



2018 Results Presentation

David Rugg
Chairman & Chief Executive

Simon Hawkins
Group Finance Director

Dan Prickett
Chief Operating Officer



2018 Headlines

David Rugg

Chairman & Chief Executive

2018 Headlines

A year of solid performance with strong revenue growth particularly in PFS contributed to an improved performance with operating profit up by 8.4%

- Revenue growth of 6.3% to £76.1m (2017: £71.6m)
- Operating profit up by 8.4% to £4.1m (2017: £3.8m)
- Significant improvement in the performance of our international operations
- Earnings per share improved to 11.23p per share (2017: 9.47p per share)
- Total dividend for the year increased to 3.0p per share (2017: 2.75p per share)
- Strong performance in the PFS division, with operating profit of £5.6m (2017: £5.3m)
- Challenging year for retail stocktaking within the SISS division, however a return to profit strategy implemented for UK Retail stocktaking
- Record year for the hospitality stocktaking business



An Introduction to Christie Group

David Rugg

Chairman & Chief Executive

About Us

A leader in the provision of professional and financial services to the hospitality, leisure, healthcare, medical, childcare & education and retail sectors

- Christie Group offers a portfolio of professional and financial services for the hospitality, leisure, healthcare, medical, childcare & education and retail sectors
- Our focus on a limited number of sectors gives us an unrivalled market awareness in each of these areas
- We do not adopt a principal position or co-invest
- We never compete with our clients
- We operate in the sectors in which our experience allows us to deliver intelligent solutions
- The results: a greater understanding of our clients' operations and a heightened ability to help them improve efficiency, enhance trading profits and increase the value of their businesses




'We exist to help our clients buy, operate, develop and sell their businesses.'

