

Investor Presentation

Interim Results 2014

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Income Statement

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- Revenue up 3.8%
- Divisional EBITDA reduced by investment in new systems, new SuperCommunications senior staff, acquisition bought out of Administration and Group decentralisation
- Central costs down by 13.8%
- Large reduction in non-recurring costs from 2013; in this period related to redundancies, Golden Square and property provisions
- Profit before tax - first since 2008 – even after significant investments for the future

	2014 £000	2013 £000
Revenue	48,281	46,505
Divisional EBITDA	1,558	1,659
Central costs	(870)	(1,009)
EBITDA before share based payment	688	650
Share based payment	(121)	(75)
EBITDA	567	575
Depreciation	(221)	(125)
Operating profit	346	450
Finance costs net of income	(186)	(177)
Non-recurring costs	(36)	(792)
Profit/ (Loss) before tax	124	(519)

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Balance Sheet

Slide 3

- Intangible assets rise due to investment in systems across both divisions and IP creation in Inition
- Tangibles increase due to Golden Square technology assets
- Cash increases by £1.5m
- Receivables and Asset based lending increase due to revenue growth, and temporary build up during migration to new accounting system – now completed
- Provisions continue to go down as onerous leases reduce and WBH dilapidation claim agreed before termination this September

	2014 £000	2013 £000
Intangible assets	8,866	7,869
Tangible assets	863	343
Deferred tax	526	1,186
Trade and other receivables	19,630	15,721
Cash and cash equivalents	4,630	3,152
Asset based lending	(11,516)	(9,017)
Trade and other payables	(10,396)	(11,745)
Provisions	(648)	(1,101)
Retirement plan liability	(2,205)	(2,581)
Net Assets	9,750	3,827

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Parity divisions today

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Parity Professionals

“Sourcing, Development and Placement of Professional Staff”

- A long established, profitable professional staffing agency and talent management business, focussed on the UK
- Innovative service offering including Resources as a Service

	2014 £000	2013 £000
Revenue	44,341	42,129
Divisional EBITDA	1,237	1,087
Margin	2.78%	2.58%

SuperCommunications, launched May 2014

“Marketing Communications with a Technology Core”

- Internal re-organisation with new management structure
- Senior Management appointments ready for future growth
- All businesses re-focussed on SuperCommunications’ market
 - Inition prepares its first scalable product offering and de-emphasises equipment sales.
 - Solutions IT market revenues reduce, focussing on key data, BI and portal skills for its new digital opportunity.
 - Golden Square acquired in April; now being restructured.

	2014 £000	2013 £000
Revenue	3,940	4,376
Divisional EBITDA	321	572
Margin	8.15%	13.07%

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Parity Professionals - Highlights

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RESOURCES

- Comparisons over the same period last year:
 - Averaged 10.2% more contractors
 - Average WMRR increased by 8.7%.
 - Perm sales increased by 73%
 - 52 new clients H1, 2014, 35 in H1 2013.

TALENT MANAGENT

- Fast Stream service extension – to November 2015
- INTRO extension – to December 2015
- Extension of MLDP programmes
- Much better traction in GB in Food and Drink (where we are Platinum Partners with NSA) and in Education.
- H1 2014 v H1 2013, Strong growth in both revenue and divisional contribution.
- 6 new clients in H1 2014

PARITY PROFESSIONALS

- Investment in new systems for finance and a unified CRM across Resources and Talent Management providing operational efficiencies and support communication/client intelligence/cross-sell opportunity across the business.
- Investment in marketing – internal and external communications
- Investment in HR supporting our recruitment and development of staff

