



2014 Annual General Meeting

Simon Thomas
CEO OTOC Limited

November 2014

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Highlights of the Past Year

FINANCIAL

- FY14 revenue \$113 million
- FY14 EBITDA \$12.8 million, up 17%
- Cash on hand \$6.8 million (30 June 2014)
- \$10m equity placement completed (post 30 June) to support surveying growth strategy
- New facility with Commonwealth Bank of Australia, \$16.2 million

OPERATIONS

- Appointment of Simon Thomas as CEO
- Safety: 100% LTI free (>3 million hours)
- Successful completion of Nauru processing centre
- Awarded new work at Nauru. Evident pipeline of opportunities
- Awarded Roy Hill in-ground services contract
- Growth of our Communications division
- Restructure of Whelans and appointment of Brett Goodridge as General Manager

STRATEGY

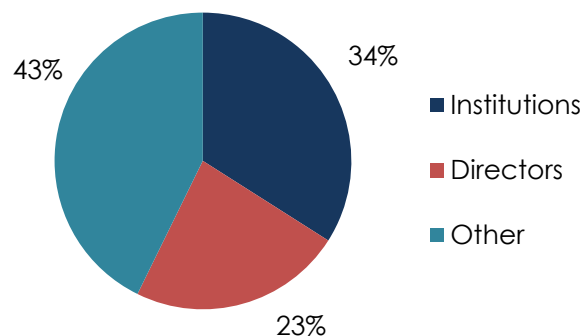
- Strategic focus - creation of a premium national surveying business
 - Completed first acquisition in executing strategy
 - Bosco Jonson – a premium Victorian surveying business. Blue chip client base. Consistently strong financial performance
 - Continue to pursue acquisition opportunities on the East Coast
- Continued diversification of the OTOC Australia operations
 - Strengthening contract order book across the business

Corporate Structure

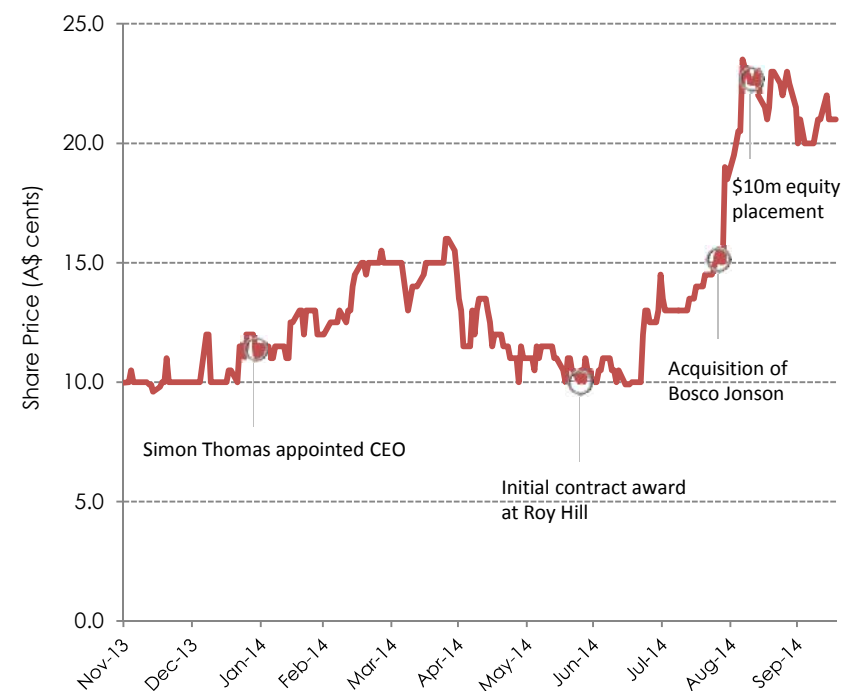
Emerging Infrastructure Services Company with Market Cap > \$50m

Share price (as at 29 October 2014)	\$	0.21
Ordinary shares on issue	m	248.1
Market cap	\$m	52.1
Cash (as at 31 October 2014)	\$m	14.5
Debt (HP \$7.0M Bank Debt \$9.0M)	\$m	16.0
Enterprise Value	\$m	53.6
EV:EBITDA (FY2014)	\$m	4.2x

