

Service Stream Limited

FY18 Results Presentation

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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



FIXED COMMUNICATIONS

Network operations,
maintenance and minor works



NETWORK CONSTRUCTION

Network engineering, design and
construction



ENERGY AND WATER

Utility asset installation,
inspection and maintenance



Performance Highlights

Financial

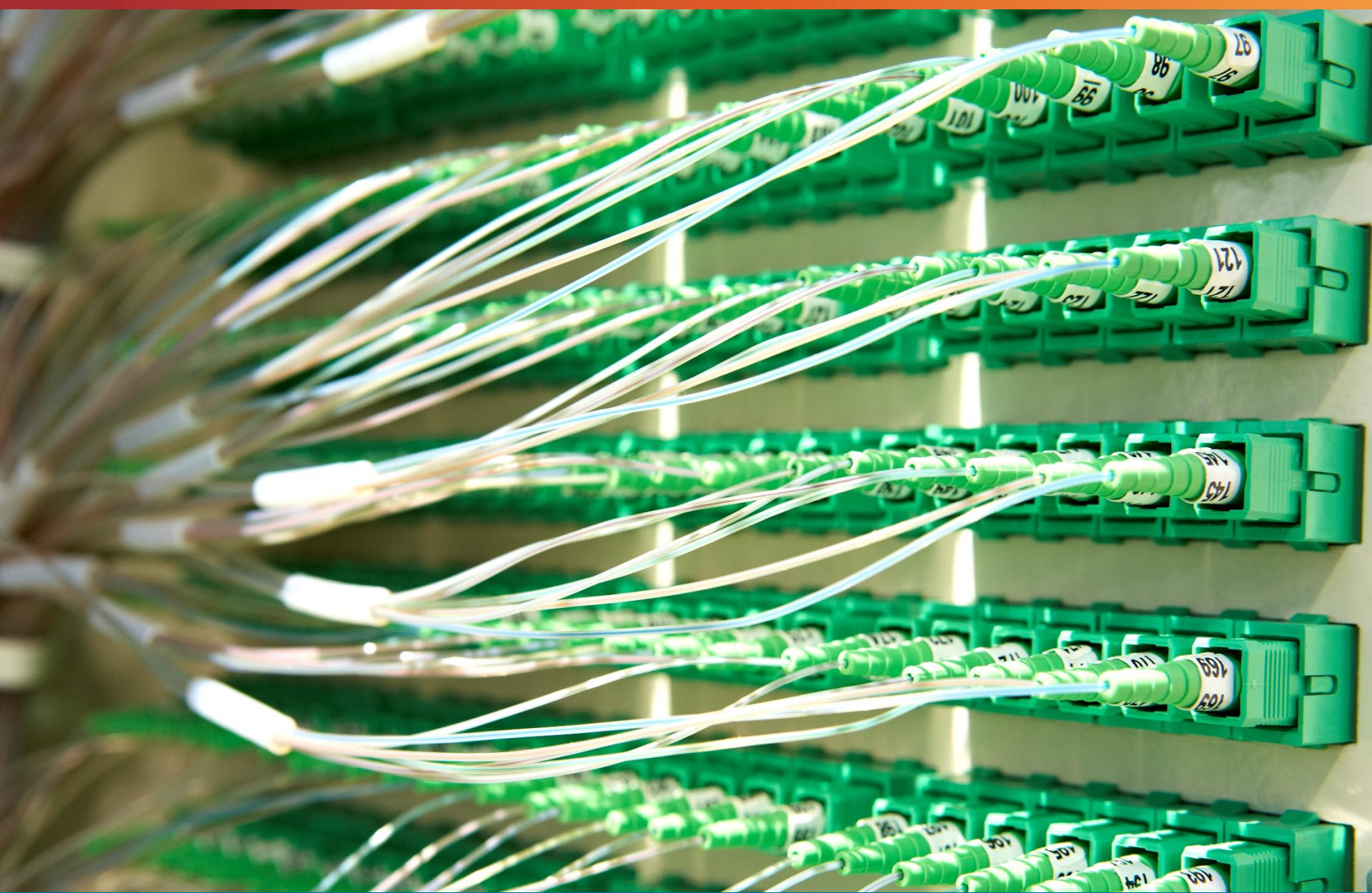
- FY18 EBITDA of \$67.3m ... up 39% on FY17
- FY18 NPAT of \$41.1m ... up 45% on FY17
- FY18 EPS of 11.29 cps ... up 45% on FY17
- Solid cash generation leading to Net Cash of \$73.0m at 30-Jun-18
- Increased final dividend to 4.5 cents per share (fully-franked)

Operational

- Maintained industry-leading performance across HSE metrics
- Further increased share of nbn customer activations... and further increase in nbn 'maintenance' activities as network expands
- Secured multiple new field service agreements with utility asset owners, providing future growth of annuity-style revenues
- Solid pipeline of contracted revenue to support growth into FY19

Strategic

- Continued focus on 'execution and delivery' to support growth in annuity-style network maintenance activities under the nbn OMMA contract
- Leading national provider of wireless network design and construction services
- Technology-agnostic to take advantage of increasing investment across both fixed-line and wireless technologies
- Identification of external expansion and diversification opportunities continuing



FINANCIAL PERFORMANCE

Financial Highlights

\$632.9m

Revenue up from \$501.8m in FY17

\$67.3m

EBITDA up from \$48.4m in FY17

\$41.1m

NPAT up from \$28.4m in FY17

11.29cps

EPS up from 7.78cps in FY17

\$73.0m

Net Cash up from \$49.9m at Jun-17

- Revenue up 26% ... with growth delivered across all three operating segments relative to the prior corresponding period (FY17)
- 2H18 is the tenth consecutive half-year delivering growth in each of EBITDA, EBIT, NPAT and EPS
- Improvement in EBITDA and EBIT margins relative to FY17
- NPAT up 45% on FY17 in line with increase in EBITDA
- EPS growth of 45% over FY17
- Final dividend of 4.5 cps (fully-franked) up 50% on 2H17
- Continued working capital improvements produced an EBITDA-to-OCFBIT conversion of 148% for the year
- Operating Cashflow of \$79.7m up \$29.0m on FY17

Key Financial Measures

10th consecutive half-year delivering improvement across key profit measures

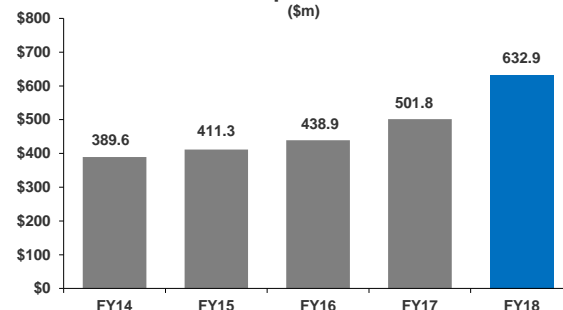
Key financial measures

\$ million	FY18	FY17	Change		
Profitability:					
Revenue	632.9	501.8	131.1	26%	▲
EBITDA	67.3	48.4	18.9	39%	▲
EBITDA %	10.6%	9.6%	1.0%		▲
EBITA	63.9	45.3	18.5	41%	▲
EBIT	57.9	40.9	17.0	42%	▲
EBIT %	9.1%	8.1%	1.0%		▲
Net profit after tax	41.1	28.4	12.7	45%	▲
Cashflow & Capital Management:					
Operating Cashflow	79.7	50.7	29.0	57%	▲
Net Cash	73.0	49.9	23.2	46%	▲
Earnings per share (cents)	11.29	7.78	3.51	45%	▲
Dividends declared per share (cents)	7.5	4.5	3.0	67%	▲
Adjusted Profitability:					
NPATA ¹	41.5	29.1	12.4	43%	▲
Adjusted EPS (cents)	11.39	7.97	3.42	43%	▲

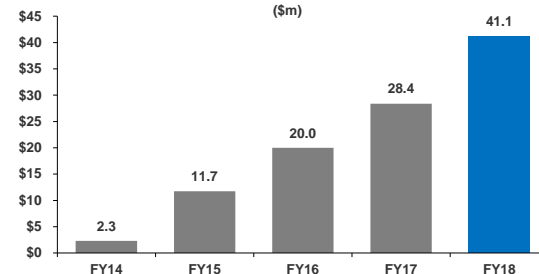
¹ Adjusted for amortisation of TechSafe customer contracts & writeback of TechSafe contingent consideration (tax-effected)

