

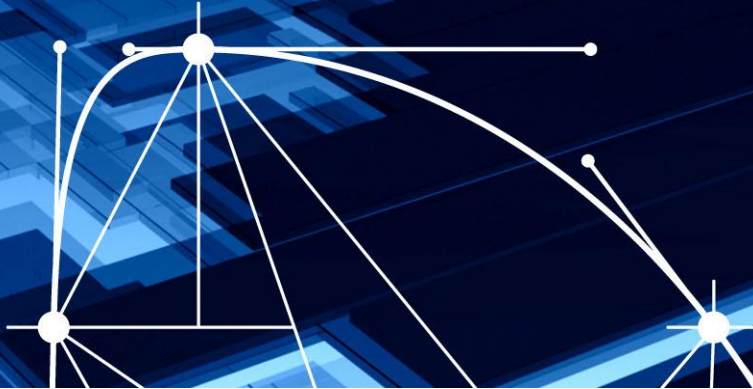
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DWS Limited

FY2012 RESULTS PRESENTATION



Excellence



DWS Limited

FY2012 RESULTS PRESENTATION

1. Introduction

Danny Wallis (CEO)

Lachlan Armstrong (CFO)

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2. Results Presentation Headlines

3. FY2012 Financial Results

4. Operations Update

5. Outlook

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Results Presentation Headlines

Financials

- FY12 revenue up 11% to \$109.66M
- FY12 EBITDA up 6% to \$26.40M
- FY12 earnings up 5% to \$18.22M
 - EPS up 5% to 13.77 cents
- Cash flow from operations (before interest and tax) up 40% to \$30.4M
- Balance sheet remains strong with zero debt and net cash of \$15.21M. This is an increase of 39% over the prior year
- Final fully franked dividend of 6.25 cents per share, representing a total payout ratio of 91% for FY2012

Operations

- Despite a challenging operating environment in some regions, DWS has delivered a positive result
 - Consultant headcount has been added in regions which have continued to see strong demand
- DWS has continued to expand our outsourced application managed services footprint to lock-in future income streams
- In April 2012, DWS established an office in Perth to service existing demand from a Government client
- DWS is continuing to grow its Specialist Practices with both *iSolutions* and *Insight Analytics* delivering pleasing earnings contributions
- DWS is examining the possibility of extending its Specialist Practice offering to include an offshore capability
- *Improve, Extend, Grow* four year strategy is yielding positive results for our employees, our clients and our shareholders

Full Year Results – Summary Review

	H1 2012 (\$'000)	H2 2012 (\$'000)	Total FY2012 (\$'000)	Total FY2011 (\$'000)	% Movement
Revenue from continuing operations	55,306	54,358	109,644	98,386	11%
EBITDA	14,021	12,378	26,399	24,810	6%
Margin	25%	23%	24%	25%	
NPAT	9,521	8,701	18,211	17,389	5%
EPS	7.19 cents	6.58 cents	13.77 cents	13.14 cents	5%

- Revenue growth has been underpinned by increased consulting staff numbers and solid consultant utilisation
- Weighted average revenue per billable consultant in FY12 was \$197K (FY11: \$196K)
 - Total billable hours in FY12 was 897,661 (FY11 798,573)
 - Average utilisation per billable consultant in FY12 was 76% (H1: 77%, H2: 75%), (FY11 : 75%)
- H2 profitability was impacted by a softer trading environment in Vic and NSW
- Labour market has softened in most regions easing previous pressure on employment costs
- DWS is expanding its traditional two tiered rate structure to provide additional engagement flexibility and support margins

Full Year Results – Summary Review

	JUNE 2012 \$'000	JUNE 2011 \$'000
Cash & Equivalents	15,206	10,977
Receivables	23,568	23,945
Work in Progress	2,733	1,974
Total Assets	73,207	67,250
Debt / Borrowings	NIL	NIL
Total Liabilities	13,813	9,864
Net Assets	59,393	57,386

