



CLARIUS GROUP LIMITED

AND CONTROLLED ENTITIES

AGM Presentation
21 November 2017
ABN 43 002 724 334

Agenda

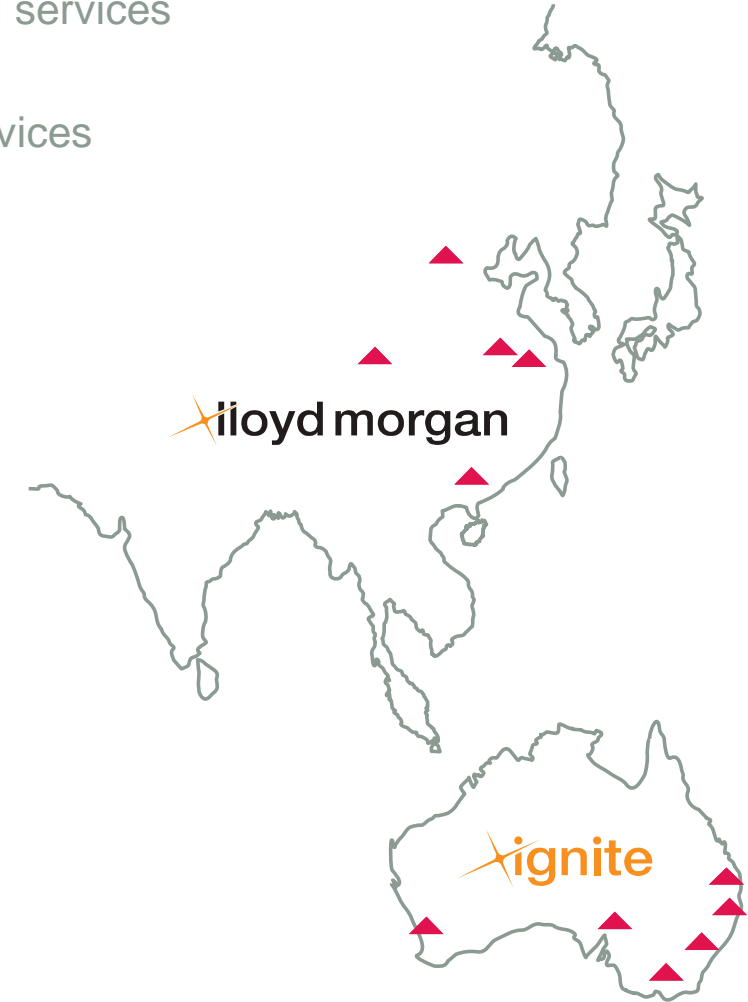
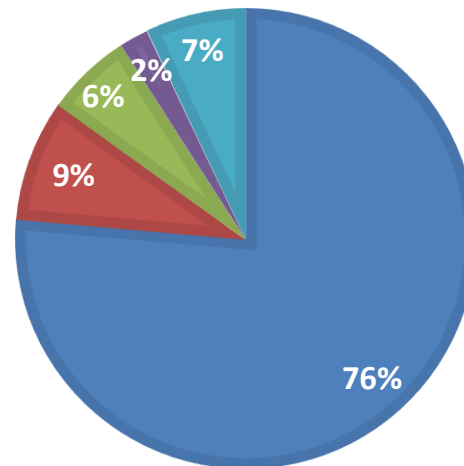


- Company overview
- Review of FY17
 - Financial review
 - Performance review
- Market outlook
- Key strategic initiatives
 - New Mission and Vision
 - Investment in technology
 - Investment in our people
 - Market intelligence
- FY18 performance update
- Questions

Company overview

- Ignite divisions include:
 - Specialist Recruitment - permanent and contract recruitment; including payroll services
 - On Demand - on demand human resources
 - People Services - outsourced recruitment and human resource consulting services
 - Lloyd Morgan China – Specialist recruitment
- 250+ employees, including 100+ in China
- 11 cities and 13 offices throughout Australia and China
- Diversified quality client base across all industries

Contribution to FY17 Revenue (%)



Financial review



Year ended 30 June 2017	2017 \$000	2016 \$000	Change
Revenue	153,282	184,567	(17.0%)
Gross profit	32,627	38,690	(15.7%)
Gross profit Margin	21.3%	21.0%	
Loss for the year	(3,724)	(3,864)	3.6%
Operating cash flow	239	540	(55.7%)
Net assets	16,591	20,591	(19.4%)

- Loss for the year reduced by 3.6% to \$3,724k from \$3,864k
- 9.6% reduction in indirect operating expenditure
- Cash increased by \$389k to \$1,788k
- Total liabilities declined by \$3,905k to \$18,417k