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

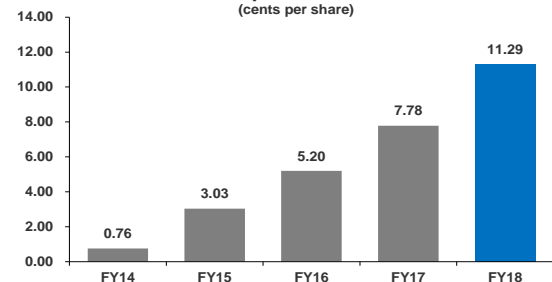
Group Revenue
(\$m)



NPAT
(\$m)



Reported EPS
(cents per share)



Segment Results

Delivering revenue & profit growth across all segments, led by Fixed Communications

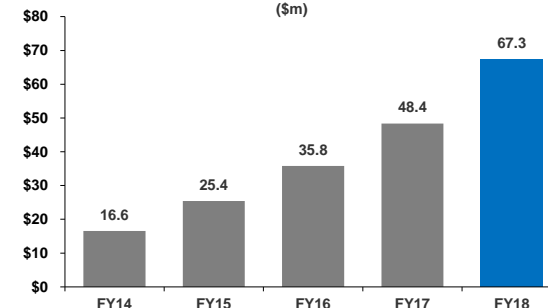
Segment results

\$ million

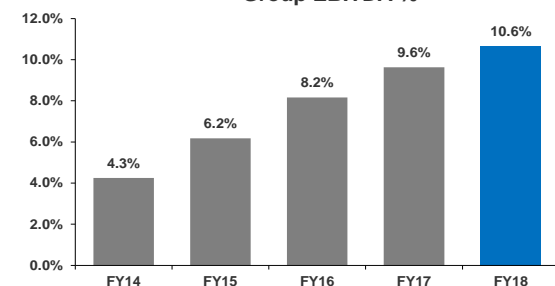
	FY18		FY17		Change	
Fixed Communications	301.3		215.6		85.7	
Network Construction	234.9		196.8		38.0	
Energy & Water	104.7		94.6		10.1	
Eliminations, interest & other revenue	(7.9)		(5.2)		(2.7)	
Total Revenue	632.9		501.8		131.1	
Fixed Communications	38.7	12.8%	25.8	11.9%	12.9	0.9%
Network Construction	24.4	10.4%	20.9	10.6%	3.5	(0.2%)
Energy & Water	9.8	9.3%	7.6	8.0%	2.2	1.3%
Unallocated corporate costs	(5.5)	(0.9%)	(5.9)	(1.2%)	0.4	0.3%
Total EBITDA	67.3	10.6%	48.4	9.6%	18.9	1.0%
Fixed Communications	34.7	11.5%	22.1	10.3%	12.6	1.2%
Network Construction	22.4	9.5%	19.1	9.7%	3.3	(0.2%)
Energy & Water	6.3	6.0%	5.6	5.9%	0.7	0.1%
Unallocated corporate costs	(5.5)	(0.9%)	(5.9)	(1.2%)	0.4	0.3%
EBIT	57.9	9.1%	40.9	8.1%	17.0	1.0%
Financing costs	0.4		(0.2)		0.6	
Income tax expense	(17.2)		(12.3)		(4.8)	
Net profit after tax	41.1	6.5%	28.4	5.7%	12.7	0.8%

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

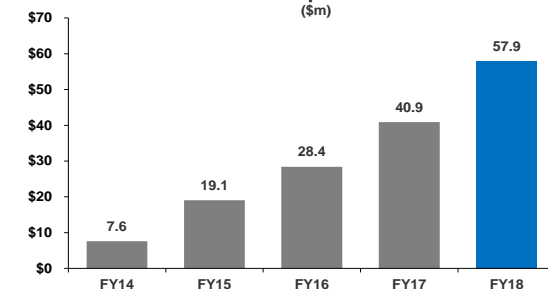
Group EBITDA
(\$m)



Group EBITDA %



Group EBIT
(\$m)



Cashflow Results

Quality of earnings underpinned by strong cashflow performance

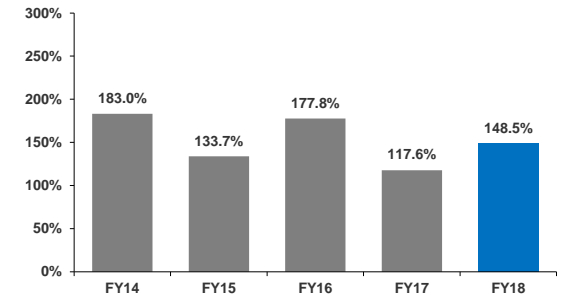
Cashflow results

\$ million	FY18	FY17	Change
EBITDA	67.3	48.4	18.9
+/- non-cash items & change in working capital	32.6	8.5	24.1
OCFBIT¹	99.9	56.9	43.0
<i>EBITDA to OCFBIT¹ conversion %</i>	148%	118%	31%
Net interest and financing (paid) / received	0.4	(0.0)	0.4
Tax paid	(20.6)	(6.1)	(14.5)
Operating cashflow	79.7	50.7	28.9
Capital expenditure (net of proceeds from sales)	(7.5)	(8.7)	1.2
TechSafe acquisition (net of cash acquired)	(0.7)	(17.1)	16.5
Free cashflow	71.5	24.9	46.6
Dividends paid	(21.7)	(11.0)	(10.8)
Lease liability payments	(0.4)	(0.2)	(0.2)
Purchase of shares	(18.6)	(3.9)	(14.7)
Share buy-back	(8.0)	0.0	(8.0)
Net increase in cash	22.8	9.8	13.0

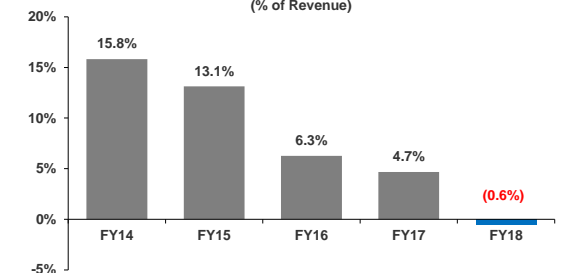
¹ Operating cashflow before interest & tax

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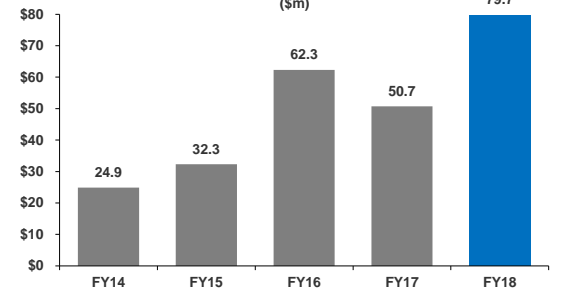
EBITDA to OCFBIT conversion %



Working Capital
(% of Revenue)



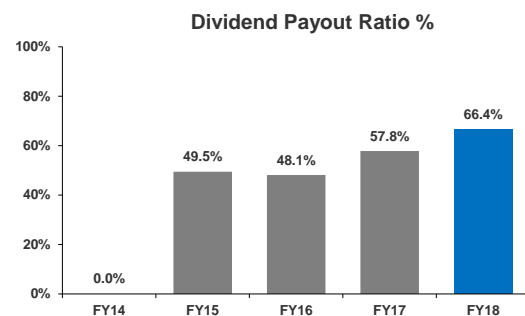
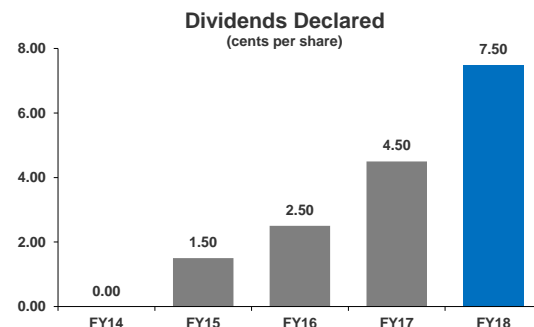
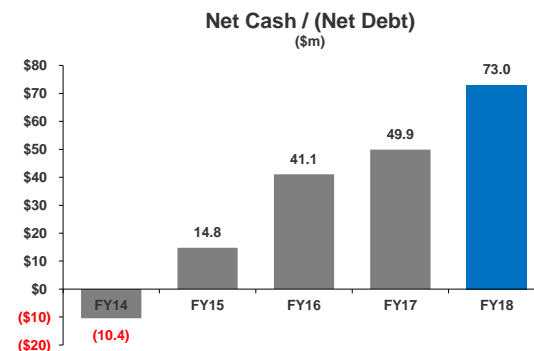
Operating Cashflow
(\$m)



