

PeopleiN



First Half Results
Financial Year 2024

Our Purpose

To **IN**spire excellence
in our people

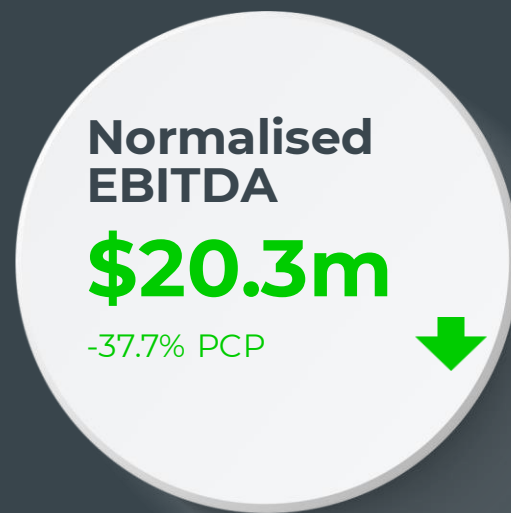


H1 FY24 RESULTS

Continued to grow revenue, but lower earnings in H1 FY24 with changes in contract mix and lower permanent recruitment revenue.



Normalised EPS
10.9 cents



Fully Franked Interim
Dividend 3.0 cents

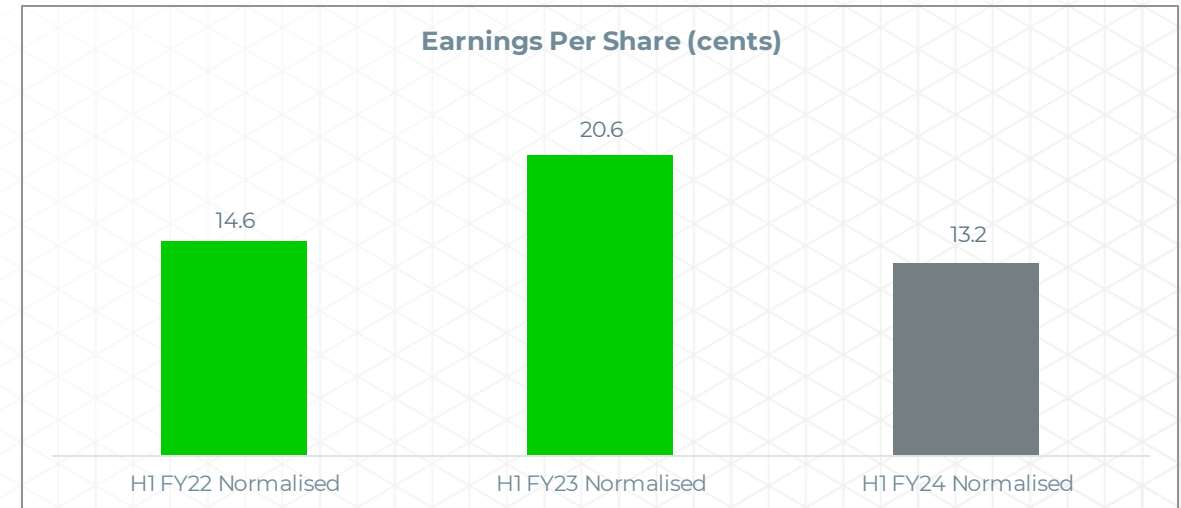
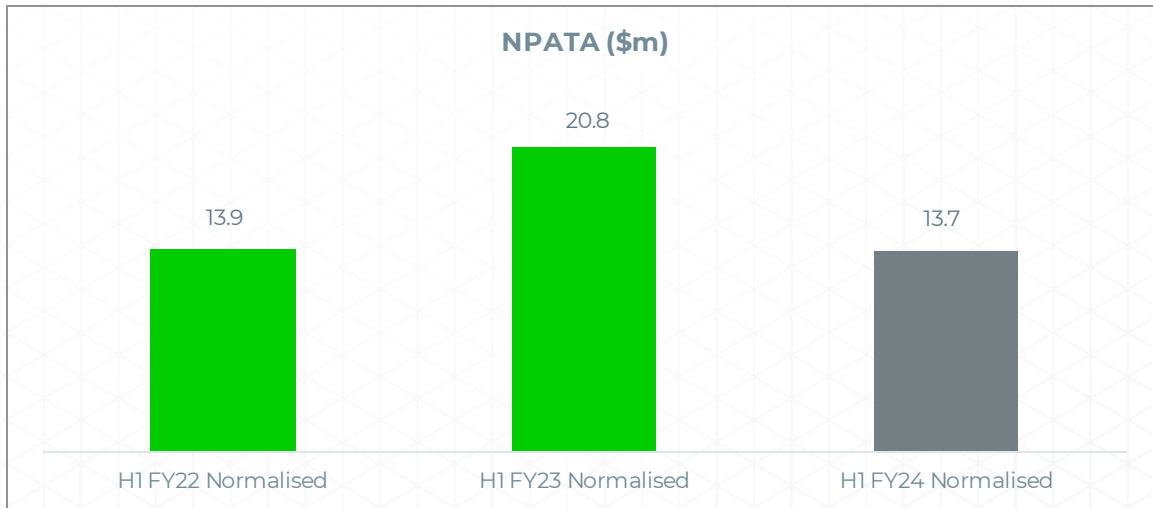
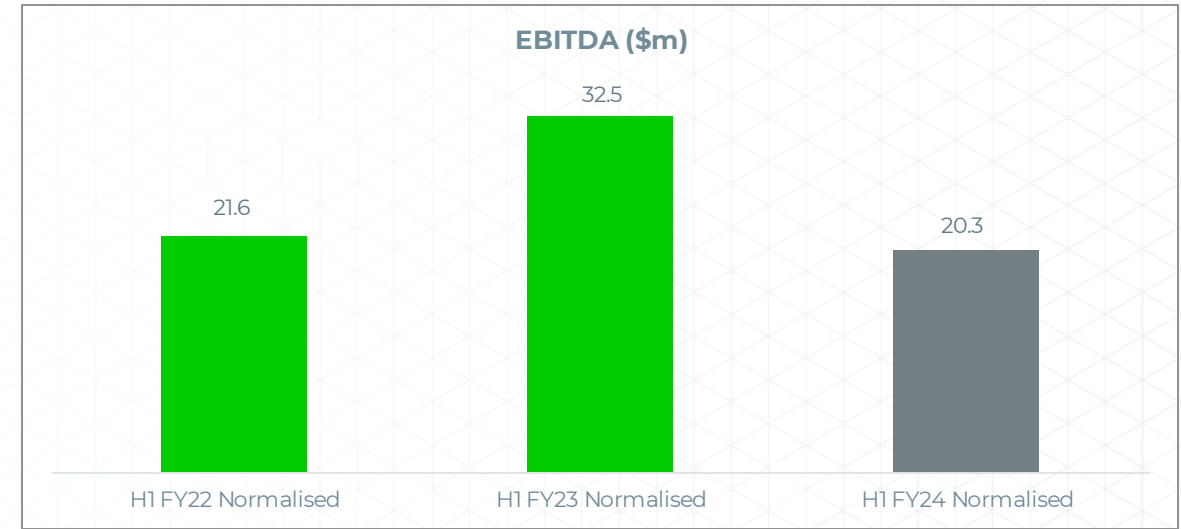
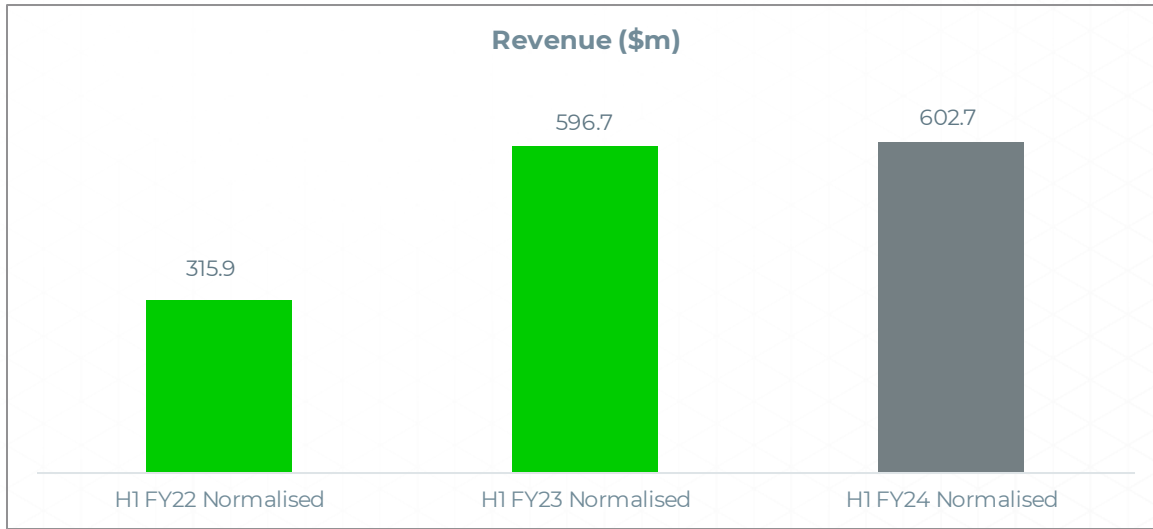


