

Spirit Telecom Limited
(ST1)

Quarter 1 2019 update

23rd October 2018

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Activities Summary

- ✓ 13 Consecutive quarters of growth in High Margin On-Net[1] revenue
- ✓ Number of On-Net buildings grew to 534
- ✓ Stronger focus on Commercial sector
- ✓ Strong Government & Enterprise Sales Pipeline
- ✓ Successful tenderer for the $1.7Mill Government funded Super-Fast network in Horsham
- ✓ New Chief Operating Officer to speed up network rollout
- ✓ Strong increase in customer satisfaction with On-Net NPS of 71
- ✓ Strong cash position



1. On-Net refers to revenue on Spirit's owned and operated network

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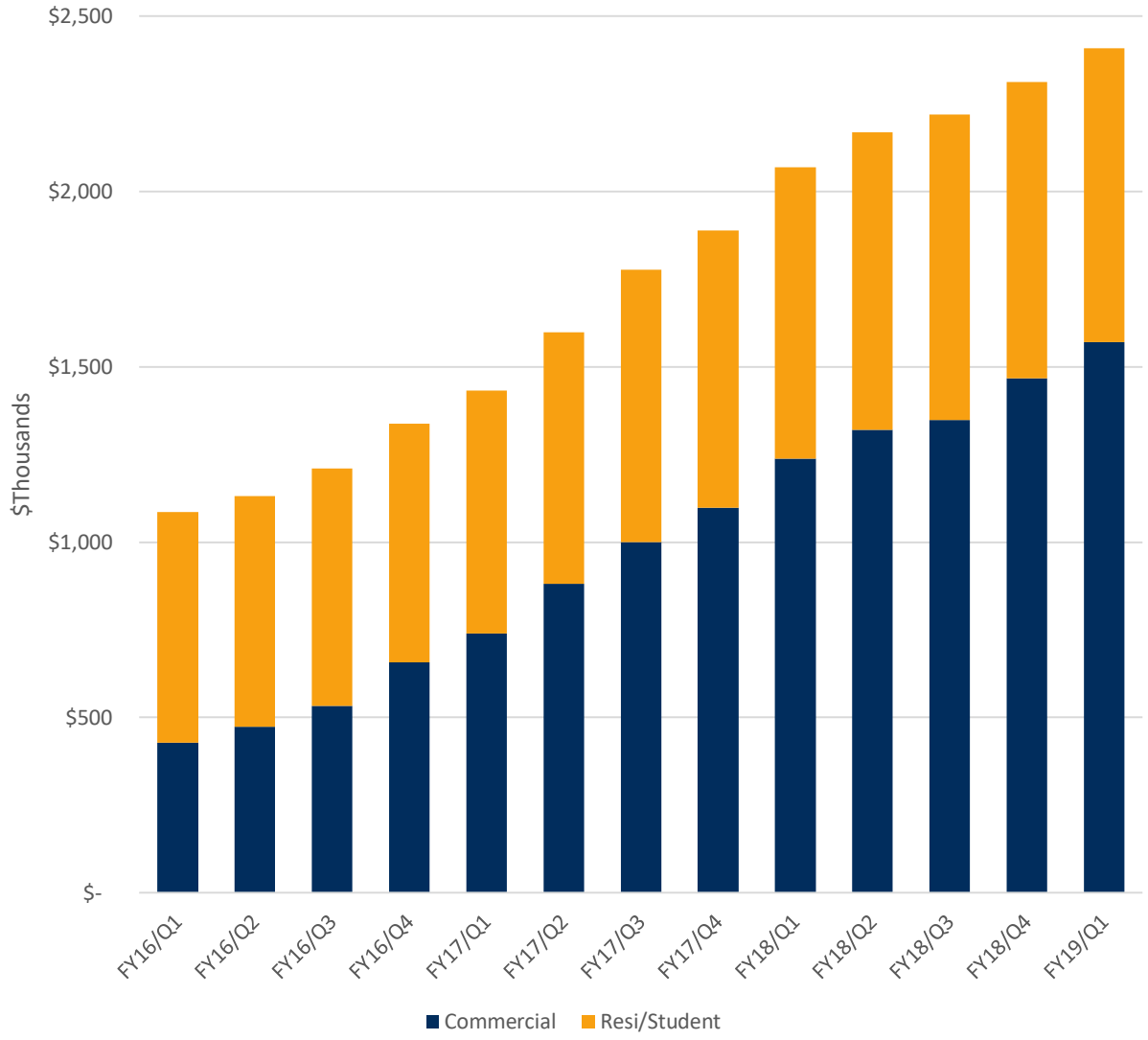
13 Consecutive Quarters of Organic Growth



