

**THE POWER
OF MORE**

Spirit Telecom Limited (ST1)
FY2017 Half Year Results

Released 27 February 2017

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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 Australia's fastest overall Internet Service Provider (ISP)¹.
- Successfully acquired and fully integrated Voxcom (2012), My Telecom (2015) and Phone Name Marketing (2016)
- Listed on ASX 26 June 2016 (RTO)

1. 2015 by PCMag.com

FY17/H1 Highlights

Solid Growth

- H1/17 revenue growth of 23.2% over H1/16
- H1/17 Gross Profit growth of 43.6% over H1/16
- H1/17 underlying EBITDA growth of 67.5% over H1/16

Building Growth

- Number of on-net^{1.} buildings grew by 59 in H1/17 an increase of 41% on H1/16
- Number of connected apartments grew to 16,942

Network Expansion

- Increased network capacity 4-fold in Melbourne
- Increased network capacity 4-fold in Sydney
- Opened Brisbane PoP
- Increased Fixed Wireless stations to 54, servicing 143 buildings
- Completed My Telecom migration

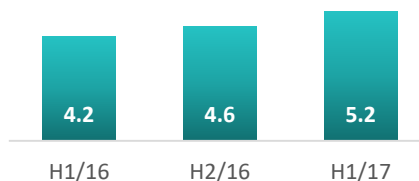
Phone Names Acquisition

- Completed the acquisition of Phone Names Marketing (Dec 16th)

