
MOBILE EMBRACE

ASX: FY 2016 Results
MBE Chris Thorpe, CEO



REACH



ENGAGE



TRANSACT



EMBRACE



TABLE OF CONTENTS



2016 FY RESULTS

- 1. PROVEN, PROFITABLE, GROWING:
2016 FY RESULTS p 5-13
- 2. WHO WE ARE p 14- 23
- 3. SET UP FOR SUCCESS p 24-28

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%

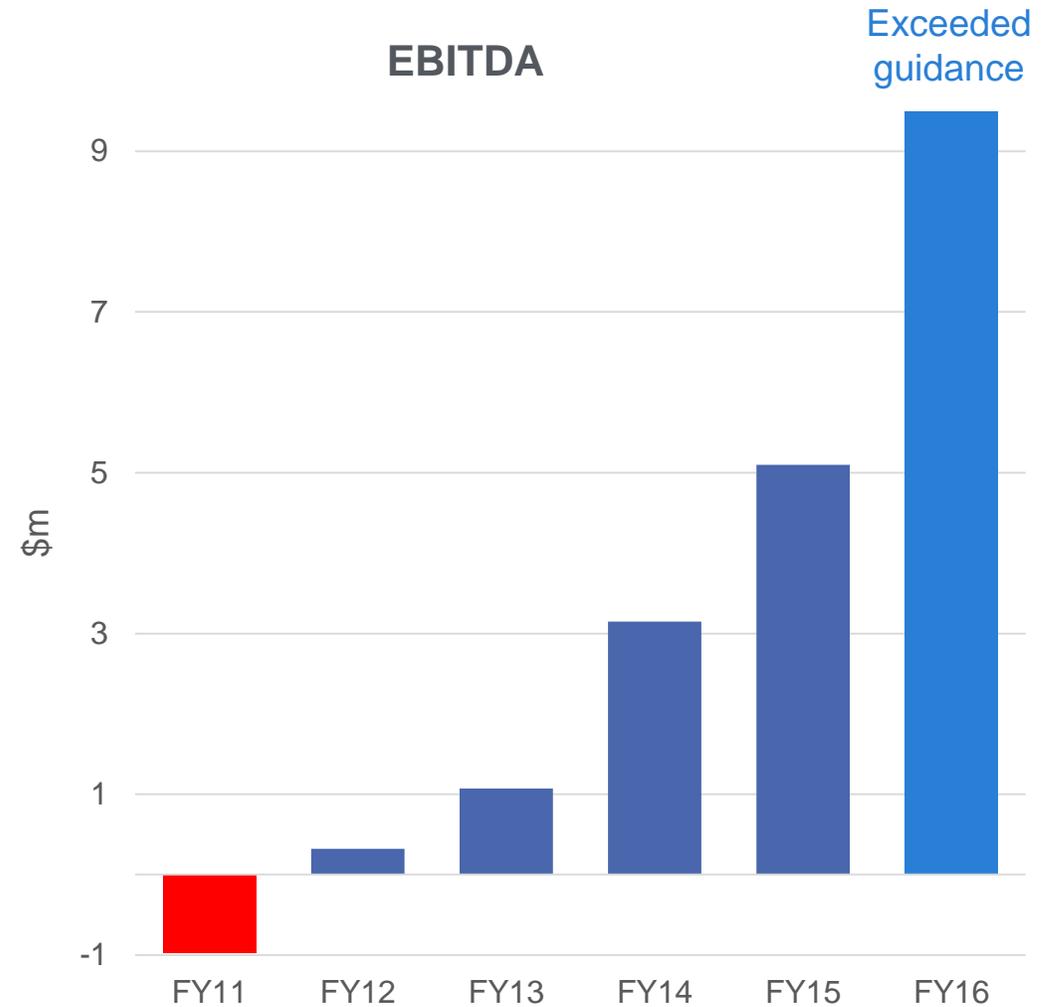
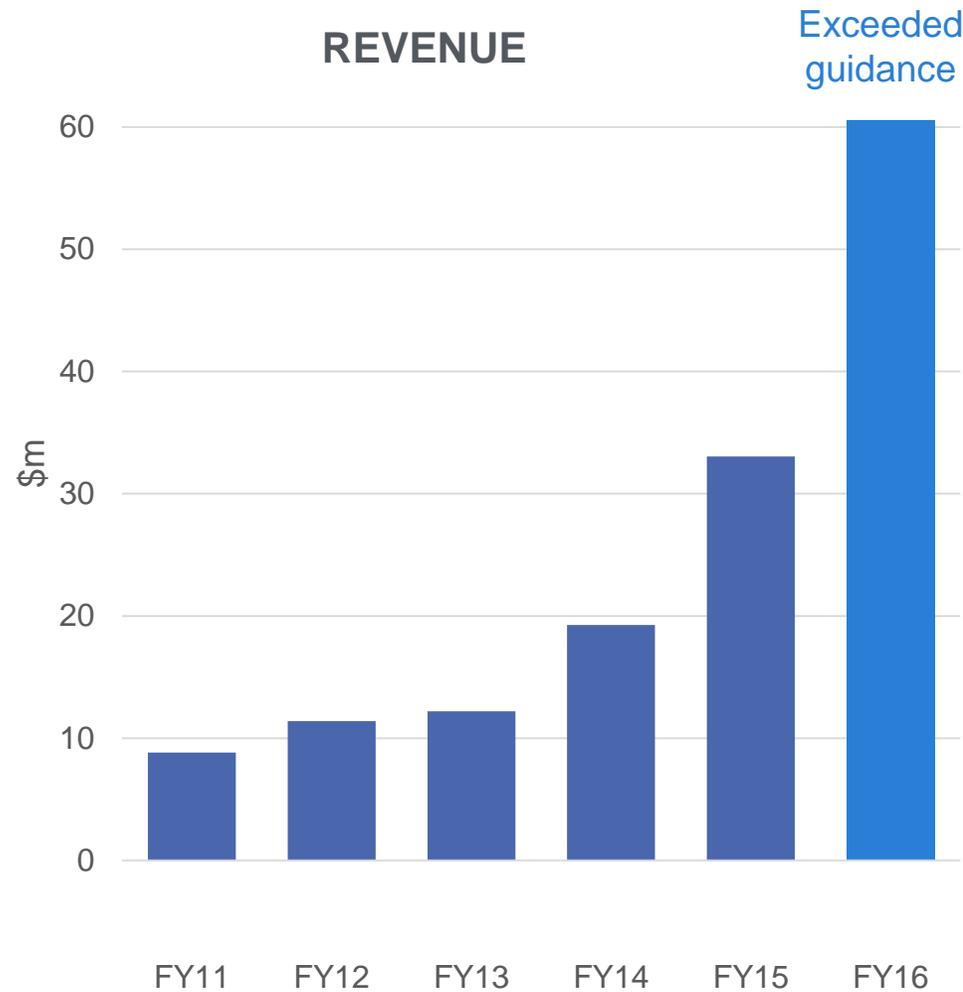


