

# StepChange Holdings Limited

## Powering Digital Transformation Services

Listing Presentation - July 2025



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# Investment Highlights

Following the Acquisition of StepChange Consultants Pty Ltd (**StepChange**) (which occurred concurrently with listing), the Group will be a market leading SAP ERP and IT consulting services provider across Australia



**Strong financial profile** with FY25F revenues of \$42.2m (FY22-FY25F CAGR: >15.0%) and profitability at attractive margins<sup>1</sup>



**Unique competitive position** as an independent provider with comprehensive capabilities



**Numerous growth opportunities** including a significant contract pipeline, planned extension of service offerings and acquisition opportunities



**Large addressable market for SAP services in Australia** of c.\$5.9 billion in 2024<sup>2</sup>, supported by the growth of SAP whose customers generate 84% of total global commerce<sup>3</sup>



**Enviably customer base** including a range of large Tier 1<sup>4</sup> and government organisations across ANZ



**Led by a proven Board and management team** with extensive experience in IT services and a track record of delivering shareholder value

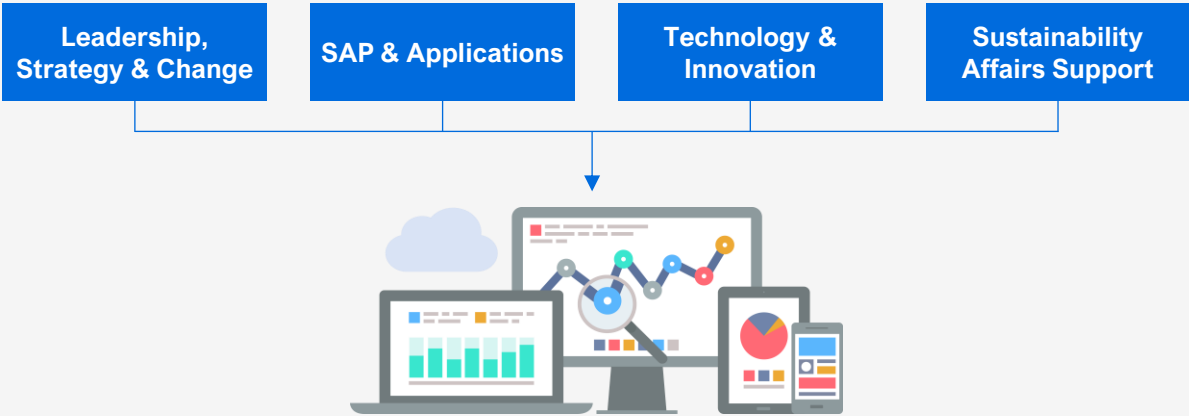
Notes: (1) FY25F forecasts include 9 months of unaudited actuals. (2) ANZ IT Services Market Report - Frost and Sullivan, September 2024. (3) SAP Corporate Fact Sheet dated 21 October 2024. (4) Tier 1 customers are those considered by the Directors to be highly attractive in the industry on account of their operating and financial scale and the breadth of their requirements.

# StepChange Overview

StepChange is a market leading Business and IT Consulting firm founded in Western Australia with 21 years' experience delivering transformation solutions to global and local businesses

## StepChange Overview

- West Australian based business and IT consulting firm with 21 years' experience delivering transformation solutions to global and local businesses, predominantly within the mining & energy and government sectors
- The only West Australian boutique consulting firm with a diverse service offering, which includes overarching leadership and strategy, ERP and applications, and technology and innovation capabilities, enabling effective delivery of transformation projects



## Key Metrics<sup>1</sup>

<b>\$42.2m</b> <i>FY25F Revenue</i>	<b>\$2.9m</b> <i>FY25F Pro Forma EBITDA<sup>2,3</sup></i>
<b>\$47.3m</b> <i>FY26F Revenue</i>	<b>\$4.6m</b> <i>FY26F Pro Forma EBITDA<sup>2,3,4</sup></i>
<b>~150</b> <i>Headcount<sup>5</sup></i>	<b>24</b> <i>Customers (in FY24)</i>

Notes: (1) FY25F forecasts include 9 months of unaudited actuals. (2) Pro forma adjustments have been made to the Statutory Historical Income Statements to reflect the full year impact of the operating and capital structure that will be in place following Completion. (3) EBITDA excluding significant items, which total \$0.20 million in FY25F and comprise of audit fees. (4) FY26F Forecasts are based off managements best estimates in consideration of the FY26F customer base and pipeline. (5) As at 31 March 2025 comprising both permanent employees and contractors.

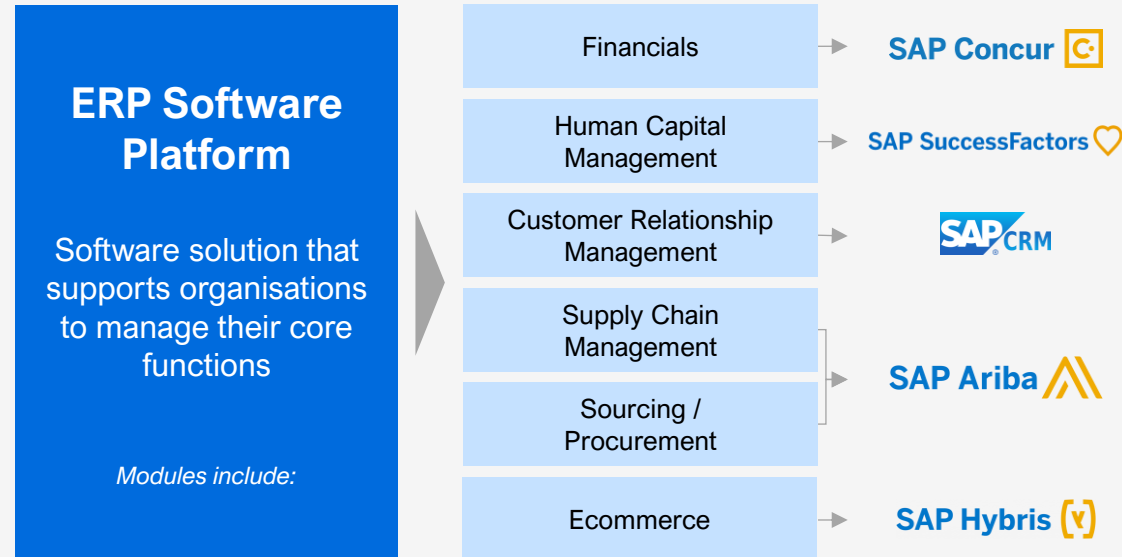
# Attractive Industry Fundamentals



# Enterprise Resource Planning Overview

SAP is the leading global provider of ERP software, helping businesses manage core functions

