



23 February 2015

1H15 Results Presentation

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TODAY'S AGENDA

M2M: An exciting opportunity

New partnerships

New products from our engineering pipeline

A clear growth strategy

Financials

2H15 and beyond

Summary

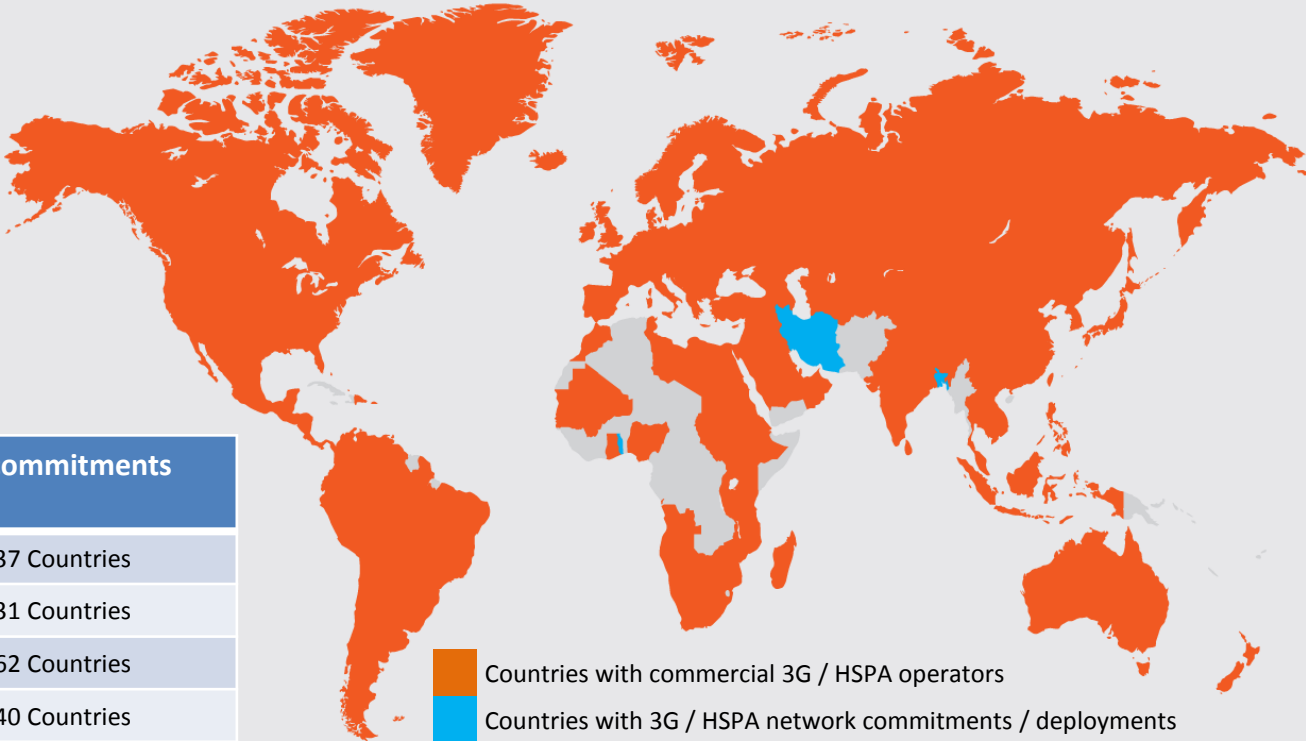
Q&A



M2M: AN EXCITING GLOBAL OPPORTUNITY



