OvertheWire

2017

FULL YEAR RESULTS PRESENTATION

AUGUST 2017

IMPORTANT NOTICE AND DISCLAIMER

- The information in this presentation does not constitute personal investment advice. The presentation is not intended to be comprehensive or provide all information required by investors to make an informed decision on any investment in Over the Wire Holdings Limited ACN 151 872 730 (Company). In preparing this presentation, the Company did not take into account the investment objectives, financial situation and particular needs of any particular investor.
- Further advice should be obtained from a professional investment adviser before taking any action on any information dealt with in the presentation. Those acting upon any information without advice do so entirely at their own risk.
- Whilst this presentation is based on information from sources which are considered reliable, no representation or warranty, express or implied, is made or given by or on behalf of the Company, any of its directors, or any other person about the accuracy, completeness or fairness of the information or opinions contained in this presentation. No responsibility or liability is accepted by any of them for that information or those opinions or for any errors, omissions, misstatements (negligent or otherwise) or for any communication written or otherwise, contained or referred to in this presentation.
- Neither the Company nor any of its directors, officers, employees, advisers, associated persons or subsidiaries are liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying upon any statement in this presentation or any document supplied with this presentation, or by any future communications in connection with those documents and all of those losses and damages are expressly disclaimed.
- Any opinions expressed reflect the Company's position at the date of this presentation and are subject to change.
- References to Over the Wire in this presentation are to the Over the Wire group including all subsidiaries, unless stated otherwise.

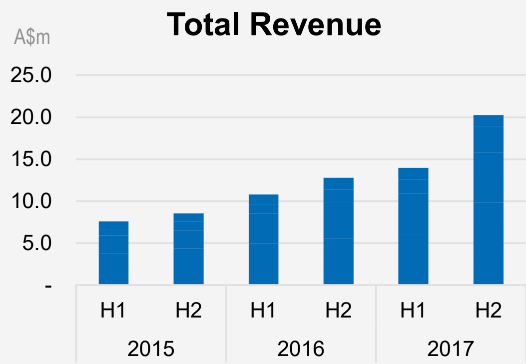
AGENDA

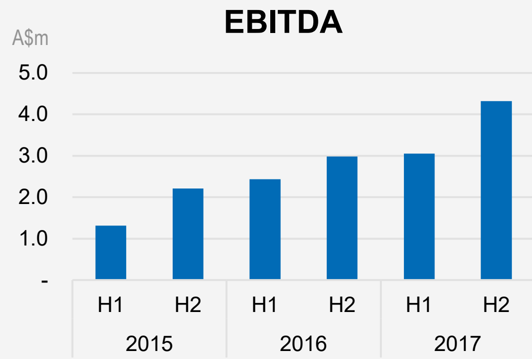
PROFIT AND LOSS

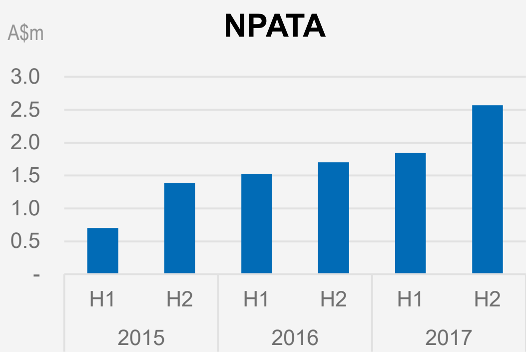
(A$m)	2016 Total	2017 Telarus	2017 Rest of Group	2017 Total Group	Statutory Change (%)	Organic Change (%) (excl Telarus)
Data Networks	10.5	3.5	12.4	15.9	52%	18%
Voice	7.9	0.9	9.8	10.7	36%	24%
Cloud / Services	2.7	1.3	3.5	4.8	80%	31%
Data Centre Co-location	2.6	0.0	2.7	2.7	7%	7%
Revenue	**23.6**	**5.7**	**28.5**	**34.2**	**45%**	**21%**
Gross profit	13.7	2.6	16.6	19.2	40%	
Gross profit %	*58%*	*45%*	*58%*	*56%*		
Other Income	0.3			0.3		
Overhead Expenses	8.6			12.1		
EBITDA	**5.4**			**7.4**	**36%**	
EBITDA %	*23%*			*22%*		
Interest	0.1			0.2		
Depreciation	0.9			1.5		
Tax	1.2			1.3		
NPATA	3.2			4.4	37%	
Amortisation	0.4			0.8		
NPAT	**2.8**			**3.6**	**26%**	
Earnings per share (cents)	7.4			8.3	12%	