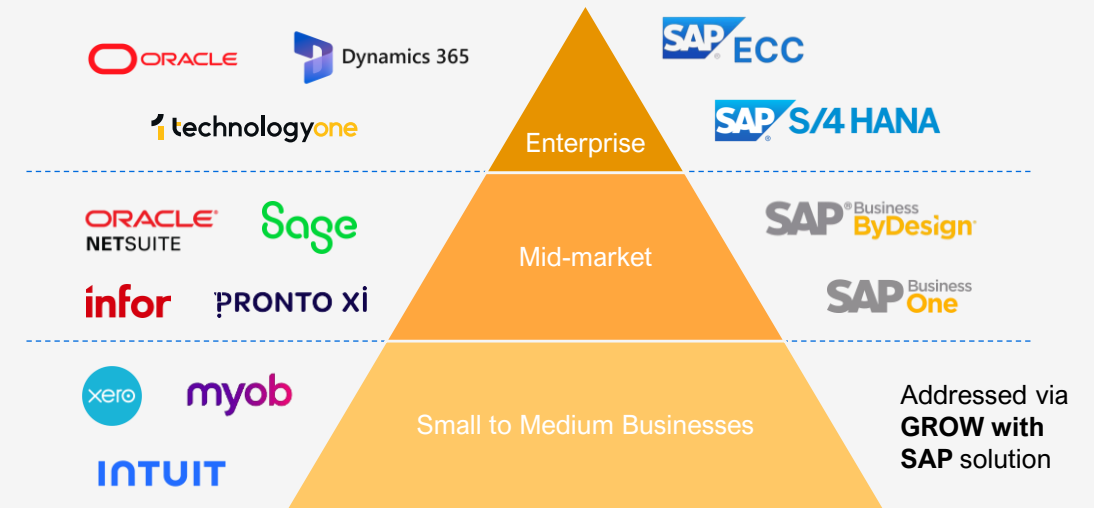
## What is Enterprise Resource Planning?



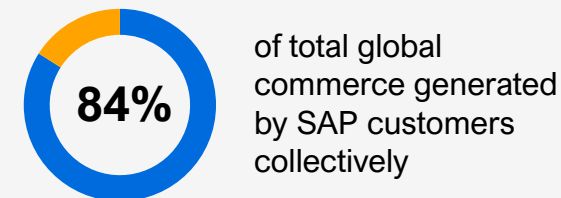
## Benefits to customers

- ✓ Higher productivity and efficiency
- ✓ Greater visibility and control over business operations
- ✓ Faster and deeper insights into business performance
- ✓ Simplification of IT infrastructure

## The ERP Vendor Landscape



## SAP ranked as the global leader in ERP software, with 20-25% share in ANZ<sup>1</sup>



Notes: (1) Frost & Sullivan.

