

Roadshow Presentation

FY14 Results

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amcom

Highlights

FY14 Highlights

- › Record NPAT* \$23.2m up 12%
- › Revenue (ex IT Services) up 16%
- › Operating cash flow \$41.2m up 24%
- › Strong balance sheet with \$7.2m net cash

FY15 Outlook

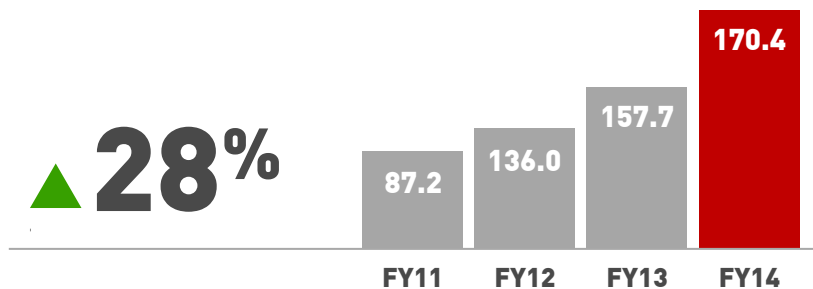
- › Commenced FY15 with recurring billing base of \$122m up from \$106m at start of FY14
- › M&A activity planned in FY15
- › FY15 guidance update as year progresses

FY15 Guidance - similar NPAT* growth as in FY14 (excluding M&A)

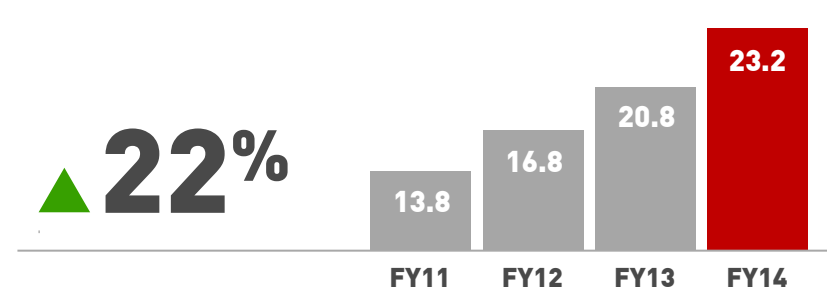
*NPAT before significant items

Consistent Track Record (4 YR CAGR)

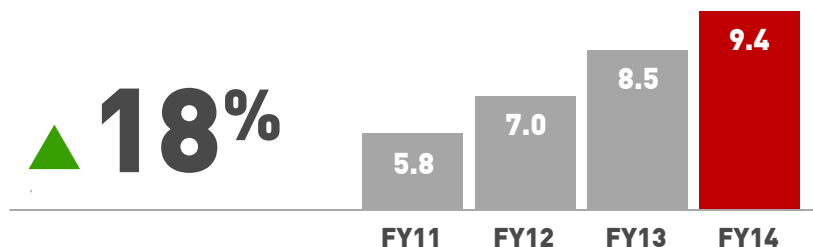
Revenue (\$m)



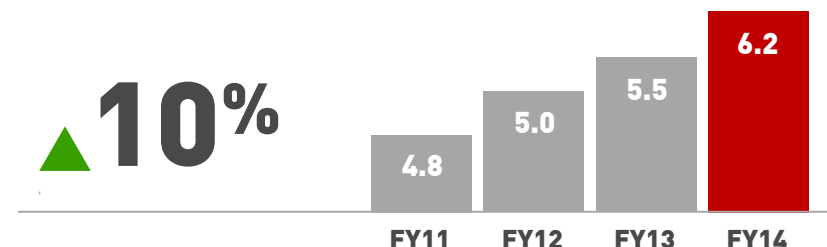
NPAT* (\$m)



EPS* (cps)



Annual Dividend (cps)



