

The background of the slide is a dark navy blue with a complex, low-poly geometric pattern of thin white lines forming various sized triangles and polygons.

rxp'group

Annual General Meeting

16 October 2018



Agenda

A. Chairman and CEO Presentations

- 1. Discussion of Financial Statements and Reports**
- 2. Consideration of Remuneration Report**
- 3. Consideration Re-election of Director**

FY18 at a glance

FY18 had its challenges, but we are well positioned for FY19

Revenue \$144.9m

- Growth in digital work (~\$27m, including contribution from The Works) offset by decline in traditional consulting revenue (~\$23m)

Underlying EBITDA \$15.2m

- Faster than anticipated decline associated with traditional consulting work (across two major clients)
- Deferral of some Q4 product sales into Q1 FY19
- Investment in digital expansion (marketing, business development, proactive hiring and training)

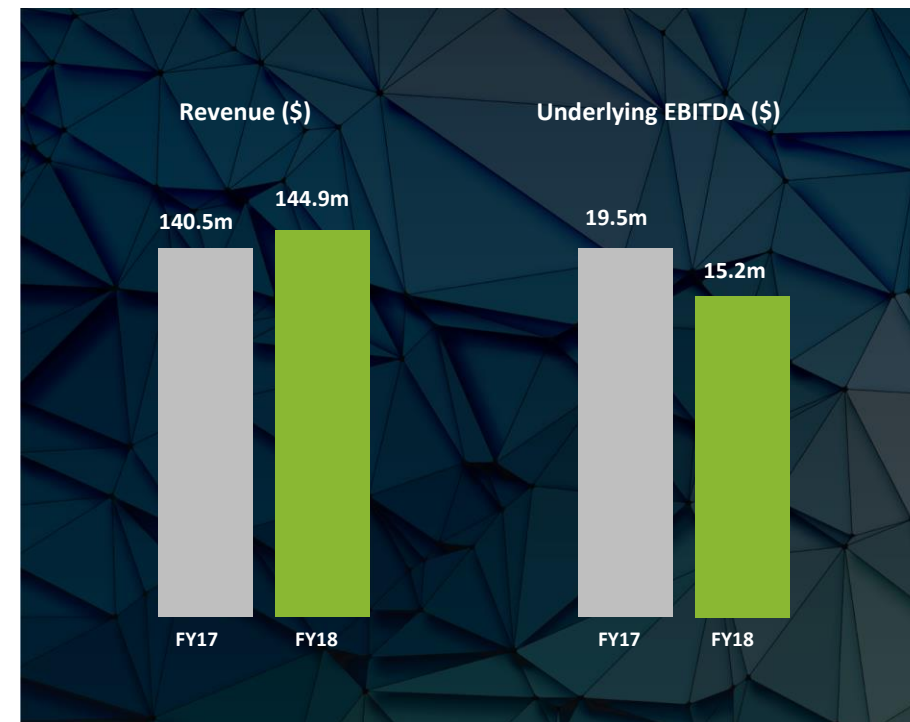
Strong finish to FY18

- Q4 revenue \$39m; Q4 EBITDA \$5.5m
- Utilisation levels have held going into FY19

Balance sheet in place that supports growth

- 107% cash conversion in FY18

Board declared a full year dividend of 3.5 cps fully franked



Business review completed

A deep dive business review was undertaken

- We looked again at our “Digital Services/Digital Partner” strategy – a strategy that aims to broadening our business into growth areas with larger and longer customer engagements
 - We concluded that this strategy is delivering growth and is the right strategy
- We had a close look at how we deliver projects and specifically RXPs specialisation and practice structure
 - It was clear that this allows us to provide focus and leadership in specific areas of capability which are aligned to our strategy
 - We concluded that these play an important role in delivering on our digital strategy and are critical to future growth
- We identified a number of operational process improvements, specifically around forecasting, sales pipeline and engagement
 - Reviewed and re-aligned our underlying structures to our strategy
 - Enhanced resource management processes
 - Enhanced our financial forecasting and management processes with improved real-time reporting and the addition of the regional axis within the business
 - Rationalised the specialisations offered in Hong Kong – a more focussed go-to-market aligned to industry demand
- We also identified a number of organisational changes that would accelerate execution of our digital strategy and provide greater focus and accountability on financial performance whilst at the same time deliver efficiencies
 - Expanded the role of Group Executive Digital & Delivery role to drive margin expansion and acceleration of digital growth (“Making happier Humans” sales initiative in place targeting specific clients) – Jared Hill
 - Introduction of 2 new Regional Group Executive roles to help streamline overall decision making and drive alignment to digital strategy (full P&L and operational responsibility for their respective regions) – Charles Agee & Kevin Brough
- We are also working to introduce a Long Term Incentive plan that more closely aligns key Executive performance to total shareholder return

