

FY15 HALF YEARLY RESULTS PRESENTATION

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- **Listed December '13**
- Three pillars – **PEOPLE** outsourcing and placement, **SECURITY** penetration testing and assurance and **COMMUNICATION** infrastructure and consulting.
- **Purchased Pure Hacking August '14 in SECURITY**
- Maiden dividend of 3 cents fully franked for FY14 in October 14
- **Acquisition strategy around SECURITY and PEOPLE pillars in Asia Pacific**
- Stable shareholder base, VENDORS committed
- **Financing facilities with ANZ in place**



People



Services

- Consulting
- Contractor management
- Recruitment

Security



Services

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

Communications



Services

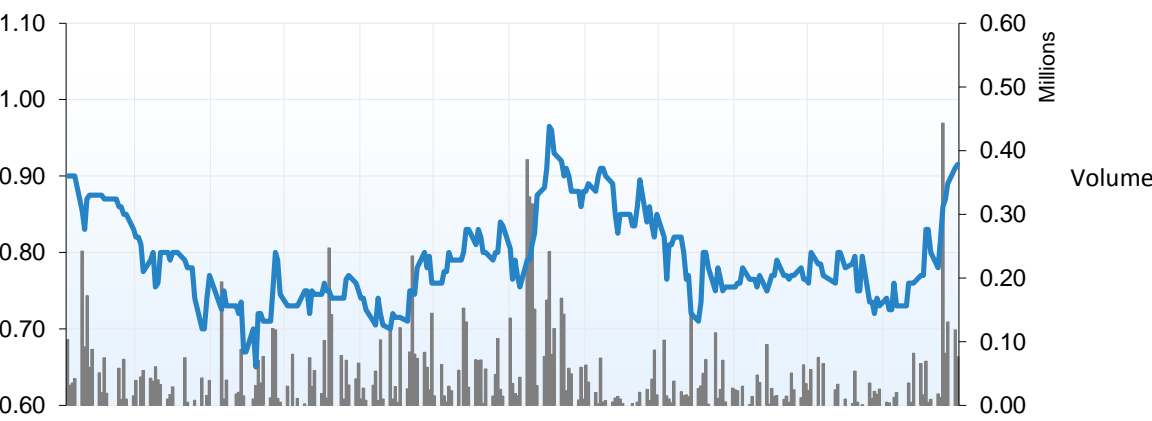
- Unified communications and IP telephony
- Network infrastructure
- Consulting and managed services

COMPANY OVERVIEW DATA

TRADING INFORMATION – 17 February ‘15

ASX Ticker	PSZ
Share Price	\$0.92
Shares on issue	55.68M
Market Cap	\$51.22m

1 YEAR SHARE PRICE GRAPH



TRADE AND SHAREHOLDER



SHAREHOLDERS

Shareholders	Number of Shares (M)	%
Vendors and Founders	30.14	54%
Institutions	9.94	18%
Other	15.59	28%

