SERIOUS INTERNET

Spirit Telecom Limited (ST1)

FY2018 Half Year Results

Released 21st February 2018

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spirit DIFFERENT. BETTER.

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1H18 Highlights

Solid Growth

- 1H18 revenue growth of 53.7% over 1H17 to $8.1m
- 1H18 Gross Profit growth of 70.7% over 1H17 to $5.4m
- 1H18 underlying EBITDA growth of 117.3% over 1H17 to $1.5m

Building Growth

- Number of on-net[1] buildings grew to 439 in 1H18, an increase of 77% on 1H17
- Number of connected apartments grew to 21,435, an increase of 26.5% over 1H17

Structured for Growth

- Added CFO, CIO and Sales Director to the Executive
- Increased the commercial sales force by 5 FTE's
- Rated Melbourne's fastest ISP[2]

Acquisition

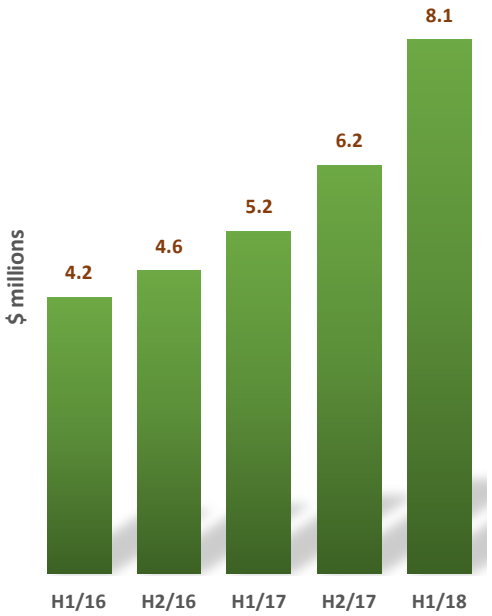
- Completed the acquisition of World Without Wires

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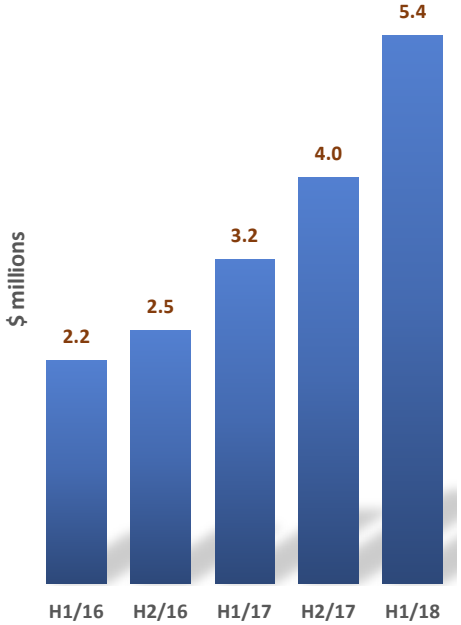
1. On-net buildings are those connected to Spirits network
2. SOURCE: Ookla LLC

FY18 1H Financial Performance Summary

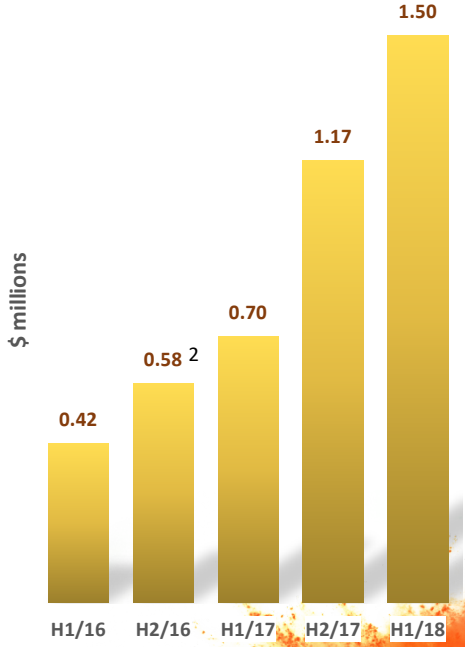
Revenue
54% increase from 1H17



Gross Profit
71% increase from 1H17



Underlying[1] EBITDA
117% increase from 1H17



1. Underlying EBITDA excludes acquisition and integration costs
2. Includes non-cash items; Directors LT1 and Employee Share Scheme - $52,550