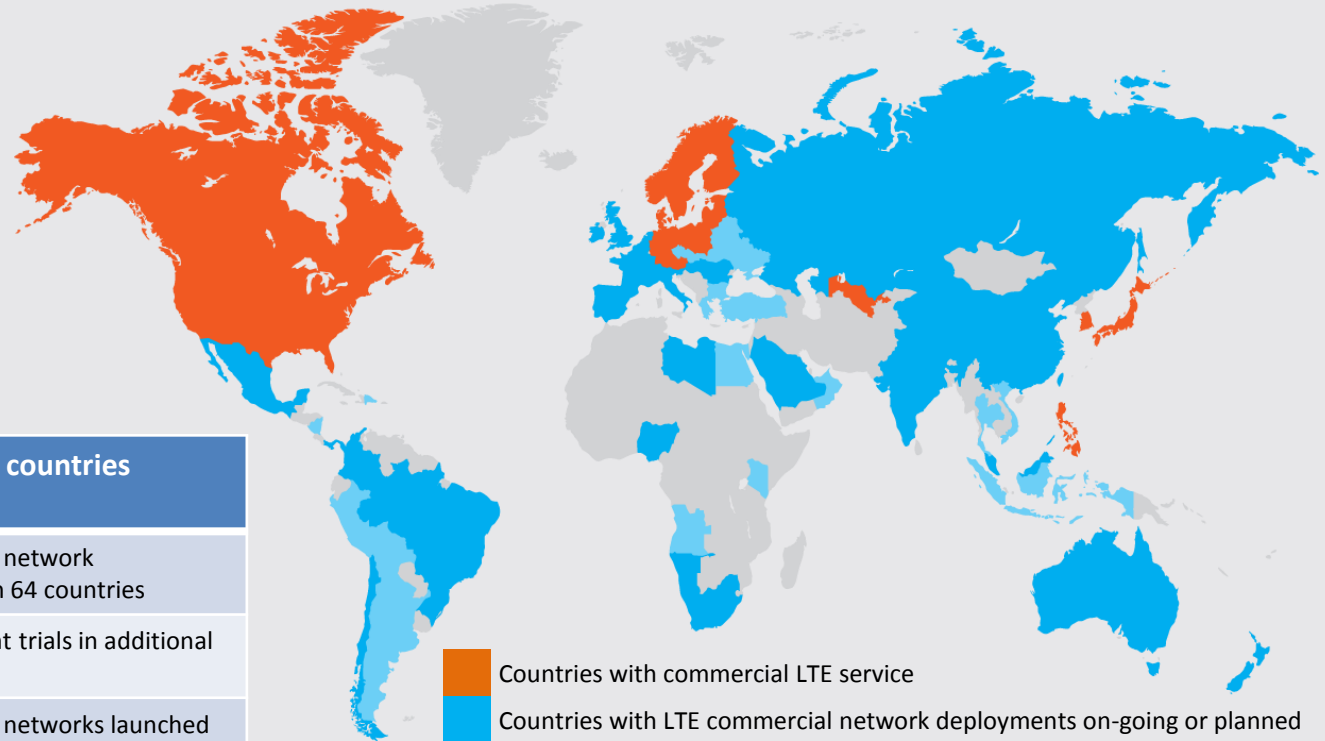
WIRELESS NETWORKS TRIGGER M2M GROWTH TREND



446 HSPA Network commitments in 170 countries	
Americas	37 Countries
APAC	31 Countries
Europe	62 Countries
MEA	40 Countries

Orange: Countries with commercial 3G / HSPA operators
Blue: Countries with 3G / HSPA network commitments / deployments

