

ASX & MEDIA RELEASE**2 November 2016****Presentation on Service Stream**

Attached is a copy of the presentation made at the Morgan's Melbourne Online, Technology and Services Conference today.

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Service Stream Limited

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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, energy and water industries. Service Stream operates out of more than 40 locations nationwide and maintains a workforce of around 1,500 employees and up to 3,000 active contractors. For more information please visit www.servicestream.com.au.

Service Stream Limited

Presentation to Morgans

Online, Technology and Services
Sector Conference

Leigh Mackender
Managing Director

2 November 2016



Agenda

- 1 Company Overview
- 2 FY16 Group Performance Highlights
- 3 Group Strategy & Outlook
- 4 Questions



Company Overview

Company Profile

Service Stream Limited (ASX: SSM) is a S&P/ASX 300 company providing **design, construction, installation** and **maintenance** services across essential infrastructure networks within the Telecommunication and Utility sectors

People	Revenue	NPAT	Earnings per share	Dividends per share	Market capitalisation
1,800 Staff & 3,000 Contractors	\$438.9m	\$20.0m	5.20c	2.5c	\$420m *

(As at 30 Jun 2016)

* (As at 30 Sep 2016)

Fixed-line Telecommunications



Utility & Energy Services

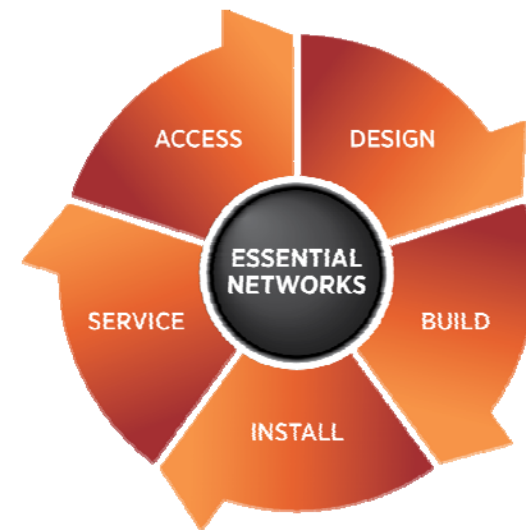
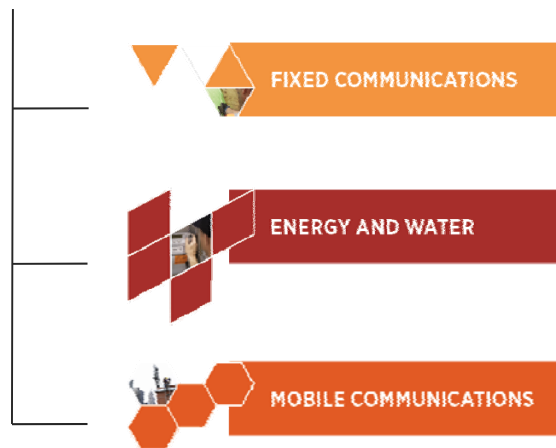


Mobile Telecommunications



Reporting Segments

Through our three operating divisions; **Fixed Communications**, **Energy & Water** and **Mobile Communications**, we work with clients across the telecommunication and utility sectors to provide specialist services associated with the **design, construction, installation** and ongoing **maintenance** of their essential networks



Fixed Communications

Cable network specialists

Service Stream's **Fixed Communications** division provides; design, construction, upgrade and maintenance services across Australia's fibre-optic, broadband, HFC and copper communication networks.

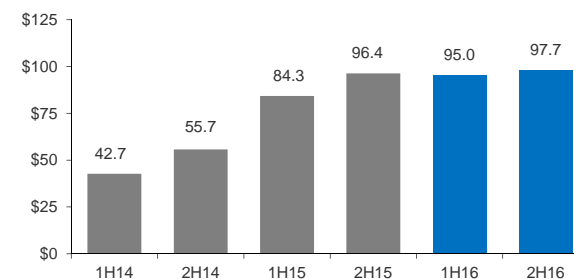
Our services include:

- ▶ Fibre-optic installation, splicing, termination, activation and commissioning
- ▶ Copper cable installation, termination, activation, commissioning and maintenance
- ▶ Coaxial / aerial cable installation, activation and commissioning
- ▶ Network design, construction, augmentation and remediation
- ▶ End-to-end fault diagnosis, operations and maintenance
- ▶ Civil infrastructure construction and remediation works

