

ASX ANNOUNCEMENT - 29 November 2016

2016 ANNUAL GENERAL MEETING – CEO’S ADDRESS

This is the presentation to be made to the AGM by the CEO Michael Omeros.

Yours sincerely



Mike Stabb

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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.



Annual General Meeting

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- References to Over the Wire in this presentation are to the Over the Wire group including all subsidiaries.

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1. OUR BRANDS AND DIVISIONS

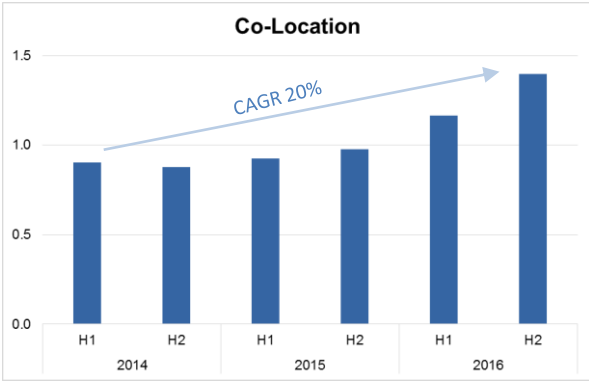
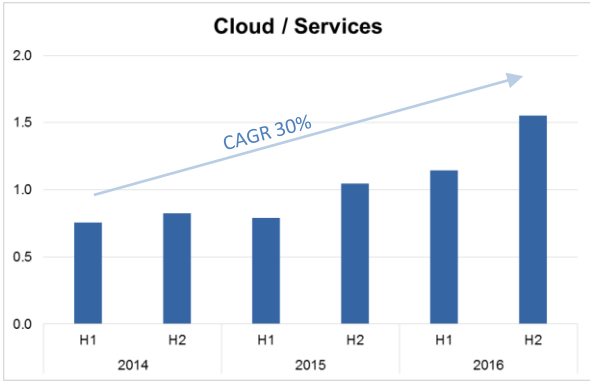
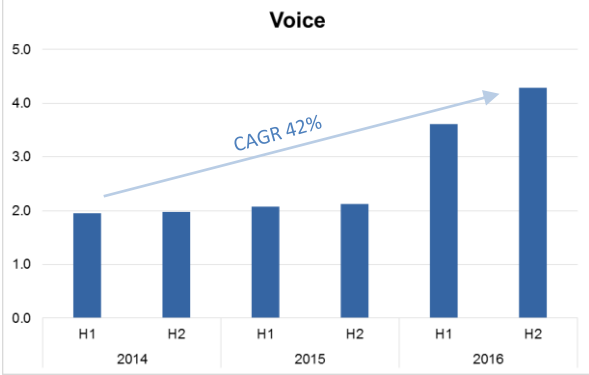
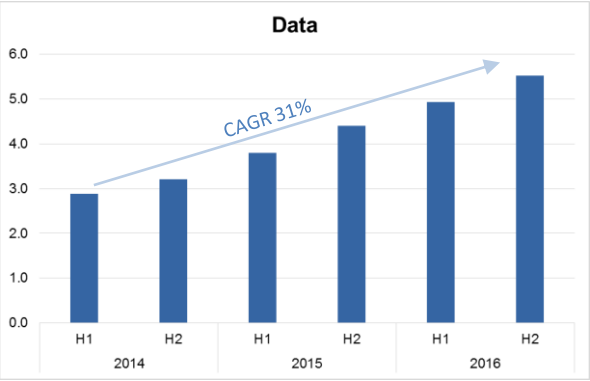
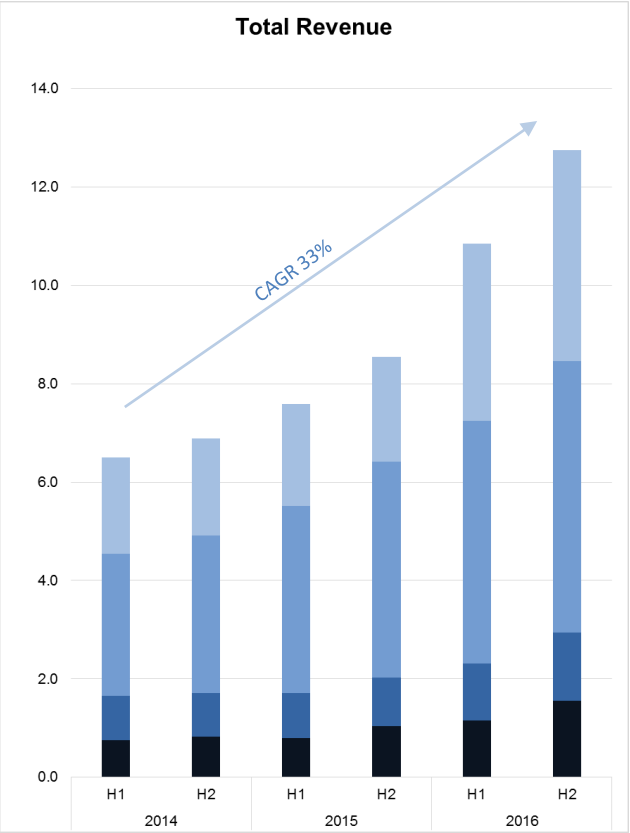
Broad and integrated offering of products and services provides Over the Wire customers with a complete solution from one supplier dedicated to customer service

