



ASHLEY SERVICES GROUP

LABOUR HIRE | TECHNICAL SERVICES | TRAINING

Labour Hire



Technical Services



Training

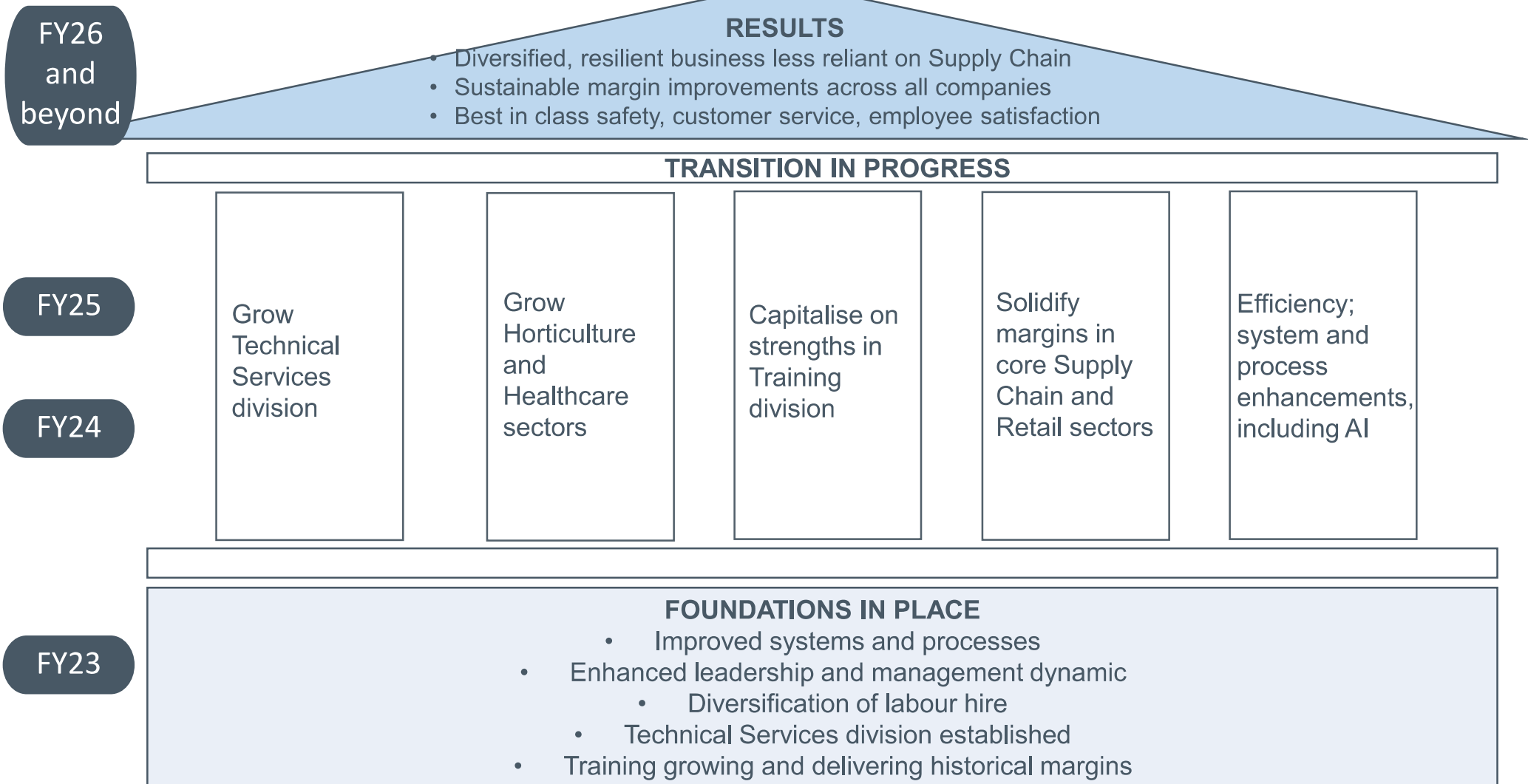


2023 ANNUAL GENERAL MEETING

Thursday 9 November 2023



- Opening Address from Chairman – Ian Pratt
- Business Update from Managing Director – Ross Shrimpton
- Q1 FY24 Financial Results – Paul Brittain CFO
- Resolutions as per Notice of Meeting
- General Business
- Close of Annual General Meeting



