superloop

# 1H24 Results.

Superloop Limited (ASX:SLC)

Thursday, 22 February 2024

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# Performance Highlights.

| Total Revenue[1] | Underlying EBITDA[2] | Operating Cash Flow | Customers[3] |
|---|---|---|---|
| $197.6M | $23.0M | $23.7M | 408k |
| ⬆ 32.7% YoY<br>⬆ 20.0% organic | ⬆ 83.3% YoY | 102.9% conversion | ⬆ 38.1% |

[1] Revenue including Other Income. Organic revenue growth % calculation excludes VostroNet contribution in Jul-Oct 2023 and MyRepublic user contribution in 1H24.
[2] Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction costs, restructuring costs, Share Based Payments, expensing of VostroNet acquisition costs and gain on remeasurement of contingent consideration. Refer appendices for further details.
[3] See appendices for further details on categorisation of customer numbers.

# The 3 Year 'Double Down' strategy has started strongly:

Record organic revenue growth, expanding gross margin and continuing EBITDA growth

Group revenue[1] up **32.7%** and gross margin expansion of 1.9% to **35.3%**

Consumer revenue growth of **52.6%** and record organic net adds of **34k**

Business revenue up **9.2%** and achievement of **40%** Gross Margin target

Record Wholesale new sales orders including Superloop's largest ever win AGL

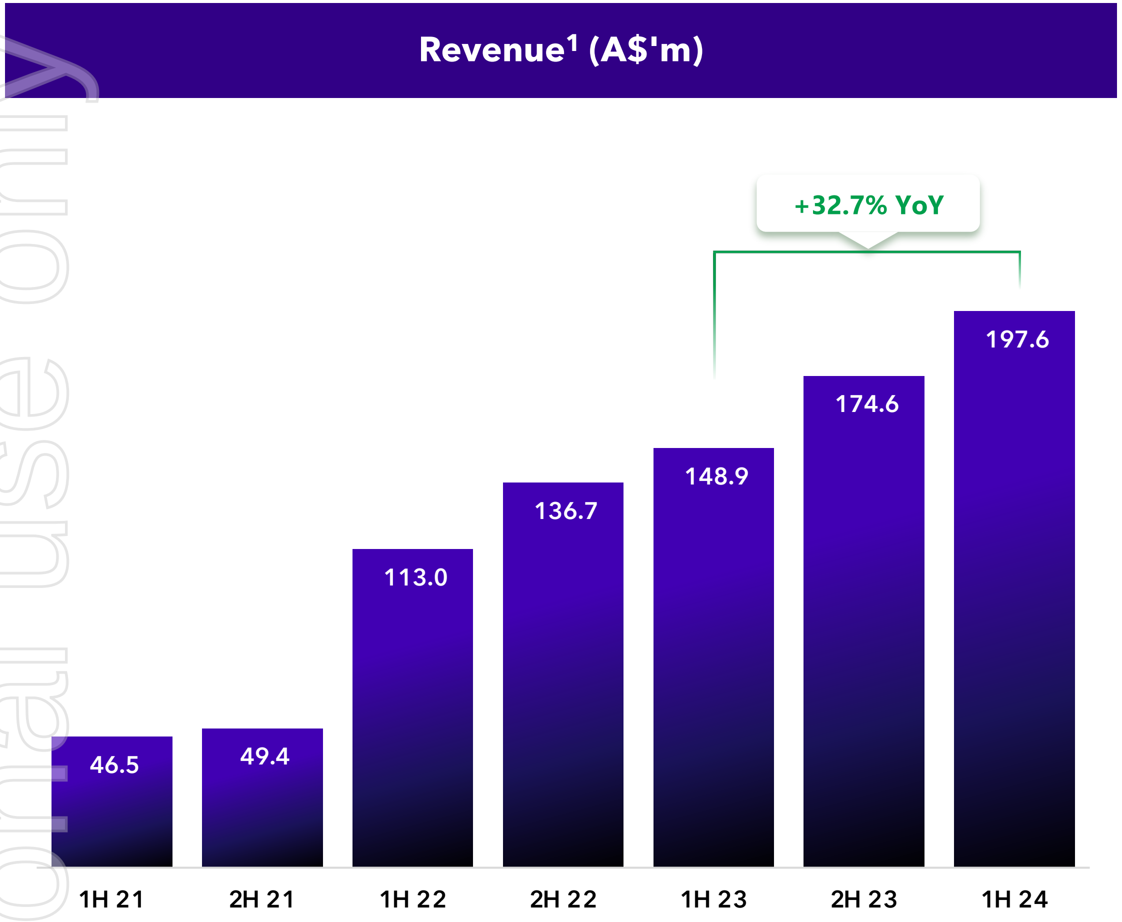
Operating leverage now evident with declining cost to acquire & cost to serve

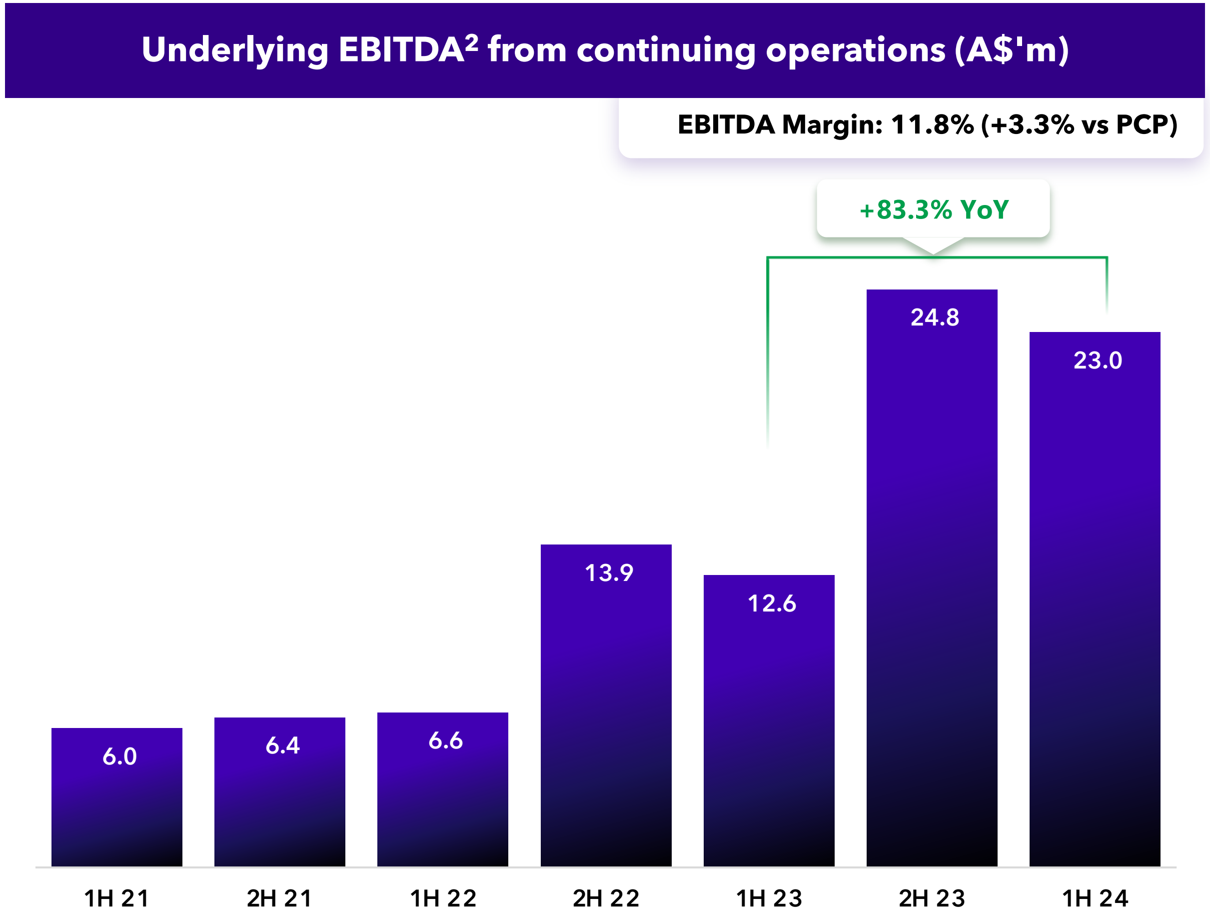
Underlying EBITDA[2] growth continues. Underlying EBITDA **+83.3%**

**102.9%** operating cashflow conversion and free cash flow positive

[1] Revenue including Other Income.
[2] Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction costs, restructuring costs, Share Based Payments, expensing of VostroNet acquisition costs and gain on remeasurement of contingent consideration. Refer appendices for further details.

# Our value-based offers driving traffic, revenue and EBITDA margin growth.




[1] Revenue is based on continuing operations and is inclusive of Other Income; prior periods exclude the contribution from discontinued operations (applicable to FY22 and FY21 only)

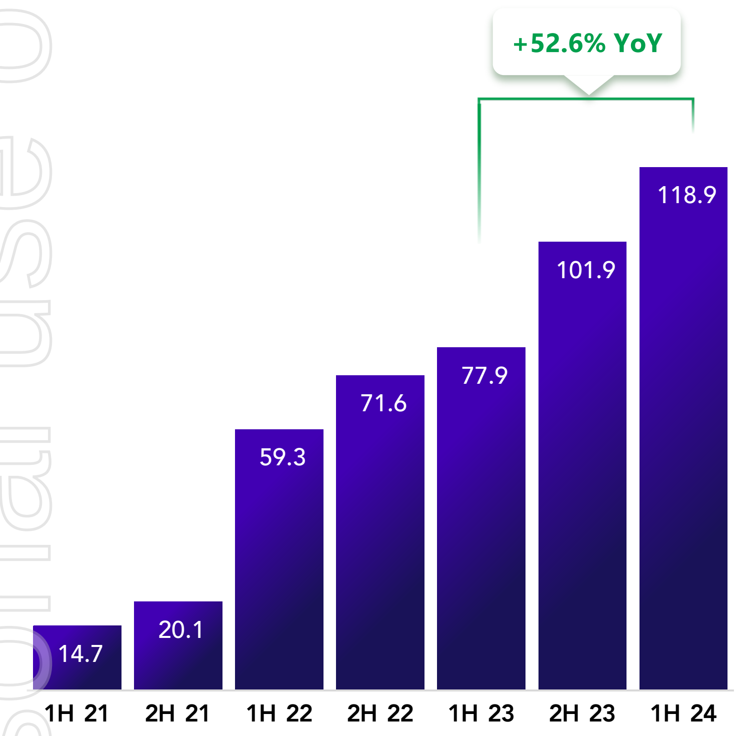
[2] Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction costs, restructuring costs, share based payments, expensing of VostroNet acquisition costs and gain on remeasurement of contingent consideration. Refer appendices for further details.

