



2018  
**HALF YEAR RESULTS**  
PRESENTATION

20 MARCH 2018

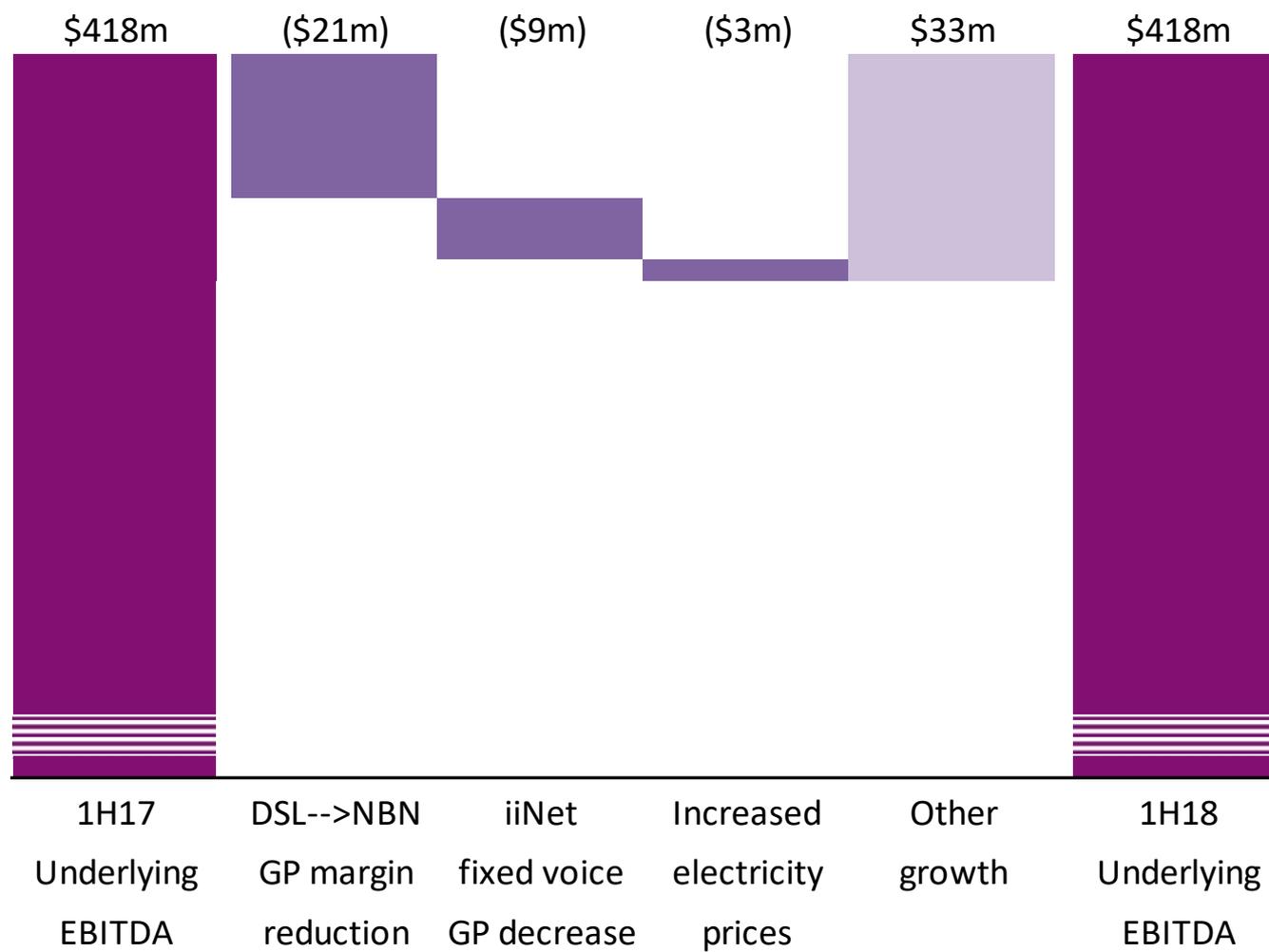


		Reported			Underlying <sup>(1)</sup>		
		1H18	1H17	Growth	1H18	1H17	Growth
Revenue	\$m	1,252.0	1,241.8	1%	1,252.0	1,234.8	1%
EBITDA	\$m	418.2	473.4	(12%)	418.2	417.6	-
NPAT	\$m	198.7	224.0	(11%)	217.7	207.5	5%
EPS	cps	21.5	26.4	(19%)	23.5	24.5	(4%)

(1) refer to slide 3 for reconciliation between reported and underlying results.

