

2019

ANNUAL GENERAL MEETING PRESENTATION



4 DECEMBER 2019



This presentation contains certain forward-looking and unaudited information. Such information is based on estimates and assumptions that, whilst considered reasonable by the Company, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information.

		Reported		Underlying ¹		
		FY19	FY18 ²	FY19	FY18 ²	Growth
Revenue	\$m	2,477.4	2,496.1	2,477.4	2,496.1	(<1%)
EBITDA (before impairment ³)	\$m	809.4	826.7	818.4	826.7	(1%)
BAU ⁴ EBITDA	\$m	823.8	828.1	823.8	828.1	(<1%)
NPAT ⁵	\$m	173.8	396.4	376.2	432.1	(13%)
EPS ⁵	cps	18.7	42.8	40.5	46.7	(13%)

(1) Refer to slide 4 for reconciliation between reported and underlying results

(2) Re-stated for implementation of AASB 15

(3) Impairment arising from decision to cease Australian mobile network build

(4) Business as Usual ('BAU') excludes Singapore and Australia mobile and transaction costs relating to planned merger, the same basis as on which BAU EBITDA guidance for FY19 was provided

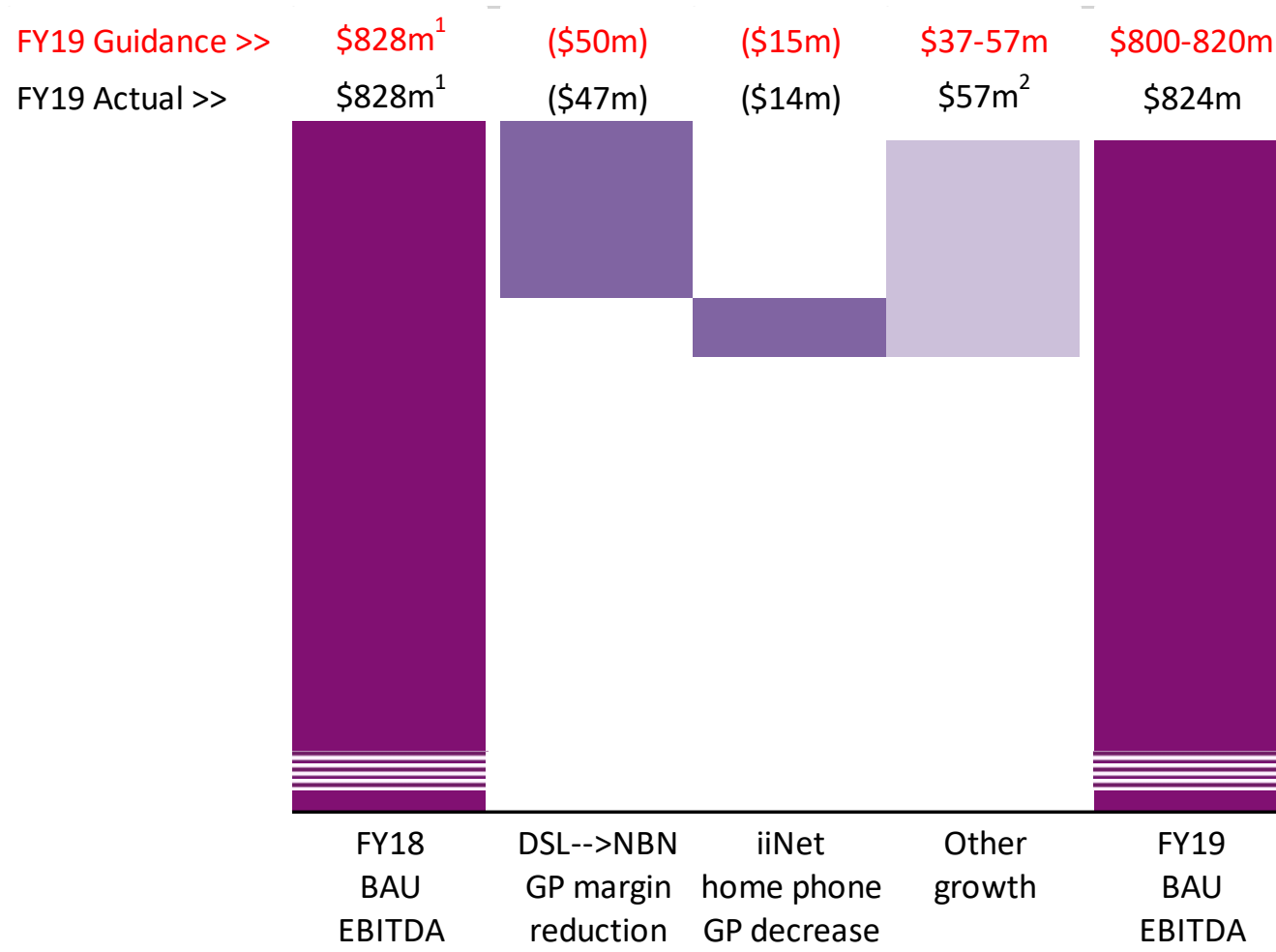
(5) The decline in underlying NPAT and EPS in FY19 reflects the impact of commencing the amortisation of the Group's Australian spectrum licences from 2H19. Reported NPAT and EPS for FY19 are also impacted by the impairment³.

