SERVICE STREAM LIMITED

FY20 First-Half Results Presentation

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5 February 2020

servicestream
ESSENTIAL NETWORK SERVICES

Contents

Company Profile

Service Stream Limited (ASX:SSM) is a S&P/ASX200 company providing integrated end-to-end asset life-cycle services across essential infrastructure networks within the Telecommunications and Utilities sectors

servicestream
ESSENTIAL NETWORK SERVICES

TELECOMMUNICATIONS

Telecommunication network engineering, design & construction, maintenance and operations

- FIXED COMMUNICATIONS
- NETWORK CONSTRUCTION

UTILITIES

Utility network engineering, design & construction, maintenance and operations

- ENERGY AND WATER
- COMDAIN INFRASTRUCTURE

Performance Highlights

Financial	▪ All profitability measures up on 1H19 (pcp) ▪ 1H20 EBITDA from Operations of $58.1m … up 50% on pcp ▪ 13th consecutive HY of growth in EBITDA from Operations, albeit aided by AASB 16 ▪ EBITDA to OCFBIT conversion in line with expectation ▪ Interim dividend increased to 4.0 cps (fully franked)
Operational	▪ Continue to experience strong demand for nbn activation services ▪ Comdain Infrastructure secured two new long-term contracts with Sydney Water (via JV) and Queensland Urban Utilities (QUU) ▪ nbn D&C programs nearing successful completion, and Wireless performing well on initial 5G work packages ▪ Group continues the delivery of industry leading HSE performance
Strategic	▪ Comdain Infrastructure integration continues to progress well with an expanded program scheduled for 2H20 as business works to consolidate utility service offerings ▪ Strong pipeline of business development opportunities across both Telco and Utilities ▪ External growth and diversification opportunities were assessed during 1H20 under our disciplined approach, strict criteria and extensive due diligence. ▪ M&A opportunities continue to be assessed

FINANCIAL PERFORMANCE

Financial Highlights

Revenue:

$497.8m

- Revenue up 43% on $348.0m in pcp
- Includes $147.3m from Comdain Infrastructure and strong growth from Fixed Communications

EBITDA from Operations:

$58.1m

- EBITDA from Operations up 50% on $38.6m in pcp and up 6% on 2H19
- Before incurring non-operational costs associated with external expert due diligence on potential acquisition opportunities ($1.25m) and Comdain Infrastructure integration ($0.40m)

Adjusted NPAT:

$32.3m

- Adjusted NPAT up 28% on $25.1m in pcp
- Before amortisation of customer contracts arising from TechSafe and Comdain Infrastructure acquisitions

Adjusted EPS:

7.96cps

- Adjusted EPS up 14% on 6.97 cps in pcp
- Average shares on issue of 405.5m up 12% on pcp due to part scrip consideration for the Comdain Infrastructure acquisition

Dividends:

4.0cps

- Interim dividend of 4.0 cps (fully franked) up 14% on pcp
- Payout ratio of 59% based on Statutory EPS

Key Financial Measures

All profitability measures up substantially on pcp

Key financial measures

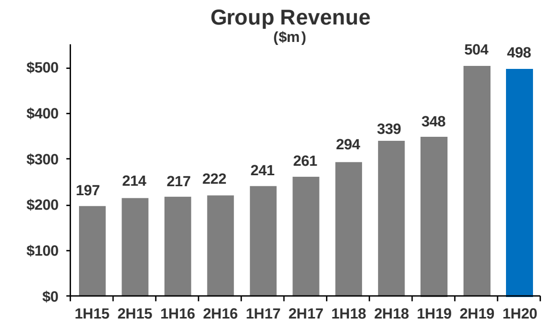
$ million	FY20 1st Half	FY19 1st Half	Change	
Profitability:				
Revenue	497.8	348.0	149.8	43%
EBITDA from Operations	58.1	38.6	19.4	50%
EBITDA from Operations %	11.7%	11.1%	0.6%	
Adjusted EBIT (EBITA)	47.9	35.6	12.3	35%
Adjusted NPAT (NPATA)	32.3	25.1	7.2	28%
Adjusted EPS (cents)	7.96	6.97	0.99	14%
Cashflow & Capital Management:				
OCFBIT	32.8	26.4	6.4	24%
Operating Cashflow	10.2	17.9	(7.7)	(43%)
Net (Debt)/Cash [2]	(4.0)	10.5 [1]	(14.5)	(138%)
Dividends declared per share (cents)	4.00	3.50	0.50	14%
Statutory Profitability:				
Reported EBITDA	56.4	38.0	18.4	48%
Reported EBIT	40.8	34.1	6.6	19%
Statutory NPAT	27.3	24.1	3.2	13%
Statutory EPS (cents)	6.73	6.68	0.05	1%

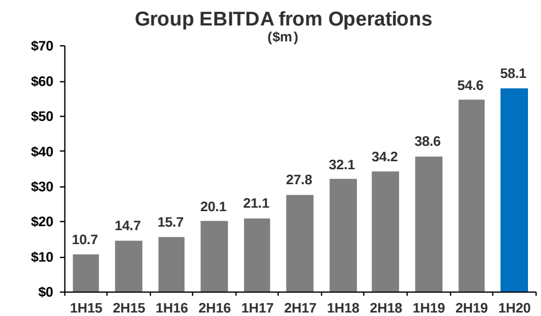
[1] *As at 30 June 2019*

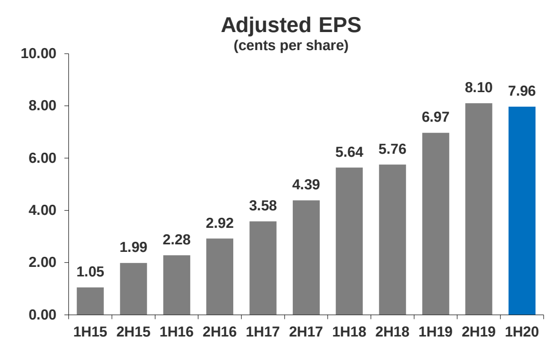
[2] *Excludes lease liability arising from the application of AASB 16 to operating leases*

Refer Appendix 2 for a reconciliation of statutory to adjusted profitability measures

All financial measures and period-on-period changes thereto are rounded to the displayed number of decimal places







Segment Results

1H20 reflects adoption of AASB 16 Leases and includes earnings from Comdain Infrastructure