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Financial Comparison

Strong organic growth in geographic markets

Strong growth in Gross Profit

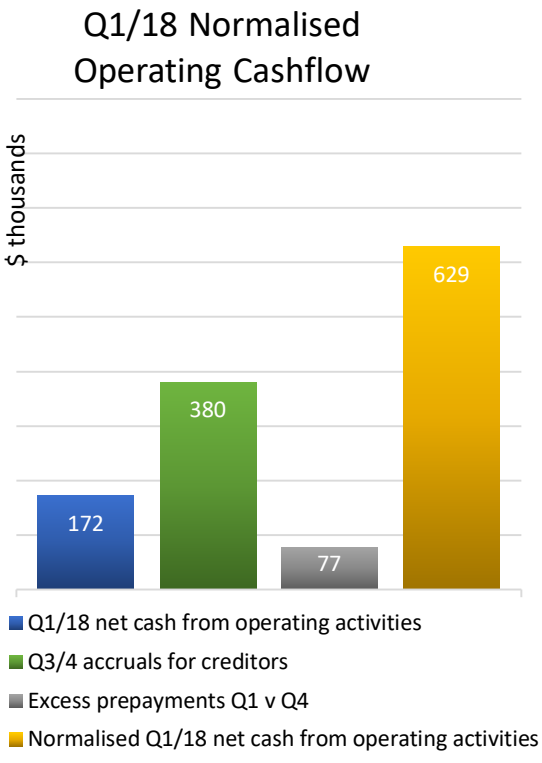
Quality Acquisitions contributing to strong growth

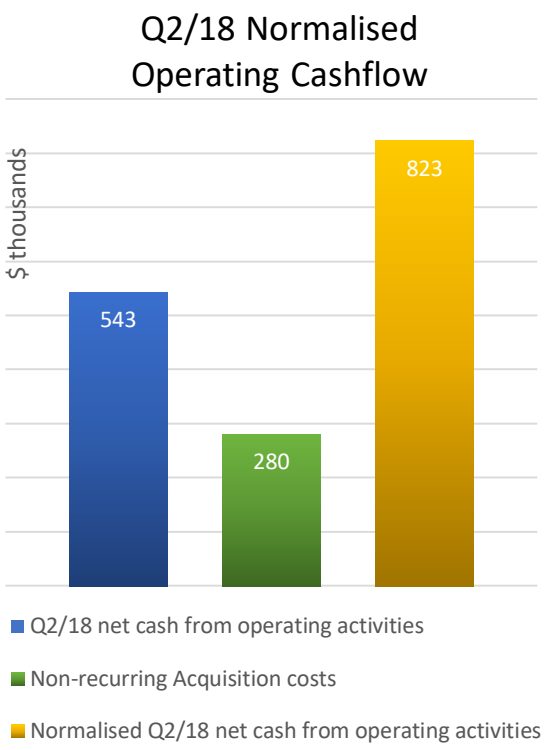
	1H17	1H18
Revenue	$5.2m	$8.1m
Gross Profit	$3.2m	$5.4m
GP%	61%	67%
Underlying EBITDA	$703,923 [1]	$1,529,594
Underlying NPAT[2]	$208,153	$457,282
Statutory NPAT	$58,909	$238,077

1. Includes non-cash items; Directors LT1 and Employee Share Scheme - $52,550
2. Items associated with acquisition activity have been removed 7 Items associated with acquisition activity have been removed