Return on Equity¹
17.0%

Highlights

- ▶ As flagged, a **challenging economic environment**, continued through H1 FY24, driven by high inflation and interest rates.
- ▶ **Continued to grow revenue** delivering \$602.7m, up 1% compared to H1 FY23, attributed to our strong sales culture and ability to take market share, especially in resilient, operational sectors like food services and infrastructure construction.
- ▶ **Normalised EBITDA of \$20.3m** down 37.7% on H1 FY23, primarily due to a shift towards resilient, but lower margin work and a reduction in permanent recruitment (down from historic highs in H1 FY23).
- ▶ As planned, we **continue to drive efficiencies** by leveraging our scale and streamlining systems and processes - **costs down \$4.7m** in H1 FY24.
- ▶ **Sustainable capital management** with low levels of debt gearing and adequate covenant headroom – **Net Debt/EBITDA 1.86X**.
- ▶ **Evolution of our banking facility** – appointed CBA as our new bank which will enhance our capital efficiencies, allowing for future growth.
- ▶ **New IR changes** present opportunities - leveraging our robust infrastructure and capability to solve **IR complexity** for our clients, especially those that have limited internal HR and payroll capability.
- ▶ Given our sector diversity, strong sales culture and efficient operations, we're **confident we'll return to a strong growth footing** when interest rates stabilise and **business confidence rebounds**.