Over the Wire divisions	Data Networks	Voice	Cloud / Managed Services	Data Centre Co-Location
Over the Wire brands		 		 

2.1 FINANCIAL HIGHLIGHTS – FY16

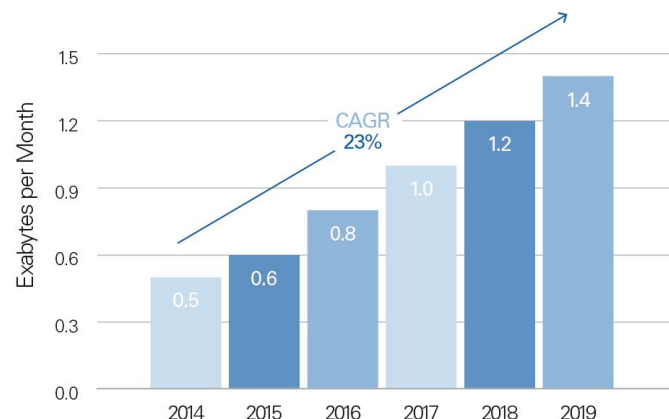
	2015	2016	Change
	\$ '000s	\$ '000s	
Revenue	16,141	23,611	46%
Gross Profit	8,618	13,696	59%
EBITDA	3,530	5,423	54%
EBITDA %	22%	23%	
NPAT	1,967	2,847	45%
	Cents	Cents	
Earnings per share	6.202	7.375	19%

2.2 STRONG ONGOING REVENUE GROWTH



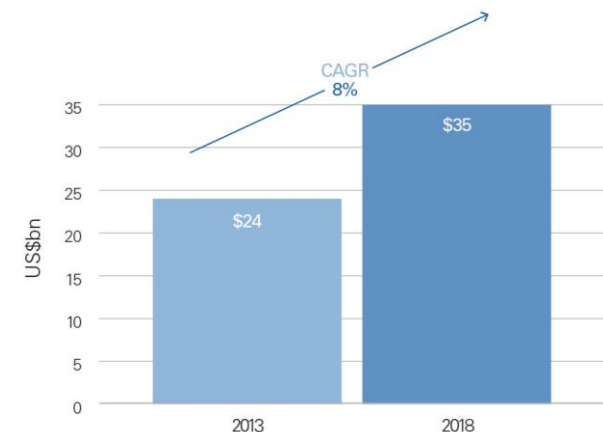
3. STRONG INDUSTRY DRIVERS

Australian IP traffic (Exabytes per month)