	1H18		1H17	
\$m	EBITDA	NPAT	EBITDA	NPAT
<b>Reported</b>	<b>418.2</b>	<b>198.7</b>	<b>473.4</b>	<b>224.0</b>
<i>Less: Profit on sale of equity investments</i>	-	-	(48.8)	(35.3)
<i>Less: One-off Consumer Segment revenue</i>	-	-	(7.0)	(4.9)
<i>Add: Acquired customer base intangible amortisation</i>	-	19.0	-	23.7
<b>Underlying</b>	<b>418.2</b>	<b>217.7</b>	<b>417.6</b>	<b>207.5</b>

# 1H17 → 1H18 UNDERLYING EBITDA BRIDGE



REVENUE \$m	Consumer	Corporate	Other	TOTAL
1H17	861.0	373.8	-	1,234.8
1H18	878.0	374.0	-	1,252.0
Movement	17.0	0.2	-	17.2

EBITDA \$m	Consumer	Corporate	Other	TOTAL
1H17	260.8	157.2	(0.4)	417.6
1H18	260.2	158.9	(0.9)	418.2
Movement	(0.6)	1.7	(0.5)	0.6

EBITDA %	Consumer	Corporate	Other	TOTAL
1H17	30%	42%	-	34%
1H18	30%	42%	-	33%

The results shown in the table are 'underlying' results incorporating the adjustments set out on slide 3.

1H17	Consumer Segment				
\$m	Broadband	Fixed Voice	Mobile	Other	Total
Revenue	676.2	88.1	59.9	36.8	861.0
Gross Profit	347.9	26.2	14.5	23.6	412.2
Gross Profit %	51%	30%	24%	64%	48%
Overheads					(151.4)
Overheads %					18%
EBITDA					260.8
EBITDA %					30%

1H18	Consumer Segment				
\$m	Broadband	Fixed Voice	Mobile	Other	Total
Revenue	706.5	63.5	57.2	50.8	878.0
Gross Profit	340.1	18.1	13.3	28.9	400.4
Gross Profit %	48%	29%	23%	57%	46%
Overheads					(140.2)
Overheads %					16%
EBITDA					260.2
EBITDA %					30%

The results shown in the tables are 'underlying' results incorporating the adjustments set out on slide 3.

	Corporate Segment Revenue			
\$m	Data/Internet	Voice	Legacy iiNet	Total
1H17 reported	262.7	74.8	36.3	373.8
Proforma adj*	(4.4)	-	-	(4.4)
1H17 proforma	258.3	74.8	36.3	369.4
1H18 reported	274.1	68.0	31.9	374.0
1H18 growth	6%	(9%)	(12%)	1%

\$m	Corporate Segment EBITDA
1H17 reported	157.2
Proforma adj*	(3.5)
1H17 proforma	153.7
1H18 reported	158.9
1H18 growth	3%

\* The proforma adjustment relates to the fact that Corporate Segment data/internet revenue and EBITDA were adversely impacted by the retail FTTB subscribers of a wholesale customer having been acquired by the Group's Consumer Segment in late 1H17 which had a negative impact on Corporate Segment revenue and EBITDA in 1H18 with a corresponding benefit to the Consumer Segment results. For improved comparison purposes the 1H17 proforma numbers re-state the Corporate Segment results excluding the FTTB contribution of the relevant wholesale customer.

**TPG 10Gbps Business to Business Connections**

Connect your business to the future, today

**TRG TELECOM**

TPG Business to Business Offer

**\$598**

+\$59.80 GST/month. 48mth contract.  
Min cost \$31,574.40.

**NO INSTALL FEE**

TPG Business to Business 10Gbps Adelaide Service: Charge is based on a 48 month contract with no installation charges. Min cost is \$31,574.40. Offer is only available in TPG 10Gbps Adelaide enabled buildings within the Adelaide CBD and North Adelaide area. Customer address must be pre-qualified before a formal quotation can be provided. For full terms and conditions please contact TPG on 13 61 78. TPG-0076 03/18

**Connect your business to the future, today**

TPG 1Gbps Unlimited Internet

**TRG TELECOM**

TPG 1Gbps Internet Offer

**\$399**

+\$39.90 GST/month. 48mth contract.  
Min cost \$21,067.20.

