

SD Worx NV

Earnings release for the financial
year ending 31 December 2024

Regulated information

Forenote

The income statement and balance sheet for the financial year ending 31 December 2024 of SD Worx NV and its subsidiaries ("SD Worx" or the "Group") included in this Earnings Release are reported under the International Financial Reporting Standards as endorsed by the EU ("IFRS"). SD Worx NV will publish a full set IFRS financial statements in its annual report per end of April 2025.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Please note that the Group therefore consolidated the following newly acquired subsidiaries:

Subsidiary	Incorporated in	Acquired on
Geonex NV	Belgium	4 December 2024
Caldera S.p.A. ("F2A")	Italy	30 October 2024
The Mushroom Factory B.V. ("TMF Jobs")	Netherlands	6 August 2024
TribePerk Sp.z o.o.z	Poland	15 May 2024
Romanian Software S.R.L.	Romania	25 April 2024
SoftMachine Systems S.L.	Spain	21 December 2023
Gavdi Poland	Poland	2 October 2023

Besides an income statement and balance sheet, SD Worx also presents alternative performance indicators to provide a more consistent and comparable indication of the Group's underlying financial performance.

The statutory auditor, Deloitte Bedrijfsrevisoren BV, represented by Ben Vandeweyer, confirmed that the audit of the company's consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union, and with the legal and regulatory requirements applicable in Belgium, is substantially completed. The statutory auditor confirmed the Financial Results are derived from the consolidated financial statements at 31 December 2023, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union.

FY'2024 Condensed Consolidated Income Statement (1/2)

In € 000 000

	31 Dec 2024	31 Dec 2023	Delta	%
Revenue	1.180,3	1.058,0	122,4	11,6%
- Staffing costs	-780,4	-725,8	-54,7	7,5%
- Other operating cost	-171,1	-156,7	-14,4	9,2%
+ Other operating income	3,6	5,0	-1,3	-26,8%
+/- Operational FX differences	0,3	1,4	-1,2	-81,3%
<i>Total net operating costs</i>	<i>-947,6</i>	<i>-876,0</i>	<i>-71,6</i>	<i>8,2%</i>
Adjusted EBITDA	232,7	181,9	50,8	27,9%
<i>Adjusted EBITDA margin %</i>	<i>19,7%</i>	<i>17,2%</i>	<i>2,5%</i>	<i>14,7%</i>
- Restructuring and integration costs	-7,9	-9,5	1,6	-17,2%
- Acquisition & transaction costs related to third parties	-2,7	-2,0	-0,7	32,8%
- Non-committed stock based compensation	-10,2	-5,4	-4,8	87,9%
+/- Other non-operating income/expense below the line	-0,4	0,0	-0,4	1470,3%
EBITDA	211,5	164,9	46,6	28,2%

FY'2024 Condensed Consolidated Income Statement (2/2)

In € 000 000

	31 Dec 2024	31 Dec 2023	Delta	%
EBITDA	211,5	164,9	46,6	28,2%
- Depreciations and amortisations	-43,8	-31,1	-12,7	41,0%
- Depreciations and amortisations relating to right of use assets	-24,3	-25,0	0,7	-2,8%
- Depreciations and amortisations from PPA	-10,9	-7,5	-3,4	45,3%
- Impairment of assets	-0,5	-3,1	2,6	-83,2%
EBIT	132,0	98,3	33,7	34,3%
- Financial expenses	-12,7	-10,6	-2,1	20,0%
+ Financial income	2,3	2,0	0,3	16,9%
'+/- Non-operational FX differences	3,2	-1,6	4,8	-303,2%
Profit before tax	124,8	88,1	36,7	41,7%
- Taxes	-30,0	-18,0	-12,0	66,6%
Profit after tax	94,8	70,1	24,7	35,3%
Profit and loss associated companies	0,1	0,1	0,0	14,1%
Consolidated net result after tax	94,9	70,1	24,7	35,2%
Result of the Group	94,7	70,1	24,5	35,0%
Profit attributable to non-controlling interest	0,2	0,0	0,2	2289,2%

