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Grupa Pracuj: successful 1st half of 2023 – growth in revenue, operating profit (EBITDA) and net profit

- In the first half of 2023 Grupa Pracuj generated consolidated revenue of PLN 369.7m, 31.9% higher than in the same period of 2022. This increase resulted primarily from consolidation of the German group softgarden (acquired in the middle of last year), rebuilding revenue on the Ukrainian market, and a steadily growing number of customers using the services offered in the SaaS model in Poland and Western Europe.
- On the Polish market, due to the economic slowdown, the group recorded a slight decline year-on-year in the number of published recruitment projects on the Pracuj.pl platform, which was partially made up for by growth in the average prices of recruitment projects. The operating profit of the group's Polish business was maintained at the level from a year before.
- Adjusted EBITDA* in the 1st half of this year was PLN 173.1m, while the group earned a consolidated net profit during the period of PLN 109.8m. Both of these figures represent an increase of 7.5% y/y.
- In the 2nd quarter of 2023 alone, Grupa Pracuj generated revenue of PLN 184.3m (+33.4% y/y), adjusted EBITDA of PLN 89.1m (+9.9% y/y), and net profit of PLN 59.3m (+25.7% y/y).

“The past half-year was a period of consistent implementation of the strategic goals of Grupa Pracuj,” said **Przemysław Gacek, CEO of Grupa Pracuj**. “We are seeing the positive effects of the decision to grow in the HR technology SaaS area. We are noting strong growth in revenue from this area and a steady increase in number of softgarden and eRecruiter customers. The revenue generated by HR technology SaaS already represents a fourth of the group's overall revenue, and we are well on the way to achieving our target planned for 2025. Moreover, services of this type are less sensitive to the effects of the economic slowdown, which compensates for the slight decline in the revenue of the Pracuj.pl platform due to lower activity of employers in the Polish and European economy. At the same time, we observe improving results in the Ukraine segment, despite the difficult operating conditions on that market.”

The CEO added: “Our goal is to gradually strengthen our position on all our operating markets. As previously announced, in the area of recruitment services we are stressing organic growth through constant development of the product line and innovations, employing data analytics and AI mechanisms to an even greater degree. In the HR technology SaaS area, however, we remain open to potential acquisition of solutions that complement the group's current offer.”

Maintaining operating profit in Poland despite slight decline in revenue

In connection with the observed economic slowdown and the related cautiousness of employers, the number of published recruitment projects on the Pracuj.pl platform in the 1st half of 2023 was not quite 258,000, down 13.5% from the very strong 1st half of 2022, when there was a notable post-pandemic revival on the recruitment market. However, the average price of recruitment projects sold in the 1st half of this year rose to over PLN 878, partially offsetting the decline in volume year-on-year.

According to **Rafał Nachyna, COO of Grupa Pracuj**: “The new version of Pracuj.pl launched at the start of this year makes the platform easier to navigate for both users seeking work and for employers. The effect is dynamic growth in interactions—we recorded almost 2.5 million more applications by candidates than in the 1st half of 2022, and over half of the applications are submitted thanks to recommendations from the artificial intelligence system Pracuj AI. On one hand, new add-ons and packages introduced into all sales channels will allow us in the longer term to achieve higher average prices, and on the other hand, thanks to elastic pricing, they will allow us to increase our presence in the micro and small business segment.”

* Adjusted EBITDA means operating profit plus amortization, adjusted by recognized, but also reversed but previously recognized, write-downs in permanent value of assets and by the costs of the share-based payment programmes, costs of the public offering, and costs related to acquisitions, indicated in the consolidated report on total income.

The number of active customers using the eRecruiter recruitment support system, offered in a subscription model (SaaS), is steadily rising. As of the end of June 2023 the number reached 1,883 companies, nearly 10% higher than a year before.

