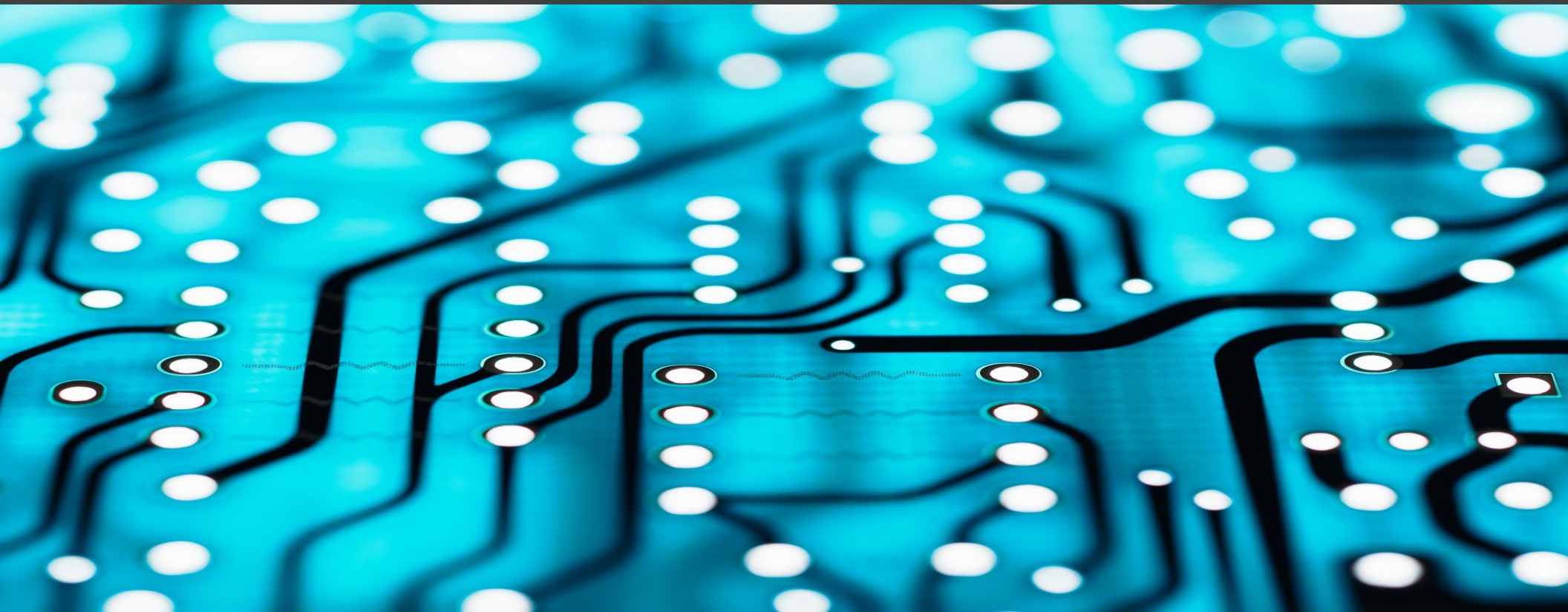




**Presentation - Half Year FY2021 Results**  
**(ASX Code: HIT) March 2021**



# 1H FY2021 Highlights – Industry leader in Organic Growth

## Record Double Digit Growth year on year

- 1HFY21 was a **7th consecutive record half year** of Revenue +19%, EBITDA +9% and NPAT +17%
- Growth is fueled and underpinned by a long term, blue chip client base and continued strong demand predominantly from multi-year supplier agreements with high profile Government departments
- Organic growth is forecast to continue with strong digital technology industry fundamentals in Australia

