Investor Presentation

2021 Full Year Results

March 2022

Rhona Driggs
Chief Executive Officer

Tim Anderson
Chief Financial Officer

Empresaria

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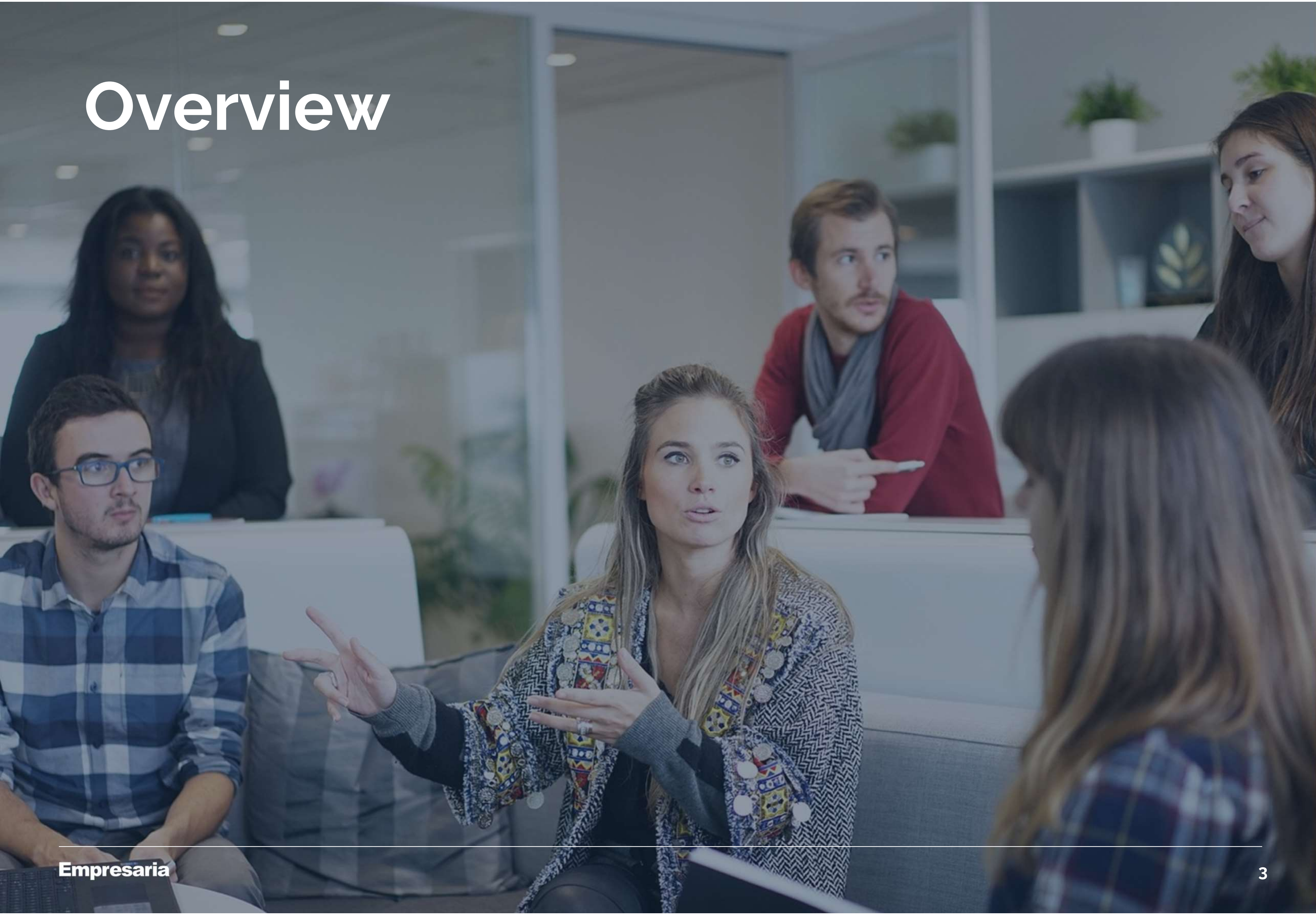
Overview



