

# AGM

## 13 November 2014



Baker & McKenzie  
Sydney

# John Pettigrew

## Chairman

# Financial Summary



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<b>FINANCIAL SUMMARY</b>	<b>FY14</b>	<b>FY13</b>	<b>FY14 vs FY13</b>
<b>Total Revenue (\$m)</b>	<b>198.0</b>	<b>237.7</b>	<b>-16.7%</b>
<b>Gain on debt forgiveness (\$m)</b>	<b>88.6</b>	<b>0.0</b>	
<b>NDR (Gross Margin)</b>			
Statutory (\$m) <sup>1</sup>	125.9	39.7	
Underlying (\$m) <sup>2</sup>	37.1	39.7	-6.5%
<b>EBITDA</b>			
Statutory (\$m) <sup>1,3</sup>	89.2	(2.2)	
Underlying (\$m) <sup>2,4</sup>	1.3	1.6	-18.8%
<b>NPAT attributable to equity holders</b>			
Statutory (\$m) <sup>1,3</sup>	84.4	(24.4)	
Underlying (\$m) <sup>2,4,5</sup>	(1.0)	(3.4)	70.6%
<b>Earnings per share</b>			
Statutory (cents) <sup>1,3</sup>	77.0	(22.3)	
Underlying (cents) <sup>2,4,5</sup>	(0.9)	(3.1)	70.6%

1. Includes gain on debt forgiveness of \$88.6m (FY13: \$Nil) and abnormal revenue of \$0.2m (FY13: \$Nil).
2. Excludes gain on debt forgiveness of \$88.6m (FY13: \$Nil) and abnormal revenue of \$0.2m (FY13: \$Nil).
3. Includes restructuring costs of \$0.9m - \$0.6m onerous lease provision, \$0.2m redundancy payments and \$0.1m other restructuring expenses (FY13: \$3.8m - \$1.6m onerous lease provision, \$0.6m redundancy payments, \$0.9m transaction costs, \$0.3m other restructuring expenses and \$0.3m foreign exchange losses).
4. Excludes restructuring costs of \$0.9m - \$0.6m onerous lease provision, \$0.2m redundancy payments and \$0.1m other restructuring expenses (FY13: \$3.8m - \$1.6m onerous lease provision, \$0.6m redundancy payments, \$0.9m transaction costs, \$0.3m other restructuring expenses and \$0.3m foreign exchange losses).
5. Excludes taxation relating to gain on debt forgiveness of \$1.8m (FY13: \$Nil), notional interest on vendor liabilities of \$0.1m (FY13: \$0.2m) and asset impairment of \$Nil (FY13: \$15.7m), net of tax effect.

# Capital Management



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## DEBT FACILITIES

- » **Company restructured its debt facilities in July 2013.**
- » **Loan facilities extinguished in full, in exchange for \$7.0 million.**
- » **Gain on debt forgiveness amounted to \$88.6 million.**
- » **New Debtor Finance Facility:**
  - » \$15 million limit: to increase in line with increase in value of approved receivables.
  - » 3 year facility. No annual review, no covenants, no amortisation.
  - » Funding dependant upon purchased receivables remaining approved until collected.
- » **Other facilities (rental guarantees) in the amount of \$2.1 million have been cash backed by funds drawn from the debtor finance facility.**
- » **Debt drawn to \$10.2 million compared to \$9.1 million at time of debt restructure.**

# Capital Management



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## VENDOR PAYMENTS

- » Earn out payments of \$0.04 million paid in FY14.
- » Estimated remaining payments owing to vendors - \$0.8 million.

# Board and Senior Management



**We have had a number of notable changes to Rubicon's Board:**

- » **Robert Aitken, Former Chairman and Non-Executive Director retired from the Board September 2013.**
- » **Steven Hatch elected as Non-Executive Director.**
- » **Kevin Levine, CEO appointed to the Board as Managing Director.**

# Summary

- » **Economic and structural changes continue to have a significant impact on hiring activity and confidence in our markets.**
- » **Group has structured operations to execute on short and medium-term goals.**
- » **Delivered stability in the form of improving trends; gross margin and underlying EBITDA growing sequentially over last 18 months.**
- » **Focus on execution of growth strategies and creating value for shareholders.**

# Kevin Levine

## CEO





# Market overview

- » Trading conditions characterised by false starts and periods of momentum, dampened by political and economic uncertainty.
- » Recovery at financial year end, evidenced by improved activity levels and an increase in job advertisements.
- » Achieved improving trends over the last 18 months, with consecutive growth in NDR and underlying EBITDA.
- » Acknowledge there is still a way to go to achieve profitable and sustainable growth, however moving in the right direction.

