

New business wins & trading update

The GO2 People Ltd (ASX:GO2) ("GO2" or the "Company" or "Group") is pleased to provide an update on successful growth initiatives across a number of areas of the business.

Strong Growth in Traffic Management

The Group's Traffic Management division continues to experience strong growth, and in November 2022 achieved an annualised revenue run-rate of \$23 million per annum. Demand for traffic management placements is strong, however one of the main hurdles to any provider in achieving growth is candidate supply.

As a diversified people & workforce solutions business the GO2 group is uniquely placed to meet skill shortage requirements and is now increasing its traffic management training program to 70 courses per year in Perth, with additional training provided across the regions in WA. This in turn will drive increased revenue and margins in the Group's training division, and is a clear demonstration of the synergies available to the GO2 Group and its unique integrated model of recruitment, labour hire, training and other services.

The Group plans to launch a traffic management business in Brisbane mid-2023 off the back of the strongly growing WA business model.

South-West WA Major Road Project

In September 2022, the GO2 Group, via its Skill Hire subsidiary, commenced supply of labour hire to a contracting alliance constructing a major arterial road project in the Southwest of WA. Skill Hire was appointed under a supplier arrangement to enable it to provide a range of additional training and other services under the one vendor arrangement.

At the end of November 2022, Skill Hire had 35 placements on site, with an additional 9 now mobilising to site and open orders for a further 40 roles which are expected to be filled over the next few months.

The Group is also leveraging this relationship across its other service offerings, with the first apprenticeship placements mobilising to site prior to Christmas.

Major Warehousing Client – expansion into SA

GO2, via its Skill Hire subsidiary, is the major labour hire supplier in WA to a significant national grocery warehouse operation, with 151 candidates on placement during November 2022. Skill Hire also provides training services to this employer, and Hunter Executive has also leveraged this relationship to recently undertake senior executive recruitment.

Further, the GO2 Group has recently expanded its relationship with the client into South Australia, and at the end of November had 12 candidates placed with further growth expected, and expansion into recruitment, training and other services is anticipated with the growth in the Company's on-site presence.

New Additions to Scope for Skill Hire Training

Skill Hire Training recently made an application to the Australian Skills Quality Authority (ASQA) for the addition of two new courses to scope, both of which are highly synergistic with the Group's existing clients and other service offerings:

- On 7 December 2022 Skill Hire received confirmation that the Certificate II in General Education for Adults has successfully been added to scope for its Registered Training Organisation - this certificate is the equivalent of Year 10. The Group plans to commence delivery early in the new year - initially to our Transition to Work clients throughout the Great Southern and Wheatbelt regions in WA. We will commence 41 candidates in the program with more than 100 candidates eligible to participate in this program throughout the first 12 months of delivery. This will result in additional revenue for Skill Hire Training and meaningful outcomes for our Transition to Work clients. Plans to broaden delivery to a wider client base will be implemented in the second half of 2023;
- Boiler-Making / Welding – Skill Hire Training is well progressed to add the Certificate III in Engineering to scope. Skill Hire has 70 Boiler Maker / Welding Apprentices on-hired to its key clients through our Group Training Organisation which represents a significant opportunity to increase revenue and margins through the Training Business and better partner with our key clients.

Further revenue growth expected for FY23

On 2 September 2022, GO2 released an Investor Presentation which forecast revenue in the range of \$85 – 95 million for the full year. Based on revenue generated to the end of November of \$36.2 million and the various new business wins and other initiatives outlined above, the Company now expects to achieve full year revenue in excess of \$90 million.

Whilst the aggregate revenue from the contracts detailed in this business update is material, the information provided represents an update on previously awarded contracts, and no new individual contract is material for disclosure purposes.

New Leadership in Queensland

On 28 October 2022, the Group announced that it had secured a new 4-year contract term on significantly improved margins with its major existing mining & construction client in Queensland.

The Group is now appointing a new State Manager to lead its Queensland business. The new appointee will bring our Traffic Management, Registered Training Organisation (RTO) and Group Training Organisations (GTO) service offerings to our existing labour hire clients – likewise the expanded suite of service offerings will also present opportunity to open up other new client relationships in Queensland.

Board Chair Commentary

GO2 Board Chair Darren Cooper said:

“As 2022 draws to a close, the GO2 Group has undertaken significant re-structuring and development of its business. Recent new business wins clearly demonstrate the value of the integrated GO2 model, where a client of one area of the business can quickly become a client across multiple service offerings.

The Group continues to enjoy significant structural tailwinds from the worker shortage across all our operating sectors, and our positioning of ‘Building Australia’s Workforce’ speaks to the significant value we can bring to our existing and potential new client relationships.

We are also progressing with the re-building of the group’s financial capacity, with the recent approval of our ATO payment plans over extended terms and our current capital raising activity being important steps in positioning the business for continued growth.”



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About The GO2 People Ltd

The GO2 People Ltd (ASX:GO2) is a leading provider of recruitment and training services to industry throughout Australia. The day-to-day operations of the company are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement. To learn more please visit: www.theGO2people.com.au