- Cash reserves up 39% from prior year to \$15.21M, with working capital up \$813K
- WIP increased at year end due to project completion dates with unwind occurring in July
- Balance sheet remains clean without debt / external financing
- Increase in liabilities at balance date timing are a timing difference on payables with a small increase in employee provisions
- NTA up 4.7% to 24.4 cents per share

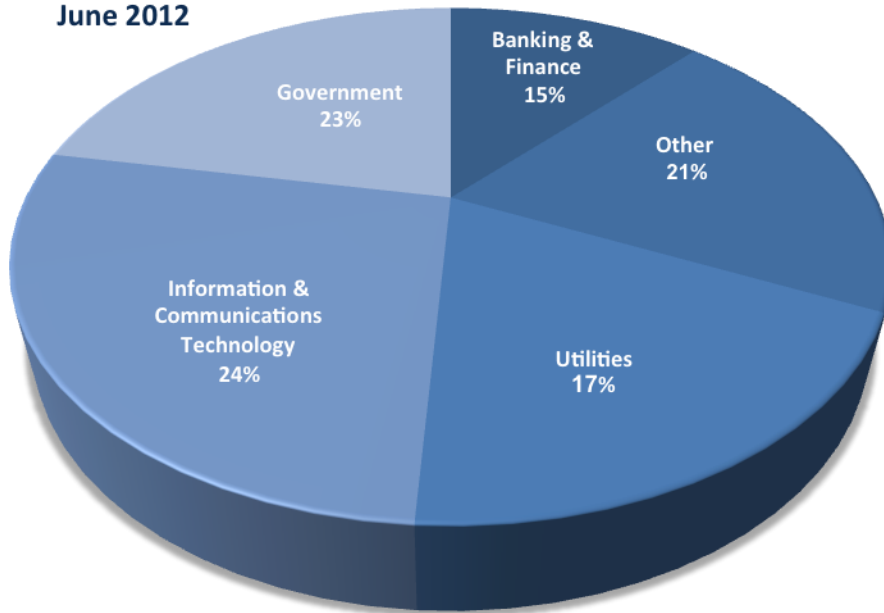
Full Year Results – Summary Review

	FY 2012 \$'000	FY 2011 \$'000
Opening Cash Balance	10,977	13,656
Cash flow from Operations (before interest & tax)	30,392	21,653
Tax Paid	(9,120)	(8,155)
Capital Asset Purchases	(1,171)	(235)
Acquisition Costs	(300)	(300)
Dividends Paid	(16,214)	(16,214)
Interest Income & Other	642	572
Closing Cash Balance	15,206	10,977

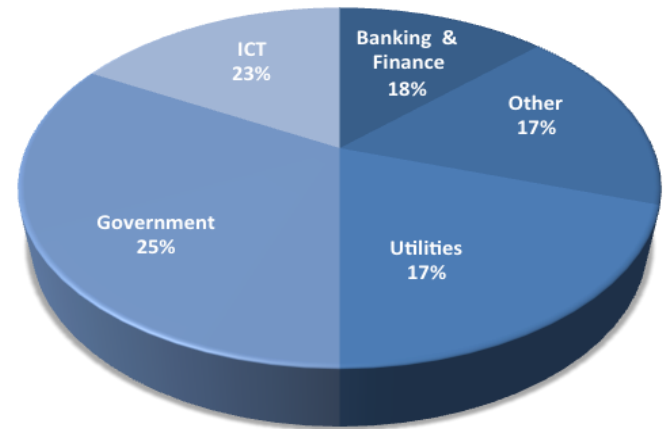
- Cash flow from operations continues to be strong delivering \$30.40M (or 115% of EBITDA)
- Capital expenditure increase relates to new Melbourne office fit-out and some minor platform upgrades
- Acquisition Costs relate to business assets of Groundhog P/L which added new clients and into DWS' SA business
- Improved treasury management function has increased cash holding time and interest generation

