



ASX Announcement

Melbourne IT (ASX: MLB)

6 June 2016

Melbourne IT Ltd
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www.melbourneit.info

INVESTOR ROADSHOW PRESENTATIONS

Please find attached a copy of the presentation to be delivered at the Investor Roadshows which will be held in Melbourne today, 6th June and in Sydney on Wednesday, 8th June 2016.

ENDS

About Melbourne IT

Melbourne IT Group is a publicly listed company with offices in Melbourne, Sydney, Brisbane, Wellington, Auckland and Canberra. Melbourne IT's purpose is to "Fuel our customers' success through the smart use of technology". By 2020 we aim to have fuelled the success of over one million businesses. Our customers will love us, our people will be our most passionate advocates, and our investors will be rewarded.

Melbourne IT has approximately 650 staff and operates two businesses marketed under 6 brands.

The Small and Medium Business Division (SMB) is Australia's largest domains and hosting business with revenues of approximately \$110m and 300 staff. The SMB business operates under the Melbourne IT, WebCentral, Netregistry and TPP brands.

The Enterprise Services Business (ES) is Australia's leading cloud enabled software and services business with revenues of approximately \$40m and 350 staff. ES is based in Sydney, Melbourne and Brisbane and has a blue chip customer base. It operates under three brands, Melbourne IT, InfoReady and Outware Systems.

Visit: www.melbourneit.com.au

Investor Roadshow

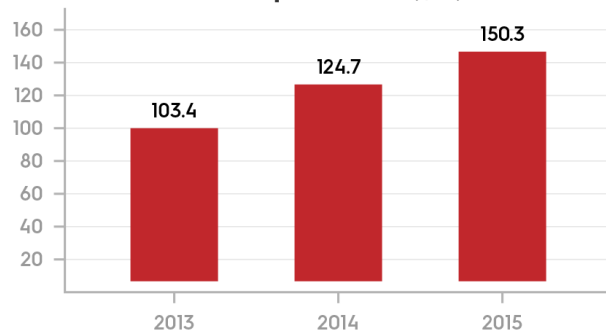
Martin Mercer

Vision and Strategy

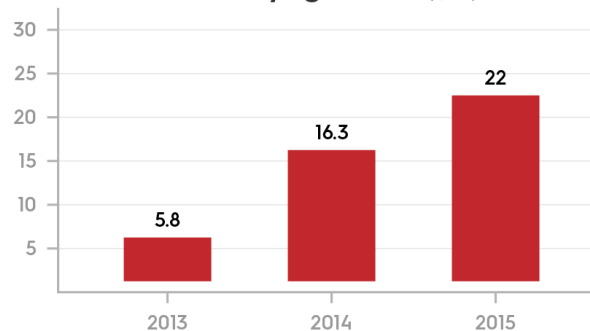
- The Internet is **revolutionising** the way business is done.
- Everything MLB does **fuels our customers' success**.
- We are the designers, the engineers and the operators of the **smartest solutions**.
- Transforming MLB into a growing **solutions led business** with higher quality earnings.
- We are focussed on delivering strong free cash flows and enhancing **returns** to shareholders.

Our Turnaround is Gathering Momentum

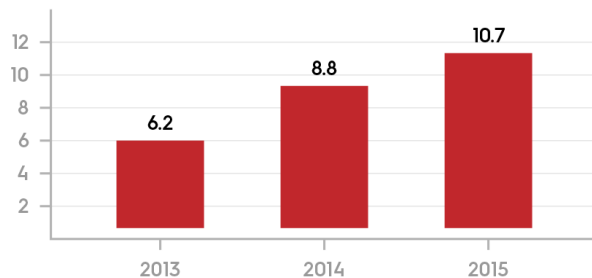
Group Revenue (\$m)



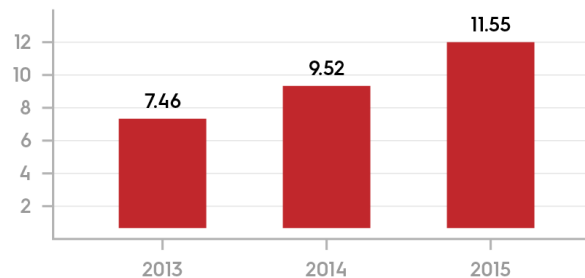
Underlying EBITDA (\$m)



Underlying NPAT (\$m)

