



Full Year Results Presentation

19 August 2021



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Our **purpose** is to

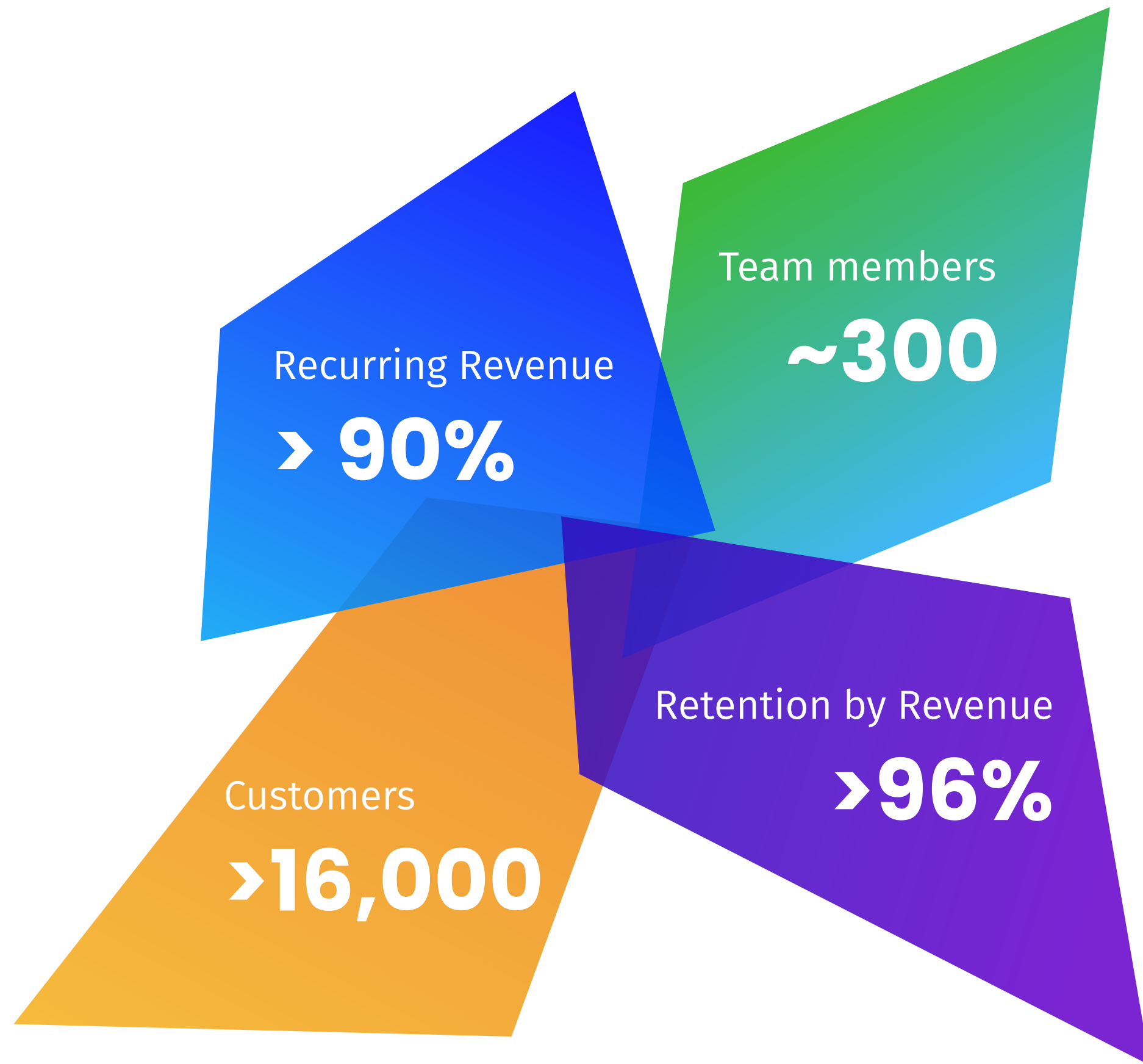
Simplify technology
to empower business

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ABOUT OVER THE WIRE



Over the Wire is a technology company and integrated platform provider, establishing the model of the telco of the future. With offices across Australia, our purpose is to **simplify technology to empower business.**

- Brands include Over the Wire, NetSIP, FaktorTel, Telarus, VPN Solutions Comlinx, Access Digital Networks, Zintel, Fonebox and Digital Sense
- Brisbane HQ, with offices in Sydney, Melbourne and Adelaide

Companies across every industry rely on their IT and telecommunications infrastructure now more than ever, with Over the Wire supporting these business-critical services through our core pillars: **Cloud. Connect. Collaborate.**

- Cloud:** supporting SMB, Enterprise and Government clients
- Connect:** core network spanning Australia, with presence in NZ, US & Asia
- Collaborate:** Tier 1 voice carrier status in Australia

