



FY 16 Results Investor Presentation

Kevin McLaine CEO and MD
Julian Graham CFO

PEOPLE SECURITY & COMMUNICATION

PS&C Today



A national ICT security, communications and services provider delivering holistic solutions to blue chip, government and SME sectors

People

Low risk people provider to blue chip customer base diversifying into more general, higher margin IT

- Consulting
- Contractor management
- Recruitment
- Project augmentation



Security

High growth security business with high franchise value in dominant market position

- Security consulting
- Managed Services
- Penetration testing
- Red Teaming
- Product sales
- Education



Communication

Significant panel agreements for hardware and services expanding into national markets

- Unified communications and IP telephony
- Network infrastructure
- Consulting and managed services



Acquisition and growth strategy across all sectors leveraging from current dominant position in security sector

Trade and Shareholder Data



TRADING INFORMATION 12 August '16

ASX Ticker	PSZ
Share Price	\$0.42
Shares on issue	66.07m
Market Cap	\$28m

SHAREHOLDERS July 16

Shareholders	Number of Shares (M)	%
Vendors and Founders	32.14	49%
Other	33.93	51%

1 YEAR SHARE PRICE GRAPH



BOARD OF DIRECTORS & MANAGEMENT

Managing Director / CEO:	Kevin McLaine
CFO/ Company Secretary:	Julian Graham
Non-Executive Chairman:	Terry Benfold
Non-Executive Director:	Cass O'Connor

FY16 Highlights



- Purchased Bexton IT Services in October 2015
- Purchased Certitude in January 2016
- Businesses within growing sectors with federal and state government panel wins
- Trading:
 - **PEOPLE** performed well and above pcg assisted by Bexton contribution.
 - **SECURITY** results down on pcg. Last quarter not strong enough to pick up first half short falls. Integration of businesses commenced.
 - **COMMUNICATION** result down on pcg with slower activity in last 2 months of the year.
- Recruited and retained highly skilled staff across all segments

Financial Highlights



- Revenues of **\$85.33M** an increase of **1%** (\$84.47M FY15)
- Normalised Operating EBIT before head office costs of **\$10.25M** (normalised \$10.83M FY15) down **5%**
- Normalised Group EBIT **\$7.95M** (normalised \$8.72M FY15) down **9%**
- No final dividend as cash conserved for growth plans

Financial Results



	FY16	FY15
	\$'000	\$'000
Revenue	85,337	84,467
Normalised Operating EBIT before head office costs	10,254	10,829
Margin	12%	13%
Normalised EBIT	7,945	8,721
Margin	9%	10%
Net Profit after tax	6,973	7,117
EPS	11.12	13.09
DPS	2.50	6.00

> Non operating transactions:

- > Other Income (deferred consideration)
- > Acquisition costs
- > Restructuring costs
- > Write offs
- > Net adjustment:
 - > Reported EBIT - \$9.64m
 - > Normalised - \$7.95m
 - > Adjustment - \$1.69m

Balance Sheet



	June 16 (\$'000)	June 15 (\$'000)
Cash and Cash equivalents	3,509	5,133
Receivables	16,245	12,457
Tax Receivable	355	-
Other	1,343	2,129
Current Assets	21,452	19,719
Receivables	488	325
PP&E	732	469
Intangibles	83,189	70,151
Tax Assets and other	1,286	1,176
Non-current assets	85,695	72,121
Total Assets	107,147	91,840
Payables	8,174	7,232
Borrowings	1,046	-
Tax payables	-	142
Deferred Consideration	1,880	14,181
Provisions and other	4,638	5,299
Current liabilities	15,738	26,854
Payables	477	318
Borrowings	15,456	4,164
Deferred consideration	7,163	5,540
Provisions and other	232	97
Non-current liabilities	23,328	10,119
Total liabilities	39,066	36,973
Equity	68,081	54,867

