

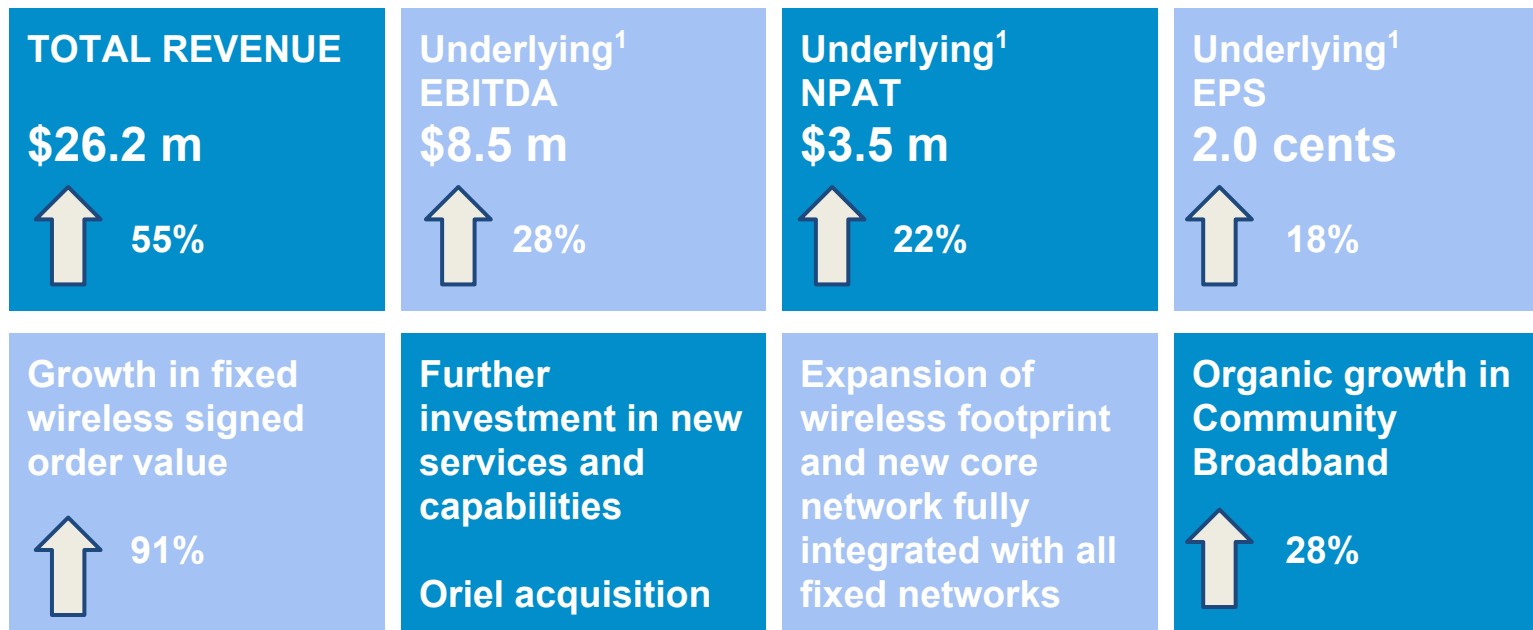
BigAir Group Limited 1H15 results presentation

19 February 2015



We use the air,
to improve your network

Another **strong** set of financial results



All percentage movements indicate the increase for 1H15 over 1H14 (unless stated otherwise)

¹BigAir Group Limited considers underlying EBITDA and underlying NPAT to be a more suitable indicator of operating performance since it is not affected by one-off costs and amortisation of acquired customer bases associated with business combinations. For a reconciliation of underlying EBITDA and underlying NPAT please refer to Appendix 1 in this presentation.

²Based on total contract value for new fixed wireless orders signed in 1H15 (versus 1H14). The impact from this increase in orders will flow into 2H15 as services are delivered.



A **busy** six months...









