



2017

**FULL YEAR RESULTS** *PRESENTATION*

19 SEPTEMBER 2017

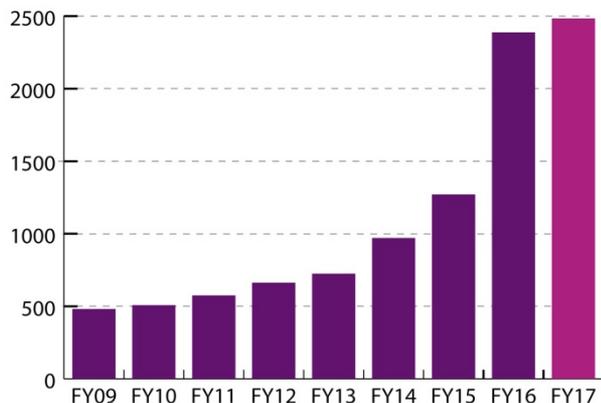


		Reported			Underlying <sup>(1)</sup>		
		FY17	FY16	Growth	FY17	FY16	Growth
Revenue	\$m	2,490.7	2,387.8	4%	2,483.7	2,387.8	4%
EBITDA	\$m	890.8	849.4	5%	835.0	775.3	8%
NPAT	\$m	413.8	379.6	9%	417.3	361.0	16%
EPS	cps	47.9	45.3	6%	48.3	43.1	12%

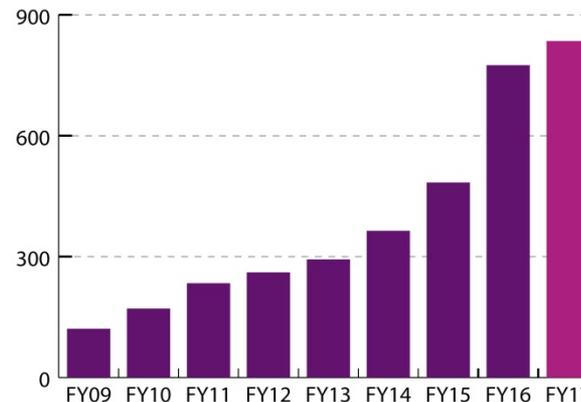
(1) refer to slide 3 for reconciliation between reported and underlying results.

	FY17		FY16	
\$m	EBITDA	NPAT	EBITDA	NPAT
<b>Reported</b>	<b>890.8</b>	<b>413.8</b>	<b>849.4</b>	<b>379.6</b>
<i>Less: Profit on sale of equity investments</i>	(48.8)	(35.3)	(17.6)	(12.3)
<i>Less: Gain on previously held interest in iiNet</i>	-	-	(73.1)	(73.1)
<i>Less: One-off Consumer Segment revenue</i>	(7.0)	(4.9)	-	-
<i>Add: One-off iiNet acquisition transaction costs</i>	-	-	10.3	10.3
<i>Add: Non-recurring iiNet re-organisation costs</i>	-	-	6.3	4.4
<i>Add: Acquired customer base intangible amortisation</i>	-	43.7	-	52.1
<b>Underlying</b>	<b>835.0</b>	<b>417.3</b>	<b>775.3</b>	<b>361.0</b>

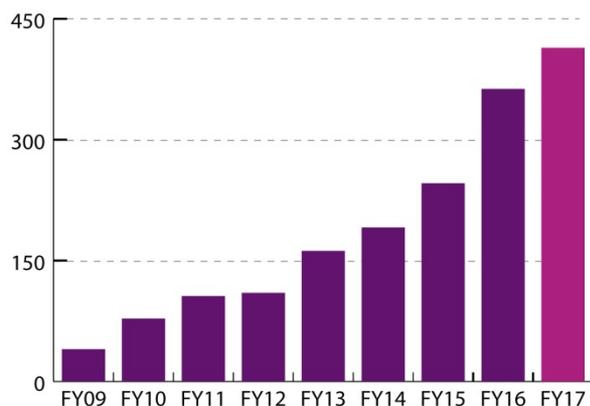
### Revenue (\$m)



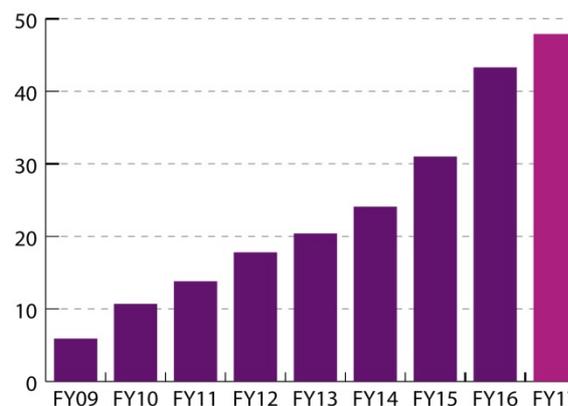
### EBITDA (\$m)



### NPAT (\$m)



### EPS (cents)



In the above charts: FY16 & FY17 EBITDA reflect the underlying EBITDA shown on slide 3. For all other periods EBITDA is as reported. FY16 & FY17 NPAT reflect the underlying NPAT per slide 3. For all other periods NPAT is reported NPAT adjusted to exclude the impact of acquired customer base intangible amortisation. EPS is based on the NPAT figures used in the chart.

