



INTELLIGENT **RISK** SOFTWARE

VAULT INTELLIGENCE LTD
(ASX: VLT)

INVESTOR PRESENTATION
March 2017



Introducing Vault

Vault is a software development company that helps businesses to meet and exceed their risk, compliance and safety goals.

Vault's user-friendly, cloud-based platform and mobile apps empower clients to monitor, maintain and improve their businesses, while bringing cost savings and critical safety insights in real time.

Vault joined the ASX with a \$4.3 million capital raising at \$0.02 per share in July 2016.



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Vault Intelligence Ltd (ASX: VLT)



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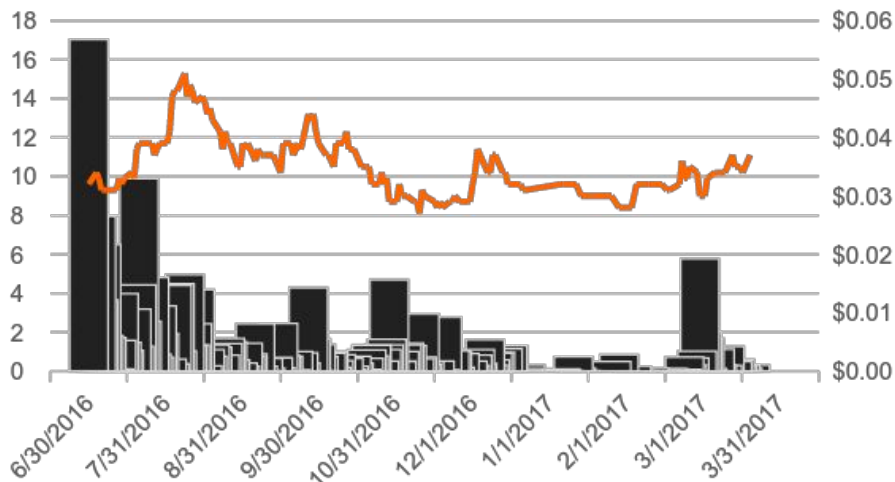
Board of Directors and Key Management Personnel

Robert Kirtlan	Non-Executive Chairman
David Moylan	Managing Director
Trent Innes	Non-Executive Director
Sam Smart	Non-Executive Director
Tim Dowling	GM Commercial Operations

Trading Information

Stock code	VLT
Share price (20 Mar 17)	\$0.038
Shares quoted on ASX	347.3m
Market Cap (free-float)	\$13.2m
Escrowed Shares	292.9m
Options exp. mid 2019	62.3m
Market cap (fully diluted)	\$26.7m

Share price performance since listing at \$0.02/share



Top 10 shareholders

% of issued capital

1. David Moylan	12.5%
2. Wayne Ackers	10.1%
3. Bluespire Capital Pty Ltd	7.0%
4. Pershing Australia Nominees Pty Ltd	3.4%
5. New Frugalitas Fund Ltd	3.2%
6. Jan Michael Geesink	3.1%
7. Craig Meaclem	2.98%
8. Patricia Moylan	2.6%
9. Wilford Investment Trust Ltd	2.6%
10. Grant Michael Roberts	2.6%

Top 10

* As at 19 March 2017



VAULTINTEL.COM
INFO@VAULTINTEL.COM



Risk & Safety Management Software to help you create a safer workplace

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350+

Enterprise Customers

10k+

Mobile app users

670+

Businesses

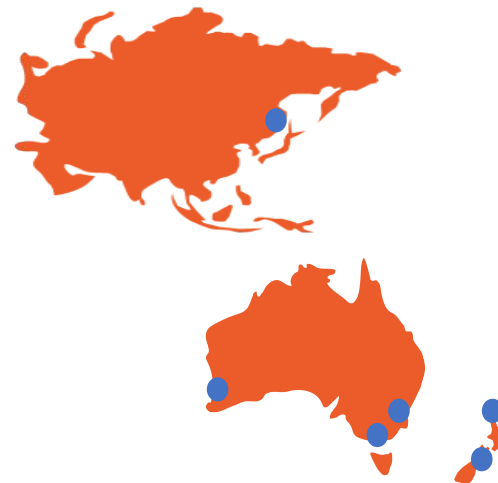
900k+

Workers protected

30+

Industry Sectors

International sales presence:



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The Environmental Health & Safety (EHS) sector



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- **The International Labour Organisation estimates that globally, one worker dies and a further 153 have accidents at work every 15 minutes. That equates to 2.3 million deaths and 313 million accidents every year.**
- Effective EHS systems significantly enhance business productivity and efficiency, and are critical in achieving regulatory compliance.
- **The EHS sector is fragmented: no one player owns the space, and the industry lacks a solid solution to drive SME compliance.**
- Vault is clearly positioned at the leading edge of the latest generation of cloud-based software solutions.

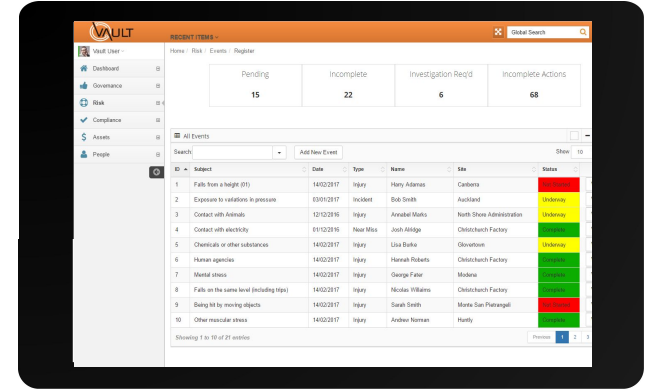
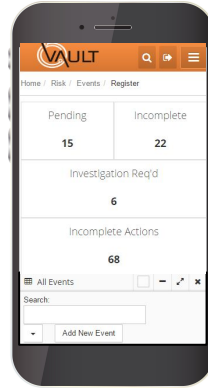
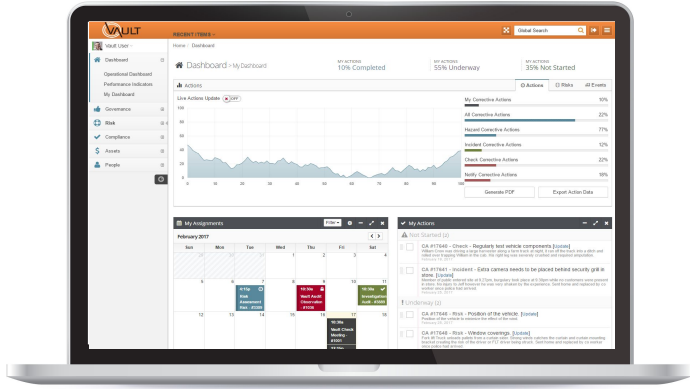
Australian and NZ legislation provides for penalties of up to \$3m (individually \$600,000 and 5 years' imprisonment) for unsafe workplaces or practices that lead to injury or death



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Our fully integrated platform

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- Empowering clients and their employees to drive risk decisions through real time, actionable data
- Fully integrated suite of mobile applications
- Operate anywhere, anytime, on any device

Risk

Safety

Governance

Environment

Compliance

Mobility



Vault Mobile Applications

Health and safety in the pocket of every worker: more than 10,000 app users since launch in late 2016

