

2019 HALF YEAR RESULTS PRESENTATION



19 MARCH 2019



		Reported		Underlying ⁽¹⁾		
		1H19	1H18 ⁽²⁾	1H19	1H18 ⁽²⁾	Growth
Revenue	\$m	1,235.8	1,254.6	1,235.8	1,254.6	-1.5%
EBITDA (before impairment ³)	\$m	420.0	413.0	424.4	413.0	+2.8%
NPAT	\$m	46.9	198.6	225.2	217.6	+3.5%
EPS	cps	5.1	21.5	24.3	23.5	+3.3%

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

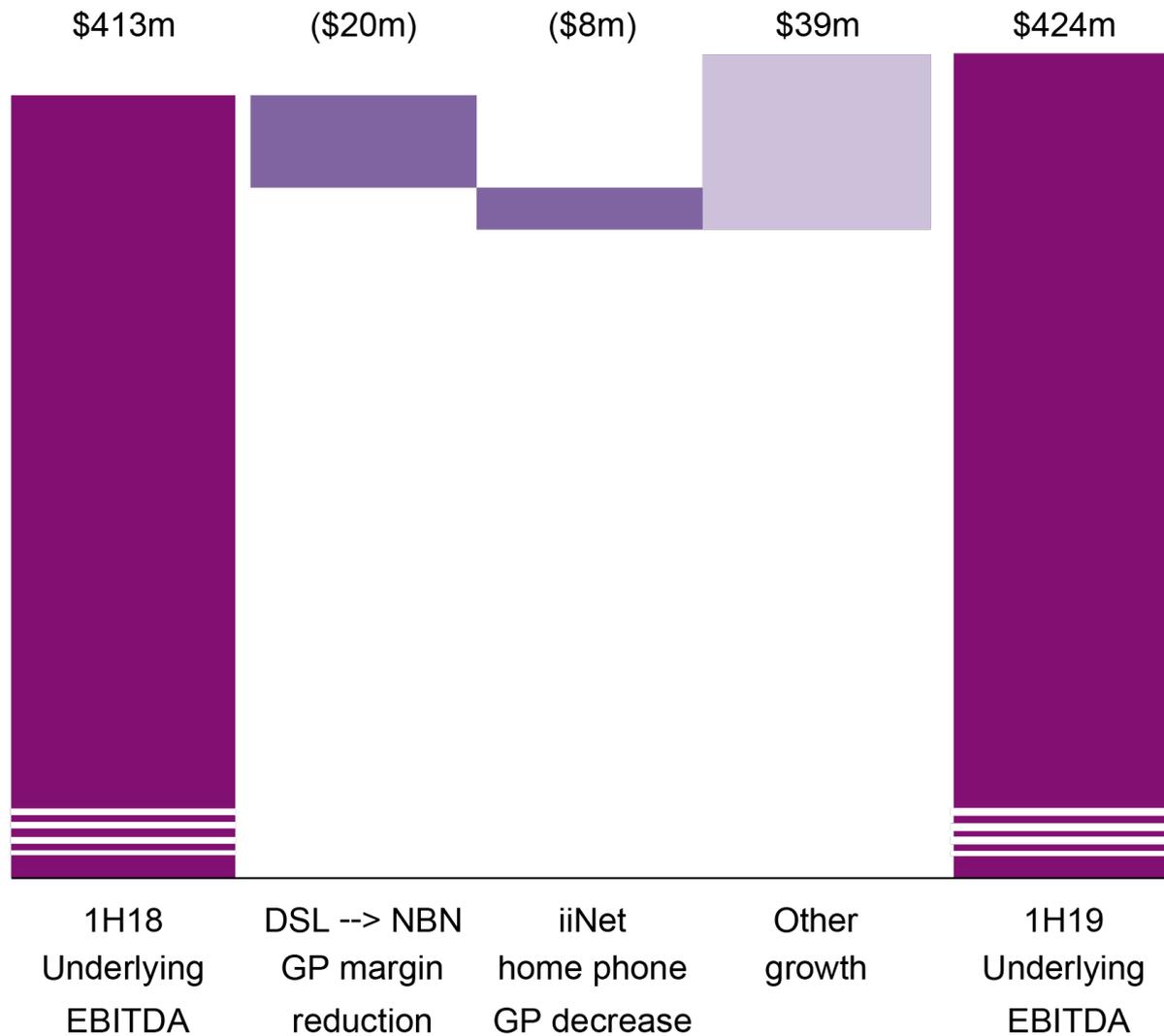
(2) Re-stated for AASB 15

(3) Impairment expense arising from decision to cease Australian mobile network build as per the ASX announcement of 26 February 2019.

	1H19		1H18	
\$m	EBITDA	NPAT	EBITDA	NPAT
Reported	192.6	46.9	413.0	198.6
<i>Add: Transaction costs re planned merger with VHA</i>	4.4	3.1	-	-
<i>Add: Australian mobile network and spectrum impairment¹</i>	227.4	159.2	-	-
<i>Add: Acquired customer base intangible amortisation</i>	-	16.0	-	19.0
Underlying	424.4	225.2	413.0	217.6

¹ Impairment expense arising from decision to cease Australian mobile network build. Detail provided in the HY19 accounts and in the ASX announcement of 26 February 2019.

1H18 → 1H19 UNDERLYING EBITDA BRIDGE



REVENUE \$m	Consumer	Corporate	Other	TOTAL
1H18	880.6	374.0	-	1,254.6
1H19	852.6	383.2	-	1,235.8
Movement	(28.0)	9.2	-	(18.8)

EBITDA \$m	Consumer	Corporate	Other	TOTAL