Capital Management

Highlighted by the on-market share buy-back & increase in dividends

- The Group's balance sheet continues to strengthen with Net Cash increasing by \$23.1m during the year to \$73.0m, after:
 - buy-back of 5.0 million shares at a total cost of \$8.0m; and
 - purchase of shares for expected vesting under the FY18 share-based incentive plans
- Board has declared a final dividend of 4.5 cps (fully-franked)
- Total dividends for the year of 7.5 cps up 3.0 cps on FY17 and represents a pay-out ratio of 66%
- Management continues to work through a disciplined process of identifying and evaluating business expansion opportunities
- TechSafe's profit contribution for the year of \$3.0m was insufficient to satisfy the acquisition's earn-out condition due to a timing issue of work release, resulting in \$1.0m being written-back to profit in accordance with the relevant accounting standard



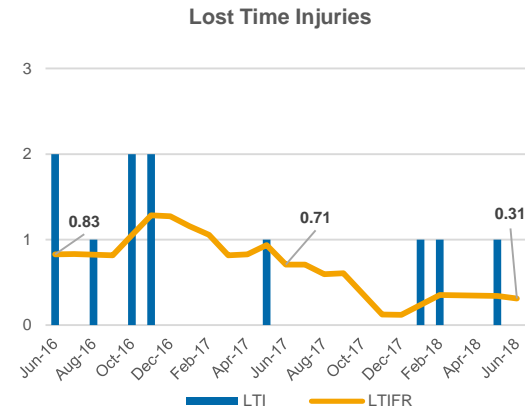
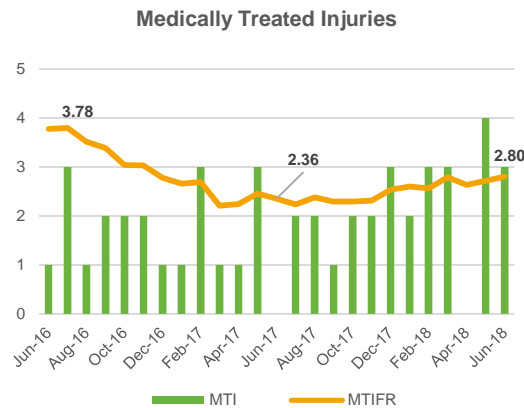
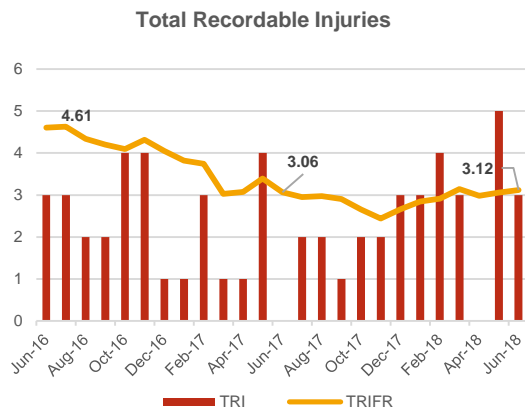


OPERATIONAL PERFORMANCE

Safety Performance

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

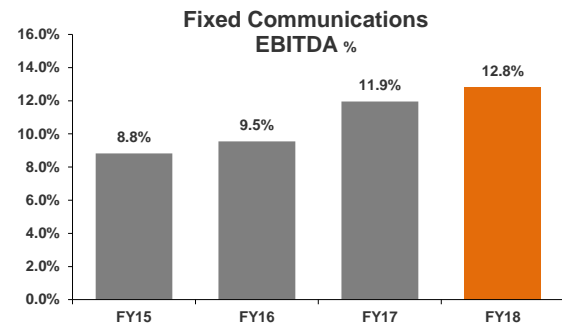
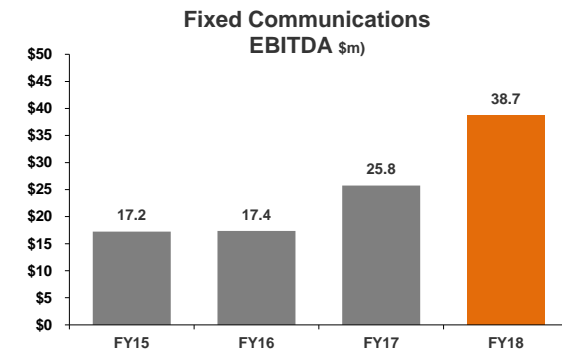
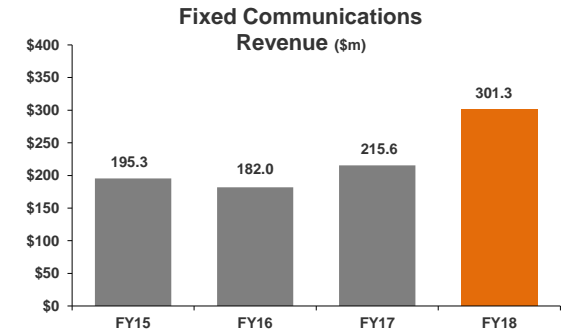
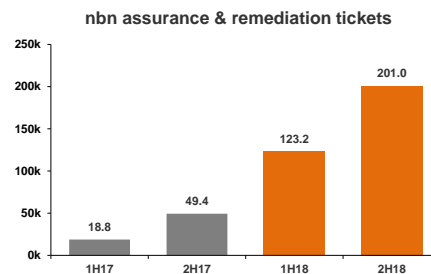
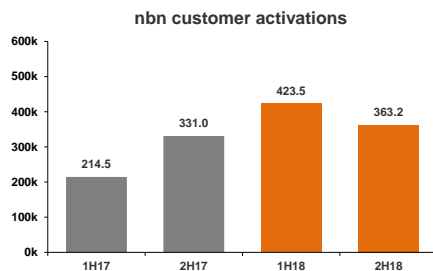
- Focus continues on maintaining a strong safety culture as operations across the business continue to grow and expand
- Delivered further improvements in reducing lost time injuries and severity rates throughout the year
- Working through a range of new initiatives to drive further improvement across Recordable and Medically Treated Injuries as performance improvement levels moderate
 - Increasing use of lead indicators to assess group performance across key risk areas
 - Targeted campaigns to review and improve HSE processes associated with higher risk field activities



Fixed Communications

Network operations, maintenance and minor works

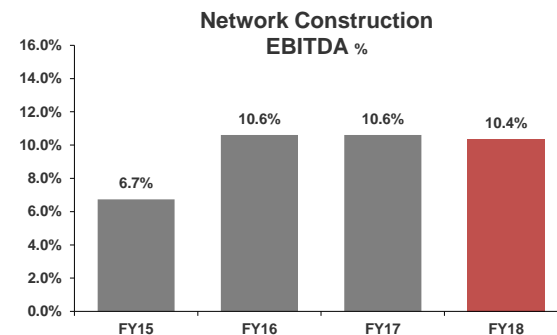
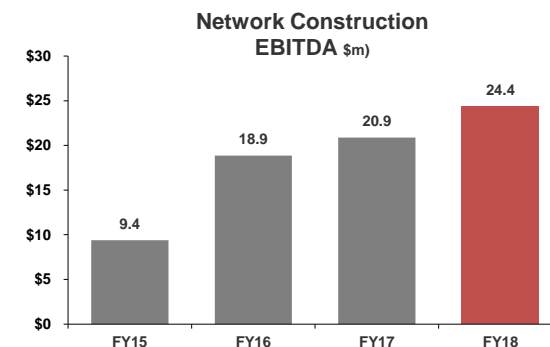
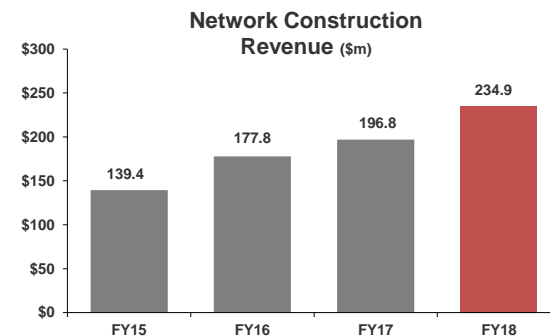
- Revenue up 39.7% on prior year driven by an increase in nbn OMMA volumes and minor projects, with a solid revenue contribution of \$48.3 million from other customers
- EBITDA margin steady in line with 2H17 & 1H18
- nbn NMRA contract extended to Dec-19
- Increase in nbn OMMA assurance & remediation volumes in 2H18 offset the expected decline in activations due to the HFC pause:
 - Service Stream Fixed Communications completed 363,200 nbn customer activations during the second-half, further increasing its OMMA market share
 - The ramp-up in the volume of assurance and remediation tickets continues as the National Broadband Network is progressively activated, with Service Stream completing 201,000 tickets during the second-half