# Record organic Consumer revenue and continuing growth in all segments.

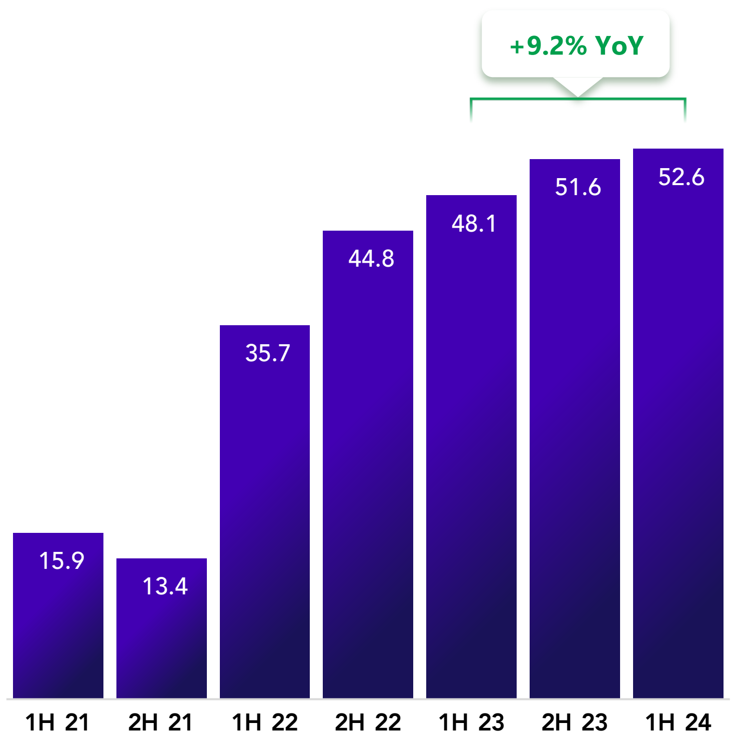
Our products are resonating with consumers and businesses facing increasing cost pressures



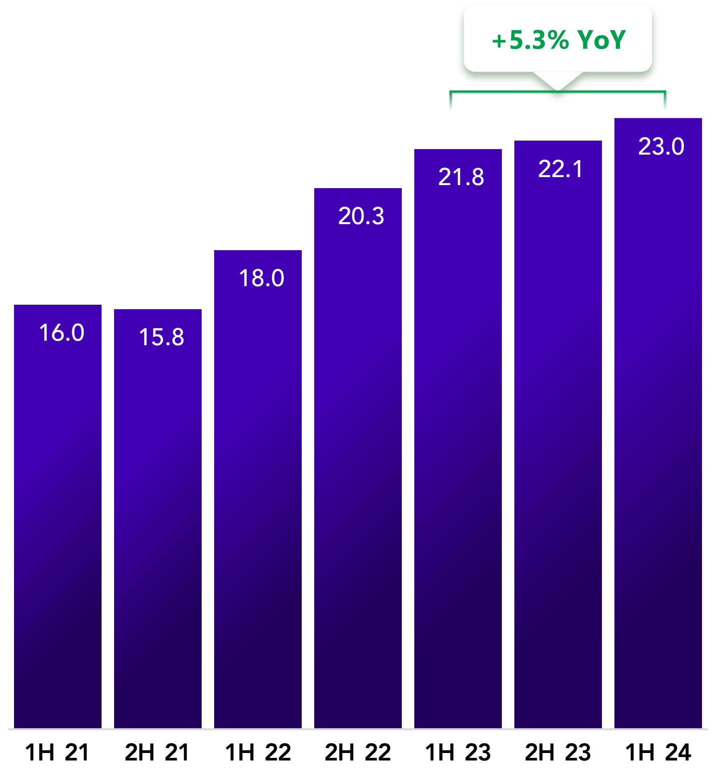
## Consumer (A$'m)




## Business (A$'m)

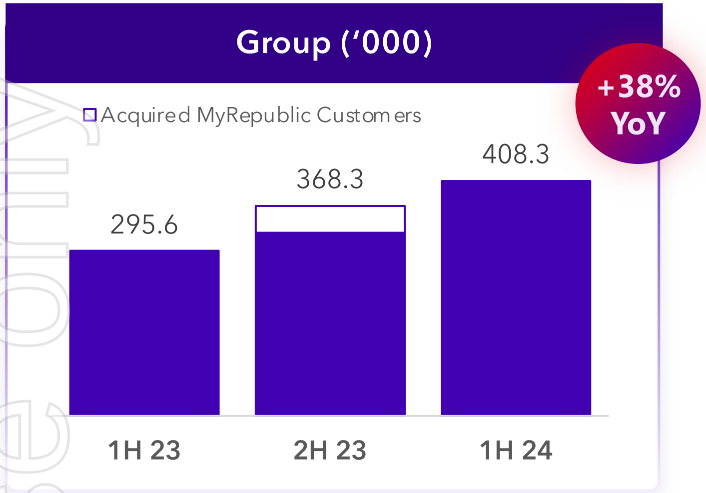


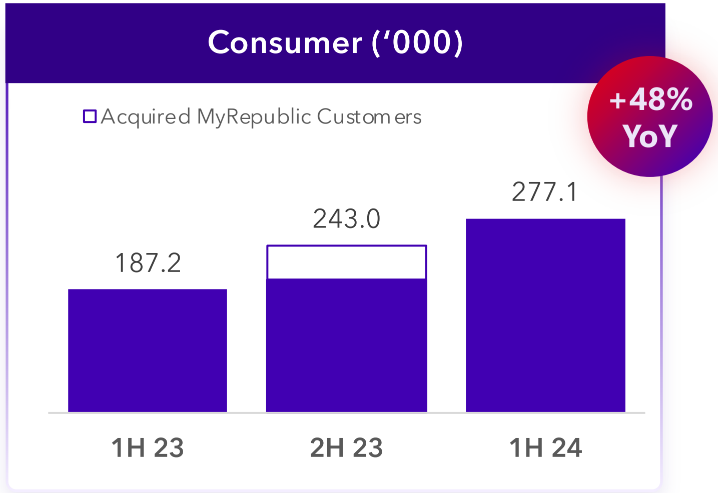

## Wholesale (A$'m)

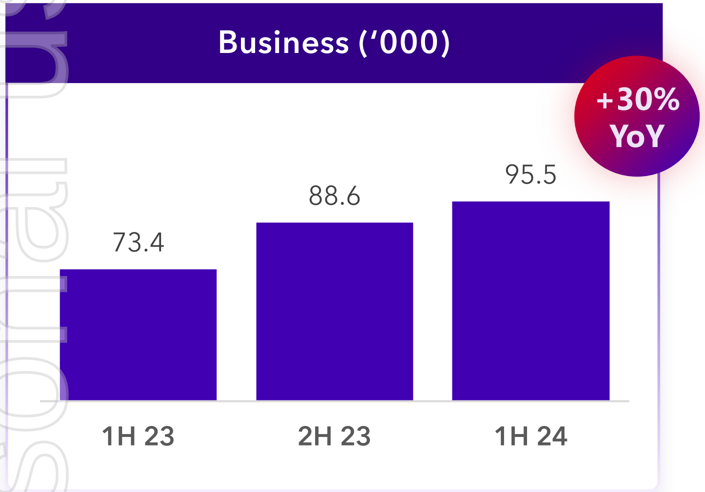


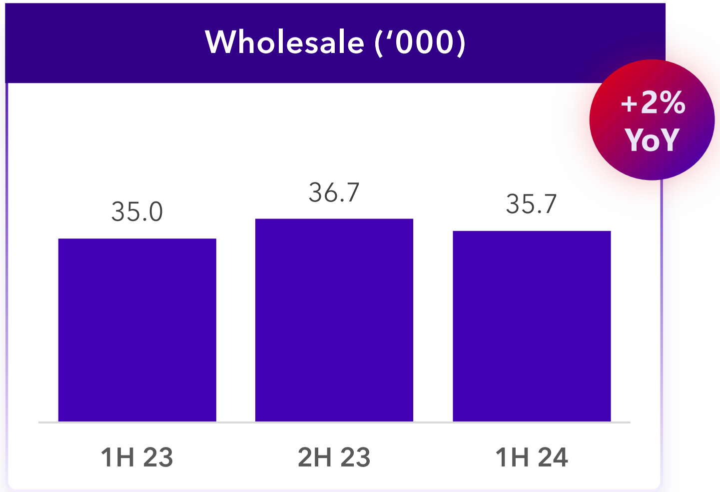
# 40,000 net new customers[1].

Record organic growth to over 400k customers




## Consumer

- 34,100 net new customers added. Record organic growth half.
- Share of new nbn orders in 1H24 of 7.9%, increasing overall market share from 3.1% at June 2023 to 3.5% at end of half.

## Business

- Business customers increased in 1H24 by 6,800 to 95,500 (+8% YTD).
- New business products targeting small business market gaining traction with increase in nbn connections of 3,200 (+9% YTD).

## Wholesale

- Wholesale customers up on prior year but overall gain impacted by one Wholesale ISP brand ceasing operations in 1H24 (2,100 Customers).
- Excluding this change, underlying customer growth was up 3.0% YTD.

[1] See appendices for further details on categorisation of customer numbers.