Our Businesses

Complementary specialist services classified into two divisions

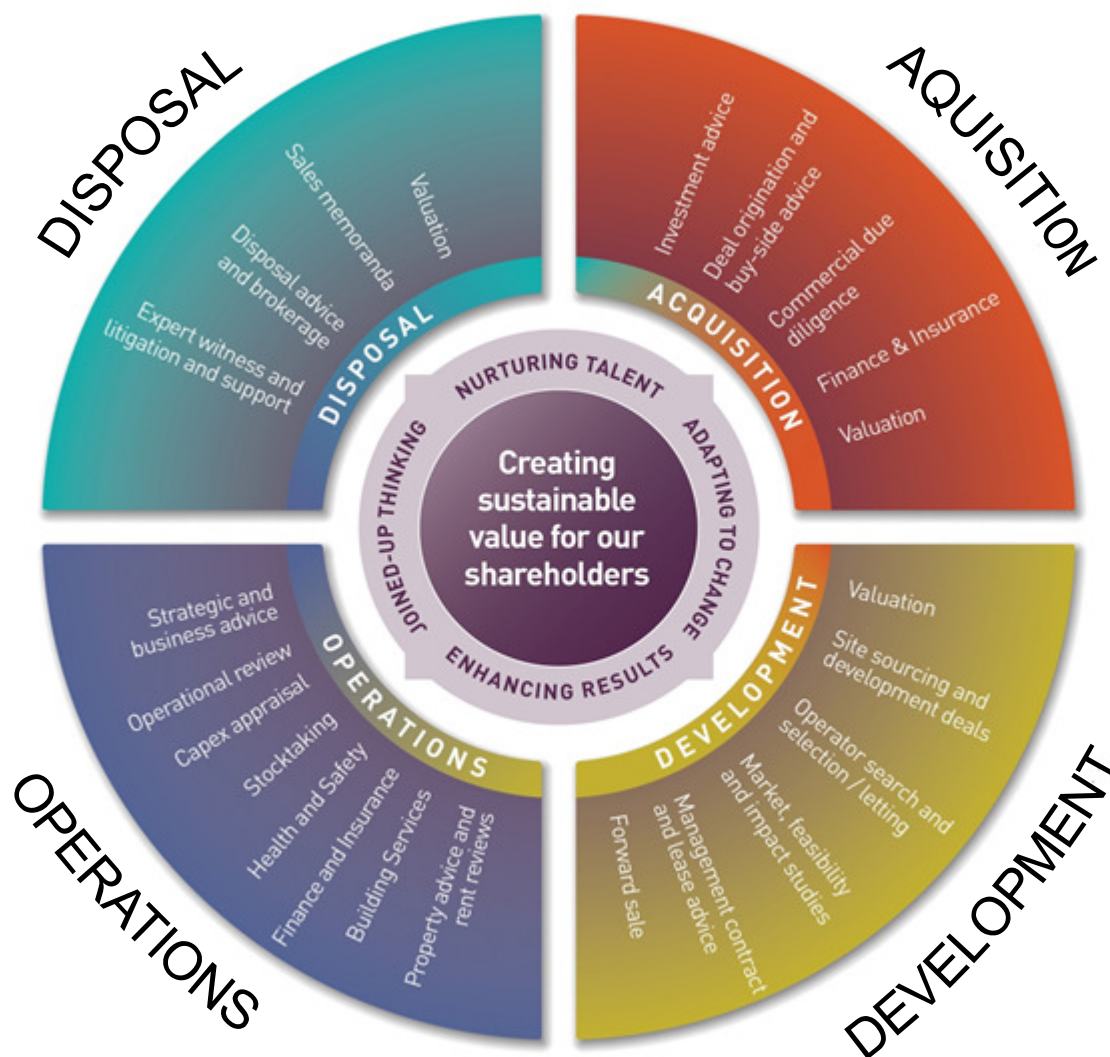
Professional & Financial Services (PFS)		Stock & Inventory Systems & Services (SISS)	
	Christie & Co is a leading specialist firm providing business intelligence in the hospitality, leisure, healthcare, medical, childcare & education and retail sectors. It employs the largest teams of sector specialists in the UK & Europe providing professional agency, valuation and consultancy services.		Orridge is Europe's longest established stocktaking business specialising in all fields of retail stocktaking including high street, warehousing & factory operations, pharmacy and supply chain services. Orridge prides itself on the speed in supplying high quality management information to its clients.
	Christie Finance has 40 years' experience in financing businesses in the hospitality, leisure, healthcare, medical, childcare & education, retail and medical sectors. Christie Finance prides itself on its speed of response to client opportunities and its strong relationships with finance providers.		Venners is the leading supplier of stocktaking, inventory, consultancy services and related stock management systems to the hospitality sector. Venners is the largest and longest established stock audit company in the sector in the UK.
	With 40 years' experience arranging business insurance in the hospitality, leisure, healthcare, childcare & education, retail and medical sectors, Christie Insurance is a leading company in its markets. It delivers and exceeds clients' expectations in terms of the cost of their insurance and the breadth of its cover.		Vennersys operates in the UK and North America with over 20 years experience delivering online Cloud-based ticketing sales and admission systems to visitor attractions. Examples include historic houses & estates, zoos, safari parks, playcentres and cinemas.
	Pinders is the UK's leading specialist business appraisal, valuation and consultancy company, providing professional services to the licensed, leisure, retail and care sectors, and also the commercial and corporate business sectors. Pinders staff use business analysis and surveying skills to look at the detail of the businesses to arrive at accurate assessments of their trading potential and value.		

Our Services

Providing joined-up solutions throughout the client lifecycle

Regardless of whether a client is looking to improve, develop, invest in, acquire or dispose of a business or asset, our companies combine to provide support throughout the client lifecycle.

Leveraging the synergies that arise from this collaboration within and across companies enhances both revenue generation and profit conversion.



