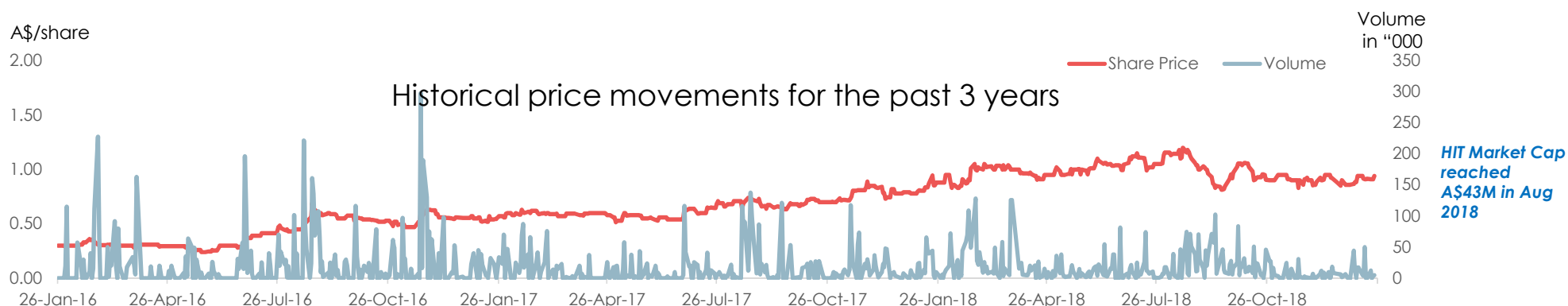


The background of the slide is a dark blue gradient. On the right side, there is a complex network of glowing blue dots connected by thin lines, resembling a molecular or digital structure. A horizontal trail of bright, out-of-focus light points stretches across the middle of the slide.

# Corporate Presentation (ASX Code: HIT)

25 JANUARY 2019

# Consistent track record is being rewarded in share price....



## Ray Hazouri

Executive  
Director &  
Chairman

**Qualifications:** BA (Sydney University), DipEd.

**Experience:** Founded HiTech in 1993 and has over 29 years' experience in the IT industry. Prior to establishing HiTech, Ray worked in a number of capacities in the information technology industry ranging from management positions, technical IT consulting roles including systems analysis/programming, project management and sales roles. Ray worked and consulted for a broad range of employers in the private, multinational, SME, and public sectors.

## Elias Hazouri

Executive  
Director & CEO

**Qualifications:** B Sc, MBA

**Experience:** Over 29 years' experience in IT and banking. Elias was previously a director of HiTech from 1993-March 2000. Elias's knowledge of HiTech's business is extensive. Throughout his career, Elias has been integral to the development of many IT systems and IT support departments. He has held roles ranging from programmer to technology support head. Elias is a key resource and knowledge base to the HiTech account managers and is jointly responsible for generating new business. Elias has advised on business strategy, both from a financial and operational perspective, since the inception of HiTech in 1993. Elias is employed in the capacity of Chief Executive Officer.

## George Shad

Non-executive  
Director

**Qualifications:** Solicitor

**Experience:** Appointed to the Board on 30 July 2003. Principal of Shad Partners Solicitors with thirty years' experience as a lawyer specialising in commercial and conveyancing work. George is a panel solicitor for a number of major banks and his expertise and contacts in the corporate sector will assist HiTech in furthering its client base.

HIT's Market Capitalisation	A\$
Closing price as of 24/01/19	\$0.96/share
52-week high	\$1.20/share
52-week low	\$0.76/share
Ordinary shares on issue	38.05m
Options outstanding	5.60m
<b>Equity market capitalisation</b>	<b>\$36.53m</b>
Plus: net debt as of 30 June 2018	\$(5.86)m
<b>Enterprise value</b>	<b>\$30.67m</b>
Substantial shareholding as at 30-Aug-18	% of total voting rights
R. Hazouri – 17.76 million shares	46.68%
E. Hazouri – 6.83 million shares	17.94%
S. Hazouri – 1.98 million shares	5.20%

# HiTech overview

- HiTech Group Australia Limited is a specialist provider of **recruitment and ICT (Information and Communication Technology) consulting services**
- **Services are constantly broadening and evolving** to respond to client needs and technological advances
- HiTech generates the majority of its revenue from ICT contracting and consulting, meaning revenue is almost **entirely recurring**
- Revenue is underpinned by a **long term, blue chip** customer base across Federal Govt, State Govt and the Private Sector
- Favourable conditions also expected to continue from **growing demand for skilled ICT professionals** and large scale public & private IT transformation projects
- HiTech independently ranked #207 by **Financial Times** as one of the high-growth companies in Asia Pacific 2018, **Top 40 in Australia\***
- Business conditions remain favourable in the ICT sector supported by Government spending programs, the digital transformation era and jobs growth from technology disruption within traditional industries