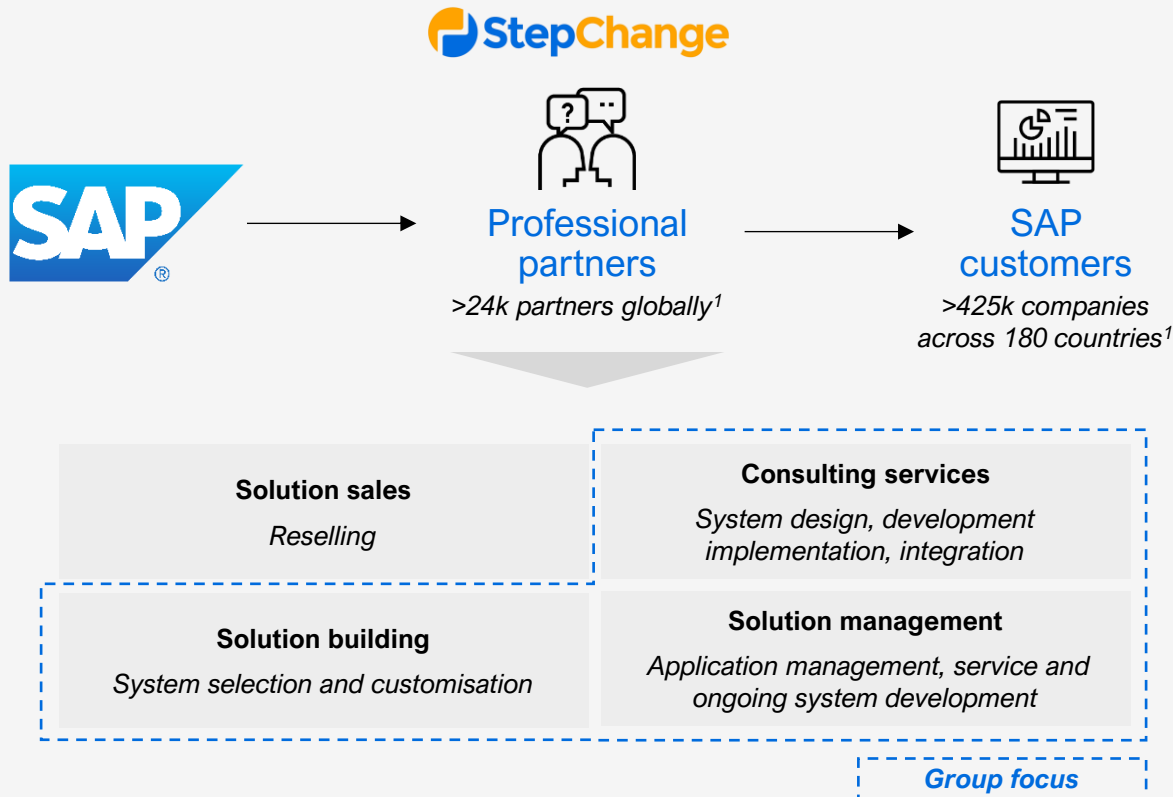


# Large Addressable Market

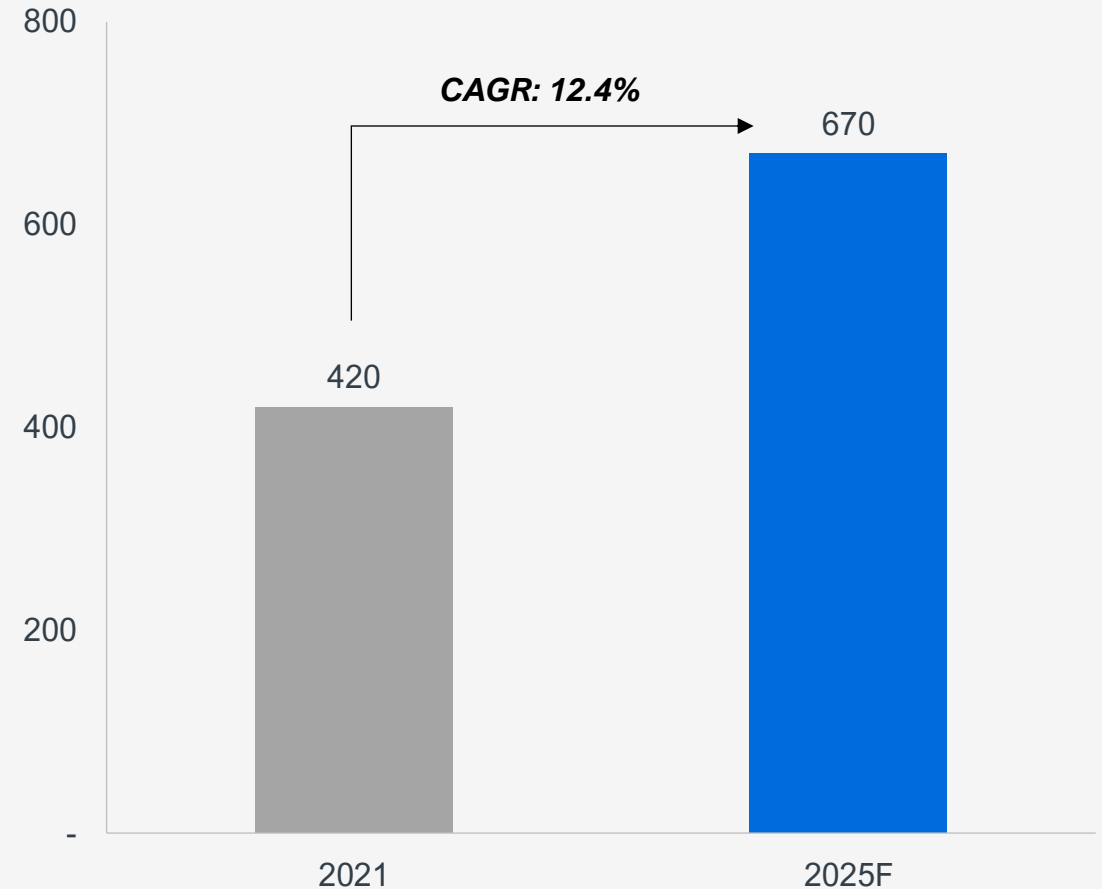
The addressable market for SAP professional partners is large and growing rapidly

## SAP ecosystem

Professional partners were expected to **generate 5x SAP's revenue in 2024<sup>1</sup>**



## SAP's Total Addressable Market (US\$b)<sup>1,2</sup>



Notes: (1) Frost & Sullivan. (2) SAP Ecosystem M&A Report – Equiteq, May 2023.

# Significant Industry Tailwinds

Structural tailwinds support long term growth ambitions



## AI / Digital transformation

- Continuous digital transformation is a top for 45% of organisations in ANZ as developments in technologies such as AI and data analytics unlock significant improvements in productivity and customer experience
- StepChange is positioned to assist organisations accelerate these transformations by adopting, embedding and measuring this new dynamism for customers

**63%**

*Australian businesses intend on deploying AI by 2030<sup>1</sup>*



## Outsourcing and automation

- Growing IT complexity compels businesses to outsource solutions management to expert third parties to improve business agility and more effectively manage digital transformation
- Organisations can achieve greater cost efficiency as their outsourced managed services provider (MSP) benefits from economies of scale, expertise, and leading technologies to deliver services more efficiently than in-house resources

**80%**

*Businesses view automation as a core business priorities and tactic for success<sup>2</sup>*



## Customer cloud migration

- Organisations continue to adopt cloud solutions for their IT infrastructure
- Cloud computing services are increasingly used for business software, including for ERP
- Leading ERP providers (including SAP) are planning to terminate maintenance support for on-premise solutions in favour of cloud offerings in the near term, further driving migration

