



**RUBICOR GROUP LIMITED (ASX:RUB) - 1H2018 Results Presentation**

David Hutchison - Executive Chairman & CEO

20 March 2018

# IMPORTANT NOTICES

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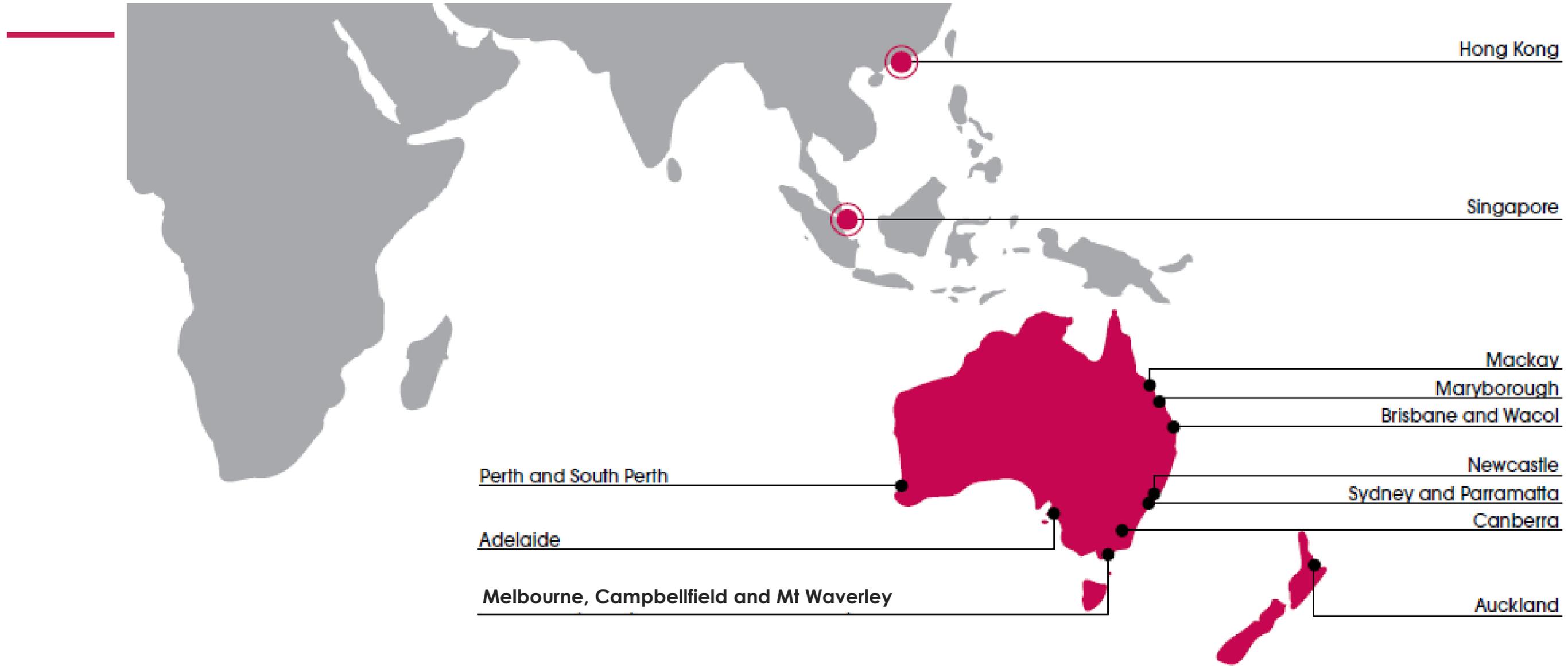
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## RUBICOR SNAPSHOT

- Rubicor Group (ASX:RUB) is one of the largest providers of specialist recruitment and human resource services in Australia, New Zealand and Asia
  - Employs over 165 human resource consultants and administration staff across 17 offices
  - 10,000+ placements annually
  - Employs over 2,350 casual and contract staff on a daily basis
  - Revenue ~ A\$180M+
  - Listed on the Australian Securities Exchange (ASX) since 2007
- Consists of 6 brands, previously 16 (reduced from 23 at the time of IPO)
  - Rubicor Workforce
  - Rubicor Professional
  - Rubicor Government
  - Rubicor Technical
  - Xpand
  - Gaulter Russell Numero

**Rubicor is a significant, long established recruitment business and a key player in specific occupations and geographies**

# RUBICOR OFFICE LOCATIONS AND MARKETS



Rubicor has geographic reach across Australia, New Zealand and fast growing Asian commercial hubs of Singapore and Hong Kong

## SERVICES WE PROVIDE

Rubicor delivers complete human resources management, payroll, recruitment, consulting & labour hire, namely via the following:

	Managed Services	Executive and Retained Recruitment	Contingent Recruitment	Labour Hire	Payrolling	Ancillary Services
Service Level	<ul style="list-style-type: none"> <li>- Varies based on clients needs</li> <li>- May range from management of recruitment process as an in-house resource through to managing recruitment, staffing, performance management and human resource functions typically provided by an inhouse team</li> </ul>	<ul style="list-style-type: none"> <li>- Prepare detailed assignment for role and company</li> <li>- Create Position Description</li> <li>- Online, print and social advertising</li> <li>- Research identification</li> <li>- Networking and seeking non-active candidates</li> <li>- Presentation of Long List</li> <li>- Interview for culture/career</li> <li>- Short List</li> <li>- Negotiate package</li> <li>- Assist on-boarding</li> <li>- Manage candidate issues</li> <li>- Medium term guarantee</li> </ul>	<ul style="list-style-type: none"> <li>- Exclusive or Non-Exclusive Engagement terms</li> <li>- Phone Briefing</li> <li>- Create Online advertising</li> <li>- Database search</li> <li>- Verify candidate technical and discipline skills</li> <li>- Interview for behavioural capabilities and attributes</li> <li>- Presentation of short list</li> <li>- Assist in package negotiations</li> <li>- Candidate follow up</li> <li>- Short term guarantee</li> </ul>	<ul style="list-style-type: none"> <li>- Source casual and contract staff for temporary assignments</li> <li>- Qualify and verify candidate's qualifications and skills</li> <li>- Payroll and manage labour force to meet clients staffing needs</li> </ul>	<ul style="list-style-type: none"> <li>- Onboard Employee for Client</li> <li>- Manage Salary and Employment Records</li> <li>- Manage time sheeting</li> <li>- Pay staff and provide payment terms client</li> </ul>	<ul style="list-style-type: none"> <li>- Coaching, Leadership &amp; team Development</li> <li>- Learning Solutions</li> <li>- Business Strategy &amp; Change Management</li> <li>- Workplace Planning &amp; Development</li> <li>- Transitional Support</li> <li>- HR Services</li> <li>- Psychometric Assessments for Recruitment or Development</li> </ul>
Example Clients	Google Singapore and Gumtree	Macquarie Group, Australian Government, PayPal		Coca-Cola Amatil, Telstra	Misc.	Misc.
Fee Model	Monthly Management fee plus Transactional Based Fees	% of Placed Candidate's Salary	% of Placed Candidate's Salary	% of Casual Employee's Remuneration	% of Employee's Remuneration	Hourly Rate
Current % of Rubicor Revenue	<2%	>5%		<91%	<1%	<1%