FY'2024 Consolidated Balance Sheet

In € 000 000

	31 Dec 2024	31 Dec 2023	Delta	%
Non-current assets	881,7	617,7	264,0	42,7%
Goodwill	549,6	369,1	180,6	48,9%
Intangible assets	193,6	119,0	74,6	62,6%
Property, plant and equipment	20,8	19,8	0,9	4,7%
Right of Use assets	77,3	67,0	10,4	15,5%
Investments in associates	0,3	0,2	0,1	45,3%
Financial assets	3,1	2,9	0,2	7,3%
Other non-current assets	16,0	11,7	4,3	36,9%
Deferred tax assets	21,0	28,0	-7,0	-25,0%
Current assets	417,1	381,3	35,8	9,4%
Inventories	0,9	0,9	0,0	4,7%
Trade and other receivables	284,5	246,2	38,2	15,5%
Current income taxes	11,0	5,5	5,5	100,6%
Other financial receivables	1,9	1,1	0,7	66,4%
Cash and cash equivalents	118,6	125,8	-7,3	-5,8%
Funds held for clients	0,2	1,7	-1,5	-86,7%
Total assets	1.298,8	999,0	299,8	30,0%

	31 Dec 2024	31 Dec 2023	Delta	%
Equity	475,4	453,2	22,2	4,9%
Capital	548,0	548,0	0,0	0,0%
Share premium	94,1	94,1	0,0	0,0%
Currency translation reserve	-15,2	-13,2	-2,0	15,4%
Other reserves	51,7	48,9	2,8	5,8%
Retained earnings	-203,2	-224,6	21,4	-9,5%
Non-controlling interest	1,5	1,2	0,2	17,1%
Non-current Liabilities	498,0	233,7	264,2	113,1%
Borrowings	365,9	151,4	214,5	141,7%
Other financial liabilities	13,0	1,7	11,3	674,4%
Lease liabilities	57,5	52,7	4,8	9,0%
Provisions	4,0	3,3	0,7	22,0%
Employment benefit obligations	30,2	16,8	13,3	79,0%
Deferred tax liability	18,6	5,2	13,4	258,9%
Other non-current liabilities	8,8	2,6	6,2	242,2%
Current Liabilities	324,0	310,7	13,2	4,3%
Borrowings	0,9	0,4	0,5	148,9%
Other financial liabilities	58,4	63,8	-5,3	-8,4%
Lease liabilities	25,7	22,1	3,6	16,3%
Provisions	0,1	0,0	0,1	100,0%
Trade and other payables	226,4	213,8	12,6	5,9%
Funds held for clients	0,2	1,7	-1,5	-86,7%
Current tax liabilities	12,3	9,0	3,3	36,9%
Total equity & liabilities	1.298,8	999,0	299,8	30,0%

FY'2024 Segment Information (1/2)

In € 000 000

The Group's revenue from contracts with customers is disaggregated following the two main business segments:

- SD Worx People Solutions includes a full range of solutions in the areas of payroll and HR Managed services, work force management as well as HR consulting services.
- SD Worx Staffing & Career Solutions is active in the areas of flexible work, temporary work, secondment, recruitment & selection, career guidance, outplacement, specific payroll for temporary workers and consultancy.

	31 Dec 2024	31 Dec 2023	Delta	%
Revenue				
SD Worx People Solutions	962,4	834,1	128,3	15,4%
SD Worx Staffing & Career Solutions	220,4	228,4	-7,9	-3,5%
Intersegment elimination	-2,5	-4,5	2,0	-44,3%
Total revenue	1.180,3	1.058,0	122,4	11,6%
Adjusted EBITDA				
SD Worx People Solutions	231,1	177,0	54,1	30,6%
SD Worx Staffing & Career Solutions	1,6	4,5	-2,9	-64,9%
Intersegment elimination	0,0	0,0	0,0	-
Total adjusted EBITDA	232,7	181,6	51,2	28,2%

Non-adjusting events after the reporting period

- On 12 February 2025, the Group performed a buyout of the minority shareholders of Huapii BV. Prior to the transaction, the Group held 80% of the outstanding shares. Upon completion of the transaction, the Group is the sole shareholder of the entity.