On-Net Building Revenue grew by 16% on Q1'18:

- Commercial (+27% YonY)
- Residential (+1% YonY) revenues

On-Net Building Revenue grew by 4% on Q4'18:

- Commercial (+7% QonQ)
- Resi/Student (-1% QonQ) revenues
- Resi only; flat. Commercial continues to be the key growth driver

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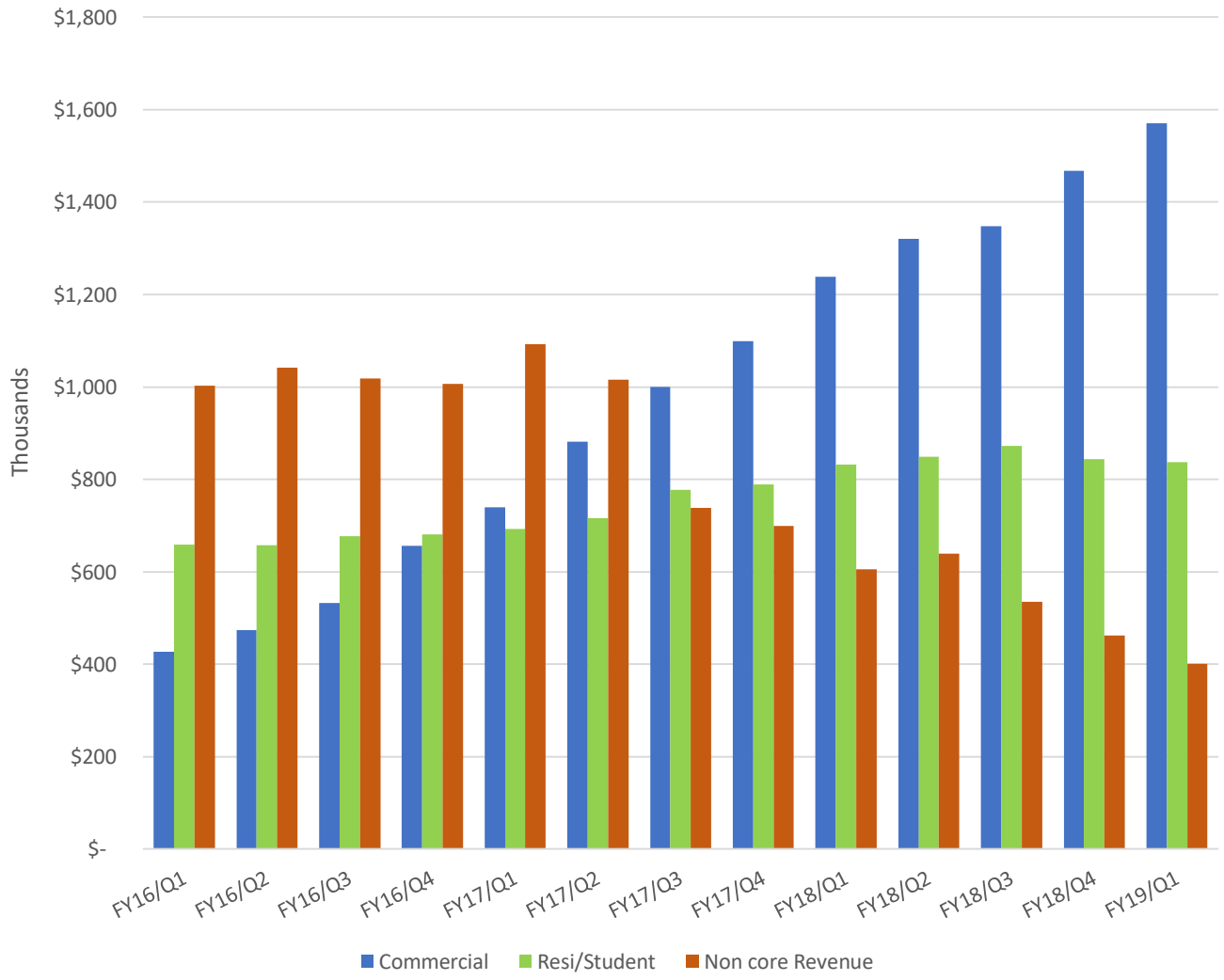
Changing Revenue Pattern



