

Date: 11 February 2021

The Manager
Market Announcements Office
Australian Securities Exchange Limited
20 Bridge St
Sydney NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam,

Investor Presentation – New Zealand

As part of its commitment to ongoing investor education of its business and performance, Vocus Group provides the attached update on the Vocus New Zealand business.

Authorised for release by:

A handwritten signature in black ink, appearing to read "Simon Lewin".

Simon Lewin
Company Secretary



Vocus New Zealand Update

February 2021

Disclaimer

You must read this disclaimer before reading or making any use of this document and the accompanying material ("Document") or any information contained in it. Restrictions as to who may receive this Document and/or attend this presentation are set out below.

This Document is not a product disclosure statement or other offer document under the laws of New Zealand or any other jurisdiction or law. It is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Neither this Document, nor anything contained in it, shall form the basis of any contract or commitment, and it is not intended to induce any person to engage in, or refrain from engaging in, any transaction.

In particular, this Document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Vocus (New Zealand) Holdings Limited ("Vocus NZ") securities have not been, and will not be, registered under the U.S. Securities Act of 1933 ("Securities Act") or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States without registration except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. State securities laws. This Document has not been and will not be filed with or approved by any regulatory authority in New Zealand or any other jurisdiction.

Past performance information provided in this Document may not be a reliable indication of future performance. This Document contains certain forward-looking statements and comments about future events, including with respect to the financial condition, results, operations and business of Vocus NZ. Forward looking statements can generally be identified by use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of Vocus NZ, and which may cause the actual results or performance of Vocus NZ to be materially different from any results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this Document. There can be no assurance that actual outcomes will not differ materially from the forward-looking statements. Recipients are cautioned not to place undue reliance on forward-looking statements.

Certain financial data included in this Document are "non-GAAP financial measures", including earnings before interest, tax, depreciation and amortisation (EBITDA). This Document also includes certain pro forma financial information to reflect the impact of certain events and matters as described in the Document. The pro forma historical financial information provided in this Document is for illustrative purposes only and have not been prepared in accordance with GAAP. These non-GAAP financial measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Although Vocus NZ's management uses these measures in assessing the performance of Vocus NZ's business, and Vocus NZ believes these non-GAAP financial measures provide useful information to other users in measuring the financial performance and condition of the business, recipients are cautioned not to place undue reliance on any non-GAAP financial measures included in this Document.

All amounts are disclosed in New Zealand dollars (NZ\$) unless otherwise indicated.

The information set out in this Document does not constitute investment advice on whether you should acquire any security or product, is in summary form, does not purport to contain all of the information that may be relevant to any investment decision and does not take into account your specific financial, investment, taxation or other circumstances. You should consult your own advisers before making any financial decision.

Vocus NZ, Vocus Group Limited (VOC) and their respective related companies, advisers and shareholders, and each of their respective directors, employees, advisers, shareholders, subsidiaries, agents and representatives, do not make any representation, warranty or undertaking, express or implied, as to the fairness, accuracy, completeness or correctness of the information contained, referred to or reflected in this Document, or supplied or communicated orally or in writing to you (or your advisers or associated persons) or any other person in connection with it.

To the maximum extent permitted by law, none of Vocus NZ, VOC or their respective related companies, advisers and shareholders, each of their respective directors, employees, advisers, shareholders, subsidiaries, agents, advisers and representatives or any other person shall have any liability whatsoever to any person for any loss (including, without limitation, any liability arising from any fault or negligence on the part of Vocus NZ, VOC or their respective related companies, advisers and shareholders, and each of their respective directors, employees, advisers, shareholders, subsidiaries, agents, advisers and representatives or any other person) arising from this Document or any information contained, omitted, referred to, or reflected in it, or supplied or communicated orally or in writing to you (or your advisers or associated persons) or any other person in connection with it, including without limitation for any false, misleading or deceptive statements (including by omission).

None of Vocus NZ or VOC's advisers have authorised, permitted or caused the issue, lodgment, submission, dispatch or provision of this Document, or make or purport to make any statement in this Document and there is no statement in this Document which is based on any statement by any of them.

No person is under any obligation to update this Document at any time after its release to you or to provide you with further information about Vocus NZ's business. Receipt of this Document and/or attendance at this presentation constitutes acceptance of the terms set out above in this Legal Disclaimer.

The Vocus New Zealand Team

A highly experienced team with significant telco experience

 Presenting today



Mark Callander
Chief Executive NZ
17 years with Vocus
21 years in industry



Taryn Hamilton
Chief Executive Consumer & Business
12 years with Vocus
17 years in industry



Johnathan Eele
Chief Executive Enterprise, Government & Wholesale
10 years with Vocus
20 years in industry



Jude Flood
Chief Executive 2Talk
17 years with Vocus
28 years in industry



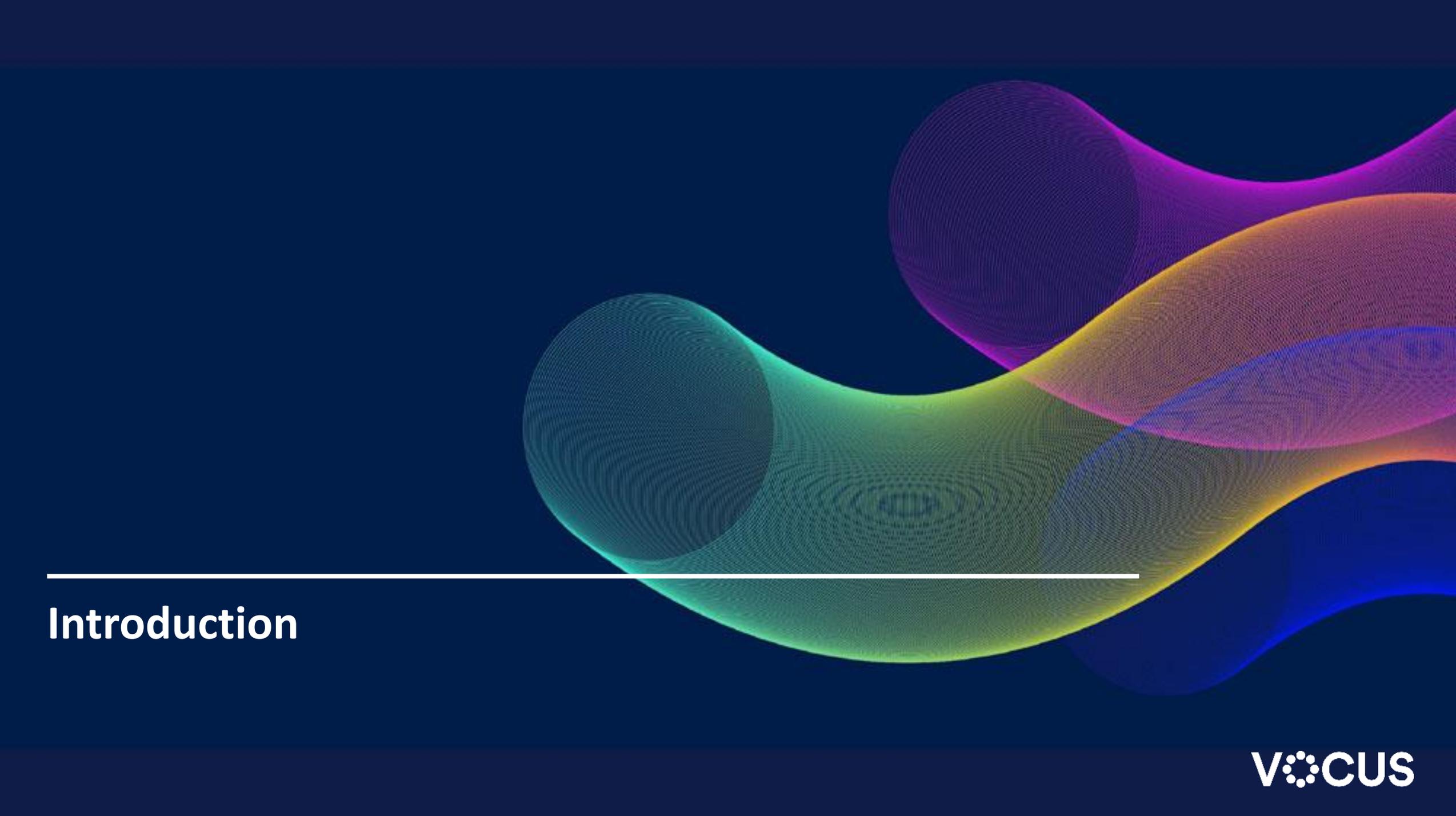
Aaron Smith
Chief Financial Officer
2 years with Vocus
15 years in industry



