



superloop

FY17 Full Year Results Presentation

28 August 2017



Our vision is to be the most trusted enabler of connectivity and managed services in **Asia Pacific**

Customer satisfaction is at the core of what we do



A **fully integrated** pan Asian communications business operating on one common platform



A high performance culture that **attracts the best** and brightest



Successfully fused network ownership economics and software automation to deliver the most powerful on-demand **gigabit+** network in Asia

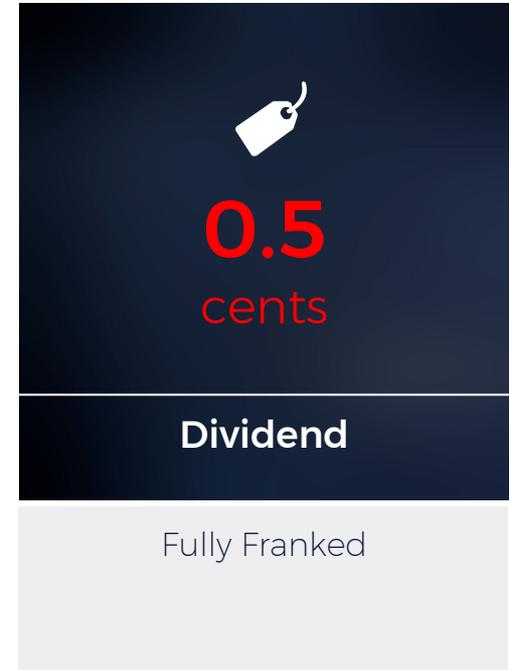


A no bull NPS of **70+**

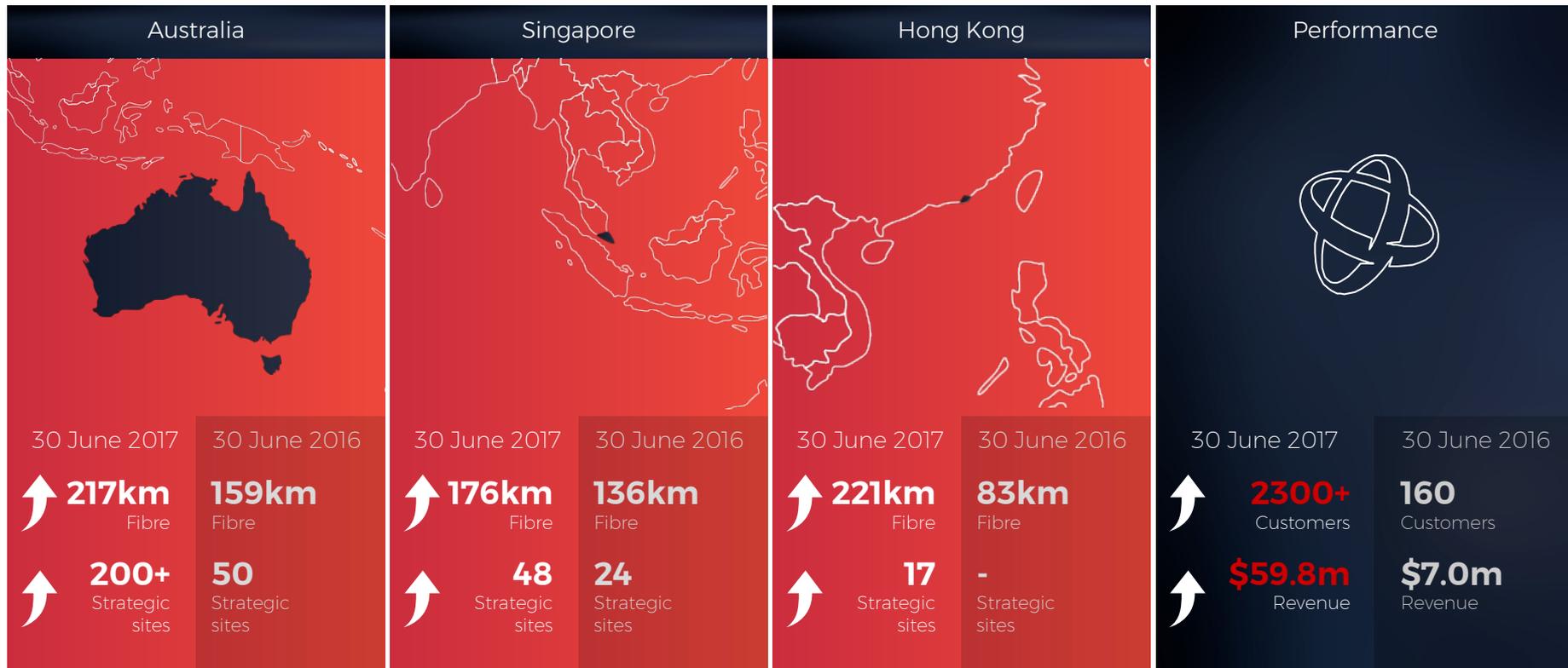
A network diagram in the top-left corner consisting of several white nodes connected by thin white lines, forming a complex web of connections.

Performance Snapshot

A large network diagram on the right side of the slide, featuring a dense web of white nodes and connecting lines, similar in style to the diagram in the top-left corner.



1. Includes other income



A network diagram in the top-left corner consisting of white dots (nodes) connected by thin white lines (edges), forming a complex web of connections.

FY17 Results & Business Performance

A large network diagram on the right side of the slide, similar to the one in the top-left, with a dense web of white nodes and connecting lines.

