

26 January 2023

**Empresaria Group plc**  
**("Empresaria" or the "Group")**  
**Trading Update and Notice of Results**

*Solid net fee income growth with full year profits expected to be in line with market forecasts*

Empresaria (AIM: EMR), the global specialist staffing group, today provides a trading update for the financial year ended 31 December 2022 ahead of announcing its full year results on 28 March 2023.

**Trading update**

- Net fee income up 10% to £65.4m (up 8% in constant currency)
- Adjusted profit before tax and diluted earnings per share expected to be in line with market expectations
- Adjusted net debt of £7.9m, significantly better than market expectations
- Very strong performance from APAC and Offshore Services with net fee income up 75%, outweighing reductions in UK & Europe and Americas
- Communicated roadmap to deliver our ambition to double adjusted operating profit in the medium term

The first half of the year saw greater growth (+15%) reflecting a strong recovery in client demand particularly for permanent placements. While solid growth continued into the third quarter, growth eased in the fourth quarter reflecting a strong prior year comparative and some reduction in demand from specific clients in key sectors such as IT.

The Group has continued to invest for the future and communicated its roadmap to double adjusted operating profit to £20m in the medium term at a capital markets day in October 2022. The actions outlined remain on track and delivery against this plan continues to be a key focus.

**Financial position**

Adjusted net debt has significantly reduced at 31 December 2022 to £7.9m, £6.1m lower than 31 December 2021 and £2.9m lower than 30 June 2022. This reflects the profits generated by the Group in the year, along with a reduction in working capital requirements driven by a move in the weighting of revenue from temporary and contract to permanent placements. Headroom, excluding invoice financing, has increased to £17.9m.

**Performance by sector**

Net fee income by sector for the year ended 31 December was as follows:

£m	2022	2021	% change	% change (constant currency)*
UK & Europe	28.4	29.0	-2%	-2%
APAC	15.8	14.1	+12%	+12%
Americas	8.7	9.9	-12%	-19%
Offshore Services	13.5	7.7	+75%	+67%
Intragroup	(1.0)	(1.2)	-17%	-17%
Total	65.4	59.5	+10%	+8%

\* The constant currency movement is calculated by translating the 2021 results at the 2022 exchange rates.

The UK & Europe saw mixed performances in 2022 with net fee income falling by 2%. In the UK, net fee income was up by 3% with strong growth in Professional, driven by increased permanent placement demand, offset by a weaker performance in IT. In our blue-collar Commercial businesses in Germany, we saw good recovery in our logistics operation which returned to growth after a challenging 2021, however, our temporary business was adversely impacted by client supply chain issues earlier in the year and higher sickness levels resulting in net fee income falling year on year.

In APAC, year-on-year net fee income growth of 12% reflected strong performances across most of the region with record net fee income in Singapore, Indonesia, Philippines, Thailand and Japan driven by growth in our Professional and IT sectors. Aviation failed to improve significantly in 2022, with recovery in our core Asia market lagging behind

that in the US and Europe, reflecting the continued closure of China throughout 2022 and significant restrictions on travel to Japan.

In the Americas, net fee income fell by 12% with the main driver being the expected reduction in Healthcare in the US following an extremely strong 2021 that was driven by COVID-19 vaccination and testing related demand. Our US IT business also had a challenging year, particularly in the second half where our permanent recruitment offering was impacted by significant technology lay-offs at key clients.

Offshore Services had a very strong 2022 with net fee income up 75% year-on-year. UK demand, driven by healthcare, remained very strong and continued to grow throughout the year. The US was more challenging primarily driven by reduced demand from the IT sector.

**Rhona Driggs, CEO of Empresaria, commented:**

*"We are pleased with our overall progress and performance in the year. As we move into 2023, we look ahead with some caution given the wider economic environment, however, we are continuing to see strong demand in many of our markets largely driven by ongoing skills and labour shortages.*

*The transformation of the Group in recent years, along with the proven benefits from our diversification by geography and sector, improves our resilience and provides us with a strong foundation for growth. Executing our 'Roadmap to £20m' remains our key focus and we are confident we are well placed to deliver on our medium-term ambition to double our adjusted operating profit."*

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation (2014/596) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time.

- Ends -

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**Notes for editors:**

- Empresaria Group plc is a global specialist staffing group. We are driven by our purpose to positively impact the lives of people, while delivering exceptional talent to our clients globally. We offer temporary and contract recruitment, permanent recruitment and offshore services across six sectors: Professional, IT, Healthcare, Property, Construction & Engineering, Commercial and Offshore Services.
- Empresaria is structured in four regions (UK & Europe, APAC, Americas and Offshore Services) and operates from locations across the world including the four largest staffing markets of the US, Japan, UK and Germany along with a strong presence elsewhere in Asia Pacific and Latin America.
- Empresaria is listed on AIM under ticker EMR. For more information visit [empresaria.com](https://empresaria.com).

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