



Presentation – Full Year FY2020 Results

(ASX Code: HIT)

HiTech Group Overview

- **HiTech Group** is a leading provider of innovative HR and information technology consulting solutions for clients in the federal government, state government and private sector
- **Services are constantly broadening and evolving** to respond to client needs and the evolution of technology requirements
- **HiTech** generates the majority of its revenue from ICT contracting and consulting, meaning revenue is almost **entirely recurring**
- Revenue is underpinned by a **long term, blue chip** customer base across Federal Govt, State Govt and the Private Sector
- Favourable conditions also expected to continue from **growing demand for skilled ICT professionals** and large scale public & private IT transformation projects
- The **HiTech Personnel brand** has been **established for 27 years**, recognised as a leader in talent acquisition and placement
- Business conditions remain favourable in the ICT sector supported by national Government transformation programs, the digital transformation & cyber security era and jobs growth from technology disruption within traditional industries

HIT Capital Structure	
Closing price as of 13/08/2020	\$1.58/share
52-week high	\$1.67/share
52-week low	\$0.90/share
Ordinary shares on issue	38.05m
Options outstanding	4m
Market Capitalisation	\$60.11m
Plus: net debt as of 30 June 2020	\$(7.61)m
Enterprise Value	\$52.50m
Substantial shareholding as at 13 Aug 2020	% of total voting rights
R. Hazouri – 17.76 million shares	46.68%
E. Hazouri – 6.83 million shares	17.94%
S. Hazouri – 1.98 million shares	5.20%



1000
High-Growth Companies
Asia-Pacific
2018

Board & Senior Management

Executive Director Elias Hazouri has led HiTech as CEO since 2000 and has nearly 30 years' experience with the company.

Ray Hazouri

Executive
Director &
Chairman

Qualifications: BA (Sydney University), DipEd.

Experience: Founded HiTech in 1993 and has over 30 years' experience in the IT industry. Prior to establishing HiTech, Ray worked in a number of capacities in the information technology industry ranging from management positions, technical IT consulting roles including systems analysis/programming, project management and sales roles. Ray worked and consulted for a broad range of employers in the private, multinational, SME, and public sectors.

Elias Hazouri

Executive
Director & CEO

Qualifications: B Sc, MBA

Experience: Over 30 years' experience in IT and banking. Elias was previously a director of HiTech from 1993-March 2000. Elias's knowledge of HiTech's business is extensive. Throughout his career, Elias has been integral to the development of many IT systems and IT support departments. He has held roles ranging from programmer to technology support head, GM, CIO and CEO. Elias is a key resource and knowledge base to the HiTech account managers and board and is jointly responsible for generating new business. Elias has advised on business strategy, both from a financial and operational perspective, since the inception of HiTech in 1993. Elias is employed in the capacity of Chief Executive Officer.

George Shad

Non-executive
Director

Qualifications: Solicitor

Experience: Appointed to the Board on 30 July 2003. Principal of Shad Partners Solicitors with thirty years' experience as a lawyer specialising in commercial and conveyancing work. George's knowledge of the talent and services industry is vast. George is a panel solicitor for a number of major banks and his expertise and contacts in the corporate sector assist HiTech in building its client base.

FY2020 Highlights

Record Growth

- FY2020 was a **6th consecutive record year** of revenue, EBITDA And NPAT versus pcp
- FY2020 growth of **10%** in revenue, **8%** in EBITDA and **15%** in NPAT versus pcp
- Growth is fueled and underpinned by a long term, blue chip client base and continued strong demand from multi-year supplier agreements with high profile Government departments
- Organic growth is forecast to continue with strong technology industry fundamentals in Australia

Record Dividends

- **4 cents per share final** fully franked dividend declared for FY2020, payable on 14 September 2020, bringing total dividends for the last 12 months to **9.5 cents per share fully franked**
- Annualised **gross dividend yield of ~8.6%** at the current share price of \$1.58*
- Current intention to maintain dividends. We have ample cash reserves

