

spirit
Internet's future



the power
of more

High Gross Margin. High Operating Leverage. Low Capex Spend.



Geoff Neate
Managing Director

Business Description

“A fast growing, full service, telecommunications provider, powering the New Generation of Internet for those that need more.”

Corporate Structure

as at 23 November 2016

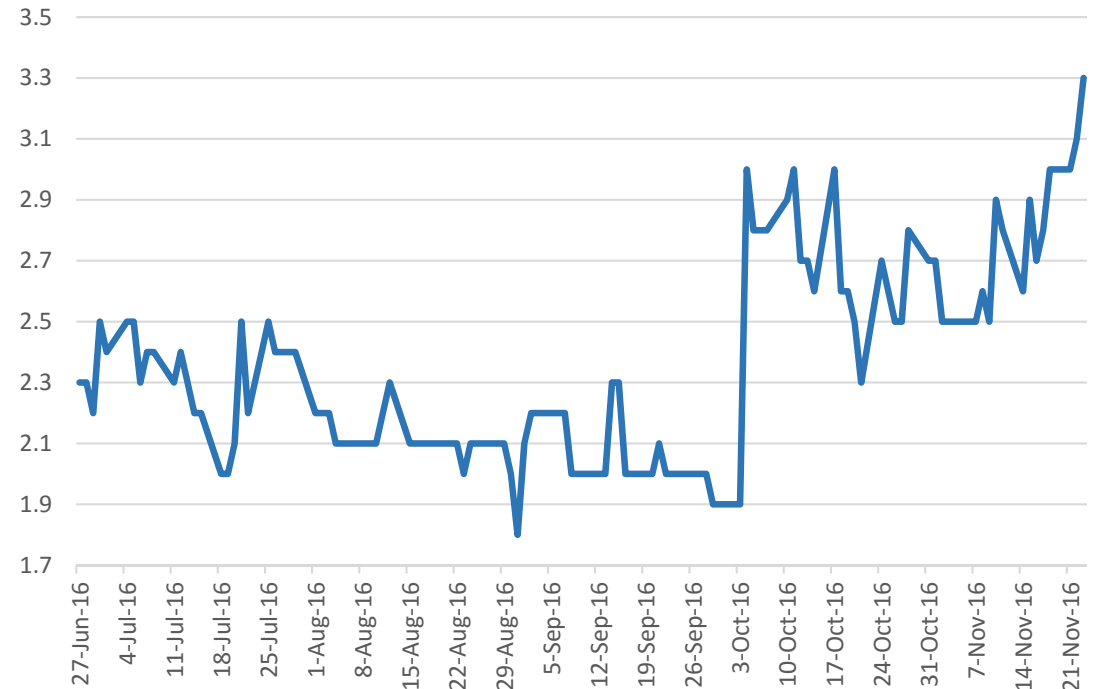
Corporate Snapshot

ASX Code	ST1
Share Price	3.3 cents
Ordinary Shares	836,844,216
Market Capitalisation	\$27.6m
Cash (30-Jun-16)	\$2.25m
Debt (30-Jun-16)	\$2.20m
Enterprise Value	\$27.65m
FY2016 Underlying EBITDA	\$0.995m
EV/FY2016 Underlying EBITDA	27.8 x

Board and Management

James Joughin	Non-Executive Chairman
Geoff Neate	Managing Director
Terry Gray	Non-Executive Director
Matthew Hobbs	Chief Operations Officer
Catherine Bolch	Chief Marketing Officer
Allan Dibb	Chief Technical Officer
Andrew Walsh	Financial Controller
Melanie Leydin	Company Secretary

Share Price



Substantial Shareholders

Directors	21.5 %
Management	20.1 %
Institutional	32.7%

FY16 Highlights

- Successful re-listing on the ASX on 26th June 2016
- Completed FY16 with 43% Revenue Increase
 - 63% Gross Margin Increase
 - 476% Underlying EBITDA Increase
- Re-shaped company structure for growth
- Recognised as Australia's fastest ISP
- My Telecom acquisition integrated into Spirit
- Over 200 on-net buildings

