



# **CPT Global Limited**

**Annual General Meeting**

**November 18, 2013**

- CPT Global Managing Director's Address



# CPT Global Limited

## Managing Director's Address

\$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	(100)



*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**

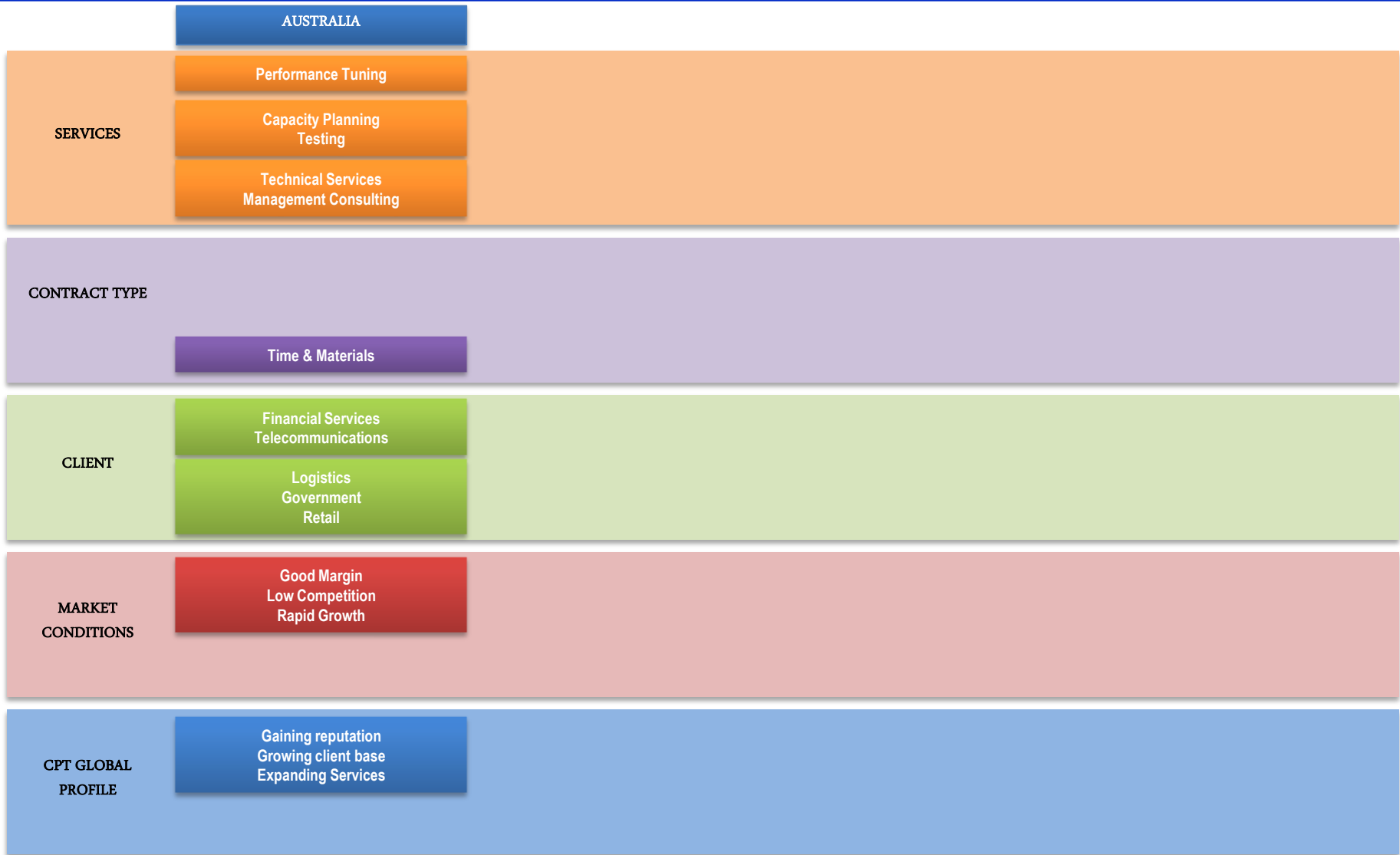
- USA
- Canada
- Brazil

- **Asia – 5+ clients**

- Singapore
- China
- Macau
- South Korea

