Mitel Q2 2016 Earnings Call Presentation

August 4, 2016

Powering connections

Safe Harbor Statement

Forward Looking Statements

Some of the statements in this communication are forward-looking statements (or forward-looking information) within the meaning of applicable U.S. and Canadian securities laws. These include statements using the words believe, target, outlook, may, will, should, could, estimate, continue, expect, intend, plan, predict, potential, project and anticipate, and similar statements which do not describe the present or provide information about the past. There is no guarantee that the expected events or expected results will actually occur. Such statements reflect the current views of management of Mitel and are subject to a number of risks and uncertainties. These statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, operational and other factors. Any changes in these assumptions or other factors could cause actual results to differ materially from current expectations. All forward-looking statements attributable to Mitel, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements set forth in this paragraph. Undue reliance should not be placed on such statements. In addition, material risks that could cause actual results to differ from forward-looking statements include: the inherent uncertainty associated with financial or other projections; the anticipated size of the markets and continued demand for Mitel products and services; access to available financing on a timely basis and on reasonable terms; the integration of Mavenir and the ability to recognize the anticipated benefits from the acquisition of Mavenir; Mitel's ability to achieve or sustain profitability in the future; fluctuations in quarterly and annual revenues and operating results; fluctuations in foreign exchange rates; current and ongoing global economic instability, political unrest and related sanctions; intense competition; reliance on channel partners for a significant component of sales; dependence upon a small number of outside contract manufacturers to manufacture products; and, Mitel's ability to successfully implement and achieve its business strategies, including its growth of the company through acquisitions and the integration of recently acquired businesses and realization of synergies. Additional risks are described under the heading "Risk Factors" in Mitel's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the U.S. Securities and Exchange Commission (the "SEC") and Canadian securities regulatory authorities on February 29, 2016. Forward-looking statements speak only as of the date they are made. Except as required by law, Mitel has no intention or obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

Non-GAAP Financial Measurements

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and earnings presentation materials, the following non-GAAP information which management believes provides useful information to investors. Mitel provides a reconciliation between GAAP and non-GAAP financial information in our quarterly results announcements and in the supplemental slides used in conjunction with the company's quarterly call. This information is available on our website at www.mitel.com under the "Investor Relations" section http://investor.mitel.com/events.cfm.

Non-GAAP Financial Measures

This presentation includes references to non-GAAP financial measures including Adjusted EBITDA, non-GAAP net income, non-GAAP EPS (earnings per share), non-GAAP revenues and non-GAAP gross margin. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. We use these non-GAAP financial measures to assist management and investors in understanding our past financial performance and prospects for the future, including changes in our operating results, trends and marketplace performance, exclusive of unusual events or factors which do not directly affect what we consider to be our core operating performance. Non-GAAP measures are among the primary indicators management uses as a basis for our planning and forecasting of future periods. Investors are cautioned that non-GAAP financial measures should not be relied upon as a substitute for financial measures prepared in accordance with generally accepted accounting principles. Please see the reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP measure attached to our quarterly results announcement.

Mitel completed the acquisition of Mavenir Systems Inc. on April 29, 2015. "As reported" results in our quarterly results announcement and the attached tables refer to the U.S. GAAP results of Mitel, which include the results of Mavenir from the date of acquisition. Pro-forma results reflect the results of the company as if it had been fully combined with Mavenir Systems for the full presented period. Non-GAAP Revenues and non-GAAP Gross Margin have been adjusted to exclude the effect of purchase accounting. These adjustments have no impact on Mitel's business or cash flows, but adversely affect the Company`s reported revenues and gross margin in the period following an acquisition. For a reconciliation of Mitel's as-reported results to the pro-forma results and non-GAAP results, please see the tables attached to our quarterly announcement as well as the Form 8-K presenting combined historical results of Mitel and Mavenir filed with the SEC on August 6, 2015.

Constant Currency Estimates

Management refers to growth rates at constant currency or adjusting for currency so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of the company's business performance. Financial results adjusted for currency are calculated by translating prior period activity in local currency using the current period currency conversion rate. This approach is used for countries where the functional currency is the local currency. Generally, when the US dollar either strengthens or weakens against other currencies, the growth at constant currency rates or adjusting for currency will be higher or lower than growth reported at actual exchange rates.

