



Tempo Australia Limited Annual General Meeting May 2017

*Building the foundations for tomorrow by
delivering on our strategic plan*



2016 OVERVIEW

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- Our sector continues to be highly competitive and we are fortunate that the strong **operational and financial performance** in 2016 has helped create a solid foundation for the future.
- This has allowed Tempo to focus on:
 - **developing tools and systems** that will increasingly differentiate us;
 - **differentiating** by moving into adjacent industry;
 - **up-skilling** management; and
 - strengthening **relationships** with existing and future clients and partners.
- Our **key achievements** for 2016 are linked to our five strategic goals.

Capital Structure	
ASX code	TPP
Shares on issue	241m
Options on issue	12m
Market capitalisation	A\$43m *
Cash in hand	\$26m**

Shareholders	
Board and Management	~36%
Top 20 Shareholders	62%

* as at 5 May 2017

** as at 31 Dec 2017

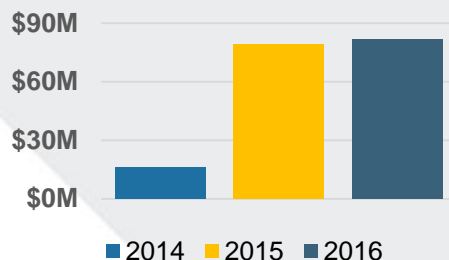
Strategic Goal 1: CREATE SHAREHOLDER VALUE

- **Revenues** for FY16 of \$81.4m.
- **EBITDA** of \$6.4m - a ~40 percent increase on FY15.
- **NPAT** of \$5.5m - a slight decrease primarily due to prior year results benefiting from a large amount of unrecognised tax assets.
- **TSR** growth over the last two fiscal years of 350%, and a growth of 87.5% for FY16.
- **Net asset value** of \$30.5m, with closing cash balance of \$25.7m;
 - This, combined with a \$10 million working capital facility, and \$16.5 million of bank guarantee and surety bonding capability which remains fully undrawn, will help fund future organic or acquisitive growth.

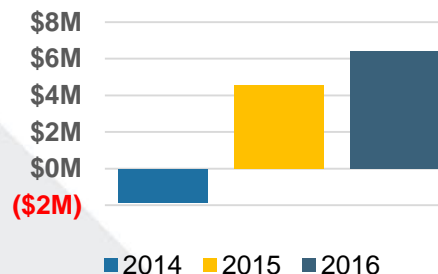
Tempo share price rebased since 1 Jan 2015 vs ASX 300



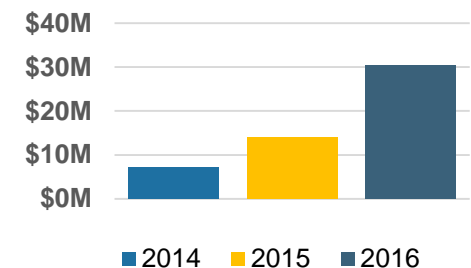
Revenue



EBITDA



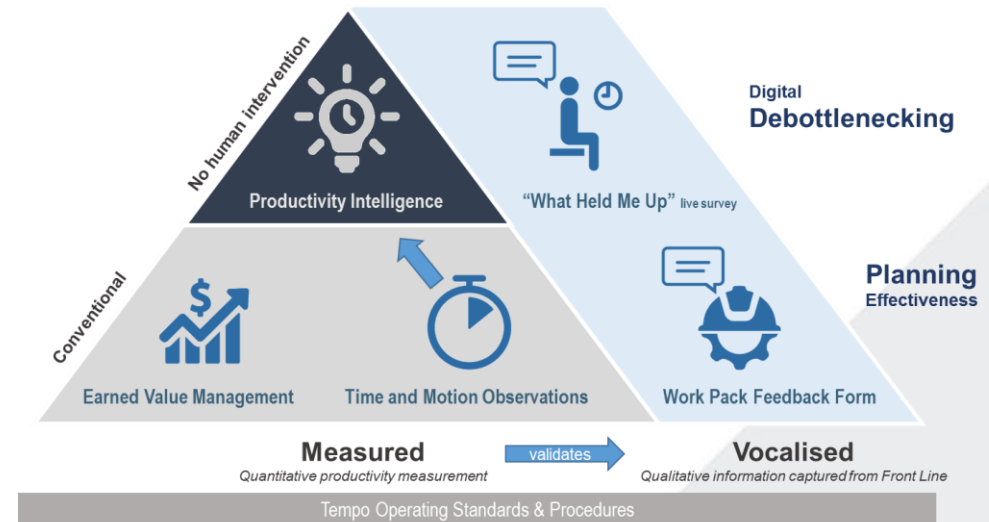
Net Assets



Strategic Goal 2: ENHANCE COMPETITIVE ADVANTAGE

Productivity focus

- Over 12 months of learnings, **research, trials and technology** design and development.
- We've addressed **challenges with traditional Earned Value Management** and Project Controls.
- Our solution is a **proprietary system** using multiple technologies designed to identify productivity issues and get the best out of our teams of skilled and motivated employees.
- Continuously engaging, developing and **upskilling our human capital**, whilst retaining a lean structure.