Revenue by Sector Analysis

June 2012



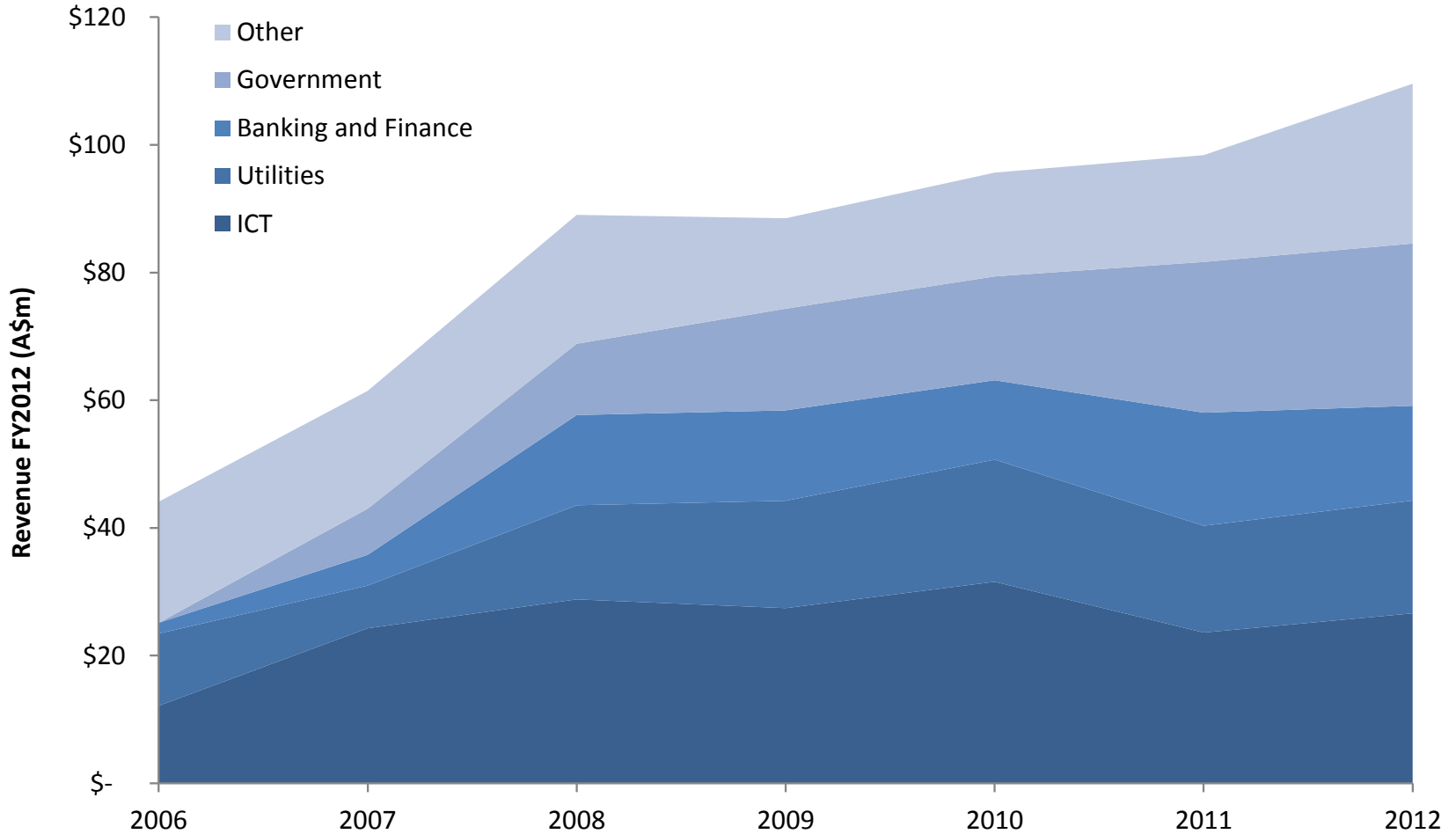
June 2011



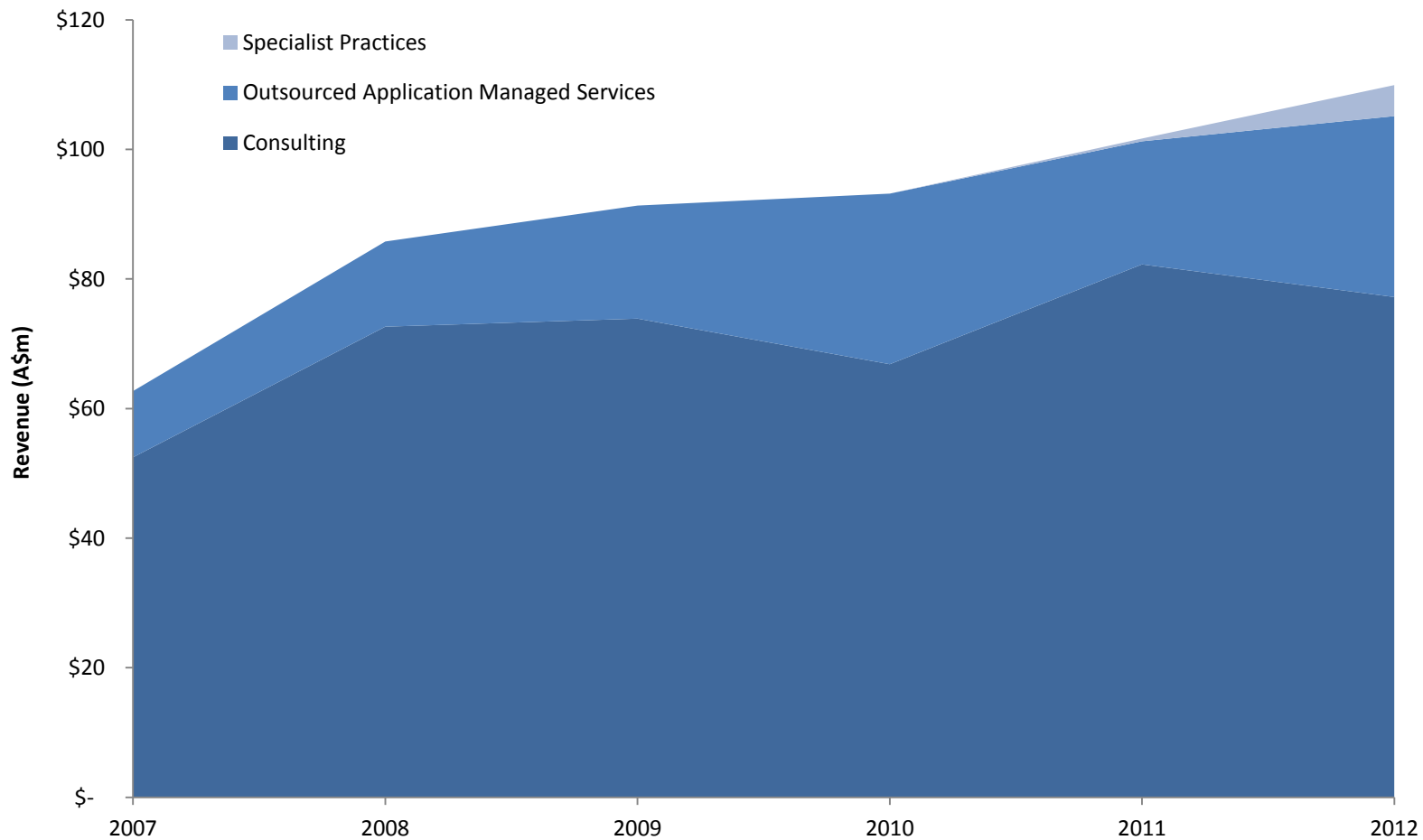
- ICT revenues strengthened on the back of continued project wins
- Utilities industry spending remains stable
- Banking & Finance sector has been challenged by economic conditions in Europe resulting in project delays in Australia
- Federal and State Governments spending has been flat especially in Victoria and NSW and this trend is likely to continue in FY13 H1
- DWS' expansion into the Resources and Infrastructure ("Other") space has continued to grow and this trend is likely to continue in FY13 H1

