

Capital Markets Day

Gamma Communications plc



About Gamma

Gamma is a rapidly growing, technology-based, provider of communications services to the UK business market

- Provides integrated voice, data, and mobile telecoms services and applications to businesses
- Key Voice products
 - SIP, Cloud PBX and Inbound
- Key Data products
 - Broadband, Ethernet and Converged Private Networks (CPN)
- Key Mobile products
 - Mobile and Mobile Data



Today's agenda

- Why we're succeeding in the Channel
 - Richard Bligh, Managing Director
- How we win Enterprise customers
 - David Macfarlane, Enterprise Managing Director
- Converged business mobile services
 - Alan Mackie, Product Director



Why are we succeeding in the Channel?



Richard Bligh, Managing Director



Competitive advantages

- Easy to do business with - the portal
- Giving Partners the edge - innovation
- Working with them to grow their businesses
 - Marketing
 - Training / accreditation
 - Add enterprise value
- Quality of service
- End user experience
- Consistency of the team / multiple engagements

FUJITSU

HighNet
telecoms

hibu™

CAPITA

azzurri

Telstra™

vodafone

O₂

E
E

TelecityGroup



Pocket
Landline

Nowtel Cards

Welcome
telecom

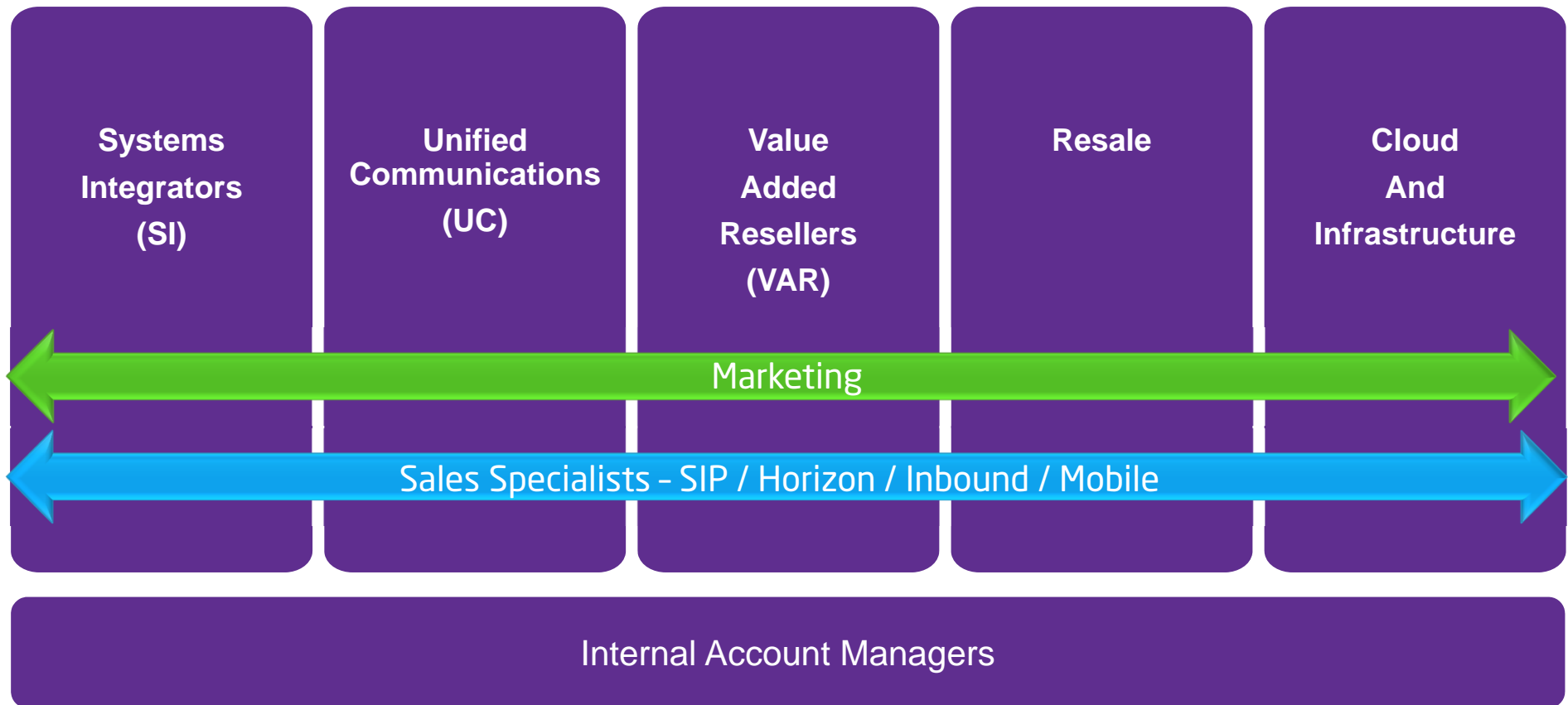


Being easy to do business with

- The Portal
 - One location to manage all provisioning, MACs and billing
 - Bills downloaded at 7.00am daily
- A support organisation geared round the Channel
 - Webinars, support roadshows
 - Knowledge base
 - Site visits (educating not selling)
- Training / accreditation
- How do you want to work with us day to day?
 - Phone
 - Email
 - IM/Chat



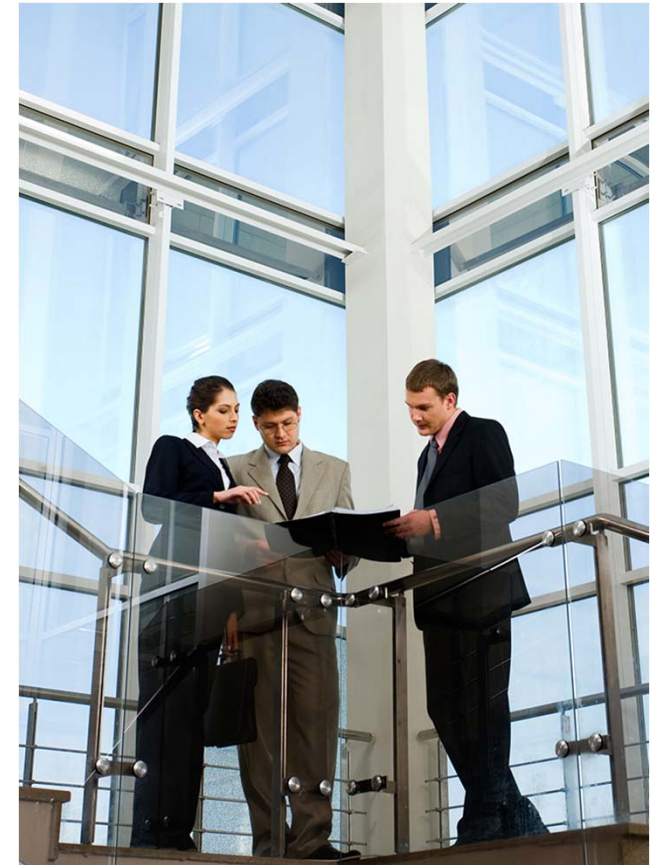
Channel partners are different.....



Giving partners an edge - innovation

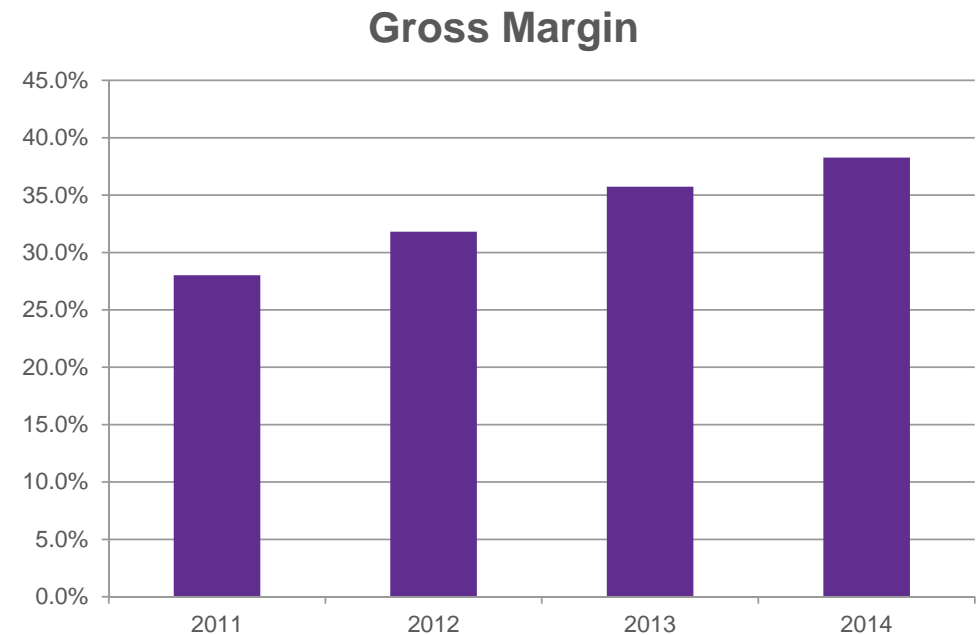
- Gamma gives the Channel the tools it needs to compete
- Innovation-led sales allows greater share of wallet
- Businesses want choice – not the usual incumbents
- The new products enable better customer service
- Partners are 'Trusted Advisers' of small business
- Product development driven by channel partners
- Innovation enables differentiated marketing

