

Mitel Q3 2015 Earnings Call Presentation

November 5, 2015

Safe Harbor Statement

Forward Looking Statements

This presentation contains projections and other forward-looking statements regarding future events or the future performance of Mitel, including future operating and financial results. These projections and statements are only predictions. Actual events or results may differ materially from those provided in the projections or other forward-looking statements. Please see Mitel's annual and quarterly reports filed with the SEC and the Canadian securities regulator, including its most recent Form 10-K filed on February 26, 2015 and Form 10-Q filed on November 5, 2015, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.

Non-GAAP Financial Measurements

In an effort to provide additional and useful information regarding the company's financial results and other financial information as determined by generally accepted accounting principles (GAAP), the company also discusses, in its earnings press release and earnings presentation materials, certain non-GAAP information. 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 measures for future periods would not include, when applicable, share-based compensation expense, amortization of acquisition-related intangible assets, impact to revenue and cost of sales from purchase accounting adjustments, acquisition-related/divestiture costs, significant asset impairments and restructurings, significant litigation settlements, the income tax effects of the foregoing, significant tax matters, and other items that Mitel may exclude from time to time in the future, such as significant gains or losses from contingencies.

Q3 2015 Business Highlights

Solid financials

- Beat consensus on Revenue, EBITDA and EPS
- Delivered 30% EPS growth and 4% revenue growth year on year (constant currency)
- Growth pillars, Cloud and Mobile, each posted over 30% growth

Market Leadership

- Leader in the 2015 Gartner Magic Quadrant for Corporate Telephony, and **only brand recognized across all 5** Gartner Magic Quadrants
- Leader in cloud, with nearly 1 in every 4 cloud customers now choosing Mitel (Synergy Research)
- Awarded the most innovative LTE application / service award at 2015 LTE Asia World Series

Expanding Footprint

- Added 40,000 recurring cloud users in quarter, and 152,000 total cloud users (recurring and non-recurring)
- Mobile footprint wins now stand at 31 with three new wins booked during the quarter

Ongoing Innovation

- Unveiled Mitel Mobile Enterprise strategy and new business accelerator
- Introduced a series of portfolio enhancements designed to support today's Mobile First world

Quarterly Income Statement (Pro Forma)

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

	Q3 2015	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Non-GAAP Revenue	\$293.7	(5%)	4%
Non-GAAP Gross Margin %	52.6%	(20bps)	70bps
Adj. EBITDA \$	\$ 34.9	4%	26%
Adj. EBITDA %	12%	100bps	200bps
Non-GAAP EPS	\$ 0.12	(\$0.02)	\$0.03

Synergy realization & operating discipline deliver profitable growth

Segment Performance – Premise (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q3 2015	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Product	\$141.9	(16%)	(7%)
Recurring	\$ 47.5	(9%)	(1%)
Services	\$ 19.3	(15%)	(7%)
Total Premise Revenue (non-GAAP)	\$208.7	(14%)	(5%)
Premise Gross Margin % (non-GAAP)	54.0%	80bps	200bps

Continued Margin expansion

Segment Performance – Cloud (Pro Forma)

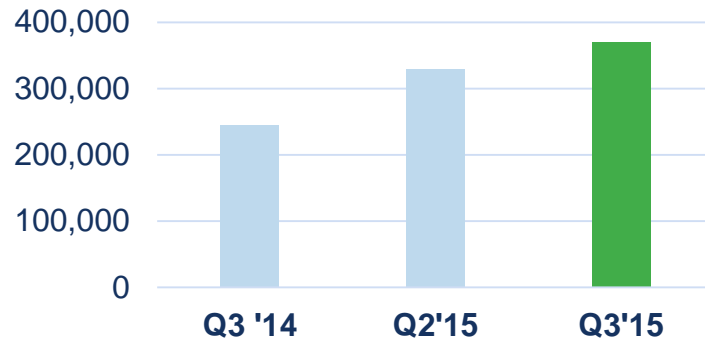
(All amounts non-GAAP and dollars in millions)

	Q3 2015	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Product	\$11.8	34%	38%
Recurring	\$28.1	29%	31%
Services	\$ 0.5	150%	150%
Total Cloud Revenue (non-GAAP)	\$40.4	32%	34%
Total Cloud Gross Margin (non-GAAP)	49.8%	(10bps)	50bps

