

2017 RESULTS INVESTOR PRESENTATION (summary)

Digital solutions the growth engine for MLB



FY 2017 Result: highlights

- Delivering on the promise of growth;
 - revenue up 17%, underlying EBITDA up 36%, and underlying EPS up 20%
 - organic growth in revenue (11%) and reported EBIDTA (7%)
- Digital solutions driving growth;
 - solutions revenue up 194% in SMB and 34% in ES
- Enterprise Services driving growth;
 - revenue up 35%¹ on 2016 and underlying EBITDA up 14%
 - Increasing market share growing at more than 3 times the rate of the market
- Substantial improvement in profitability of Small to Medium Business;
 - underlying EBITDA up 48% on pcp first normalised EBITDA growth (3%) since 2008²
- Increased dividend reflects confidence;
 - final dividend of 7.5c (fully franked) takes the full year dividend to 11c representing a 38% increase on last year.

consistent execution against a clearly defined strategy continues to drive strong growth





Year Ended 31 December 2017	2017 (guidance)	2017 (actual)	2016 (actual)	ŷ %
Revenue (\$M)	N/A	\$197.8m	\$168.4m	17% 👚
Reported EBITDA (\$M)	N/A	\$31.9m	\$28.2m	13% 🛊
Underlying EBITDA (\$M)[1]	\$37.5 - \$41.5	\$38.6m	\$28.4m	36% 👚
Underlying EBITDA Margin (%)	N/A	19%	17%	•
Underlying EPS (cents per share)[1]	17.0 – 19.0	17.0c ^[2]	14.2c	20% 👚
Dividends (cents per share)		11.0c	8.0c	38% 👚

growing strongly and meeting our commitments

^{1.} Underlying EBITDA and EPS excludes one-off and non-recurring expenses/ income, and includes the proforma impacts of acquisitions/divestments made in the financial period as if that acquisition/divestment had applied for the entire financial period.

^{2.} Includes annualized impact of amortisation of acquired WME intangible assets (0.5cps), which weren't included in the revised guidance following the acquisition of WME.

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



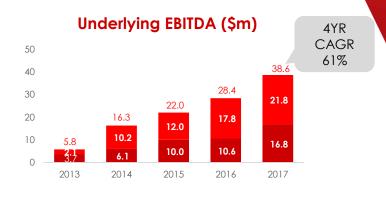
FY 2017: operational highlights

- Strong organic growth in ES underpinned by geographic expansion state based practices for Mobile, Data & Analytics and Cloud now in Sydney, Melbourne and Brisbane
- Key customer wins in ES including Suncorp, Aurecon, Rio Tinto, Landmark, Tabcorp Holdings, Citibank, Mastercard, and 7 Eleven
- Successful acquisition and integration of the WME Group strengthening MLB's position
 as a leading provider of online marketing solutions for small and medium business
 customers and enhancing its ability to grow average revenue per user (ARPU)
- Completion of the integration of Netregistry and Uber Global \$10M of annualized synergy savings realized and 500 000 SMB customers now on a single customer platform and a single CRM
- **Team size increased by 43%**, or 260 people¹, including 175 billable heads.
- Strong culture with measured staff engagement increasing by 34 percentage points to 67%

Track record: consistent growth

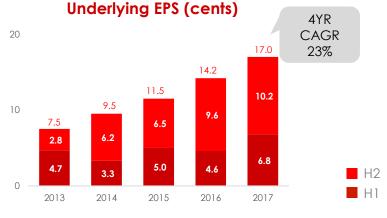












A one-off special dividend of 25.0 cents per share was paid in 2013 following the divestment of the Group's DBS business unit. No other dividend was paid to shareholders in that year.