Stephen Kurzeja
Chief Technology Officer
18 years with Vocus
20 years in industry



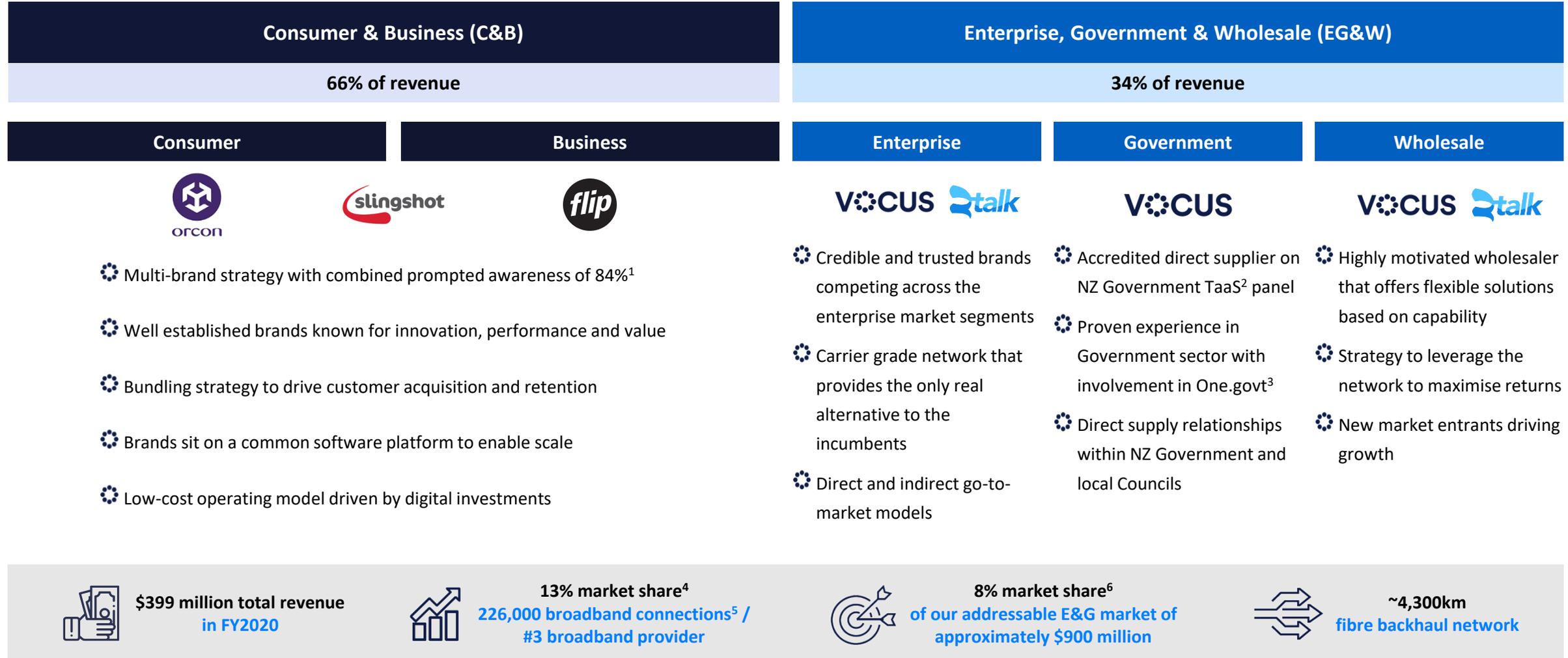
Emily Acland
General Counsel and GM Regulatory
5 years with Vocus
5 years in industry



Introduction

Vocus New Zealand at a Glance

A full service offering of data, voice and customised network solutions, complemented by energy and mobile



Source: Company data

1. TRA tracker data

2. Telecommunications as a Service, consists of a panel of suppliers delivering defined telecommunications services covering networking, voice and security services to a wide range of government agencies

3. One.govt provides a fully managed suite of telecommunication network and security services to NZ Government departments and agencies

4. Commerce Commission Telco Market Monitoring Report 2019

5. Vocus FY2020 Annual Report, page 43, New Zealand SIO's

6. See page 14 for further detail

Key Business Strengths

Established and strongly positioned challenger enabled by a significant national infrastructure network



Growth Strategy

Multi-brand and multi-channel challenger strategy to grow market share while maintaining visibility of consolidation opportunities in the fragmented telecommunications market



Bundling Strategy

Drive new customer acquisition and increase number of products per customer to improve customer retention and lifetime value



Network as a Service

Support go-to-market strategies by being the easiest and most trusted fibre network provider with full automation based on changing consumption patterns



Consolidation

Leverage a proven track record of successful and efficient integration of acquired businesses and customer portfolios
Stuff Fibre illustrates the speed and capability developed when integrating new businesses

Growth Platform

Opportunities to materially lift relevance and transform market share

Optimising The Core

Retaining a relentless focus on what has consistently distinguished us

Operational Excellence

Optimise operational performance using a data-driven approach with key drivers measured and tracked in real time across the business



Customer Intimacy

Enhance customer-centric approach to drive customer advocacy and loyalty across all market segments and grow customer lifetime value

