

**THE POWER
OF MORE**

Spirit Telecom Limited (ST1)

Market Update

Released 6th September 2017

Disclaimer

Important Information

The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely on their own examination and consult their own legal, business and/or financial advisers.

This presentation is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any securities in the Company. This presentation has been made available for information purposes only and does not constitute a prospectus, short form prospectus, profile statement or offer information statement. This presentation is not subject to the disclosure requirements affecting disclosure documents under Chapter 6D of the Corporations Act 2001 (Cth). The information in this presentation may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company. The Company does not have a significant operating history on which to base an evaluation of its business and prospects. Therefore, the information contained in this presentation is inherently speculative.

The information contained in this presentation is strictly confidential and you must not disclose it to any other person. While the information contained in this presentation has been prepared in good faith, neither the Company or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of the Company, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

This presentation may contain statements that may be deemed “forward looking statements”. Forward risks, uncertainties and other factors, many of which are outside the control of the Company can cause actual results to differ materially from such statements. Such risks and uncertainties include, but are not limited to, commercialisation, technology, third party service provider reliance, competition and development timeframes; limited operating history and acquisition and retention of customers; reliance on key personnel; maintenance of key business partner relationships; brand establishment and maintenance; the Company's products may contain programming errors, which could harm its brand and operating results; competition; changes in technology; data loss, theft or corruption; security breaches; liquidity and realisation; and additional requirements for capital. The Company makes no undertaking to update or revise such statements, but has made every endeavour to ensure that they are fair and reasonable at the time of making the presentation.

Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made.

Geoff Neate



Managing Director

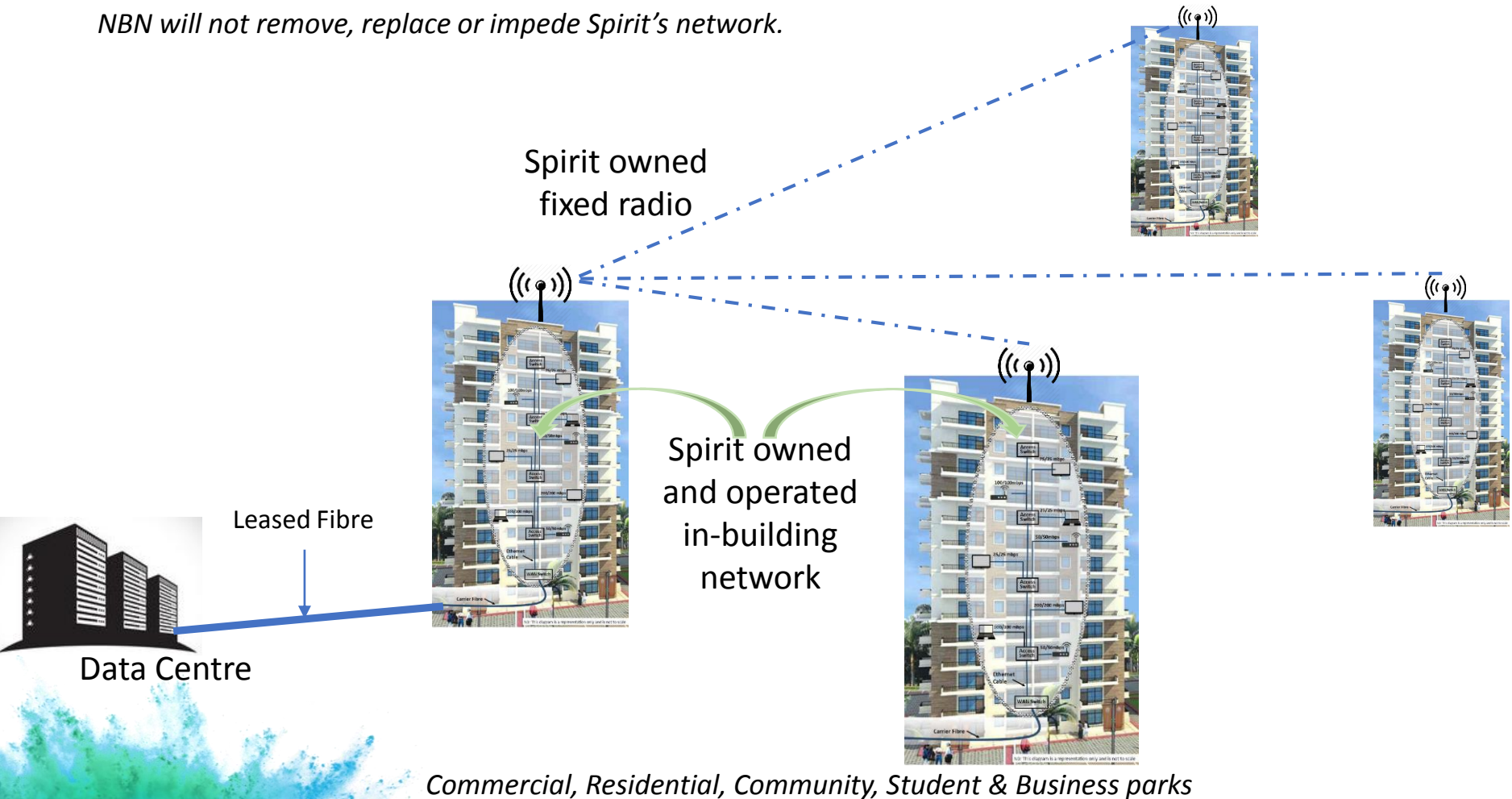
Who is Spirit?