# Superloop Brand Refresh.

Consumer segment results demonstrate our marketing investment is delivering

## Awareness

- Only two brands have grown aided awareness[1] in 12 months: Superloop is the fastest growing and has doubled brand awareness
- Superloop is now second in category in converting brand awareness into consideration
- Superloop now strongly converts consideration into brand preference as well, third in the category

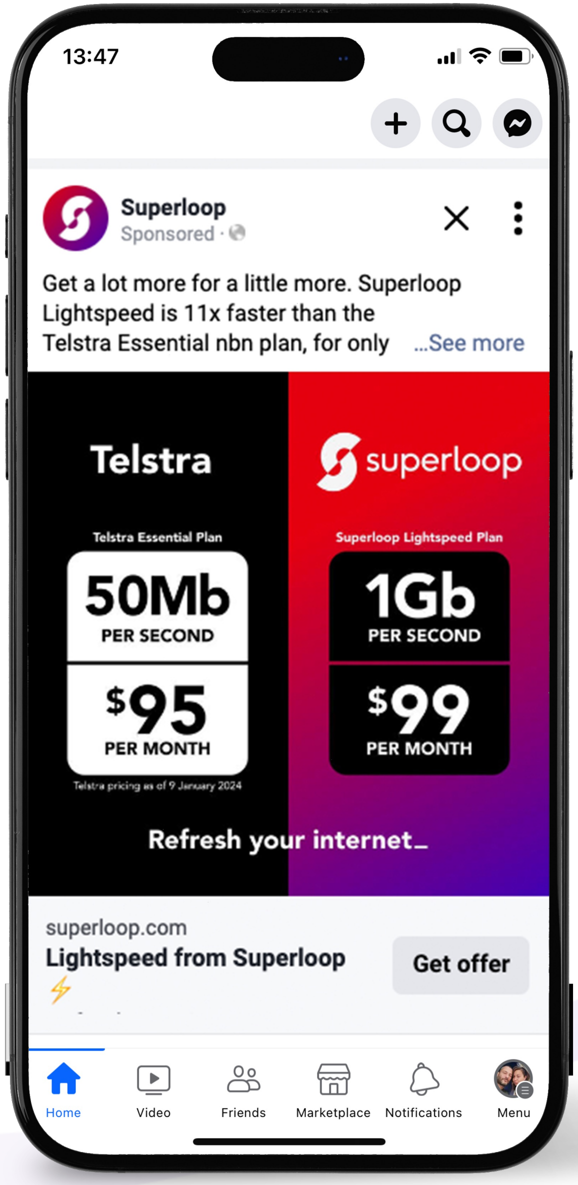
## Brand Values

Superloop has seen significant movements in brand image attributes and is the category leader in three image statements:

- "Is different to other internet providers"
- "Has competitive rates"
- "Value for money"

Superloop now ranks second in the category for:

- "Is a brand for people like me"




[1] Source: Omnicom Media Group ISP Brand Tracking Survey Q3 FY23 - Q1 FY24.

# 3 Year 'Double Down' Strategy.

FY24 is year 1 of the new 'Double Down' strategy, execution running to plan.

| **Our Ambition** | | | | | | |
|---|---|---|---|---|---|---|
| | Double FY23 Revenue to **>$700m** | Consumer Subs **> 500k** | Margin expansion with balance across segments<br>Group EBITDA Margin mid-to-high teens | Value-led strategy, lowest cost operating model in the industry | Compelling propositions<br>Consistent, reliable support and service | Strong free-cash flow, balance sheet and growth in shareholder returns |

**Beginning our Double Down Strategy**

| ORGANIC GROWTH | MAINTAIN COST LEADERSHIP | ACCELERATION VIA M&A |
|---|---|---|
| **Market Penetration**<br>**New Customers:** 40,000 in 1H24 including record consumer organic net adds of 34,100<br>–<br>**Consumer market share:** increased by 0.4% to 3.5%. Continuing trend of Challenger market share gains<br>–<br>**Mobile cross-sell:** showing momentum<br>–<br>**Internet high speed plans:** leading market share<br>**Portfolio Expansion**<br>**New Products:** Landmark AGL win demonstrates new wholesale capabilities<br>–<br>**New Products:** Small business data products in market and refreshed mobile offers | **Cost to Acquire:** tracking positively, declined 34% v PCP<br>–<br>**Cost to Serve:** declined per plan<br>–<br>**Offshore capabilities:** average FTE cost down. More than 50% of employees offshore.<br>–<br>**Opex/Revenue[1]** declined from 21% to 18.2%<br>–<br>**Digitisation:** Further investments in automation and customer experience | **Disciplined M&A**<br>M&A remains a core component of the 'Double Down' strategy.<br>The withdrawal from the Symbio process during the half, when value parameters were exceeded, was in keeping with our commitment to disciplined M&A execution. |

[1] Opex/Revenue calculated by dividing Operating Expenses (ex Doubtful Debts and Marketing Expenses) by Revenue and Other Income.

# Products enabled by our modern platform and simple operating model.

Strong segment revenue growth driving increased utilisation across our Tier 1 network

## Products

| CONSUMER | BUSINESS | WHOLESALE |
| --- | --- | --- |
| Internet, Data & nbn products | Internet, Data & nbn products | Internet, Data & nbn products |
| Mobile & Voice | Mobile & Voice | |
| Security Solutions | Security & Managed Services | |
| | Managed Wi-Fi and On-net Fibre-to-the-Premise | Managed Wi-Fi and On-net Fibre-to-the-Premise |
| | White-label Solutions | White-label Solutions |
| | Professional Services | Professional Services |
| | | Internet Transit, Backhaul, Capacity & Ethernet |

## Our Network

- Extensive terrestrial & sub-sea fibre network, both domestic and global

## Our Platform

- Extensive investment in software and automation, Modern platforms with no legacy systems
- Focus on self-service and digitisation to provide better customer experience and low cost to serve

**1H24 Revenue**: CONSUMER | BUSINESS | WHOLESALE

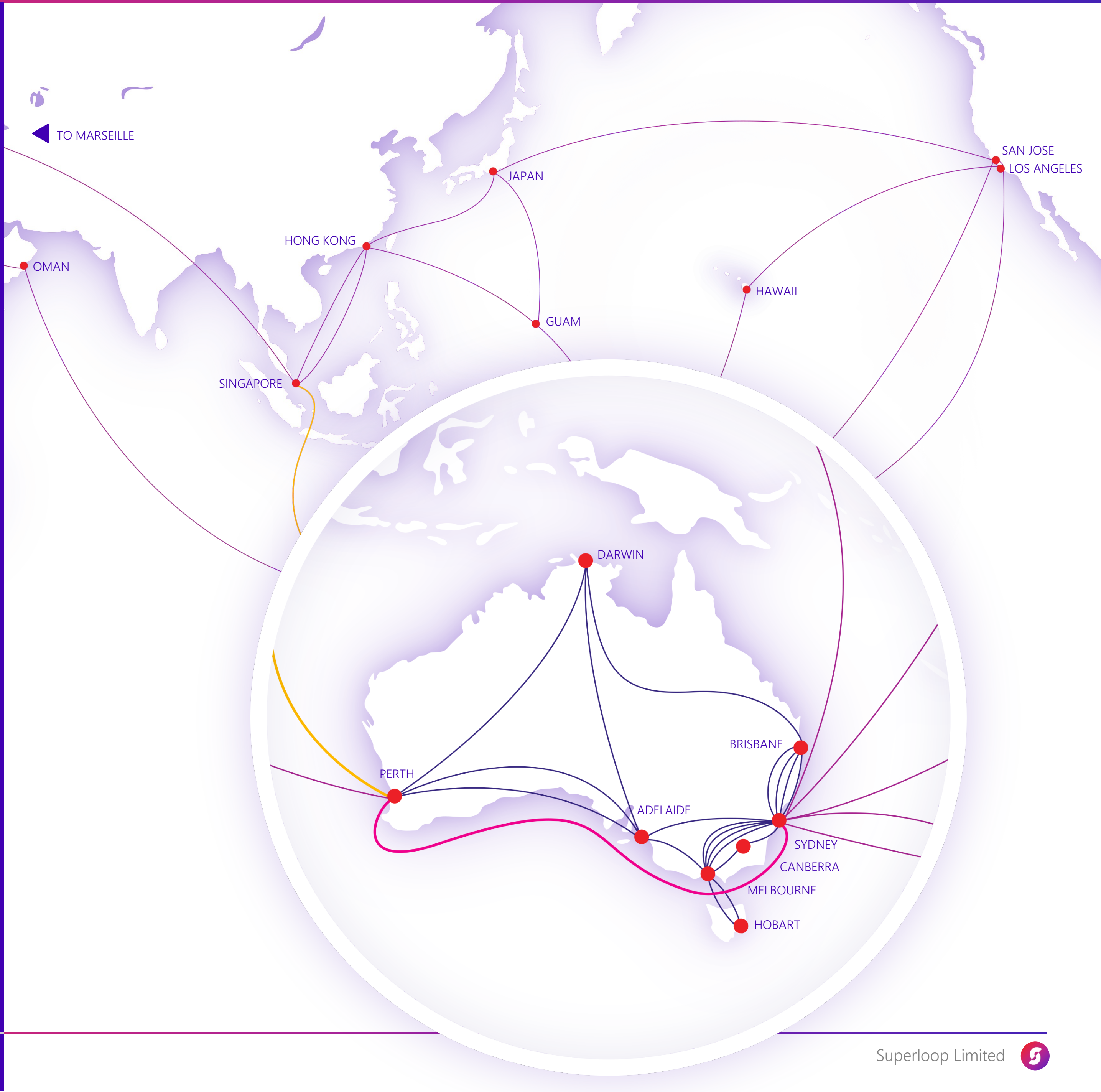
**1H24 Gross Margin**: CONSUMER | BUSINESS | WHOLESALE

Bars are illustrative only – not to scale.

# Ownership economics.

Increased utilisation of available capacity is driving margin growth

| | |
|---|---|
| 560 | On-Net data centres / buildings in Australia / worldwide |
| > 100,000 | Fibre Network route kilometres[1] |
| > 65,000 | Connected and contracted on-net access lots |
| > 4 Tbps | Indigo capacity available for sale |
| 1.4 Tbps | Nightly Internet transit delivered |
| 100% | Metro Point of Interconnect (POIs) with dual fibre backhaul capable of bulk scale > 1 Tbps |
| > 1 million | Subscriber aggregation and termination capacity |
| > 2 Tbps | Provisioned 3rd party capacity to business customers |




[1] Combination of owned, indefeasible right to use and leased fibre.

