

CASE STUDY



COMPANY SPOTLIGHT



Market capitalisation at time of purchase	Market capitalisation at time of sale	Industry Sector
\$86m	\$341m	Telecommunications & IT Services

OVER THE WIRE HOLDINGS LIMITED (ASX: OTW)

Over the Wire is a provider of integrated telecommunications, cloud, and IT solutions tailored to Australian businesses. The company delivers services across four key segments: Data Networks, Voice, Cloud & Hosting, and Managed Services. OTW built a reputation for technical expertise, customer service, and strategic acquisitions that enhanced its service offering and scale.

WHY DID WE INVEST?

- A significant proportion of OTW's revenues were recurring in nature, stemming from long-term business-to-business service agreements across voice, data, and cloud services. Its integrated "one provider" approach added value and stickiness to its offering.
- Growing demand for secure, scalable connectivity and cloud-based services, especially with the digital transformation of SMEs and corporate Australia, provided strong underlying industry support. Increased reliance on data and remote work environments reinforced this trend.
- OTW was also seen as a challenger telco, owner operated business that was more agile and could better service mid market and enterprise customers outside of the large incumbent telcos such as Telstra and Optus.
- OTW demonstrated a disciplined acquisition strategy, acquiring complementary businesses to expand capabilities and cross-sell services. This led to growing economies of scale and improved operating leverage over time.

ENTRY PRICE

- Began initially purchasing shares in October 2017 at \$1.98 and continued to purchase over time with an average purchase price of \$3.69.

*Past performance is not indicative of future performance. This is general information only and should not be construed or relied upon as legal, financial or professional advice. Accordingly, the recipient should seek independent professional advice as to the risk, financial, taxation and other implications of investing.

COMPANY SPOTLIGHT



Over The Wire Holdings Limited (ASX:OTW) - Share Pricing



Source: S&P Capital IQ

WHY DID WE SELL – Acquisition by Aussie Broadband Ltd (ASX: ABB)

- In December 2021, Over the Wire entered into a Scheme of Arrangement to be acquired by Aussie Broadband Ltd (ASX: ABB), a rapidly growing challenger telco in Australia.
- OTW shareholders received a combination of ABB shares and cash, valuing the company at approximately \$5.75 per share – a premium of 21% to the 30-day VWAP prior to the announcement.
- With the transaction crystallising full value, we exited our position and redeployed capital into new opportunities with higher risk-adjusted returns.

INVESTMENT OUTCOME

- Began initially purchasing shares in October 2017 at \$1.98 and continued to purchase over time with an average purchase price of \$3.69.
- Sold at an average sale price of \$5.60 with the last sale in March 2022 at an effective price of \$5.77 based on ABB shares and cash received.
- Gain of 53.5% on our investment over the period, equating to a money weighted IRR of approximately 24.96%.

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