



IDT Australia Limited 2018 Annual General Meeting

This presentation contains forward looking statements which are subject to risks and uncertainties. Such statements involve known and unknown risks. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Year In Review

Key Events



Refined and Articulated Strategy

- Strategic and Operational Review
- Selected generics strategy and focus on improved execution
- Divestment of Non-specialised ANDA Portfolio

Changes in Executive Leadership

- Jim Susic VP Operations and Infrastructure
- David Sparling CEO
- Michelle Coffey VP Quality and Regulatory

Focus on Operations and Execution

- Implemented Sales and Operations Plan
- Key focus areas: Schedule adherence and cost containment
- Better execution of work won

Warning Letter Remediation Action Plan

- Remediation Plan agreed with FDA
- No import ban
- Quality systems improvements will create efficiency gains

Medicinal Cannabis Opportunities Secured

- Contract manufacturing partnership secured with Cann Group
- Multiple near term commercial projects being advanced

Improved Capital Management

- 14.0m FY'18 closing cash position
- Initiated On-market (10/12) and Small Parcel share buy back programs

Financial Results 2018

Executive Summary



Revenue growth

- FY`18 reported revenue up 39% year on year to \$13.3m (FY`17 total revenue \$9.5m)
- Active pharmaceutical ingredient manufacturing up 127% year on year
- Contract manufacturing up 6% with a strong forward order book including medicinal cannabis project work in-hand

Profit from underlying operations in second half

- 2H FY`18 operating profit of \$223,000
- IDT's first operating profit since 2009

Containment of costs

- \$11.3m in operating overheads to produce \$13.3m in revenue (FY`17 \$11.4m operating overheads, revenue \$9.5m)
- 1% reported decrease in operating overheads from FY`17 to FY`18 to produce an additional \$3.76m (39%) in revenue
- Employment related expenses down 15% year on year to \$8.29m (FY`17 \$9.74m)

Financial Results 2018

Financial Highlights



A\$000	FY18	FY17	% Change
Revenue from ordinary activities	13,300	9,543	39%
Operating expenses	11,302	11,414	-1%
Underlying profit / (Loss)*	(2,835)	(6,881)	-59%
Cash reserves	\$14,027	\$8,417	67%
Net tangible assets	31,205	29,733	5%
NTA/share (cents)	12.8	12.0	7%

2H FY18	1H FY18	% Change
8,311	4,989	67%
5,980	5,322	12%
223	(3,058)	-107%
14,027	8,822	59%
31,205	26,162	19%
12.8	10.5	22%



- Materially stronger second half FY`18
 - Revenue up 39% year on year, small 2H profit reported from operations
 - Cash reserves up 67% year on year, \$14.0m closing cash position
- (* excluding asset impairment and profit on divestment)

Year on Year Performance

Revenue Growth and Cost Containment



Strong revenue growth

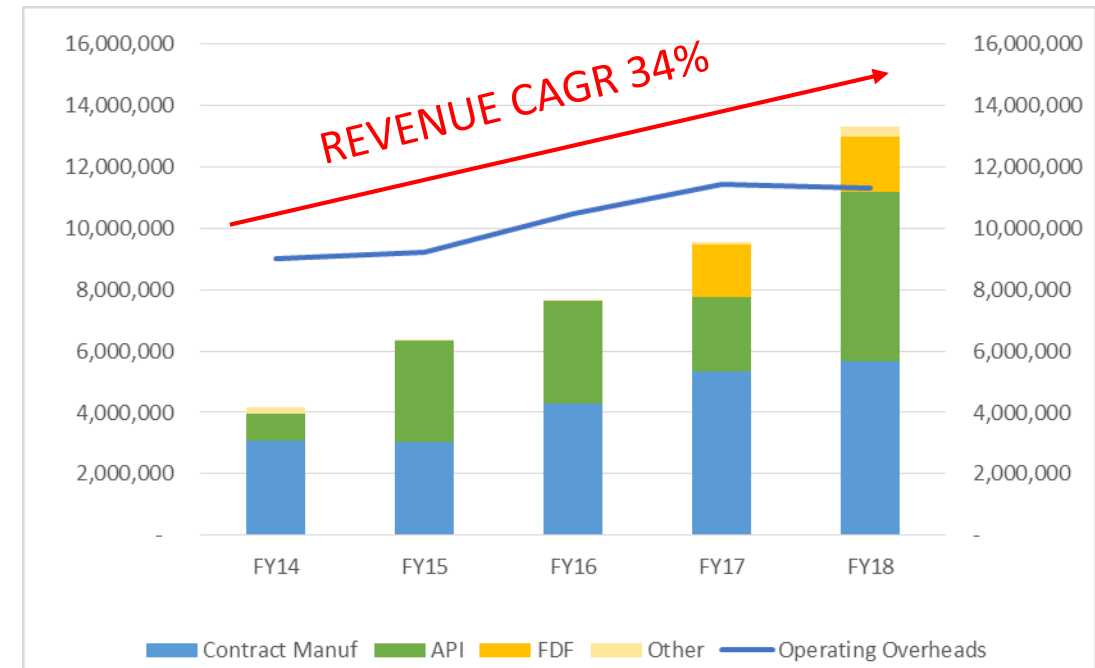
- Total turnover CAGR 34% (FY`14-18)
- FY`18 closing cash position \$14.0m

