



ASX Announcement/Media Release

Melbourne IT (ASX: MLB)

12 May 2015

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INVESTOR PRESENTATION

Please find attached a copy of the presentation to be delivered at the Investor Presentations which will be held in Melbourne and Sydney on 12th and 13th May 2015, respectively.

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ENDS

About Melbourne IT

Melbourne IT (ASX:MLB) helps organisation of all sizes to successfully conduct business online. Our complete portfolio of Internet-based technology services drives business effectiveness and profitability for our customers.

The breadth of Melbourne IT's offering extends from helping small businesses build an online presence through to managing the complex web environments of large enterprises and governments.

Melbourne IT's culture of integrity, innovation, collaboration and customer centricity has been built by more than 300 employees spread across Australasia and the United States. For more information, visit www.melbourneit.info.

MAY 2015

INVESTOR PRESENTATION



*Transforming MIT into a
growing solution led business
with higher quality earnings*

VISION AND STRATEGY

The Internet is *revolutionising* the way business is done.

Everything MIT does *enables* businesses to be successful online.

We are the designers, the engineers and the operators of the most effective *online solutions*.

Transforming MIT into a growing *solution led business* with higher quality earnings.

We are focussed on delivering strong free cash flows and enhancing *returns* to shareholders.

STRATEGIC PRIORITIES AND OUTLOOK

FOUR KEY PRIORITIES

1. **Realising integration synergies.** Well advanced and on track.
 2. **Arresting revenue decline in SMB and returning the business to growth.** “.COM.AU” sales, DIFM web design & social marketing are key metrics.
 3. **Continued development of the ‘solutions’ segment.** Market 4x larger than MLBs original components market. Investing for growth: \$2m in sales and marketing in FY15, attractive pay back in FY16/17.
 4. **Continued development of ES managed services,** managed services revenue now growing faster than the decline in traditional infrastructure revenues
-

Expect to realise 5% & 10% earnings growth in the core

FY2015



Focus on developing the quality of our people and improving customer service.

\$3M INVESTMENT

In FY15 in capability (\$2M) & pay rise for critical staff (\$1M)

INTEGRATION WELL ADVANCED & ON TRACK

- Integration of MIT and NRG on target to achieve \$7.5M pa of synergy savings by close of 2016.
- Incremental \$4.1M in FY15 before \$1.5M of implementation costs.
- Uber savings add a further \$2.5M in 2017

STRATEGIC PRIORITY	PROGRESS REPORT	NEXT STEPS
QUICK WINS	Cost savings focussed on 3 rd party suppliers are largely complete	Finalise in FY15 as final contract commitments are unwound
REVENUE SYNERGIES	Commenced cross selling new products to legacy customers	Continue process in FY15 Leverage customer base for roll out of Solutions products
LEADERSHIP TEAM	New Executive Leadership Team was put in place over FY14	Continue to build bench strength in the business as it scales
CUSTOMER MIGRATION	Customer migration commenced in August FY14 and has been progressing well	Continue with customer migration Bulk of migration to be completed by end of FY15
TECHNICAL CONSOLIDATION	Planning and execution of platform consolidation commenced in FY14 with consolidation of MEX platforms completed	Further platform consolidation completed in FY15 to enable move to single customer facing system
BACK OFFICE CONSOLIDATION	Finance and Payroll consolidated in FY14	Continued process and administration consolidation in FY15

