



Empired

Empired Limited (ASX:EPD)

TRANSFORMATIONAL ACQUISITION OF INTERGEN
RUSSELL BASKERVILLE, MANAGING DIRECTOR

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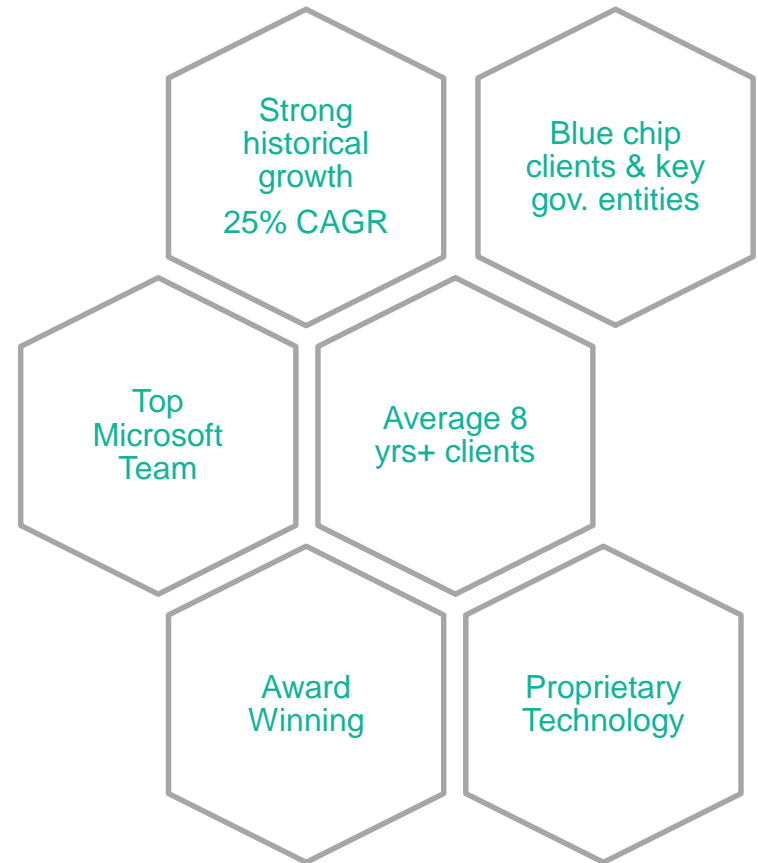
FY15 Transformational Acquisition of Interген

Acquisition	<ul style="list-style-type: none">• Empired has entered into a Share Purchase Agreement to acquire 100% of the issued share capital in Interген Limited.
Purchase Price	<ul style="list-style-type: none">• \$17.4 million including contingent payments to be paid over 3 years.
Consideration	<ul style="list-style-type: none">• On completion will pay \$1.8m cash plus 4.3 million FPO EPD shares.
Contingent Payments	<ul style="list-style-type: none">• \$2m to be paid on 30 April 2015• \$5.2m to be paid on 30 April 2016• \$5.2m to be paid on 30 April 2017• All contingent payments are subject to profit performance for the twelve months ending 31 March 2015 and 31 March 2016.
Acquisition Metrics	<ul style="list-style-type: none">• The purchase price is based on an FY16 EBITDA multiple consistent with recent transaction multiples announced by Empired.
Financial Contribution	<ul style="list-style-type: none">• Interген is forecast to generate over \$60m in revenue in FY15.• The transaction will be earnings accretive from 1 April 2015.
Management	<ul style="list-style-type: none">• Key management committed to a long term future with Empired with significant financial penalties should they leave within the initial 3 year term.

Intergen Highlights

Australasia's largest dedicated Microsoft focused IT services business

- Intergen is a tier 1 IT Services company that delivers business outcomes to medium and large companies across all industries using the full range of Microsoft Solutions.
- Strong historical growth: \$60m revenue, ~370 employees, eight locations throughout Australia, New Zealand and the US, history of profitability.
- Blue chip clients: Long-term clients (Ave tenure 8 years+) include many large corporate and key government entities, with 11 \$1m+ contracts in 2014, recently securing a multi-million dollar deal with Public Trust NZ.
- Strong Microsoft relationship:
 - Microsoft is Intergen's largest client in terms of contractual value; a reflection of Intergen's service quality, reliability and advantage.
 - Award Winning: Intergen has received many Microsoft Partner awards.
 - Seattle office advantage.
- Proprietary Technology: Cohesion enterprise content & records management.
- Quality People: Strong proven leadership and highly certified workforce.



