



Half Year FY18

Results Presentation

Monday 26th February 2018

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

H1 FY18 Results

Business Performance

Highlights

- Australia, Singapore and Hong Kong networks achieving positive EBITDA before allocation of corporate overheads
- Acquisition of NuSkope Pty Ltd (earnings contribution from 13 October 2017)
- Acquisition of GX2 Holdings Pty Ltd (GX2) (earnings contribution from 17 November 2017)
- Significant progress on the construction of the INDIGO subsea cable systems connecting Singapore, Jakarta, Perth and Sydney
- Oversubscribed \$20 million capital raising and successful \$15 million Share Purchase Plan Offer
- Record new sales in two consecutive quarters to contribute to growth in earnings in H2 FY18 and FY19
- Paid maiden dividend of \$0.005 per share for the year ended 30 June 2017

H1 FY18 Revenue ⁽¹⁾



\$55.5
million

↑ 533.6%

H1 FY17 Revenue
\$8.8 million

H1 FY18 Underlying EBITDA⁽²⁾



\$12.5
million

↑ \$14.7m

H1 FY17 EBITDA
-\$2.2 million

Annualised revenue



\$110+
million
At 31 Dec 2017

↑ \$20m

31 Dec 2016
\$90.0 million +

1. Includes other income
2. After adjusting for transaction costs of \$0.2m and integration costs of \$0.5m

Half on half growth

(\$m)	H1 FY18	H1 FY17 ¹	Change YoY	H2 FY17
Revenue ²	55.5	8.8	+46.7	51.0
Direct costs	(23.6)	(5.1)		(22.9)
Profit after direct costs ³	30.8	3.7	+29.9	28.1
Gross margin	56.5%	42.0%		55.1%
Operating costs	(20.1)	(10.2)	+19.6	(17.0)
Reported EBITDA ⁴	11.8	(6.5)		11.1
Underlying EBITDA ⁵	12.5	(2.2)	+14.7	11.2
Reported net profit / (loss) after tax ⁶	1.8	(2.0)	+3.8	0.8

1. Includes BigAir Group from 21 December 2016

2. Includes other income of \$1.1m

3. Excludes other income of \$1.1m

4. Includes NuScope from 13 October 2017 and GX2 from 17 November 2017

5. Earnings before interest expense, tax, depreciation, amortisation and foreign exchange gains/losses

6. Adjusted for transaction and integration costs of \$0.7 million

7. Includes transaction and integration costs of \$0.7 million, non-cash amortisation of \$2.8 million and share-based payments of \$0.2 million.

H1 FY18 Revenue

 **533.6%**

From H1 FY17

H1 FY18 Underlying EBITDA

 **\$14.7m**

From H1 FY17

Reported NPAT

 **\$3.8m**

From H1 FY17

H1 FY18

(\$m)	31 Dec 2017	30 June 2017	Change
Cash & cash equivalents	6.4	7.1	
Property, plant & equipment	153.9	140.4	+3.4
Total assets	456.2	409.0	+51.2
Borrowings	27.6	29.7	-0.7
Net assets	378.0	333.5	+44.1

(\$m)	H1 FY18	H1 FY17	Change YoY
Operating cash flows	6.3	(4.7)	+11.0
Investing cash flows	(35.4)	(83.2)	
Financing cash flows	29.5	57.3	
Net cash flows	0.3	(30.6)	
Closing cash balance	6.4	14.7	

Well funded for investment in infrastructure

Raised \$35m during the half to support further customer led network expansion and investment

Invested \$17.5 million in property, plant & equipment including \$6.7 million for the INDIGO subsea cable system

Operating cash flow
up  \$11.0 million



\$6.4m

Cash and cash equivalents at 30 June 2017



\$49.5m

Facility headroom available at 31 December 2017

Owned and Operated
Fibre(Kms)



↑ **642km**

At 31 Dec 2017

614km at 30 June 2017

Strategic Sites



↑ **280+**

At 31 Dec 2017

265+ at 30 June 2017

Monthly Revenue



↑ **8.8m**

Dec 2017

7.6m (average H2 FY17)

Sales people



72

(Superloop 22,
Superloop+ 40,
SuperBB 10)

Australia 64

Hong Kong 4

Singapore 4

30 June 2017

61

New contracted revenue added



\$13.8
million

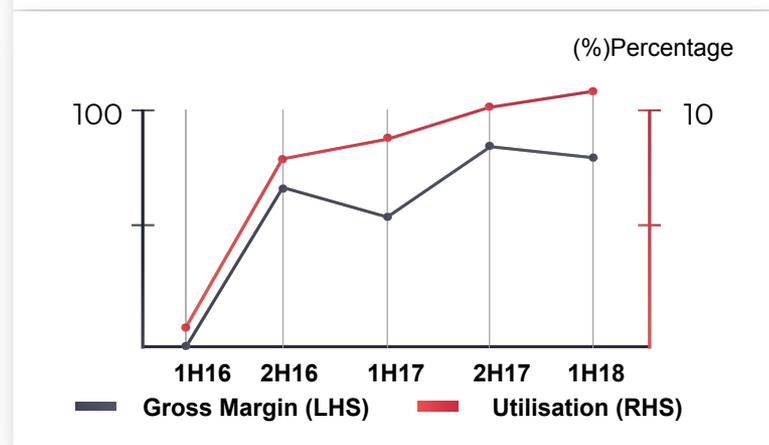
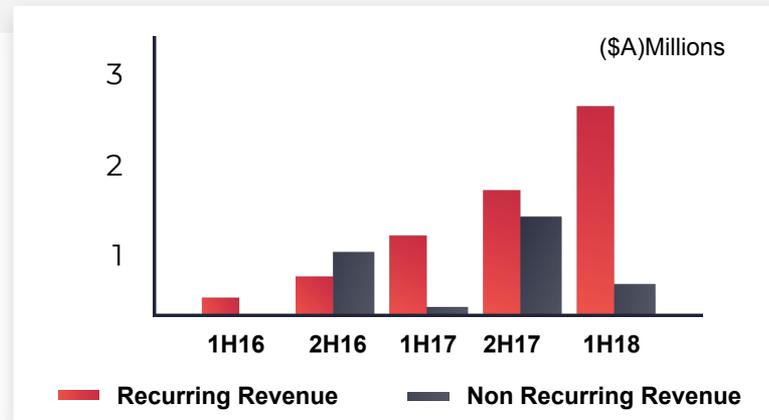
New annual recurring
revenue added in H1 FY18
(excludes NuSkope & GX2)

