Melbourne IT Ltd
ABN 21 073 716 793
ACN 073 716 793
Level 4, 1-3 Smail Street
Ultimo NSW 2007 Australia
www.melbourneit.info

11 October 2016

Melbourne IT Ltd (ASX: MLB)

Investor Presentation

Attached is a copy of the presentation that Melbourne IT's CEO & Managing Director, Martin Mercer, will present to Investors at the Company's Sydney office today.

Edelvine Rigato
Company Secretary

E: edelvine.rigato@melbourneit.com.au
T: +61 2 9215 6164
M: +61 400 830 992

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

Transforming Melbourne IT

Investor Site Visit

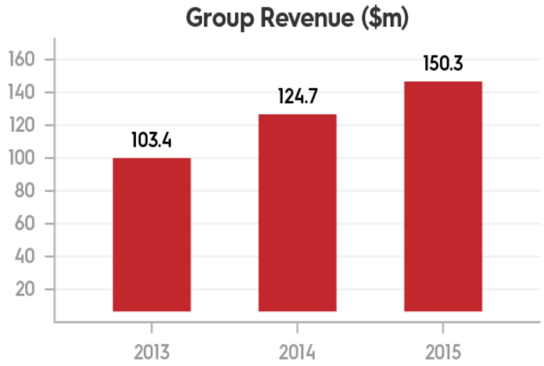
11 October 2016

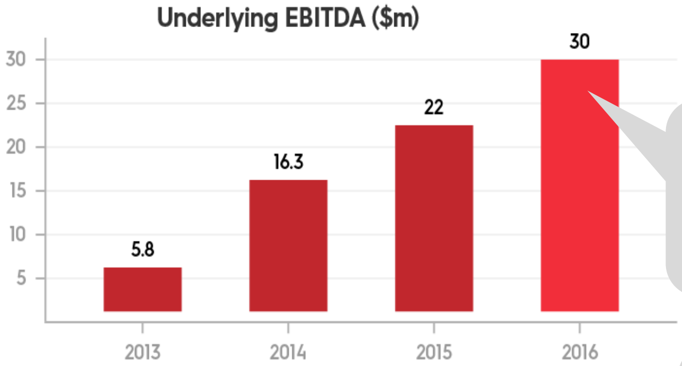
MELBOURNE IT GROUP

Vision and Strategy

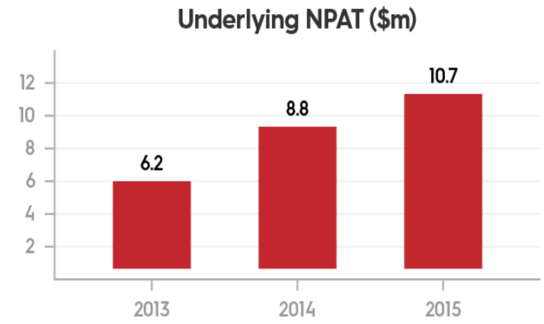
- The Internet is **revolutionising** the way business is done.
- Everything MLB does **fuels our customers' success.**
- We are the designers, the engineers and the operators of the **smartest solutions.**
- Transforming MLB into a growing **digital solutions business** with higher quality earnings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