BOARD OF DIRECTORS and MANAGEMENT

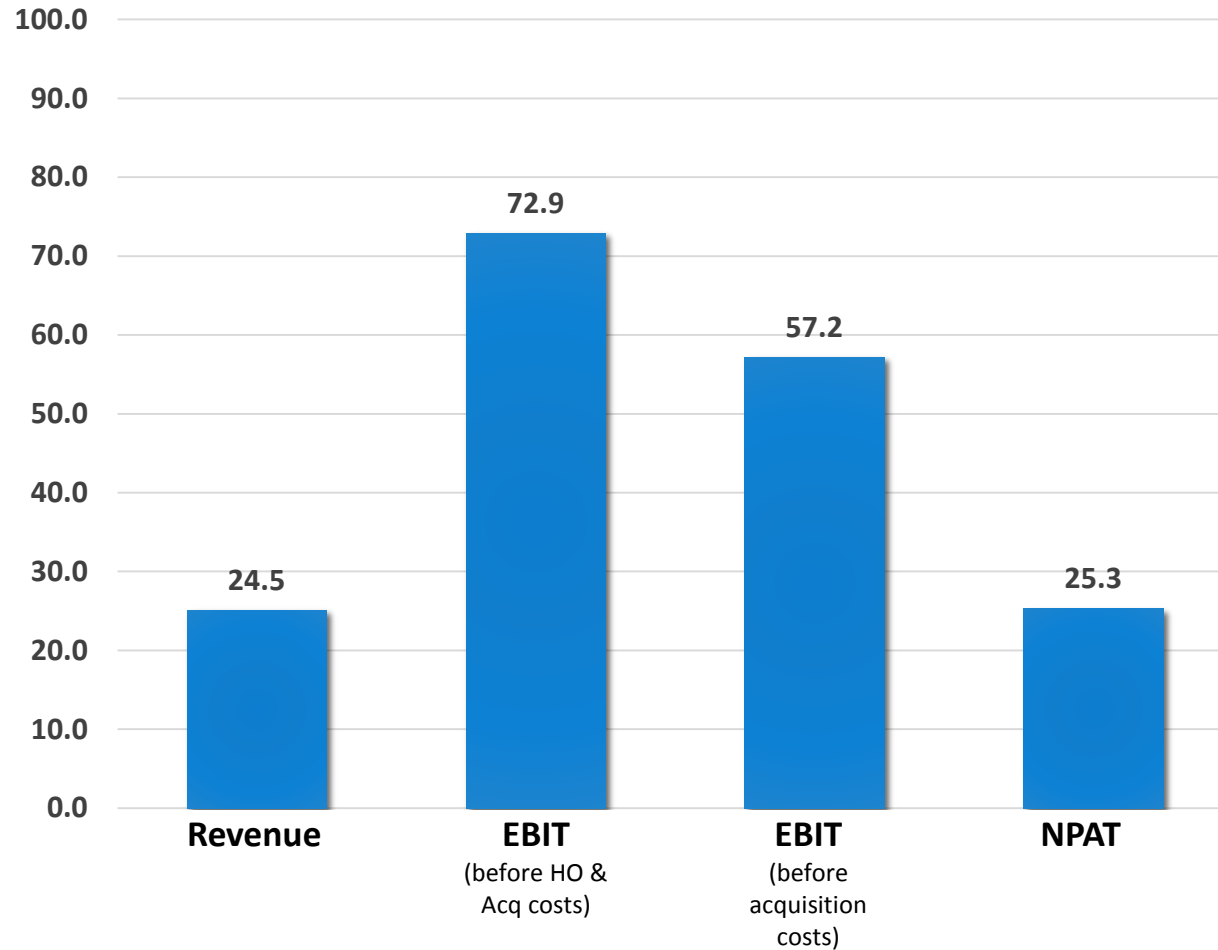
Managing Director / CEO:	Kevin McLaine
CFO/ Company Secretary:	Julian Graham
Non-Executive Chairman:	Terry Benfold
Non-Executive Director:	Cass O'Connor

KEY PERFORMANCE HIGHLIGHTS

- Revenues of **\$39.53m** an increase of **25%** (normalised \$31.76M 1H14)
- Operating EBIT before Head Office and Acquisition costs of **\$4.67M** (normalised \$2.70M 1H14) up **73%**
- Group EBIT after Head Office and before Acquisition Costs of **\$3.81M** (normalised \$2.43M 1H14) up **57%**
- Strong cash position – no net debt with **\$4.1M** of unused financing facilities
- Improved trading:
 - **PEOPLE** performing well, maintained margins and invested \$325K in staff infrastructure
 - **SECURITY** results pleasing with cost investments impacting earnings but client base expanding and Pure Hacking performing strongly
 - **COMMUNICATIONS** results up **72%** and has a strong pipeline
- A fully franked dividend of **3 cents** per share to be paid in April 2015

CONSOLIDATED RESULTS

Year on Year Increase (%)