Rising Institutional Investor Ownership



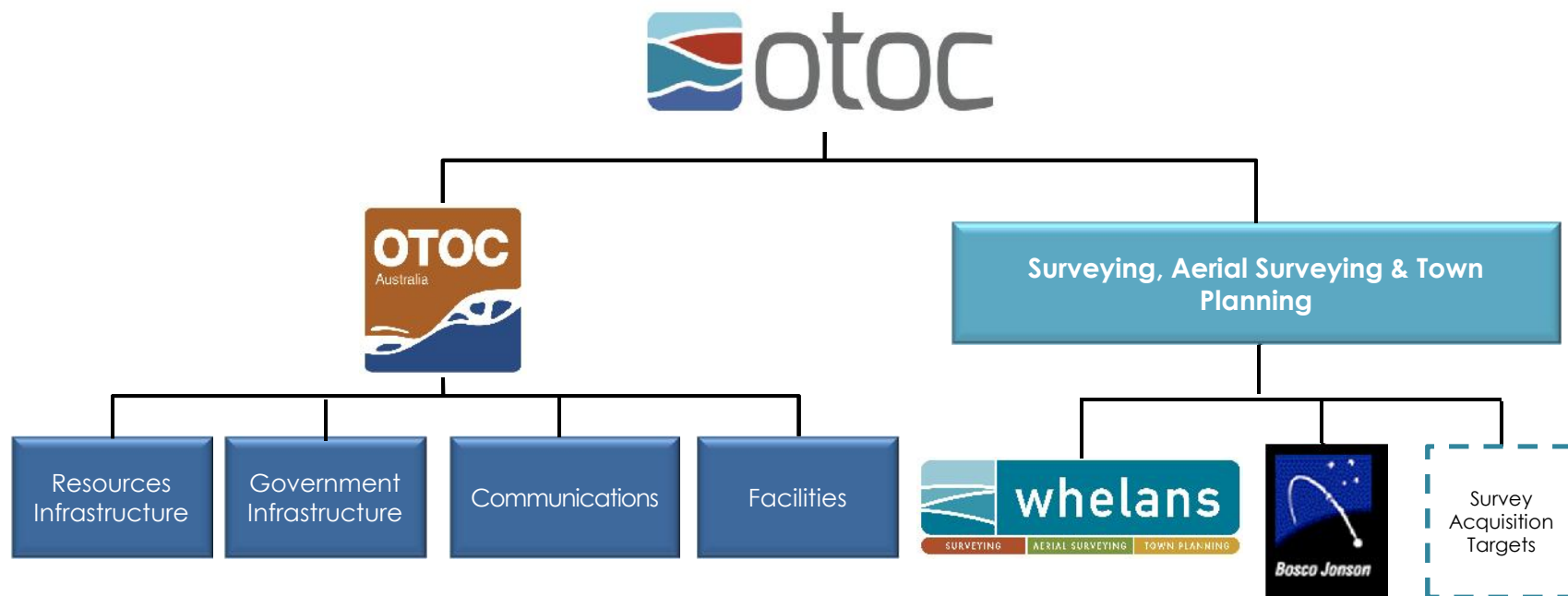
12 month share price performance – 188% rise since 2013 AGM










Group Structure



OTOC is an emerging diversified infrastructure services group



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

Health, Safety and Environment

The safety of our people is our number one priority

Outstanding HSE Performance

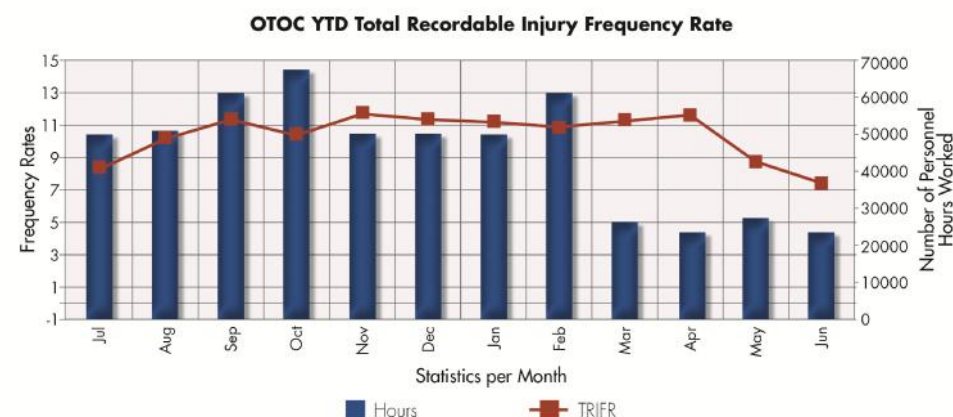
- >3.3 million hours Lost Time Injuries Free
- TRIFR decreased since FY2013

Certification

- All safety certifications maintained

Continuous Improvement Initiatives

- Psychosocial Health Strategy
- Healthy Living Campaign Implemented
- HSEQ System Integrated External audit
- Zero External Major Non-Conformances
- Plant & Equipment procedures and policies improved
- Thorough HSEQ Management System audit & update
- Comprehensive Risk Management process review
- HSEQ accreditation maintained with all clients