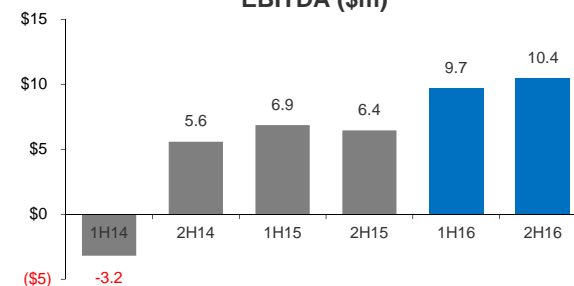
Key Clients:



Revenue (\$m)



EBITDA (\$m)



Mobile Communications

Wireless network specialists

Service Stream's **Mobile Communications** team specialise in site acquisition, installation, construction, upgrade and maintenance of wireless telecommunication infrastructure.

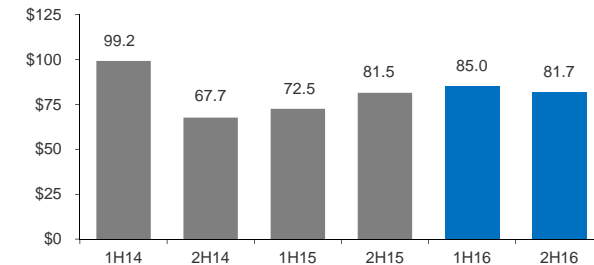
Our services include:

- ▶ LTE Mobile base stations construction, upgrade and maintenance
- ▶ Tower construction, design and decommissioning
- ▶ Greenfield mobile base station, site acquisition, construction
- ▶ Rooftop and other asset structural assessments
- ▶ Lease management and co-location negotiations
- ▶ Building systems (including tunnel and hotspots)
- ▶ Satellite earth stations
- ▶ Wi-Fi design and installation
- ▶ Power and utilities networks - Design and Construction

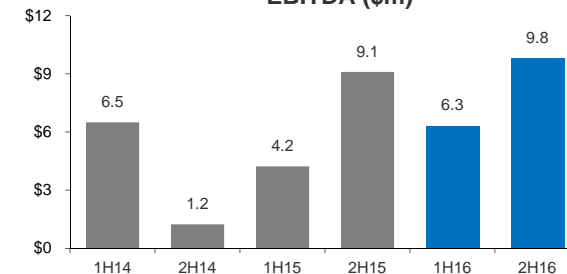
Key Clients:



Revenue (\$m)



EBITDA (\$m)



Energy & Water

Utility network specialists

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

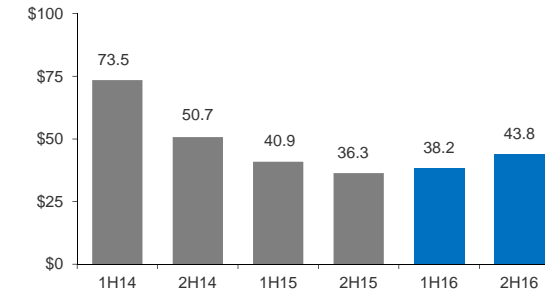
Our services include:

- ▶ Meter and asset replacement
- ▶ Smart-meter network deployments
- ▶ Asset inspection/replacement
- ▶ Disconnection/re-connection services
- ▶ Meter reading
- ▶ Commercial and residential solar PV
- ▶ Electric vehicle charge station
- ▶ Home energy efficiency audits
- ▶ Surveys and consultancy

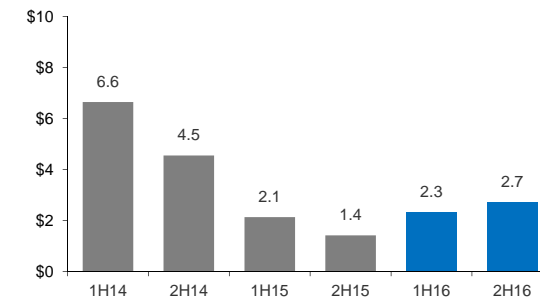
Key Clients:



Revenue (\$m)



EBITDA (\$m)





FY16 Group Performance

FY16 Group Highlights

Financial

- EBITDA of \$35.8 m (up 41% on FY15)
- Group NPAT of \$20.0m
- Strong balance sheet, increased cash on hand to \$41.1m, maintained zero debt
- 5.0 cps capital return completed in June
- Increased interim and full-year dividends to total 2.50 cps per share (fully-franked)

Operational

- Continued solid performance across major HSE metrics
- Awarded several new contracts during the year, underpinning future growth
- Mobilised recently secured contracts: nbn proceeding 'on schedule'
- Continued focus on business fundamentals: 'execution and service delivery'

