

# Careers MultiList Limited

(ASX: CGR)

Investor Presentation

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April 2012

## Contents

- Business Overview
- Growth Strategy
- Financial Summary

# Business Overview

*“Careers MultiList helps its clients gain a competitive advantage through innovative human capital solutions”*

The Careers MultiList Group has 3 divisions,

| Business Division                                         | Human Capital Services                                                                                                                                                                    |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Careers MultiList                                         | <ul style="list-style-type: none"><li>• Business development support for recruitment agency partners</li><li>• Operational support</li><li>• HR services</li><li>• Cost savings</li></ul> |
| Lester Associates<br>(100% owned by<br>Careers MultiList) | <ul style="list-style-type: none"><li>• Migration practice</li><li>• Contract management services, including sponsorship for on-hire</li></ul>                                            |
| Zenith Management<br>(100% owned by<br>Careers MultiList) | <ul style="list-style-type: none"><li>• Project management</li><li>• Staffing and technical services provided to Libraries</li></ul>                                                      |

## Business Overview - Divisions

### Careers MultiList

- Careers MultiList has 94 recruitment agency partners (franchisees), across 110 locations nationally. Agency partners pay subscription fees to Careers MultiList to participate in business development activities and access business support services. The majority of agency partners are typically small/medium, with less than 30 staff
- Careers MultiList helps its recruitment agency partners supply to large corporate businesses and Government departments by negotiating supply contracts on behalf of the national group

[www.careersmultilist.com.au](http://www.careersmultilist.com.au)

## Business Overview - Divisions

### Lester Associates

- Lester Associates has 90 recruitment agency clients and 20 end-user clients, many of which are major ASX listed companies . Agency clients access contract management and migration services. Fees paid reflect the level of services accessed. The majority of agency clients are small/medium, with less than 30 staff
- Lester Associates also helps its recruitment agency clients supply contract staff, including international candidates, to corporate businesses through supply contracts it holds and the Labour Agreement held with DIAC allowing sponsorship for on-hire

### Zenith Management Services

- Zenith provides staff and technical services to libraries and the information management industry. Clients of Zenith are typically Government, Education and professional associations

[www.lester.com.au](http://www.lester.com.au)

[www.zenmgt.com](http://www.zenmgt.com)

## Business Overview – Client Analysis

### Client analysis

| Business Division          | Number of Agency clients | Number of End-user clients | % of earnings from Agency clients | % of earnings from End-user clients |
|----------------------------|--------------------------|----------------------------|-----------------------------------|-------------------------------------|
| Careers MultiList          | 94                       | 30                         | 45%                               | 55%                                 |
| Lester Associates          | 90                       | 20                         | 80%                               | 20%                                 |
| Zenith Management Services | N/A                      | 60                         | N/A                               | 100%                                |