Strong Financial Position

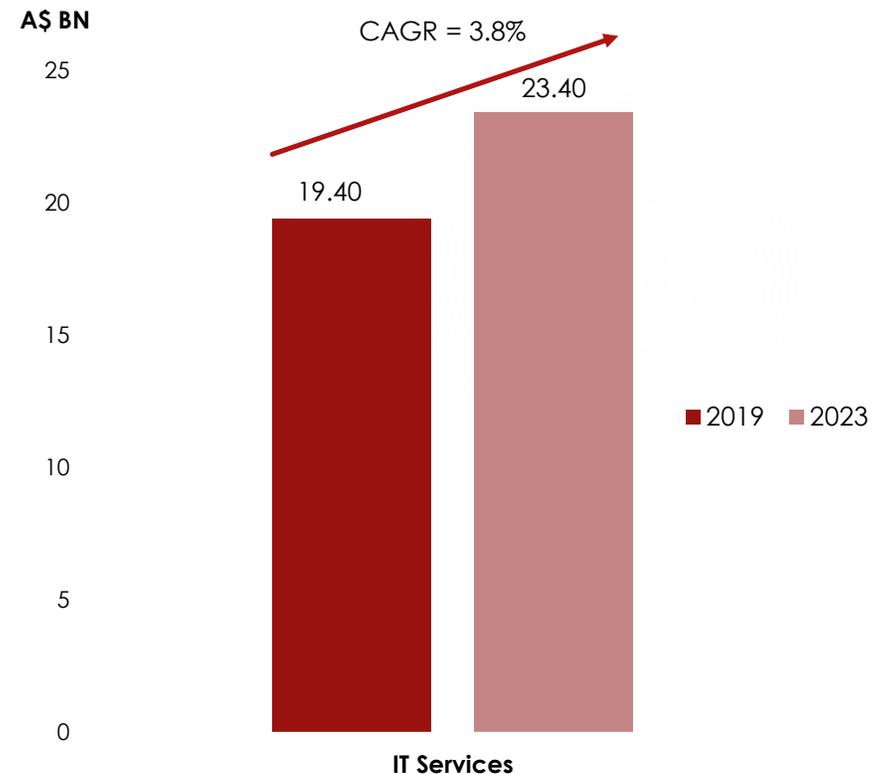
- **Strong balance sheet with no debt**
- Net cash of ~\$7.61M puts the company in a strong position to implement its 2 tier growth strategy
- The Board and management team are dedicated to delivering a 7th consecutive full year record performance in FY2021

* Share price as at 13 August 2020

ICT Sector Overview

- The Gartner 'CIO Agenda' survey *The leadership, organizational and technology priorities CIOs must face in 2020* highlighted:
 - **30%** of respondents indicated that **IT Service Failure** disrupted their operation; and
 - **25%** of respondents indicated that **Cyber Security** was another form of disruption
- Providers involved in deeper deployments of high access cloud, mobility, big data and those implementing accelerator technologies like artificial intelligence (AI), internet of things (IoT) and robotics will have the most competitive advantage
- Demand for providers to modernise or replace legacy systems due to businesses' failing to embrace new technologies either because of cost or complexity
- Secure, high availability remote access at all time highs and forecast to be the new normal
- ***This represents a significant growth opportunity for the HiTech Group to expand revenues***