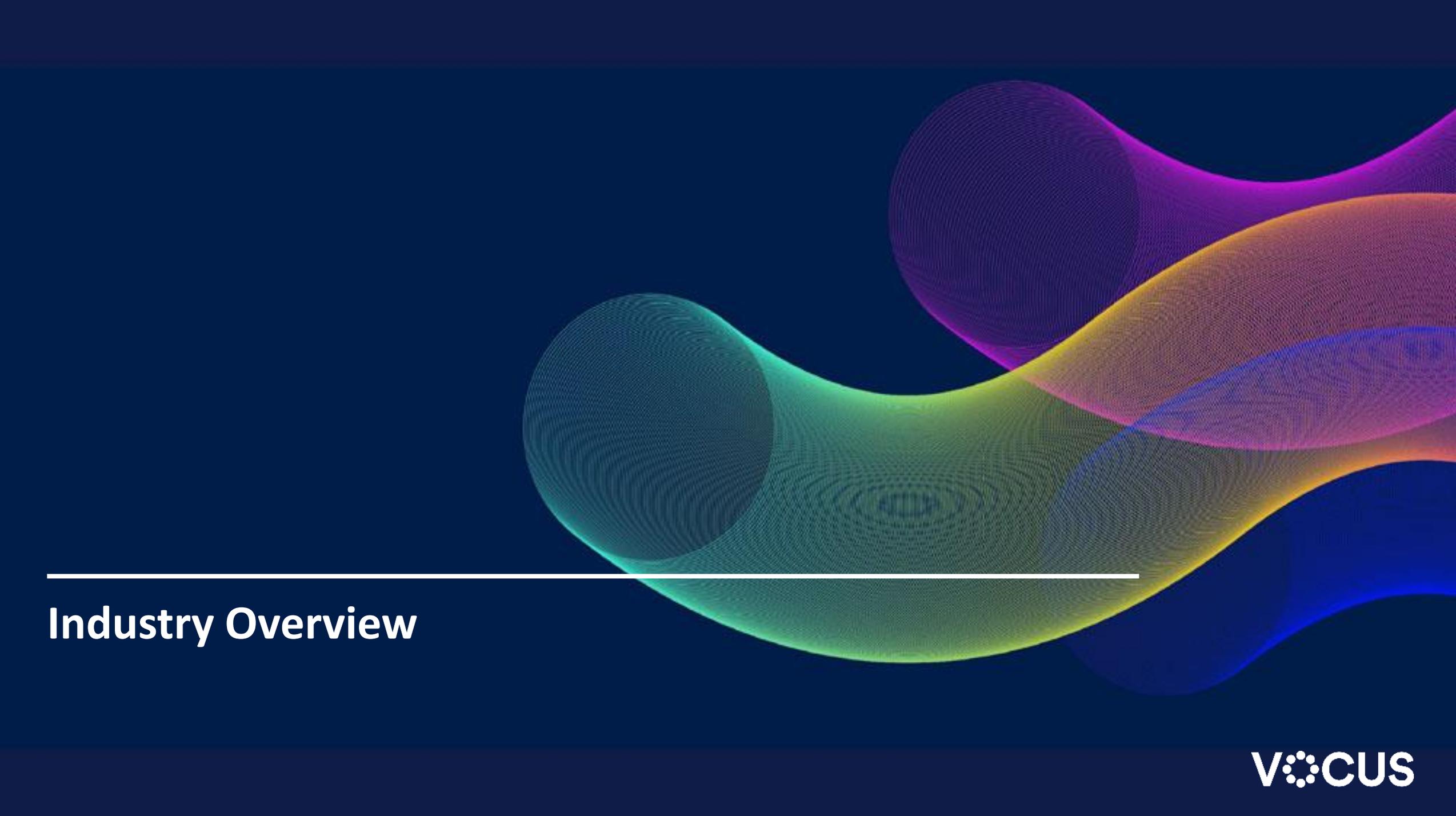


Product Leadership

Drive customer enablement and self-service via software platforms across all segments



SD-WAN, Cloud and Security products targeting Enterprise and Government customers



Industry Overview

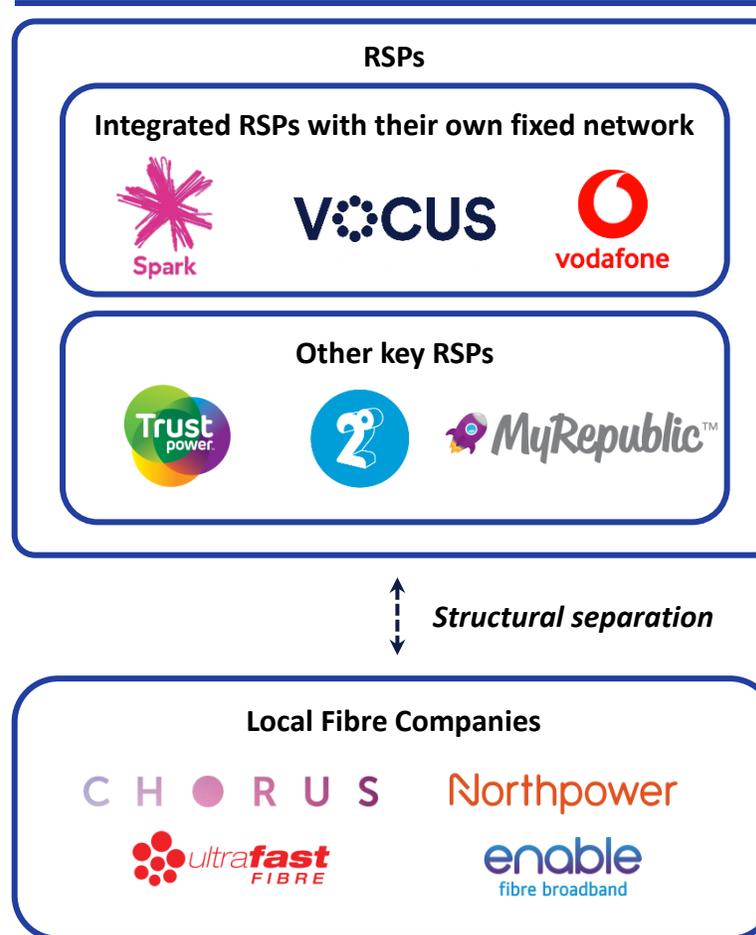
New Zealand Telco and Energy Markets

Large addressable telco market with an attractive market structure and underlying dynamics

