



May 2014

US ROADSHOW

David Stewart – President & CEO, Ken Sheridan – CFO



TODAY'S AGENDA

NetComm Overview – an Established Business With Over 30 Years' Experience

M2M – the “Internet of Things”

Benefits of M2M Connectivity

M2M Market Size

NetComm's Strategy

NetComm's Key M2M Contracts and Verticals

Outlook



NETCOMM OVERVIEW



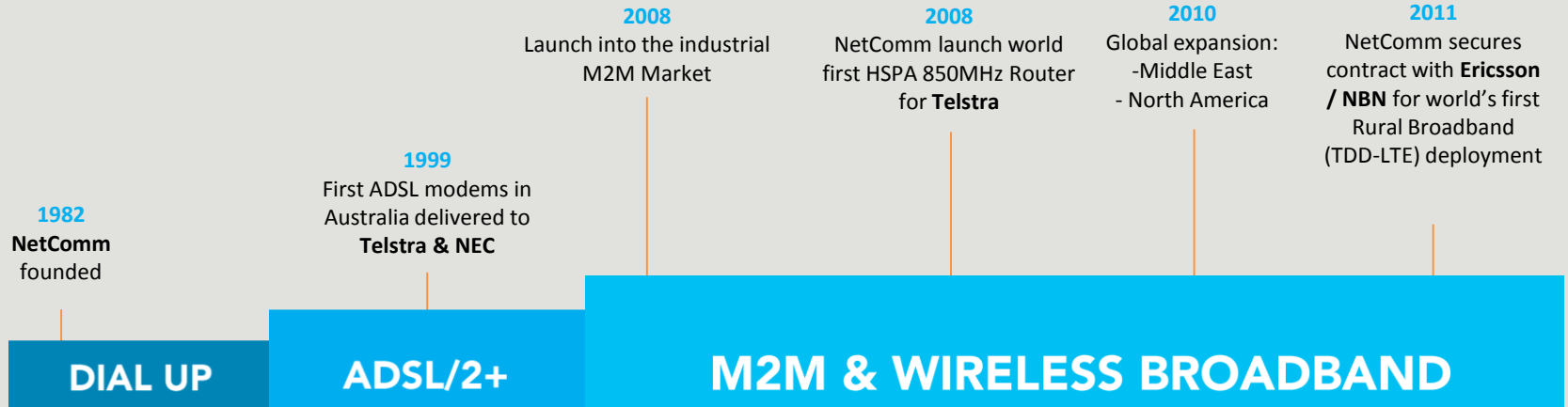
An established business with over 30 years experience selling industry-leading data communications devices through the wireless evolution

Unique engineering capabilities and high profile partnerships

Global, high growth, high value opportunities within the wireless Machine to Machine (M2M) sector



32 YEARS OF EVOLVING WITH TECHNOLOGY



32 YEARS OF EVOLVING WITH TECHNOLOGY

2013

Launch of the global **Vodafone MachineLink 3G** for Vodafone Global Enterprise

2013

3G Comms module for world's largest 3G smart meter deployment

2013

Start shipments for NSW State Government's \$1.2bn public transport ticketing system

2013

Enter US market with M2M Router for **Verizon Wireless**

2013

Sign M2M supply agreement with **Mobily** in Saudi Arabia

2013

Extend M2M supply agreement with **Etisalat** in Middle East, Asia and Africa

2013

Strategic partnership with **Vodafone Qatar** to bolster M2M in Qatar

2014

Strategic partnership with **Kanematsu Communications** for M2M devices in Japan

M2M & WIRELESS BROADBAND



BUSINESS OVERVIEW

The business is comprised of two segments
The future growth of the company is focussed on the M2M segment

TRADITIONAL BUSINESS

The Traditional business is restricted to Australia and New Zealand and encompasses sales of primarily:

- Consumer grade ADSL and 3G routers to ISP's (such as TPG, Adam Internet, etc.), Telco Carriers such as Telstra and Vodafone NZ and retailers such as Officeworks
- Powerline devices to Foxtel
- ADSL Filters to Telstra

