

The background of the slide features a blurred image of a person's hands holding a tablet, with out-of-focus city lights in the background. The scene is lit with warm, bokeh-style light spots in shades of yellow and blue. The overall composition is modern and tech-oriented.

*Empired*

# Annual General Meeting

Russell Baskerville, Managing Director  
November 2015

We have come a long way &  
have a long view:

## **An Evolution**



We do not aspire to be any bigger or  
better than we deserve to be.

**We will continue to deserve it.**

**Our journey** will continue to stretch and inspire us.  
**We've come a long way, very fast.**

## 2015

We Emerge

As a leader in business & technology services across the Asia Pacific region.

2012

2013

2015

### Growth snapshot

- \$46m to \$130m in 3 years, 'run-rate' guidance \$155m to \$175m
- From 208 to 919 talented professionals
- From two offices in one country to eleven offices in four countries
- From small engagements to \$50m+ Contracts
- 4 acquisitions in 3 years

# **FY15 HIGHLIGHTS**

**Secured \$65m of strategic annuity contracts**

**Acquired Interogen Limited**

**Staff numbers up from 419 to 919 FTE's**

**Integration of all Australian businesses within Empired.**

**Regional diversification into New Zealand, US and Singapore.**



# **FY15 RESULTS**

**Revenue \$130m, up 94%**

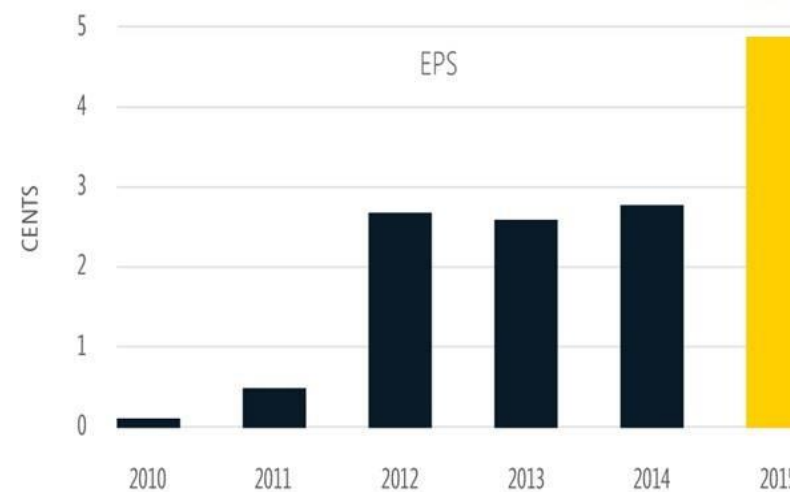
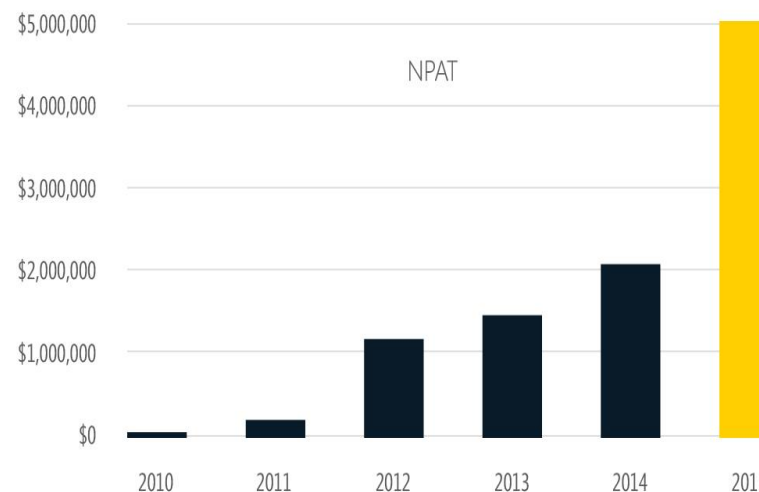
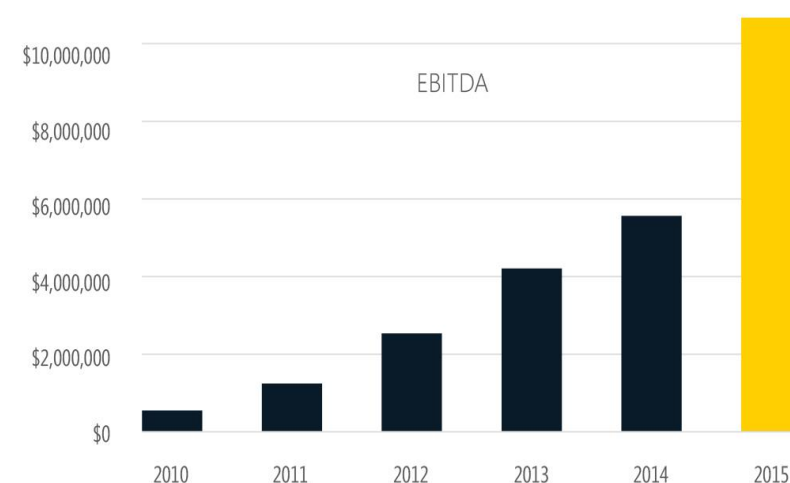
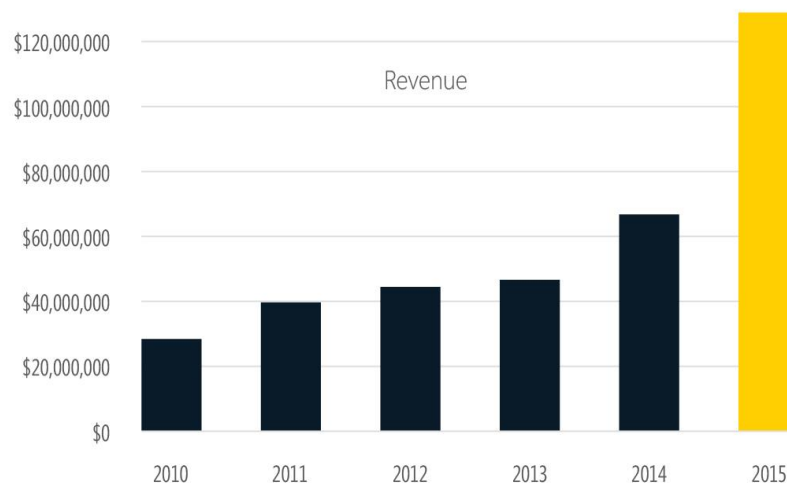
**EBITDA \$11m, up 94%**

