



13 November 2017

PS&C investor update and introduction to new management team

Attached is an investor presentation for PS&C Ltd (ASX: PSZ). In association with the AGM, PS&C will be conducting investor update presentations in Sydney and Melbourne. The presentation will also be made at PS&C's Annual General Meeting ("AGM").

PS&C has announced that it will be holding its AGM at 11.00 EST on Wednesday 15 November 2017 at Moore Stephens, Level 18, 530 Collins St Melbourne. A notice of meeting has been dispatched to shareholders. PS&C welcomes shareholder attendance at its AGM and looks forward to meeting you there.

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PS&C LTD INVESTOR BRIEFING

DISCLAIMER

Overview

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TABLE OF CONTENTS

1. Executive Summary
2. PS&C Journey
3. Operating Divisions
4. Financials
5. Strategic Focus and Outlook

EXECUTIVE SUMMARY

Introduction to PS&C

PS&C is an ICT Professional Services entity, focussing on three business units; People, Security and Communications. These business units service a range of government and corporate organisations.

Key Market Statistics

ASX Code	PSZ
Recent Share Price as at 13/11/2017	\$0.31
Shares on issue	84.4 M
Shares on issue (fully diluted)*	137.3 M
Customers	Over 600 nationally
Head Count	285

FY17 Financial Snapshot

Revenue	\$73.9 M (see Page 18 for detail)
EBITDA	\$6.1 M (see Page 18 for detail)
Cash on Hand	\$1.5 M
Debt	\$15.5 M

* Based on earn out targets achieved and shares issued to Bexton, Sacon and Coroma as per agreements and advised in 2017 Annual Report.

“It’s about real people embracing technology and innovation while transforming our customers businesses and enabling a trusted partner relationship.”

Glenn Fielding

CEO, PS&C Limited

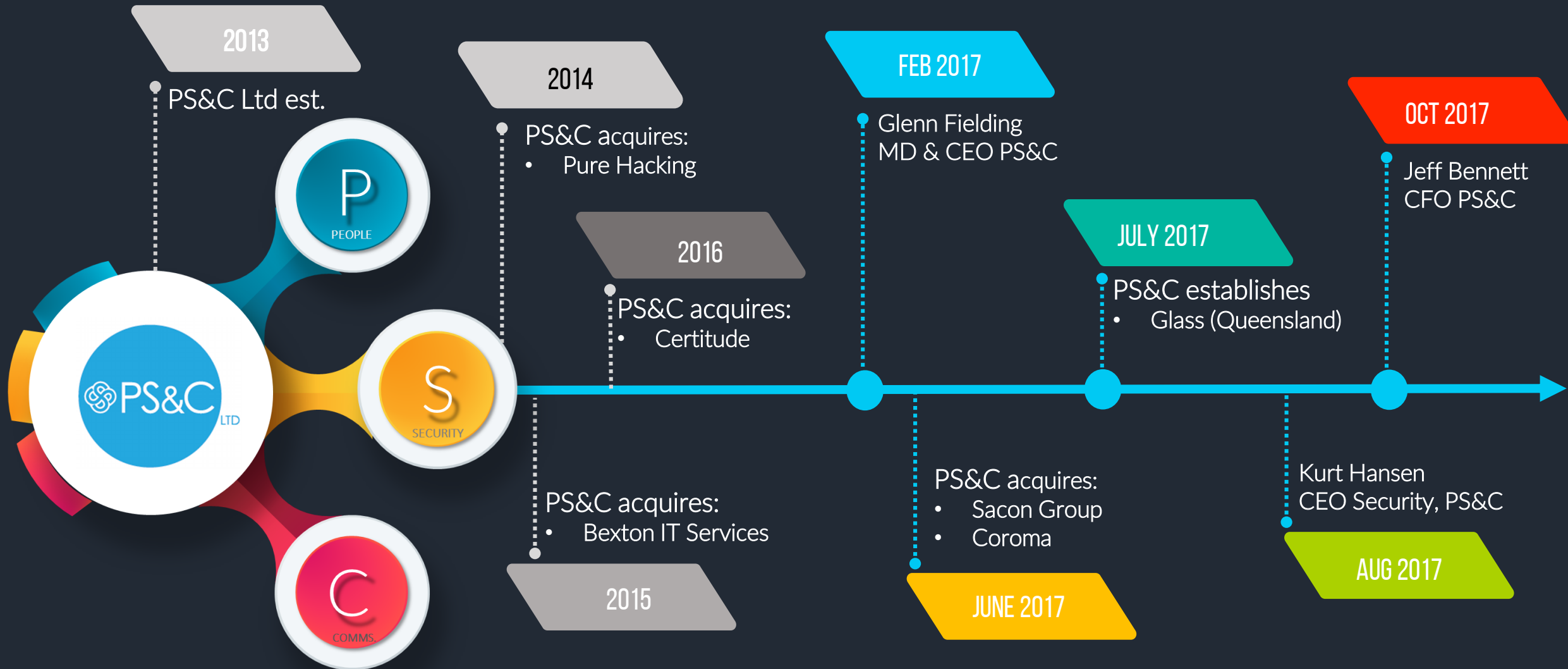
PS&C Ltd, appointed industry heavy hitter Glenn Fielding into the role of CEO in February 2017. Glenn is very well-known in the technology arena, having played formative executive roles in the inception of both SMS, UXC and DWS.

