

Freelancer

FY25 results

Operational improvements boost profits

Modest revenue growth combined with careful cost control resulted in record adjusted operating profit and net income for FY25. Increasing demand in the Loadshift business helped drive Freelancer divisional gross marketplace volume (GMV) and revenue growth. While Escrow.com volumes were down, better pricing supported revenue growth. In FY26, the company is focused on enhancing core marketplace engagement, accelerating AI-driven innovation, lifting the award rate in Loadshift, powering large-scale deployments in enterprise and expanding into more verticals in Escrow.com.

Year end	Revenue (AUDm)	EBIT (adj) (AUDm)	PBT (AUDm)	EPS (AUc)	P/E (x)
12/24	51.0	0.8	(1.2)	(0.26)	N/A
12/25	53.2	2.0	3.4	0.49	38.6
12/26e	56.4	2.3	2.2	0.32	59.6
12/27e	59.8	3.0	2.9	0.43	44.7

Note: Adjusted EBIT is after depreciation and interest charges associated with capitalised leases and excludes unrealised fx gains or losses, share-based payments and other depreciation. PBT and diluted EPS are normalised and exclude amortisation of acquired intangibles, exceptional items and share-based payments.

FY25 revenue +4%, net profit turns positive

Escrow.com was the main driver of revenue growth in FY25, helped by improved pricing, and reported its fifth year of profits. Loadshift reported 12% revenue growth and its first profitable full year. This helped the group report a record level of adjusted operating profit at A\$2.0m and net income of A\$2.2m.

Looking to scale in FY26

The company is using AI to enhance its platforms in order to improve efficiency and help convert and retain customers. In the enterprise business, the company is targeting areas with deep pools of repeatable work and is assessing the best way to scale this efficiently with its network of freelancers. Escrow.com continues to scale up its e-commerce service for a large shopping cart provider and sees good opportunities to grow volume in verticals outside of domain names. We have trimmed our revenue forecast for FY26 but maintain our adjusted operating profit forecast (4.1% margin). We introduce a 6% revenue growth and 5.1% operating margin forecast for FY27.

Valuation: GMV growth the main driver

A reverse discounted cash flow analysis implies that the market is factoring in only low-single-digit revenue growth and mid-single-digit margins for the group over FY28–35. Factoring in revenue growth of 7% per year from FY28 to FY35 and EBITDA margins increasing to 20% by FY35 as the company benefits from operational leverage results in a valuation of A\$0.53/share, 179% above the current share price. With improved take rates in Escrow.com and an already high take rate for the Freelancer marketplace, we view reversal of the GMV declines as the key to driving revenue growth. Catalysts would include higher retention rates and project sizes in the core marketplace, enterprise contract wins, growing Loadshift GMV and a growing contribution from customers in new verticals for Escrow.com.

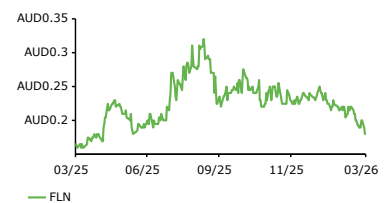
Software and comp services

4 March 2026

Price **AUD0.190**
Market cap **AUD86m**

Net cash/(debt) at end FY25	AUD22.9m
Shares in issue	450.9m
Free float	18.0%
Code	FLN
Primary exchange	ASX
Secondary exchange	OTC

Share price performance



%	1m	3m	12m
Abs	(9.1)	(16.7)	25.0
52-week high/low		AUD0.3	AUD0.2

Business description

Freelancer is an Australian company, operating one of the world's largest online marketplaces for freelancers. Its marketplace division has two business units and the company also owns Escrow.com, which is a large transactions processor.