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ALL OPERATING SYSTEMS



MOBILE & TABLET OPTIMISED



CLOUD BASED



ONLINE & OFFLINE USE

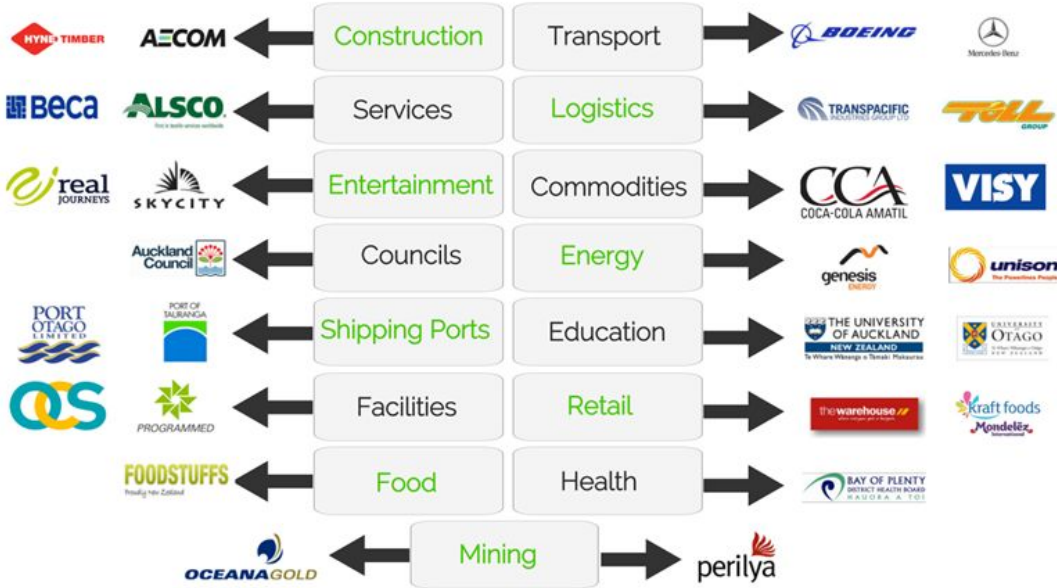


SECURITY GUARANTEED

Broad industry sector acceptance



Helping a blue-chip client base of more than 350 organisations in 8 countries to create safer workplaces



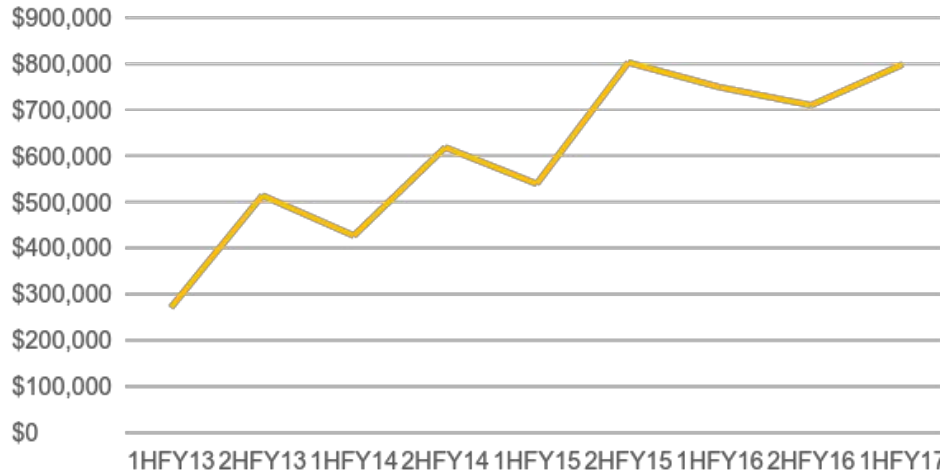
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Long-term growth in recurring revenue