\$m	FY19		FY18 ²	
	EBITDA	NPAT	EBITDA	NPAT
Reported	572.6	173.8	826.7	396.4
<i>Add:</i> Transaction costs re planned merger with VHA	9.0	6.3	-	-
<i>Add:</i> Australian mobile network and spectrum impairment ¹	236.8	165.7	-	-
<i>Add:</i> Acquired customer base intangible amortisation	-	30.4	-	35.7
Underlying	818.4	376.2	826.7	432.1
<i>Add:</i> Singapore mobile loss	2.7		1.4	
<i>Add:</i> Australian mobile loss	2.7		-	
Business as Usual ('BAU')	823.8		828.1	

(1) Impairment arising from decision to cease Australian mobile network build.

(2) Re-stated for implementation of AASB 15.

	FY19 Guidance	FY19 Actual
BAU EBITDA	800-820	823.8
BAU capex	180-220	198.7

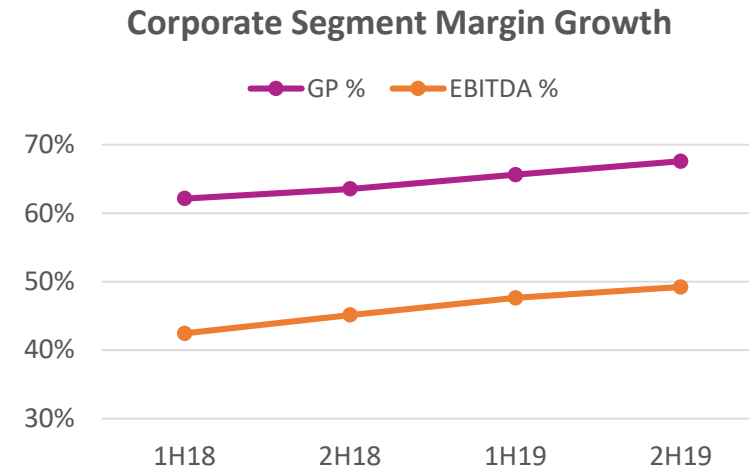


(1) Restated for implementation of AASB15.