**Provides a range of Recruitment and Human Resources, growth focus is via Managed Services**

# CLIENTS WE SERVICE

Rubicor provides a mixture of Recruitment and Human Resources Services to both Australian and International organisations, ranging across small, medium and enterprise size



Meeting the HR needs of clients across Technology, Finance, Government, Manufacturing, Chemicals and more

## CURRENT MARKET ENGAGEMENT MODEL

Due to Rubicor's "roll-up" history, the market engagement strategy has been based on Brands, in 2017 this was consolidated to 6 (down from 23 on IPO, and 16 in 2015) :

Business Unit	Occupation Focus	Services Provided	Geographies	Customers
Rubicor Workforce	Manufacturing, industrial, mining, trades	Labour Hire, payrolling	Australia wide – Perth, Adelaide, Parramatta, Newcastle, Mackay, Wacol, Campbellfield, Mt Waverley and Maryborough	Coca-Cola Amatil, Telstra, BlueScope Steel, Pentair Water, Assy Operations, Sony DADC, Korvest, Permacast, Homestyle Vegetable Processors
Rubicor Professional	Finance, banking, executive and professional support	Executive, Retained and Contingent Recruitment	Perth, Melbourne, Sydney	Macquarie Bank, Morgan Stanley, Mainstream BPO, Bank of America Merrill Lynch, Colonial First State, Universal Music Australia, Westpac, Stateplus, BT Financial Group, Australian Broadcasting Company
Rubicor Government	Clerical, information technology, business services, government	Executive, Retained and Contingent Recruitment	Perth, Adelaide, Canberra	Public Transport Authority, Western Australian Police, Department of Finance, Department of Transport, Department of Health, Department of Communities.
Rubicor Technical	Infrastructure, manufacturing, utilities, supply chain and organisational development.	Executive, Retained and Contingent Recruitment, Ancillary Services	Brisbane, Sydney and Melbourne	Incitec Pivot, CADIZF Lemforder, Amcor Flexibles (Australia), Transport for NSW, SP Brewery, Amec Foster Wheeler, QEDI Completions & Commissioning, SunWater, Career Crossroads International, CC Pacific
Xpand	Digital Media, Ad tech, creative, technology, sales and marketing, data and analytics	Executive, Retained and Contingent Recruitment, Labour Hire and Managed Services	Sydney, Melbourne, Singapore and Hong Kong	Google, Gumtree, eBay, NAB, Yahoo!7, Facebook, PayPal Australia, ServicesNow Australia, IBEXI Solutions, Multi Channel Network
Gaulter Russell Numero	Sales, marketing and accounting	Executive, Retained and Contingent Recruitment	Auckland, New Zealand	Kimberly-Clark NZ, Goodman Fielder, ABB, Oji Fibre Solutions, New Zealand Steel, Endoscopy Auckland, Airwork Holdings, Independent Liquor (NZ) Ltd, Metropolitan Glass and Glazing, Danone Nutricia NZ

**Consolidated 23 market facing brands to 6 - further marketing refinement to be undertaken**

## BOARD AND EXECUTIVE



### DAVID HUTCHISON – Executive Chairman & CEO

David is an ACA with an MBA from London Business School and Harvard. He spent three years with Arthur Anderson and seven years as a Strategy and Corporate Finance Consultant with McKinsey & Co. David was the Group Head of Strategy with Standard Chartered Bank and an MD with Deutsche Bank’s Investment Banking Division.

David has significant experience within the Australian and global recruitment industry having worked on strategic and corporate finance assignments with companies including Manpower, Kelly Services, Adecco and Fircroft.



### SHARAD LOOMBA – Chief Operating Officer & Executive Director

Sharad is a corporate lawyer with over 20 years’ experience. He graduated with a BCom LLB from UNSW in 1992 and has been admitted as a solicitor in NSW since 1992. Sharad is Chief Operating Officer & Executive Director, General Counsel and Company Secretary of Rubicor Group Limited, and is also Director and Company Secretary of each of its subsidiaries. He has served on Rubicor Group Limited’s Executive Committee for over ten years. Sharad oversees Rubicor Group Limited’s operations, as well as administrative services such as HR, IT, insurance, media & communications, property leasing, risk & compliance.

Sharad is a Fellow of the Australian Institute of Company Directors (AICD).



### ANGUS MASON – Non-Executive Director

Angus Mason is a director of Cashel House, the largest shareholder of Rubicor. He has extensive experience in financing and operations in the labour hire and recruitment sectors, having been a director and shareholder of Weststaff (Australia) Pty Ltd and Weststaff NZ Ltd.

Angus is the founder and CEO of Cashel House, a multi-family office, operating in Australia and Singapore providing financial advice, credit and debt assistance, insurance arrangement, investment and superannuation management and other wealth protection and advice solutions for clients with modest means through to the affluent.

**Rubicor’s Board has experienced labour hire, recruitment & turnaround specialists – with material “skin in the game”**

# GENERAL MANAGEMENT AND LEADERSHIP TEAM



**JAY ADCOCK**  
Chief Financial Officer



**PHIL GUNTER**  
Executive General Manager



**CILLA ARNOLD**  
GM Xpand and Rubicor Professional



**SAMANTHA COTGRAVE**  
GM Rubicor Government



**SCOTT ROBERTS**  
Director Client Services  
& Organisational Development Consulting



**MICHAEL BOYD**  
GM Rubicor Technical



**NICK DALY**  
GM Rubicor Workforce



**BOB WALKER**  
GM Gaulter Russell Numero

Rubicor's Leadership Team have disciplined experience in their respective occupations, service and customer focus

# RESULTS OVERVIEW | 1HFY2018

	1HFY17	1HFY18	Variance	1HFY17	1HFY18	Variance
	(A\$m)	(A\$m)	(%)	(A\$m)	(A\$m)	(%)
	Statutory			Underlying		
<b>Reported Result</b>						
Revenue	121.2	<b>93.2</b>	<b>-23.0%</b>	105.0	<b>93.2</b>	<b>-11.2%</b>
Gross Profit	33.8	<b>13.7</b>	<b>-59.5%</b>	17.6	<b>13.7</b>	<b>-22.2%</b>
<b>EBITDA</b>	<b>15.0</b>	<b>(0.8)</b>	<b>-105.3%</b>	<b>2.6</b>	<b>0.2</b>	<b>-92.3%</b>
Net Profit/(loss) After Tax	12.2	<b>(11.9)</b>	<b>-197.5%</b>	(0.2)	<b>0.0</b>	<b>+100.0%</b>
<b>Earnings Per Share</b>	<b>4.9</b>	<b>(4.8)</b>	<b>-198.0%</b>	<b>(0.1)</b>	<b>0.0</b>	<b>+100.0%</b>
Cash Flow	(8.3)	<b>(0.9)</b>	<b>+89.2%</b>	(6.0)	<b>0.1</b>	<b>+101.7%</b>
<b>Net Tangible Assets</b>	<b>0.0</b>	<b>(3.0)</b>	<b>0.0%</b>	<b>2.3</b>	<b>(2.0)</b>	<b>-186.9%</b>
Employees	202	<b>172</b>	<b>-14.8%</b>	182	<b>172</b>	<b>-5.5%</b>

