

# Wilson's Rapid Insights

17 November 2022



# At Aussie, we do things differently



## Our Why

(Why we show up to work every day)

**We are in business to Change the Game**

## Our Values

(How we change the game)

- 1. Don't be ordinary, be awesome**
- 2. Think BIG**
- 3. No Bullsh\*t**
- 4. Be good to people**
- 5. Have fun**

## Our Game

(What we're playing for)

**By 2025, we are Australia's 4th largest provider of communications & technology services**

# Our journey so far

- Wideband Networks was founded by Phillip Britt and John Reisinger in the Latrobe Valley in Victoria.
- Purpose - to provide high quality wireless internet to rural and regional areas often neglected by other providers.
- The company was granted a carrier licence by the ACMA.

2003

- Westvic Broadband founded in Warrnambool by a group of 5 local businessmen, including Pat Greene.
- Westvic focussed on providing wireless services to Western Victoria.

2006

- Commenced selling satellite services.

2008

- Wideband Networks merged with Westvic Broadband to form Aussie Broadband.

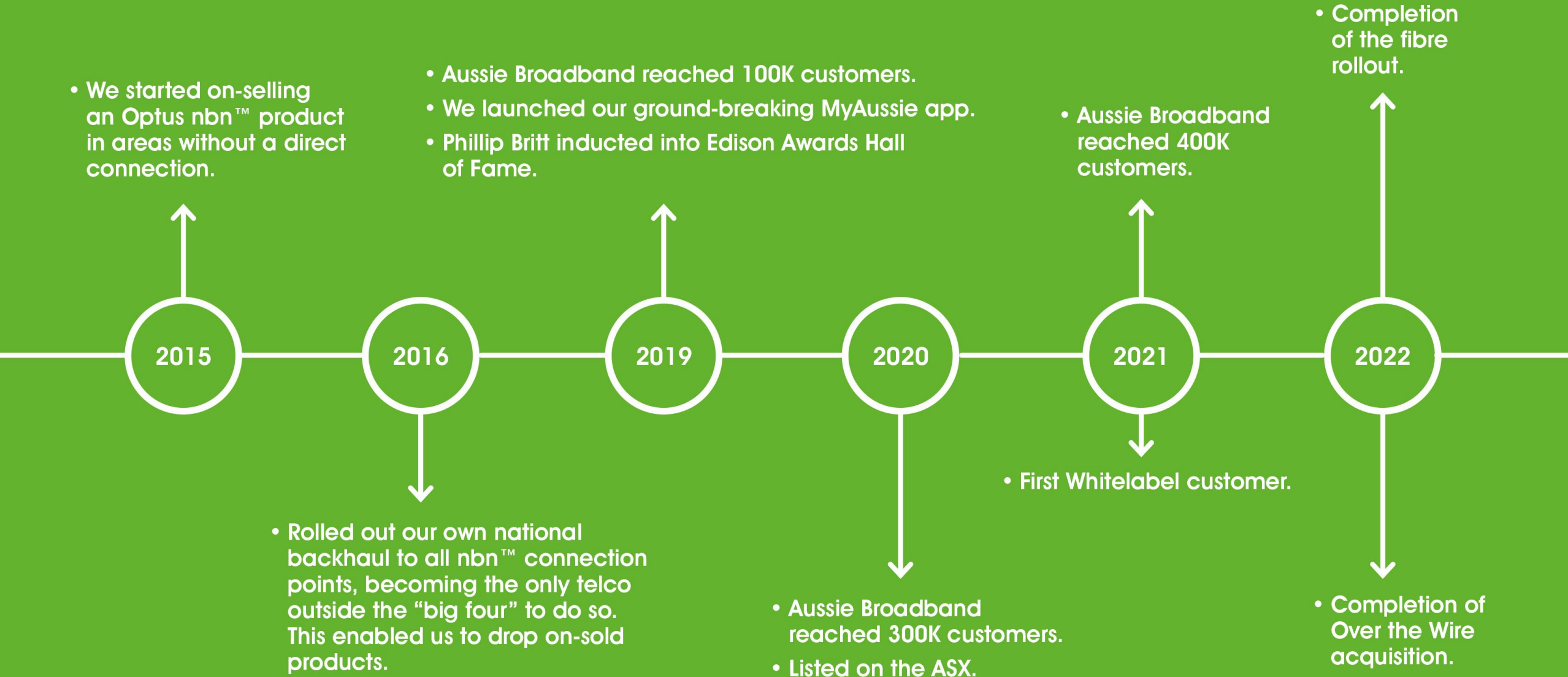
2009

- Began connecting our own DSLAMs to provide customers with ADSL and Naked DSL services.

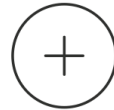
2014

- Established direct connections to local nbn™ points of interconnect, and connected our first nbn™ customers.

# Our journey so far



# Our evolution



## Over ~20 years built a market-leading telco business

- Primarily providing broadband, VOIP and mobile services to residential customers
- Fastest-growing RSP for the last 5 years – from 20k to >500k customers