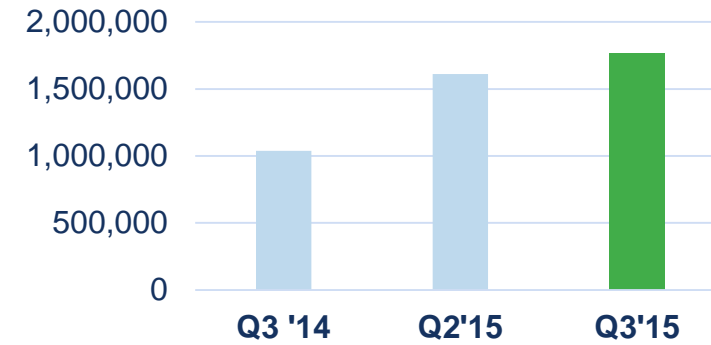
Growth outpaces competition

Segment Performance – Cloud

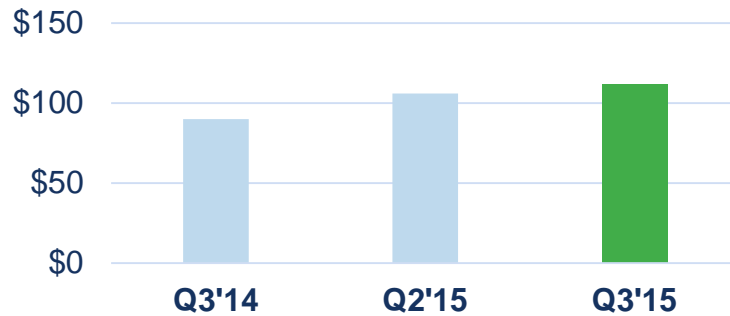
Recurring Cloud Users



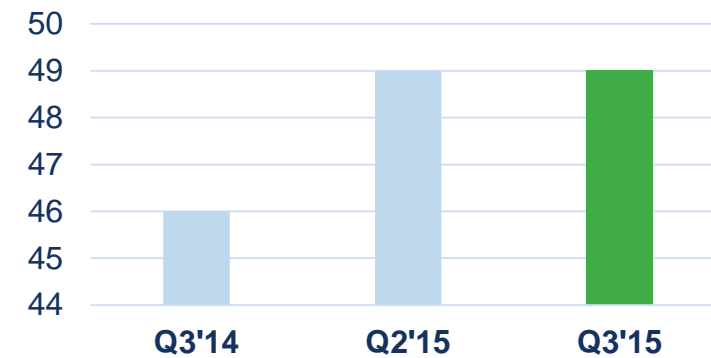
Total Cloud Users



Annualized Exit Cloud Recurring Revenue (\$ millions)



Retail ARPU \$



Segment Performance – Mobile (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q3 2015	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Product	\$24.7	25%	31%
Recurring	\$ 9.7	45%	45%
Services	\$10.2	34%	43%
Total Mobile Revenue (non-GAAP)	\$44.6	31%	36%
Total Mobile Gross Margin (non-GAAP)	48.9%	(480bps)	(460bps)

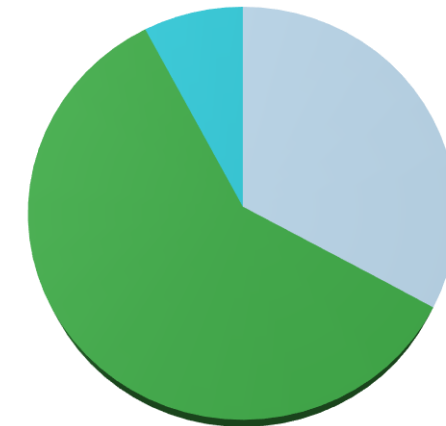
Continued rapid growth

Growing recurring revenue streams (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q3 2015	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Premise	\$47.5	(9%)	(1%)
Cloud	\$28.1	29%	31%
Mobile	\$ 9.7	45%	45%
Total Recurring Revenue (non-GAAP)	\$85.3	6%	12%
% of total non-GAAP revenue (pro-forma)	29%	300bps	200bps

