



RPS

INTERIM RESULTS



02 August

2018

AGENDA

1. Overview
2. Group Financial Results
3. Segmental Performance and Group Outlook
4. Making Progress
5. Appendix – Attached Segmental Data

STRONG FUNDAMENTALS, SIGNIFICANT CHANGE, REAL OPPORTUNITY - AND STEADY PROGRESS

Ongoing good financial performance

- First half in line with expectations – PBTA of £27.4m (H1 2017: £27.2m)
- Steady revenue and fee growth – led by Energy
- Reduced debt – total closing borrowing of £91.2m (H1 2017: £100.7m)
- Leverage maintained at a comfortable level
- Dividend held

Flatter and more responsive organisation structure

- Good mix of new and existing executives
- Greater transparency of segment drivers
- Clear challenge to create growth in the non-Energy businesses

Steady progress

- Board had been substantially renewed and strengthened
- Good progress against five clear priorities
- Plenty to do

5,600

Creative professionals and service providers

Defining, designing and managing projects in

6

Sectors

- ◆ Property
- ◆ Energy
- ◆ Transport
- ◆ Water
- ◆ Defence and security
- ◆ Resources

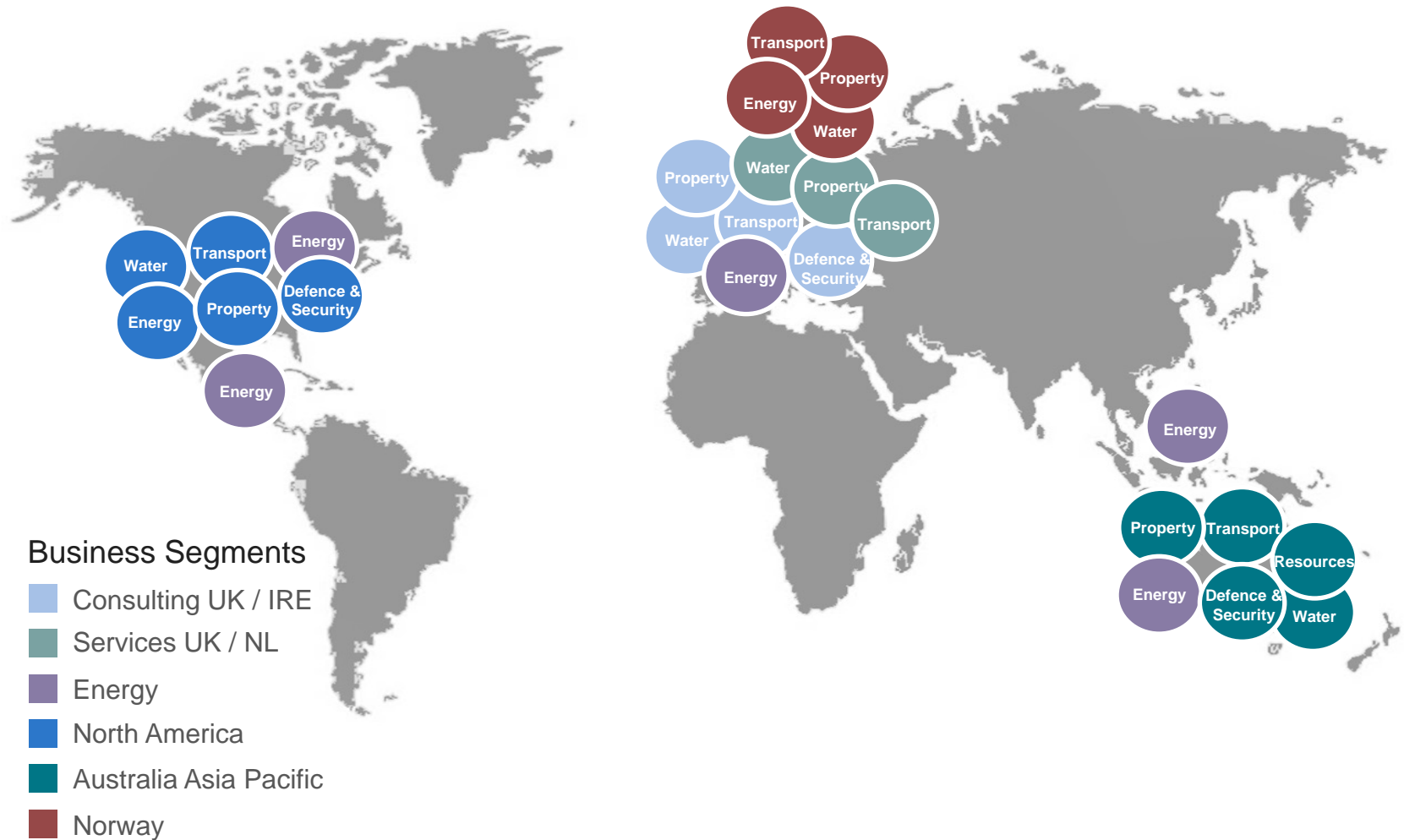