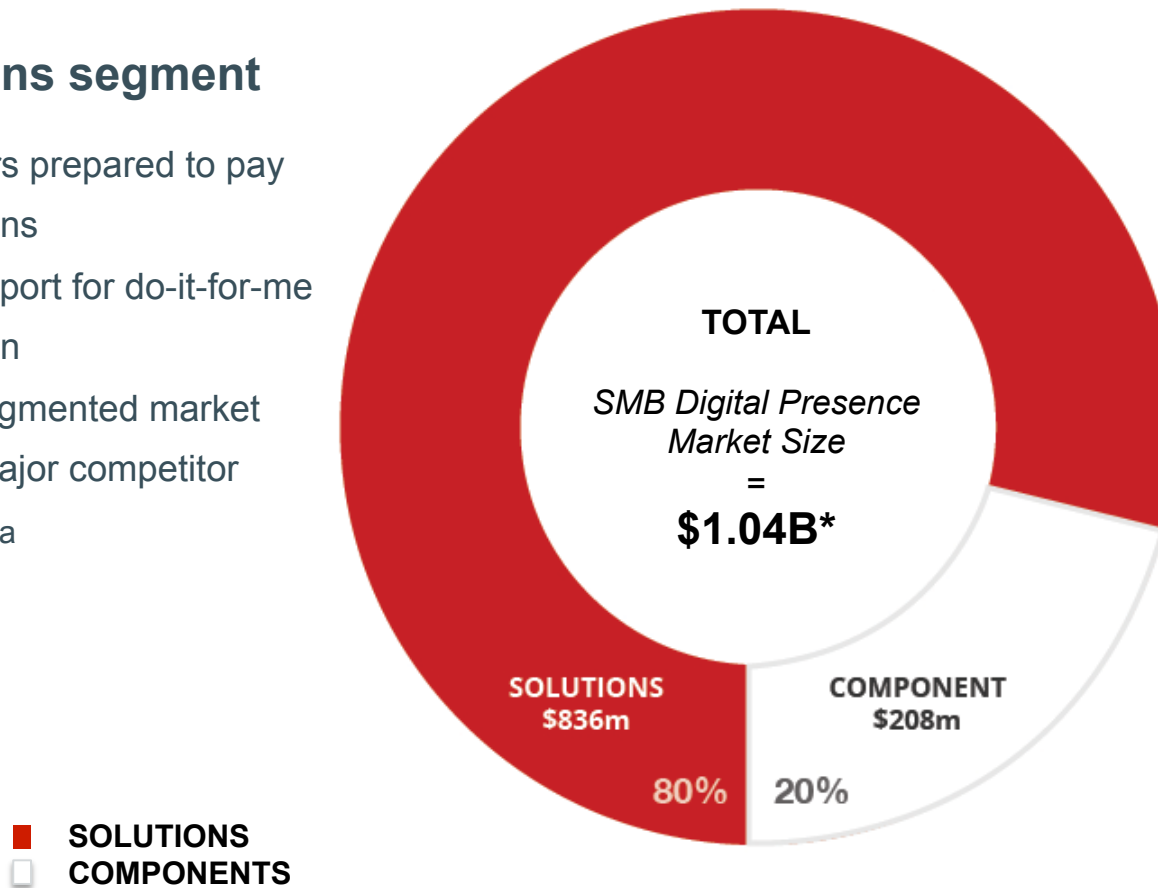
SMB LONG TERM STRATEGY

Solutions segment

- Customers prepared to pay for solutions
- Local support for do-it-for-me proposition
- Highly fragmented market with no major competitor in Australia

