

# ASX CEO Connect Conference Presentation

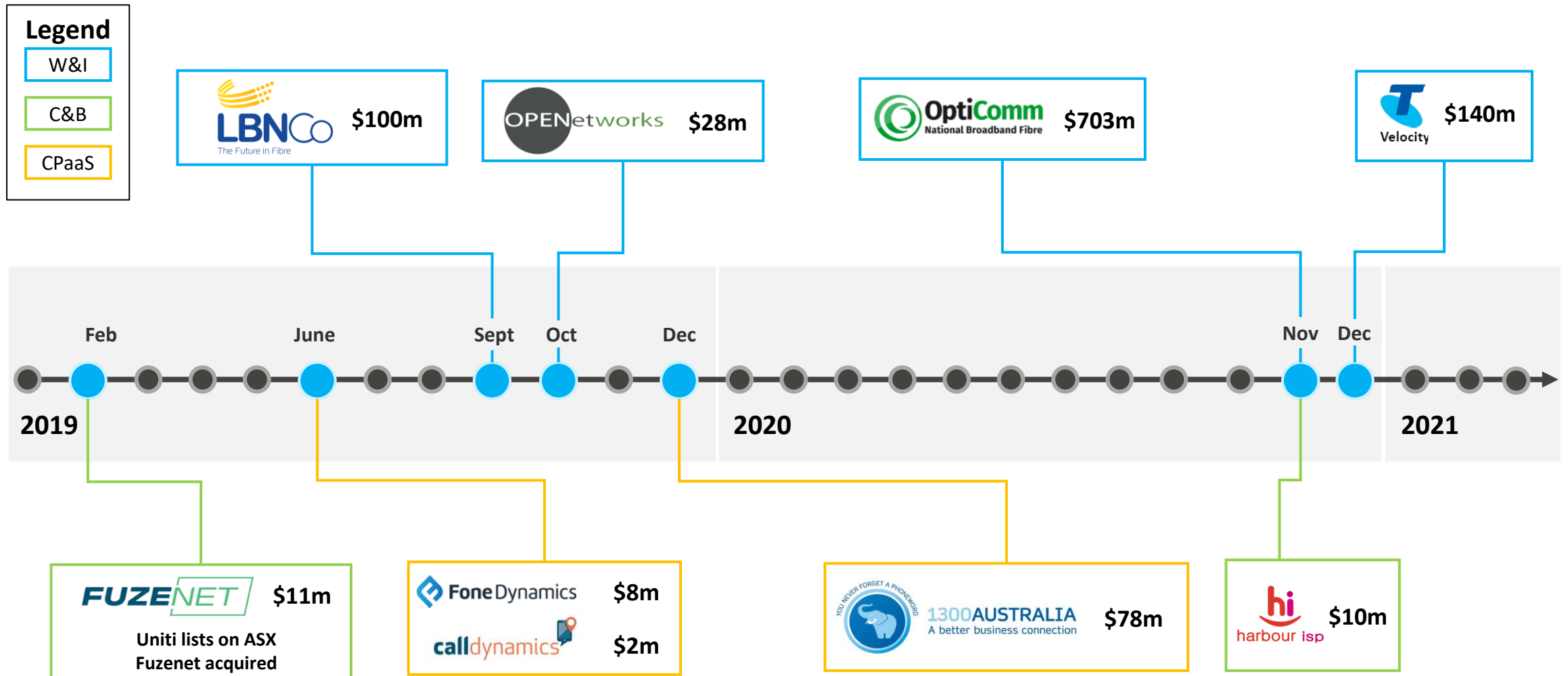
Uniti Group (ASX:UWL)

20 April 2021



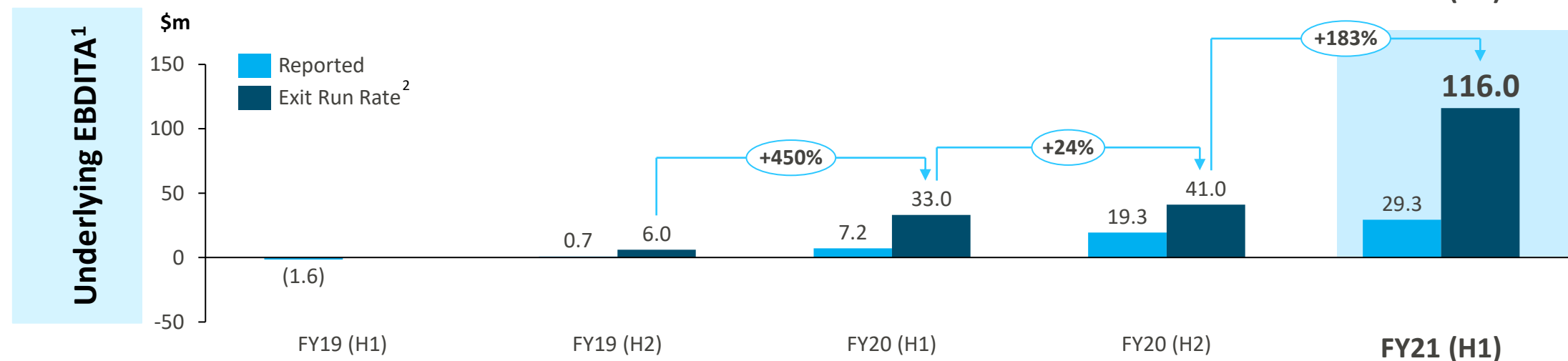
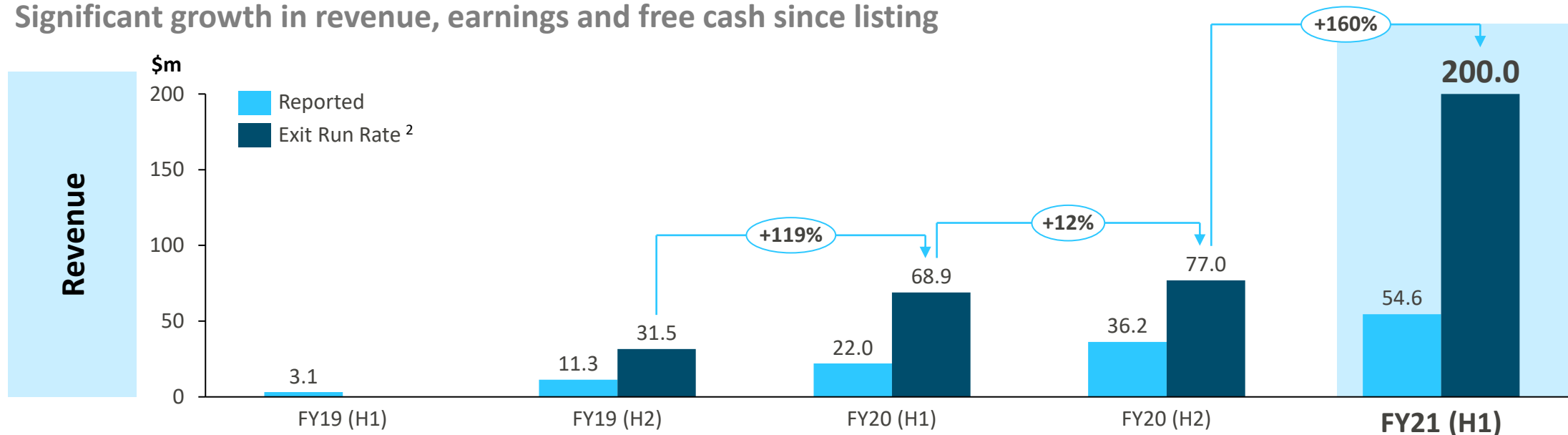
UNITI  
GROUP

