



CPT Global Limited 2015 Annual General Meeting November 23, 2015



CPT Global Managing Director's Address

CPT Global at a Glance

- Founded in Australia in 1993
- All services target IT cost optimisation
- Approximately 120 industry based expert consultants & scalable service centres
- Global operations 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

Summary of FY15 Performance

- Perfect storm as Europe, North America and Australia all suffered declines in revenue and margins
- Net loss after tax of \$5.1m
 - Australian revenue decreased 21% on FY14
 - International revenue decreased 34% on FY14
 - Net loss from operations of \$1.6m
 - Goodwill in Australia impaired by \$2.4m
 - \$1.1m of FX losses recognised on settlement of intercompany debtors and creditors
- Cash reserves reduced to \$0.5m from \$2.4m
- Net tangible assets of \$4.3m, down \$2.0m from FY14

Summary of FY15 Performance

- Secured working capital funding from Efic for risk/reward project in Italy
 - Drawdowns well below facility limit
 - Invoiced revenue YTD exceeds outstanding balance
- Early signs of an increase in IT spend by the federal government and semi-government agencies:
 - CPT benefiting in FY16 as 148% of our annual budget for Canberra is contracted
- Project delays experienced in Europe and North America throughout FY15
 - European project commenced in late FY15 and will conclude in November 2015
 - 3 major projects were delayed in North America:
 - 2 underway and will complete in the second half of FY16
 - 1 scheduled to commence in January 2016
- Reviewing CPT structure and operations
 - Cost base of the group being restructured
 - European operations and structure under review

Vision

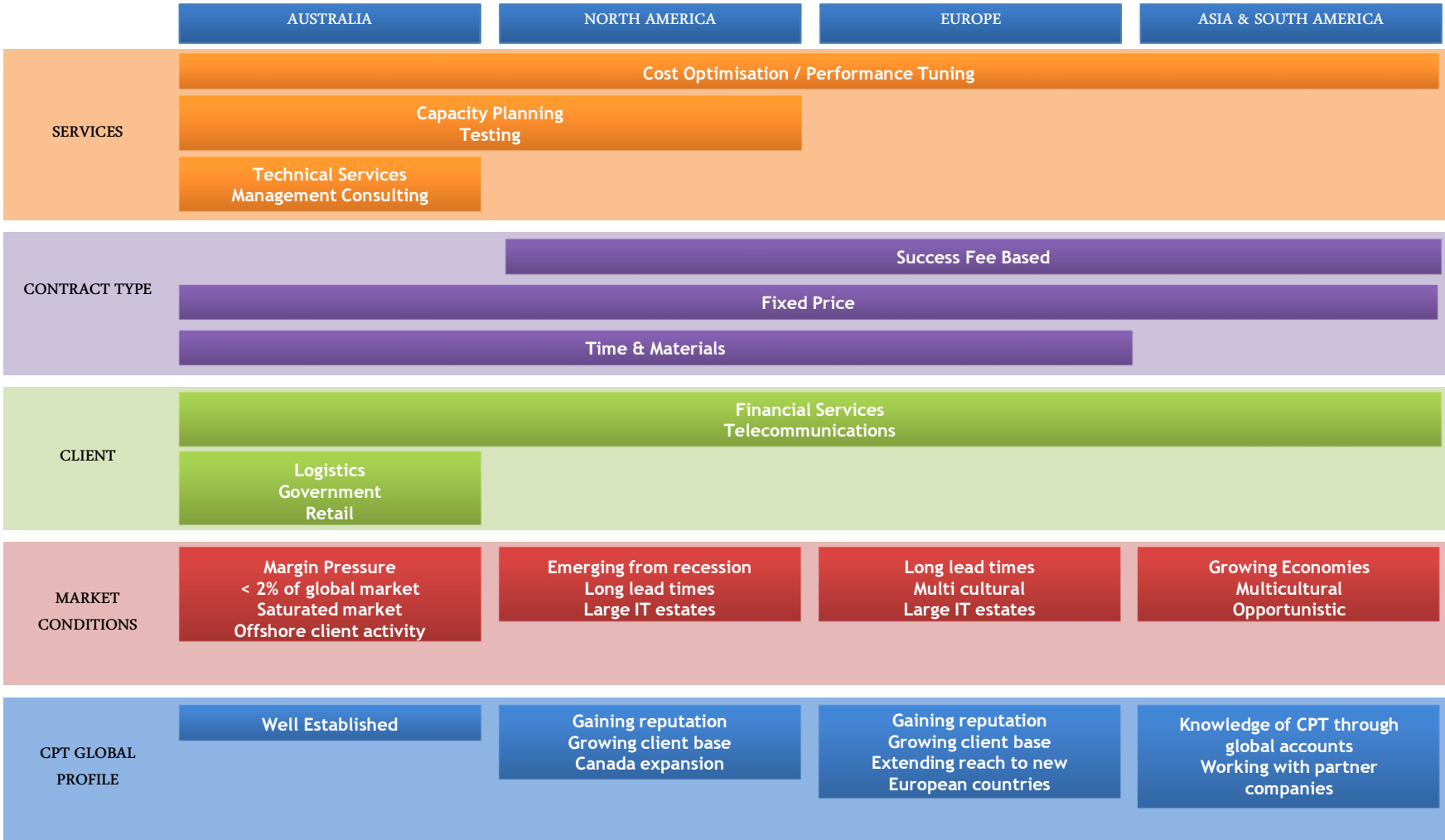
To provide unparalleled IT cost optimisation and end to end delivery assurance services utilising world class consultants, innovative solutions and leading edge technology

