

FY19 Results Presentation

28 August 2019

CommsChoice Group Limited
(ASX: CCG)



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Introduction

- ✓ 5 ICT providers came together in 2017 to form Comms Choice Group
- ✓ Compelling market opportunity – Technology changes, Cloud services, NBN rollout
- ✓ Strong complementary skills and capabilities with well articulated value proposition
- ✓ Sound platform for continued growth
- ✓ Provider of leading Unified Comms solutions



DATA NETWORK

- Multi-carrier
- Fibre, NBN
- Simplify networks
- Connect to the cloud



VOICE NETWORKS

- Replace legacy ISDN & PABX
- Cloud based global business phone
- Global Office location support
- MS Teams calling
- Collaboration & Unified Comms functionality



MANAGED SERVICES

- SD WAN
- Design, Deliver, Ongoing Management and Support
- High availability, redundancy, greater control
- Better access to Cloud services

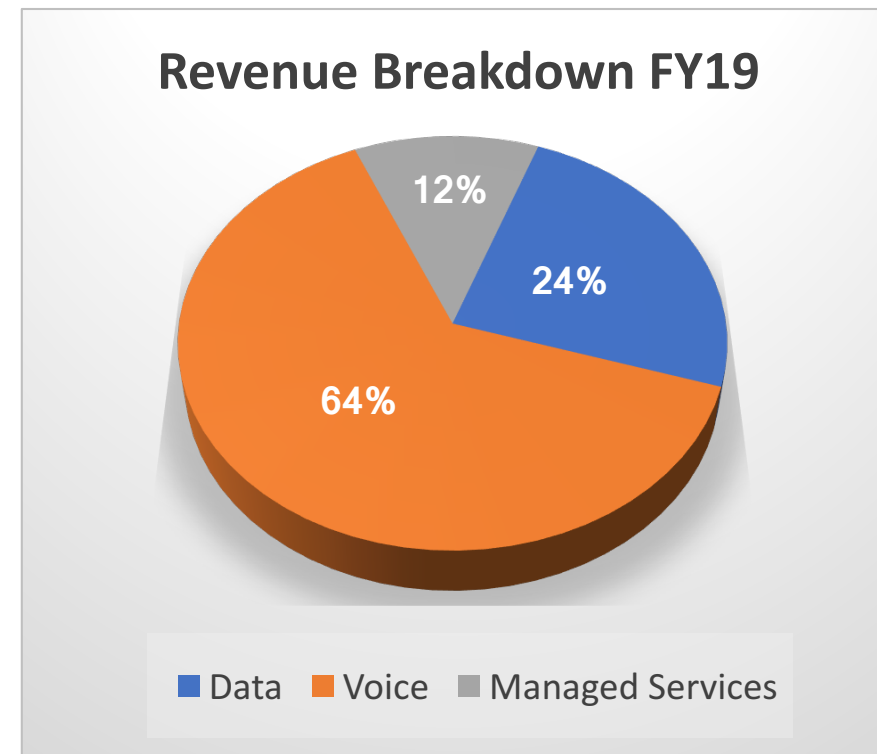
FY19 Highlights

- C Revenue \$21.0m, above recent guidance of \$19.5m to \$20.5m.
- C Full year underlying EBITDA* of \$0.3m, above recent guidance of \$0.1m*.
- C Net Cash \$0.4m as at 30 June 2019.
- C Business restructure announced 11 June 2019 completed, with approx. \$2m annualised cost savings delivered. Business expected to return to profit in FY20.
- C Recent equity capital raising via placement & SPP well received and raised \$2.2m.
- C Good sales wins in corporate voice and data area in FY19. Successful roll-out of large SD-WAN network across 40 sites in the not-for-profit sector. Large global business phone customer networks delivered, leveraging our global POP network.
- C Increasing sales pipeline and some good recent contract wins with Microsoft Teams Calling and our Global business cloud phone solution.

** EBITDA (underlying) excludes net interest, share issue and non-cash LTIP costs, depreciation and amortization and excludes restructuring charges mentioned in this presentation.*

Financial Performance

\$M	FY19	Guidance (June 19)	FY18 (6.5mths)
Revenue	21.0	19.5 - 20.5	10.5
Cost of Sales	(12.0)		(5.8)
Gross Margin	9.0		4.7
Opex	(8.7)		(4.4)
Underlying EBITDA*	0.3	0.1	0.3
Restructuring Costs	(19.0)	(19.0)	(4.1)
EBITDA	(18.7)	(19.9)	(3.8)



- Revenue ahead of the trading update.
- **EBITDA of \$0.3m** is above the trading update.

** EBITDA (underlying) excludes net interest, share issue and non-cash LTIP costs, depreciation and amortization and excludes restructuring charges mentioned in this presentation.*

Balance Sheet

\$m Group	30 June 2019	30 June 2018
Cash	0.4	1.7
Total assets	17.1	34.9
Borrowings	-	-
Total liabilities	(6.3)	(6.4)
Net assets	10.8	28.5
Equity attributable to members of the parent	10.8	28.5

- Strong balance sheet – debt free
- Net cash/deposits of \$1.9m as at 26 August, following equity raising
- Adequately funded to support organic growth



CommsChoice Business Overview

- C We provide cloud communications services for business and corporate customers and cloud based telephony services to our partners for their customers.
- C Approximately 2,700 customers today.
- C Key offerings include:
 - C Our leading cloud based global business phone system and MS Teams calling offerings providing business PBX functionality and Unified Communications capabilities across global office locations.
 - C State-of-the-art SD-WAN data networks for corporates across national and international locations – provides private network functionality, high availability, extensive management and reporting.
 - C Telco access services (e.g. Fibre & NBN resale) offering business customers choice and value.
 - C Partner solutions for our contact centre and IT service provider and reseller partners - contact centre SIP based call solutions, global business phone system resale, direct routing/business phone capability for MS Teams etc.

CommsChoice Global POP Network

Our global POP network hosted in 25 locations around the world – covering APAC, Europe, North and South America plus India. Delivering business phone PBX functions across global locations + Microsoft Teams calling integration.



25 LOCATIONS WORLD-WIDE
ALWAYS ON: 24 x 7 x 365

Growth Strategy

C Domestic	Key cloud business phone, MS Teams calling and SD-WAN offerings to Australian businesses and corporates
C Wholesale Partners	Building key relationships with key contact centre, dealers and IT service provider partners
C Leveraging NBN, Fibre & 4G/5G Wireless	NBN, Fibre and 4G/5G wireless for high speed last mile access for multi-site corporate networks
C Asia-Pacific Expansion	Key cloud phone and MS Teams calling offerings to multi-site global customers
C Strategic Acquisitions	Acquisition and merger opportunities in the business services space to accelerate growth

Outlook

- ✓ Strong start to FY20. EBITDA (unaudited) July 2019 of \$0.4m.
- ✓ Recurring revenue represents over 90% of total revenue.
- ✓ FY20 guidance of EBITDA \$1.8m to \$2.2m reaffirmed
- ✓ Cash at bank / deposits of \$1.9m at 26 August 2019
- ✓ Business adequately funded to support organic growth
- ✓ Seeing good product demand, particularly with our cloud based global business phone and MS Teams calling (Direct Routing) offerings.





CCG Investor Metrics

Metric as as 23 August 2019	Value
Number of shares	184.7m
Share Price	\$0.041
Market capitalization	\$7.6m
Net (debt) / cash (23 August 2019)	\$1.9m cash
Enterprise Value	\$5.7m
Performance Rights	17.6m
- 50% vesting at 12.5c per share	
- 50% vesting at 20c per share	

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