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

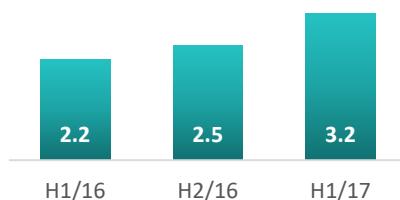
Financial Performance Summary

REVENUE



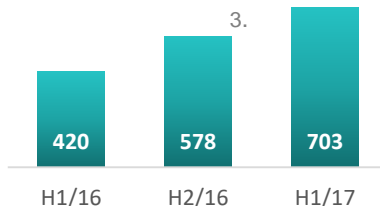
23.2% increase from H1/16

Gross Profit



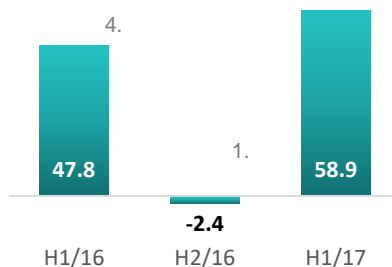
43.6% increase from H1/16

UNDERLYING² EBITDA



67.5% increase from H1/16

NPAT



23.4% increase from H1/16

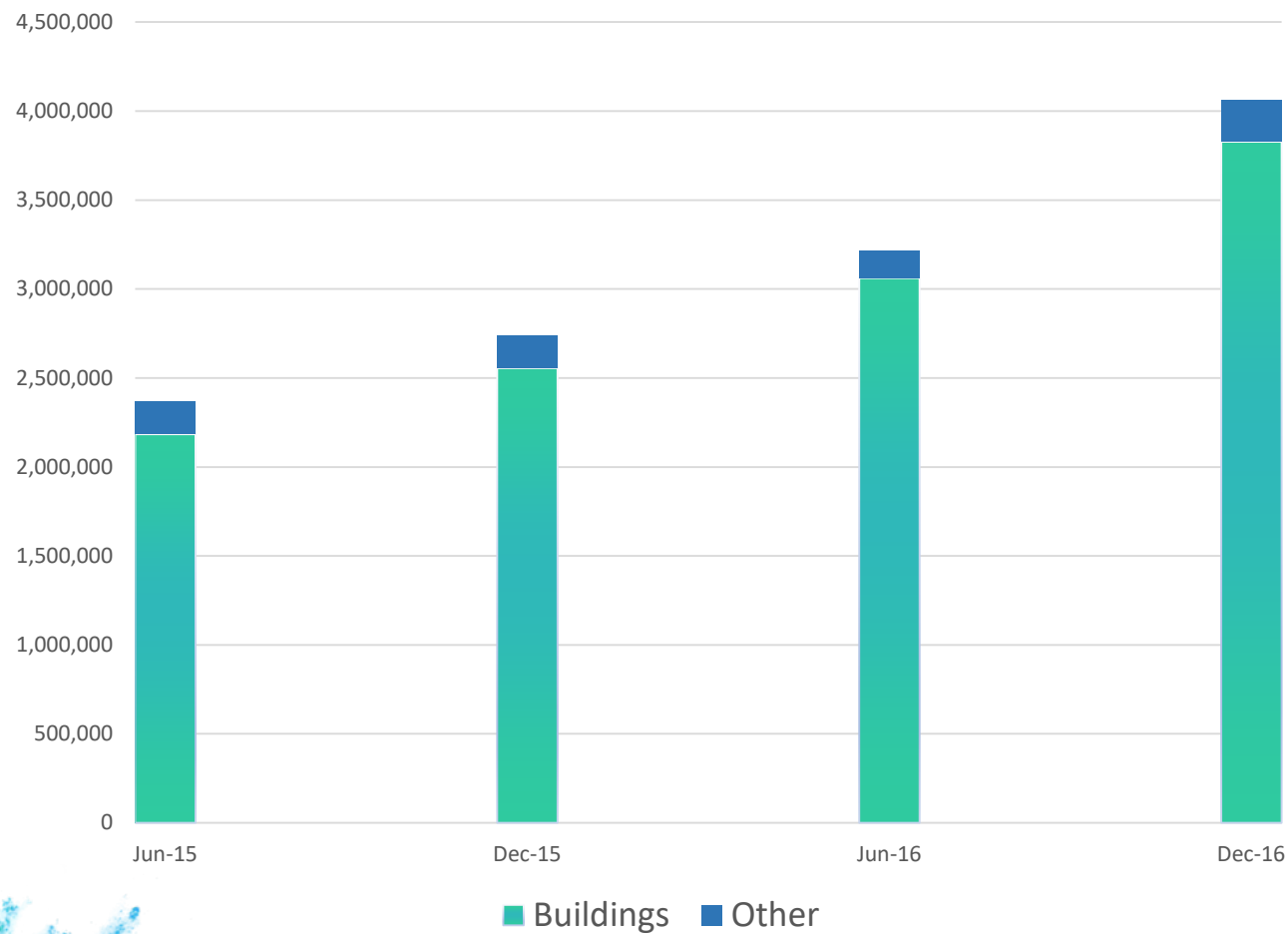
1. Includes costs associated with the Arunta RTO
2. Underlying EBITDA excludes acquisition and integration costs
3. Includes non-cash items; Directors LT1 and Employee Share Scheme - \$52,550
4. Spirit Telecom (Australia) Pty Ltd, not the listed entity

Financial Comparison

	31 Dec 2016	31 Dec 2015	Change
Revenue	\$5.2m	\$4.2m	23.2%
Gross Profit	\$3.2 m	\$2.29m	43.6%
Underlying EBITDA	\$703,923 ^{1.}	\$420,132	67.5%
Statutory NPAT	\$58,989	\$47,754 ^{2.}	23.4%

1. Includes non-cash items; Directors LT1 and Employee Share Scheme - \$52,550
2. Spirit Telecom (Australia) Pty Ltd and not the listed entity

