SERVICE STREAM LIMITED

FY21 First-Half Results Presentation

servicestream
ESSENTIAL NETWORK SERVICES

24 February 2021

Company Profile

Service Stream Limited (ASX:SSM) is a S&P/ASX200 company providing integrated end-to-end asset life-cycle services across essential infrastructure networks within the Telecommunications and Utilities sectors

servicestream
ESSENTIAL NETWORK SERVICES

TELECOMMUNICATIONS

WIRELESS

FIXED-LINE

UTILITIES

GAS

ELECTRICITY

WATER

NEW ENERGY

>84% Annuity-style Revenues
Long-term, low-risk agreements

Blue-chip client base
Network owners and operators, regulators and government organisations

Design, construct, operate and maintain
Life-cycle infrastructure management

36+ million
Property visits per annum

5,200+
Strong workforce of employees and skilled contractors

34+ locations
Offices and warehouse nationally

Key Messages

A transitional year following revenue from nbn construction operations concluding and activations peaking in FY20, however the business continues to demonstrate strong fundamentals which position Service Stream well to achieve future growth

- Group's first half financial performance down on pcp, but in-line with expectations
- COVID effects continue to impact near-term earnings

- Business model demonstrates Group's solid fundamentals
- Successful period in re-securing major contractual agreements, supporting a strong core earnings base
- Diversification into utilities progressing well, moving from integration to growth phase in FY21

- Business holds a solid organic growth pipeline across key markets
- Working to secure both organic growth and assess M&A opportunities as a catalyst for step change in future growth
- The Group had expected a higher contribution during the second-half of FY21, however due to a combination of COVID impacts and delays to forecasted programs of work, now expects second-half results to be approximately in line with the first-half

FY21 H1 Group Highlights

Financial

- ✓ First half EBITDA from Operations of $40.2m, in line with expectations
- ✓ Strong cash flow generation, conversion of 108% and net cash position retained
- ✓ Working capital remains highly efficient at 1.3% of revenue
- ✓ Interim dividend of 2.5 cents per share (fully franked), maintaining historical payout ratio of ~60%

Operational

- ✓ Re-secured all major telecommunications agreements over multi-year terms:
  - nbn Unify Services and Networks (~$800m over 8 years)
  - Telstra Field Operations (~$500m over 5 years, based on historical revenues)
- ✓ Secured significant contract wins across utility operations including SEQ Water ~$55m and NSW Operations ~$40m
- ✓ In excess of $1.5bn in long-term contracts secured during H1
- ✓ Continued to deliver industry leading safety performance

Strategic

- ✓ Utility diversification progressively replacing step down in nbn construction and activation related revenues
- ✓ Comdain on track to deliver ~15% revenue growth in FY21
- ✓ Solid pipeline of work in hand and a growing organic pipeline of opportunities across core markets
- ✓ Group continues to assess M&A opportunities to further support expanding into adjacent markets and diversifying future earnings
- ✓ Group debt facilities refinanced for 3 years and upsized to $275m on improved commercial terms

COVID-19

Positive exposure to essential network infrastructure has supported the Group to navigate through the pandemic

- Exposure to essential infrastructure networks has provided a solid revenue base and sustained resilience through the COVID-19 pandemic

- The Group's balance sheet, cashflow and liquidity remain very strong

- There have however been COVID-19 related effects which have negatively impacted near-term financial performance:
  - delays to new client-initiated procurement programs across Telecommunications and Utilities divisions;
  - shortages of client supplied materials;
  - delays to mobilisation programs, caused by state border restrictions and 'snap' state lockdowns;
  - continuing moratoriums on electricity and gas disconnections (and subsequent reconnections);
  - deferral of some maintenance activities by asset owners to ensure networks remain available to consumers working from home; and
  - increased costs to support specific safety-related protocols across business operations

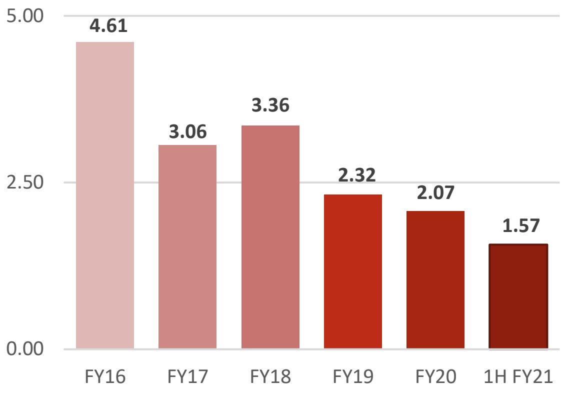
- The Victorian Stage 4 COVID-19 restrictions significantly reduced TechSafe's Victorian services:
  - operations were yet to return to pre-Stage 4 levels at the end of December 2020; and
  - JobKeeper assistance of $0.8m has been received in relation to this issue

Safety Performance

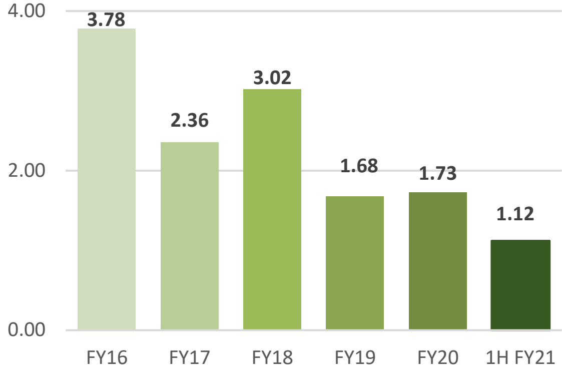
Maintaining our focus on the safety of our people, our customers and the community