GOVERNMENT INFRASTRUCTURE

- Nauru Island – processing centre project completed
- Continue to secure new work and variations at Nauru
- Initial early works award for \$6.2m has grown into \$75m of work completed to date
- Currently tendering on government infrastructure projects in Western Australia
- Confident of securing ongoing work through the remainder of FY15 and into early FY16

RESOURCES INFRASTRUCTURE

- Awarded Roy Hill in-ground services contract by NRW. Initial contract \$3m, orders to date \$8m and confident of securing further work at this very large, world class project
- Tendering activity has risen in late FY14 and into H1 FY15
- Tenders submitted for 10+ resources projects that are yet to be awarded
- Targeting new markets that align with core competencies

COMMUNICATIONS

- Division continues to showcase strong growth and product innovation
- Completed installation of communications and security systems at Nauru
- Recently awarded contracts for delivery of telephony and network systems equipment and on-going management services
- New clients from a diverse range of industries including Bunnings, Department of Public Prosecutions, University of Western Australia and Remote Control Technologies (RCT)

FACILITIES

- Regular income from hire of remote equipment
- Rental solutions for clients seeking to reduce capital expenditure
- Commenced operation of Turner Village

OTOC Australia – Government and Resources Projects



Nauru Processing Centre



Client	Canstruct / Federal Government
Value	Initial contract - \$6.2 million ~ \$75 million (to date)
OTOC Division	Government Infrastructure Communications
Details	Nauru Processing Centre 900 person facility including re-build construction Installation and management of communications & security systems Maintenance Services Permanent Settlement Infrastructure

Roy Hill



Client	NRW / Roy Hill
Value	Initial contract - \$3 million ~ \$8 million (to date)
OTOC Division	Resources Infrastructure
Details	Roy Hill is a globally significant iron ore project Contract with NRW for Mine Process Plant (Civil Works) in-ground services Developing capability in large scale HDPE piping systems

OTOC Australia – Communications Projects

Bunnings

Bunnings network



Client	Bunnings Group Limited
Value	\$164,000 (YTD)
Details	<p>Unified National Contact Centre & Communication Systems for State offices (Brisbane, Sydney, Melbourne and Perth)</p> <p>Nation wide 24 hour Managed Service Desk – currently in discussions</p>

RCT (Remote Control Technologies)



- Perth
- Kalgoorlie
- Mt Isa
- Brisbane
- Melbourne
- Africa
- Russia
- North America

Client	Remote Control Technologies
Value	\$ 280,000 (YTD)
Details	<p>National Unified Communications Centralisation including VoIP and Video Conferencing</p> <p>Core IT Infrastructure Centralisation and Wide Area Network Design and Deployment</p>

Surveying Division

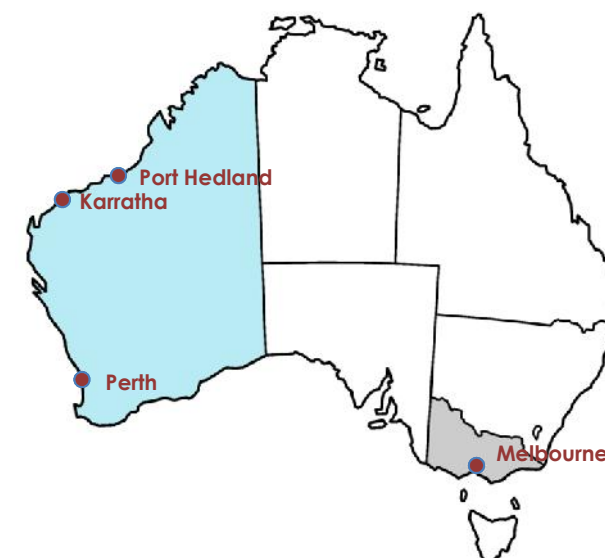
A National Leader in Surveying, Aerial Surveying & Town Planning

- **OTOC is pursuing a strategy of creating a premium national surveying company**
- OTOC Surveying provides surveying, aerial surveying, laser scanning and town planning services to the property, resources and civil infrastructure sectors
- Two long-standing, premium brands: Whelans (established in the 1980's) and Bosco Jonson (established in 1997 and acquired by OTOC in 2014)
- Approximately 230 staff with offices in Perth, Karratha, Port Hedland and Melbourne
- **Why the National Strategy?**
 - ✓ Sector revenue of \$3.4bn in FY13 with forecast growth
 - ✓ Attractive earnings profile – recurring revenue, good earnings margins (EBIT >15%), strong free cash flow
 - ✓ Fragmented market – many small firms contesting narrow geographic or specialist markets
 - ✓ Operational synergies – better service clients with national operations, distribution channel, flexible workforce
 - ✓ Products – ability to offer specialised, high-margin services in aerial surveying, laser scanning and technology
 - ✓ Diversification – across geographic markets and end-user exposure (property, civil infrastructure, resources)