1H18	255.2	158.7	(0.9)	413.0
1H19	243.0	182.5	(1.1)	424.4
Movement	(12.2)	23.8	(0.2)	11.4

EBITDA %	Consumer	Corporate	Other	TOTAL
1H18	29%	42%	-	33%
1H19	29%	48%	-	34%

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

1H18	Consumer Segment				
\$m	Broadband	Fixed Voice	Mobile	Other	Total
Revenue	710.3	63.5	57.2	49.6	880.6
Gross Profit	335.1	18.1	13.3	28.9	395.4
Gross Profit %	47%	29%	23%	58%	45%
Overheads					(140.2)
Overheads %					16%
EBITDA					255.2
EBITDA %					29%

1H19	Consumer Segment				
\$m	Broadband	Fixed Voice	Mobile	Other	Total
Revenue	722.6	40.6	54.6	34.8	852.6
Gross Profit	328.6	11.4	10.4	20.2	370.6
Gross Profit %	45%	28%	19%	58%	43%
Overheads					(127.6)
Overheads %					15%
EBITDA					243.0
EBITDA %					29%

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
1H18	274.1	68.0	31.9	374.0
1H19	298.2	58.1	26.9	383.2
1H19 growth	24.1	(9.9)	(5.0)	9.2

\$m	Corporate Segment EBITDA
1H18	158.7
1H19	182.5
1H19 growth	23.8

	\$m	
	1H19	1H18
Operating Cash Flow	410.7	417.2
Tax	(77.7)	(111.6)
Capex – Australia – BAU	(98.4)	(163.1)
Capex – Australia – mobile spectrum	(352.4)	(594.8)
Capex – Australia – mobile network	(66.1)	(4.1)
Capex – Singapore – mobile network	(39.8)	(29.7)
IRU/finance lease payments	(2.4)	(16.4)
Operating Cash Flow less Capex	(226.1)	(502.5)