- Revenue - 1HFY18 \$93.2m underlying revenue down 11.2% on 1HFY17 (excluding \$3.7m in Ensure revenue comparative as this was divested in April 2017)
- Gross Profit – 1HFY18 \$13.7m underlying gross margin down 22.2% on 1HFY17 (excluding gain on debt forgiven \$14.7m, gain on bargain purchases \$1.5m and \$2.1m in Ensure gross margin comparative as this was divested in April 2017)
- Operating Expenses - 1HFY18 \$14.6m underlying operating expenses down 15.6% on 1HFY17 (excluding Ensure operating expenses comparative as this was divested in April 2017)
- EBITDA – 1HFY18 \$0.2m underlying EBITDA down 92.3% on 1HFY17 (excluding Ensure comparative as this was divested in April 2017)
- NPAT – 1HFY18 \$0.0m underlying NPAT up 200.0% on previous period (includes write-back of \$2.0m in impairment losses and \$6.6m in Deferred Tax Asset accrual expenses)
- Net Tangible Assets – 1HFY18 of (\$2.0m) underlying Net Tangible Assets down 186.9% on 1HFY17 (lower cash & trade receivables with an increased level of borrowings)
- Employees - Underlying 1HFY18 headcount down 5.5% on 1HFY17 (excluding Ensure which was divested in April 2017)

Rubicor is a significant, long established business and a key player in its market

# RECENT HISTORY

Since June 2015 management have focused on a number of initiatives. Some have been completed, others are still a work in progress.

Status	Commentary
Completed	<ul style="list-style-type: none"> <li>Completed capital raising to fund restructure in November 2015</li> <li>Reduced Other Expenses by \$2.6m per annum, reducing from \$4.4m (H1FY14) to \$3.1m (H1FY18) through:                             <ul style="list-style-type: none"> <li>Reduced travel and communications costs</li> <li>Closure or sale of non-profitable business units</li> <li>Consolidation of 16 occupation specialist and geographic brands into 6</li> </ul> </li> <li>Reduced office and leasing commitments of the group by \$0.2m</li> <li>Reduced creditor and ATO debts by \$15m</li> <li>Sold non-controlled and non-core business units for cash payments</li> <li>Consolidated 16 candidate data bases into 6, but with 2 Client Relationship Management systems</li> <li>Reduced employee costs from \$12.7m (H1FY14) to \$10.0m (H1FY18)</li> </ul>
Work in Progress	<ul style="list-style-type: none"> <li>As per the medium term aims outlined in the 2015 AGM                             <ul style="list-style-type: none"> <li>We have not achieved industry benchmark growth. Adjusting for business sales we have stayed relatively flat</li> <li>We are yet to lift average consultant earnings productivity to levels equal to industry benchmarks</li> </ul> </li> <li>Continue to attract and retain high performing staff</li> <li>Redefined service lines, and communicate their various value proposition to all clients</li> <li>Implement a single proven SAAS Client Relationship Management system with improved sales and marketing capabilities</li> <li>Increase Managed Services / RPO from being a minor to major % of group revenue</li> <li>Refine market engagement model (and brand strategy)</li> <li>Further improve group tendering, recent examples include Zinfra, Vocus and Western Australia Government</li> <li>Consolidate 6 candidate data bases to 1, to accelerate fulfilment times</li> <li>Move up the HR value chain through the development of the Candidate Engagement Platform</li> <li>Appoint a majority of independent board members with skills in Legal, Human Resource Strategy, Consumer and Business Marketing, and Consumer / Data Science Technology</li> </ul>

**Rubicor can now accelerate business improvement**

# WHY RUBICOR NOW?

## Existing Business Improving through Consultant Sales Productivity which will de-risk New Business Strategy

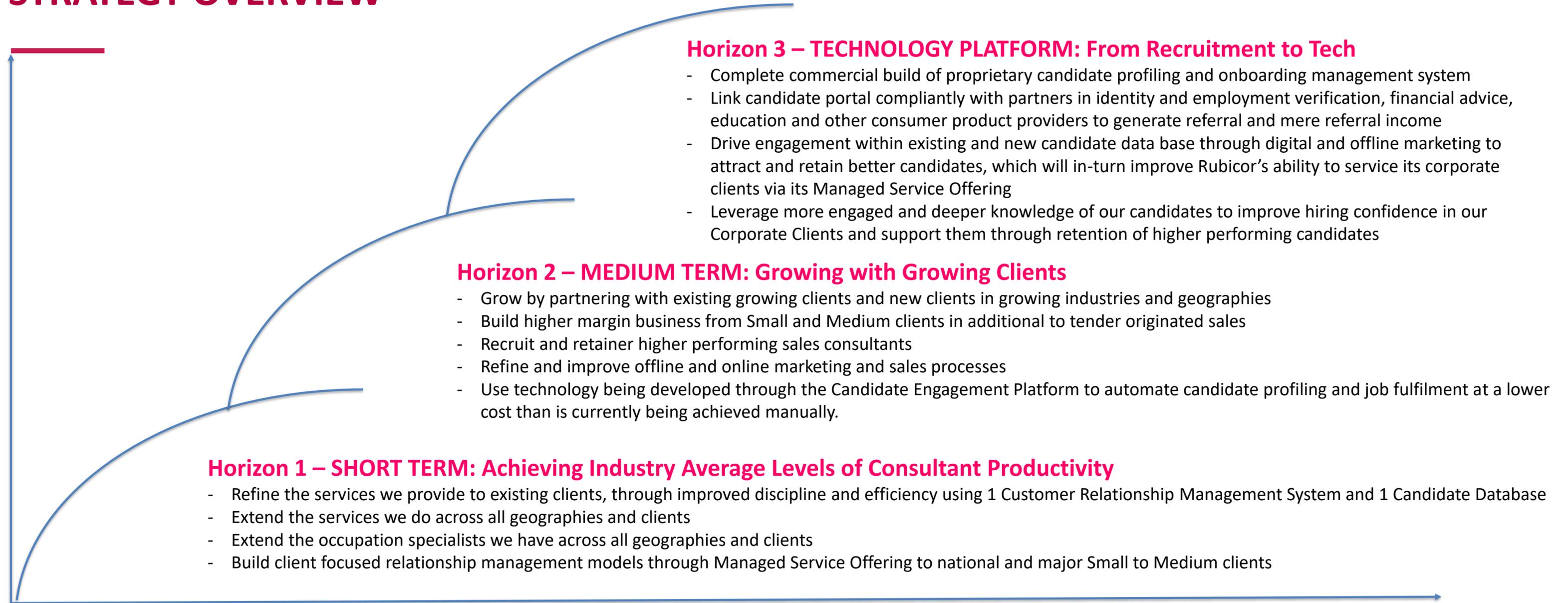
- Material existing business - Significant, recruitment & labour hire business – A\$180M+ revenues
- Business Transformation Well Advanced – 3 major business units were in administration 18 months ago
- Geographies - Australia, New Zealand, Singapore, Hong Kong
- Clients - Long term relationships with well known clients e.g. Coca Cola Amatil, Telstra, Google
- Key People in place, seeking to attract more to drive managed services and client sales
  - David Hutchison – labour hire/recruitment
  - Board and Executive Leadership Team
  - 165 Sales and Administration Staff