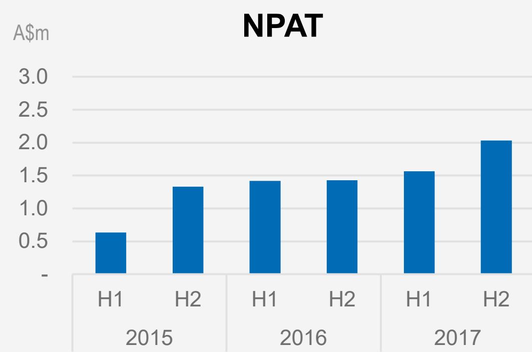
STRONG FINANCIAL PERFORMANCE

Over the Wire has delivered consistent growth in revenue and profitability since listing









OVER THE WIRE GENERATES STRONG CASHFLOW

- Continued strong conversion of EBITDA to cash.
- Additional $3m repaid against NAB debt ahead of schedule.
- Inaugural dividends paid during 2017.

STRONG CASH CONVERSION

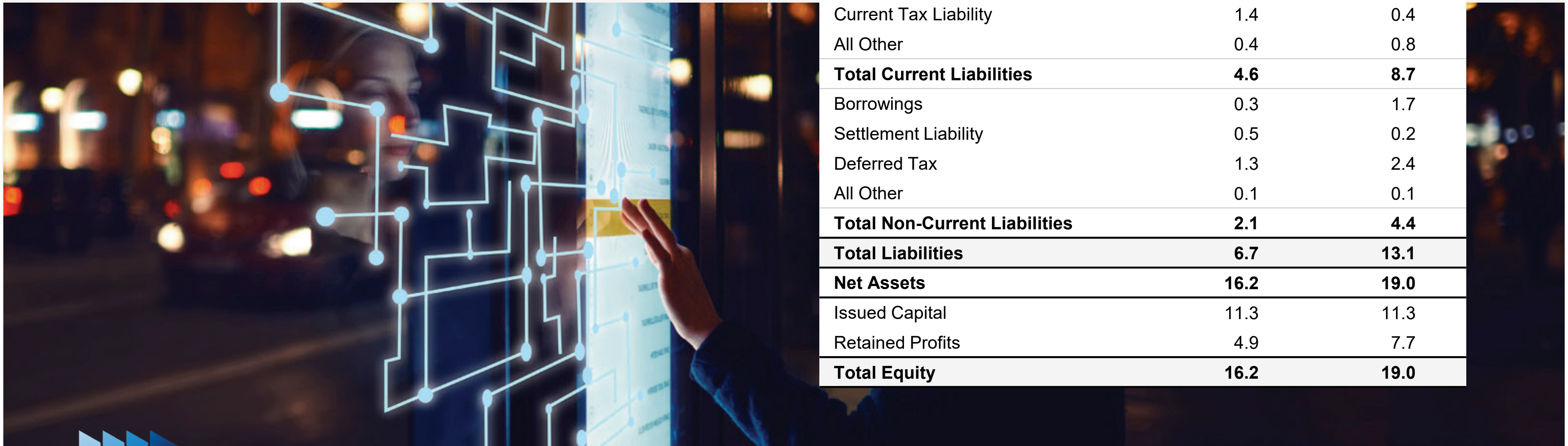
(A$m)	2016	2017
Receipts from Customers	25.9	37.5
Payments to Suppliers & Employees	-20.1	-29.6
	5.8	**7.9**
Interest Received	0.0	0.1
Interest Paid & Other Finance Costs Paid	-0.1	-0.2
Income Taxes paid	-0.8	-2.7
Net Cash from Operating Activities	**5.0**	**5.1**
Payments for Purchases of Businesses	-6.7	-7.4
Payments for Property, Plant & Equipment	-1.7	-1.7
Net Cash Used in Investing Activities	**-8.4**	**-9.1**
Proceeds from Issue of Shares	9.6	0.0
Proceeds / (Repayment) of Borrowings	-1.2	3.3
Dividends Paid	0.0	-0.8
Net Cash From / (Used In) Financing Activities	**8.3**	**2.5**
Net Increase in Cash & Cash Equivalents	**4.9**	**-1.5**
Cash & Cash Equivalents at Beginning of the Year	2.2	7.0
Cash & Cash Equivalents at End of the Year	**7.0**	**5.5**

BALANCE SHEET

STRONG BALANCE SHEET, WELL POSITIONED TO CONSIDER FURTHER ACQUISITIONS

- Net Cash of $1.0m.
- $7.3m debt with NAB to finance the acquisition of Telarus has already been paid down to $3.5m.
- $6.5m of existing NAB debt facility remains undrawn.

