

FY23 Full Year Results Presentation

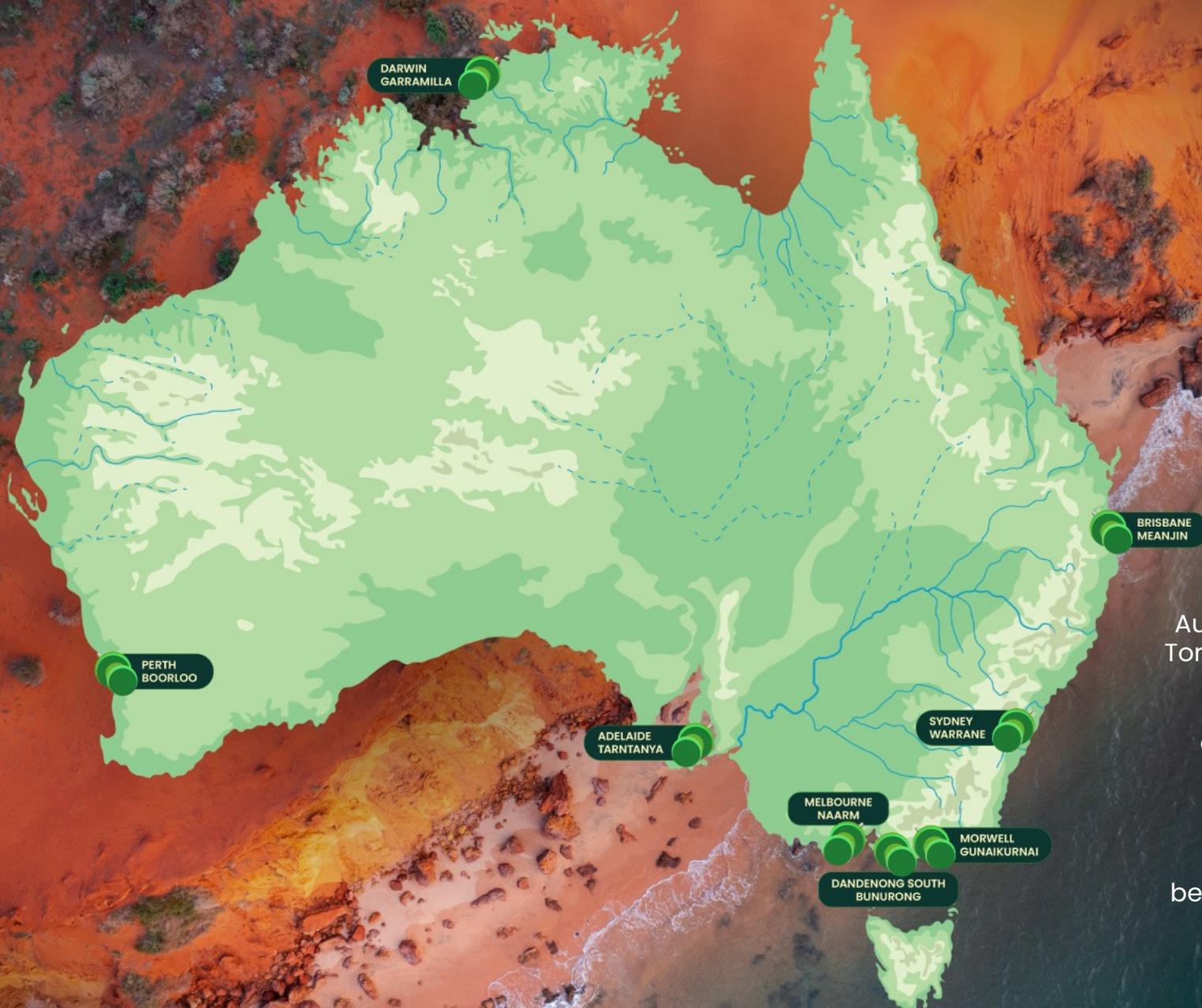
25 August 2023



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We acknowledge



Aussie Broadband acknowledges Aboriginal and Torres Strait Islanders as the First Australians, and their role as the original communicators, connectors, and carers of the land and waters across Australia. We pay our respects to Elders past and present.

We commit to working respectfully to honour ongoing cultural and spiritual connections between the Traditional Owners and this country, and to building an inclusive Australia together.

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The game worth playing



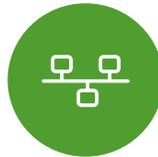
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The game worth playing

Continuing to build scale across our segments

In FY23 Aussie Broadband:



Built a strong and resilient network while delivering quality communications services and exceptional customer experiences for Residential and all other segments



Accelerated growth across our Business, Enterprise & Government and Wholesale segments



Leveraged our investment in fibre infrastructure and technology to generate higher margins and cost efficiencies

FY23 highlights

Delivered strong growth across all key metrics vs pcp¹



\$788.0m
Revenue
Up 23.1%



35.4%
Gross Margin
Up 2.1 ppt



\$89.6m
EBITDA
Up 52.1%



\$116.7m
Op Cash Flow²
Up 147.2%



nbn[®] Market
Share³
7.6%
Up 1.1 ppt



Broadband
Connections
691k
Up 18.2%

1. Prior year comparable (pcp) calculated based on aggregated pro-forma ABB and OTW FY22 results
2. Operating cash flow before interest and tax
3. nbn[®] Market Share excludes satellite



