



THREAT
PROTECT

Security without compromise

AGM 2018 Presentation

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

November 2018

Threat Protect Australia Limited ABN 36 060 774 227

www.threatprotect.com.au

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Company Overview

Key Information

- Threat Protect provides an integrated suite of security services to both enterprise and consumer markets

Capital Structure

Current Share Price (\$) as at [21-Nov-18]	\$ 0.18
Ordinary Shares (m)*	125.9
Market Capitalisation (\$m)	22.7
Net Debt*	(19.5)
Enterprise Value	42.2

Share Price & Trading Volume History



*Net Debt Calculated using September 2018 4C cash and borrowings, and includes convertible notes which may be converted at the election of the Convertible Note holder.

Capital Table

Top Shareholders

First Samuel Limited	12.6%
HSBC Nominees (Australia) Ltd	5.1%
Patner Pty Ltd	4.7%
Alison Elizabeth Howe	3.7%
Redun Pty Ltd	3.4%
Ms Christina Michael Michael	3.4%
Top 20 Shareholders	64.5%
Board and Management	8.5%

Board & Management

Derek La Ferla	<i>Non-Executive Chairman</i>
Demetrios Pynes	<i>Managing Director</i>
Paul Ferrara	<i>Executive Director, Operations</i>
Dimitri Bacopanos	<i>Non-Executive Director</i>
Simon Whybrow	<i>Company Secretary, Chief Commercial Officer</i>
Karen Haynes	<i>Chief Financial Officer</i>

Who are Threat Protect

Threat Protect offers a suite of complimentary security services to help protect people, property & enterprise



