

A photograph of two young children, a boy and a girl, lying under a dark blanket and looking intently at a tablet computer held by the boy. The scene is dimly lit, with the light from the tablet illuminating their faces. The background is blurred, suggesting an indoor setting at night.

NetComm Wireless Limited

FY16 results presentation

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Listen. Innovate. Solve.



FY16: Doing what we said we would do

Executing to plan

- Ericsson/nbn rollout continuing to gain pace
- Master Purchase Agreement for Fixed Wireless solution signed with one of two largest US based telecommunications carriers
- Frame Purchase Agreement signed with Nokia (July 2016) for the supply of Fixed Wireless devices for their global suburban and rural broadband internet initiative
- Developed a Fibre to the Distribution Point (FTTdp) solution
- Delivered record revenue, with M2M & Fixed Wireless revenue up 74%

Well funded to pursue long term global growth opportunities

- Substantially oversubscribed \$50m placement in April 2016. In addition \$1m raised through SPP



Listen. Innovate. Solve.

ANOTHER RECORD YEAR

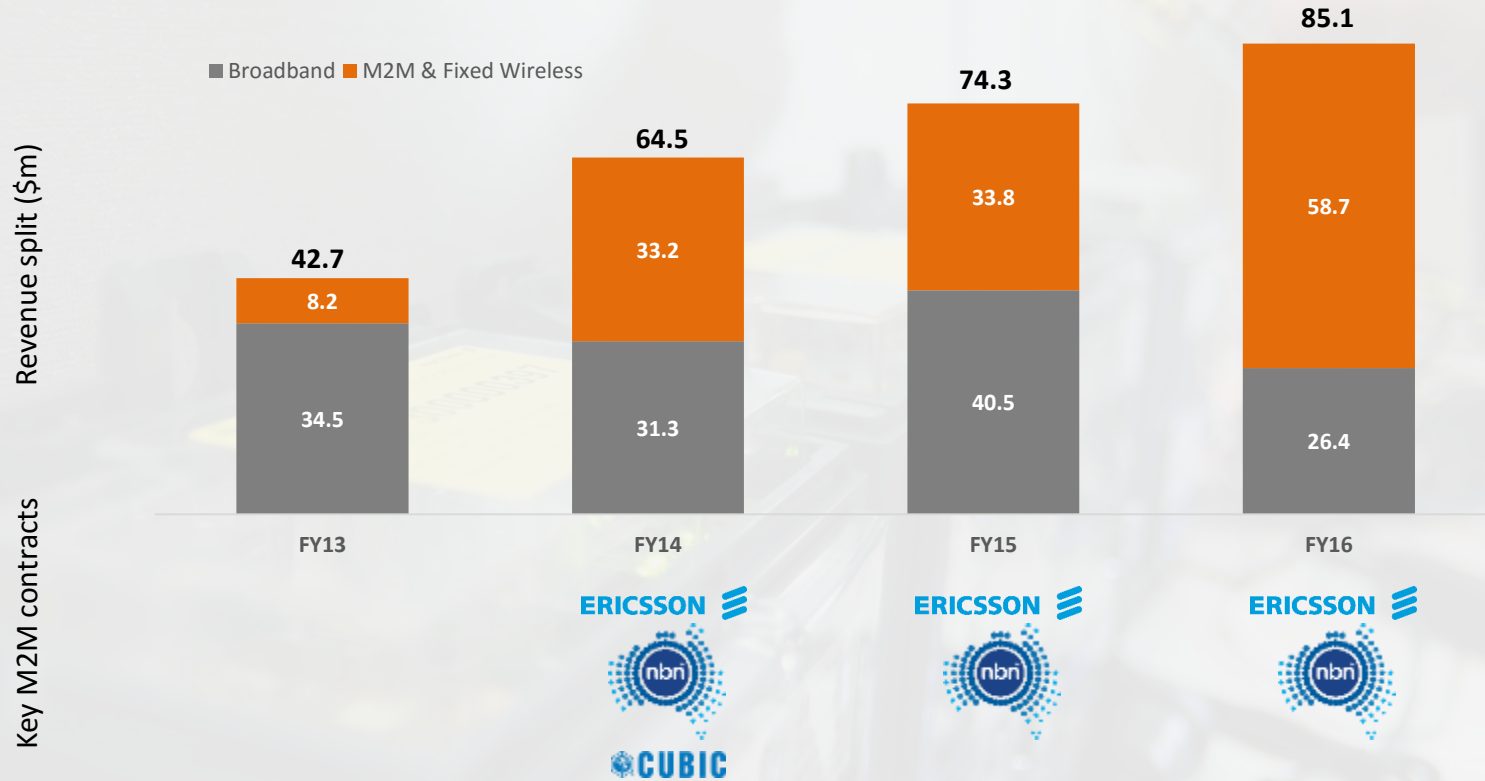
Revenue growth funding business reinvestment