REVENUE \$m	Consumer	Corporate	Other	TOTAL
FY16	1,661.2	726.6	-	2,387.8
FY17	1,740.7	743.0	-	2,483.7
Movement	79.5	16.4	-	95.9

EBITDA \$m	Consumer	Corporate	Other	TOTAL
FY16	473.7	300.2	1.4	775.3
FY17	523.4	312.8	(1.2)	835.0
Movement	49.7	12.6	(2.6)	59.7

EBITDA %	Consumer	Corporate	Other	TOTAL
FY16	29%	41%	-	32%
FY17	30%	42%	-	34%

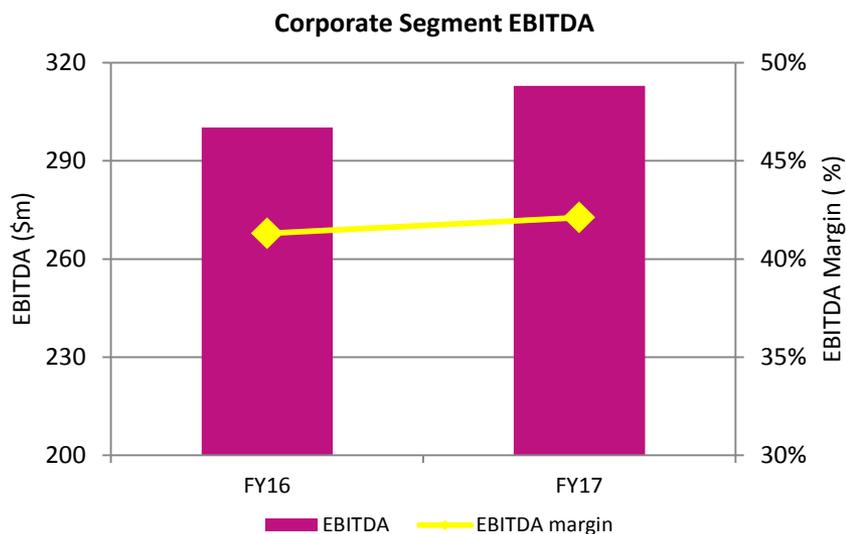
Following the integration of iiNet's operations during the year, iiNet's results are now integrated within the Consumer and Corporate Segments, and the prior period comparatives have been re-stated accordingly. The results shown in the table are 'underlying' results incorporating the adjustments set out on slide 3.

<b>FY16</b>	<b>Consumer Segment</b>				
<b>\$m</b>	<b>Broadband</b>	<b>Fixed Voice</b>	<b>Mobile</b>	<b>Other</b>	<b>Total</b>
Revenue	1,249.5	197.7	120.3	93.7	1,661.2
Gross Profit	654.6	57.0	21.2	50.9	783.7
Gross Profit %	52%	29%	18%	54%	47%
Overheads					(310.0)
Overheads %					19%
EBITDA					473.7
EBITDA %					29%

<b>FY17</b>	<b>Consumer Segment</b>				
<b>\$m</b>	<b>Broadband</b>	<b>Fixed Voice</b>	<b>Mobile</b>	<b>Other</b>	<b>Total</b>
Revenue	1,376.8	165.4	118.0	80.5	1,740.7
Gross Profit	701.7	46.9	29.7	46.0	824.3
Gross Profit %	51%	28%	25%	57%	47%
Overheads					(300.9)
Overheads %					17%
EBITDA					523.4
EBITDA %					30%

The results shown in the tables are 'underlying' results incorporating the adjustments set out on slide 3.

	Corporate Segment Revenue			
\$m	Data/Internet	Voice	Legacy iiNet	Total
FY16	487.7	166.9	72.0	726.6
FY17	526.1	147.1	69.8	743.0
FY17 growth	8%	(12%)	(3%)	2%



Corporate Segment data/internet revenue and EBITDA were adversely impacted by the retail FTTB subscribers of a wholesale customer having been acquired by the Group's Consumer Segment in late 1H17 which had a negative \$4m impact on Corporate Segment EBITDA in 2H17 with a corresponding benefit to the Consumer Segment results.

\$m

	FY17	FY16
Operating Cash Flow	869.7	759.2
Tax	(147.0)	(138.8)
Capex – Australia – BAU	(362.5)	(265.6)
Capex – Australia – mobile spectrum	(83.1)	(15.4)
Capex – Singapore – mobile spectrum	(124.4)	-
Capex – mobile networks	(6.3)	-
IRU payments	(27.0)	(21.4)
Free Cash Flow	119.4	318.0

'Capex' includes payments for property, plant and equipment plus intangible assets.

'BAU' capex includes builds for the Vodafone fibre contract and for the SEA-US cable.

FY17 Australia spectrum capex comprises the final payment for the 1800MHz spectrum plus a \$10m deposit for the 700MHz spectrum.

\$m

	<b>FY17</b>	<b>FY16</b>
<b>Free Cash Flow</b>	<b>119.4</b>	<b>318.0</b>
Disposal of equity investments	124.5	57.0
iiNet acquisition (inc transaction costs)	(5.3)	(1,317.6)
Net proceeds from capital raise	396.3	322.5
Net (repayment) / drawdown of debt	(450.0)	808.8
Debt facility amendment & extension costs	(3.4)	-
Interest payments	(40.8)	(66.5)
Dividend payments	(131.5)	(108.4)
Other	(2.1)	1.7
<b>Increase in cash balance</b>	<b>7.1</b>	<b>15.5</b>

	\$m
Group debt balance at 31 July 2016	1,350.0
Net repayments made during FY17	(450.0)
Group debt balance as at 31 July 2017	900.0

Net debt to EBITDA leverage ratio as at 31 July 2017 of <1.1x.