The total revenue of Grupa Pracuj from the Polish market in the 1st half of 2023 was PLN 257.2m, as compared to PLN 266.2m in 1H 2022 (-3.4% y/y). Nonetheless, the operating profit of the Poland segment was PLN 143.9m, close to that achieved in the same period of 2022.

softgarden solutions also available to customers from outside Germany

Germany is now the second-largest operating market of Grupa Pracuj in terms of sales. In the 1st half of 2023, revenue in Germany was PLN 92.6m, accounting for nearly 25.0% of total revenue. Since the 3rd quarter of 2022, Grupa Pracuj has consolidated the results of softgarden, a provider of tools supporting state-of-the-art online recruitment, i.e. the talent acquisition suite offered in the SaaS model. At the end of June 2023, 1,548 companies were using softgarden's services, an increase of more than 7% since the start of the year.

As **Rafał Nachyna** explained: "We recently completed work on softgarden 3.0, a new version of the talent acquisition system in the SaaS model. It introduces a number of improvements and new functionalities, translating into growth in customers' engagement. Soon it will be expanded by the first tools from the post-hire area, including an onboarding module. We also intend to increase our commitment to winning customers from outside Germany, including Switzerland, France, and other countries."

In Ukraine, growth in revenue and rebuilding operating profitability

In the 1st half of this year, Grupa Pracuj generated revenue from the Ukrainian market of PLN 19.9m, 40.8% higher than in 1H 2022. The total number of recruitment projects on the Ukrainian platform Robota.ua during the period exceeded 403,000 (+43.6% y/y), of which almost 232,000 were paid recruitment projects (+59.0% y/y).

According to **Przemysław Gacek**: "The impact of the Russian armed aggression against Ukraine last year was very tough. But since the beginning of 2023 there has been a noticeable increase in recruitment activity by Ukrainian companies, as confirmed by the leap in the number of job offers posted on Robota.ua. Consequently, despite the continuing difficult business conditions due to the ongoing war, the Ukraine segment significantly increased its revenue in the first half of this year, and managed to recover a positive operating margin."

Adjusted EBITDA margin of 47%, net profit slightly up

Grupa Pracuj generated adjusted EBITDA in the 1st half of 2023 of PLN 173.1m, an increase of 7.5% y/y. The adjusted EBITDA margin was 46.8%, as compared to 50.2% for FY 2022. As anticipated, the consolidation of softgarden is reducing the level of the adjusted EBITDA margin in the short and medium term, primarily due to the dynamic growth of the German company.

In the first half of this year, Grupa Pracuj earned a consolidated net profit of PLN 109.8m, 7.5% more than in the first six months of 2022.

Selected consolidated financial results of Grupa Pracuj

(PLN million)	2Q 2023	2Q 2022	Change y/y	1H 2023	1H 2022	Change y/y
Revenue from customer contracts	184.3	138.2	+33.4%	369.7	280.3	+31.9%
Adjusted EBITDA	89.1	81.1	+9.9%	173.1	160.9	+7.5%
Adjusted EBITDA margin	48.3%	58.7%	-10.4 pp	46.8%	57.4%	-10.6 pp
Net profit	59.3	47.2	+21.4%	109.8	102.2	+7.5%

Grupa Pracuj is a leading technology platform in the HR sector in Europe. It supports enterprises in recruitment, retention and development of their staff, helps users of its platforms find the right job enabling them to make full use of their potential, and creates world-class technologies shaping the future of the HR market.

The group's brands make up an advanced digital ecosystem for the HR industry. The key brands include Pracuj.pl, the largest Polish online recruitment service; Robota.ua, a leading online recruitment service on the Ukrainian market; eRecruiter, the leading Polish recruitment support system, offered in a SaaS model; and softgarden, a leader of the talent acquisition suites market in Germany, also with a presence on other European markets.

Grupa Pracuj has operated for over 20 years in Poland, over 15 years in Ukraine, and since 2022 also in Germany. The group has a total of about 1,100 employees. The company has been listed on the Warsaw Stock Exchange since December 2021.

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