

The logo for Matchtech Group PLC is located in the top right corner of a light blue header bar. It features the text "MATCHTECH GROUP PLC" in a dark, sans-serif font. The letter "O" in "GROUP" is replaced by a circular icon containing a stylized target symbol. To the right of the header bar is a vertical dark teal bar.

MATCHTECH GROUP PLC

Preliminary Results for the year to 31 July 2014

Brian Wilkinson – Executive Chairman

Adrian Gunn – Chief Executive Officer

Tony Dyer – Chief Financial Officer

October 2014

Engage our staff | **Delight** our customers | **Promote** our candidates

The logo for MatchTech Group PLC is located in the top right corner of a light blue header bar. It features the company name in a serif font, with a circular icon containing a stylized 'M' and 'T' between the words 'GROUP' and 'PLC'.

MATCHTECH GROUP PLC

Results

Engage our staff | **Delight** our customers | **Promote** our candidates

Performance Summary

↑ 10%

Group Revenue £451.6m
(2013: £408.9m)

↑ 17%

Net Fee Income £45.0m
(2013: £38.4m)

↑ 27%

EBITA £13.6m
(2013: £10.7m)

↑ 20%

Profit Before Tax £11.9m
(2013: £9.9m)

↑ 19%

Adjusted Basic EPS 39.1 pence¹
(2013: 32.9 pence)

↑ 14%

Final Dividend 14.59 pence²
(2013: 12.85 pence)

1 Adjusted Basic EPS excludes the amortisation on acquired intangibles

2 Recommended

Income Statement

Year to 31 July

| | 2014 £m | 2013 £m | Change % | Like for Like ¹ % |
|-------------------------------|---------------|------------|-------------|---------------------------------|
| Revenue | 451.6 | 408.9 | +10% | +7% |
| Contract NFI | 32.8 | 27.2 | +21% | +14% |
| Contract gross margin (%) | 7.5% | 6.8% | | |
| Permanent fees | 12.2 | 11.2 | +9% | +9% |
| Gross profit (NFI) | 45.0 | 38.4 | +17% | +13% |
| Gross margin (%) | 10.0% | 9.4% | | |
| Operating overheads | (31.4) | (27.7) | -13% | -10% |
| EBITA | 13.6 | 10.7 | +27% | +19% |
| NFI conversion (%) | 30% | 28% | | |
| Operating margin (%) | 3.0% | 2.6% | | |
| Amortisation | (0.7) | (0.2) | | |
| Profit from operations | 12.9 | 10.5 | +23% | |
| Net interest | (1.0) | (0.6) | | |
| Profit before tax | 11.9 | 9.9 | +20% | |
| Taxation | (2.8) | (2.4) | | |
| Profit after tax | 9.1 | 7.5 | +21% | |

¹ Like for like excludes the effects of acquisitions

Earnings per share & Dividends

| Year to 31 July | | 2014 | 2013 | Change |
|--|----------|--------------|-------|--------|
| Profit after tax | £million | 9.1 | 7.5 | +22% |
| Average shares in issue | million | 24.7 | 23.5 | +5% |
| Shares under option | million | 1.4 | 1.0 | +42% |
| Fully diluted shares | million | 26.1 | 24.5 | +6% |
| Earnings per share | | | | |
| Basic | pence | 37.0 | 32.0 | +16% |
| Diluted | pence | 35.0 | 30.7 | +14% |
| Adjusted earnings per share¹ | | | | |
| Basic | pence | 39.1 | 32.9 | +19% |
| Diluted | pence | 36.9 | 31.6 | +17% |
| Dividend per share | pence | 20.0 | 18.0 | +11% |
| Adjusted dividend cover¹ | times | 2.0 x | 1.8 x | +11% |

¹ Adjusted earnings per share excludes the amortisation on acquired intangibles

Balance Sheet & Cashflow

↓ £7.4m

Net debt: £3.1m
(2013: £10.5m)

↓ 3 days

Debtor days: 46 days
(2013: 49 days)

↑ 11ppts

Operating cash conversion: 121%
(2013: 110%)

↑ £10m

Banking facilities: £60m
(2013: £50m)

