

MEDIA RELEASE

27 October 2023

Accordant Group reports revenue dip on pre-election uncertainty, alongside growth in AWF

- **Revenue \$112.1 million, down 8.8% on prior year**
- **3% growth in Blue Collar revenue**
- **Net profit \$1.16m**
- **Interim dividend 3.0cps (H2 FY23 3.0cps)**

Recruitment group Accordant Group Ltd [NZX: AGL] is looking ahead to a more buoyant second half now that election year uncertainties are resolved.

The group today reports a net profit of \$1.16 million on revenue down 8.8% to \$112.1 million.

Net bank debt reduced by \$400,000.

CEO Jason Cherrington said the 30 September first half featured considerable publicity on the prospect of cuts to public spending, prompting organisations to pause hiring intentions and slow decision-making.

“The clarity in policy direction provided by the election outcome paves the way for more dependable planning for the balance of our financial year,” Cherrington said.

Cherrington said executive search firm Hobson Leavy was tracking to expectations. Along with key public sector interim executive and search recruiter JacksonStone, both are well-placed to participate in what will most likely be a period of change in public and private sector leadership.

Blue-collar recruiter AWF lifted revenue by 3% and saw a close to 200% increase in the number of employees trained and deployed in civil and infrastructure works.

Cherrington said this was expected to rise further during the spring and summer period that began in October, while demand among the core manufacturing and engineering sectors was stable.

Absolute IT and Madison bore the largest impact of declining hiring intentions, with SEEK NZ’s September Employment Report noting a 25% year-on-year reduction in job ads across the New Zealand market.

Cherrington said concerns over recession and lower levels of business confidence affected the number of support and admin roles sought during the first half.

Absolute IT underperformed against expectations and would be a key focus for the second half of the year.

Ongoing digital skill shortages were exacerbated by fierce competition from Australia and other countries.

“We’re simply not developing organic talent fast enough.”

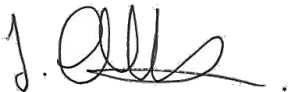
Proposed changes to immigration settings designed to address the shortage of tech talent is encouraging, he said.

The Work Collective placed 150 candidates who had experienced some form of barrier to employment with over 70 client partners.

The Board has declared a 3 cents per share interim dividend to be paid on 1 December to shareholders on the register as of 17th November 2023.

Chair Simon Bennett said the dividend was at the more cautious end of the Board's policy range and reflected a prudent approach amidst economic fluctuations and the ongoing higher interest rate environment.

Ends



Jason Cherrington
Accordant Group Chief Executive



For the Board:
Simon Bennett, Chairman

For further information, contact Jason Cherrington, Chief Executive:
021 781 389