- Record sales quarter July to September followed by another record sales quarter October to December
- Benefit of record quarters to start coming on in H2 and to be fully realised by start FY19
- Churn in the Corporate Sales team still a challenge - there is a long tail of small customers
- Retention specialist position created and filled to help manage churn

H1 FY18

(A\$m)	H1 FY18	H2 FY17	H1 FY17
Recurring revenue	2.6	1.6	1.0
Non-recurring revenue	0.4	1.2	0.1
Total revenue	3.0	2.8	1.1
Direct costs	(0.7)	(0.6)	(0.5)
Profit after direct costs	2.3	2.2	0.6
Gross margin	76.6%	78.6%	54.6%
Operating expenses	(0.6)	(0.7)	(0.6)
EBITDA	1.7	1.5	-
EBITDA margin	57.0%	53.6%	-%

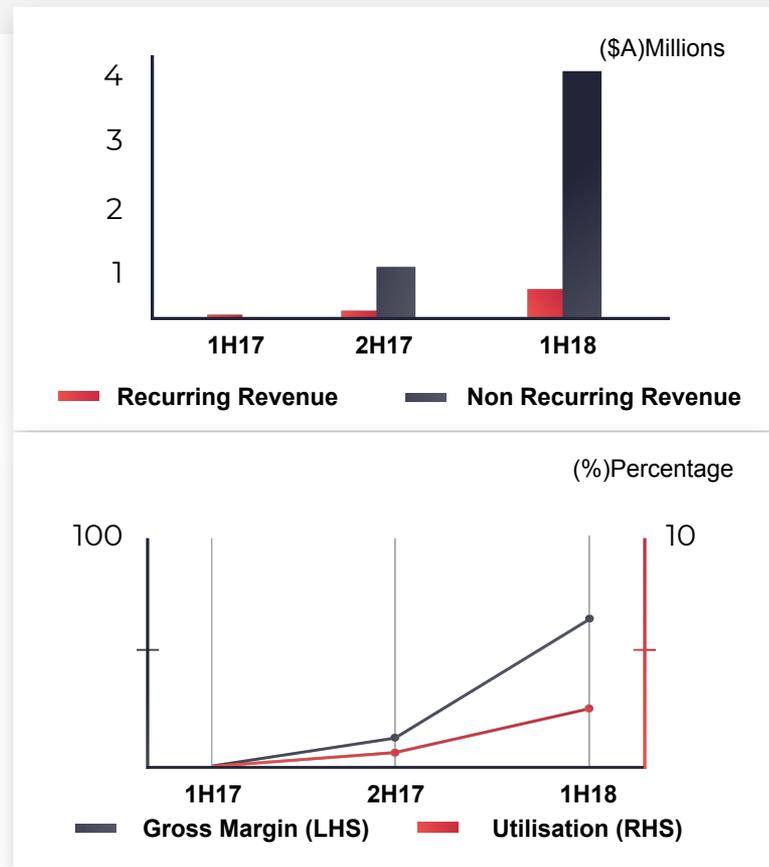
- Incremental on-net sales have a high gross margin
- Fixed cost leverage available at low levels of utilisation



H1 FY18

(A\$m)	H1 FY18	H2 FY17	H1 FY17
Recurring revenue	0.4	0.1	0.0
Non-recurring revenue	4.1	0.9	0.0
Total revenue	4.5	1.0	0.0
Direct costs	(1.6)	(0.8)	(1.3)
Profit after direct costs	2.8	0.2	(0.3)
Gross margin	63.3%	16.8%	-%
Operating expenses	(0.6)	(0.9)	(0.4)
EBITDA	2.2	(0.7)	(0.7)
EBITDA margin	50.1%	-%	-%

H1 FY18 Non-recurring revenue includes IRU sales



Highlights

Superbb (formerly BigAir Community Broadband) Campus Solutions division signs new site management agreements with four new partners

- In H1 FY18 Superloop signed partnership agreements with 4 emerging student accommodation providers to manage the provision of high speed internet services at 18 new sites with more than 11,400 residents.
- The new partners are each building premium high rise buildings for domestic and foreign students and tapping into the pent up demand for student accommodation near leading Universities
- The new contracts each have a term of 5 years, will commence during calendar 2018, and are expected to generate incremental revenue growing to over \$3.3 million per annum by FY20 as the new facilities are constructed, before considering expansion opportunities.
- Superbb Campus Solutions today partners with a number of major Universities and leading purpose built student accommodation providers (PBSA) to deliver ultra fast managed WiFi Internet to residents.
- In addition to delivering managed WiFi the Superbb solution provides IoT integration with in-building systems
- Superbb currently manages broadband wifi connectivity services for more than 150 sites with over 33,000 residents.

