



# INVESTOR ROADSHOW

**David Stewart** — Managing Director and CEO  
**Ken Sheridan** — CFO and Executive Director

November 2012

**NTC** is an established business with a 30 year history selling an evolution of data communications devices

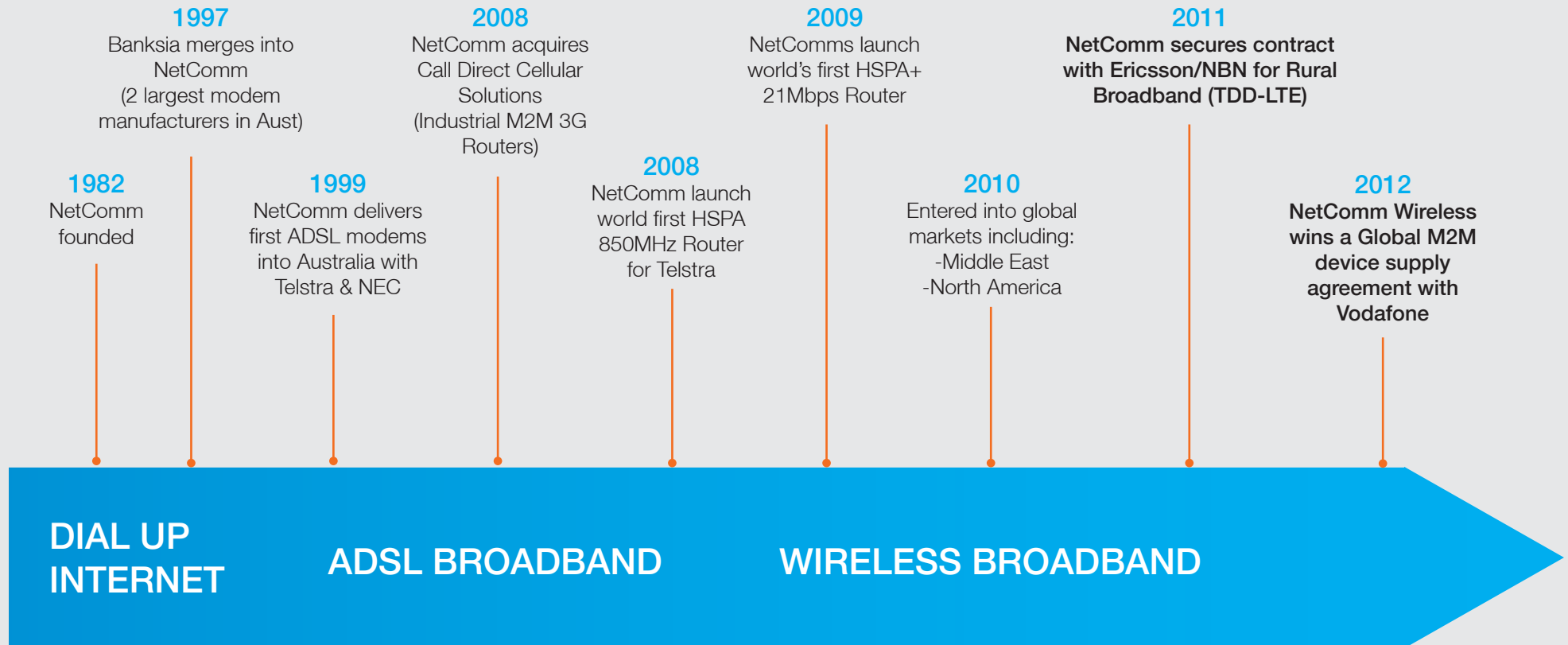
**NTC** is now focused on the global, high growth, high value wireless Machine to Machine (M2M) sector



# Investment case

- NTC has an established business with a profitable platform from which to launch growth into M2M sector
- M2M market is expected to grow rapidly as every “thing” becomes internet connected
- M2M market is highly fragmented – NTC’s flexibility to adapt products to client requirements provides substantial competitive advantage, also provides customer “stickiness”
- NTC has scalable production capacity
- NTC’s goal is to grow substantial presence in global M2M market – already established and active
- NTC has existing relationships with market leading global communications service providers – our “coat-tails” strategy
- Profitability is expected to improve significantly as NTC increases M2M penetration