# Uniti evolution from wireless to fibre infrastructure company



# Rapid growth since listing

Significant growth in revenue, earnings and free cash since listing



1. Underlying EBITDA excludes shared based payments, acquisition and restructuring costs, and dividends received from the Company's acquired interest in OptiComm shares prior to the completion of the Scheme of Arrangement to acquire OptiComm and its controlled entities

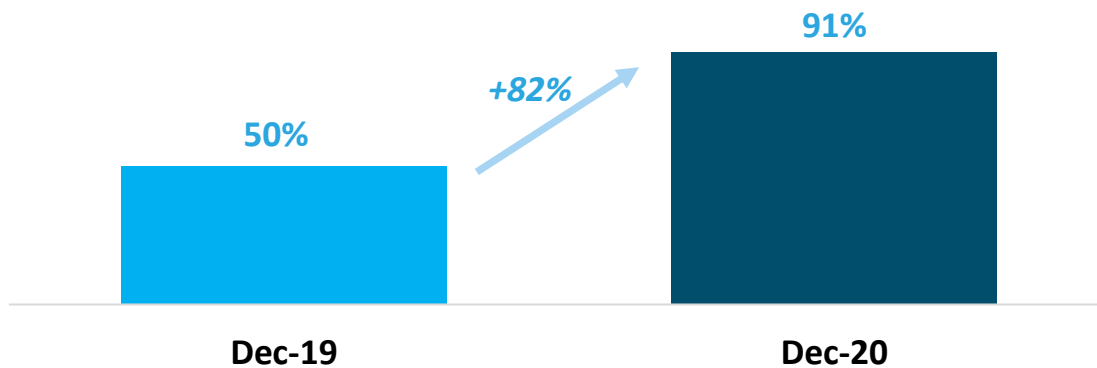
2. Exit Run Rate is calculated as the final month of the relevant period annualised. For FY21 H1, this includes Velocity and synergies