WIRELESS NETWORKS TRIGGER M2M GROWTH TREND

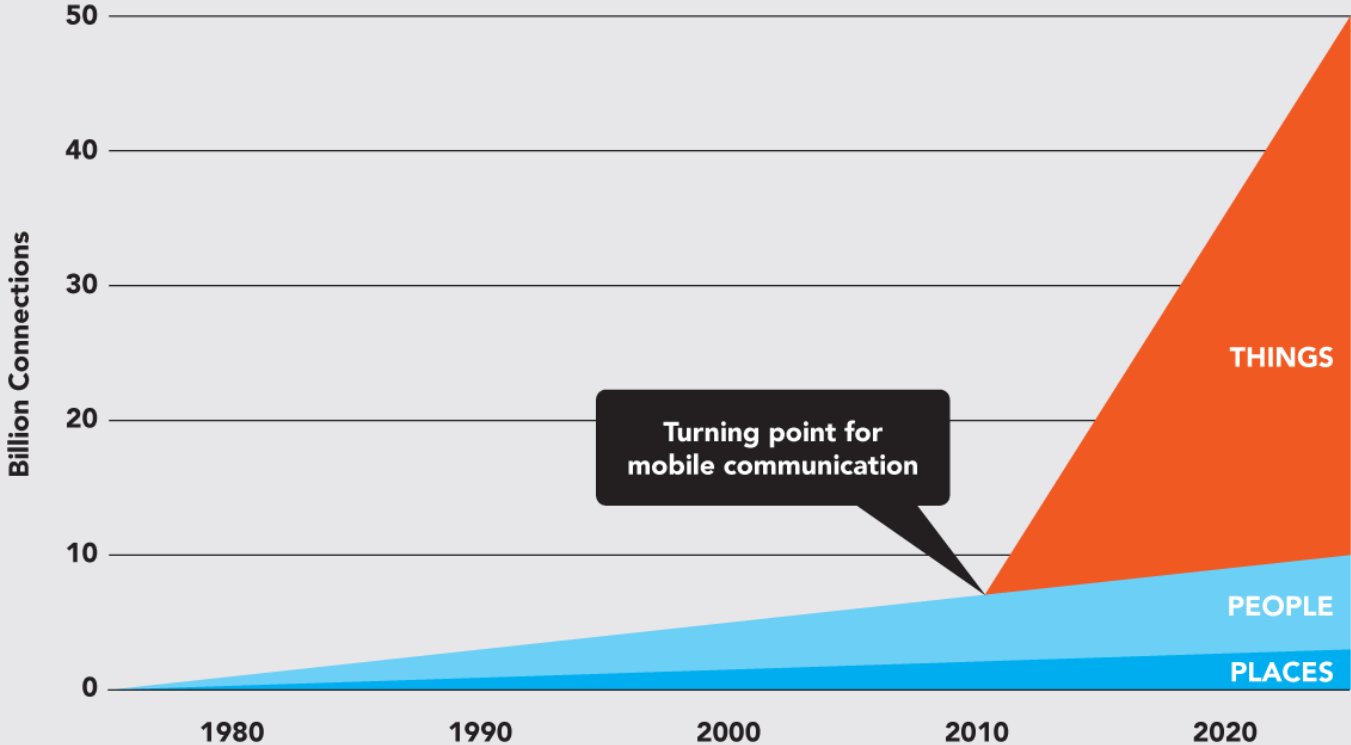


237 operators in 85 countries investing in LTE	
174	commercial LTE network commitments in 64 countries
63	pre-commitment trials in additional 21 countries
26	commercial LTE networks launched in 16 countries

Legend:

- Orange: Countries with commercial LTE service
- Dark Blue: Countries with LTE commercial network deployments on-going or planned
- Light Blue: Countries with LTE trial systems (pre-commitment)

50 BILLION BY 2020



M2M MARKET IS EXPECTED TO GROW RAPIDLY

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





NEW PARTNERSHIPS

FOCUS ON PARTNERSHIPS



Supply agreement recently signed with Arrow Electronics enhances distribution of NetComm M2M products in North America through our coat-tails strategy



Recently signed carrier partnership with Tele2 expands our European presence



NEW PRODUCTS FROM OUR ENGINEERING PIPELINE



MEDICAL HUB (NTC N-HUB)

Designed to meet rising global demand for M2M healthcare solutions, the n-Hub connects diverse Bluetooth and WiFi enabled mHealth devices to the speed and coverage of cellular networks

Connecting health monitoring devices in the home for real time monitoring

- Create M2M applications using Open Linux OS & Software development kit
- Connects to all major cellular networks globally
- Inter-operate with any management platforms



NEW 4G/LTE PRODUCTS

4G WiFi M2M Router – world wide use (NTC-140W)

Powerful, feature rich and user friendly 4G router to enable highly complex M2M and industrial IoT deployments



4G LTE Light Industrial M2M Router (NWL-25)

4G only router enables high speed M2M deployments and has been specifically designed for the Verizon network



OTHER NEW PRODUCTS : VODAFONE

Vodafone MachineLink 3G Plus (NWL-12)

Feature rich 3G router for quick and easy global M2M deployments utilising Vodafone's network coverage



The 4 products shown in this section of the presentation are planned to be revenue generative in FY16



