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Results Presentation

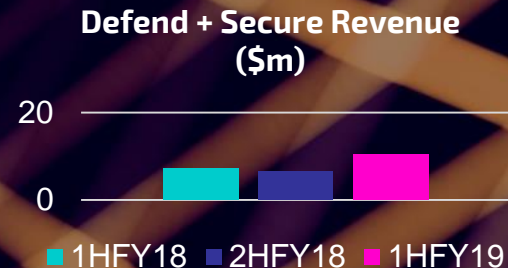
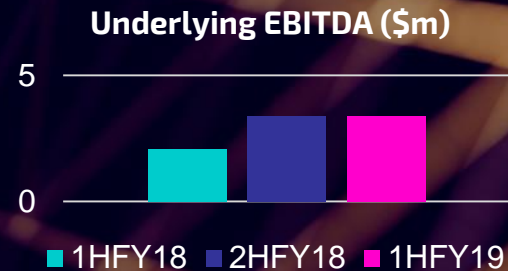
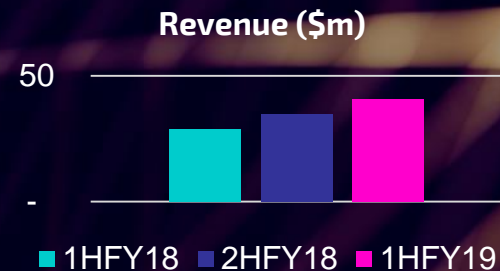
First Half – Financial Results 31 December 2018

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Highlights¹

- Revenue of \$40.8m up 42% on 1HFY18 (\$28.8m)
- Underlying EBITDA of \$3.1m up 46.1% on 1HFY18 (\$2.1m)
- Queensland revenue (\$3.4m) up 164% on 2HFY18 (\$1.3m)
- Defend + Secure business continues strong growth delivering 1HFY19 revenue of \$10.4m up 43.8% on 1HFY18 (\$7.2m) and EBITDA of \$1.9m up 142% on 1HFY18 (\$0.8m)
- Challenges in Salesforce Practice and softness in Migration to Cloud offering addressed with no long term impact
- Second half set to deliver stronger results

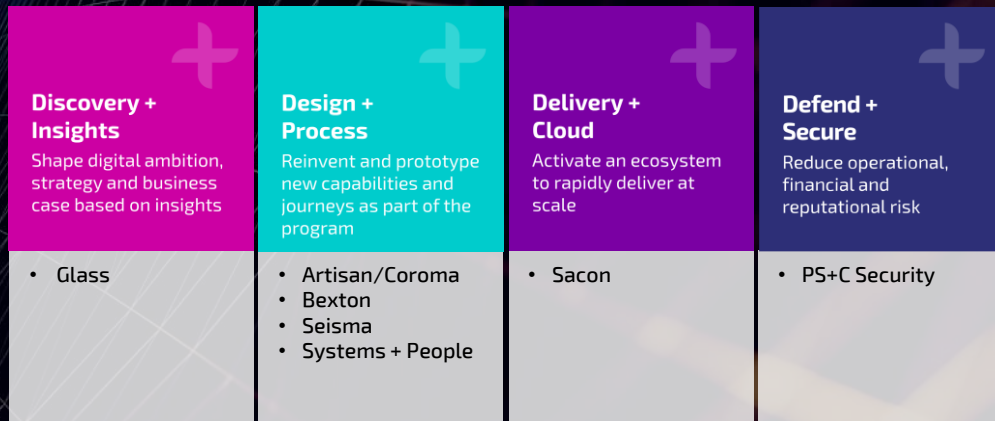
¹ Excludes discontinued operations



Our Framework

UNIQUE SKILLS BACKED BY SHARED APPROACH

- Maintained 4 key delivery pillars
- Starting to see growth from our focus on improving the level of cross-sell of our 4 delivery pillars across all regions
- Results in the Defend + Secure business validates our focus on consolidation of our businesses to improve client engagement
- Design + Process business starting to drive growth through same commitment to consolidating businesses



