



CPT Global

2014 Financial Results

Year ending June 30, 2014

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CPT Global at a Glance

- Founded in Australia in 1993
- All services target IT cost reduction
- Approximately 200 industry based expert consultants & scalable service centres
- Global operations predominantly in Asia Pacific, Americas and Europe
- Have worked with over 100 blue chip / Fortune 500 clients worldwide
- Multiple winner of the Governor of Victoria Export Award for ICT Services.

Key Results

	FY14	FY13	% Movement Prior Year
Revenue	38.4m	35.1m	9%
EBITDA	3.2m	1.0m	220%
NPAT	2.2m	0.3m	568%
EPS (Basic)	5.9c	0.9c	568%
Cash	2.4m	1.2m	100%
Net Tangible Assets	6.3m	5.4m	17%
Fully Franked Dividends (Interim & Final)	4.5c	0.0c	n/a
Dividend Payout Ratio	77%	0	n/a

Global Operations

- Value Proposition
 - IT cost optimisation
- Services
 - Capacity Planning: Cost minimisation via IT capacity optimisation
 - Performance: Reducing running costs and maximisation of infrastructure lifetime
 - Testing: Ensure systems perform to expectations and targeted benchmarks
 - Management of IT: Optimisations of IT costs while ensuring alignment of IT to business strategy
- Service Model
 - Australia: Provision of expert IT services for large projects on the basis of a daily / solution rate
 - International
 - Provision of expert IT services for large project on the basis of a daily / solution / fixed fee rate
 - Provision of cost optimisation services on a success fee basis via a three phase cost reduction approach
 - Phase 1 - Exploration of IT environment & assessment of potential savings, performed on a time & materials fixed price basis (approx \$100k - \$150k revenue)
 - Phase 2 - Recommendation & implementation of efficiency improvements, with a fee charged based on percentage of client savings (approx \$1m - \$3m revenue)
 - Phase 3 - Ongoing support ensuring efficiencies are maintained, performed on a time & materials basis (approx \$1m + revenue per annum)

FY14 CPT Global Strategy

- Aggressively target growth in international business by capitalising on significant business development investments in prior years:
 - Increasing risk/reward cost optimisation engagements
 - Cross selling testing, capacity planning, production assurance and mid-range cost optimisation services
- Maintaining a solid Australian business as it navigates a tough economic environment.

The CPT Business Landscape

International business

- Cost optimisation engagements remain CPT's "sweet spot"
- Increased testing and production assurance services
- Pipeline growth, predominantly in North America
- Recent expansion into Asia and South America, using Strategic Partners

Australian business

- Election Year
- Two largest clients reducing CPT engagement due to outsourcing/off-shoring and supplier rationalisation

FY14 Achievements

International business

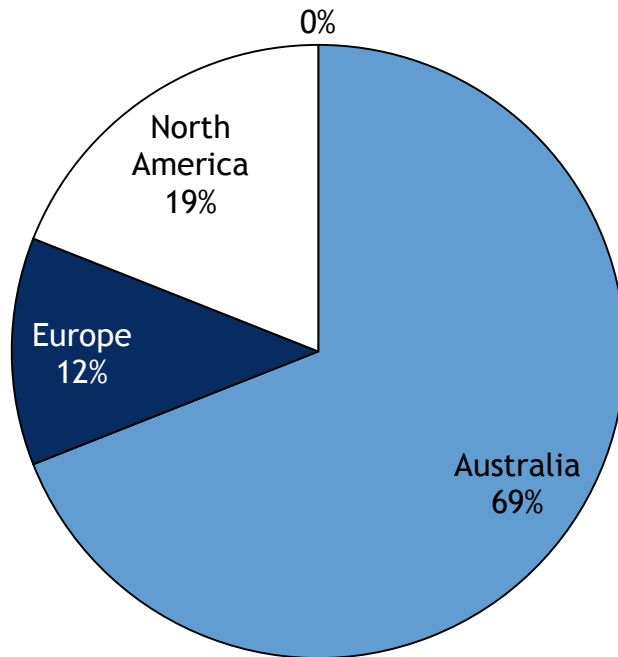
- Addition of nine new/re-engaging clients which generated almost \$8m revenue and established CPT's first truly global client
- Increase of risk/reward revenue to \$9m (2013 \$6m)
- First successful engagement in mainland China
- Strengthened pipeline in European business with five large opportunities nearing commencement (two expected in September/October)
- Expansion of services provided to North American market
- Increased margins due to the increased risk/reward engagements

