



Discover Asia Pacific's New Extraordinary Network

ASX:SLC H1 FY21 Half Year
Results & Market Update

Tuesday 23rd February 2021



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Currency

All references to "\$" are to Australian currency (AUD) unless otherwise noted.

H1 FY21

Operational Highlights



99%

EBITDA growth PcP

\$8.2m

(H1 FY20 \$4.1m)



30%

Core Fibre Connectivity
revenue growth



~\$25m

TCV major new
customer win



66%

Home Broadband
Consumer
Subscription
Growth PcP

Momentum by Customer Segment

International/Wholesale



30% Fibre Connectivity revenue growth PcP

- > A multi year major contract win, for Superloop nbn TC4 Aggregation Services via our in-house Superloop Connect Platform

Total anticipated total contract Value ~\$25m



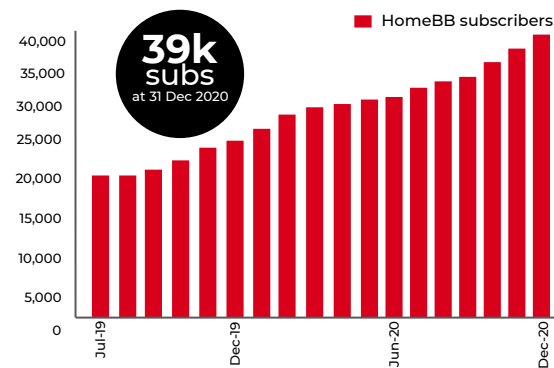
Enterprise

- > New enterprise pipeline developing to expectation with sales to commence from Q4
- > Soft launch of CyberEdge security product during the period
- > Finalisation of Services (CMS) divestment, non-core services are no longer part of the go forward Profit & Loss

Consumer

66% Home Broadband Subscriptions PcP

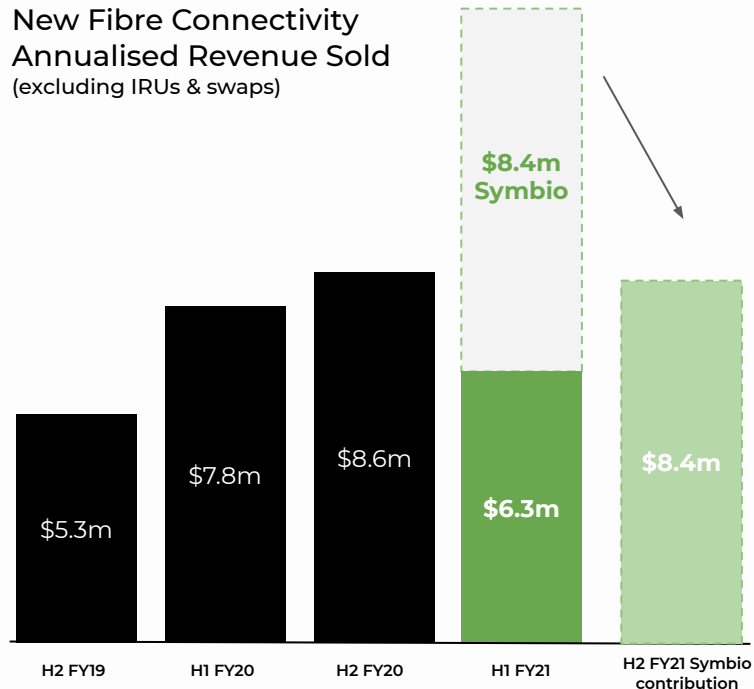
70% Home Broadband Revenue growth PcP



17% Overall continuing* revenue growth PcP

* excludes CMS revenue

New Fibre Connectivity Annualised Revenue Sold (excluding IRUs & swaps)



Major contract win, executed
after period closed (Qtr 3),
Total Contract Value **\$25m**

H1 FY21 Connectivity Sales Contract Terms & Total Contract Value (TCV)