# 30 years of evolving with technology

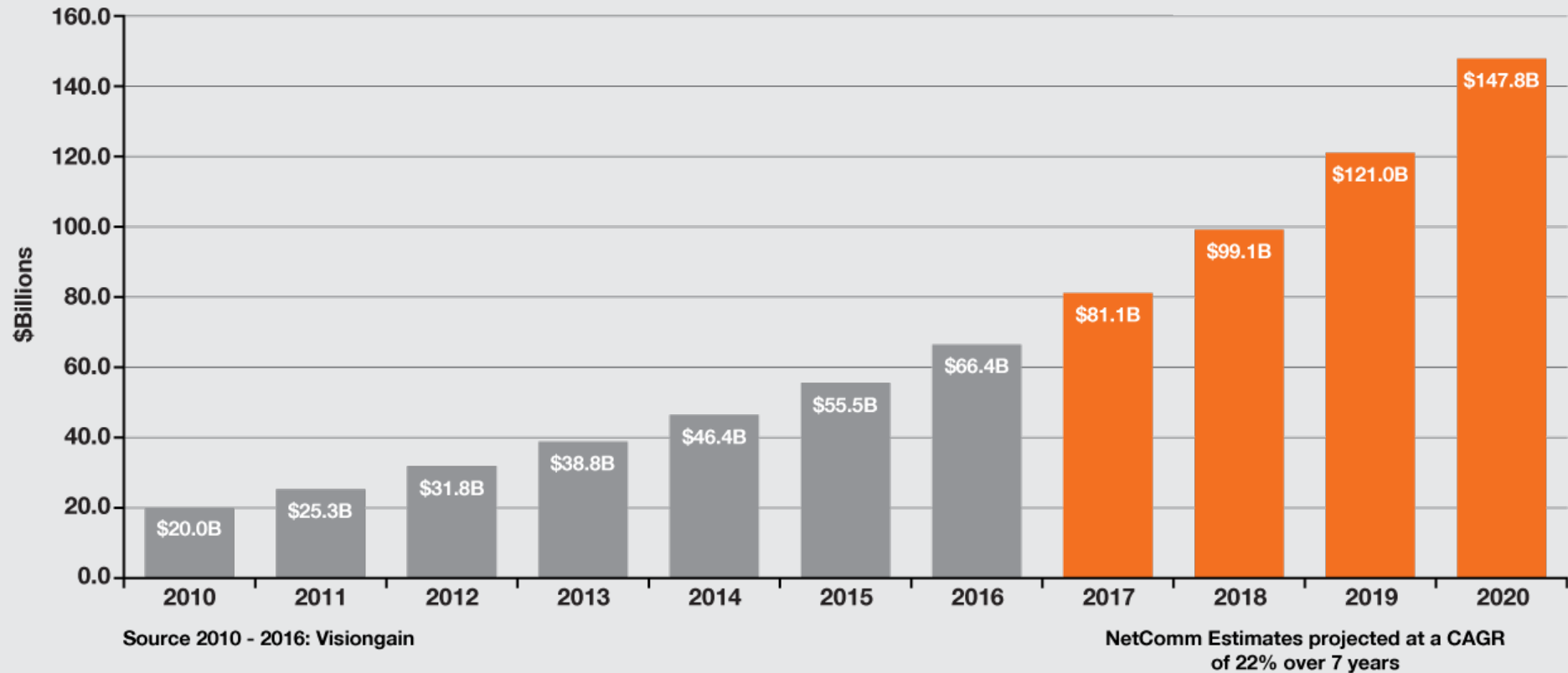


# NTC and the M2M market

- NTC's wireless modems sit "on the edge" of M2M network infrastructure and are critical components enabling devices to talk to each other over public or private networks
- We do not compete with infrastructure providers or telecommunications companies
- Rather, we partner with infrastructure providers and telecommunications companies to provide them with "edge" devices

# M2M market is expected to grow rapidly

Global market size for M2M applications is forecast to grow to \$66.4bn by 2016



# M2M market is highly fragmented

- The M2M market is highly fragmented, providing ample scope to grow
- Below is a snapshot of companies operating in M2M:

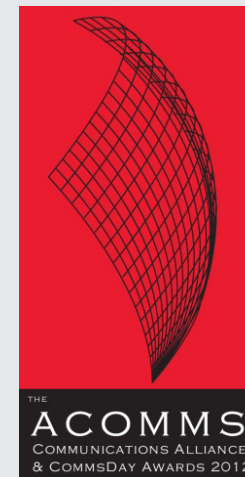


# NetComm Wireless' key competitive advantages

- Longevity
- Experienced Board and management team
- Reputation and credibility
- Strategic alliances... “coat-tails strategy”
- Innovation and speed to market
- Open systems approach: lower customer risk
- Customisation to meet individual customer requirement

# NTC's flexibility to adapt

- Flexibility to adapt products to specific client requirements is key competitive advantage
- Engineers have developed 'intelligence' to produce small volumes of products profitably
- Scalable production capacity via an outsourced manufacturer



# Our goal - to grow a substantial M2M market presence

- We aim to be one of the leading M2M device providers globally
- We are targeting the following key M2M industry verticals/customer segments:
  - Utility smart grids (electricity and water)
  - E-health re connected in-home devices which need central monitoring
  - Business services
  - Manufacturing and construction
  - Transportation ticketing
  - The top 1,500 global corporations re their specific needs, especially via our relationship with Vodafone Global Enterprise
  - We plan to have relationships with 10 of the top 20 global telecommunications carriers

# M2M focus sectors

## Ticketing



- Bus, train, ferry wireless ticketing systems
- Events ticketing

## Business Services



- Vending Machines
- Recycling/Waste bin levels
- Gaming Machines
- Digital Signage

## Emergency & Health



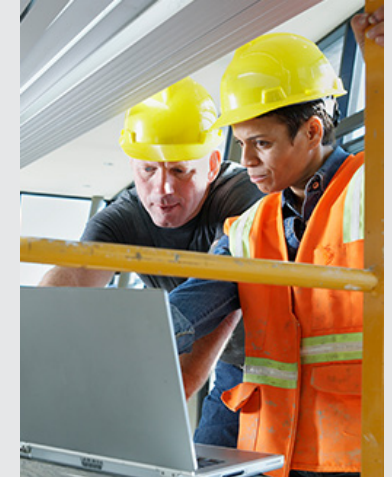
- Mobile Health units
- Emergency response
- Smart homes
- Remote patient monitoring