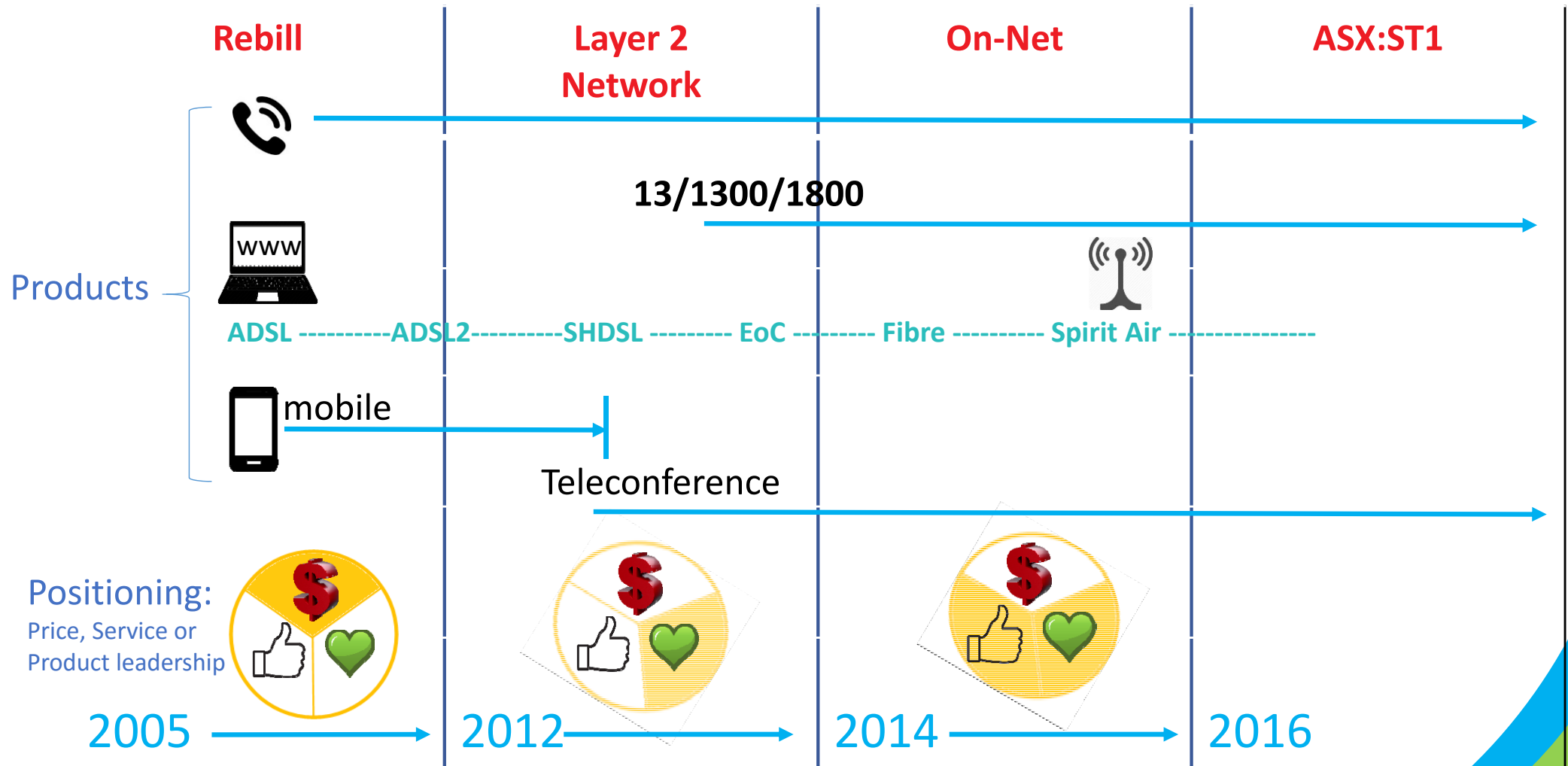


Re-Listing Summary

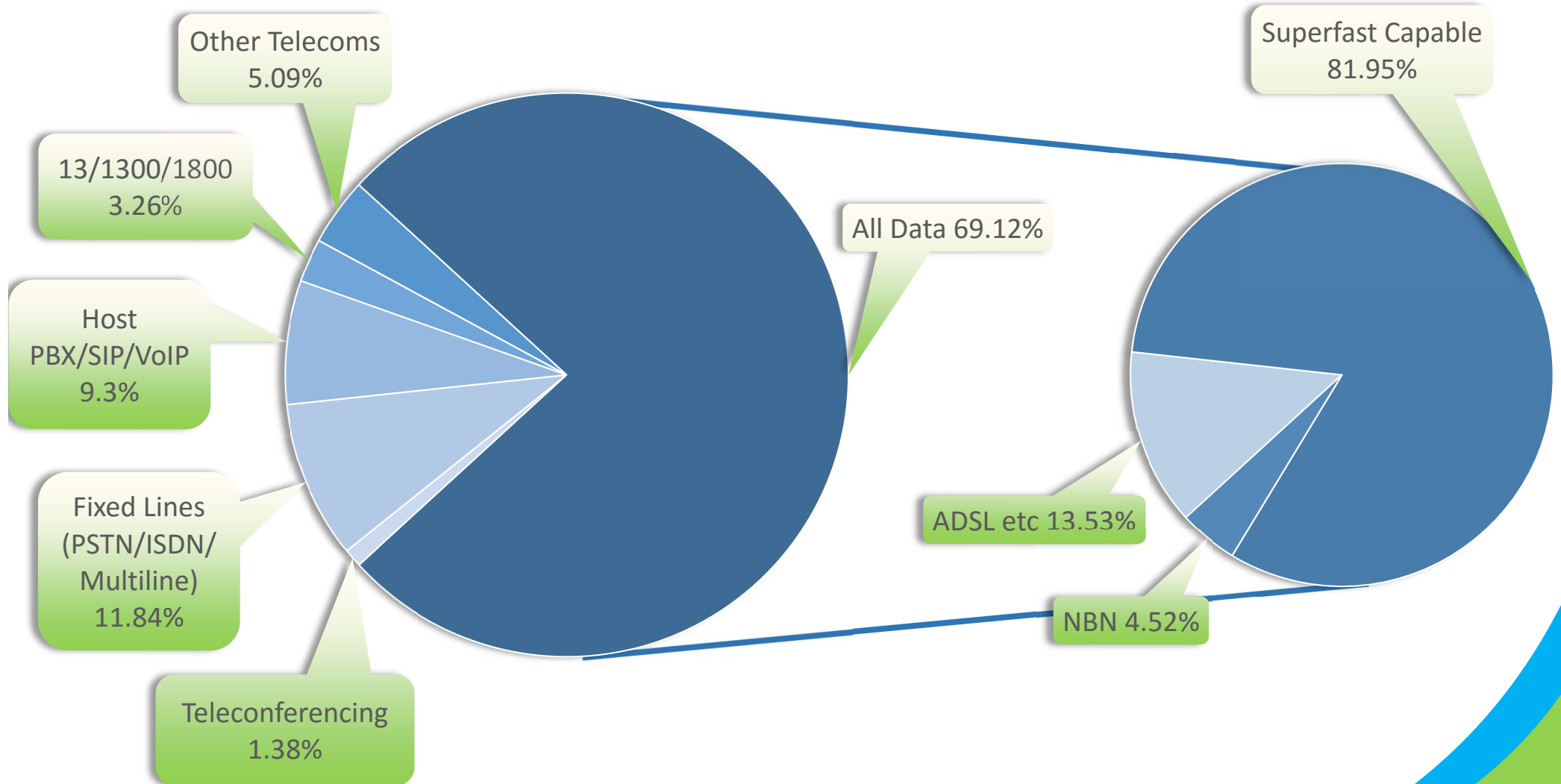
- Spirit Telecom (Australia) Pty Ltd sold to Arunta Resources Limited:
- Consideration
 - 611,250,000 New Shares
 - 197,594,357 options of 3.9376 cents
- Raised \$2.6m on re-listing

	Shares	%	Options
Former AJR Shareholders	93,925,860	11.2	25,677,769
Former Spirit Shareholders	611,250,000	73.1	197,594,357
New ST1 Shareholders	131,032,000	15.7	0
Total as at 30 June 2016	836,207,860	100	223,272,126