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Microsoft Positioning – Cloud First, Mobile First

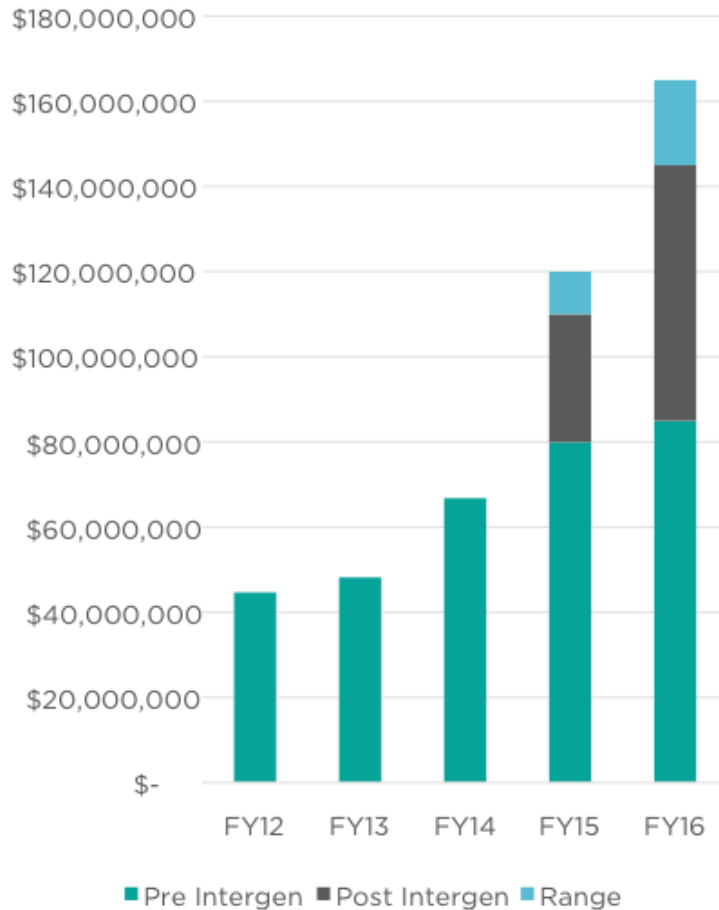
Microsoft has aligned its strategy with the key market trends. The market has shown a decline in “mega” technology projects with budgets in the tens of millions of dollars and yet questionable long-term value.

Microsoft offers a far lower price point, faster time to value and leverages the broader stack of products that most organisations are already deeply invested in – Office, Windows, SQL Server, SharePoint, Lync, etc.

And is leveraging its global leadership position in the Enterprise to position its market offerings to be a global leader in disruptive growth megatrends including Cloud, Enterprise Mobility, Big Data, Enterprise Social and Security.

Strategic Highlights – Material Impact

Empired expects FY16 Revenue in the range of \$145m to \$165m



- Interger annualised **Revenue of \$60m**, nearly **doubling Empired FY14 Revenue** of \$67m.
- Interger **CAGR since inception of 25%**.
- Acquisition cements Empired as the **largest dedicated Microsoft services provider in the Australasian region**.
- Leveraged overheads **will drive up margins**.
- Increased scale will improve our positioning to **secure larger contracts with larger clients**.
- Increased workbook will allow **more efficient use of resources**.

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Strategic Highlights – Material Impact

Total staff post transaction of ~800 professionals, up 85%!



■ Intergen ■ Pre Transaction



- Acquisition provides Empired with a substantial increase to our contestable market, with **strong capability across the Australasian region**.
- **With 370 staff**, Intergen will provide **an 85% increase to Empired's staff numbers**.
- Cementing Empired as one of the **leaders amongst its ASX listed peers in scale, capability and geographic reach**.
- Increased staff numbers will improve resource efficiency **driving up gross margins**.
- Increased geographical reach will position **Empired to contest major Trans-Atlantic opportunities** previously outside of our reach.
- New Zealand operation **provides access to highly skilled resources at attractive labour cost**.

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Strategic Highlights – Material Impact

Extends our capability & leverage to growth trends with proprietary IP

- Significantly **expands Empired's existing Microsoft Application services portfolio**
- Launches Empired into Microsoft **Enterprise Resource Planning (ERP) services, a large and high growth market** not previously contested by Empired and a key platform and enabler of customer centricity and business innovation.
- **Leveraged into high growth markets with proprietary IP in cloud and 'as a service' solutions** based on Microsoft technologies.

Cloud

Big Data & Business Analytics

Enterprise Mobility

Enterprise Social and Collaboration

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FY15 outlook, more growth to follow...

- Full year impact of \$96m in major contract awards in FY14.
- Full year impact of OBS and eSavvy acquisitions
- Organic growth being accelerated with cross sales
- \$90M of major contract opportunities in play
- Transformational acquisition of InterGen!
- Well placed to capitalise on acquisitive growth opportunities
- Expect Strong Growth in FY15 & FY16

Thanks.

Empired

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