Australian business

- Addition of eight new clients which generated almost \$2m revenue
- Re-emergence of former largest client which previously reduced CPT's engagement due to unsuccessful off-shoring
- Reallocation of Australian resources to support International business growth

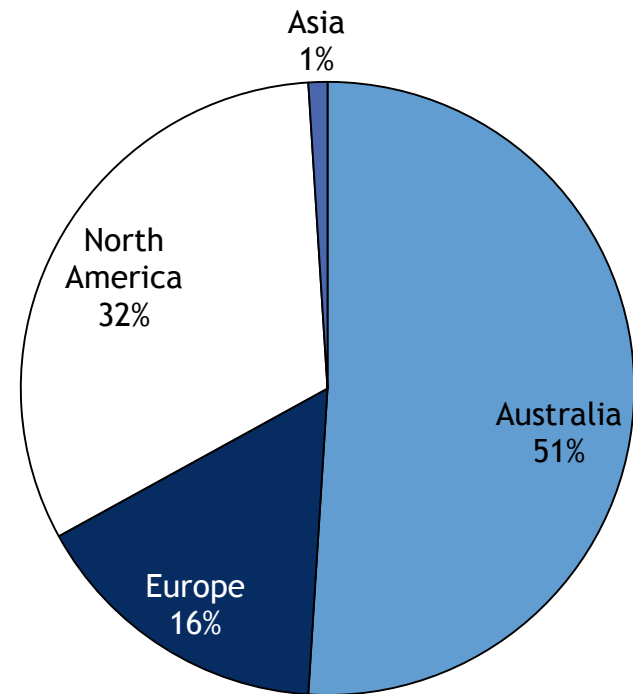
CPT's Revenue Mix

FY13



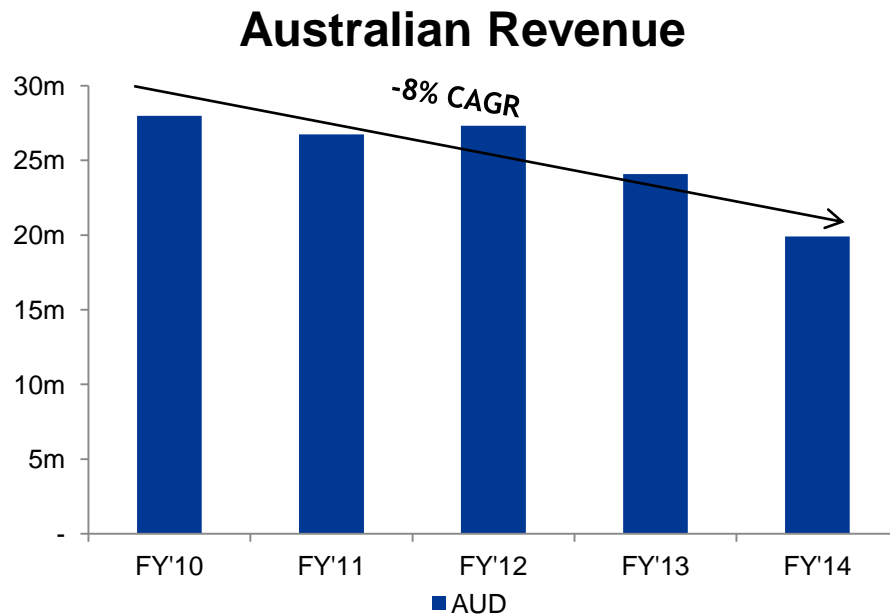
International Risk Reward Revenue \$6.0m

