



2020 Outlook

October 2019

The GO2 People Ltd
(ASX:GO2)

The GO2 People is a leading Australian provider of vertically integrated recruitment and training services which achieved revenues of \$47m for FY19. Through its diversified offering, The GO2 People derives significant synergistic benefit and is impelling stronger barriers to entry.

RECRUITMENT

GO2 Recruitment Pty Ltd

The Company's recruitment division provides tailored staffing solutions to a range of industries. Client base includes national and multinational blue-chip organisations across the construction, resources and industrial sectors.

TRAINING

GO2 Skills & Training Pty Ltd

GO2 Skills & Training is a nationally Registered Training Organisation (RTO 40927), delivering boutique services, including accredited and non-accredited workplace training and education courses, to its clients. Acquired in Dec 2018, adding \$0.6m of annual revenue whilst advancing Group's expertise.

SYNERGIES

Operational synergies and cross sell opportunities

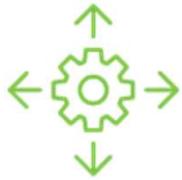
Both divisions share significant operational synergies and enjoy cross sell opportunities, sharing many of the same clients across the Major Infrastructure, Construction, Mining/Resources, Electrical/Energy, Warehousing/Logistics and Waste Management industries.

BARRIERS TO ENTRY

Highest level of industry accreditation

GO2 is accredited by the Australian Skills Quality Authority (ASQA), Australian Qualifications Framework, Nationally Recognised Training, Training.gov.au, and the Australian Council for Private Education and Training (ACPET).

During FY19, we demonstrated and enhanced our competitive advantage through expansion, reinforcement of high-value client partnerships and recognition across business divisions



Expanded operations through acquisition and origination

- Acquired Registered Training Organisation, GO2 Skills and Training Pty Ltd
- Acquired 49% stake in Indigenous labour hire business, Indigi Personnel
- Acquired 49% stake in Indigenous facilities management business, Core FM
- Initiated Dream Now Indigenous Traineeship Program



Consolidated client relationships and costs

- Executed Preferred Supplier Services Agreements with **UGL, NRW** and **Golding Contractors**
- Renewed Preferred Supplier Services Agreement with **Mineral Resources Limited**
- Overhead Cost Reduction in excess of \$3m on an annualised basis made between April and October 2019



Exhibited and furthered competitive advantage across divisions

- Achieved BMW Accreditation with WA State and local Governments
- Awarded first State and local Government building contracts in Western Australia
- Allocated Rio Tinto Vendor Number

The focus for 2020 is to consolidate operations by focusing on the core business and profitability through EBITDA improvement, cost reductions and operational synergies



Core Business - Direct energy and focus to consolidate core recruitment business which has shown continued growth since inception – 15% growth in FY19



Profitability - Pivot from chasing aggressive top line growth to focus on profitability and EBITDA improvement



Capital Management - Drive responsible management of restructured overhead costs to run a lean profitable operation and to ensure adequate funding is in place to deliver company objectives



Synergies - Identify cross-sell synergies between business units and drive growth initiatives

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Underlying core recruitment business which services primarily the construction, resources and industrial sectors has grown at a CAGR of 13.8% over the last two years



Core business has shown continued growth through expansion and reinforcement of client partnerships



