



PEOPLE INFRASTRUCTURE LTD
2018 ANNUAL GENERAL MEETING

PEOPLE
INFRASTRUCTURE

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Section 1: Chairman's Address – Glen Richards

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FY18 OVERVIEW

PEOPLE INFRASTRUCTURE HAS HAD ANOTHER SUCCESSFUL YEAR...

AUSTRALIA'S LARGEST LISTED WORKFORCE MANAGEMENT COMPANY

- Diversified exposure to outsourced HR services across the Australian and NZ economy
- 13,695 employees paid throughout the year

STRONG FINANCIAL PERFORMANCE ACROSS THE BUSINESS, EXCEEDING MARKET GUIDANCE

- EBITDA of \$13.0m - 27% above FY17 and 8% above prospectus forecast
- NPATA of \$8.4m, which is 34.9% above FY17 and 12.7% above prospectus forecast
- ROE of 19.5%

ACQUISITION STRATEGY PERFORMING WELL WITH STRATEGIC GROWTH IN THE HEALTHCARE AND IT SECTORS

CONTINUED IMPROVEMENT IN OPERATING EFFICIENCIES

- EBITDA margin of 5.9% up from 5.3% in FY17

STRONG CASH FLOW GENERATION ACROSS THE BUSINESS AND A CONSERVATIVE BALANCE SHEET

- Well positioned to invest in future growth with net debt/EBITDA of ~0.9x post NNA acquisition
- Maiden dividend of 4 cents per share fully franked

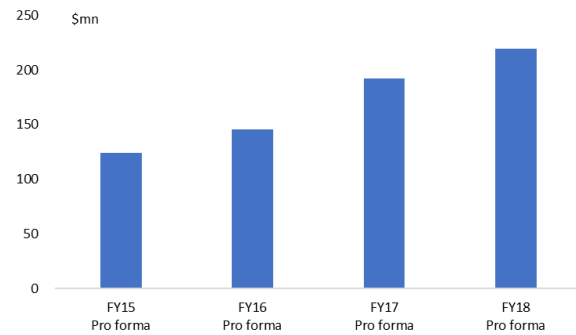
MAINTAIN MARKET LEADING SAFETY RECORD

- Industry leader in minimising employee workplace injuries as well as reduced premiums

