



Preliminary Results

for Year Ended 31st July 2016

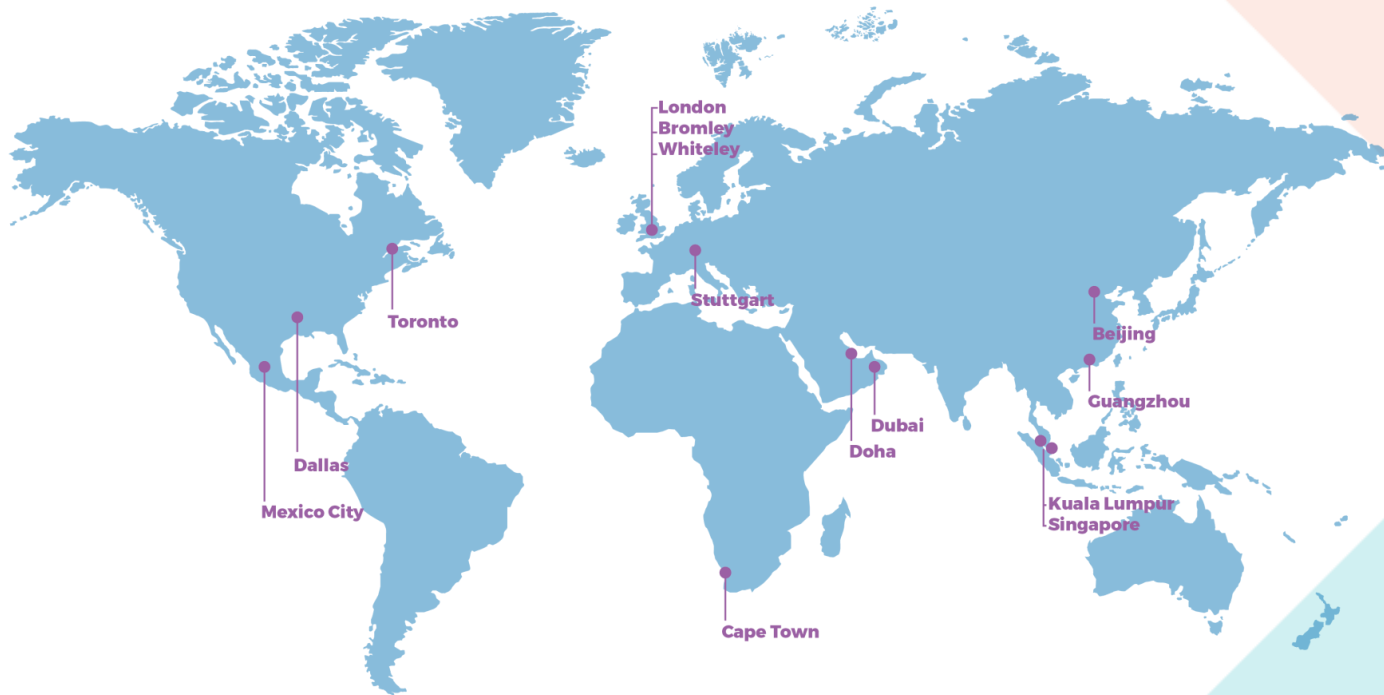
Brian Wilkinson – Chief Executive Officer
Tony Dyer – Chief Financial Officer

3rd November 2016



STRATEGIC POSITION POST-NETWORKERS

Overview of Gattaca



13 offices, 11 countries



750 employees



Trusted by 2,500 employers



9,000 contractors
4,000 permanent placements



Candidates placed in
over 100 countries



In excess of 1 million
candidates on our database



No1 UK Engineering¹
Top 5 UK Technology¹



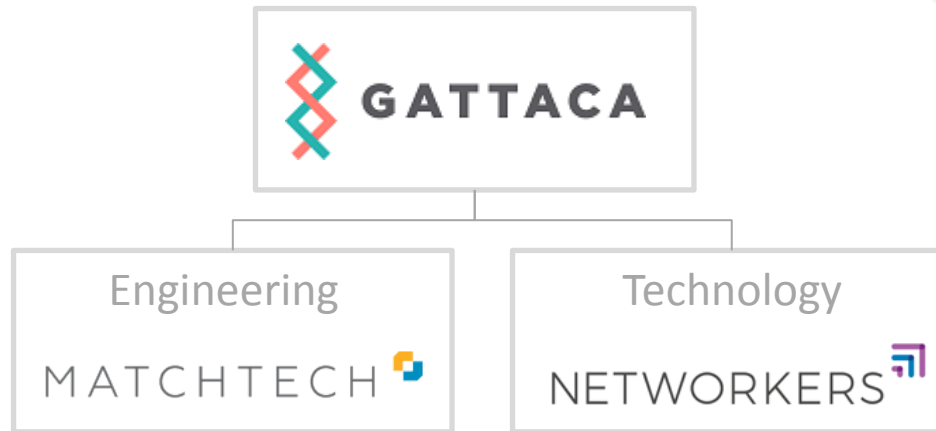
Revenue of £618m



AIM listed

¹ Source: Recruitment International Top 500 Report 2016

Gattaca Strategic Positioning



Largest specialist international pure play Engineering & Technology recruiter:

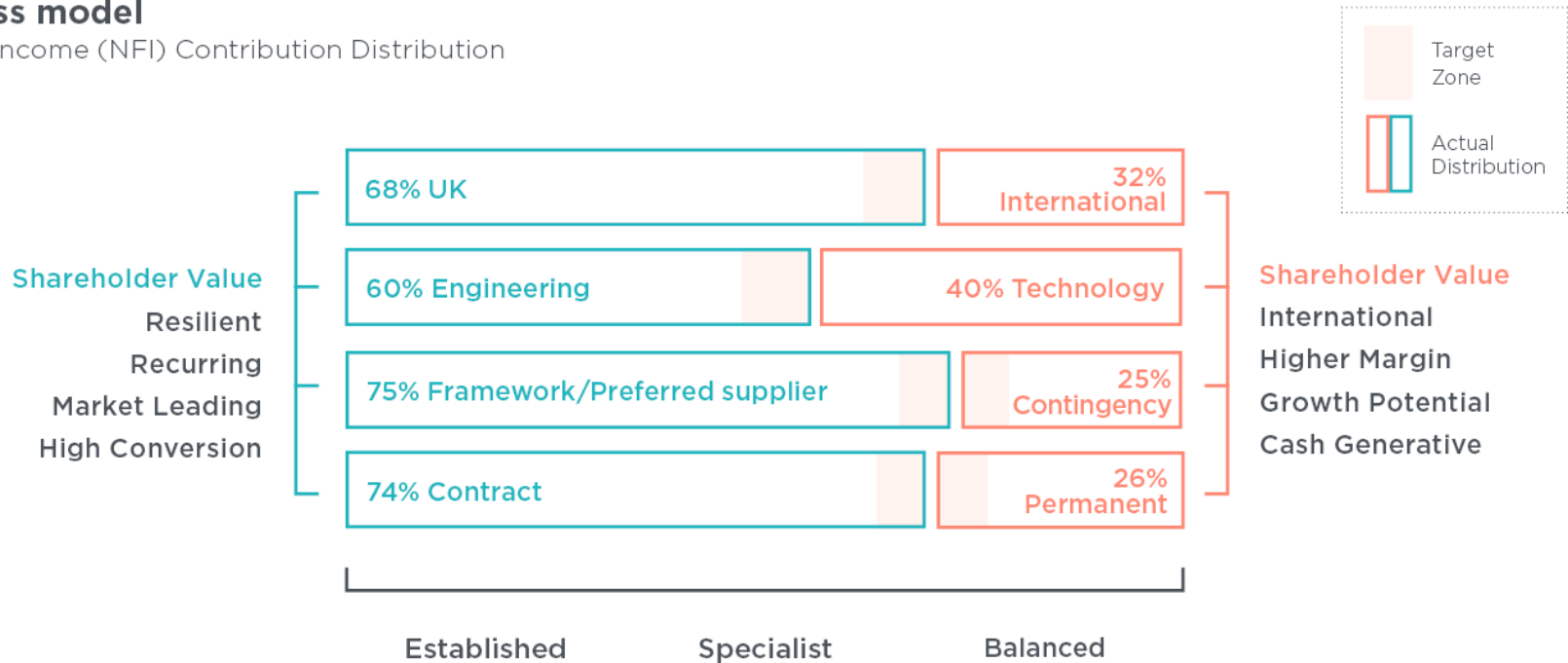
- ▶ Dual brand approach
- ▶ 'Gattaca' to pursue outsourced solutions without causing confusion
- ▶ Process led - scalable
- ▶ Contract & Permanent
- ▶ International coverage (both clients & candidates)

Our Business Model



Business model

Net Fee Income (NFI) Contribution Distribution



Highlights & Results



Highlights



- ▶ Profits in line with market expectations
- ▶ Strong performance in Engineering, with NFI growth of 6%
- ▶ Newly created Engineering Technology division, combining existing Networkers and Matchtech skill sets and targeting “Internet of Things” is already one of our fastest growing business units
- ▶ Technology NFI down 6%. Good growth in Telecoms (+9%) but offset by underperformance in IT (-17%); changes made to market focus and management structure are improving results
- ▶ Integration of Networkers nearing completion with £3.1m of synergies identified, to be realised in FY2017
- ▶ Further investment made in strengthening the business, including adding international headcount to support and drive forward growth outside the UK
- ▶ Full year dividend increased by 5% to 23.0 pence per share (2015: 22.0 pence)

