

ASX Announcement

PEOPLEIN REPORTS FY24 ANNUAL RESULTS

27 August 2024

Key highlights for FY24:

- Revenue of \$1.17bn (-1.0% on FY23).
- Normalised EBITDA^{1,2,3} of \$37.0m (-39.5% on FY23).
- Normalised NPATA^{1,2,3} of \$22.2m (-41.0% on FY23)
- Normalised NPATA per share of 21.2 cents (-42.6% on FY23)
- Pausing of full-year dividend to maintain a strong balance sheet and ensure agility for future market opportunities
- Cost reduction program resulting in net \$7.8m of ongoing savings

Leading workforce solutions business PeopleIn Limited (PeopleIN, ASX: PPE) today announced a resilient financial performance during a challenging year. Significant decreases in revenues from permanent recruitment compounded by mix and reductions in on-hire labour hours were offset by an increase in margin, new business gains and cost savings.

PeopleIN reported revenue of \$1.17bn, down 1.0% and normalised EBITDA of \$37.0m, a decrease of -39.5% from the record highs in FY23.

The group has developed a strong and sustainable business enabling it to successfully maintain revenue and expand market share, highlighting the strength and effectiveness of its strong sales culture.

While performance was lower compared to FY23, revenue and earnings have remained steady across the financial year, showing a stabilisation of conditions. On-hire margins in labour hire have steadily increased, which are up 8% across the year.

The result has been heavily impacted by the reduction in permanent placement revenue down \$14 million from FY23. This reduction has been particularly evident across the IT

¹ Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Net Profit After Tax and before Amortisation ("NPATA") are non-IFRS terms which have not been subject to audit or review but have been determined using information presented in the Company's Annual Financial Reports.

² Normalised Earnings Before Interest, Depreciation and Amortisation ("Normalised EBITDA") and Normalised Net Profit After Tax and before Amortisation ("Normalised NPATA") represents the statutory NPAT and statutory EBIT adjusted for one-off expenses including costs associated with acquisitions, costs of employee options and performance rights and the associated tax deduction of these expenses. A reconciliation back to statutory EBIT and NPAT is contained in the Directors Report which forms part of the Annual Financial Report.

³ Normalised numbers have not been subject to audit or review and are based on numbers contained in the Company's Annual Financial Reports.

and Executive sectors as businesses defer recruitment decisions and increase the ‘time to hire’, due to low business confidence.

The business has responded to the market conditions by ensuring efficiencies across all areas of the group. The cost efficiency program that commenced in late FY23 has resulted in \$7.8 million of cost savings, ensuring that the group is lean and efficient when conditions improve. In addition, the group’s systems transformation program is nearing completion and is actively unlocking efficiencies and increasing data and AI capabilities.

PeopleiN CEO Ross Thompson said:

“FY24 presented significant challenges, with soft economic conditions driven by higher interest rates and declining business confidence across multiple sectors. Despite these headwinds, PeopleiN showed its resilience and responded swiftly. We have been able to capitalise on our strong sales culture to increase market share, drive efficiency and set ourselves up for growth when markets turn.”

PeopleiN continues to be prudent in its approach to capital management. There remains adequate covenant headroom in finance facilities, and looking ahead, the group maintains a strong balance sheet and cash collections. While the group views the balance sheet as strong, it has opted to pause the full-year dividend to maintain balance sheet strength and ensure agility for future market opportunities.

Results Summary:

		FY24	FY23	Change
Revenue	\$'000	1,174.8	1,186.4	(1.0%)
Normalised EBITDA	\$'000	37.0	61.1	(39.5%)
<i>Normalised EBITDA margin</i>	%	3.1%	5.1%	
Normalised NPATA	\$'000	22.2	37.6	(41.0%)
NPATA per share	Cents	21.2	37.0	(42.6)
Net Debt (excluding lease liabilities)	\$'000	79,352	45,575	
Net Debt / Normalised EBITDA	x	2.15	0.75	

For further information, please refer to the investor presentation and the PeopleiN Appendix 4E and consolidated financial statements, both of which have been released today.

Full Year Results Briefing:

The Company will hold a webcast briefing and teleconference at 10:15AM (AEST) on Tuesday, 27 August 2024.

Webcast Briefing and Teleconference Details

To pre-register for the webcast, please click on the following link:

<https://webcast.openbriefing.com/ppe-fyr-2024/>

To pre-register for the teleconference, please click on the following link:

<https://s1.c-conf.com/diamondpass/10040554-wjud7f.html>

You will receive a calendar invite and a passcode and your unique access code which are to be quoted when dialling into the call. The calendar invite will also include a list of toll free numbers to dial.

To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.

If you wish to ask a question, you will need to register and dial into the teleconference.

Enquiries – please contact:

PeopleiN Chief Executive Officer – Ross Thompson – (07) 3238 0800

About PeopleiN:

PeopleiN is the largest Australian-led workforce solutions company. Servicing over 4,200 businesses, our group harnesses local expertise and market-leading technology to power client success across Australia and New Zealand. PeopleiN’s success is underpinned by the diversity of its reach into high-demand and defensive employment sectors including Health & Aged Care, Community, Education, Trades and Labour, Agriculture and Food Processing, and Defence.

www.peoplein.com.au