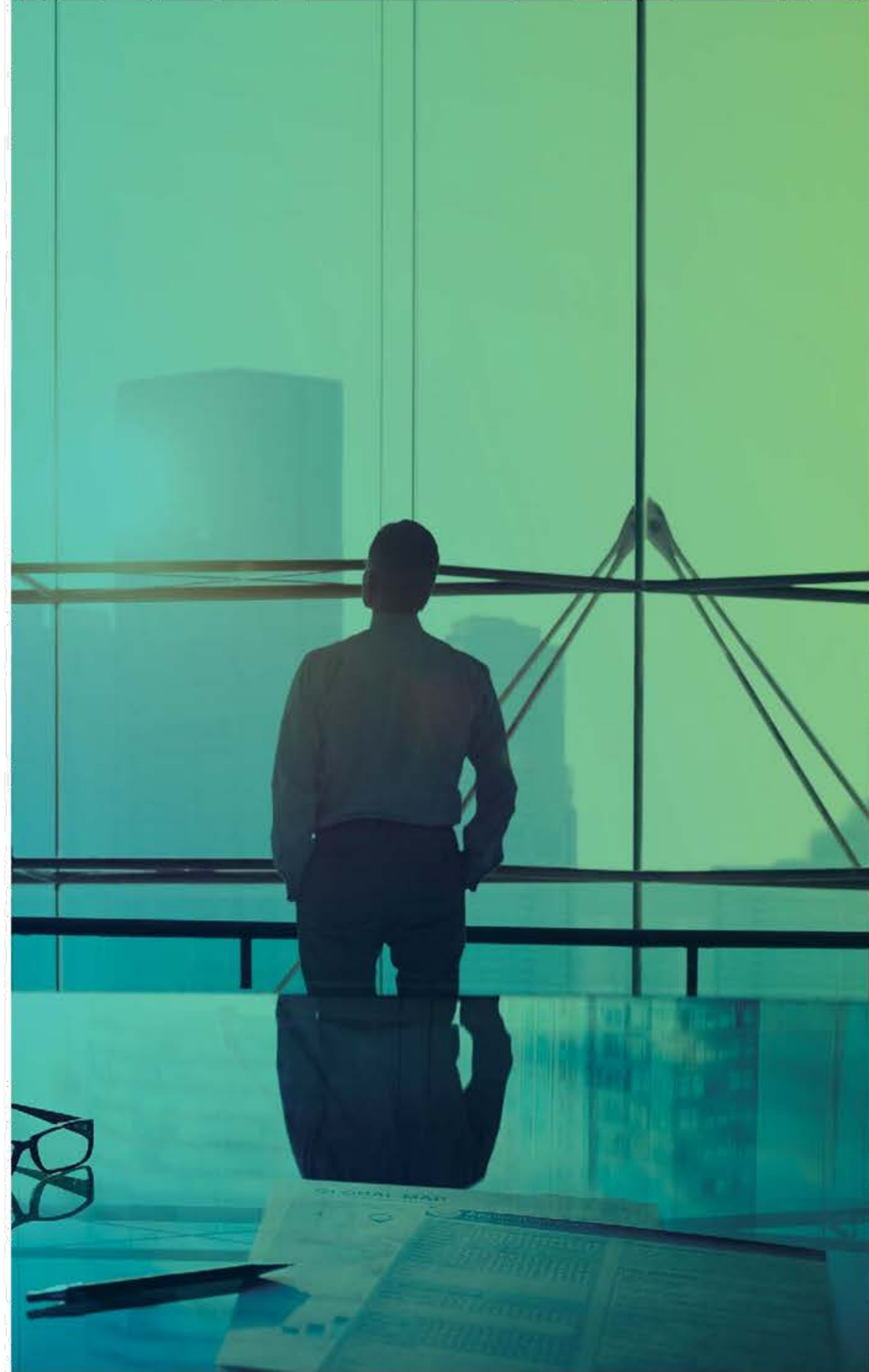
Aspire. Enable. Achieve.