# Financial metrics driving strong performance

Attractive unit economics – company well positioned for growth

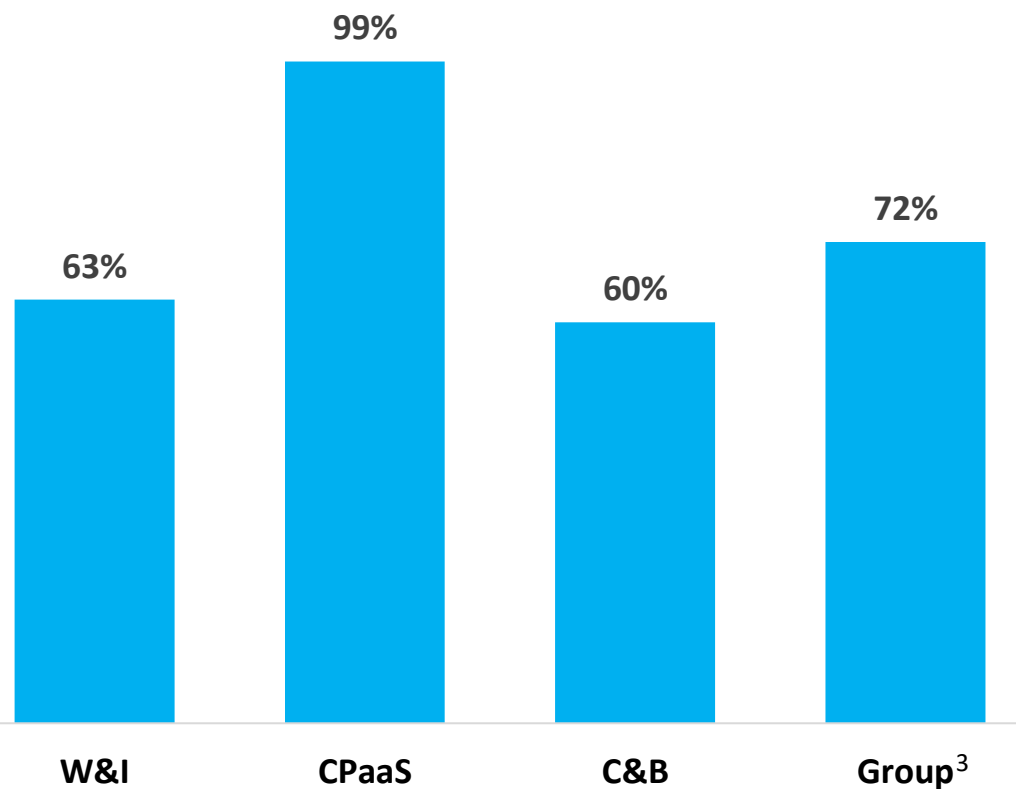
## Industry leading operating cash flow

Operating Cash Flow / Underlying EBITDA %<sup>1</sup>



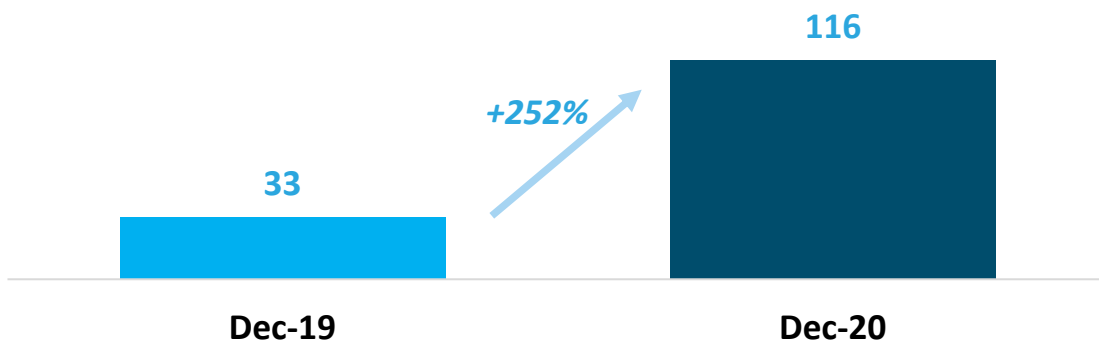
## Highly Cash Generative After Funding Fibre Infrastructure

1H FY21 Underlying EBITDA<sup>1</sup> less Capex / Underlying EBITDA (%)<sup>1</sup> (FCF)



## Successful Integration Increasing Operating Leverage

Annualised December Underlying EBITDA<sup>1</sup> Exit Run-Rate (\$m)<sup>2</sup>



# Financial profile by segment

Uniti's W&I and C&B segments combined contribute 91% of group EBITDA

		Wholesale and Infrastructure (W&I)	Consumer and Business (C&B)	Communication Platform as a Service (CPaaS)	Uniti Group <sup>1</sup>
Reported	Half year FY21 Revenue (% of total)	\$29.9m (48% of total)	\$17.4m (28% of total)	\$15.1m (24% of total)	\$54.6m
	Half year FY21 EBITDA (EBITDA margin)	\$20.2m (68% margin)	\$2.0m (12% margin)	\$10.0m (66% margin)	\$29.3m (54% margin)
	Half year FY21 FCF (Cash Conversion)	\$12.8m (63% CC)	\$1.2m (60% CC)	\$9.9m (99% CC)	\$21.0m (72% CC)
Exit Run Rate <sup>2</sup>	Half year FY21 RR Revenue (% of total)	\$141.0m (63% of total)	\$52.0m (23% of total)	~\$30.0m (13% of total)	\$200.0m
	Half year FY21 RR EBITDA (EBITDA margin)	\$100.0m (71% margin)	\$6.0m (12% of total)	~\$20.0m (66% margin)	\$116.0m

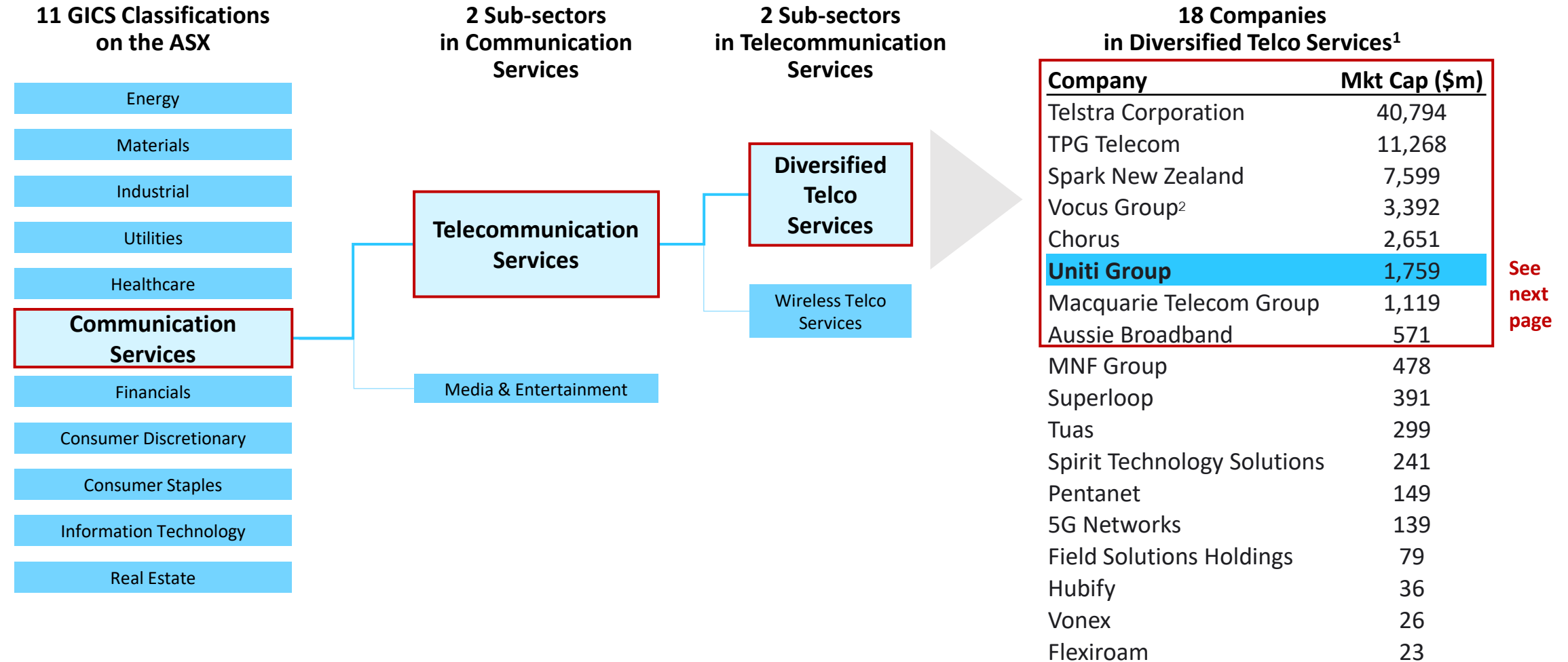
A high margin, recurring revenue business

1. Group Revenue and EBITDA accounts for intersegmental sales and associated corporate costs

2. W&I and C&B Exit run rate is calculated as Dec-20 annualised including Velocity and \$6m synergies assumed. CpaaS Exit run rate approximated by annualising half year results.

