

Forward thinking
Straight talking

Preliminary results
Year ended 30 April 2021

“Resilience through diversity”



Presentation team



Neil Smith FCCA

Finance Director



Rod Waldie

Chief Executive Officer



Nick Smith

Acquisitions Director

Overview

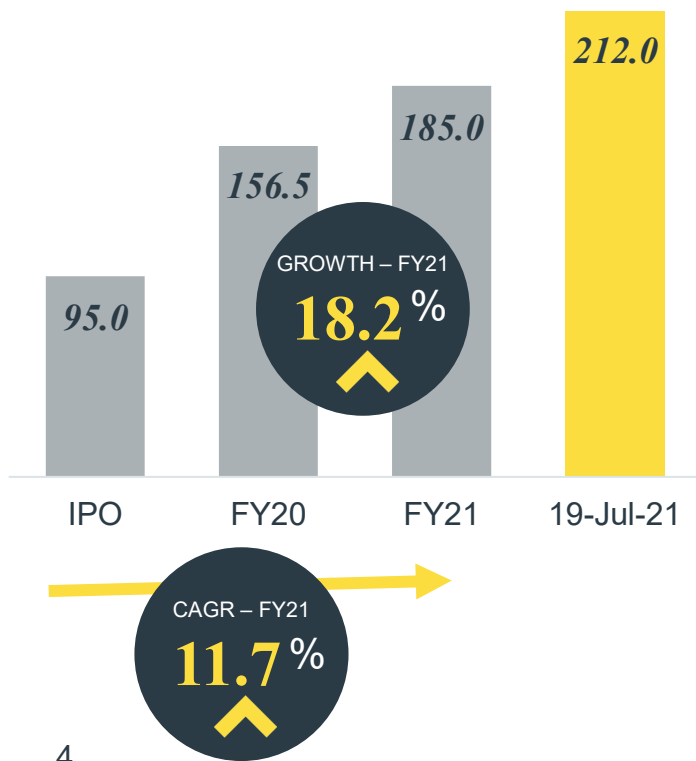
- Strong Results for FY21
- Demonstration of resilience
- Strong management allied to “One-Team” culture and focus on excellence
- Platforms devised and elevated
- Purpose – to deliver results that delight our clients, inspire our people and support our communities
- Outlook



Investment returns

Our track-record of delivering profitable annual results, supported by strong cash generation and attractive investment returns have led to the re-instatement of bonuses to staff and dividend returns to shareholders

