



Skill Hire Acquisition - The Path to Growth

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An evolving employment landscape, skills shortages and industry specific growth have combined to create gaps in the labour market in which Government, Business and Individuals seek specialist service providers to deliver SUSTAINABLE WORKFORCE SOLUTIONS, CAREER PATHWAYS AND POSITIVE SOCIAL OUTCOMES.

DEMAND

Employers seek:

- Sustainable flow of skilled workers
- Workforce flexibility to effectively manage workflow
- Sustainable workforce development solutions
- Specialist outsourced recruitment functions

Individual seeks:

- Industry leading workplace training and education
- Career development and employment pathways
- Access to job vacancies across various industries

Government seeks:

- Re-training and upskilling of national workforce
- Increases in apprentices and trainees
- Sustainable workforce development solutions

.....creating the need for specialist employment services to meet the demand of Government, Business and Individuals

SUPPLY

- Deliver a full suite of staffing, training and employment services
- Deliver sustainable solutions to industry skills shortages
- Deliver specialist recruitment services based on industry expertise
- Deliver genuine employment pathways for the next generation workforce
- Deliver a consistent flow of apprentices and trainees to industry
- Offer a range of businesses and industries to market jobseekers to
- Offer re-training and re-deployment of a workforce impacted by COVID-19
- Deliver positive social impact to individuals, their families and communities by delivering gainful employment outcomes



Acquisition Overview

About GO2.....

The GO2 People Ltd (ASX:GO2) is a leading provider of Staffing, Training and Employment services throughout Australia. The Company is a strategic collective of brands, delivering tailored employment solutions through a full suite of specialist services to Business, Government and Individuals.

....And Skill Hire

Skill Hire is one of Australia's leading Employment Services providers, bringing together the benefits of a Registered Training Organisation, Apprenticeship & Traineeship Recruitment and an Employment Agency to empower people towards gainful employment.

A Combination of GO2 and Skill Hire

- Provides a solution to increasing skills shortages in key economic sectors
- Delivers an integrated end to end employment offering to individuals throughout their career journey
- Specialist employment service provider with industry expertise to assist Business, Government and Individuals across multiple sector
- Positions the group strongly as Government and Employers invest heavily in employment through funded training and infrastructure spend
- A financially sound business with solid positive earnings set to drive shareholder value in FY22 and beyond
- Enhances operational efficiencies driving cost rationalisation within the first 12 months
- Delivers a solid platform for organic growth and growth through M&A

Skill Hire....the business

One of Australia's leading Employment Services providers, Skill Hire brings together the benefits of a Registered Training Organisation, an Apprenticeship & Traineeship Recruitment / On Hire business, and an Employment Agency to empower people towards gainful employment through a robust business model based on Commonwealth Government funded contracts and fee for service offering.



Key Highlights

- Integrated business model offering full suite of employment related services
- Robust Government funding and fee for service business model
- Unaudited \$23 million revenue and \$1.6 million EBITDA for half year Dec 31 2020
- Established client base over built over 25 years
- Highly regarded leadership team and sophisticated operating systems
- Business positioned to scale up and enter new geographies
- Head office in Perth, with multiple locations around WA

Overview

- Founded in 1992, Skill Hire established itself as a training provider in Western Australia.
- It has now grown to include 3 key business units – a Nationally Registered Training Organisation, a Group Training Organisation(Apprentices and Trainees) and a Recruitment Agency.
- Skill Hire's unique business model has been developed so that the business allows it to cover the entirety of someone's career
- From high school students at the start of their career journey, to business owners who need staff to expand their operations, and all that's in between, Skill Hire works to up-skill individuals and match them to ideal employment opportunities.
- Skill Hire generates revenue from a fee for service offering and government funding and spans both the business to business and business to consumer markets, broader industry and Government.
- It now holds a reputation as one of Australia's best Employment Services business and has an enviable list of established long term relationships with many of the country's most well known businesses and long term State and Federal Government clients.

Skill Hire Service Offering.....revenue streams and industries serviced

JobReady	Job Active Transition to Work Employability Skills Training Career Transition Assistance
Training	Short Courses / High Risk Skill Sets Pathways Program Certificates II, III, IV
Apprenticeships	Pre-Apprenticeships Apprenticeships Traineeships
Recruitment	Blue Collar Technical & Professional Labour Hire Permanent Recruitment



Mergeco Benefits.....plenty of positives

Accelerates Strategic Growth

Skill Hire accelerates GO2 strategic plan delivering immediate financial and operational enhancement to drive shareholder value
Expected positive impact on market cap and ability to fund future organic growth
Set for organic growth across the business on the back of investment in employment creation from Government and employers

