



CLARIUS GROUP LIMITED

AND CONTROLLED ENTITIES

ABN 43 002 724 334

Annual General Meeting

20 November 2018

Agenda

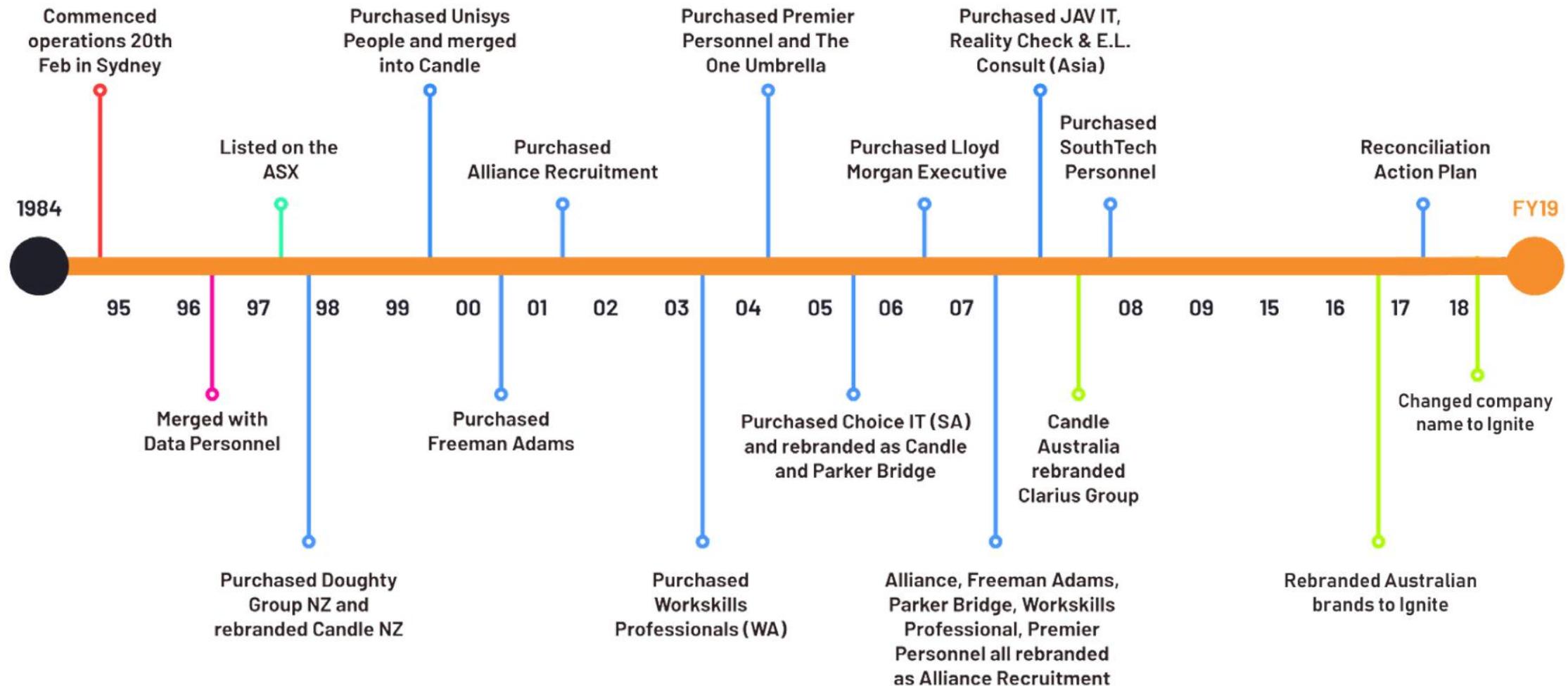


- Ignite
- Company overview
- Our “Back in Black” Strategy
- Review of FY18
 - Financial Review
 - Performance review Australia
 - Investment in Leadership in Australia
 - Performance review China
 - Investment in Leadership in China
 - Collaboration
 - Investment in Our People
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 - Reconciliation Action Plan
- FY19 Performance Summary
- Questions

Ignite



It is with great pleasure that we officially welcome a new era for our company. We acknowledge our past and pay our respects to those that came before us and embrace with great excitement our future as Ignite.



