



# ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

---

**30 November 2022**

## **Chairman & Managing Director 2022 AGM Addresses**

### **Address by Ian Pratt, Chairman**

Good morning ladies and gentlemen,

My name is Ian Pratt and I am the Chairman of Ashley Services Group Limited. I'd like to welcome you to Ashley Services 2022 Annual General Meeting.

It is now 10am, the nominated time for the meeting. I am informed that a quorum is present, the meeting is validly constituted, and I am pleased to declare the meeting open. No apologies have been received.

I'd like to start by acknowledging the traditional owners of the land on which we meet, the Gadigal people of the Eora Nation and I pay my respects to their elders' past and present. I also extend that respect to other Aboriginal and Torres Strait Islander peoples.

I thank you for taking the time to join us. Your directors are all here today, including your Managing Director Ross Shrimpton along with Paul Brittain our Chief Financial Officer and Executive Director. Also in attendance is our Company Secretary, Ron



Hollands and Kinh Luong, our Audit Partner from HLB Mann Judd and Glen Everett, our Chief Operating Officer, who joined Ashley Services in March 2022.

The agenda for today's meeting will be as follows:

1. Address by myself, Ian Pratt, Chairman
2. Address by Ross Shrimpton, Managing Director
3. Q1 FY23 Financial Results Presentation by Paul Brittain, CFO and Executive Director
4. Resolutions as per the Notice of Meeting
5. Finally, we cover any general business including questions

The company's growth continued during the 2022 financial year, which was particularly pleasing given the challenges associated with the pandemic, rising labour costs and overall shortages of skilled labour and staff. We continue to be well positioned to meet these challenges with strengthened management and systems allowing the Group to be highly competitive across all our market segments.

The Group continues to strive to meet the expectations of our shareholders and other stakeholders, including our employees and customers.

Importantly, on 16<sup>th</sup> September 2022, the Group paid a fully franked final dividend of 3.0 cents per share in relation to the 2022 financial year. Together with the previously paid 3.0 cents per share interim dividend, this delivered a fully franked full year



dividend of 6.0 cents per share for 2022, a 43% increase on the 2021 dividend. The pay-out ratio was 76%.

With a robust balance sheet and low level of borrowings, we remain well placed to look at suitable further acquisition opportunities as and when they present themselves.

Ross and Paul will now review the 2022 results and a solid first quarter 2023 performance in more detail.

I'll now hand over to Ross for a more detailed insight into our 2022 performance.

**Address by Ross Shrimpton, Managing Director**

Our core offering is the provision of high value contingent work force solutions. Key to this is our service team capability. I would like to take this opportunity to formally thank every one of our 321 internal staff who have worked tirelessly to deliver our strong results and followed a simple rule of “focus on the customer” which allows everything else to fall into place.

We remain focused on continuing improvement in our areas of strength; namely safety, customer satisfaction, systems and internal staff development as well as enhancing our marketing capability and improving labour retention. We are also committed to additional growth and value creation through the acquisition and successful integration of new businesses.

Our strategy is to drive growth in higher margin labour hire segments - steadily improving diversification and revenues outside the warehousing/logistics sector.

Concurrently, growth is focused on geographic diversification and increasing labour sourcing capability.

In April 2022, we acquired a minority interest of 49% in Dardi Munwurro Labour and Traffic Management Pty Limited, a company providing indigenous labour hire in Victoria. On 25 July 2022, the Group similarly acquired a non-controlling interest of 49% in Yalagan Infrastructure Pty Limited, a company supporting indigenous labour



hire in New South Wales. These new entities broaden Ashley Services labour hire offerings for Indigenous labour and we continue to look at expanding such relationships outside Victoria and NSW. The Victorian operation, which commenced before year end is growing well. The NSW operation is now commencing. ASH does not expect earnings from these combined non-controlling investments to be material in the year ended 30 June 2023.

On 5 July 2022, the Group acquired a 75% interest in Linc Personnel Pty Limited, a company providing labour to the oil and gas sector in the Northern Territory, expanding both our geographic and sector footprints. The initial payment for Linc of \$2.84m was made in July 2022, with the final payment of \$1.31m in October, bringing the total purchase price for the 75% interest to \$4.2 million or \$3.6 million net of cash acquired. The Linc integration has started strongly, with Linc delivering \$0.7m EBITDA in Q1 of financial year 23, assisted by additional labour hours associated with a client plant shut down.

For financial year 2022, at an NPAT level, we delivered a result of \$11.4 million, up \$1.8m or 22% from the prior year. Group Revenue at \$449.7 million increased by \$66.1 million or 17% from the comparative period.

Labour Hire revenues at \$438.2 million were up \$64.3 million (17%), with growth in all business lines except Concept Engineering. Growth was particularly strong in Action



Work Force, predominantly in Victoria where hours worked with existing customers grew significantly.

Training revenues at \$11.5 million were up by \$1.8 million (18%) with growth achieved across both the Ashley and The Instruction Company (“TIC”) training businesses.

Earnings before interest taxes depreciation and amortisation (“EBITDA”) for the financial year was \$18.7 million, up by \$3.2 million (21%) on the prior corresponding period.

As you will see from the first quarter 2023 results which Paul will present shortly, the new financial year has had a solid start. Our revenue trends remain very positive at an overall growth rate of 20% for the first quarter of 2023 compared to the same quarter last year.

I will now hand over to our Chief Financial Officer and Executive Director, Paul Brittain, to take us through a brief presentation on our first quarter results for the 2023 Financial Year.

**- ENDS -**

**For further details:**

Paul Brittain

Chief Financial Officer and Executive Director