

# **THORNEY OPPORTUNITIES LTD**

## **2016 Annual General Meeting**

Friday 25 November 2016,  
Arnold Bloch Leibler  
Level 21, 333 Collins Street, Melbourne

# **THORNEY OPPORTUNITIES LTD**

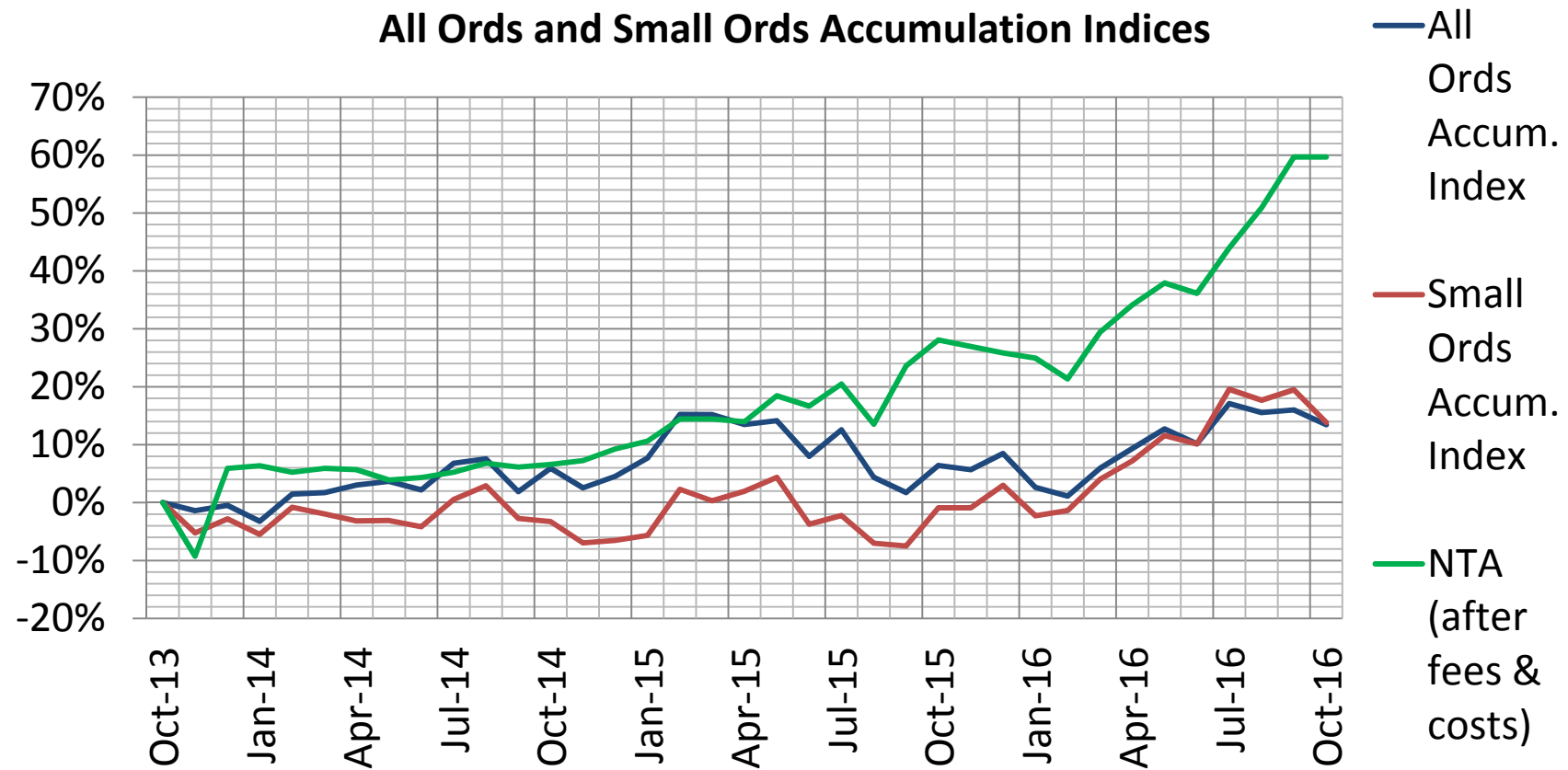
## 2016 Annual General Meeting

Chairman's address

# Chairman's address

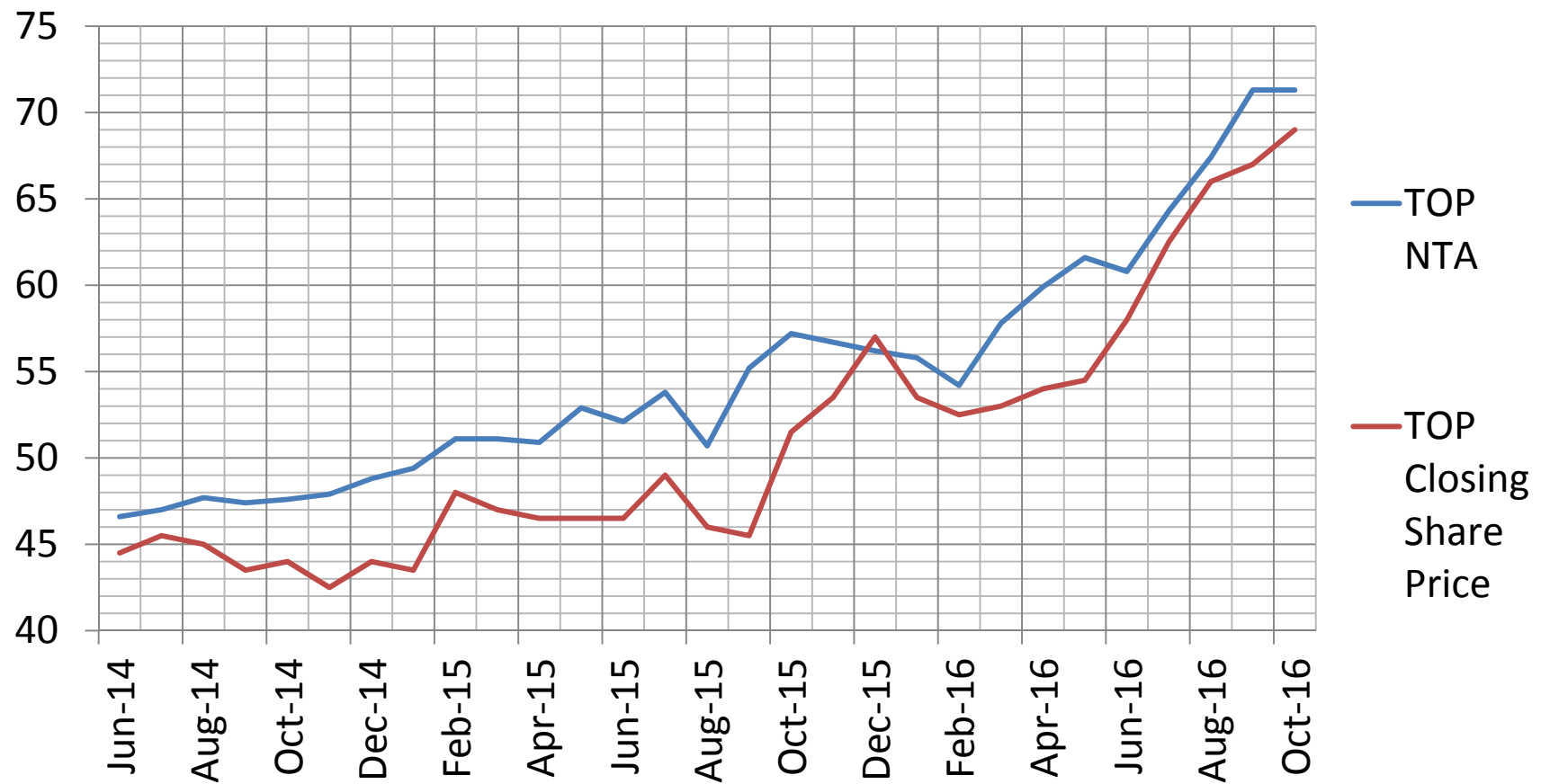
## 3 YEAR PERFORMANCE

TOP NTA (after fees and costs) v  
All Ords and Small Ords Accumulation Indices



# Chairman's address

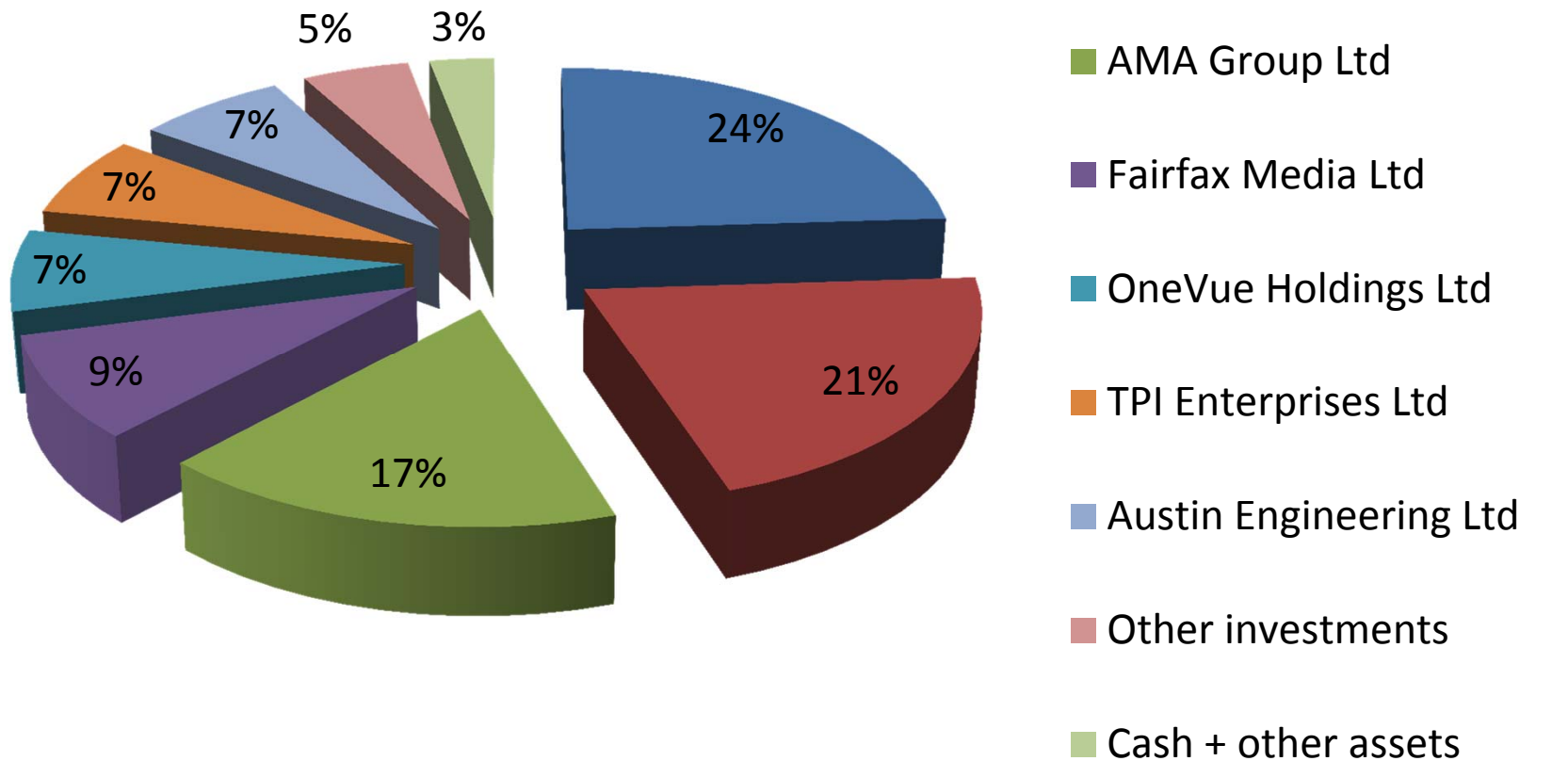
**TOP NTA v Share Price**



# Chairman's address

## TOP Assets Under Management

31 October 2016





# OneVue Holdings Limited

Thorney Opportunities Ltd Annual General Meeting

25 November 2016

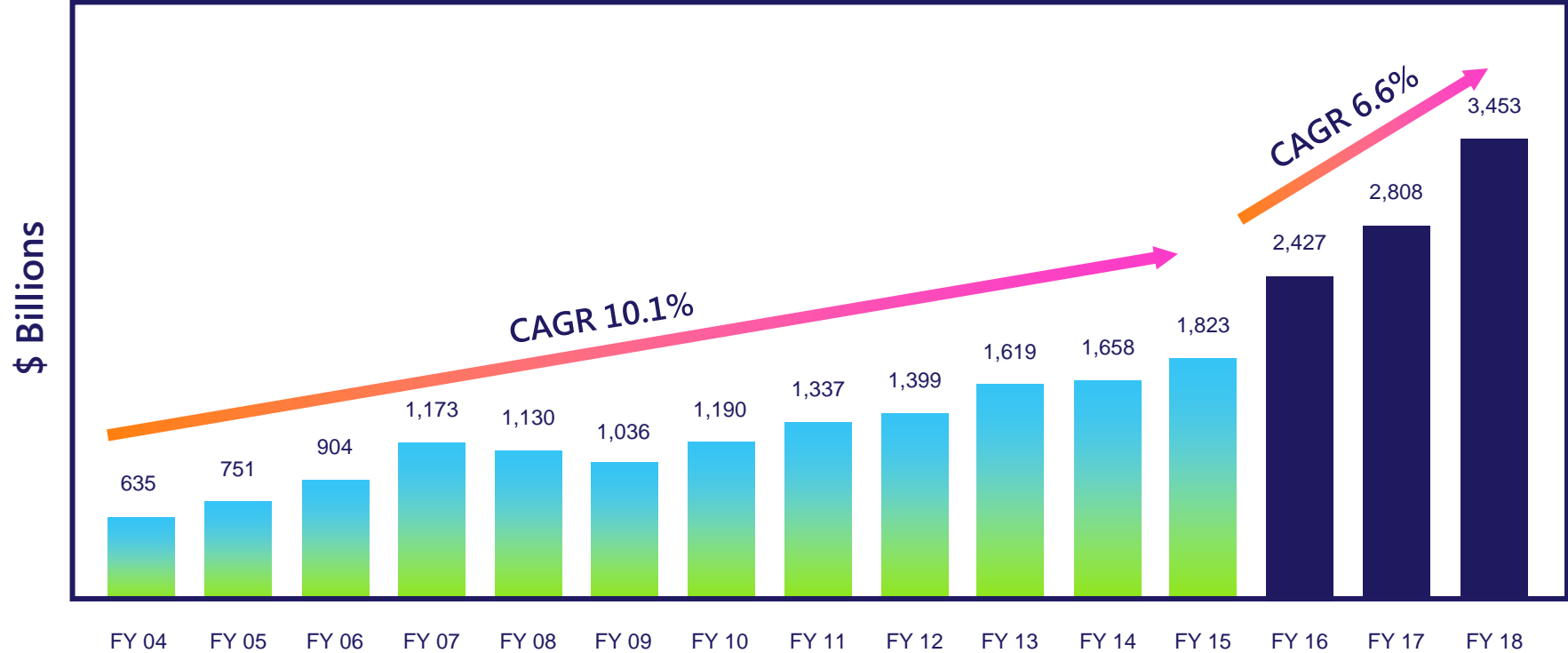
*All about you.*

# Our Vision

OneVue is a fintech company that partners to disrupt the superannuation value chain

# Superannuation sector growth

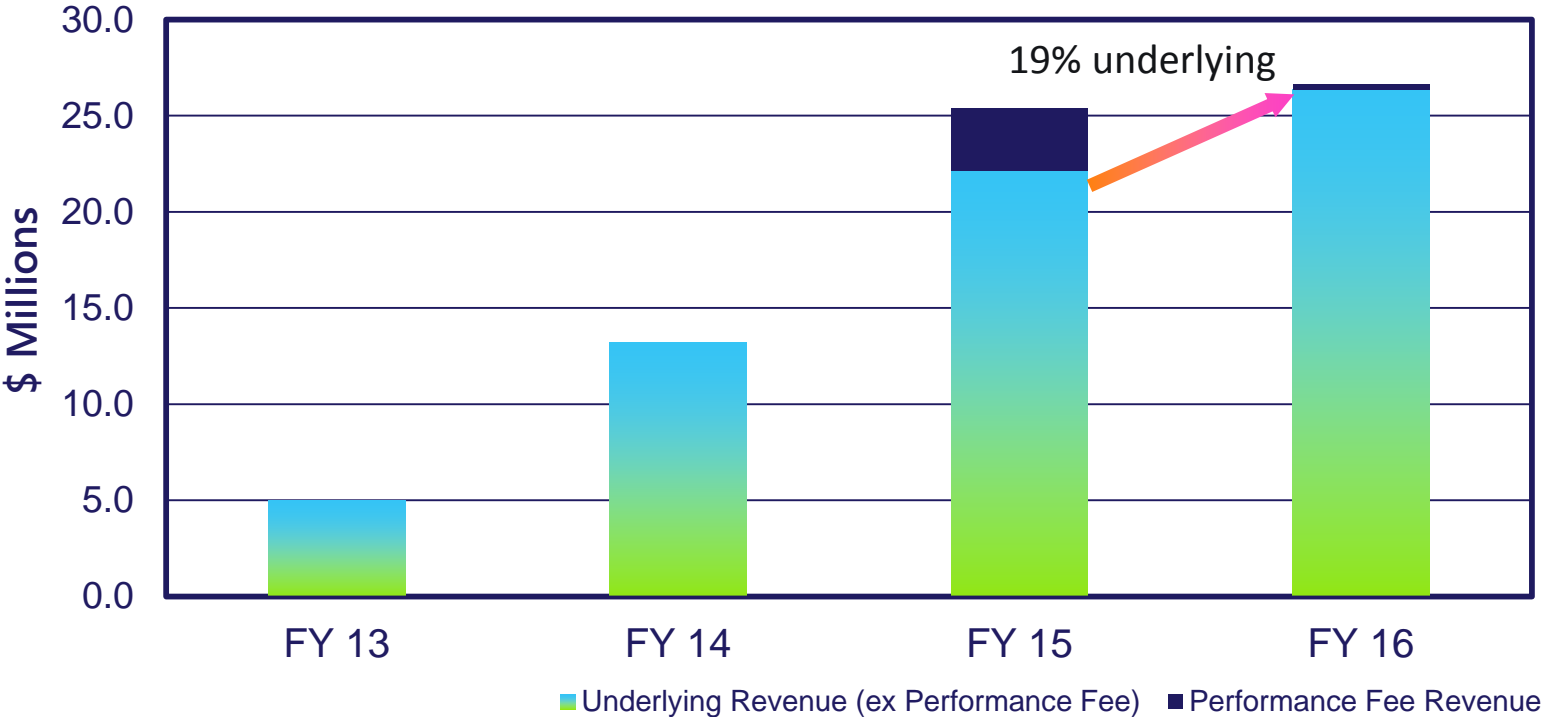