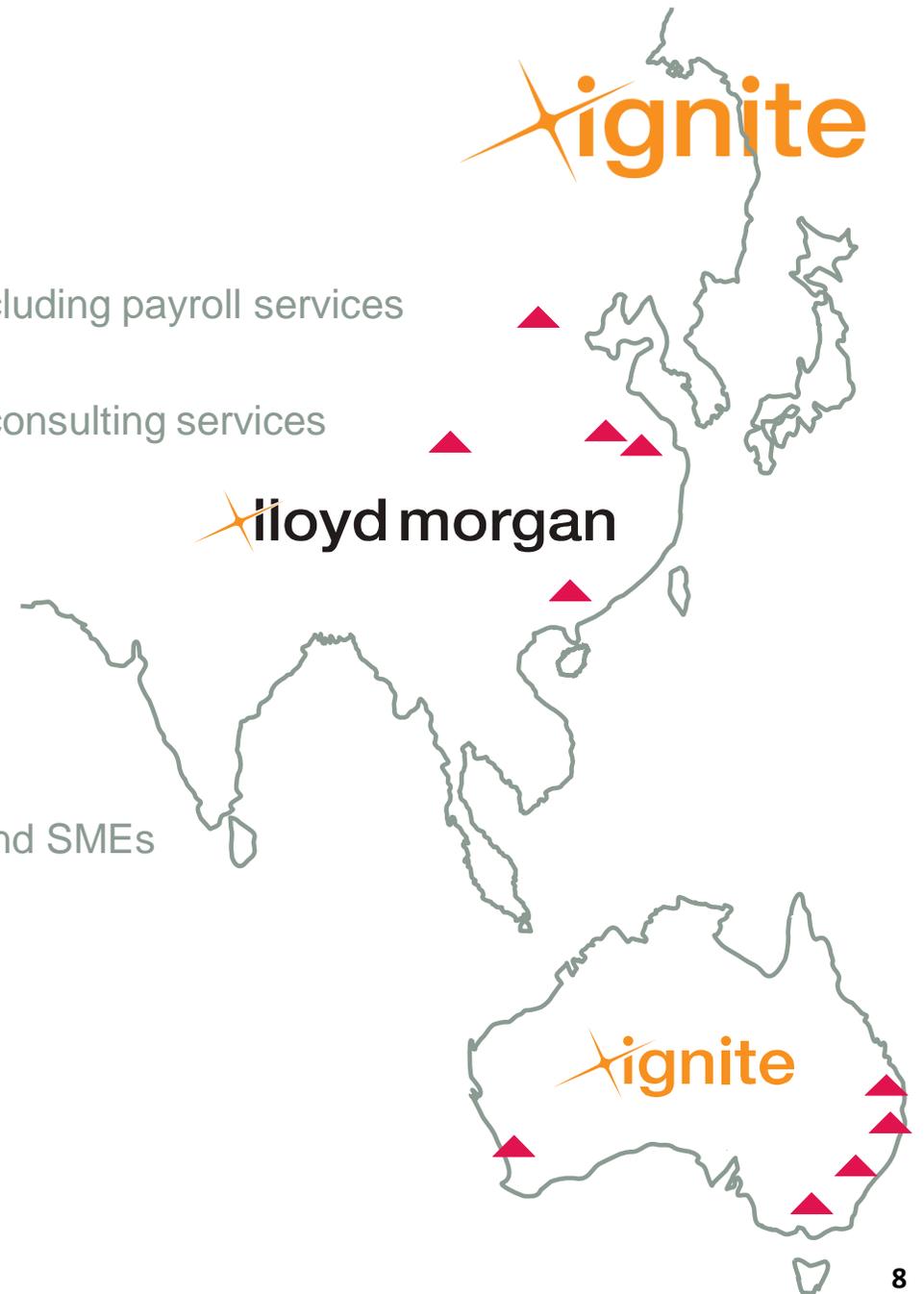
Company Overview

Key Divisions

- Specialist Recruitment - permanent and contract recruitment; including payroll services
- On Demand - on demand IT services
- People Services - outsourced recruitment and human resource consulting services
- Lloyd Morgan China - Specialist recruitment

By the Numbers

- Circa 250 employees including 85 in China
- 12 offices throughout Australia and China
- Diversified quality client base including government, corporate and SMEs



Our “Back in Black” Strategy



Our “Back in Black” strategic plan focuses on three core areas:

- Increased support for existing customers.
- Acquiring new customers.
- Developing organisational efficiencies.

Key Initiatives

- Continued implementation of the strategic plans for the four operating segments.
- Enhancement of front office recruitment processes and cross-business opportunities through the implementation of new applicant tracking system - reducing eighteen databases to one.
- Implementation of new payroll and billing systems.
- Recruitment of experienced Australian leadership team.
- Innovation, focused on efficiencies and recruitment processes, will form a critical component of our FY19 strategy.