Overview

- Strong recovery in profits – adjusted profit before tax up 65% on prior year
- Progressive growth in net fee income
  - H2 up 26% in constant currency on prior year
  - Full year up 14% in constant currency on prior year – growth in all 5 key sectors
- Adjusted net debt of £14.0m, up only £0.4m from 31 December 2020 despite increased working capital requirements.
- Three key themes
  - Shift from recovery mode to growth mode
  - Continued focus and progress on operational efficiency through our Stronger Together initiative aimed at making Empresaria a more joined-up, global business
  - Significant investment in senior talent to lead Empresaria through its next phase of growth
- Well positioned to deliver on our ambition of delivering £20m adjusted operating profit in the medium term

Operating highlights

- Investment to drive future growth
  - Appointment of three experienced regional leaders and creation of regional structure
  - New Chief Marketing Officer – focus on elevating Empresaria brand and improving our overall branding and communication strategy
  - Investment in common front office system – 9 additional operations live during the year
  - Launched new Offshore Recruitment Services delivery hub in Philippines to drive organic growth after a successful trial in collaboration with our in country Professional operation
- Benefits from operational initiatives demonstrated
  - US Healthcare business maximised the benefit of strong demand through efficient operating model which heavily utilises our offshore recruitment services operation in India
  - Moved a number of operations to a more focused sales and delivery model which has enabled these businesses to operate more efficiently and maximise their client and candidate facing activities
- Diversification continued to be a key strength
  - Record net fee income and profits in both Healthcare and Offshore Recruitment Services sectors
  - More than offset challenges in 2 of our key businesses
    - Aviation continued to struggle and is not expected to significantly recover in the short term.
    - Significant challenges in the labour market for our German logistics business

Strategy update

Accelerating the delivery of the Group's strategy

Julie Smith
Regional
CEO
UK & Europe

- More than 30 years staffing industry experience with significant expertise across RPO and MSP
- Previously Vice President of Operations at Volt

Rafael
Moyano
Regional
CEO
APAC

- More than 15 years staffing industry experience with significant international exposure across APAC
- Previously CEO of Australia at Adecco

Garrick
Cooper
President
North
America

- More than 20 years experience in delivering staffing solutions across a variety of industries
- Previously Vice President of Technical at Volt

Lucy Sharp
Chief
Marketing
Officer

- More than 15 years staffing industry experience with significant international exposure in both brand and group roles
- Previously Group SVP Corporate Communications at Adecco

Progress on strategic objectives

Strategic objective	2021 progress
Build scale in key markets and sectors	▪ Enhanced leadership team ▪ Implemented regional sales strategy in UK & Europe ▪ Successful trial of Philippines base for Offshore Recruitment Services ▪ Embedded improvements to operating models in key businesses ▪ Growth of Healthcare sector and expansion into travel nursing
Increase diversify of profits by sector, market and service	▪ Net fee income and profit recovery with all sectors ahead of or in line with 2020 ▪ Temp to perm ratio reduced to 62:38 in 2021 (2020 65:35) with permanent revenues recovering more rapidly than temporary and contract. Permanent revenues may continue to grow at a faster rate in the short term but it remains the Group's strategy to invest in growing the proportion of its temporary and contract net fee income in the medium term

Progress on strategic objectives

Strategic objective	2021 progress
Increase productivity and efficiency	▪ Ongoing investment in technology implementation with around half of our operations now on a common front office platform ▪ Operating model improvements with dedicated sales and recruitment teams improving efficiency and productivity ▪ Increased utilisation of our Offshore Recruitment Services offering within the Group with notable success in scaling our US Healthcare business in the face of unprecedented demand
Targeted investment in growth	▪ Investment in regional senior leadership roles ▪ Investment in scaling Offshore Recruitment Services ▪ Dividends restarted in 2021 ▪ Adjusted net debt increased slightly year on year with recovery in trading but remains below pre-COVID levels

Technology case study

In 2021 the Group accelerated the rollout of its global front office system (Bullhorn) with an additional nine operations added to the platform.

Around half the Group is now on the platform, with a number more implementations planned. The benefits of Bullhorn are wide reaching, from its ease of use to its intuitive search functionality and tools, enabling increased productivity and reduced time to fill. An additional benefit of Bullhorn is its marketplace of partners that allows us to easily integrate new products to ensure we continue to utilise the best-in-class technology.