*before significant items

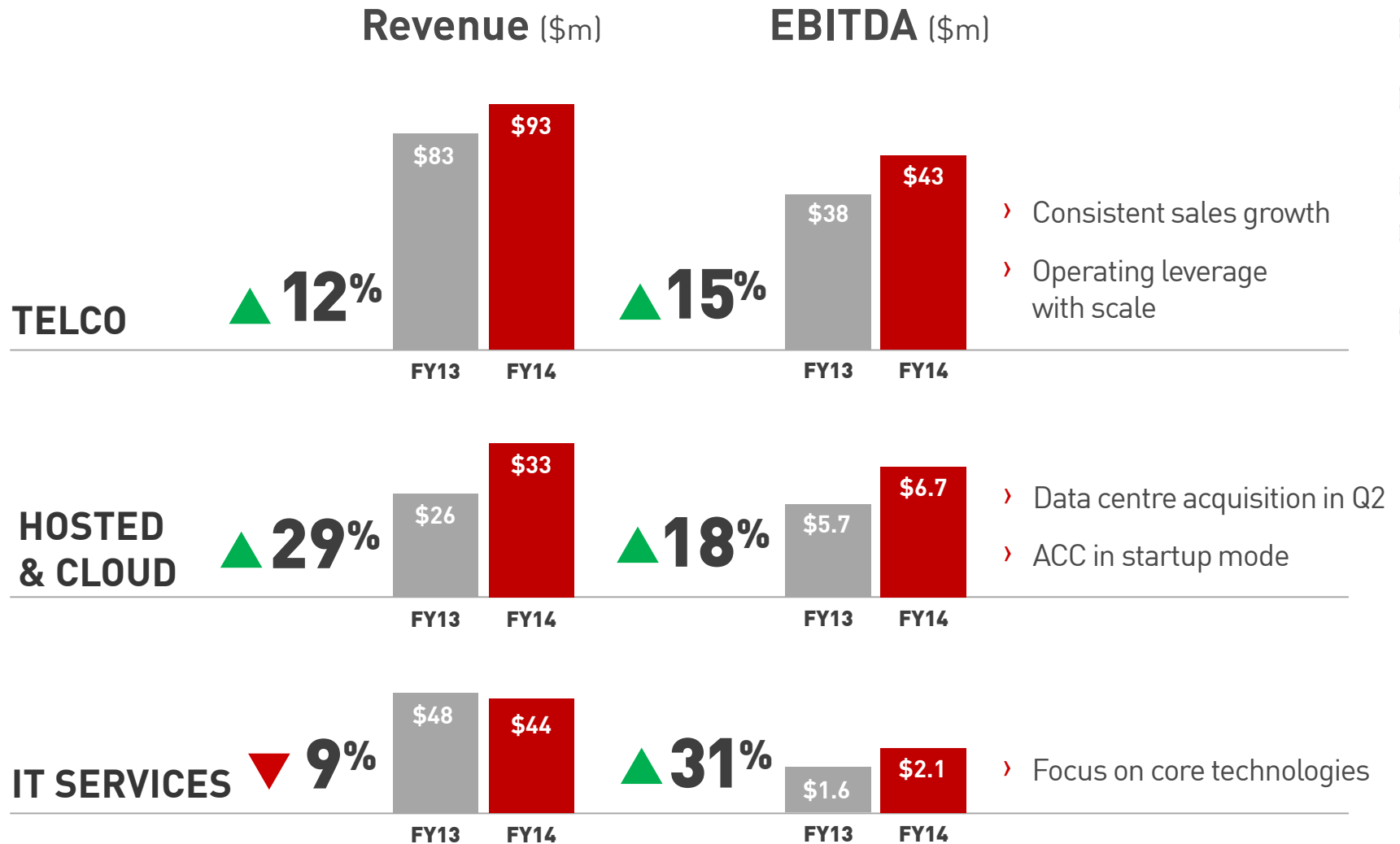
Financial Highlights

Profit Summary (\$m)	FY13	FY14	YoY
Revenue	157.7	170.4	▲ 8%
EBITDA	40.0	46.7	▲ 17%
EBIT	30.5	35.2	▲ 16%
NPAT (before significant items#)	20.8	23.2	▲ 12%
NPAT (reported)	20.8	22.4	▲ 8 %
EPS (before significant items#)	8.5c	9.4c	▲ 11%
ROE annualised*	18%	18.5%	
Final dividend per share	3.5c	4.0c	▲ 14%
Annual dividend per share	5.5c	6.2c	▲ 13%

