GATTACA

Full year results

for the

year ended **31st July 2023**

GATTACA

Contents

Presenting today...

Matthew Wragg – CEO

Matt has been with Gattaca for 21 years, and was appointed as CEO in April 2022. His previous roles within Gattaca included Chief Customer Officer and Group Business Development Director and he has been a Senior Leadership Team member since 2016. He has substantial knowledge of the recruitment industry and a deep understanding of Gattaca.

Oliver Whittaker – CFO

Oliver was appointed to the Board as CFO in April 2022, having joined Gattaca in January 2018 as Group Director of Financial Planning. Oliver was previously UK Finance Director for Fitness First where he was instrumental in the transformation and return to growth between 2012 and 2018, prior to which he held a number of operational finance roles within Serco and IBM. Oliver trained and qualified as a chartered accountant with RSM Robson Rhodes.

Summary

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- Group NFI of £43.4m, down 2% year-on-year ("YoY")
  - Defence and Infrastructure sectors, representing 51% of Group NFI, delivered strong 8.8% NFI growth YoY
  - Gattaca Projects Statement of Work business achieved 59% YoY NFI growth
  - Contract vs Perm split 74% / 26% of Group NFI (FY22: 71% / 29%)
- Continuing underlying profit before tax in 2023 of £2.6m (2022 restated: £0.3m)
- Group net cash up 76% at £21.6m (31 July 2022: £12.3m)
- Full year dividend announced totalling 5.0 pence per share (2022: nil); comprising 2.5 pence per share ordinary dividend and 2.5 pence per share special dividend, to be paid in December 2023
- Continued progress against all four strategic objectives, with continued focus on execution into FY24

[1] The presentation is presented on a continuing underlying basis

Key initiatives delivered in 2023

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External focus

- Launched **simplified Brand Architecture** with increased investment in marketing
- Implemented **client and candidate service feedback** surveys, with average ratings of 7.7 and 8.5 (out of 10) respectively
- Focused robust markets with higher value skills **resulting in improved yield**; average contingent perm fee +20%, and average contract timesheet value +11%

Culture

- **People engagement score improved** to 8.1 for FY23 (FY22: 7.6)
- **Reduction in attrition to 33% at 31 July 2023** (31 July 2022: 40%) with particular improvement in retention of 12–24 month tenure sales people
- Full year of our **new Performance Scorecard** process, including directly linking performance to progression

Operational performance

- **Average NFI** per sales head +8%, and +4% per total head
- Appointed a **Head of Business Improvement**, leading a team to implement business critical projects
- **Successfully implemented** over 60 customer-focused automations

Cost rebalancing

- **UK property footprint** from five buildings down to three
- Over 80% of **contractors transitioned to online timesheets**, reducing admin costs and increasing accuracy
- **Completed a corporate restructure** to simplify the number of Group entities, bringing further cost reductions

- For more details, see Appendix slide 17 - 25

What's next for 2024

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External focus

- Build on simplified brand architecture to **increase external market presence**
- **Investment in front line sales** capability and scale in Energy, Mobility and TMT, our sectors with the highest growth opportunity
- **Increase** our volume of client and candidate feed back surveys building meaningful actionable insight

Culture

- Consistently apply our **Performance Scorecard process** to performance management
- **Maintain people engagement** score of at least 8.0 for FY24
- Continue focused work on retention to ensure a **sustained reduction in our people attrition**
- Develop our newly implemented "Onboarding for success" module to **improve new sales hire progression** to established billing consultant

Operational performance

- A 12-month calendar of **operational initiatives** for FY24, focused on driving delivery efficiencies and raising standards
- **Further automations planned**, focused on sales operational performance
- Focus on **sales productivity** driving up average NFI per head to FY24 target of £92k p/head and conversion target of 5.9%

Cost rebalancing

- **Delivering on further reductions** of third-party costs
- Continue to review **property portfolio**
- Continued investment in technology solutions, **'digital and automation -first'** approach
- **Implementation of a single billing** entity arrangement for all clients