Financial Performance & Highlights



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Profit & Loss

	FY22	FY23	Change %
	\$m	\$m	
Revenue	640.0	788.0	23.1%
Network & Hardware expenses	(426.9)	(509.4)	19.3%
Gross Profit	213.1	278.6	30.7%
Gross Margin %	33.3%	35.4%	2.1 ppt
Employee Expenses	(100.1)	(123.7)	23.6%
Marketing Expenses	(32.1)	(33.0)	2.8%
Administration and other expenses	(21.9)	(32.3)	47.5%
EBITDA before non-recurring items	58.9	89.6	52.1%
Non-recurring items	(12.9)	(1.6)	87.6%
Depreciation and amortisation	(24.2)	(27.6)	27.2%
Net interest	(3.2)	(9.8)	206.3%
Income tax	(7.8)	(13.2)	256.8%
NPAT before intangibles	10.9	37.4	243.1%
Amortisation of acquired intangibles	(13.8)	(22.4)	62.3%
Tax effect	4.1	6.7	63.4%
Net profit after tax	1.3	21.7	1569.2%

35.4% Gross Margin, 2.1 ppt improvement

52.1% increase in EBITDA

NPAT before intangibles increased to \$37.4m

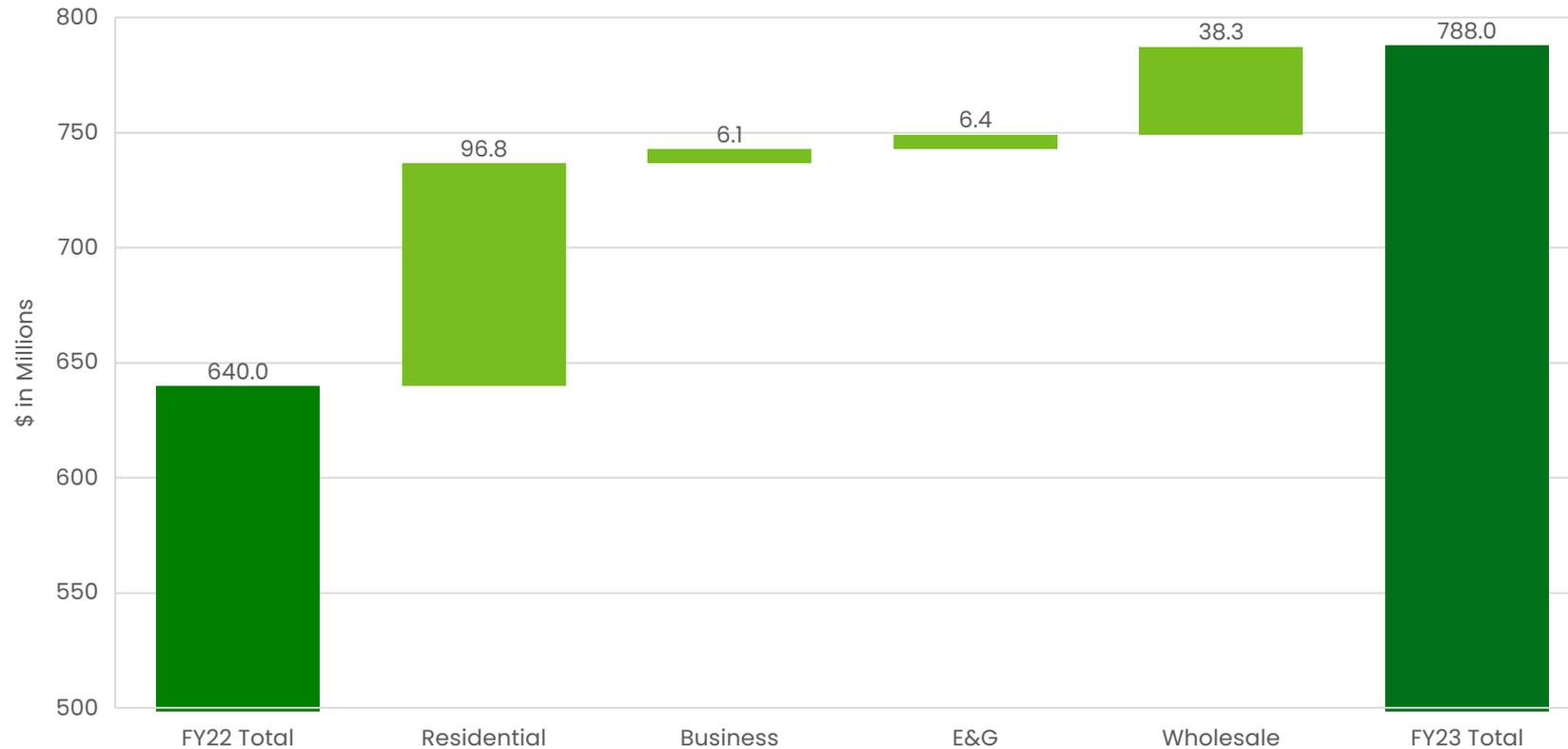
Admin costs percentage of revenue of 4.1% inclusive of increased investment in systems

