

FY13 Results Presentation

13 August 2013

Presented by

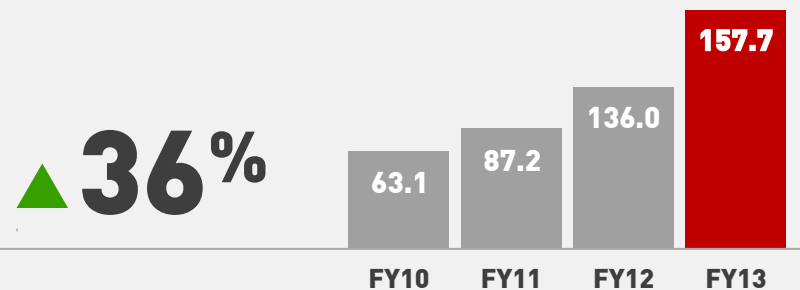
Clive Stein CEO

David Hinton CFO

amcom

Consistent Track Record (3 YR CAGR)

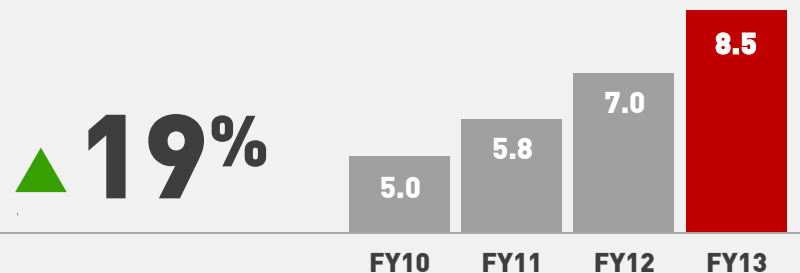
Revenue (\$m)



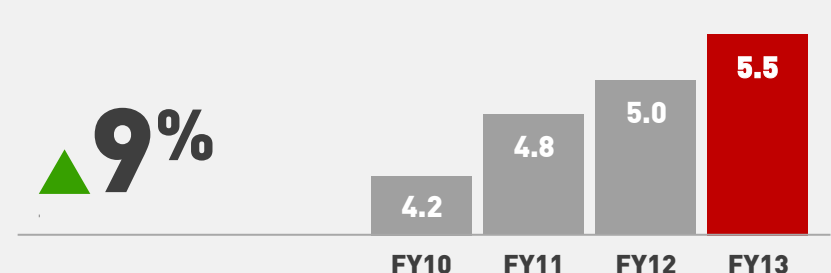
NPAT* (\$m)



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 ¹	-	11.5	
NPAT - Reported	20.8	28.4	▼ 27%
EPS (before significant items)	8.5c	7.0c	▲ 22%
ROE ²	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 ¹	9%	7%
EBITDA / Net debt (x)	3.4x	4.3x