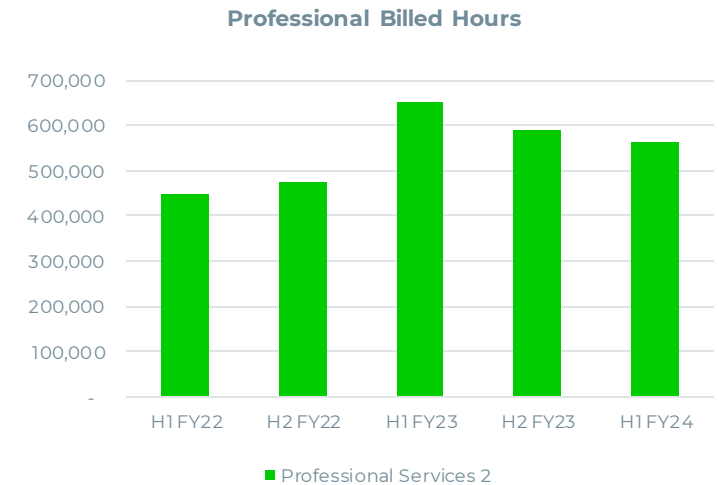
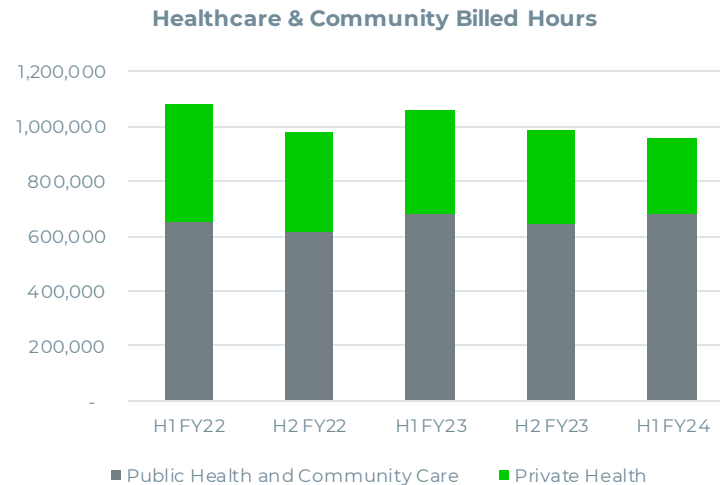
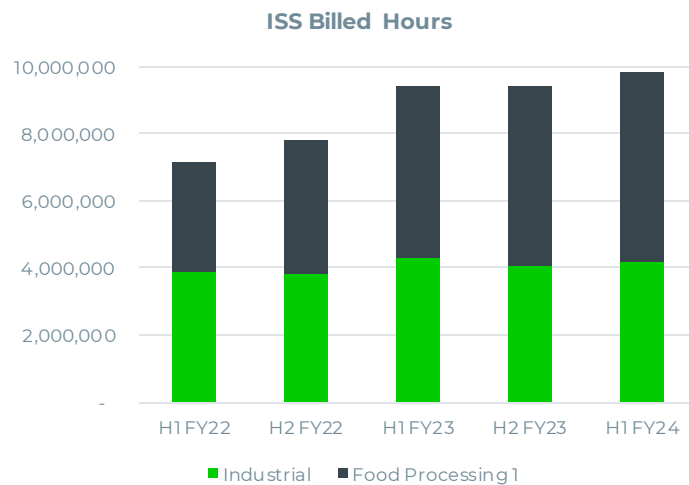
Historic performance



EPS calculated on an NPATA basis.

Growing resilient baseload

- ▶ Dependable baseload of hours maintained across all business verticals.
- ▶ Continue to expand our services with many of our key clients across all three verticals including introducing other brands/staffing disciplines e.g. Edmen now placing permanent candidates for its clients, AWX and FIP working together to provide more staffing services to two major food processing companies in PALM.
- ▶ Industrial Services and Food Processing continues to be in demand, with an uptick in the lower-margin food services.
- ▶ Healthcare services hours 9.5% lower from H1 FY23 due to a decrease in private hospital hours, especially in Q1. Public Health and Community hours are up, but this lower margin work.
- ▶ Professional Services experienced a decline from the H1 FY23 peak, shifting from the use of higher-margin technology service contractors.



¹ Includes pro-forma hours pre acquisition for FIP (Acquired June 2022)
² Includes pro-forma hours pre acquisition for Perigon (Acquired February 2022).

