



Half Year Results Presentation

February 2021



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Our **purpose** is to

Simplify technology
to empower business

Agenda

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H1 2021 Highlights

- Strengthening of Cloud and Collaboration pillars through acquisition of Digital Sense, Zintel, and Fonebox.
- Tier 1 voice provider (Carrier Interconnect) project is nearing completion.
- Strong cash conversion of 129%.
- Continued focus on the capabilities in our three solution pillars, **Cloud. Connect. Collaborate.**



Profit & Loss – Half Year

(A\$m)	H1 2020	H1 2021	Change (%)
Data Networks	19.1	18.2	(4%)
Voice	9.2	16.0	74%
Hosting	5.1	8.1	58%
Security & Services	9.5	7.9	(16%)
Revenue	42.9	50.3	17%
Gross profit	22.0	28.1	28%
<i>Gross profit %</i>	<i>51%</i>	<i>56%</i>	<i>5%</i>
Other Income	0.0	0.1	
Overhead Expenses	13.7	17.6	
EBITDA	8.2	10.5	28%
<i>EBITDA %</i>	<i>19%</i>	<i>21%</i>	<i>2%</i>
Interest	0.2	0.6	
Depreciation	2.0	3.3	
Tax	1.8	2.0	
NPATA	4.2	4.7	12%
Amortisation	2.7	4.2	
Tax	(0.8)	(1.2)	
NPAT	2.3	1.8	(23%)
Cash Earnings Per Share¹ (cents)	8.12	8.63	6%

1. Cash EPS based on NPATA

- Strong growth in voice and hosting
- EBITDA growth of 28% and NPATA growth of 12%
- Strengthening of EBITDA margin
- Interim dividend of 1.75 cps declared

Profit & Loss – Recurring

(A\$m)	H1 2020	H1 2021	Change (%)
Data Networks	19.1	17.9	(6%)
Voice	9.2	16.0	71%
Hosting	5.1	8.0	54%
Security & Services	3.2	4.1	34%
Revenue	36.6	45.9	25%
Gross profit	20.0	26.4	32%
<i>Gross profit %</i>	<i>55%</i>	<i>57%</i>	<i>3%</i>
Other Income	0.0	0.1	
Overhead Expenses	13.7	16.9	23%
EBITDA	6.3	9.5	50%
<i>EBITDA %</i>	<i>17%</i>	<i>21%</i>	<i>3%</i>
Interest	0.2	0.6	
Depreciation	2.0	3.3	
Tax	1.2	1.7	
NPATA	2.9	4.0	38%
Amortisation	2.7	4.2	
Tax	(0.8)	(1.2)	
NPAT	1.0	1.0	7%

- Strong growth in recurring GP
- Recurring EBITDA margin continuing to increase
- Impact of NBN downward repricing on Data revenue should materially conclude by the end of FY21

Cash Flow

▀ Continued strong conversion of EBITDA to cash

▀ \$36m debt facility established in October 2020
- Funded the acquisition of Zintel / Fonebox

▀ \$24m cash (net of transaction costs) raised in October 2020
- Funded the acquisition of Digital Sense

(A\$m)	H1 2020	H1 2021
Receipts from Customers	48.1	59.7
Payments to Suppliers & Employees	(40.1)	(46.2)
	7.9	13.5
Interest Received	0.0	0.0
Interest Paid & Other Finance Costs Paid	(0.2)	(0.6)
Income Taxes paid	(3.5)	(2.3)
Net Cash from Operating Activities	4.2	10.7
Payments for Purchases of Businesses	(1.4)	(55.9)
Payments for Intangibles (Internally Generated Software)	(0.4)	(0.5)
Payments for Property, Plant & Equipment	(1.5)	(3.3)
Net Cash Used in Investing Activities	(3.3)	(59.7)
Proceeds from Issue of Shares	-	24.0
Proceeds (Net of Repayments) of Borrowings	(2.1)	34.4
Repayment of Lease Liabilities	(1.0)	(1.1)
Dividends Paid	(0.7)	(1.1)
Net Cash From / (Used In) Financing Activities	(3.8)	56.2
Net Increase in Cash & Cash Equivalents	(2.9)	7.2
Cash & Cash Equivalents at Beginning of the Period	10.3	10.4
Cash & Cash Equivalents at End of the Period	7.4	17.6