... generating another record HY result

... delivering to plan

... with foundations in place for continued strong growth



Continued **strong** growth across all metrics

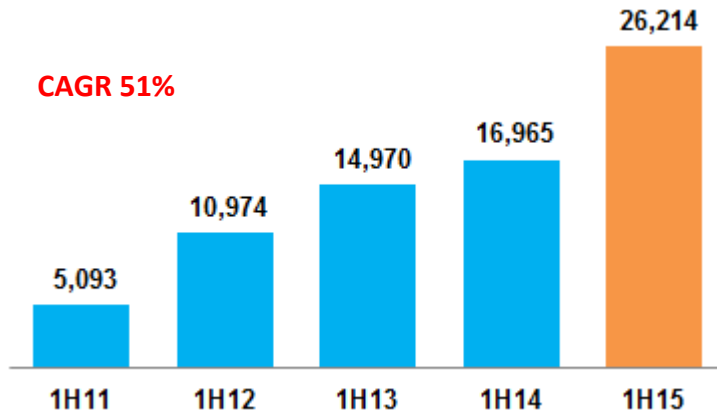
A\$000			1H15	1H14
Revenue		55%	26,214	16,965
Gross Profit		35%	15,939	11,692
EBITDA		26%	8,248	6,562
NPAT		12%	2,846	2,550
Underlying EBITDA		28%	8,506	6,626
Underlying NPAT		22%	3,480	2,867
Underlying Earnings Per Share (cps)		18%	2.01	1.71
Operating cash flow		20%	6,750	5,605



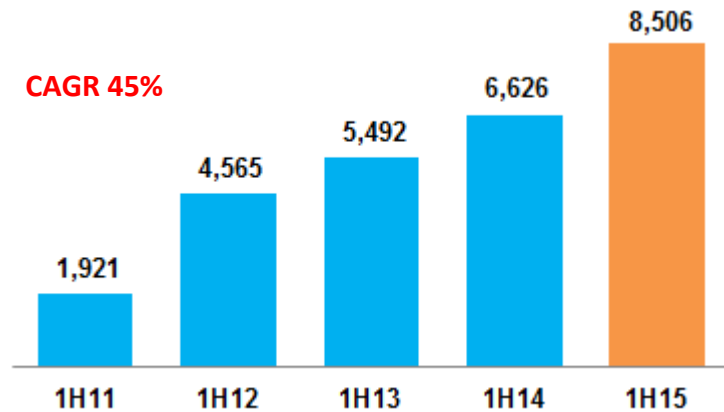
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Another record HY

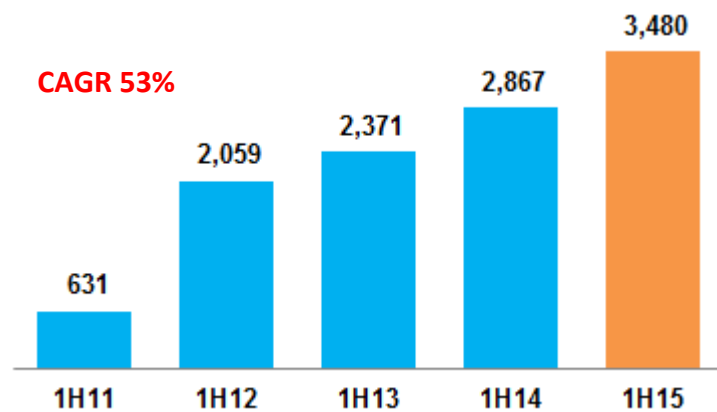
Revenue (\$000)



