

1H FY24 Results Presentation

23 February 2024



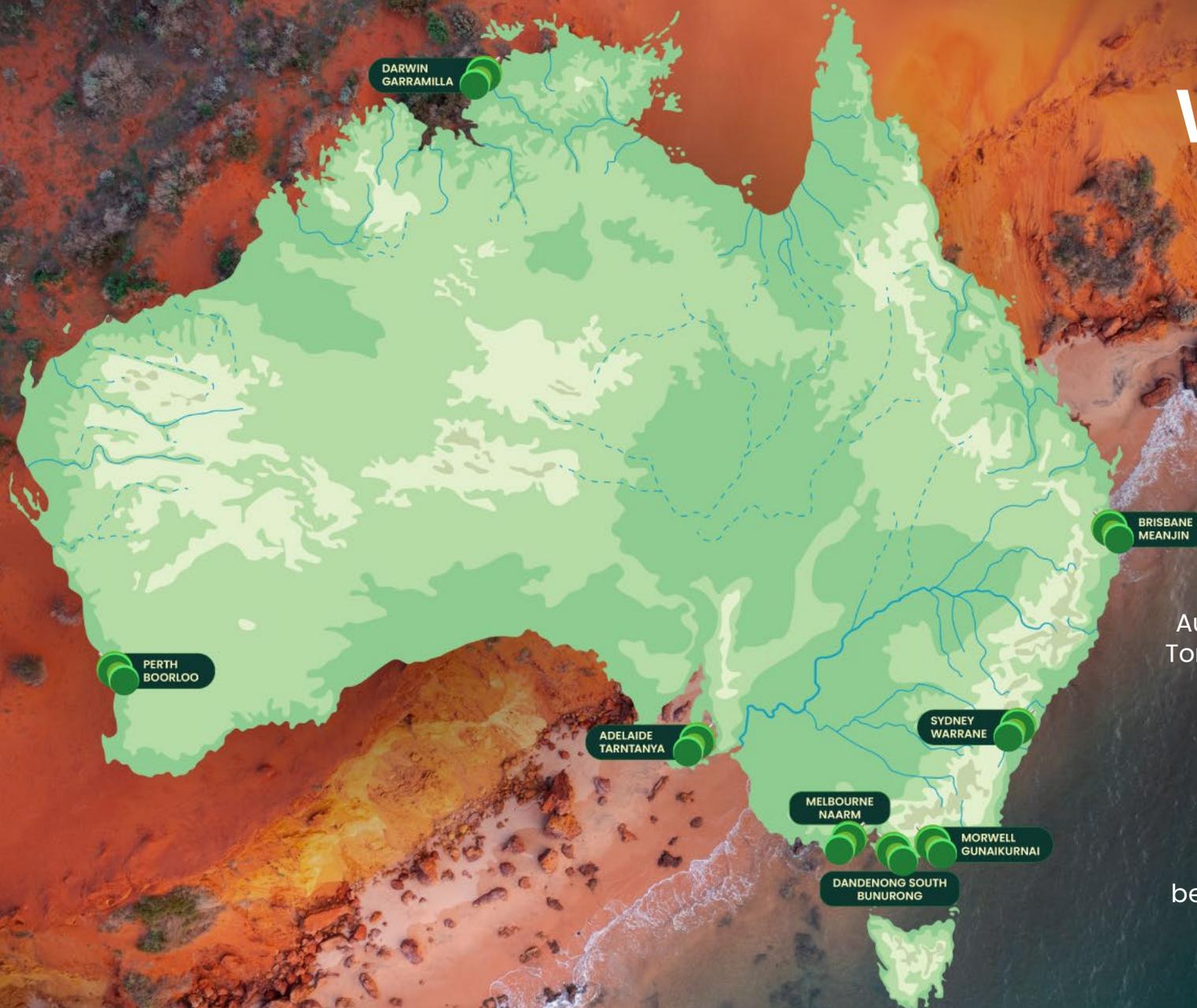
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We acknowledge

Aussie Broadband acknowledges Aboriginal and Torres Strait Islanders as the First Australians, and their role as the original communicators, connectors, and carers of the land and waters across Australia. We pay our respects to Elders past and present.

We commit to working respectfully to honour ongoing cultural and spiritual connections between the Traditional Owners and this country, and to building an inclusive Australia together.



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The game worth playing



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Delivering our FY24 Growth Strategy



Continue to build scale and monetise SAU changes

In 1H FY24, Aussie Broadband:



Grew NBN market share¹ to 8.3% from 7.0% at 1H FY23, while providing exceptional customer service



Implemented marketing-driven growth strategies to capitalise on the NBN SAU changes into 2H FY24



Maintained strong E&G sales momentum and kept the June 23 pipeline on track; recurring revenue slightly behind 2H FY23



Strengthened our balance sheet and increased flexibility for future M&A opportunities by successfully raising \$140m



Progressed the Symbio acquisition, which will complete on 28 February; it will complement the existing Aussie Broadband voice business and deliver scale



1. NBN market share excluding NBN Satellite



The numbers that matter

Double digit top line and EBITDA growth vs. pcp³



\$445.9m
Revenue
Up 17.7%



\$154.3m
Gross Margin
Up 16.7%



\$46.3m
EBITDA¹
Up 12.7%



\$40.7m
Op Cash Flow
Up 57.8%



8.3%
NBN Market Share²
Up 1.3 ppt



765.8k
Broadband Connections
Up 130.3k

1. EBITDA before non-recurring items
2. NBN market share excluding NBN Satellite compared against 31 December 2022
3. Prior corresponding period (PCP) being 6-month period ended 31 December 2022 (1H FY23)