Revenue by Sector Analysis

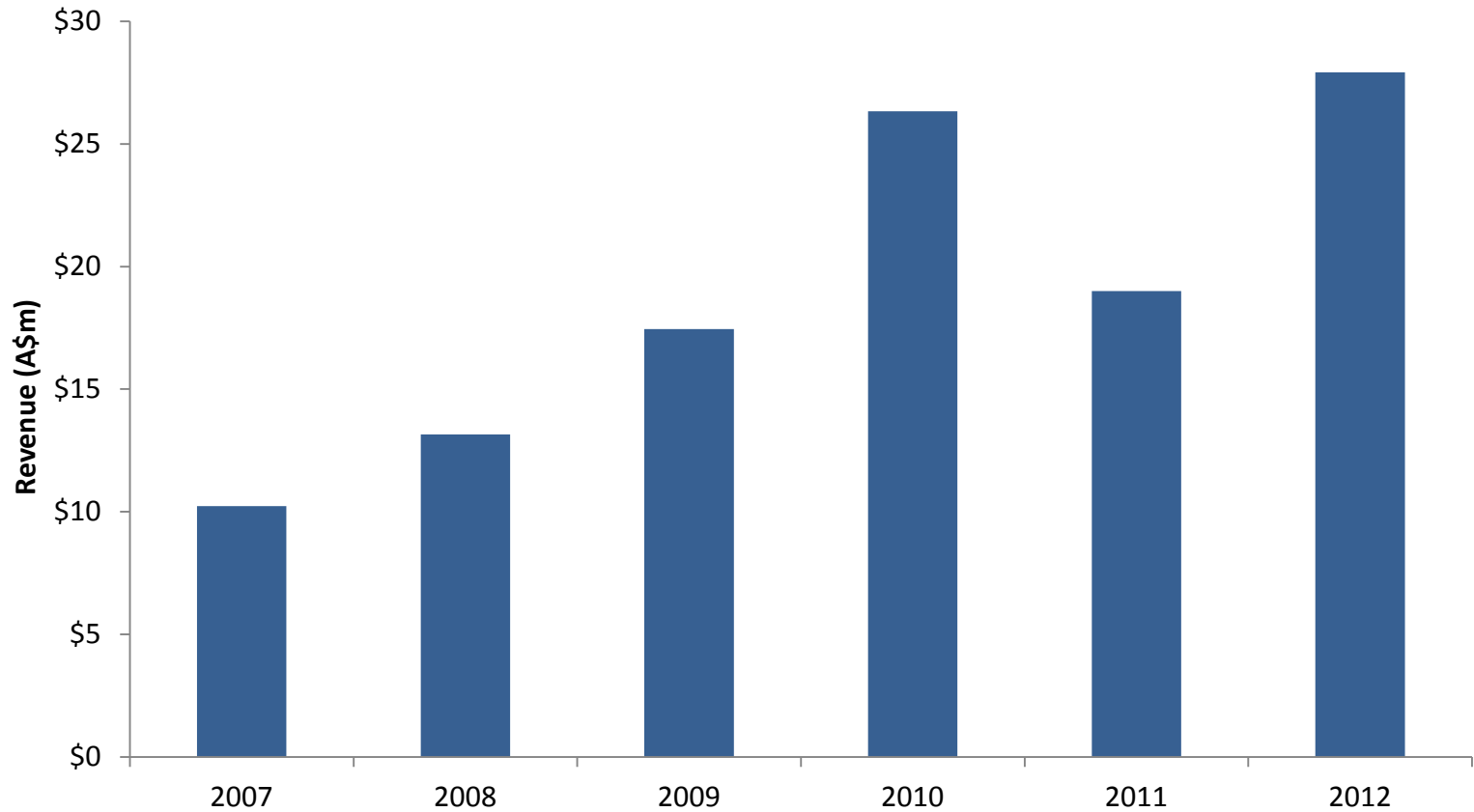
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Revenue by service type