- Focus on the global market
- Partnering with world leading technology providers
- Independent client trusted advisor

CPT Differentiators

- Industry experts
- Independent from all hardware / software vendors / application developers
- Global market reach & experience
- Leading edge technology and cost reduction methodologies
- Local productivity centres of excellence supporting global reach
- Outstanding client value proposition

Evolution of the CPT Business



CPT Clients - Australia/New Zealand Commercial



CPT Clients - Australian Government

The image displays a collection of logos for various Australian Government departments and agencies. The logos are arranged in a grid-like fashion. Key logos include: vic roads (green and black text); ASIC (Australian Securities & Investments Commission, blue diamond logo); CenITex (black and blue text); Australian Government Department of Immigration and Border Protection (grey box with coat of arms); nbn (blue text with circular graphic); Australian Government Department of Health (black text with coat of arms); RMIT UNIVERSITY (red and black text); Victorian WorkCover Authority (blue diamond logo); Australian Government Department of Finance (green box with white text); STATE REVENUE OFFICE VICTORIA (red box with white text); Australian Government Department of Social Services (black text with coat of arms); VICTORIA POLICE (crown logo); Australian Government Department of Treasury (black text with coat of arms); VICTORIAN CURRICULUM AND ASSESSMENT AUTHORITY (blue and grey logo); Australian Government Attorney-General's Department (black text with coat of arms); Australian Government Department of Agriculture and Water Resources (brown box with white text); GOVERNMENT OF WESTERN AUSTRALIA (black text with coat of arms); Australian Government Department of Defence (black text with coat of arms); VICTORIA State Government Treasury and Finance (blue and white logo); AlfredHealth (red and black text); Australian Government Department of Education and Training (purple box with white text); Australian Government Department of Industry, Innovation and Science (black text with coat of arms); Australian Government Department of Human Services (black box with white text); CRIMTRAC (blue text in vertical bars); ACT Government Treasury (blue box with white text); and TAC TRANSPORT ACCIDENT COMMISSION (black and white logo).

CPT Clients - Americas



BNY MELLON



CPT Clients - Europe



RENAULT



Das Auto.



CPT Clients - Asia



FY15 Key Financial Results

	FY15	FY14	% Movement Prior Year
Revenue	28.2m	38.4m	(34%)
EBITDA	(5.1m)	3.2m	(159%)
NPAT	(5.1m)	2.2m	(335%)
EPS (Basic)	(13.8c)	5.9c	(335%)
Cash	0.5m	2.4m	(79%)
Net Tangible Assets	4.3m	6.3m	(32%)
Fully Franked Dividends (Interim & Final)	0.0c	4.5c	n/a
Dividend Payout Ratio	0%	77%	n/a