Next events

Q126 update	Mid-April
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Review of FY25 results

Group GMV declined 7.1% y-o-y, with growth of 2.3% for Freelancer and a decline of 8.6% for Escrow.com. Group revenue grew 4.3% y-o-y (Freelancer +0.7%, Escrow +18.8%). Reported operating profit of A\$4.18m compared to A\$0.04m in FY24. Stripping out an unrealised fx gain of A\$1.5m in FY25 and an unrealised fx loss of A\$1.8m in FY24, underlying operating profit increased A\$1.2m y-o-y to A\$2.0m. Escrow.com reported its fifth consecutive year of profitability and Loadshift reported its first full year profit. Net income of A\$2.2m was a record and compared to a loss of A\$0.8m in FY24.

Net cash excluding leases decreased A\$0.3m to A\$22.9m at year-end, after operating cash inflow of A\$7.7m, capex of A\$0.3m, lease payments of A\$5.4m, fx of -A\$0.8m and A\$1.5m paid to increase the stake in Loadshift from 60% at the end of FY24 to 73.4% at the end of FY25.

Exhibit 1: Revenue and GMV, FY25 and Q425

	FY25	FY24	y-o-y	Q425	Q424	y-o-y
GMV total (A\$m)	881.5	948.6	-7.1%	225.6	219.1	3.0%
Freelancer	133.4	130.5	2.3%	32.8	33.0	-0.4%
Escrow	748.1	818.2	-8.6%	192.8	186.1	3.6%
Revenue total (A\$m)	53.2	51.0	4.4%	12.9	12.6	1.9%
Freelancer	40.9	40.6	0.7%	9.8	9.9	-1.4%
Escrow	12.3	10.4	18.8%	3.1	2.7	14.0%
Take rate - group	6.04%	5.37%	0.66pp	5.70%	5.76%	-0.06pp
Freelancer	30.66%	31.12%	-0.46pp	29.80%	30.11%	-0.31pp
Escrow	1.65%	1.27%	0.38pp	1.60%	1.45%	0.15pp

Source: Freelancer

Exhibit 2: Results highlights

A\$m	FY24a	FY25e	FY25a	diff	y-o-y
Revenues	51.0	54.7	53.2	-2.6%	4.3%
Gross profit	41.8	45.4	45.3	-0.1%	8.5%
Gross margin	81.9%	83.0%	85.2%	2.2pp	3.3pp
Reported operating profit	0.0	4.8	4.2	-12.9%	N/A
Reported operating margin	0.1%	8.8%	7.9%	-0.9pp	7.8pp
Company adjusted operating profit	0.8	2.2	2.0	-7.1%	163.0%
Company adjusted operating margin	1.5%	4.0%	3.8%	-0.2pp	2.3pp
Normalised net income	(1.2)	2.1	2.2	7.2%	288.9%
Reported net income	(0.8)	3.0	2.2	-28.0%	366.0%
Normalised diluted EPS (c)	(0.26)	0.46	0.49	7.3%	288.9%
Reported basic EPS (c)	(0.18)	0.67	0.48	-28.0%	366.0%
Net debt/(cash)	(23.2)	(26.0)	(22.9)	-11.9%	-1.0%

Source: Freelancer, Edison Investment Research

Freelancer

Marketplace

In FY25, the core marketplace onboarded 7.32m new users (1.73m in Q425) with 666k new projects added to the marketplace in the year and 142k added in Q425 (Q424: 173k, Q325: 171k). In Q425, there was a decline in new customer acquisition, primarily due to a technical error in the SEO (search engine optimisation) channel. This has since been rectified and numbers are returning to their previous levels. Conversely, SEM (search engine marketing) is performing well and volumes from this channel are currently at record levels. Marketplace liquidity remains robust at an average of 54 bids per project (Q424: 51, Q325: 57). Average project size (including enterprise and Loadshift jobs) was US\$413 in Q425, up from US\$395 in Q325 and US\$334 in Q424.

AI is influencing Freelancer's core marketplace in three different ways:

- **AI-related demand:** AI-related jobs now make up c 5% of marketplace volume. This includes projects to help clients redesign their workflows around AI. Within the enterprise segment, this includes GenAI projects where teams of freelancers help train large language models.

