

1H19 Results

February 2019

CommsChoice Group Limited

commschoice
we simplify your journey to the cloud



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1H19 Highlights

- C Revenue \$10.7M, up 12% from PP*
- C Recurring revenue represents over 90% of total revenue
- C Underlying # EBITDA \$0.7M, up 26% from PP*
- C Net Cash \$1.3M as at 31 Dec 2018
- C Business integration well progressed, on track for completion by end of financial year
- C Significant new contract wins in 1H19
- C Increasing sales pipeline and solid work in progress for 2H19

*PP (prior period) relates to 2nd half FY18 as CCG was listed late CY2017

Underlying EBITDA is EBITDA excluding restructuring charges

CommsChoice Offerings

- CCG operate in the telecoms market and provide Over The Top (OTT) services to business (25 – 300 seat) and enterprise customers (300 -.3000 seats)
- CCG resells telco infrastructure (inc. NBN) and is carrier neutral, offering business customers **choice** and **value**.
- Our service portfolio is as follows:



Connect

Enabling smart network control technology (SD-WAN) simplifying Data Networks and enabling customers to simply transition to the Cloud



Collaborate

Hosted telephony including Unified Communications, enabling customers to effectively communicate and collaborate.



Manage

Making it easy for customers to focus on their core business. CCG highly skilled staff manage their clients data and voice networks.

Case Study

- C Five year Managed Services contract – total value \$5M
- C SD-WAN and hosted voice connecting 47 sites nationwide
- C State-of-the-art Unified Communications solution
- C Significant (40%) cost savings compared to existing supplier
- C Considerable bandwidth and productivity improvements
- C Customer has already started discussions regarding increasing scope to 70+ sites

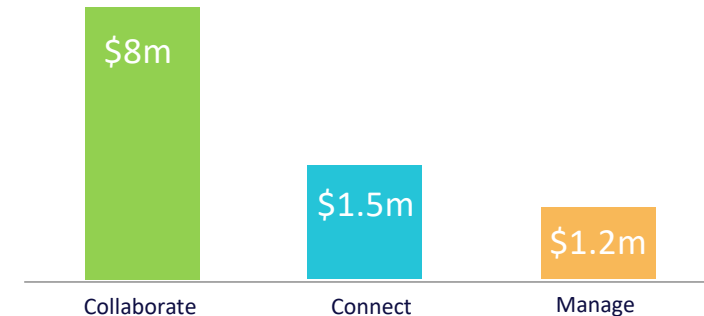
Leading national disability employment services provider.

Transitioning from a legacy, infrastructure-heavy environment to a cloud-driven, collaborative workplace.

1H FY19 Financial Performance

\$M	2H18	1H19	Var
Revenue	9.5	10.7	▲ 12%
Underlying EBITDA*	0.5	0.7	▲ 26%
Underlying Operating Cashflow	(1.0)	0.2	▲ 1.2M

1H19 Revenue by Service Category



- Strong demand for CCG services
- Recurring revenue continues to build
- Improved working capital position

