

ASX ANNOUNCEMENT (UWL)

# FY21 Full Year Results

- Earnings above consensus. FY21 EBITDA(u) \$93.7M (pcp \$26.5M)
- June 2021 exit run-rate EBITDA(u) of \$133.4M, ~15% increase on December 2020
- Record revenue, earnings and free cash-flow generation
- Free Cash Flow at 68% of EBITDA(u) for the full year
- Contracted FTTP 'order book' expands by 24% to >250,000 in 6 months to 30 June 2021, net of ~16,000 premises connected
- Net Leverage reduced to ~1.5X June 2021 exit run-rate EBITDA(u) from 2.2X at December 2020

**24 August 2021:** Uniti Group Limited (ASX: UWL) (“Company”, “Uniti”, “UWL”) is pleased to announce its full year results for the financial year ended 30 June 2021 (“FY21”).

The tables below provide a summary of Uniti’s key financial performance metrics. The first table compares FY21 performance with the previous corresponding period (FY20). The second table shows additional key performance metrics, as compared with the prior 6-month period (at 31 December 2020), highlighting the wholly organic growth delivered in the second half of FY21, given no new company or asset acquisitions were made during the 6 months to 30 June 2021.

## FY21 vs FY20

A\$m (unless otherwise specified)	FY21	FY20	Movement	%
Revenue <sup>1</sup>	\$159.9	\$58.2	\$101.7	↑ 175%
EBITDA(u) <sup>2</sup>	\$93.7	\$26.5	\$67.2	↑ 254%
Operating Cash Flow <sup>3</sup>	\$91.7	\$21.6	\$70.1	↑ 325%
Free Cash Flow <sup>4</sup>	\$64.2	\$13.4	\$50.8	↑ 379%

## June 2021 vs Dec 2020 - organic growth, no acquisitions

A\$m (unless otherwise specified)	Jun-21	Dec-20	Movement	%
EBITDA(u) Run Rate	\$133.4	\$116.0	\$17.4	↑ 15%
Contracted / In-Construction Premises	250.5k	202.2k	48.2k	↑ 24%
Net Debt	\$208.3	\$255.7	(\$47.4)	↓ 19%
Net Leverage (multiple of EBITDA(u) run rate)	1.5X	2.2X	(0.7X)	↓ 32%

EBITDA(u) for H2 FY21 was \$64.5M (up from \$29.3M in H1), ending the period at an annualised exit-run rate of \$133.4m EBITDA(u). The substantial surplus cash generated in H2 FY21 enabled a reduction in net debt of \$47.4M.

The EBITDA(u) delivered by Uniti in FY21 exceeded broker analyst consensus expectations (per Bloomberg), highlighting both strong organic growth and operational efficiency gains. Furthermore, forecast integration synergies from acquisitions made in late 2020 have been realised ahead of expectations.

<sup>1</sup> Revenue in FY21 is net of intercompany revenue eliminations of \$20.5M, and excludes \$0.6M dividend income

<sup>2</sup> EBITDA(u) excludes shared based payments, acquisition and restructuring costs, and dividends received from the Company’s acquired interest in OptiComm shares prior to the completion of the Scheme of Arrangement to acquire OptiComm and its controlled entities

<sup>3</sup> Operating Cash (receipts from customers less payments to suppliers and employees), before tax, dividend and interest

<sup>4</sup> Operating Cash Flow less capex



Operating Cash Flow (\$91.7M) and Free Cash Flow (\$64.2M) increased 325% and 379% respectively on the previous corresponding period (FY20). Cash flow margins have continued to expand during the period, due to efficiencies arising from increased scale. Free cash flow in FY21 was 68% of EBITDA(u).

As a result of exceptional Free Cash Flow generation, Uniti significantly reduced its Net Debt and, in turn, Net Leverage. Net Debt reduced by ~19% to \$208M in the six months to 30 June 2021. As a result of this reduction and strong growth in run-rate EBITDA(u), Net Leverage reduced from 2.2 times to 1.5 times exit run rate EBITDA(u) in the same period. This strong and sustainable Free Cash Flow generation and rapidly falling Net Leverage allows capital distribution considerations, which are presently underway.

Uniti's core Wholesale and Infrastructure ("W&I") digital infrastructure business further built upon its dominance of Uniti's earnings in FY21, accounting for 84% of the \$93.7M in EBITDA(u). This dominance is forecast to extend over both the near and longer term, as a result of the substantial expansion of the contracted & in-construction Fibre-to-the-Premises ("FTTP") 'order book' in the six months to 30 June 2021, increasing from 202,000 to greater than 250,000, an expansion of 24%, this being an effective increase of 64,000, given ~16,000 premises were connected in the six months to 30 June 2021. This takes Uniti's combined premises (connected, "ready-to-connect", contracted/in-construction and Telstra Velocity premises) to more than 565,000.

The material expansion in the W&I contracted / in-construction FTTP order book in the first 6 months of 2021 evidences the strong market penetration of W&I's "OptiComm" brand, including numerous contract 'wins' with property developers which had not previously contracted with OptiComm and execution of strategic partnership agreements with a number of large-scale developers, delivering a secured flow of new FTTP premises, via long-term pipeline commitments.

Uniti's retail telecommunications & platform services businesses (comprising "Consumer & Business" and "CPaaS") both met forecast expectations in FY21, contributing strong Free Cash Flow to the Group, given the inherently modest capital expenditure demands of these businesses.

Michael Simmons, Uniti Group MD & CEO, said of the FY21 results:

*"We are immensely proud of the company Uniti has become in just two and a half years since listing, transforming from a loss-making fixed wireless business into a highly profitable, growing, ASX200 organisation. Today, Uniti is a 'group of one', an integrated digital infrastructure company, which is the definitive challenger in the residential FTTP market, with a platform to further expand market share and presence in adjacent markets. We are committed to a simple strategy; winning new business, building and owning fibre networks and filling them up with satisfied users of our high-speed fibre broadband services*  
*– 'Win, Build, Fill!'"*



## Webcast

Michael Simmons and Darryl Inns (CFO) will host a webcast for investors at 10am (AEST) today. To pre-register for the webcast please go to [Uniti Group Webcast Registration](#) page.

This announcement is approved by the Board of Directors.

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## About Uniti Group

Uniti Group Limited (ASX: UWL) ('Uniti') is a core technology infrastructure constructor, owner and operator of predominantly fibre cable networks and associated technology to provide diversified telecommunications products and services. Uniti Group (ASX: UWL) is Australia's second largest (after the government-owned NBN) constructor, owner and operator of privileged fibre-to-the-premises ("FTTP") digital infrastructure, and associated technology to provide diversified telecommunications products and services.

At the core of Uniti Group is a commitment to deliver high-quality, high-speed telecommunications networks and associated services to its customers and, in turn, produce strongly growing, long term annuity earnings and, in turn, exceptional, compounding returns to its shareholders.