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

	\$m	
	1H19	1H18
Operating Cash Flow less Capex	(226.1)	(502.5)
Transaction costs re planned merger	(2.9)	-
Net drawdown of bank debt	237.8	574.1
Debt facility amendment & extension costs	-	(10.8)
Interest payments	(28.7)	(16.0)
Dividend payments	(18.6)	(9.4)
Other	0.3	(1.8)
(Decrease)/increase in cash balance	(38.2)	33.6

	\$m
Net debt as at 31 July 2018	1,271.3
Net increase during 1H19	296.3
Net debt as at 31 January 2019	1,567.6

Net debt to annualised underlying EBITDA leverage ratio
as at 31 January 2019: ~1.85

For the purpose of the table above 'net debt' comprises bank debt, derivative financial liabilities, and finance lease liabilities less cash, but excludes outstanding spectrum liabilities.

Fibre1000

1Gbps Symmetrical Internet

\$799
+^{\$}79.90 GST /mth

\$0 Setup

| Min Charge \$42,187.20

| 48 Month Contract

**BONUS
OFFER**



5 x BizPhone Services Included

for 1st 12 months (valued at \$1797)*

Unlimited Calls to Standard AU Landlines & Mobiles | Includes Standard Handset Rental

Cloud PABX Features

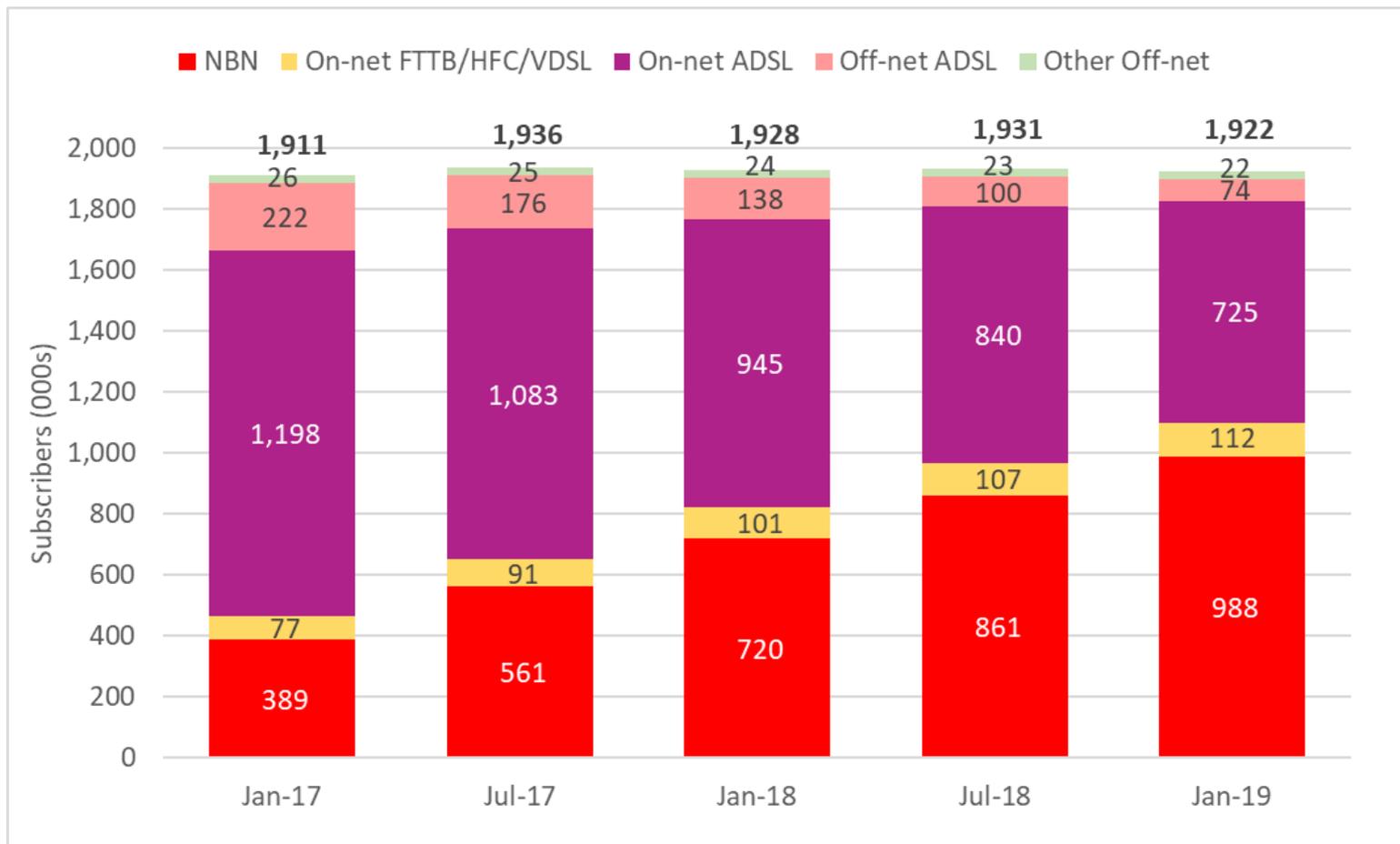
Auto Call Forwarding to Mobile

Auto Attendant

TPG on-net buildings with prequalified addresses only. *Optional BizPhone offer may be withdrawn without notice and is not available to existing Fibre400, Fibre1000 or BizPhone customers. Up to 5 Standard BizPhones only. For full T&C's please contact TPG.