Award Winning Brands



Locations



Surveying Division – Bosco Jonson Acquisition

Acquisition of Bosco Jonson: A Meaningful First Step in the National Strategy

BOSCO JONSON

- OTOC recently completed the acquisition of Bosco Jonson
- 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
- Management of Bosco Jonson have remained with the business

ACQUISITION RATIONALE

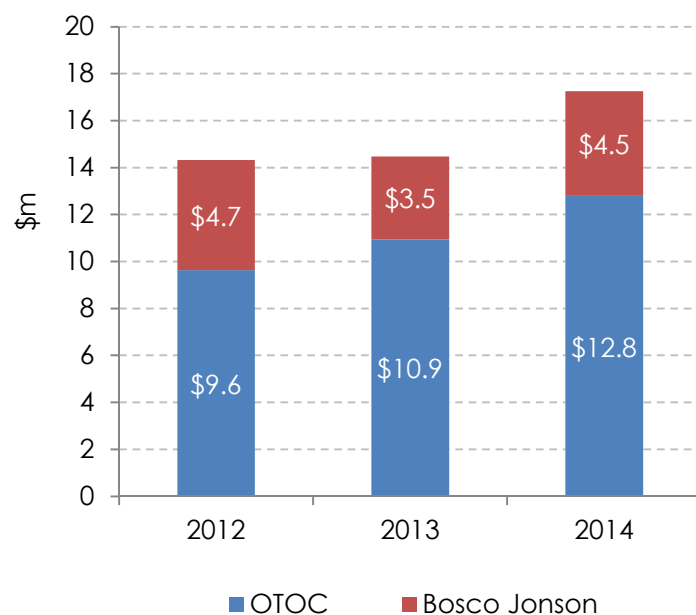
- Strategic-fit: consistent with strategy of creating a premium national surveying business
- Clients: high levels of repeat business from diversified blue-chip client base
- Management: experienced management team with proven track record
- Geographic expansion: entry into attractive Victorian property market
- Diversification: diversification outside of resources sector
- Financial: diversifies and enhances the quality of OTOC's earnings
- EPS accretive: expected to be EPS accretive in FY15
- Valuation metrics: up-front consideration implied a FY14 EBITDA multiple of 3.1x

Surveying Division – Bosco Jonson Acquisition

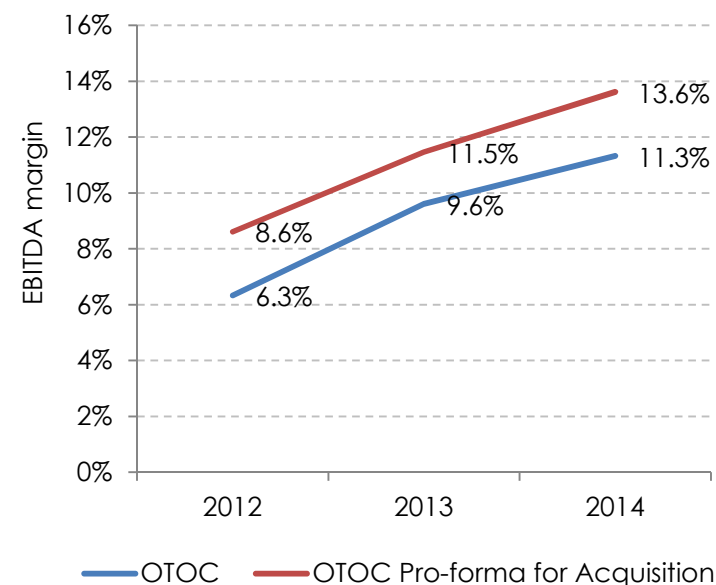
Financial Impact

- 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

Pro-Forma EBITDA



Pro-Forma EBITDA Margin



Concluding Remarks and Outlook

Achievements in FY2014

- 100% LTI free
- Increased profit margins and profitability off solid revenue base
- Strengthened balance sheet
- First acquisition in national Surveying Strategy – Bosco Jonson
- Completed Nauru processing centre project
- Growth of Communications Division
- Whelans restructure successfully completed and new General Manager appointed
- Improved institutional investor ownership

Outlook

- National surveying strategy. Identification and evaluation of Surveying acquisitions – targeting East Coast
- Nauru work expected to continue throughout FY2015
- Tendering on Government Infrastructure projects in Nauru and Western Australia
- Continued roll-out of Communications services

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