**NPAT \$5m, up 134%**

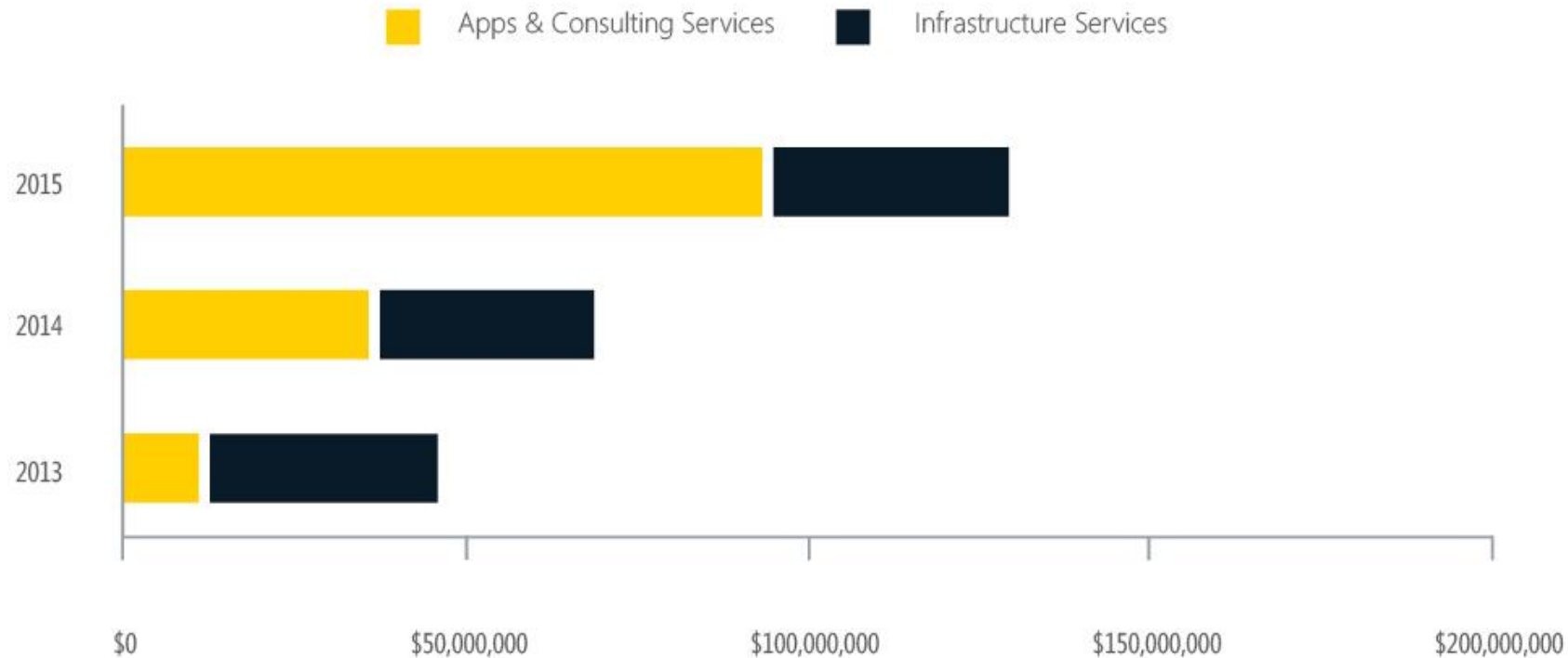
## Delivering clear **financial results**:

### Results

- Consistent year on year growth, organic and acquisitive.
- H2 Revenue of \$80m, supports guidance.
- FY16 Revenue guidance \$155m to \$175m
- H2 FY15 EBITDA margin of 9.6%.
- \$3m of annualised 'cost out' to benefit FY16.



## What's driving the growth:

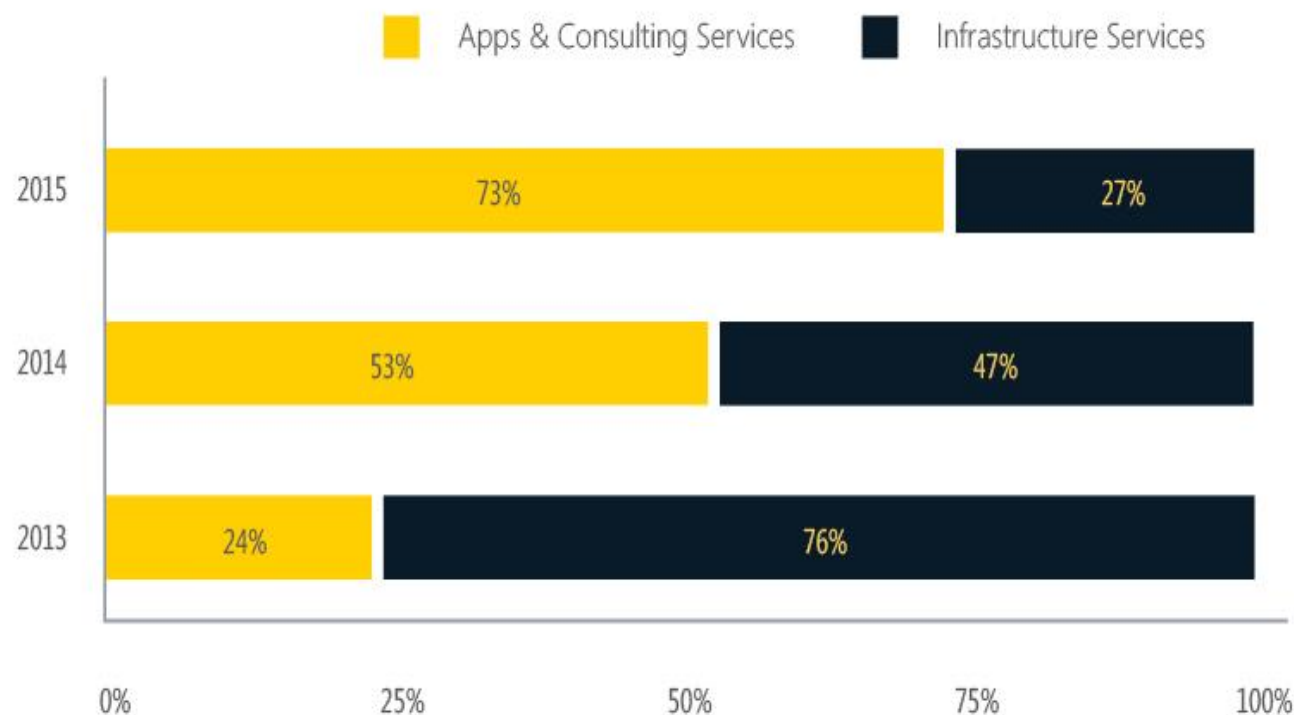


- **Applications & Consulting**
  - Managed Services
  - IOT & Data Insights
  - Mobility
  - Microsoft CRM & ERP
  - Digital Transformation
- **Infrastructure Services**
  - Managed Services
  - Identity Management & Security
  - Service Integration
  - Cloud Transformation Services

## How is our **Revenue mix** changing:

### Analysis

- Growth in Application Services Revenue driving margin improvements.
- FY15 Gross Margin 34% up from 31% FY13.
- Application services gross margins typically c36%, Infrastructure Services gross margins typically c30%.
- Infrastructure Services Revenue currently represents a higher proportion of long term contracted Revenue than Application services.
- Opportunity to grow contracted Revenue base in Application services.
- Improving Infrastructure services margins through cloud & service integration.