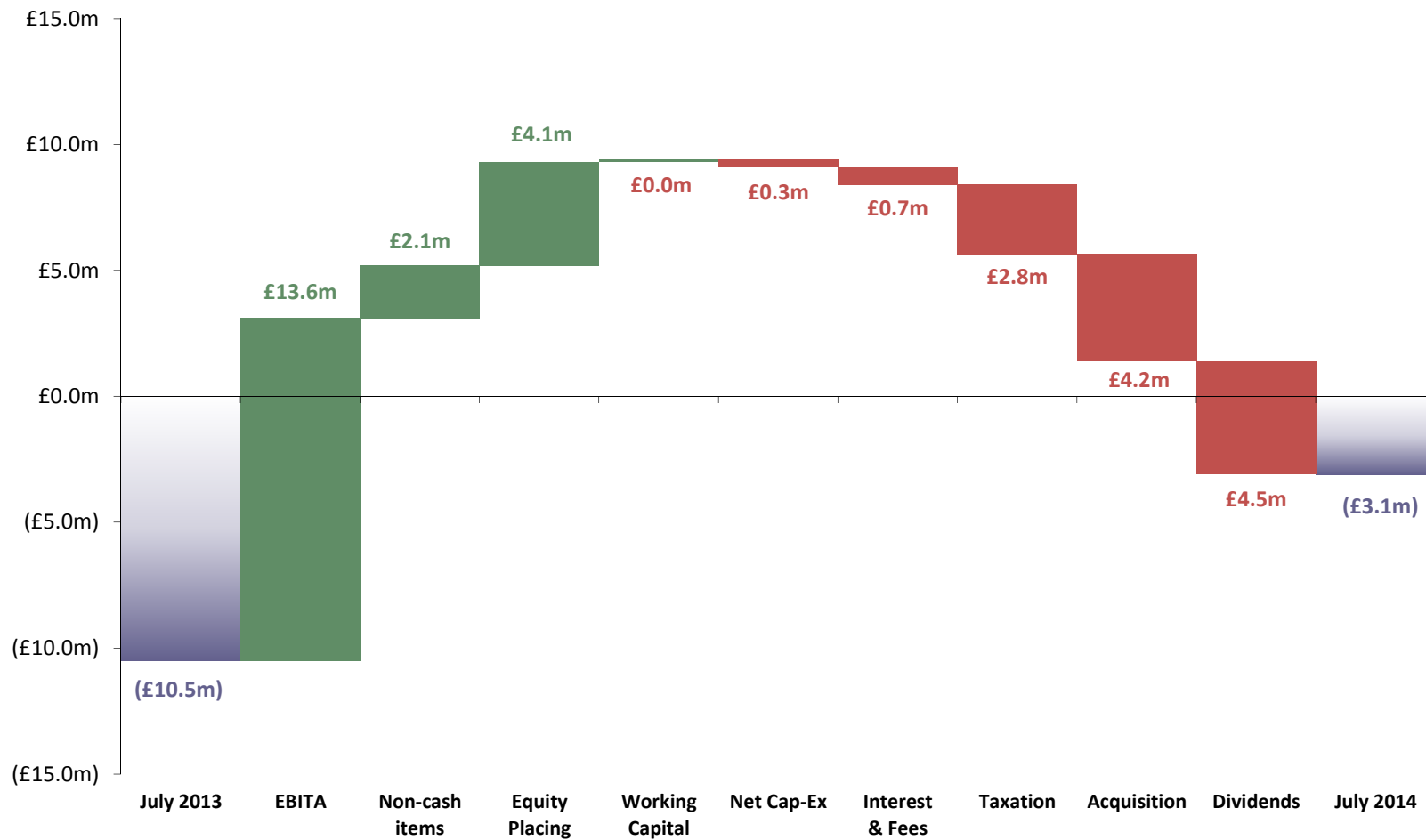
↓ 1 day

Creditor days: 8 days
(2013: 9 days)

↑ 32%

Net assets: £42.7m
(2013: £32.3m)

