



Investor Presentation

Results year ended 31 December 2018

Ian Temple, CEO

John Hunter, COO / CFO

hydrogen



ARGYLL SCOTT

2018 Results

‘disrupt or
be disrupted’

Strong growth in NFI and profit

Harnessing disruption

Robust operating model

Mergers and acquisitions

Current trading

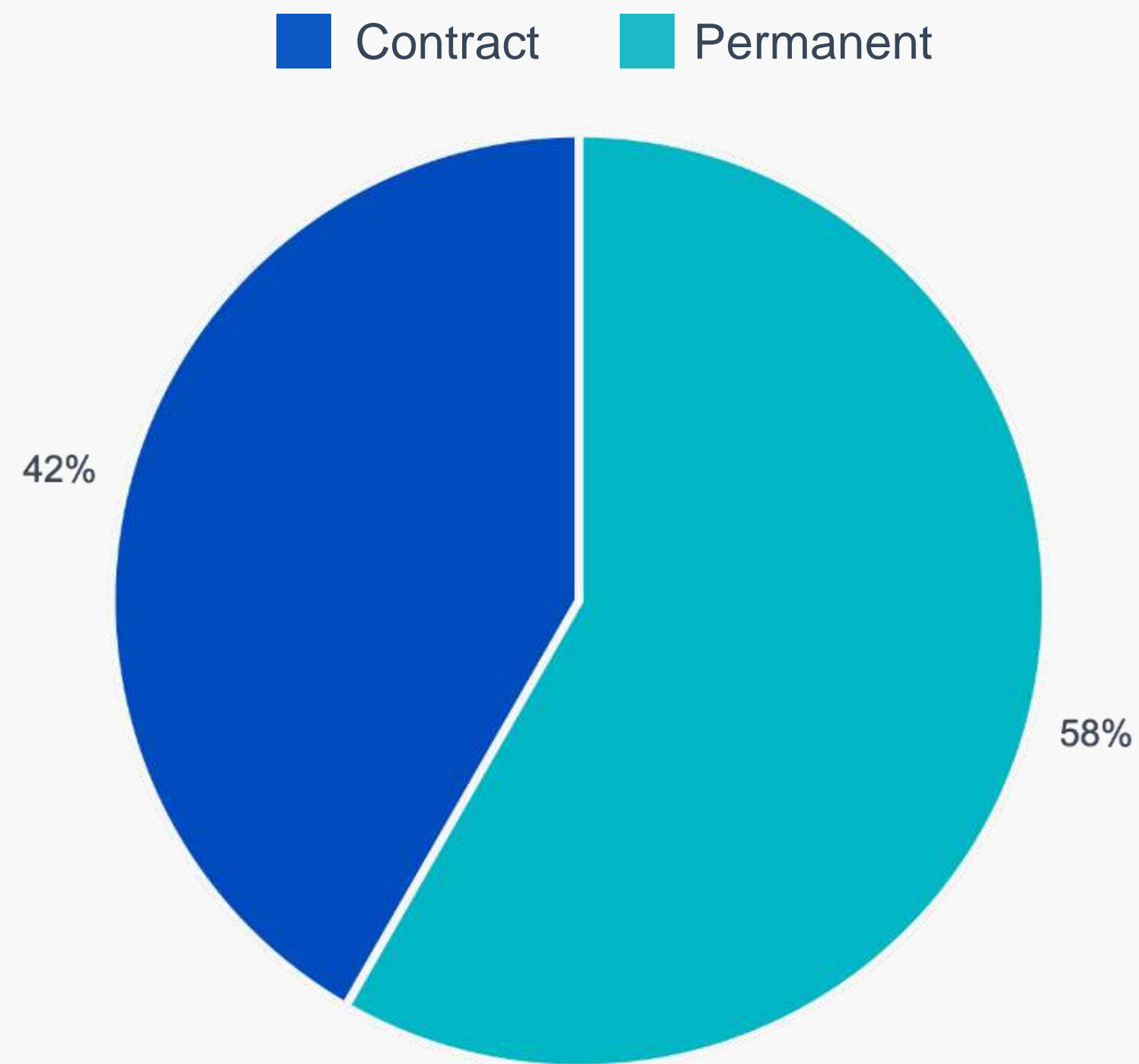


Financial and Operational Highlights

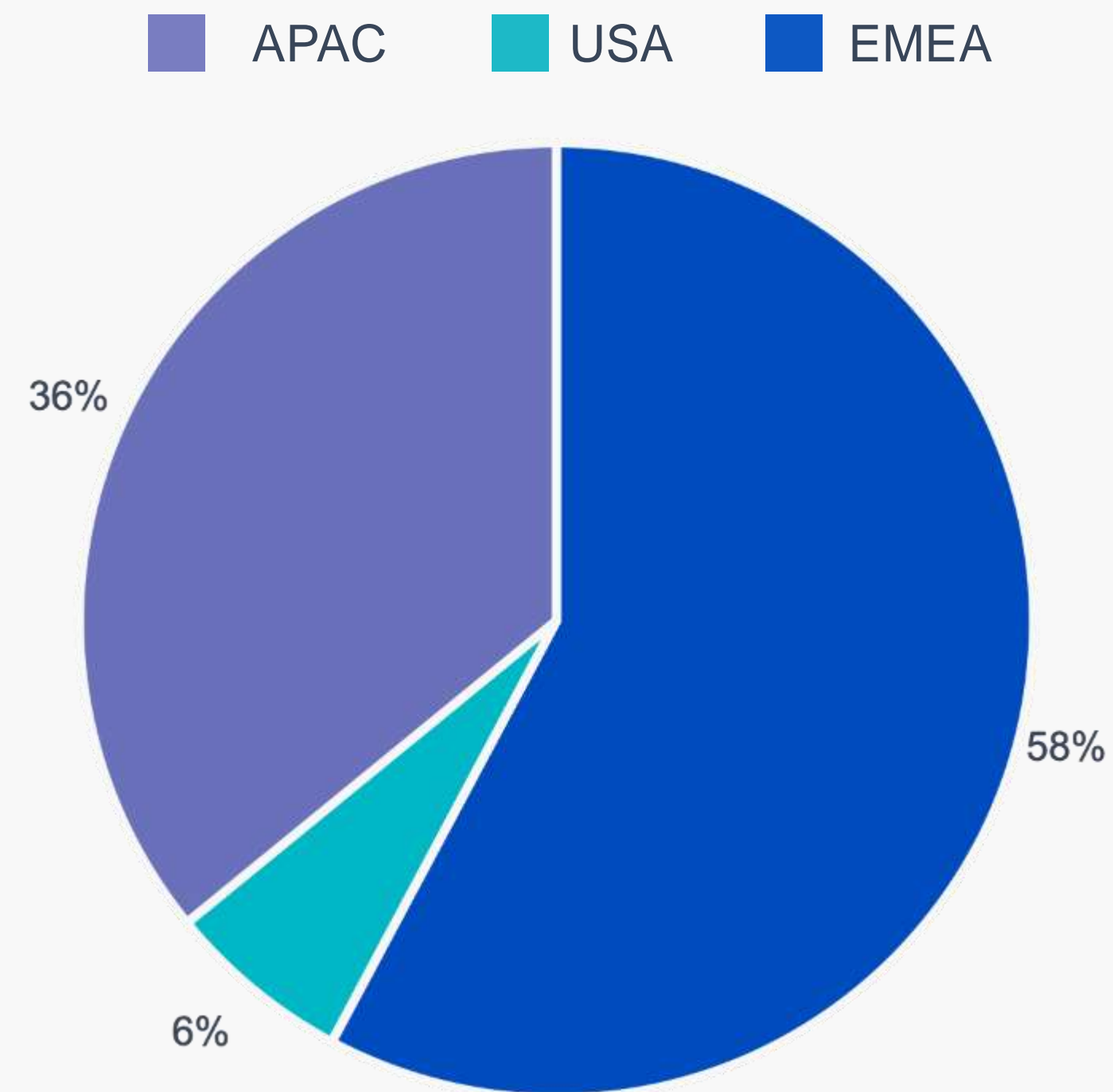
- NFI 34% higher at £30.5m (2017: £22.8m)
- Proforma NFI growth:
 - * Group 14% (14% CC)
 - * EMEA 7% (7% CC)
 - * APAC 15% (17% CC)
 - * USA 110% (118% CC)
- Underlying PBT increased by 264% to £3.0m (2017: £0.8m)
- Strong cash generation with cash from operations of £6.1m (2017: outflow of £2.5m)
- Net cash £4.9m (2017: net debt £0.4m)
- Underlying EPS of 8.0p (2017: 3.2p)
- Proposed final dividend of 1.0p. Full year dividend 1.5p, an increase of 88%

