



ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

Labour Hire | Recruitment

Training



FIRST HALF 2020 RESULTS

28 February 2020

ASHLEY SERVICES CONTINUES TO DELIVER

Strong result for H1 FY20, double digit growth across all financial measures

- Revenue of \$183.4 million, ↑\$35.2m or 23.8% on pcp*
- EBITDA** of \$6.1 million, ↑\$1.5m or 33.8% on pcp [66% of full year FY19 EBITDA of \$9.1m]
- NPAT** of \$3.4 million, ↑\$0.7m or 26.8% on pcp [63% of full year FY19 NPAT of \$5.4m]

Strong organic growth in Labour Hire and Training divisions

- Action Workforce and Training both grew strongly
- Concept Engineering was weaker against a strong Q1 FY19 but closed the gap on last year considerably in Q2
- Concept Recruitment Specialists launch has impacted H1 results, but is showing improvement early in H2

Acquisition of CCL Group completed in Dec-19 with results included for entire first half

- Revenue of \$24.9 million compares very favourably with full year FY19 at \$39.4 million
- EBITDA of \$1.7 million compares very favourably with full year FY19 at \$2.85 million

Operating efficiency continues to improve

- EBITDA margin of 3.31% up from 3.06% for H1 FY19

Strong Balance Sheet & Cash Flow

- Conservative Balance Sheet with Net Debt < x1 EBITDA and significant borrowing facility headroom
- Strongest first half Operating Cash Flow since listing in Aug-14

Impressive Safety Record continues

- Labour Hire division LTIFR remains at an all time low

* Prior corresponding period (pcp), being H1 FY19

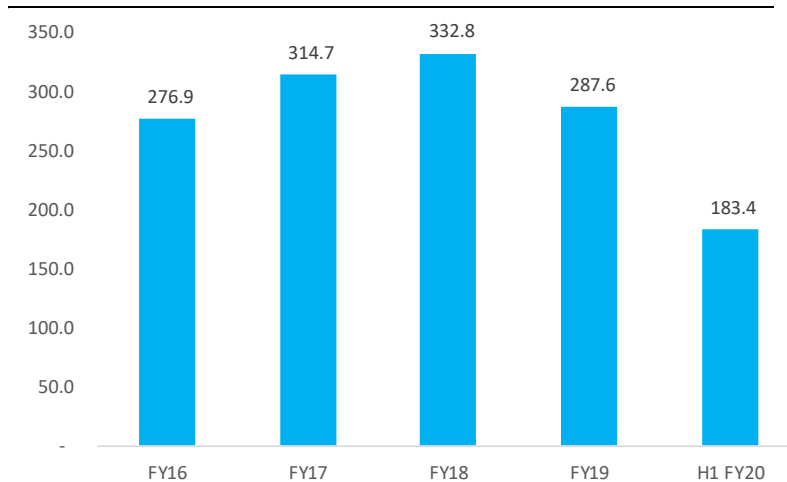
** Adoption of AASB16 had an \$0.5m positive impact on EBITDA but a \$0.1m detrimental impact on NPAT

GROWTH ACROSS ALL MEASURES



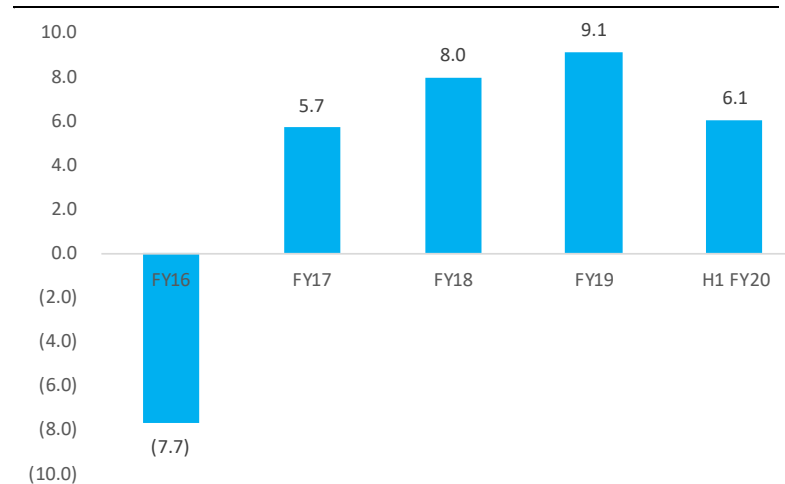
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REVENUE FY16 - H1 FY20

