



ASG Group Limited

FINANCIAL RESULTS
PRESENTATION – H1FY2008

Geoff Lewis

MD and CEO

Ron Baxter

Chairman

Advance | Succeed | Grow



- **Highlights**
- **Corporate Overview**
- **Growth Strategy**
- **Financial Performance**
- **Major Contracts**
- **Value Strategy**
- **Outlook**

- Revenue of \$51 million – up 54%
- EBITDA of \$7.2 million – up 70%
- NPAT of \$4.2 million – up 46%
- Earnings per share of 3.3 cents – up 33%
- Fully franked interim dividend of 2 cents per share
- EBITDA growth exceeds revenue growth
- Platform for strong FY08, continued growth in FY09

- Leading Australian player in IT services and solutions
- Focus on long term, multi-year prime contracts generating recurring revenue in growth sectors
- Efficient, low cost timely delivery through a national platform
- Geographical diversity – strong presence in major markets
- Strong government and private sector client base
- Strong track record of profitable growth both organically and through acquisition
- Key vendor relationships positioning our service offerings and application technology leadership

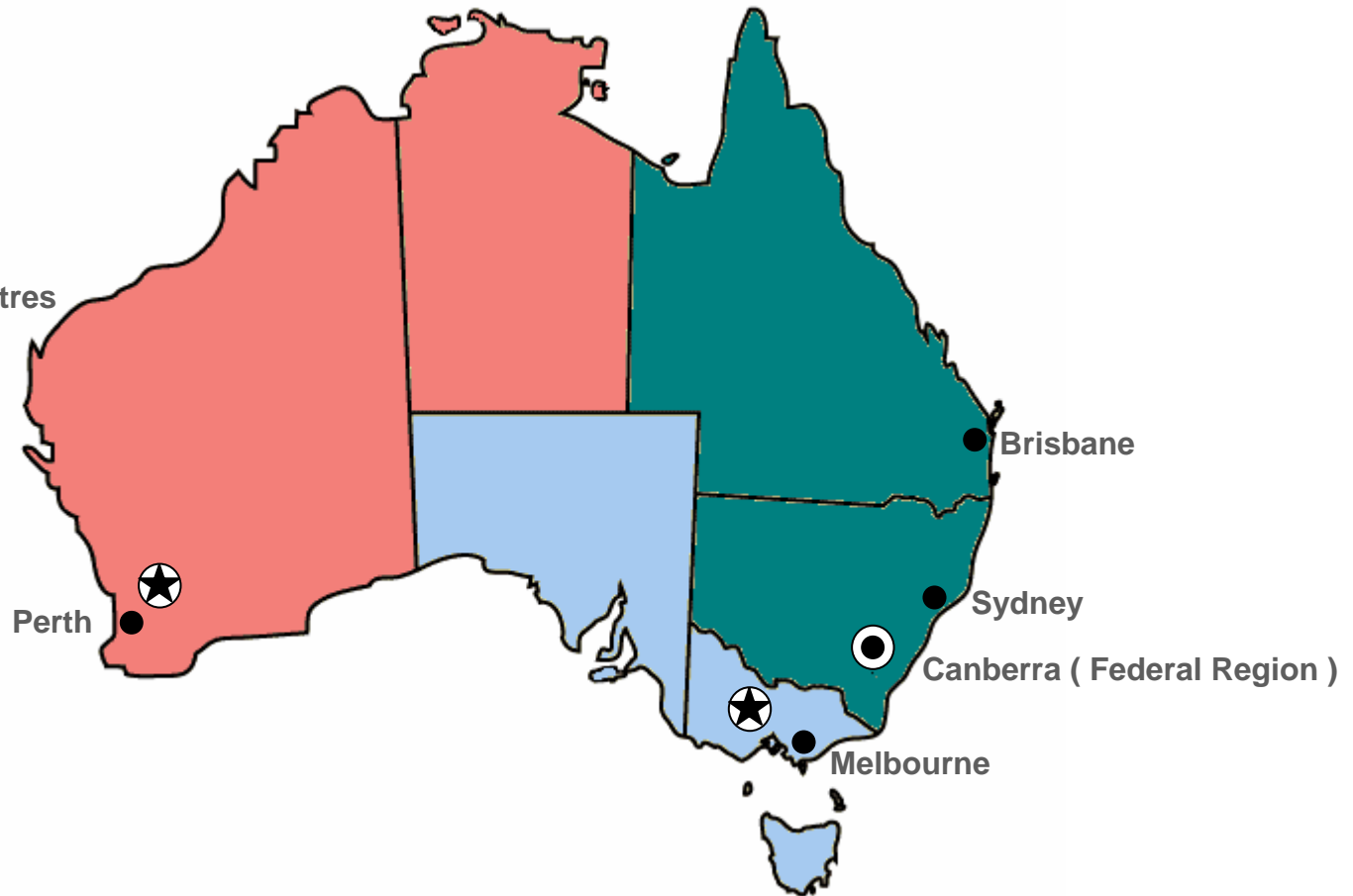
 Western Region

 Southern Region

 Northern Region