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period

FY23 Revenue Drivers

Delivering growth across all segments

FY23 Revenue Drivers



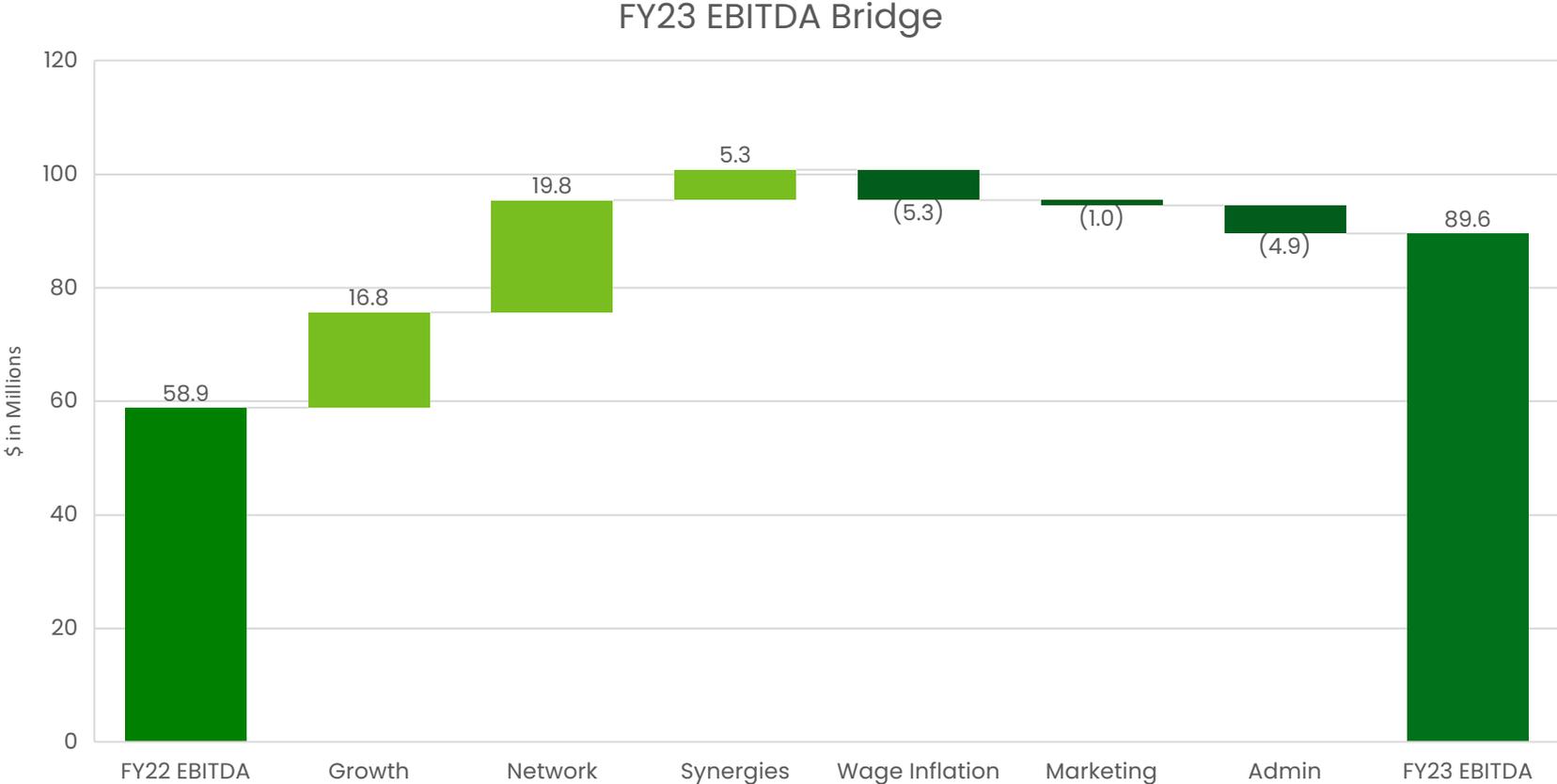
Strong growth in Residential and Wholesale segments

Accelerating Business and E&G segments from a smaller base

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period

FY23 EBITDA drivers

Scale and network investments underpinning EBITDA growth



Strong growth across all segments and network investment delivered increase of 52.1% EBITDA

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period

Cash flow and leverage

Strong cash generation

 Operating Cash Flow	\$116.7m – up \$69.5m
 Cash Conversion Ratio	130.2% – up 50.1 ppt
 Net Interest	\$7.1m – up \$5.5m
 Working Capital Movement	\$121.9m – up \$61.8m
 Indicative Net Leverage Ratio	1.06x
 Indicative Interest Cover Ratio	8.67x