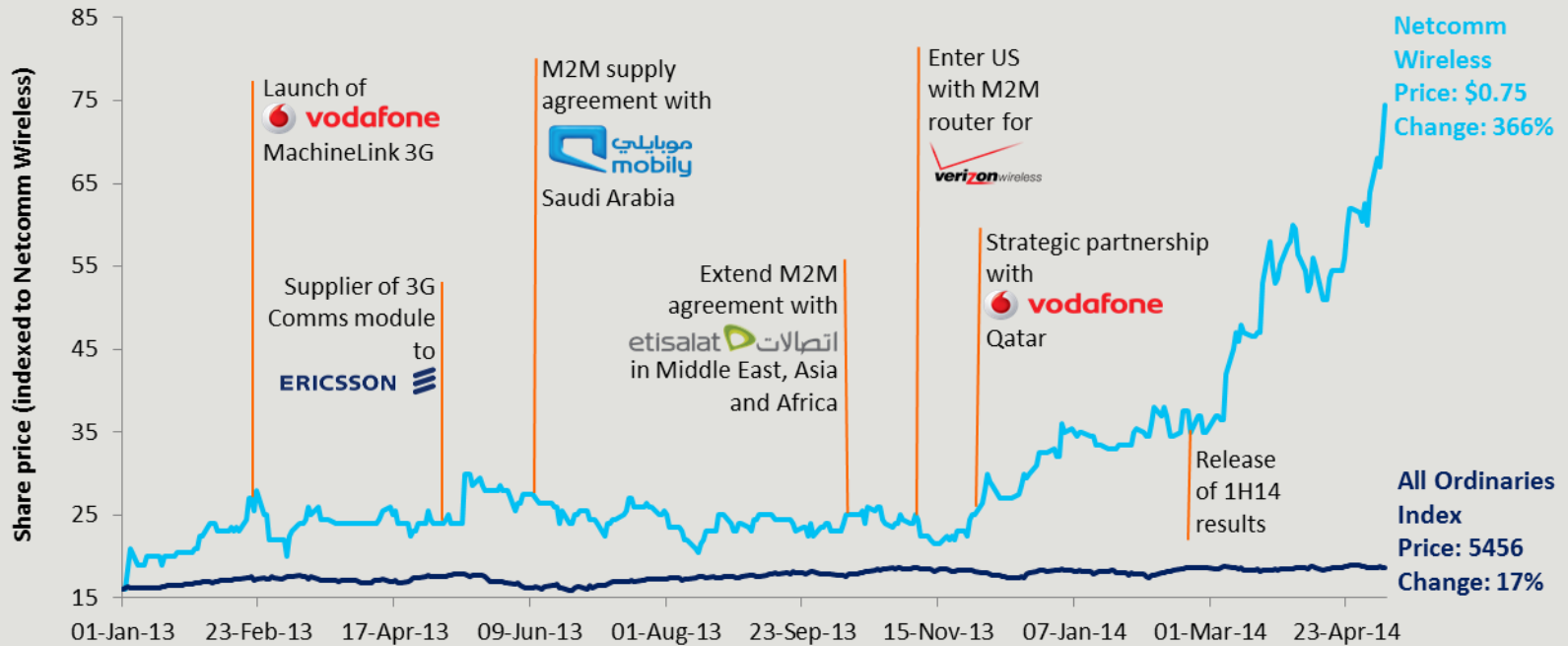
GLOBAL M2M

The M2M Business has a global reach and includes sales to:

- Vodafone global
- Comms card for Smart Meters in Victoria (via Ericsson)
- NBN (via Ericsson)
- Direct customers in Australia, North America, Middle East and Europe

NetComm's M2M Strategy Driving Growing Shareholder Value

With M2M foundations in place
NetComm's share price has risen by 366% since January 1, 2013



Source: IRESS as at May 8, 2014

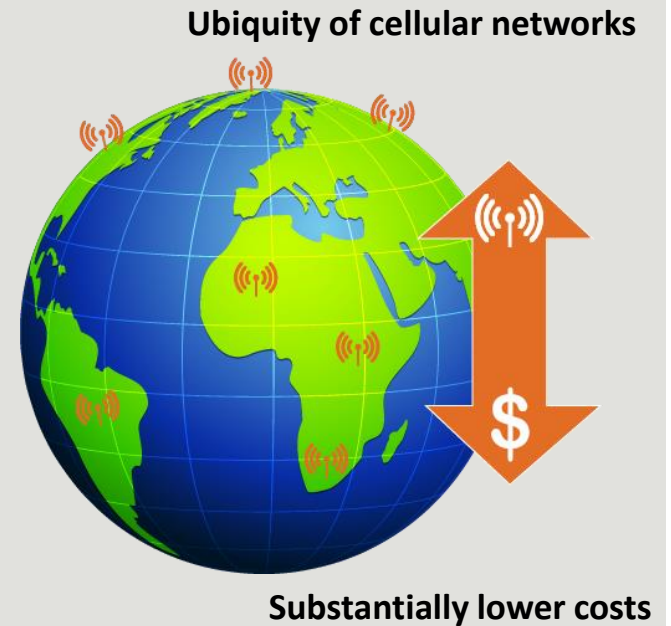


M2M – THE INTERNET OF THINGS

23 OCT 2014
FROM 6AM TO 1PM

M2M OR “THE INTERNET OF THINGS”

