Empresaria Group plc

Investor Presentation – September 2015

Joost Kreulen Chief Executive Officer

Spencer Wreford Group Finance Director

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Overview of the period

Robust performance

Full year expectations ahead of market forecast

Continued delivery against strategy

Focused on multi-brand growth strategy

Strong growth opportunities

Further investment opportunities in a growth market

An international specialist staffing Group

Multi-branded	**Management equity**
Growth markets	**Business mix**

Multi-branded business model

Diversified by geography and sector – lower risk approach

- Sector & market experts
- Understand the requirements of both candidates and clients
- Operating in talent shortage markets
- Attack market vertically rather than horizontally
- Brand expansion across geographies
- Focus on professional & specialist job levels (86% in H1 2015)

Growth drivers

- Increase headcount to generate higher sales
- Enter a new vertical
- Take an existing brand to a new location
- Enter a completely new geography or sector

Management equity philosophy

Attract and retain key management

- Key managers own shares in their brand
- Align interests of management and shareholders
- Incentivised to grow profits into the long-term
- Decentralised structure leaves operational responsibility with local managers

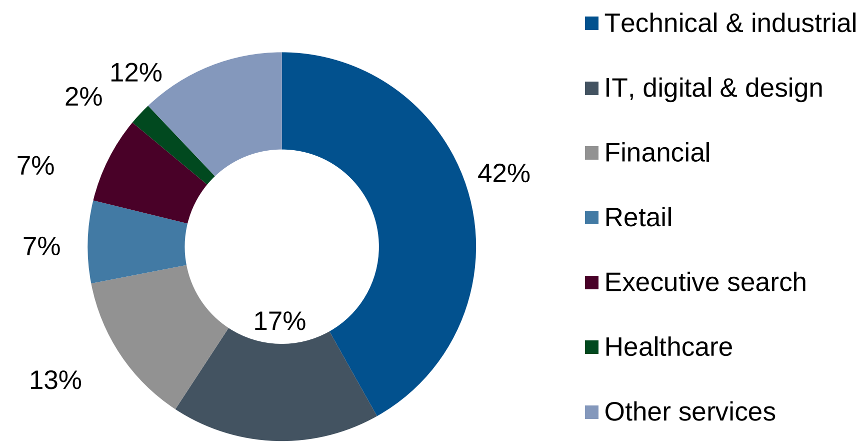
Structured valuation model

- Empresaria controls whether management equity is acquired – no options exist
- Earnings enhancing – multiple based on discount to Group trading multiple
- Typically need to hold shares for 5 years before they can be offered for sale over a 2 to 3 year period
- 43 managers currently holding equity
- Spend over the next 2 years expected to be no more than 2014 level (up to £1m over the two years)

Growth markets

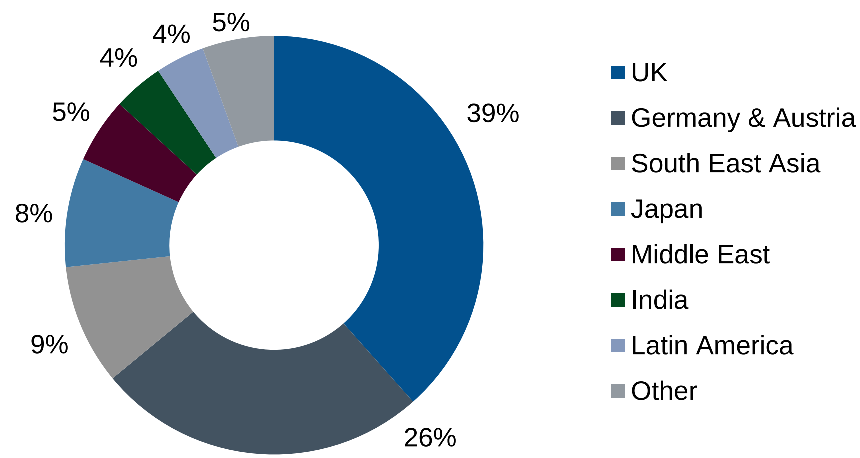
Sectors

- Operating in key sectors offering international growth opportunities



Geographies

- 73% of net fee income from UK, Germany & Japan
- 27% from emerging markets, including South East Asia, Middle East, India and Latin America
- Structural growth expected in German market over long term (26% of Group net fee income)
- Population & demographics point to long term growth in emerging markets
- Looking to increase presence in Latin American market
- Staffing regulations generally expected to become more liberal to help support economic growth