- Continued to deliver industry leading safety performance, demonstrating a strong safety culture throughout the organisation
- On target to deliver further year-on-year improvements across TRIFR and MTIFR indicators
- LTIFR continues to reflect extremely low occurrence rates
- Management continue to target high-risk work activities, identifying opportunities to drive further improvements across work practices and the implementation of enhanced critical controls

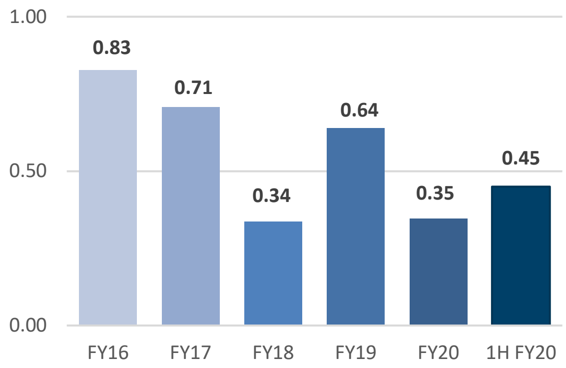
Total Recordable Injury Frequency Rate



Medically Treated Injury Frequency Rate



Lost Time Injury Frequency Rate



FINANCIAL PERFORMANCE

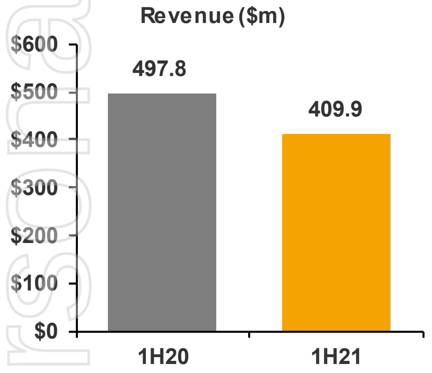
Financial Headlines

Revenue

$409.9m

17.7% v 1H FY20

- Group Revenue down from $497.8m in 1H FY20
- Reduction driven by lower Telecommunications segment revenue

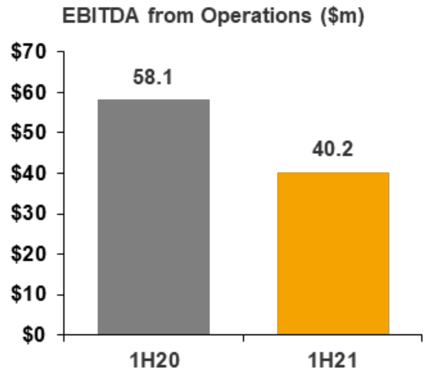


EBITDA from Operations

$40.2m

30.8% v 1H FY20

- EBITDA from Operations, down from $58.1m in 1H FY20
- Excludes M&A related costs of $1.1m

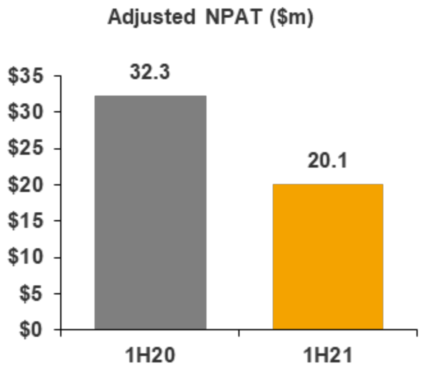


Adjusted NPAT

$20.1m

37.8% v 1H FY20

- NPAT-A down from $32.3m in 1H FY20
- Statutory NPAT of $16.2m is after M&A costs and amortisation of customer contracts from historical acquisitions

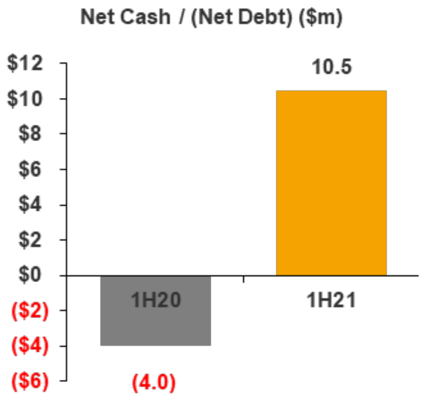


Net Cash

$10.5m

+$14.4m v 1H FY20

- Strong 1H FY21 EBITDA to OCFBIT conversion rate of 108%
- Group retained net cash position

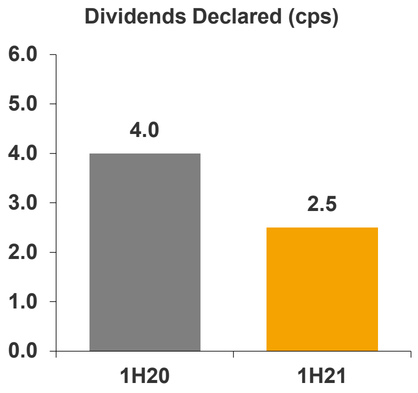


Dividends

2.5cps

Maintained payout ratio

- Interim dividend of 2.5 cps (fully franked)
- Maintained payout ratio of between 50-60%

