

ASX Announcement
20 February 2024

IGNITE DELIVERS H1 FY24 PROFIT

IGNITE Limited (ASX: IGN) today announced its results for the half-year ended 31 December 2023.

FINANCIAL HIGHLIGHTS for continuing operations compared to prior corresponding period:

- Revenue from continuing operations of \$50,241k down 9%
- Gross profit from continuing operations of \$5,951k down 9%
- Statutory profit of \$213k up 126%
- Underlying profit of \$460k up 233%¹
- EBITDA of \$499k up 462%
- \$3,093k cash received from Accelerated Non-Renounceable Entitlement Offer (Entitlement Offer)²
- Net cash received from operating activities of \$705k up 428%

IGNITE's financial highlights include an increase in EBITDA of 462%, an increase in underlying profit of 233%, an increase in statutory profit of 126% and an increase in net cash received from operating activities of 428%.

IGNITE successfully completed the Institutional and Retail components of the Entitlement Offer, raising \$3,093k. The Shortfall Offer will conclude no later than 14 March 2024.

The proceeds of the Entitlement Offer have strengthened IGNITE's balance sheet; and will support organic growth in Specialist Recruitment; inorganic growth in Managed Services; and the attraction of new talent.

The business has had positive operating cashflows for five consecutive quarters, for the period ending 31 December 2023. We intend to continue our focus on cash management, and on 31 December 2023, the Company had \$1,846k cash available and our debtor finance facility was undrawn.

IGN Executive Director, Cameron Judson commented: "Our focus has been on understanding, measuring, and rewarding our people for their productivity, performance, and contribution to profit".

"We are working closely with our clients, our candidates and contractors, and developing one way of working regarding our processes, systems, and technology to help our people to make more placements."

"We have made positive progress in H1 FY24, and we intend to deliver a significant improvement in full year profit for our shareholders".

¹ The reconciliation between statutory profit and underlying profit is detailed on the following page.

² Details of the accelerated pro-rata non-renounceable entitlement offer (Entitlement Offer) are available on the ASX. First announced on 23 November 2023, with results of the Institutional and Retails rounds published on 27 November 2023 and 22 December 2023 respectively.

FINANCIAL RESULTS for continuing operations compared to prior corresponding period:

	31 Dec 2023	31 Dec 2022	Increase/ (Decrease)	Increase/ (Decrease)
	\$000	\$000	\$000	%
Continuing operations				
Revenue	50,241	55,252	(5,011)	(9.1)
Gross profit	5,951	6,566	(615)	(9.4)
Gross profit margin	11.84%	11.88%	-	-
Employee benefits expense	3,617	4,924	(1,307)	(26.5)
Occupancy expense	173	223	(50)	(22.4)
Other expenses	1,663	1,559	104	6.7
Profit from continuing operations before corporate overheads and tax	2,973	2,362	611	25.9
Corporate overheads	2,760	2,869	(109)	(3.8)
Profit/ (loss), net of income tax	213	(507)	720	142.0
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	499	(138)	637	461.6
Underlying operating profit/ (loss)	460	(346)	806	232.9
Net cash from/ (used in) operating activities	705	(215)	920	427.9

	31 Dec 2023	30 Jun 2023	Increase/ (Decrease)	Increase/ (Decrease)
	\$000	\$000	\$000	%
Debtor finance facility	-	(2,008)	(2,008)	(100.0)
Cash	1,846	234	1,612	688.9
Net assets	6,709	3,486	3,223	92.5

A summary of the key financial information and a reconciliation between the statutory profit and underlying profit is detailed below:

	31 Dec 2023	31 Dec 2022	Increase/ (Decrease)	Increase/ (Decrease)
	\$000	\$000	\$000	%
Statutory profit/ (loss)	213	(820)	1,033	126.0
Loss from discontinued operations	-	313	(313)	100.0
Profit/ (loss) from continuing operations	213	(507)	720	142.0
Add back				
Systems implementation costs	231	17	214	1,258.8
Legal and professional fees	16	105	(89)	(85.0)
Redundancy costs	-	31	(31)	(100.0)
Other	-	8	(8)	(100.0)
Underlying operating profit/ (loss)	460	(346)	806	232.9

This announcement has been approved by the Board of IGNITE Limited.

For enquiries, please contact IGN's Executive Director, Cameron Judson on 1300 481 179.