**500+**

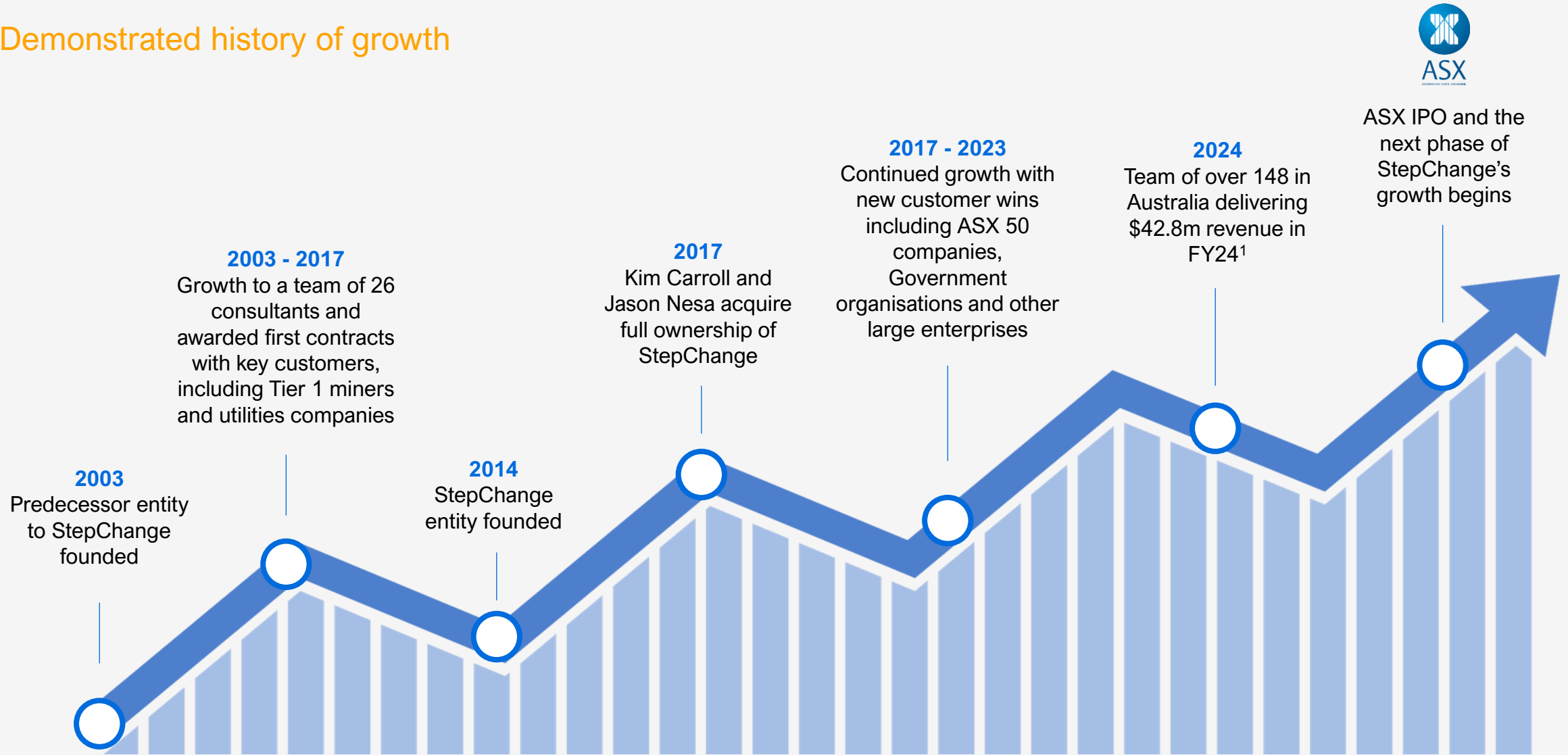
*Users in Australia expected to migrate to S/4 HANA as a result of mainstream support for SAP ECC being terminated<sup>3</sup>*

Notes: (1) Deloitte, ACS Australia's Digital Pulse, 2023. (2) Gartner Survey, 2021. (3) Frost & Sullivan.



# Timeline








Demonstrated history of growth



Notes: (1) Statutory historical results – excludes pro forma adjustments including public company costs.

# Key Strengths

Distinct benefits over competitors position the Group well to organically grow market share

	<b>Breadth of offering</b>	<ul style="list-style-type: none"><li>• Ability to provide specialist offerings, helping customers run SAP and agnostic solutions effectively and efficiently</li></ul>
	<b>Independent provider</b>	<ul style="list-style-type: none"><li>• Independent alternative to major consulting companies, avoiding conflicts that can arise in larger service providers</li></ul>
	<b>Technical leadership</b>	<ul style="list-style-type: none"><li>• Extensive track records of delivering large and complex projects to major enterprises across a range of industries</li></ul>
	<b>Scalable platform</b>	<ul style="list-style-type: none"><li>• Collective headcount of approximately 150<sup>1</sup> with the ability to access a broader talent pool of qualified consultants across Australia<sup>2</sup></li></ul>
	<b>Strategic partner</b>	<ul style="list-style-type: none"><li>• Able to value add outside core competencies to enterprise clients</li></ul>
	<b>Experienced Management and Board</b>	<ul style="list-style-type: none"><li>• Executive management to be comprised of industry experts with &gt;100 years of ERP transformation consulting experience</li><li>• Board of Directors includes Geoff Lewis, a founder of two successful ASX IT services companies, ASG Group Limited (formerly ASX: ASZ) and COSOL Limited (ASX: COS)</li></ul>
	<b>Strong financial profile</b>	<ul style="list-style-type: none"><li>• Demonstrated an ability to grow both revenue (FY22-FY25F CAGR: &gt;15.0%) and profitability</li><li>• Possesses capacity to support debt which could be used to part fund potential future inorganic growth</li></ul>

Notes: (1) As at 31 March 2025 comprising both permanent employees and contractors. (2) StepChange maintains its own proprietary database of consultants which it leverages when it has staffing requirements.