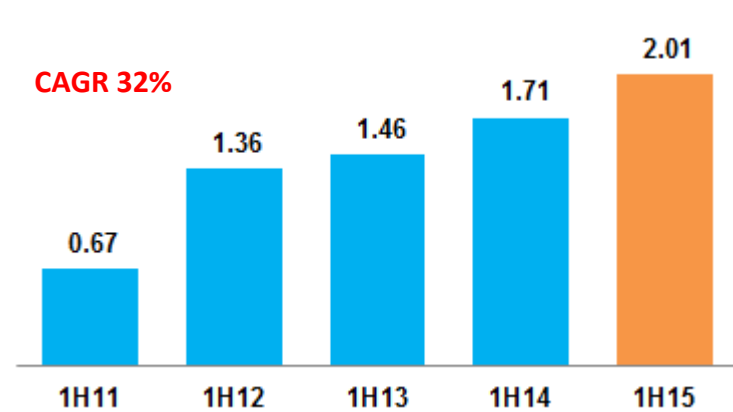
Underlying EBITDA (\$000)



Underlying NPAT (\$000)



Underlying EPS (cps)



Note: Compound annual growth rate (CAGR) calculated from half yearly results

Strong balance sheet

Consolidated balance sheet (\$'000)

	Dec 2014	June 2014
Current assets	10,508	7,429
Property, plant and equipment	27,633	24,318
Goodwill and other	48,132	35,432
Assets	86,273	67,179
Creditors and payables	8,724	4,789
Other liabilities and provisions	15,857	6,170
Borrowings and leases	18,018	13,939
Liabilities	42,599	24,898
Net assets	43,674	42,281
Issued capital and reserves	33,919	33,494
Accumulated profit/(loss)	9,755	8,787
Equity	43,674	42,281
Net debt : Equity	35%	28%
Net debt : EBITDA	.92x	.79x

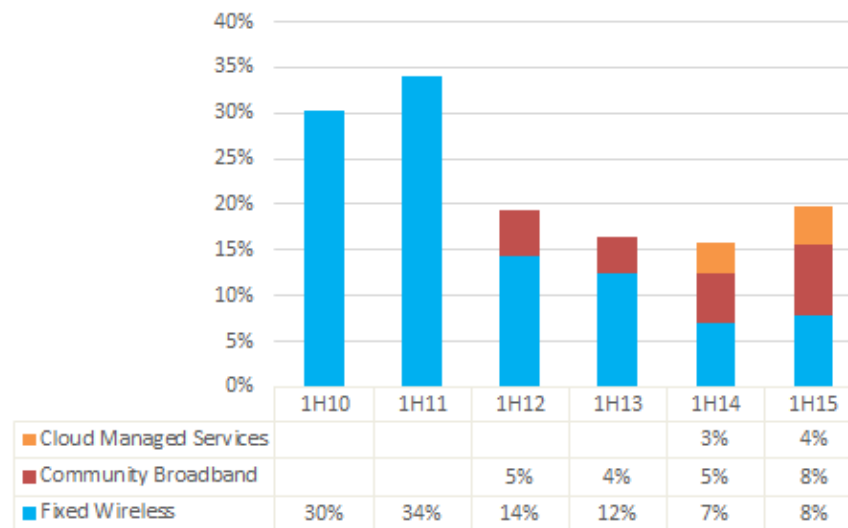
- Property, plant and equipment increase mainly due to installation of new services and infrastructure
- Goodwill increase due to acquisition of Oriel Technologies Pty Ltd
- Negotiated approval during 1H15 to increase debt facility up to \$25m
- Facility drawn to \$17m as at 19 Dec 2014, on completion of the Oriel acquisition

Strong cashflows

Cash flow (\$'000)

Operating activities	6,750
Investing activities - PPE	(5,194)
Investing activities - Acquisitions	(3,352)
Investing activities - other	(375)
Financing activities - Bank Facility	4,079
Financing activities - Dividend paid	(1,850)
Financing activities - other	438
Net increase for the period	496

Capex as % of Revenue



- Operating cash flows remain strong increasing by 20% versus 1H14
- Significant new investments made in 1H15 to support future growth
- Community Broadband Capex includes some large scale WiFi deployments rolled out in 1H15 to support new projects
- Investments in Cloud and Managed Services include new data centre infrastructure to support hosting and IaaS service growth

Adding value through strategic **acquisitions**

FIXED WIRELESS



Startech acquired in 2014 - addition of highly capable engineering team with large installed base across local government. Student housing assets previously acquired by BGL in FY11



Allegro acquired in 2012 - extensive fixed wireless & fibre network assets across South East QLD and significant player in University housing market



Link Innovations acquired 2012 - marked BGL entry into regional wireless markets



Clever Communications acquired in 2011 - largest competitor in wholesale fixed wireless markets

COMMUNITY BROADBAND



AccessPlus acquired in 2011 - leading provider to University student housing segment. Represents the nucleus of the BigAir Community Broadband division today.

