

Forward thinking
Straight talking

Interim results

*Six months ended 31 October
2020*

Gateley

Presentation team



Neil Smith FCCA
Finance Director



Rod Waldie
Chief Executive Officer



Nick Smith
Acquisitions Director

Overview & Outlook

Overview

- Resilient, diversified business model
- Robust financial performance in line with H1 20
- Embedded operational agility arising from new ways of working
- Cultural strength, excellent people reaction
- Platforms further enhancing market appeal

Outlook

Outlook

- Continually improving activity levels aligned to strong H2 21 pipeline; means that:
 - assuming no significant deterioration in macro-trading conditions;
 - reforecast FY 21 numbers are deliverable;
 - bonus payments will be made to staff and dividend declared in line with existing policy

Our vision

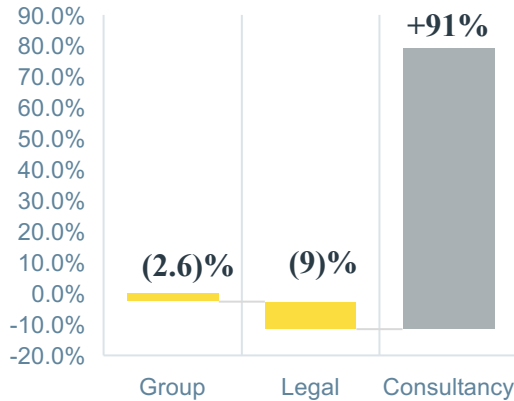
Our vision

- An inclusive growth mission for our people supporting:
 - further diversification through acquisitions; creating
 - an expanded Platforms offering with leading positions in legal and consultancy services; becoming
 - indispensable to our clients; and
 - scaling to a compelling investment in professional services

Financial Summary

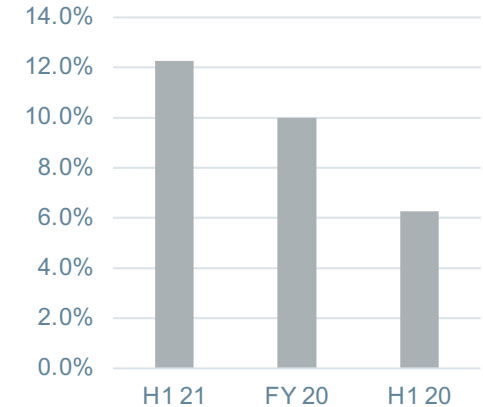
H1 Financial highlights

Group revenue movements

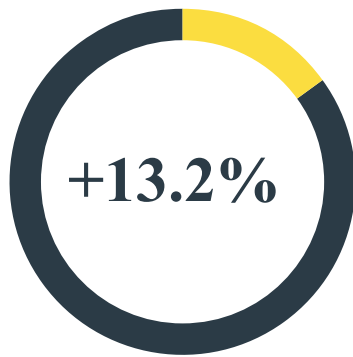


- H1 21 supported by acquired revenue
 - £3.9m in H1 21 (H1 20: £0.4m)
- Organic revenue movement (9.5%)
 - Legal decrease (9.8%)
 - Consultancy decrease (4.9%)