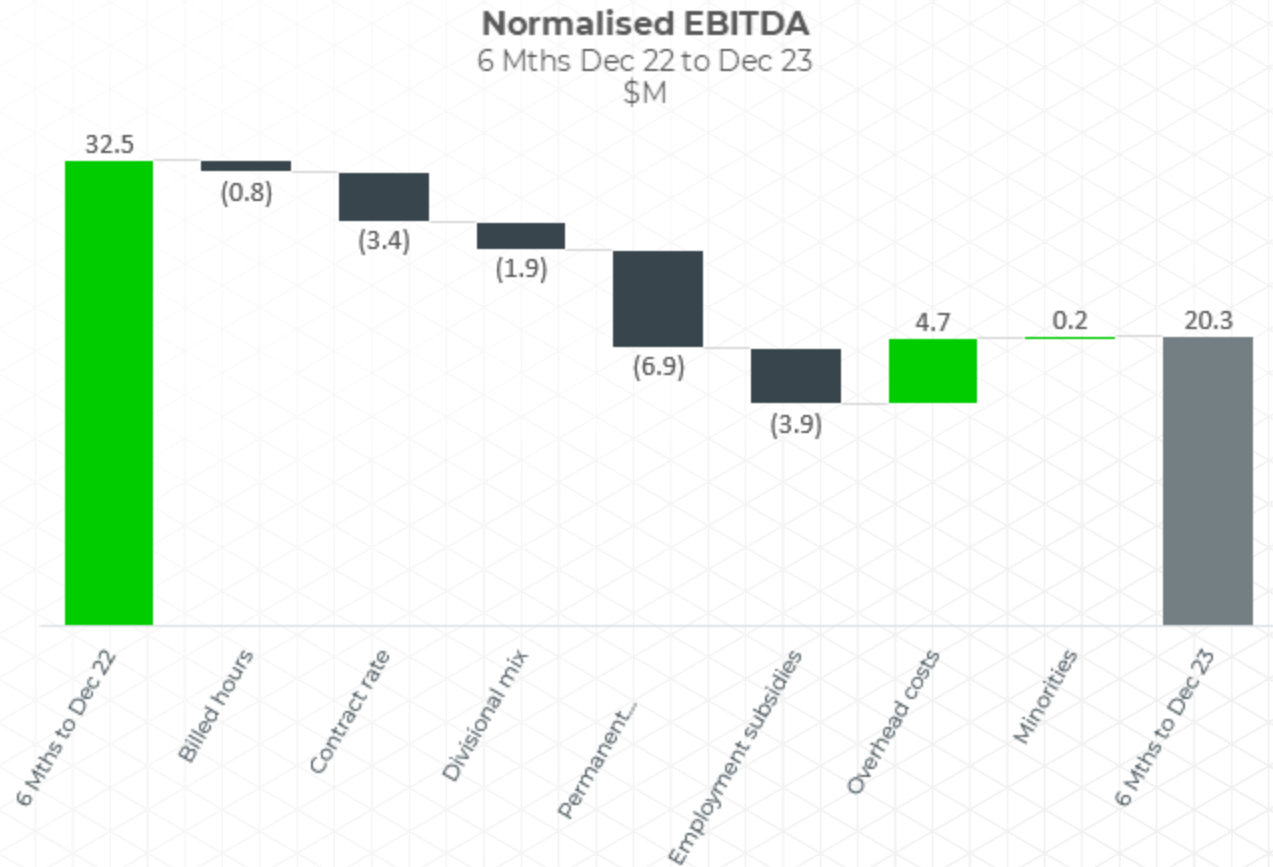
Financial performance

- ▶ Record revenue for the period to \$602.7m.
- ▶ Lower margin from change in contract mix.
- ▶ Normalised EBITDA of \$20.3m down 37.7% on H1 FY23.
- ▶ Statutory NPAT of \$5.7m down 60% from H1 FY23.
- ▶ Increase in finance costs due to increase in net debt and higher interest rates.

\$'000	H1 FY24	H1 FY23	Mvmt %
Revenue	602,747	596,626	1.0%
Underlying EBITDA	20,254	32,505	(37.7%)
Depreciation	(3,775)	(3,555)	
Amortisation	(4,620)	(4,589)	
Underlying EBIT	11,859	24,361	(51.3%)
Finance Costs	(3,834)	(2,790)	
Underlying NPBT	8,025	21,571	(62.8%)
Underlying Income Tax	1,015	(5,372)	
Underlying NPAT	9,040	16,199	(44.2%)
Amortisation	4,620	4,589	
Underlying NPATA	13,660	20,788	(34.3%)

