



PEOPLE INFRASTRUCTURE LTD
FY19 H1 RESULTS

PEOPLE
INFRASTRUCTURE

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Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding People Infrastructure's intent, belief or current expectations with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative divers, forecasted economic indicators and performance metric outcomes.

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.

When relying on forward-looking statements to make decisions with respect to People Infrastructure, investors and others should carefully consider such factors and other uncertainties and events. People Infrastructure is under no obligation to update any forward-looking statements contained in this presentation, where as a result of new information, future events or otherwise, after the date of this presentation.

TABLE OF CONTENTS

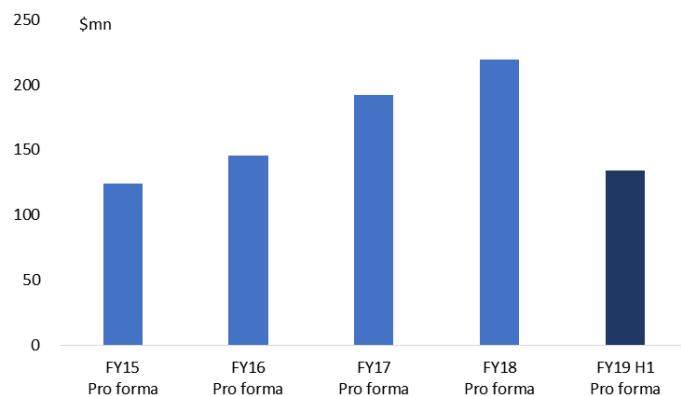
Section 1: Summary	3
Section 2: Business Overview	6
Section 3: H1 FY19 Results	15
Appendices	21

PEOPLE INFRASTRUCTURE CONTINUES TO SUCCESSFULLY GROW ITS WORKFORCE MANAGEMENT OPERATIONS...

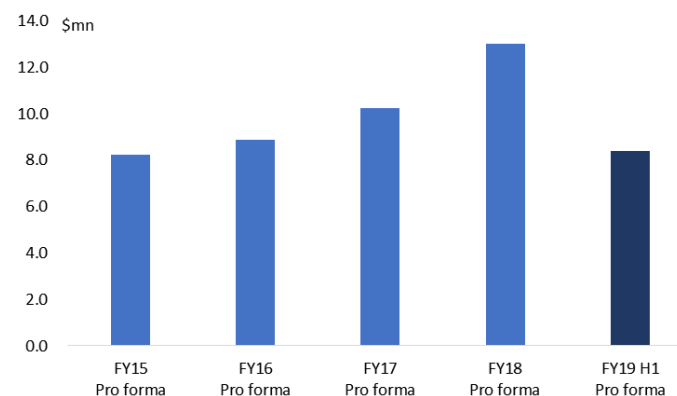
- 1**
 - Strong financial performance across the business, significantly higher than FY18H1
 - Revenue of \$133m, which is 24.7% higher than FY18H1
 - EBITDA of \$8.4m, which is 35.6% higher than FY18H1
 - NPATA of \$6.1m, which is 50.5% higher than FY18H1
 - ROE of 25.8%
- 2**
 - Continued strong organic growth throughout the business underpinned by leading customer service, strong sales focus and attractive industry fundamentals in the various sectors in which People Infrastructure operates
 - Healthcare continues to be particularly strong
- 3**
 - Acquisition strategy performing well with further opportunities currently under review by People Infrastructure
 - People Infrastructure acquisition of Network Nursing Agency performing ahead of expectations
 - Continued forecast strong growth in healthcare
 - Recon and Project Partners continue to perform well
- 4**
 - Continued improvement in operating efficiencies
 - EBITDA margin of 6.3% up from 5.9% in FY18
- 5**
 - Strong focus on cash flow generation across the business and a conservative balance sheet
 - Well positioned to invest in future growth with net debt /ebitda of 0.8x
 - Interim dividend of 4 cents per share fully franked
- 6**
 - Maintain market leading safety record
 - Industry leader in minimising employee workplace injuries as well as reduced premiums