With a 20 year heritage, the group is in the midst of an exciting transformation. Glenn’s vision is to build an Australian IT Services company which is a genuine alternative to the monolithic consulting companies.



THE NEW JOURNEY

PS&C Ltd





Jeff Bennett

CFO, PS&C Ltd

A highly collaborative Finance Executive (CPA) with extensive experience in all facets of finance and business within Information Technology. Passionate and results driven in integrating businesses and collaborating at an executive level with strategic, successful acquisitions. Experience as Chairman of the Board of a Publicly listed company and currently Non Executive Director of Publicly listed company Kneo Media Ltd. A thorough understanding of the complexities involved with multinationals and companies listed on the ASX.



Kurt Hansen

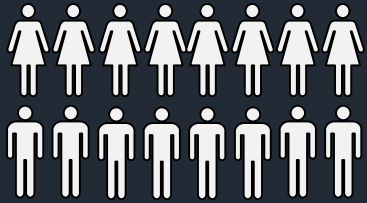
CEO Security, PS&C Ltd

Kurt is a highly experienced Senior IT Executive with a major emphasis on Sales Leadership and Cyber Security. Across a 30+ year IT career he has built and transformed sales and services teams to achieve significant double digit quarterly growth and major increases in company market share. He has lead the local subsidiaries of global companies like Cisco Systems, Symbol Technologies, F5 Networks and CheckPoint Software. He was also a Senior Executive at Telstra responsible for the Wholesale sales division and CEO of AirData. Kurt passion is for building profitable high performing teams and was appointed CEO Security of PS&C Ltd in August 2017.

Operating Divisions



THE PEOPLE GROUP: OCTOBER 2017



- 44 Consultants
- 138 Contractors
- 11 Account Managers/Recruiters
- 10 Administration

75+ CUSTOMERS INVOICED



of revenue in the SAP space comes from the FMCG industry



Revenue

The People Group recognized revenue of \$45.6M for FY17

EBIT for FY17 of \$3.7M was recognised

Business Priorities:

- Build on the two newly acquired businesses
- Focus on “as-a-service-market”
- Focus on infrastructure modernisation and cloud migration
- Broadened offering to include Salesforce implementation and mobile development in technical capacity

PEOPLE PORTFOLIO



TRANSITION TO CLOUD

- 95% of organisations are implementing a cloud first strategy
- Reduced opex budget – want to outsource their IT



DIGITAL CUSTOMER & MOBILITY

- Customer is the center of everything
- Organisations need to know everything about us
- People want access to information at their fingertips wherever they go – Mobile first!



INNOVATION / MACHINE LEARNING

- Most organisations now have an innovation division – disrupt or be disrupted
- Data is king/queen – without knowing their data organisations will suffer
- Machine learning - does your work for you



20 YEAR SAP HISTORY/ NEW TEAM

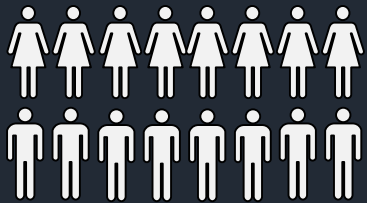
- 76% of global business transactions touch an SAP system
- Need for SAP consultants is the highest it's ever been in Australia



STAFF AUGMENTATION/ NEW TEAM

- As technology changes CEO's are more concerned this year (66%) than last (54%) of not having the right skills in their organisation – dependent on staff augmentation to bring in these skills.