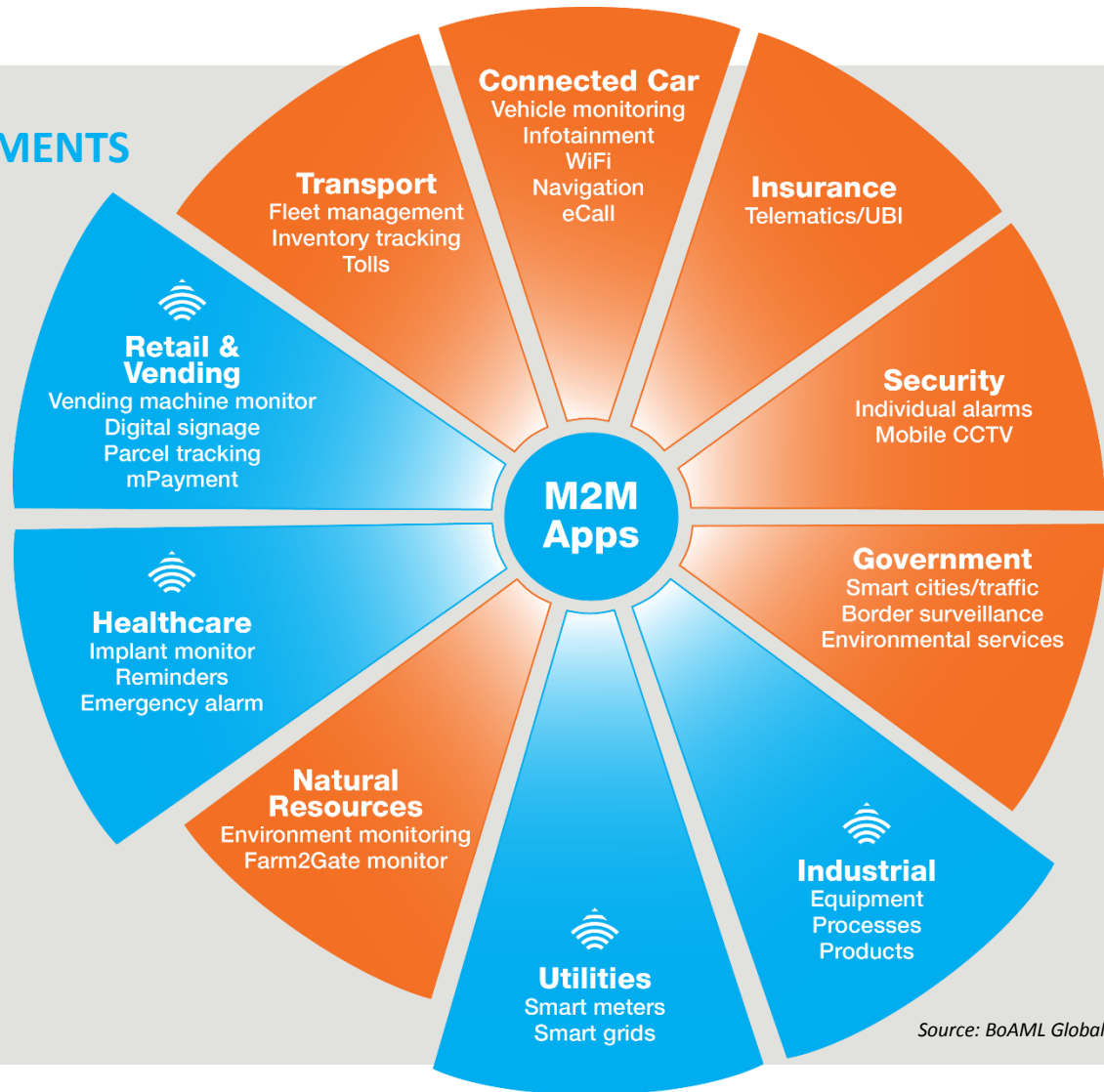
- M2M involves an exchange of information between machines using a cellular network without human intervention which allows organizations to:
 - Monitor environment
 - Report status
 - Automate processes
 - Receive instructions
 - Take action
- With networked assets, businesses can be more aware and responsive thereby increasing productivity
- M2M has risen to prominence as the cost of implementation has decreased



M2M VERTICAL SEGMENTS

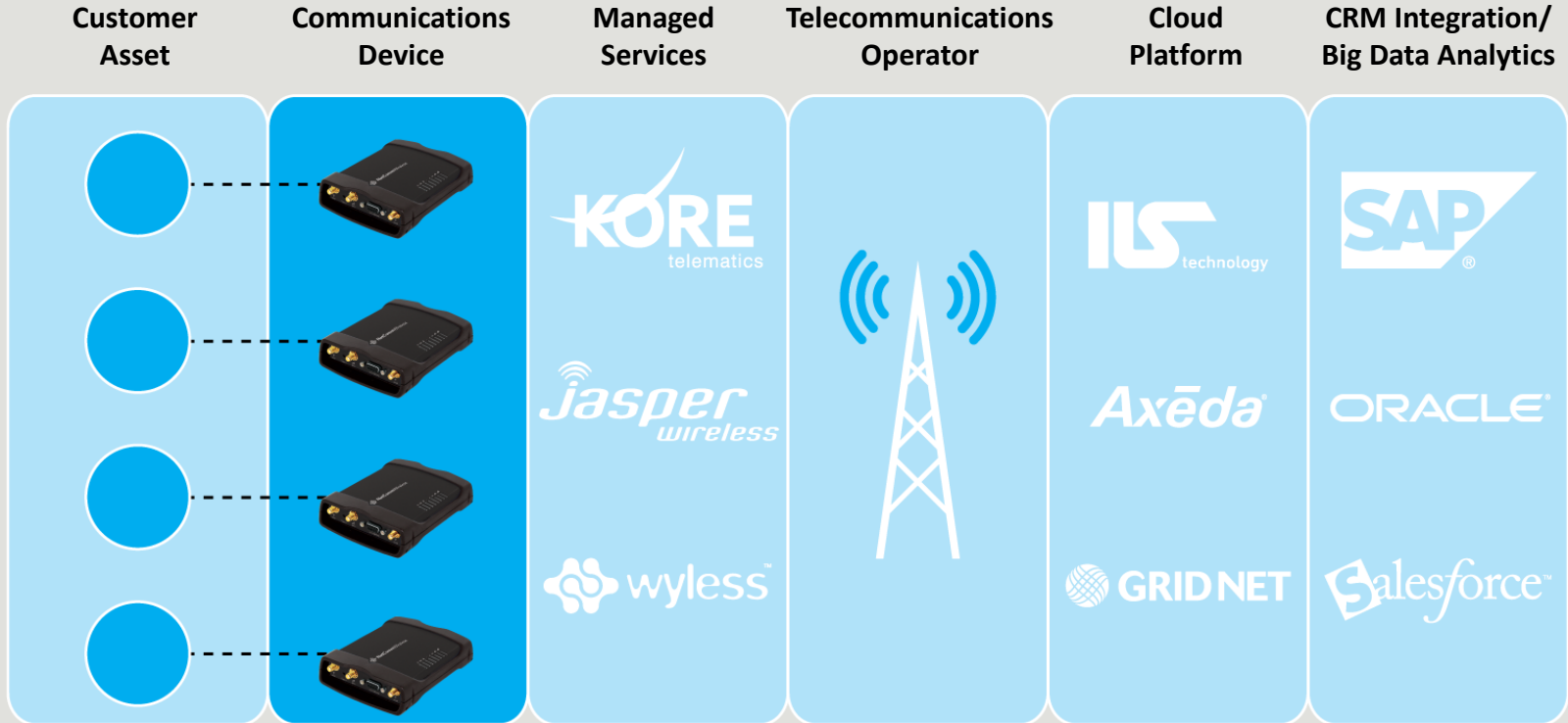
The Big Segments:

- ✓ Utilities
- ✓ Industrial
- ✓ Healthcare
- ✓ Connected Car



Source: BoAML Global Research

THE M2M ECOSYSTEM



THE M2M MARKET IS FRAGMENTED

The highly fragmented market sees a number of players operating within the M2M space without directly competing



M2M LEADERBOARD

Machina Research Strategy Report *(April 2013)*

“Last year Machina Research flagged the sale of pre-integrated M2M bundles as a differentiator for Vodafone. The benefit here was that clients can use Vodafone as a one-stop-shop for all of the M2M capabilities, with a single global contract with one point of contact. Vodafone has continued to build on this for standardised hardware terminals.

“It has established a strong relationship with module/device manufacturer NetComm Wireless to provide integrated hardware.” Machina Research

This standard form factor brings a benefit of scale and a consequent reduction in price.”

Vodafone remains top of Machina Research’s M2M Leaderboard *(London, UK 17th April 2012)*

Rank	CSP
1	Vodafone
2	Deutsche Telecom
3	AT&T
4	Telefonica / O2
5	Verizon
6	China Mobile <i>(Vodafone strategic partner)</i>
7	China Unicom
8	Orange
9	Sprint
10	Telenor
19	TeliaSonera
20	Etisalat

■ Indicates current NTC partner

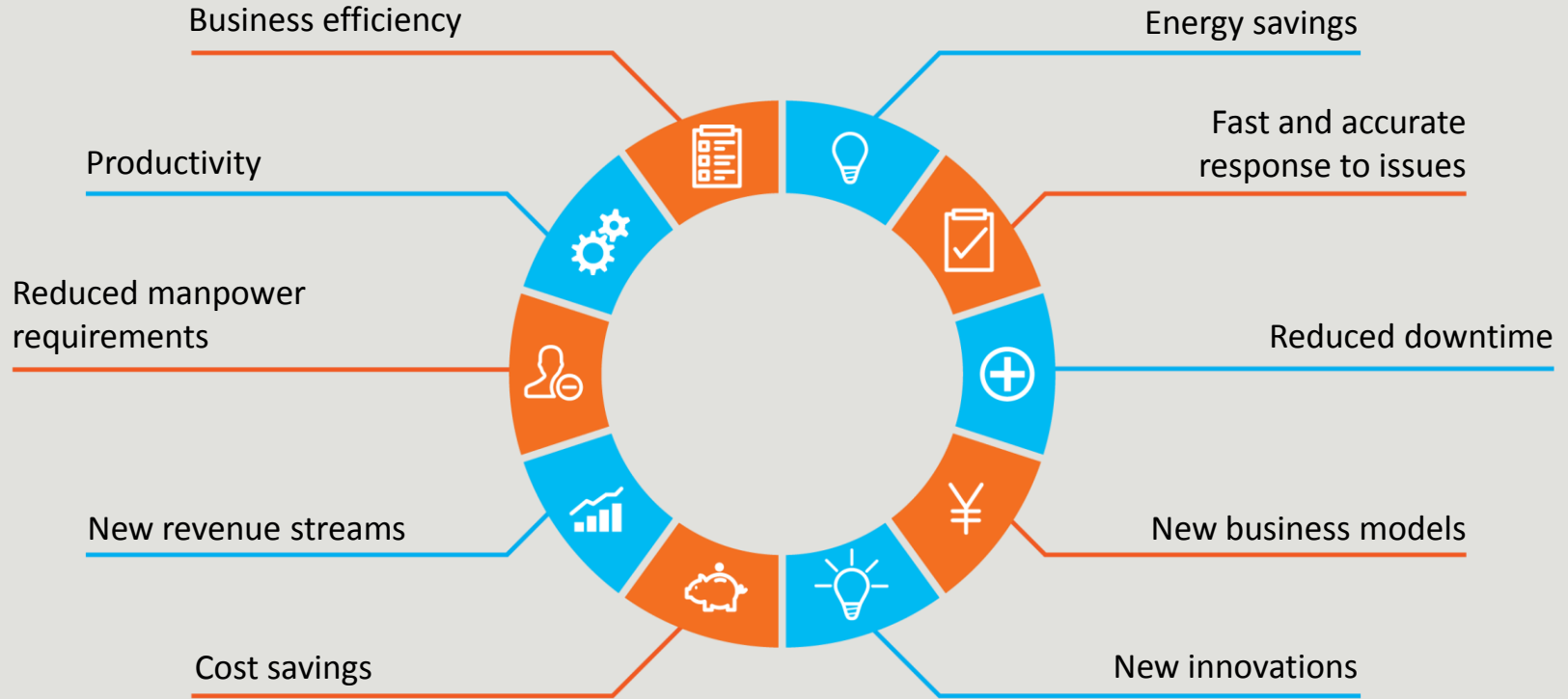


NetCommWireless

BENEFITS OF M2M CONNECTIVITY



M2M BENEFITS FOR BUSINESSES



M2M BENEFITS FOR BUSINESSES

Improve efficiencies



Increase revenue



Improve customer service



Reduce operational & maintenance costs



Create safer working environments



Faster decision making



Control remote assets from a central location



Achieve real-time awareness



Track mobile assets



Monitor temperature, patient vital signs, fluid levels etc



Receive malfunction warnings, stock level and other alerts



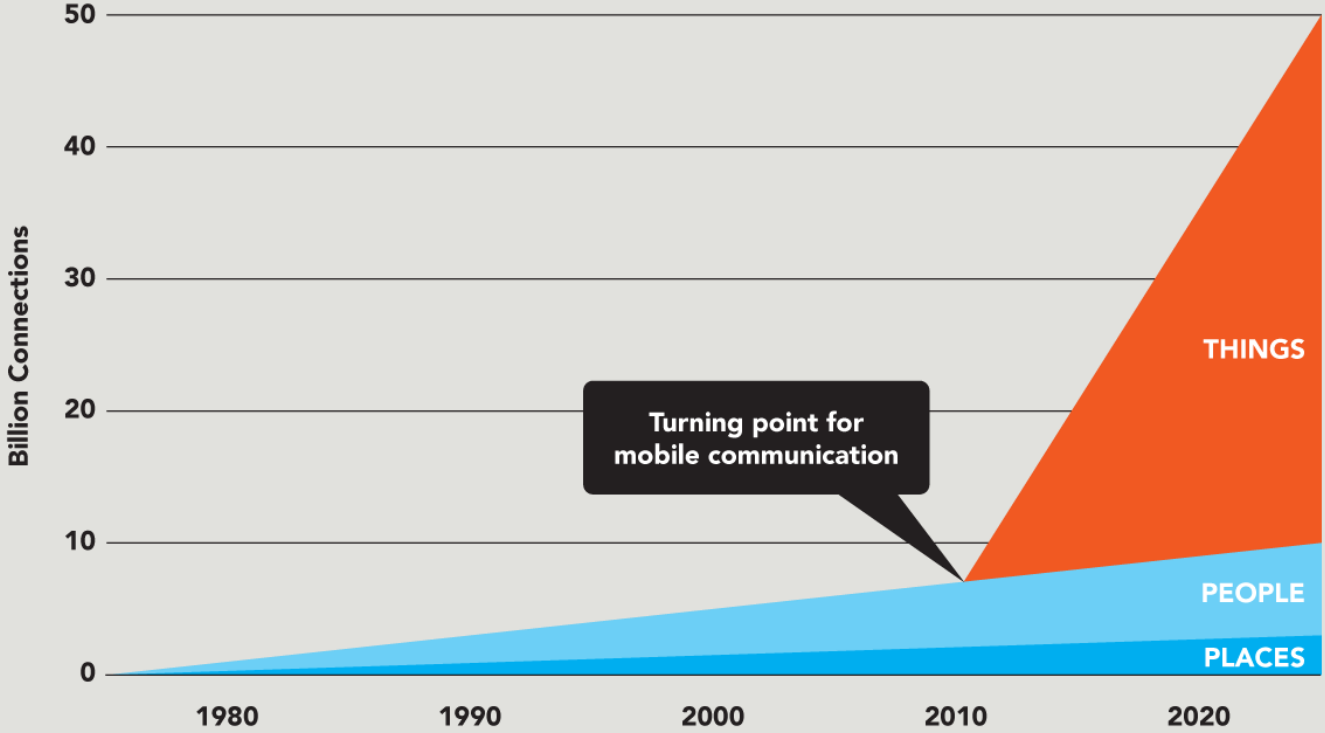