Cashflow

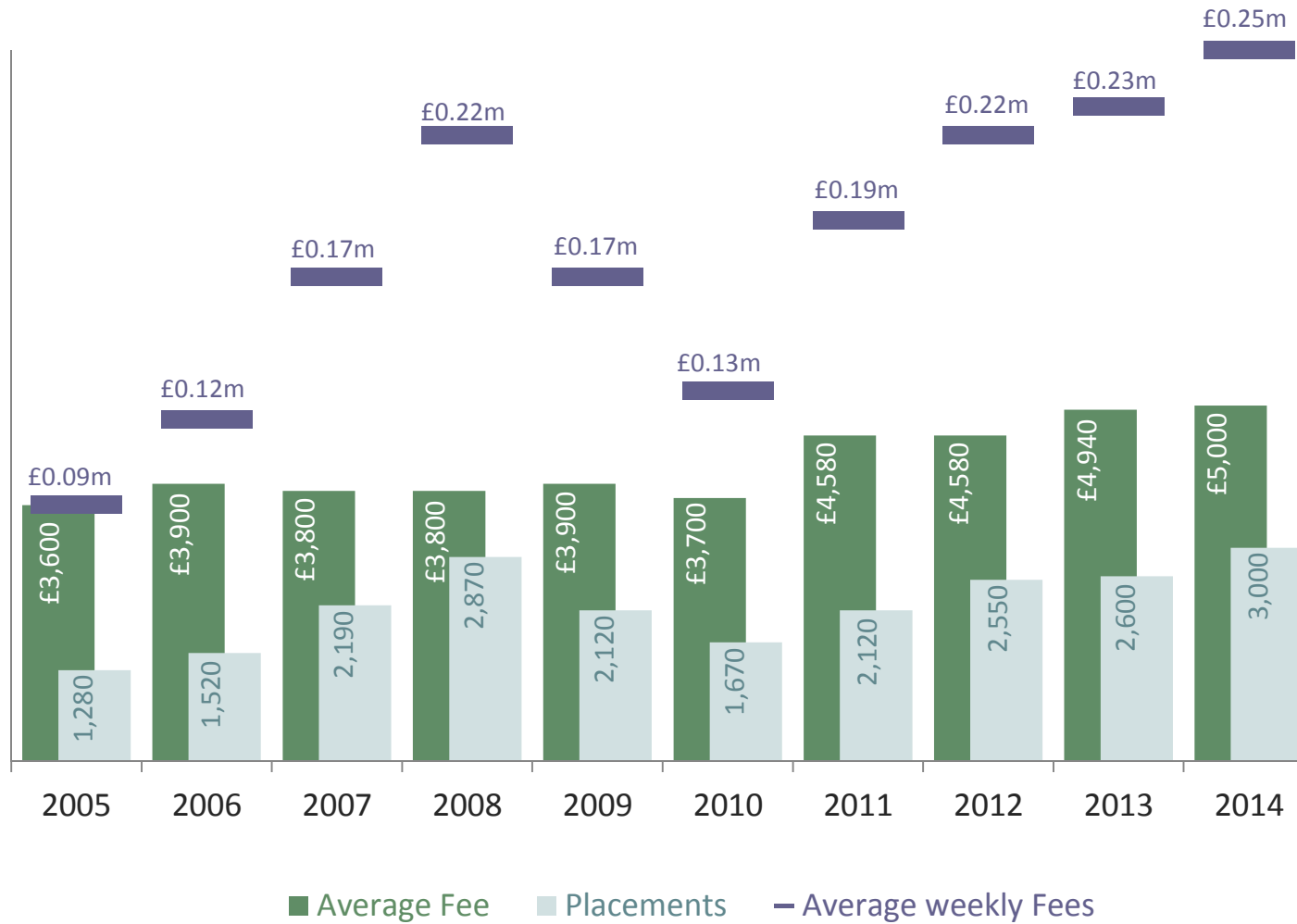


Contract activity



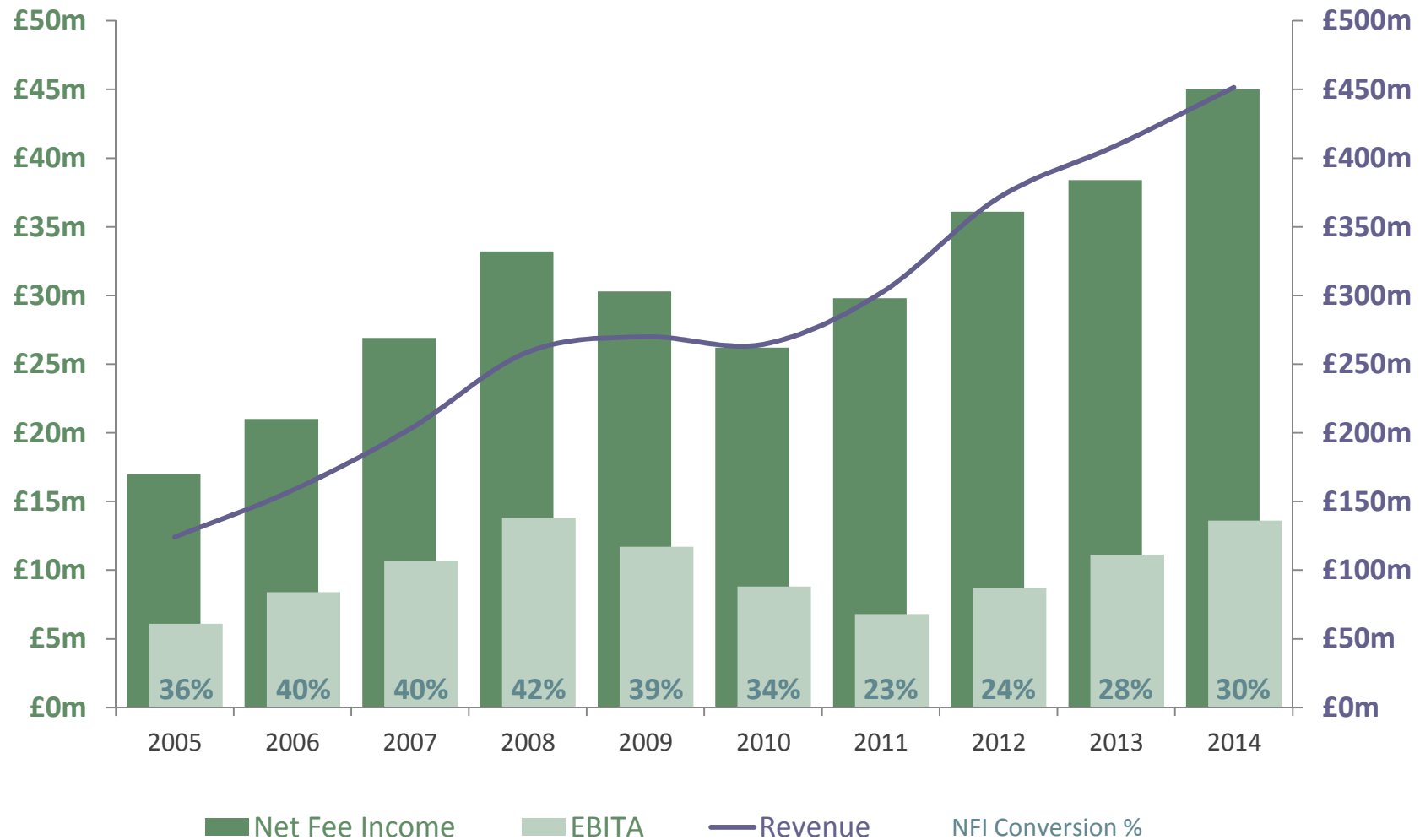
Engage our staff | Delight our customers | Promote our candidates

Permanent activity



Note: Average fees excludes Alderwood

10 Year Performance Summary



Engage our staff | Delight our customers | Promote our candidates