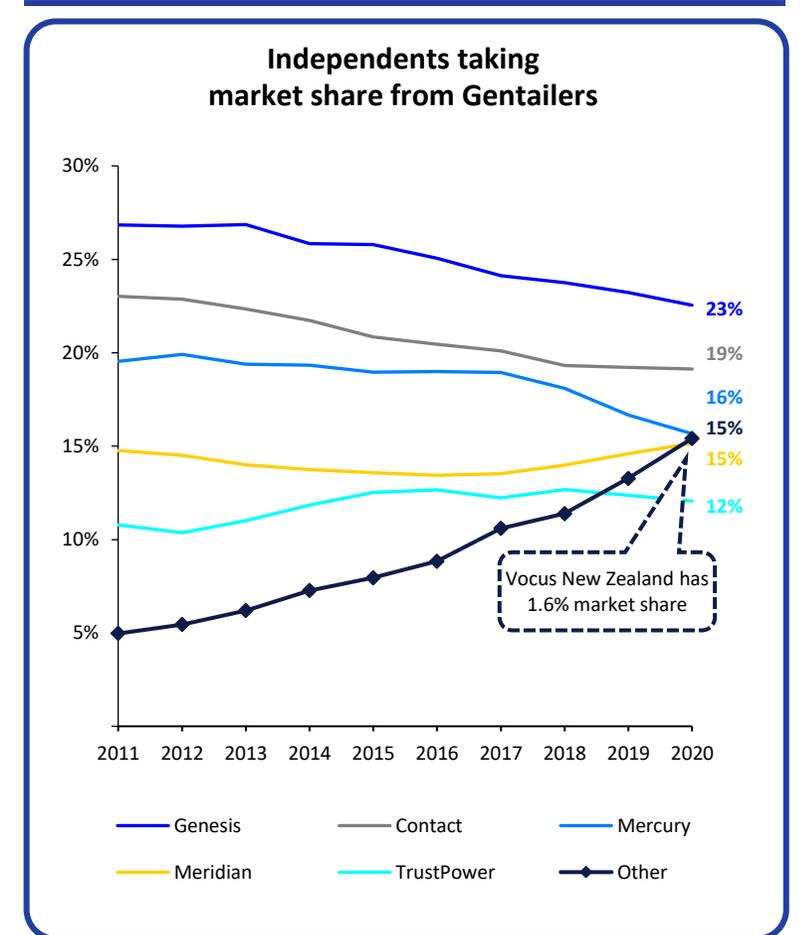
Addressable Market¹

	 Consumer & Business	 Enterprise & Government
Fixed	c. \$1.6bn	c. \$0.9bn
Mobile	c. \$2.0bn	c. \$0.8bn
Telco	c.\$3.7bn	c.\$1.6bn
Energy	c.\$3.8bn³	

Telco Market Structure



Energy Retail Market²

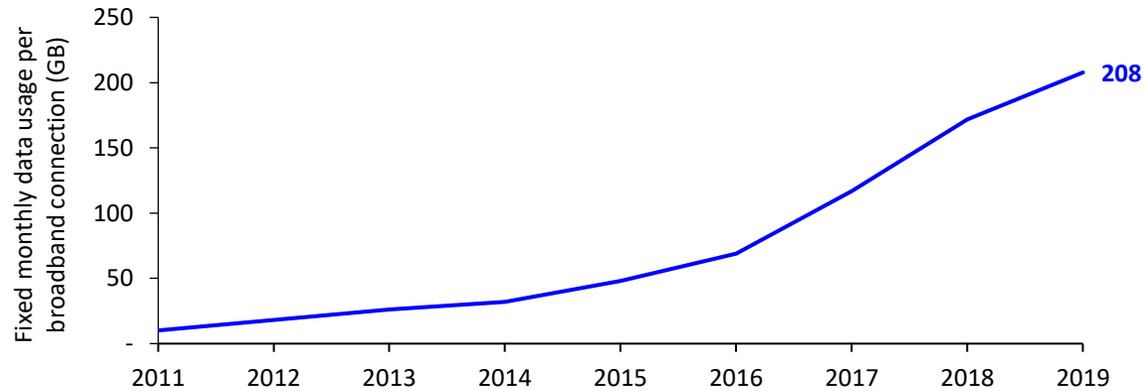


1. Commerce Commission Monitoring Report (Telecommunications industry questionnaire results) as at 30 June 2019, Statistics New Zealand Business Demography as at February 2019, management estimates and company data. Consumer & Business includes all consumer and businesses with <10 employees and Enterprise & Government includes all businesses with 10+ employees
 2. NZ Electricity Authority – retail market share snapshot as at 31 October 2020
 3. Residential only. Ministry of Business, Innovation & Employment – quarterly residential sales-based electricity cost as at February 2021, Stats NZ as at March 2020

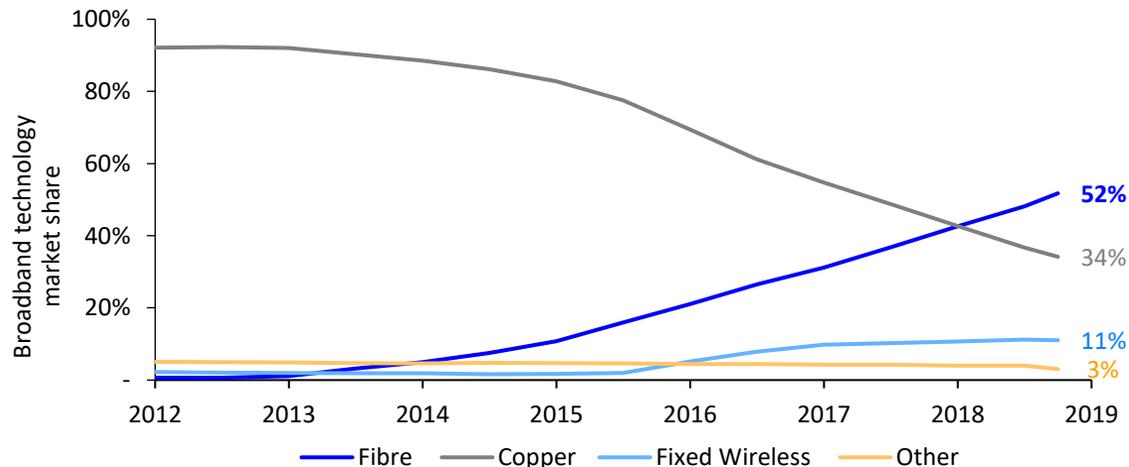
Macro Trends in the Telco Market

A rapidly changing environment requires higher capacity data networks

Exponential Data Consumption Growth¹



Enabled by Rapid Fibre Take-up¹



Business and Enterprise Trends

Changing Consumption Models

- Seeking reduction in Total Cost of Ownership
- Everything as a Service (XaaS) models for managed services
- “Cloud” based consumption models for network
- Large wholesale players want dedicated data centre connectivity

Meet rapidly growing demand for bandwidth in a cost effective manner

Move to hybrid networks and edge computing accelerated by COVID-19

- Customers moving to hybrid wide area network (WAN) architecture
- Software-defined wide area network (SD-WAN) and fast internet access complementing or replacing multiprotocol label switching (MPLS) networks
- Remote working changes office footprint and therefore network needs
- Organisations need computer processing close to network edge to access near real time IoT data and analytics

Vastly improved network applications to meet business performance, control & productivity

