

Investor Presentation

Next Stage of Growth

June 2020

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Company Overview

- MCS Security (ASX:MSG) provides asset security at large commercial properties, retail shopping centres, sporting stadiums, concerts and other events
- Listed on ASX in 2015 we are one of the largest independent security providers in Australia and the only listed company in the sector
- Market leading position in metropolitan and regional WA market with strategy to expand through existing clients to the East Coast

ASX Code	MSG
Board and Management Ownership	19%
Top 20 Holding	70%
Fully Diluted Market Cap	\$4.5m
Net Cash (31 March)	\$1.9m

 Long history of profitability and cash flow positive business delivering a 10% revenue growth CAGR since listing



direct employees

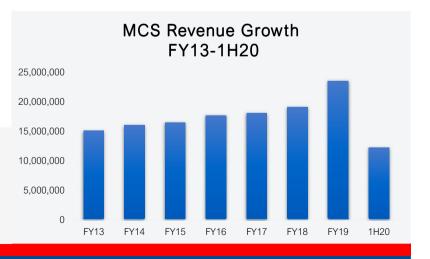
45000

hours deployed per month 13

years of continued growth

100

percent committed to safety



Business Model & Market Opportunity

- MSG operates in the private security market in Australia, a large & growing market estimated to be worth
 \$5b per annum with diverse sub sectors and verticals
- Our current key focus is the deployment of security personnel for clients at commercial properties, retail shopping centres and events. The company is considering expansion into additional verticals
- MSG has a dominant position in the WA market and has longstanding relationships with large national asset and property managers
- These clients own and manage assets Australia wide, providing opportunity for East Coast expansion
- MSG now has security operating licences for WA, SA, VIC, NSW & ACT
- Highly fragmented nature of security in Australia provides opportunity for acquisitions. Three groups control approx. 20% of the security market nationwide

Where We Are Today

We have delivered average annual revenue growth of 10% since listing in 2015 through organic growth in WA and one bolt-on acquisition





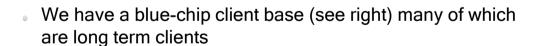
The security business has a long history of profitability and is highly cash generative. We continue to progress towards sustained profitability at a group level as we build scale

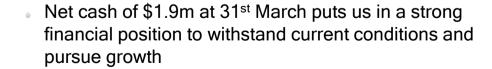






We have continued to grow in the 9 months FY20 YTD with cash receipts totaling \$20.41m and delivered positive cash flow from operations













Impact of COVID-19

- No material impact to our shopping centre workflows in the March quarter. In April we were notified of reduced rostering requirements from some of our customers
- Event security impacted by cancellations of rugby, soccer and music events. The revenue impact is estimated at \$0.2m for the 3.5 months to 30 June. Affected security staff have been offered work at our retail or other sites
- Offsetting some of the above is additional work at certain sites due to COVID-19 restrictions and work at a Perth hotel designated for COVID-19 isolation
- In recent weeks a number of other work opportunities have been presented to MCS directly or indirectly relating to the COVID-19 situation. MCS is pursuing those opportunities.
- We currently do not qualify for JobKeeper due to not meeting the required decline in revenue
- As lockdowns are relaxed and events resume MSG is well placed to bounce back. We are well
 capitalized, particularly compared to smaller competitors in events, providing opportunity for growth on
 the other side of COVID-19

Where We Are Going

Group Vision

Build an integrated security and professional services provider with national presence, multiple synergistic verticals, consistent profitability and high cash flow generation

How We Will Get There

- Continued organic revenue growth in line with that achieved since listing
- Expansion to East Coast market. Much of the investment required to expand to East Coast (e.g. licences in NSW, VIC & ACT) has already been made. Acquisitions are a key focus for East Coast expansion
- Entry into new verticals organically or by acquisition. Several targets are under active consideration
- Acquisition criteria: profitable, accretive to EPS, high margin, cultural fit
- Capital light business and >\$1.5m tax losses means EBITDA to cash conversion will be high

Investment Overview

- Market cap of \$4.5m for a business with c.\$25m of annual revenues, a track record of growth and positive cash flows
- The business has performed very well through COVID-19. Well positioned to navigate current market conditions and emerge stronger as lockdowns are relaxed
- Organic and acquisition growth strategy underway with intention to enter into new verticals and East Coast Market
- Active consideration of all strategies to maximise value for shareholders. The board is intent
 on seeing the value of the business and its opportunity fully reflected in the share price
- Share buyback continues. The board will balance the opportunity for dividends with the desire to preserve cash for acquisitions