

**Leading.  
Trusted.  
Changing lives.**

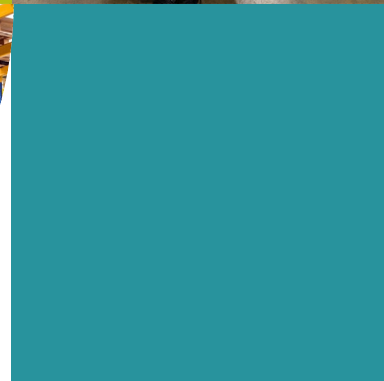
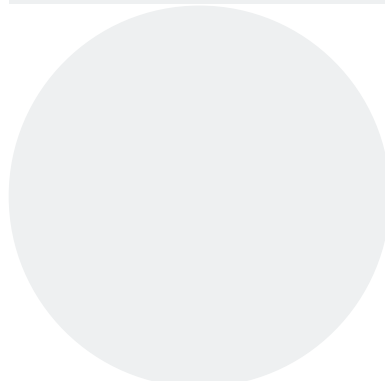
# H1 2024 Results

Albert Ellis, Group CEO

Daniel Quint, Group CFO

30 July 2024

**Staffline**  
Group PLC



# Market share growth against challenging backdrop



## HIGHLIGHTS

- Underlying trading results in line with market expectations
- Gross and Underlying Operating profits from Recruitment up v 2023
- Market share gains resulting in increased hours
- Increased perm revenue despite macro economic uncertainty
- New prison education contract win - £49m over 10 years
- Strong balance sheet: avg. 3m daily net debt lower than 2023
- Share Buyback programme continues
- Refinanced banking facilities with enhanced terms