Significant items comprise acquisition and integration costs

*NPAT (before significant items) / Average Shareholder Equity

Segment Results



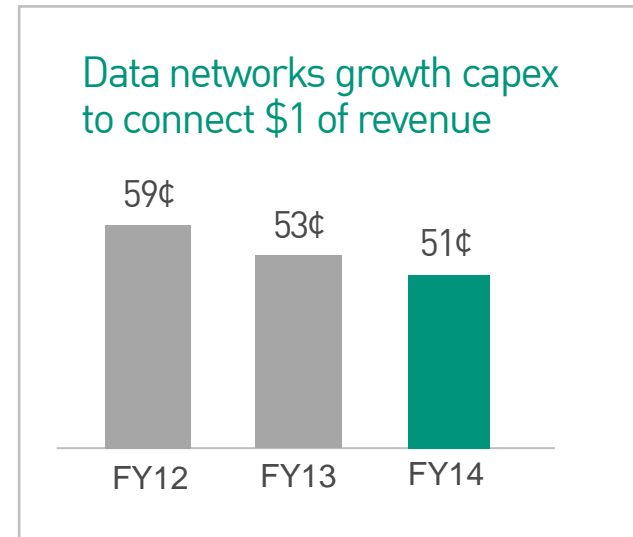
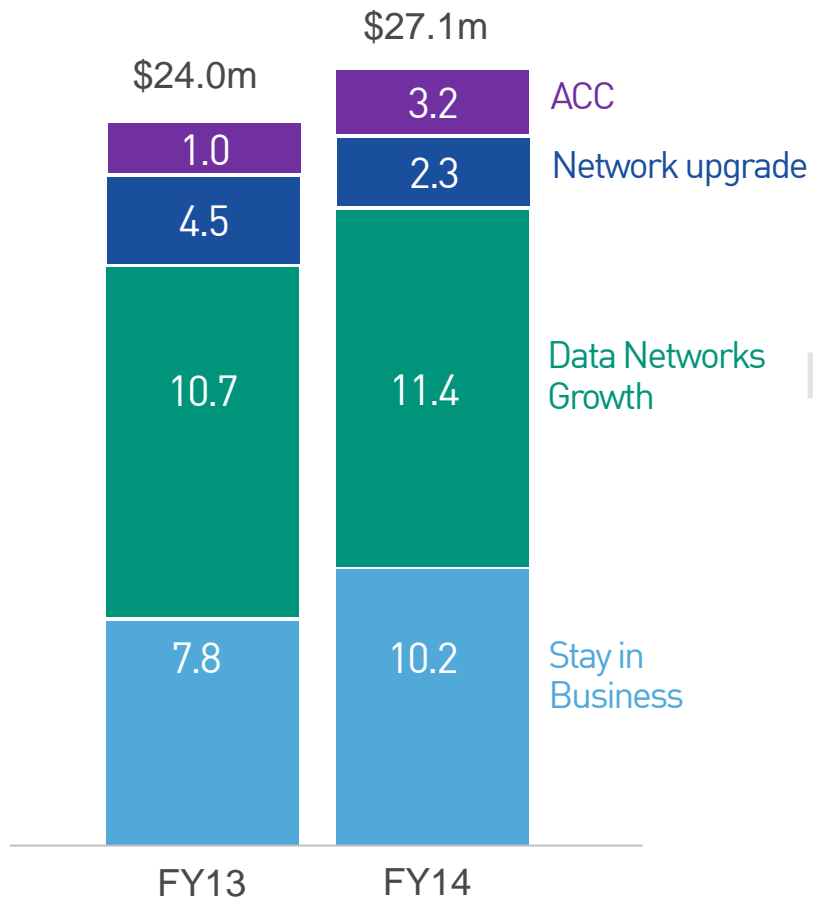
Cash Flow

(\$m)	FY13	FY14	Var %
EBITDA	40.0	46.7	▲ 17%
Interest paid	(1.6)	(2.3)	
Tax paid and other	(3.6)	(4.7)	
Operating cash flow before working capital	34.8	39.7	▲ 14%
Working capital	(1.6)	1.5	
Operating cash flow	33.2	41.2	▲ 24%
Payments for PPE (net)	(18.4)	(19.9)	
Free Cash Flow*	14.8	21.3	▲ 44%

Operating cash flow up 24%

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

Capex Efficiency



Balance Sheet

(\$m)	FY13	FY14
Cash	25.3	31.4
Other current assets	20.5	21.5
PPE	123.2	141.0
Intangibles	36.9	54.6
Total Assets	205.9	248.5
Borrowings	37.1	24.2
Payables, provisions and other	48.2	56.5
Total Liabilities	85.3	80.7
Net Assets	120.6	167.8
Total Equity	120.6	167.8

- › \$ 52m undrawn Bank debt facilities - Dec 16
- › \$17m undrawn Vendor loan facilities – Dec 15

Strategy

Our value proposition for **data networks** is significantly enhanced as our product capabilities grow.

