

*Forward thinking*  
Straight talking

# *Interim results six months ended 31 October 2021*

*“Continued strong trading momentum”*

# *Presentation team*



*Neil Smith FCCA*

Finance Director



*Rod Waldie*

Chief Executive Officer



*Nick Smith*

Acquisitions Director

# Overview

- Excellent financial performance
  - 23.0% organic growth
- Interim dividend approved of 3p
- Strong share scheme participation
- Platform expansion
  - Tozer Gallagher
  - Adamson Jones
- Well positioned for further organic and acquisitive growth



# *Financial highlights*

- Excellent financial performance with revenue and profit before tax up 23.5% and 19.5% respectively (predominately organic growth)
- Trading margins returned to pre-pandemic levels with adjusted underlying profit margin of 13.7% (H1 20: 13.3%, H1 19: 13.2%)
- Operating costs remain lower than pre-pandemic levels
- Strong activity levels across the Group with utilisation up 5% to 84% (H1 21: 79%)
- Underlying diluted EPS up 17.1% to 5.76p (H1 21: 4.92p)
- 3p interim dividend (H1 21: 2.5p)

# *Purpose and impact*

- Values manifested in Purpose

***“Delivering results that delight our clients,  
inspire our people and support our communities”***

- The levelling up goals and why
- Responsible Business report

## ***Levelling up goals:***



# *Update and outlook*

- ERP
- Board changes
- Positioned well to deliver for full year
- Clear Platform strategy as growth vectors
- Appraising further Platform growth opportunities




# Income statement

	H1 20 (£m)	H2 20 (£m)	FY 20 (£m)	H1 21 (£m)	H2 21 (£m)	FY21 (£m)	H1 22 (£m)
Revenue	51.8	58	109.8	50.5	70.9	121.4	62.3
Other income	0.1	0.6	0.7	1.9	0.6	2.5	0.0
Personnel costs	(32.0)	(31.5)	(63.5)	(30.7)	(46.8)	(77.5)	(39.9)
Overheads and depreciation	(13)	(15.3)	(28.3)	(13.6)	(12.3)	(25.9)	(13.4)
<b>Underlying operating profit before tax</b>	<b>6.9</b>	<b>11.8</b>	<b>18.7</b>	<b>8.1</b>	<b>12.4</b>	<b>20.5</b>	<b>9.0</b>
Underlying adjusted operating margin (%)	13.4%	20.3%	17.0%	16.0%	17.5%	16.9%	14.4%
Utilisation (%)	81%	79%	80%	79%	98%	88%	84%
Growth (%)	+10.5%	+2.8%	+3.5%	-9.5%	+20.0%	+4.7%	+23.5%

- Key personnel cost changes
  - £4.7m of pay cuts repaired in H2 21
  - £7m of annual pay increases wef May 21 – c£3.5m included in H1 22 Personnel costs
- Certain discretionary overheads remain a quarter of pre-pandemic levels creating an annual saving of £3.6m
- 15%+ sustainable margin

- Re-renewed long term panel appointments with increased volumes on improved rates
- Activity levels remain strong
- Operational gearing opportunities – inc likely amalgamation of offices – EM & NW

# *Platform revenue growth*

	IPO FY15		FY21	6 year CAGR since FY15
	£m		£m	
Corporate	21.7		32.9	10.8%
Business Services	13.0		18.3	5.9%
People	7.9		14.3	10.4%
Property	20.2		53.0	17.5%
Other	2.1		2.9	
<b>Total</b>	<b>60.9</b>		<b>121.4</b>	<b>12.2%</b>

# Cash focused

Cashflow £m	HY 22 (£m)	HY 21 (£m)	Variance %
Operating cashflows before wc movements	11.4	10.5	+8.4%
Net working capital movement	(9.0)	2.4	
Tax paid	(3.0)	(0.4)	
<b>Cash generated from operating activities</b>	<b>(0.6)</b>	<b>12.5</b>	
Profit after tax	5.9	4.6	+24.7%
<b>Cash generation</b>	<b>(10%)</b>	<b>272%</b>	
Repayment of lease liabilities	(1.0)	(1.2)	
Net interest	0.1	(0.6)	
Capital expenditure & Acquisitions	(0.4)	(0.5)	
<b>Free cash flows</b>	<b>(1.9)</b>	<b>10.6</b>	

Net debt £m	HY 22 (£m)	HY 21 (£m)
Cash at bank	8.8	13.1
Debt	-	(3.8)
<b>Net debt</b>	<b>8.8</b>	<b>9.3</b>