Income Statement



Period to 31 July	2016			2015		Reported Change %	Underlying Change %
	Reported	Adjustments	Underlying ¹	Reported	Underlying ¹		
	£m	£m	£m	£m	£m		
Revenue	617.6	(0.7)	616.9	502.3	622.8	+23%	-1%
Contract NFI	53.9	(0.2)	53.7	40.1	54.2	+34%	-1%
<i>Contract gross margin (%)</i>	9.0%		9.0%	8.2%	9.0%		
Permanent fees	19.1	(0.4)	18.7	14.7	18.0	+30%	+4%
Gross profit (NFI)	73.0	(0.6)	72.4	54.8	72.2	+33%	+0%
<i>Gross margin (%)</i>	11.8%		11.7%	10.9%	11.6%		
Overheads	(57.9)	7.0	(50.9)	(42.4)	(51.0)	+37%	-0%
Profit from operations	15.1	6.4	21.5	12.4	21.2	+22%	+1%
<i>NFI conversion (%)</i>	21%		30%	23%	29%		
<i>Operating margin (%)</i>	2.4%		3.5%	2.5%	3.4%		
Financing	-	(1.0)	(1.0)	(1.1)	(1.5)		
Profit before tax	15.1	5.4	20.5	11.3	19.7	+34%	+4%

¹ Underlying performance is calculated on a pro-forma basis as though Networkers had been owned for the entire prior period. Underlying results exclude the trading and net proceeds of divested businesses (2016: £0.3m loss; 2015: £0.6m loss), acquisitions costs (2016: £nil; 2015: £1.7m), amortisation of acquired intangibles (2016: £3.7m; 2015: £1.7m) and integration and restructuring costs (2016: £2.4m; 2015: £1.0m), exchange gains from revaluation of foreign assets and liabilities (2016: £1.0m; 2015: £0.3m loss) and include implied interest from acquisition funding (2016: nil; 2015 £0.7m).

Effective Tax Rate



Period to 31 July	2016 Reported £m	2015 Reported £m
Profit before tax	15.1	11.3
Corporation Tax Rate	20.0%	20.7%
Corporation Tax	3.0	2.3
Non-deductable expenses	0.7	0.4
Irrecoverable withholding tax	1.1	0.3
Prior year adjustment	-	(0.2)
UK and overseas tax rates differential	0.4	0.1
Total tax charge for period	5.2	3.0
Effective Tax Rate	34.4%	26.3%