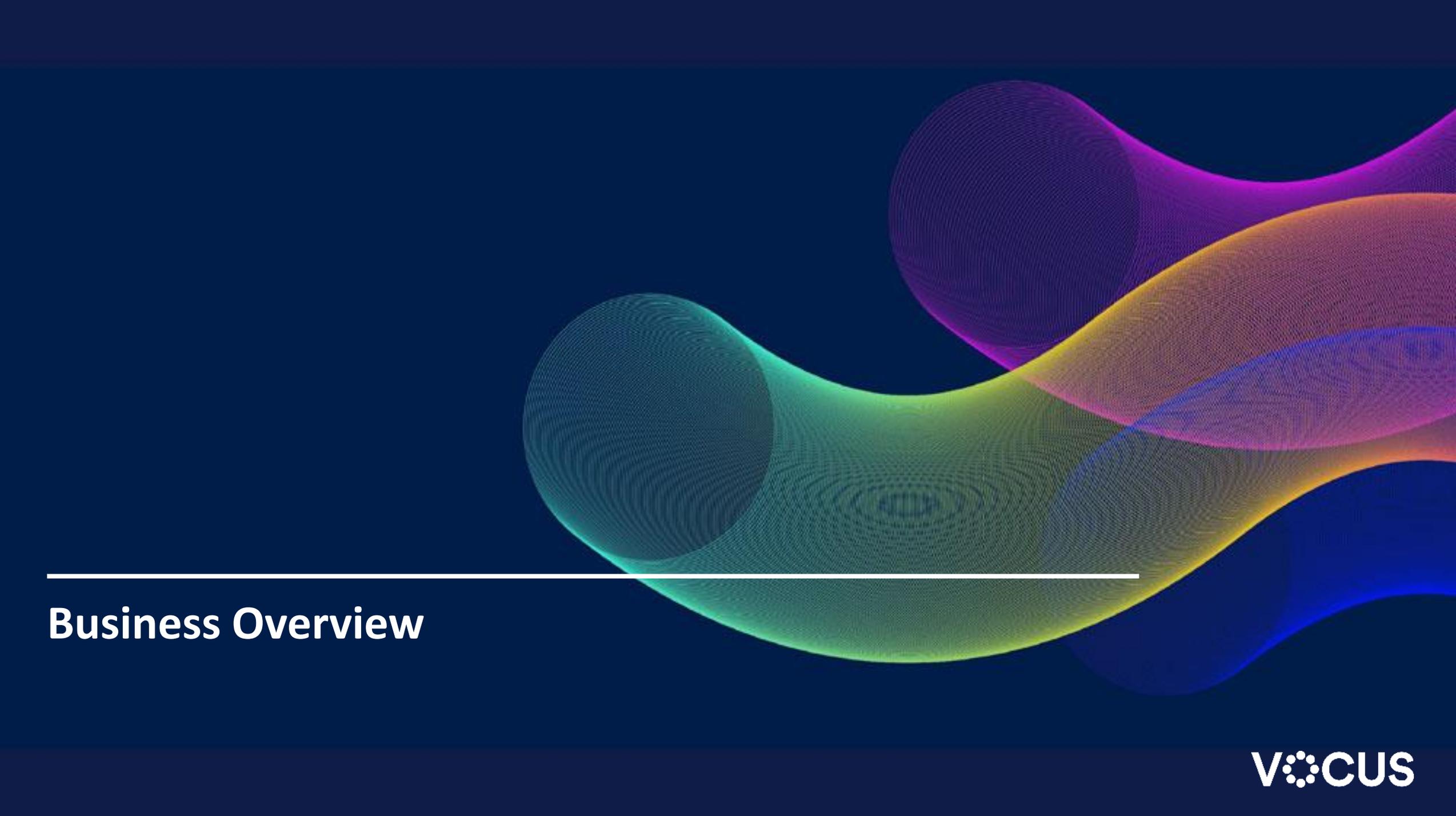
Security and Risk Management

- Managing security threats generated by AI, IoT, Edge computing are critical capabilities
- Remote working (home internet) expands threat vector

Advanced security and risk management across all attack surfaces

All require high capacity, low latency data networks with scalability and security which Vocus New Zealand delivers on

1. Commerce Commission Telco Market Monitoring Report 2019



Business Overview

Who We Are and Where We Have Come From

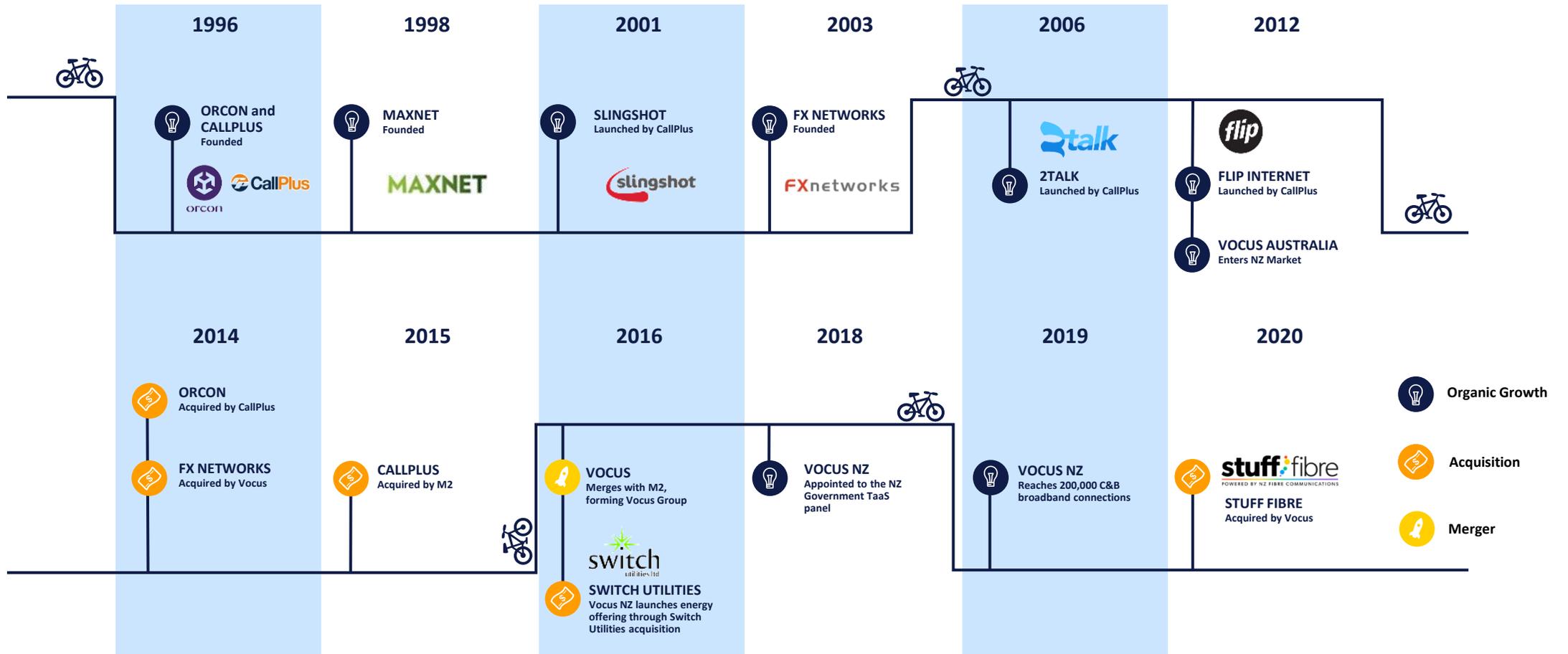
Vocus has a long history in New Zealand, growing organically through a number of key brands along with strategic acquisitions in recent years