Business mix

- Temporary sales have reduced with deliberate move away from low value work
- Current split of net fee income is 53% temporary (2014: 60%)
- Recovery in market confidence being seen with strong growth in permanent sales
- Recent investments in regions with permanent sales focus
- Clients and candidates increasingly looking for flexible staffing solutions
- Temporary sales uncommon in emerging staffing markets
- Investment focus to increase temporary sales

Quality of earnings important

- Temp margin up to 15.9% (2014: 15.3%)
- Conversion ratio up to 12.4% (2014: 10.9%) – 5 year target to reach 20% for full year

RESULTS FOR THE PERIOD

Highlights

Continued delivery against strategy with strong profit growth

- Net fee income +12% (16% constant currency)
- 8 consecutive quarters of growth in net fee income
- Profit before tax (adjusted) +33% (44% constant currency)
- EPS adjusted +36%
- Net debt down 30% to £9.9m

- New office openings delivering positive performances
- Acquisitions made in 2014 integrating into Group, trading in line with expectations
- Strong growth from Financial (UK & Singapore), Executive search (Thailand) & Offshore Recruitment Services (India)
- Investing in staff to drive future growth – average number in H1 15 +17%

Financial summary

	2015	2014	% var	Constant currency % var
Revenue	£92.4m	£94.0m	(2%)	3%
Permanent revenue	*£12.7m*	*£9.9m*	*29%*	*28%*
Temporary revenue	*£79.6m*	*£84.2m*	*(5%)*	-
Net fee income	£24.1m	£21.6m	12%	16%
Adjusted operating profit*	£3.0m	£2.4m	25%	36%
Conversion ratio	12.4%	10.9%		
Adjusted profit before tax*	£2.8m	£2.1m	33%	45%
Diluted earnings per share	3.2p	2.2p	46%	
Adjusted diluted earnings per share*	3.4p	2.5p	36%	
Net debt	£9.9m	£14.2m	(30%)	

Note: Adjusted results exclude amortisation of intangible assets, gain or loss on business disposal and exceptional items. No exceptional items in the period.