(\$m)	FY16	FY15	Change
Revenue	85.30	74.33	14.8%
Reported EBITDA	6.23	7.30	(14.6%)
Underlying EBITDA	11.2	9.1	23%
Net profit after tax	2.03	2.46	(17.7%)
Earnings per share (cps)	1.54	1.91	(19.6%)
EBITDA margin	7.3%	9.8%	(25.6%)

NetCommWireless

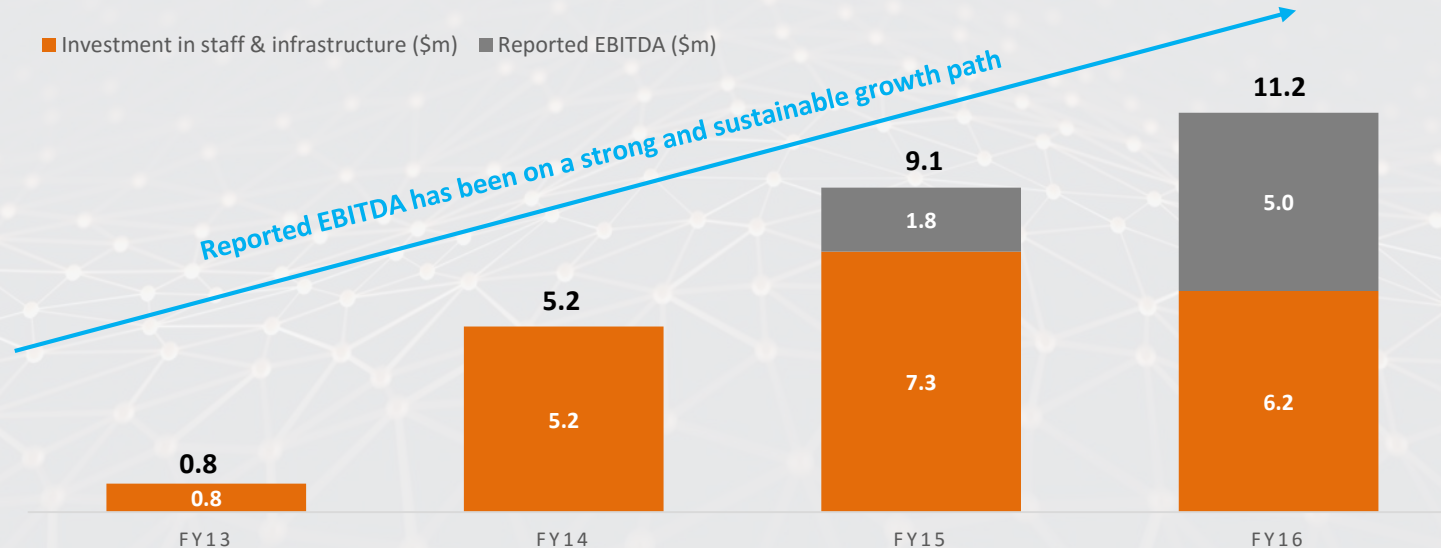
- Revenue up 14.8% to \$85.30m
 - Increase in revenue driven by 74% growth in M2M & Fixed Wireless revenues as Ericsson/nbn rollout gains pace
 - Offset by reduction in “base” broadband revenue as FY15 experienced a one-off revenue increase from ADSL/Powerline products
- Reported EBITDA down 14.6% to \$6.23m
- Result achieved even after \$4.3m business reinvestment to underpin upcoming contracts and global growth opportunities
- \$0.7m non-cash share based payments expense
- Underlying EBITDA (ex business reinvestment and share based expenses) up 23% to \$11.2m**