In 2021, the Group started using Herefish in conjunction with Bullhorn, allowing us to complete 1.3m automated actions saving our consultants an estimated 44,000 hours of manual work. These automations were focused initially on ensuring the data in our database is complete, GDPR compliant and relevant, allowing swifter matching of candidates to roles. This groundwork will see us be able to drive more targeted and personalised candidate engagement programmes throughout 2022.

1.3m automated actions using Herefish in conjunction with Bullhorn saving our consultants

44,000 hours of manual work

Financial review

Summary income statement

£m	2021	2020	% change	% change (constant currency)
Revenue	258.4	256.5	+1%	+4%
Net fee income	59.5	54.0	+10%	+14%
Administrative costs	(50.2)	(47.8)	+5%	
Adjusted operating profit – Sectors	*14.3*	*9.4*	*+52%*	
Central costs	*(5.0)*	*(3.2)*	*+56%*	
Adjusted operating profit	9.3	6.2	+50%	+60%
Adjusted profit before tax	8.6	5.2	+65%	
Adjusted, diluted EPS	8.6p	4.1p	+110%	
Dividend	1.2p	1.0p	+20%	

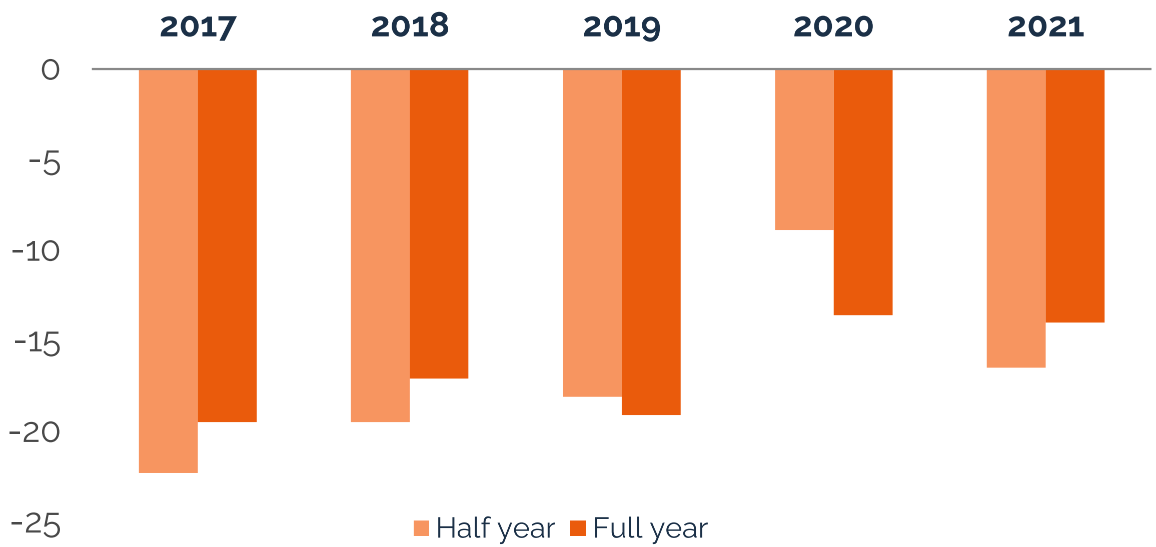
- Good growth in net fee income and very strong recovery in profits
- Central costs increased reflecting investment in regional teams, reversal of short term cost savings, increase in provisions for bonuses and share based payments.