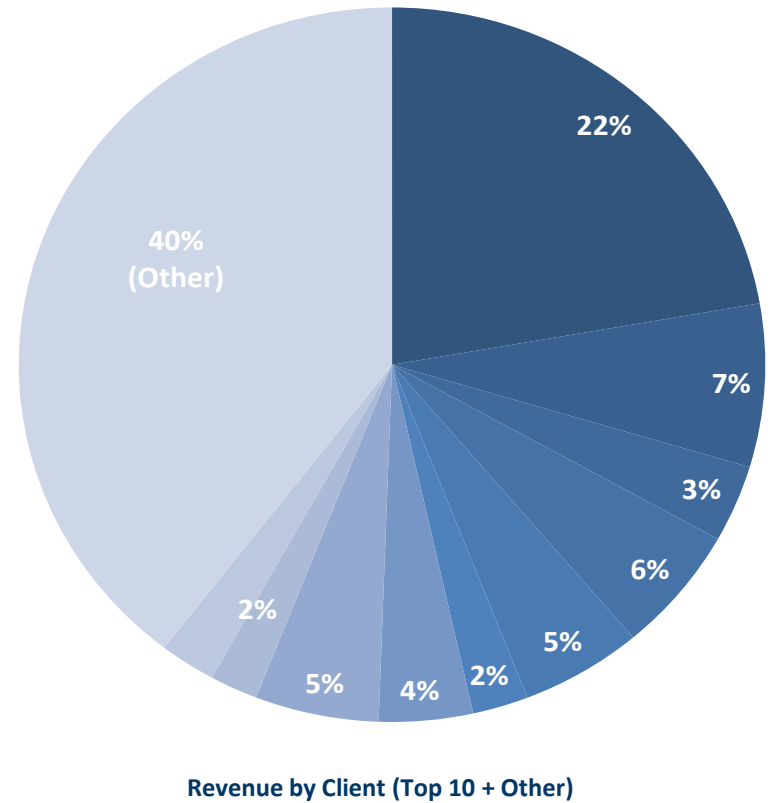
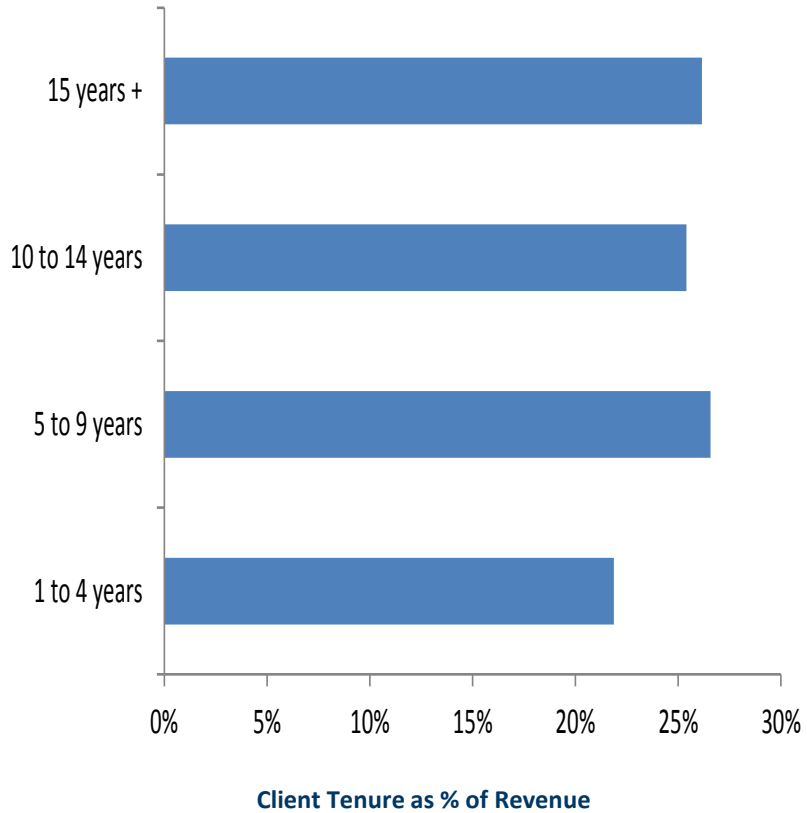
Outsourced Application Managed Services Growth