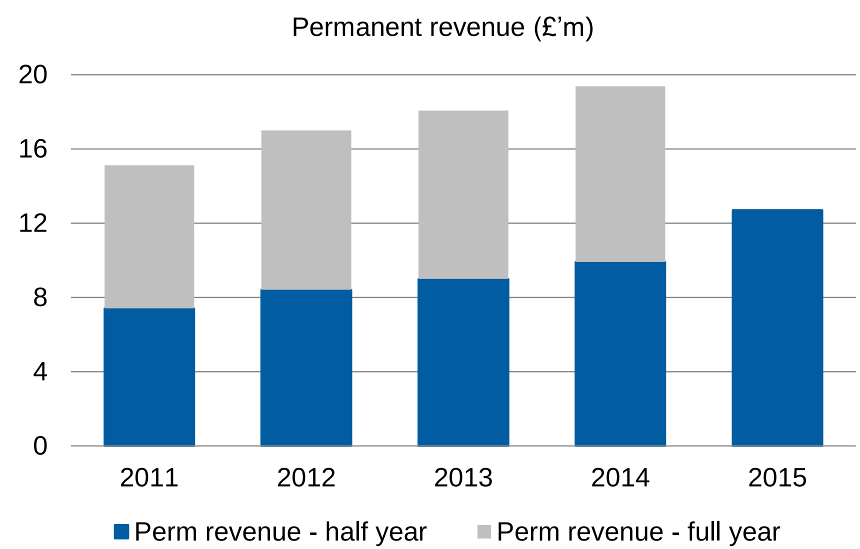
Revenue analysis

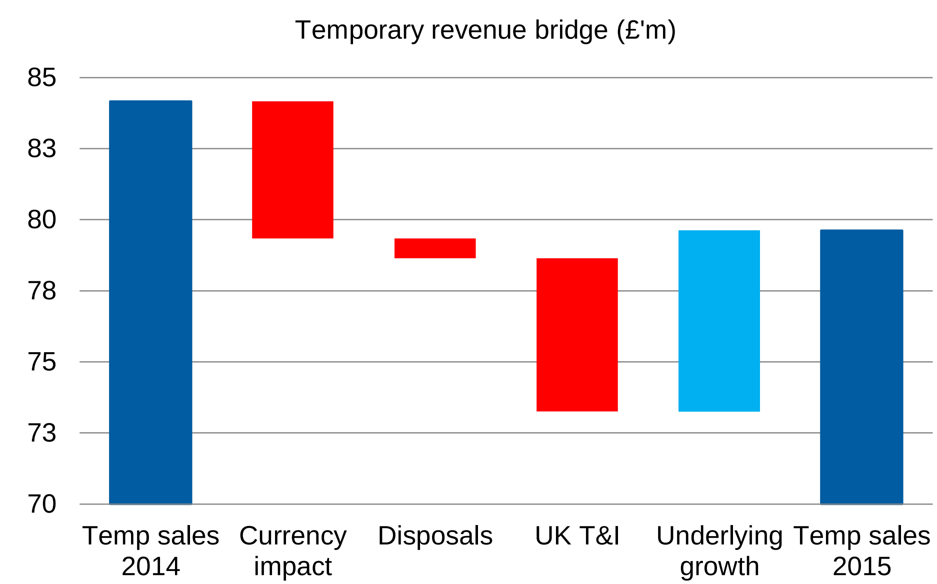
Permanent revenue +29% (28% constant currency)

- New office opening and acquisitions made in 2014 +16%
- Finance, Executive Search, ORS delivered good growth
- Lower performance from China and Indonesia training businesses

Temporary revenue (-5%) (flat in constant currency)

- 85% of currency impact from € region
- Disposals (Czech/Slovakia/Malaysia) (-1%)
- UK Technical & Industrial specific issues with end of airport project and deliberate reduction in low value work
- Underlying growth from rest of Group of +8%

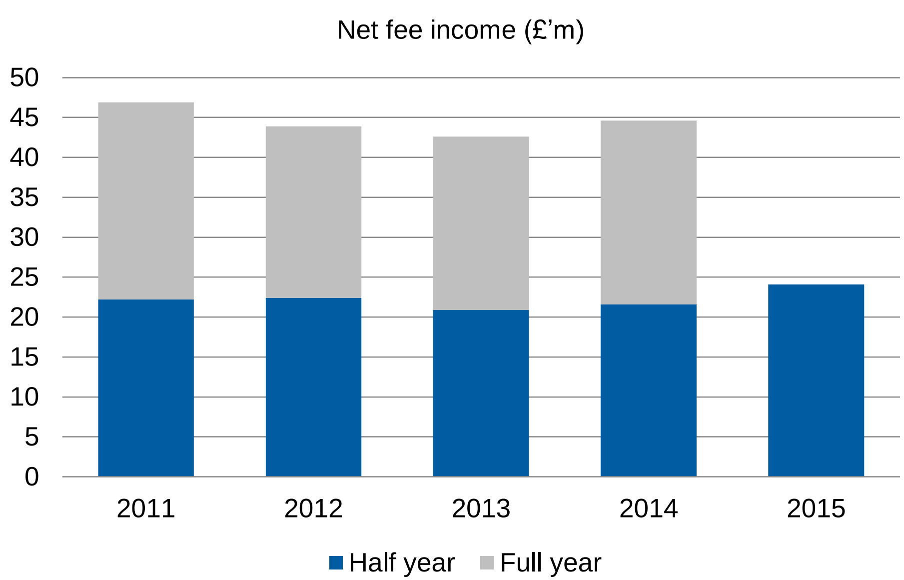




Net fee income

Net fee income +12% (+16% constant currency)

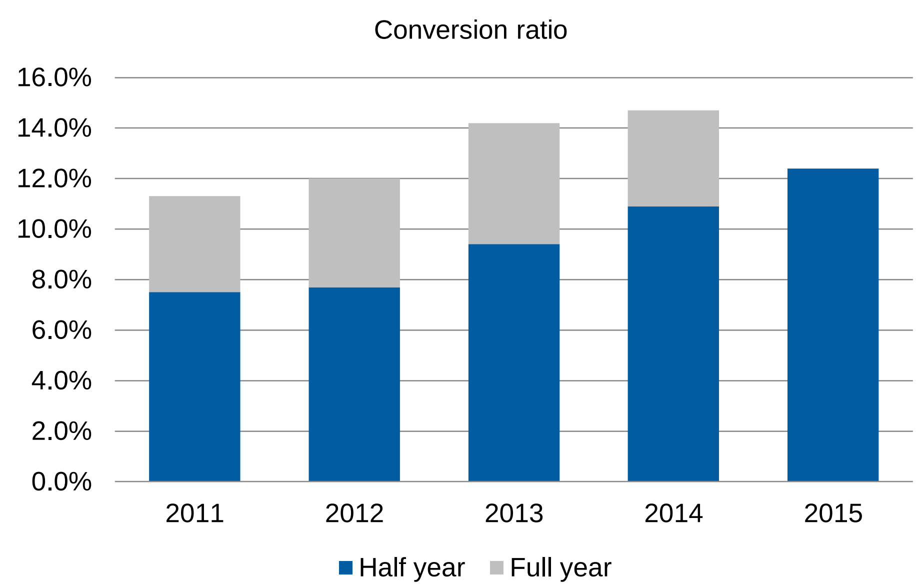
- Target of +10% average growth over 5 years
- Being driven by increase in Permanent sales and improving temp margin