No one else invests in the Channel in this way



Selling on value - not price

- Moved from low price to best value
- Negotiation training
- Sales training (and commission structure!)
- People skills
- Delivering against promises
- Culture and access to the top



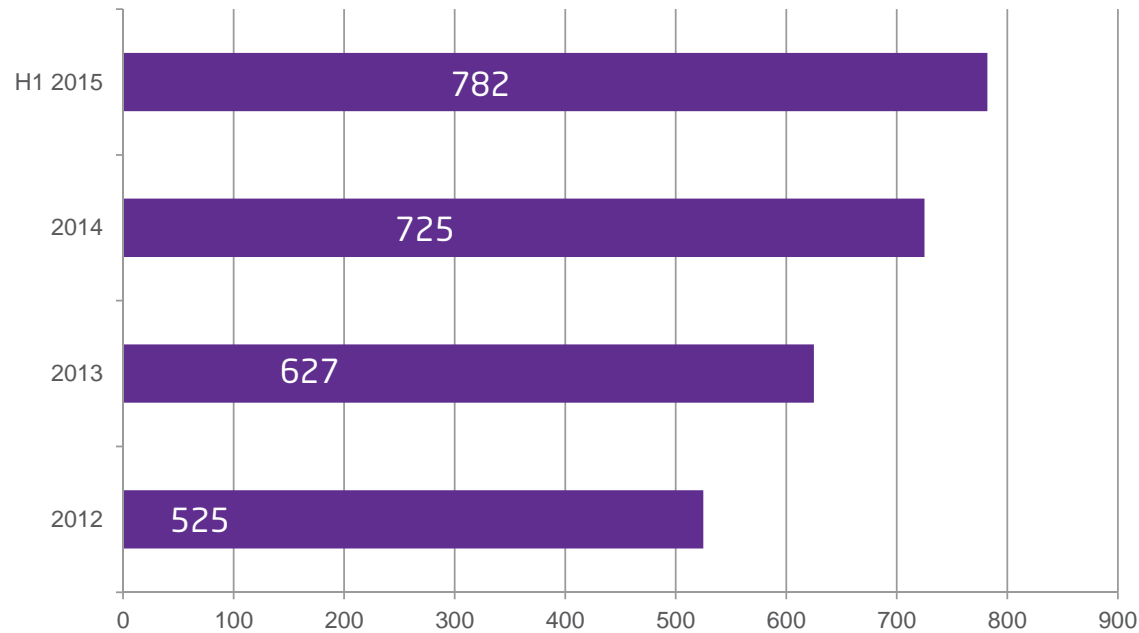
Commercial leverage and flexibility

- Existing traditional business 'locked in' to provide funds for strategic products
- Incentives offered on strategic products - only if traditional revenues remain and are committed
- Enables us to offer price incentives without damaging the standard price
- Rate of growth of new products far outstrips rate of decline of legacy
- New products are much stickier and harder to move than traditional
- The Gamma Deal.....



Growth in Channel Partners

Number of Gamma Partners billing >£500



Capital Markets Day



How far can we take the Channel?