WE ARE

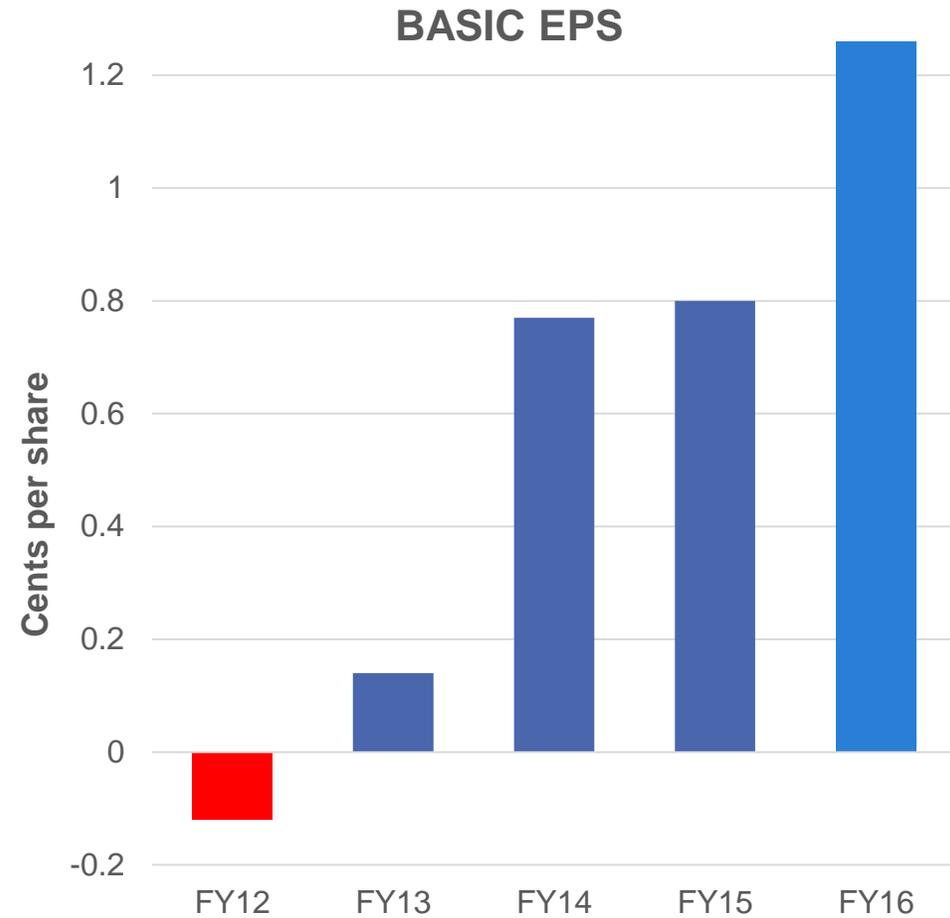
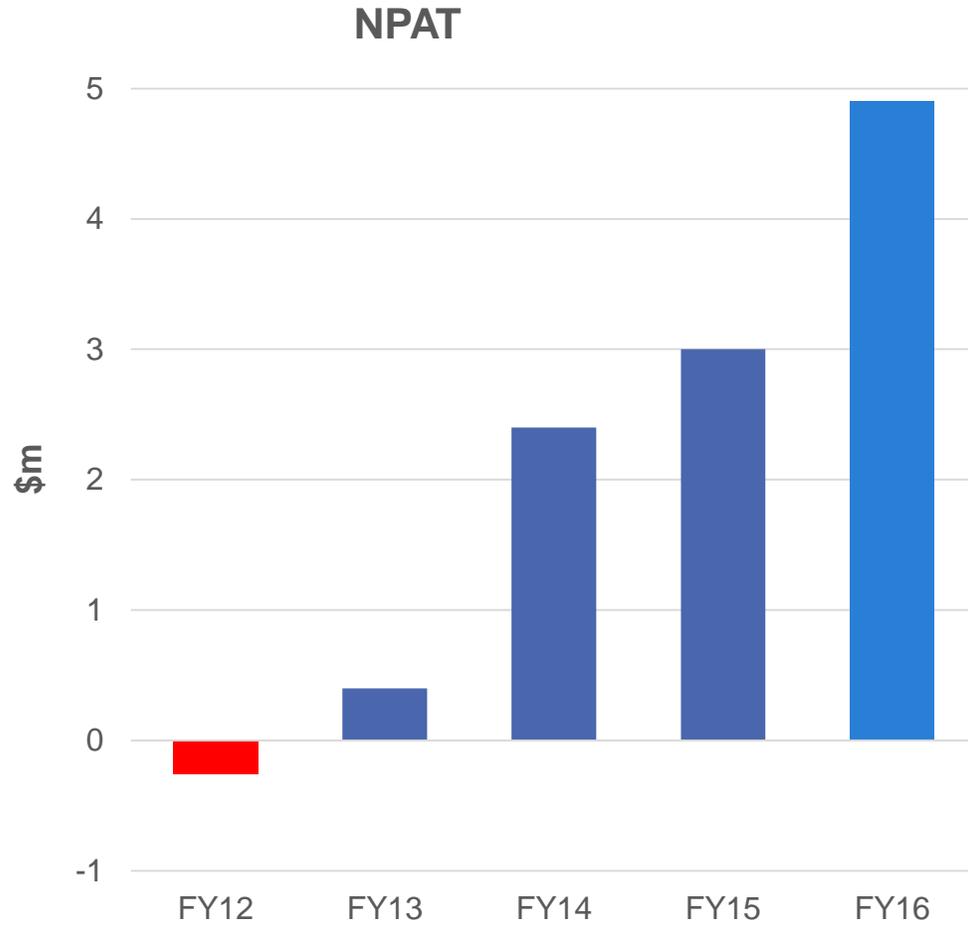
**PROVEN
PROFITABLE &
GROWING**