New Fibre 1000 plus BizPhone Bundle

GROUP BROADBAND SUBSCRIBERS



1H19 movement includes +127k NBN and +5k FTTB

TPG brand net adds +7k in 1H19

Welcome to the home of
SPEED

#1

ACCC report
Mar '18

#1

ACCC report
Nov '18

#1

ACCC report
Feb '19

NBN Average Download Speeds

Rated #1 for ACCC's February 2019 Measuring Broadband Australia Report

Award-Winning Internet Service Provider

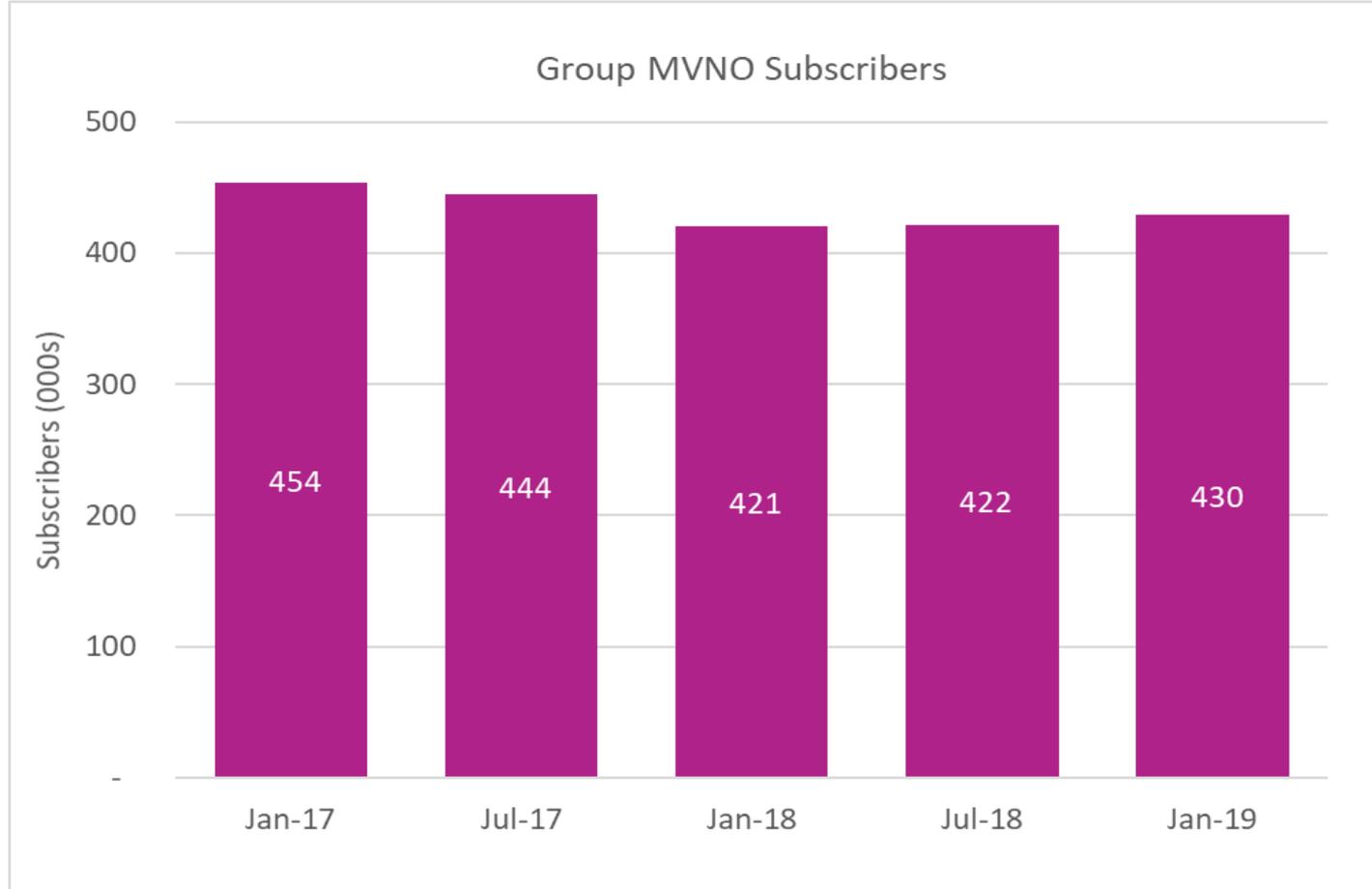


iiNet named **Best NBN Provider by Choice** in 2018



iiNet named **Internet Service Provider of the Year** 2018

2 Independent customer advocacy groups endorse iiNet for Speed and Satisfaction



Positive momentum in 1H19

Winner Money Magazine - Best Value Mobile Plan High Usage 2019

TPG Consumer	+44.2
iiNet	+52.3
TPG/AAPT Corporate	+71.5

NPS results represent the average for 1H19

NPS improved across key divisions vs previous half

SINGAPORE MOBILE



- Nationwide outdoor service coverage milestone achieved.
 - Milestone: 95%. Actual result: 99.18%.
- Indoor coverage already good and steadily expanding. MRT and tunnels coverage work underway.
- Free service trial launched in December 2018.
- Positive feedback on network coverage and quality.
- Trial user limit recently extended to 200k users.
- Service enhancements on the way.

2.0 cents per share interim dividend

Payable	21 May 2019
Record date	16 April 2019

Dividend Reinvestment Plan currently suspended

\$m	1H19 Actual	FY19 Guidance Original (Sept-18)	FY19 Guidance Re-affirmed (Mar-19)
BAU EBITDA	424.4	800-820	800-820
BAU capex	98.4	180-220	180-220

'BAU EBITDA' relates to existing Consumer and Corporate Division operations and excludes any impact (revenue or expense) from mobile network operations in Australia or in Singapore.

'BAU capex' excludes any expenditure in relation to the Singapore mobile network build and the (now ceased) mobile network build in Australia, and also excludes spectrum payments.

BAU EBITDA and capex guidance takes no account of any impact from the planned merger with VHA. Transaction costs relating to the planned merger are also excluded.

Capital expenditure expectations regarding the Singapore mobile network are unchanged from the guidance previously provided.

