



# Annual General Meeting

Starting soon!

(call may be silent until we begin)

Welcome!

February 22, 2021

## **Agenda**

- Introduction
- Approval of minutes of last year's meeting
- Approval of audited financial statements
- Election of Board Directors
- Appointment of auditors
- Termination of meeting
- Presentation by management
  - John Wallace - CEO
  - David Windley - President, IQTalent Partners
  - Chris Beck - President and Chief Financial Officer, Caldwell



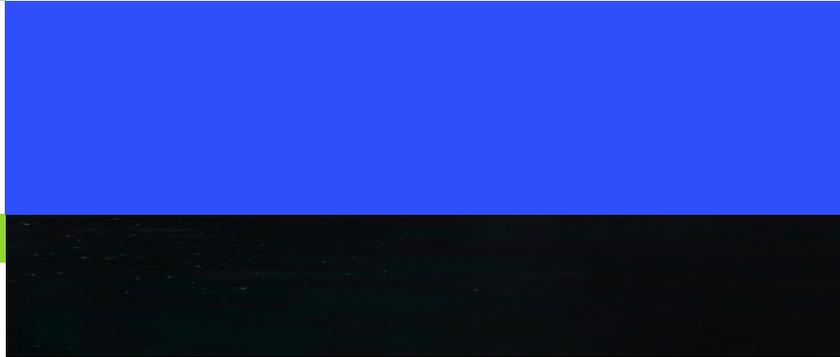
## Election of Directors

						
<b>Elias Vamvakas</b> Director and Chair of the Board	<b>Paul Daoust</b> Director and Chair of the Nomination, Corporate Governance and Compensation Committee	<b>Darcy Morris</b> Director and Chair of the Investment Committee	<b>John Wallace</b> Chief Executive Officer Director	<b>Kathryn A. Welsh</b> Director and Chair of the Audit Committee	<b>David Windley</b> President, IQTalent Partners Director nominee	<b>John Young</b> Director



**Caldwell**

# **FIRM HIGHLIGHTS**





We endeavour to be open and informative in our presentations.

However, we are not always correct in our expectations, and many circumstances can cause our forecasts and opinions to change; possibly materially so.

Any statements that we make today that may be considered to be forward-looking are based on current expectations that are subject to the significant risks and uncertainties described in our news releases and regulatory filings including our Annual Information Form and Management Discussion and Analysis available at [www.sedar.com](http://www.sedar.com). Please refer to these. We assume no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements.



- Tremendous revenue resurgence in Q1 f'21 (ending November 30, 2020).
- Gross revenue up 61% sequentially over the last quarter (ending August 31, 2020) and up 1% over the same quarter last year (ending November 30, 2019).
- Nine new partners including two promotions since our last AGM
- And we are excited to share more about our new colleagues at **IQTalent Partners**.



**WELCOME!**



**Peter Anselmo**

Partner - New York, NY  
Technology



**Liz Bernich**

Partner - New York, NY  
Financial Services



**John Davidson**

Partner - Chicago, IL  
Transportation and Mobility



**Rui Di**

Partner - Dallas, TX  
Consumer/Retail/eCommerce



**Allison Dubrow**

Partner - Stamford, CT  
Insurance



**Ulrika Hagle**

Partner - London, UK  
Life Sciences



**Ryan Mason**

Partner - Sydney, Australia  
Energy and Mining



**Dave Pitfield**

Partner - Atlanta, GA  
Consumer/Retail/eCommerce



**Peter Reed**

Managing Partner - Stamford, CT  
Insurance



**Dianne Kelly**

Controller - Boston, MA

**THE EVOLUTION  
OF EXECUTIVE  
SEARCH**

- Executive search is thriving and here to stay. However, there are pressures and changes to our business model.
- The landscape we operate in, however, continues a secular shift.
- Technology, big data and AI will continue to progress.
- We see the biggest threat not directly from technology, but the indirect impact of continuing to strengthen internal talent acquisition departments to do their own search work and progressing slowly up the executive chain—resulting in searches that do not go out to the search market.
- Our evolutionary response is to not fight our clients for search work they intend to do internally, but to partner with them across their entire search spectrum, being their trusted partner whenever there is an external executive search.