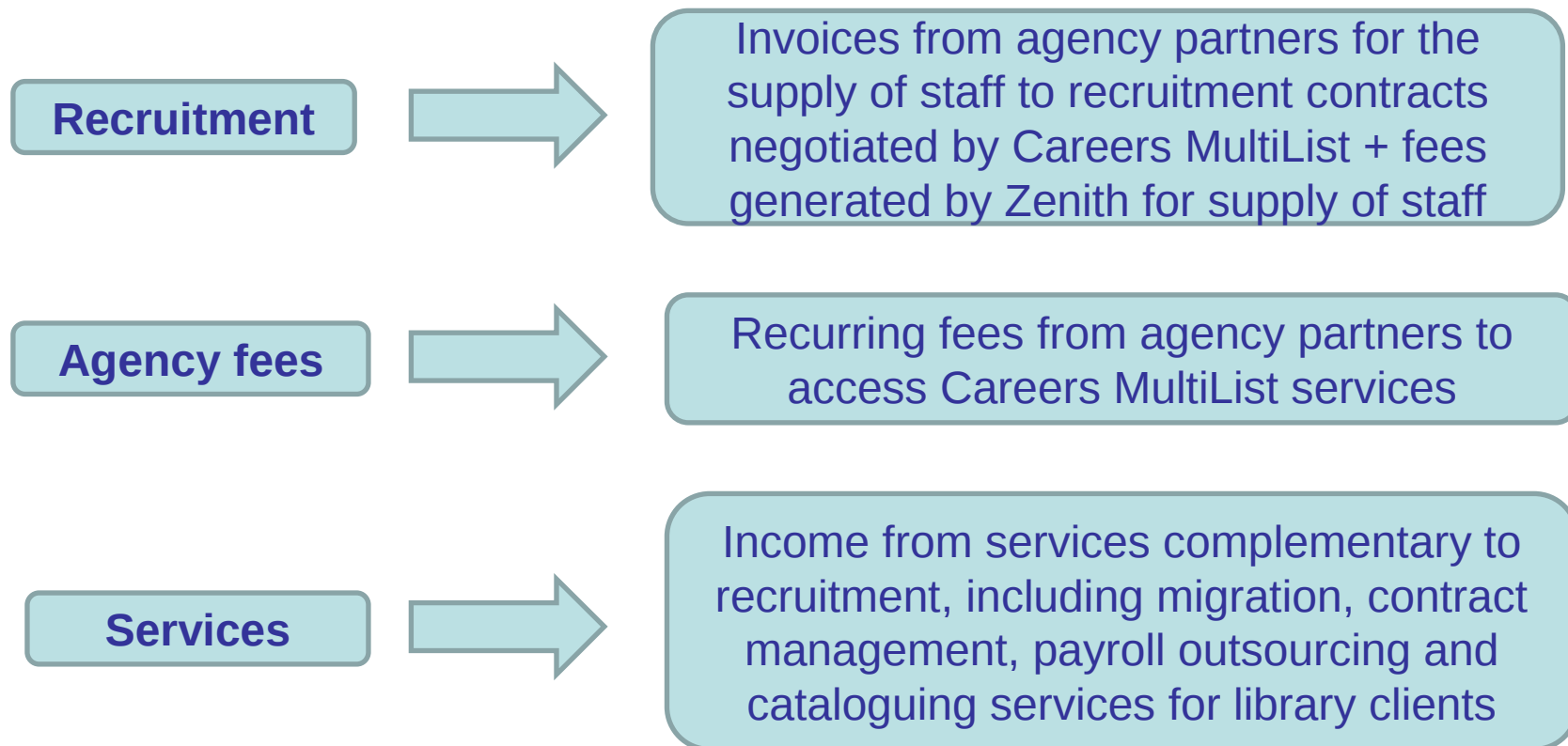
## Business Overview - History

### Key events

|                |                                                                        |
|----------------|------------------------------------------------------------------------|
| Early 2002     | Company established by Greg and Daniel Riley                           |
| November 2009  | Acquisition of Zenith Management Services                              |
| February 2010  | Company listed on ASX. Acquisition of Lex Brown subcontractor business |
| March 2011     | Share placement                                                        |
| September 2011 | Acquisition of Lester Australia                                        |

# Business Overview – Revenue Streams

## Multiple revenue streams – human capital services



# Growth Strategy

## Three core growth strategies

- New services
  - developed in-house
- Cross-sell opportunities
- Agency Partner fees

## Growth Strategy – New Services

### New services developed in-house

- CMLpayroll
- CMLpartners
- Managed Services / Recruitment Process Outsourcing (RPO)

# Growth Strategy – New Services (CMLPayroll)

## Outsourced Payroll

- ✓ Online timesheets & induction
- ✓ Payroll processing and invoicing
- ✓ Advanced online user interface for candidates, clients and consultants

*Charge is 0.5% of invoice value to end-user client*



## Finance, Collections and Insurance

- ✓ Payroll administration and legal (as described above)
- ✓ Immediate payment of 80% of client's invoice value (remainder on receipt from client)
- ✓ Managed collections
- ✓ Credit risk insurance