\$15
Million
TCV

Home Broadband Plans



nbn™ Home Basic

25Mbps/10Mbps ¹⬇️
Typical Evening Speed¹
22.2 Mbps
Unlimited Data

~~\$59.95~~
\$54.95

nbn™ Home Standard

50Mbps/20Mbps ¹⬇️
Typical Evening Speed¹
44.4 Mbps
Unlimited Data

~~\$69.95~~
\$59.95

nbn™ Home Fast **POPULAR**

100Mbps/20Mbps ¹⬇️
Typical Evening Speed¹
90.0 Mbps
Unlimited Data

~~\$89.95~~
\$74.95

nbn™ Home Fast 40

100Mbps/40Mbps ¹⬇️
Typical Evening Speed¹
90.0 Mbps
Unlimited Data

~~\$98.95~~
\$88.95

nbn™ Home Superfast **HOT DEAL**

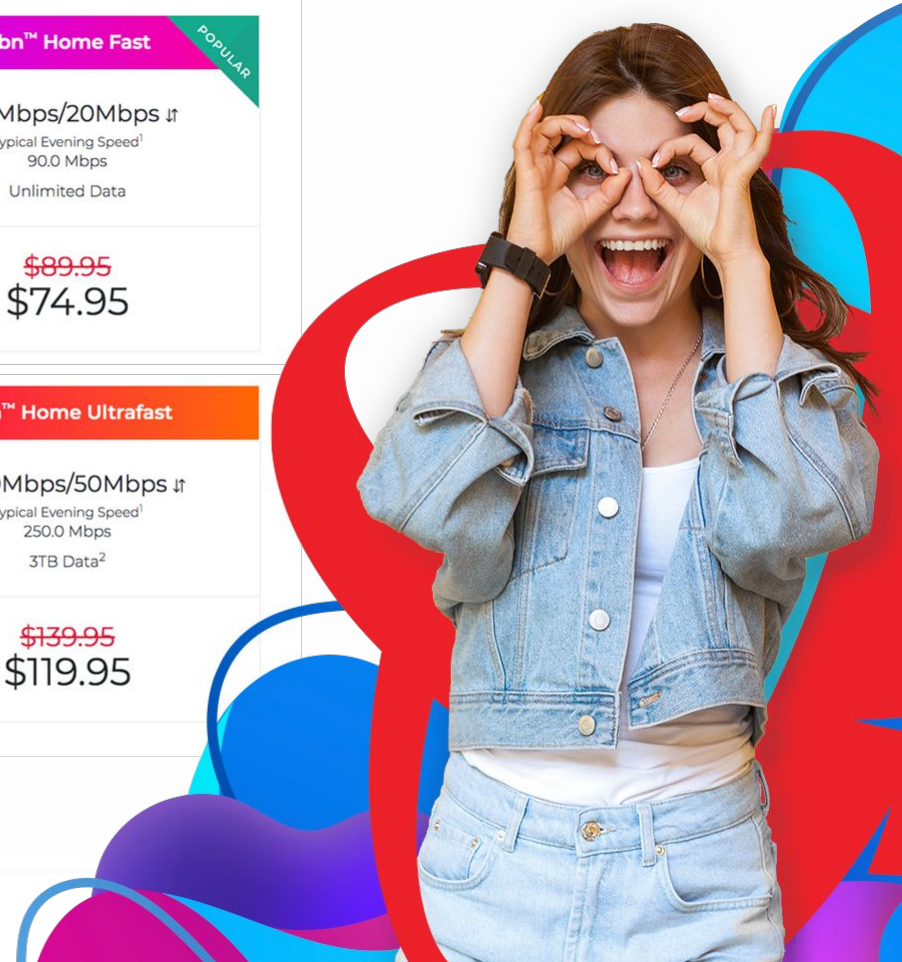
250Mbps/25Mbps ¹⬇️
Typical Evening Speed¹
215.0 Mbps
Unlimited Data

~~\$119.95~~
\$99.95

nbn™ Home Ultrafast

1000Mbps/50Mbps ¹⬇️
Typical Evening Speed¹
250.0 Mbps
3TB Data²

~~\$139.95~~
\$119.95



Financial Performance

H1 FY21 Group Profit & Loss Performance

\$'Mil	H1 FY20	H1 FY21	PcP
Total Revenue	\$51.3	\$53.3	4%
Direct Costs	\$(24.8)	\$(28.7)	-16%
Gross Margin	\$26.5	\$24.6	-7%
Gross Margin %	52%	46%	-11%
Operational Costs	\$(22.4)	\$(16.4)	27%
Statutory EBITDA	\$4.1	\$8.2	99%
Depreciation & Amortisation	\$(21.7)	\$(24.8)	
Interest/FX	\$(2.9)	\$(1.8)	
Net profit/ (loss) before tax	\$(20.5)	\$(18.4)	