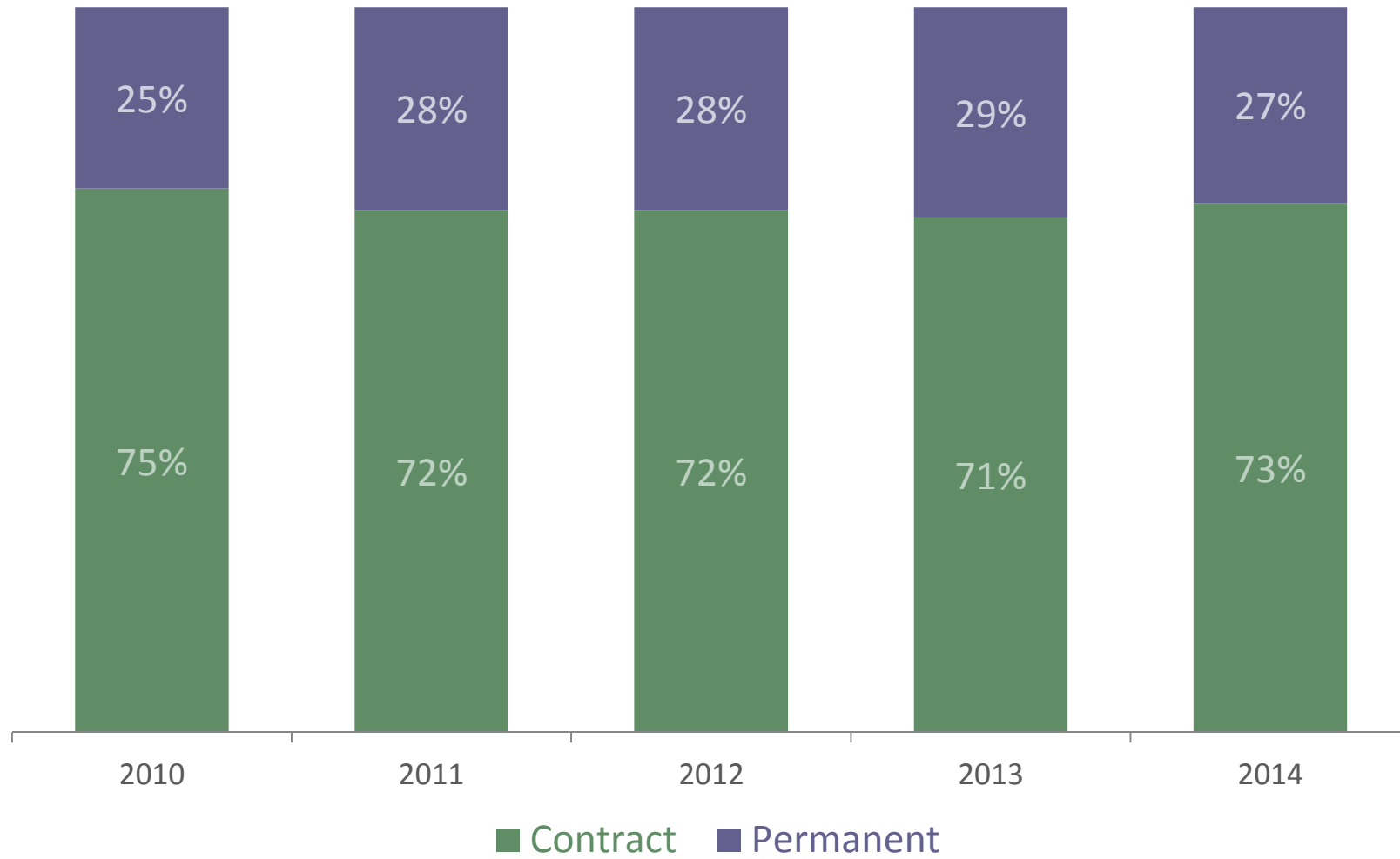
The logo for Matchtech Group PLC is located in the top right corner of a light blue header bar. It features the text "MATCHTECH GROUP PLC" in a serif font, with a circular icon containing a stylized 'M' and 'T' between the words "GROUP" and "PLC".