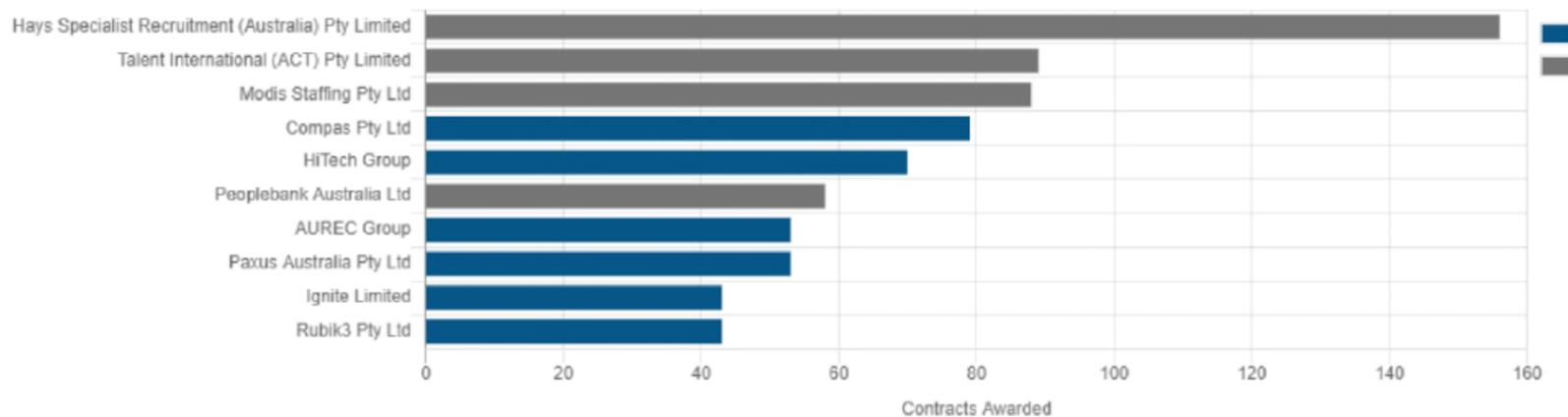
Source: IDC, Australia IT Services Forecast and Analysis, 2018-2023



Competitive Landscape

- HiTech works closely with select blue chip client base on talent acquisition and specialist ICT assignments
- Working with government and large enterprises requires significant trust, goodwill and rapport to be developed over a substantial period of time; HiTech has always delivered
- **HiTech is proud to be consistently ranked in the top suppliers from over 2000 suppliers servicing the substantial Digital Marketplace**

Top sellers awarded contracts this financial year *



(*) Source: Digital Transformation Agency Insights, June 2020

HiTech Value Proposition

- Management intimately understands the key drivers of recruitment and ICT consulting services for its clients – Over 50 years of combined expertise
- Execute and deliver on time for clients: rewarded with long, established business relationships and recurring revenue stream
- No revenue growth for revenue growth's sake – **Bottom Line Profit Focus**
- Deliberate push into specialised technology consulting and services space as these sectors are exhibiting strong growth
 - ✓ Focused on **winning** lucrative “**Statements of Work**” for discrete ICT projects
 - ✓ **Entrenched alongside our clients** to deliver superior results
 - ✓ Seeking to **broaden client services capability** to cover the critical and most lucrative ICT subsectors
 - ✓ **Retain maximum flexibility** to respond rapidly to evolving technologies and services demanded by clients
- Board and management teams have a uniquely engrained culture of financial discipline across all areas and aspects of the business

