

MEDIA RELEASE

26 October 2022

Accordant Group posts strong first half, looks forward to open borders in second half

- Revenue \$123 million, up \$12.5 million
- Net profit up 37% to \$2.1 million
- Interim dividend 6.5cps (H1 FY22, 6.5cps)

Recruitment company Accordant Group lifted net profit after tax for the six months to 30 September by 37% to \$2.1 million compared to H1 FY22.

Group revenue rose by \$12.5 million (11.4%) to \$123 million. Revenue and profitability lifted strongly at the white-collar division comprising Madison, Absolute IT and JacksonStone & Partners, while blue-collar business AWF recorded a small decline.

The group repaid \$3 million of term debt, reducing net debt to \$12.5 million.

A 6.5 cents per share interim dividend will be paid on 1 December 2022 to shareholders on the register as of 18 November 2022.

CEO Jason Cherrington said the first skilled migrants were expected to arrive in New Zealand in early November, boosting the group's prospects, especially for AWF, which has been without inflow for several years.

Amid skill shortages, unprecedented client demand and an anticipated increase in activity in manufacturing and civil construction, Accordant has a bright outlook for the full year to March 2023, Cherrington said.

Madison has a strong pipeline of growth for the remainder of the year and increased temporary staff numbers by 40% compared to H1 FY22.

JacksonStone & Partners, core permanent staffing business was slightly ahead of its record year in FY22, and its contracting arm continued to grow.

Absolute IT started building momentum again, with a shortage of IT skills the main factor holding back organisations looking for a step change in their digital capability.

Cherrington said the Group's enhanced ability to engage more deeply with clients' plans gave cautious optimism for Absolute IT for the second half of this year.

AWF – the business unit most challenged by lockdown border restrictions – would reach “a significant milestone” with the resumption of inflows of skilled migrant labour.

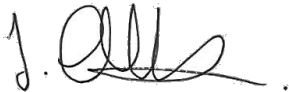
Cherrington said Accordant had a continued appetite for growth by acquisition.

While it had been “complex” identifying and progressing suitable opportunities in the last two years, the Group was assessing “some interesting and attractive prospects.”

Cherrington also saw opportunity in the recent trend of workers “pushing the boundaries of traditional employment” in terms of flexibility of time, place and types of work.

He noted the unemployment rate of 3.3% masked an under-utilisation rate of 9.2%, and that there is still “a large body of people still finding it difficult to access the employment market”, which remains a key focus for The Work Collective business.

Ends



Jason Cherrington
Accordant Group Chief Executive



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