Our Areas of Expertise

We focus on a section of areas covering a wide range of property-based businesses in Hospitality, Leisure, Healthcare, Medical, Childcare & Education and Retail sectors

Hotels	Public Houses	Restaurants	Leisure	Healthcare	Retail	Medical	Childcare & Education
- Luxury hotels - Mid-market hotels - Upscale hotels - Budget hotels - Boutique hotels - Aparthotels - Guest houses - B&Bs	- Freehouses - Tenanted pubs - Managed houses - High street bars - Late night venues - Nightclubs	- Casual dining - Fine dining - Independents - Sandwich bars - Coffee shops - Tea rooms - Takeaways	- Cinemas - Health & fitness - Sports clubs - Bingo halls - Holiday parks - Golf courses - Gaming sector	- Elderly care - Specialist care - Private hospitals - Nursing and residential - Supported living - Funeral directors	- Supermarkets - Convenience stores - PFS Forecourts - CTNs - Off licences - Post offices - Garden centres	- Pharmacies - Dentists - GP Surgeries - Vets - Opticians	- Education - Childcare - Independent schools - Nurseries - Fostering

Estimated Market Sizes - UK

- 45,000 hotels
- 49,000 pubs
- 24,000 table service restaurants
- 25,000 healthcare facilities
- 7,700 pharmacies
- 10,700 dental practices
- 2,500 independent schools
- 50,000 convenience stores
- 6,700 health clubs
- 8,900 GP's
- 16,000 day nurseries
- 8,400 filling stations
- 100,000 + retail

Estimated Market Sizes - Europe

- Over 132,000 hotels (source Otus & co)

Group Strategy

We aim to be the recognised knowledge leader and pre-eminent advisor in our sectors

- We partner with our clients throughout their business life cycle to optimise and enhance value
- We exist to help our clients buy, operate, develop and sell their businesses
- We do this through supplying a range of demand services that they require, with a focus on quality of service
- We enjoy the synergistic benefits of common markets and common client bases
- We have committed management teams running our businesses. As a professional services conglomerate, we benefit from a diversity of sectors and services
- Underpinning the strategy are 5 key values of Growth, People, Technology, ROI and Resilience & Sustainability





Business Review

Dan Prickett
Chief Operating Officer

Professional & Financial Services

Agency and advisory operation benefits from success of international network

- Christie & Co grew its transactional pipeline 12% in the year in aggregate across UK and Europe
- Growth was stronger in its overseas operations in mainland Europe
- Christie & Co operate across mainland Europe from 13 offices in France, Germany, Spain, Austria and Finland in addition to its UK office network
- 24% increase in headcount in Europe to support this growth and provide foundations for future
- Spain performed particularly well where attractive opportunities exist in both urban and resort markets
- Christie & Co's hospitality consultancy teams operate on a pan European basis with increasing levels of collaboration



Professional & Financial Services

A year of strong demand for our valuation services across many sectors

- Cost of borrowing remains low meaning refinance opportunities continue to be attractive and demand for valuation services is strong
- Between Christie & Pinders we valued over £14bn of assets in the year and over 8,000 individual assets
- Christie & Co received instructions on several major pub portfolios, including Marston's and Green King comprising 3,500 pubs in aggregate
- In Hotels, Christie & Co valued a number of portfolios including glh Hotels and RF Hotels
- In other sectors, the scale of our capabilities were illustrated by the valuation of almost 350 UK petrol stations for TDR Capital-backed Euro Garages alongside strategic consultancy advice provided on 180 care assets for Four Seasons Health Care
- Pinders saw a 10% increase in the volume of instructions, while also growing its Building Services division revenues by 15%
- Pinders presence in the white coat sector continued to increase, with a 47% increase in revenues from the sector to over £1m



Average fees earned - Christie & Co UK

Average commissions ended 2018 82% up on Jan 2007 levels highlighting penetration of higher fees being achieved from transactional brokerage