¹ Gearing: Net debt to net debt plus equity

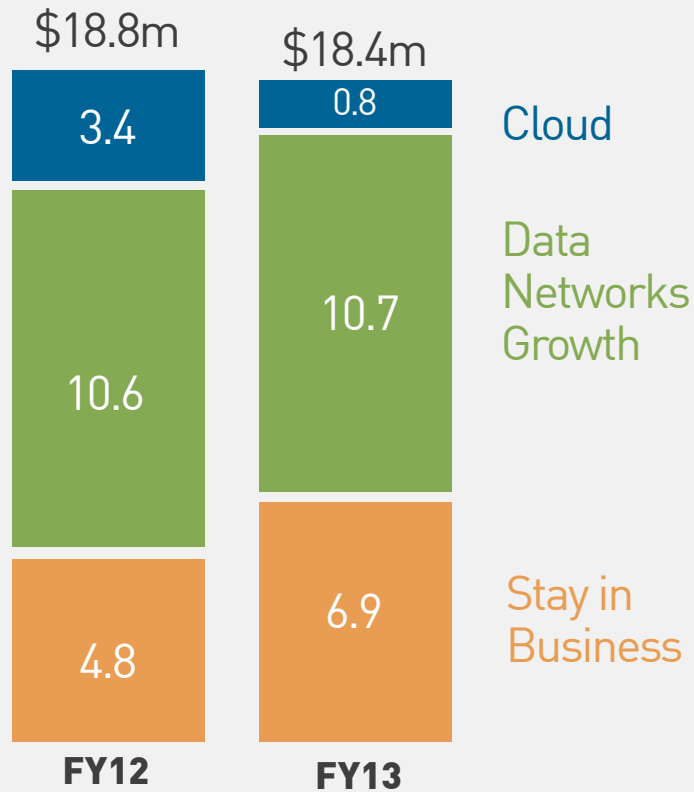
Cash Flow

(\$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%

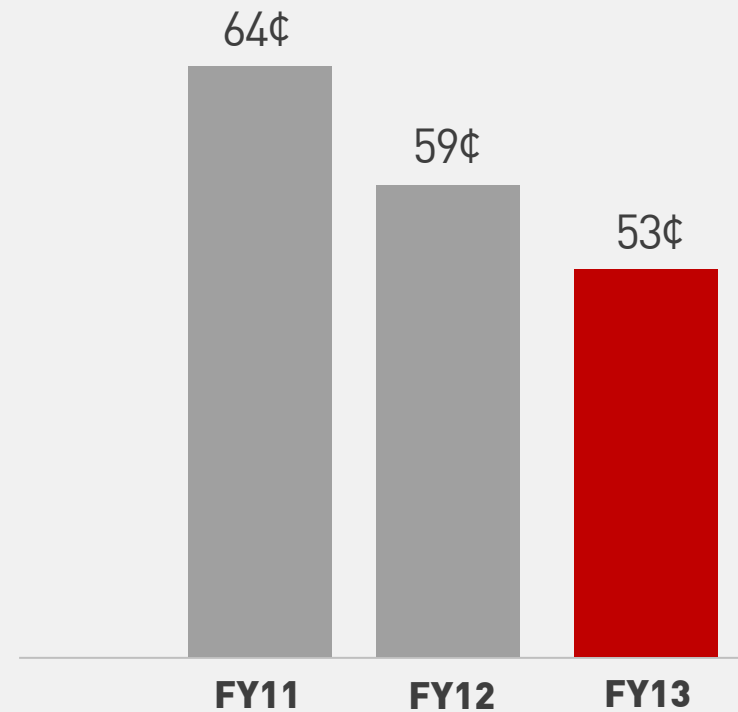
* Free Cash Flow = Operating Cash Flow – payments for PPE (net)

- › 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

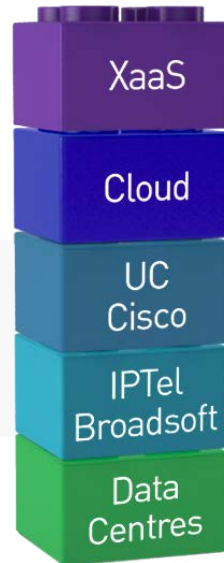
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Growing Capability

IT Services



Hosted & Cloud Services



Telco

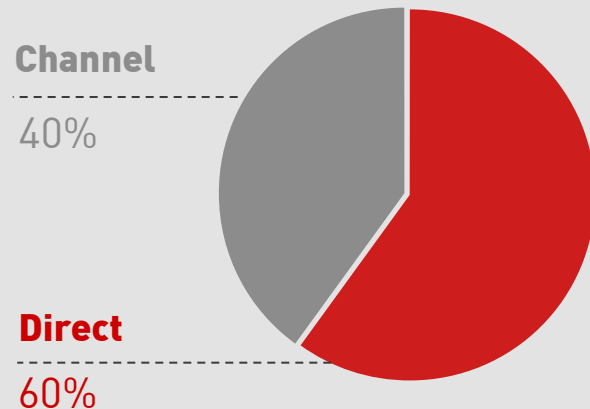


Data Networks

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

Cisco VNI Global IP Traffic Forecast, 2011-2016

Sales Mix



- › Consistent annualised sales of ~\$1.8m per month
- › Strong wins in NT with corporate and government customers
- › Leveraging 3rd 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