Very strong growth in M2M & Fixed Wireless revenues



Underlying EBITDA up 23% to \$11.2m

Strong growth in Underlying EBITDA (pre business reinvestment and share based payments expense) is underpinning increased business reinvestment to support long term global growth opportunities



Strong balance sheet

(\$m)	30 Jun 16	30 Jun 15	Change
Cash and equivalents	36.51	3.40	973.9%
Other assets	54.91	41.04	33.8%
Total assets	91.42	44.44	106.0%
Borrowings	0.08	3.35	(97.6%)
Other liabilities	14.05	16.50	(14.8%)
Total liabilities	14.13	19.84	(28.8%)
Total equity	77.29	24.60	214.3%
Net cash	36.43	0.05	

- Cash up to \$36.51m
 - \$51m capital raising to fund global growth initiatives
 - Repayment of borrowings
 - Investing for future growth
- Almost no debt, with \$16m debt facility in place
- Strong balance sheet is conservatively structured to support global growth initiatives currently being pursued

Increased cash position to support global growth opportunities

(\$m)	FY16	FY15
Net cash flows from operating activities	(2.00)	6.38
Net cash flows from investing activities	(10.67)	(5.87)
Net cash flows from financing activities	45.78	(1.41)
Net (decrease) / increase in cash	33.11	(0.91)

- \$2.00m cash used in operating activities
 - Increased inventory and initial costs incurred in relation to USA Fixed Wireless contract
- \$10.67m cash used for investing activities
 - Investments in people and infrastructure to develop new products and support long term growth
- \$45.78m cash from financing activities
 - Proceeds from capital raising offset by net repayment of borrowings



Listen. Innovate. Solve.

ATTRACTIVE GROWTH OPPORTUNITIES



Optimal
Business
Consistency
Development
Standard
Customer
Management

Our methodology



LISTEN.

**We listen to our customers and
identify their specific needs**



INNOVATE.

**Innovation is applied to develop a
unique device to meet the customer's
requirements**



SOLVE.

**Customer requirement met, exactly.
Problem solved**

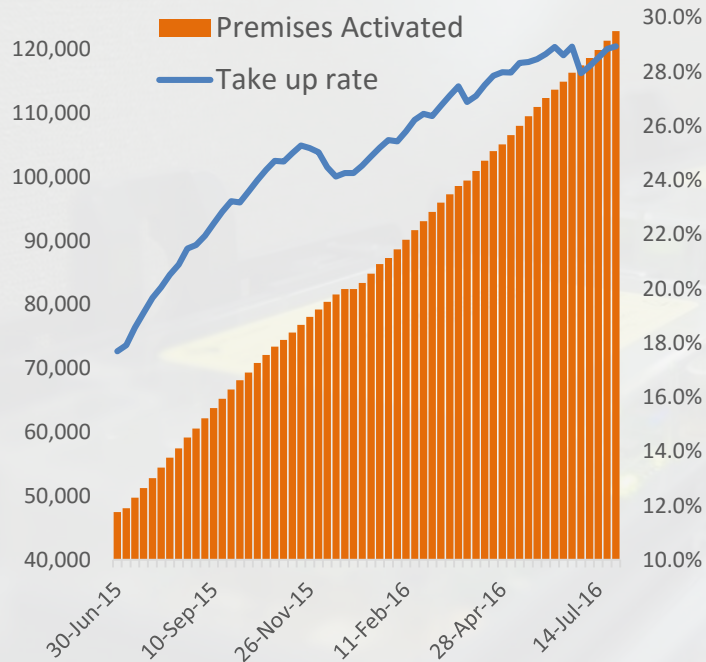
First to market with Fixed Wireless solution in Australia