- Spirit Telecom Limited is a modern telecommunications provider of super-fast internet access and telephony services
- A fast growing niche Telecommunications Carrier, supplying fibre based broadband services to multi-dwelling user locations including:
 - residential
 - business
 - student accommodation
 - community housing and
 - business parks
- Recognised as being Australia's fastest overall Internet Service Provider (ISP) ¹.
- Successfully acquired and fully integrated Voxcom (2012), My Telecom (2015) and Phone Name Marketing (2016)

1. PCMag.com

Spirit Business Model: Totally Non-NBN

NBN will not remove, replace or impede Spirit's network.



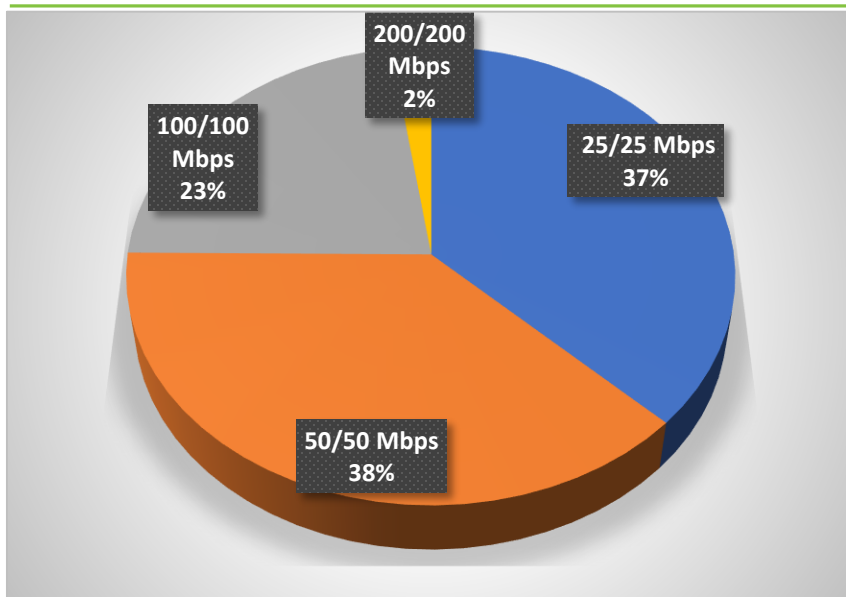
NBN 'versus' Spirit



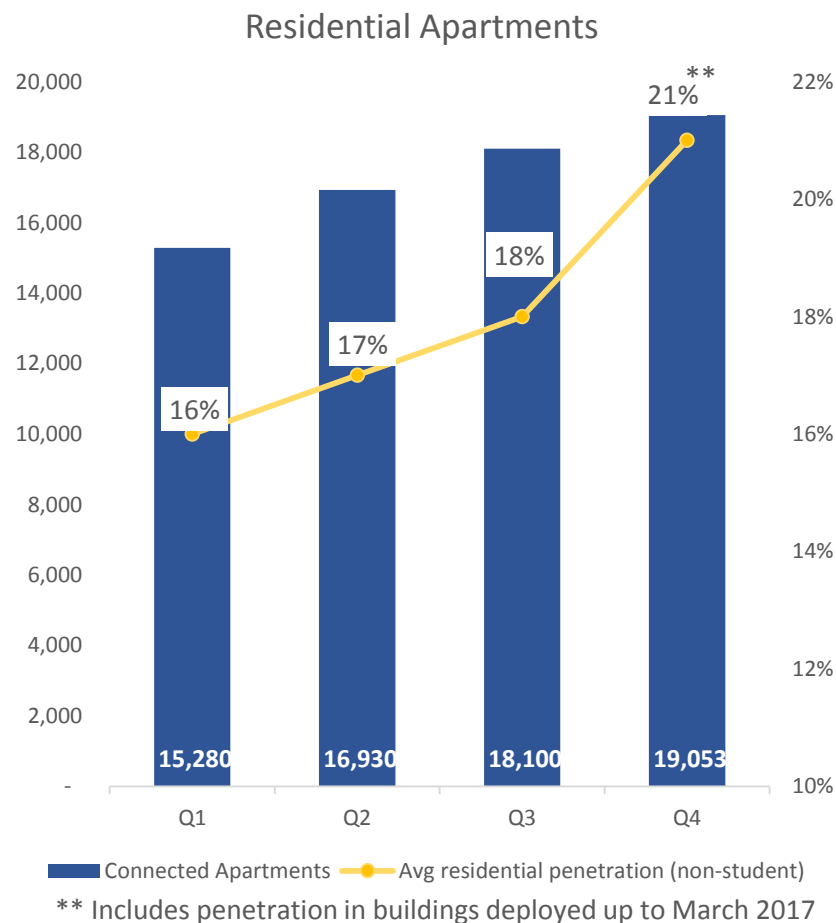
So, a single end user on a 25/5Mbps NBN service requires a \$27 access fee and $(\$15.25 \times 25)$ \$381.25 of CVC, compared to Spirits less than \$10