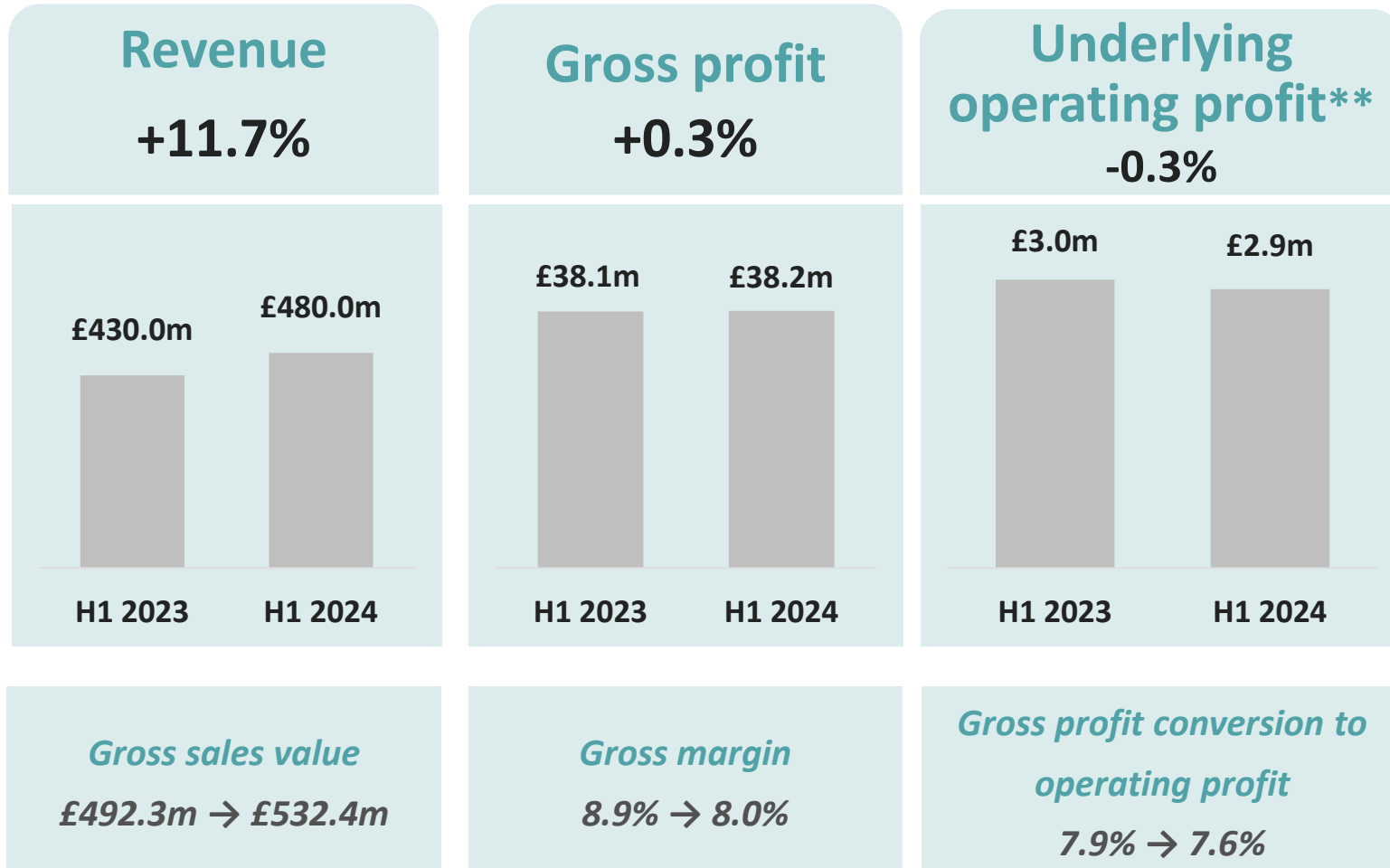


# Looking forward to strong H2 for recruitment



- The current market represents an excellent opportunity for the Staffline Group
- Our strategy is to
  - Capitalise on the significant organic growth and expansion of market share with existing major customers focusing on blue-collar
  - Successfully mobilise the new contracts won in Ireland
  - Continue to align the PeoplePlus cost base with the current level of activity and focus on winning new bids
  - Generate cash and control working capital to further strengthen the balance sheet

# Revenue and profits\*



- Revenue up by 11.7% highlighting market share gains
- Gross profit up 0.3% is resilient v larger recruiters with Staffline being +90% temp
- Underlying operating profit broadly flat YoY with Recruitment businesses +53.8%
- Loss before tax of £(12.1)m after £12.9m goodwill impairment in PeoplePlus

Notes:

\*Presented on a continuing basis.

\*\*Underlying results exclude goodwill impairment, amortisation of intangible assets arising on business combinations, reorganisation costs and other non-underlying charges

## Strong underlying 12m trading cash generation of £7.7m

- Strong underlying cash generation of £7.7m underpinned launch of further Share buyback
- Growth in blue-collar hours as well as high interest rates increased net finance charges
- 3 month average daily net debt\* of £(2.8)m at 30 June 2024 (30 June 2023: £(6.1)m)
- Significant financing and covenant headroom

