



Dillistone Group plc (AIM: DSG)

Company Summary

Investment Profile

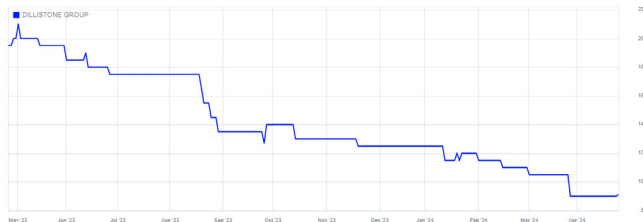
- Flagship product, Talentis, offers market leading executive search features in a user friendly interface, leveraging new AI capabilities
- The Company is well positioned to make significant market share gains as market demand returns
- Cost restructuring now fully embedded, protecting EBITDA margin
- 89% of revenue recurring, expected to cover 100% of Group administrative expenses, setting a strong base for future growth

Share Information

Ticker	AIM: DSG
Share Price (GB pence)	9.50
Shares in issue (m)	19.7
Market Cap (£m)	1.77
12m Hi/Low (GB pence)	8.0/21.0

(Source: The London Stock Exchange, April 2024)

12-Month Share Price



(Source: The London Stock Exchange, April 2024)

Major Shareholders (as of 28 March 2024)

Name	%
Jason Starr	18.19
Rory Howard	16.78
Herald Investment Management	8.99
Unicorn Asset Management	8.11
James McLaughlin	7.68
Sarah McLaughlin	5.39
Mike Love	5.03
Close Asset Management Ltd	3.32
Robert Howells	3.30

(Source: company website)

Company Overview

Dillistone Group Plc is a global leader in the supply of technology solutions and test & train services to the recruitment sector worldwide, in both contingency recruitment and executive search markets.

The Group trades through the Ikiru People brand selling into recruitment, staffing and executive search businesses, as well as corporate talent acquisition teams around the world.

Ikiru People provides the platforms its clients need to enhance the recruitment process, source the best talent, test and train candidates, and support further development. Selling into more than 50 countries over six continents and working with thousands of users, the Group boasts more than 30 years in the market and 100's of years of collective experience.

The Group develops, markets and supports the Talentis, FileFinder, Infinity, Mid-Office, ISV and GatedTalent products.

Strategy

The Group has **reduced the size of its product range while broadly maintaining consistent levels of product development expenditure**. Product development costs have remained broadly consistent since FY21 (c.17% of revenues) and the Board believes that the Group is now increasingly seeing the benefit. Despite a challenging economic climate, Dillistone's ability to win ever larger contracts in the contingent product group, while ending the decline in executive search revenue, validates the strategic decisions made. Maintaining the current focus, **the Board and management team's priority is increasing revenues whilst improving the Group's profitability and cash generation**.

What's New?

Dillistone's final results present **continued progress** as the Group **returns to profitability** with a **241% increase** in adjusted operating profit up to £0.220m, for the first time since 2018. This increase is due to maintaining concentration on **product development** whilst investing into internal systems and technology to drive a more **agile business** in preparation for changes in demand when the recruitment sector returns to growth. Adjusted EBITDA also increased by **38%** to **£1.314m** (FY2022: £0.949m), while loss before tax reduced by **77%** to **£0.104m** (FY2022: £0.453m). Dillistone expects **recurring revenues** to cover 100% of its administrative expenses, setting itself a strong base for the future and giving the Board confidence in its ability to **deliver further progress in FY24**.

*Commenting on the results and prospects, **Giles Fearnley, Non-Executive Chairman**, said:*

"I am pleased to report the Group has returned to operating profitability in FY2023 for the first time since 2018.

*"In a challenging market, the Group has delivered profit performance **in line with expectations**, paid down debt and continued to invest for the future.*

*"We have made a **solid start** to the year, with all products performing broadly in line with expectations in the first quarter. The Board is confident of making further progress in 2024."*

Talentis Executive Search

Talentis takes advantage of big data and artificial intelligence technology to track publicly available world-wide information on executives and the organisations they work for. The current application is focused on the executive search sector, a niche in which the Group has extensive experience. The Talentis executive search software product reduces the administrative overhead associated with sourcing potential candidates for senior level positions, and with vastly superior candidate results, both in quantity and quality.

Talentis supports all levels of the executive candidate search process. A fast, easy to use project management and CRM tool is supported by a powerful search tool which allows users to search 559 Million global candidate profiles without leaving Talentis. Users report that Talentis' unique "augmented keyword search" can often deliver a more targeted search than LinkedIn can – in a fraction of the time.

The system is quick, easy to use and requires virtually no data entry. The candidates can be managed and exported through the platform, meaning an instantaneous and up to date candidate database.

Development of Talentis has continued aggressively and it now boasts integrations with OpenAI that allow users to search for candidates more efficiently, and helps users to find "similar candidates" based on a "template candidate".

Meet Dillistone

The Company holds regular Investor presentations through the Investor Meet Company platform. Registration is free [here](#).



The Group

Dillistone Group Plc is a leading global provider of software and services to recruitment firms and in-house recruiting teams. Through its subsidiary Ikiru People, the brands work with over 2,000 clients in over 70 countries.



Key Newsflow

April: [Final Results & Investor Presentation](#)

Jan: [Trading Update & Notice of Results](#)

Sep: [Interim Results & Investor Presentation](#)

Jun: [Result of AGM & AGM statement](#)

Apr: [Final Results, Investor Presentation & Mello2023 presentation in May](#)

Mar: [Contract & Notice of Results](#)

Management Team

Jason Starr, Group CEO

Jason joined the Group in 1994, and became Managing Director of the UK business in 1998. Following the 2006 MBO, Jason became Chief Executive of the Group. He is a well recognised commentator in the recruitment industry. He is also a Non-Executive Director of AIM listed PCIPAL PLC.



Ian Mackin, Finance Director

A chartered accountant with over 25 years experience, Ian joined the Group as Financial Controller at Ikiru from Ashberry Healthcare, where he was Director of Finance. Since September 2022, Ian has been the Finance Director at Dillistone.



See Talentis Working

You can view company demonstrations of the Talentis platform here:

<https://webinar.talentis.global/watch-on-demand/>

Forecasts (Source: WH Ireland)

	Dec '23 (A)	Dec '24 (E)	Dec '25 (E)	Dec '26 (E)
Revenue (£m)	5.6	5.1	5.2	5.5
Adj EBITDA (£m)	1.3	1.3	1.5	1.7
EPS (p)	0.7	0.6	1.6	2.8
Adj PBT (£m)	0.07	0.1	0.3	0.5