2014 Results: robust strategy delivering

26 February 2015

Introduction

Excellent Long Term Shareholder Returns

- including IPO proceeds we have raised only £60m from shareholders;
- since IPO we have distributed over £100m in dividends;
- last fund raising 2001: £40m: since paid over £80m in dividends;
- increased dividend 15% for the last 21 years.

2014 Headlines

- robust and effective business model enabled the Group to produce good growth in challenging markets; 10% PBTA growth (cc) ; 14% eps growth (cc) ;
- £58m total consideration committed to new acquisitions;
- balance sheet remains strong with year end net bank borrowings at £73.2m (2013: £32.4m) having invested £64.7m in acquisitions during 2014;
- Lloyds bank facilities of £125m available until July 2016 + £52m 7 year loan from Pricoa;
- headroom of £87m at year end; £40m at end 2013.

Group Performance

Results

	2014	2013	2013 (cc)	%(cc)
Revenue (£m)	**572.1**	567.6	540.3	+5.9
Fee income (£m)	**505.0**	492.1	468.3	+7.8
Operating profit[1] (£m)	**70.2**	65.3	62.5	+12.5
PBTA[1](£m)	**66.1**	63.0	60.2	+9.7
Adjusted basic eps[2] (p)	**22.04**	20.22	19.32	+14.1
Dividend per share (p)	**8.47**	7.36	7.36	+15.1
Net bank borrowings (£m)	**73.2**	32.4	N/A	N/A
Adjusted effective tax rate[(3)] (%)	**26.9**	29.9	N/A	N/A

[1]before amortisation of acquired intangibles and transaction related costs.
[2] based on earnings before amortisation of acquired intangibles and transaction related costs,
[3] based on profit before tax, amortisation of acquired intangibles and transaction related costs.

Currency effects

Significant currency effect comparing 2014 and 2013
If recent exchange rates are maintained then effects will be less in 2015

£m	2013 profit as reported	2013 profit at 2014 avge rate	CCE cf 2013 reported*	2014 profit as reported	2014 profit at Dec 14 rate	CCE cf 2014 reported*
BNE – Europe	19.2	18.8	(0.4)	21.3	21.1	(0.2)
BNE – NA	8.3	7.8	(0.5)	9.1	9.6	0.4
AAP	10.0	9.0	(1.0)	9.6	9.2	(0.4)
Energy	36.4	35.3	(1.1)	39.0	39.2	0.2
Reorganisation costs	(1.8)	(1.6)	0.2	(1.8)	(1.8)	0.1
Constant currency effect			(2.8)			0.1

* (headwind)/tailwind

Conversion of profit into cash

£m	2014	2013
PBTA	**66.2**	63.0
Adjust for:		
Depreciation	**8.5**	9.4
Interest	**4.1**	2.3
Share scheme costs	**2.0**	1.9
Transaction costs	**(1.1)**	(1.2)
Other items	**(0.4)**	(0.2)
EBITDAS	**79.3**	75.2
Working capital (increase)	**(8.5)**	(3.2)
Adjusted cash from operations*	**70.8**	72.0
Conversion of profit into operating cash flow	**89%**	96%

*before payment of deferred consideration treated as remuneration.

Free Cash Flow + Net Debt

£m	**2014**	2013
Adjusted cash from operations	**70.8**	72.0
Interest	**(3.6)**	(1.8)
Tax	**(19.5)**	(19.8)
Capex (net)	**(7.2)**	(7.5)
Free cash flow	**40.5**	42.9
Acquisition consideration	**(67.4)**	(42.4)
Dividends	**(17.4)**	(15.3)
Other	**-**	0.6
Cash flow	**(44.3)**	(14.2)
Net bank borrowings b/fwd	**(32.4)**	(13.5)
Cash flow	**(44.3)**	(14.2)
Acquisition net cash	**2.7**	(4.4)
Foreign exchange	**0.8**	(0.3)
Net bank borrowings	**(73.2)**	(32.4)

2014 Acquisitions

	Whelans	Clear	GaiaTech	CgMs	Point	Total
	February	April	May	August	September	
	AAP	BNE-E	BNE-NA	BNE-E	AAP	
	Planning	Water	Environmental	Planning	Project Management	
PBT acquired	£0.4m (AUS 0.8m)	£1.8m	£2.9 m (USD 4.8m)	£2.1m	£3.6m (AUS 6.2m)	£10.8m
Total consideration	£2.1m	£8.0m	£17.9m	£12.8m	£16.8m	£58.2m*
P/E	7.4	5.6	11.6	7.7	6.7	7.9
	Infill in Sydney business	Scale in waste water	Extending US capability	Increased presence in London	Expanding non-resources activity	

* Included in the total is a small Norwegian consultancy, consideration of £0.7m, giving access to Stavanger.

