

ASX Announcement

26 August 2024

Aussie Broadband becomes a billion-dollar revenue business; declares inaugural dividend

Aussie Broadband Limited (ASX:ABB) is pleased to announce its financial results for the 12 months ended 30 June 2024 (FY24).

FY24 highlights:

- Revenue increased 27% to \$999.7 million¹, compared to \$788.0 million in the prior year
- EBITDA before non-recurring items increased by 34.5% to \$120.5 million
- Gross Margin improved to 36.1%, up 0.7 percentage points
- Achieved operating cashflow before interest and tax of \$128.2 million, up 54.1% from normalised FY23 operating cash flow of \$83.2 million²
- NBN connections market share grew from 6.6% to 7.4%³
- Total broadband connections grew by 84,876 services (up 14% YOY) to a total of 684,299 connections as at 30 June 2024⁴
- Acquired Symbio, a leading communications software company and provider of Software-as-a-Service capabilities, to strengthen wholesale and voice offerings
- Symbio EBITDA contribution delivered \$12 million for the 4 months owned by Aussie, achieving the top end of the pre-acquisition guidance
- Upgraded synergies for Symbio of \$8 million to \$12 million
- Aussie Broadband Board announces an inaugural fully franked dividend of 4 cents per ordinary share
- Aussie Broadband was named the 2023 Roy Morgan Most Trusted Telco, and received the 2023 Customer Satisfaction Best of the Best award, the Internet Service Provider of the Year award (for the third consecutive year), and the Mobile Phone Service Provider of the Year award

Commenting on the Company's operational and financial performance in FY24, Co-founder & Group Managing Director Phil Britt said:

"Aussie has had an excellent year, delivering strong financial results again with EBITDA growth of 34.5% to \$120.5 million and revenue growth of 27% to \$999.7 million.

"In our 20th year of operations, we have evolved into a leading technology and communications business with our fibre infrastructure and Voice networks providing a

¹ Including 4 months' contribution from Symbio.

² Operating cash flow before interest and tax normalised for one-off positive NBN billing change impact of \$38.7m at 30 June 2023

³ For the purposes of a like-for-like comparison, Origin has been excluded from the FY23 and FY24 connection and market share figures. Market share excludes NBN Satellite.

⁴ Total broadband connections include services on the Opticomm, NBN and Aussie Fibre networks, and exclude Origin and Symbio.

competitive advantage and setting the foundation for multiple growth pathways going forward. All of which is underpinned by our award-winning customer service.

"The acquisition of Symbio is proving to be a hugely positive investment, boosting revenue streams and strengthening the Group's financial profile. The contribution to Aussie's results after just 4 months is substantial, adding \$12 million EBITDA to the result.

"With a healthy balance sheet, we are in an enviable position to make strategic investment decisions – whether that is in our own assets and infrastructure, on mergers and acquisitions, or providing a return to shareholders.

"I am proud to announce that based on the strength of the Group's balance sheet, we are delivering a fully franked dividend of 4 cents."

From humble beginnings to a billion-dollar revenue business

The Group's revenue result of \$999.7 million marks a significant milestone as Aussie Broadband becomes a billion-dollar revenue business. Overall, gross margins increased to 36.1%, and the EBITDA before non-recurring items for FY24 increased 34.5% to \$120.5 million.

Group Financial Performance

	FY23 \$m	FY24 \$m	CHANGE %
Revenue	788.0	999.7	26.9%
Gross Profit	278.6	360.6	29.4%
Underlying EBITDA	89.6	120.5	34.5%
NPAT	21.7	26.4	21.7%
Normalised Operating Cashflows ²	83.2	128.2	54.1%
Dividend	n/a	4 cents	n/a

The Group continued to execute its diversification strategy across multiple segments and invest in our fibre and Tier 1 voice networks, which continues to unlock additional scale, margin and competitive advantage.

The Group reported operating cashflow before interest and tax of \$128.2 million in FY24, compared to the previous year of \$83.2 million (after normalising for one-off NBN billing change impact).

The Aussie Broadband Board is pleased to provide shareholders an inaugural fully franked dividend of 4 cents per ordinary share.

Continuing double-digit broadband growth across all segments

Aussie's broadband connections continue to achieve double digit growth.

Broadband Connections⁽³⁾

SEGMENT	FY23	FY24	CHANGE	CHANGE %
Residential	522,505	589,123	66,618	13%
Business	47,331	56,431	9,100	19%
Enterprise & Government	10,871	12,886	2,015	19%
Wholesale	18,716	25,859	7,143	38%
Total BB Connections	599,423	684,299	84,876	14%

The introduction of a new wholesale pricing regime following the completion of NBN's Special Access Undertaking (SAU) process saw a highly competitive environment emerge, which impacted all segments. There was a material increase in wholesale prices at inception and the introduction of annual CPI increases; the first of which occurred on 1 July 2024. Aussie Broadband was a net beneficiary of the churn activity that occurred during this period.

