



# **CPT Global Limited**

## **Investor Presentation**

### **October 2013**

**Gerry Tuddenham – Chief Executive Officer**

**Elliot Opolion – Chief Financial Officer**

\$m	FY'13	FY'12	% Change
Revenue	35.1	39.5	(11.1)
EBITDA	1.1	0.6	80
EBIT	0.9	0.4	102
PBT	0.7	0.4	80
NPAT	0.3	0.6	(47)
EPS (Cents)	0.88	1.66	(47)
Dividend (Cents)	-	1.5	-



*Our Business*

- Founded in Australia in 1993, listed on the ASX in 2000
- Provides specialist IT consultancy services
  - Technical
  - IT Management
- Client base in public and private sectors
- The value proposition of CPT Global is the optimisation of IT cost structures
- 150 - 200 consultants deployed across Asia Pacific, Europe and the Americas

*Service Line*

*Client Outcome*

<i>Technical Consulting</i>	
<b>Capacity Planning</b>	Cost minimisation through optimised IT capacity
<b>Performance Tuning</b>	Running cost reduction & infrastructure lifetime maximisation
<b>Testing Services</b>	Ensure system performance meets expectations & benchmarks
<i>IT Management Consulting</i>	
<b>Management of IT</b>	Alignment of IT services with business strategy