# ASX telco landscape – by company

There are currently 8 companies in the diversified telco industry with a market capitalisation greater than \$500m



# ASX telco landscape – by size

In only two years, Uniti has become the 6th largest telco company on the ASX since listing from a \$30m market capitalisation in February 2019



Source: IRESS; Based on last close at 16-Apr-21

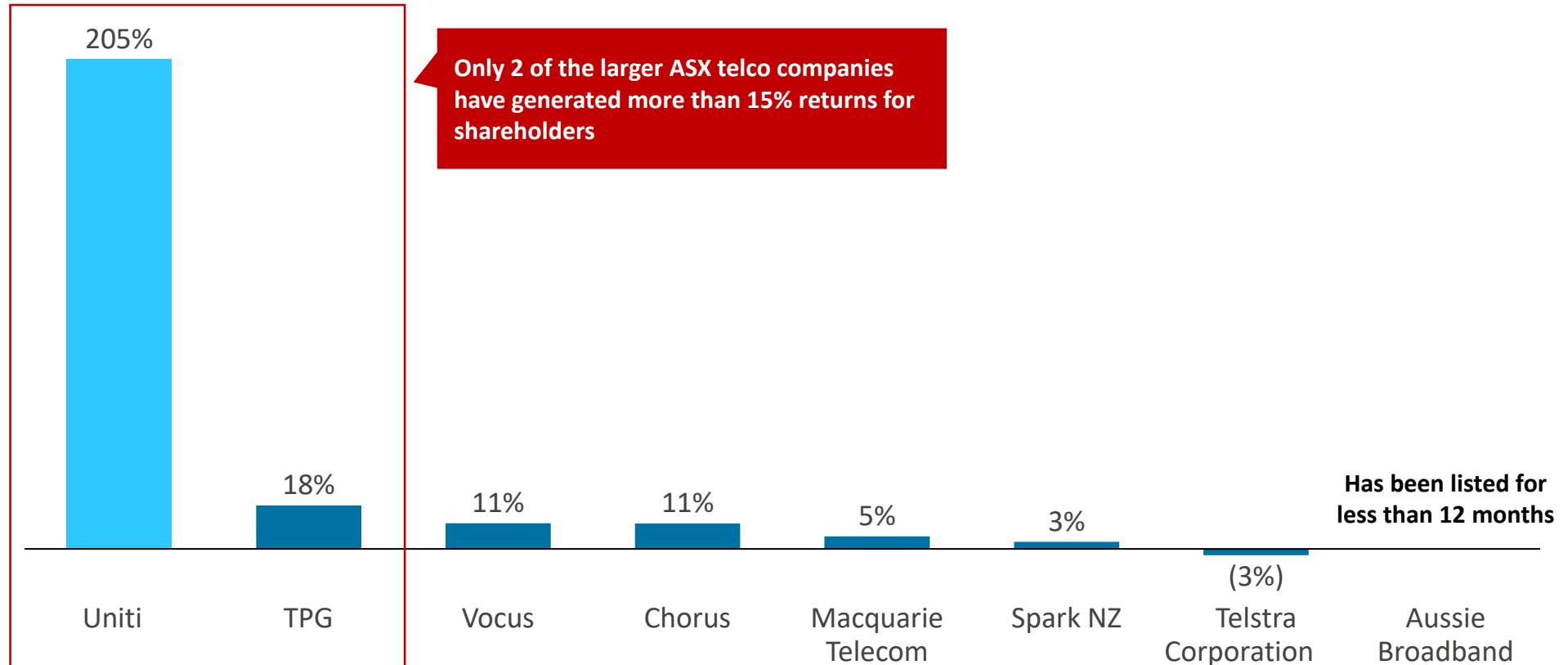
1. Only selected telecommunications companies with market capitalisations greater than \$500m have been shown

2. Vocus in the process of executing a scheme implementation agreement with MIRA/Aware Super – expected to be delisted in the near term

# ASX telco landscape – by return profile

Uniti has generated the highest annual internal rate of return from date of listing to now

