

ASX Announcement: Strengthened business fundamentals and improved client mix, poised for growth

24 February 2025

Highlights for H1 FY25:

- Revenue of \$572.6m (-5.0% PCP, +1.0% on H2 FY24)
- Normalised EBITDA^{1,2} of \$19.3m (-4.7% PCP, +15.5% on H2 FY24)
- Net Revenue to EBITDA margin improved to 25.9%
- Strong cash collection at 117% of normalised EBITDA with debt ratio reducing to 1.68x
- Charge rates +9.1% PCP, +3% on H1 FY23

PeopleiN Limited (PeopleiN, ASX: PPE) released its financial results for the first half of FY25 today. PeopleiN's normalised EBITDA for H1 FY25 was \$19.3m (\$10.2m in Q2), representing a 4.7% decrease on the prior corresponding period (PCP) but a 15.5% improvement on H2 FY24. The company maintained its strong cash collection, reducing debt by \$17.4m over the 6 months and reducing its Net Debt/EBITDA ratio from 2.10x at the full year to 1.68x, positioning the business for future growth opportunities.

The first half of FY25 was marked by continued economic softness and uncertainty across some sectors. PeopleiN has remained agile, outperforming its industry peers by continuing to focus on delivering quality client service, driving increased productivity and improving margins.

PeopleiN's investment in systems is enabling its leaders to make data-driven decisions to optimise its client mix and candidate pool. As a result, its overall client billing rates increased by 9.1% on the prior year. The permanent recruitment market remains steady, but still well down on the record high of FY23.

PeopleiN has successfully continued its cost reduction efforts, achieving an additional \$3.8m in cost savings since H1 FY24, bringing total savings over the past two years to more than \$15m. These savings have been enabled by PeopleiN's systems upgrade program, which has driven operational efficiencies and increased productivity across the group. As a result, its net revenue to EBITDA margin increased to 25.9% which is significantly above its major competitors.

Ross Thompson, Managing Director, comments, "The business has made significant improvements in its client mix and operational efficiencies over the past couple of years. We now have a solid platform to sustainably grow the business."

¹ 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 Interim Financial Report.

² Normalised numbers have not been subject to audit or review and are based on numbers contained in the Company's Interim Financial Reports.

Adam Leake, Chief Financial Officer, adds, "PeopleIN's strong cash performance and financial discipline have positioned the business to capitalise on future growth opportunities. Our ability to reduce net debt and improve operational efficiency ensures we can invest in strategic initiatives when the timing is right."

Economic conditions are expected to remain challenging for the remainder of FY25, particularly with a federal election approaching and business confidence at historically low levels. PeopleIN is confident that its efforts in driving sales and cost efficiencies, as well as its key strategic initiatives that include Defence and PALM diversification, will enable the business to grow sustainably and provide long-term value for shareholders.

Half Year Results Briefing:

The Company will hold a webcast briefing and teleconference at 9:15AM (AEST) on Monday, 24 February 2025.

Webcast Briefing and Teleconference Details

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

<https://webcast.openbriefing.com/ppe-hyr-2025/>

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

<https://s1.c-conf.com/diamondpass/10044816-a9b4mv.html>

You will receive a calendar invite and a unique code which is 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 Managing Director – Ross Thompson – (07) 3238 0800

About PeopleiN:

PeopleiN Limited is the largest ASX-listed workforce solutions provider in Australia and New Zealand, offering comprehensive services across various sectors. With over 20 locations throughout the region, PeopleiN supports more than 4,200 clients and have access to a global candidate database exceeding 1 million individuals. Our specialised brands operate the Health & Aged Care, Community, Education, Agriculture & Food Processing, Finance & Corporate Services, Tech & IT, and Defence sectors – employing over 33,500 workers every year.