1. Based on a 25/5 Mbps service

Connected Apartments

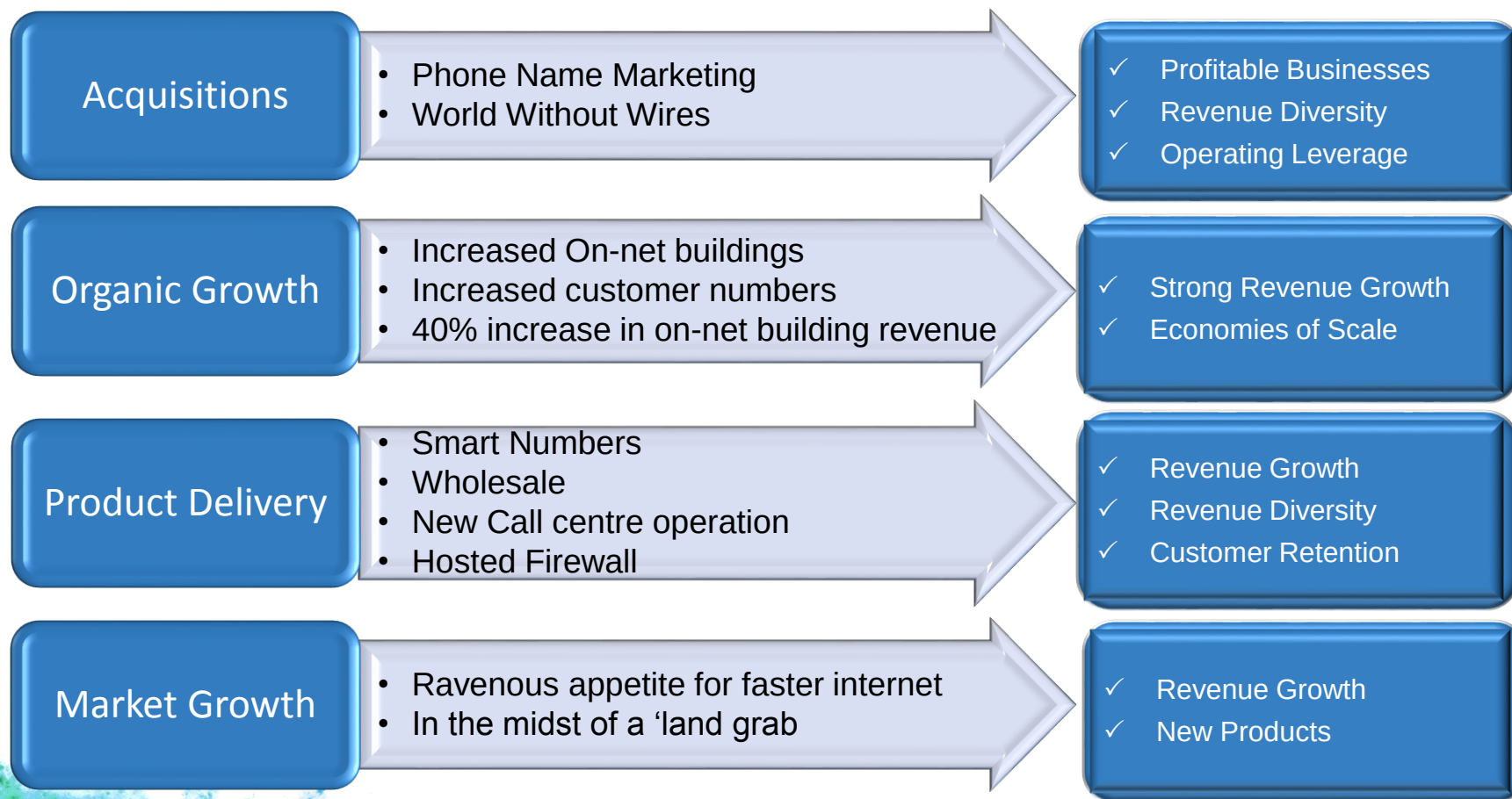


63% of Spirit's residential customers are on Speeds greater than 25Mbps, compared to NBN's 18%¹



1. NBN 3rd Qtr results

Strategy Snapshot



FY17 Highlights

Solid Growth

- Revenue growth of 30%
- Gross Profit growth of 55%
- Underlying EBITDA growth of 106%
- Underlying NPAT growth of 349%

Building Growth

- Number of On-Net buildings grew by 161, to 349
- Number of connected apartments grew to 19,053
- Commercial buildings revenue grew by 78%
- Residential (and other) revenue grew by 26%

Operational Improvements

- Improved Customer experience (CSAT >92%)
- Migrated My Telecom and Phone Names into Spirit

