



## M2 Group Ltd (ASX:MTU)

# M2 MAINTAINS ORGANIC GROWTH TRAJECTORY, DELIVERING RECORD REVENUE AND PROFIT

Declares interim dividend of 15c

- Organic growth driving record revenue of \$546.2 million, up 8% on the previous corresponding period ('pcp')
- Net Profit After Tax of \$38.5 million, up 25%
- Earnings Per Share of 21.2 cents, up 23%
- Interim dividend of 15c declared, fully franked, up 30% on pcp
- 61,000 net new services added in the half

Monday, 23 February 2015: M2 Group Ltd ('M2', ASX: MTU) has today reported its financial results for the half-year ended 31 December 2014 ('1H15'), with record results in all key financial metrics:

\$M	1H15	1H14	Change
Revenue	546.2	506.0	UP 8%
EBITDA	86.1	75.8	UP 14%
NPAT	38.5	30.9	UP 25%
NPAT Underlying <sup>1</sup>	50.6	43.8	UP 16%
EPS (cents)	21.2	17.3	UP 23%
EPS underlying <sup>1,2</sup> (cents)	27.8	24.5	UP 13%
Interim Dividend (cents)	15.0	11.5	UP 30%
Total SIO (000's)	1,634	1,502	UP 9%

1) Underlying NPAT and EPS figures each include an add-back of a non-cash cost of \$12.1 million for amortisation for the half (\$12.9 million in the previous corresponding period) associated with customer contracts acquired in the relevant period (in accordance with Australian Accounting Standards)

2) Calculated using the volume weighted average number of shares

M2 CEO, Geoff Horth, stated of the Company's results, "We are pleased to deliver to shareholders this excellent result for the first half, through a dedicated program of internal improvement combined with organic growth. These results are a credit to our outstanding team who have worked diligently on delivering on our strategy, the result of which is a business that is increasing share in its core markets and maximising shareholder returns on that growth via a relentless pursuit of operating efficiency. I would like to thank them all for their contributions towards not only this result but for making M2 the excellent growth platform that it is today."

COMMANDER

engin

dodo

iPRIMUS

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## Interim Dividend and Dividend Reinvestment Plan

The M2 Board of Directors is pleased to declare a fully franked interim dividend of 15 cents per share, an increase of 30% on the previous corresponding period. The Directors have further declared that the Dividend Reinvestment Plan ('DRP') will be made available to shareholders for this dividend, payable on 16 April 2015. A discount of 2.5% will be applicable to the DRP for the interim dividend. Election notices for participation in the DRP must be received by Link Market Services by no later than Friday, 27 March 2015, being the day after the record date of 26 March 2015.

Further detail on the interim dividend and DRP is available in the Appendix 3A.1 released to the market today.

## Achievements

A number of achievements have been completed by the M2 team in the year to date, including:

- A total of 61,000 net new services added, including 26,000 broadband services and 14,000 new energy services - with both the consumer and business segments demonstrating another half of subscriber growth
- Rollout of 40 new Dodo Connect Kiosks bringing the total number of Dodo Connect Kiosks to 60, located in shopping centres across QLD, NSW and VIC
- Launch of Dodo TV with Fetch, a market-leading offer beginning at \$0 per month when bundled with a Dodo ADSL2+ connection, increasing bundling opportunities
- Connection of more than 1,000 customers to Commander Electricity, a successful soft launch of this product that will now be rolled out across all channels
- Connected to a further six NBN Points of Interconnect, now totalling 44, and rolled out direct, targeted, call-to-action marketing to those areas
- Bank refinance completed, increasing syndicate members to seven, deferring current debt until FY17 and providing additional flexibility for the business
- Balance sheet strengthened, increasing Net Tangible Assets by \$35.7 million and improving Net Current Assets by \$46.6 million in the half
- Capex on track at 2.5% of revenue, even with acceleration of Dodo Connect Kiosk rollout

## Guidance

The M2 Board of Directors confirmed that M2 is on track to meet full year guidance, released 25 August 2014:

	FY15e
Revenue	↑ 8-9%
NPAT	↑ 15-20%
Capex (as a percentage of revenue)	2.5%

M2 is scheduled to release full year results on Monday 24 August 2015.



## CEO Webcast

A webcast will be held for investors and interested participants at 10.30am, Monday 23 February. The webcast may be joined via the link on the M2 website or by visiting: <http://event.on24.com/r.htm?e=924274&s=1&k=A9F30B5531E89F31C015E7823CC76693>

## ENDS

## Media and Investor Contact Details

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## About M2 Group Ltd

Established in 1999, M2 Group Ltd ("M2", ASX: MTU) is a fast-growing provider of a range of communication, utility and insurance services to Australian households and small businesses. Headquartered in Melbourne, M2 has more than 3000 team members across Australia, New Zealand and the Philippines.

M2's business segment encompasses the Commander and Engin brands, offering a suite of traditional and next generation managed voice and data services, equipment, personalised service and value-added offerings.

The consumer segment, under the leading brands of Dodo and iPrimus, provides Australian households with a low-cost alternative for the full range of telecommunications services in addition to energy and insurance.

Through the M2 Wholesale division, M2 provides a full suite of traditional fixed line, mobile and data telecommunications services as well as next-generation cloud communications services, to small and medium-sized telecommunications service providers and Internet Service Providers.

For more about M2 visit [www.m2.com.au](http://www.m2.com.au).

Related Company sites (part of the M2 Group):

- [www.commander.com](http://www.commander.com)
- [www.engin.com.au](http://www.engin.com.au)
- [www.iprimus.com.au](http://www.iprimus.com.au)
- [www.dodo.com.au](http://www.dodo.com.au)
- [www.m2wholesale.com.au](http://www.m2wholesale.com.au)

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