

EMERSON STEWART GROUP

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diversified,
results orientated,
solutions focus.

investor presentation

march 2010

- » launched December 2005
- » ASX Listing June 2008
- » acquired Whelans February 2010
- » 160 people across 6 strategically located offices, March 2010
- » **future ready**

www.emersonstewart.com

ASX: ESW



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introduction

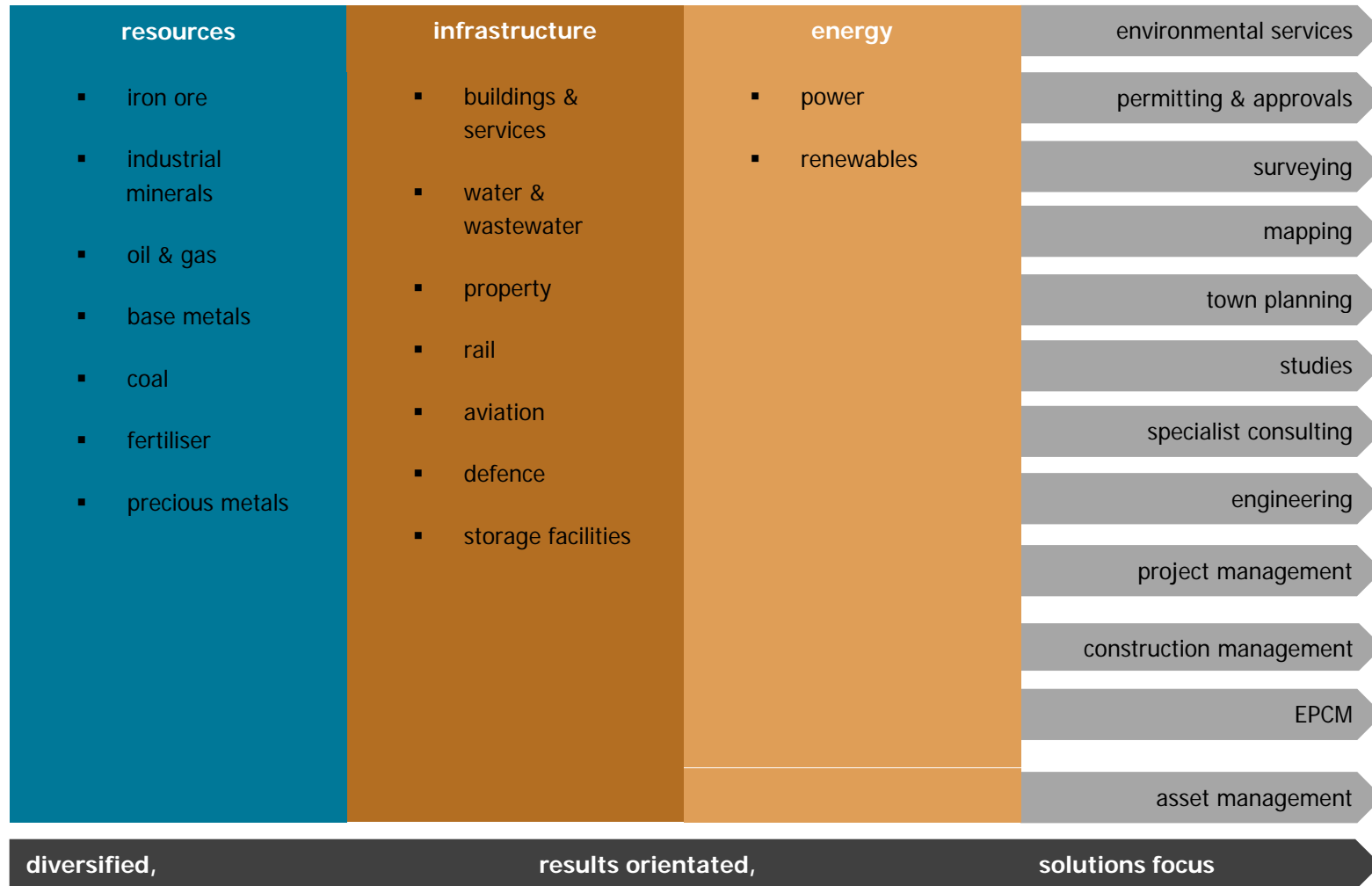
- ✓ launched December 2005 with defined strategic agenda, initially, as an engineering and project management business providing services to diverse market sectors (resources, infrastructure and energy)
- ✓ listed on the ASX in June 2008. Principal objective for listing was to enable growth via acquisitive means
- ✓ despite the economic challenges following listing the business managed to deliver close to prospectus
- ✓ FY09 revenue \$12.9m, H1FY10 flat revenue due to market conditions
- ✓ February 2010 completed acquisition of Whelans, an established and progressive surveying, mapping and town planning business with 110 people across 5 offices (Perth, Karratha, Kununarra, Kalgoorlie and Broome) (cash/ script deal)
- ✓ acquisition projected to add approx \$17m per annum
- ✓ Whelans operates in an industry area called spatial sciences which is about the application of technology and scientific principles to measure, analyse and manage data about the Earth's physical shape and the built form that it supports
- ✓ operating through strong subsidiaries



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what we do



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year to date

strategy

- ✓ created environmental business line in October 2009
- ✓ reinvigorated the mining + industry capability adapting to the changed market conditions
- ✓ continued to build the urban development capability, a business with a dependable and recurring revenue stream
- ✓ continuing with an active M&A campaign which culminated in the acquisition of Whelans (WA) Pty Ltd in February 2010, strong performance record and long history. Repeat clients and strong brand
- ✓ continuing to invest in the development of robust systems to enable growth

people

- ✓ strengthening the leadership team by strategic appointment of GM's to head environmental + utilities and mining + industry business lines respectively
- ✓ created employee share plan to assist in aligning group goals with remuneration
- ✓ key executives on multiyear executive service agreements
- ✓ approximately 160 people across 6 strategically located offices
- ✓ experienced board and executives, all with significant track records

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financial

- ✓ maiden dividend for FY09 paid in October 2009
- ✓ H1FY10 result effected by ongoing project deferrals in the mining and resources sector and legal, accounting and corporate advisory costs incurred by the company to deliver on its acquisition strategy plus the continuing investment in management and related systems
- ✓ Whelans acquisition projected to be EPS accretive and to add approx \$17m of annual revenue
- ✓ balance sheet: debt/ equity = 16% (excluding HP items = 5%)
- ✓ net assets \$13m
- cash = \$2.5m
- ✓ total shares: 129.4m, market capitalisation approx \$14m
- ✓ franking credits = \$ 3.1m
- ✓ strengthening order book with extended run off

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outlook

- ✓ executive confident of a stronger FY11
- ✓ integration with Whelans off to a flying start. Will be run as a subsidiary of ESW retaining strong brand and leadership
- ✓ cost saving potential in the integration of business infrastructure and the adoption of a common systems platform
- ✓ resources market sector showing signs of improvement. Levels on enquiry increased during Q3. Well positioned with strong leadership
- ✓ opportunities for growth by targeted acquisition
- ✓ opportunity to leverage organic growth from strategic spread of WA regional offices in Karratha, Kalgoorlie, Broome and Kununurra
- ✓ excellent client spread, recurring revenue streams [historical Group recurring income approx 65%]
- ✓ building on bluechip client base
- ✓ more diversified earnings base

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