- For more details, see Appendix slide 17 - 25

Sector overview

	Labour demand, skill and service line trends	Market investment	Our position
INFRASTRUCTURE 	• Need for Project Managers, Civil Engineers, Construction Managers and specific technology skills such as Building Information Modelling • Perm demand softening slightly, whilst contract is increasing	• UK Government committed to public infrastructure programs • Recent uncertainty and curtailment of HS2 has negatively impacted demand for resource on major rail projects	• Established contract provider into the large regional and national projects such as Highway schemes and AMP investment cycles
DEFENCE 	• Both permanent and contract demand remains high; resource conversation is shifting from filling gaps to building critical mass • Skills demand across; systems, software engineering, technology and cyber security talent	• UK Government committed to £11bn of Defence spend over the next five years	• Serving over half of the UK MoD top 100 suppliers, across engineering, technology, manufacturing, and IT skills
ENERGY 	• Pressures on global energy production creating opportunity in the UK market; contract demand high • Demand focused on project management, controls and design engineer skills	• Investment strong across all Energy sub sectors, with increased focus on green energy and use of technology • Growth in renewables also requires substantial upgrade to UK electricity network	• Well positioned to capture market opportunities in all subsectors across full STEM skill offering • Creating increased scale across sub sectors in UK
MOBILITY 	• Permanent demand continues to exceed contract • Quality and manufacturing skills in Aerospace; software, power electronics and systems engineering skills across Automotive; Trade skills in Maritime	• Investment into the sectors remains strong, increase in airframe orderbook positively impacting supply chain demand and decarbonising transport is becoming a key trend	• Solid foundation across large client base to grow with the market • Mature solutions offering; several medium size RPO and MSP programmes

Sector overview (continued)

	Labour demand, skill and service line trends	Market investment	Our position
TECHNOLOGY, MEDIA & TELECOMS (TMT) 	• Contract demand has increased despite many technology companies reducing workforce • Cyber security demand particularly strong along with development, cloud, and infrastructure skills	• Funding levels are shifting through the investment lifecycle • International investment is rising and digital transformations still buoyant	• Our experience plays to the market opportunity in UK • Adding scale to niche skill focus where we have core capability
OTHER, INCLUDING PUBLIC SECTOR & SMART MANUFACTURING 	• Demand across all STEM and business support roles remain high and candidates in short supply • Increased appetite for statement of work projects within IT and Engineering	• UK mid-sized companies are becoming more aware of benefits of MSP and RPO solutions • Stabilisation of SOW adoption	• Barclay Meade, our professional services business, sees continued strong permanent market conditions • Gattaca Projects supports the trend in STEM markets for SOW, with secure medium term order book
INTERNATIONAL  UNITED STATES CANADA SPAIN	• High labour demand across regions we operate in • Skill trends include cyber security, technology sales, software development and 'big data', alongside energy transmission and distribution, infrastructure, and EPC	• Markets investing for growth or recovery, cognisant of macroeconomic instability • Tech skill layoffs have had ripple effect	• Increased focus on growing our contracting workforce across STEM skills in our non-UK regions • Better alignment with UK business to increase operational capability

