



# ASHLEY SERVICES GROUP

LABOUR HIRE | TECHNICAL SERVICES | TRAINING

## Labour Hire



## Technical Services



## Training



# H1 FY2024 RESULTS

Tuesday 27<sup>th</sup> February 2024



FY26  
and  
beyond

## RESULTS

- Actualised and sustainable margin improvements across all companies
- Best in class safety systems, customer service, and employee satisfaction

## TRANSITION IN PROGRESS

Grow  
Technical  
Services  
division,  
solidify  
margins in  
construction

Grow  
horticulture  
and  
healthcare  
sectors

Capitalise on  
strengths in  
Training  
division

Solidify  
margins in  
core supply  
chain and  
retail  
businesses

Integrate  
system  
enhancements,  
AI, and process  
improvements.  
Overall cost  
reduction.

FY25

FY24

## FOUNDATIONS IN PLACE

- Improved systems and processes
- Enhanced leadership and management dynamic
  - Diversification of labour hire
  - Technical Services division established
- Training growing and delivering historical margins

FY23

# Group Structure



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## 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"> <li>• Supply Chain</li> <li>• Logistics</li> <li>• Manufacturing</li> </ul>	  <ul style="list-style-type: none"> <li>• Planting</li> <li>• Harvesting</li> <li>• Packing</li> </ul>	 <ul style="list-style-type: none"> <li>• Merchandisers</li> <li>• Retail Support</li> <li>• Delivery Drivers</li> <li>• Retail Fitouts</li> <li>• Retail Project Management</li> </ul>	 <ul style="list-style-type: none"> <li>• Business Support</li> <li>• Administration</li> <li>• Customer Service</li> <li>• Finance</li> <li>• Project Support</li> <li>• Supply Chain and Logistics</li> </ul>	 <ul style="list-style-type: none"> <li>• Aged Care Workers</li> <li>• Support Workers</li> </ul>	    <ul style="list-style-type: none"> <li>• Construction trades</li> <li>• Civil trades</li> <li>• Major Projects</li> <li>• Traffic Management</li> <li>• Security Services</li> </ul>	  <ul style="list-style-type: none"> <li>• Construction</li> <li>• Civil</li> <li>• Rail</li> <li>• Lift Installation</li> <li>• Lift Maintenance</li> <li>• Rail Safeworking</li> <li>• Rail Infrastructure</li> <li>• Rail Project Management</li> </ul>	  <ul style="list-style-type: none"> <li>• Onshore</li> <li>• Offshore</li> <li>• Vessels</li> <li>• Rigs</li> <li>• Mining</li> </ul>	    
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## 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, process improvements including AI. Overall cost reduction.	Solid progress. AI utilised in recruitment. Staff numbers reduced 10% from 347 to 314.
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## Grow horticulture and healthcare segments

Acquire and successfully integrate OPW	Complete – short term margin headwind – flight/accommodation recoveries
Expansion of horticultural businesses	In progress
Establish and grow the healthcare business	First work orders being fulfilled

## 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 ongoing. Broaden service offering as precursor to geographic expansion
Linc contract renewal	Customer loss, one-off \$3m impairment expense; ongoing \$1.5m profit gap
Growth in rail, mining and lift sectors	All three sectors growing, but not currently material contributors

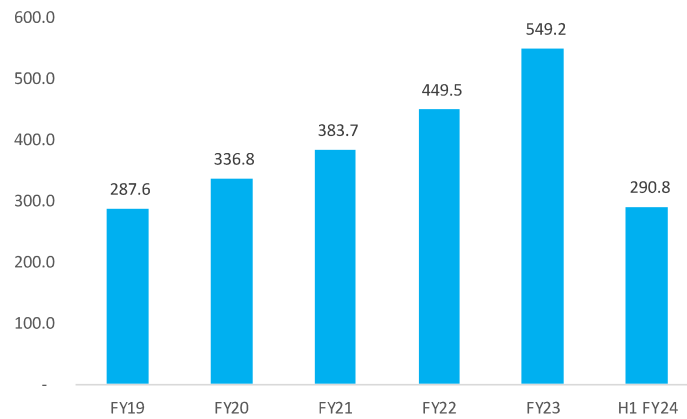
## Margin enhancement

Improve margin mix via Horticulture, Healthcare, CCL Group and Concept, as well as associated Indigenous entities	In progress
Underlying margin improvement: <ul style="list-style-type: none"> <li>Action Workforce contract renewals</li> </ul>	Client base stable. Operating cost reductions implemented which will assist margin