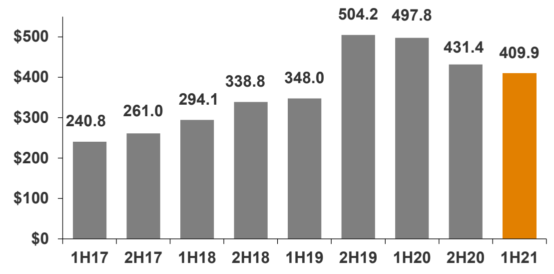


Key Financial Measures

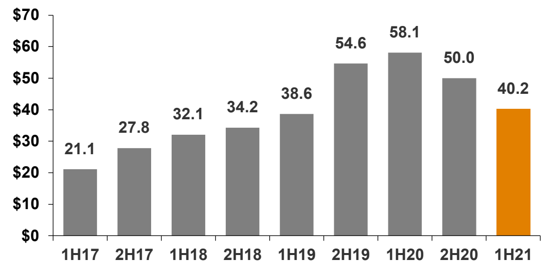
FY21 half-year results reflect the reduction in Telecommunications works and continued COVID-19 effects impacting near-term performance

$m	FY21 1st Half	FY20 1st Half	Change
Profitability:			
Revenue	409.9	497.8	(17.7%)
EBITDA from Operations	40.2	58.1	(30.8%)
EBITDA from Operations %	9.8%	11.7%	(1.9%)
Adjusted EBIT (EBITA)	30.5	47.9	(36.3%)
Adjusted NPAT (NPATA)	20.1	32.3	(37.8%)
Adjusted EPS (cents)	4.92	7.96	(38.2%)
Statutory Profitability:			
Reported EBITDA	39.1	56.4	(30.7%)
Reported EBIT	25.0	40.8	(38.6%)
Statutory NPAT	16.2	27.3	(40.5%)
Statutory EPS (cents)	3.97	6.73	(41.0%)

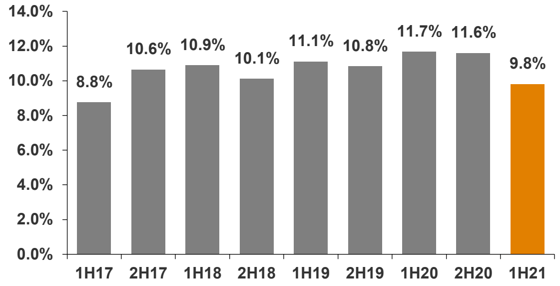
Group Revenue ($m)



Group EBITDA from Operations ($m)



Group EBITDA from Operations %

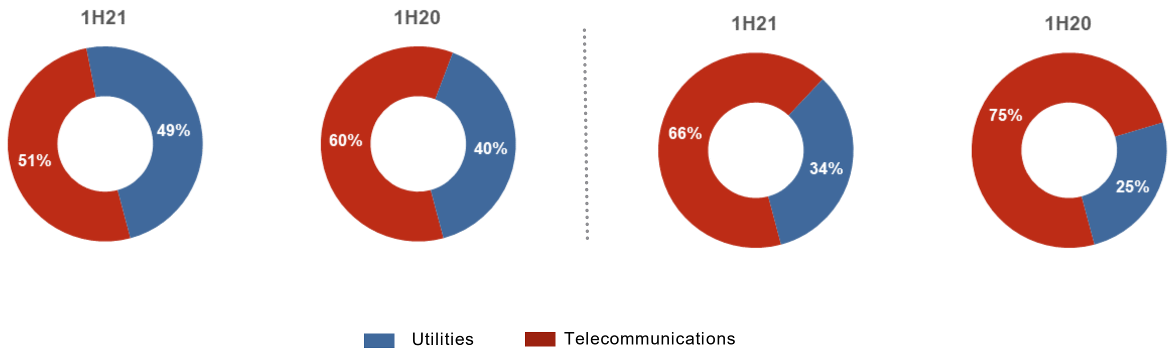


Segment Results

Utilities segment growing in share of Group revenue and earnings as the business shifts from the integration program to driving growth

$m	FY21 1st Half	FY20 1st Half	Change (%)
Utilities	199.6	199.2	0.2%
Telecommunications	209.9	297.9	(29.5%)
Eliminations, interest & other revenue	0.3	0.7	
Total Revenue	**409.9**	**497.8**	**(17.7%)**
Utilities	14.7	15.5	(5.2%)
Telecommunications	28.7	45.3	(36.6%)
Unallocated corporate costs	(3.2)	(2.7)	
EBITDA from Operations	**40.2**	**58.1**	**(30.8%)**
One-off / non-operational items	(1.1)	(1.7)	
Reported EBITDA	39.1	56.4	(30.7%)
Depreciation & amortisation	(4.5)	(5.7)	
Depreciation - leases	(5.2)	(4.5)	
EBITA	**30.5**	**47.9**	**(36.3%)**
Financing costs	(1.3)	(1.3)	
Financing costs – leases	(0.5)	(0.5)	
Income tax expense	(8.6)	(13.9)	
NPATA	**20.1**	**32.3**	**(37.8%)**

Revenue by Segment **EBITDA by Segment**



Utilities: revenue in line with pcp

- Comdain revenue of $154.8m, 5.1% growth vs pcp
- Energy & Water metering and technical services revenue reduction of $7.1m, primarily due to COVID-19 restrictions

Telecommunications: revenue down by $88.0m vs pcp

- OMMA activation and assurance revenue decrease of $42.5m following peak activations in FY20
- nbn D&C program completed in FY20 (1H FY20 revenue $40.6m)

