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Annual General Meeting

Investor Presentation 29 November 2021

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Meet Vonex

Vonex Ltd (ASX: VN8) is a full-service, multi-award-winning telco company providing thousands of Australian businesses and individuals with the best personalised and reliable phone and internet services.

We are delivering strong growth, generating predominantly recurring revenue, as we develop, deliver and license our own advanced communications technologies.

As our customers looked to their telecommunications partners for support during a COVID-disrupted FY21, Vonex was able to provide uninterrupted connectivity and unlock the benefits of an expanded mix of complementary products and services.

Successful execution of our M&A strategy has positioned Vonex strongly to leverage its increased market presence, lower marginal cost base and capacity to realise cross-selling opportunities.



Product Overview

SME Business

Wholesale

Residential



Phone systems

NBN-ready office phone solutions. Options for on-premise and cloud

Hosted PBX
SIP Trunks
Microsoft Teams Integration



4G Mobile

Set your business free with SIM-only mobile plans

4G Voice and Data
Mobile Fleet



Internet & NBN

Choose future-proof nbn or high speed ethernet

NBN
Fibre
Wireless Broadband
5G



Add Ons

1300 numbers, conferencing, ex-fax desktop SMS & more

Virtual Fax
Phone Numbers
• DID, 1300/1800
• International numbers
Desktop SMS
Audio Conferencing



Wholesale Products

Delivering excellence in wholesale connectivity

Business Fibre
IoT/M2M
Hosted PBX & SIP
NBN
Mobile
Wireless Broadband



Residential Products

Residential Phone Systems

Home Phone
Consumer NBN
Consumer Mobile

3 Pillar Growth Strategy



Direct Business

Average Revenue Per User (ARPU) growth to SME Base
Increase Channel Partners
Strong Organic Growth Opportunities
Lead Generation
Brand Awareness
Qantas Business Rewards (QBR) Partnership



Wholesale

Cross-Selling Opportunities
Product Range Expansion
Organic Growth Acceleration
Network Cost Efficiencies
Increase Wholesale Partnerships



Acquisitions

M&A Strategy in place for FY21 - FY23
Targeting Profitable IT / Telecom Businesses
Revenue & Profit Growth
Further Product Expansion & Cross-selling
Increase market share and presence across Australia



Step-Change Growth

Acquisition of part of Symbio's (formerly MNF Group) Direct Business delivers:

- + Improved scale
- + Material revenue and cost synergies
- + Strong ARR
- + High quality customers and earnings
- + Accretive value for Vonex shareholders

Accelerating Growth Through Selective Acquisitions

Core areas of focus for acquisitions

1 Geographic Expansion

Physical location in geographies that Vonex does not have a presence, in order to more effectively service SME customers and to better leverage channel partners acquired through the acquisition of the Direct Business.