# Financial Performance.

1H24

# Positive momentum across key financial metrics.

| A$'m | 1H 23 | 1H 24 | Change | Change % |
|---|---|---|---|---|
| Revenue and other income | 148.9 | 197.6 | +48.7 | +32.7% |
| Gross Margin | 49.5 | 68.7 | +19.2 | +38.9% |
| Operating Expenses[1] | 38.0 | 46.2 | (8.2) | +21.7% |
| Underlying EBITDA[2] | 12.6 | 23.0 | +10.5 | +83.3% |
| Statutory EBITDA | 10.0 | 16.5 | +6.5 | +64.4% |
| NPATA[3] | (8.3) | 1.2 | +9.5 | +114.8% |
| Net Profit/(Loss) After Income Tax | (21.7) | (18.7) | +3.0 | +13.7% |
| Free cash flow[4] | 3.4 | 12.5 | +9.1 | +268.7% |

[1] Operating Expenses excludes non-recurring transaction costs, restructuring costs, share based payments and expensing of VostroNet acquisition costs.

[2] Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction costs, restructuring costs, share based payments, expensing of VostroNet acquisition costs and gain on remeasurement of contingent consideration. Refer appendices for further details.

[3] NPATA is defined as Net Profit After Tax adjusted for the non-cash amortisation of acquired intangibles assets (including the non-cash expense related to the VostroNet acquisition consideration) and impairment. Refer appendices for further details.

[4] Free Cash Flow has been derived as the operating cash flow less investing cash flow adjusted for acquisition and disposals.

[5] Opex/Revenue is calculated by dividing Operating Expenses (ex Doubtful Debts and Marketing Expenses) by Revenue and Other Income.

**Revenue and other income**
grew across all three segments; up $48.7m (+32.7%)

**Gross Margin** increased by $19.2m through higher revenue and continued GM% expansion (increase from 33.5% to 35.3%)

**Operating Expenses[1]**
increased 21.7%, including a 31.4% increase in marketing investment. Opex/Revenue[5] decreased from 21.0% to 18.2%

**Underlying EBITDA[2]**
grew 83.3% to $23.0m

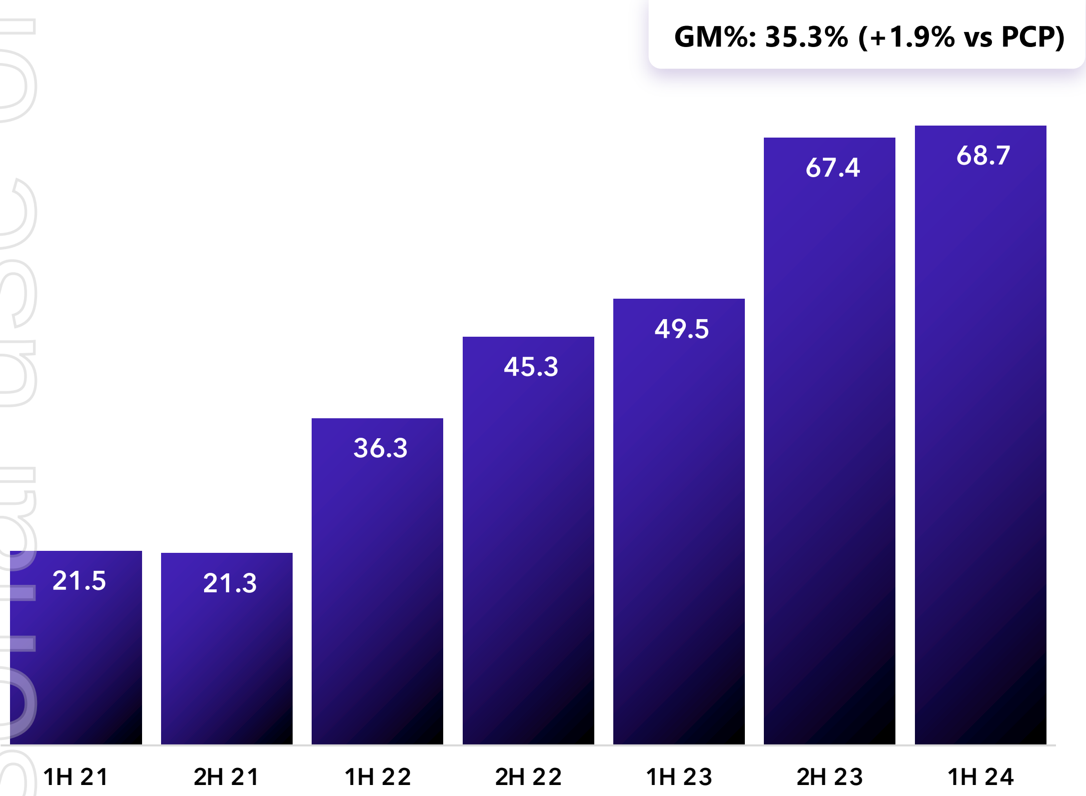
**NPATA**
increased $9.5m to $1.2m

**Free cash flow[4]**
increase of $9.1m to $12.5m

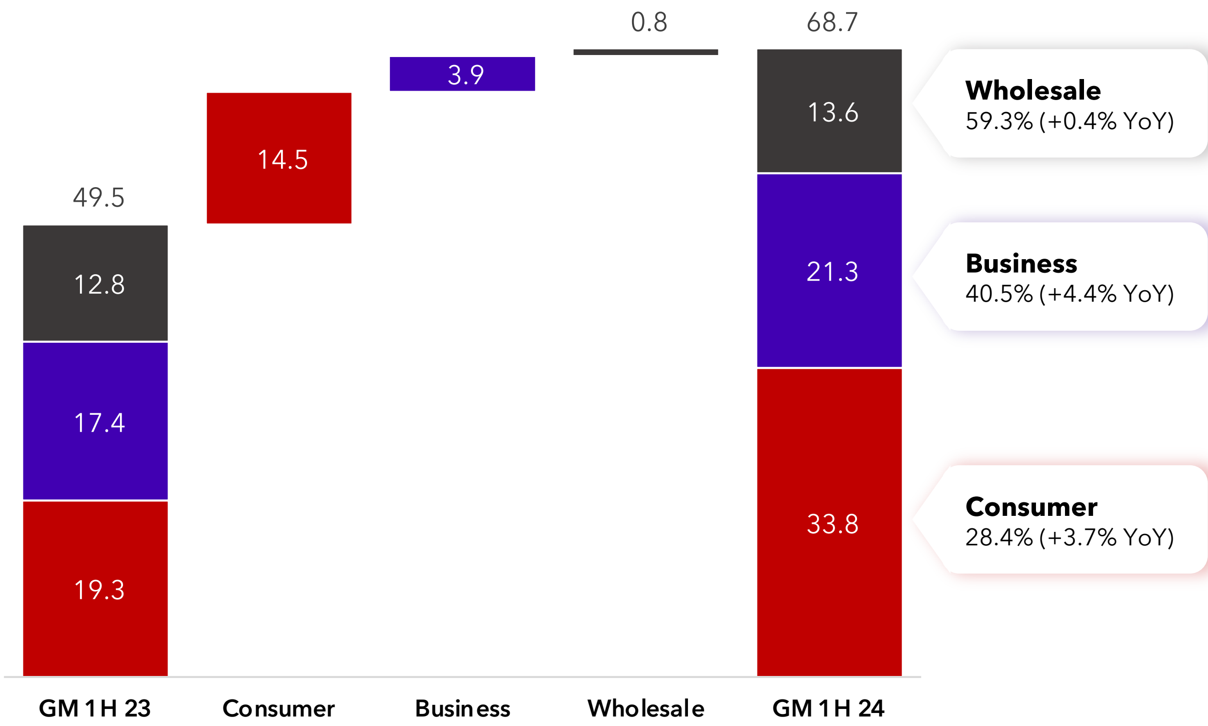
# Operating leverage evident as Group gross margin % expands.