Across

12

Service clusters

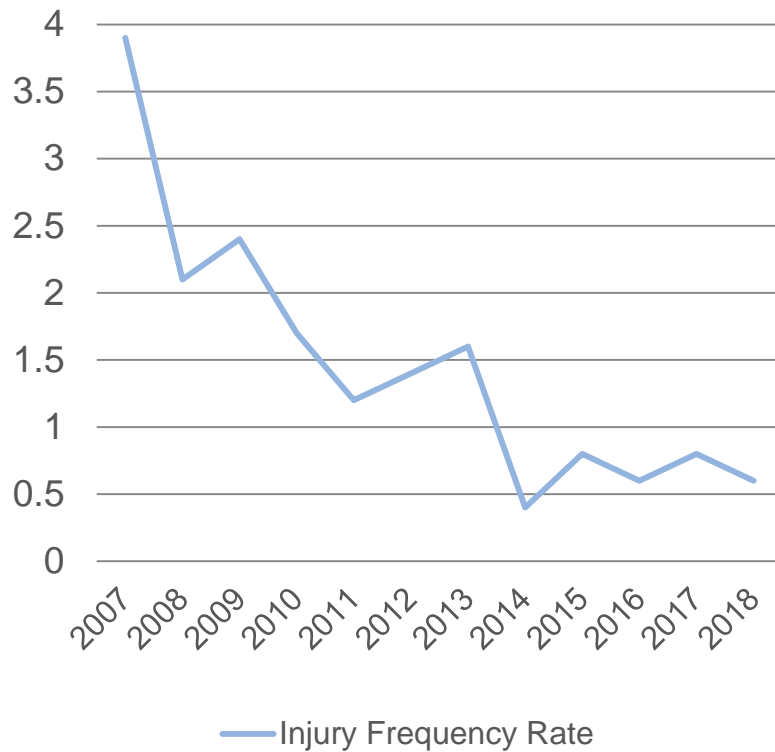
- ◆ Project and programme management
- ◆ Design and Development
- ◆ Water Services
- ◆ Environment
- ◆ Advisory and Management Consulting
- ◆ Exploration and Development
- ◆ Planning and Approvals
- ◆ Health, safety and risk
- ◆ Oceans and Coastal
- ◆ Laboratories
- ◆ Training
- ◆ Communication and creative Services

WORKING ACROSS THE GLOBE

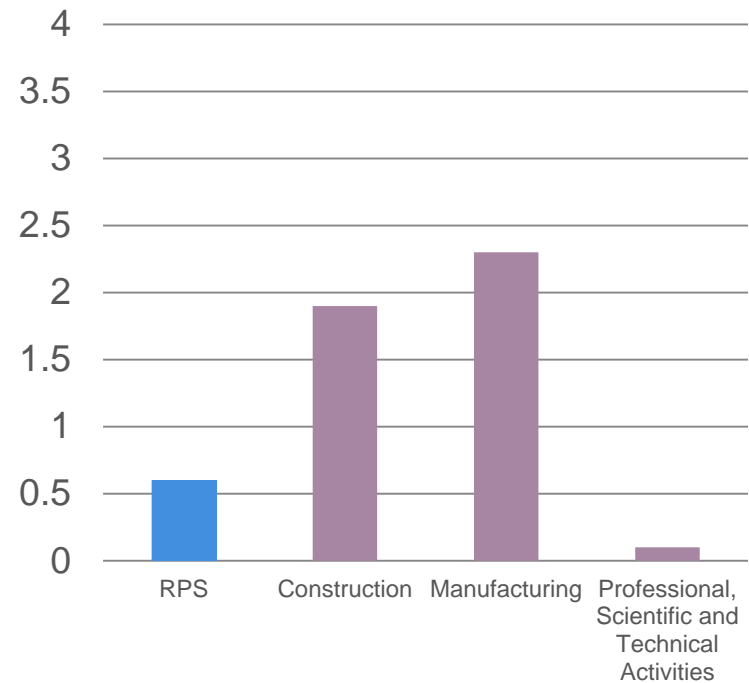


WORKING SAFELY

RPS RIDDOR reportable injury frequency rate



RIDDOR reportable injury frequency rate *



* Injury Frequency Rate (per 1,000,000 hours worked)

RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

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GOOD START, IN LINE WITH EXPECTATIONS

	H1 18	H1 17	H1 17 cc' ¹	cc growth
Revenue (£m)	321.1	314.5	306.6	5%
Fees (£m)	289.1	281.1	273.8	6%
Operating profit ² (£m)	29.4	29.7	28.8	2%
Operating profit margin ² (%)	10.2%	10.6%	10.5%	
PBTA (£m)	27.4	27.2	26.4	4%
Basic eps (p) ³	8.77	8.71	8.43	4%
Dividend per share (p)	4.80	4.80	4.80	
Tax rate on PBTA (%)	28.7%	29.1%	29.1%	