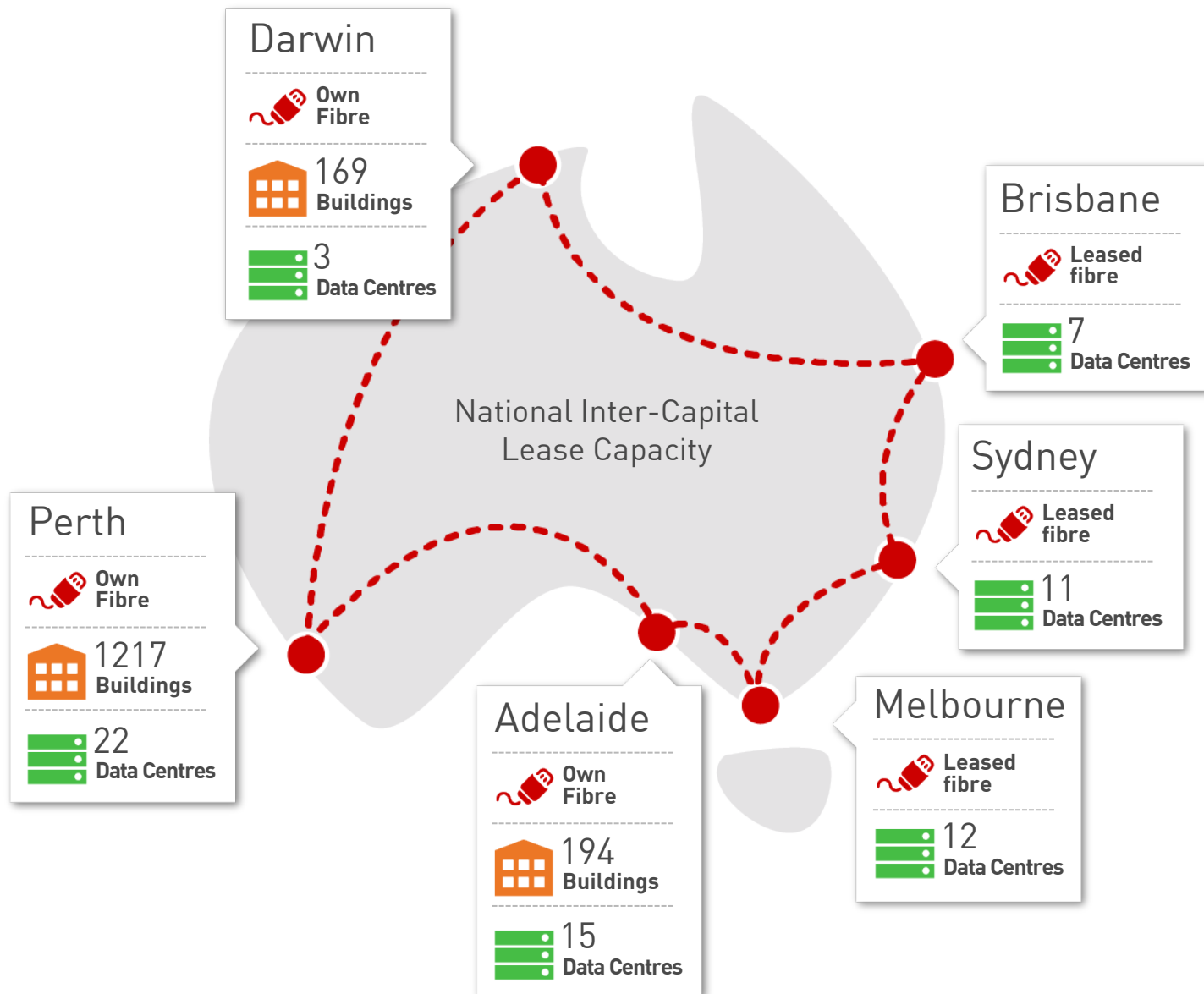


Data Networks

- › Consistent demand and sales levels for data networks over past 12 months
- › EBITDA margins increase through operational leverage
- › Slightly higher churn in Q2/Q3, mainly resource sector
- › Over the past 12 months ~300 new customers
- › Cross selling new capabilities to data network customers