- **Australia– 50+ clients**

- Melbourne
- Sydney
- Canberra

- **Europe – 15+ clients**

- Great Britain
- France
- Germany
- Italy
- Nordic Region

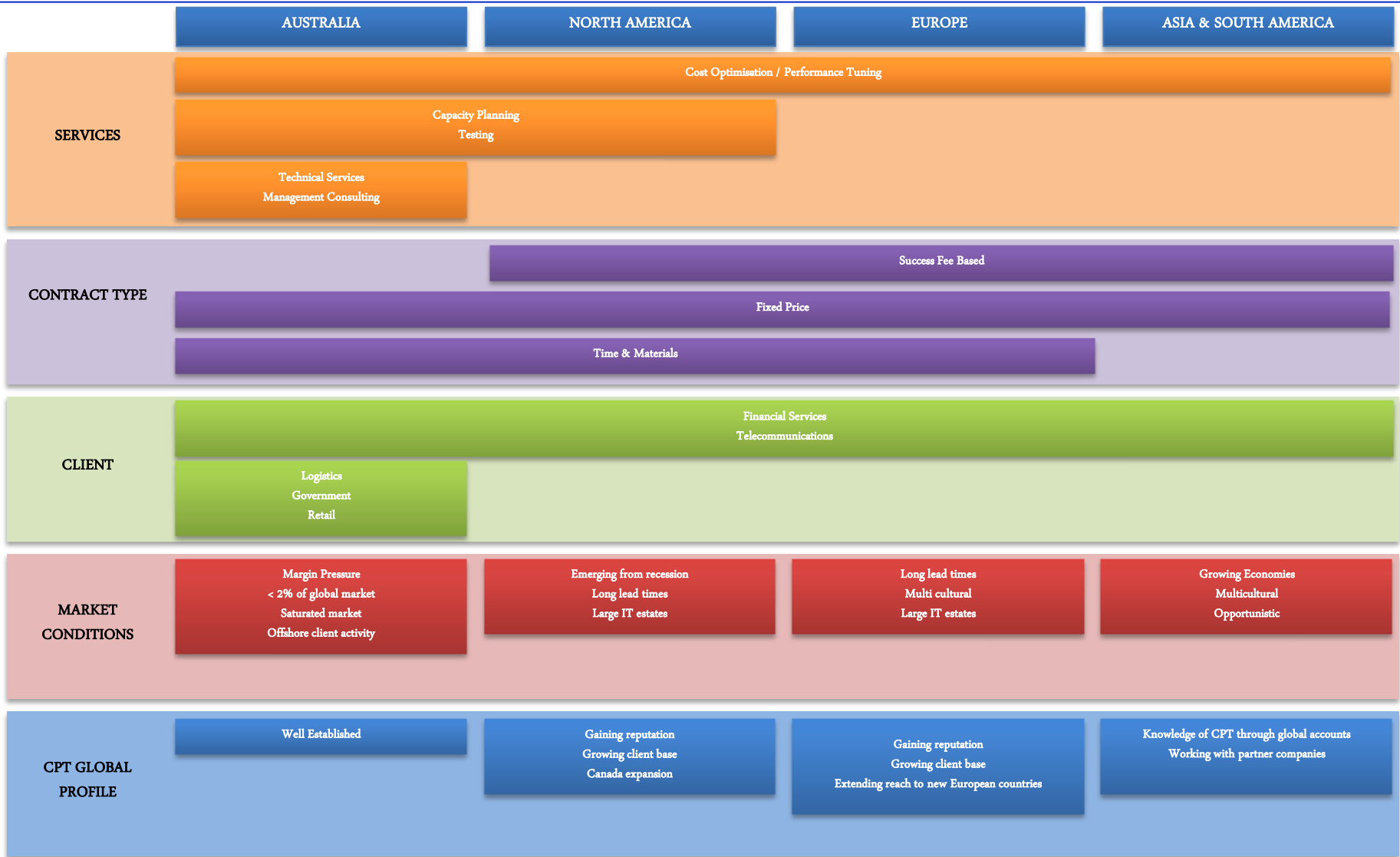
- **Americas – 15+ clients**

- USA
- Canada
- Brazil

- **Asia – 5+ clients**

- Singapore
- China
- Macau
- South Korea





1993

Initial Growth

- Grow Australia
- Expand Services

2003

Secondary Growth

- Expand into North America
- Initial focus only Cost Optimisation

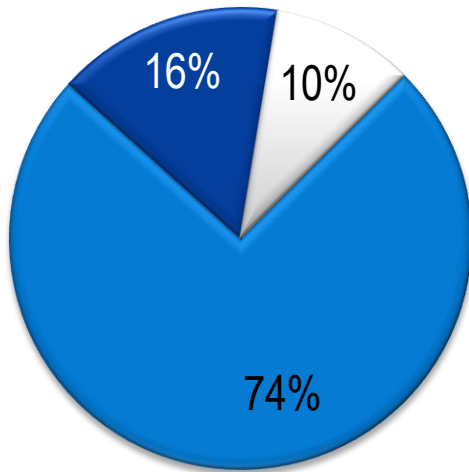
2013

New Markets