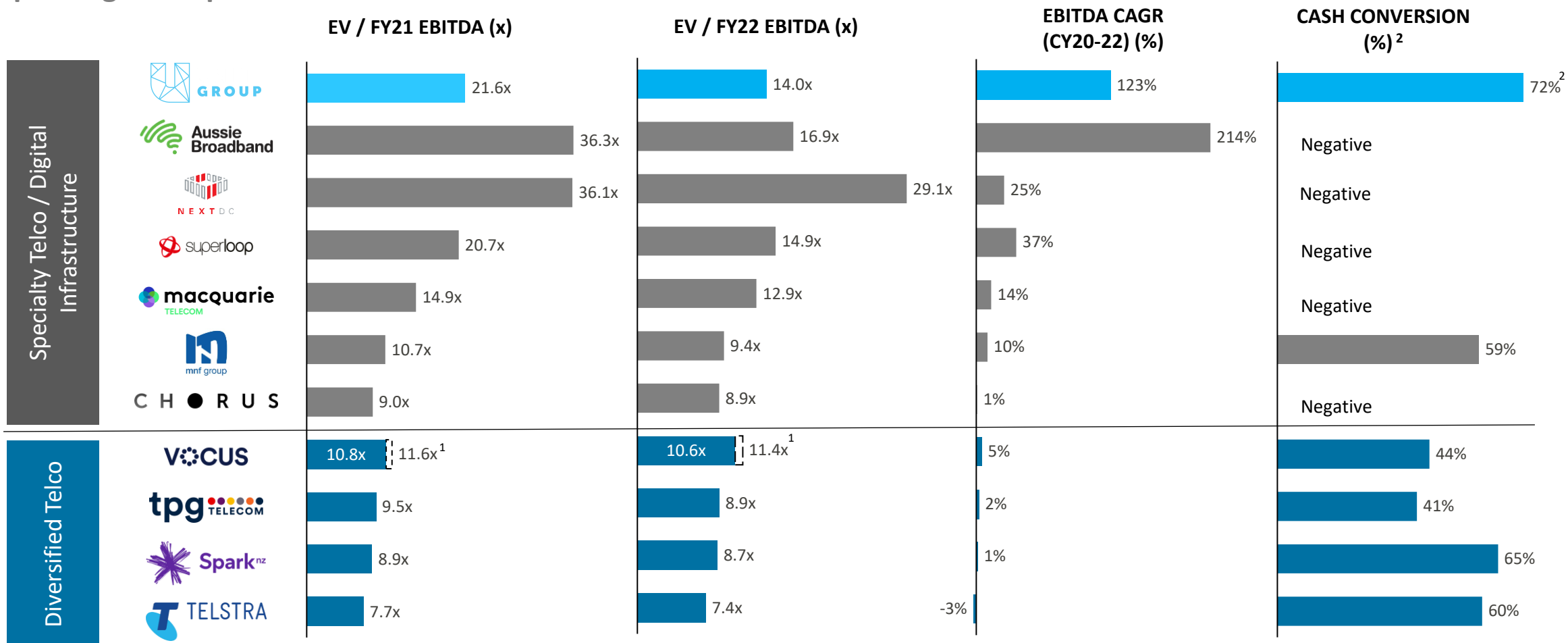
**Annual Internal Rate of Return<sup>1</sup> (%) – from company listing date to now**





# Relative valuation

Uniti appears to be valued by the market as a specialty telco despite its digital infrastructure characteristics and superior growth profile



# The opportunity

A high growth, large scale national FTTP network owner/operator. Scale and capability to challenge the NBN.


Strong recurring revenue and high profit & cash margins. ~80% of revenues recurring. Gross margins driven by owning our infrastructure.

Organic growth locked in through contracted pipeline with further whitespace underpinned by structural tailwinds increasing the contracted pipeline.

Favourable market dynamics and limited competition leading to exceptional returns on invested capital

Significant and proven market demand for quality fibre infrastructure businesses both domestically and offshore (e.g. Vocus & European transactions)

Proven management and board with a track record of growing and scaling telecommunications businesses



16 April 2021  
**Share price: \$2.60**  
**Market Cap: \$1.76bn**  
**Enterprise Value<sup>1</sup>: \$2.02bn**

# Snapshot of Uniti

Increasing focus on W&I, which is a high margin recurring revenue business

## What we do

## Our core brands

### Wholesale and Infrastructure (W&I)

- The design, installation, operation maintenance and wholesale sale of Fibre to the Premises ('FTTP') networks.
- Operating mainly across greenfields new housing developments in broadacre residential estates and multiple dwelling units.



W&I is a core infrastructure business comprising predominantly exclusive fibre networks & integrated communications.

### Consumer and Business (C&B)

- Provides telecom products and services including broadband and voice services on a mixture of owned wireless infrastructure, W&I networks and resold fibre access networks
- Also a reseller of NBNCo for customer retention purposes



Mainly a reseller of Uniti's owned networks (W&I)

### Communication Platform as a Service (CPaaS)

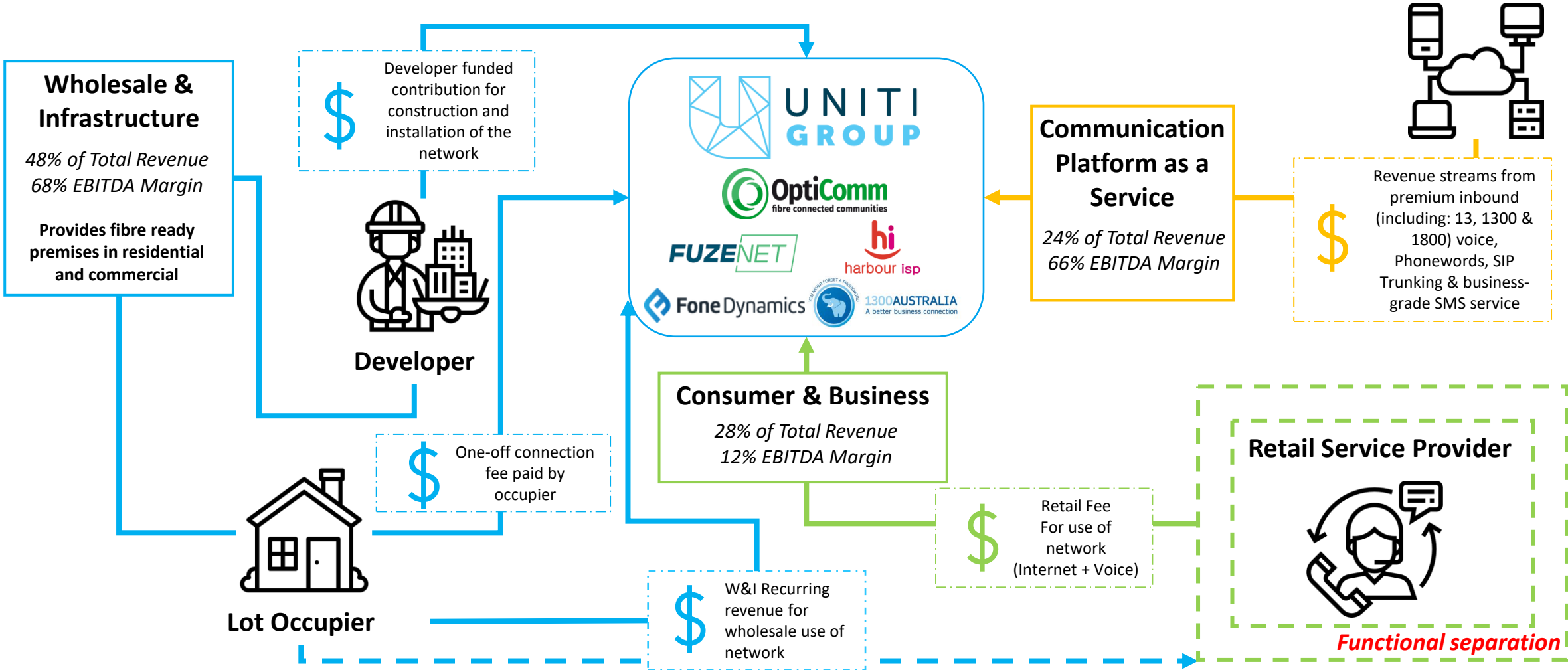
- Provides premium voice services over 13, 1300, 1800 calling services and SMS.
- Includes value-added SaaS data analytics and call tracking application, as well as the leasing of phonewords on these numbers