The Australian superannuation sector has a strong underlying growth trajectory





# OneVue revenue growth outstrips super sector

Revenue growth has been 77% CAGR from FY13 to FY16 and 19% over the last 12 months



# The OneVue business

OneVue is a fintech company that partners to disrupt the superannuation value chain

## Products and Services

- Superannuation Trustee Services
- Portfolio Construction Services

## Administration

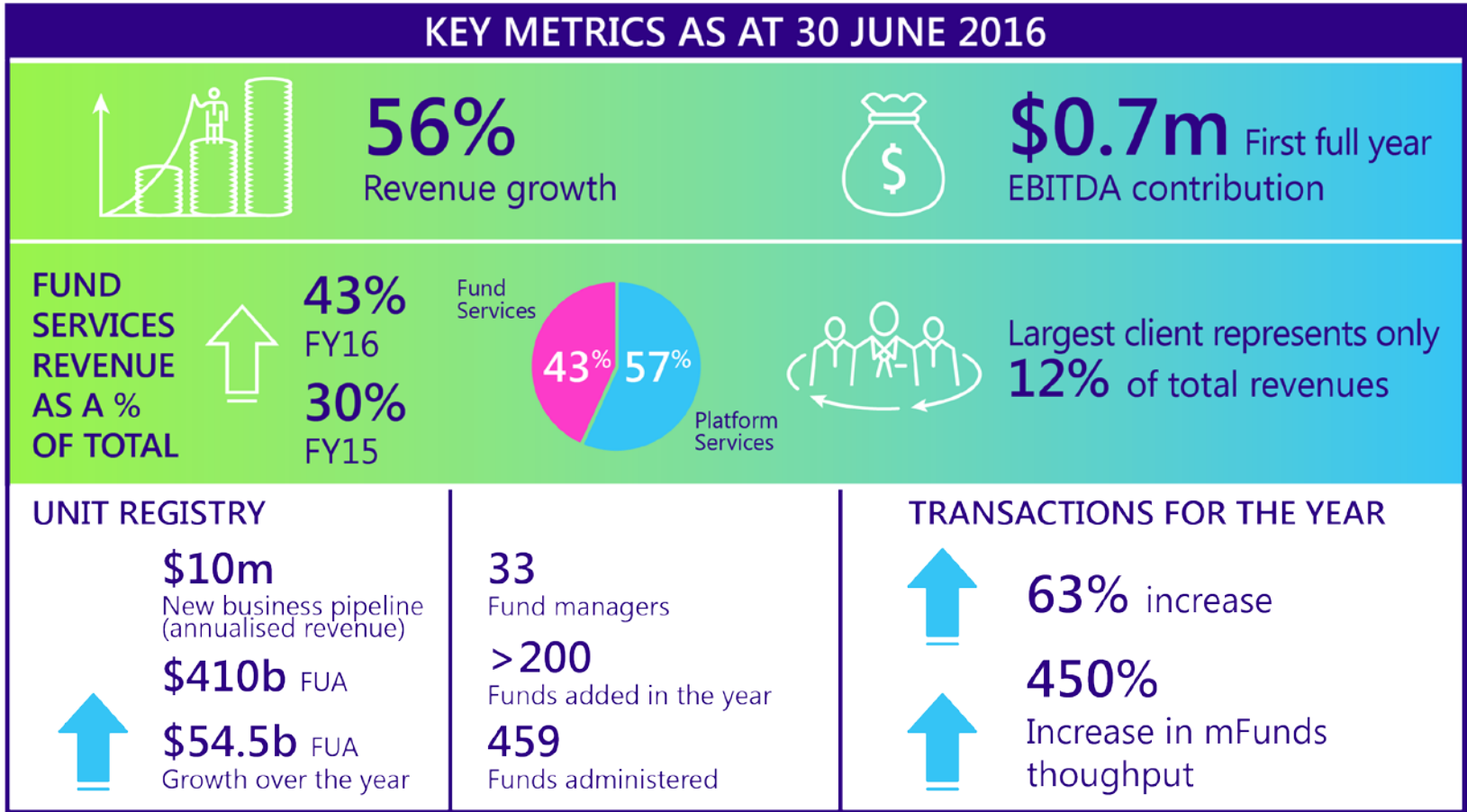
- Fund Services:
  - Unit registry services
  - Superannuation member administration
- Platform Services including managed accounts

OneVue's scale and technology enables OneVue and its partners to disrupt the market

# Administration - Fund Services Dashboard

Administration

A profitable business line with strong contracted growth

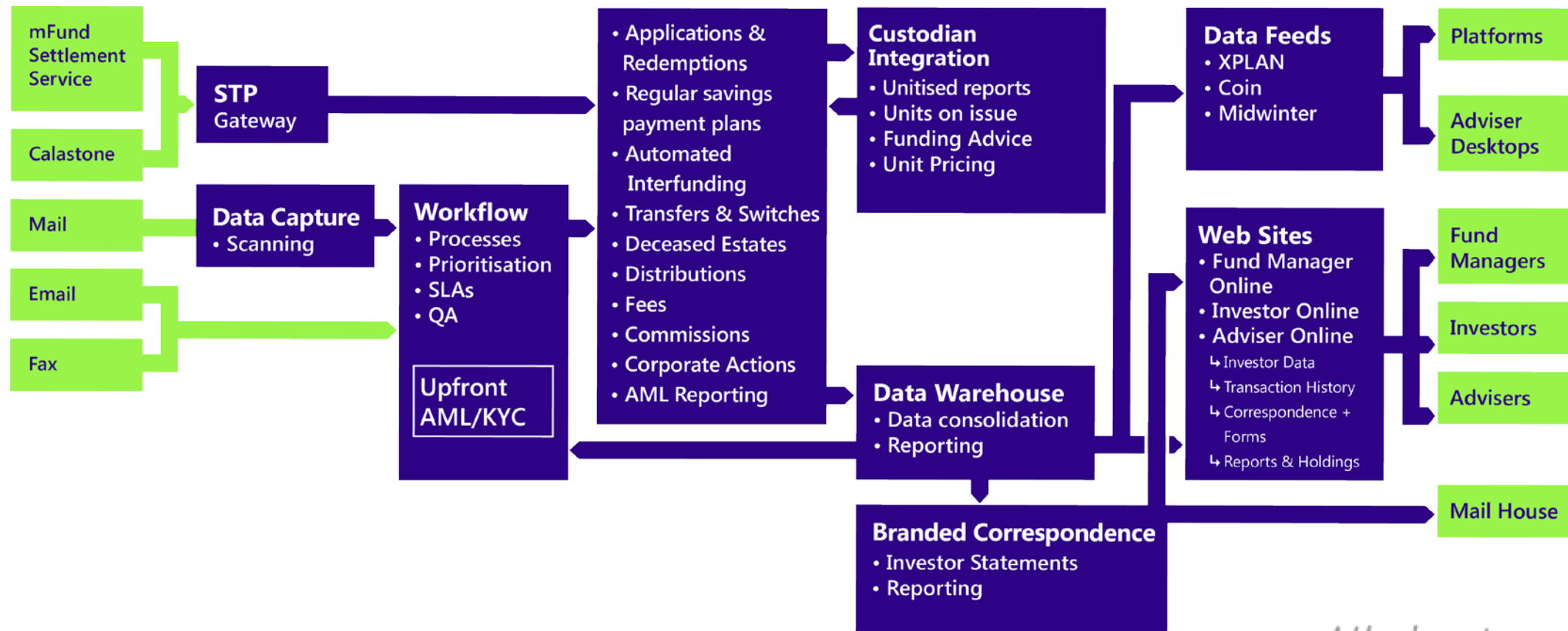


- Market leader in unit registry (#1)
- Scale delivers increasing margin
- NAB win to double number of fund managers
- OneVue Super Services delivering above expectation

