



2014 Full Year Results

26 August 2014

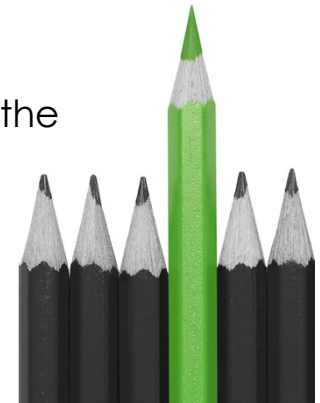
Another busy 12 months



At the macro level

- **Successfully completed 6 acquisitions maintaining our one brand strategy**
Transpire, Nobel, Method Group, Integrated Value, Insight 4, Aptus
- **Staff numbers grew by 98% to 420** (up from 212; 45% via organic growth)
Our People & Talent team have done a great job and continue to drive retention whilst also attracting new talent
- **New Brisbane office**
Opening up new client opportunities already producing good results
- **'Near Shore' applications development centre in Hobart introduced**
Allowing increased level of workforce flexibility and efficiency that has proven to be highly beneficial to ourselves and our clients
- **Significant client wins (from both existing and new)**
Our "recruiting ahead of the curve" strategy was right; Practice "cross-sell" on the increase

"There's more growth to come....."



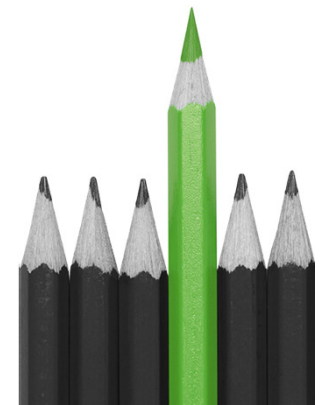
Another busy 12 months cont'd



At the macro level

- **New “Partnering Agreements” established; existing ones strengthened**
Our “Mainstream, Challenger, Disruptive” approach is working
- **Launched the Enterprise Service Management Practice**
A new vertical and area of specialisation with significant growth opportunities
- **Introduced our Process Automation, Content and Change Management Practice**
A new vertical and area of specialisation with significant growth opportunities
- **Significantly strengthened our project services capabilities**
Driving stronger delivery across our fixed price engagement
- **Added key skills and capabilities in the area of Security, Identity & Access Management**
A new vertical and area of specialisation with significant growth opportunities

“There’s more growth to come.....”