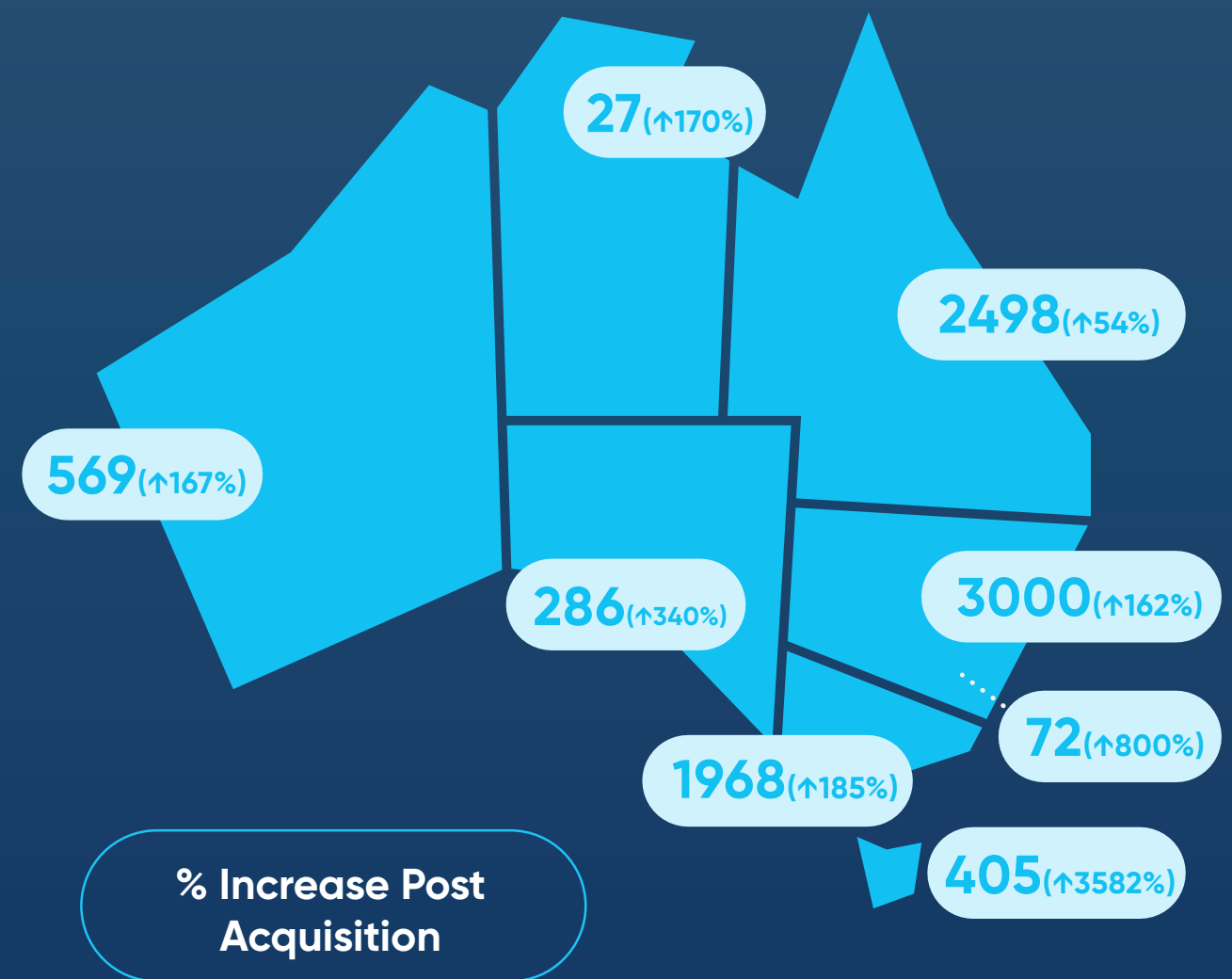
2 Customers

Focus on acquiring SME customers to drive growth in ARR and EBITDA. Expand Partner network to deliver the best possible local customer.

3 Diversify Product Offering

Focus on hosted PBX end point growth and new products to leverage cross sell opportunity to current customer base. Increase ARPU.

Growth in SME Customers Post Acquisition of Direct Businesses



Delivering on our Promise



Nextel Acquisition
completed Mar 2021



Direct business of MNF
Group Acquisition
completed Aug 2021



Committed to proactive
ongoing acquisitions to
accelerate growth



Add 2SG Wholesale
and Nextel now fully
integrated



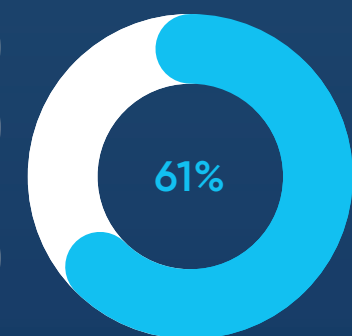
M&A advisors have assisted in developing a
pipeline of attractive acquisition targets and Vonex
management has the capacity to integrate multiple
transactions in a calendar year