**NO INSTALL FEE**

TPG 1Gbps Internet Offer: Charge is based on a 48 month contract with no installation charges. Min cost is \$21,067.20. Offer is only available in TPG 10Gbps Adelaide enabled buildings within the Adelaide CBD and North Adelaide area. Customer address must be pre-qualified before a formal quotation can be provided. For full terms and conditions please contact TPG on 13 61 78. TPG-0076 03/18

	\$m	
	1H18	1H17
Operating Cash Flow	417.2	434.8
Tax	(111.6)	(74.7)
Capex – Australia – BAU	(163.1)	(222.2)
Capex – Australia – mobile spectrum	(594.8)	-
Capex – Singapore – mobile spectrum	-	(108.0)
Capex – Australia – mobile network	(4.1)	-
Capex – Singapore – mobile network	(29.7)	-
IRU payments	(16.4)	(13.5)
Operating Cash Flow less Capex	(502.5)	16.4

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

'BAU' capex includes builds for the Vodafone fibre contract and for the SEA-US cable.

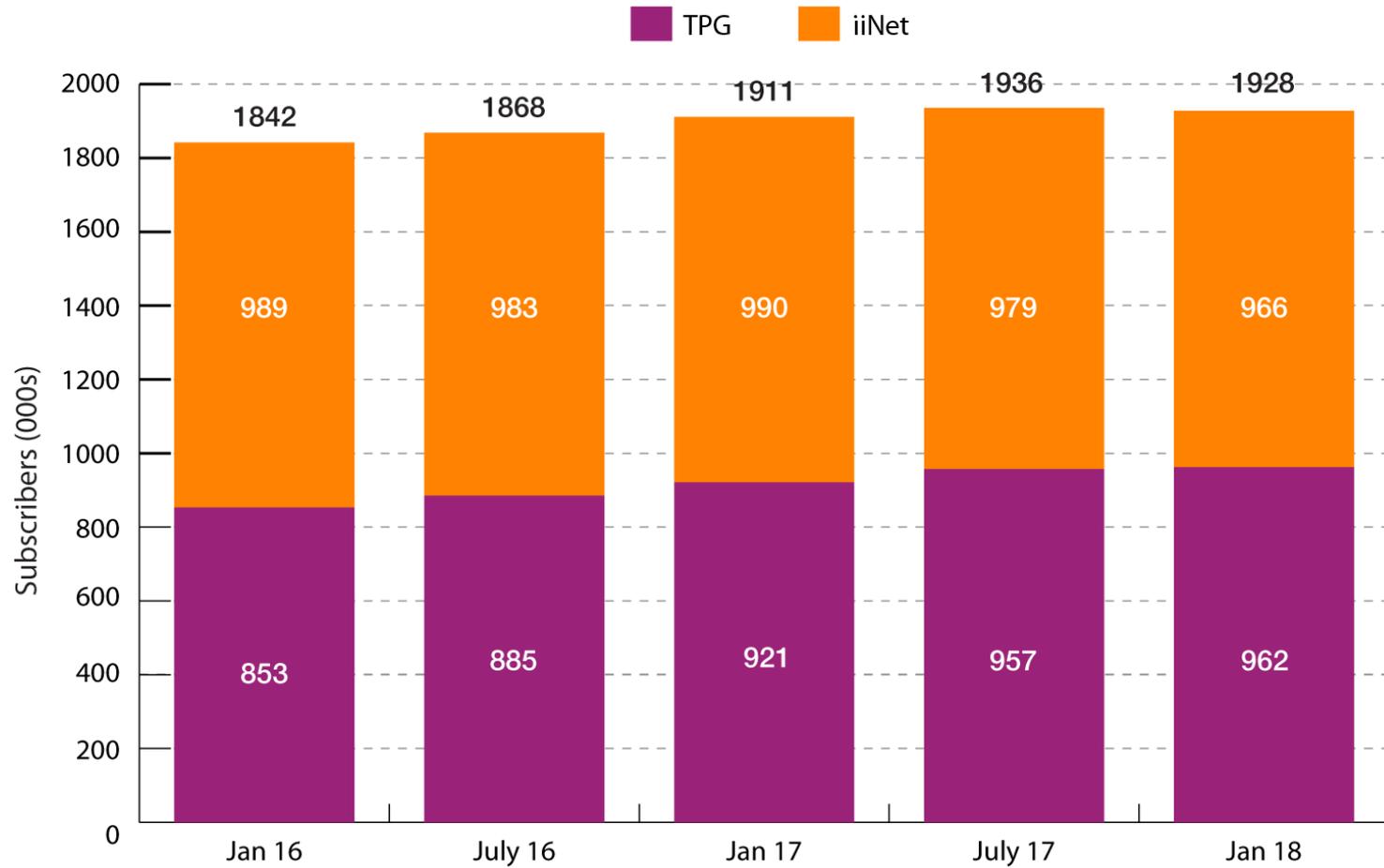
1H18 Australia spectrum capex represents the first instalment paid for the 700MHz spectrum.