# Performance overview



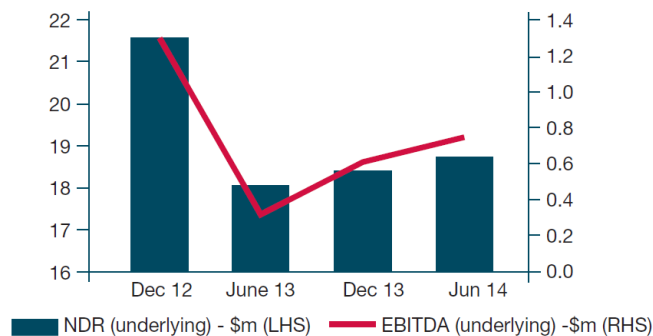
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- » **Second half performance stronger than the first.**
- » **Revenue (excluding debt forgiveness) - \$198.0 million, down 16.7%.**
- » **Net Disposable Revenue (NDR) - \$37.1million, down 6.5% as a result of higher temp margins and growth in permanent recruitment in second half.**
- » **Cost reduction of \$2.7million over prior year across all cost categories.**
- » **Underlying EBITDA of \$1.3 million, down 18.8%.**
- » **Underlying NPAT loss reduced by 70.6% to \$1.0 million.**

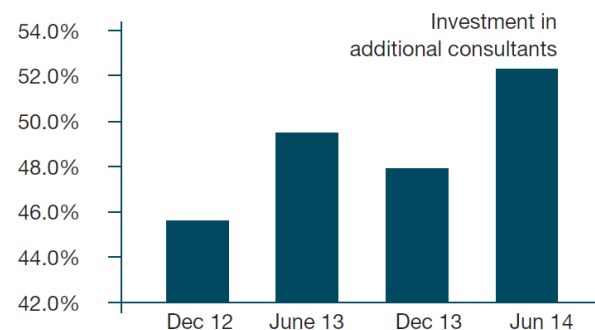
# KPIs

- » NDR in H2 up 1.6% over H1, and 3.3% over H2 of prior year.
- » Underlying EBITDA in H2 up 16.7% over H1, and 133.3% over H2 of prior year.