H1 FY18 Achievements

- Completed the drilling phase of the Company's seaward facing 1,900m bore pipe project in Sydney
- Completion of the installation of the beach manhole and two seaward ducts in the bore pipe able to facilitate two (2) submarine cables and is in readiness for the INDIGO Central cable which is currently scheduled to be installed H2 CY18
- Completed the INDIGO subsea cable project marine survey
- Commenced manufacturing of the INDIGO subsea repeaters and cable with completion expected in March 2018
- Commenced assembly of the INDIGO cable systems, ready for ship loading in May 2018



- 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

1/4
Fibre Pair
US\$15m
Singapore to Perth

1/4
Fibre Pair
US\$11m
Perth to Sydney

1/4
Fibre Pair
US\$11m
Perth to Sydney

Spare

Australia		Singapore		Hong Kong	
31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017
217km Fibre	217km Fibre	186km Fibre	176km Fibre	239km Fibre ⁽¹⁾	221km Fibre
200+ Strategic sites	200+ Strategic sites	57 Strategic sites	48 Strategic sites	25 Strategic sites	17 Strategic sites

Progression - Total Kilometres of Optic Fibre



184km
June 2015



378km
June 2016



614km
June 2017

Total Strategic Sites 31 Dec 2017



280+

Total Optic Fibre 31 Dec 2017

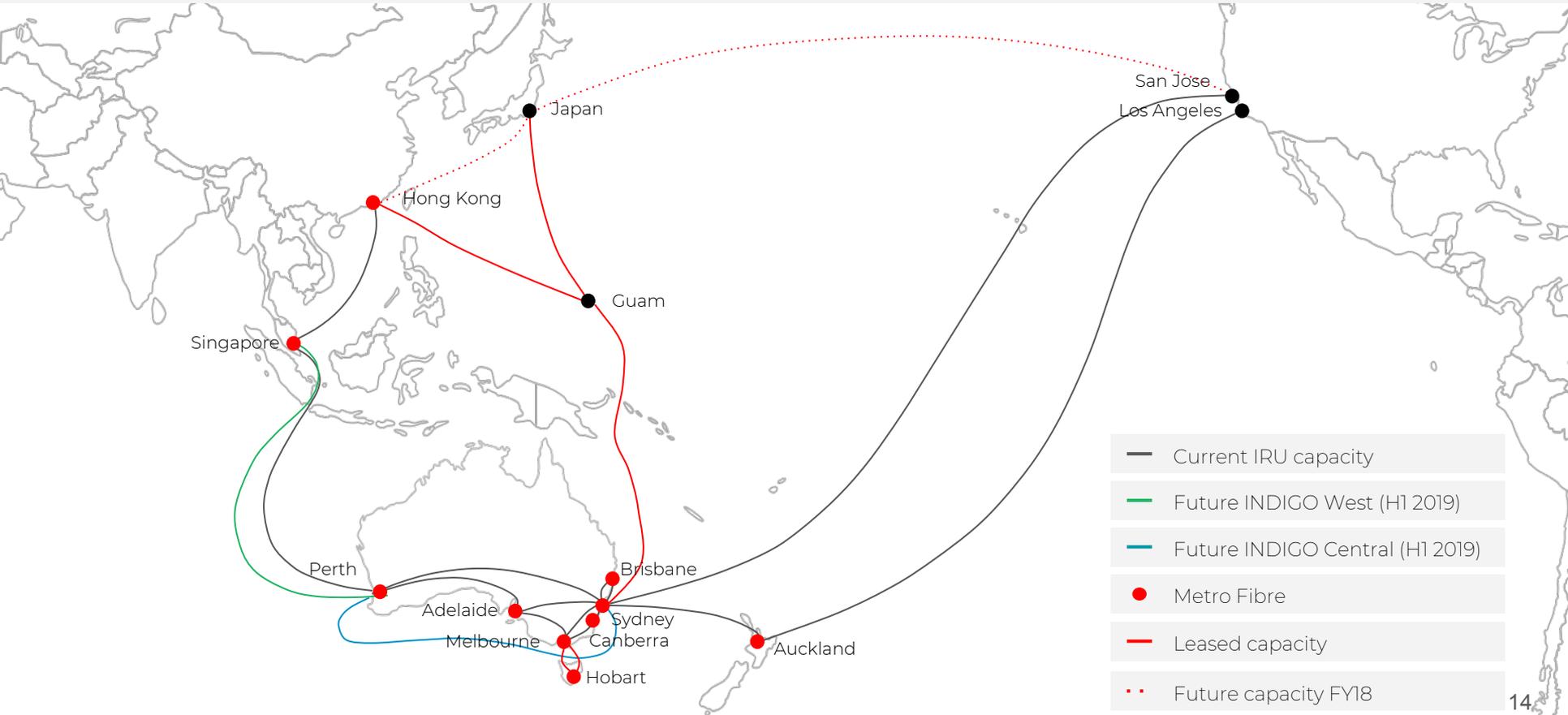


642km

(1) HK core backbone includes 2 cables of approximately 118km

Expanded Connectivity throughout Asia Pacific

Superloop's advanced fibre network reach



Strategic Acquisitions

Recap

NuSkope is a leading fixed wireless Internet Service Provider delivering advanced high-speed Internet access to homes, schools and businesses in South Australia. Its reputation for superior performance and customer service has seen it grow rapidly extending its network coverage to the greater Adelaide regional area.

NuSkope delivers Superloop a portfolio of strategic assets including ownership of existing wireless network infrastructure, a sophisticated network coverage service qualification tool and valuable CRM database.

NuSkope also brings an energetic team with substantial retail fixed wireless experience and provides the platform and expertise to expand interstate and into to other geographic areas.