CLOUD & MANAGED SERVICES



Oriel Technologies acquired in 2014 - established managed services provider - broadening solutions portfolio

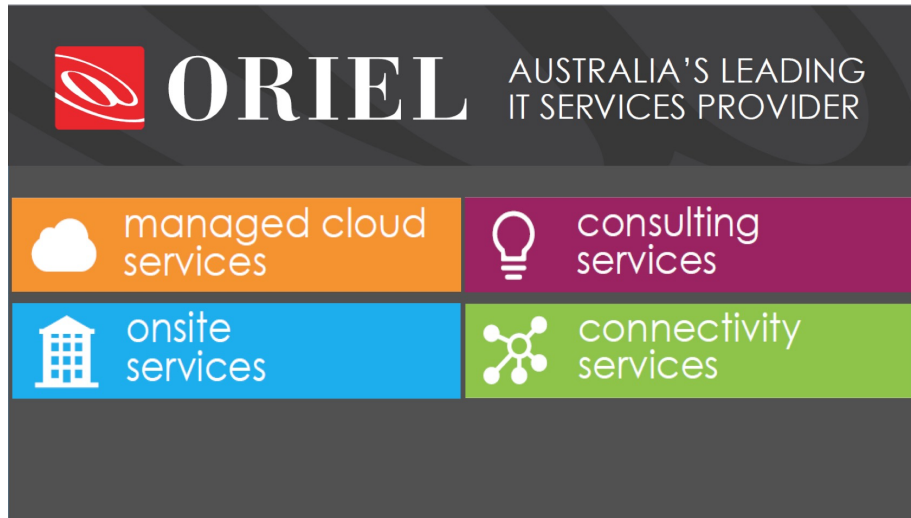


Anittel Communications acquired in 2014 - unified communications and managed services



Intelligent IP acquired in 2013 - providing BGL with its first entry into unified communications and managed services

Adding **value** through strategic acquisitions



- The Oriel acquisition enhances our capability in the mid-market and enterprise space
- This supplements our existing offerings, enabling us to take a fully Managed IT solution suite to our customers
- Significant opportunity for cross-selling into both Oriel and BigAir customer groups

- Acquired Dec 2014 and consolidated from 19 December 2014
- \$22M revenue in FY14
- Acquisition structured as an earn out over FY15 and FY16



Cross-sell generating **additional revenues**

Recent acquisitions providing significant cross-sell and new market opportunities

- Virtual Data Centres (via Anittel and Oriel acquisitions)
 - Directly replacing “hardware” based solutions in BigAir Corporate Base and IIPC customers while providing a streamlined offering for Oriel customers
- Managed networks and managed services (via IIPC, Anittel and Oriel acquisitions)
 - Providing substantial operational benefit to corporate customers across the Group
- Voice and Unified Communications (via Anittel and IIPC acquisitions)
 - Providing hosted PABX, IP Telephony and a full range of fixed network infrastructure (fiber, copper, etc) to complement existing fixed wireless services



**Increased revenue, reduced opex
and improved customer satisfaction**



Revenue **growth** Case Study

- Education network

- In December 2014 BGL was awarded a 3 year managed WAN contract in NSW to supply a regional independent school association. The supply arrangement has a total contract value of \$2M.
- The deployment comprises 30 sites throughout the region with a combination of both wireless and fixed line connections
- The network design allows for symmetric bandwidths of up to 400Mbps
- The initial deployment will comprise managed WAN, Internet and Virtual Data centre products and has the capability to have voice and video added at a later date
- The project is expected to be installed before end 2H15