Earnings per share & Dividends



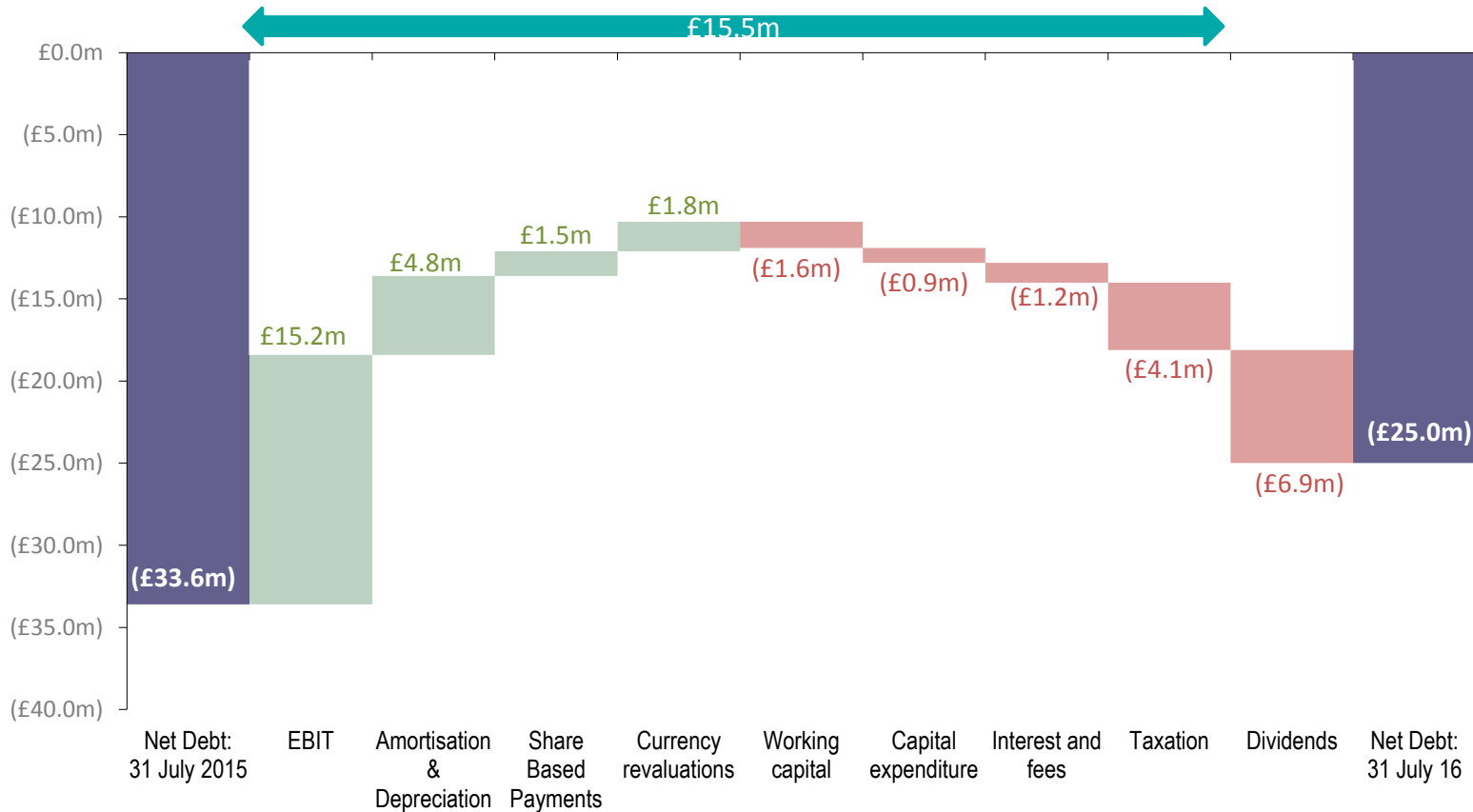
Period to 31 July	2016	2015	
	£m	£m	%
Profit before tax	15.1	11.3	+34%
Taxation	(5.2)	(3.0)	+73%
<i>Effective tax rate</i>	34.4%	26.5%	
Profit after tax	9.9	8.3	+19%
	million	million	
Average shares in issue	30.9	26.8	
Shares under option	1.1	1.3	
Fully diluted shares	32.0	28.1	+14%
	pence	pence	
Earnings per share			
Basic	32.1	31.0	+4%
Diluted	31.0	29.6	+5%
	pence		
Adjusted earnings per share			
Basic	45.9		
Diluted	44.3		
Dividend per share	23.0	22.0	+5%
Cover	2.1x		

¹ Adjusted earnings per share excludes amortisation of acquired intangibles (2016: £3.7m) and integration and restructuring costs (2016: £2.4m).

Cashflow



- ▷ £15.5m of cash generated before dividends
- ▷ £8.6m net cash generated after dividends
- ▷ Net debt reduced to £25.0m

