



# DSG

Dillistone Group Plc

## 2024 Interim Results

6 MONTHS ENDING 30 JUNE 2024

**Jason Starr – CEO**

**Ian Mackin – Finance Director**



## Disclaimer

*The information contained in this document (the “Presentation”) has been prepared by Dillistone Group plc (the “Company”) solely for informational purposes.*

*All statements of opinion and/or belief contained in this Presentation and all views expressed represent the directors’ own current assessment and interpretation of information available to them as at the date of this Presentation. In addition, this Presentation contains certain “forward-looking statements”, including but not limited to, the statements regarding the Company’s overall objectives and strategic plans. Forward-looking statements express, as at the date of this Presentation, the Company’s plans, estimates, forecasts, projections, opinions, expectations or beliefs as to future events, results or performance. Forward-looking statements involve a number of risks and uncertainties, many of which are beyond the Company’s control, and there can be no assurance that such statements will prove to be accurate. No representation is made or assurance given that such statements or views are correct or that the objectives of the Company will be achieved. Existing and prospective investors are cautioned not to place reliance on these statements or views and no responsibility is accepted by the Company or any of its directors, officers, employees or agents in respect thereof. The Company does not undertake to update any forward-looking statement or other information that is contained in this Presentation. Neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information contained in this Presentation or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.*

*This Presentation should not be considered a recommendation by the Company or any of its affiliates in relation to any prospective acquisition of shares in the Company. No undertaking, representation, warranty or other assurance, express or implied, is made or given by or on behalf of the Company or any of its affiliates, any of its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted for any such information or opinions or for any errors or omissions.*



# Dillistone Group – Delivering in a difficult market

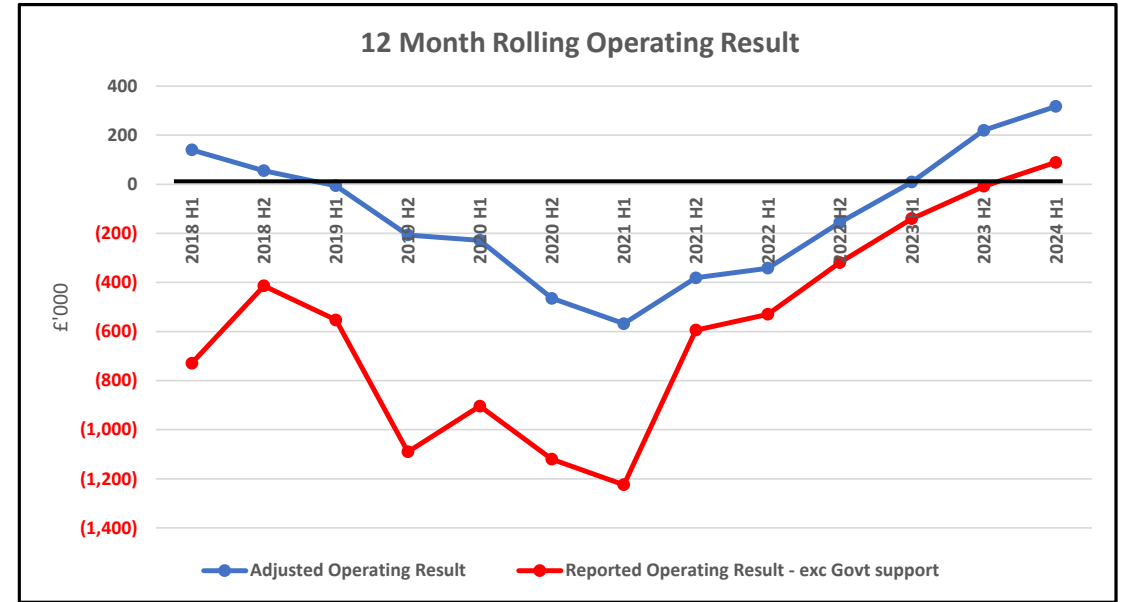
First H1 adjusted profit before tax since 2018