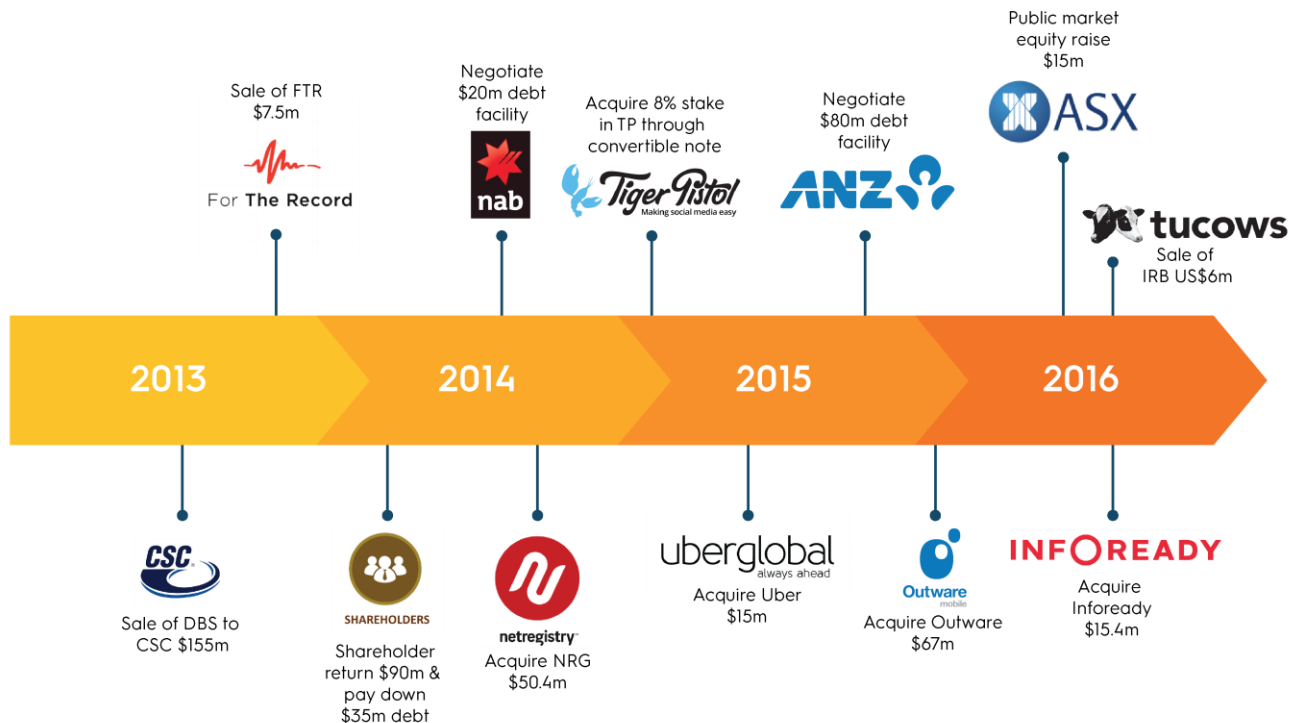


Underlying EPS (cents)



*Underlying figures have excluded transaction costs, synergy costs, 2015 warranty provision write back, 2015 unwinding of discount on other financial liabilities, 2014 impairment charge, and includes the full year impact of acquisitions made during the respective years and profit after tax attributable to non-controlling interest in Outware.

Reshaping the Business: 3 years of corporate activity



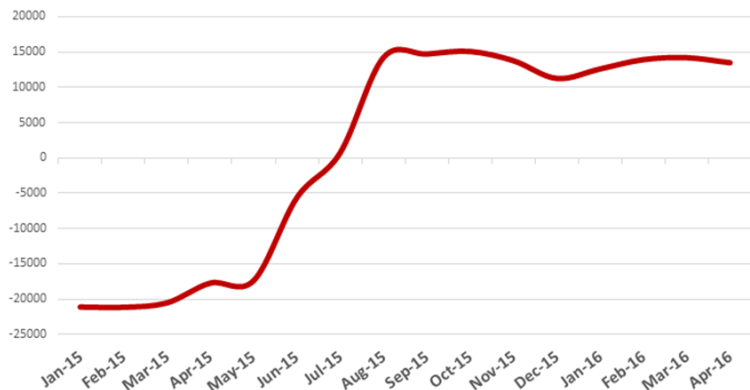
Four Key Priorities

1. Integrating our acquisitions to generate operational, financial and cultural benefits throughout the organisation.
 - Annualised synergy savings of \$6.0M at YE 2015 (\$1M ahead of target); and
 - Forecast to deliver further annualized synergy savings of \$2.5M in 2016 and \$1.5M in 2017.

