30 October 2025

Peoplein Limited (PPE) HOLD Share Price: A$0.89

Looking for a turn in the data Target Price: A$0.89

Low business confidence continued to impact many of PPE's end markets during FY25, with deferred investment decisions resulting in lower placements and hours worked. Manufacturing, hospitality, and early education were hit hardest and coincided with a slowdown in the Health and Community segment, which for many prior halves had been the main driver of the group. Recent ABS data shows a continuation of some of these themes, but pleasingly, a shift in others.

Aggregate hours worked in the 3m to Aug-25 shows:

- Aggregate hours worked in Health and Social rose c.6% versus pcp and rose +1.5% in Education and Training. IT and Telco was flat on soft comps. Finance and Insurance fell -0.4%, but administrative and support roles within professional services fell a meaningful -7.4%.
- Industrial and Specialist sub-segments remain weak. Construction rose +3.4%, but mining, manufacturing, and agriculture fell -3.2%, -4.4%, and -13.6% vs pcp respectively. Continued dry weather will realistically see the agriculture number deteriorate further.
- Across the spectrum, hours worked rose +1.3%, but with a negative mix shift. Still, we remain comfortable with our forecasts and continue to watch for further data on green shoots in IT noted by management at the FY25 result. In our view, this represents the nearest term catalyst, with the significant BNE Olympics catalyst on the 12-18-month horizon. Rolling forward our val. (now 50/50 FY26/27) lifts our TP to $0.89 (was $0.79).

Investment case

- Management and balance sheet strength will allow PPE to gain share through the cycle low and emerge from the trough in a stronger market position.
- Structural cost reductions have increased PPE's leverage to an eventual improvement in higher margin areas of the market.
- Despite an undemanding valuation, we need continued signs of a cyclical recovery before returning to a BUY.

Financial Summary

- Valuation: $0.89 (8.0x FY26/27e EV/EBIT – cash basis)
- Net Debt: $48.9m FY26e
- PE: 12.6x FY26e
- EPS Growth: 1.2% FY26e, +9.4% 3yr CAGR

Key Dates Ahead

- Momentum in IT recruitment – 1H26
- Normalisation of PALMS via rates – 2H26
- Brisbane Olympics hiring – 1H27

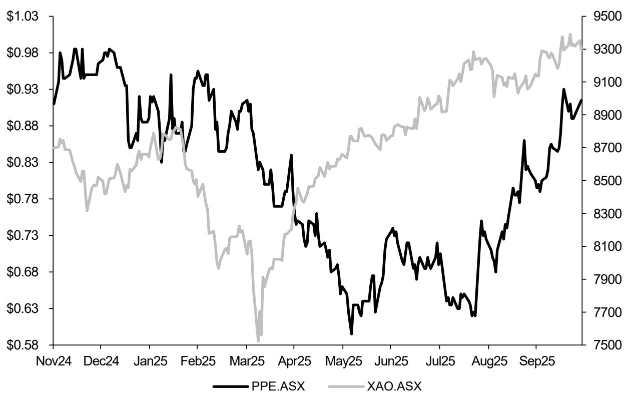
Company Data

Shares – ordinary (M)	109.1
Dilution (M)	1.5
Total (fully diluted) (M)	110.6
Market capitalisation ($M)	96.6
12 month low/high ($)	0.58/ 1.03
Average monthly turnover ($M)	3.3
GICS Industry	Professional Services

Financial Summary (fully diluted/normalised)

June Year End	2024A	2025A	2026F	2027F	2028F
Total revenue (A$m)	1174.8	1098.0	1076.5	1119.7	1156.1
Costs (A$m)	-1137.8	-1064.7	-1042.3	-1083.3	-1118.3
EBIT (A$m)	16.6	16.1	17.8	19.6	20.9
NPAT (A$m)	8.7	6.9	7.5	9.4	11.2
EPS (cps)	21.1	16.2	16.3	19.3	21.1
EPS growth (%)	-41.9%	-23.3%	1.2%	17.9%	9.7%
PER (x)	9.2	13.5	12.6	9.5	8.0
EV (A$m)	164.9	157.7	150.2	138.2	126.4
EV/EBITDA (x)	4.5	4.7	4.4	3.8	3.3
EV/EBIT (x)	9.9	9.8	8.5	7.1	6.1
ROIC (%)	0%	0%	0%	0%	0%
Net debt (A$m)	79.4	56.4	48.9	36.8	25.1
ND/ND+E (%)	33%	27%	24%	19%	13%
Dividend (¢ps)	3.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	3.7%	0.0%	0.0%	0.0%	0.0%
Franking (%)	100%	n/a	n/a	n/a	n/a

