



PIE FUNDS

Small Cap Conference

Russell Baskerville

MANAGING DIRECTOR

EMPIRED LIMITED (ASX:EPD)

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Our Vision

To be a high performance IT Services company
delivering value through initiative, innovation and growth.



INITIATIVE



INNOVATION



GROWTH

EFFICIENCY

- > Organisational excellence
- > Improved service quality and availability
- > Effective risk management
- > Information security and management



PRODUCTIVITY

- > Organisational optimisation
- > Process automation
- > Operational business analytics
- > Systems integration and intelligent decisions



OUR VALUE PROPOSITION

- Transform your business
 - Service experience
 - Quality outcomes



COMPETITIVE ADVANTAGE

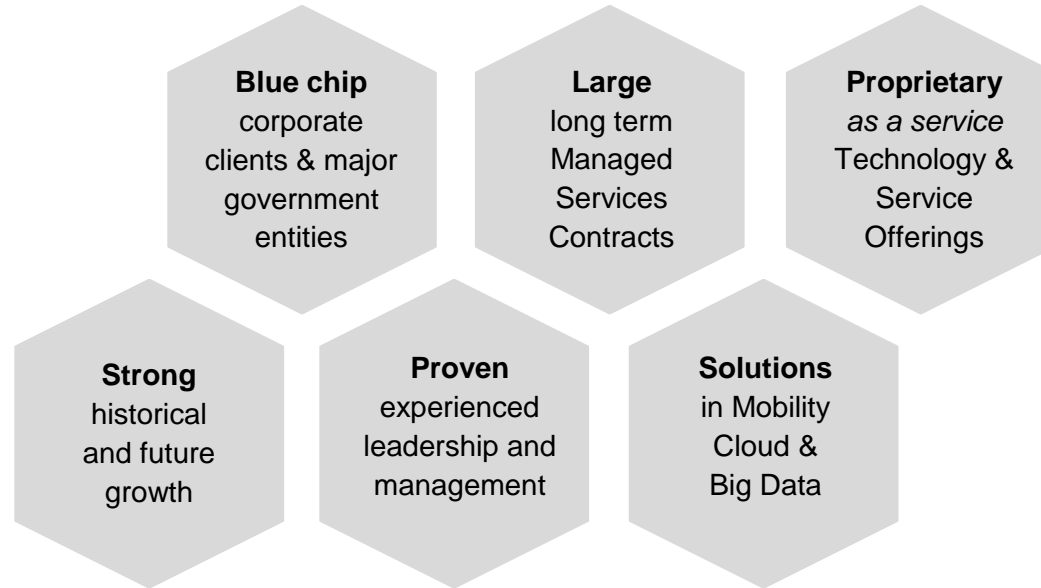
- > Customer behaviours and analytics
- > Online systems and new channels to market
- > Mobile and social applications

About Empired

Australasia's largest dedicated Microsoft focused IT Services Business

- Established in 1999 and ASX listed in October 2007.
- Today employing ~ 800 IT professionals.
- Core operations across Australia & New Zealand.
- Services spanning Consulting, Applications and Infrastructure.
- Large, Enterprise Infrastructure and Application Managed Services contracts, strong base of contracted recurring revenue.

- Strong historical growth with FY16 guidance of \$145m to \$165m.
- Proprietary IP in Cloud based Technology & Services.
- Leveraged to growth trends with core solution offerings in Cloud, Enterprise Mobility, Big Data / Business Analytics.
- Quality People: Proven, highly experience and well connected leadership team, management team and highly certified workforce.



Our Aspirations

CAPABILITY

- Business solutions focus.
- Broad capability across Infrastructure, Apps and Consulting.
- Large multi-year contract delivery models.
- Deep domain expertise in our chosen industry sectors.
- Australasian Presence.

BRAND

- Synonymous for trust, capability and discipline.
- Solutions focused.
- Recognition as a major provider of IMS and AMS.
- Recognised as developing broader industry domain expertise.
- Quality outcomes.

FINANCIAL

- Attractive growth profile.
- Target EBITDA margin's growing to above c12.5% over time.
- High level of contracted recurring revenue.
- Track record of revenue and earnings growth.
- Strong cash flows.
- Reliable dividend profile.