NFI Analysis

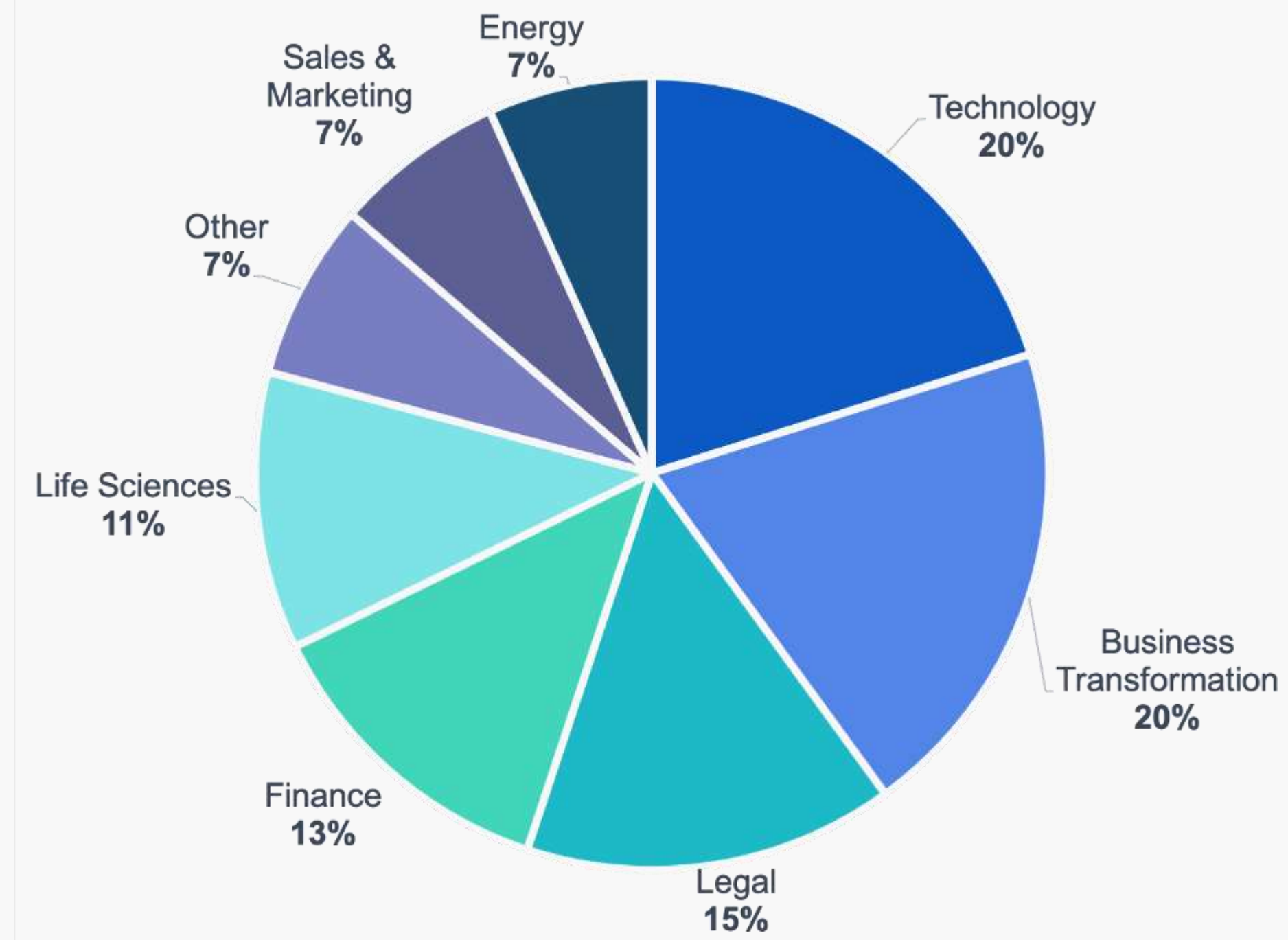
Permanent/Contract



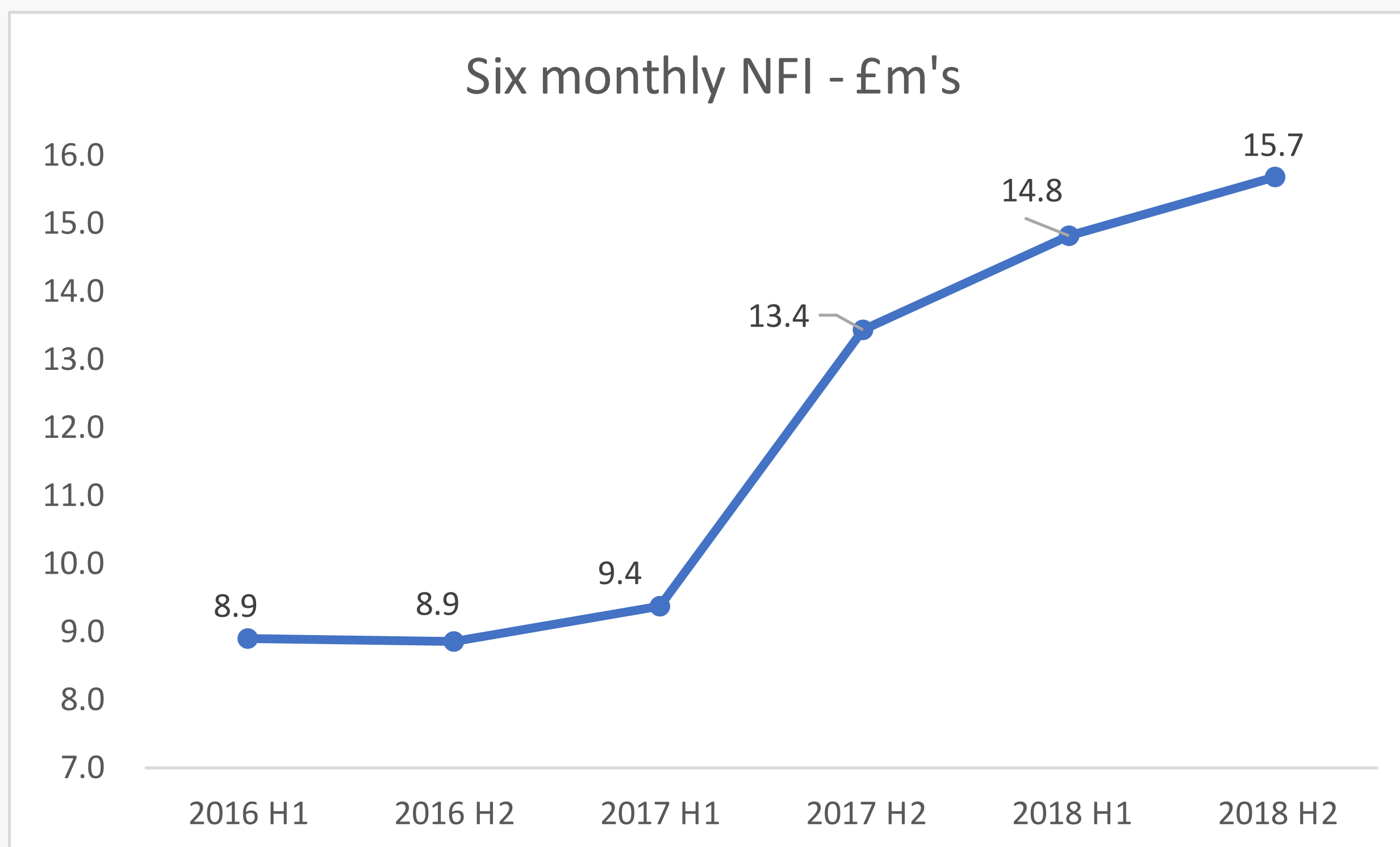
Regional



Sector



2020 targets substantively achieved two years early



2020 Targets	2018 Actuals
Grow NFI by over 10% pa	14% organic NFI growth
Increase underlying PBT to NFI conversion from 4.5% to 10%	9.7% conversion of NFI to Underlying PBT
Growing underlying EPS from 3.3p to 6.8p	8.0p Underlying EPS

Purpose, mission & vision – Hydrogen Group



Group Purpose

Powering customer relationships
Enabling people to achieve their goals.