\* Source: FT 1000, High-Growth Companies Asia-Pacific, <https://ig.ft.com/special-reports/ft-1000/asia-pacific/2018/>

# Key Investment Considerations

HiTech is in a strong and unique position to be a key beneficiary of the high demand for skilled technologists and ICT services in Australia



Stable & experienced  
leadership team



Fast growing  
technology market  
in Australia



Changing towards  
contingent workforce



Robust financials  
and growth  
potential



Long term and  
diversified client  
base



Immune to disruptive  
technology

# Investment highlights – Investor proposition

## Dividends

- 4 cents per share fully franked dividend declared in 2H FY2018, bringing total dividends for the last 12 months to **8 cents per share fully franked**
- Annualised **gross dividend yield of ~12%** at the current share price of \$0.96\*
- Current intention to maintain dividends. We have ample cash reserves

## Record Growth

- FY2018 was **a 4th consecutive year** of revenue and profit **growth**
- Record year growth of 13% in revenue and 16% in Underlying NPAT
- Growth is fueled and underpinned by a long term, blue chip client base and continued strong demand from multi-year supplier agreements with high profile Government departments
- Organic growth is forecast to continue with strong technology industry fundamentals in Australia

## Strong Position

- Strong balance sheet with no debt
- Net cash of ~\$6M puts the company in a strong position to implement its 2 tier growth strategy
- The Board and management team are dedicated to deliver a 5th consecutive year of growth in FY2019

\* Share price as at 24 January 2019

# A simple 2 Tier growth strategy

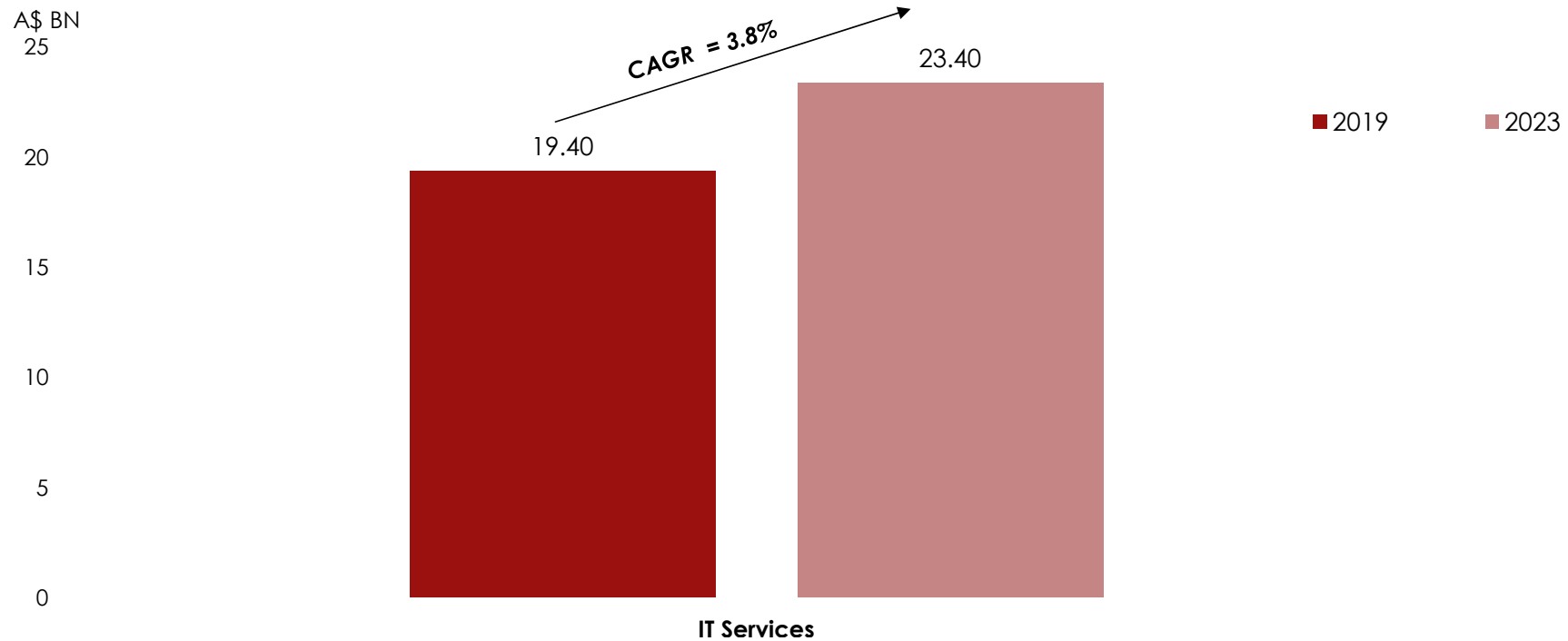
## Organic Growth

- On-boarding of new clients
- Enhance the service offering provided to existing clients by providing a broader suite of recruitment and ICT consulting solutions in addition to base contracting agreements
- Expand the company's ICT offering into high margin consulting and service space (Cloud, Security, SaaS) in line with client objectives