FY16 Results

Geoff Lewis
Managing Director
Chief Executive Officer

Dean Langenbach
Chief Operating Officer
Chief Financial Officer

ASGGROUP.COM.AU



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Company Overview

The ASG Board

Ian Campbell
Chairman

Geoff Lewis
Managing Director, CEO

Stephen Johnston
Non Executive Director

Grant Pestell
Non Executive Director

Peter Torre
Company Secretary

The ASG Executive Team

Geoff Lewis
Managing Director, CEO

Dean Langenbach
COO, CFO

Gerald Strautins
Executive - Strategy

ASZ
ASX code

$1.05
Share Price

$211.9m
Market Capitalisation

201.8m
Number of Shares on Issue

FY16: Highlights

- Record revenue of $188.7 million (up 16%)
- Record EBITDA of $26.7 million (up 32%)
- EBITDA margin of 14.2%
- Net debt of $2.9 million
- Significant boost in operating cashflow, running at 100% of EBITDA
- Budgeting for further revenue, earnings growth in FY17
- Expansion of multi-year contracts – $185 million revenue locked in for FY17

Behind the Numbers

- Record revenue, EBITDA, contract wins
- Strong predictability, dependability of revenue model, operating margins
- Continuing to grow the business, profits through customer transition to ‘New World’ services
- Utility service model (pay as you use) delivering strong financial benefits for customers and for ASG
- Efficient capital management with $5 million buyback and debt reduction program ($2.9 million net debt at balance date)
- Continued strong operating cashflows – 100% EBITDA

FY16 Financial Summary

	FY16 $m	FY15 $m	Movement
Operating Revenue	188.7	162.7	16.0% ↑
Reported EBITDA	26.7	20.2	32.2% ↑
Operating EBITDA	27.3	19.6	39.2% ↑
NPBT	17.0	11.6	46.0% ↑
NPAT	12.0	9.5	26.1% ↑
Reported EBITDA Margin	14.2%	12.4%	1.8% ↑
Operating EBITDA Margin	14.5%	12.0%	2.5% ↑
EPS	5.88c	4.61c	27.5% ↑

- Strong revenue growth. 100% organic.
- EBITDA margin improvement

Operating EBITDA Step Change

	FY16 $m	FY15 $m
Reported EBITDA	**26.7**	**20.2**
- Profit/Loss on Asset sale	0.1	(0.6)
- R&D Credit	(0.1)	(0.8)
- Acquisition Payment	0.0	0.4
- Share Based Payment	0.6	0.4
Operating EBITDA	**27.3**	**19.6**
Operating EBITDA Margin	**14.5%**	**12.0%**

- Increasing revenue on a fixed overhead base
- Offshore success having a positive impact to bottom line
- Managed service scale driving efficiency

Operating Cash v EBITDA

	FY16 $m	FY15 $m	FY14 $m	3yr Average
Net Operating Cash (before Interest & Tax)	27.5	11.8	24.9	
Reported EBITDA	26.7	20.2	22.0	
% Net Operating Cash	103%	58%	113%	**93%**
Operating EBITDA	27.3	19.6	20.0	
% Net Operating Cash	101%	60%	124%	**96%**

- Strong operating cash flow over extended period
- Seasonality impact H1 v H2

Balance Sheet Strength

	FY16 $m	FY15 $m
Current Assets		
Cash	18.1	13.8
Receivables	31.9	31.0
Total Current Assets	**59.0**	**46.8**
Total Non-Current Assets	**128.4**	**130.3**
TOTAL ASSETS	**187.4**	**177.1**
Current Liabilities		
Trade and other payables	33.5	30.3
Borrowings	5.7	5.9
Total Current Liabilities	**49.2**	**45.1**
Non-Current Borrowings	15.3	19.3
Total Non-Current Liabilities	**27.3**	**28.7**
TOTAL LIABILITIES	**76.5**	**73.8**
NET ASSETS	**110.8**	**103.3**

- Strengthened by operating performance
- Continued focus on debt reduction and liquidity improvement
- Outstanding platform to pursue growth