Growing Network Reach



Data Centre

- › Expansion of data centre footprint to 7 owned facilities
- › Total data centre footprint of 650 racks
- › Utilisation of own data centres ~91%
- › Resale of third party data centres adequate for customer requirements
- › Increased data network footprint, connects to over 70 data centres nationally



Amcom Cloud Collaboration (ACC)

- › ACC delivers telephony and Unified Communications as a Service (UCaaS)
- › ACC (Cisco platform) deployed first half FY14
- › Sales momentum building in second half
- › 17,000 seats sold in past six months
- › In some deals to existing customers, revenue increase x 6
- › Significant “pull through” of other services
- › Opex investment of ~ \$2.5m during the year



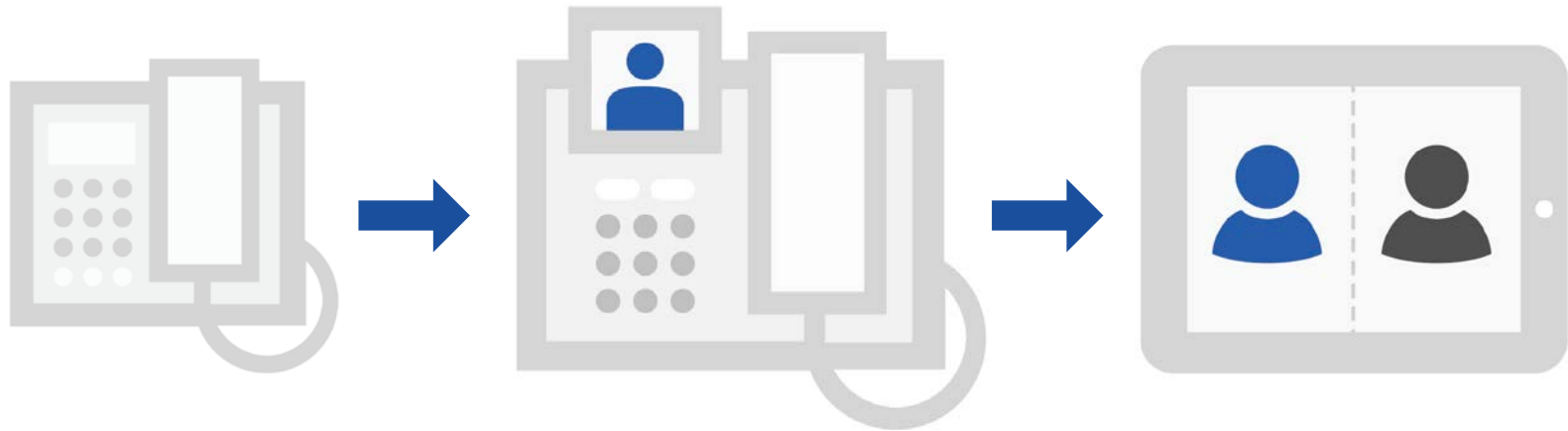
University of Melbourne contract

- › Multimillion dollar win - ACC Cisco platform
- › University of Melbourne deployment over 13,000 seats
- › Amcom Cloud Collaboration delivers flexibility:
 - › Consumption based
 - › Pay for what you use/consume
 - › Capex to opex model
- › Full usage commences in Q3 FY15 with full year contribution in FY16
- › First contract win following strategic partnership with AARNet
- › AARNet comprises 38 leading universities and CSIRO representing circa 200,000 seats*



* Estimate of target universities handsets

ACC Upsell Strategy



Phone Calls

+ voice mail

Video

Mobility + Collaboration

“Pull Through”