## Announcement of Significant Complementary New Business Strategy through Development of Candidate Engagement Platform

- Transformational candidate engagement technology platform under development with team and strategy in place to monetise - Rubicor has accumulated a candidate database of 2.4 million+ (growing daily at no additional cost), all of whom are consumers of products we can fulfil through B2C referral and distribution agreements (see **Strategy > Technology Platform**)
- Once proven commercial, opportunities to develop multidimensional platform offering for B2B use in combination with Rubicor's Managed Services Offering, and differentiate from other HR Technology models like LiveHire, FlareHR, CV Checker and Zenefits
- Key people and platform in place - having delivered significant commercial success in technology and data base marketing
  - Phil Gunter – marketing/membership /loyalty programs (Formerly GM of Virgin Velocity Rewards & CEO of Comparethemarket.com.au)
  - Andrew Mason – deep project management and revenue creation experience from Velocity Frequent Flyer and SMS Management & Technology
  - Tony Zakula – ex CTO of Expensify with proven agile development capabilities with financial, consumer and data based projects

**Opportunity for meaningful recruitment business improvement - transformational technology catalyst in reach**

# STRATEGY OVERVIEW



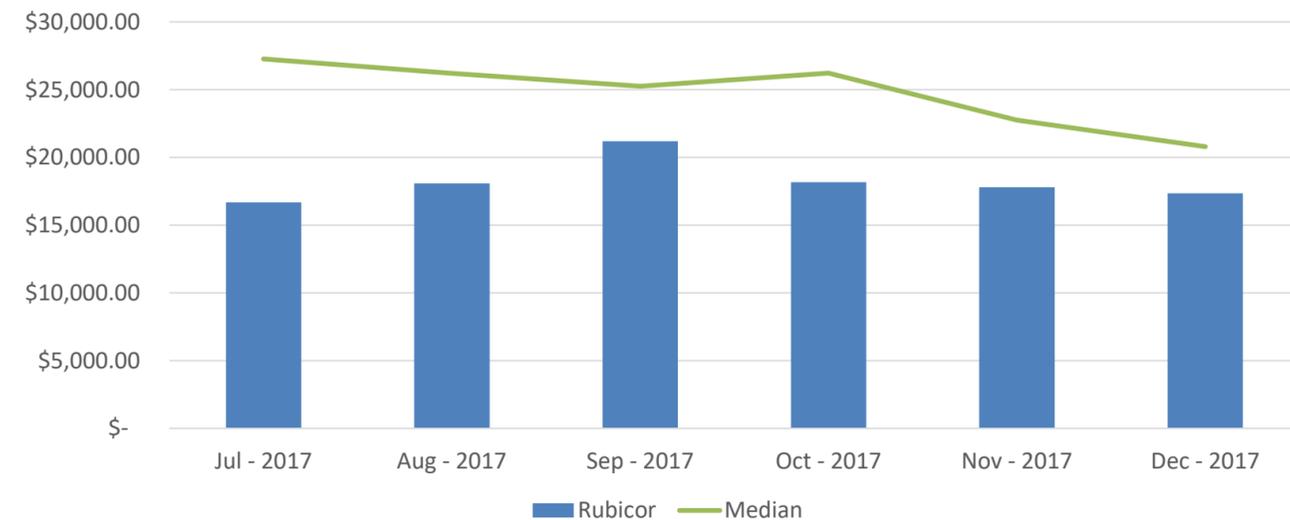
**Having completed major capital and organisational restructure Rubicor can now focus on growth initiatives**

# HORIZON 1- SHORT TERM: Achieving Industry Average Levels of Consultant Productivity

Rubicor’s short term goal is to **lift Gross Profit per Consultant and lift Gross Profit overall over the next 12 months**

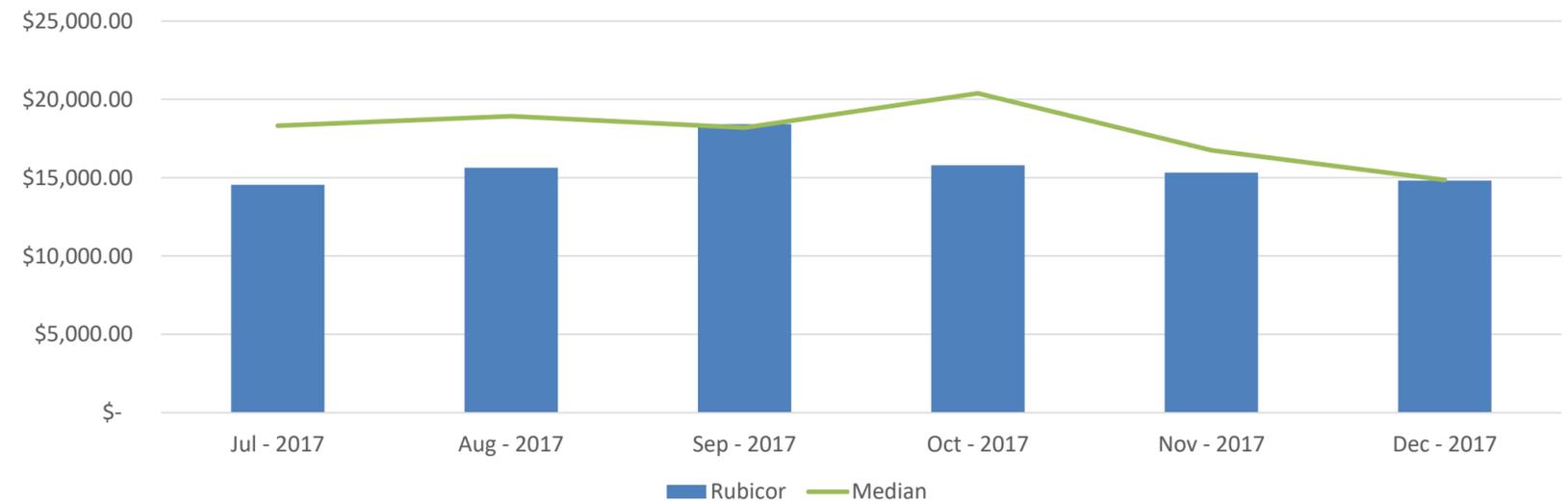
- Refining the market engagement strategy and removing the client confusion between the various Rubicor Brands to create One Rubicor – **Well Advanced**
- Create one group wide operating policy and 1 standardised process (via 1 standard Customer Relationship Management System) for each Rubicor Service Line – **on track**
- Improve and add marketing resources to improve corporate client lead generation – **On track**
- Improve sales training and performance management with support from Human Resources and IT Systems team – **On track**
- Drive lead generation through online and offline marketing support – **On track**