Components segment

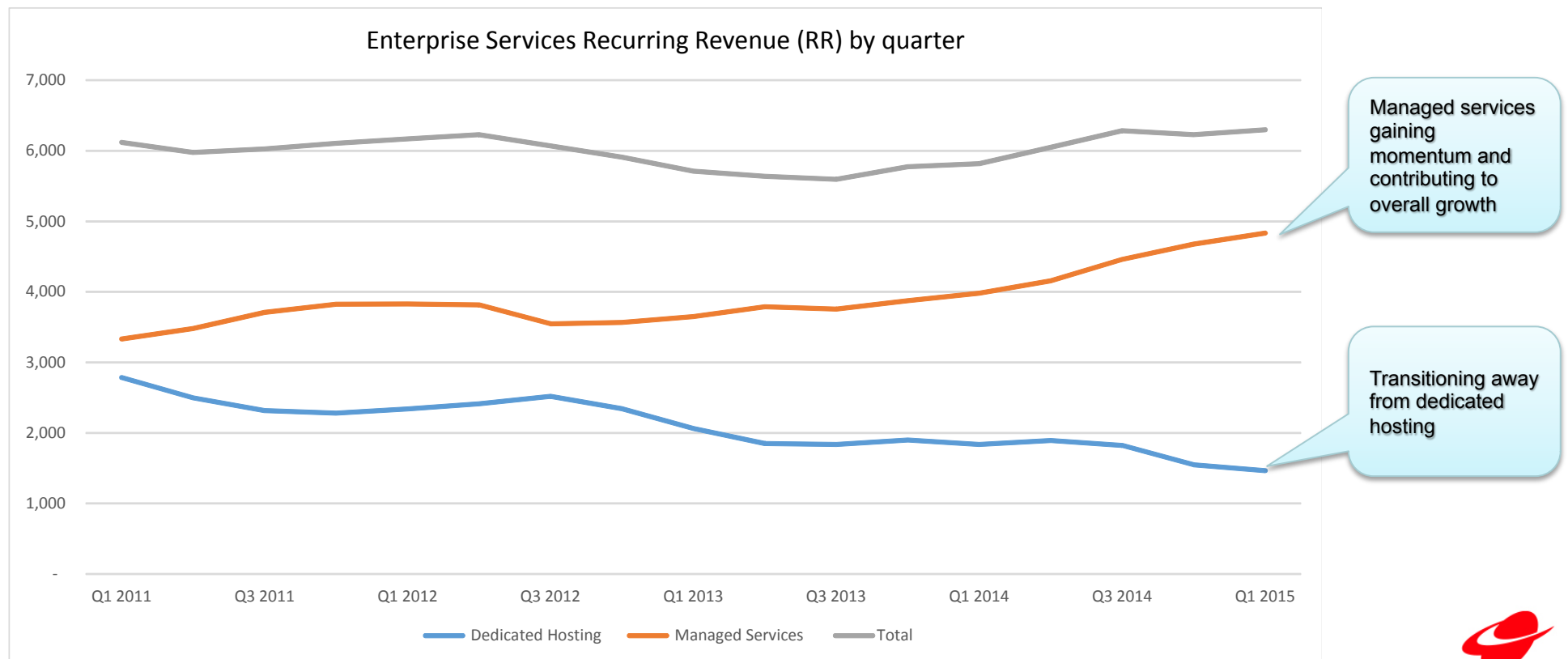
- Domains, web hosting and email are key components for SMBs but account for only 20% of market by value
- MIT No.1 in Australian market but highly competitive with large competitors driving commoditisation



*MIT analysis
Market size 2014

ENTERPRISE SERVICES - RR TRENDS BY PRODUCT

- ES continues to transform from an Infrastructure-As-A-Service (IaaS) business towards a Managed Services business
- Total addressable market size estimated at \$600M, with \$300M in Managed Services growing at 16% CAGR



APPENDIX – FY14 FINANCIALS

YEAR ENDED 31DEC (A\$) NOTES	FY14	FY13*	↕ %	KEY
REVENUE	\$124.7M	\$103.4M	21%	Strong organic growth from Enterprise Services & acquisitions of NRG have driven revenue growth
NPAT	\$0.6M	\$6.2M	- 90%	NPAT impaired by once off impairment charge on legacy technology systems (\$8.6M)
NORMALISED NPAT	\$7.9M**	\$6.2M	27%	Strong NPAT growth when normalised for impairment and transaction costs
EBITDA	\$12.8M	\$5.8M	121%	EBITDA driven by full year impact of restructuring in late 2013, acquisition of NRG and strong Enterprise Services growth
EBITDA % MARGIN	10%	6%		EBITDA growth exceeds revenue growth Strong margin improvement
EPS CENTS	0.72	7.46	- 90%	EPS impaired by once off impairment charge on legacy technology systems (\$8.6M)
NORMALISED EPS CENTS	8.72	7.46	17%	Strong EPS growth when normalised for impairment and transaction costs

* Continuing operations

** Adjusted for tax effected impairment costs and NRG transaction costs

Figures throughout this document may not total exactly due to rounding and includes non-IFRS financial information that is relevant for users understanding of underlying performance.