Strong Free Cash Flow

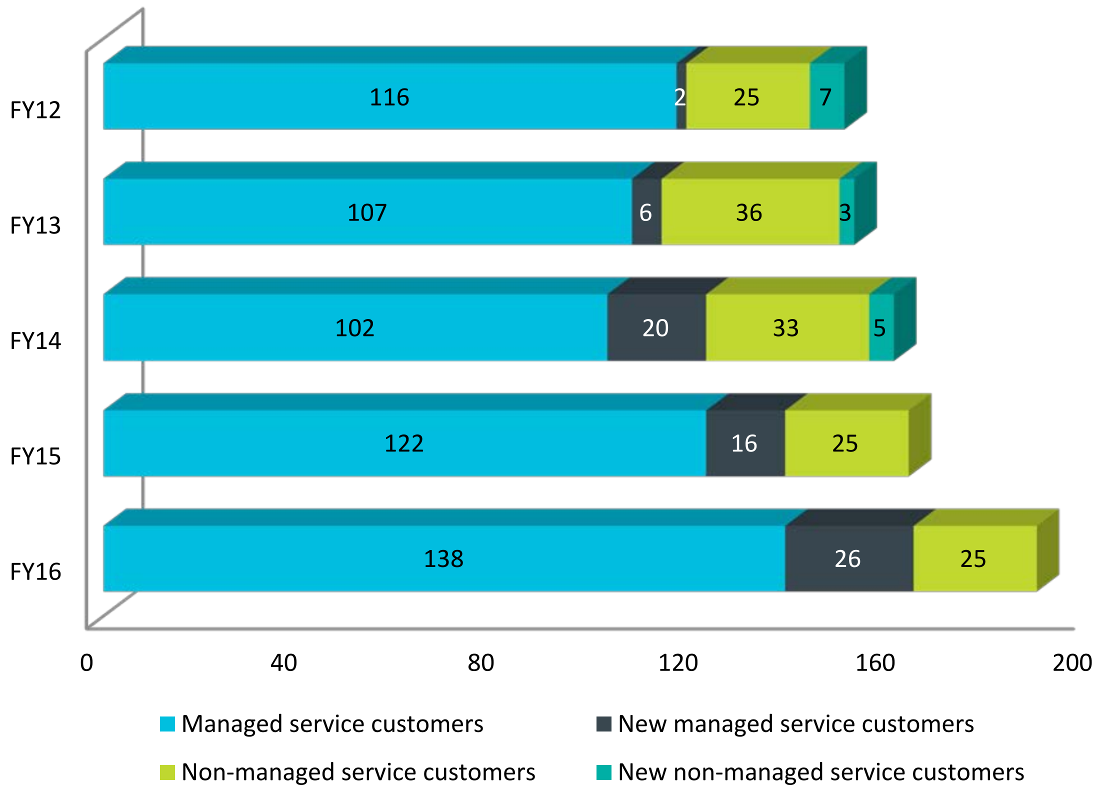
	FY16 $m	FY15 $m
OPENING BALANCE	**13.8**	**16.1**
Net Operating Cash (before Interest & Tax)	**27.5**	**11.8**
Net Interest	(1.4)	(1.6)
Income Tax	(2.2)	(1.7)
Net Operating Cash	**23.9**	**8.5**
Capital Investment	(6.6)	(6.1)
Leasehold Improvements	(1.7)	-
Sale of Leased Asset	-	10.7
Acquisitions	-	(0.4)
Net Borrowings and Finance Leases	(6.2)	(15.0)
Share Buy Back	(5.1)	-
CLOSING BALANCE	**18.1**	**13.8**

- Strong conversion of EBITDA to operating cash
- Capital investment to deliver new contract services
- Office fit-outs across 3 premises
- Share buy back completed for $5 million for the FY16 period
- Targeting dividend recommencement in FY17

Predictable, Dependable Revenue Model

- Predictable business model delivering stable operating margins
- Proven ability to grow margins with scale
- Strength of earnings underlined by operating cashflows matching EBITDA
- Locked in revenue provides superb base for growth in FY17, FY18
- Success in transitioning customers to new utility-style service model
- ASG pipeline of contract opportunity at all-time high
- Proven track record expanding contracted revenue through course of financial year

Locked in Revenue



- Annuity revenue stream underpinned by New World contracts
- FY16 revenue $189m, $160m of this locked in at 1 July 2015
- $185m revenue locked in at 1 July 2016, expect strong growth in FY17

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Providing Services to Leading Australian Organisations

- ASG a trusted adviser to big group of blue chip organisations
- Deeply involved in provision of advice and execution on managed service production environments
- Transitioning major organisations to utility, pay-as-you-go IT operating models
- Delivering capex, opex savings of 50%-plus
- Continue to build ASG revenues, earnings, operating margins

ASG Customers

ASG
Aspire. Enable. Achieve.