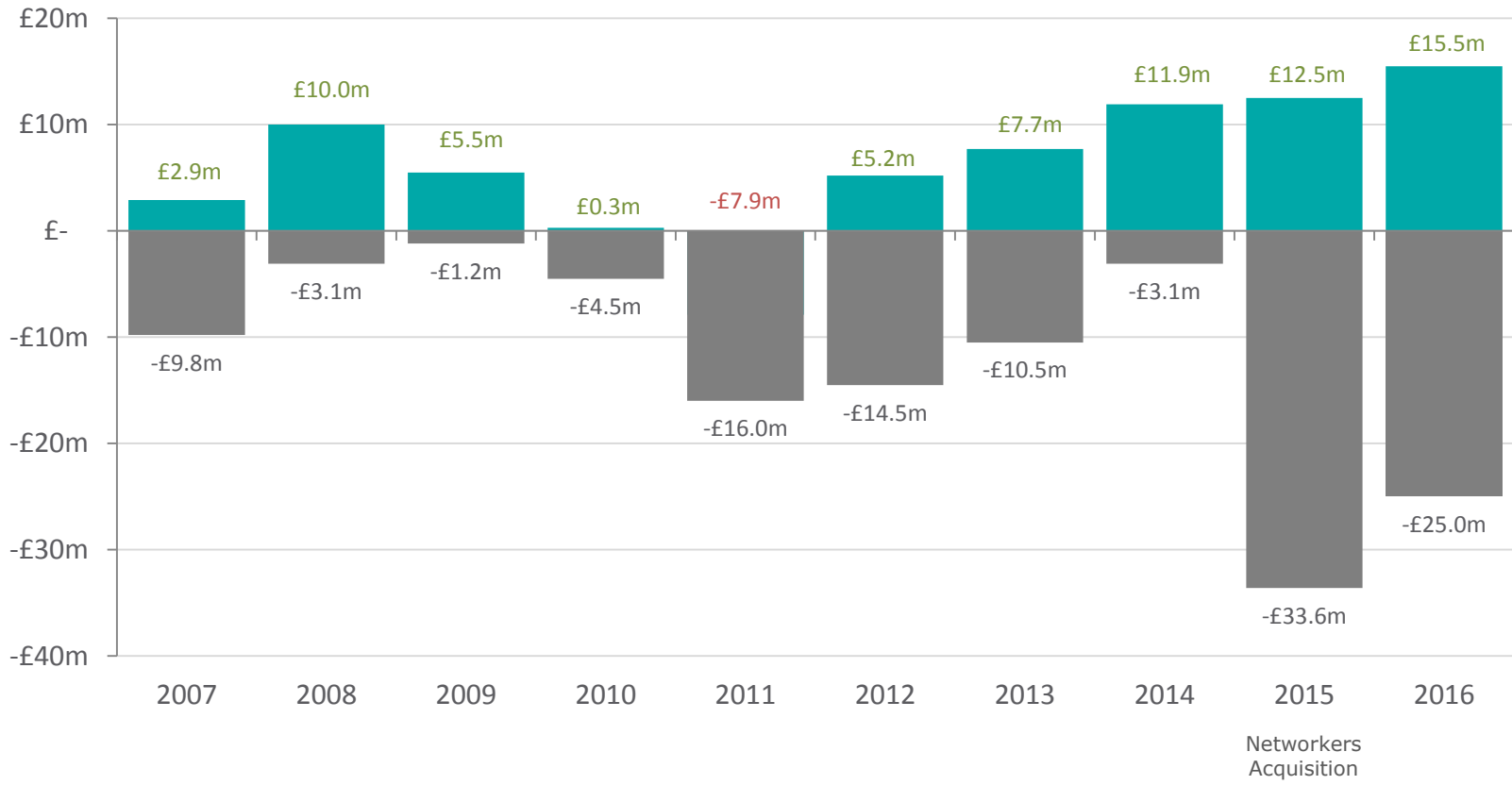


Cash & net debt



▶ Consistent cash generation

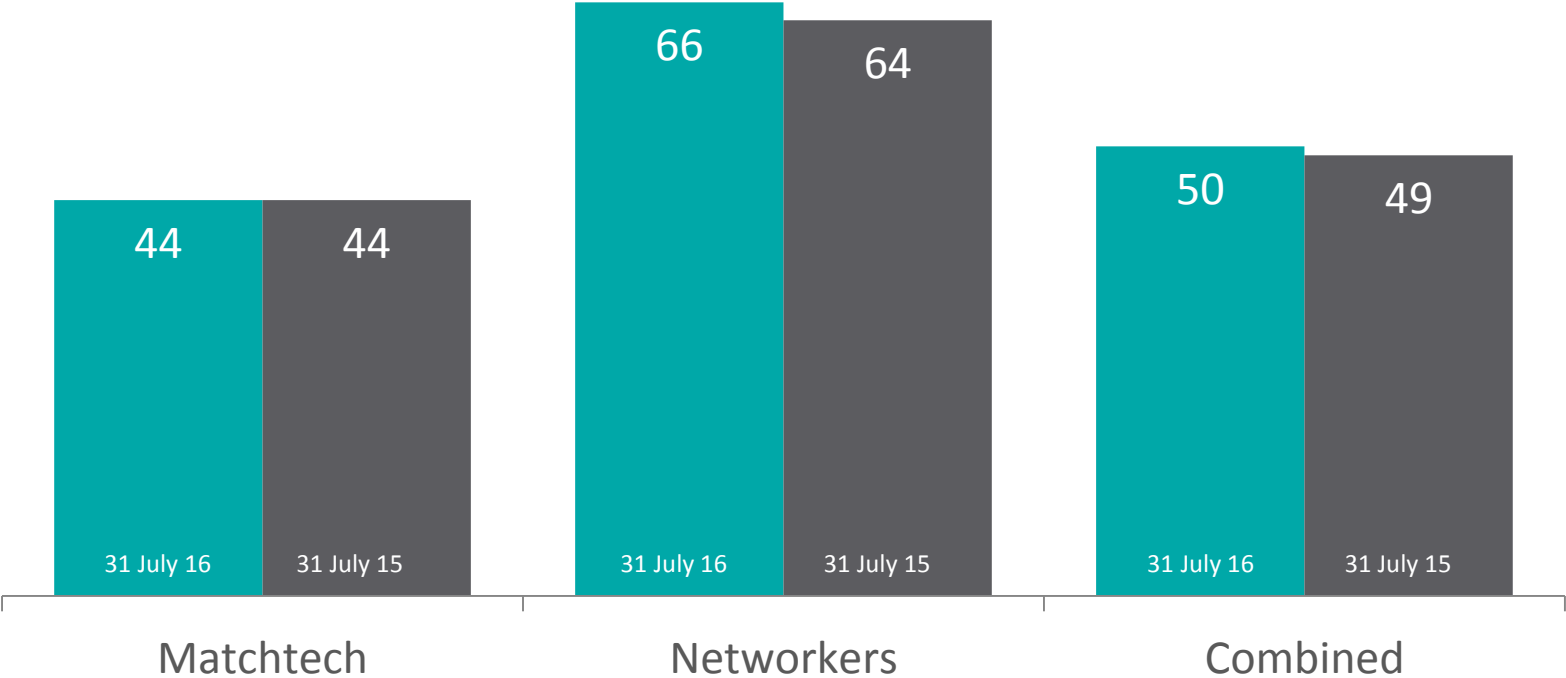
■ Cash generated before dividends ■ Net Debt