FY14



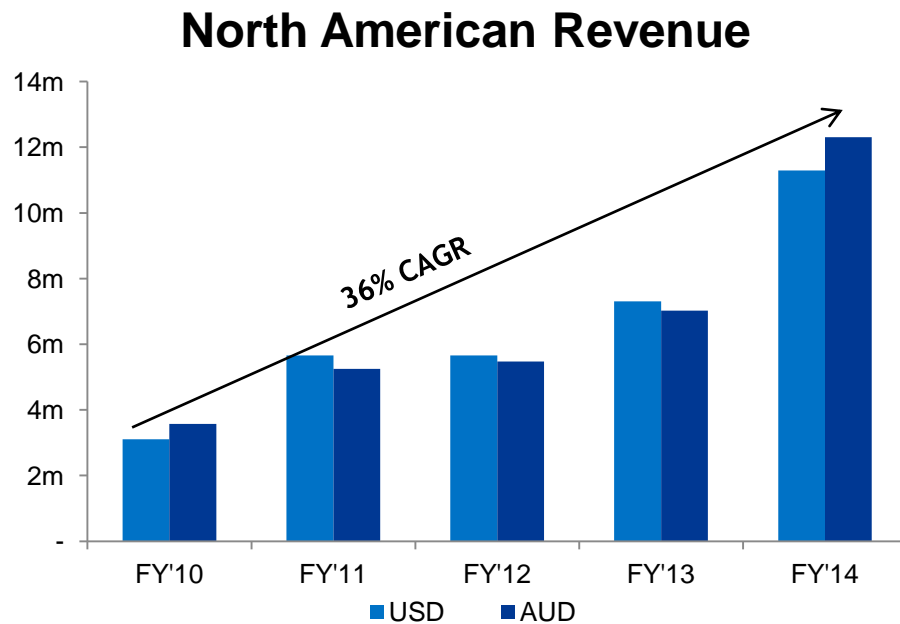
International Risk Reward Revenue \$9.0m

Revenue by Region - Australia



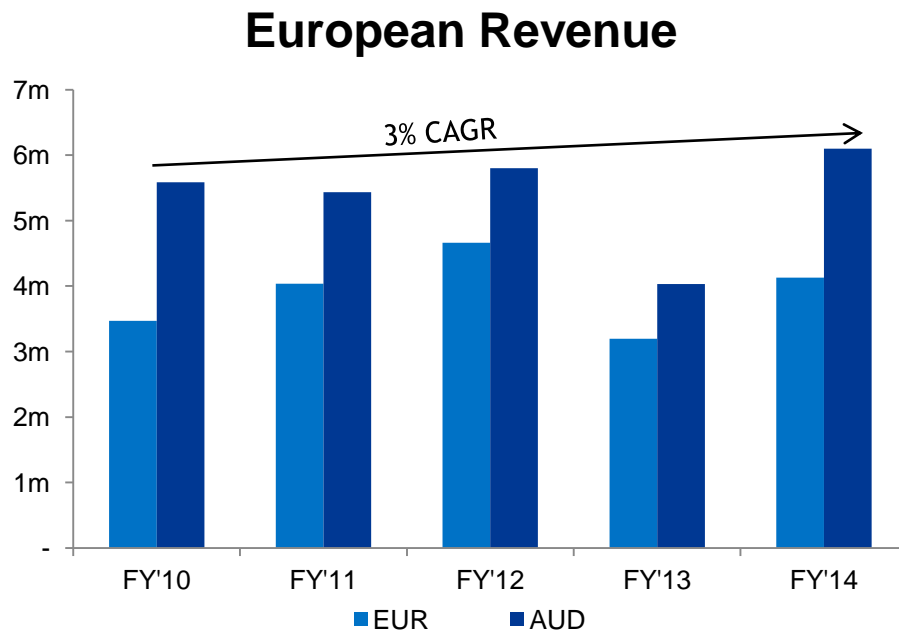
- Business is now stabilised as large account reductions have been absorbed
- Single digit growth expected
- Margin contests have been avoided

