



**DWS Limited**  
**ACN 085 656 088**

Manager Companies  
Company Announcements Office  
Australian Securities Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

17 November 2017

Dear Sir/Madam

**AGM Address to Shareholders**

Please find attached the DWS Limited Annual General Meeting (AGM) Address to Shareholders for 2017, incorporating the Non-Executive Chairman and Managing Director's address to shareholders that will be delivered at the Company's AGM in Melbourne this morning.

Yours sincerely

Stuart Whipp  
Company Secretary  
DWS Limited

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**DWS Limited**

**Chairman and Managing Director's proceedings of Annual General Meeting of the Shareholders to be held at the offices of Grant Thornton Australia, Collins Square, Level 6, Tower Two Business Centre, 727 Collins Street, Melbourne, Vic, 3000 at 11.00am Australian Eastern Daylight Time (AEDT) on Thursday 16<sup>th</sup> November 2017.**

**1. Introduction by Non-Executive Chairman**

Good morning ladies and gentlemen. My name is Martin Ralston and I am the Non-Executive Chairman of DWS Limited.

**2. Declaration of quorum and opening of meeting**

The Secretary has advised that a quorum is present. I therefore declare the meeting open and have pleasure in welcoming you to this Annual General Meeting of DWS Limited ("DWS" or "the Company").

**3. Introduction of Directors and Company Secretary**

My first duty is to introduce the Directors and Company Secretary.

Directors:  
Gary Ebeyan;  
Hayden Kelly;  
Selina Lightfoot;  
Jodie Moule;  
Danny Wallis, who is Managing Director and CEO of DWS; and  
DWS Company Secretary and CFO, Stuart Whipp.

Unfortunately, our remaining Director, Ken Barry, is unable to join us today.

**4. Apologies**

There are no apologies other than Mr Ken Barry.

**5. Notice of Meeting**

As the Notice of Meeting has been circulated to all shareholders, I propose that the notice convening the meeting be taken as read.

I will now hand over to Danny Wallis, our Managing Director and CEO who will address the meeting.

## **6. Managing Director's address to shareholders**

Good morning everyone.

### **6.1 Operating environment and financial performance for 2017**

The 2017 financial year (FY17) was another successful year for the DWS Group. Although revenue of \$137.4 million was lower than in FY16, EBITDA grew by 4.6% with underlying EBITDA of \$26.99 million and reported EBITDA of \$26.24 million. This gave rise to Earnings Per Share ("EPS") of 13.2 cents for the year ended 30 June 2017 compared to 12.7 cents per share for the year ended 30 June 2016.

DWS has maintained its strong balance sheet with net assets of \$69.4 million as at 30 June 2017. Bank debt was \$24.0 million at 30 June 2016 and was reduced by \$9.0 million to \$15.0 million by 30 June 2017. This has been further reduced by \$1.0 million to \$14.0 million post year end taking the overall reduction in bank debt since 30 June 2016 to \$10.0 million. As at 30 June 2017, DWS had net debt of \$4.1 million compared to net debt of \$13.8 million as at 30 June 2016.

DWS generated strong operating cash flow during 2017 resulting in a cash balance of \$10.9 million at 30 June 2017 slightly up on the 30 June 2016 balance of \$10.2 million. This has enabled the Board to declare a final fully franked dividend of 5.0 cents per share giving total fully franked dividends of 10.0 cents per share for the year ended 30 June 2017. Subject to trading conditions and any potential acquisitions or other appropriate investments that may occur, it is the Board's current intention to maintain dividends around current levels and to continue to pay down bank debt with excess cash over and above that required to pay dividends.

DWS experienced strong demand in all States that we operate in although billable headcount fell during the year to finish with approximately 600 billable staff at year end. Despite the fall in contractor numbers, DWS managed contractor numbers to maintain productivity and match client demand. We are actively looking to rebuild our billable headcount which has stabilised since year end and we are aiming to increase numbers as the 2018 year progresses.

In 2017, Symplicit continued to be highly sought after for its customer led innovation and digital design services. DWS is well placed to be the partner of choice for Australian based businesses looking to take advantage of customer led innovation and digital IT strategies. As such, DWS will continue to focus on cross-selling Symplicit's services as well as the increased range of services offered by the DWS Group as a whole.