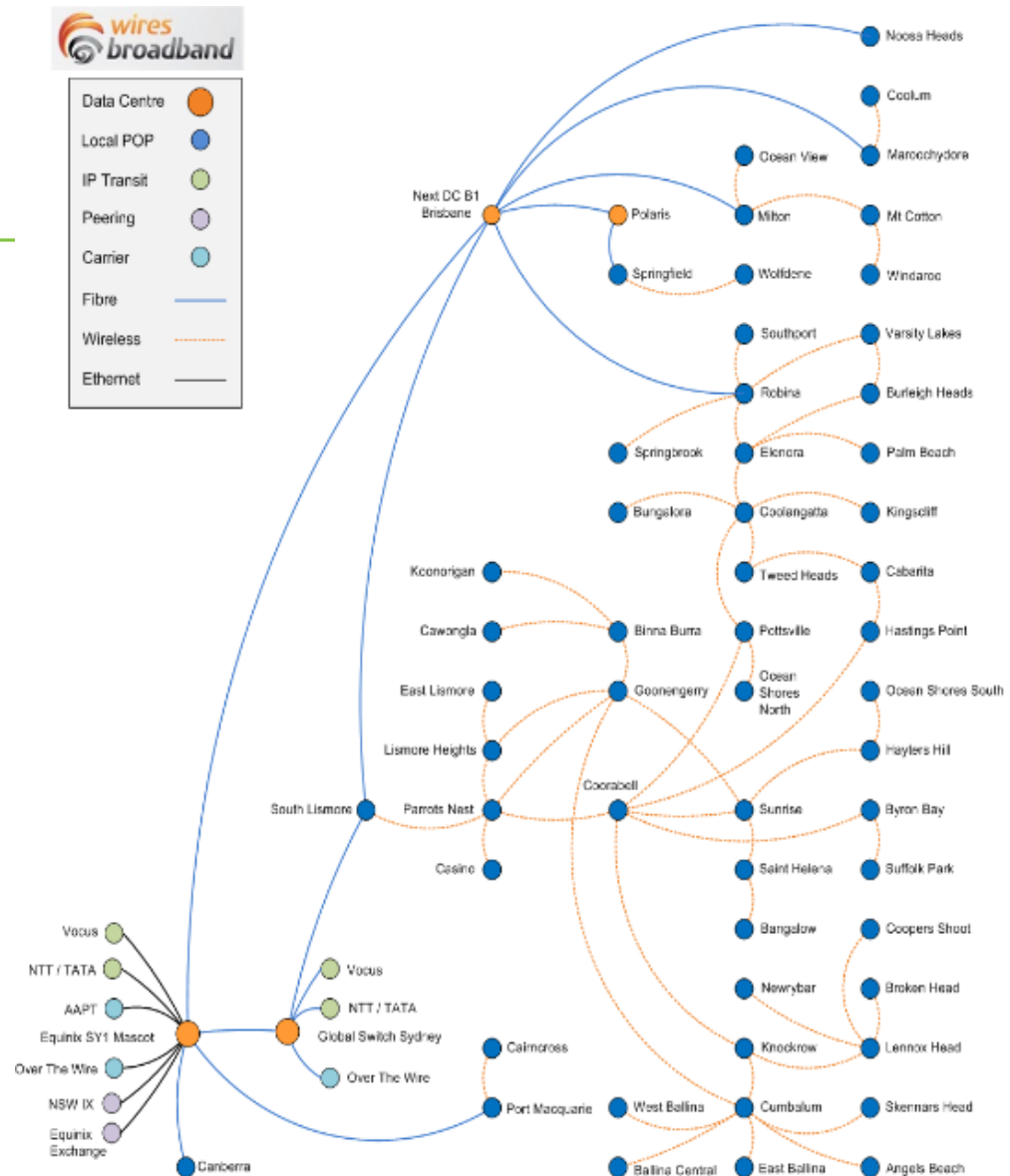
Acquisition

- Completed the acquisition of Phone Name Marketing (Dec)
- All but completed World Without Wires acquisition (effective 1July)
(*Subsequent to reporting date*)

1. On-net buildings are those connected to Spirits network

World Without Wires

- Commenced 2004
 - Office in Burleigh heads
- A licenced carrier delivering 'Fibre-equivalent' internet to underserviced areas, from Sunshine Coast (Qld) to Northern NSW
- 2000+ customers servicing:
 - Residential
 - SME
 - Corporate
- Over 12,000 Km² of coverage
 - Over 80 wireless transmission sites.
- Built for redundancy & reliability
- "We control the contention"