Ross Fielding Chief Executive Officer

- Maintaining commitment to our strategy
- Growth in digital continues
- Maintaining people & client focus
- Repositioning RXP group in the market – the pitch

FY18 – additional comments

Rebalanced work mix

- Growth in digital has been pleasing
- Reduction in traditional consulting work in the first 8 months across two major clients

Margin impacted by traditional consulting work

- Impact associated with two major clients now managed as we have transitioned to new rate cards
- Driving up “digital” services work has offset this in Q4

Good client wins and key project milestones delivered across FY18

- A number of significant high profile digital projects have been enhancing RXP's digital delivery reputation
- All existing client MSAs retained in FY18, with a number of MSAs expanded in scope
- A number of new clients and MSA's added during FY18
- Our digital strategy is resulting in new revenue streams with a range of client wins and broadening existing client mandates

The Works delivered in line with expectations

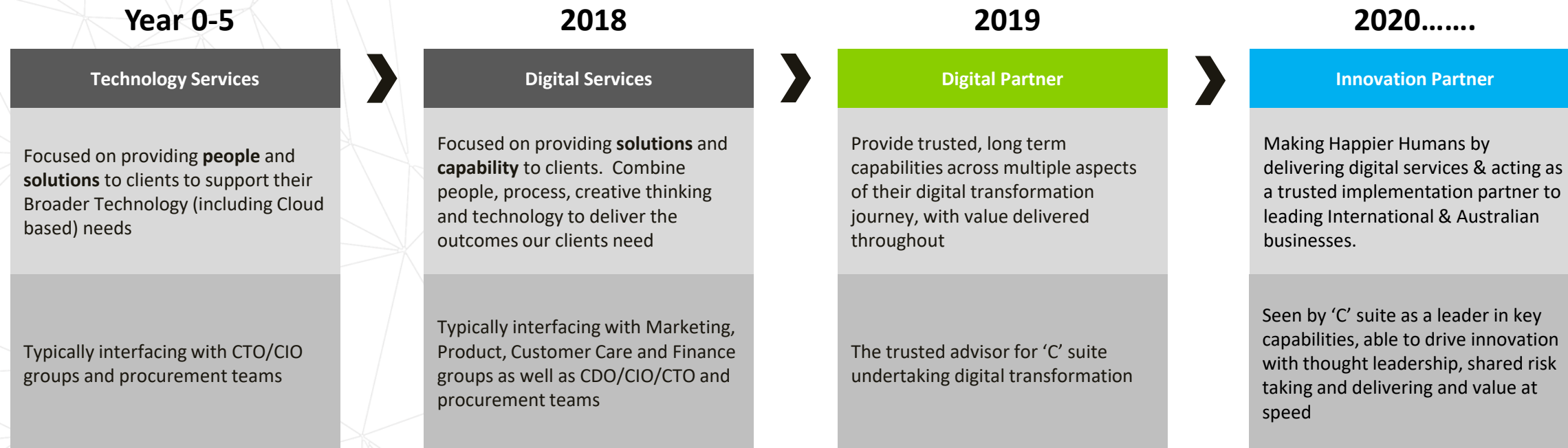
- Good client retention, with new clients offsetting any changes
- The integrated RXP | The Works has resulted in strategic client/project wins

Strong Q4 set the scene for FY19

Our Capability Model



Maintaining commitment to our strategy



- Continue to develop and evolve our capabilities combining technology and creativity = **Remain relevant, be a great place to work**
- Increase digital work from consulting based and project /outcomes based engagements = **Improve predictability / stick-ability**
- Continue to build our brand and our ability to sell the value of RXP = **Price-to-Value**
- Drive up EPS; Improving Cash and Cash Conversion = **Deliver for shareholder**

Strong growth in Digital continues

Traction with our Digital Services continues to build

- Digital work grew by over \$27m in FY18 (incl. The Works)
- Strong Q4 reflected growth in digital and the managed transition
- Significant high profile digital projects were successfully delivered throughout FY18 enhancing our reputation
- Several new clients and MSAs were added during FY18
- Digital sales cycles continue to reduce, with win rates improving as we build our track record and reputation
- We continue to evolve our capabilities and delivery methodologies