- Only 43% of top SI's currently sell Gamma
- IT market represents growth opportunity
- Mobile market poorly served
- Consolidation of the Channel is a myth



New products sold to the existing Channel represents a huge opportunity



Summary

- We have a strongly differentiated proposition
- Growing partners every quarter in a market that is difficult to size
- There is plenty of opportunity left
- Any questions?



Enterprise solutions

Why customers depend us

David Macfarlane, Enterprise Managing Director



The Enterprise market

- CIOs are challenged to meet increased demand with flat resources
- The 'digital agenda' is consuming internal IT resources
- Single provider of Data, Voice, Mobile and infrastructure are required
- A services provider than can change as their business does
- Good value, great service
- Very low risk



Enterprise solutions

Gamma removes the burden from large organisations of owning and operating their ICT estate

Unlike asset burden carriers our service provides both technical and commercial flexibility, ensuring these organisations have right sized estates

Competitive landscape

	Systems Integrators	Fixed Operators	Mobile Operators	Converged Operators
Data services	Control & ownership	Agility	Mobile focused	Battle ground
Voice services	Control & ownership	Next generation / credibility	Next generation / credibility	Next generation / credibility
Mobile services	Control & ownership	Convergence	Convergence	Next generation / credibility
Managed services	Focus	Credibility	No competition	Completeness of service



American Golf



Video case study



Thrifty Car & Van Rental



Video case study



Customers who depend on Gamma



Complete Managed Communications Service
All Data, Voice, Mobility for 450 locations
Cloud Hosting, Contact Centre & Security
End to End SLA – 5 Year Contract



Fully Managed Voice and Data Network
Core and Branch Data for 320 locations and HQ
International data core and security
Complete Managed Service – 3 Year Contract



New - fully managed, Data, Voice and Mobile
26 Branch and 400 site Network, 2,000 Mobiles
Cloud PABX, Inbound
End to End Service – 3 Year Contract



Managed Data and Voice
All Data, Voice, Mobility for 110 UK locations
12 European Offices and UK Data Centres
3 Year Contract



The Gamma advantage

- Managed services provider delivering Gamma 'plus'
- Control of a carrier and flexibility of a Systems Integrator
- 1 contract, 1 commercial model, 1 SLA, 1 support organisation
- Focused on the customers' business issues
- End-to-end managed services
- Accountability
- Burden removal
- Agile