FY17 Profit & Loss Summary

Half on half growth



(\$m)	H117 ¹	H217	FY17 ¹	FY16	Change YoY
Revenue	8.8	51.0	59.8	7.0 ²	+52.8
Direct costs	(5.1)	(22.9)	(28.0)	(5.1)	
Profit after direct costs	3.7	28.1	31.8	1.9	+29.9
Gross margin	42.0%	55.1%	53.2%	27.1%	
Operating costs	(10.2)	(17.0)	(27.2)	(7.6)	+19.6
Reported EBITDA ³	(6.5)	11.1	4.6	(5.6)	
Underlying EBITDA ⁴	(2.2)	11.2	9.0	(5.6)	+14.6
Reported net profit / (loss) before tax ⁵	(8.2)	2.5	(5.7)	(7.2)	
Reported net profit / (loss) after tax ⁵	(2.0)	0.8	(1.2)	(7.2)	+6.0

1. Includes BigAir Group from 21 December 2016
2. Includes other income
3. Earnings before interest expense, tax, depreciation, amortisation and foreign exchange gains/losses
4. Adjusted for transaction costs of \$4.4 million
5. Includes transaction costs of \$4.4 million

FY17 Revenue

↑ 755%

From FY16

FY17 Underlying EBITDA

↑ \$14.6m

From FY16

Underlying EBITDA

\$11.2m

In H217

Balance Sheet & Cash Flow Summary

FY17



(\$m)	30 June 2017	30 June 2016	Change YoY
Cash & cash equivalents	7.1	45.9	
Property, plant & equipment	147.6	66.9	+80.7
Total assets	408.7	127.0	+281.7
Borrowings	29.7	-	+29.7
Net assets	333.5	119.7	+213.8

(\$m)	FY17	FY16	Change YoY
Operating cash flows	4.7	(6.3)	+11.0
Investing cash flows	(116.4)	(34.8)	+81.6
Financing cash flows	74.0	69.3	+4.7
Net cash flows	(37.7)	28.2	
Closing cash balance	7.1	45.9	

Well funded for investment in infrastructure

Raised \$65m in September 2016 to partly fund acquisition of BigAir Group

Increased 3 year debt facility to \$80m to partly fund acquisition of BigAir Group

Operating cash flow

up  **\$11.0 million**



\$7.1m

Cash and cash equivalents at 30 June 2017



\$47.2m

Facility headroom available at 30 June 2017

A network diagram in the top-left corner consisting of white dots (nodes) connected by thin white lines (edges), forming a complex web of connections.

2017 - The Year of Transformation

A large network diagram on the right side of the slide, similar to the one in the top-left, with a dense web of white nodes and connecting lines.

Singapore

Achieved EBITDA break-even in Singapore, before corporate allocations

Hong Kong

Completed construction of initial Hong Kong backbone fibre cable network (110 km x 2,000 cores)

Hong Kong

Completed construction of TKO Express domestic submarine cable

TKO EXPRESS

\$3.5m+

Integration synergies achieved

Realised corporate overhead savings over \$2.0m and network cost savings over \$1.5m

Singapore

Completed expansion of Singapore network to IO, NTT and Singapore Exchange data centres with diverse paths

Capacity expansion

Expanded coverage with 15 year access agreement for metro fibre, regional, intercapital and international ethernet capacity



Australia

Acquired BigAir Group in December 2016 and commenced integration and realisation of synergies



International

Acquired SubPartners in April 2017

Strengthened management team

Appointed key management team members to lead group through next phase of growth



The acquisition fundamentally enhances the opportunity for Superloop's fibre business

Superloop remains focused on its core fibre-based service and product offering across APAC, interconnecting major enterprise buildings and data centres.

The acquisition provides the critical mass to scale Superloop's Australian footprint into enterprise buildings, at low cost due to BigAir's presence in high quality towers in close proximity to Superloop fibre.

Superloop remains a leading provider of the "big pipes".



Benefits to the existing BigAir business from the acquisition by Superloop

BigAir focuses on the wholesale "last mile" wireless access market.

Leveraging Superloop's fibre assets and BigAir's existing wireless network and capabilities, we will deliver wholesale providers a high-speed alternative in outer metro and regional Australia.

MANAGED SERVICES

BigAir's cloud & managed services business

The BigAir cloud and managed services business unit will provide a fully integrated and focused managed service offering with a clear statement on market position and products.

There is a significant opportunity for growth in the medium to large enterprise market.

This business leverages Superloop's and BigAir's infrastructure advantage as a wholesale provider.

Connectivity Services

Managed Services

BigAir Australian Network

BigAir has over 300 points of presence across 12 cities and 120 other locations



 Points of Presence

 Campus/Wifi



Points of Presence

300



Cities

12



Other Locations

120

BigAir Group Acquisition

Successfully integrating into the Group and generating synergies

superloop

Realised significant savings to date with further savings expected from new capacity arrangements

Realised network cost savings over \$1.5m



of initial \$2-3m target expected to be realised over first 24 months

(Further costs avoided through new capacity arrangements)

Realised corporate overhead savings over \$2.0m



of initial target of \$1-2m expected to be realised over first 12 months



Sales Team Integration

Integrated wholesale offering includes Pan-Asian fibre networks and fixed wireless

Enterprise sales team have unique combination of disruptive infrastructure offerings combined with market leading cloud and managed service capabilities
Combined pipeline growth already accelerating

Expected annual cost synergies growing



\$4.0m+

Immediate cost rationalisation



\$4.0m+ cost synergies expected to be fully realised over 2 years



Further Opportunities

Significant cross-selling opportunities across combined customer base in Singapore, Hong Kong and Australia