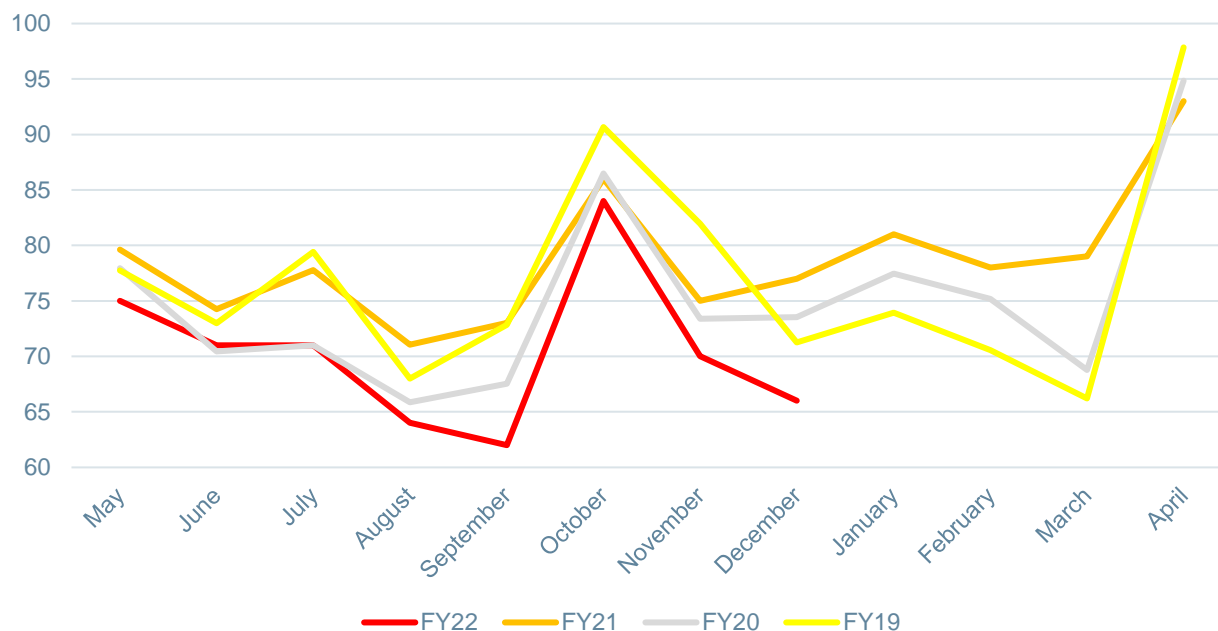
- Change in net working capital temporary due to high levels of activity experienced in H2 21 and H1 22
- Caught up on tax not paid in H1 21
- Caught up on dividend payments with 8.4m dividend outlay in H1 22
- Repaid all debt in H2 21

# Working capital trend

	HY 22 (£m)	HY 21 (£m)	Variance %
WIP days	46	55	-9
Debtor days	97	94	+3
Total lock up days	143	149	-6

- Total lock-up days improved by 6 days as focus was on delivering service
- Excellent cash collections post H1 22 period end
- Debtor day trends typical of Group performance

Debtor days



Source: Management accounts

# *Platform performance review*

- Established growth vectors
- Segmental reporting aligned to Platforms
- Performance review by Platform