Adjusted net debt

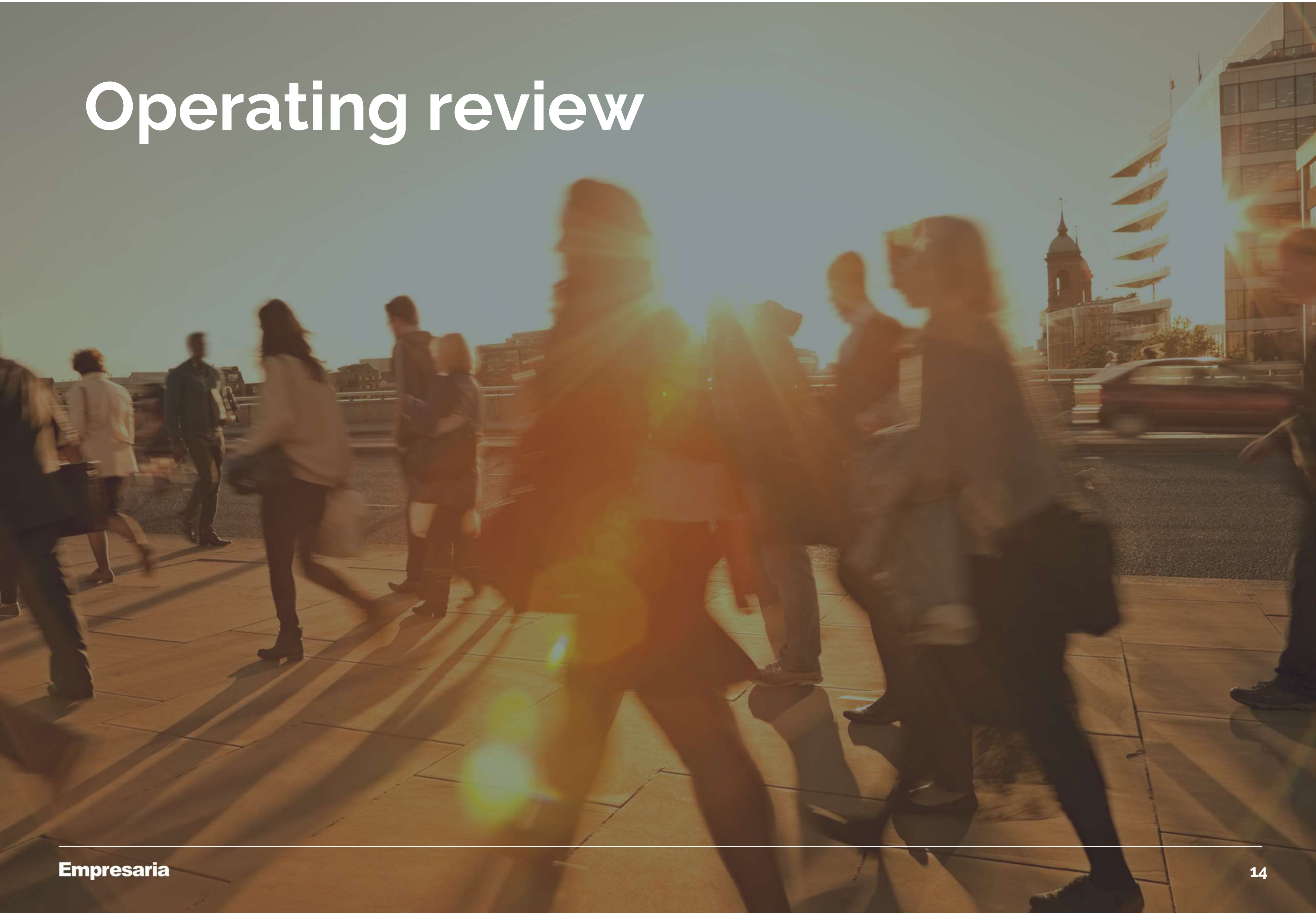
- Net debt increased slightly from 31 December 2020 with working capital outflows from improved trading outweighing the benefit of improved profits.
- Headroom remains strong at £12.9m
- Interest charge remains low in 2021, benefitting from settlement of tax audits and release of tax interest accrual in the first half of the year.
- Revolving credit facility of £15m refinanced in March 2021 – 2.5 year maturity

	31 Dec 2021	30 June 2021	31 Dec 2020
Adjusted net debt	£14.0m	£16.5m	£13.6m
Headroom (exc invoice financing)	£12.9m	£12.4m	£17.6m
Net finance costs	£0.7m	£0.3m	£1.0m

Adjusted net debt (£m)