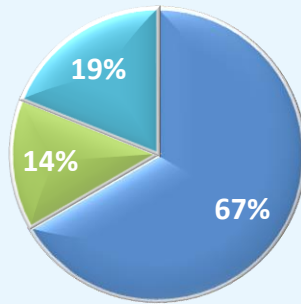
- ✓ Debtors solid – no material delinquent debt
- ✓ Capex low
- ✓ 10.4m shares issued for acquisitions and earn outs
- ✓ Intangibles increase on acquisition and earn out payments

Segment Performance



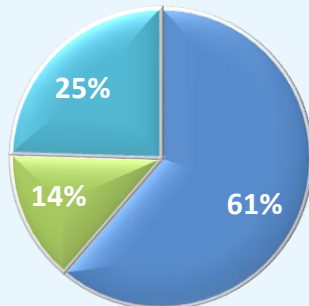
Revenue

FY16



■ People ■ Security ■ Communication

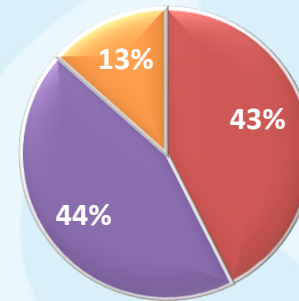
FY15



■ People ■ Security ■ Communication

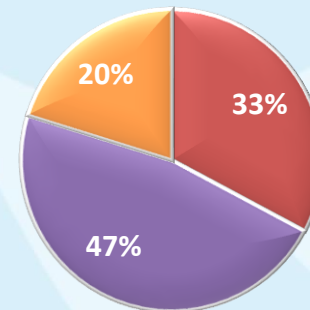
EBIT

FY16



■ People ■ Security ■ Communication

FY15



■ People ■ Security ■ Communication

Our People Business



- ✓ Growth on FY15 – largely due to addition of project augmentation services via Bexton
- ✓ EBIT was up 23% on FY15 (normalised)

	FY16	FY15	Change
	\$'000	\$'000	%
Revenue	56,825	51,730	10%
EBIT	4,364	3,549	23%
Margin	8%	7%	

**Normalised results*

Solid track record of delivering consulting, contractor management and recruitment services to blue-chip sector with capacity for growth through diversification

Our People Business



CURRENT

- ✓ Solid blue chip client base with less exposure to discretionary spend
- ✓ Access to Sydney market
- ✓ Top recruitment specialists with a breadth of experience in SAP & General IT
- ✓ Growing general IT business
- ✓ ISO Certified in Quality, Environment & Social Responsibility



OPPORTUNITIES FOR GROWTH

- ✓ Acquisition opportunities to develop offering with geographical expansion
- ✓ PS&C will have a wider offering with both SAP and general IT, leading to a larger client base
- ✓ A stronger presence in the Sydney market
- ✓ Winning more of existing client work

Our Security Business



- ✓ Revenue up slightly and Normalised EBIT down 11% on FY15 (normalised)
- ✓ Purchased Certitude to be able to engage with clients earlier in the sales cycle
- ✓ Not enough year end work completed to make up first half shortfalls
- ✓ Significant integration planning and restructuring undertaken in FY16
- ✓ Security group now under specific Security leadership
- ✓ The opportunity to grow in the cyber security sector organically and via acquisition remains an area of focus for the group

	FY16	FY15	Change
	\$'000	\$'000	%
Revenue	12,515	12,017	4%
EBIT	4,511	5,095	-11%
Margin	36%	42%	

**Normalised results*

Largest penetration tester in AU & NZ also providing security consulting, managed services, red teaming, product sales and education capable of major expansion with high margins

Our Security Business



CURRENT

- ✓ One of the largest assurance service providers in Australia and New Zealand
- ✓ Dominant position with an excellent reputation
- ✓ Staff are industry experts with highly specialised and in-demand skills
- ✓ Moving toward 100% CREST certification of all technical staff
- ✓ High margins and high franchise value
- ✓ Strong growth industry