Strategic

- Expanded annuity-style revenue base via four-year O&M contract with nbn
- Expanded mobile telecommunications client-base
- Secured additional 'value-added' services across existing contract-base
- Execution against Group's Strategic Plan progressing 'on schedule'

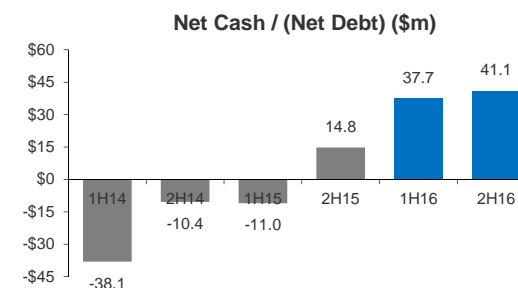
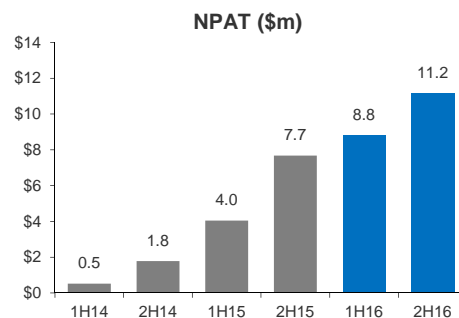
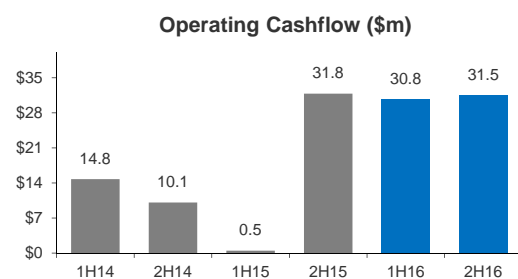
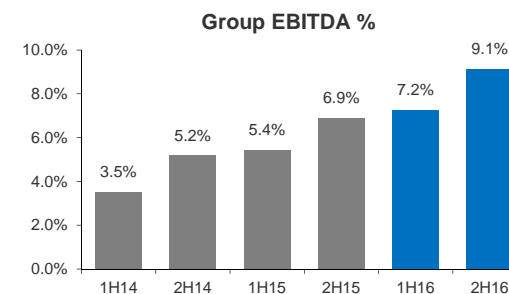
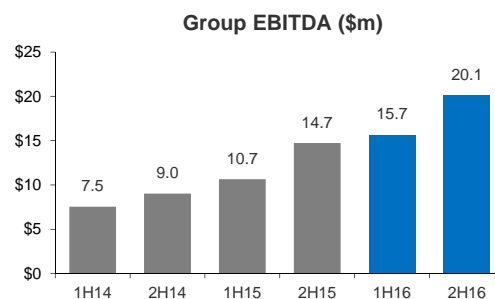
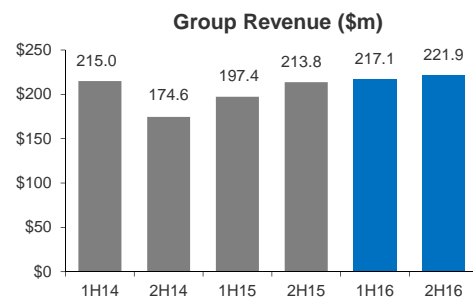
Financial Performance

Key financial measures

\$ million	FY16	FY15	Change	
Revenue	438.9	411.3	27.7	7% ▲
EBITDA	35.8	25.4	10.4	41% ▲
EBITDA %	8.2%	6.2%	2.0%	n/a ▲
Net profit after tax	20.0	11.7	8.3	71% ▲
Earnings per share (cents)	5.20	3.03	2.16	71% ▲
Operating cashflow	62.3	32.3	30.0	93% ▲
Net cash	41.1	14.8	26.3	178% ▲
Total dividends declared (cents)	2.50	1.50	1.0	67% ▲

