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2019

FULL YEAR RESULTS PRESENTATION



5 SEPTEMBER 2019

		Reported		Underlying ¹		
		FY19	FY18 ²	FY19	FY18 ²	Growth
Revenue	\$m	2,477.4	2,496.1	2,477.4	2,496.1	(<1%)
EBITDA (before impairment ³)	\$m	809.4	826.7	818.4	826.7	(1%)
BAU ⁴ EBITDA	\$m	823.8	828.1	823.8	828.1	(<1%)
NPAT ⁵	\$m	173.8	396.4	376.2	432.1	(13%)
EPS ⁵	cps	18.7	42.8	40.5	46.7	(13%)

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

(2) Re-stated for implementation of AASB 15

(3) Impairment arising from decision to cease Australian mobile network build

(4) Business as Usual ('BAU') excludes Singapore and Australia mobile and transaction costs relating to planned merger, the same basis as on which BAU EBITDA guidance for FY19 was provided

(5) The decline in underlying NPAT and EPS in FY19 reflects the impact of commencing the amortisation of the Group's Australian spectrum licences from 2H19. Reported NPAT and EPS for FY19 are also impacted by the impairment³.

RECONCILIATION OF REPORTED TO UNDERLYING & BAU RESULTS



	FY19		FY18 ²	
\$m	EBITDA	NPAT	EBITDA	NPAT
Reported	572.6	173.8	826.7	396.4
<i>Add: Transaction costs re planned merger with VHA</i>	9.0	6.3	-	-
<i>Add: Australian mobile network and spectrum impairment¹</i>	236.8	165.7	-	-
<i>Add: Acquired customer base intangible amortisation</i>	-	30.4	-	35.7
Underlying	818.4	376.2	826.7	432.1
<i>Add: Singapore mobile loss</i>	2.7		1.4	
<i>Add: Australian mobile loss</i>	2.7		-	
Business as Usual ('BAU')	823.8		828.1	

(1) Impairment arising from decision to cease Australian mobile network build.

(2) Re-stated for implementation of AASB 15

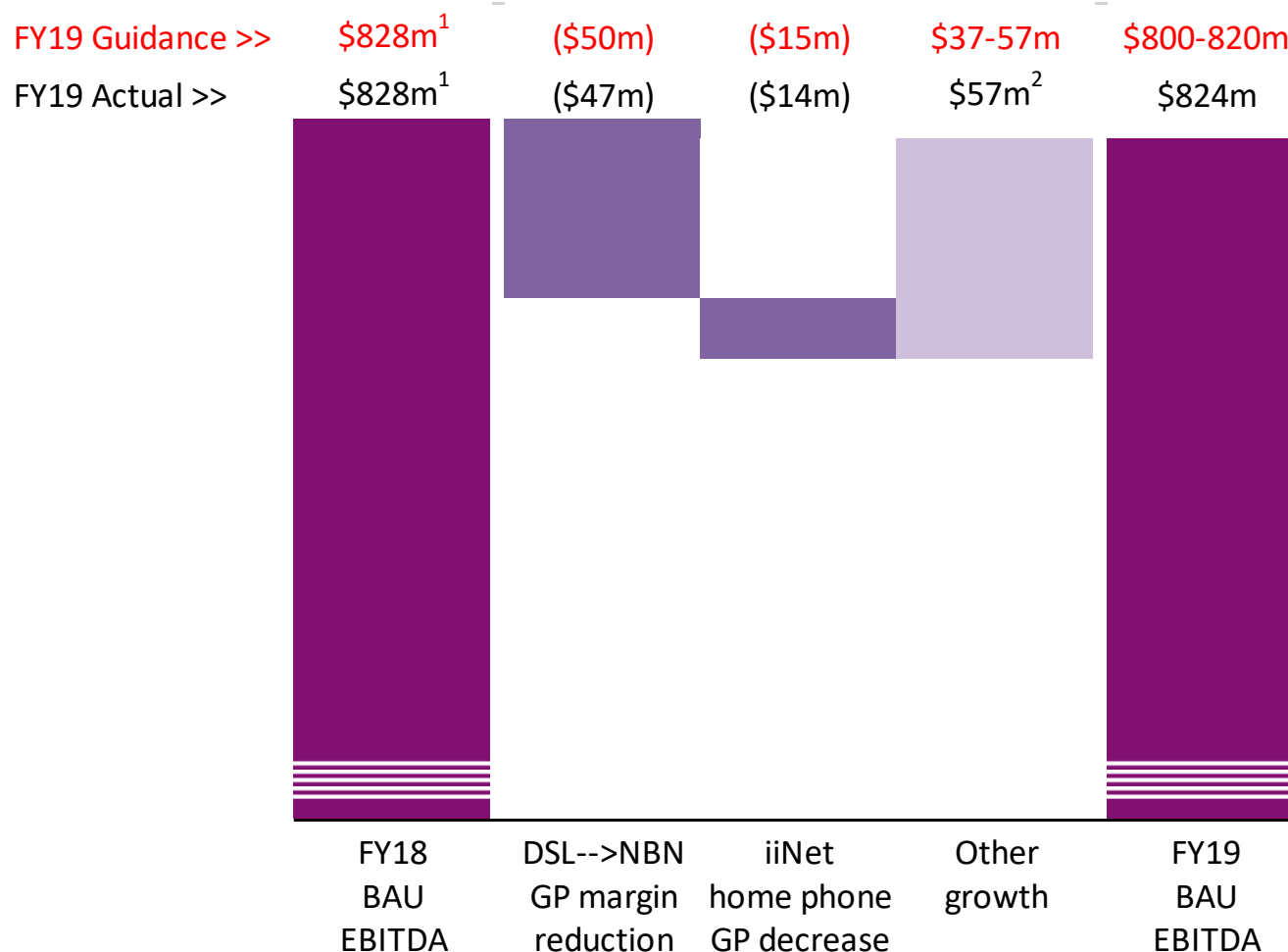
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	FY19 Guidance	FY19 Actual
BAU EBITDA	800-820	823.8
BAU capex	180-220	198.7