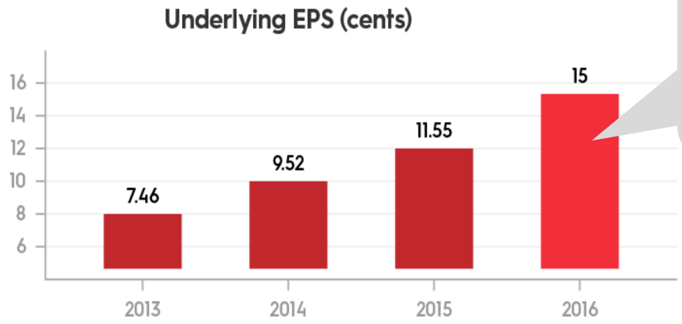
Our Turnaround is Gathering Momentum





Underlying EBITDA is expected to be in the range of $28.0m to $30.0m in 2016



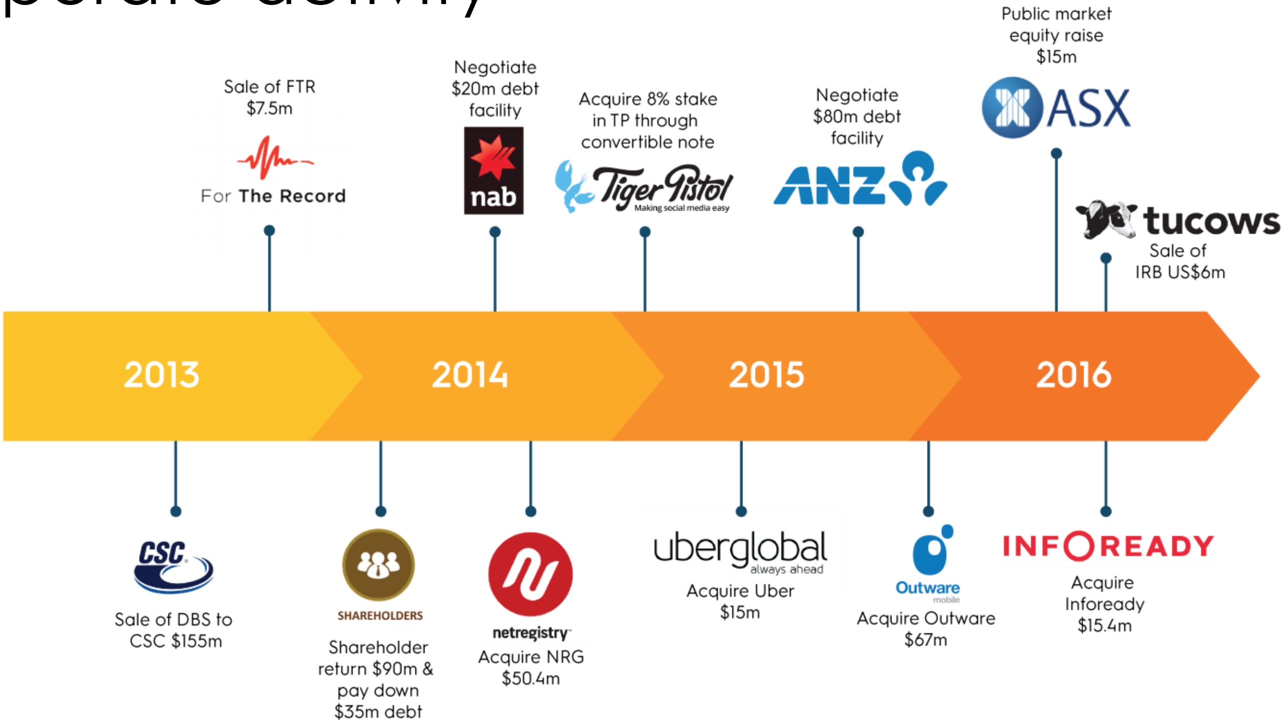


Underlying EPS is expected to be in the range of $0.14 to $0.15 per share in 2016

* Underlying figures have excluded transaction costs, synergy costs, 2015 warranty provision write back, 2016 unwinding of discount on put liability, 2016 earnings from the IDNR business, gain on sale of IDNR business and other one off transactions, and included the full year impact of acquisitions made during the respective years.

Transforming Melbourne IT

Reshaping the Business: 3 years of corporate activity



2016 H1 Financials: statutory result

Half Year Ended 30 June 2016	H1 2016	H1 2015	⇳ %	NOTES
Revenue	$85.0m	$69.2m	23%	Contribution from acquisitions (ie Uber Global, Outware Systems and InfoReady) and organic growth in SMB
Statutory NPAT	$2.2m	$1.2m	83%	
Statutory EBITDA	$11.2m	$5.2m	115%	Contribution from acquisitions (ie Uber Global, Outware Systems and InfoReady) and gain on sale of assets (ie IDNR business)
EBITDA % Margin	13%	8%	63%	
EPS (cents)	2.31c	1.28c	80%	

Please note: Figures throughout this document may not be exact due to rounding and includes non-IFRS financial information that is relevant for users understanding the underlying performance.