Financial Performance

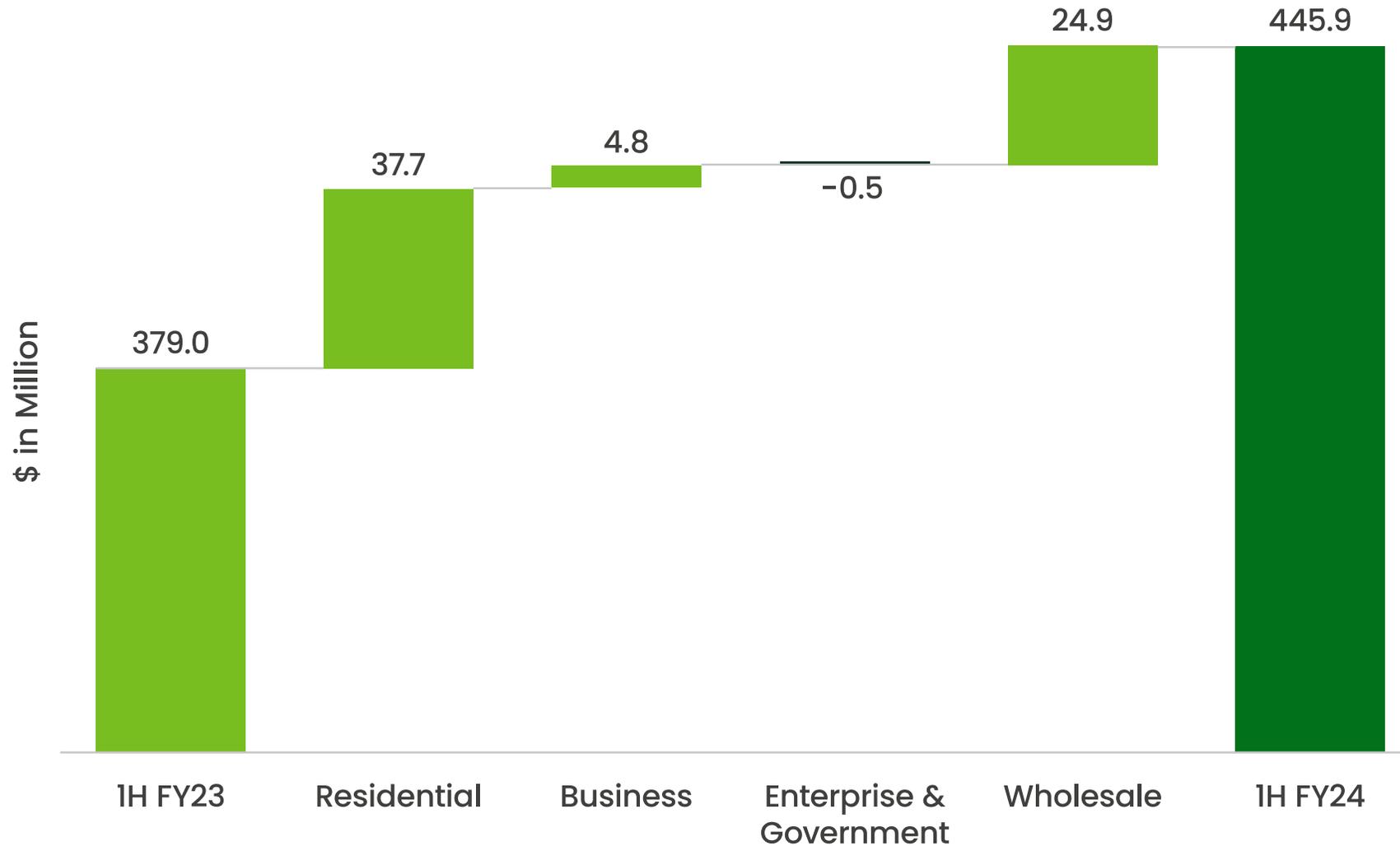


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1H FY24 Revenue Drivers

Continued revenue growth momentum



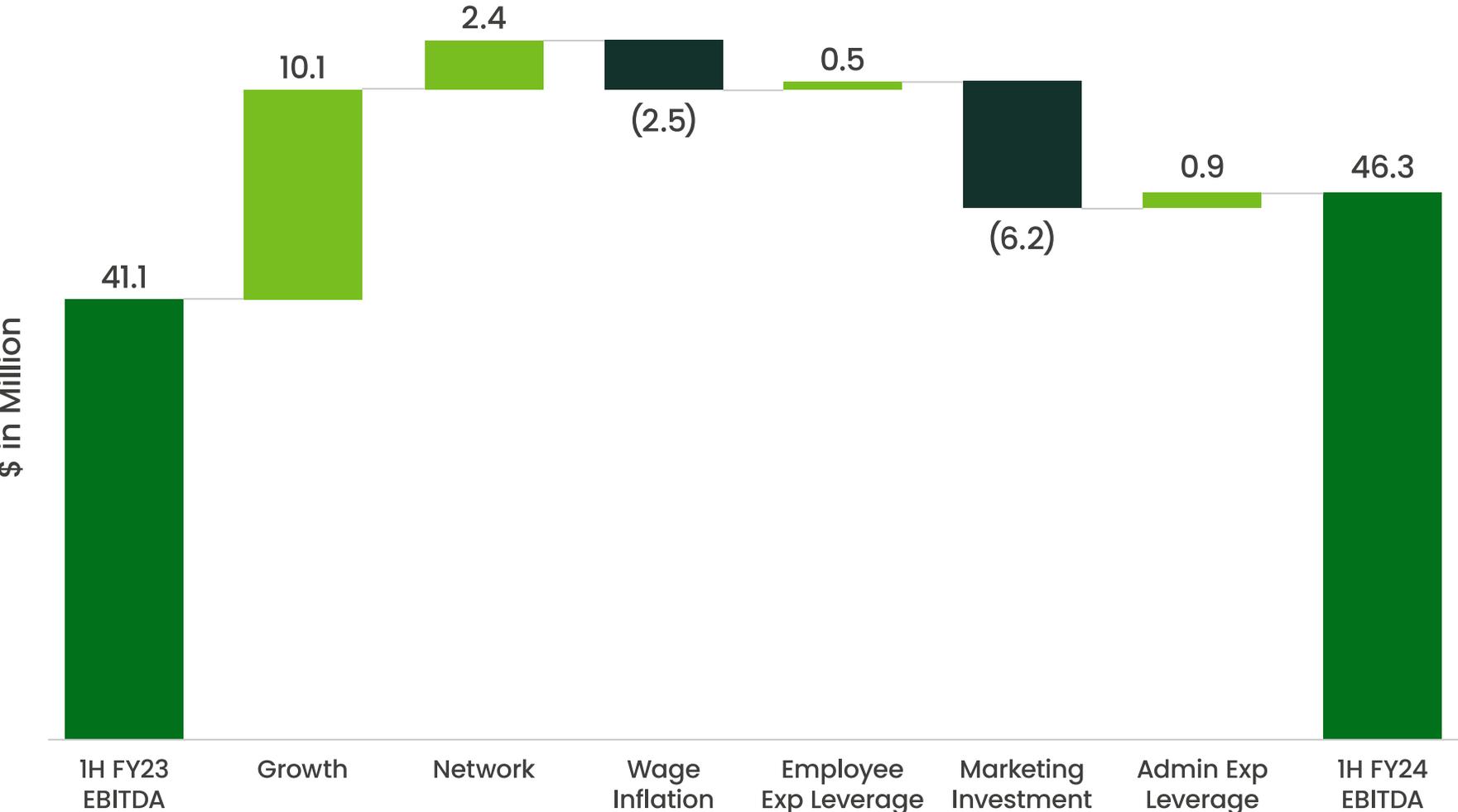
Revenue continues trend of growth half-on-half in majority of segments

Residential and wholesale segments revenue growth exceeding expectations

1H FY24 vs 1H FY23 EBITDA Drivers



Revenue growth driving EBITDA with higher marketing spend in 2Q FY24



New customer acquisition remains strong from investment in marketing

Impact of new customers in 2Q FY24 to be realised in the second half

Cashflow and Borrowings

Strong cash generation in 1H FY24



	Operating Cashflow	\$40.7m – up \$14.9m
	Cash Conversion Ratio	94.5% – up 19.5 ppt
	Cash and Cash Equivalents	\$117.2m – up \$42.1m
	Net Cash	\$72.8m – up \$154m
	Interest Cover Ratio	9.9x

Strong operating cashflows with a strong cash position of \$117.2m

Notes:

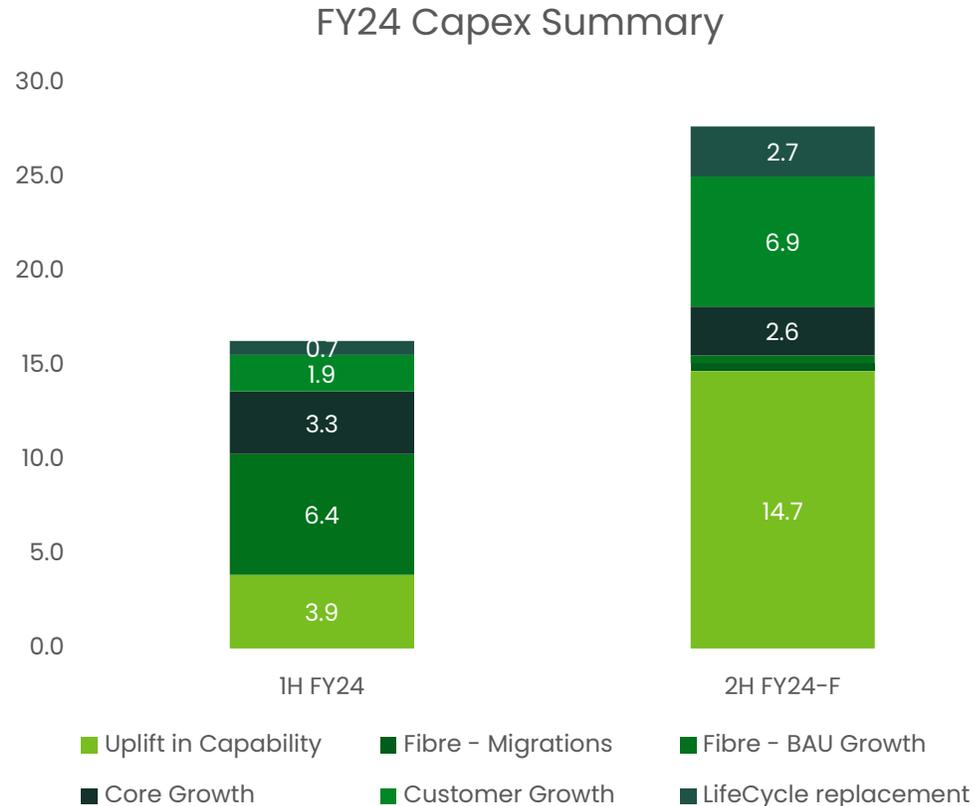
- Prior corresponding period (pcp) calculated based on 31 December 2022 consolidated results
- Operating cashflow after interest and tax
- Net cash and interest cover based on banking covenant definitions
- Cashflow movement vs. prior corresponding period being 6-month period ending 31 December 2022 (1H FY23)
- Balance sheet movement vs. 30 June 2023

1H FY24 Capex

Decreased lifecycle replacement



Summary Performance (\$m)	1H FY23	1H FY24	Change
Recurring /Upgrade	5.4	4.6	(14.8%)
Fibre	8.3	6.4	(22.9%)
Growth	17.5	5.2	(70.3%)
Total	31.2	16.2	(48.1%)



- **Recurring** capex remains modest, largely relating to replacement and upgrades
- **Growth** capex lower due to rephasing of uplift in capability spend to 2H FY24 Forecast

Disciplined and refreshed view of the replacement and upgrade capex program

Investment in 2H FY24 in updated capability and platforms to support growth

Updated FY24 capex guidance in the range of \$40m to \$45m

Notes:

- 1H FY24 Capex excludes \$2.1m of costs related to the customer acquisition of Uniti NBN customers

Segment Performance



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Residential Segment

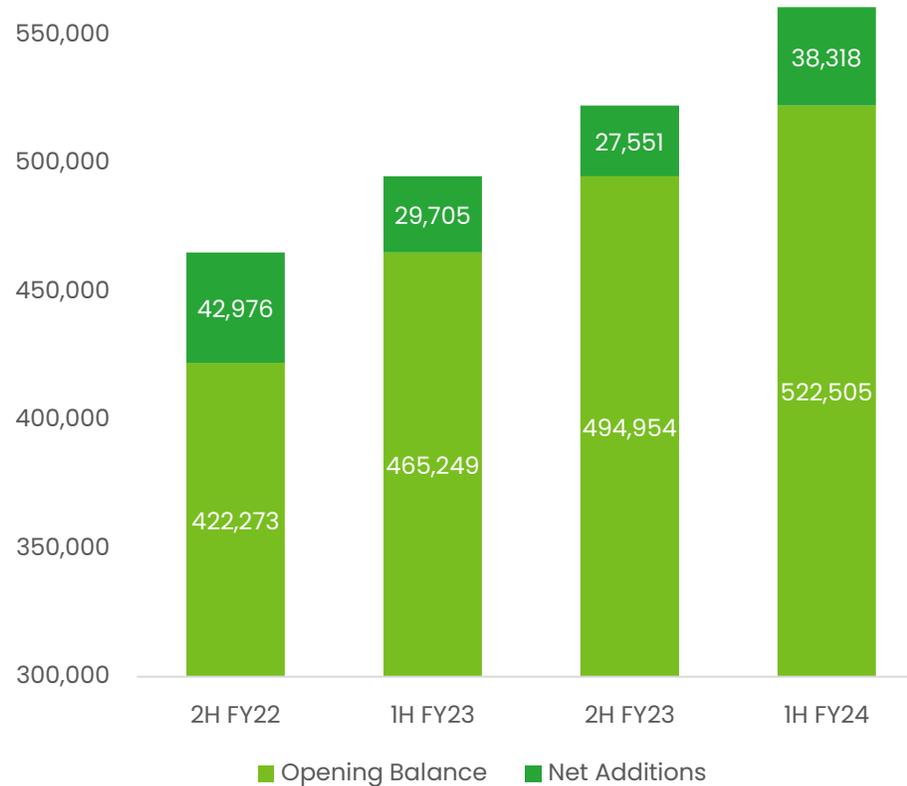


Strong momentum in revenue and connection growth in 1H FY24

Summary Performance (\$m)	1H FY23	1H FY24	Change
Revenue	246.1	283.9	15.4%
COGS	(170.7)	(198.1)	16.5%
Gross Margin	75.4	85.8	13.8%
Gross Margin %	30.6%	30.2%	(0.4 ppt)

- **Revenue:** Robust 15.4% growth supported by an increase in mobile services
- **Gross Margin:** Slightly lower gross margin in 1H FY24, principally due to higher than expected mobile data charges. Margins are expected to return to growth in 2H FY24 as they benefit from a full half impact of SAU pricing. Elevated promo costs due to SAU also impacted gross margin
- **Connections:** Added 38.3k connections in 1H, stronger than both 1H and 2H FY23
- **Churn:** Slightly elevated in 1H due to price increases, highly competitive market and industry promotional activity around SAU. Expected to return to normal level in 2H FY24