Core business has grown by a CAGR of 13.8% over the last two years



Margins are sustainable moving forward

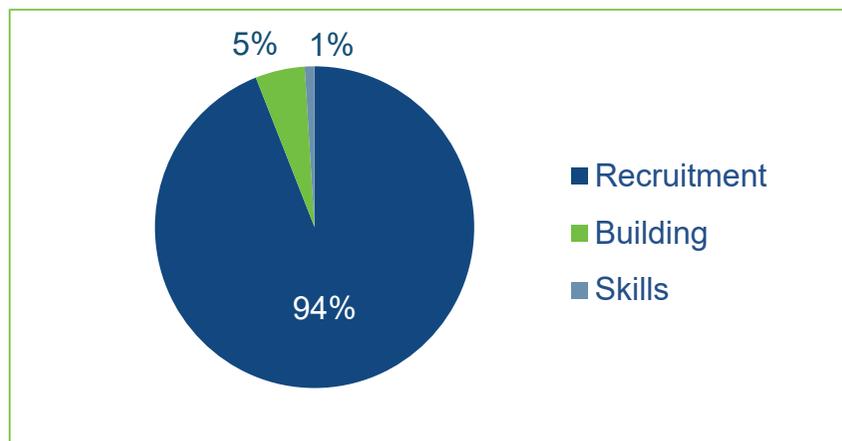


Leading indicators are positive

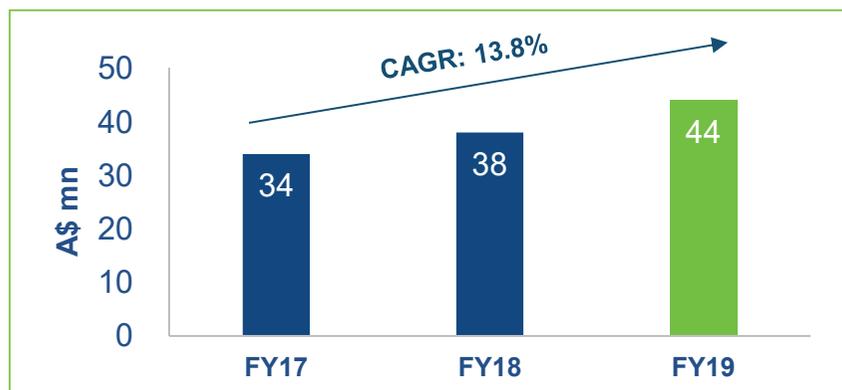


Focus on profitability vs continued top line growth

REVENUE CONTRIBUTION FY19



CORE RECRUITMENT BUSINESS REVENUE



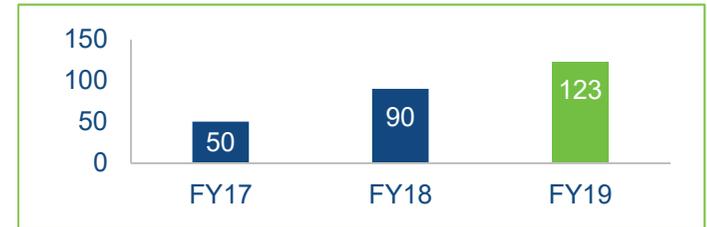
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Positive outlook in number of billing clients, peak workforce and revenue momentum whilst continuing to remain geographically diversified. These will be used as the basis for consolidation in FY20.

BILLING CLIENT GROWTH

- 37% growth in FY19
- 146% growth since FY17
- Consolidation of existing preferred service provider agreements

NUMBER OF BILLING CLIENTS



PEAK WORKFORCE GROWTH

- 15% growth in FY19
- 95.6% growth since FY17
- Higher peak workforce and client growth work in a circular fashion

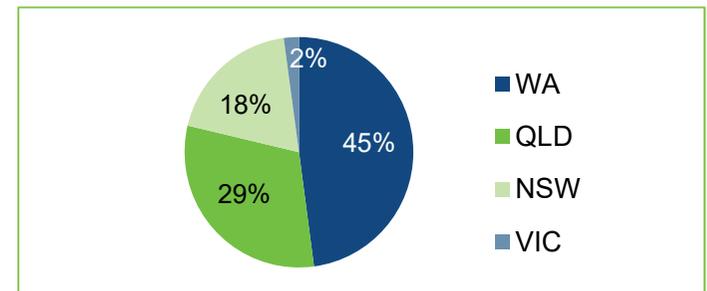
PEAK WORKFORCE



GEOGRAPHIC FOOTPRINT

- Expanded into NSW in 2018 and is performing well
- Diversified geographic benefits experienced
- Latent exposure in other states

RECRUITMENT BUSINESS STATE REVENUE CONTRIBUTION FY19



Highly experienced Board. Recent addition of Paul Goldfinch to the Board to emphasise focus on driving core business



Darren Cooper | **INDEPENDENT NON-EXECUTIVE CHAIRMAN**

Darren Cooper spent some 20+ years with various companies in Management and C-Suite Senior Executive roles. Darren is also the Board Chair of Spectur Ltd (ASX: SP3) and, among other roles, is the National President of the Urban Development Institute of Australia (UDIA).



Billy Ferreira | **MANAGING DIRECTOR AND CO-FOUNDER**

Billy is a proven senior manager and entrepreneur with a strategic, disciplined approach and practical appreciation. During his time in the Australian Army, Billy completed his studies in Psychology and a Carpentry Trade.



Andries Dique | **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Andries has over 25 years' experience in senior executive and management roles in construction businesses and is a respected leader in the Western Australia construction industry.



Paul Goldfinch | **INVESTOR RELATIONS & GROWTH, CO-FOUNDER, EXECUTIVE DIRECTOR**

Paul is an experienced senior manager and entrepreneur with a practical background in the labour hire and construction industries, both in Australia and overseas. He is a co-founder of The GO2 People.

The GO2 People functions as a uniquely experienced, consistently growing and well defined company that has significant upside through its competitive advantage and future growth prospects within the core business and adjacent businesses that pose cross-selling opportunities.



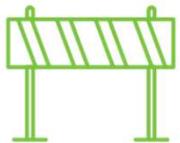
Management - Experienced Board & Management that originate from industry and are experts in client operational sectors, significantly enhancing firm expertise and long-term client partnership maintenance and potential



Core Business Strength and Growth Profile - Growth state since inception in large, fragmented industry sectors that support business scalability and consolidation



Auxiliary Synergy and Growth Prospects - Synergistic training business poses significant cross-sell opportunities that will be further enhanced through FY20



Barriers to Market and Scale - Adequate capital funding, client relationships and relevant licenses required for entry – GO2 holds all relevant licences and has a national footprint



Strong Fundamentals Potential - Recruitment revenue, coupled with significant overhead cost reductions improving positive EBITDA potential

Structural trends within the industry, expansion and enhancement of client relationships as well as cost reduction and strategic expansion are emerging prospective considerations moving forward



National Infrastructure - Demand for both general and specialised recruitment in construction-related sectors, expanding core recruitment business revenue and bolstering building and training divisions



Re-emergence of the Mining Sector - Cyclical demand expected to provide further growth given strong expertise in sector and existing client agreements



Established service agreements with tier one businesses - Preferred Supplier Services Agreements with clients to consolidate revenue and escalate potential of forming future agreements with other tier one businesses



Overhead cost reduction and management - Increasing ability to manage and reduce overhead costs as business matures as evidenced in past 6 months, driving EBITDA improvement and margin sustainability



Ongoing core and adjacent revenue expansion - Clear strategy and focus on core recruitment business growth supplemented by increasing demand and cross-selling opportunities for auxiliary businesses may further fundamentals



State-based and adjacent strategic opportunities - Latent potential of furthering state-based operations in VIC and NSW given infrastructure works and market expertise, as well as emerging opportunities to further training business through acquisition or initiation



Connecting People with Possibility

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