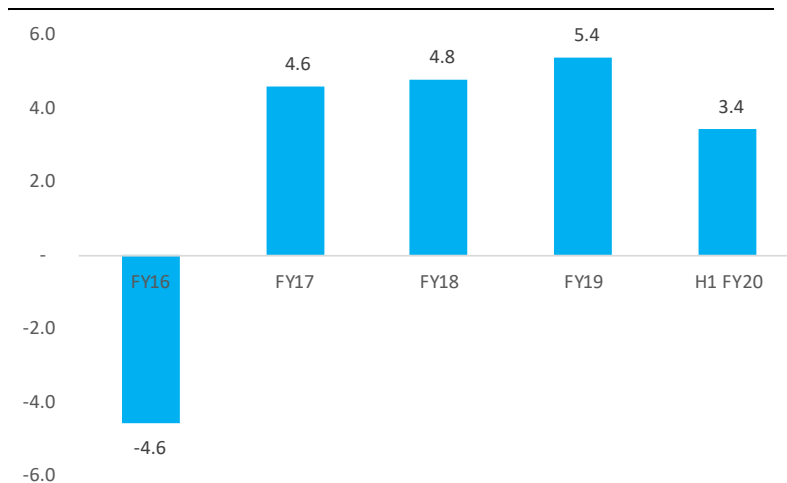


* FY19 decline due to exit of a major, marginally profitable, Action Workforce contract (FY18 \$59.2m)