Progression - Number of Customers



4,189
H116



6,317
H117



9,000+

Customers at Dec 2018



140+

Sites at Dec 2018

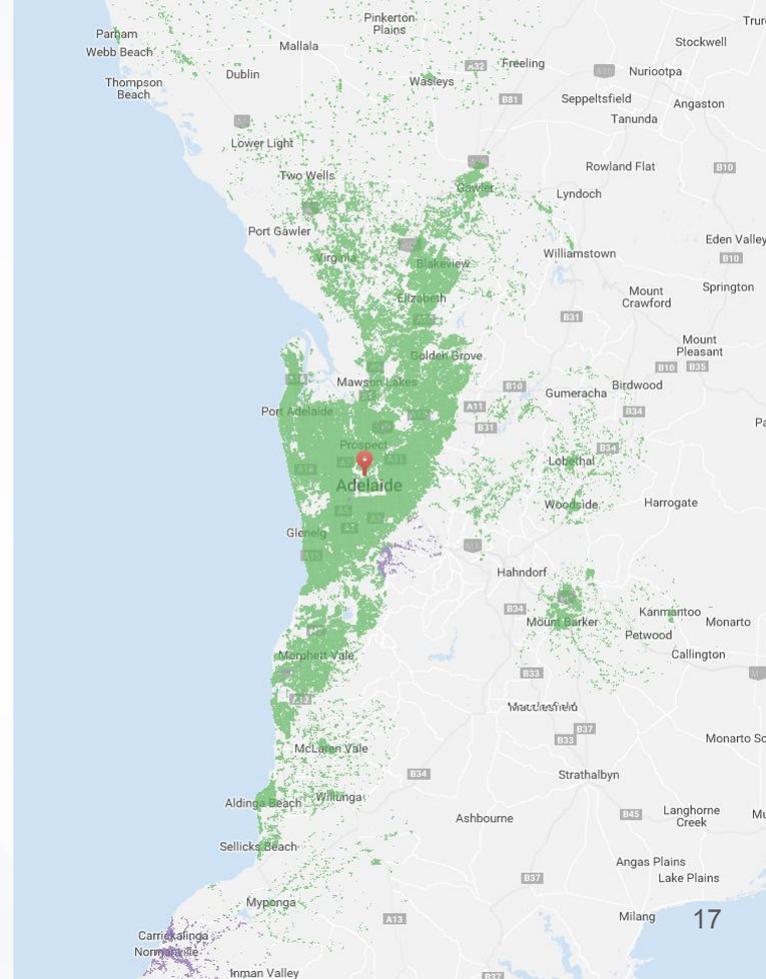
Strategic rationale

The acquisition of NuSkope has significant strategic benefits for the Superloop Group:

- strategically aligned to our vision
- accelerates our ability to expand our fixed wireless coverage
- has a team that is focused, dedicated and culturally aligned with Superloop
- is earnings accretive; and
- has technology, software and systems that add significant value to the group.

Ownership of NuSkope's network infrastructure provides Superloop with further network ownership economics and control. It enhances Superloop's existing fixed wireless infrastructure, offers synergies through network cost savings and allows further utilisation of capacity accessed through our long-term agreement with Vocus.

NuSkope also provides the ability for further opportunities to deploy high bandwidth, low operating cost mmWave and multi-point access technology and allow Superloop to offer a reliable and high-quality experience for customers and wholesale partners.



The acquisition of GX2 Technology has significant strategic benefits for the Superloop Group:

- strategically aligned to our vision
- accelerates expansion of our community broadband campus solutions to a broader customer base
- has a team that is focused, dedicated and culturally aligned with Superloop
- is earnings accretive; and
- has technology, software and systems that will add significant value to the group and assist in further strengthening our offerings to the market.

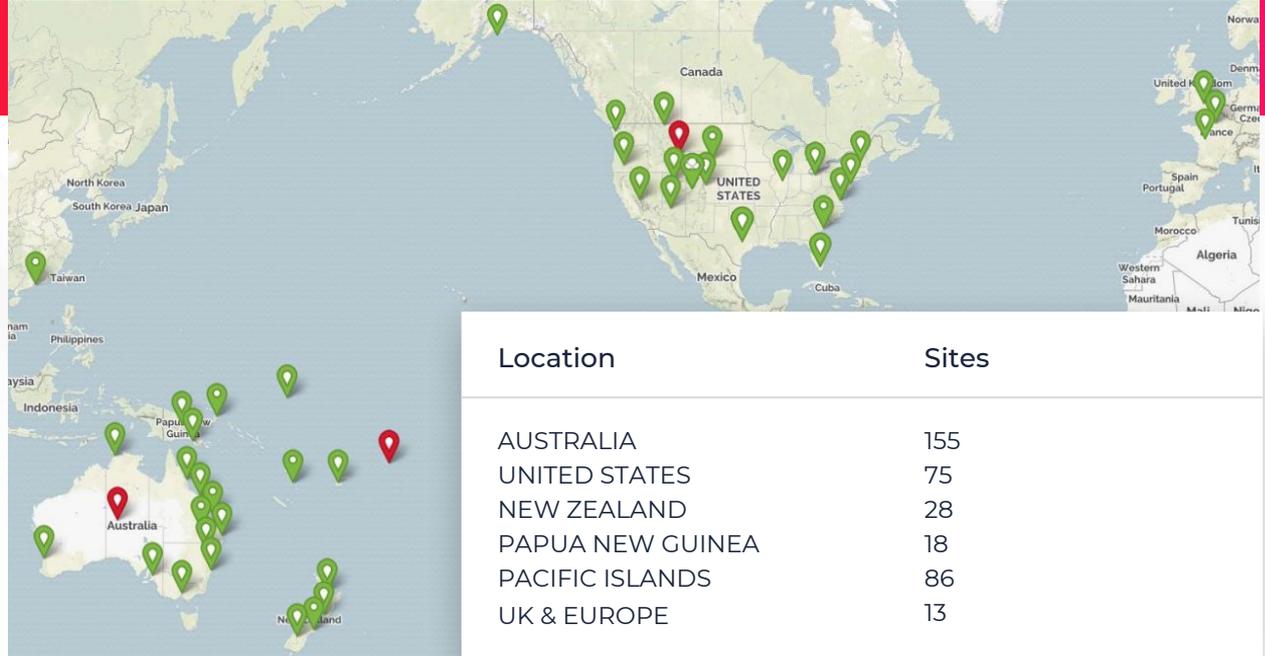
GX2 operates a compelling software platform providing a managed service for over 200 customers at over 350 sites with 75% in the Asia Pacific region and the balance across the United States and United Kingdom. It is able to service more than 50,000 guests daily and offers strong customer technical support with a customer service centre that operates 24 hours a day, from Australia, United Kingdom and the United States, following the sun.