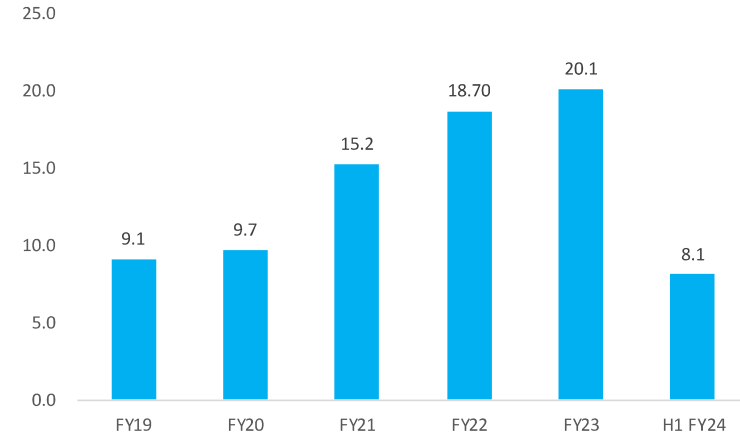
# UNDERLYING PERFORMANCE TRENDS



## REVENUE FY19 - FY24 (H1)

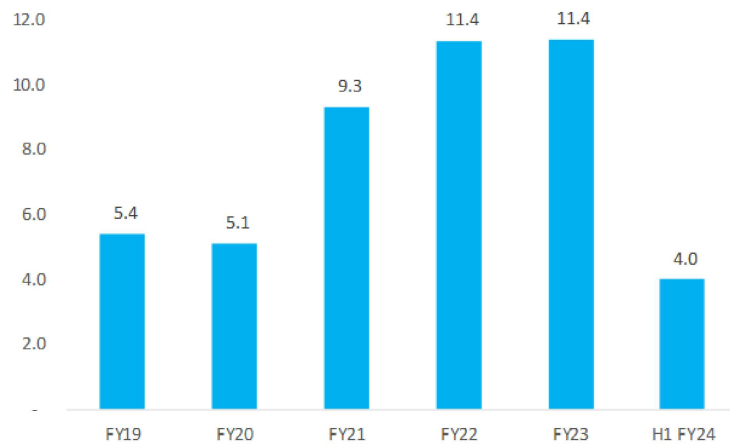


## EBITDA FY19 - FY24 (H1)



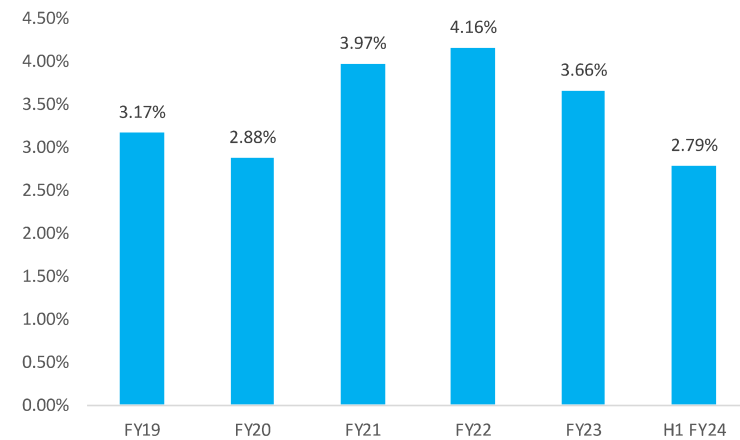
\*H1 24 excludes one-off non-cash impairment charges

## NPAT FY19 - FY24 (H1)



\*H1 24 excludes one-off non-cash impairment charges

## EBITDA % FY19 - FY24 (H1)



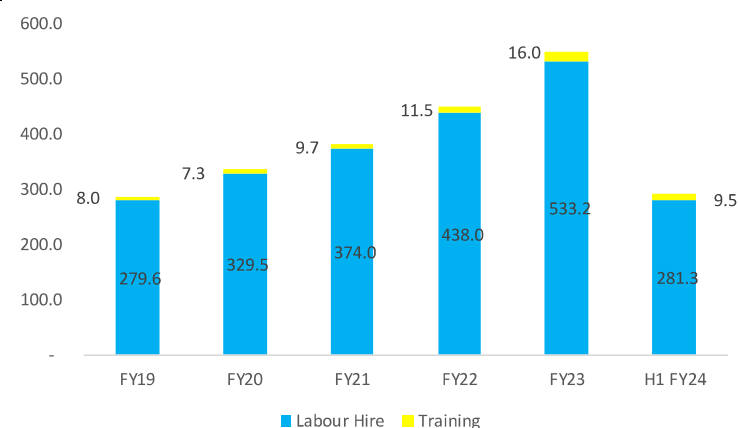
\*H1 24 excludes one-off non-cash impairment charges