Market driven impacts mitigated through cost efficiencies

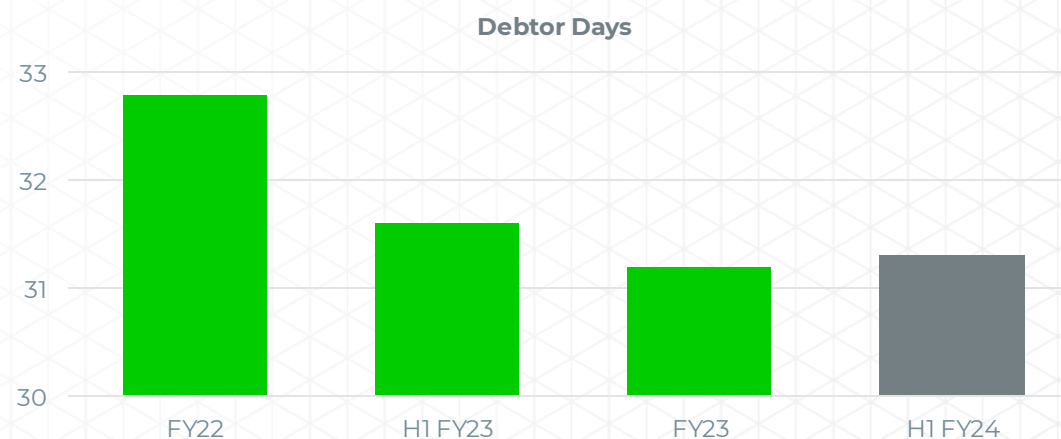
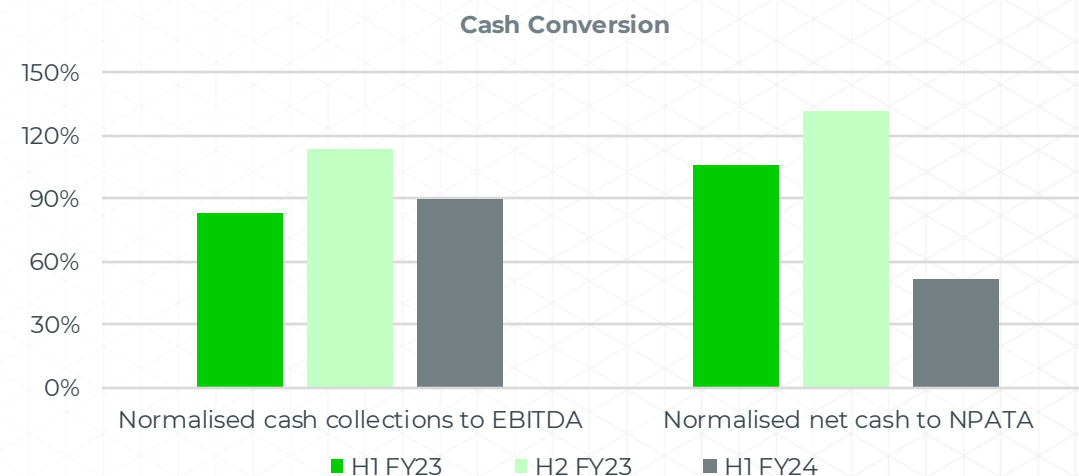
- ▶ Billed hours down 1.2% to 10.9m hours. Growth in Industrial Services offsetting reductions in higher margin Health and Professional Services.
- ▶ Decline in business unit margins driven by shift to lower margin operational roles by clients.
- ▶ Change in divisional hours mix to lower margin Industrial areas reducing margin and gross profit.
- ▶ Reduction in permanent recruitment from record highs in FY23 and lower government employment and training subsidies.
- ▶ Reduced overhead costs, achieving \$4.7m in cost savings.



Strong cash flow

Cash flow remains in line with our 90% cash collection guidance.

	H1 FY24	Full Year FY23
Cash Flows from Operating Activities		
Receipts from customers	649.9	1,301.4
Payments to suppliers and employees	(655.9)	(1,221.9)
Operating cashflow pre interest and taxes	(6.0)	79.5
<u>Normalisation adjustments:</u>		
FY23 payments paid July 23	9.1	(9.1)
30 June 23 Abnormal collections	14.0	(14.0)
Transaction and restructure costs	1.1	0.8
Performance rights associated costs	-	0.0
Normalised gross operating cashflows	18.2	57.3
Interest received	0.1	0.1
Finance costs	(3.4)	(5.5)
Income tax (paid)/refunded	(7.7)	(9.8)
Normalised net cash provided by operating activities	7.1	42.1
Normalised EBITDA	20.3	61.1
Normalised Cash collection to EBITDA	90%	94%
Normalised NPATA	13.6	37.6
Normalised Net Cash to NPATA	52%	112%



Sustainable capital management

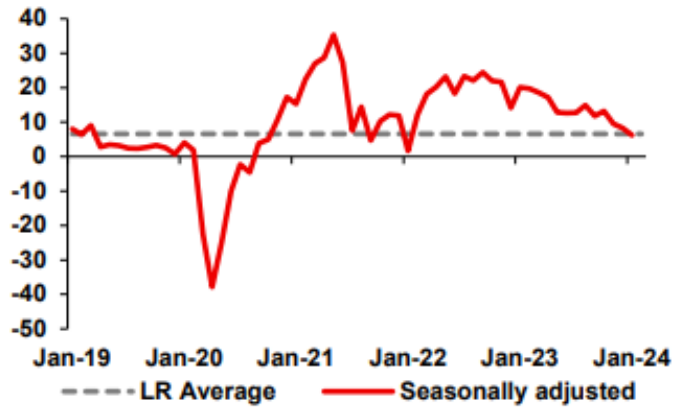
- ▶ Total Net Debt increased to \$80.3m with additional borrowing to fund deferred payments for acquisitions. Level of debt is consistent with prior periods.
- ▶ Capital expenditure reduced to \$4.6m with lower requirement in Vision Surveys and lower software spend.
- ▶ Net Debt to EBITDA increased to 1.86x and remains well within covenant levels.
- ▶ Board declared dividend of 3.0 cents per share.
- ▶ New banking facility agreed with CBA, unlocking capacity for future growth, improving covenants and headroom.
- ▶ Capacity for acquisition or future capital management strategies when opportunities arise.



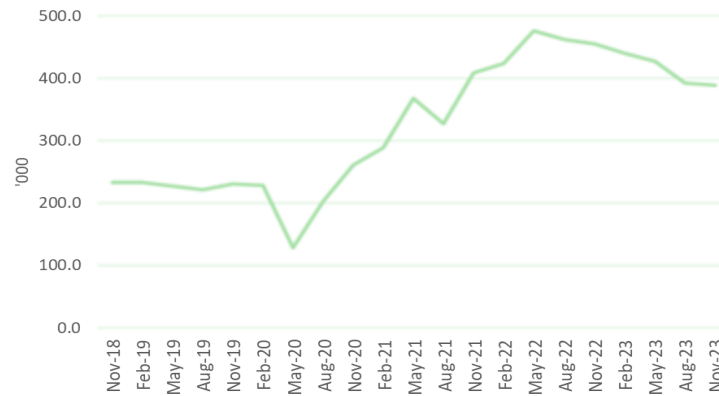
Well positioned for growth

When business conditions and in turn confidence rallies, we're primed for robust organic growth, fuelled by sustained demand for our workforce, diverse operations, a strong sales culture, and cost-efficient practices.

