



**ASX RELEASE**

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**AGM Chair Address**

Attached is a copy of the Chair's Address for today's Annual General Meeting.

The Managing Director's presentation will follow separately.

This document was authorised for release by Simone Dejun, Company Secretary.

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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, Telarus, VPN Solutions, Access Digital Networks, Comlinx, Zintel Communications, Fonebox and Digital Sense.

# OTW Chair Address – AGM November 2020

## Introduction

Good afternoon Ladies and Gentlemen. Welcome to the fifth annual general meeting of Over the Wire. My name is John Puttick, and I am your Chairman.

I note that there is a quorum present so I now declare the meeting open.

I am joined at the meeting here in Brisbane by Michael Omeros, Founder and Managing Director, Brent Paddon Co-founder and Non-executive Director, Susan Forrester Non-executive Director. Cathy Aston Non-executive Director is online from Sydney. Scott Smith, CEO, Ben Melville, CFO and Simone Dejun, Company Secretary are also here at the meeting and Cameron Bradley of our Auditors PKF is on the line.

Today, we offer a special welcome to the team from Digital Sense, who joined us at the beginning of this week, and to the teams from Fonebox and Zintel, who also recently joined our company.

## New Working Model

It is now well understood that 2020 has been a year of great challenges, but also for us one of plentiful opportunity, and I believe significant achievement.

The standout challenge faced early this year by all of us was the abrupt disruption of the traditional working environment due to COVID-19, which put enormous strains on many businesses, as well as the broader community.

We identified this challenge early and responded rapidly by leveraging our company's foundation in engineering excellence and our digital culture, to transition in an agile and failsafe manner to a new remote working model.

In parallel, our teams were also comprehensively supporting our diverse B2B client base, bringing alive our company purpose, which is **to simplify technology to empower business**, as our clients also had to adjust their businesses to the new operating environment.

We transitioned our company and most of our clients to continue operating uninterrupted whilst working from home. It's still early days, as we explore possibilities for the future, but there are signs that we can capitalise on some good productivity gains across our businesses. I believe this will be one positive legacy to come from the COVID pandemic.

## FY20 Recap

Because we were able to respond so quickly, safely, and smoothly to the new working model, this helped ensure that FY20 was another successful year for the company.

I am especially pleased that we successfully integrated the Access Digital and Comlinx businesses we acquired in FY19, and also note that in FY20:

- we lifted total revenue by 10% to \$87.6m,
- we grew recurring revenue by 14%, which included an impressive 10% lift in organic revenue growth;
- we recorded another year of impressive customer retention of 98.5%; and

- increased our full year dividend by 15%.

## **Growth**

The challenges of this year have accelerated the pace of change in our operating environment, including the long-term trend towards digitisation of communication products and networks, and the company remains well placed to respond assertively to these changes in a highly competitive market.

For example, we moved swiftly and purposefully to accelerate our acquisition activities in the last few months. In total, including earn-out payments to the vendors, we expect to pay \$75million to acquire the businesses of Fonebox, Zintel and Digital Sense, in transactions we have concluded since the end of the financial year.

Taken as a portfolio, these acquisitions will contribute significant new customers and scale to our business, and before any material network effects are taken into account, we expect these to add over 40% to the annual revenue of our company, and over 60% to our annual EBITDA, compared with FY20.

None of this important value-adding activity occurred by accident. We have deliberately maintained the Board and management focus, as well as balance sheet resilience and flexibility, to move quickly as opportunities for growth arise, and remain well placed to continue to capitalise on industry changes following our successful \$25million equity raising which was concluded last month.

## **Board**

One of the key strengths of our business is the quality of our Board. I welcome the appointment of Ms. Cathy Aston as a Director on 1 July 2020. Cathy is based in Sydney and has strong operational and strategic capabilities in the telecommunications, digital, and financial services industries, in both Australia and Asia.

In addition, Over the Wire co-founder Brent Paddon has moved to a Non-Executive Director role from 1 July 2020. Brent continues to bring his extensive telecommunications and technology industry experience to the Board.

With Brent's transition and Cathy's recent appointment, I note that our Board now has a majority of Non-Executive Directors which marks the completion of the transition from a founder-led Board to one which provides a more robust and sustainable governance platform to support the company's ambitious growth plans.

## **Corporate Responsibility**

Over the Wire is also committed to maintaining operational excellence in an enduring and responsible way, because we understand that a focus on the continuous improvement of our environmental, social and governance outcomes contributes to shareholder value and creates more opportunities for Over the Wire to sustainably prosper.

I draw your attention to our Corporate Governance Policy which begins on page 31 of the Annual Report, and which describes some of the measures we have taken recently to embed high ESG standards across our business.

These include establishing a People and Culture Committee of the Board in July this year. I am particularly pleased to highlight that at the conclusion of this AGM, should you support my re-election

and the election of Cathy to our Board, Over the Wire will have gender parity across our four Non-Executive Directors.

## **Conclusion**

Before I hand over to our Managing Director, I would like to offer the Board's sincere gratitude to all three hundred of our employees for their steadfast commitment during this extraordinary year, which has also been one of great achievement for our company. Whether they are among our workforce here in Brisbane, our other regional offices, or are working remotely, the contribution of our people has been the reason that our business has continued to operate efficiently and smoothly, and the reason that we've been able to consistently deliver for our clients on our company purpose, to simplify technology to empower business.

To our shareholders, we all thank you for your continued support of Over The Wire during this remarkable year.

With that as introduction, I am now pleased to hand over to Michael to present a more detailed review of the Company's operations.

Thank you all.

I look forward to taking any questions later in the meeting.