



Rubicon

Investor Presentation
17 March 2016

Submitted:
16 March 2016



Disclaimer

The forward looking statements included in these materials involve subjective judgement and analysis and are subject to significant uncertainties, risks, contingencies, many of which are outside the control of, and are unknown to Rubicor Group Limited. In particular, they speak only as of the date of these materials, they are based on particular events, conditions or circumstances stated in the materials, they assume the success of Rubicor Group Limited's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks.

Rubicor Group Limited disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Rubicor Group Limited since the date of these materials.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Rubicor Group Limited). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward looking statement will be achieved. Actual future events and conditions may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward looking statements.

Financial summary

| | H1 FY16 | H1 | H2 | H1 | H2 | H1 | H2 | H1 |
|--|-----------|-------|-------|-------|-------|-------|--------|--------|
| Financial Summary | v H1 FY15 | FY16 | FY15 | FY15 | FY14 | FY14 | FY13 | FY13 |
| Total Revenue (\$m) | 1.4% | 103.7 | 102.1 | 102.2 | 96.3 | 101.7 | 111.2 | 126.5 |
| Gross Margin | | | | | | | | |
| Statutory (\$m) | 1.7% | 19.6 | 18.8 | 19.3 | 18.8 | 107.1 | 18.1 | 21.6 |
| Underlying (\$m) | 1.7% | 19.6 | 18.4 | 19.3 | 18.7 | 18.4 | 18.1 | 21.6 |
| EBITDA | | | | | | | | |
| Statutory (\$m) | (6.5%) | 0.8 | (2.3) | 0.9 | 0.1 | 89.1 | (2.3) | 0.1 |
| Underlying (\$m) ^{1, 2} | 77.8% | 1.6 | 0.4 | 0.9 | 0.7 | 0.6 | 0.3 | 1.3 |
| NPAT attributable to equity holders | | | | | | | | |
| Statutory (\$m) | (52.2%) | (0.7) | (3.6) | (0.5) | (1.2) | 86.0 | (12.2) | (12.2) |
| Underlying (\$m) ^{1, 2} | 80.0% | (0.1) | (0.8) | (0.5) | (0.5) | (0.5) | (1.9) | (1.5) |

1. Includes additional provision for doubtful debts H1 FY16 of \$0.2m
2. Includes one off restructuring costs as part of the strategic review H1 FY16 of \$0.6m



Overview of H1 FY16

- » **Stability in operating performance, evidenced by:**
 - » Revenue increased 1.4% on H1 FY15, and up 1.5% on H2 FY15
 - » Gross Margin increased 1.7% on H1 FY15, and up 6.6% on H2 FY15
 - » Overall improvement in Gross Margin, attributable to an improvement in permanent recruitment volumes and consultant productivity
 - » Underlying EBITDA increased 78% on H1 FY15, and 300% up on H2 FY15
 - » Underlying NPAT increased 80% from H1 FY15 and 88% up on H2 FY15



Strategic initiatives

Stage 1 of the Strategic Review milestones achieved:-

- Capital raising of \$4.757m completed
- Early savings from actioning the Strategic Review has resulted in a reduced amount of capital needed for Stage 1
- Accounting and Payroll Systems bedded down and working, assisting cash flow, billings and collections
- ATO payment arrangements negotiated and implemented
- New systems and operational reviews have highlighted further cash flow release opportunities
- Business continues to hold and margin has not seen any erosion
- Revenues maintain historical run rate yet are seasonal and overall softness exists

Stage 2 of the Strategic Review has commenced:-

- Further operational efficiencies are being identified
- Business structures to be aligned with functional service delivery
- Further Brand and organisational rationalisation is underway to unlock capital
- Information technology infrastructure including core systems to be enhanced
- Cost base to be right sized for organisational position
- Key focus on revenue growth strategies



Outlook

Stage 2 of the Strategic Review has commenced:-

- Key focus on revenue growth strategies
- Further operational efficiencies are being identified
- Cost base to be right sized for organisational position
- Information technology infrastructure including core systems to be enhanced
- Business structures to be aligned with functional service delivery
- Further Brand and organisational rationalisation is underway to unlock capital
- Annualised Shared Services savings to date of \$1.1m have been achieved and should be seen in the operating results from Q4 FY16



Underlying P&L

| 6 Months ended 31 December | 2015 | 2014 | Change |
|--|-------|-------|----------|
| | \$m | \$m | % |
| Statutory revenue | 103.7 | 102.2 | 1.4% |
| Underlying revenue | 103.7 | 102.2 | 1.4% |
| Gross margin | 19.6 | 19.3 | 1.7% |
| Other income | 0.0 | 0.0 | |
| Underlying Gross margin | 19.6 | 19.3 | 1.7% |
| Statutory EBITDA | 0.8 | 0.9 | (11.1%) |
| One-off legal fees | 0.1 | 0.0 | |
| Provision for doubtful debts (debtors in receivership) | 0.2 | 0.0 | |
| Restructuring expense | 0.5 | 0.0 | |
| Underlying EBITDA | 1.6 | 0.9 | 77.8% |
| Depreciation | (0.3) | (0.3) | |
| Amortisation | (0.0) | (0.1) | |
| Underlying EBIT | 1.3 | 0.5 | 161.2% |
| Finance costs - borrowing costs amortisation | (0.2) | (0.2) | |
| Finance costs - interest & charges | (0.7) | (0.8) | |
| Underlying Profit Before Tax | 0.4 | (0.5) | (181.6%) |
| Tax | (0.5) | 0.1 | |
| Cash interest on vendor liabilities | 0.0 | 0.0 | |
| Underlying NPAT | (0.1) | (0.4) | (77.2%) |
| Underlying NPAT - Equity holders | 0.1 | (0.5) | (118.4%) |
| EPS (cents) | 0.1 | (0.5) | (111.1%) |