¹ 2017 results restated at 2018 currency rates

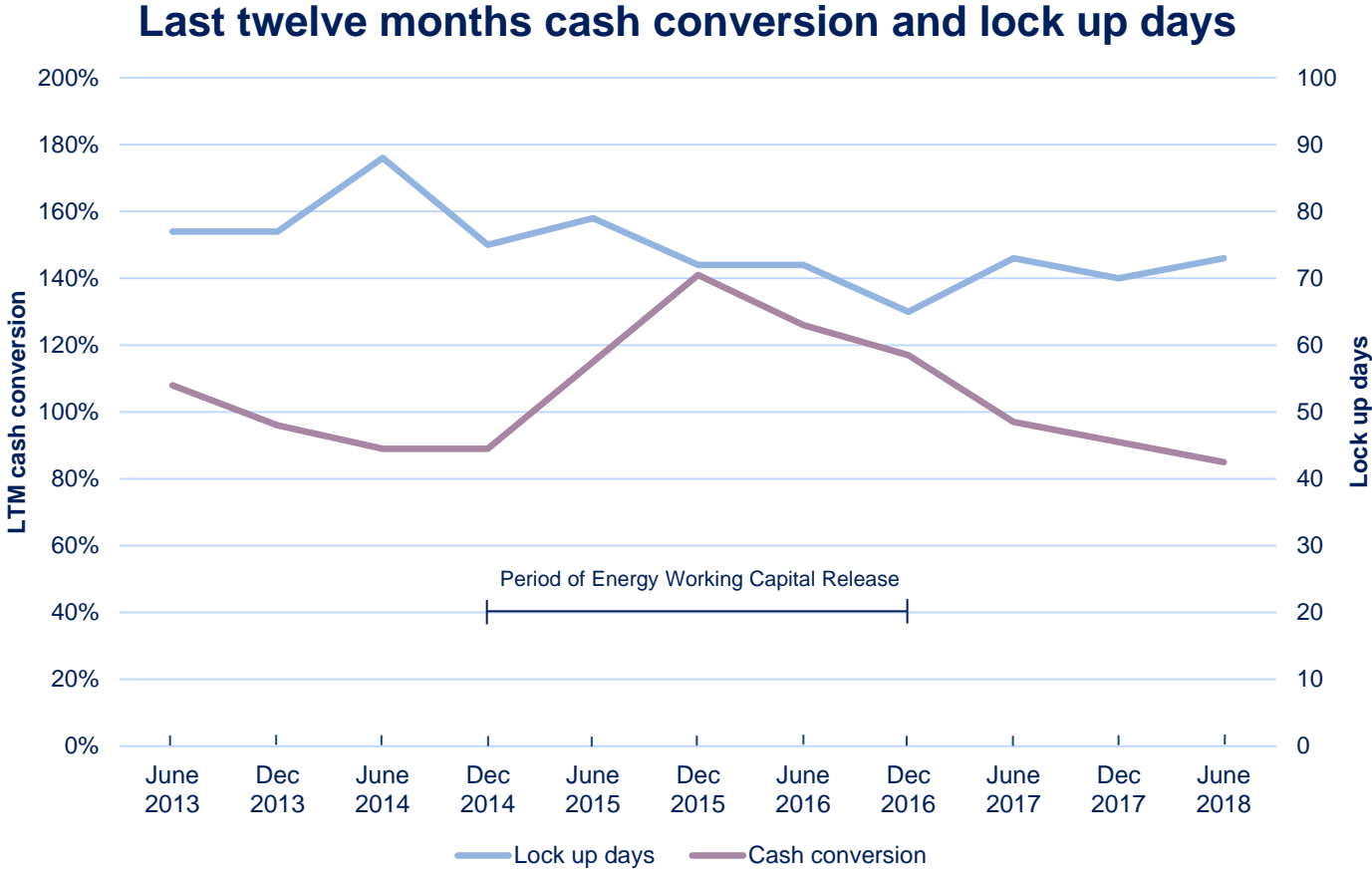
² pre amortisation and impairment of acquired intangibles and transaction related costs

³ pre A and tax on A

NORMAL H1 SEASONALITY

£m	H1 18	H2 17	H1 17
Operating profit	29.4	28.8	29.7
Depreciation	4.1	4.2	4.2
Share scheme costs	1.0	1.3	1.4
Disposal adjustments	(0.3)	-	-
EBITDAS	34.2	34.3	35.3
Working capital	(17.9)	7.5	(13.5)
Cash from operations	16.3	41.7	21.8
<i>Conversion of profit into cash</i>	<i>48%</i>	<i>122%</i>	<i>62%</i>
Interest	(1.9)	(2.3)	(2.6)
Tax	(5.4)	(7.2)	(7.7)
Net cash from operating activities	9.1	32.3	11.5