## Growing **contracted recurring Revenue:**

### Analysis

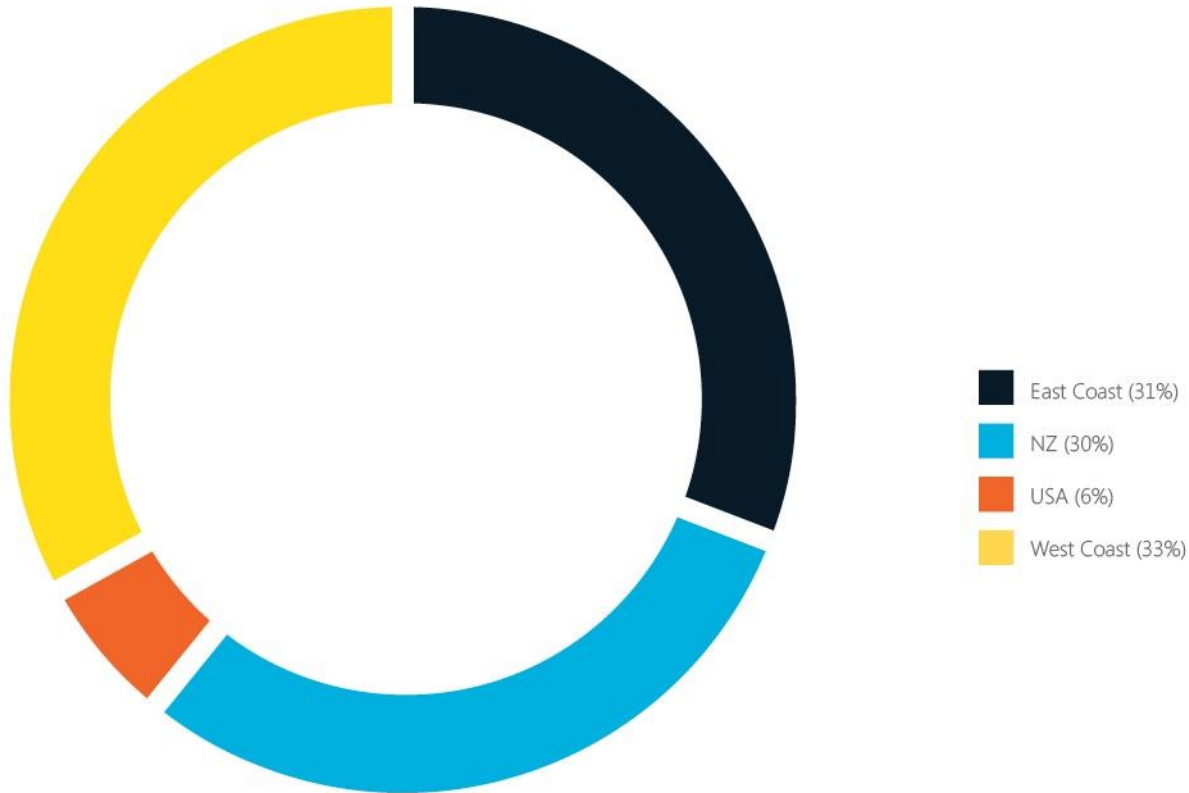
- Enter FY16 with record contracted Revenue, largely annuity based.
- Year on Year growth in long term contracted Revenue.
- Approximately 50% of FY15 Revenue earned from multi year contracts.
- Recent strategic contract success (\$65m in H2 FY15) will drive Revenue from multi-year contracts higher into FY16.
- New annuity revenue streams developing from in-house cloud based software as a service IP (Cohesion) and cloud platform services.



## We have changed the **shape of Empired today:**

### Analysis

- We have materially diversified and expanded our geographic base.
- Including the introduction of NZ as a major region of operation for Empired.
- Our presence on the East Coast of Australia has more than doubled in FY15.
- Plus we have introduced low cost, low risk growth exposure to the US and Asian markets.
- Our business is well balanced and we will invest and grow into the market opportunities in the regions we operate.