BS Underlying

| | 31-Dec-15 | 30-Jun-15 | Change |
|---|--------------|--------------|---------------|
| | \$m | \$m | % |
| Cash | 2.9 | 3.0 | (3.2%) |
| Receivables | 27.2 | 27.9 | (2.3%) |
| Intangibles | 1.1 | 0.8 | 36.0% |
| Deferred tax asset | 2.6 | 2.7 | (0.8%) |
| Other Assets | 2.8 | 2.9 | (3.0%) |
| Total Assets | 36.7 | 37.3 | (1.4%) |
| Current Liabilities | | | |
| Trade payables | 22.3 | 23.1 | (3.6%) |
| Tax payable | (0.0) | (0.0) | (32.1%) |
| Borrowings | 14.3 | 13.4 | 6.7% |
| Other liabilities | 1.7 | 2.3 | (26.8%) |
| Non Current Liabilities | | | |
| Other liabilities | 1.5 | 1.6 | (5.4%) |
| Borrowings | 0.9 | 0.9 | 0.0% |
| Total Liabilities | 40.7 | 41.3 | (0.0) |
| Net Assets | (3.9) | (4.0) | |
| Net Asset Backing (cents per share) | (0.0) | (0.0) | |



P&L Stat

| 6 Months ended 31 December | 2015 | 2014 | Change |
|------------------------------------|-------|-------|---------|
| | \$m | \$m | % |
| Revenue | 103.7 | 102.2 | 1.4% |
| Gross margin | 19.6 | 19.3 | 1.7% |
| EBITDA | 0.8 | 0.9 | (11.1%) |
| Depreciation | (0.3) | (0.3) | |
| Amortisation | (0.0) | (0.1) | |
| EBIT | 0.5 | 0.5 | 1.2% |
| Finance costs - amortisation | (0.2) | (0.2) | |
| Finance costs - interest & charges | (0.7) | (0.8) | |
| Loss Before Tax | (0.4) | (0.5) | (21.6%) |
| Tax | (0.3) | 0.1 | |
| NPAT | (0.7) | (0.4) | 60.2% |
| NPAT - Equity holders | (0.9) | (0.6) | |
| EPS (cents) | (0.5) | (0.5) | |

NPAT Recon

| | 2015 | 2014 |
|--|--------------|--------------|
| 6 Months ended 31 December | \$m | \$m |
| Stat NPAT - Equity holders | (0.9) | (0.6) |
| Significant items: | 0.0 | 0.0 |
| One-off legal fees | 0.1 | 0.0 |
| Provision for doubtful debts (debtors in receivership) | 0.2 | 0.0 |
| Restructuring expense | 0.5 | 0.0 |
| Tax effect | 0.2 | 0.1 |
| Underlying NPAT - Equity holders | 0.1 | (0.5) |



Overview of Rubicor's non-IFRS financial information

What is non-IFRS financial information?

IFRS financial information is financial information that is presented in accordance with all relevant accounting standards.

Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example:

- Profit information calculated on a basis other than under accounting standard definitions or calculated in accordance with accounting standards and then adjusted, e.g. “normalised”, “underlying” or “cash basis”;
- Profits that exclude certain transactions, e.g. exclude “one-off” or “non-recurring” items; and
- Pro forma financial information

What non-IFRS financial information does Rubicor disclose in its half year and full year results presentations?

In Rubicor's investor presentations, we aim to provide equal or greater prominence to IFRS financial information. However, we also present or refer to non-IFRS financial information.

Non-IFRS financial information is calculated based on underlying IFRS financial information and adjusted to show either a position excluding certain items which have been removed OR included to reflect Rubicor's underlying financial performance.

Rubicor provides reconciliations on the face of the slides, appendices and in the footnotes of the presentation in order allow the reader of the presentations to clearly reconcile between the IFRS and non-IFRS financial information.

Why does Rubicor disclose non-financial information in its half year and full year results presentations?

Rubicor management believes that the presentation of additional non-IFRS information in its half year and full year results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial condition or overall performance of Rubicor.

The Australian Securities and Investments Commission (“ASIC”) acknowledges the relevance of non-IFRS financial information in providing “meaningful insight” as long as it does not mislead the reader.



Brands





Rubicon

HALF YEAR RESULTS

17 March 2016

Submitted:
16 March 2016