

# FY13 Results Presentation

13 August 2013

**Presented by**

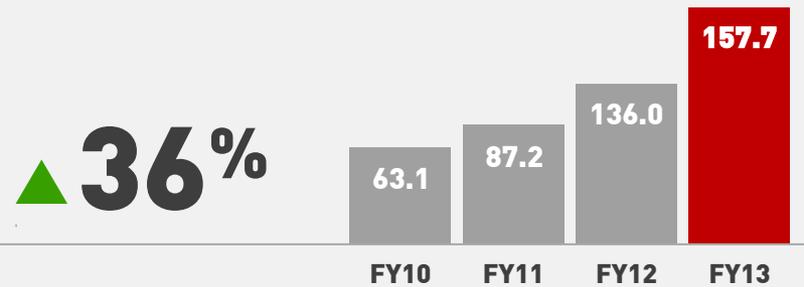
Clive Stein      CEO

David Hinton    CFO

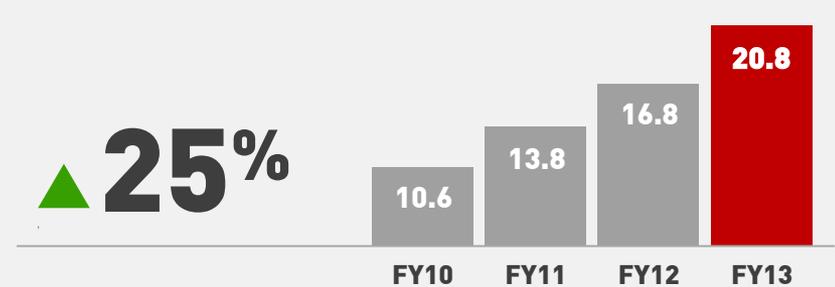
*amcom*

# Consistent Track Record (3 YR CAGR)

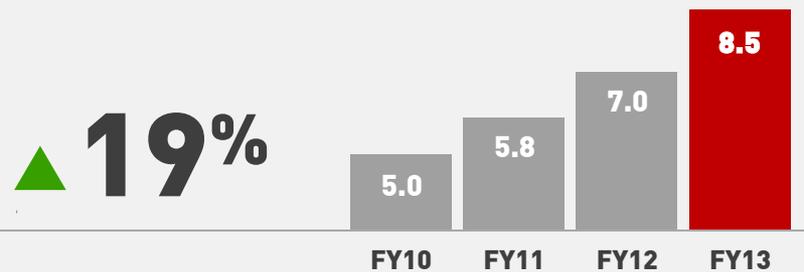
Revenue (\$m)



NPAT\* (\$m)



EPS\* (cps)



Dividend (cps)



“ 11th consecutive year of delivering over 20% annual NPAT\* growth ”

# Financial Highlights

Profit Summary (\$m)	FY13	FY12	YoY
Revenue	157.7	136.0	▲ 16%
EBITDA	40.0	34.0	▲ 18%
EBIT	30.5	25.1	▲ 21%
NPAT (before significant items)	20.8	16.8	▲ 23%
Significant items <sup>1</sup>	-	11.5	
NPAT - Reported	20.8	28.4	▼ 27%
EPS (before significant items)	8.5c	7.0c	▲ 22%
ROE <sup>2</sup>	18%	15%	▲ 20%

1 Significant items in FY 12 comprised profit on in specie distribution of iinet \$18.6m, impairments \$6.3m and acquisition expenses \$0.8m

2 NPAT (before significant items) / Average Shareholder Equity

# Financial Highlights

	FY13	FY12
Final dividend	3.5c	3.2c
Annual dividend	5.5c	5.0c
Net debt	\$11.8m	\$7.9m
Gearing <sup>1</sup>	9%	7%
EBITDA / Net debt (x)	3.4x	4.3x