Cashflow & Capital Management

Solid operating cashflows and strong balance sheet, testament to favourable business fundamentals and will position the Group to support future growth

$m	FY21 1st Half	FY20 1st Half	Change
Reported EBITDA	39.1	56.4	(17.3)
+/- non-cash items & change in working capital	3.2	(23.6)	26.9
OCFBIT [(1)]	**42.4**	**32.8**	**9.6**
EBITDA to OCFBIT conversion %	***108.3%***	***58.1%***	***50.2%***
Net interest and financing paid	(2.8)	(2.0)	(0.8)
Tax paid	(19.3)	(20.6)	1.3
Operating cashflow	**20.3**	**10.2**	**10.1**
Capital expenditure (net of proceeds from sales)	(4.6)	(2.5)	(2.2)
Free cashflow	**15.6**	**7.8**	**7.9**
Dividends paid	(19.2)	(21.0)	1.8
Lease liability payments	(5.5)	(4.8)	(0.6)
Lease incentives received	-	4.2	(4.2)
Proceeds/(repayment) of borrowings	(20.0)	-	(20.0)
Purchase of shares	-	(0.7)	0.7
Decrease in cash	**(29.0)**	**(14.7)**	**(14.3)**
Net cash / (debt)	**10.5**	**(4.0)**	**14.4**

[1] *Operating cashflow before interest & tax*

Cash flow and debt position:

- Strong OCFBIT conversion rate of 108.3%
- Working capital remains highly efficient at 1.3% of sales
- Capex expenditure primarily relates to IT investments
- December-20 net cash position of $10.5m

Refinancing of debt facilities

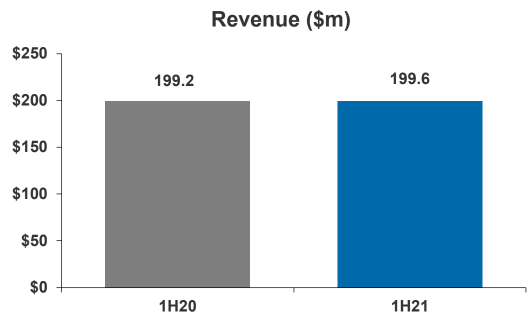
- Debt facilities refinanced for 3-year term to November 2023 and increased to $275m to support future growth opportunities
- Refinance well supported with expanded lending syndicate of 5 commercial banks, and the offer oversubscribed
- Improved commercial terms and covenants
- The new SFA provides the platform and flexibility to further increase debt over time to support new growth opportunities

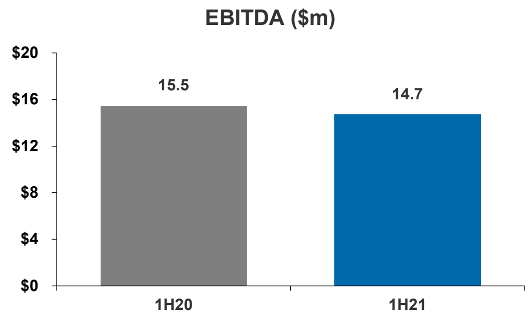
DIVISIONAL HIGHLIGHTS

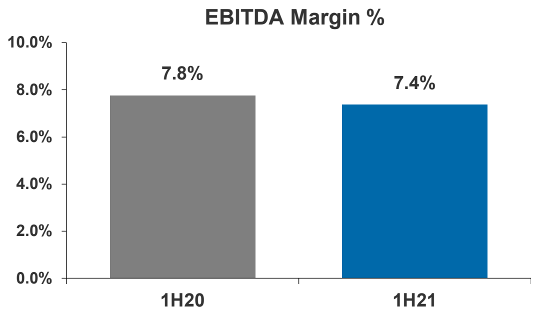
Utilities

Utility network engineering, design & construction, maintenance and operations

- Focus over the first half has been on building momentum to support revenue growth, mobilisation of new contracts, and implementation of Group ERP (IFS) into Comdain
- Revenue for 1H FY21 was $0.5m (+0.2%) on pcp:
  - Comdain Infrastructure revenue of $154.8m up 5.1% on pcp. Mobilisation of select projects has been impacted by COVID-19 restrictions, particularly in relation to staff movement across borders
  - Metering Services, New Energy & Inspection Services revenue down $7.1m vs pcp, largely due to COVID-19 restrictions and delays
- COVID-19 continuing to impact on metering services due to the moratorium on energy disconnections (and subsequent reconnections), and TechSafe operations due to the Victorian Stage 4 restrictions
- The pipeline of new gas and water utility project opportunities is robust and growing, supported by growing urban development and upgrade/replacement of aging infrastructure
  - Comdain revenue profile ramping up with new project awards and is on track to deliver ~15% revenue growth in FY21
  - Significant new SEQ Water Southwest Pipeline contract of ~$55m enhances the recent expansion into QLD







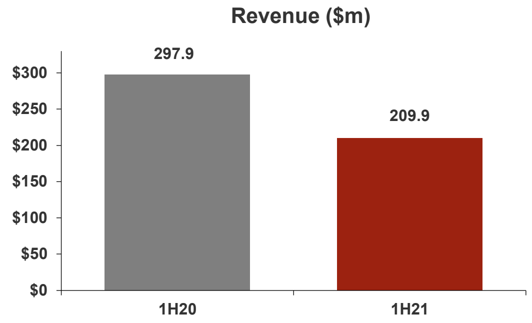
Telecommunications

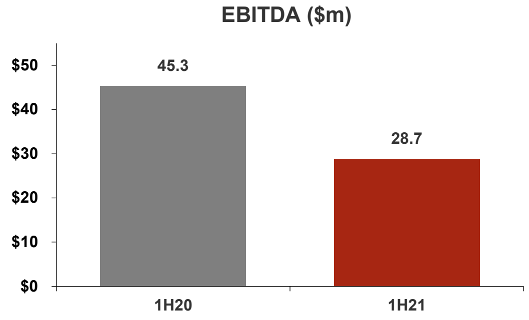
Telecommunication network engineering, design & construction, maintenance and operations

