

FY18 HALF YEARLY RESULTS

INVESTOR PRESENTATION

MANAGING DIRECTOR/CEO: GLENN FIELDING
CFO: JEFF BENNETT



PS&C TODAY

An Australian service provider specialising in thought leadership technology, advisory, security and communication services , delivering holistic solutions to global brands and government agencies

People

Thought leadership specializing in innovative technology solutions in an enterprise digital environment

- Design thinking and architecture
- Cloud solutions and DevOps
- Salesforce consulting
- SAP Consulting
- Project Solutions



Security

High value security business in dominant market position

- Security consulting
- Managed Services
- Penetration testing
- Red Teaming
- Product sales
- Education



Communication

Significant panel agreements for hardware and services expanding into national markets

- Unified communications and IP telephony
- Network infrastructure
- Consulting and managed services



Acquisition and growth strategy across all sectors leveraging from current dominant position

TRADE AND SHAREHOLDER DATA

TRADING INFORMATION 22 February '18

ASX Ticker	PSZ
Share Price	\$0.195
Shares on issue	137.3m
Market Cap	\$26.8m

SHAREHOLDERS 22 February '18

Shareholders	Number of Shares (M)	%
Vendors and Founders	70.35	51%
Other	66.97	49%

1 YEAR SHARE PRICE GRAPH



BOARD OF DIRECTORS & MANAGEMENT

Managing Director / CEO	Glenn Fielding
CFO	Jeff Bennett
Non-Executive Chairman	Kevin McLaine
Non-Executive Director	Nigel Warren

RESULTS HIGHLIGHTS

- Normalised Group EBIT \$3.01m up 35% on pcp
- Appointment of new CFO
- Capital raise successfully completed
- Bank debt reduced by \$2.2m
- Bank facility extended for further 2 years
- No interim dividend



FINANCIAL RESULTS

	1H18	1H17	Change
	\$'000	\$'000	%
Operating Revenue	37,373	38,394	-3%
Normalised operating EBIT before head office costs	4,797	3,757	28%
Margin	13%	10%	3%
Normalised EBIT	3,011	2,231	35%
Margin	8%	6%	2%
Net Profit/(Loss) after tax (reported)	269	(5,987)	
EPS	0.34	(8.95)	
DPS	0	0	

- Non operating transactions:
 - Acquisition costs \$402k
 - Brisbane setup costs \$984k
 - Other restructure costs \$493k

OPERATIONAL HIGHLIGHTS

- Trading
 - Recruited CEO of Security business
 - PEOPLE EBIT up 18% on pcp with a strong contribution from the newly acquired entities, Sacon and Coroma.
 - SECURITY EBIT down 5% on pcp impacted by investment in sales and management roles
 - COMMUNICATION EBIT significantly up on pcp due to cyclical nature of the business.
- Customer base continues to expand across the segments



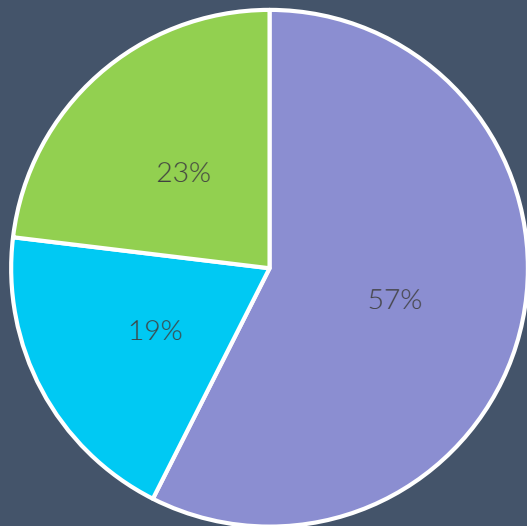
BALANCE SHEET

- Successful completion of capital raise with \$5.9m raised (\$3m completed Dec'17, remainder in Jan'18)
- Repayment of \$2.2m of debt
- Refinancing of bank debt successfully completed for further two years

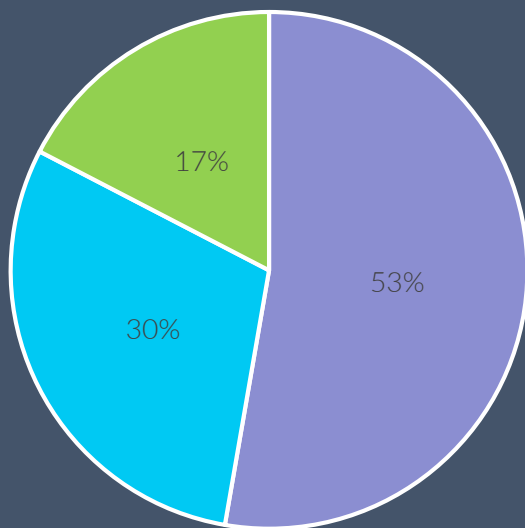
Consolidated Balance Sheet		Dec 17 (\$'000)	June 17 (\$'000)
Cash and Cash Equivalents		3,230	8,068
Receivables		10,542	11,160
Tax Receivable		-	565
Other		3,593	1,607
Total Current Assets		17,365	21,400
Receivables		512	389
PP&E		1,441	1,339
Intangibles		92,803	92,803
Tax Assets		1,395	1,105
Other		36	43
Total Assets		113,552	117,079
Payables		7,094	8,916
Borrowings		13,202	15,399
Deferred & contingent consideration		11,308	13,603
Tax Payable		281	-
Other		3,378	4,106
Total Current Liabilities		35,264	42,024
Payables		552	371
Contingent consideration		960	10,462
Other		292	283
Total Liabilities		37,067	53,140
Equity		76,485	63,939