Gross margin growth across all segments

## Gross Margin (A$'m)



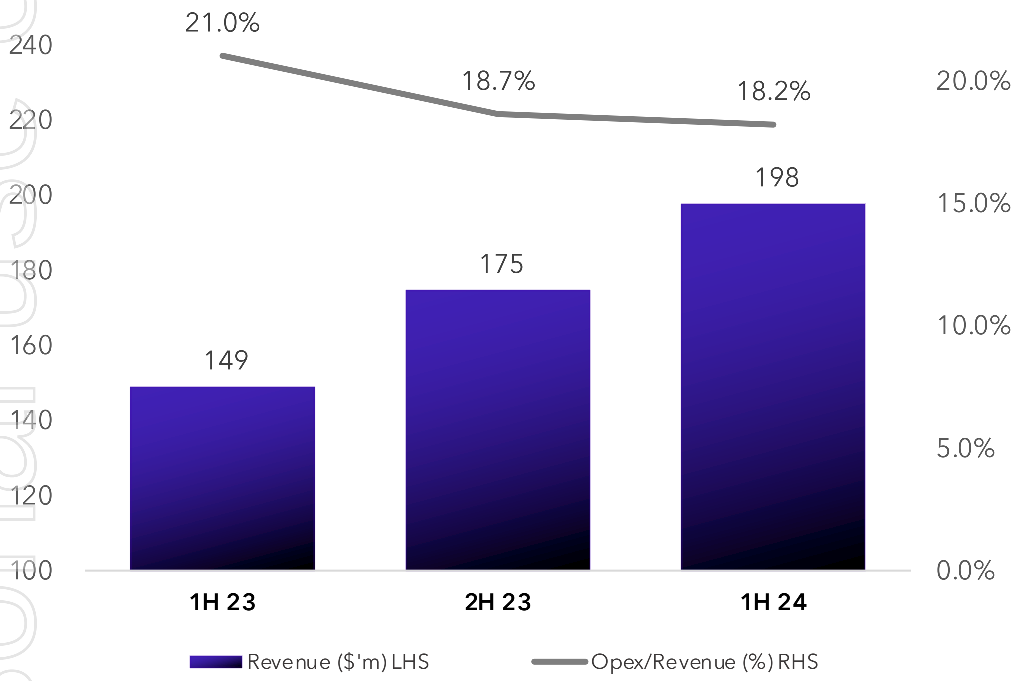

## Gross Margin Bridge (A$'m)



# Efficient cost structure delivering operating leverage.

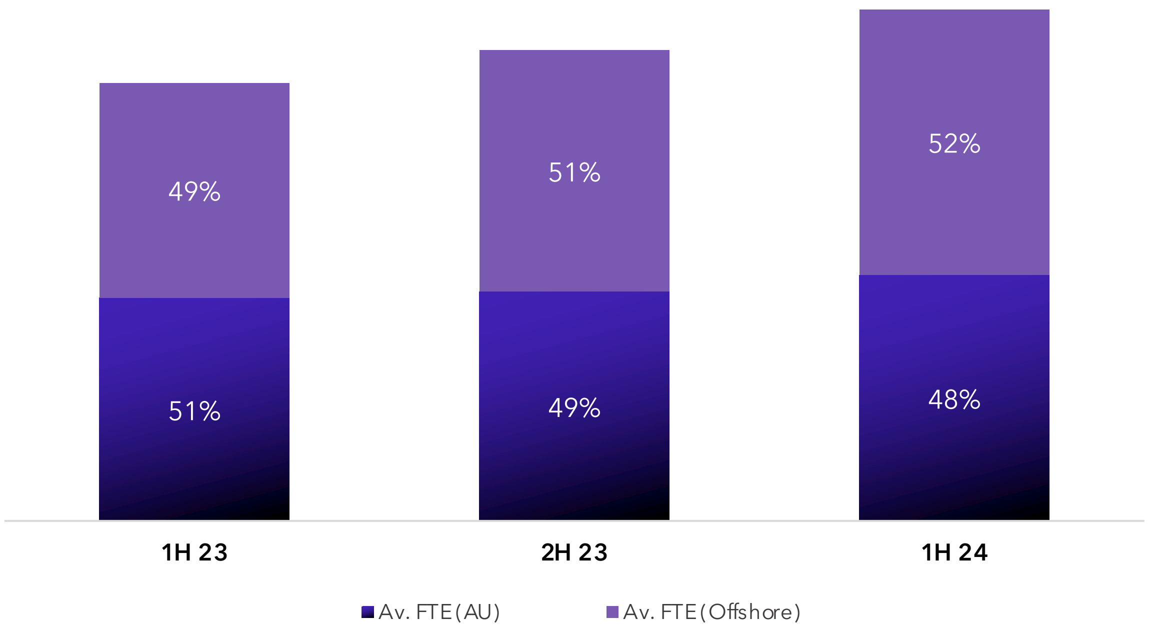
Scaling revenues across our network and utilising our offshore capabilities

## Opex/Revenue[1]




## FTE by Location

**1H24 vs 1H23: 2% reduction in $/FTE**

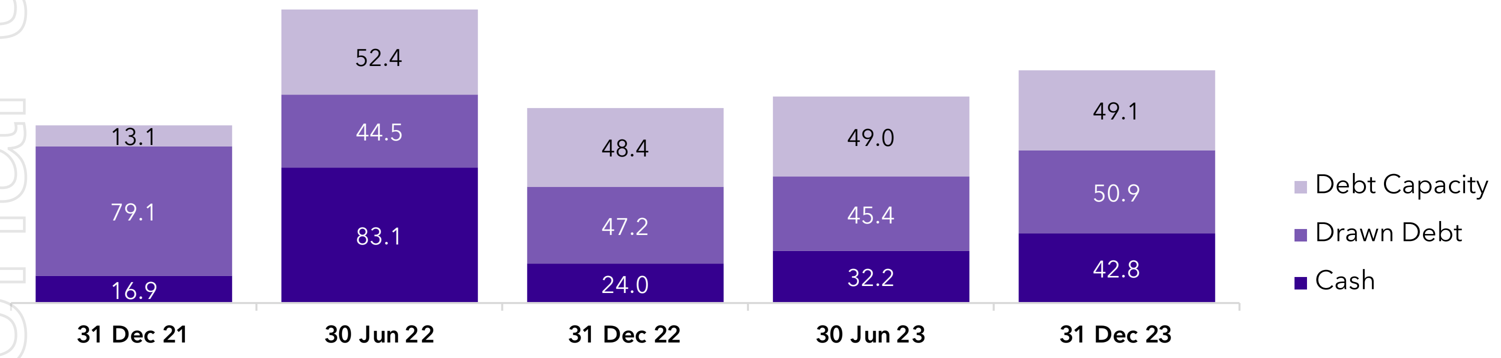



[1] Opex/Revenue calculated by dividing Operating Expenses (ex-Doubtful Debts and Marketing Expenses) by Revenue and Other Income.

# Cash flow and Liquidity.

| Cash Flow A$'000 | 1H 22 | 2H 22 | 1H 23 | 2H 23 | 1H 24 |
|---|---|---|---|---|---|
| Cash inflow / (outflow) from operating activities | (2,748) | (8,724) | 10,667 | 32,530 | 23,684 |
| Cash inflow / (outflow) from investing activities | (103,949) | 111,339 | (61,318) | (16,113) | (11,222) |
| Cash inflow / (outflow) from financing activities | 34,459 | (38,442) | (9,915) | (8,461) | (1,733) |
| Foreign Exchange Movements in Cash | 261 | 1,213 | 1,478 | 152 | (102) |
| **Net movement in Cash** | **(71,977)** | **65,386** | **(59,088)** | **8,108** | **10,627** |
| **Closing Cash** | **17,747** | **83,133** | **24,045** | **32,153** | **42,780** |
| **Free Cash Flow[1]** | **(6,914)** | **(11,002)** | **3,395** | **19,796** | **12,517** |

**Capital and Funding[2] (A$M)**




[1] Free Cash Flow has been derived as the operating cash flow less investing cash flow adjusted for acquisition and disposals.
[2] Drawn Debt includes bank guarantees.
[3] Conversion is calculated by dividing operating cash flow by Underlying EBITDA.
[4] Indicative ratios based on financials to 31 December 2023.

**Operating cash flow** of $23.7m, representing 102.9% conversion[3]

**Free cash flow[1]** of $12.5m

## Key Debt metrics:

**Indicative Net Leverage Ratio[4]** of 0.2x

**Indicative Interest Cover Ratio[4]** of 6.4x

# Segment Update.

1H24

# Record growth in Consumer segment.

34,100 net new subscribers and revenue growth of $41m (+52.6%)

## Revenue

Increased by 52.6% to $118.9m, driven by record nbn organic net adds and strong momentum in higher speed plans.

## Gross Margin

Gross margin of $33.8m (+75.3%). GM% of 28.4% (exceeding mid-term target of 25%) representing an increase of 3.7% on 1H23.

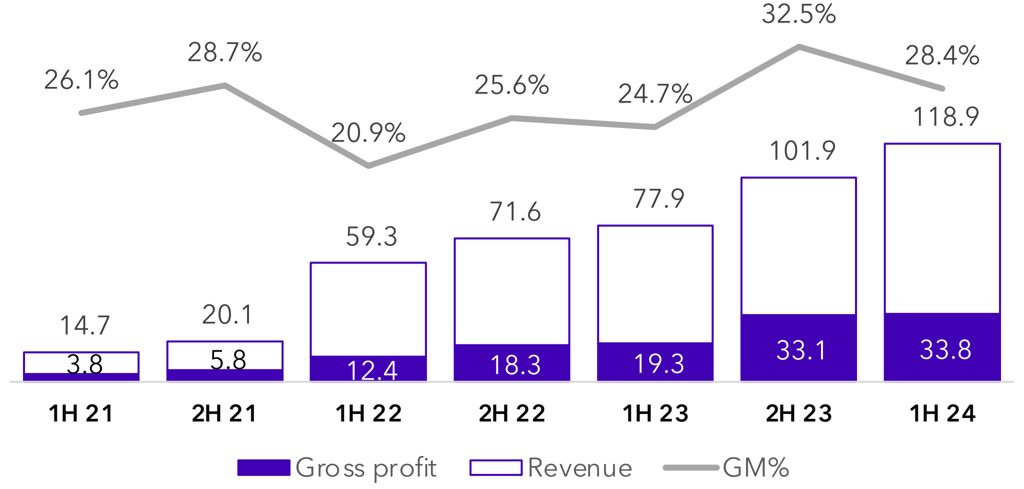
Cost to serve improved in 1H24 in comparison to 2H23 with consolidation of support centres, launch of digital support and adoption of digital self-support portals.

## Trading Update

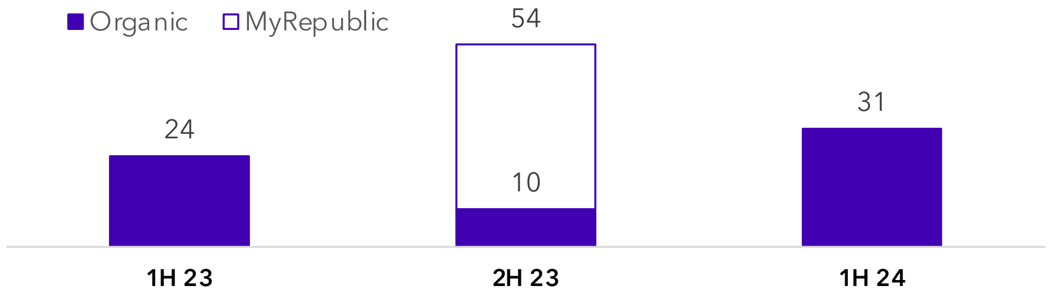
**nbn Consumer subscribers**

- 1H24 consumer nbn subscribers of 31k.
- Superloop share of new nbn orders in 1H24 of 7.9%, helping drive overall market share up from 3.1% at June 2023 to 3.5% today.
- Cost per new nbn acquisition tracking favourably.