LOCK UP DAYS MAINTAINED



REDUCED CASH OUTFLOW IN H1

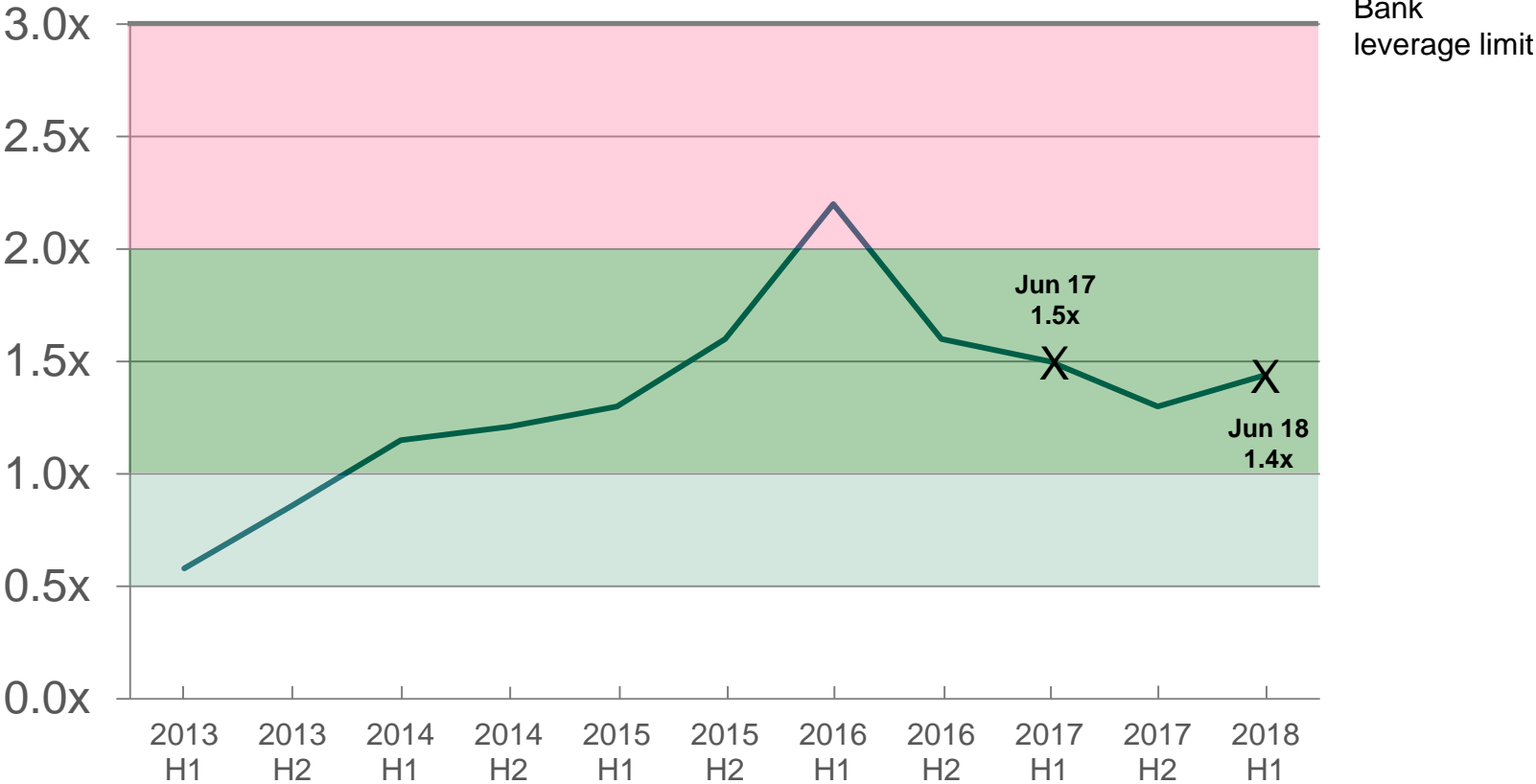
£m	H1 18	H2 17	H1 17
Net cash from opg activities	9.1	32.3	11.5
Capex	(5.1)	(4.4)	(3.8)
Free cash flow	4.0	27.9	7.7
Deferred consideration	(1.2)	(5.5)	(7.4)
Dividends	(11.4)	(10.7)	(11.3)
Other	(0.2)	0.4	-
Cash (out) / in flow	(8.7)	12.1	(11.1)

¹ net of cash acquired

REDUCED DEBT COMPARED TO H1 2017

£m	H1 18	H2 17	H1 17
Opening net bank borrowings	(80.6)	(93.4)	(83.4)
Cash flow	(8.7)	12.1	(11.1)
FX and other	(1.1)	0.6	1.1
Closing net bank borrowings	(90.5)	(80.6)	(93.4)
Opening deferred consideration	(1.8)	(7.3)	(15.0)
Consideration payment	1.2	5.5	7.4
FX and other	(0.2)	0.1	0.3
Closing deferred consideration	(0.7)	(1.8)	(7.3)
Total closing borrowings	(91.2)	(82.4)	(100.7)

