

Investor Presentation Preliminary 2020 Results

September 2020

Disclaimer

The presentation contains forward-looking statements, including statements about the Group's intentions, beliefs and expectations. These statements are based on the Group's current plans, estimates and projections, as well as the Group's expectations of external conditions and events.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Group undertakes no duty to and will not necessarily update any such statements in light of new information or future events, except to the extent required by any applicable law or regulation. Recipients of this presentation are therefore cautioned that a range of factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements.

Preliminary 2020 Results

Financial Highlights

Record EPS and strong PBT conversion, pandemic impact from March 2020

Gross profit: +4% to €100.3m

- Record gross profit

Gross Margin: +58bp to 17.6%

- Driven by Flexible Talent growth and improved margins

Adjusted* PBT: +10% to €27.9m

- Reflecting increased operational leverage

Adjusted EPS: +10% to 88.8c

- Business model producing strong bottom-line growth

Cash: +€28.0m to €68.1m

- Excellent 12 month cash conversion and working capital management

* Adjusted Operating profit, adjusted Profit before tax and adjusted Earnings per share exclude non-cash charges relating to the Group's Long-Term Incentive Plan (LTIP) of €895k (2019: €895k), currency translation of €16k (2019: €13k) and goodwill impairment of €2.5m (2019: €Nil).

Key Performance Metrics

Focus on productivity and conversion ratios

12 Months to 30 June	2020	2019
Gross margin	17.6%	17.0%
Adjusted operating margin	5.0%	4.6%
Conversion ratio: gross profit to adj. operating profit	28.3%	26.7%
Conversion ratio: gross profit to adj. PBT	27.9%	26.5%
Permanent fees: % of gross profit	27.3%	28.8%
Flexible Talent fees: % of gross profit	72.7%	71.2%
Average Number of recruiters	565	567

COVID - 19

Operational priorities at the onset of the pandemic in March 2020

Ensure health and safety of all our people including those on-site with clients

- Technology investment supported move to remote working
- Investment in support structures for the health and wellbeing of our people

Maintain profitability and strong financial position

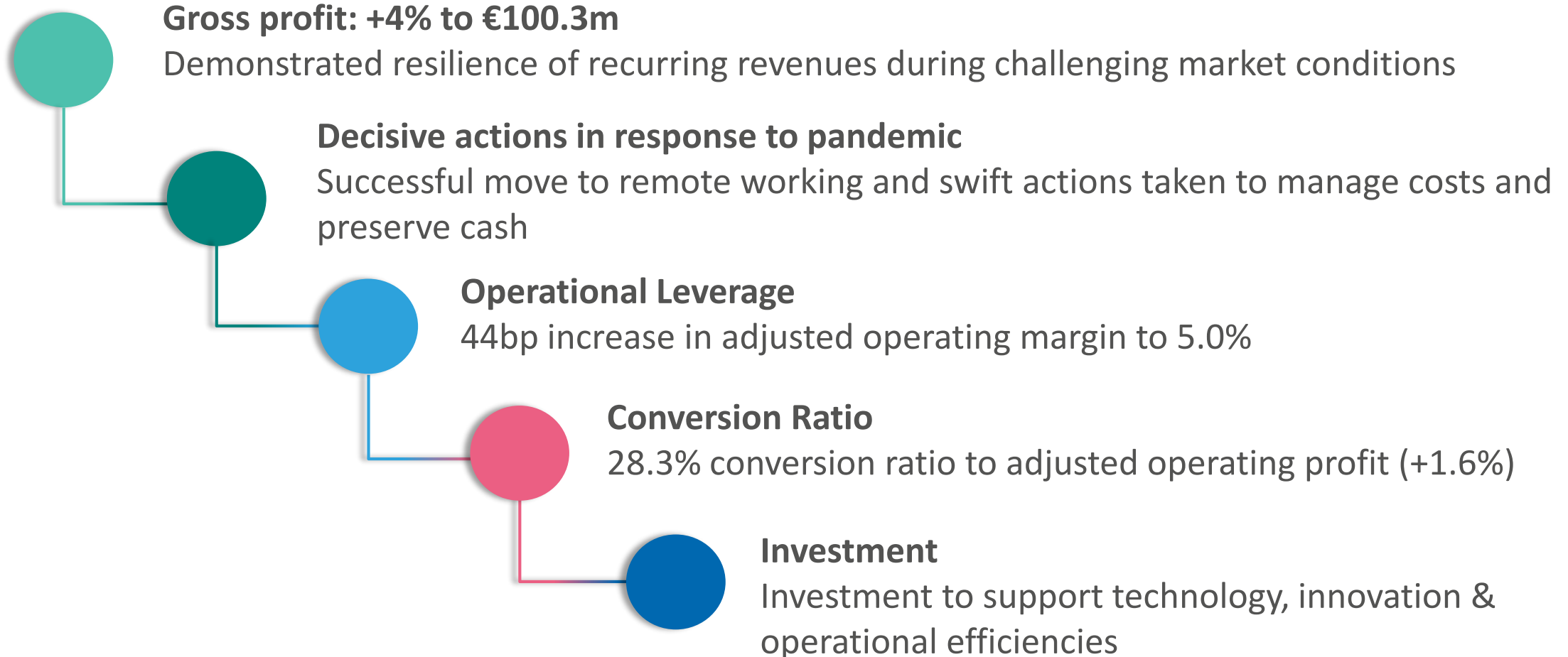
- Swift actions taken to manage costs and preserve cash
- Strong focus on cash collection