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Operating Cash Breakdown





- Normalised net operating cash flow of $823k in Q2, up 31% from $629k in Q1
- Q2/18 includes $280K non-recurring Acquisition costs
- Q1/18 included a number of one-off non-recurring items:
  - Net pre-payments increase over Q4 of $77k
  - Accrued payable of $380k paid in Q1 relating to services provided during Q3/Q4'17 (timing delay)

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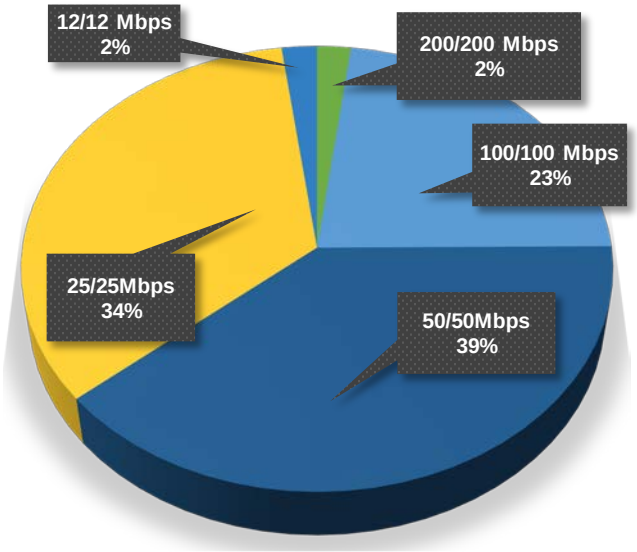
Set up for growth



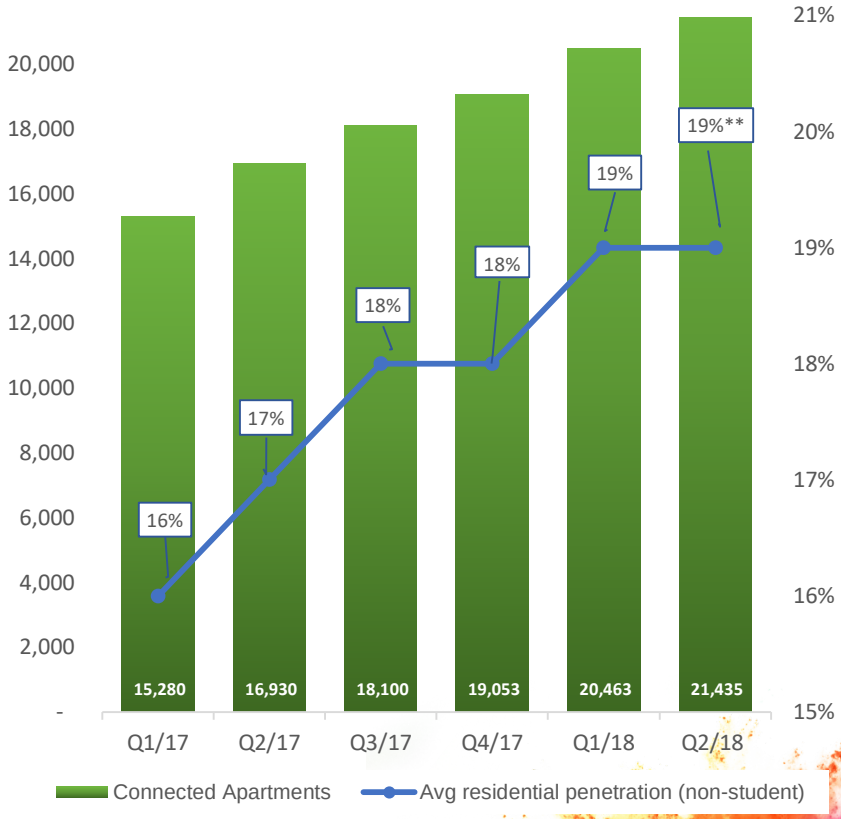
- Expanding Sales capabilities
- Launch of Redundancy As A Service (RAAS)
- Expanding network capabilities
- Expanding geographic coverage
- Implementing ERP platform (NetSuite)
- Searching for next strategic acquisition opportunity

