

Goldman Sachs Eighth Annual Small & Mid-Cap Conference

Chris Last – Chief Financial Officer

27 April, 2017





Listen. Innovate. Solve.

INTRODUCING NETCOMM WIRELESS

Corporate Overview – Leading communications technology innovator

- Developer of Fixed Wireless broadband, wireless M2M/Industrial IoT and Fibre to the distribution point technologies
- Headquartered in Sydney, NTC employs c.200 staff located in Australia, the US, Europe/UK, New Zealand and Japan
- Member of the ASX 300

Capital Structure

ASX Code	NTC
Shares on issue	146.3m
Share price (20 April 2017)	AUD 1.57
Market Capitalisation (20 April 2017)	AUD 229.7m

Board of Directors

Justin Milne	Chairman
Ken Sheridan	CEO & Executive Director
Stuart Black	Non Executive Director
Ken Boundy	Non Executive Director

Investment Highlights

- Debt free and well funded to support growth objectives
- Experienced Board and Executive Team
- Large opportunities in markets with Tier 1 customers; allows us to leverage into other projects globally
- Won 3 out of 3 major contracts tendered for so far with great customers
 - Ericsson/nbn Fixed Wireless: producing revenue now
 - nbn FTTC: ramp up expected during H1 FY18
 - US Fixed Wireless: ramp up expected during FY18

What we do



LISTEN.

We listen to our customers and identify their specific needs



INNOVATE.

Innovation is applied to develop a unique device to meet the customer's requirements



SOLVE.

**Customer requirement met, exactly.
Problem solved**



Listen. Innovate. Solve.

KEY GROWTH BUSINESSES

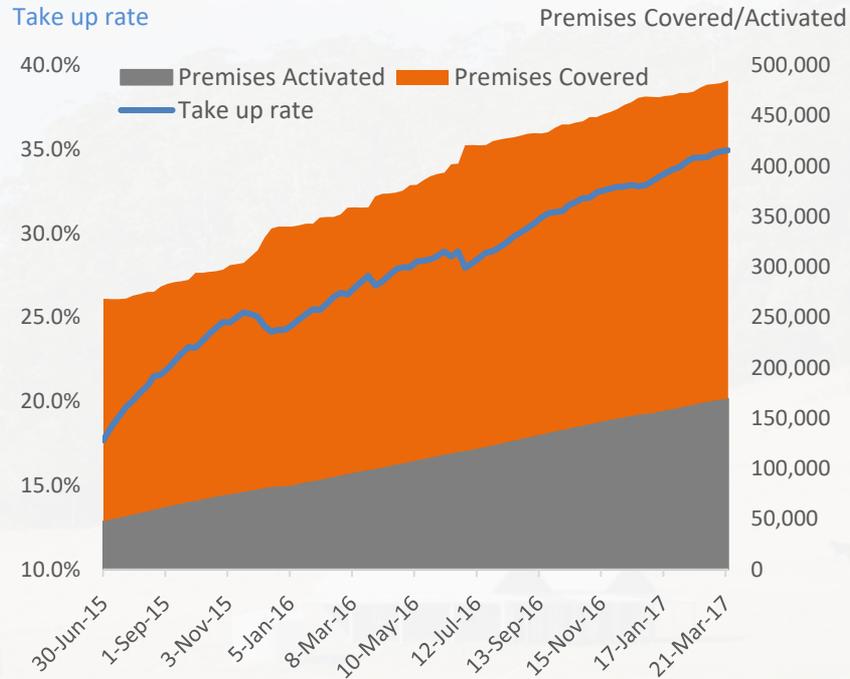


First to market with
Fixed Wireless solution in Australia



Continued increase in the take up of Fixed
Wireless products drove growth in 1H17

Ericsson/nbn rollout gaining pace



- Fixed Wireless coverage increased by 144k premises since 31 December 2015 to be at 485k premises at 23 March 2017
- Fixed Wireless take up rate increased from 24.3% at 31 December 2015 to 34.9% at 23 March 2017
- 169k premises have activated Fixed Wireless connections as at 23 March 2017 - Source: nbn

Our success with the nbn fixed wireless solution led to a major US contract win

Master Purchase Agreement signed with one of the two largest US based telecommunications carriers

- Building on the success with Ericsson delivering a similar service to Australia's nbn
- Signed agreement in Nov 15 to supply Fixed Wireless devices required to connect households and businesses to a Fixed Wireless rural broadband network that will be built by that carrier
- Received initial orders as part of eco-system testing
 - Initial units to be delivered during May-August 2017
- Customer has accepted US Federal funding to ensure 400k premises are available for service before December 2017
- **A key milestone in NTC's global growth strategy for Fixed Wireless**