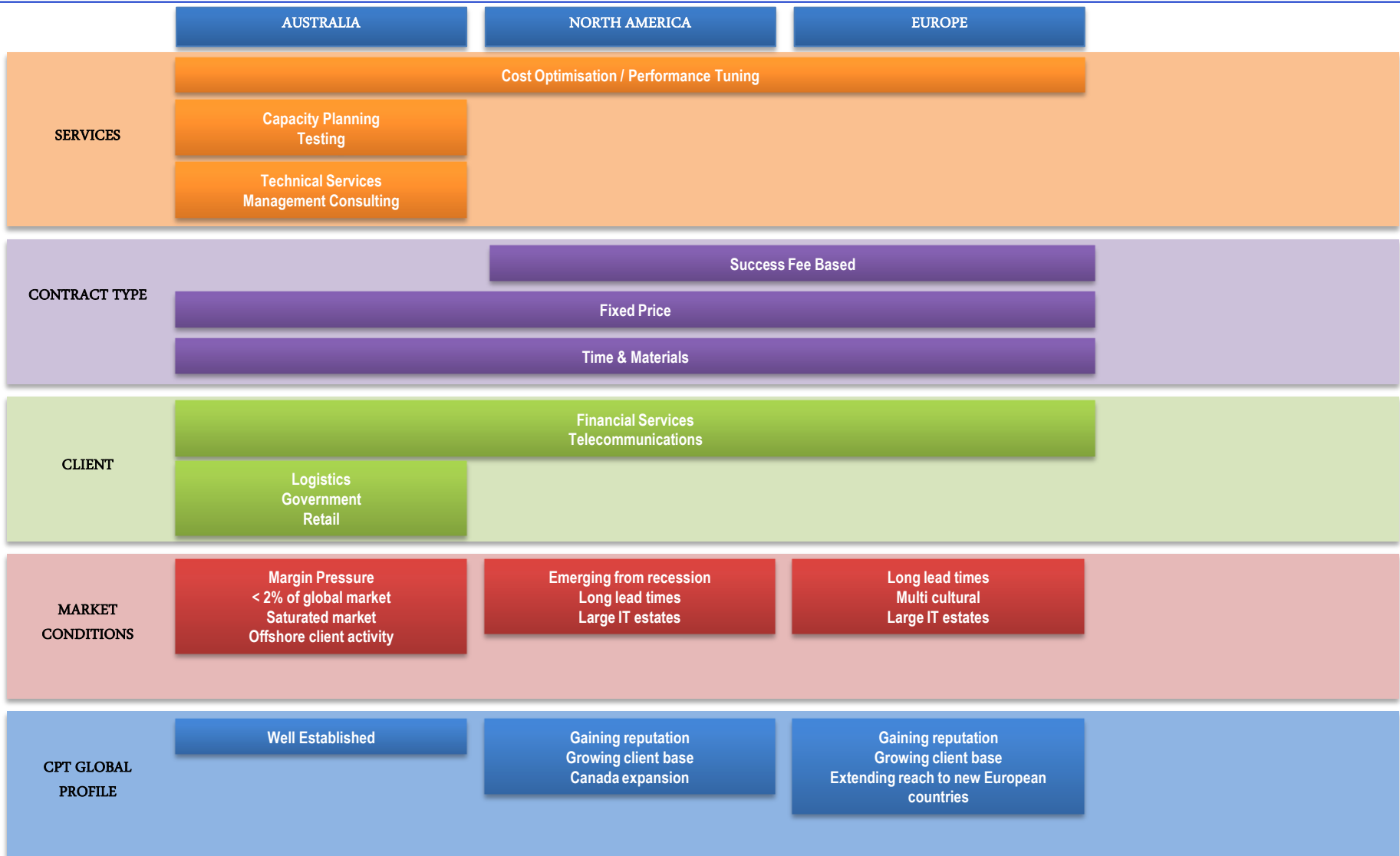


# Service Evolution – 1993 to 1998

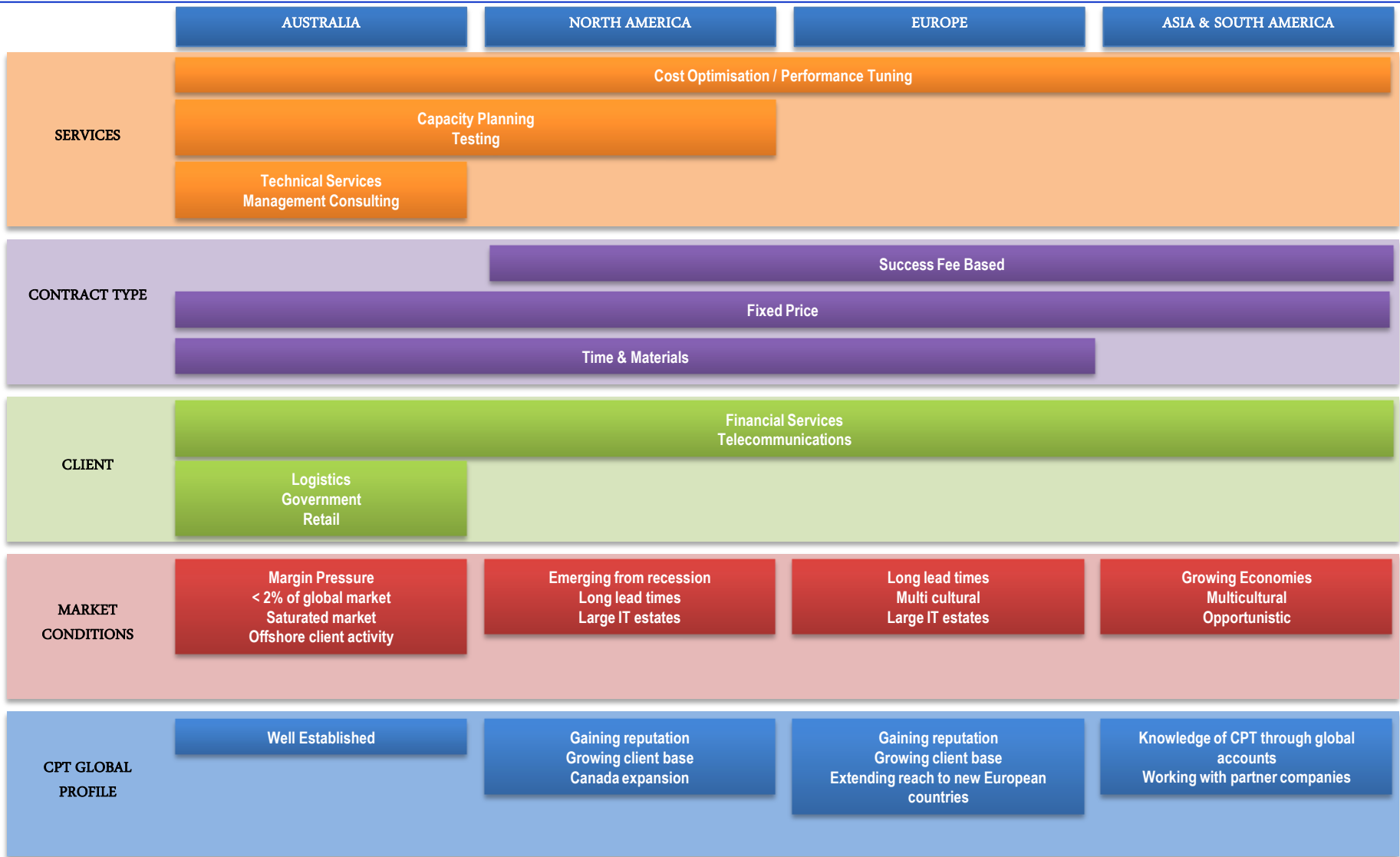




# Service Evolution – 1999 to 2011

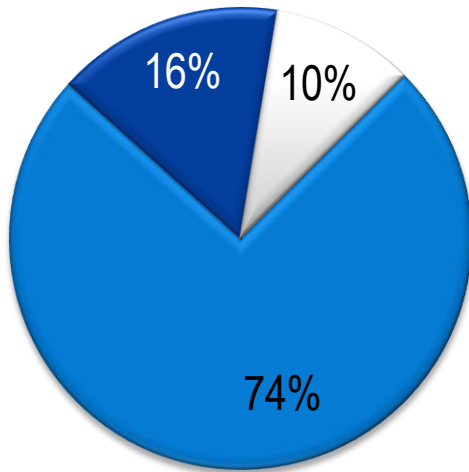


# Service Evolution 2012 & Beyond

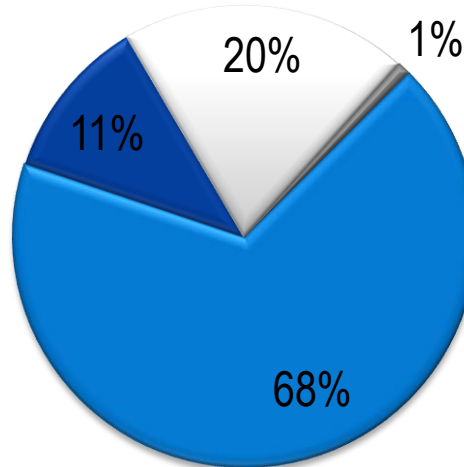