Notable savings from avoided future costs 13

Superloop Announces Major Network Expansion

Platform for the delivery of scalable services across the Asia Pacific region



217 kms

Metropolitan Fibre Network
in Brisbane, Sydney, Melbourne,
Sunshine Coast, Gold Coast

10 Gbps

Intercapital Ethernet
Between Brisbane, Sydney,
Melbourne, Adelaide and Perth

100 Gbps

Intercapital Capacity IRU
Between Brisbane, Sydney,
Melbourne, Adelaide and Perth

100 Gbps

Regional Capacity IRU
1 Gbps tranches to regional centres

10 Gbps

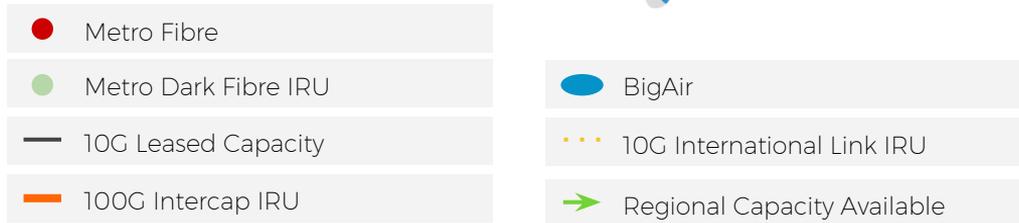
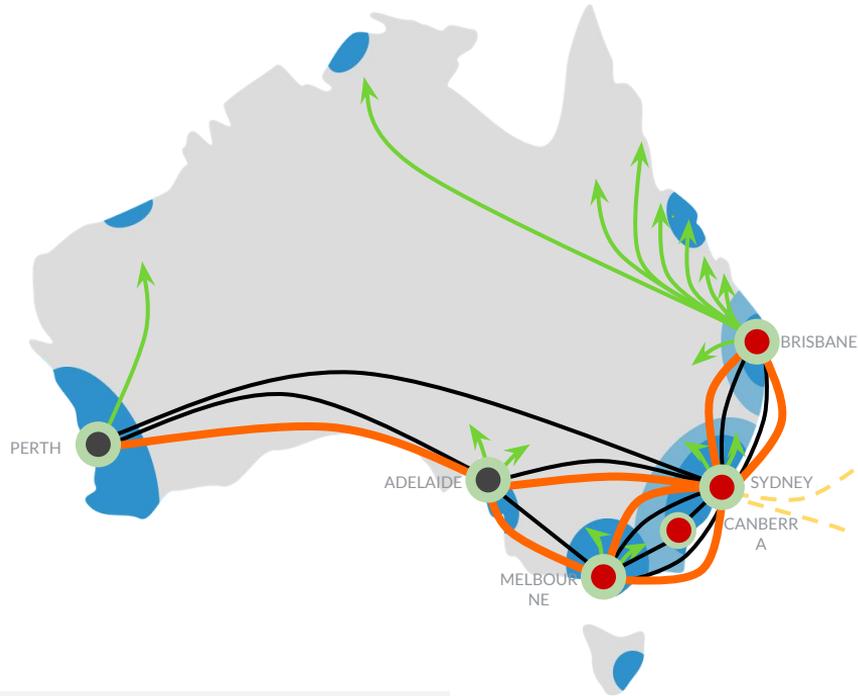
International Capacity IRU
3 Drop service on Southern
Cross cable system

400/3000

Additional fibre cores
from major data centres to 3000
enterprise buildings in metropolitan
areas

Combined New Australian Network

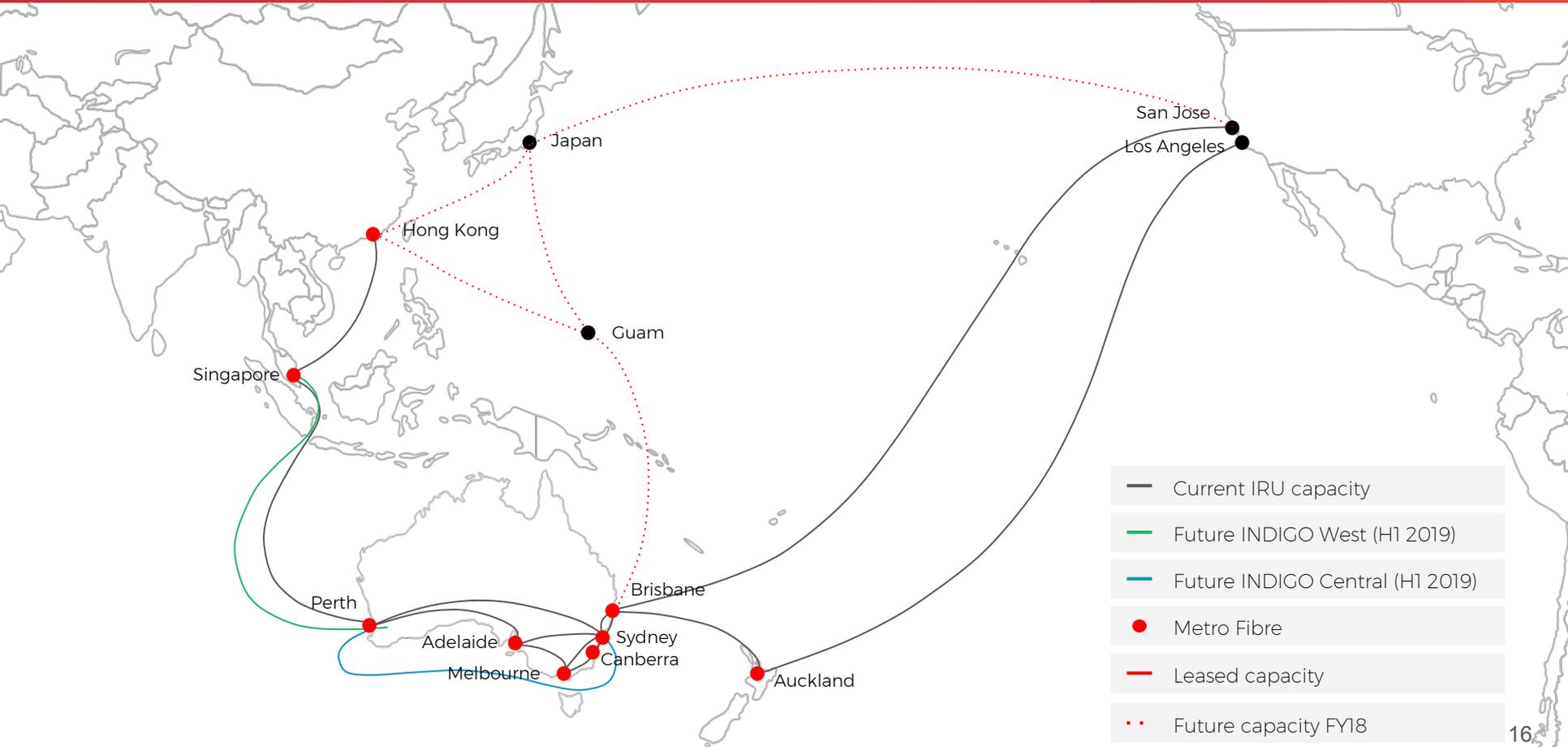
Truly national footprint with extensive regional capacity (available July 2017)