Revenue **Cross Sell** Case Study

- **Property & Infrastructure**

Helping our customers help others

- In early FY15 we won a 3 year arrangement to provide WAN, Internet and Wireless as a Service (WAAS) to the retirement living division of an existing client, a multinational property and infrastructure services enterprise
- The deployment comprises 65 sites throughout Australia utilising a combination of fixed and wireless connectivity mechanisms
- Leveraging the capabilities of our Community Broadband division coupled with new service offerings from the acquisitions of Anittel Communications and IIPC each site is deployed with Public Wi-Fi and Managed WAN connectivity
- The introduction of Managed WAN solutions to this customer has provided a platform for significant future growth whilst reducing risk and providing a higher quality of service



Optimising cost base

Significant upside targeted through opex consolidation

- Significant focus on opex consolidation putting the squeeze on management and maintenance overhead and cost of sale:
 - Consolidation of processes and procedure
 - Amalgamation of disparate delivery platforms & networks
 - Removal of duplicated infrastructure in Data Centres and POPs
 - Simplifying delivery platforms by removal of redundant elements

These activities during FY15 are expected to deliver a full year EBITDA contribution of \$1m in FY16.



Strategically enhanced operations

Providing the scale platforms required to underpin future growth

- New Sydney data centre presence in NextDC S1 and Equinix SY3
 - provides much needed room for expansion
 - infrastructure cost savings will be realised from the consolidation of existing data centre infrastructure into these locations
- Juniper Networks selected as strategic partner to provide key components of BGLs Next Generation Network
 - Provides much needed capacity nationally
 - Materially simplifies future product development and service deployment.
 - Next Generation Network will be in production by end of FY15
- All legacy billing systems have been successfully rolled into a single cloud based platform providing much needed consistency in terms of support and customer experience.



Key **priorities** for 2H15

- **Our sales focus** is to expand customer ARPU (average monthly spend per customer) through cross-selling our new offerings - Unified Communications, Cloud and Managed Services
- **Operationally**, we are:
 - further consolidating and streamlining our operations and recent acquisitions
 - continuing to drive customer satisfaction and retention
 - developing additional complementary offerings
 - continuing to expand footprint while driving complexity out of operational execution
- **M&A strategy** will continue to identify accretive acquisitions to
 - increase our footprint in strategic markets.
 - improve our penetration into Cloud & Managed Services and Unified Communications verticals



In summary...

1H15 - another record half

- Record financial results across all key metrics
- Strong balance sheet with comfortable gearing
- Strategic expansion into Cloud, Managed Services and Unified Comms
- Key management hires now completed to drive the next phase of growth

2H15 - more growth expected

- Complete integration of acquisitions and drive efficiencies
- Continue to expand network into strategic markets
- Continue to diversify Community Broadband into adjacent markets
- Generate additional business revenue through cross-selling Cloud, Managed Services and Unified Comms to existing BigAir customers
- There's more to come ...



