

NZX release

30 May 2025

Accordant Group posts FY25 loss, sees gradual recovery from economic downturn.

- **NPAT loss of \$(2.9)m on 22% lower revenue of \$165m**
- **Operating expenditure reduced by \$6m**
- **AWF profit grows to \$1.6m**

Accordant Group Limited [NZX:AGL] today announces a \$(2.9) million FY25 after-tax loss for the year ended 31 March 2025, compared to \$(10.0) million in the prior year.

In line with the Group's Market Update of 28 March, Group revenue was down 22% to \$165 million as recessionary conditions and reductions in government expenditure affected hiring activity.

Group Chief Executive Jason Cherrington said unemployment is predicted to peak soon at levels not seen for almost a decade.

"We have offset the decline in trading performance brought on by this downturn by managing costs tightly, have paused some initiatives and rightsized where appropriate. In addition, tight debtor management meant there was zero delinquent debt during the year."

Whilst the Group's blue collar segment revenue fell by 12%, AWF recorded a \$1.6 million profit, up from \$1.0 million (excluding prior year goodwill impairment).

Cherrington said this was due to proactive client servicing activity, effective management of resources, and greater efficiency assisted by continued digitisation and automation.

"In the current year AWF's strong and recognised Health & Safety leadership positions it well to capitalise on increasing tender and formal proposal activity from larger prospect clients that place Health & Safety at the heart of their procurement processes," Cherrington said.

The Group's white-collar segment saw public sector revenue fall by 25% as reductions in government spending continued and demand for permanent staffing services also fell across several industries in the private sector.

Madison built on its strategic initiatives in mid-senior specialist and senior managerial recruitment and continued building a greenfield health sector recruitment operation.

Absolute IT was the unit hardest hit by reduced government spending on IT programmes and the notable reduction of IT contractors across the country.

Accordant Group's long-term commitment to the IT sector remains as Absolute IT maintain an active presence in the industry, where the drive for productivity and innovation is expected to increase once again, and support GDP growth.

JacksonStone & Partners balanced reduction in government hiring by expanding its footprint in the private, local government and NGO sectors.

Executive search firm Hobson Leavy successfully completed its full integration into the Group.

Least affected by the economic downturn, executive search has grown into a strong component of Accordant Group's offering and Hobson Leavy has begun the current year positively where demand remains significant.

Accordant Board Chair Simon Bennett confirmed no final dividend will be paid.

"Considering the length and depth of this recession, we cannot pay a dividend until performance is realised from a more certain economic trajectory."

The Board appreciates the Group's strong banking relationship as it continues to focus on supporting the business back into the black.

The Group remains confident in its breadth of services, focussing on growth from higher fee earning work, as well as strategic contingent solutions that actively support our clients through this current economic cycle.

ENDS

Jason Cherrington

Group CEO

For the Board:

Simon Bennett, Chair

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