Christie & Co UK commission 13 week average

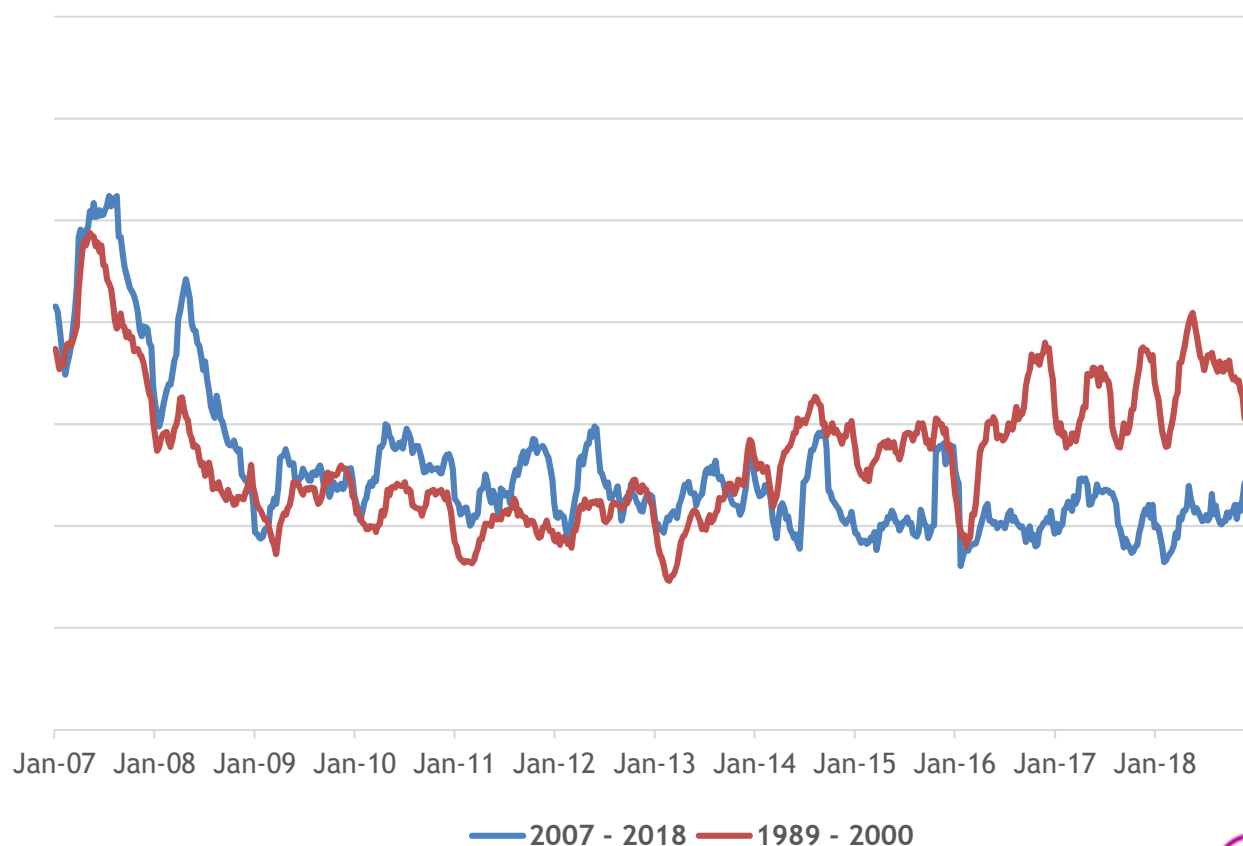


- Average commissions have risen strongly over last 6 years through combination of involvement in higher fee corporate instructions, rising business values and success-based fee structures
- Peak in Apr 2018 reflected impact of high fee deals achieved within Childcare & Education sector in H1 2018
- Average fee levels not as strong in H2 2018 but underlying trend remains positive

UK Deal Volumes

Christie & Co 'gross deals agreed' illustrate that transactional volumes remain relatively low and still well below 2007 peak volumes in the UK

