERNATIONAL

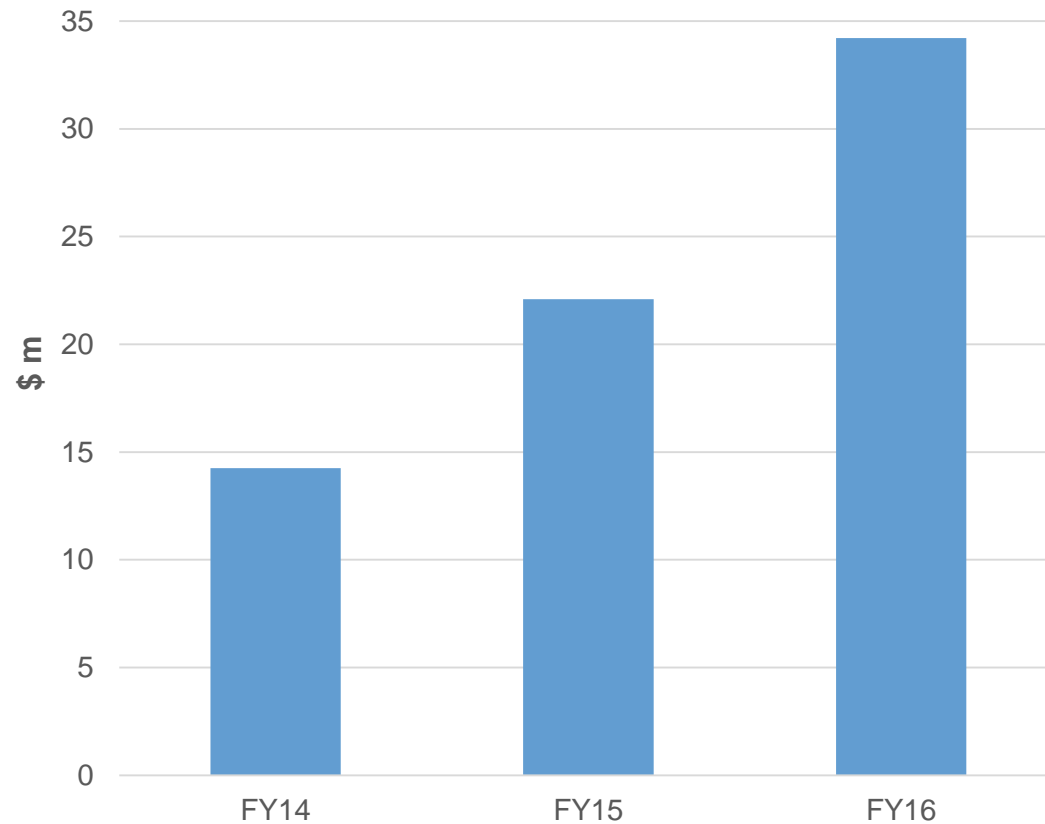


- GROUP REVENUE GROWTH**
 Group revenue grew \$27.5m (up 83%) from \$33.1m in FY15 to \$60.6m in FY16
- STRONG DOMESTIC GROWTH**
 \$18.1m (up 57%) from \$31.9m in FY15 to \$50m in FY16
- EXPONENTIAL INTERNATIONAL GROWTH**
 \$9.4m (up 883%) from \$1.2m to \$10.6m
- INTERNATIONAL EBITDA**
 International EBITDA contribution is now > 20% of total group