- **AI-enhanced skills:** freelancers are using AI to boost their skills, supporting them to undertake more complex and higher value work.
- **AI-enhanced marketplace functionality:** Freelancer is using AI to automate various functions in the marketplace. It is already used to automate the project review process and in Q126 is going to be introduced into the primary job-posting funnel to more efficiently match talent and counter the impact of AI-enhanced bid spam. The business has also just launched Prototyper, a new AI-powered collaborative whiteboard that enables clients and freelancers to prototype ideas together in real time. This will replace lengthy text-based briefs with visual collaboration. The aim is to improve conversion and project outcomes as adoption scales across the platform.

Other enhancements to the platform include client-initiated audio and video calling within the marketplace pre-award (launched January 2026) and improvements to the payments infrastructure, particularly in India. The calling functionality is restricted to the highest-tier supply-side membership and has driven a modest increase in subscriptions in this tier.

Enterprise

The business has established an office in Bengaluru to drive sales and support operations across the region. It has already secured multiple Indian enterprise clients and is working to advance a pipeline of opportunities through the contractual process. It is seeing initial demand from AI-related programmes. In Q425 in Kolkata, live field delivery started to support a major global technology company.

Earlier in the year, the company announced it had been selected for NASA's NOIS3 contract for crowdsourced projects worth US\$475m over 10 years. While task orders were delayed somewhat during the US government shutdowns, the company is starting to see them come through now.

In FY26, the focus for the enterprise business will be on powering large-scale freelancer deployments and scaling into North American markets.

Loadshift

FY25 revenue grew 12.4% and GMV grew 7.7%. The business reported record revenues in Q325 and Q425. The number of jobs posted in FY25 grew 4.4% to 47,241. The award rate increased from 27.1% in FY24 to 27.8% in FY25. Delivered loads increased 7.4% to 11,060.

Driving up the award rate is a key focus for management. We have previously written about the introduction of in-app audio and video calling, which is designed to make communication easier between customer and driver. The business is focused on driving adoption of the service as it is key to keeping jobs on-platform. The business is developing a real-time GPS tracking capability and has introduced an AI-powered automated follow-up message for jobs that have not received a response within 48 hours of posting.

Management noted the desire to expand outside of Australia, with Canada the first international market on the radar.

Escrow.com

While Escrow.com GMV declined in FY25 due to a particularly large IPv4 transaction in FY24, GMV for Q425 was 3.8% higher year-on-year. Revenue from Escrow.com increased 18.3% in FY25 and 14.0% in Q425, helped by higher take rates. The largest vertical for the business continues to be domain names, with US\$102.5m (c A\$154m, nearly 80% of quarterly GMV) processed in Q425 (+11.1% y-o-y). The company noted that .ai domain name sales in FY25 nearly tripled to US\$27.1m (+189%).

The business continues to develop its service for a large e-commerce shopping cart provider and through 2026 intends to sign up a critical mass of merchants to its service, growing its merchant acquisition team to support this.

Other verticals targeted include B2B electronics marketplaces and broker networks (recent sign-ups include BrokerBin, The Broker Site, BrokerForum and TradeLoop), luxury goods marketplaces, automotive, and business funding and M&A sites (Aquire.com, Pitch Capital).

The business enhanced its customer support function during FY25, adding 24/7 coverage, and will migrate Escrow.com's front-end to the Freelancer technology stack, which should start to go live in production from Q226. This should provide additional features and functionality for Escrow.com users, as well as create more opportunities for developers and engineers to work across all three Freelancer platforms (Freelancer, Loadshift, Escrow.com). It will also be possible for the Freelancer and Loadshift platforms to offer Escrow.com payment options.

Outlook and changes to estimates

The company continues to target double-digit revenue growth and consistent monthly operating profit of A\$0.5m. We have revised our forecasts to reflect the FY25 results and introduce forecasts for FY27.

We have moderated our growth assumptions for the core marketplace, reflecting the weaker Q425 rate of customer acquisition. We have increased our volume and price forecast for Escrow.com reflecting good Q425 performance and potential for volume growth from adoption across new verticals. We have factored in slightly lower lease costs due to recent relocations.