Where we have come from

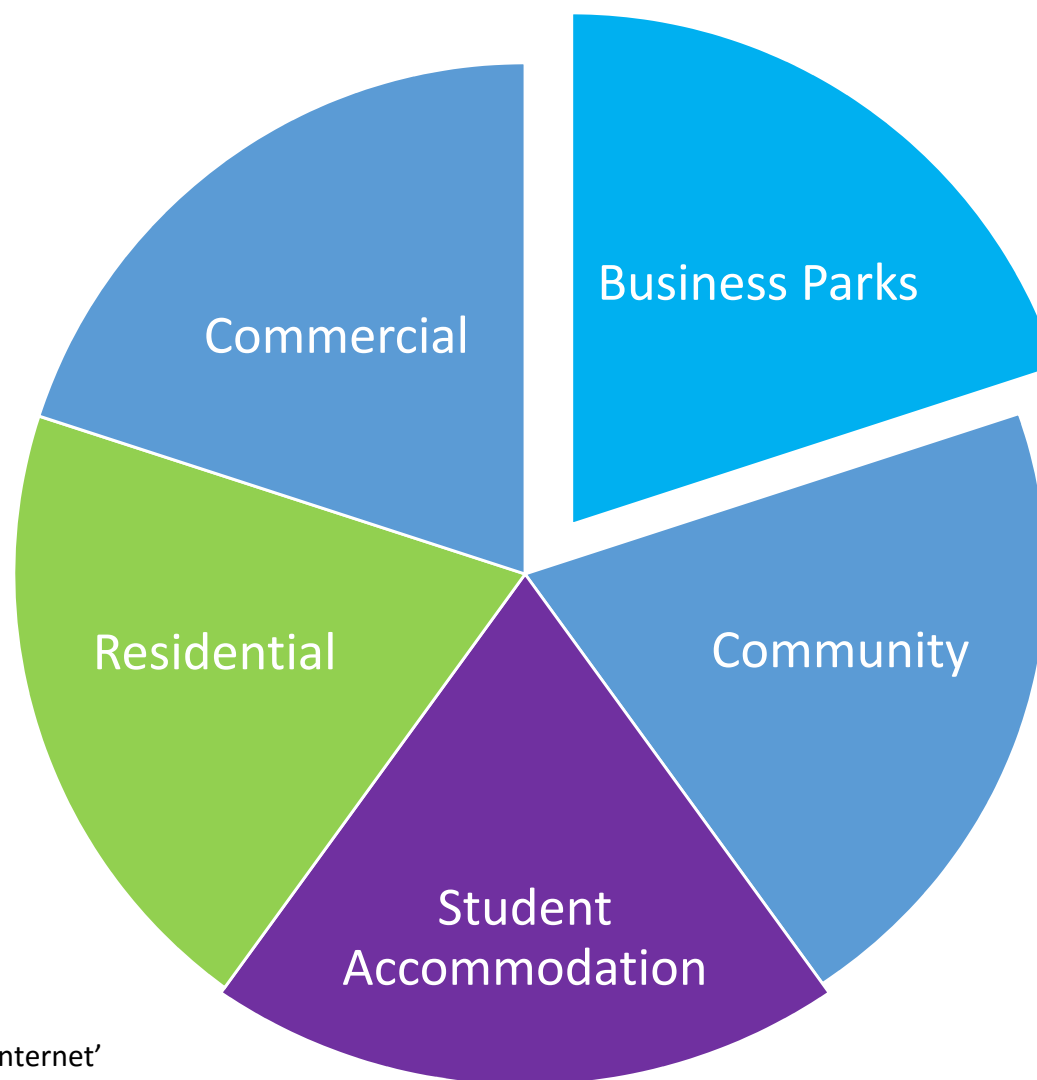


Revenue by Product



Our Target Market

9.7% of Australia's Internet connections have download speeds greater than 15Mbps¹



