

21 August 2024

Superloop delivers strong FY24 results: Underlying EBITDA up 45.2%, guidance exceeded and landmark wholesale contract wins.

Superloop Limited (ASX:SLC) (“Superloop”, “Company” or “Group”) has today released its FY24 results for the full year ended 30 June 2024.

Highlights

- **Total revenue¹ of \$420.5 million, up 30.0%** compared to \$323.5 million in the Prior Corresponding Period (PCP)
- **Strong organic revenue growth² of 23.0%** with gains reported across all three market segments
- **Consumer segment revenue growth of 47.1%** up \$84.7 million to \$264.6 million driven by a record 32.9% organic growth in Consumer customers
- **Superloop now services more than 455,000 customers** with over 87,000 net new customers added during the year
- **Gross margin of \$145.1 million** up 24.2% compared to PCP, with contributions to margins from all segments
- **Underlying EBITDA³ of \$54.3 million, an increase of 45.2%** compared to \$37.4 million in the PCP
- **NPATA⁴ of \$23.5 million** compared to (\$3.7) million in the PCP, an increase of 738.8%
- **Strong operating leverage** with operating expenses continuing to grow at a lower rate than revenue
- **Strong cash generation with free cash flow⁵ of \$29.2 million** up 26.0% on PCP
- **Net loss for the year of \$14.7m, an improvement of 65.8%** and growth in free cash flow sets course to Net Profit After Tax (NPAT) positive by FY26
- **Landmark deals with Origin Energy and AGL** will make a material contribution to earnings from FY25.

Commenting on the FY24 results, Superloop’s CEO and Managing Director Paul Tyler said, “Our focus on strategy and execution is delivering results with the Company exceeding its most recent earnings guidance.

“All of our key metrics are moving in the right direction. Strong performance in our Consumer segment has underpinned organic revenue growth of 23.0% and growing brand awareness has driven 87,000 net new customer additions (455,000 total customers) with a pleasing uptake of higher value products,” Mr Tyler said.

“During the period, Superloop signed exclusive wholesale services contracts with both Origin Energy and AGL, both landmark deals for the business. The six-year Origin Energy

¹ Revenue includes Other Income of \$3.9m.

² Organic revenue growth % calculation removes impact of VostroNet and MyRepublic user acquisitions in FY24 where not part of Superloop in Prior Comparable Period.

³ Underlying EBITDA is calculated as Statutory EBITDA adjusted for share-based payments, restructuring costs and non-recurring corporate and M&A costs.

⁴ NPATA is defined as Net Profit After Tax adjusted for the non-cash amortisation of acquired intangible assets (including the non-cash expense related to the VostroNet acquisition consideration) and impairment.

⁵ Free Cash Flow is calculated as the operating cash flow less investing cash flow adjusted for acquisition and disposals (FY24: excludes tax payment of \$3.8m relating to Singapore divestment in FY22).



contract is expected to contribute in excess of \$19 million in underlying EBITDA annually once fully migrated, representing a significant step-change in Superloop's FY25 earnings, with additional earnings realised as Origin's broadband subscriber numbers continue to grow.

"These Wholesale client wins and growth in customer numbers reaffirm the success of our low-cost operating model which is supported by our strong capability. We are tracking well to deliver on the ambitions set out in our three year "Double Down" strategy and this is driving strong growth in earnings and free cash flow, with Superloop on course to be NPAT positive by FY26," Mr Tyler said.

Financial Performance Review

The table below provides an overview of the financial performance of the Group in FY24 relative to FY23.

\$m	FY23	FY24	Change	Change %
Revenue and other income	323.5	420.5	+97.0	+30.0%
Gross Margin	116.9	145.1	+28.2	+24.2%
Operating Expenses ⁶	79.5	92.1	(12.6)	+15.9%
Underlying EBITDA	37.4	54.3	+16.9	+45.2%
Statutory EBITDA	25.6	38.5	+12.9	+50.3%
NPATA	(3.7)	23.5	+27.1	+738.8%
Net Profit/(Loss) After Income Tax	(43.2)	(14.7)	+28.5	+65.8%
Free Cash Flow	23.2	29.2	+6.0	+26.0%

FY24 delivered total revenue of \$420.5 million up 30.0% on the prior year with all three segments contributing to overall organic revenue growth of 23.0%:

- Consumer segment revenue increased by a record \$84.8 million (+47.1%) to \$264.6 million with a further 80,000 net new customers added during the year.
- Business segment delivered steady growth in revenue, up 4.3% to \$104.0 million driven by strong sales in SMB services, growth in large corporate and continued success of the Smart Communities offering.
- Wholesale had a record year with revenue growth of 9.4% to \$48.0 million off the back of an exceptional year for sales, with contract wins with Origin Energy and AGL set to drive a significant increase in earnings in FY25.

Gross margin grew by 24.2% to \$145.1 million with all segments contributing. Underlying EBITDA increased 45.2% on the prior year with growth in the underlying EBITDA margin to 12.9%. Operating expenses grew 15.9% and continue to show a consistent downward trend as a proportion of revenue.

