



## ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING



# H1 FY2023 RESULTS

Friday 24 February 2023

# SOLID RESULT FOR H1 FY23, INVESTING FOR CONTINUING GROWTH

## Growth continued for H1 FY23

- Revenue of \$262.4 million, ↑\$42.5m or 19.4% on pc<sup>p</sup>\*
- EBITDA of \$10.3 million, ↑\$1m or 10.7% on pc<sup>p</sup>
- NPAT of \$6.1 million, ↑\$0.2m or 4.3% on pc<sup>p</sup>
- EPS of 3.99 cents per share, down 0.04 cents or ↓0.9% on pc<sup>p</sup> – increased profits from businesses with minority interests

## Organic revenue growth strong

- Driven largely by increased construction and traffic management activity in Victoria (CCL Group) and hours worked increases with existing and new customers within supply chain (Action Workforce), particularly NSW

## Solid contribution from Linc

- Acquired 5 July 22, contributed \$8.4m revenue and \$1m EBITDA during H1 FY23
- \$0.5m amortisation of identified intangibles (customer relationships)

## Working capital reduced

- Despite increases associated with revenue growth and seasonal peak in labour hire hours worked
- Other receivables reduced \$3m

## Dividends

- Fully franked interim dividend of 3.0 cents per share, in line with pc<sup>p</sup>

## Impressive Safety Record continues

- The impressive safety performance of our company continues to represent industry best practice

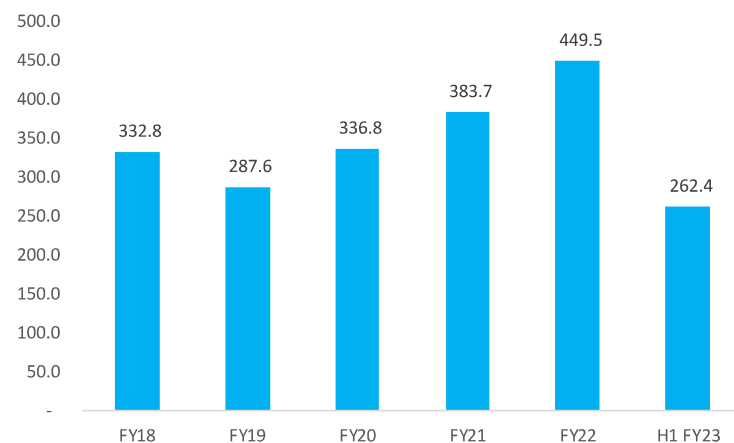
\* Prior corresponding period (pc<sup>p</sup>), being H1FY22

# H1 FY23 RESULTS CONTINUE PRIOR TRENDS

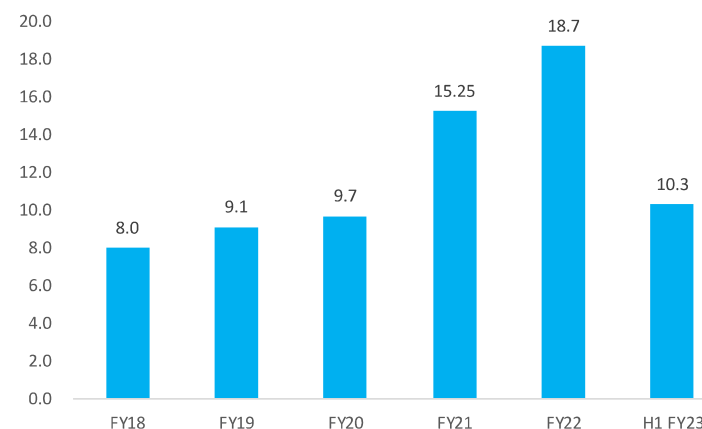


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## REVENUE FY18 - FY23 (H1)