Christie & Co UK GDA 13 week average

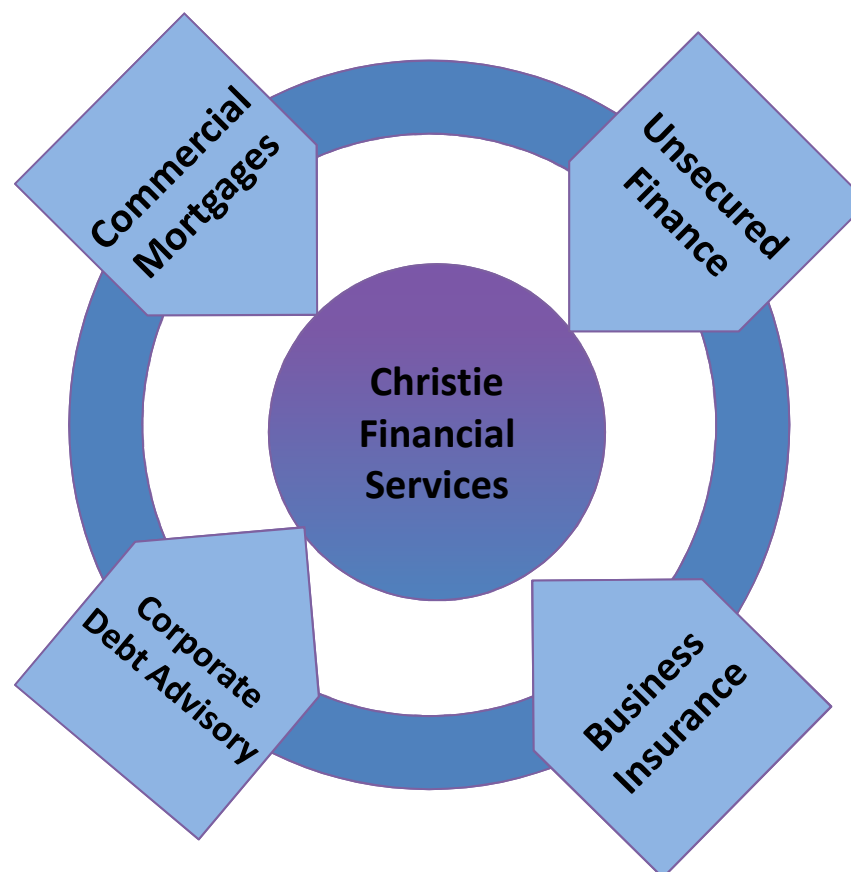


- Transaction volumes in the UK declined sharply at beginning of financial crisis
- Have not recovered in pure volume terms although Medical and Childcare & Education sectors added
- C&Co UK office network remains in place and infrastructure is there to benefit from return to higher transaction volumes

Professional & Financial Services

Financial services operations continue to grow providing crucial complementary services to owners and operators

- Successful year for Christie Finance in terms of its new Unsecured Lending offering
- Provides attractive borrowing flexibility options for owners and operators, whether as top up funding to commercial mortgages or as short term working capital supporting
- Unsecured offering can provide real assistance where traditional lenders are slow to approve direct applications
- Overall instructions for Christie Finance increased by over 30% compared to 2017, with Unsecured a strong contributor to this
- Christie Finance secured offers of finance of over £165m in 2018
- Christie Finance's access to lending options provide clients with expert advisory support when arranging finance, securing offers of finance from more than 40 lenders in 2018
- At the same time, they are able to arrange debt funding on larger corporate transactions
- Christie Insurance have identified growing requirement for cyber cover and terrorism cover, alongside risk that clients underinsure



Stock & Inventory Systems & Services

Record year for our hospitality stock audit & advisory business, Venners

- Venners continued its strong growth record of recent years, consistently recording record monthly revenues throughout 2018
- 8.7% growth in revenue from 2017, and a 37% increase in operating profit
- The company has grown revenue by 48% in 5 years
- Consultancy and Compliance provide real opportunity for continued strong growth in coming years, supplementing the business's core Stock Audit services where it is the largest provider in the UK hospitality sector
- Increasing demand for external benchmarking services in the casual dining sector where cost pressures are well reported
- Corporate governance failings continue to highlighted the value of an independent 3rd party review of controls and processes which our consultancy and compliance teams are ideally placed to advise on
- Growth in 2018 was derived from a series of new business wins including Millennium Hotels, Giggling Squid and Thorley Taverns among others

