

30 November 2018

ASX RELEASE AGM CEO PRESENTATION

Rubicor Group Limited (ASX:RUB), advises that the following is a transcript of a presentation to be provided at Rubicor's annual general meeting today in Brisbane, by Sharad Loomba, Executive Director and Chief Executive Officer.

Introduction

I am delighted to be presenting to you today as Chief Executive Officer.

The Group continues to have a clear vision to become a leader in human resource solutions, and in FY2018 took significant steps in pursuit of this goal. These included simplifying our clients' experience and improving service delivery to achieve long-term growth and profitability.

Financial performance

The company's revenue for the year was \$189.1 million, 5.3% below the previous year following the disposal of the group's 51% shareholding in Ensure Group in April 2017. On a like-for-like basis, revenue decreased by 2.3%.

The company reported a statutory loss before interest, tax, depreciation and amortisation of \$1.2 million. This compared with statutory earnings before interest, tax, depreciation and amortisation, or EBITDA, of \$14.6 million the previous year which was largely due to non-recurring accounting items, net of restructuring costs. Underlying EBITDA was \$0.1 million, compared with \$2.7 million in FY2017, and the company reported a statutory after-tax loss of \$13.6 million, compared with a statutory profit of \$15.5 million in FY2017.

FY2018 was another transformational year for Rubicor. We now are a stronger company and, following further restructuring, we expect to return to statutory profitability in the years ahead.

Over the year, we focused on reducing costs while identifying inefficiencies in order to re-position the Group for sustainable growth. Our employee count reduced by 5% year-on-year, and employee costs were down to \$19.4 million from \$23 million in FY2017; office leasing costs were down to \$2.5 million from \$2.6 million; and restructuring expenses were down to \$2.2 million from \$2.8 million. We are continually looking to right size the business through operational efficiencies and process improvements, and recently announced further plans to streamline our brands.

Operations

As reported to you last year, we consolidated the Group's 16 market-facing brands into just 6. This gave us a simplified structure enabling us to cross-sell the Group's entire range of service skills to clients more effectively.

Earlier this month, we made a further change to streamline operations and improve efficiency, merging our Government business with our Workforce business, where it will operate as a separate business unit. This has created a significant contracting business providing temporary, contract and permanent recruitment services to both private sector and government clients across Australia.

As a result of restructuring, synergies and annualised cost savings of approximately \$1 million are expected.

These changes have provided a platform for future growth, paving the way for FY2019 to be a lower-cost evolutionary year, when we intend to further increase the reach and relevance of our services to a much broader market.

Previously, the siloed nature of our businesses acted as a stumbling block to achieving a consistent customer experience. The decision to reposition our core brands has transformed Rubicon, with all brands working together to offer clients a full range of solutions that capitalise upon our extensive human resource services.

Now that we have successfully consolidated our brands, we're focused on making the Rubicon experience as seamless and intuitive as possible for clients and candidates. We have increased our focus on sales training, performance management and communication to improve client lead generation and lift gross profit per consultant. We have also invested in a new CRM system across the Group which will further integrate the brands' candidate database and allow cross-selling to occur seamlessly for our consultants.

The focus on existing clients and pursuing new, sustainable business has helped to standardise the process of acquiring and maintaining clients, resulting in increased lead generation and market penetration. This has already resulted in Rubicon's securing a number of new clients during the year across the board, and in particular in the digital, IT, financial services and workforce sectors. In addition, we won a number of national tenders across the retained, contingent and labour hire recruitment sectors, exposing us to growing clients in the trades and services market. Strengthening client acquisition and focusing on high-value sectors within the recruitment industry are essential components of our growth strategy.

FY2019 and beyond

We have put in place a number of initiatives that will help lift profitability through efficiency and lower cost marketing programmes. These initiatives include driving strategic engagement with clients at Board and C-level and greater focus on the Group's small to mid-size clients, which will help to reduce our sales cycle lead time and improve pricing across the business.

Rubicon has a database of approximately 2.6 million candidates, and each month we receive around 30,000 job seeker applications. Our clients connect with us on a variety of platforms and candidate interaction has become increasingly digital. Recognising the importance of digital technology for today's workforce, we plan to launch a new

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online platform that will leverage our extensive database. This will provide our clients and candidates with insightful information relevant to their careers and sectors. Currently under development, the platform will allow us to examine large amounts of data, extrapolating meaningful results that we can pass on to clients in easily understood formats, adding value to our service and creating an additional revenue stream. Once completed, this platform will place the Group at the forefront of the recruitment-tech industry and become a key value proposition to our clients.

We have implemented new strategies that will develop our strong market position further and I look forward to continuing to work with the Group's exceptional team to capitalise on this. Overall, we believe that the Group's businesses will grow their assets and profitability in FY2019, building momentum for the years to come.

I would like to thank all shareholders for their continued support and express my personal gratitude to my fellow directors for their commitment. I would also like to take this opportunity to acknowledge the dedication of our hard-working team, who have consistently risen to meet the challenges of change throughout the year.

About Rubicor Group

Rubicor Group Limited, listed on the ASX in 2007, employs over 164 human resources consultants and administrative staff in 17 offices across Australia, New Zealand, Singapore and Hong Kong. It handles 9,411 placements annually and employs over 2,175 casual and contract staff on a daily basis.

The group's brands are: Rubicor, Xpand, and Gaulter Russell Numero.

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