GROWING SHAREHOLDER RETURNS

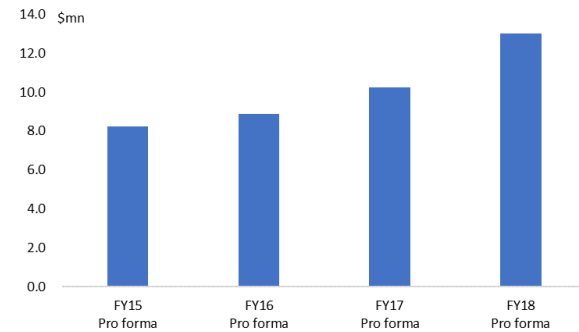
REVENUE GROWTH 2015 – 2018

15.4% CAGR



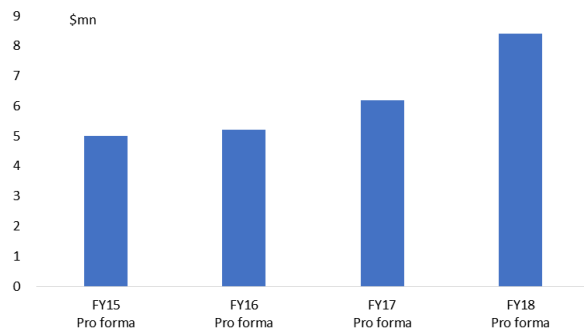
EBITDA GROWTH 2015 – 2018

12.1% CAGR



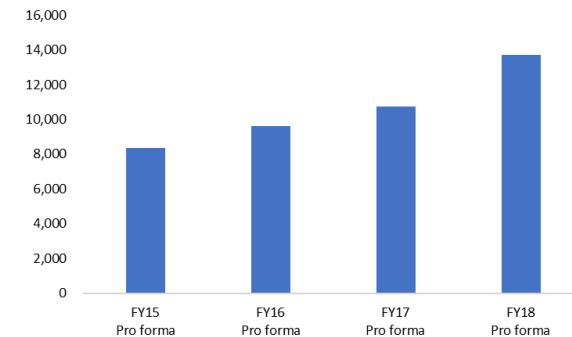
NPATA GROWTH 2015 – 2018

13.8% CAGR



NUMBER OF EMPLOYEES PAYROLLED

13.1% CAGR

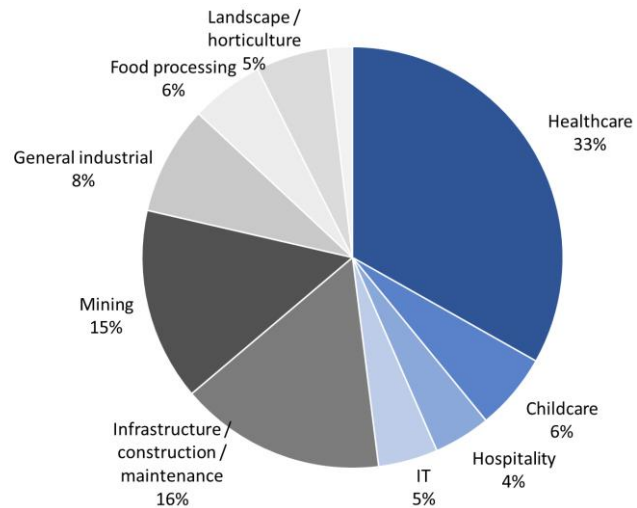


DIVERSIFIED WORKFORCE MANAGEMENT COMPANY

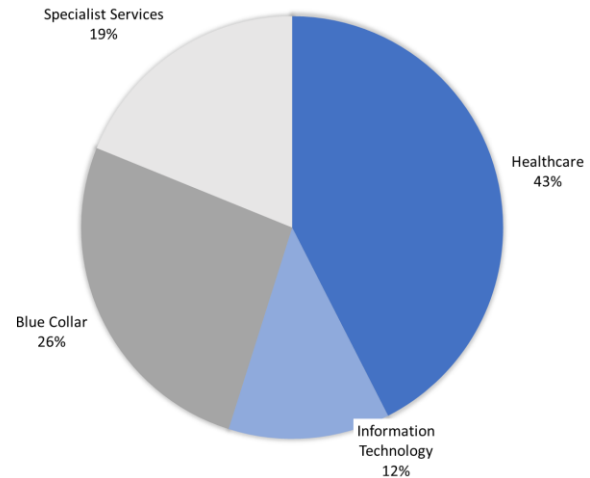
Diversified by industry
with healthcare being
our largest contributor

Diversified across
Australia and **New
Zealand**.

PROFIT BY INDUSTRY FY18



PROFIT BY CATEGORY SEPT 18 (POST NNA ACQUISITION)



SUSTAINABLE COMPETITIVE ADVANTAGES

WHY IS PEOPLE INFRASTRUCTURE A LEADER IN THE WORKFORCE MANAGEMENT SECTOR?

INDUSTRY LEADING TECHNOLOGY

- Significant investment in creating an industry leading technology platform
- Proprietary end-to-end workforce management system; digital operating platform for the community care sector

LARGE AND QUALITY DATABASE OF WORKERS

- Developed one of the largest databases of workers in Australia over the past 20 years
- Active pool of over 15,000 candidates and a total database of over 45,000 candidates

A FOCUS ON SMEs

- A focus on providing contracted workforce solutions to small to medium sized organisations has facilitated greater client diversity and higher margins

EXCELLENT SAFETY RECORD

- Industry-leading safety record, driven by a relentless focus on safety for employees, has served to attract and retain clients
- Work-cover rates below industry average, providing insurance premium savings and enhancing the company's margin

LONG STANDING CLIENT RELATIONSHIPS

- Client relationships built on quality of service, close relationships with key stakeholders, and strong branding
- Low client churn rate, and average tenure of the top 20 clients of over five years

NATIONAL BRANCH NETWORK

- National footprint across Australia and New Zealand with a branch network of 19 sites
- People Infrastructure's scale allows it to service large national clients while retaining close relationships with local businesses

Strategy Update: Healthcare

People Infrastructure is the second largest provider of workforce management and agency services to the Healthcare sector in Australia.