(A$m)	2016	2017
Cash and Cash Equivalents	7.0	5.5
Trade and other Receivables	1.8	3.2
All Other	0.3	0.8
Total Current Assets	**9.1**	**9.6**
Property, Plant & Equipment	3.5	4.8
Intangibles	10.2	17.7
All Other	0.0	0.0
Total Non Current Assets	**13.7**	**22.6**
Total Assets	**22.8**	**32.1**
Trade & Other Payables	2.4	4.9
Borrowings	0.1	2.2
Settlement Liability	0.2	0.4
Current Tax Liability	1.4	0.4
All Other	0.4	0.8
Total Current Liabilities	**4.6**	**8.7**
Borrowings	0.3	1.7
Settlement Liability	0.5	0.2
Deferred Tax	1.3	2.4
All Other	0.1	0.1
Total Non-Current Liabilities	**2.1**	**4.4**
Total Liabilities	**6.7**	**13.1**
Net Assets	**16.2**	**19.0**
Issued Capital	11.3	11.3
Retained Profits	4.9	7.7
Total Equity	**16.2**	**19.0**



FY17 FINANCIAL HIGHLIGHTS

↑ 45%

Total Revenue up to $34.2m

↑ 21%

Increase in Revenue through organic growth

↑ 36%

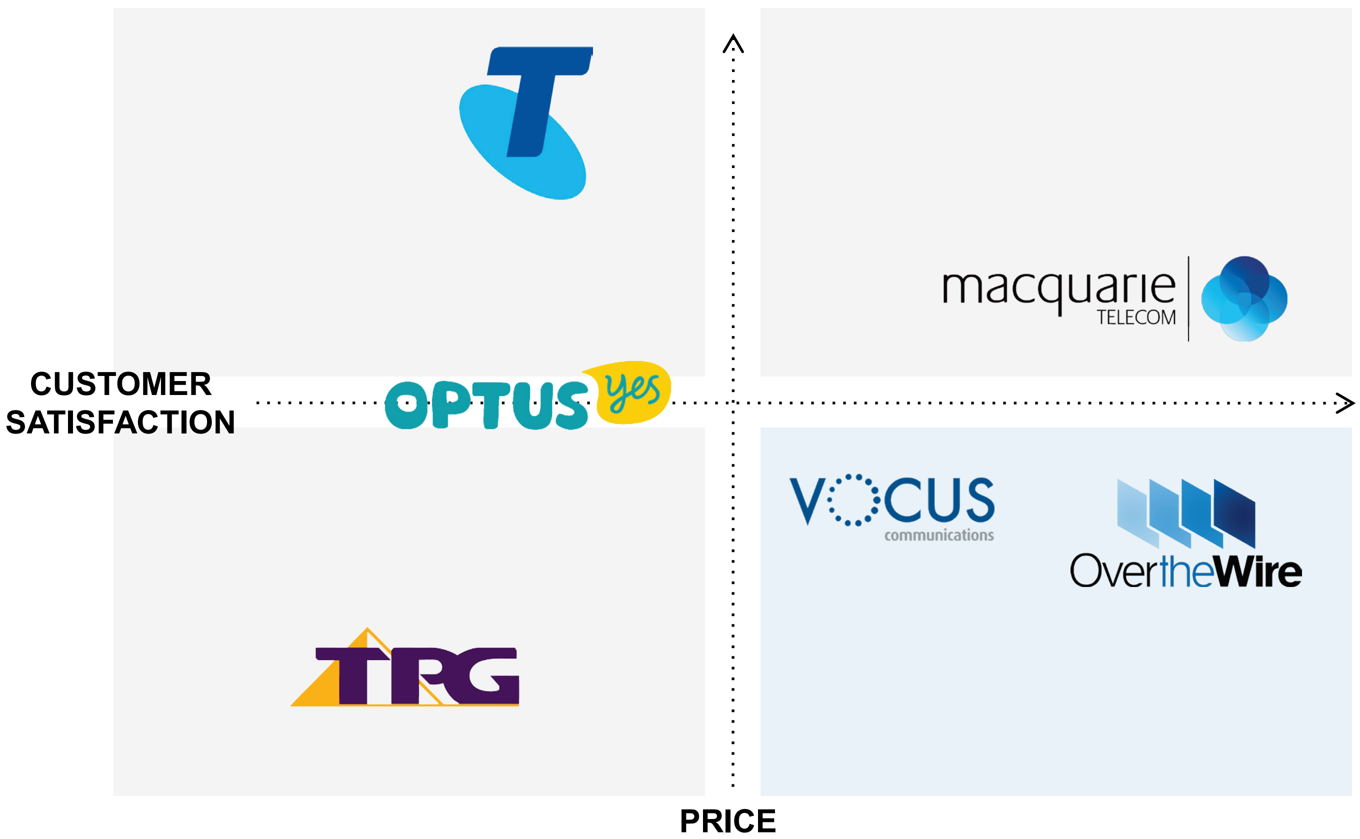
Total EBITDA up to $7.4m

↑ 37%

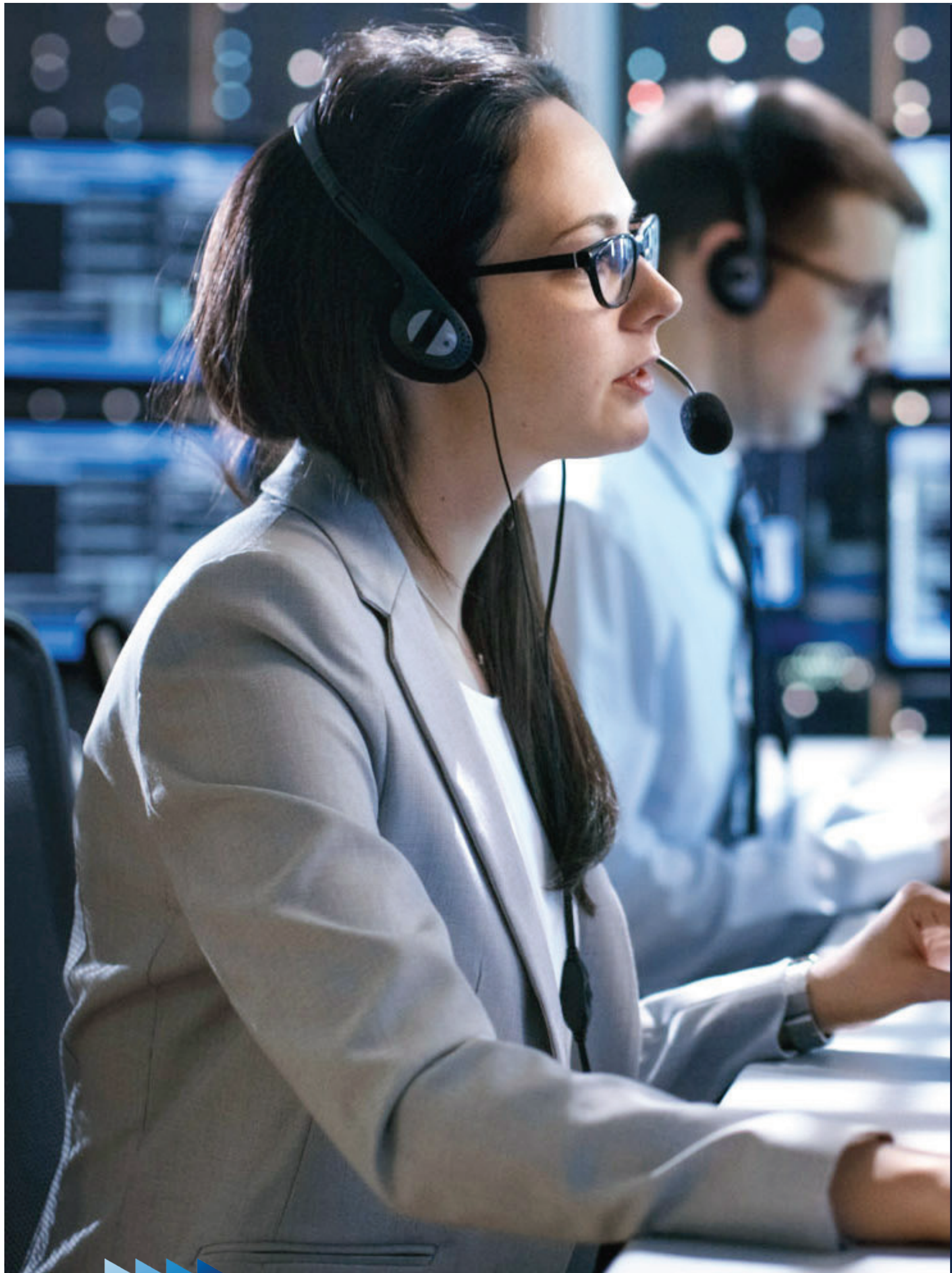
Total NPATA up to $4.4m

COMPETITIVE LANDSCAPE

Over the Wire focuses on business customers, offering high levels of **customer service** at a **competitive price**



Source: *Morgans Research – OTW Initiation, 21 November 2016*



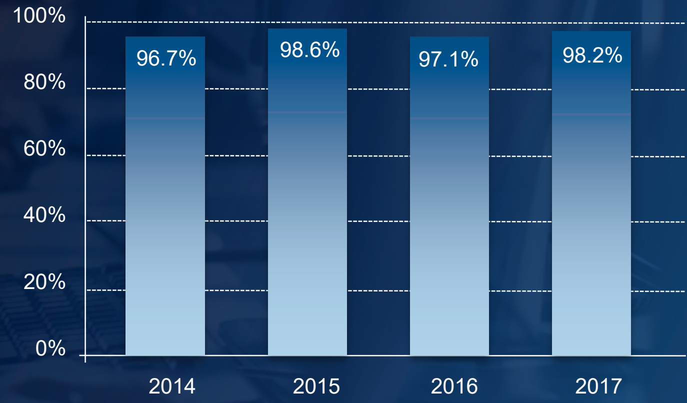