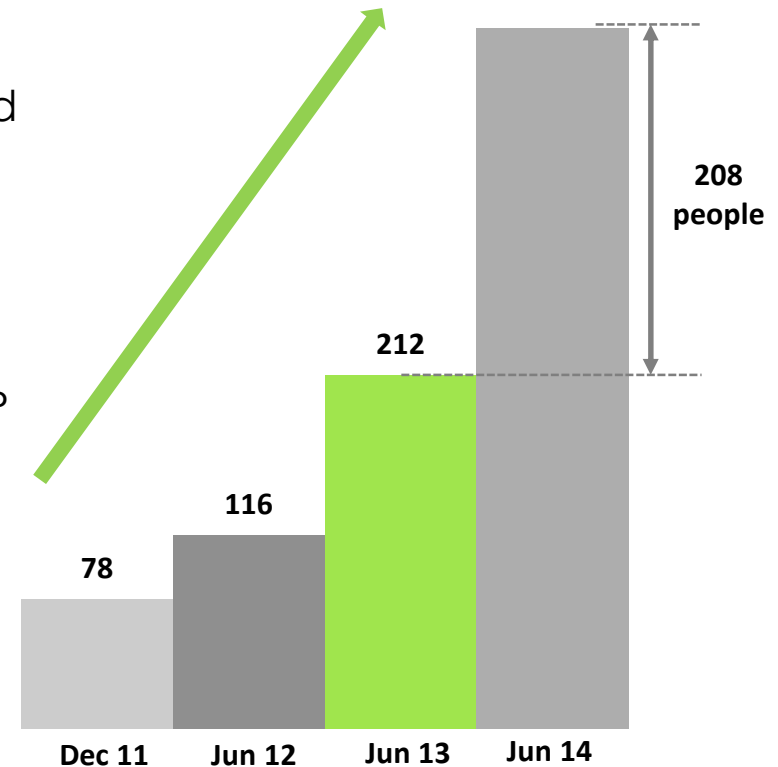


It all revolves around our people



Our People & Talent team continue to do a great job

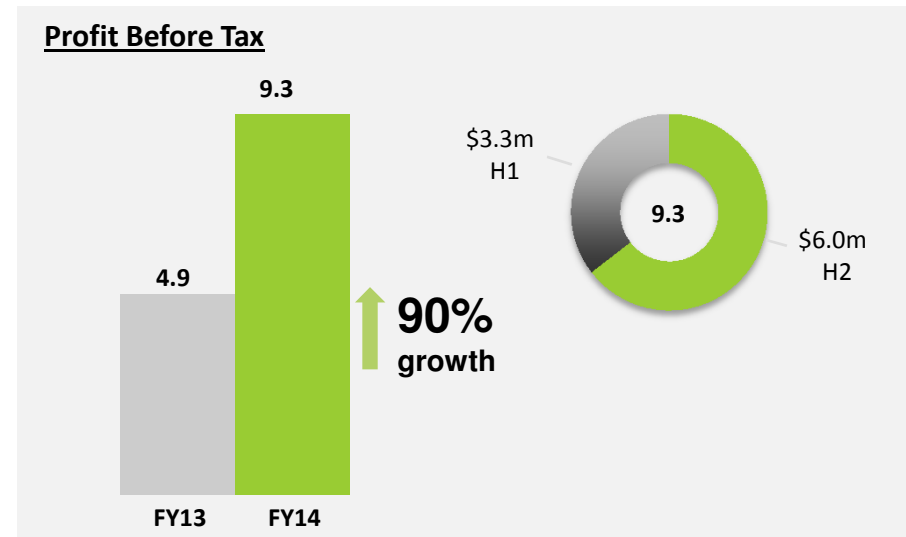
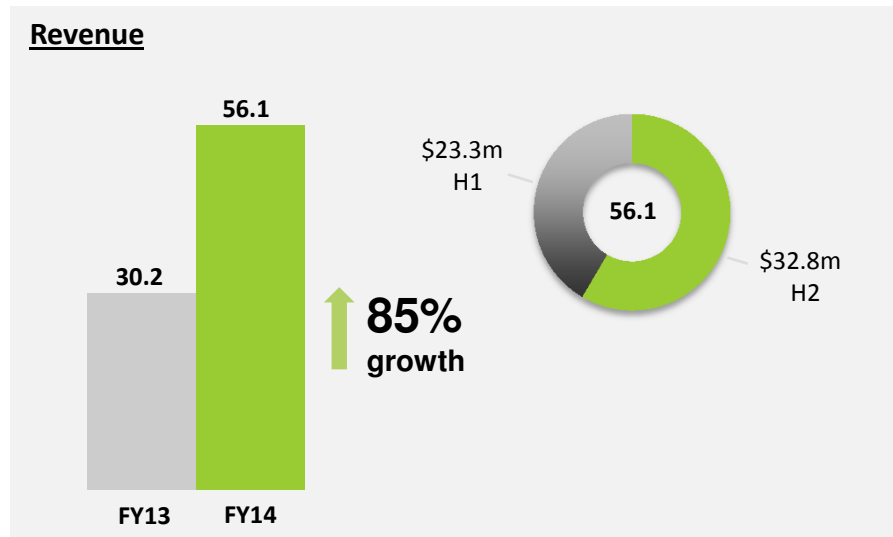
- Our team grew by 208 in FY14 – 45% (94 people) via organic growth
- Significant recruitment activity in FY14, with prudent implementation of our “recruit ahead of the curve” approach
- ‘RXP 7 Habits’ training developed and being deployed
- ‘RXP Transpire Methodologies’ (including ‘RXP Agile’) making a difference and delivering value
- Associate/Graduate program launched
- Staff retention rates remains high



Growth across all key financial metrics



Earnings growing faster than revenues



- Margin - improved to 16.6% (up from 16.3% in the prior year)
- At the close of the financial year, RXP had \$18.4M in cash with zero debt and net cash assets of \$25M

Revenue and margin improvement driving earnings growth



	1 st Half	2 nd Half	FY14	FY13	% Change
Revenue – (\$'000)	23,314	32,747	56,061	30,203	+86%
Profit Before Tax – (\$'000)	3,290	6,001	9,291	4,904	+90%
Income tax – (\$'000)	(1,090)	(1,703)	(2,793)	(1,419)	
NPAT – (\$'000)	2,200	4,298	6,498	3,485	+87%
PBT margin (%)	14.1	18.3	16.6	16.3	
Basic EPS (cents)			5.6	5.5	

- Strong second half result and strong growth over previous FY
- Both revenue and PBT above expectations
- PBT margin increased to 16.6%