## M&A Growth

- Pursue acquisitions in a highly fragmented market that satisfy the following criteria:
  - Fit the industry and company culture of HiTech
  - Complimentary acquisitions which leverage towards its established blue chip client base
  - EPS and CFPS accretive
  - Deliver positive returns to shareholders
- Preliminary studies are currently being conducted to understand the businesses and operations of potential targets under HiTech's strict criteria
- The Board is committed to act in the best interests of all shareholders employing a **disciplined M&A growth strategy** that will benefit HiTech and its broader stakeholders over the long term

# Australian ICT industry overview



- Driving the growth will be organisations performing a digital transformation, with IT services providers increasingly expected to take on the role of a business transformation consultant
- Providers involved in deeper deployments of cloud services, mobility enablement, big data and digital social footprints and those implementing accelerator technologies like artificial intelligence (AI), internet of things (IoT) and robotics will have the most competitive advantage
- Increased demand for providers to modernise or replace legacy systems due to businesses' failing to embrace new technologies either because of cost or complexity

# Australian ICT industry - core future themes

- “Technology suppliers must enable organisations to execute on their enterprise-wide digital strategies”
- “End users will look to IT services providers for consultation on next-generation technologies. They will seek assistance in using these technologies to create new offerings, business models, and relationships.”
  - There will be core transformations in the near term across:



IT infrastructure architecture (e.g. Cloud layers, cloud distribution and cloud location)



Security of IT networks (e.g. IoT, Big Data, AI & machine learning)



Multi network (fixed line and Wi-Fi) Infrastructure to support these IT architecture transformations



**The demand for ICT Digital professionals to meet these advancements is increasing**



HiTech's client focus aims to meet evolving needs across...