## Regional contribution to Revenue

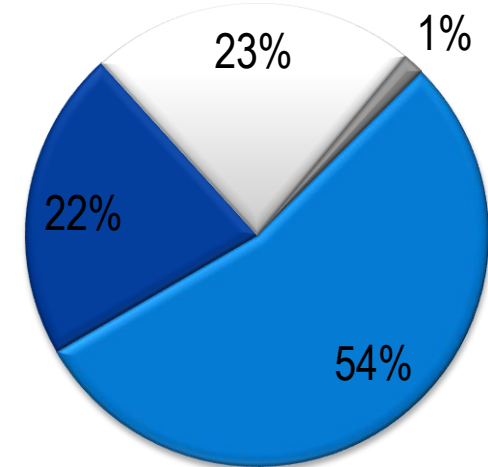
2010



2013



2014 F



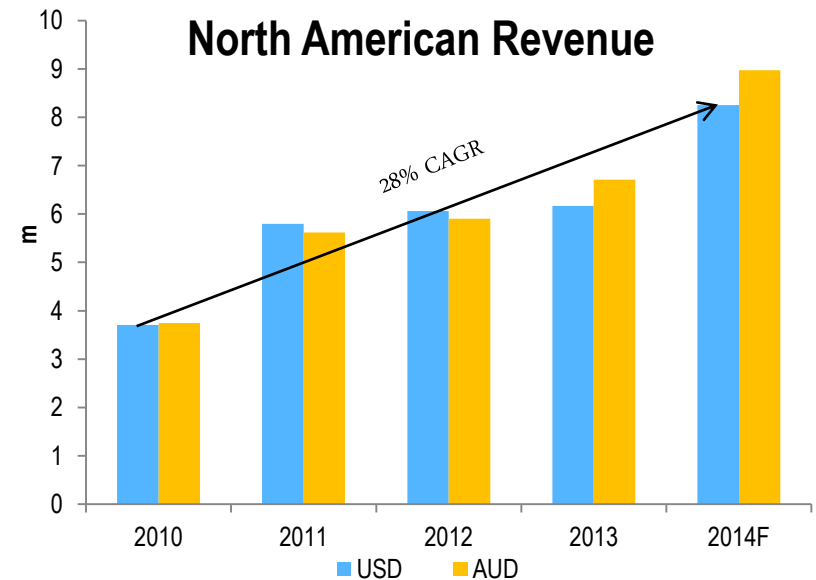
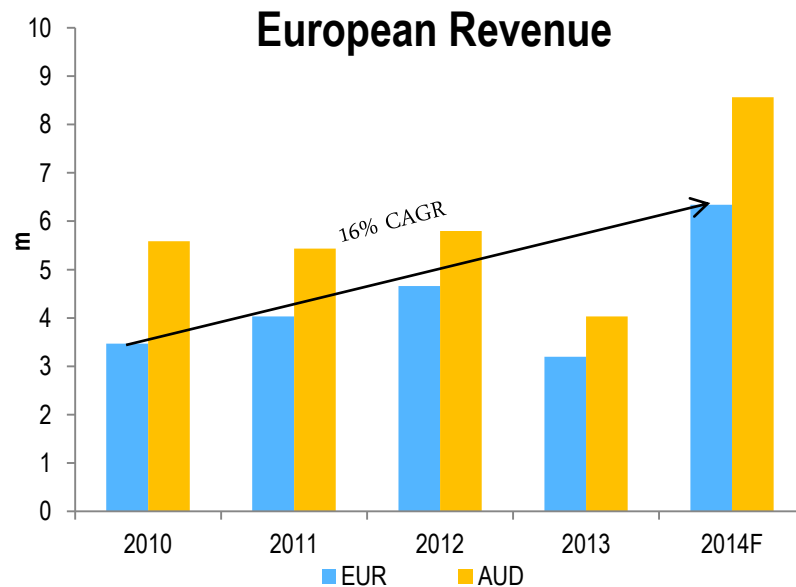
Australia