## Sales Full Time Equivalent Gross Profit vs Industry



Source: Staffing Industry Metrics by PowerStats

## All Staff Full Time Equivalent Gross Profit vs Industry



**Immediate goal is to lift Gross Profit per sales consultant**

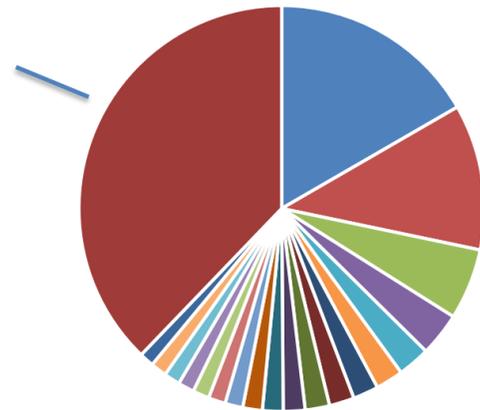
## HORIZON 2 - MEDIUM TERM: Growing with Growing Clients

Through refinement of the sales and marketing position of Rubicor, its medium term goal is to **grow revenue above industry trends**

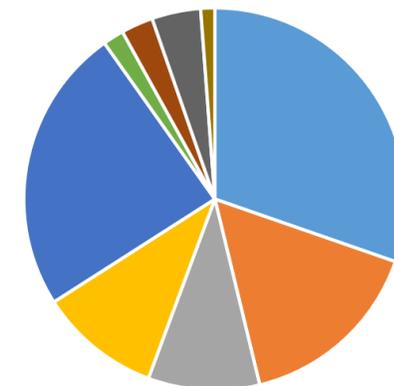
- Grow business by targeting existing growing clients and new clients in growing sectors and geographies
- Build higher margin business from small and medium businesses in addition to tender originated sale
- Refine sales structures geographically and sales application systems to accelerate new client sales growth
- Use technology to automate candidate profiling and job fulfilment at a lower cost with greater accuracy (via new candidate management platform)
- Expanding the national tender capability (while lifting win rate) of Rubicor - across retained, contingent and labour hire recruitment – **Well Advanced**
- Expanding our managed service offering – **on track**
- Driving strategic engagement with clients at a Board and C-level rather than procurement (to reduce sales cycle lead times and improving pricing) – **on track**

**Top 20 Clients by Revenue Size for past 6 Months**

500+ Clients outside the top 20 represent 35% of revenue



**Geographic Spread of Clients over the past 6 Months**

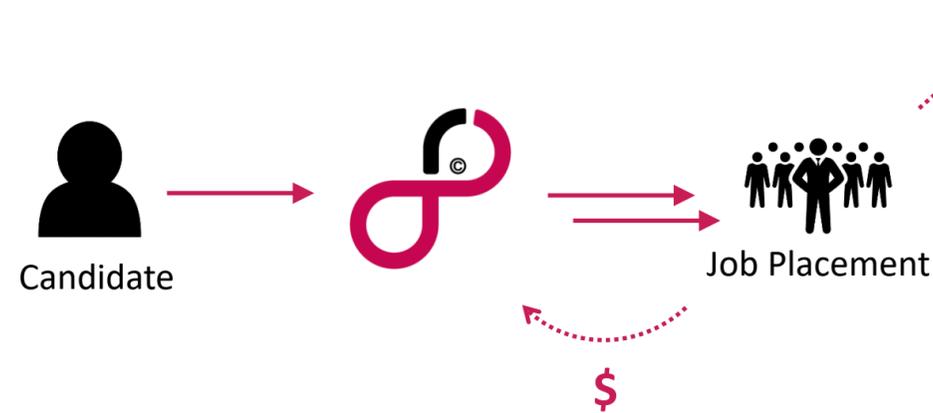


■ NSW ■ VIC ■ QLD ■ SA ■ WA ■ ACT ■ NZ ■ SING ■ HK

**Medium term goal is to grow revenue organically above industry trend**



# TRADITIONAL MODEL | Single Revenue Source



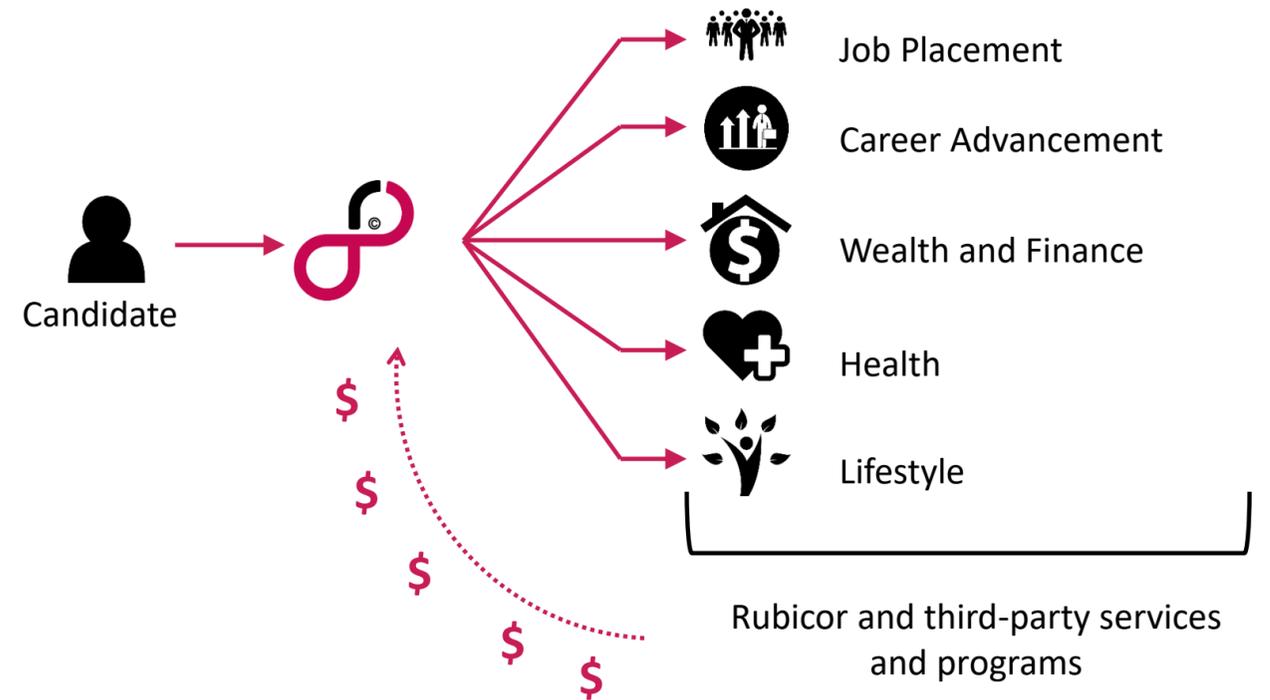
### Utilising Data

Rubicor uses candidate data for one purpose: to connect candidates with jobs.