**Consumer Revenue and Gross Margin (A$'m)**




**Net nbn Consumer Adds by Half ('000)**

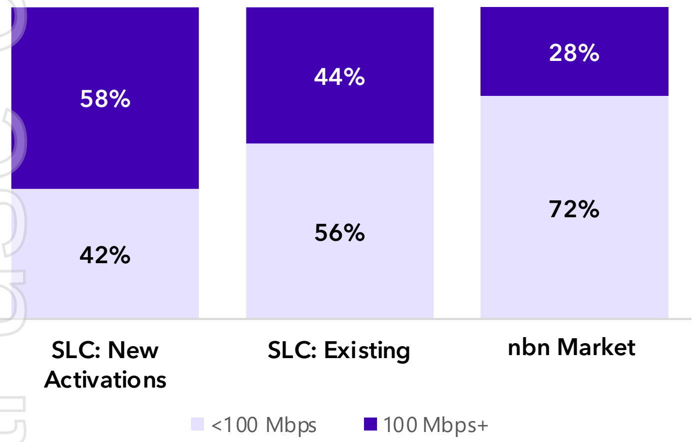


# Successful Consumer segment marketing strategy.

Delivering volume growth, higher value plans and lower acquisition costs

## Capturing large share of high-speed plans, increasing ARPU and gross margin $ per user

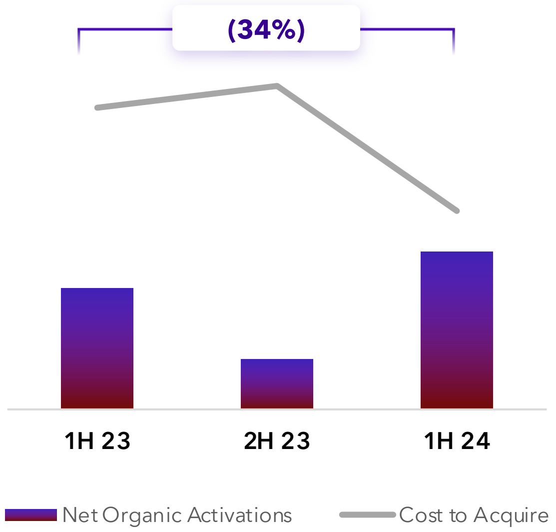
**Plan Speed: 1H24 vs Base vs nbn Market**




58% of new activations on 100 Mbps or higher plans in 1H24. Significantly above Superloop existing profile (44%) and broader nbn Market (28%).
Higher speed plans driving improved revenue and gross margin per user.

## Marketing investment delivering volume growth & improving cost to acquire efficiency

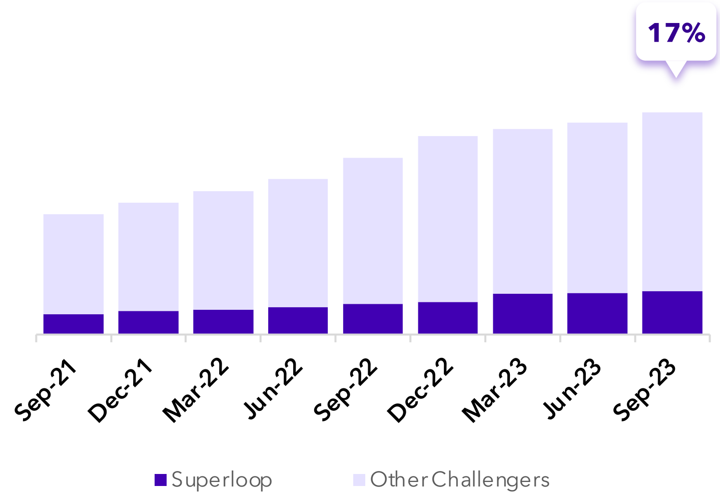
**New Activation Cost to Acquire**




Significant reductions in cost to acquire, down 34% v PCP.

## Challengers continue to take market share

**Challenger Market share**




Challenger share of nbn market continues to increase, providing tailwinds across the business. Superloop positioned to benefit both directly through Consumer growth and indirectly through the provision of Wholesale services to other Challenger brands.

# Achieved Business segment 40% gross margin aspiration.

Consistent revenue and margin growth

### Revenue

Increased by 9.2%, driven by increased nbn connections and strong growth in Large Corporate.

### Gross Margin

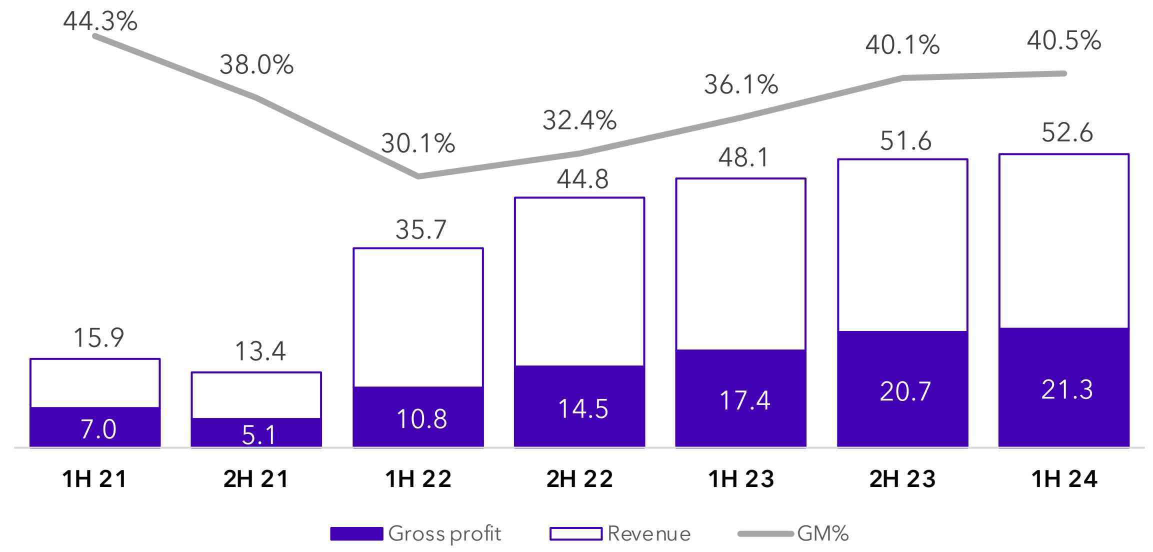
Consistent margin expansion and achieved mid-term ambition of 40% over last two reporting periods.

### Trading Update

Growth in new network & security sales is driving increase revenues from Large Corporate segment which yields highest gross margin.

Capturing market opportunity in **Build to Rent**, with strategic wins establishing Superloop as the leading provider in the market.  Successfully leveraging VostroNet acquisition as reflected in large wins with Australia's leading property developers.

**Business Revenue and Gross Margin (A$'m)**




**GM% by Segment**

**Small** 31.2% | **Medium** 34.9% | **Large** 47.1%

**New Customers**
Build to Rent/FTTP

mirvac · LIV · Commercial & General · AZURE · investa · essence COMMUNITIES

**New Customers**
Large Corporate

RICHARD CROOKES CONSTRUCTIONS · Alibaba.com · CSE

# Record $9.1m new sales in Wholesale segment.

Supporting future growth in Revenue and Gross Margin

## Revenue

Record sales half with $9.1m in annualised revenue in new orders.

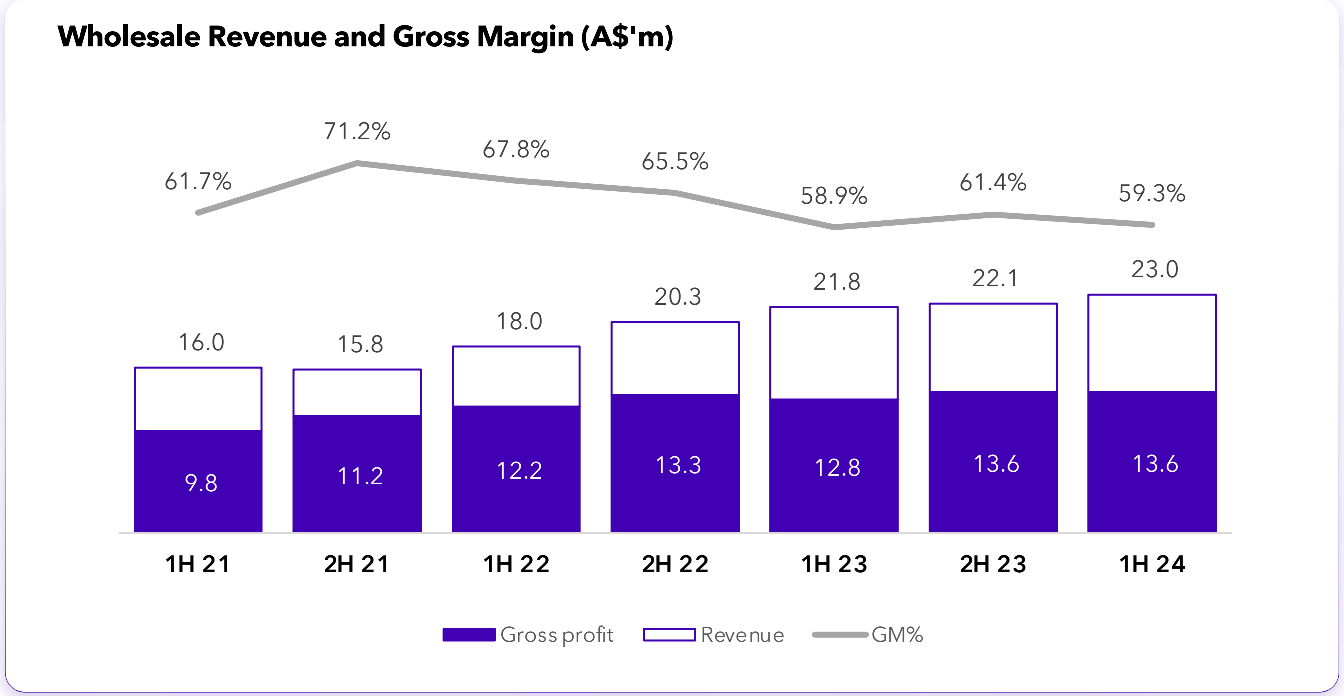
Revenue increased by 5.3%, driven by increased connections on Superloop Connect nbn platform and increased volumes of backhaul and internet traffic.