Headcount

	31/12/13	31/12/14	Change	Acquisitions	Change Ex Acquisitions
Energy	714	685	(4%)	-	(4%)
BNE: Europe	2,423	2,673	10%	205	2%
: North America	308	382	24%	84	(3%)
AAP	915	939	3%	157	(15%)
Group	110	115	5%	-	5%
Total	4,470	4,794	7%	446	(3%)

Deferred Consideration

£m	2015	2016	2017	Total
Deferred consideration @ 31/12/14	17.2	9.5	-	26.7
Klotz* (initial + deferred consideration)	11.1	3.2	1.6	15.9
Total	28.3	12.7	1.6	42.6

* completed 12 February 2015

Bank Facilities

Committed facilities of £125m and loans of £52m in place:

Year End headroom: £87m

Lloyds:

- £125m committed until July 2016;
- 170-245 bps margin grid.

Pricoa:

- $150m US private placement 3 year "shelf";
- initial notes $34.1m and £30.0m issued in September; 7 year term, 4% fixed coupon;
- balance of facility $66m (£44m) is available from July 2015.

Covenants at 31/12/14:

- total net debt/EBITDA 1.21 x (Lloyds 2.5x, Pricoa 3.0x);
- interest cover 17 x (minimum 4x).

Segment Performance

Segment results

Underlying profit [1] (£m)	2014	2013	2013 (cc)	%(cc)
Energy	**39.0**	36.4	35.3	+10.4
Built and Natural Environment				
- Europe	**21.3**	19.2	18.8	+13.3
- North America	**9.1**	8.3	7.8	+17.1
Australia Asia Pacific (AAP)	**9.6**	10.0	9.0	+ 7.7
Total	**79.1**	73.9	70.9	+11.6

[1] Segment profit before reorganisation costs.

Energy

- a world leader and only independent multi-disciplinary oil and gas consultancy of scale with global reach: technical studies, operations support, transaction/valuation support, training;
- locations: global network - multiple offices in UK, USA, Canada, Australia (+KL, Singapore, Shanghai, Rio);
- best example of RPS's buy and build strategy: 10 year CAGR: 40%;
- over 40% of revenues earned via sub-contractors; a strong hedge against fluctuating workload.

Energy: results

(£m's)	**2014**	2013	2013 (cc)	% (cc)
Fee income	**205.1**	186.9	180.7	+13.5
Underlying profit	**39.0**	36.4	35.3	+10.4
Margin (%)	**19.0**	19.5	19.5	

Energy: half on half progression

	2013 (cc)			2014		
£m	H1	H2	FY	**H1**	**H2**	**FY**
Underlying profit	15.8	19.5	35.3	**18.3**	**20.7**	**39.0**

Energy: good performance despite oil price fall

- H2 better than H1
- Revenue and margin protected by:
  - range of services in different parts of the industry; downturn generating new work in some areas;
  - breadth of clients: IOC, NOC, financial services, training;
  - geographical reach; genuinely global;
  - not dependent on “big ticket” projects;
  - broad range of small/medium sized contracts;
  - flexible associate/sub consultant model.

Energy: strong growth drivers remain

- strategic long term demand for oil and gas;
- benefits to NOC's of realising assets;
- gigantic annual E&P spend despite 2015 cutbacks;
- our continually improving market and geographical presence;
- we provide innovative support in pioneering areas: e.g. FLNG;
- strong presence in asset M&A and financing market;
- HSE and risk management pressures on E&P sector.

Built and Natural Environment ("BNE")

- providing multi-disciplinary services to the property, infrastructure and transaction industries.