Total Superloop Group

\$53.3m

H1 FY21 Total Revenue

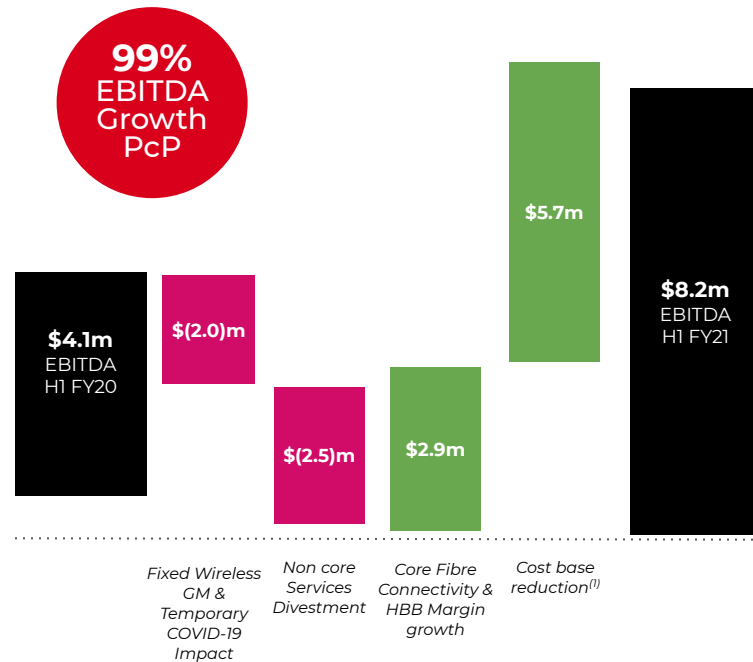
\$24.6m Gross Margin
46% Margin

\$8.2m
H1 FY21 EBITDA

Group Revenue PcP Movement



Group EBITDA PcP Movement



⁽¹⁾ Cost base reduction is a mix of permanent & temporary initiatives in addition to \$2.5m of Government Job Keeper Support

H1 FY21 Performance by Segment

		H1 FY20			H1 FY21				
\$Mil		Revenue	Gross Margin	Gross Margin %	Revenue	Gross Margin	Gross Margin %	GM PcP	GM Growth
Connectivity	Core Fibre Connectivity	17.2	6.3	37%	22.3	8.1	36%	1.8	29%
	Subsea & Const.	-	-	-	-	-	-	-	-
	Fixed Wireless Connectivity	9.1	7.7	85%	7.9	7.3	92%	(0.4)	(6%)
	Total Connectivity	26.3	14.0	54%	30.2	15.4	51%	1.4	10%
Broadband	Guest Wifi	5.8	3.2	55%	3.6	1.7	47%	(1.5)	(47%)
	Home Broadband	8.8	3.8	43%	14.9	5.0	34%	1.2	32%
	Total Broadband	14.6	7.0	48%	18.5	6.7	36%	(0.3)	(4%)
Services	CMS + Cybersecurity	10.0	5.0	50%	4.5	2.5	57%	(2.5)	(49%)

Core Fibre Connectivity
+29% growth in gross margin as business continues to focus on building recurring revenue through increased utilisation of network assets.

Fixed Wireless Connectivity
-\$0.4m gross margin driven by customer churn.

Guest WiFi
International Border closures due to COVID-19, impact education and hospitality sectors. Gross margin impacted also due to fixed cost base.

Home Broadband
NBN continued subscriber growth with 9k net adds during the period. Gross margin reduction due to FW/NBN product mix.

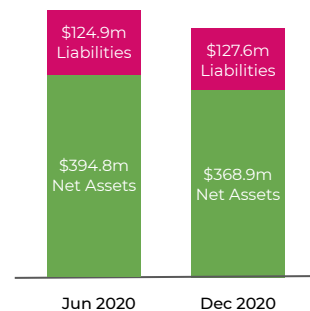
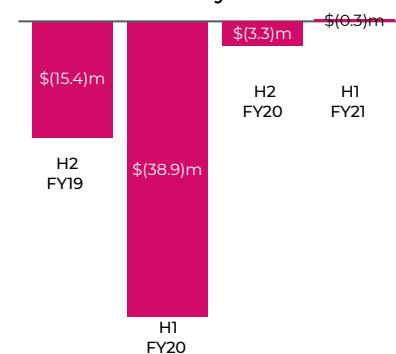
Services inc. CMS & Cybersecurity
Accelerated retirement of non-core cloud managed services.

