



Investor Presentation

September 2014

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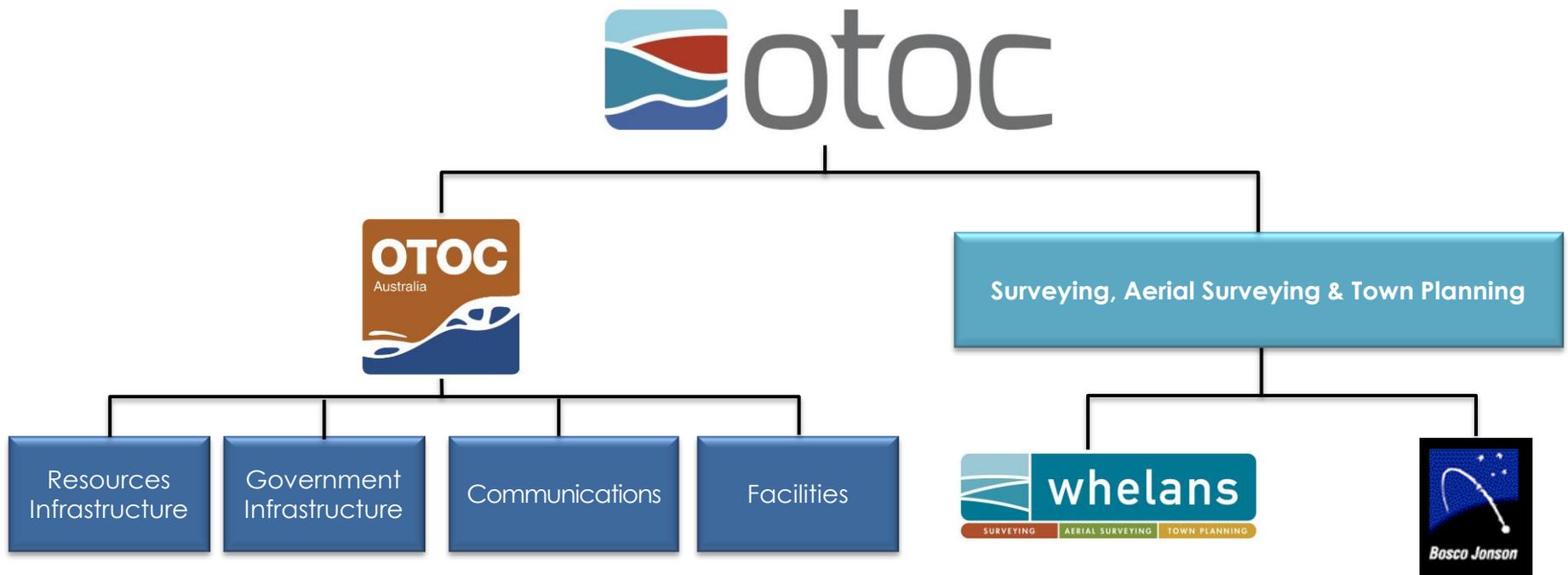
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1. Company Snapshot + FY14 Financial Results

Group Structure

- OTOC is a diversified infrastructure group servicing resources, land and urban development and government sectors
- OTOC has a focused strategic goal of creating a premium national surveying business



Capital Structure

Capital Structure

Share price (ASX: OTC)	c	20.5
Ordinary shares on issue	m	193.1 ¹
Market cap	\$m	39.6
Cash (30 June 2014)	\$m	6.8
Cash (post – 30 June 2014)	\$m	15.0 ²
Debt and Facilities (drawn – 30 June 2014) ³	\$m	9.6
Debt and Facilities (undrawn)	\$m	8.2
Enterprise Value	\$m	34.2
EV:EBITDA (FY2014)	\$m	2.7x