Continued ramp up in the Ericsson/nbn contract rollout in FY16, with continued volume increase anticipated in FY17

Ericsson/nbn rollout gaining pace

Pace of installation of rural broadband devices is increasing



- Fixed Wireless coverage increased by 156k premises since June 2015 to be at 425k premises at 28 July 2016
- Fixed Wireless take up rate increased from 18% at 30 June 2015 to 28.9% at 28 July 2016
- 123k premises have activated Fixed Wireless connections as at 28 July 2016 - Source: nbn

Our nbn fixed wireless solution led to a major US contract win

Master Purchase Agreement signed with one of the two largest US based telecommunications carriers

- Building on the success with Ericsson delivering a similar service to Australia's nbn
- Signed agreement in November 2015 to supply Fixed Wireless devices required to connect households and businesses to a Fixed Wireless rural broadband network which will be built by that carrier
- Technical approval has been given by the US Carrier and we now move into the small scale trial phase
- **A key milestone in NTC's global growth strategy for Fixed Wireless**

An \$80bn global opportunity in fixed wireless

A “compelling event”: PSTN (copper line) shut down

- Carriers around the world have indicated that they are going to shut down the use of copper lines - this impacts fixed line (ADSL) broadband
- The standard replacement is fibre in “built up areas” which cover 90% of customers
- For the remaining 10%, being regional and rural customers, Boston Consulting Group concludes that Fixed Wireless is the best solution and the total addressable market size is \$80bn

NTC’s expertise gained in delivering the Ericsson/nbn rural broadband solution and now delivering another solution into the US, is being sought after to address the “last 10%”

Actively pursuing multiple global Fixed Wireless opportunities

- Significant focus on US and Europe
- These involve “substantial” volumes and leverage off our demonstrated expertise from the nbn contract
- Momentum carried into FY17 with Frame Purchase Agreement signed with Nokia in July 2016 for the supply of Fixed Wireless devices



FTTDp provides another substantial global growth opportunity

- With the replacement of copper networks with fibre and HFC cable, there is a large opportunity to deploy Fibre to the Distribution Point (“FTTDp”) and Cable to the Distribution Point (“CTTDp”). This requires a device that “connects” fibre or cable which is deployed down a street to the copper line that enters the customers premises
- This type of technology provides high speed connectivity at an affordable price and can be deployed much faster than fibre all the way to the home
- These are large volume global opportunities available