Conversion ratio

Focus on increasing conversion ratio

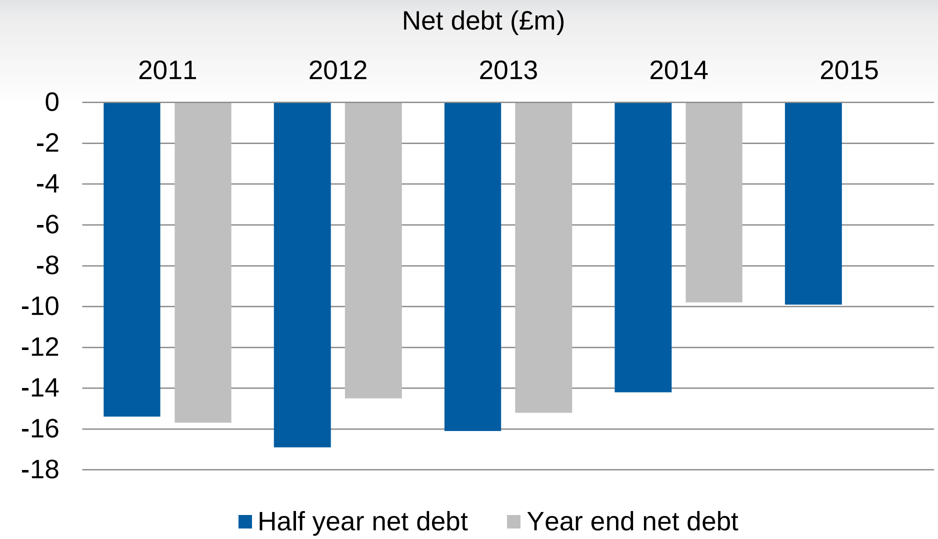
- Costs managed
- Still investing in growing business with increase in staff numbers
- Develop scale of Group to help cover central costs
- Target of 20% over 5 years

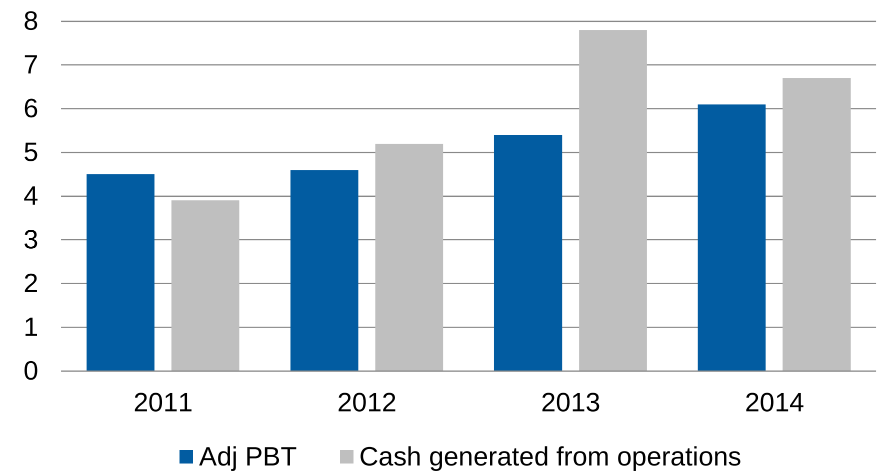


Net debt

- Net debt down 30% to £9.9m (2014: £14.2m)
- Average net debt down 39% to £9.2m (2014: £15.1m)
- Net debt to debtors ratio 32% (2014: 44%)
- Debtor days stable at 52 at June
- Cash generated from operations of £0.2m

Purchase minority interest	£0.3m
Dividend paid	£0.3m
Exceptional costs paid	£0.5m
Working capital investment	£2.8m





