

Macquarie Connections



MACQUARIE

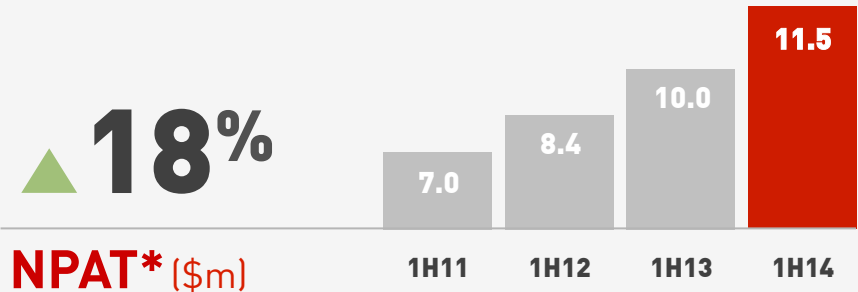
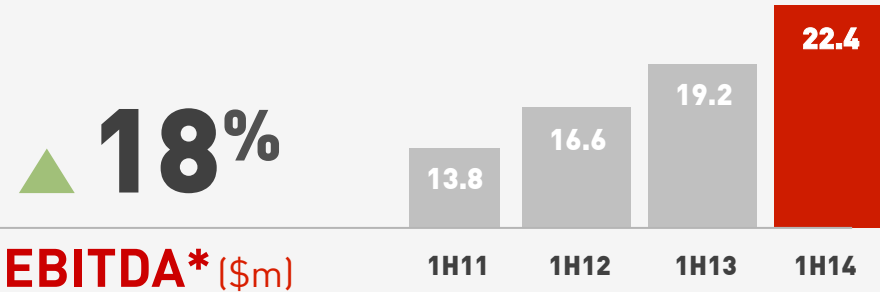
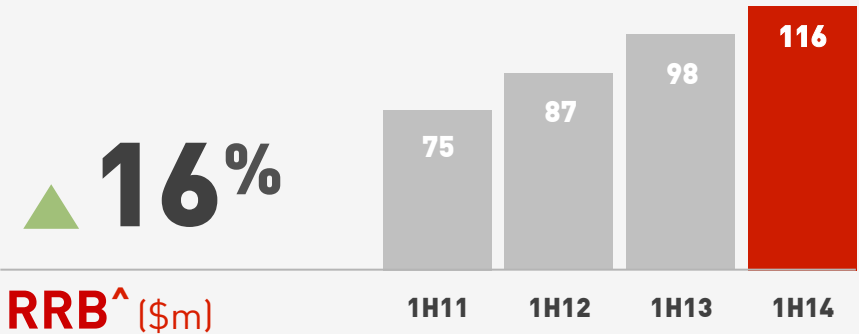
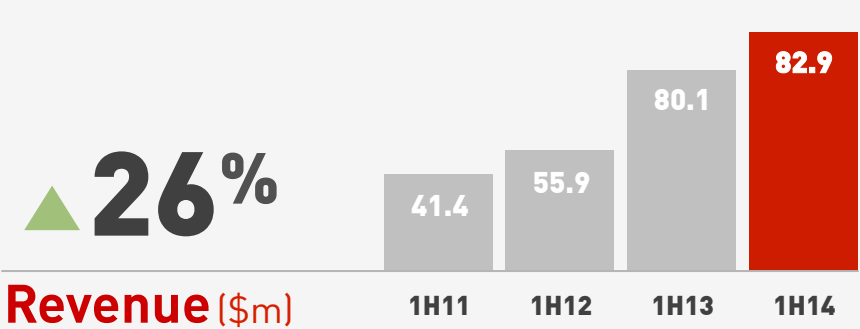
Australia Conference

Sydney: 7–9 May 2014

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Consistent Track Record (CAGR#)

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#CAGR based six monthly periods (4 years)
*Excluding significant items and equity accounted earnings
^Annualised recurring billing base

Financial Highlights

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P&L Metrics	1H14	1H13	YoY
Revenue	82.9	80.1	▲ 4%
EBITDA	22.4	19.2	▲ 16%
NPAT (before significant items#)	11.5	10.0	▲ 14%
ROE annualised ¹	19%	18%	
EPS (before significant items#)	4.7c	4.1c	▲ 14%
Interim dividend per share	2.2c	2.0c	▲ 10%
Balance Sheet Metrics	1H14	1H13	
Gearing ²	22%	7%	
Net debt / EBITDA annualised)	0.76x	0.23x	