Network Construction

Network engineering, design and construction

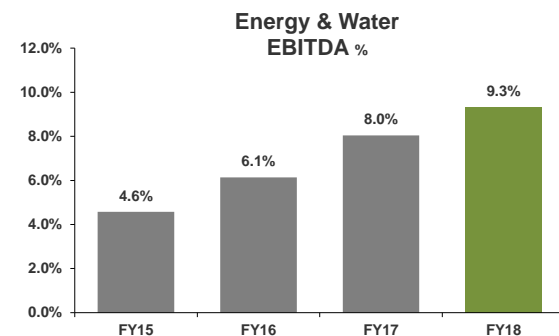
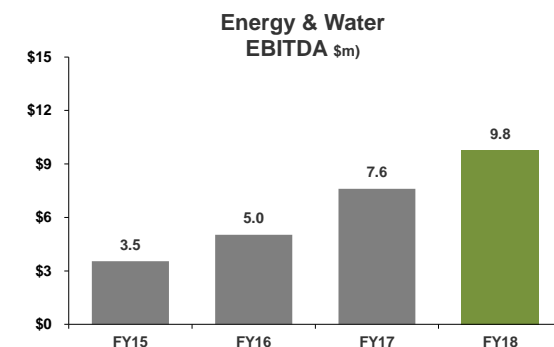
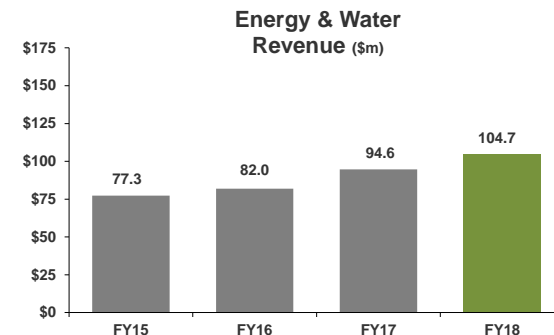
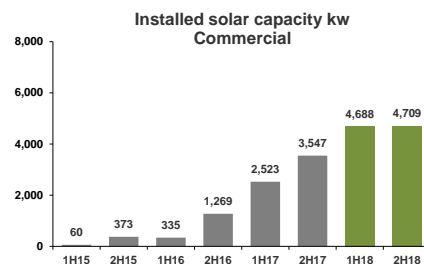
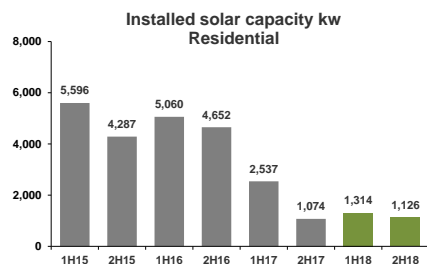
- Revenue up 19.3% on prior year driven by increases in Wireless and nbn design & construction activities under the MIMA & DCMA contracts
- Increases more than offsetting cessation of the nbn New Developments contract
- EBITDA margin maintained in line with that achieved in recent years
- Revenue under the MIMA & DCMA contracts increased to \$105.7m in line with expectation
- Significant focus during the year on the completion of Fibre-to-the-Curb designs under the DCMA contract and construction of the first 13 x FTTC SAMs for nbn
- Wireless revenues driven by significant focus on the Telstra 'black-spot' program



Energy & Water

Utility asset installation, inspection and maintenance

- Revenue up 10.7% on prior year with TechSafe's revenue of \$14.9m for the year impacted by a slightly slower second-half.
- EBITDA margin steady and in line with 2H17 & 1H18.
- 100% of incumbent metering contracts were retained during the year.
- Three new field service contracts, with an aggregate annual value of \$9.5 million, have been won from competitors over recent months.
- 11.8 MW of solar PV installed during the year, with a strong continuing bias to commercial end-users.





GROUP STRATEGY & OUTLOOK

Group Strategic Pillars

We continue to focus on five fundamentals which drive operational effectiveness, continual improvement and support future growth



SERVICE DELIVERY

- ▶ Continued focus on superior **service delivery** and **execution** for our valued clients
- ▶ Drive ongoing improvements across our **Safety performance**
- ▶ Maintain a **strong balance sheet** and continue to minimise working capital requirements
- ▶ Maintain or improve **Group EBITDA margins** through scale and operational efficiencies



CLIENT RELATIONSHIPS

- ▶ Continue to **develop and enhance** our existing client relationships
- ▶ Expand and secure **new relationships** to support ongoing business growth



OPTIMISE OUR DELIVERY MODEL

- ▶ Ongoing **investments in technology** to support growth and increase efficiency
- ▶ Implement **mature and scalable** business frameworks and processes
- ▶ Increase use of **data analytics** and **Business intelligence** tools to drive improved business outcomes



OUR PEOPLE

- ▶ Continual investment in **talent development** and **succession programs** to support our valued people
- ▶ Ongoing investment in programs to **attract and retain new talent**
- ▶ Continue to drive and support an **'owners mentality'** across the business
- ▶ Make it simple for our **field workforce** to engage with the business



DELIVER GROWTH

- ▶ Target additional **'annuity style'** revenues to support ongoing future growth
- ▶ Maximise organic **'value add'** opportunities across our existing client base
- ▶ Continue to assess **acquisitions** which provide **revenue diversity** and support growth across known / adjacent markets

Delivering Continued Growth

The business remains well positioned to deliver sustainable growth into the future

ORGANIC



- Organic growth continues to be underpinned by superior service delivery and a solid contract pipeline across a blue-chip client base:
 - ✓ nbn activations forecasted to increase in FY19 after HFC pause in 2H18
 - ✓ nbn network maintenance volumes continues to increase
 - ✓ Increased investment in mobile technology and future 5G deployment
 - ✓ Increase in utility service contract wins and new energy projects
 - ✓ 100% retention rate for agreements which proceeded to market in FY18

