



IGNITE LIMITED

Annual General Meeting

19 November 2019

Agenda



1

Overview

2

Strategy Update

3

FY19 Year in Review

4

Lloyd Morgan China

5

FY20 Trading Update

6

Q&A

1 | Overview



Operations Across Australia & New Zealand

>\$145 million

Revenues

Quality clients

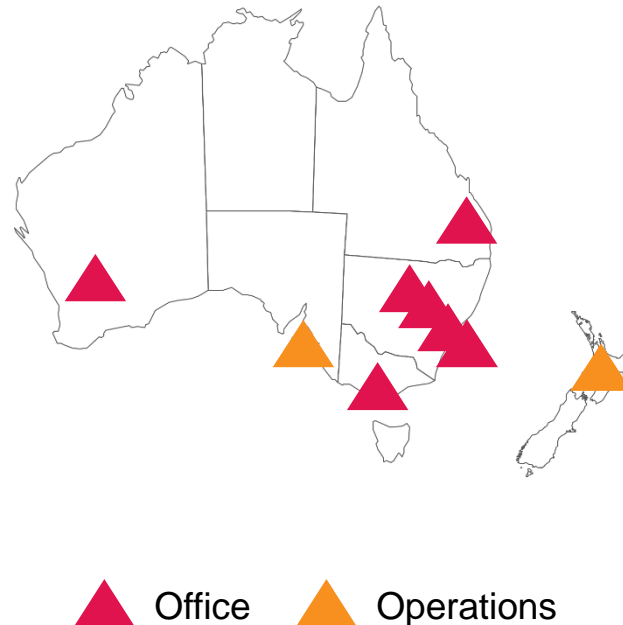
Diversified by size and sector (Government, corporates and SME)

7

Offices

120

Employees



Business Divisions

1

Specialist Recruitment

- Contingent labour
- Permanent recruitment

2

On Demand IT Services

- Delivery of information technology skills

3

People Services

- Outsourced recruitment and human resource consulting services

Sale of Lloyd Morgan China enables 100% focus on the core Australian & New Zealand business.

2 | Strategy Update



Strategic Focus

- **Retain existing clients** and grow our share of “customer wallet”.
- **Focus on acquiring commercially viable customers.**
- **Grow into new complementary industry sectors and functional verticals** that are matched with our capabilities.
- **100% focus on Australian & New Zealand operations and opportunities.**

Highlights of Key Initiatives

- Restructure of the Australian leadership team.
- Sale of Lloyd Morgan China to enable an undivided focus on the core Australian Specialist Recruitment, On Demand IT Services and People Services divisions.
- Ongoing review of operating costs and overheads.
- People Services pursuing opportunities in markets outside ACT.
- Search for an industry experienced CEO is ongoing.

3 | FY19 Year in Review (1 of 2)



Profit and Loss and Cashflow Metrics

- Revenue decreased 16.1% to \$152,900k (2018: \$182,203k)
- Gross profit decreased 18.5% to \$25,832k (2018: \$31,700k)
- Gross profit margin reduced to 16.9% from 17.4%
- After tax loss increased 126.5% to \$5,812k (2018: \$2,566k loss)
- Net operating cash outflow of \$1,232k (2018: net operating cash inflow \$1,492k)

Balance Sheet Metrics

- Net assets decreased 37.0% to \$8,872k from \$14,075k
- Cash balance declined 53.7% to \$1,287k (2018: \$2,782k)
- Debtor finance facility drawdown increased 823.2% to \$5,798k (2018: \$628k)
- Reduction in net trade receivables by 23.8%
- Reduction in trade and other payables 26.9%

3 | FY19 Year in Review (2 of 2)



Specialist Recruitment

ACT

- Another exceptional year of strong performance with FY19 profit (before corporate overheads) up 80.3% on last year.
- Strong momentum continuing into FY20.

NSW

- Underperformed despite the leadership change in mid-2018. New General Manager appointed in late October 2019, an industry recognized specialist with over 20 years experience.
- Ongoing industry wide challenge in attracting quality consultants.

Victoria

- Underperforming prior to the departure of the General Manager in June 2019. Negotiations underway with potential new General Manager.

QLD

- Trading profitably with the organisation restructure now completed.

WA

- Trading profitably.

On Demand IT Services

- FY19 revenue grew 15.9%.
- Profit (before corporate overheads) was up 24.0% on the prior year.
- Relationships with tier one system integrators underpin a promising and growing pipeline of sales opportunities for FY20.

People Services

- Record profit (before corporate overheads) up 90.5% on the prior year.
- FY19 revenue flat but improved margins.
- Healthy sales pipeline underpins strong business momentum into FY20.

4 | Lloyd Morgan China



FY19

- Very challenging with revenue declining by 37.8% on prior year.
- Moved to loss of \$966k due to poor trading
- Higher than anticipated costs and delays in rebuilding the offices in Beijing and Guangzhou.

FY20

- Weak trading conditions have continued with YTD loss of \$895k.
- Likely to result in large and unsustainable operating losses going forward.

Divestment

- An internal review recommended divestiture of the China business.
- A complex legal and regulatory environment with heightened business risk.
- The operations consumed a disproportionate amount of senior leadership time.
- Size of future trading losses likely to impact the Group's financial resources going forward.

5 | FY20 Trading Update



Specialist Recruitment

- ACT continuing to deliver and enjoying strong business momentum.
- New NSW General Manager appointed and expected to make a significant contribution.
- New VIC General Manager to be appointed.
- QLD profitable with various options currently being evaluated.
- WA profitable.

On Demand IT Services

- Promising and growing pipeline of sales opportunities with tier 1 system integrators.
- A core focus on profitably converting the sales opportunities.

People Services

- Strong business momentum underpinned by a healthy and growing sales pipeline.

Sale of Lloyd Morgan China eliminates a significant major business distraction and enables 100% focus on the core Australian & New Zealand business.

Thank you.
Questions?