Since Q1 2016 On-Net Building Revenue has grown 2.22 times

- Commercial has grown 3.67x
- Resi/student 1.27x

Non-core revenue has shrunk to 0.4x

Copper based re-sell services no longer pursued

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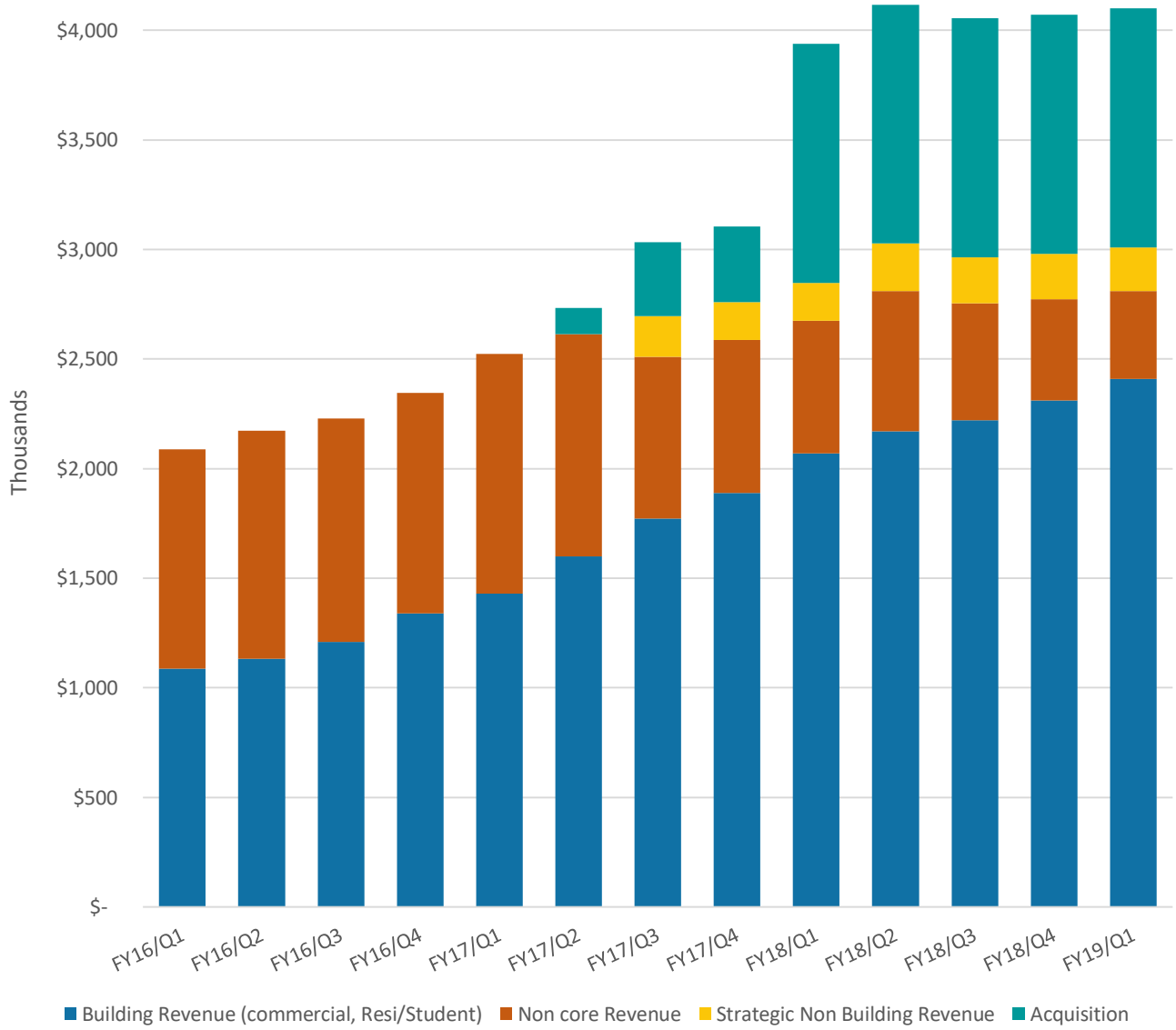
Quarterly Revenue Profile

High margin on-net building revenues and growth continue to be the key growth drivers – Developing Government and Enterprise focus

Lower margin legacy revenue run off accelerating, but decreasing proportion of overall revenues