Financial Position at 31 December 2020

\$'Mil	H1 FY20	H1 FY21	Change
Operating cash flows	6.0	8.0	2.0
Investing cash flows	(44.9)	(8.3)	36.6
Financing cash flows	36.0	(3.0)	(39.0)
Net cash flows	(3.0)	(3.3)	(0.3)

Balance Sheet (\$m)	June 20	Dec 20	Change
Cash & cash equivalents	17.1	13.7	(3.4)
Property, plant & equipment	231.6	226.2	(5.4)
Network IRUs intangible assets	59.9	57.1	(2.8)
Goodwill from acquisitions	135.1	135.1	-
Other intangible assets	45.0	37.8	(7.2)
Total Assets	519.7	496.5	(23.2)
Net debt ⁽¹⁾	36.3	40.4	4.1
Total Liabilities	124.9	127.6	2.7
Net Assets	394.8	368.9	(25.9)

Free Cash flow by Half⁽³⁾



Cash Flows

+ \$2.0m operating cash flows compared to previous corresponding period

+ Reduction in Investing cash flows, as capital expenditure normalises.

+ Financing cash flows during the period includes interest, net debt repaid and lease payments.

Balance Sheet

Balance sheet remains stable with **net debt at \$40.4m** and **leverage ratio⁽²⁾ 2.8x** (FY20: 3.1x)

Capital Expenditure

\$8m expenditure H1 FY21 excluding IRU swaps (H1 FY20 \$12m)

⁽¹⁾ Net debt = short-term & long-term interest-bearing borrowings (excluding Operating Leases) less cash & cash equivalents.

⁽²⁾ Leverage ratio = 12 month rolling Adjusted EBITDA / Net Financial Indebtedness.

⁽³⁾ Free cash flow = operating cash flows less investing cash flows (does not include lease payments)

H1 FY21 Outlook

\$18m- \$20m

FY21 EBITDA
Guidance

Re-affirming EBITDA Guidance of \$18m - \$20m.

Latest expectation bottom end of the range primarily due to continuing but temporary implications of COVID on Hospitality and Education sectors.



With record results across all our major financial metrics H1 21 clearly demonstrated the strong momentum in each of our three customer segments, we remain confident that our strategy will see this progress continue into the future.

Paul Tyler
Chief Executive Officer

Thank you

Contact details

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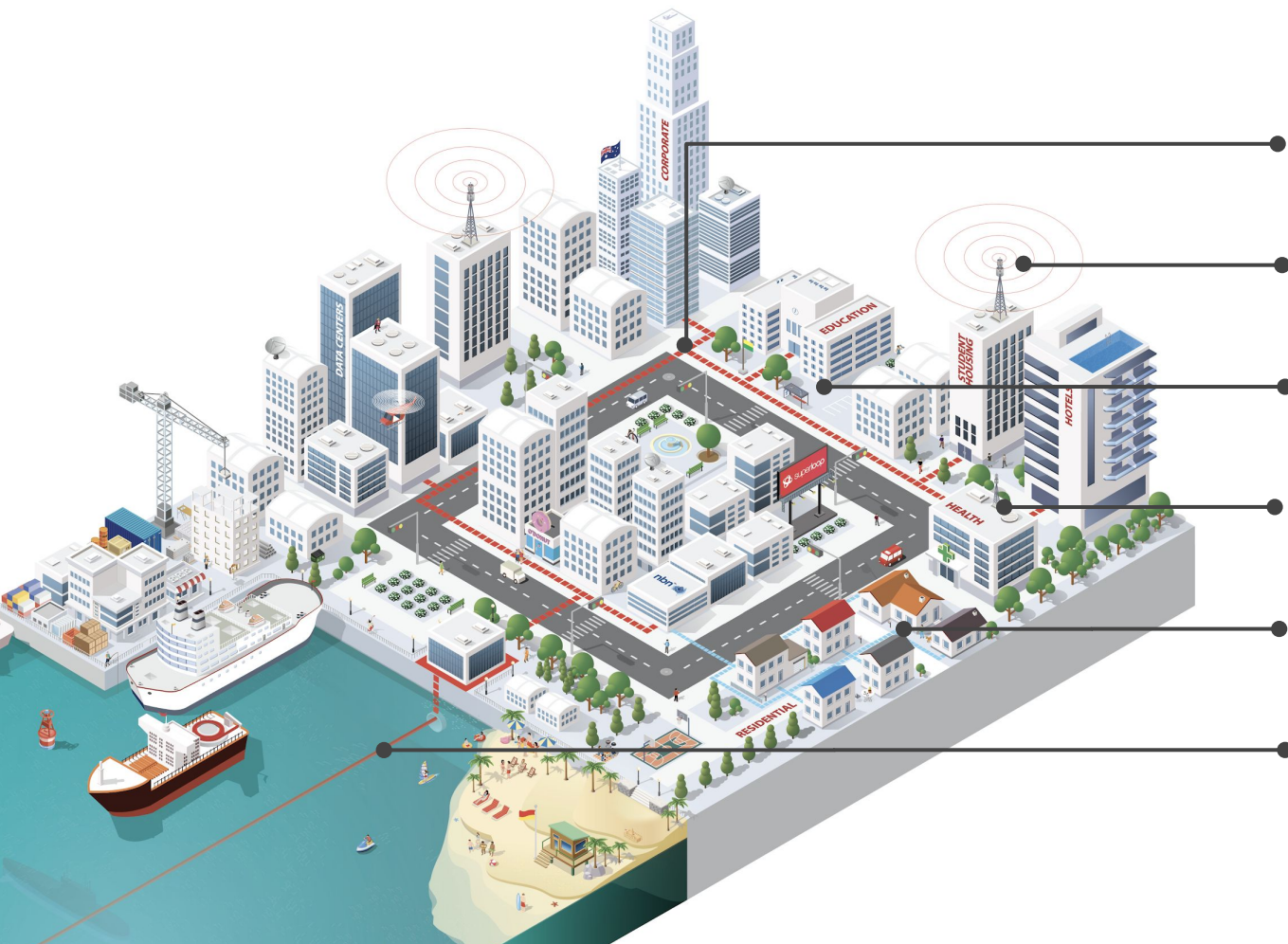
<https://investors.superloop.com>