LOOKING FORWARD

Clear strategy	Focused on growth
Develop leading brands with sector expertise	5 year financial targets
Maintain diversification and balance by geography and sector	Average growth in NFI of +10%
Retain operational mix: Professional & specialist job roles	Organic growth supplemented by selective investments
Increase footprint in key economic centres	Conversion ratio to improve to 20%
Continue financial performance	Debt to debtors ratio of 25%

The growth opportunity

- Positive economic conditions, despite currency headwinds
- Structural growth in the German staffing market over medium term
- Investing in staff to drive sales growth
- Investing in new offices (organic development in Continental Europe & Asia)
- External investments to fill gaps in sector coverage and enter new markets
- Building scale will deliver operational gearing

Summary and outlook

Delivering on strategy

- Continuing to deliver on multi-brand growth strategy

Driving KPIs

- Growth in NFI, ahead of 10% average target
- Conversion ratio improvement continues, target of 20% remains
- Strong growth in PBT despite currency headwinds
- Full year expectations ahead of market forecast

Focus on growth

- Staffing markets expected to grow through 2015
- Investigating further investment opportunities
- Management see opportunities to further grow the business in line with existing strategy

Q&A

Appendices

Income statement – Half year 2015

£m	2015	2014	Change	Constant currency	
Revenue	92.4	94.0	(2%)	3%	
Net fee Income (gross profit)	24.1	21.6	12%	16%	
Overheads	(21.1)	(19.2)			
Adjusted operating profit*	3.0	2.4	25%	35%	
Interest	(0.2)	(0.3)			Finance costs down on lower debt levels.
Adjusted profit before tax*	**2.8**	**2.1**	33%	44%	
Amortisation	(0.1)	(0.1)			
Tax	(0.9)	(0.7)			Tax rate of 34% in 2015 (2014: 35%).
Profit for the period	1.8	1.3			
Adjusted EPS* (p)	3.4	2.5	36%		
IFRS EPS (p)	3.2	2.2	45%		

* Adjusted results are before exceptional items, gain or loss on disposal of business and amortisation of intangible assets

Balance sheet – 30 June 2015

£m	2015	2014	
Property, plant & equipment	1.1	1.0	Capital expenditure of £0.3m on fixed assets.
Goodwill and intangibles	24.6	26.0	
Deferred tax asset	0.7	0.7	
	26.4	27.7	
Trade and other receivables	36.5	37.0	Debtor days at 30 June of 52 (2014: 52).
Cash and bank balance	6.3	5.0	
	42.8	42.0	Net debt of £9.9m (2014: £14.2m). Banking facilities in place at year end of £30.4m (2014: £33.2m).
Trade and other payables	(22.2)	(21.7)	
Provision for exceptional items	0.0	(0.8)	
Current tax liability	(2.6)	(1.6)	New bank facilities in place in Germany, replacing central Revolving Credit Facility with local term loan and overdraft in Germany.
Short-term borrowings	(12.4)	(12.6)	
	(37.2)	(36.7)	
Long-term borrowings	(3.8)	(6.6)	
Deferred tax liabilities	(1.1)	(1.2)	
	(4.9)	(7.8)	
Net assets	**27.1**	**25.2**	
Equity attributable to equity holders of parent	(24.0)	(22.0)	No movement in share capital.
Non-controlling interests	(3.1)	(3.2)	
Total equity	**(27.1)**	**(25.2)**	

Cash flow – Half year 2015

£m	2015	2014
Profit for the period	1.8	1.3
Depreciation and amortisation	0.5	0.5
Tax and interest added back	1.1	1.0
Cash paid for exceptional items	(0.5)	(0.1)
Share based payments	0.1	0.1
Working capital	(2.8)	(2.0)
Cash generated by operations	**0.2**	**0.8**
Tax, interest & capex	(1.2)	(1.0)
Dividends to shareholder	(0.3)	(0.2)
Dividends to non-controlling interests	0.0	0.0
Investments and disposals	(0.2)	(0.4)
Cash inflow from loans and borrowings	0.4	0.2
Increase in cash in the period	(1.1)	(0.6)
Foreign exchange	(0.4)	(0.1)
Net movement in cash and cash equivalents	(1.5)	(0.7)

Cash generated from operations was £0.2m, following a £2.8m investment in working capital and £0.5m cash spend on exceptional items.

Cash outflow on tax was up on prior year at £0.7m (2014: £0.3m).