Group Mission

Using technology, expertise and insight to help our businesses deliver deep and effortless customer relationships in disrupted markets.

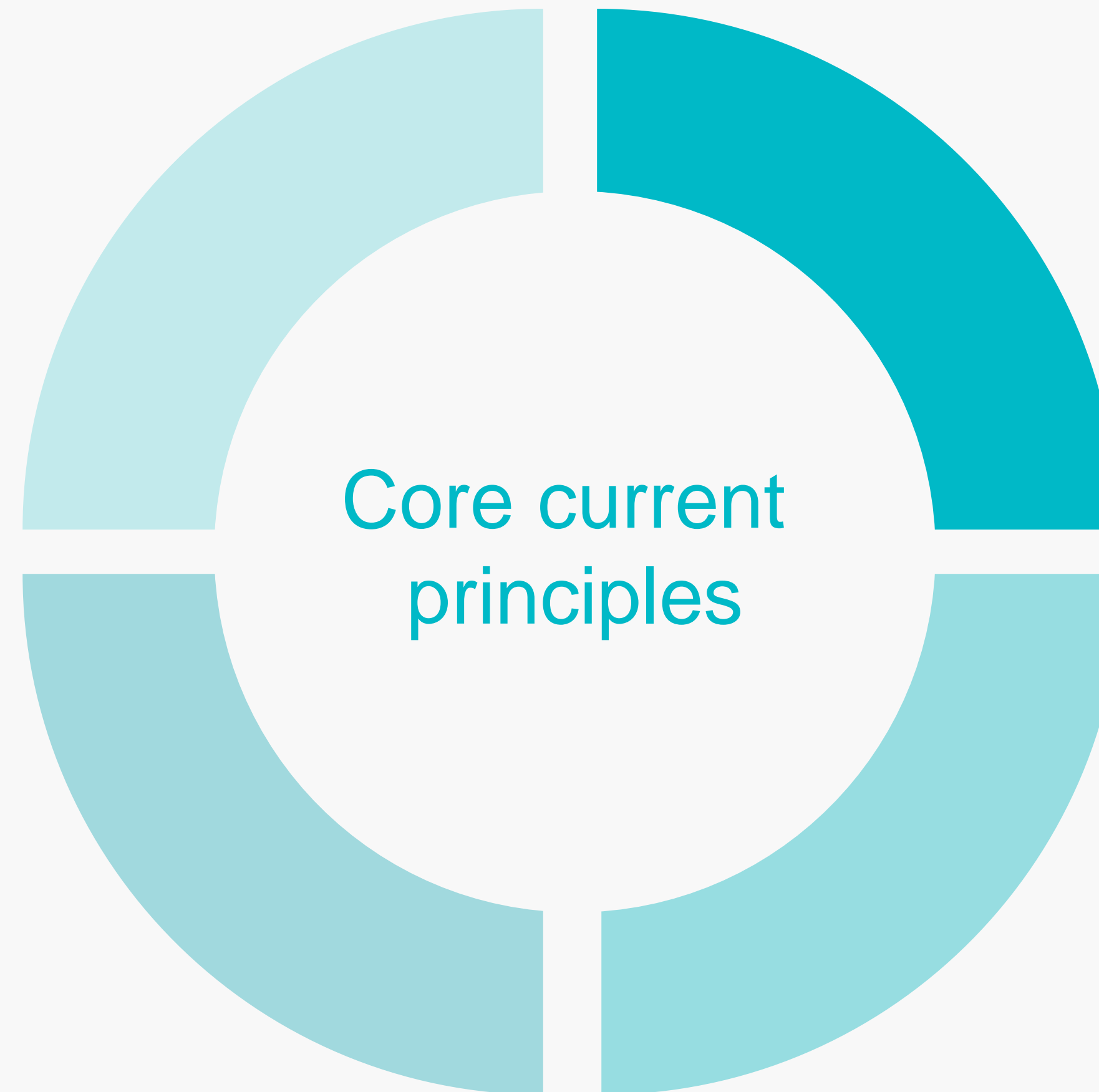
Group Vision

A world where more people love their work and achieve their goals.