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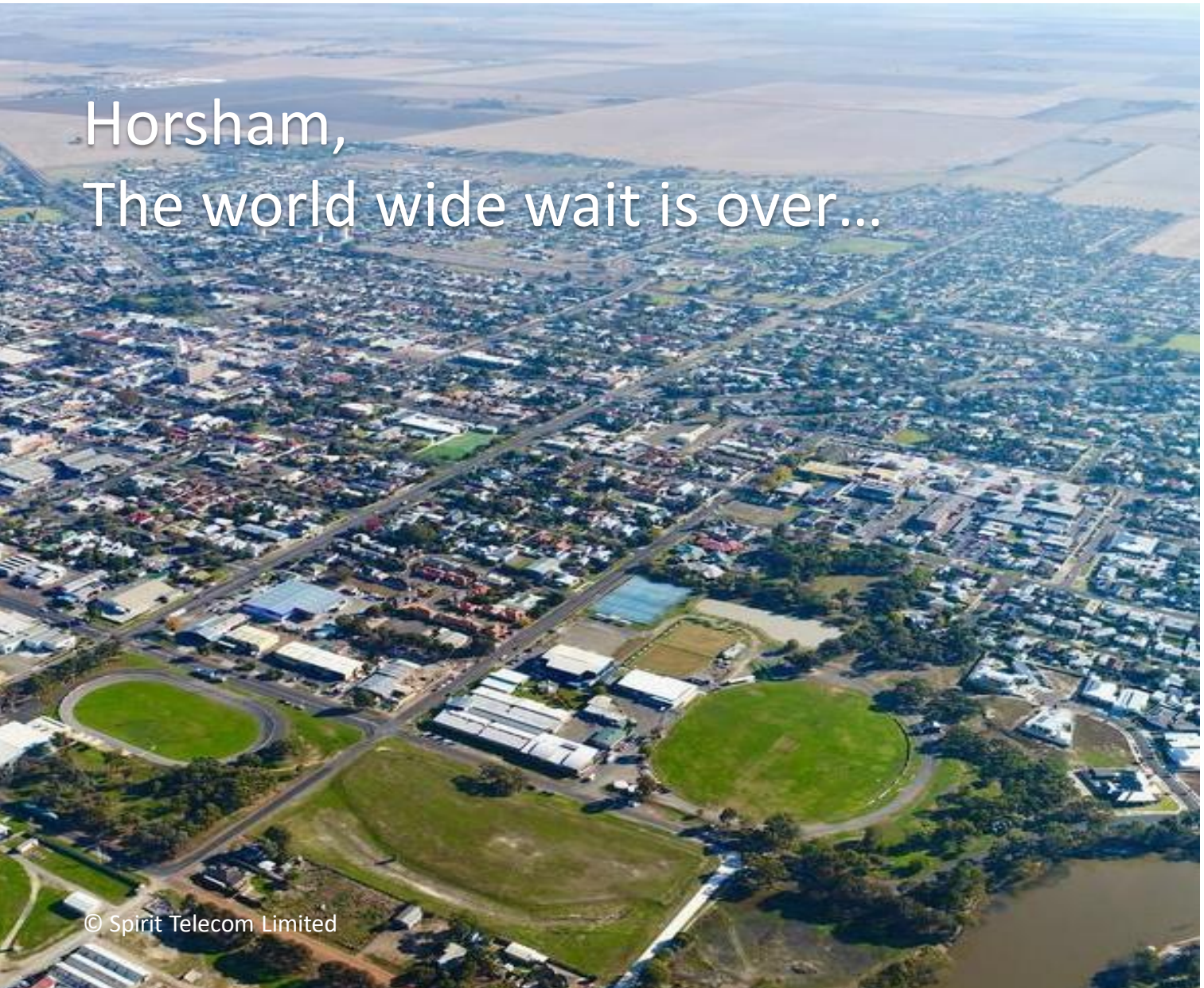
Government & Enterprise Sales Pipeline Growing



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Lifting the size of sales opportunity