- Focussed on best-in-class technology and game-changing customer service
- Brand strength and awareness
- Significant investment in network and owned fibre assets
- Direct connection to all 121 NBN POIs

## Over ~15 years built a strong technology business

- Deep capability across data, voice, cloud and managed services
- Focussed on business, enterprise & government and wholesale segments
- Strong track record of revenue retention (greater than 96% over the 7 years to FY21)
- Tier 1 voice network

## Leading diversified communications and technology business

- Targeting to be Australia's 4th largest provider of communications & technology services
- Integrated full-service provider across the full suite of solutions to residential, business, enterprise & government and wholesale customers
- Deep technical expertise, combined with relentless focus on customer experience
- Full ownership of tier 1 voice and data networks in Australia, interconnection to all 121 NBN POIs, and cloud infrastructure platform
- Industry-leading software platforms such as MyAussie, Carbon and NetSIP



# Aussie Broadband today



**800,000+**

active services:

- Broadband
- Voice
- Mobile
- Cloud
- Entertainment
- Security
- Managed services

**127 million**

monthly minutes on our  
Tier 1 voice network

**~530,000**

unique customers:

- Residential
- Business
- Enterprise &  
Government
- Wholesale

**1,200km**

recently completed fibre  
network

**~1,100**

staff in 8 locations:

- Morwell
- Dandenong
- Sydney
- Melbourne
- Brisbane
- Adelaide
- Perth
- Darwin

**8,300+ Tb**

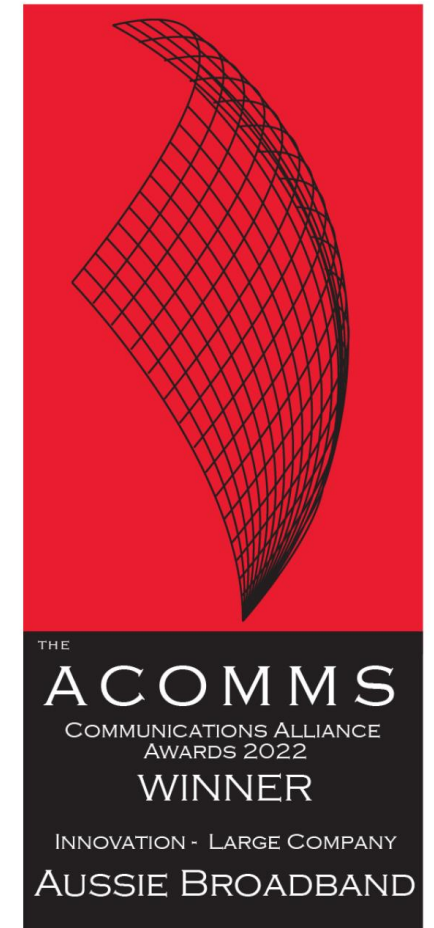
cloud storage resources  
under management