Debtor Days



▶ Combined debtor days increased marginally



Integration



- ▶ Integration largely complete
- ▶ Identified annualised gross synergies of £3.1m to be fully realised in 2017
- ▶ Final integration costs of £0.5m expected in 2017 H1
- ▶ £1.8m invested to improve the business and accelerate future growth
- ▶ Sales synergies coming through

Synergies	2016	2017
	Achieved	Annualised
	£m	£m
Board	0.6	0.8
Management	0.7	0.7
Group support	0.2	0.4
Property	0.3	0.3
Listing	0.1	0.1
Last reported	1.9	2.3
Group Support	0.3	0.8
Total	2.2	3.1

Investments	2016	2017
	Actual	Annualised
	£m	£m
Regional Mgmt	0.2	0.4
Legal		0.2
BD	0.1	0.2
Finance	0.1	0.2
Other Support		0.2
Property		0.6
Total	0.4	1.8

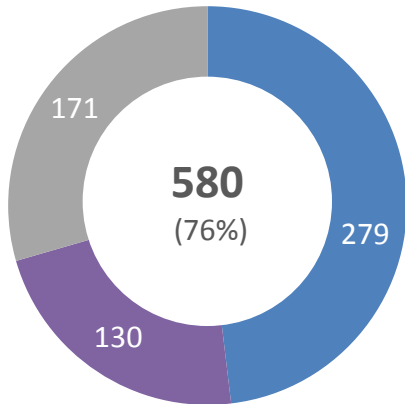
Operational Highlights



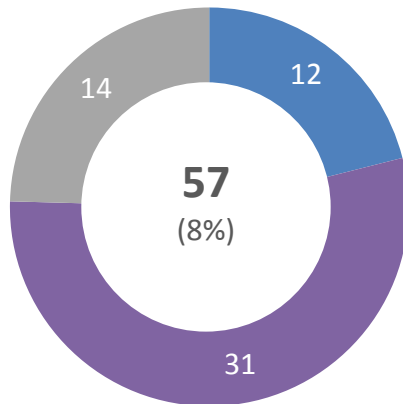
Global Headcount



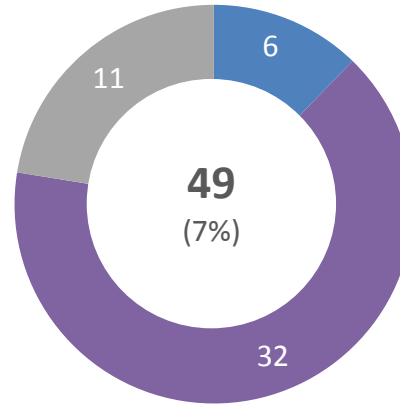
United Kingdom
(80% of group NFI)



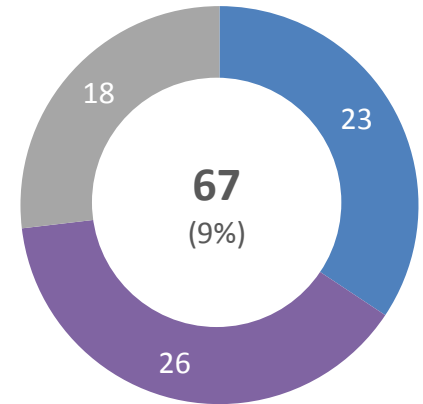
Americas
(7% of group NFI)



Asia
(5% of Group NFI)



Middle East & Africa
(8% of group NFI)



- Engineering
- Technology
- Management & Group Support

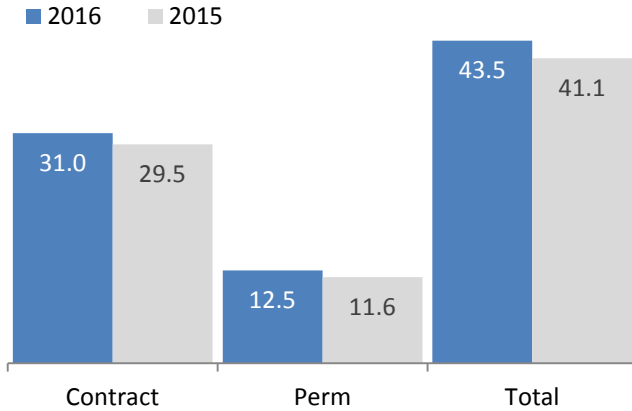
Global headcount: **753**

Sales: **538** (71%)

