



**IGNITE LIMITED**

# **Annual General Meeting**

24 November 2020

# Agenda



1

**Overview**

2

**Strategy Update**

3

**FY20 Year in Review**

4

**FY21 Trading Update**

5

**Octavium General Meeting**

6

**Q&A**

# 1 | Overview



## Operations Across Australia & New Zealand

**>\$125 million**

Revenues

**Quality clients**

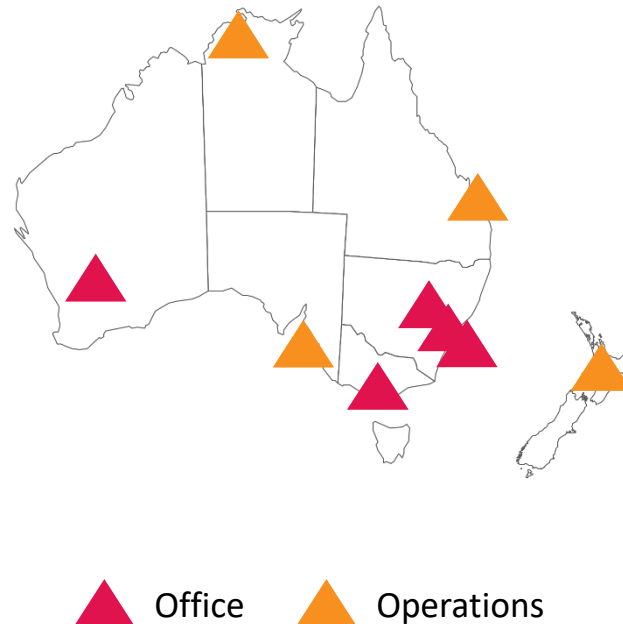
Diversified by size and sector (Government, corporates and SME)

**5**

Offices

**75**

Employees



## Business Divisions

1

### Specialist Recruitment

- Contingent labour
- Permanent recruitment

2

### On Demand IT Services

- Delivery of IT skills

3

### People Services

- Outsourced recruitment
- Human Resource consulting services

## 2 | Strategy Update



### Strategic Focus

Having so far survived COVID-19 by managing costs and maintaining stability, we have a renewed focus on:

- **Retaining** existing clients and growing our share of “customer wallet”.
- **Acquisition** of commercially viable new customers.
- **Identifying** viable bolt-on acquisitions created by COVID-19.
- **Operating** our Australian and New Zealand businesses.
- **Engaging and developing** our staff - our KEY asset in a challenging environment.

### Highlights of Key Initiatives

- **Leadership restructure** including the entire General Manager team (5 in total).
- **Operational restructure** resulting in material headcount and cost reductions.
- **Managed through** COVID-19 to restructure and right-size the business for resilience and growth.
- **Protected** client base and continued to drive growth in State and Federal government clients.
- **Maintained** focus on sustaining culture, sales and service delivery through COVID-19.
- **Focused** on retaining and motivating a committed team for expected growth.
- **Search** for an industry experienced CEO recommenced following completion of restructure.

## 3 | FY20 Year in Review (1 of 2)



### Profit and Loss and Cashflow Metrics

#### For consolidated continuing operations:

- Revenue decreased 13.7% to \$125,958k (2019: \$145,924k)
- Gross profit decreased 18.6% to \$15,267k (2019: \$18,753k)
- Gross profit margin reduced to 12.1% from 12.9%
- After tax loss decreased 21.8% to \$3,777k (2019: \$4,827k loss)

#### For consolidated ordinary activities:

- Net operating cash inflow improved 183.8% to \$4,581k (2019: \$5,466k net outflow)

### Balance Sheet Metrics

#### Group consolidated:

- Net assets decreased 67.1% to \$2,916k from \$8,872k
- Cash balance declined 68.3% to \$408k (2019: \$1,287k)
- Debtor finance facility drawdown decreased 79.5% to \$1,187k (2019: \$5,798k)
- Reduction in net trade receivables by 44.3%
- Best trade receivables ageing in 10 years with 8.0% past due
- Reduction in trade and other payables 6.0%
- No JobKeeper received in FY20

# 3 | FY20 Year in Review (2 of 2)



## Specialist Recruitment

### ACT

- Very strong performance with FY20 profit (before corporate overheads) down 1.0% on FY19.
- Momentum continuing into FY21 despite delayed Federal Government budget.

### NSW

- Significant team restructure with 15+ consultants removed; now looking to grow headcount.
- Growth strategy impacted by COVID-19 and underperformed to budget.

### VIC

- Headcount reduced due to removal of underperforming consultants.
- Growth strategy severely impacted by COVID-19.

### QLD

- Integrated into ACT operations.
- Plan to grow when opportunity arises.

### WA

- Trading profitably with small team.
- Integrated into VIC operations.
- Plan to grow when opportunity arises.

## On Demand IT Services

- New General Manager appointed August 2020.
- FY20 revenue fell 15.1%.
- Profit (before corporate overheads) was down 61.4% on the prior year.
- Revenues impacted by COVID-19. Existing contracts stalled and/or postponed.
- Tier 1 and Tier 2 clients impacted by COVID-19.
- Starting to see confidence return in the client base and pipeline building for FY21.

## People Services

- Profit (before corporate overheads) down 12.1% on the prior year.
- Pipeline severely impacted by COVID-19 and delayed Federal Government budget.
- Post Federal Government budget pipeline of opportunities now building in H2.

## 4 | FY21 Trading Update



### Specialist Recruitment

- **ACT** – exposure to predominantly Federal Government clients underpinning continuing strong performance.
- **NSW** – post COVID-19 now profitable and focus on rebuilding team.
- **VIC** – post COVID-19 now profitable and focus on rebuilding team.
- **QLD** – integrated into ACT operations with any expansion to be driven by market opportunities.
- **WA** – small but profitable.

### On Demand IT Services

- Under new leadership.
- Profitable.
- Post COVID-19 starting to see improved pipeline of opportunities with improved client confidence.
- A core focus on rebuilding the pipeline and converting sales opportunities.

### People Services

- Profitable.
- Post COVID-19 and delayed Federal Government budget the pipeline of opportunities is now growing.

## 5 | Octavium General Meeting



- Various letters, statements and claims made to shareholders addressed by the Board letter attached to the Notice of Meeting dated 16 November 2020.
- The Board is concerned about the timing and expense of holding a second meeting of shareholders when the matters raised should have been addressed at the AGM.
- The Board **STRONGLY** recommends shareholders vote **AGAINST** the resolutions to elect 2 new Directors.



**Thank you.**  
**Questions?**