**Certified**

Australia's Most Trusted  
Telco



# Awards reflect ABB's focus on product innovation and customer service



# What our customers say



**"Great customer service. Great service provider. Always get the help you need"**

Warmungah, Product review



**4.5 Stars from 6,821 reviews**



**"Absolutely awesome customer service, friendly and very efficient and cost effective. Very impressed"**

Pene Harris, Facebook review



**4.2 Stars from 2,799 reviews**



**"Very happy with the service, friendly and helpful staff. A very easy connection process, unlike my previous provider. Happily recommend Aussie Broadband."**

Ronnie Tarraran, Google review



**4.6 Stars from 6,808 reviews**





# FY22 strategic achievements



## FY22 achievements

- **Acquisition** of Over the Wire and delivering \$5.2m of annualised synergies
- **Launched** our white label solution and onboarded over 58,000 broadband services
- **Expanded our offering** to business, enterprise & government and wholesale segments with cloud, security, managed services and expanded voice solutions
- Continued to operate as a **challenger brand** in the Australian telecommunications and tech industry
- **Increased software automation** allowing us to have **lower staff touch** and keep our operations onshore
- Completed the **Fibre network rollout** to the 83 NBN POIs, 22 data centres and 77 multi-storey buildings **unlocking significant operation savings**
- **Network infrastructure was enhanced** with upgrades to core network equipment allowing us to scale past 1 million broadband services



# FY22 growth across all key metrics...

**\$546.9m**

Revenue

**↑56%**

(\$350.3m FY21)



**\$39.4m**

EBITDA before  
transaction costs

**↑107%**

(\$19.1m FY21)



**\$105.5m**

Business  
Revenue<sup>1</sup>

**↑142%**

(\$43.5m FY21)



**90%**



of the Aussie fibre  
network complete with  
105 POIs and data  
centres connected

**584,793**

Broadband  
services

**↑46%**

(400,848 as at 30 June 2021)



**6.46%**



Share of nbn services<sup>2</sup>

(4.74% as at 30 June 2021)