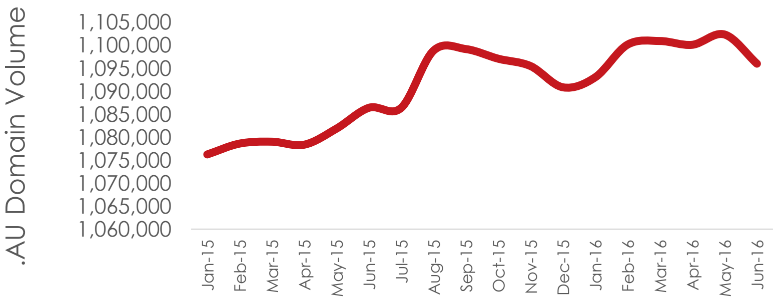
2016 H1 Financials: underlying EBITDA bridge

Half Year Ended 30 June 2016	Low Range	High Range	NOTES
H1 2016 underlying EBITDA	**$10.6m**		
1. ES growth in cloud (legacy)	$3.0m		Good performance in turning on annuity revenue in H1 will flow through to a stronger H2 result. Contracted growth in OTC in H2 will also contribute to a stronger second half.
2. ES growth in data analytics and mobile	$2.7m		Strongly growing acquired businesses will deliver a materially larger H2 result compared to H1.
3. SMB organic growth	$0.6m		Solutions revenue is high ARPU annuity revenue – compounding nature of this revenue will drive growth in H2.
4. Synergy costs	$0.5m		
5. Other	$0.0m	$2.0m	Range reflects conservative assumptions around the timing of project revenues in ES.
H2 2016 underlying EBITDA	**$17.4m**	**$19.4m**	
FY 2016 underlying EBITDA	**$28.0M**	**$30.0M**	