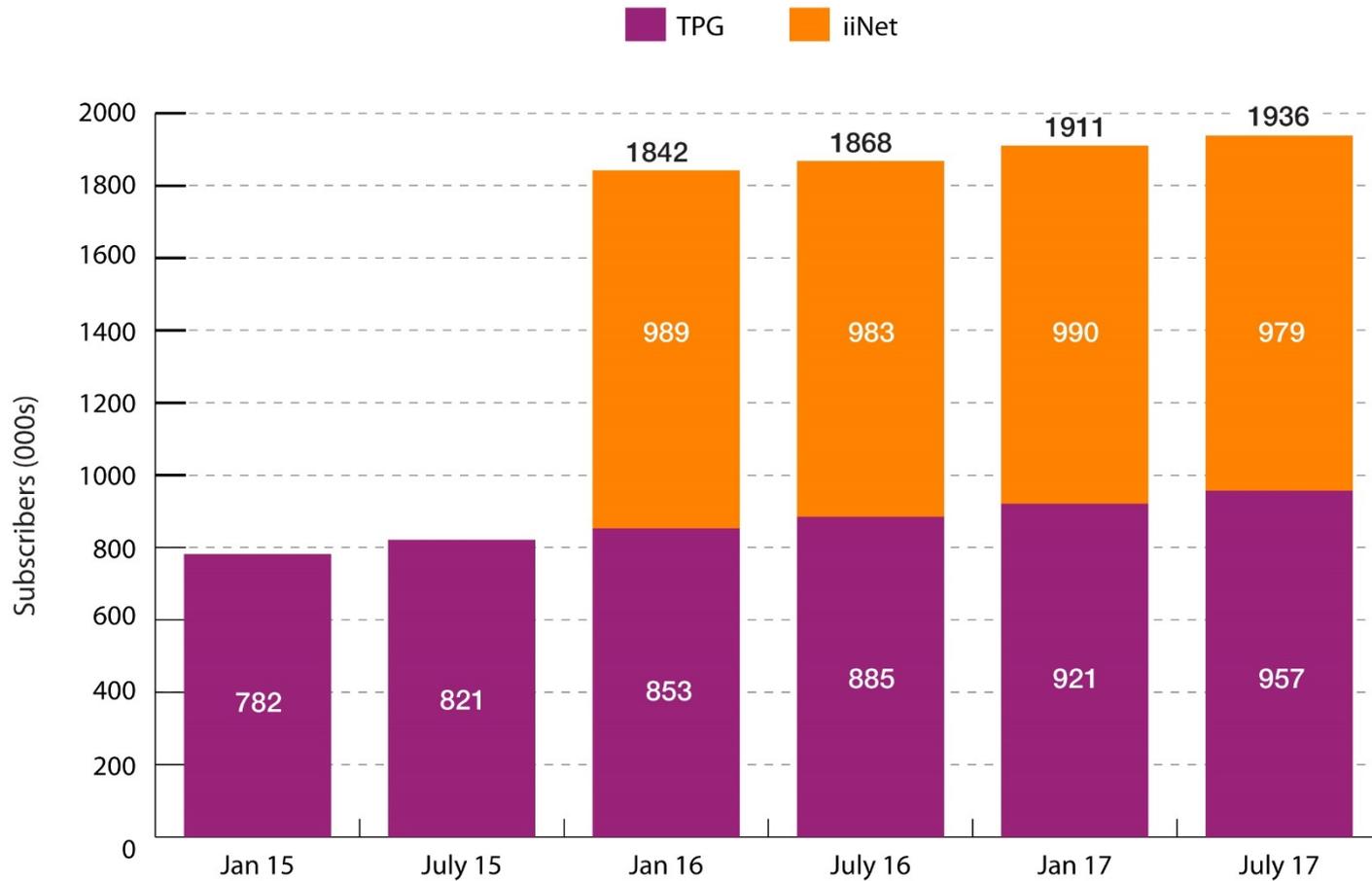
## Amendment and extension of debt facilities during the year

- During the year, in December 2016, the Group amended and extended its debt facilities securing improved pricing and terms and extending the maturities of the facilities.
- As at 31 July 2017 the Group had debt facilities of \$1,635m of which \$900m was drawn.