MATCHTECH GROUP PLC

Operating Review

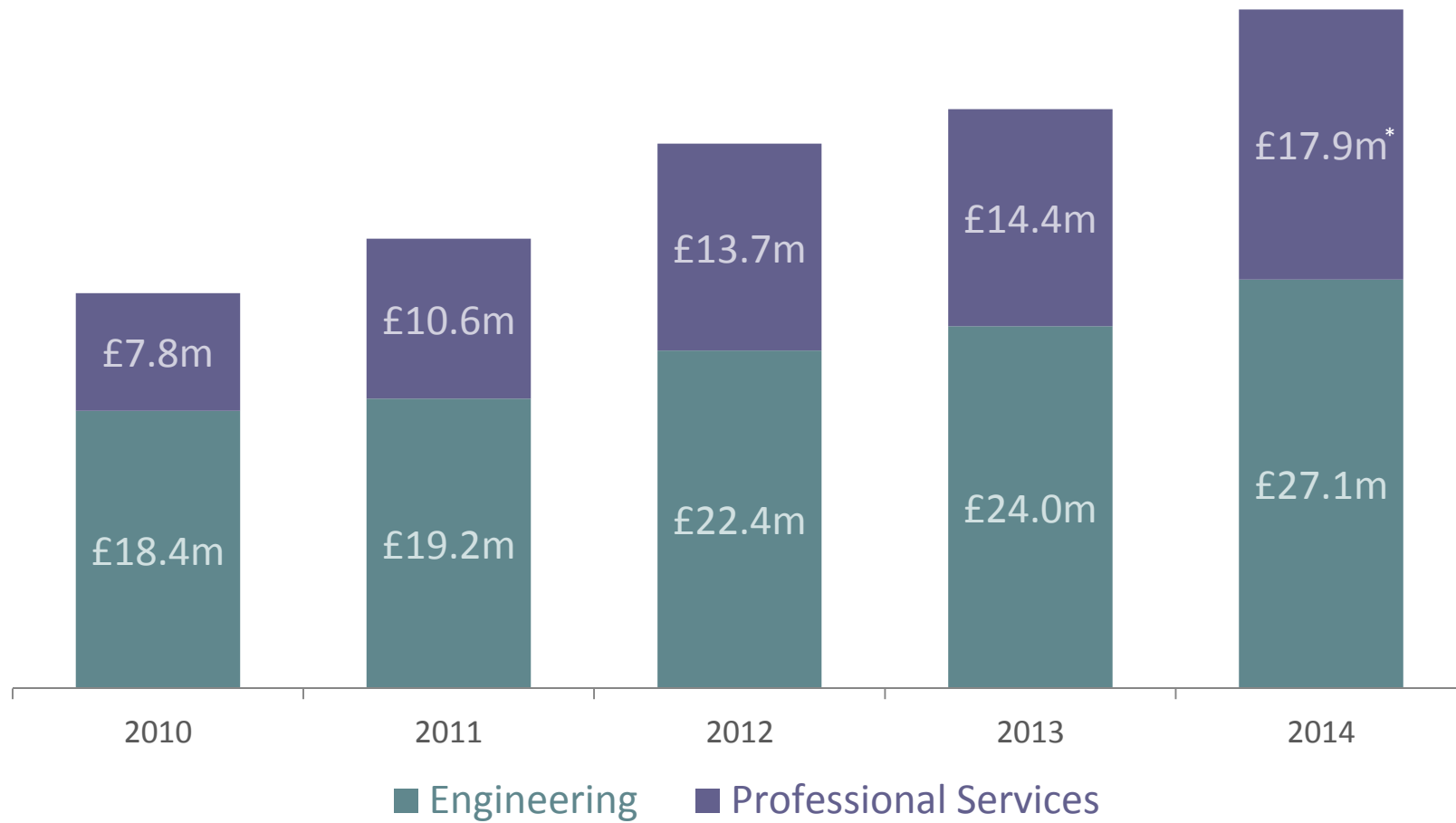
Engage our staff | **Delight** our customers | **Promote** our candidates