# Administration – Fund Services Unit Registry

Administration

80% of transactions are currently automated.. #1 and poised to leverage our scale, fee for service pricing model and the quality and diversity of our client base to create a Fund Marketplace



# Administration - Platform Services Dashboard

Administration

Platform Services continues to deliver profits and increasing underlying EBITDA margin

## KEY METRICS AS AT 30 JUNE 2016



**\$1.5m**

Full year EBITDA contribution



**19%**

EBITDA underlying margin increased



**\$3.3b**

Retail FUA



**\$902m**

Gross inflows

**\$409m**

Net inflows



**11%**

Up on previous year



Launch of International SMA's and blended models  
**New Compass Funds**  
white label

Awarded for digital innovation

New contracts under negotiation

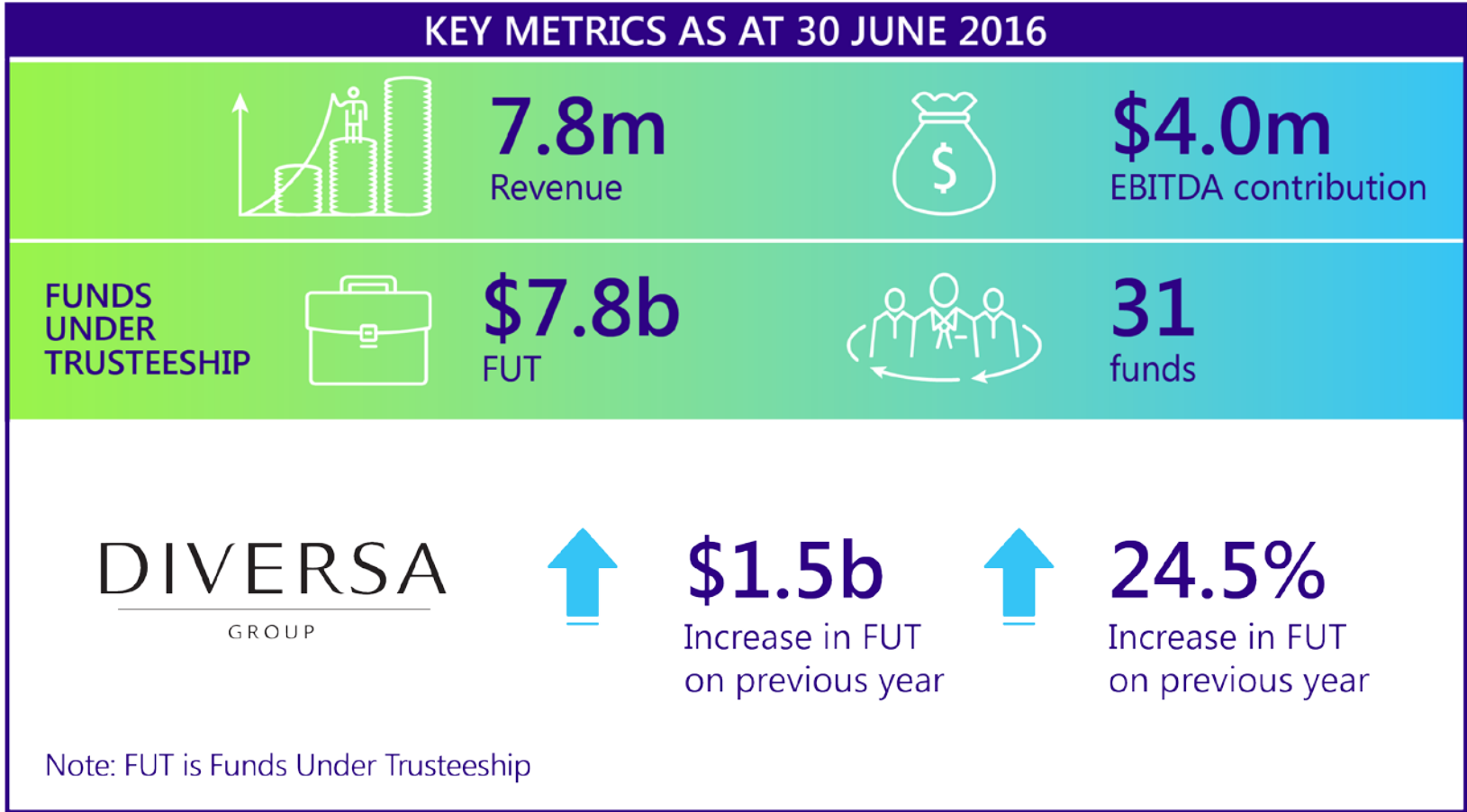
Leveraging proprietary technology to create innovative client solutions

In addition to dealer groups client pipeline now includes fund managers, institutions and retail brands

# Superannuation - Trustee Services Dashboard

Products and  
Services

Diversa trustee delivers strong financial result



- #1 superannuation trustee
- Leveraging OneVue’s digital capabilities to drive margins in Trustee Services
- Trustee of choice for managed accounts providers “when they grow we grow”
- Managed account sector forecast to grow at 35% CAGR to 2020\* could deliver ~75% of industry net flows.”

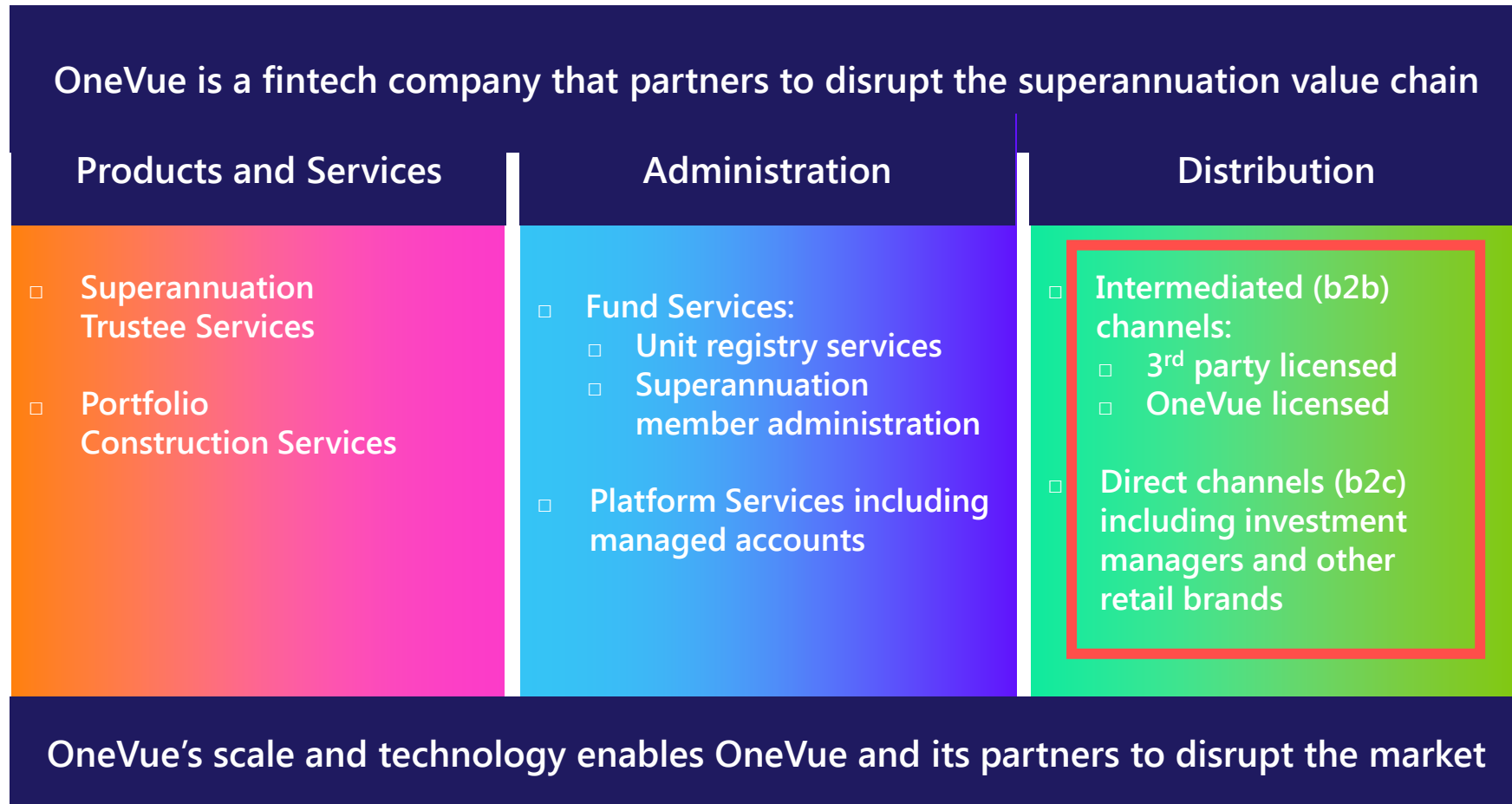
# FY17 Focus

# 3

*All about you.*



# OneVue business - Distribution is a logical extension



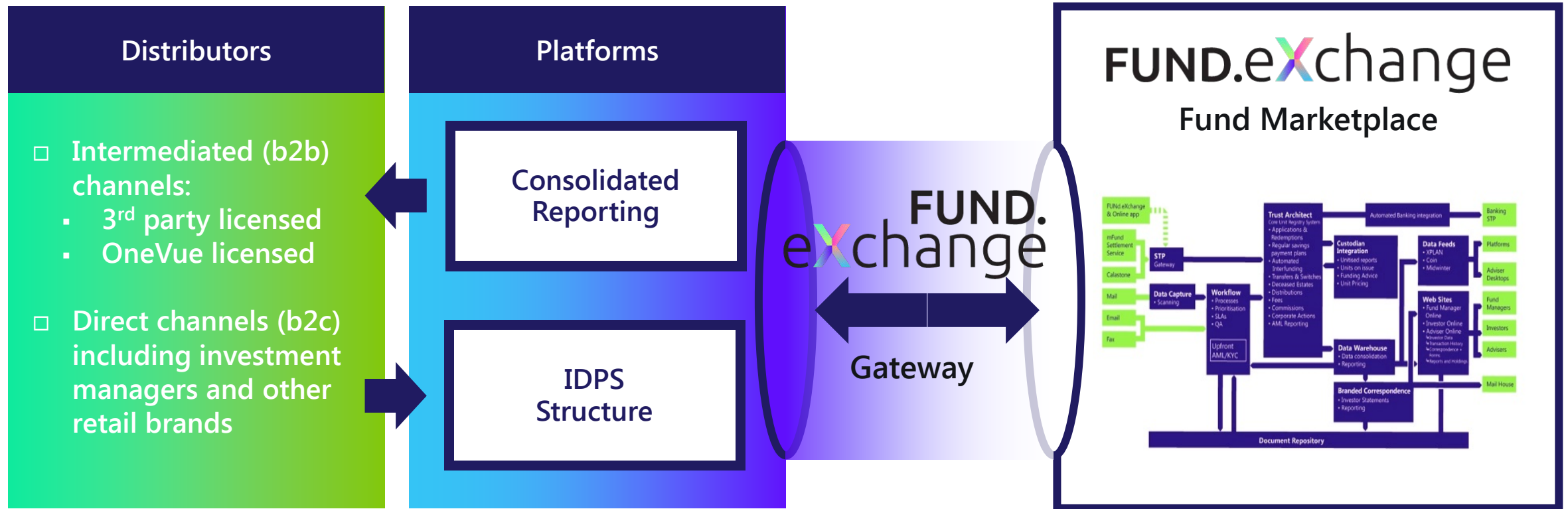


# What is the FUND.eXchange?



..... is a digital gateway that connects  
distributors to a more efficient fund marketplace