financial results

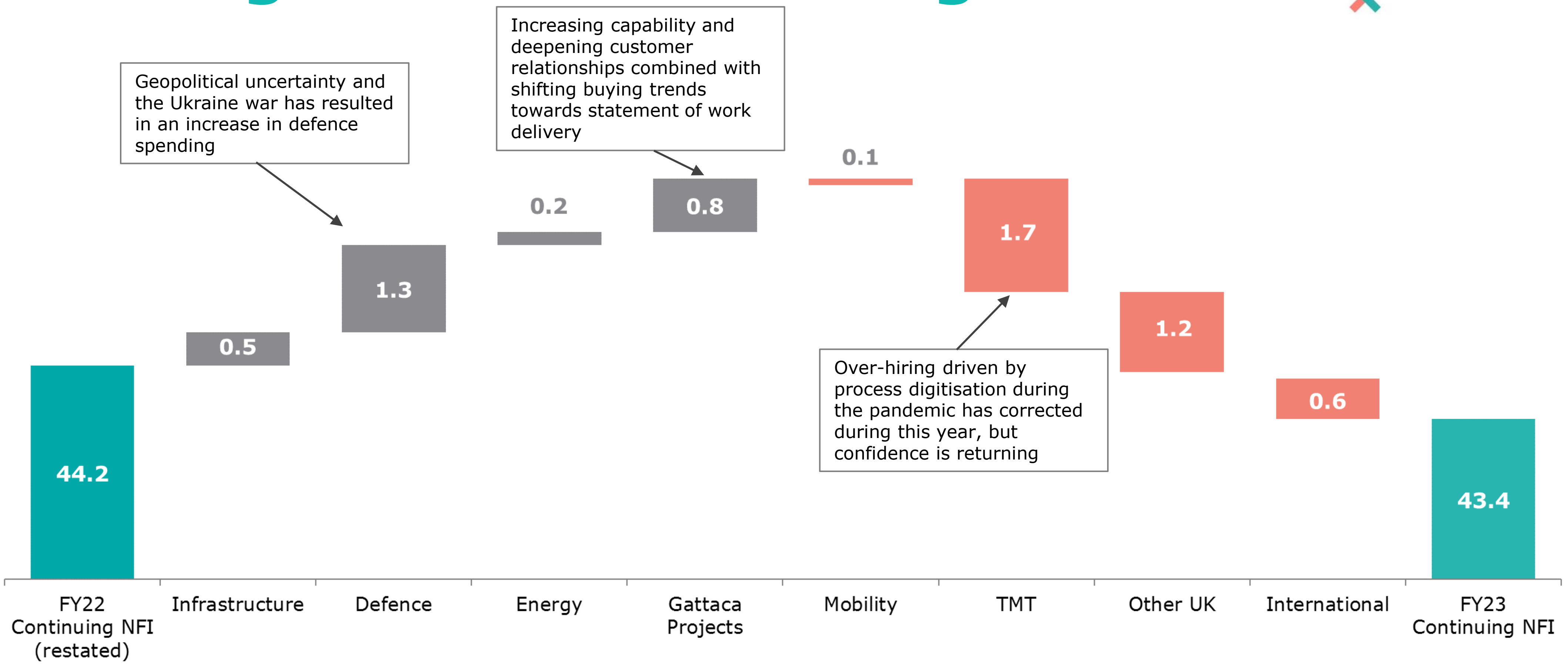
Full Year Results | For the year ended 31st July 2023

Continuing Group NFI by sector

Net Fee Income (NFI)[1] £'m	2023	(restated)[2,3,5] 2022	Change
Infrastructure	14.1	13.6	4%
Defence	8.0	6.7	19%
Mobility	4.5	4.6	-1%
Energy	4.1	3.9	6%
Technology, Media & Telecoms	2.6	4.3	-40%
Gattaca Projects [2]	2.1	1.3	59%
Other	5.8	7.0	-18%
UK	**41.2**	**41.4**	**0%**
International	2.2	2.8	-22%
Continuing Total Group NFI[3,4]	**43.4**	**44.2**	**-2%**
Contract	32.0	31.3	2%
Perm	11.4	12.9	-11%
Continuing	**43.4**	**44.2**	**-2%**
Discontinued	-	0.2	-100%
Total Group NFI	43.4	44.4	-2%

1 Net Fee Income ("NFI") is calculated as revenue less contractor payroll costs.
2 The Gattaca Projects operating segment met the quantitative thresholds to be reported separately for the first time in the year to 31 July 2023. In line with the requirements of IFRS 8, comparative periods have been restated to present the Gattaca Projects segment separately from the "Other" segments in which it had previously been presented.
3 Continuing results exclude the results of the South African recruitment business which was sold in December 2021
4 On a continuing basis there is no material impact from constant currency adjustments.
5 FY22 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on FY22 reported results is £0.1m reduction to reported profit before tax. Further details are provided in the Group's FY23 Annual Report & Accounts.