Containment of operating costs

- Operating expenses CAGR 6% (FY`14-FY`18)
- Arrested year on year cost increases

Underlying profit/loss

- Operating profit recorded in 2H FY`18
- FY`18 loss \$2.8m (FY`17 \$6.9m)



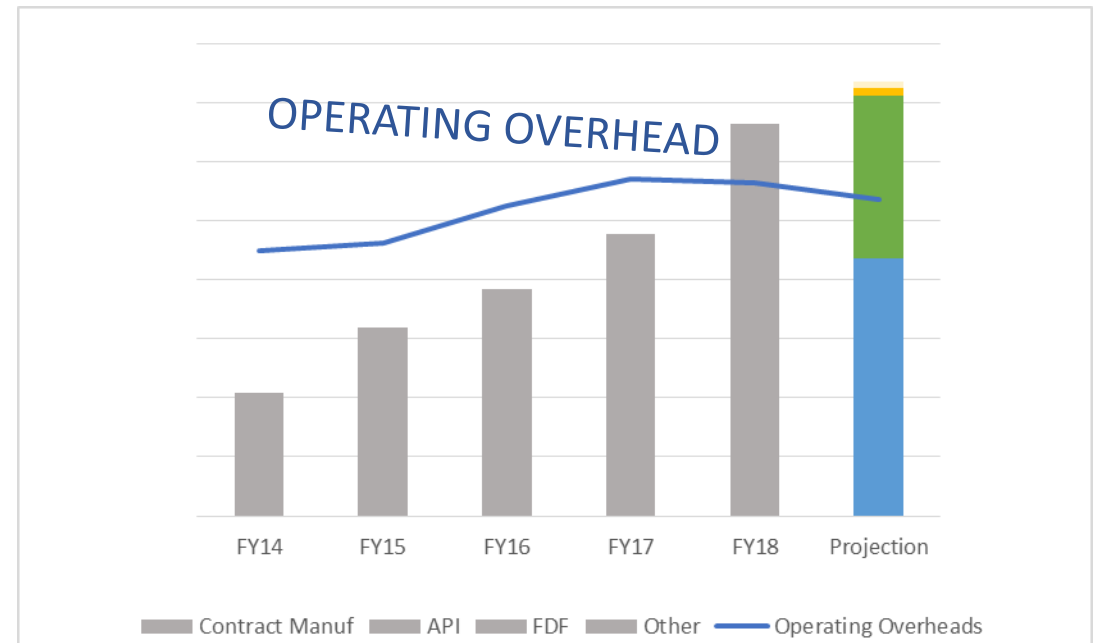
Looking Ahead

Focus on Operational Leverage and Profitability



Demonstrated operational leverage

- 2H versus 1H FY`18 showed a \$3.32m increase in revenues matched with appreciably lower increases in operating costs and cost of goods.
- Cost base for FY`19 and beyond to benefit from full year salary savings and lower fixed costs associated with a smaller ANDA portfolio.
- Toll manufacturing component - low (if any) direct variable COGS creating site leverage from low variable costs