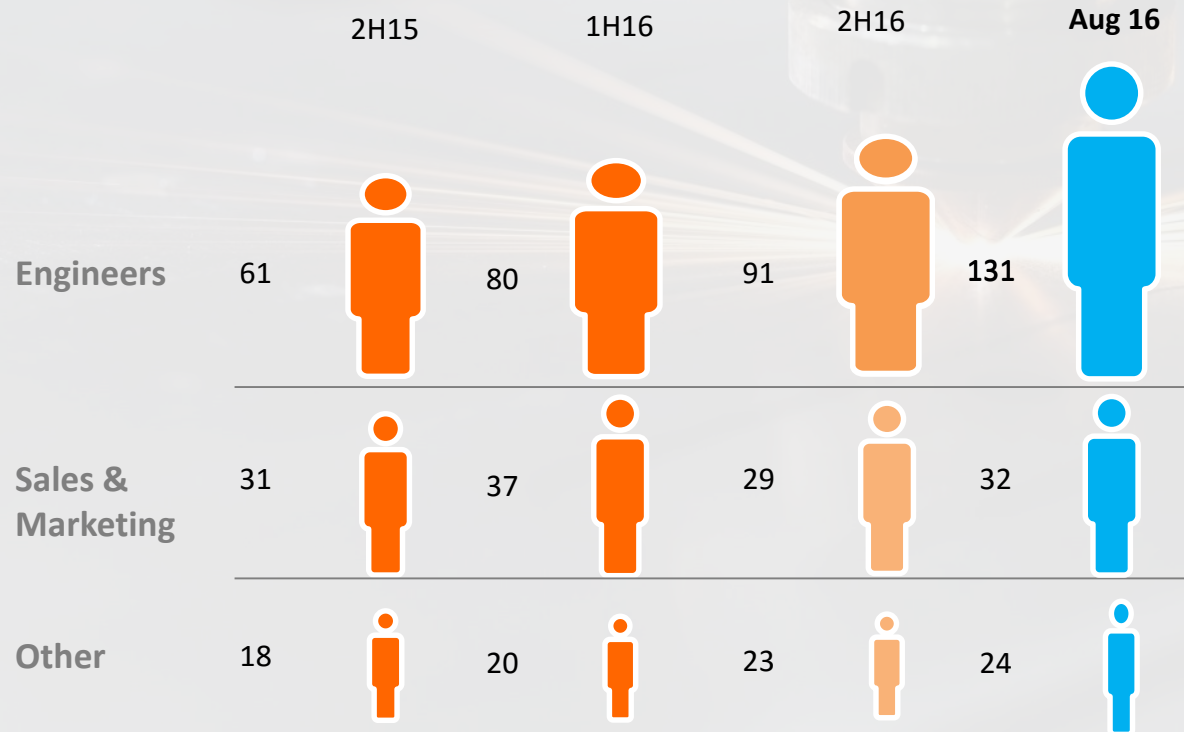
Growth of IoT underpins multiple global M2M opportunities

- We continue to actively pursue M2M contracts globally with particular emphasis on USA, Europe, Australia and Japan
- We are employing our “Listen. Innovate. Solve.” methodology to seek out appropriate high volume opportunities where customers require a customised device
- We will be very disciplined to ensure we pursue “blue ocean”, global, large scale opportunities



Substantial Investment in People to Fuel Growth

Reinvestment in people and infrastructure is further enhancing our capabilities as we pursue and deliver on multiple global M2M and Fixed Wireless opportunities



Key Priorities For FY17

- Continue to recruit personnel, mainly engineers. Target to increase our workforce of 187 at present (August) to 220 employees during FY17
- Implement all the “building blocks” required to transition the Company into a very large business
- Sign up 2 new “Listen. Innovate. Solve.” M2M “pain point” customers
- Pursue FTTdp opportunities
- Continue to pursue fixed wireless opportunities with particular focus on Europe and USA

FY17: continued growth and business reinvestment

- FY17 revenue and underlying EBITDA are both expected to substantially grow:
 - increased pace of the roll-out for the Ericsson/nbn Fixed Wireless project
 - commencement of small orders from the Fixed Wireless Master Purchase Agreement with one of the two largest US based telecommunications carriers
 - new overseas Fixed Wireless and M2M projects that are currently in the development pipeline
- Continue to see a number of opportunities for investment in future growth:
 - To service existing contracts and to win further opportunities, Group will continue to invest.
 - \$22 - \$23m planned additional investment in FY17 of which \$17 - \$18 m relates to investment in people and infrastructure (before any capitalisation of engineering costs) and \$5m in capital expenditure
- **Benefits from strategy implemented over last 3 years and continued investment in FY17 to flow through with strong growth in revenues and earnings in FY18**



QUESTIONS

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Thank you

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