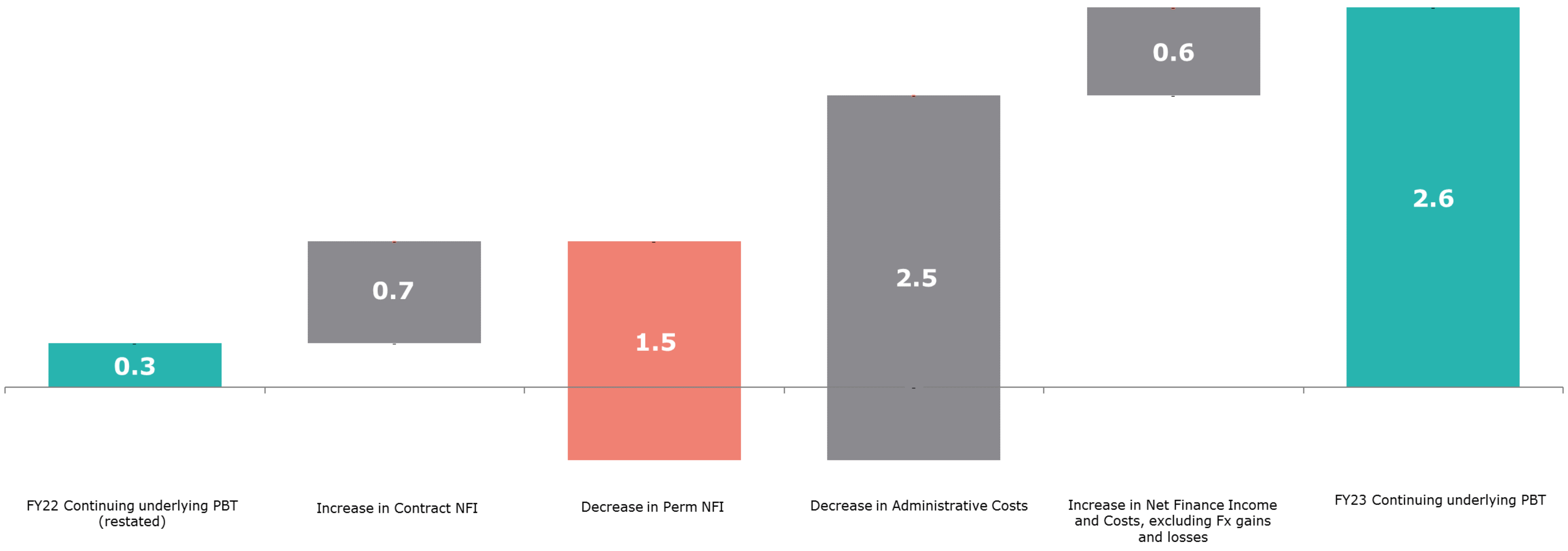
Continuing business NFI bridge £'m



- Continuing underlying Group NFI down 2% YoY, UK NFI flat
- Contract vs Perm split represents 74% / 26% of Group NFI (FY22: 71% / 29%)

Note: FY22 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on FY22 reported results is £0.1m reduction to reported profit before tax. Further details are provided in the Group's FY23 Annual Report & Accounts.