Revenue by Region - North America



- Revenue underpinned by annuity revenue and solid client relationships
- Strong margins achieved
- Management structure enhanced to support continued growth

Revenue by Region - Europe



- Business remains lumpy, dependant on timing of project engagements
- Strong margins achieved
- Contract conclusions await project replacements
- Targeting increased annuity revenue and service cross selling

Foreign Exchange

- CPT's business is highly impacted by the strength of the AUD
- In FY 14:
 - North American operating result was negatively impacted by approximately \$300k revenue / \$136k profit
 - European operating result was positively impacted by \$125k revenue / \$45k profit
- Weakening of the AUD by 1c will add:
 - In the North American business: an increase of \$145k revenue / \$55k profit
 - In the European business: an increase of \$85k revenue / \$35k profit

Balance Sheet

	FY14 (\$m)	FY13 (\$M)
Cash	2.4	1.2
Debtors	7.2	6.0
Unbilled Revenue (WIP)	3.1	3.8
Other Current Assets	0.3	0.5
Total Current Assets	13.0	11.5
PP+E	0.0	0.1
Deferred Tax Asset	1.4	1.2
Intangibles	7.5	7.6
Total Non-Current Assets	8.9	8.9
Total Assets	21.9	20.4
Current Liabilities	7.8	7.0
Non-Current Liabilities	0.3	0.4
Total Liabilities	8.1	7.4
Net Assets	13.8	13.0

- Strong Balance Sheet
- Improved cash position

Cash Flow

	FY14 (\$m)	FY13 (\$M)
Receipts	38.5	37.5
Payments	(35.2)	(36.1)
Gross Operating Cash Flow	3.3	1.4
EBITDA	3.2	1.0
Ratio of GOC / EBTIDA	1.03:1	1.4:1
Finance Costs	(0.2)	(0.1)
Income Tax	(0.4)	(0.4)
Net Operating Cash Flow	2.7	0.9
Net Investing Cash Flow	0.0	(0.3)
Net Financing Cash Flow	(1.1)	0.0
Net Cash Movement	1.6	0.6
Opening Cash Position	1.2	1.1
Effect of Foreign Exchange	(0.4)	(0.5)
Closing Cash Position	2.4	1.2

Dividend

Fully franked interim dividend paid in April 2014	3.0 cents
Fully franked final dividend declared, to be paid on October 30, 2014	1.5 cents
Total Dividends for FY14	4.5 cents
NPAT Payout Percentage	77%
Franking Credits retained after dividend payments > \$1.6m	
FY14 Final Dividend will be eligible for the purposes of the Company's Dividend Reinvestment Plan	

FY15 Strategy

International Business

- Cross sell services beyond the risk/reward cost optimisation services in Europe
- Improve Europe annuity revenue base to absorb the downtime between large projects
- Increase local international service delivery capability to improve local responsiveness and reduce travel expense
- Establish North American management structure to support growth opportunities

Australian Business

- Expand footprint in existing Tier 1 accounts
- Leverage CPT experience overseas in financial institutions within major Australian banks
- Target cost optimisation opportunities within Australian government

New Markets

- Carefully manage expansion activities

Outlook

International Business

- Growth across all regions
- Rate and timing of growth dependant on timing of new project commencements
- Continued strong margins
- Increased risk/reward and annuity revenue

Australian Business

- Single digit percentage growth
- Strategy of preserving margins
- Costs will continue to be tightly controlled

About CPT Global



CPT Global is a specialised consultancy with two focus areas. Its Technical Consulting services enhance the control, stability, efficiency and reliability of all technology platforms with core offerings of Capacity Planning, Performance Management and Testing. Its Management Consulting services review and improve the business processes associated with Information Technology, with offerings that include Program and Project Management, IT Governance Reviews, Strategic Sourcing Strategies and Technology Transition Planning.

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