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Connected Apartments



64% of Spirit's residential customers are on Speeds greater than 25Mbps, compared to NBN's 16.2%[1]

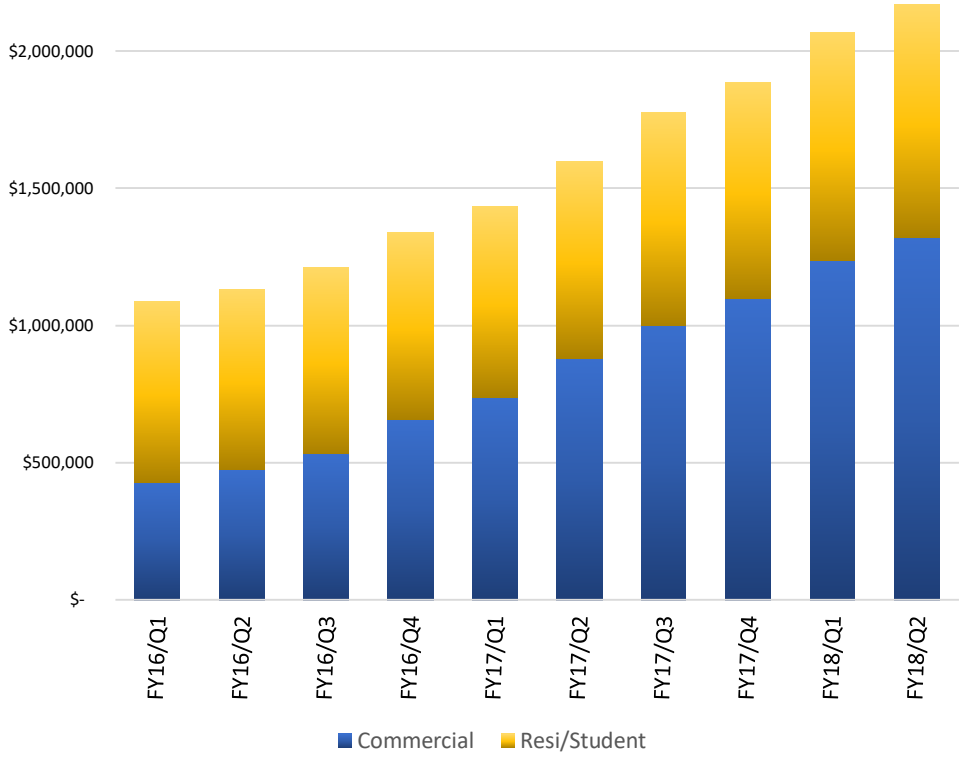


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1. NBN 3rd Qtr results

** Includes penetration in buildings deployed up to September 2017

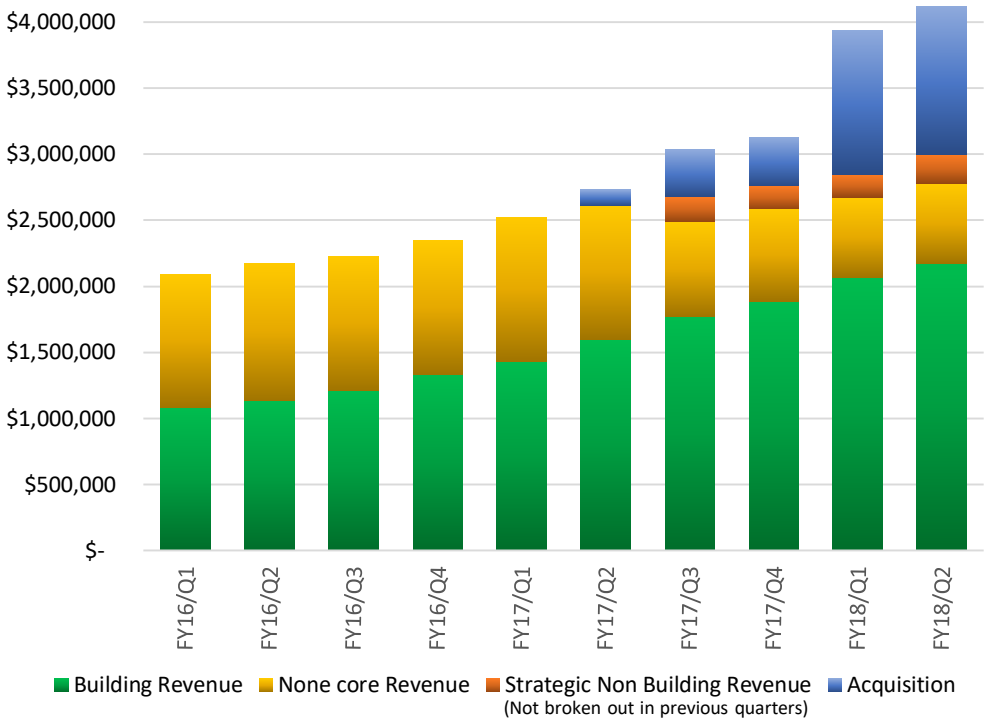
10 Consecutive Quarters of Organic Growth