PPE – performance over one year



Disclosure and Disclaimer
This report must be read with the disclosure and disclaimer on the final page of this document.

Liam Cummins
+61 2 9239 9607

Analysis

Peoplein Limited (PPE)

Jun Year end

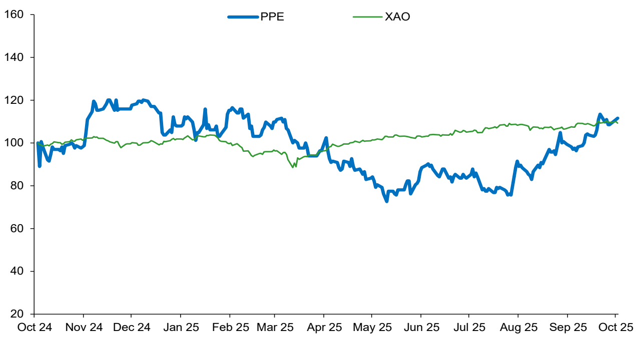
Market Data	
Recommendation	Hold
Price	**$0.89**
Target Price (12-month) (A$ps)	**$0.89**
Market cap ($m)	96.6
Shares on issue (basic)	109.1
Options / Other	1.5
Diluted issued capital (m)	110.6

Profit & Loss (A$m)	2024a	2025a	2026e	2027e	2028e
Total revenue	1,174.8	1,098.0	1,076.5	1,119.7	1,156.1
. . . Change	-1.0%	-6.5%	-2.0%	4.0%	3.3%
EBITDA - Adj.	37.0	33.3	34.2	36.4	37.9
. . . Change	-39.4%	-10.1%	3.0%	6.4%	4.0%
Deprec. & amort.	(20.4)	(17.1)	(16.5)	(16.9)	(17.0)
EBIT - Adj.	16.6	16.1	17.8	19.6	20.9
Net Interest	(8.0)	(7.3)	(6.2)	(5.1)	(3.8)
Pre-tax profit	8.6	8.8	11.5	14.5	17.1
Tax expense	0.8	(1.0)	(3.3)	(4.3)	(5.1)
. . . tax rate	-9%	12%	29%	30%	30%
Minorities/Prefs	(0.7)	(0.9)	(0.8)	(0.8)	(0.8)
Net Profit	**8.7**	**6.9**	**7.5**	**9.4**	**11.2**
. . . Change	-67.3%	-21.0%	8.5%	25.7%	19.4%
EBITDA - statutory	**32.9**	**13.6**	**18.7**	**22.9**	**26.4**
EBIT - statutory	**12.5**	**(3.5)**	**2.3**	**6.1**	**9.4**
NPAT - statutory	**5.4**	**(11.9)**	**(7.3)**	**(3.4)**	**0.5**

Cashflow (A$m)	2024a	2025a	2026e	2027e	2028e
Customer receipts	1,277.2	1,226.5	1,190.8	1,238.5	1,278.9
Supplier Payments	(1,266.7)	(1,187.9)	(1,152.4)	(1,197.7)	(1,236.4)
Net Interest	(6.9)	(6.0)	(6.2)	(5.1)	(3.8)
Tax	(7.1)	2.2	(3.3)	(4.3)	(5.1)
Other operating items	-	-	-	-	-
Operating Cash Flow	**(3.6)**	**34.9**	**28.9**	**31.4**	**33.5**
Capex	(3.0)	(1.7)	(1.5)	(1.5)	(1.6)
Other	(12.0)	(4.1)	(8.0)	(11.8)	(14.1)
Investing Cash Flow	**(15.0)**	**(5.8)**	**(9.5)**	**(13.4)**	**(15.7)**
Changes in equity	-	-	(6.0)	-	-
Increase/(decrease) in borrowings	31.2	(27.5)	-	-	-
Dividends paid	(9.5)	(0.4)	-	-	-
Other	(5.8)	(5.9)	(5.9)	(6.0)	(6.1)
Financing Cash Flow	**15.9**	**(33.8)**	**(11.9)**	**(6.0)**	**(6.1)**
Change in cash (pre-FX)	**(2.7)**	**(4.7)**	**7.5**	**12.0**	**11.7**

