



# DSG

Dillistone Group Plc

## 2023 Interim Results

TO 30 June 2023

**Jason Starr – CEO**

**Ian Mackin – Finance Director**



## Dillistone Group – Eliminating Losses

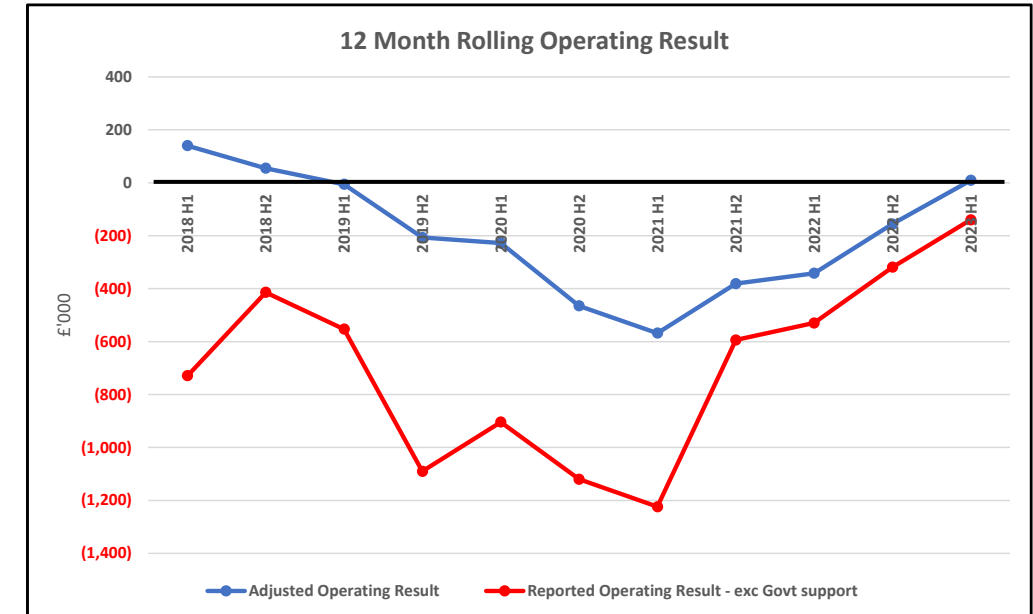
First H1 operating profit since 2018

Rolling 12 month adjusted operating profit c**£350k** better

First H1 recurring revenue **growth** since 2017

Recurring revenues represent **91% of total revenue**

Board expects to deliver **full year profit results** in line with expectations



# Dillistone Group plc: We are a Recruitment Technology Business

## What we do

- A house of brands trading under the banner of Ikiru People
- Provide solutions to Contingency Recruitment firms with a product suite encompassing CRM, Pay & Bill and skills testing.
- Provide solutions to the Executive Search sector with a product suite encompassing CRM, Integrated candidate sourcing, GDPR compliancy and career services.