Shareholder Buy-backs

Improved Capital Management



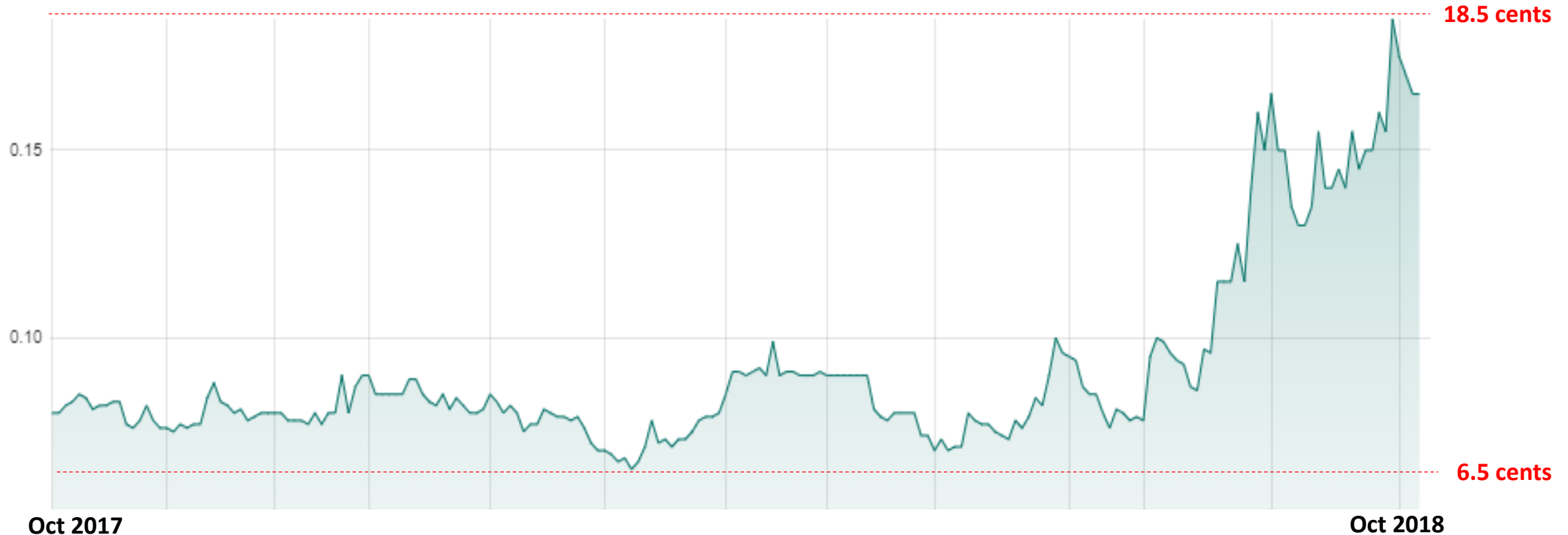
On Market 10/12 Buy-back

- Initiated an equal access on market share buy-back of up to 10% of IDT's issued capital.
- Buy-back in place for up to 12 months commencing on 10 October 2018.
- Quantum, timing and price of shares to be bought back is dependent on market conditions at the relevant date.
- e.g. at \$0.155 (IDT closing price on 20 Sept 2018) 10% buy-back would represent a total consideration of approximately \$3.79m.

Small Parcel Buy-back

- Buy-back of "less than marketable parcels" valued at less than \$500 of IDT shares.
- 818 of IDT's 2009 shareholders hold less than marketable parcels as at 20 September 2018 (Record Date).
- Total value of all Small Parcels at the Small Parcel Buy-back Price of \$0.155 is \$138,770
- Program closes 9 November 2018.

One Year Trading Chart



■ Shares on issue (19 Oct 2018)	243,906,105
■ Options	Nil
■ Top twenty holders	65.4% of IC
■ Share price (19 Oct 2018)	\$0.16
■ Market cap	~\$39m
■ NTA/Share (30 Jun 2018)	12.8 cents

The Year Ahead

Focus on Sustainable and Profitable Business Operations



Drive and Grow the Business

- Focus on and grow IDT's Contract Manufacturing and Commercial API business streams
- Focus on execution, maximising facility utilization to restore IDT as a sustainable and profitable business

Expansion into New Product and Service Offerings

- Explore opportunities to expand into new areas of pharmaceutical contract manufacturing
- Medicinal cannabis – deliver on and expand this new core opportunity
- Selected generics strategy, pursuing niche product opportunities

Warning Letter Remediation

- Deliver on IDT's Remediation and Action Plan, FDA re-inspection with a view to having the Warning Letter lifted
- Quality processes and systems improvements to modernise IDT's quality department

Continued Focus on Containment of Costs

- Maximising operational leverage across the site
- Further refine cost base



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