COMFORTABLE LEVERAGE

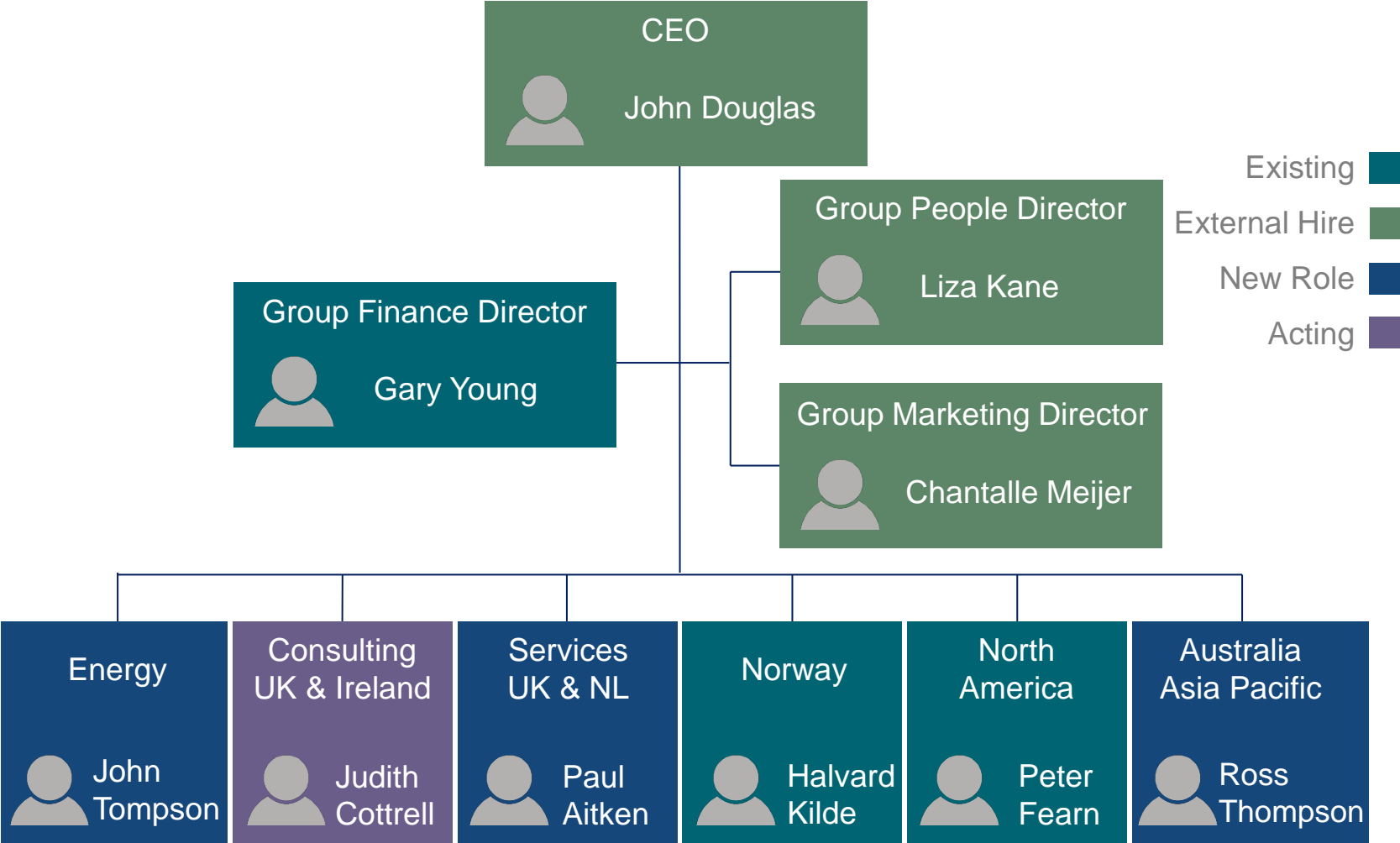


Leverage is total net debt/annualised EBITDAS

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FLATTER, MORE RESPONSIVE ORGANISATIONAL STRUCTURE WITH STRONG FUNCTIONAL SUPPORT



STRONG FUNCTIONAL SUPPORT



Liza Kane
Group People Director

- 25+ years experience in blue chip organisations, latterly at Genus
- Deep understanding of Professional Services
- Specialist expertise in change management, reward and organisation design
- Passionate about leadership and management development

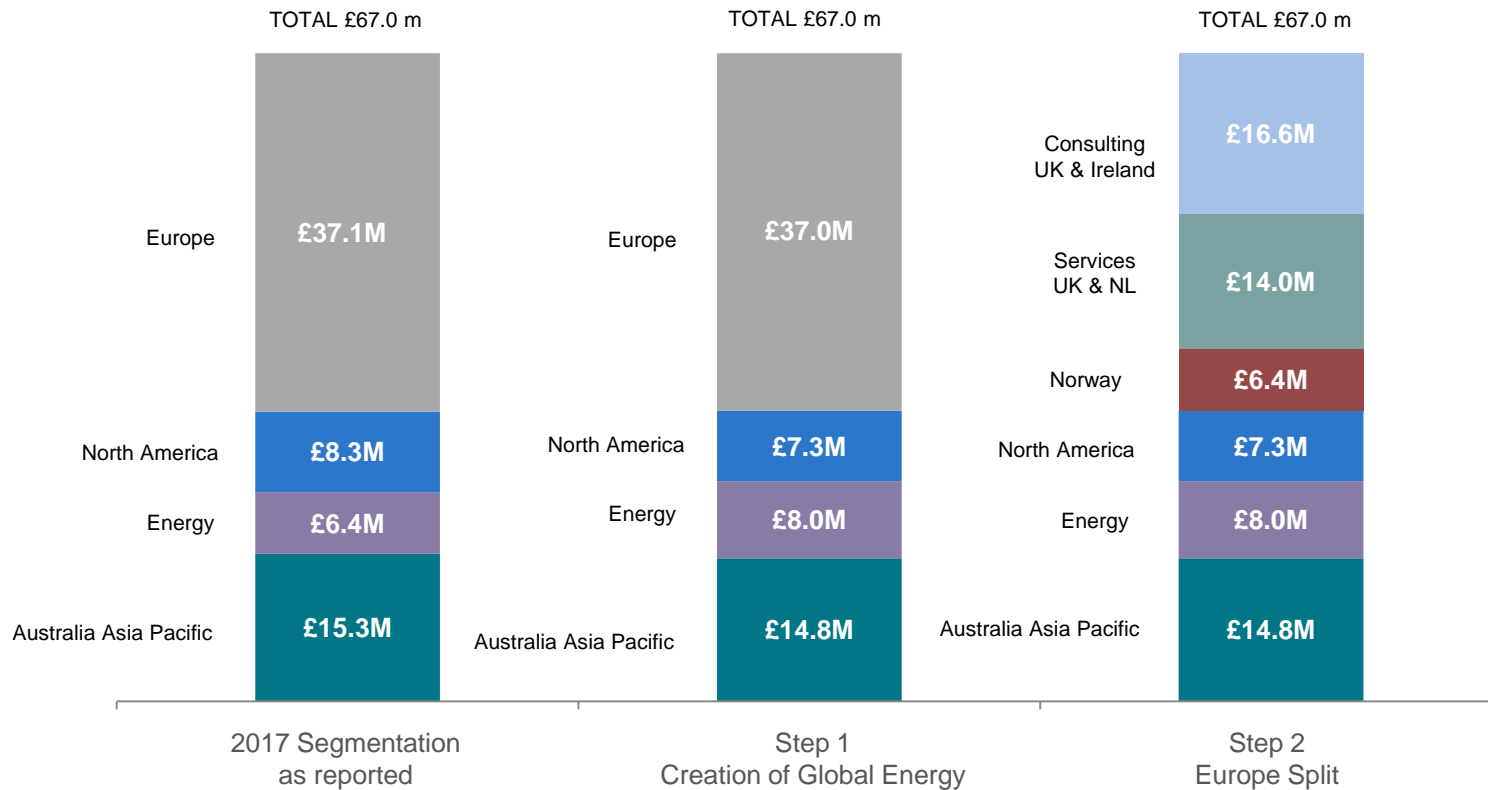


Chantalle Meijer
Group Marketing Director

- Experienced marketer, particularly within environmental and engineering firms
- Specialises in commercialising marketing positioning growth strategies
- Wealth of experience in customer engagement, brand and reputation management, communications and digital transformation

