

The GO2 People Achieves Improved Full Year Performance – Growth Across All Divisions, Solid Progression Since Listing

Highlights

- Group achieves FY18 revenue target of \$45m – 30% increase on FY17
- Recruitment Division increases FY18 revenue by 10% on FY17 to \$37,780,058
- Building Division increases FY18 revenue to \$7,294,595 from \$770,548 FY17
- FY18 Total Gross Profit of \$5.4m, up 47.2% from \$3.7m in FY17
- Group records Positive EBITDA for H2 FY18
- Net loss of \$2,963,817 in FY17 improved by 54.6% to a net loss of \$1,343,927 for FY18
- Net Asset position improved from deficit of \$2.8m in FY17, to \$4.9m in FY18

August 31st 2018: Leading provider of vertically integrated recruitment and building services The GO2 People Limited (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its 2018 Financial Statements.

The Company continued to pursue its principal activities of Recruitment and Building during the full year, achieving its FY18 Group revenue target of \$45m, an increase of 30% on FY17.

The Recruitment Division expanded in FY18 with the opening of a new NSW office in late November to take advantage of the largest recruitment market in Australia. The Recruitment Division continued to grow in WA and QLD, securing multiple new service provider agreements in its core focus sectors of construction, mining/resources and industrial. This has resulted in a 10% increase in recruitment revenue to \$37,780,058, as compared to the full year ended June 30th, 2017. A secured pipeline of current works and tendered future works is expected to provide for continued growth in the Recruitment Division in FY19.



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Significant growth in the Building Division has increased its FY18 revenues to \$7,294,595, up from \$770,548 recorded for the full year ended June 30th, 2017. This was underpinned by the delivery of the Altura Mining works contracts, the Meadowbrooke Lifestyle Estate contract which is underway, and multiple residential dwellings delivered throughout FY18.

The Group's gross margin has increased on the same time last year, to 12.5%. An increase in revenue contribution from the Building Division is predominately responsible for this and indicates the opportunity for further growth in gross margin as building revenues increase. Total gross profit totalled \$5.4m, up 47.2% from \$3.7m as at 30 June 2017.

Group revenue increased to \$26.1m in H2 FY18 from \$19.4m for the corresponding period in FY17. Largely due to increased revenue and a stable overhead structure, the Company achieved positive EBITDA in H2 FY18. Quarter 4 FY18, delivered \$14.4m in revenue generating momentum that the Company carries into FY19. This is a clear indicator of the Group's Strategic Plan being executed at an operational level.

GO2 continues to seek a more cost effective and flexible alternative to its current debtor finance facility. Discussions have been held with a number of major financial institutions and a new arrangement is expected to be in place by the end of Quarter 1 in FY19. An alternative finance facility should reduce the interest costs and narrow the gap between EBITDA and NPAT.

Whilst group revenue and gross margins have increased, operating expenses have also increased as the Company implements its strategic plan. These costs, however, have stabilised as the Company now has the infrastructure and resources in place to deliver continued growth over the next 2 years. One off costs associated with the IPO process have been included in corporate and administration expenses. Given these expenses are a one off in FY18, they will not impact the profitability of the Group in FY19 and beyond.

The Net Asset position has improved from a deficit of \$2.8m as at 30 June 2017, to \$4.9m for the financial year ended 30 June 2018. In addition, a net loss of \$2,963,817 in FY17 has been improved by 54.6% to \$1,343,927 for the full year to June 30th 2018.

Managing Director, Billy Ferreira: "We're pleased with our progress in the short period since listing in late October 2017. On the back of responsible capital management, incremental improvements have been made month to month as we have implemented our strategic plan across the country. With a stable overhead structure in place and an established presence in buoyant sectors and geographies, we carry momentum into FY19 and expect to see continued improvements in our financial performance."

The Company will release its Full 2018 Annual Report in Mid-September 2018.



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About The GO2 People

The GO2 People Ltd (ASX:GO2) is a leading provider of vertically integrated recruitment and building services to industry throughout Australia.

The company's Recruitment Division provides tailored staffing solutions to a range of industries with a client base that includes a number of national and multinational blue chip organisations across the construction, resources and industrial sectors. The Building Division is a multidisciplinary construction company offering a full range of building, civil, construction and project management services in remote and regional areas of Australia.

The day to day operations of the company are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement.

To learn more please visit: www.thego2people.com.au



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