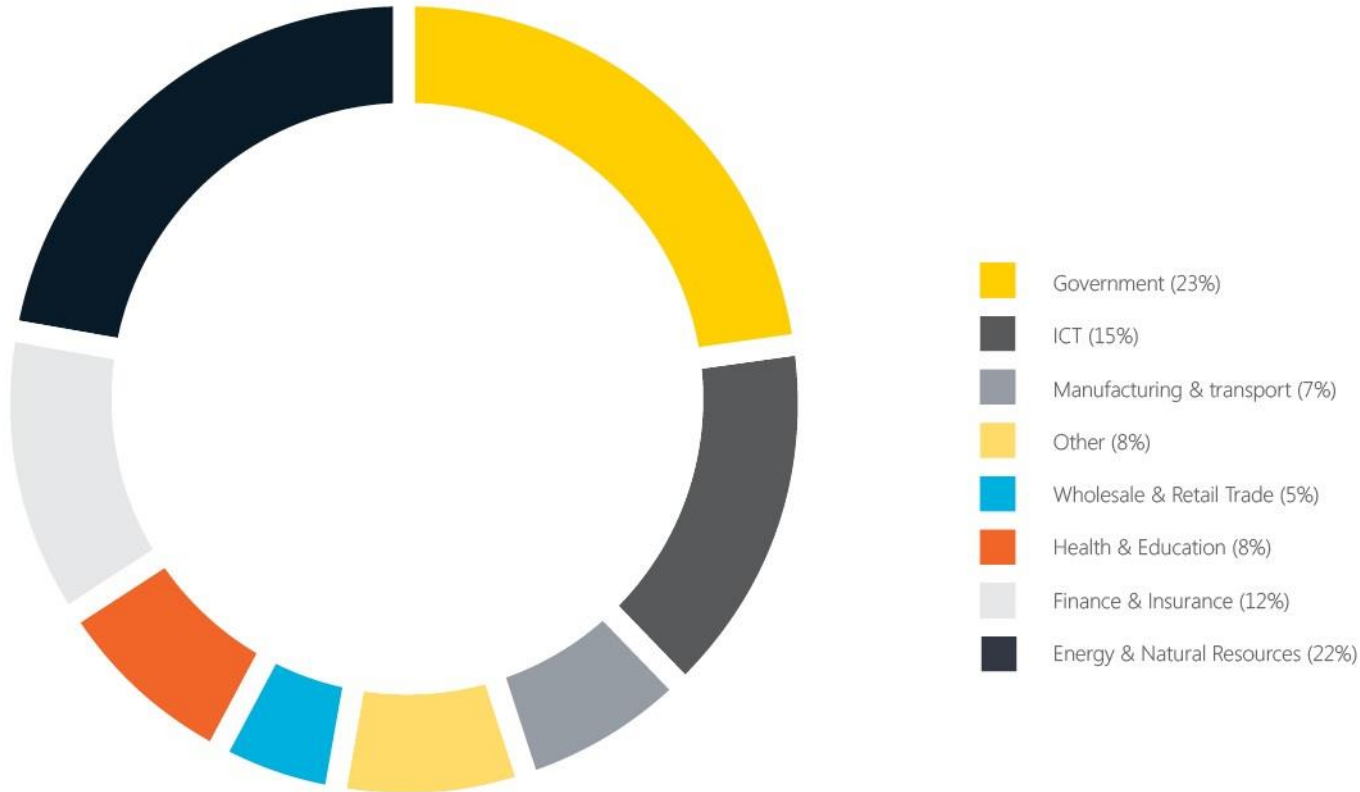


FY15 Revenue by Region

## Whilst diversifying **our industry exposure:**

### Analysis

- No major exposure or reliance on any one particular sector.
- Energy & Natural Resources (ENR) continue to grow in value organically however have been diluted as a percentage by the introduction of new industry's through acquisition.
- We are expecting robust organic growth in Government and the ENR sectors in FY16.
- Strategically investing in exposure to the Finance & Insurance and Health & Education sectors.



FY15 Revenue by Industry

# Outlook

## FOCUS

Growing Annuity Revenues

Cloud / Managed Services

Data Analytics / Data Insights

Mobility & Modern Apps

Microsoft Business Apps

Revenue guidance remains firm \$155m to \$175m  
Full year margins & cash flow strengthening.

## FY16 Trading Update

- Secured \$10m in strategic contracts half to date (\$75m this calendar year).
- Expect margin and earnings skew toward second half due to:
  - Project delays on the East Coast of Australia during the first half.
  - Cost reduction program which has driven a further \$2m of annualised cost savings taking total expense reduction to \$5m of annualised savings implemented this calendar year. Benefit to be realised in the second half.
  - New strategic contract commencement costs incurred in first half as large multi year deals commence. Benefit to be realised in second half.
- Healthy pipeline of new strategic contracts being contested.
- On track to deliver strong full year result.



Thank you.