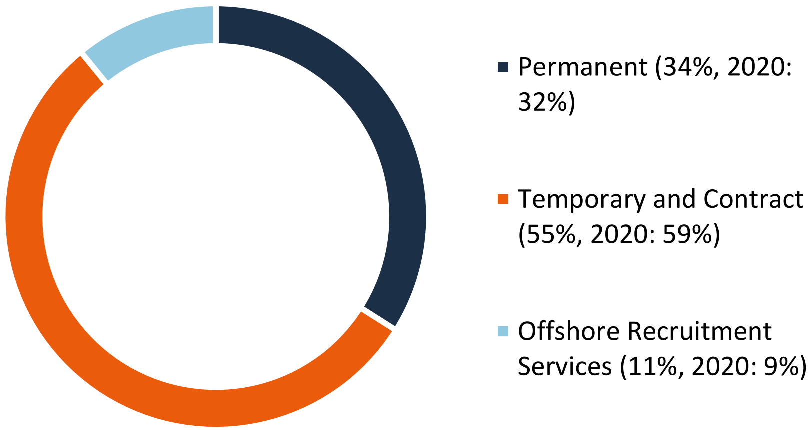


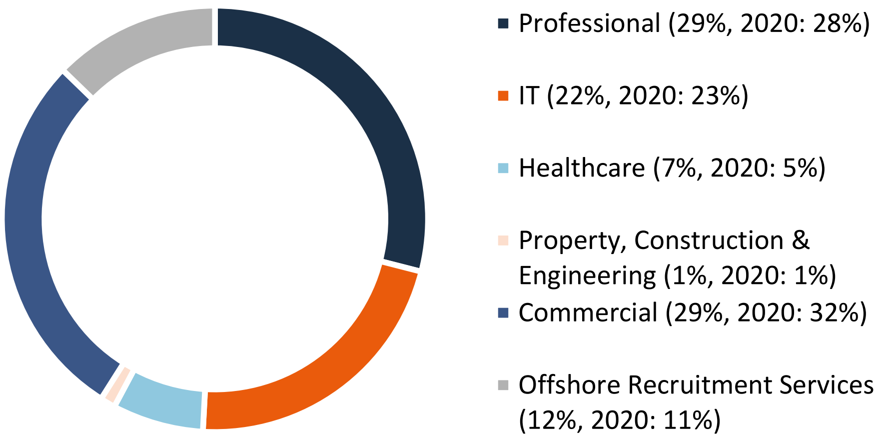
Operating review

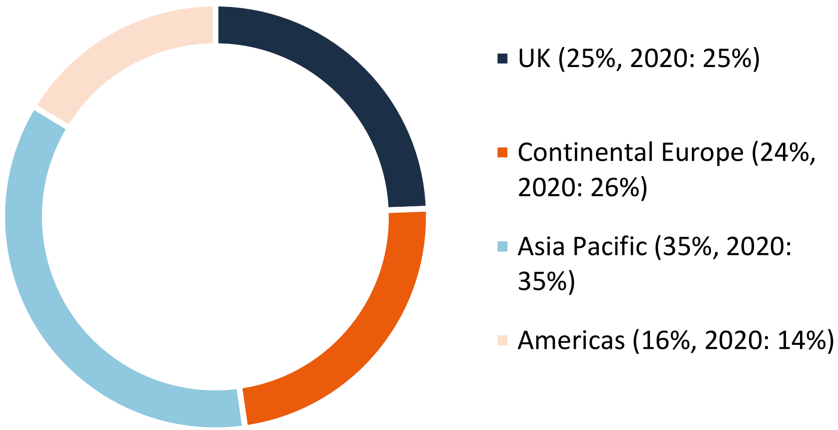


A global diversified staffing Group

- Healthcare increased to 7% of Group NFI
- Americas increased to 16% of Group NFI reflecting success of Healthcare and IT in US
- 75% of net fee income from outside of UK
- Temp/perm split reduced, with perm revenue growing faster than temp
- Strong growth in Offshore Recruitment Services