Residential Broadband Connections



Connection growth exceeded management expectations

Stronger connection growth against both 1H and 2H FY23

SAU and price changes now implemented expected to drive margin improvement

Business Segment

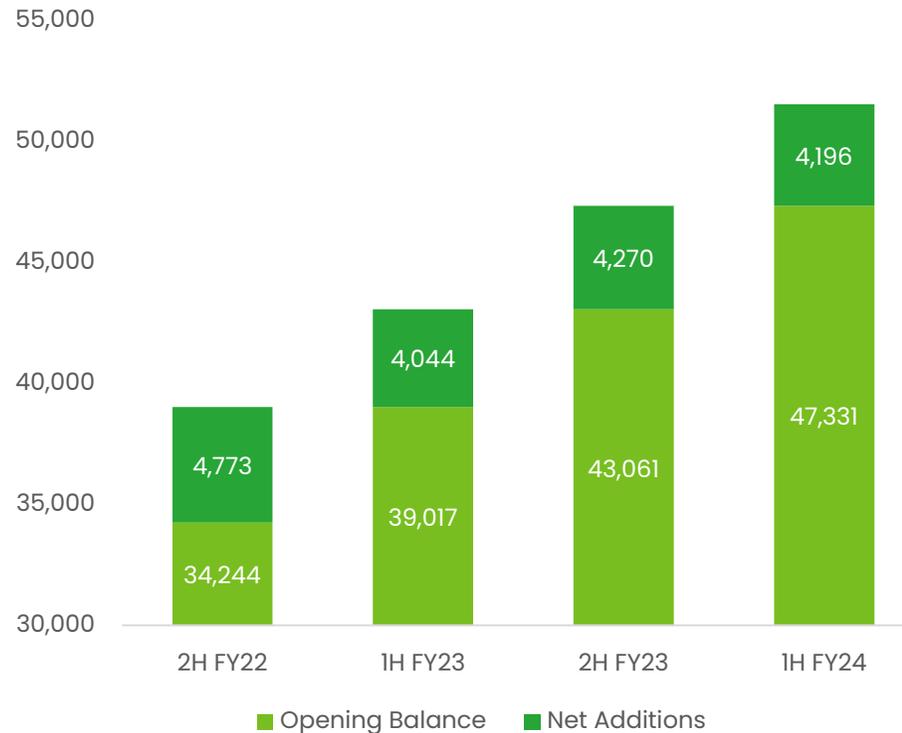
Accelerating growth in both revenue and connections



Summary Performance (\$m)	1H FY23	1H FY24	Change
Revenue	43.2	48.0	11.1%
COGS	(23.0)	(26.4)	14.8%
Gross Margin	20.2	21.7	7.4%
Gross Margin %	46.7%	45.1%	(1.6 ppt)

- **Revenue:** Strong growth of 11.1% demonstrating an improving momentum in business sales
- **Gross Margin:** Growth in gross margin of 7.4% to \$21.7m. Gross margin as % of sales in 1H FY24 was lower by 1.6%, principally due to disposed Zintel NZ business being included in 1H FY23
- **Connections:** 8.7% increase since 2H FY23. Traditionally weighted towards 2H in the business segment
- **Churn:** Remains stable at an average of 0.6% in 1H FY24. No movement since 2H FY23

Business Broadband Connections



Stable customer base with consistently low churn

Continue to grow at double digits half-on-half

SAU and price changes now implemented expected to drive margin improvement

Enterprise & Government Segment



Improvement in margin through shift in mix

Summary Performance (\$m)	1H FY23	1H FY24	Change
Recurring Revenue	35.8	38.4	7.3%
Non-Recurring Revenue	6.4	3.4	(46.9%)
Total Revenue	42.2	41.7	(1.2%)
COGS	(20.7)	(19.7)	(4.8%)
Gross Margin	21.6	22.0	1.9%
Gross Margin %	51.0%	52.7%	1.7 ppt

1H FY24 new customer highlights



- **Revenue:** Recurring revenue grown vs. prior year by 7.3%. New business growth partially offset by recontracting of legacy customers to new NBN and Aussie Fibre plans
- **Gross Margin:** Improvement in margin due to change in revenue mix
- **Sales Momentum:** Increasing momentum of greenfield revenue with new accounts. Pipeline announced in June 2023 on track

An average of \$11k new MRR being signed each month

Shift away from desktop-managed services improving margin

Success in retail sector fuelling enterprise data connections

Wholesale Segment

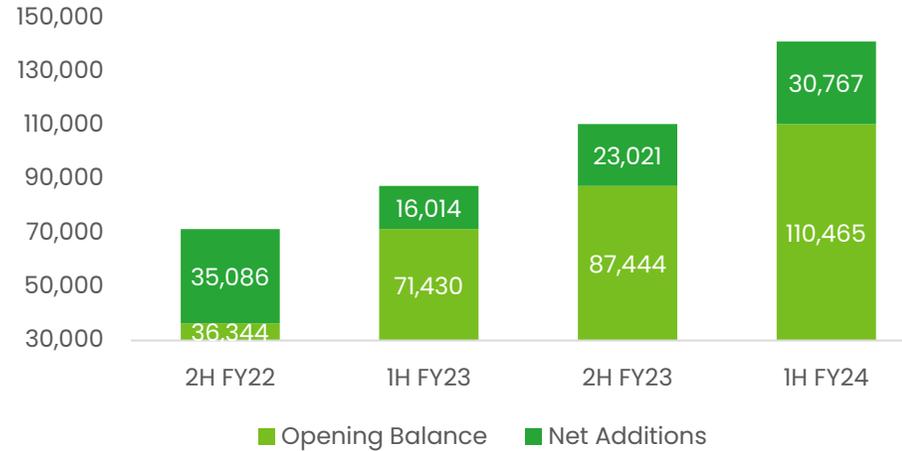


Growth continues across wholesale voice and white label broadband

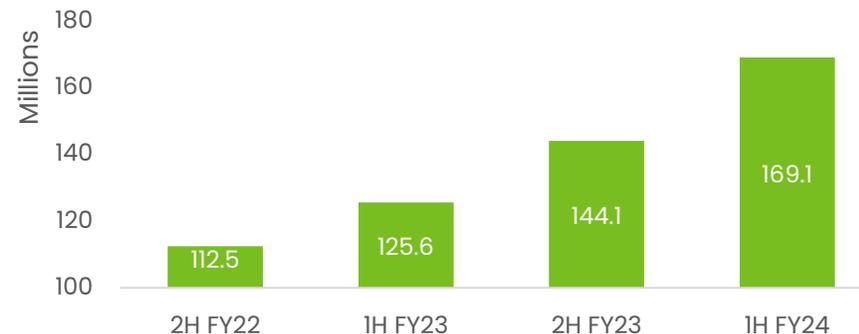
Summary Performance (\$m)	1H FY23	1H FY24	Change
Revenue	47.4	72.3	52.5%
COGS	(32.4)	(47.5)	46.6%
Gross Margin	15.1	24.8	64.2%
Gross Margin %	31.8%	34.4%	2.6 ppt

- **Revenue:** Strong growth of 52.5% driven by increasing momentum in NBN and Voice customers
- **Gross Margin:** Uplift in gross margin of 64.2% led by stronger wholesale voice margins
- **Services:** An increase in NBN services of 27.6%. 17.3% increase in NetSIP minutes