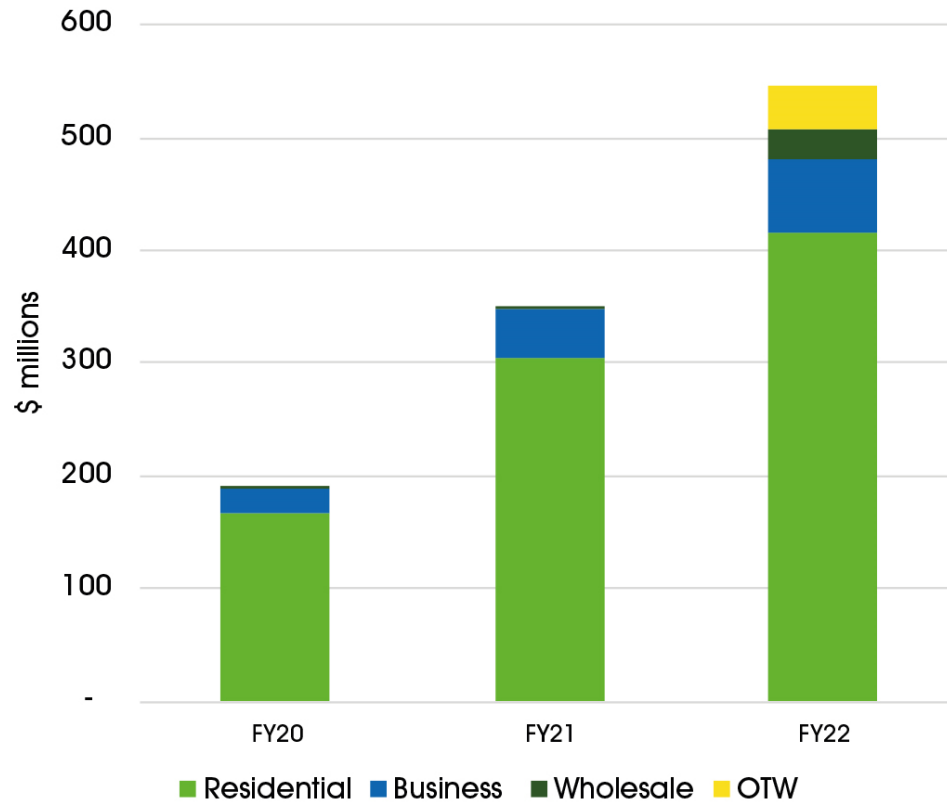
**↑172 bps**

1. Business revenue includes full year for Aussie Broadband business and 3.5 month contribution from Over the Wire.

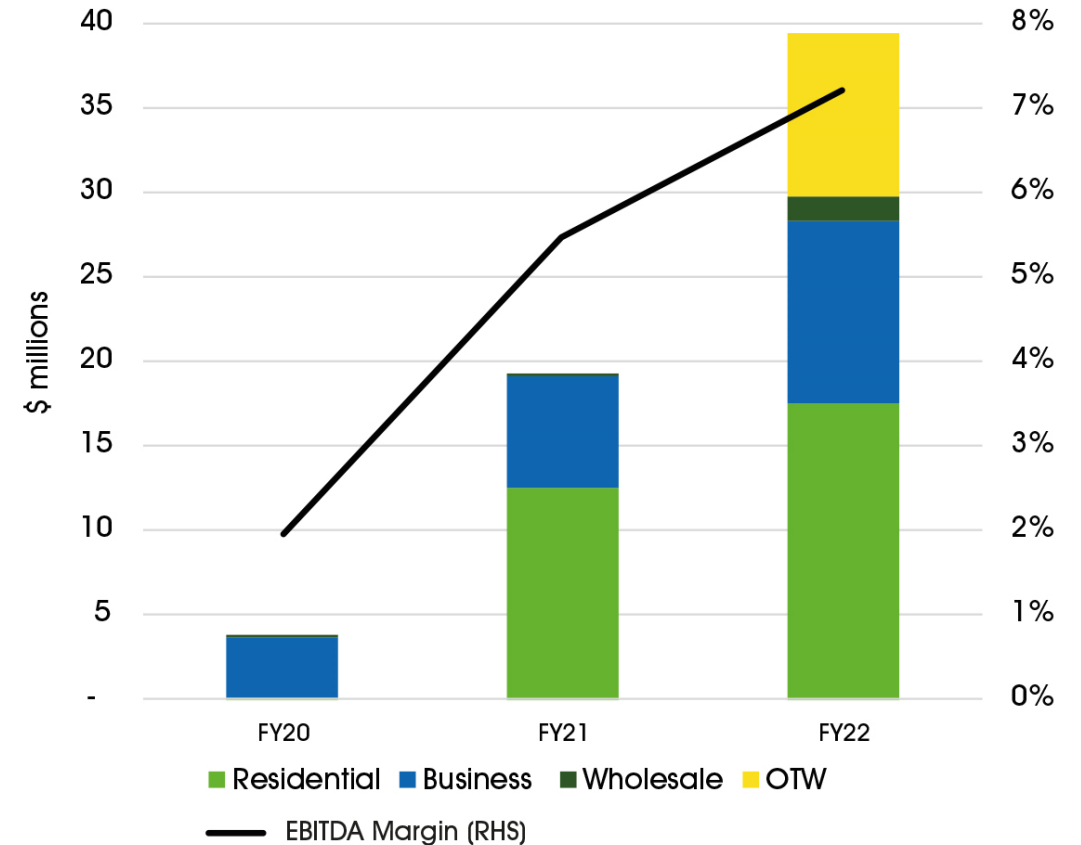
2. Market share of nbn services, excluding Satellite.

# ...with continued strong & profitable growth

## Growing Revenue



## Growing EBITDA and increasing EBITDA margin



# Our technology strategy

We are now one of Australia's largest infrastructure operators across data, voice and cloud.

Our deep technical expertise is the foundation of our exceptional customer experience and continued growth.