Adjusted EBITDA margin at **28%**

Rolling 12 month adjusted operating profit **£317k**

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

Board expect **full year profit results** in line with expectations



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

# 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 and career services.

## Our Brands








## Trustpilot – Highly Rated



**Ikiru People**

Reviews 810 • Excellent



✓ VERIFIED COMPANY

## Over 1,200 Customers











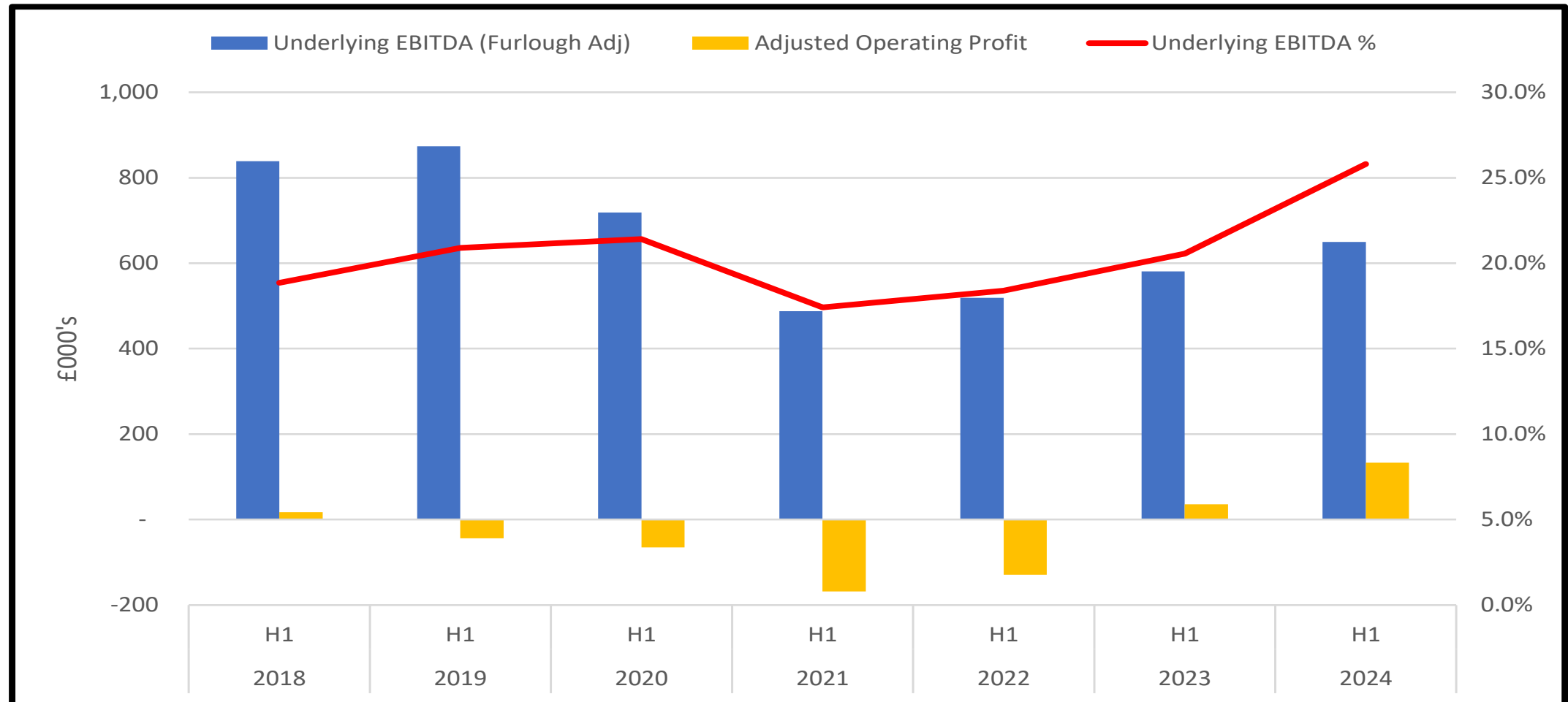



# FINANCIAL REVIEW

**FY24 H1**



# Our Recent H1 Results History



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

## FY24 H1 Financial Highlights

**£0.650m**

**+12% YoY**  
EBITDA



**£2.519m**

**-11% YoY**  
Total Revenue



**£0.653m**

**+7% YoY**  
Adjusted Operating Cash before  
working capital



**£0.133m**

**+269% YoY**  
Adjusted Operating Profit



**£2.293m**

**-11% YoY**  
Recurring Revenue



**0.23p**

**0.21p increase YoY**  
Adjusted EPS



## Financial Results Summary

	<b>FY 2024 H1</b>	<b>FY 2023 H1</b>	<b>Change</b>
	£000	£000	
Revenue	2,519	2,826	-11%
Gross Profit	2,250	2,514	-11%
Adj. EBITDA	650	581	+12%
Ad. Operating Profit / (Loss)	133	36	+269%
<b>Adj. Profit / (loss) before tax</b>	<b>53</b>	<b>(37)</b>	<b>+243%</b>
Adj. EPS	0.23p	0.02p	+1050%
Profit / (loss) after tax	(9)	8	-212%