The UK's
largest
hospitality
stock
auditor

42,000
audits
carried out
in 2018

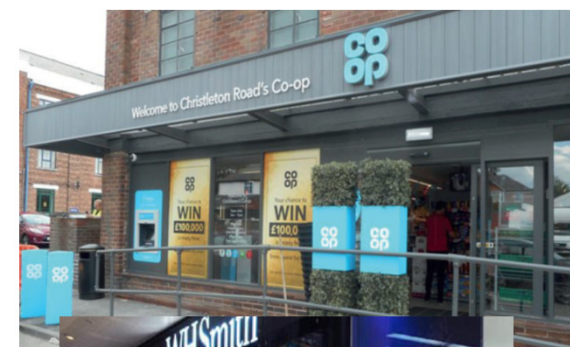
Over 850
clients



Stock & Inventory Systems & Services

Retail stocktaking sees real progress achieved in Europe and turnaround plan underway in UK Retail

- Successful year for European operations with revenue growth and improvement in profitability
- Est. £1bn European retail stocktaking market offers significant growth potential at less pressured margins than UK
- Expansion in France, Germany and Benelux continues with new clients including Birkenstock, PepsiCo and McTrek
- UK Retail sector continues to undergo period of evolution and structural change
- Business retains a client base with a number of long term relationships, including Co-Op, WH Smith, Wilkos and Swarovski
- Necessitates need for optimal operational efficiency in hyper-competitive market and flexibility to service high street & warehouse stock locations
- We initiated a strategic review of the business in the second half of 2018, with focus on significantly improving operational efficiency across a range of initiatives which are in progress
- Similarly we remain robust on pricing to protect against statutory wage increases and refuse non-profitable contracts
- Pharmacy stocktaking division provides complementary service to C&Co clients at stronger margins than Retail stocktaking and with potential for developing the offering in Europe



ORRIDGE
the Company that counts

Stock & Inventory Systems & Services

A year of positive change for Vennersys, positioning the business for growth in 2019

- Organisation was enhanced in 2018 with significant recruitment
- Substantially developed our core Venpos Cloud suite for our visitor attraction client base
- Reconfigured servers during 2018 to strengthen security and ensure GDPR compliant
- Added 'Go Cardless' direct debit functionality
- Developed adoptions module – key for zoo sector
- Focus at end of 2018 and into 2019 on travel trade module
- Events API allows clients to use system for one-off events alongside day to day admissions





Financial Review

Simon Hawkins

Group Finance Director

Revenue

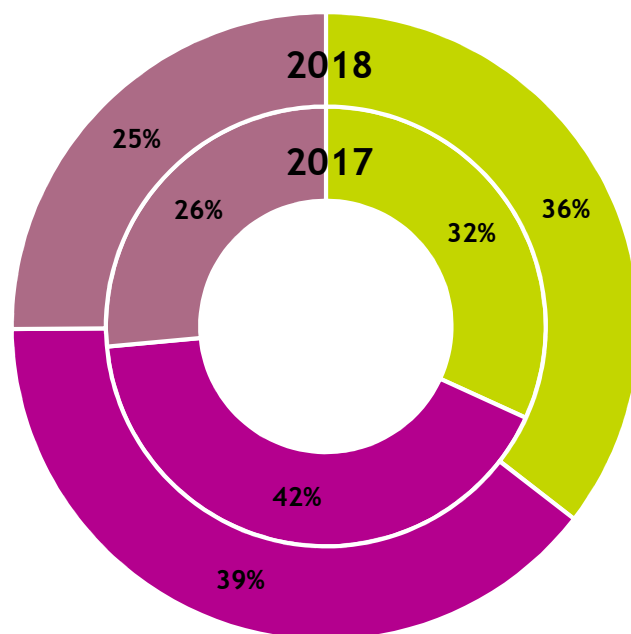
YOY revenue increased by £4.5m (6%) with growth across both divisions - PFS (7%) and SISS (5%)