Security Monitoring

- ▶ Alarms, access control, CCTV
- ▶ Tracking and duress



Manpower Services

- ▶ Security officers
- ▶ Security advisors
- ▶ Close personal protection



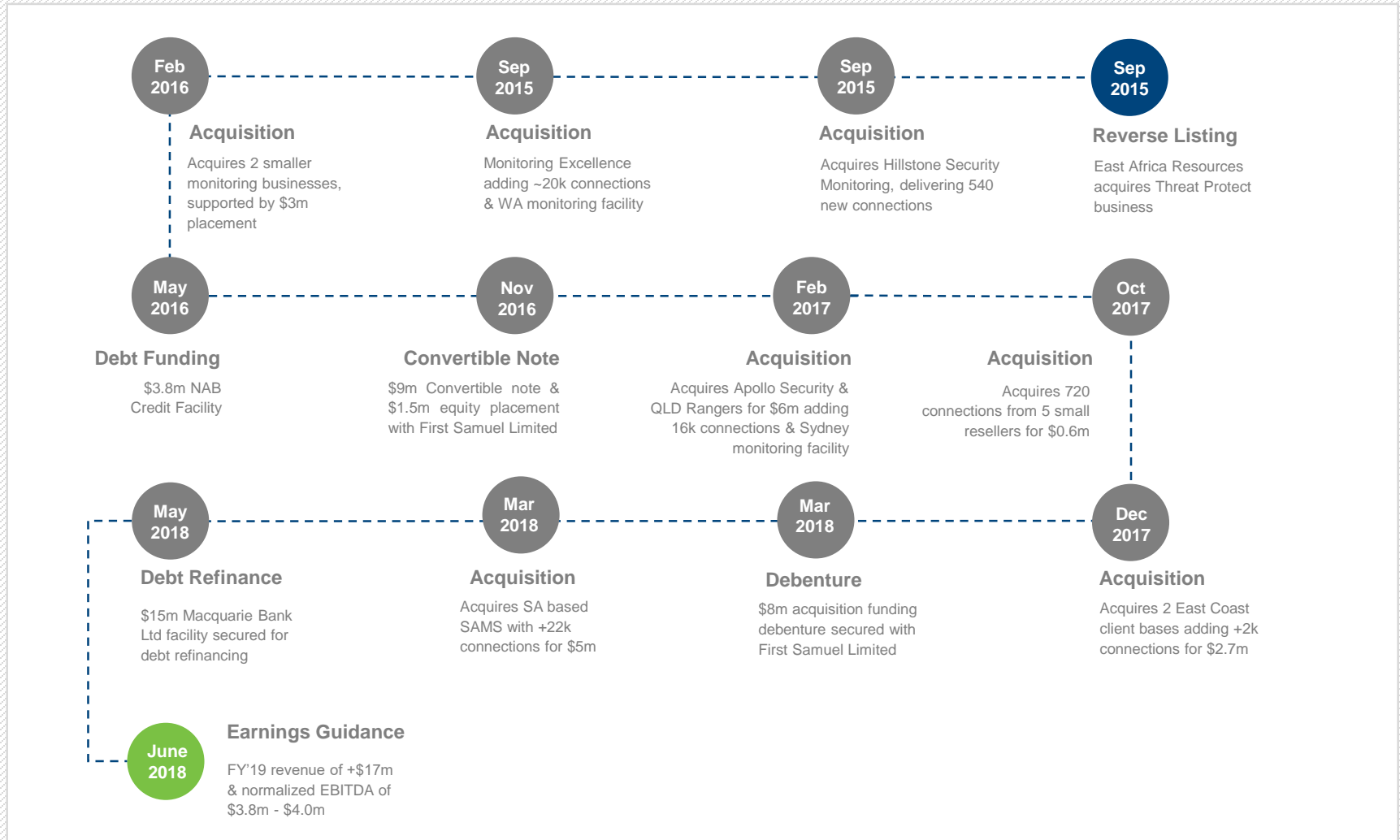
Risk Consultancy

- ▶ Threat assessments
- ▶ Counter surveillance
- ▶ Investigations

“The Threat Protect business is comprised of 3 divisions that interact to provide integrated security solutions to both residential and commercial customers, with the key driver of the business residing in the growth of the Security Monitoring Division, which is then supported by both the Manpower Services and Risk Consultancy Divisions.”

History and Growth Profile

Threat Protect has grown the business largely through inorganic growth, utilising a combination of debt & equity funding



Security Industry Overview

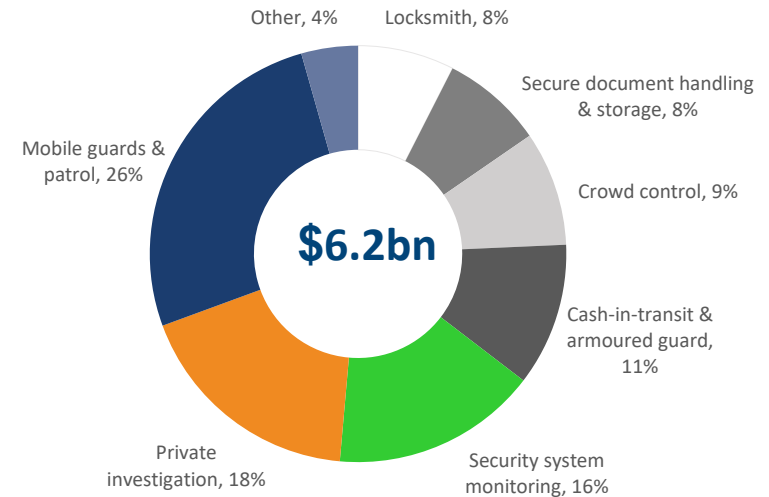
Australian Security Industry – a Large and Growing Market

- Annual industry revenue of \$6.2 billion
- Historic growth 2.5 – 3.0%⁽¹⁾; consistent and stable; expected to continue
- Threat Protect increasingly focused on the security monitoring sub-sector:
 - Higher-margin service; technology enabled; scalable offering
 - Highly fragmented providing significant consolidation opportunities

Drivers of Demand

- *Criminal activity* (actual or perceived increases in crime rates)
- *General insurance* (insurer requirements – residential and commercial)
- *Technological advances*
 - Electronic surveillance systems: increased efficiency - manned guard replaced by remote central control room
 - NBN and 5G networks: greater capacity / reach and affordability of remote monitoring services
- *Business growth* (installed security systems or security services)

Australian Security Industry – Annual Revenue (FY16)⁽¹⁾



Threat Protect addressable market

Security System Monitoring (16%)	\$992 million
Market Participants (businesses)	6,239

