

## ASX RELEASE

8 December 2016

### OVER THE WIRE TO ACQUIRE TELARUS

Over the Wire Holdings Limited (ASX:OTW) is pleased to announce that it has entered into a binding agreement to acquire all of the shares in Telarus Pty Ltd (**Telarus**). Completion of the acquisition is expected to take place on 16 January 2017 (**Completion**) and is subject to a limited number of customary conditions precedent.

Established in 2002, Telarus delivers business grade telecommunications solutions to Australian and New Zealand SME and Enterprise customers. Telarus has experienced high levels of customer retention and is headquartered in the Melbourne CBD.

With FY16 revenue of \$11.6m, FY16 EBITDA of \$1.5m, 25 employees and more than 300 business customers, Telarus will accelerate Over the Wire's geographic expansion into Victoria.

Telarus provides its customers with the following key services:

- Data Networks;
- Managed security;
- Private cloud services; and
- Voice.

Consideration of \$7.615m implies a transaction multiple of approximately 5-times FY16 EBITDA prior to the realisation of any synergies. Significant synergies are expected to be realised post integration.

#### Financial Considerations and Funding

- Cash consideration of \$7.615m payable in full on Completion (subject to satisfaction of conditions precedent);
- The acquisition is to be funded out of existing cash reserves and the partial drawdown of a debt facility which is expected to be established prior to Completion.

## Strategic Rationale

- The acquisition of Telarus accelerates Over the Wire's expansion into the Victorian market;
- Telarus provides a respected, high quality platform for growth;
- Telarus' customer base is high quality and offers cross sell and interstate expansion opportunities;
- Significant synergies are expected to be realised on integration;
- Telarus has a high quality team that will integrate well with the Over the Wire culture;
- Telarus introduces new products in the areas of Managed Security and Mobile data that will be well received by the existing Over the Wire client base; and
- The acquisition is expected to offer attractive EBITDA and EPS accretion to Over the Wire on a full year basis.

Commenting on the acquisition, Managing Director Michael Omeros said, *"We are very excited to welcome Telarus to the Over the Wire group. Telarus is a high quality provider of managed networks, managed security and private cloud led by a well-respected industry veteran, Dennis Muscat. Telarus expedites our geographic expansion plans into Victoria as well as introducing some complimentary new offerings in managed security and mobile data, which will be of great benefit to our existing customers."*

ENDS

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## About Over the Wire Holdings Limited

Over the Wire Holdings (ASX: OTW) is an ASX listed telecommunications, cloud and IT solutions provider that has a national network with points of presence in all major Australian capital cities and Auckland, NZ. The company offers an integrated suite of products and services to business customers including Data Networks and Internet, Voice, Data Centre co-location, Cloud and Managed Services.

Over the Wire Holdings companies include Over the Wire, Netsip, Faktortel and Sanity Technology.

## About Telarus

Telarus is a privately held telecommunications company that delivers business grade solutions to the Australian and New Zealand SME and Enterprise markets. Employing 25 staff in Melbourne and servicing over 300 business customers, Telarus delivers managed network, managed security and private cloud solutions. Telarus has a strong customer service focus with clients such as Cue Clothing Group, Zagame Automotive Group, Foodworks, and Swatch Group. For more information [www.telarus.com.au](http://www.telarus.com.au).