1. Akamai Q2 2016 Rankings 'State of the Internet'



<https://youtu.be/v4ge0rPVqkQ>

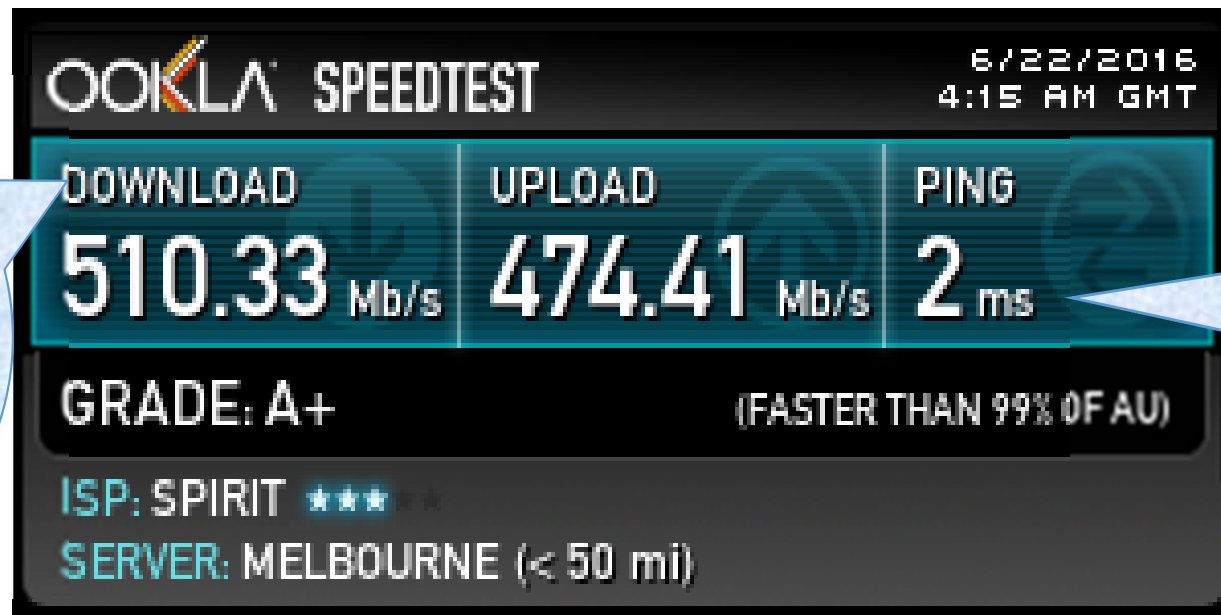
What makes fast Internet?

There are two critical components that determine Internet Speed

1. Latency: the time to transmit data between points A and B
2. Bandwidth: The transmission capacity of a given connection

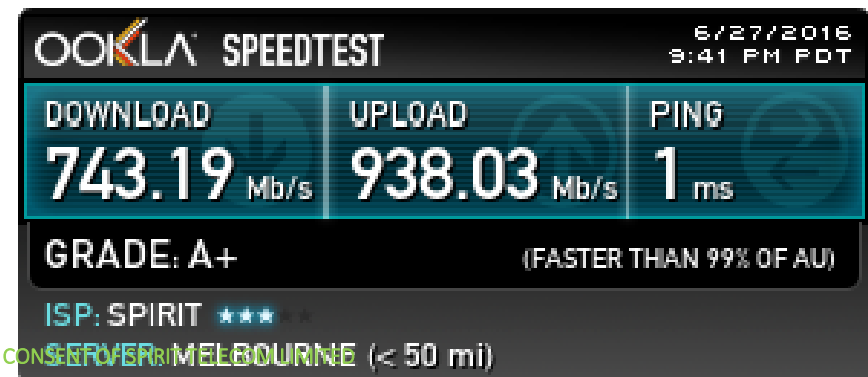
So using a freeway analogy...