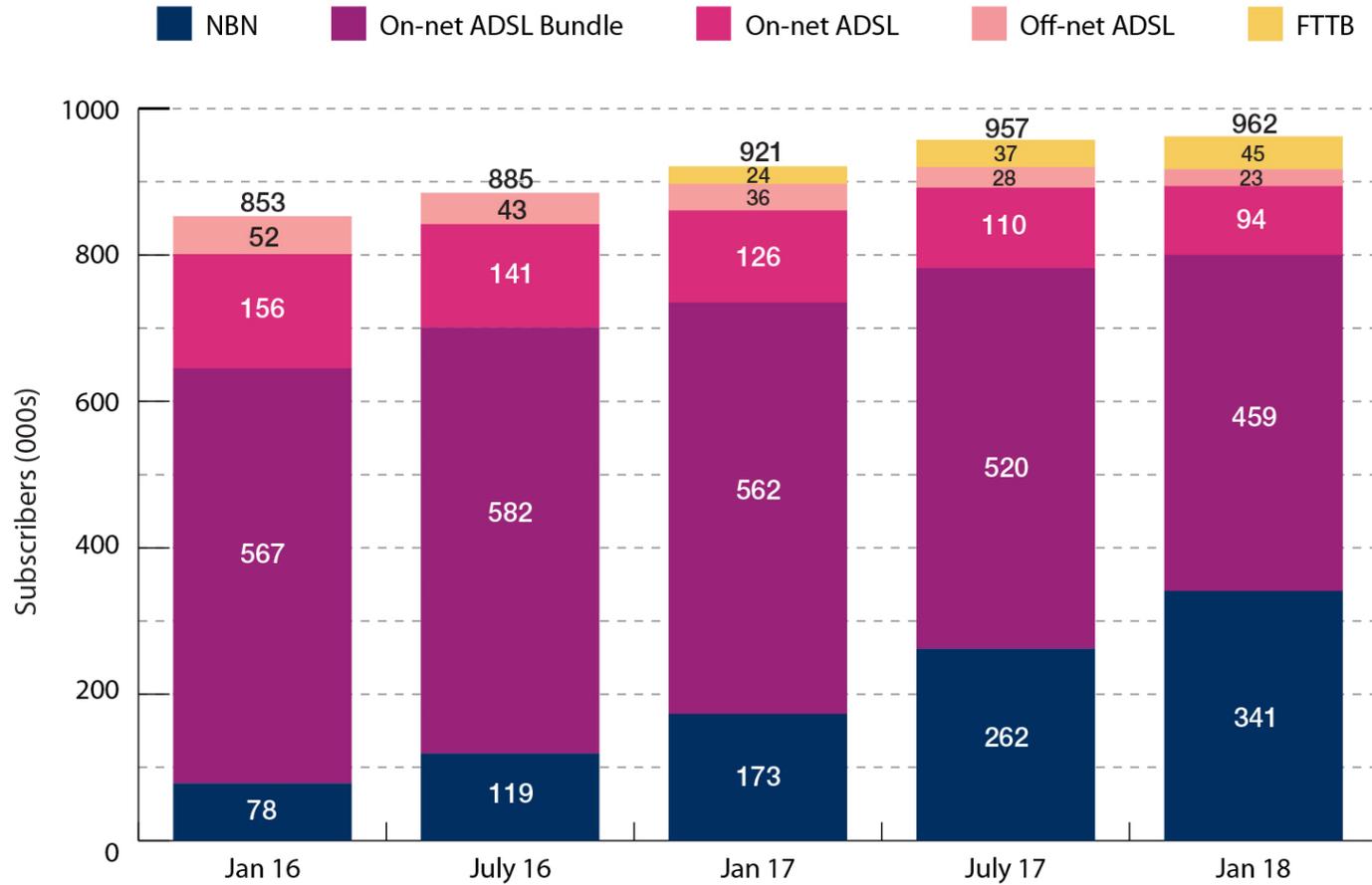
	\$m	
	1H18	1H17
<b>Operating Cash Flow less Capex</b>	<b>(502.5)</b>	<b>16.4</b>
Disposal of equity investments	-	124.5
iiNet acquisition (inc transaction costs)	-	(5.3)
Net drawdown / (repayment) of debt	574.1	(37.0)
Debt facility amendment & extension costs	(10.8)	(3.4)
Interest payments	(16.0)	(23.9)
Dividend payments	(9.4)	(63.6)
Other	(1.8)	(2.2)
<b>Increase in cash balance</b>	<b>33.6</b>	<b>5.5</b>

