

ASX ANNOUNCEMENT

FY20 Full Year Financial Results

A transformational year by every measure

- 306% increase YoY in revenue, from \$14.3M to \$58.2M
- 477% increase YoY in gross margin, from \$7.7M to \$44.4M
- \$27.4M increase YoY in underlying EBITDA from negative \$0.9M to \$26.5M
- \$41M annualised underlying EBITDA run rate, at 30 June 2020
- 24% growth in run-rate underlying EBITDA in H2, delivered wholly organically
- Net Operating Cash Flow of \$21.6M, representing 82% of underlying EBITDA

24 August 2020: Uniti Group Limited (ASX: UWL) ("Company", "Uniti") is pleased to release its financial results for the financial year ending 30 June 2020 ("FY20").

FY20 was wholly transformational for Uniti, having completed three substantial acquisitions in the first half, namely LBNCo, OPENetworks and 1300 Australia, each of which therefore contributed to Uniti's FY20 earnings for part of the year.

The organic growth achieved in the second half of FY20 by the now substantially enlarged Uniti business, combined with an effective integration program, resulted in the Company upgrading its underlying EBITDA¹ guidance for the second half of FY20 and its forecast June 2020 underlying EBITDA run-rate² on three separate occasions, twice in February and again in June. Uniti finished FY20 with an annualised underlying EBITDA exit run-rate² of approximately \$41M, a 24% increase in the second half of FY20 on the same measure as at December 2019, generated entirely organically.

Very pleasingly, Uniti continued to convert operating earnings into free cash flow with Net Operating Cash Flow in Q4 FY20 of \$10.1M providing Uniti with the ability to fund any growth capital expenditure out of operating cash flow. Capex as a percentage of underlying EBITDA for FY20 was 31%, and for Q4 of FY20 was 38%.

¹ Underlying EBITDA excludes one-off transaction costs associated with recent acquisitions, restructuring costs and non-cash share-based payment expenses

² Exit run-rate underlying EBITDA represents the June -20 run-rate performance, annualised, excluding one-off transaction costs associated with recent acquisitions, restructuring costs and non-cash share-based payment expenses



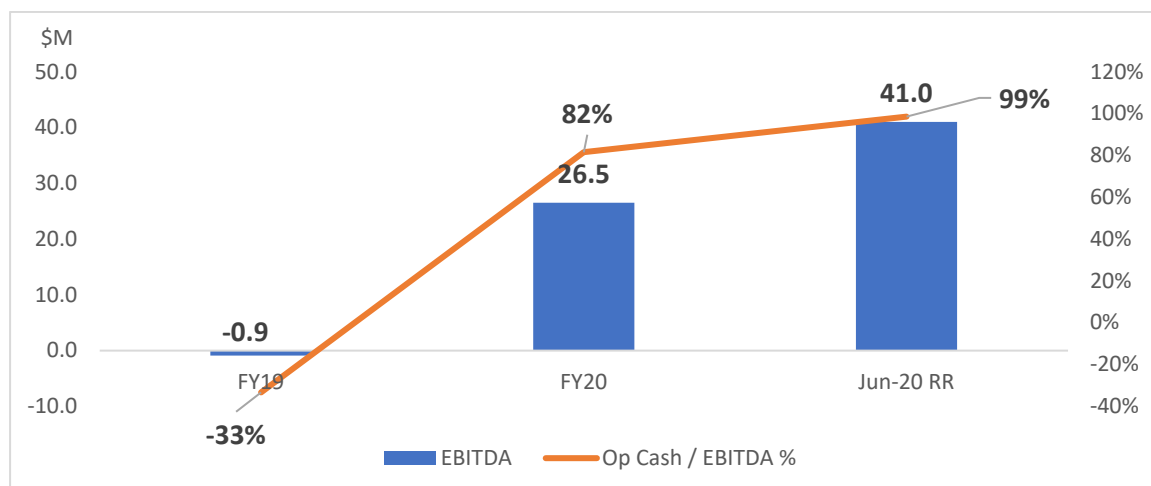
In the midst of nationwide COVID-19 restrictions, Uniti undertook negotiation, due diligence and signed an agreement to acquire via a Scheme of Arrangement (“Scheme”), and secured funding for the acquisition of, 100% of Australia’s leading private fibre network builder and operator, OptiComm Limited (ASX: OPC) for \$532M. This transaction was announced on 15 June 2020 with expected completion and earnings contribution from 1 October 2020, subject to satisfaction of all conditions, including OPC’s shareholders approval of the Scheme.