FY18 → FY19 BAU EBITDA BRIDGE



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(1) Restated for implementation of AASB15.

(2) FY19 actual 'other growth' of \$57m comprises growth of \$72m partly offset by a \$15m decline in profitability of the Group's existing NBN subscriber base in the year.

REVENUE \$m	Consumer	Corporate	Singapore	Aust mobile	Other	TOTAL
FY19	1,719.0	758.4	-	-	-	2,477.4
FY18 ²	1,742.3	753.8	-	-	-	2,496.1
Movement	(23.3)	4.6	-	-	-	(18.7)
EBITDA \$m	Consumer	Corporate	Singapore	Aust mobile	Other	TOTAL
FY19	457.3	367.1	(2.7)	(2.7)	(0.6)	818.4
FY18 ²	499.1	329.7	(1.4)	-	(0.7)	826.7
Movement	(41.8)	37.4	(1.3)	(2.7)	0.1	(8.3)
EBITDA %	Consumer	Corporate	Singapore	Aust mobile	Other	TOTAL
FY19	27%	48%	-	-	-	33%
FY18 ²	29%	44%	-	-	-	33%

(1) Results shown in the table are 'underlying' results incorporating the adjustments set out on slide 3

(2) Restated for implementation of AASB15

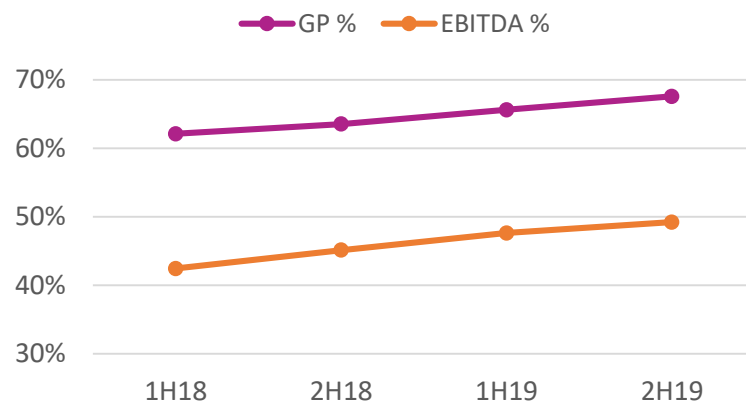
Consumer Segment					
\$m	Broadband	Fixed Voice	Mobile	Other	Total
FY19					
Revenue	1,459.1	71.1	108.1	80.7	1,719.0
Gross Profit	627.1	20.1	22.3	45.9	715.4
Gross Profit %	43%	28%	21%	57%	42%
Overheads					(258.1)
Overheads %					15%
EBITDA					457.3
EBITDA %					27%
FY18 ²					
Revenue	1,425.3	114.9	111.6	90.5	1,742.3
Gross Profit	670.1	33.1	25.3	49.5	778.0
Gross Profit %	47%	29%	23%	55%	45%
Overheads					(278.9)
Overheads %					16%
EBITDA					499.1
EBITDA %					29%

- (1) Results shown in the table are 'underlying' results incorporating the adjustments set out on slide 3
 (2) Restated for implementation of AASB15

	Corporate Segment Revenue			
\$m	Data/Internet	Voice	Legacy iiNet	Total
FY19	592.2	115.4	50.8	758.4
FY18	562.7	130.4	60.7	753.8
FY19 growth	29.5	(15.0)	(9.9)	4.6

\$m	Corporate Segment EBITDA
FY19	367.1
FY18	329.7
FY19 growth	37.4

Corporate Segment Margin Growth



\$m

	FY19	FY18
Operating Cash Flow	836.3	868.3
Tax	(128.6)	(194.5)
Capex – Australia – BAU	(198.7)	(258.0)
Capex – Australia – mobile spectrum	(352.4)	(597.3)
Capex – Australia – mobile network	(86.1)	(38.7)
Capex – Singapore – mobile network	(80.1)	(62.3)
IRU/finance lease payments	(5.5)	(34.1)
Operating Cash Flow less Capex	(15.1)	(316.6)

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

\$m

	FY19	FY18
Operating Cash Flow less Capex	(15.1)	(316.6)
Transaction costs re planned merger	(6.6)	-
Net drawdown of bank debt	87.8	430.8
Debt facility amendment & extension costs	-	(10.8)
Interest payments (net)	(60.2)	(44.6)
Dividend payments	(37.1)	(23.0)
Other	0.4	0.1
(Decrease)/increase in cash balance	(30.8)	35.9