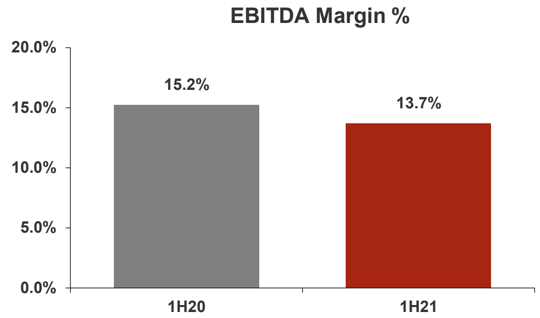
- Revenue for 1H FY21 was $209.9m, $88.0m below pcp, due to the conclusion of nbn D&C program in FY20 and reduction in activation volumes (as expected)
  - Activation and assurance revenue of $134.5m was better than expected, with favourable work mix and additional upgrade programs offsetting the reduction in available activation volumes
  - Wireless revenue of $33.3m, down $3.6m from pcp and continues to track below expectations with slow ramp up of 5G expenditure

- The business has successfully renewed all 3 of its major telecommunications contracts, providing future earnings sustainability:
  - nbn Unify Networks and Unify Services, each for a maximum term of 8 years (including options)
  - Telstra Field Services, covering fixed line and wireless services, for a maximum term of 5 years (including options)
  - These contracts provide the foundation to pursue and grow other Telecommunications revenue

- Group currently working to secure additional telco works to support future growth
  - nbn's $4.5bn network upgrade program
  - Broader mobile infrastructure customer base







GROUP STRATEGY & OUTLOOK

Group Strategy

Diversification strategy into the broader Utility market has bolstered the Group's core earnings base, with the business working to replace revenues from historical nbn peak earnings across a more diversified revenue base to support sustainable long-term growth

CURRENT STATE

- Telecommunications works associated with nbn's construction program has accounted for a large portion of the Group's historical growth
- Whilst Telco operations will continue to present future opportunities, one-off construction work programs and activation works peaked in FY20
- Wireless works and nbn's fixed-line infrastructure upgrade present as immediate opportunities
- Acquisition of Comdain 2 years ago was the first major step in preparing for the change, with the business progressing well and on track to deliver 15% revenue growth during FY21.
- Business is actively exploring further diversification opportunities which will support replacement of Telco earnings, and step change in growth
- Group business model and fundamentals are robust, sustainable over the long-term, and provide platform to leverage future growth:
  - Strong balance sheet
  - Above-average profitability
  - Strong cash generation & conversion
  - Non intensive capital operations
  - Blue-chip industrial client base
  - Operate across stable, regulated infrastructure markets

GROUP FOCUS & PRIORITIES

SERVICE STREAM

Vision: *To be Australia's leading essential network services business*

Divisions / Markets: TELECOMMUNICATIONS | UTILITIES | FUTURE

Service Offerings: DESIGN | CONSTRUCT | OPERATE | MAINTAIN

Group Priorities:

1. Maintain Strong Core

- Continue enhancing business model fundamentals, underpinned by solid annuity style revenues across a blue-chip industrial customer base
- Maintain position as a leading essential service provider across our chosen markets through exceptional and innovative service delivery
- Continue investing in solutions which further enhance customer experience, improve operational performance and support scalable growth

2. Maximise Organic Growth

- Grow and support a strong organic business development pipeline
- Provide expanded service offering across broadening customer base
- Secure additional organic opportunities across core long-term contract base
- Maintain a flexible and scalable resourcing model, and proportionate Group cost base

3. Diversify Group Revenues

- Diversify Group revenues from strong telecommunications bias across broader essential infrastructure markets
- Maintain a disciplined approach to assessing M&A opportunities which will support the next step change in growth
- Expand the Group's addressable markets and service offerings to supporting ongoing organic growth

Group Outlook

Service Stream expects continued demand for its services associated with the maintenance of critical infrastructure across the Utility and Telecommunication markets, however near-term performance has been impacted

FY21 OUTLOOK

- The outlook for FY21 has been progressively impacted by the prolonged COVID setting which continues to subdue near-term earnings, coupled with client-initiated work reductions and delays in commencing new programs of work.
- The Group now expects the current trading conditions and COVID-19 impacts to continue into H2, with results approximately in-line with H1, due to:
  - Delays and inefficiencies in the mobilisation of new works, particularly due to COVID response by individual States and Territories
  - Client delays to procurement programs and shortages of client supplied materials
  - Unfavorable timing of recently secured telecommunication programs relative to expectations
- Business fundamentals however remain strong with regards to profitability, balance sheet, quality of earnings, non capital intensive operations and blue-chip client base
- Business holds a solid and growing organic growth pipeline across key markets

