



ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

31 October 2023

Contract Loss

Ashley Services Group Limited (ASX: ASH) announces that one of its subsidiaries, Linc Personnel Pty Ltd (“Linc”), was not successful securing a renewed contract with its major customer. Linc will continue to provide labour to their major customer until 29th November 2023, under the terms of its existing contract, albeit with reduced manning versus the prior corresponding period. Linc is actively pursuing opportunities to redeploy its existing workforce to other customers.

Linc contributed \$1.1 million in net profit after tax in the financial year ended 30 June 2023 (“FY23”), equating to 10% of the ASG Group net profit after tax for that period. Contribution to net profit after tax from Linc in the financial year ended 30 June 2024 (“FY24”) will be negligible.

ASH purchased a 75% interest in Linc on 5 July 2022, for \$4.2 million. \$2.57 million of the purchase price was allocated to customer relationships acquired, with \$2.06 million of this value remaining at 30 June 2023. Amortisation will be accelerated to write down the carrying value of customer relationships to zero in the six-month reporting period to 31 December 2023. ASH will review the carrying value of goodwill and other related balances acquired during the purchase (net carrying value approximately \$1.3 million) as part of its normal half year reporting process, taking into account the outcomes from other opportunities for the business.

For further details:

Paul Brittain
Chief Financial Officer and Executive Director

Established almost half a century ago as a Labour Hire business in Sydney, Ashley Services Group listed on the Australian Securities Exchange in 2014. Today, it has cemented its position as a prominent national labour hire provider engaging over 7,500 workers on a weekly basis during peak periods.