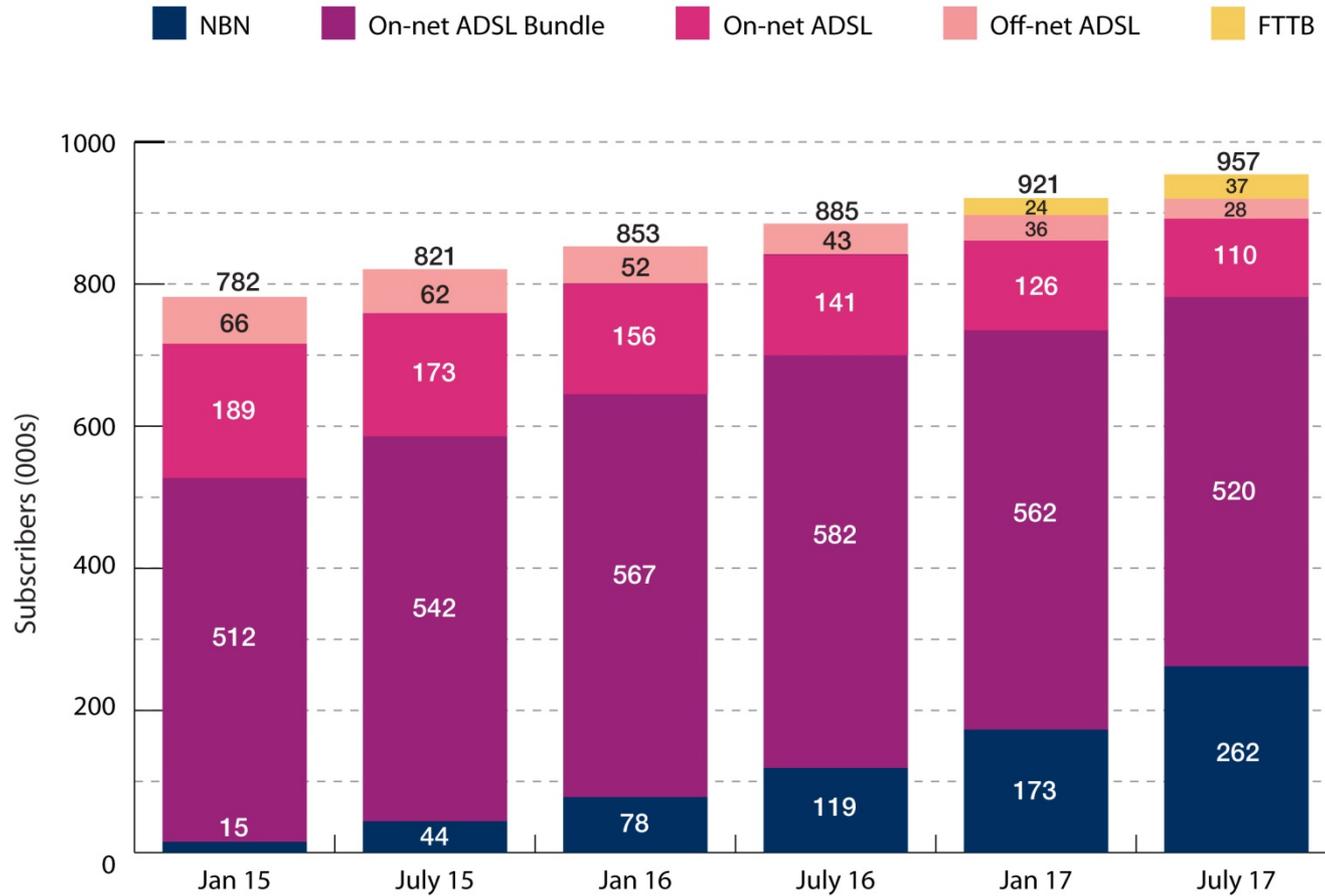
## Increase, amendment and extension of debt facilities subsequent to year-end

- Subsequent to the year-end, in September 2017, the Group increased its total committed debt facilities in order to finance its planned mobile network builds.
- Under the revised agreement:
  - ✓ Total facilities increased by \$750m to \$2,385m.
  - ✓ Improved pricing maintained.
  - ✓ Improved terms secured.
  - ✓ Maturities of the facilities extended further.
  - ✓ Maturity profile now between 3 and 7 years from September 2017 with a weighted average tenor of 4.5 years.
  - ✓ Earliest maturity date is September 2020.
  - ✓ Strong support received from existing and new lenders.