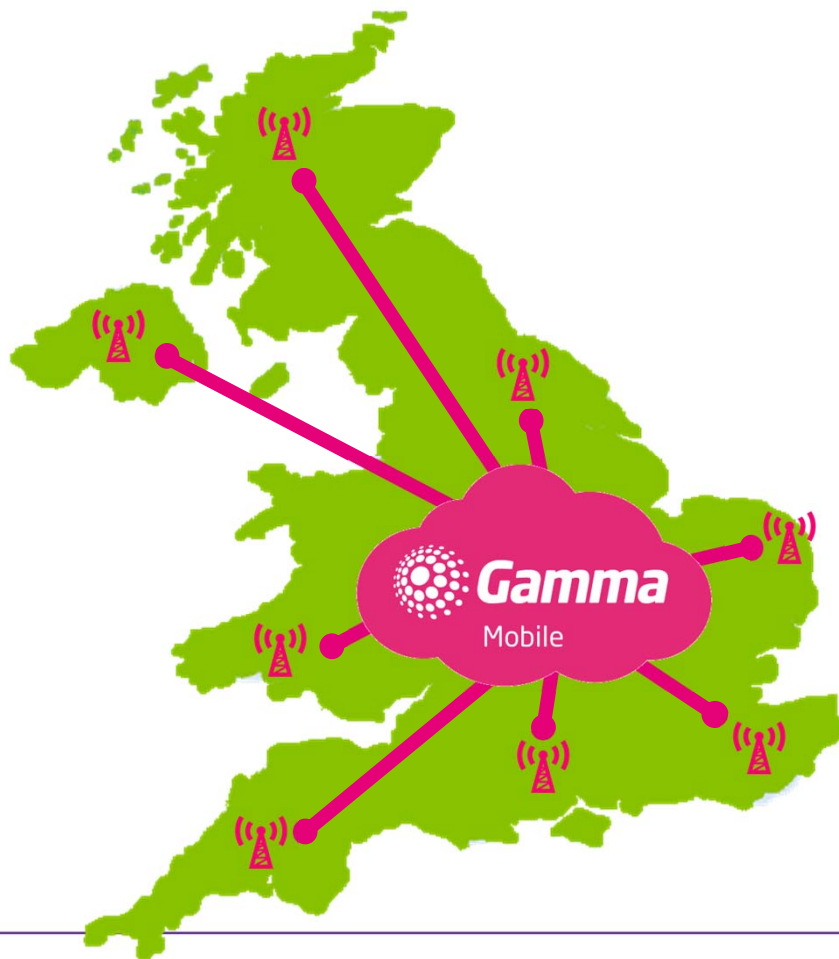


Converged business mobile services

Alan Mackie, Product Director



The Gamma Mobile network - the background



Gamma's Mobile Network

- Own core infrastructure, with comparable functionality to a mobile operator, using 3rd party radio access networks
- Separate roaming agreement under negotiation
- Includes 4G high speed data services
- £4.5m out of £5.5m initial investment spent

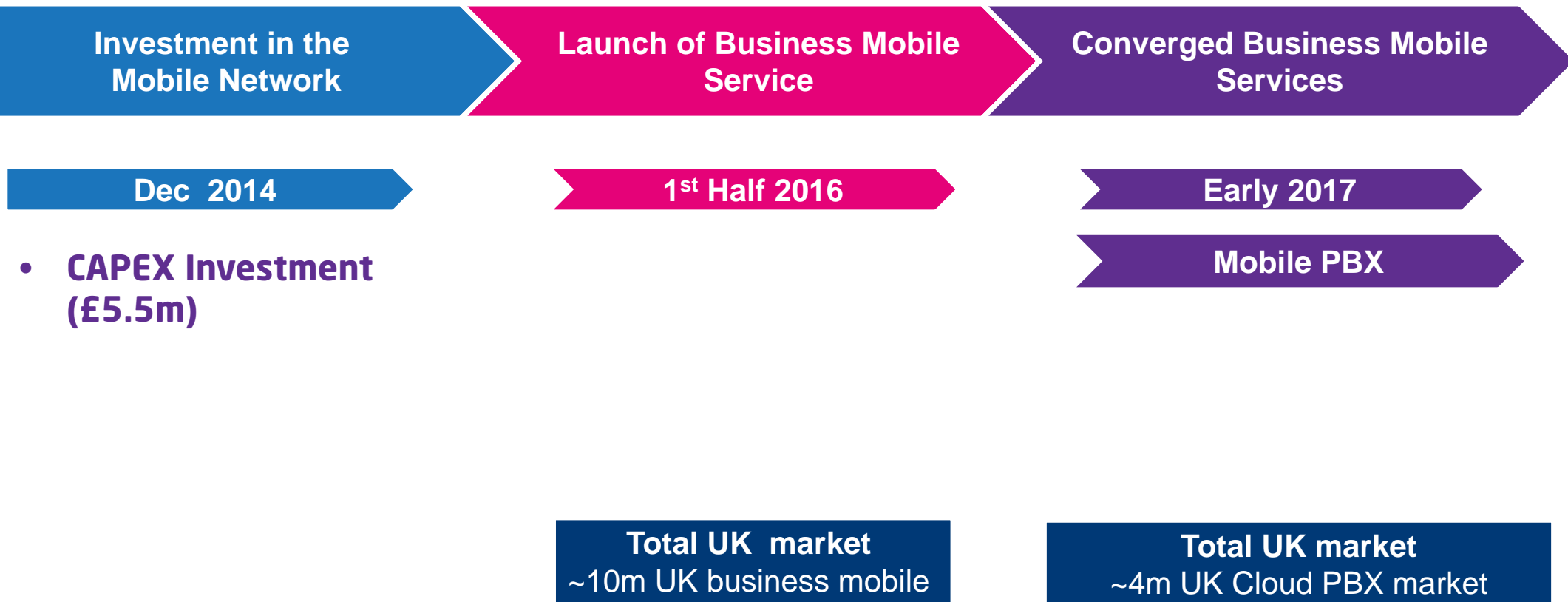
What does it give us?