REVENUES AND EARNINGS



	1H15 (\$'000)	1H14* (\$000)
Revenue	39,527	31,759
EBIT (before Head Office & Acquisition Costs**)	4,672	2,702
Margin %	11.8%	8.5%
EBIT before Acquisition Costs**	3,812	2,425
Margin %	9.6%	7.6%
Net Interest Income (Expense)	(0.51)	0.02
Tax	(858)	(827)
Net Profit After Tax	2,027	1,618
Margin %	5.1%	5.1%
EPS (basic - weighted)	3.82	3.20
DPS (Cents - Fully Franked)	3.00	0.00

**Normalised results*

***HO costs were \$860K 1H15 (\$277K 1H14); Acquisition Costs were \$0.42M 1H15 (\$0K 1H14)*

CONSOLIDATED RESULTS

Consolidated Balance Sheet	1H15 (\$'000)	1H14* (\$000)
Cash and Receivables	5,001	5,552
Receivables	8,164	7,681
Other	1,879	1,948
Total Current Assets	15,043	15,180
PP&E	508	476
Intangibles	67,166	48,343
Tax Assets	1,676	1,091
Total Assets	84,394	65,090
Payables	5,408	4,259
Tax Payables	851	445
Debt	4,895	-----
Deferred Consideration	12,765	678
Provisions and Other Liabilities	2,801	4,124
Total Current Liabilities	26,720	9,506
Deferred Consideration	6,076	9,204
Provisions and Other Liabilities	150	141
Total Liabilities	32,946	18,851
Equity	51,447	46,239
Shares on Issue	55,675,076	50,573,869