Performance review



Specialist Recruitment

- Revenue declined by 17% due primarily to a fall in demand from a large customer however we expect improvement as we have now been reinstated as a Tier 1 Supplier
- Our ACT business continues to deliver solid results
- Second half of FY17 focused on investment in technology and our people to deliver improved results

On Demand

- Revenue declined by 26% due to the completion of multiple major projects
- Re-focused business development activities and strengthening existing relationships under new leadership in the second half of FY17 has delivered significant new contract wins

People Services

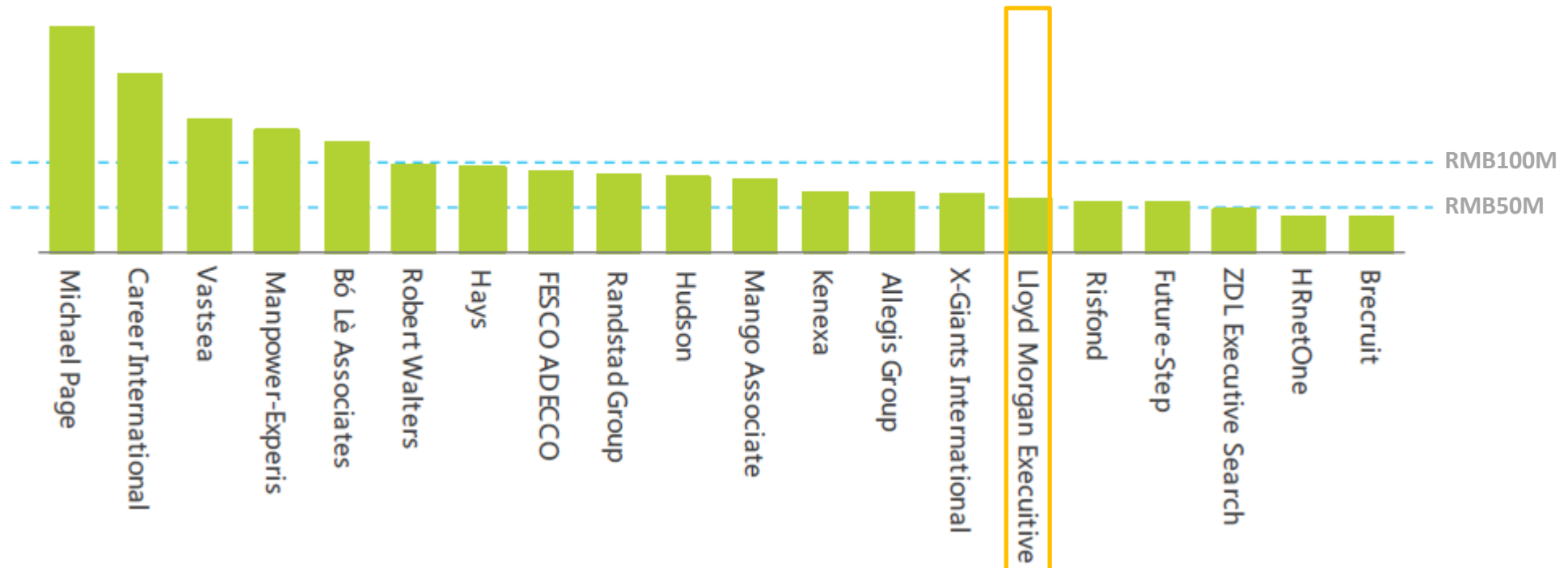
- Revenue declined by 31%
- Unsuccessful expansion into new geographic markets
- Division has refocused on its profitable core ACT market

Performance review



China

- Slight revenue decline in China business (classified in the top 15 recruitment firms)
- Strong growth in China North region
- Established new leadership structure in China South as foundation for growth



Market Outlook



Strong business
conditions in Australia



Growing and ageing
labour force



Increased government
outsourcing to
professional services



Influx of disruptive and
advanced technology



Shortage of talent with
advanced IT skills

In the second half of FY17, we developed a clear Mission and Vision



Mission

We exist to:

- Ignite the potential of our people and our customers;
- Reimagine the future of the working world; and
- Deliver exceptional and sustainable outcomes for all stakeholders.

2020 Vision – delivered by our people

To be one of Australasia's leading providers of recruitment, on demand and people services.

To achieve our 2020 vision, we have increased focus on our values and behaviours, our people, our customers, our candidates and our operating efficiency. The combination of these activities will deliver a return to profitability in a timely, sustainable and scalable manner.

The following slides highlight the key strategic and tactical initiatives implemented in the second half of FY17 (our 'Back in Black' strategy) and highlight the performance improvement and operational efficiencies we have delivered.