Investment in Capex

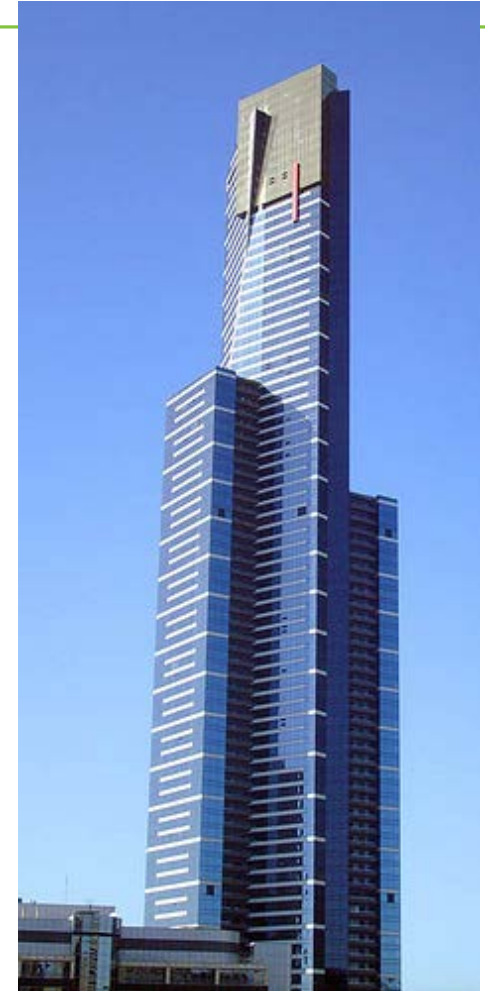


Recent Large Installations



Vogue Apartments
South Yarra VIC

Eureka Tower
Southbank VIC



South Port Central
Gold Coast QLD



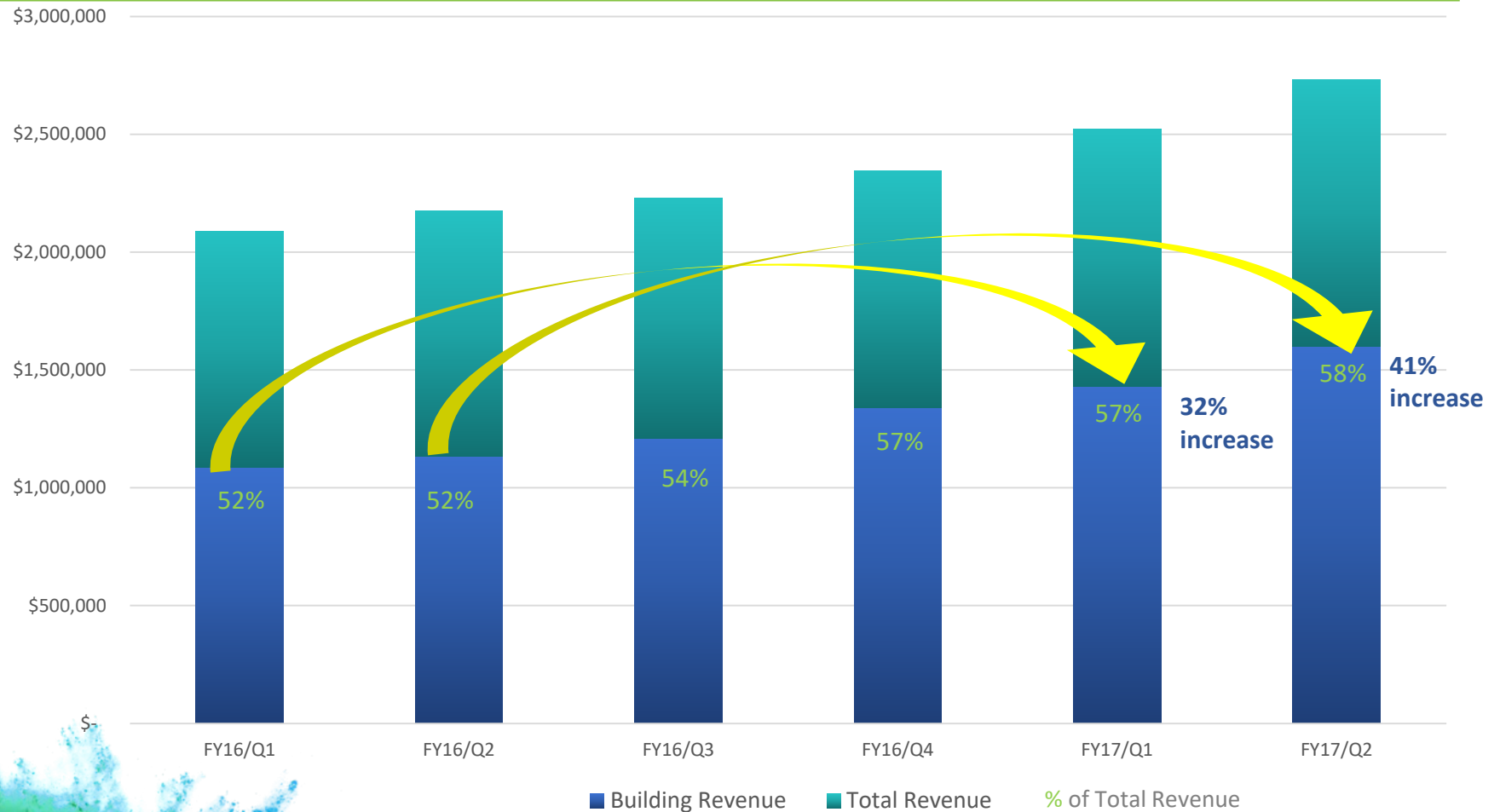
