

ASX & MEDIA RELEASE**4 April 2019****Presentation at Goldman Sachs Emerging Companies Conference**

The following is a presentation that will be given at the Goldman Sachs Emerging Companies Conference today, Thursday 4 April, 2019 at 11:00am AEDT.

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). The Service Stream Group is a provider of essential network services to the telecommunications and utility sectors. Service Stream operates across all states and territories, has a workforce in excess of 2,200 employees and access to a pool of over 3,000 specialist contractors. For more information please visit www.servicestream.com.au.

Service Stream Limited

Goldman Sachs Emerging Companies Conference

Leigh Mackender
Managing Director

4 April 2019



Agenda

1 Company Overview

2 Business Operations

3 Market Dynamics

4 Group Performance

5 Group Outlook

6 Q&A



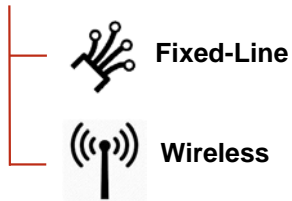
COMPANY OVERVIEW

Service Stream

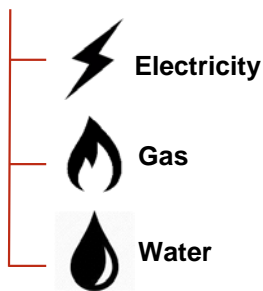
Service Stream Limited (ASX: SSM) is a S&P/ASX company providing integrated end-to-end asset life-cycle services to utility and telecommunication asset owners and network operators nationally

OUR MARKETS

Telecommunications



Utilities

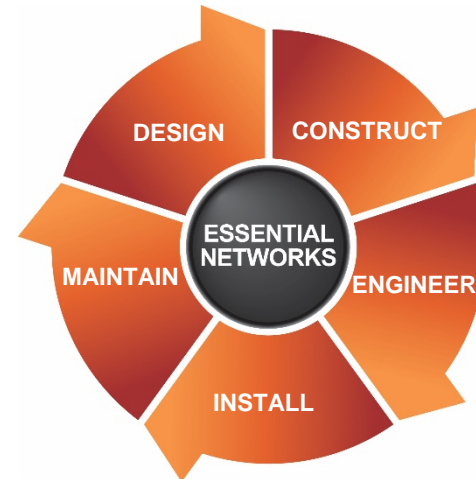


OUR CUSTOMERS

Long-term and expanding client base:

- + Network Asset Owners
- + Network Operators
- + Retail Service Providers
- + Regulators
- + Government

OUR SERVICES



OUR OPERATIONS



26 Offices & Depots

Servicing 75% of Australia's land mass

Workforce of over 5,000

10k+ Tickets of Work per day

100k+ Properties visited per day

36m+ Properties visited per annum



BUSINESS OPERATIONS

Business Operations

Through our three operating divisions; **Fixed Communications**, **Network Construction** and **Energy & Water**, we work with clients to provide specialist services associated with the **design, engineering, construction, installation** and ongoing **maintenance** of their essential network infrastructure



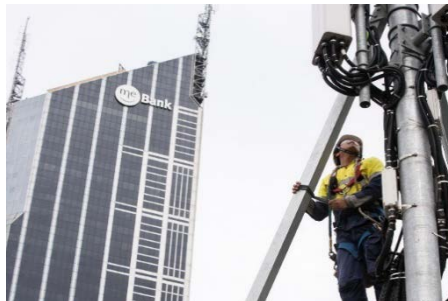
FIXED COMMUNICATIONS

Network operations,
maintenance and minor works



NETWORK CONSTRUCTION

Network engineering, design and
construction



ENERGY AND WATER

Utility asset installation,
inspection and maintenance



Fixed Communications

Service Stream's **Fixed Communications** team specialises in providing design, construction, upgrade and maintenance services across Australia's fixed-line telecommunication networks

SERVICES

- ▶ End-user installation and commissioning
- ▶ End-user fault diagnosis and rectification
- ▶ Network fault diagnosis and 24/7 support
- ▶ Network fault prevention
- ▶ Proactive network augmentation and upgrade
- ▶ Network asset relocation