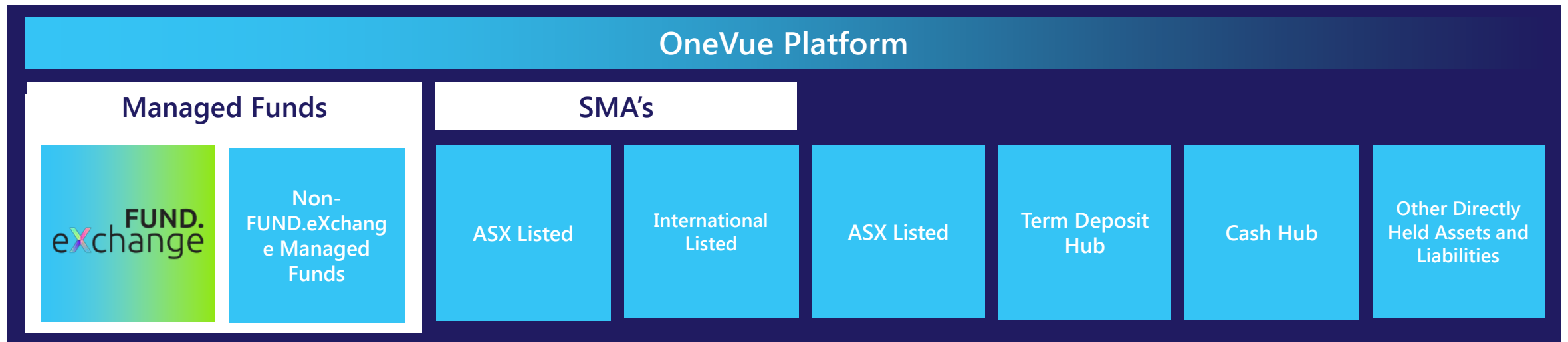
# How the FUND.eXchange works



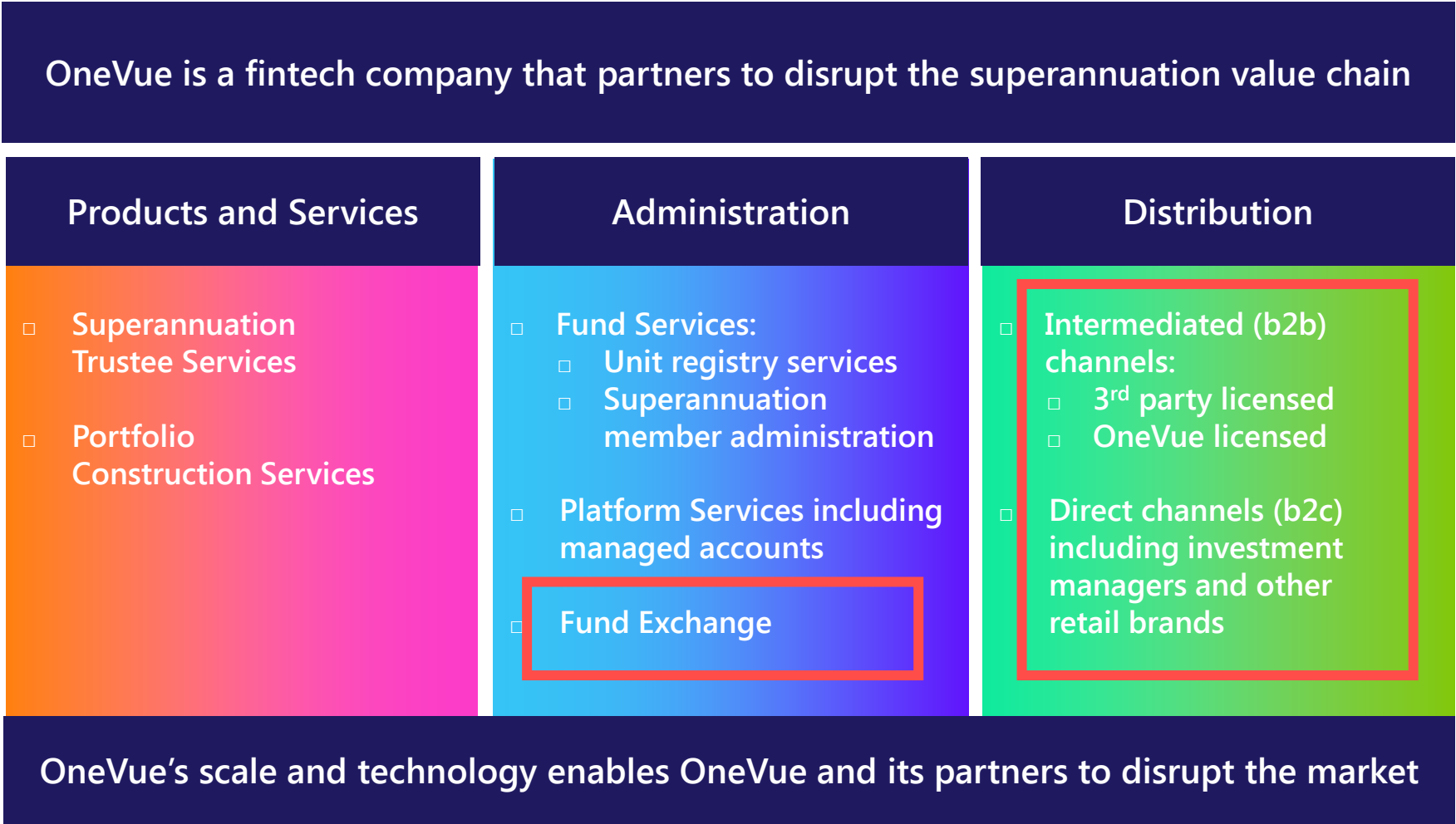
- OneVue's Platform will be the first to offer the benefits of the FUND.eXchange

# The FUND.eXchange on OneVue's Platform

The OneVue Platform offering is enhanced and becomes more competitive by including the Fund Exchange Funds



# OneVue business – FY17 and beyond



# Summary

A fintech company that partners to disrupt the superannuation value chain

- ❑ The superannuation industry continues to grow strongly. OneVue is growing well above industry average
- ❑ OneVue's two businesses: Fund Services and Platform Services performed well in FY16. Both are EBITDA positive on a standalone basis (before corporate costs) and have strong growth prospects in FY17
- ❑ OneVue will be EBITDA positive in FY17 at the Group level with a strong well funded balance sheet
- ❑ The acquisitions of Super Managers and Diversa have already made positive contributions
- ❑ New contracts will deliver significant organic revenue growth
- ❑ Fund.eXchange is an exciting initiative leveraging the Group's market leading unit registry business to create a more efficient Managed Fund marketplace



Thank you

*All about you.*



TPI Enterprises Ltd

Thorney Opportunities Ltd Presentation

25<sup>th</sup> November 2016





# Important Notice and Disclaimer (Important Notice)

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## **Financial data**

All dollar values are in Australian dollars (A\$) unless stated otherwise.

## **Past performance**

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## **Future performance**

The presentation includes forward-looking statements regarding future events and the future financial performance of TPI. Forward looking words such as “expect”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” or other similar expressions are intended to identify forward-looking statements. Any forward looking statements included in this document involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, TPI and its officers, employees, agents or associates. In particular, factors such as variable climatic conditions and regulatory decisions and processes may affect the future operating and financial performance of TPI. This may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. The Information also assumes the success of TPI’s business strategies. The success of the strategies is subject to uncertainties and contingencies beyond control, and no assurance can be given that the anticipated benefits from the strategies will be realised in the periods for which forecasts have been prepared or otherwise. Given these uncertainties, you are cautioned to not place undue reliance on any such forward looking statements. TPI is providing this information as of the date of this presentation and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.







# Investment proposition

*TPI offers one of the few opportunities globally to invest directly in the licit narcotics sector*

1.

Growing industry

2.

Manufacturing advantage

3.

Highly regulated / significant barriers to entry

4.

Established business, experienced Management team

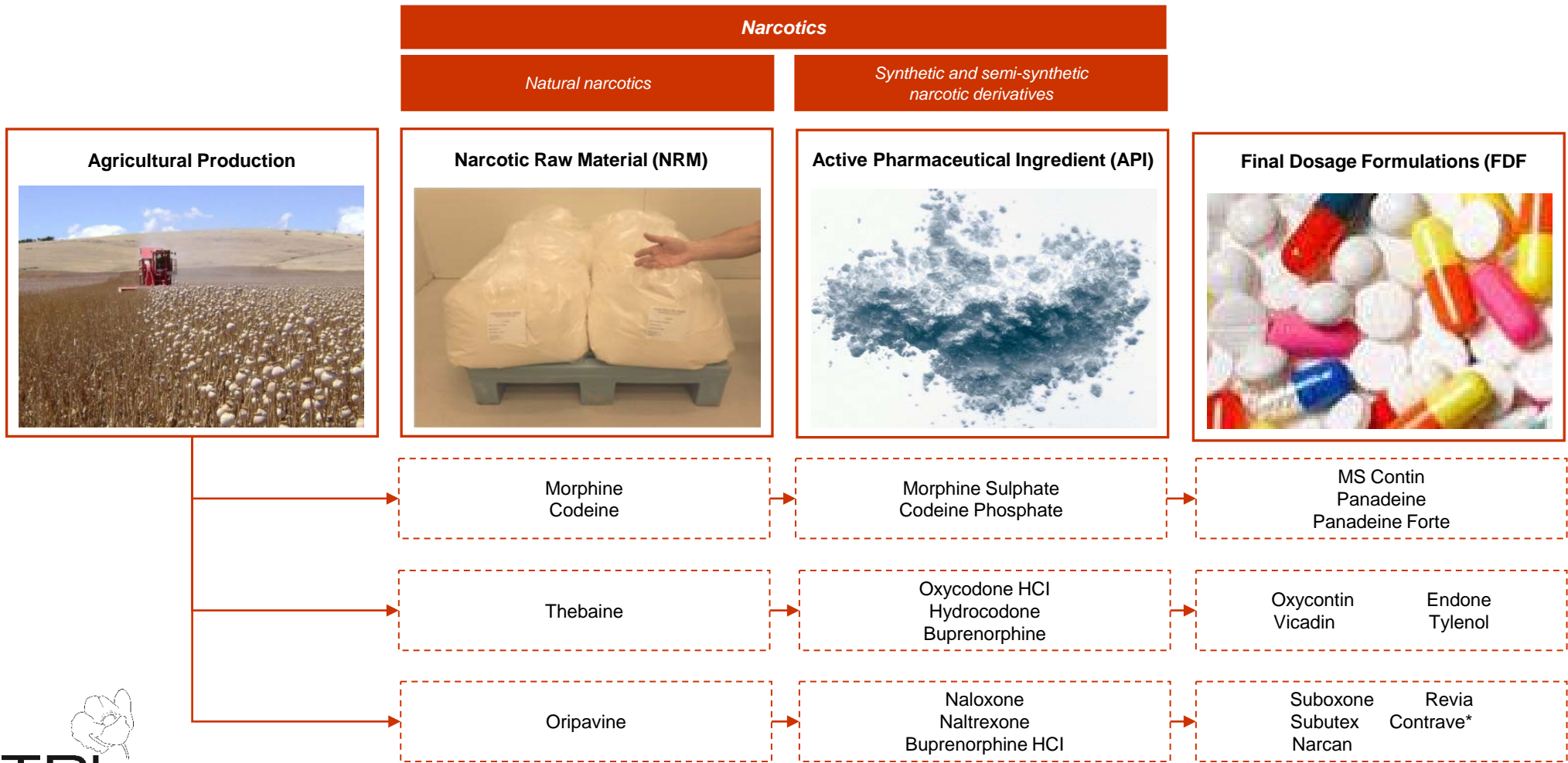
5.