**IQTalent  
Partners, Inc.**



**IQTALENT<sup>®</sup>**  
PARTNERS

- On December 31, 2020 we acquired 100% of the shares of IQTalent Partners, Inc.
- IQTalent Partners (or “IQTP”) augments a client’s in-house talent acquisition team.
- Revenue is more recurring in nature, with IQTP serving as a continual component of a client’s talent acquisition team.
- Provides platform to expand our Caldwell Advance mid-level search offering which is being folded into IQTP.

Welcome, team  
IQTP!



- **David Windley, President.** David was the Chief Human Resources Officer at Yahoo! and Fusion-io. Additionally, he has held executive human resources positions at Microsoft, Intuit and Silicon Graphics, Inc. He is the Immediate Past Board Chair for the Society for Human Resources Management (SHRM), a board member of the Tennant Company, and DHI Group.



- **Chris Murdock, Chief Sourcing Officer.** Chris founded IQTalent Partners in 2009 and now leads search execution and client relationships for the 150+ firm. Prior to establishing IQTalent Partners, Chris worked with Yahoo!'s internal executive recruiting team. Chris began his career in executive search, working in recruiting and sourcing roles for Heidrick & Struggles and TMP Worldwide.



- **Tom Milic, Vice President, Accounts Management.** Tom co-founded IQTalent Partners. He leads the accounts management program for the firm and oversees business development and corporate growth opportunities. Tom began his career with JP Morgan in Chicago, IL, and previously served as a Senior Investment Analyst with Health Care Service Corporation, focusing on fixed income investment portfolio management.

 Caldwell

# IQTalent Partners Overview





## **BACKGROUND ON IQTALENT PARTNERS ("IQTP")**

- We support the trend of in-house recruiting at companies
- Introduced a new model to the talent acquisition space in 2014
- Hourly rate professional services model based on service offerings:
  - Research
  - Sourcing
  - Recruiting
- Last published revenue is calendar 2019, \$15.5 million (USD); \$20.1 million (CAD)
- IQTalent Xchange ("IQTX") - marketplace platform for passive candidates. Use of AI technologies—yet curated. Managed services.
- Focus for calendar 2021