Strong cash flow position
assisted by a one-off
change to NBN billing timing

1. Prior year comparable (pcp) calculated based on aggregated pro-forma ABB and OTW FY22 results
2. Operating cash flow after interest and tax
3. Net and Interest Ratio based on submission for financing covenant compliance at Jun-23

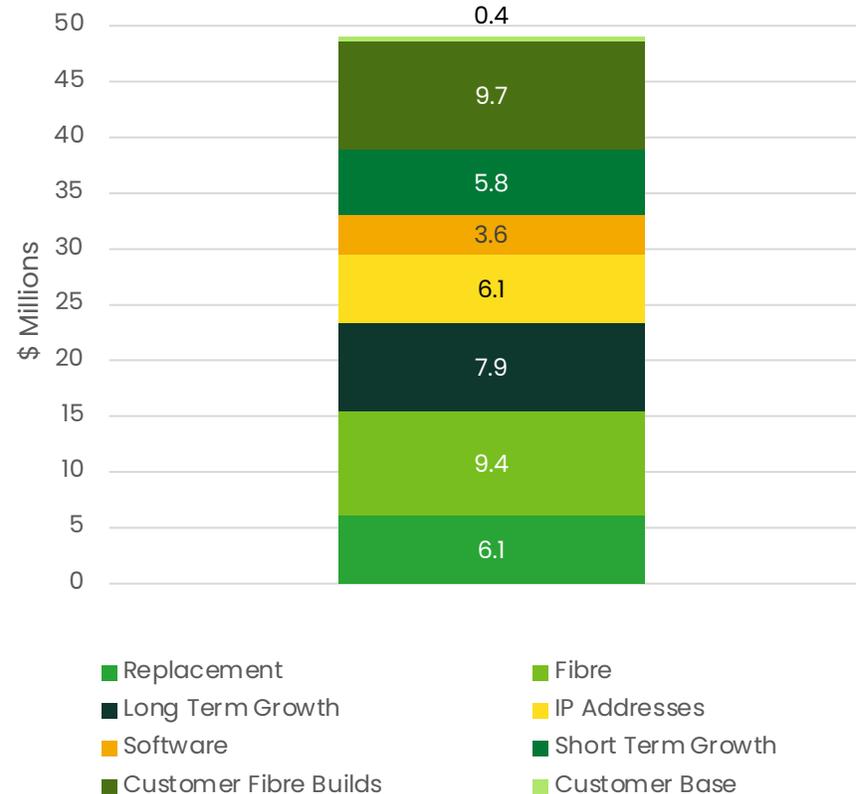
Capex

Disciplined investment in Capex

Summary Performance (\$m)	FY23
Replacement (Network & Software)	9.7
Fibre Backbone	9.4
Growth	30.0
Total FY23 Capex	49.0

- **Recurring:** Remains modest with limited additional software and replacement capex invested in 2H
- **Growth:** \$30m investment in continued short to long-term growth

FY23 Capex Profile



Lower than expected Capex investment in FY23 due to timing of customer fibre builds

Fibre investment remains driven by customer demand

FY24 Capex forecast to be a similar level spend to FY23 (\$47m - \$52m guidance range)

Segment Performance



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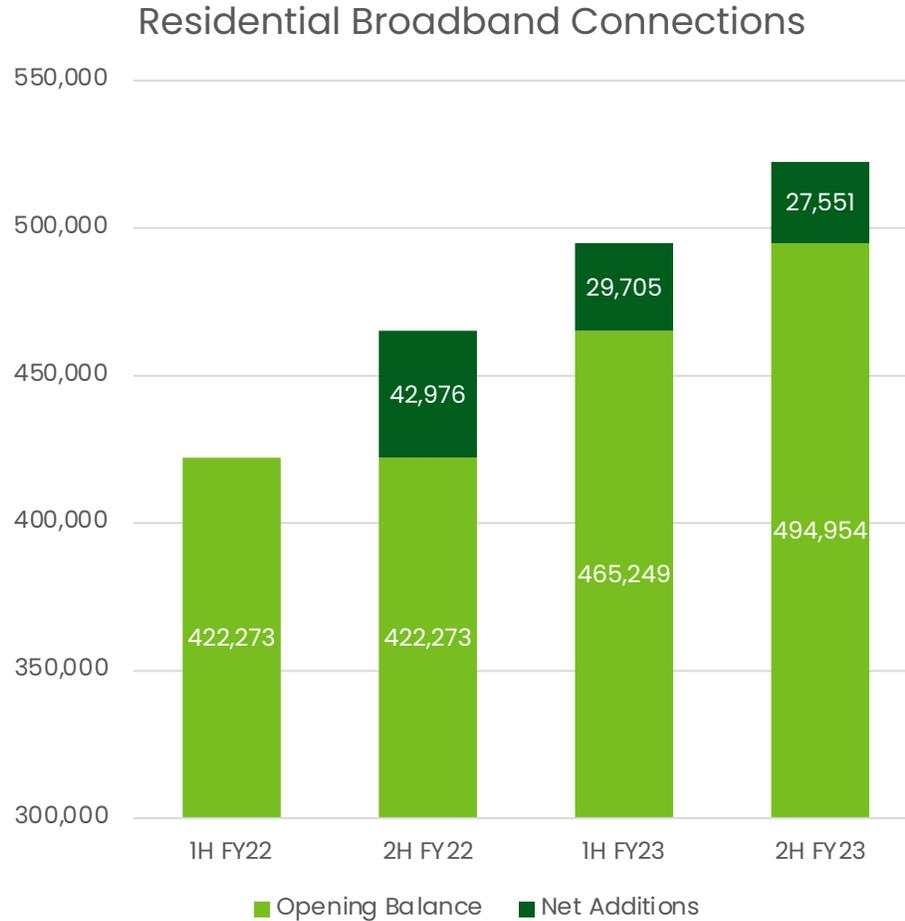
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Residential Segment