Balance Sheet

(A\$m)	Jun 2020	Dec 2020
Cash & Cash Equivalents	10.4	17.6
Trade & other Receivables	9.3	10.4
All Other	3.0	5.3
Total Current Assets	22.7	33.3
Property, Plant & Equipment	16.8	29.8
Intangibles	70.4	152.7
All Other	0.2	0.6
Total Non Current Assets	87.3	183.1
Total Assets	110.0	216.4
Trade & Other Payables	11.9	19.2
Borrowings	3.9	9.1
Lease Liability	1.4	3.5
Current Tax Liability	1.0	0.7
Deferred Consideration	0.0	7.0
All Other	2.0	2.9
Total Current Liabilities	20.2	42.4
Borrowings	1.6	29.9
Lease Liability	9.5	16.9
Deferred Consideration	0.0	3.6
Deferred Tax	9.3	23.1
All Other	0.5	1.0
Total Non Current Liabilities	20.9	74.5
Total Liabilities	41.1	116.9
Net Assets	68.9	99.5
Issued Capital	44.3	74.1
Reserves	0.4	0.6
Retained Profits	24.2	24.8
Total Equity	68.9	99.5

▀ Acquisitions of Zintel / Fonebox and Digital Sense through a mix of Debt, Capital Raising, Direct Shares and Cash

▀ Continued steady conversion of trade and other receivables while supporting customers

Positioned for Growth

Consistent with our long term strategies, we are committed to delivering value for customers, partners, and shareholders through our focus on improving the capabilities in our three solution pillars, **Cloud. Connect. Collaborate.**

- ▀ Strong recurring revenue base (target >90%) with good margin, providing long term stability.

- ▀ Customer-centric strategy and dedicated Customer Care team supporting retention rates consistently above 96%.

- ▀ Significant and established infrastructure portfolio underpinning our three solution pillars.

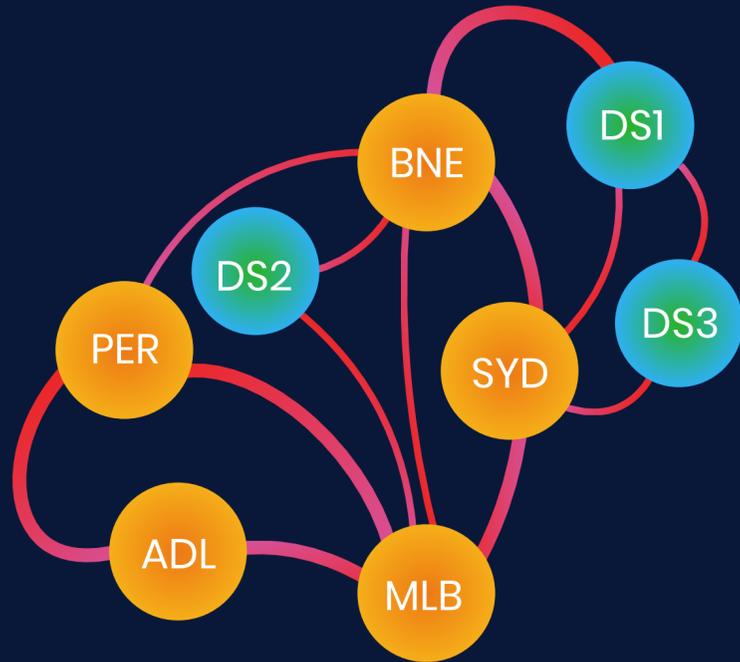
- ▀ Further investment in platform development to achieve automation and improve operating leverage.

- ▀ Strategies being executed to provide our acquired customer base with a broader range of integrated solutions.

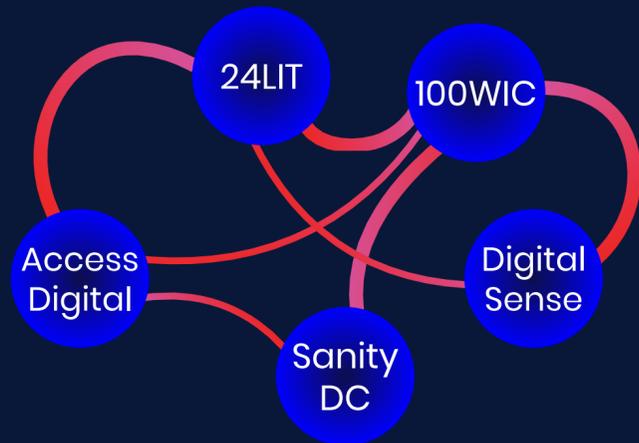
- ▀ Further focus in partner and wholesale segments by expanding our capability.