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Client Revenue Analysis

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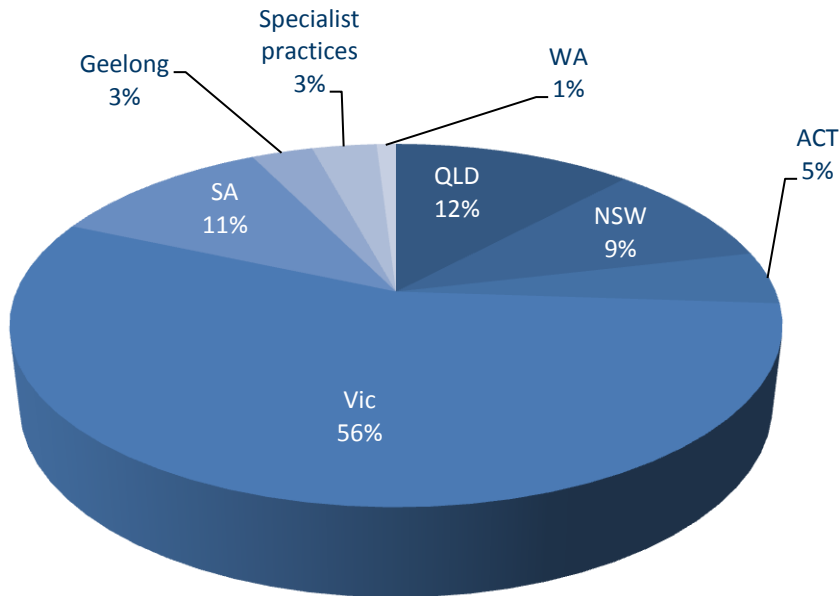


Staff Summary

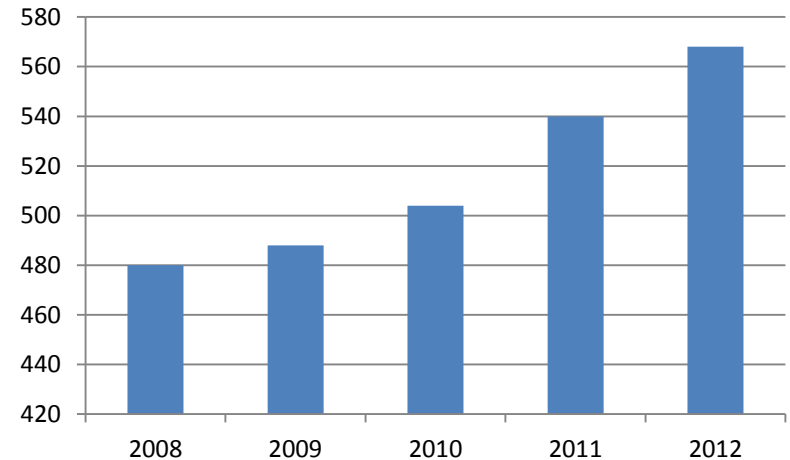
		June 2012	June 2011
Consulting Staff	Total chargeable	568	540
	Management	13	13
Office Staff	BD/Sales	18	20
	Admin	21	21
Grand Total		620	594

- Billable consultant numbers have fluctuated during the period as a result of changes in demand
- Billable headcount added in Qld, SA , WA and Insight Analytics
- We expect that our revised rate structure will see increased demand for *delivery-based* services and billable headcount to be added for these role types