## Record Dividends

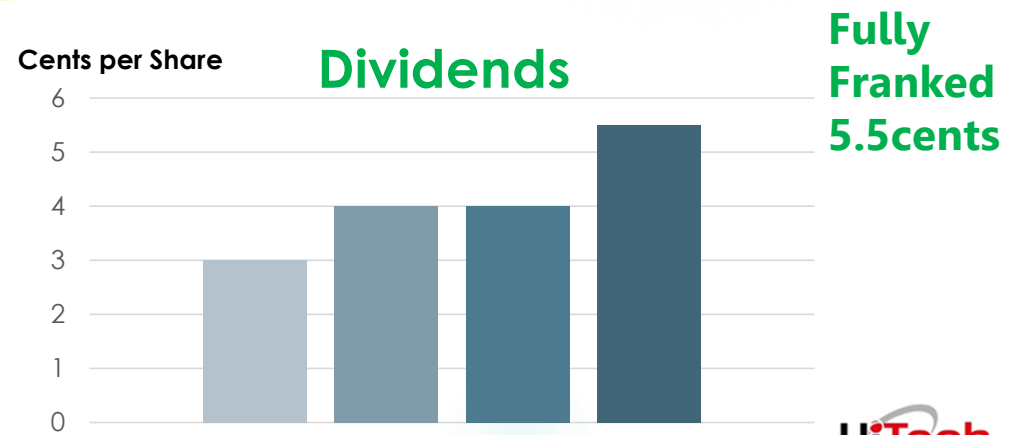
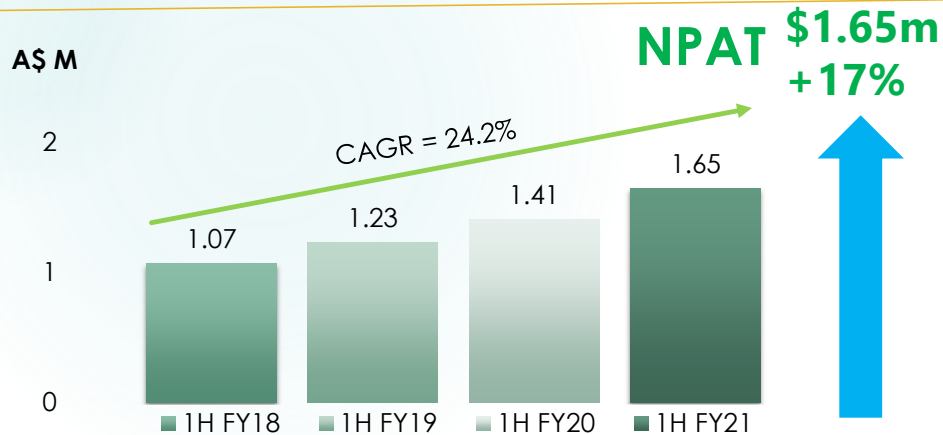
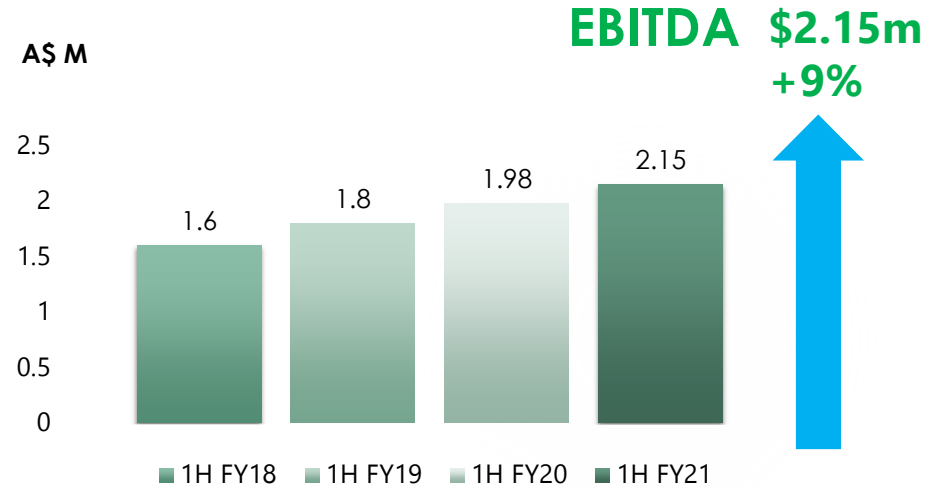
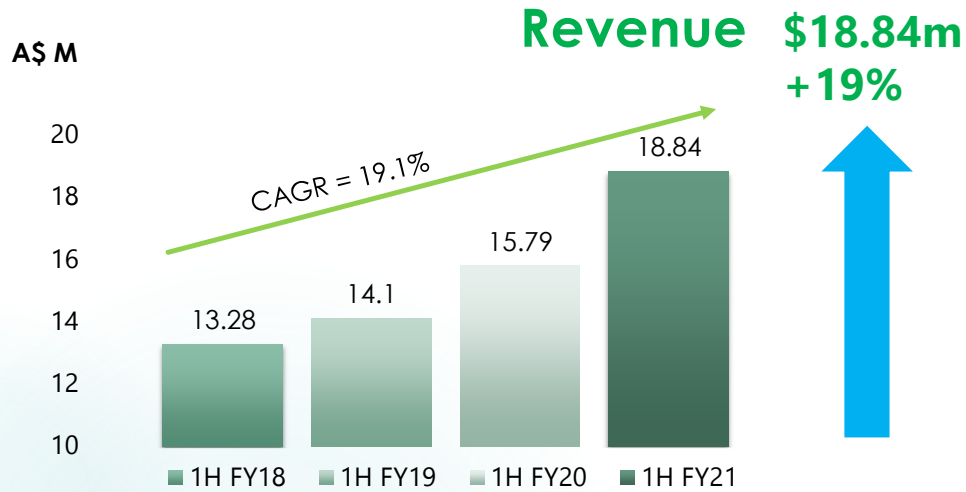
## Second Special Dividend