## Gross Margin

Consistent margin over last 3 reporting periods, with average of 60% margin.

## Trading Update

- AGL contract largest in Superloop history, positioning wholesale segment for strong growth in FY25. Expected Total Contract Value $31m over 5 years. Transition of services expected to be fully completed in 2H24 with full-year of revenue in FY25.
- Significant Launtel win, with 3-year contract for the provision of backhaul and internet transit.
- The record new orders result of $9.1m in annualised revenue supports significant growth in FY25.



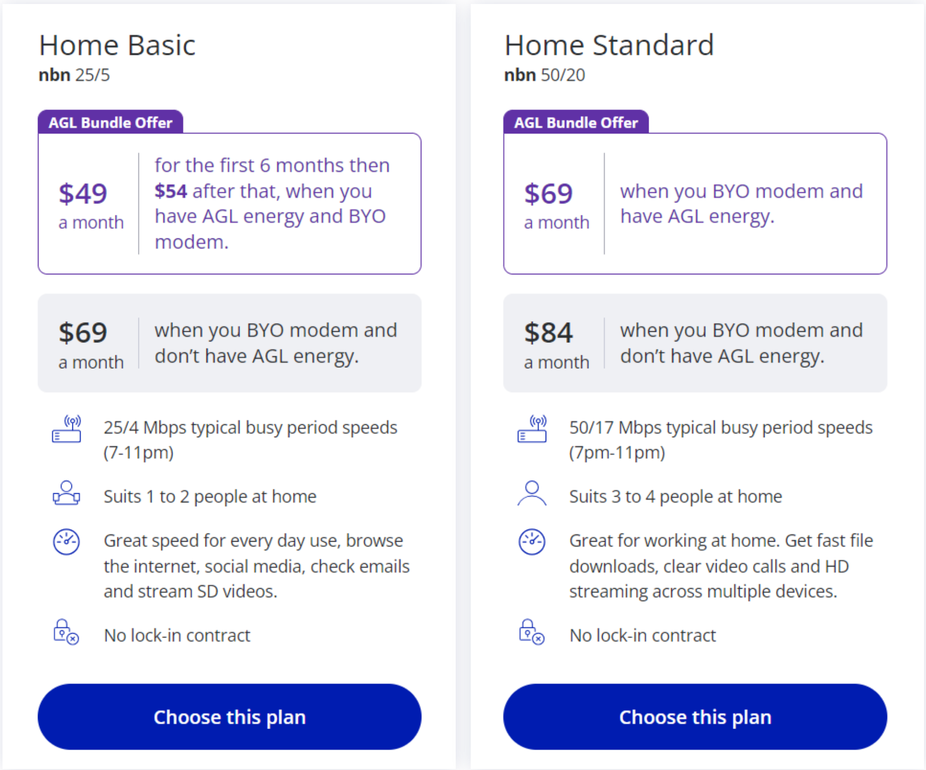

**Key Wins**

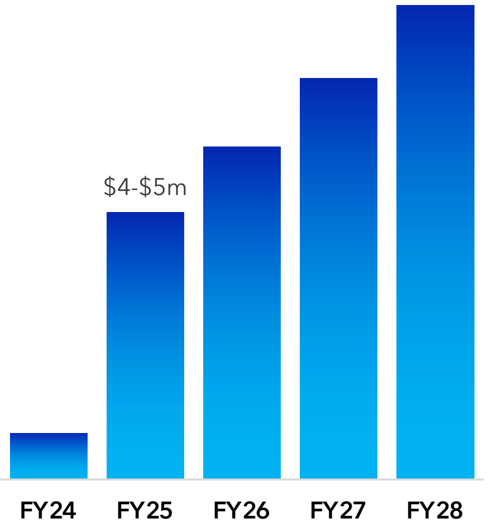
# Largest ever wholesale customer contract: AGL.

Deal worth $31 million over 5-year term

## Landmark AGL win

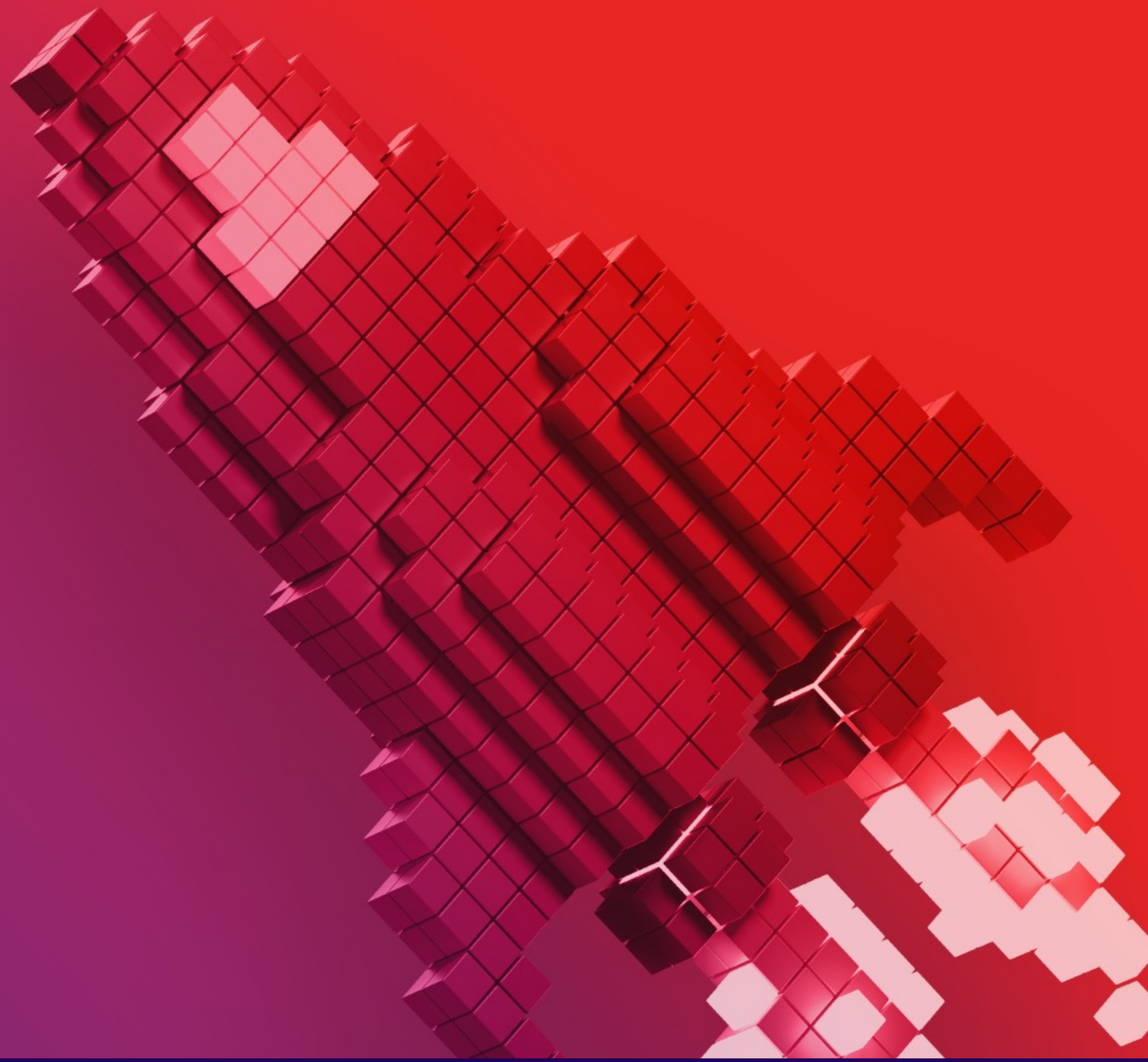
- Superloop signed contract with AGL for recently launched 'Hosted Backhaul' solution, worth at least $31m over the 5 year term.
- Contract supports the fixed broadband needs of AGL's overall 318,000[1] Telecommunications customers.
- The solution leverages Superloop's substantial network capacity and diverse connections to datacentres and nbn Points of Interconnect.
- Estimated to contribute $4-$5m revenue in FY25, expected to increase with volume growth over the term. Utilises existing capacity which significantly reduces the additional capex or opex investment required to deliver.
- Supports significant growth in Wholesale segment revenue from FY25 onwards.




[1] Per AGL Energy Limited Half-year Report for half-year ended 31 December 2023.

# FY24 Outlook.



# Positive Outlook for FY24.

Strong trading in 1H24 with guidance unchanged

## YTD Trading

- Superloop has accelerated in 1H24, with record organic revenue growth and record subscribers added.
- Consumer broadband services have increased to over 290k. January 2024 trading performance has continued strongly with 9k net additions in the month.
- Pipeline of opportunities is strong across both Wholesale and Business segments. The new nbn pricing changes have created opportunities in the Wholesale market for Superloop, as evidenced through the landmark AGL deal.
- Expectations are that positive trading conditions will continue in 2H24.

## FY24 Guidance

- Affirming Underlying EBITDA[1] range of $49-$53m (31%-42% increase on FY23).
- Capex range remains $20-$22m.
- Group is focused on maintaining strong organic growth and continues to take an active but disciplined approach to exploring M&A opportunities.

[1] Underlying EBITDA is calculated as Statutory EBITDA adjusted for non-recurring transaction costs, restructuring costs, share based payments, expensing of VostroNet acquisition costs and gain on remeasurement of contingent consideration. Refer appendices for further details.