- Better margin and service on existing business
- Opens up new markets and opportunities
- Acts as platform for converged offerings



Business mobile solutions

- Planned phases of product development



The market opportunity

- The business communications market has traditionally been split between fixed voice/data and mobile services
- Mobile infrastructure and services are now at the core of how most businesses communicate
- BUT, they are basically “individual user” services not best placed to support the business with a structured customer interface
- The opportunity is to converge the flexibility of mobile services with features that business require that are traditionally locked to the fixed voice network
- With the ultimate goal that the business utilises mobile devices as their prime communications device



The market opportunity

Converge the currently separate functionality of mobile and fixed voice services

The flexibility and ease of use of mobiles

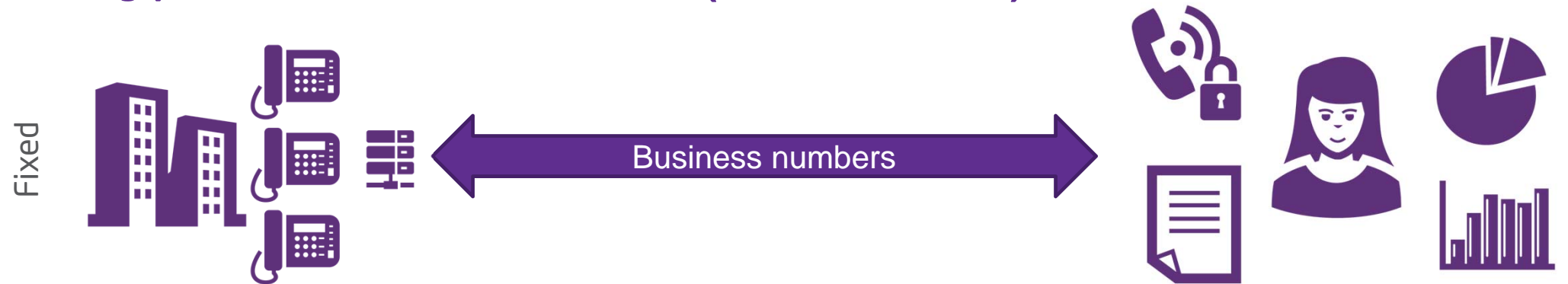
- Emotional benefit of mobile devices
- People love their iPhone

The business requirements of fixed voice services :

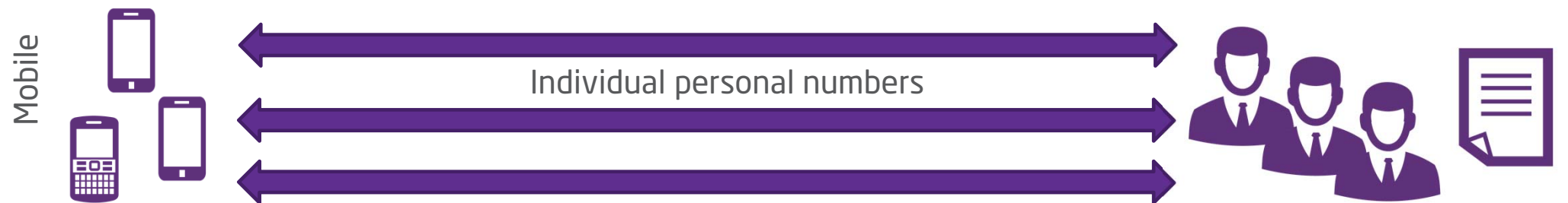
- Single number for all customer interaction (08, 03 or local numbers)
- Group numbers for efficient call handling
- Consistent “business number“ presentation
- Single report on call usage and costs



Current business communications set up - a 'typical' small business (<250 staff)



Complexity and cost



The current markets

UK market

- Low penetration of Fixed/Mobile services in the UK
- Current solutions in the market are complex
- Market is at the early adopter stage and is still to be established