<sup>1</sup> Gearing: Net debt to net debt plus equity

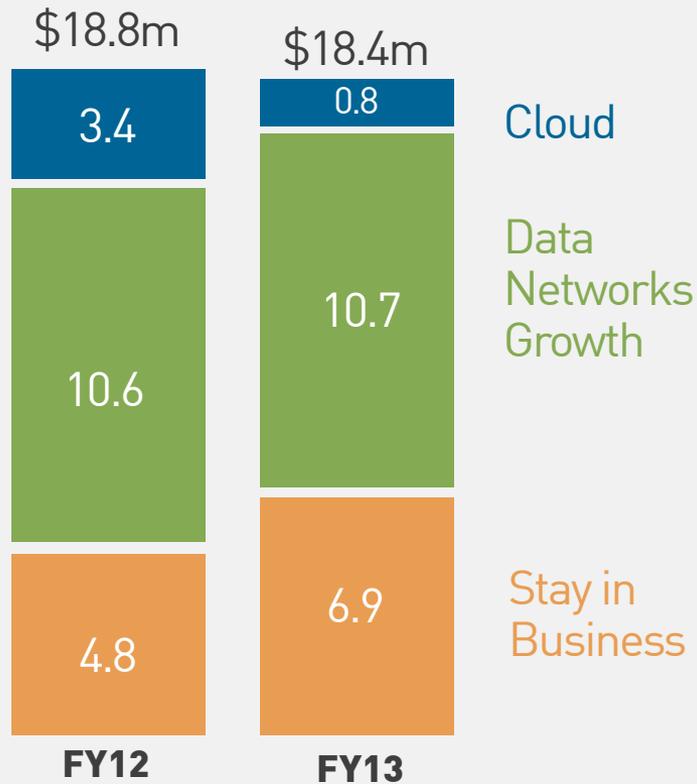
# Cash Flow

(\$m)	FY13	FY12	Var %
EBITDA	40.0	34.0	▲ 18%
Interest paid	(1.6)	(1.2)	
Tax paid and other	(3.6)	(6.5)	
Operating cash flow before working capital mvmnts	34.8	26.3	▲ 32%
Working capital	(1.6)	6.0	
Operating Cash Flow	33.2	32.3	▲ 3%
Payments for PPE (Net)	(18.4)	(18.8)	
Free Cash Flow*	14.8	13.5	▲ 10%

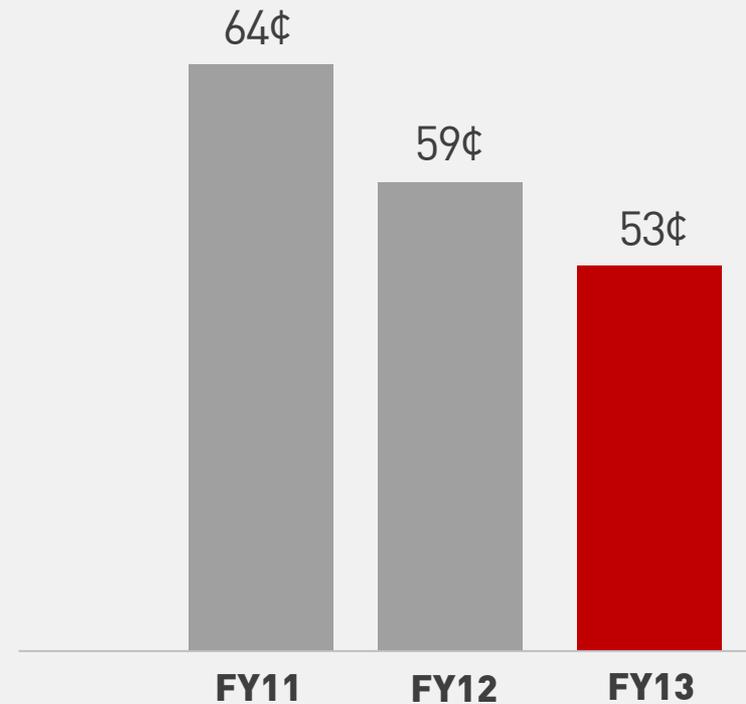
\* Free Cash Flow = Operating Cash Flow – payments for PPE (net)