FY21 Highlights

Revenue

\$112.7m

29% Increase

EBITDA

\$23.5m

35% Increase

Recurring Revenue

\$103.2m

38% Increase

Customer retention

97.8%

Profit & Loss – Full Year

(A\$m)	2020	2021			Change (%)	
		Zintel / Fonebox	Digital Sense	Rest of Group		
Data Networks	37.5	-	1.1	35.9	37.0	(1%)
Voice	19.6	14.6	-	20.4	34.9	78%
Hosting	10.1	-	11.1	10.7	21.8	115%
Security & Services	20.3	-	1.1	17.8	18.9	(7%)
Revenue	87.6	14.6	13.4	84.7	112.7	29%
Gross profit	44.0	10.4	9.2	43.6	63.2	44%
Gross profit %	50%	72%	69%	52%	56%	6%
Other Income	0.1				0.1	
Overhead Expenses	26.7				39.8	
EBITDA	17.4				23.5	35%
EBITDA %	20%				21%	1%
Interest	0.4				1.3	
Depreciation	4.4				8.0	
Tax	3.8				4.2	
NPATA	8.8				10.0	14%
Amortisation	5.4				9.4	
Tax	(1.6)				(2.8)	
NPAT	5.0				3.4	(32%)
Cash Earnings Per Share¹ (cents)	16.26				16.73	3%

1. Cash EPS based on NPAT adding back non-cash amortisation

- Strong growth in voice and hosting
- EBITDA growth of 35% and NPATA growth of 14%
- Strengthening of EBITDA margin
- Final dividend of 2.25 cps declared

Profit & Loss – Recurring

(A\$m)	2020	2021	Change (%)
Data Networks	37.5	36.3	(3%)
Voice	19.6	34.7	77%
Hosting	10.1	21.5	113%
Security & Services	7.5	10.6	42%
Revenue	74.7	103.2	38%
Gross profit	40.4	59.4	47%
<i>Gross profit %</i>	54%	58%	3%
Other Income	0.1	0.1	
Overhead Expenses	26.6	39.1	
EBITDA	13.9	20.4	47%
<i>EBITDA %</i>	19%	20%	1%
Interest	0.4	1.3	
Depreciation	4.4	8.0	
Tax	2.7	3.3	
NPATA	6.3	7.8	24%
Amortisation	5.4	9.4	
Tax	(1.6)	(2.8)	
NPAT	2.6	1.2	(52%)

- Strong growth in recurring GP
- Recurring EBITDA margin continuing to increase
- Impact of NBN downward repricing on Data revenue materially concluded

Profit & Loss – Recurring

	2021	2021	Change	Organic
(A\$m)	H1	H2	(%)	Change
				(%)
Data Networks	17.9	18.4	3%	
Voice	16.0	18.8	18%	
Hosting	8.0	13.5	70%	
Security & Services	4.1	6.5	57%	
Revenue	45.9	57.2	25%	7.0%
Gross profit	26.4	33.0	25%	
<i>Gross profit %</i>	57%	58%		
Other Income	0.1	0.1		
Overhead Expenses	16.9	22.2		
EBITDA	9.5	10.9	15%	
<i>EBITDA %</i>	21%	19%	(2%)	
Interest	0.6	0.7		
Depreciation	3.3	4.7		
Tax	1.7	1.6		
NPATA	4.0	3.9	(2%)	
Amortisation	4.2	5.3		
Tax	(1.2)	(1.6)		
NPAT	1.0	0.2	(83%)	