OPPORTUNITIES FOR GROWTH

- ✓ Opportunities to diversify and scale offering
- ✓ Acquisition opportunities to grow segment
- ✓ Build annuity income base
- ✓ Research suggests spend in the industry will continue to grow significantly
- ✓ Grow the existing market share

Our Communication Business

- ✓ Customer demand is usually busy in the last 2 months, however not as strong as previous years
- ✓ Revenues down 23% and 37% at EBIT level on FY15
- ✓ The businesses have upgraded internal infrastructure and processes
- ✓ The segment will continue to look for larger, longer term projects

	FY16	FY15	Change
	\$'000	\$'000	%
Revenue	15,994	20,720	-23%
EBIT	1,380	2,185	-37%
Margin	9%	11%	

**Normalised results*

Provides unified communications and IP telephony and network infrastructure with major expansion opportunities cross leveraging from existing and new security business

Our Communication Business



CURRENT

- ✓ Excellent customer base in NSW, regional governments and corporates
- ✓ Significant performer on NSW Government ICT Procurement Contract
- ✓ Local Government Procurement NSW & Procure IT Panel Contracts
- ✓ Currently nominated for Telstra Global Partner of the Year award
- ✓ Dedicated staff with a wealth of experience in the Comms industry



OPPORTUNITIES FOR GROWTH

- ✓ Managed services growth
- ✓ Larger, long term projects a focus
- ✓ Increase infrastructure service offering
- ✓ Expansion into other states
- ✓ Collaboration opportunities with Security segment to widen existing customer base

Revenues and Earnings



Revenue	FY16	FY15	Change
	\$'000	\$'000	%
People	56,825	51,730	10%
Security	12,515	12,017	4%
Communication	15,994	20,720	-23%
Total	85,334	84,467	1%
Total	85,334	84,467	1%

EBIT	FY16	FY15	Change
Normalised	\$'000	\$'000	%
People	4,364	3,549	23%
Security	4,511	5,095	-11%
Communication	1,380	2,185	-37%
Total	10,254	10,829	-5%
Corporate	(2,309)	(2,108)	10%
Total	7,945	8,721	-9%

Summary



- Disappointing result but we believe the businesses will perform stronger in FY17
- SECURITY industry continues to grow and PS&C exploring expansion opportunities – there is significant opportunity to widen offering
- PEOPLE business has opportunity in general IT into existing client base
- Conserving cash to explore growth opportunities across the group
- Look to resuming dividend for FY17

Disclaimer



- The material in this presentation is a summary of the results of PS&C Ltd (PS&C) for the year ended 30 June 2016 as at the 18 August 2016 together with an update on PS&C's activities, and is current at the date of preparation. Further details are provided in the Company's half year accounts and results announcement released on 18 August 2016.
- This presentation includes forward-looking statements, opinions and estimates that are based on information, assumptions and contingencies which by their nature are subject to change, as are statements about market and industry trends, which are based on interpretations of current market conditions. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements, opinions and estimates are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of PS&C, and which may cause actual results to differ materially from those expressed or implied in this presentation.
- The information contained in this presentation is given in good faith and has been prepared from information believed to be accurate and reliable. The information presented is in summary only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial circumstances or needs of any particular investor. To the maximum extent permitted by law, neither PS&C nor its related corporations, directors, employees or agents, nor any other person, accepts any liability, for any loss or damage whether direct, indirect or consequential, arising from the use of the presentation, its contents or otherwise arising in connection with it.
- This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of PS&C is available on our website

www.pscgroup.com.au.

Private & Confidential

PS&C Ltd

Page 17

Contact Details



PS&C LTD
Level 10, 410 Collins Street
Melbourne, VIC, 3000
(03) 9682 2699

Kevin McLaine
Chief Executive Officer

Julian Graham
Chief Financial Officer