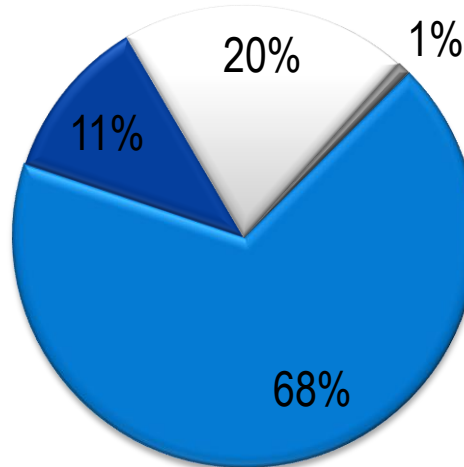
- Focus on Cost Optimisation

## Regional contribution to Revenue

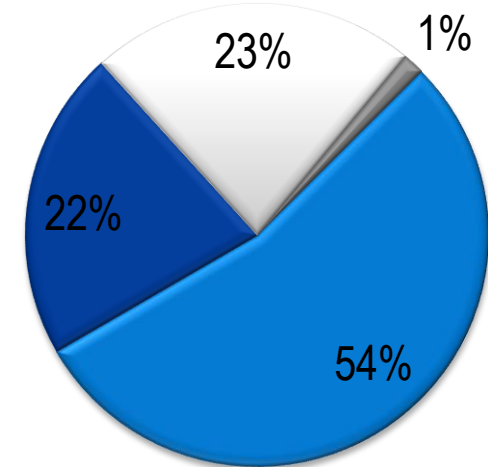
2010



2013




2014 F



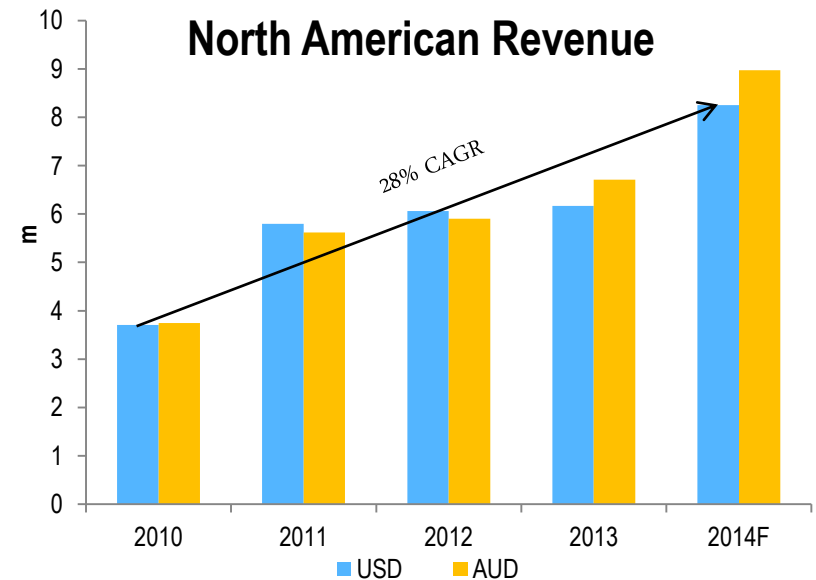
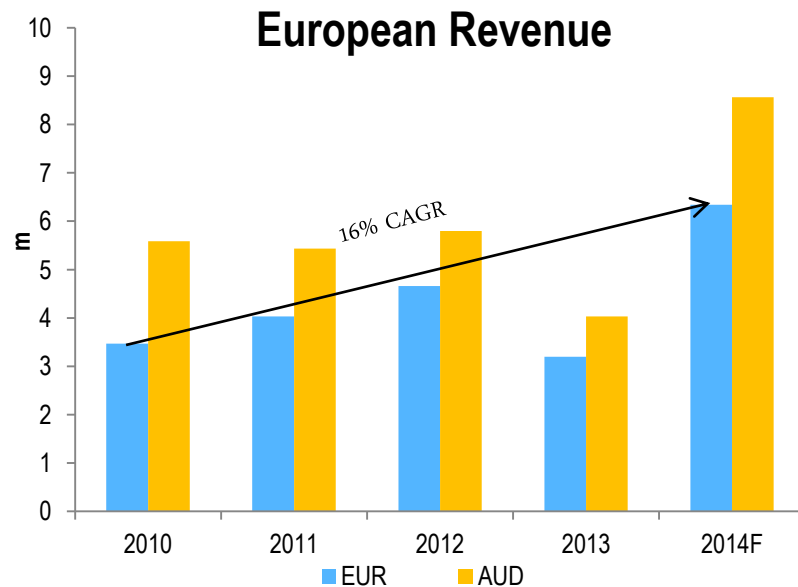
 Australia

 Europe

 North America

 Asia / South America

- Europe & North America now gaining real traction as result of long term investment strategy
- 4-year CAGR including FY'14 forecast
  - North America 28%
  - Europe 16%
- Overseas revenues now benefiting from weaker AUD