Balance Sheet (A$m)	2024a	2025a	2026e	2027e	2028e
Cash	37.3	32.8	40.3	52.4	64.1
Receivables	128.4	116.9	120.2	125.5	129.1
Other	4.9	0.7	0.7	0.7	0.7
Current Assets	**170.6**	**150.4**	**161.2**	**178.6**	**193.9**
PP&E	26.9	24.6	21.8	20.2	20.4
Intangibles	193.7	173.6	166.6	160.7	156.5
Other	0.0	0.0	0.0	0.0	0.0
Non Current Assets	**220.7**	**198.2**	**188.5**	**180.9**	**176.9**
Total Assets	**391.3**	**348.6**	**349.7**	**359.5**	**370.8**
Payables	54.8	52.2	53.6	56.0	57.6
Financial liabilities ex-leases	12.2	12.3	12.3	12.3	12.3
Leases	5.4	5.0	5.2	5.3	5.5
Provisions	26.6	24.5	24.5	24.5	24.5
Other	1.7	2.2	1.3	1.3	1.3
Current Liabilities	**100.6**	**96.2**	**96.9**	**99.5**	**101.3**
Financial liabilities ex-leases	104.5	76.9	76.9	76.9	76.9
Leases	19.3	18.0	18.5	19.1	19.6
Provisions	1.2	1.5	1.5	1.5	1.5
Other	5.6	4.6	4.6	4.6	4.6
Non Current Liabilities	**130.6**	**100.9**	**101.5**	**102.0**	**102.6**
Total Liabilities	**231.3**	**197.1**	**198.4**	**201.5**	**203.8**
Net Assets	**160.0**	**151.5**	**151.3**	**158.0**	**167.0**
Share Capital	109.4	112.6	112.6	112.6	112.6
Retained Earnings	32.5	19.7	27.2	36.6	47.8
Reserves	14.7	15.3	7.6	4.9	2.7
Shareholders Equity	**156.6**	**147.6**	**147.4**	**154.1**	**163.1**
Outside Equity Interests	3.5	3.9	3.9	3.9	3.9
Total Equity	**160.0**	**151.5**	**151.3**	**158.0**	**167.0**
Net debt ex. LT leases/(cash) $m	79.4	56.4	48.9	36.8	25.1

12-Month Share Price Performance



Valuation Ratios	2024a	2025a	2026e	2027e	2028e
EPS (¢ps) - NPATA	21.1	16.2	16.3	19.3	21.1
. . . % change	-41.9%	-23.3%	1.2%	17.9%	9.7%
EPS (¢ps) - normalised	8.3	6.6	7.0	9.3	11.1
PE (x) - normalised EPS	9.2	13.5	12.6	9.5	8.0
EV/EBITDA (x)	4.5	4.7	4.4	3.8	3.3
EV/EBIT (x)	9.9	9.8	8.5	7.1	6.1
DPS (¢ps)	3.0	-	-	-	-
. . . % pay-out	36.2%	0.0%	0.0%	0.0%	0.0%
Yield (%)	3.7%	0.0%	0.0%	0.0%	0.0%
Franking (%)	100%	n/a	n/a	n/a	n/a

Performance Ratios	2024a	2025a	2026e	2027e	2028e
Revenue growth (%)	-1.0%	-6.5%	-2.0%	4.0%	3.3%
EBIT growth (%)	-62.4%	-2.9%	10.2%	10.3%	6.7%
EBIT margin (%)	1.4%	1.5%	1.6%	1.7%	1.8%
ROE (%)	11.8%	10.3%	10.9%	12.8%	14.3%
ROA (%)	4.8%	4.5%	4.7%	5.6%	6.5%
Interest Cover (x)	2.1	2.2	2.8	3.9	5.5
ND/EBITDA (x)	2.1	1.7	1.4	1.0	0.7
ND/ND+E (%)	33.1%	27.1%	24.4%	18.9%	13.1%