Diversity of supply



# Industry overview

Unique pharmaceutical industry with agricultural product being the key input

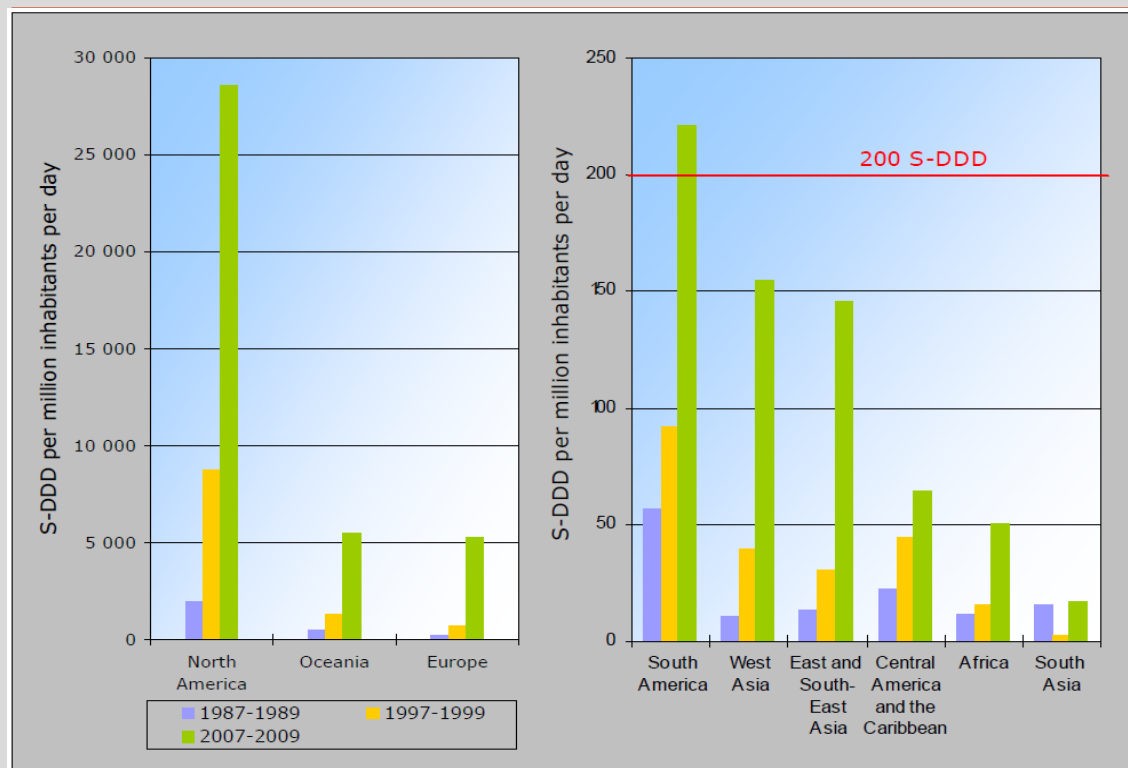




# Regional Consumption is Doubling Every Decade

*Upside demand in developing countries – 100-1,000x*

All regions: Average consumption of narcotic analgesics (87-89, 97-99, 07-09)



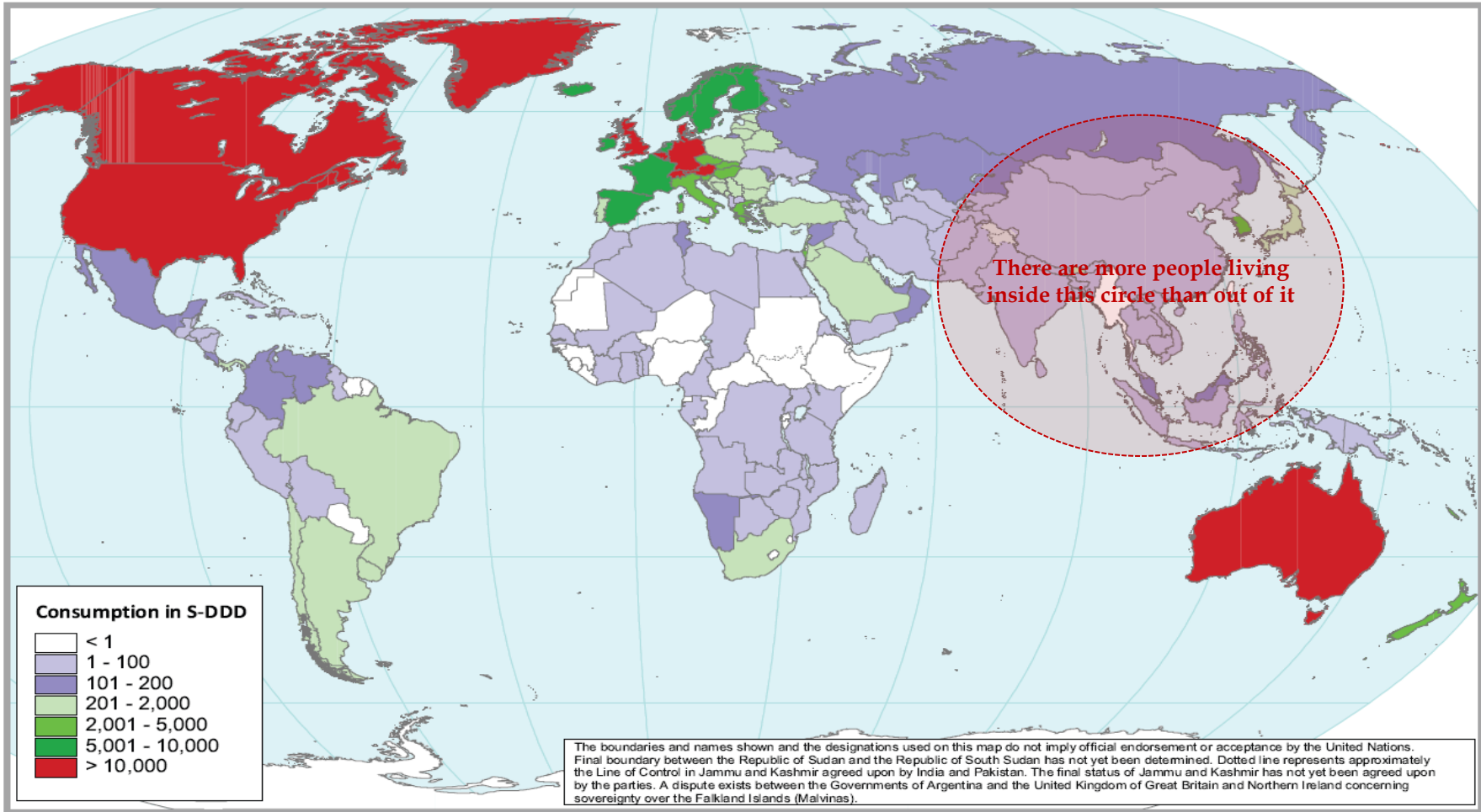
- Both WHO and INCB have drawn attention to a critical shortage of essential narcotic drugs
  - Six countries account for c.79% of global morphine consumption
  - Developing countries, which represent c.80% of the global population, account for only 6% of morphine consumption
  - WHO estimates 10 million cancer cases per year will occur in developing countries by 2015



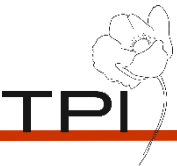


# Discrepancy in Global Availability

*5.5 Billion people (75%) have no or little access to pain relief*




\* Codeine, dextropropoxyphene, dihydrocodeine, fentanyl, hydromorphone, ketobemidone, morphine, oxycodone, pethidine, tilidine and trimeperidine.





# Retreat from Non-Narcotic Pain Management Alternatives

- A number of non-narcotic pain management drugs have been banned by the US Food and Drug Administration (FDA)
- Long-term use of Non-Steroidal Anti-Inflammatory Drugs (NSAIDs) has been associated with gastric erosion
  - Common NSAIDs include ibuprofen and naproxen
- Rofecoxib, an arthritis NSAID was withdrawn from market in 2004
  - Increased risk of heart attack and stroke
- Dextropropoxyphene, a consumer drug used to treat mild pain was removed from European and US markets in 2009
  - Affected 10 million users globally when withdrawn
  - Codeine most obvious replacement



**Report: Vioxx linked to thousands of deaths December 2004**

Merck & Co.'s arthritis drug Vioxx may have led to more than 27,000 heart attacks and sudden cardiac deaths before it was pulled from the market last week, the Wall Street Journal reported Wednesday, citing an unreleased study by government regulators.

**NEWS**

LOCATION: Melbourne, Vic [Change](#)

[Just In](#) [Australia](#) [World](#) [Business](#) [Sport](#) [Analysis & Opinion](#) [Fact Check](#) [Programs](#)

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### New heart attack warning labels for popular painkillers

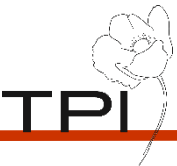
By [medical reporter Sophie Scott](#)  
Updated Wed at 11:15am

A range of popular painkillers will have to carry new warning labels saying they can increase the risk of heart attack and stroke.

The Therapeutic Goods Administration (TGA) reviewed the safety of anti-inflammatory drugs such as ibuprofen, naproxen and diclofenac as well as newer anti-inflammatory drugs known as Cox-2 inhibitors.

After considering submissions from health experts and the drug manufacturers, labels will be updated





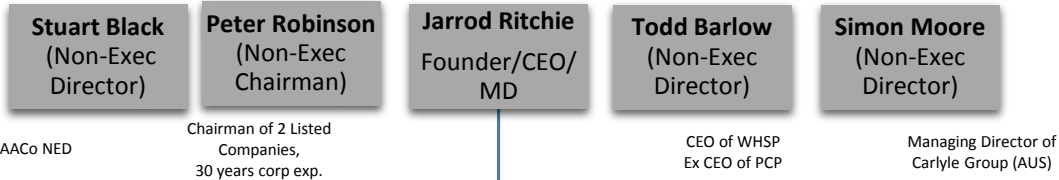
Source: National Broadcasting Commission, 2004  
Source: ABC News, 2015



# Experienced Board and Senior Management Team

*Over 100 years of cumulative narcotic industry experience*

## TPI Board



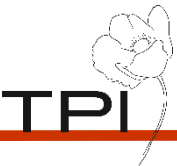
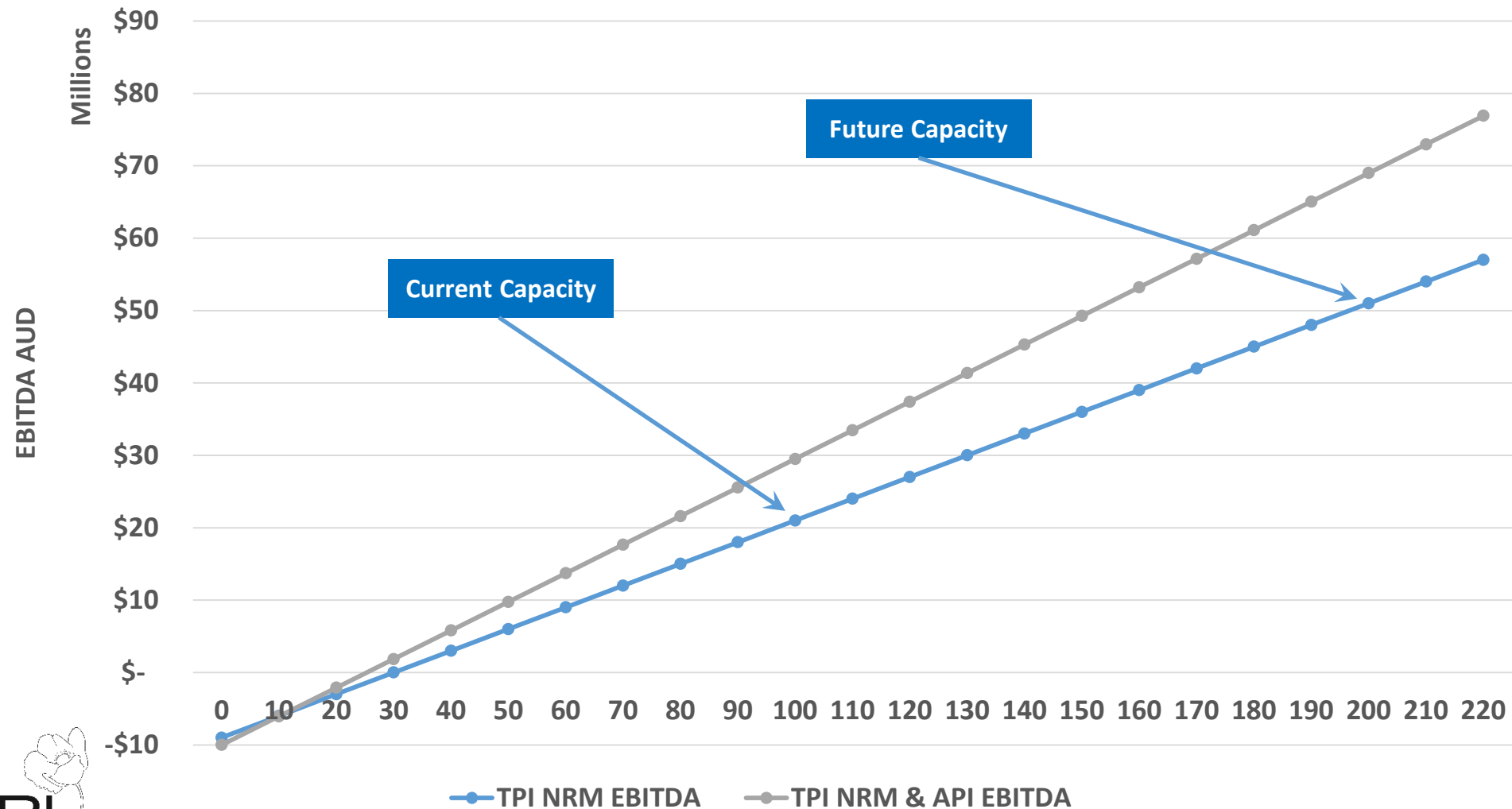
## TPI Executive team