Appendix

Superloop's International Subsea Network Connecting Asia Pacific to Europe & North America



Platforms Leveraging our Asia Pacific Network



Fibre Networks in Singapore, Australia & Hong Kong
(Connectivity)



Fixed Wireless Network across Australia
(Connectivity)



CyberHound Secure Internet
(Services)



Guest WiFi platform for leisure, health & education campuses
(Broadband)



Residential & small business Broadband across Australia
(Broadband)



Subsea cable network connecting Asia Pacific
(Connectivity)

Super Network for Super Customers across Asia Pacific

Cloud OTT & Content Providers



Global Service Providers & Wholesalers



Enterprise / Business Customers / Channel Partners



Education & Student Accommodation



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\$m Revenue by Half

H2 FY19

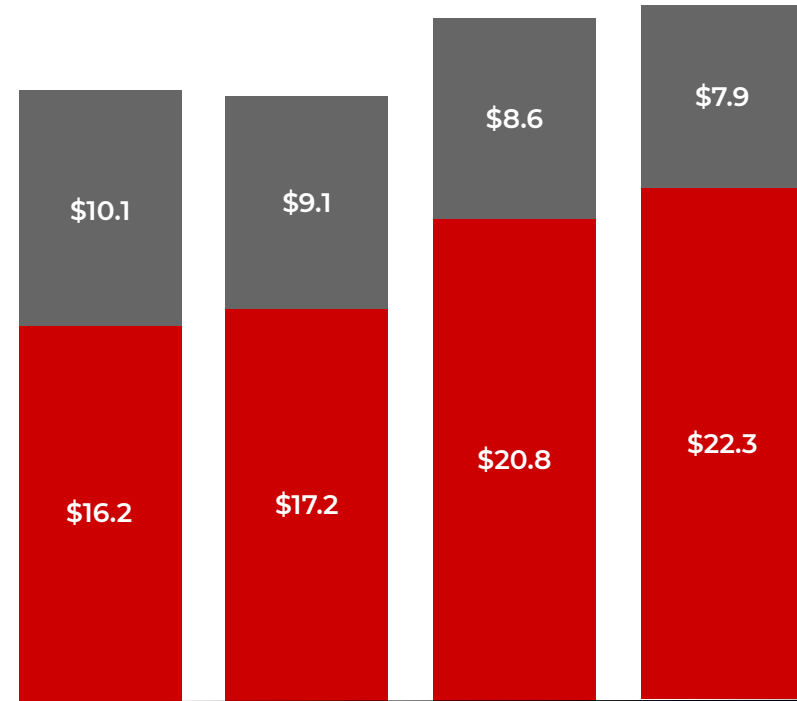
H1 FY20

H2 FY20

H1 FY21

■ Fixed Wireless
(Connectivity)

■ Fibre⁽¹⁾
(Connectivity)



92%
Margin %

36%
Margin %

Fibre Connectivity

Continuous growth in strong underlying recurring fibre connectivity revenue, with 30% PcP growth.