Key Drivers	2024a	2025a	2026e	2027e	2028e
Revenue					
Industrial and Specialist	905.3	866.1	851.9	890.2	921.3
Health and Community	136.5	125.3	119.6	122.0	124.4
Professional Services	132.9	106.7	105.1	107.4	110.4
EBITDA					
Industrial and Specialist	38.0	36.2	31.5	34.3	36.4
Health and Community	12.0	7.0	8.0	8.3	8.6
Professional Services	8.1	9.1	11.1	11.4	11.8
Unallocated	(25.2)	(38.7)	(31.9)	(31.1)	(30.4)
Total	32.9	13.6	18.7	22.9	26.4
Adjustments	4.1	19.7	15.5	13.5	11.5
Adj EBITDA	37.0	33.3	34.2	36.4	37.9

Valuation	
FY26/27 cash EBIT (50/50)	18.4
Applied EV/EBIT - x	8.0
Target price - $/share	0.89

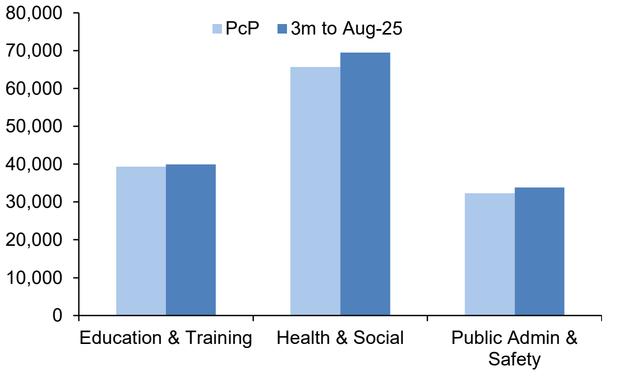
Half yearly (A$m)	2H23a	1H24a	2H24a	1H25a	2H25a
Sales revenue	589.7	602.7	572.0	572.6	525.5
EBITDA	28.6	20.2	16.8	19.3	14.0
Deprec. & amort.	(8.8)	(8.4)	(12.0)	(8.6)	(8.5)
EBIT	19.7	11.8	4.8	10.7	5.5
Interest expense	(3.5)	(3.8)	(4.1)	(3.9)	(3.4)
Pre-tax profit	16.3	8.0	0.7	6.8	2.1
Tax expense	(4.3)	1.0	(0.2)	(1.7)	0.6
. . . tax rate	26%	-13%	30%	25%	-31%
Minorities/Prefs	(0.9)	(0.4)	(0.3)	(0.5)	(0.4)
Net Profit	**11.2**	**8.6**	**0.1**	**4.6**	**2.3**

Source: Petra Capital

Closely watching the data

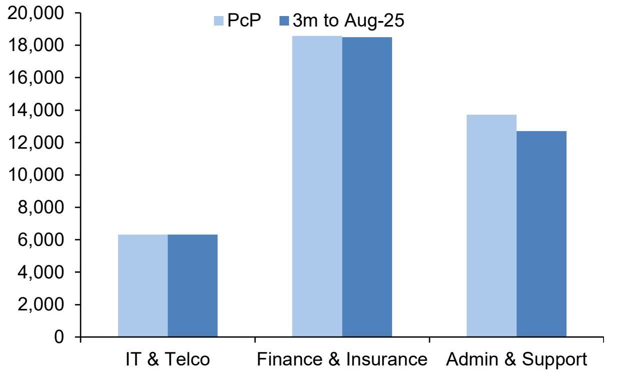
Detailed labour force statistics for the three months to August 2025 (Figure 1 to Figure 4) largely show a continuation of trends noted by PPE in recent periods; namely, growth in hours worked in typically lower margin sectors but continued softness in typically higher margin sectors. Within this however, it is pleasing to see an improved trend in Health and Community (after a shaky end to FY25) and to a lesser extent, Education and Training. For PPE's higher margin end markets (e.g. IT and Telco), the performance versus PcP remains flat against soft comps. Hours worked in supporting administrative roles remain weak.