### Earning Revenue

Rubicor collects revenue in the form of recruitment placement fees or labour hire margins.

# NEW MODEL | Multiple Revenue Sources



### Utilising Data

Rubicor uses candidate data to connect candidates with:

- Jobs
- Career entry and advancement services
- Wealth and financial management services
- Health services
- Lifestyle and loyalty programs

### Earning Revenue

Rubicor collects revenue in the form of:

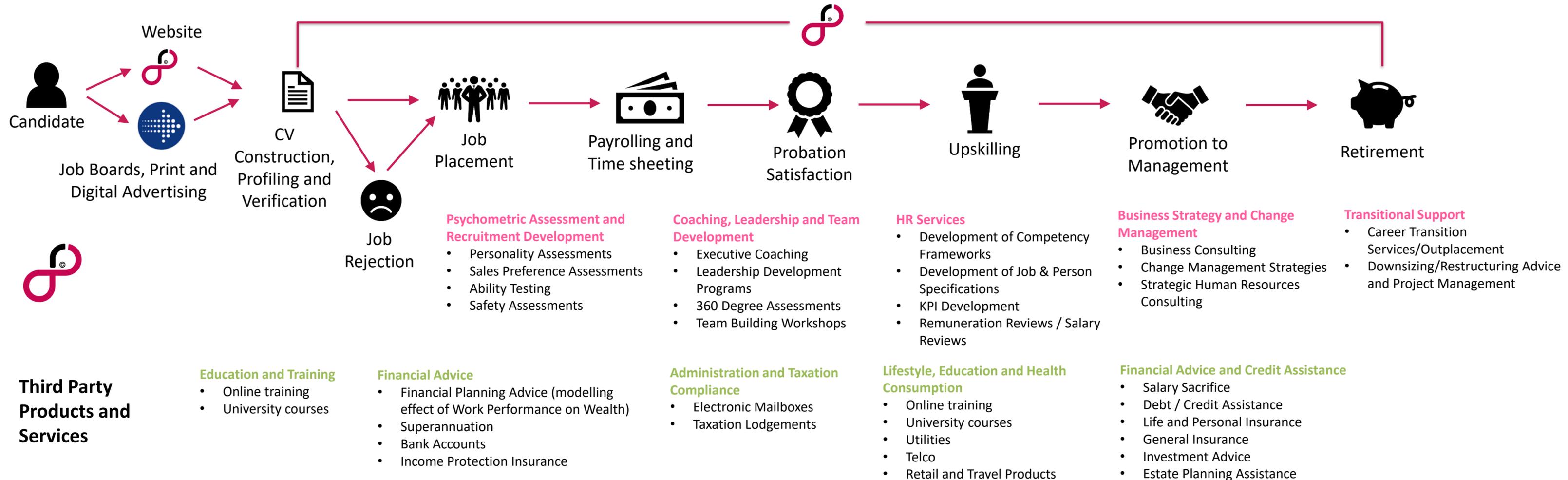
- Placement fees
- Subscription fees
- Mere Referral fees
- Distribution fees

Renting existing software applications and linking them through one user interface enables Rubicor to create new revenue streams with low capex costs

# TECHNOLOGY PLATFORM: Maintaining an Ongoing Relationship beyond the job placement

Traditional recruitment firms place candidates and then move onto the next assignment. Rubicor is seeking to become a candidate's lifelong partner, enabling a deeper ongoing relationship through maintaining relevance. This relevance comes from providing preferred and relevant "third party services" that improve lifestyles over time, reinforcing ongoing engagement to assist with driving employment income. This benefits corporate clients by enabling better CV profiling and improving candidate performance predictability.

## Typical Employment Journey



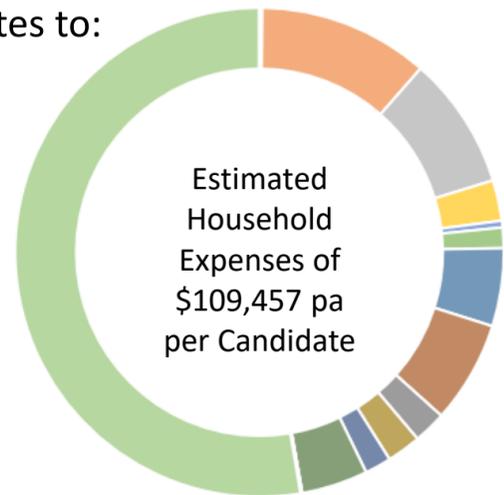
Rubicor is uniquely positioned to enable ongoing relevance to employees and candidates as they move through their own working career

# TECHNOLOGY PLATFORM: Commercial Opportunity and Relevant Precedence

Through its third party partnership model and its unique low client acquisition cost (CAC) model, Rubicor intends to create a highly profitable business that adds value to both job seekers and corporate clients, while meeting all compliance regulations.

## Candidate Consumption Commercial Opportunity

Rubicor has a current database of 2.4 million, job seeker applications of over 30,000 per month, and annual placements of 10,000+. The average profile of a Rubicor candidate and job seeker is 35-44 years old, with household income of \$110,000. This equates to:



Estimate	35-44 years old Fourth quintile income
Home value	\$611,354
Other real estate	\$0
Super	\$213,007
Other investable Assets	\$32,224
Debt	\$187,302
Net worth	\$669,281

Source:  
1. Estimate based on age and household income using ABS Household Expenditure Survey Australia 2009-10

Based on indicative financial and credit mere referral agreements, and market based distribution fees for consumer and education agreements, Rubicor estimate an engaged candidate could generate ~\$3,500 in annual growing recurring income for Rubicor. Less than 1% engagement levels is needed to validate a highly successful business model.

## Relevant Precedents

Given Rubicor’s unique value position as a gateway to employment, potential candidates are highly motivated to engage in sharing data.

Well known similar business models:

Comp	Business Model	Income Stream	Backers / Investors	Revenue / Customers	Latest Valuation
Flare HR (Australia)	Human Resources Information System	<ul style="list-style-type: none"> <li>SAAS model</li> <li>Advisor fees from Corporate Super (via BT/Westpac)</li> <li>Referral Fees on Health Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Reinventure (Westpac)</li> </ul>	<ul style="list-style-type: none"> <li>Unknown</li> </ul>	<ul style="list-style-type: none"> <li>~\$15m</li> </ul>
Zenefits (USA)	Human Resources Information System	<ul style="list-style-type: none"> <li>Referral Fees on Health Insurance</li> </ul>	<ul style="list-style-type: none"> <li>TPG, Andreessen Horowitz, Venrock, I.V.P. and Fidelity</li> </ul>	<ul style="list-style-type: none"> <li>\$40m</li> </ul>	<ul style="list-style-type: none"> <li>\$3.45bn</li> </ul>
LiveHire (Australia)	Human Resources Information System	<ul style="list-style-type: none"> <li>Per Candidate Subscription Fee</li> </ul>	<ul style="list-style-type: none"> <li>ASX</li> </ul>	<ul style="list-style-type: none"> <li>&lt;\$5m</li> </ul>	<ul style="list-style-type: none"> <li>\$170m+</li> </ul>

Source: Australian Anthill Sep 27, 2017 and Bloomberg May 2016

The Candidate Engagement Platform (CEP) Opportunity is significant – potential revenue of \$3,500 per engaged candidate from mere referral and distribution fees

## TECHNOLOGY PLATFORM: Project Status

Rubicor has undertaken detailed scoping to design and validate a compliant commercial model which can be scaled to the size of the opportunity that exists within Rubicor (and potentially through other recruitment firms via white labelling of the platform and via Rubicor's corporate clients as a Human Resource Information System). Naturally these models will evolve and iterate as Rubicor engages in user acceptance testing.