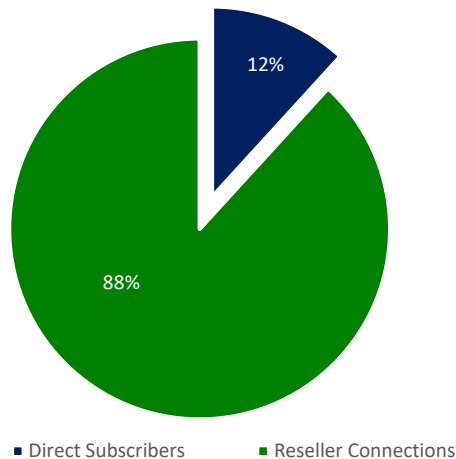
(1) Source: IBIS World Industry Reports: Security System Installation and Monitoring Australia Market Research Report (OD4061); and Investigation and Security Services - Australia (07712)

Threat Protect at a Glance

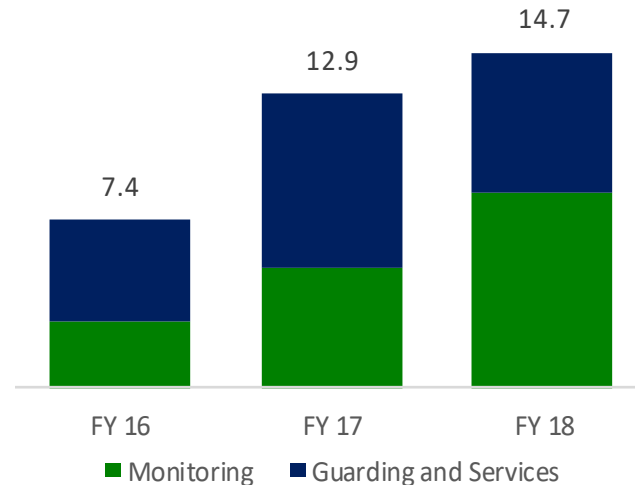


- Full service security business providing alarm monitoring, manpower and risk consultancy services.
- 3 Grade A1 monitoring centres in WA, NSW and SA servicing approximately 84,000 connections around Australia.
- Significant capacity to increase connection utilisation.
- Strategy of delivering growth through acquisition.
- Established in 2006 and listed on the ASX in September 2015.