Figure 1: Aggregate hours worked – H&C sub-verticals



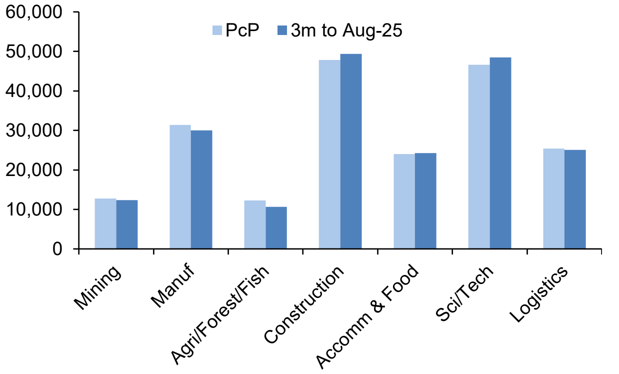
Source: Australian Bureau of Statistics

Figure 2: Aggregate hours worked – PS sub-verticals



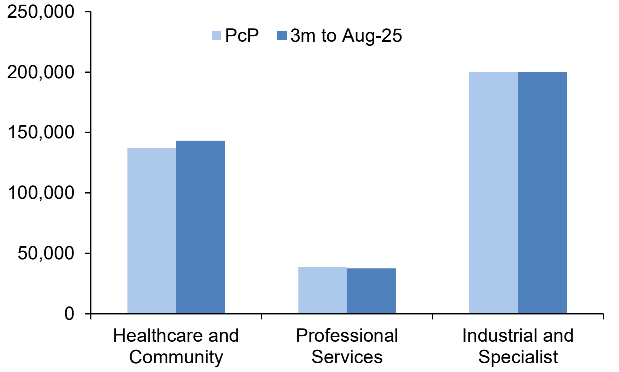
Source: Australian Bureau of Statistics

Figure 3: Aggregate hours worked – I&S sub-verticals



Source: Australian Bureau of Statistics

Figure 4: Aggregate hours worked – totals



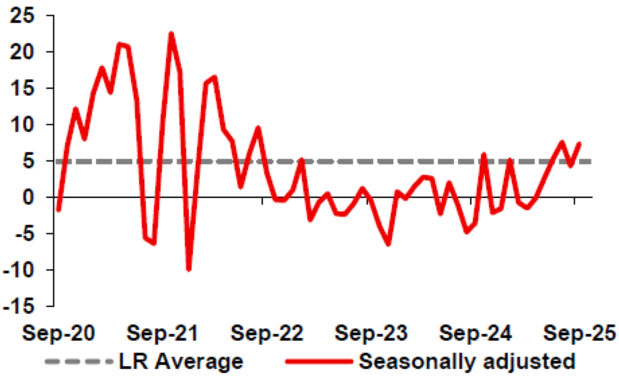
Source: Australian Bureau of Statistics

Across the key employment areas relevant to PPE that we monitor, there has been a total increase in hours worked of 1.3% versus the PcP (i.e. June to August). While the data is not perfectly aligned to PPE's financial year and before considering any potential market share changes that may have occurred during the period, the data in our view supports our current FY26 revenue settings (a total increase in hours worked but continued negative mix shift). That said, strong cost management (Project Unite and benefits from the Singapore office closure) augmented by the $6m share buy back in our view can still deliver earnings growth in FY26. We reiterate our view that PPE is a 'when, not if' story, with the company highly leveraged to an eventual turnaround in higher margin segments.

What will it take to see earnings rebound materially?