# Business Overview





# Broad Service Offering

End-to-end services that ensure customers are supported through the full project cycle

## Existing Key Delivery Capabilities

	<b>Technology and Innovation</b>	<ul style="list-style-type: none"><li>• Deliver customised SAP solutions</li><li>• Key services: process insights, product development, data &amp; analytics, solution extension including specialised development and integration</li></ul>
	<b>Leadership and Strategy</b>	<ul style="list-style-type: none"><li>• Business case development and product selection</li><li>• Ensures the success of transformation projects while supporting members of an organisation to plan and implement change</li><li>• Key services: change management, project management, business transformation and strategy, data transition, deployment, solution validation</li></ul>
	<b>ERP and Applications</b>	<ul style="list-style-type: none"><li>• Leverages SAP ERP and application technologies, to deliver operational solutions for customers</li><li>• Key services: Functional (module selection and optimisation), Technical (solution architecture and development), Project Support (greenfield and brownfield)</li></ul>

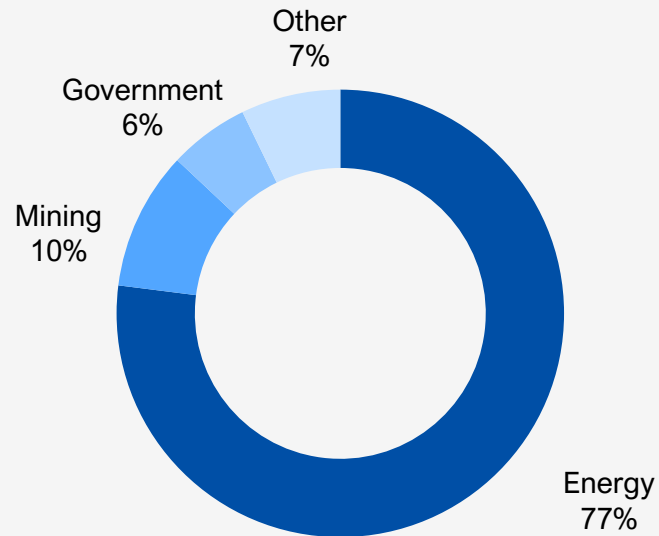
## Focus Areas for Acquisition Led Growth

	<b>ICT Architecture</b>	<ul style="list-style-type: none"><li>• Enterprise architecture and strategic Information and Communication Technology (ICT) roadmap development</li></ul>
	<b>Data / Analytics</b>	<ul style="list-style-type: none"><li>• Assist companies to develop best practice collection, storage, processing and analysis of organisational data to make informed decisions on operational activities and potential efficiencies</li></ul>

# Tier 1 Customer Base<sup>1</sup>

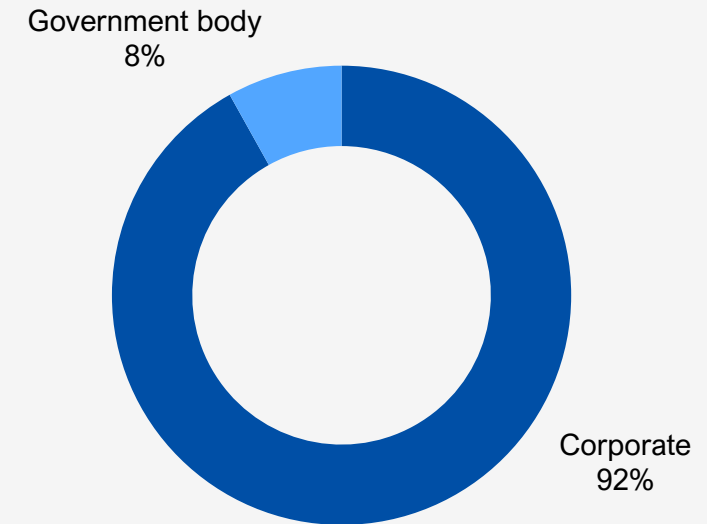
Current specialisation in the energy and mining sectors but with broad utility of offering demonstrated via long tail of sector exposure

1HFY25 Revenue by sector<sup>2,3</sup>



- Beyond their strength in the energy sector, customers are diversified across a range of sectors
- The Directors believe that exposure to the Energy sector is highly attractive for SAP projects with strong recent demand driven by current large long-term energy projects, with the green energy transition presenting another strong medium term organic growth opportunity

1HFY25 Revenue by customer type



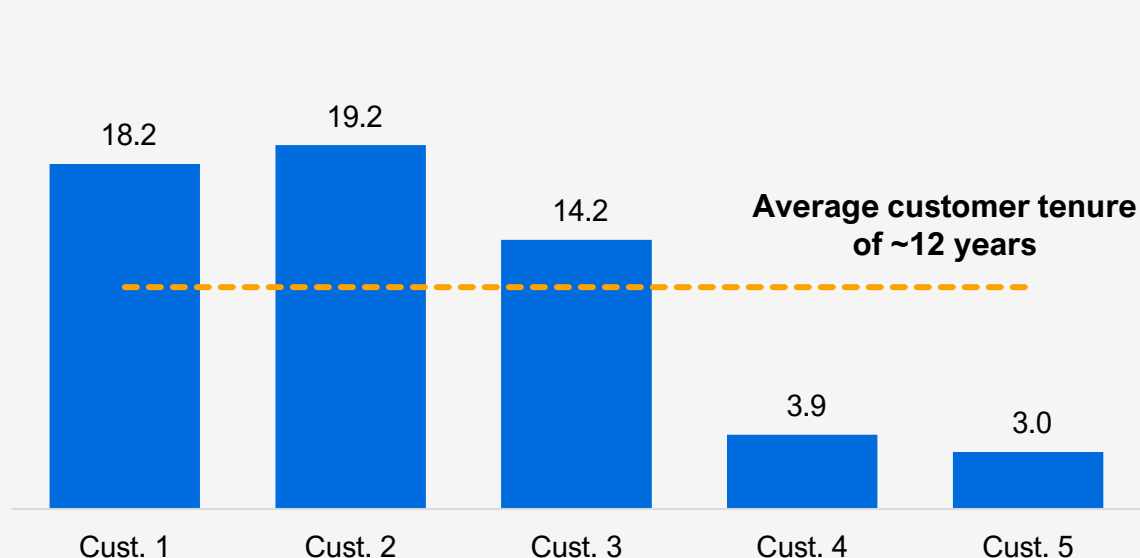
- The majority of StepChange's revenue was generated from corporate customers in 1HFY25, with a bias to large enterprises
- In addition to corporate customers, StepChange regularly works with government bodies and enterprise customers

Notes: (1) "Tier 1" customers are those customers which the Directors believe to be highly attractive in the industry on account of their operation and financial scale and breadth of their requirements. (2) Percentages are based on contribution to 1HFY25 revenue. (3) Other includes Agriculture, Professional Services, Utilities, Manufacturing, Information Media and Telecommunications.

