

Grupa Pracuj increases revenue and profit in a demanding market environment

- In the 1st quarter of 2024 Grupa Pracuj generated consolidated revenue of over PLN 196m, nearly 6% higher than in the same period of 2023. This growth resulted primarily from higher prices of recruitment projects on the platform Pracuj.pl, and the increasing number of customers using services offered in a subscription model in Poland and Germany.
- Grupa Pracuj's adjusted EBITDA¹ in the first quarter was PLN 87.2m, an increase of 4% y/y. The consolidated net profit rose more than 18% y/y, to PLN 59.7m.

"We closed out the first quarter of this year with single-digit growth in revenue and operating profit, but double-digit growth in net profit, which we regard as a solid result considering the challenging market environment," said **Przemysław Gacek, CEO of Grupa Pracuj**. "We are effectively monetizing innovative new products and services. This enables us to achieve higher average prices of recruitment projects offered by our platforms in Poland and Ukraine, and to reinforce the leading positions of these platforms in both markets. We are steadily gaining new customers using services offered in a subscription model in Poland and Germany. Monthly recurring revenue from the HR technology SaaS segment in the last quarter rose 21% year-on-year in PLN. HR technology SaaS already accounts for over a quarter of the group's total revenue, and this will steadily rise. Meanwhile, we anticipate a revival on the recruitment market in Poland in the second half of this year, along with the absorption of the first funds from the National Recovery Plan, which should translate into a reversal of the negative trend from the preceding quarters and an increase in the number of recruitment projects on Pracuj.pl."

Pracuj.pl more personalized

On the Polish market, Grupa Pracuj generated consolidated revenue in the 1st quarter of 2024 of PLN 139.5m, up 7.7% from 1Q 2023. This growth was primarily due to higher average prices of recruitment projects on Pracuj.pl (+10.0% y/y), which more than made up for the slight decline in the number of recruitment projects sold (-4.7% y/y), and from the steady increase in customers using services offered in a subscription model (SaaS).

As explained by **Rafał Nachyna, chief operating officer of Grupa Pracuj**: "As part of the new version of Pracuj.pl—Pracuj 3.0—launched last year, in the first quarter of this year we further personalized the site, rolling out a sub-site devoted to blue-collar workers. This is the second such launch—the first was personalized for candidates from the IT segment. These changes allow us to better tailor our flagship recruitment platform to the individual needs of selected user groups."

The COO added: "Thanks to our long-term customer relationships, high service quality, the steadily expanded range of products and services on Pracuj.pl, and effective monetization tailored to various segments of customers and particular sales channels, we are poised to achieve higher average prices for recruitment projects."

eRecruiter arm-in-arm with HRLink

In the past quarter eRecruitment Solutions sp. z o.o. acquired shares in HRLink sp. z o.o., which offers a system supporting recruitment processes. This acquisition means expansion of the customer base and the range of products offered by Grupa Pracuj in the SaaS model in Poland.

eRecruiter, developed by Grupa Pracuj since 2009, is now the most often selected system for managing recruitment processes in Poland, and also used by customers from other European countries. As of the

¹ Adjusted EBITDA means operating profit plus amortization, adjusted by the costs of share-based payment programmes, costs related to acquisitions and costs of restructuring in acquired companies, indicated in the consolidated report on total income.

end of 1Q 2024, there were more than 2,000 employers using eRecruiter solutions, up more than 9% year-on-year. The HRlink acquisition has brought more than 250 additional customers to the group.

One of the new features offered by eRecruiter since the 1st quarter of 2024 is *AI Assistant*, which recommends improvements in recruitment processes using partner services accessible on the eRecruiter Marketplace platform.

softgarden launches onboarding and wins new customers

Revenue from Germany, which is now the second-largest operating market for Grupa Pracuj in terms of sales, reached PLN 35.0m (net)² in the 1st quarter of 2024, an 8.1% increase over 1Q 2023. The strengthening of the zloty against the euro had a negative impact on the reported revenue of the segment expressed in Polish currency.

At the end of March 2024, there were 1,671 companies actively using softgarden services offered in the SaaS model, or 11.3% more than a year before, and monthly recurring revenue (MRR) in euro rose 28% y/y.

“We are constantly expanding the functionalities of the softgarden recruitment support system, including the addition of post-hire solutions,” said **Grupa Pracuj COO Rafał Nachyna**. “Since the quarter just ended, the first softgarden customers are now using in the SaaS model a new module for managing the process of integrating new hires into the organization—onboarding.”

The COO added: “We attribute the consistent strengthening of softgarden’s market position not only to the excellent product line, but also to the tireless work on raising awareness of tools facilitating the recruitment process. The German market is less digitized than the Polish one. The digital transition there is spread out in time and is still underway, in the recruitment industry and also in other areas of the economy.”

Robota.ua dynamically grows revenues and improves margins

Grupa Pracuj generated revenue on the Ukrainian market of PLN 12.2m in 1Q 2024, 25.6% more than in 1Q 2023. The operating profit on the Ukraine segment rose even more, 73.6% y/y, to over PLN 4m.

“Despite the tough conditions, we observe growing initiative by employers struggling with a shortage of job candidates on the Ukrainian labour market,” said **Rafał Nachyna**. “This translates into an increase well up in the double digits in the number of job postings published on our Ukrainian platform Robota.ua, which maintains its position as the leading recruitment platform in that country in the number of published posts.”

The total number of recruitment projects on Robota.ua in the 1st quarter of 2024 rose to 317,600 (+81.4% y/y), of which 137,900 were paid projects (+34.1% y/y).

Focus on maintaining high margins

Apart from consistent growth and diversification of revenues, Grupa Pracuj is concentrating on maintaining the high profitability of its business. The long-term aim is to maintain the EBITDA margin above 40%. In 1Q 2024 the adjusted EBITDA margin was 44.5%, as compared to 45.3% in 1Q 2023.

During the period, Grupa Pracuj earned a consolidated net profit of PLN 59.7m, an 18.1% increase y/y.

A high capacity to generate cash allows the company to share its profit with shareholders. The Grupa Pracuj management has recommended distribution of a dividend of over PLN 136.5m out of the 2023 profit, i.e. PLN 2.00 per share. The supervisory board expressed a positive opinion on this proposal. By comparison, last year Grupa Pracuj paid a dividend totalling PLN 102.4m out of the 2022 profit, or PLN 1.50 per share.

² Excluding the cost of sold postings acquired by softgarden for the purpose of resale in the multiposting service.

Selected consolidated financial results of Grupa Pracuj

(PLN million)	1Q 2024	1Q 2023	Change y/y
Revenue from customer contracts	196.0	185.4	+5.7%
Adjusted EBITDA	87.2	83.9	+3.8%
Adjusted EBITDA margin	44.5%	45.3%	-0.8pp
Net profit	59.7	50.5	+18.1%

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 an 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 24 years in Poland, 18 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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