	2018	2017	Movement	
Revenue	£'000	£'000	£'000	%
<i>Professional & Financial Services</i>	43,381	40,617	2,764	7%
<i>Stock & Inventory Systems & Services</i>	32,709	31,018	1,691	5%
Total Revenue	76,090	71,635	4,455	6%

Revenue by sector and division

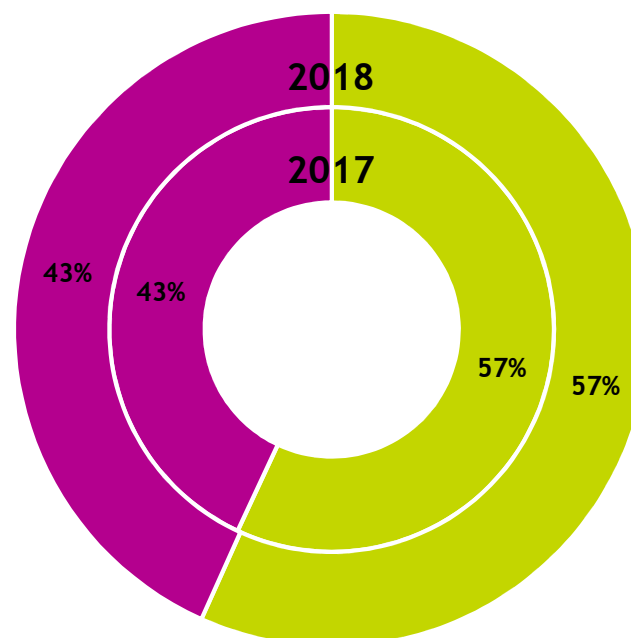
Group remains consistent across the two divisions and sector-spread provides a diversified risk-spread and plenty of opportunity in newer sub-sectors such as Childcare & Education and Medical