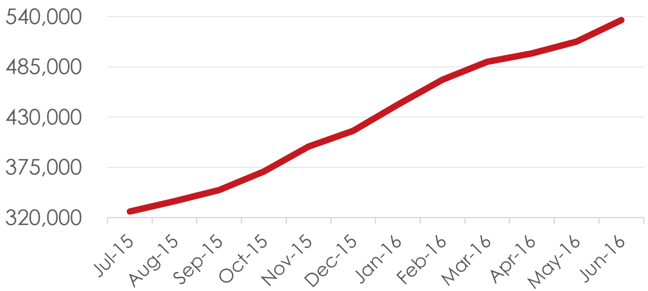
Transforming Melbourne IT

Progress: four key priorities

SMB: consistent improvement in legacy



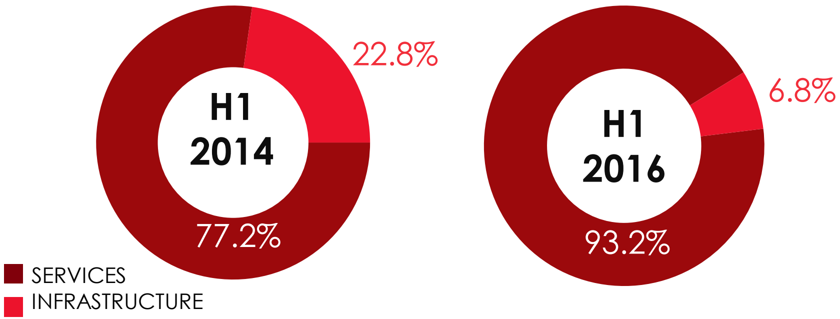
SMB: strong solutions revenue growth



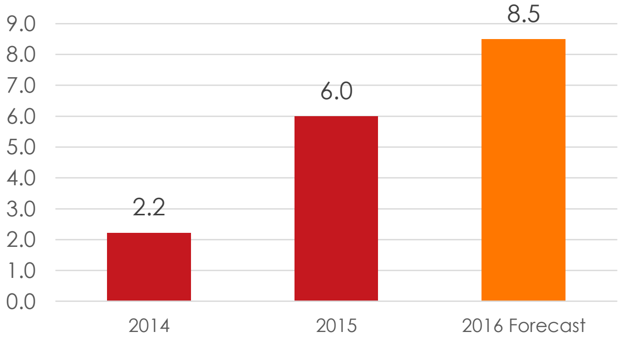
ES: digital solutions dominate

2014 H1 Revenue $13.1m

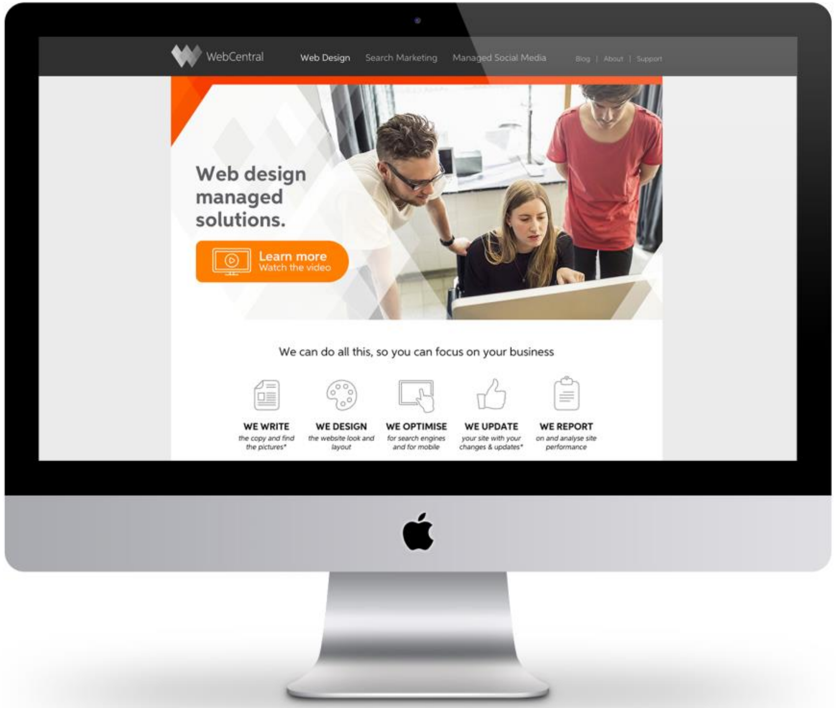