TECHNOLOGIES

- ▶ Fibre-optic (FTTP, FTTC, FTTN, FTTB)
- ▶ Copper
- ▶ Hybrid-fibre Coaxial (HFC)

CUSTOMERS

- ▶ nbn co
- ▶ Telstra
- ▶ Optus
- ▶ TPG



Network Construction

Service Stream's **Network Construction** team specialises in site acquisition, design, engineering, construction, installation, upgrade and maintenance of wireless & fibre-optic fixed-line telecommunication infrastructure

SERVICES

- ▶ Design & construction of multi-technology telecommunication networks
- ▶ Site acquisition for greenfield wireless infrastructure
- ▶ Engineering, design, construction & decommissioning of wireless infrastructure ... including LTE base stations, towers and rooftop deployments
- ▶ Upgrade of wireless infrastructure ... including LTE base stations, towers and rooftop deployments
- ▶ Lease management & colocation negotiations
- ▶ Wi-Fi design & installation and satellite earth stations

TECHNOLOGIES

- ▶ Fibre-optic (FTTP, FTTC, FTTN, FTTB)
- ▶ Wireless (2G, 3G, 4G, 5G)

CUSTOMERS

- ▶ nbn co
- ▶ Telstra, Vodafone, Nokia, TPG
- ▶ Private wireless network owners



Engineering & Design



Network Construction



Upgrade & Maintenance

Energy & Water

Service Stream's **Energy & Water** team specialises in providing design, installation, maintenance and customer management services to Australia's electricity, gas and water network owners and retailer service providers

SERVICES

- ▶ Meter reading
- ▶ Meter and asset replacement
- ▶ Disconnection/re-connection services
- ▶ Smart-meter network deployments
- ▶ Asset inspection and compliance auditing
- ▶ Commercial and residential solar PV
- ▶ Electric vehicle charge station
- ▶ Battery storage

TECHNOLOGIES

- ▶ Electricity
- ▶ Gas
- ▶ Water

CUSTOMERS

- ▶ Network owners
- ▶ Network operators
- ▶ Utility Regulators
- ▶ Utility Retailers
- ▶ Private Asset Owners



Installation & Maintenance



Design & Construction



Inspection & Auditing

Comdain Infrastructure (Energy & Water)

Comdain Infrastructure specialises in providing end-to-end network engineering, design & construction and maintenance services to gas and water network owners and operators across Australia's east coast

SERVICES

- ▶ Strategic Planning and Asset Management
- ▶ Planned and 24/7 Emergency Response
- ▶ Planning, Engineering, Design and Construction
- ▶ Network upgrade and renewals
- ▶ Electrical Mechanical Instrumentation
- ▶ Asset inspection and compliance auditing

TECHNOLOGIES

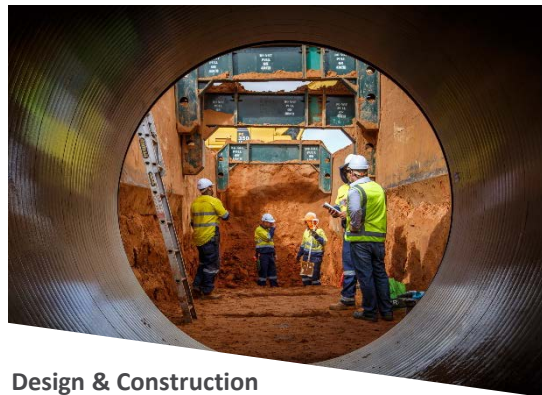
- ▶ Gas (Distribution & Transmission)
- ▶ Water (Treatment, Distribution & Transmission)