# BUSINESS UPDATE



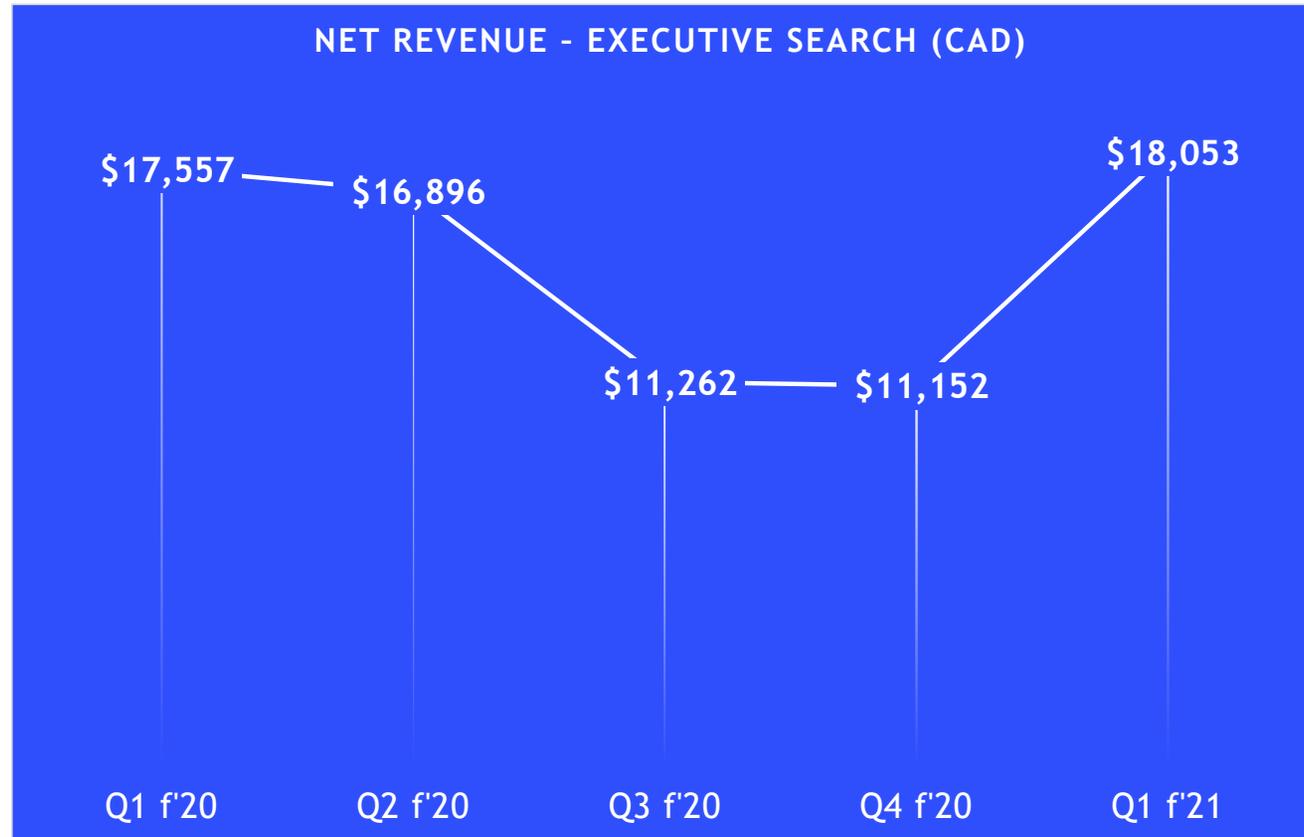
- Our first half of f'20 ending February 28, 2020 was the largest in our history.
- The pandemic's impact was immediate in March and we swiftly adjusted.
- Ability to service clients was only minimally impacted—shift to virtual was seamless. Shrinking real estate footprint and less travel the current result.
- Fiscal 2020 Q3 (ending May 31, 2020) and Q4 (ending August 31, 2020) were essentially a bottom period in the trough—revenue decreased approximately 45%.
- Dramatic rebound in Q1 fiscal 2021 (ending November 30, 2020).
- Focus for fiscal 2021 is continued addition of partners, expanding Caldwell Analytics and integrating IQTP's back-office functions into Caldwell.