Invest for the Future to grow market share

- Position our Flexible Talent and Permanent recruitment for growth post crisis
- Supporting customers future planning though the *Future of Work Institute* Invest in Cpl brand refresh

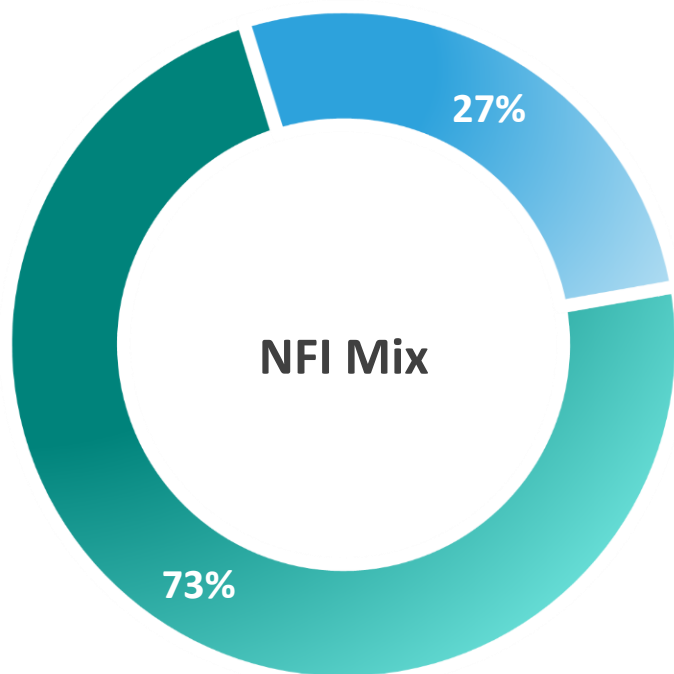
Operational Highlights

Significant improvement in operational efficiencies

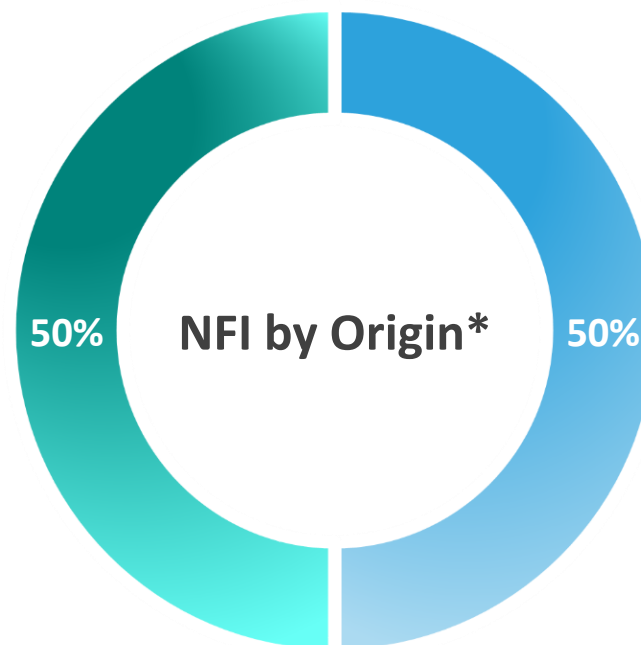