Nearly 50% of People Infrastructure earnings is generated by **healthcare clients**.

Shortage of employees driving short and mid term demand for agency and workforce services.

Total market size estimated at \$2.64bn.

	INDUSTRY CHARACTERISTICS	PEOPLE INFRASTRUCTURE CURRENT POSITION	IMMEDIATE OPPORTUNITY
PERSONAL CARE	Strong growth in funding to the disability sector	Largest provider of casual workers in Australia to the disability sector	Continue to organically grow throughout Australia; expand into aged care
NURSES	Strong growth due to tightness of candidate pool	Largest supplier of nurses in NSW	Seek organic and acquisition growth around Australia and New Zealand
ALLIED HEALTH	Fragmented industry growing in line with aging population	Assessing opportunities	Grow organically or by acquisition
LOCUMS	Fragmented industry with growth opportunities	Assessing opportunities	Grow organically or by acquisition

Strategy Update: Information Technology

People Infrastructure is experiencing **strong growth** in the information technology sector through its Recon Solutions and Project Partners brands.

Looking to **expand nationally** over the next 2 years.

Growing the business into consulting and specialist product services provides the opportunity to achieve **enhanced margins**.

EBITDA contribution from IT was 37% **ahead** of FY18 budget (\$549,000).

Difficulty in finding quality employees driving short and mid term **demand** for agency services.



PRO FORMA INCOME STATEMENT

\$'000	FY2017	FY2018	Growth	Forecast FY2018	Growth
Revenue	191,986	219,400	14.3%	214,196	2.4%
Other income	180	–		286	
Employee benefits expense	(172,974)	(199,111)	15.1%	(194,206)	2.5%
Occupancy expenses	(1,288)	(1,677)	30.2%	(1,207)	38.9%
Other expenses	(7,653)	(6,161)	-19.5%	(7,031)	-12.4%
Profit from associates		550			
Pro Forma EBITDA	10,250	13,001	26.8%	12,038	8.0%
EBITDA margin	5.3%	5.9%		5.6%	
Depreciation	(609)	(743)	22.0%	(601)	23.7%
Amortisation	(518)	(1,745)	237.0%	(1,428)	17.7%
Pro Forma EBIT	9,124	10,513	15.2%	9,955	5.6%
Net finance costs	(755)	(998)	32.2%	(755)	32.2%
Pro Forma NPBT	8,369	9,515	13.7%	9,200	3.4%
Tax expense	(2,666)	(2,866)	7.5%	(3,235)	-11.4%
Pro Forma NPAT	5,703	6,649	16.6%	5,965	11.5%
Amortisation expense	518	1,745	237.0%	1,482	17.7%
Pro Forma NPATA	6,221	8,394	34.9%	7,447	12.7%

Notes:

- Earnings before Interest, tax, depreciation and amortisation (“EBITDA”) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Company’s full year results and the prospectus dated 20 October 2017.
- Net profit after tax and before amortisation (“NPATA”) is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Company’s full year results and the prospectus dated 20 October 2017.
- Pro forma numbers have not been subject to audit or review and are based on numbers contained in the Company’s interim financial statements and normalisation adjustments consistent with the prospectus dated 20 October 2017. IPO costs, and costs associated with the capital structure prior to listing, including Company convertible notes and debt are excluded from the pro forma numbers.