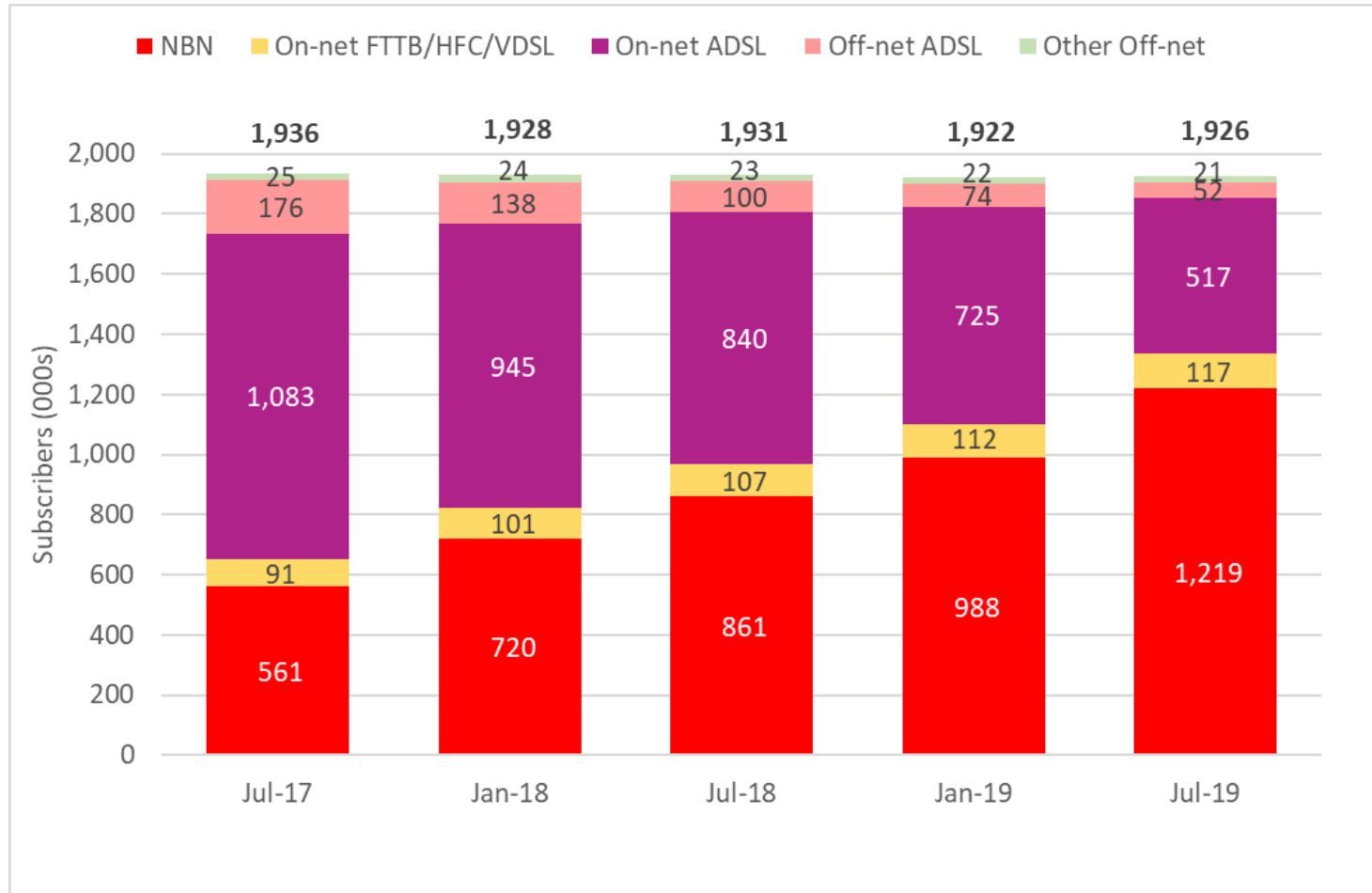
	\$m
Net debt ¹ as at 31 July 2018	1,271.3
Net increase during FY19	182.9
Net debt ¹ as at 31 July 2019	1,454.2
Spectrum commitments as at 31 July 2019	
- 700MHz spectrum final instalment due 31-Jan-20	352.4 ²
- 3.6GHz spectrum payment due March 2020	131.7 ³
Net debt ¹ + spectrum commitments as at 31 July 2019	1,938.3

Leverage ratio as at 31-July-19: ~2.4x

(calculated on a net debt + spectrum commitments to last twelve months underlying EBITDA basis).

1. For the purpose of the table above, 'Net debt' comprises bank debt, derivative financial liabilities and finance lease liabilities less cash.
2. Disclosed as a spectrum liability in the 31-July-19 balance sheet at its discounted value as at that date of \$344.2m.
3. Disclosed within capital commitments in the notes to the 31-July-19 financial statements.