Acquisition of GX2 Technology - Coverage Map



GX2 is a leading provider of managed guest WiFi connectivity including design, installation and support via their leading GX2 software platform.



Capability: No. of users
50,000+

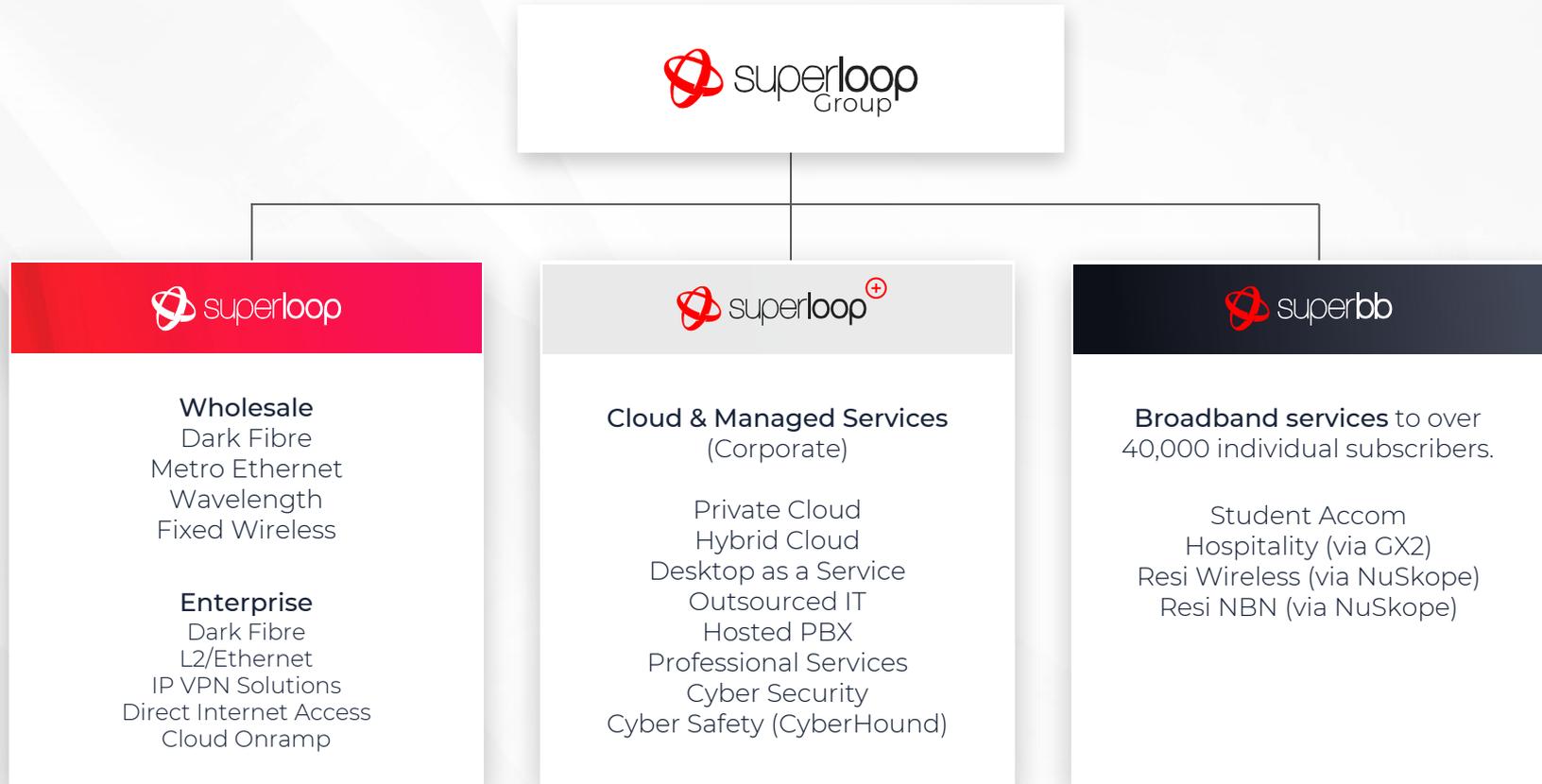


Total Customers
200+



Total Sites
350+

**Growth Engine for
Future Earnings**
Integration and Automation



Highlights

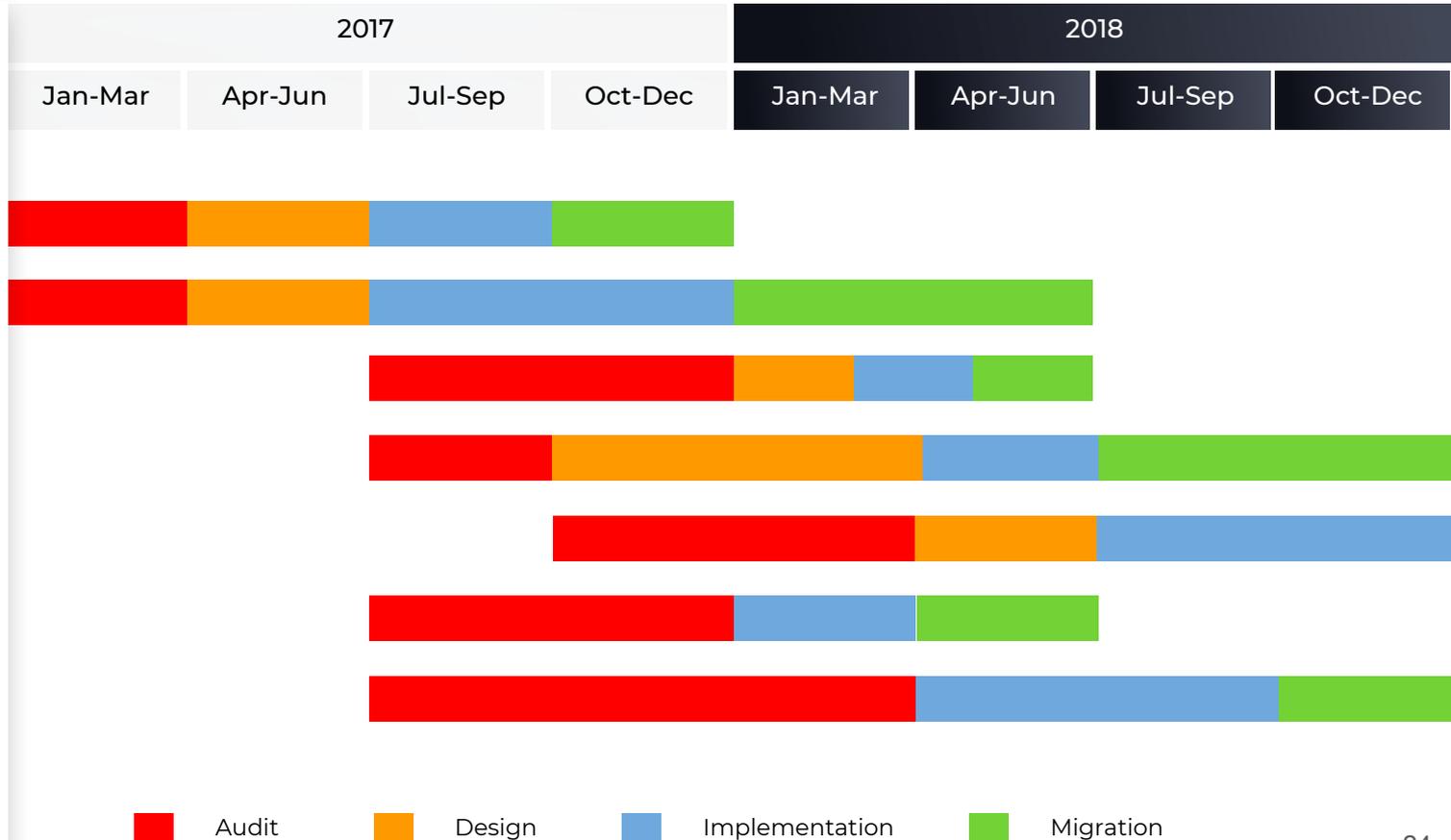
Streamlining Operations

- Significant reduction in supported hardware platforms in network, compute and wireless platforms
- Automating as much of the service experience in Superloop 360 reducing manual process and error
- Significant reduction in supported systems and software reducing complexity and increasing reliability and serviceability
- Organising the business into “Red Team” “Blue Team” with the “Red Team” focusing on the new world business process while the “Blue Team” focus on business-as-usual