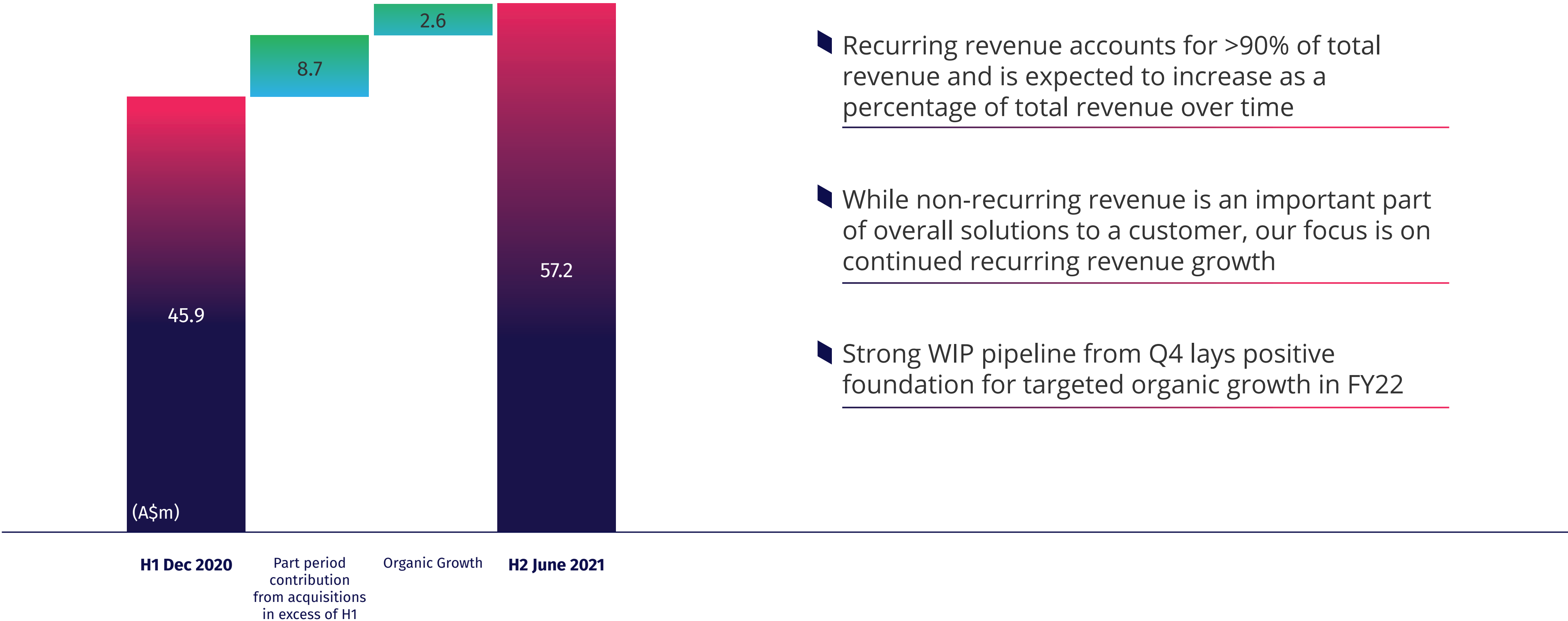
Focus on voice as well as Security & Services resulted in strong H2 growth

Organic growth of 7% for H2, positioning the group well for FY22

H2 saw additional investment in wholesale & partner, Tier 1 voice capability and our international network.

Recurring Revenue Growth Profile

H2 2021 produced organic recurring growth of \$2.6m, equating to a 7% increase for the half.



- Recurring revenue accounts for >90% of total revenue and is expected to increase as a percentage of total revenue over time
- While non-recurring revenue is an important part of overall solutions to a customer, our focus is on continued recurring revenue growth
- Strong WIP pipeline from Q4 lays positive foundation for targeted organic growth in FY22

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)	2020	2021
Receipts from Customers	96.4	129.4
Payments to Suppliers & Employees	(80.7)	(99.6)
	15.7	29.8
Interest Received	0.0	0.0
Interest Paid & Other Finance Costs Paid	(0.4)	(1.3)
Income Taxes paid	(3.7)	(4.0)
Net Cash from Operating Activities	11.6	24.5
Payments for Purchases of Businesses	(1.4)	(59.6)
Payments for Intangibles (Internally Generated Software)	(0.9)	(0.7)
Payments for Property, Plant & Equipment	(4.4)	(6.4)
Net Cash Used in Investing Activities	(6.7)	(66.7)
Proceeds from Issue of Shares	-	24.0
Proceeds (Net of Repayments) of Borrowings	(1.9)	29.9
Repayment of Lease Liabilities	(1.2)	(3.4)
Dividends Paid	(1.8)	(2.1)
Net Cash From / (Used In) Financing Activities	(4.8)	48.4
Net Increase in Cash & Cash Equivalents	0.1	6.3
Cash & Cash Equivalents at Beginning of the Period	10.3	10.4
Cash & Cash Equivalents at End of the Period	10.4	16.7

Balance Sheet

(A\$m)	2020	2021
Cash & Cash Equivalents	10.4	16.7
Trade & other Receivables	9.3	10.7
All Other	3.0	4.7
Total Current Assets	22.7	32.1
Property, Plant & Equipment	16.8	29.2
Intangibles	70.4	147.7
All Other	0.2	0.5
Total Non Current Assets	87.3	177.5
Total Assets	110.0	209.6
Trade & Other Payables	11.9	14.4
Borrowings	3.9	9.1
Lease Liability	1.4	4.5
Current Tax Liability	1.0	1.4
Deferred Consideration	-	4.7
All Other	2.0	8.2
Total Current Liabilities	20.2	42.3
Borrowings	1.6	25.4
Lease Liability	9.5	14.8
Deferred Consideration	-	4.7
Deferred Tax	9.3	21.2
All Other	0.5	0.9
Total Non Current Liabilities	20.9	67.0
Total Liabilities	41.1	109.3
Net Assets	68.9	100.3
Issued Capital	44.3	74.7
Reserves	0.4	0.2
Retained Profits	24.2	25.4
Total Equity	68.9	100.3