# Tier 1 Customer Base (cont.)

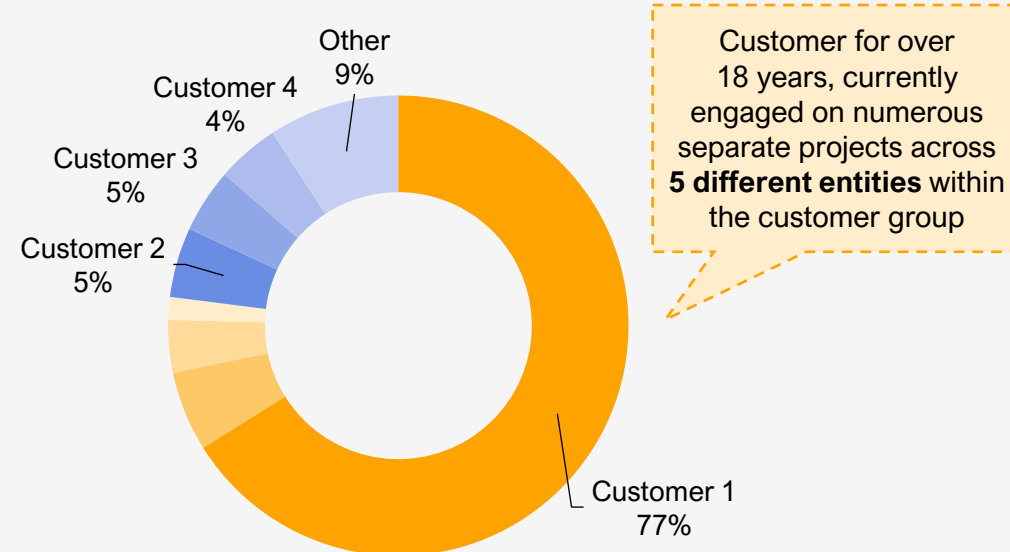
Multiple long tenured customers highlight value of service offering

FY24 top 5 customer tenure (years)<sup>1,2</sup>



- Average tenure of approximately 12 years for the top 5 customers, with the top customer having a tenure of over 18 years
- StepChange prides itself on excellence of service to customers which is reflected in the long-term relationships with a range of public and private sector customers and strong customer retention rate

1HFY25 Revenue by customer<sup>3</sup>



- Exposure to largest customer expected to reduce over time due to organic growth via expansion of revenue through other existing customers, organic growth via new customer wins and inorganic growth opportunities
- Remaining tail of customers is well diversified with 20 customers in 1HFY25
- In December 2024, StepChange signed a long-term contract<sup>4</sup> with the largest customer for IT services and solutions for across the customer's global projects in the US, Trinidad and Tobago

Notes: (1) Due to the typically large project-based nature of the work, there have been periods in which some the top 10 customers have not had any live projects with StepChange. (2) Top 10 customers based on FY24 revenue; tenure calculate to 31-Dec-24. (3) Percentages are based on contribution to 1HFY25 revenue. (4) Initial 3-year contract, with five 1-year options.



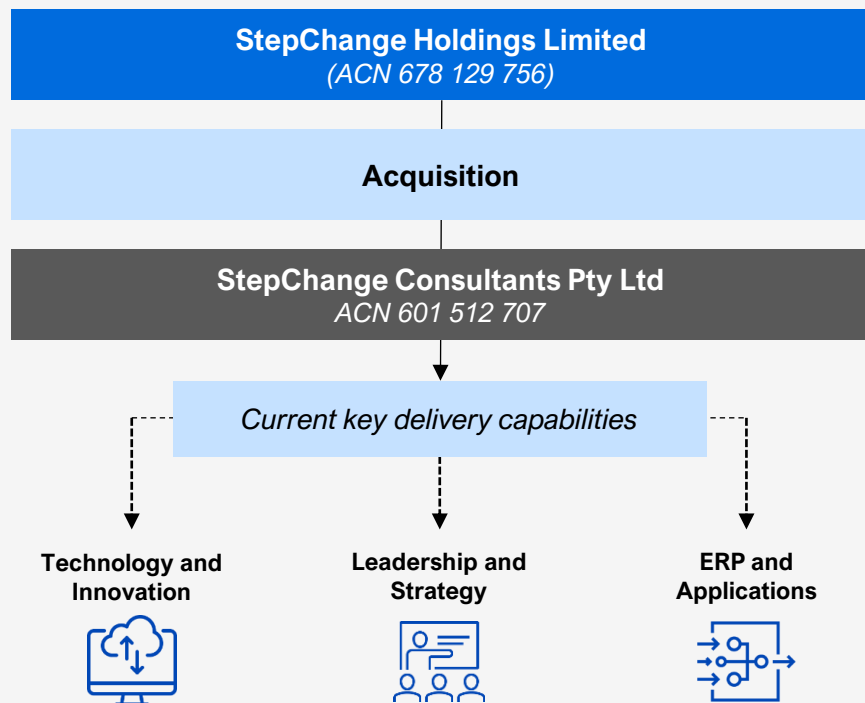
# Overview of the Group and Growth Opportunities



# Structure Overview

High quality business with market leading capabilities

## Deal structure



- Vendors of StepChange Consultants Pty Ltd to continue working with Stepchange Holdings Limited

## Key business metrics<sup>1</sup>

	FY25F	FY26F
Revenue	\$42.2m	\$47.3m
Pro Forma EBITDA <sup>2,3,4</sup>	\$2.9m	\$4.6m
Pro Forma EBITDA margin <sup>2,3,4</sup>	6.8%	9.6%
Pro Forma NPAT <sup>2,4</sup>	\$1.8m	\$3.3m
Pro Forma NPAT margin <sup>2,4</sup>	4.3%	6.9%

- Driven by revenue increases related to the change of rate cards for global deals, synergies realised post-acquisition and a reduction of overall corporate costs, management anticipate the EBITDA margin will improve from FY26F and beyond

Notes: (1) FY25F forecasts include 9 months of unaudited actuals. (2) Pro forma adjustments have been made to the Statutory Historical Income Statements to reflect the full year impact of the operating and capital structure that will be in place following Completion. (3) EBITDA excluding significant items, which total \$0.20 million in FY25F and comprise of audit fees. (4) FY26F Forecasts are based off managements best estimates in consideration of the FY26F customer base and pipeline.