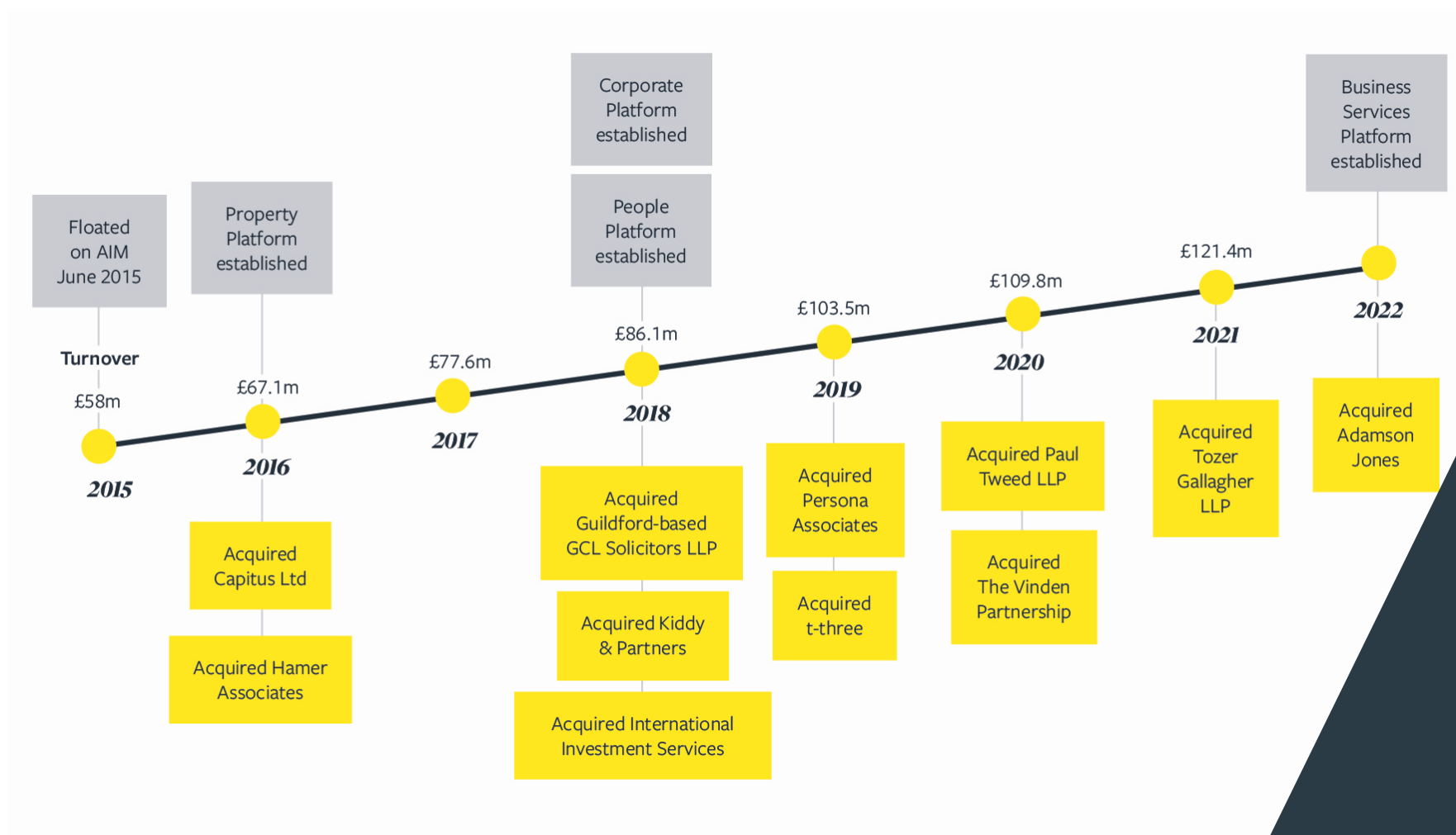
# *Platform overview*

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

Current platform composition

Business Services <i>Platform</i>	Corporate <i>Platform</i>	People <i>Platform</i>	Property <i>Platform</i>
Gateley Legal Gateley Omega Adamson Jones	Gateley Legal International Investment Services	Gateley Legal Kiddy & Partners t-three Entrust	Gateley Legal Gateley Capitus Gateley Hamer Persona Associates Gateley Vinden Tozer Gallagher

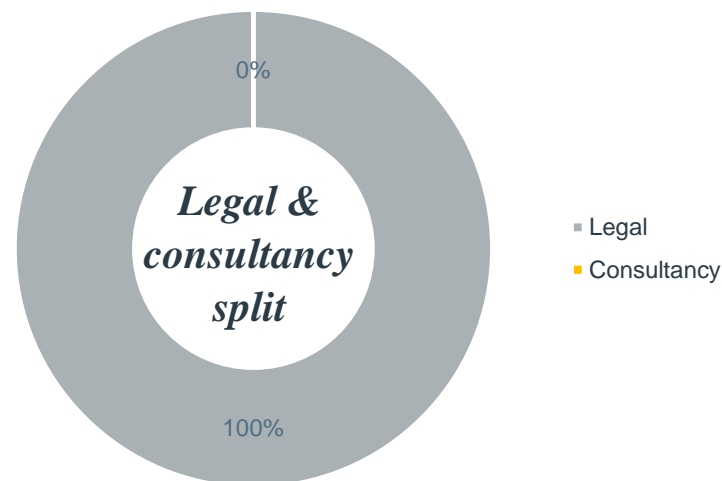
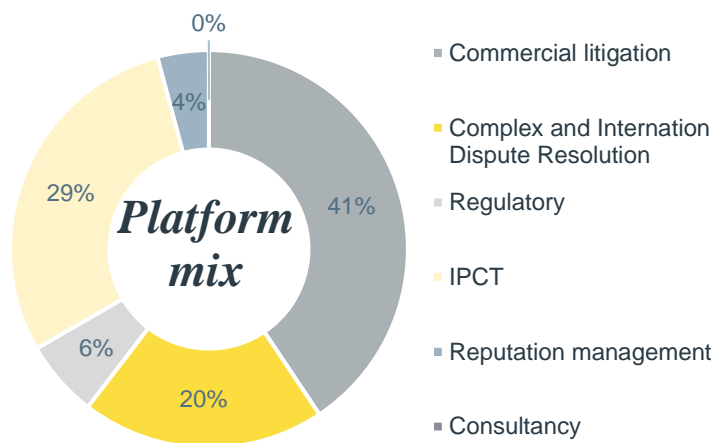
# Acquisition timeline