	\$m
Group debt balance at 31 July 2017	900.0
Net drawdowns made during 1H18	574.1
Group debt balance as at 31 January 2018	1,474.1
Cash balance at 31 January 2018	79.8
Net debt balance as at 31 January 2018	1,394.3

Net debt to annualised EBITDA leverage ratio as at 31 January 2018 of ~1.7x

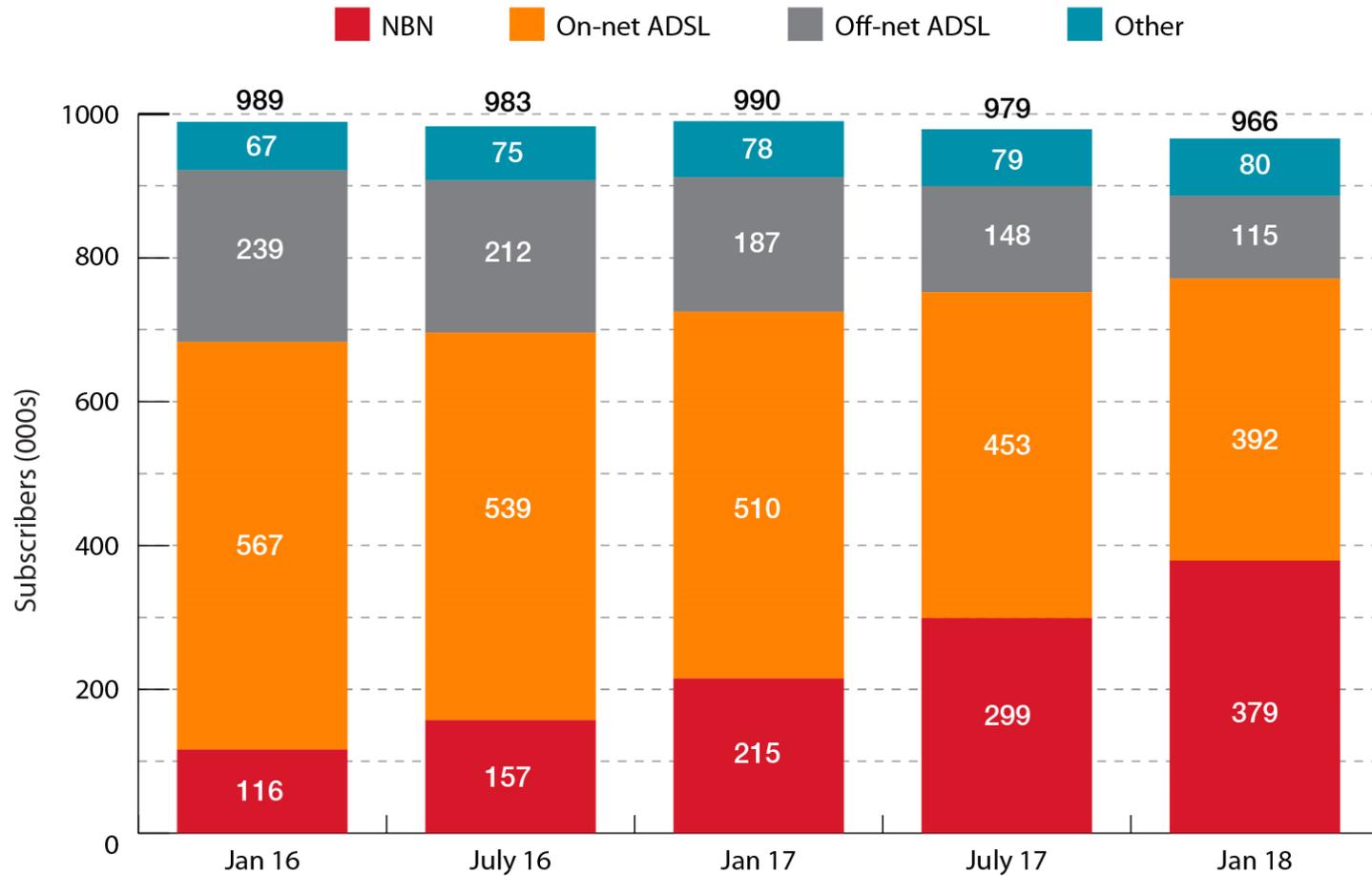