FY20 Highlights

- 306% increase YoY in revenue, from \$14.3M to \$58.2M
- 477% increase YoY in gross margin, from \$7.7M to \$44.4M
- \$27.4M increase YoY in underlying EBITDA from negative \$0.9M to \$26.5M
- Net Operating Cash Flow of \$21.6M, representing 82% of underlying EBITDA
- Q4 FY20 Net Operating Cash Flow of \$10.1M compared to underlying EBITDA for the quarter of \$10.4M (97%)
- Annualised underlying EBITDA run rate at 30 June 2020 of \$41M
- Capital expenditure in FY20 of \$8.2M, being 31% of underlying EBITDA, evidence of the capacity to self-fund organic growth
- Three highly accretive and significant acquisitions completed during H1 - LBNCo, OPENetworks and 1300 Australia
- H2 underlying EBITDA run rate growth of 24%, with positive contributions from all business units (or ‘pillars’), delivered wholly organically
- ~40K contracted and in-construction Fibre-to-the-Premises (“FTTP”) ports as at 30 June 2020, being greater than the total number of active ports the Wholesale and Infrastructure business unit has at 30 June 2020, providing the pathway to sustained future organic earnings growth
- \$532M acquisition of OptiComm announced in June 2020, forecast 23% EPS accretive (inclusive of synergies) based on FY20 OptiComm earnings generated from ~71K active lots, with more than 150K additional lots contracted or in construction, at 30 June 2020
- Uniti admitted to S&P ASX300 in June 2020. S&P ASX200 eligibility expected upon OptiComm completion
- Successfully undertook three over-subscribed, fully underwritten capital raisings, totaling \$455M, as funding for LBNCo, 1300 Australia and OptiComm acquisitions
- Net cash reserves of close to \$41M, as at 30 June 2020, excluding proceeds of the initial component of the capital raising undertaken to partially fund the OptiComm acquisition just prior to 30 June
- Minimal impact upon business operations from COVID-19. No JobKeeper subsidies have been received by Uniti



Uniti Group - Earnings and Operating Cash Flow Transformation



Note: Jun-20 RR represents the June-20 run-rate performance, annualised, excluding one-off transaction costs associated with recent acquisitions, restructuring costs and non-cash share-based payment expenses

Uniti Group Managing Director & CEO, Michael Simmons, said of Uniti's FY20 performance:

"FY20 has seen Uniti Group completely transform from a loss-making, fledgling start-up to a highly profitable, diversified and growing organisation, with the platform set for further marked expansion over the coming years. Whilst we are pleased to have secured a number of materially accretive business acquisitions during FY20, what we are most proud of is that our team has delivered strong organic growth in the last 6 months, a period in which no new acquisitions were undertaken and the nation was (and remains) in the midst of dealing with the impacts of COVID-19 and with no financial contributions received from JobKeeper. This is evidence that we are building a business with highly defensive qualities, capable of making strategic acquisitions, integrating them effectively, and delivering forecast earnings accretion, enhanced by organic growth."

Mr Simmons continued: *"Uniti has delivered sector-leading operating cash conversion, accompanying our strong underlying earnings growth. This high cash generation comes notwithstanding sustained growth-related capital investment, highlighting that we can invest in the deployment of long-term annuity FTTP assets, whilst continuing to generate strong positive cashflows."*

On the assumption that we successfully complete the OptiComm acquisition in early October, we will again transform the Company in FY21, by bringing Australia's leading FTTP builder/operator into the fold, with an expectation we will be able to double group earnings and benefit from an increase in the pipeline of contracted and in-construction FTTP ports by more than 150,000. We are excited to shortly welcome team members and shareholders of OptiComm to the Uniti Group. We expect during FY21 we will join the S&P ASX200 group of companies, following completion of this acquisition."

FY20 Results Webinar:

Group Managing Director & CEO (Michael Simmons) and Group CFO (Darryl Inns) will host a webcast at 11.00 am AEST today, to present FY20 results to Uniti shareholders. The webcast link will be available at www.unitigrouplimited.com.

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 UNITI GROUP

Uniti Group (ASX: UWL) is a diversified provider of telecommunications services, with 'three pillars' of strategic growth; Wholesale & Infrastructure, Specialty Services, and Consumer & Business Enablement.

Uniti Group 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. The Company 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 Uniti Group 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.