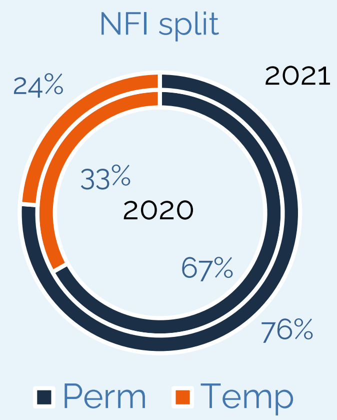




All charts show percentage of Group net fee income

Professional

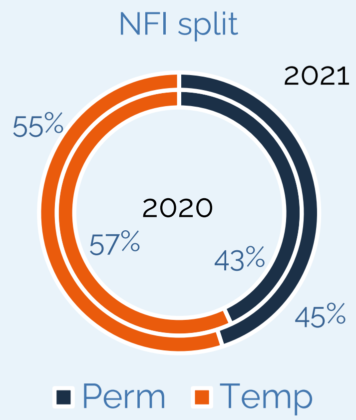
£m	2021	2020	% change	% change (constant currency)
Revenue	45.6	55.3	-18%	-18%
Net fee income	17.6	15.4	+14%	+16%
Adjusted operating profit	1.3	0.2	+550%	+550%
% of Group net fee income	29%	28%		



- Strong growth across all operations bar aviation. H2 2021 up 42% against 2020.
- Strong growth across the UK with recovery accelerating in the second half.
- Good performance in Asia (excluding aviation) with all operations delivering double digit net fee income growth for the year.
- Aviation demand continues to be weak, particularly in Asia where the majority of our clients operate. We expect this to remain the case in the short-term but continue to believe this business has good medium and long term potential.

IT

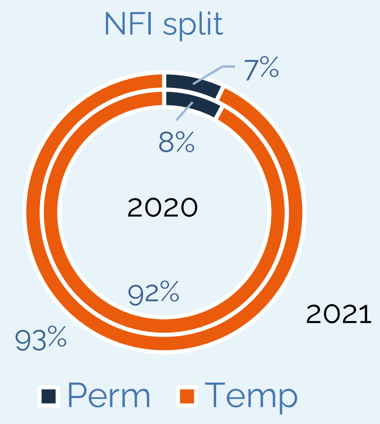
£m	2021	2020	% change	% change (constant currency)
Revenue	37.5	41.8	-10%	-7%
Net fee income	13.3	12.7	+5%	+10%
Adjusted operating profit	3.0	1.8	+67%	+76%
% of Group net fee income	22%	23%		



- Strong growth in profits across all locations
- Strong NFI growth in US and Japan offset by falls in the UK where challenges remain with contract business.
- Focus on growing temporary and contract operations in the US with additional hires and investment in this area.

Healthcare

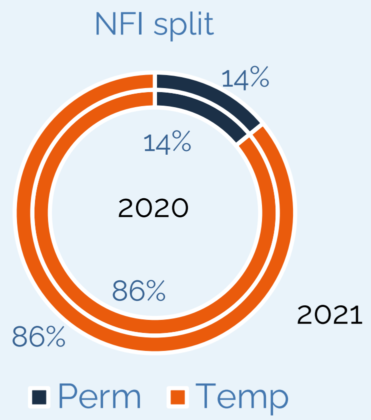
£m	2021	2020	% change	% change (constant currency)
Revenue	26.9	13.2	+104%	+115%
Net fee income	4.2	2.5	+68%	+75%
Adjusted operating profit	1.4	0.4	+250%	+250%
% of Group net fee income	7%	5%		



- Record year for this sector with significant growth in revenue, net fee income and profit
- The strong performance has been driven by high demand from vaccination and testing programmes in the US and Finland
- This enabled us to expand our presence into nursing and given us a springboard into other types of role in this area such as US travel nursing
- Activity levels expected to drop back during Q1 2022 as vaccination programmes slow

Property, Construction & Engineering

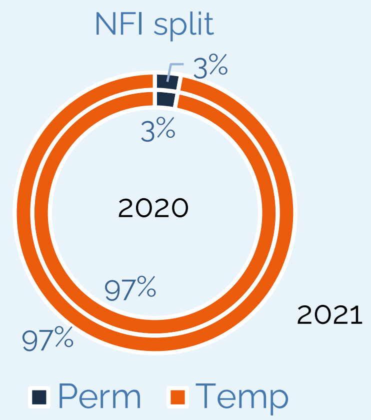
£m	2021	2020	% change	% change (constant currency)
Revenue	3.4	3.6	-6%	-6%
Net fee income	0.7	0.7	-%	-%
Adjusted operating loss	(0.1)	(0.2)		
% of Group net fee income	1%	1%		



- Sector performance in line with 2020
- Demand in core business supplying sales staff to the new homes sector remains low – COVID-19 restrictions resulted in alternative sales approaches which have continued to operate
- Continuing to look at ways of diversifying our offering