Bandwidth: how many cars can travel on a freeway



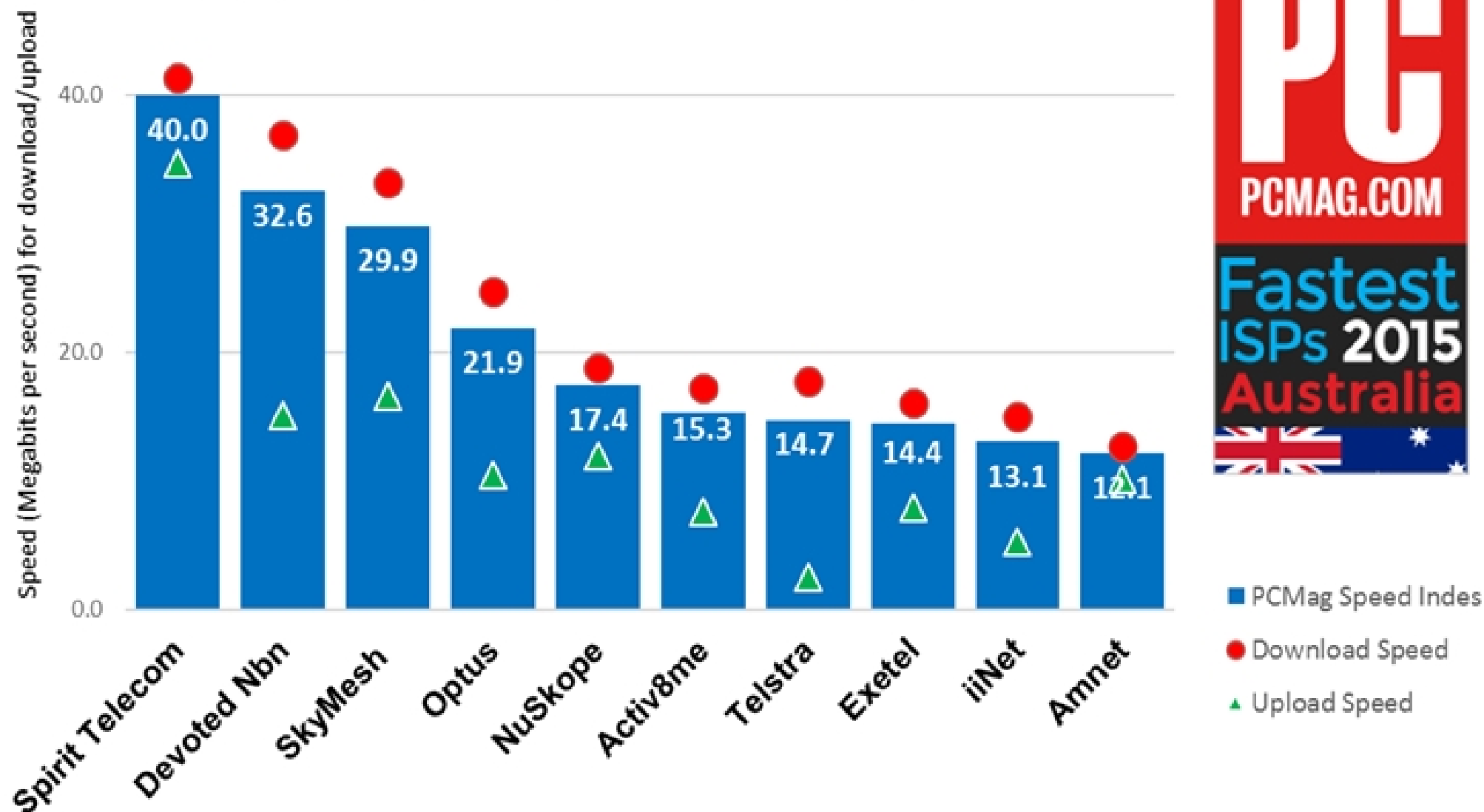
Latency/"Ping" speed: how fast a car travels on a freeway

Speed test taken at 9 Yarra Street, South Yarra (Vic) on 22nd June 2016 at 4.15pm on the Spirit network



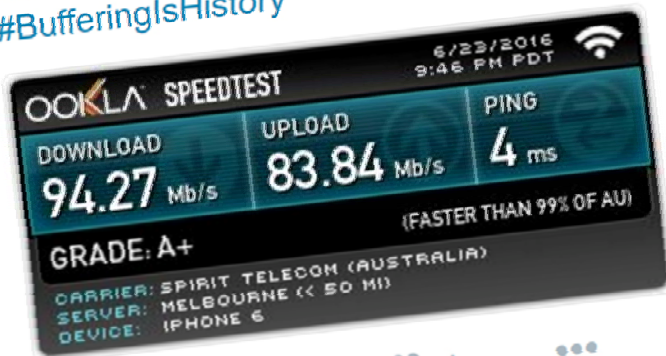
Where Spirit fits in the telco sector

Fastest ISPs 2015—Australia



Customer Comments

 **Michael Walsh** @MikeWalshAUS · Jun 24
Goodbye Telstra, hello speed @SpiritTelecom #MySaviour
#BufferingIsHistory



 **Kim Burgess**
@_____kim

  Follow

Holy crap. Just got an email from @SpiritTelecom saying they're bumping me up to a symmetric 100/100 link... uncapped.



nullref matt @matt_rolly · Oct 29

I sure am glad I'm paying more per month for a slower, less reliable service with a smaller download limit! @SpiritTelecom @Telstra

 2



 1



nullref matt @matt_rolly · Oct 29

10 months on @SpiritTelecom fiber without a single issue. 2 weeks on @Telstra NBN and I get a day-long outage. Brilliant.