Strong balance sheet with no debt



	FY14 (\$'000)	FY13 (\$'000)
Assets		
Cash	18,427	11,209
Receivables	14,103	5,771
Other	2,382	503
Goodwill	74,279	37,054
Other	2,157	1,331
TOTAL ASSETS	111,348	55,868
Liabilities		
Trade and other Payables	9,874	3,940
Deferred Liabilities	17,036	5,521
Accrued Staff Provisions	2,038	1,152
Other	-	-
TOTAL LIABILITIES	28,948	10,612
NET ASSETS	82,400	45,256
Contributed Equity	72,410	41,695
Reserves	(16)	53
Retained Earnings	10,006	3,508
TOTAL EQUITY	82,400	45,256

- Solid cash balance - \$18.4M
- Strong net working capital position - \$22.65m
- Zero debt
- Increase in goodwill the result of acquisitions during the period with no impairments recorded in FY14 or anticipated in FY15
- Increase in contributed equity the result of shares issued for acquisitions, capital raisings less capital expenses
- Deferred Consideration
 - \$13.6m due in FY15 (\$6.8m in cash)
 - \$3.4m payable post FY15

Cash flow a reflection of our a growth



- Maintained positive operating cash flow
- \$18.4m cash in the bank at 30 June 2014
- 4QFY14 revenue of \$20.5M
- Accounts receivable at 30 June 2014 totaled \$14.1M
 - Zero bad debts recorded during FY14
 - \$10.2M within terms
- Increase in milestone based engagements
 - Work in Progress at 30 June 2014 totaled \$1.7M
 - \$1.3M invoiced post 30 June 2014

“Strengthening our back office to support growth.....”

Review of Operations

Business overview



We combine exceptionally talented people with proven methods to deliver solutions that enable our clients to increase revenue, improve customer satisfaction and engagement, and improve EBIT.



Melbourne (Head Office)



Sydney



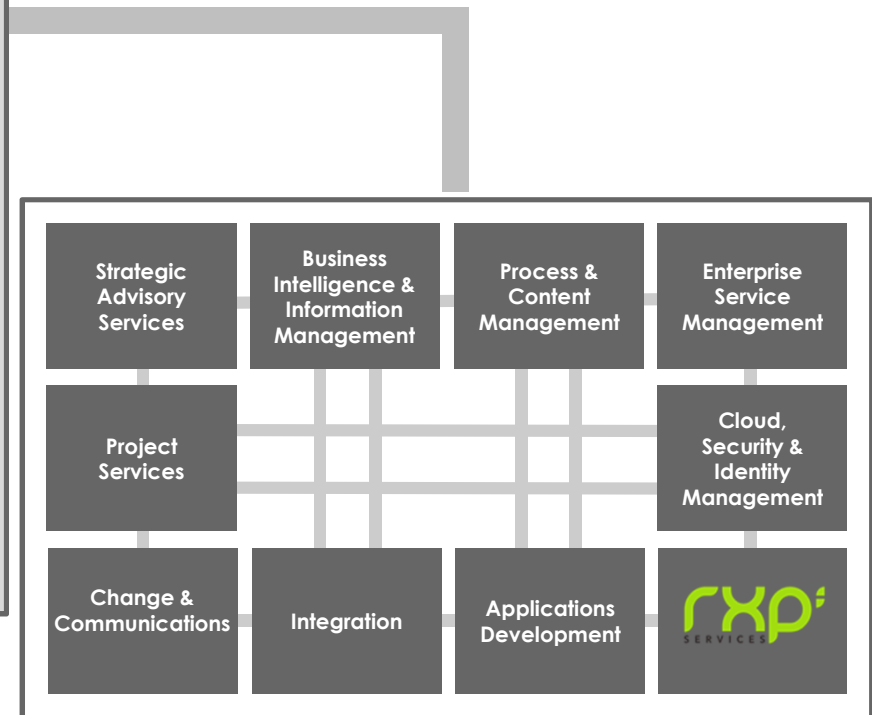
Brisbane

We are an ASX listed Technology consulting services company that has provided professional services to S&P / ASX 200 corporations and government bodies in Australia and Asia for over 20 years.

We are a client focussed, practice led organisation.

Our practices:

- group our capabilities in a way that optimises engagement with clients.
- integrate and work as “one rxp”
- structured to support optimal delivery while providing our staff with career progression and learning opportunities.