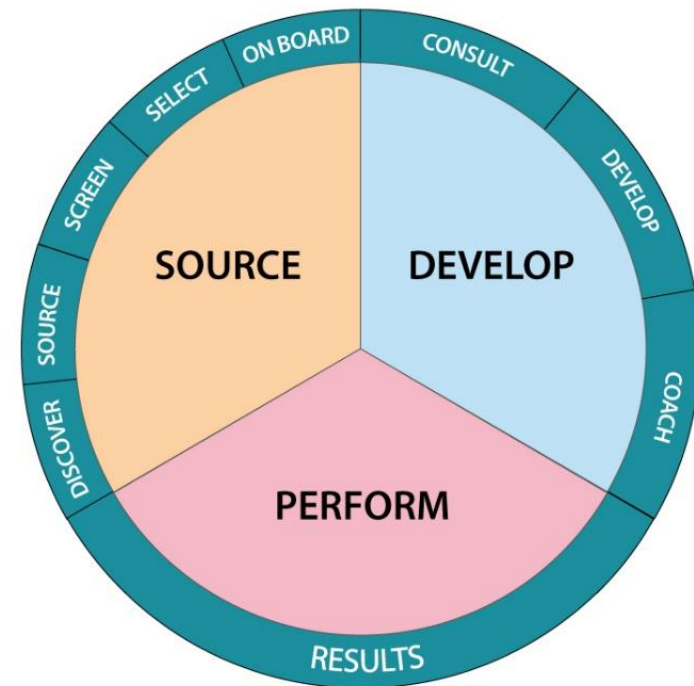
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Parity Professionals - Strategy

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To work closely with clients to **SOURCE** and **DEVELOP** human capital to improve individual and organisational **PERFORMANCE**.

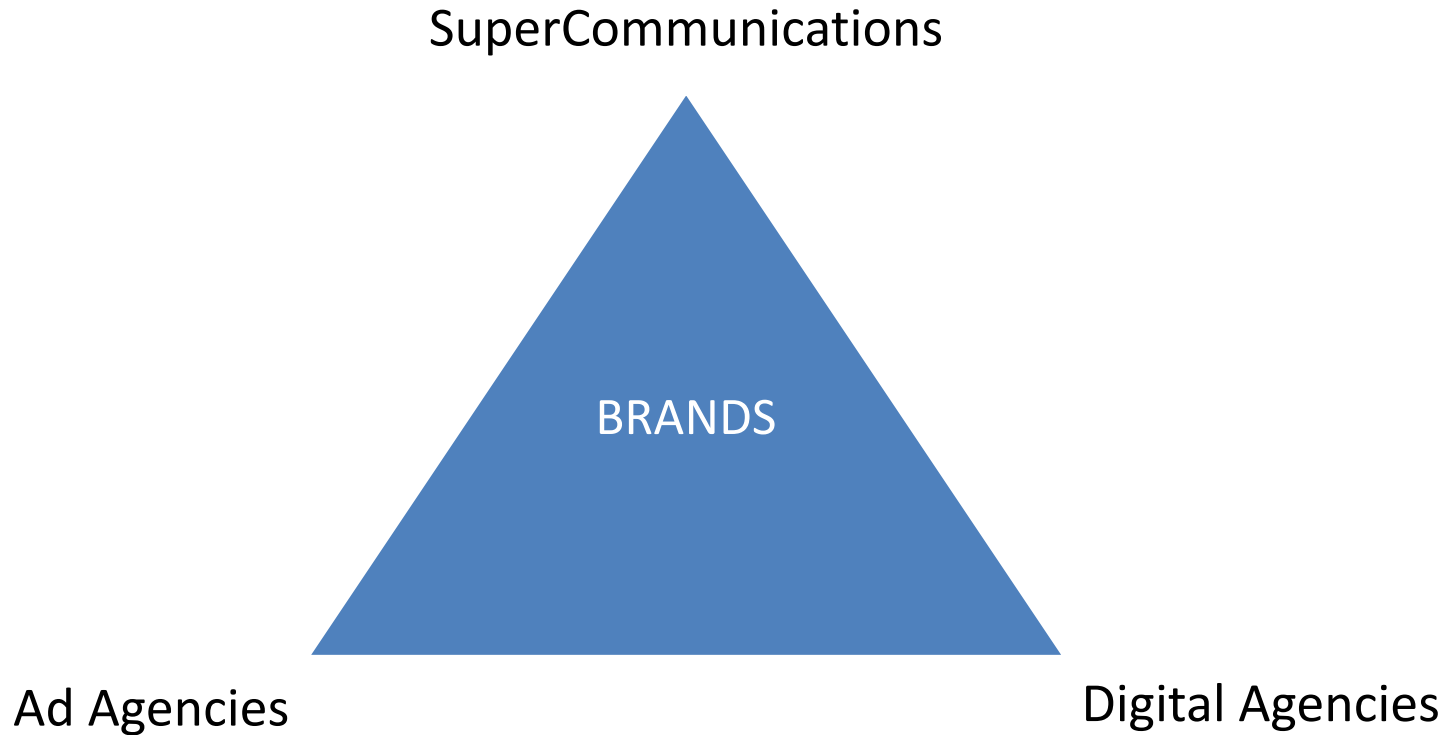
- Being different is no longer an option, it's a necessity
- Move away from 'me too' low margin business
- Consultancy led initiatives e.g.
 - Open Water, Agile Contract Management
- Establish a range of 'Product' Offerings e.g.
 - INTRO, RAAS