# *Business Services Platform*

20.2%  
Growth

Supports clients in dealing with their commercial agreements, managing risk, protecting assets and resolving disputes

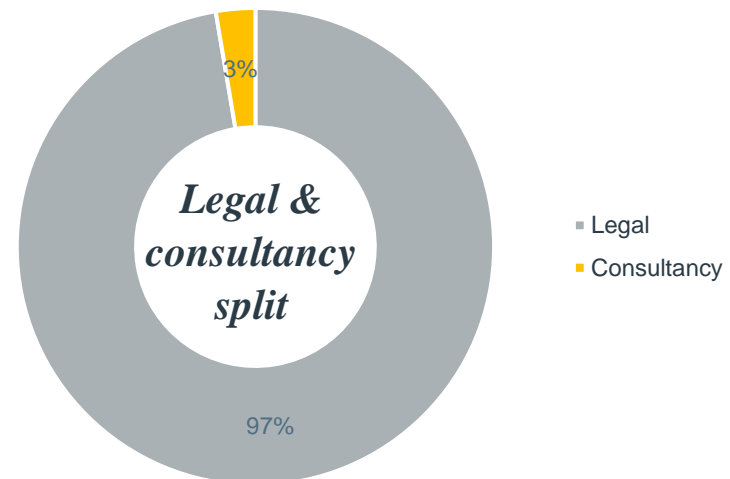
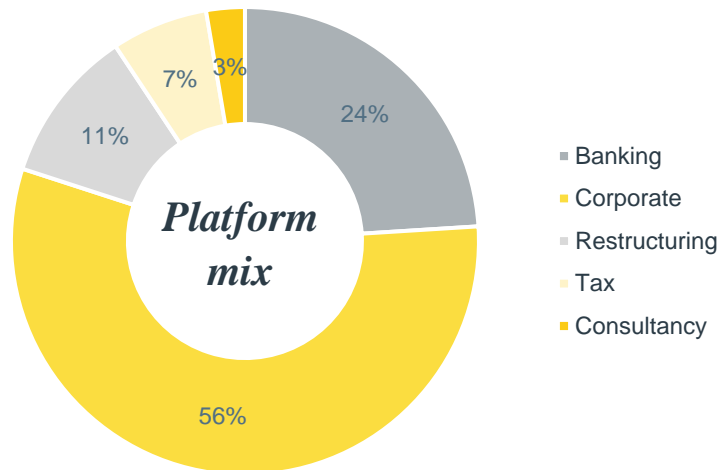


- › Litigation teams remain busy
- › Regulatory and IPCT increasing corporate support
- › First consultancy addition - Adamson Jones Patent and Trade Mark Attorneys

# Corporate Platform

47.4%  
Growth

Focused upon the corporate, financial services and restructuring markets in both transactional and business support services