FINANCIAL RESULTS



NPAT AND EPS GROWTH

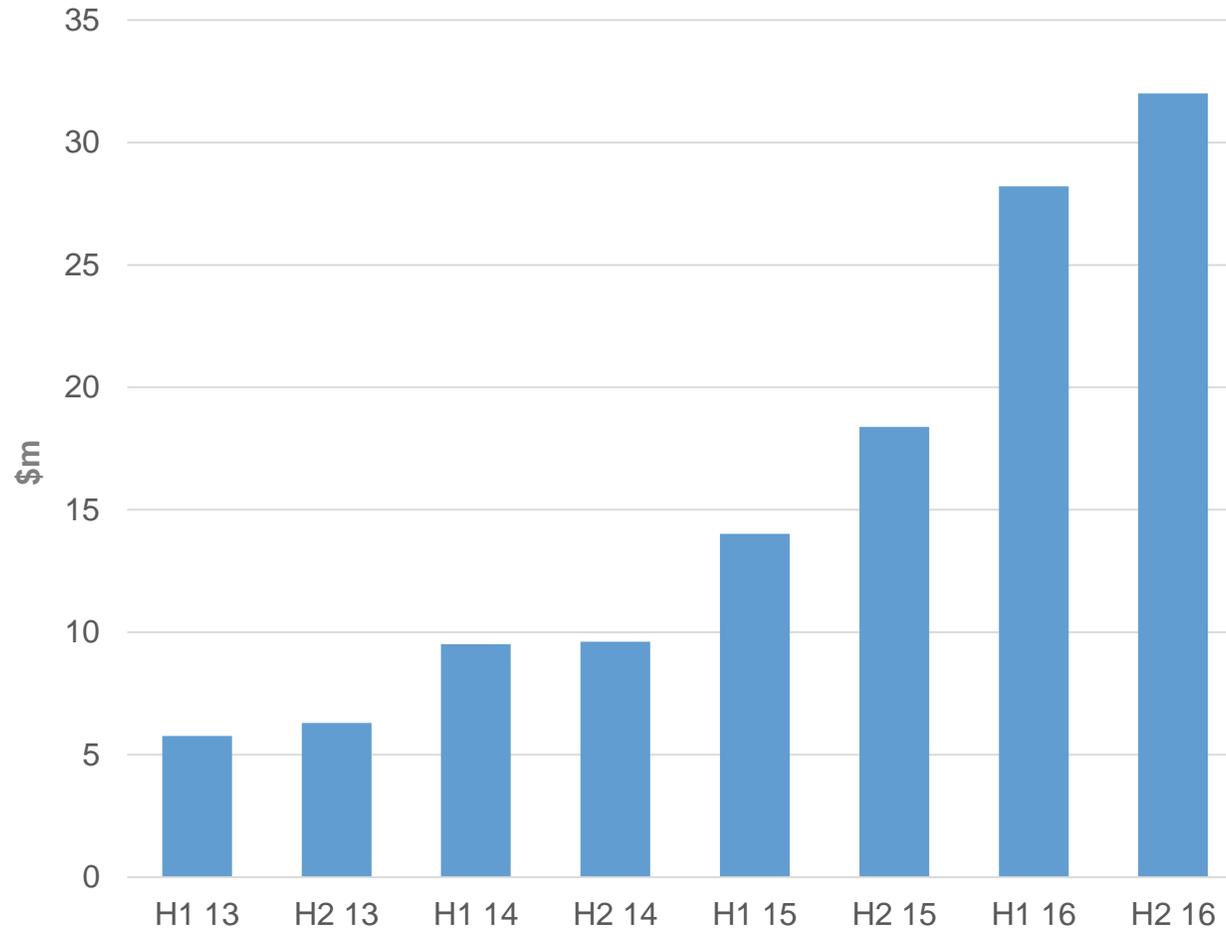


2016 FY COMPARISON



	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



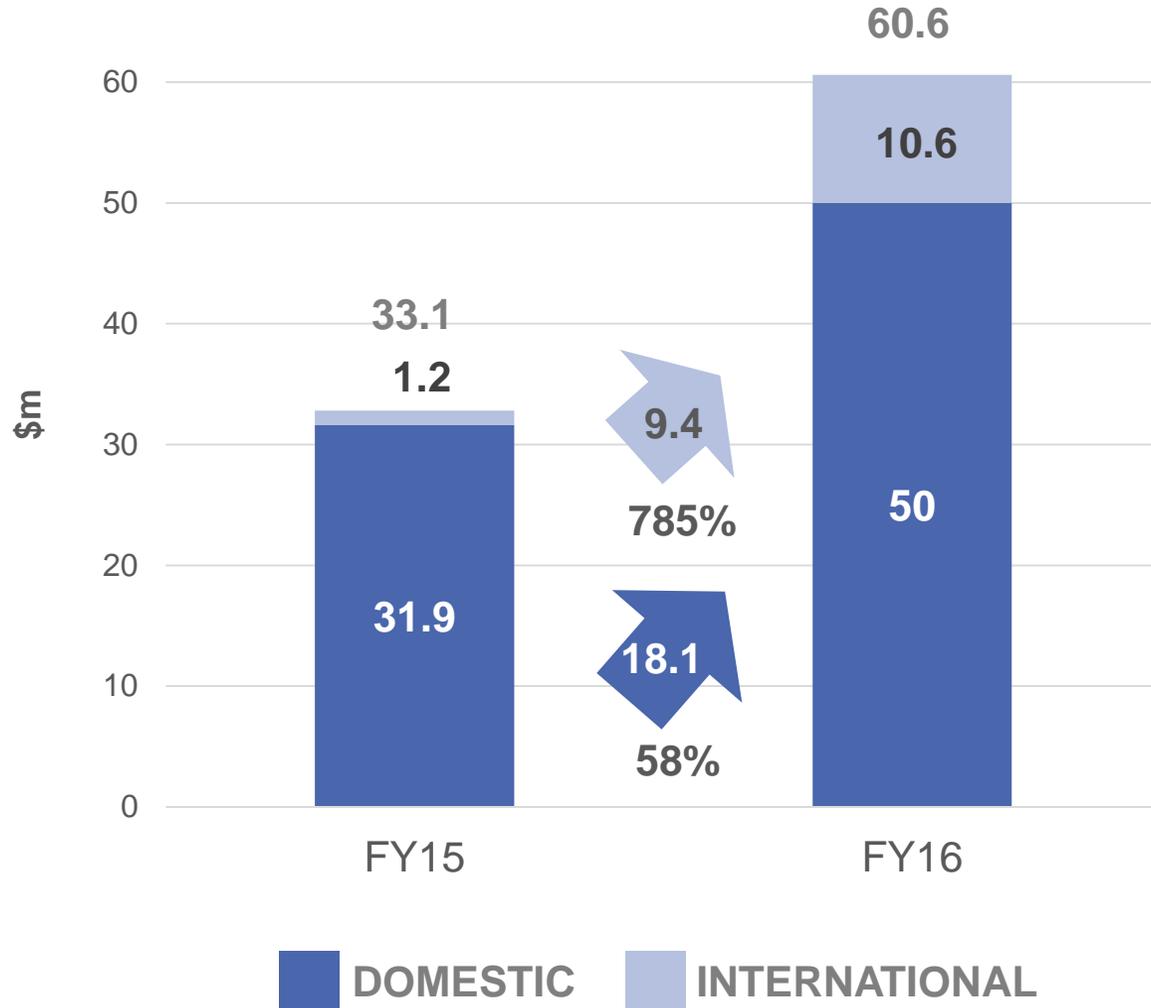
RECORD REVENUE GROWTH
H2 FY16 \$32.2m up 74% on pcp