- ▀ Forecast Jun '21 exit monthly recurring revenue in line with expectations.

OTW Cloud Infrastructure Cloud Nodes



OTW Owned Data Centres



CLOUD

Local, trusted, and secure

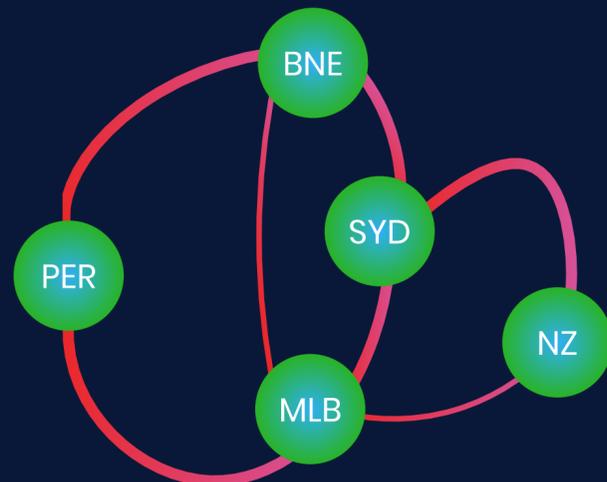
Hybrid and multi-cloud deployments are rapidly becoming the norm to support business outcomes, with security and data sovereignty paramount for specific workloads. Over the Wire is uniquely positioned to cater to these requirements, with local, scalable, and secure infrastructure designed to suit business, government, and wholesale segments alike.

- Multiple locally hosted infrastructure nodes connected to the Over the Wire Core Network, offering solutions across cities & regional centres.
- Established, long-term relationships in enterprise and government where cloud infrastructure spend is predicted to increase.
- Platform designed to provide customers with the elastic, operating expense model of Public Cloud, but without sacrificing data sovereignty and security.

OTW Core Network Australia & New Zealand



SD-WAN Gateways



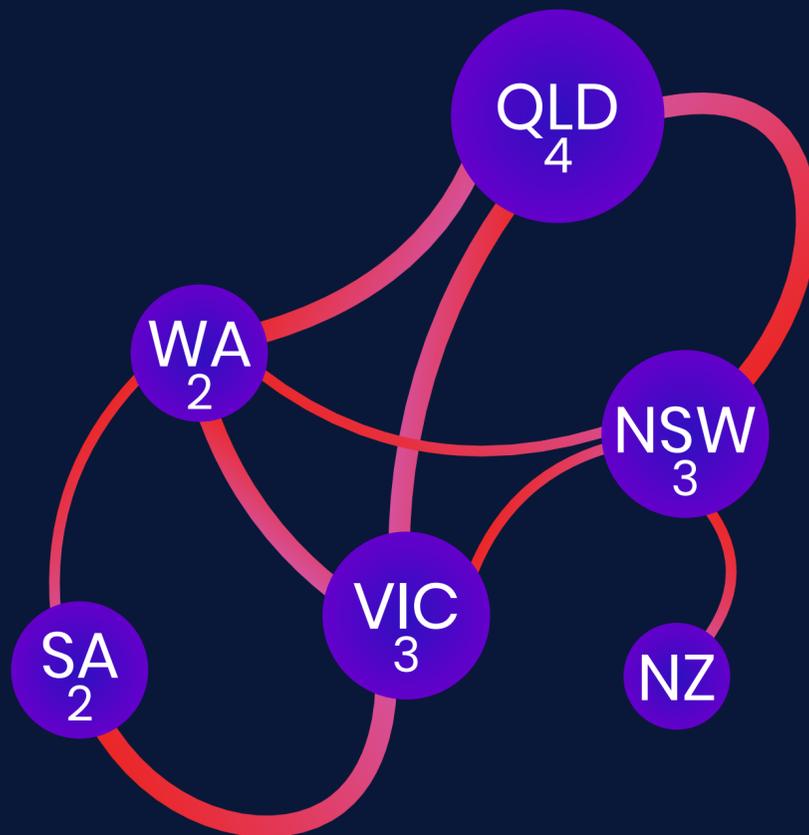
CONNECT

Changing the shape of business telco

Our winning formula is changing the way businesses buy network services. More than just “speeds and feeds”, our customer-centric approach to connectivity empowers businesses. We do this by integrating application awareness, traffic prioritisation and cloud-first security solutions to achieve key business outcomes.