# Growth Opportunities

Numerous near-term opportunities to drive significant growth

## Organic



### New logo wins

- There is a significant pipeline of opportunities with potential customers domestically
- Significant opportunity to expand customer base, including through rolling out RISE with SAP to critical minerals companies



### Expansion of service offerings

- Intention to broaden service offering to support a wider range of SAP ERP solutions, providing new revenue opportunities with both new and existing customers
- Potential to leverage efficiency enablers such as automation and artificial intelligence to further enhance customers' adoption of the SAP offering



### Transition from on premise to cloud

- With SAP terminating maintenance support for its on-premise solutions (SAP ECC) there is a significant near-term opportunity to transition 500+ organisations to the cloud-based solution S/4 HANA ERP in Australia alone<sup>1</sup>
- Group intends to leverage StepChange's Australian relationships to capture this demand



### Grow across Australia

- Given the foundations and the historic origins of StepChange (Perth, WA) there is opportunity to grow across the country both organically and inorganically, including in the economic centres on Australia's east coast
- The current customer base is weighted to industries prevalent to its locations (e.g. mining and energy in WA) and can expand by vertical

## Inorganic



### Market consolidation

- The SAP partner sub-sector is highly fragmented (>24k companies globally)
- M&A activity in the sub-sector globally is strong, however there have been few deals to date in Australia
- Each existing SAP partner in Australia is privately-owned and no existing incumbent has major market share

Notes: (1) Frost & Sullivan.

# Financials

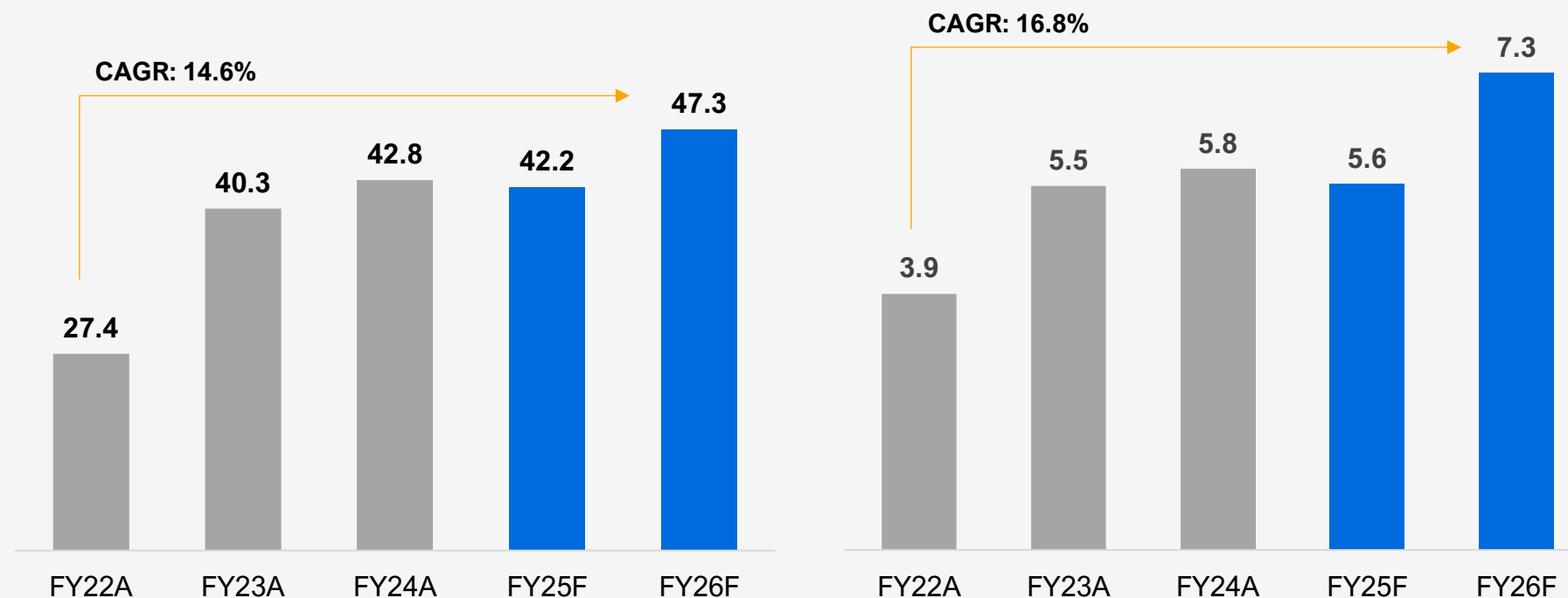
# Summary Financials

The Group is forecast to deliver \$42.2m revenue and \$5.6m Pro Forma Gross Profit in FY25F<sup>1,2</sup>

Revenue (\$m)<sup>1,2,3</sup>

Pro Forma gross profit (\$m)<sup>1,2,3,4</sup>

Commentary



## Revenue

- Significant YoY increase in FY23A driven by projects with major customers including go-live drop-dead dates
- Revenue increase in FY26F driven by potential uplift from rate card increases, new domestic customer wins, and expansion into the US market under new long-term contract signed with major customer<sup>4</sup>