GROUP BROADBAND SUBSCRIBERS



FY19 movement includes +358k NBN and +10k FTTB

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TPG RATED #1

NBN AVERAGE DOWNLOAD SPEEDS
BY THE ACCC

#1
Mar '18

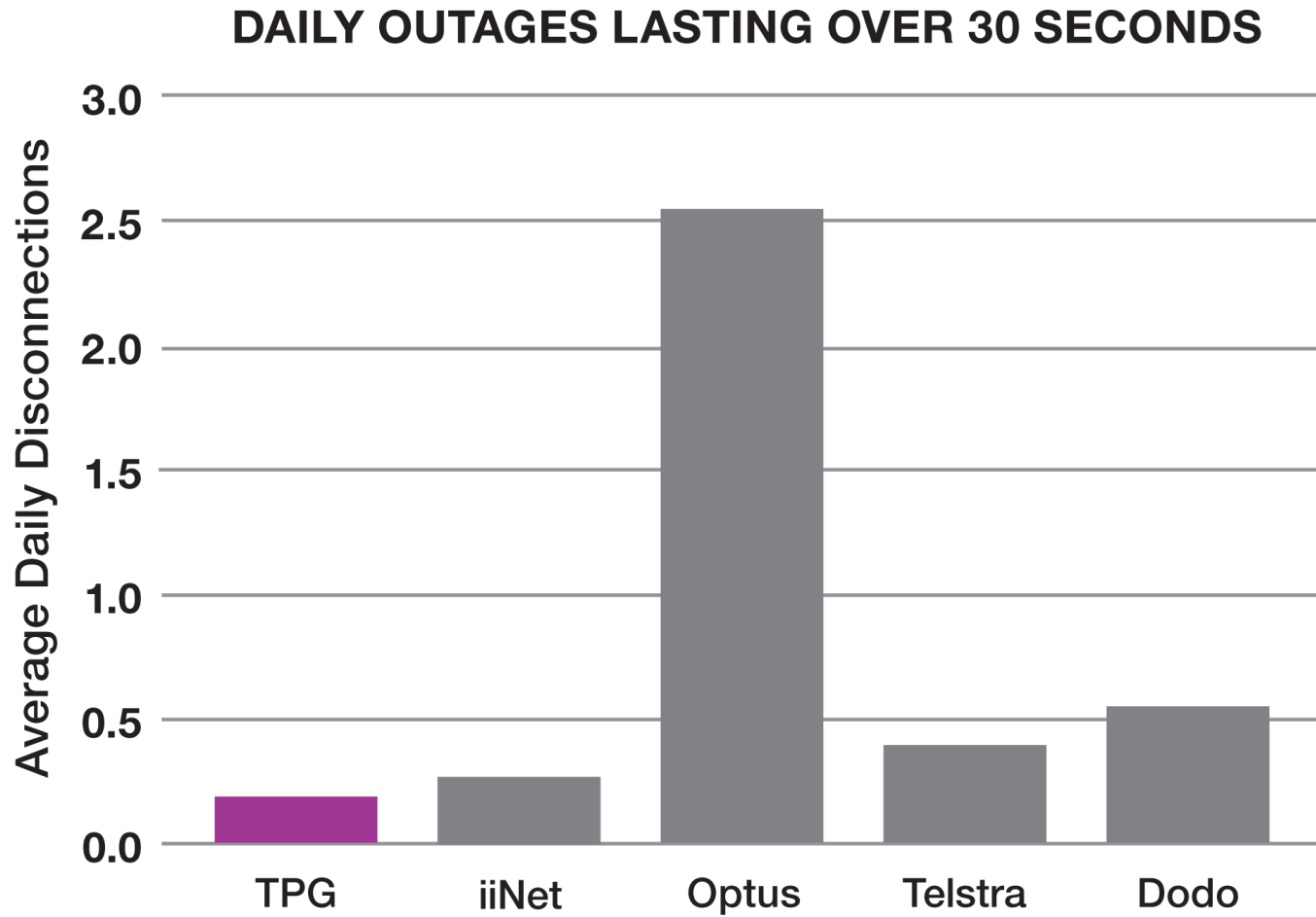
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Nov '18

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Feb '19

#1
May '19

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Aug '19







Handset included

BizPhone

Deliver Awesome Customer Service

-  **Unlimited Calls** to AU Mobiles and Landlines
-  **Answer like a Pro** with simple menu options
-  **Never miss a call** with Line Hunt and Call Forward



\$29⁹⁵
/mth

24 Months Min Fee \$728.80

Requires fixed line broadband connection. Not for telemarketing, call centre function and similar uses.