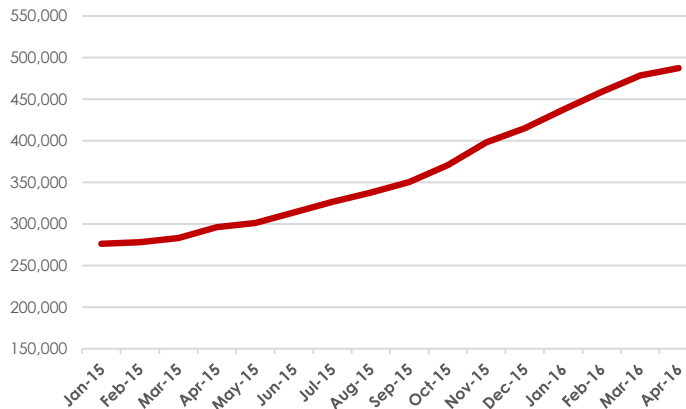
Four Key Priorities *(Continued)*

2. Arresting revenue decline in core SMB product categories
3. Continued development of our SMB solutions business

GROWTH IN .AU NAMES UNDER MANAGEMENT (VS PCP)



SOLUTIONS REVENUE DIRECT*

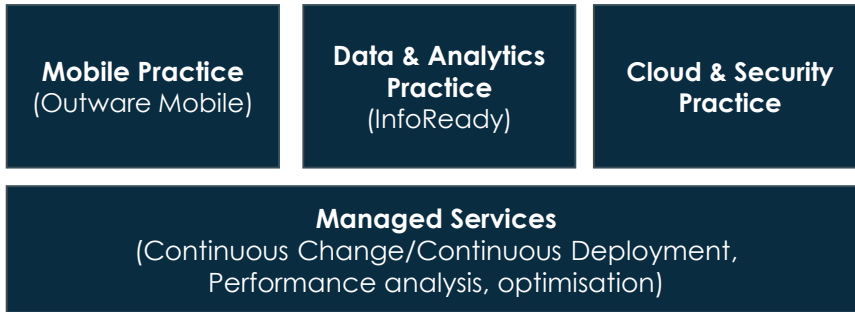


*6 month rolling average

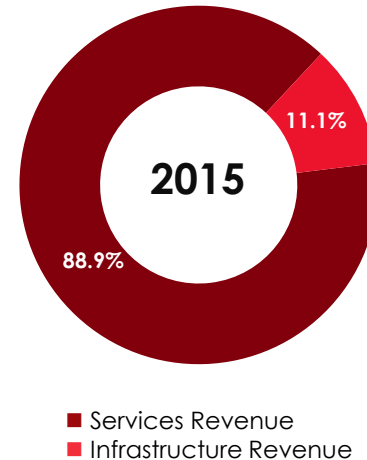
Four Key Priorities *(Continued)*

4. Continued development of ES managed services

Comprehensive Digital Solutions



SPLIT BY SERVICES



Melbourne IT Enterprise Services

Peter Wright

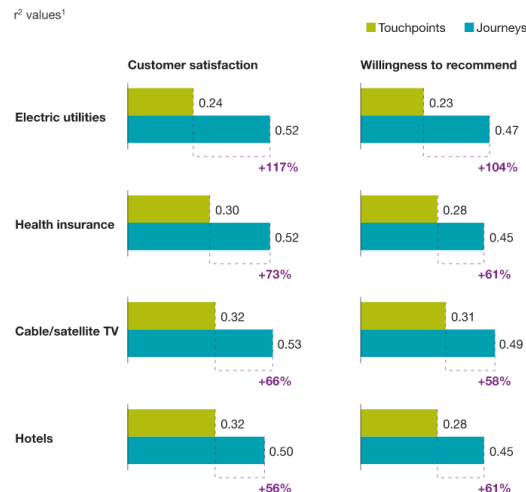
Complete Digital Solutions

Complete digital solutions help organisations better manage their customer journeys, in turn out-performing their competitors.

Foundation Digital Technologies (CAMSS)



Journeys are significantly more strongly correlated with overall outcomes than are touchpoints.



¹Coefficients are r^2 values of a multiple-regression model predicting outcome as a function of touchpoint satisfaction vs journey satisfaction.

Source: McKinsey US cross-industry customer-experience survey, June-Oct 2015 data

McKinsey&Company

Our Purpose

Fuelling our customers' success through the smart use of technology.

Bimodal IT = Marathon Runners + Sprinters

Think Marathon Runner	Mode 1	Mode 2	Think Sprinter
	Reliability	Agility	
	Price for performance	Value	Revenue, brand, customer experience
	Waterfall, V-Model, high-ceremony IID	Approach	Agile, Kanban, low-ceremony IID
	Plan-driven, approval-based	Governance	Empirical, continuous, process-based
	Enterprise suppliers, long-term deals	Sourcing	Small, new vendors, short-term deals
	Good at conventional process, projects	Talent	Good at new and uncertain projects
	IT-centric, removed from customer	Culture	Business-centric, close to customer
	Long (months)	Cycle times	Short (days, weeks)