Talent acquisition



Cloud services



Apps



Transformative  
technology



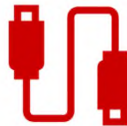
Data centres



Mobile solutions



Managed service  
provider



Digital transformation



Networks



PC and components



Procurement



AI & machine learning



Security and cybersecurity



Internet of Things



Big data &  
analytics



Storage

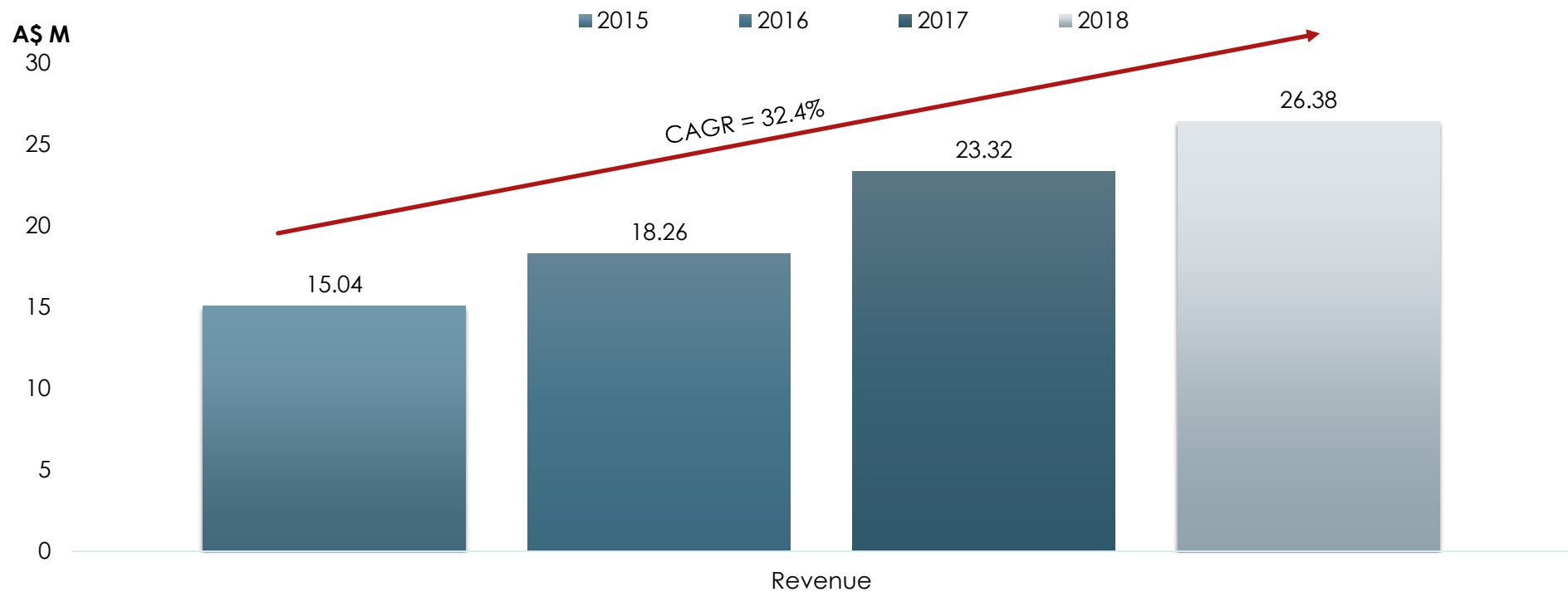


Software



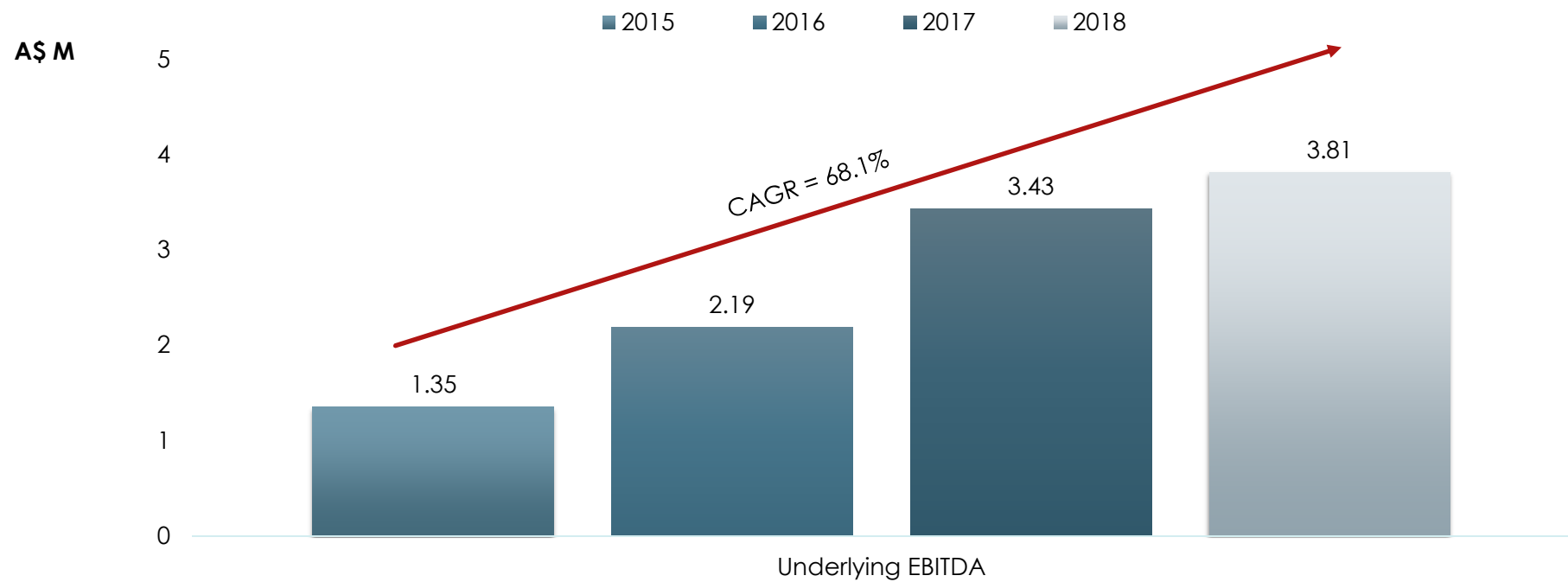
Telecommunications

## HiTech FY2018 results highlights - Revenue



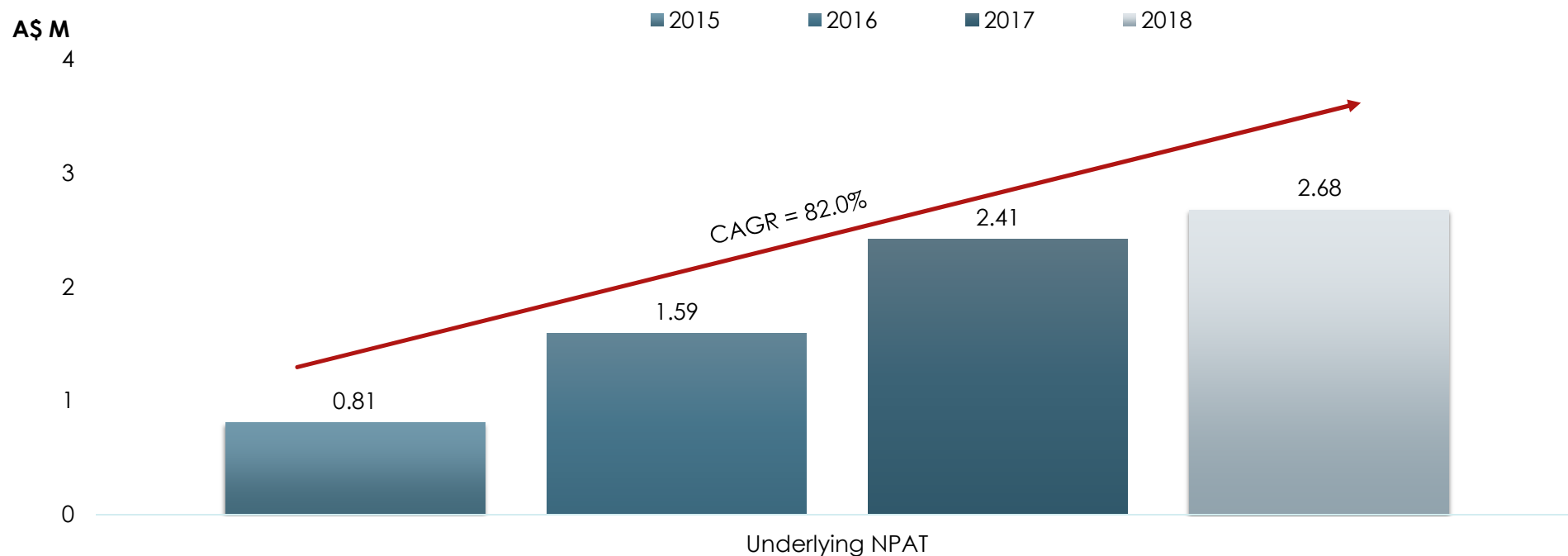
- FY2018 Revenue up **13%** driven by growth in contracting and permanent placement revenue