A CLEAR GROWTH STRATEGY



THE OVERARCHING STRATEGY



**Growing our strategic
partnerships**



**Maintaining our culture
of innovation**



**Delivering custom
solutions**

TELECOMMUNICATIONS CARRIER STRATEGY

Target six of the top 20 carriers globally and secure smaller, country specific carrier agreements

etisalat اتصالات

ROGERS™

vodafone

verizon wireless

TELUS®

موبايلي
mobily

T

TELE2

Spark

SELECTED M2M VERTICALS

Continue to pursue specific vertical sectors where we see the greatest opportunity, avoiding crowded markets



CUSTOM APPROACH

Set ourselves apart in the market by providing customised, scalable solutions for specific customer requirements



Open Source
Operating System



Software
Development Kit

RURAL BROADBAND

A light gray world map is centered in the background of the slide. The text is overlaid on the map.

\$80 billion
worldwide

BCG

THE BOSTON CONSULTING GROUP

RURAL BROADBAND OPPORTUNITIES ARE COMPELLING

A “compelling event”: PSTN (copper line) shut down

- Carriers around the world have indicated that they are going to shut down the use of copper lines - this impacts fixed line (ADSL) broadband
- The standard replacement is fibre in “built up areas” which cover 90% of customers
- For the remaining 10%, being regional and rural customers, BCG concludes that fixed wireless is the best solution
- Carriers to announce a plan to shut down their copper networks includes AT&T and Verizon in the USA

NTC’s expertise gained in delivering the NBN Rural Broadband solution is being sought after to address the “last 10%”

RURAL BROADBAND



We expect extra volume and earnings coming from the expansion of the NBN fixed-wireless rollout in 2H15 with substantial volume increases in FY16

RURAL BROADBAND OPPORTUNITIES

Actively pursuing “transformational” Rural Broadband opportunities globally

- Significant focus on USA, including opportunities with three major USA carriers
- These involve “transformational” volumes and leverage off our demonstrated expertise from the NBN contract



SMART METERING

Ericsson / AusNet Services

- Successfully delivered 108,000 units in FY14, with a further follow up order in 1H15

Global Opportunities

- We continue to actively pursue smart metering contracts globally. Opportunities exist in Europe, Middle East, Australia and USA

A Further Energy Management Opportunity

- We are working with a consortium of high profile global players on a ground breaking trial to demonstrate a practical way to substantially reduce energy usage