Operating model

Proposition
By being closer to **niche disrupted markets** we will take advantage of job creation

Performance
Deeper understanding of data informs decisions and **ensures we achieve our goals**



People
Adopting a growth mindset, we develop our people so they can **over-deliver and reap the rewards**

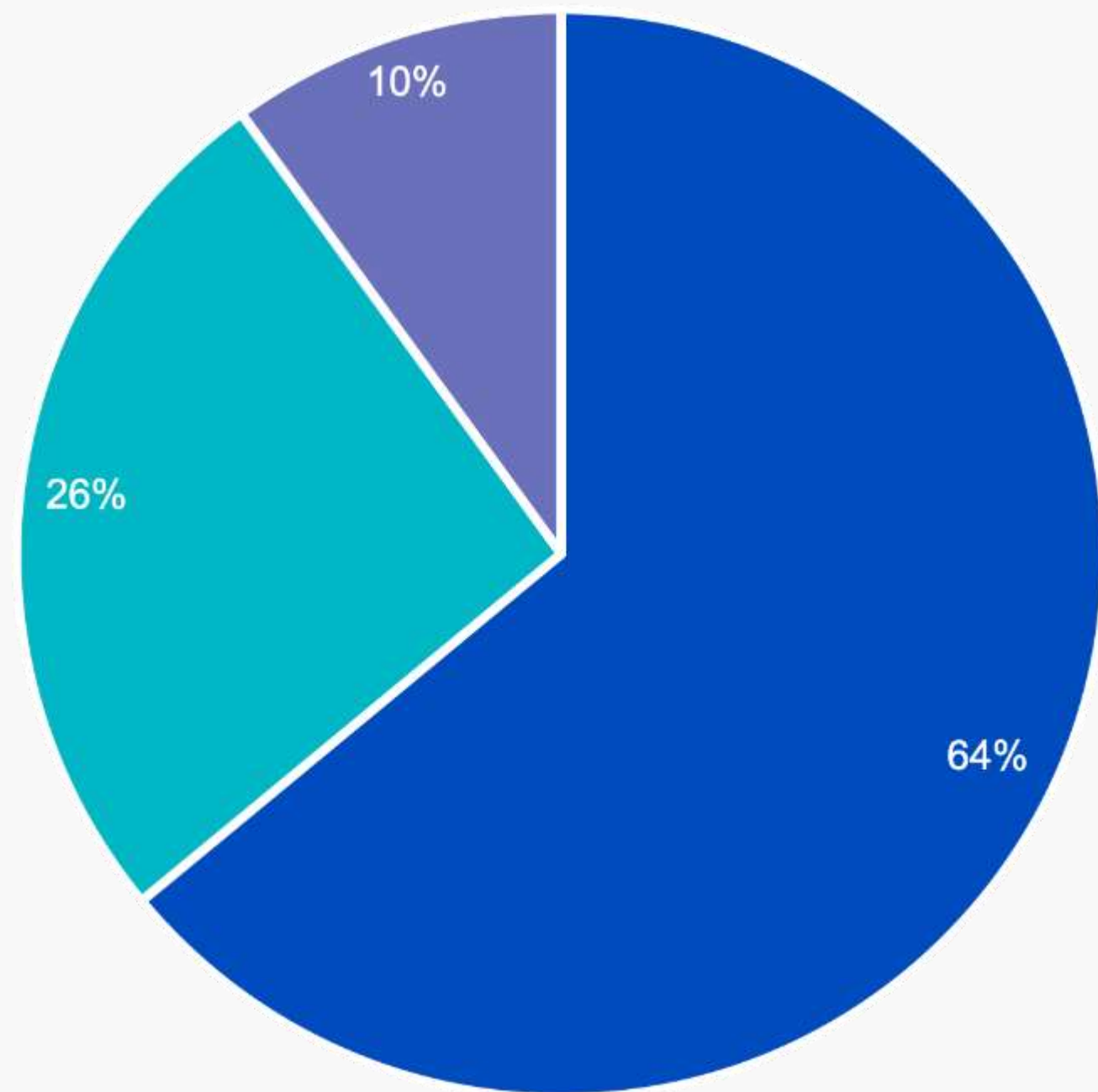
Platform
Powering our business with technology to drive productivity and build closer **customer relationships**