## Utilities



- Metering
- Grid Management
- Smart homes
- Irrigation control

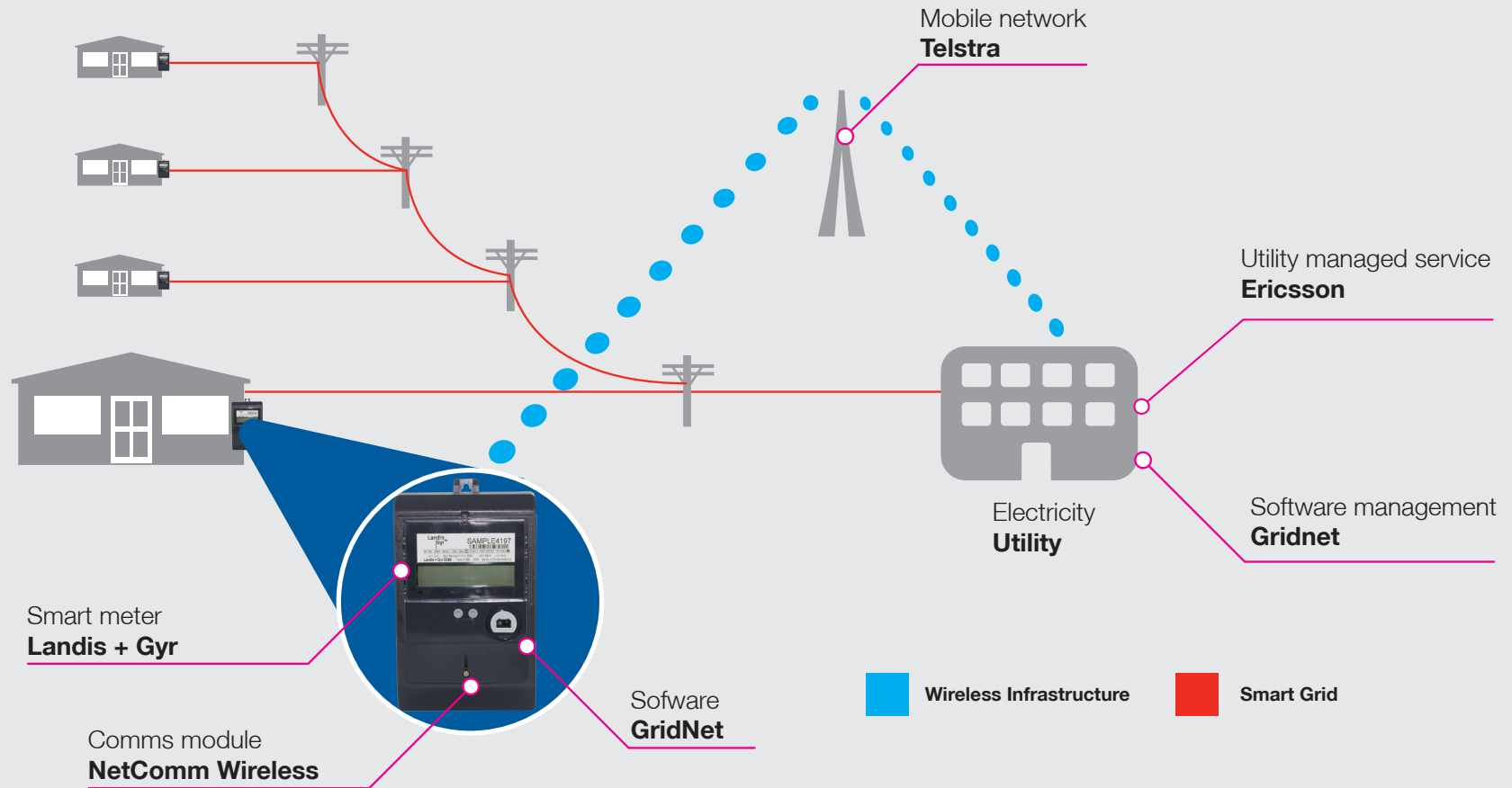
## Manufacturing & Construction



- Remote troubleshooting
- Supply Chain Management
- Energy Management
- Building control

# M2M smart meter ecosystem

*"The number of M2M connections in the utilities industry will grow from 100 million in 2010 to 1.5 billion in 2020, of which 99% will be smart meters."  
Source: Machina Research 2012*



# M2M opportunities

Sector	Opportunity	Size of Prize (Units)	Coat Tails Partner
Smart Grid	Australian Electricity Utility communications cards for smart meters.	<b>110,000</b> units with 3G	Ericsson and Grid Net
Smart Grid	Pilot of 1,000 units for <b>Verizon</b> “Smart Grid as a Service” project.	<b>7-9 million</b> units	Grid Net and GE
Smart Grid	DECC project in UK to provide a common communications hub covering electricity, water and gas.	Total project comprises 3 regions of approximately <b>9 million</b> units each	Vodafone
Smart Grid	<b>Japanese Market.</b> Following the Japanese tsunami their nuclear power stations have been closed and so they need smart meters to regulate their peak electricity demands. This is urgent and the activity will occur over approximately 3 years.	<b>50 million</b> + market	Grid Net and a Smart meter vendor
Smart Grid	Dubai Electricity and Water Authority (DEWA) smart meters	<b>1.2 million</b> units	Grid Net and Etisalat
M2M “light industrial”	We are Vodafone’s supplier to satisfy their large volume demands for M2M Routers to the top 1,500 companies globally. This will naturally extend to all Vodafone Operating Companies and Partner Networks.	We expect volumes to ramp up over the course of 2 to 5 years to <b>hundreds of thousands</b> of units per year.	Vodafone Global
E-Health	<b>Health Care Industry</b> re in house monitoring of medical equipment used by house bound patients.	<b>Millions</b> of units	Vodafone

Disclaimer: the above opportunities are indicative of activities in which NetComm Wireless is active. However, NTC makes no claim that any or all of these opportunities will be converted to revenue.