Q4 REVENUE
\$18m up 78% on pcp

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

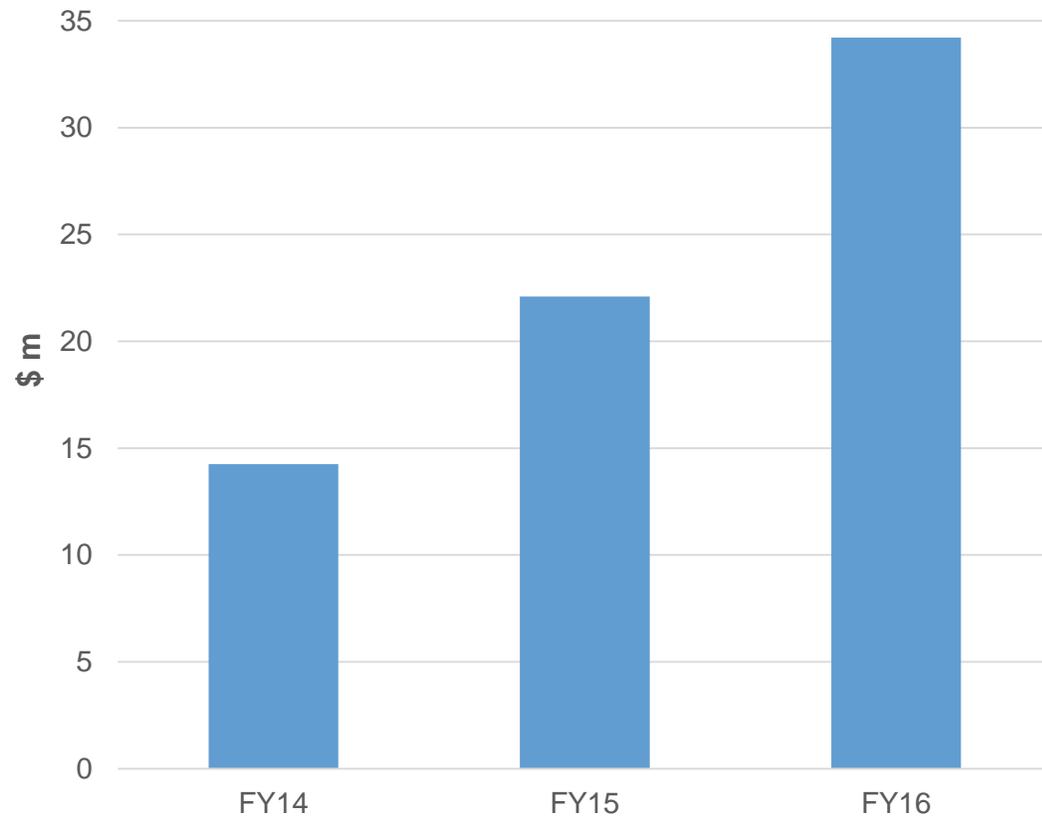


- GROUP REVENUE GROWTH**
 Group revenue grew \$27.5m (up 83%) from \$33.1m in FY15 to \$60.6m in FY16
- STRONG DOMESTIC GROWTH**
 \$18.1m (up 57%) from \$31.9m in FY15 to \$50m in FY16
- EXPONENTIAL INTERNATIONAL GROWTH**
 \$9.4m (up 883%) from \$1.2m to \$10.6m
- INTERNATIONAL EBITDA**
 International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