Net Fee Income

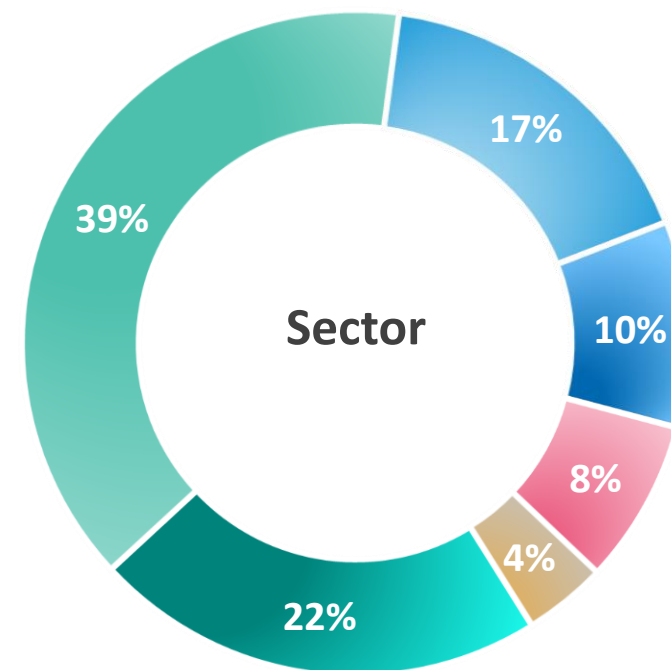
Global provider of recruitment, staffing and outsourcing services, with 45 offices worldwide



■ Flexible Talent ■ Permanent



■ RoI ■ International



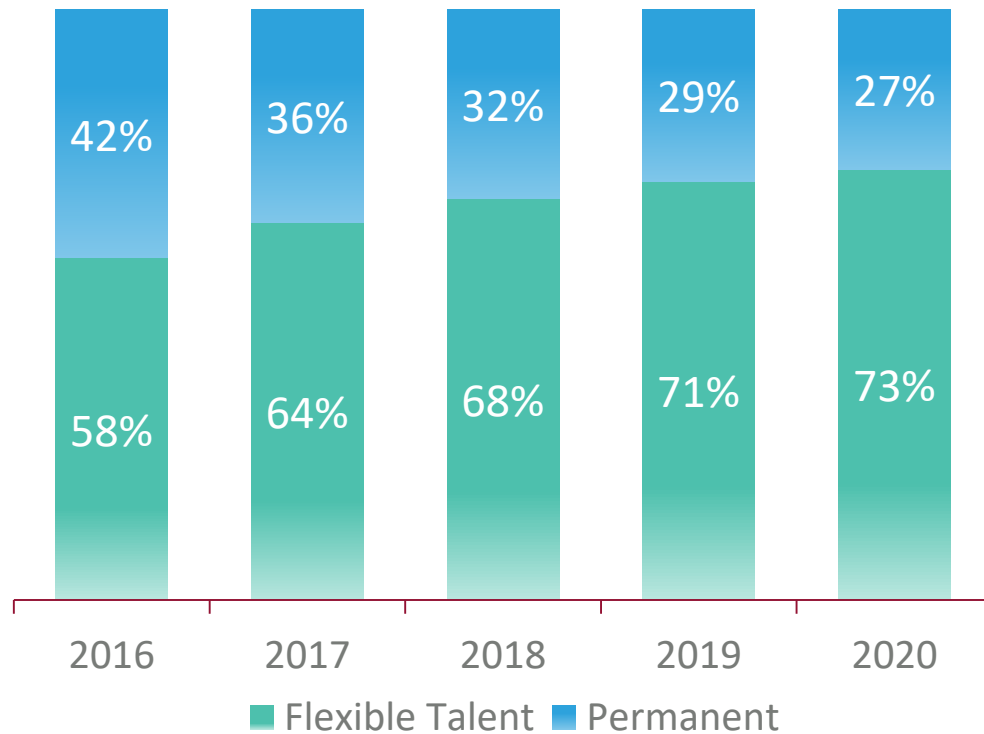
■ Healthcare ■ Information Technology
■ Pharma and Engineering ■ Light Industrial
■ Finance and Accounting ■ Other