# Our Business model

*\$10 million Capex will double earning capacity*







# TPI's Key IP Industrial Advantage

*c.33% FTE, c.20% capital cost, no toxic solvents*

## TPI Technology

- \$20 million Capital Investment (100 tonne facility)
- 1/3 of the FTE of competitors with similar capacity
- 8 Ha site
- Modular expansion capability
- No toxic solvents
- No wastewater treatment



## Competitors Technology

- \$100-150 million Capital Investment (100 tonne facility)
- 10 Ha site
- Toxic solvents
- Wastewater treatment required
- Old technology
- 3 year construction and approval timeline

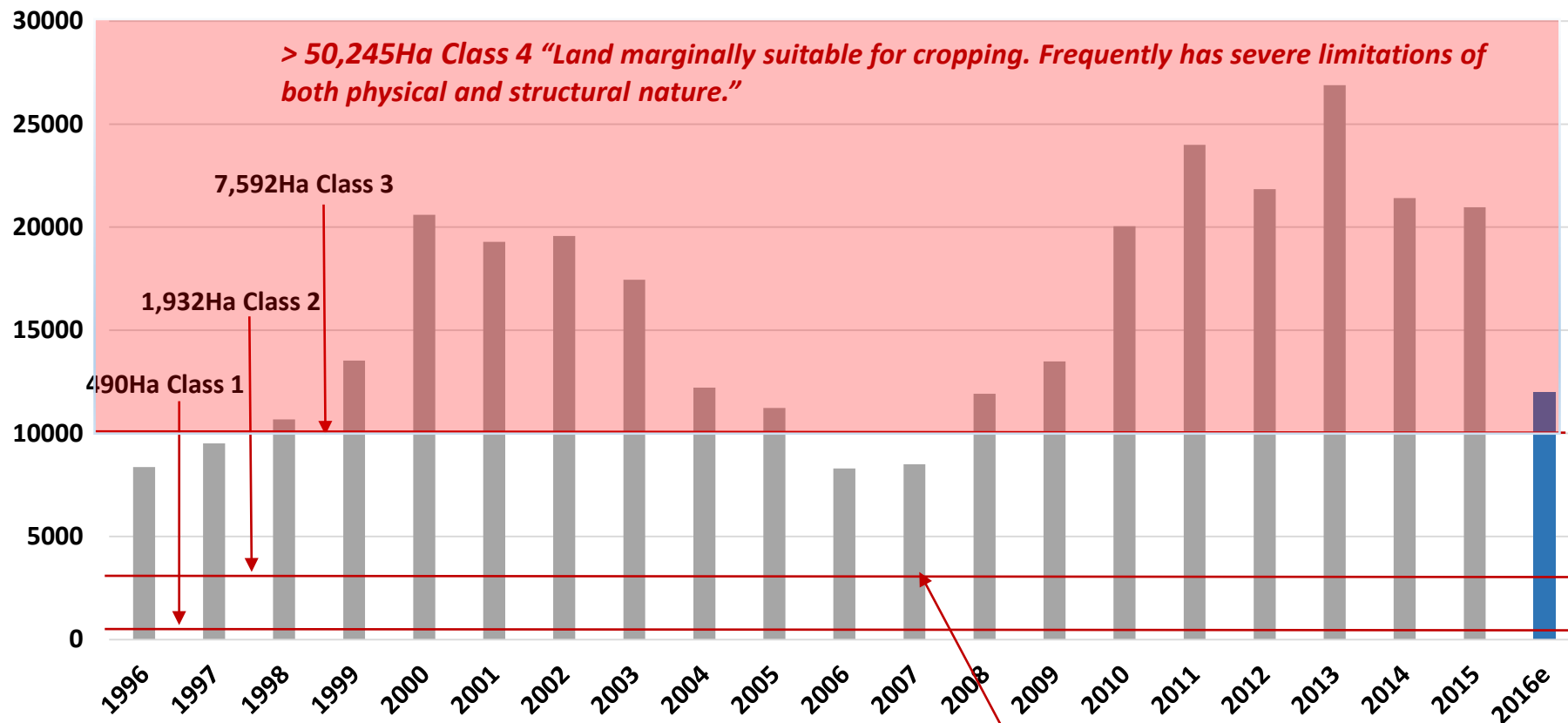






# Forced to grow in Class 4 “Marginal Land”

*On track to obtain greatest Harvested area this year*



Source: INCB Report's 2001-2015  
Source: <http://www.abc.net.au/site-archive/rural/tas/content/2006/s1618302.htm>

TPI receives commercial licence



# Raw Material Supply

*Tasmanian monopoly has held industry and TPI back*

Friday, March 4, 2011

News

Anger

Flop goes poppy season

KAROLIN MacGREGOR


TASMANIA'S poppy industry is battling through one of its worst harvest seasons as constant wet weather takes its toll.  
Unseasonable summer weather, including heavy rain and strong winds, has caused extensive crop damage around the state, particularly in the North-West.  
Poppy companies are trying to get crops off as quickly as the weather conditions allow, but this year's harvest is proving extremely difficult. Crop quality is also being affected because the rain leaches out valuable alkaloid.  
Tasmanian Alkaloids field

POPPY CRISIS

By LIBBY BINGHAM

Oct. 3, 2013, 10:30 p.m. The Advocate

POPPY CRISIS



WEATHER WORRY: Poppy Growers Tasmania president and North Motton farmer Glynn Williams looks at the soggy soil that is waiting for a poppy crop to be planted. Picture: Stuart Wilson.

WEATHER WORRY: Poppy Growers Tasmania president and North Motton farmer Glynn Williams looks at the soggy soil that is waiting for a poppy crop to be planted. Picture: Stuart Wilson.

THE Tasmanian poppy industry is within 12 days of facing its biggest crisis since inception.

A systemic mildew that's causing entire paddock losses in poppy crops across Tasmania has sparked an industry-wide response.

ABC Rural By Alex Blucher

Print Email Facebook Tweet 12 More 21

Updated 7 Nov 2014, 12:24pm

A fungal disease, a systemic form of downy mildew, is causing entire paddock losses in poppy growing regions across Tasmania.

Downy mildew stunts plant growth, yellows the leaves and has spores that can travel hundreds of kilometres in the air.

Poppy Growers Tasmania president Glynn Williams says that while mildew has been in Tasmania for over a decade, it's behaving differently this season.

"It seems to be popping up in places where it might not be expected to be."

The presence of the disease has sparked a co-ordinated, industry-wide response.

The Tasmanian Department of Primary Industries, companies Tasmanian Alkaloids, GlaxoSmithKline, TPI Enterprises, the Tasmanian Institute of Agriculture, and Poppy Growers Tasmania met in




PHOTO: Damage to poppy crops from systemic mildew is becoming more widespread in Tasmania (Supplied)

MAP: Burnie 7320

00:00 00:00

AUDIO: Mildew wiping out poppy crops in Tasmania sparks co-ordinated industry-wide rapid response (ABC Rural)





# Raw Material Supply-The Game Changer

Victoria, Northern Territory, New South Wales, South Australia and Portugal



aicep Portugal Global

REGISTADA c/ A.R.

Exmo. Senhor  
Mr. Jarrod David Ritchie  
Diretor Geral  
TPI Enterprises  
Av. da Liberdade, 224, Edifício  
Eurolex  
1250-148 Lisboa

Ref.: 2014 / ENVIXAMBUNVI

**Assunto:** Memorando de Entendimento celebrado entre a AICEP e a TPI Enterprises.

Junto se envia a V.Exª os dois originais do Memorando de Entendimento em epígrafe, já assinados e rubricados pela AICEP, para efeitos de assinatura e rubrica por parte dos representantes legais da TPI Enterprises e respetivo reconhecimento notarial na qualidade e com poderes para o ato.

Com os melhores cumprimentos,



José Vital Morgado  
Administrador Executivo

geDOC: AICEP-S-07/04/2014-07623



**WILLEM WESTRA VAN HOLTHE** MLA | Member for KATHERINE  
MINISTER FOR PRIMARY INDUSTRY AND FISHERIES

**POPPY LEGISLATION PASSED**

15 May 2014

Legislation has been passed in the Northern Territory Parliament today for the establishment of a regulated opium poppy industry in the NT under a strict licensing regime and processing of opium poppies in the NT.

Minister for Primary Industry and Fisheries Willem Westra van Holthe said the legislation would allow for the establishment of a potential \$30 million industry in the NT.

"This industry will ultimately be able to supply the international pharmaceutical industry with a key ingredient in pain-relief medicines that include morphine, papaverine and noscapine," Mr Westra van Holthe said.

## Poppy output blossoms as new state joins in

- by: RICK WALLACE
- From: [The Australian](#) 22<sup>nd</sup> March 2014



Farmer Mike Badcock, in his poppy crop in northwest Tasmania, says the state has plenty of extra capacity but Victorian competition is healthy. Picture: Chris Kidd Source: TheAustralian

AUSTRALIA is poised to dominate the global poppy supply with Victoria joining Tasmania as one of the few jurisdictions in the world licensed to grow the crop for pain relief medication production.

New laws passed last week will help create a \$100 million a year industry in Victoria, tapping into booming demand for painkillers in Asia, according to the state government.

HOME » PRIMARY INDUSTRIES » OPIUM POPPY PRODUCTION IN SOUTH AUSTRALIA

## OPIUM POPPY PRODUCTION IN SOUTH AUSTRALIA

South Australia now has a regulated opium poppy industry following the introduction of regulatory framework, which comes into effect on 16 September 2016.

The South Australian Government has now proclaimed the *Controlled Substances (Poppy Cultivation) Amendment Bill 2015* and the making of the *Controlled Substances (Poppy Cultivation) Regulations 2016*.

This regulatory framework allows for the lawful growing and processing of opium poppies to occur in the state and complies with Australia's international obligations under the *Narcotic Drugs Act 1967* to control the growing of opium plants and ensure effective controls are in place to protect the community and industry.

ABC Rural

Home | Horticulture | Livestock | Fibre | Grains | Mining

Breaking news Dozens of people injured

### First commercial poppies to be planted

ABC Rural | By Kim Honan

Print Email Facebook Twitter More

Posted 31 Oct 2016, 12:31pm

**The first commercial alkaloid poppy crop in New South Wales could be planted as early as April 2017.**

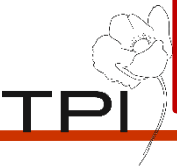
The NSW Parliament gave the go ahead in August to extend production in its states by passing the Poppy Industry Bill 2016.

But the cost and number of licences to be issued by the State Government is yet to be determined.

The NSW Department of Primary Industries chief scientist Dr Philip Wright said the industry would be tightly regulated to strict state, national and international laws.



**PHOTO:** The first commercial poppy crop in New South Wales could be planted as early as April 2017. (ABC Rural: Rosemary Grant)





# Importation of Straw from Turkey, Hungary & Portugal

## BICON listing

### Key Facts

1. TPI has applied to import poppy straw from Turkey, Hungary & Portugal
2. TPI received its licence to import the straw from the federal government on 22<sup>nd</sup> October 2016
3. TPI is awaiting the issuance of Final Biosecurity Import Conditions, from Biosecurity in Canberra
4. Public consultation closed on 30<sup>th</sup> of April 2016
5. Once approved, TPI will then only need to reapply for import permits from the Dept. Health for future shipments of poppy straw



Australian Government  
Department of Agriculture  
and Water Resources

31 March 2016

### Biosecurity Advice 2016/08

#### Proposed conditions for the import of poppy straw and pellets from Turkey, Hungary and Portugal for processing

This is a Biosecurity Advice to notify stakeholders that the proposed conditions for the import of poppy (*Papaver somniferum*) straw and pellets for processing in Australia from Turkey, Hungary and Portugal have been developed. These conditions are being issued for 30 days consultation. Written comments and submissions are invited by 30 April 2016.

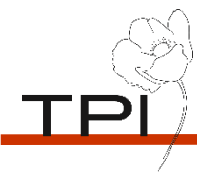


#### UPDATE ON RAW MATERIAL SUPPLIES AND SIGNING OF 3 YEAR SUPPLY CONTRACT FROM EUROPEAN SOURCE

(ASX:TPE)

Secure raw material supplies are critical to TPI's success and the following provides an update on TPI's agricultural supply chain.

