



DWS Limited
ACN 085 656 088

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

14 November 2019

Dear Sir/Madam

AGM Address to Shareholders

Please find attached the DWS Limited Annual General Meeting (AGM) Address to Shareholders for 2019, incorporating the Non-Executive Chairman and Managing Director's address to shareholders that will be delivered at the Company's AGM in Melbourne this morning.

Yours sincerely

Stuart Whipp
Company Secretary
DWS Limited

DWS Limited

Chairman and Managing Director's proceedings of Annual General Meeting of the Shareholders to be held at the offices of Grant Thornton Australia, Collins Square, Level 22, Tower 5, 727 Collins Street, Melbourne VIC 3008 at 11.30am Australian Eastern Daylight Time (AEDT) on Thursday 14th November 2019.

1. Introduction by Non-Executive Chairman

Good morning ladies and Gentlemen. My name is Martin Ralston and I am the Non-Executive Chairman of DWS Limited.

2. Declaration of quorum and opening of meeting

The Secretary has advised that a quorum is present. I therefore declare the meeting open and have pleasure in welcoming you to this Annual General Meeting of DWS Limited ("DWS" or "the Company").

3. Introduction of Directors and Company Secretary

My first duty is to introduce the Directors and Company Secretary.

Directors:

Gary Ebeyan;

Hayden Kelly;

Selina Lightfoot;

Danny Gorog;

Danny Wallis, who is Managing Director and CEO of DWS; and

DWS Company Secretary and CFO, Stuart Whipp.

4. Apologies

There are no apologies.

5. Notice of Meeting

As the Notice of Annual General Meeting has been circulated to all shareholders, I propose that the notice convening the meeting be taken as read.

I will now hand over to Danny Wallis, our Managing Director and CEO who will address the meeting.

6. Managing Director's address to shareholders

Good morning everyone and thank you for coming today.

6.1 Operating environment and financial performance for 2019

The 2019 financial year ("FY19") was another year of change for the DWS Limited Group. We successfully executed a key part of our strategy; the diversification of our earnings and an increase in project work from Government and Defence as a result of our acquisition of Projects Assured. This has reduced our reliance on the banking and finance industry and increased our work with Federal Government departments.

With mixed business conditions in Australia, DWS performed well. Revenue for the Group grew to \$163.5 million and underlying EBITDA increased to \$26.4 million. Normalised NPAT also increased to \$16.0 million giving rise to normalised Earnings Per Share ("EPS") of 12.73 cents per share compared to normalised EPS of 12.07 cents per share for 2018.

DWS finished the 2019 year with over 750 billable consultants as we matched staffing levels to our clients demand to maintain productivity. Good cost control and the focus on the optimal staffing levels ensured that DWS finished the year with a strong balance sheet with net assets of \$70.6 million as at 30 June 2019. Bank debt was \$42.0 million at 30 June 2019, an increase of \$32.0 million compared to 30 June 2018 reflecting acquisition debt taken on to fund the acquisition of Projects Assured. As at 30 June 2019, DWS had net debt of \$33.1 million compared to net debt of \$1.9 million as at 30 June 2018.

Operating cash flow during 2019 was \$23.0 million resulting in a cash balance of \$8.9 million at 30 June 2019 compared to a balance of \$8.1 million at 30 June 2018. Continued strong operating cash flow has enabled the Board to declare a final fully franked dividend of 4.0 cents per share giving total fully franked dividends of 8.0 cents per share for the year ended 30 June 2019. Subject to trading conditions and any potential acquisitions or other appropriate investments that may occur, it is the Board's current intention to maintain dividends around current levels and to continue to pay down bank debt with excess cash over and above that required to pay dividends.

6.2 Acquisitions

On the 4th of October 2019, DWS completed the acquisition of the business and certain assets of the software services and products company Object Consulting Pty Ltd for \$4,300,000 (excluding GST). Object Consulting Pty Ltd provided Software Development, IT Project Delivery, System Integration and IT Project Delivery services primarily to large State Government departments but had entered into administration and subsequently liquidation.

The acquisition of the business and assets of Objects Consulting is consistent with DWS Limited's strategy of diversifying earnings and increases our exposure to State

Governments. As part of the acquisition, we were able to offer employment to the majority of the Object Consulting employees in what was an uncertain time for them as well as providing support to the clients of the Objects Consulting business to ensure key IT systems continued to be viable and operational.

DWS expects the acquisition to be earnings accretive and the acquisition was funded using cash reserves and the Group's existing bank facilities. We are integrating the Object Consulting business into the DWS Group with the aim of offering the Object Consulting services to the DWS clients as well as offering the full suite of DWS Group services to Object Consulting's clients.

I will now turn to the operational priorities for FY20.

6.3 Operational priorities

The Australian IT industry is expected to show similar conditions in 2020 as those experienced in 2019. DWS will continue to support the growth and development of Projects Assured in Canberra and further invest in RPA and licensed products. In addition, we will look to maintain and grow our traditional core services and grow our digital service offering to ensure we are supporting our clients as they undertake more and more digital transformation projects. As evidenced by our recent acquisition of the business and assets of Object Consulting, DWS is continuing to look for earnings accretive acquisitions for existing or new service offerings whilst at all times considering the latest trends in the IT industry and the business priorities of our clients.

Current market trends have shown a pause and/or slow-down in demand in the financial services and IT&C industry sectors as these industry sectors adapt to their own market conditions. This further validates DWS's strategy to diversify earnings by increasing exposure to Federal and State Government work.