Key strategic initiatives

Focus on productivity and organisational efficiency

Our People

- To improve the leadership capabilities amongst our leaders
- Increase the productivity of consultants through investment in technology
- Reduce the time and investment required to take a consultant from induction to productivity

Our Customers

- Enhance our customer relationships
- Development and implementation of key customer account plans

Our Reporting

- Development of accurate, up-to-the-minute activity dashboards
- Monitoring and analysis of our customer and candidate interactions

Our Efficiencies

- Implementation of an industry leading applicant tracking system and payroll billing system
- Investment in technological solutions to improve efficiency and productivity in the front and back offices
- Investment in strategic and operational initiatives that will deliver tangible returns



Investment in technology



Optimising productivity

- New applicant tracking system
- New payroll and billing system
- New Sales enablement tools
- New up-to-the-minute activity dashboards
- Investment in online advertising and social media
- Review and optimisation of job boards



Investment in our people



Attract, acquire, train and retain

- Learning and development program
- Increasing our employee value proposition
- Improving leadership capabilities of our business leaders
- Alignment of reward and recognition programs with our values
- Investment in technology to support our consultants
- Continuous Conversations Framework (CCF) to engage employees and encourage interaction with managers



Market intelligence



Maximising opportunities and improving performance

Quarterly market updates

	VIC	NSW	SA	ACT	WA	QLD	AUS
Healthcare	Growth	Growth	Growth	Growth	Growth	Growth	Growth
Professional Services	Growth	Growth	Growth	Growth	Growth	Growth	Growth
Education	Growth	Growth	Neutral	Growth	Growth	Growth	Growth
Construction	Growth	Growth	Decline	Growth	Growth	Growth	Growth
Transport & Postal	Growth	Growth	Neutral	Growth	Growth	Growth	Growth
Retail	Growth	Neutral	Neutral	Growth	Neutral	Growth	Neutral
Financial & Insurance	Decline	Growth	Decline	Neutral	Growth	Growth	Neutral
Info Media & Telecoms	Decline	Neutral	Neutral	Neutral	Neutral	Growth	Neutral
Utility	Growth	Neutral	Neutral	Decline	Neutral	Decline	Decline
Manufacturing	Neutral	Decline	Decline	Decline	Decline	Decline	Decline
Mining	Decline	Decline	Decline	Decline	Growth	Decline	Decline

Quarterly updates across all key industries and markets in which we operate

Weekly industry news

Weekly Update – Wednesday, 18 October 2017

Competitor News

Recruitment Industry News

Industry Research and Opinions

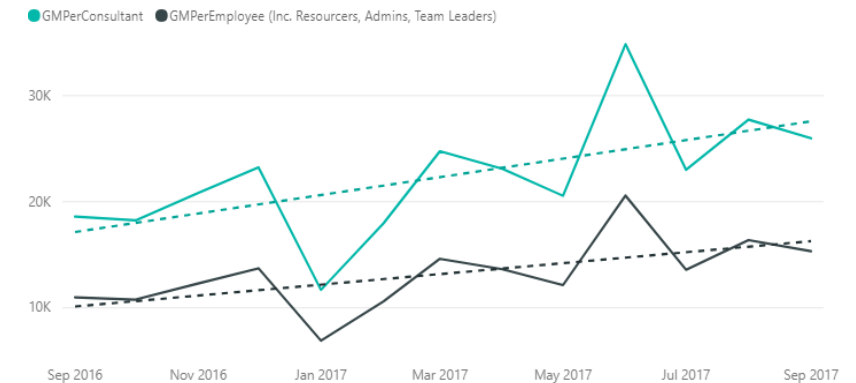
- ✓ Specialist Recruitment
- ✓ On-Demand
- ✓ People Services

[BLOG](#) | [WEBSITE](#) | [CONTACT](#)

Weekly updates containing industry news and research

Sales Enablement tool

GMPerConsultant and GMPerEmployee (Inc. Resourcers, Admins, Team Leaders) by Year, Quarter and Month



Real-time industry data to increase consultant productivity

FY18 performance summary



Improving performance in first half FY18

- Strong performance across the majority of business units against FY17 results
- Relationship with largest client restored in Specialist recruitment
- Delivered significant new contract wins for On Demand
- Productivity per consultant has increased to the highest levels in 3 years
- We have delivered the highest levels of permanent recruitment gross margin over the last two financial quarters (up 21.4% from previous year) and is the highest levels experienced since FY15
- We have increased contractor gross margins on the back of re-establishing client relationships and new opportunities
- People Services has consolidated back into its profitable core ACT market
- Our profitable China business has delivered a strong first quarter growth
- Under our new Ignite brand we have improved our bids and tenders win v loss ratio and have continued these results in Q1 FY18



Thank you

Questions?