Structure



ASHLEY SERVICES GROUP
LABOUR HIRE | TECHNICAL SERVICES | TRAINING

Divisions

Labour Hire

Technical Services

Training

Sectors

Supply Chain

Horticulture

Retail

Professional Services

Healthcare

Construction

Engineering Services

Oil, Gas & Mining

Training

Companies and Brands

 <ul style="list-style-type: none"> • Supply Chain • Logistics • Manufacturing 	 <ul style="list-style-type: none"> • Planting • Harvesting • Packing 	 <ul style="list-style-type: none"> • Merchandisers • Retail Support • Delivery Drivers • Retail Fitouts • Retail Project Management 	 <ul style="list-style-type: none"> • Business Support • Administration • Customer Service • Finance • Project Support • Supply Chain and Logistics 	 <ul style="list-style-type: none"> • Aged Care Workers • Support Workers 	 <ul style="list-style-type: none"> • Construction trades • Civil trades • Major Projects • Traffic Management • Security Services 	 <ul style="list-style-type: none"> • Construction • Civil • Rail • Lift Installation • Lift Maintenance • Rail Safeworking • Rail Infrastructure • Rail Project Management 	 <ul style="list-style-type: none"> • Onshore • Offshore • Vessels • Rigs • Mining 	
--	---	--	--	--	--	--	--	------------------

Operational Support Support Services

Recruitment, National Account Management, Marketing, HSEQ, After Hours

Finance, Commercial & Payroll, Property, Human Resources, Information Technology

Scorecard – transition in progress



Foundational improvements

Efficiencies – system and process improvements including AI	In progress
---	-------------

Grow horticulture and healthcare sectors

Acquire and successfully integrate OPW	Complete
Expansion of horticultural businesses	In progress
Establish and grow the healthcare business	Establishment complete, growth in progress

Capitalise on strengths in training division

Expand qualifications on scope	Solid start, in progress
Expand geographic spread	Solid start, in progress

Grow the Technical Services division

Integration of CCL Group, geographic expansion	Integration complete, expansion commencing
Linc contract renewal, growth in oil and gas sector	Customer loss, no customer wins
Growth in rail, mining and lifts	Some progress in rail, lifts

Margin enhancement

Improve margin mix via Horticulture, Healthcare, CCL Group and the Concept businesses, as well as associated Indigenous entities	In progress
Underlying margin improvement: <ul style="list-style-type: none"> Action Workforce contract renewals 	Renewals progressing well. Recent wins, no significant losses

Q1 FY24 Financial Results

Challenging quarter for labour hire. Strong performance from training.



ASHLEY SERVICES GROUP
LABOUR HIRE | TECHNICAL SERVICES | TRAINING

- **NPAT** for Q1 FY24 at \$2.0m was down \$1.1 million on the prior corresponding period (“pcp”).
- **NPAT attributable to shareholders** also \$2.0m, down \$0.9 million from pcp – CCL now owned 100%.
- **EBITDA** for Q1 FY24 at \$4.2m down \$0.8m (13%)
 - **Labour Hire** down \$1.0m (↓19%)
 - Labour Hire includes newly acquired OPW, which delivered \$0.3m.
 - **Training** up \$0.2m (↑22%).
- **Revenue** for Q1 FY24 up \$13.7m or 11%
 - **Labour Hire** up \$12.5m or 10%. \$10.8m from OPW.
 - **Training** up \$1.2m or 32%.
- Corporate expenses at \$1.2m remain tightly controlled.

\$ million	Unaudited Q1 FY24	Unaudited Q1 FY23	Audited H1 FY23	Audited H2 FY23	Audited FY23
Revenue by segment					
Labour Hire	136.9	124.4	255.0	278.2	533.2
Training	4.9	3.7	7.4	8.6	16.0
Total Revenue	141.8	128.1	262.4	286.8	549.2
EBITDA by segment					
Labour Hire	4.3	5.3	11.0	10.5	21.5
Training	1.1	0.9	1.6	2.1	3.7
Corporate	(1.2)	(1.2)	(2.3)	(2.8)	(5.1)
EBITDA	4.2	5.0	10.3	9.8	20.1
Depreciation & Amortisation	(1.0)	(0.5)	(1.7)	(1.5)	(3.2)
EBIT	3.2	4.5	8.7	8.3	17.0
Net interest expense	(0.4)	(0.2)	(0.5)	(0.6)	(1.1)
Income tax expense	(0.8)	(1.2)	(2.0)	(2.5)	(4.5)
NPAT	2.0	3.1	6.2	5.2	11.4
Non controlling interest	(0.0)	(0.2)	(0.4)	(0.2)	(0.6)
NPAT attributable to shareholders	2.0	2.9	5.8	5.1	10.8