EXTERNAL

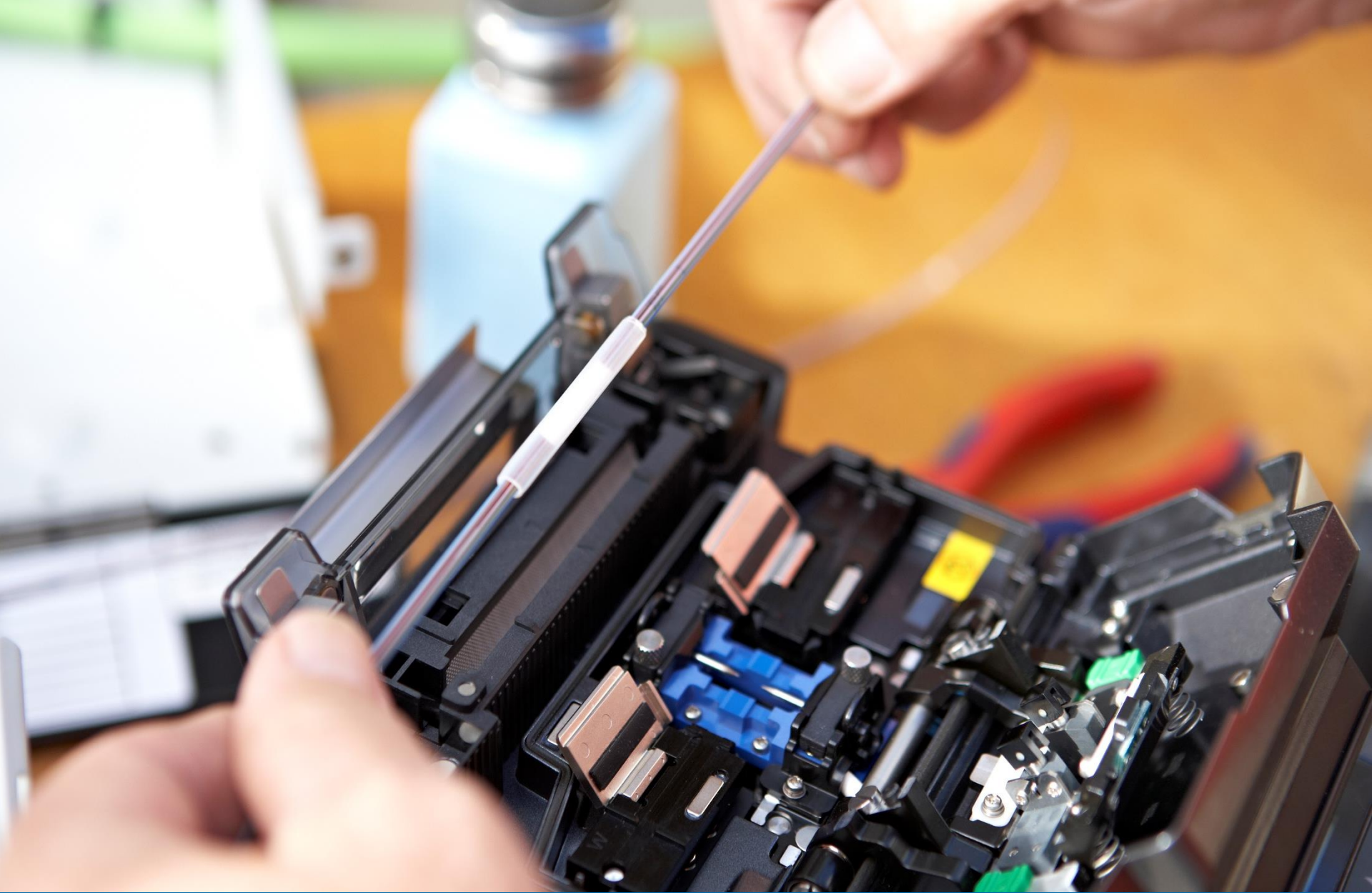


- Investment in non-organic growth supported by a strong balance sheet
- We continue to work through a rigorous and disciplined approach in assessing M&A opportunities against our preferred criteria:
 - ✓ Revenue diversity & materiality
 - ✓ Market adjacency with similar operating model
 - ✓ Facing growth markets with opportunity for national footprint
 - ✓ Alignment of culture and values

FY19 Outlook

- We anticipate growth in Group EBITDA, EBIT and NPAT in FY19 leading to EPS growth of at least 10%, subject to forecasted customer demand.
- FY19 priorities include:
 - continued focus on superior service delivery and customer satisfaction for nbn in respect of customer activations and assurance works
 - completion of the MIMA and scaling of DCMA programs for nbn
 - completion of the Group's ERP replacement project with go-live of the third and final phase
 - securing organic growth opportunities across existing operations
 - continue to identify and assess further market expansion and diversification opportunities





HISTORICAL FINANCIAL PERFORMANCE DATA

PROFIT & LOSS

\$ million

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18		FY15	FY16	FY17	FY18
Fixed Communications	\$93.16	\$102.12	\$97.19	\$84.79	\$100.96	\$114.64	\$145.70	\$155.61		\$195.29	\$181.99	\$215.59	\$301.30
Network Construction	\$63.65	\$75.74	\$82.90	\$94.89	\$93.63	\$103.19	\$99.20	\$135.65		\$139.38	\$177.80	\$196.82	\$234.85
Energy & Water	\$40.93	\$36.34	\$38.19	\$43.76	\$48.58	\$46.04	\$53.55	\$51.13		\$77.26	\$81.96	\$94.62	\$104.68
Interest Income	\$0.05	\$0.08	\$0.20	\$0.50	\$0.32	\$0.35	\$0.43	\$0.50		\$0.13	\$0.70	\$0.67	\$0.93
Other & Eliminations	(\$0.36)	(\$0.44)	(\$1.43)	(\$2.07)	(\$2.72)	(\$3.17)	(\$4.74)	(\$4.08)		(\$0.79)	(\$3.50)	(\$5.89)	(\$8.81)
Total Revenue	\$197.43	\$213.84	\$217.06	\$221.88	\$240.77	\$261.04	\$294.14	\$338.81		\$411.27	\$438.94	\$501.81	\$632.95
Fixed Communications	\$8.35	\$8.89	\$8.23	\$9.13	\$11.02	\$14.74	\$18.85	\$19.81		\$17.24	\$17.36	\$25.76	\$38.67
Network Construction	\$2.74	\$6.66	\$7.77	\$11.10	\$9.03	\$11.85	\$11.20	\$13.16		\$9.40	\$18.87	\$20.88	\$24.36
Energy & Water	\$2.13	\$1.41	\$2.32	\$2.72	\$3.24	\$4.37	\$4.98	\$4.80		\$3.54	\$5.03	\$7.61	\$9.77
Unallocated Corporate Services	(\$2.56)	(\$2.22)	(\$2.63)	(\$2.81)	(\$2.20)	(\$3.70)	(\$2.98)	(\$2.52)		(\$4.78)	(\$5.45)	(\$5.90)	(\$5.50)
EBITDA	\$10.66	\$14.73	\$15.68	\$20.14	\$21.09	\$27.26	\$32.05	\$35.25		\$25.39	\$35.82	\$48.35	\$67.30
EBITDA %	5.4%	6.9%	7.2%	9.1%	8.8%	10.4%	10.9%	10.4%		6.2%	8.2%	9.6%	10.6%
Depreciation	(\$2.04)	(\$1.85)	(\$1.82)	(\$1.99)	(\$1.10)	(\$1.93)	(\$1.27)	(\$2.15)		(\$3.89)	(\$3.81)	(\$3.03)	(\$3.43)
EBITA	\$8.62	\$12.88	\$13.87	\$18.15	\$19.99	\$25.33	\$30.78	\$33.09		\$21.50	\$32.01	\$45.33	\$63.87
Amortisation	(\$1.01)	(\$1.43)	(\$1.14)	(\$2.47)	(\$1.36)	(\$2.64)	(\$1.44)	(\$2.64)		(\$2.44)	(\$3.61)	(\$4.00)	(\$4.09)
Amortisation of customer contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.46)	(\$0.97)	(\$0.96)		\$0.00	\$0.00	(\$0.46)	(\$1.93)
EBIT	\$7.61	\$11.46	\$12.73	\$15.68	\$18.64	\$22.24	\$28.37	\$29.49		\$19.06	\$28.41	\$40.87	\$57.85
EBIT %	3.9%	5.4%	5.9%	7.1%	7.7%	8.5%	9.6%	8.7%		4.64%	6.47%	8.15%	9.1%
Net financing costs	(\$1.43)	(\$0.52)	(\$0.13)	\$0.19	\$0.01	(\$0.18)	\$0.18	\$0.24		(\$1.95)	\$0.07	(\$0.17)	\$0.42
Income tax expense	(\$2.14)	(\$3.26)	(\$3.79)	(\$4.70)	(\$5.61)	(\$6.72)	(\$8.65)	(\$8.52)		(\$5.40)	(\$8.49)	(\$12.33)	(\$17.17)
NPAT	\$4.05	\$7.68	\$8.81	\$11.17	\$13.03	\$15.34	\$19.90	\$21.21		\$11.72	\$19.98	\$28.37	\$41.11
NPAT %	2.0%	3.6%	4.1%	5.0%	5.4%	5.9%	6.8%	6.3%		2.8%	4.6%	5.7%	6.5%
<i>Adjusted EBIT</i>	<i>\$7.61</i>	<i>\$11.46</i>	<i>\$12.73</i>	<i>\$15.68</i>	<i>\$18.64</i>	<i>\$23.21</i>	<i>\$29.33</i>	<i>\$30.45</i>		<i>\$19.06</i>	<i>\$28.41</i>	<i>\$41.85</i>	<i>\$59.78</i>
<i>Adjusted NPAT</i>	<i>\$4.05</i>	<i>\$7.68</i>	<i>\$8.81</i>	<i>\$11.17</i>	<i>\$13.03</i>	<i>\$16.54</i>	<i>\$20.58</i>	<i>\$20.88</i>		<i>\$11.72</i>	<i>\$19.98</i>	<i>\$29.57</i>	<i>\$41.46</i>