## Trustpilot – Highly Rated



**Ikiru People**

Reviews 770 • Excellent



✓ VERIFIED COMPANY

## Over 1,200 Customers

**Pertemps**  
the face of recruitment



**Reed**



**INTERSEARCH**

**Kestria**



**randstad**

## Our Brands

**IKIRU PEOPLE**

**Ti Talentis**  
GLOBAL

**FileFinder**

**GATEDTALENT**

**Voyager**

**isv.online**



# FINANCIAL REVIEW

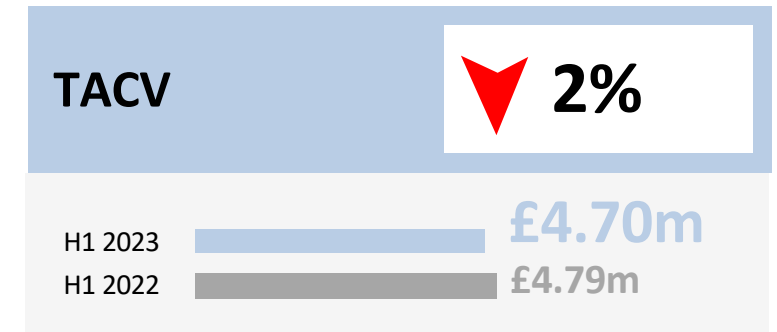
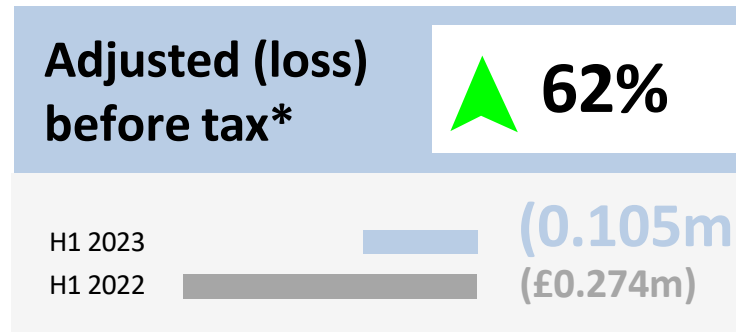
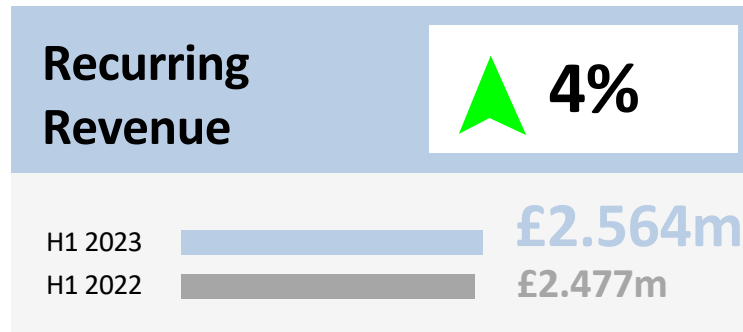
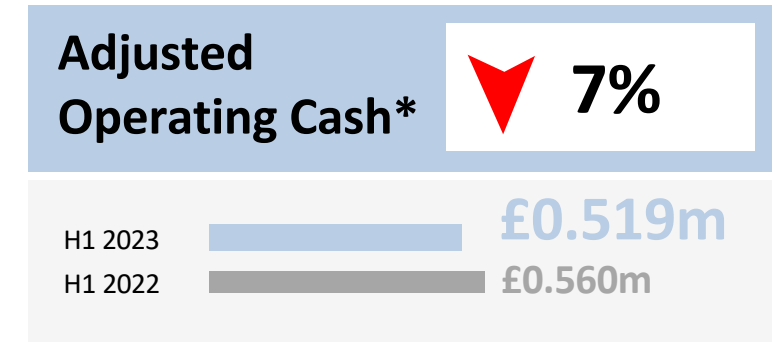
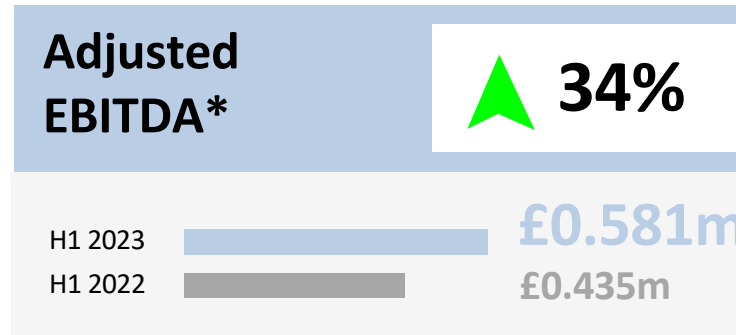
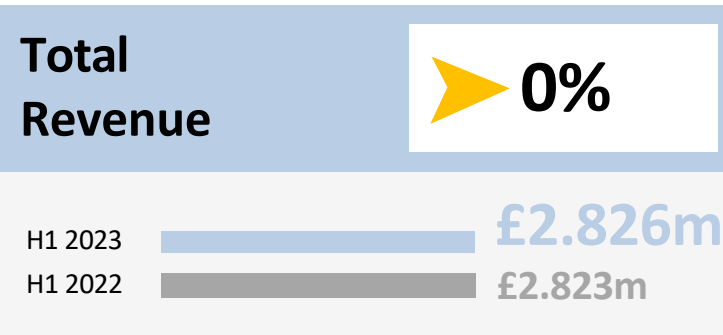
**FY23 H1**