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

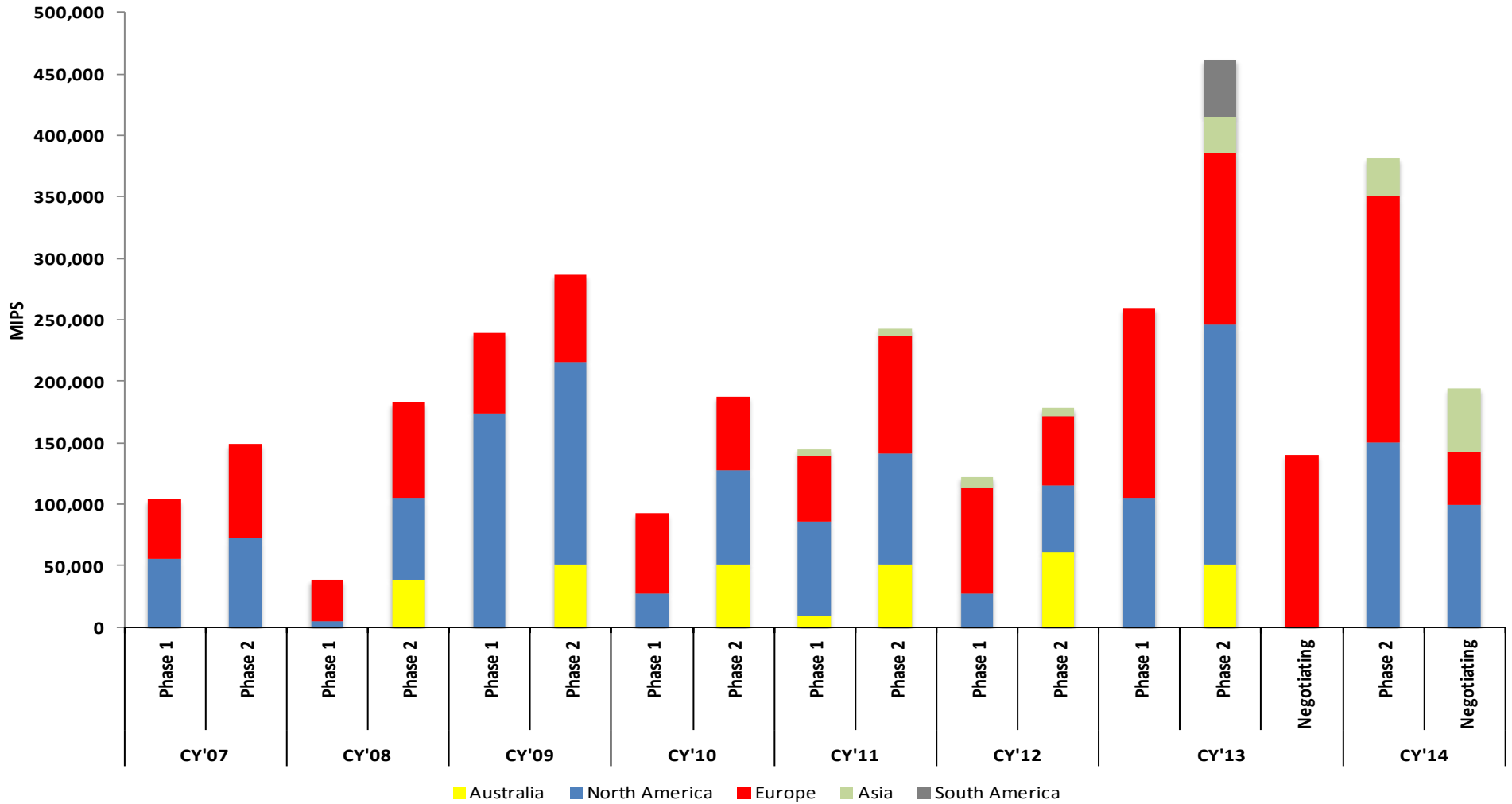




## *Our Operations*

- 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 Telco's
- 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

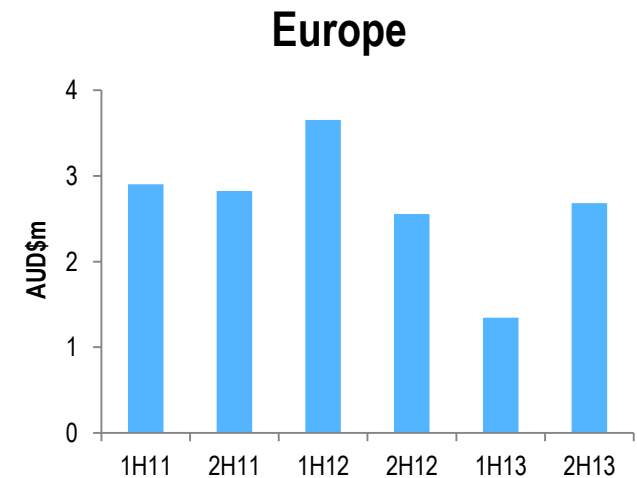