Process and productivity improvements



M2M MARKET SIZE



50 BILLION BY 2020



Source: Ericsson

M2M Market is Expected to Grow Rapidly

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





NETCOMM'S STRATEGY

OUR STRATEGY

- Telecommunications Carrier Strategy
 - ✓ Secure agreements with 6 of the top 20 M2M global telecommunications networks
- Actively pursue selected M2M verticals
 - ✓ Smart metering
 - ✓ ehealth
 - ✓ Building automation (e.g. elevators)
 - ✓ Digital display
 - ✓ “Light Industrial” (Vending/kiosks, POS, ATM etc)
- Rural Broadband
 - ✓ NBN Australia
 - ✓ Overseas opportunities via coat-tail partners
- Partner with large, established M2M players via NTC’s “coat tails” strategy
- Open systems approach: Allow “best of breed” partnerships
- Customise solutions to meet individual customer requirement
- Invest appropriately in product development and sales to fund growth

NETCOMM'S CARRIER PARTNERS: 3 OF THE TOP 20 CONTRACTED TO DATE



1H14 Results Demonstrate Execution of Strategy

- Transition away from consumer based technologies toward the global M2M market
 - ✓ Strong growth in financial results underpinned by growing M2M revenue contribution (nearly half of total 1H14 revenues)
- Partner with large, well established M2M players via NTC's "coat tails" strategy
 - ✓ Supply agreements with several new strategic partners, including SYNEX / Verizon Wireless, Etisalat Group and Vodafone Qatar
- Deliver solutions for high volume global opportunities
 - ✓ 1H14 delivery on orders generated from NTC's first smart metering contract with Ericsson
- Invest appropriately in product development and sales to fund growth
 - ✓ \$1.8m investment in product development during 1H14
 - Planned for 2H14: increased investment into sales and engineering resources