Connected Apartments



Every new customer in an On-Net Building hits the bottom line.

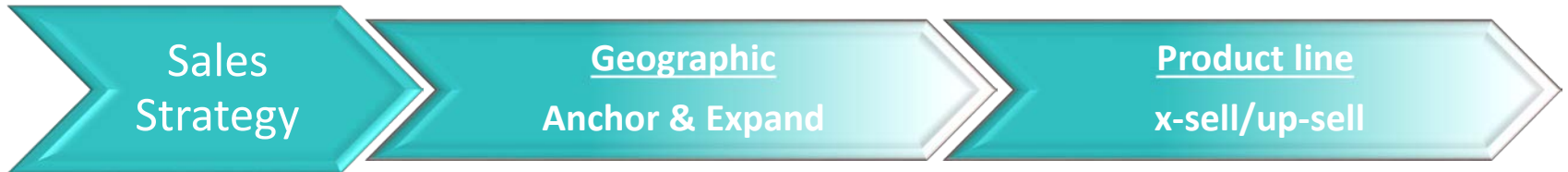
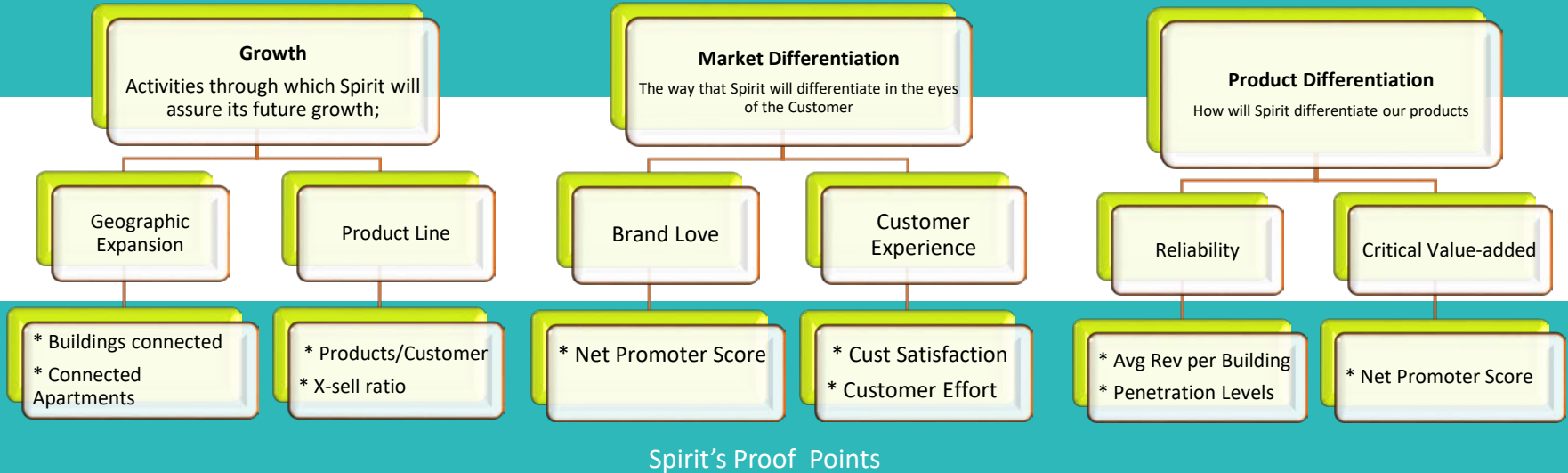
NOTE: December take up can be affected by student accommodation seasonality