Team Journey

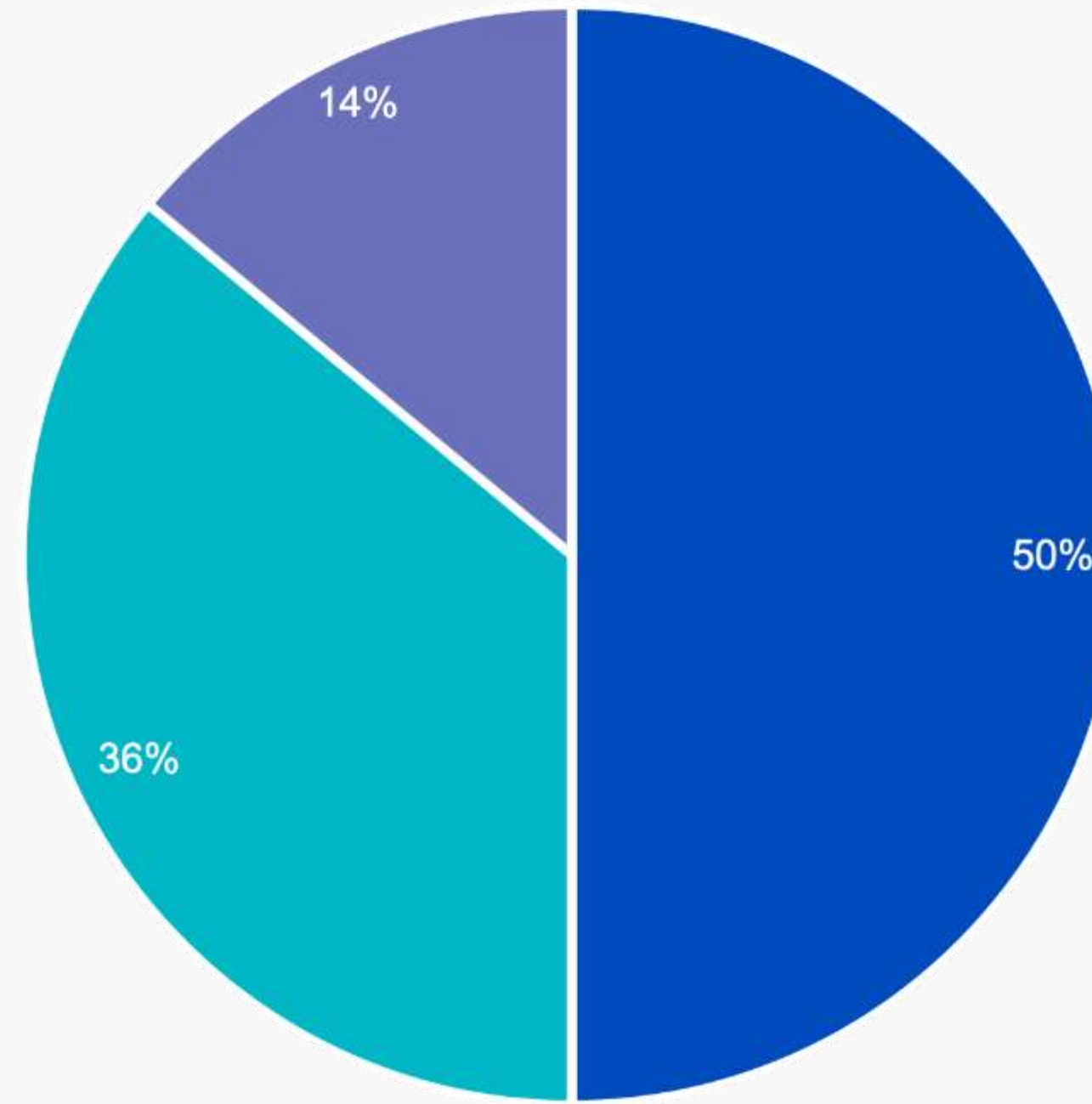


Portfolio Management

December 2017

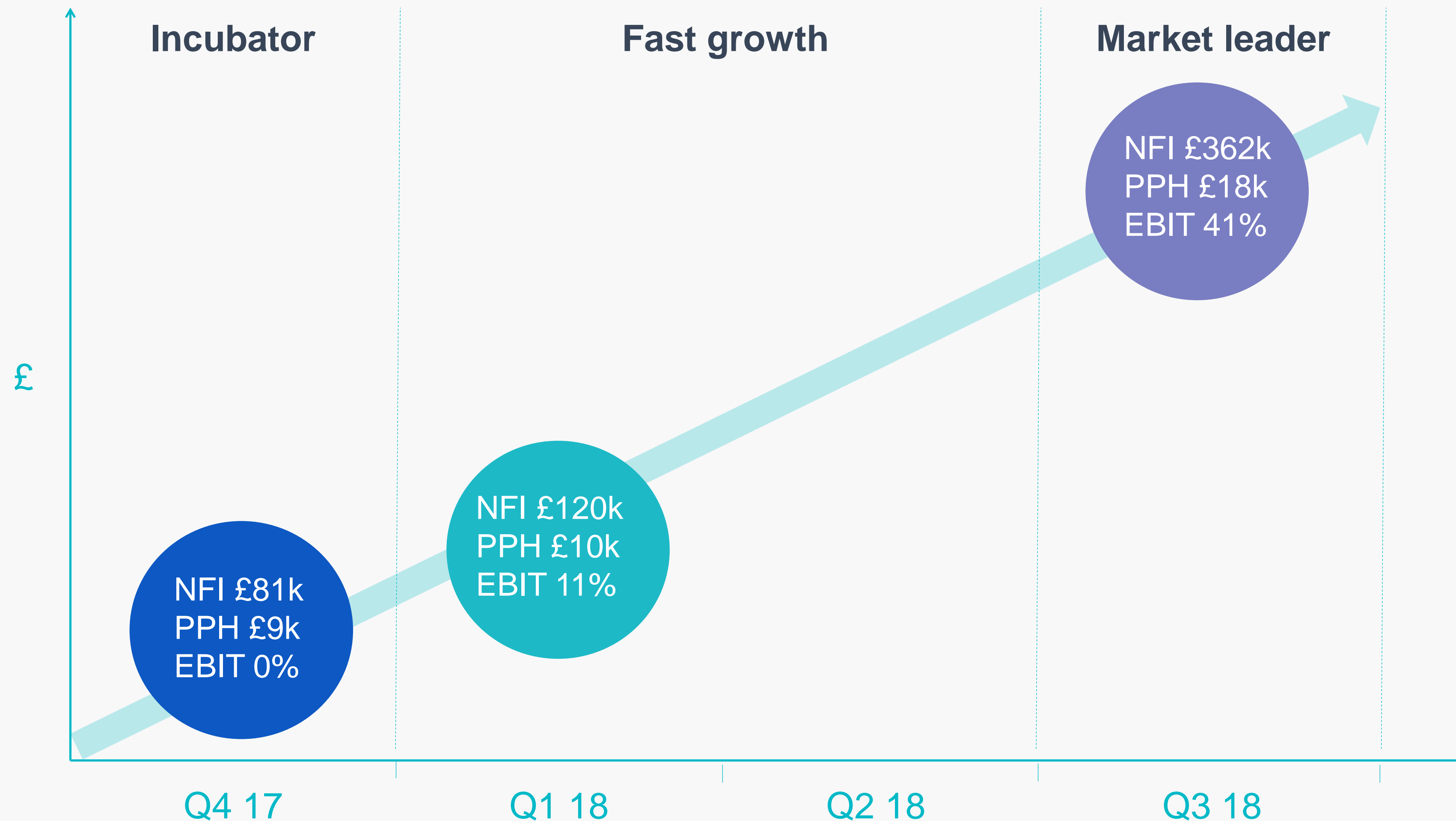


December 2018



Building Market Leading businesses

Case study – Technology Texas



Trading summary



	2018	2017
Revenue	£135.7m	£125.9m
Gross profit (Net fee income)	£30.5m	£22.8m
- Permanent NFI	£17.8m	£11.5m
- Contract NFI	£12.7m	£11.3m
Operating costs	(£28.2m)	(£22.6m)
Other income	£0.5m	£0.5m
Operating profit before exceptional items	£2.8m	£0.7m
Underlying profit before tax*	£3.0m	£0.8m

**Altered for non-controlling interest, foreign exchange gains, amortisation of acquired brand and database, share based payments and exceptional items.*

Balance sheet



	2018	2017
Non-current assets	£14.4m	£14.4m
- Intangible assets	£13.0m	£13.0m
- Tangible assets	£0.9m	£0.9m
- Other assets	£0.5m	£0.5m
Current assets	£24.9m	£26.8m
- Debtors	£19.7m	£24.0m
- Cash and cash equivalents	£5.2m	£2.8m
Total assets	£39.3m	£41.2m
- Current liabilities	£15.6m	£19.4m
- Non-current liabilities	£2.6m	£1.6m
Total liabilities	£18.2m	£21.0m
Net assets	£21.1m	£20.2m
Current Ratio	1.6	1.4
Day Sales Outstanding	28 days	40 days