Continued strong expansion of Customer Base & ARR

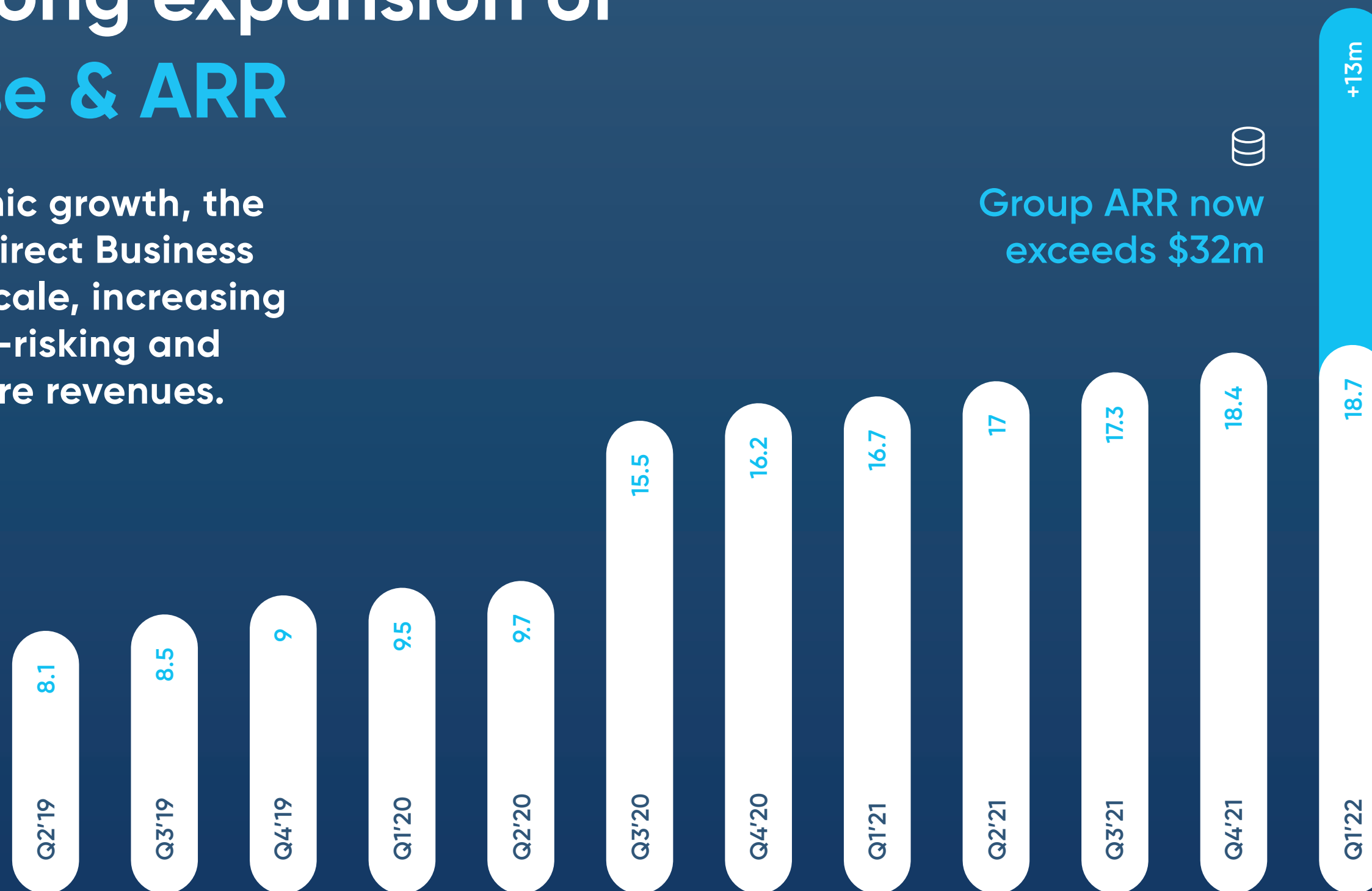
Augmenting Vonex's organic growth, the recent acquisition of the Direct Business has delivered significant scale, increasing ARR by more than 70%, de-risking and improving visibility on future revenues.

+8500 SME customers



Direct Business acquisition has delivered >\$13m in additional ARR.