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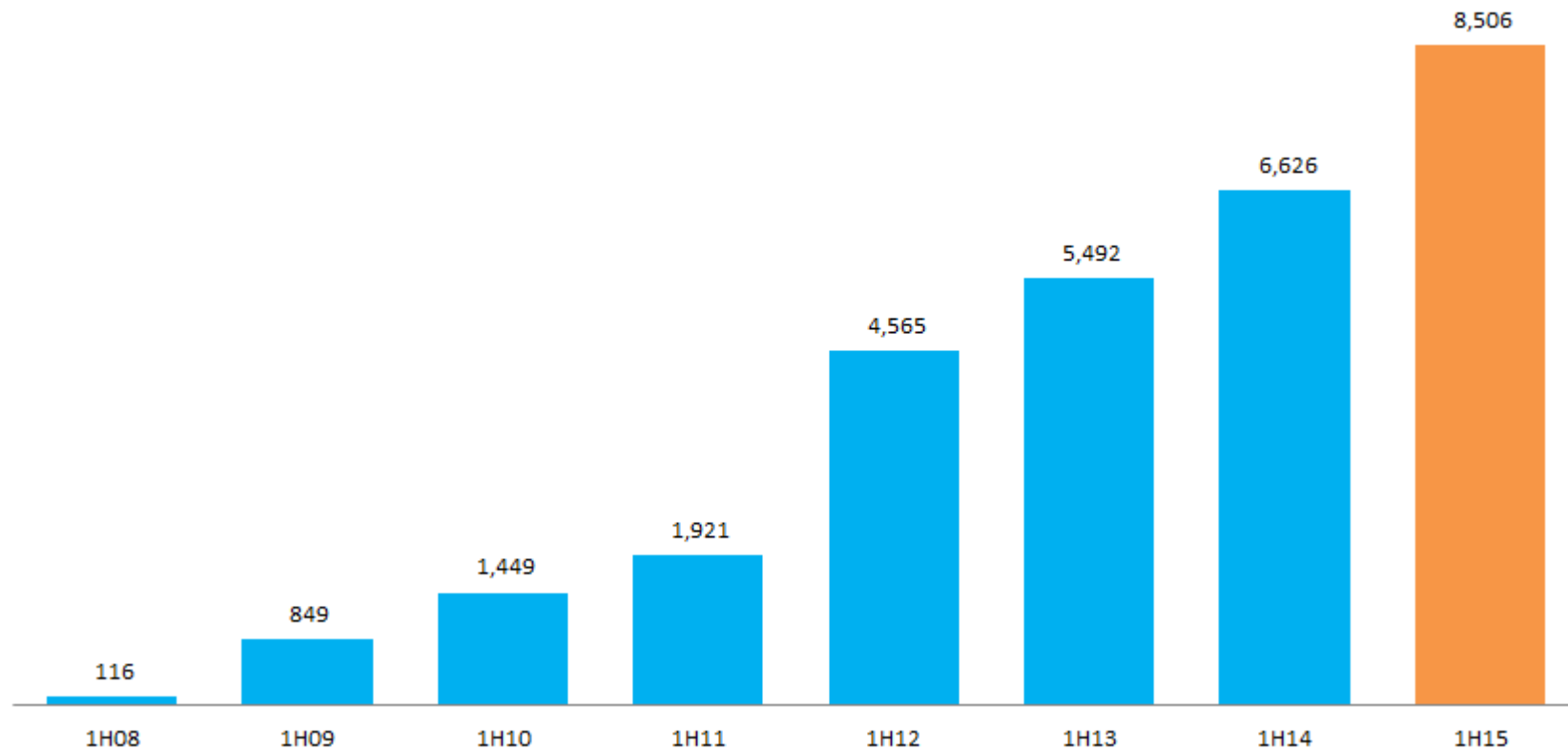
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Q&A

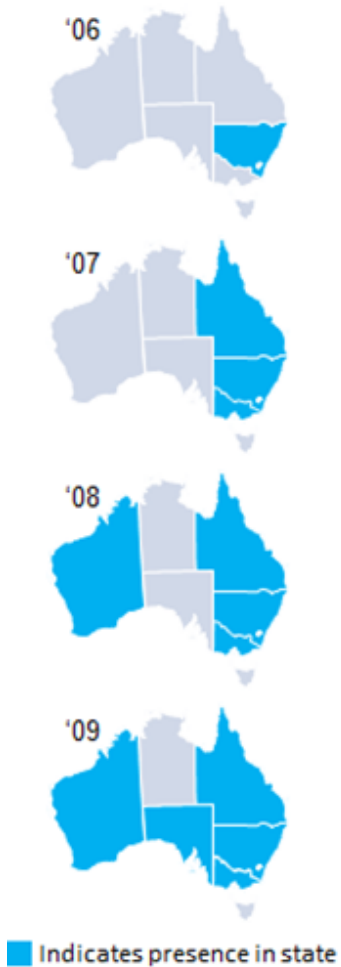
Underlying EBITDA (\$m)