CUSTOMER SERVICE
A COMPETITIVE ADVANTAGE

Over the Wire's customer service has led to very high levels of customer retention (98.2% in FY17)

- Over the Wire has developed a culture which consistently delivers high levels of customer service and retention.
- This high level of customer service allows Over the Wire to win customers from its competitors and expand the services provided to customers.
- Customer experience remains a key differentiator in an industry that is known for poor customer service.

OVER THE WIRE CUSTOMER RETENTION

Revenue Year-on-Year



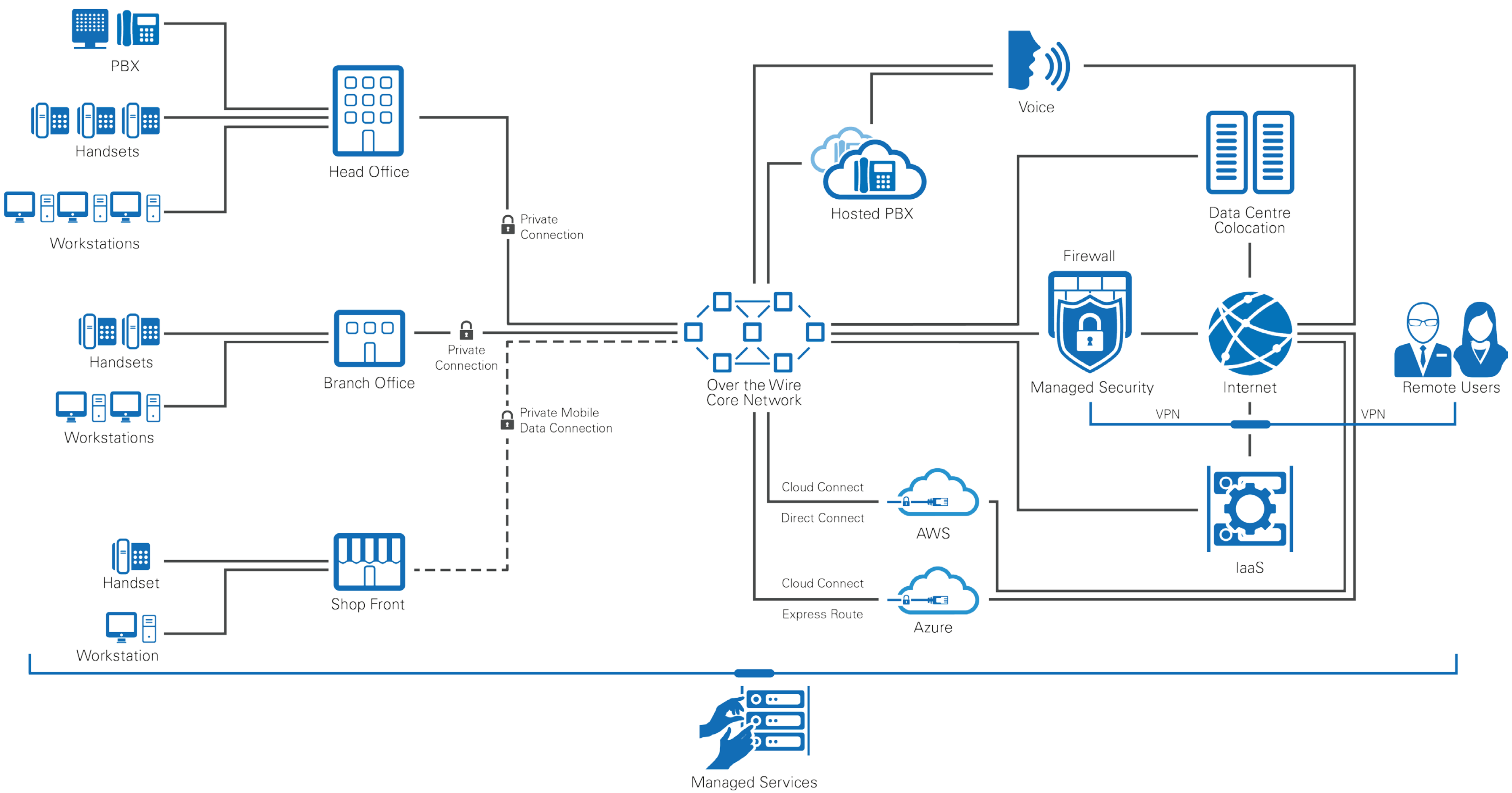
Notes:

(1) Does not include acquisitions until they have been owned for 2 full years.

(2) A customers revenue is classified as retained in a given year if Over the Wire had revenue from the customer in the current year and in the previous year.

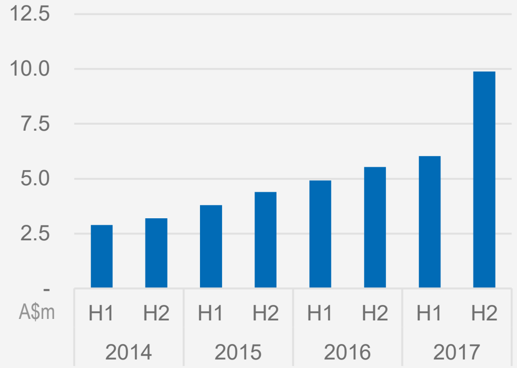
BROAD PRODUCT OFFERING

Broad and integrated offering provides customers with a complete solution from one supplier dedicated to customer service

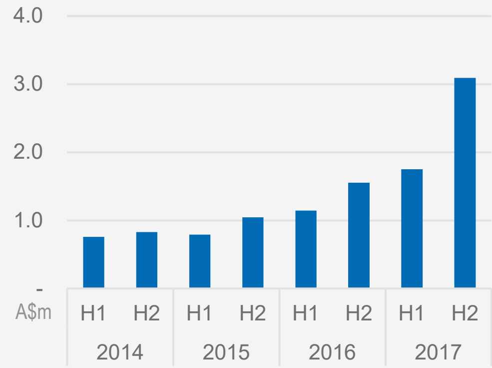


GROWTH ACROSS ALL PRODUCT DIVISIONS

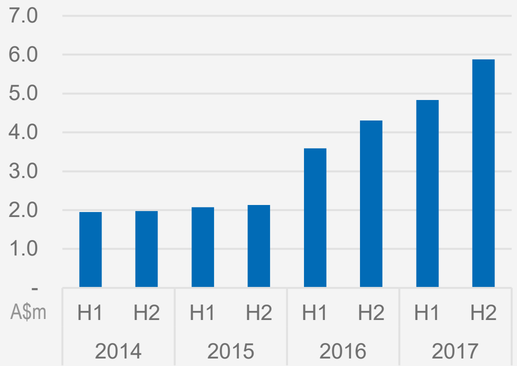
DATA NETWORKS
(47% of FY17 revenue)