CONSISTENTLY GROWING SHAREHOLDER RETURNS

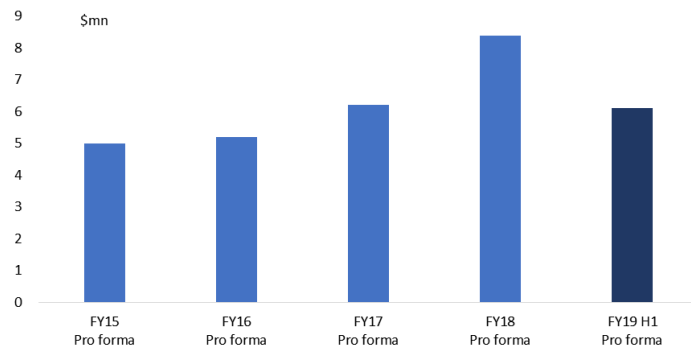
REVENUE GROWTH 2015 – 2019



EBITDA GROWTH 2015 – 2019



NPATA GROWTH 2015 – 2019



Notes: Revenue, EBITDA and NPATA normalized per criteria provided for in prospectus for FY15 – FY17 and as outlined in appendix for FY19

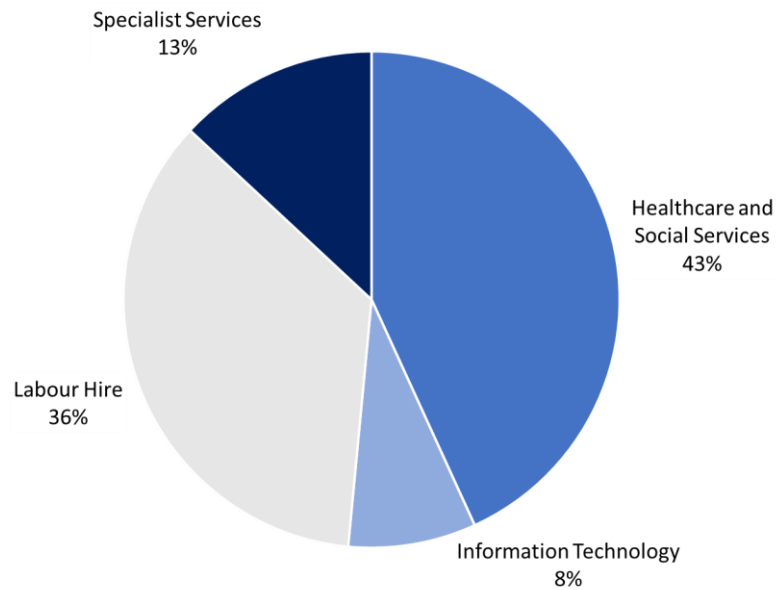
SECTION 2: BUSINESS OVERVIEW



DIVERSIFIED WORKFORCE MANAGEMENT COMPANY

- Diversified across Australia and New Zealand
- Diversified by industry

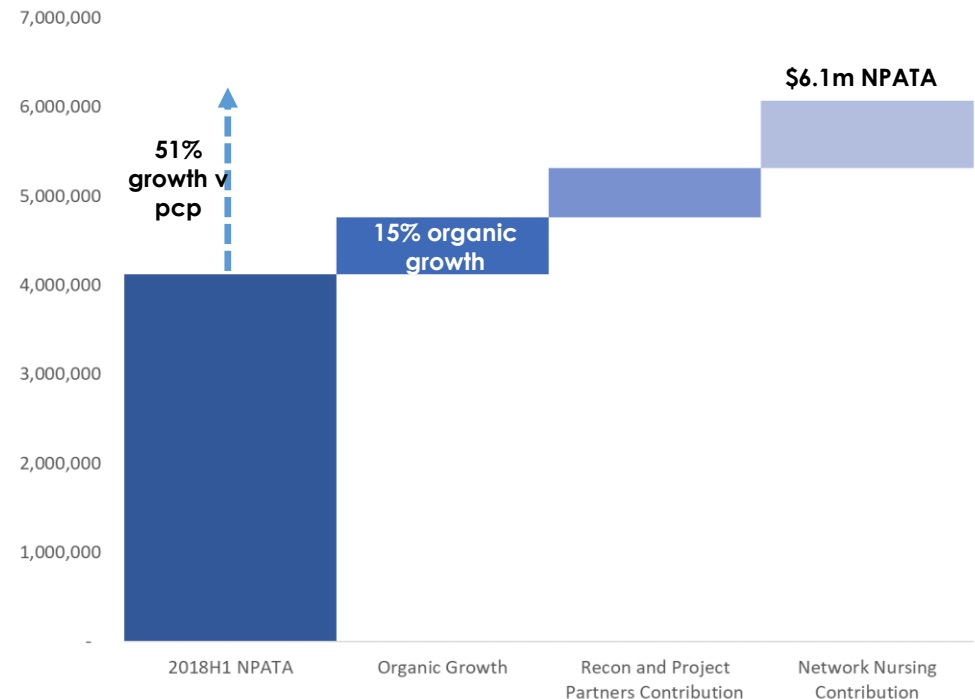
Profit by Industry FY19H1



Notes: Profit by industry pro forma to include full half year impact of Network Nursing Agency GP (pre shared services)