In FY20, DWS will continue its strategy of breadth and depth and will focus on matching both permanent and contractor staff to our clients' demand to maintain our industry leading margins. We expect to see continued growth in our work with Federal and State Government through the services offered by Projects Assured and the Object Consulting business acquired by DWS. In addition, we will continue our focus on increasing the digital services provided to existing and new clients as well as maintaining our traditional IT services foot print. Subject to trading conditions and any potential acquisitions or other appropriate investments, we will use DWS's strong cash flow generation to pay down bank debt and to maintain dividends around current levels.

I will now hand back to Martin Ralston.

7. Ordinary Business

Thank you, Danny.

7.1 Financial statements

The first item today is to receive and consider the financial statements, the Directors' Report and the Auditor's Report for DWS Limited for the year ended 30 June 2019.

The financial statements were subject to audit by Grant Thornton who gave an unqualified audit opinion.

The financial statements are required to be audited and lodged prior to the Annual General Meeting and therefore there is no formal resolution required to be put to the meeting. I will however take questions on the financial statements and any other aspects of the business you may want to discuss. The auditors Grant Thornton are represented here today by Mr Simon Trivett, who is available to answer any questions. Questions will only be taken from persons entitled to vote at this meeting.

Are there any questions from the floor regarding the financial statements, the Directors' Report or the Auditor's Report?

I now declare the financial statements, the Directors' Report and the Auditor's Report as duly received and considered.

7.2 Ordinary Resolutions

Ladies and Gentlemen, we have **three** ordinary resolutions to deal with today:

The **first ordinary resolution** is the adoption of the Remuneration Report that is included as part of the Directors' Report in the financial statements. This is a non-binding resolution.

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Specified Executives of the Company, forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2019 which has been sent to shareholders.

Shareholders should note that, as specified by section 250R of the Corporations Act, the vote on Resolution 1 is advisory only and is not binding on the Board or the Company.

Shareholders should also note that pursuant to the Corporations Act a vote must not be cast (in any capacity) on this resolution by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report or their closely related parties.

However, a vote may be cast by such a person if:

- The vote is cast as a proxy;
- The appointment is in writing and directs the proxy how to vote in respect of this resolution; and
- The vote is not cast on behalf of a KMP or a closely related party of a member of the key management personnel.

As confirmed in the Notice of Meeting, as Chairman of this meeting, I will be voting undirected proxies in favour of this resolution.

The **second ordinary resolution** is for the re-election of Selina Lightfoot as a Director of DWS Limited. In accordance with the Company's Constitution, Selina is required to retire by rotation and seek re-election. A brief summary of Selina's experience and qualifications has been incorporated into both the Notice of Annual General Meeting, and the Company's Annual Report.

The **third ordinary resolution** is for the election of Danny Gorog as a Director. Danny Gorog was appointed to the Board of DWS Limited by the other Directors and in accordance with DWS Limited's constitution Danny offers himself for election at today's Annual General Meeting. A brief summary of Danny Gorog's experience and qualifications has been incorporated into both the Notice of Meeting, and the Company's Annual Report.

8. Voting procedures

Ladies and Gentlemen, I would first like to remind you of the voting procedures to be followed where the vote is to be decided by a show of hands.

The cards being used today, one of which you would have received at the registration desk, are:

GREEN	held by Shareholders eligible to vote today;
YELLOW	held by Non-Voting Shareholders (those who have already submitted a proxy form prior to the meeting); and
BLUE	Visitors.

Before the motion is put to the vote there will be an opportunity for shareholders to ask questions. Kindly ensure that only questions relating to the relevant resolution are asked.

Questions will only be taken from persons who are entitled to vote at this meeting.

If you wish to ask a question or make a comment, I ask that you stand and state your name and show your green or yellow card before proceeding with the question. I remind you that visitors are not permitted to vote or ask questions.

When a vote is called for would all voting shareholders and proxies raise the appropriate voting card to indicate whether they are voting for or against the motion.

Ordinary Business

Resolution 1: Adoption of the Remuneration Report (Non-binding Resolution)

I move the following ordinary resolution:

'That the Remuneration Report forming part of the Directors' Report for the year ended 30 June 2019 be adopted.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 8,256,647 proxy votes in favour of the resolution, 4,716,562 against the resolution and 1,111,802 open proxies.

We will now consider this resolution.

Resolution 2: Re-election of Ms Selina Lightfoot

As a member of the Board, Ms Selina Lightfoot is required to retire by rotation. Ms Selina Lightfoot is eligible and has offered herself for re-election.

I move the following ordinary resolution:

'That Ms Selina Lightfoot, who retires as a Director pursuant to clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 12,974,076 proxy votes in favour of the resolution, 341,532 against the resolution and 1,094,802 open proxy votes to be cast including those to be cast by the Directors as proxies which will be cast in favour of the resolution.

We will now consider this resolution.

Resolution 3: Election of Mr Danny Gorog

Clause 15.1 of the Company's Constitution provides that a Director appointed by the other Directors holds office until the end of the next following general meeting and is eligible for election at that meeting. Mr Danny Gorog was appointed to the Board by the other Directors effective 1 July 2019, and in accordance with the Constitution seeks election at this meeting.

I move the following ordinary resolution:

'That Mr Danny Gorog, pursuant to clause 15.1 of the Company's Constitution, be elected as a Director of the Company.'

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 12,998,548 proxy votes in favour of the resolution, 323,809 against the resolution and 1,052,423 open proxy votes to be cast including those to be cast by the Directors as proxies which will be cast in favour of the resolution.

We will now consider this resolution.

10. Conclusion

Ladies and Gentlemen, that concludes the business of the meeting. Thank you for your participation and if there are no further questions, I now declare the meeting closed.