Improving margins through network synergies and more profitable services

Summary Performance (\$m)	FY22	FY23	Change
Revenue	415.0	511.8	23.3%
COGS	(302.2)	(352.0)	16.5%
Gross Margin	112.8	159.8	41.7%
Gross Margin %	27.2%	31.2%	4 ppt

- **Revenue:** Increased by 23.3%, driven by higher connections and shift in mix including leading fibre connect upgrades in market
- **Gross Margin:** Grew 4 ppt through the leveraging of the investment in fibre network to drive margin improvement
- **Connections:** ABB added 57.3k connections in the year
- **Churn:** Customer churn flat through 1H FY23 and 2H FY23 with an average of 1.0



Network investments delivering improved margins

Sustained growth in a highly competitive market

Mix of customers on high speed plans remains higher than market

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period
2. Residential connections revised. Adjusted segmentation presented in the appendices
3. Uniti NBN base acquisition added c. 2.5k connections in June, with a further c. 9.7k connections migrated in FY24

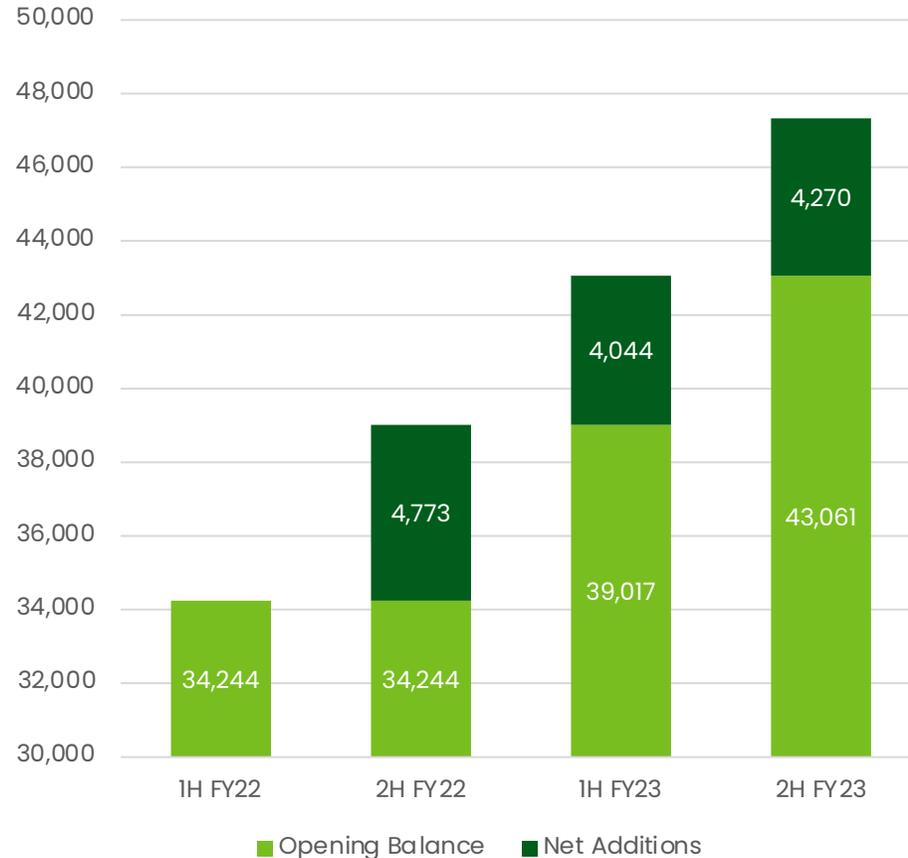
Business Segment

Consistent growth in a high margin segment

Summary Performance (\$m)	FY22	FY23	Change
Revenue	83.3	89.4	7.3%
COGS	(44.6)	(47.3)	6.8%
Gross Margin	38.7	42.1	8.8%
Gross Margin %	46.5%	47.1%	0.6 ppt

- **Revenue:** grew by 7.3%, reflecting continuing sales momentum in the segment
- **Gross Margin:** Remains strong at 47.1%
- **Connections:** Growth of 21.3% with the segment leveraging leading technology and customer service
- **Churn:** Low churn at 0.6% average in H2 FY23

Business Broadband Connections



Consistent growth momentum throughout FY23

Leveraging market leading customer service

High margin products and services

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period
2. Business connections revised. Adjusted segmentation presented in the appendices