# GROUP BROADBAND SUBSCRIBERS



Group broadband subscribers increased to 1.94m as at end of FY17



Net growth of 72k subscribers for the year

NBN subscribers increased by 143k

Overall churn rate of 1.4%

Save on your Broadband  
**GO ULTRA FAST**



**FIBRE** TO THE BUILDING

**UNLIMITED DATA**

**50 to 100 Mbps** download speed



Wi-Fi Modem

\$ **59**<sup>99</sup>  
/mth

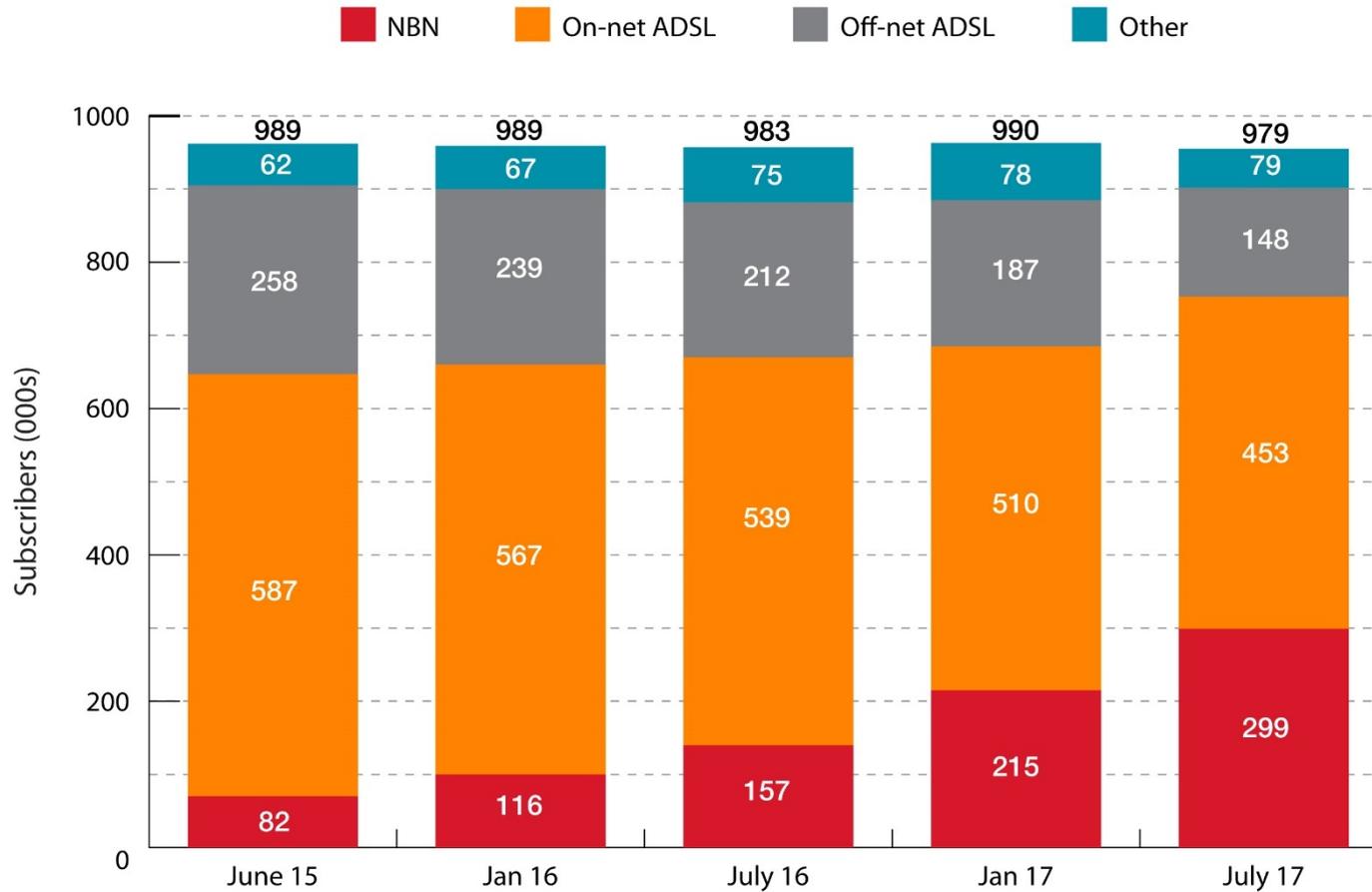
MIN CHARGE \$189.94  
 NO LOCK-IN CONTRACT

[tpg.com.au/fttb](http://tpg.com.au/fttb) 1300 403 211



Min Charge includes \$109.95 Upfront Fees + \$20 Prepayment. Available in selected Fibre enabled buildings. Actual throughput speeds may be slower and could vary due to various factors. Visit website for T&Cs.

TPG On-Net FTTB provides exceptional value and performance



NBN subscribers increased by 142k

Overall churn rate 1.5%



# Satisfied?

Join Australia's **most satisfied** NBN™ customers.