Share price momentum



Continued revenue growth



Dividend returns

DIVIDEND PAID END OF JUNE 21

2.5p

FINAL DIVIDEND PROPOSED

5.0p

Financial Highlights


REVENUE INCREASED

10.5 % 


PBT INCREASED

10.5 % 

NET ASSETS INCREASED

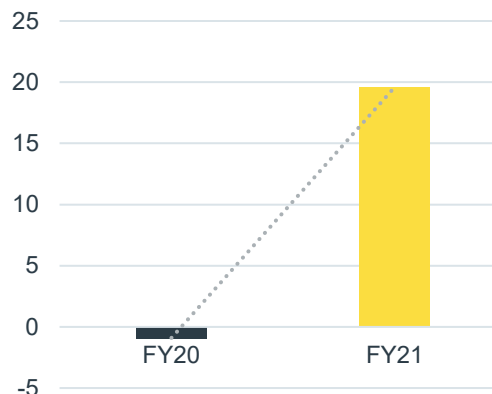
32.2 % 
from £44.8m
to £59.3m

UNDERLYING DILUTED EPS INCREASED

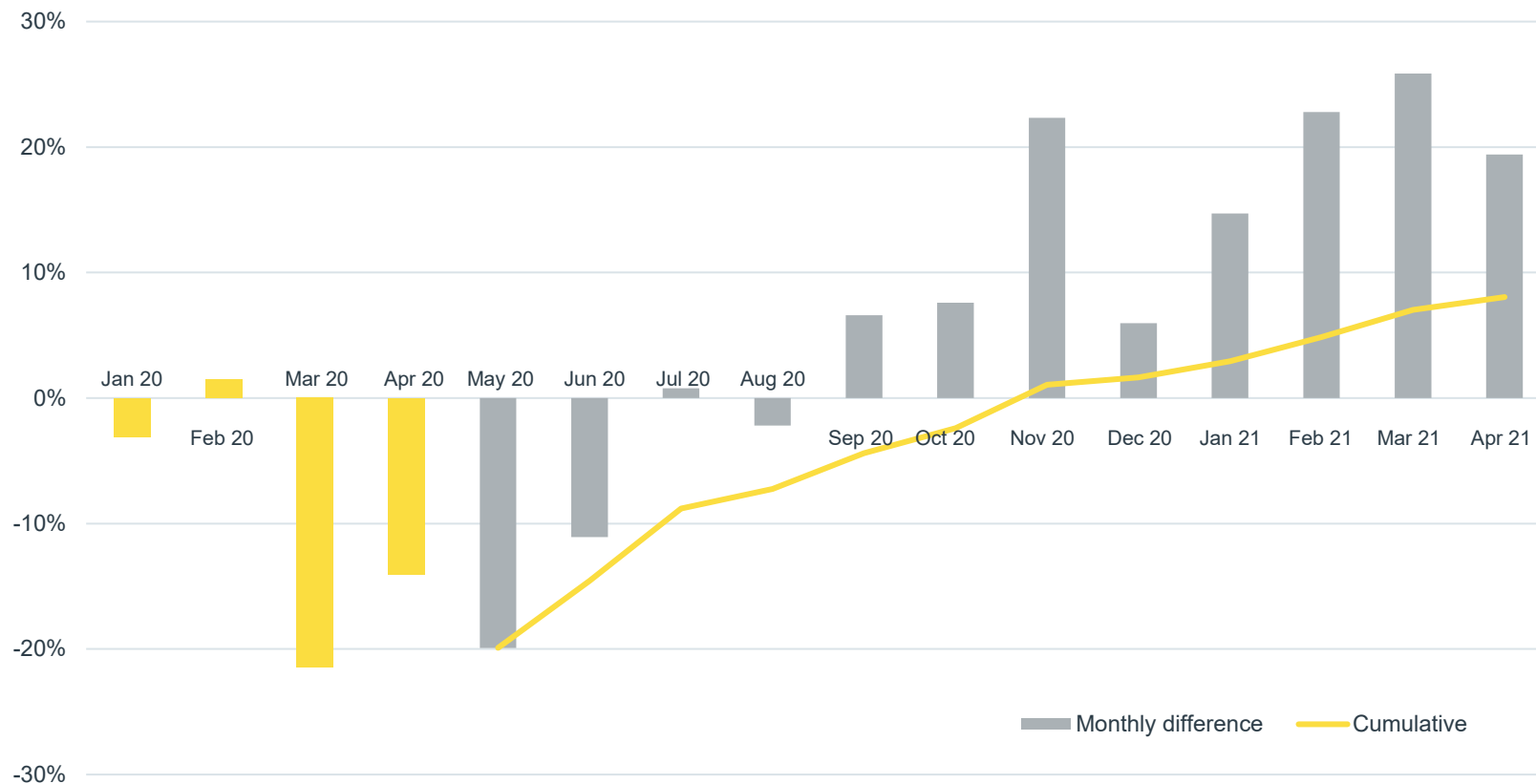
5.8 % 
from 12.45p
to 13.17p

FROM NET DEBT £(0.9)M TO NET CASH

£19.6m




Y-o-Y Activity level comparison*



- Strong H2 – at 98% of capacity – 19% up on H2 20
- Finished FY21 well with strong pipeline of activity in FY22
- Capacity retention was key decision

* Activity levels “utilisation” are measured as actual chargeable hours compared to budgeted chargeable hours

Segmental revenue growth

	IPO FY15		FY20	FY21	Growth FY21	CAGR since FY15
	£m		£m	£m		
Banking and financial services	12.3		16.7	16	(4.2)%	4.5%
Corporate	10		19.8	21.9	10.6%	14.0%
Business Services	8.9		12.6	13.4	6.3%	7.1%
Employment Pensions & Benefits	7.1		13.6	14.3	5.1%	12.4%
Property	20.1		45.1	52.9	17.3%	17.5%
Other	2.5		2.1	2.9		
Total	60.9		109.9	121.4	10.5%	12.2%

Banking & financial services

- › Government stimulus and strong banks suppressing administrations
- › CAGR achieved through specialist surety work, litigation balance and lending work

Corporate

- › Strong H2 growth when Utilisation was at 121%
- › H2 growth 10.6% for FY21 compared to 14.0% across 6 year CAGR

Business services

- › Consistent performance in FY21 vs CAGR – a focus for Platform expansion

Employment, People & Pensions

- › Reduced furlough advice and a period of adjustment for our People consultancies

Property

- › Strong year for Property as most established Platform strategy continues to drive growth aligned with CAGR

Income statement

	H1 20 (£m)	H2 20 (£m)	FY 20 (£m)	H1 21 (£m)	H2 21 (£m)	FY21 (£m)	FY variance %
Revenue	51.8	58	109.8	50.5	70.9	121.4	+10.5%
Other income	0.1	0.6	0.7	1.9	0.6	2.5	+257.1%
Personnel costs	(32.0)	(31.5)	(63.5)	(30.7)	(46.8)	(77.5)	+22.0%
Overheads and depreciation	(13)	(15.3)	(28.3)	(13.6)	(12.3)	(25.9)	-8.5%
Underlying operating profit before tax	6.9	11.8	18.7	8.1	12.4	20.5	+9.6%
Margin (%)	13.3%	20.3%	17.0%	16.0%	17.5%	16.9%	(0.1)%
Utilisation (%)	81%	79%	80%	79%	98%	88%	+8.0%
Organic growth (%)	+10.5%	+2.8%	+3.5%	-9.5%	+20.0%	+4.7%	+1.2%

- Continued annual revenue growth and maintenance of margins
- Strong H2 21 of organic growth due to retaining capacity to handle high utilisation
- Acquisition strategy supporting annual growth whilst strengthening market appeal
- Consultancy revenues now £14m or 11.5% (FY20: £11m or 10.0%)