Segment results

$ million	FY20 1st Half		FY19 1st Half		Change	
Telecommunications	297.9		298.1		(0.2)	
Utilities	199.2		51.3		147.8	
Eliminations, interest & other revenue	0.7		(1.4)		2.1	
Total Revenue [1]	**497.8**		**348.0**		**149.8**	
Telecommunications	45.3	15.2%	35.9	12.1%	9.4	3.2%
Utilities	15.5	7.8%	5.4	10.6%	10.0	(2.8%)
Unallocated corporate costs	(2.7)	(0.5%)	(2.7)	(0.8%)	0.1	0.2%
EBITDA from Operations [1 2]	**58.1**	**11.7%**	**38.6**	**11.1%**	**19.4**	**0.6%**
One-off / non-operational items	(1.7)		(0.6)		(1.0)	
Reported EBITDA	56.4	11.3%	38.0	10.9%	18.4	0.4%
Depreciation & Amortisation [3]	(5.7)	(1.1%)	(3.0)	(0.9%)	(2.6)	(0.3%)
Depreciation - ROULA [4]	(4.5)	(0.9%)	0.0	0.0%	(4.5)	(0.9%)
EBITA	**47.9**	**9.6%**	**35.6**	**10.2%**	**12.3**	**(0.6%)**
Financing costs	(1.3)		0.4		(1.7)	
Financing costs - Leases [4]	(0.5)		0.0		(0.5)	
Income tax expense	(13.9)	29.7%	(10.8)	30.1%	(3.0)	(0.4%)
NPATA	**32.3**	**6.5%**	**25.1**	**7.2%**	**7.2**	**(0.7%)**

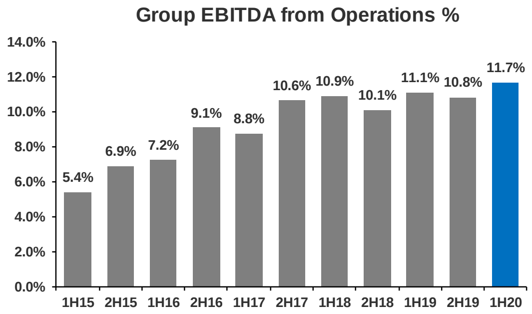
[1] Customer Care transferred from Utilities to Telecommunications wef 1 July 2019, with restatement of 1H19 comparatives

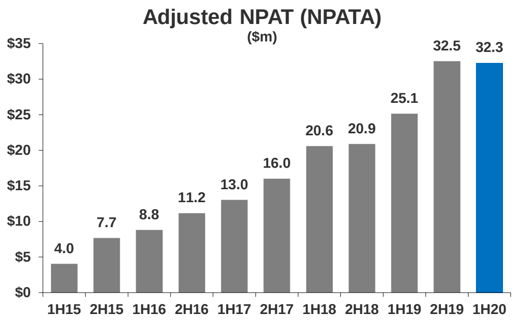
[2] Refer Appendix 2 for reconciliation of statutory to adjusted profitability measures

[3] Excludes amortisation of customer contracts

[4] Arising from the adoption of AASB 16 Leases

All financial measures and period-on-period changes thereto are rounded to the displayed number of decimal places





Cashflow Results

Operating Cashflow impacted by higher tax and dividend outflows as expected

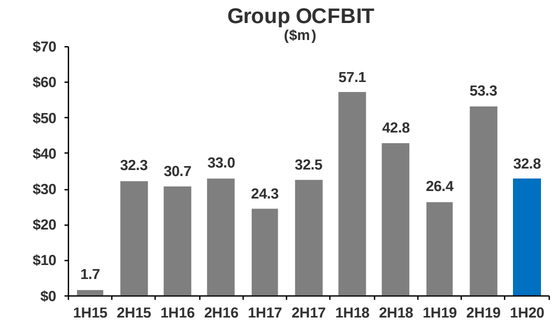
Cashflow results

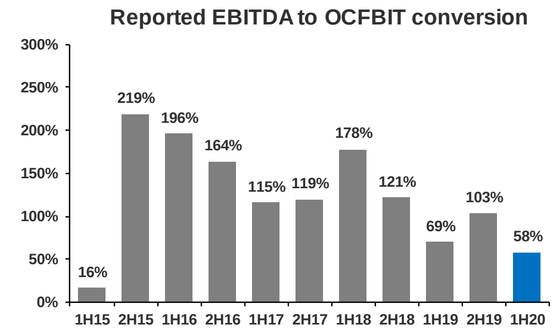
$ million	FY20 1st Half	FY19 1st Half	Change
Reported EBITDA	56.4	38.0	18.4
+/- non-cash items & change in working capital	(23.7)	(11.6)	(12.0)
OCFBIT [1]	**32.8**	**26.4**	**6.4**
EBITDA to OCFBIT [1] conversion %	*58%*	*69%*	*(11%)*
Net interest and financing (paid) / received	(2.0)	0.0	(2.0)
Tax paid	(20.6)	(8.6)	(12.0)
Operating cashflow	**10.2**	**17.9**	**(7.7)**
Capital expenditure (net of proceeds from sales)	(2.5)	(5.2)	2.7
Free cashflow	**7.8**	**12.7**	**(4.9)**
Dividends paid	(21.0)	(16.2)	(4.8)
Lease liability payments	(4.8)	(0.2)	(4.6)
Lease incentives received	4.2	0.0	4.2
Purchase of shares	(0.7)	0.0	(0.7)
Net decrease in cash	**(14.7)**	**(3.7)**	**(10.9)**

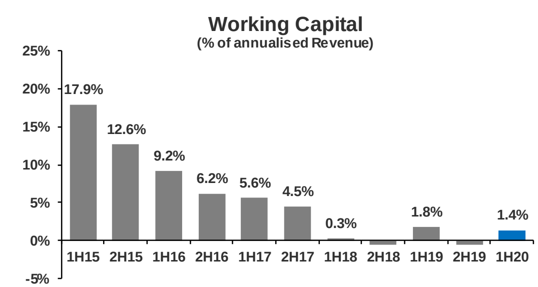
[1] Operating cashflow before interest & tax

All financial measures and period-on-period changes thereto are rounded to the displayed number of decimal places

- OCFBIT conversion rate in line with expectation, impacted by the unwind of Income in Advance as nbn MIMA & DCMA programs near completion



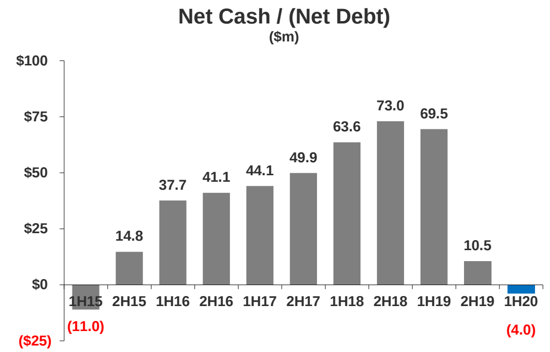


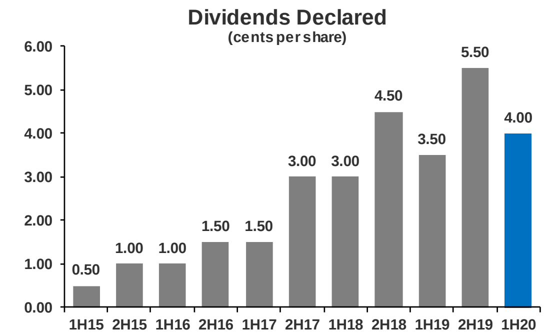


Capital Management

Maintaining a conservative approach to leverage

- Increased interim dividend (fully-franked) of 4.0 cps declared in line with the Group's progressive dividend policy.
- Dividend payable 19 March 2020 with DRP continuing to apply.
- Group has maintained a conservative leverage approach with Net Debt of ($4.0m) at period-end after funding prior period's increased dividend payout and tax payments relating to prior period's record earnings and Comdain Infrastructure's "stub" tax return.
- Working Capital remains highly efficient at <1.5% of annualised revenue.