Commercial

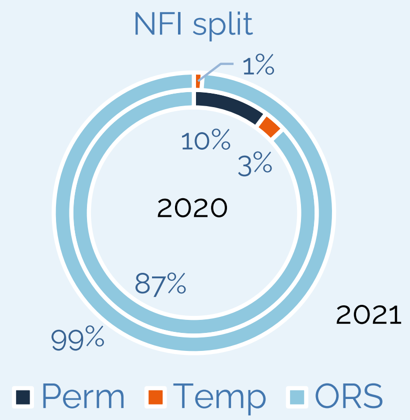
£m	2021	2020	% change	% change (constant currency)
Revenue	131.0	132.3	-1%	+4%
Net fee income	17.2	17.2	-%	+4%
Adjusted operating profit	4.6	4.6	-%	+5%
% of Group net fee income	29%	32%		



- Overall performance in line with 2020 with growth in constant currency reflecting mixed performances across the sector
- Temporary businesses in Germany and Austria performed very well in 2021 despite the ongoing challenges in the automotive sector with Germany benefitting from the restructure at the end of 2020.
- Logistics business in Germany had a very strong year in 2020 but has had a challenging 2021. Demand remains strong, but difficulties recruiting workers due to strong German labour market and greater challenges in recruiting workers from Eastern Europe
- LATAM – Good performance in Chile offset by a weaker performance in Peru which has faced greater challenges with COVID-19

Offshore Recruitment Services

£m	2021	2020	% change	% change (constant currency)
Revenue	15.3	10.9	+40%	+50%
Net fee income	7.7	6.1	+26%	+35%
Adjusted operating profit	4.1	2.6	+58%	+71%
% of Group net fee income	12%	11%		



- Very strong year with record net fee income and profits.
- Dubai operation exited with effect 1 January 21. Excluding this business net fee income grew by 43% (54% in constant currency).
- Rapid growth added 900 headcount in 2021 with 2,000 employees at 31 December 2021.
- Successful trial of new delivery base in Philippines expected to expand significantly in 2022.

2022 priorities and outlook

2022 priorities

Strategic objective	2022 priorities
Build scale in key markets and sectors	▪ Create and implement regional sales strategies in all regions ▪ Expand IT offering in Asia Pacific region ▪ Establish Philippines as a second country hub for Offshore Recruitment Services ▪ Targeted investment in sales and recruitment teams in operations where we see opportunity for growth ▪ Develop group-wide brand strategy to create more regional and global opportunities
Increase diversify of profits by sector, market and service	▪ Develop expertise, material and training on different buying models, including SoW, VoP and RPO, and integrate into regional sales strategies ▪ Focus on growing temporary and contract IT in the US where the vast majority of net fee income is currently from permanent recruitment ▪ Align marketing and sales strategies

2022 priorities

Strategic objective	2022 priorities
Increase productivity and efficiency	▪ Continue implementation of front office technology ▪ Commence second phase of technology project focussed on increasing productivity through use of partnership products ▪ Continue to drive internal utilisation of Offshore Recruitment Services offering ▪ Leverage regional and group expertise and best practices
Targeted investment in growth	▪ Investment in organic growth in key markets with high areas of demand and opportunity ▪ Investment in office space to enable expansion in Offshore Recruitment Services ▪ Continued investment in technology roadmap ▪ Continue to identify and review M&A opportunities

Outlook

- Continuing to invest in the business
  - Investing in sales and delivery teams in areas where we see high demand and opportunities to grow
  - Embedding regional structure and regional strategies
  - Continue technology rollout – more locations planned for 2022
- Skills shortages and wage inflation expected to have a more significant impact in 2022
- COVID-19 remains a risk with ongoing potential for new waves and variants and government restrictions
- Strong start to 2022 and optimistic for the year ahead notwithstanding the current geo-political uncertainty
- Well positioned to deliver on our ambition of delivering £20m adjusted operating profit in the medium term

Appendices

Our sectors and markets

	UK	Continental Europe	Asia Pacific	Americas
Professional	Sales and operations	Sales	Sales and operations	
IT	Sales and operations	Sales	Sales and operations	Sales and operations
Healthcare		Sales and operations		Sales and operations
Property, Construction & Engineering	Sales and operations			
Commercial		Sales and operations	Sales and operations	Sales and operations
Offshore Recruitment Services	Sales		Sales and operations	Sales