*Charge is 2.0% of invoice value to end-user client*

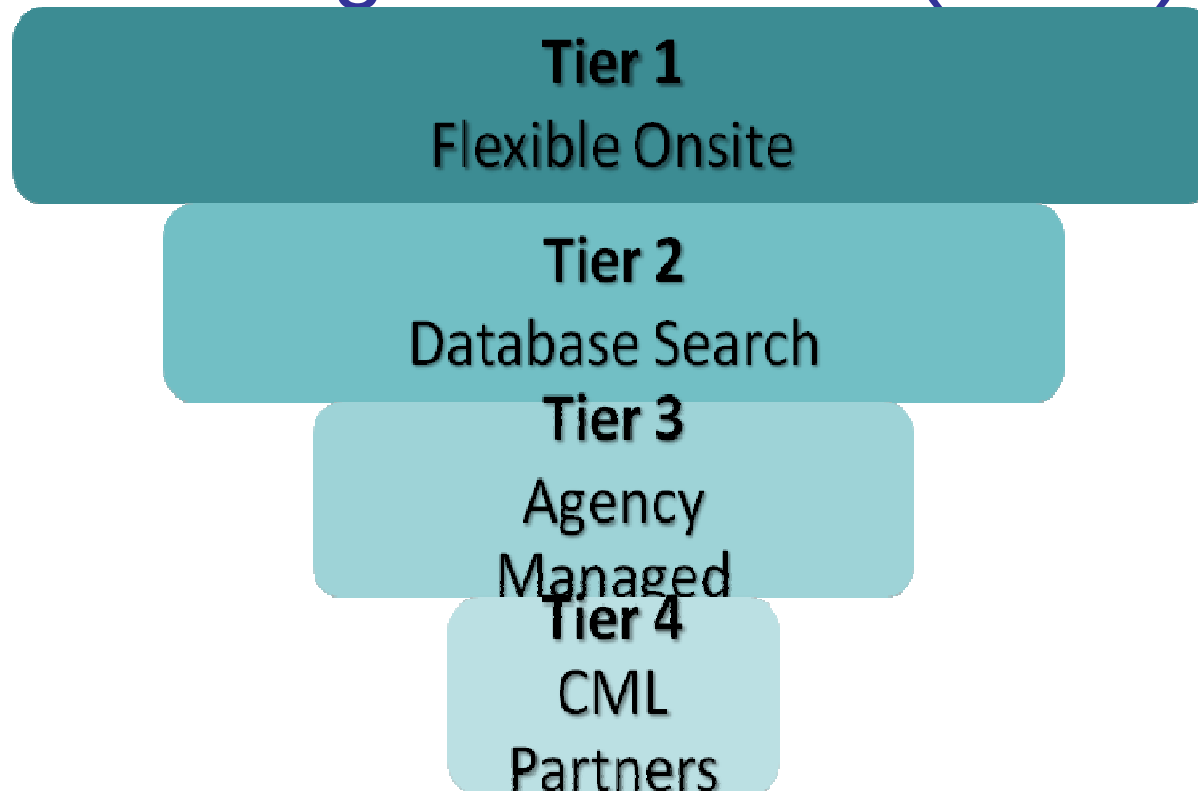
*Trials of CMLpayroll commenced Dec11 and became fully operational in Feb12. There are now 7 agencies using CMLpayroll, generating top-line revenue of \$150k to \$200k per week. CMLpayroll Gross Profit is 2% to 2.5% of top-line revenue.*

# Growth Strategy – New Services (CMLpartners)

- CMLpartners is a network of search consultants, for whom CMLpartners develops business and facilitates networking between members of the Group
- Fees are derived from member subscription and fee splits on roles sourced by CMLpartners on behalf of members of the network
- Launched in November 2011, this initiative is still in its start-up phase

[www.cmlpartners.com.au](http://www.cmlpartners.com.au)

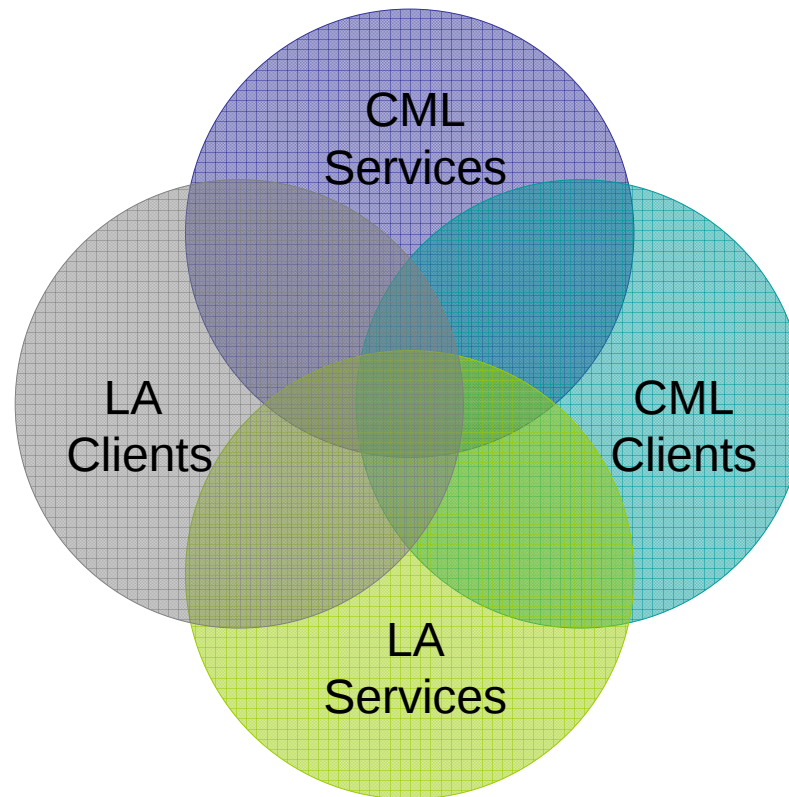
# Growth Strategy – New Services Managed Services (RPO)