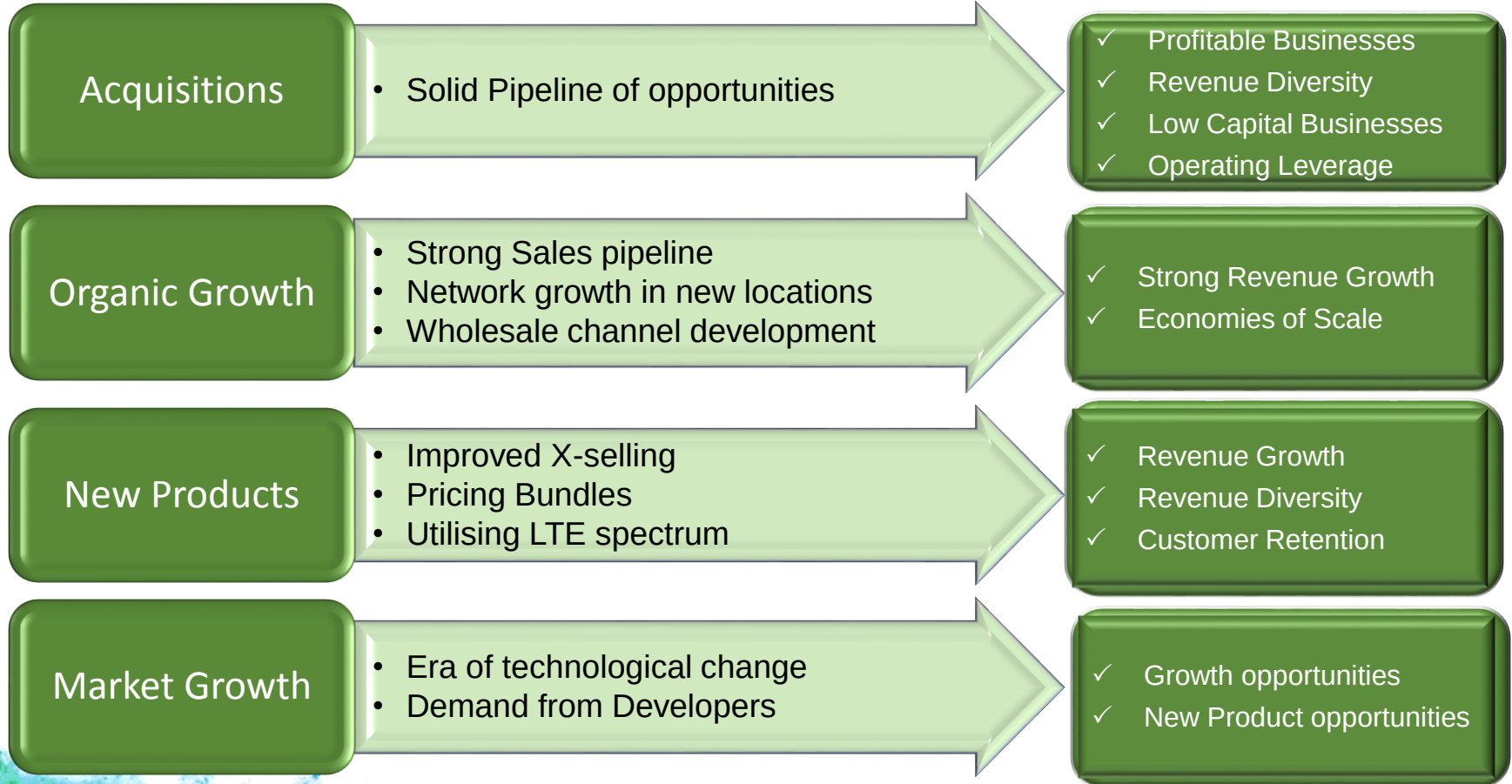
Compelling Acquisition

Highly Earnings Accretive:	Spirit	WWW	Combined	Uplift
Revenue	\$11.45M	\$2.65M	\$14.1M	24%
Gross Profit	\$7.2M	\$1.9M	\$9.1M	64%
EBITDA (underlying)	\$2.1M	\$1.1M	\$3.1M	52%
NPAT (underlying)	\$0.809M	\$0.607M	\$1.4M	75%
EPS Accretion	0.44c	n/a	0.683c	55%

Note: Based on unaudited Financial results for FY17