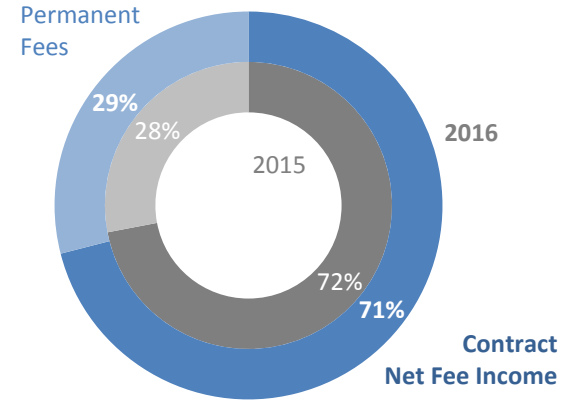
Management & Support: **215** (29%)

Engineering

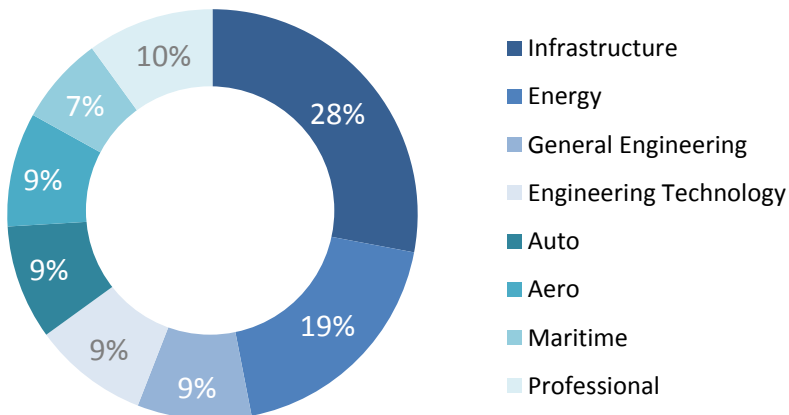
NFI



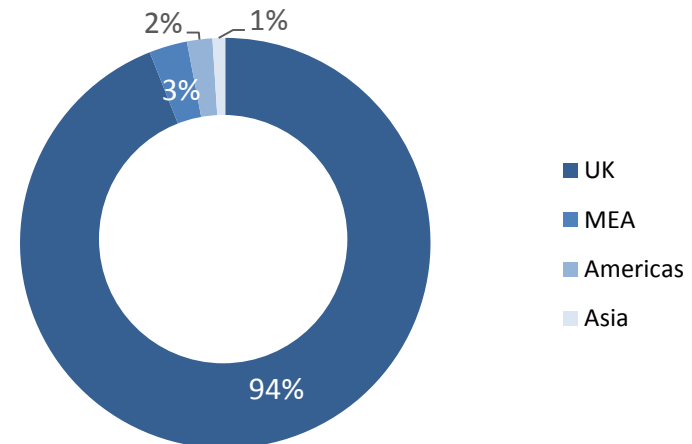
NFI by type



NFI by sector



NFI by region



Engineering Growth Drivers

Infrastructure

- Rail - HS2; Crossrail (phase 2); Wessex to Waterloo, South West Rail extension
- Buildings - structure/services
- Water design - project delivery; Thames Tideway
- Highways - major road upgrades

Energy

- Renewables - northern Europe offshore wind farm construction
- Transmission - extensive upgrades to European and US electrical grid infrastructure
- Nuclear – UK new build Hinkley Point and Trident renewal
- Oil & Gas remains weak

Maritime

- UK defence – QEC carrier servicing, Type 26 frigate repairs & successor submarine
- Canadian NSPS CAD\$26 billion 30 years surface combatant programme
- Super-yacht build and cruise liner refit/repair projects in Europe

Aerospace

- OEM's focus on increasing manufacturing production rates
- No major new aircraft models in the pipeline
- Aftermarket retrofit & interior
- Materials development and technique innovations

Automotive

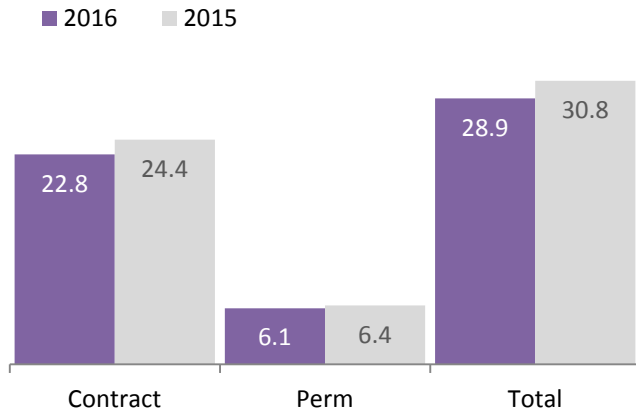
- Investment in UK manufacturing continues
- Need to design new technologies; hybrid and alternative fuel transmissions
- Electric vehicles, connected car and smart motorways driving innovation