Enhances Group Capability

Creates full suite of staffing, training and employment services
Group offering can oversee the entirety of an individual's career from high school to full time employment
Increases key client spread and adds Government to portfolio of major clients
Increases volume of established clients across GO2 group to market Job Seekers to
Increases geographical spread, in time, to GO2 locations on the Eastern seaboard

Adaptive Business Model

Revenue generated through a combination of fee for service offering and Government funded services
Revenue model is robust through economic cycles, focusing on employment in "booms" and on training and up-skilling in "busts"
Business offering caters to multiple markets - business, consumer, Government and industry
Robust blueprint set to scale and access organic growth


Positive Financial Impact

Transaction significantly increases revenue to GO2 Group - Skill Hire reported unaudited \$23 million in H1 FY21
Immediate improvement to existing positive GO2 EBITDA - Skill Hire reported unaudited \$1.6 million EBITDA in H1 FY21
Improved cashflows due to ongoing Government contracts and recurring revenues
Significant improvement in overall Group margin due to less reliance on low margin labour hire

Synergies

Scalability on the back of operational and industry alignment
Cross-sell and new sales potential within the respective business units existing client and consumer base
Cost rationalisation within the first 12 months, expected to be in excess of \$500k on an annualised basis

Mergeco Capability.....a full suite of Staffing, Training and Employment services

Full Scope of Employment Services	Development			Deployment		
	Job Ready Services	Workplace Training	Apprenticeships & Traineeships	Labour Hire Recruitment	Professional & Technical Recruitment	Executive Search
	Jobactive Transition to Work Employability Skills Program Career Transition Assistance	Short Courses High Risk Skills Sets Pathways Programs Certificates II, III, IV	Pre-Apprenticeships Full Apprenticeships Full Traineeships	Blue Collar Trades Blue Collar Industrial Skilled and Unskilled	White Collar Perm White Collar Contract Project Personnel Office & Admin	C-Suite Search Executive Personnel
	GO2 Recruitment			✓	✓	
	GO2 Skills & Training	✓	✓			
	Skill Hire	✓	✓	✓	✓	
	Nara Training	✓				
Hunter Executive					✓	✓
Revenue Sources	Government Funded	Government Funded	Government Funded			
		Fee for Service	Fee for Service	Fee for Service	Fee for Service	Fee for Service

Q3 FY21 Pro-Forma Financials.....

The following Pro Forma Financial Information represents a combination of the reviewed results of GO2 and the unaudited results of Skill Hire for the 6-month period ended 31 December 2020. This illustrates the hypothetical financial results of the merged entity had the acquisition completed on 30 June 2020. Skill Hire will only form part of the GO2 group from June 1 2021, and will not include the results disclosed below.

H1 FY21	GO2 Pre-Transaction ⁽¹⁾	Skill Hire	GO2 Pro Forma 31 – Dec
Revenue	13,911,780	23,048,538	36,960,318
EBITDA	543,806	1,599,747	2,143,553
Cash at Bank	822,120	5,500,000 ⁽²⁾	6,322,120
Market Cap ⁽³⁾	6,764,000	6,764,000	13,528,000

