



# Rubicon

Investor Presentation  
17 March 2016

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## Financial summary

	H1 FY16	H1	H2	H1	H2	H1	H2	H1
Financial Summary	v H1 FY15	FY16	FY15	FY15	FY14	FY14	FY13	FY13
<b>Total Revenue (\$m)</b>	1.4%	103.7	102.1	102.2	96.3	101.7	111.2	126.5
<b>Gross Margin</b>								
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
<b>EBITDA</b>								
Statutory (\$m)	(6.5%)	0.8	(2.3)	0.9	0.1	89.1	(2.3)	0.1
Underlying (\$m) <sup>1, 2</sup>	77.8%	1.6	0.4	0.9	0.7	0.6	0.3	1.3
<b>NPAT attributable to equity holders</b>								
Statutory (\$m)	(52.2%)	(0.7)	(3.6)	(0.5)	(1.2)	86.0	(12.2)	(12.2)
Underlying (\$m) <sup>1, 2</sup>	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%)
<b>Total Assets</b>	<b>36.7</b>	<b>37.3</b>	<b>(1.4%)</b>
<b>Current Liabilities</b>			
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%)
<b>Non Current Liabilities</b>			
Other liabilities	1.5	1.6	(5.4%)
Borrowings	0.9	0.9	0.0%
<b>Total Liabilities</b>	<b>40.7</b>	<b>41.3</b>	<b>(0.0)</b>
<b>Net Assets</b>	<b>(3.9)</b>	<b>(4.0)</b>	
<b>Net Asset Backing</b> (cents per share)	<b>(0.0)</b>	<b>(0.0)</b>	





## 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
<b>Stat NPAT - Equity holders</b>	<b>(0.9)</b>	<b>(0.6)</b>
Significant items:	<b>0.0</b>	<b>0.0</b>
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
<b>Underlying NPAT - Equity holders</b>	<b>0.1</b>	<b>(0.5)</b>



## 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**

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