### Completed to Date

- Completed detailed business plan and validation of commercial model
- Selected technology development partners and commenced platform build
- Recruited commercialisation and marketing experts to assist with user engagement and marketing
- Commenced initial candidate and consultant portals for candidates to interact through
- Scoping integration with financial advice, credit assistance, recruitment sales systems, payroll and compliance systems to enable scaling
- Scoping marketing and communication requirements and user experience

### Short Term Milestone

- Complete mere referral agreement for Financial Advice (investment, superannuation, insurance and ancillary items) and Credit Assistance (home and investment loans)
- Complete integration of Recruitment Customer Relationship Management Systems, and Payrolling Systems
- Complete API (Application Programming Interface) integration with financial advice and credit assistance systems
- Complete API integration with Identity Verification, Police Check, Medical, Drivers License and Other Employment related verification systems
- Scope marketing and communication requirements and campaigns to engage candidates
- Scope suppliers of Lifestyle and Rewards products
- Launch Minimum Viable Product for User Acceptance Testing with Rubicor staff in Q3 2018 prior to roll-out to casual labour hire workforce, past and future candidate data base, and corporate clients as part of expanded managed service offering.

**The CEP Opportunity is well progressed – technology partners aligned – market acceptance and marketing key**

# TECHNOLOGY PLATFORM: Execution Team

To drive the project, Rubicor has recruited proven experts in marketing, project management and technology.

## Marketing



### PHIL GUNTER

Phil managed Virgin Australia's Velocity Rewards program for over 7 years, transforming it from a basic and costly marketing program into a sophisticated, effective and highly profitable business valued at \$960m. Previously, Phil held several senior roles in Banking, Airlines and Utilities in Australia and the UK. Phil has a First Class Business Degree and professional qualifications in Finance and Marketing. More recently Phil was the CEO of [comparethemarket.com.au](http://comparethemarket.com.au).

## Project Management



### ANDREW MASON

Andrew has led 4 large Loyalty assignments with clients in Health, Transport and Fast Food. Previously Andrew held senior roles in Airlines, Loyalty, Program Management Consulting and Banking in Australia and the UK. Andrew led the Airline and Travel Partners team at Velocity from 2012 to 2016 as the Velocity Frequent Flyer Program played a key role in the transformation of Virgin Australia. Andrew successfully grew Velocity's partner airline revenues and vastly improved partner travel benefits for members.

## Technology Consultant



### TONY ZAKULA

#### Founder of Kodaris

Atlanta based, mobile, enterprise, platform development executive with deep financial, business and FinTech experience. Ex Chief Technology Officer of Expensify and current CTO of a range of fintech and fortune 500 enterprises in the United States and Australia including WealthNation

Experienced and proven consumer marketing, project management and technology expertise

## SUMMARY & OUTLOOK

- **History** - Rubicor has been through a lot in the last 10 years
  - IPO, large number of acquisitions, underwhelming performance, board/management change, voluntary administration, restructure/recapitalisation
- **More Recently** – In last 18 months the business has been consolidated & is being driven and managed for improved performance
  - Key management/consultant appointments & reinvigorated business development program
  - New branding & consolidation advanced – market presence improved, further work to be done to place clients at the centre of all conversations
  - Investment in new technology & increased productivity
  - Targeting profitable revenue growth and margin growth through improved consultant productivity and focus on small and medium clients
- **Capital Management**
  - Share Buy-back (A\$250,000) commenced 22 Dec 2017 as at 15 March 2018, have acquired 2,763,233 shares (A\$104,540).
  - Supportive working capital financier
- **The Future is a Mixture of Traditional Business and New Technology Platforms**
  - Short Term – Drive consultant productivity to industry levels
  - Medium Term – Refine marketing and sales approach to clients and grow with growing clients in growing industries and geographies
  - Technology Platform – Develop and commercialise Candidate Engagement Platform with existing candidate data base and engage new candidates to realise strategic step change and scalable profitability. Prove B2C business model first, then assess opportunity to build B2B HRIS platform to support Recruitment Managed Services Offering

**Rubicor poised for improved performance – a growing & improving business, unlocking transformational opportunities**



## APPENDIX

## INCOME STATEMENT | 1HYFY2018

	1HFY17 (A\$m)	1HFY18 (A\$m)	Variance (%)
<b>Reported Result</b>			
Revenue	121.2	93.2	-23.0%
Gross Profit	33.8	13.7	-59.5%
<b>EBITDA</b>	<b>15.0</b>	<b>(0.8)</b>	<b>-105.3%</b>
Depreciation, Amortisation & Impairment losses	(0.3)	(2.4)	+700.0%
<b>EBIT</b>	<b>14.7</b>	<b>(3.2)</b>	<b>-121.8%</b>
Interest	(0.8)	(0.9)	+12.5%
<b>Profit/(loss) before Tax</b>	<b>13.9</b>	<b>(4.1)</b>	<b>-129.5%</b>
Tax	(1.7)	(5.4)	+217.6%
<b>Net Profit/(loss) after Tax from continuing operations</b>	<b>12.2</b>	<b>(9.5)</b>	<b>-177.9%</b>
Net profit/(loss) after tax from discontinued operations	0.0	(2.4)	0.0%
<b>Net Profit/(loss) after tax</b>	<b>12.2</b>	<b>(11.9)</b>	<b>-197.5%</b>
Earnings per Share	4.9	(4.8)	-198.0%
Dividends per Share	0.0	0.0	0.0%

- Contractor revenue decreased 9.5% from 1HFY17 to \$85.8m
- Perm revenue decreased 35% from 1HFY17 to \$5.1m
- Managed Services revenue increased 26.3% in 1HFY18 to \$1.13m
- Employee benefits expense decreased 14.7% (\$1.7m) in 1HFY18 to \$10.0m
- Overall gross margin % decreased 2.1% to 14.7% in 1HFY18
- Restructure expenses decreased 86.2% to \$0.3m
- Impairment losses of \$1.9m recognised in 1HFY18 due to write-off of customer relationships intangible assets recorded in FY2017
- Income tax expense of \$5.4m due to write-back of DTA recognised in FY2017
- -\$2.3m net loss in 1HFY18 from discontinued operations relating to Makesafe Traffic Management (sale of business finalised in January 2018)