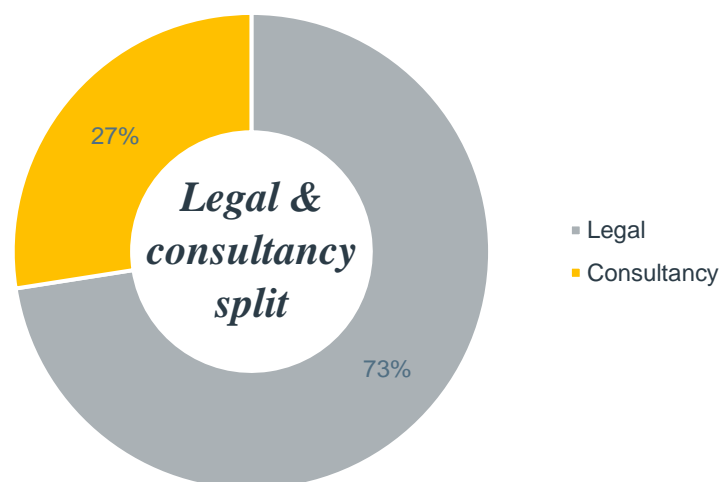
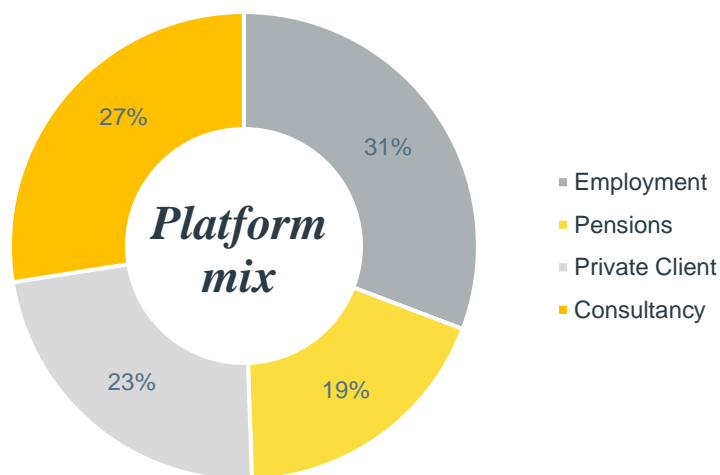


- Buoyant post-pandemic corporate market
- Bank panel reappointments for 3 years during period
- Restructuring activity improving
- Consultancy IIS grown both headcount and revenue

# People Platform

21.5%  
Growth

Supports clients in dealing with and developing human capital and in administering individuals' personal affairs

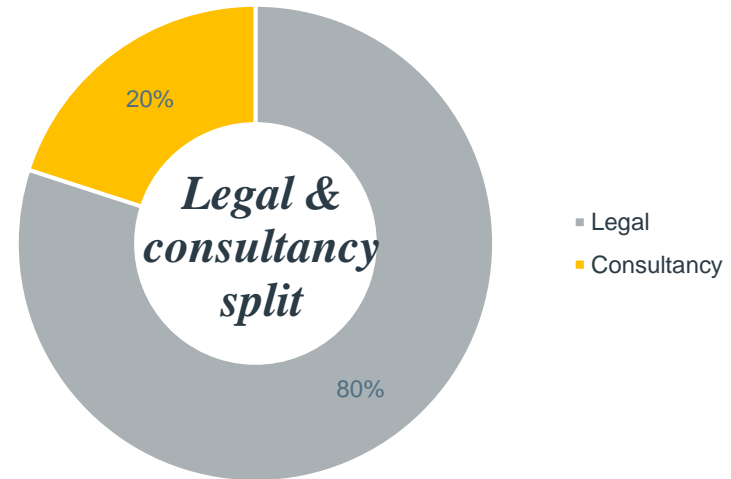
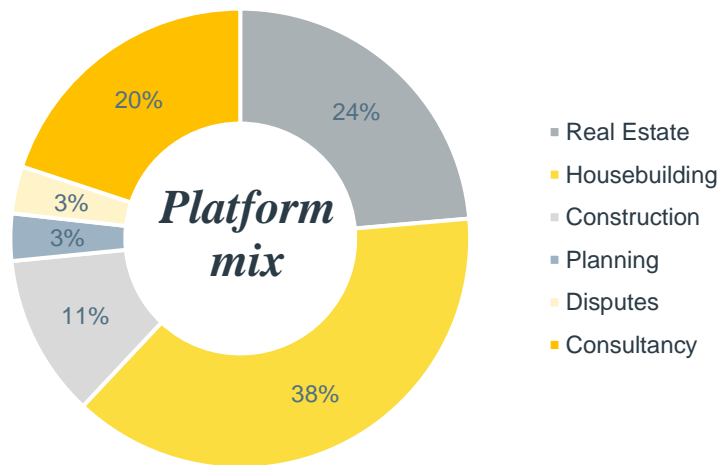


- Employment and private wealth team solid performance
- Consultancy revenue from Kiddy and T3 buoyed by cultural change environment

# Property Platform

24.3%  
Growth

Focused on clients' activities in real estate development and investment and in the built environment in the widest sense



- › Activity strong across all services
- › Core markets remain busy
- › Consultancy developments
  - › Tozer Gallagher added capacity to our built environment team in Gateley Vinden and further enhanced our credentials in guarantee bond claims
  - › Gateley Capitus – clients maximising fiscal incentive opportunities
  - › Gateley Hamer – continued investment in specialist advisors

# *Summary*

# *Questions*



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