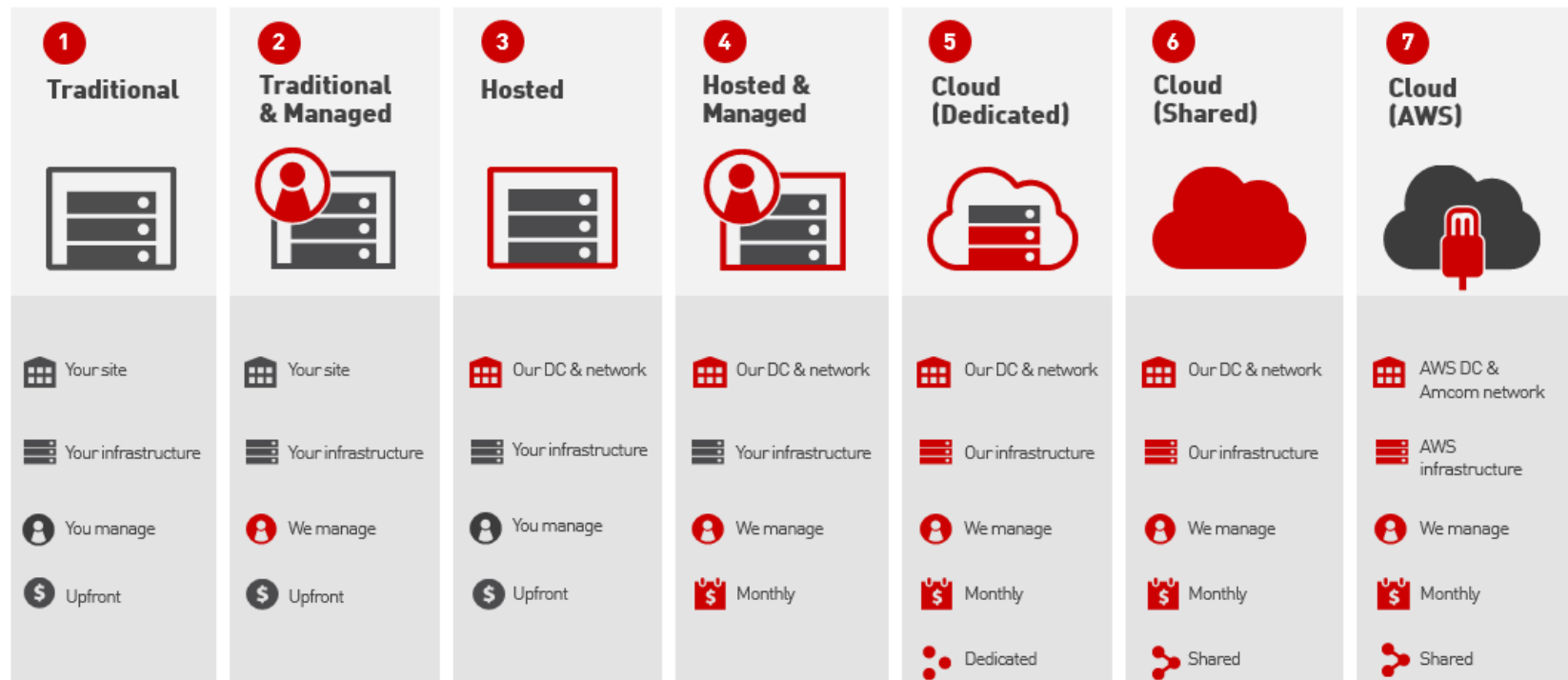
- › Data Network
- › Calls
- › Video Equipment
- › Line Rental
- › New Handsets
- › WiFi

Compelling opportunity
~ \$1.3B market*

** If this entire market adopts UCaaS, then the total addressable market would be to AUD 1.3 billion* as of end 2013. Frost & Sullivan, Jan 2014*

Cloud

We have a strong capability to help customers transition to the Cloud ...



M&A Upside Potential

- › Inorganic opportunities currently being pursued
- › Complementary businesses aligned with Amcom's capabilities
- › Expand geographic coverage
- › Build scale and operational leverage
- › Significant financial headroom to fund M&A activities
- › Financial flexibility to better negotiate
- › M&A excluded from FY15 guidance
- › Guidance will be updated post any transaction

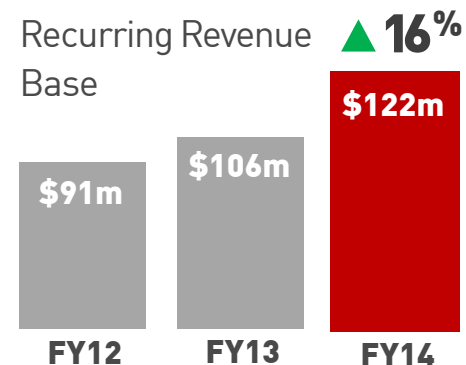
Summary and Outlook

Operating Environment

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

Growth Opportunities

- › Both organic and M&A
- › Strong potential to cross sell to existing customers
- › Relatively small market share
- › Well positioned for continued growth



FY15 Guidance - similar NPAT* growth as in FY14 (excluding M&A)

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