- The **Residential** segment's growth continued, adding 66,618 broadband connections in FY24, and increasing mobile sales by 17%. Brand recognition rose to a high of 84%, pointing to the success of the Actual Aussie Way brand campaign.
- The **Business** segment is built on a loyal base of customers. Our reputation for reliable speeds is reflected in the number of broadband connections which grew by 19%, surpassing 56,000. Momentum in this segment is building, with the sales conversion rate growing by 41% in FY24 compared to FY23.
- The **Enterprise & Government** segment continues to build the foundation for growth with 400 new customers signed including high-profile brands such as Bunnings Warehouse, United Petroleum and Austin Health.
- The **Wholesale** segment performed well during the year, with the number of broadband connections increasing by 38% driven by the addition of 171 managed service providers, bringing the total to 1,118.
- **Symbio's** contribution in the first 4 months as part of the Aussie Group met the top end of the pre-acquisition guidance range contributing \$12 million of EBITDA to the FY24 total.

Deepening our scale in the Voice market via Symbio

The acquisition of Symbio deepens our scale in the Voice market in Australia, presenting growth opportunities domestically and internationally.

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Symbio's strength is in disrupting legacy telecom networks, offering a true cloud-ready alternative that empowers customers with accessible APIs and no-to-low code alternatives for local hosting, calling, porting, provisioning and service management. Symbio's worldwide network has more than 220 partners across the globe and it has all the necessary in-house expertise to help manage clients' international traffic and needs.

Symbio is Australia's largest Mobile Virtual Network Enabler (MVNE), and its Telco as a Service offering provides a marketplace delivering a best-in-class telecommunications product catalogue to support the growing Australian challenger service provider market.

The Group has upgraded expected synergies from Symbio of between \$8 million to \$12 million by the end of FY26.

Aussie's fibre expansion continues

Aussie's fibre network is a key pillar of the Group's investment strategy, providing a competitive advantage and providing opportunity for future growth, particularly in major metropolitan cities with existing footprint into CBD and growth corridors.

We continue to invest in our Fibre network, adding 288km in FY24, with total laid Fibre of 1,721km and 300 connected buildings, and a further 2,000 near site opportunities.

FY25 Focus

We continue to focus on driving growth across all business segments in FY25, with earnings growth of 13% to 21%⁵, sustainable gross margin and strong operating cashflows. We are also investing in measures to deliver operating leverage post Origin transition. The positive momentum is expected to continue across all segments with a focus on strong gross margin and on realising the upgraded Symbio synergy range.

We remain disciplined in our approach to capital expenditure and future M&A opportunities, focusing on returns and earnings accretion.

Trading update

The Group has had a strong start to the year, with net broadband connection growth of 13,023 in the quarter to date⁶, which is positive considering the price rise that occurred from July.

Buddy Telco has had a pleasing first six weeks of operation, with 2,192 services connected. The digital-first model is delivering excellent results in customer satisfaction and interactions with the Buddy Bot, Live Chat, website and Buddy app. The satisfaction rating with our Live Chat team has been a stellar 95%, and the satisfaction rating with our automated Buddy Bot is just under 90%.

⁵ Before the investment in Buddy Telco

⁶ For the period 1 July 2024 to 23 August 2024, and includes Buddy Telco connections

Based on current market conditions, operating plan, pipeline, and trading to date, Aussie Broadband can reaffirm its FY25 EBITDA guidance in the range of \$125 million to \$135 million inclusive of the investment in Buddy.

The Group remains focused on organic growth and is also pursuing acquisition opportunities which align with our strategic objectives as they arise.

ENDS

Investor briefing at 10:00am AEDT today

A briefing for analysts and investors will be hosted by Co-founder and Group Managing Director, Phillip Britt, and executive management at 10:00am AEST. Following the presentation of the results, participants will have an opportunity for questions.

To participate, please register via: <https://sl.c-conf.com/diamondpass/10040155-5dspty.html>

Registered participants will receive their dial in number upon registration.

Authorised for release by the Aussie Broadband Board.

- **Investor enquiries** contact Gurjit Mann at investors@team.aussiebroadband.com.au
- **Media enquiries** contact Alex Walker on 0448 110 962 or media@team.aussiebroadband.com.au
- **Registry queries** contact Link Market Services on 1300 554 474

About Aussie Broadband Limited

Aussie Broadband Group is a fast-growing technology services provider comprising of the Aussie Broadband and Symbio businesses.

Listed on the Australian Stock Exchange (ASX: ABB), the Group collectively supplies more than 1 million services, operates two Tier 1 voice providers in Australia and owns fibre infrastructure.

The fifth largest provider of broadband services in Australia with continuing growth in the residential segment, the Group provides a broad suite of solutions through its data, voice, and managed solutions to business, enterprise and government customers.

Aussie Broadband Group also provides wholesale services to other telecommunications companies and managed service providers. For further information please visit: <https://www.aussiebroadband.com.au>