# PERFORMANCE TREND BY DIVISION

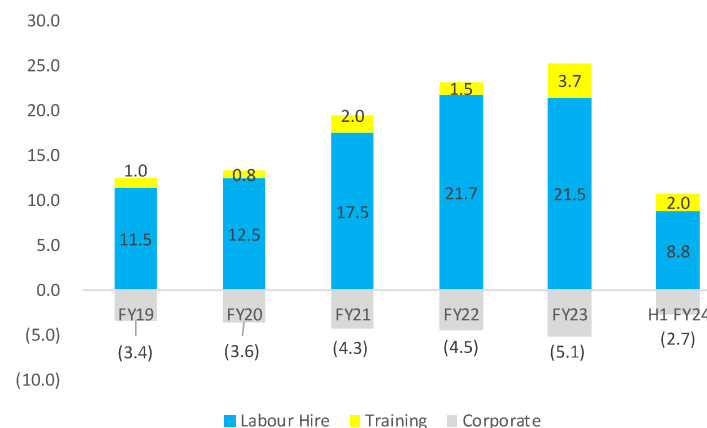


- Labour Hire H1 FY24 Revenue ↑\$26.3m (10.3%) on pcp
    - OPW contributed \$28.4m (nil in pcp)
    - Underlying hours worked down 5%. No significant customer losses. Challenging market conditions. Rate increases from inflation.
  - Training H1 FY24 Revenue ↑\$2.1m (28.4%) on pcp with growth achieved across both the Ashley Training division and The Instruction Company – additional courses and geographic expansion.
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- Labour Hire H1 FY24 EBITDA \$8.8m, ↓\$2.2m (20%) on pcp – underlying revenue flat, margin pressure – fixed hourly margins, increasing costs to serve, decrease in government support benefits for trainees
  - Training H1 FY24 EBITDA \$2.0m, ↑\$0.4m (25%) on pcp – revenue growth, margin maintained
  - Corporate expenses impacted by non-cash LTI expense (\$0.265m).

**REVENUE by Division FY19 - FY24 (H1)**



**EBITDA by Division FY19 - FY24 (H1)**



\*H1 24 excludes one-off non-cash impairment charges

# BUSINESS OVERVIEW

As at 23 February 2024 (compared to 23rd August 2023 or as stated)



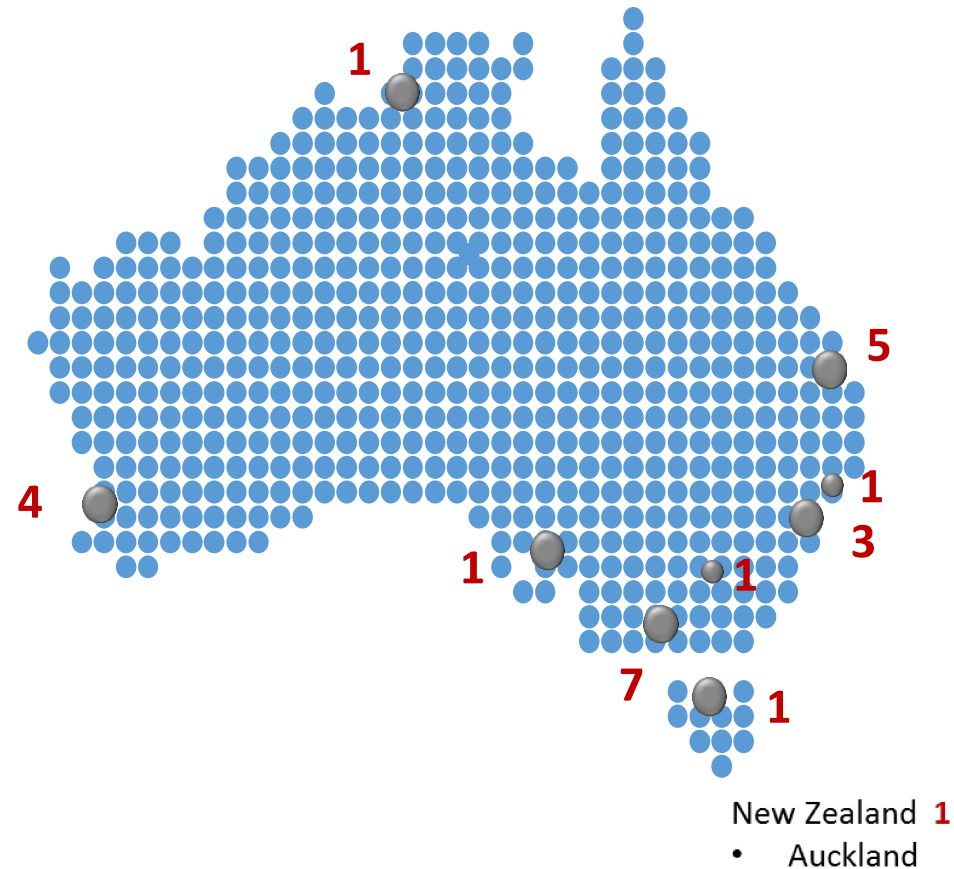
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**314** Internal Staff down 33 or 10%

**25** Offices down 1

**7,228** Weekly Workers at peak down 815 or 10%

**8.2** Years Tenure Top 20 Customers up 0.5 years



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