FY21 H2 PRIORITIES

- Maintain flexible resourcing model to respond to growth opportunities, whilst managing a proportionate Group cost base
- Progress the mobilisation and expansion of work programs already secured throughout the year
- Securing additional work programs associated with recently announced $4.5bn telco network upgrade program to support Telco growth in FY22 and FY23
- Continue to secure organic growth opportunities across current utility and telco markets from strong pipeline
- Continue the assessment of external market opportunities to support future growth which expand addressable markets and enhance diversification

HISTORICAL FINANCIAL PERFORMANCE DATA

Appendix 1

PROFIT & LOSS

$ million	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21
Utilities [1]	$48.6	$46.0	$54.7	$52.1	$51.3	$213.0	$199.2	$184.9	$199.6
Telecommunications [1]	$194.6	$217.8	$244.4	$290.7	$298.1	$291.3	$297.9	$246.3	$209.9
Interest Income	$0.3	$0.3	$0.4	$0.5	$0.6	$0.1	$0.1	$0.0	$0.0
Other & Eliminations	($2.7)	($3.2)	($5.4)	($4.5)	($2.1)	($0.1)	$0.6	$0.2	$0.3
Total Revenue	**$240.8**	**$261.0**	**$294.1**	**$338.8**	**$348.0**	**$504.2**	**$497.8**	**$431.4**	**$409.9**
Utilities [1]	$3.2	$4.4	$5.4	$5.1	$5.4	$17.1	$15.5	$15.4	$14.7
Telecommunications [1]	$20.1	$26.6	$29.7	$32.7	$35.9	$41.2	$45.3	$37.8	$28.7
Unallocated Corporate Services	($2.2)	($3.2)	($3.0)	($3.5)	($2.7)	($3.6)	($2.7)	($3.1)	($3.2)
EBITDA from Operations	**$21.1**	**$27.8**	**$32.1**	**$34.2**	**$38.6**	**$54.6**	**$58.1**	**$50.0**	**$40.2**
EBITDA from Operations %	***8.8%***	***10.6%***	***10.9%***	***10.1%***	***11.1%***	***10.8%***	***11.7%***	***11.6%***	***9.8%***
Non-Operational Items	$0.0	($0.5)	$0.0	$1.0	($0.6)	($3.1)	($1.7)	($0.9)	($1.1)
Reported EBITDA	$21.1	$27.3	$32.1	$35.2	$38.0	$51.5	$56.4	$49.2	$39.1
Depreciation & Amortisation	($2.5)	($4.6)	($2.7)	($4.8)	($3.0)	($5.8)	($5.7)	($5.5)	($4.5)
Depreciation - Leases [2]	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	($4.5)	($5.0)	($5.2)
Amort of customer contracts - TechSafe	$0.0	($0.5)	($1.0)	($1.0)	($0.9)	($0.9)	($0.7)	($0.7)	($0.4)
Amort of customer contracts - Comdain	$0.0	$0.0	$0.0	$0.0	$0.0	($5.7)	($4.8)	($4.8)	($4.0)
Reported EBIT	$18.6	$22.2	$28.4	$29.5	$34.1	$39.2	$40.8	$33.1	$25.0
Net financing costs	$0.0	($0.2)	$0.2	$0.2	$0.4	($1.6)	($1.3)	($1.2)	($1.3)
Net financing costs - Leases [2]	$0.0	$0.0	$0.0	$0.0	$0.0	($0.0)	($0.5)	($0.5)	($0.5)
Income tax expense	($5.6)	($6.7)	($8.6)	($8.5)	($10.4)	($11.9)	($11.7)	($9.4)	($7.0)
Statutory NPAT	$13.0	$15.3	$19.9	$21.2	$24.1	$25.8	$27.3	$22.0	$16.2
Effective Tax Rate	*30.1%*	*30.5%*	*30.3%*	*28.7%*	*30.2%*	*31.5%*	*30.0%*	*30.0%*	*30.0%*
Adjusted EBIT (EBITA)	**$18.6**	**$23.2**	**$29.3**	**$29.4**	**$35.6**	**$48.9**	**$47.9**	**$39.5**	**$30.5**
EBITA %	**7.7%**	**8.9%**	**10.0%**	**8.7%**	**10.2%**	**9.7%**	**9.6%**	**9.2%**	**7.4%**
Adjusted NPAT (NPATA)	**$13.0**	**$16.0**	**$20.6**	**$20.9**	**$25.1**	**$32.5**	**$32.3**	**$26.5**	**$20.1**
NPATA %	**5.4%**	**6.1%**	**7.0%**	**6.2%**	**7.2%**	**6.5%**	**6.5%**	**6.1%**	**4.9%**

[1] Customer Care in Utilities up to 30-6-18 and in Telecommunications from 1-7-18