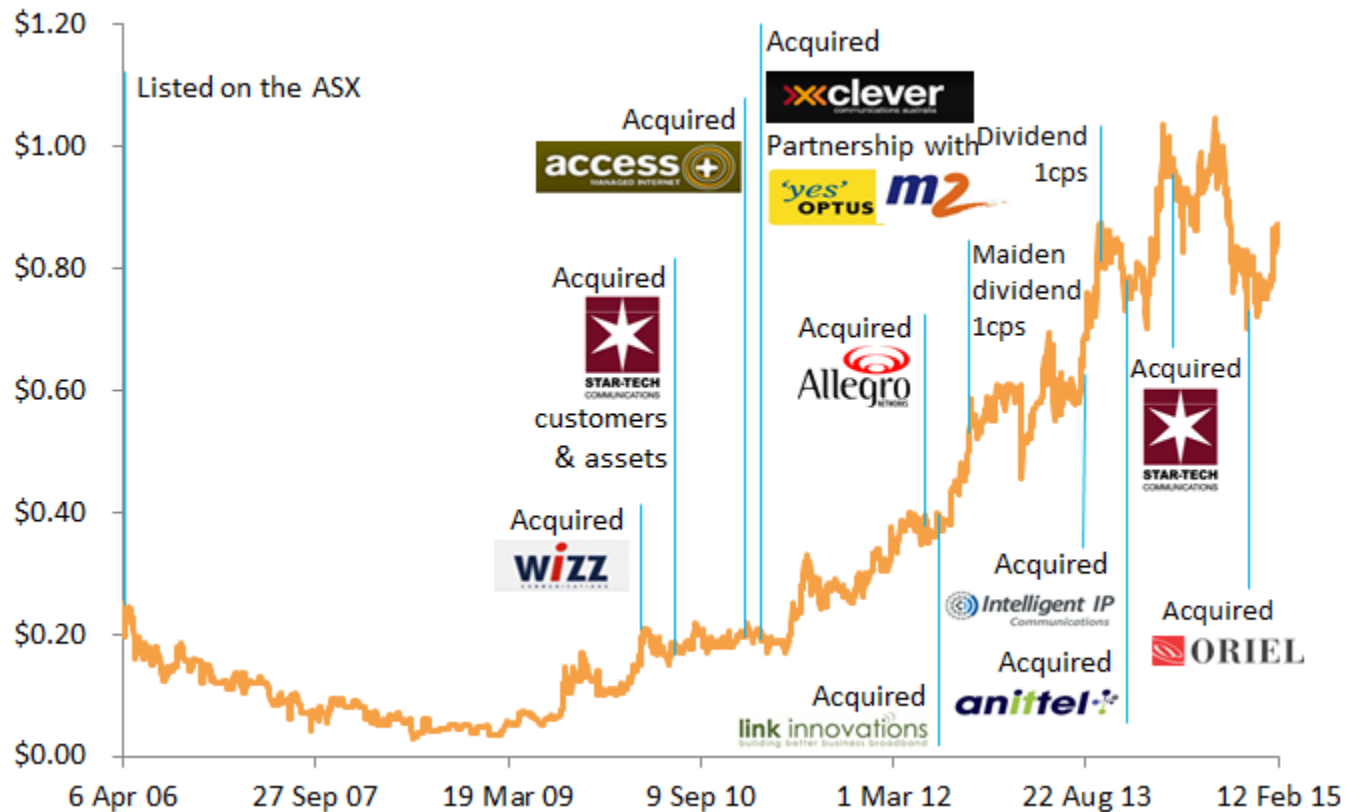
Appendix 1 : Reconciliation of underlying EBITDA and NPAT

	Current period	Previous corresponding period
EBITDA	8,247,700	6,565,743
Deal and restructure costs	258,794	64,461
Underlying EBITDA	8,506,494	6,630,204
NPAT	2,846,356	2,549,905
<i>After tax effect of:</i>		
Amortisation of acquired customer bases	452,354	271,800
Deal and restructure costs	181,156	45,123
Underlying NPAT	3,479,866	2,866,828