On-net Building Revenue

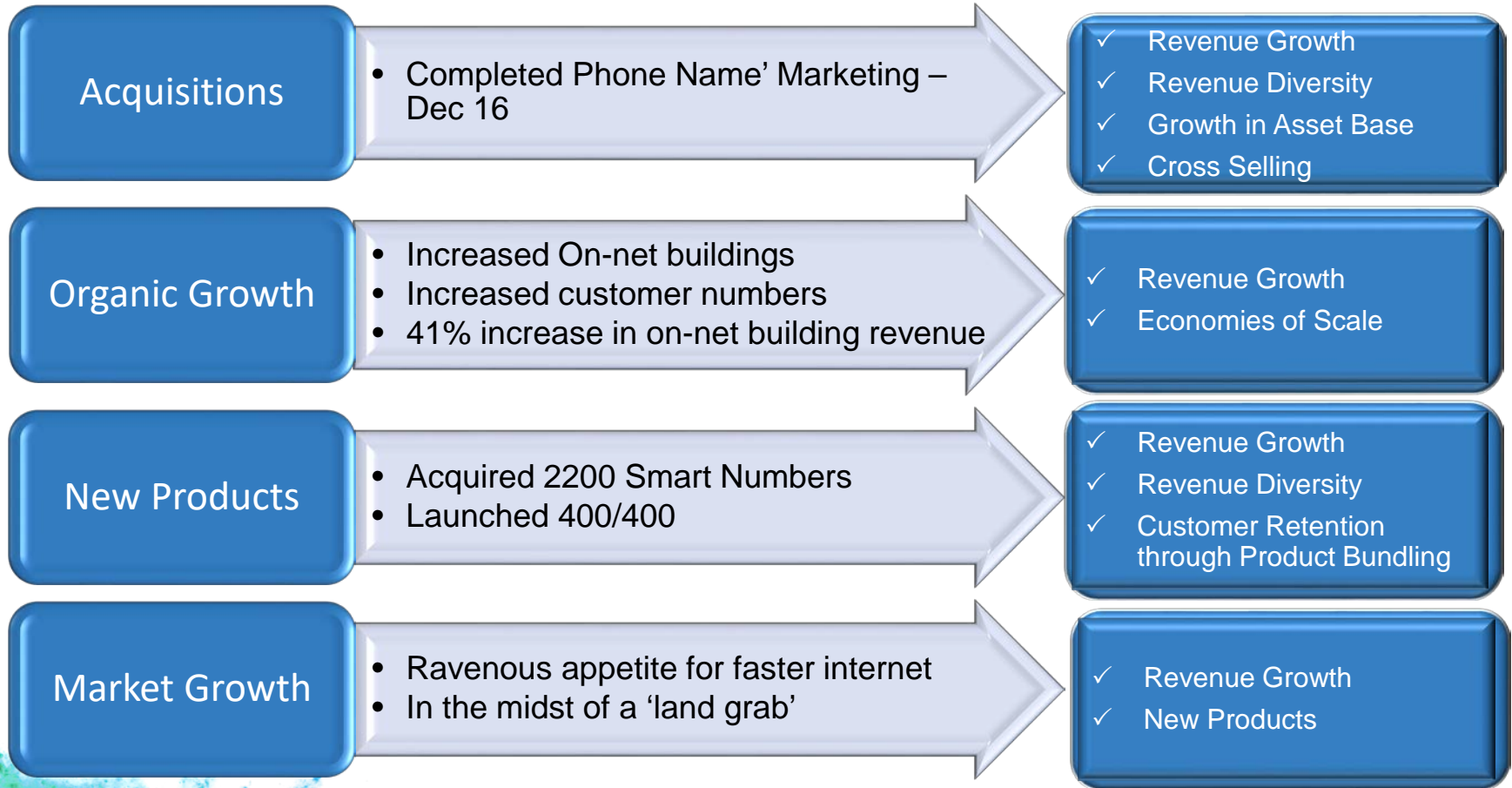


Company Strategy

3 Components of Strategy:



Strategy Snapshot



NBN versus Spirit



So, a single end user on a 25/5Mbps NBN service requires a \$27 access fee and \$15.25 of CVC², compared to Spirit's less than \$10 for 25/25Mbps

Industry experts believe in the model

Commenting on Superloop's recent BigAir acquisition:

“...the Superloop offering is largely independent of the NBN infrastructure and does not have to pay connectivity virtual circuit charges, the scalable fee NBN charges for bandwidth. According to Mr (Bevan) Slattery, the maturation of wireless technology is quickly becoming a driver of lower-cost delivery of fast broadband.”

The Australian September 15, 2016

James Spenceley on his recent investment into Adelaide based Uniti wireless:

“The evolution of fixed wireless, to enable the delivery of 40mbps and 100mbps speeds to households, is one that surprises many people,”

The Australian, August 8, 2016