Group ARR now exceeds \$32m



Operational Highlights



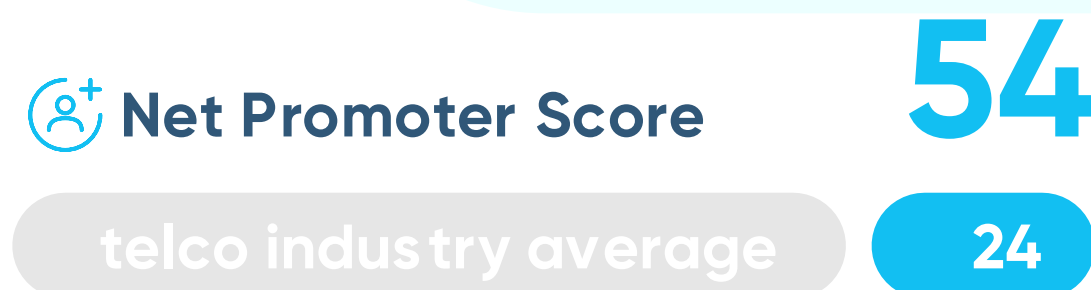
Vonex grew its number of SME retail customers by 283% YoY. Total Contract Value (TCV) of new customer sales remained strong, with Q4 representing a near record quarter and June the largest month of the financial year.



Record quarterly sales revenue of \$6.54m in Q1 FY22, up 47% YoY, incorporating only 7 weeks' contribution from the Direct Business.



Active PBX users up 90% YoY to approximately 80k, delivering a significant boost to this high-margin, subscription-based revenue stream, set to grow further with Qantas Business Rewards partnership recently renewed for 3 years



Integration of Nextel operations completed as marketing efforts see the business unit secure its first significant infrastructure contract.

NBN Assure uninterrupted broadband service rolled out to partners following Q3 FY21 launch.

Operational Highlights

Wholesale

Vonex's Wholesale operations delivered strong growth across key sales metrics in FY21, highlighted by NBN and mobile voice sales growing by 96% and 218% respectively YoY.

FY21 was the first full year since the 2SG Wholesale business was acquired. 2SG is a long-term partner of all tier-one carriers, including Telstra, Optus, NBN, Vocus and AAPT, which makes delivering reliable and secure connectivity products effortless.

Improved Margins

Vonex's integration efforts put downward pressure on both variable and fixed costs flowing from network and operational efficiencies. Vonex now enjoys improved margins at a wholesale level as well as a retail level, supplying customers with NBN, mobile broadband and mobile voice products.

Market Access

The multi-year agreement with OBS exposes Vonex to end customers in a range of industries including automotive, mining, energy and government services.

Blue-Chip Customer Base

Leveraging an improved competitive position, Vonex extended its blue-chip customer base.