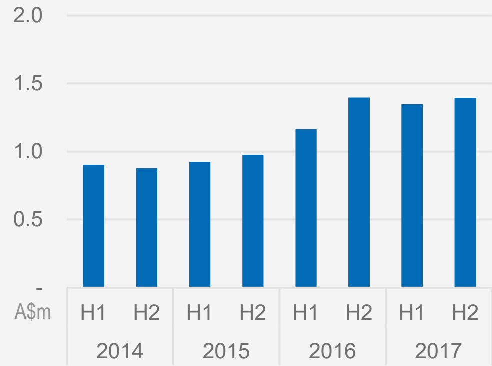
CLOUD / MANAGED SERVICES
(14% of FY17 revenue)



VOICE
(31% of FY17 revenue)



DATA CENTRE CO-LOCATION
(8% of FY17 revenue)



EVOLVING
OUR PRODUCT OFFERING

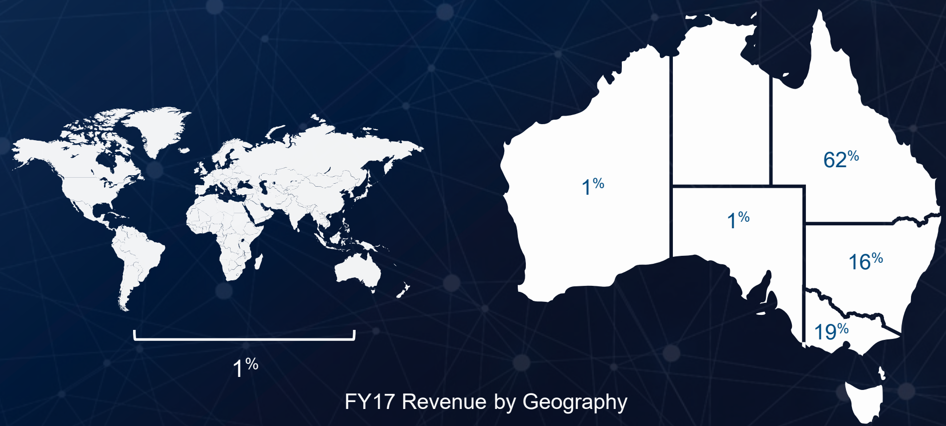
CLOUD TELEPHONY
Cloud adoption is increasing. A trusted solution is key as businesses migrate their telephony to the cloud.

MANAGED SECURITY
Security is critical to businesses. Not having appropriate measures and controls in place can result in significant business impact.

PRIVATE MOBILITY
Mobility empowers employees. Private mobility helps mitigate the reliance on fixed line infrastructure without the compromises.

GROWTH STRATEGY
ORGANIC GROWTH

- IPO strategy being successfully implemented.
- Over the Wire will continue to target > 20% Year on Year organic growth.
- Targeted organic growth will be achieved through continuing the following strategies:
  - Continued geographic expansion into NSW and Victoria.
  - Leveraging Over the Wire's platform to sell more products and services to existing customers.
  - Evolving Over the Wire's products and services to deliver value added offerings that result in improving the customer experience.