Enterprise & Government Segment

Building a pipeline for future growth

Summary Performance (\$m)	FY22	FY23	Change
Recurring Revenue	68.8	74.9	8.9%
Non-Recurring	10.8	11.5	6.5%
Total Revenue	79.6	86.4	8.5%
COGS	(37.9)	(42.0)	10.8%
Gross Margin	41.7	44.4	6.5%
Gross Margin %	52.4%	51.4%	(1) ppt

FY23 – E&G New Customer Highlights



- **Revenue:** Increased by 8.5% with over 800 deals being signed in FY23
- **Gross Margin:** Grew 6.5% despite some legacy pricing being adjusted within the segment which led to Gross Margin as a percentage of revenue of 51.4%, 1ppt lower than FY22
- **Sales Momentum:** 37% increase in deal velocity between Q3 and Q4. New revenue signed but not provisioned at 30 June totalled \$10.2m annualised. This will commence on a phased basis throughout FY24 based on the solution complexity

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period
2. Segmentation for E&G has been altered, 1H FY23 segmentation on same basis available in the appendix

New customer growth reflecting investment in sales

Investment in cloud capabilities to capture demand

Increasing market awareness in E&G capabilities

Wholesale Segment

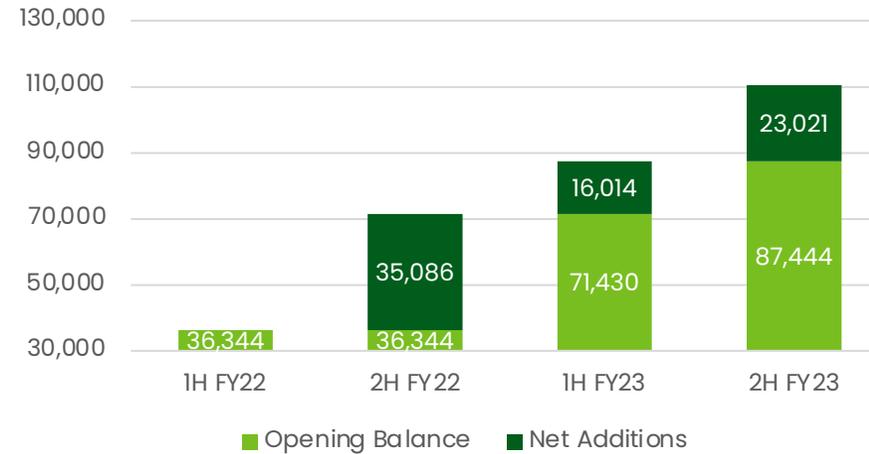
Strong white-label and wholesale voice momentum

Summary Performance (\$m)	FY22	FY23	Change
Revenue	62.1	100.4	61.7%
COGS	(42.2)	(68.0)	61.1%
Gross Margin	19.9	32.4	62.3%
Gross Margin %	32.0%	32.2%	0.2 ppt

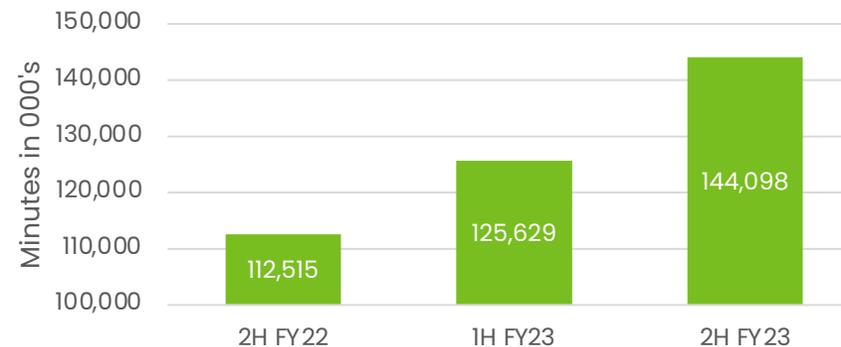
- **Revenue:** Up 62.3%, driven by strong momentum in white label and growth of MSP customer base
- **Gross Margin:** Increased in line with revenue growth to \$32.4 million or 32.2% as a percentage of revenue
- **Services:** Broadband services grew 39k driven by strong white label performance. NetSIP average monthly voice minutes over 144 million, up 28.1%

1. Pro-forma. FY22 based on aggregated ABB and OTW results for comparable period
 2. Wholesale connections revised. Adjusted segmentation presented in the appendices
 3. Wholesale connection includes Origin migrations which primarily occurred in 2H FY22

Wholesale Broadband Connections



NetSIP Average Monthly Minutes



White label delivering connections and revenue growth

819 partners now onboarded into the channel

High wholesale voice margins to continue to drive margin growth into FY24

Other highlights



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Successful integration of Over the Wire

- ✓ FY23 exit run rate synergy of \$6.0m achieved, driven by quick network and voice wins, removal of operational duplication and other efficiency gains
- ✓ Team integration between Aussie Broadband and Over The Wire completed at the end of 1H FY23
- ✓ The systems integration roadmap is ongoing and consolidation of the two networks is due to be completed in FY24
- ✓ The remaining synergies are related to ongoing investment and migration to Aussie Fibre, which will be conducted on a business-case basis