Our Mission

To connect and enable all New Zealanders to live, work and play

Our Vision

To be the easiest and most trusted way for New Zealanders to connect to the world



Consumer & Business – Overview

Vocus NZ drives outstanding customer experience and loyalty supported by our high-performance network and modern digital platforms

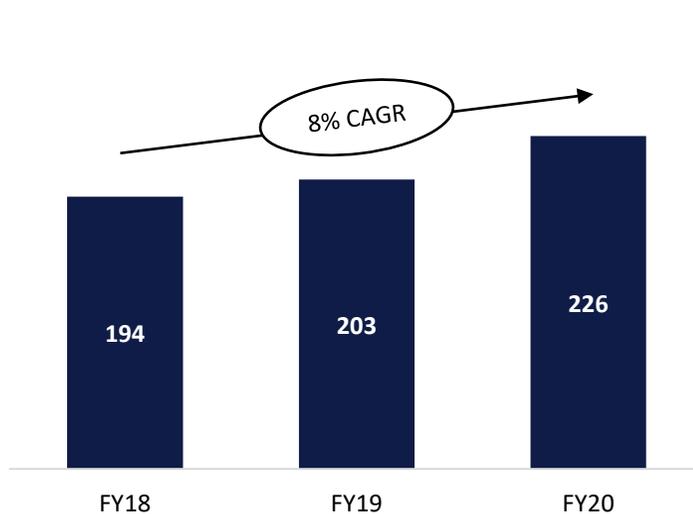
Multi-brand Strategy

- ⚙️ We operate a multi-brand strategy targeting connected household and businesses with our broadband, energy and mobile offerings
- ⚙️ Our household name brands have been distinctly positioned to capitalise on their respective target segments, delivering discretely targeted pricing and service propositions
- ⚙️ 84% combined prompted brand awareness¹ is a testament to the customer experience Vocus New Zealand provides and the positioning of our brands

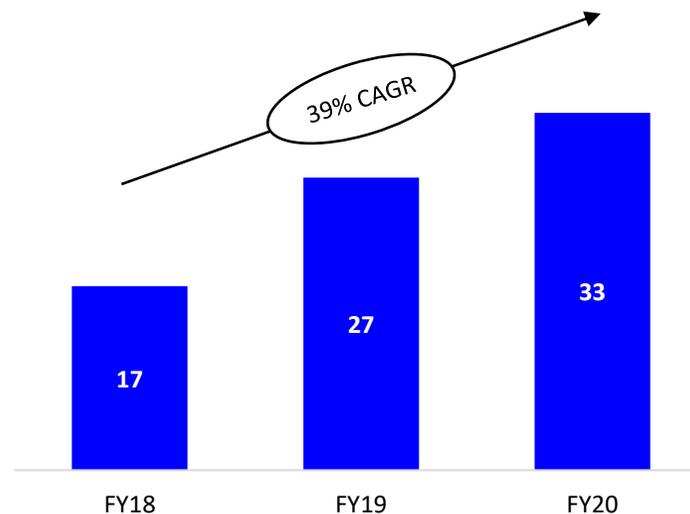
Bundling Strategy

- ⚙️ Ongoing development of our bundling strategy to drive customer acquisition, increase number of products per customer and to improve customer retention
- ⚙️ Drive product attachment through sign up funnel which delivers a low cost-to-acquire while improving lifetime value of a customer
- ⚙️ Continue developing compelling cross sell offers along with investment in sales resources to grow market share in key segments

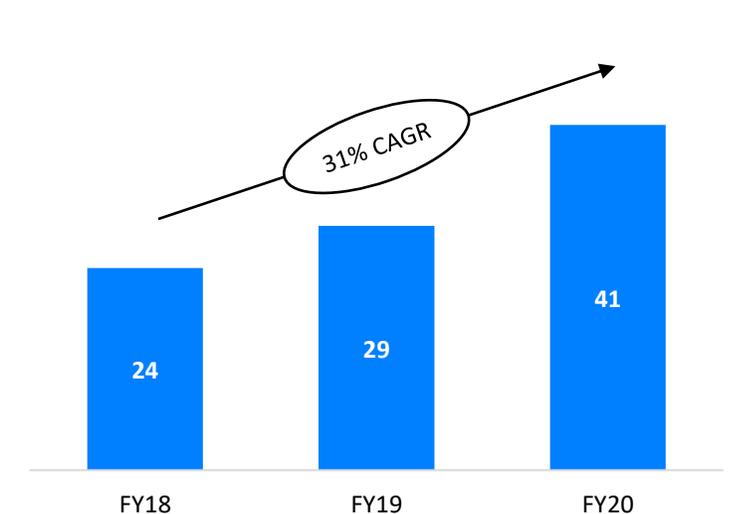
Broadband Connections² (000s)



Energy Connections² (000s)



Mobile Connections² (000s)



Source: Company data

1. TRA tracker data

2. FY2018 - FY2020 Annual Reports, New Zealand SIO's

Consumer & Business – Multi-brand Strategy



Proposition Everything made possible

Market position Premium

Audience High performance focus (Consumer and Business)

Product Ultra-fast unlimited broadband

Source: Company data

slingshot

Control through choice

Value

Household managers (Consumer)