The Works delivered in line with expectations

- Now integrated into the RXP Digital Delivery processes
- Continues to win new client work
- Opportunity to further leverage assets - OnMessage (Chatbot platform) and Communique (digital content production platform)

Our Methodology



Maintaining focus on people and clients

Employee experience remains a key priority

- RXP developed skill and capability enhancement programs in place
 - Continuing to build out our capabilities into new in-demand areas through cross-training
- Continue to work on innovative ways to connect and engage with our people

We maintain a strong set of diverse clients

- Retained all existing client agreements with a number of them expanded
- A number a new clients added across both public and private sectors

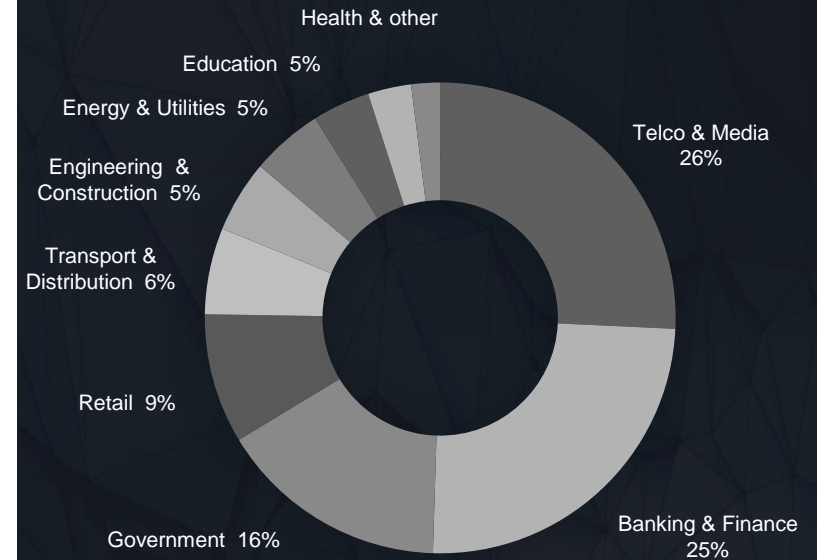
We expanded our “Spaces” in FY18 – Experience and Development Hubs

- The Sydney RXP Experience Hub opened 7 February 2018 with clients and partners benefiting from the co-creation and collaboration environments
 - This followed on from the successful Melbourne Experience Hub launch in January 2017
- We continued to build up and expand capabilities in our Hobart Development Hub

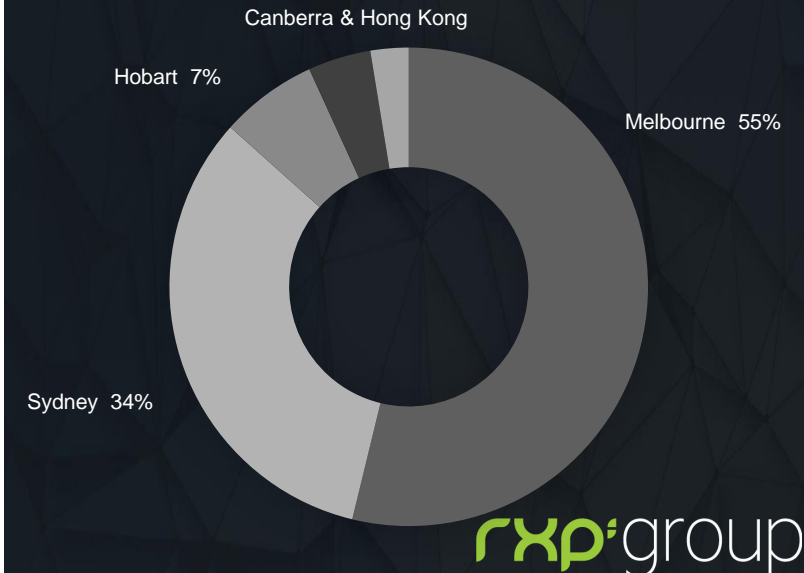
We have refreshed our brand to reflect our Digital evolution

- Expanded our Digital presence in the market, refreshing our brand, our brand values and overall purpose