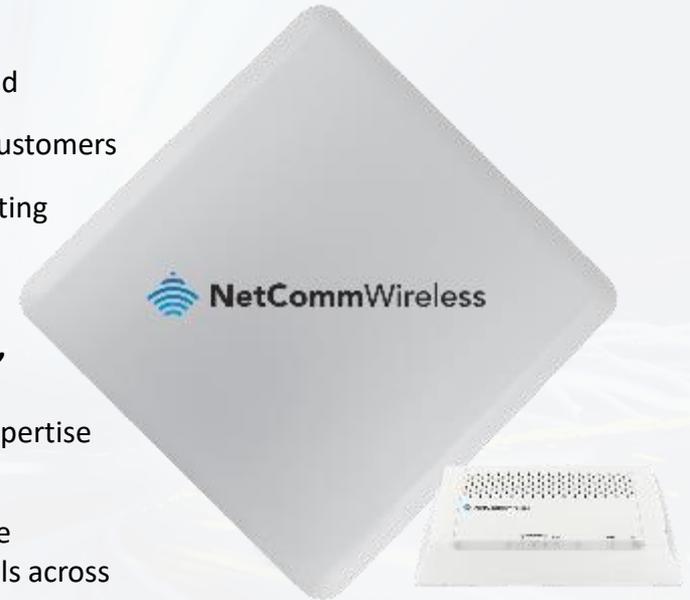
Long term growth opportunities in the \$80bn fixed wireless market

A compelling event: PSTN (copper line) shut down

- The global shut down of copper lines impacts fixed line (ADSL) broadband
- The standard replacement is fibre in built up areas which cover 90% of customers
- The remaining 10% are regional and rural customers, and Boston Consulting Group concludes that Fixed Wireless is the best solution and the total addressable market size is \$80bn

NetComm is actively pursuing multiple global Fixed Wireless opportunities, with a significant focus on US and Europe

- These involve substantial volumes and leverage off our demonstrated expertise from the nbn contract
- Momentum continues after signing Nokia Fixed Wireless Frame Purchase Agreement in July 2016: discussions ongoing covering over 10 active trials across multiple geographies



Distribution Point Units (DPU)

- With the replacement of copper networks with fibre and HFC cable, there is a large opportunity to deploy Distribution Point Units. This requires a device that connects fibre or cable which is deployed down a street to the copper line that enters the customers premises
- This type of technology provides high speed connectivity at an affordable price and can be deployed much faster than fibre all the way to the home
- Global opportunities involve substantial volumes and leverage off our demonstrated expertise from the nbn contracts in both Fixed Wireless and DPU



Initial order commitment for nbn's FTTC project received

- Signed Master Equipment and Services Supply Agreement with nbn in November 2016 to supply DPUs and related services
- Initial production order commitment received in Feb 17, will generate approximately **\$28 million** in revenue upon delivery to nbn, which is expected to occur during the period June to August 2017
- 1 million premises earmarked for FTTC by nbn
- A key milestone in NTC's bespoke strategy for FTTdp / DPU
- Further strengthens strong relationship with nbn following the successful delivery of Fixed Wireless devices for Ericsson / nbn Fixed Wireless broadband project



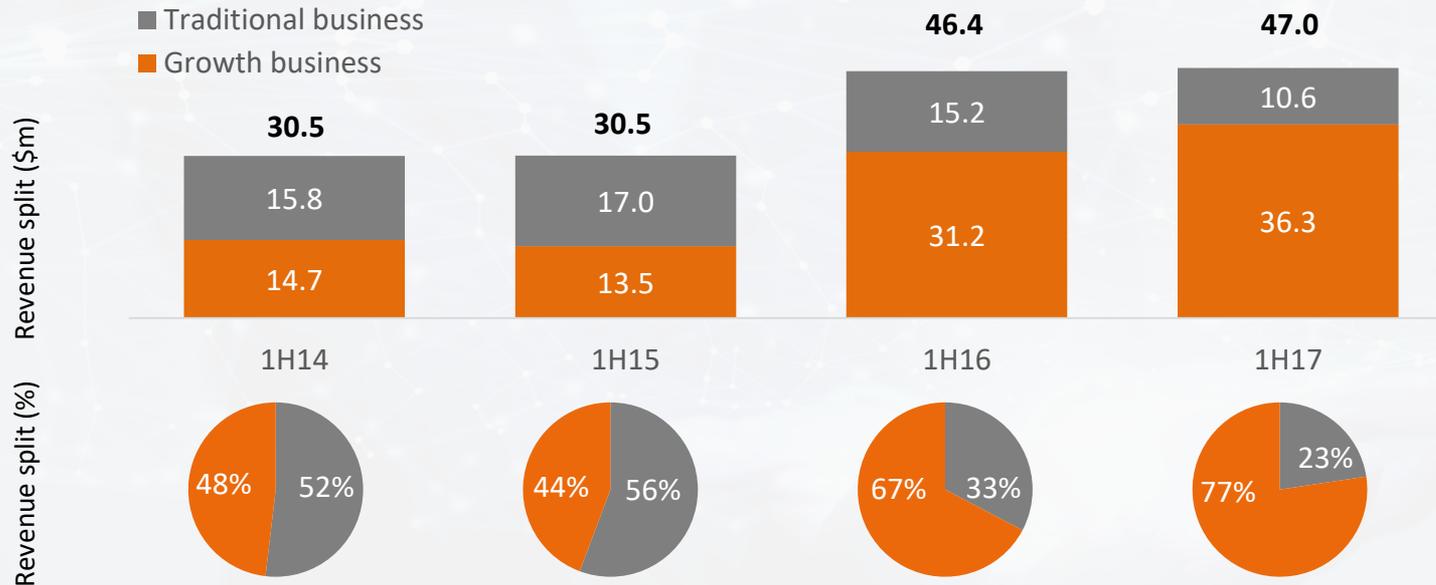
Growth of IoT underpins multiple global M2M opportunities