CUSTOMERS

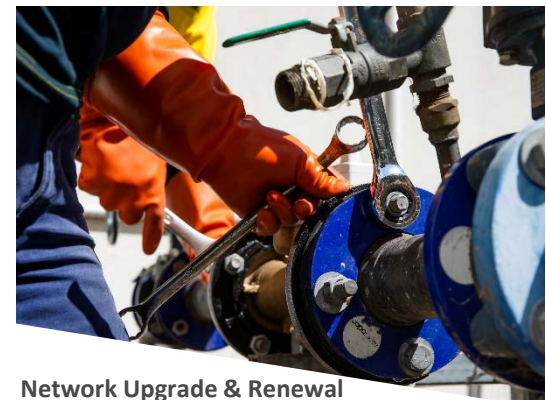
- ▶ Network owners
- ▶ Network operators



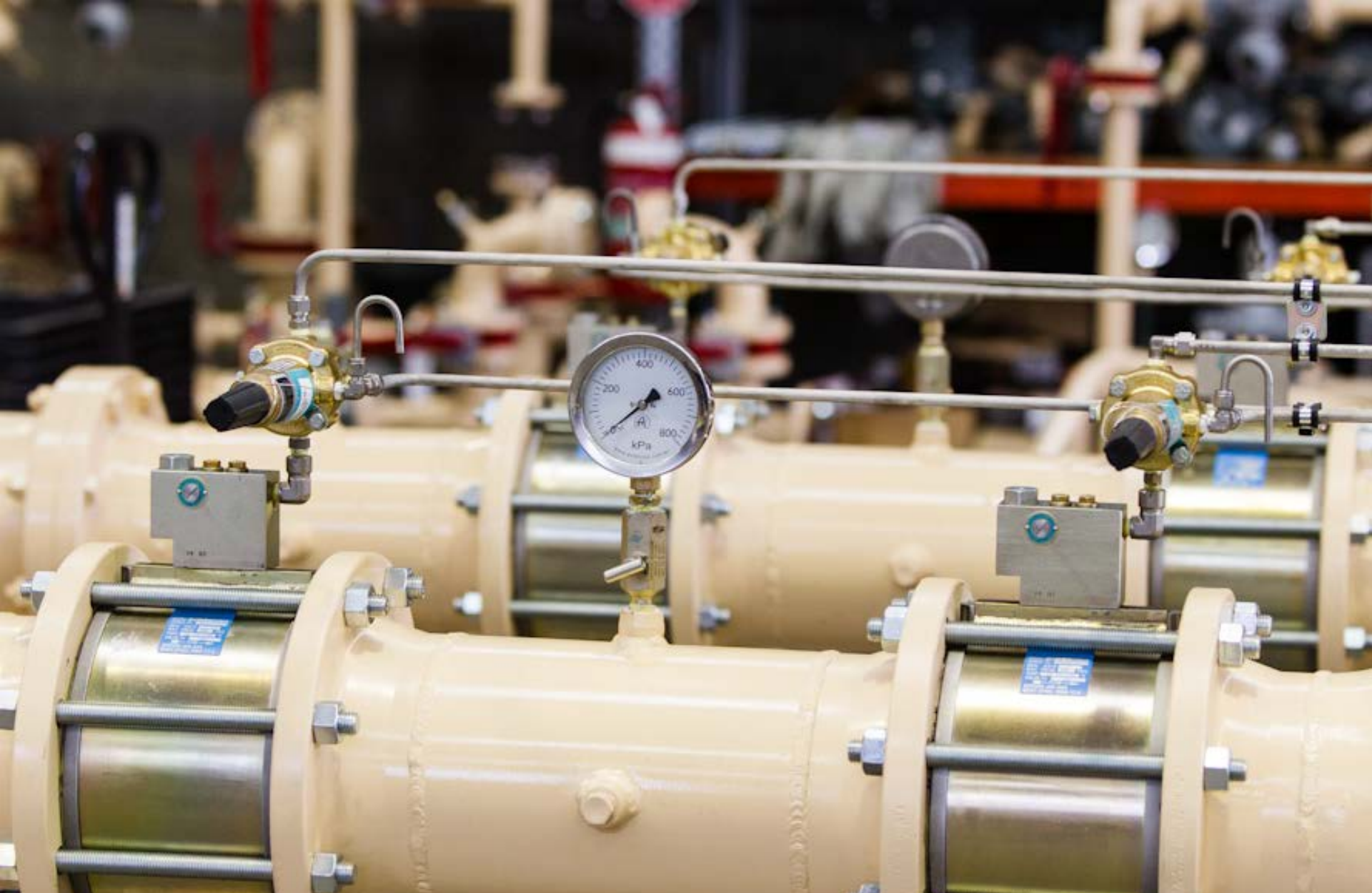
Operations & Maintenance



Design & Construction



Network Upgrade & Renewal

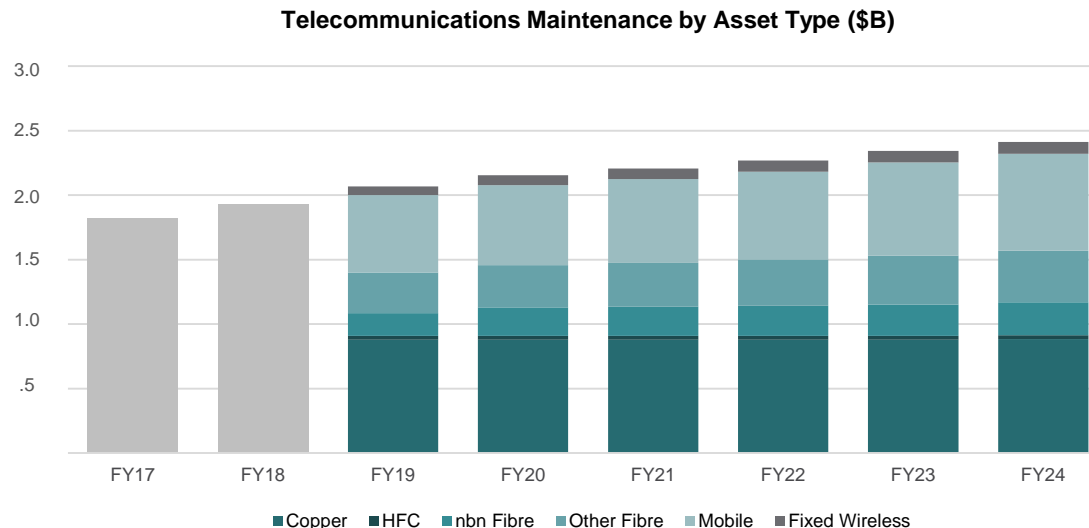


MARKET DYNAMICS

Telecommunications Maintenance Outlook

Investment in new telecommunications networks supports increasing maintenance activities and long-term sustainable growth

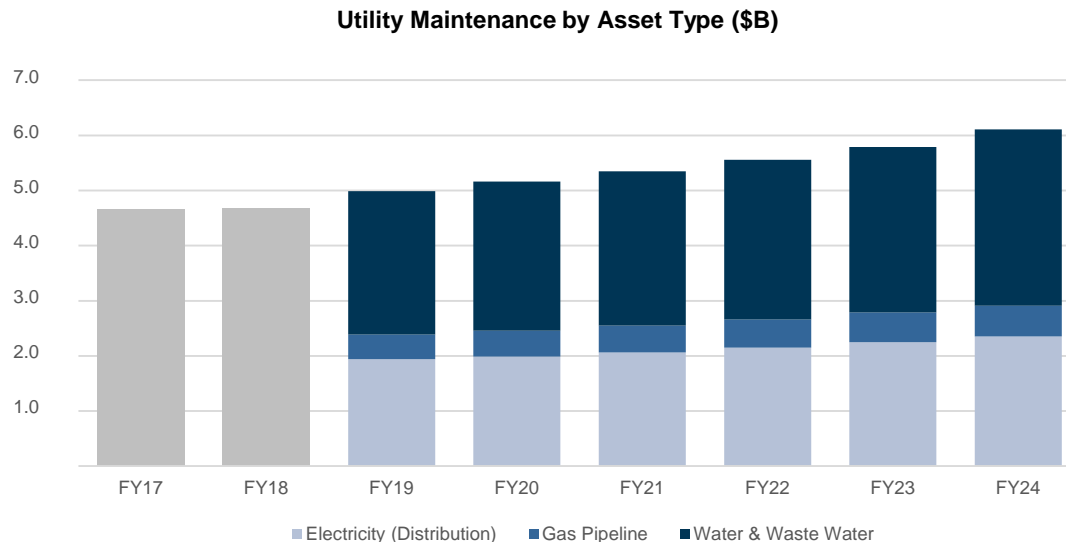
- Steady maintenance expenditure across existing telecommunication infrastructure
- Fixed-line maintenance increasingly transfers to nbn as the network deployment increases
- Technology-driven investment in new fixed-line and wireless network infrastructure supporting increasing network maintenance
- High proportion >85% of infrastructure maintenance outsourced
- Service Stream remains technology-agnostic, providing a range of maintenance services across both fixed-line and wireless technologies