2016 H1 Revenue $32.9m



Synergies: on track



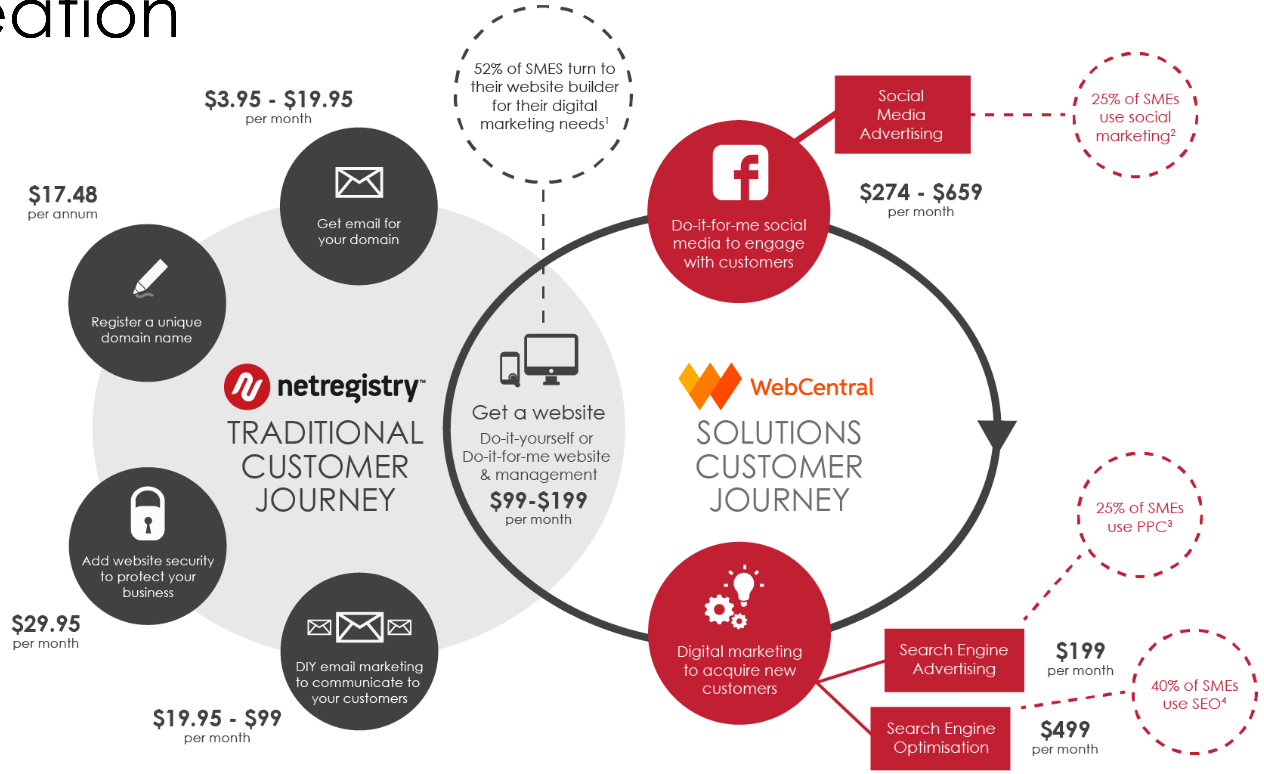
Growth Drivers: SMB



SMB

Transforming Melbourne IT

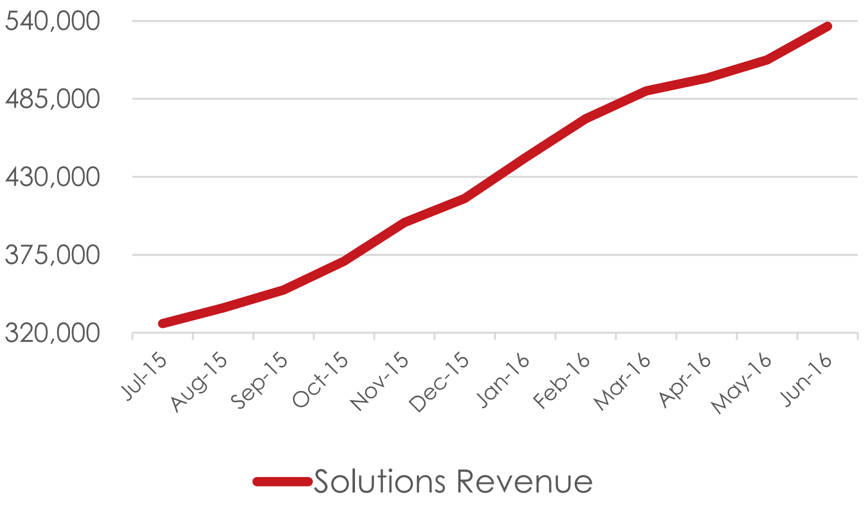
Customer Journeys: the key to value creation



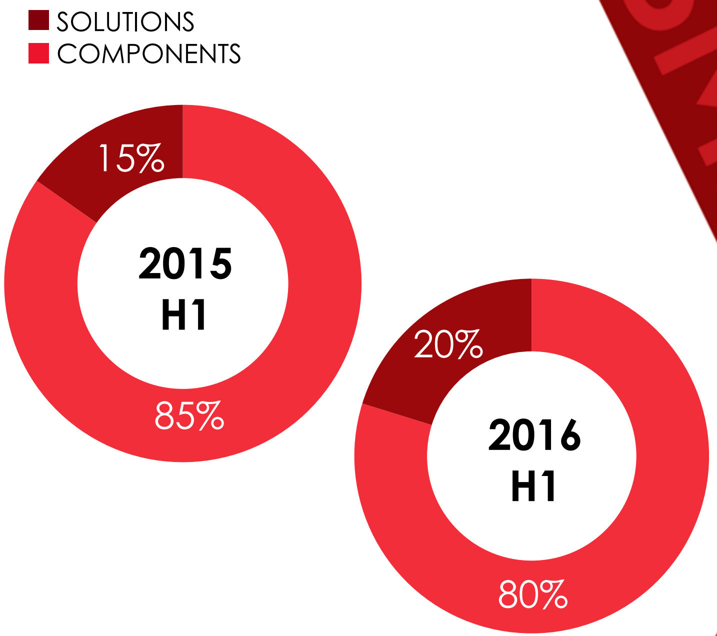
1. IPSOS: Melbourne IT Customer Web Journey Study
2. IPSOS report
3. IPSOS report
4. IPSOS report