Most satisfied NBN customers based on two national surveys

**iiinet**

# **Rocketfast**

## **Cable Broadband**

**Usually \$79.99/mth**

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**\$39.99/mth**

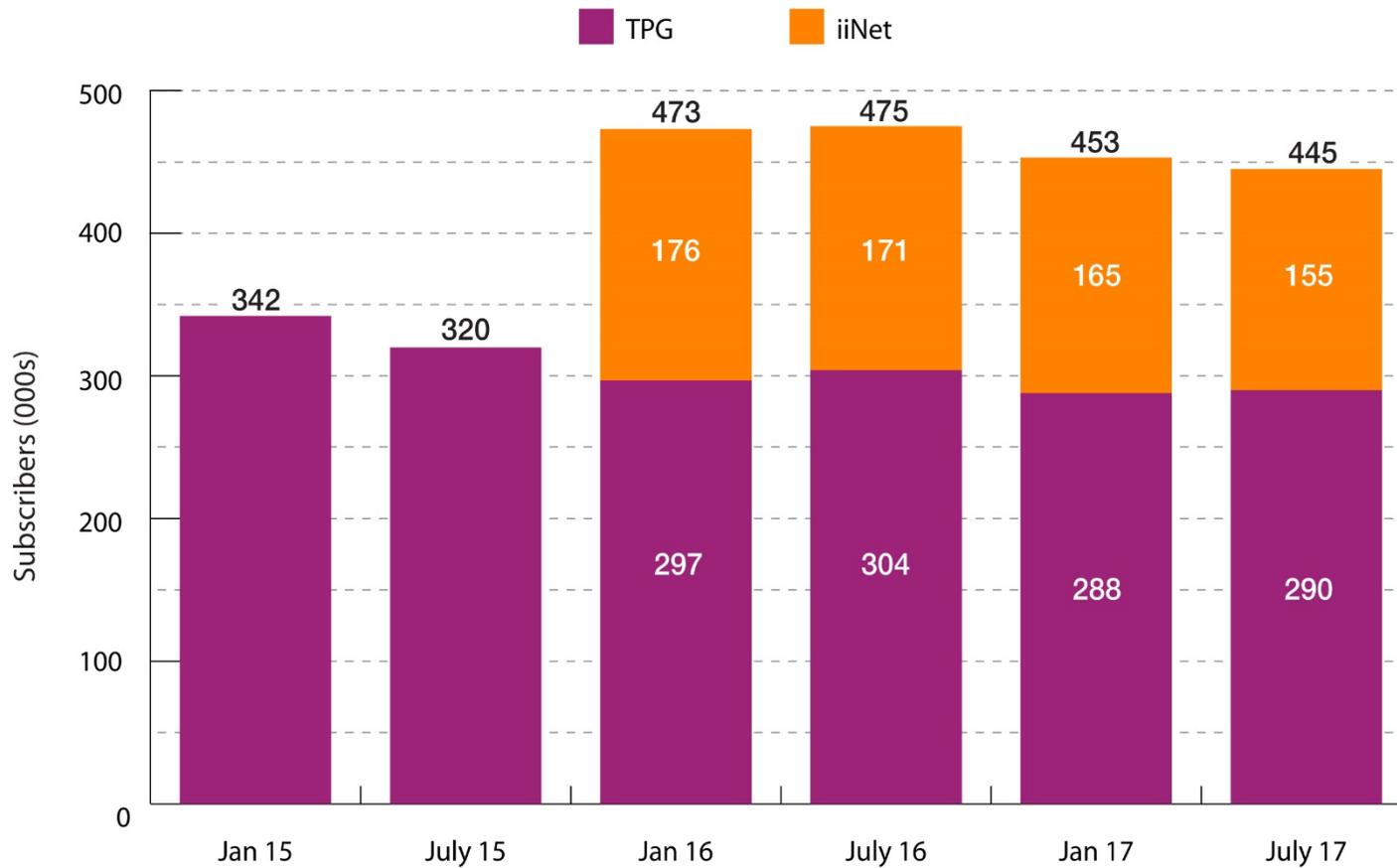
**for the first 12 months**

Min 24 mth charge \$1,509.75

**80 to 100 Mbps**  
download speeds

Offer only available to new customers on 24 month contract. Offer may be withdrawn at any time. Min cost includes \$59.99 standard installation fee + \$10.00 freight charge.  
\*Actual throughput speeds may be slower and could vary due to various factors. Available in selected coverage areas.

iiNet On-net HFC and VDSL already available with On-Net FTTB to be released soon



445k mobile subscribers as at end of FY17

MOBILE

NO LOCK-IN CONTRACT

4GB

**UNLIMITED CALLS & SMS**  
to Standard AU Numbers

**100 INTERNATIONAL MINUTES**

\$ **15** /mth

for the 1st 6 months  
MIN CHARGE \$25

\$29.99 monthly fee applies after 6 months

[tpg.com.au](http://tpg.com.au)

1300 242 011

Min charge includes \$10 SIM. New mobile registrations only. Offer may be withdrawn at any time. Unlimited Calls & SMS to Standard Australian Numbers are for use within AU only. Standard rates apply for other usage types such as Excess Data, Video Calls, International Roaming & other Enhanced Services. Excess data \$10 for extra 1GB blocks. Visit website for T&Cs.



Mobile plans updated in September 2017

<b>TPG Consumer Broadband</b>	+35.7
<b>iiNet - All Brands</b>	+47.0
<b>TPG/AAPT Corporate</b>	+77.8

NPS results represent the average for the year ended July 2017

**TPG's strategy is to deploy a primary small cell network across metropolitan areas, complemented by a traditional macro network.**

- TPG has entered into agreements with multiple partners across Australia to be used for both the small cell and macro network providing a significant number of sites to cover major metropolitan areas.
- TPG's network deployment strategy provides coverage and capacity to densely populated areas by utilising both its 700MHz and 2600MHz spectrum and extensive fibre assets.
- A higher density of small cell sites will be used for the initial 4G LTE rollout and will also provide key infrastructure assets for the longer term 5G evolution.
- Mobile radio network planning, site selection and acquisition is already well underway in major metropolitan areas. Implementation of some initial site clusters in Sydney, Melbourne and Canberra is currently expected to be complete by mid-2018.
- The agreements with our site partners, coupled with the use of small cells, facilitate a simplified approval process that utilises existing planning regulations, speeds up deployment and assists site selection.
- Capital expenditure outlook remains in line with initial forecasts.

- TPG's Singapore project is on track to achieve nationwide outdoor service coverage by December 2018, in compliance with FBO licence obligations.
- Key vendor contracts have been awarded and work is underway for the implementation of the network, including:
  - Site radio network equipment installation
  - Primary and diverse data centres
  - Core network and backhaul.
- Capex projections remain within initial assumptions.

\$m	FY17 Actual	FY18 Guidance
Underlying EBITDA	835.0	800-815
BAU capex	362.5	270-310

refer to 'EBITDA Bridge' on next slide

'BAU capex' above excludes any expenditure in relation to mobile network builds.