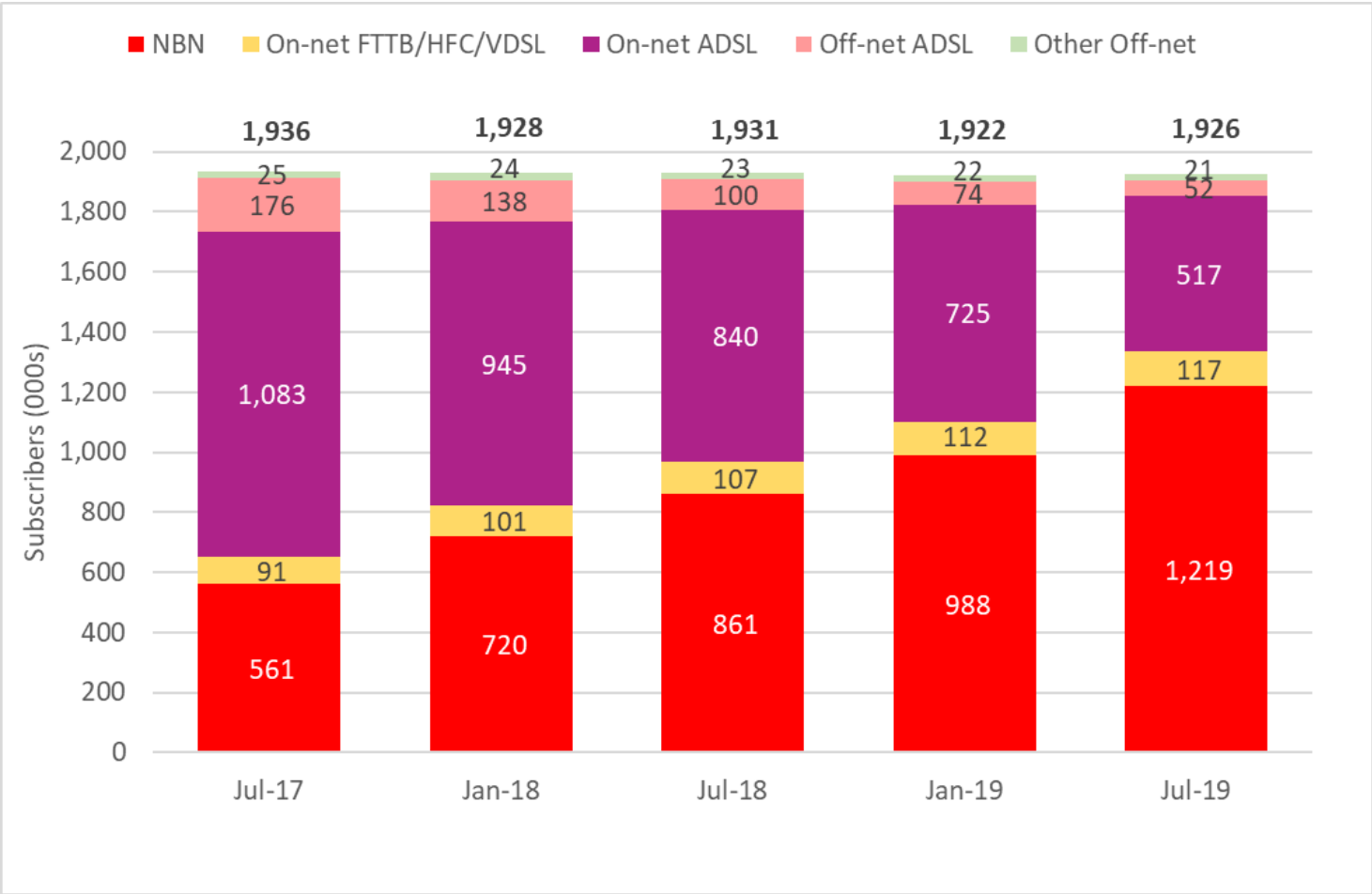
(2) FY19 actual 'other growth' of \$57m comprises growth of \$72m partly offset by a \$15m decline in profitability of the Group's existing NBN subscriber base in the year.

