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Impellam Group plc
26 July 2018

INTERIM RESULTS - UNAUDITED

Impellam Group plc ("Impellam") - London AIM: IPEL; 26 July 2018

Impellam announces its unaudited interim results for the 26 weeks ended 29 June 2018

Strong Managed Services Growth

	H1 2018	H1 2017	Actual Inc/(Dec)	Like-for-like[6] Inc/(Dec)
Managed Services spend under management (£ millions) (1)	£2,004.0	£2,073.2	(3.3)%	2.2%
Group Supply (£ millions) (2)	£560.8	£539.2	4.0%	6.2%
Revenue (£ millions)	£ 1,109.6	£1,077.0	3.0%	4.9%
Gross Profit (£ millions)	£ 135.5	£140.1	(3.3)%	(0.5)%
Adjusted EBITDA (£ millions) (3)	£ 22.2	£24.2	(8.3)%	(5.0)%
Adjusted EBITDA conversion (4)	16.4 %	17.3%	(0.9) ppts	(0.8) ppts
Operating profit (£ millions)	£ 15.4	£15.4	-	3.5%
Adjusted Basic EPS (5)	25.1 p	29.8p	(15.8)%	
Basic EPS	21.0 p	20.9p	0.5%	
Net debt (£ millions)	£ 79.1	£92.1	(14.1)%	

(1) Spend Under Management (SUM) is the total amount of client expenditure, excluding VAT, which our managed services brands (across all geographies) have been able to fill whether acting as a principal or an agent. This has been calculated either through the total amount invoiced to the client excluding VAT or, where we operate a direct engagement model, the value of the salaries and related costs of temporary staff we introduce to and administer for the client, plus our fee for this service.

(2) Group Supply is the value of the Spend Under Management supplied by other areas of the Group.

(3) Before separately disclosed items (see note 3) and share-based payment (see note 2).

(4) Calculated as Adjusted EBITDA / Gross Profit.

(5) Before separately disclosed items, share-based payments and customer relationship amortisation.

(6) % change measured at constant currency rates (2017 results restated at 2018 rates).

Key operational highlights

- Managed Services Spend Under Management (SUM) increased by 2.2% on a like for like basis (3.3% decrease at reported exchange rates) with SUM in the UK, Europe and Australasia increasing by 12%.
- Group Supply increased by 6.2% on a like for like basis (4.0% increase at reported exchange rates) delivering an additional £2.6m of gross profit.
- Group revenues increased by 4.9% on a like for like basis (3.0% increase at reported exchange rates) and gross profit decreased marginally by 0.5% (3.3% decrease at reported exchange rates). Strong performances across the portfolio although challenging market conditions negatively impacting in Healthcare, Education and US Specialist.
- Managed Services businesses in the UK, US and Australasia performed ahead of expectations, with 14 new client wins in H1. Healthcare Managed Services grew gross profit by 49.4% in the UK, Europe and Australasia, providing significant progress in a turbulent market.
- Q2 was sequentially better than Q1 with Q2 gross profit up 2.1% year on year and adjusted EBITDA up 7.0%.
- Conversion of gross profit to adjusted EBITDA in H1 was down from 17.3% to 16.4% driven by business mix, the impact of off-payroll working legislation (IR35) in the UK Doctors and Nursing market and continued investment in IT.
- Over 400 managers have now experienced our Virtuoso Development Programme and are now leading investment initiatives to drive our future growth.
- Net debt reduced by 14.1% from £92.1 million at H1 2017 to £79.1 million at H1 2018.
- The Board has not declared an interim dividend. Instead, the Group will undertake a share buyback programme commencing in Q3 2018, whereby it will return cash to shareholders through the purchase of ordinary shares in the Company, up to an aggregate market value of £12 million over a period of 12 months. The quantum of the buyback reflects the value that the Board would otherwise have intended to return to shareholders through dividends over the same period.

Julia Robertson, Chief Executive Officer, commented:

"We have continued to work hard on our strategic priorities in 2018 where Virtuosity is now enabling us to manage our portfolio of investments with a radical improvement in oversight, driving pace, a reduction in cost and risk and increased returns. In addition, we have further improved our resilience by growing our Managed Services (59.4% of adjusted EBITDA up from 52.4% at H1 2017) and International businesses (50.5% of adjusted EBITDA up from 47.9% at H1 2017).