Exhibit 3: Changes to forecasts

A\$m	FY26e				FY27e	
	Old	New	change	y-o-y	New	y-o-y
Revenues	57.56	56.40	-2.0%	6.0%	59.81	6.0%
Gross profit	47.8	47.1	-1.4%	3.9%	49.9	6.0%
Gross margin	83.0%	83.5%	0.5pp	-1.7pp	83.5%	0.0pp
Reported operating profit	2.5	2.4	-4.2%	-42.2%	2.8	16.6%
Reported operating margin	4.4%	4.3%	-0.1pp	-3.6pp	4.7%	0.4pp
Company adjusted operating profit	2.3	2.3	0.5%	15.2%	3.0	30.0%
Company adjusted operating margin	4.0%	4.1%	0.1pp	0.3pp	5.1%	0.9pp
Normalised net income	1.5	1.4	-4.3%	-35.3%	1.9	33.5%
Reported net income	1.4	1.4	-4.0%	-36.4%	1.9	34.9%
Normalised diluted EPS (c)	0.33	0.32	-4.2%	-35.3%	0.43	33.5%
Reported basic EPS (c)	0.32	0.31	-4.0%	-36.4%	0.41	34.9%
Net debt/(cash)	(27.7)	(25.7)	-7.1%	12.2%	(28.6)	11.2%