Careers MultiList's agency network structure provides access to a large number of specialist consultants. Consultants are accessed as needed, so overheads are flexible. This structure means that RPO services can be delivered by Careers MultiList cost efficiently to all businesses, including SME's.

# Growth Strategy – Cross Sell

- Introduce Careers MultiList (CML) services to Lester Associates (LA) agency customers
- Introduce Lester Associates services to Careers MultiList agency partners and end-user clients



# Growth Strategy

## Agency Partner Fees

There are currently 94 agency partners of Careers MultiList

Careers MultiList's target is to increase the number of agency partners to 110 by the end of FY13.

New agency partners will include search specialists that join under the CMLpartners brand

Fees from new agency partners are expected to contribute an additional \$180k to \$220k to annual earnings once the target number of 110 is reached.

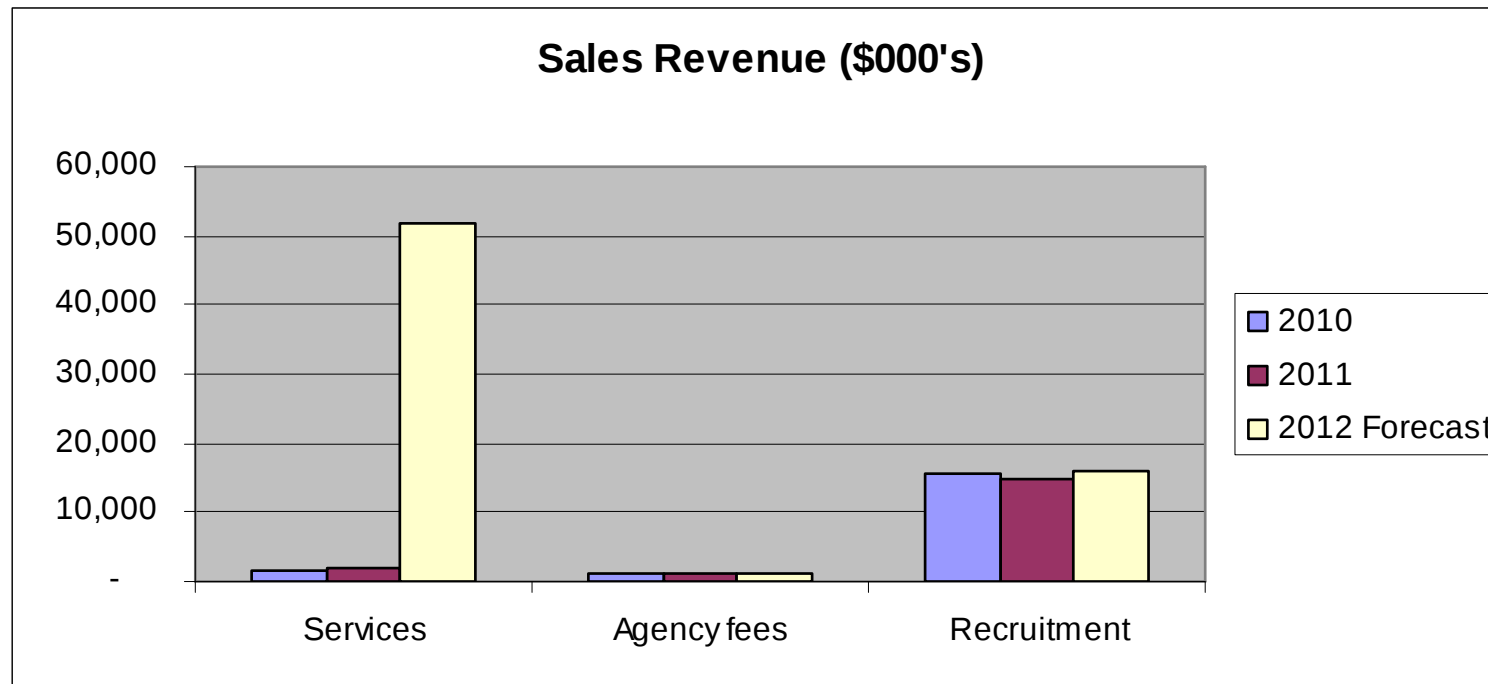
## Financial Summary

- Earnings Information
- Segment Reporting
- Review of 1HY2012
- FY2012 Outlook

# Earnings Information

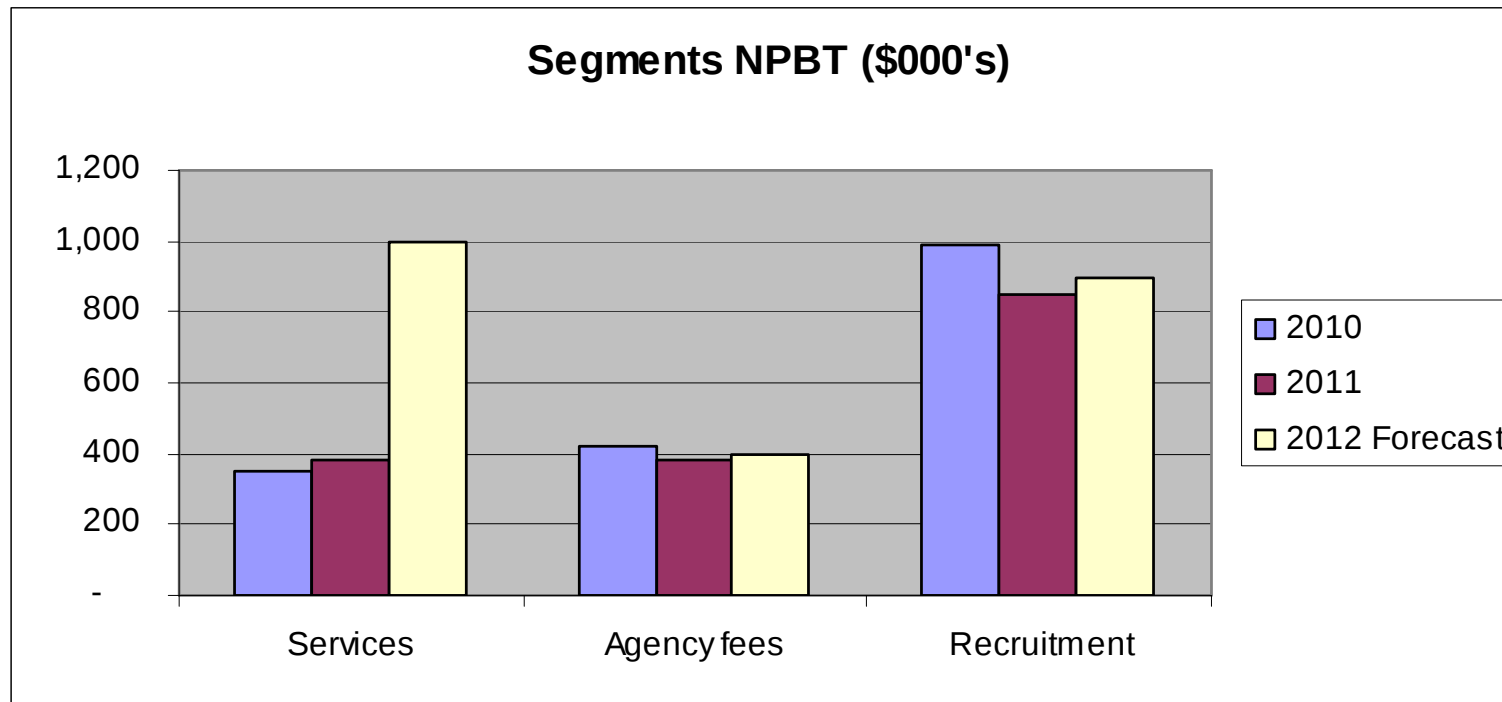
|                                                                                                                                                                               | Actual                                 |                                 |                                                       | Forecast                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|-------------------------------------------------------|---------------------------------------------|
|                                                                                                                                                                               | Half year ended<br>31 December<br>2010 | Full year ended<br>30 June 2011 | Half year ended<br>31 December<br>2011 <sup>(1)</sup> | Full year to<br>30 June 2012 <sup>(2)</sup> |
| Revenue                                                                                                                                                                       | \$9.30m                                | \$17.89m                        | \$28.96m                                              | \$69.02m                                    |
| EBITDA                                                                                                                                                                        | \$0.62m                                | \$1.35m                         | \$1.00m                                               | \$2.01m                                     |
| Net profit after tax                                                                                                                                                          | \$0.38m                                | \$0.83m                         | \$0.61m                                               | \$1.25m                                     |
| Earnings per share                                                                                                                                                            | 0.76c                                  | 1.61c                           | 1.10c                                                 | 2.24c                                       |
| Dividends per share                                                                                                                                                           | 0.5c ff                                | 1.0c ff                         | 0.5c ff                                               | 1.0c ff                                     |
| <p>(1) Includes earnings from Lester Associates for the period 19Sept11 to 31Dec11</p> <p>(2) Includes earnings from Lester Associates for the period 19Sept11 to 30Jun12</p> |                                        |                                 |                                                       |                                             |