ABRIDGED BALANCE SHEET



Commentary

Cash flows to expectation

Debtors solid – no material delinquent debt

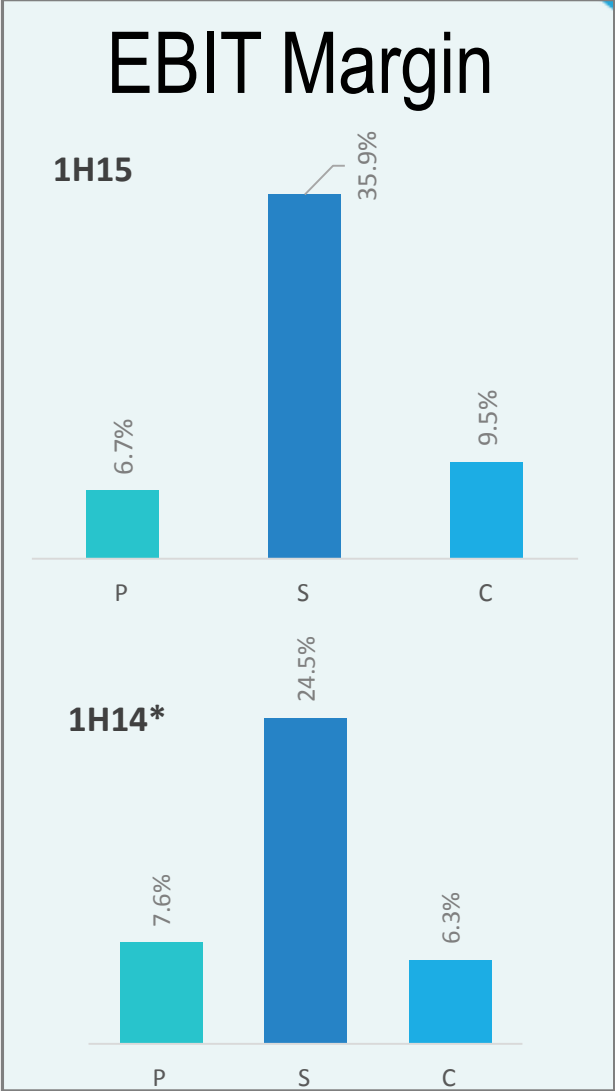
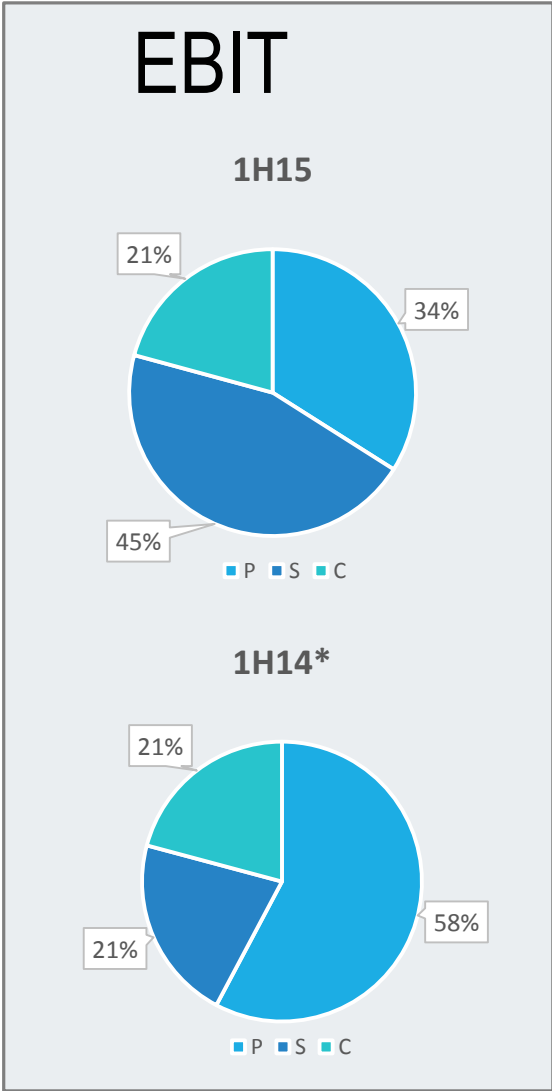
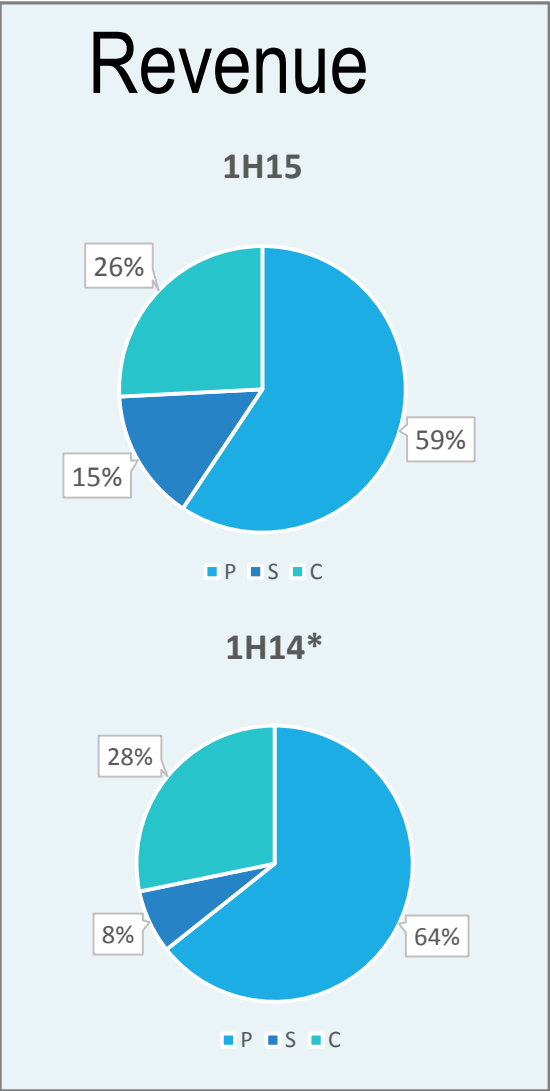
Loan facilities of \$4.1m available

Capex low

5.1M shares issued for Pure Hacking and Hacklabs obligations

Intangibles increase on Pure Hacking acquisition

Deferred consideration will be funded with a mixture of debt, operating cash and scrip. We have the option of 100% scrip.