The CPaaS service portfolio have infrastructure-like characteristics providing high margin & highly cash generative.

# Our business model

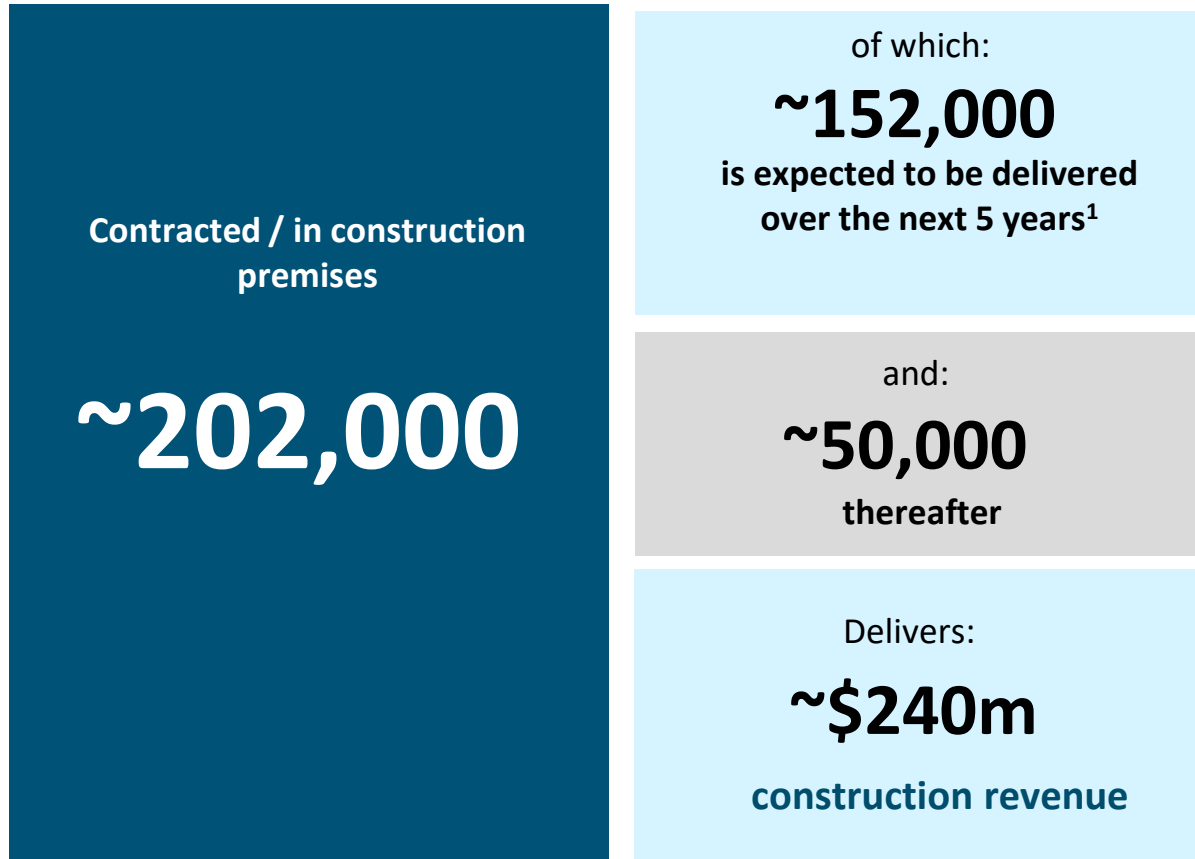
Primarily a wholesale infrastructure business supported by a retail presence and a cash generative CPaaS business



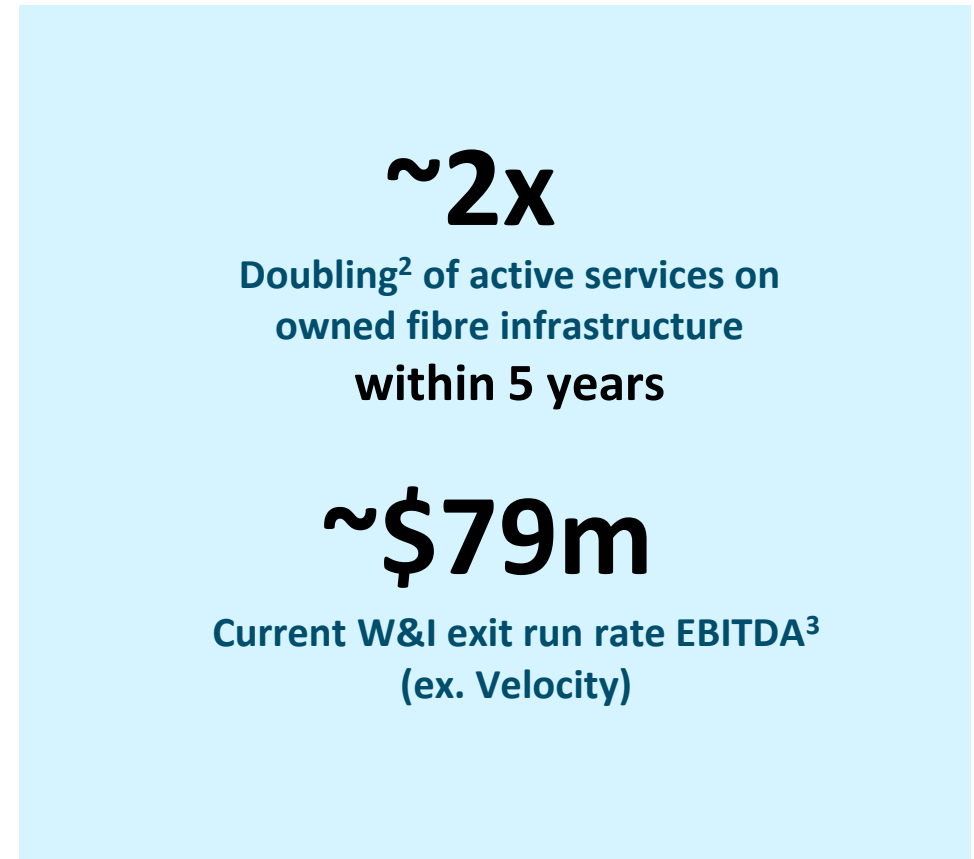
# W&I | Locked in organic earnings growth – “Do Nothing” scenario