- FY2018 is the company's **fourth** consecutive **year of double digit growth**

## HiTech FY2018 results highlights - EBITDA



- Underlying EBITDA continues to grow steadily with a 13% increase over the FY2017 results

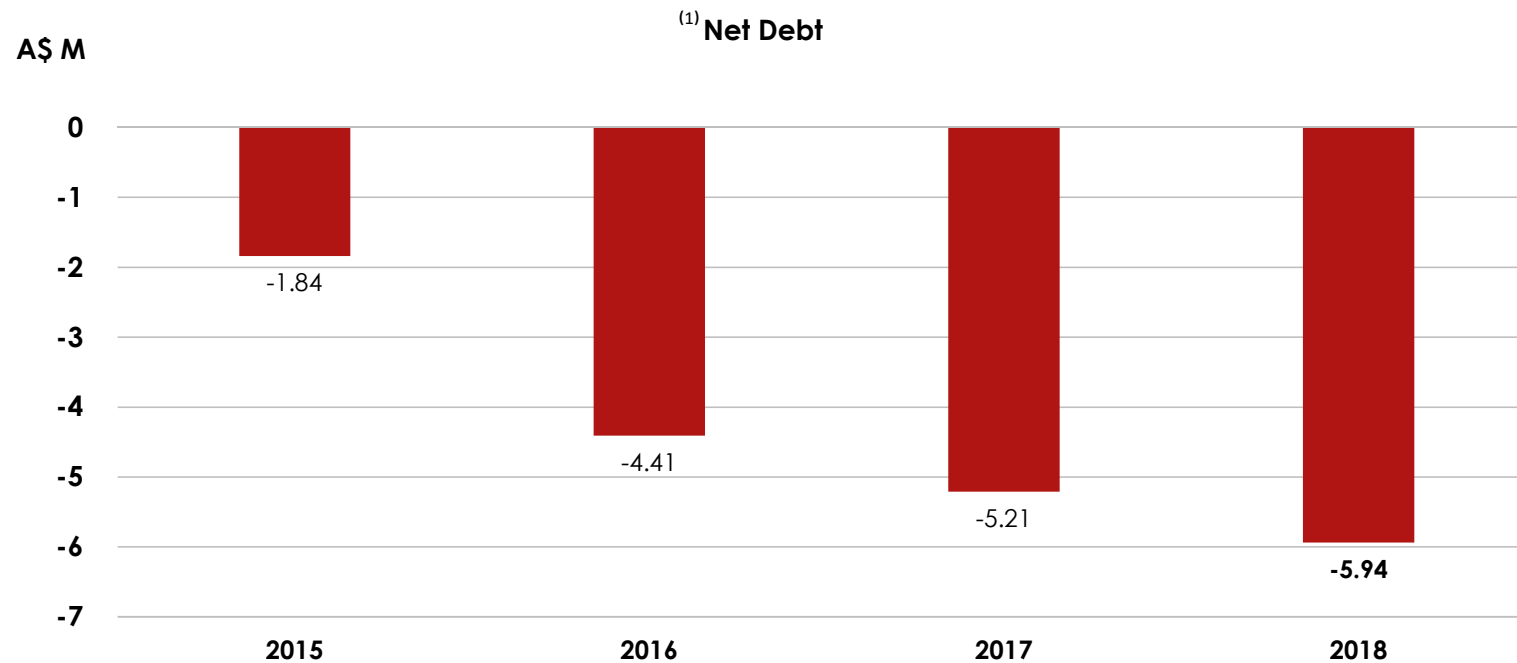
## HiTech FY2018 results highlights - NPAT