Our Talent Solutions



Talent acquisition



Cloud services



Apps



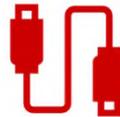
Data centres



Mobile solutions



Managed service provider



Digital transformation



Networks



Procurement



AI & machine learning



Security and cybersecurity



Internet of Things



Big data & analytics



Storage

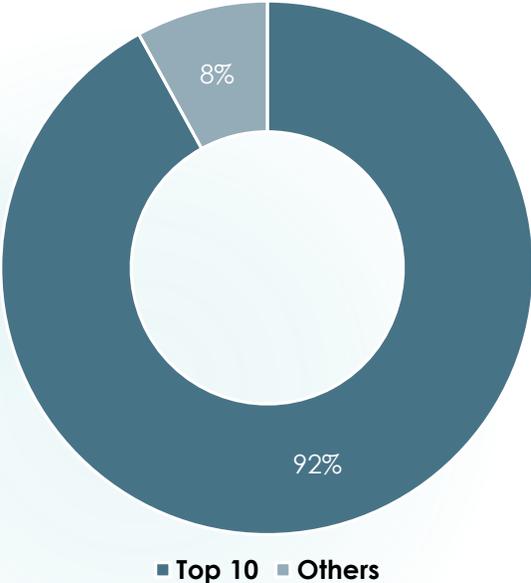


Telecommunications

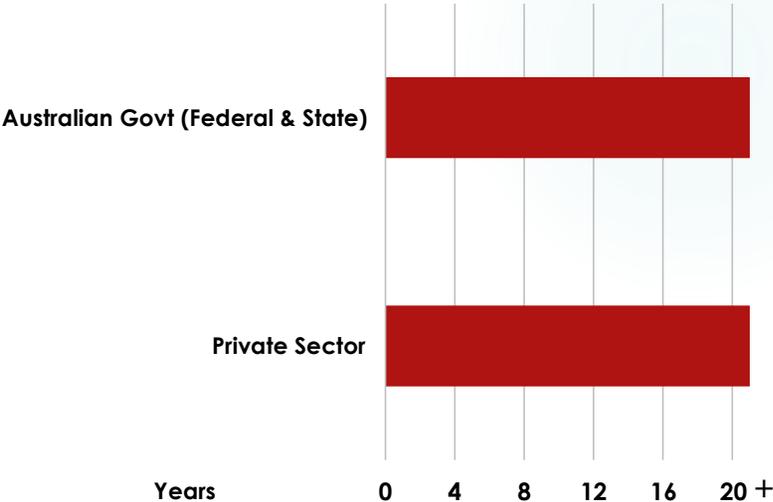
Revenue Breakdown

HiTech has a diversified blue chip client base with solid revenue base supported by a diverse and active government and corporate talent supply agreements

FY2020 Revenue Breakdown - Top 10 Clients Concentration



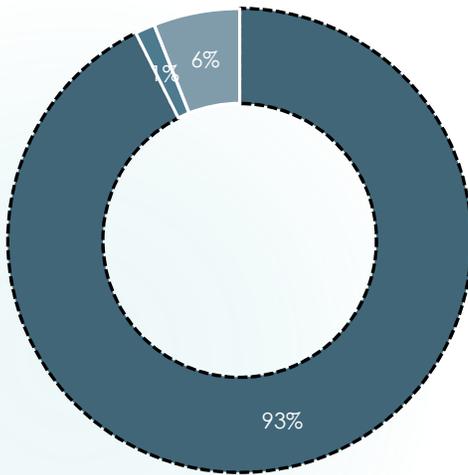
Average History of Service by Client Type



High Quality Client Base

HiTech has developed and maintained strong relationships with key federal government departments for nearly 30 years and through federal budget cycles

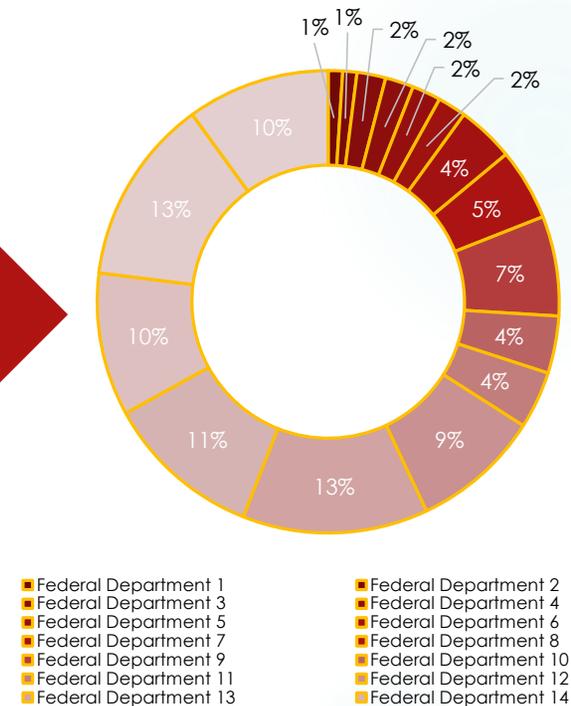
FY2020 Revenue Breakdown – Client Type



■ Federal Govt ■ State Govt ■ Private Sector



FY2020 Federal Government Revenue



Growth Strategy

HiTech has identified and implemented a two-tier growth strategy focused on leveraging its strong position in ICT recruitment to win new mandates and customers along with seeking to execute opportunistic and complementary acquisitions

Organic Growth

- On-boarding of new clients; substantial opportunity exists in the private corporate sector
- Customise our client and candidate service offering in line with abrupt changing market forces and seizing the opportunity to provide ICT consulting solutions in addition to base contracting agreements
- Expand the company's ICT offering into high margin consulting and service space (Cloud, Security, SaaS) in line with client objectives
- Leverage the Company's substantial proprietary HiBase database to win new mandates (see page 10 for further details)