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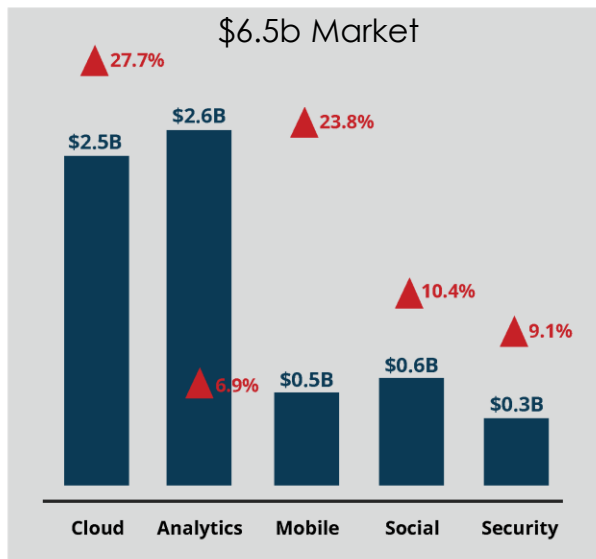
Gartner

Melbourne IT ES
Is a Mode 2 Digital
Solutions business

Digital Solutions: an attractive and strongly growing market

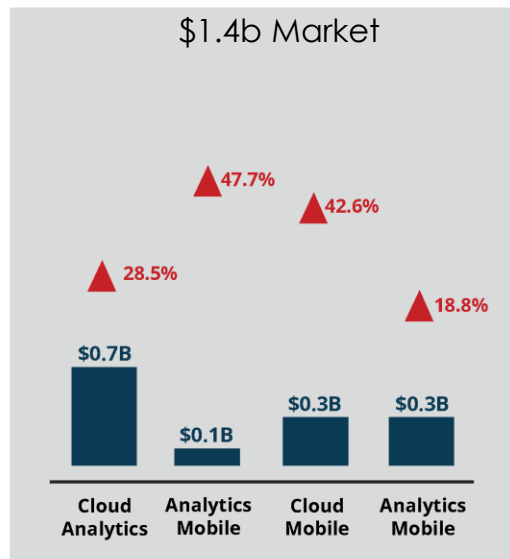
Digital Technologies + Mode 2 Operating Model = Competitive Advantage = Growth