# Recent major supply and alliance agreements



NSW State Governments  
\$1.2bn public transport  
ticketing system



Global supply contract for M2M devices



Utility agreement for NBN  
and utility devices



Supply agreement for water  
utility communication devices

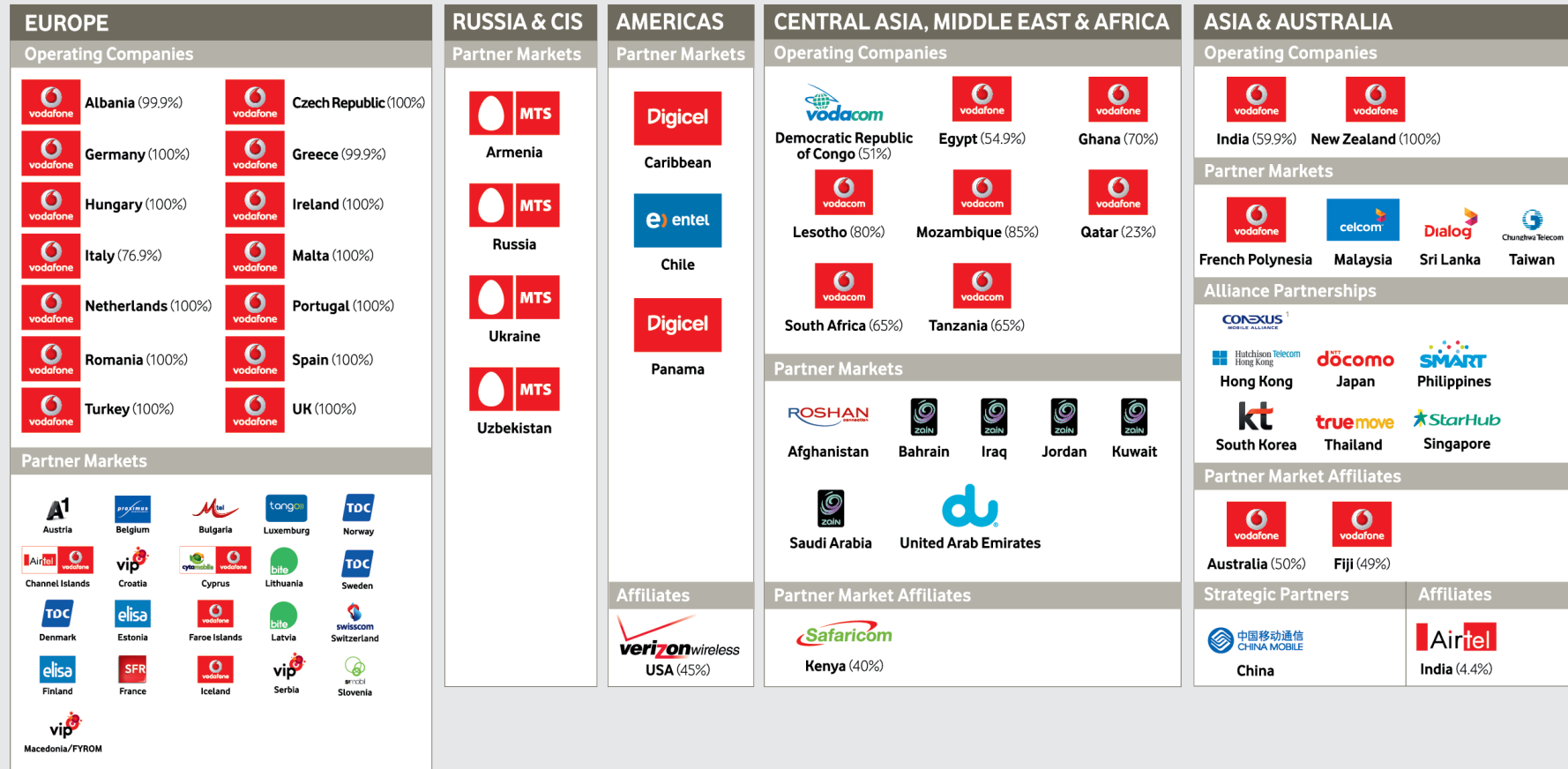


Agreement for global  
smart grid projects

# Vodafone equity and brand footprint



# Vodafone equity and brand footprint



# Vodafone equity and brand footprint

## Vodafone remains top of Machina Research's M2M Leaderboard

London, UK 17th April 2012

Specialist M2M research firm Machina Research today revealed the updated version of its M2M Leaderboard, a ranking of the top 20 global mobile network operators (MNOs) based on their expected revenue from mobile M2M in 2020. Between them, these top 20 global MNOs will secure approaching EUR25billion in revenue from M2M applications in 2020.