Financial Review



- Gross profit margin improvement by 6.1% to 22.6% (2017:21.3%)
- Operating cash flow improvement by 1,622.6% to \$4,117k from \$239k
- Cash balance improvement by 55.6% to \$2,782k (2017:\$1,788k)
- After tax loss decreased by 31.1% to \$2,566k (2017:\$3,724k loss)
- Reduction in the debtor finance facility utilised by 80.7% to \$628k (2017:\$3,253k)
- Reduction in operating rental expense by 6.2%
- Reduction in net trade receivables by 16.0%

Year ended 30 June 2018	2018 \$000	2017 \$000	Change
Revenue	142,236	153,282	(7.2%)
Gross profit	32,209	32,627	(1.3%)
Gross profit Margin	22.6%	21.3%	6.1%
Loss for the year	(2,566)	(3,724)	31.1%
Operating cash flow	4,117	239	1,622.6%
Net assets	14,075	16,591	(15.2%)

Performance Review



Australia

Specialist Recruitment

- Our ACT business continues to perform strongly, delivering a profit before corporate overheads and tax up 26% on 2017
- Other states consolidated under new leadership repositioned to deliver improved results
- Revenue declined by 8.8%* due primarily to the loss of two large low margin payrolling services contracts

On Demand

- Delivered numerous projects for major customers of tier one system integrators including IBM, DXC Technology and TATA Consultancy Services.
- Several new large contracts including:
 - a multi-year delivery contract to provide end user services across Australia for a major financial institution; and
 - a national hardware roll-out for a major government department.
- Revenue declined by 4% due to the completion of major projects from the previous year and delays in the ramp-up of new projects awarded in 2018.

Investment in Leadership in Australia



We now have a full complement of highly experienced general managers and leaders.

- 3 new General Managers (with over 70 years collective experience) to guide our core East Coast markets of **VIC, NSW and QLD**

Under the guidance of our general managers the implementation of our strategic plan has yielded pleasing results for FY18 including the attraction of additional key talent hires.



Performance Review



China

- Revenue increased 8.4%
- 12th year of ownership within the China marketplace
- Restructuring leading to the appointment of new China CEO (to be reviewed later in this presentation)

Our China operations provide us with a unique and strategic footprint

- China is a \$300B HR marketplace and growing
- Lloyd Morgan is the largest Australian owned recruitment business in China
- Lloyd Morgan selected in Top 10 foreign owned recruitment firms by Chinese independent assessment firms
- Our entire group is well positioned to leverage our current Chinese footprint into future revenue

Investment in Leadership in China



Investment in newly created CEO position for Lloyd Morgan China, Mr Dennis Rigon

- Mr Rigon will be based full-time in China, where he has worked and lived since late 2012.
- Mr Rigon was a previous Regional CEO of China HR, one of the leading recruitment specialists in China.
- Lloyd Morgan China, with its five strategically located offices, is now well positioned to capitalise on the China marketplace