Net (Debt) / Cash

$ million	31-Dec-19	30-Jun-19
Cash and cash equivalents	56.1	70.8
Borrowings	(60.0)	(60.0)
Finance lease liability [1]	(0.1)	(0.3)
Net (Debt) / Cash	**(4.0)**	**10.5**

[1] Excludes lease liability arising from the application of AASB16 to operating leases

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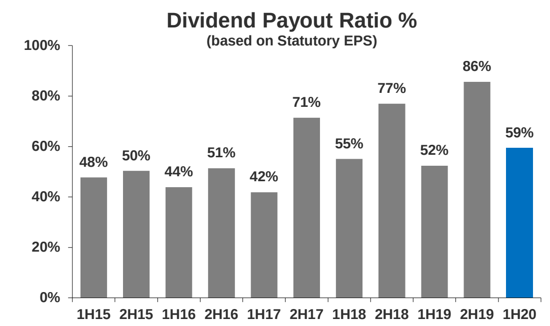


AASB16 *Leases*

P&L impact arising from adoption of AASB 16 is in line with previously disclosed expectations

- AASB 16 has been adopted with effect from 1 July 2019.
- 1H19 comparatives have not been re-stated, in line with the transitional arrangements permitted by the standard.
- AASB 16 impacted the various profitability measures in 1H20 as follows:

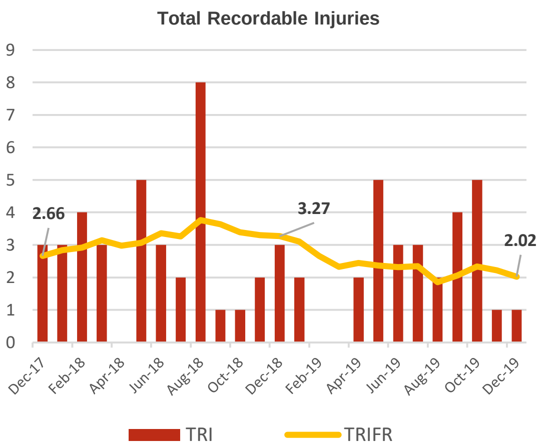
- EBITDA	▲	increased by $5.1m
- EBITDA %	▲	increased by 1.0%
- Depreciation:	▲	increased by $4.5m
- EBIT:	▲	increased by $0.6m
- Interest Expense:	▲	increased by $0.5m
- NPAT:	▲	increased by $0.1m
- Statutory EPS:	▲	increased by 0.03 cps

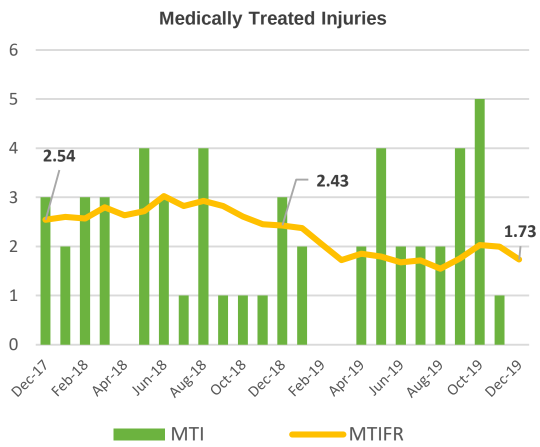
OPERATIONAL PERFORMANCE

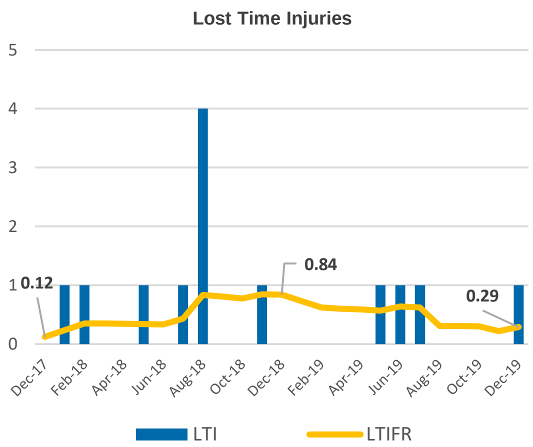
Safety Performance

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

- Continued delivery of industry leading HSE performance as operations further grow and expand
- Performance continues to position business well, serving as a clear point of differentiation across our markets
- Management remain committed to upholding a strong safety culture and delivering continual improvements across the Group's operations:
  - Ongoing review of critical controls across higher-risk field operations
  - Increased deployment of new technology targeting higher-risk work activities





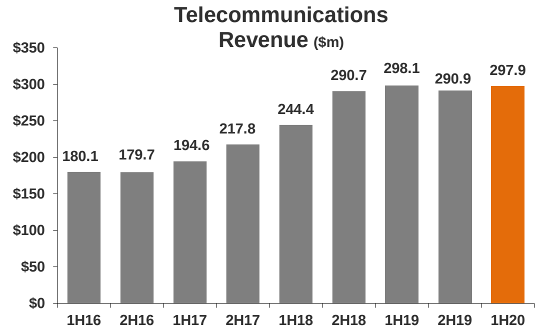


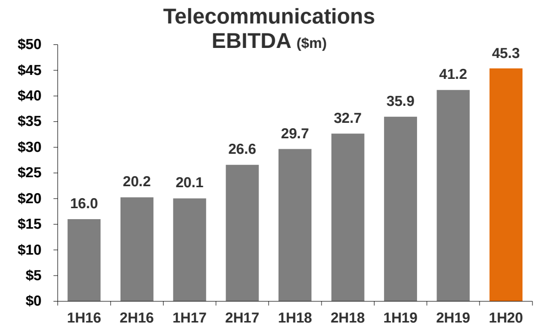
TELECOMMUNICATIONS

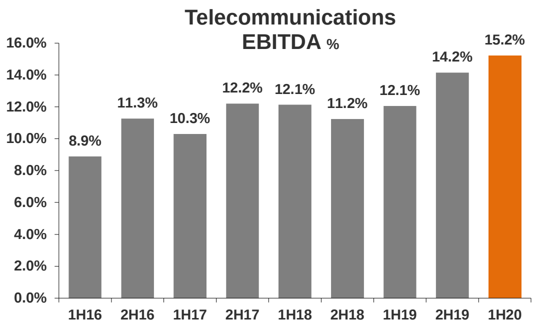
Telecommunications

Telecommunication network engineering, design & construction, maintenance and operations

- Revenue in line with pcp, with increase in Fixed Communications offset by decrease in Network Construction nbn D&C works as expected:
  - Fixed Communications revenue of $220.4m up $50.8m (+30%) on pcp due to higher nbn activation volumes and favourable mix of both nbn activation technologies and nbn maintenance activities.
  - nbn D&C operations revenue of $40.6m down $29.5m (-42%) on pcp as forecasted, with the MIMA & DCMA programs nearing completion.
  - Wireless operations revenue of $36.9m down $21.4m (-37%) on pcp as forecasted due to slow ramp-up of 5G expenditure by mobile carriers.
- Improvement in EBITDA margin to 15.2% due to a range of factors including adoption of AASB 16 *Leases*, the profitable wind-up of nbn D&C operations and a favourable work mix.



