

ASX ANNOUNCEMENT

Reaffirmation of Guidance, Performance Update and CoVID-19

- *EBITDA and EBITDA run-rate guidance issued in February 2020 reaffirmed today*
- *Business performance, including March 2020 month-to-date, above forecast*
- *Increasing demand for UWL's high speed domestic fibre broadband services*
- *Net cash reserves of more than \$34M, as at 20 March 2020*
- *Business-wide measures implemented, including to enable remote operation*
- *Both operating and after growth capex cashflows positive*

20 March 2020: In light of the current market uncertainty and escalating concerns relating to COVID-19, Uniti Group Limited (ASX: UWL) ("Company", "UWL") wishes to provide an update to shareholders on its year-to-date operating and financial performance, reaffirm earnings guidance and advise of the measures implemented to ensure that we are and can continue to support our customers as normal.

COVID-19

UWL employs more than 150 people nationally and the health and well-being of this team is a major priority. A range of precautionary measures have been taken across its various operations, in accordance with the latest guidelines provided by health authorities and government, updated as and when new information comes to hand. To date, no members of the UWL team or their families have tested positive with COVID-19.

UWL has implemented and tested a suite of technologies, systems and protocols to enable all critical aspects of the Company's operations to continue if there were to be a requirement to shut any of its physical locations, for any reason.

Company Performance

The UWL business is fortunate to be defensive in nature, with more than 90% of revenues being recurring, providing essential voice, data connectivity and broadband internet services to households and businesses, and leasing phonewords under contract to customers.

As of 20 March 2020, all three operating divisions (or "pillars") of UWL are performing at or above forecasted levels.

Given the increased demand for reliable, high speed domestic broadband services, due to greater numbers of people working from home or requiring on-line education, the volume of newly activated fibre broadband services in the UWL Wholesale and Infrastructure business is presently exceeding management forecasts.

The volume of inbound ("1300", "1800" & "13") call traffic in UWL's Specialty Services division has seen a marked increase in the month of March 2020 and the Consumer & Business Enablement business has delivered net growth in the second half of FY20, also exceeding forecast.

The Company has increased its net cash position since 31 December 2019, increasing total cash-on-hand from \$33M to \$36M (as at 20 March 2020), with net cash of \$34M, after deducting the Company's only debt facility of \$2M owed to the South Australian Government on favourable terms.



The Company has ensured it has adequate supplies, inventory and infrastructure to support the growth which is continuing to be achieved across each operating division. At this time, the Company has not seen any supply chain disruption, including for its growth-related capital expenditure requirements.

Notwithstanding an increase in inventory and infrastructure on hand to support forecast growth, the Company is generating positive operating cash flows after growth capital expenditure, in line with expectations. UWL's Executive management has a heightened focus on maintaining the strong cash generation exhibited to date.

Despite current global events, the Company is continuing to function as normal including active evaluation of earnings growth opportunities both organically and via acquisition of businesses of a size and scale which can be funded from existing cash reserves or operating cash flows. To this end, our focus is on opportunities that can be efficiently integrated within the existing operating divisions of the Company, delivering immediate earnings and cashflow accretion, in the same manner as those successfully executed during 2019.

Given its strong cash position and positive operating cash flows, the Company has no current need to access debt or equity capital markets to deliver its forecast organic growth, or to undertake any of the inorganic acquisitive growth opportunities currently being evaluated at this time.

Earnings Guidance Reaffirmed

On 17 February 2020, UWL upgraded its proforma, underlying EBITDA guidance for FY20 of between \$35M and \$37M and, and on 24 February 2020 additionally indicated an expected FY20 underlying EBITDA run rate, as at June 2020, of between \$38M and \$40M.

The Company reaffirms the above guidance, based on a strong start to the second half of FY20 (including for the month of March to date).

UWL CEO & Managing Director, Michael Simmons, said:

"It is important to take this opportunity to provide our shareholders this update regarding our proactive measures in respect of COVID-19, the Company's strong year-to-date operating performance, robust and growing cash position and to reaffirm our recently upgraded earnings guidance.

The UWL business is well placed to navigate through these challenging times, as a provider of now even more critical, connectivity services to Australian households and businesses. With growth continuing across the business, a laser focus on maintaining strong operating cash flows and a large cash 'war chest', we are in an enviable position, one which presents organic and inorganic opportunities for further profitable expansion.

We are committed to ensuring we remain vigilant in terms of meeting our community obligations related to COVID-19, whilst not losing sight of delivering upon the business performance expectations of our shareholders.

I commend our employees across Australia who have remained as diligent as always in delivering our much needed services to our customers, and at the same time delivering upon the operating performance forecasts we have made to our shareholders."

This announcement has been authorised for release 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.