# GROUP BROADBAND SUBSCRIBERS





Growth of 79k NBN and 8k FTTB subscribers

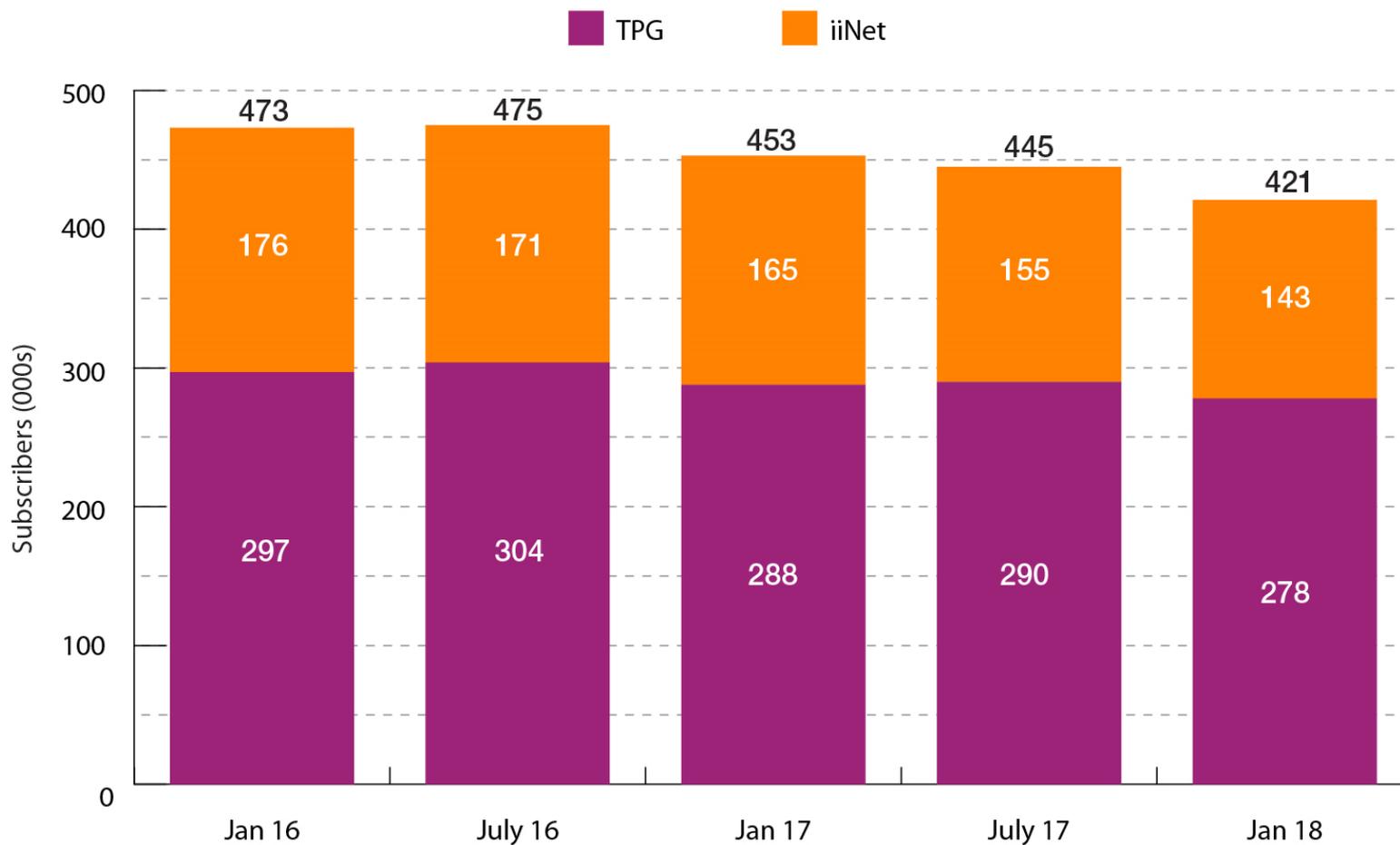
Overall churn rate of 1.4%



Growth of 80k NBN subscribers

Overall churn rate of 1.6%

# GROUP MVNO SUBSCRIBERS



<b>TPG Consumer Broadband</b>	<b>+38.6</b>
<b>iiNet - All Brands</b>	<b>+49.1</b>
<b>TPG/AAPT Corporate</b>	<b>+71.5</b>

