

ASX Announcement

26 August 2022

Underlying EBITDA Exceeds Market Guidance in a Transformational Year

Superloop (**ASX:SLC**) (“Company” or “Group”) has today released its Full Year 2022 (**FY22**) results. For the 12 months ended 30 June 2022, Superloop reported:

- **Total Revenue¹ of \$262.5m** vs \$110.7m in the Prior Corresponding Period (“PCP”), an increase of **137%**. Strong revenue growth was driven by the acquisition of Exetel and 17% organic growth in the broader Superloop business
- **Underlying EBITDA² of \$25.4m** exceeded market guidance of \$23-\$25m and represents an **increase of 37%** compared to \$18.6m in the PCP
- Normalised **Operating Cash Flow³** as a percentage of Underlying EBITDA (**Cash Conversion**) was **84.4%**, up 3.2% on PCP
- **Strong Balance Sheet** with a **Net Cash Position of \$42.8m** plus undrawn debt capacity of \$52.4m as at 30 June 2022
- Organic **Net Subscriber Growth** of over 17,000
- Over 20,000 third party subscribers using the **Superloop Connect** platform

During FY22, Superloop:

- Completed the highly accretive acquisition of the Exetel business on 31 July 2021, adding in excess of 110,000 new consumer and business customers
- Completed the sale of the Hong Kong entity and certain Singapore assets for net proceeds of \$125m, including a gain on sale of \$46.6m⁴
- Completed the acquisition of the Acurus business on 23 June 2022, delivering Superloop a market leading white label internet capability and a platform to support further growth of the Challenger market
- Streamlined reporting segments into three areas: Consumer, Business and Wholesale

Commenting on the FY22 results Paul Tyler, CEO and Managing Director of Superloop, said, “It was a watershed year for Superloop. We divested our Hong Kong operations (and certain assets in Singapore), joined forces with the Exetel team in a significant accretive acquisition, and most recently, welcomed the team from Acurus. On top of this, we’ve had excellent sales growth across all three segments – Consumer, Business, and Wholesale – and

¹ Total Revenue includes the contribution from Discontinued Operations (Hong Kong and certain Singapore assets) from 1 July 2021 to divestment on 29 April 2022.

² Underlying EBITDA excludes transaction costs related to the acquisition of Exetel, Acurus and the sale of Hong Kong and certain Singapore assets and Share Based Payments

³ Normalised operating cash flow represents operating cashflow adjusted for abnormal items as detailed in the investor presentation

⁴ Gain on sale is pre the derecognition of \$35.1m goodwill associated with the disposal

delivered some important contract re-signs, which are terrific endorsements of our people and network. We are now in the final leg of our three-year turnaround, and we are gathering momentum off the back of the consolidation of the Group during the past 18 months. We have a great new leadership team in place, a very strong balance sheet and we have never been better placed to capitalise on our unique strategic position to increase our market share in the telecommunications sector”.

Financial Performance⁵

The table below provides an overview of the financial performance of the Group in FY22 relative to FY21.

\$m	FY22	FY21	% Change
Revenue	262.5	110.7	137.1%
Cost of Goods Sold	(172.8)	(58.5)	(195.4%)
Gross Margin	89.7	52.2	71.8%
Operating Expenses	(64.2)	(33.6)	(91.1%)
Underlying EBITDA	25.4	18.6	36.6%
Transaction Costs	(7.5)	(0.6)	n/a
Share Based Payments	(0.4)	(0.5)	20.0%
Statutory EBITDA	17.6	17.6	0.0%

Following a year-end review of the carrying value of its assets in accordance with accounting standards, Superloop has recorded a non-cash pre-tax impairment of goodwill of \$25m. In addition to the impairment, there was also a \$35m derecognition of goodwill associated with the disposal of Hong Kong and certain Singapore assets.

The derecognition and impairment charge are both non-cash in nature and have no impact on the Company’s capital position. This impairment reflects the expected resolution of the last remaining legacy issue from the Big Air acquisition in 2016.

FY23 Outlook

Looking forward, the Group has a unique infrastructure on demand platform to build upon and the business has been further enhanced by recent acquisitions that will open new markets for its products. The Group continues to expect strong profitable revenue growth in FY23, with the first quarter of FY23 already recording record customer additions.

Following the completion of the sale of Hong Kong and certain Singapore assets, the Group reported a net cash position of \$42.8m as at 30 June 2022. The Group expects to retain balance sheet flexibility by deploying funds on a recently announced on market share buyback, whilst also pursuing M&A opportunities that are accretive to shareholders.

⁵ Includes discontinued operations of Hong Kong and Singapore from 1 July 2021 to divestment on 29 April 2022.



Details of Investor Briefing

The Company will be hosting a briefing for analysts and investors today. Details of the briefing are as follows:

Date: Friday, 26 August 2022

Time: 10 am (AEST)

To pre-register for the call, please click on:

<https://sl.c-conf.com/diamondpass/10023419-shd7ys.html>

To join the Webcast:

<https://webcast.openbriefing.com/8914/>

ENDS

Authorised for release by the Superloop Board of Directors.

About Superloop

Superloop's purpose is to enable better internet for Australian homes and businesses, by enabling challenger retail brands (including our own Superloop and Exetel brands) to take a larger share of the market, leveraging Superloop's Infrastructure-on-Demand platform. Superloop operates in three segments of the market: consumer connectivity, business connectivity and wholesale connectivity, all of which leverage Superloop's investments in physical infrastructure assets including fibre, subsea cables and fixed wireless, as well as Superloop's software platforms.

Visit www.superloop.com to learn more.

Contacts

Superloop is at:

Web: <https://www.superloop.com/>

Twitter: <https://twitter.com/superloopnet>

LinkedIn: <https://au.linkedin.com/company/superloop>

Facebook: <https://www.facebook.com/SuperloopHomeBroadband/>

Instagram: <https://www.instagram.com/superloop.homebroadband/>

For more information:

Please contact:

• For Company Secretarial queries: Tina Ooi on +61 404 857 816,
company.secretary@superloop.com

• For Investor queries: Luke Maffei on +61 403 193 579,
investor@superloop.com