- We actively pursue M2M bespoke solutions globally. M2M contracts are being pursued with Tier 1 customers with a particular emphasis on USA, Europe, Australia and Japan
- Employing our Listen. Innovate. Solve. methodology we seek out appropriate high volume opportunities where customers require a customised device
- We will be very disciplined to ensure we pursue “blue ocean”, global, large scale opportunities
- Focus on elevator and vending verticals



Continuing to increase Growth Business revenues

- Growth Businesses comprises M2M & Fixed Wireless (current revenue streams) – revenue up 16% to \$36.3m
- Traditional Business revenue decreased to \$10.6m due to slow down in orders from powerline and filters business



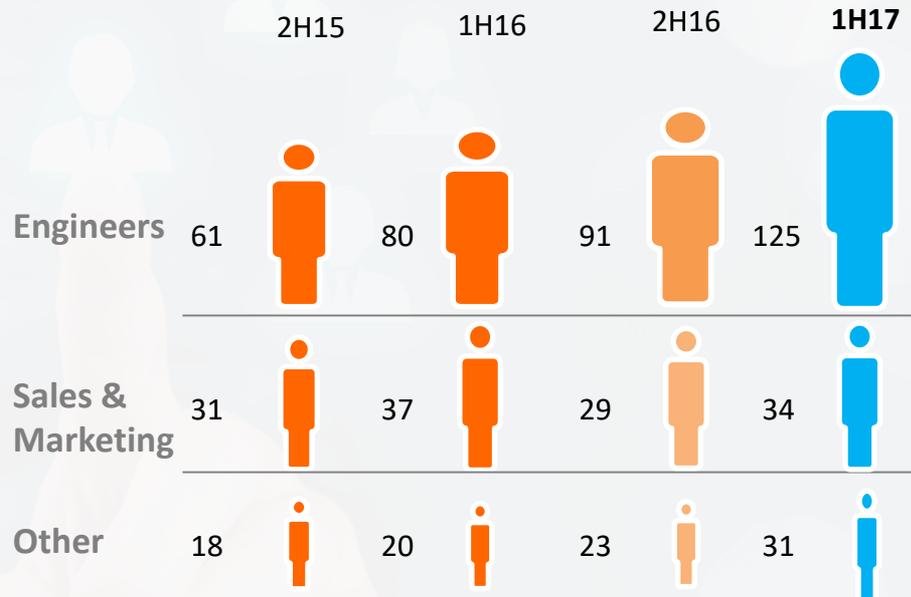


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SUPPORTING FUTURE GROWTH

Substantial investment in people to fuel long term global growth

Reinvestment in people and infrastructure is further enhancing our capabilities as we pursue and deliver on multiple global M2M and Fixed Wireless opportunities



The next generation technology opportunity

- Fixed Wireless and FTTdp opportunities result from the global shutdown of legacy PSTN (copper line)
- 2G networks shutdowns prompt mass-scale M2M device upgrades to 3G and 4G LTE
- Our 4G LTE Fixed Wireless solution delivers guaranteed network grade performance, stability and longevity – a key differentiator.
- 5G will complement rather than replace 4G LTE, and provide further opportunities once standardised in 2020
- Device upgrades support long-term revenue growth

NetComm Wireless is an early adopter of new technologies that provides a competitive edge

Strengthened senior management team to support future growth



Ken Sheridan CEO and Executive Director

Appointed Chief Strategy Officer in October 2016 and previously served as CFO for six years from February 2011



Tim Brouwer appointed Chief Operating Officer (October 2016)

30-year background in the telecommunications vendor sector, most recently as CEO and Director of wireless infrastructure solutions designer/manufacturer RFS Australia



Chris Last appointed Chief Financial Officer (October 2016)

25-year career in finance across chartered accounting, treasury and investor relations.