*Normalised Results

SEGMENT RESULTS

PEOPLE



	1H15 (\$'000)	1H14 (\$'000)*	Change (%)
Segment Revenue	23,592	20,428	16%
Segment EBIT	1,588	1,561	2%
Margin	6.7%	7.6%	

Commentary

Market remains strong.

Invested cost in the business as a platform for future growth.

Additional investment in BDM and Account Executive resources – annual run-rate of \$325K from 1 July.

Perm placement revenue cyclical and down \$200K for the half - (18 v 13).

Underlying billable headcount contribution up 18% - (215 v 182)

Expect a strong 2nd half based on increase in billable headcount.

****Normalised results***

SEGMENT RESULTS

SECURITY



	1H15 (\$'000)	1H14 (\$'000)*	Change (%)
Segment Revenue	5,890	2,364	149%
Segment EBIT	2,113	578	266%
Margin	35.9%	24.5%	

Commentary

- Hacklabs sales improvement - reinvested in marketing which will generate sales in 4th quarter and next FY.
- **Pure Hacking traded above expectations.**
- Securus - additional investment in BDM capability. Revenue up but some capacity issues during the half impacting profitability.
- **Industry continues to grow.**
- Plan to grow and widen offering via acquisition.

**Normalised results*

SEGMENT RESULTS

COMMUNICATION



	1H15 (\$'000)	1H14 (\$'000)*	Change (%)
Segment Revenue	10,255	8,967	14%
Segment EBIT	971	563	72%
Margin	9.5%	6.3%	

Commentary

- Pleasing result driven by government customer activity.
- Margins on services showing material improvement.
- Consulting business has been weak.
- Pipeline is larger than previous years for 3rd quarter.
- Prospects remain strong for the remainder of the year and last quarter important to results.

**Normalised results*

BUSINESS UNIT

Revenue	1H15	1H14*	Change %
PEOPLE	23,592	20,428	16%
Securus	2,041	1,383	48%
Hacklabs	1,049	981	7%
Pure Hacking	2,800	-----	n/a
SECURITY	5,890	2,364	149%
Allcom Networks	10,030	8,042	25%
Allcom Consulting	225	925	(76%)
COMMUNICATION	10,255	8,967	14%
CORPORATE	----	----	n/a
TOTAL	39,527	31,759	25%

REVENUES AND EARNINGS



EBIT	1H15	1H14*	Change %
PEOPLE	1,588	1,561	2%
Securus	201	220	(9%)
Hacklabs	310	358	(13%)
Pure Hacking	1,602	----	n/a
SECURITY	2,113	578	266%
Allcom Networks	1,078	391	176%
Allcom Consulting	(108)	172	(163%)
COMMUNICATION	971	563	72%
CORPORATE**	(860)	(277)	210%
TOTAL	3,812	2,425	57%
Acquisition Costs	(417)	-----	n/a
EBIT	3,395	2,425	40%

**Normalised results **Prior to Acquisition Costs*

OUTLOOK



- All business segments reporting buoyant trading conditions.
- **SECURITY industry continues to grow and PS&C will continue to explore expansion opportunities.**
- Both organic and acquisitive growth opportunities evident across the group.
- **Investment in Management, BDM and Account Executive infrastructure in all pillars now complete, sales growth in PEOPLE and COMMUNICATION evident.**
- Pipeline and win-rate in COMMUNICATION is greater than previous years.
- **Long standing relationships and defensive nature of earnings should stand us in good stead.**
- **Last quarter FY15 will be important to the full year result . We are confident in the businesses prospects.**

DISCLAIMER



The material in this presentation is a summary of the results of PS&C Ltd (PS&C) for the half-year ended 31 December 2014 as at the 19 February 2015 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 19 February 2015.

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