- 10x increase in capacity on existing intercapital and international bandwidth
- 100 Gbps of regional capacity able to be deployed to most regional centres including NBN PoP's and existing or future BigAir wireless PoP's
- Additional dark fibre capacity being made available to rapidly service BigAir PoP's sites as well as enterprise building opportunities
- Investment completed with very low ongoing cost structure already covered by identified synergies
- 80%+ capacity available for future sales opportunities with very little/no material increase to operating cost
- Minimises additional capital investment and time to market requirements for the Australian market

Connectivity throughout Asia Pacific

Superloop's Advanced fibre network reach



- Delivering Superloop ownership economics on a new southern route between the East Coast Australia and Singapore
- ¼ pair is expected to support 4.5Tbps today, 7.5Tbps in 2 years with capacity increasing as terminal equipment technology improves over the life of the asset.
- De-risked investment with industry partners providing Superloop with more capacity than expected to be needed over the next 5-10 years for 1/10 the capital and operating cost of private cable
- Project build certainty - Contract in force April 2017 for 2 systems:
 - INDIGO West: Singapore to Perth via Indonesia
 - INDIGO Central: Perth to Sydney
- Consortium members can operate spectrum independently
- Expected live now 1st Half 2019

$\frac{1}{4}$ FIBRE PAIR	US\$15m Singapore to Perth
$\frac{1}{4}$ FIBRE PAIR	US\$11m Perth to Sydney
$\frac{1}{4}$ FIBRE PAIR	US\$11m Perth to Sydney (Spare)

Indigo West will deliver cost effective, reliable, low-latency and diverse connectivity between Singapore & Perth. In addition there are two fibre pairs connecting Singapore to Jakarta via a branching unit.

Cable Features

Specifications

Cable Distance (main trunk)	4,600 Kilometres
Total Fibre pairs	2
Cable Power Design	Double End Fed
Total System Capability	36 Tbps
Round Trip Delay	~46ms
Repeater Spacing	~85km
Technology	EX 3000 PSCF
Tb/s per Fibre Pair	18
OSNR	20dB/0.1nm
System Supplier	ASN
Projected RFS	H1 2019



Indigo Central will deliver diverse, reliable and secure connectivity between Perth and Sydney, Australia. The new subsea route will complement the existing terrestrial networks across Australia.

Cable Features

Specifications

Cable Distance (main trunk)	4,850 Kilometres
Total Fibre pairs	2
Cable Power Design	Double End Fed
Total System Capability	36 Tbps
Round Trip Delay	~47ms
Repeater Spacing	~85km
Technology	LOW-LOSS PSCF
Tb/s per Fibre Pair	18
OSNR	20dB/0.1nm
System Supplier	ASN
Projected RFS	Q1 2019



Completion of Hong Kong & TKO Express

Powerful design with incredible potential



1728
Fibre Cores

2.8km
In length

First truly diverse connection
to Tseung Kwan O

Completed construction of initial Hong Kong backbone
fibre cable network (110 km x 2,000 cores)

LIVE

Strengthened Leadership Team

Strong Team in place to drive



Bevan Slattery

Founder and CEO
Also co-founder of Pipe Networks, founder of NEXTDC & Megaport



Jason Ashton

GM - CMS
Co-founder BigAir Group
Fixed Wireless subject matter expert



Matt Hollis

Group GM Sales & Marketing
Prev Vocus and Pipe Networks



Paul Jobbins

Group CFO
Prev NEXTDC, Reverse Corp, Sunshine Gas



Alex West

Head of Integration and Transformation
Prev Vocus and Pipe Networks



Susana Halliday

Country Manager - Hong Kong
25 years experience in infrastructure projects



Ryan Crouch

COO - Networks
Co-founder APEXnetworks, Prev Corvil (Cisco Bandwidth Quality Agent)