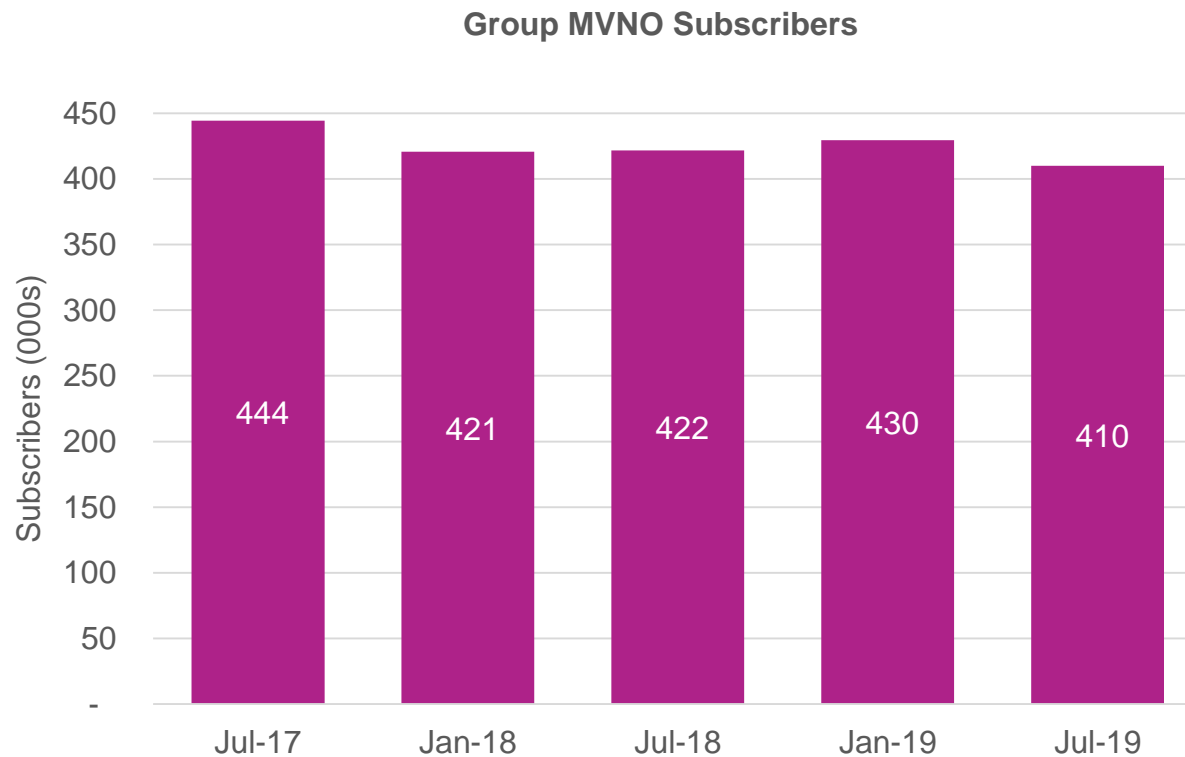
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Switch to NBN with
AUSTRALIA'S #1
INTERNET PROVIDER

iiNet



Available in selected areas.



2H19 movement reflects increased competitive intensity in mobile

TPG Consumer	+43.6
iiNet	+51.7
TPG/AAPT Corporate	+69.6

NPS results represent the average for FY19

Year-on-year improvements in TPG Consumer and iiNet

SINGAPORE MOBILE



- Outdoor service coverage at 99.69% at July 2019.
- On track to meet IMDA indoor service milestone.
- MRT and road tunnels coverage progressing.
- Signups for free trial now close to 300k.
- Continued positive feedback on network coverage and quality.
- Free unlimited roaming to Malaysia and Indonesia launched. Free roaming to India to start in Sept 2019.

2.0 cents per share final FY19 dividend

Payable

19 November 2019

Record date

15 October 2019

Dividend Reinvestment Plan currently suspended

\$m	FY19 Actual	FY20 Guidance
BAU EBITDA	823.8	735-750
BAU capex	198.7	200-240

'BAU EBITDA' relates to existing Consumer and Corporate Division operations. It excludes Singapore EBITDA and Australian mobile network operating costs.

'BAU capex' excludes any expenditure in relation to the Singapore mobile network build and also excludes spectrum payments.