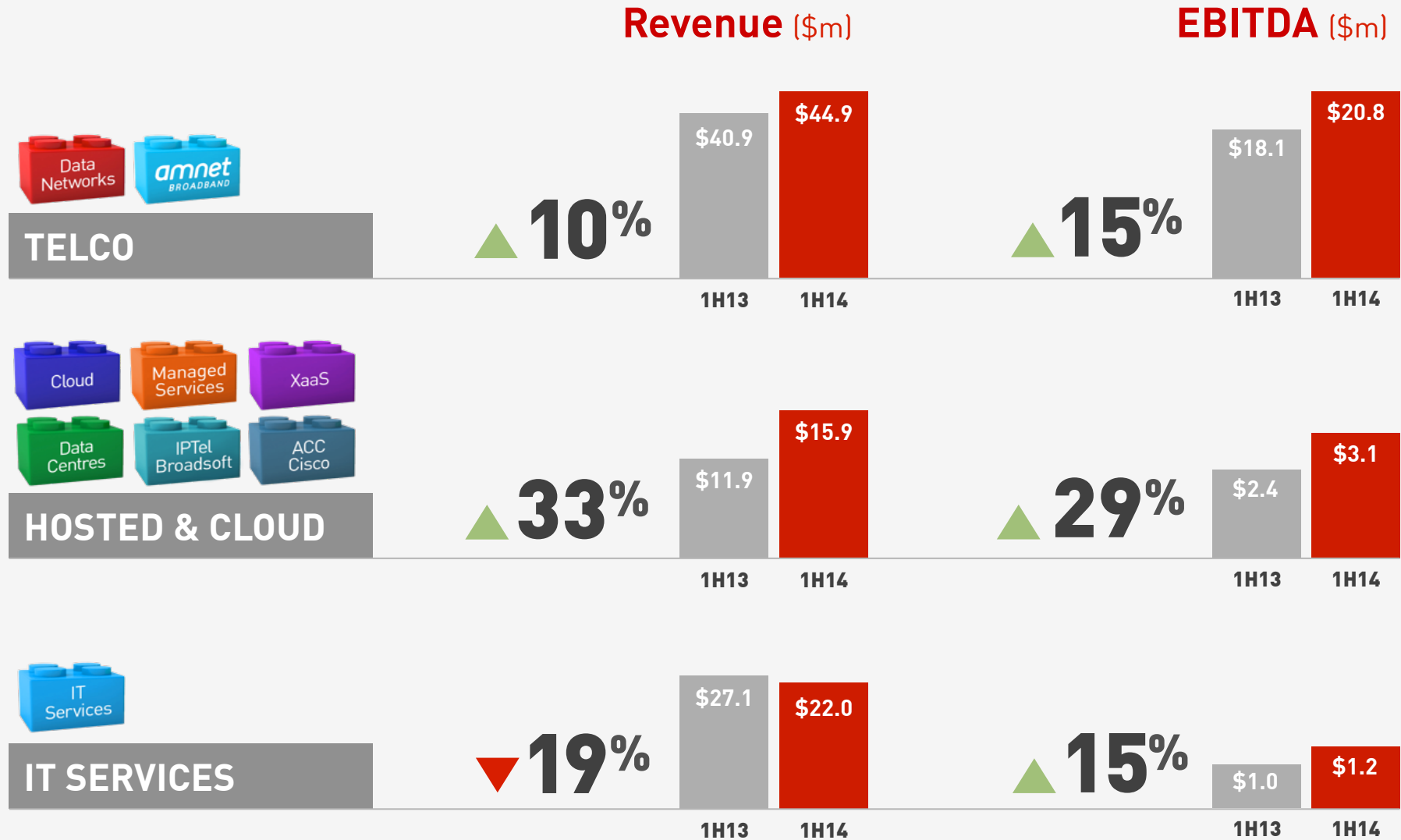
¹ NPAT (before significant items) / Average Shareholder Equity

² Gearing: Net debt to net debt plus equity

significant items comprised acquisition and integration costs of \$400k

Segment Results

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Data Networks



- > Amcom fibre networks – WA, SA & NT
- > Third party providers nationally
- > Typical sales mix – 60% Direct, 40% via Channel
- > Growing distribution > 300 channel partners nationally
- > Cross sell hosted and cloud services across data network

ACC Cisco



- > Cisco HCS platform (Amcom ACC) focus on Enterprise and government market
- > Addressable market \$1.3b*
- > Platform deployed and new customers onboarding late 1H14
- > Unified communications is changing the way business operate

IP Tel Broadsoft



- > Broadsoft platform focus on SMB to mid-market
- > 80% of sales are via east coast channel partners
- > Platform & capability established over past 4 years
- > IPTel sales drive data networks

**If the entire enterprise market adopts telephony/ UC-as-a-Service, then the total addressable market would be \$1.3b. –Frost & Sullivan, Jan 2014*

Sold as a service with...



Sold as a service with...



Sold as a service with...