- A 2<sup>nd</sup> half dividend for FY2018 of 4 cents fully franked was paid on 12 September 2018, which if annualised, equates to a **11.9% gross yield**<sup>(1)</sup>
- FY2018 Underlying NPAT increased by an impressive 16% over the FY2017 results

<sup>(1)</sup>Dividend yield is calculated based on HIT share price of \$0.96 as of 24 January 2019

## Strong Balance Sheet and financial discipline



HiTech is a resilient and strong company with a robust balance sheet and **no debt and cash balance of \$5.86M** which is unique in the industry

<sup>(1)</sup> Net Debt = Total Debt - Cash & Cash Equivalents.

# Specialised client service with a winning formula for success

- HiTech works closely with select, identified blue chip client base names on talent acquisition and specialist ICT assignments
- Consistently in top 3 suppliers from over 1000 suppliers on the multibillion dollar Digital Marketplace

## Who is winning the work?

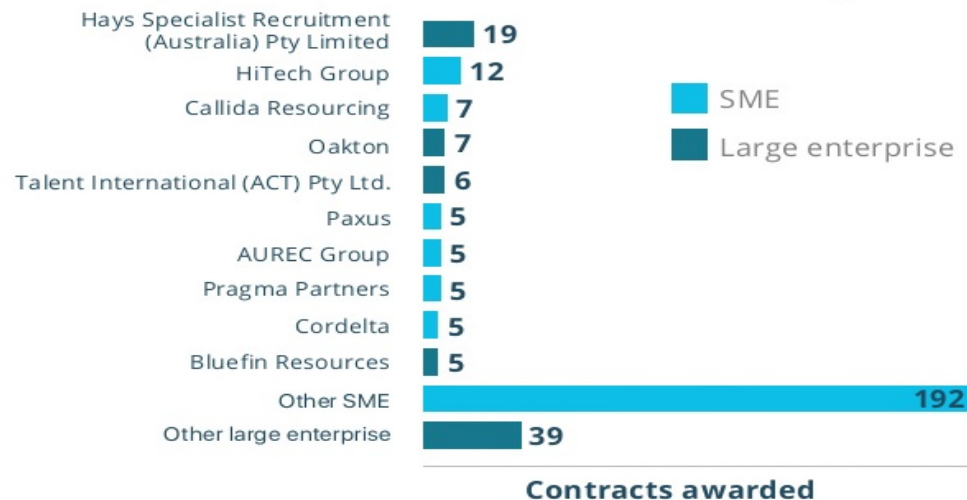
**78%**

Contracts have been  
**awarded by volume to SME  
sellers** this month\*

**45**

Briefs have been contracted  
this month\*

## Top 10 sellers awarded contracts this financial year \*



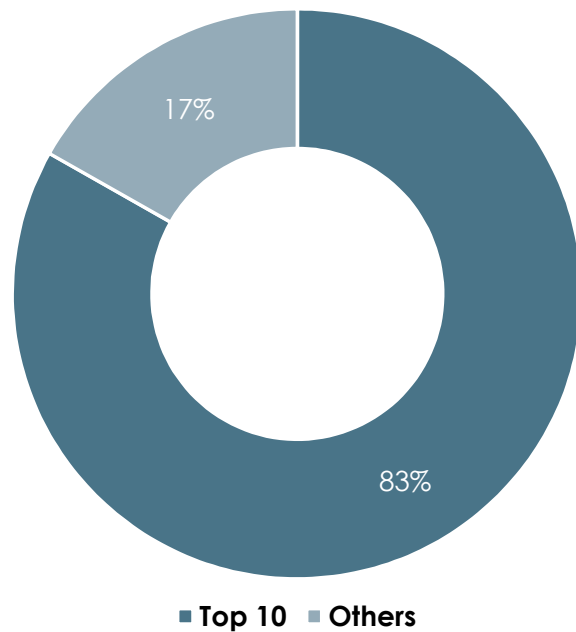
\* Contract information is sourced from Austender. It excludes contracts awarded by entities that don't report through Austender and contracts under \$10,000. Contracts may take up to 42 days to be published.

# The HiTech Ethos

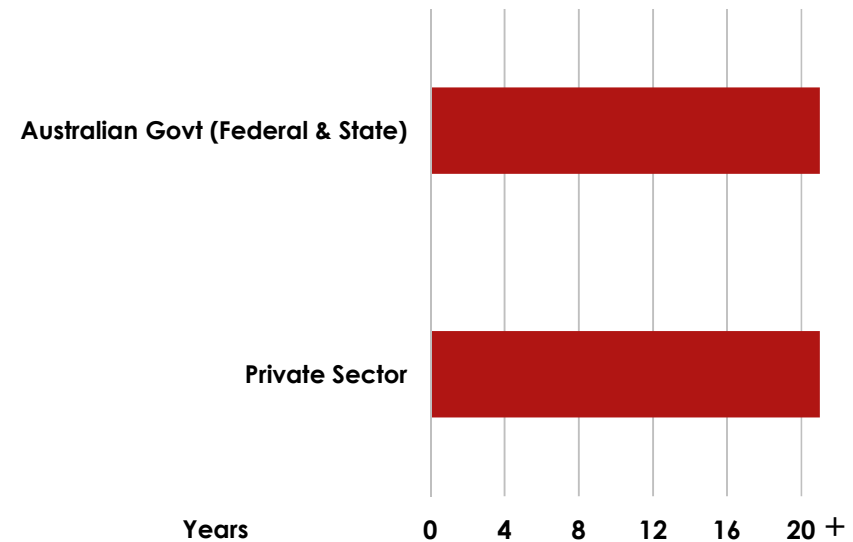
- Management intimately understands the key drivers of recruitment and ICT consulting services for its clients – Over 50 years of combined expertise
- Execute and deliver on time for clients: rewarded with long, established business relationships and recurring revenue stream
- No revenue growth for revenue growth's sake – **Bottom Line Profit Focus**
- Deliberate push into specialised technology consulting and services space as these sectors are exhibiting strong growth
  - ✓ Focused on **winning** lucrative “**Statements of Work**” for discrete ICT projects
  - ✓ **Entrenched alongside our clients** to deliver superior results
  - ✓ Seeking to **broaden client services capability** to cover the critical and most lucrative ICT subsectors
  - ✓ **Retain maximum flexibility** to respond rapidly to evolving technologies and services demanded by clients
- Board and management teams have a uniquely engrained culture of financial discipline across all areas and aspects of the business