Unlimited broadband and bundles

slingshot



Cheap without compromise

Budget

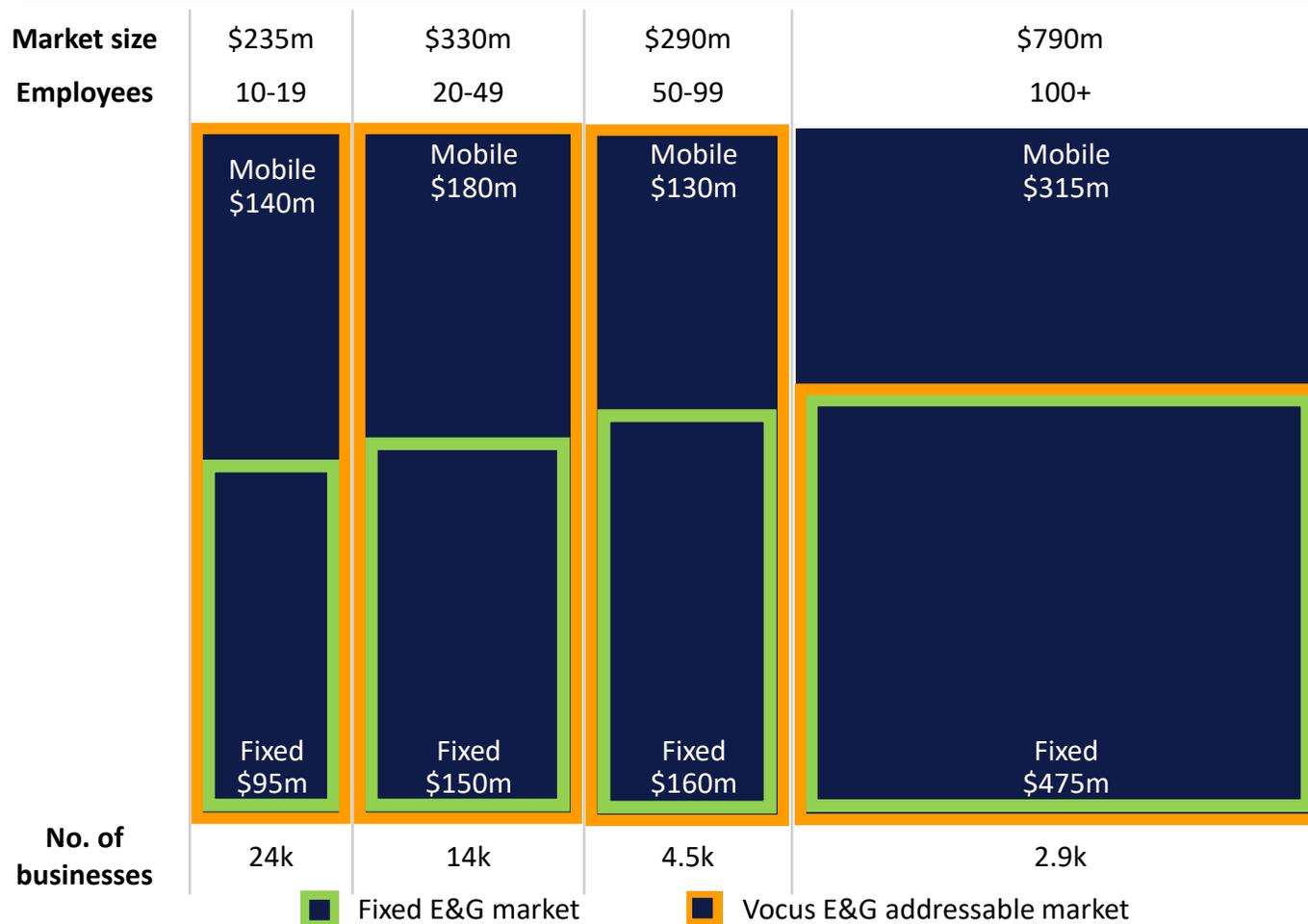
Bargain hunters (Consumer)

Unlimited fibre focus

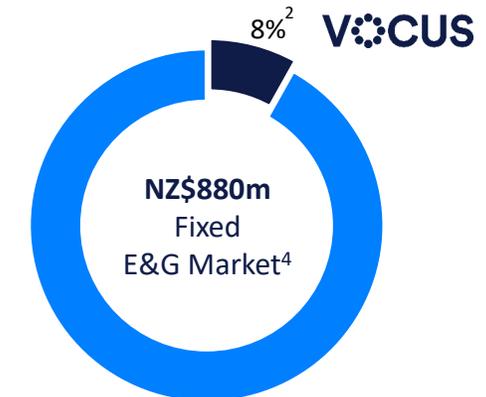
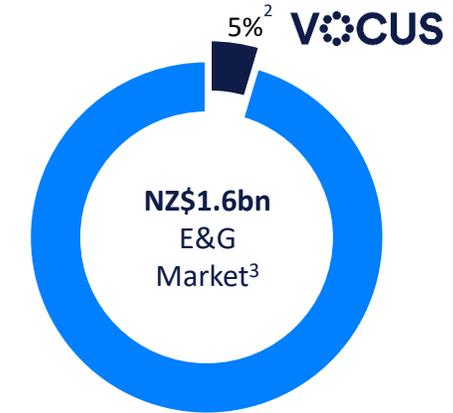
Enterprise & Government – Market

Vocus New Zealand focused on growing market share in fixed, with mobile positioned as an adjacency

Addressable Market Size¹



Market Share²



Source: Commerce Commission Monitoring Report (Telecommunications industry questionnaire results) as at 30 June 2019, Statistics New Zealand Business Demography as at February 2019, management estimates, and company data

- Vocus E&G addressable market size includes fixed market revenue for businesses with 10+ employees and mobile market revenue for businesses with 10 – 99 employees. Mobile market revenue is based on data published by the Commerce Commission, and distributed based on number of employees within each business size group, assuming a constant ARPU. Fixed market revenue is based on data published by the Commerce Commission, and distributed across business sizes based on management estimates of the percentage mobile revenue comprises of total telco market revenue for businesses within each business size group
- Vocus share is based on FY20 Enterprise and Government revenue
- E&G market includes all businesses with 10+ employees
- Fixed E&G market is total fixed market revenue (includes all businesses with 10+ employees)

Enterprise, Government & Wholesale – Overview & Strategy

Vocus New Zealand employs direct and indirect go-to-market models based on the needs of the end customer. The direct model enables control and certainty, the indirect model provides scale and reach

Enterprise & Government

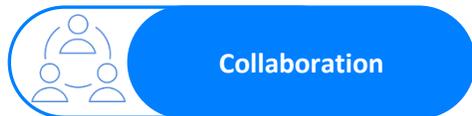
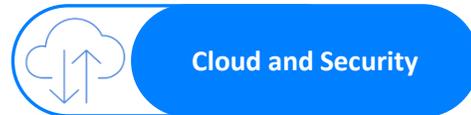
Select Vocus NZ Customers



Strategy

- ⚙️ Network as a Service
- ⚙️ Growth by taking market share
- ⚙️ Focus on high penetration of Data and IP solutions
- ⚙️ Invest in sales capability and resources
- ⚙️ Leverage our network position
- ⚙️ Enterprise Voice via 2Talk