	Spirit	WWW	Combined
Towers/PoP's	42	80	122
Customers	5508	2205	7713
Business:Resi split (by customer %)	29:71	13:87	23:77
Estimated network coverage	3000km ²	12,000km ²	15,000km ²

Growth opportunities



Donovan Newton



Chief Financial Officer

Financial Performance Summary



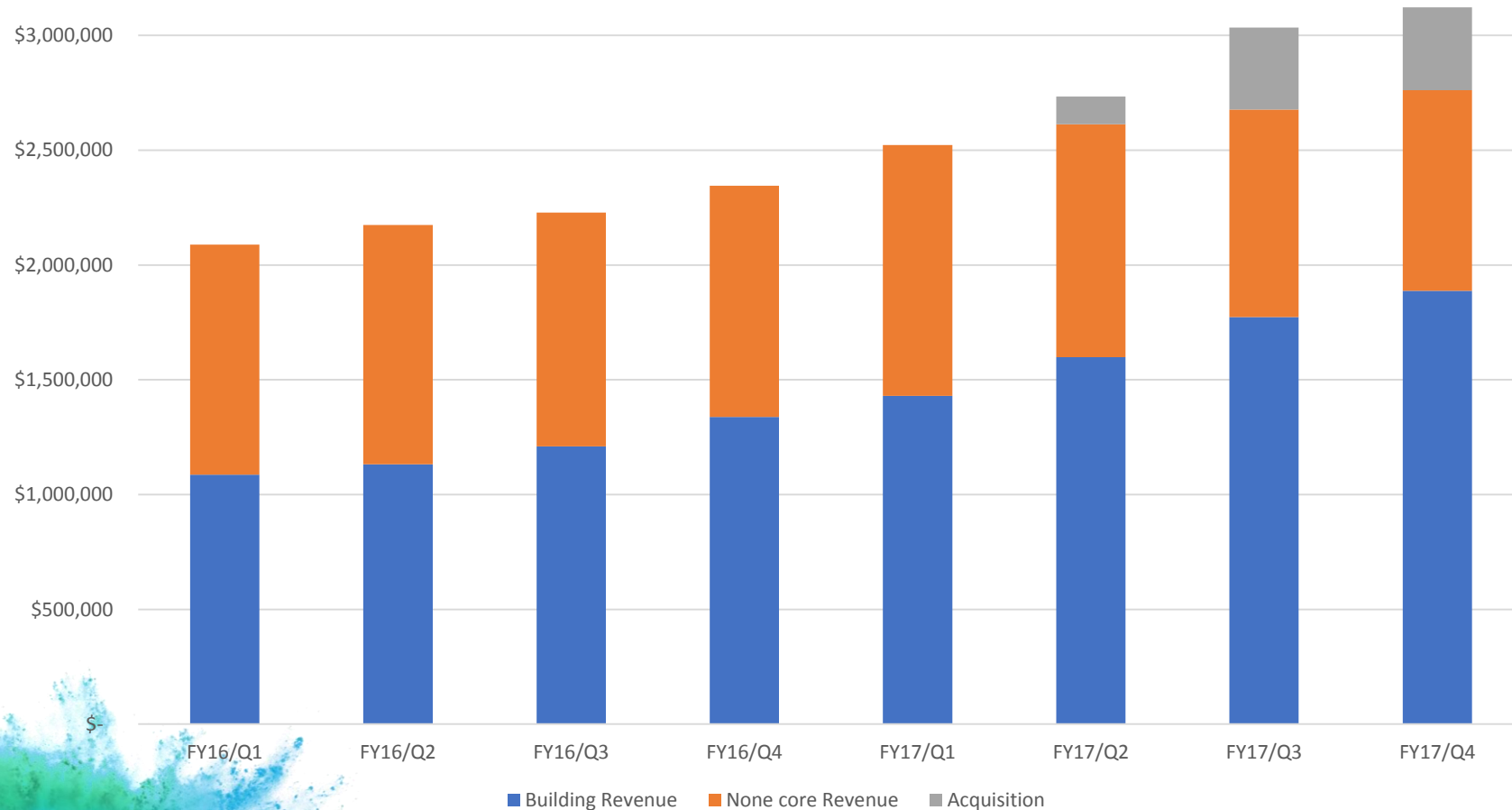
1. Items associated with acquisition activity have been removed