SHAREHOLDERS' PERSPECTIVE

\$ million

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18		FY15	FY16	FY17	FY18
Avg number of shares on issue (millions)	386.390	386.390	386.390	382.770	363.846	365.189	365.189	362.695		386.390	384.590	364.512	363.952
NPAT	\$4.05	\$7.68	\$8.81	\$11.17	\$13.03	\$15.34	\$19.90	\$21.20		\$11.72	\$19.98	\$28.37	\$41.10
Earnings per share (cents)	1.05	1.99	2.28	2.92	3.58	4.20	5.45	5.85		3.03	5.20	7.78	11.29
Adjustments:													
- Acquisition costs (TechSafe)	-	-	-	-	-	\$0.52	\$0.00	\$0.00		-	-	\$0.52	\$0.00
- Amortisation of customer contracts (TechSafe)	-	-	-	-	-	\$0.46	\$0.97	\$0.96		-	-	\$0.46	\$1.93
- Write-back of Deferred Consideration (TechSafe)	-	-	-	-	-	\$0.52	\$0.00	(\$1.00)		-	-	\$0.52	(\$1.00)
- Tax effect of above	-	-	-	-	-	(\$0.29)	(\$0.29)	(\$0.29)		-	-	(\$0.29)	(\$0.58)
	-	-	-	-	-	\$1.20	\$0.68	(\$0.33)		-	-	\$1.20	\$0.35
Adjusted NPAT	\$4.05	\$7.68	\$8.81	\$11.17	\$13.03	\$16.02	\$20.58	\$20.88		\$11.72	\$19.98	\$29.05	\$41.46
Adjusted Earnings per share (cents)	1.05	1.99	2.28	2.92	3.58	4.39	5.63	5.76		3.03	5.20	7.97	11.39
Dividends Declared (cents)	0.50	1.00	1.00	1.50	1.50	3.00	3.00	4.50		1.50	2.50	4.50	7.50
Dividend payout ratio	47.8%	50.3%	43.9%	51.4%	41.9%	71.4%	55.0%	77.0%		49.5%	48.1%	57.8%	66.4%

CASH FLOW

\$ million

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18		FY15	FY16	FY17	FY18
EBITDA	\$10.66	\$14.73	\$15.68	\$20.14	\$21.09	\$27.26	\$32.05	\$35.25		\$25.39	\$35.82	\$48.35	\$67.30
+/- non-cash items & change in w/capital	(\$8.97)	\$17.53	\$15.03	\$12.83	\$3.25	\$5.26	\$25.05	\$7.57		\$8.57	\$27.86	\$8.51	\$32.62
OCFBIT	\$1.69	\$32.27	\$30.71	\$32.97	\$24.34	\$32.52	\$57.10	\$42.81		\$33.96	\$63.67	\$56.86	\$99.91
Net tax paid	\$0.00	\$0.00	\$0.00	(\$1.66)	(\$6.79)	\$0.70	(\$14.65)	(\$5.99)		\$0.00	(\$1.66)	(\$6.10)	(\$20.63)
Net interest & financing costs paid	(\$1.21)	(\$0.44)	\$0.08	\$0.23	(\$0.15)	\$0.12	\$0.17	\$0.25		(\$1.64)	\$0.31	(\$0.02)	\$0.42
Operating cashflow	\$0.48	\$31.83	\$30.79	\$31.54	\$17.40	\$33.34	\$42.63	\$37.07		\$32.31	\$62.33	\$50.75	\$79.70
Capital expenditure	(\$1.11)	(\$2.75)	(\$4.14)	(\$5.40)	(\$5.10)	(\$3.74)	(\$3.49)	(\$4.25)		(\$3.86)	(\$9.55)	(\$8.84)	(\$7.73)
Proceeds from the sale of assets	\$0.10	\$0.08	\$0.46	\$0.77	\$0.05	\$0.06	\$0.21	\$0.03		\$0.18	\$1.23	\$0.11	\$0.24
Business acquisitions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$17.14)	(\$0.69)	\$0.00		\$0.00	\$0.00	(\$17.14)	(\$0.69)
Free cashflow	(\$0.53)	\$29.16	\$27.11	\$26.91	\$12.35	\$12.52	\$38.66	\$32.86		\$28.63	\$54.02	\$24.87	\$71.52
Dividends paid	\$0.00	(\$1.93)	(\$3.86)	(\$3.86)	(\$5.47)	(\$5.48)	(\$10.90)	(\$10.83)		(\$1.93)	(\$7.72)	(\$10.95)	(\$21.73)
Purchase of shares	(\$0.10)	(\$1.44)	(\$0.36)	(\$0.18)	(\$3.85)	(\$0.09)	(\$14.05)	(\$4.55)		(\$1.54)	(\$0.54)	(\$3.94)	(\$18.60)
Return of capital	\$0.00	\$0.00	\$0.00	(\$19.43)	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	(\$19.43)	\$0.00	\$0.00
Share Buy-back	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$8.02)		\$0.00	\$0.00	\$0.00	(\$8.02)
Proceeds / (Repayment) of borrowings	\$4.00	(\$21.00)	\$0.00	\$0.00	\$0.00	(\$0.18)	(\$0.20)	(\$0.15)		(\$17.00)	\$0.00	(\$0.18)	(\$0.35)
Increase / (Decrease) in Cash	\$3.37	\$4.80	\$22.89	\$3.44	\$3.03	\$6.78	\$13.51	\$9.31		\$8.17	\$26.33	\$9.81	\$22.82

NET CASH / (DEBT)

\$ million

Cash and cash equivalents	\$9.96	\$14.76	\$37.65	\$41.09	\$44.12	\$50.90	\$64.41	\$73.70		\$14.76	\$41.09	\$50.90	\$73.70
Borrowings	(\$20.67)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
Finance lease liability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.01)	(\$0.81)	(\$0.66)		\$0.00	\$0.00	(\$1.01)	(\$0.66)
	(\$10.71)	\$14.76	\$37.65	\$41.09	\$44.12	\$49.89	\$63.60	\$73.04		\$14.76	\$41.09	\$49.89	\$73.04

SEGMENT RESULTS

\$ million

Fixed Communications

	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18		FY15	FY16	FY17	FY18
nbn Activation & Assurance	\$43.27	\$54.32	\$61.63	\$57.81	\$66.80	\$79.54	\$109.94	\$108.11		\$97.60	\$119.45	\$146.33	\$218.05
nbn Minor Projects	\$2.50	\$4.92	\$5.88	\$6.86	\$6.76	\$6.59	\$12.50	\$22.44		\$7.42	\$12.74	\$13.34	\$34.94
Other customers	\$47.39	\$42.88	\$29.68	\$20.12	\$27.40	\$28.52	\$23.26	\$25.06		\$90.27	\$49.80	\$55.92	\$48.31
Revenue	\$93.16	\$102.12	\$97.19	\$84.79	\$100.96	\$114.64	\$145.70	\$155.61		\$195.29	\$181.99	\$215.59	\$301.30
EBITDA	\$8.35	\$8.89	\$8.23	\$9.13	\$11.02	\$14.74	\$18.85	\$19.81		\$17.24	\$17.36	\$25.76	\$38.67
EBITDA %	9.0%	8.7%	8.5%	10.8%	10.9%	12.9%	12.9%	12.7%		8.8%	9.5%	11.9%	12.8%