(CAMSS) FOUNDATION DIGITAL TECHNOLOGIES



+

Cloud, Analytics, Mobile Intersections

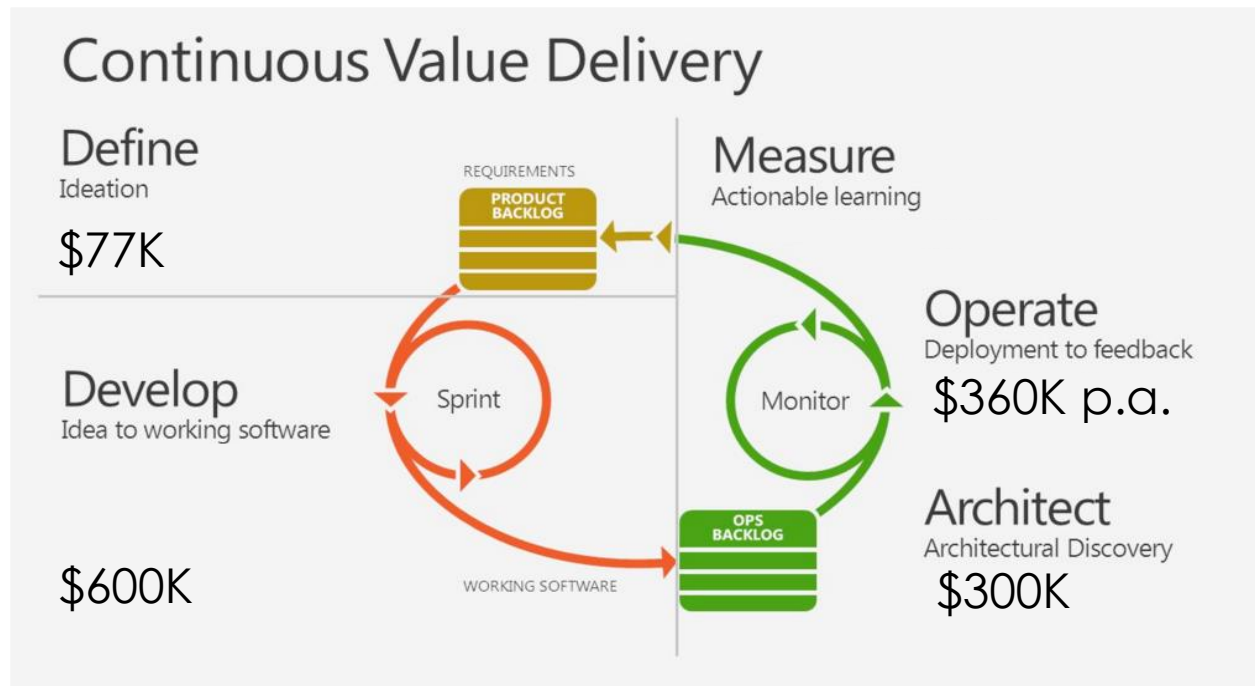


Key: ▲ Annual Growth Rate 2015

Source: IBM 2015

Managing journeys requires Mode 2 operating model

Example of mobile financial services product partner model



MOBILE

Mobile - It's what we do



ANALYTICS

Putting your data to work



CLOUD

Shift your business focus to growth

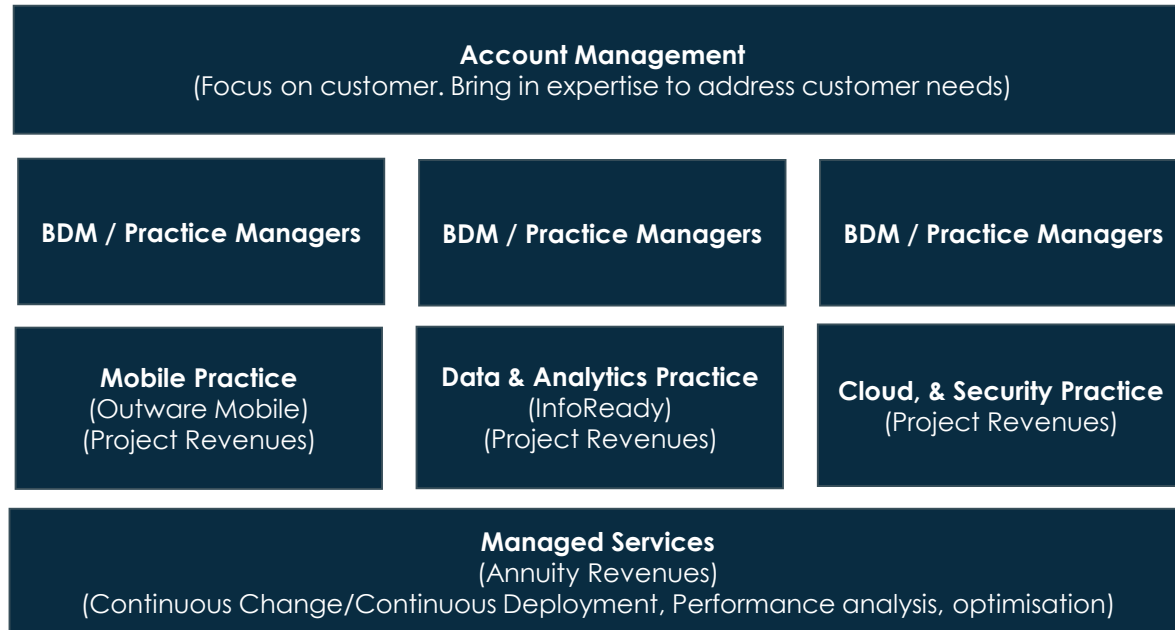


MANAGED SERVICES

Continuous change - continuous performance

Deep Customer Intimacy

ES is differentiated in the market as a Mode 2 services provider



ES: Facts and Figures

- 1 **Successful reinvention:** More than 350 employees with offices in Melbourne, Sydney, Brisbane and Canberra
- 2 **Strong Growth:** underlying EBITDA growing
- 3 **Expertise:** Outware founders retained; InfoReady founders retained; AWS Foundation partner in Australia, Premier AWS Partner, AWS Managed Services certified Partner



- 4 **Culture of Innovation and Customer Excellence:**

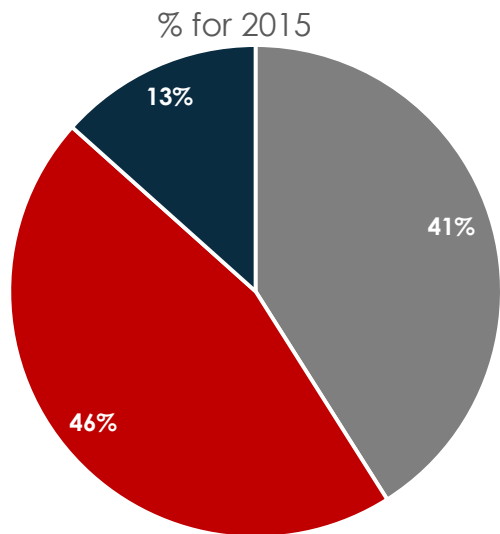


- 5 **Enterprise Grade:** Blue Chip customer base. Significant recurring revenues and Repeatable project revenue. Governance and balance sheet suitable for Enterprise & Government customer partnering



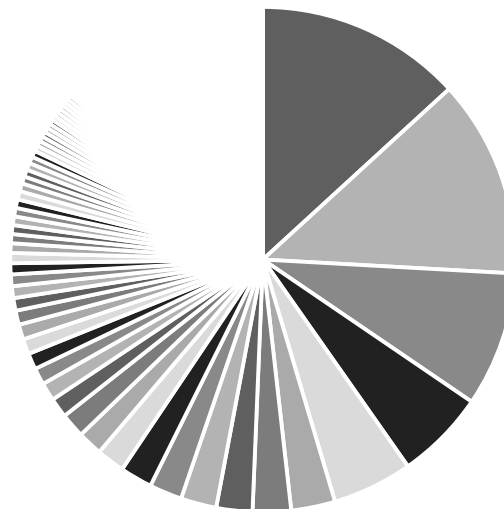
Managing revenue risk through ongoing services and customer diversity