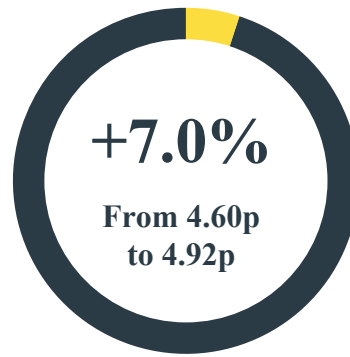
Consultancy revenue mix



Underlying adjusted PBT increased



Underlying diluted EPS increased



Net assets increased



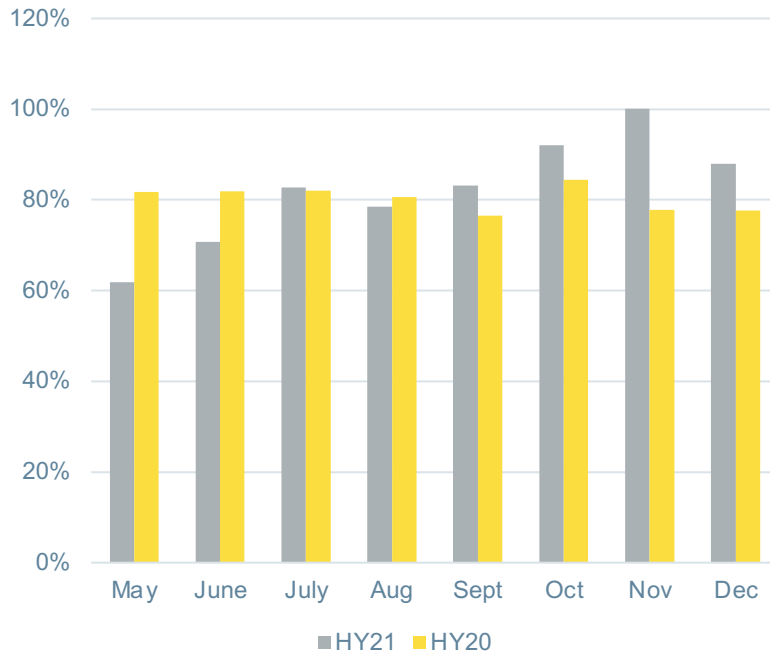
Net cash/(debt)



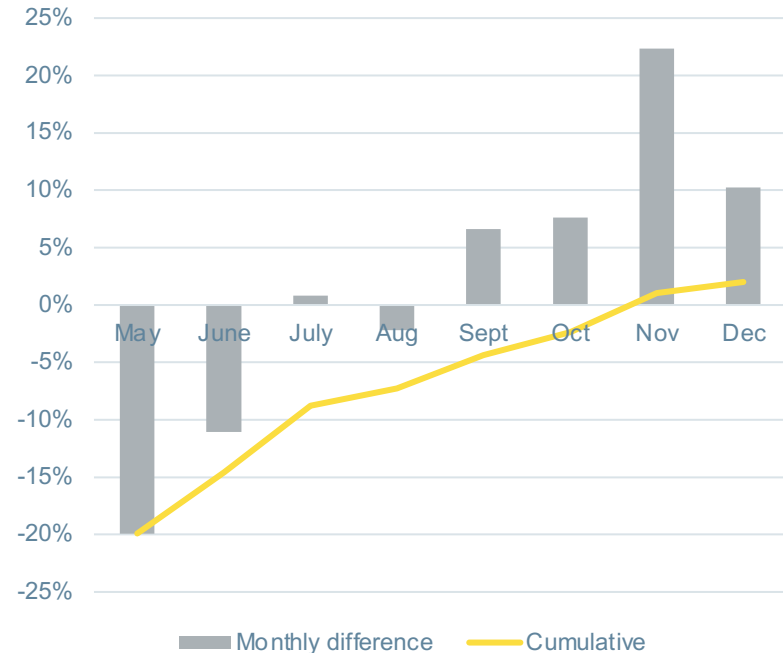
Dividends and bonuses to return to stakeholders following a successful FY21 full year outcome

Utilisation / Activity levels

Activity (utilisation) by month



YTD activity



Key points

- Q2 & Q3 to date - very strong vs negative Q1
- Strategic decision to maintain capacity

Strict adherence to Group financial metrics

Financial metric targets

- One profit
- Payroll costs at 60% of revenue
- Underlying overheads at 25% of revenue
- Underlying adjusted PBT margin target of 15%
- Strong cash generation/free cashflow 100% of PAT
- Dividend pay out ratio of 70% of PAT – Yield of 4%+
- WIP and Debtor days combined <150 days
- Low debt

Benefits

- Cultural alignment
- Cost control and certainty
- Investment mindset
- Risk mitigation in downturn
- Focus on profit and cash generation
- Evenly distributed rewards

Cash focus

Cashflow £m	H1 21 (£m)	H1 20 (£m)	Variance
Operating cashflows before wc movements	10.5	9.2	
Net working capital movement	2.4	(0.9)	
Cash generated from operations	12.9	8.3	
Profit after tax	4.8	4.4	
Cash generation	271%	190%	+43%

Repayment of lease liabilities	(1.2)	(0.4)	
Net interest	(0.6)	-	
Tax paid	(0.4)	(1.7)	
Capital expenditure	(0.1)	(0.9)	
Free cash flows	10.6	5.4	+97%