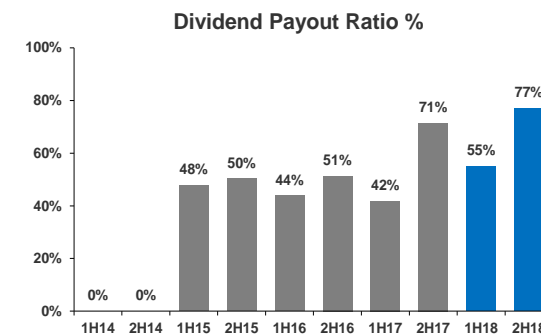
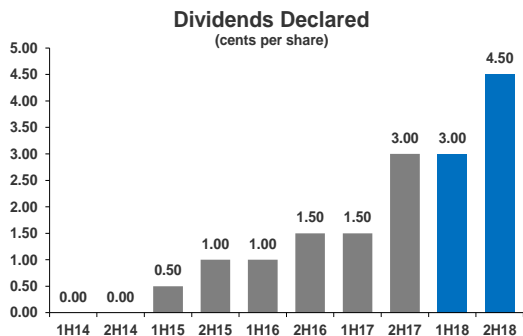
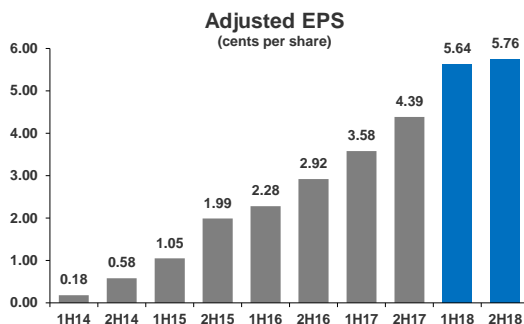
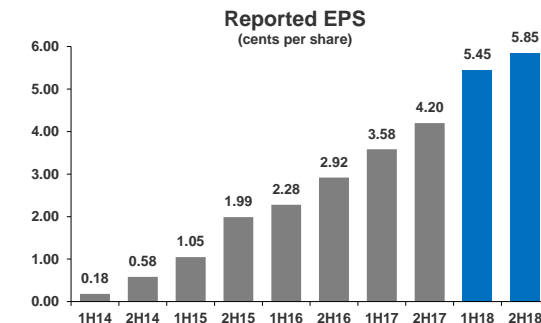
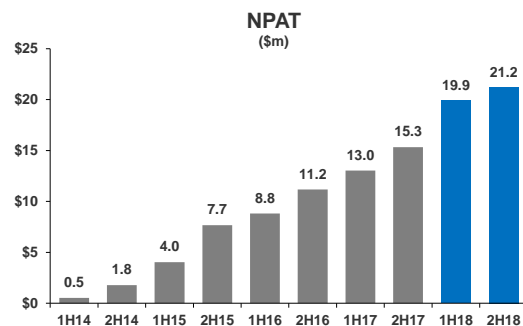
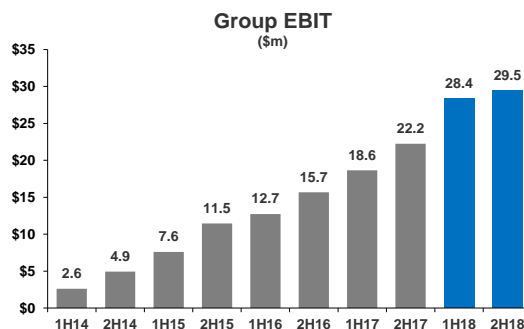
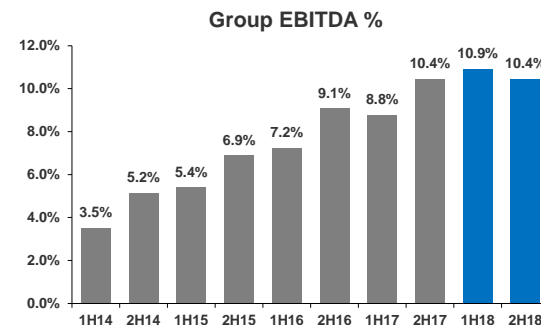
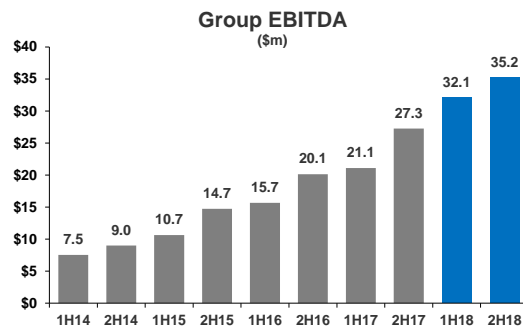
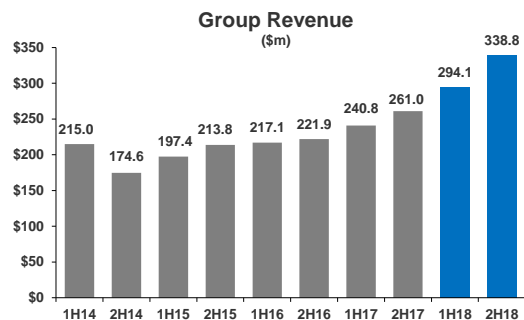
Network Construction

nbn MIMA & DCMA	\$0.00	\$0.00	\$0.00	\$8.92	\$13.16	\$27.96	\$45.69	\$60.03		\$0.00	\$8.92	\$41.13	\$105.72
nbn New Developments	\$17.46	\$16.68	\$20.08	\$23.73	\$21.01	\$13.11	\$0.51	\$0.05		\$34.14	\$43.81	\$34.12	\$0.56
Wireless	\$41.56	\$53.85	\$58.94	\$61.21	\$58.81	\$61.71	\$52.54	\$75.05		\$95.41	\$120.15	\$120.52	\$127.59
Other & Eliminations	\$4.63	\$5.21	\$3.88	\$1.03	\$0.65	\$0.40	\$0.46	\$0.52		\$9.83	\$4.92	\$1.06	\$0.98
Revenue	\$63.65	\$75.74	\$82.90	\$94.89	\$93.63	\$103.19	\$99.20	\$135.65		\$139.38	\$177.80	\$196.82	\$234.85
EBITDA	\$2.74	\$6.66	\$7.77	\$11.10	\$9.03	\$11.85	\$11.20	\$13.16		\$9.40	\$18.87	\$20.88	\$24.36
EBITDA %	4.3%	8.8%	9.4%	11.7%	9.6%	11.5%	11.3%	9.7%		6.7%	10.6%	10.6%	10.4%

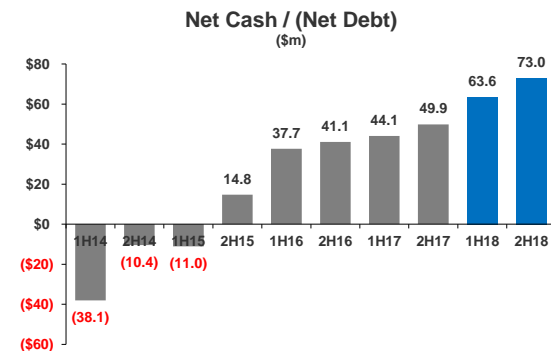
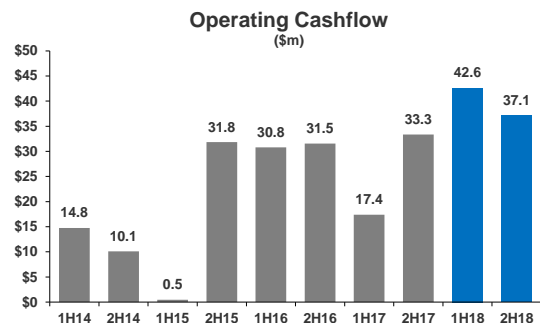
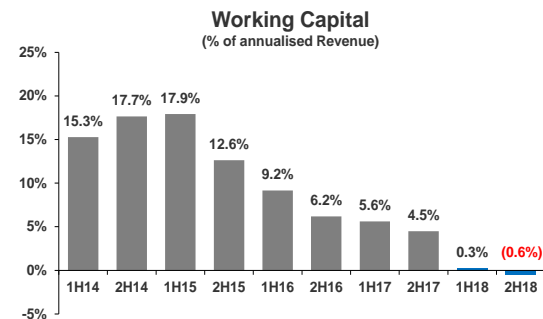
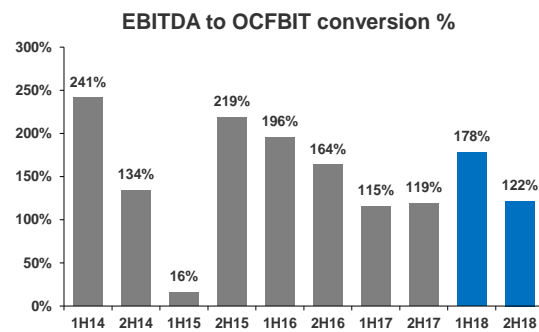
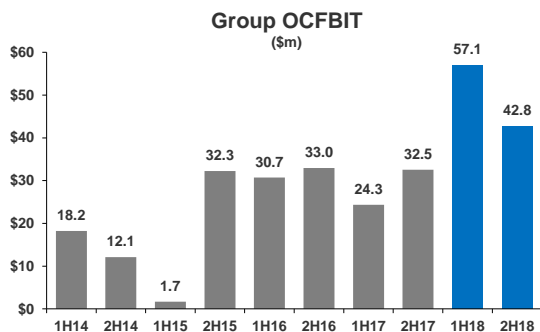
Energy & Water