Annualized Exit Monthly Cloud Recurring Revenue

Annualized Exit Monthly Cloud Recurring Revenue is a leading indicator of our anticipated cloud recurring revenues. We believe that trends in revenue are important to understanding the overall health of our cloud business. Our Annualized Exit Monthly Cloud Recurring Revenue equals our Monthly Cloud Recurring Revenue multiplied by 12. Our Monthly Cloud Recurring Revenue equals the monthly value of all customer subscriptions in effect at the end of a given month. For example, our Monthly Recurring Subscriptions at June 30, 2016 were $10.12 million. As such, our Annualized Exit Monthly Cloud Recurring Revenues at June 30, 2016 were $121.4 million.

Q2 2016 Business Highlights

Financial Performance Exceeds Guide

- Non-GAAP Revenue of $308m, up 3% y-y and exceeds consensus
- Adj EBITDA of $46m up 43% y-y, exceeds consensus
- Non-GAAP EPS up 73% to $0.19, exceeds consensus

Enterprise Division Outperforms

- Gross margin and EBITDA expansion
- Continues to take share in the Americas and Europe
- Performance in-line with target model year-to-date
- Acknowledged by Gartner as a Leader in their Magic UC Mid-Market & Global Enterprise Magic Quadrants

Strong Cloud Growth and Expansion

- Added 31,000 recurring cloud seats, bringing total to 451,000, up 37% y-y
- Recognized first Mobile Enterprise revenue from cross-sell between Cloud and Mobile
- Expanded cloud channel presence in new countries including China; Japan; Italy; Norway; and Spain

Mobile Division Achieves Record Margins while Expanding Footprints

- Record post-acquisition gross margins of 62%
- Total of 50 technology (VoLTE, VoWiFi & RCS) footprints, up from 35 in Q1
- 19 footprints in network-wide roll-out, up from 11 in Q1
- Exceeded 2016 target of 15 footprints at mid-year and reset the 2016 target to 25

Quarterly Income Statement (Pro Forma)

(All amounts non-GAAP and dollars in millions except for earnings per share)

	Q2 2016	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Non-GAAP Revenue	**$307.7**	**3%**	**3%**
Non-GAAP Gross Margin %	**56.1%**	**290 bps**	**290 bps**
Adj. EBITDA $	**$45.9**	**43%**	**43%**
Adj. EBITDA %	14.9%	410 bps	410 bps
Non-GAAP EPS	**$0.19**	**$0.08**	**$0.08**

Executing on Strategy to Deliver ***Profitable Growth***

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Segment Performance – Enterprise (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q2 2016	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Product	$ 137.8	(6%)	(6%)
Recurring	$ 49.3	4%	4%
Services	$ 27.3	26%	26%
Total Enterprise Revenue (non-GAAP)	**$ 214.4**	**(1%)**	**(1%)**
Enterprise Gross Margin % (non-GAAP)	**55.7%**	**110 bps**	**110 bps**
Enterprise EBITDA %	**17.8%**	**170 bps**	**170 bps**

Division Outperforms and Gains Market Share

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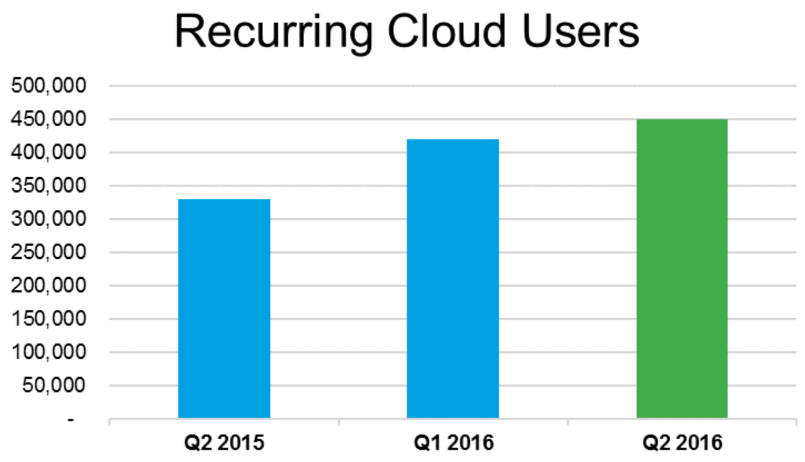
Segment Performance – Cloud (Pro Forma)