* The location of market where the activity is conducted

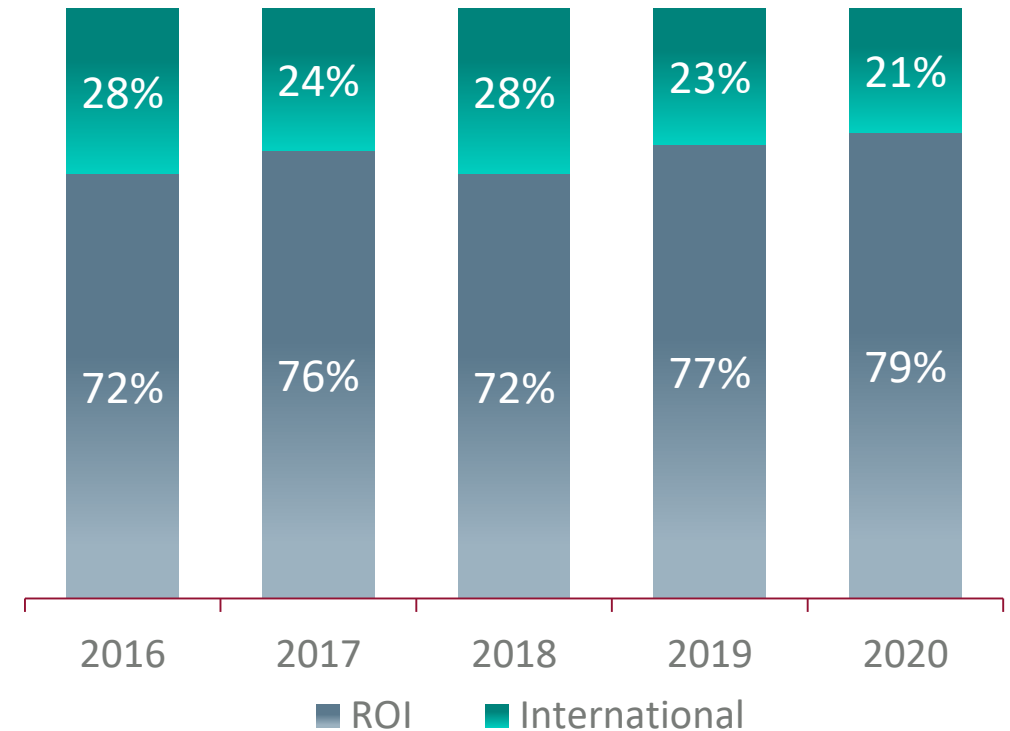
Evolution of Net Fee Income

Trend toward Flexible Talent and higher margin contract and recurring revenue

NFI MIX



GEOGRAPHIC MIX*

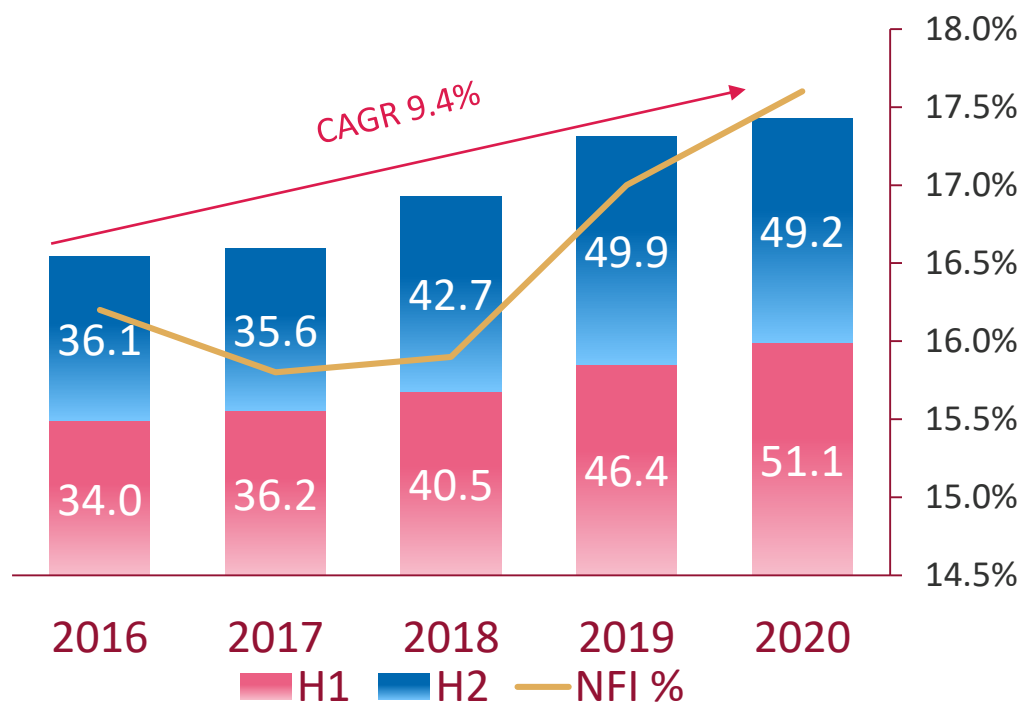


*Based on location of where revenue booked

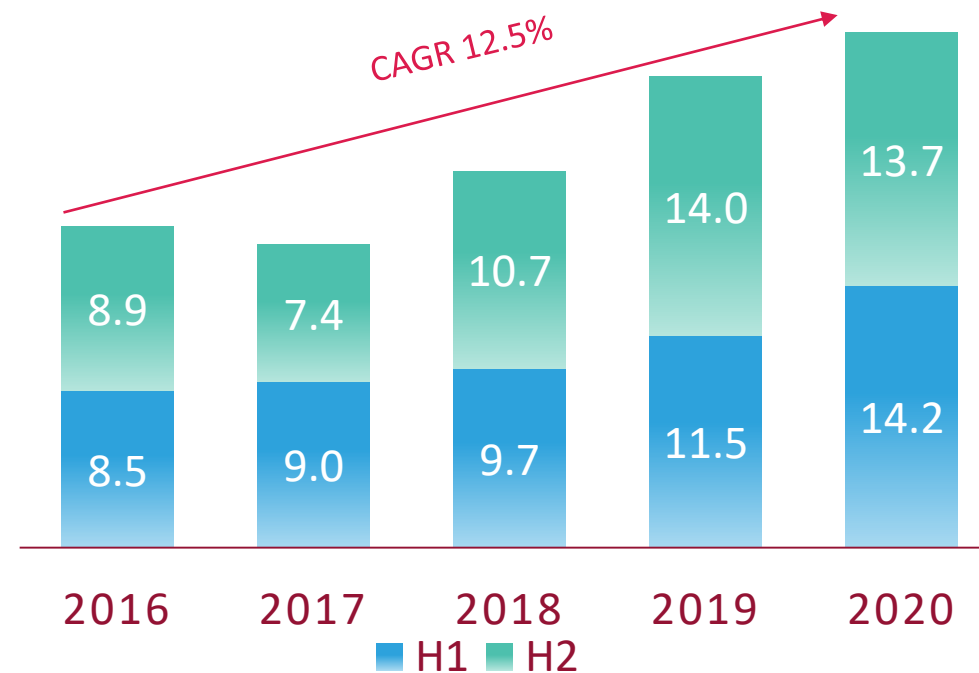
Continuing Robust Growth Trend

Impact of Covid-19 slowdown evident in Q4 2020, where NFI growth declined 14% y-on-y

NFI (€M) AND NFI MARGIN (%)



ADJUSTED PBT (€M)