14% REVENUE GROWTH, 27% EBITDA GROWTH AND 35% NPATA GROWTH

- Growing demand from clients in high growth sectors
- Continued new client wins
- Continued roll out of back office IT and process improvements driving further economies of scale
- Strong safety record driving industry leading work-cover rates
- Improved EBITDA margins

STRONG CASH FLOW RESULTING IN LOW NET DEBT POSITION

- Strong cash flow conversion of 126% of statutory NPAT
- Relatively low level of net debt at 0.59x EBITDA
- Capacity to deliver on growth strategies
- Total debt facilities available of \$28.3m (post NNA acquisition debt facilities drawn to approximately \$18m with net debt at approximately \$14m)

CAPITAL LIGHT MODEL WITH LIMITED CAPEX REQUIRED TO ACHIEVE GROWTH

- Return on capital employed 20.8%

2019 OUTLOOK

FOCUS ON ORGANIC GROWTH AND STRATEGIC ACQUISITIONS

ORGANIC GROWTH	Staff investment	Continued investment in people throughout the business
	National infilling	Expand existing brands into existing People Infrastructure markets throughout Australia eg nursing, IT, etc
	Systems	Investment in systems and processes to generate cost savings and improve service delivery
	International	Continued investment in NZ market
STRATEGIC GROWTH	Various	<p>Seek acquisitions which fit our criteria and generate significant upside through being a part of the People Infrastructure group</p> <ul style="list-style-type: none">• significantly EPS and DPS accretive;• operate in sectors with positive tail winds;• have clear opportunities for growth;• have embedded client relationships and a diverse client base; and• have entrenched management teams with strong alignment of interest with People Infrastructure going forward

Section 3: Formal Business – Glen Richards

Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2018.

Questions and Comments

Resolution 1 – Election of Director - Thomas Reardon

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Thomas Reardon, who was appointed by the Board in accordance with clause 19.2(a) of the Company’s Constitution and being eligible for election, is elected as a Director of the Company.”

For	Against	Abstain	Proxy’s Discretion
27,851,885	309,678	0	186,720

Resolution 2 – Election of Director - Elizabeth Savage

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Elizabeth Savage, who was appointed by the Board in accordance with clause 19.2(a) of the Company’s Constitution and being eligible for election, is elected as a Director of the Company.”

For	Against	Abstain	Proxy’s Discretion
28,121,563	40,000	0	186,720

Resolution 3 – Election of Director - Glen Richards

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Glen Richards, who was appointed by the Board in accordance with clause 19.2(a) of the Company’s Constitution and being eligible for election, is elected as a Director of the Company.”

For	Against	Abstain	Proxy’s Discretion
27,862,028	299,535	0	186,720

Resolution 4 – Remuneration Report

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

“That the Company’s Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors’ Report, is adopted.”

For	Against	Abstain	Proxy’s Discretion
16,303,719	0	65,808	186,720

Resolution 5 – Appointment of BDO Audit Pty Ltd as Auditor

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That, in accordance with section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, BDO Audit Pty Ltd having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of People Infrastructure Ltd.”

For	Against	Abstain	Proxy's Discretion
28,110,548	0	51,015	186,720

Resolution 6 – Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a special resolution of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the Shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of People Infrastructure Ltd (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting.”

For	Against	Abstain	Proxy’s Discretion
22,249,489	5,897,574	14,500	186,720

Resolution 7 – Issue of Rights under the 2017 Performance Rights Plan – Declan Sherman

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 119,375 Performance Rights to Declan Sherman under the 2017 Performance Rights Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

For	Against	Abstain	Proxy's Discretion
16,288,074	64,500	16,953	186,720

Resolution 8 – Issue of Rights under the 2017 Performance Rights Plan – Thomas Reardon

To consider and, if thought fit, to pass the following as an ordinary resolution of the Company:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 119,375 Performance Rights to Thomas Reardon under the 2017 Performance Rights Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”

For	Against	Abstain	Proxy's Discretion
16,288,074	64,500	16,953	186,720

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This presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. These forward-looking statements reflect People Infrastructure's current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond the control of People Infrastructure, and have been made based upon People Infrastructure's expectations and beliefs concerning future developments and their potential effect on us. There can be no assurance that future developments will be in accordance with People Infrastructure's expectations or that the effect of the future impact on the forward-looking statements made include, but are not limited to, general economic conditions in Australia; exchange rates; competition in the markets in which People Infrastructure will operate and the inherent regulatory risks in the businesses of People Infrastructure.

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