Aussie Broadband transformed into multi-segmented technology and communications provider

Remaining synergies are based on Aussie Fibre which remains a key focus

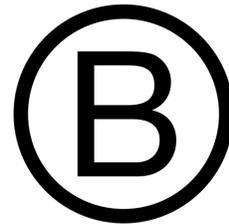
Being good ... is good for business

Aussie Broadband has achieved B Corp certification

Being good to people and planet - the actual Aussie Way

- Aussie Broadband is largest telco in Australia to be an accredited B Corporation.
- Our impact score of 96.3 places us in the Top 6 B Corps in Australia for our size.
- Becoming a certified B Corp is a testament to Aussie's commitment to social and environmental responsibility.
- This showcases Aussie's efforts in supporting our customers, our community, our workers and our environment.

Certified



Corporation

7,000

Businesses worldwide

19 Telcos
worldwide

560

in Australia

1 Other telco
in Australia

Aussie's approach to ESG

Making progress on our ESG Framework

Environmental

Carbon footprint

- Carbon neutral for scope 1 and 2 emissions
- Total carbon emissions increased in line with Company growth
- Carbon emissions / full-time employee decreased 29% YoY

Reducing overall footprint

- Carbon offset credits
- Transitioning to green power
- Working towards carbon reduction across the supply chain

Social

Addressing social challenges

- Committed to our pledge 1% initiative
- 500+ hours of community service leave
- Directly impacted over 110k people via our various programs
- Proud partner of the school student broadband initiative
- Focused approach on inclusion & diversity

Governance

Rigorous governance

- Aligned constitution's purpose to support ESG goals
- Implemented mechanisms to govern our ESG approach
- Mandatory compliance training
- Strengthened our cyber resiliency, including a focus on people, processes and technology

We are committed to having a positive impact on our society and the environment while balancing shareholder returns

Expanding our reach

Investing in our infrastructure capability



Aussie Fibre

1,426km

Aussie Fibre rolled out

About Aussie's Fibre Network:

- Continued investment in FY23 of \$19.1m
- 354 connected buildings, up 94%
- 1,719 buildings are now able to connect to our fibre network, supporting future growth opportunities
- Investment expands our capacity, redundancy and interconnectivity.



Tier 1 Voice Network

144.1m

Average Voice Minutes Per Month

About Aussie's Tier 1 Voice Network:

- One of six Tier 1 voice carriers in Australia.
- Now the third largest host of '13' numbers in Australia
- Owning and operating this infrastructure gives us much greater control over the reliability, quality and scalability of our services



Cloud Platform

10,000+ Tbs

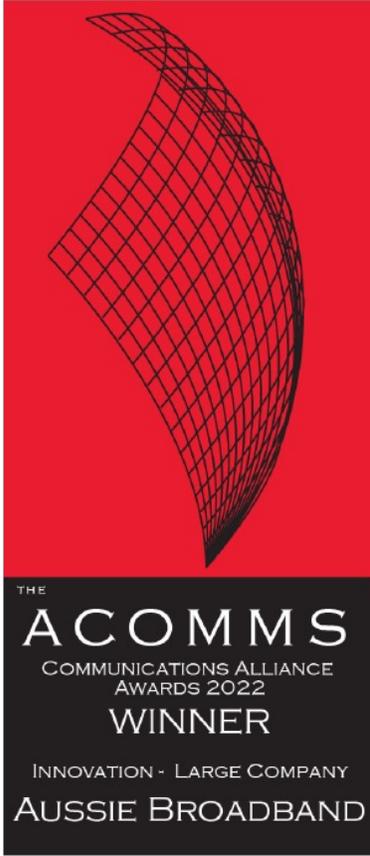
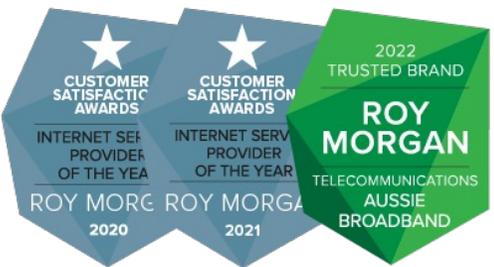
Cloud storage under management

About Aussie's Cloud Services:

- Private cloud tailored specifically for E&G segment customers using next-generation cloud architecture
- Added capacity in Melbourne and Sydney for our data protection service
- Continuing to invest in our cloud talent and capabilities to meet the unique needs of the E&G segment

Australia's Most Trusted Telco

Unique customer experience across all segments



FY24 Outlook & Guidance



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FY24 Focus

Building on momentum to further accelerate non-residential segments



Further build momentum in Business and E&G through increased solution selling and leveraging the trust customers have with the retail brand to win in Enterprise



Capture further voice market share to continue to scale our Tier 1 voice network



Targeted investments in fibre infrastructure and technology to deliver efficiencies and improve profitability



Focused on continuing to grow in the Residential segment while improving margins through network investment



FY24 Performance Upsides & Downsides

Upside opportunities for FY24

- Continued momentum across all market segments
- Efficiency initiatives leading to cost control outcomes
- Improved operating leverage
- Greater than anticipated deal volumes in E&G

