



Ignite Limited CEO Presentation

23 November 2021

Agenda



- FY21 Financial Review
- FY21 Operating Division Results
- FY22 YTD Operational Review
- Specialist Recruitment Two Year Trend
- Leadership Appointments
- Market Opportunity
- Our Strengths
- Three Year Outcomes
- Three Year Strategy
- People and Culture Strategy
- Engagement Survey Feedback
- Ignite in 2024
- Strategy Delivery

FY21 Financial Review



Year ended 30 June	2021 \$000	2020 \$000	Change +/(-)%
Revenue	113,878	125,958	(9.6)
Gross profit	13,488	15,267	(11.7)
Gross profit margin	11.8%	12.1%	
Profit/(loss) for the year	2,415	(3,777)	163.9
Loss before JobKeeper	(136)	(3,777)	96.4
Operating cash flow	670	4,581	(85.4)
Net assets	5,330	2,916	82.8

Highlights

- Current year represents the best underlying operating result since 2012.
- Profit for the year included \$2,551k in net JobKeeper payment subsidies.
- Improved performance is the result of a decrease in net operating overheads through business rationalisation.

FY21 Operating Division Results



Year ended 30 June		2021 \$000	2020 \$000	Change +/(-)%
Specialist Recruitment	Revenue	104,659	114,477	(8.6)
	Gross profit	11,146	12,440	(10.4)
Managed Services	Revenue	9,219	11,481	(19.7)
	Gross profit	2,342	2,827	(17.2)

Specialist Recruitment – Revenue and gross profit decreased in line with each other while gross profit margin was largely steady. Experienced reduced contingent labour volumes in business support vertical and reduced permanent recruitment volumes.

Managed Services – Revenue and gross profit impacted by COVID-19 during the year with projects delayed and reduced volumes at client sites.

FY22 YTD Operational Review



Specialist Recruitment – Revenue and gross profit increased year on year (10.8%) driven by increases in contingent labour volumes and permanent recruitment in certain markets. We have also seen an increase in our gross margin per contractor which has had a positive impact on our gross profit result.

Managed Services – Revenue and gross profit decreased year on year due to extended lockdowns across various States and Territories, in particular NSW and Victoria, with limited access to client sites driving down ticket volumes and COVID-19 related uncertainty delaying projects. We are now seeing a return on ticketed work within On Demand and pipeline in Talent Solutions in Q2.

Specialist Recruitment Two Year Trend



YTD October	22 vs 21 +/(-) %	2 yr CAGR +/(-) %
Gross profit/contractor hour	17.3	5.8
Permanent placements	39.1	(34.7)
Gross profit/permanent placement	16.4	12.5
Total gross profit/client facing head	14.0	24.2

Contractors – While contractor volumes in certain parts of our business were impacted by COVID in FY22 versus FY21, gross profit per contractor hour up 17% over 12 months and 5.8% per annum over two years through focus on higher margin verticals and clients.

Permanent – FY22 volumes down relative to FY20 due to impact of COVID-19 in intervening period, however, improving versus FY21 as clients move towards post-COVID-19 hiring.

Leadership Appointments



Chief Executive Officer
Tim Moran



Executive GM, Talent Solutions
Nikki Grech



GM, Specialist Recruitment
Bernt Schindler (VIC/NSW/WA)

Market Opportunity



Technology

Australian IT cloud market growing at 40% per annum, worth \$7.7 billion.

Australia's cyber-security market will triple by 2026 to over \$7 billion.

AI and automation could provide the Australian economy a \$2.2 trillion boost.

Australian software spend jumped to \$13 billion in 2020.



Federal Government

Spends \$5 billion a year on contractors across public service (20% IT).

IT contractors exceed internal staff numbers across largest Federal Government departments.

Major digital transformation projects driving demand for IT talent across departments.

COVID-19 has increased need for frontline office support staff to manage inquiries.



Engineering

\$48 billion to be spent on major infrastructure projects nationally by FY24.

Construction-led economic recovery a key part of Federal Government post-pandemic plans.