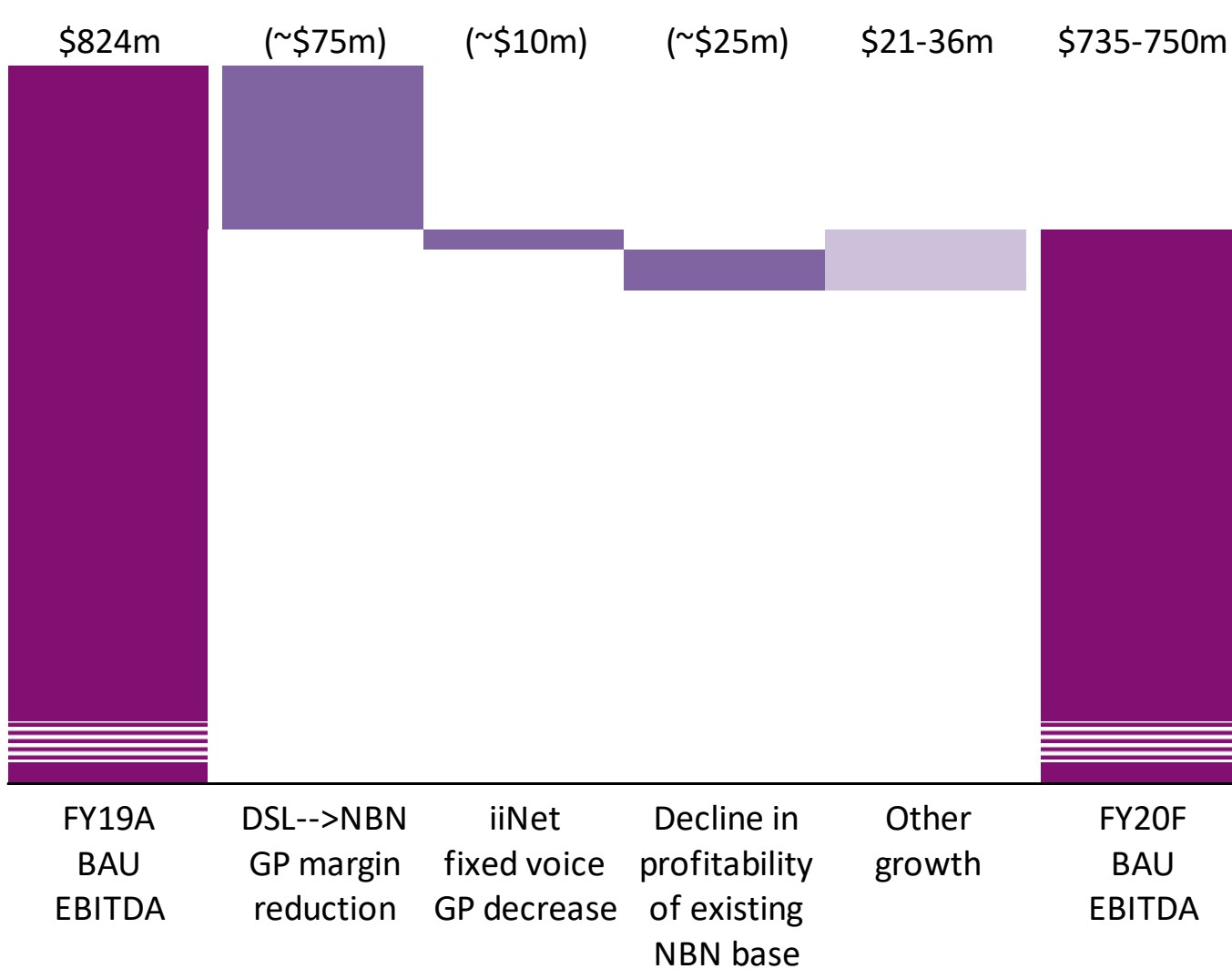
'BAU EBITDA' and capex guidance takes no account of any impact from the planned merger with VHA. Transaction costs relating to the planned merger are also excluded.