⁶ Operating Expenses excludes share-based payments, restructuring costs and non-recurring corporate and M&A costs.



Superloop is displaying clear operating leverage through growing revenue and the Group's economies of scale contributing to reductions in the unit cost to acquire and serve new customers.

The Company is in a strong financial position with free cash flow increasing 26.0% to \$29.2 million over the year, net cash of \$3.6 million and \$49.1 million in undrawn debt capacity available. Superloop continues to make disciplined capex investments to support growth with total capex of \$25 million in FY24, which included investment in upgrading network capacity in support of the Origin and AGL contracts.

Operational Update

Superloop has delivered consistent growth in all market segments.

Growth was supported by continuing gains in nbn market share, which was up 0.9% to 4.0% by end FY24, and this continues to represent a material opportunity for the Company. With challenger market share at 18.2%⁷ and growing, the Origin Energy win will position Superloop to secure greater share in FY25 and beyond.

Superloop's investment in brand awareness has supported customer migration to higher value products including high-speed plans. 80,000 new Consumer customers were added in the 12-month period.

Cost per activation declined in FY24 as the business scaled, while cost to serve has declined as the business rolls out initiatives including consolidation of support centres, launch of digital support and adoption of self-support portals.

The Business segment revenue during FY24 was driven by growth from large corporates and a further 7,200 nbn services added through small business customers, which remains an important addressable market.

Superloop is the market leader in the provision of Fibre-to-the-Premises networks in the Build-to-Rent ("BTR") sector with key contracts signed with major developers throughout the year. Superloop's Smart Communities sub-segment now services 53,000 lots⁸ with a further 10,000-15,000 contracted lots to complete between now and the end of the 2025 calendar year. Large wins with leading Australian property developers, Mirvac and Investa, reaffirms Superloop's acquisition of smart building provider VostroNet in 2022.

FY24 also saw new contracts in tertiary accommodation wi-fi signed with Journal Student Living, Dwell, UniLodge and Campus Living Villages, amongst others.

The most significant events for Superloop during the year were the landmark contracts signed with Origin Energy and AGL, resulting in an exceptional year for sales in the Wholesale segment.

The five-year exclusive contract with AGL was signed in November 2023 with the contract estimated to contribute \$4-5 million revenue in FY25. A six-year exclusive contract with Origin Energy was signed in March 2024 and at the time, represented an additional 130,000 customers and \$19 million annualised underlying EBITDA.

⁷ nbn Wholesale Market Indicators Report, dated 29 May 2024.

⁸ Lot = individual FTTP lot or student accommodation bed



Since time of contract signing in March 2024, Origin's customer base has continued to increase, reaching 152,000 at 30 June 2024⁹, which will generate further earnings for Superloop. New Origin nbn orders went live in early July and the transition of existing customers is expected to be complete by the end of October 2024.

These contract wins demonstrate the strength of Superloop's wholesale capabilities and the success of the Company's low-cost operating model.

Outlook

Superloop continues to focus on driving strong organic growth, increasing its share of nbn services, and maintaining cost leadership.

The Company will also take a disciplined approach to future M&A opportunities and ensure future acquisition opportunities, if pursued, are earnings accretive.

Revenue, earnings and customer growth from the Origin Energy and AGL contracts will become more visible in FY25. This will significantly bolster Superloop's positioning in the Wholesale market, setting Superloop up to become the enabler for other challenger RSPs.

With its first year now complete, Superloop is tracking well to deliver the ambitions set out in its three year "Double-Down" strategy, including reaching NPAT positive by FY26.

Superloop is forecasting significant growth in Underlying EBITDA in FY25 with guidance of \$83 – \$88 million representing an increase of 53 – 62% on FY24, a year in which Superloop exceeded its original guidance. Capex is forecast to increase to \$28 – 30 million which includes additional growth capex for Smart Communities and network capacity upgrade capex in support of the Origin and AGL contracts.

Details of Investor Briefing

The Company will be hosting a briefing for analysts and investors today. Details of the briefing are as follows:

Date: 21 August 2024

Time: 10.30 am (AEST)

To pre-register for the call: [Superloop Conference Call Pre-Registration](#)

To join the webcast: [Superloop Webcast Registration](#)

ENDS

Authorised and approved for release by the Superloop Board of Directors.

⁹ Origin Energy 2024 Full Year Results, 15 August 2024



About Superloop

Founded in 2014, and listed on the ASX since 2015, Superloop's purpose is to enable better internet for Australian homes and businesses. We enable challenger retail brands (including Superloop and Exetel brands) to take a larger share of the market, leveraging Superloop's Infrastructure-on-Demand platform. Superloop provides connectivity and services to customers in three segments of the market: Consumer, Business and Wholesale. Our offerings leverage Superloop's investments in physical infrastructure assets that include fibre, subsea cables and fixed wireless, as well as Superloop's software platforms. Hundreds of thousands of homes and businesses rely on Superloop and Exetel every day for their connectivity needs.

Visit www.superloop.com to learn more.

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