- On-Net Building Revenue grew by 36% on Q2'17:
  - Commercial (+50% YonY)
  - Residential (+18%YonY)
- On-Net Building Revenue grew by 5% on Q1'18:
  - Commercial (+7% QonQ)
  - Resi/Student (+3%QonQ)
  - Resi only (+5% QonQ)
- Commercial continues to be the key growth driver
  - Commercial building revenue grown 3 times since Q1/16

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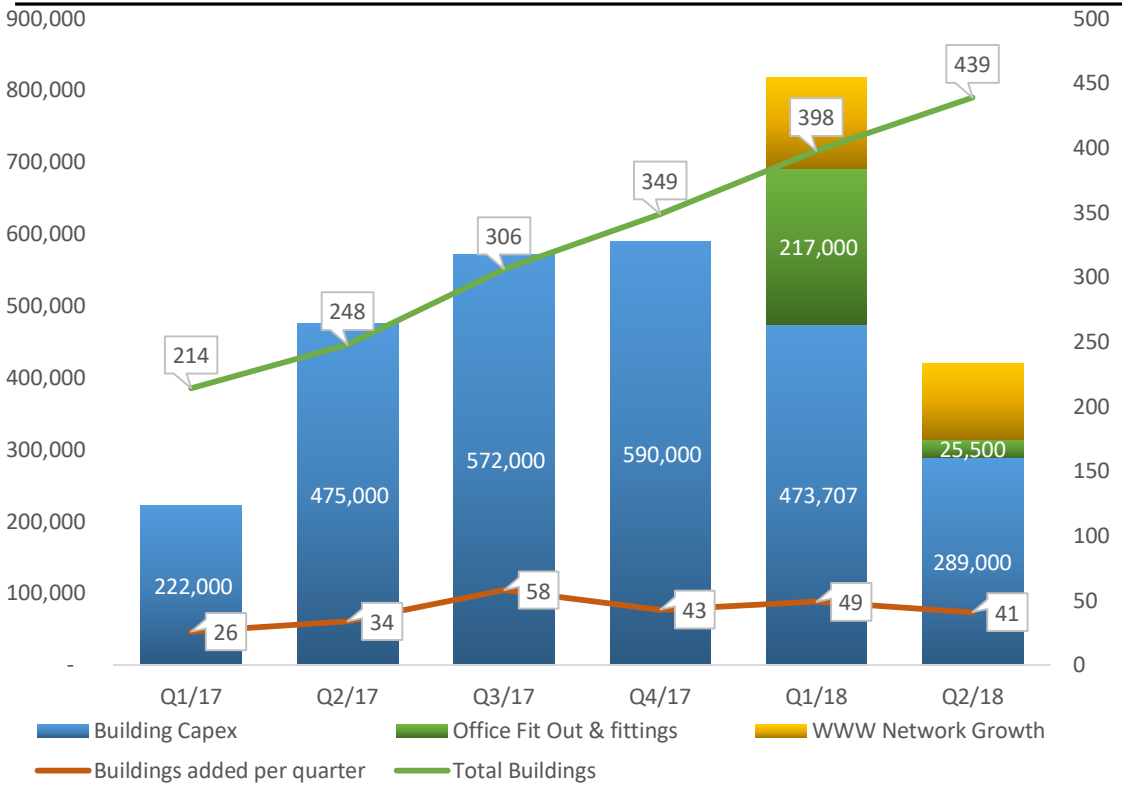
Consistent Revenue Growth