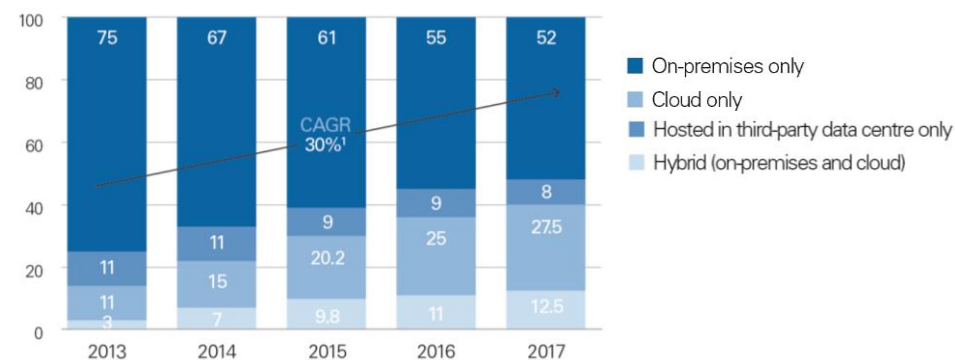
Source: Cisco VNI Global IP Traffic Forecast, 2014-2019

Global business VoIP market (US\$bn)



Source: Infonetics

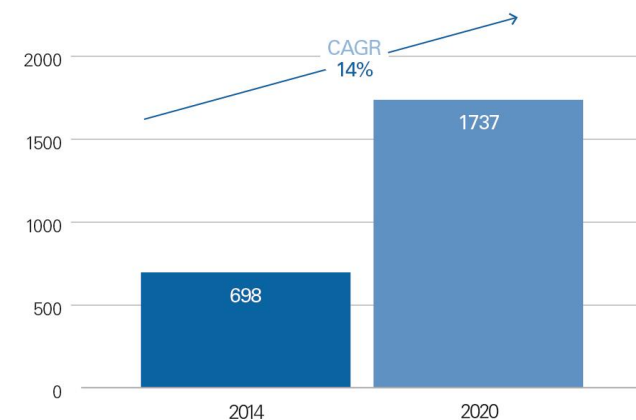
Cloud communications penetration in Australian businesses – infrastructure moving off-premises (%)



(1) CAGR is cloud adoption by Australian business (e.g. Hybrid and Cloud)

Source: Telsyte

Australian data centre revenue (A\$m)



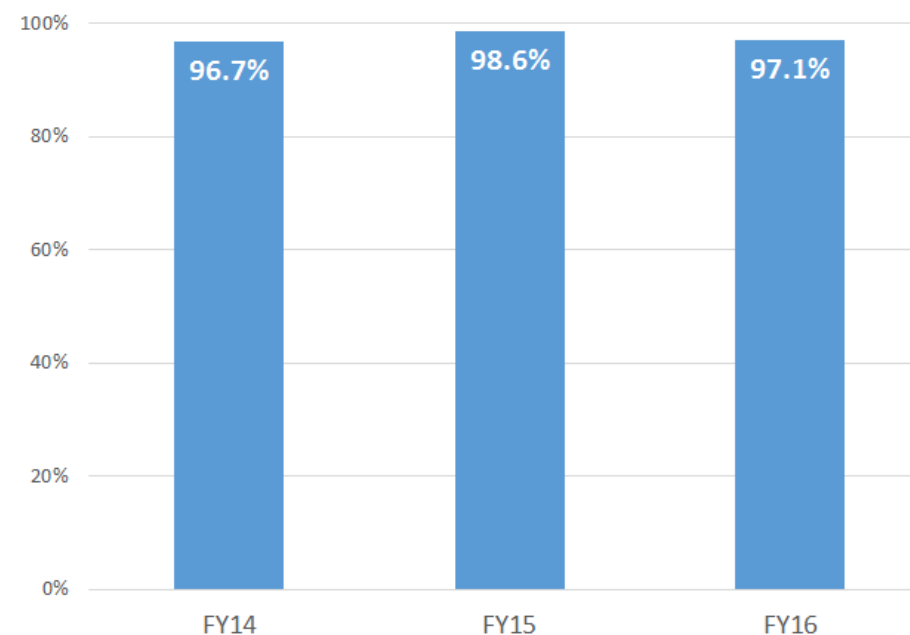
Source: Frost & Sullivan

4. CUSTOMER SERVICE IS A COMPETITIVE ADVANTAGE

- Over the Wire has developed a culture which consistently delivers high levels of customer service and retention.
- Over the Wire has achieved this by:
 - Tailoring a solution for a customer's requirements;
 - Being highly responsive and pro-active; and
 - Ensuring that the product or service performs.
- This high level of customer service allows Over the Wire to win customers from its competitors and expand the services provided to customers.