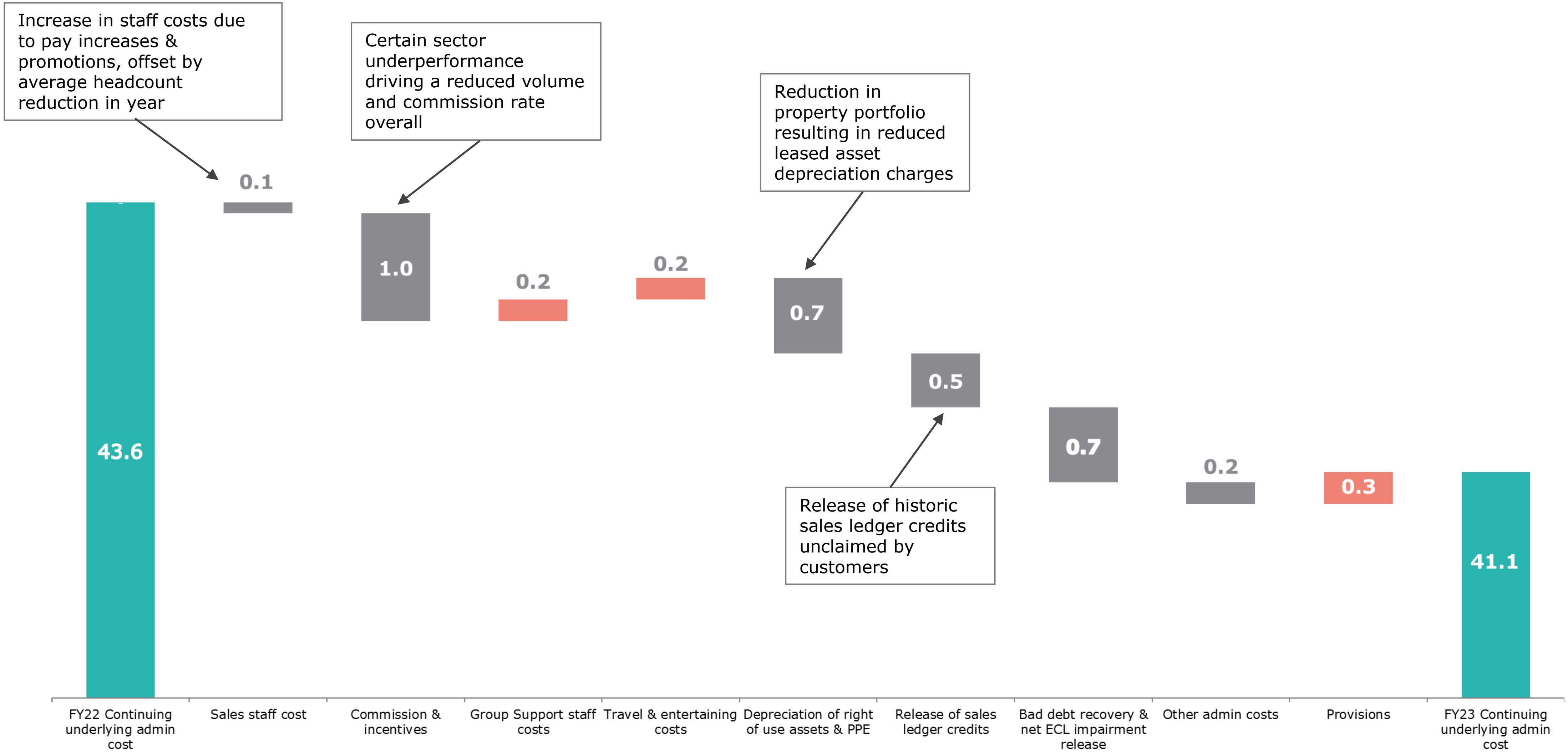
Underlying PBT bridge £'m



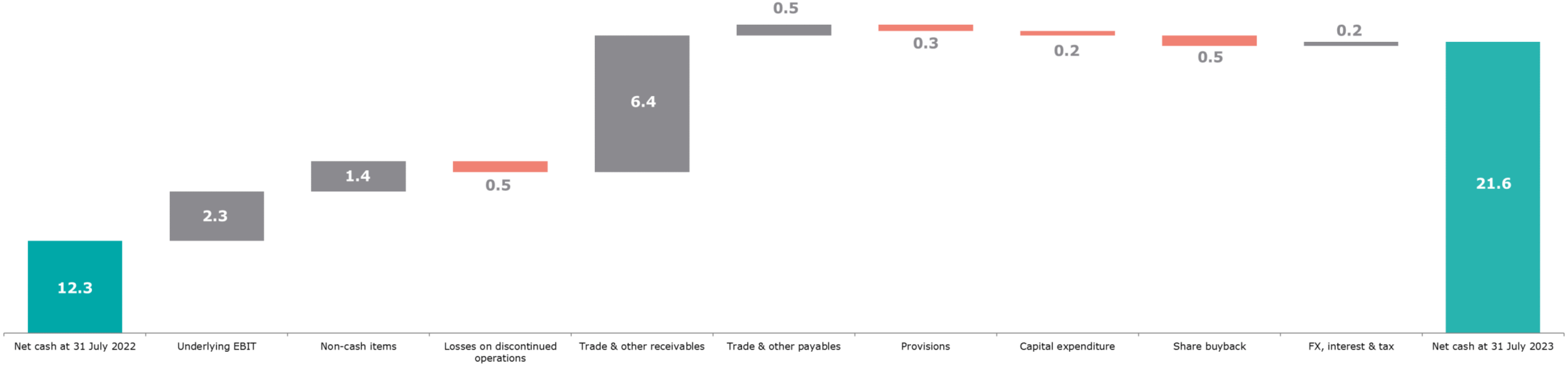
- Continuing underlying profit before tax £2.6m (2022 restated: £0.3m)
- Admin cost detail, see slide 12

Note: FY22 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on FY22 reported results is £0.1m reduction to reported profit before tax. Further details are provided in the Group's FY23 Annual Report & Accounts.