NPS results represent the average for 1H18

## **The mobile network builds in Australia and Singapore continue to progress well.**

- Capital expenditure outlook on both projects remains in line with initial forecasts.
- Deployment in Australia is well underway. Sites already installed in Sydney and Melbourne.
- Refined small cell deployment model to accelerate delivery of high volume of small cell sites in coming months.
- Small cell site access agreements now substantially complete.
- High density of small cell sites and deployment of Cloud RAN will provide a platform for 5G services.
- Still on track to achieve milestone of nationwide outdoor service coverage in Singapore by the end of 2018.

SINGAPORE MOBILE

# Mobile Plan for Seniors

a **TPG** community initiative

24 months

Free 3GB Data per month

Free Unlimited calls to local mobiles

Free SIM



Due for release 2nd half 2018

FY18 Guidance	Original (Sept-17)	Updated (Mar-18)
Underlying EBITDA	800-815	825-830
BAU capex	270-310	270-310

'BAU capex' above excludes any expenditure in relation to mobile network builds and spectrum payments.

Capital expenditure expectations regarding both the Singapore and Australia mobile network builds are unchanged from the guidance previously provided, ie:

- Singapore: S\$200-300m
- Australia: \$600m.

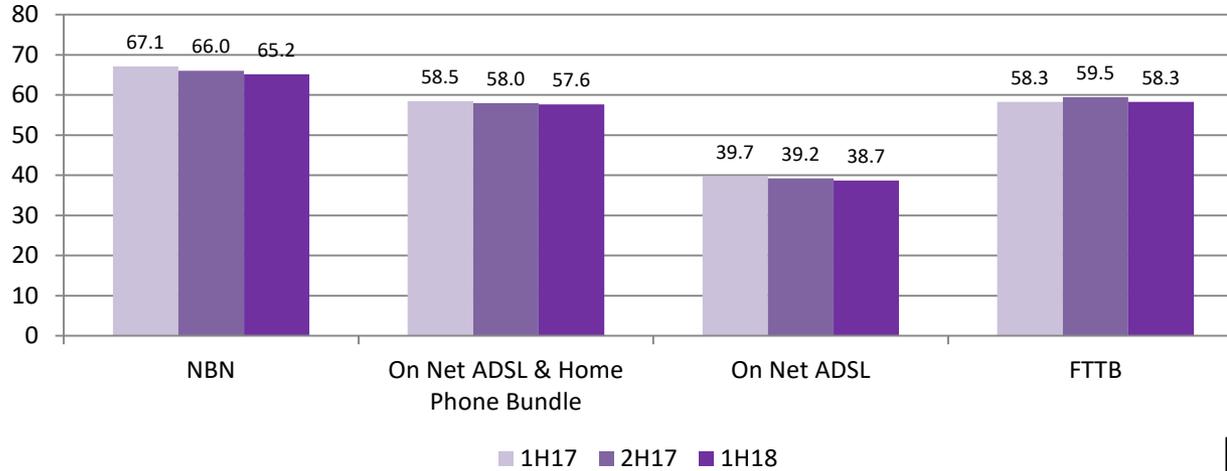
The FY18 'BAU capex' guidance above includes expenditure for the Vodafone fibre contract.