**Wholesale
Telco**



Reseller



Government



**Financial
Services**



**Mining &
Resources**



**Retail &
Trade**



**Building &
Construction**



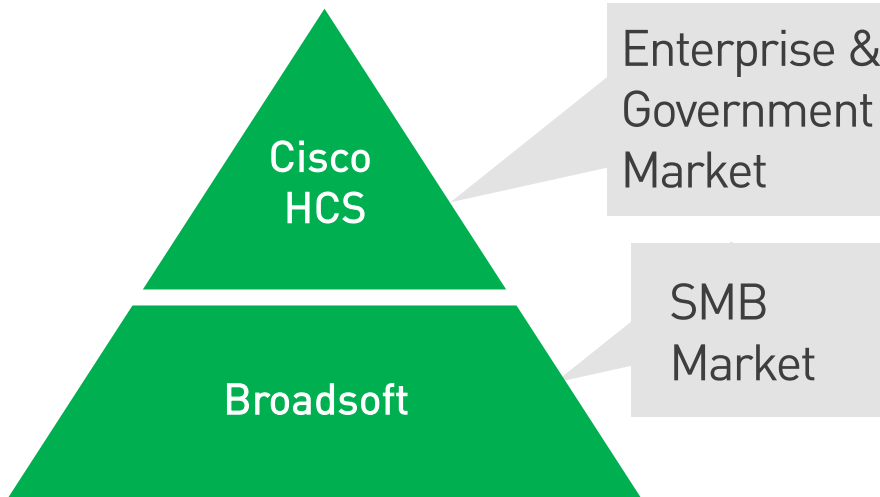
**Professional
Services**

Data Centres

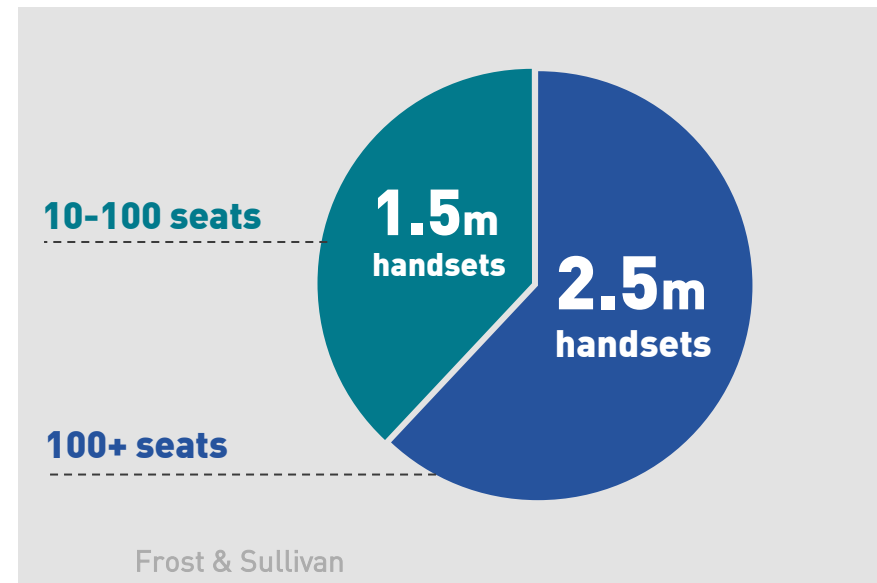
- › Data Centres drive Data Network revenue
- › Amcom data centres support
 - › Capacity for growth in own Cloud platforms
 - › Customer colocation
 - › Managed services
- › Recent acquisition of Data Centre in Perth to increase capacity for anticipated growth in Cloud Platforms



UC & IP Telephony Market in Australia

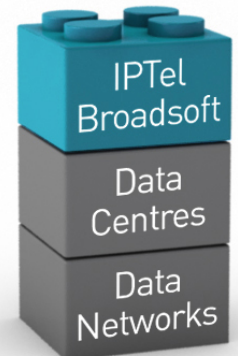


Amcom's Cloud (Hosted) Platforms



IPTel (Broadsoft)

- › 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)

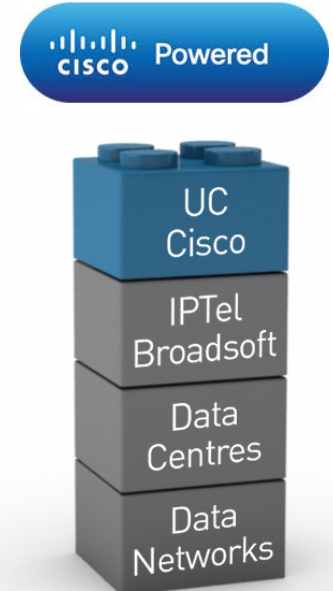
Addressable market of up to 2.5m handsets, Cisco has strong share of on-premise market. **Compelling reasons for change.**

Compelling events to change platform:

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

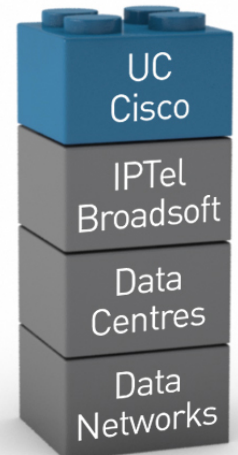
Compelling time to implement:

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

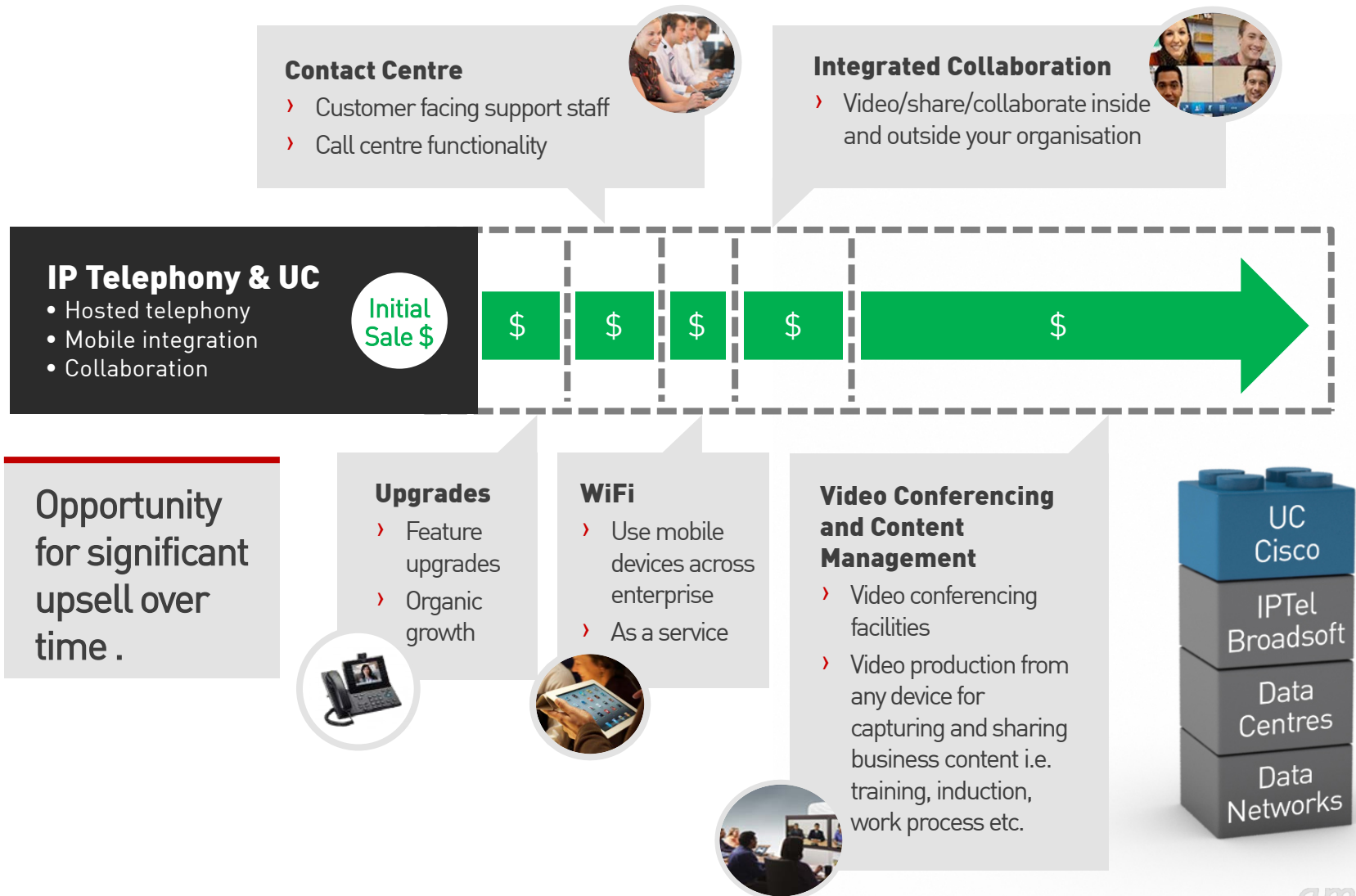


Cisco HCS (Amcom Cloud Collaboration)

- › 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)