Our UK, Europe and Australasia Managed Services businesses have performed particularly well with 13.8% gross profit growth. Guidant, Comensura and Lorien all delivered strong H1 performances with 9 new wins including a new client relationship for Guidant with Whitbread plc. We continue to win new business in the competitive Healthcare managed services market in the UK and are in the process of implementing 12 NHS contracts onto our new ShiftWise technology, managing £65.7m of new NHS Spend Under Management, as we work closely with the NHS to provide them with the ability to manage their workplace better whilst delivering cost savings. We are also implementing ShiftWise in our Australian Healthcare business. Our UK Healthcare business is well positioned for future growth as our strategy to work in partnership with the NHS has allowed an open and trusted working relationship to develop with senior NHS policy makers to deliver a sustainable temporary workforce for the NHS.

Gross profit in our US managed service business was impacted in H1 by unfavourable exchange rate movements as well as the impact of 3 client losses in 2017. However, the business has a strong pipeline of new opportunities and has benefited from some significant account expansions including at Phillips 66, as well as reduced back office costs following the investment made in integrating and upgrading our finance function in 2017. Investment in Managed Services continues in line with increased demand from our customers who recognise the benefits of our high retention proposition, where the focus on engaged and fulfilled people is paramount to commercial success.

In our Specialist Staffing businesses, UK private sector brands have performed ahead of 2017 despite the backdrop of uncertain markets. Group Supply has increased by 6.2% (4.0% increase at reported exchange rates) to £560.8m in H1.

In the UK, our Education and Healthcare businesses continued to experience challenges due to cost constraints in the public sector, the impact of IR35 and a shortage of candidates. Our other UK businesses have performed well with double digit adjusted EBITDA growth in Blue Arrow (Industrial, Office and Catering), Onezeero (IT), Tate (Secretarial) and Chadwick Nott (Legal). Blue Arrow is seeing demonstrable benefit from the strategic investment in 'Project Ignite' which is transforming the customer and candidate journeys. This has been rolled out to 10 branches in H1. In branches where we have implemented Ignite, we have seen productivity increases of more than double the average of the rest of our branches. We will continue to roll out this new technology across the Blue Arrow branch network and into other brands that can also benefit from the digitisation and automation that this investment brings.

In the US, Group Supply grew by 24% with the realisation of increasing synergy benefits from MSP accounts resulting from the Bartech acquisition. Gross profit has decreased by 4.7% (at constant currency rates), impacted by reduced volumes in the US automotive sector and candidate shortages. Growth in our Australian businesses, although relatively small, remains strong with gross profit up 35% and adjusted

EBITDA more than double H1 2017. We are engaged with Serco Group plc to extend our services from the UK to Australia, demonstrating our ability to support our customers across the globe.

As well as the investment in our two strategic IT initiatives, Ignite and ShiftWise technology, both of which are yielding pleasing results, we continue to invest in the development of Virtuosity across our management community who are now leading our key growth initiatives to help achieve our strategy and ambitious financial goals. One of these is the launch of a new Apprentice Training offering in our Tate business which will deliver Apprentice training for our clients using the Apprentice Levy. We have a strong pipeline of business and we will be expanding this proposition across other brands in our portfolio."

Managed Services UK, Europe and Australasia

Gross profit increased by 13.8% to £33.9 million (2017: £29.8 million). Adjusted EBITDA increased to £9.2 million (2017: £8.8 million) with conversion of gross profit to adjusted EBITDA of 27.1% compared to 29.5% in the same period last year. Gross profit has increased across all of our UK Managed Services businesses with the fall in conversion driven by the changing mix of clients within our brands.

Specialist Staffing UK, Europe and Australasia

Gross profit decreased by 5.5% to £65.6 million (2017: £69.4million). Adjusted EBITDA was £6.7 million (2017: £8.8 million) with conversion of gross profit to adjusted EBITDA of 10.2%, compared to 12.7% in the same period last year. Excluding the impact of our Healthcare and Education businesses which were impacted by government cost constraints, IR35 and candidate shortages, our other brands in this segment grew Gross Profit by 5% year on year and adjusted EBITDA by 14%.

US Managed Services

Gross profit decreased by £2.8 million to £21.5 million (2017: £24.3 million). After adjusting for currency movements this was an underlying decrease of 3.6%. Adjusted EBITDA increased by £0.2m to £4.7m (2017: £4.5m). After adjusting for currency movements this was an underlying increase of 15.8%. Conversion of Gross Profit to adjusted EBITDA increased from 18.5% in 2017 to 21.9% in 2018. Whilst gross profit was impacted by a small number of client losses that were notified to us in the latter part of 2017, adjusted EBITDA increased due to reduced costs following the integration and upgrading of our finance function in 2017.

