



UNITI

ASX ANNOUNCEMENT (UWL)

Acquisition of 100% of OPENetworks

- Profitable & fast growing private fibre infrastructure company
- Third largest private fibre operator in Australia (LBNCo being #2)
- 50% increase in the number of contracted fibre ports
- Forecast greater than 10% EPS* accretive in FY2020 (proforma, inc LBNCo)

11 October 2019: Uniti Group Limited (“UWL”) today announces that it has entered into binding transaction documentation to acquire 100% of the issued capital OPENetworks Pty Ltd (“OPEN”) for \$27.5M.

Acquisition Overview and Strategic Rationale

- Acquisition of OPEN for \$27.5M, payable in part cash and in part UWL shares, with a minimum UWL share consideration of \$8.8M (which the sellers may increase to approx. \$18M prior to Completion, in place of cash)
- Established, fast-growing, profitable builder and wholesale operator of private fibre networks, predominately comprised of fibre-to-the-premises (“FTTP”) high speed data services to multi-dwelling units (“MDU”).
- The Open acquisition is strongly aligned to UWL’s published “three pillars” strategic growth agenda, providing UWL’s fibre business (“pillar two”) with a high growth, high margin annuity earnings stream, backed by an established fibre infrastructure footprint, with nearly 6,000 active wholesale superfast broadband ports.
- A further 11,000 premises are contracted to be connected to the OPEN FTTP network, with an active and growing ‘pipeline’ of additional FTTP deployment opportunities Australia-wide.
- Highly complementary with the LBNCo business acquired by UWL in September 2019, being the combination of the second and third largest private fibre operators in Australia. Highly synergistic in terms of MDU property developer relationships, operating systems, geographic presence and expansion of available Retail Service Providers (“RSPs”).
- OPEN has numerous RSPs connected to its network, supplying voice and high speed data services to residential consumers, with a particularly strong presence in Queensland and ACT
- OPEN’s two major shareholders have committed to taking a minimum of nearly one third of the purchase consideration in UWL shares and will be maintaining an ongoing involvement with UWL’s private fibre business.
- Based on UWL management’s estimates, OPEN’s forecast FY20 proforma EBITDA is approximately \$2.5M, and is expected to increase to above \$4M in FY21, as the sizable contracted ports pipeline converts to active ports over the near term.
- Based on a proforma UWL FY20 EBITDA (including LBNCo) of approximately \$17.5M, the OPEN acquisition is forecast to be greater than 10% EPS* accretive.

** EPS accretion calculated using forecast FY2020 proforma EBITDA, net of dilution from issue of the minimum value of new UWL fully paid shares to the OPEN vendors.*



UWL Managing Director & CEO, Michael Simmons said of the OPEN acquisition;

“The acquisition of OPEN is an outstanding milestone for UWL, combining the second and third largest players in the private fibre networks market. Under Steve Picton’s leadership of this rapidly expanding pillar of our business, there are numerous operating efficiencies that the addition of OPEN will deliver, including expanding our national fibre footprint and RSP portfolio”.

Mr Simmons continued;

“OPEN’s sizeable contracted ports pipeline provides UWL with a known source of expanding wholesale revenues over the coming years, delivering an increasing, long-term annuity earnings stream, to the benefit of all UWL shareholders”.

Transaction completion is subject to customary conditions precedent, including confirmatory due diligence. Completion is expected to be at the end of October 2019.

- ENDS -

ADDITIONAL INFORMATION

For further information, contact as below:

Peter Wildy – Company Secretary

P - 0438 809 644

E – investors@unitiwireless.com

W – <https://investors.unitiwireless.com/>

ABOUT UWL

UWL is a diversified provider of telecommunications services, specializing in fixed-wireless, fibre and specialty telco services. These are the ‘three pillars’ of strategic growth pursued by UWL.

UWL listed on the Australian Securities Exchange in February 2019 with a stated strategy of becoming a leading provider of niche telecommunications services, via both organic and inorganic (mergers and acquisitions) means. To this end, UWL has brought together an experienced Board and Executive team, to support the identification, execution and integration of the sizeable pool of identified opportunities, across the three growth pillars.

At the core of UWL is a commitment to deliver high quality, diversified telecommunications products and services to its customers, in order to produce strong and growing returns to shareholders.