Fixed Wireless Connectivity

Revenue reduction of 13% PcP due to net customer churn.

⁽¹⁾Core Fibre Connectivity revenues excluding INDIGO development revenue and design & construction revenues.

Broadband Segment leveraging our Fibre Connectivity Foundation

\$m Revenue by Half

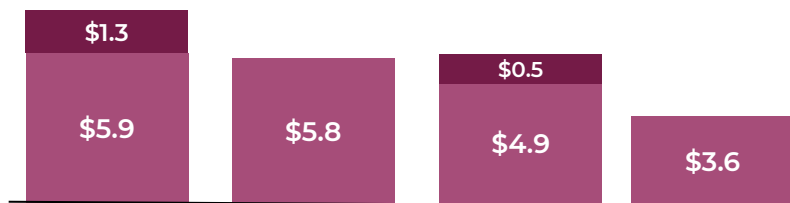
H2 FY19

H1 FY20

H2 FY20

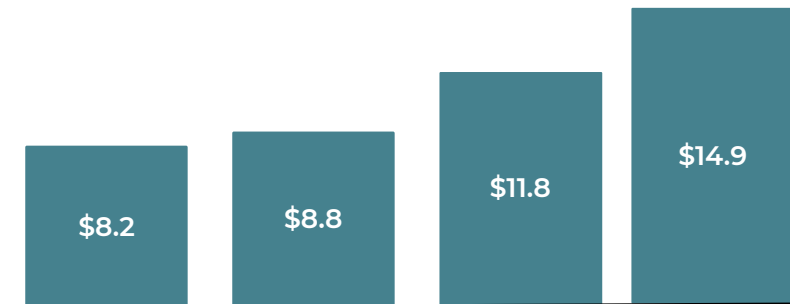
H1 FY21

- Guest WiFi ⁽¹⁾ (Broadband)
- Guest WiFi Installation Revenue



47%
Margin %

- Home Broadband (Broadband)



34%
Margin %

Guest WiFi Broadband

Underlying recurring revenue reduction of 38% Pcp, International border closures due to COVID-19 has impacted occupancy rates at student accommodation sites.

Gross margin has also been impacted during the period due to predominantly fixed cost base.

Home Broadband

Subscription growth of 66% from December 2019, a total of 9k net subscribers added in H1 FY21. Margin reduction due to higher mix of NBN to Fixed Wireless subscribers.

⁽¹⁾ Guest Wifi excludes revenue from GX2 US entity due to divestment and installation revenue

Services Segment includes non-core CMS + core CyberHound

\$m Revenue by Half

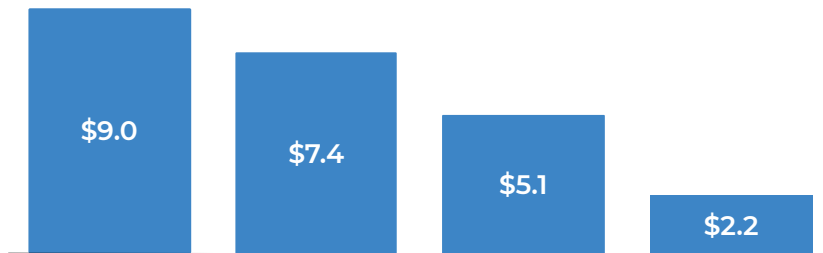
H2 FY19

H1 FY20

H2 FY20

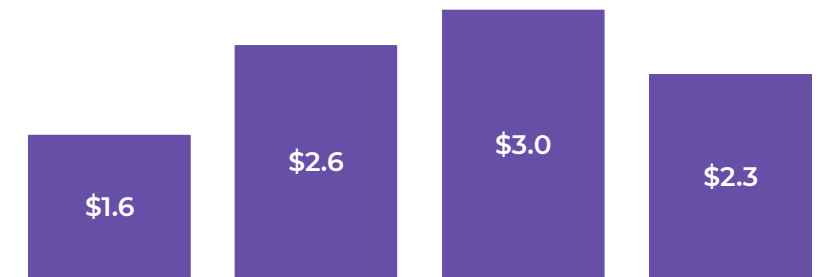
H1 FY21

Cloud Managed Services



30%
Margin %

Cybersecurity (Services)



82%
Margin %

Cloud Managed Services

In 2019, Superloop notified investors and customers that CMS would be discontinued. There has been an accelerated decline in H1 FY21 with all customers exited as at 31 December 2020.

