ASX ANNOUNCEMENT

FY20 First Half Financial Results

- *610% increase in revenue on previous corresponding period ("PCP")*
- *564% increase in Gross Margin on PCP*
- *563% increase in underlying EBITDA on PCP*
- *FY20 H2 underlying EBITDA forecast upgraded to $17.5M - $18.5M on 17 Feb 2020*
- *$38M - $40M forecast annualised EBITDA run-rate @ June 2020*
- *Net cash reserves of more than $31M, as at 31 December 2019*

24 February 2020: Uniti Group Limited (ASX: UWL) ("Company", "UWL") is pleased to release its financial results for the six months ending 31 December 2019 ("H1").

The first half of FY20 was UWL's most transformative period to date, having completed three sizeable acquisitions in the latter part of the period, namely LBNCo, OPENetworks and 1300 Australia. Whilst each of these acquisitions contributed for part periods to UWL's H1 financial results, their proforma impact on revenue, gross margin and EBITDA evidences the business transformation that has occurred in the period.

Pleasingly, the organic growth inherent within the now substantially enlarged UWL business, combined with an effective integration program, resulted in the Company last week (17 February 2020) upgrading its underlying forecast EBITDA for the second half of FY20 to between $17.5M and $18.5M ($35M - $37M annualised), up 12.5% (to midpoint of range) compared to the outlook issued in December 2019.

H1 FY20 Highlights include:

- 610% increase in revenues versus PCP from $3.1M to $22.0M
- 564% increase in gross margin versus PCP from $2.2M to $14.6M
- 563% increase in underlying EBITDA versus PCP from ($1.6M) to $7.2M
- 71% Free Cash Flow (underlying EBITDA less capital expenditure)
- $33M cash at bank, as at 31 December 2019. Net of borrowings, cash of more than $31M
- Three highly accretive acquisitions completed - LBNCo, OPENetworks and 1300 Australia. A full period contribution from the acquisitions combined with cost efficiencies and organic growth is expected to deliver $17.5M - $18.5M underlying EBITDA in the second half and an annualized underlying EBITDA exit run rate in June 2020 of $38M-$40M.
- The number of contracted and in construction fibre ports as at 31 December 2019 is greater than the total number of current active ports across the entire Wholesale and Infrastructure business unit, underwriting continued organic earnings growth in future periods.
- Only two months following its acquisition by UWL, 1300 Australia is delivering EBITDA earnings 40% greater than prior to UWL ownership, on a run-rate basis.
- Further strengthened executive team with appointment of COO, Ashe-Lee Jegathesan; Chief Executive – Wholesale & Infrastructure, Steve Picton; and Chief Executive – Consumer & Business Enablement, Kurt Magner.
- Strong organic growth delivered & management's ability to effectively integrate the acquired businesses demonstrated by 12.5% upgrade to forecast underlying EBITDA for 2H FY2020, announced on 17 February 2020.

UWL CEO & Managing Director, Michael Simmons, said of UWL's H1 FY20 performance:

"This was the period during which UWL transformed into a business of genuine scale, with earnings diversity, strong organic growth and a leadership team with the skill and experience to take full advantage of the enviable platform we have built. We were immensely proud to be able to advise shareholders a week ago that the combined Group is growing more rapidly than we had forecast only a couple of months prior and that the synergies arising from our recently acquired 1300 Australia business are both greater than anticipated and well ahead of schedule.

"The milestone of now having more contracted and in-construction fibre ports than the total number in our current active ports portfolio, is one which makes us very excited, ensuring continued material growth in earnings in that business over the coming years, with an even more sizeable pipeline of additional developments actively being pursued by our enlarged national sales force."

Outlook

UWL also reiterates its outlook for the second half of FY20, and the underlying EBITDA performance for FY20 and additionally provides its expected H2 exit 'run-rate' underlying EBITDA, as follows:

- H2 underlying EBITDA expected to be in the range of $17.5M - $18.5M (excluding share based expenses)
- Annualising the H2 forecast provides an underlying EBITDA in the range of $35M - $37M (excluding share based expenses)
- H2 exit run-rate, annualising the June 2020 forecast underlying EBITDA, is in the range of $38M - $40M

Appendix 4D

Also released today is UWL's Appendix 4D, the statutory report encapsulating the key performance measures for the Company in the first half period to 31 December 2019.

The Appendix 4D illustrates the substantial improvement of the UWL business against the prior corresponding period. The Appendix 4D and the H1 Results Investor Presentation (also released today) provide relevant information which enables the statutory financial results to be reconciled to the underlying performance of the business.

This announcement is approved by the UWL Board of Directors.

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ADDITIONAL INFORMATION

For further information, contact as below:

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ABOUT UWL

UWL is a diversified provider of telecommunications services, with 'three pillars' of strategic growth – Wholesale & Infrastructure, Specialty Services, and Consumer & Business Enablement.

UWL listed on the Australian Securities Exchange in February 2019 with a stated strategy of becoming a leading provider of niche telecommunications services, via both organic growth and inorganic mergers and acquisitions. UWL has brought together an experienced Board and Executive team, to support the identification, execution and integration of the sizeable pool of identified opportunities, across the three growth pillars.

At the core of UWL is a commitment to deliver high quality, diversified telecommunications products and services to its customers, in order to produce strong and growing returns to its shareholders.