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FINANCIALS

23 OCTOBER
FROM 6AM TO 1PM

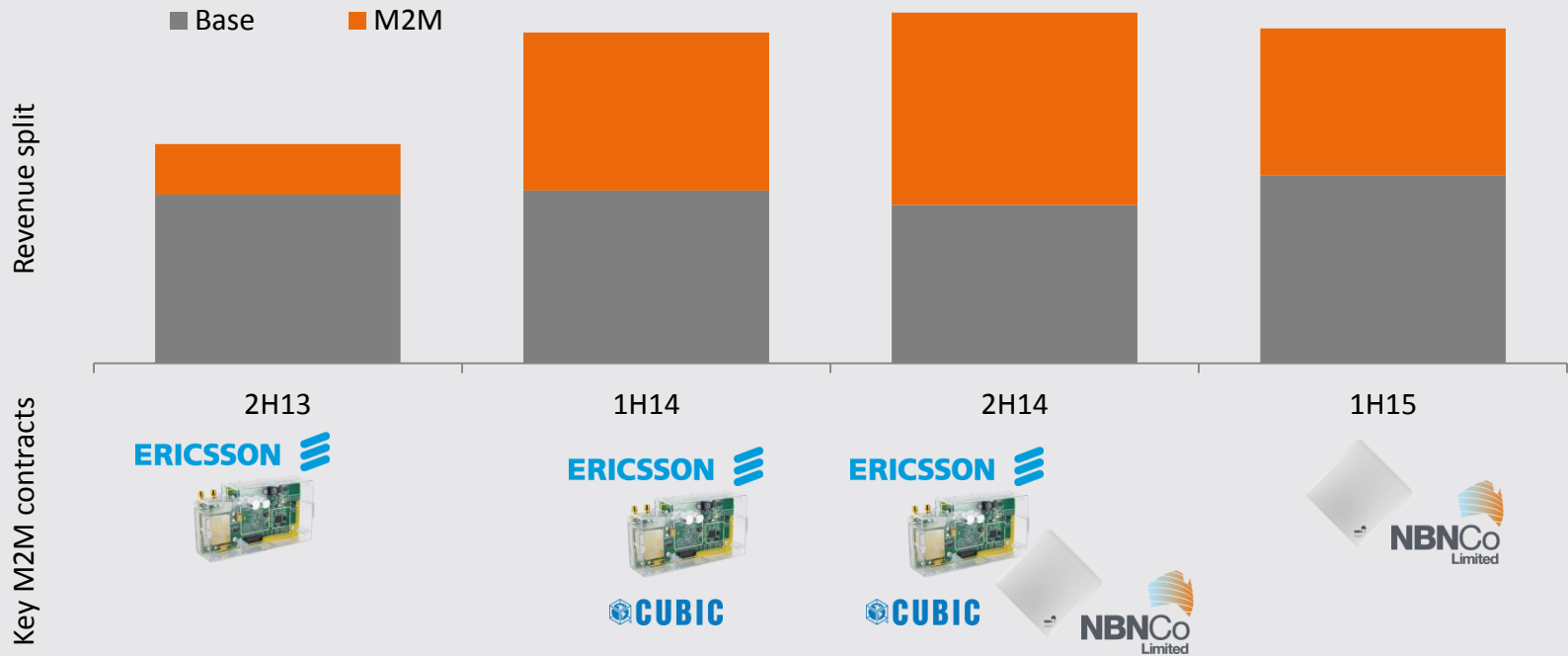
EARNINGS CONTINUE TO BUILD

Key profit & loss items (\$m)	1H15	1H14	Change
Revenue	30.52	30.47	 0.15%
EBITDA	2.29	1.97	 16.3%
Net profit after tax	0.36	0.16	 124.5%
Earnings per share (cps)	0.28	0.13	 115.4%
EBITDA Margin (%)	7.5%	6.5%	

- Revenue up 0.15% to \$30.52 million
 - 1H15 Ericsson NBN contract revenues largely offset revenues from the Ericsson Smart Metering contract in prior period
 - Higher base business revenue
- EBITDA of \$2.29 million (1H14: \$1.97 million)
 - Includes \$1.2 million business reinvestment costs
 - EBITDA Margin up to 7.5%
- Net profit after tax up 124.5% to \$0.36 million (1H14: \$0.16 million)
 - Earnings per share up 115.4% to 0.28 cps