Wholesale Broadband Connections



NetSIP Average Monthly Minutes



Strong voice margin remains, supporting gross margin improvement

Strong growth in broadband connections

Combined NetSIP and Symbio business will supercharge monthly minutes growth

Updates



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Symbio transaction update



- Symbio's shareholders voted in favour of the scheme on 7 February 2024
- The effective date of the scheme was 19 February 2024 with implementation to occur the following week, on 28 February 2024
- Aussie Broadband's Executive Director, Michael Omeros, to be appointed CEO of the Symbio business. Michael is co-founder and former CEO of Over the Wire and brings extensive Wholesale Voice experience to the role and is a natural fit to lead the business
- Current CEO and co-founder, Rene Sugo, to act as advisor to the CEO to assist in a successful transition
- The business will run standalone from the Aussie Broadband business in the short term
- Upgraded guidance of the combined group is provided at the end of the presentation



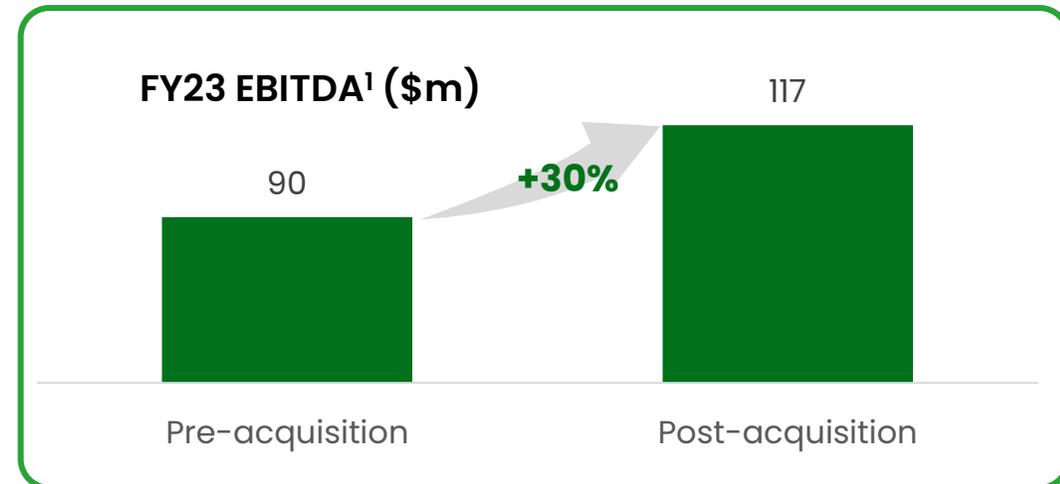
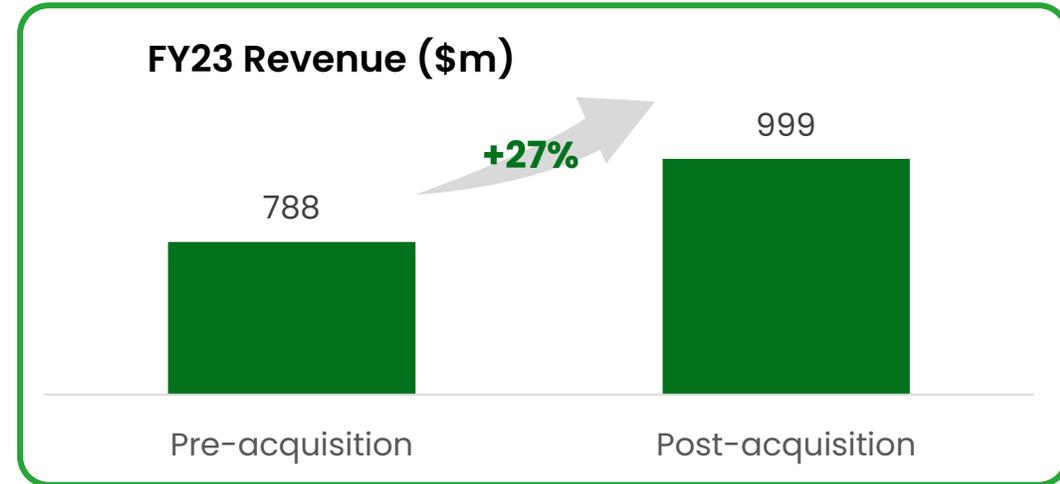
Michael Omeros

Increased scale (pro forma FY23 actuals)



Delivering on our goal to be a leading provider of communications and technology services in Australia

- ~\$1bn** Combined pro forma FY23 revenue, exclusive of any synergies
- 49%** Pro forma FY23 business revenue contribution
- 195%** Increase in Wholesale Revenue by \$196m
- 17%** Increase in E&G revenue by \$15m
- \$5m** Expected synergies in excess of \$5m



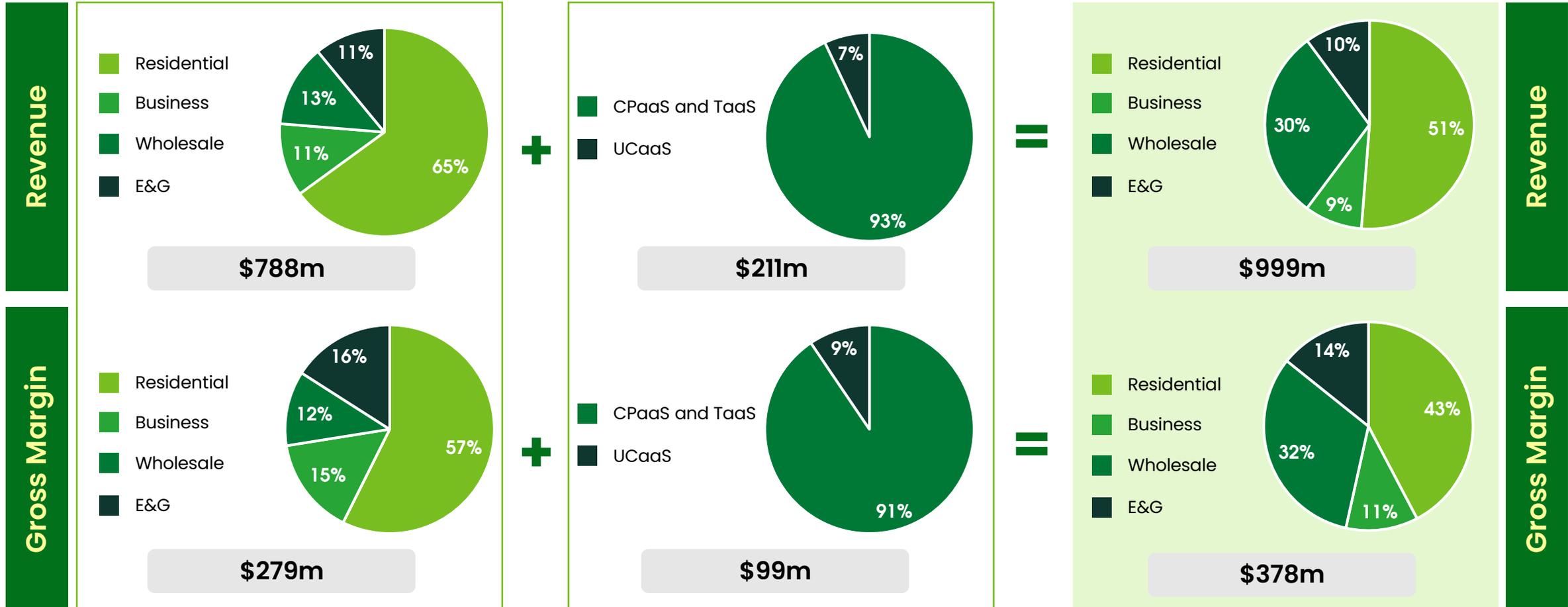
1. As reported on a post AASB-16 basis.