Execution: solutions revenue growing strongly

Solutions Revenue Growth



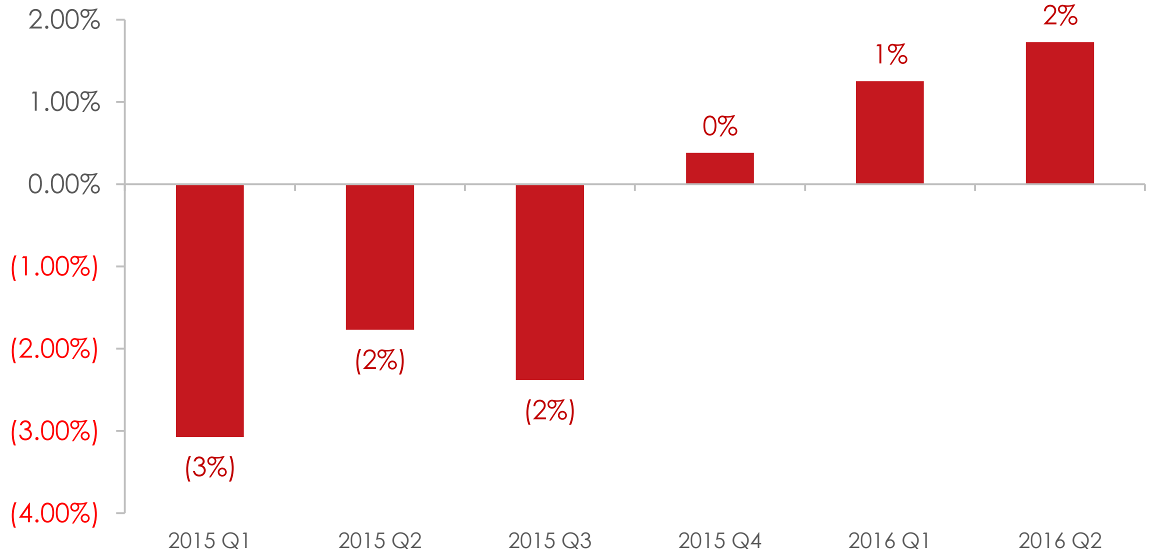
REVENUE SPLIT BY SEGMENT



SMB

Execution: a return to organic growth

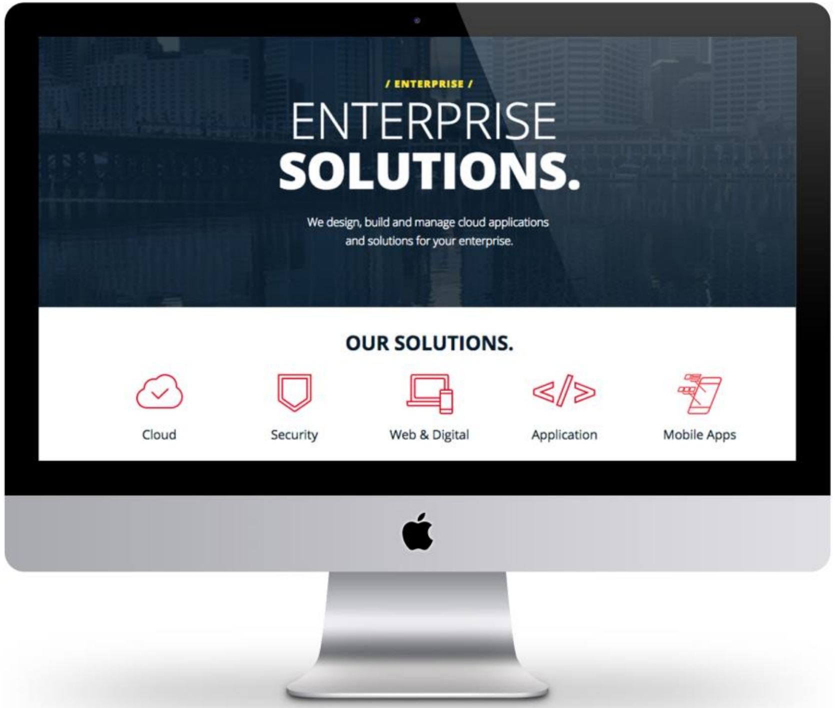
SMB Direct Revenue Growth (pcp)