NFI Business Mix



Engage our staff | Delight our customers | Promote our candidates

NFI Sector Split



* Including £1.8m NFI from Provanis

Engineering Overview

180 SALES STAFF



KEY CLIENTS
980



5,530



NUMBER OF
CONTRACTORS



1,000
PERMANENT PLACEMENTS

**UK'S
NO.1**



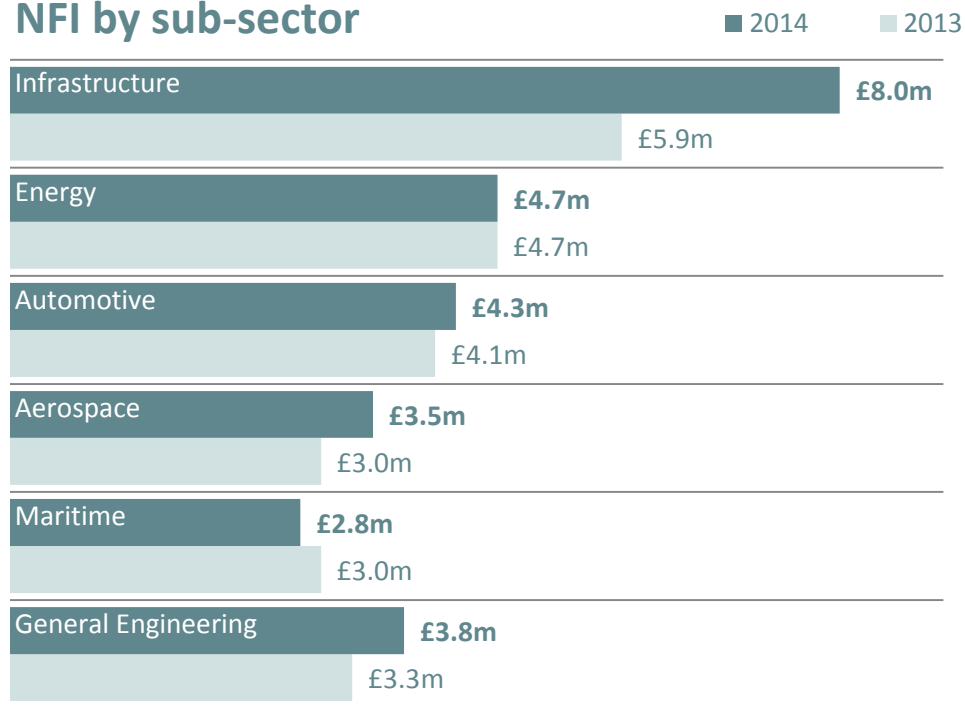
ENGINEERING
RECRUITMENT SPECIALIST



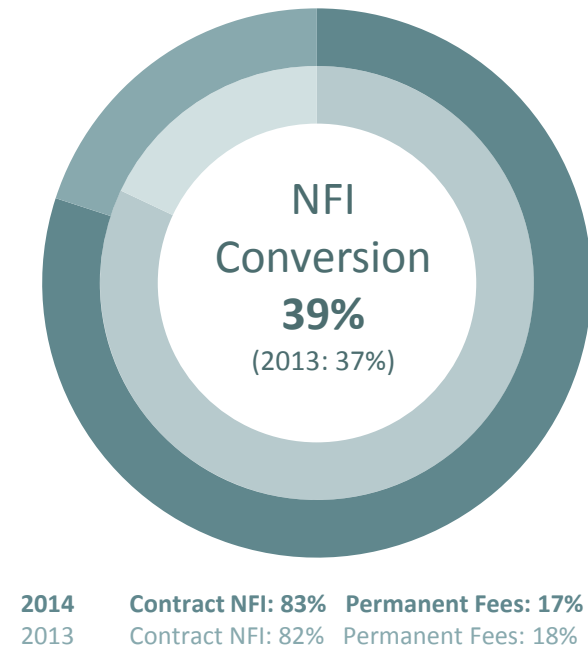
NUMBER OF **COUNTRIES**
WE RECRUIT IN

Engineering Sector

NFI by sub-sector



NFI by type



Engineering Growth Drivers



Infrastructure

- £38bn investment into rail engineering projects
- Highways Agency reporting record levels of spending
- New 5 year water AMP cycle starts January 2015
- Increased funding in commercial property
- Major accounts signed up to long term agreements



Maritime

- £3.2bn MOD award contract for upkeep of RN fleet
- Type 26 Frigate programme moving into design stage
- Successor Submarine programme moving into design stage
- Canada and Singapore providing opportunities to expand internationally



Energy

- North Sea EPC contractors directly recruiting
- Margins and pay rates under pressure
- Focus on niche subsea, drilling and equipment manufacturers