Recurring, Repeatable Project and One time project Revenue



■ ES Annuity ■ ES Repeatabile Projects ■ ES Projects

Diversified Revenue Contribution From Clients



ES

Melbourne IT Enterprise Services

Danny Gorog

Outware Mobile

Outware works with leading Australian businesses to create mobile experiences that make a difference by helping people get things done, be more productive, learn, grow and be entertained

Outware

Most Australian
smartphone users
use an app
developed by
Outware



Outware's Offering

Every mobile software project is unique. We provide specialised services that are tailored to your business needs, to ensure you get a successful outcome and achieve your business goals.



Mobile
Strategy



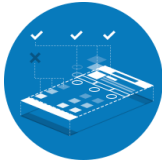
Mobile
Design



iOS & Android
Development



Integration
Services



Quality
Assurance



Mobile
Delivery

Why Outware is Unique

- **Design & Technical Excellence** - Outware provides a unique combination of UX and Software Engineering talent
- **Complete Mobile Development Partner** - Outware provides Strategy, UX, Visual Design, iOS, Android and middleware development, testing and DevOps under one roof
- **Expertise** - Outware have proven experience in government, banking, insurance, transport, media and retail industries
- **Scale** - Outware's full time team of 140+ means we have the scale to work on large multi-platform projects
- **Long Term Support** - Provision of long-term maintenance and product updates
- **Systems and Processes** - Best practice processes & tools to ensure successful and efficient delivery

Case Study: NSW Government

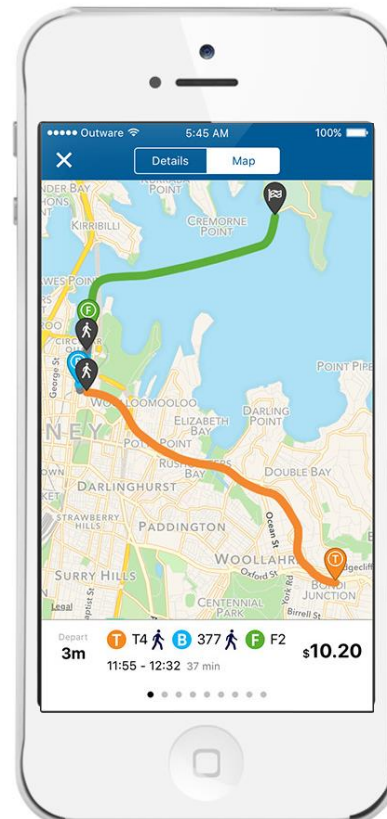
Outware was responsible for the end-to-end delivery of a high volume iOS and Android travel apps.

Project scope:

- Design & development for iOS and Android
- Accessibility for vision impaired users
- Payment Card Industry (PCI) Compliance

App features

- Sign-in and account management
- Trip planning
- Top up cards
- Near field communication card scanning (Android)
- Find retailers



Melbourne IT Enterprise Services

Tristan Sternson

Infoready

Infoready's data and analytics capabilities and expertise helps businesses grow through the implementation of innovative data-driven solutions

Infoready: powers Australia's leading businesses



Predict household composition to market new family oriented products



Machine learning algorithms to clear a multi-year backlog of human activity

Grow revenue with tailored products and offers for business travellers



Smart Meter Data used to identify usage anomalies to prevent incorrect billing



Visualisations to explore plant and maintenance data for insights and savings opportunities



Analyse flow-rate, temperature, pressure, vibration for indicators of imminent failure in massive slurry pumps



"...less than 0.5% of all data is ever analysed and used"
Forbes, Sep 2015

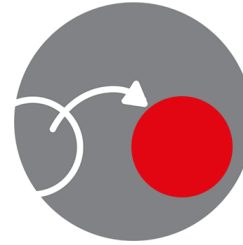
Infoready's Offering



Combine & Manage Data



Discover Insights



Take Action

“For a typical Fortune 1000 company, just a 10% increase in data accessibility will result in more than \$65 million additional net income.”