Note 1: Increasing to approximately 200.7m following acquisition of Bosco Jonson

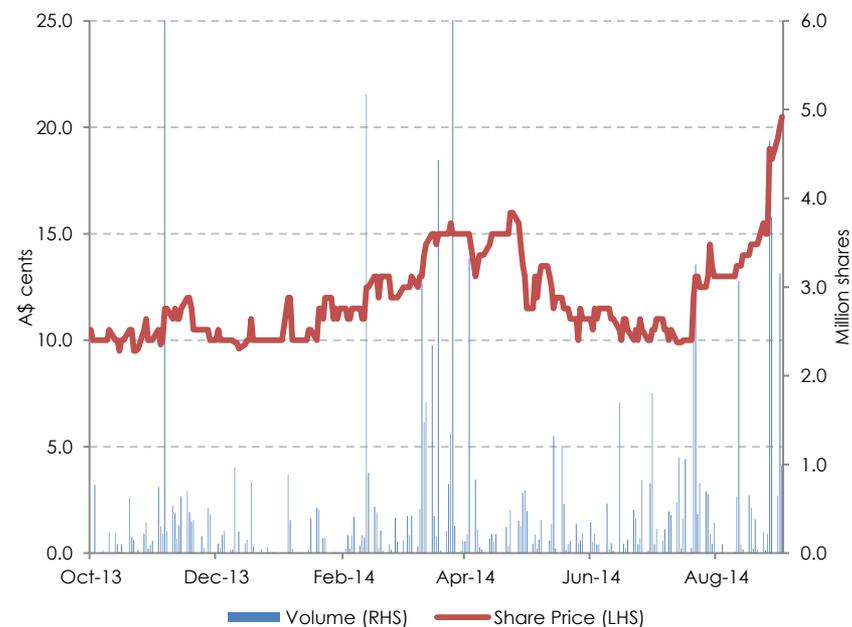
Note 2: Following receipt of a client approved project receivable

Note 3: Comprises Hire Purchase liabilities

Shareholder Base

Directors & Management	30%
Institutional Investors	20%

Share Price



FY2014 | Financial Highlights

		FY14	FY13	Change	
Revenue	\$m	113.1	113.9	(1%)	
Underlying EBITDA	\$m	12.8	10.9	17%	
Underlying EBIT	\$m	9.1	7.7	18%	
Underlying EBIT Margin	\$m	8.0%	6.8%	18%	
Underlying Profit before Tax	\$m	7.2	6.6	9%	
Net Profit after Tax	\$m	5.5	5.2	6%	
Earnings per share	cents	2.8	2.5	12%	

- Strong profit growth in context of subdued conditions in resources sector
- Improved operating margins on construction projects
- Diversification initiatives including government infrastructure, remote communications and facilities has contributed to improved margins and lower risk profit (cost-plus)
- Strong focus on rebalancing the Whelans business in order to achieve margin growth

Divisional Performance

OTOC Australia

		FY2014	FY2013	Change
Revenue	\$m	88.1	84.8	4%
EBITDA	\$m	12.1	8.4	44%
EBIT	\$m	9.9	6.5	52%
EBIT margin	%	11%	8%	47%

Note: pre-corporate overheads

Whelans

		FY2014	FY2013	Change
Revenue	\$m	25.1	29.2	(14%)
EBITDA	\$m	2.9	4.3	(33%)
EBIT	\$m	1.5	2.9	(48%)
EBIT margin	%	6%	10%	(40%)

Note: pre-corporate overheads

OTOC

- Improved cost controls and management systems implemented
- Strong contribution from government infrastructure (Nauru) and resources infrastructure (Rio Tinto – Nammuldi)
- Incumbent position at Nauru continues to generate new work
- Communications division (telecommunications implementation and upgrades) is a niche, high-margin business with high barriers to entry and strong growth outlook
- Well positioned to benefit from a pick-up in resources sector infrastructure spend given reduced competition

Whelans

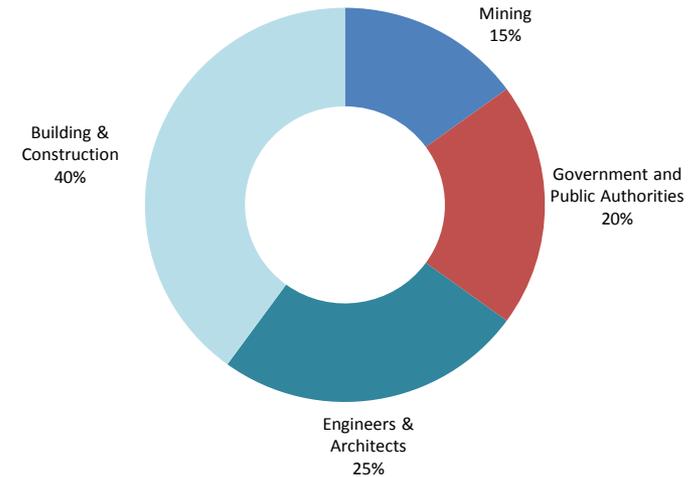
- Brett Goodridge (former CEO/MD of surveying company McMullen Nolan), was appointed General Manager of Whelans, and a review of Whelans was undertaken by the group – now complete
- One-off redundancy and restructuring costs of \$1.0m was incurred
- Whelans retains a strong brand and industry reputation, and has a talented team of professionals to drive growth and geographic expansion

