



THREAT
PROTECT

Security without compromise

AGM 2019 Presentation

Monitored Security Systems | CCTV and Access Control | Corporate Risk Consultancy |
Security Personnel

28 November 2019

Threat Protect Australia Limited ABN 36 060 774 227

www.threatprotect.com.au

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Company Overview

TPS Shareholding

Rank	Name	25 Nov 2019	%IC
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	78,027,412	39.47
2	PATNER PTY LTD	8,312,500	3.96
3	LENALE HOLDINGS PTY LTD	5,897,265	2.81
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,461,290	2.60
5	MMS1 PTY LTD	5,424,589	2.59
6	CINTELL PTY LTD	5,167,665	2.46
7	SIREN NOMINEES PTY LTD	4,619,492	2.20
8	REDUN PTY LTD	4,450,000	2.12
9	MS ALISON ELIZABETH HOWE	4,431,224	2.11
10	MS CONCETTA FERRARA	4,424,001	2.11
	Top 20 Shareholders	152,090,724	72.53
	Balance of register	57,615,554	27.47
	Grand total	209,706,278	100.00

Capital Structure

CURRENT SHARE PRICE	\$0.15
ORDINARY SHARES (M)	209.71
MARKET CAPITALISATION (\$M)	31.45
NET DEBT (\$M)	(44.40)
ENTERPRISE VALUE	75.85

Projects accomplished in 2019

Activities of the Company during 2019 calendar year

- ✓ Acquired Onwatch Pty Ltd increasing scale of operations substantially;
- ✓ Progressed our strategy of converting reseller clients to direct subscribers;
- ✓ Commenced the installation and integration of new security monitoring software to facilitate the transition from five (5) to three (3) monitoring control rooms;
- ✓ Executed an extensive cost out program during integration of Onwatch collaborating efficiencies between the operations;
- ✓ Continued extraction of further cost synergies within the Threat Protect group of companies

Threat Protect are executing on a clear vision and strategy

Market Leader

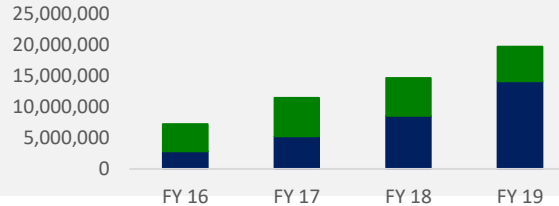
building to be market leader

#3

In monitoring

- Largest provider of wholesale monitoring services
- Largest non-international owned
- ASX Listed
- Top 2 competitors are declining

Recurring Revenue ~\$2mil Per Month



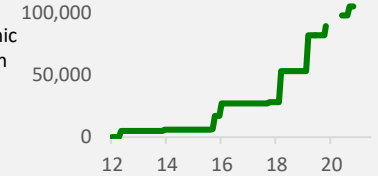
Track Record

consistent long term growth

- Long term organic growth drivers in insurance and criminal activity

80,000

Monitored Accounts



Market Consolidation

clear growth strategy to drive consolidation in a very fragmented market

- Potential acquisitions identified to grow to 150,000 monitored Accounts
- Delivery of new products: safe@home and Safe Haven

Powerful marketing solution

With cross sell opportunity



800+

Re-sellers

Net Organic Growth

~3% pa

- Gross churn of approximately 12% per annum
- Strong organic sales model via reseller strategy results in **organic growth** after taking into account gross churn of customers

Organic Opportunities / New Markets

- Medical duress monitoring for the aging population is growing strongly and is bringing strong margin growth.

Experienced

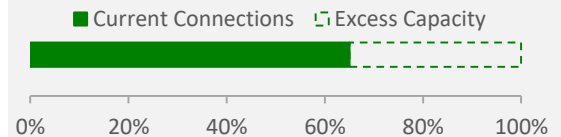
team of professionals



- Experienced acquisition integration team
- Technical skills built through years of transaction experience

Service driven with A1 system support

- Low levels of service cancellation
- Processes support growth
- Capacity in current system
- Excel at customer services