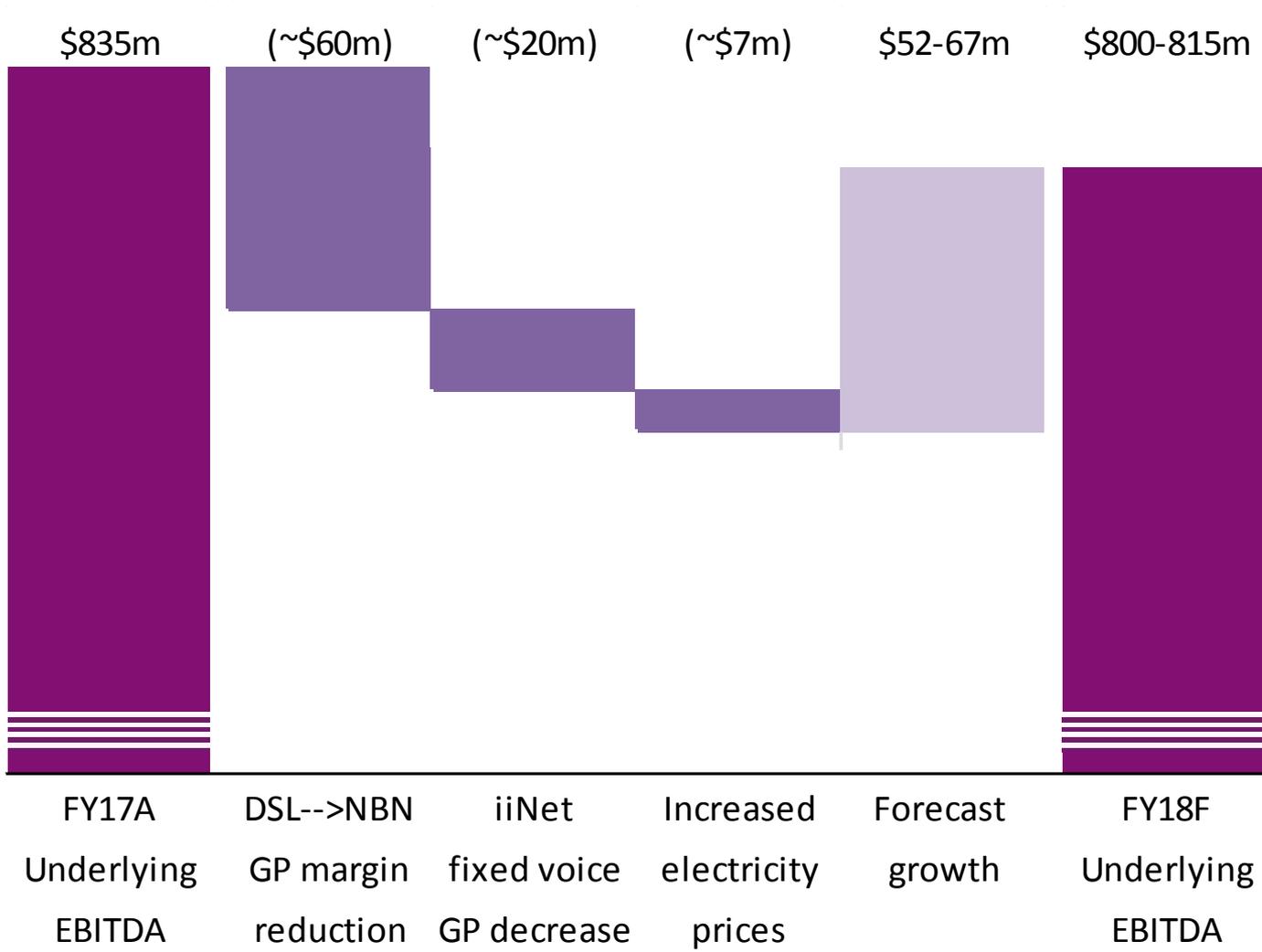
Capital expenditure expectations regarding both the Singapore and Australia mobile network builds are unchanged from the guidance previously provided, ie:

- Singapore: S\$200-300m (over the next 2 years)
- Australia: \$600m (over 2 to 3 years).

The FY18 'BAU capex' guidance above includes the final expenditure for the Vodafone fibre contract.

In line with accounting standards and customary industry practice the Group has adopted an accounting policy regarding the amortisation of spectrum licences under which licences will be amortised straight-line over the licence period starting from the date that the related network is ready for its intended use. It is, therefore, currently anticipated that no amortisation of the spectrum licences acquired in FY17 will occur in FY18.

Interest expense arising directly from investment in spectrum and mobile network capex incurred during the build phase will also be capitalised as part of the mobile network build cost.