- Auditing and vetting all services prior to migration into Superloop 360 to make sure all service, billing and support information is consistent every time
- Superloop Connectivity expected to be migrated June 2018 with Superloop+ December 2018.

Streamlining the Sales Process

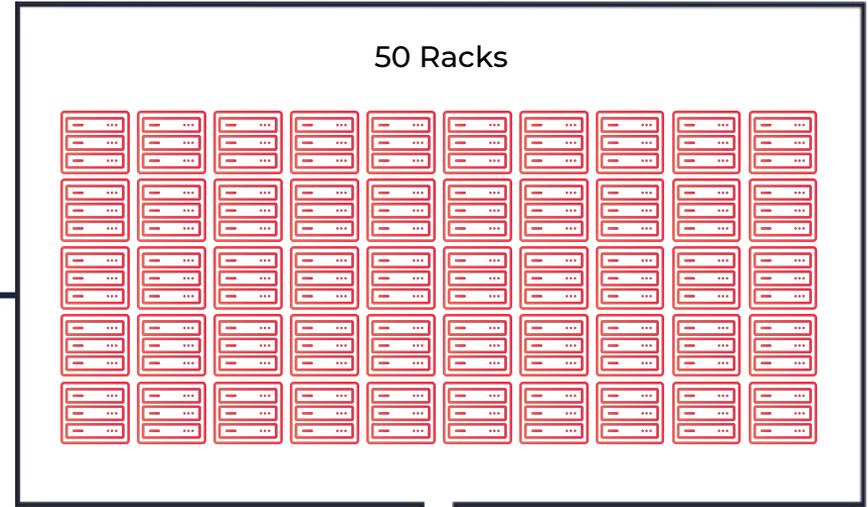
- New simplified company-wide product catalogue reducing product complexity and importantly focusing the sales team on the products we can easily support
- Providing web-based tools to assist the sales team qualify, scope and design solutions for customers without the need of pre-sales engineers or human service qualification
- Providing quoting tools to allow sales teams to quickly and consistently provide accurate pricing to customers
- All orders to be entered directly into Superloop 360 which handles all provisioning, billing and support initially for the network services but being expanded to include Superloop+