SEGMENT CHANGES PROVIDE GREATER TRANSPARENCY

Full Year 2017 Segment Profit Summaries



PROFIT GROWTH LED BY ENERGY UNDERPERFORMANCE IN GOOD MARKETS ELSEWHERE

£m	H1 18	H1 17	2017 cc ¹	cc growth
Energy	4.7	3.2	3.1	50%
Consulting (UK and Ireland)	8.1	9.1	9.2	-12%
Services (UK and Netherlands)	6.8	6.7	6.7	2%
Norway	3.3	3.6	3.6	-7%
North America	3.4	4.1	3.7	-8%
Australia Asia Pacific	7.1	7.8	7.3	-3%
Segment profit	33.5	34.5	33.6	0%
Unallocated expenses	(4.1)	(4.9)	(4.9)	16%
Operating profit ²	29.4	29.7	28.8	2%
Interest	(2.0)	(2.5)	(2.4)	17%
PBTA	27.4	27.2	26.4	4%

¹ 2017 results restated at 2018 currency rates

² pre amortisation and impairment of acquired intangibles and transaction related costs

ENERGY



John Tompson
CEO

People	Regions	Sectors	Services
400 staff 350 associates	Global Regional offices in: UK USA Australia Canada Malaysia	Energy	Exploration and Development Oceans and Coastal Advisory and Management Consulting Training Health, Safety and Risk Environment Laboratories

ENERGY PERFORMANCE

Strong growth in fees and profit; profit includes £1.0m debt recovery

	H1 18	H1 17	H1 17	cc cc' growth
Fee income (£m)	48.6	45.6	44.1	10%
Segment profit (£m) ²	4.7	3.2	3.1	50%
Margin (%)	9.7%	7.1%	7.1%	

¹ 2017 results restated at 2018 currency rates

² After reorganisation costs of £0.4m in 18, £0.3m in 17

ENERGY COMMENTS

2018

- Activity in oil and gas markets increased
- New global management structure established and performing effectively
- Bad debt recovery £1.0m (H1 2017: £0.8m)

Prospects

- Business capable of delivering good growth in 2018
- Retention and recruitment more challenging as markets improve

CONSULTING - UK & IRELAND



Judith Cottrell
Acting CEO

People	Regions	Sectors	Services
1650 staff	United Kingdom Republic of Ireland	Property Transport Energy Water Defence and Security Resources	Environment Design and Development Planning and Approvals Healthy, Safety and Risk Project and Program Management Oceans and Coastal Water Advisory and Management Consulting Communication and Creative Services Training

CONSULTING - UK & IRELAND PERFORMANCE

Performance held back by recruitment challenge

	H1 18	H1 17	H1 17	cc
			cc'	growth
Fee income (£m)	61.0	61.1	61.4	-1%
Segment profit (£m) ²	8.1	9.1	9.2	-12%
Margin (%)	13.3%	14.9%	14.9%	

¹ 2017 results restated at 2018 currency rates

² After reorganisation costs of £0.1m in 18, £nil in 17

CONSULTING - UK & IRELAND COMMENTS

2018

- Performance held back by recruitment challenge, especially in London
- Otherwise market conditions generally good
- Steady performance in Ireland and Northern Ireland

Prospects

- Conditions in H1 likely to continue through H2 2018
- If there is a Brexit impact on RPS, it will be felt here

SERVICES - UK & NETHERLANDS



Paul Aitken
CEO

People	Regions	Sectors	Services
1850 staff	United Kingdom The Netherlands	Water Property Transport Energy Defence and Security	Water Services Design and Development Laboratories Health, Safety and Risk Advisory and Management Consulting

SERVICES - UK & NETHERLANDS PERFORMANCE

Good fee growth, especially in Water. Profit held back by Netherlands initiatives

	H1 18	H1 17	H1 17 CC'	CC GROWTH
Fee income (£m)	54.4	48.3	48.7	12%
Segment profit (£m) ²	6.8	6.7	6.7	2%
Margin (%)	12.5%	13.8%	13.7%	

¹ 2017 results restated at 2018 currency rates

² After reorganisation costs of £0.1m in 18, £nil in 17

SERVICES - UK & NETHERLANDS COMMENTS

2018

- Water strong, assisted by bad UK weather
- Organic growth initiatives in Netherlands put pressure on profit

Prospects

- Water client spend more uncertain in later stage Asset Management Plan cycle
- Expect return on organic initiatives in Netherlands in H2 2018

NORWAY



Halvard Kilde
CEO

People	Regions	Sectors	Services
240 staff	Norway	Technology Transport Property Energy	Project and Program Management Advisory and Management Consulting Training

NORWAY PERFORMANCE

Integration continues, pressure on rates in Property sector

	H1 18	H1 17	H1 17 cc'	cc growthn
Fee income (£m)	35.0	35.1	34.6	1%
Segment profit (£m) ²	3.3	3.6	3.6	-7%
Margin (%)	9.4%	10.3%	10.3%	

¹ 2017 results restated at 2018 currency rates

² After reorganisation costs of £nil in 18, £nil in 17

NORWAY COMMENTS

2018

- Integration of Metier and OEC has created a strong market presence
- Market conditions generally good, some pressure on rates in Property sector