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Dillistone Group Plc



# Interim FY23 Financial Highlights – Adjusted for Govt Support\*



# Interim FY23 Financial Highlights

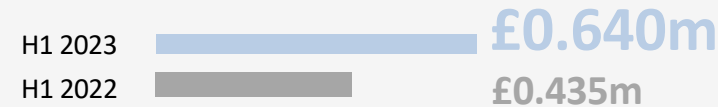
## Total Revenue

0%



## EBITDA

47%



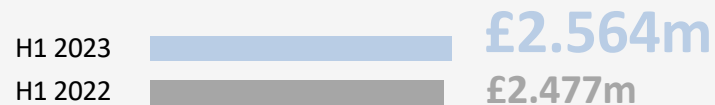
## Operating Cash

1%



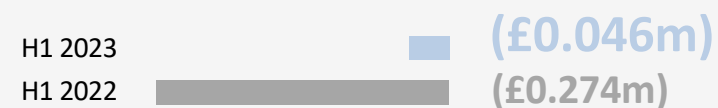
## Recurring Revenue

4%



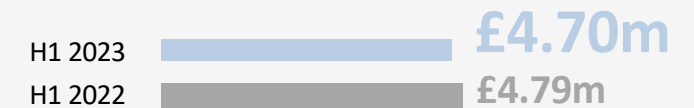
## (Loss) before tax

83%



## TACV

2%



# Summary Income Statement

## Improving financial performance

- **First reported H1 adjusted operating profit since 2018**
- **Adjusted EBITDA\* up 34% at £0.581m (FY22: £0.435m)**
- **Adjusted EBITDA\* margin increasing to 20.6% (FY22: 16.7%)**

SUMMARISED INCOME STATEMENT	H1 2023	H1 2022
	£000	£000
Revenue	2,826	2,823
Gross Profit	2,514	2,472
Adjusted EBITDA	581	435
Less: depreciation and amortisation	(545)	(564)
<b>Result from operating activities before acquisition related, reorganisation and other items</b>	<b>36</b>	<b>(129)</b>
Less: acquisition related, exceptional and govt support items	(9)	(82)
<b>Result from Operating Activities</b>	<b>27</b>	<b>(211)</b>
Less: Financial cost	(73)	(63)
<b>Loss before tax</b>	<b>(46)</b>	<b>(274)</b>

\* Adjusted refers to activities before acquisition, reorganization, Government support and one-off costs.



# Cash Flow

## Cash adjusted for the effects of govt support

- **Adjusted operating cash down 7% at £0.519m** (FY22: £0.560m)
- **Adjusted net change in cash and cash equivalents 17% down at (£0.217m)** (FY22:(£0.186m))
- **Continued investment in software development of £0.469m** (H1 FY22:£0.482m)
- **CBILS stands at £0.900m at 30<sup>th</sup> June 2023, with final payment scheduled for June 2026.**
- **Board sees no need for further fundraising**

SUMMARISED CASH FLOW	H1 2023	H1 2022
	£000	£000
Adjusted net cash from normalised operating activities	519	560
Investing Activities – net	(469)	(482)
Financial Activities - net	(267)	(264)
Adjusted Net change in cash and cash equivalents	(217)	(186)
Adjustment for Govt Support	46	-
Net change in cash and cash equivalents	(171)	(186)
Cash and cash equivalents at beginning of year	433	764
Effect of foreign exchange rate changes	(13)	30
Cash and cash equivalents as at 30 <sup>th</sup> June	249	608





# Positive financial performance

Focus on laying the foundations to drive future revenue growth

- **Progress** continues on financial turnaround
- First half year **adjusted operating profit** since H2 2018
- **Recurring revenue** growth of **4%**
- **34%** increase in **adjusted EBITDA** achieved while continuing to invest in software development
- **Return to positive EPS**