Business Conditions²



Job Vacancies¹



Proportion of businesses reporting vacancies by industry (%)¹

	Nov-21	Nov-22	Nov-23
Industrial Services			
Mining	17.1	27.1	20.9
Manufacturing	24.9	23.8	18.2
Construction	21.5	28.5	26.7
Wholesale trade	20.5	19.9	21.1
Accommodation and food services	30.9	45.3	25.6
Professional Services			
Professional, scientific and technical services	16.6	24.8	16.1
Administrative and support services	30.5	36.8	28.6
Health and Community			
Health care and social assistance	26.7	17.5	20.3
All industries	20.7	27.7	19.7

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Thank you

Q&A



Appendices



Reconciliation of statutory to normalised EBITDA

	H1 FY24	H1 FY23
	\$	\$
Statutory Profit Before Tax	4,716	19,867
Depreciation and amortisation	8,394	8,144
Finance costs	3,834	2,790
EBITDA	16,944	30,801
<i>Normalisation adjustments:</i>		
Performance rights costs	61	31
Transaction/Restructure costs	1,057	404
FIP pre acquisition write offs	2,500	-
Fair value movement in deferred consideration	(2,720)	(641)
Non-controlling interests	(396)	(646)
Share based payments expense	2,808	2,557
Normalised EBITDA	20,254	32,505

Business Performance by Vertical

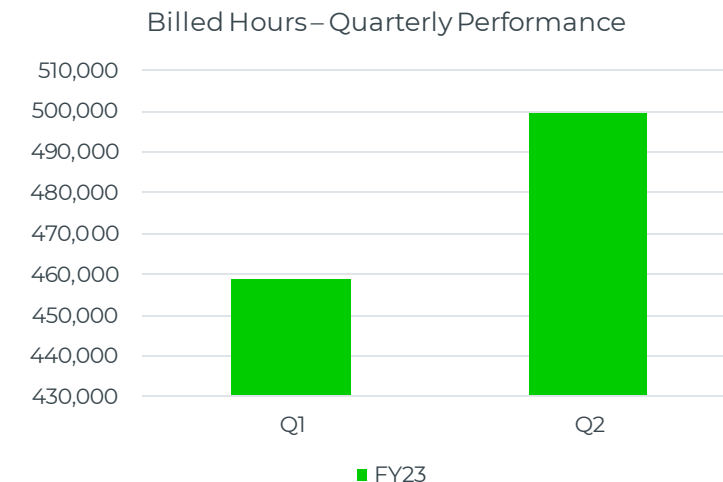
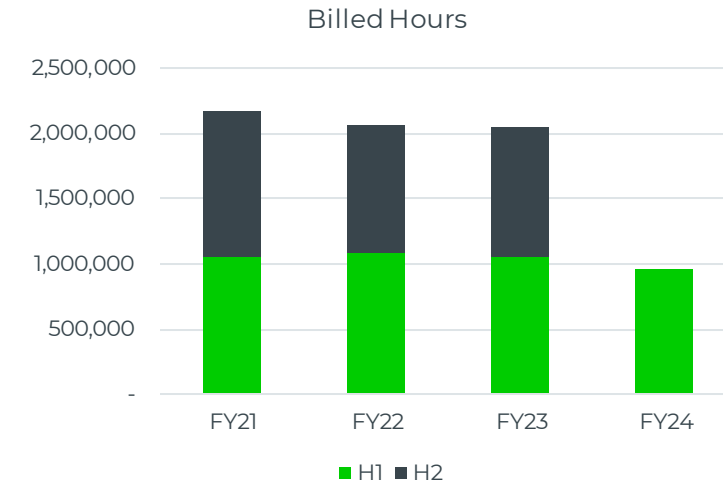
Healthcare & Community

Overview:

The largest workforce of supplementary nurses and personal carers on the Eastern Seaboard of Australia, providing staffing into hospitals and aged care facilities. Also provides talent solutions and supplementary staffing within the Disability and Child Protection sectors across Australia.

Performance:

- Solid baseline of work has continued from Government/Public sector.
- Higher margin private sector work was down in Q1 as clients held on spending where possible. A small rebound in hours in December.
- Costs reduced via a restructure of the Healthcare & Community business, converting to a national management structure to drive efficiency and optimise the employment of candidates.
- Systems improvements enabled increased access to candidates and access to national tenders.
- You+Aus campaign has generated a significant pipeline of international nursing candidates to work across Australia.
- NDIS activity is growing with opportunity to expand this offering geographically.
- The streamlining of our processes, and our advanced status in terms of international resources, ensure we're well-positioned to support our clients as their investment confidence and needs rebound. We expect to start seeing improvements in FY25.