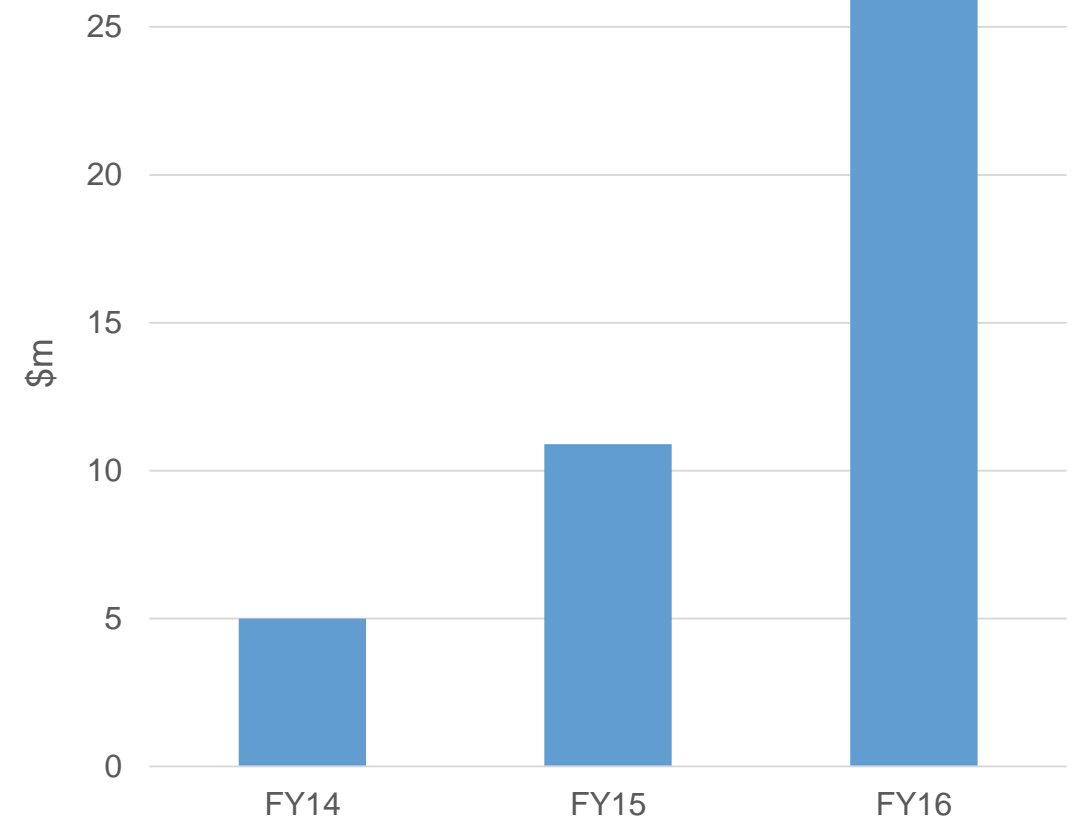
REVENUE BREAKDOWN BY TRANSACTION



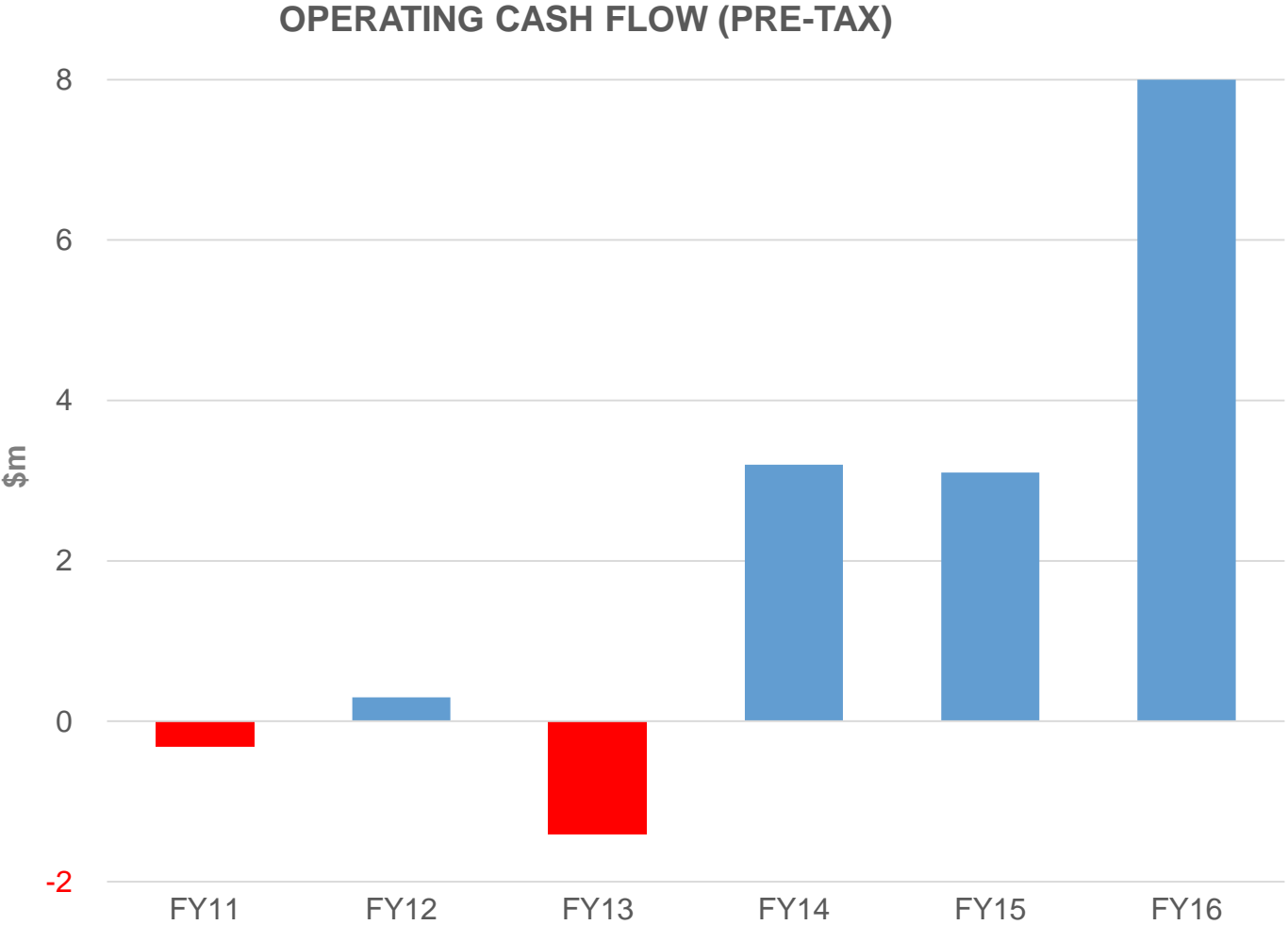
DIRECT CARRIER BILLING



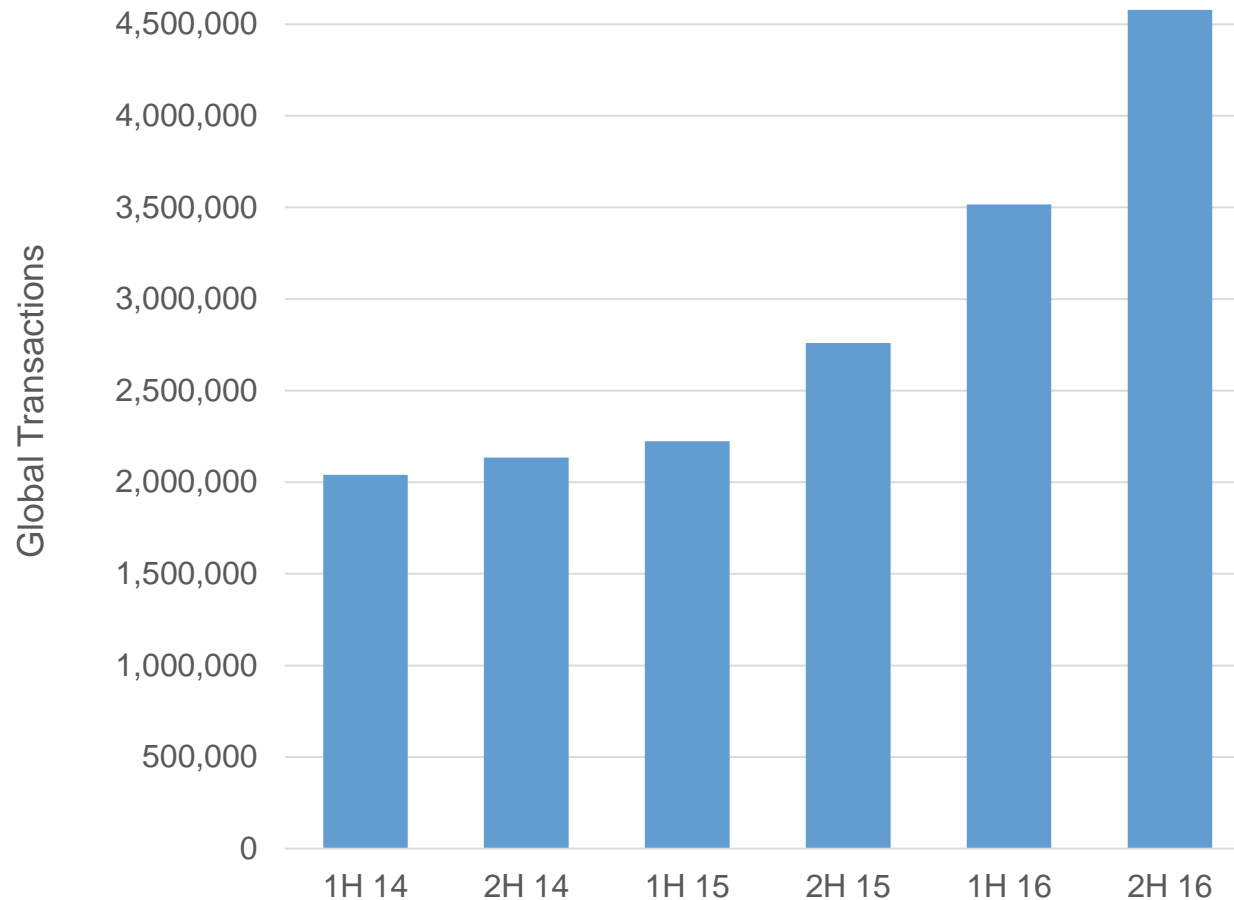
MOBILE MARKETING



CASHFLOW SUMMARY



INTERNATIONAL TRANSACTIONS GROWTH

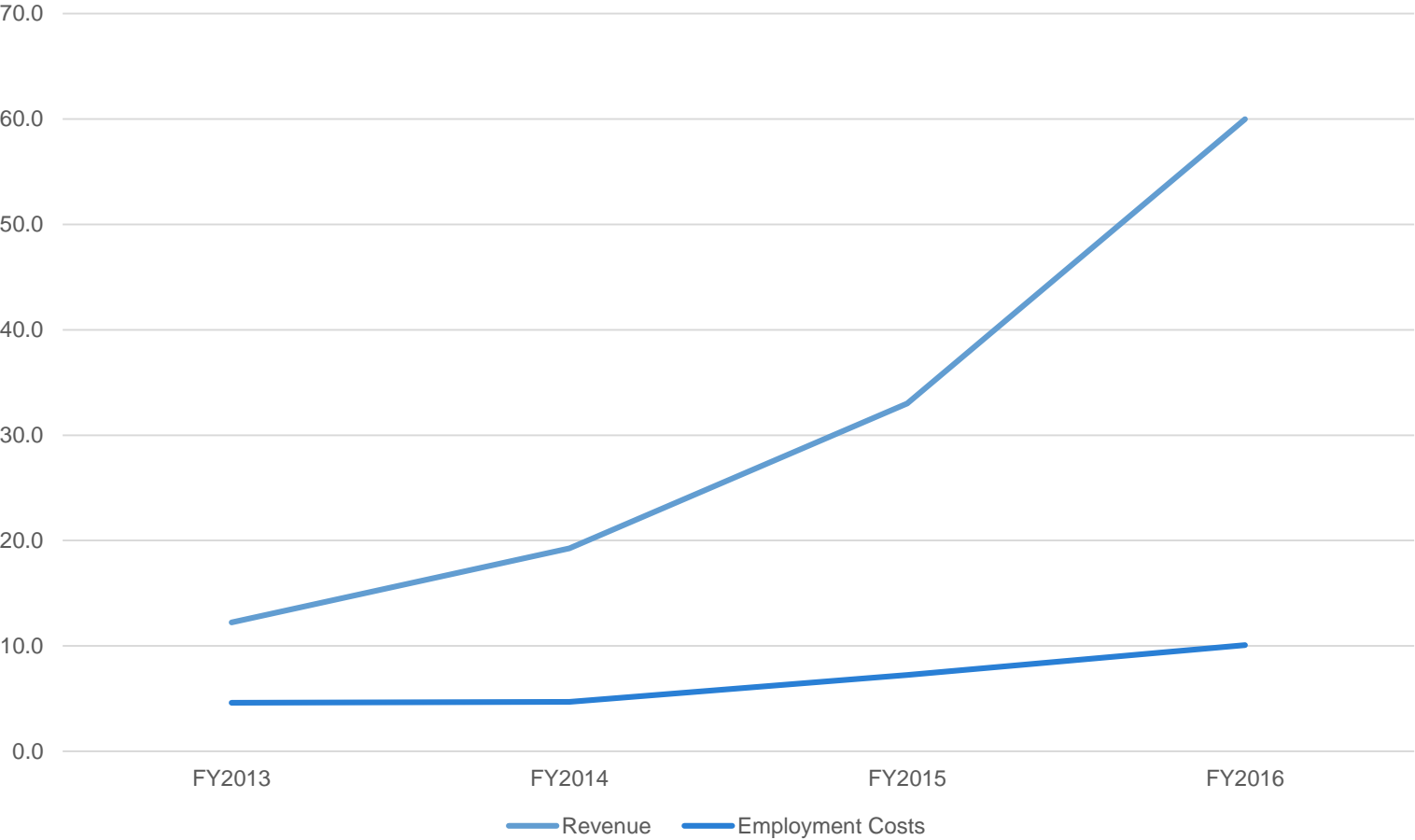


- TRANSACTIONAL VOLUMES**
 Growing globally, achieving material scale
- GLOBAL CUSTOMER ACQUISITION**
 Model proven in multiple territories in line with stated strategy
- INTERNATIONAL TERRITORIES**
 Existing agreements provide scope for expansion of carrier billing operations into a further 12 countries – new agreements pending

A SCALABLE GLOBAL BUSINESS



REVENUE vs EMPLOYMENT COST





WHO WE ARE

Mobile Embrace delivers an easy and seamless consumer engagement and transaction experience on any mobile device;

enabling us and our partners to reach and acquire customers at scale

CORPORATE OVERVIEW



ASX Code	MBE
Year End	30 June
Cash (as at 30 June)	\$18m
Market Cap (as at 5 August 2016)	\$160m
Shares on issue	444m
Options	38m
Avg daily share volume (last 3mths)	1.1m



MBE'S VALUE CHAIN



CUSTOMER TARGETING

Global Targeted Reach using:

- Media Trading / Buying Desk
- Data Management Platform
- Permission Databases
- Premium Audience Targeting

CUSTOMER ENGAGEMENT

Digital optimised call-to-action for leading-edge products across multiple verticals through:

- Creative Mechanics / Analytics
- Rich Media
- Gamification
- Landing Page Optimiser

Supported by Core
Proprietary Technology
across 11 Global Territories

CUSTOMER CARE AND LOYALTY

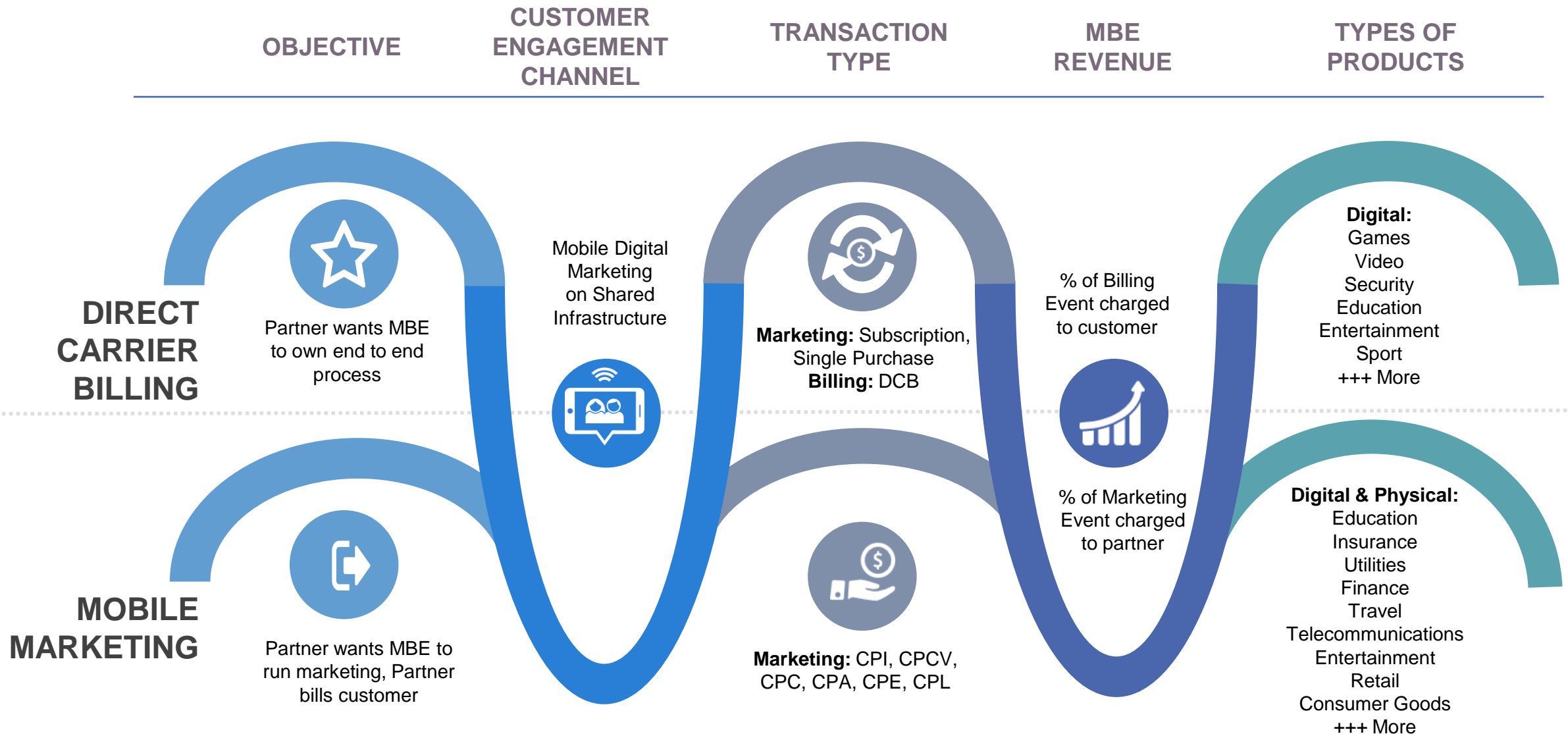
- Sophisticated Omni Channel Multi-Language Customer Care
- Strong Retention
- Increasing Lifetime Value
- Product Platform

CUSTOMER ACQUISITION

MBE delivers > 3 million transactions per month across 11 international territories via two methods:

- 1) Direct Carrier Billing (55% revenue)
- 2) Mobile Marketing (45% revenue)