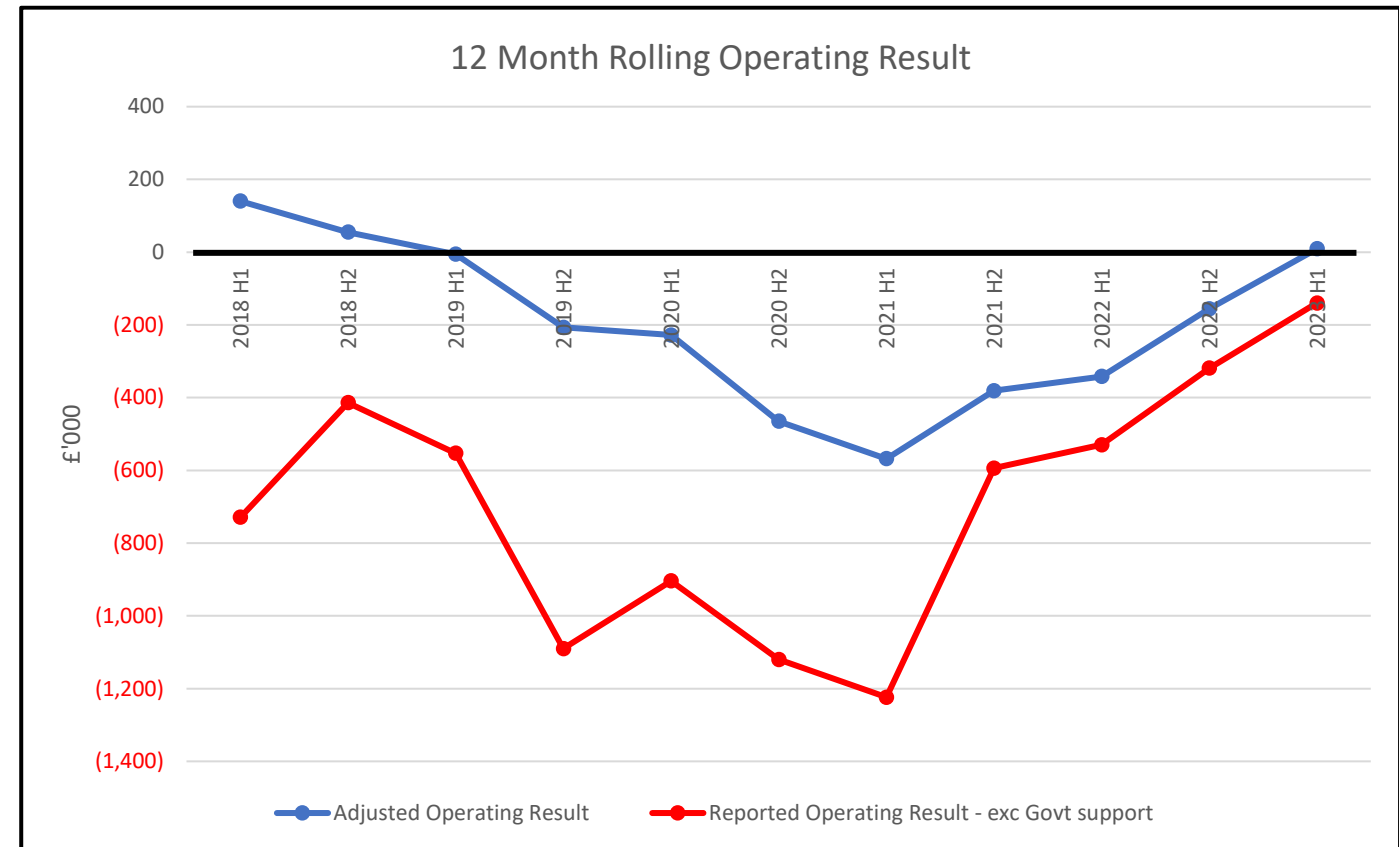


# Operational Review and Outlook



# The Long Road back

- **FY18**  
Large client loss and initial under-performance of new product.
- **FY19**  
Recognition of issues and reorganisation
- **FY20 – FY21**  
Covid
- **FY22 – Future\***  
Recovery and sustainable growth



