

ASX RELEASE

20 AUGUST 2020

**OVER THE WIRE HOLDINGS LIMITED
FULL YEAR RESULTS TO 30 JUNE 2020**

Over the Wire Holdings Limited (ASX:OTW) (“Over the Wire” or “Company”) is pleased to announce its financial results for the year ended 30 June 2020 (FY20). Key highlights from the results include:

- Revenue of \$87.6M, consistent with market consensus
- EBITDA of \$17.4M, slightly above market consensus
- Recurring Revenue growth of \$9M, a 14% increase
- Customer Revenue Retention of 98.5%, the best result since Over the Wire’s first year of reporting this metric.

Commenting on the FY20 results, Managing Director Michael Omeros said, “In challenging market conditions impacted by COVID-19 restrictions, our team has shown commendable focus and resilience. We are delighted to deliver a full year result that exceeds the profitability expectation outlined in our May 2020 Business Update, and an exceptional customer retention rate of 98.5%. Our three solution pillars *Cloud. Connect. Collaborate.* are benefitting from industry tailwinds and our investment in capability and systems over the last twelve months positions us well to take advantage of these. We are excited by the potential opportunities for organic growth complemented with quality strategic acquisitions that accelerate the delivery of our strategy.”

Business Performance

Recurring revenue grew 14% to \$74.7M and now represents 85% of Over the Wire’s total revenue. Total revenue for the year was \$87.6M (FY19: \$79.6M), representing an increase of 10% on the previous year. The result demonstrates demand from customers across all four product lines including:

	FY20	FY19	% Change
Data Networks	\$37.5M	\$37.0M	2%
Voice	\$19.6M	\$16.4M	19%
Hosting	\$10.1M	\$9.1M	12%
Services & Security	\$20.3M	\$17.1M	19%
Total	\$87.6M	\$79.6M	10%

The Company continues to strongly convert EBITDA into positive operating cashflows. The balance sheet remains strong and ready to support the Company's growth strategy.

Dividends

The Board declared a final dividend for 30 June 2020 of 2.25 cents per share fully franked, to be paid in October 2020. The total dividend for the full year increased to 3.75 cents per share fully franked.

Business Outlook

Our business performance is tracking well against our strategy and we continue to generate positive operational cash flow and maintain a strong balance sheet. We will continue to proactively support our customers and remain well positioned to continue to deliver organic growth and pursue further accretive acquisitions.

The Company remains confident that it will achieve solid growth in FY21 and continue to deliver value for shareholders.

ENDS

This document was authorised for release by the Over the Wire Holdings Limited Board.

ENDS

For further information, please contact:

Michael Omeros	Scott Smith	Ben Melville
Managing Director and Group CEO	CEO – Over the Wire	CFO
+617 3847 9292	+617 3847 9292	+617 3847 9292
michael.omeros@overthewire.com.au	scott.smith@overthewire.com.au	ben.melville@overthewire.com.au

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, Telarus, VPN Solutions, Access Digital Networks and Comlinx.