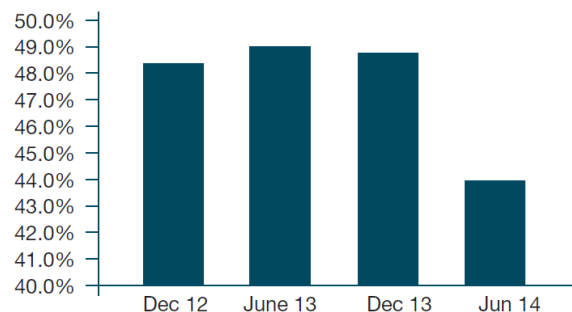
## NDR and Underlying EBITDA



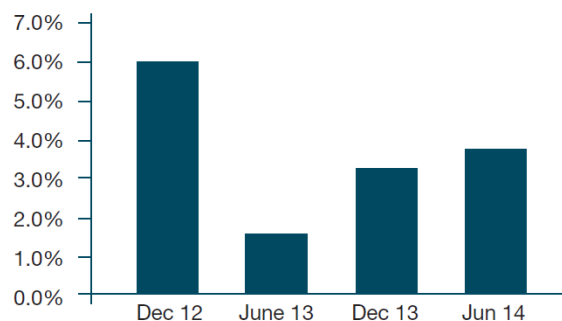
## Consultant costs: NDR



## Other Costs: NDR



## Underlying EBITDA: NDR



# Strategic Initiatives

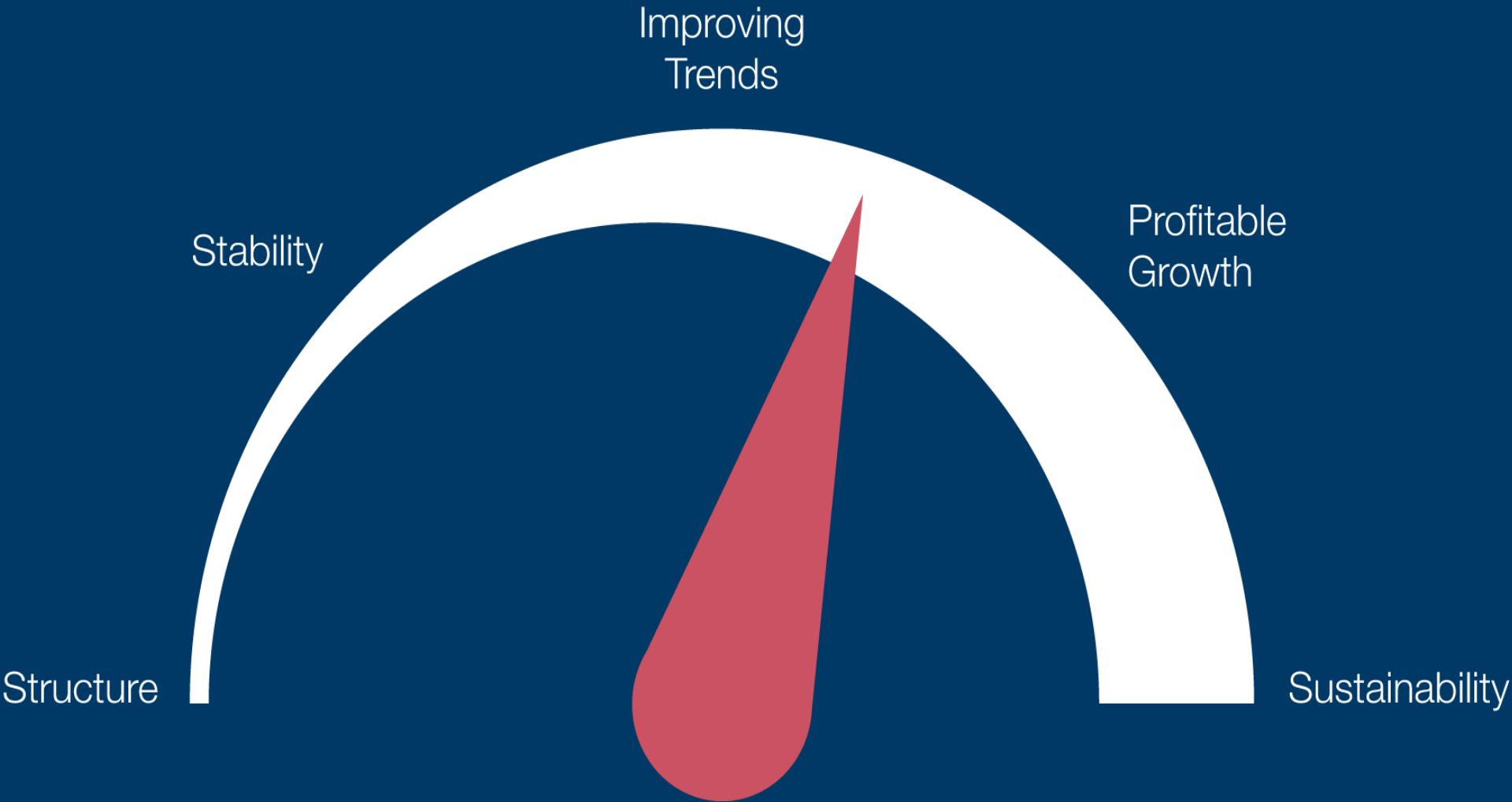
FOUNDATIONS FOR THE FUTURE



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- » **Management and operational restructure**
- » **Office co-location and brand alignment**
- » **Improve operating performance**
- » **Growth in consultant headcount**
- » **Improved consultant productivity**
- » **Expansion plans**
- » **Group technology strategy**

# How we're tracking



# First Quarter FY15



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- » **Strong Q1 performance:**
  - » Revenue up 4%
  - » NDR up 9%
  - » Underlying EBITDA up 30%
  - » Demonstrates scalability in current platform
- » **Ensure Health: Maiden Profit in September.**
- » **Locher OD: Headcount added in Sydney and Melbourne.**
- » **Asia: New agreements covering Singapore and Hong Kong.**
- » **Technology roll-out: On track for H2 roll out.**
- » **Major contracts up for renewal have been re-signed/extended.**

# Outlook

- » Improved conditions, albeit minimal coming off a low base, are expected to continue.
- » Group focused on executing strategies, improving bottom line results and improving shareholder value.
- » Continue to deepen relationships, networks and reputation in specialist markets.
- » Rubicon is well placed to capitalise on opportunities in our markets.

# John Pettigrew

## Chairman



# Financial Statements and Reports



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To receive and consider the:

- » Annual Financial Report;
- » Directors' Report; and
- » Independent Auditor's Report.

of Rubicon Group Limited for the year ended 30 June 2014.

# Remuneration practices



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- » Aim is to continue to align executive remuneration with shareholder interests.
- » No short-term incentives paid in FY13 (2013:\$Nil).
- » Total key management compensation down 31% to \$1.4million.

# Resolution 2: Remuneration Report

That the Company's Remuneration Report for the financial year ended 30 June 2014, as set out in the Directors' report be adopted.

<b>For</b>	<b>18,788,445</b>
<b>Against</b>	<b>10,581,236</b>
<b>Abstain</b>	<b>37,000</b>
<b>Open</b>	<b>156,160</b>

# Resolution 3:



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## Re-election of Mr John Pettigrew

That Mr John Pettigrew, who retires in accordance with clause 20.1 of the Company's Constitution, and having offered himself for re-election and being eligible, is re-elected as a Non-Executive Director of the Company.

<b>For</b>	<b>36,652,977</b>
<b>Against</b>	<b>10,431,236</b>
<b>Abstain</b>	<b>354,209</b>
<b>Open</b>	<b>156,160</b>

# AGM

# 13 November 2014



Baker & McKenzie  
Sydney