Matt Whitlock

COO - Infrastructure
Prev TPG and Pipe Networks



Julian Breen

Head of Customer Experience
Prev Vocus



Cameron Ferdinands

Principal Engineer
Prev Amazon.com and Pipe Networks

FY18 Priorities

Major projects

Service Delivery Review - complete review leading to changes being made to streamline and automate as much of the service delivery process as possible. New workflow for communications services expected to be fully implemented by 1 October 2017 with CMS expected March 2018

Project Kimono - process of line-by-line validation of all third party services (data centres, connectivity, rooftop licences, ACMA licences) to ensure all data is accurate and complete. Expected to be completed October 2017

Project Magellan - data analysis to drive cost and possible revenue synergies through data analytics and mapping of all services into a single geographic information system which is then used to make investment and purchasing decisions. Expected to be completed 30 June 2018

Product Catalogue - Create a single product catalogue across the entire group that is consistent across all groups (ie. sales, provisioning, billing and support). Expected to be completed October 2017

Architecture and Technology - complete three year conceptual technology roadmap and bake this map in every decision we make to ensure we are always progressing to that coherent vision. Expected to be completed September 2017

Wireless Base Station Audit and integration - complete full audit of wireless towers, licences and antennae and integrate this information into our GIS system as well as input into both Project Kimono and Project Magellan. Expected completion October 2017

Connectivity

- Focus our sales effort and product portfolio to further enable the fast growing “on-demand” connectivity solutions via our fixed line and wireless platforms as well as traditional dark fibre and backhaul services
- Look for opportunities to leverage our infrastructure ownership economics
- Keep strong momentum moving forward with the continual additions to the sales team with particular emphasis on sales managers in Singapore and Hong Kong
- Recruitment of US based channel manager for US inbound opportunities for services in Singapore, Hong Kong and Australia
- Drive more towards on-net sales where margins are significantly higher (85-90%+)

Cloud and Managed Services

- Continue to focus on small to medium enterprise market (50 - 2,000 seats) using the broader Superloop offering (both products and geographies) to new and existing customers in Australia
- Keep momentum in growth in BCB/student accommodation market
- Recruitment of additional Subject Matter Experts and Pre-sales to assist the sales process across both sides of the business
- Look to expand product sets into Singapore and Hong Kong

Connectivity

- “Elastic Edge” 10Gbps standard to every enterprise customer on our fibre enabled buildings with capability to go to 40G and 100G
- Integrate BigAir’s Managed Services product portfolio and integrate these services as part of our 360 Service Portal
- Establish NBN (Australia) and NGNBN (Singapore) service offerings through direct PoI interconnections and leverage opportunities where a hybrid of Fibre, Wireless and NBN connections provide the most cost-effective and seamless solution to our customers
- Start planning rollout of mmWave wireless technology to enable Gbps last mile connections to enterprises
- Facilitate cloud on-ramp connectivity to Amazon, Microsoft Azure and Oracle Cloud into the Superloop Elastic Edge for enterprises in enterprise buildings using Superloop connectivity

Cloud and Managed Services

- Significant work to consolidate and simplify traditional managed services product sets and improving quality and consistency of user experience with commonly support platforms
- Expand product set deeper into the fast-growing enterprise network and application security space
- Build and re-brand new BCB connectivity platform to deliver a world class internet experience for our student accommodation partners and their students

Fibre Network

- Continue to expand network footprint to areas of high value including data centres, landing stations and major enterprise buildings
- Further focus on possible strategic builds that could further facilitate future connectivity for our wireless platform including towers and building rooftops.
- Look to leverage existing investments to acquire capacity and services on network infrastructure that would provide Superloop with network ownership economics and control and is consistent with our strategic vision

Wireless Network

- Hyperscale BigAir's existing major network locations with 10/40/100G
- Build out of new wireless locations to drive lower cost-economics and improve coverage availability for high bandwidth low operating cost mmWave and multipoint access technology
- Look to further invest in more remote locations which show significant customer demand and which are not the focus of NBN FTTN/Wireless coverage areas improving reliability and user experience

Outlook FY18





Superloop is well positioned to maximise the opportunity in the various markets caused by growth in data services and also by various distractions of our competitors

We will continue to look for opportunities in the market to invest in, or acquire assets that:



are strategically aligned to our vision



that accelerate our time to market



have teams that are culturally aligned and which are earnings accretive.



have technology, software and systems that are of value to the combined group

Superloop declares a 0.5c per share dividend (fully franked) based upon second half earnings.

THANK YOU

ADDITIONAL INFORMATION

For further comment or other information please contact:

Investor enquiries:

Telephone: +61 7 3088 7300

Email: investor@superloop.com

Superloop's vision is to be the most trusted enabler of connectivity and managed services in Asia Pacific

Disclaimer

Superloop Limited's (Superloop) consolidated financial results (Results) are prepared in accordance with the Australian Accounting Standards, the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth). While much of the financial information in this presentation is based on the Results, it should be read together with the Results.

