

## MEDIA RELEASE

29 October 2020

### **Newly named Accordant well-positioned for the uncertain times ahead**

- Revenue \$33.3 million down to \$105.9 million
- No interim dividend declared
- Wage subsidy contributing to the result and our ability to retain people
- Madison most affected, resulting in a \$7.0 million goodwill impairment
- NPAT compares well at \$3.7 million for HY21, against \$1.3 million for the prior Half Year
- Full six months' trading from JacksonStone & Partners, with good contribution
- Net Bank Debt at \$9.1 million

AWF Madison Group changed its name to Accordant Group Limited on 19 October 2020. As the business extends beyond its founding entity and brings together a more diverse group of businesses, it is time to reflect this change in our Group name.

In the COVID-19 world, opportunities exist beyond our core recruitment businesses, and we are pleased to have a name that reflects our desire to bring people together and work innovatively in response to the uncertain times ahead of us.

AWF is coming back steadily after an initial drop in turnover of 60% in the April Level 4 lockdown. The wage subsidy underpinned our business, allowing staff retention and payment to our permanent and casual staff. We are now approaching 85% of prior year. AWF regained its Accredited Employer status with Immigration NZ, which may be helpful in recruiting essential service workers in the future.

Madison has not been able to recover in the same way and the prospects for the remainder of the financial year are challenging. We predict it will take at least 12-18 months for us to return to the profitability that we enjoyed pre COVID-19. This has led us to reassess the carrying value of Madison, resulting in a goodwill impairment of \$7 million.

Both JacksonStone and Absolute IT have proved much more resilient as a result of the specialist nature of their work. JacksonStone has made a significant contribution to the Group and we expect to build on current performance. While Absolute IT has not yet returned to last year's levels, it is making a good contribution.

Our social impact initiative, The Work Collective, has been further resourced with the appointment of Donna Lynch to the role of General Manager - Workforce. Its relevance is further heightened as we move towards a period of higher unemployment, which New Zealand has not seen for almost three decades.

With the level of economic uncertainty, the Board did not pay a final dividend for March 2020 and do not have sufficient confidence to declare an interim dividend at this time. This, along with extensive cost containment and reduction in capex, has resulted in a significant reduction in debt, which has us positioned well for these uncertain times.

Looking ahead, while the business itself is positioned well in order to deal with the uncertainty, we know that the continued commitment, agility and resilience of our people will also play a significant role in our future performance.

Ends



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