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

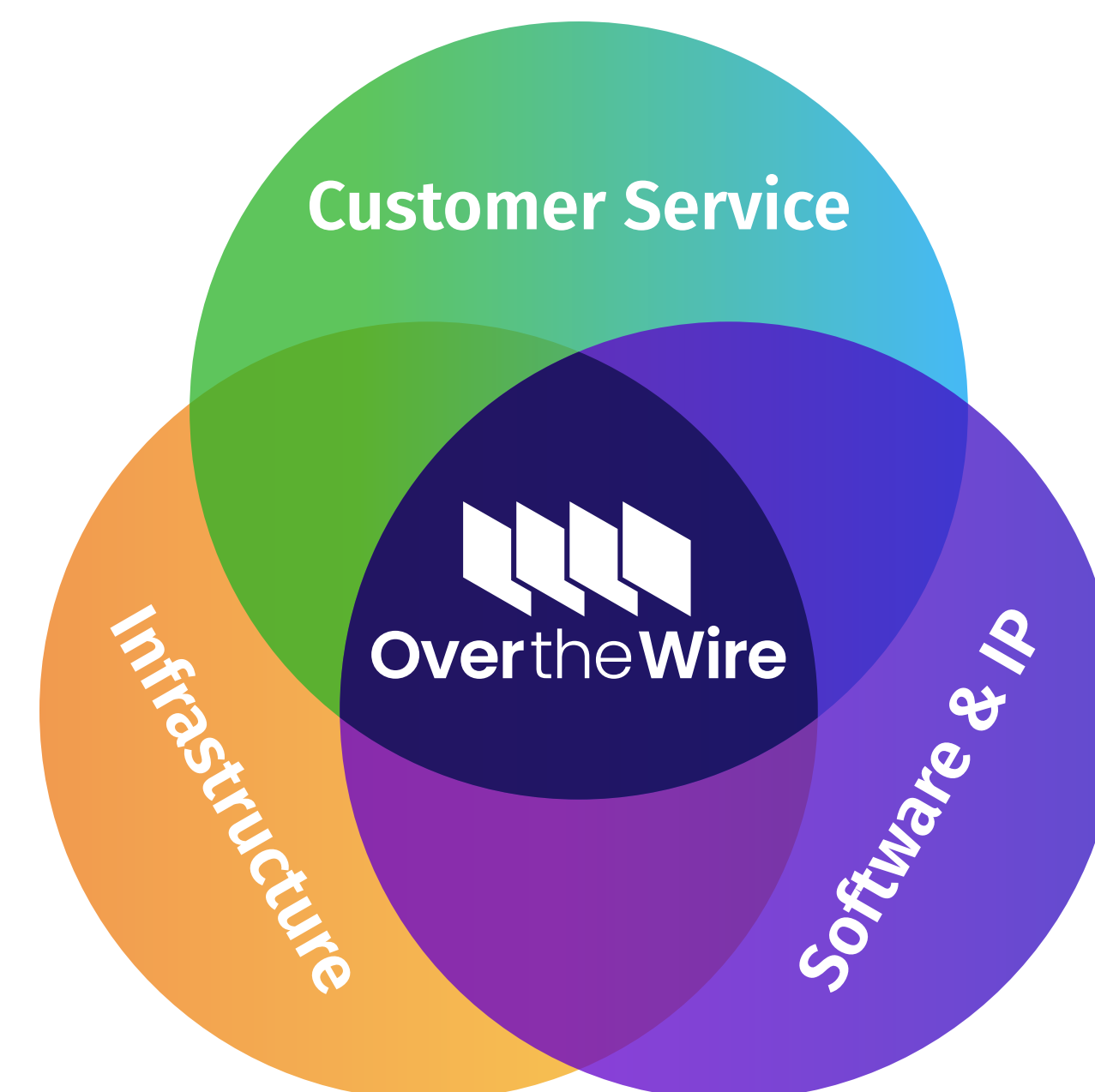
▀ Net debt to EBITDA of <1

Strategy Overview

Telco of the Future: beyond “speeds and feeds”

Our goal is to be the integrated platform underpinning the digital transformations of Australian and New Zealand business. Challenging the current status quo, we are establishing the model for the telco of the future. For us this means:

- ▀ Strategic infrastructure investments and partnerships
- ▀ Automation, self-service capabilities, and AI
- ▀ Business outcomes focus, supporting critical systems
- ▀ Growing our partner ecosystem leveraging our integrated platform
- ▀ Simplify technology to empower business



We are delivering on this goal through a focus on our core solution pillars, **Cloud. Connect. Collaborate.**

Our goal is to be the **Integrated Platform Provider** underpinning the Direct, Partner, and Wholesale markets



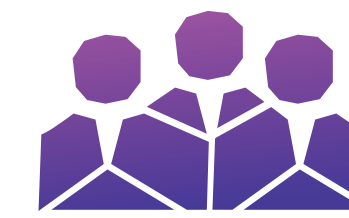
Cloud.