Appendix 2 : Track record of building shareholder value



Share price and key events since listing



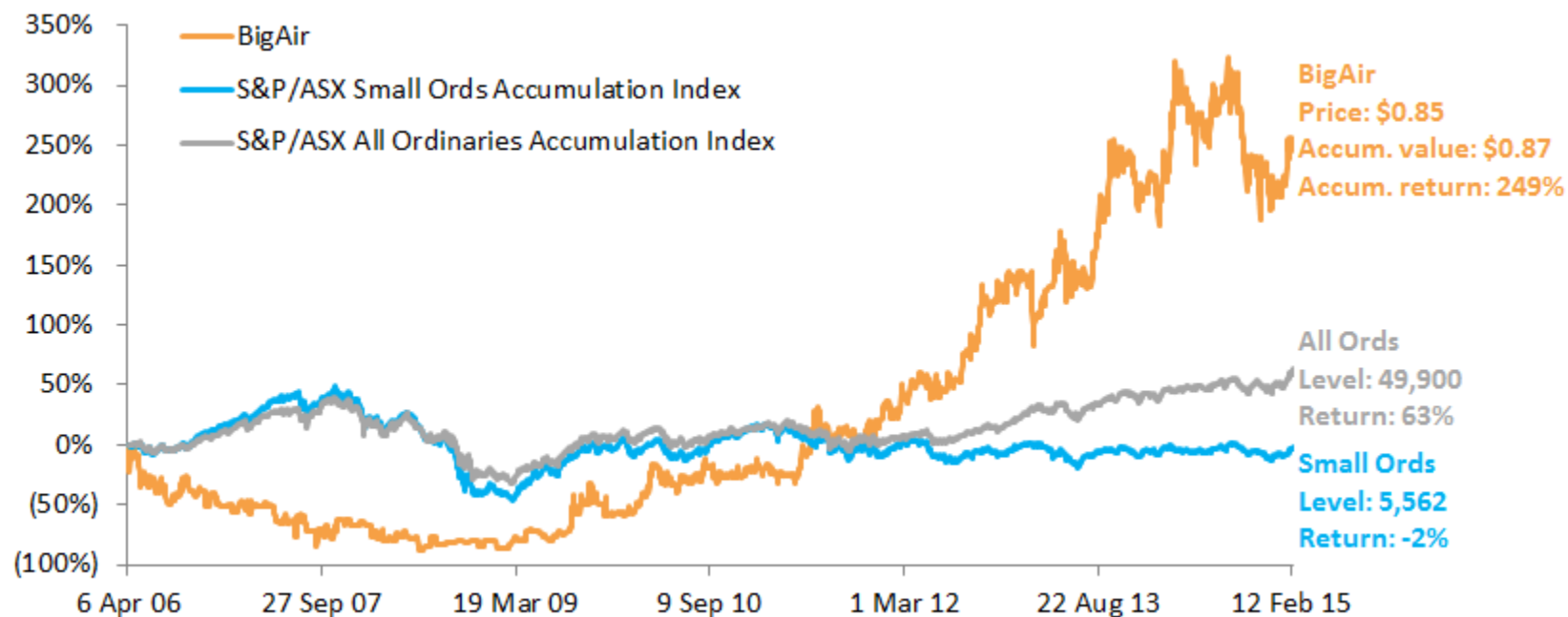
Source: IRESS as at 13 February 2015.



Appendix 3 : Generating superior shareholder returns

\$1.00 invested at listing has grown to \$3.49 at 13 Feb 2015

Accumulated return since listing (%)



Assumptions: Listing date of 6 April 2006, closing price of \$0.850 on 13 February 2015 and reinvestment of FY12, FY13 and FY14 dividends at share price on ex-dividend date.

Source: IRESS as at 13 February 2015.



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