- High margin on-net building revenues and growth within acquired businesses continue to be the key growth drivers – increasing proportion of overall revenue
- Legacy revenues remain steady
- World Without Wires growing exhibiting strong growth in first 6 months under Spirit ownership
- Strategic Non Building Account revenue growing
- Phone Names EBITDA remains steady and above purchase metrics

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Capex Efficiency Continues To Improve



- Capex per building averaged $8,500 during 1H18 – 26% lower than FY17 average
- Number of On-Net buildings in 1H18 grew by 77% over 1H17
- Continued strategic focus on Commercial roll-out; Lower capex and higher ARPU – improved return on capital

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Who is Spirit?

- Spirit Telecom Limited is a modern telecommunications provider of ultra-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 Melbourne's fastest overall Internet Service Provider (ISP)[1].
- Successfully acquired and fully integrated Voxcom (2012), My Telecom (2015), Phone Name Marketing (2016) and World Without Wires (2017)
- Listed on ASX 26 June 2016 (RTO)

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1. SOURCE: Ookla LLC

Shareholders

Top 10 Shareholders at 31st December 2017

SPIRIT TELECOM LIMITED FULLY PAID
Top Listing

SECURITY TRANSFER AUSTRALIA

				Current Date - 29/12/2017 Time - 21.28.46		Previous Top * As at: 22/12/17 *		
	Rank	Holder Name	Designation	Current Securities	%	Prev. Securities	%	Rank
*	1	JOSHART INV	TIGEL FAM A/C	33,667,749	14.78%	33,667,749	14.78%	1
	2	CHLOEDARCY INV PL	NEATE FAM A/C	33,096,253	14.53%	33,096,253	14.53%	2
*	3	J P MORGAN NOM AUST LTD		15,012,190	6.59%	15,359,790	6.74%	3
	4	HSBC CUSTODY NOM AUST LTD		14,154,861	6.21%	14,154,861	6.21%	4
	5	MAGNUM OPUS HLDGS PL	MAGNUM OPUS S/F A/	13,100,000	5.75%	13,100,000	5.75%	5
	6	WIGNELL INV PL		7,269,174	3.19%	7,269,174	3.19%	6
*	7	LENZI SUSAN	LENZI FAM A/C	5,032,549	2.21%	5,032,549	2.21%	7
	8	KEOGH DAINEN		4,966,771	2.18%	4,966,771	2.18%	8
	9	NATIONAL NOM LTD		4,873,072	2.14%	4,897,667	2.15%	9
	10	BNP PARIBAS NOMS PL	DRP	3,408,355	1.50%	3,408,355	1.50%	10

* Denotes merged holders

No of Shareholders: 810

ISSUED CAPITAL

Fully paid ordinary shares:	227,837,268
ST1O Listed Options:	44,654,523
ST1AC Unlisted Options:	2,500,000
ST1AB Performance Rights:	1,970,600

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