Audited Financial Summary

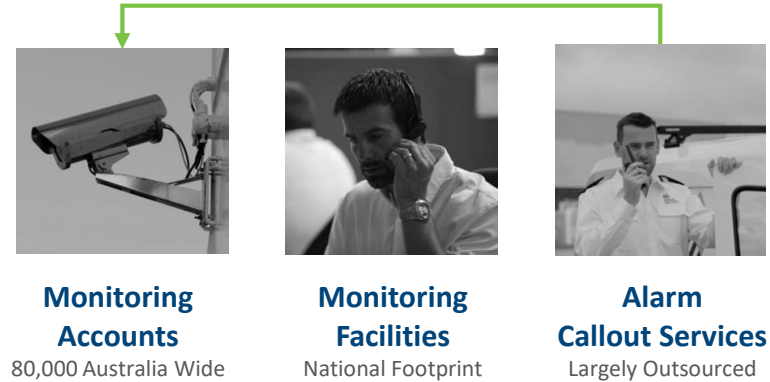
	FY19 (\$000's)	FY18 (\$000's)
Operating Revenue	19,741	14,692
Monitoring revenue	14,201	8,567
Protective services and services revenue	5,540	6,125
Total Reported Revenue	19,741	14,692
EBITDA	(5,788)	(713)
Net Profit Before Tax	(13,558)	(3,634)
Net Profit After Tax	(10,621)	(3,246)
EBITDA	(5,788)	(713)
Adjustments:		
Impairment of receivables	200	186
Impairment of assets	5,236	642
Share-based payments	227	550
Business acquisition and integration costs	3,878	1,647
Other income	(883)	(918)
Adjusted EBITDA	2,870	1,394

Security Monitoring

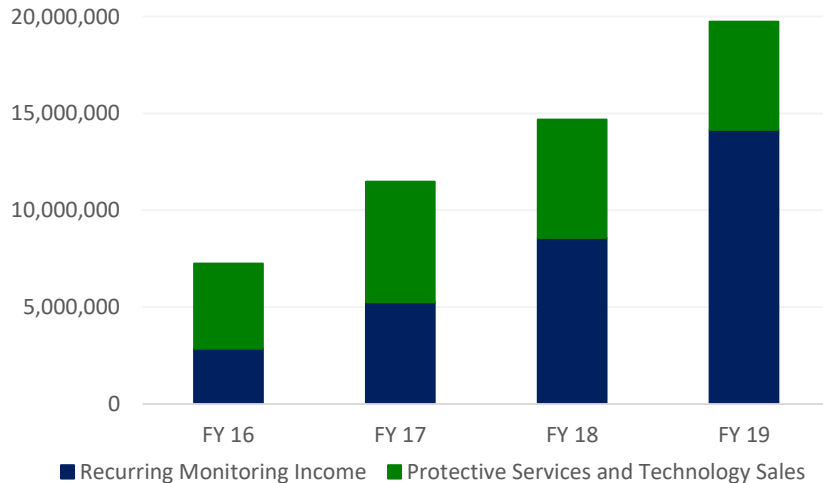
Threat Protect delivers a full service security monitoring offering to customers anywhere in Australia

Monitoring Business – Key Takeaways

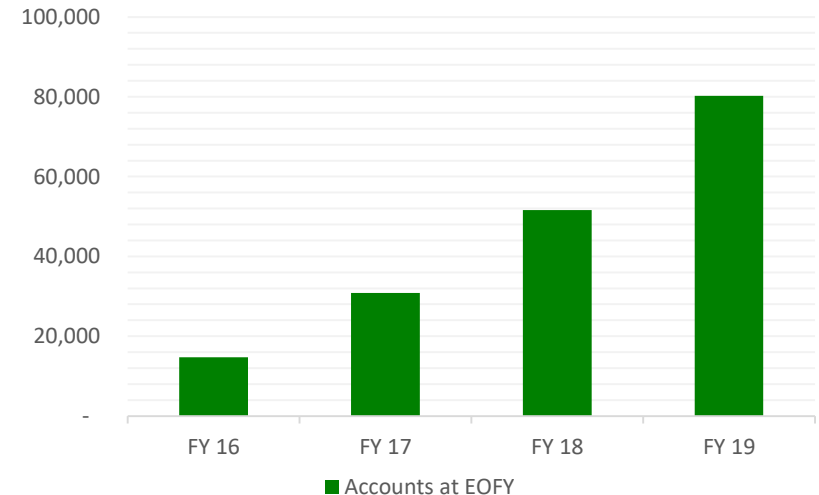
- Threat Protect currently monitors approximately 80,000 accounts through its national infrastructure
- Monitoring revenue is recurring in nature with an average annual organic growth rate of 3% after taking into account churn.
- Threat Protect is technology agnostic, capable of monitoring all forms of hardware