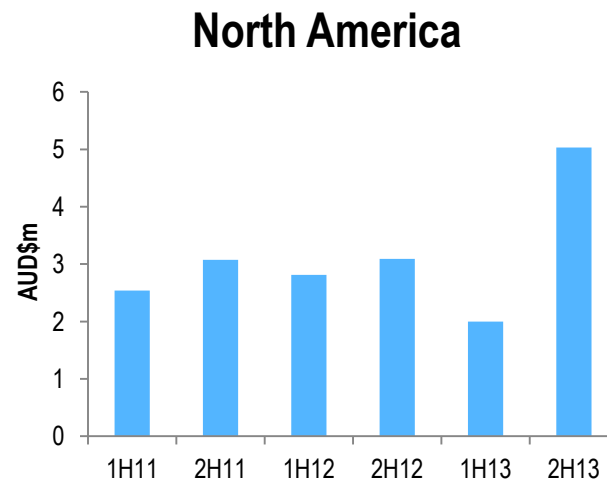
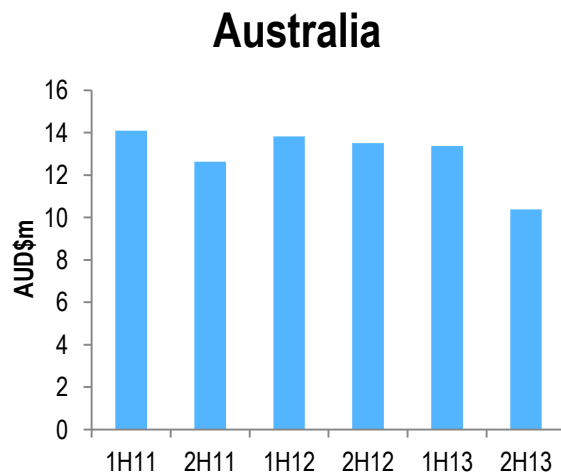
\$m	FY'13	FY'12
Total Revenue	35.1	39.5
Total EBITDA	1.1	0.6
D&A	(0.2)	(0.1)
EBIT	0.9	0.4
Interest	(0.2)	(0.1)
PBT	0.7	0.4
Tax	(0.4)	0.2
Profit after Tax	0.3	0.6
Basic EPS (cps)	0.88	1.66