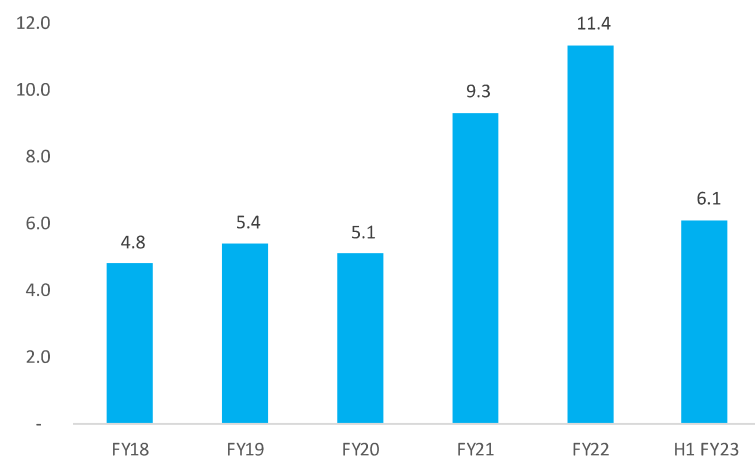


## EBITDA FY18 - FY23 (H1)

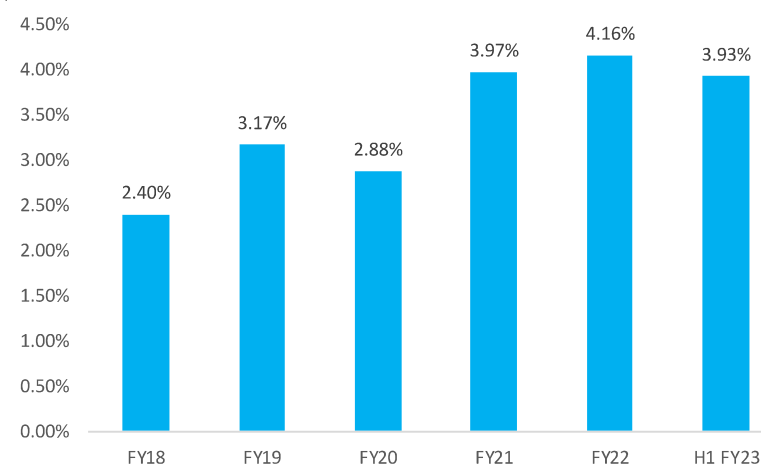


\* FY19 decline due to exit of a major, marginally profitable, Action Workforce contract (FY18 \$59.2m)

## NPAT FY18 - FY23 (H1)



## EBITDA % FY18 - FY23 (H1)



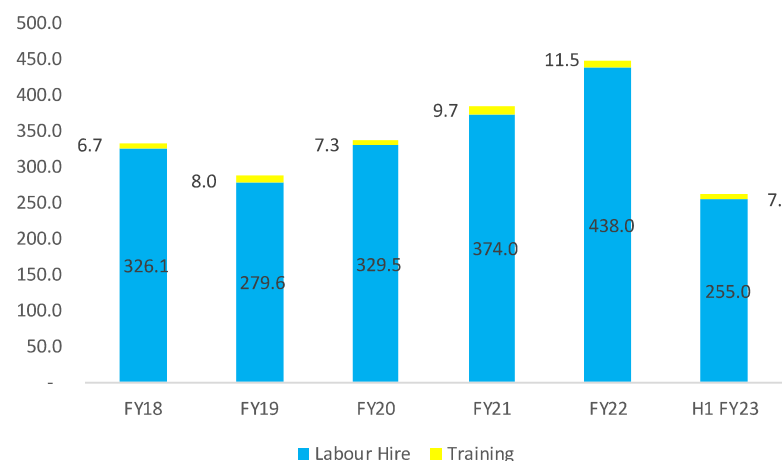
# GROWTH TRENDS CONTINUE



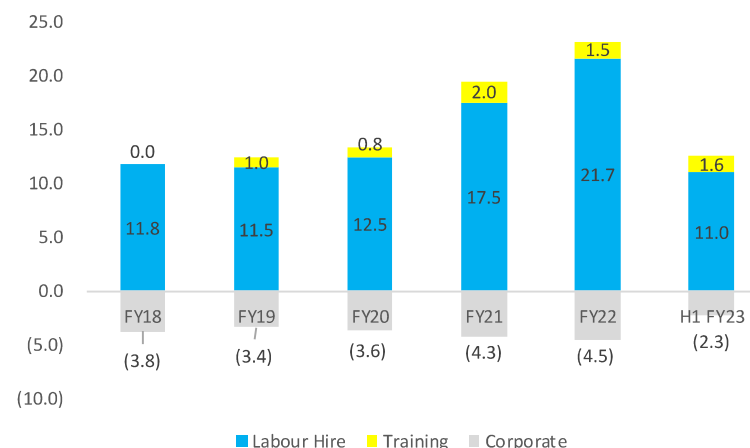
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- Labour Hire H1 FY23 Revenue ↑\$41m (19%) on pcg
  - Growth in all businesses except Concept Engineering & Concept Retail
  - Largest growth in CCL Group, Action Workforce NSW and from Linc
- Training H1 FY23 Revenue ↑\$1.5m (24%) on pcg with growth achieved across both the Ashley Training division and The Instruction Company – pcg negatively impacted by COVID restrictions.