Dividend increased to 0.7p for 2015 payment.

Investments and disposals:
- Exit GiT in Czech Republic & Slovakia
- Exit Metis in Malaysia
- Increase interest in Monroe Indonesia (£0.3m)

Directors

Board has extensive knowledge of the staffing industry with a combined experience of 100 years

Anthony Martin – Chairman

Anthony served as Chairman and CEO of Select Appointments and Vedior NV, building one of the world's largest recruitment companies, before it was acquired by Randstad. He currently owns 29% of Empresaria.

Joost Kreulen – Chief Executive Officer

Joost has 28 years of staffing industry experience, with roles in Select Appointments and Vedior NV as well as a short period at Randstad. He joined Empresaria in 2009, initially responsible for its Asian operations and then also for a number of its UK based businesses. He was appointed Chief Operating Officer and Chief Executive designate in September 2011, becoming Chief Executive at the beginning of 2012.

Spencer Wreford – Group Finance Director

Spencer has over 10 years experience in senior finance roles, joining Empresaria from BPP Group. Prior to this he spent 8 years at ITE Group Plc, as Deputy Finance Director, including six months as Acting Group Finance Director. Spencer is a Chartered Accountant, qualifying with Arthur Andersen.

Penny Freer – Non-Executive Director

Penny has worked in investment banking for over 25 years. She is a partner of London Bridge Capital. She has been Head of Equity Capital Markets and Deputy Chairman of Robert W Baird Limited as well as Head of Small/Mid Cap Equities for Credit Lyonnais. Penny is also a non-executive director of Advanced Medical Solutions plc, where she is the senior independent director.

Zach Miles – Non-Executive Director

Before joining Empresaria Zach held the position of Chairman and CEO of Vedior N.V. Before joining Vedior, Zach was CFO and a member of the Board of Directors of Select Appointments. His career in the recruitment industry began in 1988. He was formerly a partner at Arthur Andersen and is a qualified Chartered Accountant.

Shareholder information

Shares in issue: 44,562,847 ordinary shares

Market capitalisation: £31.6 million

Outstanding options: 2.8m (6.4% of shares in issue)

Significant shareholders (updated on 1 September):

Anthony Martin	12,924,595	29%
Liontrust Asset Management	4,373,468	10%
Miles Hunt	3,212,490	7%
City Financial Investments	2,200,000	5%
Hendrik M.Van Heijst	2,200,000	5%
Tim Sheffield	2,049,307	5%

Case study: IMS (Offshore recruitment services)

Based in Ahmedabad, India. Joined the Group in 2006 as a start-up

- Providing outsourced recruitment services to clients in US (primarily IT sector) and UK (primarily Healthcare sector)
- Offers both voice and non-voice based services
- Net fee income growth of +61% between 2010 and 2014
- Opening a third centre in H2 15 after strong demand fills second centre, which was opened in 2014
- Staff numbers at 30 June 2015: 378 (2010: 168; 2014: 282)
- Growth opportunities from developing further service offerings, growing presence in other sectors, develop end-to-end solutions, open centre in second geography

Case study: Monroe Consulting (Executive search)

Offices in Indonesia, Thailand, Philippines, Malaysia, Mexico & Chile.
Joined the Group in 2005

- Providing mid to senior level placements across Consumer goods, Healthcare, Industrial, Professional & Technology sectors
- Emerging market specialist
- Net fee income growth of +95% between 2010 and 2014
- Number of locations increased from 3 in 2010 to 6 in 2014
- Exploring opportunities in South East Asia and South America
- Staff numbers at 30 June 2015: 99 (2010: 41; 2014: 95)
- Growth opportunities from growing presence in existing locations with increasing staff numbers and adding new locations

Case study: Become Group (Digital & design)

Offices in London, Manchester, Sydney, Melbourne, Hong Kong.
Joined the Group in 2005

- Providing permanent and temporary recruitment services to the Creative sector
- Track record of organic growth into Australia (2007) and Hong Kong (2014)
- Investment in Ball & Hoolahan (Marketing services) in December 2014
- Net fee income growth of +40% between 2010 and 2014
- Number of offices grew from 3 in 2010 to 6 in 2014
- Staff numbers at 30 June 2015: 43 (2010: 22; 2014: 41)
- Growth opportunities from rolling out Ball & Hoolahan brand across Become network, growing presence in existing locations with increasing staff numbers and adding new locations (Asia and Continental Europe)