Balance Sheet

	FY15 (\$m)	FY14 (\$M)
Cash	0.5	2.4
Debtors	4.5	7.2
Unbilled Revenue (WIP)	4.2	3.1
Current Tax Asset	0.5	-
Other Current Assets	0.4	0.3
Total Current Assets	10.1	13.0
PP+E	0.0	0.0
Deferred Tax Asset	1.7	1.4
Intangibles	5.1	7.5
Total Non-Current Assets	6.8	8.9
Total Assets	16.9	21.9
Current Liabilities	7.0	7.8
Non-Current Liabilities	0.5	0.3
Total Liabilities	7.5	8.1
Net Assets	9.4	13.8

- \$1.9m reduction in cash
- Efic and GE funding for working capital
- Australian goodwill impaired

Cash Flow

	FY15 (\$m)	FY14 (\$M)
Receipts	33.1	38.5
Payments	(34.5)	(35.2)
Gross Operating Cash Flow	(1.4)	3.3
EBITDA	(5.1)	3.2
Ratio of GOC / EBITDA	0.27:1	1.03:1
Finance Costs	(0.2)	(0.2)
Income Tax	(1.0)	(0.4)
Net Operating Cash Flow	(2.6)	2.7
Net Investing Cash Flow	0.0	0.0
Net Financing Cash Flow	0.4	(1.1)
Net Cash Movement	(2.2)	1.6
Opening Cash Position	2.4	1.2
Effect of Foreign Exchange	0.3	(0.4)
Closing Cash Position	0.5	2.4

FY15 Key Business Issues

International business

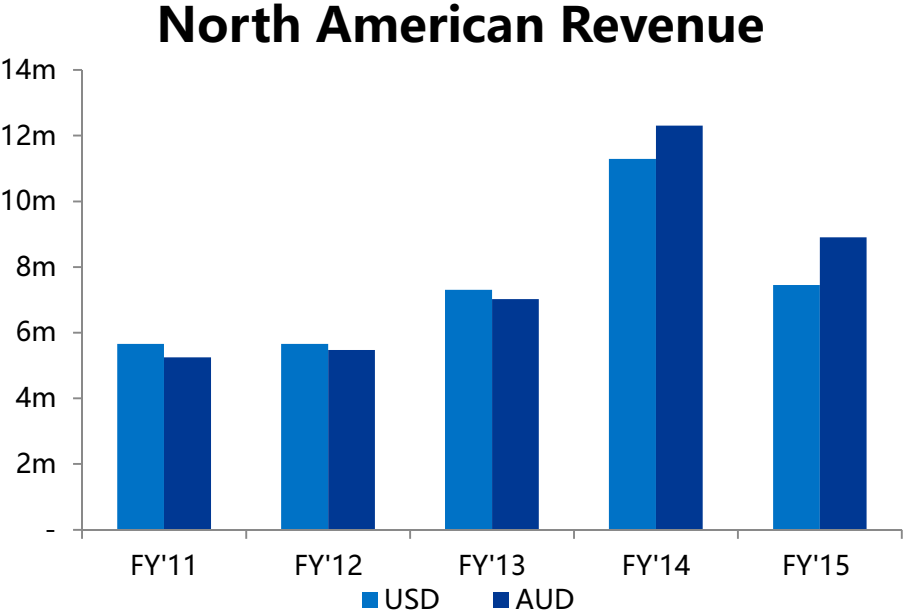
- Loss largely incurred in the international business
 - delays in commencing projects resulted in significant lost revenue
 - sales cycle in Europe and North America is longer than in past years
 - decrease in risk/reward revenue to \$5.5m (FY14 \$9m) as completed projects were not replaced by new projects
 - lower margins due to the reduction in risk/reward engagements
- Continued growth in large telecommunications client in Canada. Expected to continue into FY16
- Contract at our largest client in the US has come to an end
- Undertook two more engagements in mainland China
- Efic funding secured for risk/reward project in Italy.