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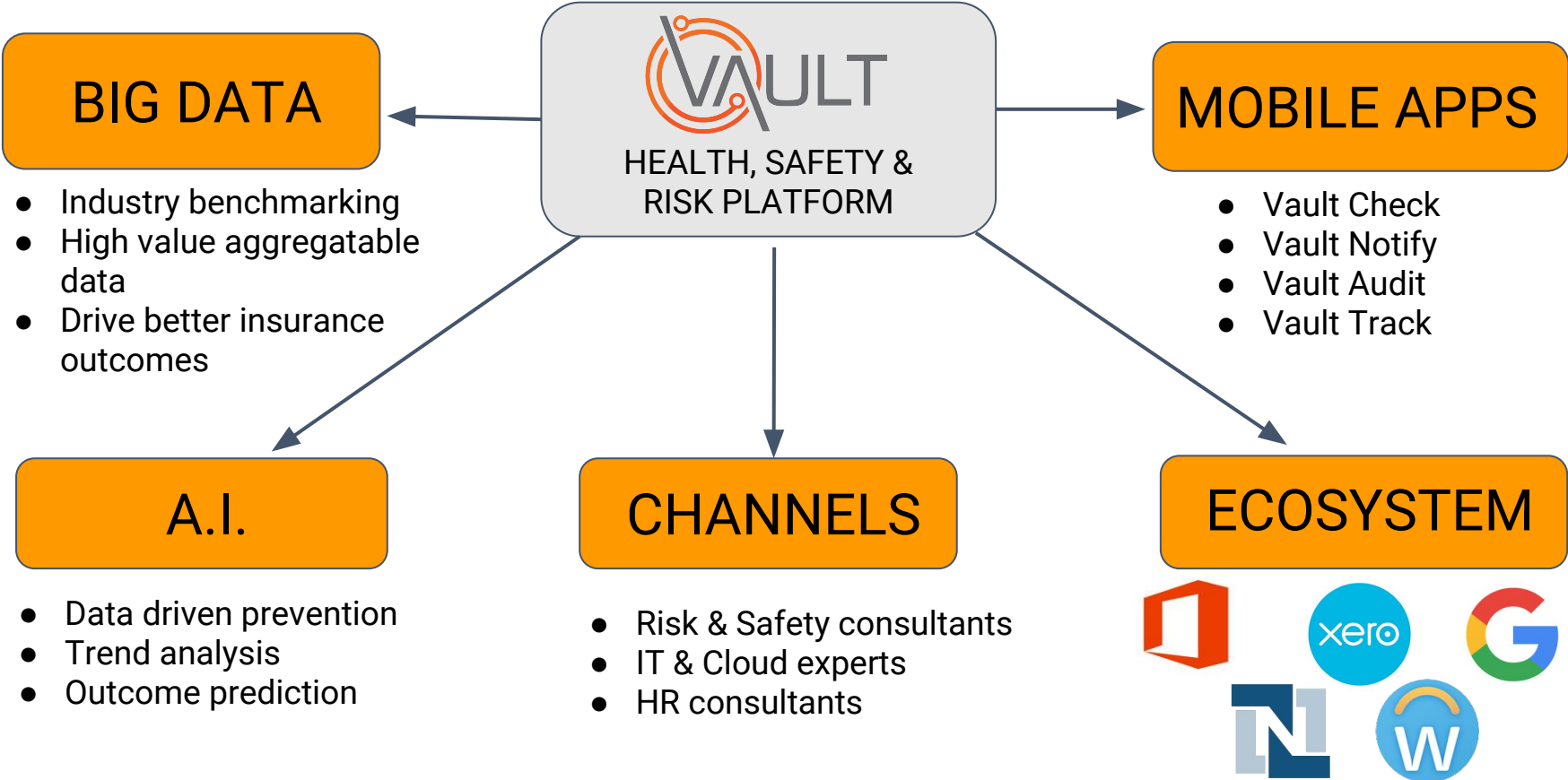
Recurring revenue per half year



- Robust business development across multiple sectors drove record FY16 sales revenue of \$2.74 million
- Sales team now established and converting a fast-growing pipeline of potential clients
- Recent rebrand and launch of new website has had an immediate impact on driving more web traffic and boosting lead conversion

Our direction: the first fully open Safety & Risk platform, globally

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Sources of sustainable growth