**Revenue, net of reimbursed expenses trend during the pandemic**

**F'20 \$56,867**

**Q3 and Q4 f'19 averaged \$20.0 million each—approx. 44% declines to PY**



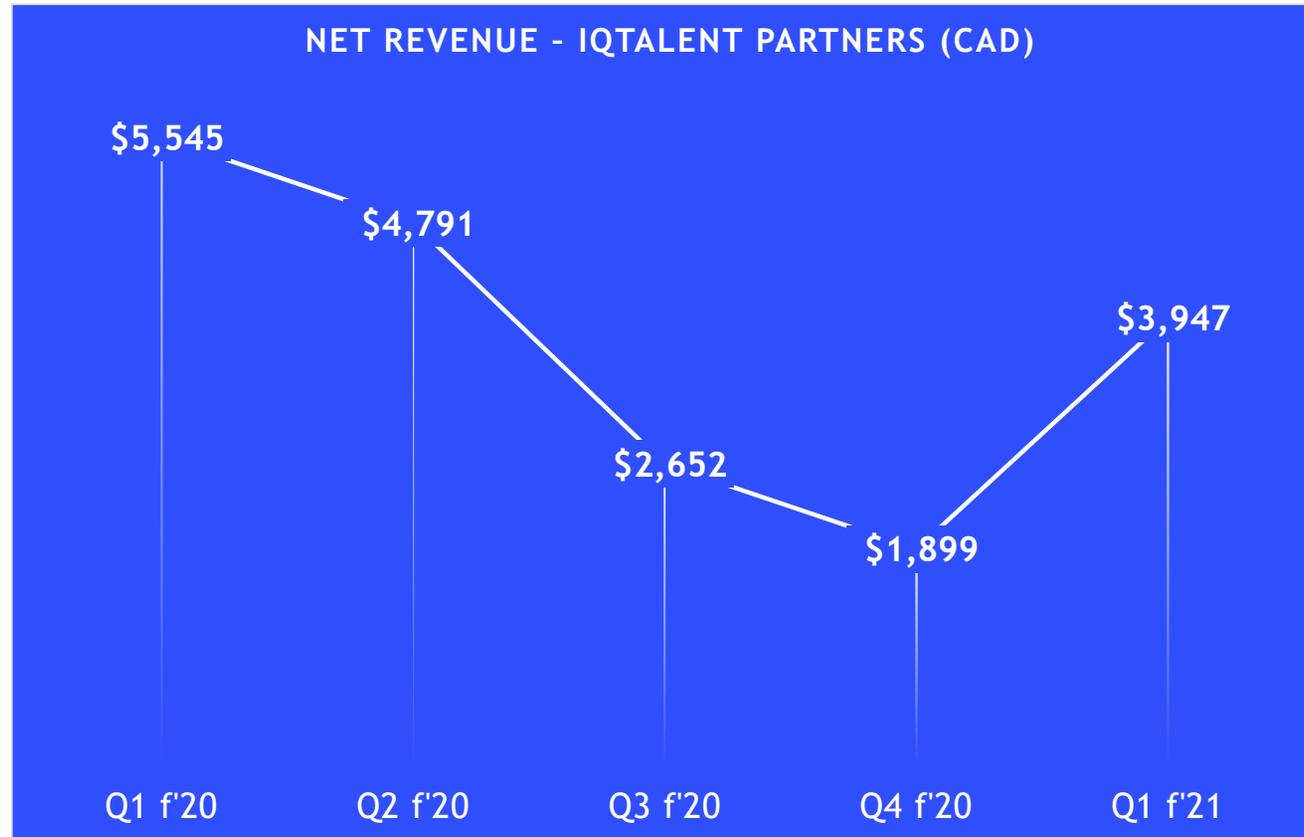
Fiscal years ending August 31<sup>st</sup>

**Net IQTP Revenue**

**F'20 Revenue:**

**\$11.5 million (USD)**

**\$14.9 million (CAD)**



Fiscal years ending August 31<sup>st</sup> (unaudited)

## FISCAL 2020 RESULTS (excluding IQTP)

(Twelve months ended August 31, 2020)

(\$000s Canadian)	First Half f'20 Actual	Second Half f'20 Actual	Full Year f'20 Actual
Revenue, net of reimb.	34,453	22,414	56,867
Cost of Sales	26,490	17,862	44,352
Government Stimulus	-	(2,446)	(2,446)
Gross Profit	7,963	6,998	14,961
Gross Margin	23.1%	31.2%	26.3%
General & Administrative	7,236	4,352	11,588
Government Stimulus	-	(393)	(393)
Operating Profit	727	3,039	3,766
Interest Expense	(128)	(239)	(367)
Investment Income (loss)	136	(741)	(605)
f/x gain (loss)	141	38	179
Income Taxes	(98)	(29)	(127)
Net Income	778	2,068	2,846
Operating Profit excl. stimulus	727	200	927