Diversification benefits

Providing more products to our business customers



Pro forma



1. FY23 as reported on a post AASB-16 basis

Organisation structure changes



Organisation structure changes



Phillip Britt

To remain Managing Director reporting to the Board

Two new CEOs appointed, reporting to Phil:



Brian Maher

ABB CEO



Michael Omeros

Symbio CEO



Board changes



Sue Klose

New Director appointment

Existing executive team members reporting into respective CEO of each company

Interim CFO appointed and executive search commenced

FY24 Guidance



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Positive outlook

Upgraded FY24 guidance



ABB standalone FY24 guidance

- Upgraded guidance to the top-end of the previous range, with EBITDA before non-recurring items of \$105m – \$110m (previously \$100m – \$110m), which includes ongoing higher investment in marketing
- Updated capex guidance reducing the range to \$40m – \$45m (previously \$47m – \$52m)
- ABB guidance excludes any costs of and contributions from M&A activity
- As of today the Company has added more than 19,000 additional broadband services for the quarter so far.
- The Group is still focused on organic growth, but remains open should acquisition opportunities arise that align with our strategic objectives

Indicative Symbio contribution

- Limited information available to ABB to date
- Expect that Symbio will contribute approximately \$11m additional EBITDA before non-recurring items for the 4 months owned in FY24

**ABB Group EBITDA guidance including Symbio (for 4 months)
\$116m – \$121m**



Appendices



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Profit & Loss



	1H FY23	1H FY24	Change %
	\$m	\$m	
Revenue	379.0	445.9	17.7%
Network and hardware expenses	(246.8)	(291.6)	18.2%
Gross Profit	132.2	154.3	16.7%
Gross Margin %	34.9%	34.6%	(0.3 ppt)
Employee expenses	(60.2)	(72.9)	21.1%
Marketing expenses	(15.8)	(21.9)	38.6%
Administration and other expenses	(15.1)	(13.2)	(12.6%)
EBITDA before non-recurring items	41.1	46.3	12.7%
Non-recurring items	(0.4)	(1.6)	300.0%
EBITDA	40.7	44.7	9.8%
Depreciation and amortisation	(12.8)	(15.8)	23.4%
EBIT	27.9	28.9	3.6%
Net interest	(4.2)	(4.2)	0%
Income tax	(7.3)	(7.1)	(2.7%)
NPATA	16.4	17.6	7.3%
Amortisation on acquired intangibles	(11.2)	(11.2)	0%
Income tax	3.4	3.4	0%
Profit after tax	8.6	9.8	14.0%

14% improvement in profit after tax

Gross Margin expected to return to growth in 2H due to full impact of SAU and pricing adjustments

Balance sheet



	Jun-23	Dec-23	Change
	\$m	\$m	
Cash and cash equivalents	75.1	117.2	56.1%
Trade and other receivables	43.4	53.6	23.5%
Plant and equipment	91.8	99.8	8.7%
Right-of-use assets	56.5	48.7	13.8%
Intangibles	398.1	389.5	(2.2%)
Other assets	28.7	30.0	4.5%
Total assets	693.6	738.8	6.5%
Trade and other payables	94.7	99.0	4.5%
Contract liabilities	34.1	37.1	8.8%
Lease liabilities	54.7	49.6	9.3%
Borrowings	149.3	39.4	(73.6%)
Deferred tax liability	56.9	51.2	(10.0%)
Other liabilities	12.1	22.7	87.6%
Total liabilities	401.8	299.0	(25.6%)
Net Assets	291.8	439.9	50.8%

Net assets increased by 50.8%

Repayment of core debt (short-term timing) driving the reduction of liabilities by 25.6%

Cashflow



	1H FY23	1H FY24	Change
	\$m	\$m	
Receipts from customers	414.5	484.4	16.9%
Payments to suppliers and employees	(381.7)	(440.6)	15.4%
Net Interest Payments	(3.6)	(4.3)	19.4%
Tax payments	(1.4)	-	(100%)
Operating cash flows	25.8	40.7	57.8%
Payment for purchase of business, net of cash acquired	(1.3)	(1.0)	(23.1%)
Payments for PPE	(23.8)	(15.0)	(40.0%)
Payments for intangibles	(7.4)	(3.4)	(54.1%)
Proceeds from disposal of PPE	0.1	0.3	200%
Proceeds from disposal of business	-	0.6	100%
Investing cash flows	(32.5)	(18.6)	(42.8%)
Proceeds from issue of shares (net of costs) ¹	-	137.1	100%
Repayment of borrowings ¹	-	(110.1)	100%
Lease payments	(7.4)	(7.0)	(5.4)
Financing cash flows	(7.4)	20.0	370.3%

Strong cash flow conversion

Successful capital raising in 1H FY24

1. Cash raised from the capital raise used in the short-term to reduce debt in November 2023 by \$110m

2Q FY24 connections update



Strong start to the financial year

- First half saw connections grow by 74,634 (inclusive of 8,700 from the Uniti acquisition)
- The second quarter saw broadband connections grow by more than 34,021
- Strongest organic growth quarter in the past 2 years driven by increased marketing and market positioning for SAU price changes

Broadband connections	1Q FY23	2Q FY23	3Q FY23	4Q FY23	1Q FY24	2Q FY24	YoY change
Residential	480,820	494,954	509,788	522,505	548,457	560,823	13.3%
Business	41,309	43,061	45,084	47,331	49,440	51,527	19.7%
Enterprise & Government	9,496	9,783	10,152	10,871	11,326	12,224	25.0%
Wholesale	78,364	87,444	97,474	110,465	122,562	141,232	61.5%
Total BB Connections	609,989	635,242	662,498	691,172	731,785	765,806	20.6%



Thank you

Aussie Broadband Limited

Investors contact:

investors@team.aussiebroadband.com.au

Authorised for release by the Aussie Broadband Board



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Slide 1 – Phil – 1H FY24 Results Presentation

Good morning and welcome to Aussie Broadband’s first half FY24 results call.

My name is Phillip Britt and I am the Managing Director of Aussie Broadband. With me today is our CFO, Brian Maher.

As you will see, Aussie continued to demonstrate positive operational performance through the first half of FY24, and the Company continues to demonstrate why we are one of Australia’s leading communications and technology service providers.

Slide 2 – Phil – Acknowledgement of country

Before we present the results and move to Q&A, I would like to begin by acknowledging the Aboriginal and Torres Strait Islanders as the First Australians, and for their role as the original communicators, connectors, and carers of the land and waters across Australia.

We pay our respects to Elders past and present.