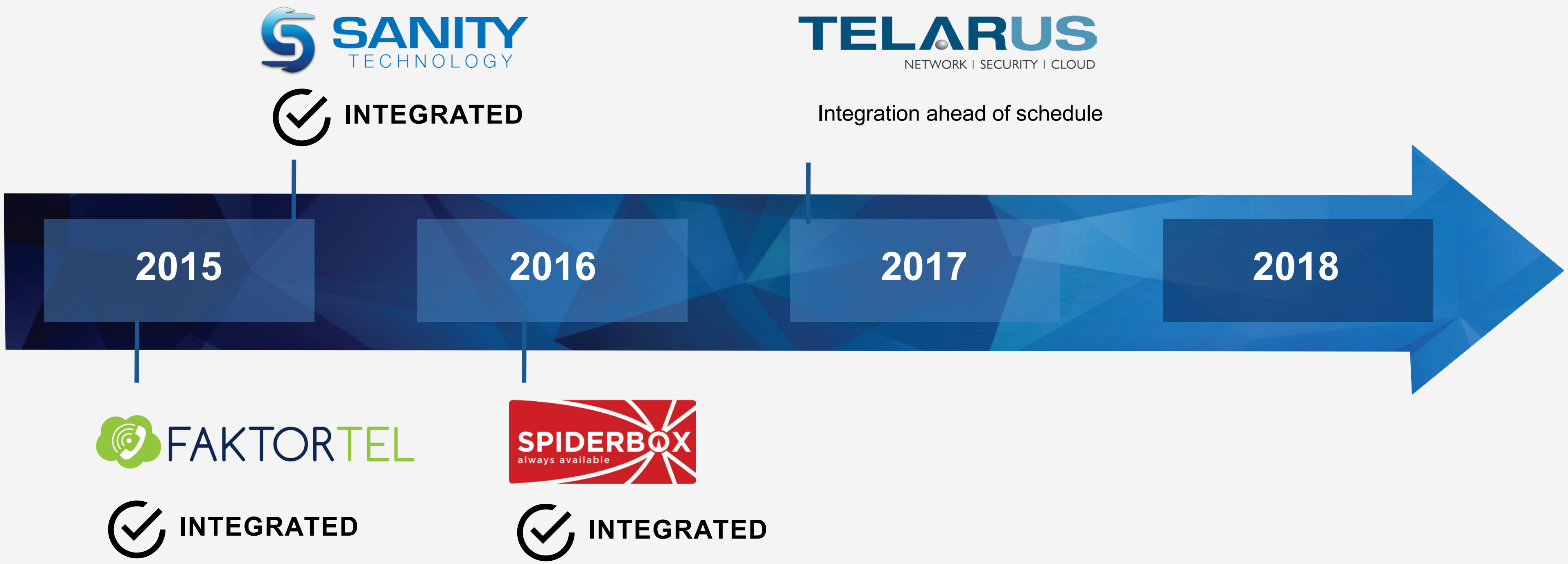
FY17 Revenue by Geography

	Revenue Growth - Organic	Revenue Growth - Statutory
Queensland	12%	13%
New South Wales	58%	84%
Victoria	45%	452%
Other	48%	49%

Note: Revenue by State is based on the customer's billing address.

ACQUISITIONS TO ACCELERATE GROWTH

Over the Wire has a track record of successfully acquiring and then integrating acquisitions, with timely realisation of synergies and cost savings



TELARUS ACQUISTION UPDATE

TELARUS IS A LEADING MELBOURNE BASED PROVIDER OF DATA NETWORKS, CLOUD AND MANAGED SECURITY

AT A GLANCE

- Acquired on January 16, 2017.
- Expedited Over the Wire's growth in Victoria.
- Added complementary products and quality staff that will allow for ongoing organic growth.
- Contributed $5.7m revenue in FY17.

CURRENT STATUS

- Team integration proceeding well, with full integration expected during the second half of CY2017.
- System integration proceeding well, with all systems except for billing to be integrated by end CY2017.
- Positive outcomes being achieved through cross selling of Voice and Mobility.
- Realisation of synergies has commenced, and will contribute well to FY18.
- New business being won by the combined capability of Over the Wire and Telarus.

TELARUS
An OvertheWire Company

OvertheWire

POSITIVE OUTLOOK

We remain **focussed on achieving our vision** and continuously **improving the financial performance** of the business and the **returns for our shareholders**

GROW

Grow organically by 20% annually and supplement our growth with strategic acquisitions that accelerate our growth and add long term value.

- Continue investment in Sales and Marketing
- Continue cross selling to existing customers
- Selective future acquisitions
- Realisation of synergies from Telarus acquisition

IMPROVE

Continuously improve our product offering to offer seamless solutions with no gaps.

- Further develop our offering in:
  - Cloud Telephony
  - Managed Security
  - Mobility
  - Private Cloud

FOCUS

Our customers remain at the epicentre of all that we do, receiving exceptional service and recommending us to others.

- Continuously focus on how we are improving the experience for our customers

ENGAGE

Ensure our team is engaged and customer focussed, embodying our core values.

- Build on our performance culture
- Be a great place to work
- Attract, develop and retain great talent

EVOLVE

Evolve our systems to support and enhance customer experience, our growth and our corporate performance.

- Continue integration of systems to ensure seamless customer and team experience
- Further enhance our customer portal for optimal customer experience

THANK YOU FOR YOUR TIME

ANY QUESTIONS?

OvertheWire

1300 689 689

overthewire.com.au

BRISBANE
Level 21, 71 Eagle St
Brisbane QLD 4000

SYDNEY
Level 9, 33 York St
Sydney NSW 2000

MELBOURNE
Level 8, 473 Bourke St
Melbourne VIC 3000