	Corporate Segment Revenue			
\$m	Data/Internet	Voice	Legacy iiNet	Total
FY19	592.2	115.4	50.8	758.4
FY18	562.7	130.4	60.7	753.8
FY19 growth	29.5	(15.0)	(9.9)	4.6

\$m	Corporate Segment EBITDA
FY19	367.1
FY18	329.7
FY19 growth	37.4



GROUP BROADBAND SUBSCRIBERS



FY19 movement includes +358k NBN and +10k FTTB

	\$m	
	FY19	FY18
Operating Cash Flow	836.3	868.3
Tax	(128.6)	(194.5)
Capex – Australia – BAU	(198.7)	(258.0)
Capex – Australia – mobile spectrum	(352.4)	(597.3)
Capex – Australia – mobile network	(86.1)	(38.7)
Capex – Singapore – mobile network	(80.1)	(62.3)
IRU/finance lease payments	(5.5)	(34.1)
Operating Cash Flow less Capex	(15.1)	(316.6)

‘Capex’ includes payments for property, plant and equipment plus intangible assets.

	\$m
Net debt ¹ as at 31 July 2018	1,271.3
Net increase during FY19	182.9
Net debt ¹ as at 31 July 2019	1,454.2
Spectrum commitments as at 31 July 2019	
- 700MHz spectrum final instalment due 31-Jan-20	352.4 ²
- 3.6GHz spectrum payment due March 2020	131.7 ³
Net debt ¹ + spectrum commitments as at 31 July 2019	1,938.3

Leverage ratio as at 31-July-19: ~2.4x
 (calculated on a net debt + spectrum commitments to last twelve months underlying EBITDA basis).

1. For the purpose of the table above, 'Net debt' comprises bank debt, derivative financial liabilities and finance lease liabilities less cash.
2. Disclosed as a spectrum liability in the 31-July-19 balance sheet at its discounted value as at that date of \$344.2m.
3. Disclosed within capital commitments in the notes to the 31-July-19 financial statements.



- Outdoor service coverage at 99.79% at October 2019.
- On track to meet IMDA indoor service milestone.
- MRT and road tunnels coverage progressing.
- Signups for free trial now over 350k.
- Continued positive feedback on network coverage and quality.
- Free unlimited roaming to Malaysia, Indonesia and India launched.