Operating Model

High Value

Infrastructure Services

Unified Comms
Workplace Services
Mobility
Systems Management
Virtualisation
Compute and Storage
Identity Management Services
Networking and Security
Disaster Recovery

Applications & Consulting

Strategic Consulting
Business Analysis
Mining Systems
Data Modelling
Enterprise Architecture
Agile Software Development
Web Services
Enterprise Integration
Data Warehouse
BI reporting

Microsoft Business Solutions

Information Management
Document and Records
Management
Internet Sites
Enterprise Social
Crm Solutions
Business Intelligence
BPA and Workflow
Consulting

Program Management, Project Management, PMO, Managed Services, Service Desk,
Service Management, Cloud Services, Infrastructure, Data Centre

High Reliability

CORPORATE

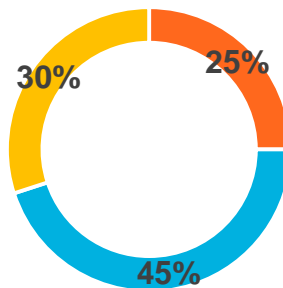


Ordinary Shares	114,683,253
Options (ex 40c)	500,000
Share Price	\$0.75
Market Capitalisation	\$86m
Directors & Management	25%
Top 20	64%

- » Non Executive Chairman, Mel Ashton
- » Managing Director & CEO, Russell Baskerville
- » Chief Financial Officer & Co Sec, Mark Waller
- » Non Executive Director, John Bardwell
- » Non Executive Director, Richard Bevan
- » Chief Operating Officer, Rob McCready

Equity Ownership

- Directors & Management
- Institutional Investors
- Brokers & Retail Investors



FY15 FIRST HALF HEADLINE RESULTS



- Half Year Revenue of \$50M up 74% against H1 FY14
- Reported Half Year EBITDA of \$3.9M up 236%
- Underlying⁽¹⁾ Half Year EBITDA of \$4.4M
- Underlying⁽¹⁾ First Half Net Profit after Tax \$1.7M
- Underlying⁽¹⁾ First Half Fully Diluted EPS of 1.5c per share

NPAT & EPS negatively affected by higher than expected tax rate of 34% (expect to be in line with historic rates for second half) and higher than expected interest costs relating to international debt as part of the Intergeren acquisition, currently being renegotiated.

(1) Underlying result excludes \$0.5M of transaction costs incurred as part of the acquisition of Intergeren Limited on 31 October 2014.

BALANCE SHEET

- Adequate Working Capital and Cash position.
- Cash position expected to significantly improve based on operating cash flow 'catch up' as per prior slide.
- CAR of 1.06 will improve to 1.41 over coming weeks as \$11M of debt and deferred vendor payments classified as current are rolled over / renegotiated with c\$8M to move to non-current by 30 June 14.
- 100% of Deferred vendor liabilities have been brought to account on the balance sheet with no off balance sheet earn out or deferred vendor payment liabilities.
- Net Assets have increased by c\$14m since 30 June 14

Consolidated Balance Sheet	31 Dec 14 \$M
Cash	6.9
Receivables	19.2
WIP	5.9
Other Current Assets	1.8
Total Current Assets	33.8
Investments in Associates	0.2
P&E	17.6
Intangible Assets	48.2
Deferred Tax Assets	3.6
Total Non Current Assets	69.6
Total Assets	103.4
Payables	14.8
Borrowings	11.6
Deferred Vendor Payments	2.4
Provisions	3.2
Total Current Liabilities	32.0
Borrowings	8.2
Deferred Vendor Payments	11.1
Provisions	0.4
Deferred Tax Liability	3.4
Total Non Current Liabilities	23.1
Total Liabilities	55.1
Net Assets	48.3