STRONG EARNINGS UNDERPINNED BY ORGANIC GROWTH AND SUCCESSFUL ACQUISITIONS

- Growth underpinned by a combination of organic growth and growth through acquisitions
- Organic growth in H1 was 15% on previous corresponding period
 - Combination of new clients and increased hours
- The acquisitions in Nursing and Information Technology have provided further platforms to build significant businesses



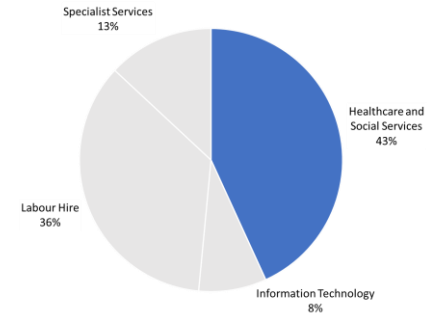
STRONG GROWTH IN HEALTHCARE

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**.

Total market size estimated at \$2.64bn.

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



	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
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

HEALTHCARE SNAPSHOT



800 Nurses employed



90,000 Nursing shifts filled



250,000 Social Support shifts filled



1,900 support workers employed



150 Hospitals Serviced



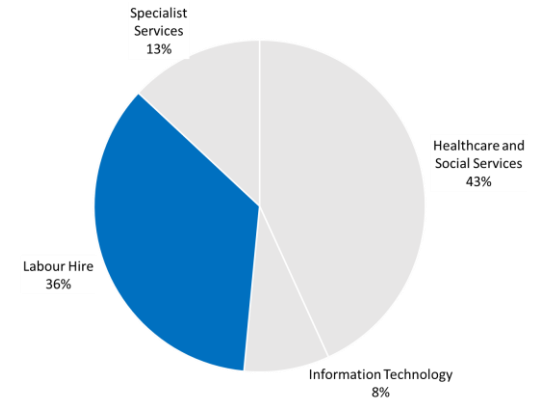
900 Social support sites serviced

3,800 people in the community supported



LABOUR HIRE UPDATE

- Another successful half for the People Infrastructure labour hire business
 - Positive momentum across a number of sectors including civil construction, mining, food processing and landscaping
- Continued focus on small and medium size businesses driving industry leading gross profit margins and significant diversity of client base
- Industrial Relations update:
 - Limited/ no exposure in relation to the Skene v Workpac decision
 - Limited business in the coal industry
 - AWX operates under a strict employee / employer framework with its casual employees



SPECIALIST SERVICES: LEVERAGING PEOPLE INFRASTRUCTURE CAPABILITIES IN WORKFORCE MANAGEMENT TO GROW OTHER NICHE BUSINESSES

Contract Planting

Operates under the **Timberwolf** brand

One of Australia's largest contract planting businesses specialising in bush regeneration, rehabilitation and infrastructure projects

Strong capabilities enable industry leading productivity and pricing for clients with a focus on delivering a high quality final product

Outsourced HR and Payroll

Tribe Workforce is an outsourced managed staffing solutions business

Provides payroll, human resources, WH&S and industrial relations support to clients

A leading provider to hospitality and retail sectors in Australia

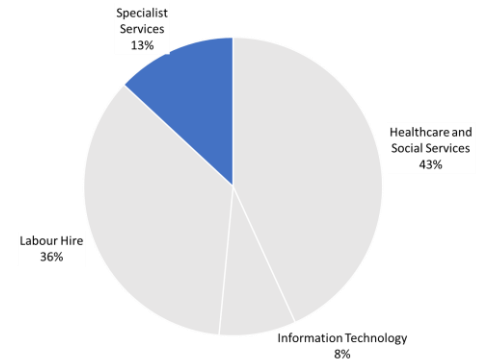
Facilities Maintenance

Operates under the **Mobilise** brand

Long term contracts to provide facilities maintenance services.

High quality multinational clients generating consistent income

Strong growth throughout the half year

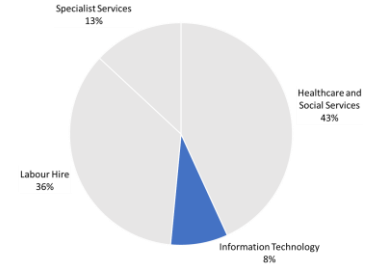


INFORMATION TECHNOLOGY UPDATE

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

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

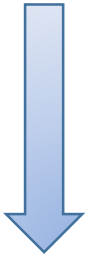
EBITDA contribution from IT was approximately \$700,000. Difficulty in finding quality employees driving short and mid term **demand** for agency services.