Bernard Marr, Forbes, Sep 2015

Why Infoready is Unique

- **Design & Technical excellence** – **Best Experts** in Data and Analytics, **Proven Success** record, IM Frameworks for Utilities and telcos , Global experience and Globally recognised, ReadyMethod foundation, Accelerators for quick delivery
- **Complete Cloud Partner** – **End-to-end capability** in Data and Analytics, **Flexible** to suit client, Tailored for data, In-time solutions
- Ensure data and analytics are **available when needed**
- **Expertise** – Cross Industry specialisation especially Telecommunications, Finance and Insurance, Utilities, and Retail, **Recognised best tech expertise, Award winning** experts, Agile Trained and Certified
- **Scale** – Infoready team of 90 professionals across Brisbane, Sydney and Melbourne means close, ongoing customer collaboration and the ability to maintain data and analytics specialisations
- **Long Term Partnerships**– History of customer engagements greater than 2 years
- **Systems and Processes** - Best practice processes and tools to ensure successful and efficient delivery

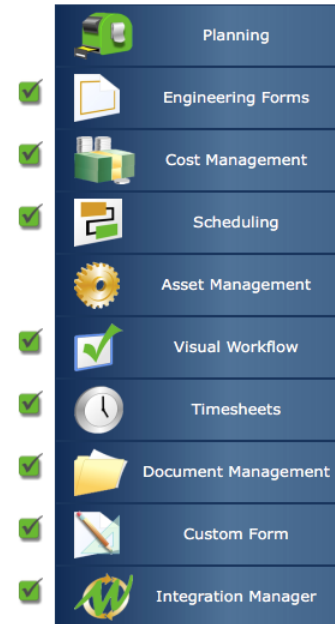
Case Study: NSW Government

There are various analytics opportunities in NSW Government which start with migrating core system data into new application before it is ready for Data Analysis and Exploration.

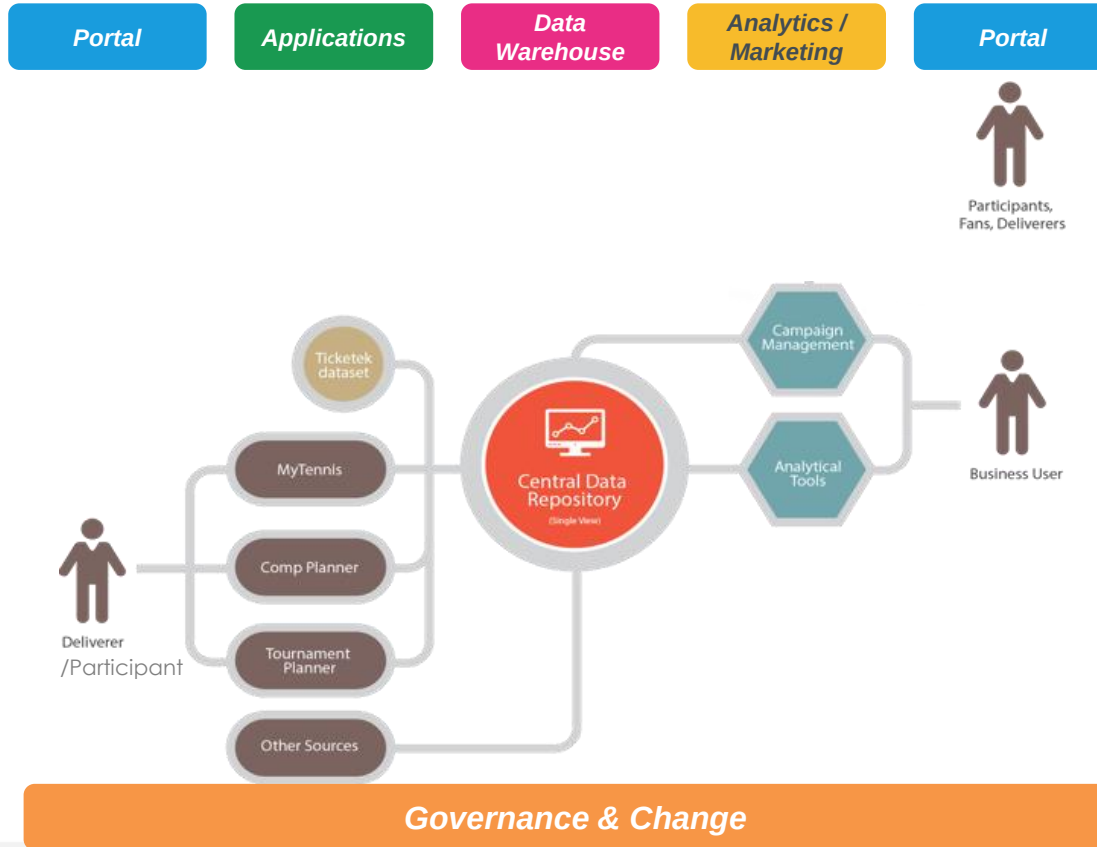
The first program that Infoready performed was a data migration project for PMWeb to manage NSW Government infrastructure projects.

PMWeb data can be combined with other data sources to provide broader analytics opportunities such as:

- Optimised infrastructure projects and asset management
- On time performance and scheduling
- Ensuring people arrive at their destinations on time
- Passenger satisfaction and service improvement recommendations
- Passenger uptake and optimal service predictions



Case Study: Major Sporting Organisation



Melbourne IT Enterprise Services

Steve McCormick

Cloud Solutions

Enable our clients to drive business agility and business benefit by adopting and continuously optimising integrated cloud solution using value adding processes, frameworks and tools.