Construction jobs projected to grow 10% to May 2023.

Transition to renewables (\$20 billion+) driving new engineering projects.

Our Strengths



Federal Government

6th largest Federal Government recruitment supplier (out of 950) in FY21 by contract value.

Top 5 recruitment supplier for 9 Federal Government departments.

We supplied labour to 30 Federal Government departments and have 5 active major panel arrangements across Federal Government alone.

Client Experience/Knowledge

Our top 10 clients represent 48.2% of our business across Specialist Recruitment and the average tenure is 5 years +.

Our top 10 consultants all have an average of 7 yrs + tenure with Ignite.

Sector specialism has generated strong industry partnerships (e.g. WIC).

Client Performance

In FY21 we grew the gross margin contribution in all of our top 5 national accounts.

15+ year relationships with some of our clients (e.g. *KPMG, ANSTO, ATO, Kellogg*).

Average fill rate of 53% across our top 50 clients.

Three Year Outcomes



Build a sustainable diversified business that will have a profitable and scaled Specialist Recruitment division which will be complimented by a high growth Managed Services division which has a track record of delivering significantly higher margins and operating profit conversion ratio.

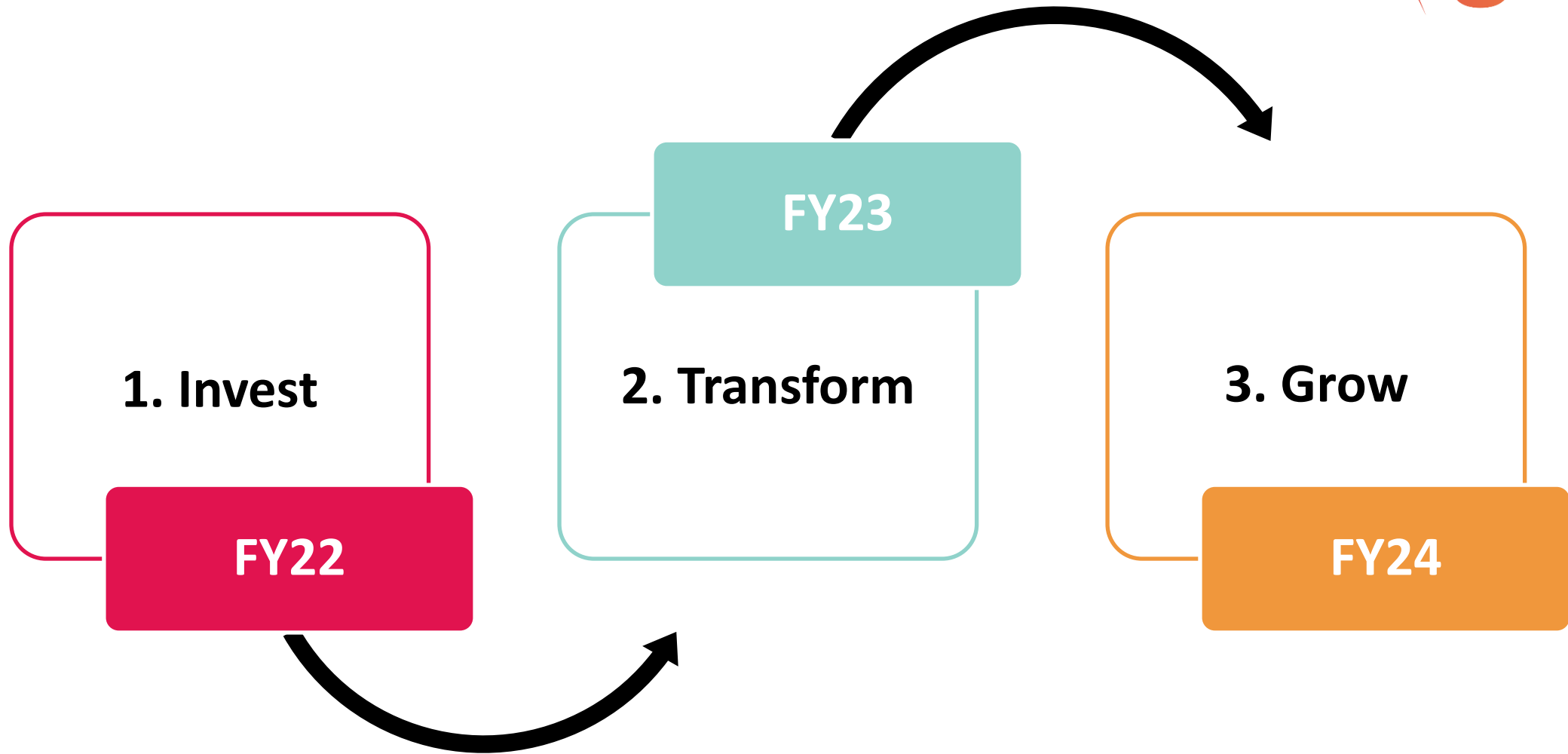


Generate sustainable recurring profitability leveraging multiple revenue streams supported by a National Resource Centre and Shared Services Function.



Create long term value and returns for shareholders through a combination of capital appreciation and income stream.

Three Year Strategy



Three Year Strategy



1. Invest

FY22

- Establish a **strong brand** that positions ourselves to achieve sustainable growth by developing and implementing a **people and culture strategy**.
- **Unite** our business lines and deliver them **cohesively** to the market.
- Expand our **market share** with more higher margin business by investing in our **Federal Government capability** and establishing **vertical specialisms** across technology while transitioning to a national **Account Manager and Resource model**.
- Increase the **gross margin contribution** from our Managed Services business by clearly defining its go-to-market strategy.

Three Year Strategy



2. Transform

FY23

- Build on **strong culture** that helps attract and retain top talent to achieve sustainable growth.
- Hire **leaders** to bolster our technology expertise and establish an **enterprise client development team**.