Victorian Government Grant for Horsham

- Enhanced Broadband program
- Awarded October 16 2018

$1.7m to build Super-Fast network

Targeting primarily business sector

Funding subject to agreed milestones

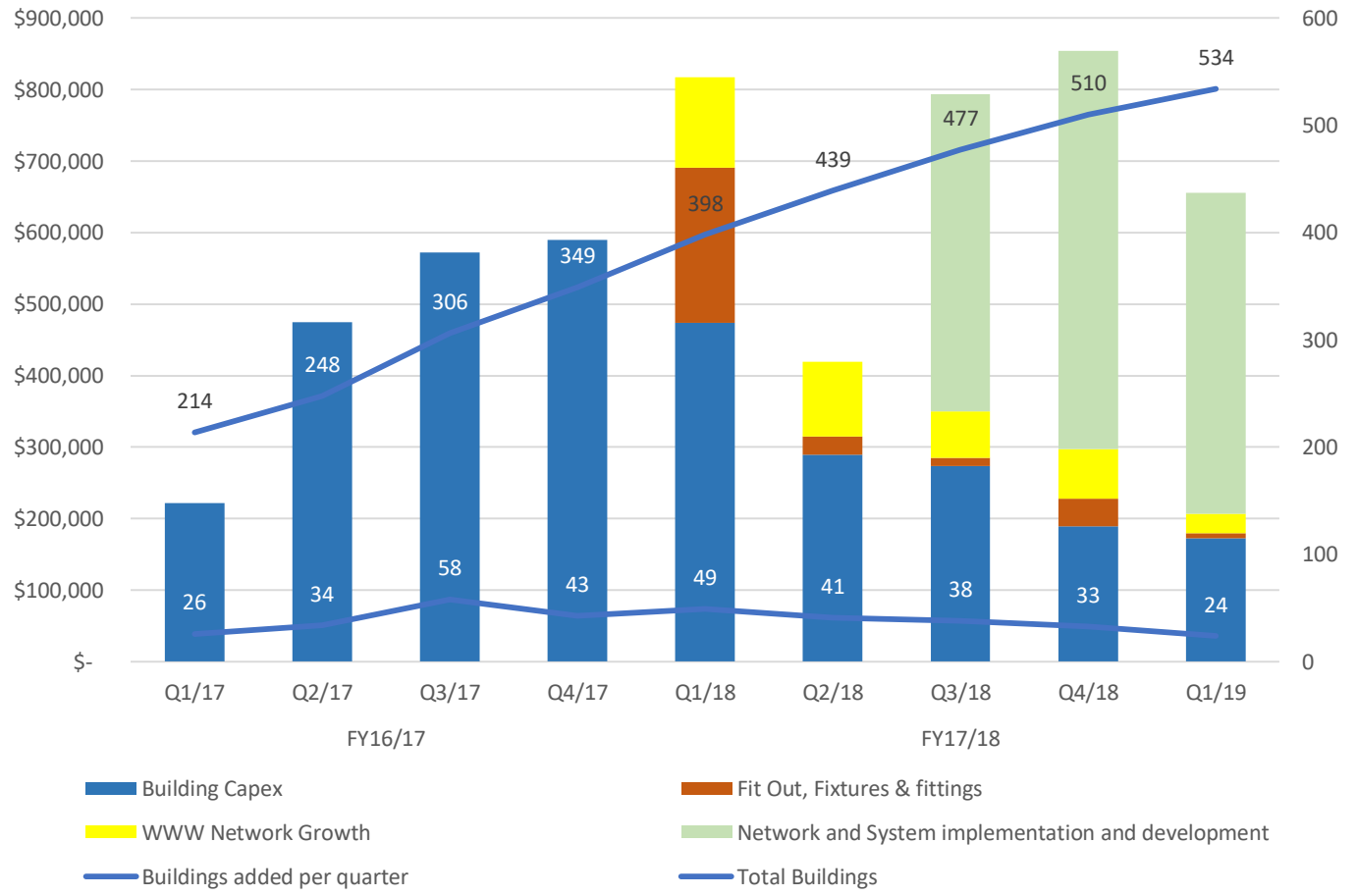
- Majority expected to be received FY'19
- First installment due Q2

Capex Efficiency Continues To Improve

Capex per building averaged $7,194, a decrease from the FY18 average of $7,609

Number of On-Net buildings grew to 534

Continued strategic focus on Commercial roll-out; Lower capex and higher ARPU – improved return on capital