2. National Surveying Strategy

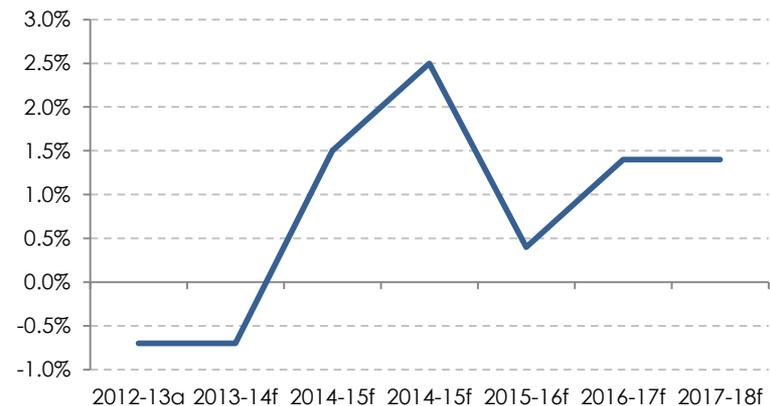
Australian Surveying Sector

- The Surveying and Mapping Services industry is highly fragmented, comprising many small-scale firms contesting narrow geographic or specialist markets
- According to IBIS World, the Australian industry consists of over 3,500 small businesses. The industry's four largest companies account for less than 10% of annual industry revenue
- \$3.4bn in industry revenue in the year ended 30 June 2013, forecast to grow by an annualised 1.4% over the five years to 2018-19 to \$3.6 billion
- EBIT margins of ~14% in the year ended 30 June 2013, forecast to grow by an annualised 3.0% in the five years 2018-19 to 15.0% of revenue
- The industry generates about 40% of its annual revenue from the provision of services to building companies and real estate property developers, with input from surveyors at most stages of the development and construction process
- The recent upswing of investment into new housing construction has resulted in demand for building surveying on new housing subdivisions
- Mining sector surveying comprises an estimated 15% of the market and often involves specialised, higher-margin services

Major Markets



Revenue Growth



Source: IBIS World

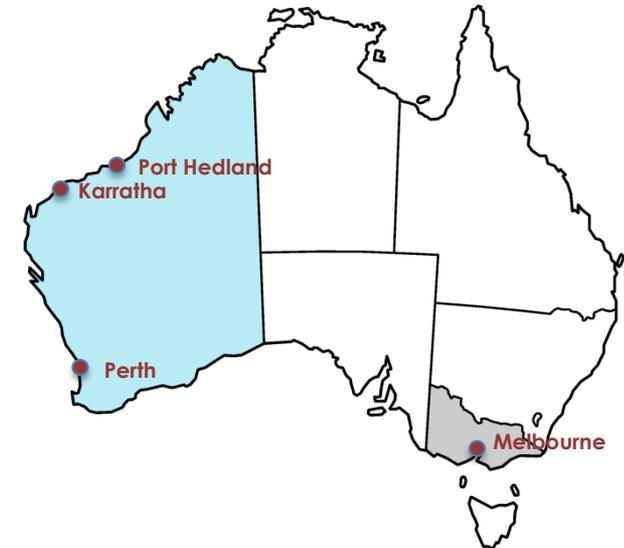
OTOC - A National Leader in Surveying, Aerial Surveying & Town Planning

- OTOC has the opportunity to be the first-mover in a national consolidation strategy to create a premium national surveying business
- Following the proposed acquisition of Bosco Jonson, over 230 staff with offices in Perth, regional WA and Melbourne. Experienced Management teams and award-winning professional staff
- Advantages of national strategy:
 - Better service clients which have national operations
 - Leverage individual relationships into national clients of the group
 - Ability to offer a wider range of services and technologies to clients through group member relationships
 - Distribution channel to feed work into other services
 - Sufficient scale to offer specialised services and capture high-margin work in aerial surveying, hydro, urban design and technology
 - Flexible, mobile work force to better manage utilisation and provide employee development opportunities
 - Strong financial platform for further expansion