## BALANCE SHEET | 31 Dec 2017

	31 Dec 2016 (A\$m)	31 Dec 2017 (A\$m)	Variance (%)
Cash	1.8	0.9	+15.0%
Intangibles	3.4	0.1	-97.1%
Current Assets exc. Cash & Intangibles	27.0	26.7	-11.1%
Non Current Assets	2.6	3.3	+26.9%
<b>Assets – Total</b>	<b>34.8</b>	<b>31.0</b>	<b>-10.9%</b>
Borrowings	15.0	17.3	+15.3%
Current Liabilities exc. Borrowings	15.6	16.1	+3.2%
Non-Current Liabilities exc. Borrowings	0.8	0.5	-37.5%
<b>Liabilities – Total</b>	<b>31.4</b>	<b>33.9</b>	<b>+8.0%</b>
<b>Equity - Total</b>	<b>3.4</b>	<b>(2.9)</b>	<b>-185.2%</b>
<i>Working Capital (Debtors + Invent. - Creditors) - A\$m</i>	12.3	10.6	-13.8%

- Scottish Pacific provides invoice finance facilities with a limit of AUD\$19m plus NZD\$2m. These facilities are used to fund working capital needs and bank guarantees. They are not subject to annual reviews.
- Notwithstanding the negative accounting equity as a result of Audit adjustments, a third party valuation was recently undertaken at the instruction of the directors that would suggest that an Equity Value (Enterprise Value adjusted for Debt) of each of the brand business units had a combined value in excess of \$36.8m
- Reduction in equity, is as a result of Audited adjustments to intangible assets of \$4.1m (primarily Deferred Tax Assets) and development expenses (rather than capitalised) of the Client Engagement Platform

**Recent third party valuation recently indicated equity valuation (adjusted for debt) to be in excess of \$36.8m**

# CASH FLOW | 31 Dec 2017

	1HFY17 (A\$m)	1HFY18 (A\$m)	Variance (%)
<b>EBITDA</b>	14.8	<b>(0.8)</b>	-105.4%
Change in Working Capital	(26.0)	<b>(2.4)</b>	+90.8%
Tax Paid	(0.2)	<b>0.0</b>	+100.0%
Net Interest	0.1	<b>0.0</b>	-100.0%
<b>Operating Cash Flow</b>	<b>(11.3)</b>	<b>(3.2)</b>	<b>+71.7%</b>
Investing cash flow	0.1	<b>0.0</b>	-100.0%
Proceeds from asset sales	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
Increase (decrease) in debt	2.9	<b>2.3</b>	-20.7%
Dividends paid	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Net (Decrease)/Increase in Cash/Cash Equivalents</b>	<b>(8.3)</b>	<b>(0.9)</b>	<b>+89.2%</b>

- EBITDA down on previous period due to no inclusion for one-off gains
- Net decrease in cashflow principally due to expenses associated with build of Candidate Engagement Platform

# RUBICOR WORKFORCE

## Specialisation

- Rubicor Workforce offers clients and candidates over 60 years of combined experience in providing labour hire solutions. Working within the Rubicor platform, Rubicor Workforce specialises in providing recruitment services and labour hire solutions in the following occupation specialisations:
  - Transport and logistics
  - Warehouse and distribution
  - Mining and infrastructure
  - Manufacturing
  - Waste management
  - Building and Construction
  - Hospitality

## Location

- Australia wide – Adelaide, Perth, Newcastle, Mackay, Campbellfield, Mt Waverley, Brisbane and Sydney

## Website

- <https://www.rubicor.com.au/workforce>

## Examples of Clients



## Contact Details

**NICK DALY**

**General Manager**

**Rubicor Workforce**

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### Location

Sydney

Newcastle

Melbourne (Mr Waverley)

Melbourne (Campbellfield)

Mackay

Brisbane

Adelaide

Perth

### Contact

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+61 3 9565 1700

+61 400 522 001

+61 7 3188 0221

+61 7 3339 9000

+61 8 8301 3655

+61 8 6188 7000

# RUBICOR PROFESSIONAL

## Specialisation

- Rubicor Professional has over 70 years of combined experience in the professional recruitment space. Within the Rubicor platform it offers clients specialist recruitment experience in the following occupation specialisations:
  - Finance
  - Banking
  - Insurance
  - Accounting
  - Executive
  - Professional support
  - Legal

## Locations

- Sydney and Melbourne

## Website

- <https://www.rubicor.com.au/professional>

## Example of Clients



Morgan Stanley



## Contact Details

**CILLA ARNOLD**  
**General Manager**  
**Rubicor Professional**  
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### Location

Melbourne

### Phone

Charlotte Hall  
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# RUBICOR GOVERNMENT

## Specialisation

- With over 25 years experience Rubicor Government has forged an intimate knowledge of the demands facing the public sector and have established mature delivery teams, internal processes and customer care systems to deliver market-leading solutions for this sector. Rubicor Government adds a depth to Rubicor’s national client delivery platform that makes it a specialist in providing the following occupation recruitment appointments:
  - Government
  - Accounting and Finance
  - Business Support

## Locations

- Perth and Canberra

## Website

- <https://www.rubicor.com.au/government>

## Examples of Clients



## Contact Details

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### Location

Perth

Canberra

### Phone

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# RUBICOR TECHNICAL

## Contact Details

### Specialisation

- Rubicor Technical has over 21 years experience in recruitment and HR consultancy team that works within Rubicor Group to source candidates with the following specific occupations:
  - Infrastructure
  - Utilities
  - Supply chain



**MICHAEL BOYD**  
**General Manager**  
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### Locations

- Sydney, Brisbane, Melbourne

#### Location

Melbourne

Brisbane

#### Phone

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Scott Roberts  
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+61 418 181 116  
Scott.Roberts@rubicor.com.au

### Website

- <https://www.rubicor.com.au/technical>

### Example of Clients



# XPAND

## Specialisation

- Xpand is Rubicor’s specialist recruitment team focusing on providing recruitment and managed services in the following occupation specialisations:
  - Technology
  - Digital
  - Media
  - Sales
  - Marketing

## Location

- Team includes 60 passionate people working across Sydney, Melbourne, Singapore and Hong Kong

## Website

- <https://www.xpand.com.au/>

## Example of Clients



## Contact Details

**CILLA ARNOLD**  
**General Manager**  
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**+61 2 8047 4000**  
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### Location

Sydney

Melbourne

Singapore

Hong Kong

### Contact

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# GAULTER RUSSELL NUMERO

## Specialisation

- Gaulter Russell Numero provides Rubicon a strong and well established presence in New Zealand. The team provides recruitment consultancy with specialist skills in:
  - Accounting
  - Finance
  - supply chain
  - Procurement
  - marketing and media

## Locations

- Auckland, New Zealand

## Website

- <http://www.gaulterrussell.co.nz/> and <http://www.numero.co.nz/>

## Example of Clients



## Contact Details

**BOB WALKER**

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## THANK YOU

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