- **4 cents per share interim** fully franked dividend PLUS **1.5 cents special dividend** declared for 1H FY21, payable on 19 March 2021, bringing total dividends for the last 12 months to **9.5 cents per share fully franked**
- Current intention to maintain dividends
- Ample franking credits for future capital management initiatives

## Strong Financial Position

- **Strong balance sheet with no debt**
- Net cash of ~\$4.9M puts the company in a strong position to fund future growth
- The Board and management team are dedicated to delivering a 7th consecutive full year record performance in FY2021

# Focus on Shareholder Returns – 19.1% Compounded Organic Growth



# ICT Sector Overview – 29% increase in ICT Workers into 2027

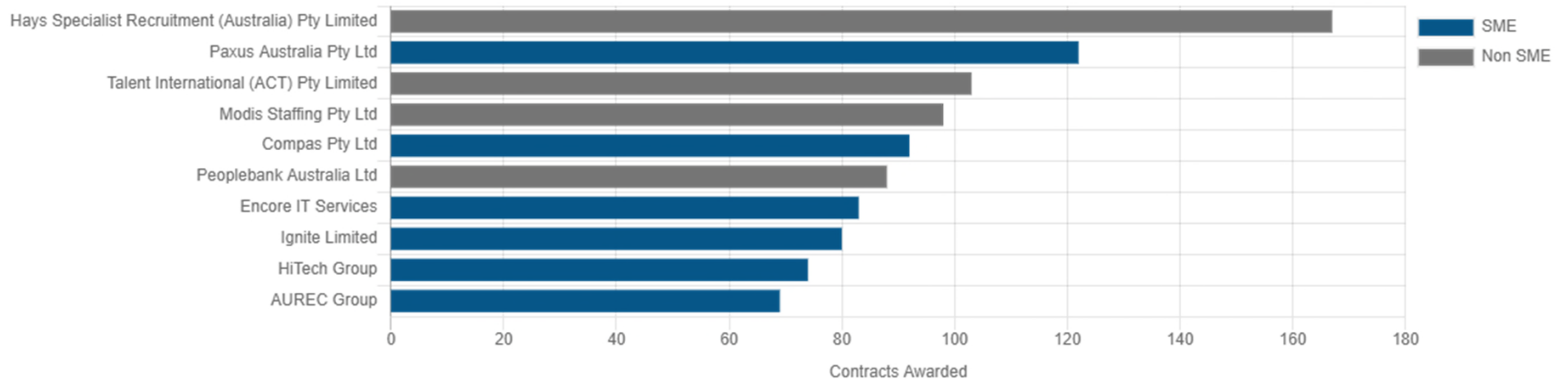
- Deloitte Annual Snapshot of the Australian Digital Economy and the workers required based on demand:
  - A survey of over 1,000 Australians found that 48% of respondents who visited their general practitioner between April and May 2020, did so virtually. Almost two-thirds report they would continue using telehealth services into the future (NBN Co, 2020a)
  - Government agencies and private enterprise have seen an acceleration of digital transformation projects
  - Remote worker numbers surged in 2020 e.g. Westpac transitioned 21,000 employees or 85% of their workforce to home workers
  - Critical infrastructure and government services have been the subject of increasing, opportunistic cybersecurity attacks. The Australian Cyber Security Centre (ACSC) centre received prompt government funding increases in 2020
  - ICT subdivisions generated over \$56 billion in Gross Value Added (GVA) to the Australian economy in 2019 (CIER, 2020)
  - By 2026, global spending on cybersecurity is expected to rise by 86% to US\$270 billion (AustCyber, 2019)
  - The value of the Australian cybersecurity sector is expected to triple by 2026 to AU\$6 billion, creating an additional 18,000 jobs (AustCyber, 2019)