Award Winning Brands



Locations



3. Acquisition of Bosco Jonson

Acquisition of Bosco Jonson

TRANSACTION HIGHLIGHTS

- OTOC has agreed to acquire Bosco Jonson, a leading Victorian surveying, town planning and urban design business (**Acquisition**)
- First acquisition as part of OTOC's strategy to create a premium national surveying business
- Provides OTOC with an entry into Victorian surveying market and diversifies and enhances the quality of group earnings
- Acquisition consideration: up-front consideration of \$14m¹ and performance consideration of up to \$3m subject to the achievement of financial hurdles
- Acquisition expected to be earnings per share accretive in FY15

BOSCO JONSON OVERVIEW

- Established in 1997, Bosco Jonson is a Melbourne based surveying company with approximately 80 staff and longstanding reputation for quality
- Recognised leader in large scale urban and broad-acre developments
- Blue-chip, long-term client base including Australand, Parklea, Peet, Stockland, Lend Lease, MAB, Satterley and Salta
- Consistently delivered strong financial results, with average EBITDA margin of 33% over FY09 – FY14 and FY14 EBITDA of \$4.5m
- Vendors/principals will enter into long-term employment contracts prior to Completion

Note 1: Cash \$13m, OTOC shares \$1m

Acquisition of Bosco Jonson

ACQUISITION RATIONALE

- **Strategic-fit:** consistent with OTOC's stated strategy of expanding the group's surveying, town planning and urban design capabilities to create a premium national surveying business
- **Clients:** high levels of repeat business from diversified blue-chip client base
- **Management:** experienced management team with proven track record
- **Geographic expansion:** entry into attractive Victorian property market
- **Diversification:** further diversification away from resources sector and contracting work
- **Financial:** diversifies and enhances the quality of OTOC's earnings with the addition of high-margin repeatable earnings
- **EPS accretive:** expected to be EPS accretive in FY15
- **Valuation metrics:** up-front consideration implies a FY14 EBITDA multiple of 3.1x

FUNDING

- Acquisition is on a cash/debt free basis
- Up-front cash consideration of \$13m will be funded from existing cash reserves and debt facilities

Bosco Jonson

- Melbourne based surveying company with approximately 80 staff
- Established in December 1997 after a management buy-out of the surveying division of WBCM Group
- Five key executives have been with the company since inception and will remain with the business post Acquisition
- Long standing reputation in the industry for quality surveying and property services. Bosco Jonson has won numerous industry awards and is a recognised leader in large scale urban and broad-acre developments
- Consistently delivered strong financial results through the property cycle
- Diversified blue-chip customer base including:



Bosco Jonson - Service Offerings

- Integrated surveying, town planning and urban design capabilities

SURVEYING

- Survey project management
- Legal boundary surveys
- Land tenure advice & reporting
- Apartment and townhouse subdivision
- Hydrographic surveys
- Engineering and construction surveys
- **~50 staff**

CONSTRUCTION SURVEYING

- Ground control placement & co-ordination
- Horizontal grid set out & vertical control
- Monitoring and dilapidation surveys
- Industrial measurements and high precision set out & measurement
- **~10 staff**