Canberra



Hobart



Hong Kong

Geographic expansion



Expanding operating platform – existing and new locations

- The Hobart office was introduced, providing 'Near Shore' applications development
- Our Brisbane office was opened – providing new key client wins and opportunities
- We have seen significant growth in Sydney, Canberra and Melbourne over the past 12 months



Melbourne (Head Office)



Sydney



Canberra



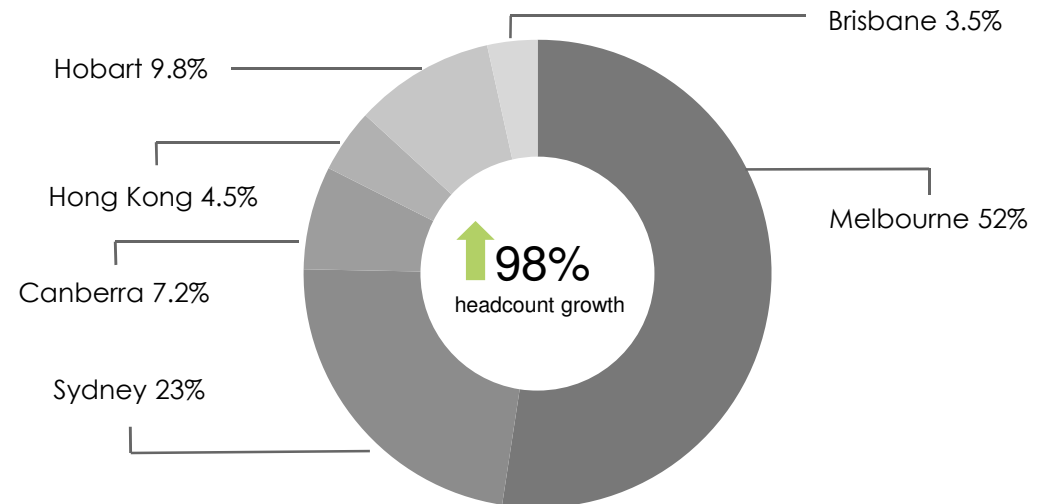
Brisbane



Hobart



Hong Kong



Performance turnaround in Hong Kong office



The 2nd half for our Hong Kong operation saw a turnaround

- As expected, our HK operations delivered a stronger second half contributing \$0.4M to earnings on revenue of \$1.3M
 - Strengthened the sales team
 - Added several new clients
 - Increased cross-sell into existing clients
- Remains a strategic part of RXP and remain positive on the opportunities within the HK market and more broadly across other Asian based markets
- Since 30 June, we have appointed regional head to strengthen the “on the ground” operational management and focus

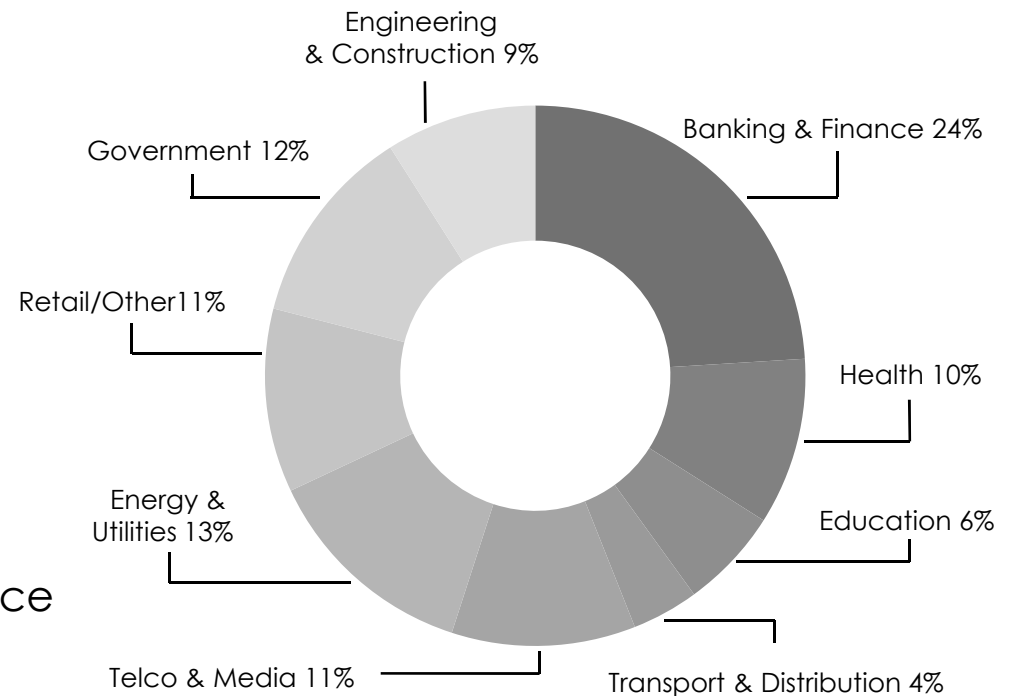


Diversified client base



A good spread of clients across industries continues to be a focus

- We have seen growth across all of the industry verticals
- Have added key clients in Government, Banking & Finance, Health, Education, Telco & Media, Food & Beverages
- We have been able to drive penetration of our services ('Practices') into existing clients
- Focus is on ensuring we fully leverage the additions we have made to our capabilities and service offerings