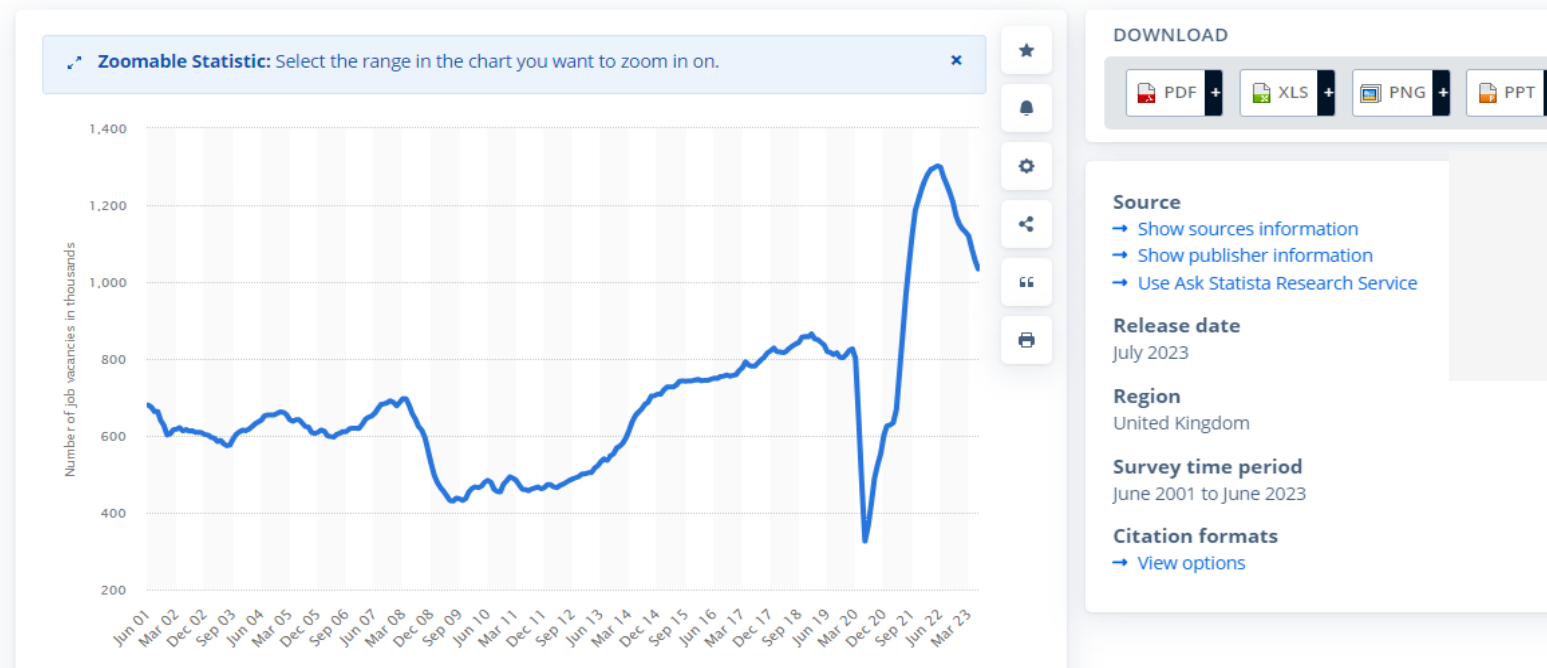
\* Adjusted refers to activities before acquisition, reorganization, furlough, Government support and one-off costs.

# Recruitment Market Conditions

Economy & Politics > Economy

## Number of job vacancies in the United Kingdom from June 2001 to June 2023

(in 1,000s)



- Sharp reduction in vacancies in Q2
- Less vacancies mean less need for recruiters

## Growth Opportunities for Dillistone Group

	Contingency Products	Executive Search Products
What we did in H1	<ul style="list-style-type: none"> <li>• Y-o-Y Revenue broadly level in a challenging economic climate</li> <li>• Launched TrustID integration and partnership</li> <li>• Talentgraph integrated into Infinity, earning first revenue in H1</li> </ul>	<ul style="list-style-type: none"> <li>• Y-o-Y Revenue up 1% after years of decline</li> <li>• Talentis functionality constantly evolving, ChatGPT search enhancements added</li> </ul>
The Future	<ul style="list-style-type: none"> <li>• Implementation of large contract</li> <li>• Cloud based mid-office system launched</li> </ul>	<ul style="list-style-type: none"> <li>• Significant opportunity for Talentis as market recovers</li> </ul>