Utility Maintenance Outlook

Population growth and aging infrastructure networks supporting the incremental growth in maintenance of utility asset infrastructure

- Ageing utility asset base supporting steady levels of network maintenance over the medium and longer term
- Increased investment in renewal and upgrade of water and wastewater infrastructure to support population growth
- Estimated that ~60% of utility infrastructure maintenance works are currently outsourced
- Service Stream provides services associated with the design, construction, installation and maintenance of gas, water and electricity assets



Source: BIS Oxford Economics, Maintenance In Australia 2019-2033

Group Strategic Pillars

We continue to focus on five fundamental pillars which drive operational delivery, continual improvement and support future growth.



SERVICE DELIVERY

- ▶ Continued focus on **service delivery** and **execution**
- ▶ Drive ongoing improvements across our **Safety performance**
- ▶ Maintain a comprehensive **quality management** program
- ▶ Deliver a **positive customer** experience



CLIENT RELATIONSHIPS

- ▶ Continue to **develop and enhance** our existing client relationships
- ▶ Expand and secure **new relationships** to support business growth



OPTIMISE OUR DELIVERY MODEL

- ▶ Ongoing investments in technology to support growth and increase efficiency
- ▶ Implement **mature and scalable** business frameworks and processes
- ▶ Increase use of **data analytics** and **Business intelligence** tools to drive improved business outcomes



OUR PEOPLE

- ▶ Continual investment in **talent development** and **succession programs** to support our valued people
- ▶ Ongoing investment in programs to **attract and retain new talent**
- ▶ Make it simple for our field workforce to engage with the business



DELIVER GROWTH

- ▶ Target additional '**annuity style**' revenues to support ongoing future growth
- ▶ Maximise organic '**value added**' opportunities across our existing client base
- ▶ Consider **acquisitions** which provide revenue diversity and support growth across known / adjacent markets



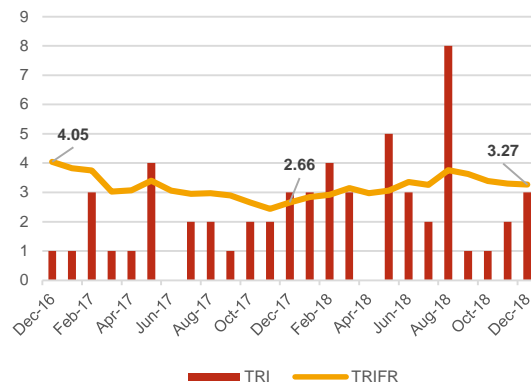
GROUP PERFORMANCE

Safety Performance

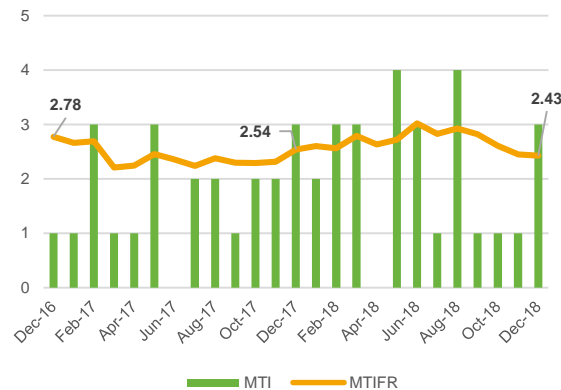
Maintaining our focus on the safety of our people, our customers and the community