Prospects

- Integration continues; main remaining task is co-location in Q1 2019
- Market conditions expected to continue
- Normal holiday seasonality may impact H2 2018

NORTH AMERICA



Peter Fearn
President

People	Region	Sectors	Services
400 staff	USA	Property Transport Energy Defence and Security Water	Environment Design and Development Advisory and Management Consulting Oceans and Coastal

NORTH AMERICA PERFORMANCE

Good economic backdrop; retention issues held back performance

	H1 18	H1 17	H1 17	cc
			cc'	growth
Fee income (£m)	29.8	33.3	31.0	-4%
Segment profit (£m) ²	3.4	4.1	3.7	-8%
Margin (%)	11.6%	12.3%	12.1%	

¹ 2017 results restated at 2018 currency rates

² After reorganisation costs of £nil in 18, £0.1m in 17

NORTH AMERICA COMMENTS

2018

- General economic conditions in the USA are good
- Design & Development and Environment suffered recruitment and retention issues
- Ocean & Coastal benefited from greater client expenditure

Prospects

- Good market conditions expected to continue
- Recruitment challenges being addressed
- Improvement expected in H2 2018

AUSTRALIA ASIA PACIFIC



Ross Thompson
CEO

People	Regions	Sectors	Services
1000 staff	Australia New Zealand	Property Defence and Security Transport Resources Water	Project and Program Management Design and Development Advisory and Management Consulting Environment Communication and Creative Services Planning and Approvals Water Services

AUSTRALIA ASIA PACIFIC PERFORMANCE

Fee growth but restructuring has tempered performance

	H1 18	H1 17	H1 17 cc'	cc growth
Fee income (£m)	62.1	59.4	55.7	11%
Segment profit (£m) ²	7.1	7.8	7.3	-3%
Margin (%)	11.5%	13.2%	13.1%	

¹ 2017 results restated at 2018 currency rates

² After reorganisation costs of £0.1m in 18, £0.3m in 17

AUSTRALIA ASIA PACIFIC COMMENTS

2018

- Transport and Property sectors strong although restructuring has tempered performance
- Greater use of lower margin subconsultants in Project and Program Management
- Investment in support services

Prospects

- Outlook positive, capable of delivering growth in 2018

GROUP OUTLOOK

- *“The Group performance in the first half of the year has been steady and we expect this to continue in the second half of the year. We will continue to focus on generating organic growth while also seeking acquisitions that are aligned with our current core offerings. The increased activity in oil and gas markets is encouraging and should support progress in our global Energy business. We will also build on the good progress we have made on our other strategic priorities which will provide a solid foundation for growth in the coming years.”*
- Q3 trading update, early November 2018

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STRENGTHENED BOARD



Ken Lever
Chairman
Appointed November 2016



John Douglas
Chief Executive
Appointed June 2017



Gary Young
Finance Director
Appointed September 2000



Robert Miller-Bakewell
Senior Independent Director &
Remuneration Chair
Appointed May 2010



Allison Bainbridge
Independent Director
& Audit Chair
Appointed June 2017



Michael McKelvy
Independent Director
– US Based
Appointed May 2018



Liz Peace
Independent Director
Appointed July 2017

BUILDING BOARD EXPERTISE AND CAPABILITY



Catherine Glickman

Non Executive Director,
appointed 2 August 2018

- Catherine has been appointed to the Remuneration Committee and will assume the role of Chair of the committee once Robert Miller-Bakewell retires at the next AGM
- Catherine has led HR for complex, customer centric organisations, chaired Remuneration Committees and developed reward structures that align leadership motivation with company strategy which will be invaluable to RPS
- Catherine's career spans HR leadership roles at Boots, Somerfield, Tesco and Genus as well as chairing Marston's PLC Remuneration Committee

GOOD FUNDAMENTALS

- Safety is OK and improving – pockets of excellence
- Profitable with strong cash flow
- Balance sheet strength and supportive lenders
- Generally well developed business unit strategy - resulting in good margins
- Well positioned in an attractive - and still consolidating - industry
- Diversified blue chip client base
- Client work that is both important – and a relatively small portion of project cost
- Respect for money – managers drive for margin and care about cash
- Quality people

OPPORTUNITIES FOR INVESTMENT

- Portfolio is overly diverse but there are few opportunities for rationalisation
- Staff turnover is above industry norms – reducing this will require investment but will improve margins/allow organic growth
- Limited staff development - particularly in general consulting skills including sales
- Brand is poorly defined - greater clarity is important for staff (particularly younger staff) , clients, business vendors - and for investors
- IT systems are robust but local and in most cases at the end of an investment cycle
- Management is unused to working collectively

FIVE CLEAR PRIORITIES

1. Investing in people and reducing staff turnover
2. Telling our story better for staff, clients, business vendors – and, of course, investors
3. Exploiting revenue synergies where they exist – but not where they don't. Defining those sectors and services that will be our core focus
4. Revitalising the Energy business to better exploit opportunities in oil and gas and in broader energy markets
5. Growing our businesses organically and through selective acquisition – with a particular acquisition focus on North America

INVESTING IN PEOPLE, REDUCING TURNOVER

- Building strong leadership
 - Appointment of a new Remuneration Chair – Catherine Glickman
 - Appointment of a new Group People Director – Liza Kane
 - Top level organisational re-structure completed
- Engaging our staff and giving them a voice
 - Undertaken our first ever global staff engagement survey
 - Regular, proactive, communication flow

