



+ Annual General Meeting

14 November 2016



Derek Young
Chairman

Summary of 2016 Financial Results

+Empowering Business

Revenue from operating activities

\$328.7m

Reported EBITDA

\$15.7m

Reported Net Profit After Tax

\$9.7m

Net Debt

\$7.3m

Basic earnings per share (EPS)

14.1 cents

Fully-franked final dividend per share

3.0 cents



Rick Rostolis
Chief Executive Officer

- Revenue from operating activities \$328.7m, down 8% on pcp
 - SMS Consulting down 14%
 - M&T Resources up 11%

- Reported EBITDA \$15.7m, down 45% on pcp
 - Impacted by a number of factors – in particular, the internal change to a national operating structure

- Reported net profit after tax \$9.7m, down 43% on pcp
 - Lower amortisation and interest, effective tax rate of 28%

- \$7.3m net debt
 - \$19.4m paid out during the year to finalise previous acquisition earn-out arrangements
 - Net operating cash flow of \$18.3m

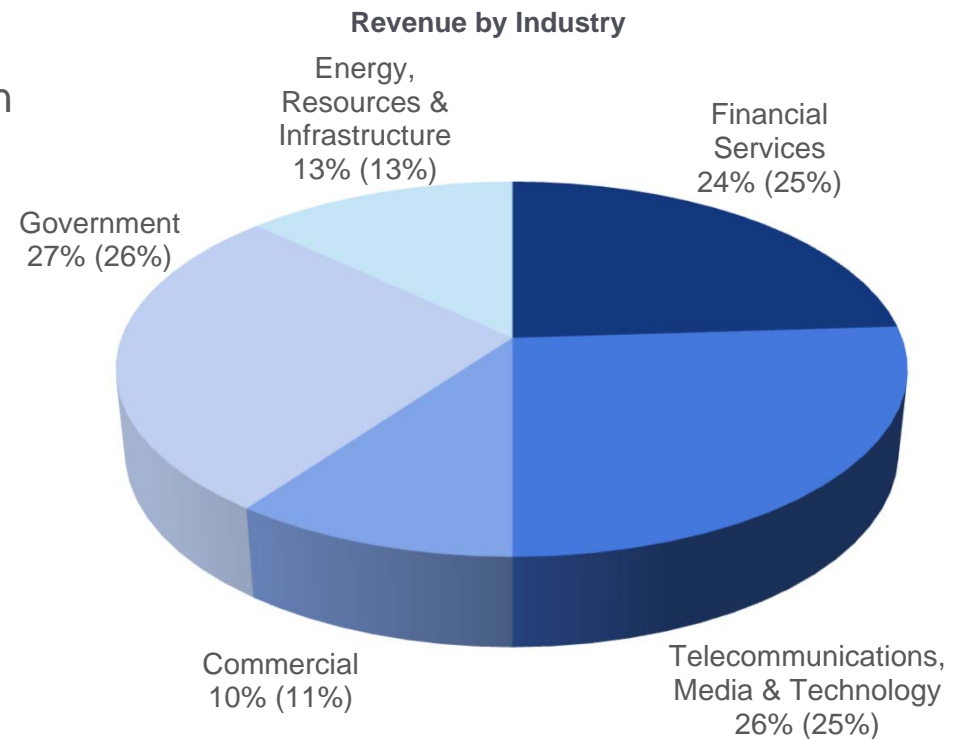
SMS Consulting - 2016 Results

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- Significantly impacted by organisational restructure (July 2015) resulting in reduction in contract wins and revenue within core Advisory & Solutions business
- Unexpected cancellation of large client transformation project led to under utilisation of billable consultants
- Utilisation down to 81% from 84% (pcp) on reduced billable headcount - down 11% to 877 from 984 (pcp)
- \$1.5m investment in Managed Services pre-sales activity did not deliver contract wins
- Margins continue to be challenged with intense competition for preferred supplier arrangements

\$m	2016	2015	Change %
Revenue	234.4	271.0	(14%)
EBITDA ¹	27.1	45.2	(40%)
EBITDA margin (%)	11.6%	16.7%	

1. EBITDA is prior to contingent consideration expense of \$0.1m (2015: \$2.3m) and corporate costs. 2015 segment EBITDA has been restated to reflect a reallocation of occupancy expenses to unallocated costs