- Europe: extensive office network across UK, Republic of Ireland, Netherlands, Norway;

- Australia Asia Pacific: Sydney, Melbourne, Brisbane, Perth, Canberra, Adelaide+;

- North America: Houston, Austin, Calgary; Chicago, Atlanta+.

BNE Europe: results

(£m's)	**2014**	2013	2013 (cc)	% (cc)
Fee income	**156.7**	149.3	146.5	+ 7.0
Underlying profit	**21.3**	19.2	18.8	+13.3
Margin (%)	**13.6**	12.8	12.9	

BNE Europe: half on half progression

£m	2013(cc) H1	2013(cc) H2	2013(cc) FY	**2014 H1**	**2014 H2**	**2014 FY**
Europe	9.4	9.4	18.8	**10.1**	**11.2**	**21.3**

BNE: Europe – resilient performance in mixed markets

- fees, profit and margin all moved up;
- P&D had excellent year responding to increased client investment in development markets: housing, distribution, retail and infrastructure;
- environmental management support remains under budget pressure…
- … but still good performance in NL and UK Nuclear/Defence risk management;
- 2 acquisitions: Clear (UK Water) CgMs (UK P&D) integrated and performed well;
- further good growth expected in 2015.

BNE North America: results

(£m's)	**2014**	2013	2013 (cc)	% (cc)
Fee income	**41.3**	32.7	30.9	+33.7
Underlying profit	**9.1**	8.3	7.8	+17.1
Margin (%)	**22.0**	25.4	25.2	

BNE North America: half on half progression

£m	2013(cc) H1	2013(cc) H2	2013(cc) FY	**2014 H1**	**2014 H2**	**2014 FY**
North America	3.5	4.3	7.8	**4.2**	**4.9**	**9.1**

BNE: North America – significant opportunity

- good result; positioned in growth markets;
- acquisition of GaiaTech (14 May) another step change in development of this business;
- acquisition of Klotz (13 February) adds to range of services in strong TX market;
- looking forward to good 2015.

AAP results

(£ms)	**2014**	2013	2013 (cc)	% (cc)
Fee income	**103.6**	127.2	114.0	(9.1)
Underlying profit	**9.6**	10.0	9.0	+7.7
Margin (%)	**9.3**	7.9	7.9	

AAP: half on half progression

	2013(cc)			**2014**		
£m	H1	H2	FY	**H1**	**H2**	**FY**
Underlying profit	4.7	4.3	9.0	**4.8**	**4.8**	**9.6**

AAP: two speed economy

- resources sector, particularly mining, continued to reduce capex on new projects;
- private development/public infrastructure more buoyant; recent changes of Government in QLD and VIC slowing some projects;
- we are changing the balance of our business to focus on the development/infrastructure markets;
- Point acquisition is a major shift into the buoyant sectors; will help deliver good growth in 2015.

BNE: growth drivers

- long term demand for urban development;
- long term demand for urban, inter urban (transport) and energy/power infrastructure;
- increasing importance of environmental and climate change issues;
- our high profile in Europe and AAP;
- opportunity to build profile in N. America.

Prospects

Proven and Robust Strategy

Our strategic objectives are to:

- continue to operate and be recognised as a market leader in the large, international “*energy and environment*” markets;
- focus on delivering added value services which generate high level fees and margins;
- extend our range of services and geographical cover by bringing small/medium sized, high quality, specialist companies into the Group and support them to achieve further growth;
- manage costs carefully;
- convert profit into cash and manage our b/s effectively.

4 Strong Long Term Drivers

- as a result of population and economic growth, the world's growing need to secure adequate supplies of energy and other natural resources;
- the commercial advantage resulting from the sustainable development of land and buildings;
- the need to provide adequate infrastructure such as airports, power stations, public transport, water treatment plants and to deliver energy to market;
- against a background of increasingly complex legislation, the need to ensure regulatory compliance and manage environmental, health and safety risks, including climate change.

Significant growth opportunities

- in Energy continue to strengthen our presence internationally;
- in North America add to our existing portfolio of services and geography;
- in Europe take advantage of UK recovery;
- in AAP continue to develop in non resources sectors of economy.

“We believe our positioning and business model should deliver a successful outcome and further growth in the current year”.

Forward looking statements

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and businesses of RPS Group plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the risks to which the Group is exposed. Nothing in this presentation should be construed as a profit forecast.