US Specialist Staffing

Gross profit decreased by £2.1 million to £14.5 million (2017: £16.6 million). After adjusting for currency movements this was a reduction of 4.7%. Adjusted EBITDA decreased by £0.5 million to £2.8 million (2017: £3.3 million). Conversion of gross profit to adjusted EBITDA reduced from 19.9% in 2017 to 19.3% in 2018. The business was impacted by reduced volumes in the automotive sector and candidate shortages.

Cash flow, net debt and net assets

The Group generated £8.7 million of cash from operations in the first twenty-six weeks of the year (2017: £21.9 million). Working capital was negatively impacted by the unwind of favourable cash receipts at the 2017 year end. DSO reduced by 0.7 days from 38.7 days at the end of December 2017 to 38.0 days at the end of June 2018. Day-to-day control of cash and tight control of working capital continues to be a priority for the Group. Net debt reduced by 14.1% year on year from £92.1m in June 2017 to £79.1m in June 2018. This was up from £75.9m at the end of 2017 which included the benefits of strong receipts in the US just prior to the year end.

The Group has outstanding letters of credit drawn against its US borrowing facilities amounting to £6.4 million (31 December 2017: £3.8 million).

At 29 June 2018, the Group had net assets of £272.0 million (31 December 2017: £260.3 million).

Dividend and dividend policy

The Board has not declared an interim dividend. Instead, the Group will undertake a share buyback programme commencing in Q3 2018, whereby it will return cash to shareholders though the purchase of ordinary shares in the Company, up to an aggregate market value of £12 million over a period of 12 months. The Board is of the opinion that, at certain price points, the Company is significantly undervalued and that the buyback programme will be in the best interest of all shareholders. The proposed quantum of the buyback, being £12 million, reflects the value that the Board would otherwise have intended to return to shareholders through dividends over the same period. Further detail will be announced upon commencement of the buyback programme.

Trading outlook

I am encouraged by strong growth in our Managed Services businesses across the world and this, together with sequential quarterly growth in Specialist Staffing and measurable financial benefit from our strategic investments, means that I am confident that we will continue to make good progress with our strategy.

Financial results for the twenty-six weeks to 29 June 2018

The table below sets out the results for the Group by segment for the first half of 2018.

Unaudited	Revenue			Gross profit			Adjusted EBITDA[2]		
£'million	2018	2017	% change[1]	2018	2017	% change[1]	2018	2017	% change[1]
Managed Services - UK, Europe and Australasia	568.5	496.3	14.5	33.9	29.8	13.8	9.2	8.8	4.5
Gross profit %				6.0%	6.0%				
Specialist Staffing - UK, Europe and Australasia	390.9	399.6	(2.2)	65.6	69.4	(5.5)	6.7	8.8	(23.9)
Gross profit %				16.8%	17.4%				
Managed Services - North America	91.0	99.9	(0.3)	21.5	24.3	(3.6)	4.7	4.5	15.8
Gross profit %				23.6%	24.3%				
Specialist Staffing - North America	92.2	111.2	(9.7)	14.5	16.6	(4.7)	2.8	3.3	(10.0)
Gross profit %				15.7%	14.9%				
Inter-segment revenues	(33.0)	(30.0)		-	-		-	-	
Total	1,109.6	1,077.0		135.5	140.1		23.4	25.4	
Corporate costs							(1.2)	(1.2)	
Adjusted EBITDA (before separately disclosed items and share based payments)[2]							**22.2**	**24.2**	
Depreciation and amortisation							(6.0)	(5.1)	
Separately disclosed items							(0.4)	(3.2)	
Share-based payments							(0.4)	(0.5)	
Operating profit							**15.4**	**15.4**	

1. *% change measured at constant currency rates (2017 results restated at 2018 rates).*
2. *Adjusted EBITDA is EBITDA before separately disclosed items and share-based payments.*