THE SECURITY GROUP: OCTOBER 2017



- 25 Consultants
- 5 IS Professionals
- 9 Sales
- 8 Administration

450+ CUSTOMERS INVOICED



MANAGED SERVICES CUSTOMERS



Revenue

The Security Group recognized revenue of \$12.3M for FY17

EBIT for FY17 of \$4.0M was recognised

Business Priorities:

- Increase billable resources
- Broaden service offering
- Refocus sales to improve utilisation and consultant mix
- Accelerate managed services growth
- Install a common CRM SFDC

SECURITY GROUP: SERVICES



PLAN

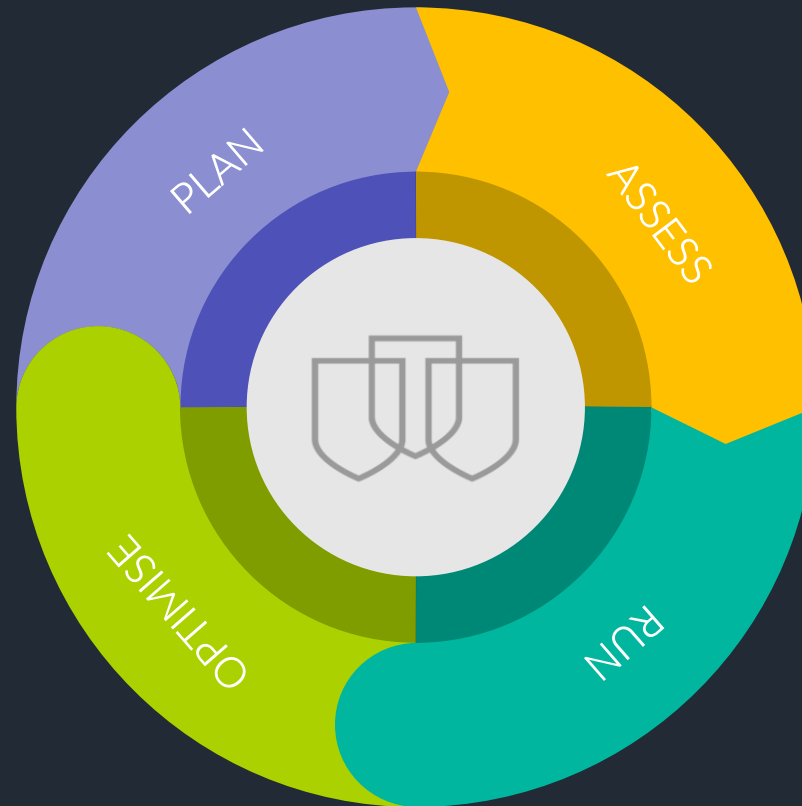


- CISO-as-a-Service
- Security Strategy Planning
- Security Architectural Design
 - Project Management
- Incident Response Planning

OPTIMISE



- Server Hardening Configuration
- Firewall Configuration and Rule
 - Review
- Training - Secure Coding
- Training - Security Awareness
- Training - Penetration Testing



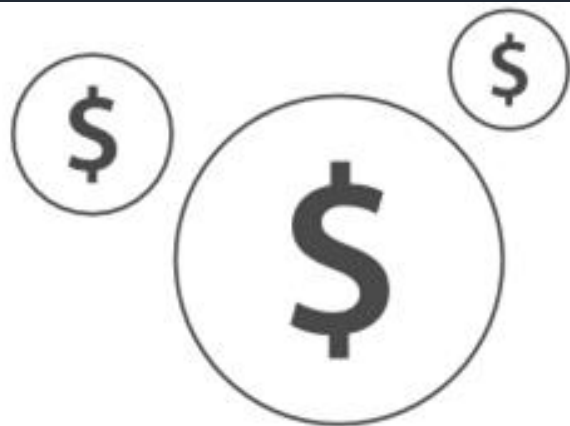
ASSESS

- Penetration Testing
- Threat Simulations
- Red Teaming
- PCI Testing
- PCI audit and certification
- ISO 27000 audit and gap analysis



RUN

- Incident Detection & Response (MSIEM)
- Web Application Firewall (MwAF)
- Managed Vulnerability Service (MVS)
- Threat Intelligence (BlackOps)
- Security Operations Centre (SOC)



\$276,323

Average cost of a cyber
crime attack to a business



53%
of the cost
is on detection
and recovery



Average time to
resolve an attack is
23 days



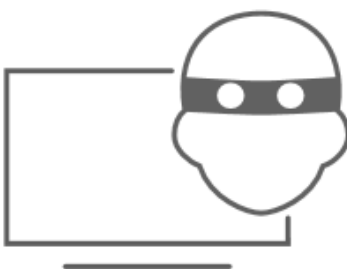
Increase to 51 days
if the attack was a malicious
insider, employee or contractor.