Changes in the consolidation scope

- On 8 December 2023, the Group entered into a binding agreement to acquire 80% of the outstanding shares of Romanian Software S.R.L. The closing of this agreement was subject to several conditions precedent which were fulfilled on 25 April 2024. The company, with headquarter in Bucharest, is a provider of payroll and HCM software and services in Romania. Through the acquisition, the Group aims at supporting its expansion in the Central & Eastern European markets. The Group has an agreement with the remaining third-party shareholders to acquire the remaining shares in 2025.
- On 15 May 2024, the Group acquired all of the outstanding shares of Tribeperk Sp.z o.o.z, a Polish HR tech start-up company which offers an integrated suite of cloud-based HCM solutions. Through the acquisition, the Group further expands its presence in the Polish market and strengthens its payroll IP.
- On 6 August 2024, the Group announced that it has fully acquired TMF Jobs, a recruitment and temporary employment agency focused on European cross-border workers. With this transaction SD Worx Staffing Solutions reinforces its market position and expands its presence in the Netherlands.
- On 30 July 2024, the Group announced its intent to acquire 100% of the shares of F2A, the leading provider of tech-enabled services in the HR and F&A sector in Italy, from private equity fund Ardian. The Group already had a presence in Italy, supporting international companies. F2A employs over 1,200 professionals and serves nearly 6,000 customers and accounts for an estimated turnover for 2024 of more than million euro 100 on a pro forma basis. The closing of the acquisition was subject to regulatory approvals, specifically merger clearance and foreign direct investment clearance in Italy which was obtained, following which the acquisition closed on 30 October 2024.
- On 4 December 2024, the Group purchased 100% of the shares of Geonex NV. Geonex is a Belgian based, family-founded payroll company, with a good customer portfolio. Through the acquisition the Group aims at further solidifying its position within the Belgian market.

Alternative Performance Measures

Alternative performance measures (“APMs”) present useful information which supplements the group’s financial statements and which allow the reader of the financial statements to better understand the financial state of the Issuer and the wider Group. These measures are not defined under IFRS and may not be directly comparable with APMs for other companies. The APMs represent important measures for how management monitors the company and its business activity. The APMs are not intended to be a substitute for, or superior to, any IFRS measures of performance. Some of the financial information presented in our annual reports contains APMs. These include EBITDA and Adjusted EBITDA.

During the current period, the Group has relabelled some of the APMs that are being used with the intent to better align them with market practice. As a result of this exercise, the following changes in naming have been made compared to the naming previously used in the annual financial statements for the year ended 31 December 2023:

Currently named	Previously named
Adjustment	Normalisation
Adjusted EBITDA	Normalised EBITDA
Gross profit	Gross margin

“EBITDA” means Earnings Before Interest, Taxes, Depreciation and Amortisation, or operating result profit (loss) before charges for fixed asset depreciation, amortisation and impairment. As an explanation for the use of this APM, EBITDA provides an analysis of the operating results, excluding depreciation and amortisation, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. Additionally, it is an APM which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors.

“Adjusted EBITDA” means EBITDA after Adjustments. As an explanation for the use of this APM, Adjusted EBITDA is used to provide insight in the recurring level of operational profitability. Please also refer to the definition of Normalizations below.

“Adjustments” means the revenues and expenses of which, in case of a change of control, an acquirer has the choice or option (mid- or long-term) to not realise those revenues or incur those expenses. In other words, expenses or revenues which are not part of the recurring business operations of the Issuer and its Subsidiaries. Adjusted EBITDA is determined as EBITDA before (a) restructuring & integration costs, (b) business and asset disposals, (c) acquisition & transaction costs related to third parties, (d) profit or loss from discontinued operations, and (e) share-based compensation.

IFRS income statement including non-recurring classification

In € 000 000

	31 Dec 2024	31 Dec 2023
Revenue	1.180,3	1.058,0
- Services and other goods	-170,0	-156,0
- Employee benefit expenses	-794,1	-734,0
- Other operating expenses	-8,6	-9,4
+ Other operating income	3,6	5,0
- Depreciation and amortisation expenses	-79,0	-63,6
- Impairment of assets	-0,5	-3,1
+/- Operational FX differences	0,3	1,4
<i>Total net operating costs</i>	<i>-1.048,4</i>	<i>-959,7</i>
Operating profit	132,0	98,3
- Financial expenses	-12,7	-10,6
+ Financial income	2,3	2,0
+/- Net exchange difference relating to financing activities	3,2	-1,6
Finance costs net	-7,2	-10,2
+ Share of profit of associates and joint ventures	0,1	0,1
Profit before tax	124,8	88,1
- Taxes	-30,0	-18,0
Profit for the year	94,9	70,1
Attributable to:		
Equity holders of the parent	-94,7	-70,1
Non-controlling interests	-0,2	0,0

Compliance Certificate

The Group confirms that the Adjusted Leverage does not exceed 4:1 as per the Reference Date 31 December 2024.

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Filip Dierckx,
Chairman of the Board of Directors

Nadine Aerts

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Nadine Aerts,
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