Recent inspections of Victorian crops have been positive. The 2015 crops have benefitted from being







# Supply agreements

## *Two primary supply contracts secured*

TPI ENTERPRISES LTD  
www.tpienterprises.com

### **TPI ENTERPRISES LTD. (TPE) – SECURES ANOTHER 5 YEAR SUPPLY CONTRACT**

**(ASX : TPE)**

**Melbourne, Australia, 02 August 2016.**

TPE is pleased to announce the signing of a 5 year supply contract. This contract is in addition to the contract signing announced previously.

The contract value is in excess of \$30 million and makes TPE the primary supplier of narcotic raw material to a large global pharmaceutical company. The contract was completed after a successful audit of TPE's facility early this year and provision of a sample which met the required quality specification.

TPE continues to expand its customer base with the stated aim of reaching 100 tonnes per annum of narcotic raw material by 2019.

TPI ENTERPRISES LTD  
www.tpienterprises.com



11 November 2015

### **TPI Enterprises Ltd completes commissioning and starts production with a strong order book**

**(ASX:TPE)**

TPI Enterprises Ltd (TPE) is pleased to announce that it has completed commissioning of its Victorian manufacturing site. The site is now producing saleable product which will be shipped in coming weeks. The results of the commissioning have been very pleasing with expected efficiencies being exceeded. The realisation of these gains is associated with increased automation, access to natural gas and more reliable and cost effective services.

TPE is pleased to also announce it has signed a 3 year supply agreement with a cornerstone European customer which will provide significant support for the new facility. TPE is confident its expanding customer base will continue as the industry reaches supply capacity.



# Access to the UK CPO market

## *TPI and Sterling Pharma Solutions announce an exclusive toll processing agreement*

<b>Suggested Earning impact</b>	<b>NRM</b>	<b>Codeine</b>
Revenue per kilo of product	US\$ 380	450
Revenue in AUD	\$ 520	615
Explant cost of NRM	A\$ 325	260
Codeine toll processing cost/kg	A\$ -	65
COG's	A\$ 325	325
Gross profit contribution per kilo	A\$ 195	290
Gross Margin	38%	47%
Gross Profit from 6000kg of NRM	1,170,000	1,740,000

TPI ENTERPRISES LTD  
www.tpienterprises.com



### **TPI AND STERLING TO BRING INCREASED COMPETITION IN THE UK CODEINE MARKET**

Statement by TPI Enterprises Ltd. (TPE) CEO, Jarrod Ritchie  
(ASX : TPE)

Melbourne, Australia, 17 November 2016

TPI Enterprises Ltd (TPE) and Sterling Pharma Solutions Ltd (SPSL) of the UK are pleased to announce they have entered into an exclusive toll processing agreement to manufacture and sell Codeine Phosphate (CPO) in the UK market.

The UK market for CPO is one of the largest in the world, valued at around AUD 40 million per annum.

The agreement between TPE and SPSL allows TPE to participate in the UK market providing it access to a new, significant and from a regulatory basis, previously inaccessible customer base.

The key input for CPO production is the narcotic raw material made by TPE at its site in Victoria. This agreement provides TPE with the means to leverage its unique low cost production advantage to expand its market share in a country that has traditionally high product demand, but very limited supply options.

SPSL will manufacture the CPO at its Dudley Site near Newcastle.

"We are delighted to be the partner of choice to support TPE during this exciting period of growth", Sterling Pharma CEO, Kevin Cook.

Jarrod Ritchie, TPI Enterprises CEO, "A combination of Sterling's API production capability with TPE's low cost raw material supply will greatly enhance customers' options in the UK Market".

This is the first step in TPE's plan to expand its presence in the UK Market.





# Investing in Technology – Harvesting Technology

*Higher assay = Increased return to farmers and manufacturing capacity*

## Key benefits

1. Increased factory capacity.
2. Reduced freight cost.
3. Less crop remaining in paddock
  1. Higher returns to farmers.
4. Earlier harvesting potential.
5. De-weeding of harvested crop.

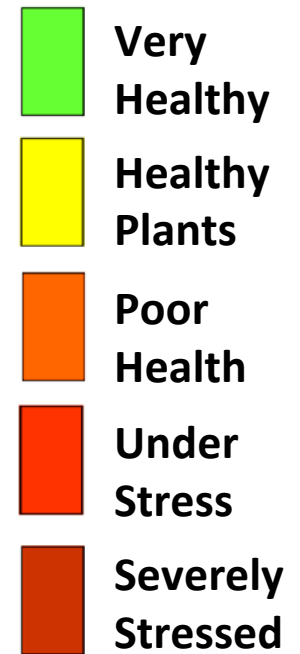
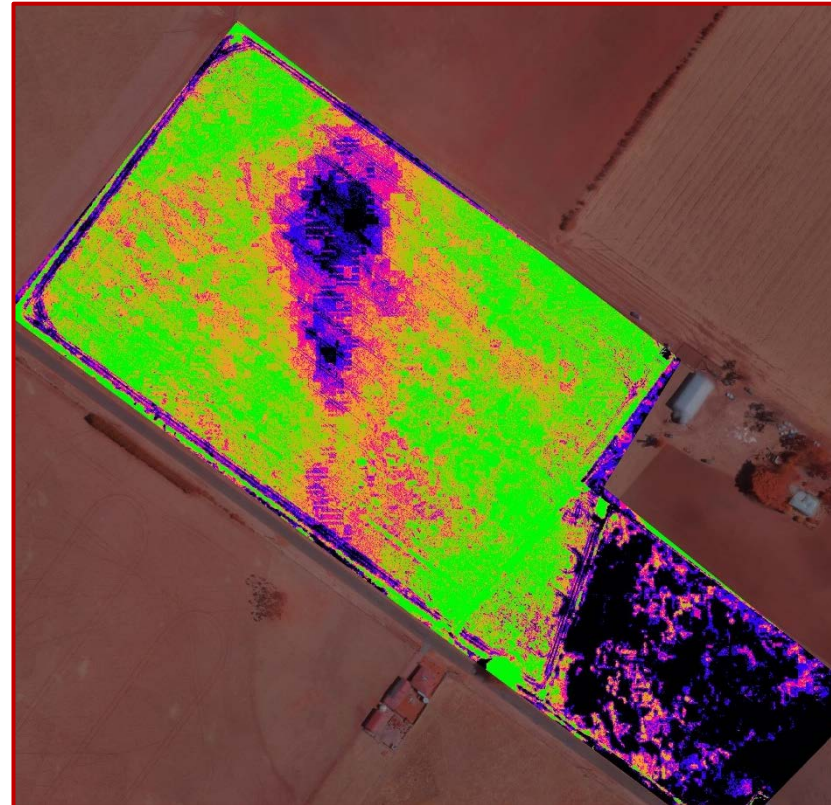






# Investing in Technology - Drones

*Greater farmer information and better communication*







# TPI 2016 Half Year Results

## Key Points

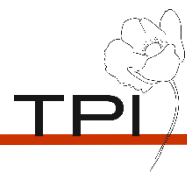
### Total revenue of \$1.9 million for first half of 2016

- Seed and NRM sales of \$1.4 million
- Grant monies of \$0.25 million.

### Total loss of \$7.2 million

- Underlying operational loss of \$6 million.
- Legal and listing expenses were \$494k lower than the first half of 2015
- Travel expenses were 50% lower than the first half of 2015
- Finance expenses have increased due to WHSP debt facility for working capital requirements

	Consolidated 2016 \$m	Consolidated 2015 \$m
<b>Revenue</b>		
Sale of goods	1.48	1.07
Other income	0.42	0.24
	<b>1.91</b>	<b>1.31</b>
<b>Expenses</b>		
Production expenses	(0.20)	(0.49)
Changes in inventory of finished goods	(0.89)	0.11
Impairment of inventory to net realisable value	0	(0.69)
Impairment of other assets	0	(0.27)
Agricultural area trialling costs	0	-
Employee benefits expenses	(3.05)	(3.29)
Depreciation and amortisation expense	(1.45)	(1.65)
Legal and listing expenses	(0.14)	(0.63)
Travel expenses	(0.34)	(0.66)
Relocation expenses	0	(0.19)
Occupancy expenses	(0.64)	(0.62)
Other expenses	(1.23)	(0.93)
	<b>(7.93)</b>	<b>(9.30)</b>
<b>Loss from operating activities</b>	<b>(6.03)</b>	<b>(7.99)</b>
Finance income	0.02	0.11
Finance expenses	(1.26)	(716)
Net finance expenses	<b>(1.25)</b>	<b>(607)</b>
<b>Loss before tax</b>	<b>(7.27)</b>	<b>(8.60)</b>





# Investment Case

*TPI offers one of the few opportunities globally to invest directly in the licit narcotics sector*

1.

TPI has achieved a great deal. Developing new tech and introducing legislation

2.

\$120 million developing disruptive technology which is enormously competitive

3.

Agriculture has been a major weakness but will be one of our major strengths

4.

Relatively low capex to fulfil rapid growth in earnings

5.

TPI's projections focussing on established markets and products. Significant upside potential

# Service Stream Limited

Presentation to Thorney Opportunities Ltd

Annual General Meeting

Leigh Mackender  
Managing Director

25 November 2016



# Agenda

- 1 Company Overview
- 2 FY16 Group Performance Highlights
- 3 Group Strategy & Outlook



# Company Overview



# Company Profile

Service Stream Limited (ASX: SSM) is a S&P/ASX 300 company providing **design, construction, installation** and **maintenance** services across essential infrastructure networks within the Telecommunication and Utility sectors

People	Revenue	NPAT	Earnings per share	Dividends per share	Market capitalisation
1,800 Staff & 3,000 Contractors	\$438.9m	\$20.0m	5.20c	2.5c	\$440m *

(As at 30 Jun 2016)

\* (As at 30 Sep 2016)

## Fixed-line Telecommunications



## Utility & Energy Services

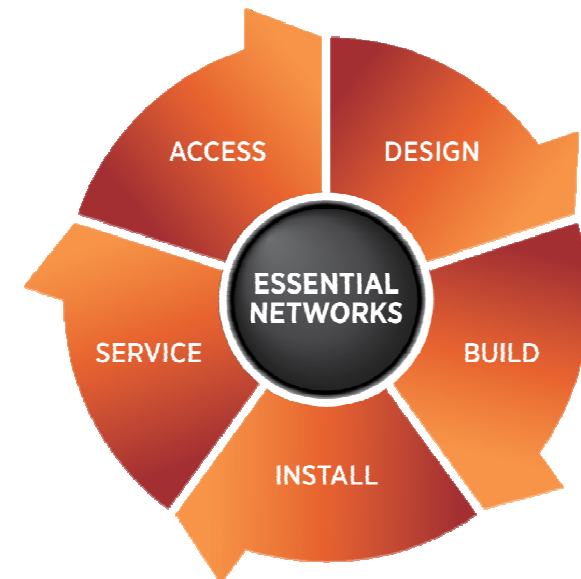


## Mobile Telecommunications



# Reporting Segments

Through our three operating divisions; **Fixed Communications**, **Energy & Water** and **Mobile Communications**, we work with clients across the telecommunication and utility sectors to provide specialist services associated with the **design, construction, installation** and ongoing **maintenance** of their essential networks



# Fixed Communications

## Cable network specialists

Service Stream's **Fixed Communications** division provides; design, construction, upgrade and maintenance services across Australia's fibre-optic, broadband, HFC and copper communication networks.

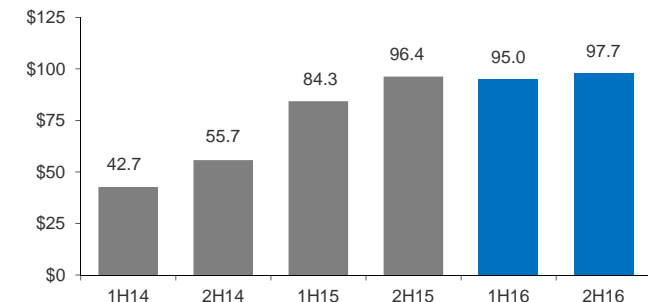
### Our services include:

- ▶ Fibre-optic installation, splicing, termination, activation and commissioning
- ▶ Copper cable installation, termination, activation, commissioning and maintenance
- ▶ Coaxial / aerial cable installation, activation and commissioning
- ▶ Network design, construction, augmentation and remediation
- ▶ End-to-end fault diagnosis, operations and maintenance
- ▶ Civil infrastructure construction and remediation works

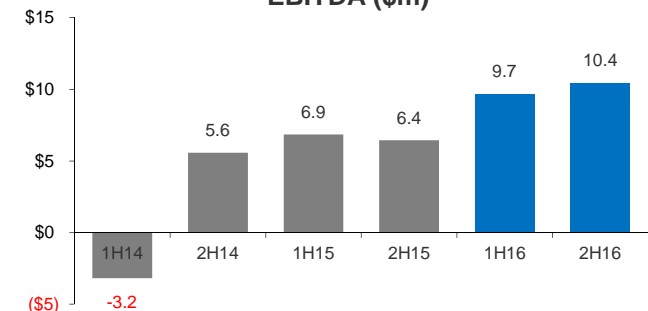
### Key Clients:



Revenue (\$m)



EBITDA (\$m)





# Mobile Communications

## Wireless network specialists

Service Stream's **Mobile Communications** team specialise in site acquisition, installation, construction, upgrade and maintenance of wireless telecommunication infrastructure.