Cloud Offering



CLOUD

Shift your business focus to grow



SECURITY

Don't become tomorrow's headline



WEB, DIGITAL & APPLICATIONS

Better experiences = higher engagement



MANAGED SERVICES

Continuous change - continuous performance

DESIGN – BUILD – MANAGE



Why Cloud Solutions is unique

- **Design & Technical excellence** – ES Cloud Services provide a unique combination of cloud design, integration and DevOps management talent and systems
- **Complete Cloud Partner** – ES Cloud Services provides Cloud Strategy, unique productised cloud migration services, Cloud integration services, application management capabilities, 24 x 7 continuous management and deployment capabilities
- **Expertise** – ES Cloud Services has proven experience in government, banking, insurance, transport, media and retail industries. Certified as an AWS Premier Partner, Authorised Government reseller & MSP Certified
- **Scale** – ES Cloud Services full time team of 60+ means we have the scale to work on large multi-platform projects. Over 30 certified Architects and over 45 DevOps engineers. Long Term Partnerships– 85% + managed services contracts
- **Systems and Processes** - Best practice processes and tools to ensure successful and efficient delivery

Case Study: NSW Government

Current Managed Service

Show me my Infrastructure



- Architecture Visualization
- Change Control

Show me my Costs



- Billing Analysis
- Commercial Optimisation

Managed Service Expansion

Show me how each app performs



- Customer Experience Management
- Business Process optimisation

Show me the usage and data relationship over all apps



- Application Consolidation
- Business Simplification

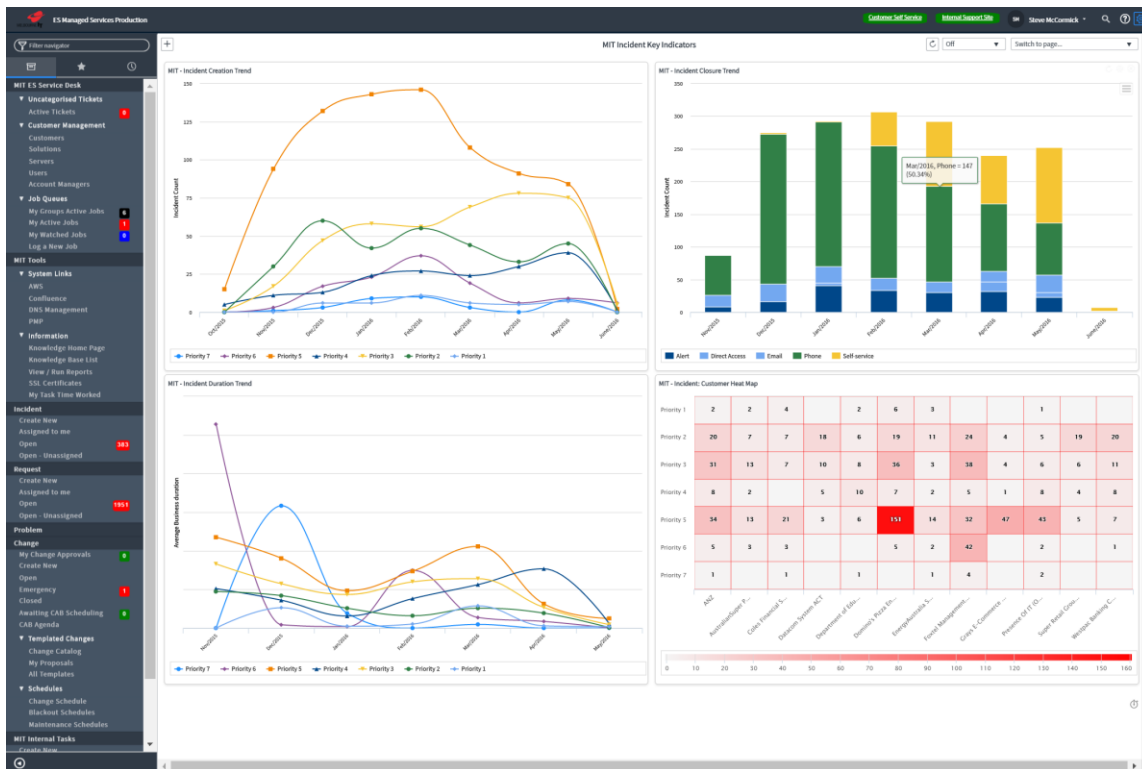
Identify insights and relationships I don't know about tech investments



- Publish insights
- Take Action

ITSMaaS

MELBOURNE IT GROUP



Melbourne IT Enterprise Services

Peter Wright

Enterprise Services Customers: marquee brands and substantial cross-selling opportunities



ES

Questions