## REVENUE by Division FY18 - FY23 (H1)



## EBITDA by Division FY18 - FY23 (H1)



- Labour Hire H1 FY23 EBITDA \$11m, ↑\$0.4m (4%) on pcg
- Training H1 FY23 EBITDA \$1.6m, ↑\$0.6m (60%) on pcg
- Corporate expenses well controlled, but will need to increase to support continuing growth

## BUSINESS GROWTH OVERVIEW

As at 24 February 2023 (compared to 3<sup>rd</sup> July 2022 or as noted)



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**337** Internal Staff up 32 or 10%

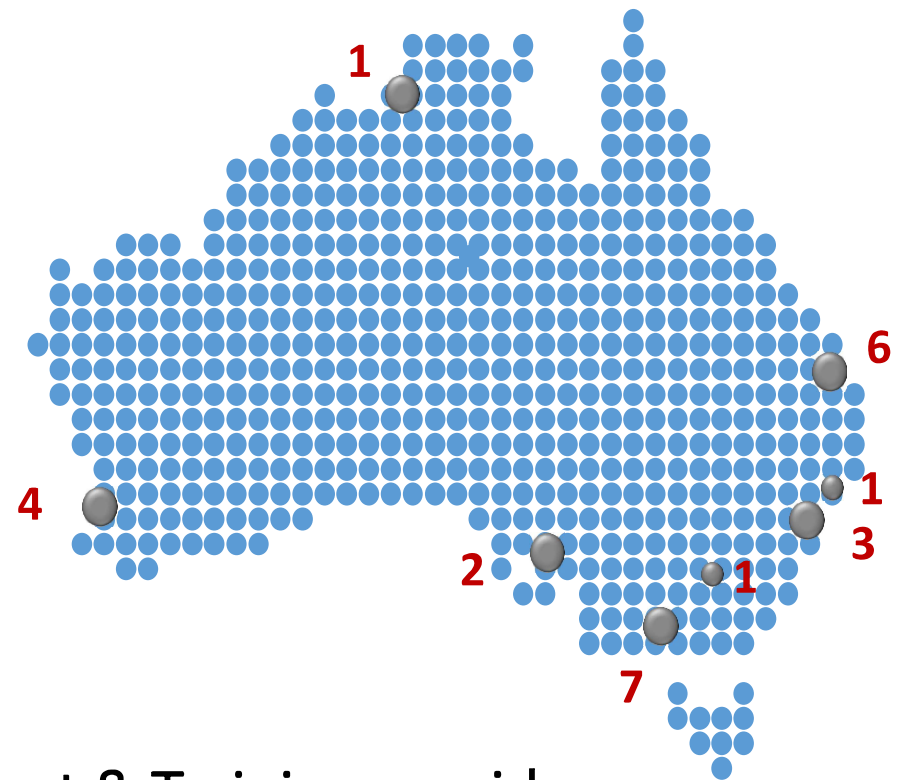
**25** Offices up 2

**853** Customers up 71 or 9%

**7,710** Weekly Workers at peak  
up 1,913 or 33%

**7.7** Years Tenure Top 20 Customers  
up 0.9 years

Fully Integrated Labour Hire/Recruitment & Training provider



# Labour Hire & Recruitment: Multi Branded approach covering all of our Customer's Temporary & Permanent employment needs



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



- Maintenance
- Construction
- Trades
- Engineering
- Technical



- Permanent Recruitment
- Executive Search
- Fixed term Contract
- Payrolling Services
- HR & IR Consulting



- Fitout & Project Works
- Merchandising Staff
- Retail Staff



- Track Machine / Vehicle Operators
- Hand Signallers
- Protection Officers
- Safe Working
- Track Examiners
- Safety Inspections
- Project Consultation

# Labour Hire & Recruitment: Multi Branded approach covering all of our Customer's Temporary & Permanent employment needs



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- Construction Labour
- Traffic Management Services
- Specialist Labour
- Labourers, Trades, Plant Operators, Steel Fixers
- Council permits
- Authority approvals



- Mechanical Maintenance
- Electrical Maintenance
- Shut down & Maintenance Support Planning
- Corrosion Remediation
- Engineering & Project Management



- Fruit & vegetables picking and packing
- Crop Work

# TRAINING: 4 RTOs operating across VIC, WA & QLD with the TIC RTO operating nationally



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## 34 Qualifications offered across both the traditional Training operations and the newly acquired The Instruction Company

- Business
- Early Childhood Education and Care
- Community Services
- Individual Support
- Ageing Support
- Disability
- Health Services Assistance
- Food Processing
- Supply Chain Operations
- Civil Construction Plant Operations
- Telecommunications Technology
- Data & Voice Communications
- Foundation Skills
- Building & Construction
- Civil Construction
- Rail Infrastructure
- Track Protection
- Shunting
- Rail Track Vehicle Driving
- Rail Driving
- Rail Track Surfacing
- Rail Structures
- Rail Signalling
- Terminal Train Driving
- Rail Network Control
- Train Driving

