

**CONTRACT EXECUTION UNDERPINS RECORD HALF-YEAR RESULT****Revenue up 89% to \$88.6 million; EBITDA up 13x to \$9.2 million****Large orders received for nbn FTTC****Delivering fixed wireless devices to AT&T****Additional contract signed with nbn for Network Connecting Devices****Progressing discussions with Tier 1 Carriers globally**

**21 February 2018 (Sydney):** NetComm Wireless Limited (ASX: NTC) is pleased to announce its results for the six months ended 31 December 2017 (1H18), a period that saw the Company generate record half-year revenues and earnings.

**1H18 was a record half-year result. Key metrics<sup>1</sup>:**

- Group revenue up 89% to \$88.6 million
- EBITDA up 13 times to \$9.2 million
- NPAT increased to \$3.7 million, compared to prior period loss of \$(1.7) million
- Strong balance sheet, with net cash of \$13.1 million and no debt.

**Executing on our commitments:**

- Contract with nbn signed to supply Network Connection Devices (NCDs) for nbn's FTTC project
  - Initial volume commitment will deliver \$66 million revenue within an 18 month-period following launch planned for 2H18 (\$40 million incremental revenue above that relating to the Reverse Power Unit as a stand-alone device)
- Large orders received in relation to FTTC DPU contract with nbn
- Delivered the initial order of fixed wireless units to AT&T in the US, for its rural broadband project
- Strengthened our sales presence in key strategic markets – Europe, UK and North America
- Progressed discussions with Tier 1 Carriers in Europe, UK and North America for the delivery of solutions based on NetComm's existing product lines.

Commenting on the Company's 1H18 performance, NetComm Chairman Justin Milne said: "It has been a very strong period for NetComm as we continued to deliver our strategic plan. I am particularly pleased to see NetComm achieve outstanding growth following critical investments made over the past two years."

"Group revenue was up 89 per cent to a record \$88.6 million for the half, as NetComm grew revenues from key projects. Revenue from our high growth M2M business, which now represents 85% of Group revenue, was up 107% to \$75.1 million. The period also saw revenue from the Company's traditional Broadband business recover, to be up 27%, as we implemented initiatives to reinvigorate that business. Reflecting the growth in revenue and the Company's ability to scale, EBITDA was up 13 times, and we were pleased to deliver NPAT of \$3.7 million, compared to a loss of \$1.7 million in 1H17. Our balance sheet remains strong with cash reserves of \$13.1 million and available unused debt facilities of \$20 million."

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<sup>1</sup> Comparisons relate to 1H18 vs 1H17

CEO & Managing Director Ken Sheridan said: "Over the period we received material revenues across several of our key contracts, as our high growth M2M business expanded. We continued to rollout the Ericsson/nbn fixed wireless contract and anticipate launching a new 100mbps service this calendar year, our third technology upgrade in only four years. We delivered our first sales of fixed wireless devices to AT&T for the initial rollout, and while the pace of the rollout has been slower than initially expected, we anticipate an acceleration in FY19 as AT&T look to ensure 1.1 million premises are available for service by 2020."

"We were pleased to have further enhanced our relationship with nbn, signing a contract to supply NCDs for their FTTC project. This world-first device incorporates a Gfast/VDSL modem with Reverse Power Feed capability, as well as monitoring and diagnostics reporting in a single device. The NCD is a perfect example of NetComm successfully implementing our "Listen. Innovate. Solve." approach to technical challenges, and we believe there are many use cases for a similar device in international markets. Having strengthened our sales presence in our key strategic markets of Europe, UK and North America, we are keenly focused on winning new business from Tier 1 Carriers."

#### **Positive outlook for continued strong growth**

NetComm Wireless expects to continue to deliver strong Revenue and EBITDA growth over the remainder of FY18 as key contracts are further rolled out.

"Having delivered operational success across our key growth business and with a strong balance sheet and cash at bank, we are in an excellent position to continue to grow. The benefits from the investments made to enhance our engineering capabilities are flowing through as we become a leading bespoke telecommunications technology solutions provider in global markets", said Mr Sheridan.

**-ENDS-**

#### **INVESTOR ENQUIRIES**

Chris Last  
Chief Financial Officer  
NetComm Wireless  
P: +61 2 9424 2441  
E: [chris.last@netcommwireless.com](mailto:chris.last@netcommwireless.com)

Ronn Bechler  
Managing Director  
Market Eye  
P: +61 400 009 774  
E: [ronn.bechler@marketeye.com.au](mailto:ronn.bechler@marketeye.com.au)

#### **MEDIA ENQUIRIES**

Tristan Everett  
Director  
Market Eye  
P: +61 403 789 096  
E: [tristan.everett@marketeye.com.au](mailto:tristan.everett@marketeye.com.au)

**About NetComm Wireless**

NetComm Wireless Limited (ASX: NTC) is a leading developer of Fixed Wireless broadband, wireless M2M/Industrial IoT and Fibre and Cable to the distribution point (FTTdp / CTTdp) technologies that underpin an increasingly connected world. Our Listen. Innovate. Solve. methodology supports the unique requirements of leading telecommunications carriers, core network providers, system integrators, government and enterprise customers worldwide.

For over 35 years, NetComm Wireless has engineered new generations of world first data communication products and is now a globally recognised communications technology innovator. Headquartered in Sydney (Australia), NetComm Wireless has offices in the US, Europe/UK, and New Zealand.

For more information visit: [www.netcommwireless.com](http://www.netcommwireless.com)