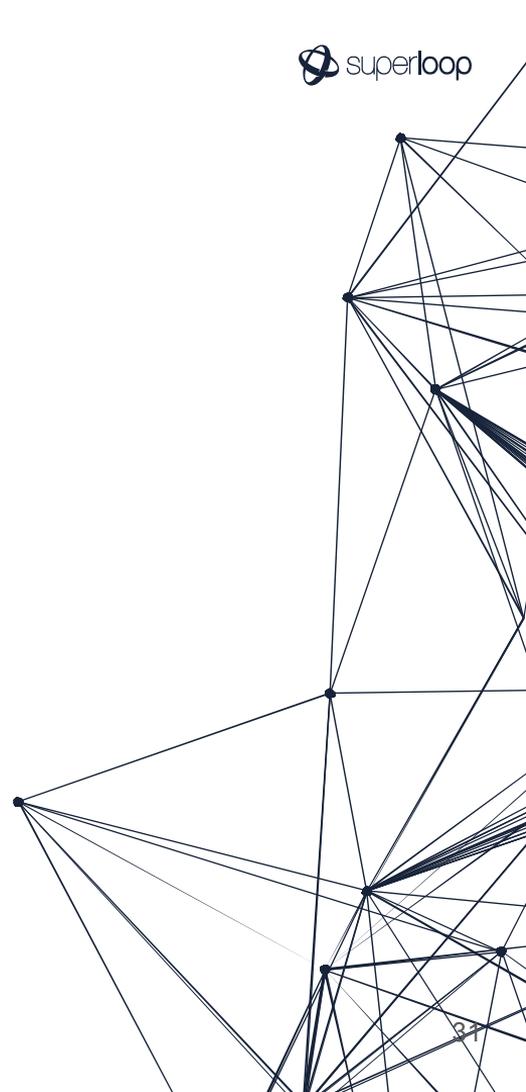
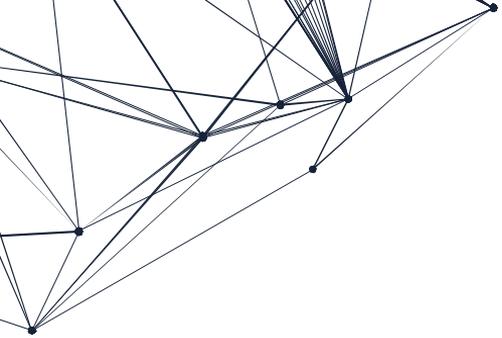
The presentation also includes certain 'forward-looking statements' which are not historical, like the Results. Such statements are based on Superloop's current expectations, estimates and projections about the industry in which Superloop operates, and beliefs and assumptions regarding Superloop's future performance. Words such as 'anticipates', 'expects', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions identify forward-looking statements. Any such statement is subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of Superloop, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

Superloop cautions all persons reading the presentation not to place undue reliance on these forward-looking statements. They relate only to circumstances as of the date on which the statements are made. Superloop may not release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

All reference to "\$" are to Australian currency (AUD) unless otherwise noted.*

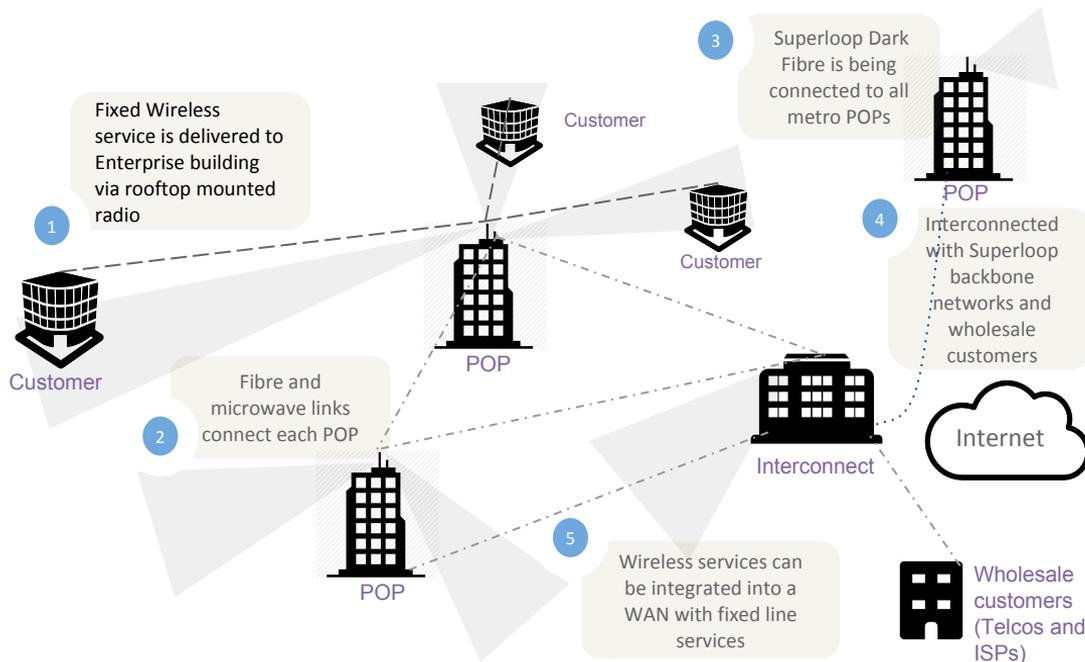
Appendices

Network Update



Fixed Wireless is a natural “extension”

Fixed Wireless is often the primary service where fibre is not available or too expensive