Cash focused

Cashflow £m	FY 21 (£m)	FY 20 (£m)	Variance %
Operating cashflows before wc movements	25.3	23.0	
Net working capital movement	4.1	(7.7)	
Tax paid	(4.0)	(2.8)	
Cash generated from operating activities	25.4	12.5	+103%
Profit after tax	13.2	11.7	
Cash generation	193%	106%	+82%
Repayment of lease liabilities	(2.9)	(0.8)	
Net interest	(1.2)	0.1	
Capital expenditure & Acquisitions	(0.5)	(4.5)	
Free cash flows	20.8	7.3	+185%
WIP days	49	48	+1
Debtor days	104	103	+1
Total lock up days	153	151	+2

- Strong cash generation from operational decisions
 - Conserved cash at outset of pandemic
 - Focus on debt collection
- Resultant strong free cash flows enabling repayment of debt
- Lock-up days remained consistent
- FY22
 - Balance sheet strength to support acquisition growth
 - RCF for Acquisitions
 - Litigation funding facility of up to £20m
- Return to dividend

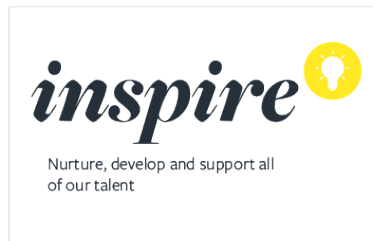
Financial summary

- Sensible steps at start of year to protect the business and our people against the effects of the pandemic
- Excellent IT infrastructure supported agile working
- Forecasts withdrawn until uncertainty removed after the unprecedented events of 2020
- Close monitoring of utilisation levels throughout the year
- Return to strong organic growth in H2 and forecasts re-instated
- Overhead savings realised following strategic cost review and centralisation of processes
- Strong cash generation enabled term debt repayment and return to dividends and bonuses
- Strong balance sheet to restart acquisition plans and focus on Platform augmentation
- Our balance, diversification and proven resilience enables us to look forward to the future with confidence

People

- Resilience through One-Team culture
- Connectivity initiatives
 - Working from home
 - Workplace Wednesdays
- Recognition/industry awards

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



UK's most active M&A legal advisor

by deal volume according to the latest Experian MarketIQ UK M&A league table

Professional Services Firm of the Year

at the 2021 Birmingham Post Business Awards

Excellence in Sales and Marketing & Contribution to the Community

at the Greater Birmingham Chamber of Commerce Awards

Law Firm of the Year

at the Thames Valley Business Awards

We await the outcome of a number of shortlists including 'Law firm of the Year' and "Corporate Team of the Year' at the 2021 Legal Business Awards.

People

- Pay:
 - FY21 salary repair
 - Covid-19 all staff bonus
 - FY22 sector perspective
- Agile working during FY22 and beyond
- Operational gearing opportunities arising from new ways of working

91%

said that their clients received the same or better service when we are working from home.

85%

said that they felt equally well connected or better connected with clients when working from home.

62%

said they'd like to work between 40% and 80% of their time at home

Purpose and impact

- Values manifested in Purpose
- The levelling up goals and why
- Responsible Business report

Levelling up goals:



**INVESTORS
IN PEOPLE**



**C-19 Business
PLEDGE**

MB Mindful
Business
Charter



**better business
act**



Gateley /

Strategic update

“Diverse, distinctive and differentiated offering driving growth & resilience”

Current platform composition

Property <i>Platform</i>	People <i>Platform</i>	Corporate <i>Platform</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 Gateley Omega

Strategic update

“Diverse, distinctive and differentiated offering driving growth & resilience”



Business Services

- › **Gateley Legal** – Gateley Omega
- › **Consulting** – Acquisitions pipeline positive

Strategic update

“Diverse, distinctive and differentiated offering driving growth & resilience”



Corporate

- **Gateley Legal** – No1 M&A ranking maintained
- **International Investment Services** – strategic long-term contract signed, new geography, new services
- **Gateley Capitus** – strategic investment in R&D, embedded links with IIS, expansion of service lines

Strategic update

“Diverse, distinctive and differentiated offering driving growth & resilience”



People

- Gateley Legal
- Kiddy & Partners
- t-three



combining to
address “new
normal” workplace
changes – legal &
consulting, practical
and strategic advice

Strategic update

“Diverse, distinctive and differentiated offering driving growth & resilience”



Property

- **Gateley Legal** – maintained recognition as leading provider of legal services to warehousing & distribution, and housebuilders
- **Gateley Hamer** – accessing new markets – Gov’t funding (“regen” & infrastructure), Solar, Telecoms and the “talent pool”
- **Gateley Capitus** – larger projects, increasing value to clients
- **Gateley Vinden** – accessing new clients, developing new products/services

Outlook and Vision

- Good start to FY22
- Deliberately maintained capacity to continue profitable and cash positive trading
- Our vision remains
 - further diversification through acquisitions;
 - creating an expanded Platforms offering with leading positions in legal and consultancy services; becoming
 - more indispensable to our clients; and
 - a compelling investment in professional services



Questions



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