Sector spread



Regional spread



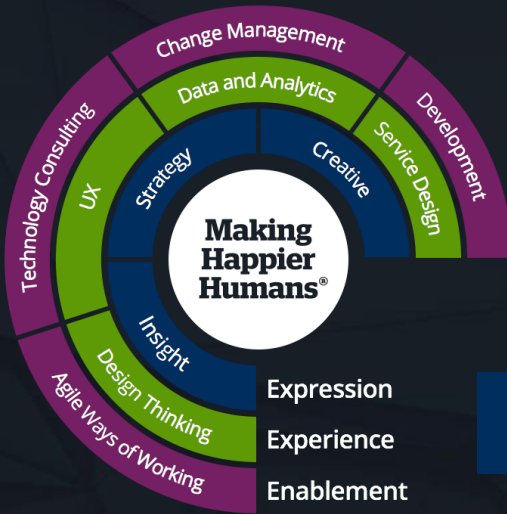
Repositioning RXP group in the market



**Making
Happier
Humans®**

Our mission for
Australian businesses

The RXP Group pitch



Expression

Strategy
Creativity
Insight & Research
Personalisation
Innovation

Experience

Human Centred Design
CX Research
Ethnography
Prototyping
Data Insight
Automation

Enablement

Agile Ways of Working
Technology
Reporting & Analytics
Change Management
Artificial Intelligence (AI)

Outlook for FY19

- Our strategic framework
- Platform set for a stronger FY19

Our Strategic Framework



Outlook – platform set for a stronger FY19

Client list and mix remains strong

- Retained all existing MSAs, with panel agreements providing growth opportunities
- Expanded a number of our existing agreements/MSAs
- We continue to add new clients as we evolve our position in the market

Improved margins expected in FY19

- Operational improvement benefits will flow into FY19
- Strong pipeline and re-aligned underlying cost structures will further leverage our end-to-end Digital capabilities
- Benefits from acceleration of higher value digital work across the RXP Group

Revenue and EBITDA growth expected in FY19

- Good start FY19, with financials on track for solid EBITDA growth
 - Utilisation in line with expectations
 - Strong pipeline with good new client wins along with existing client extensions
- Repositioning of RXP with clients going well with a range of opportunities won/being discussed
- Maintain our guidance of double digit EBITDA growth in FY19

Agenda

A. Chairman and CEO Presentations

- 1. Discussion of Financial Statements and Reports**
- 2. Consideration of Remuneration Report**
- 3. Consideration Re-election of Director**

Agenda

A. Chairman and CEO Presentations

1. Discussion of Financial Statements and Reports
- 2. Consideration of Remuneration Report**
3. Consideration Re-election of Director

Ordinary Resolution 1: Consideration of Remuneration Report

- “That, the Remuneration Report forming part of the Directors Report for the year ended 30 June 2017 is adopted.”

Voting Summary

For	27,305,438	54.99%
Against	4,126,750	8.31%
Open usable	18,226,076	36.70%
Excluded	8,406,000	NA

17,971,576 OPEN USABLE PROXY VOTES ARE AVAILABLE TO THE CHAIRMAN

Agenda

A. Chairman and CEO Presentations

1. Discussion of Financial Statements and Reports
2. Consideration of Remuneration Report
- 3. Consideration Re-election of Director**

Ordinary Resolution 2: Re-election of Director – Ms Sandra Hook

- “That, Ms Sandra Hook, who retires by rotation as a Director pursuant to the Company’s Constitution, be re-elected as a Director of the Company.”

Voting Summary

For	36,010,580	61.94%
Against	3,901,510	6.71%
Open usable	18,226,076	31.35%
Excluded	0	NA

17,971,576 OPEN USABLE PROXY VOTES ARE AVAILABLE TO THE CHAIRMAN

Questions

rxp'group



Level 15, 31 Queen St
Melbourne, VIC 3000



info@rxpservices.com



03 8630 5800

**Making
Happier
Humans®**

Disclaimer

This presentation was not prepared for and should not be relied upon to provide all necessary information for investment decisions. Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. Although great care & diligence has been taken to ensure the accuracy of this presentation, RXP Services Limited gives no warranties in relation to the statements and information contained herein and disclaims all liability arising from persons acting on the information and statements in this presentation.

Due to the dynamics and changing risk profiles of investment markets, RXP Services Limited reserves the right to change its opinion at any time. All investors are strongly advised to consult professional financial advisors whose role it is to provide professional financial advice, taking into account an individual investor's investment objectives, financial situations and particular needs.