Data Centres



- > 7 data centres in Perth
- > National partnership with NextDC provides customers with choice and drives data network sales nationally
- > Amcom data centres enable:
 - > Customer colocation
 - > Managed services
 - > Cloud platforms
 - > Data network sales

Sold as a service with...



Cloud



- > Cloud Services include:
 - > Compute
 - > Storage
 - > Backup
 - > Disaster Recovery
- > Direct connect with Amazon Web Services to offer choice (public cloud) and drive data network sales
- > Framework to enable customers to transition from on premise via a range of managed services to the cloud

Sold as a service with...



X-as-a-Service



- > New annuity services via X-as-a-Service initiatives:
 - > Managed Routers
 - > Wi-Fi as a service
 - Corporate BYOD/guest access
 - Retail customer analytics
- > Logical “add on” to data networks

Sold as a service with...

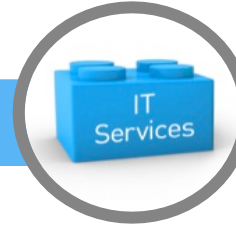


Managed Services



- > Alignment of managed service capability to enable customer choice
- > Framework to enable customers to transition from on premise via a range of managed services to the cloud
- > Leveraging data networks, data centre and IT service capabilities

IT Services



- > Sale of product and professional services around 3 key vendors
 - > Cisco
 - > EMC
 - > VMware
- > Cross selling data network/ data centre opportunities ongoing

Tier 1 Technology Partners



Sold as a service with...



Sold as a product/service with...



Balancing Performance & Growth

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Core Growing Strong

- › Organic growth continues
- › Solid demand for data networks and data centre
- › Building annuity revenue
- › Annualised recurring billing base of \$116m at Dec 13



Growth Initiatives

- › Strategy unfolding
- › Early wins in ACC
- › Compelling opportunity
- › Focused investments
- › National expansion



Performance

- › Re-investing opex/capex
- › Optimising balance sheet
- › EPS growing
- › ROE growing
- › Dividend growing



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**Collaboration is
changing the way
business works**

Collaboration is changing the way business operates

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Bring Your Own Device (BYOD)

- > Increasing trend of bringing smartphones and tablets into the work environment

Cloud

- > Distinct trend towards a consumption model
- > Underlying infrastructure for UC is not core business

Mobility

- > Access using any device, anywhere – WiFi or 3G

Social Collaboration

- > Use familiar social tools for higher responsiveness e.g. use IM to chat to colleagues rather than email/call

Unified Communications

- > Multiple tools mean you can communicate in the most efficient manner e.g. Presence, IM, email, voice, video and telepresence



Day in the life of an Executive



Urgent meeting with CIO & CFO



Investor meeting request



Attend board meeting

YESTERDAY

- Physically check office
- Send email
- Try calling
- Meeting occurs 3 hours later

Time-consuming

- Missed call from investor
- Establish possible meeting times
- Email presentation
- Dial-in audio conference

Basic communication

- Director unable to attend
- Arrange audio conferencing
- Email agenda & materials
- Send presentation after meeting

Limited interaction

TODAY

- See availability on screen
- Send instant message
- Get reply instantly
- Meeting occurs 20 minutes later

Time-saving

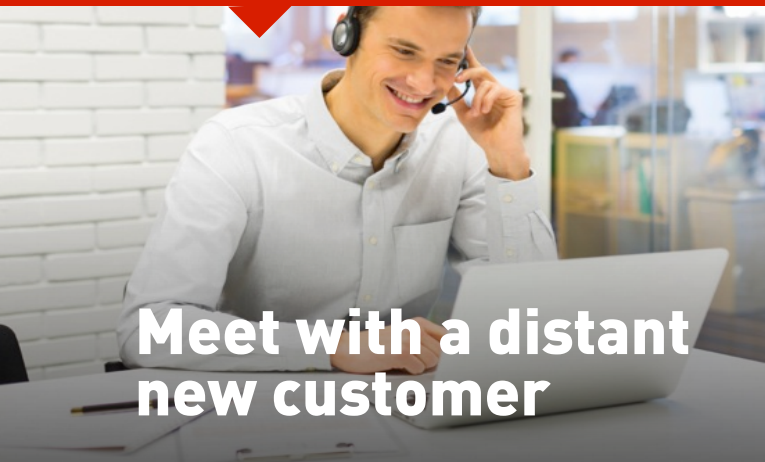
- Reachable on phone, tablet, laptop
- Meet using video web conferencing
- Share presentation material

Visual communication

- Directors join using mobile devices
- Video conference
- Share content via desktop sharing

Flexible interaction

Day in the life of a Sales Account Manager



Meet with a distant new customer







Bring in a technical expert







Product training workshop




YESTERDAY

-  Arrange meeting
-  Drive to customer site
-  Qualify customer's needs
-  Follow-up email