- The Over the Wire Network spans Australia and New Zealand, connecting 28 data centres and aggregating last-mile connection options from an extensive network of carrier partners, providing customers the best connections to their premises.
- Delivering intelligent network solutions through the integration of aggregated network services with proprietary and third-party tools to enable continuity and consistency in business-critical applications.
- SD-WAN gateways from coast-to-coast for high performing businesses, no matter where they are located.

OTW Voice Network Australia & New Zealand



COLLABORATE

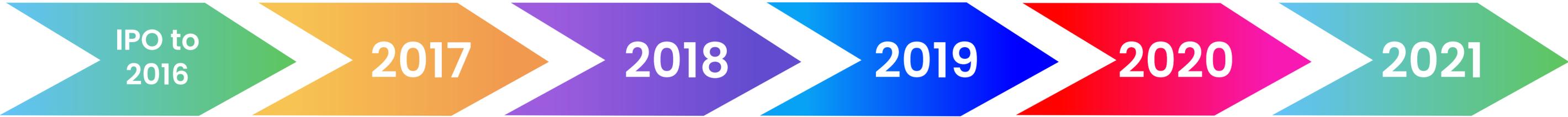
Australia's newest Tier 1 voice provider

Our Carrier Interconnect infrastructure and software platform establishes Over the Wire as one of a select group of Tier 1 voice providers in Australia. This strategic asset provides operating leverage and allows Over the Wire to underpin the global change occurring in UCaaS, CCaaS, and CPaaS markets.

- ▀ Direct hand-off to other Tier 1 carriers enables the best quality calls, with improved margin potential, and full visibility of the number porting process for seamless customer onboarding.
- ▀ Unencumbered by legacy network requirements, Over the Wire is positioned to reshape the Wholesale and Partner voice market, and influence the direction of UCaaS, CCaaS and CPaaS solutions.
- ▀ Capabilities and IP in advanced reporting and analytics for inbound voice solutions through Zintel and Fonebox deliver significant customer value and provide additional potential to innovate in all markets.

Strategic Acquisitions to Accelerate Growth

Over the Wire continues to identify acquisition targets and strengthen its value proposition by following the same M&A discipline that has resulted in a track record of successfully acquiring and then integrating businesses.



 FAKTORTEL

 TELARUS
NETWORK | SECURITY | CLOUD

 ACCESS Digital NETWORKS

 zintel.

 SANITY TECHNOLOGY

 VPN Solutions
Managed Networking Specialists

 Comlinx

 FONEBOX

 SPIDERBOX
always available

 DIGITAL SENSE

 Integrated

 Integrated

 Integrated

 Investing in our capability & systems

 Integrating

Zintel & Fonebox

▀ Acquisition completed on 31 August 2020

▀ \$6.1m revenue contributed in H1 2021



- ▀ A leading platform provider of inbound telecommunication services in Australia and New Zealand, delivering proven solutions to the corporate and small / medium enterprise (SME) market.

- ▀ Introduces new solution capability to Over the Wire in the areas of inbound telephony services including call routing intelligence, data intelligence, call management and analytics reporting, via a proprietary technology platform.

- ▀ Customer base offers cross-sell opportunities, particularly in outbound voice and Hosted Telephony services.

- ▀ Delivers platform capability to Over the Wire that further complements our growth objectives within the Cloud Voice, Mobility and Communications Platform as a Service (CPaaS) market.



Digital Sense

- A leading Sovereign Cloud platform provider in Australia delivering proven solutions to the Enterprise and Government markets.

- Introduces further solution capability in the areas of Infrastructure as a Service (IaaS), Desktop as a Service (DaaS), Storage as a Service (STaaS) and Data Protection as a Service (DPaaS).