FIRST HALF STRATEGIC HIGHLIGHTS

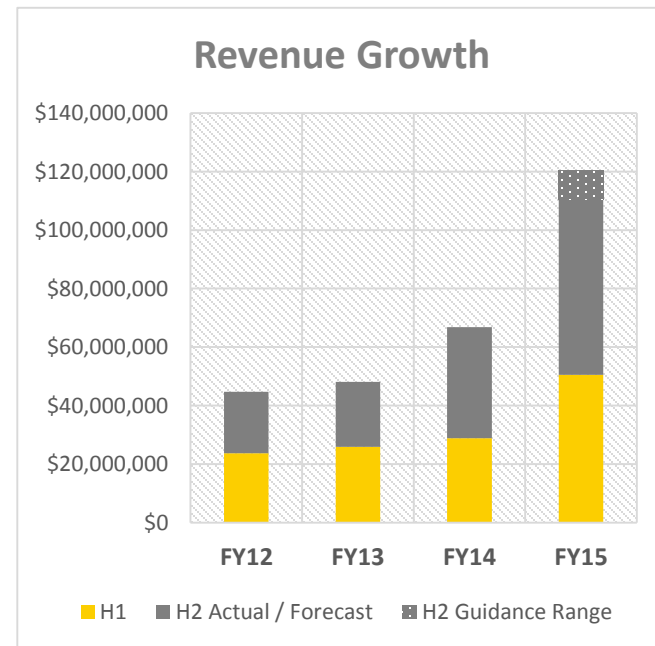


- Acquired InterGen Limited, adding c\$60m annualised Revenue and 370 staff.
- Achieved all key milestones in integration plan to December 31, 2014.
- Executing on a number of cost saving initiatives.
- Significant increase in the number of sales opportunities generated through acquired customer base.
- Matured c\$100m in strategic sales pipeline of new multi-year contracts.
- Advanced our positioning and investments in cloud based services & IP including our IaaS platform “flexScale”, our document & records management SaaS solution “Cohesion” and our workflow in the cloud solution “FormPlicity”.
- This IP will materially strengthen a number of multi-million dollar contracts being contested as part of our c\$100m strategic deals pipeline and are all annuity based revenue models.

REVENUE GROWTH BY HALF



- H1 Revenue of \$50m up 74% on prior period.
- H1 growth (Excluding Interger) of 38% on prior corresponding period.
- Interger contribution of \$10m in November and December 2014.
- Expect Interger contribution of c\$30m in H2 FY14.
- Full Year guidance \$110m to \$120m.
- Annualised 'run-rate' places Empired at top end of full year guidance
- On track for FY16 guidance of \$145m to \$165m



LINE OF BUSINESS & EBITDA GROWTH



Application services

- Highest margin Line of Business c40% GP.
- Grown from 47% to 71% of Total Revenue.

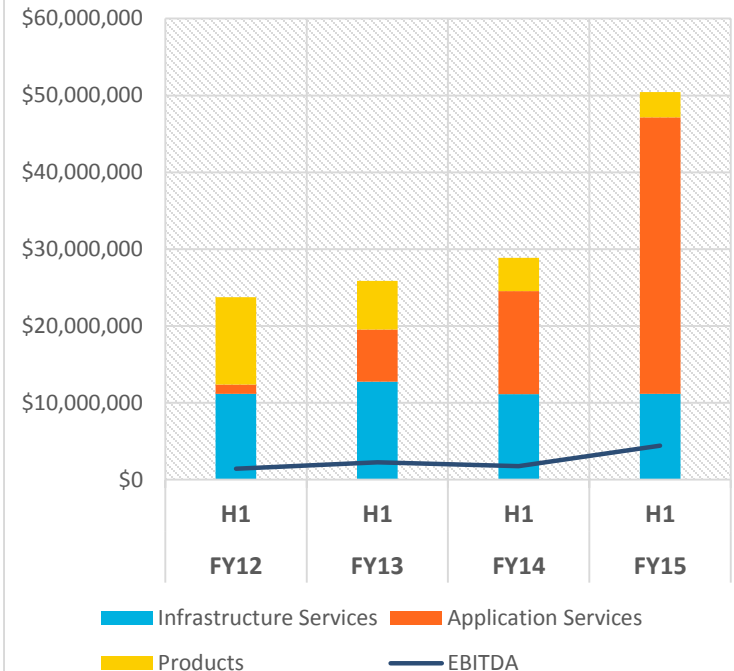
Infrastructure Services

- GP margins improving to c35%.
- c90% of Revenue from long term contracted customers.
- Strong annuity growth opportunity in H2.