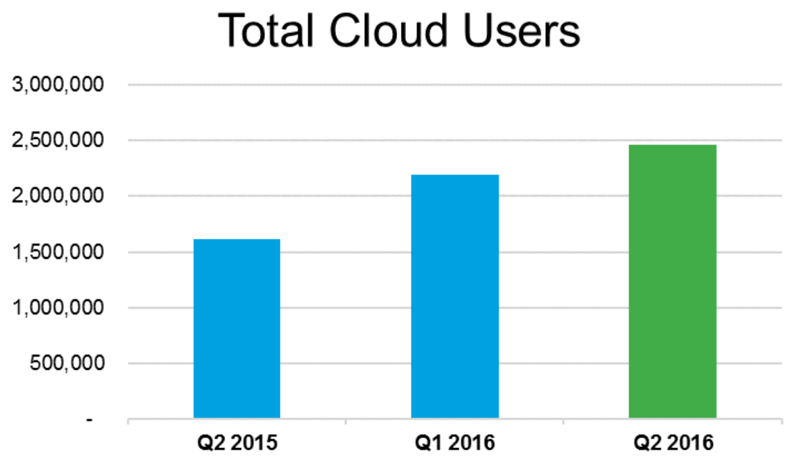
(All amounts non-GAAP and dollars in millions)

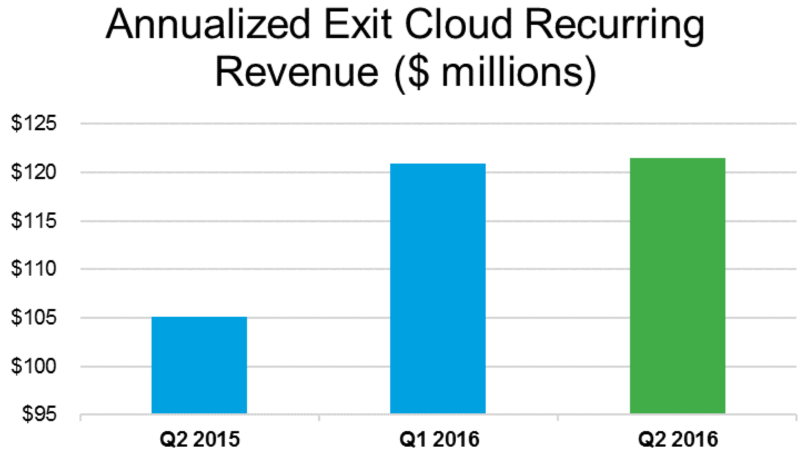
	Q2 2016	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Product	$ 15.8	39%	38%
Recurring	$ 29.6	17%	17%
Services	$ 0.5	0%	0%
Total Cloud Revenue (non-GAAP)	**$ 45.9**	**23%**	**23%**
Total Cloud Gross Margin (non-GAAP)	**51.9%**	**210 bps**	**210 bps**
Cloud EBITDA %	**4.6%**	**220 bps**	**220 bps**

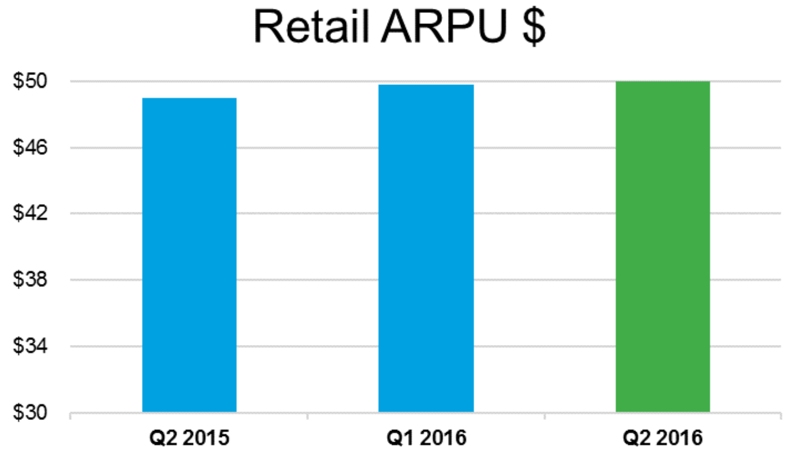
Strong Revenue Growth and Margin Expansion

Segment Performance – Cloud









Segment Performance – Mobile (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q2 2016	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Product	$ 33.0	34%	34%
Recurring	$ 8.8	(7%)	(7%)
Services	$ 5.6	(49%)	(49%)
Total Mobile Revenue (non-GAAP)	**$47.4**	**5%**	**5%**
Total Mobile Gross Margin (non-GAAP)	**62.2%**	**1,300 bps**	**1,300 bps**
Mobile EBITDA %	**12.0%**	**1,980 bps**	**1,980 bps**