Acquisitions

- Pursue acquisitions in a highly fragmented market that satisfy the following criteria:
 - Fit the EPS accretive criteria and company culture of HiTech
 - Well managed and set for future growth
 - Enable cross selling growth
 - Complimentary acquisitions which leverage towards its established blue chip client base
 - Deliver positive returns to shareholders
- The Board is committed to act in the best interests of all shareholders employing a **disciplined M&A growth strategy** that will benefit HiTech and its broader stakeholders over the long term

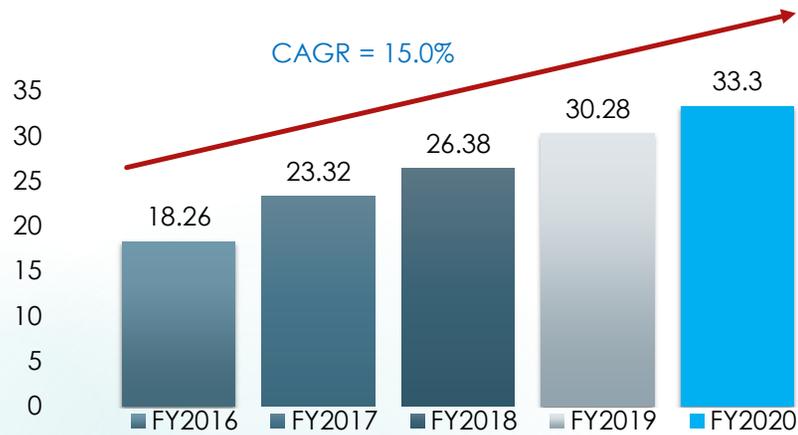
HiBase – Proprietary Talent Database

- **HiBase** is a predictive intelligence tool built by HiTech for sourcing ICT talent
- HiTech has developed a substantial and comprehensive data database of over **380,000 professional candidates** for contract or permanent positions
- The HiTech Services team is at the forefront of the digital transformation movement which is a critical priority amongst each of our Federal Govt, State Govt and Private Sector client base
- The HiTech ICT Services team has developed a '**best of breed**' project delivery system in line with client needs – we call this **Project Delivery as a Service (PDaaS)** with key characteristics being:
 - A perpetually Fit-For-Purpose Project Delivery Model, managed as a Service;
 - Project Delivery as a Service that offers you access to resources and tools at a flexible and predictable cost, via a fully structured Managed Service, underpinned by KPIs and SLAs;
 - Whether it's Skilled Resource Provision or a fully Managed Service, PDaaS can help client's maximise their project success and improve IT project delivery times; and
 - We offer the ability to have on boarded resources available based on the demand curve of a clients' portfolio.

Focus on Shareholder Returns...