We have a very targeted and structured approach to our Partnerships

- Our Partnering is targeted according to our specialisations
- We execute our 'RXP mainstream, challenger, disruptive Partnering approach' - MCD Partnering
- In FY14 we established 10 new key Partnerships across our Practices all of which are delivering value
- Playing a significant role in our approach to Digital

Acquisitions are delivering strategic value



Our approach to integration of businesses continues to be a strength

Company	Strategic benefit
Transpire	Formed our Strategic Advisory Services Practice and have delivered direct and indirect benefits to RXP
Nobel	Formed our Enterprise Services Practice, initially primarily in Melbourne but have built out across Sydney and now Canberra
Integrated Value	Enabled the transition of our Smartforms & Document Management part of our business into a broader Process, Content and Change Management Practice whilst at the same time strengthening a number of our other capabilities
Method Group	Added significantly to our existing Project Services Practice, with specialisation and accreditation in Business Analysis
Insight4	Allowed RXP to introduce a 'Near Shore' applications development offering to clients whilst also significantly strengthening our existing applications development capability
Aptus	Introduced specific skills and capabilities associated with Security, Identity & Access Management. Our most recent acquisition and performing very well.

FY15 – key priorities and outlook

FY15 - Key priorities



Seven key drivers



1.

Develop People, Teamwork and Leadership



2.

Build on our Brand



3.

Develop and expand our Specialisations



4.

Develop and expand our “Near Shore” capabilities



5.

Build on existing and develop new Client Relationships



6.

Develop and expand our Partnerships



7.

Grow through targeted Acquisitions

Positive outlook with continued growth expected



We have no intention of slowing down and resting on our laurels

- July revenue numbers (in excess of \$6.0M) indicate a strong start to FY15
- Organic growth in staff numbers continues with net 17 new hires across the business since 30 June
- Continue to see a strong pipeline across our Specialist Practices
- Cross-sell opportunities strengthening as our business continues to mature
- Forecasting strong revenue and earnings growth in FY15
- Expect to maintain a PBT margin in line with FY14
- Balance Sheet in great shape to allow further growth by acquisition
- Potential to initiate a dividend policy in the second half of FY15

We have delivered strong results and look forward with confidence

- Built a great team with leaders at all levels, and have grown to over 420 people
- Achieved strong revenue and PBT growth whilst improving margin
- Have a diverse range of clients, geographies and specialisations
- Strong balance sheet with capacity for additional acquisitions
 - We continue to pursue acquisitions and are currently considering some opportunities
 - Our approach to acquisitions remains consistent and we will continue to follow the process that we have developed and that has proven successful to date
- Potential to initiate dividend policy in 2H15
- Started FY15 with momentum and look forward with excitement and confidence

“This is just the start of our journey.....”

Thank you



QUESTIONS ?

Disclaimer



This presentation was not prepared for and should not be relied upon to provide all necessary information for investment decisions. Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. Although great care & diligence has been taken to ensure the accuracy of this presentation, RXP Services Limited gives no warranties in relation to the statements and information contained herein and disclaims all liability arising from persons acting on the information and statements in this presentation.

Due to the dynamics and changing risk profiles of investment markets, RXP Services Limited reserves the right to change its opinion at any time. All investors are strongly advised to consult professional financial advisors whose role it is to provide professional financial advice, taking into account an individual investor’s investment objectives, financial situations and particular needs.

The logo for RXP Services is centered on the page. It features the letters 'rxp' in a bold, lowercase, sans-serif font, colored in a vibrant lime green. The 'r' and 'x' are connected, and the 'p' has a distinctive shape with a small loop at the bottom. Below the 'rxp' is the word 'SERVICES' in a smaller, uppercase, sans-serif font, colored in a light gray. The background of the entire image is a dark, grayscale photograph of a modern building with a curved facade and many windows, creating a sense of depth and architectural detail.

rxp
SERVICES