Consolidated income statement

For the twenty-six weeks ended 29 June 2018

	Notes	26 weeks 29 June 2018 £m Unaudited	26 weeks 30 June 2017 £m Unaudited

	Note		
Continuing operations			
Revenue	2	1,109.6	1,077.0
Cost of sales		(974.1)	(936.9)
Gross profit	2	135.5	140.1
Administrative expenses		(120.1)	(124.7)
Operating profit	2	15.4	15.4
Operating profit before separately disclosed items		16.2	19.1
Separately disclosed items	3	(0.4)	(3.2)
Share-based payment		(0.4)	(0.5)
Operating profit		15.4	15.4
Finance expense	4	(3.2)	(3.3)
Profit before taxation		12.2	12.1
Taxation	5	(1.6)	(1.6)
Profit for the period attributable to owners of the parent Company		10.6	10.5

Earnings per share for equity holders of the parent Company			
Basic	6	21.0 p	20.9p
Diluted	6	20.7p	20.6p

Consolidated statement of comprehensive income

For the twenty-six weeks ended 29 June 2018

	26 weeks 29 June 2018 £m Unaudited	26 weeks 30 June 2017 £m Unaudited
Profit for the period	10.6	10.5
Other comprehensive income:		
Currency translation differences (net of tax)	1.2	(5.7)
Total comprehensive income for the period, net of tax, attributable to owners of the parent Company	11.8	4.8

Consolidated balance sheet

As at 29 June 2018

	29 June 2018 £m Unaudited	29 December 2017 £m Audited
Non-current assets		
Property, plant and equipment	7.4	7.3
Goodwill	162.2	160.4
Other intangible assets	131.2	131.7
Financial assets	1.4	1.4
Deferred tax assets	13.3	13.2
	315.5	314.0
Current assets		
Trade and other receivables	623.5	687.2
Cash and cash equivalents	83.6	100.3

	707.1	787.5
Total assets	1,022.6	1,101.5
Current liabilities		
Short-term borrowings	60.2	73.2
Trade and other payables	560.8	635.5
Taxation payable	2.6	4.2
Provisions	1.0	1.1
	624.6	714.0
Net current assets	82.5	73.5
Non-current liabilities		
Long-term borrowings	102.5	103.0
Other payables	-	0.9
Provisions	1.0	1.1
Deferred tax liabilities	22.5	22.2
	126.0	127.2
Total liabilities	750.6	841.2
Net assets	272.0	260.3
Equity		
Issued share capital	0.5	0.5
Share premium account	30.1	30.1
	30.6	30.6
Other reserves	122.5	120.9
Retained earnings	118.8	108.7
Total equity attributable to owners of the parent Company	271.9	260.2
Non-controlling interest	0.1	0.1
Total equity	272.0	260.3

Consolidated statement of changes in equity

For the twenty-six weeks ended 29 June 2018

Unaudited	Total share capital and share premium £ m	Other reserves £ m	Retained earnings £ m	**Total equity attributable to equity owners of the parent £ m**	Non-controlling interest £ m	**Total equity £ m**
30 December 2017	30.6	120.9	108.7	**260.2**	0.1	**260.3**
Profit for the period	-	-	10.6	**10.6**	-	**10.6**
Other comprehensive income	-	1.2	-	**1.2**	-	**1.2**
Total comprehensive income in the period	-	1.2	10.6	**11.8**	-	**11.8**
Transactions with owners, recorded directly in equity						
Purchase of Treasury shares	-	-	(0.5)	**(0.5)**	-	**(0.5)**
Share-based payment charge	-	0.4	-	**0.4**	-	**0.4**
29 June 2018	30.6	122.5	118.8	**271.9**	0.1	**272.0**

Consolidated cash flow statement

For the twenty-six weeks ended 29 June 2018

	26 weeks 29 June 2018 £m Unaudited	26 weeks 30 June 2017 £m Unaudited
Cash flows from operating activities		
Profit before taxation	12.2	12.1
Adjustments for:		
Net interest charge	3.2	3.3
Depreciation and amortisation	6.0	5.1
Share-based payment	0.4	0.5
	21.8	21.0
Decrease / (Increase) in trade and other receivables	67.1	(65.6)
(Decrease) / Increase in trade and other payables	(80.1)	67.7
Decrease in provisions	(0.1)	(1.2)
Cash generated by operations	8.7	21.9
Taxation paid	(3.1)	(5.1)
Net cash generated by operating activities	5.6	16.8
Cash flows from investing activities		
Payment of deferred consideration	(0.7)	(1.6)
Purchase of property, plant and equipment	(2.1)	(1.5)
Purchase of intangible assets	(3.0)	(4.2)
Net movement in other financial assets	-	(0.1)
Net cash utilised on investing activities	(5.8)	(7.4)
Cash flows from financing activities		
Decrease / (Increase) in short-term borrowings	(14.0)	19.7
Purchase of treasury shares	(0.5)	-
Finance expense paid	(3.1)	(3.4)
Capital element of Finance Lease payments	0.6	(0.1)
Net cash (outflow) / inflow from financing activities	(17.0)	16.2
Net (decrease) / increase in cash and equivalents	(17.2)	25.6
Opening cash and cash equivalents	100.3	54.8
Foreign exchange gain / (loss) on cash and cash equivalents	0.5	(3.2)
Closing cash and cash equivalents	83.6	77.2