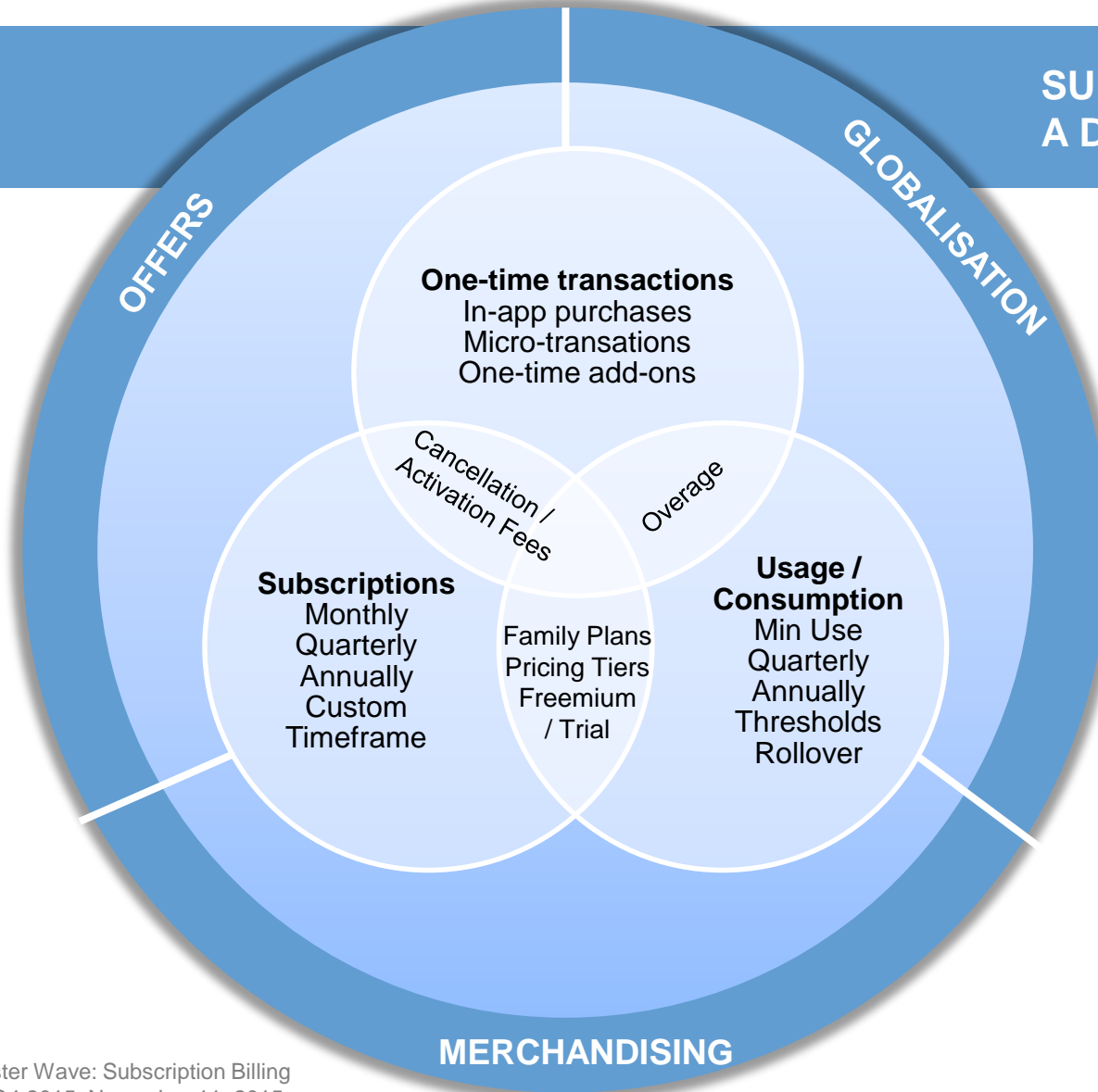
TWO TYPES OF TRANSACTIONS



THE FUTURE IS SUBSCRIPTION



SUBSCRIPTION BILLING PLATFORMS SUPPORT A DIVERSE SET OF MONETISATION MODELS ¹



DIGITAL SUBSCRIPTIONS

Consumers are willing to pay regularly for quality mobile digital products and content

THE MODEL WORKS

Spotify, Netflix, Foxtel, SMH, News Ltd, Premier League, Apple and Google App Stores

BILLING MADE EASY

Subscription payment made seamless with direct carrier billing straight to customers mobile phone bill

DELIVERS GLOBAL SCALE

Scalable, repeatable, transportable. Leverage cloud based technology to drive global recurring revenues

RIGHT PLACE, RIGHT TIME

MBE is strongly positioned to grow subscription-based business globally via DCB with expanding major Telco partners

¹The Forrester Wave: Subscription Billing Platforms, Q4 2015: November 11, 2015.