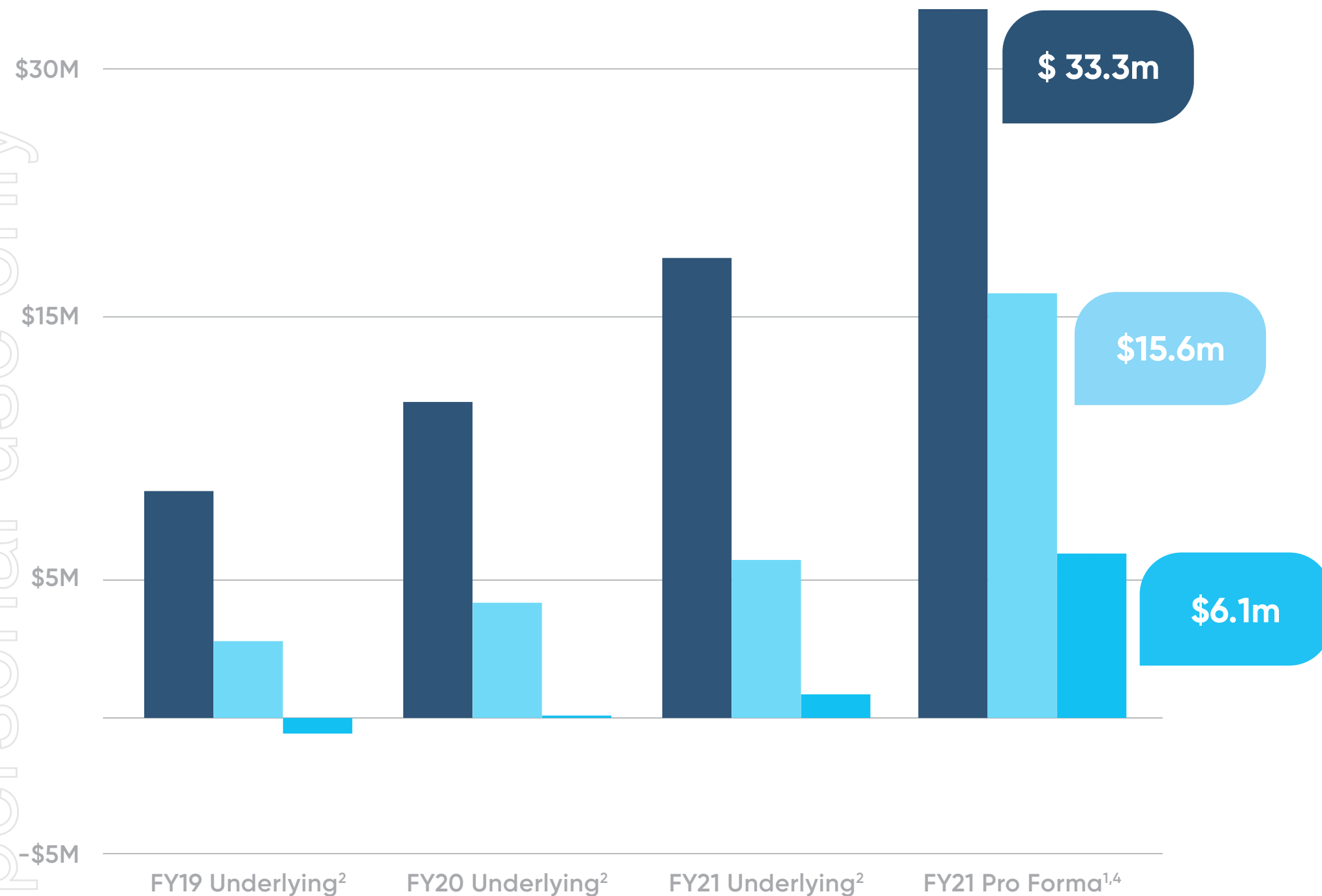
**Business
Services**

Data#3

5G Wireless Broadband

Recently-released 5G service, offered to the wholesale customer base in partnership with Optus, represents a key growth opportunity. Vonex has attracted and onboarded 7 additional wholesale customers since this service was launched late in FY21, and now serves 93 wholesale customers with its mobile broadband products nationwide.

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Financial Highlights

The Vonex business has delivered strong pro forma revenue, gross profit and EBITDA growth in FY21.