WIP days	55	49	+6
Debtor days	94	99	-5
Total lock up days	149	148	+1

- > Excellent cash generation from operations
 - > Cautious approach throughout pandemic
 - > Focus on debt collection

- > Strong free cashflow enabling investment and growth in H2/FY22 without overexposure to debt

- > Lock up days steady throughout pandemic
 - > Increase WIP days
 - > Reduced debtor days

- > Targeting further reductions in H2

Financial outlook

H1 21 year-to-date summary (@ Sept 20)

- Swift action taken to:
 - Realise cost savings
 - Conserve cash
- Ample facilities in place
- Utilised government support to avoid redundancies where it aligns with staff protection intent
- KPI trends improving monthly
- All key metrics ahead of post-pandemic expectations
- Looking to maximise operational gearing opportunities
- Revenue difficult to forecast due to current uncertainty however expecting resilience from balance of legal and consultancy offering

Post period end / Looking forward (@ Jan 21)

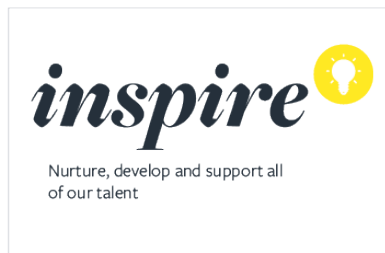
- Margin improvement as adjusted cost-base continues into H2
- Return to organic growth in H2
- Forecasts re-instated - FY21 to FY23
- Proven agile working model, increased headcount capacity
- Further centralisation of processes
- Strong cash generation, low debt creating significant facility headroom for growth/expansion
- Dividends and bonuses expected to be announced post year end

Our People

People

- Health & Wellbeing
- Staff survey
- The future

Our diversity, inclusion and wellbeing network groups provide support for our people through a number of initiatives and activities:



Connecting with our people during lockdown

Employee newsletter – 85% readership

Leadership – CEO business update videos; Workplace Wednesdays

2020 Gateley Team Spirit Awards – 300 colleagues nominated, virtual ceremony in October

Board annual roadshow – virtual employee update across all offices in November

A whole host of **thrive programmes** and a **Red Letter/Well-Being day** awarded to staff

Culture

- Service style – Partner-led, national service team lines, commercial and pragmatic
- Numerous “trusted advisor” relationships
- “One team”
- Focus on one profit
- Excellence in client service delivery, generated in latest surveys;
 - Client feedback 99% good/excellent
 - Net promoter score +68
 - Employee engagement uptake 82%
- Alignment with investors – Over 50% of staff are shareholders