- › With 16% increase in revenue, working capital requirement remains low
- › PPE acquired under Vendor Loan \$4.8m not included above
- › Tax paid \$1.2m lower in FY 13 as FY 12 included final FY 11 tax payments of Amcom L7 Solutions Pty Ltd

# Capex Efficiency



Capex to connect a dollar of data networks (Fibre) revenue



# Business Update

*amcom*

# Growing Capability

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**IT Services**



**Hosted  
& Cloud  
Services**



IP Telephony &  
Unified Communications (UC)

**Telco**



# Data Networks

In Australia, business data network traffic will double 2011-2016, a CAGR of 19%.

Cisco VNI Global IP Traffic Forecast, 2011-2016

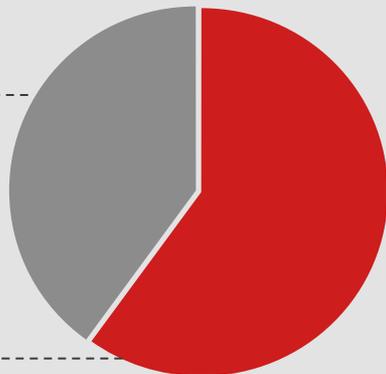
## Sales Mix

### Channel

40%

### Direct

60%



- › Consistent annualised sales of ~\$1.8m per month
- › Strong wins in NT with corporate and government customers
- › Leveraging 3<sup>rd</sup> party networks to provide national solutions
- › Upgrade of network platform in progress with Cisco
  - › Upsell managed routers
  - › Simple to add on other services i.e. Cloud