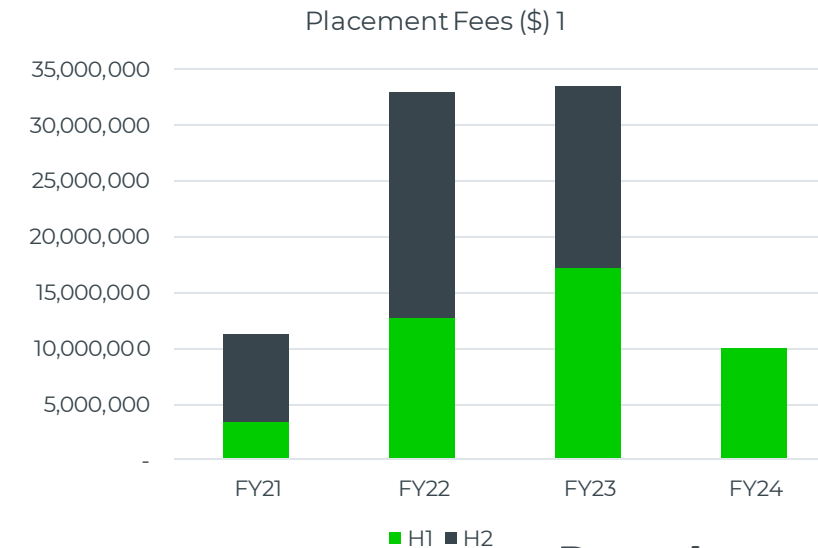
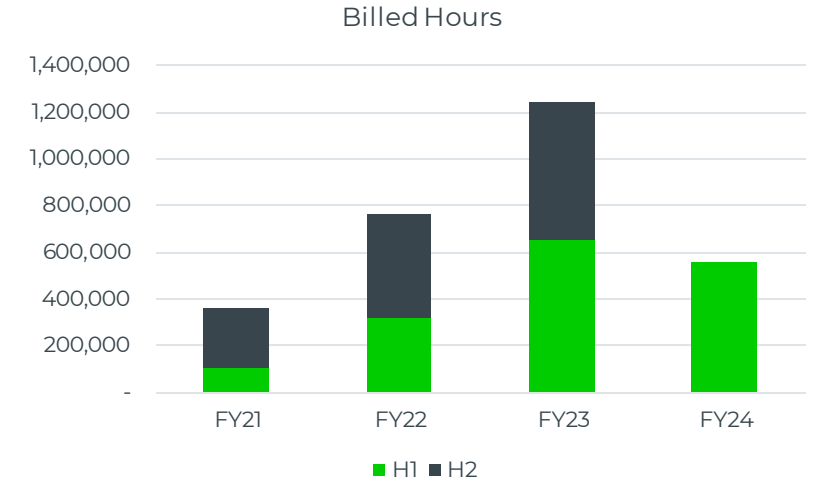
Professional Services

Overview:

The leader in Professional Services recruitment focusing on technology, accounting, finance, business services support and IT advisory.

Performance:

- Decreased general business confidence has impacted permanent technology recruitment, particularly compared to H1 FY23 which was very strong.
- Professional Services has been restructured to drive work-winning and cost efficiencies. Perigon Group and Halcyon Knights are now united under a unified management team, set to enhance collaboration significantly.
- Perigon Group continues to perform above acquisition levels thanks to its diverse client base.
- Project Partners' continued growth evidenced by securing several major national accounts that will also support Perigon Group and Halcyon Knights' growth.
- We expect tough conditions to continue throughout H2 for professional services in general, and particularly in permanent recruitment, but predict the business will recover in FY25 as business confidence improves.



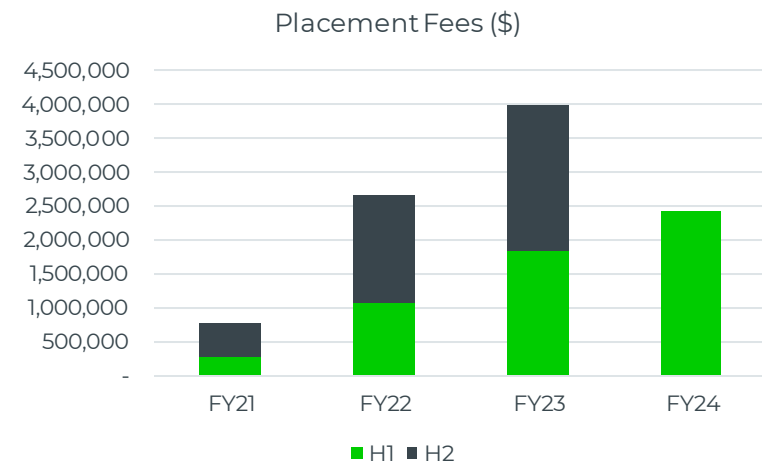
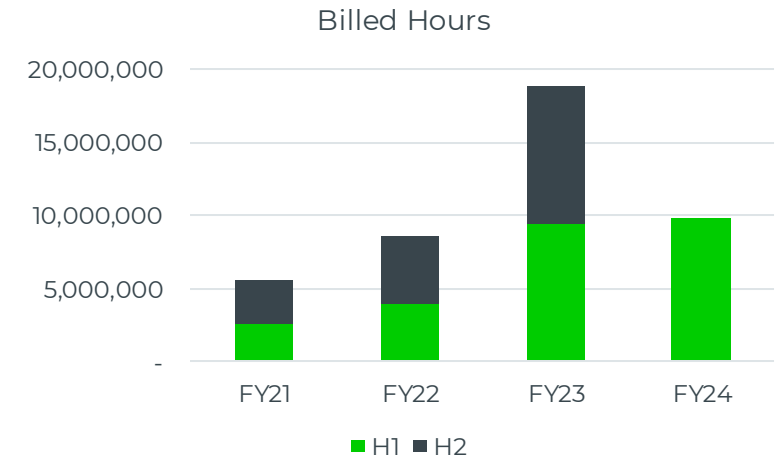
Industrial & Specialist Services

Overview:

The leader in providing general staffing services to small and medium-sized businesses across Australia in a wide range of sectors including industrial, food services, childcare and hospitality. Also provides specialist services such as asset management and contract planting.