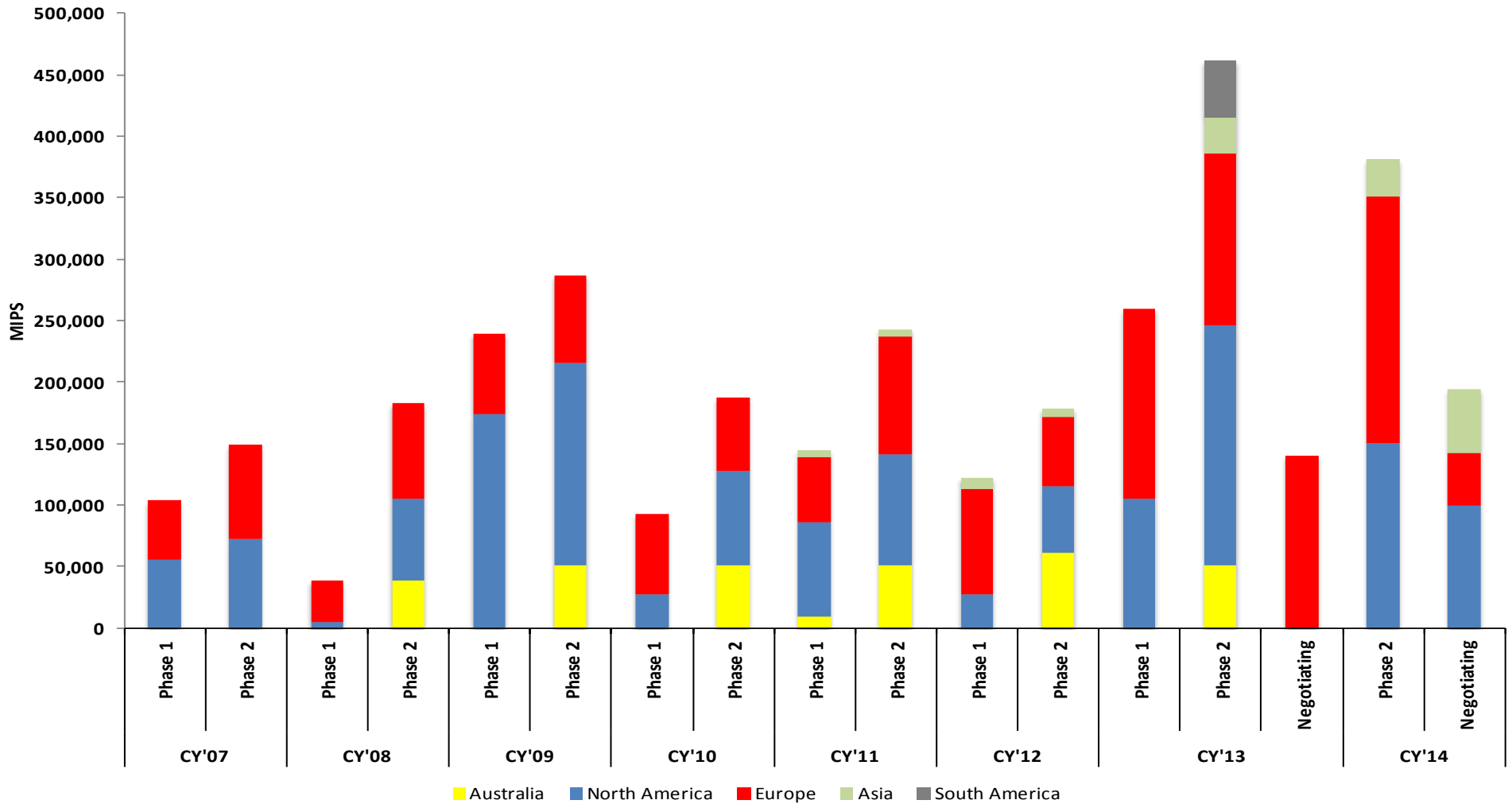




## *Our Operations*

- The current Australian ICT spend of approximately A50bn+, is approximately 1% of the global spend
- In 2008 it was estimated that there were 14 million MIPS of computer consumption used worldwide. This has more than doubled since then with the continued growth of the 'super data centres'
- Macro economic impact:
  - Companies need to control their computer consumption, otherwise their IT costs will 'explode' as they pay for consumption to their outsourcers / increase their hardware capacity to cope
  - A greater need for capacity planning / performance tuning (cost optimisation activities) to control this explosion

## MIPS under management



## **International**

- 10 new clients in Europe and North America
- New contracts in Europe with 3 major banks
- New contracts in North America with 1 bank & 2 telcos
- Establishment of global services agreements with 2 major banks
- Asian expansion – completion of assignments in China (2), Singapore (2) and Korea (1)
- Alliance agreement with parties in China and South America
- Restructured business to bring solutions closer to the client and enhance sales capability

## **Australia**

- Export development award (3<sup>rd</sup> time)
- Continued enhancement of service solution - move from service billing to solution provider
- Growth of major account (30%)
- Protected downside of major client offshoring
- Restructured business to bring in line with tight market
- Contract margins maintained consistent with FY'12



## *Our Results*

- EBITDA up by 80%
- EBIT up by 102%
- PBT up by 80%
- NPAT and EPS fell due to impact of tax differences in overseas jurisdictions and an under provision of tax relating to FY'12
- International operations benefitted by weaker AUD currency conversion in the second half
- Overhead costs managed carefully, with investments in new markets being tightly controlled