*Underlying EBITDA is EBITDA excluding restructuring charges

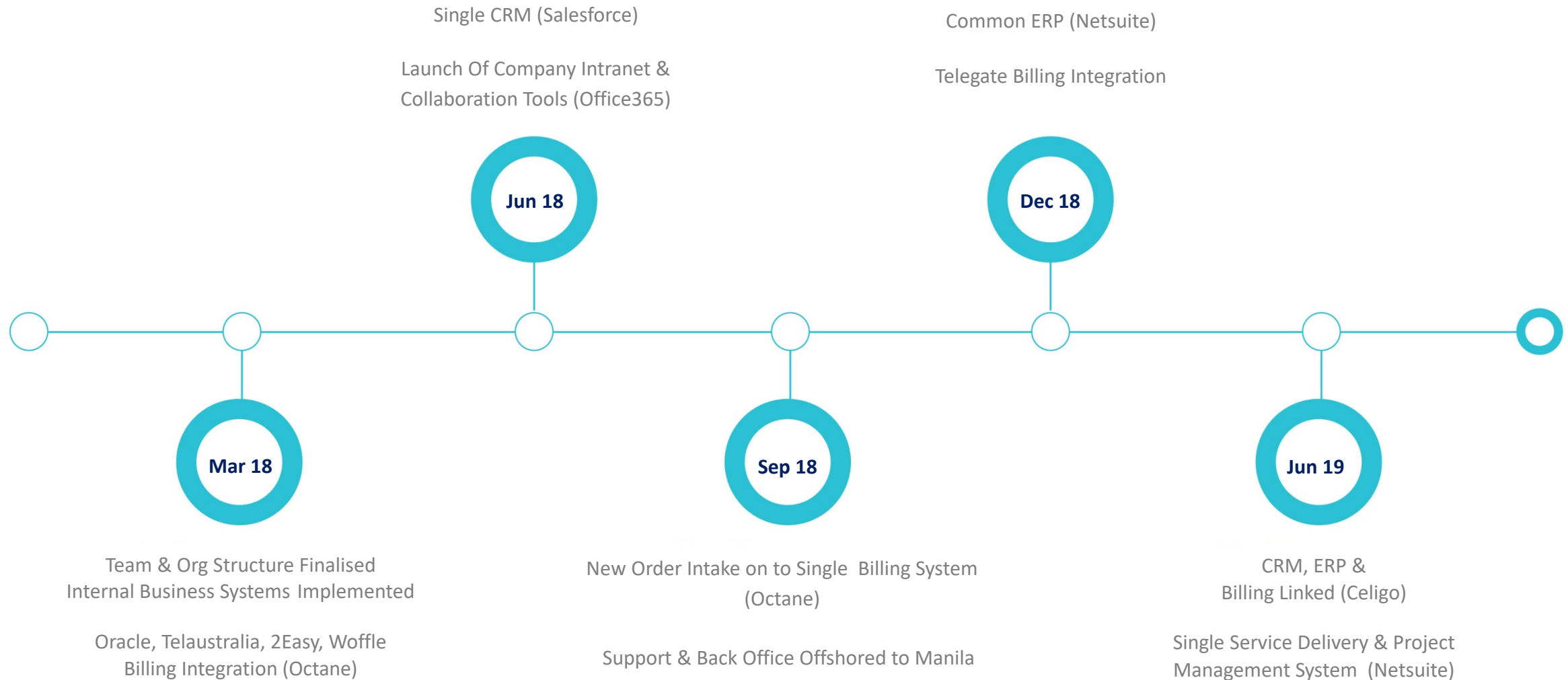
Balance Sheet

Item	Amount
Cash	1.3
Total Assets	33.8
Borrowings	-
Total Liabilities	6.4
Net Assets	27.4
Equity	27.4

- C Net cash of \$1.3m
- C Debt free
- C Strong balance sheet
- C Adequately funded to support organic growth