[2] Arising from the adoption of AASB 16 *Leases*

Appendix 2

RECONCILIATION OF STATUTORY TO ADJUSTED PROFITABILITY MEASURES

$ million	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21
Reported EBITDA	$21.1	$27.3	$32.1	$35.2	$38.0	$51.5	$56.4	$49.2	$39.1
add-back adjustments:									
- Acquisition costs (TechSafe)	-	($0.5)	-	-	-	-	-	-	-
- Write-back of Deferred Consideration (TechSafe)	-	-	-	$1.0	-	-	-	-	-
- Integration costs (Comdain)	-	-	-	-	-	($1.3)	($0.4)	($0.8)	-
- Acquisition costs (Comdain)	-	-	-	-	($0.6)	($1.9)	-	-	-
- Due diligence costs on acquisition opportunities	-	-	-	-	-	-	($1.2)	($0.1)	($1.1)
EBITDA from Operations	**$21.1**	**$27.8**	**$32.1**	**$34.2**	**$38.6**	**$54.6**	**$58.1**	**$50.0**	**$40.2**
Reported EBIT	$18.6	$22.2	$28.4	$29.5	$34.1	$39.2	$40.8	$33.1	$25.0
add-back adjustments:									
- As above for EBITDA	-	($0.5)	$0.0	$1.0	($0.6)	($3.1)	($1.7)	($0.9)	($1.1)
- Amortisation of Customer Contracts (TechSafe)	-	($0.5)	($1.0)	($1.0)	($0.9)	($0.9)	($0.7)	($0.7)	($0.4)
- Amortisation of Customer Contracts (Comdain)	-	-	-	-	-	($5.7)	($4.8)	($4.8)	($4.0)
Adjusted EBIT (EBITA)	**$18.6**	**$23.2**	**$29.3**	**$29.4**	**$35.6**	**$48.9**	**$47.9**	**$39.5**	**$30.5**
Statutory NPAT	$13.0	$15.3	$19.9	$21.2	$24.1	$25.8	$27.3	$22.0	$16.2
add-back adjustments:									
- As above for EBIT	-	($1.0)	($1.0)	$0.0	($1.5)	($9.7)	($7.2)	($6.4)	($5.5)
- Tax effect of above (as relevant)	-	$0.3	$0.3	$0.3	$0.4	$2.9	$2.1	$1.9	$1.7
Adjusted NPAT (NPATA)	**$13.0**	**$16.0**	**$20.6**	**$20.9**	**$25.1**	**$32.5**	**$32.3**	**$26.5**	**$20.1**
Avg number of shares on issue (millions)	363.8	365.2	365.2	362.7	360.8	401.3	405.5	407.7	408.9
Statutory EPS (cents)	**3.6**	**4.2**	**5.4**	**5.8**	**6.7**	**6.4**	**6.7**	**5.4**	**4.0**
Adjusted EPS (cents)	**3.6**	**4.4**	**5.6**	**5.8**	**7.0**	**8.1**	**8.0**	**6.5**	**4.9**
Dividends Declared (cents)	**1.5**	**3.0**	**3.0**	**4.5**	**3.5**	**5.5**	**4.0**	**5.0**	**2.5**
Dividend payout ratio (based on Statutory EPS)	41.9%	71.4%	55.0%	77.0%	52.4%	85.7%	59.4%	92.6%	62.9%
Dividend payout ratio (based on Adjusted EPS)	41.9%	68.4%	53.2%	78.2%	50.2%	67.9%	50.2%	76.9%	50.9%

Appendix 3

SEGMENT RESULTS

$ million	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21
UTILITIES									
Metering and Technical Services [1]	$48.6	$46.0	$54.7	$52.1	$51.3	$52.7	$51.9	$44.1	$44.8
Comdain	$0.0	$0.0	$0.0	$0.0	$0.0	$160.2	$147.3	$140.8	$154.8
Segment Revenue	**$48.6**	**$46.0**	**$54.7**	**$52.1**	**$51.3**	**$213.0**	**$199.2**	**$184.9**	**$199.6**
Segment EBITDA	**$3.2**	**$4.4**	**$5.4**	**$5.1**	**$5.4**	**$17.1**	**$15.5**	**$15.4**	**$14.7**
EBITDA %	**6.7%**	**9.5%**	**9.8%**	**9.8%**	**10.6%**	**8.0%**	**7.8%**	**8.3%**	**7.4%**

TELECOMMUNICATIONS	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21
nbn Activation & Assurance	$66.8	$79.5	$109.9	$108.1	$124.4	$151.7	$176.9	$156.7	$134.5
nbn Minor Projects	$6.8	$6.6	$12.5	$22.4	$24.8	$34.8	$29.0	$41.5	$31.5
nbn MIMA & DCMA	$13.2	$28.0	$45.7	$60.0	$70.1	$57.6	$40.6	($2.0)	$0.0
nbn New Developments	$21.0	$13.1	$0.5	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0
Other Fixed Line customers [1]	$27.4	$28.5	$23.3	$25.1	$20.5	$18.0	$14.5	$13.9	$11.1
Fixed Line	**$135.1**	**$155.7**	**$191.9**	**$215.7**	**$239.7**	**$262.1**	**$261.0**	**$210.1**	**$177.1**
Wireless	**$58.8**	**$61.7**	**$52.5**	**$75.0**	**$58.3**	**$29.2**	**$36.9**	**$36.2**	**$33.3**
Other & Eliminations	$0.7	$0.4	$0.0	$0.0	$0.0	$0.0	$0.0	($0.0)	($0.4)
Segment Revenue	**$194.6**	**$217.8**	**$244.4**	**$290.7**	**$298.1**	**$291.3**	**$297.9**	**$246.3**	**$209.9**
Segment EBITDA	**$20.1**	**$26.6**	**$29.7**	**$32.7**	**$35.9**	**$41.2**	**$45.3**	**$37.8**	**$28.7**
EBITDA %	**10.3%**	**12.2%**	**12.1%**	**11.2%**	**12.1%**	**14.1%**	**15.2%**	**15.4%**	**13.7%**

[1] Customer Care in Utilities up to 30-6-18 and in Telecommunications from 1-7-18