Q1 FY24 Financial Results

Balance Sheet



ASHLEY SERVICES GROUP
LABOUR HIRE | TECHNICAL SERVICES | TRAINING

\$ million	Unaudited Q1 FY24	Unaudited Q1 FY23	Audited FY23
Assets			
Current Assets			
Cash and cash equivalents	4.8	2.9	2.5
Trade and other receivables	57.7	58.7	57.2
Current tax receivable	-	1.4	0.0
Contract assets	1.5	1.0	1.4
Financial asset at amortised cost	0.3	1.2	1.7
Other assets	2.0	1.8	1.3
Total Current Assets	66.3	67.0	64.2
Non-Current Assets			
Property, plant and equipment	4.7	2.8	4.3
Investments in associated entities	0.4	-	0.4
Loans to associated entities	1.0	-	1.0
Deferred tax assets	9.8	3.9	9.8
Right-of-use assets	3.6	3.1	3.4
Intangible assets	28.7	14.1	29.0
Other assets	0.2	-	0.3
Total Non-Current Assets	48.5	23.9	48.1
Total Assets	114.7	90.9	112.3
Liabilities			
Current Liabilities			
Trade and other payables	39.2	40.7	42.0
Borrowings	15.1	5.0	8.2
Current tax payable	6.1	-	4.7
Lease liabilities	0.9	0.6	1.2
Other liabilities	1.8	-	2.7
Provisions	5.1	4.5	5.0
Total Current Liabilities	68.2	50.8	63.8
Non-Current Liabilities			
Deferred tax liabilities	6.2	4.6	6.2
Lease liabilities	2.7	2.5	2.4
Other liabilities	4.8	2.0	4.8
Provisions	0.8	0.7	0.8
Total Non-Current Liabilities	14.5	9.8	14.2
Total Liabilities	82.7	60.6	78.1
Net Assets	32.0	30.3	34.2

- Underlying **net working capital** (trade and other receivables less trade and other payables) increased \$3.3m from 30 June 23 – timing of payments to suppliers. Collections good.
- Financial Assets at amortised cost** decreased \$1.4m from 30 June 23, with repayments from Indigenous labour hire company in VIC (in which ASG has a 49% interest).
- Net debt** (borrowings less cash and cash equivalents) increased \$4.6m from 30 June 23.
- Other liabilities (current)** reduced \$0.9m from 30 June 23; 1st instalment of \$0.9m paid in September 23 for remaining 20% of the CCL Group.
- Net Assets** of \$32m; decreased \$2.2m from 30 June 23, reflecting largely NPAT for the period of \$2.0m, less the final FY23 dividend of \$4.3m.

Q1 FY24 Financial Results

Cash Flow



ASHLEY SERVICES GROUP
LABOUR HIRE | TECHNICAL SERVICES | TRAINING

\$ million	Unaudited Q1 FY24	Unaudited Q1 FY23	Audited FY23
EBITDA	4.2	5.0	20.1
Change in working capital	(3.4)	6.9	8.4
Net interest/tax received / (paid)	0.4	(1.3)	(5.7)
Other	(0.5)	(1.4)	-
Net Cash from operating activities	0.7	9.2	22.8
Property, plant and equipment	(0.8)	(1.0)	(3.2)
Payment for purchase of businesses net of cash acquired	-	(2.3)	(8.7)
Proceeds from sale of property, plant and equipment	-	-	0.1
Payments for intangibles	-	-	(0.1)
Proceeds from loans to associated entities	1.4	-	(2.8)
Part payment for remaining 20% of CCL	(0.9)	-	-
Net Cash used in investing activities	(0.3)	(3.3)	(14.7)
Net proceeds from / (prepayment of) borrowings	6.9	0.2	2.9
Repayment of lease liabilities	(0.7)	(0.6)	(1.3)
Dividend Paid	(4.3)	(4.3)	(8.9)
Net Cash from / (used in) financing activities	1.9	(4.7)	(7.3)
Net Cash flow	2.3	1.2	0.8
Cash at beginning of period	2.5	1.7	1.7
Cash at end of period	4.8	2.9	2.5
Debt at end of period	15.1	5.0	8.2
Net Debt at end of period	(10.3)	(2.1)	(5.7)

- **Net Cash from operating activities** at \$0.7m.
- **Net Cash used in investing activities** of (\$0.3m) reflects:
 - Ongoing maintenance/growth capital (primarily vehicle purchases in the CCL Group);
 - 1st instalment payment for remaining 20% of the CCL Group; and
 - Repayment of loans by associated entities.
- **Net Cash from financing activities** of \$1.9m reflects:
 - increase in borrowings;
 - payment of the final FY23 dividend; and
 - lease payments, primarily for operating properties.
- **Cash** increased \$2.3m from 30 June 23.