 1







Results Summary

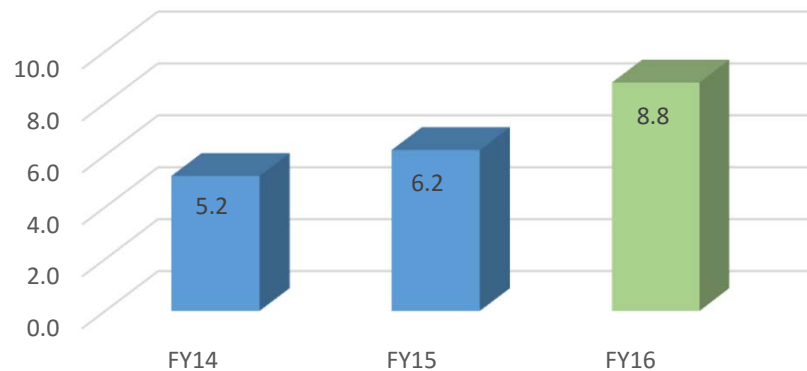
compared with previous corresponding period (PCP)

	2016	2015	Variance
Revenue (\$m)	8.8	6.2	42%
Gross Margin	4.5	2.9	55%
Gross Margin %	53%	47%	6%
Underlying EBITDA (\$m)	0.995	0.209	476%
NPBT	-2.858	-0.121	

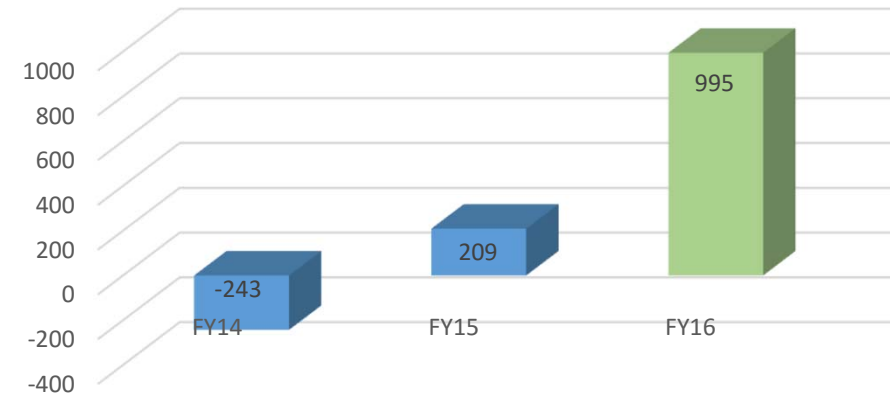
	Y on Y change (\$'000)	30 June 2016 (\$'000)	30 June 2015 (\$'000)
Net Assets	2002	3,214	1,212
Borrowings (inclusive of leases)	(0.114)	2,205	2,319

A Track Record of Growth

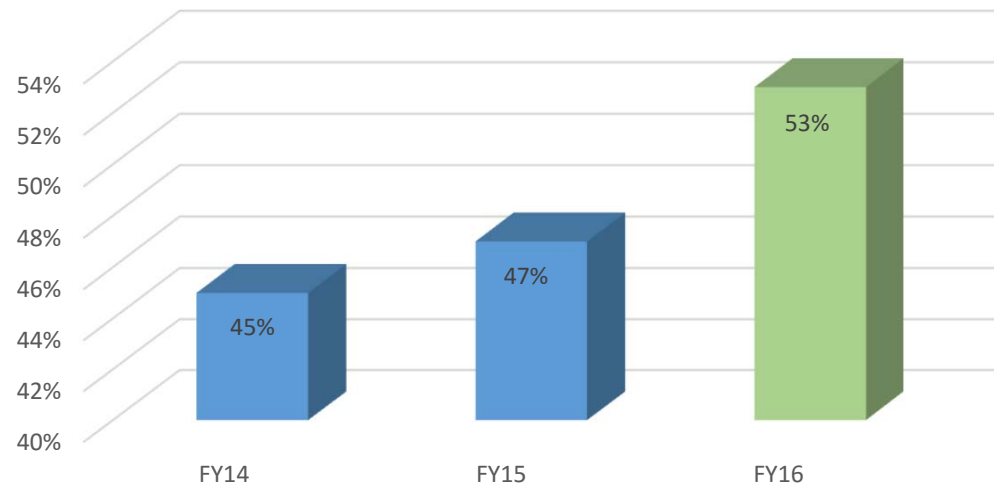
Sales Revenue up 42% (\$m)



Underlying EDITDA up 476% (\$k)



Gross Margin %



Where we are headed

- Increased Sales and Marketing activity
- Organic Growth
 - Continue 'land grab' with superior product deployment
- Growth by Acquisition
- Excellence in customer service

Working with the Spirit Team

“Culture eats strategy for breakfast” (Peter Drucker)

- Pillars that drive decisions and behavior



Thank you for attending