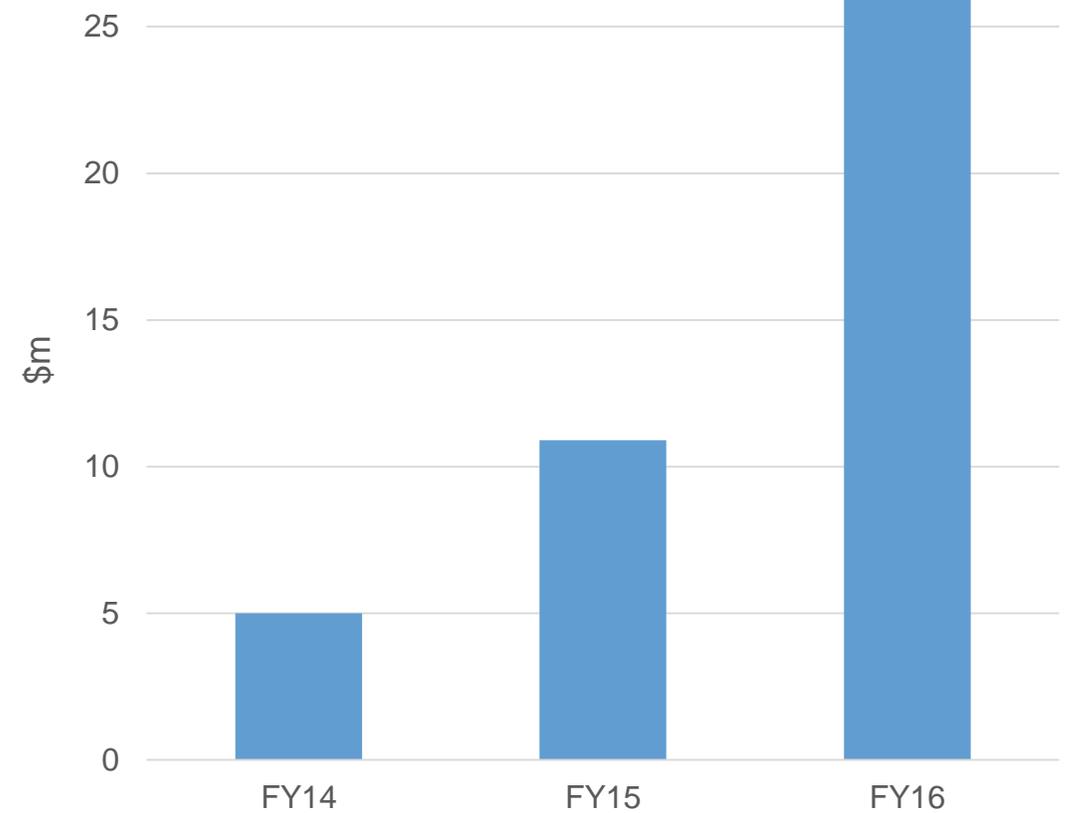
REVENUE BREAKDOWN BY TRANSACTION



DIRECT CARRIER BILLING



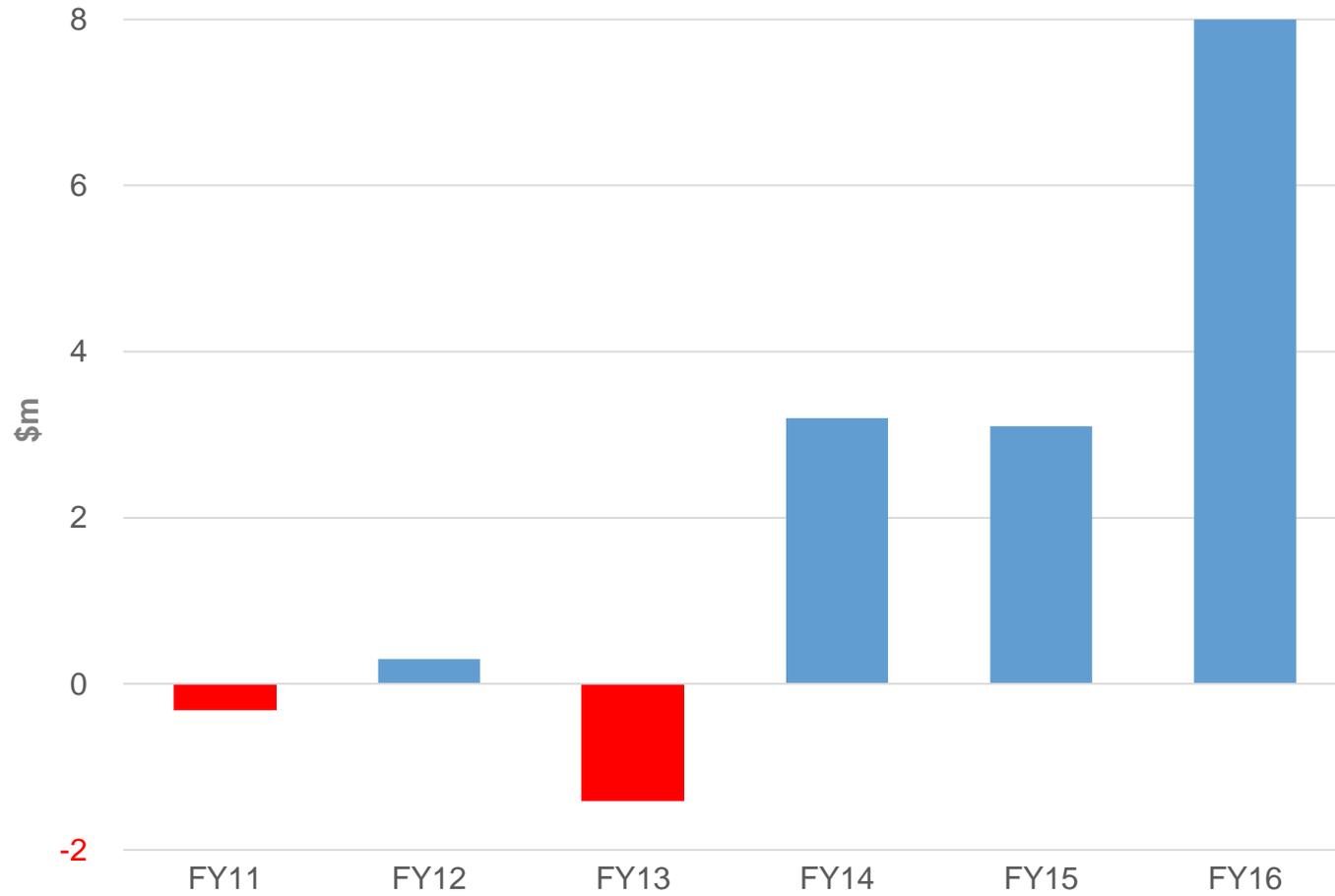
MOBILE MARKETING



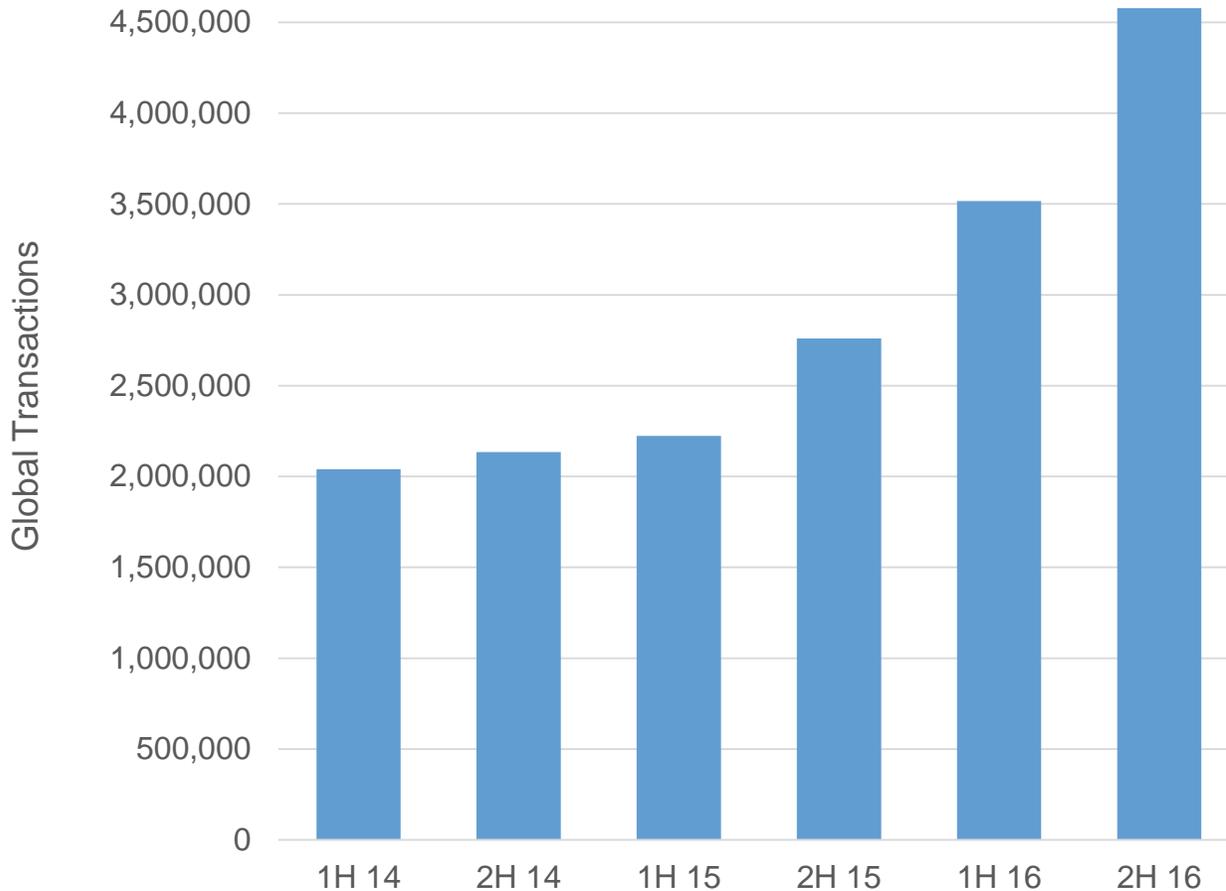
CASHFLOW SUMMARY



OPERATING CASH FLOW (PRE-TAX)