We commit to working respectfully to honour ongoing cultural and spiritual connections between the Traditional Owners of this country and to building an inclusive Australia together.

Slide 3 – Phil - Disclaimer slide

Slide 4 - Phil - The game worth playing

When setting our strategy, we use a cascade model which allows our leadership teams to set a compelling vision for the future, we call this our game worth playing. We then imagine ourselves standing in that future and looking back at the actions and targets we have taken to get there.

We use the word ‘game’ deliberately when referring to our strategy and breakthrough targets. This fits with 20 years of Aussie being a game changer, and our ‘have fun’ value, but it also sets a broader context that we play hard, and we don’t think of performance as a ‘right or wrong’ situation.

This is not about short-term objectives, or copying our competitors, it’s about building the base for our 2025 ambition to have 1 million broadband services.

Slide 5 – Phil – Delivering our FY24 Growth Strategy

Moving to slide 5 of the deck.

As the Aussie team focused on delivering the FY24 strategy in the first half, we continued to build scale, growing our NBN market share to 8.3%. Underpinning this growth is our exceptional team and their ability to ‘think big’, their dedication to customer experience, and our resilient network infrastructure.

With the NBN SAU changes coming into effect on 1 December 2023 we implemented a range of promotional activities, which we believe will allow Aussie to capitalise on the introduced changes into the second half of FY24. As a result, we expect to see margins in the Residential and Business segments improve as this financial year progresses and into the future.

We are also confident with the sales momentum we are seeing in the E&G segment of the business and, despite a modest dip in recurring revenue when compared to the second half of last year, the sales pipeline that we discussed in June 2023 remains on track.

Aussie investors once again demonstrated their faith and confidence in our strategy and future potential by strongly supporting our successful \$140 million capital raising that strengthened our balance sheet and provided capital for future potential M&A opportunities.

Our decision to acquire Symbio in the first half demonstrates our commitment to diversify the business across its key segments. We are very excited by how well Symbio complements our existing offering.

Slide 6 – Phil – The numbers that matter

Turning to slide 6 and the numbers that matter from the first half. We are very happy to report double digit revenue and EBITDA growth, when compared with the prior corresponding period.

During the first half, we repriced all our customers following the introduction of the NBN SAU. We have now been through the impact of that, including elevated churn. Despite this, we delivered net connection growth higher than our previous two halves.

We now have the benefit of all our customers being on the new plans.

The first half saw revenue grow by just under 18% to \$446 million and EBITDA by 13% to just over \$46 million.

Importantly, operational cash flow jumped 58% to \$41 million, reflecting the strong underlying performance of the business.

Overall, gross margins increased to \$154 million, up 17% on the prior corresponding period.

Across the Residential and Business segments margins were impacted by unfavourable mobile data charges. Residential margins were also influenced by a period of intense promotional activity around the SAU changes. Gross Margins in the E&G and Wholesale segments increased, and Brian will provide more detail later.

Meanwhile, our NBN market share rose by 1.3 ppts to 8.3%. This continued growth trajectory reflects our consistent efforts to successfully capture market share in a competitive environment.

Pleasingly, the number of broadband connections continued to increase during the first half. While they increased 11% from the second half of FY23, they jumped approximately 21% compared to the first half of FY23.

This was achieved through increased marketing and promotions, and a campaign specifically designed to offset any increased churn and take advantage of increased buying activity in market following the NBN SAU price changes. Since the move to the new pricing, 69% of new customers are signing up to the higher speed tiers meaning 100Mbps and above.

The outcome is something we are very proud of as we head towards our 2025 goal of 1 million broadband services. Our increased marketing activity has continued into the second half of this year.

I'll now hand over to our CFO, Brian Maher, to present our financial performance and segment highlights for the first half.

>>>>>>>>

Slide 7 – Brian – Financial Performance

Thanks, Phil and good morning, everyone.

I am pleased to present Aussie Broadband's financial results for the six months ended 31 December 2023.

I will take you through an overview of our results, followed by a deeper dive into key drivers of growth and segment performance.

The business is clearly building momentum and the results for the first half largely reflect this as we continued to build scale and deliver growth in revenue, earnings and cashflows.

Slide 8 – Brian – 1H FY24 Revenue Drivers

Turning to slide 8, we provide a breakdown by business segment of the revenue growth between the first half of FY23 and the first half of FY24.

The chart illustrates the strong growth we achieved across the majority of segments. While Residential and Wholesale revenue growth were standouts, the Enterprise & Government segment was impacted by reduced one-off revenue.

We were particularly pleased with the growth in the Residential segment, which exceeded our expectations.

Slide 9 – Brian – 1H FY24 vs 1H FY23 EBITDA drivers

Moving to slide 9. We present EBITDA drivers that have contributed to our first half FY24 EBITDA results.

Overall, EBITDA increased by \$5 million on prior corresponding period to just over \$46 million.

The key driver of EBITDA growth is the uplift in revenue of \$67 million which delivered an estimated incremental EBITDA of \$10 million. This gain was in part offset by higher marketing expenses. This increased investment was reflective of a number of strategies.

Firstly, a proactive investment in retail marketing in anticipation of the changing competitive environment relating to the SAU changes introduced in December 2023.

Secondly, we have expanded our Business and Enterprise and Government marketing activities continuing to establish the ABB brand in those sectors.

Finally, a dedicated mobile marketing strategy was developed and implemented.

The effects of wage inflation on our employees' salaries impacted EBITDA by \$2.5 million, an increase of almost 5%. There has been modest leverage achieved in administration costs in the first half of FY24.

Slide 10 – Brian – Cashflow and borrowings

Moving to slide 10, reflecting the strong underlying performance of the business, operational cashflow increased \$15 million or 58% to just under \$41 million. This helped consolidate our strong cash position which increased \$42 million to \$117 million in the first half.

There is a 20 percentage point increase in our cash conversion ratio, which at the end of the half was close to 95% but this was attributable to timing issues called out in last year's equivalent result.

At 31 December we had net cash of \$73 million after using some of the funds raised in the Placement and Share Purchase Plan to reduce debt in the short term.

This was undertaken on the basis that no M&A outflows were expected in the early part of 2024; and we therefore took the opportunity to mitigate our interest cost exposure in advance of the new syndicated debt facility for the Symbio acquisition. Our interest cover ratio at the end of the period was a comfortable 9.9 times.

Slide 11 – Brian – 1H FY24 Capex

Slide 11 details the reduction in capex in the first half of FY24 to \$16 million.

We take a very disciplined approach to capex and following a rigorous assessment of the program of work, it was determined that new phasing could be implemented, which resulted in a reduced capex spend against previous guidance.

Due to the lower capex in the half, we have reduced Aussie Broadband's capex guidance target for FY24 from a range of \$47 to \$52 million to the new range between \$40 and \$45 million.

Slide 12 – Brian – Segment Performance

Turning to the segment performance.

Slide 13 – Brian – Residential Segment

And slide 13.

Our Residential segment continues to demonstrate strong momentum, in what is a very competitive market. Revenue in this segment increased by just over 15% to almost \$284 million.

Connections growth was particularly pleasing with over 38,000 new NBN connections made in the first half. This number exceeded the connections in both halves of FY23.