Notes to the interim financial statements

1 Basis of preparation

I. Statement of compliance

The interim financial statements presented in this financial report have been prepared in accordance with International Financial Reporting Standards (IFRS) and the IFRS Interpretations Committee (IFRIC) interpretations as endorsed by the European Union that are expected to be applicable to the consolidated financial statements for the period ending 4 January 2019. As permitted, this interim report has been prepared in accordance with the AIM Rules for Companies and does not seek to comply with IAS 34 "Interim Financial Reporting".

II. Statutory information

The financial information for the 26 weeks to 29 June 2018 does not constitute the statutory accounts of the Group for the relevant period within the meaning of section 434 of the Companies Act 2006.

The published annual report and accounts of Impellam Group plc for the period ended 29 December 2017 were reported on by the auditors without qualification, did not contain an emphasis of matter paragraph, did not contain any statement under section 498 of the Companies Act 2006, and have been delivered to the Registrar of Companies.

III. Accounting policies, new IFRS and interpretations

The accounting policies used in this report are consistent with those applied at 29 December 2017. No new and/or revised IFRS and IFRIC publications that come into force in the period have any material impact on the accounting policies, financial position or performance of the Group.

2 Segmental information

Twenty-six weeks ended 29 June 2018 - unaudited

	Revenue	Gross profit	**Segment Adjusted EBITDA**
	£ m	£ m	**£ m**
Managed Services - UK, Europe and Australasia	**568.5**	33.9	**9.2**
Specialist Staffing - UK, Europe and Australasia	**390.9**	65.6	**6.7**
Managed Services - North America	**91.0**	21.5	**4.7**
Specialist Staffing - North America	**92.2**	14.5	**2.8**
Inter-segment revenues	**(33.0)**	-	**-**
Operating segments	**1,109.6**	135.5	**23.4**

Twenty-six weeks ended 30 June 2017 - unaudited

	Revenue	Gross profit	**Segment Adjusted EBITDA**
	£ m	£ m	**£ m**
Managed Services - UK, Europe and Australasia	**496.3**	29.8	**8.8**
Specialist Staffing - UK, Europe and Australasia	**399.6**	69.4	**8.8**
Managed Services - North America	**99.9**	24.3	**4.5**
Specialist Staffing - North America	**111.2**	16.6	**3.3**
Inter-segment revenues	**(30.0)**	-	**-**
Operating segments	**1,077.0**	140.1	**25.4**

Unaudited	26 weeks 29 June 2018 £ m	26 weeks 30 June 2017 £ m
Segment adjusted EBITDA	23.4	25.4

Corporate costs	(1.2)	(1.2)
Adjusted EBITDA before Separately Disclosed items and share-based payment	22.2	24.2
Amortisation and depreciation	(6.0)	(5.1)
Separately disclosed items	(0.4)	(3.2)
Share-based payment	(0.4)	(0.5)
Operating profit	15.4	15.4
Finance expense	(3.2)	(3.3)
Taxation charge	(1.6)	(1.6)
Profit for the period from continuing operations	10.6	10.5

The above table reconciles the adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA'), which also excludes separately disclosed items and share-based payments to the standard profit measure under International Financial Reporting Standards (Operating Profit). This is the Groups' Alternate Profit Measure used when discussing the performance of the Group. The Directors believe that adjusted EBITDA is the most appropriate approach for ascertaining the underlying trading performance and trends as it reflects the measures used internally by senior management for all discussions of performance, including Directors' remuneration, and also reflects the starting profit measure used when calculating the Group's banking covenants. All discussions within the Group on segmental and individual brand performance refer to adjusted EBITDA.

Adjusted EBITDA is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute, or superior to, IFRS measurements of profit.

Separately disclosed items are costs or income that have been recognised in the income statement which the Directors believe, due to their nature or size, should be disclosed separately to give a more comparable view of the year-on-year underlying financial performance (note 3).