- Public, Private & Dedicated Cloud
- Hybrid & Multi-Cloud
- Backup, Storage & Data Protection
- DC Colocation



Connect.

- SD-WAN
- Private IP
- Internet
- Private Mobile Data
- Cloud Connectivity
- International Ethernet



Collaborate.

- Cloud PBX
- SIP & CTS
- Mobile Fleet
- SMS Gateway
- Inbound Voice Routing & Analytics

Management

Security

Portal & APIs

Our vision is to be the technology solution provider passionately promoted by our customers.



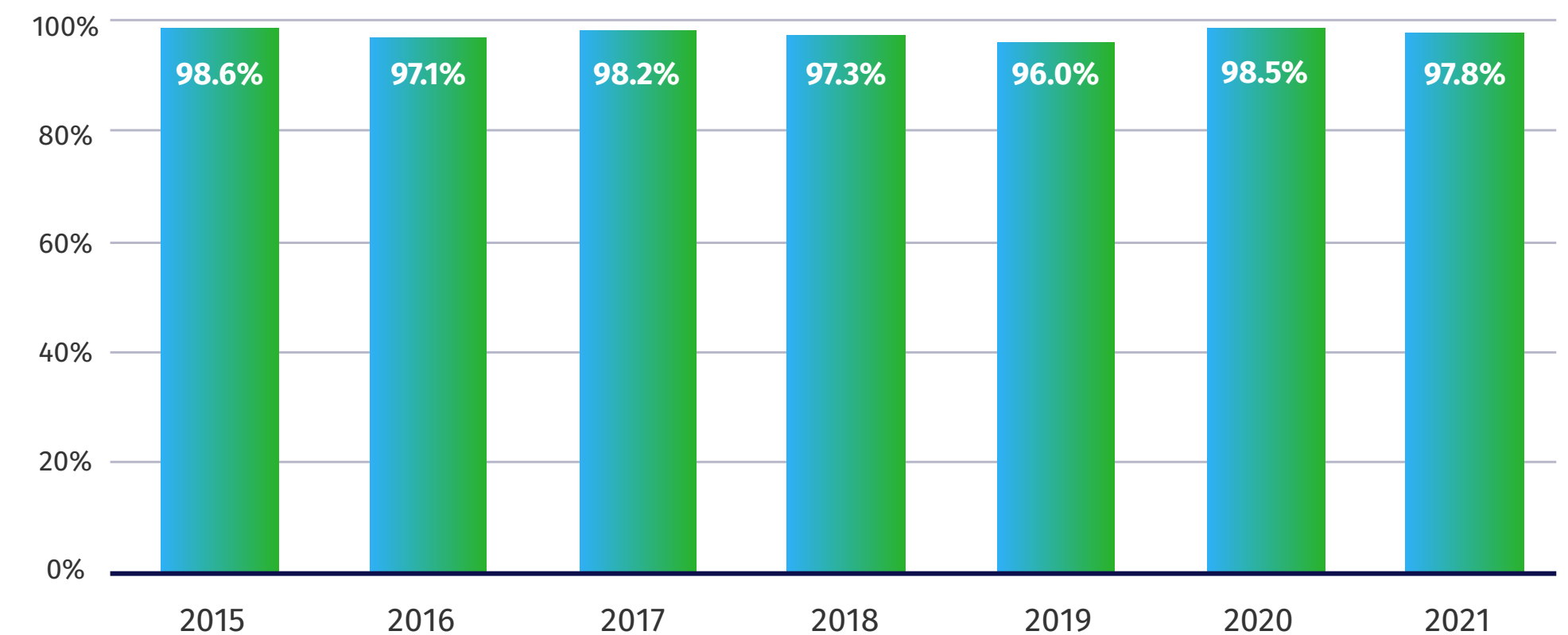
Happy Customers



N E X T D C

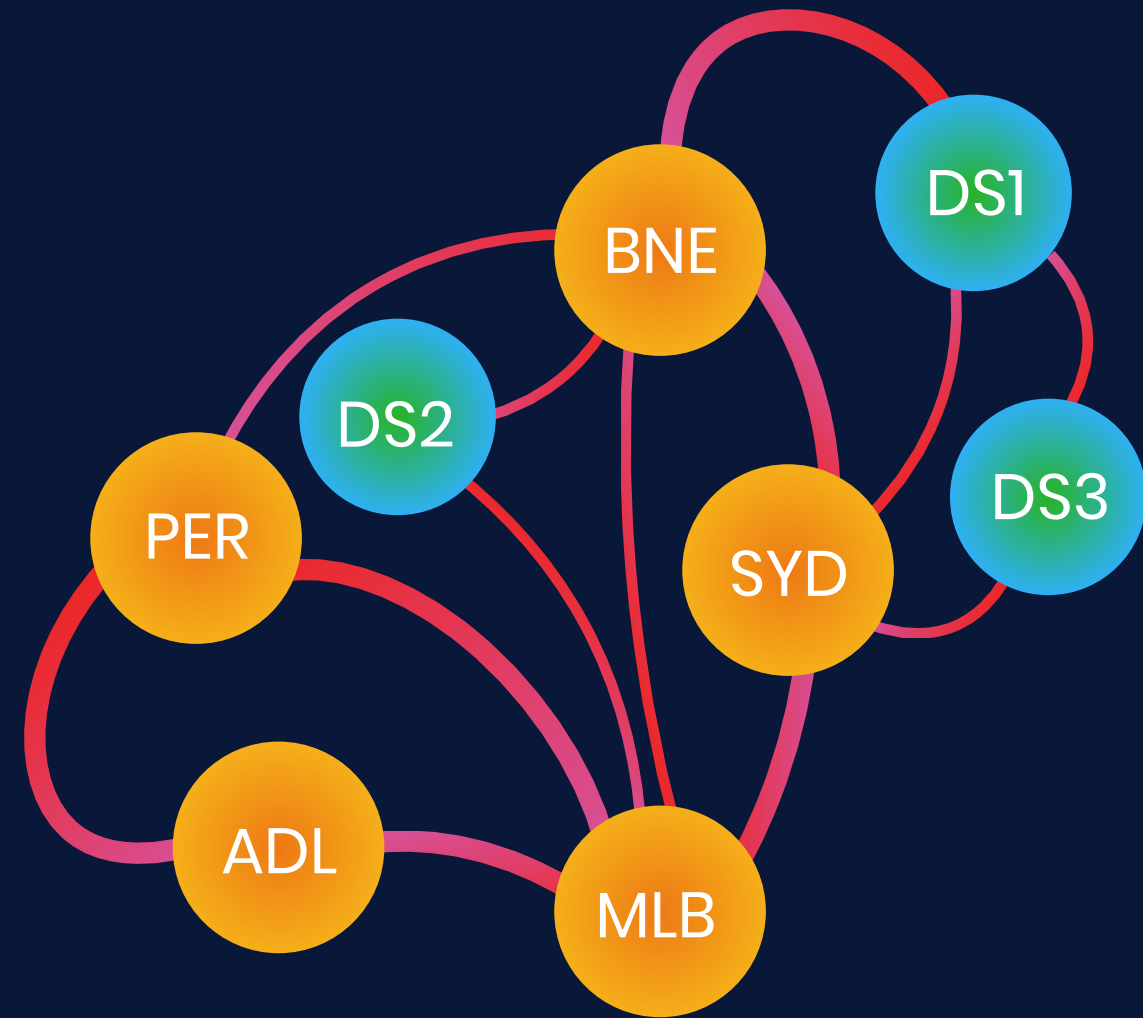


Customer Retention

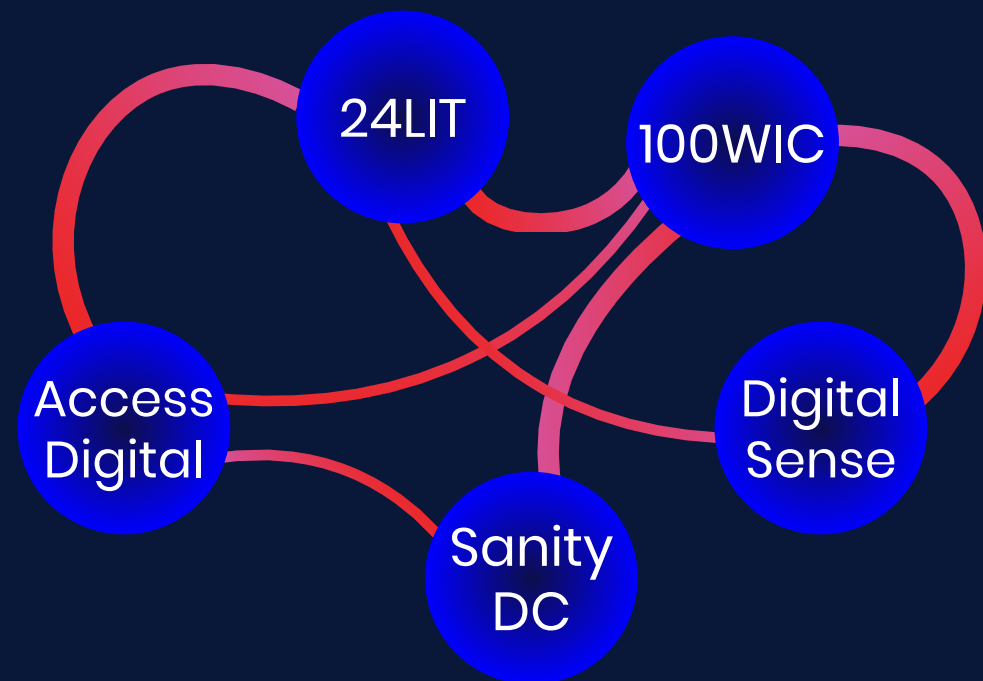


OTW Cloud Infrastructure

Cloud Nodes



OTW Owned Data Centres



CLOUD

Local, trusted, and secure



Local, scalable, and secure infrastructure designed to suit business, government, and wholesale segments alike.