## Data

- Direct network to all 121 NBN POIs
- Support for up to 1m services
- 1,200km of Aussie Fibre



## Voice

- New Tier 1 voice network
- 1.1 million numbers
- 127 million monthly minutes



## Cloud

- ABB-owned infrastructure
- Capability to build and manage hybrid cloud environments





# Aussie Fibre network



Over 1,200km of next generation fibre has been laid in the last 20 months, creating one of the most modern networks in Australia.



- **Full 121 NBN POI coverage** (point of interconnect)
- **83 NBN POIs** directly connected to **Aussie Fibre** and the remaining 38 connected via Telstra wavelengths
- **Fully protected** routes to every NBN POI
- **Unique diversity design** compared to the majors
- Minimum of **100 Gbps** backhaul per POI
- **22 major data centres** connected (NextDC, Equinix & others)
- Over **100 commercial buildings** connected and growing
- Core network built using **720 and 360 core** fibre counts – allowing plenty of room to grow

# Tier 1 voice network



**With the acquisition of Over the Wire, Aussie now operates a Tier 1 voice network, providing both cost savings and new revenue opportunities.**

- Tier 1 means we are directly connected to each of the other major carriers (Telstra, Optus, TPG, Symbio, Vocus) that are part of the national Carrier Interconnect network
- Margin benefits include:
  - No third-party surcharges for outbound calls
  - Removal of number hosting fees for ABB's existing voice base
  - Ability to generate revenue from calls to ABB numbers
- We are also able to compete more effectively for larger enterprise, government and wholesale customers
- Easily scalable in line with our planned growth without significant opex or capex

# Our Game

By 2025, we are Australia's 4th  
largest provider of communications  
& technology services.

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## **Residential**

Continuing to  
show Australians  
what a good  
telco looks like.

## **Business**

Making getting  
& staying  
connected as  
easy at work as  
it is at home.

## **Enterprise & Government**

Providing a  
genuine, full-  
service alternative  
to the big 4.

## **Wholesale & Whitelabel**

Leveraging our  
infrastructure and  
expertise to gain  
additional scale.

## **Exceptional Customer Service**

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**Industry-leading technology & infrastructure**

# FY25 aspirations

## Thriving and talented people

- One of the best places to work in Australia
- Staff say this is a place they belong

## Exceptional customer service

- Multi-award winner
- Customers love and promote us
- Long term client relationships

## Delivering sustainable growth

- > 1 million broadband services
- >250,000 mobile services
- >3 million numbers on the voice network
- Accelerating growth of cloud services

## Innovative products and solutions

- World-class infrastructure and solutions
- Integrated software platforms
- Automation first approach

## Nimble, efficient organisation

- Scaling through increased automation
- Leveraging benefits of fully integrated technical assets

## Building better communities

- Top 10 B-Corp in Australia
- Environmentally responsible
- Staff engaged in community initiatives