Source: Edison Investment Research

Exhibit 4: Financial summary

	AS'k	2020	2021	2022	2023	2024	2025	2026e	2027e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue		58,771	57,419	55,660	53,334	51,003	53,214	56,400	59,810
Cost of Sales		(9,786)	(9,689)	(8,740)	(9,093)	(9,214)	(7,874)	(9,306)	(9,869)
Gross Profit		48,985	47,730	46,920	44,241	41,789	45,340	47,094	49,941
EBITDA		5,793	3,972	(746)	6,784	4,799	8,788	6,805	7,220
Company adjusted operating profit		(447)	(2,690)	(6,579)	568	771	2,028	2,336	3,037
Normalised operating profit		1,081	(922)	(5,216)	2,051	138	4,269	2,505	2,907
Amortisation of acquired intangibles		0	0	0	0	0	0	0	0
Exceptionals		0	0	0	0	0	0	0	0
Share-based payments		(192)	(156)	(159)	(115)	(94)	(85)	(85)	(85)
Reported operating profit		889	(1,078)	(5,375)	1,936	44	4,184	2,420	2,822
Net Interest		(1,751)	(2,035)	(1,655)	(1,717)	(1,314)	(832)	(309)	(23)
Joint ventures & associates (post tax)		0	0	0	0	0	0	0	0
Exceptionals		0	0	0	0	0	0	0	0
Profit Before Tax (norm)		(670)	(2,957)	(6,871)	334	(1,176)	3,437	2,196	2,884
Profit Before Tax (reported)		(862)	(3,113)	(7,030)	219	(1,270)	3,352	2,111	2,799
Reported tax		216	856	1,617	(30)	456	(1,146)	(633)	(840)
Profit After Tax (norm)		(670)	(2,957)	(6,871)	288	(1,176)	2,262	1,537	2,019
Profit After Tax (reported)		(646)	(2,257)	(5,413)	189	(814)	2,206	1,478	1,959
Minority interests		0	0	0	0	0	(41)	(100)	(100)
Discontinued operations		0	0	0	0	0	0	0	0
Net income (normalised)		(670)	(2,957)	(6,871)	288	(1,176)	2,221	1,437	1,919
Net income (reported)		(646)	(2,257)	(5,413)	189	(814)	2,165	1,378	1,859
Basic average number of shares outstanding (m)		450.0	450.2	450.8	450.9	450.9	450.9	450.9	450.9
EPS - basic normalised (c)		(0.15)	(0.66)	(1.52)	0.06	(0.26)	0.49	0.32	0.43
EPS - diluted normalised (c)		(0.15)	(0.66)	(1.52)	0.06	(0.26)	0.49	0.32	0.43
EPS - basic reported (c)		(0.14)	(0.50)	(1.20)	0.04	(0.18)	0.48	0.31	0.41
Dividend (c)		0	0	0	0	0	0	0	0
Revenue growth (%)		1.5	(2.3)	(3.1)	(4.2)	(4.4)	4.3	6.0	0.0
Gross Margin (%)		83.3	83.1	84.3	83.0	81.9	85.2	83.5	83.5
EBITDA Margin (%)		9.9	6.9	(1.3)	12.7	9.4	16.5	12.1	12.1
Normalised Operating Margin (%)		1.8	(1.6)	(9.4)	3.8	0.3	8.0	4.4	4.9
BALANCE SHEET									
Fixed Assets		61,727	66,372	66,248	60,502	55,496	50,831	47,816	46,788
Intangible Assets		26,457	34,119	34,120	34,120	34,120	34,130	34,130	34,130
Tangible Assets		22,785	19,392	18,323	13,751	9,423	5,205	2,190	1,162
Deferred tax & other		12,485	12,861	13,805	12,631	11,953	11,496	11,496	11,496
Current Assets		41,964	38,955	30,797	28,182	28,467	26,850	30,048	33,073
Stocks		0	0	0	0	0	0	0	0
Debtors		5,593	6,448	4,825	3,927	2,340	1,911	2,318	2,458
Cash & cash equivalents		34,341	30,316	23,358	21,153	23,162	22,925	25,716	28,601
Other		2,030	2,191	2,614	3,102	2,965	2,014	2,014	2,014
Current Liabilities		48,170	50,849	48,831	45,009	45,857	45,383	46,189	47,028
Creditors		39,166	41,259	39,647	36,529	37,135	36,464	40,270	42,609
Tax and social security		87	43	18	4	0	358	358	358
Short-term borrowings		286	121	121	121	0	0	0	0
Lease liabilities		5,628	5,709	5,562	4,842	5,487	4,543	1,543	43
Other		3,003	3,717	3,483	3,513	3,235	4,018	4,018	4,018
Long-Term Liabilities		26,356	23,148	21,749	16,850	11,391	6,277	4,891	4,005
Long-term borrowings		0	0	0	0	0	0	0	0
Lease liabilities		19,094	16,082	15,519	12,187	6,911	2,420	1,034	148
Other long-term liabilities		7,262	7,066	6,230	4,663	4,480	3,857	3,857	3,857
Net Assets		29,165	31,330	26,465	26,825	26,715	26,021	26,784	28,828
Minority interests		(20)	(3,674)	(3,674)	(3,674)	(3,795)	(3,195)	(2,495)	(2,595)
Shareholders' equity		29,145	27,656	22,791	23,151	22,920	22,826	24,289	26,233
CASH FLOW									
Op Cash Flow before WC and tax		4,066	2,637	(943)	4,922	3,847	6,725	5,778	6,272
Working capital		5,094	(1,463)	(3,930)	(3,505)	(45)	2,536	3,399	2,199
Exceptional & other		(1,439)	1,313	535	339	1,950	(1,612)	0	0
Share-based payments		192	156	159	115	94	85	85	85
Net operating cash flow		7,913	2,643	(4,179)	1,871	5,846	7,734	9,262	8,566
Capex		(221)	(429)	(149)	(53)	(92)	(295)	(285)	(285)
Acquisitions/disposals		(28)	(7,662)	0	0	0	(1,527)	(800)	0
Borrowings		176	0	0	0	0	0	0	0
Equity financing		0	3,987	0	0	0	0	0	0
Dividends		0	0	0	0	0	0	0	0
Other		(2,721)	(3,479)	(3,845)	(4,201)	(4,955)	(5,386)	(5,386)	(5,386)
Net Cash Flow		5,119	(4,940)	(8,173)	(2,383)	799	526	2,791	2,885
Opening net debt/(cash)		(31,893)	(34,055)	(30,195)	(23,237)	(21,032)	(23,162)	(22,925)	(25,716)

Source: Freelancer, Edison Investment Research

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