Metering Services	\$22.42	\$22.58	\$24.19	\$32.46	\$39.36	\$33.14	\$34.73	\$30.56		\$44.99	\$56.66	\$72.51	\$65.29
New Energy	\$12.19	\$9.41	\$9.40	\$6.74	\$4.61	\$5.29	\$5.75	\$8.02		\$21.60	\$16.14	\$9.90	\$13.77
TechSafe	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2.80	\$7.86	\$7.07		\$0.00	\$0.00	\$2.80	\$14.92
Customer Care & Other	\$6.32	\$4.35	\$4.60	\$4.56	\$4.61	\$4.81	\$5.21	\$5.49		\$10.67	\$9.16	\$9.42	\$10.70
Revenue	\$40.93	\$36.34	\$38.19	\$43.76	\$48.58	\$46.04	\$53.55	\$51.13		\$77.26	\$81.96	\$94.62	\$104.68
EBITDA	\$2.13	\$1.41	\$2.32	\$2.72	\$3.24	\$4.37	\$4.98	\$4.80		\$3.54	\$5.03	\$7.61	\$9.77
EBITDA %	5.2%	3.9%	6.1%	6.2%	6.7%	9.5%	9.3%	9.4%		4.6%	6.1%	8.0%	9.3%

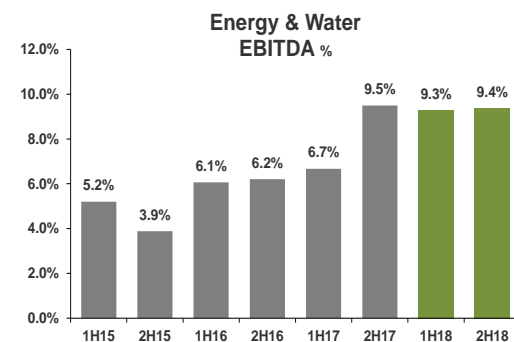
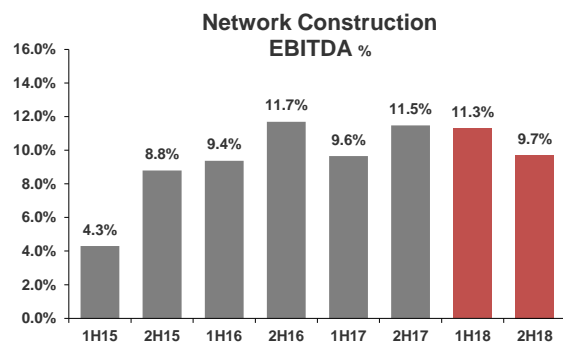
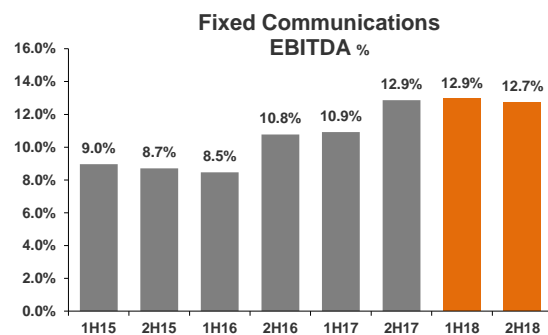
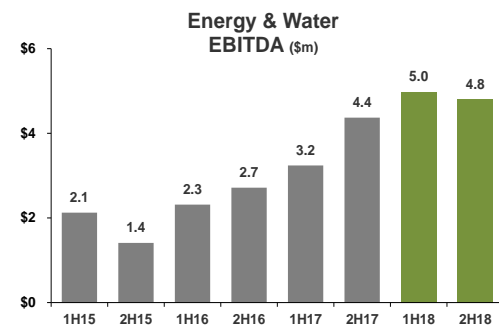
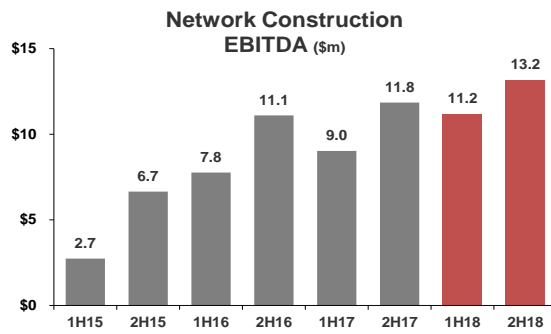
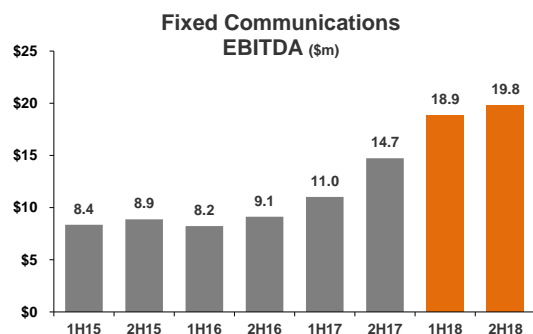
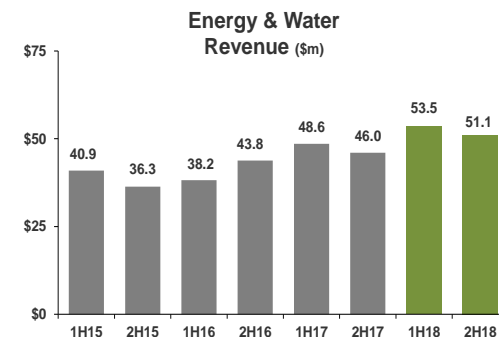
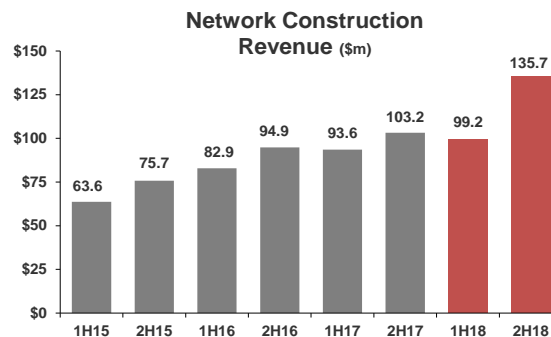
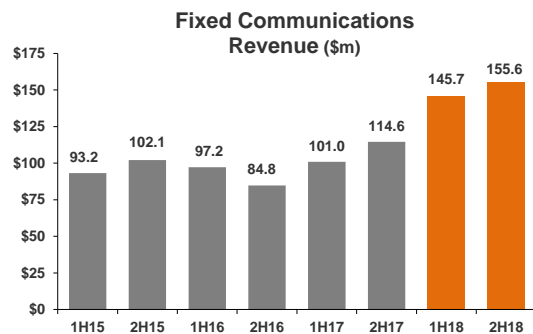
Group Financial Results – by half-year



Group Financial Results – by half-year



Segment Results – by half-year



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