Quarter	PcP% Growth
2015 Q1	(3.1%)
2015 Q2	(1.8%)
2015 Q3	(2.4%)
2015 Q4	0.4%
2016 Q1	1.3%
2016 Q2	1.7%

SMB

Growth Drivers: Enterprise Services (ES)

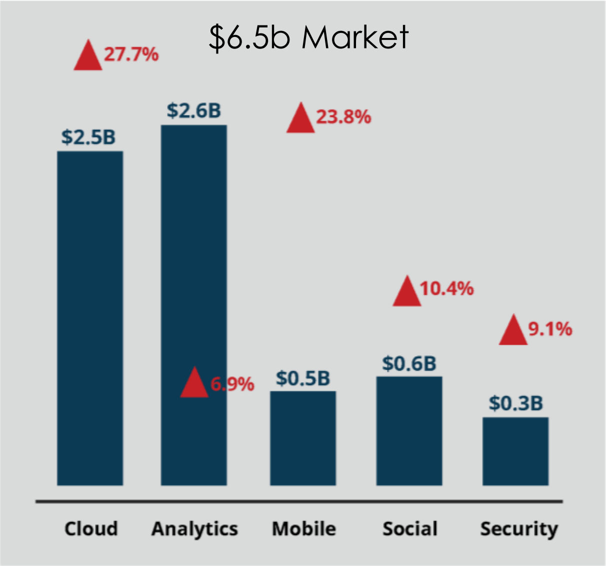


ES

Transforming Melbourne IT

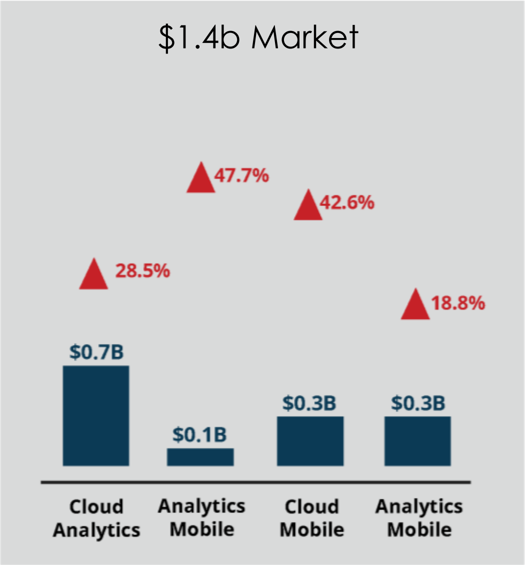
Digital Solutions: an attractive and strongly growing market