INTERNATIONAL TRANSACTIONS GROWTH

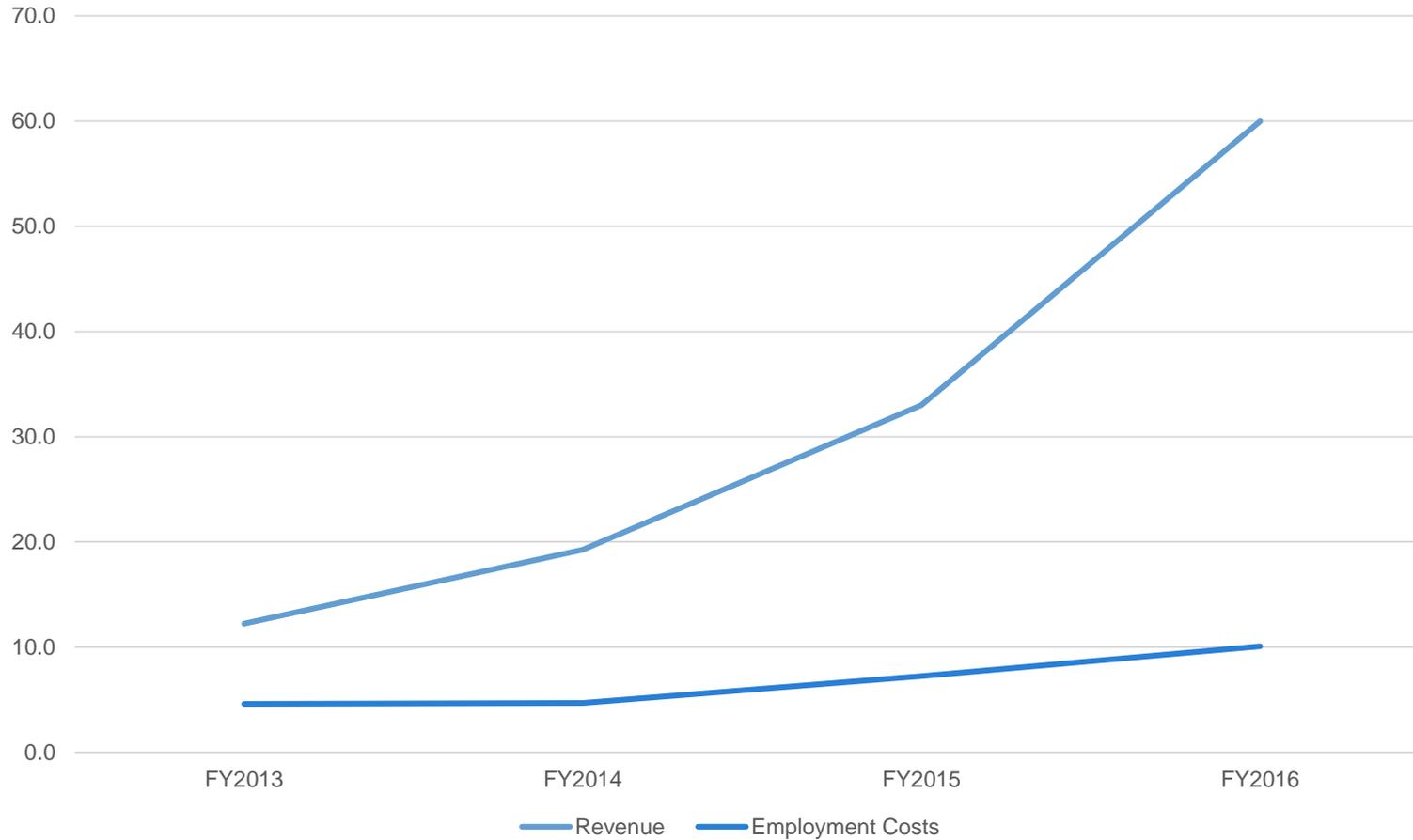


- TRANSACTIONAL VOLUMES**
Growing globally, achieving material scale
- GLOBAL CUSTOMER ACQUISITION**
Model proven in multiple territories in line with stated strategy
- INTERNATIONAL TERRITORIES**
Existing agreements provide scope for expansion of carrier billing operations into a further 12 countries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



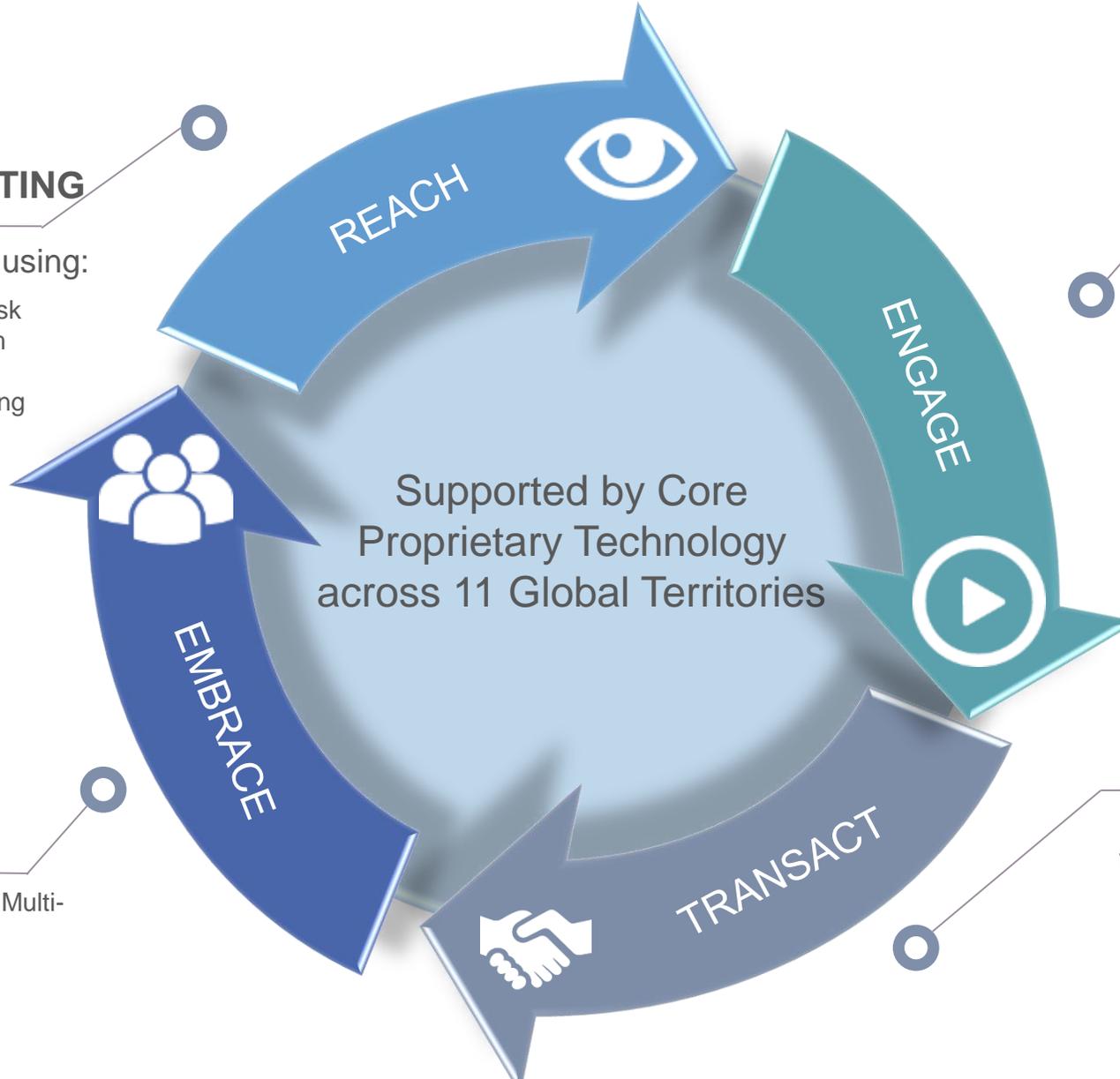
CUSTOMER TARGETING

Global Targeted Reach using:

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

CUSTOMER CARE AND LOYALTY

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



CUSTOMER ENGAGEMENT

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

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

CUSTOMER ACQUISITION

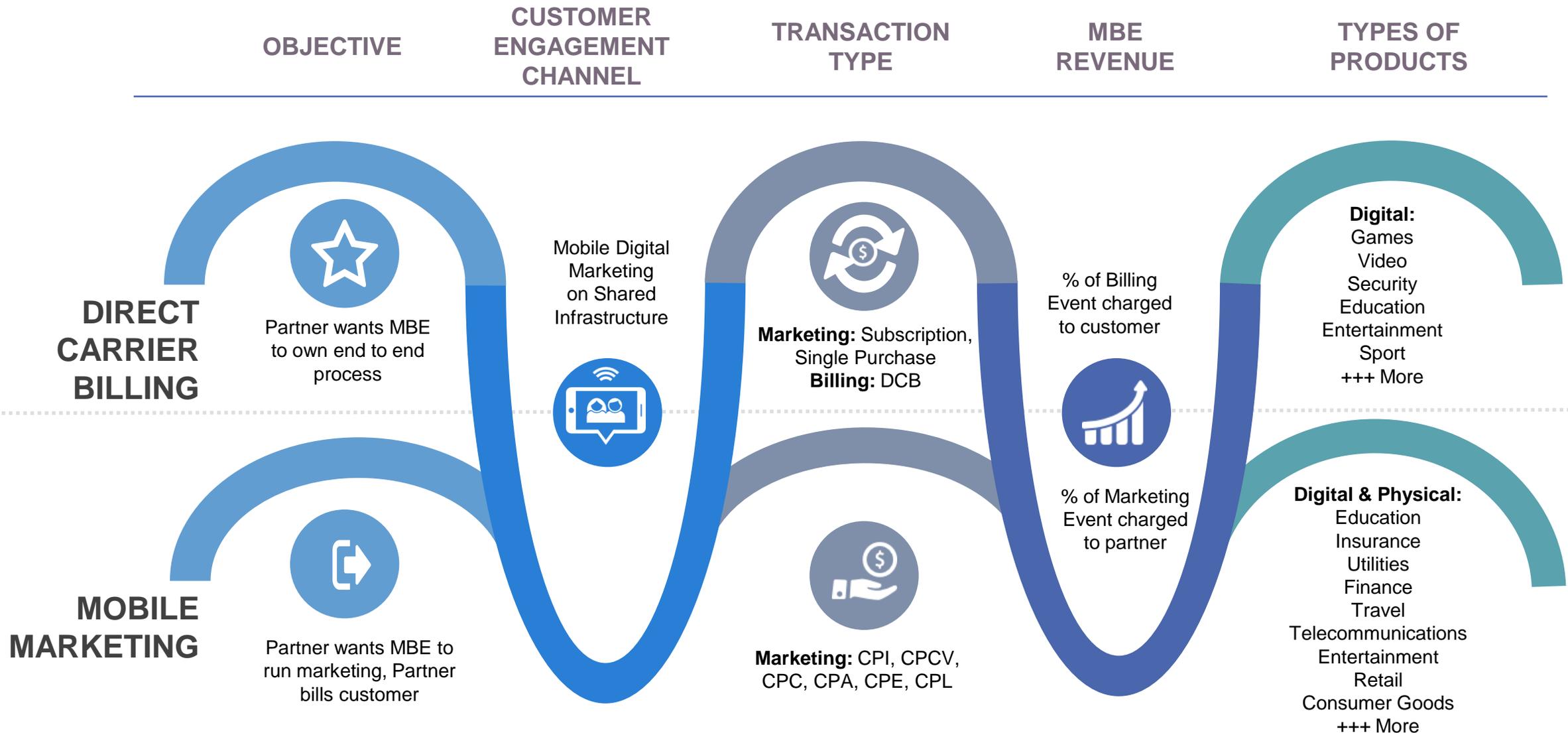
MBE delivers > 3 million transactions per month across 11 international territories via two methods:

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

TWO TYPES OF TRANSACTIONS



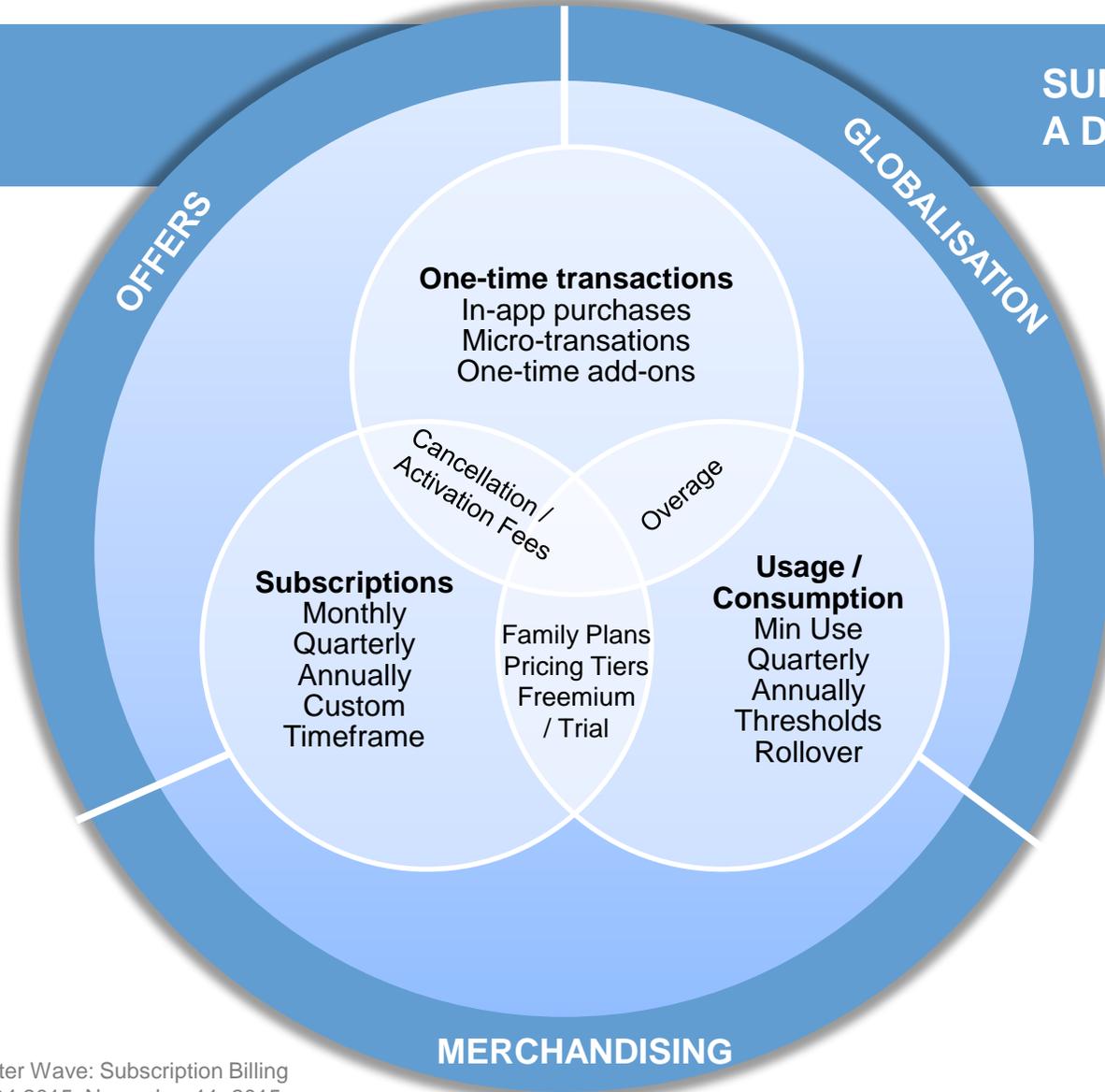
REACH ENGAGE TRANSACTION EMBRACE



THE FUTURE IS SUBSCRIPTION



SUBSCRIPTION BILLING PLATFORMS SUPPORT A DIVERSE SET OF MONITISATION 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.