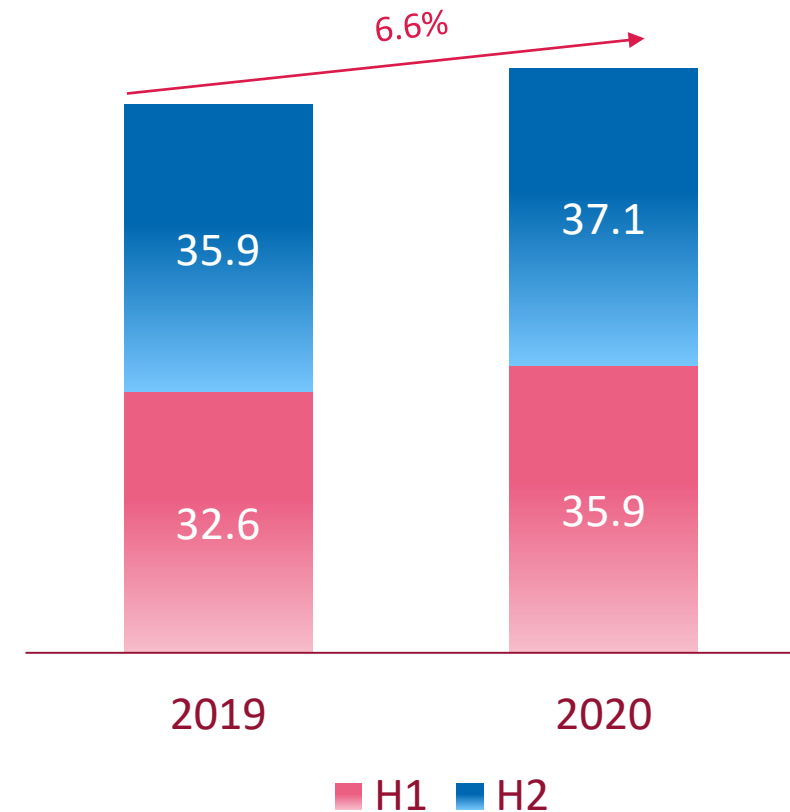


Flexible Talent

Managed Solutions, Enterprise Solutions, Healthcare Solutions, Strategic & Advisory Services

- Strong performance in the year with resilience demonstrated in second half
- NFI growth and margin improvement driven by Covalen and Enterprise Solutions Group
- Client base has high concentration of pharmaceutical, life science and technology businesses where solid demand has continued
- Continued global, structural shift towards increased flexible workforce solutions