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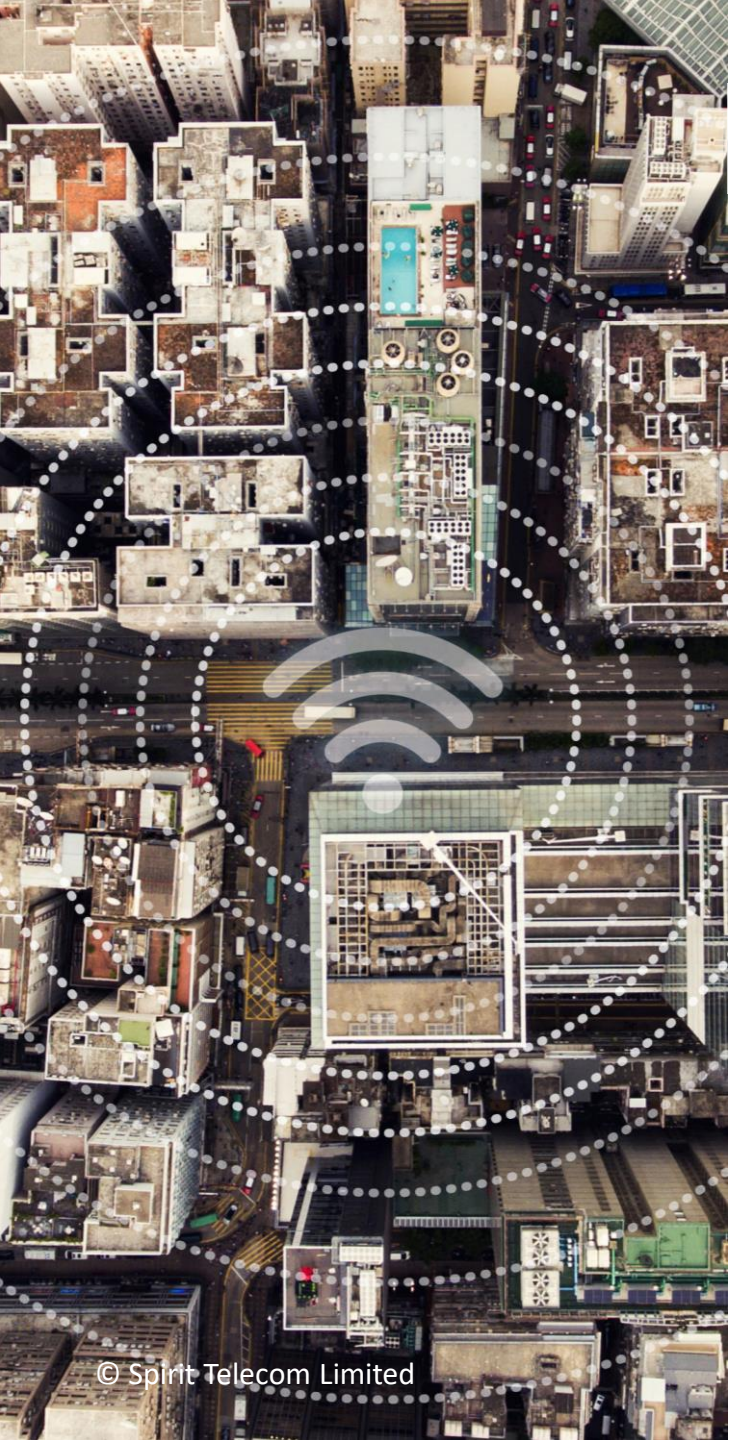


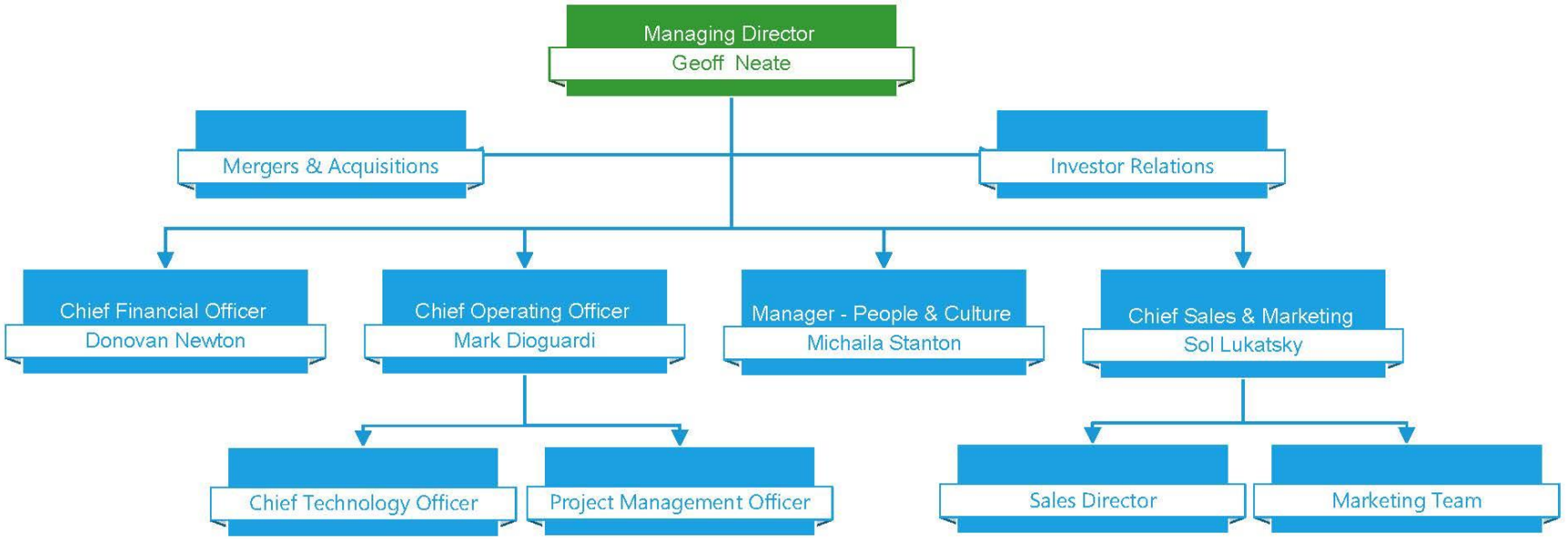
Executive Leadership Team

New Chief Operating Officer.