- Maintaining a strong safety culture as operations across the business continue to grow and expand
- Continue working through a range of new initiatives to drive improvement across key performance metrics:
 - Increasing use of lead indicators to assess group performance across key risk areas
 - Targeted campaigns to review and improve HSE processes associated with higher-risk field activities

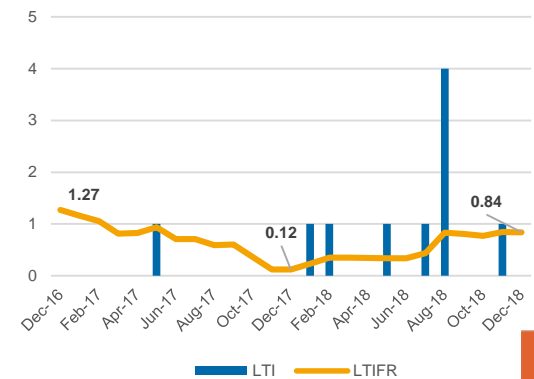
Total Recordable Injuries



Medical Treated Injuries

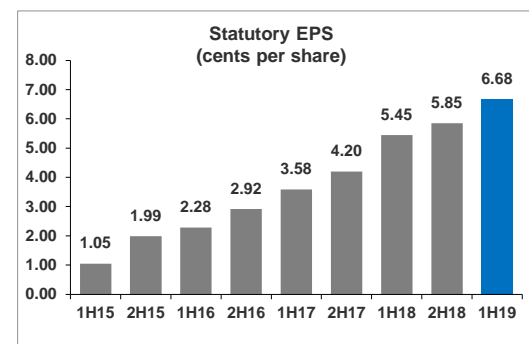
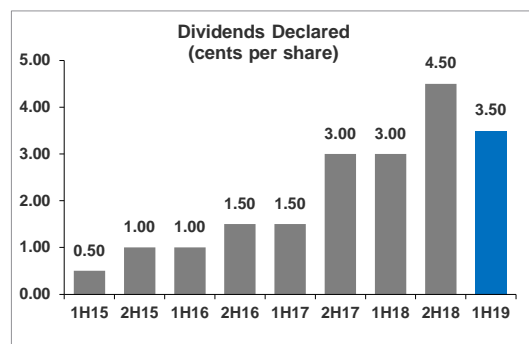
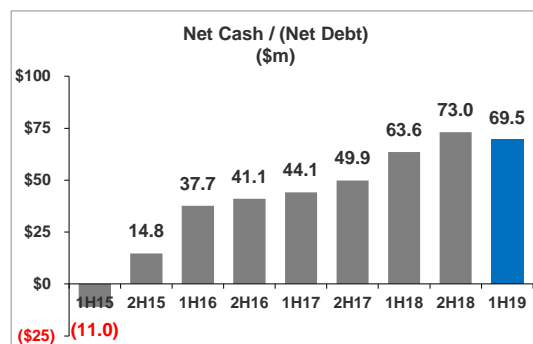
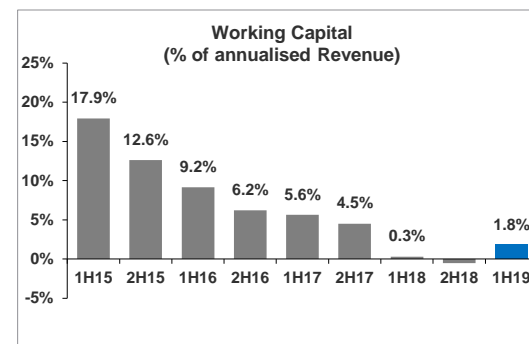
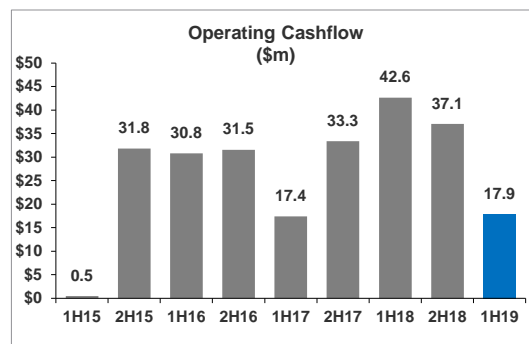
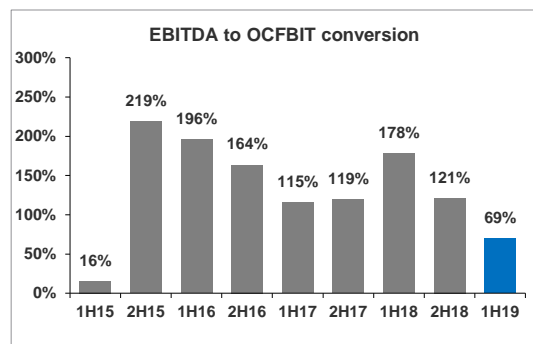
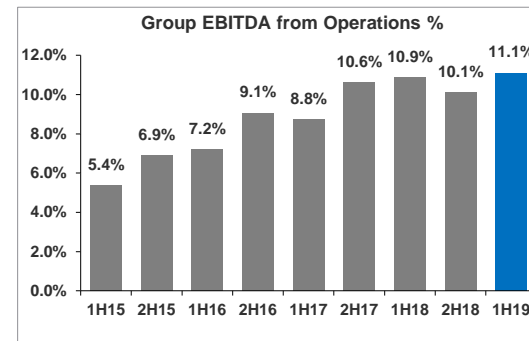
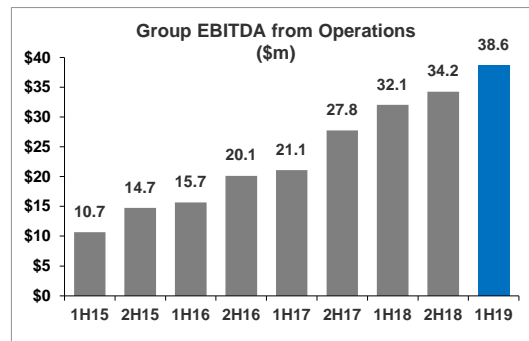
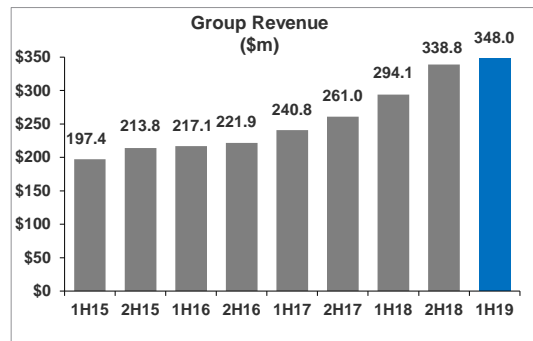


Lost Time Injuries



Financial Highlights

11th consecutive half-year period delivering growth in key profit measures





GROUP OUTLOOK

FY19 Outlook

- We expect:
 - the second-half of FY19 to generate EBITDA from Operations from the core business at least in-line with the first-half
 - Comdain Infrastructure to deliver revenue of \$320 million and EBITDA of \$22 million for the full-year ... with approximately 50% thereof contributing to Service Stream earnings in the second-half
 - to incur transaction costs associated with the Comdain Infrastructure acquisition of approximately \$1.4 million in the second-half
- Priorities for the second-half include:
 - integration of the Comdain Infrastructure
 - mobilisation of new nbn Business Services contract
 - scaling field resource pool to assist with increased work volumes across nbn OMMA program
 - maintaining service delivery performance for nbn in respect of customer activations and assurance works
 - maintaining momentum on nbn DCMA construction program
 - resecuring contracts with wireless carriers





Q&A