- Extensive Cloud offering offers cross sell opportunities to existing Over the Wire customers and offers cross sell opportunities of Over the Wire solutions to Digital Sense customers.

- Digital Sense accelerates Over the Wire's growth and capability in our Cloud Solution pillar, resulting in further diversification of revenue across each of the **Cloud. Connect. Collaborate.** pillars.

- Leverage Over the Wire's existing national network to take Digital Sense's offering national.

- Strengthens Over the Wire's ability to provide a complete and integrated solution set to Enterprise and Government customers across their data, voice and cloud requirements.

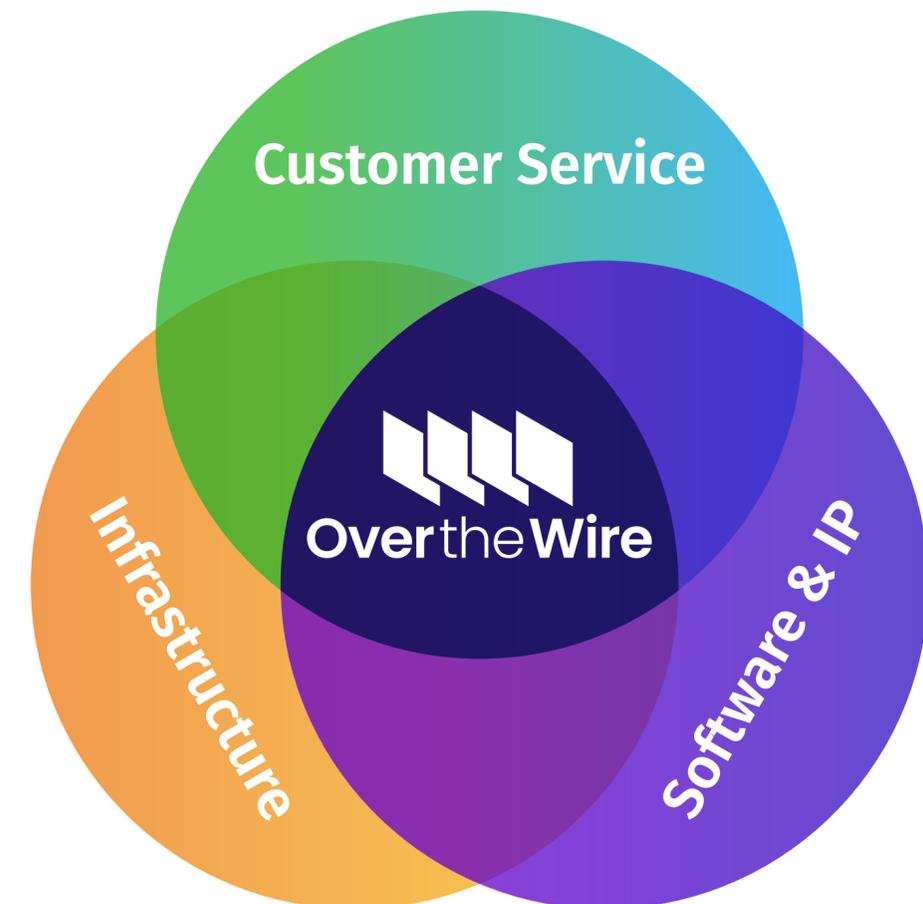
- Acquisition completed on 30 October 2020

- \$3.2m revenue contributed in H1 2021

Strong Outlook

Over the Wire is a true Integrated Platform Provider, improving our customers' experience by simplifying technology to empower business. Over the Wire is uniquely positioned to provide sustained customer value through our core capabilities and intellectual property (IP) to deliver integrated solutions.

- Tier 1 voice provider (carrier interconnect) infrastructure enables scalable and profitable growth with operational leverage.
- National cloud platform infrastructure and capabilities situated in all major capital cities.
- Disruptive, cloud ready, intelligent network solutions leverage our core network and deliver strong business outcomes for customers.
- Growing partner ecosystem leveraging our integrated platforms.
- Established high quality, high margin recurring revenue streams and a diverse customer base with retention rates consistently above 96%.





Cloud. Connect. Collaborate.

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