Performance:

- PeopleIN continues to win new industrial clients and, unlike many of our competitors, we've grown our revenue in this sector.
- Our ISS division delivered record hours in H1 FY23 despite weather activity late in December impacting key clients.
- Drop in business confidence has impacted the higher margin and discretionary spending parts of the division (non-operational high-volume businesses). Our hospitality business has also been impacted by cost-of-living pressures (discretionary spend risk).
- PeopleIN sales teams continue to secure work although at lower-margin and taking market share.
- Meat and other food processing, as well as construction hours, continue to increase.
- Division continues to benefit from cost efficiencies across the period.



Business Overview

Australia's largest listed talent solutions company

- ▶ Geographic and sector diversification
- ▶ Solid client base to support cross-selling
- ▶ Depth of candidate pool
- ▶ Balanced permanent vs contractor revenue mix that provides longer term stability

Business Snapshot



25 brands,
900+ internal staff



65,000+
candidate pool



40+ locations
across Australia,
NZ and Singapore



13,000 – 15,000
Candidates
payrolled every
week



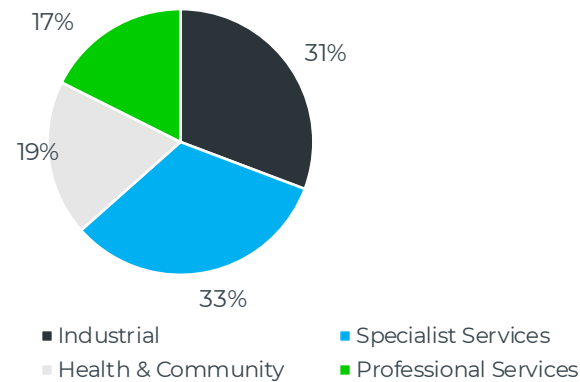
4,200+
businesses



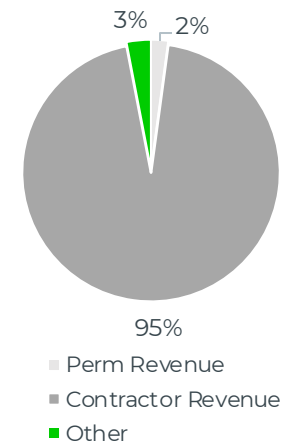
300+
Apprentices and
trainees
employed



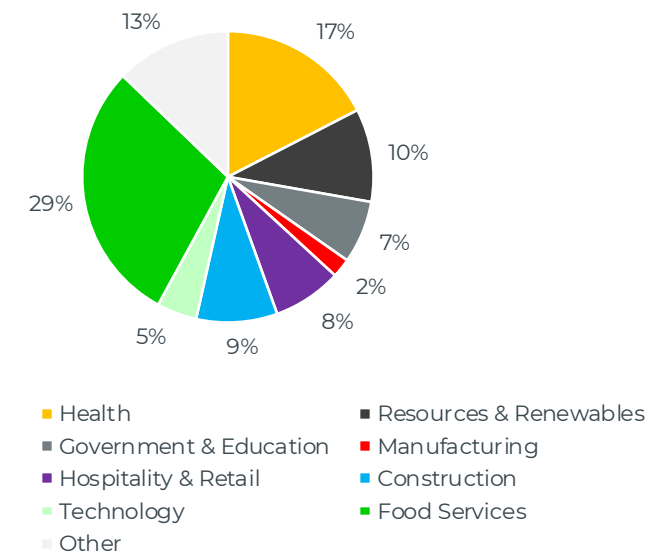
EBITDA Contribution by vertical



Revenue Mix













Sectors by GM Contribution



Our shared value framework

Shared value for our people, clients, investors and community



UN Sustainability Goals	Pillar 1: First Nations	Pillar 2: Sustainability	Pillar 3: Equity & Inclusion
<p>Key Highlights</p>	<ul style="list-style-type: none">  <p>Key Partnership with Partners on Country.</p>  <p>750+ First Nations candidates placed (last 12 months).</p> 	<ul style="list-style-type: none">  <p>4.8+ million Trees planted via Timberwolf (last 12 months).</p> 	<ul style="list-style-type: none">  <p>Key Partnerships Including NNA DSS.</p>  <p>Community 'Women in IT' online community – 11,600+ members.</p>  <p>PALM Community Industry leading Community of Care model.</p>  <p>Human Rights Commitment to respecting and upholding; annual reporting.</p>  <p>62% Female Workforce.</p>  <p>Economic Contribution People in work - payrollling 13,000 – 15,000 candidates per week.</p>  <p>NDIS support >89,000 hours provided to NDIS participants (last 12 months).</p>

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