() prior year

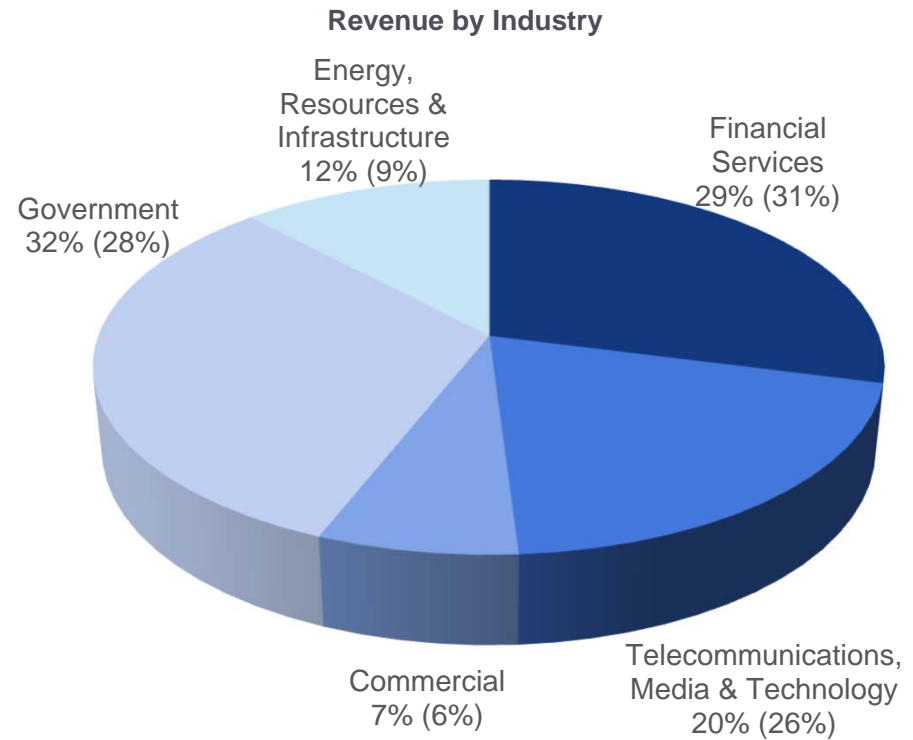
M&T Resources - 2016 Results

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- Revenue growth and margin improvement driven by Government, Financial Services and Energy, Resources and Infrastructure (ERI)
- Strong growth in contractor demand in Victoria, ACT and Queensland
- Expanded key panel agreements
- Permanent placement fees continue to grow particularly in NSW
- Average contractor numbers for the year - 502 v 481 (pcp)

\$m	2016	2015	Change %
Revenue ¹	94.3	85.2	11%
EBITDA ²	7.7	5.8	33%
EBITDA margin (%)	8.2%	6.8%	

1. Excludes interdivisional revenue
 2. EBITDA is prior to corporate costs. 2015 segment EBITDA has been restated to reflect a reallocation of occupancy expenses to unallocated costs



() prior year

Demand Drivers and Service Offerings +Empowering Business

Client Demand Drivers



Service Offerings

SMS Consulting			M&T Resources
ADVISORY	SOLUTIONS	MANAGED SERVICES	RECRUITMENT
Digital Business Strategy	Web and Mobile Application Solutions	Managed Application Services	Permanent Recruitment
Technology, Strategy and Planning	Data Provisioning and Business Analytics	Managed Infrastructure Services	Contract Recruitment
Design Thinking and Customer Experience	Customer Solutions	Managed IT Services	Talent Acquisition
Agile Transformation	Process and Productivity Solutions		Retained Search
Information Management	Cloud Migration and Enablement		Candidate Services
Project Management, Change Management & Business Analysis			

- Focus on SMS Consulting's core Advisory & Solutions business in order to reinvigorate sales pipeline with targeted accounts and markets
 - Alignment of sales and delivery teams on a regional basis
 - Leverage strong partnerships with key technology providers
- Managed Services pre-sales activity dedicated to appropriate opportunities in infrastructure and application managed services from both new and existing clients
- Expansion of national capability development team to strengthen go to market offerings in response to client demand drivers
- Broadening client base to ASX300 and various government agencies
- Lifting sales capability
- Improving general operational efficiency

Current Trading Performance & 1H Outlook +Empowering Business

- Weak 2H 2016 financial performance has flowed through to 1H 2017
- NSW Advisory & Solutions business remains biggest challenge
- Continue to focus on execution of our FY2017 priorities
- 1H FY2017 revenue likely to be in the range of \$150 million - \$155 million
- 1H EBITDA likely to be in the range of \$4.5 million - \$5.0 million prior to significant items



THANK YOU

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