QANTAS

Department of Education (The Government of Western Australia)

State Government Victoria Department of Health

ANZ

CLOUGH

QBE

Government of Western Australia Department of Health

UNITED ENERGY

Multinet GAS

synergy

AMP

CIMIC

Australian Government
Department of Infrastructure and Regional Development

State Government Victoria Department of Education & Training

mainroads WESTERN AUSTRALIA

westernpower

Australian Government
Australian Maritime Safety Authority

Australian Government
Future Fund

Australian Government
Department of Communications

LOCKHEED MARTIN

AusGroup

Australian Government
Australian Transport Safety Bureau

BROADSPECTRUM

Australian Government
Department of Broadband, Communications and the Digital Economy

Australian Government
Department of the Prime Minister and Cabinet

AUSTRALIA ECU EDITH COWAN UNIVERSITY

THE UNIVERSITY OF MELBOURNE

How New World Changed Life for Clough

The Engagement

- ASG transitioned Clough into New World platform, covering entire IT portfolio and business improvement initiatives
- Clough now pays as it uses for IT across its entire business – but doesn't bear heavy capital spend, maintenance costs

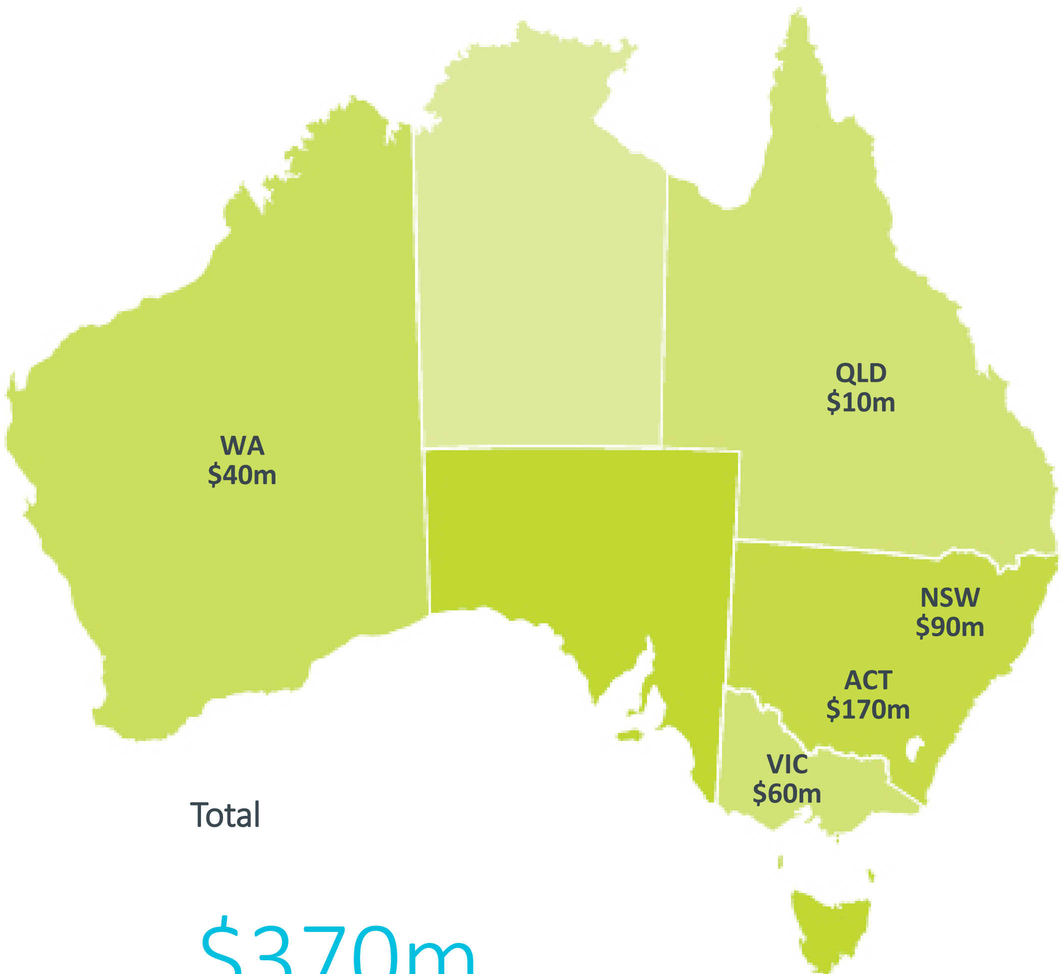
Results

- Clough achieves 30%-plus reduction in ICT costs
- Successful transition from fixed to variable operating costs
- ICT asset ownership down by more than 60%
- Broad delivery of efficiencies through greater commoditised services to the business