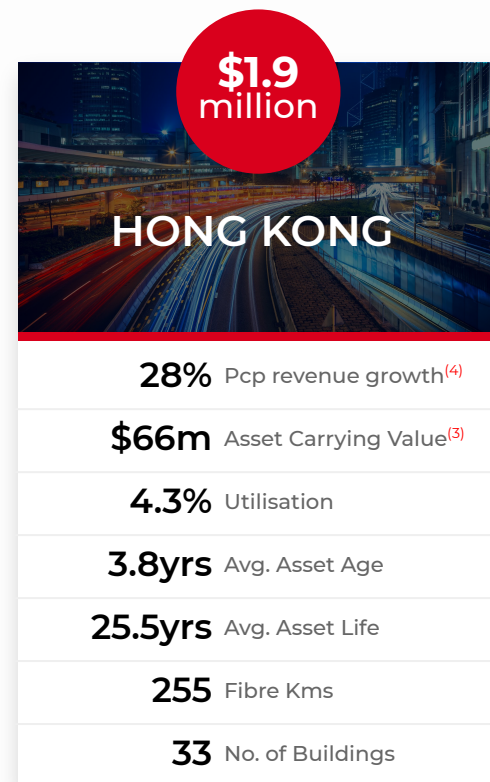
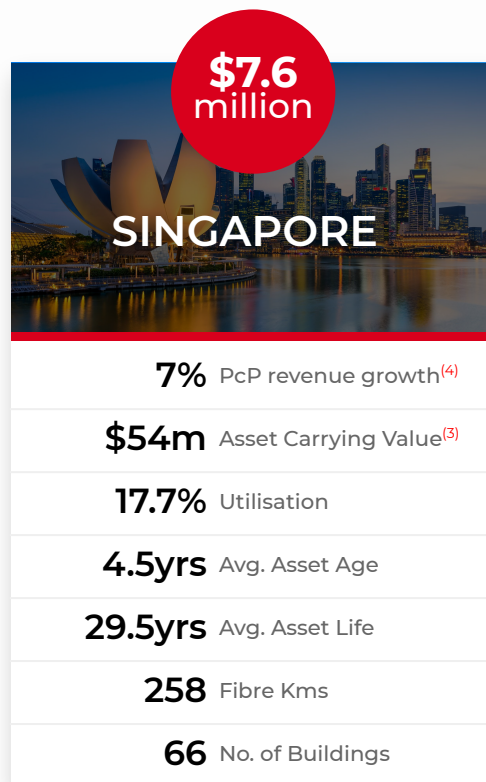
An impairment of all goodwill relating to the CMS segment was raised in FY19, with disposal taking effect as at 31 December 2020.

CyberHound Security

Superloop CyberHound offers schools the most advanced multi-layered cybersecurity & web filtering solution, backed up by professional support and managed security services. The service also offers unique welfare and efficiency tools for students and staff.

Superloop has invested in its cybersecurity technology focused development teams and will release further innovative solutions for schools as well as the broader enterprise market towards the end of FY21.

Fibre Scale Economics: H1 FY21 Revenue



⁽¹⁾ Includes recurring revenue only

⁽²⁾ Does not include Indigo

⁽³⁾ Does not include GoodWill

⁽⁴⁾ Growth shown in underlying local currency (SG & HK)

Historical Financial Performance by Sub-Segment (1/2)

\$'000	H2 FY19	H1 FY20	H2 FY20	H1 FY21
Connectivity Revenue				
Australia Fibre	8,801	8,155	11,307	12,775
Singapore Fibre	5,376	7,415	7,482	7,588
Hong Kong Fibre	1,977	1,584	2,015	1,931
Core Fibre Connectivity	16,154	17,154	20,804	22,294
Subsea development	635	0	0	0
Design & Fibre Construction	7,403	0	1,359	0
Australia Fixed Wireless	10,092	9,113	8,559	7,912
Total Connectivity Revenue	34,283	26,267	30,722	30,206
Connectivity Gross Margin				
Australia Fibre	2,265	740	1,597	2,392
Singapore Fibre	2,875	6,101	6,093	5,912
Hong Kong Fibre	1,189	(578)	(325)	(200)
Core Fibre Connectivity Gross Margin	6,329	6,263	7,365	8,104
Subsea development	635	0	0	0
Design & Fibre Construction	4,804	0	1,243	0
Australia Fixed Wireless	6,162	7,711	7,167	7,255
Total Connectivity Gross Margin	17,930	13,974	15,775	15,359
Connectivity Gross Margin %				
Australia Fibre	26%	9%	14%	19%
Singapore Fibre	53%	82%	81%	78%
Hong Kong Fibre	60%	(36%)	(16%)	(10%)
Core Fibre Connectivity Gross Margin %	39%	37%	35%	36%
Subsea development	-	-	-	-
Design & Fibre Construction	65%	-	91%	-
Australia Fixed Wireless	61%	85%	84%	92%
Total Connectivity Gross Margin %	52%	53%	51%	51%

Connectivity revenues & margins consist of fibre networks in Singapore, Hong Kong & Australia, INDIGO subsea cable & Australian Fixed Wireless network.