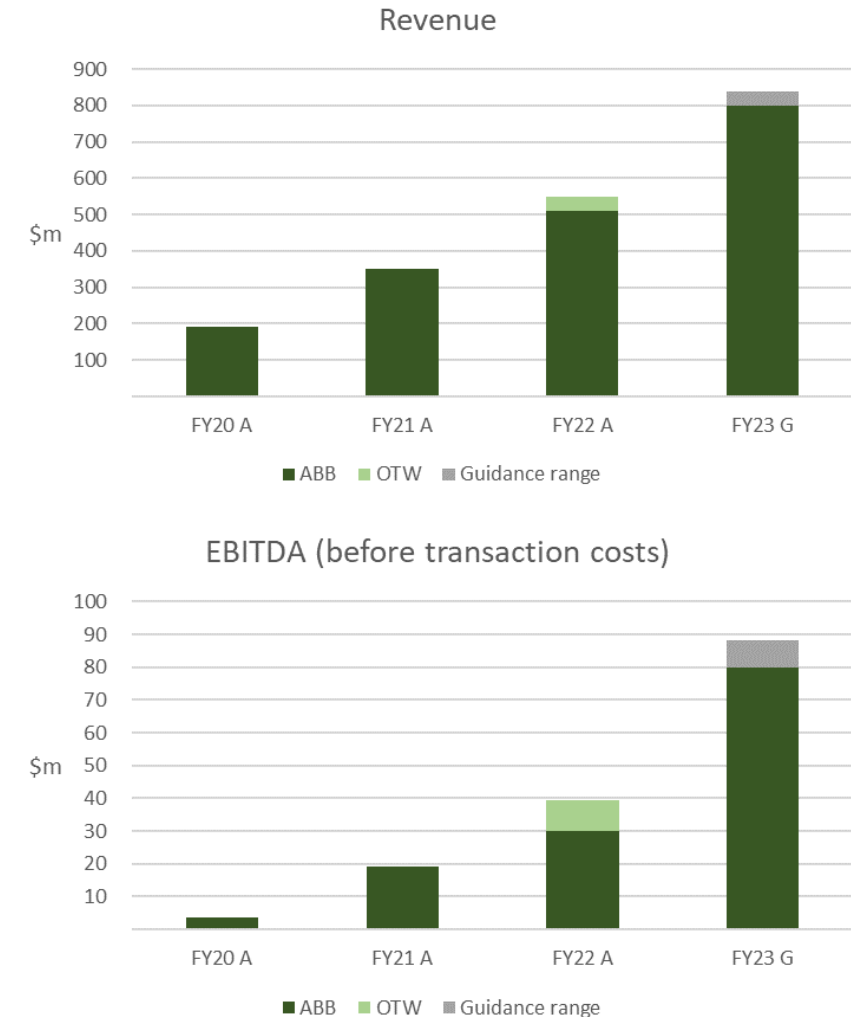
# FY23 strategic focus

- Bed down the **new Aussie 2.0 operating model**, team structure and strategy
- Deliver **further cost synergies** from the OTW acquisition and unlocking the full revenue synergy potential of both companies
- Continue to invest in our **data, voice and cloud infrastructure** to underpin our long-term growth
- Refresh our marketing strategy to **increase growth in all segments** and improve advertising efficiency
- Develop and launch **new products and services** to keep our position as a game-changer in the industry
- Increase automation and streamlining of processes to leverage our scale and **unlock new operational efficiencies**
- Evolving our industry-leading customer service to provide **proactive support for all customers**
- Build ourselves to be one of the **best places to work in Australia**
- Continue **building better communities** through initiatives such as becoming a certified B Corp organisation