75% of Australian companies brief the
board on cyber risk and security
mitigations at least on a quarterly basis
(some even monthly_ a growth of 10%
since 2015

- Telstra, Cyber Security Report 2017

DIRECT COST TO BUSINESS



33% = 693,053
businesses
experienced a cybercrime

11,703
reported a
cyber incident



CYBER CRIME IN AUSTRALIA

BREAKDOWN OF CURRENT AUSTRALIAN CYBER SPENDING

70% OR \$2.5B SERVICES



Product Type ¹	Security Need	1 Protection Stack	2 Security Operations	3 Underlying Security	Total
Hardware		\$112	\$20	N/A	\$132
Software		\$473	\$282	\$74	\$830
Services		\$1,030	\$1,068	\$399	\$2,497
Total		\$1,616	\$1,370	\$473	\$3,459

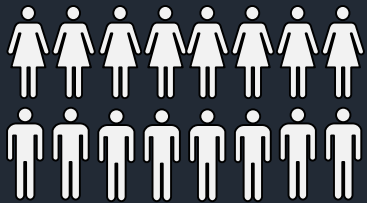
Larger  Smaller
Values in Millions \$A, 2016

Australia's demand is even more heavily weighted toward services than the world overall, potentially driven by increased outsourcing – Australia has relatively fewer companies of the scale required to conduct security activities in-house

... with limited appetite to build teams, the 'mid-market' (1,904 companies over \$100M) will look to **simply outsource the problem.**

**Opportunity¹
Services
\$2.5B**

THE COMMUNICATIONS: OCTOBER 2017



- 15 Consultants
- 2 Contractors
- 7 Account Managers/Recruiters
- 10 Admin/Finance



Revenue

The Communications Group recognized revenue of \$15.9M for FY17

EBIT for FY17 of \$1.0M was recognised

75+ CUSTOMERS INVOICED



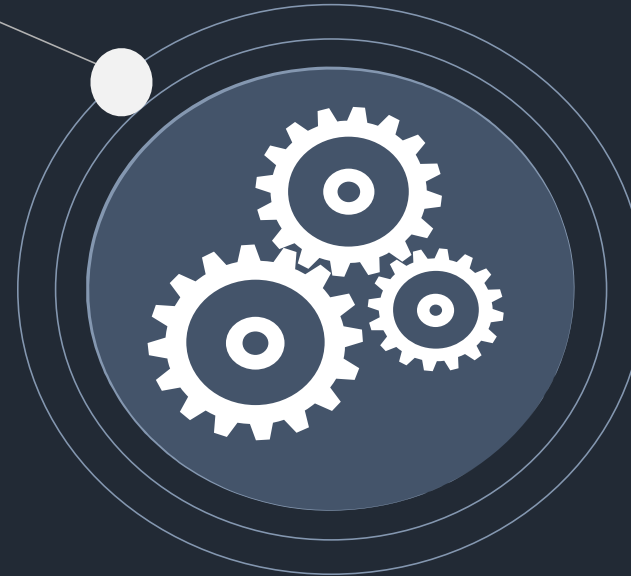
of revenue comes from Government industry

Business Priorities:

- Launch cloud based services around hosted Unified Communications and innovative solutions
- Expansion of our consultancy practice
- Expand our vendor and channel relationships in line with the expanded consultancy practice
- Expand customer base in addition to Government
- Extend our core managed services offering

COMMUNICATION BUSINESS

Unified communications, IP telephony & Network Infrastructure



Allcom is known to provide tailored solutions to meet complex business needs in the areas of Converged Communications, Networking, Virtualisation and Collaboration

Financials

PS&C/FINANCIAL SNAPSHOT

PS&C Ltd Journey

FY17 Key Financials (normalised)

- Revenue decreased by 13.4% to \$73.9m
 - Murray Goulburn Contract Completed (75 consultants)
- Gross Profit decreased by 3.5% to \$16.6m
 - Full year of Bexton at high margins
 - Decrease in low margin contractor management
- EBITDA decreased by 25.6% to \$6.1m
 - Sales labour increased by 19% to provide platform for future growth
 - Management Team strengthened
- Borrowings decreased by 6.7% to \$15.4m