Platforms Update

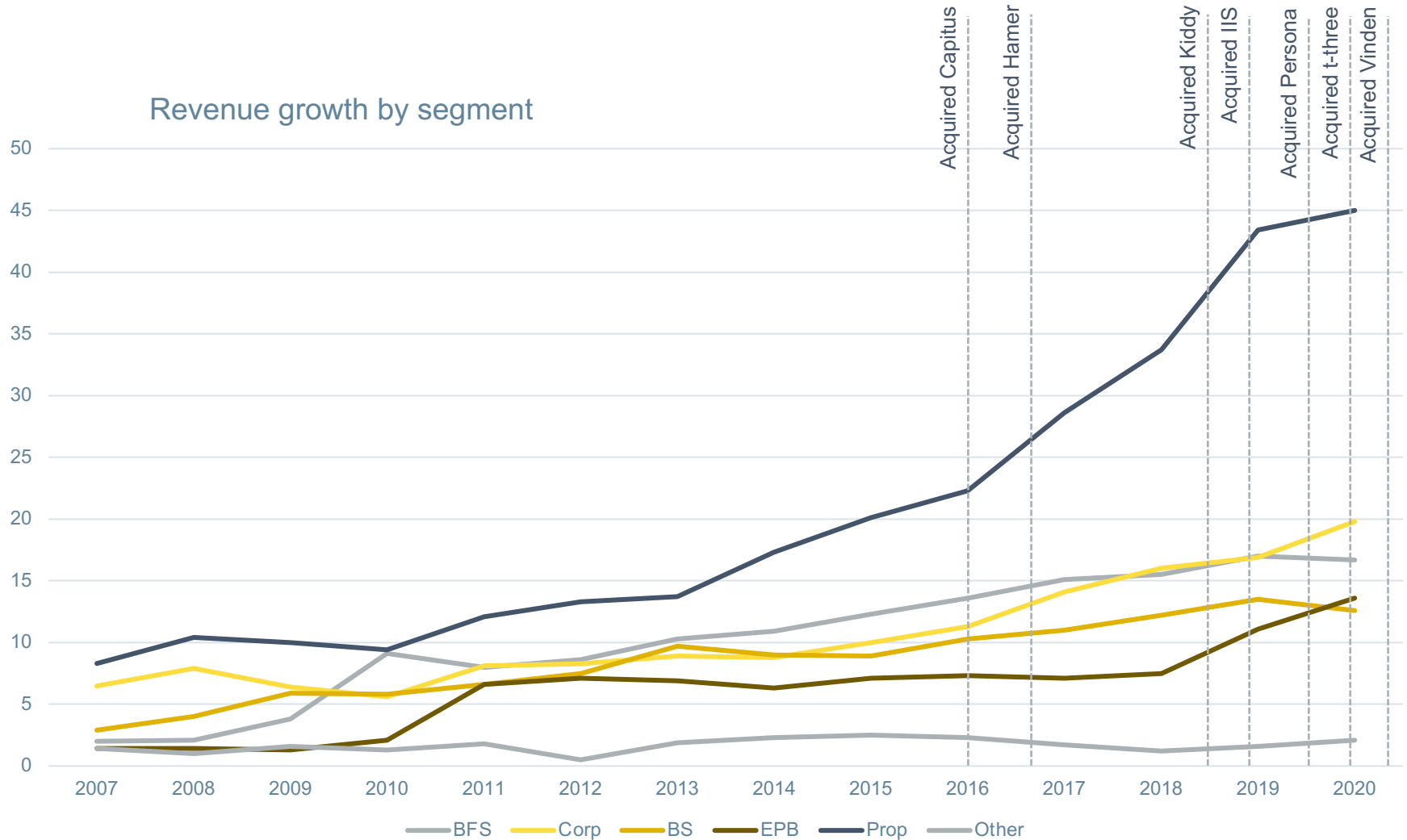
Our “Platforms”

- Grouping professionals facing common markets/sectors
 - deeper understanding
 - a differentiated, compelling proposition
 - seamless multi-disciplinary service delivery
 - cross-selling opportunities

Platform composition

Property <i>Platform</i>	Human Capital <i>Platform</i>	<i>under construction</i> Corporate <i>Platform</i>	<i>under construction</i> Business Services <i>Platform</i>
Gateley Legal Gateley Capitus Gateley Hamer Persona Associates Gateley Vinden	Gateley Legal Kiddy & Partners t-three Entrust International Investment Services	Gateley Legal Gateley Capitus International Investment Services	Gateley Legal

Growth enhanced by our Platforms



Update on Platform progress

➤ Property Platform

- Largest housebuilding team development scheme that will introduce our full suite of property consultancy services
- Gateley Hamer/Vinden/Capitus:
 - Development compensation claim (Vinden/Hamer)
 - HS2 relocation and Capital Allowances (Hamer/Capitus)
- Gateley Vinden:
 - Fire Safety Notification
 - Housebuilder forensic expert services, litigation solution (Legal/Vinden)
 - National self-storage developer, planning appeal (Vinden/Legal)

Corporate Platform

- International Investment Services (IIS)
 - Cambridge & Peterborough Combined Authority's (CPCA) “new economic growth programme” – regional inward investment & development programme
 - Cloud technology solutions provider (US) – European roll-out
 - Sustainability tech (Switzerland) – UK/EU roll-out
 - Petcare tech (Aus) – UK/EU roll-out
 - Revenue +38% y-o-y
 - Cross-sales YTD +100%

Acquisitions Update

Acquisition pipeline

- Logic never more compelling
- Inevitable, temporary pause as the pandemic took hold
- Four prior-year acquisitions in integration in any case
- Discussions continue and targets progressed

Summary & questions?



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