**By 2027**, Deloitte forecast that there will be **over one million technology workers in Australia (+29%)** up from the 772,175 workers recorded in 2019

**This represents a significant growth opportunity for the HiTech Group to expand revenues and profits**

# Sector Leaders Group— Top 10 ranking in Government Digital Marketplace

- HiTech works closely with select blue chip federal government clients on talent acquisition and specialist ICT assignments
- Working with government and complex enterprises requires significant trust, goodwill and rapport to be developed over a substantial period of time; HiTech has always delivered and is a trusted key partner to its clients
- **HiTech is proud to be consistently ranked in the top 10 suppliers from over 3000 suppliers servicing the substantial Digital Marketplace customers**



(1) Source: Digital Transformation Agency Insights, November 2020

## HiTech Value Proposition– 50+ years of combined industry expertise

- Management intimately understands the key drivers of contracting 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 streams
- 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

# The HiTech Digital Solution Grid– Info Tech and Cloud Tech



HiTech solves the Tech problem



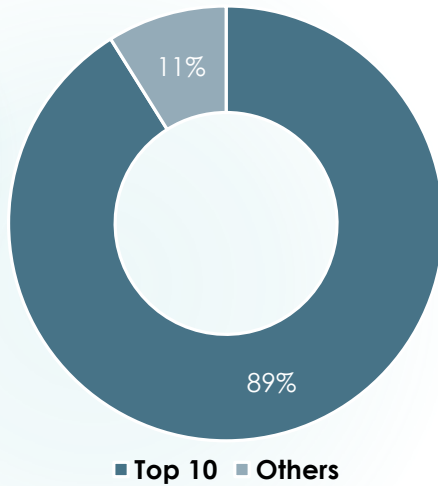


# Revenue profile – Federal Government /Private Mix

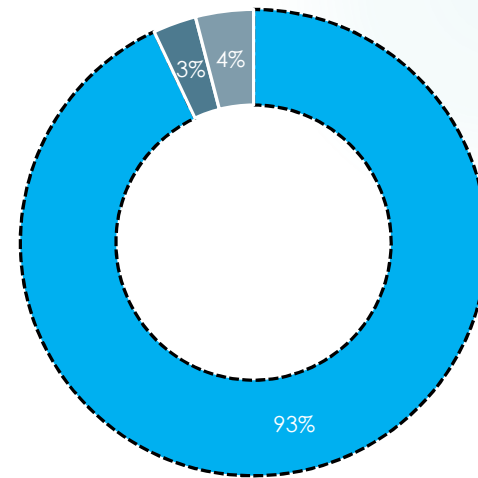
- HiTech has a diversified blue chip client base with a solid revenue stream supported by diverse and active government and corporate talent supply agreements

\* Increasing recurring revenue underpinned by growing ICT contracting and services demand \*

H1 FY2021 Revenue Breakdown - Top 10 Clients Concentration



H1 FY2021 Revenue Breakdown – Client Type



■ Federal Govt ■ State Govt ■ Private Sector



# Future Growth – ORGANIC + Acquisition

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

## Organic Growth

- Further develop and mine key clients by addressing the ever increasing demand for our services thereby underpinning *recurring revenue*
- Enhance the service offering provided to existing clients by providing a broader suite of ICT consulting solutions in addition to underlying contracting agreements
- Expand the company's ICT offering into high margin consulting and service space (Cloud and Cyber Security) in line with client objectives
- Leverage the Company's substantial proprietary HiBase talent database of over 380,000 candidates to win new mandates

## Acquisitions

- Pursue acquisitions in a highly fragmented market that satisfy the following criteria:
  - Market share for scale and accretive in nature
  - Enable cross selling growth
  - Complimentary offering 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 & the HiTech System – Competitive Edge


- **HiBase** is a predictive intelligence tool built by HiTech for sourcing ICT talent
- HiBase is a 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.

# Contact Information


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