EBITDA FY16 - H1 FY20

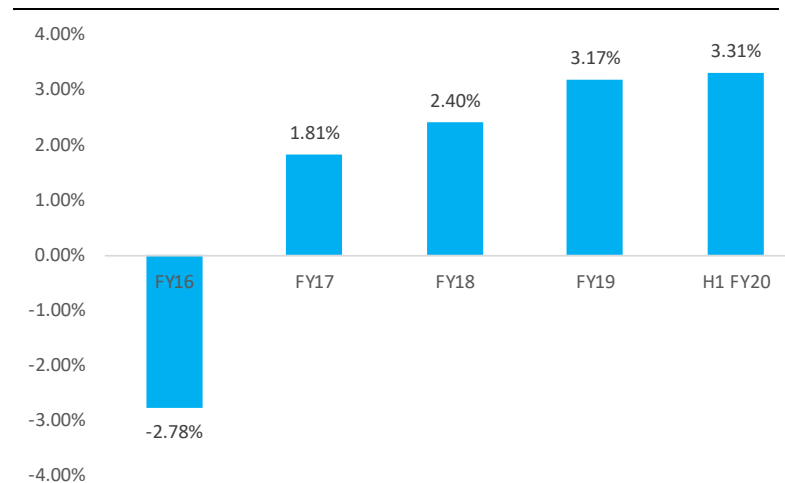


NPAT FY16 - H1 FY20



* FY16 & FY17 reflects Underlying EBITDA & Underlying NPAT

EBITDA % FY16 - H1 FY20



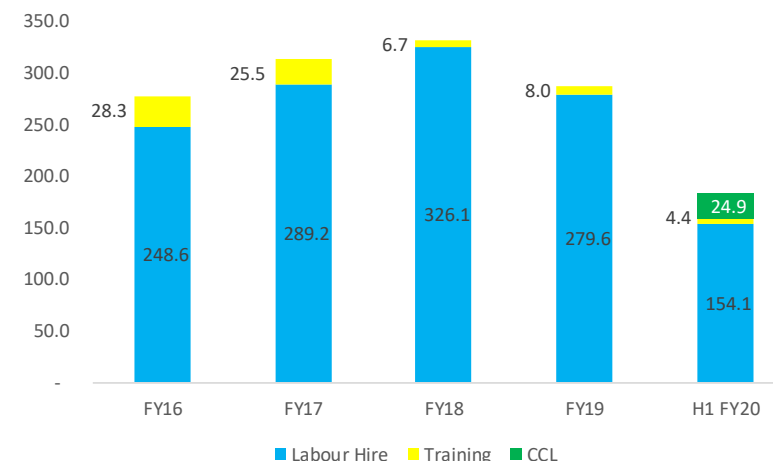
DIVISIONAL PROFITABILITY



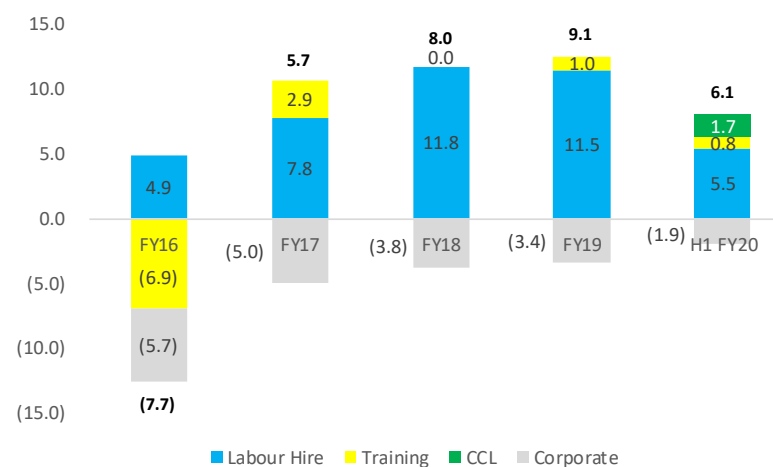
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- Labour Hire H1 FY20 Revenue \$154.1m, ↑\$9.9m (6.9%) on pcg
 - Action Workforce was the driving force
 - Concept Engineering was down against a strong Q1 in FY19 but is tracking better in Q2
- Training H1 FY20 Revenue \$4.4m ↑\$0.4m (9.9%)
- The newly acquired CCL Group delivered H1 FY20 Revenue of \$24.9 million, reflecting pleasing growth on FY19 full year revenue of \$39.4m

REVENUE by Division FY16 - H1 FY20



EBITDA by Division FY16 - H1 FY20



* FY16 & FY17 reflects Underlying EBITDA



** includes CCL Group*

220⁺ Internal Staff

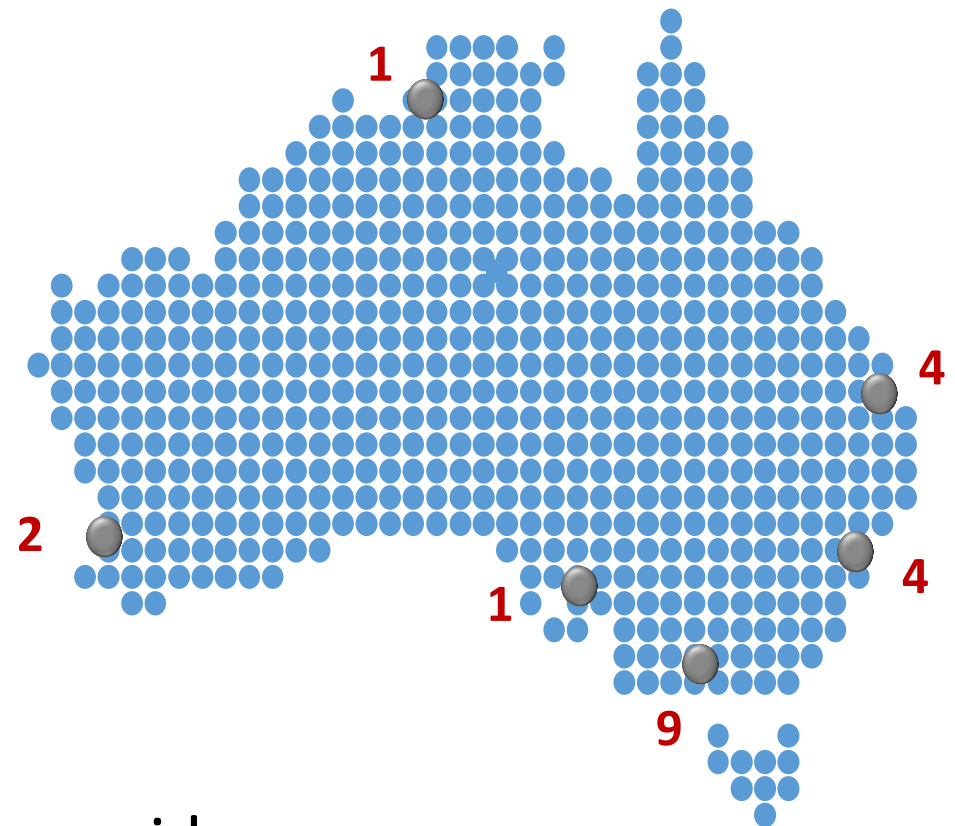
21 Offices

350⁺ Customers

5,000⁺ Weekly Workers

4.8 Years Tenure Top 20 Customers

Fully Integrated Labour Hire & Training provider



LABOUR HIRE DIVISION*



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* excludes CCL Group



- Transport & Logistics
- Production/Process
- Manufacturing
- Horticulture



- Trades
- Engineering
- Technical
- Maintenance
- Construction



- Specialist Recruitment
- Executive Search
- HR & IR Consulting



- White Collar Recruitment
- Office support
- White Collar Temps

Our Multi Branded Labour Hire division
covers all of our Customer's
Temporary Labour & Recruitment needs