Appendix 4

CASH FLOW

$ million	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21
Reported EBITDA	$21.1	$27.3	$32.1	$35.2	$38.0	$51.5	$56.4	$49.2	$39.1
+/- non-cash items & change in w/capital	$3.2	$5.3	$25.0	$7.6	($11.6)	$1.8	($23.7)	$4.5	$3.2
OCFBIT	**$24.3**	**$32.5**	**$57.1**	**$42.8**	**$26.4**	**$53.3**	**$32.8**	**$53.7**	**$42.4**
EBITDA to OCFBIT conversion ratio	***115%***	***119%***	***178%***	***121%***	***69%***	***103%***	***58%***	***108%***	***108%***
Net tax paid	($6.8)	$0.7	($14.6)	($6.0)	($8.6)	($10.2)	($20.6)	($4.6)	($19.3)
Net interest & financing costs paid	($0.1)	$0.1	$0.2	$0.2	$0.0	($1.4)	($2.0)	($1.6)	($2.8)
Operating cashflow	**$17.4**	**$33.3**	**$42.6**	**$37.1**	**$17.9**	**$41.7**	**$10.2**	**$47.5**	**$20.3**
Capital expenditure	($5.1)	($3.7)	($3.5)	($4.3)	($5.3)	($4.6)	($3.5)	($4.3)	($5.1)
Proceeds from the sale of assets	$0.1	$0.1	$0.2	$0.0	$0.1	$0.3	$1.1	$0.2	$0.5
Business acquisitions	$0.0	($17.1)	($0.7)	$0.0	$0.0	($82.8)	$0.0	$0.0	$0.0
Free cashflow	**$12.4**	**$12.5**	**$38.7**	**$32.8**	**$12.7**	**($45.3)**	**$7.8**	**$43.4**	**$15.6**
Dividends paid	($5.5)	($5.5)	($10.9)	($10.8)	($16.2)	($13.6)	($21.0)	($15.3)	($19.2)
Purchase of shares	($3.9)	($0.1)	($14.0)	($4.5)	$0.0	$0.0	($0.7)	$0.0	$0.0
Share issue costs	$0.0	$0.0	$0.0	$0.0	$0.0	($0.1)	$0.0	$0.0	$0.0
Share Buy-back	$0.0	$0.0	$0.0	($8.0)	$0.0	$0.0	$0.0	$0.0	$0.0
Principal elements of lease payments	$0.0	($0.2)	($0.2)	($0.1)	($0.2)	($0.2)	($4.8)	($4.8)	($5.5)
Lease incentives received	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$4.2	$0.0	$0.0
Proceeds / (Repayment) of borrowings	$0.0	$0.0	$0.0	$0.0	$0.0	$60.0	$0.0	$0.0	($20.0)
Increase / (Decrease) in Cash	**$3.0**	**$6.8**	**$13.5**	**$9.3**	**($3.7)**	**$0.8**	**($14.7)**	**$23.3**	**($29.0)**

NET CASH / (DEBT)

$ million	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun-19	Dec-19	Jun-20	Dec-20
Cash and cash equivalents	$44.1	$50.9	$64.4	$73.7	$70.0	$70.8	$56.1	$79.5	$50.5
Borrowings	$0.0	$0.0	$0.0	$0.0	$0.0	($60.0)	($60.0)	($60.0)	($40.0)
Lease liabilities [1]	$0.0	($1.0)	($0.8)	($0.7)	($0.5)	($0.3)	($0.1)	$0.0	$0.0
	$44.1	**$49.9**	**$63.6**	**$73.0**	**$69.5**	**$10.5**	**($4.0)**	**$19.5**	**$10.5**

[1] Excluding lease liabilities arising from the application of AASB 16.

Appendix 5

CAPITAL EXPENDITURE

$ million	1H17	2H17	1H18	2H18	1H19	2H19	1H20	2H20	1H21
Leasehold Improvements	$0.2	$0.1	$0.1	$0.2	$0.4	$0.1	$0.2	$0.2	$0.0
Motor Vehicles	$0.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.3	$0.0
Plant & Equipment (non-IT)	$0.1	$1.0	$0.3	$0.3	$0.4	$1.6	$0.7	$0.1	$1.4
Capital Expenditure (non-IT)	**$0.4**	**$1.1**	**$0.4**	**$0.5**	**$0.9**	**$1.8**	**$0.9**	**$0.6**	**$1.4**
Plant & Equipment (IT-related)	$0.4	$0.3	$0.2	$0.4	$0.3	$0.7	$0.3	$0.5	$0.4
ERP Replacement	$3.3	$1.9	$1.8	$1.6	$3.4	$0.5	$0.4	$1.5	$1.3
Other Software Applications	$1.0	$0.4	$1.1	$1.6	$0.7	$1.6	$1.9	$1.8	$2.0
Capital Expenditure (IT-related)	**$4.7**	**$2.7**	**$3.1**	**$3.7**	**$4.4**	**$2.8**	**$2.7**	**$3.7**	**$3.7**
Total Capital Expenditure	**$5.1**	**$3.7**	**$3.5**	**$4.3**	**$5.3**	**$4.6**	**$3.6**	**$4.3**	**$5.1**
ERP Replacement	$3.3	$1.9	$1.8	$1.6	$3.4	$0.5	$0.4	$1.5	$1.3
All Other	$1.8	$1.8	$1.7	$2.6	$1.8	$4.1	$3.1	$2.8	$3.8
Total Capital Expenditure	**$5.1**	**$3.7**	**$3.5**	**$4.3**	**$5.3**	**$4.6**	**$3.6**	**$4.3**	**$5.1**

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