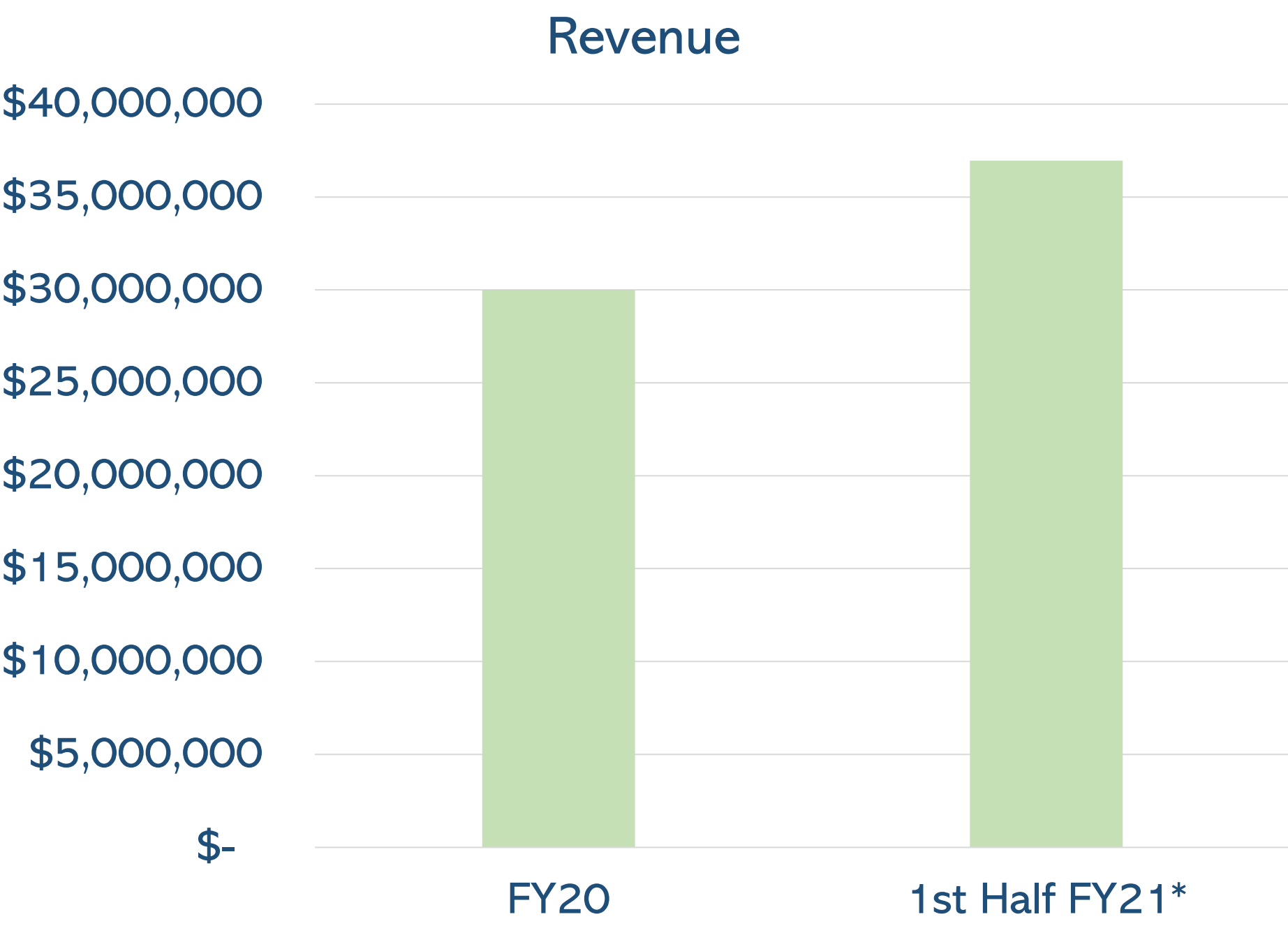
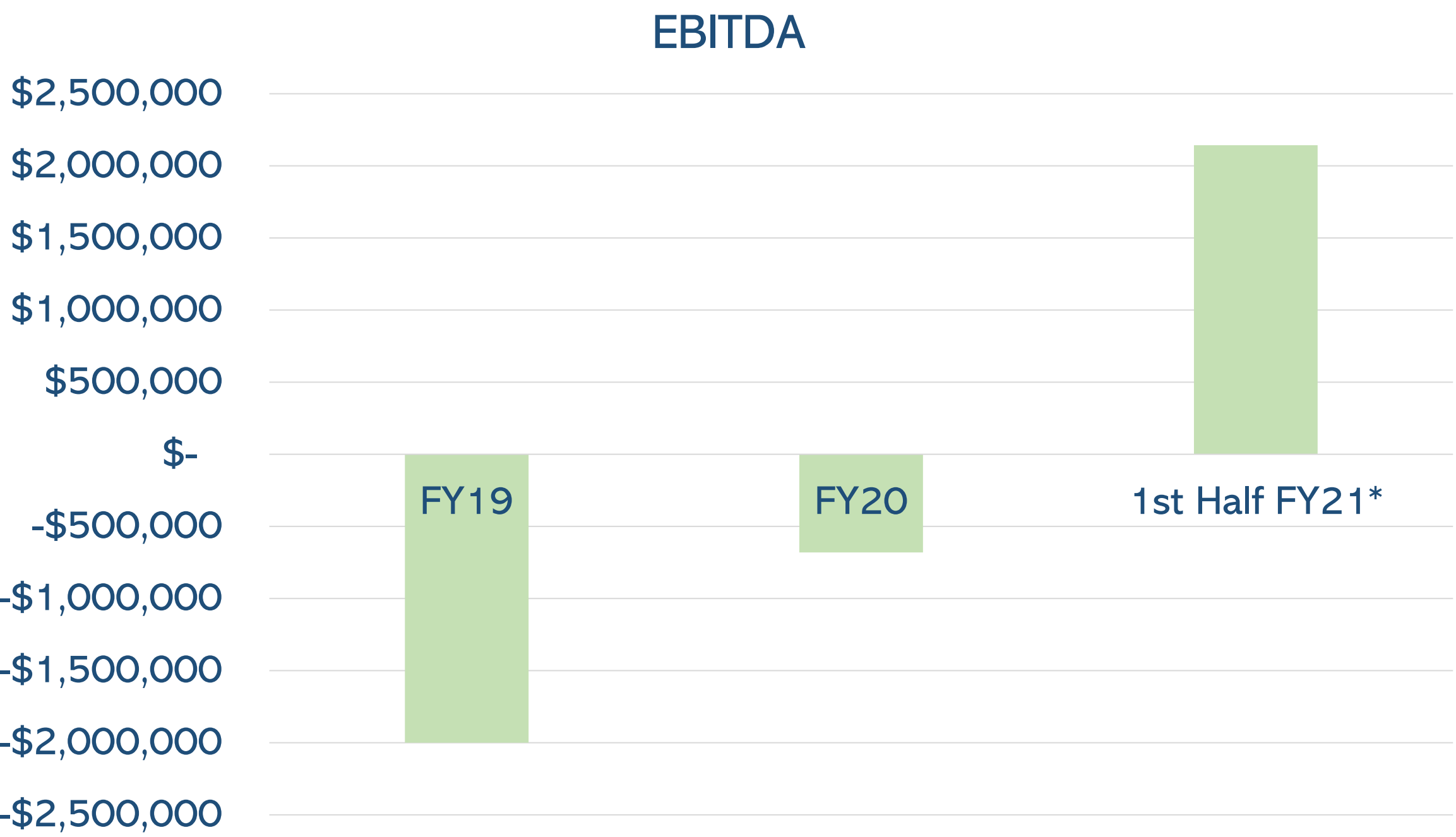
(1) GO2 Pre-Transaction figures includes Hunter Executive unaudited figures as at Dec 31 2020