- Major Accounts continue to provide medium term visibility of work

Engineering Growth Drivers



Aerospace

Limited demand for design and development of new aircraft structures

Manufacturing order book for commercial aircraft at record capacity

Continued research in new materials and advance manufacturing processes

Increased activity in drone development



Automotive

High End OEM's benefiting from global demand

UK supply chain at record levels of activity

JLR with multiple platforms at R&D stage

UK centre of excellence for advanced automotive engineering

International growth in Germany and China



General Engineering

3.9% growth in output from UK manufacturing sector

Strong growth within medical devices and specialist industrial equipment manufacturers

Leveraging our market leading brand across the broader engineering and manufacturing community

Professional Services Overview

134 SALES STAFF



KEY CLIENTS
950



1,660



NUMBER OF
CONTRACTORS



2,000
PERMANENT PLACEMENTS



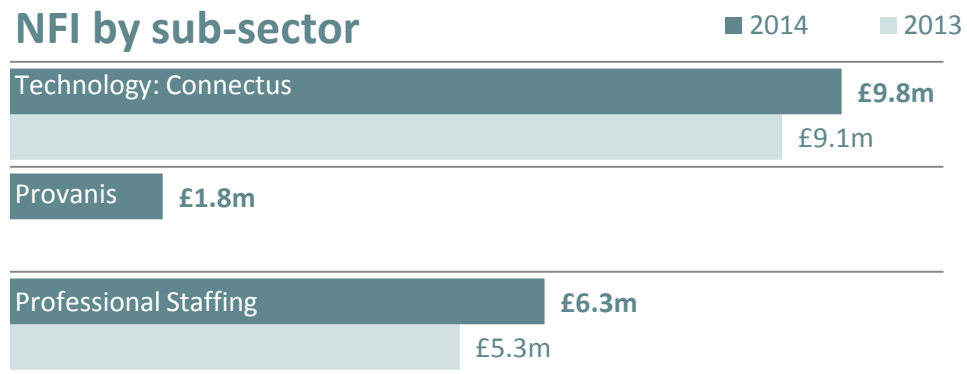
NUMBER OF
COUNTRIES
WE RECRUIT IN



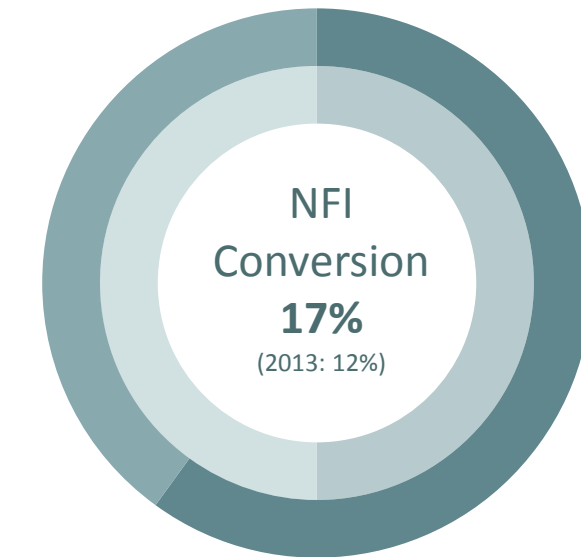
Engage our staff | Delight our customers | Promote our candidates