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- Australian sales team development:
 - Commenced operations late 2016 and delivering sales in first half 2017
 - Continued expansion as required
- Grow the tech development team:
 - Enhance enterprise platform functionality and continued module enhancement
 - Continue development of mobile apps
- China Joint Venture:
 - HoA signed with Beckwell, experienced major EHS consulting group based in Shanghai
 - App products to launch in April with selected clients of the group, with enterprise platform to follow
 - Market opportunity is substantial, with Chinese regulatory change set to encourage uptake of online EHS solutions

Beckwell (Chinese JV partner) customer sample

 GE Plastics	 创造科学奇迹		
GE Plastics Shanghai	DuPont Fibre China	Schaeffler China	Voith Siemens Hydro Power Generation Shanghai Ltd.
			
Coca-Cola Shanghai Concentration Plant	Sandvik Processing System Shanghai	Hudong-Zhonghua Shipbuilding (Group)	Bao-Mit Steel
		 上海贝尔	
SinPu Chemicals	TNT China	Bell Alcatel Telecommunication Shanghai	Baxter Shanghai
	 强生		 通用汽车
Lloyd's Register China	Johnson & Johnson Medical China	Shanghai Novartis Animal Health Co., Ltd.	GM Shanghai



Compelling valuation in sector with recent M&A



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Company	Code	Market valuation (A\$m)	FY16 revenue (A\$m)	Trailing revenue multiple
Safety Culture	N/A	160	5	32
Xero	ASX: XRO	2,497	189	13.2
9 Spokes	ASX: 9SP	89	0.7	126
Vault Intelligence	ASX: VLT	25	2.74	9.1

environmental LEADER

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EHS Software Leader Enablon Completes \$275 Million Sale to Wolters Kluwer

July 20, 2016 by Jessica Lyons Hardcastle

Global information services company Wolters Kluwer has [completed its €250 million \(\\$275 million\) acquisition](#) of environment, health and safety (EHS) software provider [Enablon](#).

The [acquisition](#) is one of the largest European venture capital exits this year, the companies said.

The Sydney Morning Herald

Business

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SEPTEMBER 26 2016

SAI Global ticks off on \$1 billion buy out


Byron Kaye

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Australian risk compliance services firm SAI Global Ltd is backing a \$1 billion takeover from Hong Kong-based Baring Asia Private Equity, two years after KKR & Co LP and a domestic buyout firm scrapped a higher offer.



*Source - <https://www.businessinsider.com.au/startup-safetyculture-raises-30-million-as-it-sets-its-sights-on-becoming-australias-next-atlassian-2016-10>



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SPEC BUY

Current Price	\$0.079
Valuation	\$0.047

Thursday, 2 February 2017

Vault Intelligence (VLT)

Investing for growth

Analyst | Ian Christie

Quick Read

We like the shift to a recurring revenue SaaS model. This is despite 2017 numbers which demonstrate the mismatch between client acquisition costs (which are immediate) and revenue (which takes time to ramp up). We remain positive on longer term growth potential, although have downgraded forecasts on the evidence of higher costs. Spec Buy maintained on a revised blended valuation of \$0.047 (prior \$0.055).

Event & Impact | Negative

December quarter: Operational highlights included:

- *Continued user growth* – VLT now has >900,000 people using its platform, with app users growing 80% over the quarter to >9,000
- *The soft launch of a partner programme* – 15 OH&S consultant partners signed up
- *A marketing rebrand* – the new website is driving increased traffic and lead generation
- *Ongoing pipeline opportunity development* – a sales team has now been established in Australia, and VLT secured a partnership with a Chinese-based risk specialist

Shifting the sales model: Shifting toward a recurring revenue base is taking longer than we envisaged, and 2017 cash receipts of \$0.69m were only marginally higher than 1Q17. Although it takes time to build up sales under a SaaS model, we believe it is worth it for longer term earnings sustainability. Nevertheless, we have pulled back our FY17 revenue forecast from \$4.0m to \$3.6m. Longer term revenue forecasts are little changed.