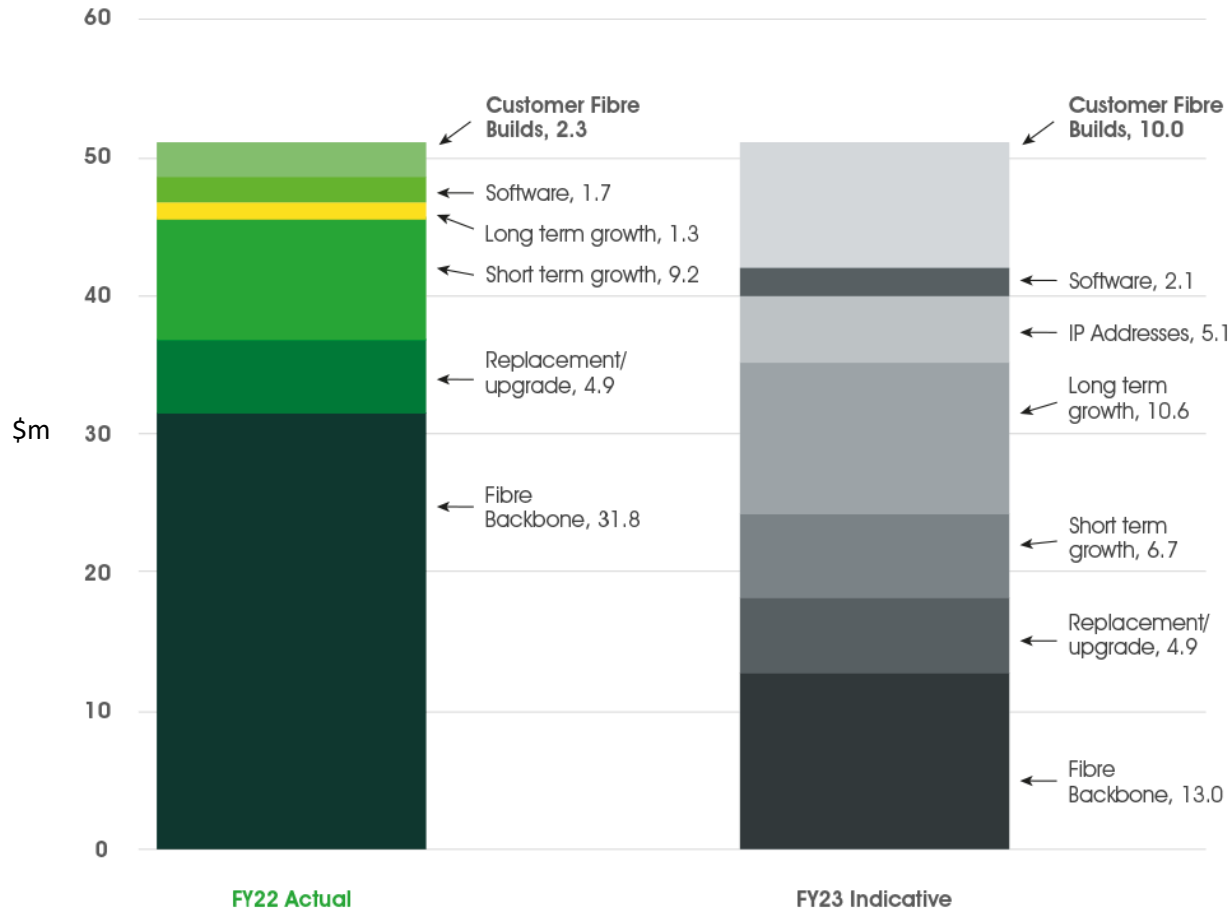
# Financial highlights

- We are still growing....
- FY23 guidance of an EBITDA margin of c10 –10.5% on expected revenue of \$800m to \$840m
- Investments in capability and infrastructure to position Aussie for longer term growth
  - \$5.2m of synergies actioned, more expected by end of financial year
  - New systems – NetSuite, Workday, Calabrio, Webex Contact Center, CVC management tools
  - Market analysis and product development
  - People investment in network, security, and sales
- Strong cash generation to fund investments but deployed in a disciplined manner



# Investing for growth

Indicative Capex Profile



FY22 spend includes assets acquired under finance leases

- FY22 capex spend dominated by Fibre backbone - \$13m tail to be completed in FY23
- Significant investment in longer term growth infrastructure (3 to 5 years) in FY23 including:
  - IPv4 addresses - \$5.1m for 65,000+ addresses
  - Fibre network hubs - \$5.3m
  - Core network infrastructure and systems - \$3.6m
  - Voice upgrades - \$0.8m
- Expansion of customer fibre builds – demand driven and where it makes sense
- Other opportunities include:
  - Transition of existing customers to Aussie Fibre
  - Upgrade of core operating systems (OSS/BSS)

**Aussie continues to be the fastest growing telco in Australia, consistently taking market share from the incumbents.**

- Aussie 2.0 strategy well advanced, and benefits are now being seen from our "one team" approach
- Continued strong growth across all segments, in particular the high-margin business markets
- Strategic investment in infrastructure, people and products is delivering growing returns
- Highly capable and passionate team with proven track record delivering award winning technology and solutions for our customers
- Playing the long game and continuing to invest where it makes sense to further improve margins and create value for shareholders
- Reaffirmed FY23 guidance of \$800m to \$840m revenue and EBITDA margin of c10% to 10.5%



# Thank you

**Authorised for release by the Aussie Broadband Board**

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