Improving Execution and Solid Growth Drive Strong Margins

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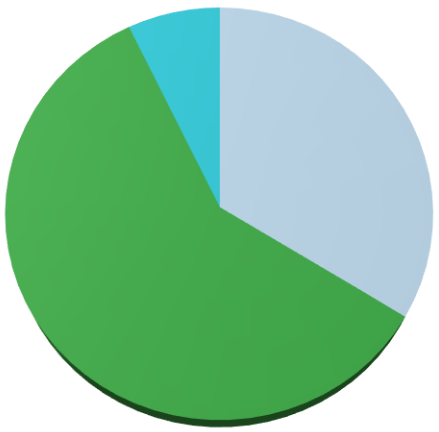
Growing recurring revenue streams (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q2 2016	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Enterprise	$ 49.3	4%	4%
Cloud	$ 29.6	17%	17%
Mobile	$ 8.8	(7%)	(7%)
Total Recurring Revenue (non-GAAP)	**$ 87.7**	**6%**	**6%**
% of total non-GAAP revenue (pro-forma)	**28.5%**	**90 bps**	**90 bps**

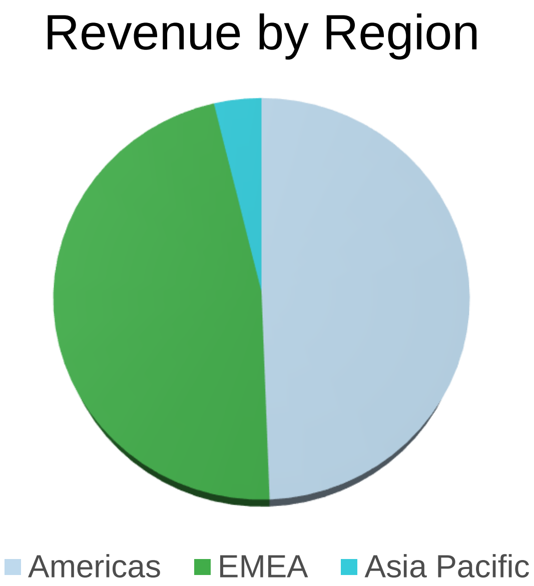
Recurring Revenue by Type



Revenue by Region (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q2 2016	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Americas	$152.0	7%	7%
EMEA	$144.0	10%	10%
Asia Pacific	$ 11.7	(55%)	(55%)
Total Revenue (non-GAAP)	**$307.7**	**3%**	**3%**



Select Balance Sheet Metrics (Pro Forma)

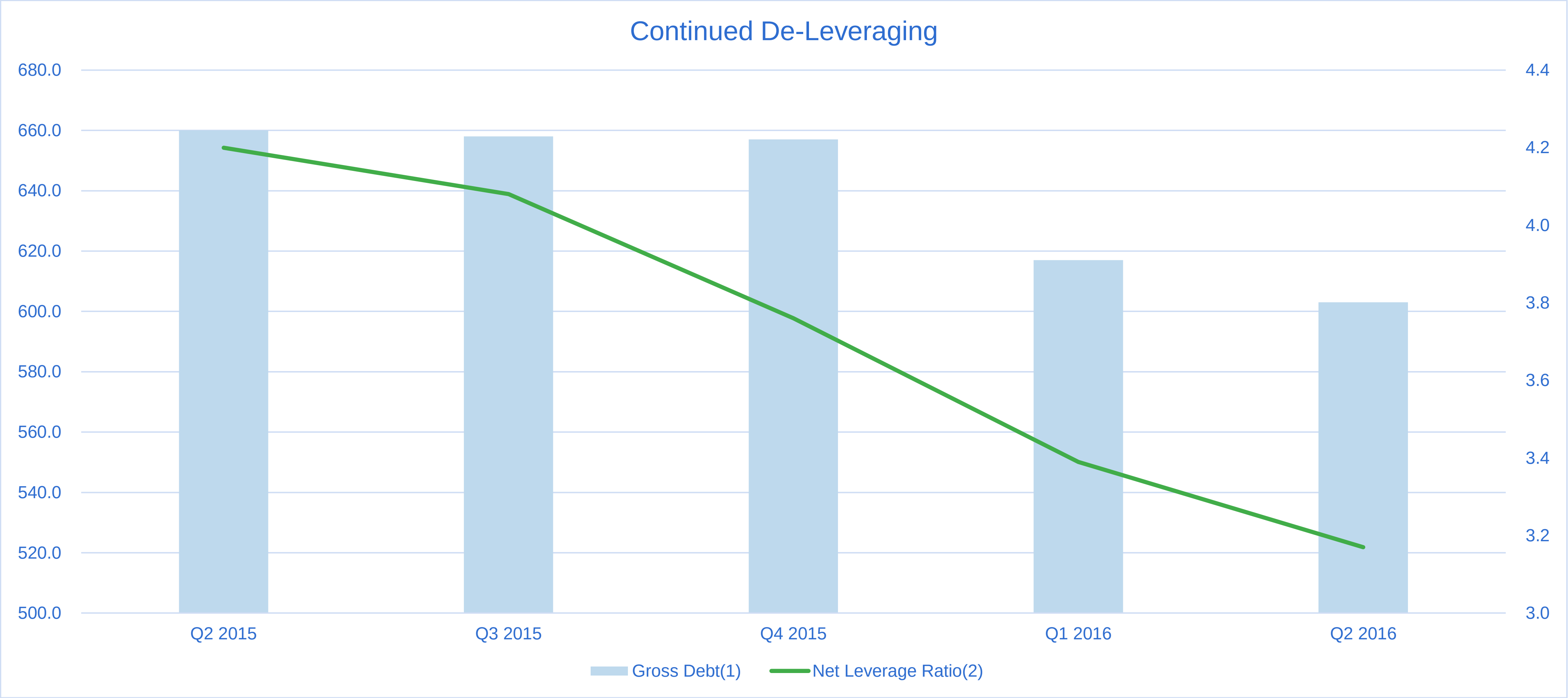
(Dollars in millions. DSO and Inventory turns on non-GAAP revenue and COGS)