2. Unlisted: Spirit Telecom (Australia) Pty Ltd

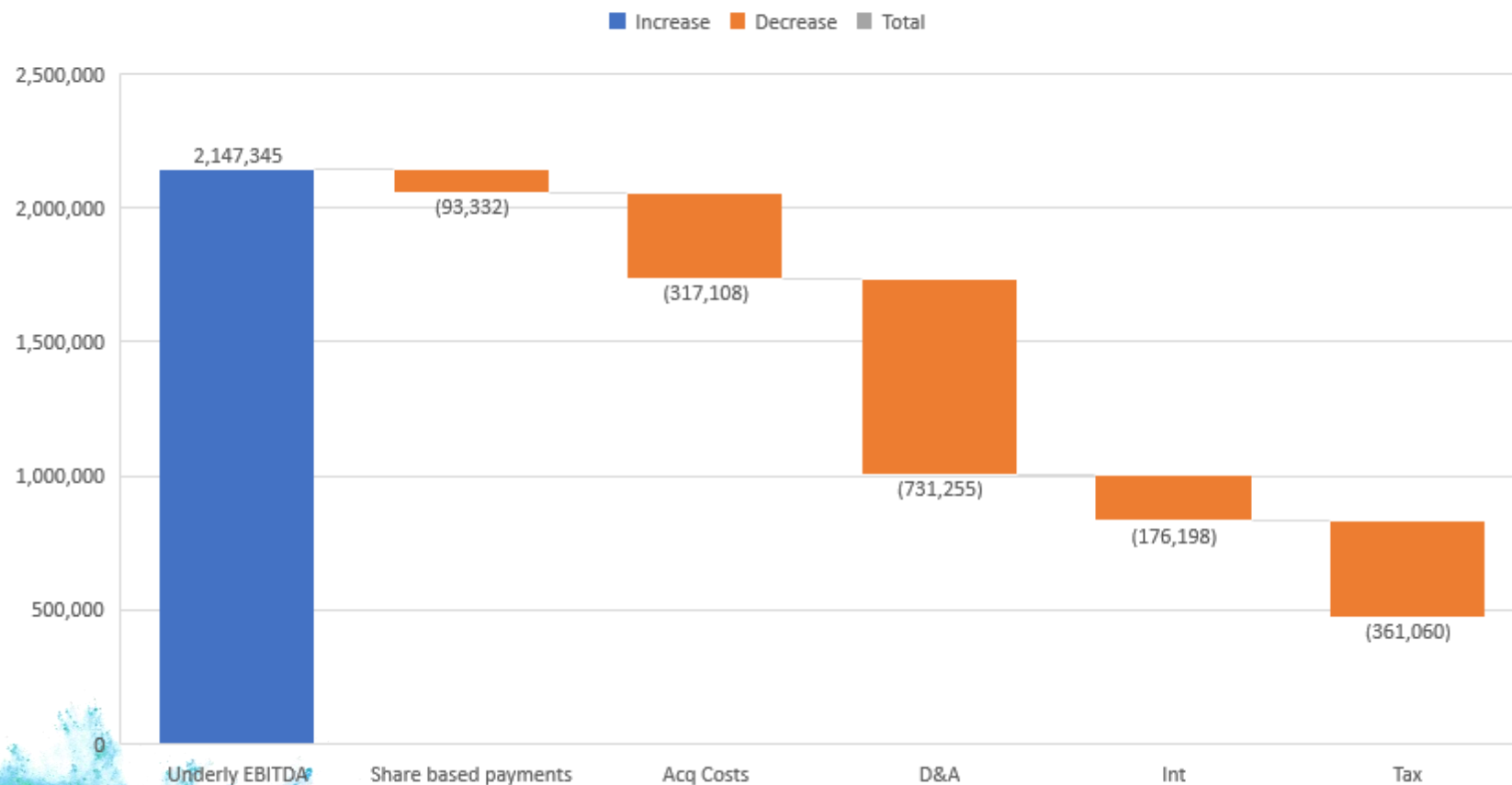
Note: The Increase in underlying EBITDA varied to the 31/8/17 announcement cover note, due to an immaterial add back not included. Statutory 4E figures are unchanged