- Continued development of **National Resource Centre** servicing all business lines with deep talent pools.
- Create a **best-practice Shared Services** function to support the business.
- Take our **Managed Services business strategy** to market.

Three Year Strategy



3. Grow

FY24

- Expand our **national office infrastructure**.
- Execution of **People & Culture Strategy** will provide platform to transition to scaled **Specialist Recruitment** business
- Significantly increased contribution from our **Managed Services businesses with Technology Consulting and RPO projects** completed with case studies in place and growing market presence
- Delivered greatly increased and **sustainable shareholder return**

People and Culture Strategy



How do we attract, develop and retain the talent to deliver our strategy?

Plan

- Communicate a consistent purpose, vision and mission
- Develop a clear EVP and brand
- Build a strong inclusive culture



Attract

- Create clear career progression pathways
- Offer attractive incentive plans
- Showcase our internal culture



Develop

- Induction – onboarding, induction and mentoring
- Learning – relevant technical training
- Growth – leadership development



Retain

- Maintain our strong inclusive culture
- Celebrate achievements and high performance
- Provide benefits that improve retention



Engagement Survey Feedback



My actions and work adhere to Ignite's values and behaviours.

98%

I am open to change and using different initiatives to improve productivity.

94%

My manager makes decisions that are focused on what is good for the organisation, not just good for their team.

94%

Ignite's business strategy delivers confidence that the business is in a position to really succeed over the next three years.

86% +59%

The leaders at Ignite keep people informed about what is happening.

85% +45%

Day-to-day decisions here demonstrate that quality, compliance and continual improvement are top priorities.

87% +38%

Ignite in 2024



A leading staffing and solutions provider in ANZ.

Established and sustainable technology consulting and talent solutions arms complimenting a scaled national Specialist Recruitment business.

National Resource Centre aligned with verticals and customers.

Sustainable profitability and shareholder returns.



Ignite in 2024



Strategy Delivery



Aligned, experienced and ambitious executive team with track record.

Streamlined vertical market focus.

Investment in technology consulting and talent solutions divisions.

Focus on EVP to attract and retain top talent.



Thank you.

Questions?