- **Third consecutive half year of operating profit**
- **Adjusted EBITDA\* up 12%**
- **Adjusted EBITDA\* margin increased to 25.8%**
- **Adjusted Operating Profit\* at highest level since 2017**

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



# Cashflow Summary

	<b>FY 2024</b>	<b>FY 2023</b>
	<b>H1</b>	<b>H1</b>
	<b>£000</b>	<b>£000</b>
Adjusted Operating Cash before working capital	653	613
Adjustment for Govt Support	-	46
Working Capital	(118)	(86)
Taxation	(6)	(8)
Net cash from operating activities	529	565
Investing activities	(441)	(469)
Financing activities	(241)	(267)
Net change in cash and cash equivalents	<b>(153)</b>	<b>(171)</b>
Effect of foreign exchange rates	-	(13)
Cash and cash equivalents at 30 <sup>th</sup> June	(172)	249

- ▶ **Adjusted operating cash before working capital up 7% at £0.653m**
- ▶ **Adjusted net change in cash and cash equivalents improved 11% at (£0.153m)**
- ▶ **Continued investment in software development of £0.441m**
- ▶ **CBILS stands at £0.600m at 30<sup>th</sup> June 2024, with final payment scheduled for June 2026.**

# Operational Review and Outlook



# Recruitment Market Conditions



## Adecco Group Q2 revenue falls 2% amid market challenges

Adecco revenue was 2% lower, Akkodis revenue was also down 2%, and LHH revenue fell 7% on an organic trading days adjusted basis. [Read more](#)



## Mare Nostrum Q2 revenue falls 15% in constant currency

Mare Nostrum also reported revenue of €67.8 million for the H1 period, down 11% in constant currency and down 22.9% over the prior year pe-

THURSDAY 22 AUGUST 2024 12:10 PM



## Eezy Q2 revenue down

The reason for the staffing services.

# Hays results 'lay bare' UK recruitment crisis

revenue down 13% amid challenging mar-

ket "in hiring market conditions relative to the [Read more](#)



## Dutch temporary

In period 7 starting decreased by 3%



Amber Murray  
Retail Reporter



## Revenue in line with expectations

to defer decisions, the company says. [Read more](#)



## PageGroup announces lower revenue and profitability in softening global market

Full-year profit forecast misses analysts' expectations [Read more](#)



## Robert Half reports clients cautious in Q2, revenue down 10.1%

Second-quarter earnings were still within guidance ranges. [Read more](#)



## PION Group Q2 revenue down 19.6% while profits weaken

CEO Martin Hansson said the decline in revenue and earnings can be attributed to the market as well as increased costs in the group. [Read more](#)



## Empresaria H1 results reflect ongoing industry struggles

Reported net fee income decreased by 15% year-on-year (y-o-y) to £25.3m, primarily due to a fall in permanent placements. [Read more](#)



## Impact on us:

- H1 saw deterioration of an already challenging market.
- c10% of our clients reduced headcount in the period
- Further clients have ceased trading or cancelled subscriptions
- New business sales subdued

## Actions Taken:

- 10% reduction in hosting costs driven by product improvements
- US business now serviced from UK and Australia
- Ongoing premises footprint and costs reduced significantly
- Service quality maintained - Trustpilot score rated Excellent



## Post Period - Investment Secured

- All current Directors plus former Chairman Mike Love injecting £300k in the form of convertible loan notes.
- Loan notes carry an interest coupon of 9.85% pa with a maturity of 48 months
- Conversion price of 14p represented a 55.6% premium over price at issue
- £60,000 investment secured from new independent shareholder. 750,000 new shares issued at a subscription price of 8p.

### Loan notes issued

Giles Fearnley	£60,000
Jason Starr	£90,000
Ian Mackin	£30,000
Steven Hammond	£15,000
Paul Mather	£15,000
Simon Warburton	£15,000
Julie Pomeroy	£5,000
Mike Love	£70,000





# Ready to deliver as expected in 2024

Delivering despite, not because of...

- **“We expect to make further progress in 2024”**
- **Our recurring revenues projected to continue at c 90% total revenue levels**
- **Our cost base assumes a revenue fall in H2**
- **Confident in delivering adjusted PTP in line with market expectations for FY24**



# Outlook

## Summary & Outlook

### FY25 Outlook

- **Challenging sales in FY24 expected to impact revenue in FY25**

### FY26 Outlook

- **Markets expected to recover in FY25 leading to revenue growth in FY26**

### Growth Driver – Contingency

- **We continue to invest, with new revenue streams coming online in H2 FY24**

### Growth Driver – Exec Search

- **When market recovers, Talentis expected to drive growth**

# Q&A



**DSG**  
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.