FY21 Highlights

- ◆ Increased penetration in enterprise and government cloud infrastructure markets
- ◆ Completed acquisition of Digital Sense
- ◆ National footprint with new Cloud zones delivered in Perth and Adelaide

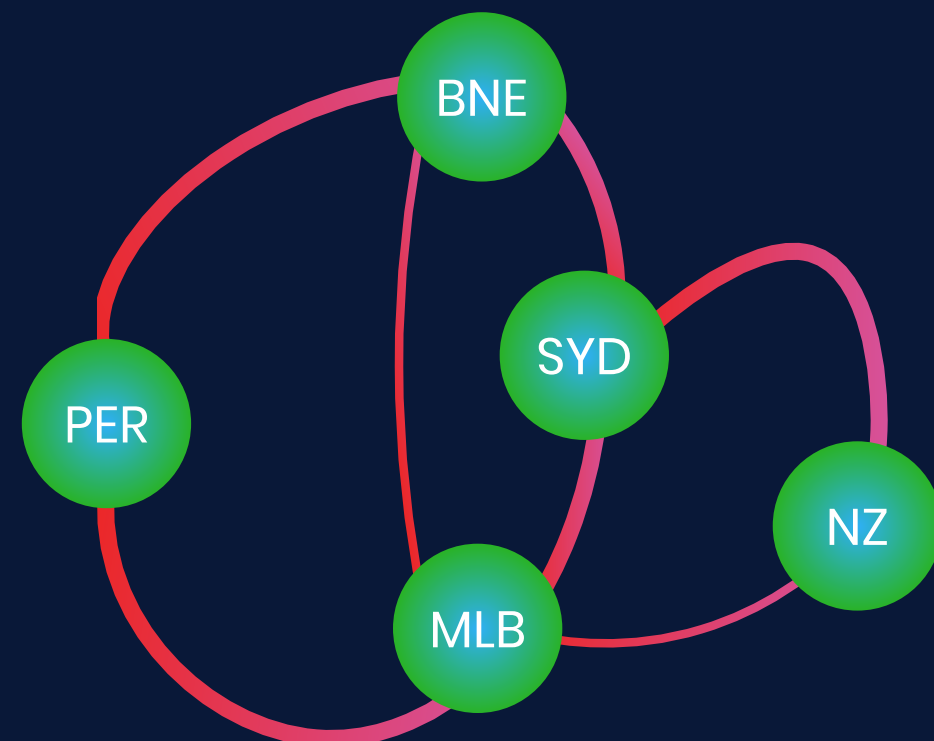
FY22 Goals

- ◆ Deploy DS Cloud in Melbourne and Sydney by calendar year end
- ◆ White labeled Cloud offerings for partners
- ◆ DS Protect Campaign across existing OTW customers

OTW Core Network Australia & New Zealand



SD-WAN Gateways



CONNECT

Changing the shape of business telco



More than just “speeds and feeds”, our customer-centric approach to connectivity empowers businesses.

