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Grupa Pracuj on the growth path: in the first quarter its revenue rose more than 30.5% y/y

- In the first quarter of 2023, Grupa Pracuj generated consolidated revenue of PLN 185.4m, 30.5% higher than in the same period of 2022. This increase resulted largely from consolidation of softgarden—a leading player on the HR technology market in Germany acquired last year, offering services in the SaaS model.
- On the Polish market, the group recorded a decline in the number of recruitment projects on the platform Pracuj.pl compared to the record-setting first quarter of 2022. This was largely offset by an increase in average prices. The number of clients using the eRecruiter recruitment management system is also growing steadily.
- In Ukraine, Grupa Pracuj recovered its operating profitability on a slight decline in revenue, despite the tough conditions for business operations.
- Adjusted EBITDA* in the first quarter of this year was PLN 83.9m, an increase of 5.1% y/y. Net profit in the period was PLN 52.8m, a level similar to 1Q 2022 (-4.1% y/y).

“We closed out the first quarter of 2023 with solid operating and financial results, despite the slowdown in the Polish and European economies,” said **Przemysław Gacek, CEO of Grupa Pracuj**. “We are consistently striving to achieve our targets—building value for customers and users through innovations in our recruitment platforms and recruitment management systems. The HR technology SaaS area now generates nearly a fourth of the group’s overall revenue, and we project that this share will steadily grow in the years to come. The strong growth in subscription revenue and the stably growing number of customers of both softgarden and eRecruiter confirm the changes occurring on European markets, where more and more companies are relying on solutions constantly streamlining the organization’s operations.”

Stable results in Poland despite economic slowdown

The number of recruitment projects sold on the platform Pracuj.pl in the first quarter of 2023 was almost 133,000, nearly 13% lower than in the record-setting first quarter of 2022, but over 15% higher than in the fourth quarter of last year. The average price of sold recruitment projects rose y/y to PLN 853, largely offsetting the moderate decline in volume year-on-year.

Meanwhile, the number of active customers using the eRecruiter recruitment support system, offered in a subscription model (SaaS), is steadily rising. At the end of March 2023 the number was nearly 1,850 companies, more than 11% higher than the year before.

The total revenue of Grupa Pracuj from the Polish market in the first quarter of 2023 was PLN 129.6m, as compared to PLN 131.6m in 1Q 2022 (-1.5% y/y).

Rafał Nachyna, COO of Grupa Pracuj, commented: “At the beginning of this year we launched a new product line on the Pracuj.pl platform. The new addons, tools and solutions based on AI, offered across all sales channels, support the work of recruiters and also make it easier for our users to change jobs. eRecruiter also launched a new, expanded and intuitive website. It also introduced Kreator Stron Karier PRO, which enables creation of professional and fully personalized career pages, a new channel for reaching candidates. In implementing this service, we also drew on the knowhow and tested solutions developed by softgarden.”

* 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 German company softgarden has over 1,500 customers

In the first quarter of 2023, Grupa Pracuj generated PLN 46.1m in revenue from the German market, accounting for 24.9% of total revenue. Since the third 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. softgarden customers can also take advantage of multiposting, a service for automated publication of job offers on numerous online platforms. Over 1,500 employers now use softgarden's services offered in a subscription model.

Positive margin for the Ukraine segment

On the Ukrainian market, Grupa Pracuj generated revenue in the first three months of 2023 of PLN 9.7m, 8.1% lower than in 1Q 2022. The total number of recruitment projects on the Ukrainian platform Robota.ua during the period was 175,100 (-15.3% y/y), of which 102,800 were paid recruitment projects (-7.3% y/y).

According to **Przemysław Gacek**, "We view the results of our operations on the Ukrainian market positively, considering the extremely difficult conditions of the ongoing armed conflict launched by Russia's aggression against Ukraine. Despite this, Ukrainian businesses continue to actively recruit workers, which we support, while the platform Robota.ua is increasing its revenue from quarter to quarter and managed to recover a positive operating margin."

Adjusted EBITDA margin at 45%

Grupa Pracuj generated adjusted EBITDA in the first quarter of 2023 of PLN 83.9m, an increase of 5.1% y/y. In line with projections, consolidation of softgarden is reducing the level of the consolidated EBITDA margin in the short and medium term, primarily due to the dynamic growth of the German company. In the first quarter of 2023 the adjusted EBITDA margin was 45.3%, as compared to 50.2% for FY 2022.

In the first quarter of 2023, Grupa Pracuj earned a consolidated net profit of PLN 52.8m, compared to PLN 55.0m in the first three months of 2022. The slight decline year-on-year resulted among other things from higher financial costs connected to servicing the credit for financing the acquisition of softgarden.

Selected consolidated financial results of Grupa Pracuj

(PLNm)	1Q 2023	1Q 2022	Change
Revenue from contracts with customers	185.4	142.1	+30.5%
Adjusted EBITDA	83.9	79.9	+5.1%
Adjusted EBITDA margin	45.3%	56.2%	-10.9 pp
Net profit	52.8	55.0	-4.1%

Grupa Pracuj is a leading tech platform in the HR sector in Europe. It supports enterprises in employee recruitment, retention and development, 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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