- Sales Revenue
- Gross Profit
- EBITDA

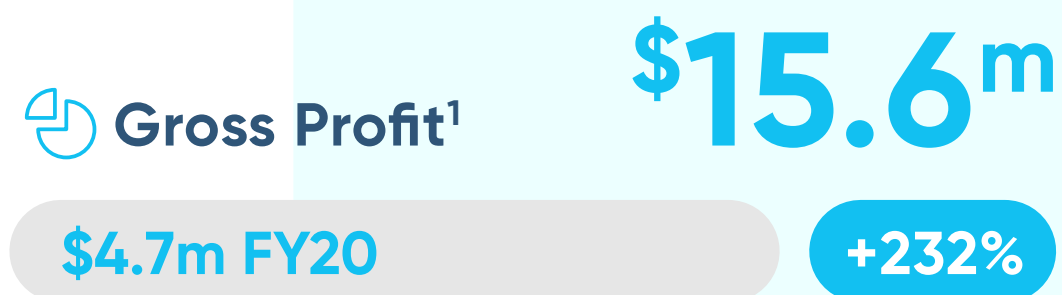
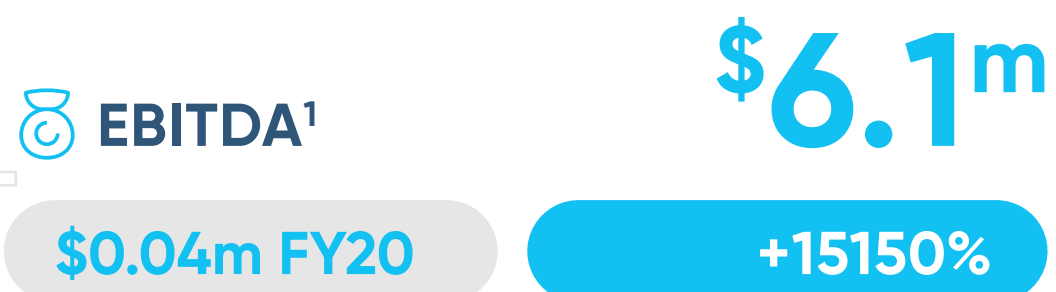
Notes: (1) Pro forma comprises 12 months of preliminary management accounts for the Direct Business and 12 months of consolidated management accounts for Vonex adjusted for add backs of one off and share based expenses (2) Underlying EBITDA is statutory EBITDA adjusted for add backs of one off and share based expenses and doesn't include the full year impact of the Direct Business (3) Statutory EBITDA results are as follows: FY19 (\$2.64m) FY20 (\$0.12m) FY21 (\$3.19m) (4) Pro forma, underlying and statutory only include a 5 month contribution from Nextel.

Financial Highlights

Pro Forma FY21 (includes MNF direct business acquisition)



Sales revenue increase of 160% YoY, reflects continued strong organic growth in Vonex's underlying business customer numbers.



\$16m drawn from a facility with Longreach. \$9.2m of deferred consideration payable pursuant to the acquisition of the direct business from MNF.



Cash at bank of \$3.7m as at 30 June 2021; \$10.25m as at 30 Sept 2021 following successful capital raise.

Note: (1) Pro forma comprises 12 months of preliminary management accounts for the Direct Business and 12 months of consolidated management accounts for Vonex adjusted for add backs of one off and share based expenses. Pro forma, underlying and statutory only include a 5 month contribution from Nextel.

Outlook

Vonex's strengthened competitive position and continued focused on disciplined growth comes at a time of great opportunity in the telecommunications market. Our business has a highly attractive financial profile benefiting from high margins and very high customer retention, reinforced with significant barriers to churn, readily addressable synergies and strong organic growth opportunities.

FY21 was a strong year for Vonex's organic and M&A-led strategic growth initiatives. We are now in a strong position to leverage our increased market presence, lower marginal cost base and capacity to realise cross-selling opportunities.

Acquisitions

The Direct Business acquisition has materially extended the Company's foothold in NSW and VIC, which is set to support an acceleration of growth in Australia's two most populous states.

Vonex continues to assess acquisition opportunities within the telecommunications and ICT sectors as they arise. Our team has demonstrated its capacity to incorporate the operations of an acquired business and realise the potential value.

We are primarily focused on potential targets that are capable of operating stand alone and can be purchased using existing cash, given the Company is generating positive operational cash flow. Vonex has a pipeline of acquisition opportunities that are in active consideration.

Wholesale Growth

2SG Wholesale is also well placed to leverage key growth drivers in both the short and medium term, including through the 5G service recently launched in partnership with Optus.

Board of Directors



Nicholas Ong / Non-Executive Chairman

Mr Ong was a Principal Adviser at the Australian Securities Exchange (ASX) and brings 15 years' experience in IPO, listing rules compliance and corporate governance. Mr Ong has developed a wide network of clients in Asia-Pacific region and provides corporate and transactional advisory services through boutique firm Minerva Corporate Pty Ltd. He is a member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.



David Vilensky / Non-Executive Director

Mr Vilensky is a practicing corporate lawyer and the managing director of Perth law firm Bowen Buchbinder Vilensky. He has more than 30 years' experience in the areas of corporate and business law and in commercial and corporate management.