FTE's by geography June 2012



Billable head count



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Final Dividend

	June 2012	June 2011
Dividend	6.25 cents	6.0 cents
Total Payout Ratio	91%	91% (Inc Special Div)
Record Date	14 September 2012	16 September 2011
Expected Pmt Date	4 October 2012	4 October 2011

- Dividend payout ratio has been maintained at high levels due to strong operating cash flows
- 100% franking for Australian shareholders at 30% tax rate

Operations Update

- DWS is in the process of implementing an expanded rate structure to better penetrate the delivery-end of the market
 - Existing DWS consultants will remain at their current charge rates
 - New headcount will be added to fill demand at the delivery-end of the market
 - This is expected to assist with margin stabilisation
- In April 2012, DWS established an office in Perth, WA to satisfy demand from a new client in the Government Sector
 - We currently have four billable consultants in Perth
 - Business development activity has commenced and early signs are positive
 - Industry partnerships see DWS well positioned to enter the resources sector
- DWS is examining possibilities for the establishment of an offshore capability as a third specialist practice
 - Andrew Rose has been appointed as Director of Offshore Operations to assist in the assessment and establishment of this capability
 - We have demand from existing clients which is complementing our existing onshore services
 - This offering is expected to assist in the expansion of DWS' Outsourced Application Managed Service capability

Operations Update

Specialist Practice - *Insight Analytics*

- Insight Analytics (IA) is DWS' Business Analytics & Information Management (BAIM) Practice
- IA commenced operations in June 2010, currently has 18 senior consultants servicing DWS' national client base
- In FY2012, IA delivered ~\$4M in revenue to the DWS Group and ~ \$600K in EBITDA
- FY13 will be focussed on organic expansion of this capability and penetration into both new and existing clients
- IAs' pipeline of work is strong with opportunities in both Government and commercial clients

Specialist Practice - *iSolutions*

- iSolutions is DWS' *cloud-based* automation and data-capture technology which focuses on the delivery of business process improvement solutions
- iSolutions commenced operation in June 2011 with the acquisition of Taten PL for \$300K
- In FY12, iSolutions produced \$846K in revenue for and ~\$260K in EBITDA (ROI of 86% in year 1)
- iSolutions technology is being well received by a broad range of clients across all industry sectors
- DWS will continue to examine new technology / products to add to this practice as cloud technology evolves

Operations Update

Borealis DWS Consulting Services (BDCS) Joint Venture

- BDCS is a 50% owned joint venture between Borealis Australia and DWS which will focus on the delivery of Borealis' CSG technology in the resources (Oil & Gas) sector in the Asia Pacific region
- DWS currently has 10 consultants assigned to Borealis engagements in QLD, with more expected to join projects in early FY13
- BDCS is currently increasing its sales and marketing capability within Australia and this is expected to see it expand its domestic client base
- BDCS is reviewing its marketing strategy to then push in Asia where there are significant opportunities for the Borealis' technology offering

Improve, Extend, Grow

- *Improve, Extend, Grow* is DWS' four year organisational development strategy initiated in 2011
- Primary focus of this strategy is to assist in the strengthening of DWS' employee value proposition and elevate our brand in the market
- DWS has implemented a variety of initiatives which assisted in the enhancement of business and will continue with this program in FY13 & FY14
- This investment has been offset by efficiency gains achieved from operating platform improvements and improved staff turnover statistics

Outlook

- The operating environment remains challenging with no clear direction from many clients into FY13
- Demand from the Banking & Finance sector continues to be unpredictable and not likely to improve until European debt arrangements have provided the market with a positive signal
- We believe that demand from both Federal and State Governments will be maintained at current levels
- We will continue to manage our resource pool closely with the aim of maximising utilisation across all areas of the business. We will continue to add consultant headcount in regions that are seeing demand
- We are continuing to build our pipeline of work with larger, solution based opportunities which will drive higher utilisation and longer engagements
- We are continuing to look for new streams of revenue which complement our existing operations and drive further demand for services. Areas of focus include cloud technologies, managed services, and offshore development & testing competency

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Questions?