Share-based payments are shown separately due to their size in order to give a more comparable view of the year on year underlying financial performance.

3 Separately disclosed items - unaudited

	26 weeks 29 June 2018 £m	26 weeks 30 June 2017 £m
Acquisition costs (1)	0.4	0.8
Business restructuring (2)	-	0.4
Settlement of historic US legal & tax cases (3)	-	2.0
	0.4	3.2

(1) Acquisition costs relate to contingent consideration in respect of Global Medics in 2018 and 2017. 2018 costs also include a provision for bonuses following synergies arising from the acquisition of Bartech in 2015. These costs are one-off in nature and have been disclosed in order not to distort the underlying trading performance of the business.

(2) Business restructuring costs are of such significance that they are excluded in order to bring them to the reader's attention in understanding the Group's financial position. The costs relate to the Bartech acquisition and are property closure costs.

(3) In 2017 the US incurred tax and associated legal costs of £0.3 million with regard to the settlement of historic state tax liabilities for the period 2010 to 2016 and a litigation matter of £1.7 million which has now been settled. These are disclosed separately due to their one-off nature and significance.

4 Finance expense - unaudited

Finance expense	26 weeks 29 June 2018 £ m	26 weeks 30 June 2017 £ m
Revolving credit facilities	3.1	2.9
Other interest expense	0.1	0.1
Total interest payable	3.2	3.0
Unwinding of discount on deferred consideration	-	0.3
Income statement	3.2	3.3

5 Taxation - unaudited

Income tax expense is recognised based on management's best estimate of the effective annual income tax rate expected for the full financial year.

6 Earnings per share - unaudited

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of Ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated on the same basis but after adjusting the denominator for the effects of dilutive options. The only potentially dilutive shares arise from the share options issued by the Group under its share-based compensation plans. There were 850,000 options outstanding at 29 June 2018.

Excluding the 19,841 shares owned by The Corporate Services Group Ltd Employee Share Trust, the weighted average number of shares in 2018 is 50,270,957 (2017: 50,322,530) and the fully diluted average number of shares is 51,410,798 (2017: 50,975,488).

EPS - Basic Calculation	26 weeks 29 June 2018 Pence	26 weeks 30 June 2017 Pence
Basic Calculation	21.0	20.9
Diluted Calculation	20.7	20.6

7 Additional cash flow information - unaudited

Unaudited	29 December 2017 £ m	Cash flow £ m	Foreign exchange £ m	29 June 2018 £ m
Cash and short-term deposits	100.3	(17.2)	0.5	83.6
Revolving credit	(176.2)	14.0	0.1	(162.1)
Hire purchase	-	(0.6)	-	(0.6)
Net debt	(75.9)	(3.8)	0.6	(79.1)

8 Dividends - unaudited

During the period a final dividend in respect of 2017 of 13.5 pence per share (2017: re 2016 13.5 pence per share) was approved at the Annual General Meeting and will be paid on 9 August 2018 to all shareholders on the register on 6 July 2018, amounting to £6.8 million (2017: re 2016 £6.8 million).

The Board also announces the Group will not pay an interim dividend for the financial year 2018 (2017: interim 7.0 pence per share, amounting to £3.5 million). Instead the Group will undertake a share buyback programme commencing in Q3 2018 up to an aggregate market value of £12 million over a period of 12 months.

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Enquiries: For further information please contact the appropriate individual below:

Impellam Group plc

Julia Robertson, Group Chief Executive Officer	Tel: 01582 692658
Alison Wilford, Chief Financial Officer	Tel: 01582 692658

Cenkos Securities plc (**NOMAD and Corporate Broker to Impellam**)

Nicholas Wells	Tel: 020 7397 8900
Mark Connelly	

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014

Note to Editors:

Impellam Group plc, traded on the AIM (Symbol: IPEL) is the second largest staffing company by revenue (2016 published numbers) in the UK and sixth largest Managed Services provider worldwide (by 2016 spend under management). Our vision is to be the world's most trusted staffing company - trusted by our people, our customers and our investors in equal measure.

We provide Managed Services and Specialist Staffing solutions across the UK, Europe, US, the Middle East and Australasia. We have over 3,200 Impellam people throughout our network of 18 market-leading brands across 168 worldwide locations.

Ultimately, Impellam Group's mission is to provide fulfilment and a sense of purpose to our people and to help customers build better businesses in a changing world.

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