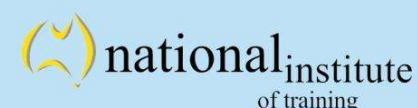
ASH Pty Ltd  
RTO 20749

Vocational Training  
Australia Pty Ltd  
RTO 40596

Australian Institute  
of Vocational  
Development Pty Ltd  
RTO 40596

Tracmin Pty Ltd  
RTO 51895

The Instruction  
Company Pty Ltd  
RTO 20928



Training



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For the financial year ending 31 December 2022



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	H1 FY23 \$000	H1 FY22 \$000
Revenue	262,360	219,816
Other income	85	11
Employment costs	(247,476)	(206,986)
Depreciation and amortisation expense	(1,652)	(772)
Finance costs	(891)	(327)
Other expenses	(4,291)	(3,437)
Share of net profit of non-controlled entities accounted for using the equity method	17	-
<b>Profit before income tax</b>	<b>8,152</b>	<b>8,305</b>
Income tax expense	(2,037)	(2,439)
<b>Profit for the period</b>	<b>6,115</b>	<b>5,866</b>
Other comprehensive income	-	-
<b>Total comprehensive Income for the period</b>	<b>6,115</b>	<b>5,866</b>
<b>Total comprehensive income for the half year is attributable to:</b>		
Shareholders of Ashley Services Group Limited	5,746	5,801
Non-controlling interests	369	65
	<b>6,115</b>	<b>5,866</b>

# Consolidated Statement of Financial Position

As at 31 December 2022



ASHLEY SERVICES GROUP  
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	31-Dec-22 \$000	03-Jul-22 \$000		31-Dec-22 \$000	03-Jul-22 \$000
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and cash equivalents	4,861	1,739	Trade and other payables	38,805	30,843
Trade and other receivables	62,193	54,968	Borrowings	11,632	5,305
Current tax receivable	-	1,627	Current tax payable	2,164	-
Contract assets	977	777	Lease liabilities	952	1,050
Other assets	2,242	2,255	Provisions	5,001	3,991
<b>Total current assets</b>	<b>70,273</b>	<b>61,366</b>	<b>Total current liabilities</b>	<b>58,554</b>	<b>41,189</b>
<b>Non-current assets</b>			<b>Non-current liabilities</b>		
Property, plant and equipment	3,432	2,050	Deferred tax liabilities	3,581	4,028
Investment in non-controlled entities	17	-	Lease liabilities	2,289	2,474
Loans to non-controlled entities	1,763	157	Other liabilities	1,973	1,973
Right-of-use assets	3,224	3,361	Provisions	674	675
Deferred tax assets	7,019	3,887	<b>Total non-current liabilities</b>	<b>8,517</b>	<b>9,150</b>
Intangible assets	15,022	10,976	<b>Total liabilities</b>	<b>67,071</b>	<b>50,339</b>
Other assets	81	81	<b>Net assets</b>	<b>33,760</b>	<b>31,539</b>
<b>Total non-current assets</b>	<b>30,558</b>	<b>20,512</b>			
<b>Total assets</b>	<b>100,831</b>	<b>81,878</b>			

# Consolidated Statement of Cash Flows

## As at 31 December 2022



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	6 months to 31/12/2022 \$ 000	6 months to 02/01/2022 \$ 000
<b>Operating activities</b>		
Receipts from customers	280,562	228,528
Payments to suppliers and employees	(270,018)	(224,917)
Interest received	4	2
Finance costs paid	(882)	(319)
Income taxes paid	(2,191)	(2,792)
<b>Net cash from operating activities</b>	<b>7,475</b>	<b>502</b>
<b>Investing activities</b>		
Payments for property, plant and equipment	(2,012)	(657)
TIC deferred payment	-	(375)
CCL Earn out payment	-	(825)
Payment for businesses acquired, net of cash acquired	(3,590)	0
<b>Net cash used in investing activities</b>	<b>(5,602)</b>	<b>(1,857)</b>
<b>Financing activities</b>		
Net proceeds from external borrowings	6,327	4,100
Repayment of leasing liabilities	(759)	(581)
Payment of dividends	(4,319)	(3,915)
<b>Net cash (used in)/from financing activities</b>	<b>1,249</b>	<b>(396)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,122</b>	<b>(1,751)</b>
Cash and cash equivalents at beginning of the period	1,739	2,969
<b>Cash and cash equivalents at the end of the period</b>	<b>4,861</b>	<b>1,218</b>

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