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1H FY19 - Review of Financials

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1. 1H FY19 – P&L
2. Normalisations and significant items
3. Balance Sheet
4. Cash flow

Profit and Loss – Statutory Result¹

- Revenue growth of 42% reflects strong performance at a regional level
- Cross selling across the 4 pillars is delivering organic growth opportunities
- Underlying EBITDA margins have been maintained and are expected to continue to strengthen as we push a more balanced mix in our consultant pool

Line Item	1HFY19 (\$'000)	1HFY18 (\$'000)	Mvmt (%)
Revenue	40,804	28,788	41.7%
Statutory NPAT	-6,006	-383	
Statutory EBITDA	2,647	350	
Underlying EBITDA	3,050	2,087	46.1%
Underlying EBITDA margin %	7.5%	7.3%	2.7%

Normalisations and Significant Items¹

- Normalisations
 - Normalisations reflect a more stable operating environment
- Significant Items within NPAT:
 - Goodwill impacted by larger allocation of the Company's corporate costs to each of its subsidiaries and Board's conservative view which led to impairment
 - Writeback in contingent consideration reflects challenges in the Salesforce Practice and softness in Migration to Cloud offering

Line Item	1HFY19 (\$'000)
Statutory EBITDA	2,647
Normalisations	
Transaction Costs	403
Underlying EBITDA	3,050

Line Item	1HFY19 (\$'000)
Statutory NPAT	-6,006
Significant items	
Goodwill Impairment	-9,651
Contingent Consideration Adjustments	2,369

Balance Sheet

- Bank debt reduced by \$1.1m (8.5% of total bank debt) to \$11.8m
- Company undertaking a review of its current banking arrangements
- Reduction in deferred vendor consideration in line with contractual earn outs:
 - Current deferred consideration reduced by \$6.1m to \$4.2m
 - Non-Current deferred consideration reduced by \$3.0m to \$3.2m
- Deferred consideration remains a mixture of cash and shares and currently being funded from operating cash flow
- Reduction in payables due to timing

Line Item	31 Dec 2018 (\$'000)	30 Jun 2018 (\$'000)
Cash & equivalents	17,486	22,365
Other Assets	87,291	102,881
TOTAL ASSETS	104,777	125,246
Payables	7,150	10,648
Borrowings	11,802	12,902
Deferred consideration	7,457	16,564
Other Liabilities	1,925	4,152
TOTAL LIABILITIES	28,334	44,266
EQUITY	76,443	80,980

Cash Flow

- Significant improvement in cash flows from operations reflects strong focus on collection of receivables
- Cash flows from investing activities improved on back of:
 - Allcom divestment
 - change in cash based earn outs to shares
 - reduced capital expenditure
- Company currently raising up to \$2.5m in cash via unsecured convertible note announced to the market on 4 February 2019

Key cash flow items	1HFY19 (\$)	1HFY18 (\$)
Operations (before interest and tax)	433,099	(2,332,707)
Tax Refunded	197,979	267,309
Net Interest	(481,112)	(423,816)
Funds from operations	149,966	(2,489,214)
Funds from investments	(906,375)	(3,167,430)
Funds from financing	(1,100,150)	818,232
Net cash flows	(1,856,559)	(4,838,412)
Closing cash balance	2,829,962	3,230,211

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1HFY19 - Operational Review

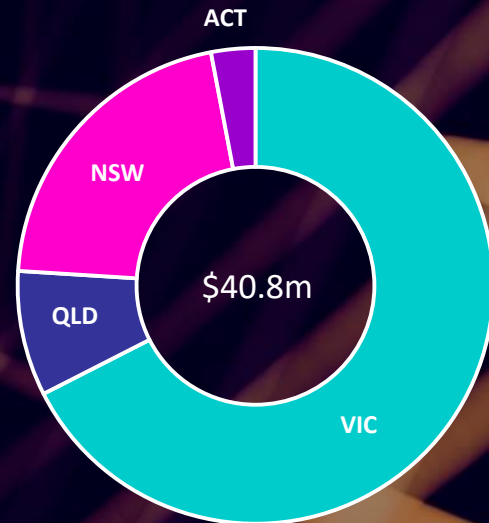
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1. Regional growth a highlight
2. Defend + Secure – *growth rolls on*
3. Discovery + Insights – *momentum building*
4. Design + Process – *mixed bag*
5. Delivery + Cloud – *short term softness*