Mr Vilensky practices mainly in the areas of corporate and commercial law, mergers and acquisitions, mining and resources, trade practices and competition law and complex dispute resolution.



Winnie Lai Hadad / Non-Executive Director

Ms Lai Hadad has expertise in change management, corporate governance, business process improvement and has been involved in listings on the Australian Securities Exchange. Ms Lai Hadad has been involved with both investments into China and out-bound investment from China. Her past roles include implementing Coca-Cola bottling strategies into Greater China and administering the first Chinese direct investment in an iron ore mine in the Pilbara Region of Western Australia.



Matthew Fahey / Managing Director & CEO

Mr Fahey is Vonex Telecom's Chief Executive Officer and joined the Board as Managing Director. Mr Fahey joined Vonex Ltd in 2013, through the Vonex Group's acquisition of iTrinity (IP Voice & Data) where he had served as Sales Director. Mr Fahey brings with him 20 years' extensive experience in building and managing telco companies having built a well-regarded reputation in the industry for channel partner programs as well as excellence in VoIP and Telco.



Jason Gomersall / Non-Executive Director

Mr Gomersall is a former Director of 2SG Wholesale and is the Founder, CEO and Managing Director of isek Communications. Mr Gomersall has long been at the forefront of the telecommunications industry and the mobile phone market since being one of the foundation franchisees of the Optus World chain of retail stores in the 1990s.



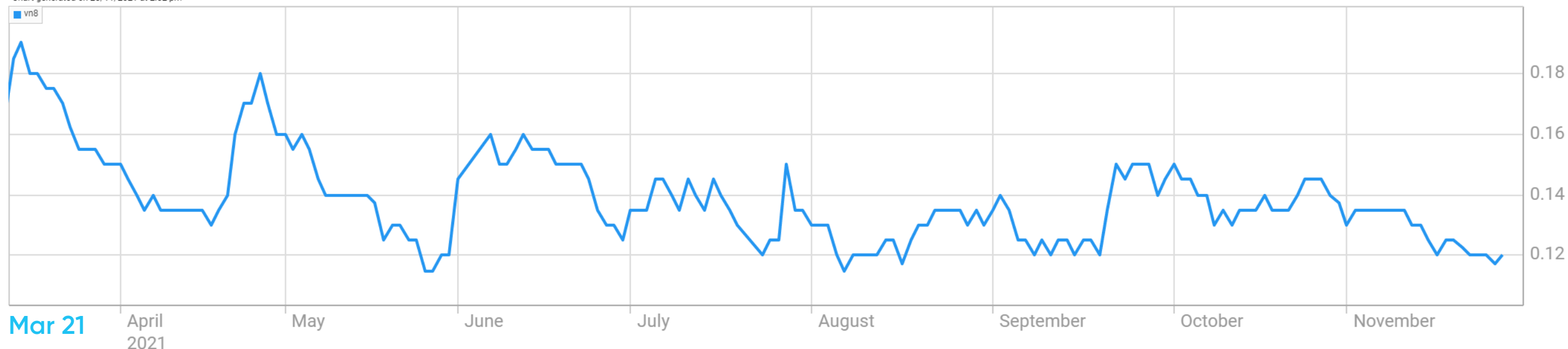
Daniel Smith / Company Secretary

Mr Smith is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and has over 11 years' primary and secondary capital markets expertise. As a director of Minerva Corporate, he has advised on, and been involved in, a significant number of IPOs, RTOs and capital raisings on both the ASX and NSX. His key focus is on corporate governance and compliance, commercial due diligence and transaction structuring, as well as ongoing investor and stakeholder engagement.