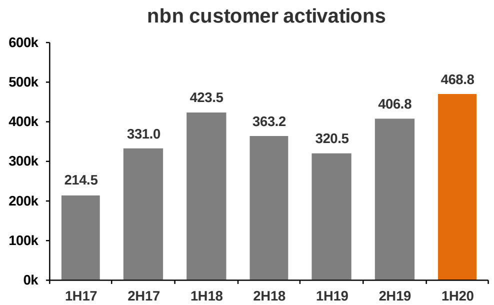


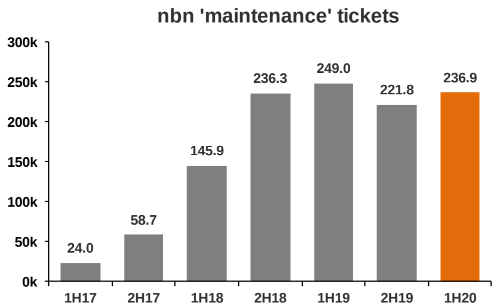


Telecommunications

Telecommunication network engineering, design & construction, maintenance and operations

- Strong demand for nbn customer activations coupled with retained market share leading to a 46% increase on pcp activation volumes.
- nbn service assurance volumes continue to increase as the network footprint expands, whilst an increase in average ticket size offsets lower volumes in other maintenance tasks
- nbn OMMA and NMRA contracts both resecured during the period, with extensions out to Dec-20 and Jun-21 respectively.
- Optus wireless mobilisation has commenced with initial work orders expected to be received in March 2020
- Customer Care function transferred from Utilities to Telecommunications to enhance provision of customer support and field scheduling services of nbn operations



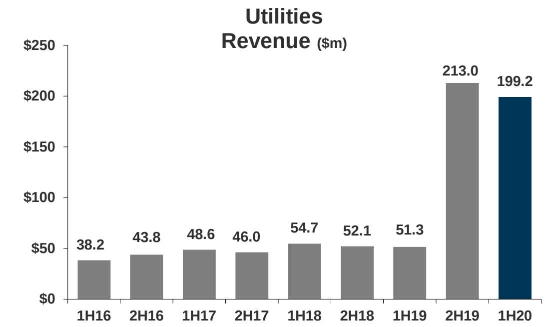


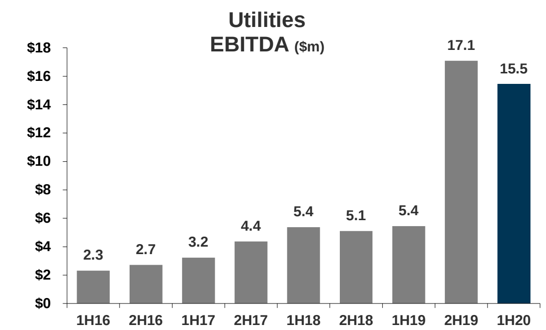
UTILITIES

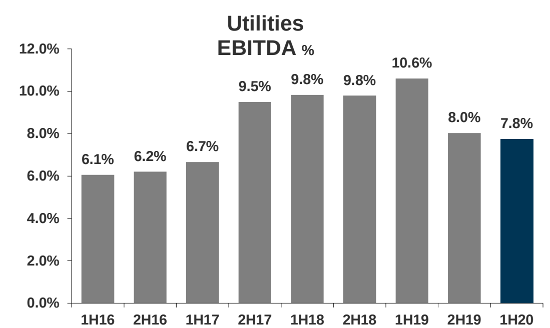
Utilities

Utility network engineering, design & construction, maintenance and operations

- Revenue up $147.8m (+288%) on pcp primarily due to the inclusion of Comdain Infrastructure following its acquisition in Jan-19:
  - Metering Services, New Energy & Inspection Services revenue of $51.9m up $0.6m (+1%) on pcp, in line with expectation.
  - Comdain Infrastructure revenue of $147.3m up 100% on pcp, but down $12.9m (-8%) on 2H19 due to deferred spend by customers during major tendering processes and slow-down of new estate developments in Victoria.
- Margin reduction in line with expectations, due to the impact of a lower-margin contribution from Comdain Infrastructure and the impact of high one-time bid and JV-establishment costs on the 10-year Sydney Water opportunity.



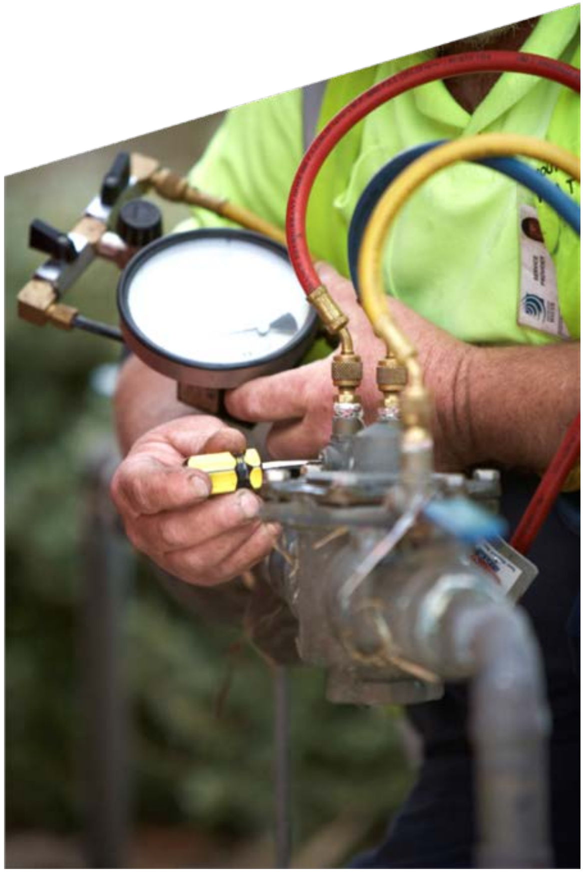




Utilities

Utility network engineering, design & construction, maintenance and operations

- Comdain Infrastructure's new 2+3 year agreement with South East Water in Victoria for the renewal of water and wastewater infrastructure has mobilised and is performing well.
- Comdain Infrastructure has commenced commissioning new "spiral technology" equipment to create a self-perform service offering for large diameter pipe relining.
- Comdain Infrastructure is a 30% participant in the D4C Joint Venture which secured an agreement with Sydney Water Corporation for the provision of "totex" asset management services over the next 10 years, valued at $200m pa.
- Comdain Infrastructure secured a new long-term contract with Queensland Urban Utilities (QUU) for SCADA and telemetry services in lieu of a water / wastewater work package via a 50:50 JV consortium.
- TechSafe is playing a key role in providing inspection services under a number of new state government funded solar and battery programs.