Net finance charges

**£(2.1)m**

Up 0.3m vs. last year

Net debt\*

**£(9.2)m**

Up 5.7m vs. last year

Financing headroom

**£50.2m**

Down £6.5m vs. last year

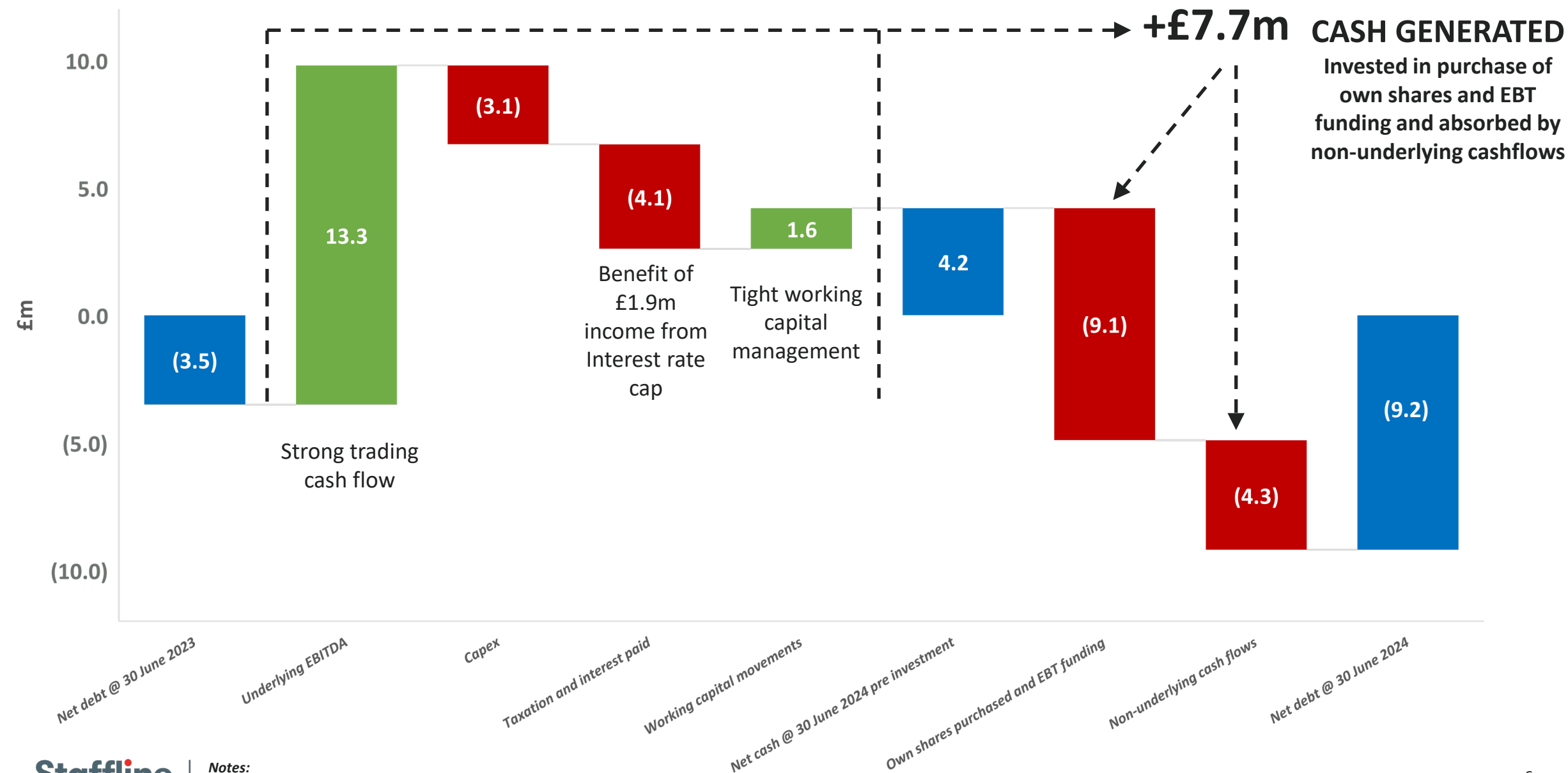
Leverage

**0.2x EBITDA**

Interest rate cover

**3.3x**

# Strong underlying cash generation enabling £9.1m own share + EBT purchases



# 3 month average daily net debt is £3.3m lower than at 30 June 2023



Note: Organic growth mainly arose from customers funding invoices via customer financing arrangements , the value of which increased to £58.2m (30 June 2023: £44.8m).