Measure	Range (pre AASB15) ¹	҈ %²	Comment
Underlying EBITDA (\$M) ²	\$41.5 - \$45.5	13%	Includes additional investment in occupancy costs of \$2.7m to support organic growth in headcount, as well as additional headcount investment to ensure sustainable growth in solutions businesses.
Underlying EPS (cents per share)	17.3 – 19.6	8.5%	Includes annualized impact of amortisation of acquired WME intangible assets (0.3cps), plus additional depreciation as a result of the planned investment in the fitout of new office space in Sydney and Melbourne (0.7cps).
Dividend	55% - 75%		Dividends in 2018 will be determined by reference to a payout ratio in the range of 55% to 75% of underlying NPAT.

^{1. 2018} outlook is prepared using 2017 revenue recognition policies (i.e. AASB 118: Revenue). The Group is still finalising the projected impact of the adoption of AASB 15: Revenue from Contracts with Customers and will provide an update when the projected impact is finalized.

^{2.} Change on last year calculated from the mid-point of the guidance range (pre AASB 15) and last year's actual result

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Year Ended 31 December 2017	ES	YoY	SMB	YoY	Corporate	MLB Group ^[1] (Consolidated)
Revenue	95.4	35%	102.4	5%	0.0	197.8
Gross Margin	45.4	23%	64.3	13%	0.0	109.7
Operating Expenses ^[2]	27.8	(27%)	40.1	(4%)	6.3	74.2
Non-recurring (Expenses)/Income ^[3]	(0.3)		(2.8)		(0.5)	(3.6)
Reported EBITDA	17.3	18%	21.4	36%	(6.8)	31.9
Non-recurring adjustments ^[3]	0.3		2.8		0.5	3.6
Pro-forma adjustments ^[4]	0.0		3.1		0.0	3.1
Underlying EBITDA [5]	17.6	14%	27.3	48%	(6.3)	38.6

^{1.} The aggregate result for the MLB Group.

^{2.} Core operating expenses and excludes one-off and non-core expenses.

^{3.} Non-recurring and one-off expenses and non-core income comprises items such as integration costs, transaction costs, movements in contingent consideration etc.

^{4.} These are the proforma impacts of acquisitions in the financial period as if that business had been owned for all of 2017.

^{5.} Underlying EBITDA excludes one-off, non-core and non-recurring expenses/ income, plus the proforma impacts of acquisitions/divestments made in the financial period as if that acquisition/divestment had applied for the entire financial period. Refer to MLB Group underlying EBITDA table on page 34 for a detailed reconciliation between reported EBITDA and underlying EBITDA.



Four major growth drivers: scorecard

Strong growth in multi-practice customers¹;

- 66% revenue from multipractice customers
- multi-practice customers represent 16% of total customer base

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• ES digital solutions revenue grew 34%

Growing share of enterprise

digital solutions market²;

 growing at ~ 3 x the rate of the market

ES

Good growth in solutions ARPU³;

3

ES

- MLB up 10% to \$2,120pa
- WME up 4% to \$10,473pa
- Blended up 17% to \$5,580

SMB

4

SMB

Growing share of SMB digital solutions market²:

- SMB digital solutions revenue grew 194%
- growing at ~ 19x the rate of the market

^{1.} a multi-practice customer is an ES customer who takes services from 2 or more of the practices (ie mobile, data and analytics, and cloud)

^{2.} twelve months to 31 Dec 2017 (NB this is solutions revenue not total revenue, for ES solutions revenue as at 31/12/2017 was 34% higher than it was at 31/12/2016, the growth for SMB solutions revenue over the same period was 194%)

^{3.} the 3 month weighted average ARPU as at 31 December



Summary

- 1. Strong FY 2017 result reinforces growing momentum;
 - revenue up 17%
 - underlying EBITDA up 36%
 - underlying EPS up 20%
- 2. Good growth expected in 2018;
 - underlying EBITDA of \$41.5m \$45.5M
 - underlying EPS of 17.3c 19.6c
- 3. Solutions strategy is driving real growth;
 - Strong growth vs pcp in solutions revenue;
 - 34% in ES and 194% in SMB
 - Translating to strong growth in underlying EBITDA;
 - 14% in ES and 48% in SMB

growth in solutions in both ES and SMB driving sustainable growth



Appendix: disclaimer

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