 National Service Centres

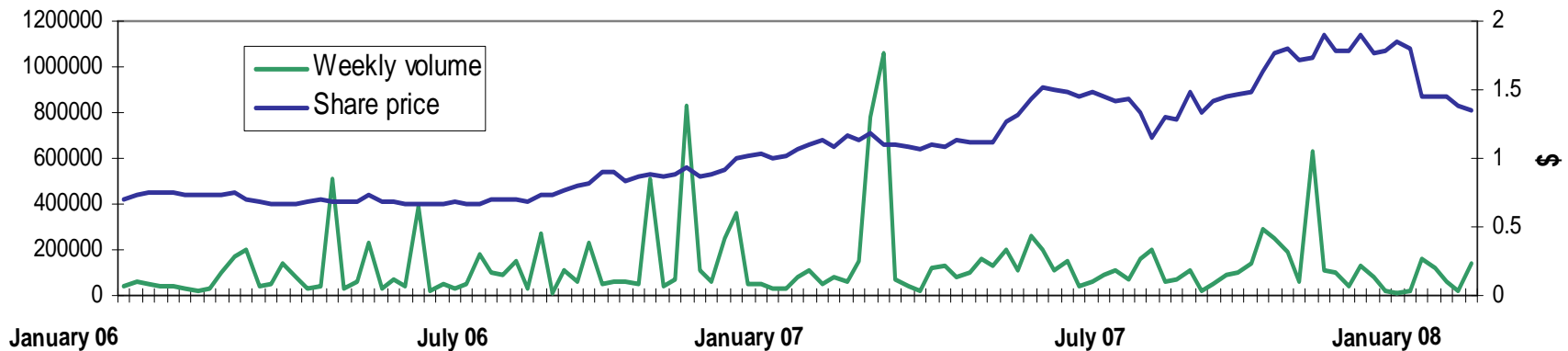
 ASG Offices





Corporate Overview

ASX code	ASZ
Shares on issue	128.03 million
Options on issue	17.57 million
Share price (19 Feb 08)	\$1.35
12 month trading range	\$1.00 – \$2.00
Market capitalisation	\$173 million

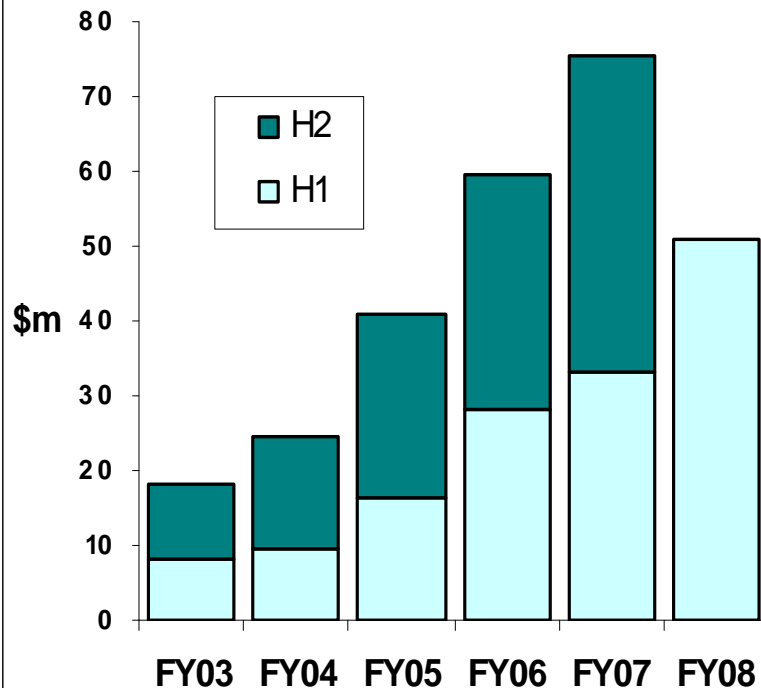


- **Unique business model in the Australian market**
- **Application-based outsourcing offering**
- **Focused on areas of non-discretionary spending**
- **Concentration on high growth areas (eg Health, Education, Shared Services)**
- **Prime contractor position**
- **Deep and successful client relationships**
- **National delivery platform and implementation**
- **Referencability and capability – track record on major clients**

- **Leveraging established national network and infrastructure**
- **Converting strong opportunity pipeline into new business**
- **Pursuing specialist application areas in high growth sectors such as Education, Health and Shared Services**
- **Targeting select acquisitions that meet strict criteria:**
 - **Access to profitable client-base**
 - **Consistent with ASG strategy**
 - **EPS accretive**
- **Focusing on building cumulative revenues**

