

## PROJECT ROSEHILL

### Overview

**Rosehill** is an Australian software consulting company that addresses a wide range of opportunities and needs in the ICT sector, but with a core competency, and thought leadership position built around the science of IT development and testing.

IT development and testing are usually the basis on which a client first engages **Rosehill**. However, based on a positive customer experience, the client typically requests additional services, such as application integration, which in turn can lead to requests for other business services such as digital transformation, business intelligence, business analysis, and project management.

**Rosehill's** business model is centred around and intimately connected to meeting client's needs, which explains the company's very rapid YoY growth since its inception.

### Products and Services

**Rosehill** offers its clients a range of value-added products and services, that can be categorised as follows:

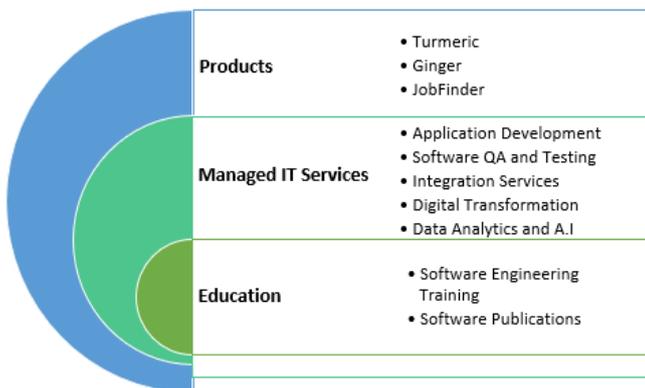


Fig 1: Rosehill's Services Offering

A detailed description of these products and services is included in an information memorandum which will be made available to interested parties who execute **Rosehill's** NDA.

### Financial Performance

**Rosehill** is a profitable managed IT services and products company. It has grown very rapidly since its establishment 7 years ago and has won numerous IT awards.

This commercial success is testament to the company's customer service-driven business model and the value that it delivers to its clients.

The financial performance of **Rosehill** is as follows:

ROSEHILL (A\$m)	FY16	FY17	FY18	FY19 (budget)
Revenue	3.60	6.61	18.11	25.07
EBITDA	0.43	0.74	2.38	3.40
EBITDA/Revenue	11.9%	11.2%	13.1%	13.4%

#### Notes:

- The historical financials are unaudited, although the company has commissioned an external audit of the management accounts for FY2018.

### Value Proposition

Apart from its proprietary IP, **Rosehill's** value proposition is built on these key operational factors and future growth potential:

- A reputation for excellence in customer service and comprehensively meeting specific customer needs.
- Prioritising customer satisfaction which is reflected in the high retention rate of customers.
- The care taken in vetting staff and contractors prior to assignment on projects; reflected in both customer surveys and a staff churn rate of less than 10%.
- Speed of execution; delivering a response in days rather than weeks or months with innovative delivery models. A competitive edge against larger competitors weighed down by complex processes.
- Membership on Australian government IT services panels, including Federal ATO, DTA and Defence, and NSW's 0020 and 0007 State Panels.
- Strong future growth potential in emerging technologies like digital transformation, data analytics, integration and artificial intelligence.
- Future growth potential in numerous Australian cities.

### Reasons for Selling the Company

- The Directors believe that the continuing growth and success of the company is best achieved by integrating the business with a larger enterprise with the working capital and management resources to leverage **Rosehill's** highly successful business model nationally and internationally.
- Rosehill** is currently developing new, proprietary IP. Commercialising these new applications globally requires an organisation with access to key international market channels; and
- Rosehill** is growing its already successful State and Federal government business. Competing for and winning larger government contracts is facilitated by having a stronger balance sheet than the company is currently able to provide. The Directors believe this hurdle is best overcome by being part of a larger enterprise.

### Preferred Transaction

The preferred transaction is a sale of 100% of shares of Rosehill via a sale and purchase agreement. Key members of Rosehill's management team will stay on for an agreed period of time post sale to assist the new owner in achieving the strategic and financial goals in Rosehill's business plans for FY2019.

The Directors and Shareholders wish to conclude the sale of **Rosehill** by November 2018 and want to engage with parties with the capacity to finalise a transaction within that timeframe.

### Further Information

Parties wishing to receive a **Rosehill** Information Memorandum and engage in due diligence related to negotiating a potential sale and purchase agreement should contact:

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