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FY 2015 – Q3 Update

November 2015

...experience is the difference

Quarter Results – Q3 Sep15

Key Financial Data (In \$M)	Sep-15 Qtr	Sep-14 Qtr	Variance
Total Revenue	273.7	263.1	10.5
Gross Profit	26.7	22.7	4.0
Gross Margin %	9.8%	8.6%	1.1%
EBITDA [Statutory]	10.6	3.7	6.8
One off Costs	0.2	2.6	2.4
EBITDA [Underlying]	10.8	6.3	4.4
Profit before tax [Underlying] *	7.7	3.6	4.2
PBT Margin %	2.8%	1.4%	1.5%
Net profit after tax [Underlying]	5.4	2.5	2.9

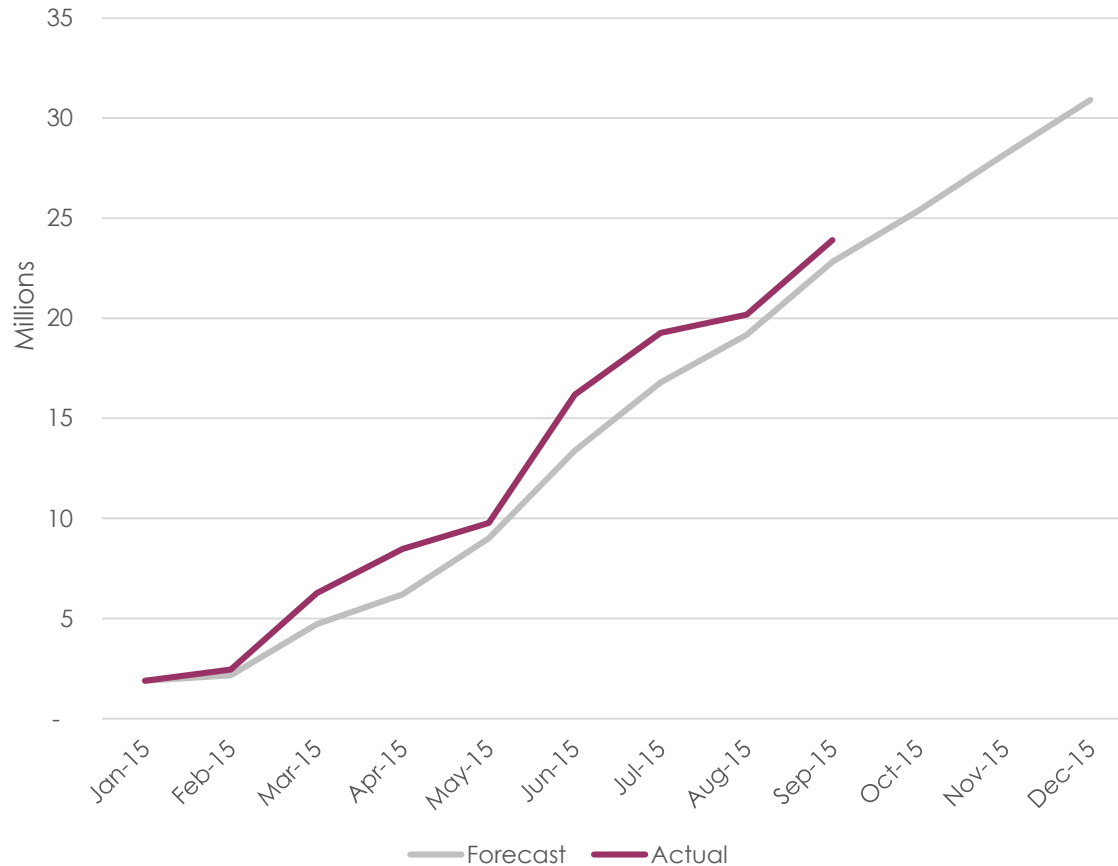
* Underlying profit before tax includes amortisation of customer contracts to the value of \$561k

- Revenue for the quarter was \$273.7m, an increase of \$10.5m on corresponding quarter last year.
- Gross profit has increased 17.7% over the previous corresponding quarter as a result of the revenue increase and improvement in margin quality.
- One off costs have significantly decreased with the \$200k cost in the current quarter relating to redundancy payments with continued streamlining of operations
- Group underlying EBITDA for the quarter was \$10.8m, an increase of \$4.4m or 69.8% on corresponding quarter last year.