Expensive




-  Locate expert
-  Call expert
-  Describe problem over the phone
-  Reschedule on-site meeting

Time-consuming





-  Unable to attend workshop
-  Receive product updates via email
-  Review hard-copy presentation

Unproductive




TODAY

-  Set up virtual meeting
-  Qualify customer's needs
-  Present solution in real-time

Efficient

-  Search for expert by role
-  Send instant message
-  Dial-in expert by video
-  Solves customer enquiry

Rapid response

-  Dial-in remotely on mobile devices
-  Deliver online training
-  Share documents, apps & videos

Flexible

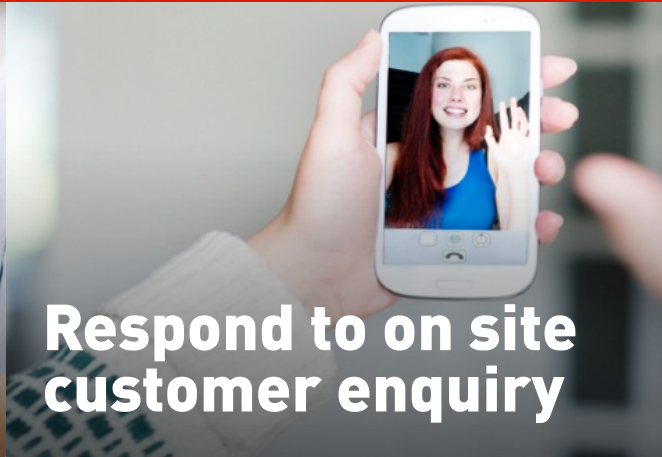
Day in the life of Field Operations



Locate a technical expert



Interstate supplier support required



Respond to on site customer enquiry

YESTERDAY

- Installation on customer site
- Encounter issue
- Locate and call technical expert
- Arrange for expert to come on site

Time-consuming

- Issue with on-site equipment
- Call supplier but unavailable
- Return to office and email supplier
- Arrange for on-site support

Delayed support

- Enquiry about new product on-site
- Obtain customer details
- Pass details to Account Manager
- Account Manager calls customer

Slower sales cycle

TODAY

- Search for available expert by role
- Dial-in expert by video & show problem
- Discuss issue in real-time

Time-saving

- Dial-in expert by video
- Share support material via Webex
- Problem resolved on-site

Immediate support

- Instant message Account Manager
- Account Manager video calls customer on tablet
- Brochure with new product line shared during call

Faster sales cycle

AARNet Partnership

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- › Strategic partnership with AARNet to sell ACC to higher education and research sector
- › AARNet has a high speed fibre network connecting to 38 universities and the CSIRO around Australia and other educational research organisations globally
- › ACC platform is connected to AARNet's network, making it easy for universities to take up the service
- › Amcom's services are offered on a consumption basis (opex model) – universities only pay for what they use
- › The partnership is a low risk and capital efficient way for Amcom to address a large market of ~ 200,000* seats with an appetite for leading edge technology



* Estimate of target universities handsets

Update Hosted & Cloud Providing Customer Choice

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1	2	3	4	5	6	7
Traditional	Traditional & Managed	Hosted	Hosted & Managed	Cloud (Dedicated)	Cloud (Shared)	Cloud (AWS)
Your site	Your site	Our DC & network	Our DC & network	Our DC & network	Our DC & network	AWS DC & Amcom network
Your infrastructure	Your infrastructure	Your infrastructure	Your infrastructure	Our infrastructure	Our infrastructure	AWS infrastructure
You manage	We manage	You manage	We manage	We manage	We manage	We manage
Upfront	Upfront	Upfront	Monthly	Monthly	Monthly	Monthly
				Dedicated	Shared	Shared

TIER 1 TECHNOLOGY PARTNERS





Amcom is now in the **Top 100** **Australian Brands**

Brand Finance Australia Top 100, 2013

- › Diamond sponsors of the Fremantle Dockers
- › Exclusive branding rights for the Fremantle Dockers Shorts

Summary and Outlook

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Convergence of IT and Telco

- › Business moving to new technologies
- › Amcom investing in new capabilities (i.e. ACC)
- › Operational efficiency/simplicity is a key customer driver
- › Data networks is the enabler for all other services

Operating Environment

- › Demand for data networks to continue
- › Customers looking for “better, faster, cheaper”

Significant Growth Headroom

- › Relatively small market share
- › Strong potential to cross sell
- › Well positioned for continued growth

Recurring revenue base of \$116m at December 2013

FY14 - Guidance of double digit % growth in NPAT* over FY13

* Excluding significant items

Disclaimer

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