Professional Services Overview

NFI by sub-sector



NFI by type



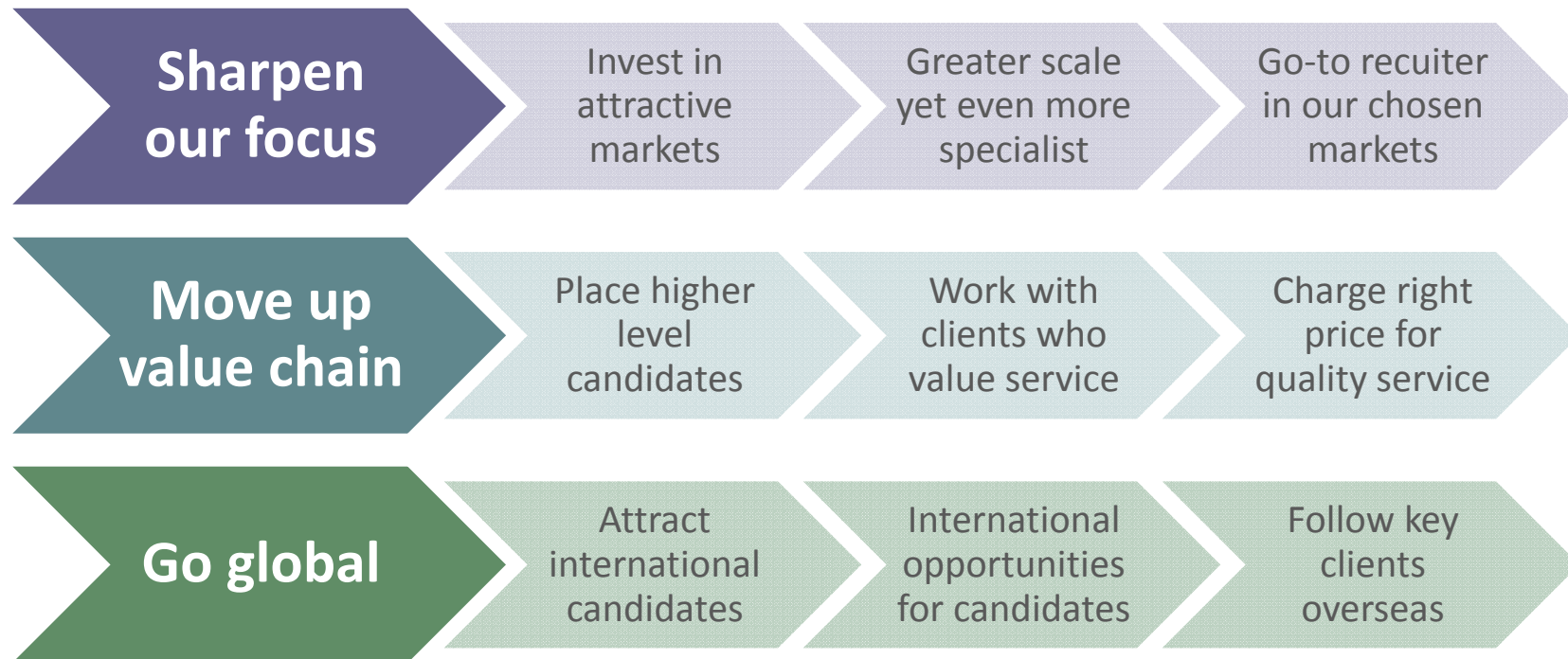
2014 Contract NFI: 57% Permanent Fees: 43%
2013 Contract NFI: 53% Permanent Fees: 47%

Our purpose

| Engage our staff | Delight our clients | Promote our candidates |
|---------------------------------------|----------------------|------------------------|
| Within the top 5% of benchmark group | Going the extra mile | The relationship |
| Engagement score of 90% | 'You get us' | Specialist |
| 91% completed staff engagement survey | Market intelligence | Personalised approach |

Engage our staff | Delight our customers | Promote our candidates

Our 2017 strategy



Engage our staff | Delight our customers | Promote our candidates

Our 2017 vision



Market leading **specialist** recruiter



Employer of **choice**



Best **partner** to clients & candidates



Rapidly **developing international** business



Premium stock for investors

Our Investment proposition

Well Balanced

Broad client relationships
and business mix

Established

Strong track record of
organic NFI and profit
growth

Specialist

Niche sector expertise

Flexible

Efficient systems and high
operational flexibility

Resilient

Contract business model

Committed funding

Facilities of £60m

Expert

Capability and resources to
increase market share in
permanent recruitment

International

Expanding into selected
markets

Yield

Solid dividend payout
record

Outlook

-  Increasing contract margin percentage
-  Volume of permanent vacancies increasing
-  Improvements in the NFI we generate per sales head
-  Increasing operational efficiencies
-  Continued investment in sales headcount in growth markets

“The new financial year has started well, building on our solid foundations. We are confident that the Group will continue to make significant progress again this year.”