

## Talent grows EBIT by 93% as revenue edges closer to \$1 billion

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Talent has achieved 93% EBIT growth in the past financial year, and has set out its plans for doubling profits in the next four years as Australia's "last independent super agency".

The company's global EBITDA increased to \$27 million, on revenue up 26% year-on-year to \$909 million, says CEO **Mark Nielsen**.

In ANZ alone, EBIT grew 85% to \$23 million, he tells Shortlist.

Nielsen says the results indicate a strong return on investment from its expansion into the US, UK, and Germany, as well as growth in its Solutions and Avec businesses.

"Those four components... are now about 25% of EBITDA. So, those have really turned around nicely, and they're really starting to add considerable value."

Talent Managed Solutions, launched in 2019, now has more than 15 customers and saw 50% top-line growth over the past year, says Nielsen, while Avec, one of the "cornerstones of the business", grew by about 80%.

### Results driven by performance, not the market

While acknowledging "exceptional tailwinds" in the recruitment market, Nielsen says this accounts for only a small portion of the company's results.

"If you have a look at our competitors and other players in the sector... I would say that growth in the market is probably about 20–25%. So, our view is anything over and above that is performance driven," he says.

"It's a combination of gaining market share, a combination of the way we handled COVID – that our team is intact, resilient, and really, really driven – and obviously the benefit of the investment in the offshore businesses and the other streams that we're rolling out."

### Four-year goal to double profitability

Looking ahead, Talent has set a goal to double its profitability over the next four years, says Nielsen.

"Obviously [we'll] continue to focus on building out the core contractor/perm business in ANZ, so we're looking to increase that by 20% (top line)," he says.

But the plan also involves growing some offerings now in their "infancy", including a Microsoft practice and a P&C advisory component, "which is really putting together P&C teams for organisations".

"On top of that, we are also looking for acquisitions as well," he says.

"What we want to focus on there is on the deep tech side, which is really area-specific because we look at data, we look at robotics, AI, cyber."

In the meantime, though, Nielsen hopes to achieve \$1 billion in revenue in "the next couple of years".



Mark Nielsen, Talent

This is despite the impact of any economic downturn, which is likely to reduce the contribution from permanent recruitment – this hit 25% in FY22 up from the company's "rule of thumb" of 20%.

"Everything always works in cycles" he notes, so preparing involves making sure there's enough "runway" in other streams.

"The fact that we're in tech makes a huge difference. The fact that we're in government, the fact that most of our customers are blue chip – yes, we have got some exposure to the startups and the scaleups, but it's not that significant a portion of the business.

"So... I think any slowdown will create opportunities for us, because we're coming into this exceptionally strong, we've got a strong balance sheet, we've got a good brand in the market."

## The "last independent super agency"

Nielsen says that following [Randstad's acquisition of Finite](#) last month (for [about \\$190 million](#), Talent is now Australia's "last independent super agency", with local headcount around 300 (and about 420 globally).

This market shift a "huge opportunity" for the organisation, he says.

"The way Talent is structured, its management... we can move at pace, we can do things probably a lot quicker than most of our competitors, which is definitely a huge advantage given where everything is going."

Recently appointed CFO **Megan Woodbury** adds that the business structure is "empowering".

"The board has got a very clear agenda, and you can see that through the growth of Avec and Solutions and the global brands. And that agenda, I think, is set with clarity – all of the executive team and below... are very clear, they're on board with our strategy, and I think that's what's driving a lot of that company performance."

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