ASH Pty Ltd (RTO 20749)

- Business, Administration, Leadership, Management
- Early Childhood Education and Care
- Individual Support
- Ageing Support
- Disability
- Health Services Assistance
- Food Processing
- Warehousing Operations
- Civil Construction Plant Operations
- Telecommunications Technology
- Data & Voice Communications



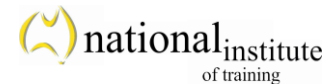
Australian Institute of Vocational Development Pty Ltd (RTO 40596)

- Early Childhood Education and Care
- Individual Support
- Ageing Support
- Disability
- Health Services Assistance
- Building & Construction
- Civil Construction
- Telecommunications Technology
- Data & Voice Communications



Vocational Training Australia Pty Ltd (RTO 90804)

- Business
- Early Childhood Education and Care
- Individual Support
- Warehousing Operations



Tracmin Pty Ltd (RTO 51895)

- Resource Processing
- Civil Construction Plant Operations



Our Training division has over 20 qualifications on scope,
delivered through 4 Registered Training Organisations
across three states: Victoria, Western Australia and Queensland

INTRODUCING THE CCL GROUP



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- Provides Construction Labour to the largest commercial developers and largest infrastructure projects in Melbourne
- Specialist Labour includes: General Labourers, Carpenters, Electrical Spotters, Scissor & Boom Lift Operators, Plant Operators, Peggy Duties, Steel Fixers, General Hands, Alimak Operators
- Provides Traffic Management services, 24 hours a day, 7 days a week, to a range of industries and clients
- Projects include construction and infrastructure projects, film/TV shoots, music festivals, sporting events and parades

The CCL Group is one of the primary suppliers of contract labour in Victoria, with a focus on the building, infrastructure and civil construction industries

The CCL Group is also a key supplier of traffic management services across a range of industries

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 5 January 2020



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	6 months to 05-Jan-20 \$000	6 months to 30-Dec-18 \$000
Revenue	183,380	148,167
Other income	429	648
Employment costs	(174,287)	(141,443)
Depreciation and amortisation expense	(1,174)	(447)
Finance costs	(379)	(370)
Other expenses	(3,395)	(2,804)
Profit before income tax from continuing operations	4,574	3,751
Income tax expense	(1,143)	(1,046)
Profit from continuing operations	3,431	2,705
Profit/ (loss) for the period from discontinued	-	-
Profit for the period	3,431	2,705
Other comprehensive income	-	-
Total comprehensive Income for the period	3,431	2,705
Total comprehensive income for the half year is attributable to:		
Owners of Ashley Services Group Limited	3,165	2,705
Non-controlling interests	266	-
	3,431	2,705

Consolidated Statement of Financial Position

As at 5 January 2020



ASHLEY SERVICES GROUP
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	05-Jan-20 \$000	30-Jun-19 \$000		05-Jan-20 \$000	30-Jun-19 \$000
Assets			Liabilities		
Current assets			Current liabilities		
Cash and cash equivalents	5,088	6,784	Trade and other payables	18,981	13,900
Trade and other receivables	39,507	28,524	Current tax payable	2,268	307
Contract assets	799	571	Dividends payable	2,620	-
Other assets	1,904	1,444	Lease liabilities	886	-
Total current assets	47,298	37,323	Other liabilities	1,422	-
Non-current assets			Provisions	2,431	2,295
Property, plant and equipment	1,167	1,140	Total current liabilities	28,608	16,502
Right-of-use assets	2,198	-	Non-current liabilities		
Deferred tax assets	4,486	3,602	Borrowings	5,712	-
Intangible assets	9,450	3,200	Deferred tax liabilities	730	964
Total non-current assets	17,301	7,942	Lease liabilities	1,372	-
Total assets	64,599	45,265	Other liabilities	2,775	-
			Provisions	810	1,175
			Total non-current liabilities	11,399	2,139
			Total liabilities	40,007	18,641
			Net assets	24,592	26,624

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