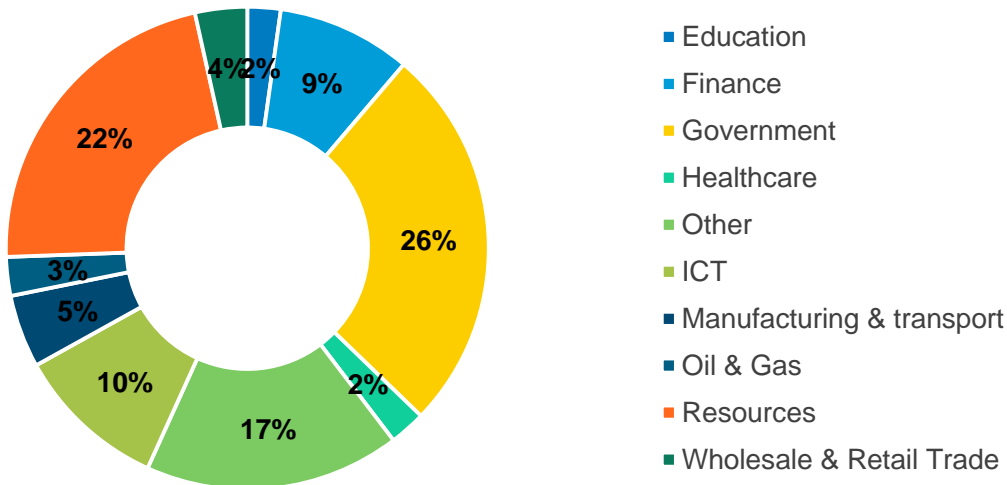
EBITDA

- Reported \$3.9m up 236%, Underlying \$4.4m.
- Margin expansion from 6% to 9%.
- Expecting strong EBITDA to cash conversion in H2.

Revenue by Line of business



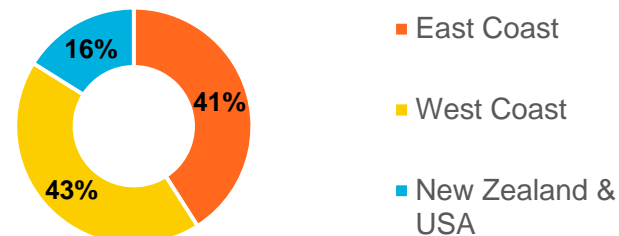
H1 FY15 INDUSTRY & PEOPLE SPREAD



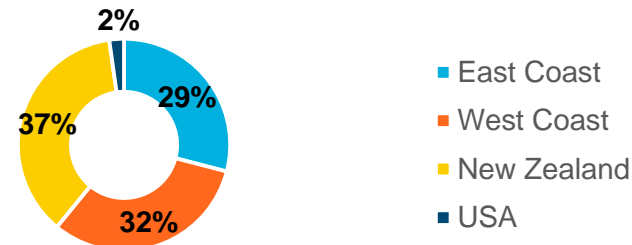
Commentary

- Pleasing diversification across major Industry sectors.
- Natural Resources & State Government continue to be major contributors to Revenue.
- Focus on growing Finance and Utility sectors.
- NZ Revenue contribution will grow considerably in H2.
- Healthy spread of people across all major geographies serviced.