- Dainen Keogh move from CIO to CTO

Refined structure to focus Spirit on network rollout and Government & Enterprise level sales opportunities.

- Significant pipeline of opportunities



Introducing Mark Dioguardi – Chief Operating Officer (Commence 7th November)

Mark started his career as an Engineer and has worked his way through various roles including:

- General Manager, Radio Networks at Maxis (Malaysian telecommunication carrier)
- Executive Project Director and General Manager of Network Architecture at Telstra
- Chief Technology Officer, joint Chief Operating Officer and advisor to the Chairman of the Board at Maxis
- Chief Technology Officer iiNet

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How we differentiate.





Net Promoter Score



Overall 53



Rebill (legacy) customers
28



On-net customers
71

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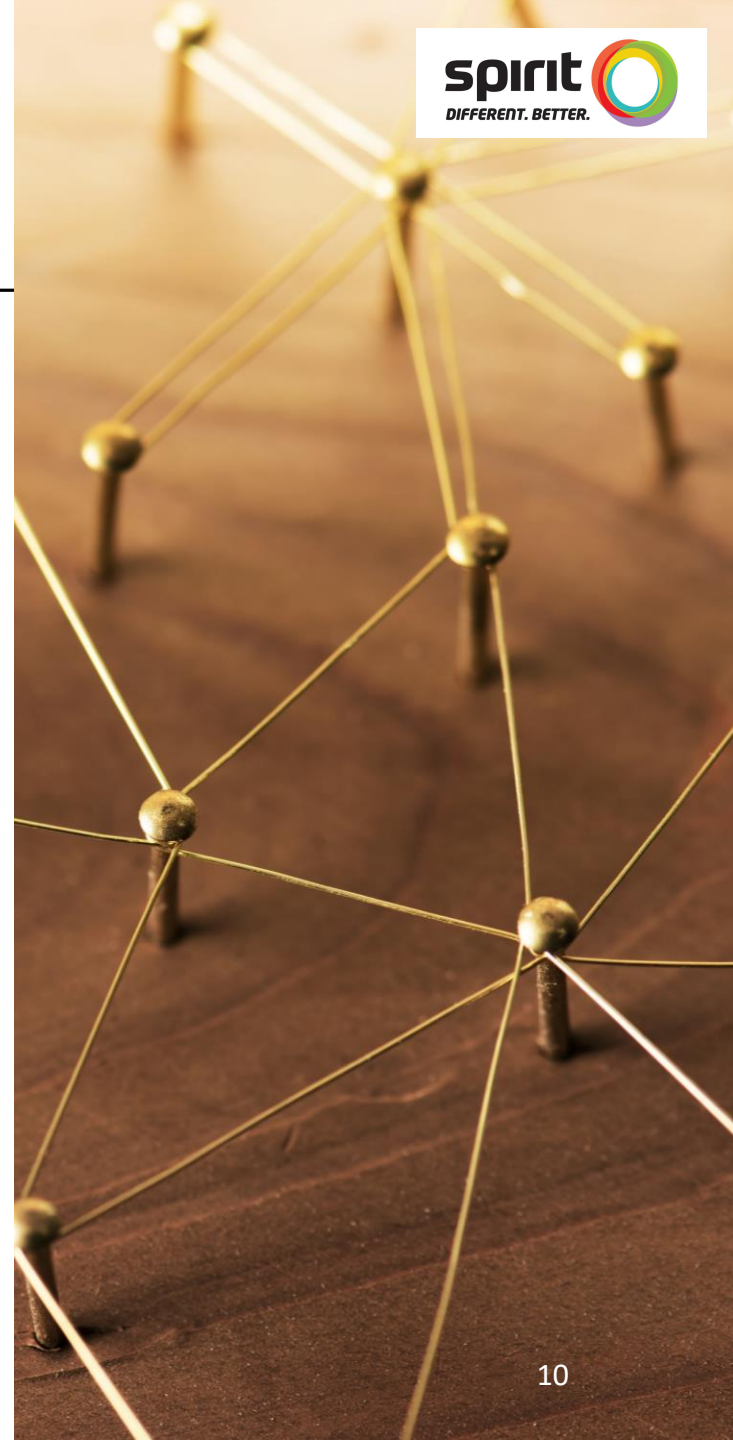
Shareholders