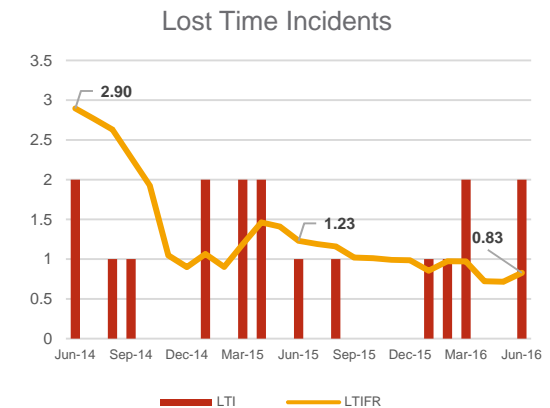
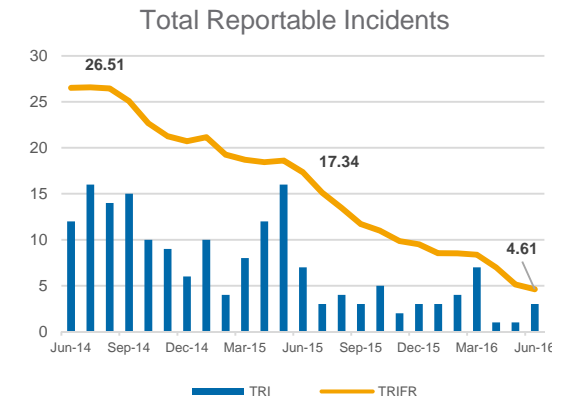
All financial measures and year-on-year changes thereto, are rounded to the displayed number of decimal places

Key Financial Measures



Operational Performance

- Continued to deliver improved HSE performance across all major performance metrics
- Mobilisation of recently secured contracts:
 - nbn MIMA construction contract performing against targets, secured FTTN volume increases for FY17
 - nbn OMMA operations and maintenance contract expanding inline with network deployment targets
 - AGL Active Stream smart meter deployment met year-end targets, working to increase installation volumes during FY17
- Energy & Water recently secured trial programs and service contracts:
 - Solar PV + Battery Storage and Electric Vehicle Charge Station trials with AGL (Oct-16)
 - Meter Reading Services contract with Ergon Energy (Oct-16)
- Expanded Mobile Communication's client base:
 - Nokia Networks, PIPE Networks, NSW Telco Authority & Axicom





Group Strategy & Outlook

Group Strategy

Continue to deliver against our strategic plan during FY17 by focusing on the fundamentals of our business



SERVICE DELIVERY



CLIENT RELATIONSHIPS



OPTIMISE DELIVERY MODEL



OUR PEOPLE



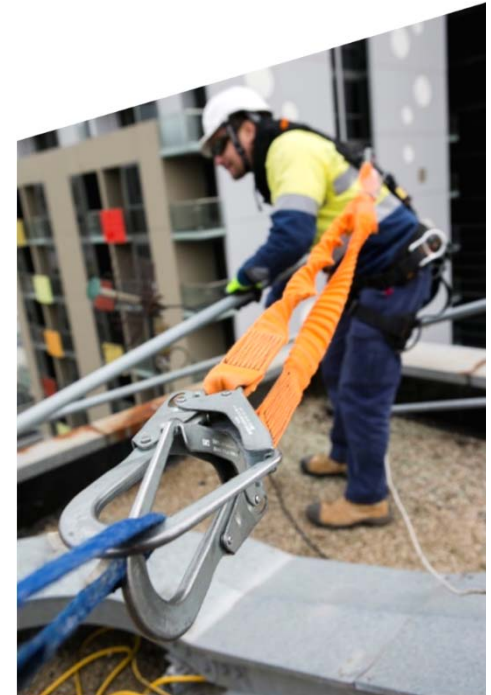
FUTURE GROWTH



- Continued focus on service delivery and execution
- Ongoing management of Group's works-to-cash cycles
- Maintain strong balance sheet and reduced working capital requirements
- Continue to maintain and develop our client relationships
- Implementation of mature and scalable business frameworks and processes
- Strategic investments in 'enterprise level' IT infrastructure to support growth and increase efficiency
- Target additional 'annuity style' revenues to support ongoing future growth
- Maximise organic growth opportunities across our existing markets and client base
- Assess external growth opportunities across known / adjacent markets

Outlook

- The Group is focussed on delivering earnings growth in FY17, subject to anticipated customer demand and ongoing success in mobilising recently-secured contracts
- Q1 FY17 is 'on track'
- FY17 Group priorities:
 - Continue to mobilise resources to support our Operations & Maintenance contract with nbn, inline with the network deployment
 - Scale our delivery capability to support recently secured increases in FTTN construction volumes with nbn during H2 FY17
 - Continue working with key clients to improve continuity and timing of work package releases across major mobile wireless programs
 - Secure further trials and programs associated with disruptive technology across the utilities market
 - Deliver initial phase of IT platform and application enhancements, to improve efficiency and effectiveness of operations
 - Successful mobilisation and delivery of recently secured contracts across Energy & Water division





Questions