Revenue by sector



■ Retail ■ Leisure ■ Care

Revenue by division



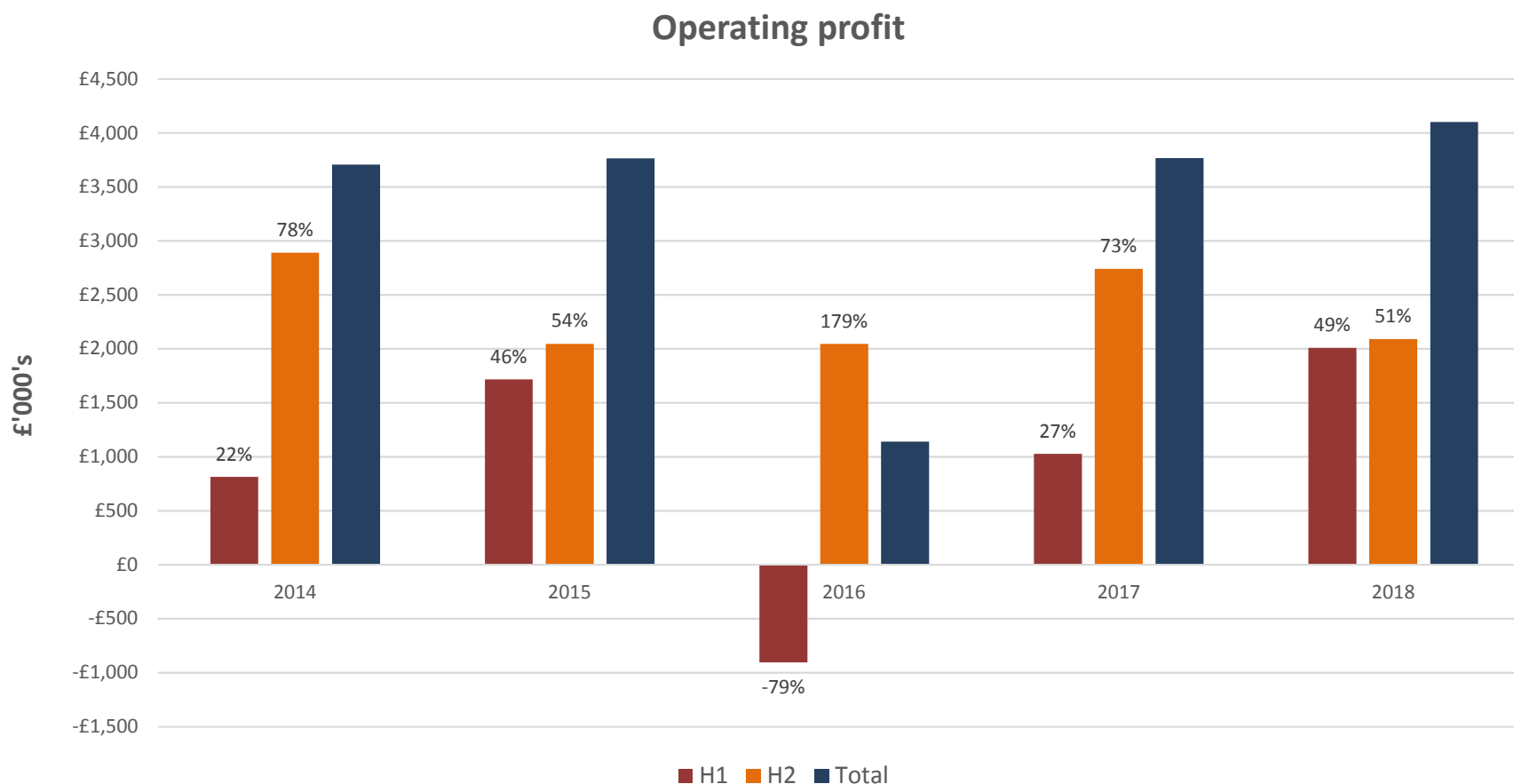
■ PFS ■ SISS

- Retail includes retail, forecourts and garden centres
- Care includes healthcare, childcare, education and medical
- Leisure includes hotels, pubs, restaurants and leisure

See slide 8 for a full breakdown of areas within each sector

Operating profit by half years

2018 brought a more balanced split, with the highest FY operating profit in the past 5 years of £4.1m - a 8.4% improvement on 2017. 1st HY 2016 affected in the lead up to the referendum



Employee numbers

FTE headcount decreased slightly, as the capacity already existed to deliver growth in the PFS division in 2019

Actual number of people employed	2018	2017
Operational	2,723	2,773
Admin & support	291	284
Total	3,014	3,057

Full time equivalents	2018	2017
Operational	977	939
Admin & support	222	275
Total	1,199	1,214

Cash & net debt

Net debt levels at end 2018 reduced by £0.3m YOY. At the 31 December 2018 we remain within our total available facilities

	31/12/2018	31/12/2017	Movement
	£'000	£'000	£'000
Cash & Cash Equivalent	4,668	4,692	(24)
Bank Overdrafts	(4,467)	(4,516)	49
Total cash	201	176	25
Other borrowings	(2,489)	(2,744)	255
Net debt	(2,288)	(2,568)	280

- The Group ended the year with cash & cash equivalents of £0.2m
- Net debt at the end of 2018 was £2.3m - a £0.3m reduction YOY



Outlook

David Rugg

Chairman & Chief Executive

Outlook

2019 expected to be stronger in H2 as Brexit slows transactions but activity remains across all our sectors

- Currently the uncertainty surrounding Brexit is causing UK transaction related activity to slow
- However, transactional pipelines have grown
- Expectation is that normal throughput will return once there is more certainty of outcome
- Portfolio instructions continuing
- No indications of any Brexit impact to any other areas of the group
- We expect progress across all of our operations within SISS
- We expect a stronger second half in comparison to the first
- Board have recommended to maintain a final dividend at 1.75p per share, increasing the total dividend to 3.0p for the year (2017: 2.75p)



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