Recurring Revenue by Type



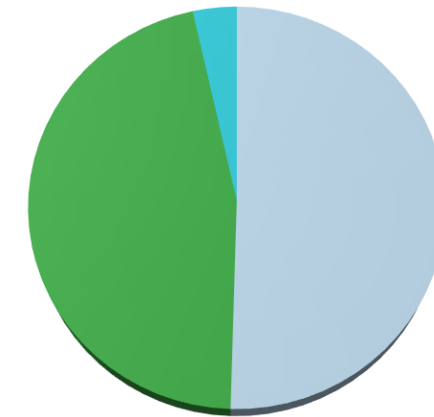
- HW and SW Support
- Cloud
- Legacy

Revenue by Region (Pro Forma)

(All amounts non-GAAP and dollars in millions)

	Q3 2015	YoY Historical currency Fav (Unfav)	YoY Constant currency Fav (Unfav)
Americas	\$148.2	8%	10%
EMEA	\$135.2	(14%)	-1%
Asia Pacific	\$ 10.3	(29%)	-21%
Total Revenue (non-GAAP)	\$293.7	(5%)	4%

Revenue by Region



■ Americas ■ EMEA ■ Asia Pacific

Select Balance Sheet Metrics (Pro Forma)

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

	Sept 2015	June 2015
Cash and cash equivalents	\$ 82.9	\$ 76.0
Total Liquidity	\$132.9	\$126.0
Accounts Receivable	\$239.6	\$276.3
DSO	74	85
Inventory	\$110.9	\$110.4
Inventory Turns	5	5

Debt Leverage	Actual leverage ratio	Permitted leverage ratio
Sept 2015	3.87	5.25

Q4 2015 Guidance

Non-GAAP Revenue	\$315 million to \$340 million
Non-GAAP Gross Margin %	53% to 55%
Adjusted EBITDA %	14% to 17%
Non-GAAP EPS ¹	\$0.22 to \$0.27

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

Appendix

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 revenues, Non-GAAP gross margin and non-GAAP operating expenses. 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 on April 29, 2015. "As reported" results in this release and the attached tables refer to the U.S. GAAP results of Mitel, which include the results of Mavenir from the date of acquisition, April 29, 2015. Pro-forma results reflect the results of the company as if it had been fully combined with Mavenir Systems for the full presented period. 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 results 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

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 September 30, 2015 were \$9.3 million. As such, our Annualized Exit Monthly Cloud Recurring Revenue at September 30, 2015 were \$111.6 million.

Historical and Constant Currency Measures

	Q3'15	Q3'14 Proforma constant currency	Q3'14 Reported	Q3'14 proforma historical currency	YOY historical currency	YOY constant currency
Revenue	293.7	283.2	274.0	308.1	-5%	4%
Gross Margin %	52.6%	51.9%	52.7%	52.8%	-0.2%	0.7%
EBITDA \$	34.9	27.7	34.6	33.4	4%	26%
EBITDA %	12%	10%	13%	11%	1%	2%
EPS	\$ 0.12	\$ 0.09	\$ 0.18	\$ 0.14	\$ (0.02)	\$ 0.03
Premise Segment						
Product	141.9	151.8	168.5	168.5	-16%	-7%
Recurring	47.5	47.9	52.0	52.0	-9%	-1%
Services	19.3	20.7	22.8	22.8	-15%	-7%
Total Revenue	208.7	220.4	243.3	243.3	-14%	-5%
GM%	54.0%	52.0%	53.1%	53.1%	0.8%	2.0%
Cloud Segment						
Product	11.8	8.5	8.8	8.8	34%	38%
Recurring	28.1	21.4	21.7	21.7	29%	31%
Services	0.5	0.2	0.2	0.2	150%	150%
Total Revenue	40.4	30.1	30.7	30.7	32%	34%
GM%	49.8%	49.2%	49.8%	49.8%	-0.1%	0.5%
Mobile Segment						
Product	24.7	18.9	-	19.8	25%	31%
Recurring	9.7	6.7	-	6.7	45%	45%
Services	10.2	7.1	-	7.6	34%	43%
Total Revenue	44.6	32.7	-	34.1	31%	36%
GM%	48.9%	53.5%	-	53.7%	-4.8%	-4.6%

#Mitel