

ASX Announcement

25 February 2015

Macquarie Telecom announces half year results within guidance

Macquarie Telecom (ASX: MAQ) (the Company) today announced that its results for the first half of the 2015 fiscal year were within guidance it provided at its AGM.

Chief Executive David Tudehope said “Fiscal 2015 represents a year in which the company’s significant investment program comes to an end and our focus shifts to leveraging those investments to reignite growth in earnings. We continue to make good progress in both our hosting colocation business at Intellicentre 2 and our Federal Government Secure Internet Gateway business at Intellicentre 4. I am also pleased to be able to report that we are forecasting a return to EBITDA growth in H2 2015”.

Key Points

- Revenue of \$95.3 million (1H 2014: \$99.8 million) and Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$11.8 million (1H 2014: \$13.3 million).
- Net loss after tax was \$2.5 million (1H 2014: Net profit after tax \$0.4 million). No interim dividend declared.
- \$45 million working capital facility in place to support strategic growth opportunities of which \$29 million was drawn as at 31 December 2014.
- Hosting revenue increased by 2.2% (1H 2015: \$31.0 million vs. 1H 2014: \$30.3 million) and EBITDA increased by 37% (1H 2015: \$3.8 million vs. 1H 2014: \$2.8 million).
- Telco (Data, Voice and Mobile) revenue decreased by 7.4% (1H 2015: \$64.3 million vs. 1H 2014: \$69.4 million) and EBITDA decreased by 20.8% (1H 2015: \$10.6 million vs. 1H 2014: \$13.3 million).
- Capital expenditure for the six months ending 31 December 2014 was \$12.4 million (1H 2014: \$17.0 million) which includes maintenance capex of \$8.2 million (1H 2014: \$10.8 million).

Outlook

EBITDA is expected to grow from \$11.8 million in the first half to between \$12.2 million and \$14.2 million in the second half resulting in an expected full year EBITDA range of between \$24 million and \$26 million. Maintenance capex for the year is expected to be in the region of \$16 million.

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About Macquarie Telecom

Macquarie Telecom is Australia's leading integrated Managed Hosting, Cloud and Telecommunications Company. Working with and supporting some of Australia's best-known organisations, Macquarie Telecom is a full service hosting provider offering managed dedicated servers, managed co-location, and managed private, hybrid and public clouds. Our fully owned, Australian based data centres are the most secure and accredited data centres in Australia with ISO27001, PCI Compliance, ASD Gateway and ASIO Intruder Resistant accreditation. Macquarie Telecom's offerings are underpinned by world-class customer care which is delivered by our fully owned and managed customer service centre, MacquarieHUB. Macquarie Telecom is best placed to help transition organisations to the new online NBN era.

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