Cashflow statement

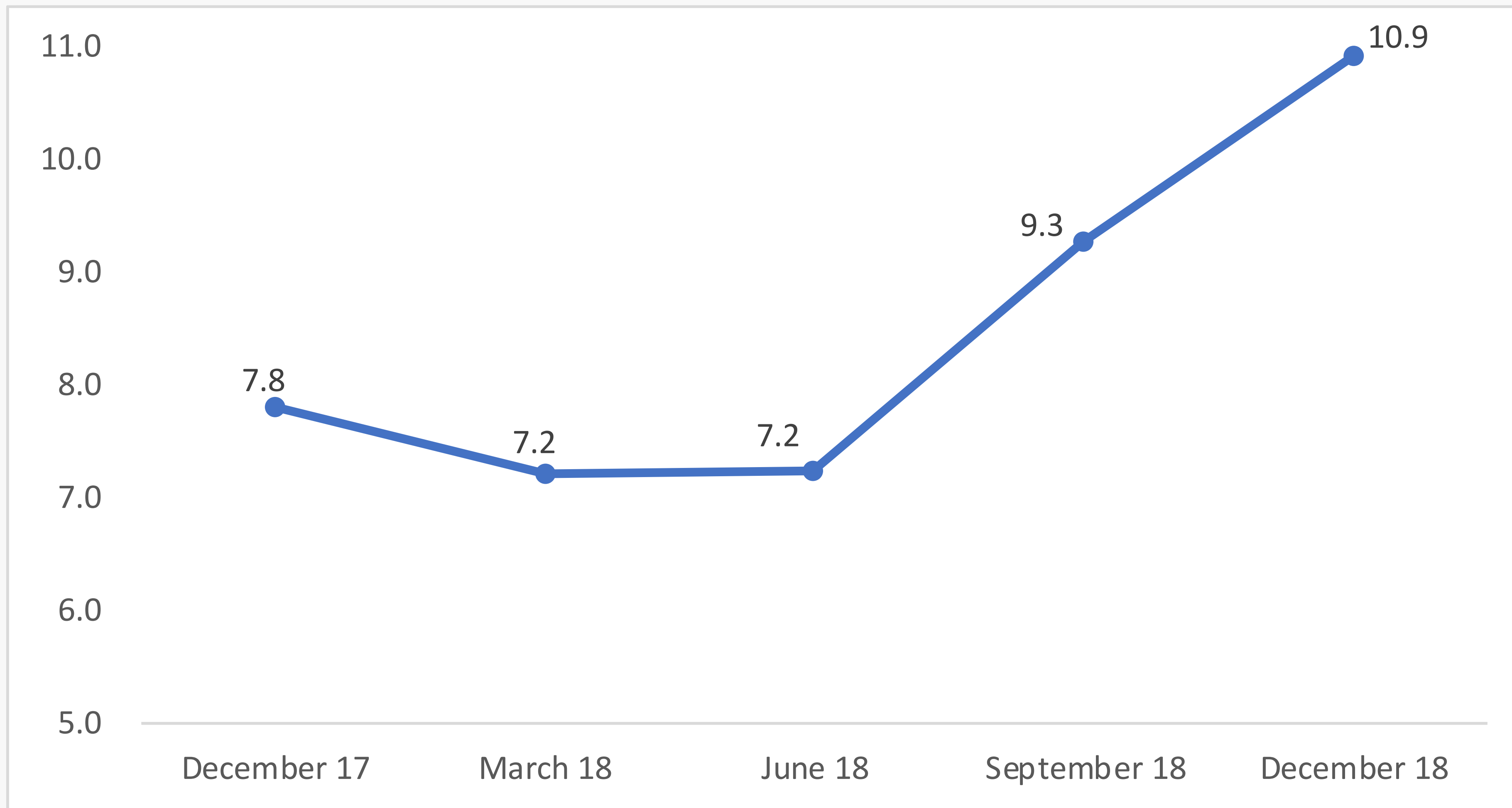


	2018	2017
Operating cashflow before movement in working capital	£3.3m	£1.3m
Movement in working capital	£3.2m	(£2.8m)
Tax and financing costs	(£0.5m)	(£0.4m)
Net cashflows arising from exceptional items	£0.1m	(£0.6m)
Net cashflows from operating activities	£6.1m	(£2.5m)
Dividends & share buy-back	£0.6m	-
Cash at year end	£5.2m	£2.7m
Borrowings at year end	(£0.3m)	(£3.1m)
Net cash/(debt)	£4.9m	(£0.4m)
Average available funds	£8.4m	£5.8m