Solutions Offering



Wholesale

Select Vocus NZ Customers



Strategy

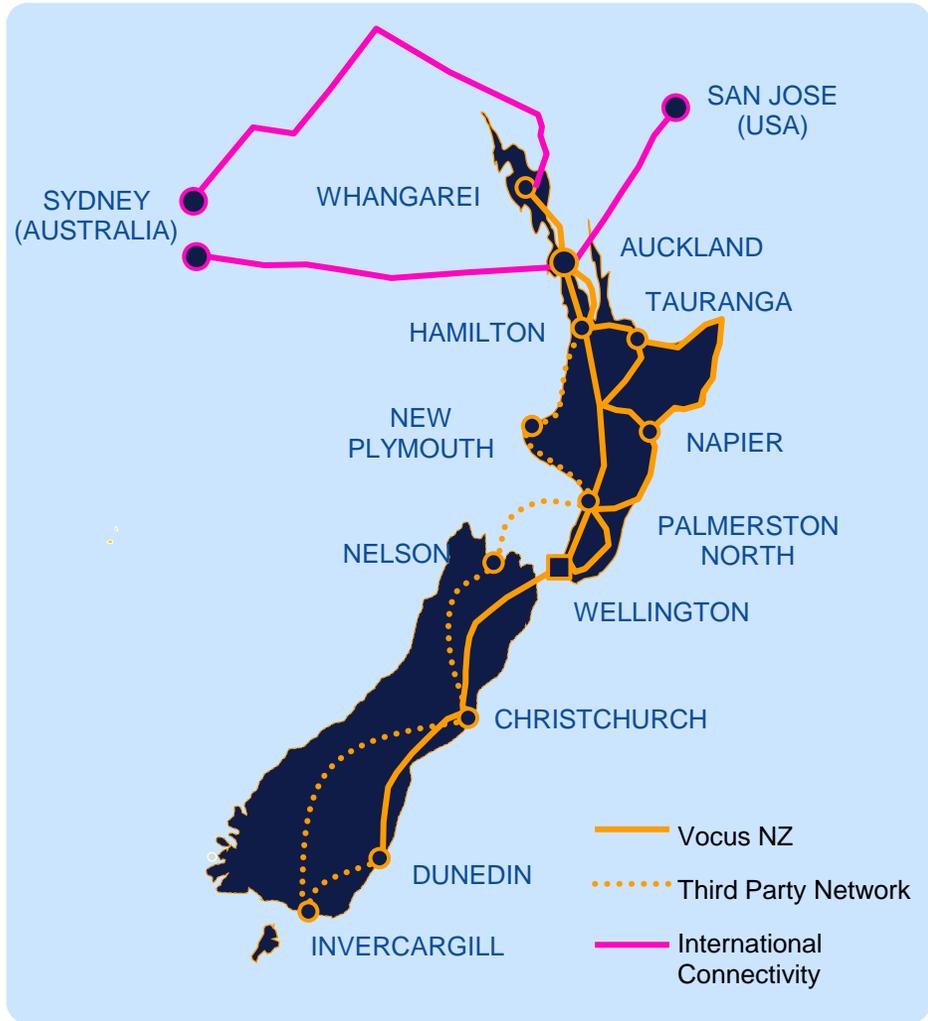
- ⚙️ API first software design
- ⚙️ Enhance product and portals
- ⚙️ Network infrastructure for data and voice solutions
- ⚙️ Target new market entrants who are driving growth and opportunities

Wholesale Models



Network and Technology Platform Overview

High capacity nationwide network delivering ownership economics supported by modern technology platforms



01

~4,300km of our own fibre backhaul network, with an additional 2,500km of third party fibre network allows us to retain control of the quality and delivery of solutions to customers

02

Three core network data centres, with a fourth currently being developed under contract for a global technology company, and interconnection with over 50 major data centres in NZ enabling 100% UFB coverage

03

Spare capacity across nationwide fibre network providing ability to generate future growth at relatively low marginal costs

04

Software enablement of the network across all market segments to drive automation and differentiation

05

Disciplined investment in network and equipment upgrades has resulted in efficient capital requirements

06

In-house team manages and develops technology and applications across a single framework

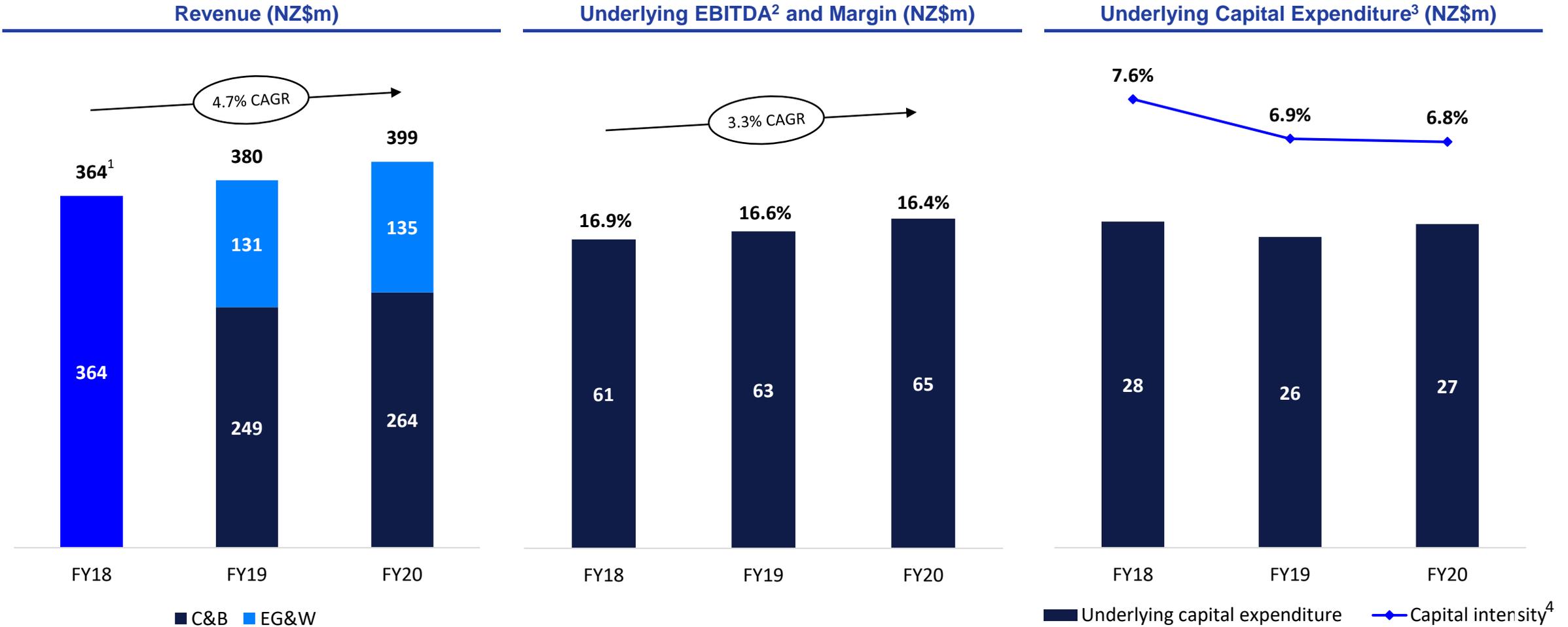
Source: Company data



Historical Financial Performance

Historical Financial Performance

Vocus New Zealand has delivered sustained top-line growth under a highly disciplined investment approach



Source: Company data and filings

1. Not split between C&B and EG&W due to figures being presented differently in FY2018

2. Underlying EBITDA is presented on a pre-IFRS-16 basis as per historical annual results

3. Underlying capital expenditure excludes capital expenditure associated with Infeasible Rights of Use (IRUs) and Purchases of Business. Throughout the historical period presented, underlying capital expenditure was approximately a third capitalised development, a third customer-premises equipment and a third network

4. Capital intensity is equal to underlying capital expenditure divided by total revenue

Conclusion

Established and strongly positioned challenger enabled by a significant national infrastructure network