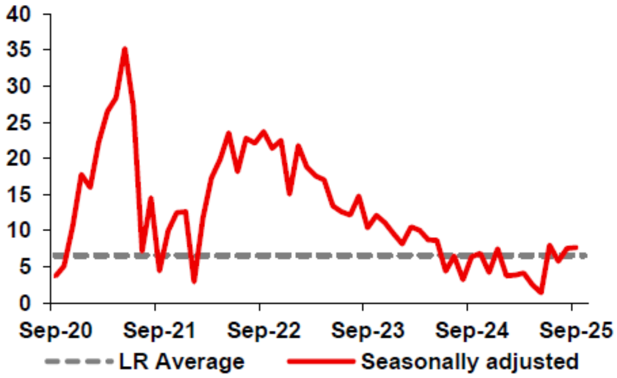
We continue to see business confidence as an important lead indicator to private sector employment. At its FY25 result, PPE management noted that low business confidence had impacted investment decisions across the Industrial and Specials, and Professional Services divisions, with capacity still falling versus peak levels (2023). It is therefore pleasing that after a modest decline in August, business confidence (as measured by National Australia Bank, Figure 5) improved in September to return to its long-term average. The same can be said of business conditions measures (Figure 6). We continue to see the Brisbane Olympics as the single largest catalyst for PPE, but do not expect to see an impact for another 12-18 months. In the interim, we continue to look for signs of improvement in the Professional Services segment. At its FY25 result, PPE management noted new projects and investment in the sector remained slow, but there were indications of improvement, including for the IT focused Halcyon Knights (HK) business, for later in the year. For over twelve months, we have noted an improvement in this business as another major catalyst for PPE.

Figure 5: Business confidence (seasonally adjusted)



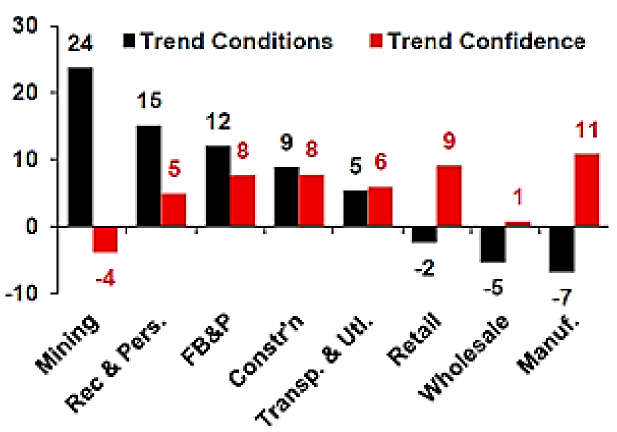
Source: NAB

Figure 6: Business conditions (seasonally adjusted)



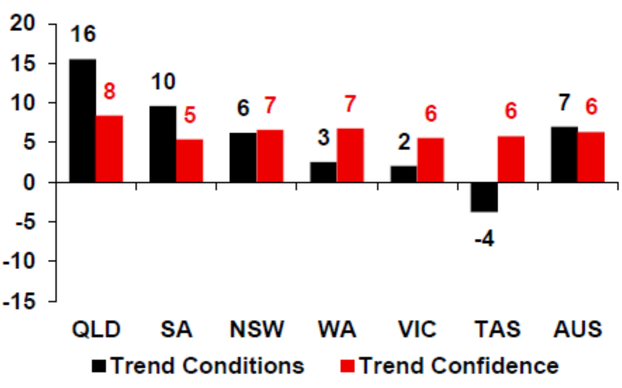
Source: NAB

Figure 7: Conditions and confidence – by industry



Source: NAB

Figure 8: Conditions and confidence – by state



Source: NAB

Valuation roll forward lifts TP +13% to $0.89

With 1H26 rapidly drawing to a close, we have rolled forward our valuation to now include FY27 earnings in a 50/50 mix. This increases our target price from $0.79 to $0.89. We reiterate our previous comments that PPE management are doing a very good job of ‘controlling the controllables’ and that owning the stock is a simple matter of ‘when and not if’. We continue to look for evidence of increased volume through Halcyon Knights as a near-term catalyst and remind investors that PPE will be a beneficiary of the major employment boon associated with the Brisbane Olympics. Hold retained.