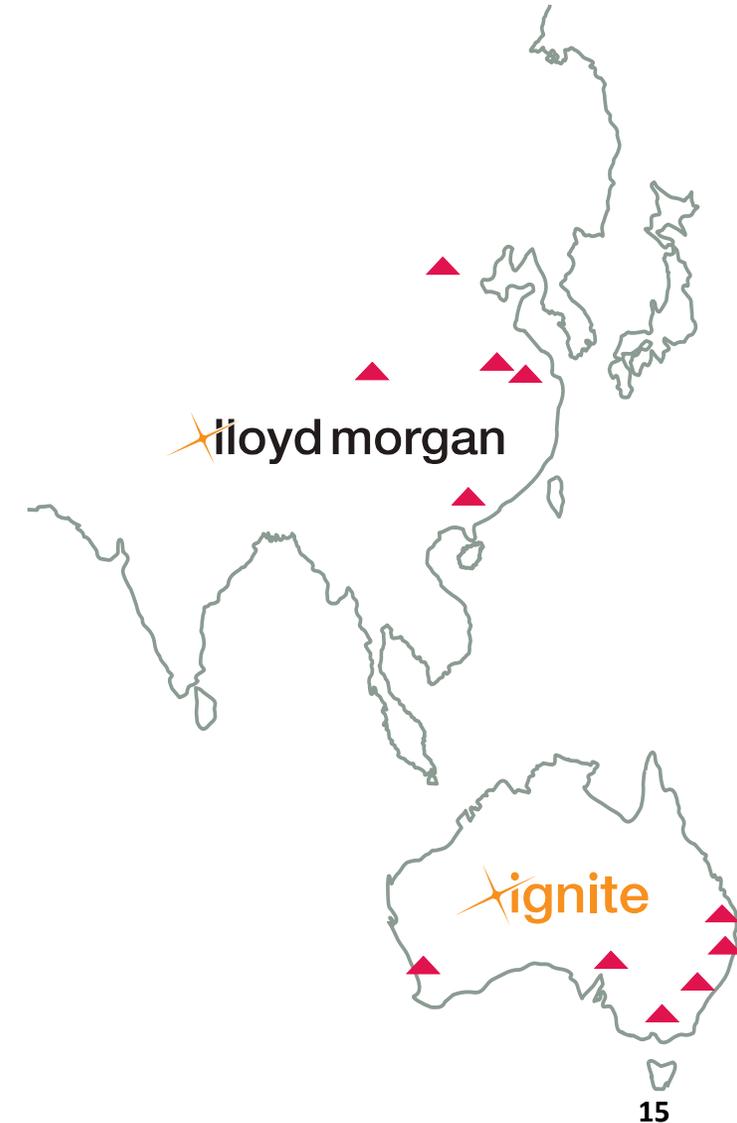


Collaboration



Maximising opportunities across our regions

- Our China and On Demand offering, including large-scale ANZ contracting capabilities, provides unique solutions for our multinational and SME client base
- Our Australia-China offering has been marketed to existing and potential customers, creating a pipeline including:
 - Delivery of Australian graduate recruitment programs for China businesses
 - Placement of C level executives within China for Australian multinationals
 - Provision of IT contracting workforces for China multinationals expanding into Australia



Investment in Our People



Learning and Development – focused on employee productivity

- Emphasis on staff training including APSCo* recruitment training, Greg Savage Recruitment Management Training and targeted professional development - aligned with Career Development Plans
- Significant improvement in staff retention (highlighted below)



**Greg Savage
Recruitment Management Training**



Victorian Rolling 12 Month Average Staff Turnover

*The Association of Professional Staffing Companies (APSCo)

Marketing



Improving brand awareness and recognition

- Improving our brand and client engagement via event marketing
- Targeting clients (current and prospective) and contractors.
- Guest speakers have included:
Steve Baxter (Shark Tank Fame) and
Dr Charlie Day (CEO, Science and Innovation Australia)



It was with great excitement that our Queensland office was launched last week. Shark Tank's very own Steve Baker was a special guest speaker at the event, he partook in the festivities with our clients and candidates. The Queensland team have settled in nicely at the new office. Are you Queensland based? Why not pop in, check out the new pad and say hi to the friendly team pictured below! (left to right: [Steve Hockey](#), [Bruce Moss](#), [Nancy Wu](#), [Stephen Baxter](#), [Silvana Tuhtan](#), [Alexia GOUIGOU](#), [Suellen Sinclair](#), [Julian Sallabank](#), [Alex Vincent](#), [Rachael Burgess](#), [Moreen Khan](#))



First non-indigenous recruitment business with a Reconciliation Action Plan (RAP)



- Our RAP has included the delivery of a range of initiatives including recruitment and mentoring programs for indigenous communities and public/private organisations to improve employment outcomes of indigenous peoples
- Via our RAP we have attained new preferred supplier agreements with several corporate partners and jobs that would otherwise not have been provided
- Finalist for APSCO* diversity award for the development of our RAP



*The Association of Professional Staffing Companies (APSCO)

FY19 performance summary



- Experienced leaders and improving business performance (Gross Profit Margin, Operating Cash Flow and Cash Balance in FY18) positions the Group for continued improvement in FY19
- YTD ACT continues to deliver strong growth aligned with our Federal Government client base
- Improved first quarter results for our People Services and On Demand teams
- Appointment of China CEO focused on \$300B China marketplace
- WA and SA returned to profitability following premises right-sizing
- NZ continuing to provide opportunities for On Demand and Specialist Recruitment teams
- Tender wins including Government, Education and Corporate clients
- Consultant additions inline with budget - positioning our business for H2 growth
- Alignment of our verticals and services with growth industries and broader marketplace



A boom in major infrastructure projects

Aligned with our Construction, Architecture and Engineering Verticals



Adoption of technology increasing
(AI, machine learning, IoT, etc.)

Aligned with IT Vertical & On Demand



Healthcare, construction and professional services
lead 'job ad' growth

Aligned with Business Support, IT and Construction Verticals

Thank you

Questions?