Administrative cost bridge £'m



Net cash bridge £'m



- Group reported Net Cash of £21.6m at 31 July 2023 (31 July 2022: £12.3m net cash)
- DSO (days sales outstanding) at 31 July 2023 was 47 days (31 July 2022 restated: 55 days)
- £3.8m of non-recourse invoice finance facility drawn (31 July 2022: £9.6m), and zero recourse invoice finance facility drawn (31 July 2022: £1.8m)

summary and outlook

Outlook

- Looking forward ongoing macroeconomic headwinds provide uncertainty over the timing of any recovery in the wider economy
- We continue to see good levels of vacancies in the STEM markets that we support, which, when combined with talent shortages drives demand
- The demand for contract labour continues to be stronger than for permanent hiring, this is in line with our focus and traditional strength of providing contract resource.
- The development of our strategic priorities will continue to strengthen the platform from which we operate
- Ongoing activities remain fully focused on our four strategic priorities:
    - External focus
    - Culture
    - Operational performance
    - Cost rebalancing
- While we remain cognisant of the challenging market backdrop, we are well positioned to take advantage of the expected recovery in the market and continue to trade in-line with expectations

appendices

Gattaca at a glance

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Who we are

In 2023, we relaunched our go-to-market brand structure to help us become the **STEM talent partner of choice**, aligned to supporting customers' strategy, talent and outcome requirements.

What we do

GATTACA SOLUTIONS

SHAPING WORKFORCE STRATEGY

Gattaca Solutions enables the success of our clients' People strategies through recruitment supply chain management, process engineering, talent technology and consultancy around topics such as ED&I, future skills and, resource planning.

MATCHTECH / BARCLAYMEADE

FINDING & ENGAGING TALENT

Our specialist recruitment brands excel at finding the people our clients need to deliver the outcomes that drive their success. Barclay Meade specialises in professional staffing, while Matchtech has almost 40 years' heritage as a leading STEM recruiter.

GATTACA PROJECTS

DELIVERING TECHNICAL OUTCOMES

Gattaca Projects solves complex technical and operational challenges through tangible outcome-based services. They operate in a flexible and outcome-centric way, utilising the talent expertise of Matchtech and Barclay Meade to complement their strong in-house expertise.

Key skill areas we recruit within include:

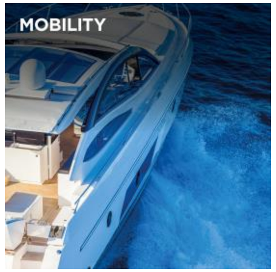
- Engineering & Embedded Technology
- Information Technology & Digital
- Construction & Civil Engineering
- Project Delivery & Support
- Manufacturing & Production
- Professional Skills & Business Support

We help clients find some of the scarcest talent in the market, such as:

- Human Factors Engineers
- Requirements Engineers
- Systems Modelling (MBSE)
- AI & Machine Learning Engineers
- Robotics & Automation Engineers
- Packet Core
- Penetration Testers
- Vulnerability Researchers
- Cloud Platform Engineers
- Power Electronics
- Functional Safety
- RF Engineers
- Systems Engineers
- DV Cleared Project Managers
- Renewable Energy Engineers
- Smart Grid Analyst/Engineer
- IRSE Licensed Signalling Engineers
- Cybersecurity Analysts/Engineers
- Data Analysts & Data Scientists
- Environmental Scientists & Engineers

...plus over 300 other unique disciplines, including business support staff with expertise in technical domains.

SECTORS WE SERVICE:



Delivery against our strategic priorities:
External Focus

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FY23: What We Said

- Implement regular client and contractor service feedback surveys
- Implement a structured pricing model and pricing negotiation coaching for our sales teams to be successful in a challenging economic environment
- Continue our investment in front line sales capability and scale
- Complete a review of our go-to-market Brand Architecture with the aim of simplifying our branding model and focusing future investment

How we did

- Launched our simplified Brand Architecture, with increased marketing spend associated
- Implemented client and candidate service feedback surveys, with average ratings of 7.7 and 8.5 (out of 10) respectively
- Improved yield by increasing our average contingent perm fee by +20%, and average contract timesheet value by +11%
- Implemented two major client accounts
- Reduced fulfilment headcount and increased sales effort

FY24: What's next?