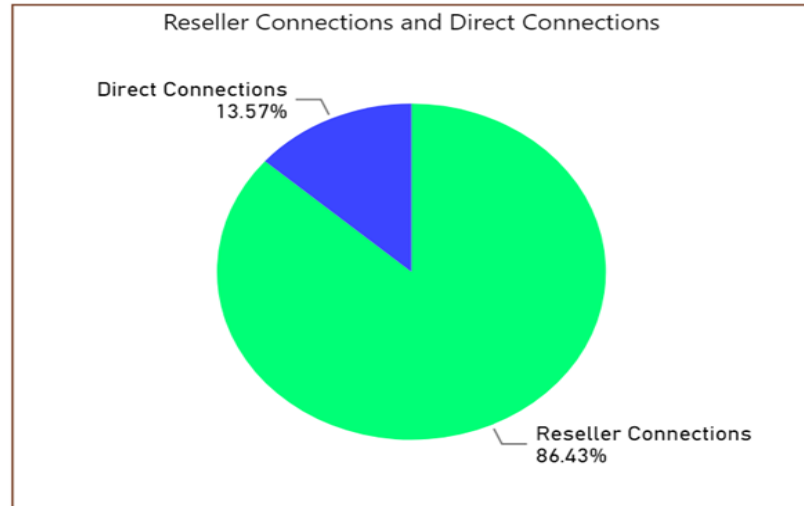
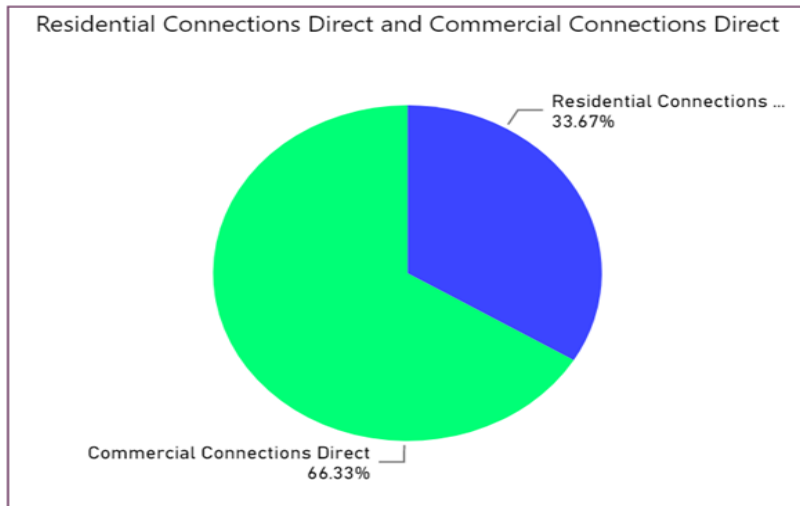
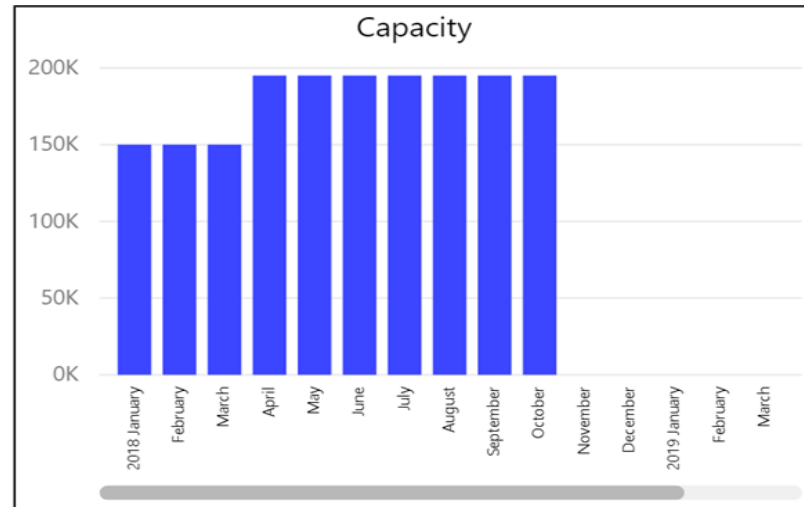
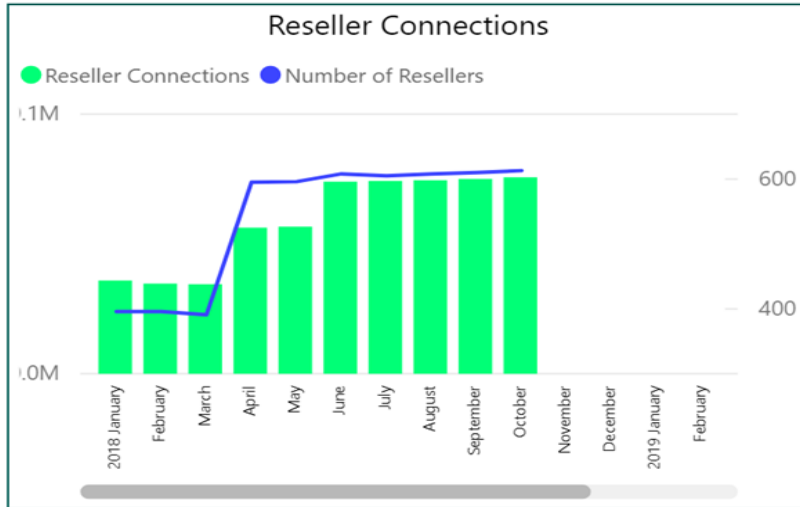
Connections



Revenue evolution (\$m)