# Segment Reporting Contribution to Revenue



The sharp rise in sales revenue for services in FY2012 can be attributed primarily to the acquisition of Lester Associates in Sept11. While services income is recurring in nature and highly valued, it is lower margin income than Agency fees and Recruitment

# Segment Reporting Contribution to Profit



## Review of 1HY2012

*“We are pleased with the Group’s significant increase in earnings for the six months to 31 December 2011. The strong result reflects the combination of good performances from our existing operations and the successful integration of the recently acquired Lester Associates.*

*Revenue growth was primarily due to the inclusion of the trading results of Lester Associates which was acquired on 19th September 2011. Lester Associates is a contract management and migration practice that generates its revenues from payroll services. These revenues are recurring in nature and highly valued, although they tend to produce lower margins than the traditional business of Careers MultiList.*

*The Board is pleased that the acquisition of Lester Associates has performed to expectations and the result includes the initial acquisition and business integration costs. The acquisition has strategically transformed the Group and provides substantial growth potential.”*

## FY2012 Outlook

The integration of the Lester Associates business into the group is proceeding well since acquisition in September 2011. The 2HY2012 result will include a full 6 months earnings of the acquired business

A strong 1HY2012 result reflects emerging opportunities and income from the Careers MultiList growth strategy

Significant growth in full year profit is expected, with NPAT for FY2012 forecast to reach \$1.25m. This represents a 50% increase over the FY2011 result (2011: \$0.83m)

## Disclaimer

The information presented herein contains predictions, estimates and other forward looking statements that are subject to risk factors that are associated with the human resource management sector. The persons involved in or responsible for the production and publication of this report believe that the information herein has been obtained from reliable sources and that any estimates, opinions conclusions or recommendations are reasonably held at the time of compilation.

Although Careers MultiList believes that its expectations are based on reasonable assumptions, it can give no assurances that its goals will be achieved.

Important factors that could cause results to differ materially from those included in the forward-looking statements include timing and extent of changes in the employment cycle, government regulation, changes to the number of preferred supplier agreements, reduction in franchise partner numbers and the ability of Careers MultiList to meet its stated goals.

The purpose of this presentation is to provide background information to assist in obtaining a general understanding of Careers MultiList's proposals and objectives. This presentation is not to be considered as a recommendation by Careers MultiList or any of its subsidiaries, directors, officers, affiliates, associates or representatives that any person invest in its securities. It does not take into account the investment objectives, financial situation and particular needs of each potential investor. If you are unclear in relation to any matter or you have any questions, you should seek advice from an accountant or financial adviser.

**April 2012**