YTD Tracking

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YTD PBT v Forecast



- In the nine months to September pre-tax profit is tracking ahead of forecast.
- YTD group revenue is \$802.9m
- Full year forecast for revenue of over \$1 billion is expected to be achieved.

Guidance Update

- We have previously provided guidance for pre-tax profit for FY15 at \$30.9m.
- This was expected to be reached through a combination of cost synergies, incremental contribution from acquisition, further costs savings and general growth in margin quality.
- Providing Q4 market conditions remain as expected, our guidance for pre-tax profit after one-off costs is updated to \$31.5m.

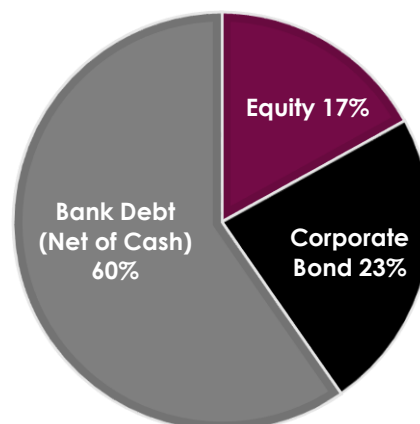
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Capital Structure

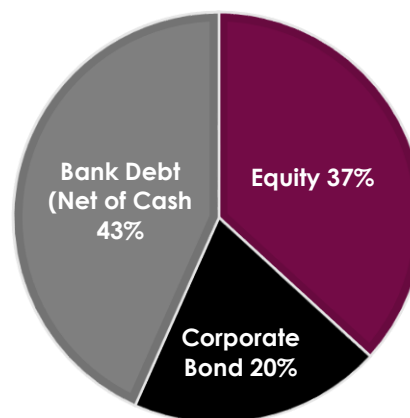
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Net Assets (in \$m)	Sep-15	Jun-15
Cash and equivalents	5.4	11.3
Accounts & other receivable	152.3	174.1
Inventory	112.7	109.6
Other current assets	0.0	2.5
Total current assets	270.4	297.6
PP&E, net	26.2	26.7
Goodwill & Intangibles	32.3	32.8
Other assets	4.7	3.5
Total assets	333.6	360.6
Accounts payable	121.4	171.7
Borrowings	89.7	110.0
Other current liabilities	5.5	5.5
Total current liabilities	216.6	287.2
Borrowings	38.7	38.7
Other long-term liabilities	6.7	6.7
Total liabilities	262.0	332.5
TOTAL NET ASSETS	71.6	28.1
Shareholders' Equity		
Share Capital	54.1	10.3
Reserves	0.1	-0.2
Retained earnings	17.4	18.0
TOTAL EQUITY	71.6	28.1
Ratios		
Debt to Equity	1.79	5.29
Net Tangible Assets (\$m)	39.3	-4.8

Source of Capital - June 2015



Source of Capital - Sept 2015



- In August 2015 the company completed a share capital raising of \$40.25m and a further \$5.25m was raised under an existing shareholder purchase plan (fully underwritten).
- The capital raising had a material impact on the company's gearing ratios and provides a base for further growth.
- Proceeds of the capital raising were partly applied to debt reduction and partly utilised for working capital.
- Total current borrowings as at end of September 2015 were \$89.7m, down from \$110m as at end of June 2015.

Business Update

CLOUD PORTAL

- Our cloud marketplace portal was successfully launched during the quarter and we are progressively adding vendor cloud products on this platform.
- We are expanding our capabilities to support offerings in the cloud space and on our platform.

NEW VENDORS

- Continued business development of the new vendors announced in H1, including Intel, Lenovo System X and Toshiba in New Zealand.
- Introduction of a number of new software vendors including Veritas (previously part of Symantec), Paessler and IBM Softlayer.
- Launch of Xplore Technologies and Shoretel in New Zealand.
- Continually reviewing our vendor mix with the objective of full portfolio coverage and long term profitability.

INDUSTRY AWARDS

- During the quarter the Company was recognised by industry peers and vendors for an number of awards:
 - ARN Hardware Distributor of the Year for the fourth consecutive year
 - HP Enterprise Distributor of the year
 - Cisco Distribution Sales Champion for Australia
 - APC Best Distributor for the Pacific Region

Thank you

Questions?

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