## 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



# June 30, 2013 Balance Sheet

- 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

- Financial

- Revenues are marginally exceeding FY13 second half's excellent result
- Overseas revenues now exceed Australian revenues
- Overall margins have improved as a result of the increasing overseas business

We will provide guidance once the half year is closed and we are able to fully ascertain the impact of exchange rate conversions.

- Client Engagements

- Establishment of 3 new tier one accounts in International regions
- Expect commencement of first significant project under global service arrangement
- Emerging opportunities in Australian business, although not likely to impact performance until second half



*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



# CPT Global Limited

## Managing Director's Address

- Receive and consider the financial statements and reports of the economic entity for the year ended 30 June 2013, together with the reports of the directors and auditor.

- That the Remuneration Report for the year ended 30 June 2013 (as set out in the Director's Report, pages 15 – 17) be adopted.

## Proxies Received

• For:	4,273,368	86.3%
• Against:	371,441	7.5%
• Open Votes:	308,215	6.2%
• Abstain:	0	n/a
• Excluded:	14,844,633	n/a

- That Mr. Peter Wright be re-appointed as an executive director of CPT Global Limited.

## Proxies Received

• For:	19,078,712	97.2%
• Against:	80,500	0.4%
• Open Votes:	463,215	2.4%
• Abstain:	175,500	n/a

- That the Company under the CPT Share and Option Incentive Plan, issue an aggregate number of 50,000 ordinary shares in the Company ('performance shares') to Mr. Fred Grimwade if the business targets assigned to Mr. Grimwade are satisfied.

## Proxies Received

• For:	4,212,138	89.9%
• Against:	389,941	8.3%
• Open Votes - Usable:	82,000	1.8%
• Open Votes - Unusable:	226,215	n/a
• Abstain:	43,000	n/a
• Excluded:	14,844,633	n/a

- That the Company under the CPT Share and Option Incentive Plan, issue an aggregate number of 50,000 ordinary shares in the Company ('performance shares') to Mr. Alan Baxter if the business targets assigned to Mr. Baxter are satisfied.

## Proxies Received

• For:	4,212,138	89.9%
• Against:	389,941	8.3%
• Open Votes - Usable:	82,000	1.8%
• Open Votes - Unusable	226,215	n/a
• Abstain:	43,000	n/a
• Excluded:	14,844,633	n/a

- That the Company under the CPT Share and Option Incentive Plan, issue an aggregate number of 200,000 ordinary shares in the Company ('performance shares') to Mr. Gerry Tuddenham if the business targets assigned to Mr. Tuddenham are satisfied.

## Proxies Received

• For:	4,222,138	89.9%
• Against:	389,941	8.3%
• Open Votes - Usable	82,000	1.8%
• Open Votes - Unusable	226,215	n/a
• Abstain:	33,000	n/a
• Excluded:	14,844,633	n/a



- That the Company under the CPT Share and Option Incentive Plan, issue an aggregate number of 100,000 ordinary shares in the Company ('performance shares') to Mr. Peter Wright if the business targets assigned to Mr. Wright are satisfied.

## Proxies Received

• For:	4,222,138	89.9%
• Against:	389,941	8.3%
• Open Votes - Usable	82,000	1.8%
• Open votes - Unusable	226,215	n/a
• Abstain:	33,000	n/a
• Excluded:	14,844,633	n/a



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