Revenue Growth

Strategic Revenue by Qtr



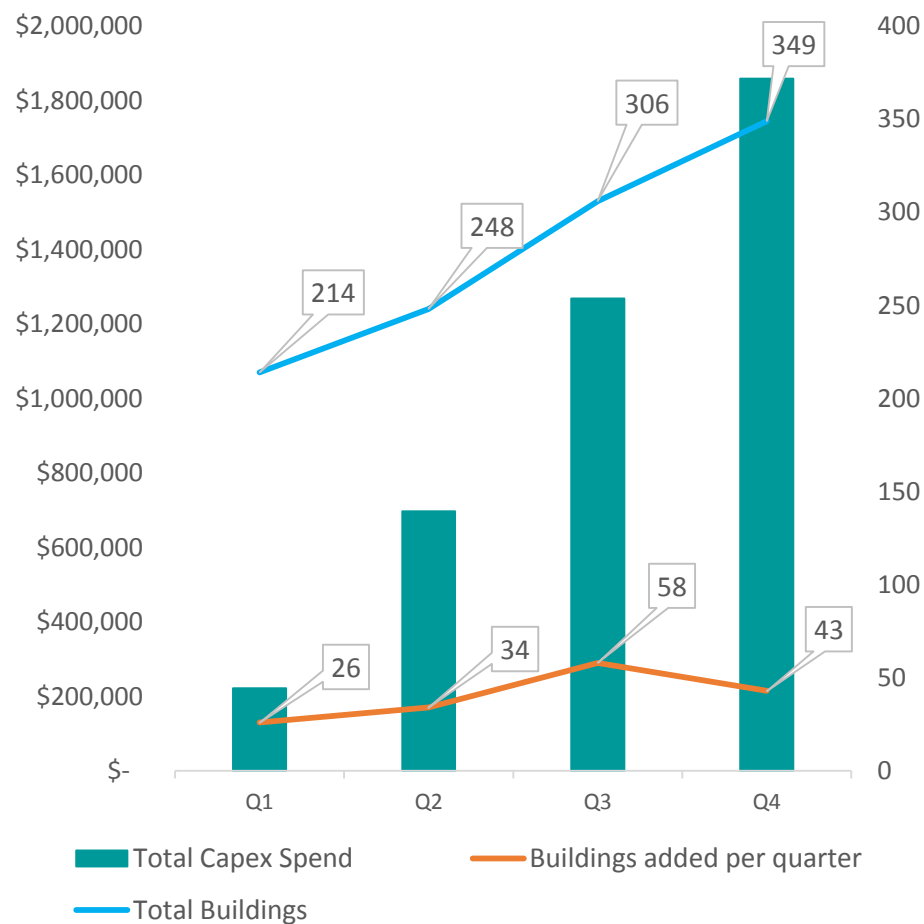
Underlying EBITDA/Statutory NPAT Bridge



Investment in Capex

Capex/building averaged \$11.5k, including
marque buildings
(Eureka Towers, Southport central, Vogue)

161 Buildings added in FY17



Appendix



Shareholders

Top 10 Shareholders at 30 June 2017

Rank	Name	Units	% of Units
1	JOSHART INV	33,667,749	18.29%
2	CHLOEDARCY INV PL	33,096,253	17.98%
3	J P MORGAN NOM AUST LTD	19,971,536	10.85%
4	MAGNUM OPUS HLDGS PL	13,100,000	7.12%
5	WIGNELL INV PL	7,269,174	3.95%
6	LENZI SUSAN	5,032,549	2.73%
7	HSBC CUSTODY NOM AUST LTD	2,765,134	1.50%
8	TEMPEST ASSET MGNT	2,765,134	1.50%
9	PICCININI ALESSANDRO L	2,483,756	1.35%
10	SHAMGAR LEORA	2,050,000	1.11%

No of Shareholders: 813

Number	Type
Listed	
184,050,420	Ordinary Fully Paid Shares
44,654,523	Listed Options exercisable at 19.688 cents expiring on 31 July 2019
Unlisted	
2,500,000	Unlisted Options exercisable at 19 cents expiring on 24 November 2019
2,570,000	Unlisted Performance Rights

Regulatory Changes

Superfast Broadband Access Service (SBAS) determination,

- Declaring speeds greater than 25Mbps must be available for wholesale
- Does not include Fixed-wireless
- Does not include business services
- Small Service Provider less than 12,000 services are exempt

\$7 NBN Levy (proposed)

- In draft form
- Does not include Fixed-wireless
- Does not include business services

More than half of Spirit's current and future buildings are fixed-wireless

Think Again!