- Increase our volume of client and candidate feedback surveys building meaningful actionable insight
- Investment in front line sales capability, growing by 10%, scale in target sectors
- Build on simplified brand architecture to increase external market presence
- Launch our Sustainability Report and align our internal activities on ESG with our external approach

KPIs	2023	2022 (restated)
Group Continuing Revenue	£385.2m	£403.9m
Group Continuing NFI	£43.4m	£44.2m

Delivery against our strategic priorities:
Culture

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FY23: What We Said

- Continue embedding our Values to set standards and expectations of behaviours, underpinned by our new Performance Scorecard process
- Implement targets within the bonus and LTIP remuneration scheme for Executive and Senior Leadership Team partially linked to people KPI's such as attrition and engagement
- Target people engagement score for FY23 of 7.9
- Targeted reduction in our people attrition levels to 37% by the end of FY25

How we did

- Completed four quarters of our new Performance Scorecard process, including directly linking to progression and promotion
- Engagement score improved to 8.1 at FY23, up from 7.6 at FY22
- Attrition of 33% at 31 July 2023, improving from 40% at 31 July 2022.
- Integrated attrition reduction targets into our FY23 LTIP share option grant
- Creating of Inclusive Recruitment and Inclusive Leadership programs

FY24: What's next?

- Consistently apply our Performance Scorecard process to the performance management of our people
- Maintain people engagement score of at least 8.0 for FY24
- Continue focused work on retention to ensure a sustained reduction in our people attrition levels
- Develop our newly implemented "Onboarding for success" module to improve new sales hire progression to established billing consultant.

KPIs	2023	2022
People engagement score	8.1	7.6
Attrition	33%	40%

Delivery against our strategic priorities:

Operational Performance

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FY23: What We Said

- Implement an automation platform to increase customer engagement, operational efficiency and data cleanliness as part of our 'automation first' approach
- Appointment of a Head of Business Improvement, to drive forward our PMO (Project management office) and execute change
- Utilisation of improved management information to support a Group-wide review of low-margin work, identify where our productivity needs to be highest to generate acceptable returns or where work should be exited to make room for more profitable delivery

How we did

- Increased sales productivity due to enhanced Group-wide management information, growing average NFI per sales head +8%, and +5% per total head
- Appointed a Head of Business Improvement leading a team driving positive change in how we operate
- Successful implemented many automations, positively impacting customer experience, engagement, operational efficiency and data quality

FY24: What's next?

- A 12-month calendar of operational initiatives for FY24, focused on driving delivery efficiencies and raising standards
- Further automations planned, focused on sales operational performance improvement
- Focus on sales productivity driving up average NFI per head to FY24 target of £92k p/head and conversion target of 5.9%
- Optimise our technology stack, making the most out of what we already have, eliminating what we don't need
- Increase use of internal IP, reducing job board requirements

KPIs	2023	2022 (restated)
Conversion %	5.4%	1.3%
Average NFI per head	£86k	£83k

Delivery against our strategic priorities:

Cost Rebalancing

FY23: What We Said

- Ongoing focus on further reduction of third-party costs and elimination of duplicative expenditure
- Focused investment in niche technology solutions as part of our 'automation-first' approach
- Progress the simplification of the Group's corporate structure to reduce cost and transactional inefficiencies
- Focus on migrating clients and candidates to more efficient and technologically advanced online billing and timesheet processes to reduce administration time and costs

How we did

- UK property footprint from five buildings down to three, alongside other third-party cost savings
- Implemented new automation and sales enablement technologies
- Moved the majority of our contractors to a 'single pay' arrangement
- Moved over 80% of our manual time sheeting contractors to online timesheet submission, reducing administrative burden and increasing accuracy
- Completed a corporate restructure to enable a substantial future reduction in the number of legal entities within the Group

FY24: What's next?

- Delivering on further reductions of third-party costs
- Continue to review property portfolio
- Continued investment in technology solutions, 'digital and automation-first' approach; increasing the level of clients and candidates with fully digital processing, reducing admin time and cost
- Following on from the corporate restructure, implementation of a single billing entity arrangement for all clients
- Progress the simplification of the Group's corporate structure through legal entity liquidations

KPIs	2023	2022 (restated)
Group continuing underlying PBT	£2.6m	£0.3m
Group continuing underlying EPS	4.6 p	0.5 p
Sales / Support staff mix	69/31	71/29