Strong growth 30% PcP in core fibre connectivity.

Singapore Fibre for H1 FY21 impacted by FX movement, underlying base currency revenue growth was 7% PcP (\$491k).

Historical Financial Performance by Sub-Segment (2/2)

\$'000	H2 FY19 ⁽¹⁾	H1 FY20	H2 FY20	H1 FY21
Rest of Business Revenue				
Guest WiFi Revenue	7,117	5,792	5,476	3,615
Home Broadband Revenue	8,173	8,761	11,827	14,931
Total Broadband Revenue	15,290	14,554	17,303	18,546
Services Revenue	10,595	10,001	8,125	4,487
Other Revenue	(648)	513	107	26
Total Group Revenue	59,520	51,335	56,257	53,265
Rest of Business Gross Margin				
Guest WiFi	3,952	3,202	3,021	1,683
Home Broadband	3,098	3,833	4,325	5,009
Total Broadband Gross Margin	7,050	7,036	7,346	6,693
Services Gross Margin	4,389	4,996	4,722	2,538
Other Gross Margin	(648)	513	107	26
Total Group Gross Margin	28,721	26,519	27,950	24,615
Rest of Business Gross Margin %				
Guest WiFi	56%	55%	55%	47%
Home Broadband	38%	44%	37%	34%
Total Broadband Gross Margin %	46%	48%	42%	36%
Services Gross Margin %	41%	50%	58%	57%
Other Gross Margin %	100%	100%	100%	100%
Total Group Gross Margin %	48%	52%	50%	46%
Employee Expenses (exc exit costs)	(14,923)	(14,715)	(11,566)	(11,488)
Exit costs	(1,000)	-	(693)	-
Professional fees	(2,325)	(1,598)	(1,305)	(1,343)
Marketing costs	(1,343)	(1,267)	(1,141)	(684)
Administrative and other expenses	(5,140)	(4,841)	(3,871)	(2,950)
Total Operating Costs	(24,731)	(22,421)	(18,577)	(16,465)
Statutory EBITDA	3,990	4,097	9,373	8,150
EBITDA exc. subsea dev	3,355	4,097	9,373	8,150

⁽¹⁾ AASB 16 Leases was applied on 1 July 2019 in accordance with the modified retrospective transition approach, therefore the comparative information has not been restated and continues to be reported under AASB 117.

'Rest of Business' contains Broadband and Services segment.

Broadband includes Guest WiFi provided to education, health & leisure campuses & Home Broadband to Australian homes.

Services segment includes CyberHound cybersecurity and non-core cloud managed services.

Operational costs are contained at a group level.

H1 FY21 Direct & Indirect Operating Costs Performance

\$'Mil	H1 FY20	H1 FY21	PcP
Connectivity Direct Costs	\$(12.3)	\$(14.8)	(20.8)%
Broadband Direct Costs	\$(7.5)	\$(11.9)	(57.7)%
Services Direct Costs	\$(5.0)	\$(1.9)	61.1%
Total Direct Costs	\$(24.8)	\$(28.6)	(15.5)%
Employee Costs ⁽¹⁾	\$(14.7)	\$(11.5)	21.9%
Professional fees	\$(1.6)	\$(1.3)	15.9%
Marketing costs	\$(1.3)	\$(0.7)	46.1%
Admin. and other expenses	\$(4.8)	\$(3.0)	39.1%
Total Operating Costs	\$(22.4)	\$(16.5)	26.6%

⁽¹⁾ Job Keeper Govt support provided in H1 FY21 totalling \$2.5m.

Direct Costs

Increase in direct costs generally attributable to increase in sales. Services direct cost closely managed through the divestment of CMS.

Operating Costs

Down 27%, in-year savings gained due to limited travel expense with border closures in place. Lower Admin costs with Sydney office vacancy and staff working from home.

Government Job Keeper assistance of \$2.5m was received during the period, with COVID-19 cost optimisation offset with investment in new enterprise team.

Marketing reduction due to cancellation of sponsored events and conferences.