# Operational review

Albert Ellis, Group CEO





# Divisional H1 2024 results\*

	Recruitment GB			Recruitment Ireland			PeoplePlus		
	H1 24	H1 23		H1 24	H1 23		H1 24	H1 23	
	£'m	£'m		£'m	£'m		£'m	£'m	
Revenue	393.0	341.2	+15.2%	53.8	54.5	-1.3%	33.4	34.3	-2.6%
Gross profit	24.7	23.5	+5.1%	6.5	6.1	+6.6%	7.0	8.5	-17.6%
Gross margin %	6.3%	6.9%		12.1%	11.2%		21.0%	24.8%	
Underlying operating profit**	2.8	1.8	+55.6%	1.2	0.8	+50.0%	0.5	1.8	-72.2%
Gross profit conversion to operating profit	11.3%	7.7%		18.5%	13.1%		7.1%	21.2%	

- Recruitment GB
  - Ahead of expectations
  - Temp hours up 9.2%
  - Permanent +11.1% at £2.0m (2023: £1.8m)
- Recruitment Ireland
  - In line with expectations  
Permanent up 30% at £1.3m (2023: £1.0m)
  - H2 pipeline strong mobilising to deliver on new contracts
  - Tight cost control
- PeoplePlus
  - In line with expectations
  - New contract win HMP Millsike
  - Pipeline delays

Notes:

\*These results relate to continuing activities.

\*\*Underlying operating profit before goodwill impairment and amortisation of intangible assets arising on business combinations



## Recruitment GB

Significant organic growth with core customers

**TESCO**

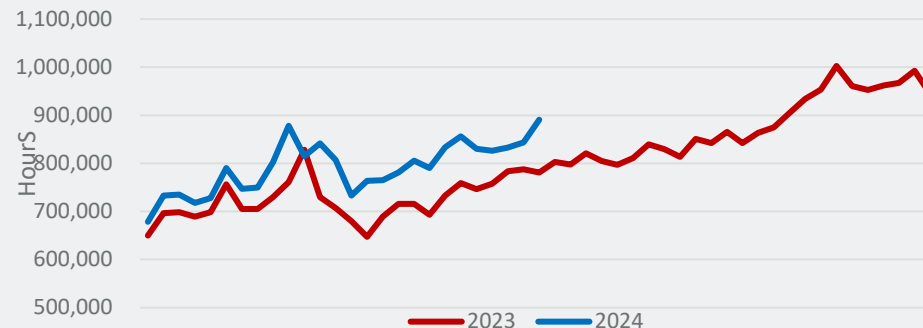
**GXO**

Sainsbury's  
**Argos**

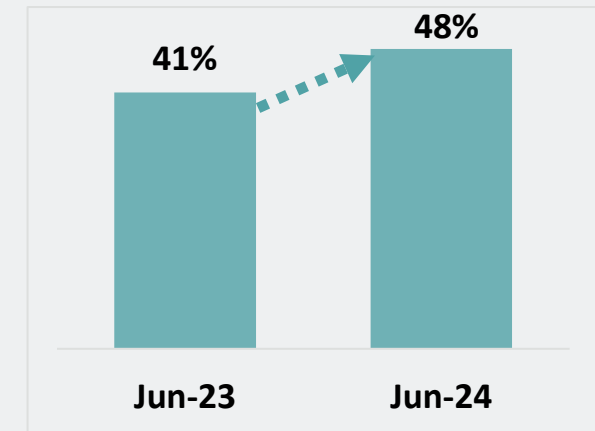
  
**Morrisons**

  
**Wincanton**

GB temp weekly hours up 9.2%



Market share of Top 20 GB customers +7%pts



**“Our focus is to make a positive difference to people’s lives and deliver social value to the communities in which we operate”**

**Staffline**

 **PeoplePlus**

**Making a  
positive  
difference to  
society**

**Supporting  
and  
developing  
our people**

**Reducing our  
environment  
impact**

**Doing  
business in a  
responsible  
way**



# Leading. Trusted. Changing lives.

**ESG** is a competitive  
advantage.....

**Staffline**  
Group PLC



Got work for  
c.96,000 people  
annually

Trained c.8,500  
for vacancies  
available via our  
Social  
Recruitment  
partners