Residential Gross Margins were modestly lower in the first half, declining 0.4 percentage points to 30.2%. As discussed previously, margins were impacted by unfavourable mobile data charges.

With the SAU changes coming into effect from 1 December 2023, we expect margins to return to growth in the second half of the financial year as they benefit from a full half impact.

In the first half, we strategically realigned all our segments, including residential, for the SAU changes and repriced our NBN plans. As a result, we went through the pain of changing prices and saw elevated churn, which was less than anticipated.

We expect churn to go back to historical levels in the second half and we are already seeing evidence of this through January and February.

Now that we've been through the pain, all our customers are on the new pricing plans, which along with our continued growth in net additions – gives us confidence in our revenue and EBITDA targets.

From a competitive position, it is our view that some challenger brands in the market may not have yet repriced their existing customer bases and could potentially see higher churn if they do reprice. This could create a churn point and upside opportunity for Aussie Broadband.

Slide 14 – Brian – Business Segment

Moving to the Business segment on slide 14, which reflected consistent growth in both revenue and connections over the first half.

Revenue increased 11% to \$48 million driven by strong sales momentum.

Our Business segment has a consistently low churn rate, which contributes to a very stable customer base. We will continue to focus on delivering profitable growth in this Segment as we take advantage of our investment in fibre over the past couple of years.

Slide 15 – Brian – Enterprise & Government Segment

Slide 15 covers our Enterprise & Government segment.

Revenue declined modestly in the first half to \$42 million, due largely to a reduction in one-off non-recurring revenue.

However, this result masks the growth in recurring revenue, which from the first half of FY23 increased just over 7% to \$38 million. Recurring revenues were slightly lower from the second half of FY23 as some customers moved from older legacy priced plans to new NBN and Aussie Fibre plans, which are more sharply priced. This transition is expected to continue through the second half of FY24.

Pleasingly, Gross Margin as a percentage of revenue rose, up 1.7 percentage points to 52.7%, principally due to changes to the revenue mix.

Meanwhile, Aussie experienced increasing momentum in recurring revenue with new customers in the first half of FY24. The strong pipeline of new accounts that we announced in June last year remains on track for delivery.

Slide 16 – Brian – Wholesale Segment

And finally moving on to Slide 16. Our Wholesale segment which is made up of white label, Managed Service Providers and Voice continued to deliver strong growth over the half.

Revenue grew approximately by 53% to \$72 million in the first half of FY24 reflecting increasing momentum in the number of both NBN and Voice customers. The net growth of 31,000 connections made in the half was an improvement over the previous two halves.

Strong wholesale voice margins continued to drive overall margins higher. Gross margins increased 64% to \$25 million while the gross margin percentage lifted 2.6 percentage points to 34%.

Pleasingly, this segment once again experienced an increase in services with a 28% increase in NBN services and a 17% increase in NetSIP minutes in the half. We expect that the combined NetSIP and Symbio business will lead to a large uplift in monthly minutes growth through the next 12 months.

Slide 17 – Brian – Updates

I'll now pass back to Phil, who will talk to the Symbio transaction, some operational updates and our FY24 guidance.

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Slide 18 – Phil – Symbio Transaction Update

Thanks, Brian.

Turning to slide 18, in addition to Aussie's continued growth in financial performance, we've also continued to make significant progress operationally.

We are very excited by the acquisition of Symbio Holdings. The process, which started in September last year, has now been approved by Symbio shareholders and implementation of the scheme is expected to occur next week on the 28th of February.

Today we were very pleased to announce that Michael Omeros has agreed to lead the Symbio business as CEO. As you all know, Michael was co-founder and CEO of Over the Wire and has extensive Wholesale Voice experience.

Current CEO and co-founder, Rene Sugo, will remain with the business as it transitions to Aussie Broadband and he will take on the role as an advisor to Michael.

In the short to medium term, we intend to run the business standalone, and have provided the upgraded guidance for the combined Group on slide 23.

I would like to take a moment to acknowledge Rene's significant contribution to Symbio and our industry over the past 20 years. Rene was the pioneer of voice over IP technology in Australia and has been a significant disrupter of traditional voice markets in Australia and overseas.

Rene has a deep passion for the talented team he has built, and this passion has been evident through all discussions I've had with him. We look forward to working with him in his new role, and continuing his amazing work at Symbio.

Slide 19- Phil – Increased scale

Onto slide 19 and you will be able to see across a range of metrics how the acquisition of Symbio will benefit the broader group.

On a pro-forma basis based on FY23 actuals, annual Revenue of the combined businesses would be around \$1 billion with an EBITDA of \$117 million.

The Wholesale segment of the business would receive the greatest uplift of revenue while E&G revenue also benefits from the acquisition.

We are expecting to realise in excess of \$5 million worth of synergies from the acquisition.

Slide 20- Phil – Diversification benefits

Moving onto slide 20, we have estimated the impact of the transaction by segment across Revenue and gross margin and you can see how, on a pro forma basis, the Symbio business adds to the Group overall.

The Wholesale business becomes a much larger part of the pie on both counts, demonstrating the benefits of diversification for the overall Group.

Slide 21 – Phil – Organisation Structure Changes

Turning then to slide 21, I just wanted to update you on some organisational changes we are announcing today.

In terms of the management team, we believe the changes we have announced today will underpin the Company's next phase of growth following the acquisition of Symbio.

The changes include:

- Current Chief Financial Officer, Brian Maher, appointed CEO of the Aussie Broadband business
- Current Executive Director, Michael Omeros, appointed CEO of the Symbio business
- On 11 March Andy Giles Knopp will join Aussie Broadband as Interim CFO, while an executive search for Brian's replacement as CFO is undertaken.

I will become Group Managing Director of the Aussie Broadband Group, and both Brian and Michael will report to me.

Earlier in the half we were delighted to announce that Sue Klose had accepted a position as our newest Non-Executive Director on the Board.

Sue comes to Aussie with an excellent reputation and resume, being an experienced senior executive and board director with a diverse background focusing on digital strategy, corporate development, partnerships and business growth.

Slide 23 – Phil – Upgraded FY24 Guidance

Before we turn to Q&A, I would like to take a few minutes to touch on our upgraded FY24 guidance, both with and without the Symbio acquisition.

Slide 24 – Phil – Positive outlook

So, turning to slide 24.

We have now upgraded the FY24 EBITDA guidance to the top-end of the previous range – before non-recurring items – between \$105 million and \$110 million. This was previously \$100 million to \$110 million. This includes the impact of ongoing investment in marketing and excludes any contribution from Symbio.

We have also adjusted our capex guidance for FY24, down to a range of \$40 million to \$45 million – previously \$47 million to \$52 million – based on the reduced capex spend in the first half of FY24.

Although only limited information on Symbio has been provided to Aussie at this time, we anticipate that Symbio will contribute around \$11 million additional EBITDA for the four months owned by the Group, taking the updated EBITDA guidance for the combined group for FY24 to a range of \$116 million to \$121 million.

It is important to remind our investors that the Group remains focused on organic growth, but remains open to acquisition opportunities should they arise and which align with our strategic objectives.

With that, Brian and I will now be happy to take any questions.

Thank you