Even if we do nothing – significant portion of earnings already locked in over the next 5 years

## Contracted / in construction premises breakdown



## Earnings could double



# W&I | Future growth opportunity – “Do Something” scenario

We will not do nothing – vast opportunities to deliver organic growth above & beyond the “do nothing” scenario

## Greenfields growth opportunities

1

Acquisition of OptiComm gives Uniti capability to increase market share in greenfields

2

Acquisition of Velocity + Telstra becoming an RSP increases Uniti’s competitiveness in core greenfields market

3

Overall greenfields opportunity increasing with strengthening property market

4

Growing greenfields market share evidenced by ~19.7% share<sup>1</sup> of ready-to-connect premises at Dec-20 vs ~27.0% share<sup>1</sup> in last 12 months (CY20)

## New revenue opportunities

1

Opportunity to expand into adjacent markets through taking current greenfields business model into these markets (industrial, commercial, lifestyle, etc)

2

Presence and low penetration across existing brownfields sites provides potential growth upside

3

Opportunity to generate new revenue through monetising existing fibre infrastructure (e.g. fibre underpins IoT, wireless (including 5G), data centres, etc)

4

Leveraging C&B to drive further penetration of core fibre infrastructure

# Numerous tailwinds in the sector driving future growth



## Technology

- Fibre connectivity is our core
- **A long-life asset with near infinite capacity** to meet exponential growth in speed, data consumption
- Unlike wireless, **provides uncontended network stability**



## Property markets

- **Significant greenfields growth opportunities** driven by current increase in new developments
- Opportunity to win greenfields **market share.**



## Lifestyle

- **Work-lifestyle changes** making fibre networks essential
- Several **structural tailwinds** ensuring future organic growth



## Consumer demand

- **Favourable market conditions** across all segments
- Demand for connectivity, **increasing application demand driving data consumption**



## Digital economy

- Proactively responding to **increasing importance of the digital economy** through CPaaS offering
- Well positioned to capitalise on **increasing digital opportunities**



## Pricing

- Anticipated **retail and speed price inflation combined with a focus on owned networks by C&B**
- Opportunity for **overall Group ARPU's on owned networks to increase above current market wholesale ARPUs**



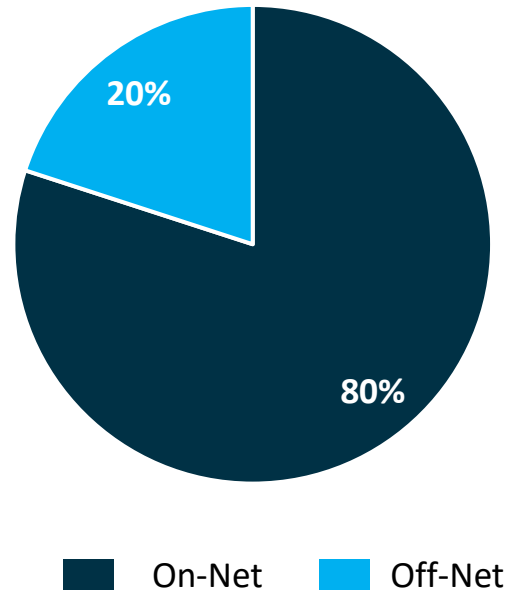
## Locked-in organic growth

- **Organic growth** underpinned by existing contracted book
- Active services on owned fibre infrastructure expected to **double in less than 5 years** from the existing contracted order book

# C&B | Driving penetration on owned networks

Earnings uplift through increased Group margin

## Dec-20 On-net vs Off-net gross customer additions



- ✓ Shifted focus towards on-net revenues as Uniti looks to resell owned fibre networks with objective to increase Group infrastructure ARPU's above wholesale ARPU's
- ✓ Improved margins on resold fibre networks achieved in 1H FY21