GROUP STRATEGY & OUTLOOK

Comdain Infrastructure Integration

Integrating Comdain Infrastructure into the wider Service Stream following the acquisition in 2019

- The integration program continues to progress well under the direction of an Integration Steering Committee and small integration team.
- Focus during the most recent six months has been on the identification of organisational alignment and physical co-location opportunities. Quick wins already implemented in 1H20 with the balance to be addressed in 2H20.
- Replacement of Comdain Infrastructure's systems with the Group's core ERP system remains on-track for go-live at the end of FY20.
- Opportunity to merge Energy & Water and Comdain Infrastructure into a broader Utilities division under a common leadership capability to promote a more effective cross-sell capability is being accelerated in 2H20.
- Strategies are being developed to target new business opportunities across expanded geographies in 2H20.

FY20 Outlook

- The Group expects:
  - EBITDA from Operations for 2H20 to be in line with that reported for 1H20, subject to a continuation of prevailing market conditions; with
  - a stronger revenue contribution in 2H20 from Wireless, Comdain Infrastructure and nbn maintenance activities on the back of higher customer volumes; offset by
  - a negligible revenue contribution in 2H20 from nbn D&C operations as the MIMA & DCMA programs conclude

- Priorities for the second-half include to:
  - finalise Comdain Infrastructure integration activities
  - ensure successful mobilisation of Sydney Water and QUU SCADA contracts
  - re-commence assessment of external growth opportunities
  - progress OMMA & NMRA renewals

HISTORICAL FINANCIAL PERFORMANCE DATA

Appendix 1

PROFIT & LOSS

$ million

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	FY15	FY16	FY17	FY18	FY19
Telecommunications	$156.81	$177.86	$180.10	$179.69	$194.59	$217.83	$244.44	$290.74	$298.07	$290.87	$297.90	$334.67	$359.78	$412.41	$535.18	$588.94
Utilities	$40.93	$36.34	$38.19	$43.76	$48.58	$46.04	$54.67	$52.07	$51.32	$212.96	$199.16	$77.26	$81.96	$94.62	$106.73	$264.28
Interest Income	$0.05	$0.08	$0.20	$0.50	$0.32	$0.35	$0.43	$0.50	$0.63	$0.07	$0.09	$0.13	$0.70	$0.67	$0.93	$0.70
Other & Eliminations	($0.36)	($0.44)	($1.43)	($2.07)	($2.72)	($3.17)	($5.40)	($4.50)	($2.07)	$0.33	$0.62	($0.79)	($3.50)	($5.89)	($9.89)	($1.74)
Total Revenue	**$197.43**	**$213.84**	**$217.06**	**$221.88**	**$240.77**	**$261.04**	**$294.14**	**$338.81**	**$347.95**	**$504.22**	**$497.76**	**$411.27**	**$438.94**	**$501.81**	**$632.95**	**$852.18**
Telecommunications	$11.09	$15.54	$16.00	$20.24	$20.05	$26.59	$29.66	$32.67	$35.94	$41.16	$45.31	$26.63	$36.23	$46.64	$62.33	$77.10
Utilities	$2.13	$1.41	$2.32	$2.72	$3.24	$4.37	$5.37	$5.10	$5.44	$17.09	$15.45	$3.54	$5.03	$7.61	$10.47	$22.54
Unallocated Corporate Services	($2.56)	($2.22)	($2.63)	($2.81)	($2.20)	($3.18)	($2.98)	($3.52)	($2.74)	($3.63)	($2.68)	($4.78)	($5.45)	($5.38)	($6.50)	($6.37)
EBITDA from Operations	**$10.66**	**$14.73**	**$15.68**	**$20.14**	**$21.09**	**$27.78**	**$32.05**	**$34.25**	**$38.64**	**$54.62**	**$58.08**	**$25.39**	**$35.82**	**$48.87**	**$66.30**	**$93.26**
EBITDA from Operations %	***5.4%***	***6.9%***	***7.2%***	***9.1%***	***8.8%***	***10.6%***	***10.9%***	***10.1%***	***11.1%***	***10.8%***	***11.7%***	***6.2%***	***8.2%***	***9.7%***	***10.5%***	***10.9%***
Non-Operational Items	$0.00	$0.00	$0.00	$0.00	$0.00	($0.52)	$0.00	$1.00	($0.61)	($3.11)	($1.65)	$0.00	$0.00	($0.52)	$1.00	($3.72)
Reported EBITDA	$10.66	$14.73	$15.68	$20.14	$21.09	$27.26	$32.05	$35.25	$38.03	$51.51	$56.43	$25.39	$35.82	$48.35	$67.30	$89.54
Depreciation & Amortisation	($3.05)	($3.28)	($2.96)	($4.45)	($2.46)	($4.57)	($2.72)	($4.80)	($3.03)	($5.77)	($5.66)	($6.33)	($7.41)	($7.02)	($7.51)	($8.80)
Depreciation & Amortisation - ROULA [1]	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($4.50)	$0.00	$0.00	$0.00	$0.00	$0.00
Amort of customer contracts - TechSafe	$0.00	$0.00	$0.00	$0.00	$0.00	($0.46)	($0.97)	($0.97)	($0.88)	($0.89)	($0.66)	$0.00	$0.00	($0.46)	($1.93)	($1.77)
Amort of customer contracts - Comdain	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($5.66)	($4.84)	$0.00	$0.00	$0.00	$0.00	($5.66)
Reported EBIT	$7.61	$11.46	$12.73	$15.68	$18.64	$22.24	$28.37	$29.48	$34.12	$39.20	$40.77	$19.06	$28.41	$40.87	$57.85	$73.32
Net financing costs	($1.43)	($0.52)	($0.13)	$0.19	$0.01	($0.18)	$0.18	$0.24	$0.37	($1.58)	($1.30)	($1.95)	$0.07	($0.17)	$0.42	($1.20)
Net financing costs - Leases [1]	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($0.46)	$0.00	$0.00	$0.00	$0.00	$0.00
Income tax expense	($2.14)	($3.26)	($3.79)	($4.70)	($5.61)	($6.72)	($8.65)	($8.52)	($10.40)	($11.85)	($11.71)	($5.40)	($8.49)	($12.33)	($17.17)	($22.26)
Statutory NPAT	$4.05	$7.68	$8.81	$11.17	$13.03	$15.34	$19.90	$21.21	$24.09	$25.77	$27.29	$11.72	$19.98	$28.37	$41.11	$49.86
Effective Tax Rate	*34.6%*	*29.8%*	*30.1%*	*29.6%*	*30.1%*	*30.5%*	*30.3%*	*28.7%*	*30.2%*	*31.5%*	*30.0%*	*31.5%*	*29.8%*	*30.3%*	*29.5%*	*30.9%*
Adjusted EBIT (EBITA)	**$7.61**	**$11.46**	**$12.73**	**$15.68**	**$18.64**	**$23.21**	**$29.33**	**$29.45**	**$35.61**	**$48.85**	**$47.92**	**$19.06**	**$28.41**	**$41.85**	**$58.78**	**$84.46**
EBITA %	**3.9%**	**5.4%**	**5.9%**	**7.1%**	**7.7%**	**8.9%**	**10.0%**	**8.7%**	**10.2%**	**9.7%**	**9.6%**	**4.6%**	**6.5%**	**8.3%**	**9.3%**	**9.9%**
Adjusted NPAT (NPATA)	**$4.05**	**$7.68**	**$8.81**	**$11.17**	**$13.03**	**$16.02**	**$20.58**	**$20.88**	**$25.14**	**$32.53**	**$32.30**	**$11.72**	**$19.98**	**$29.05**	**$41.46**	**$57.66**
NPATA %	**2.0%**	**3.6%**	**4.1%**	**5.0%**	**5.4%**	**6.1%**	**7.0%**	**6.2%**	**7.2%**	**6.5%**	**6.5%**	**2.8%**	**4.6%**	**5.8%**	**6.6%**	**6.8%**