# Data Networks Customer Base

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**Wholesale  
Telco**



**Reseller**



**Government**



**Financial  
Services**



**Mining &  
Resources**



**Retail &  
Trade**



**Building &  
Construction**



**Professional  
Services**

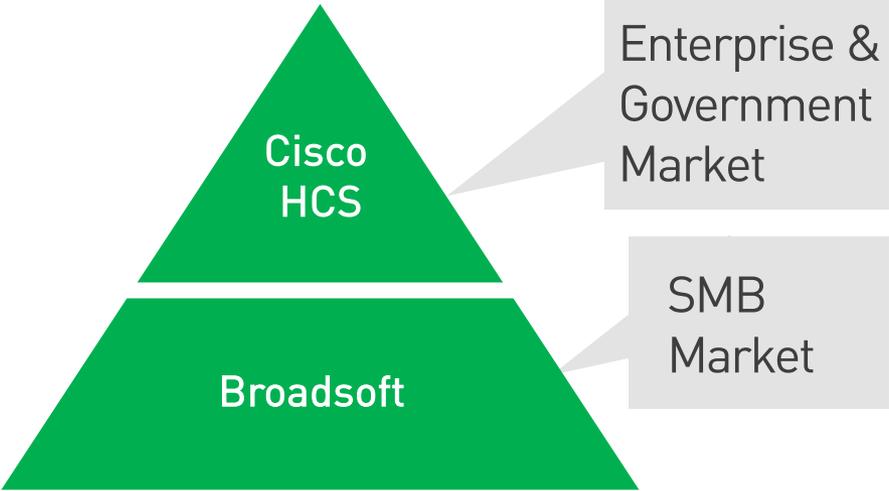
# Data Centres

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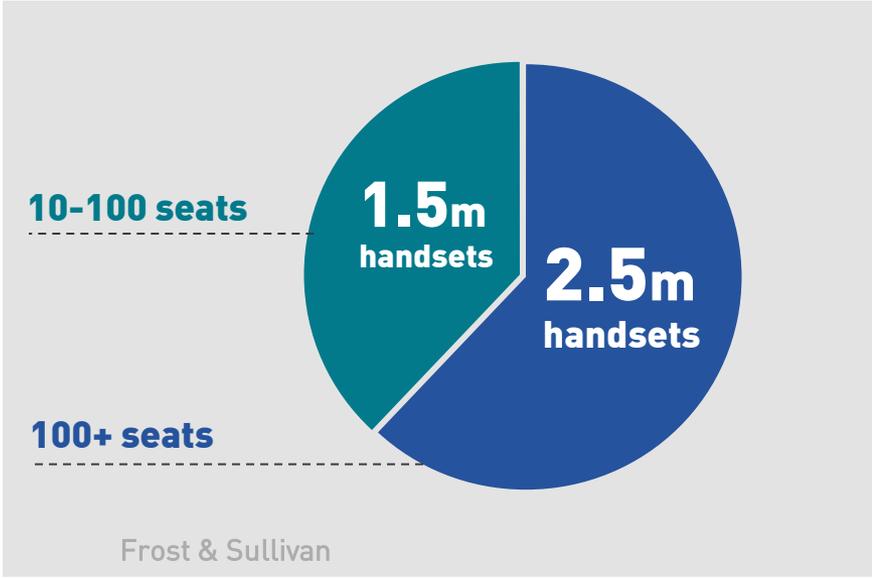
- › Data Centres drive Data Network revenue
- › Amcom data centres support
  - › Capacity for growth in own Cloud platforms
  - › Customer colocation
  - › Managed services
- › Recent acquisition of Data Centre in Perth to increase capacity for anticipated growth in Cloud Platforms



# UC & IP Telephony Market in Australia



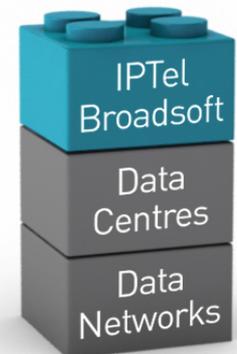
Amcom's Cloud (Hosted) Platforms



# IPTel (Broadsoft)

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- › Established capability nationally
- › Strong national distribution via channel partners
- › Customers now receptive in moving from on-premise to Cloud/Hosted telephony platform
- › Platform (Broadsoft) ideally positioned for SMB market
- › Profit performance of IPTel tracking well, five fold increase in contribution since acquisition in 2010



# Cisco HCS (Amcom Cloud Collaboration)

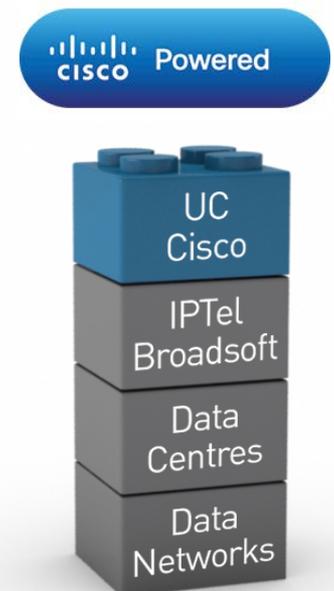
Addressable market of up to 2.5m handsets, Cisco has strong share of on-premise market. **Compelling reasons for change.**

## Compelling events to change platform:

- › Age of platform
- › Feature deficiency
- › Lack of integration across the business

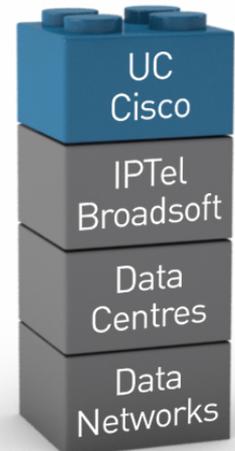
## Compelling time to implement:

- › Mobility (BYOD)
- › Video
- › Collaboration



# Cisco HCS (Amcom Cloud Collaboration)

- › Opex model – predictable cost base
- › Outsource operations of platform
- › Seamless operation between any device and location
- › “Evergreen” – always up to date with latest features
- › Add new handsets as required
- › Turn on added functionality on-demand



# Cisco HCS (Amcom Cloud Collaboration)

### Contact Centre

- > Customer facing support staff
- > Call centre functionality



### Integrated Collaboration

- > Video/share/collaborate inside and outside your organisation



### IP Telephony & UC

- Hosted telephony
- Mobile integration
- Collaboration

Initial Sale \$



Opportunity for significant upsell over time .