(2) Cash at Bank of Skill Hire as at 31 Dec 2020 adjusted to be net of payments to be made as part of the acquisition

(3) Market Cap calculated using assumed share price of \$0.038per share to calculate the value of both GO2 and Skill Hire

Financial Highlights.....significant uplift

The following Pro Forma Financial Information represents a combination of the reviewed results of GO2 and the unaudited results of Skill Hire for the 6-month period ended 31 December 2020. This illustrates the hypothetical financial results of the merged entity had the acquisition completed on 30 June 2020. Skill Hire will only form part of the GO2 group from June 1 2021 and will not include the results disclosed below.



Key Drivers of Earnings Growth.....and shareholder value

- **Robust Solution Based Model:** GO2 business model suited to deliver in Federal and State Governments' commitment to re-train and re-deploy a large portion of the national workforce impacted COVID-19 and to deliver solutions to skills shortages.
- **Accessing Acquisition Synergies:** The integration of Skill Hire will see the GO2 group access synergies which include cross-selling of services and the delivery of significant cost rationalisation.
- **Infrastructure Investment:** Increased investment in national infrastructure by Government to stimulate employment growth is creating additional demand for recruitment and training in this space which the GO2 group of businesses are heavily involved in.
- **Demand in key Economic Sectors:** High demand for recruitment and training from clients and industry alike in key economic sectors including Mining, Construction, Community Services.
- **Industry Diversification:** Skill Hire's scope of training and education creates a pathway for GO2 into new high growth sectors including Community Services and Government.
- **Recurring Revenue with Business and Government:** Established contracts in place with high value clients, including Government and Tier One Business, to provide Recurring revenue and improved earnings whilst offering significant cross-sell opportunities for GO2 training division.
- **Overhead Rationalisation and Capital Management:** Removal of duplicated overheads and responsible capital management will drive EBITDA and margin improvement.
- **Foundation for further Mergers and Acquisitions** – The Company will look at additional strategic acquisitions which will complement the existing group and drive earnings growth.

Key Statistic

The Australian Government projects employment growth of 7.8% to November 2025.

Snapshot of key Federal Budget initiatives the GO2 group either is, or expects to benefit from directly and indirectly from in the next 3 years:

\$421 million boost for Transition to Work Services for which Skill Hire is a providers in WA and SA

\$2.7 billion over 4 years in apprenticeship incentives to create 170,000 new positions for which Skill Hire one of the larger providers of Apprentices and Trainees to employers in WA and SA.

\$506 million in the Job Trainer Program to deliver 163,000 training places (to be matched by state and territories) for which Skill Hire access to support Job seekers within the Job Ready Division

\$256 million in other “back to work” programs

\$306 million in aged care training in which Skill Hire delivers accredited training in the Community Services sector

Market Drivers

- ✓ Company set to deliver strong earnings and improved cashflow in FY22
- ✓ Company delivering positive social impact through employment and education outcomes
- ✓ Company operates in large fragmented sectors
- ✓ Company has good organic and M&A growth profile
- ✓ Company has excellent reputation with clients leading to recurring revenues
- ✓ Company has diversified offering across multiple industries
- ✓ Company has established Board, Executive and Management teams
- ✓ Company offers investors easy access to Board of Directors
- ✓ Company adheres to industry best Governance and Policies

Contact Us



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