(CAMSS) FOUNDATION DIGITAL TECHNOLOGIES



+

Cloud, Analytics, Mobile Intersections



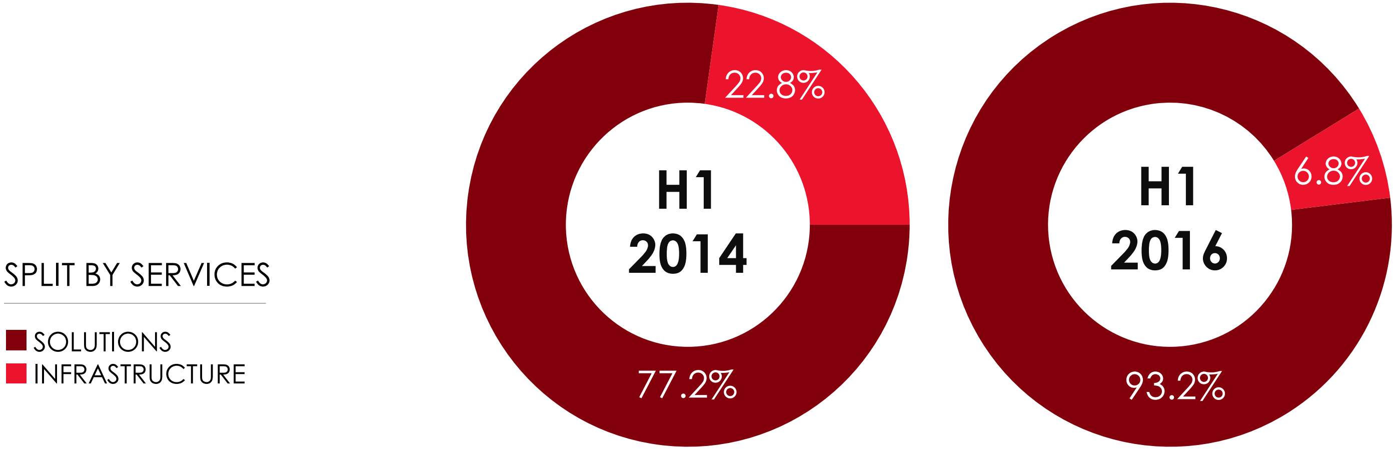
Key: ▲ Annual Growth Rate 2015

Source: IBM 2015

Execution: solutions driving growth

Enterprise Services continues to successfully execute its digital solutions strategy:

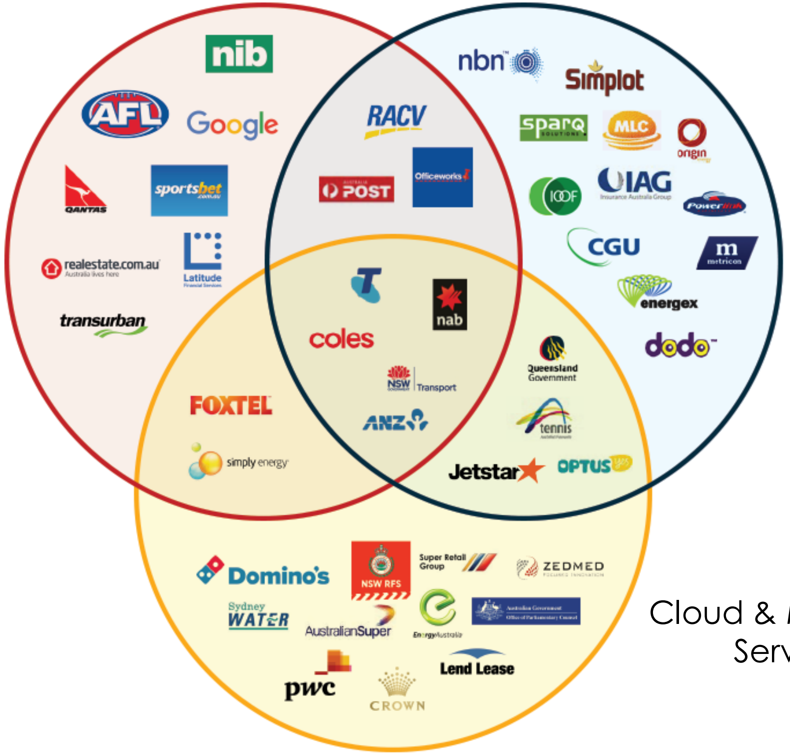
- Consistent execution building managed services and professional services revenues, now contributing 93% of total revenues up from 77% in H1 2014
- Expanded capabilities in cloud, security and mobile application development
- Expansion with mobile capabilities accelerates the execution of the professional services strategy



Transforming Melbourne IT

Revenue Synergies: unlocking the "intersection opportunities"

Mobile
(Outware Mobile)



Data & Analytics
(InforeADY)

Cloud & Managed
Services