	Jun 2016	Dec 2015
Cash and cash equivalents	$ 61.2	$ 91.6
Total Liquidity	$111.2	$141.6
Accounts Receivable	$258.3	$290.2
DSO	77	79
Inventory	$91.6	$92.8
Inventory Turns	6	6

Debt Leverage	Actual leverage ratio	Permitted leverage ratio
Jun 2016	4.10	4.25

Covenant flexibility will be significantly improved as a result of the $60m termination fee.

Balance Sheet Strength…An Industry Differentiator!



(1) Gross Debt defined as principal outstanding on the senior credit facility
(2) Net Leverage Ratio is calculated as Net Debt / TTM Reported EBITDA

Q3-2016 Guidance

Non-GAAP Revenue	**$275 million to $295 million**
Non-GAAP Gross Margin %	54.0% to 56.0%
Adjusted EBITDA %	11.0% to 13.0%
Non-GAAP EPS[1]	$0.10 to $0.15

[1] Based on 125M Non-GAAP weighted average shares outstanding

Appendix

Historical and Constant Currency Measures

	Q2 2016	Q2 2015 Pro Forma constant currency	Q2 2015 Reported	Q2 2015 Pro Forma historical currency	YoY historical currency	YoY constant currency
Non-GAAP Revenue	307.7	298.4	292.3	298.3	3%	3%
Non-GAAP Gross Margin %	56.1%	53.2%	53.6%	53.2%	2.9%	2.9%
EBITDA $	45.9	32.2	40.6	32.2	43%	43%
EBITDA %	14.9%	10.8%	13.9%	10.8%	4.1%	4.1%
EPS	$ 0.19	$ 0.11	$ 0.18	$ 0.11	$ 0.08	$ 0.08
Enterprise Segment						
Product	137.8	146.9	146.8	146.8	-6%	-6%
Recurring	49.3	47.6	47.6	47.6	4%	4%
Services	27.3	21.6	21.6	21.6	26%	26%
Total Revenue	214.4	216.1	216.0	216.0	-1%	-1%
GM %	55.7%	54.6%	54.6%	54.6%	1.1%	1.1%
EBITDA $	38.1	34.8	34.8	34.8	9%	9%
EBITDA %	17.8%	16.1%	16.1%	16.1%	1.7%	1.7%
Cloud Segment						
Product	15.8	11.4	11.4	11.4	39%	38%
Recurring	29.6	25.4	25.3	25.3	17%	17%
Services	0.5	0.5	0.5	0.5	0%	0%
Total Revenue	45.9	37.3	37.2	37.2	23%	23%
GM %	51.9%	49.7%	49.7%	49.7%	2.1%	2.1%
EBITDA $	2.1	0.9	0.9	0.9	133%	133%
EBITDA %	4.6%	2.4%	2.4%	2.4%	2.2%	2.2%
Mobile Segment						
Product	33.0	24.6	23.1	24.6	34%	34%
Recurring	8.8	9.5	6.4	9.5	-7%	-7%
Services	5.6	11.0	9.6	11.0	-49%	-49%
Total Revenue	47.4	45.0	39.1	45.1	5%	5%
GM %	62.2%	49.2%	51.7%	49.2%	13.0%	13.0%
EBITDA $	5.7	(3.5)	4.9	(3.5)	263%	263%
EBITDA %	12.0%	-7.8%	12.5%	-7.8%	19.8%	19.8%

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