[1] arising from the adoption of AASB16 *Leases*

Appendix 2

RECONCILIATION OF STATUTORY TO ADJUSTED PROFITABILITY MEASURES

$ million	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	FY15	FY16	FY17	FY18	FY19
Reported EBITDA	$10.66	$14.73	$15.68	$20.14	$21.09	$27.26	$32.05	$35.25	$38.03	$51.51	$56.43	$25.39	$35.82	$48.35	$67.30	$89.54
add-back adjustments:																
- Acquisition costs (TechSafe)	-	-	-	-	-	($0.52)	-	-	-	-	-	-	-	($0.52)	-	-
- Write-back of Deferred Consideration (TechSafe)	-	-	-	-	-	-	-	$1.00	-	-	-	-	-	-	$1.00	-
- Integration costs (Comdain Infrastructure)	-	-	-	-	-	-	-	-	-	($1.25)	($0.41)	-	-	-	-	($1.25)
- Acquisition costs (Comdain Infrastructure)	-	-	-	-	-	-	-	-	($0.61)	($1.86)	-	-	-	-	-	($2.47)
- Due diligence costs on acquisition opportunities	-	-	-	-	-	-	-	-	-	-	($1.24)	-	-	-	-	-
EBITDA from Operations	**$10.66**	**$14.73**	**$15.68**	**$20.14**	**$21.09**	**$27.78**	**$32.05**	**$34.25**	**$38.64**	**$54.62**	**$58.08**	**$25.39**	**$35.82**	**$48.87**	**$66.30**	**$93.26**
Reported EBIT	$7.61	$11.46	$12.73	$15.68	$18.64	$22.24	$28.37	$29.48	$34.12	$39.20	$40.77	$19.06	$28.41	$40.87	$57.85	$73.32
add-back adjustments:																
- As above for EBITDA	-	-	-	-	-	($0.52)	$0.00	$1.00	($0.61)	($3.11)	($1.65)	-	-	($0.52)	$1.00	($3.72)
- Amortisation of Customer Contracts (TechSafe)	-	-	-	-	-	($0.46)	($0.97)	($0.97)	($0.88)	($0.89)	($0.66)	-	-	($0.46)	($1.93)	($1.77)
- Amortisation of Customer Contracts (Comdain)	-	-	-	-	-	-	-	-	-	($5.66)	($4.84)	-	-	-	-	($5.66)
Adjusted EBIT (EBITA)	**$7.61**	**$11.46**	**$12.73**	**$15.68**	**$18.64**	**$23.21**	**$29.33**	**$29.45**	**$35.61**	**$48.85**	**$47.92**	**$19.06**	**$28.41**	**$41.85**	**$58.78**	**$84.46**
Statutory NPAT	$4.05	$7.68	$8.81	$11.17	$13.03	$15.34	$19.90	$21.21	$24.09	$25.77	$27.29	$11.72	$19.98	$28.37	$41.11	$49.86
add-back adjustments:																
- As above for EBIT	-	-	-	-	-	($0.97)	($0.97)	$0.03	($1.49)	($9.65)	($7.15)	-	-	($0.97)	($0.93)	($11.15)
- Tax effect of above (as relevant)	-	-	-	-	-	$0.29	$0.29	$0.29	$0.45	$2.90	$2.15	-	-	$0.29	$0.58	$3.34
Adjusted NPAT (NPATA)	**$4.05**	**$7.68**	**$8.81**	**$11.17**	**$13.03**	**$16.02**	**$20.58**	**$20.88**	**$25.14**	**$32.53**	**$32.30**	**$11.72**	**$19.98**	**$29.05**	**$41.46**	**$57.66**
Avg number of shares on issue (millions)	386.390	386.390	386.390	382.770	363.846	365.189	365.189	362.695	360.785	401.301	405.512	386.390	384.590	364.512	363.952	380.877
Statutory EPS (cents)	**1.05**	**1.99**	**2.28**	**2.92**	**3.58**	**4.20**	**5.45**	**5.85**	**6.68**	**6.42**	**6.73**	**3.03**	**5.20**	**7.78**	**11.29**	**13.09**
Adjusted EPS (cents)	**1.05**	**1.99**	**2.28**	**2.92**	**3.58**	**4.39**	**5.63**	**5.76**	**6.97**	**8.10**	**7.96**	**3.03**	**5.20**	**7.97**	**11.39**	**15.14**
Dividends Declared (cents)	**0.50**	**1.00**	**1.00**	**1.50**	**1.50**	**3.00**	**3.00**	**4.50**	**3.50**	**5.50**	**4.00**	**1.50**	**2.50**	**4.50**	**7.50**	**9.00**
Dividend payout ratio (based on Statutory EPS)	47.8%	50.3%	43.9%	51.4%	41.9%	71.4%	55.0%	77.0%	52.4%	85.7%	59.4%	49.5%	48.1%	57.8%	66.4%	68.8%
Dividend payout ratio (based on Adjusted EPS)	47.8%	50.3%	43.9%	51.4%	41.9%	68.4%	53.2%	78.2%	50.2%	67.9%	50.2%	49.5%	48.1%	56.5%	65.8%	59.4%