Integration and Consolidation Benefits

	Before	AFTER
Storage		
Vendors	7	2
Devices	83	12
Compute		
Vendors	5	2
Devices	50	12
Firewall		
Vendors	4	2
Devices	70	12
Compute collocation		
Sites	12	6
Racks	50	8



+

\$1 million

In annual savings
For compute collocation

1H FY18



Expected operating cost savings over \$2.4m p.a.



Expected corporate overhead savings over \$2.0m p.a.



Expected annual cost synergies over \$4.4m p.a.

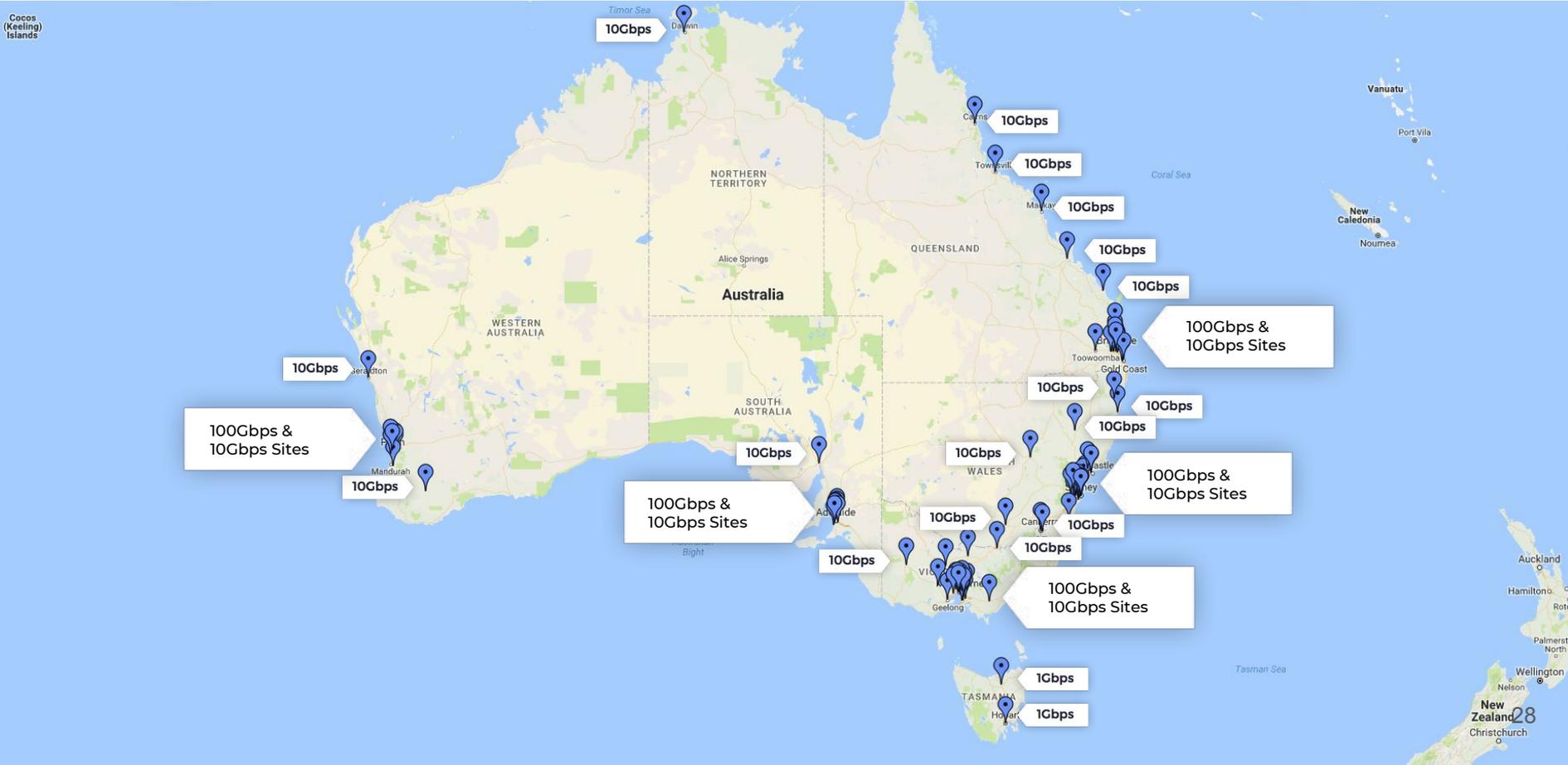
Significant realisation of synergies expected from integration and migration in the form of reduced costs into FY19

**Growth Engine for
Future Earnings**
Network and Capability
Expansion

Superloop - Bigger Network, Bigger Capability



Highlights



Highlights

- New 10/100G national backbone connecting all capital cities and most major cities and towns across Australia
- 10G to most major regional towns/cities and underpins the expansion of our wireless, last mile and NBN connectivity
- Expect to **double metropolitan fibre footprint with an initial 180km+ fibre expansion within capital cities** delivering 10/40/100G capacity to all major strategic locations
- New National Backbone will form part of Superloop’s fully automated network provisioning platform, Superloop PEX
- With national coverage comes national sales opportunities at both the enterprise and wholesale level
- With a national network comes greater opportunity to increase existing customer share of wallet via both expanded coverage and product range
- Superloop is striving to be the NBN RSP wholesale partner of choice