SEGMENT PERFORMANCE

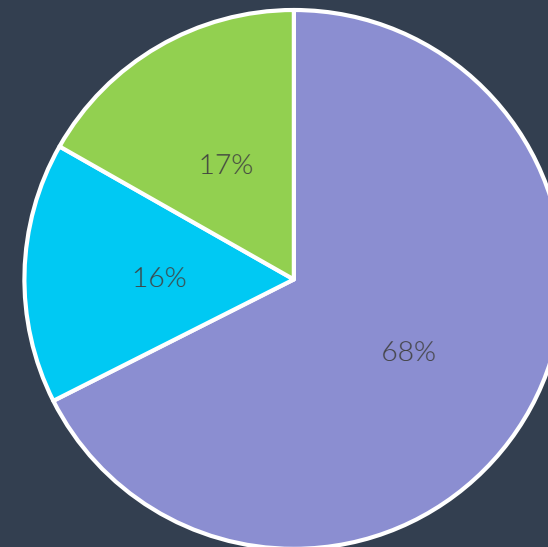
1H18 REVENUE



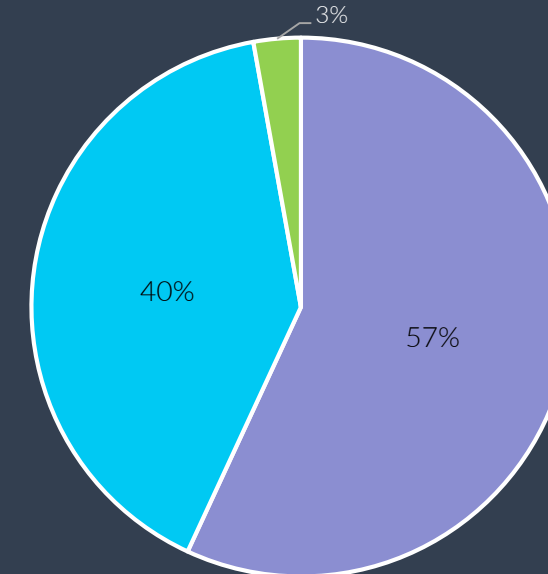
1H18 EBIT



1H17 REVENUE



1H17 EBIT



1H18


1H17

PEOPLE
SECURITY
COMMUNICATION

PEOPLE
SECURITY
COMMUNICATION

PEOPLE BUSINESS

- Sacon and Coroma making a strong contribution
- Focusing on higher-margin offerings, resulting in improved EBIT and margin
- Wider offering in place
- Design thinking and architecture gaining traction



	1H18	1H17	Change
	\$'000	\$'000	%
Revenue	21,550	25,939	-17%
EBIT	2,530	2,138	18%
Margin	12%	8%	

**Normalised results*

Solid track record of providing thought leadership specializing in innovative technology solutions to global brands and Government agencies

PEOPLE BUSINESS

CURRENT

- ✓ Solid blue chip client base
- ✓ Dominant market position in salesforce and cloud transition market
- ✓ Dominant market position in thought leadership and design thinking
- ✓ Strong growth market segments

OPPORTUNITIES FOR GROWTH

- ✓ Opportunities to diversify and scale offerings
- ✓ Continue move to higher margin solutions
- ✓ Build annuity income base providing as a service solutions
- ✓ Geographic expansion
- ✓ Federal and State Government
- ✓ Acquisition opportunities to further develop offerings

SECURITY BUSINESS

- Strong revenues driven by solid sales pipeline growth
- Investment in new sales and management roles, impacted EBIT growth in 1H FY18 to deliver growth
- The industry continues to grow
- Mandatory data breach legislation passed will increase awareness among businesses



	1H18	1H17	Change
	\$'000	\$'000	%
Revenue	7,237	6,011	20%
EBIT	1,433	1,513	-5%
Margin	20%	25%	

**Normalised results*

Largest penetration tester in AU & NZ also providing security consulting, managed services, red teaming, product sales and education capable of major expansion

SECURITY BUSINESS

CURRENT

- ✓ One of the largest assurance service providers in Australia and New Zealand
- ✓ Dominant position with an excellent reputation
- ✓ Staff are industry experts with highly specialised and in-demand skills
- ✓ High margins and high franchise value
- ✓ Strong growth industry