Appendix 3

SEGMENT RESULTS

$ million

TELECOMMUNICATIONS	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	FY15	FY16	FY17	FY18	FY19
nbn Activation & Assurance	$43.27	$54.32	$61.63	$57.81	$66.80	$79.54	$109.94	$108.11	$124.37	$151.69	$176.95	$97.60	$119.45	$146.33	$218.05	$276.06
nbn Minor Projects	$2.50	$4.92	$5.88	$6.86	$6.76	$6.59	$12.50	$22.44	$24.80	$34.77	$28.96	$7.42	$12.74	$13.34	$34.94	$59.57
Other Fixed-line customers [1]	$47.39	$42.88	$29.68	$20.12	$27.40	$28.52	$23.26	$25.05	$20.46	$17.59	$14.48	$90.27	$49.80	$55.92	$48.31	$38.05
Fixed Communications Revenue	$93.16	$102.12	$97.19	$84.79	$100.96	$114.64	$145.70	$155.60	$169.63	$204.05	$220.39	$195.29	$181.99	$215.59	$301.30	$373.68
nbn MIMA & DCMA	$0.00	$0.00	$0.00	$8.92	$13.16	$27.96	$45.69	$60.03	$70.10	$57.56	$40.58	$0.00	$8.92	$41.13	$105.72	$127.66
nbn New Developments	$17.46	$16.68	$20.08	$23.73	$21.01	$13.11	$0.51	$0.05	$0.00	$0.02	$0.00	$34.14	$43.81	$34.12	$0.56	$0.02
Wireless	$41.56	$53.85	$58.94	$61.21	$58.81	$61.71	$52.54	$75.05	$58.34	$29.24	$36.93	$95.41	$120.15	$120.52	$127.59	$87.58
Other & Eliminations	$4.63	$5.21	$3.88	$1.03	$0.65	$0.40	$0.00	$0.01	$0.00	$0.00	$0.00	$9.83	$4.92	$1.06	$0.01	$0.00
Network Construction Revenue	$63.65	$75.74	$82.90	$94.89	$93.63	$103.19	$98.74	$135.14	$128.44	$86.82	$77.51	$139.38	$177.80	$196.82	$233.88	$215.26
Segment Revenue	**$156.81**	**$177.86**	**$180.10**	**$179.69**	**$194.59**	**$217.83**	**$244.44**	**$290.74**	**$298.07**	**$290.87**	**$297.90**	**$334.67**	**$359.78**	**$412.41**	**$535.18**	**$588.94**
Segment EBITDA	**$11.09**	**$15.54**	**$16.00**	**$20.24**	**$20.05**	**$26.59**	**$29.66**	**$32.67**	**$35.94**	**$41.16**	**$45.31**	**$26.63**	**$36.23**	**$46.64**	**$62.33**	**$77.10**
EBITDA %	**7.1%**	**8.7%**	**8.9%**	**11.3%**	**10.3%**	**12.2%**	**12.1%**	**11.2%**	**12.1%**	**14.2%**	**15.2%**	**8.0%**	**10.1%**	**11.3%**	**11.6%**	**13.1%**

UTILITIES	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	FY15	FY16	FY17	FY18	FY19
Metering Services	$22.42	$22.58	$24.19	$32.46	$39.36	$33.14	$34.73	$30.56	$35.97	$35.17	$35.47	$44.99	$56.66	$72.51	$65.29	$71.14
New Energy	$12.19	$9.41	$9.40	$6.74	$4.61	$5.29	$5.75	$8.02	$6.76	$8.89	$7.32	$21.60	$16.14	$9.90	$13.77	$15.65
Inspection Services	$0.00	$0.00	$0.00	$0.00	$0.00	$2.80	$8.99	$7.99	$8.57	$8.67	$9.08	$0.00	$0.00	$2.80	$16.98	$17.24
Customer Care [1] & Other	$6.32	$4.35	$4.60	$4.56	$4.61	$4.81	$5.19	$5.50	$0.02	$0.00	$0.00	$10.67	$9.16	$9.42	$10.69	$0.03
Energy & Water Revenue	$40.93	$36.34	$38.19	$43.76	$48.58	$46.04	$54.67	$52.07	$51.32	$52.74	$51.87	$77.26	$81.96	$94.62	$106.73	$104.06
Comdain Infrastructure Revenue	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$160.22	$147.29	$0.00	$0.00	$0.00	$0.00	$160.22
Segment Revenue	**$40.93**	**$36.34**	**$38.19**	**$43.76**	**$48.58**	**$46.04**	**$54.67**	**$52.07**	**$51.32**	**$212.96**	**$199.16**	**$77.26**	**$81.96**	**$94.62**	**$106.73**	**$264.28**
Segment EBITDA	**$2.13**	**$1.41**	**$2.32**	**$2.72**	**$3.24**	**$4.37**	**$5.37**	**$5.10**	**$5.44**	**$17.09**	**$15.45**	**$3.54**	**$5.03**	**$7.61**	**$10.47**	**$22.54**
EBITDA %	**5.2%**	**3.9%**	**6.1%**	**6.2%**	**6.7%**	**9.5%**	**9.8%**	**9.8%**	**10.6%**	**8.0%**	**7.8%**	**4.6%**	**6.1%**	**8.0%**	**9.8%**	**8.5%**

[1] Customer Care in Utilities up to 30-6-18 and in Telecommunications from 1-7-18

