

ASX ANNOUNCEMENT (UWL)

Share Buy-Back, Capital Management & Operational Update

17 November 2021: Uniti Group Limited (ASX: UWL) ("Company", "Uniti", "UWL") confirms that the 14-day notification period required by ASIC in relation to the implementation of a share buy-back ("**SBB**") program (the details of which are set out in the Company's Appendix 3C announcement of 27 October 2021, and which was updated this morning), has now ended. The Company today provides an update on its SBB, capital management, cash generation and operating performance for the four months to October 2021 (FY22 YTD).

Share Buy-Back & Capital Management

On 27 October 2021, the Company advised the ASX of its intention to undertake an on-market SBB. The Company confirms that the 14-day notification period required by ASIC has now ended. The Company intends to commence the SBB on 18 November 2021.

Subject to the prevailing share price and market conditions, the Company may buy back up to 10% of shares on issue (being a maximum of approximately 68.7 million shares), over the next 12 months.

The Company proposes to work closely with its appointed broker, Bell Potter Securities Limited, to undertake the SBB where the opportunity exists to realise benefits from the SBB for shareholders. There is therefore no certainty that the Company will acquire any or all shares under the SBB. Furthermore, the Company may also suspend the SBB at any time if the Company deems it appropriate to do so and/or when alternative uses of capital are determined by the Board to be in the best interests of shareholders.

Uniti today has very modest gearing and continues to generate significant free cash flow, after funding both maintenance and growth capital expenditure ("**FCF**"). This strong FCF has continued in the first 4 months of FY22 and, as a result, has seen Uniti reduce Net Debt to \$183M compared to Net Debt at the end of June 2021 of \$208M.

As of 31 October 2021, the Net Debt to Underlying EBITDA¹ ratio ("**Net Leverage**") is 1.3 times, based upon current consensus forecast² Underlying EBITDA for FY22 of \$144.5M. This compares to Net Leverage on 30 June 2021 of 2.2 times on Underlying EBITDA of \$93.7M and 1.6 times annualised H2 FY21 Underlying EBITDA of \$128.8M.

The Uniti Board is confident to proceed with the SBB, and in turn deliver improved earnings per share ("EPS"), for the following reasons:

- Low and further capacity to reduce Net Leverage
- Ability to fund growth capital expenditure and deliver significant FCF
- Continued strong growth in earnings and consequently cash flows
- Continued strong growth in the fibre-to-the-premises ("**FTTP**") Contracted Order Book
- Long term forecasts of strong organic growth and expanding FCF
- Improved access to debt capital on favorable terms

¹ Underlying EBITDA means EBITDA excluding share-based payments, acquisition and restructuring costs

² Source: Bloomberg Market & Analyst data

Whilst the Board has approved the implementation of the SBB, as a means of delivering increased EPS, it remains open to and continues to consider allocation of capital to acquisitions of selected assets or businesses which are aligned with Uniti's strategy of expanding and activating its national footprint of super-fast broadband networks, in both its existing core greenfield residential FTTP market and identified complementary adjacent markets.

Consequently, the Board retains the option to suspend the SBB should more accretive opportunities for capital deployment become available.

Operational Performance Update

Key financial performance indicators for FY22 YTD are ahead of internal budgets, including Group revenue, Underlying EBITDA, FCF and Net Leverage. Based on this, the Company confirms it is on track to meet or exceed broker consensus forecast Underlying EBITDA for the full FY22 year of \$144.5M.

A critical measure of Uniti's success in market and an indicator of locked-in, long-term growth in revenues, earnings and cash flow is the scale of, and growth rate in, its contracted FTTP 'order book'. To this end, in FY22 YTD, Uniti has continued to secure new business in its core greenfield FTTP market in line with the run-rate achieved in the prior 6-month period, being 64,000 premises that were contracted during the full six months of H2 FY21.

This announcement is approved for release by the Uniti Board.

- Ends -

Additional Information

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ABOUT UNITI GROUP

Uniti Group (ASX: UWL) is Australia's largest non-government owned constructor, owner and operator of fibre-to-the-premises ("FTTP") digital infrastructure, and a provider of value-added telecommunications services in identified profitable niche markets.

Since mid-2019 Uniti has consolidated the most significant 'challenger' participants in the 'greenfield' FTTP market to make Uniti the definitive alternative to NBN in greenfield FTTP networks. Today, 84% of Uniti's consolidated earnings are generated from its FTTP networks and this proportion continues to expand as the Company's sizable and growing contracted FTTP 'order book' of new premises is constructed, connected and activated.

At the core of Uniti Group is a commitment to deliver high quality, high speed digital infrastructure networks and associated services to its customers and, in turn, produce strongly growing, long term annuity earnings and, in turn, exceptional, compounding returns to its shareholders.