Rank	CSP
1	Vodafone
2	Deutsche Telecom
3	AT&T
4	Telefonica / O2
5	Verizon (45% Vodafone owned )
6	China Mobile (Vodafone strategic partner)
7	China Unicom
8	Orange
9	Sprint
10	Telenor
11	
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15	
16	
17	
18	
19	Sprint
20	Etisalat

# FY12 Key financials

Solid FY12 financial and operating performance given substantial transition undertaken in business

- FY12 Revenue \$59.4m, -12% from FY11 due to lower revenues from Telstra
- Substantially lower marketing costs led to strengthened EBITDA margin
- FY12 EBITDA (continuing operations) \$4.9m, -6% from FY11 and slightly above revised guidance of \$4.6-4.8m
- Reduction in income tax expense drove improvement in FY12 NPAT (continuing operations) to \$1.6m (up 49%)

# Outlook

**NetComm Wireless' profitability is expected to improve significantly as penetration of M2M market increases**

- Strategic partnerships driving volume growth
  - Vodafone contract volumes will start to come through into P&L in 4Q13
- Existing hardware and software platforms facilitate rapid new product development at low incremental cost (ie scalability)
- M2M is a higher margin business than wireless carrier and fixed line products
  - M2M industry gross margins are circa 35%.
- As product mix shifts toward higher margin M2M, NTC expects gross margin expansion

## In summary

- M2M market is expected to grow rapidly as every “thing” becomes internet connected
- NTC is uniquely placed to leverage global growth of the M2M market
- Profitability is expected to improve significantly as NTC increases M2M market penetration

# APPENDICES

# Corporate Overview (ASX:NTC)

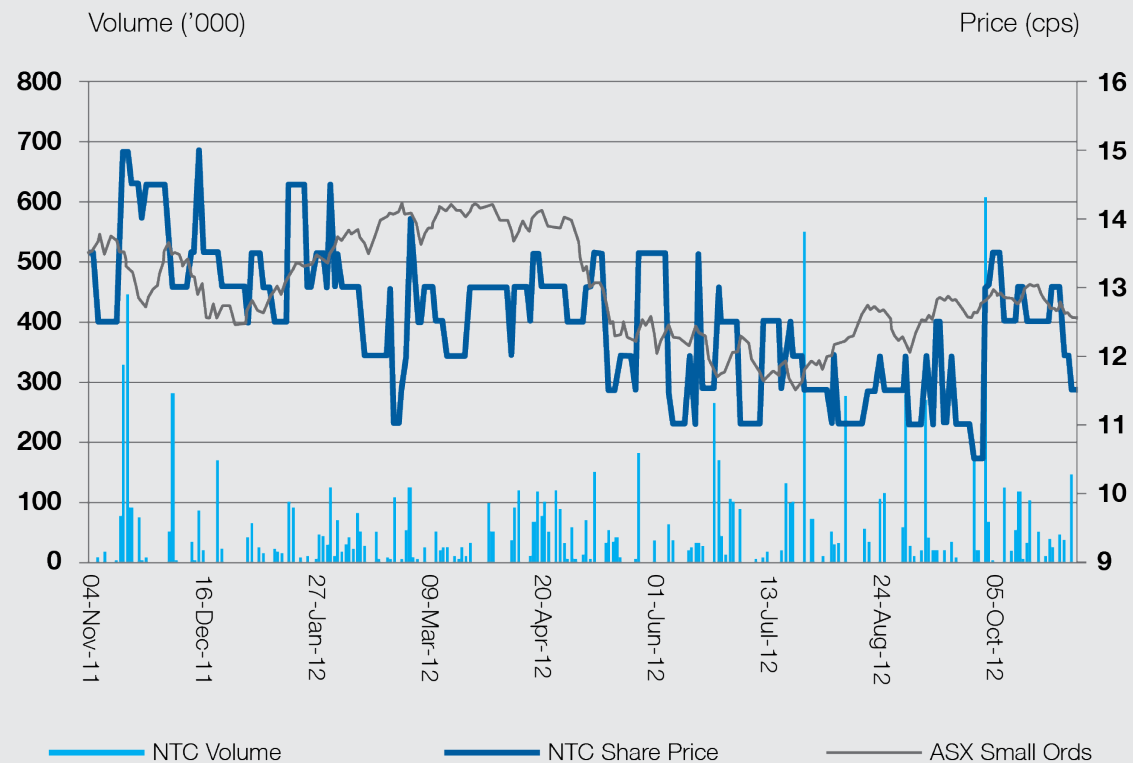
## Substantial shareholders at 25 September 2012