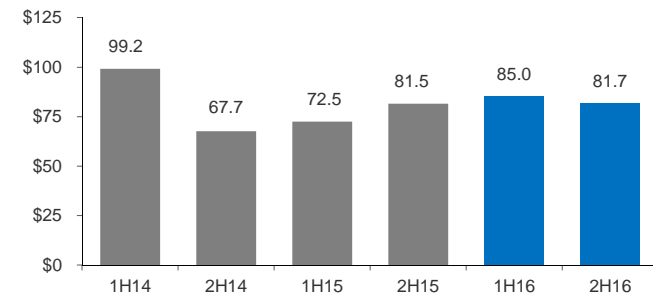
### Our services include:

- ▶ LTE Mobile base stations construction, upgrade and maintenance
- ▶ Tower construction, design and decommissioning
- ▶ Greenfield mobile base station, site acquisition, construction
- ▶ Rooftop and other asset structural assessments
- ▶ Lease management and co-location negotiations
- ▶ Building systems (including tunnel and hotspots)
- ▶ Satellite earth stations
- ▶ Wi-Fi design and installation
- ▶ Power and utilities networks - Design and Construction

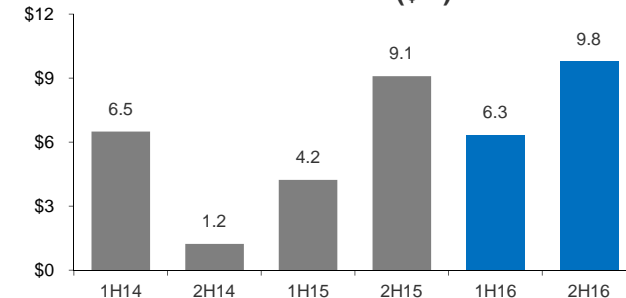
### Key Clients:



Revenue (\$m)



EBITDA (\$m)



# Energy & Water

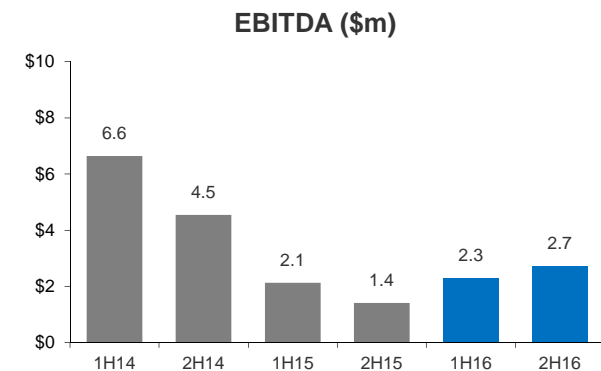
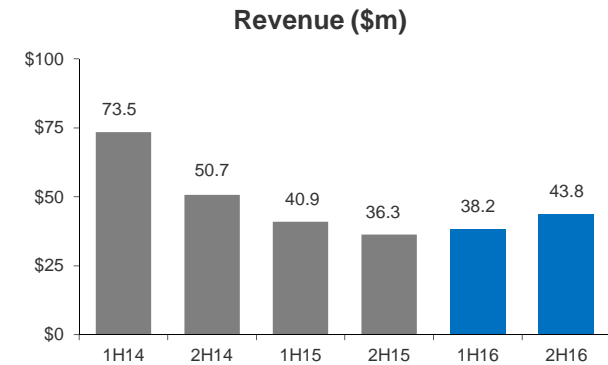
## Utility network specialists

Service Stream's **Energy & Water** team specialise in providing design, installation, maintenance and customer management services to Australia's electricity, gas and water network owners and retailer service providers.

### Our services include:

- ▶ Meter and asset replacement
- ▶ Smart-meter network deployments
- ▶ Asset inspection/replacement
- ▶ Disconnection/re-connection services
- ▶ Meter reading
- ▶ Commercial and residential solar PV
- ▶ Electric vehicle charge station
- ▶ Home energy efficiency audits
- ▶ Surveys and consultancy

### Key Clients:





## FY16 Group Performance

# FY16 Group Highlights

## Financial

- EBITDA of \$35.8 m (up 41% on FY15)
- Group NPAT of \$20.0m
- Strong balance sheet, increased cash on hand to \$41.1m, maintained zero debt
- 5.0 cps capital return completed in June
- Increased interim and full-year dividends to total 2.50 cps per share (fully-franked)

## Operational

- Continued solid performance across major HSE metrics
- Awarded several new contracts during the year, underpinning future growth
- Mobilised recently secured contracts: nbn proceeding 'on schedule'
- Continued focus on business fundamentals: 'execution and service delivery'

## Strategic

- Expanded annuity-style revenue base via four-year O&M contract with nbn
- Expanded mobile telecommunications client-base
- Secured additional 'value-added' services across existing contract-base
- Execution against Group's Strategic Plan progressing 'on schedule'

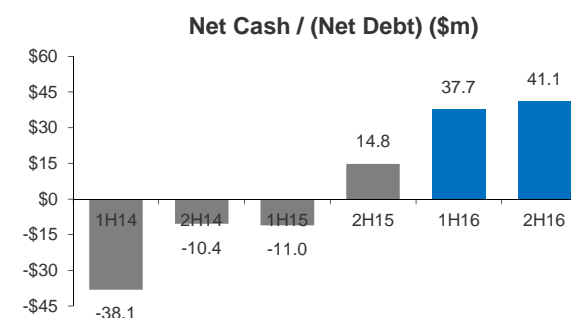
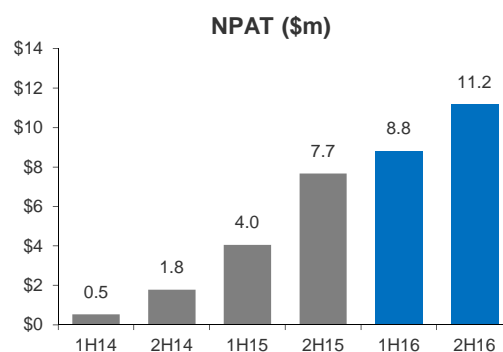
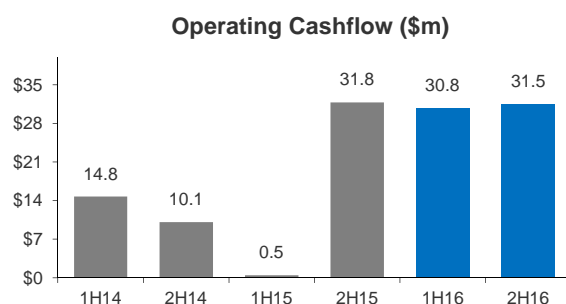
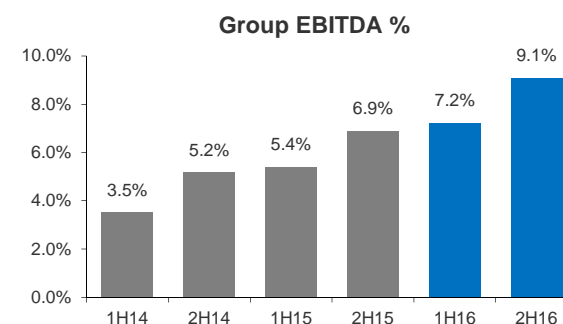
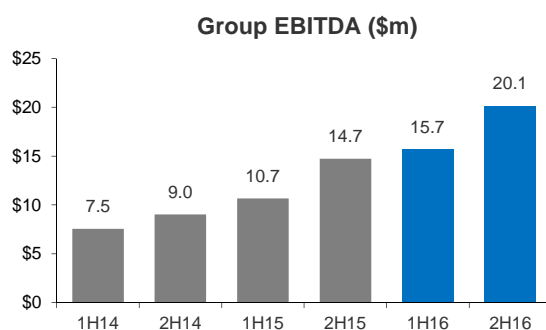
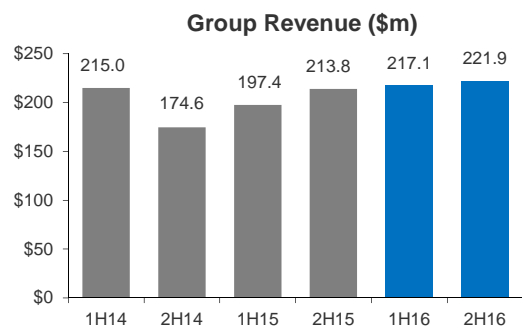
# Financial Performance

## Key financial measures

\$ million	FY16	FY15	Change	
Revenue	438.9	411.3	27.7	7% ▲
EBITDA	35.8	25.4	10.4	41% ▲
EBITDA %	8.2%	6.2%	2.0%	n/a ▲
Net profit after tax	20.0	11.7	8.3	71% ▲
Earnings per share (cents)	5.20	3.03	2.16	71% ▲
Operating cashflow	62.3	32.3	30.0	93% ▲
Net cash	41.1	14.8	26.3	178% ▲
Total dividends declared (cents)	2.50	1.50	1.0	67% ▲

*All financial measures and year-on-year changes thereto, are rounded to the displayed number of decimal places*

# Key Financial Measures







# Group Strategy & Outlook

# Group Strategy

*Continue to deliver against our strategic plan during FY17 by focusing on the fundamentals of our business*



## SERVICE DELIVERY



## CLIENT RELATIONSHIPS



## OPTIMISE DELIVERY MODEL



## OUR PEOPLE



## FUTURE GROWTH

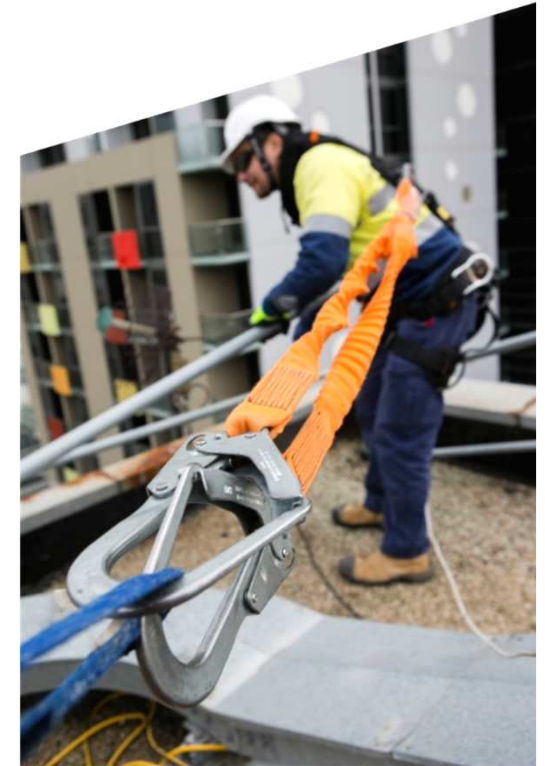


- Continued focus on service delivery and execution
- Ongoing management of Group's works-to-cash cycles
- Maintain strong balance sheet and reduced working capital requirements
- Continue to maintain and develop our client relationships
- Implementation of mature and scalable business frameworks and processes
- Strategic investments in 'enterprise level' IT infrastructure to support growth and increase efficiency
- Target additional 'annuity style' revenues to support ongoing future growth
- Maximise organic growth opportunities across our existing markets and client base
- Assess external growth opportunities across known / adjacent markets



# Outlook

- The Group is focussed on delivering earnings growth in FY17, subject to anticipated customer demand and ongoing success in mobilising recently-secured contracts
- Q1 FY17 is 'on track'
- FY17 Group priorities:
  - Continue to mobilise resources to support our Operations & Maintenance contract with nbn, inline with the network deployment
  - Scale our delivery capability to support recently secured increases in FTTN construction volumes with nbn during H2 FY17
  - Continue working with key clients to improve continuity and timing of work package releases across major mobile wireless programs
  - Secure further trials and programs associated with disruptive technology across the utilities market
  - Deliver initial phase of IT platform and application enhancements, to improve efficiency and effectiveness of operations
  - Successful mobilisation and delivery of recently secured contracts across Energy & Water division





**Thank you**

# **THORNEY OPPORTUNITIES LTD**

## **2016 Annual General Meeting**

Friday 25 November 2016,  
Arnold Bloch Leibler  
Level 21, 333 Collins Street, Melbourne