Over the Wire Customer Retention

Revenue Year-on-Year



Notes:

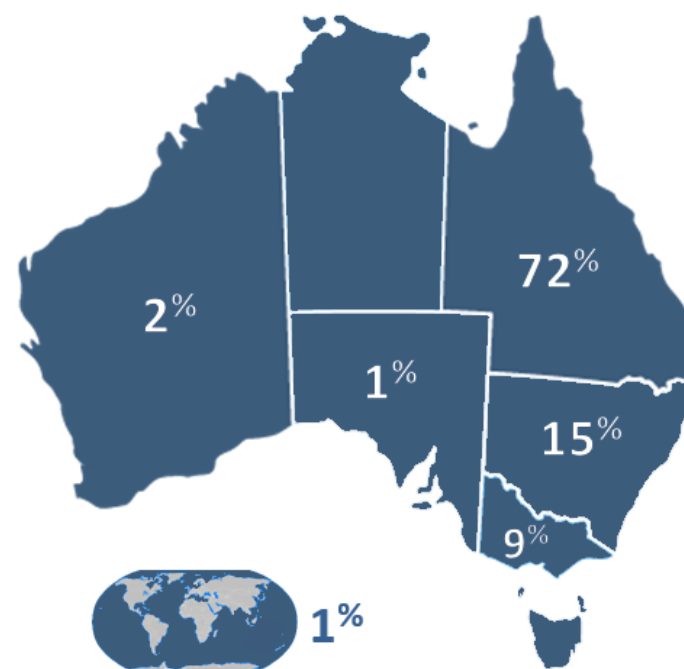
- (1) Over the Wire only (excluding Faktortel, Sanity & SpiderBox).
- (2) A customers revenue is classified as retained in a given year if Over the Wire had revenue from the customer in the current year and in the previous year.

5.1 GROWTH STRATEGY – ORGANIC GROWTH

Plans are being executed to continue to deliver strong organic growth

- Over the Wire will continue to target > 20% Year on Year organic growth.
- Targeted organic growth will be achieved through continuing the following strategies:
 - Increased penetration in existing established markets through expanding Over the Wire's Sales function;
 - Leveraging Over the Wire's platform to sell more products and services to existing customers; and
 - Continued geographic expansion into NSW and Victoria.

FY16 Revenue by Geography



(A\$m)	Revenue FY16	Growth FY15 to FY16
QLD	17.0	31%
NSW	3.6	34%
VIC	2.0	39%
Other	1.0	19%

5.2 SELECTIVE ACQUISITIONS TO ACCELERATE GROWTH

Over the Wire will consider acquisitions with a compelling strategic fit, readily achievable synergies and which add shareholder value

- Over the Wire is well positioned to pursue acquisitions of approximately \$15m consideration without raising new equity.
- Positive pipeline of potential acquisition opportunities.
- Clear criteria for acquisitions including:
 - EBITDA / EPS accretive;
 - Assist with geographic expansion;
 - Complement current offering; and
 - Synergies resulting from cost savings and ability to cross-sell other Over the Wire products.

6. HIGHLIGHTS OF FINANCIAL YEAR 2016

- Successful completion of Initial Public Offering on ASX in December 2015, raising \$10m
- Successful acquisition of three businesses during the year – Faktortel, Sanity Technology and SpiderBox.
- Statutory Trading Revenue up 46%
- Organic Growth in Trading Revenue up 25%
- EBITDA up 54%
- NPAT up 45%
- Full year results for Revenue, EBITDA and NPAT all exceeded Prospectus forecasts.
- EPS up 19% to 7.4¢ per share
- Maiden dividend of 1.0 cents per share fully franked

7. POSITIVE OUTLOOK

- Continued strong organic revenue growth driven by:
 - Further geographic expansion into New South Wales and Victoria
 - Cross selling to existing customers
- Selective acquisitions
 - Expediting geographic expansion
 - Strengthening product offering
 - Adding Intellectual Capital
- Initiatives
 - New Hosted PBX product to be launched Q1 CY2017
 - Expansion of cloud platform into New South Wales
 - Continued focus on customer experience through enhanced Reseller and Customer tools

Thank you for your time

Any questions?