Investing in growth: While conversion of leads takes time, building the product suite and sales pipeline necessitates up front spend on R&D, marketing and sales support. Over the last 6 months this has been higher than we previously assumed, and extrapolating 1H17 cash costs (taking into account one-offs) sees our full year expense forecast climb ~20%. As a result we assume a small EBITDA loss in 2H17 and a full year underlying EBITDA loss of ~\$0.9m. Thereafter EBITDA climbs sharply as a result of the operating leverage on anticipated strong revenue growth (see detail overlay).

Cash flow to stabilise: An operating cash outflow of \$0.5m for the December quarter left VLT with \$1.5m cash at the end of the period. On our forecasts we do not anticipate further operating cash outflows from 2H17, and note that VLT reported that January showed a marked improvement in sales conversion and cash generation.

Recommendation

Our valuation methodology is unchanged, and on lower forecasts a blend of DCF, revenue and EBITDA multiple calculations sees our valuation fall to \$0.047 (prior \$0.055). This is still well ahead of the current share price. Together with our positive view on the Company's growth potential, it underpins our maintained Spec Buy call.

Ticker:	VLT.ASX
Sector:	IT
Shares on Issue (m):	640.2
Market Cap (\$m):	18.6
Net Debt / (Cash) (\$m):	-1.9
Enterprise Value (\$m):	17.3
52 wk High/Low:	0.05 0.02
12m Av Daily Vol (m):	0.88
Key Metrics	
EV/EBITDA (x)	17F 18F
EV/EBIT (x)	-18.6 19.2
P/E (x)	-23.9 29.1
P/B (x)	-21.1 44.1
Ratios	
ND / Equity	16A 17F 18F
EBITDA Mgn	-378.8% -350.8% -171.3%
ROA	-15.8% -25.7% 15.0%
ROE	-32.9% -26.8% 16.0%
ROE	-62.3% -25.3% 14.6%
Financials:	
Normalise:	16A 17F 18F
Revenue (\$m)	2.7 2.6 6.0
EBITDA (\$m)	-0.4 -0.9 0.9
EBIT (\$m)	-0.7 -1.2 0.6
NPAT (\$m)	-1.3 -0.9 0.4
Net Assets (\$m)	4.1 2.8 3.2
Op CF (\$m)	0.0 -1.4 0.7
Per Share Data:	
Norm. EPS (cps)	-0.52 -0.14 0.07
DPS (cps)	0.00 0.00 0.00
Div Yield	0.0% 0.0% 0.0%
NTAPS (cps)	1.88 0.28 0.88
CPS (cps)	-0.01 -0.22 0.10

Financial Advisers | Stockbroking & Research | Special Situations Financing | Page 1

Stockbroking, research and investment house Argonaut Ltd maintains research coverage of Vault Ltd with a current share price target of \$0.047.

Full report available at:

<https://www.vaultintel.com/health-and-safety-software/about-vault/investor-centre>

Investment highlights



- Long-term growth in recurring revenue with Vault having been in business for more than 10 years, launching cloud-based system in 2011
- Business is driven by risk/EHS experts and is now moving to high tech solutions
- Successfully launched channel partner program in late 2016. Vault has approximately 60,000 potential channel partners across ANZ
- Product development and sales historically focused on NZ; Australian expansion commenced late 2016 and Asia in 2017
- Market is fragmented with substantial opportunity in Australia and Asia plus potential global sales via digital and partner channels
- Regulated environment means businesses need to be on top of their risk and safety systems; regulations will not get easier and the majority are still running on dangerously unsophisticated systems
- Corporate activity rising with recent private equity buy-ins and buy-outs of several groups globally and in Australia



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CREATING SAFER WORKPLACES
THROUGH SMART TECHNOLOGY

WWW.VAULTINTEL.COM

Contact:

David Moylan, Founder and CEO

Robert Kirtlan, Director

info@vaultintel.com

Investor and media enquiries:

tim@nwrcommunications.com.au

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