

## ASX RELEASE

21 February 2017

### OVER THE WIRE HOLDINGS LIMITED HALF YEAR RESULTS TO 31 DECEMBER 2016

#### H1 FY17 Highlights

- Revenue up 29% to \$13.961m
- EBITDA up 25% to \$3.051m
- NPATA up 21% to \$1.844m
- NPAT up 10% to \$1.566m
- Agreement to acquire Telarus Pty Ltd
- Interim dividend of 0.75 cents per share fully franked

Over the Wire Holdings Limited (ASX:OTW) is pleased to announce its financial results for the half-year ended 31 December 2016 (H1 FY17), which saw significant growth across all areas of the business. The consolidated entity made statutory Net Profit after Tax of \$1.566m (H1 FY16: \$1.418m), representing an increase of 10% on the corresponding half year. Statutory EBITDA was \$3.051m (H1 FY16: \$2.437m), representing an increase of 25% on the corresponding half year. Key financial highlights from the results include:

	H1 FY17	H1 FY16	% Change
<b>Revenue</b>	\$13.961m	\$10.998m	29%
<b>EBITDA</b>	\$3.051m	\$2.437m	25%
<b>NPATA</b>	\$1.844m	\$1.528m	21%
<b>NPAT</b>	\$1.566m	\$1.418m	10%

Commenting on the H1FY17 results, Managing Director Michael Omeros said, “We are pleased with the continued positive performance of the business over the last six months. We have sustained strong revenue growth and continue to invest for the future. Our organic growth coupled with selective quality acquisitions positions the company well for our geographic expansion plans.”

## Business Performance

Revenue from Ordinary Activities for the half-year was \$13.961m (H1 FY16: \$10.821m), representing an increase of 29% on the corresponding half year. The result demonstrates strong demand from customers across all four product lines including:

	H1 FY17	H1 FY16	% Change
<b>Data Networks</b>	\$6.027m	\$4.918m	23%
<b>Voice</b>	\$4.834m	\$3.592m	35%
<b>Cloud / Managed Services</b>	\$1.752m	\$1.146m	53%
<b>Co-location</b>	\$1.348m	\$1.165m	16%

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The increase in profitability has been primarily achieved through increased revenue. The consolidated entity has maintained an effective management of overhead expenses in the underlying business however in order to expedite its future growth potential it has increased its investment in the Sales and Marketing function and product development. This is expected to lead to increased sales in FY18 and beyond.

As at 31 December 2016 the consolidated entity has \$6.257m in cash or cash equivalents. Subsequent to the half year end, the Company has entered into a \$10m debt facility with the NAB to part fund the acquisition of Telarus, as well as give the company scope for further acquisition opportunities.

## Positive Outlook

Business performance for the first half of the year is very pleasing. The company continues to generate strong operational cash flow and maintain a strong balance sheet, remaining well positioned to continue its organic growth and actively search for further acquisition opportunities.

Subsequent to the half year end, the company completed the acquisition of Telarus. With FY16 revenue of \$11.6m and FY16 EBITDA of \$1.5m, Telarus will contribute significantly to the consolidated entity whilst accelerating Over the Wire's geographic expansion into Victoria.

The company remains confident that it will achieve its stated organic growth targets in the coming year and beyond.

ENDS

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## **About Over the Wire Holdings Limited**

Over the Wire Holdings Limited (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 Limited companies include Over the Wire, NetSIP, Faktortel, Sanity Technology and Telarus.