Recurring Contracted Revenue



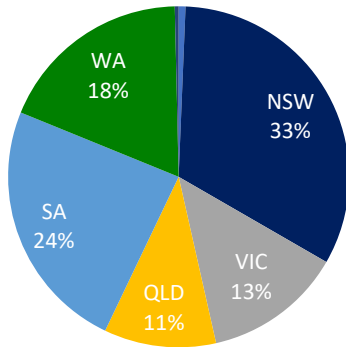
Growth in Accounts



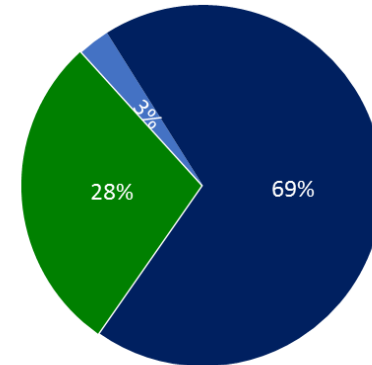
Customer Base

National and diversified across Australia

Accounts By Location

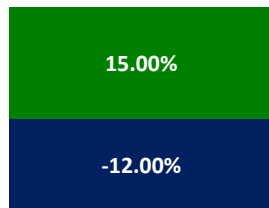


Direct Subscribers vs Wholesale Accounts



■ Retail ■ Duress ■ Wholesale

Organic Growth Outperforms Churn



■ Organic Growth ■ Churn

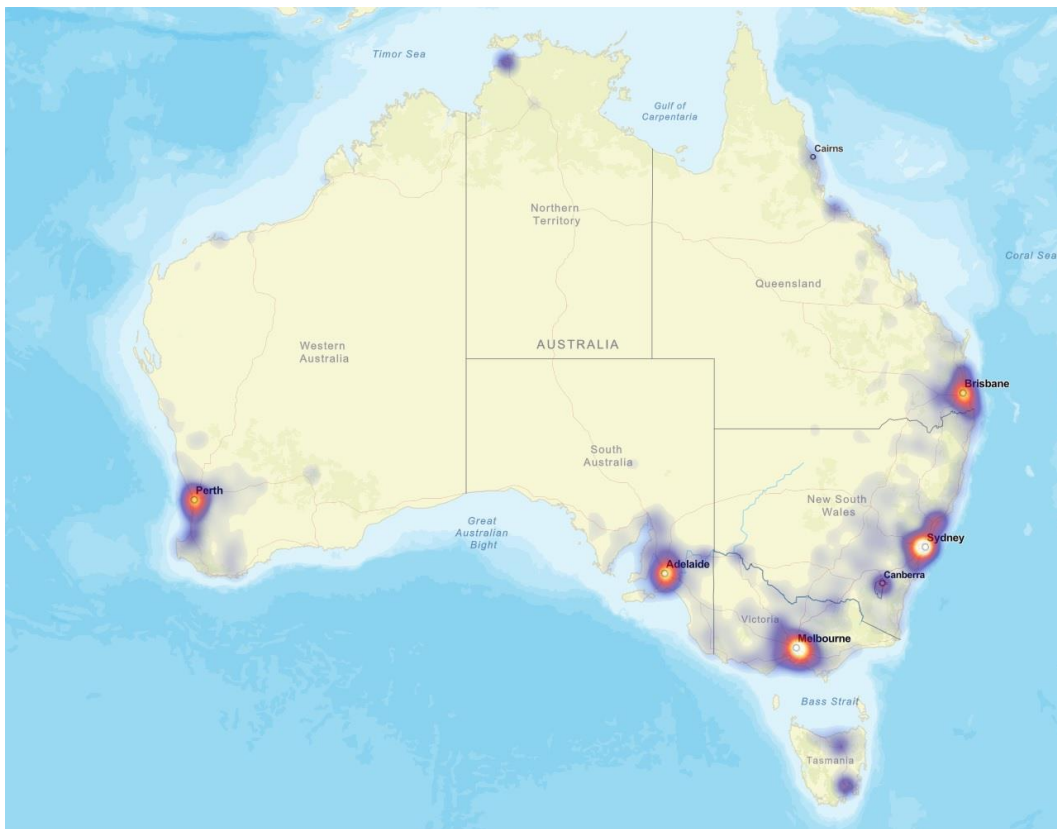
Resellers by State

State	# of Resellers
ACT	13
NSW	212
NT	7
QLD	64
SA	155
TAS	3
VIC	137
WA	208
New Zealand	1
Total	800

Current Footprint

Recent acquisition of Onwatch increased footprint, Melbourne Monitoring Centre closed, Double Bay is next.