Markets Gamma doesn't serve

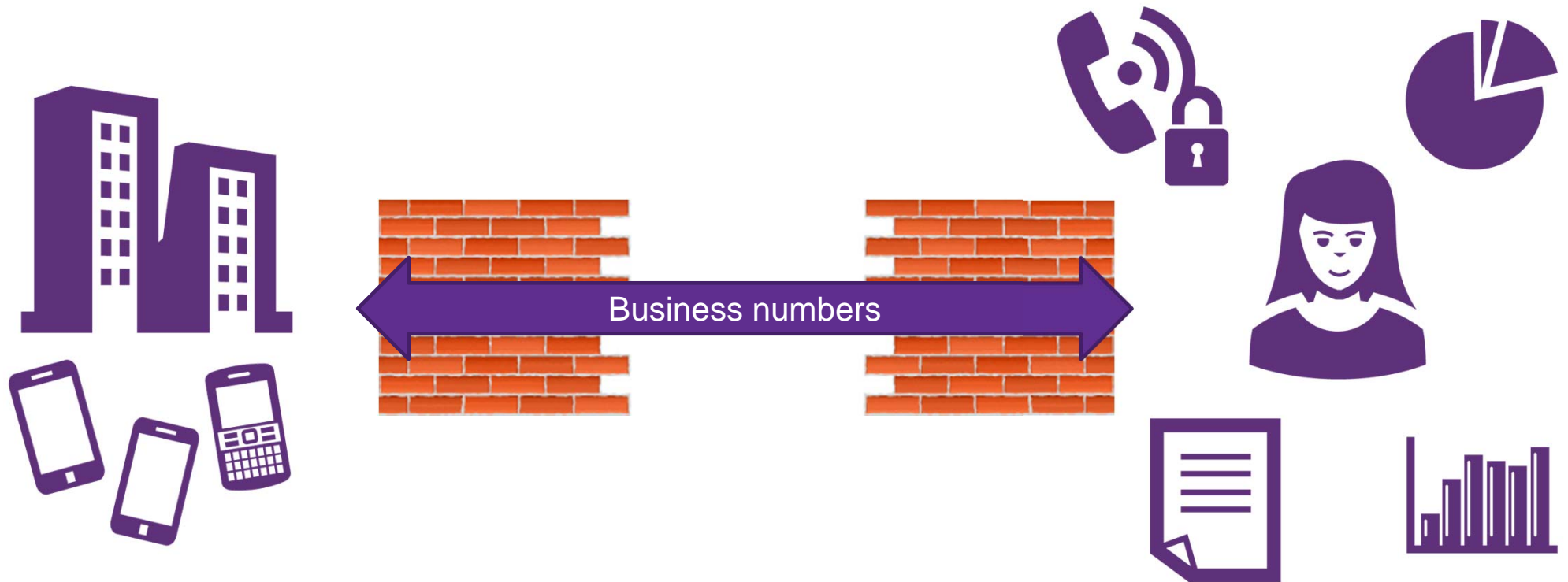
- Scandinavian markets well developed in converged mobile services
- Approx 60% market penetration of business mobile users that have an additional fixed voice overlay service*
- Increasing ARPU per user and securing longer term contracts

* Ovum Consulting



The 'new' business comms set up - 'typical' small business

Convergence = flexibility and cost reduction



Why Gamma can make this market work

- Network capability – fixed voice and new mobile capability
 - One of a very limited list of providers that have fixed voice, IP and Mobile capability
- Focus – this is a mobile product for SMEs that saves them money via a single contract
- Route to market – the Gamma sales channel already sells both fixed and mobile services to this base, but at narrow margins. This product increases margin and contract length
- Simplicity of offering – we have a good track record of simplifying business communications services via direct and channel sales routes



Summary

- Large potential market opportunity to converge mobile services with fixed voice functionality
- Gamma has both mobile and fixed network capability – one of a very limited list that do
- Defined SME target market for simple to deploy and manage service
- Low CAPEX requirements to bring the service to market, leveraging investments already undertaken
- Target release, early 2017



Summary

Bob Falconer, Chief Executive



Takeaways

- The channel is key to Gamma and growing
- The Enterprise space is a new market where we have had good early wins
- The integration of fixed and mobile telephony offers some medium term opportunity to differentiate further
- There is a huge amount to go for
- The Board and Management are confident for the future



Questions



THANK YOU

www.gamma.co.uk