Demand for IT services is dependent on each industry sector but is expected to remain similar to FY17 overall. As highlighted at last year's AGM, a reduction in the number of IT consultants entering the workforce and a focus on costs by clients is expected to continue to put pressure on margins on traditional IT services work. However, growth in DWS's digital offering and outcome based projects is expected to offset pressure on margins.

## **6.2 Acquisitions**

As most of you will know, a large part of FY17 was focused on the potential acquisition of the SMS Management and Technology Group. After careful consideration as to the opportunities of a merged DWS and SMS and the potential risks of such a transaction, the DWS Board determined not to proceed with the acquisition of SMS.

During FY 2018, DWS will continue to look for suitable acquisitions to obtain services that strengthen or enhance our current offerings and to ensure that our clients continue to be supported by the DWS Group and do not require other service providers. As with the potential acquisition of SMS, DWS's aim is to only pursue earnings accretive acquisitions and we will continue to apply strong financial discipline when considering potential acquisitions and whether or not to proceed with them.

## **6.3 Operational priorities**

In 2018, the DWS Executive will focus on growth utilising a strategy of breadth and depth to increase the amount of work undertaken for each client and the number of clients the DWS Group supports. In particular, we will aim to increase our work with Federal Government and to increase our work on digital projects across all industries whilst at the same time maintaining our relationships with existing clients.

As part of our growth strategy, we will aim to actively recruit to grow our billable headcount throughout the financial year and focus on achieving an optimal mix of permanent and contracting staff to ensure we can match the needs of our clients whilst at the same time managing utilisation of staff and ensuring margins are maximised.

To conclude, DWS will continue to offer both permanent and contractor staff to our clients providing services in a timely manner and maintaining our industry leading margins. We will focus on increasing work with Federal Government and increasing the digital services provided to existing and new clients as well as maintaining our presence in the more traditional IT services we are well known for. Subject to trading conditions and any potential acquisitions or other appropriate investments, we will use DWS's strong cash flow generation to continue to pay down bank debt and to maintain dividends around current levels.

I will now hand back to Martin Ralston.

## **7. Ordinary Business**

### **7.1 Financial statements**

The first item today is to receive and consider the financial statements, the Directors' Report and the Auditor's Report for DWS Limited for the year ended 30 June 2017.

The financial statements were subject to audit by Grant Thornton who gave an unqualified audit opinion.

The financial statements are required to be audited and lodged prior to the Annual General Meeting and therefore there is no formal resolution required to be put to the meeting. I will however take questions on the financial statements and any other aspects of the business you may want to discuss. The auditors Grant Thornton are represented here today by Mr Derek Ng, who is available to answer any questions. Questions will only be taken from persons entitled to vote at this meeting.

Are there any questions from the floor regarding the financial statements, the Directors' Report or the Auditor's Report?

I now declare the financial statements, the Directors' Report and the Auditor's Report as duly received and considered.

## **7.2 Ordinary Resolutions**

Ladies and gentleman, we have **four** ordinary resolutions to deal with today:

The **first ordinary resolution** is the adoption of the Remuneration Report that is included as part of the Directors' Report in the financial statements. This is a non-binding resolution.

The Remuneration Report, which explains the Board's policies in relation to the nature and level of remuneration paid to Directors and Specified Executives of the Company, forms part of the Directors' Report included in the Annual Report for the financial year ended 30 June 2017 which has been sent to Shareholders.

Shareholders should note that, as specified by section 250R of the Corporations Act, the vote on Resolution 1 is advisory only and is not binding on the Board or the Company.

Shareholders should also note that pursuant to the Corporations Act a vote must not be cast (in any capacity) on this resolution by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report or their closely related parties.

However, a vote may be cast by such a person if:

- The vote is cast as a proxy;
- The appointment is in writing and directs the proxy how to vote in respect of this resolution; and
- The vote is not cast on behalf of a KMP or a closely related party of a member of the key management personnel.

As confirmed in the Notice of Meeting, as Chairman of this meeting, I will not be voting undirected proxies in favour of this resolution.