QUALITY PRODUCTS



A SELECTION OF OUR PRODUCTS

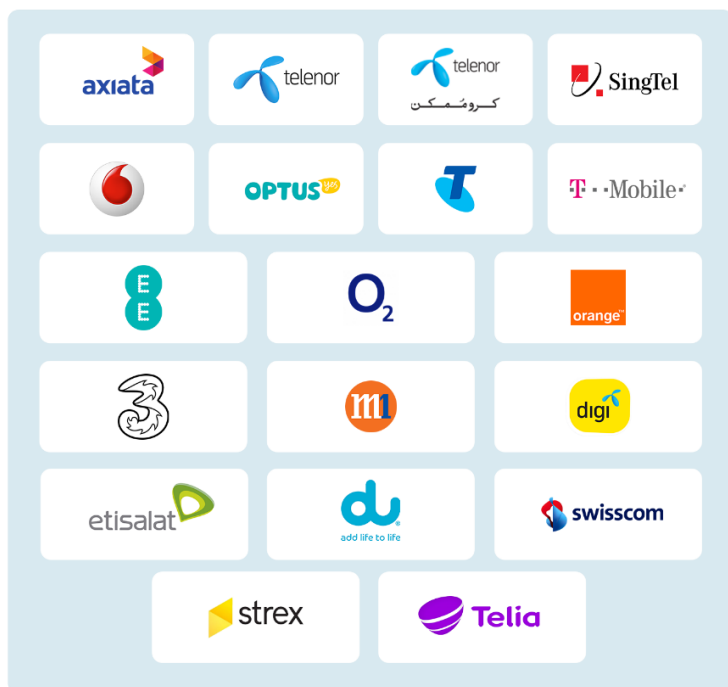
Subscription services driving strong annuity revenue

- VIDEO-ON-DEMAND**
Short-form VOD content across multiple genres
- MOBILE SECURITY**
Virus and malware protection on your mobile devices
- FITNESS**
Manage your health and fitness with our fitness tracker
- GAMES**
Huge selection of quality games
- EDUCATION**
Educational games for students
- SPORTS**
Watch some of your favourite sport at anytime

OUR MOBILE CARRIER, BRANDS AND PUBLISHER PARTNERS



WE HAVE BUILT A UNIQUE WORLD-CLASS INTEGRATED DIGITAL MARKETING AND
DIRECT CARRIER BILLING INFRASTRUCTURE



CARRIER PARTNERS

Integrated with some of the world's largest carriers
to provide Direct Carrier Billing to their customers



BRANDS

Delivering customers for over 200 brands and
agencies globally



PUBLISHERS

Working with hundreds of brands and agencies,
delivering incremental revenue to quality publishers

GLOBAL DCB EXPANSION



GLOBAL REACH

MBE is live with 20 major telco partners in 8 countries with a reach of over 200 million customers

FY17

Existing agreements provide scope for expansion of carrier billing operations into a further 12 countries – new agreements pending