20.4%  
reduction in  
CO2  
emissions



Helped over 3,365  
unemployed  
people into work  
during H1 2024

Support  
c.10,000 carers  
with Direct  
payments



8,037 learners in  
72 prisons started  
over 14,828  
courses in H1 2024

# Current trading & Outlook

“

The 9.2% uplift in GB temp working hours and the strong pipeline of permanent fees in Ireland underpins the Board's confidence in the FY 2024 outcome

”



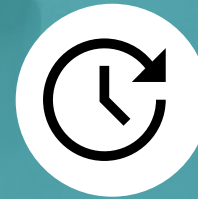
## Recruitment GB

- Working hours ↑ c.9.2% in H1
- Logistics sector consolidation



## Recruitment Ireland

- Perm ↑ 30%
- New contracts coming on stream



## PeoplePlus

- Current contracts extended
- 2025 pipeline impacted



**FY 2024 in line with market expectations**



# Staffline

Group PLC



# Appendices

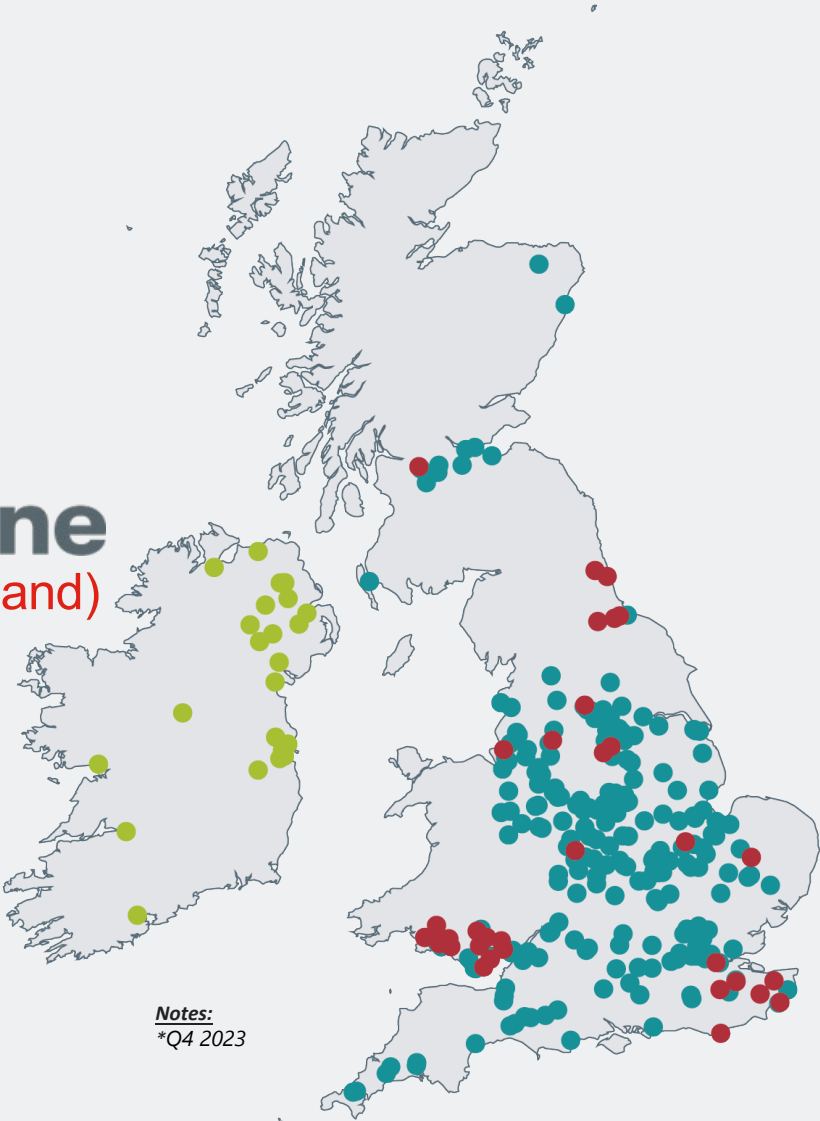
# A leading national recruitment and training provider