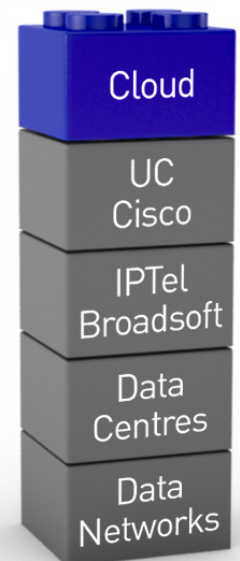
Cloud Infrastructure-as-a-Service

- › 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



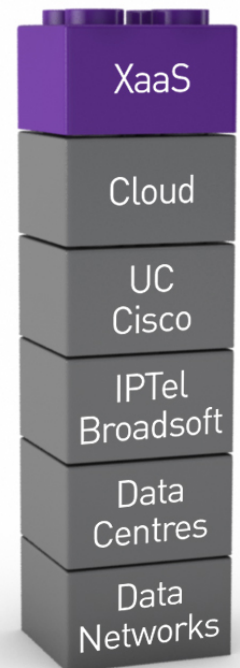
X-as-a-Service

- › 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

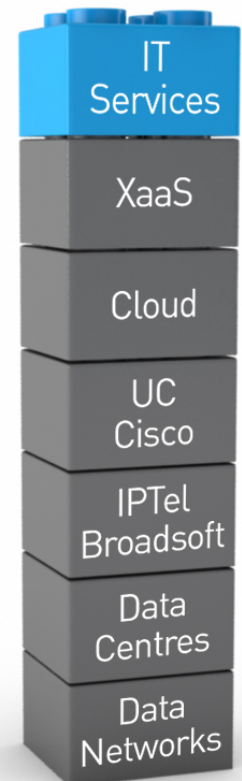
Productised – sales engaging customer base

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



IT Services

- › 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



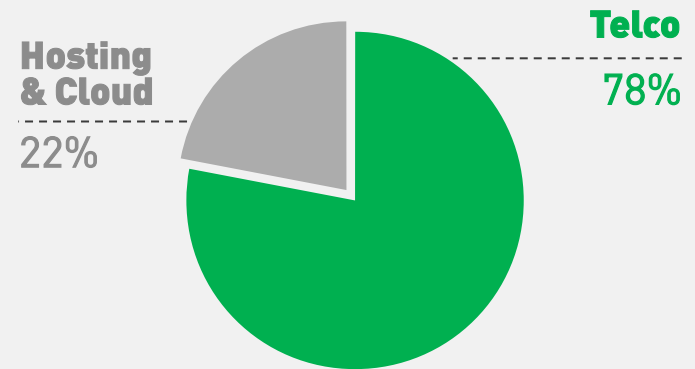
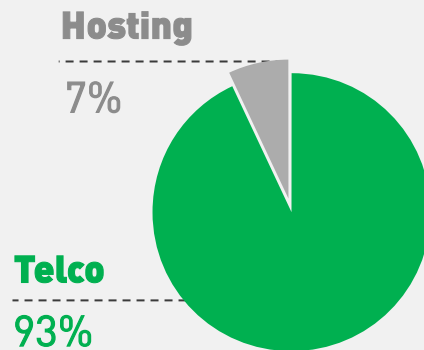
Diversification of revenue base

Annuity Base

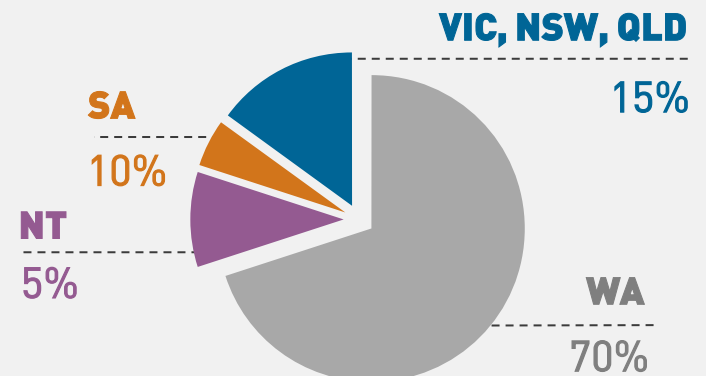
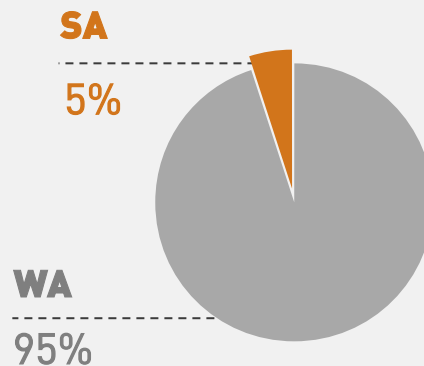
2008 \$44m

2013 \$106m

By Product



By Geography



Summary and Outlook

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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