Brad Industries Pty Ltd	21.89%
NBT Pty Ltd / Janvin P/L/ G&P Woods P/L	9.20%
Dr Colin Rose / Mashstatica Pty Ltd	4.77%
<b>Total substantial holders</b>	<b>35.86%</b>

## Details at 7 November 2012

Shares on issue	m	104.9
Share price	cps	11.5
Market Cap	\$m	12.1
Debt (FY12)	\$m	12.4
Cash (FY12)	\$m	7.0
Enterprise Val	\$m	24.5
Options on issue	m	1.6

Source: Iress



# Funding

## **Dividend policy**

- Given exciting growth opportunities available to NTC, Board is focused on conserving cash for business reinvestment
- As a result, no dividend was paid in FY12
- Dividend policy will be reinstated as soon as it is deemed prudent

## **Working capital**

- \$5.4m net debt at 30 June 2012
- Need for capital is very short term and directly related to business won
- Working capital provided by NAB through \$15m, rolling 180 day, trade finance facility and \$2m debtors funding facility

# Strong Board



**David Stewart**

## Chief Executive Officer, Managing Director

David is an experienced CEO and successful entrepreneur with more than 30 years in management and business leadership roles. David founded Banksia Technology Pty Limited in 1988 and successfully managed the company as a fast growing and highly profitable business.

In 1996 he instigated the successful takeovers of a number of his competitors, including NetComm Limited, which was completed in November 1997. David assumed the role of Managing Director of the merged entity and remains the single largest shareholder of NetComm.

David has a strong financial background, extensive experience in sales and marketing and has a strong interest in new technologies. While being very active in the operational aspects of the business, he also oversees the product development direction and focuses on the strategic direction of the company.



**Ken Sheridan**

## Chief Financial Officer, Executive Director

Ken Sheridan is a chartered accountant with over 30 years' experience in senior management roles.

He contributes to the achievement of NetComm Wireless' objectives by providing advice and direction on financial, HR, IT, risk management and company secretarial matters as well as business strategy.

Ken is actively involved in the Company's business planning and review activities and is also responsible for the design and implementation of the Company's governance framework.

# Strong Board



**John A Brennan (FA ICD, FA IM)**  
**Independent Non Executive Chairman**

Mr Brennan is Managing Director of John David Cooper and Associates Pty Limited, a management consulting company focused on the development and deployment of e-business strategies for mid to large sized organisations. His previous roles included National General Manager, Corporate and Government Sales for Telstra, General Manager Corporate Services for Advance Bank and Regional Manager (Computers and Telecommunications) with the PA Consulting Group.



**Justin Milne**  
**Non-Executive Director**

Mr Milne was appointed to the NetComm Wireless board on 7 March 2012. With extensive experience in the telecommunications industry and related fields, Mr Milne is well placed to make a solid contribution to the strategic direction of the Company. He is the Deputy Chairman of Quickflix Ltd and non executive Director of Tabcorp Holdings Ltd. He is also Chairman of the National Basketball League and a board member of the Sydney Children's Hospital Network (Randwick and Westmead) and of Basketball Australia. Mr Milne was Chairman of Pie Networks Ltd; Group Managing Director at Telstra BigPond, CEO of The Microsoft Network and of OzEmail. He is also a past board member of the SA Economic Development Board and a past President of the Internet Industry Association.