### Upgrades

- > Feature upgrades
- > Organic growth



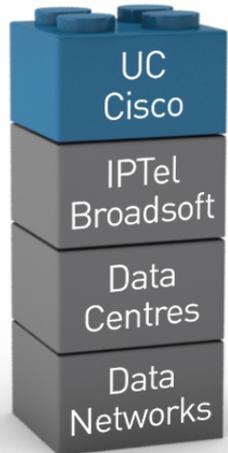
### WiFi

- > Use mobile devices across enterprise
- > As a service



### Video Conferencing and Content Management

- > Video conferencing facilities
- > Video production from any device for capturing and sharing business content i.e. training, induction, work process etc.



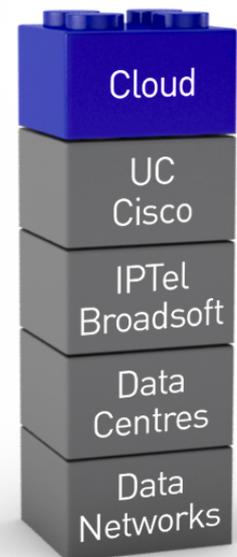
# Cloud Infrastructure-as-a-Service

- › Cloud recurring billing of circa \$6m
- › Global vendor platforms
  - › VCE (VMware, Cisco & EMC)
  - › EMC
- › Customer demand growing

IDC projects that by 2020, data storage will increase by 50-fold from 2010

## Cloud Services:

- › Computing
- › Storage
- › Backup
- › Disaster Recovery



# X-as-a-Service

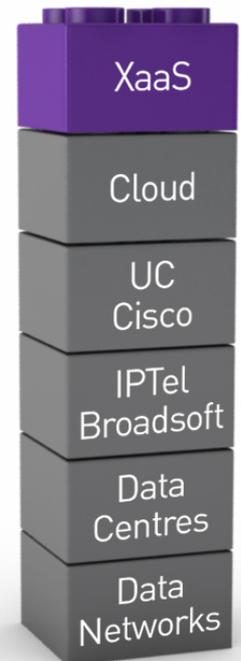
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- › Leveraging core IT capabilities gained via L7 acquisition
- › New annuity style services under development to re-position offerings with data networks & data centre investment

## WiFi-as-a-Service

### Productised – sales engaging customer base

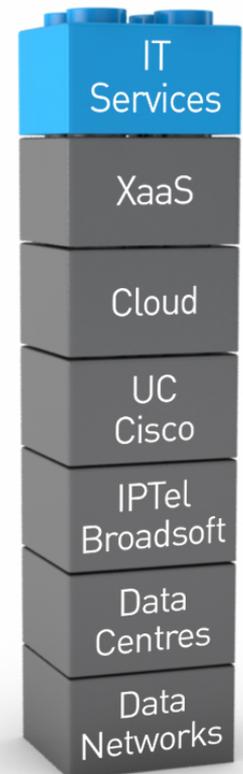
- › Opportunities 100 to 1,000 WiFi access points
- › Multiple locations
- › Fully managed