FY15 Key Business Issues

Australian business

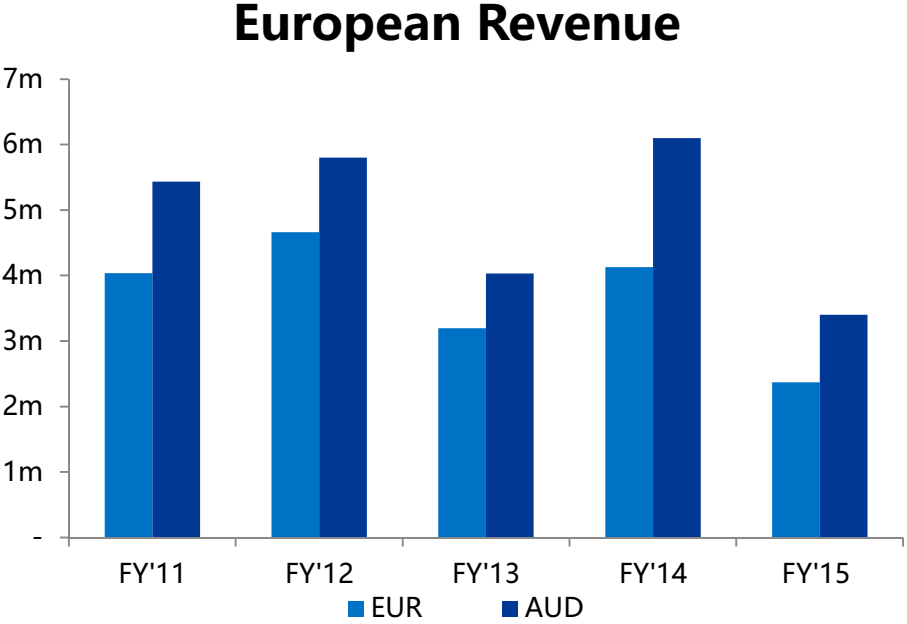
- Addition of 7 new clients, unfortunately offset by reduction in requirements from three existing clients
- Profitable even with 21% drop in revenue from FY14
- Pressure on rates and margins at Tier 1 clients
 - Procurement processes
 - Panel rate cards
 - Offshoring
- Early signs of growth in IT spend at Tier 1 financial services clients
 - Activity increasing in FY16 with CPT seeing revenue growth at these clients in the second half of FY16

International Business - North America



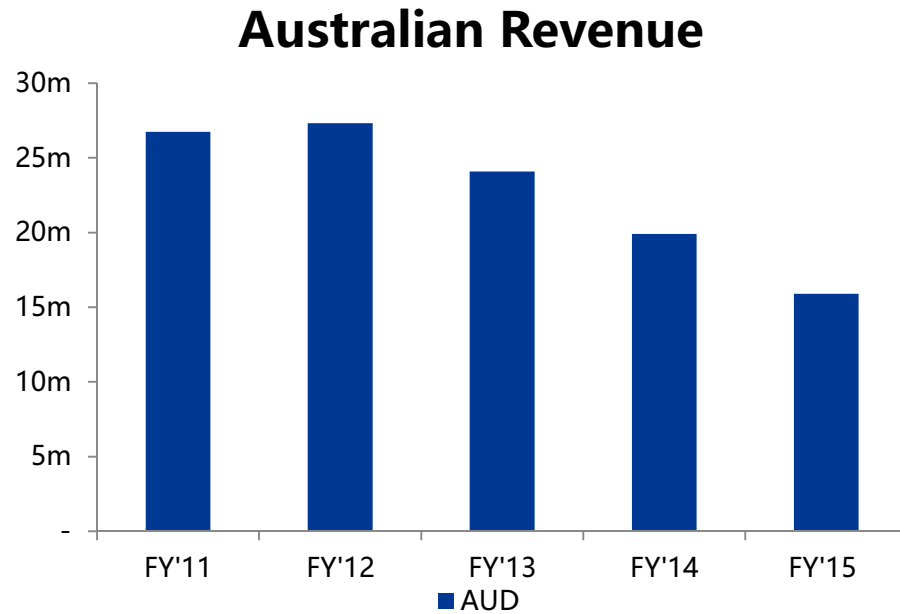
- Reduction in revenue disappointing after investment and strong growth in prior years
- Margins in US maintained but Canadian margins down on rate pressure
- Delay in 3 projects hit revenue hard

International Business - Europe



- Business lumpy, dependant on mainframe risk/reward contracts and timing of project engagements
- Significant delays in commencing risk/reward project experienced
- Operation and structure under review

Australian Business



- Significant reduction in IT spend with CPT by 3 major clients
- Margin pressures continuing via procurement processes and budget constraints
- Growth in revenue coming from Tier 1 financial services clients and federal government

CPT Global Strategy

- Minimise risk from lumpy risk/reward revenue in Europe:
 - Pursue time and materials contracts and annuity style income
 - Implement a more flexible cost base
 - Cross selling testing, capacity planning, production assurance and mid-range cost optimisation services
- Restructuring the cost base of the business across all regions to lower costs and increase flexibility to respond to challenging times
- Stabilise and grow the Australian business by focussing on:
 - our key differentiator and core expertise in end to end delivery assurance;
 - Tier 1 companies, in particular financial services and government and semi-government organisations; and
 - expand footprint in existing clients.