**Ken Boundy**  
**Non-Executive Director**

Ken Boundy joined NetComm Wireless as a Non-Executive Director on 24 August 2012. He is currently Chairman and/ or Non-Executive Director on four boards, member of two advisory boards and part owner of two businesses. Mr Boundy has held a number of prominent positions over the past thirty years including: Managing Director of the Australian Tourist Commission, Tourism Australia; Executive General Manager, International, of James Hardie Industries Limited; Group General Manager, Corporate Development, of Goodman Fielder Limited (GFL); CEO, of Goodman Fielder Asia, Singapore (GFA) and Director, Industry Development, of the Victorian Department of Industry Commerce and Technology.

# Experienced Executive Team



**Yumi Bondy**

**Head of Marketing**

Yumi Bondy leads the Marketing and Communications teams and is responsible for driving NetComm Wireless' marketing strategy to connect with global customers and meet organisational objectives. She is spearheading the development of innovative marketing processes designed to open new channels and enhance customer and partner relationships. Yumi tracks market and industry trends to determine demand for emerging products; and works closely with a team of marketing, communications, branding, market research and product development managers to drive the performance of all marketing activities in line with the Company's vision and mission.



**Steve Collins**

**Head of Product Development**

Steve Collins has extensive industry experience in wireless, industrial 'always on' devices, and a strong background covering the hands-on design of hardware, software and firmware. Steve joined NetComm Wireless in 2009, and is responsible for managing the Product Development Group which consists of: Research & Development; Software / firmware development; Hardware development; Testing; Project Management; Production readiness and Certification units. Steve brings to the Company an emphasis on industrial rated product design with an end-to-end concept-to-production focus in a fast turnaround environment.



**Karen McCrum**

**Operations Manager**

Karen McCrum has contributed 15 years to NetComm Wireless and plays a significant role in the overall operations of the Company. She facilitates several projects within the organisation with a focus on inventory control, operational policy, quality assurance, logistics management and maximising the output of the technical support centre. Karen's strong management and leadership background ensures the smooth operation of end-to-end processes and the optimal use of Company resources in areas such as supply chain management. Karen is also responsible for ensuring that standard procedures are adhered to by appointed third parties.



**Danny Morrison**

**General Manager Sales**

Danny Morrison oversees the Australian and New Zealand channel, M2M and ISP sales teams. He plays a fundamental role in developing future growth and provides direction and leadership to the sales and business development managers. Danny meets profit targets and sales growth objectives by increasing market share in existing markets and identifying opportunities in new markets. Danny builds long-term carrier, ISP, industry and retail partnerships and maintains an extensive knowledge of local market conditions.

# Experienced Executive Team



## **Brett Stevens**

### **Chief Technical Officer**

Brett Stevens is Chief Technology Officer (CTO) at NetComm Wireless and is responsible for ensuring that the company's technology investments are aligned with its strategic business objectives. Brett's role includes monitoring future technologies, overseeing research projects and representing the company's products and future plans. He is responsible for the development and application of technology initiatives and operations within the Company with a focus on identifying, implementing and optimising technology solutions to meet current and future needs.



## **Craig Turner**

### **General Manager Wireless & M2M**

Craig Turner leads the Wireless and M2M sales team who apply a deep understanding of market trends, technology developments and customer needs to successfully business develop sales in both domestic and international markets. The team's focus is on driving global sales, and ensuring NetComm Wireless is positioned to deliver target revenue, profitability and market share outcomes.



## **Andrew Wills**

### **Senior Technical Operations Manager**

Andrew Wills leads the Project Management, Software Systems Administration, Web Development and International Technical Support teams at NetComm Wireless. He holds a broad range of responsibilities including the architecture, implementation and management of the Company's CRM and intranet systems, inventory control, international technical support, SIM administration and facilities management. Since joining NetComm in April 2007 Andrew successfully orchestrated the development of two new company websites and oversees the ongoing planning, management and implementation of new projects.

# Disclaimer

This presentation includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of NetComm Wireless, which may cause actual results to differ materially from those expressed in the presentation contained herein.



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