Downside risks to FY24

- Potential for continued delays to the implementation of the NBN SAU past 1 December 2023
- Uncertainty of the impacts of a new NBN wholesale pricing regime
- Continued inflationary pressures on supplier and staffing costs, including wage pressure in a competitive job market
- Cost of living pressures impacting churn and speed mix (not experienced to date)

Positive outlook for FY24

YTD trading

- Aussie Broadband's growth trajectory has continued into FY24
- Broadband services have increased to over 715k
- Price competition has been increasing, especially in high-speed tiers
- Pipeline and deals signed in E&G continues to grow

Guidance

- EBITDA range of \$100m-\$110m (12%-23% increase on FY23), which includes increased cost of acquisition and increased investment in E&G marketing
- Capex range of \$47m-\$52m, dependent on customer demand for Aussie Fibre
- Subject to the timing and details of the new SAU, industry reaction to the new arrangements and prevailing market conditions
- Group is focused on organic growth, but remains open should acquisition opportunities arise that align with our strategic objectives



Appendices



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Balance Sheet

	FY22	FY23	Change
Cash and cash equivalents	47.7	75.1	57.4%
Trade and other receivables	37.2	43.4	16.7%
Plant and equipment	64.1	91.8	43.2%
Right-of-use assets	44.3	56.5	27.5%
Intangibles	416.4	398.1	(4.4)%
Other assets	18.8	28.7	52.7%
Total assets	628.5	693.6	10.4%
Trade and other payables	53.7	94.7	76.4%
Contract liabilities	28.2	34.1	20.9%
Lease liabilities	42.7	54.7	28.1%
Borrowings	149.3	174.0	16.5%
Deferred tax liability	50.3	56.9	13.1%
Other liabilities	35.6	(12.6)	(135.4)%
Total liabilities	359.8	401.8	11.7%
Net Assets	268.7	291.8	8.6%

Plant and equipment assets grew 43.2% driven by fibre investments

Net Assets increased by 8.6%

Cashflow

	FY22	FY23	Change
	\$m	\$m	
Receipts from customers	701.7	866.6	23.5%
Payments to suppliers & employees	(647.6)	(744.7)	15.0%
Net Interest Payments	(1.6)	(7.1)	343.8%
Tax payments	(5.3)	1.9	135.8%
Operating cash flows	47.2	116.7	147.2%
Payments for PPE	(42.8)	(39.0)	8.8%
Payments for intangibles	(2.3)	(10.1)	339.1%
Proceeds from disposal of PPE	-	0.1	-
Other	-	3.0	-
Investing cash flows	(45.1)	(46.0)	2.0%
Lease payments	(15.6)	(18.0)	15.4%
Other	-	(25.3)	-
Financing cash flows	(15.6)	(43.3)	177.6%

Working capital improvements driving cash flow increases

Deferred capital investments resulting in lower than expected investment cash flow

1H FY23 Segment Results On Same Basis¹

Revised segment Results

1H FY23	Residential	Business	E&G	Wholesale	ABB Total
Revenue	246.1m	43.2m	42.2m	47.4m	379.0m
COGS	(170.7m)	(23.0m)	(32.4m)	(20.7m)	(246.8m)
Gross Margin	75.4m	20.2m	15.1m	21.6m	132.2m
Gross Margin %	30.6%	46.6%	51.0%	31.8%	34.9%

Prior Disclosed Segment Results

1H FY23	Residential	Business	E&G	Wholesale	ABB Total
Revenue	243.0m	50.0m	36.6m	49.4m	379.0m
COGS	(171.0m)	(27.0m)	(17.4m)	(31.4m)	(246.8m)
Gross Margin	72.0m	23.0m	19.2m	18.0m	132.2m
Gross Margin %	30%	46%	52%	37%	35%

Functional integration of OTW driving finalisation of segments

Movement between based on revised customer profiles

No further re-alignment expected

¹ The definitions of segment customer profiles was re-assessed during the 2H FY23 prospectively. The above revised 1H FY23 is provided for information purposes.

1H FY23 Segment Connections On Same Basis¹

	1H FY22	2H FY22	1H FY23	2H FY23	
Residential	422,273	465,249	494,954	522,505	12.3%
Business	34,244	39,017	43,061	47,331	21.3%
E&G	8,539	9,097	9,783	10,871	19.5%
Wholesale	36,344	71,430	87,444	110,465	54.6%
Total	501,400	584,793	635,242	691,172	18.2%

Further refinement of market segments

Future changes to segmentation not anticipated

Prior Disclosed Segment Results

	1H FY22	2H FY22	1H FY23
Residential	421,909	464,909	494,986
Business	38,145	43,125	47,286
E&G	6,577	6,817	7,260
Wholesale	34,769	69,942	85,710
Total	501,400	584,793	635,242

¹ The definitions of segment customer profiles was re-assessed during the 2H FY23 prospectively. The above revised 1H FY23 is provided for information purposes.

Thank you

Aussie Broadband Limited

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Authorised for release by the Aussie Broadband Board



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