Regional Growth a Highlight

- The growth in our Queensland and ACT operations which came on line in 2017 and 2018 respectively, has been a highlight in 1H FY19
- Further organic growth across these two regions is expected in the 2H FY19 and will contribute to the Company achieving a stronger second half result
- The \$1.75m invested in establishing Glass (QLD) during FY18 has been validated by the results achieved in 1H FY19 where this region moved from negative to positive EBITDA contribution

Revenue by Region



Defend + Secure – *growth rolls on*

- Key sales and delivery personnel added during FY18 is producing strong growth
- Added 8 new consultants during 1HFY19 and continue to recruit aggressively
- Extending the services being offered to clients to increase engagement duration
- Increasingly being sought out by clients to address security breaches as they arise
- Macro-economic landscape for security services remains robust



Discovery + Insights - *momentum building*

- The \$1.75m the Company invested during FY2018 to establish Glass in Brisbane is paying off with revenue climbing to \$3.4m in 1HFY19 from \$1.3m in 2HFY18
- Glass moved from loss (2HFY18 EBITDA -\$418k) to profit (1HFY19 EBITDA \$396k) and now has more than 30 consultants delivering services across Design Thinking, Data & Analytics, Digital Enablement and Strategy and Advisory
- Growth underpinned by new client agreements
- Clear focus on cross selling through leveraging the wider PS+C capabilities



Design + Process – *mixed bag*

- Design + Process is the largest business unit within PS+C with annual revenues exceeding \$55m
- 1H FY19 delivered revenue of \$24m and EBITDA of \$2.5m
- The Salesforce Practice experienced several setbacks during the half impacting its performance with actual EBITDA running \$0.75m behind forecast
- S@P, Bexton and Seisma are all tracking in line with forecast and maintain a strong pipeline of work into 2H FY19
- The acquisition of Artisan has resulted in the Salesforce Practice lifting its utilisation rates and opened up new client agreements that now requires the hiring of further staff to meet demand



Delivery + Cloud – *short term softness*

- Migration to Cloud offering saw lower activity post a strong end to FY18 with a number of key projects ending early in 1H FY19
- Current impact on forecasted EBITDA for FY19 of \$0.75m
- Strengthened the business development team within the Migration to Cloud offering which is resulting in an improved pipeline of work
- The ramp up of projects in several existing clients underpins the 2H FY19 forecast





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Summary & Outlook

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Summary and Outlook

- 1H FY19 reflects a better structured and better managed business
- Divestment of Allcom allows more focus on business with the right growth profile
- The acquisition of Artisan Consulting is key to leveraging our Salesforce Practice in the world's #1 CRM Platform
- Organic growth across Qld and ACT in 1H FY19 to deliver an uplift in 2H FY19
- Challenges faced during 1H FY19 have been addressed with no long term impact on performance
- Full year EBITDA, accounting for the divestment of Allcom and the challenges faced in the Salesforce Practice & Migration to Cloud offering, is forecasted to be no less than \$7.0m

Growth lies ahead

- ✓ Cross sell increasing
- ✓ Robust security landscape
- ✓ Salesforce Practice
- ✓ Strong organic growth
- ✓ New client agreements



Disclaimer

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The material in this presentation is a summary of the results of PS&C Ltd (PS&C) for the half year ended 31 December 2018 as at the 27th February 2019 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 accounts and results announcement released on 27th February 2019.

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