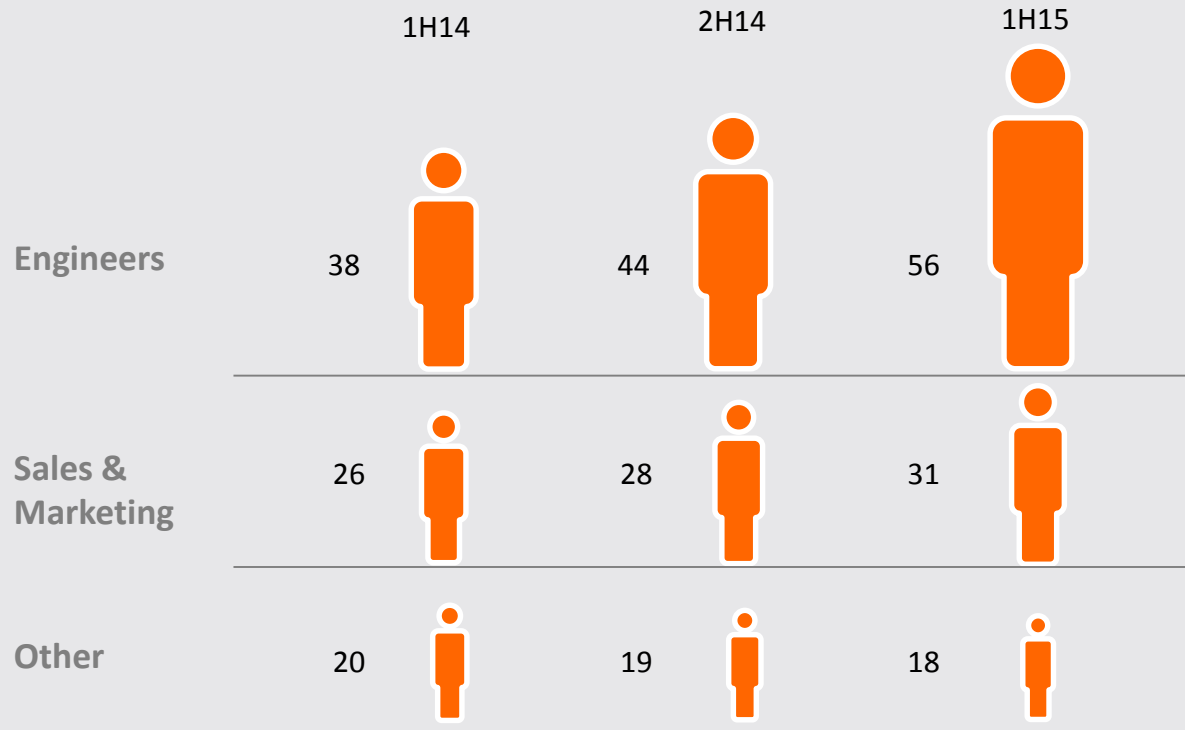
REVENUE MIX REFLECTS M2M EVOLUTION

Revenues from new contracts substantially offset previous revenues from successfully completed contracts as the M2M sector continues to evolve



INVESTING IN M2M CAPABILITIES

1H15 investment in resources positions the business to pursue attractive global M2M opportunities



CONSERVATIVE BALANCE SHEET TO SUPPORT GROWTH

Key balance sheet items (\$m)	31 Dec 2014	30 Jun 2014	% change
Cash and equivalents	4.78	4.31	10.9%
Other assets	36.10	33.48	7.8%
Total assets	40.88	37.79	8.2%
Borrowings	7.72	4.76	62.3%
Other liabilities	10.46	10.84	-3.6%
Total liabilities	18.18	15.60	16.5%
Total equity	22.71	22.19	2.3%
Net debt	2.94	0.45	554.1%

- Cash up 10.9% to \$4.78 million
- Increase in 'Other assets' predominantly driven by Inventories
 - Increased for sales in Jan & Feb 2015
- Increased Borrowings to \$7.72 million
 - Primarily funding increased inventory
- Balance sheet remains conservative and NetComm is well placed to execute strategy with net debt of only \$2.94 million

CASH FLOWS

Key cash flow items (\$m)	1H15	1H14	% change
Net cash flows from operating activities	0.37	6.48	(94.3)%
Net cash flows from investing activities	(2.51)	(2.00)	na
Net cash flows from financing activities	2.60	(4.93)	na
Net (decrease) / increase in cash	4.78	3.43	39.4%

- \$0.37 million cash from operating activities
 - Reflects extra investment in inventories in 1H15 and one off accelerated receivables collections in 1H14
- \$2.51 million cash used for investing activities
 - Predominantly capitalised development costs relating to new product development
- \$2.60 million cash from financing activities
 - Bank borrowings for working capital needs



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2H15 AND BEYOND

PRIORITIES AND OUTLOOK FOR 2H15

- Continue to build relationships with Top 20 carriers
- Grow revenues in overseas markets - key focus on USA, Europe, Middle East and Japan
- Deliver new products from Engineering pipeline, with applicability to overseas markets
- Deliver additional revenues from growing Ericsson/NBN fixed wireless demand
- Focus on Rural Broadband sector where NTC has demonstrable expertise
- Expect FY15 EBITDA to be in excess of the \$5.2 million generated in FY14
 - Includes a planned \$1.6 million increase in the company's total cost base (mainly investment in people) as the business positions itself for planned revenue growth in FY16 and later years

SUMMARY

- Successfully progressing our strategy
 - Expanding capabilities, enhancing partnerships and launching into key new verticals
- Earnings building with an evolving revenue mix
- M2M opportunity is large and growing
- Well positioned to execute strategy and expand in M2M
 - Overarching strategy in place
 - The appropriate skills and resources have been sourced
 - Strong balance sheet supports execution
- Actively pursuing key partnerships, opportunities in key verticals and the custom solution approach



QUESTIONS



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Thank you

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