ISSUED CAPITAL

Fully paid ordinary shares:	244,960,135
STIO Listed Options:	28,732,256*
STAC Unlisted Options:	2,500,000
STAB Performance Rights:	2,412,798

*exercisable at 19.688 cents expiring on 31 July 2019

No of Shareholders:	959
Directors/Management/Staff	33%
Institutions/High net worth	38.8%
Bank Balance (as at 30th September)	$3.7M
Horsham Grant (subject to milestones)	$1.7M
Bank Debt	($4.8M)



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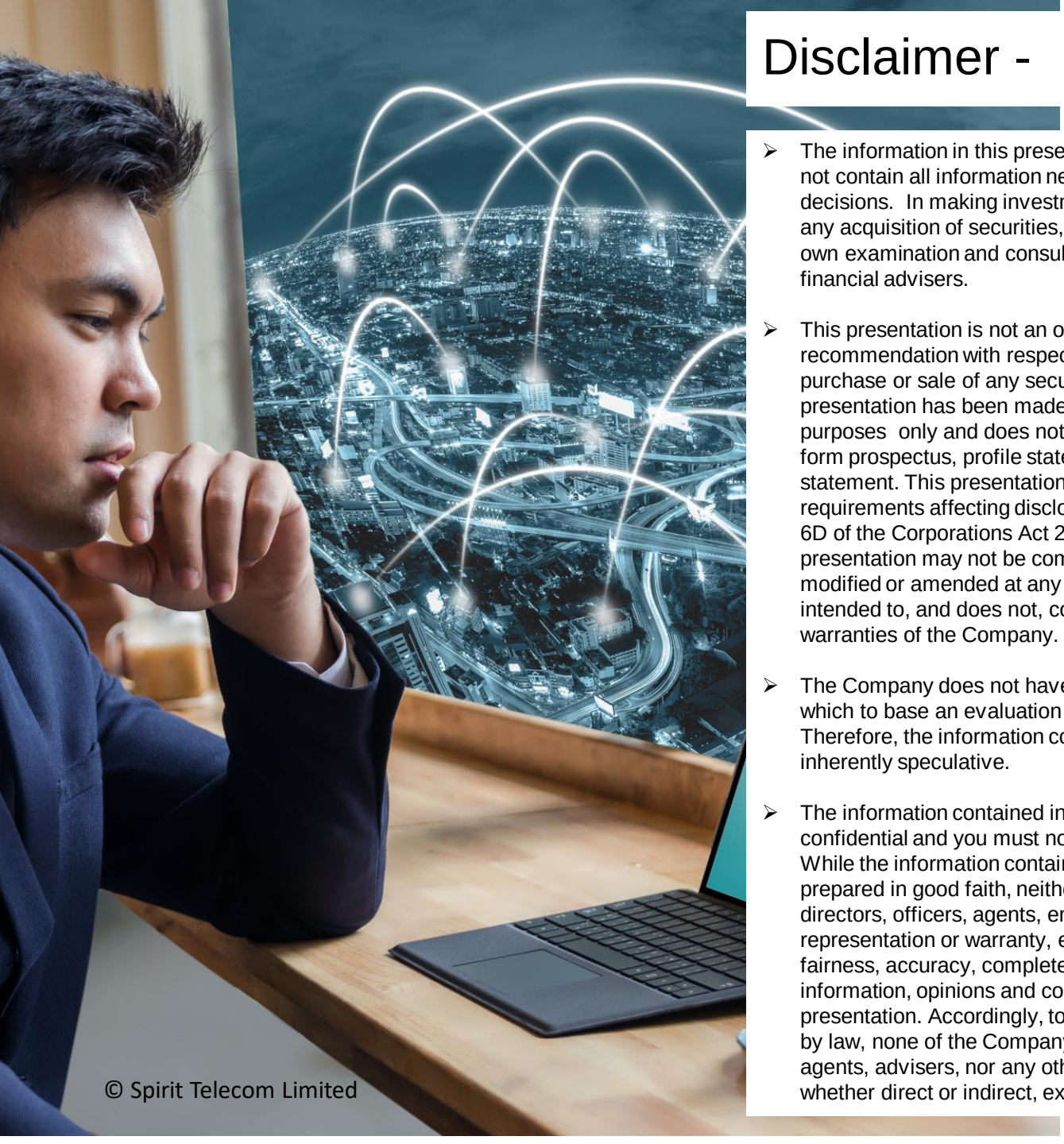

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