Monthly average available funds - £m's



Hydrogen
Group



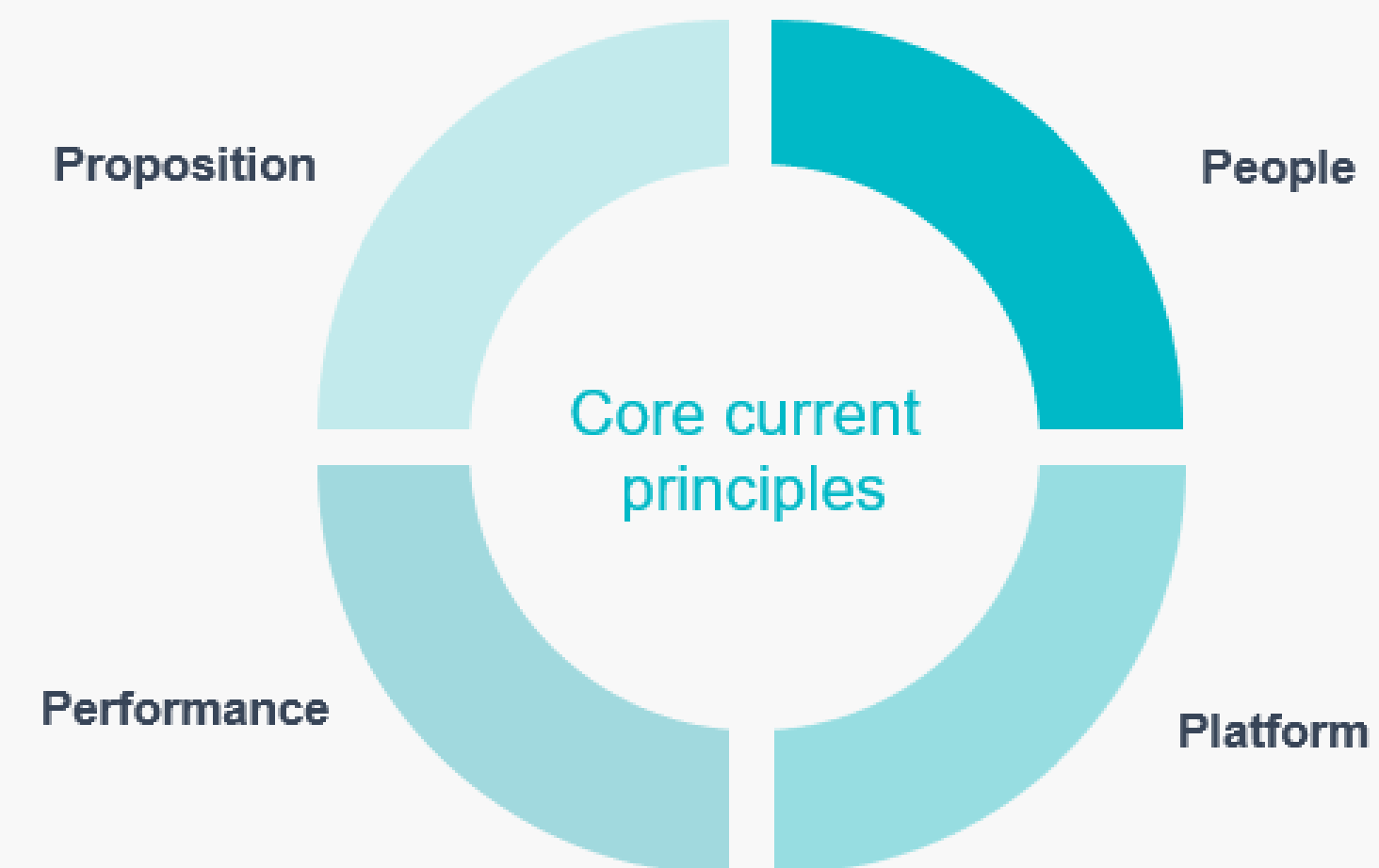
STAGE 1

Objective fit

- > £5m NFI
- > £1m EBITDA
- Contract led
- Complementary service lines
- Developed markets/ economies

STAGE 2

How we add value





Outlook and current trading

- Trading in line with expectations
- Growing contract margins
- High growth businesses sustaining their growth
- Mindful of potential impact of Brexit
- Confidence in continued growth
- Actively pursuing acquisition opportunities