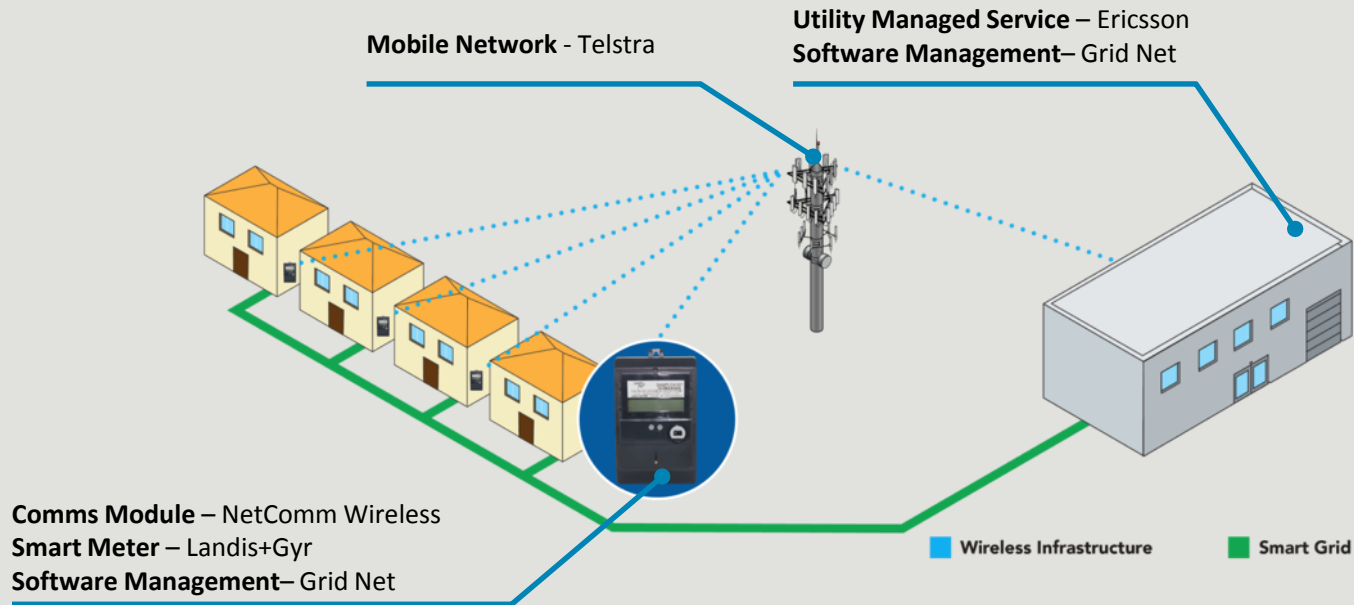
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KEY M2M CONTRACTS & VERTICALS



NETCOMM CONTRACTS: SMART METERS

“The number of M2M connections in the utilities industry will grow from 100MM in 2010 to 1.5B in 2020, of which 99% will be smart meters” *Source: Machina Research 2012*



NETCOMM CONTRACTS: NATIONAL BROADBAND NETWORK – RURAL BROADBAND

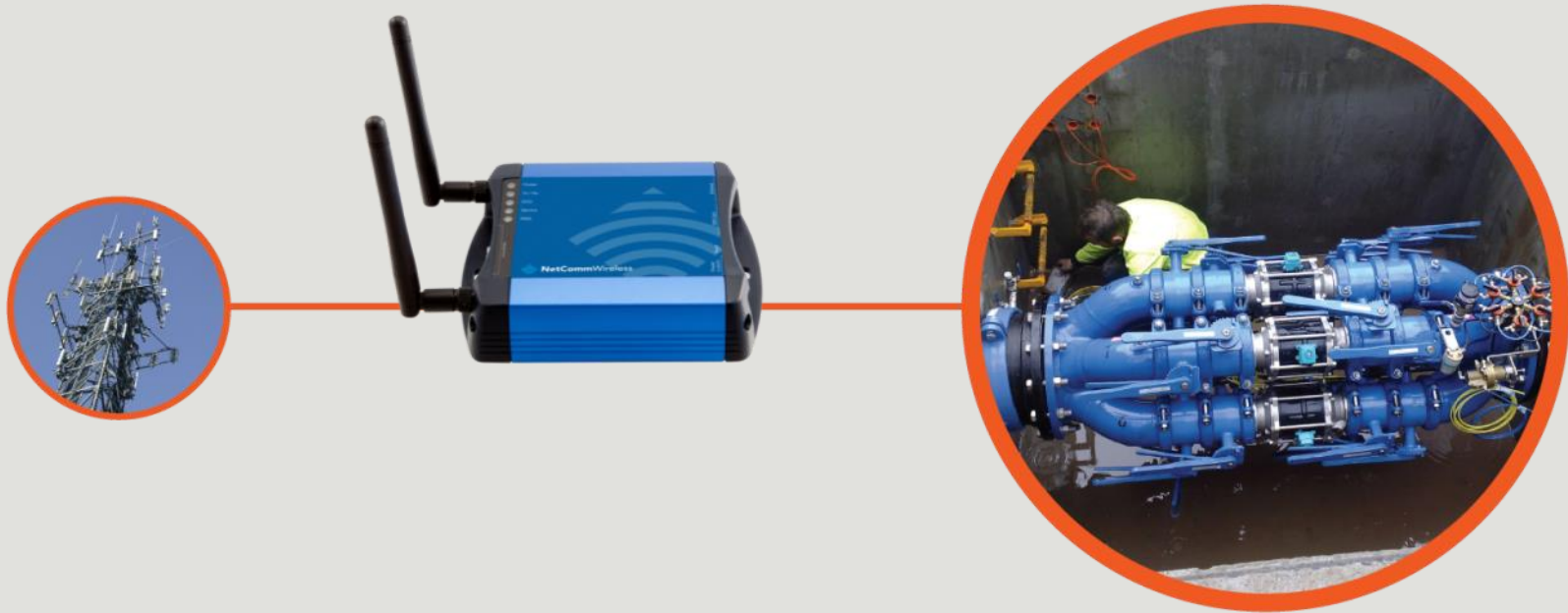


- NBN Co. have undertaken strategic review
- Wireless component still valid and may grow
- Pace of wireless rollout is starting to gain momentum



