

Warsaw, 24 November 2022

Dynamic growth in revenue of Grupa Pracuj following softgarden acquisition

In the 3rd quarter of 2022 Grupa Pracuj generated consolidated revenue of PLN 183.5m, 45.3% higher than in the same period of 2021. This dynamic growth resulted primarily from starting consolidation of the results of the German company softgarden and from steady growth in the average price of recruitment projects on the platform Pracuj.pl.

Adjusted EBITDA¹ in the past quarter was PLN 85.3m, an increase of 13.8% y/y, while consolidated net profit in the period was PLN 52.6m, slightly lower than in the 3rd quarter of 2021 (-3.5% y/y).

Year to date, through the first three quarters of 2022, Grupa Pracuj generated revenue of PLN 463.8m (+34.9% y/y), adjusted EBITDA of PLN 246.2m (+23.3% y/y), and consolidated net profit of PLN 154.8m (+9.0% y/y, after adjusting last year's results for one-off events).

"The third quarter of this year was the first quarter in which the results of the German company softgarden, which we acquired at the end of June, were reflected in the results of Grupa Pracuj," said **Przemysław Gacek, CEO of Grupa Pracuj**. "With this transaction, we greatly reinforced our position in the HR Tech sector. Softgarden's share in the total revenue of the past quarter was over 28%. We anticipate that by offering talent acquisition systems in an SaaS model, among other products, this business will be more resilient to changes in the economy in the upcoming quarters, and the potential of the German labour market, characterized by a high shortage of workers, will enable us to effectively build the position of market leader."

Rafał Nachyna, COO and management board member of Grupa Pracuj, commented: "On the Pracuj.pl platform, we observe steady growth in the average prices of recruitment projects. This shows that the Polish labour market remains quite resilient in the face of emerging economic challenges. On one hand, pressure on salaries is rising in the wake of high inflation. On the other hand, enterprises are more and more cautious in raising salaries. Consequently, employees increasingly consider changing their job for a higher-paying one, or are seeking additional work. In the latest study by Pracuj.pl,² 38% of respondents were actively seeking a new employer, and 57% indicated the desire for increased pay as the main reason."

Consistent business growth in Poland, first revenue from the German market

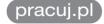
The number of recruitment projects³ sold on the platform Pracuj.pl in the 3rd quarter of 2022 was 136,100, as compared to 136,800 in the 3rd quarter of 2021. Cumulatively, over the first nine months of this year, the number of recruitment projects sold reached 433,600, an increase of 15.3% year-on-year, accompanied by an increase in the average prices by 10.5% y/y.

The number of active customers using the eRecruiter system for supporting recruitment, offered in a subscription model (SaaS), is steadily rising, reaching 1,766 at the end of September 2022, up 15% year-on-year.

As a result, the revenue of Grupa Pracuj from the Polish market rose in the 3rd quarter of this year by 13.7% y/y, to PLN 126.5m, and cumulatively, through the first nine months of 2022, increased by 28.1% y/y, to PLN 392.7m.

In connection with consolidation of softgarden's results beginning from the 3rd quarter of this year, the total revenue of Grupa Pracuj in the period rose 45.3% y/y, to PLN 183.5m. The share of revenue from the Polish market accounted for 69.0%, the German market 28.1%, and the Ukrainian market 2.9%.

³ The number of recruitment projects is equal to the number of credits used for placement of job offers on Pracuj.pl or Robota.ua. In the case of Pracuj.pl, one credit may be exchanged for multiple job offers (with the same title but different locations), while in the case of Robota.ua one credit can be exchanged for only one job offer for a period of one month.







¹ Adjusted EBITDA defined as operating profit plus depreciation and amortization, adjusted by recognized, but also previously recognized and reversed impairment losses on assets, as well as costs of share-based payment programmes, costs of the public offering, and costs related to acquisitions, disclosed in the consolidated statement of comprehensive income.

² Study, "Work in changing times: Professional mobility of Poles." More at Ready for new work in changing times: Study by Pracuj.pl



The decline in the share of the Ukrainian segment is connected with the limitation on recruitment activities due to the ongoing war in that country, as well as the greater scale of operations of Grupa Pracuj after inclusion of softgarden. The total number of recruitment projects on the Ukrainian platform Robota.ua in the 3rd quarter of 2022 was 132,300 (vs. 334,000 in 3Q 2021), of which the number of paid recruitment projects was 67,500 (vs. 178,500 a year earlier).

High operating margins

The consolidated operating profit earned by Grupa Pracuj at the level of adjusted EBITDA in the 3rd quarter of 2022 rose by 13.8% y/y, to PLN 85.3m, and cumulatively for the period of January–September 2022 increased by 23.3% y/y, to PLN 246.2m. The adjusted EBITDA margin was 46.5% in 3Q 2022 and 53.1% in 1–3Q 2022, as compared to 59.4% and 58.1% respectively in the same periods of 2021. As announced, there is expected to be a negative impact of the softgarden consolidation at the level of consolidated EBITDA margin, which is primarily related to the dynamic growth of the German company. The operating margin of the Polish business of Grupa Pracuj remained at a similar level to last year.

The consolidated net profit earned by Grupa Pracuj in the past quarter was PLN 52.6m, as compared to PLN 54.5m a year earlier, and year-to-date, through the first three quarters of 2022, PLN 154.8m, vs. PLN 212.6m in 1–3Q 2021. It should be borne in mind that the revaluation of shares in Beamery Inc. belonging to Grupa Pracuj had a major impact on last year's results, increasing the net profit in the comparison period by PLN 70.5m. After adjusting last year's results for the impact of one-off events, the net profit for the first nine months of 2022 rose 9.0% y/y.

Grupa Pracuj is the leading tech platform in the HR sector in Central & Eastern Europe. It supports enterprises in the recruitment, retention and development of their staff, helps users of its services 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 an SaaS model; and softgarden, a leading player on the market for talent acquisition systems 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 June 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 9 December 2021.

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