Petra Capital

Level 17, 14 Martin Place, Sydney NSW 2000 Office: +61 2 9239 9600

Level 5, 1 Collins Street, Melbourne VIC 3000 Office: +61 3 9123 3000

ABN 95 110 952 782
ACN 110 952 782
AFSL 317 944

Disclosure

This document has been prepared in Australia by Petra Capital Pty Ltd which holds an Australian Financial Services License AFSL 317 944. Petra Capital Pty Ltd is an ASX and Chi-X Market Participant. Petra Capital Pty Ltd and its associates, officers, directors, employees and agents, from time to time, may receive brokerage, commissions, fees or other benefits or advantages, hold securities in companies researched by Petra Capital Pty Ltd and may trade in these securities either as principal or agent.

Disclaimer

The information or advice contained in this report has been obtained from sources that were accurate at the time of issue, however the information has not been independently verified and as such, Petra Capital Pty Ltd cannot warrant its accuracy or reliability. Persons relying on this information do so at their own risk. To the extent permitted by law, Petra Capital Pty Ltd disclaims all liability or responsibility for any direct or indirect loss or damage (including consequential loss or damage) caused by any error or omission within this report, or by persons relying on the contents of this report.

This report is published by Petra Capital Pty Ltd by way of general information or advice only. This report does not take into account specific investment needs or other considerations that may be pertinent to individual investors. Before making any investment decisions based on this report, parties should consider, with or without an investor adviser, whether any relevant part of this report is appropriate to their financial circumstances and investment objectives. Petra Capital Pty Ltd is a licensed institutional/wholesale stockbroking firm. The report is only intended for institutional and sophisticated clients to whom Petra Capital Pty Ltd has issued the report. Petra Capital Pty Ltd is not licensed to advise retail investors – retail investors should contact their own stockbroker or financial adviser/planner for advice.

Ratings

Information regarding the scope and expertise of our research services, processes for selection for coverage, and the management of conflicts of interest can be found on Petra Capital's website at http://www.petracapital.com.au/research-disclosures. Petra Capital uses the following ratings system and definitions: Buy - Forecast to re-rate by more than 5% in 12 months; Hold - Forecast to perform up to 5% above or below the current market price in 12 months, or alternatively, where a share price exceeds Petra Capital's valuation but there is a belief that business growth opportunities or commodity price moves, may result in material valuation and share price upside within 12 months; Sell - Forecast to underperform by more than 5% in 12 months; Speculative Buy - Speculative Investment; Take Profits - Recommend taking short term profits in a stock we remain fundamentally positive on a medium term view; Accept Offer - For a company under takeover where we see the offer as a fair price with low risk of a competing offer; No Rating - No rating at this time.

US Investors

This material is intended solely for use in the United States by Major U.S. Institutional Investors (MUSIIs), as defined under Rule 15a-6 of the U.S. Securities Exchange Act of 1934, and may not be distributed to or relied upon by others. Transactions with MUSIIs are chaperoned by USQ Securities LLC, a broker-dealer registered with the SEC and a member of FINRA (www.usqsecurities.com), in accordance with the chaperoning agreement between USQ Securities LLC and Petra Capital Pty Ltd. Information herein is believed reliable but has not been independently verified. It is provided for informational purposes only and does not constitute an offer, solicitation, or personal investment advice. Opinions and estimates reflect the judgment of Petra Capital Pty Ltd at the time of preparation and are subject to change without notice. Petra Capital, USQ Securities, and their affiliates may, from time to time, hold positions or transact in securities mentioned herein.

Canadian Investors

Petra Capital Pty Ltd is not registered as an adviser in Canada and is relying upon the international adviser exemption in British Columbia, Ontario and Quebec as permitted under National Instrument 31-103. Petra Capital is incorporated and headquartered in Australia and has an Australian Financial Services License. All its assets are situated outside Canada and, as a result, there may be difficulty enforcing any legal rights against Petra Capital. Its agents for service of process are: Lawdell Corporate Services Limited, 1600, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2; ToryCo Services c/o Torys LLP, 79 Wellington Street West, Suite 3000, Toronto, Ontario, M5K 1N2; and Torys Law Firm LLP, 1 Place Ville Marie, Suite 2880, Montréal, Québec H3B 4R4.

Other International

International investors are encouraged to contact their local regulatory authorities to determine whether restrictions apply in buying/selling this investment.