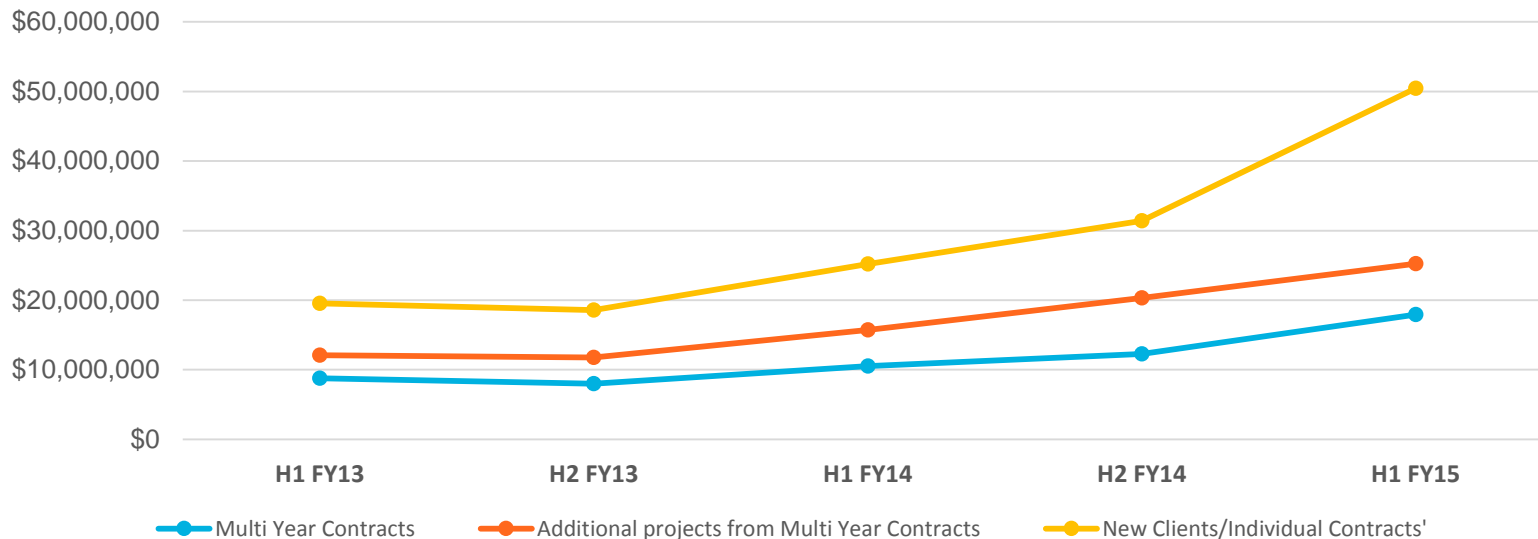
H1 FY15 Revenue By Region



31 Dec 2014 People By Region



CONTRACTED REVENUE



- Continuing to build year on year recurring Revenue from Managed Services and large multi-year engagements.
- Expecting accelerated jump in contracted recurring revenue in H2 from multi-year contracts.
- Will provide higher level's of contracted Revenue into FY16 and improved Revenue predictability.
- Launching a range of new 'as a service' cloud based offerings on proprietary IP that will drive recurring revenue.
- Expecting contract news in near term on large multi-year contracts.

MAJOR CONTRACTORS PIPELINE



Major Opportunity Status

- ✓ Empired has been shortlisted or named preferred supplier on a number of major contracts.
- ✓ We are in advanced negotiations on a number of multi-million dollar contracts.
- ✓ These contracts include Infrastructure & Application managed services plus a range of cloud based 'as a service' contracts that are based on Empired IP and have the potential to deliver higher than typical levels of Gross Margin contribution.
- ✓ All these major contracts are recurring revenue based arrangements.
- ✓ We look forward to informing the market over the coming months.

***Empired will contest over**

\$100M

in Major contracts in H2 FY15

* This value does not represent Empired's total sales pipeline, it is not exhaustive and includes only large multi year contract opportunities. Values are estimates and subject to change during the sales and negotiation process. The figure does not represent signed contracts and can only be used as a guide to assess the potential opportunities presented to the company, not for projection of revenue or earnings.

STRATEGIC POSITIONING & MARKET TREND



CLOUD

**ENTERPRISE
MOBILITY**

**BIG DATA &
BUSINESS
ANALYTICS**

**ENTERPRISE
SOCIAL &
COLLABORATION**

Empired is well placed to take advantage of key structural shifts and the advent of new service models within the IT industry.

FY15 outlook, major contracts, revenue & earnings growth to follow...

- Confident on delivering a strong FY15 financial result and at the upper end of Revenue guidance.
- On the back of delivering a strong FY15 financial result the Board expects to declare an increased fully franked final dividend.
- Management is confident on a strong conversion rate during the second half on its c\$100M contract pipeline and looks forward to informing the market during this period.
- Contract success over the coming months combined with the recent acquisitions will underpin exceptional Revenue and Earnings growth into FY16.
- Empired continues to assess acquisition opportunities to complement its organic growth pipeline and accelerate its business strategy.

Australia

WA, SA, QLD, NSW, ACT & VIC

New Zealand

Christchurch, Auckland, Wellington & Dunedin

North America

Seattle





Thank you.

Empíred