## Growth objectives across C&B



Increased penetration across owned networks  
= Increased Group Infra ARPU



Entry to business markets on back of W&I  
market expansion



Anticipated price inflation in consumer  
broadband = increase ARPU



Increased marketing to drive customer  
numbers



Increase margins on resold networks



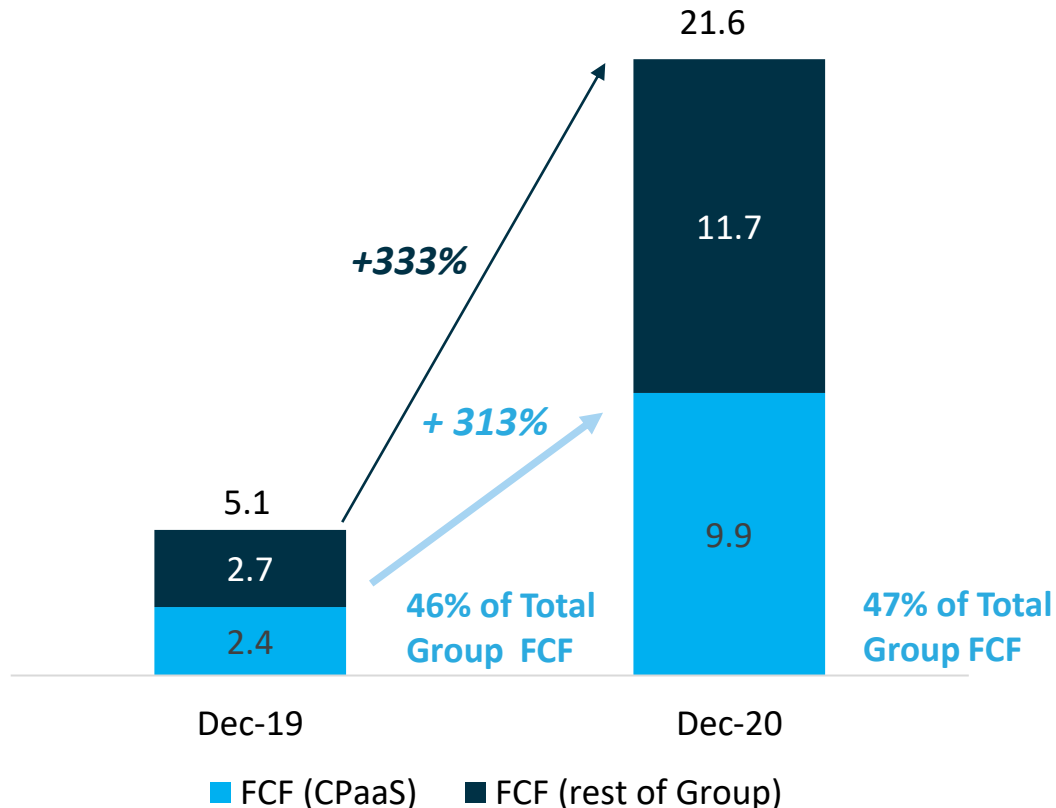
Continued improvement in Product & Brand  
ratings



# CPaaS | High cash driver for the business

Cloud based Communications Platform as a Service solution

## CPaaS Free cash flow contribution (A\$m)<sup>1</sup>



## Growth objectives across CPaaS



Shifting trend towards digitisation providing opportunity to grow market share



Expansion of CPaaS product range and related digital services



Continuing to generate earnings and free cash flow supporting capital investments made in other parts of the business



Licensing of existing unlicensed inventory of Phonewords and priority numbers and cross-selling of premium voice services to existing customers



New Wholesale/Channel partnerships with leading tier 2 and 3 Telco's/MSP's for our premium voice services

# Board of directors

Highly experienced board with experience at leading Australian Telcos



**MICHAEL SIMMONS**  
Group MD & CEO

- ❑ ~40 years experience in the broadcast and telecommunications sector
- ❑ Founding CEO of **SP Telemedia (now TPG Telecom Limited)**
- ❑ Former director of **M2 Group. Former CEO at Vocus**
- ❑ Former managing director of **Terria**, industry bid to build NBNCo.



**VAUGHAN BOWEN**  
Executive Director

- ❑ Founder of ASX100 telecommunications company **M2 Group (now Vocus post 2016 merger)**
- ❑ Built M2 from start-up to a \$2b business - led the identification, and vendor negotiation for acquisition of > 30 companies
- ❑ Former Executive Director and Chairman of **Vocus Group**



**GRAEME BARCLAY**  
Independent Non-Executive Chairman

- ❑ 30+ years experience in the broadcast and telco sector including former CEO of **BAI**
- ❑ Former CEO and current NED of **Axicom** Group, a telecommunications infrastructure business
- ❑ Former Chairman of **NextGen networks**
- ❑ Former Executive Director in Macquarie Group's infrastructure team



**KATHY GRAMP**  
Independent Non-Executive Director

- ❑ 20+ years of experience across executive roles
- ❑ Former CFO of **Austereo**
- ❑ Current roles include being a non-executive director of **Codan Limited** and the **Australian Institute of Company Directors**



**JOHN LINDSAY**  
Independent Non-Executive Director

- ❑ 25+ years of experience in the telecommunication industry
- ❑ Currently a director of the **Telecommunications Industry Ombudsman, TIO Ltd** and of **Redflow Ltd**
- ❑ Former CTO at **iiNet Ltd** and **Internode**

Formerly part of the management teams at either TPG, Vocus and/or M2 Group

# Management team

Management have worked together for many years



**MICHAEL SIMMONS**  
Group MD & CEO



**DARRYL INNS**  
Chief Financial Officer

- ❑ 20+ years of experience within ASX200 listed companies
- ❑ Divisional CFO of **Vocus Group**
- ❑ **Former CFO for M2 Group from 2001 to 2016**, where he was involved in more than 20 acquisitions
- ❑ Former CFO of **iSelect**



**VAUGHAN BOWEN**  
Executive Director



**ASHE-LEE JEGATHESAN**  
Chief Operating Officer &  
Company Secretary

- ❑ 20+ years of experience in the telco industry
- ❑ Significant experience in leading and implementing strategic M&A activity and Integration
- ❑ Former General Counsel & Company Secretary of **Vocus Group**



**GEOFF ALDRIDGE**

- Chief Executive, Wholesale & Infrastructure**
- ❑ 20+ years of experience in the ICT industry - managing network builds, infrastructure integration and deploying HFC networks into green field estates
  - ❑ Former roles at **United Artists, Cabletel, TCI, Smallworld, GeoNet and BES and OptiComm**



**KURT MAGNER**

- Chief Executive, Consumer & Business Enablement**
- ❑ 15+ years of experience in the telco industry
  - ❑ Former General Manager at **Vocus**
  - ❑ Former senior roles at **Commander and M2 Group**



**JORDAN GRIVES**

- Chief Executive, CPaaS (Specialty Services)**
- ❑ Experienced Entrepreneur and business leader
  - ❑ Former CEO of the **Fonebox Telecommunications Group** and co-founder of **Fone Dynamics**

Formerly part of the management teams at either TPG, Vocus and/or M2 Group

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## Investor Queries

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