## 2.0 cents per share interim dividend

Payable	22 May 2018
Record date	17 April 2018
DRP discount	1.5%

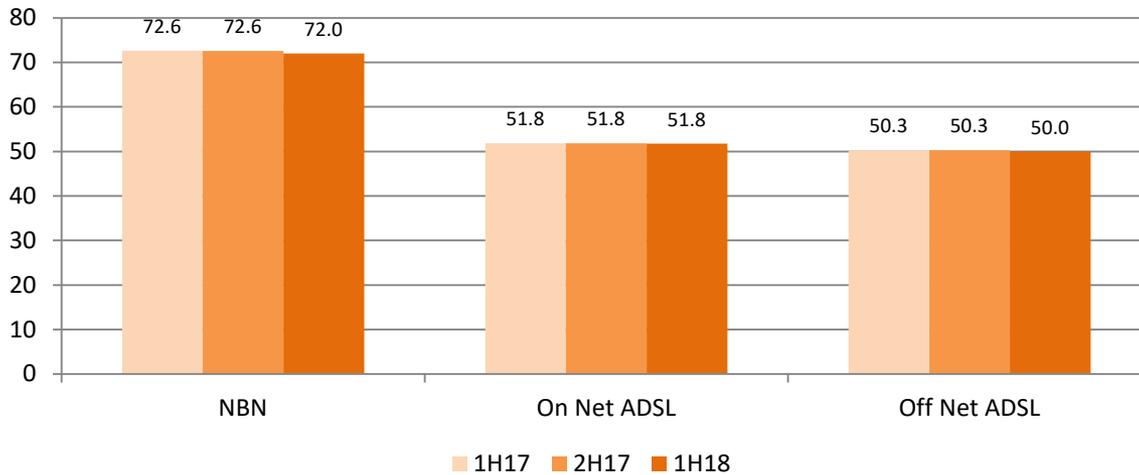
# APPENDICES

### TPG ARPU (\$/mth)

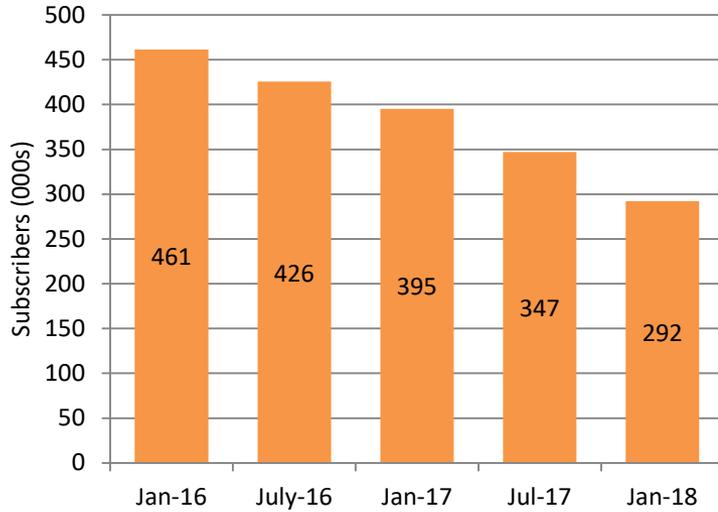


ARPU for NBN and On Net ADSL includes revenue from home phone voice.

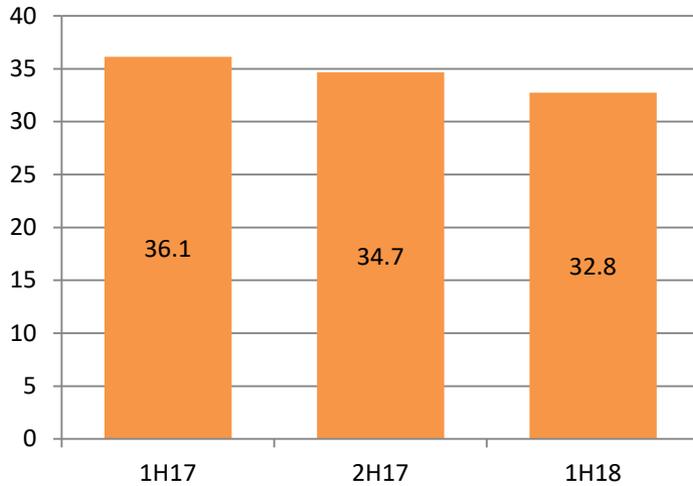
### iiNet ARPU (\$/mth)



**iiNet Fixed Voice Subscribers**



**iiNet Fixed Voice ARPU (\$/mth)**



iiNet fixed phone ARPU represents revenue from PSTN line rental and calls.

\$m	1H18 Actual	2H18 F'cast	FY19 F'cast	FY20 F'cast	FY21 F'cast	FY22 F'cast
Acquired customer base intangible amortisation	27.1	23.9	43.5	31.7	20.8	15.3

The expected pre-tax P&L expense in relation to the Group's acquired customer base intangible amortisation is shown above.

There are no cashflows associated with this expense.

THANK YOU

Q&A

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.