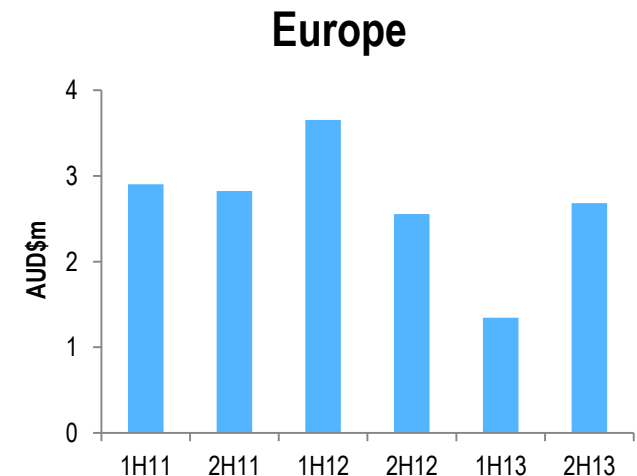
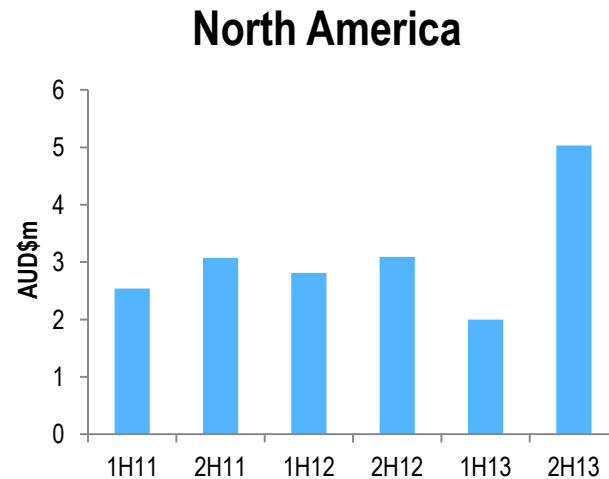
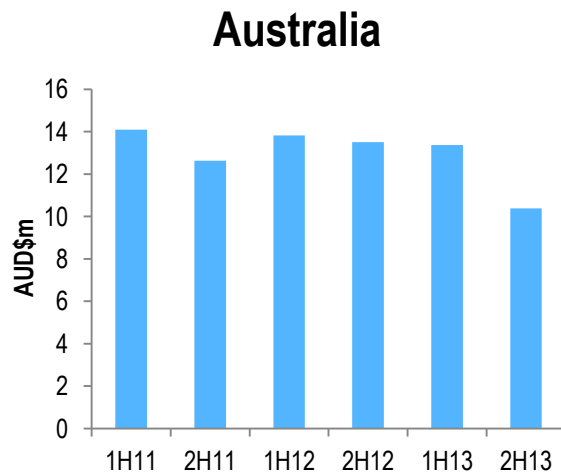
\$m	FY'13	FY'12
Total Revenue	35.1	39.5
Total EBITDA	1.1	0.6
D&A	(0.2)	(0.1)
EBIT	0.9	0.4
Interest	(0.2)	(0.1)
PBT	0.7	0.4
Tax	(0.4)	0.2
Profit after Tax	0.3	0.6
Basic EPS (cps)	0.88	1.66

## First Half

- Steady revenues & margins in Australia
- International revenues and profits declined:
  - Phase 1 project completions
  - Commencement delays in new projects and engagement deferments
  - Investment into Asia & South America further impacted results

## Second Half

- Australian revenues declined due to large corporate and government IT spend reductions and delays due to elections
- International markets saw new projects and engagements commence (partially from 1H deferment) and a weakening AUD, lifting revenues



- Nil debt
- Clean balance sheet
- Franking credit balance at 30 June 2013 is \$2,069k

Balance Sheet	FY'13	FY'12
Cash	1.2	1.1
Debtors	6.0	7.1
Unbilled revenue	3.8	3.9
Total Current Assets	11.5	12.7
PP&E	0.1	0.2
Intangibles	7.6	7.3
Total Non-Current	8.9	8.4
Total Assets	20.4	21.0
Creditors	6.6	7.7
Total Current Liabilities	6.7	7.8
Total Non-Current	0.6	0.4
Total Liabilities	7.4	8.1
Net Assets	13.1	12.9
Issued capital	12.1	12.1
Reserves	0.1	0.3
Retained earnings	0.9	0.6
Total equity	13.1	12.9
Net Asset Backing (cps)	36	35





*Our Future*

## International

### Opportunities

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- Strong business pipeline
- Weakening AUD
- Asian market - first Phase 2 project with Chinese bank
- Global agreements

### Challenges

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- Delays in some project commencements
- Penetration of new markets in Asia and South America

## Australia

- New government is likely to release Canberra project freeze
- Continued enhancement of service solutions
- Expansion of Tier 2 client base

- Australian IT market softness
- Continued cost pressure at major financial institutions

## International

- Realise business development investments & global account relationships
- Achieve 50% of revenues from international client base
- Leverage nucleus of key professionals in each location through growth of Australian Capacity Planning, Performance Tuning and Testing Centre of Excellence
- Capitalise on weak AUD

## Australia

- Maintain position and protect margins in tough market
- Focus on blue chip clients
- Deliver on high value solution-based outcomes, rather than commoditised services
- Selective project engagement is resulting in achievement of higher margins

## International

- Meaningful US economic growth and market sentiment should drive investment
- Commencement of delayed European and North American client engagements
- Margin improvements
- Progress in Asia and South America
- Further client wins in Europe and North America
- Exchange rate upside
- Expanded service offerings

## Australia

- Revenue likely to be under pressure
- Margins to be preserved
- Continued enhancement of services