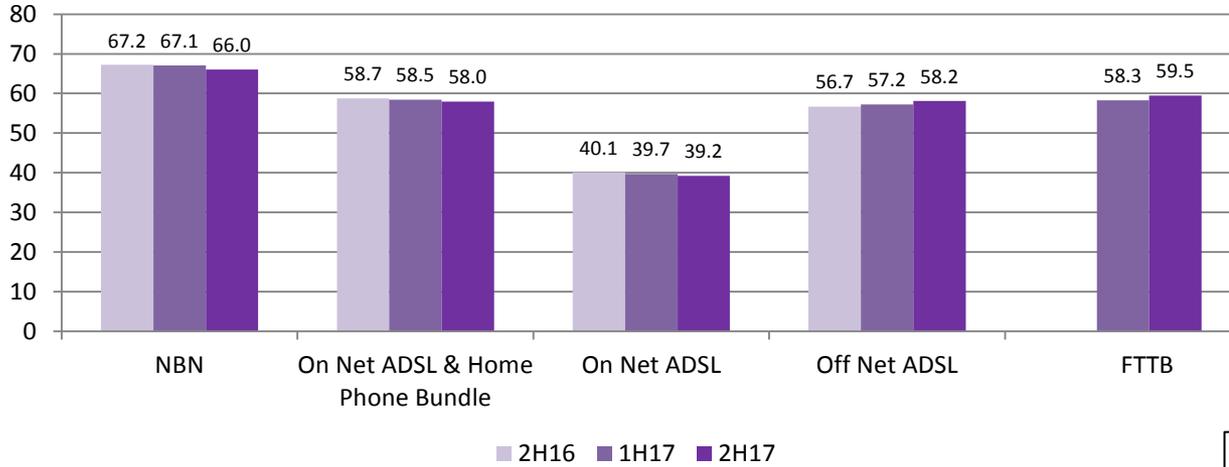


## 2.0 cents per share final FY17 dividend

Payable	21 November 2017
Record date	17 October 2017
DRP discount	1.5%

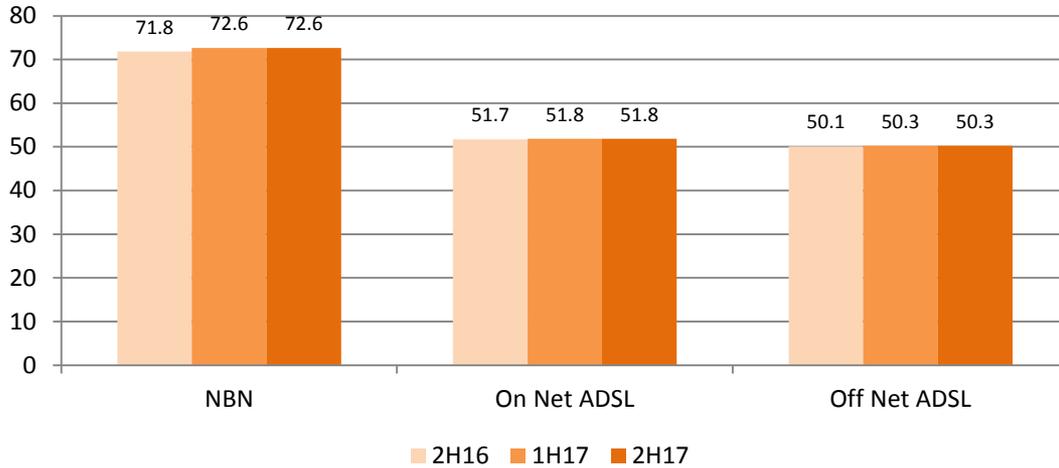
# APPENDICES

### TPG ARPU (\$/mth)

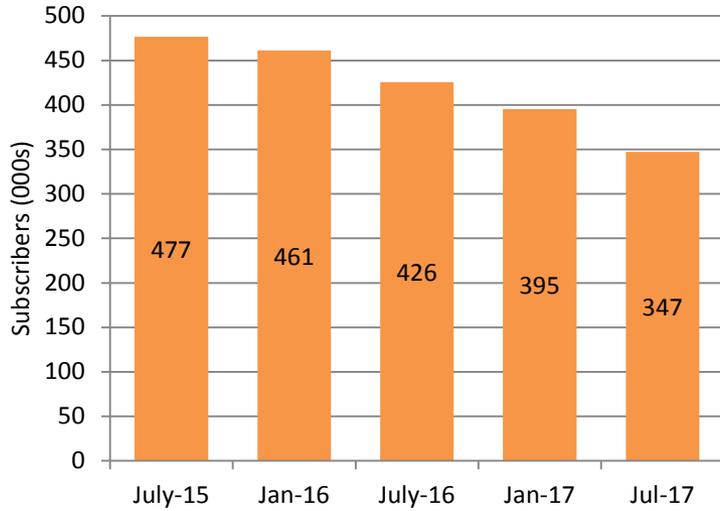


ARPU for NBN and On Net ADSL includes revenue from home phone voice.

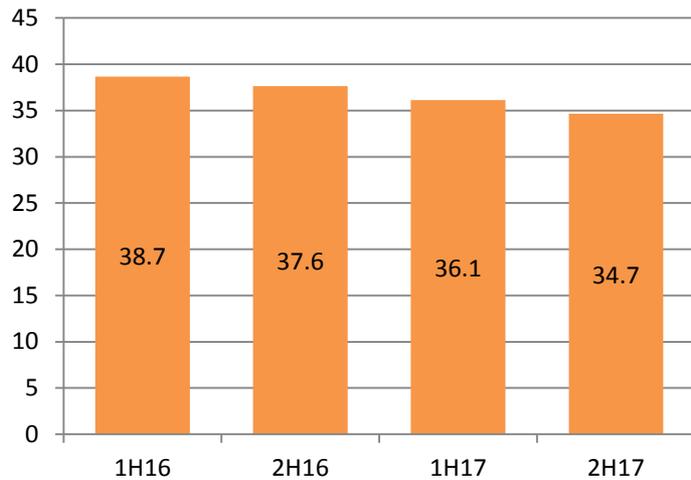
### iiNet ARPU (\$/mth)



**iiNet Fixed Voice Subscribers**



**iiNet Fixed Voice ARPU (\$/mth)**



iiNet fixed phone ARPU represents revenue from PSTN line rental and calls.

\$m	FY17 Actual	FY18 F'cast	FY19 F'cast	FY20 F'cast	FY21 F'cast	FY22 F'cast
Acquired customer bases	62.4	51.0	43.5	31.7	20.8	15.3

The expected pre-tax P&L expense in relation to the Group's acquired customer base intangible amortisation is shown above.

There are no cashflows associated with this expense.

THANK YOU

Q&A

This presentation contains certain forward-looking and unaudited information. Such information is based on estimates and assumptions that, whilst considered reasonable by the Company, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information.