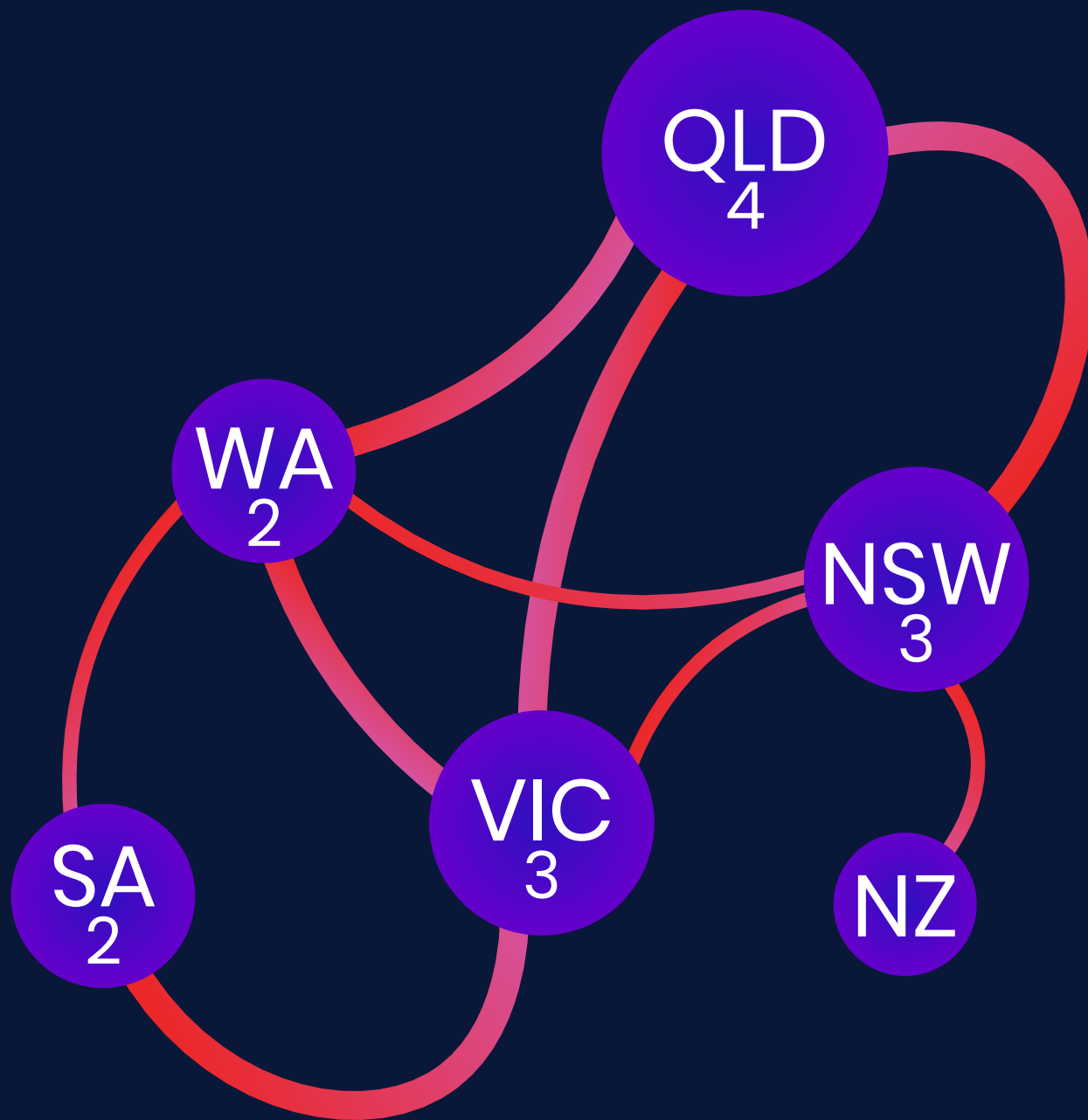
FY21 Highlights

- SD-WAN gateways deployed in Sydney, Melbourne, Brisbane, Perth and Auckland
- Eagers 182 site SD-WAN rollout successfully completed
- SuperCore investment for enhanced network speed and capacity

FY22 Goals

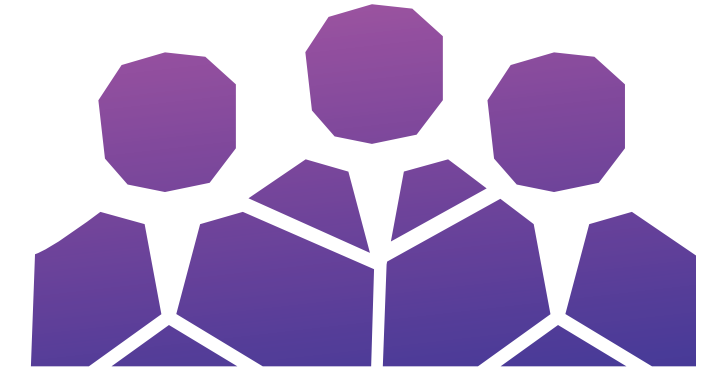
- Launch International network with compelling offering to the wholesale and partner markets
- White labeled SD-WAN offering for partners
- Network Edge upgrades deployed to facilitate anticipated growth

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.

FY21 Highlights

- Completed Carrier Interconnect project
- Completed acquisition of Fonebox / Zintel

FY22 Goals

- Deliver white labeled voice and cloud PBX offering to wholesale and partner market
- Increase active geographic numbers on NetSIP voice network to > 1 million (~600k currently)
- Drive growth through partnerships with UCaaS, CPaaS and CCaaS providers

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.



FY22 Outlook

Telco of the Future: beyond “speeds and feeds”

Over the Wire delivers a wide range of integrated solutions to a diverse range of organisations and sectors. Our goal is to continue to grow high margin, recurring revenue streams by providing innovative, technology-led solutions combined with industry-leading customer service. Our priorities for the FY22 year are:

- ▀ Maximise opportunities, operational leverage and savings from completion of Tier 1 voice provider (carrier interconnect) project
- ▀ Roll out DS cloud platform infrastructure and capabilities to Melbourne and Sydney
- ▀ Execute NetSIP brand refresh and leverage integrated platform to deliver white label capabilities for the wholesale and partner ecosystem
- ▀ Deliver 15% organic recurring revenue growth by providing innovative, customer centric solutions



Cloud. Connect. Collaborate.

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