Abundant Growth in ASG Core Markets

- ASG's core markets in ERP, Managed Services and Business Analytics set to grow dramatically in size
- ICT spend globally predicted at USD350 billion by 2020 – and Australian market size forecast at $38 billion
- ASG currently has < 1% market penetration – very modest relative to market size
- Sound track record, client referenceability underline clear opportunity for further substantial organic growth in short, medium terms

Contract Pipeline



Total

$370m

Consistent conversion of pipeline opportunities $300m in past 12 months

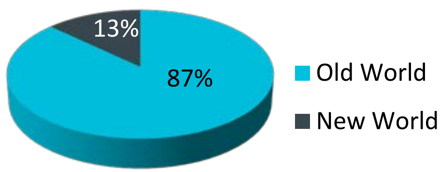
Customer	Type	Contract Period
Department of Education & Training (Victoria) - PeopleSoft	Renewal	5 + 2 + 2 years
Department of Finance	New	4 years
Department of Infrastructure	Renewal	5 + 3 years
Department of Education & Training (Victoria)	New	2 + 1 + 1 + 1 years
United Energy & Multinet Gas	New	5 + 1 + 1 + 1 years
Western Power	Renewal + additional scope	3 + 2 + 2 years
Cimic	New	5 years
Department of Communications	Renewal + conversion to New World	5 years
Synergy	Renewal + additional scope	3 + 3 years
State Super	New	3 + 2 years
Australian Bureau of Statistics	New	2 years
Multinational Construction/Engineering Group	New	5 years

- $180m in new business, $120m existing contracts resigned
- Average contract length 4 years plus 4 year renewal

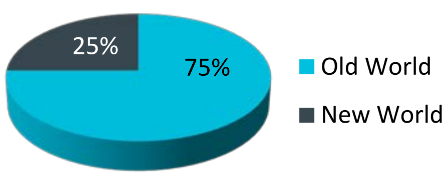
New World contracts growing, delivering to ASG

Revenue Type

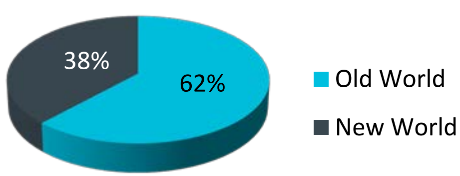
FY14



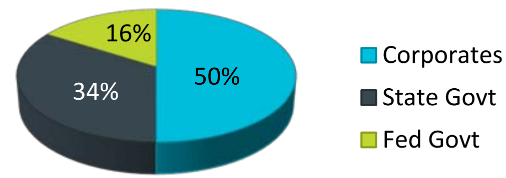
FY15

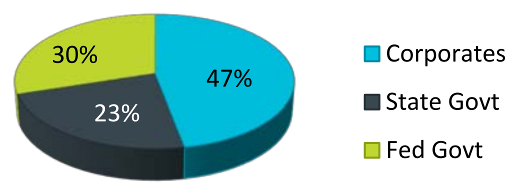


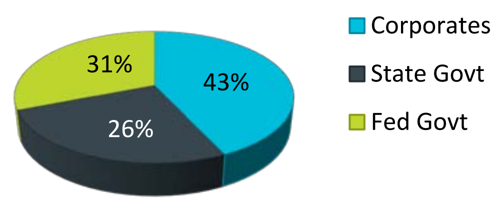
FY16



Client Base







Outlook FY17 and beyond

- Targeting double digit revenue growth in FY17 and FY18
- Budgeting for further improvement in EBITDA margin
- Utility customer model established, working productively and profitably
- Abundant growth in ASG's core markets, Australian demand rising to USD$38 billion by 2020
- High Contract bid success rate set to continue
- Stable business model, predictable earnings

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Q&A

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