Integration Update



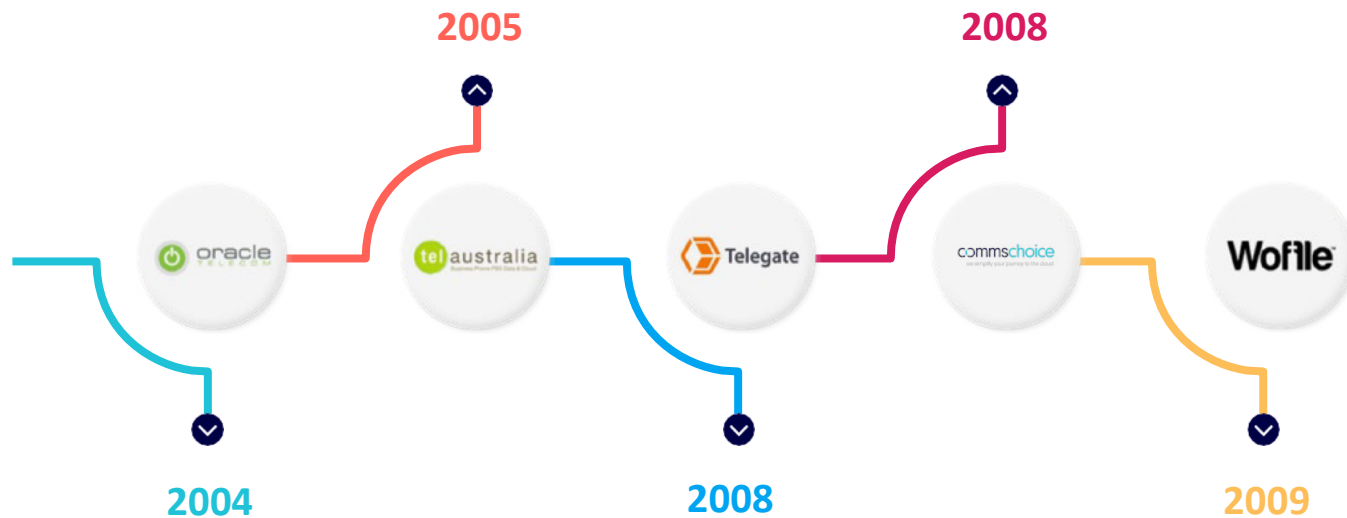
FY19 Outlook

- C Business integration to be completed by end of FY19
- C CommsChoice is profitable and has no debt
- C Business adequately funded to support strong organic growth
- C Strong demand for CCG's offerings, sales momentum accelerating
- C Investing in sales and marketing to take full advantage of demand
- C Recent investment in capabilities will drive double digit top-line growth in FY19 which will translate into strong earnings growth in future periods as the company builds scale

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Appendix 1 Company History

In December 2017, CCG brought together and listed five complementary ICT providers to solve the problems commonly experienced in the mid-market with traditional suppliers.



- Successful listing on ASX in Dec 2017
- Integration of the five businesses complete by end FY19
- Best-of-breed capability brought together
- Strong value proposition
- Solid and building pipeline for 2H FY19

Appendix 2 Product Overview

	Customer Challenge	CCG Core Competencies	Benefits to Customer
Connect	Single-sourcing of data network limits capability and reach and quality	SD-WAN is to lower WAN costs using more affordable and commercially available data services	Cost savings vs MPLS
	Managing a global networks not possible with one carrier	Connecting customers to the cloud	One supplier
	Costly and complex carrier MPLS/IPWAN network and leverage transition to NBN	Multi-sourcing Internet and Network Access from many suppliers globally	Enable shift to cloud applications
Collaborate	Inconsistent user experience across global sites with mix of technology/legacy equipment	Hosted voice platform	Location flexibility, one number any device Scalability and standard feature set globally
	Multiple suppliers - video/voice conferencing, messaging, etc.	SIP (Replace legacy ISDN)	Presence, integrated messaging, video complement voice and improve internal communications and productivity
	Internally managing ageing, costly on-premises PABX network. Limited capability and scalability.	Wholesale Voice	Transition to SIP as a first step to hosted voice as ISDN/PSTN becomes obsolete
Manage	Network cost & complexity (small IT Teams)	Managed Services (light)	Focus on core business (CCG manage communications and keep your business online)
	Managing multiple global providers is a challenge.	Architecture (Professional Service)	One contract, once number to call, one invoice
	Service level inconsistency	Delivery (project management)	Access to experts when you need them, no need to keep on team

Appendix 3 Investor Metrics



Metric	Value
Number of shares	108.7M
Share Price @ 22 February 2019	\$0.099
Market capitalization	\$10.8
Net (debt)/cash	\$1.3M
Enterprise Value	\$9.5M