Previous CFO roles at Heart Research Institute Ltd and Blackmores Ltd



Sergio Berriz appointed Senior Vice President Engineering (November 2016) to manage the execution and delivery of new product developments

32 years of product management, design engineering, product development and high-volume design experience



Chief Technology Officer **Steve Collins** will focus on identifying and introducing future technologies

23 years of engineering experience, including over 7 years at NetComm in senior engineering positions



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FINAL THOUGHTS

Outlook: well positioned to grow

▪ H2 FY17

- Continued roll-out of the Ericsson/nbn Fixed Wireless project
- Commencement of eco-system testing for the US Fixed Wireless Master Purchase Agreement
- Manufacturing of DPUs for FTTC project
- Investment in future opportunities continuing

▪ FY18 – Growth in Revenue and EBITDA to accelerate

- Continued growth in Ericsson/nbn Fixed Wireless rollout
- Strong growth of nbn FTTC DPU sales
- Acceleration of US Fixed Wireless orders
- Growth expected from the conversion of M2M, Fixed Wireless and DPU pipeline
- **Benefits from strategic investments to flow through with strong revenues and earnings growth from FY18**

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QUESTIONS

Sydney-headquartered networking vendor NetComm Wireless has been named as the key equipment supplier to the NBN's fibre-to-the-curb (FTTC) project.

NetComm will supply both one-port and four-port distribution point units (DPUs) and related services as part of a contract likely to commence in the 2018 financial year. **CRN Australia**

NBN has placed its first order with NetComm Wireless for four-point distribution point units (DPUs). The DPUs will be used for NBN's fibre to the curb offering (FTTC; also known as fibre to the distribution point or FTTdp).

The order is worth \$28 million to NetComm Wireless, with delivery of the DPUs expected to take place between June and August this year. **Computerworld**

As part of a new agreement with Nokia, NetComm Wireless Limited (ASX: NTC) will supply its fixed wireless devices for Nokia's FastMile global program that provides operators with broadband internet services in suburban and rural areas.

According to NetComm, the arrangement will increase global market access to its broadband devices and will also enable Nokia to build an ecosystem of partners for Fastmile. **ARN**

NBN Co is boosting the speed on its wireless footprint, with the company to offer 100 megabits per second download speed in regional areas over the network.

The company, in conjunction with Ericsson, Qualcomm and ASX-listed NetComm Wireless, will start offering a 100/40 Mbps wholesale speed tier to retail service providers early next year. **The Australian**



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APPENDICES

Growth underpinning further reinvestment

(\$m)	1H17	1H16	Change
Total Revenue	47.0	46.4	1.2%
Reported EBITDA	0.7	5.1	(86.7%)
(Loss)/Net profit after tax	(1.7)	2.3	
Earnings per share (cps)	(1.2)	1.8	

- Operating Revenue up 1.2% to \$47.0m
 - Composition of revenue continues to evolve with a further increase in revenue from the Company's Ericsson/nbn Fixed Wireless contract
 - Growth Business accounted for 77% of 1H17 Revenue, compared to 67% in 1H16
- Decrease in reported EBITDA to \$0.7m
 - Further investment into additional workforce (\$4.0m) and infrastructure (\$1.0m) to support medium-term growth initiatives

Balance sheet

(\$m)	31 Dec 16	30 Jun 16	Change
Cash and equivalents	29.8	36.5	(18.4%)
Other assets	66.0	54.9	20.2%
Total assets	95.8	91.4	4.8%
Borrowings	0.1	0.1	(15.3%)
Other liabilities	20.3	14.0	44.6%
Total liabilities	20.4	14.1	44.3%
Total equity	75.4	77.3	(2.4%)

- No bank debt with Cash balance of \$29.8m
 - Provides flexibility to support current and future M2M, Fixed Wireless and DPU growth opportunities
- Cash used to fund investments in staff and infrastructure
- Conservative balance sheet maintained with access to a currently unutilised banking facility of close to \$15m
- Strong balance sheet is conservatively structured to support global growth initiatives currently being pursued

Cash flows

(\$m)	1H17	1H16
Net cash flows from operating activities	6.1	(4.3)
Net cash flows from investing activities	(12.8)	(5.6)
Net cash flows from financing activities	(0.0)	8.4
Net (decrease) / increase in cash	(6.7)	(1.5)

- \$6.1m cash provided by operating activities
 - Strong turnaround in operating cash flow of \$10.4 million reflects tighter management of working capital
- \$12.8m cash used for investing activities
 - In line with growth strategy we have continued to invest in engineering capabilities to support product development and long term growth
- Net decrease in cash of \$6.7m
 - Conservative use of funds to support growth opportunities in M2M, Fixed Wireless and DPU markets



THANK YOU



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