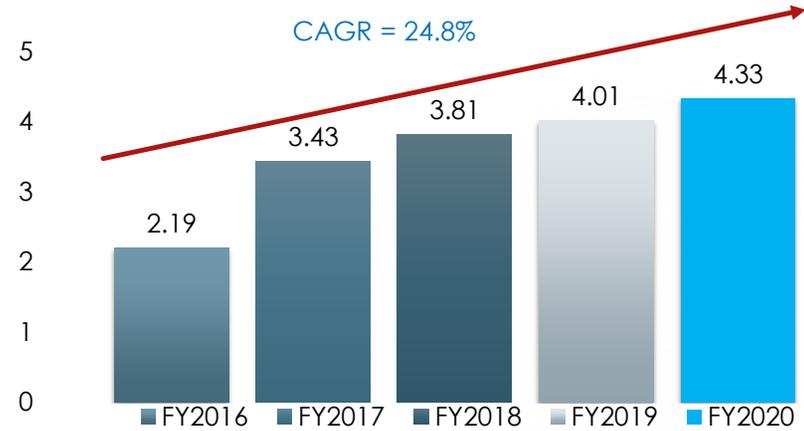
A\$ M

Revenue Growth



A\$ M

EBITDA



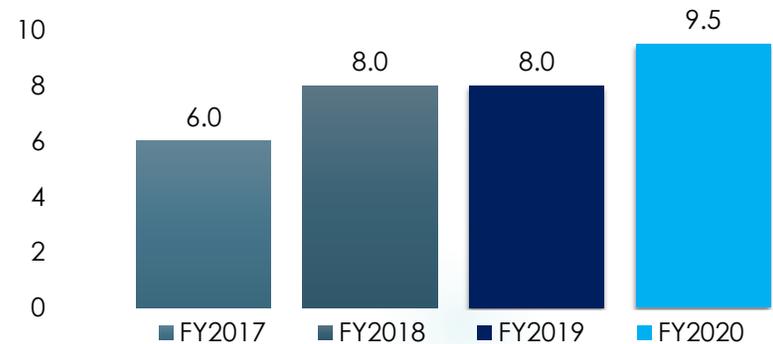
A\$ M

NPAT

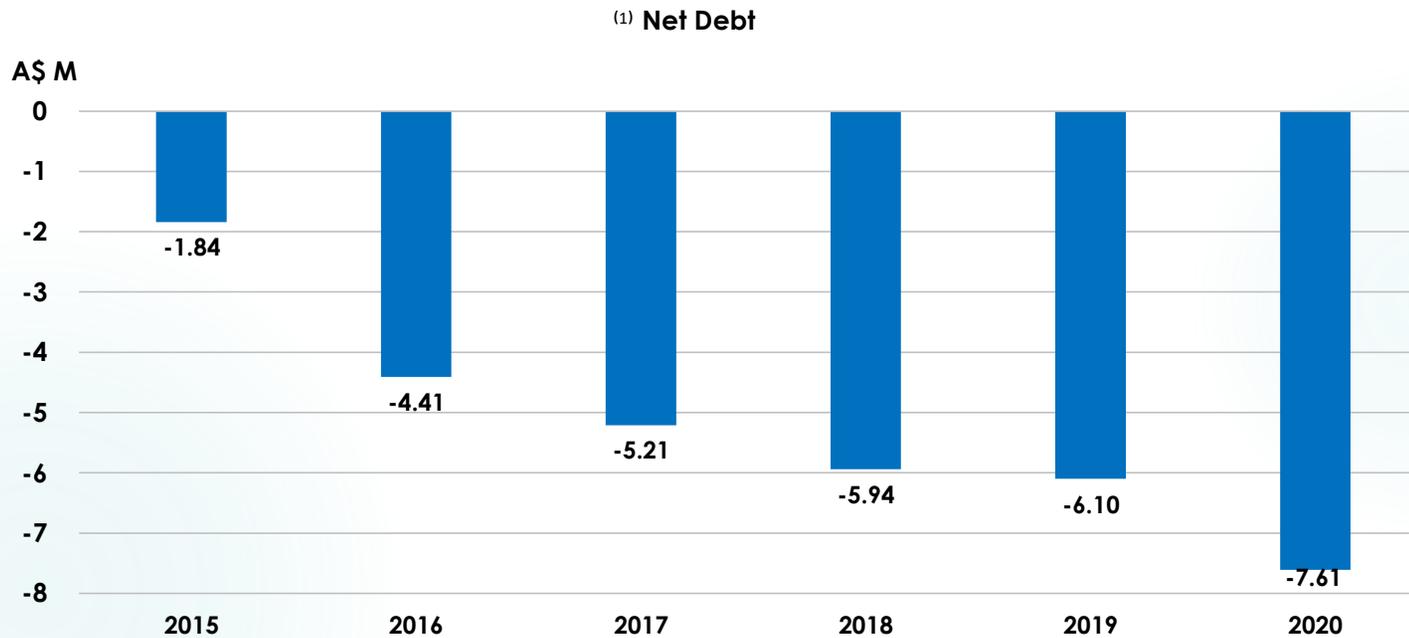


Cents per Share

Dividends



...And Fiscal Discipline



- HiTech is a resilient and strong company with a robust balance sheet
- **No debt and cash balance of \$7.61M at end of FY2020**
- History of maintaining strong fiscal discipline throughout employment cycles

⁽¹⁾ Net Debt = Total Debt less Cash & Cash Equivalents.

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