Appendix 4

CASH FLOW

$ million

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	FY15	FY16	FY17	FY18	FY19
Reported EBITDA	$10.66	$14.73	$15.68	$20.14	$21.09	$27.26	$32.05	$35.25	$38.03	$51.51	$56.43	$25.39	$35.82	$48.35	$67.30	$89.54
+/- non-cash items & change in w/capital	($8.97)	$17.53	$15.03	$12.83	$3.25	$5.26	$25.05	$7.57	($11.60)	$1.76	($23.65)	$8.57	$27.86	$8.51	$32.62	($9.84)
OCFBIT	**$1.69**	**$32.27**	**$30.71**	**$32.97**	**$24.34**	**$32.52**	**$57.10**	**$42.81**	**$26.43**	**$53.27**	**$32.78**	**$33.96**	**$63.67**	**$56.86**	**$99.91**	**$79.70**
EBITDA to OCFBIT conversion ratio	***16%***	***219%***	***196%***	***164%***	***115%***	***119%***	***178%***	***121%***	***69%***	***103%***	***58%***	***134%***	***178%***	***118%***	***148%***	***89%***
Net tax paid	$0.00	$0.00	$0.00	($1.66)	($6.79)	$0.70	($14.65)	($5.99)	($8.58)	($10.24)	($20.57)	$0.00	($1.66)	($6.10)	($20.63)	($18.81)
Net interest & financing costs paid	($1.21)	($0.44)	$0.08	$0.23	($0.15)	$0.12	$0.17	$0.23	$0.02	($1.38)	($2.00)	($1.64)	$0.31	($0.02)	$0.40	($1.37)
Operating cashflow	**$0.48**	**$31.83**	**$30.79**	**$31.54**	**$17.40**	**$33.34**	**$42.63**	**$37.05**	**$17.87**	**$41.66**	**$10.21**	**$32.31**	**$62.33**	**$50.75**	**$79.68**	**$59.52**
Capital expenditure	($1.11)	($2.75)	($4.14)	($5.40)	($5.10)	($3.74)	($3.49)	($4.26)	($5.27)	($4.60)	($3.55)	($3.86)	($9.55)	($8.84)	($7.74)	($9.87)
Proceeds from the sale of assets	$0.10	$0.08	$0.46	$0.77	$0.05	$0.06	$0.21	$0.03	$0.11	$0.35	$1.10	$0.18	$1.23	$0.11	$0.24	$0.45
Business acquisitions	$0.00	$0.00	$0.00	$0.00	$0.00	($17.14)	($0.69)	$0.00	$0.00	($82.75)	$0.00	$0.00	$0.00	($17.14)	($0.69)	($82.75)
Free cashflow	**($0.53)**	**$29.16**	**$27.11**	**$26.91**	**$12.35**	**$12.52**	**$38.66**	**$32.82**	**$12.70**	**($45.35)**	**$7.75**	**$28.63**	**$54.02**	**$24.87**	**$71.49**	**($32.65)**
Dividends paid	$0.00	($1.93)	($3.86)	($3.86)	($5.47)	($5.48)	($10.90)	($10.82)	($16.24)	($13.57)	($21.01)	($1.93)	($7.72)	($10.95)	($21.72)	($29.82)
Purchase of shares	($0.10)	($1.44)	($0.36)	($0.18)	($3.85)	($0.09)	($14.05)	($4.55)	$0.00	$0.00	($0.74)	($1.54)	($0.54)	($3.94)	($18.59)	$0.00
Share issue costs	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($0.06)	$0.00	$0.00	$0.00	$0.00	$0.00	($0.06)
Return of capital	$0.00	$0.00	$0.00	($19.43)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($19.43)	$0.00	$0.00	$0.00
Share Buy-back	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($8.01)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($8.01)	$0.00
Lease liability Paid	$0.00	$0.00	$0.00	$0.00	$0.00	($0.18)	($0.20)	($0.15)	($0.18)	($0.19)	($4.83)	$0.00	$0.00	($0.18)	($0.35)	($0.37)
Lease incentives received	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4.16	$0.00	$0.00	$0.00	$0.00	$0.00
Proceeds / (Repayment) of borrowings	$4.00	($21.00)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$60.00	$0.00	($17.00)	$0.00	$0.00	$0.00	$60.00
Increase / (Decrease) in Cash	**$3.37**	**$4.80**	**$22.89**	**$3.44**	**$3.03**	**$6.78**	**$13.51**	**$9.29**	**($3.72)**	**$0.83**	**($14.66)**	**$8.17**	**$26.33**	**$9.81**	**$22.80**	**($2.89)**

NET CASH / (DEBT)

$ million

	Dec-14	Jun-15	Dec-15	Jun-16	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19
Cash and cash equivalents	$9.96	$14.76	$37.65	$41.09	$44.12	$50.90	$64.41	$73.70	$69.98	$70.81	$56.15	$14.76	$41.09	$50.90	$73.70	$70.81
Borrowings	($20.67)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($60.00)	($60.00)	$0.00	$0.00	$0.00	$0.00	($60.00)
Finance lease liability [1]	$0.00	$0.00	$0.00	$0.00	$0.00	($1.01)	($0.81)	($0.66)	($0.48)	($0.29)	($0.10)	$0.00	$0.00	($1.01)	($0.66)	($0.29)
	($10.71)	**$14.76**	**$37.65**	**$41.09**	**$44.12**	**$49.89**	**$63.60**	**$73.04**	**$69.50**	**$10.52**	**($3.95)**	**$14.76**	**$41.09**	**$49.89**	**$73.04**	**$10.52**

[1] excludes impact of AASB 16 on operating leases

Appendix 5

CAPITAL EXPENDITURE

$ million

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19	1H20	FY15	FY16	FY17	FY18	FY19
Leasehold Improvements	$0.30	$0.06	$0.25	$0.65	$0.22	$0.11	$0.08	$0.20	$0.45	$0.10	$0.22	$0.36	$0.90	$0.33	$0.28	$0.55
Motor Vehicles	$0.10	$0.32	$0.11	$0.03	$0.10	$0.00	$0.00	$0.00	$0.00	$0.04	$0.00	$0.42	$0.13	$0.10	$0.00	$0.04
Plant & Equipment (non-IT)	$0.00	$0.23	$0.29	$0.60	$0.06	$0.97	$0.31	$0.34	$0.40	$1.64	$0.65	$0.23	$0.89	$1.03	$0.65	$2.04
Capital Expenditure (non-IT)	**$0.40**	**$0.61**	**$0.65**	**$1.27**	**$0.37**	**$1.08**	**$0.38**	**$0.55**	**$0.85**	**$1.77**	**$0.88**	**$1.01**	**$1.93**	**$1.45**	**$0.93**	**$2.62**
Plant & Equipment (IT-related)	$0.06	$0.23	$0.18	$0.27	$0.38	$0.33	$0.21	$0.44	$0.26	$0.70	$0.31	$0.29	$0.45	$0.71	$0.65	$0.96
ERP Replacement	$0.22	$0.00	$1.39	$1.90	$3.33	$1.94	$1.80	$1.62	$3.42	$0.55	$0.44	$0.22	$3.29	$5.26	$3.42	$3.97
Other Software Applications	$0.65	$1.69	$1.60	$2.29	$0.50	$2.02	$1.03	$1.71	$0.68	$1.64	$1.93	$2.34	$3.89	$2.52	$2.75	$2.32
Capital Expenditure (IT-related)	**$0.93**	**$1.92**	**$3.17**	**$4.45**	**$4.21**	**$4.28**	**$3.04**	**$3.77**	**$4.36**	**$2.88**	**$2.68**	**$2.85**	**$7.62**	**$8.49**	**$6.81**	**$7.25**
Total Capital Expenditure	**$1.33**	**$2.53**	**$3.82**	**$5.72**	**$4.57**	**$5.37**	**$3.42**	**$4.32**	**$5.22**	**$4.65**	**$3.55**	**$3.86**	**$9.55**	**$9.94**	**$7.74**	**$9.87**
ERP Replacement	$0.22	$0.00	$1.39	$1.90	$3.33	$1.94	$1.80	$1.62	$3.42	$0.55	$0.44	$0.22	$3.29	$5.26	$3.42	$3.97
All Other	$1.11	$2.53	$2.43	$3.83	$1.25	$3.43	$1.62	$2.70	$1.80	$4.11	$3.11	$3.64	$6.26	$4.68	$4.32	$5.90
Total Capital Expenditure	**$1.33**	**$2.53**	**$3.82**	**$5.72**	**$4.57**	**$5.37**	**$3.42**	**$4.32**	**$5.22**	**$4.65**	**$3.55**	**$3.86**	**$9.55**	**$9.94**	**$7.74**	**$9.87**

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