# Appendices.

# Group Income Statement.

| A$'000 | 1H 23 | | | | 1H 24 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Consumer** | **Business** | **Wholesale** | **TOTAL** | **Consumer** | **Business** | **Wholesale** | **TOTAL** |
| Revenue | 77,907 | 48,149 | 21,801 | 147,857 | 118,868 | 52,596 | 22,965 | 194,429 |
| Cost of Goods Sold | (58,632) | (30,783) | (8,963) | (98,378) | (85,073) | (31,305) | (9,348) | (125,726) |
| **GROSS MARGIN** | **19,275** | **17,366** | **12,838** | **49,479** | **33,795** | **21,291** | **13,617** | **68,703** |
| Other Income | | | | 1,063 | | | | 532 |
| Operating Expenses | | | | (37,989) | | | | (46,228) |
| **UNDERLYING EBITDA** | | | | **12,553** | | | | **23,007** |
| Transaction and Rebranding Costs[1] | | | | (2,326) | | | | (1,840) |
| Employee Share Based Payments | | | | (180) | | | | (1,000) |
| Expensing of VostroNet Acquisition Costs (under AASB 3)[2] | | | | - | | | | (5,581) |
| Restructuring Costs[3] | | | | - | | | | (716) |
| Gain on remeasurement of contingent consideration[4] | | | | - | | | | 2,641 |
| **STATUTORY EBITDA** | | | | **10,047** | | | | **16,511** |
| Depreciation & Amortisation | | | | (29,930) | | | | (35,513) |
| Impairment of Assets | | | | (1,833) | | | | - |
| Net Interest Expense | | | | (1,826) | | | | (3,362) |
| Foreign Exchange Gains/(Losses) | | | | 2,218 | | | | (85) |
| **NET PROFIT/(LOSS) BEFORE INCOME TAX** | | | | **(21,324)** | | | | **(22,449)** |
| Income Tax (Expense)/Benefit | | | | (337) | | | | 3,748 |
| **NET PROFIT/(LOSS) AFTER INCOME TAX** | | | | **(21,661)** | | | | **(18,701)** |

[1] Transaction and Rebranding costs predominantly relate to the Symbio transaction.
[2] Expensing of VostroNet Acquisition Costs (under AASB 3) represent purchase price consideration treated as employee remuneration and comprise share-based consideration of $2.6m (2H23: $3.5m) and contingent consideration of $3.0m (2H23:$3.9m).
[3] Restructuring Costs relate to one-off redundancy costs associated with operational efficiency programme.
[4] Gain on remeasurement of contingent consideration relates to the Acurus earn-out. It is included in Other Income in the Financial Statements.

# Half Year Gross Margin – Segment Breakdown.

| A$'000 | 1H 21 | 2H 21 | 1H 22 | 2H 22 | 1H 23 | 2H 23 | 1H 24 |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| Consumer | 14,678 | 20,144 | 59,309 | 71,575 | 77,907 | 101,924 | 118,868 |
| Business | 15,900 | 13,433 | 35,734 | 44,788 | 48,149 | 51,631 | 52,596 |
| Wholesale | 15,954 | 15,773 | 17,996 | 20,329 | 21,801 | 22,110 | 22,965 |
| Discontinued | 6,733 | 8,109 | 6,788 | 5,968 | - | - | - |
| **TOTAL REVENUE** | **53,265** | **57,459** | **119,827** | **142,659** | **147,857** | **175,665** | **194,429** |
| **Cost of Goods Sold** | | | | | | | |
| Consumer | (10,853) | (14,356) | (46,886) | (53,268) | (58,632) | (68,784) | (85,073) |
| Business | (8,861) | (8,322) | (24,970) | (30,261) | (30,783) | (30,951) | (31,305) |
| Wholesale[1] | (6,110) | (4,537) | (5,792) | (7,014) | (8,963) | (8,542) | (9,348) |
| Discontinued | (2,826) | (2,621) | (2,586) | (1,980) | - | - | - |
| **TOTAL COST OF GOODS SOLD** | **(28,650)** | **(29,836)** | **(80,234)** | **(92,523)** | **(98,378)** | **(108,277)** | **(125,726)** |
| **Gross Margin** | | | | | | | |
| Consumer | 3,825 | 5,788 | 12,423 | 18,307 | 19,275 | 33,140 | 33,795 |
| Business | 7,039 | 5,111 | 10,764 | 14,527 | 17,366 | 20,680 | 21,291 |
| Wholesale[1] | 9,844 | 11,236 | 12,204 | 13,315 | 12,838 | 13,568 | 13,617 |
| Discontinued | 3,906 | 5,488 | 4,202 | 3.988 | - | - | - |
| **TOTAL GROSS MARGIN** | **24,614** | **27,623** | **39,594** | **50,136** | **49,479** | **67,388** | **68,703** |

[1] Wholesale Gross Margin for 1H 22 was been adjusted lower by $882k reflecting the misallocation of costs between continuing and discontinued operations in that period. Wholesale Gross Margin for 1H 21 was been adjusted lower by $836k reflecting the misallocation of costs between continuing and discontinued operations in that period.

# Operating Expenses.

Operating expenses growth rate below revenue growth

| A$'000 | 1H 23 | 1H 24 | % Change |
|---|---|---|---|
| Employee Expenses | 23,652 | 27,017 | 14.2% |
| Professional fees | 1,202 | 1,496 | 24.5% |
| Board Costs | 639 | 396 | (38.0%) |
| Travel & Communications | 938 | 992 | 5.7% |
| Office Administration Costs | 4,879 | 6,086 | 24.7% |
| Doubtful Debts | (338) | 1,020 | (401.8%) |
| **NON-MARKETING OPERATING EXPENSES** | **30,972** | **37,007** | **19.5%** |
| Marketing Costs | 7,017 | 9,221 | 31.4% |
| **OPERATING EXPENSES** | **37,989** | **46,228** | **21.7%** |

- **Employee expenses** increase of 14.2%, while employee expense as % of revenue has declined from 15.9% to 13.8%. Increase includes:
  - 17% increase in FTEs, primarily in Sales, Marketing and Consumer support
  - ~5% salary increase
  - 2% reduction in employment expenses per FTE[1] due to the change in mix towards offshore resources to support the Consumer base
- **Office administration costs:** increase driven by the inclusion of a full half of VostroNet results in 1H24
- **Marketing Expenses:** Marketing as a percentage of total revenue has been maintained at 4.7%, supporting continued growth across the business

[1] Employee Expenses / FTE calculated by dividing Employee Expenses by Average FTE for the period.

# Adjusting for Non-Cash Intangible Amortisation (NPATA).

| A$'m | 1H 22 | 2H 22 | 1H 23 | 2H 23 | 1H 24 |
|---|---|---|---|---|---|
| **STATUTORY EBITDA** | **3.2** | **9.5** | **10.0** | **15.7** | **16.5** |
| *Depreciation & Amortisation* | | | | | |
| Depreciation | (10.6) | (11.1) | (11.7) | (12.1) | (12.2) |
| Amortisation | (3.0) | (3.1) | (6.7) | (8.9) | (9.0) |
| Amortisation of Acquired Intangible Assets | (8.1) | (8.6) | (11.5) | (18.1) | (14.4) |
| Impairment of Assets | - | (25.1) | (1.8) | (0.6) | - |
| Net Interest Expense | (2.0) | (2.0) | (1.8) | (3.4) | (3.4) |
| Foreign Exchange Gains/(Losses) | (0.3) | (0.3) | 2.2 | (1.4) | (0.1) |
| **NET PROFIT/(LOSS) BEFORE INCOME TAX** | **(20.8)** | **(40.6)** | **(21.3)** | **(28.8)** | **(22.4)** |
| Income Tax (Expense)/Benefit | - | (0.1) | (0.3) | 7.4 | 3.7 |
| **NET PROFIT/(LOSS) AFTER INCOME TAX** | **(20.8)** | **(40.7)** | **(21.7)** | **(21.4)** | **(18.7)** |
| *Add Back Non-Cash Amortisation/Impairment* | | | | | |
| Amortisation of Acquired Intangible Assets | 8.1 | 8.6 | 11.5 | 18.1 | 14.4 |
| Expensing of VostroNet Acquisition Costs (under AASB 3) | - | - | - | 7.4 | 5.6 |
| Impairment of Assets | - | 25.1 | 1.8 | 0.6 | - |
| **NPATA** | **(12.7)** | **(7.0)** | **(8.3)** | **4.7** | **1.2** |

# Balance Sheet.

| A$'m | 30 Jun 23 | 31 Dec 23 |
|---|---|---|
| Cash & Cash Equivalents | 32.2 | 42.8 |
| Current Assets | 34.5 | 39.7 |
| Property, Plant & Equipment | 126.7 | 124.3 |
| Rights and Licences | 70.7 | 67.1 |
| Other Intangible Assets | 87.5 | 75.8 |
| Goodwill From Acquisitions | 166.8 | 166.8 |
| Non-Current Assets | 7.6 | 11.2 |
| **TOTAL ASSETS** | **525.9** | **527.7** |
| | | |
| Interest Bearing Loans & Borrowings (Current) | (46.5) | (3.9) |
| Other Current Liabilities | (76.1) | (93.1) |
| Interest Bearing Loans & Borrowings (Non-Current) | (10.3) | (57.5) |
| Other Non-Current Liabilities | (26.6) | (23.2) |
| **TOTAL LIABILITIES** | **(159.5)** | **(177.7)** |
| | | |
| **EQUITY** | **366.4** | **349.9** |

# Customer number definition.

## Consumer

Unique customers on various access technologies such as nbn™, Superloop Fixed Wireless and mobile. A single customer with multiple services (such as broadband, VoiP and mobile) only counts as a single customer.

## Business

Unique end business locations on various access technologies such as Superloop Managed WiFi, Superloop Fibre, Superloop Fixed Wireless, nbn™ and mobile.
A single business location with multiple services (such as broadband, managed services, VoiP and mobile) counts as a single business location. A single business with 5 locations (branches) serviced by Superloop, however, counts as five business locations.

A managed WiFi customer to whom Superloop services 100 uniquely identifiable locations counts as 100 business locations. Covers all business sub-segments including SMB, mid market and enterprise. Business locations serviced via the nbn network as defined by the nbn™ September 2023 report.

A Fibre-to-the-Premises lot is a distinct location in a building with a separate Network Termination Device and Unique Location ID. Active = service provided to lot, Connected = service available at lot, Committed = contracted to connect to lot. Customers includes active lots only.

## Wholesale

Number of customers purchasing telco offerings from Superloop plus unique end customers serviced via Superloop wholesale aggregation and white label products as defined in Consumer and Business above.

## Segment Financials

Total customer numbers above do not fully align with segment revenue and COGS. Specifically, businesses purchasing a residential rather than business plan are reported in the Consumer segment (revenue, margin and customer numbers) rather than the Business segment.

# Thank you.

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