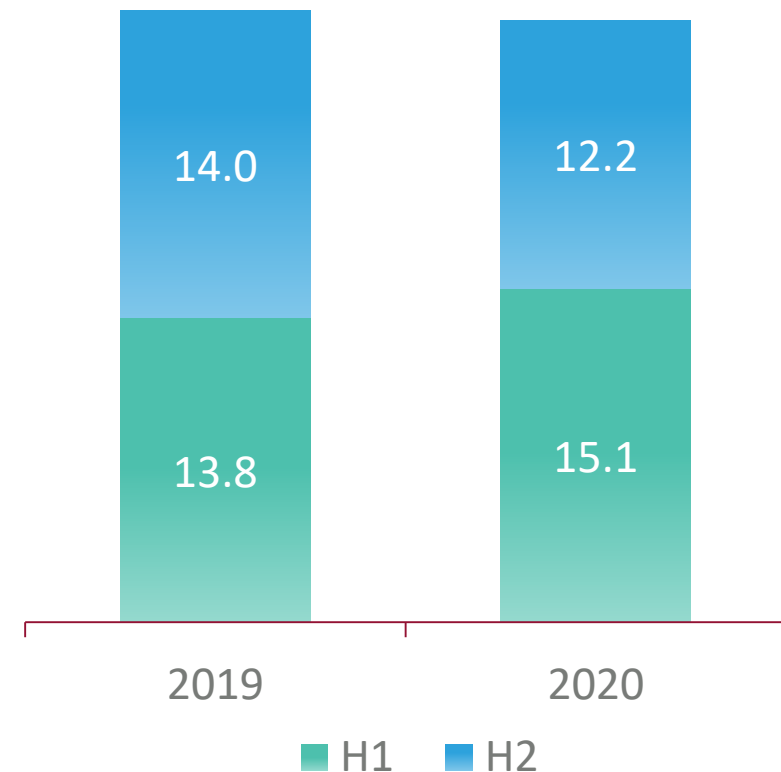
NFI (€M) AND NFI MARGIN (%)



Permanent Recruitment

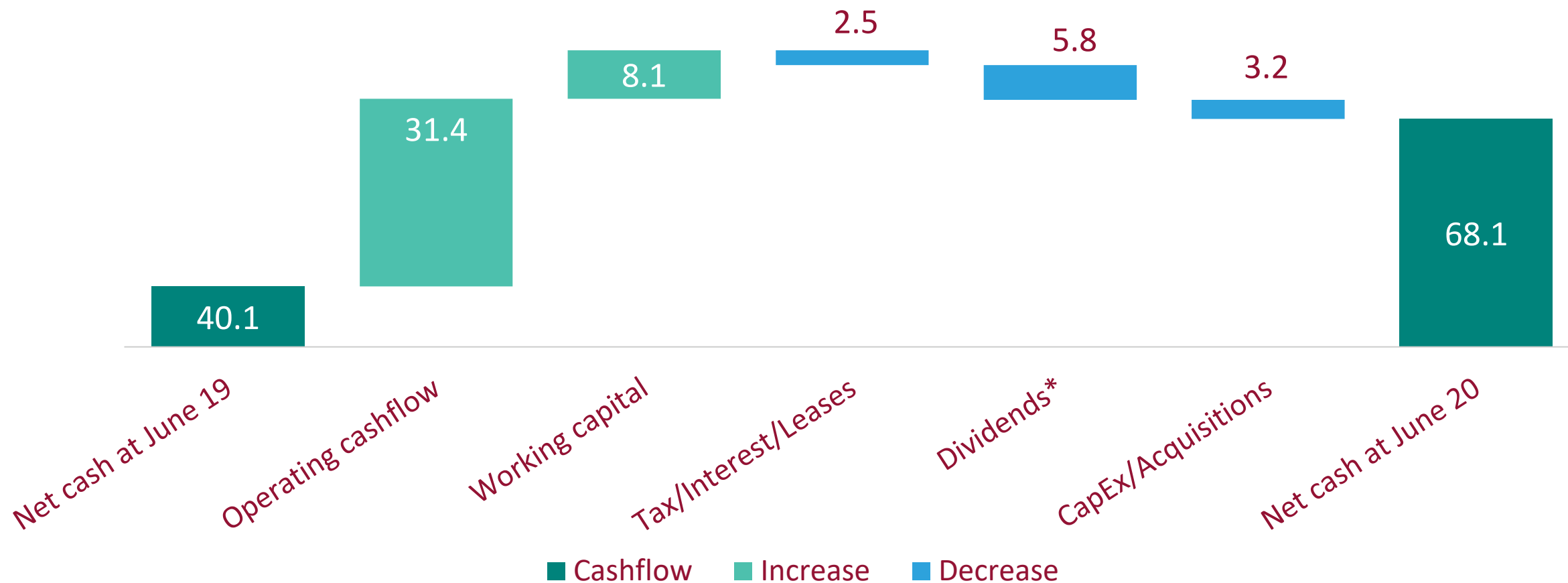
- Covid-19 induced slowdown impacted on trading from March 2020
- Technology, pharmaceutical and financial service sectors performed well in the year
- Continued high demand for nurses and healthcare professionals but travel bans affected permanent placements from March 2020
- High gross margin with low working capital requirement