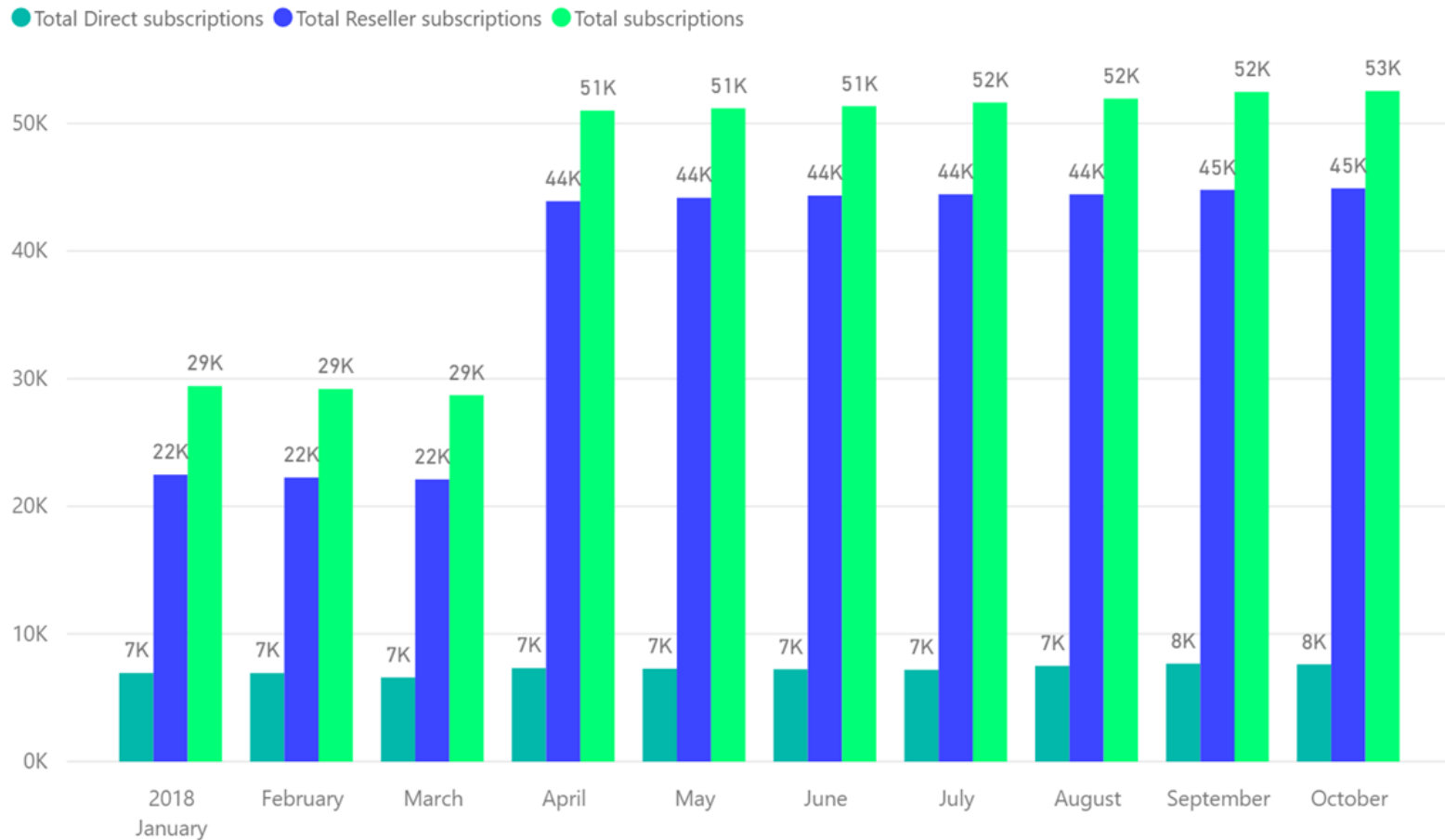


Threat Protect at a Glance



Threat Protect at a Glance

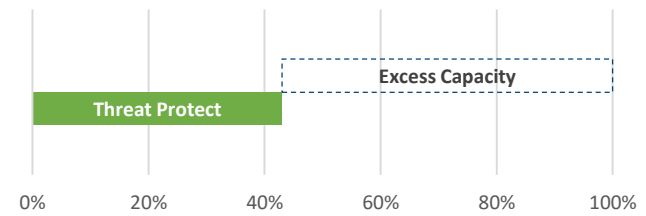
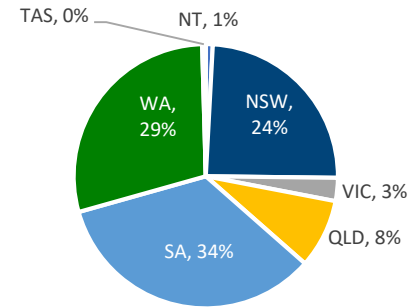
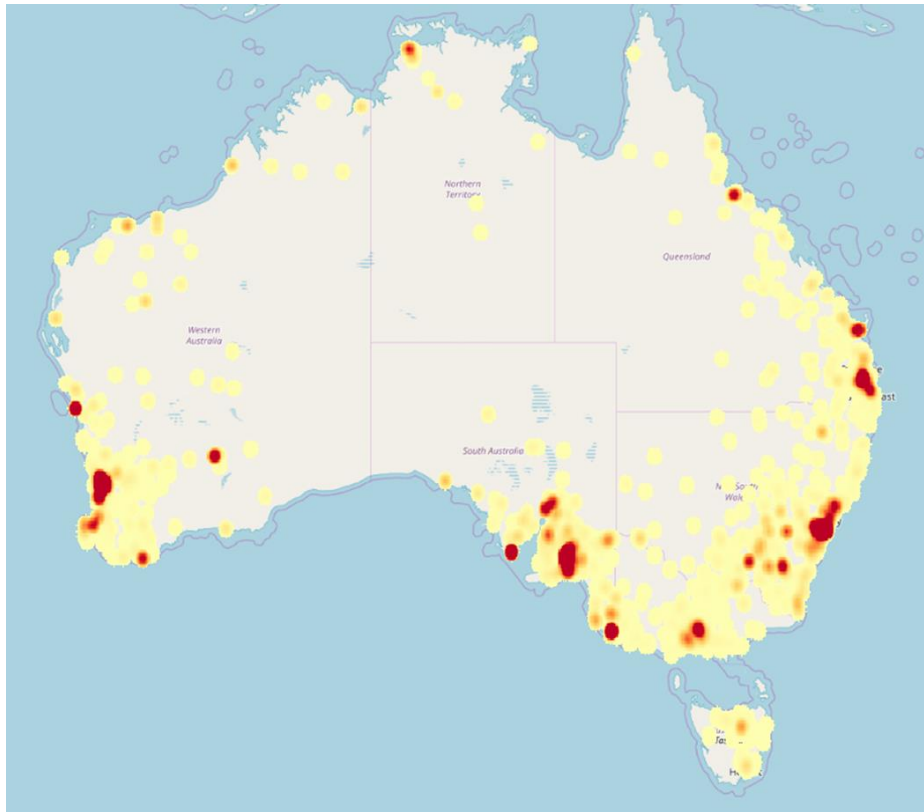
Subscriptions



Geographic Diversification

Increased presence into east coast of Australia; Increased capacity in 3 monitoring control rooms

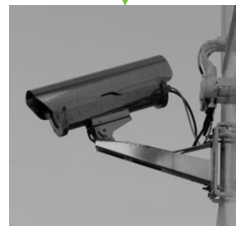
Customer Location – Heat Map



Security Monitoring

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

- Threat Protect currently monitors 84,000 connections across over 53,000 subscription accounts through its 3 monitoring facilities in Western Australia, New South Wales and South Australia.
- Aggregate capacity of 195,000 connections.
- Each facility is able to monitor connections anywhere in Australia .
- Connections can be monitored via fixed line or wireless (GPRS) connections.
- Threat Protect is technology agnostic, capable of monitoring all forms of hardware.
- The Australian monitoring industry is very fragmented and well positioned for consolidation.