OPPORTUNITIES FOR GROWTH

- ✓ Opportunities to diversify and scale offering
- ✓ Pursuing a “full service”, “one stop shop” offering.
- ✓ Acquisition opportunities to grow segment
- ✓ Build annuity income base
- ✓ Research suggests spend in the industry will continue to grow significantly
- ✓ Grow the existing market share
- ✓ Development of unique products and services

COMMUNICATIONS BUSINESS

- Up significantly on pcg
- Increased revenue and margin a result of significant trailing commissions received in 1st half



	1H18	1H17	Change
	\$'000	\$'000	%
Revenue	8,586	6,444	33%
EBIT	834	106	684%
Margin	10%	2%	

**Normalised results*

Provides unified communications and IP telephony and network infrastructure with major expansion opportunities cross leveraging from existing and new security business

COMMUNICATIONS BUSINESS

CURRENT

- ✓ Excellent customer base in NSW, regional governments and corporates
- ✓ Significant performer on NSW Government ICT Procurement Contract
- ✓ Accepted onto ATO Panel Contract
- ✓ Dedicated staff with a wealth of experience in the Communications industry



OPPORTUNITIES FOR GROWTH

- ✓ Managed services growth
- ✓ Increase infrastructure service offering
- ✓ Expansion into other states
- ✓ Collaboration opportunities with Security segment to widen existing customer base
- ✓ Potential for large contract wins

REVENUE AND EARNINGS

Operating Revenue	1H18	1H17	Increase
	\$'000	\$'000	
People	21,550	25,939	-17%
Security	7,237	6,011	20%
Communication	8,586	6,444	33%
Total	37,373	38,394	-3%

EBIT Normalised	1H18	1H17	Increase
	\$'000	\$'000	
People	2,530	2,138	18%
Security	1,433	1,513	-5%
Communication	834	106	684%
Total Operating	4,797	3,757	28%
Corporate	(1,786)	(1,525)	-17%
Total	3,011	2,235	35%

OUTLOOK



Pipelines

Solid pipelines with demonstrable conversion across business units



As a Service

Opportunities to create 'full service' 'one stop shop' in Cyber Security & annuity revenue in People business



Growth

Continued growth enabling development opportunities.



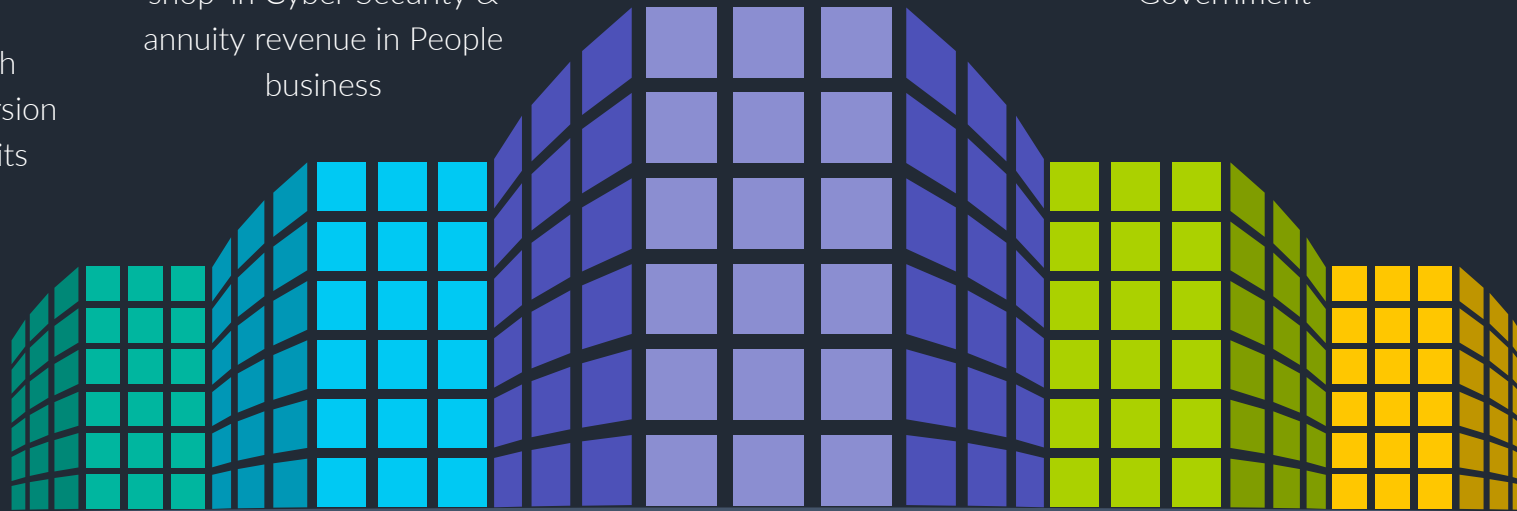
Geographic Expansion

Move into Canberra opening up Federal Government



Sales

Enhance the Sales capability across the group



DISCLAIMER

- The material in this presentation is a summary of the results of PS&C Ltd (PS&C) for half year ended 31 December 2017 as at the 22 February 2018 together with an update on PS&C's activities, and is current at the date of preparation. Further details are provided in the Company's half year results announcement released on 22 February 2018.
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1H18