## Gross Profit

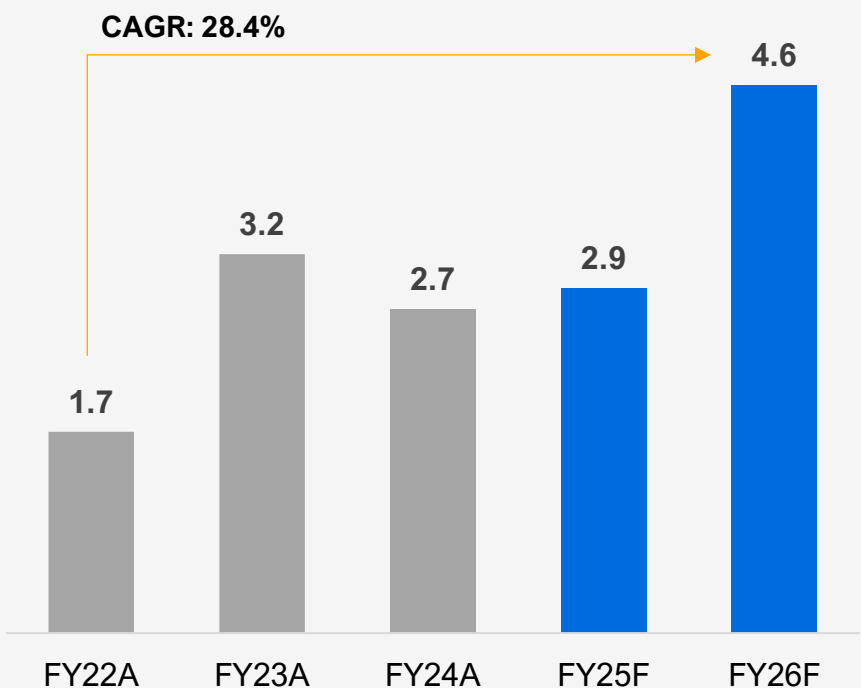
- Gross profit margins are forecast to increase in FY26F as monthly cost savings are realised from the planned conversion of c.20 contractors to full time employees in July 2025

Notes: (1) FY25F forecasts include 9 months of unaudited actuals. (2) Pro forma adjustments have been made to the Statutory Historical Income Statements to reflect the full year impact of the operating and capital structure that will be in place following Completion as if it were in place as at 1 July 2021. (3) FY26F Forecasts are based off managements best estimates in consideration of the FY26F customer base and pipeline. (4) Initial 3-year contract, with five 1-year options, see slide 15 for more detail)

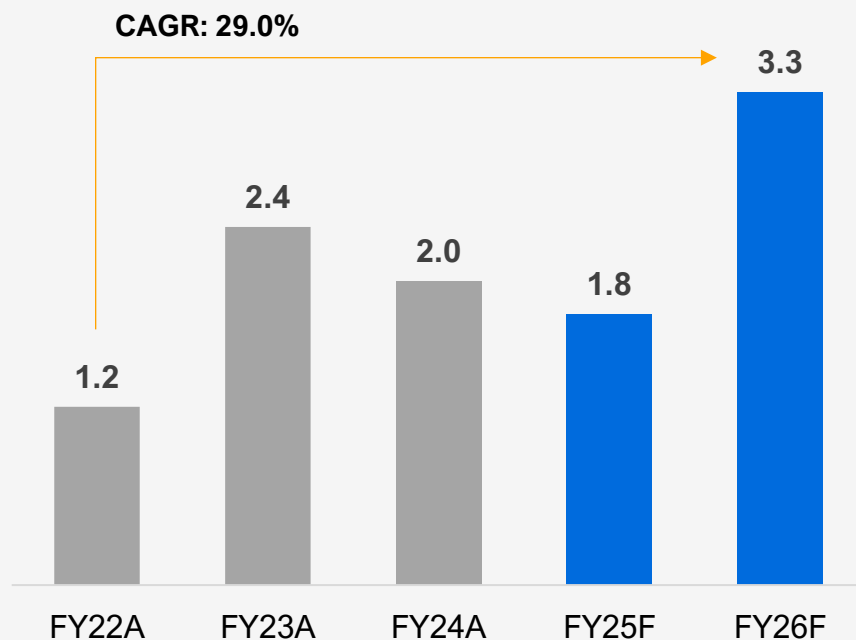
# Summary Financials

The Group is forecast to deliver \$2.9m Pro Forma EBITDA and \$1.8m Pro Forma NPAT in FY25F<sup>1,2,4</sup>

## Pro Forma EBITDA (\$m)<sup>1,2,3,4</sup>



## Pro Forma NPAT (\$m)<sup>1,2,3</sup>



## Commentary

### EBITDA

- FY24A impacted by investment in non-billable employees to drive future business growth and support business expansion, with hires including a general manager, practice lead, and additional finance personnel
- Employee costs are forecast to remain largely consistent in FY25F and FY26F

### NPAT

- Strong EBITDA to NPAT conversion driven by capital light business model and debt free capital structure

Notes: (1) FY25F forecasts include 9 months of unaudited actuals. (2) Pro forma adjustments have been made to the Statutory Historical Income Statements to reflect the full year impact of the operating and capital structure that will be in place following Completion as if it were in place as at 1 July 2021. (3) FY26F Forecasts are based off managements best estimates in consideration of the FY26F customer base and pipeline. (4) EBITDA excluding significant items, which total \$0.20 million in FY25F and comprise of audit fees.



# Appendix 1: Board and Key Management

# Board of Directors and Management Team

Board and management team with extensive experience in IT services

## Board of Directors



**Shane Bransby**

*Chief Executive Officer and Managing Director*

Former Executive (strategy and M&A) at ASG Group (ASX:ASZ). Current Non-Executive Director at Bastion Security Group and consulting to several companies in the IT sector.



**Geoff Lewis**

*Non-Executive Chair*

Founder and former Managing Director at ASG Group (ASX:ASZ). Current Non-Executive Chair at COSOL (ASX:COS).



**Adam Simpson**

*Independent Non-Executive Director*

30 years of experience in high performance culture and leadership. Highly respected former AFL coach and player.



**Emma Wates**

*Company Secretary*

Over 15 years' experience in providing company secretarial and corporate compliance services to listed companies. Advised on several successful ASX listings, secondary and seed capital raisings and is a Chartered Accountant and a senior associate of the Financial Services Institute of Australasia.

## Management Team



**Richard Alan Jarvis**

*Chief Financial Officer,  
Company*



**Jason Nesa**

*Joint Chief Executive Officer,  
StepChange*



**Kim Carroll**

*Joint Chief Executive Officer,  
StepChange*

# Q&A