# HiTech revenue breakdown

**FY2018 Revenue Breakdown - Top 10 Clients Concentration**



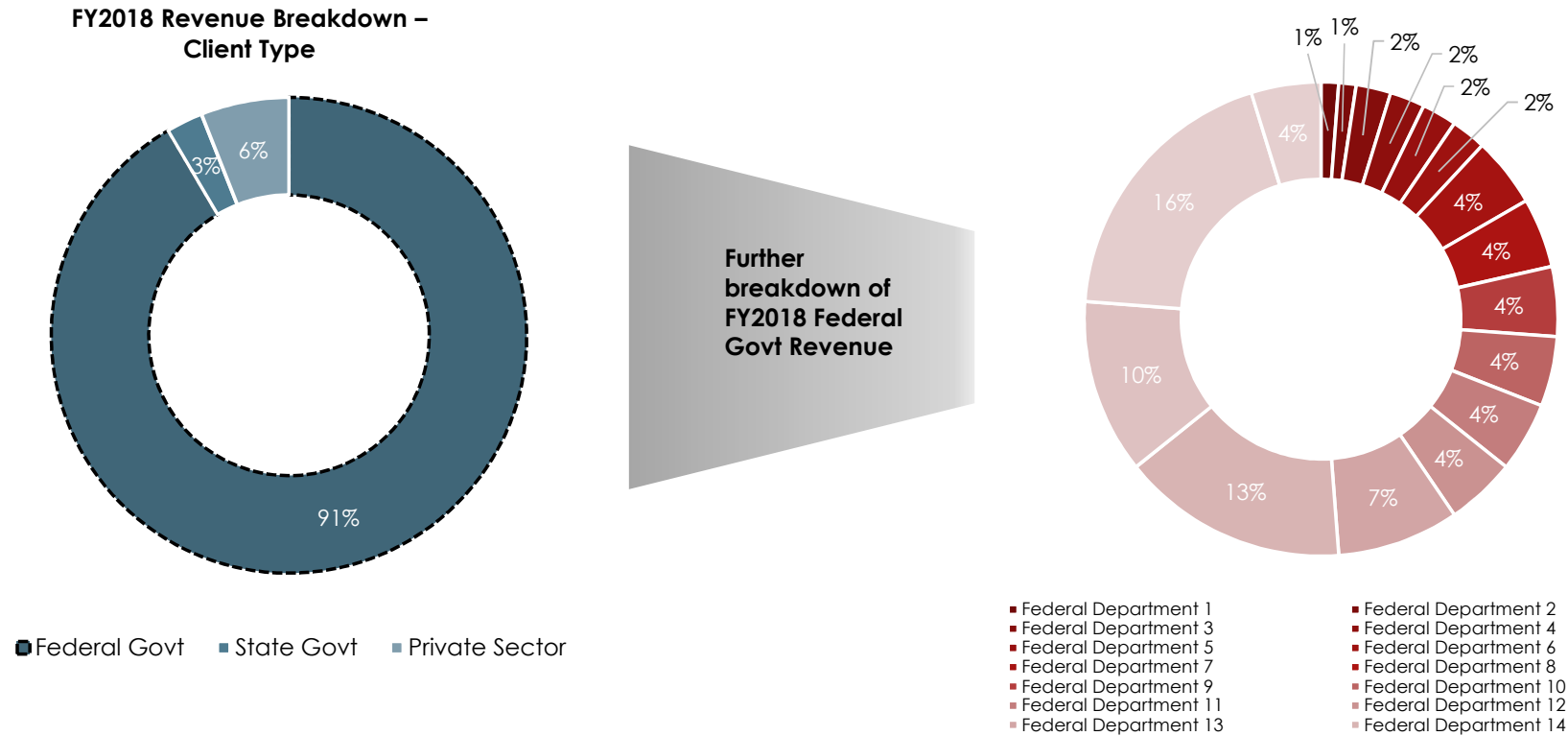
**Average History of Service by Client Type**



- HiTech has a long history and robust working partnership with its key established clients, predominately Federal Government departments



## Stable client base – majority are Federal Government clients



- HiTech has a diversified blue chip client base with solid revenue base supported by **over 300 active corporate and government clients**, with strong representation by high technology companies, banking and financial services companies as well as Federal Government departments and agencies

# HiBase - proprietary, predictive database of ICT talent

- **HiBase** is a predictive intelligence tool built by HiTech for sourcing talent
- A comprehensive up to date database of over 360,000 professional candidates for contract or permanent positions
- The HiTech Services team is at the forefront of the digital transformation movement which is a critical priority amongst each of our Federal Govt, State Govt and Private Sector client base
- The HiTech ICT Services team has developed a 'best of breed' project delivery system in line with client needs – we call this **Project Delivery as a Service (PDaaS)** which benefits our clients:
  - A perpetually Fit-For-Purpose Project Delivery Model, managed as a Service;
  - Project Delivery as a Service that offers you access to resources and tools at a flexible and predictable cost, via a fully structured Managed Service, underpinned by KPIs and SLAs;
  - Whether it's Skilled Resource Provision or a fully Managed Service, PDaaS can help client's maximise their project success and improve IT project delivery times; and
  - We offer the ability to have on boarded resources available based on the demand curve of a clients' portfolio.



# Overcoming any technology and competitor disruptions

- **HiTech** works at the forefront of specialist ICT services
  - The human element to this work is critical and irreplaceable
  - Human interaction and decision making will not disappear for critical ICT projects and assignments
  - “Automated platforms”, machine learning, AI or “e-Recruiters” focus on high volume/low margin transactional work or simplistic “matching”
  - Know Your Client rule – **HiTech** knows its client needs - built over relationships of 20+ years - and is best able to anticipate and respond to their needs
- **HiTech** has a valuable, underutilised candidate database ripe for monetisation via innovation and cross-selling opportunities
- **HiTech** is open to further advancing and complementing **HiBase** with predictive, machine learning and AI capabilities as the right partnership opportunities or technological advances emerge



# Contact information

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