PERMANENT NFI (€M)



Cashflow (€m) FY20

Strong free cashflow & cash generation with excellent working capital management



*Final FY 2019 dividend and interim FY 2020 dividend

Growth Strategy

To be the world's best at transforming our clients through total talent solutions & experiences



Client Focus

Expand and enhance partnerships with clients



Solutions

Diversification of product and profit mix, with a focus on higher margin, managed services and solutions



Technology

Continued investment in technology to future proof our business and drive further innovation



Internationalise

Targeted growth in key international markets, building on our existing relationships and international footprint

Investment Case

Excellent foundation for continued growth and expansion



Experienced management with strong track record

- Over 30 years industry experience
- Continuously profitable since foundation
- Proven resilience in market downturns



Attractive market positions & deep relationships

- Strong market positions in higher growth markets
- 21 brands and c. 13,000 employees
- Attractive sector exposure
- Blue chip client base



Strong balance sheet & cash generation

- Strongly cash-generative
- Effective working capital management
- Net Cash (€68.1m)
- Track record of returning surplus capital



Evolution to increased managed services

- Continued global shift in workforce preferences
- Strong growth of Covalen (managed solutions)
- Growing recurring revenue base with over 50% contracted



International expansion

- 45 offices across 9 countries with 3,400 clients
- Targeted global expansion
- Potential to expand internationally with customers

Sustainability

We are passionate about taking action to reduce our environmental impact and take this responsibility seriously. Our environmental initiatives and ways of working are guided by **SDGs 7,11 & 12**



Printing Reduction



60% reduction
in printing

Plastic Reduction



Reduction in single use
plastics saving **42,000+**
plastic cups from landfill

Renewable Energy



50% increase in use of
renewable energy / **100%**
renewable energy now
used across **22** sites

Supplier Code



**New supplier code
of conduct**

Diversity and Inclusion

Diversity & Inclusion in the workplace is fundamental to the way Cpl conducts its business and is firmly embedded in our culture and daily work lives. Our D&I initiatives and ways of working are guided by **SDGs 3,4 & 8**



Nationalities



50+ nationalities working together across the Cpl Group

Disability



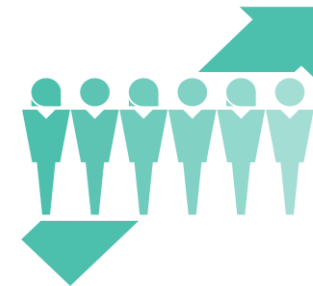
10% of our employees consider themselves to have a disability