\$m	FY20 Guidance (Sept-19)
BAU EBITDA	735-750
BAU capex	200-240

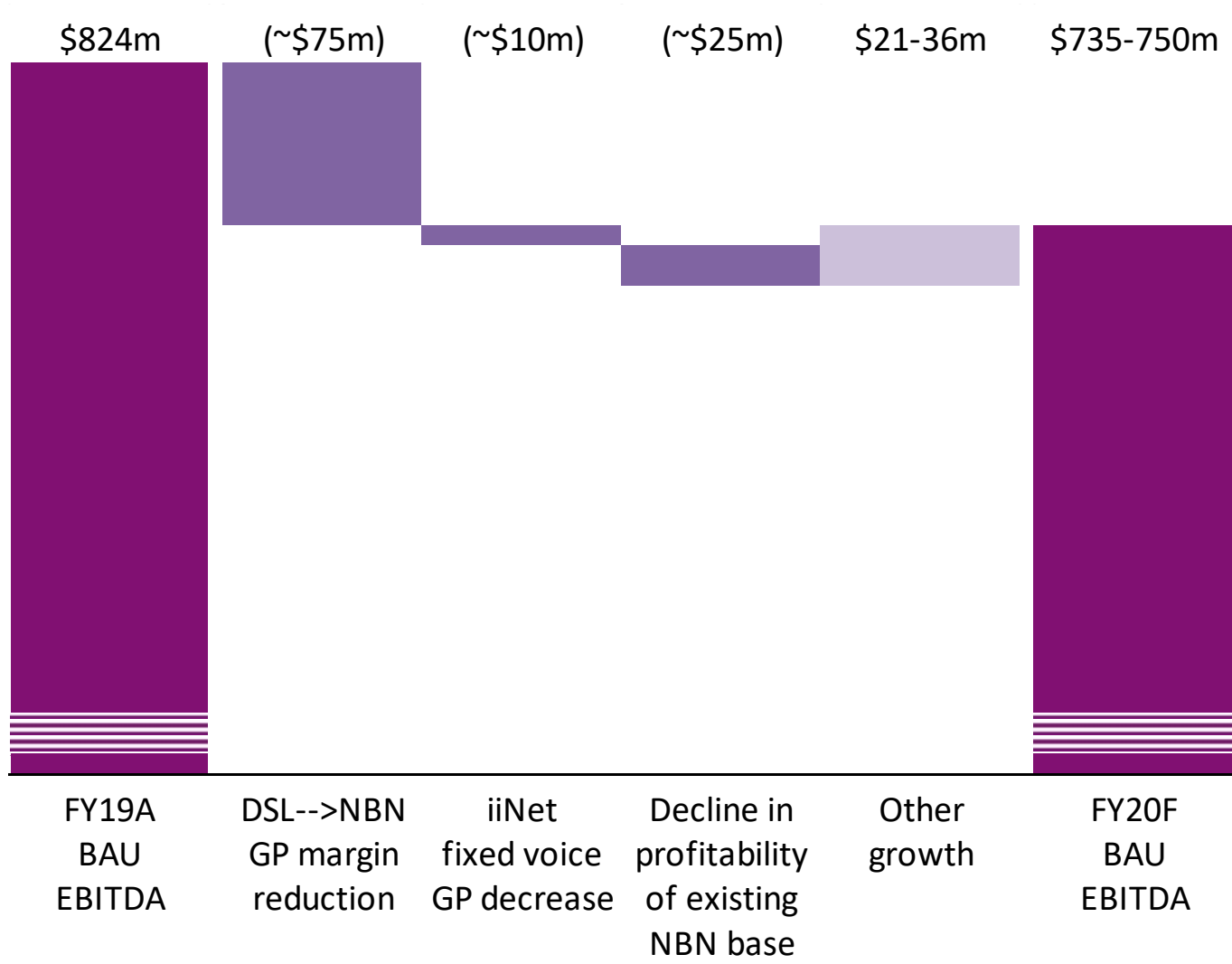
FY20 year-to-date results tracking well to the above guidance

‘BAU EBITDA’ relates to existing Consumer and Corporate Division operations. It excludes Singapore EBITDA and Australian mobile network operating costs.

‘BAU capex’ excludes any expenditure in relation to the Singapore mobile network build and also excludes spectrum payments.

‘BAU EBITDA’ and capex guidance takes no account of any impact from the planned merger with VHA. Transaction costs relating to the planned merger are also excluded.

‘BAU EBITDA’ guidance is provided on an excluding AASB16 basis. AASB16 will be effective from the start of FY20 and is expected to have the effect of increasing EBITDA by moving certain operating lease expenditure out of EBITDA and into amortisation and financing costs.





30 August 2018: Announcement of planned merger of equals, subject to regulatory and shareholder approvals.

8 May 2019: ACCC announces decision to oppose the proposed merger.

24 May 2019: Proceedings lodged with Federal Court of Australia by the merger parties seeking orders that the proposed merger will not have the effect, or likely effect, of substantially lessening competition.

10 September - 1 October 2019: Federal Court hearing held. Judgment expected by February 2020.

THANK YOU

Q&A



Resolution 1

Adoption of FY19 Remuneration Report

Votes For	Votes Against	Open	Abstain
392,327,450	75,975,635	1,097,030	4,679,763
83.6%	16.2%	0.2%	-

Resolution 2

Re-election of Director – Joseph Pang

Votes For	Votes Against	Open	Abstain
709,913,705	89,561,281	1,095,540	519,327
88.7%	11.2%	0.1%	-