Continuing underlying PBT

Year ended 31 July	2023			2022				
	Continuing Reported £m	Adjustments £m	Continuing underlying [2] £m	Restated[4] Continuing Reported £m	Adjustments £m	Restated[4] Continuing underlying £m	Continuing reported change %	Continuing underlying change %
Revenue	385.2		385.2	403.9		403.9	-5%	-5%
Contract NFI	32.0		32.0	31.3		31.3	+2%	+2%
Contract gross margin (%)	*8.6%*		*8.6%*	*8.0%*		*8.0%*		
Permanent fees	11.4		11.4	12.9		12.9	-11%	-11%
Gross Profit (NFI) [1,3]	43.4		43.4	44.2		44.2	-2%	-2%
Gross margin (%)	*11.3%*		*11.3%*	*10.9%*		*10.9%*		
Admin expenses	(41.0)	(0.1)	(41.1)	(49.2)	5.6	(43.6)	-17%	-6%
EBIT	2.4	(0.1)	2.3	(5.0)	5.6	0.6	n/a	+311%
NFI conversion (%)	*5.6%*		*5.4%*	*-11.4%*		*1.3%*		
Operating margin (%)	*0.6%*		*0.6%*	*-1.2%*		*0.0%*		
Financing	0.4	(0.1)	0.3	0.3	(0.6)	(0.3)	+33%	n/a
Profit / (Loss) before tax	2.8	(0.2)	2.6	(4.7)	5.0	0.3	n/a	+767%

1. NFI is calculated as revenue less contractor payroll costs
2. Continuing underlying results exclude the NFI and (losses) before taxation of discontinued operations (2023: £(0.5)m, 2022: £(0.4)m), non-underlying items within administrative expenses primarily related to exiting properties & restructuring costs (2023: £(0.4)m, 2022: £0.6m), amortisation of acquired intangibles (2023: £0.1m, 2022: £0.4m), impairment of goodwill, acquired intangibles & right-of-use leased assets (2023: £nil, 2022: £4.6m), and exchange gains from revaluation of foreign assets and liabilities (2023: £0.1m, 2022: £0.6m).
3. NFI commentary is on a continuing underlying like for like basis
4. FY22 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on FY22 reported results is £0.1m reduction to reported profit before tax. Further details are provided in the Group's FY23 Annual Report & Accounts.

Profit after tax and EPS

Year ended 31 July	2023			2022			
	Total reported group £m	Continuing reported £m	Continuing underlying £m	Restated[1] Total reported group £m	Restated[1] Continuing reported £m	Restated[1] Continuing underlying £m	Continuing underlying change %
Profit / (Loss) before tax	2.2	2.8	2.6	(5.1)	(4.7)	0.3	767%
Taxation	(1.0)	(1.0)	(1.1)	0.5	0.4	(0.1)	n/a
Profit / (Loss) after tax	1.2	1.8	1.5	(4.6)	(4.3)	0.2	650%
Earnings per share							
	pence	pence	pence	pence	pence	pence	
Basic	3.8	5.4	4.6	(14.3)	(13.2)	0.5	820%
Diluted	3.8	5.4	4.5	(14.3)	(13.2)	0.5	800%
Dividend per share			0.0			0.0	

- Basic continuing underlying EPS 4.6 pence per share (2022 restated: 0.5 pence per share)
- Final dividend of 2.5 pence and special dividend of 2.5 pence proposed (2022: nil pence)

1. FY22 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on FY22 reported results is £0.1m reduction to reported profit before tax. Further details are provided in the Group's FY23 Annual Report & Accounts.

Pro forma underlying profit before tax reconciliation

Year ended 31 July	2023 £m	Restated[1] 2022 £m	Change £m
Group Profit / (Loss) before tax	2.2	(5.1)	7.3
Add back: discontinued operations Loss before tax	0.6	0.4	0.2
Continuing Profit / (Loss) before tax as reported	**2.8**	**(4.7)**	**7.5**
Non-underlying items	(0.2)	0.6	(0.8)
Amortisation of intangibles	0.1	0.4	(0.3)
Impairment of goodwill, acquired intangibles and ROU assets	0.0	4.6	(4.6)
Foreign exchange differences	(0.1)	(0.6)	0.5
Continuing underlying Profit / (Loss) before tax	2.6	0.3	2.3

1. FY22 results have been restated for the correction of a revenue cut-off error, and the subsequent reassessment of the Group's accounting policy over how accrued revenue and accrued cost balances have been calculated at each period end. The aggregated impact of these items on FY22 reported results is £0.1m reduction to reported profit before tax. Further details are provided in the Group's FY23 Annual Report & Accounts.

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