**Staffline**  
(Ireland)

**Locations key:**

- Recruitment GB
- PeoplePlus
- Recruitment Ireland

**Notes:**  
\*Q4 2023



**Staffline**

DatumRPO

Omega

Brightwork  
Recruitment

**PeoplePlus**  
skills for growth

**c. 35,000\***  
Temp workers

**c. 400**  
On-sites

**c. 69**  
Driving On-sites

**c. 25**  
Branches

**c. 15,000**  
Learners

**72**  
Prisons

**Our Vision**

“ To be a **world class** recruitment and training group, the clear **market leader** and **trusted partner** known for **excellent service** and **integrity**, driven forward by **digital innovation**. ”

## Strategy



### MARKET LEADERSHIP

Using the Group's scale and delivery expertise to organically grow market share



### BROADEN THE PORTFOLIO

Increase white collar, RPO and new services such as Medical



### REPUBLIC OF IRELAND

Expand operational footprint and win large new contracts



### COMPLETE TURNAROUND OF PEOPLEPLUS

Secure the bulk of the current pipeline



### DRIVE CASH GENERATION

Maintain strong balance sheet as competitive advantage and return excess cash to shareholders



# Divisional performance H1 2024

	Recruitment GB	Recruitment Ireland	PeoplePlus	Group costs	<b>Total Group</b>	Recruitment GB	Recruitment Ireland	PeoplePlus	Group costs	<b>Total Group</b>
	2024	2024	2024	2024	<b>2024</b>	2023	2023	2023	2023	<b>2023</b>
	£m	£m	£m	£m	<b>£m</b>	£m	£m	£m	£m	<b>£m</b>
<b>Revenue</b>	393.0	53.8	33.4	-	<b>480.2</b>	341.2	54.5	34.3	-	<b>430.0</b>
<b>Gross sales</b>	445.2	53.8	33.4	-	<b>532.4</b>	403.5	54.5	34.3	-	<b>492.3</b>
<b>Gross profit</b>	24.7	6.5	7.0		<b>38.2</b>	23.5	6.1	8.5		<b>38.1</b>
<b>Gross profit margin</b>	6.3%	12.1%	21.0%	-	<b>8.0%</b>	6.9%	11.2%	24.8%	-	<b>8.9%</b>
<b>Underlying operating profit</b>	2.8	1.2	0.5	(1.6)	<b>2.9</b>	1.8	0.8	1.8	(1.4)	<b>3.0</b>
<b>Operating profit margin</b>	0.7%	2.2%	1.5%	-	<b>0.6%</b>	0.5%	1.5%	5.2%	-	<b>0.7%</b>
<b>Operating profit as % of gross profit</b>	11.3%	18.5%	7.1%	-	<b>7.6%</b>	7.7%	13.1%	21.2%	-	<b>7.9%</b>

# Balance sheet

## @ 30 June 2024

	2024 £'m	2023 £'m
<b>Assets: Non-current</b>		
Goodwill, intangibles, PPE	51.9	73.2
Deferred tax asset	4.2	5.4
	<b>56.1</b>	<b>78.6</b>
<b>Assets: Current</b>		
Trade and other receivables	142.0	122.7
Current tax asset	-	0.3
Derivative financial instrument	0.8	3.1
Cash	4.6	12.2
	<b>147.4</b>	<b>138.3</b>
<b>Total assets</b>	<b>203.5</b>	<b>216.9</b>
<b>Liabilities: Current</b>		
Trade and other payables	141.9	123.5
Borrowings	13.8	15.7
Other liabilities and provisions	2.6	4.6
	<b>158.3</b>	<b>143.8</b>
<b>Liabilities: Non-current</b>		
Other liabilities and provisions	4.6	4.4
	<b>4.6</b>	<b>4.4</b>
<b>Total liabilities</b>	<b>162.9</b>	<b>148.2</b>
<b>Equity</b>		
Share capital, premium, own shares	11.9	126.2
Profit and loss account	28.7	(57.5)
<b>Total equity</b>	<b>40.6</b>	<b>68.7</b>
<b>Total equity and liabilities</b>	<b>203.5</b>	<b>216.9</b>