'BAU EBITDA' guidance is provided on an excluding AASB16 basis. AASB16 will be effective from the start of FY20 and is expected to have the effect of increasing EBITDA by moving certain operating lease expenditure out of EBITDA and into amortisation and financing costs.

FY20 GUIDANCE: BAU EBITDA BRIDGE



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30 August 2018: Announcement of planned merger of equals, subject to regulatory and shareholder approvals.

8 May 2019: ACCC announces decision to oppose the proposed merger.

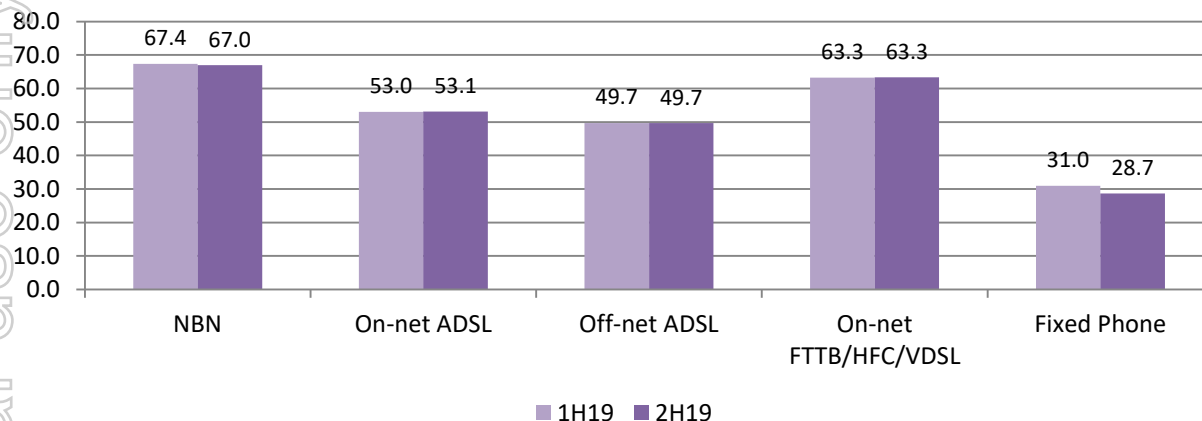
24 May 2019: Proceedings lodged with Federal Court of Australia by the merger parties seeking orders that the proposed merger will not have the effect, or likely effect, of substantially lessening competition.

10 September 2019: Federal Court hearing scheduled to commence. Scheduled to complete within three weeks.

THANK YOU

Q&A

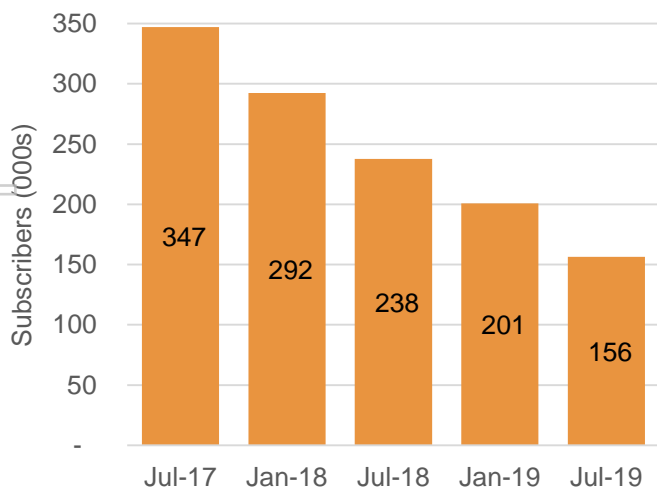
ARPU (\$/mth)



ARPU shown is the weighted average across all brands. Excludes GST and any one-off charges.

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

iiNet Fixed Voice Subscribers



iiNet fixed voice subscribers represent standalone home phone services which are declining as they are replaced by NBN services.

APPENDIX 2: Acquired Customer Base Intangible Amortisation



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\$m	FY19 Actual	FY20 F'cast	FY21 F'cast	FY22 F'cast	FY23 F'cast	FY24 F'cast
Acquired customer base intangible amortisation	43.5	31.7	20.8	15.3	11.2	8.4

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.

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.