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

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

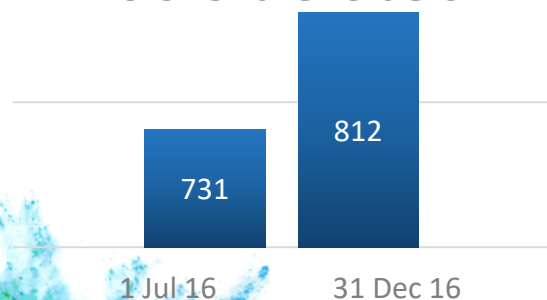
More than half of Spirit's current and future buildings are fixed-wireless

Shareholders

Top 10 Shareholders at 31 December 2016

Rank	Name	Units	% of Units
1	JOSHART INV	168,338,743	18.29%
2	CHLOEDARCY INV PL	165,481,262	17.98%
3	J P MORGAN NOM AUST LTD	109,754,867	11.93%
4	MAGNUM OPUS HLDGS PL	65,500,000	7.12%
5	WIGNELL INV PL	36,345,869	3.95%
6	LENZI SUSAN	25,162,742	2.73%
7	UBS NOM PL	14,114,171	1.53%
8	TEMPEST ASSET MGNT	13,825,668	1.50%
9	MELBOURNE CAP LTD	12,500,000	1.36%
10	SHAMGAR LEORA	9,300,000	1.01%

No of Shareholders



Number	Type
Listed	
920,251,253	Ordinary Fully Paid Shares
223,272,153	Listed Options exercisable at 3.9376 cents expiring on 31 July 2019
Unlisted	
12,500,000	Unlisted Options exercisable at 3.8 cents expiring on 24 November 2019
12,850,000	Unlisted Performance Rights

Think Again!