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Communications with a technology core

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SuperCommunications Division Today

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SOLUTIONS – IT skills for corporates, professional and MoD

- Business intelligence
- Portals
- Large data bases

GOLDEN SQUARE – working for ad agencies and brands

- Post-production and special effects
- Digital Asset Management
- Asset distribution via dark fibre connection

INITIATION – working for ad agencies, universities and brands

- 3D systems
- Latest technology solutions (eg AR,VR and gestural)
- Out Of Home experiential installations

PARTNERSHIPS for additional necessary skills

- E-commerce optimisation
- User Interface(UX)

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SuperCommunications - Unique Market Offering Market

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- Marketing Communications with a Technology Core
- Bridging the CULTURE gap between creativity and technology
- ENGAGEMENT; not ivory tower studies!
- E-commerce needs ANALYTICS so requires –
 - Marketing Channel optimisation skills
 - Customer-centric IT systems
 - Decision-centric intranets
- CEOs must restructure their businesses for e-commerce
- AMAZON is the perfect role model – internet from Day One
- FLUIDITY of process is the key to a good customer experience

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SuperCommunications

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- **What is a Classic SuperCommunications Project ?**
 - **CONSULTANCY** on e-commerce and data situation
 - **SPECIFICATION** of the improvements to both the offering and the collection of data
 - **OPTIMISATION** of e-commerce channels – an ongoing requirement
 - **IT SYSTEMS** restructuring to produce fast, accurate, relevant customer-oriented information
 - **INTRANET** restructuring, or creation, to feed the right data to all sales decision makers
- **First SuperCommunications scoping contract already in final negotiations from an insurance group**
- **Looking at acquisitions using available cash funds to increase key skills**
- **Continuing investment this year in –**
 - New top management and restructured marketing capabilities
 - Improved web and social media presence
 - Business processes and facilities
 - First scalable Inition product offerings under development(MAGIC WINDOW)
 - Groupseer large-scale test under way

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Summary

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Parity Group Today	Stable, profitable, and moving into cash generation next year Two exciting divisions with innovative offerings in growth markets Enhanced management capabilities and business processes Looking to 2015 for significant progress
Parity Professionals	Solid performance as it rolls out its innovative new offerings Customer base continues to expand Established strong management team
SuperCommunications	Strong management team being put in place Business units being restructured and focused for growth New skills being brought in to enhance capabilities Unique offering launched combining marketing and technology skills Investing to prepare for major 2015 marketing lift-off

The Parity Board sees 2014 as a year of restructuring and preparation of its business as it moves into a new growth phase from a profitable stable base.