## An executive search CRM built around data

- No data entry for hundreds of millions of people
- Superior search results
- Automated data refresh
- Next generation Outlook and Word add-ins
- Increased CRM functionality



## Talentis Progress

Paying clients on every continent  
(exc Antarctica)

Increasingly viable option for  
medium sized firms

Disappointing performance in  
Q2, but improved in summer

Board remains very excited  
about the potential for Talentis

### Firms with Talentis users include:

ARTHUR HUNT  
*HR for Humans*

 Henley  
Research  
International

JOHNSON PARTNERS

**Kestria**

 SIGNIUM

UNIQUE  
group

INTERSEARCH

MRINETWORK.

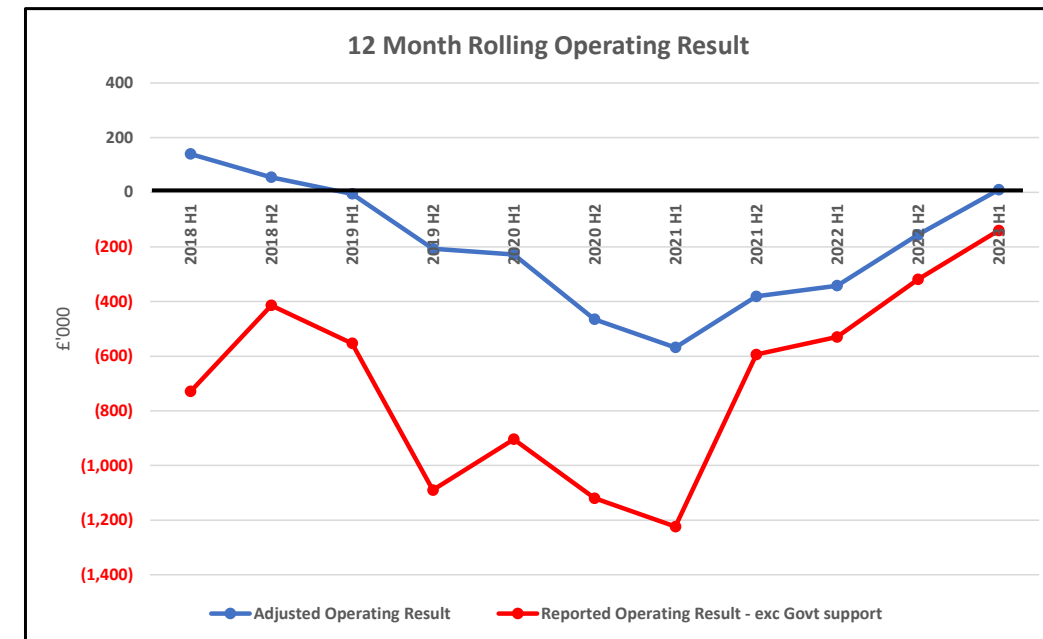
## 2-way Investment Proposition

### Recovery Story

Losses have been eliminated and moving towards profitability even with current turbulent economic conditions

### Growth Story

Talentis positioned to take advantage of recovery in Recruitment market



# Q&A



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Dillistone Group Plc

# APPENDIX



# Board of Directors - Executive

## Jason Starr – Group CEO

Jason Starr joined the Group in 1994 in a junior marketing role. He became Marketing Manager in 1996 before becoming Managing Director of the UK business in 1998. Following the MBO, Jason became Chief Executive of the Group. Jason was appointed a Non-Executive Director of AIM listed PCIPAL PLC from January 1st, 2015. Jason has a BA (Honours) business studies degree from the London Guildhall University.

## Ian Mackin – Finance Director

Ian graduated with an honours degree in Accountancy Studies from the University of Huddersfield. Following CIMA qualification in 2004, Ian spent 11 years as Financial Controller of a Childcare chain before a stint as Director of Finance in a Care Home chain.