TOWN PLANNING

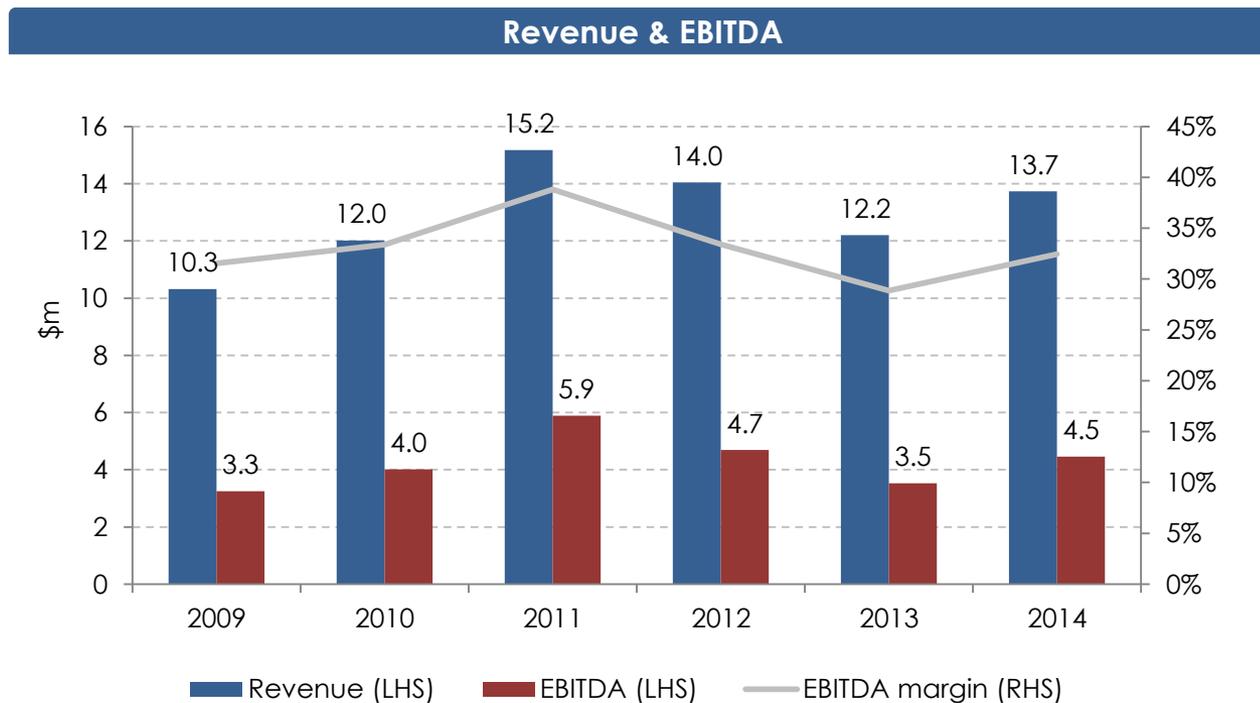
- Prepare applications for planning permits & rezoning
- Sub-consultant briefing & appointments
- Planning appeals, panel hearings and workshops
- Negotiations with councils & service agencies
- Development plan applications
- **~5 staff**

URBAN DESIGN

- Services include site analysis
- Context plans
- Master plans
- Sub-division design & layout
- Land use plans and regional context plan
- **~5 staff**

Bosco Jonson - Historical Financial Performance

- Consistently strong financial performance with Industry-leading profit margins
- Premium business with good cost controls
- Capital-light business model generating strong free cash flow



Source: Bosco Jonson Unaudited Management Accounts

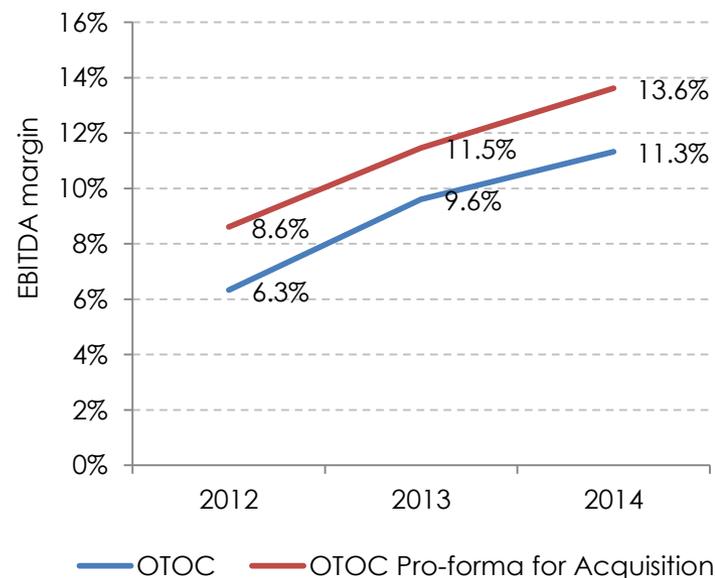
Pro-Forma Financials

- Enhanced scale, repeatable earnings and improved profit margins
- Pro-forma FY14 EBITDA \$17.3m of which combined surveying business (Whelans and Bosco Jonson) is approximately 30% of pro-forma revenue and approximately 40% of pro-forma EBITDA
- Acquisition expected to be earnings per share accretive in FY15