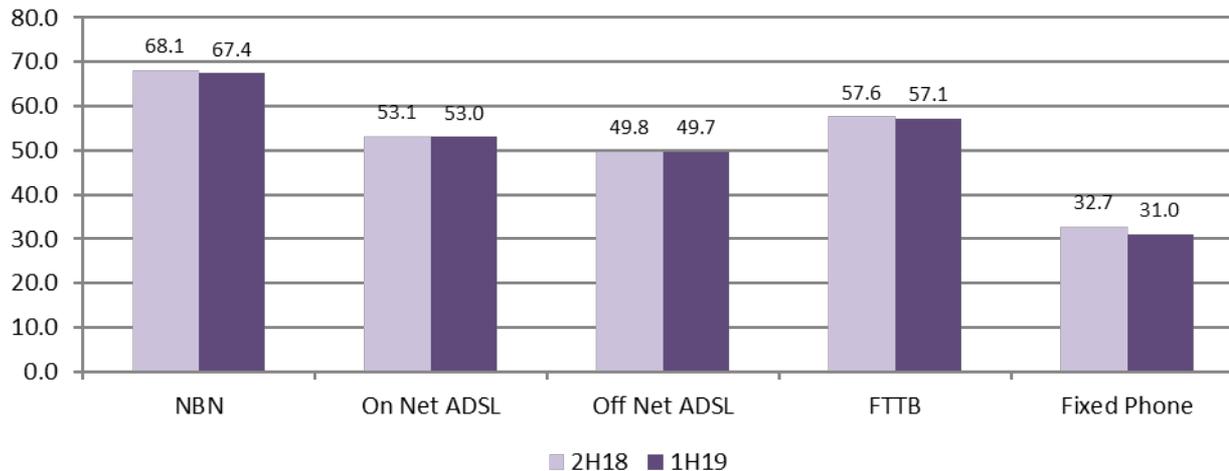


- Planned Merger of Equals with VHA announced on 30 August 2018.
- ACCC Informal Clearance Status:
 - Application lodged: September 2018
 - Statement of Issues published by ACCC: 13 December 2018.
 - Both parties continuing to work closely with ACCC.
 - TPG expects the ACCC decision in relation to the application for informal clearance to be made in May 2019.
- FIRB, FCC, CFIUS and IMDA approval processes all still in progress.

THANK YOU

Q&A

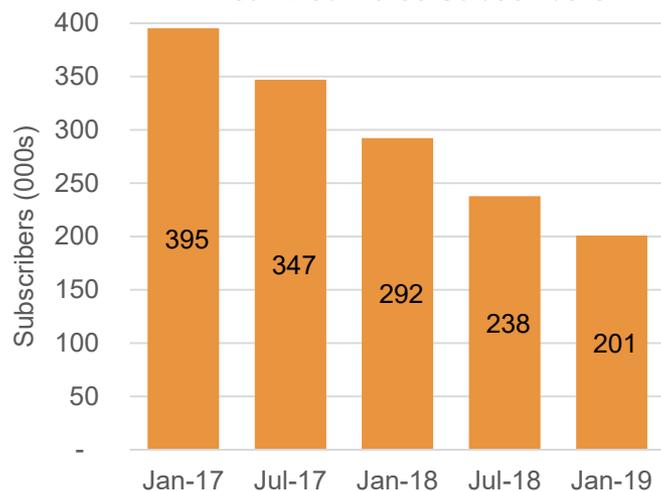
ARPU (\$/mth)



ARPU shown is the weighted average across all brands. Excludes GST and any one-off charges.

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

iiNet Fixed Voice Subscribers



iiNet fixed voice subscribers represent standalone home phone services which are declining as they are replaced by NBN services.

\$m	1H19 Actual	2H19 F'cast	FY20 F'cast	FY21 F'cast	FY22 F'cast	FY23 F'cast
Acquired customer base intangible amortisation	23.0	20.5	31.7	20.8	15.3	11.2

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.

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.