A SELECTION OF OUR PRODUCTS

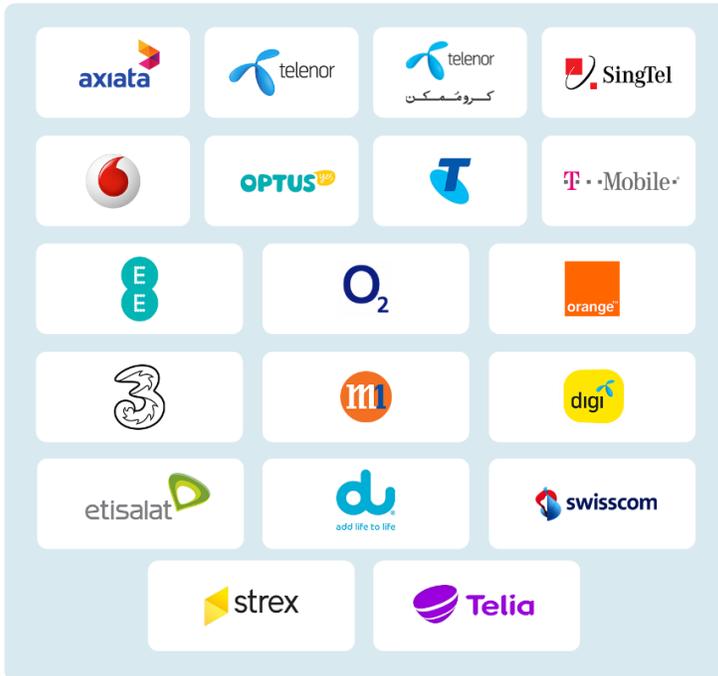
Subscription services driving strong annuity revenue

- 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

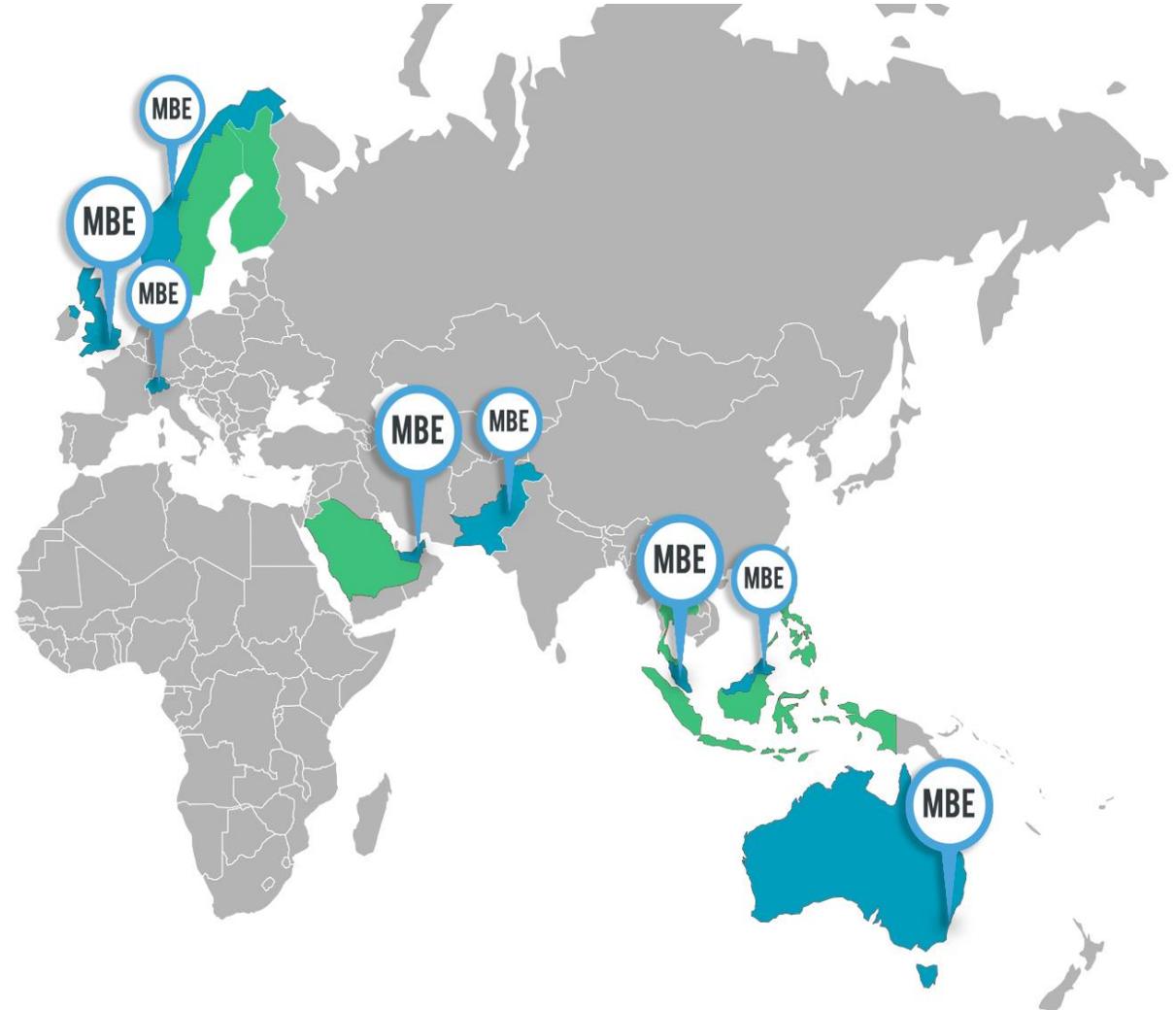
FURTHER EXPANSION

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

DISCLAIMER

- This presentation has been prepared by Mobile Embrace Limited (ABN 24 089 805 416) (**MBE**). Each recipient of this presentation (**Recipient**) is deemed to have agreed to accept the qualifications, limitations and disclaimers set out below.
- MBE and its subsidiaries, directors, officers, employees, advisers or representatives (together, **Beneficiaries**) make no representation or warranty, express or implied, as to the accuracy, reliability or completeness of any information contained in this presentation, including any forecast or prospective information. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this presentation is, or is based upon, information that has been released to the market. For further information, please see past announcements released by MBE to ASX.
- The forward-looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Beneficiaries. Actual future events may vary materially from the forward looking statements and the assumptions on which those statements are based. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Similarly, statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Such statements may cause the actual results or performance of MBE to be materially different from any future results or performance expressed or implied by forward-looking statements. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements speak only as of the date of this presentation.
- MBE disclaims any intent to, and does not promise or undertake to, update publicly any forward-looking statements or any other content of this presentation, whether as a result of new information, future events or results or otherwise.
- This presentation is a general overview only, it does not take into account the individual investment objectives, financial situation or particular needs of any person, and it does not purport to contain all the information that may be required to evaluate an investment in MBE. The information in this presentation is provided personally to the Recipient as a matter of interest only. It does not amount to an express or implied recommendation with respect to any investment in MBE, nor does it constitute investment, legal, tax or other advice. The Recipient, intending investors and their respective advisers, should: (a) conduct their own independent review, investigations and analysis of MBE, and of the information contained or referred to in this presentation; and (b) seek professional advice as to whether an investment in the securities of MBE is appropriate for them, having regard to their personal objectives, risk profile, financial situation and needs.
- Nothing in this presentation is or is to be taken to be a solicitation, offer, invitation or other proposal to subscribe for MBE securities. This presentation does not and will not form part of any contract for the acquisition of MBE securities. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and persons who come into possession of this presentation in such jurisdictions should seek advice on and observe any such restrictions.
- Except insofar as liability under any law cannot be excluded, none of the Beneficiaries shall have any responsibility or liability for any information contained in this presentation or in any other way for errors or omissions (including responsibility to any persons by reason of negligence).