Ian joined the Group in 2018 and since 2019 has been Group Financial Controller, playing a key role in the restructuring of the Group. He joined the Group Board in June 2022.

## Paul Mather – Chief Operating Officer

Paul has been employed in the group since 1999 after graduating with an honours degree in Physics from the Surrey of University. Paul joined in a 2nd line support role with Voyager Software Ltd before taking over the support function in 2000. In 2001 he became Customer Services Director before taking over as Operations Director in 2003. After selling Voyager to Dillistone Group in 2011 Paul was part of the due diligence teams for the subsequent Group acquisitions and is now responsible for Group operations globally.

## Simon Warburton – Chief Technology Officer

Simon graduated with an honours degree in Computer Science from the University of Leeds and following a brief stint with an IT recruitment business, joined Voyager Software's technical team in 1997. In the following years, Simon held various roles in the business in both the technical and sales arenas before becoming Managing Director in 2002, where he remained until Voyager Software's acquisition by Dillistone Group in 2011.

Post-acquisition, Simon continued in the role of Managing Director for the contingent recruitment division of the Group, which included the acquisition of two further businesses in 2013 and 2014. Simon's responsibilities also included the Group's IT infrastructure before being formally appointed as CTO in January 2020. Simon continues to be responsible for the Group's IT infrastructure alongside his other responsibilities in the sales, marketing and account management operations.

## Steven Hammond – Group Engineering Officer

Steven Hammond has a multifaceted IT background spanning more than 20 years with a blend of technical, software development and business roles throughout that time. He joined the Group after the acquisition of ISV Software Ltd in 2014. Post-acquisition, Steve continued his role of Director of IT for ISV, and in 2019 became responsible for the R&D and software engineering strategy of the Group's software products.

# Board of Directors – Non-Executive

## Giles Fearnley – Non Executive Chairman

A career in the passenger transport industry saw Giles lead an MBO in 1991 forming Blazefield Holdings Limited, a business operating bus networks principally across Yorkshire and Lancashire. This company was sold to Transdev in 2006.

In 1997 he was appointed Chief Executive of Prism Rail PLC, having been one of that company's founders, and held that position until its sale to National Express in 2000. Prism Rail operated four of the UK's passenger rail franchises with a turnover of £500million per annum.

Giles retired in November 2020 from the role of Managing Director - Bus, UK and Ireland for First Group Plc. Giles served as chairman of the Association of Train Operating Companies in 1999/2000 and as chairman of The Confederation of Passenger Transport UK.

## Julie Pomeroy – Non Executive Director

Julie was appointed as a Non-executive director on 1<sup>st</sup> October 2021 having previously held the role of Group Finance Director, until her resignation 30 September 2021.

She graduated with an honours degree in Physics from Birmingham University and is a Chartered Accountant and Chartered Director as well as holding tax and treasury qualifications. Julie was group finance director of Carter & Carter Group plc until October 2005, having joined in 2002 to help grow and float the business. She had previously been Chief Financial Officer of Weston Medical Group plc and prior to this Julie worked at East Midlands Electricity plc as director of corporate finance. She was finance director of AIM quoted Biofutures International plc until July 2010.

She is also the non executive chair of Oxford Cannabinoid Technologies Holdings plc which she joined as a NED in May 2021.



# Reconciliation to Adjusted Numbers

	2023 H1 £'000	2022 H1 £'000
EBITDA	640	435
US government grant (Employee Retention Scheme)	(59)	-
Adjusted EBITDA	581	435

	2023 H1 £'000	2022 H1 £'000
Result from operating activities before acquisition related, reorganisation and other items	36	(129)
Acquisition related, reorganisation and other costs as above	(9)	(82)
Adjust for:		
US government grant (Employee Retention Scheme)	(59)	-
Adjusted Operating (Loss)	(32)	(211)
Financial Cost	(73)	(63)
Adjusted (Loss) Before Tax	(105)	(274)

	2023 H1 £'000	2022 H1 £'000
Net Cash generated by operating activities	565	560
US government grant (Employee Retention Scheme)	(46)	-
Adjusted operating cash	519	560



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