NETCOMM CONTRACTS: SOUTH EAST WATER

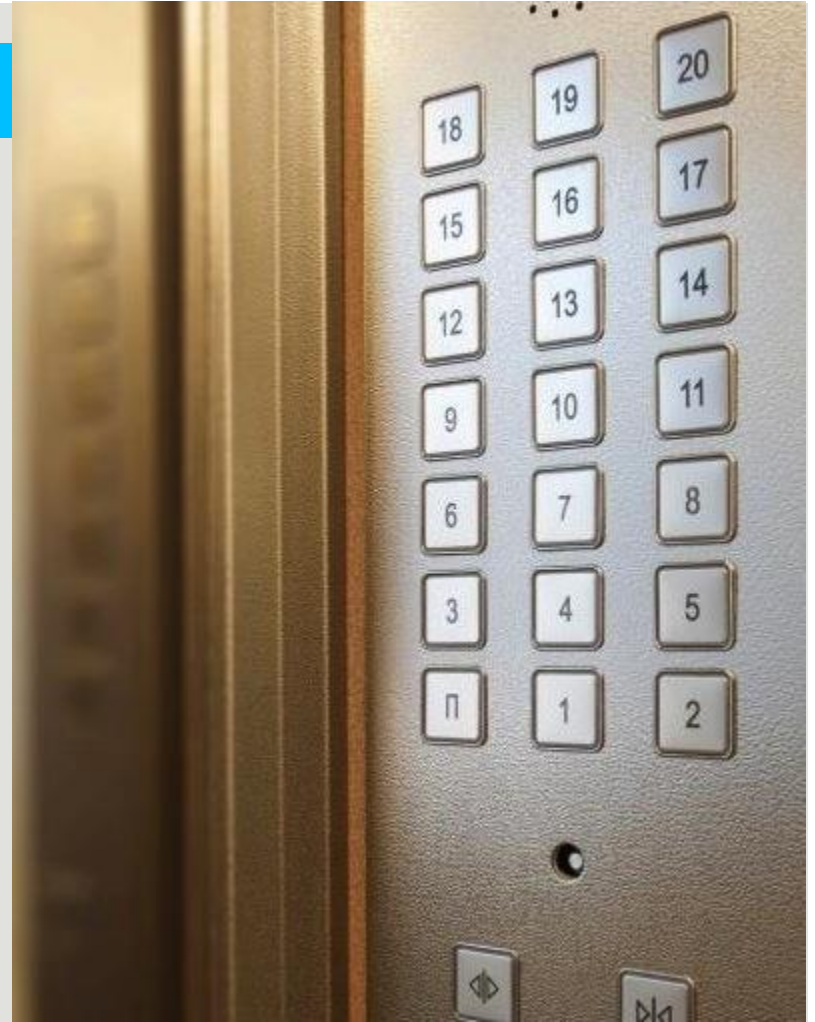
SOUTH EAST
WATER 



FOCUS VERTICALS: MEDICAL EQUIPMENT



FOCUS VERTICALS: ELEVATORS



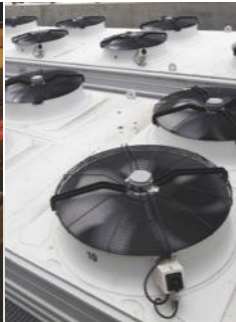
FOCUS VERTICALS: LIGHT INDUSTRIAL



Digital Signage



Remote monitoring and control



Remote healthcare



Fixed-line Ethernet replacement



Industrial automation



Kiosks and vending machines



SOME POTENTIAL US/GLOBAL CONTRACTS IN THE PIPELINE

SMART METERING

- **Europe:** 3 opportunities being pursued
- **Middle East:** 2 opportunities being pursued
- **Australia:** Existing contract with Ericsson and 2 other opportunities being pursued
- **USA:** A trial is currently in progress
- The average deal size for the above opportunities, which would be delivered over multiple years, may exceed 1,000,000 units each

RURAL BROADBAND

- The NBN opportunity in **Australia** (currently contracted) has been revised upwards by NBN
- Other RBB opportunities are being pursued in **Europe** and **USA**. These involve substantial volumes and leverage off the NBN contract