# Cash flow for H1 2024

	2024 £'m	2023 £'m
<b>(Loss)/profit before taxation from</b>		
Continuing operations	<b>(12.1)</b>	<b>(1.4)</b>
Discontinued activities	-	<b>(2.9)</b>
Add back: Finance costs, depreciation, amortisation, impairment	17.3	7.0
<b>Cash generated before movements in working capital</b>	<b>5.2</b>	<b>2.7</b>
Change in receivables	(12.6)	(3.2)
Change in payables and provisions	0.8	(4.2)
<b>Cash generated from operations</b>	<b>(6.6)</b>	<b>(4.7)</b>
Tax	-	0.1
Capex	(1.4)	(1.0)
Net movements in Receivables Finance Agreement	4.3	(10.3)
Principal repayment of lease liabilities	(1.2)	(0.9)
Interest paid	(1.9)	(1.5)
Own shares purchased	(1.9)	(0.5)
<b>Cash flows from investing and financing activities</b>	<b>(2.1)</b>	<b>(14.1)</b>
<b>Net change in cash and cash equivalents</b>	<b>(8.7)</b>	<b>(18.8)</b>
Cash at beginning of the period	13.3	31.0
<b>Cash at end of the period</b>	<b>4.6</b>	<b>12.2</b>



# Top 10 shareholders at 24 July 2024 represent 84.0% of shares in issue

	%
Henry Spain Investment Services	24.5
HRnet Group	17.1
Schroder Investment Management	16.0
Gresham House Asset Management	11.4
Hargreaves Lansdown Stockbrokers	4.6
Interactive Investor	3.3
UBS, London	2.8
AJ Bell, stockbrokers	1.8
Barclays Smart Investor	1.3
HDSL, stockbrokers	1.2

# Financing: margin and covenants

- **Interest margin accruing at 1.50% over SONIA\***
  - ✓ margin of 1.50%, with the Group's leverage below 1.00 x Underlying EBITDA
  - ✓ A non-utilisation fee of 0.35%
- **Maximum leverage covenant**
  - ✓ 4.0x average net debt over rolling 3 months to Underlying EBITDA
- **Minimum interest cover covenant**
  - ✓ 2.25x the last twelve months Underlying EBITDA to finance charges

# Disclaimer

**No representation or warranty, expressed or implied, is made or given by or on behalf of Staffline Group plc (the “Company” and, together with its subsidiaries and subsidiary undertakings, the “Group”) or any of its directors or any other person as to the accuracy, completeness or fairness of the information contained in this presentation and no responsibility or liability is accepted for any such information. This presentation does not constitute an offer of securities by the Company and no investment decision or transaction in the securities of the Company should be made on the basis of the information contained in this presentation.**

This presentation contains certain information which the Company’s management believes is required to understand the performance of the Group. However, not all of the information in this presentation has been audited. Further, this presentation includes or implies statements or information that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may use forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should”. By their nature, forward-looking statements involve risks and uncertainties, and recipients are cautioned that any such forward-looking statements are not guarantees of future performance.

The Company's or the Group’s actual results and performance may differ materially from the impression created by the forward-looking statements or any other information in this presentation.

The Company undertakes no obligation to update or revise any information contained in this presentation, except as may be required by applicable law and regulation. Nothing in this presentation is intended to be, or intended to be construed as, a profit forecast or a guide as to the performance, financial or otherwise, of the Company or the Group whether in the current or any future financial year.

This presentation and its contents should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.



# Staffline

Group PLC