Heatmap of Connections



Monitoring Centres



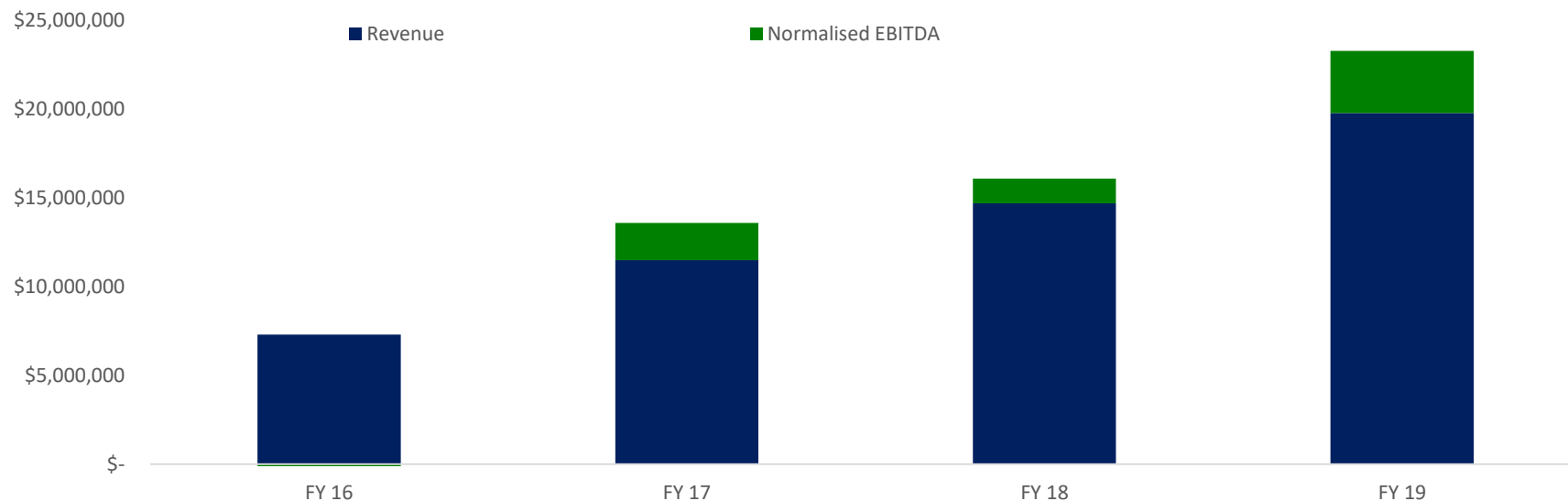
EP – East Perth; KG – Kingsgrove; PL – Port Lincoln; DB – Double Bay; AL – Alphington

(1) As at 31 October 2019.

Financial Overview

Forecast continued year on year growth with full year impact of Onwatch and several more current acquisitions

Financial Forecast – Growth, Earnings and Margin



\$A'000	FY16	FY17	FY18	FY19
Revenue	7,300	11,500	14,700	19,800
Normalised EBITDA	(500)	2,100	1,400	3,500
Normalised EBITDA %	-7%	18%	10%	18%

(1) FY19 EBITDA normalised against reported figure of \$2.8m for prior year adjustments of \$700k



THREAT PROTECT

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