

NZX Release

27 May 2021

Accordant Group reports \$6.2m annual profit, strongly recovering demand

Accordant Group Limited [NZX:AGL] today announces an after-tax profit of \$6.2 million for the year ended 31 March 2021, up from \$2.7 million a year ago.

In a very difficult, COVID-19 affected year, Accordant was able to continue to deploy large numbers of people around the economy, with some in areas designated as essential services.

In this, Accordant was assisted by the Government's wage subsidies in the first half of the financial year, which allowed the Group to make the commitment to retain greater numbers of external and internal staff than they would otherwise have been able to, giving us a ready workforce to today where we have strong demand.

JacksonStone & Partners also contributed a full 12 months, compared to 10 months in the 2020 financial year, post-acquisition.

The result provides a \$7 million impairment write-down on the carrying value of goodwill on Madison Recruitment.

- Group revenue \$205 million (down 23.7% after annualising JacksonStone & Partners in FY20)
- NPAT \$6.2 million
- Final dividend 8.2 cents per share (no final dividend in FY2020 or interim dividend for FY2021 declared/paid)

Other steps taken by the Group to minimise the impact of the pandemic disruptions included: curtailed operating and capital expenditure; salary sacrifices across senior and operational personnel; Directors fee sacrifices; a freeze on replacement and additional personnel hires; and landlord rental support.

Among Accordant's three white-collar operating businesses, Absolute IT was least affected by COVID-19 related disruption as contracting held up well, albeit customers curtailed their permanent recruitment activity. Similarly, JacksonStone & Partners saw a fall in permanent recruitment activity. The pandemic impact was felt most by Madison Recruitment, where border restrictions affected the temporary candidate pool and contracted the size of the temporary job market.

The AWF blue-collar business was impacted by the COVID-19 disruption with revenue down 20.2% on FY2020, however is recovering faster than anticipated.

CEO Simon Bennett said it was pleasing Accordant had been able to continue to employ large numbers of labour-hire and white-collar temporary workers.

"Maintaining this large workforce has allowed us to remain connected to workers and employers, and positions us well to supply strongly recovering demand."

More recently, the Group has seen a significant increase in hiring activity across both temporary and permanent markets.

Together with a robust year-end balance sheet, this has given the Board confidence to resume dividend payments (following a 12-month suspension) with an 8.2 cents per share final dividend, payable on 30 June 2021 to shareholders on the register at 20 June 2021.

The dividend reinvestment plan will not apply for this distribution.

Ends



Simon Bennett
Chief Executive



For the Board:
Ross Keenan, Chairman 021 685 655

For further information contact Simon Bennett:
09 917 1010