	FY 2016	FY 2017
Revenue	\$85.3 m	\$73.9 m
Gross Profit	\$16.9 m	\$16.6 m
Gross Profit %	19.9%	22.5%
EBITDA	\$8.2 m	\$6.1 m
EBITDA %	9.6%	8.3%
EPS	11.2c	(8.12c)

PS&C EBIT GROWTH

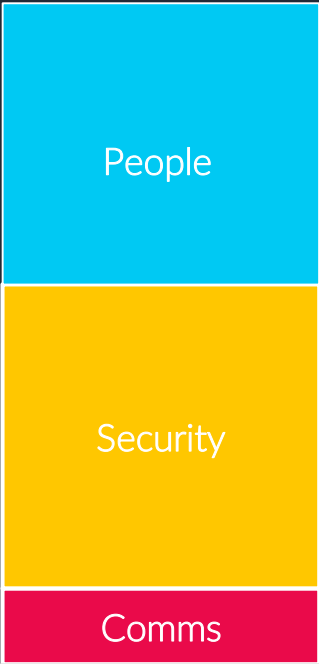
HOW

- Appointment of new executive team
- Clear focus/vision
- Increase billable headcount
- Accelerate annuity revenue stream
- Invest in Security Operations Centre (SOC)

HOW

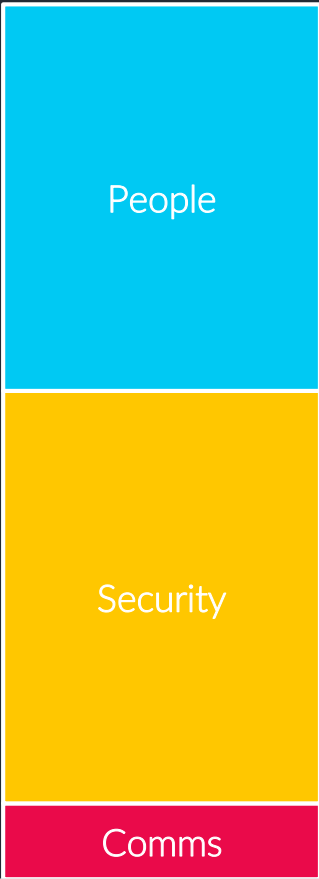
- Geographic expansion in Brisbane and Canberra
- Building Security to 80 billing consultants
- Improve margins/utilization
- Increase annuity revenue

2017 - EBIT



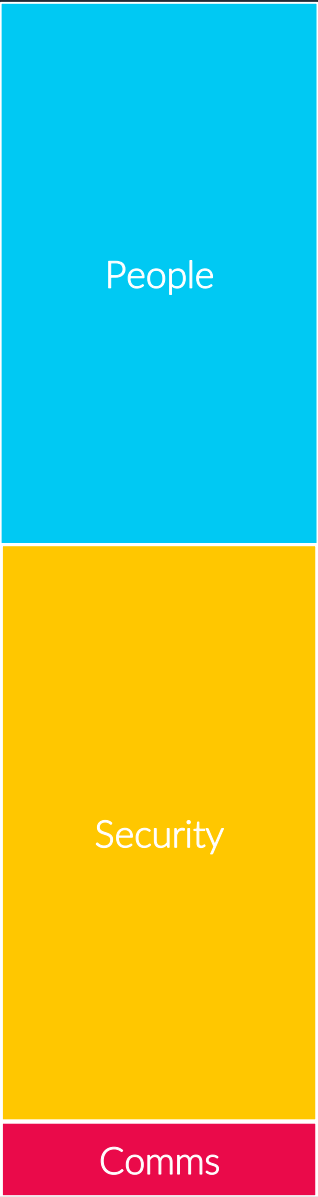
EBIT increase of approx. 40%

2018 - EBIT



EBIT increase of 30-40%

2019 - EBIT



Strategic Focus & Outlook

PS&C FY18 OUTLOOK

- New management team in place
- New sales teams
- Acquisitions
 - Sacon
 - Coroma
 - Future strategic acquisitions that are EPS accretive and meet minimum margin requirements
- Established Glass, Advisory & Consulting Business
- Implementation of Shared Services Model
- Focus on improved utilisation and increased billable headcount
- Accelerate annuity revenue stream
- Geographic expansion in Brisbane and Canberra

PS&C 2020 STRATEGY





THANK YOU

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