AGM Presentation

PEOPLE SECURITY & COMMUNICATION

PS&C Today

A national ICT security, communications and services provider delivering holistic solutions to blue chip, government and SME sectors

People	Low risk people provider to blue chip customer base diversifying into more general, higher margin IT	• Consulting • Contractor management • Recruitment • Project augmentation services
Security	High growth security business with high franchise value in dominant market position	• Security consulting • Managed Services • Penetration testing • Red Teaming • Product sales • Education
Communication	Significant panel agreements for hardware and services expanding into national markets	• Unified communications and IP telephony • Network infrastructure • Consulting and managed services

Acquisition and growth strategy across all sectors leveraging from current dominant position in security sector

Recent Highlights

- Purchased Pure Hacking in August 2014
- Purchased Bexton October 2015
- Businesses within growing sectors with federal and state government contract and panel wins. Recent:
  - Federal government panel for Security
  - State government panel for People
  - State government contract win for Communication
- Financing facilities with ANZ increased
- FY 15 Trading:
  - **PEOPLE** performing well, record number of billable people
  - **SECURITY** results pleasing with cost investments and capacity impacting earnings but industry expanding and Pure Hacking and Hacklabs performing strongly
  - **COMMUNICATION** result pleasing with excellent performance from Networks business
- Recruited and retained highly skilled staff across all segments

Financial Highlights

- Revenues of **$84.47M** an increase of **33%** (normalised $63.32M FY14)
- Operating EBIT before head office, deferred consideration profit and acquisition costs of **$10.83M** (normalised $7.47M FY14) up **45%**
- Group EBIT after Head Office and before deferred consideration profit and acquisition costs of **$8.72M** (normalised $6.72M 1H14) up **30%**
- Strong cash position – **$5.1M** of cash with **$14M** of unused financing facilities
- A fully franked dividend of **3 cents** per share paid in October 2015

Our People Business

- ✓ Investment via additional costs has led to a record number of billable days during the year and revenue that was 26% above the normalised FY14 revenue
- ✓ EBIT was up 3% on FY14 (normalised)
- ✓ The full benefit of the extra expenditure is expected to grow profits in 2016 and beyond

	FY15	FY14*	CHANGE
	$'000	$'000	%
REVENUE	51,730	40,969	26%
EBIT	3,549	3,449	3%
MARGIN	7%	8%	

**Normalised results*

Solid track record of delivering consulting, contractor management and recruitment services to blue-chip sector with capacity for growth through diversification

Our People Business

CURRENT

- ✓ Solid blue chip client base with less exposure to discretionary spend
- ✓ Access to Sydney market
- ✓ Top recruitment specialists with a breadth of experience in SAP & General IT
- ✓ Underlying billable headcount contribution up 18% (FY15 v FY14)

OPPORTUNITIES FOR GROWTH

- ✓ PS&C will have a wider offering with both SAP and general IT, leading to a larger client base
- ✓ Added general IT capability with Bexton transaction
- ✓ A stronger presence in the Sydney market
- ✓ Extra infrastructure is expected to grow profits in FY16 and beyond

Our Security Business

- ✓ Revenue up 123% and EBIT up 131% on FY14 (normalised)
- ✓ Pure Hacking acquisition has been a major success
- ✓ Hacklabs also performed well
- ✓ Securus Global increased revenue but had a tough year earnings-wise due to capacity issues
- ✓ The Security segment is now PS&C's largest profit centre
- ✓ The opportunity to grow in the cyber security sector organically and via acquisition remains an area of focus for the group

	FY15	FY14*	CHANGE
	$'000	$'000	%
REVENUE	12,017	5,388	123%
EBIT	5,095	2,202	131%
MARGIN	42%	41%	

**Normalised results*

Largest penetration tester in AU & NZ also providing security consulting, managed services, red teaming, product sales and education capable of major expansion with high margins

Our Security Business

CURRENT

- ✓ One of the largest assurance service providers in Australia and New Zealand
- ✓ Dominant position with an excellent reputation
- ✓ Staff are industry experts with highly specialised and in-demand skills
- ✓ High margins and high franchise value
- ✓ Strong growth industry

OPPORTUNITIES FOR GROWTH

- ✓ Opportunities to diversify and scale offering
- ✓ Acquisition opportunities to grow segment
- ✓ Build annuity income base
- ✓ Research suggests spend in the industry will continue to grow significantly
- ✓ Grow market share

Our Communication Business

- ✓ Allcom Networks has been an excellent performer with revenue up 33% on FY14 (normalised) and EBIT up 57% on FY14 (normalised)
- ✓ This increased result has been driven by increased activity among the client base and the business consistently winning its share
- ✓ The pipeline remains strong and we expect another strong year
- ✓ Allcom Consulting has been disappointing with EBIT below FY14 (normalised)
- ✓ Notwithstanding Allcom Consulting's performance, the Communication segment has delivered an EBIT 20% higher than FY14 (normalised)

	FY15	FY14*	CHANGE
	$'000	$'000	%
REVENUE	20,720	16,959	22%
EBIT	2,185	1,816	20%
MARGIN	11%	11%	

**Normalised results*

Provides unified communications and IP telephony and network infrastructure with major expansion opportunities cross-leveraging from existing and new security business

Our Communication Business

CURRENT

- ✓ Excellent customer base in NSW, regional governments and corporates
- ✓ Significant performer on NSW Government ICT Procurement Contract
- ✓ Accepted onto ATO Panel Contract
- ✓ Cisco award "Outstanding Performance in 2015 - Security Partner"
- ✓ Nimble Storage Rising Star award
- ✓ Dedicated staff with a wealth of experience in the Comms industry

OPPORTUNITIES FOR GROWTH

- ✓ Managed services growth
- ✓ Increase infrastructure service offering
- ✓ Expansion into other states
- ✓ Collaboration opportunities with Security segment to widen existing customer base

Outlook

- All businesses poised for future growth
- Pipelines strong after relatively soft start to FY16 – we remain confident on full year outlook.
- PEOPLE:
  - Recent panel wins to assist growth in 2nd half
  - Opportunity to grow with general IT offering
- SECURITY:
  - Currently heavily booked as activity in sector continues to grow
  - Performance largely only constrained by capacity
  - Developing expansion opportunities and structures
- COMMUNICATION:
  - More normal, softer start to the year as FY15 1st half was unusually high
  - Pipeline is strong with a significant long term contract win to kick in 2nd half
- 2nd half and Q4 results will be important to full year results as usual

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- The material in this presentation is a summary of the results of PS&C Ltd (PS&C) for the year ended 30 June 2015 as at the 20 August 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 20 August 2015.
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