CPT Global Strategy

- Restructure the European business:
 - Review of operations and structure underway
- Leveraging strategic alliances with BMC Software, Dynatrace and Compuware in North America and Europe:
 - enhanced sales capacity, capability and reach with access to sales force and clients
 - contract delivered in London;
 - contract signed with US Government agency; and
 - strong pipeline.

Strategic Alliances

- Deepening relationships with three global Software Vendors (BMC Software (www.bmc.com), Dynatrace (www.dynatrace.com) and Compuware (www.compuware.com)) across North & South America, Europe, Australia and Asia
 - BMC Software, Dynatrace and Compuware selling CPT services to their Tier 1 clients
 - Jointly targeting new clients or expanded offerings in existing clients - gaining competitive advantage through collaboration and partnering
 - Maintaining our independence
 - Engaging at the most senior levels globally within each respective vendor organisation
 - Joint marketing
 - Slow start revenue wise but momentum building and the pipeline is strong
- In Asia, partnership with China ETEK (www.ce-service.com/cn/en/), joint sales campaigns in mainland China and three phase 2 proposals submitted
- In South America, working with BMC assisting with identifying opportunities for CPT in the local market
- In Europe, continuing to partner with Tori (www.toriglobal.com) to identify business leads for CPT

FY16 Opportunities & Challenges

International

Opportunities

- Global T&M in financial services
- Strategic alliances providing sales capacity, capability and reach

Challenges

- Reliance on risk/reward in Europe
- Project delays and sales cycle
- Closing opportunities

Australia

Opportunities

- IT spend at federal government and semi-government increasing
- End to end delivery assurance consulting services
- Leverage expertise in financial services

Challenges

- Maintaining margins
- Growing non-financial services accounts
- Closing opportunities

Outlook

International Business

- Strong growth in Canada in the first half of FY16. Outlook for second half is uncertain due to corporate activity at clients
- Poor first half in the US but improvement in second half expected
- Poor first half in Europe and operations being reviewed
- Opportunities in China in the second half of FY16
- Pipeline is strong but need to close opportunities

Australian Business

- Slow start to FY16 but activity increasing
 - \$2.1m contract won in Canberra
 - Revenue growth at Tier 1 financial services clients

About CPT Global

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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.

AUSTRALASIA

Melbourne

Level 1, 4 Riverside Quay
Southbank VIC 3006
Telephone +61 3 9684 7900
Facsimile +61 3 9684 7999

Sydney

Suite 3, Level 5, 80 Clarence St
Sydney, NSW 2000
Telephone +61 2 8234 7400
Facsimile +61 2 8234 7499

Canberra

Level 6, 39 London Circuit
Canberra City ACT 2601
Telephone +61 2 6206 9799
Facsimile +61 3 9685 7000

Singapore

10 Anson Road, #32/15
International Plaza,
Singapore 079903
Telephone: +65 6226 2555

AMERICAS

New York

410 Park Avenue, 15th Floor,
New York NY 10022
Telephone +1 917 210 8668
Facsimile +1 917 210 8182

Toronto

100 King Street West, Suite 5600
Toronto, Ontario M5X 1C9
Telephone +1 416 642 2886
Facsimile +1 416 644 8801

Sao Paulo

Al. Europa 1206 – Santana de
Parnaiba - SP –
CEP 06543-325
Telephone: +55 11 8454-0869

EUROPE

London

Parkshot House, 5 Kew Road
Richmond, Surrey, TW9 2PR
Telephone +44 20 8334 8085
Facsimile +44 20 8334 8541

Munich

Landsberger Str. 302
D-80687 Munich
Telephone +49 89 9040 5955
Facsimile +49 89 9040 5965

Paris

140 bis rue de Rennes
75006 Paris
Telephone +33 1 70 38 23 21
Facsimile +33 1 70 38 23 00

Milan

94 Viale Abruzzi,
Milan 20131

www.CPTGlobal.com