The **second and third ordinary resolutions** are for the re-election of myself, and Mr Ken Barry as a Director of DWS Limited. In accordance with the Company's Constitution, both Ken and I are required to retire by rotation and seek re-election. A brief summary of our experience and qualifications was incorporated into both the Notice of Meeting, and the Company's Annual Report.

The **fourth ordinary resolutions** is for the election of Ms Selina Lightfoot as a Director. Ms Selina Lightfoot was appointed to the Board of DWS Limited by the other Directors and in accordance with DWS Limited's constitution Ms Selina Lightfoot offers herself for election at today's Annual General Meeting.

A brief summary of Selina Lightfoot's experience and qualifications was incorporated into both the Notice of Meeting, and the Company's Annual Report.

## 8. Voting procedures

Ladies and gentlemen, I would first like to remind you of the voting procedures to be followed where the vote is to be decided by a show of hands.

The cards being used today, one of which you would have received at the registration desk, are:

GREEN	held by Shareholders eligible to vote today;
YELLOW	held by Non-Voting Shareholders (those who have already submitted a proxy form prior to the meeting); and
WHITE	Visitors.

Before the motion is put to the vote there will be an opportunity for shareholders to ask questions. Kindly ensure that only questions relating to the relevant resolution are asked.

Questions will only be taken from persons who are entitled to vote at this meeting.

If you wish to ask a question or make a comment I ask that you stand and state your name and show your green or yellow card before proceeding with the question.

I remind you that visitors are not permitted to vote or ask questions.

When a vote is called for would all voting shareholders and proxies raise the appropriate voting card to indicate whether they are voting for or against the motion.

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## Ordinary Business

### Resolution 1: Remuneration Report (Non-binding Resolution)

I move the following ordinary resolution:

*'That the Remuneration Report forming part of the Directors' Report for the year ended 30 June 2017 be adopted.'*

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 12,771,045 proxy votes in favour of the resolution, 1,479,445 against the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

Ladies and gentlemen, as the next agenda item involves the re-election of myself as a Director of the Company, I will now hand the Chair over to Mr Gary Ebeyan.

### Resolution 2: Re-election of Mr Martin Ralston

As a member of the Board, Mr Martin Ralston is required to retire by rotation. Mr Ralston is eligible and has offered himself for re-election.

I move the following ordinary resolution:

*'That Mr Martin Ralston, who retires as a Director pursuant to clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company.'*

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 14,184,435 proxy votes in favour of the resolution, 203,029 against the resolution and 1,096,007 open votes to be cast by the Directors as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

Ladies and gentlemen, I will now hand you back to Mr Martin Ralston.

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**Resolution 3: Election of Mr Ken Barry**

As a member of the Board, Mr Ken Barry is required to retire by rotation. Mr Barry is eligible and has offered himself for re-election.

I move the following ordinary resolution:

*'That Mr Ken Barry, who retires as a Director pursuant to clause 15.3 of the Company's Constitution, be re-elected as a Director of the Company.'*

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 11,218,645 proxy votes in favour of the resolution, 3,094,336 against the resolution and 1,086,007 open votes to be cast by the Directors as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.

**Resolution 4: Election of Ms Selina Lightfoot**

Clause 15.1 of the Company's Constitution provides that a Director appointed by the other Directors holds office until the end of the next following general meeting and is eligible for election at that meeting. Ms Selina Lightfoot was appointed to the Board by the other Directors on 19 December 2016, and in accordance with the Constitution seeks election at this meeting.

I move the following ordinary resolution:

*'That Ms Selina Lightfoot, who retires as a Director pursuant to clause 15.1 of the Company's Constitution, be elected as a Director of the Company.'*

Is there a seconder to this resolution?

Are there any questions from the floor on this resolution?

I advise that the Company has received 14,209,586 proxy votes in favour of the resolution, 211,530 against the resolution and 1,082,107 open votes to be cast by the Directors as proxies and which will be cast in favour of the resolution.

I put the matter to the vote. Those in favour? Those against?

I declare the resolution passed / not passed.



**10. Conclusion**

Ladies and Gentlemen, that concludes the business of the meeting. Thank you for your participation and if there are no further questions I now declare the meeting closed.

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