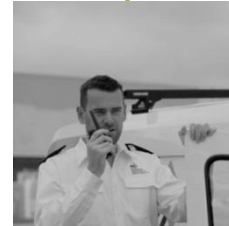
Monitoring Connections

84,000 Australia Wide



Monitoring Facilities

Perth, Sydney & Adelaide



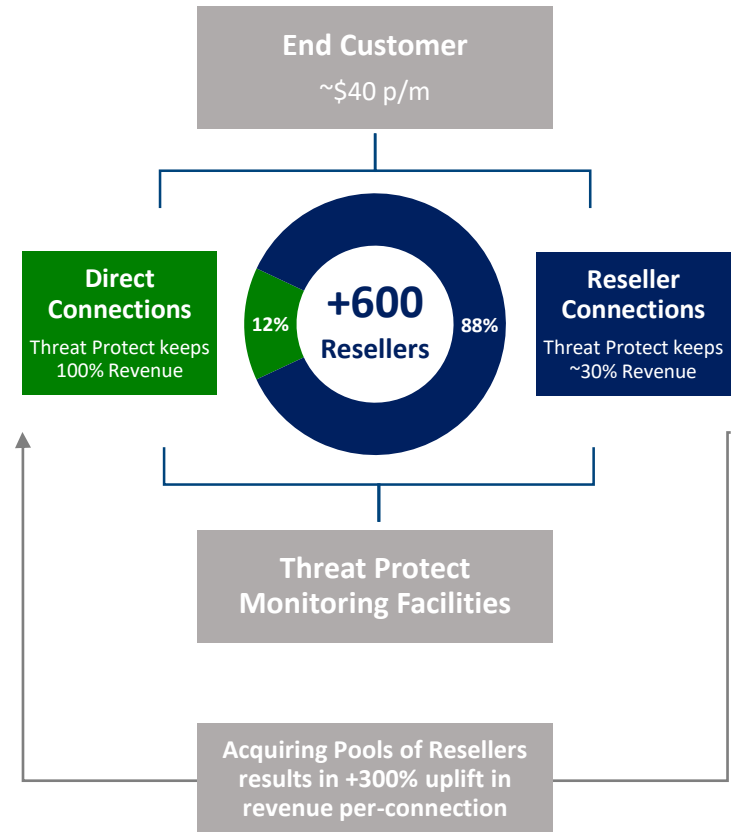
Alarm Callout Services

Largely Outsourced

Monitoring Revenue Model

Threat Protect's stated strategy of growth through consolidation of monitoring businesses

- Growth in connections to date has been driven by acquisition of both large independent security monitoring businesses and pools of connections managed by smaller resellers.
- Threat Protect has two forms of connection:
 - **Direct:** sold directly to the end customer and managed by Threat Protect
 - **Reseller:** sold to end customer by a reseller, who then uses Threat Protect monitoring facility to monitor the connection
- By acquiring these pools of customers managed by its network of over 600 resellers, Threat Protect can achieve a 300% uplift in revenue on each connection.
- Larger acquisitions provide:
 - Direct connections
 - Indirect connections
 - Additional Resellers
 - Monitoring facilities
- By shutting down surplus monitoring facilities Threat Protect is able to achieve substantial cost-synergies, transferring lines to its existing stations with excess capacity





safe@home

by Threat Protect

Threat Protect's monitored personal alarm for independent living



FY 18 Financial Overview Audited Financial Summary	30 June 2018 \$'000	30 June 2017 \$'000
Operating Revenue	14,692	11,478
<i>Monitoring Revenue</i>	8,567	5,239
<i>Guarding and Services Revenue</i>	6,125	6,239
Other Income	896	1,436
Total Reported Revenue	15,588	12,914
EBITDA	(712)	2,592
Profit Before Tax	(3,245)	1,692
NPAT	(3,245)	1,692

FY 18 Financial Overview ADJUSTED EBITDA	30 June 2018 \$'000	30 June 2017 \$'000
EBITDA	(712)	2,526
<i>Adjustments:</i>		
Impairment – Bad Debts	186	65
Impairment – Goodwill	642	
Share based payments	550	
Acquisition costs	1,647	716
Apollo debtor recovery		(666)
Other Income	(896)	(1,436)
Adjusted EBITDA	1,417	1,206

FY 18 Financial Overview NPATA	30 June 2018 \$'000	30 June 2017 \$'000
Total Income	15,588	12,914
Total Cost of Sales	(12,481)	(8,068)
Gross Contribution	3,107	4,846
Expenses	(3,819)	(2,320)
EBITDA	(712)	2,526
Depreciation	(250)	(161)
Amortisation	(1,611)	(747)
Finance Costs	(1,060)	(344)
Income tax benefit	388	417
Net Profit After Tax	(3,245)	1,692
NPATA	(1,634)	2,439



THREAT PROTECT

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