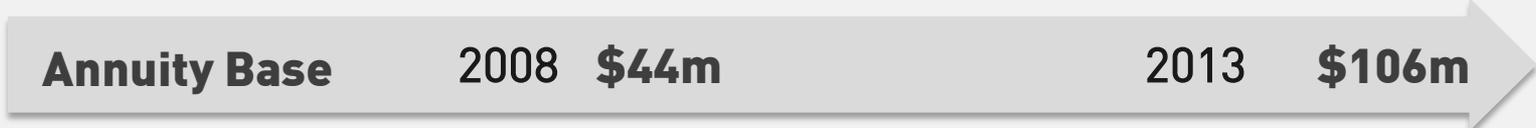
# IT Services

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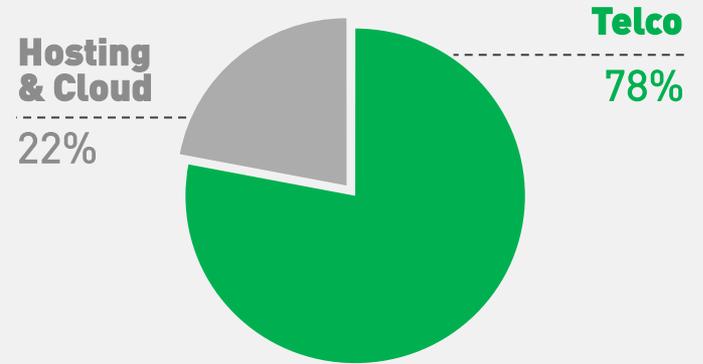
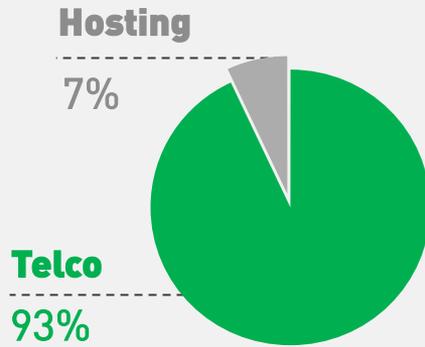
- › Investing in the redeployment of technical skills to build annuity revenue streams in:
  - › Cisco Hosted Voice
  - › Cloud
  - › X-as-a-Service
- › Solid IT Service contract wins over past few months
- › Strong focus on core Integration capabilities across three vendors (Cisco, EMC & VCE)
- › Cross selling of annuity revenue \$4.7m in FY13:
  - › Data Networks
  - › Data Centre
  - › Cloud



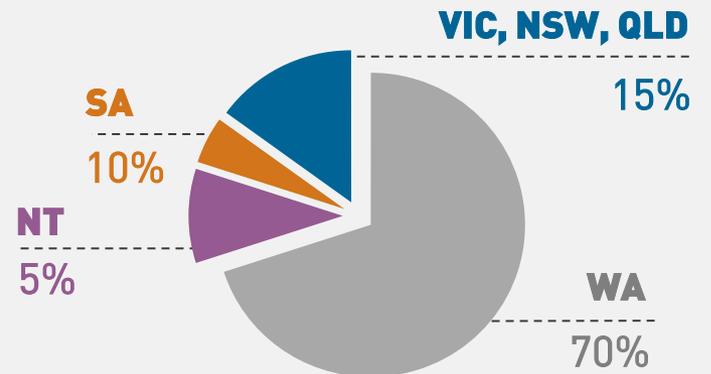
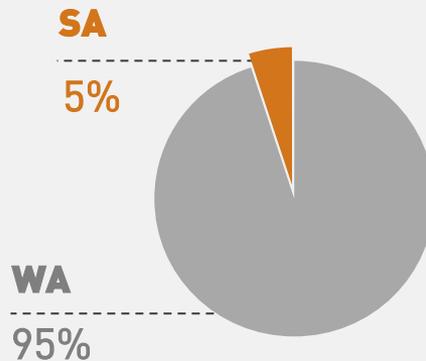
# Diversification of revenue base



## By Product



## By Geography



# Summary and Outlook

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Recurring revenue base of \$106m at 30 June 13

## **Convergence of IT and Telco**

- › Business moving to new technologies
- › Operational efficiency/simplicity is a key driver
- › Data networks is the enabler for Cloud (IT and IP Telephony/UC) gaining momentum

## **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

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

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