Gender



46.2% of our Leadership Team & **42%** of the Board of Directors are female

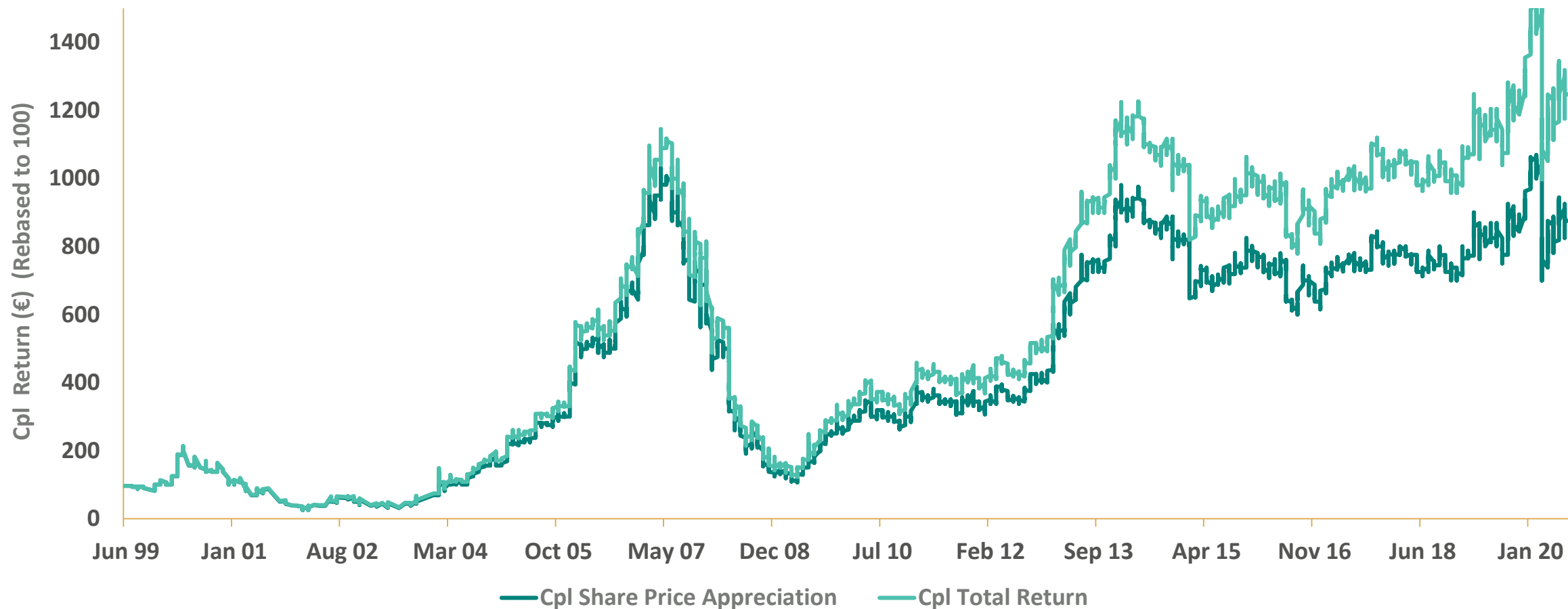
Age Diversity



51% of employees are under the age of 35, **30%** under 45 years, **12%** under 55 years and **5%** over 55

Share price and Total Shareholder Return since IPO

13% Total Shareholder Return CAGR since IPO



Source: Bloomberg Data

Outlook

- Market conditions continue to be impacted by the economic slowdown
- Resilience of Flexible Talent expected to continue
- Slowdown is impacting Permanent division, but there has been an encouraging improvement since year-end
- Continued FDI into key sectors in Ireland including technology, pharma and financial services
- Full impact of Brexit remains unclear – closely monitoring implications for our business
- Strong balance sheet can support continued growth, further investment in business and acquisition opportunities that may emerge during the crisis



Appendix

Condensed Group Income Statement

12 months to 30 June	2020 €m	2019 €m	% Change
Revenue	569.3	564.9	1%
Gross profit	100.3	96.3	4%
Gross profit %	17.6%	17.0%	
Operating profit	25.0	24.8	1%
LTIP & FX charge	(0.9)	(0.9)	-
Impairment	(2.5)	-	100%
Adjusted operating profit	28.4	25.7	10%
Net financial expense	(0.5)	(0.2)	(150%)
Adjusted Profit before tax	27.9	25.5	10%
Adjusted Earnings per share	88.8 cent	80.6 cent	10%

IFRS 16: The net impact on the Income Statement from the adoption of IFRS 16 in FY20 is less than €2k (charge) in the period.

Condensed Group Balance Sheet

12 months to 30 June	2020 €m	2019 €m
Tangible assets	2.9	2.5
Intangible assets	23.7	25.7
Right-of-use asset	5.5	-
Financial assets	0.6	-
Net cash	68.1	40.1
Trade & other receivables	108.8	116.6
Deferred tax asset	1.0	0.9
Provisions & lease liabilities	(6.1)	(1.1)
Trade & other payables	(78.1)	(74.1)
Net assets before equity & reserves	126.4	110.4

IFRS 16: As a result of the adoption of IFRS 16 in FY20, the Group has recognised a right of use asset and a corresponding lease liability of €5.5m and €5.7m, respectively.

Condensed Group Cashflow Statement

12 months to 30 June	2020 €m	2019 €m
Operating cashflow	31.4	27.1
Movement in working capital	8.2	(3.4)
Cash generated from operations	39.6	23.7
Net interest paid	(0.4)	(0.2)
Income tax (paid)	(0.3)	(2.2)
Dividends paid	(5.8)	(4.2)
Purchase of tangible and intangible assets	(2.5)	(1.2)
Acquisition & Investments	(0.8)	-
Lease principal payments	(1.8)	-
Net increase in cash and cash equivalents	28.1	15.9
Net cash at beginning of period	40.1	24.2
Net cash at period end	68.1	40.1

Macro Economic Data

Real GDP %	2016A	2017A	2018A	2019A	2020F	2021F
Ireland	3.7%	8.1%	8.4%	5.4%	(6.3%)	4.8%
UK	1.9%	1.9%	1.3%	1.4%	(9.7%)	6.4%
Eurozone	1.9%	2.5%	1.9%	1.2%	(8.1%)	5.7%
U.S.	1.6%	2.4%	2.9%	2.3%	(5.0%)	3.7%

Unemployment %	2016A	2017A	2018A	2019A	2020F	2021F
Ireland	7.9%	6.4%	5.6%	5.0%	7.8%	8.3%
UK	4.9%	4.4%	4.1%	3.8%	5.8%	6.9%
Eurozone	10.0%	9.1%	8.2%	7.6%	8.5%	9.5%
U.S.	4.9%	4.3%	3.9%	3.7%	9.0%	7.5%

Source: Bloomberg Data

Thank you

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