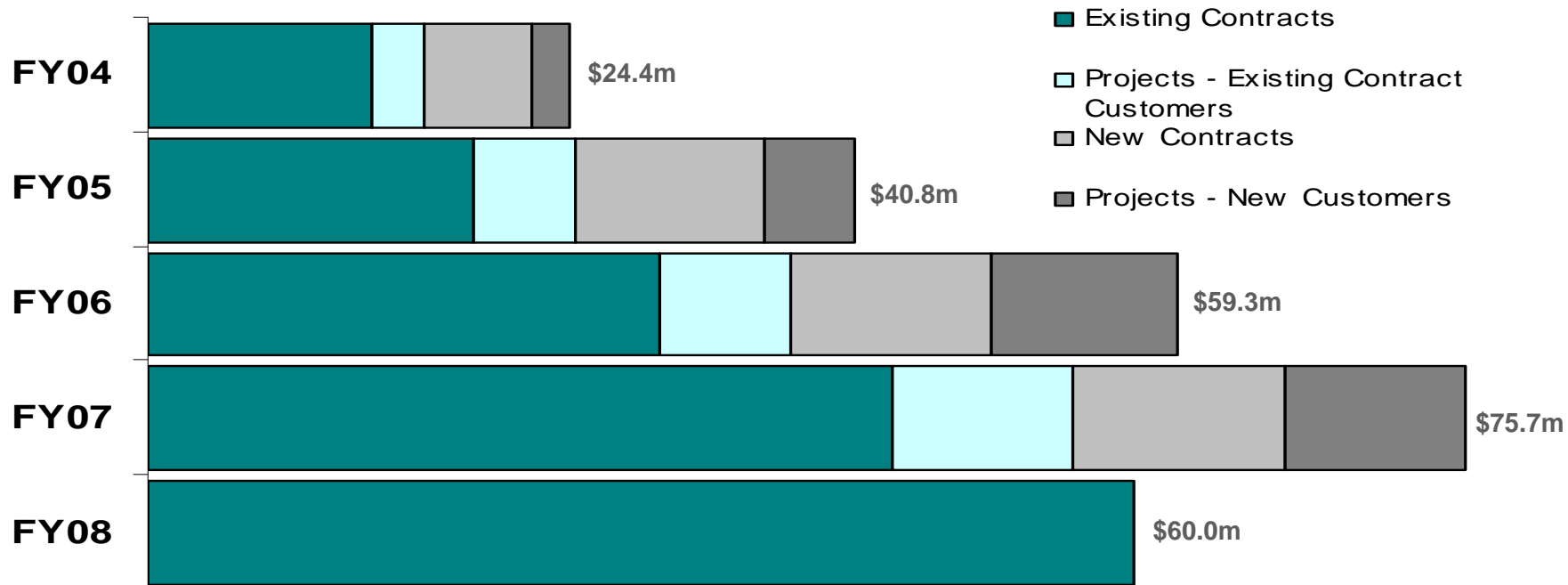
- **Continued growth in all major centres**
- **Investment in strategic application areas to position ASG for growth**
- **Accelerating organic growth**
- **Enhanced credibility with major corporate clients through establishment of high profile reference sites**
- **Strong increase in long-term contracted revenue with existing clients**
- **Enhanced national delivery model – flexible, efficient, cost effective**

ASG Historical Annual Revenue



- **Cumulative revenue model:**
 - Predictable cash flows
 - Operating rather than capital budget
 - Up to 70% of revenue rolls forward
 - Accumulating multi-year contract book
- **Established high quality customer base**
- **Strong federal and state government emphasis**

Forward revenue locked in through long-term contracts



- Revenues based on non-discretionary spending by clients
- Shift to prime contractor status
- Specialisation in growth sectors of the market

	Dec 2006	Dec 2007	% Change
Revenue	\$33 million	\$51 million	+ 54%
NPAT	\$2.9 million	\$4.2 million	+ 46%
EBITDA	\$4.2 million	\$7.2 million	+ 70%
EPS	2.5 cents	3.3 cents	+ 33%
Dividend	1.5 cents	2 cents	+ 33%

	Dec 07	FY07	FY06
Equity	\$52.0m	\$48.2m	\$35.4m
Gross debt	\$5.1m	\$5.4m	\$2.6m
Net interest	\$164k	\$216k	\$189k
EBITDA to interest cover	44x	52x	38x
Gross debt to equity	10%	11%	7%

- **Pure services company**
- **The market leader in Oracle implementation and support**
- **Differentiated service offering with outstanding applications expertise**
- **Shared services capability and established high end track record**
- **Credible prime contractors with multinational subcontractors (CSC, IBM, Deloitte, Oracle)**
- **Flexible, agile and proactive with customers – big and small**
- **Major investment and capability in high growth sectors**

- **Market momentum and critical mass**
- **Scale benefits allow enhanced service delivery to clients**
- **Unique ability for Australian-based company to bid for major scale contracts as prime**
- **Established reference sites in government and corporate sectors**
- **Strong, proven, flexible delivery capability**
- **Resistant to economic cycles**
- **Focus on areas of essential spending by customers**

- **On track for strong second half and record full year result for FY08**
- **Strong growth levels to be sustained**
- **Well positioned to close major competitive bids**
- **Additions to existing long-term contracts in government and corporate sectors**
- **Earnings typically weighted 40/60 towards the second half of year**
- **Strong pipeline of new contracts/prospects into FY09**



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