Income statement

Year ended 31 December 2021

£m	2021	2020	% Change	% Change (constant currency)	
Revenue	258.4	256.5	+1%	+4%	
Net fee Income	59.5	54.0	+10%	+14%	
Administrative costs	(50.2)	(47.8)			
Adjusted operating profit*	9.3	6.2	+50%	+60%	
Interest	(0.7)	(1.0)			
Adjusted profit before tax*	8.6	5.2	+65%		
Exceptional items	-	(0.2)			
Fair value charge on acquisition of non-controlling shares	-	(0.3)			
Impairment of goodwill	(0.9)	(1.6)			2021, £0.6m relates to aviation
Impairment of other intangible assets	(0.3)	(3.4)			2021 relates to aviation
Amortisation of intangible assets identified in business combinations	(1.4)	(1.7)			
Taxation	(3.1)	(1.2)			
Profit/(loss) for the year	2.9	(3.2)			
Adjusted, diluted EPS* (p)	8.6	4.1	+110%		
Diluted EPS (p)	4.5	(6.2)			

* Adjusted to exclude amortisation of intangible assets identified in business combinations, exceptional items, impairment of goodwill and other intangible assets , fair value charges on acquisition of non-controlling shares and in the case of earnings also adjusted for any related tax.

Balance Sheet

As at 31 December 2021

£m	2021	2020	
Property, plant and equipment and right-of use assets	9.1	10.6	Limited new leasing activity in 2021
Goodwill and other intangibles	39.8	43.0	Impact of 2021 impairments, amortisation and FX
Trade and other receivables	50.5	44.9	Increase in trade receivables reflects recovery in trading
Cash and cash equivalents	21.1	20.8	
Deferred tax assets	3.4	2.8	
Total assets	123.9	122.1	
Trade and other payables	(34.8)	(33.4)	
Borrowings	(34.4)	(33.4)	
Lease liabilities	(7.9)	(9.4)	Limited new leasing activity in 2021
Other liabilities	(4.5)	(3.5)	
Total liabilities	(81.6)	(79.7)	
Net assets	42.3	42.4	

Cash flow statement

Year ended 31 December 2021

£m	2021	2020	
Profit/(loss) for the year	2.9	(3.2)	
Depreciation, amortisation, fair value charge on acquisition of non-controlling shares, share-based payments and impairment of goodwill and other intangible assets	9.2	14.2	
Tax and interest	3.8	2.2	
Working capital	(4.7)	5.1	
Cash generated from operations	11.2	18.3	
Lease payments	(5.3)	(6.2)	
Tax and interest	(3.6)	(4.1)	
Dividends to shareholders	(0.5)	-	
Net investments and capital expenditure	(2.3)	(2.2)	2021 includes £0.6m deferred consideration in respect of ConSol Partners shares acquired in 2020
Purchase of own shares in Employee Benefit Trust	(0.3)	(0.2)	
Net cash flow from loans and borrowings	2.0	(2.1)	
Dividends paid to non-controlling interests	(0.3)	(0.5)	
Other	0.3	0.1	
Increase/(decrease) in cash in the period	1.2	3.1	
Foreign exchange	(0.9)	0.1	
Net movement in cash and cash equivalents	0.3	3.2	

Shareholder information

- Shares in issue – 49.9m ordinary shares
- Market capitalisation - £39.4m (15 March 2022)
- 0.3m vested options (0.6m currently held in EBT), 3.8m unvested options (3 year performance criteria)
- Significant shareholders set out below (updated February 2022)

Shareholder	Number of shares	% held
Anthony Martin	13,924,595	27.9%
H M van Heijst	6,450,000	12.9%
Close Brothers Asset Management	5,744,637	11.5%
Hof Hoorneman Fund Management	4,835,511	9.7%
Beliggingsclub't Stockpaert	3,645,000	7.3%
Ramsey Partnership Fund	2,441,000	4.9%
Allianz Global Investors	1,590,000	3.2%
Ophorst van Marwijk Kooy	1,550,000	3.1%

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