Q1 FY24 Financial Results

Labour Hire



\$ million	Unaudited Q1 FY24	Unaudited Q1 FY23	Audited FY23
Revenue	136.9	124.4	533.2
EBITDA	4.3	5.3	21.5
EBITDA margin %	3.14%	4.26%	4.03%
Labour hours charged (millions)	2.623	2.445	9.888
Excluding OPW & LINC	2.340	2.429	9.159

- **Labour Hire Revenue up \$12.5m or 10%**
 - \$10.8m from OPW. Low season for OPW;
 - Linc down \$2.4m (50%) – customer maintenance shut down benefits in pcp, reduced manning pending tender outcome;
 - Remaining businesses – up \$8.4m (3.4%) – mainly inflation.

- **Labour Hire EBITDA of \$4.3m was down \$1m or 19%**
 - Linc down \$0.5m to only \$0.1m;
 - OPW seasonal – peak profits from Nov to Feb;
 - CCL Group – project delays in Victoria;
 - Margin reduction in remaining businesses (pcp - government incentive benefits, inflationary impact on fixed hourly margins).

- **Labour Hours charged excluding OPW/Linc** for the quarter down 3.7%, with softer demand in logistics and warehousing.

- **Strategy** is to drive growth in higher margin labour hire segments, which typically have higher average unit rates.

Q1 FY24 Financial Results

Training



ASHLEY SERVICES GROUP
LABOUR HIRE | TECHNICAL SERVICES | TRAINING

\$ million	Unaudited Q1 FY24	Unaudited Q1 FY23	Audited FY23
Revenue	4.9	3.7	16.0
EBITDA	1.1	0.9	3.7
EBITDA margin %	22.5%	24.3%	23.1%

- **Training Division** continues its strong performance.
- Revenue, up \$1.2m or 32% with this growth spread across all states.
- The Training division growing from a solid base, built on a strong culture of Compliance. Courses being added to scope.
- Margins good, with solid classroom and trainer utilisation rates.

Proxies Cast



Resolution	For	Against	Proxy Discretion	Abstain
ITEM 2. Remuneration Report	20,587,613	4,885,027	785,212	0
ITEM 3. Election of Director: Ian Pratt	106,125,815	56,177	818,625	1,265

Notice and Disclaimer



ASHLEY SERVICES GROUP
LABOUR HIRE | TECHNICAL SERVICES | TRAINING

Purpose and Date: This presentation contains general background information about the activities of Ashley Services Group Limited ABN 92 094 747 510 (“ASH”) as at 09 November 2023 (“Presentation Date”).

No financial advice: The information in this presentation does not constitute financial product advice and does not take into account the investment objectives, financial situation, taxation position or particular needs of any particular person. The information in this presentation should not be relied upon by any person as the sole basis for any decision regarding ASH securities. A person should obtain independent professional advice before making any investment decision regarding ASH securities.

No offer of securities: This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy or sell any ASH securities. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and accordingly any person in such jurisdictions should inform themselves about, any observe and comply with, any such restrictions.

Forward looking statements: This presentation contains certain forward looking statements and comments about future events, conditions and circumstances and expectations about the future financial performance of ASH. Forward looking statements can generally be identified by the use of words such as ‘expect’, ‘expected’, ‘anticipate’, ‘scheduled’, ‘likely’, ‘intend’, ‘should’, ‘could’, ‘may’, ‘predict’, ‘plan’, ‘propose’, ‘will’, ‘believe’, ‘forecast’, ‘estimate’, ‘target’ and variations of such words and phrases or state that certain actions, events, circumstances or results ‘may’, ‘could’, ‘would’, ‘might’, or ‘will’ be taken, occur or be achieved. Indications of, and guidance on, future earnings or financial position or performance are also forward looking statements. All estimates and projections contained in this presentation are illustrative only and ASH’s actual results may be materially affected by changes in economic or other circumstances which cannot be foreseen. The forward looking statements contained in this presentation are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond ASH’s control and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Accordingly all forward looking statements contained in this presentation should not be relied on as an indication or guarantee of future performance. Nothing in this presentation is, or should be relied on as, a promise or representation either as to future results or events or as to the reasonableness of any assumption or view expressly or impliedly contained in this presentation.

None of ASH, its directors or officers can give any assurance that the results implied by any of the forward looking financial information contained in this presentation will be achieved. Events and outcomes might differ in quantum and timing from the assumptions with material consequential impacts on such forward looking financial information.

No warranty: None of ASH or its related bodies corporate or any of their directors, officers, employees and advisers makes any representation or warranty (express or implied) in relation to the accuracy and completeness or likelihood of fulfilment of any forward looking statement or information contained in this presentation. None of the forward looking statements contained in this presentation will be updated for events that occur after the Presentation Date. While all due care and attention has been taken in the preparation of this presentation, any person reading this presentation should note that there are inherent risks and uncertainties involved in estimating future financial performance.