

# PRESS RELEASE

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## Programmed Posts Half-Year Profit Over \$12 Million

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Staffing, maintenance and facilities management group Programmed Maintenance Services (ASX: PRG) announced a net profit of \$12.4 million for the first half of financial year 2014 this week. Growth was flat on the prior corresponding period, but net debt was down 40% from March 2013 to \$40 million.

Programmed operates in three divisions: resources, integrated workforce and property and infrastructure management. Around half of total annual revenues of \$1.5 billion come from the property management division. This work involves facilities management such as cleaning, security and ground maintenance for public sector and private commercial properties.

The success of the property division offset lower earnings from its engineering services and resources division, which was hit by the reduced spends in mining activity projects. The company said that growth in marine and offshore activity would support revenues in the second half of the year.

The human resource business provides staff to private and government industries including, infrastructure, education, correctional services and tourism. The chief executive noting that revenues were affected by continuing weak economic activity, with businesses not hiring as indicated by October's Australian Bureau of Statistics's weak employment data.

Programmed recently bought a 27.5% stake in OneShift for \$5 million. Oneshift is an online recruitment business that matches candidates with employers for no placement fee. The group says this is indicative of rapid structural change in the recruitment industry, with many white-collar recruitment firms seeing placement fees at historical lows.

The fully-franked interim dividend was up 20% to six cents per share and is payable to investors on the register at 9 January 2014. This places the business on a full-year dividend yield comfortably above 5%. The group trades on a moderate price-to-earnings ratio around 11 based on financial year 2013 earnings.

While other engineering services businesses have struggled, Programmed's diversified revenue streams have seen it record a flat result. The group continues to grow in size and capabilities, but growth remains dependent on the larger economy and the outlook for that is mixed.

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