NBN PoI Connectivity



2

PoI's Connected at 1G

60

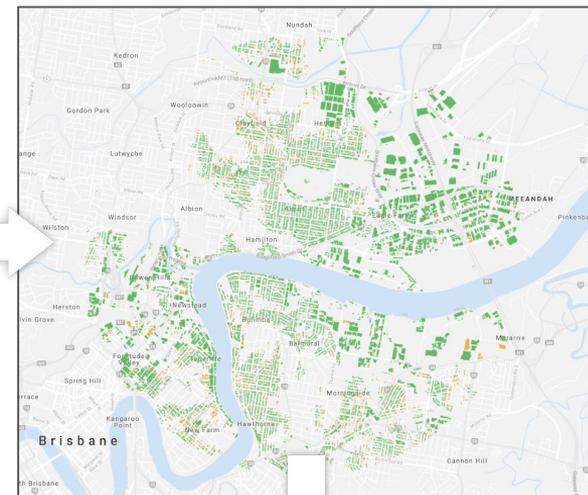
PoI's Connected at 10G

59

PoI's Connected at 40/100G

Highlights

- Superbb/NuSkope already launching in Brisbane and Melbourne with first test customers already live and expected to be accepting orders from the public in March
- Aggressive rollout program focusing on metropolitan and regional areas using NuSkope “Cookie Cutter” with a target to **double addressable market this calendar year**
- Site acquisition and network expansion will continue to accelerate in 2018 as our metro and regional footprint expands.
- Integration with NBN B2B systems underway and expect first phase to be completed June 2018



Our Vision is to be the most trusted enabler of connectivity and managed services across Asia Pacific Region

- Achieve Synergies through full integration of major platforms
- Investment and development of streamlined processes and automation tools throughout the business
- Focus the sales teams on a clearly defined product set focusing on increasing utilisation and adoption of products with high margin and play to our core competencies
- Leverage our unique value proposition and network ownership advantage
- Continue development of new products and services with particular focus on “as-a-service” model and “trusted” services for enterprise and wholesale clients
- Forge stronger partnerships with customers and vendors that align and are able to enable our vision
- Start significant marketing activities to existing and potential customers in the retail, enterprise and wholesale business units

Corporate Calendar

2018

Investor Strategy Briefing and
Shareholder General Meeting

April 2018
(date to be confirmed)

FY18 Full Year Results

**Monday, 20
August 2018**

2018 Annual General Meeting

**Monday, 29
October 2018**

*Current proposed dates, subject to change

Thank You

Appendix

Segment Results

(\$m)	Superloop ¹	Superloop+ ²	Superbb ³	Corporate	Total
Revenue ²	27.9	18.0	9.8	(0.2)	55.5
Direct costs	(7.5)	(10.5)	(5.8)	0.2	(23.6)
Operating costs	(10.9)	(4.5)	(1.4)	(3.2)	(20.1)
EBITDA ⁴	9.5	3.0	2.6	(3.2)	11.8

1. Superloop segment Includes Fibre, Fixed Wireless and SubPartners (previously "Connectivity")
2. Superloop+ segment includes Cloud and Managed Services and Cyber Safety products (previously "Managed Services")
3. SuperBB includes Community Broadband Campus Solutions, NuSkope from 13 October 2017 and GX2 Technology from 17 November 2017

Superloop segment includes \$3.5m revenue from INDIGO development revenue

Superbb segment includes \$3.0m revenue from NuSkope and GX2 acquired during the period

Superbb segment includes \$3.0m revenue from NuSkope and GX2 acquired during the period

(\$m)	Australia	Singapore	Hong Kong	H1 FY18	H1 FY17
<i>Revenue:</i>					
Fibre	6.2	3.0	4.5	13.7	6.1
Fixed wireless	10.6	-	-	10.6	0.9
SubPartners	3.5	-	-	3.5	
<i>Total revenue</i>	20.3	3.0	4.5	27.9	7.0
Direct costs	(5.1)	(0.7)	(1.6)	(7.5)	(4.4)
Operating costs	(9.7)	(0.6)	(0.6)	(10.9)	(3.8)
<i>EBITDA</i>	5.5	1.7	2.3	9.5	(1.2)

H1 FY17 includes revenue of \$1.1m from Singapore and \$0.02m from Hong Kong

H1 FY17 includes EBITDA of \$0.2m from Singapore and (\$0.8m) from Hong Kong

H1 FY17 Fixed wireless is for the period from 21 December 2016 to 31 December 2016

H1 FY18

(A\$m)	H1 FY18	(A\$m)	H1 FY18
<i>Property, plant & equipment</i>		<i>Depreciation</i>	
Australia	54.2	Australia	3.6
Singapore	44.7	Singapore	0.9
Hong Kong	55.0	Hong Kong	1.2
<i>Total property, plant & equipment</i>	153.9	<i>Total depreciation</i>	5.7

Australia includes \$11.9m for INDIGO construction costs

<i>Intangibles</i>		<i>Amortisation</i>	
<i>Acquired customer relationships and brand names</i>	45.3	<i>Acquired customer relationships & brand names</i>	2.8
Rights and licences (IRUs)	18.9	Rights and licences (IRUs)	0.6
Software & other	1.9	Software & other	0.6
Goodwill	196.3		
<i>Total intangibles</i>	262.4	<i>Total amortisation</i>	4.0

There are no cash flows associated with the amortisation of acquired customer bases and brand names

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



ADDITIONAL INFORMATION

For further comment or other information please contact:

Investor enquiries:

Telephone: +61 7 3905 2400

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."