

# KONEKT

## 2018 Annual General Meeting

2 November 2018

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# Board of Directors

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**Doug Flynn**  
Konekt Chairman  
*BEng, MBA (Melb)*

Doug Flynn has held CEO roles and directorships in major companies in Australia and overseas including Aegis Group plc, Rentokil Initial plc and News Corporation. He currently holds the positions of chairman of APN Outdoor Limited and NEXTDC Limited.



**Tony Crawford**  
Non-executive Director  
*BA, LLB UNSW, AICD*

Tony Crawford is the Independent Chairman of accounting and advisory firm Grant Thornton Australia. He is also Chairman of Hospitals Benefits Fund of Australia Ltd and Heart Research Australia.



**Phillip Small**  
Non-executive Director  
*BEC (Syd), MSc (Lond), FCPA, GAICD*

Phillip Small is an experienced executive and has spent 10 years in the general insurance industry and is a member of the Australian & New Zealand Institute of Insurance and Finance.



**Damian Banks**  
Konekt CEO  
*BEC, MAICD*

Damian Banks has been Chief Executive Officer of Konekt Limited since April 2012. During his tenure at Konekt, Mr Banks has led the significant growth within the company both through acquisitions and from organic expansion.

# Chairmans Address

Mr Doug Flynn

# FY2018 Financial Highlights

## REPOSITIONING THE COMPANY THROUGH SCALE AND EXPANDED PRODUCT OFFERINGS

Underlying	Revenue	EBITDA	EPS	DPS
FY2018 <sup>(1)</sup>	\$88.9m	\$9.1m	6.13 cents	1.00 cents
FY2017 <sup>(2)</sup>	\$53.1m	\$5.8m	5.13 cents	0.75 cents
<b>Change</b>	<b>67% ▲</b>	<b>56% ▲</b>	<b>20% ▲</b>	<b>33%▲</b>

1) *Underlying FY2018: adds back one-off acquisition and integration related costs of \$3.1m and deducts \$0.2m of deferred consideration income in statutory results*

2) *Underlying FY2017: deducts write-back of \$0.4m of deferred consideration included in statutory results*

- ▶ Underlying Revenue \$88.9m, up 67% on pcp, Underlying EBITDA at \$9.1m, up 56% on pcp
- ▶ 9 Months of results from the acquired Mission Providence business
- ▶ Strong cashflows from operating activities of \$3.9m
- ▶ EPSA up 20% to 6.1cps, Dividend of 1cps, up 33%

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## 2018 – A Transformative Year

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- ▶ Completed acquisition of Mission Providence, a leading provider of employment placement services, through the Federal Governments *jobactive*, NEIS & DES programs
- ▶ Integration across the group is largely complete, rebranding across all business lines



- ▶ Co-location of Head Office, and commenced rationalising our national network of 120 offices to enhance the work environment, leverage scale and reduce our occupancy costs, and integration of centralised shared service functions

# Chief Executive Offices Address

Mr Damian Banks

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# FY2018 Operational Highlights – Konekt Employment

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## Konekt Employment

- ▶ Placement of 21,000+ job seekers per annum
- ▶ Star Ratings slipped, but focus on addressing and improving. Positive trajectory now
- ▶ Strong performance in NEIS program – almost 2,200 new commencements
- ▶ Consumer choice in provider – rebranding undertaken, in part, to strengthen our positioning with consumers
- ▶ New DES program was won during the year, and commenced in July 2018. Tracking well but not a significant contributor in FY2019

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# FY2018 Operational Highlights – Konekt Workcare, Training & Communicorp

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## Konekt Workcare, Training & Communicorp

- ▶ New “On Base” operating model for ADF implemented, delivering improved efficiency for our client
- ▶ Reduced referral volumes from MHS/ADF, softness in workers compensation markets (NSW/SA)
- ▶ Organic revenue grew by 7.2%, excluding MHS/ADF and icare, led by:
  - ▶ Pre-Employment screening,
  - ▶ Mental Health & well-being
- ▶ Stronger Same Employer and New Employer RTW rates



# Ordinary Business

Mr Doug Flynn

**KONEKT**

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## Item 1: Financial Statements and Reports

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- ▶ *“To receive and consider the Annual Report of the Company for the year ended 30 June 2018 which includes the Annual Financial Statements of the Company, the Directors’ Report, and the Auditor’s Report.”*
- ▶ Discussion and/or Questions
- ▶ There is no vote on this item

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## Resolution 1: Remuneration Report

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- ▶ *“That for the purposes of section 250R(2) of the Corporations Act the Company adopts the Remuneration Report for the year ended 30 June 2018 as contained in the Annual Report of the Company for the year ended 30 June 2018.”*
  
- ▶ Discussion

For	Against	Abstain	Discretionary
30,482,348	247,836	10,000	2,104,900

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## Resolution 2: Re-election of Director – Mr P Small

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- ▶ *“That Mr Philip Small, who retires by rotation in accordance with clause 6.1 of the Constitution of the Company, be re-elected as a Director of the Company.”*
  
- ▶ Discussion

For	Against	Abstain	Discretionary
52,565,984	36,294	2,172	2,104,900

# Special Business

Mr Doug Flynn

**KONEKT**

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## Resolution 3: Issue of Performance Rights under the Konekt Performance Rights and Options Plan to the Chief Executive Officer

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- ▶ *“For the purpose of ASX Listing Rule 10.14 and for all other purposes, that the Directors be permitted to issue up to 129,346 Performance Rights under the Konekt Performance Rights and Options Plan to the Chief Executive Officer, Mr Damian Banks.”*
  
- ▶ Discussion

For	Against	Abstain	Discretionary
29,716,734	1,010,942	12,508	2,104,900

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## Resolution 4: Approval of additional placement capacity under ASX Listing Rule 7.1A

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- ▶ *“That for the purpose of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*
  
- ▶ Discussion

For	Against	Abstain	Discretionary
50,745,181	1,854,369	5,000	2,104,900

## Resolution 5: Approval to extend the Share Buy-Back

- ▶ *“That for the purposes of section 257C of the Corporations Act and for all other purposes, approval is given for the Company to conduct an on-market buy-back of Shares in the Company in the 12 month period following the approval of this resolution provided that the number of Shares bought back does not exceed 19,697,363 (being 20% of the lowest number of Shares on issue in the 12 months prior to 27 September 2018) less any Shares bought back between that date and the date of this meeting, in accordance with the terms and on the basis described in the Explanatory Statement.”*

- ▶ Discussion

For	Against	Abstain	Discretionary
52,596,942	5,336	2,172	2,104,900



Thank You

**KONEKT**