- \$12.0 million decline in revenue H2/H1
- \$2.8 million benefit from stimulus
- Positive operating profit, excluding stimulus
- Results reflect benefit of variability in compensation plans at all levels in a down-cycle.
- Difficult staffing and cost decisions made quickly with the knowledge at hand

## Q1 FISCAL 2021 RESULTS (excluding IQTP)

(Three months ended November 30<sup>th</sup>)

(\$000s Canadian)	Q1 F'21 <u>Actual</u>	Q1 F'20 <u>Actual</u>	<u>Change</u>
Revenue, net of reimb.	18,053	17,557	496
Cost of Sales	13,337	13,467	(130)
Government Stimulus	(110)	-	(110)
<b>Gross Profit</b>	<b>4,826</b>	<b>4,090</b>	<b>736</b>
<i>Gross Margin</i>	<i>26.7%</i>	<i>23.3%</i>	<i>148.4%</i>
General & Administrative	3,399	3,695	(296)
<b>Operating Profit</b>	<b>1,427</b>	<b>395</b>	<b>1,032</b>
Interest Expense	(107)	(66)	(41)
Investment Income (loss)	9	71	(62)
f/x gain (loss)	(34)	153	(187)
Income Taxes	(361)	(91)	(270)
<b>Net Income</b>	<b>934</b>	<b>462</b>	<b>472</b>
<b>Operating Profit excl. stimulus</b>	<b>1,317</b>	<b>395</b>	<b>922</b>

- 62% increase in net revenue from Q4
- 3% increase in net revenue over Q1 PY
- Stimulus winding down
- Cost base filling in with growth

	Q1 f'21 <u>Nov-20</u>	Q1 f'20 <u>Nov-19</u>
<i>\$ Millions</i>		
Total Cash/Investments	\$19.4	\$18.5
Unencumbered Cash	\$12.6	\$9.7

Approx. \$3.9 million in cash paid in January 2021 for IQTP. Remaining purchase price paid via shares of CWL or future deferred payments.

Approx. \$2.7 million in cash placed in escrow in January pending US gov't review of IQTP's PPP loan—Caldwell's PPP loan already forgiven.



# IN CONCLUSION



# STRATEGY—FROM THE FEBRUARY 2020 AGM



## \$100 million revenue run-rate for fiscal 2022

- Continue to run core business with an organic growth target 5%+
  - Continued Executive Search partner hires
  - Expand Caldwell Advance (professional/mid-level search)
  - Expand Caldwell Analytics
- Evaluate acquisitions to accelerate growth
- Solidify our international presence—with positive cash flow
- Explore disruptive business initiatives to enhance value and differentiation in the market



# SEAMLESS TALENT ACQUISITION

Together, Caldwell and IQTalent Partners leverage AI and innovative technology to offer an integrated spectrum of services delivered by teams with deep knowledge in their respective areas.

## IQTalent Partners

## Caldwell



**Candidate research**

Our on-demand model and innovative technology platform put custom research at your fingertips - in 3 to 5 days.



**Candidate sourcing**

Taking research a step further, we'll deliver a list of candidates with confirmed interest in your open role.



**Full lifecycle recruiting**

With expertise, adaptable tactics and the latest in AI, we will find, scout and source interested and qualified professional-level candidates.



**Executive search**

For 50 years, we've enabled clients to thrive and succeed by recruiting transformative executives at the highest levels.



**Caldwell Analytics**

Leveraging highly respected, results-driven assessments to align talent and business strategies, driving better results.

All Hiring Levels

Professional to Executive

Professional Search

Executive & Board Level

Assessment/Development



## THAT'S A WRAP!

- The pandemic continues, but we have so much to celebrate!
- Our business is thriving
- We have amazing new colleagues and client offerings with IQTalent Partners
- We are increasing shareholder and stakeholder value
- Vaccines are being administered
- We plan to end our 50<sup>th</sup> anniversary year in a fantastic place!





**Thank you.**

**Questions?**