Fault tolerant network design

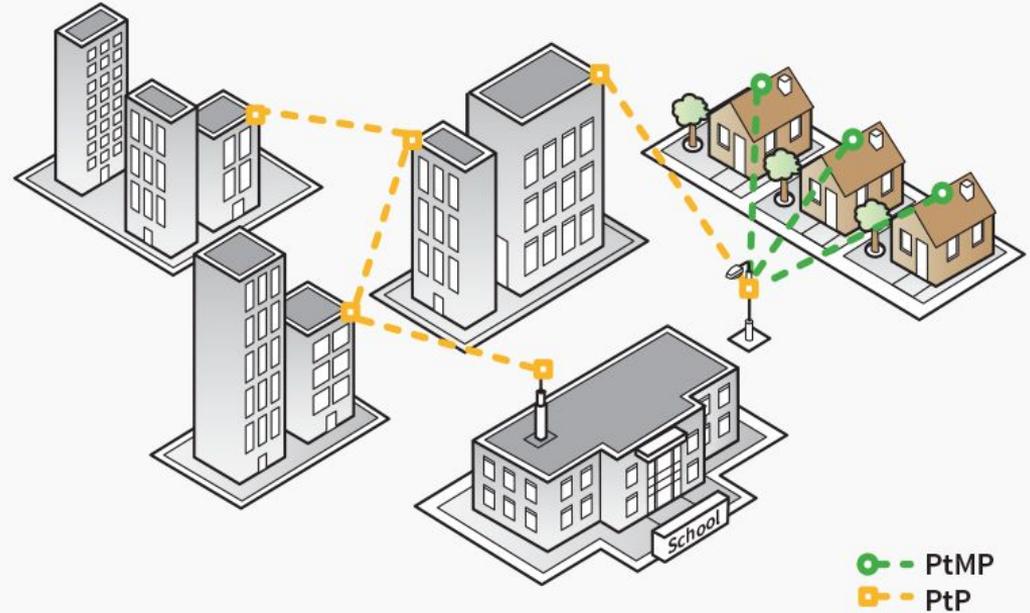
- BigAir + Superloop now offers best in class carrier diversity for Enterprise buildings and customers
- Best practice redundant node design & deployment
- Seamless Fail-Over & Fail-Back service delivery
- Traffic engineering enables ‘smart’ load distribution across multiple links

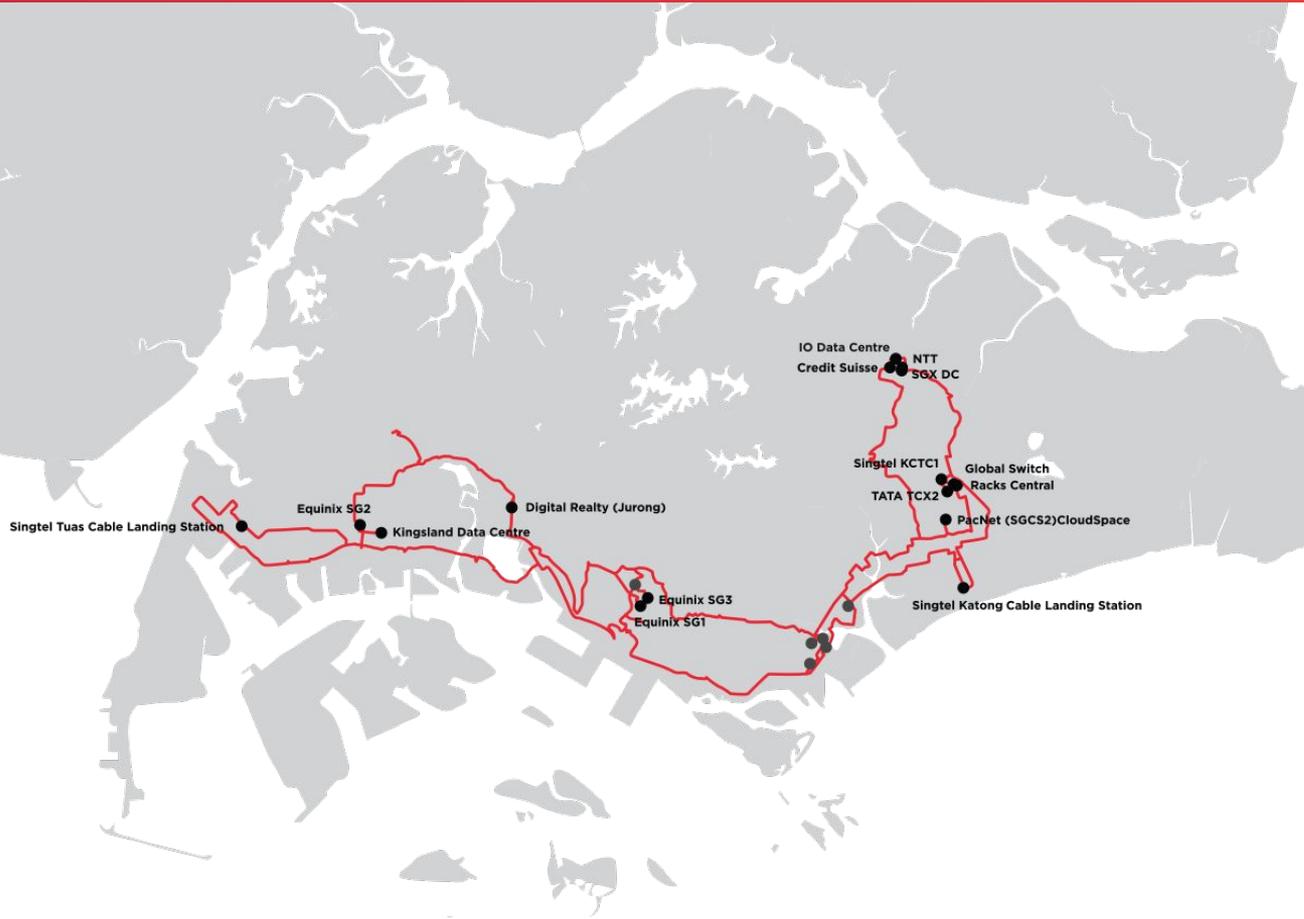
Superloop will hyperscale BigAir fixed wireless offering