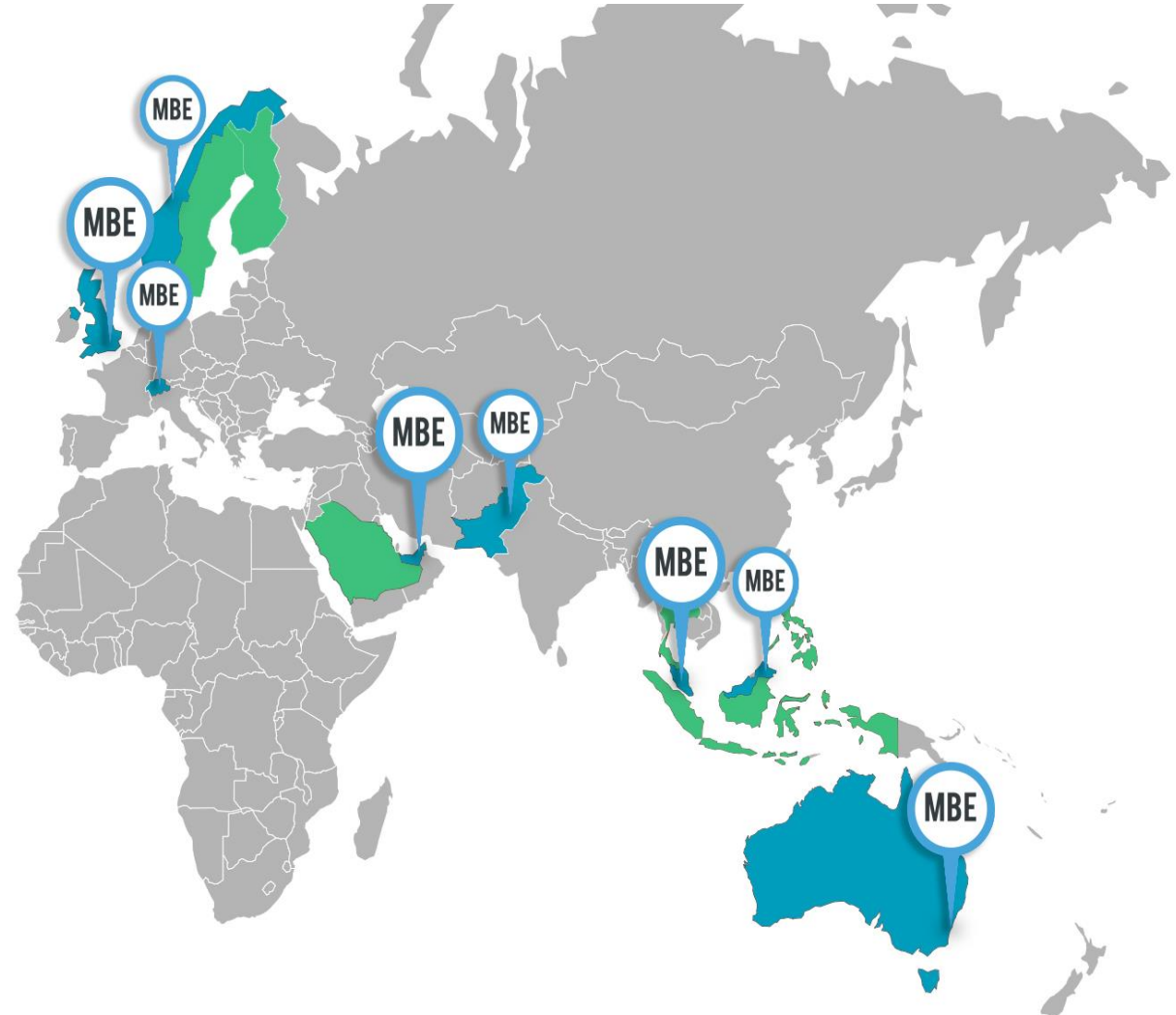
FURTHER EXPANSION

Targeting further expansion in Asia and Middle East

Key:

LIVE MARKETS

FT17 PLANNED
LAUNCH



SOUTH EAST ASIA DCB EXPANSION



CURRENT SOUTH
EAST ASIA REACH

18.2m



PLANNED SOUTH EAST
ASIA REACH

18.2m → 490m

BUSINESS SENSITIVITIES



MARKET

Fluctuation in mobile advertising spend, effective access to inventory, business spend on mobile / digital or consumer sentiment

Lumpiness that can come from campaign sales or change in spending patterns, changing market conditions or technologies that may impact access

Forex Hedging Strategies in place

Cash conservatively managed

TECHNOLOGY

Competitive technologies

Risk that new technologies emerge that impact competitive advantage or market environment

Carrier support of billing platforms

Carriers changing their support for carrier billing of mobile products and services

Programmatic Platforms

Use of platforms for purchase/pricing of ad inventory negatively impacting demand or access for mobile advertising

COMPETITORS

New competitive market entrants

Risk that new competitors enter market with a similar business

Marketing channels, New Product and Billing channel performance

Non-performance of marketing channels or disinterest in products by consumers

REGULATION

Regulation

Changes in rules around the regulation of mobile products and services and digital marketing

Restrictions in handset platform access – e.g. Apple's current ecosystem

Handset manufacturers or mobile platform developers restricting consumer access to products and services



WE ARE

**SET UP FOR
SUCCESS**

GROWTH DRIVERS



SCALABLE

Highly scalable business requiring low CAPEX with significant margin and free cash flow potential



CUSTOMER-CENTRIC

Capitalising on the massive consumer shift to mobile devices



TECHNOLOGY

Rapidly increasing number of businesses needing to leverage mobile for their customers



GLOBAL

Exporting our Australian proprietary technology globally;
Opening the door to over 1 billion mobile consumers in SE Asia



PARTNERSHIPS

Perfectly positioned to support carriers' need to increase ARPU, Customer retention and Data usage



THREE YEAR STRATEGY



DIRECT CARRIER BILLING

Launch DCB to addressable markets in SE Asia, Europe plus other target markets (>1bn) with a simple, seamless customer engagement and transaction experience

MARKETING CHANNELS

Increasing ownership and diversity of marketing channels, expanding customer reach and scale

PERFORMANCE MARKETING

Launch MBE's Performance Marketing business into new markets to target, measure and grow large customer databases

TECHNOLOGY

Enhance our technology assets to further strengthen our competitive advantage and drive scalable revenue

WHY INVEST IN MOBILE EMBRACE



01 PROVEN

A global Direct Carrier Billing and mobile marketing footprint that is highly profitable, scalable, unique, with large scale value yet to be unlocked

02 WELL-PLACED FOR FUTURE GROWTH

MBE is in a unique position, perfectly placed to grow the business model globally with mobile now being the consumers #1 access point to the internet



03 STRONG TECHNOLOGY

Proven global leading proprietary IP technology core

04 IN GOOD HANDS

Highly experienced, consistent and trusted management team

05 FINANCIALLY STRONG

Consistent track record and a robust balance sheet with sound predictable financial metrics

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