***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.*



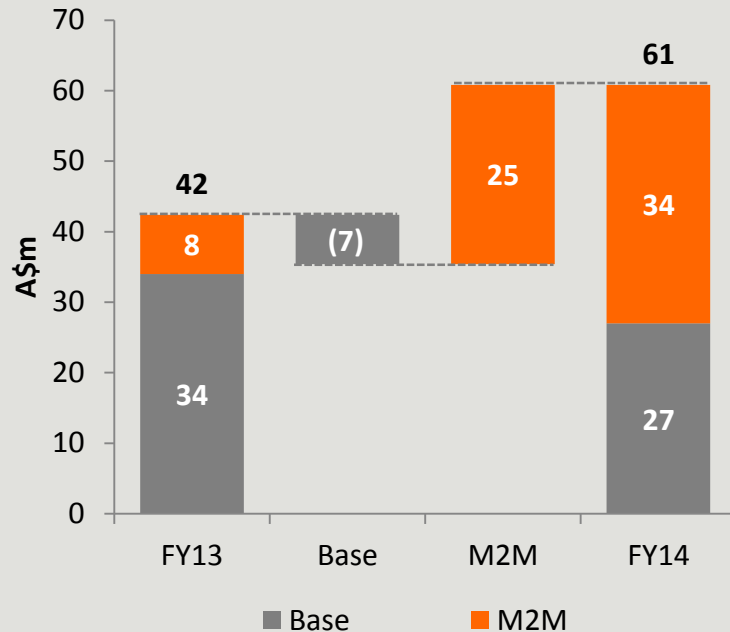
OUTLOOK

NETCOMM IS WELL POSITIONED TO BENEFIT FROM GROWTH IN M2M

- M2M is global and it is **BIG**
- We have **world class engineering capability** and are internationally recognised as leaders in the M2M device field
- We have the Board and management **team in place to execute** our strategy
- Our half year results showcase our **transformation** into an M2M company
- Through our **coat tails approach** we can:
 - Leverage key industry leaders
 - Lower our risk and the investment needed to execute our strategy
- With a **relatively fixed cost base**, there is scope for substantial EBITDA margin growth
- **Strong** balance sheet and cash flows

FY14 GUIDANCE

Revenue guidance¹



FY14 guidance for EBITDA of between \$4.6MM and \$5.1MM

FY14 represents an inflection point in product revenue mix

- FY14 revenue guidance of \$58-63m (midpoint \$60.5m)
- M2M business (including smart metering and NBN) expected to increase from 20% of revenue in FY13 to 55% in FY14 (achieved 48% contribution in 1H14)
 - M2M revenue growth from Victorian Smart Metering, Ericsson (NBN), early Vodafone orders, Cubic (NSW ticketing) and other M2M contracts
- Expect to generate substantial growth as we deliver further M2M contracts in line with our strategic plan to grow M2M market share

1. *Basis of guidance: The FY14 forecasts are contingent on no major unforeseen delays by customers in the roll out of contracts. Due to the small number of material contracts, the timing of customer rollouts can impact the timing of revenue generation.*
2. *EBITDA is as reported and after capitalisation of development costs*

SUMMARY

- M2M is the next big thing
- Economics and not “hype” is driving adoption
- There are many M2M verticals
- Many players can co-exist
- Alliances/partnerships will be key
- Telecommunication Carriers are starting to understand the potential
- Solutions are being developed now. Adoption is underway
- NTC is well positioned to prosper in the new M2M world



QUESTIONS



APPENDICES

Corporate overview (ASX: NTC) and 1H14 Summary Financials

Substantial shareholders at 25 April 2014	
Brad Industries Pty Ltd	17.82%
NBT Pty Ltd	8.65%
Total substantial holders	26.47%

Capital Structure as at 25 April 2014		
Shares on issue	m	128.9
Share price	cps	62.0
Market Cap	\$m	79.9
Debt (31 December 2013)	\$m	1.2
Cash (31 December 2013)	\$m	3.4
Enterprise Value	\$m	77.7

Key profit & loss items (\$m)	1H14	1H13	% change
Revenue	30.5	22.0	38%
EBITDA	2.0	(0.2)	NA
Net profit after tax	0.2	(0.8)	NA
Earnings per share (cps)	0.13	(0.80)	NA

Key balance sheet items (\$m)	1H14	FY13	% change
Cash	3.4	3.9	(12%)
Other assets	33.0	29.5	12%
Total assets	36.4	33.4	9%
Borrowings	1.2	7.1	(83%)
Other liabilities	14.0	7.1	98%
Total liabilities	15.2	14.2	7%
Total equity	21.2	19.2	10%

Key cash flow statement items (\$m)	1H14	1H13	% change
Net cash flows from operating	6.5	1.8	269%
Net cash flows from investing	(2.0)	(2.0)	NA
Net cash flows from financing	(4.9)	(0.0)	NA
Net (decrease) / increase in cash	(0.5)	(0.2)	NA

Source: IRESS as at 25 April 2014

Strong Board



Justin Milne
Independent Non-Executive Chairman

Mr Milne was appointed to the NetComm Wireless board on 7 March, 2012. With extensive experience in the telecommunications industry and media, Mr Milne is well placed to make an important contribution to the strategic direction of the Company.

He is a non-executive director of ME Bank and of Tabcorp Holdings Ltd, Chairman of the National Basketball League, Deputy Chair of the Sydney Children's Hospital Foundation and Director of Basketball Australia. Mr Milne was formerly 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, a past President of the Internet Industry Association and former Deputy Chairman of Quickflix Ltd.



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.

Strong Board



Stuart Black

Independent Non Executive Director

Mr Black has had a distinguished career as a Chartered Accountant with extensive experience in professional services, agribusiness, financial services, manufacturing, import, distribution, IT and biotechnology. Mr Black sits on a number of Boards as non-executive director, including Australian Agricultural Company Limited, Coffey International Limited, Accounting Professional & Ethical Standards Board Limited and Country Education Foundation of Australia Limited. He is also Chairman of Lowenhaupt Global Advisors and the Chartered Accountants Benevolent Fund Limited.

Mr Black is Chairman of the Company's Audit and Risk Committee.



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.



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.

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.



Thank you