Corporate Snapshot

Share Price 2021

Chart generated on 28/11/2021 at 2:52 pm



Capitalisation Table

Share Price 26.11.2021	\$0.12
Quoted Shares	328,352,523
Unquoted Options	44.23m
Performance Rights	13.24m
Market Cap (Undiluted)	\$39.4m
Cash 30.09.2021	\$10.2m
Net Debt	\$15.2m

Key Shareholders

CS THIRD NOMINEES P	9.03%
BNP PARIBAS NOMS PTY LTD <DRP>	8.38%
2SG INVESTMENTS PTY LTD	8.15%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3.63%
FINANCE WEST PTY LTD	3.21%



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REWARDS 

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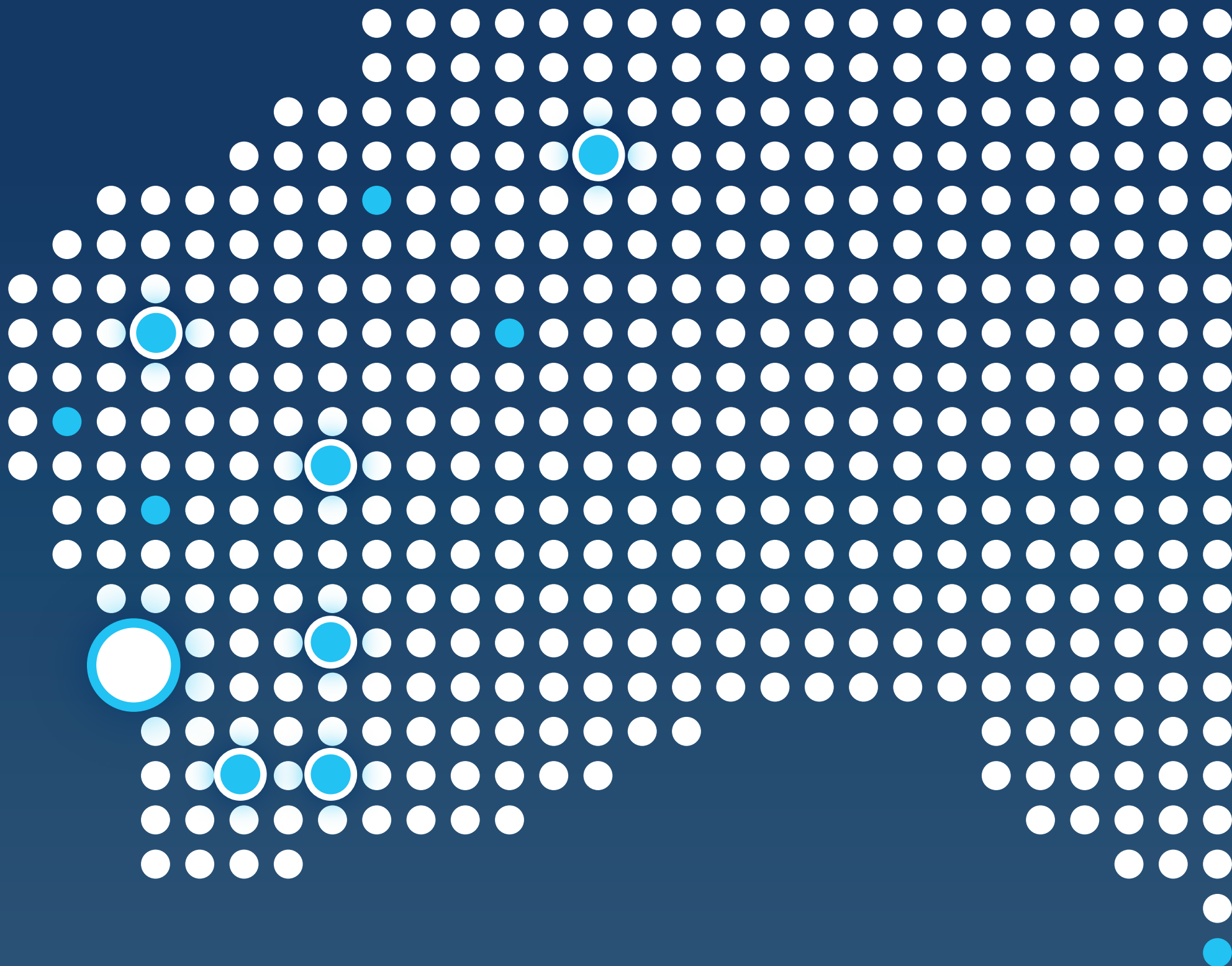
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