TELLING OUR STORY BETTER

- Conducted an extensive client perception study in H1 2018 to better understand brand perception clients most value
- Using staff and client insight to shape our Purpose, Promise and the Behaviours we want to embody
- A new visual and verbal identity to bring RPS and our story to life is well evolved
- Marketing structure agreed and populated

EXPLOITING SYNERGIES WHERE THEY EXIST – BUT NOT WHERE THEY DON'T

- Global sectors redefined
- Services consolidated into 12 distinct clusters
- Global service matrix mapped across 6 business segments
- Transparency on what we do and where we do it

REVITALISING THE ENERGY BUSINESS

- Appointment of John Tompson as CEO Energy
- Established organisational boundaries
- Reorganised Energy along service rather than geographic lines
- A new management team – now largely confirmed
- Growth priorities now established
- And, we are benefitting from an improving market

ORGANIC GROWTH, SELECTIVE ACQUISITION

- Creating planning and budget processes to make organic growth and capital discipline a priority
- Continue to look for value creating bolt-on that will add density rather than diversity
- Value creating acquisitions in North America are proving difficult to find

STRONG FUNDAMENTALS, SIGNIFICANT CHANGE, REAL OPPORTUNITY - AND STEADY PROGRESS

Ongoing good financial performance

- First half in line with expectations – PBTA of £27.4m (H1 2017: £27.2m)
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Flatter and more responsive organisation structure

- Good mix of new and existing executives
- Greater transparency of segment drivers
- Clear challenge to create growth in the non-Energy businesses

Steady progress

- Board had been substantially renewed and strengthened
- Good progress against five clear priorities
- Plenty to do

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GROUP CONTEXT

	H1 18	H2 17	H1 17	H2 16	H1 16
Revenue (£m)	321.1	316.1	314.5	303.1	291.4
Fees (£m)	289.1	281.2	281.1	273.5	260.8
Operating profit ¹ (£m)	29.4	28.8	29.7	33.2	22.7
Operating profit margin ¹ (%)	10.2%	10.2%	10.6%	12.1%	8.7%
PBTA (£m)	27.4	26.7	27.2	30.5	20.2
PBTA (£m) excluding Energy bad debt recoveries	26.4	25.7	26.4	26.3	20.2
Dividend per share (p)	4.80	5.08	4.80	5.08	4.66

¹ pre amortisation and impairment of acquired intangibles and transaction related costs

ENERGY CONTEXT

Continuing improvement in market conditions

£m	H1 18	H2 17	H1 17	H2 16	H1 16
Fees	48.6	47.4	45.6	50.9	52.8
Underlying profit	4.2	4.0	2.8	4.9	2.5
Bad debt recoveries	1.0	1.0	0.8	4.2	-
Reorganisation costs	(0.4)	(0.2)	(0.3)	(1.4)	(2.7)
Segment profit	4.7	4.7	3.2	7.8	(0.2)
Margin	9.7%	10.0%	7.1%	15.3%	-0.4%

CONSULTING - UK & IRELAND CONTEXT

Recruitment and retention has affected recent performance

£m	H1 18	H2 17	H1 17	H2 16	H1 16
Fees	61.0	59.7	61.1	59.5	55.8
Underlying profit	8.2	8.7	10.0	9.5	8.0
Troubled project	-	(1.2)	(0.9)	-	-
Reorganisation costs	(0.1)	-	-	(0.0)	(0.2)
Segment profit	8.1	7.5	9.1	9.4	7.8
Margin	13.3%	12.5%	14.9%	15.9%	14.0%

SERVICES - UK & NETHERLANDS CONTEXT

Good fee growth, especially in Water. Profit held back by Netherlands initiatives

£m	H1 18	H2 17	H1 17	H2 16	H1 16
Fees	54.4	47.4	48.3	43.1	43.3
Underlying profit	6.9	7.3	6.7	5.9	6.0
Reorganisation costs	(0.1)	-	-	(0.0)	(0.1)
Segment profit	6.8	7.3	6.7	5.8	5.9
Margin	12.5%	15.4%	13.8%	13.5%	13.7%

NORWAY CONTEXT

Integration effects since H1 17

£m	H1 18	H2 17	H1 17	H2 16	H1 16
Fees	35.0	32.9	35.1	32.4	29.8
Underlying profit	3.3	2.8	3.6	3.5	2.7
Reorganisation costs	-	-	-	(0.0)	(0.1)
Segment profit	3.3	2.8	3.6	3.5	2.6
Margin	9.4%	8.4%	10.3%	10.9%	8.7%

NORTH AMERICA CONTEXT

Recruitment and retention challenges since H2 17

£m	H1 18	H2 17	H1 17	H2 16	H1 16
Fees	29.8	35.0	33.3	31.4	29.9
Underlying profit	3.5	3.7	4.2	3.0	4.0
Hurricane Harvey	-	(0.4)	-	-	-
Reorganisation costs	(0.0)	(0.1)	(0.1)	(0.2)	(0.1)
Segment profit	3.4	3.2	4.1	2.9	3.8
Margin	11.6%	9.2%	12.3%	9.1%	12.9%

AUSTRALIA ASIA PACIFIC CONTEXT

Increased investment in support services since H2 17

£m	H1 18	H2 17	H1 17	H2 16	H1 16
Fees	62.1	60.3	59.4	57.4	50.6
Underlying profit	7.2	7.8	8.1	7.6	6.6
Provision for pain share	-	(0.6)	-	-	-
Reorganisation costs	(0.1)	(0.2)	(0.3)	(0.1)	(0.7)
Segment profit	7.1	7.0	7.8	7.5	5.9
Margin	11.5%	11.6%	13.2%	13.1%	11.7%