Superloop Road Map



- Supercharge wireless POPs
- Upgrades include new cookie cutter deployment and provisioning model
- Start to integrate new next generation wireless tech into access roadmap
- Dark fibre backhaul to all metro POPs
- Deploy 100Gbps regional backhaul
- Targeted regional expansion





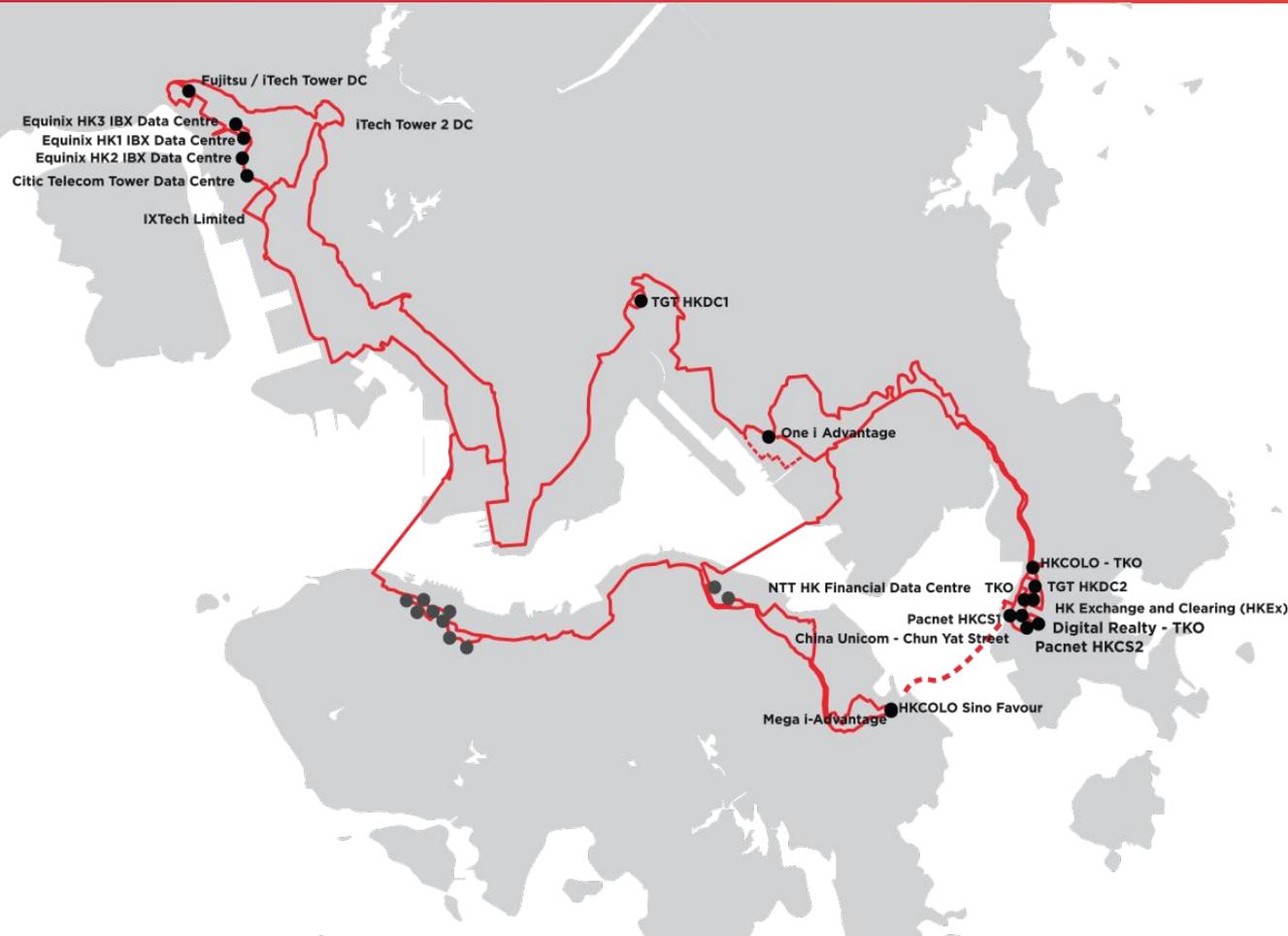
At 30 June 2017:

Cable kilometres:	176
Backbone cores:	624
Data centres:	17
Cable landing stations:	2
Enterprise buildings:	31



1,000+
Enterprises in On-Net Buildings

Hong Kong Network Overview



At 30 June 2017:

Cable kilometres:	221
Backbone cores:	2x1000
Data centres:	14
Cable landing stations:	-
Enterprise buildings:	3

(A\$m)	FY16	FY17	Change YoY
Recurring revenue	0.7	2.6	+1.9
Non-recurring revenue	0.8	1.3	+0.5
Direct costs	(0.9)	(1.1)	+0.2
Gross profit	0.6	2.8	+2.2
Gross margin	40.0%	71.8%	+31.8%
Operating expenses	(1.0)	(1.3)	+0.3
EBITDA	(0.4)	1.5	+1.9
EBITDA margin	-%	38.5%	

Non-recurring revenue includes IRU sales during the second half

Incremental on-net sales have a high gross margin

Fixed cost leverage available at low levels of utilisation