Pro-Forma EBITDA



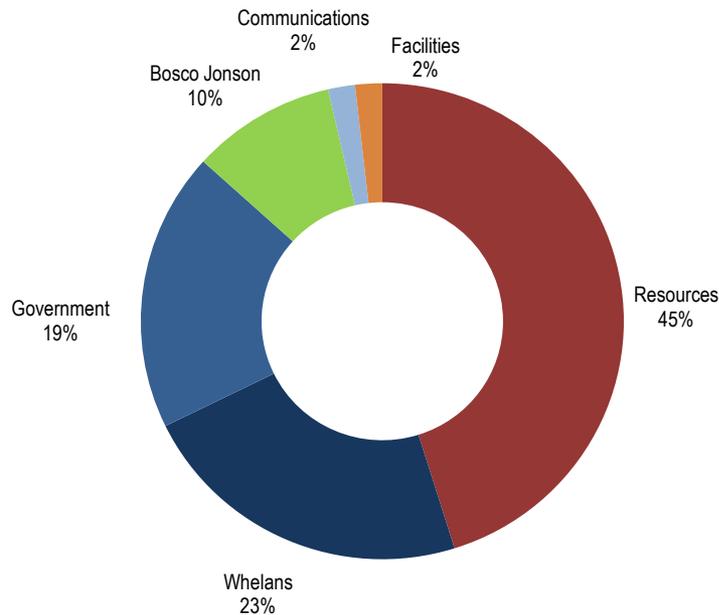
Pro-Forma EBITDA Margin



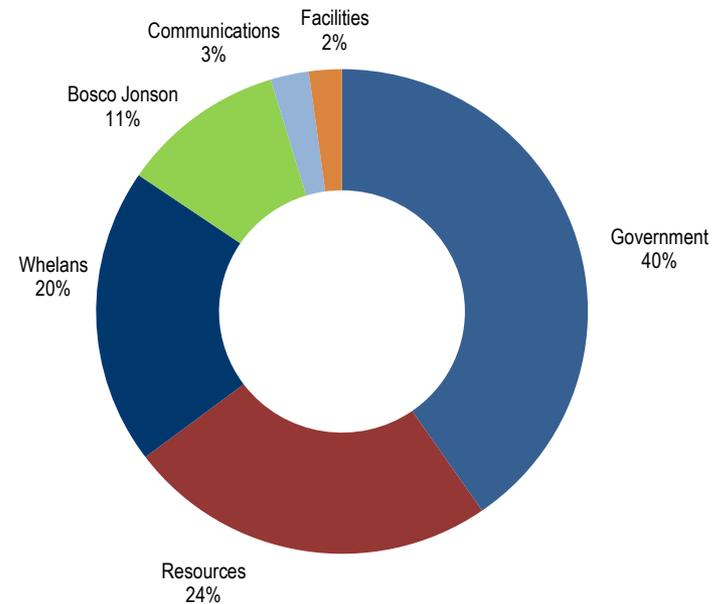
Source: OTOC analysis, Bosco Jonson Unaudited Management Accounts

OTOC's Diversified Revenue Base Percentage %

FY2013



FY2014



- Diversified revenue model, with reduced reliance on Resources sector activity
- Pro-forma FY14 surveying revenue > 30% of total group revenue
- Pro-forma FY15 will see circa 30% of total group revenue and 45% of total group EBIT from surveying

Acquisition Highlights

- ✓ Consistent with OTOC's stated strategy of expanding the group's surveying, town planning and urban design capabilities
- ✓ Creation of a premium national surveying business
- ✓ Geographic diversification – entry into the attractive Victorian property market
- ✓ Experienced Management team with proven track record and stellar industry reputation
- ✓ Consistently strong financial performance
- ✓ High levels of repeat business from diversified blue-chip customer base
- ✓ Diversifies and enhances the quality of OTOC's earnings

4. Next Steps

Next Steps

Surveying:

- Complete Bosco Jonson acquisition (expected to complete by 30 September 2014)
- Further opportunities:
 - Geographic expansion (East Coast)
 - Specialised surveying, aerial surveying and town planning practises
 - Complementary products and technology
- Whelans re-structuring completed, right-size for current growth outlook

OTOC Australia

- Government infrastructure:
 - Further work at Nauru
 - Telecommunications infrastructure pipeline look strong
- Remote telecommunications – strong organic growth from product roll-out
- Targeted resources projects:
 - Leverage Roy Hill contract award
 - Increased level of tendering in resource projects expected to be converted into project awards

5. Investment Highlights

Investment Highlights

- ✓ Infrastructure services company with a diversified service offering and low-risk business model (cost-plus)
- ✓ Focused on delivering national surveying strategy
- ✓ Bosco Jonson is an ideal first step in terms of size, existing capabilities and geographic reach
- ✓ Successful execution of diversification strategy enabled strong profit growth despite subdued conditions in resources sector
- ✓ Increasing number of opportunities in resources, government infrastructure and telecommunications

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