Engineering Technology

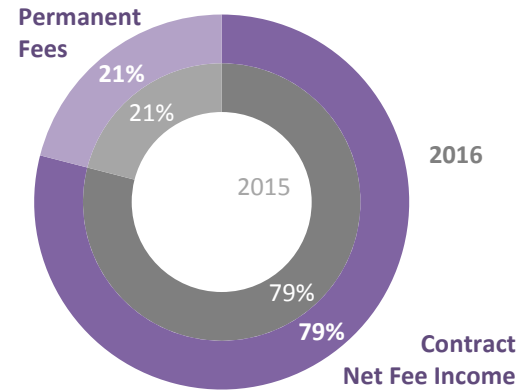
- The “Internet of Things”
- Investment in national security
- Industry 4.0 – “Smart factories”
- Rail automation & communication
- Enhanced Air Traffic Control
- UK centre of excellence connected/autonomous vehicles

Technology

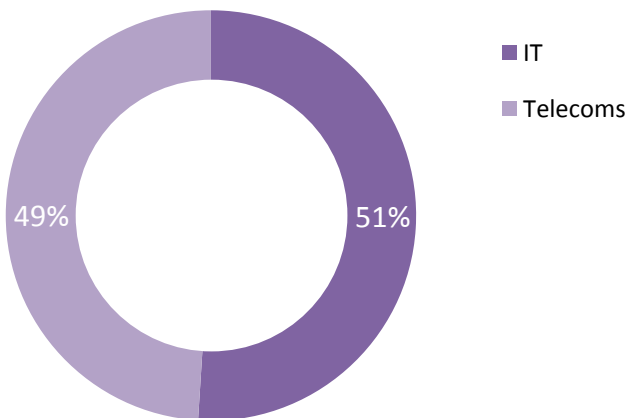
NFI £m



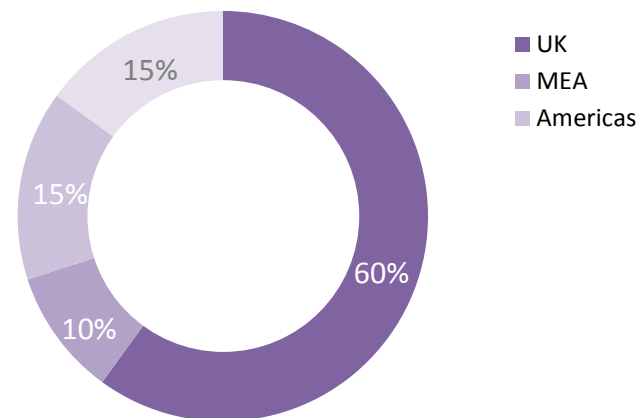
NFI by type



NFI by sector



NFI by region



Technology Growth Drivers

Development

- The demand for applications to be on a mobile platform is increasing
- Organisations rely heavily on the web as a channel for connecting with customers, clients, partners and employee

Cloud

- Cloud continues to reshape enterprise IT
- Prediction that more than half of enterprise IT infrastructure and software investments will be cloud-based by 2018

Cyber Security

- Increasing spend on Cyber Security
- Constantly evolving threats and new technologies being adopted
- Security and keeping the vast amounts of data businesses hold safe is becoming business critical

IT Leadership

- The pace of technology change is accelerating
- Business change/transformation skills required for successful implementation of new technologies

ERP

- SAP project based upgrade market
- Oracle EBS introduction and implementation of Fusion product
- Move to rollout of cloud based ERP products

Telecoms

- Asia - laying the ground work for rolling out 4G
- US - fixed line cabling - higher quality, faster streaming & quicker connections between locations
- 5G development on the horizon - properly connected smart cities; driverless cars; "internet of things"

Outlook



Outlook



- ▶ Slowdown in trading in the UK with NFI in 2017 Q1 forecast to be down 3% on 2016 (Contract down 2%; Permanent down 7%)
- ▶ Strategic repositioning of Group is now complete
- ▶ Two well regarded brands in highly attractive Engineering and Technology markets
- ▶ Demand for skilled engineers remains robust
- ▶ Niche specialist market segmentation has improved IT performance
- ▶ Selected consultants now in overseas offices to accelerate growth
- ▶ Good business development pipeline and first major win from initial joint bids

“Our investment in business development and international operations as well as our burgeoning solutions service line give me great confidence in the Company’s future prospects”