Technology

Productivity enabled by Tempo technology and tools



Behaviour

Productivity enabled by Tempo behaviours and shared with everyone at site

Strategic Goal 3: MANAGE RISK

- We continued to build on our **risk management** foundations.
- We obtained third party management system **certification** for quality, environmental, occupational health and safety.
- The acquisition of **Cablelogic** allowed Tempo to diversify in the industrial and commercial sector and, at the same time, obtain further electrical, data and telecom specialisation within the resources sector.
- We have also identified a number of additional strategic **acquisition opportunities** aimed at:
 - enhancing Tempo's footprint, enabling to establish a stronger national presence;
 - reducing, especially over the short term, dependency from lumpy resources based construction work, and the exposure to any deferral in the resources maintenance activity; and
 - establishing Tempo as a specialised national maintenance service provider.



Strategic Goal 4: WORK WITH THE RIGHT CLIENTS AND PARTNERS



Miscellaneous LNG Plant Works

Clients: Chevron & Downer



Barrow Island Construction

Clients: Chevron & CKJV



Ore Car Repair Workshop

Client: BHP Billiton & Caliber



KLE Electrical Support Work

Clients: Woodside



Santos Maintenance

Clients: Santos



Wheatstone Offshore Platform

Client: Chevron & BAE Systems

WORK WITH THE RIGHT CLIENTS AND PARTNERS (cont.)



Red Cross, Stage 1 - 4
Client: Cockram Construction



Mandurah Aquatic Centre
Client: Perkins



Perth Airport T1 & T2
Client: CAM and Vodafone



National Rollout Huawei
Client: Huawei



Lend Lease
Client: Lendlease



RWWA
Client: Racing and Wagering WA

Strategic Goal 5: ENSURE A SUSTAINABLE FUTURE

- **By driving safety “leading” indicators and behaviours**, Tempo retained its strong safety performance.
- Mobilised over **850 front line workers** to various sites across Australia.
- A **partner of choice** for large service contractors – through JVs with large multinational organizations, we have broadened the pool of opportunities available and increased our differentiation.
- Willingness to **wait for the "right" job or client**, instead of accepting work that is too risky - playing the long game not the short game at the potential expense of short term revenue.
- Secured a number of new **Master Service Agreements** (in addition to those existing with Santos and for work at the Chevron operated Gorgon project) including:
 - **Clough** for general fibre optic splicing and testing on the Inpex Ichthys project;
 - international telecommunications provider, **Huawei** for DAS mobile systems installations for Optus across a wide range of commercial and industrial sites;
 - **Lend Lease** for various electrical and communications services for infrastructure, roads and tunnels, commercial buildings and other client assets in WA;
 - **Ansaldo** for Rio Tinto Auto Hall to carry out communication for rail automation systems;
 - **Downer** for general support work on the Gorgon Project; and
 - general electrical support work on the **Chevron** operated Wheatstone offshore platform.

MARKET CONDITIONS

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- Approximately \$900 million of named pipeline of opportunities currently identified for 2017.
- Available market revenue in commercial and industrial electrical maintenance and construction ca.\$ 9B pa (approx. 2% annual growth).
- Available market revenue in resources maintenance and construction ca.\$8B by 2020 (O&G, M&M, and import terminals tanks).
- While we believe that the resources sector will continue to offer significant opportunities over the medium term, we have noted a tendency from our resources clients to defer a portion of spending – a trend that has continued into the first half of 2017 and could continue in the short term.
- We expect revenues associated with the industrial and commercial projects to grow in the second half following a slower then expected ramp up in the first half, primarily associated with the transition through receivership of Cablelogic.



CONCLUSION

Our commitment is to:

- foster and **develop lasting relationships** with our clients and partners;
- maintain a values driven culture, flat management structure, experienced leadership team and Board composition, and **employ likeminded people**;
- relentlessly invest time and effort in developing and **refining our management system**, and our core productivity tools;
- set up processes and systems that give a true **voice to our frontline workforce**, driving continuous improvement and site safety;
- be a **specialist multidisciplinary maintenance and construction provider**, and, where possible, diversifying into other adjacent industries whilst maintaining to our core offerings;
- maintain a **selective tendering** approach with a focus on blue chip clients; and
- maintain a priority commitment to robust and focused cash management.

“The aim is to remain healthy (visa a vis cash and balance sheet) and continue with the hard work done by all in the last year. This will set the foundations necessary to create a sustainable and innovative business which we can all be proud of being part of – as employees and investors.”

– Max Bergomi, CEO

THANK YOU

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