QLD
Focus

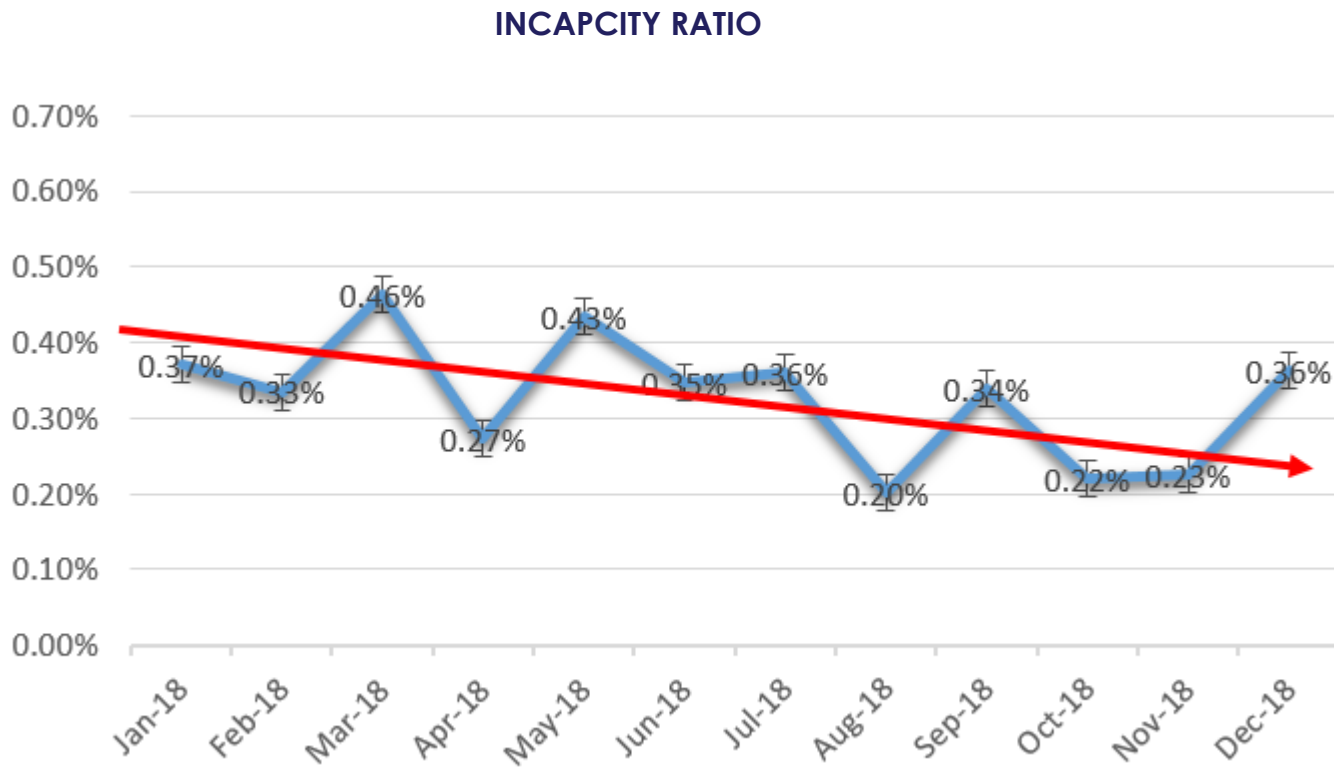


NSW



Victoria

INCAPACITY RATIO HAS DECREASED THROUGHOUT THE YEAR



Employee classified as incapacitated by doctor or medical practitioner

SECTION 3: H1 FY18 RESULTS



PRO FORMA INCOME STATEMENT

\$'000	Pro Forma Actual	Pro Forma Actual	Growth
	1H FY18	1H FY19	
Revenue	106,674	134,050	25.7%
Pro forma EBITDA	6,183	8,386	35.6%
<i>Ebitda margin</i>	5.8%	6.3%	
Depreciation	(289)	(396)	
Amortisation	(872)	(913)	
Pro forma EBIT	5,022	7,077	40.9%
Net finance costs	(508)	(623)	
Pro forma NPBT	4,514	6,454	43.0%
Tax expense	(1,356)	(1,303)	
Pro forma NPAT	3,158	5,151	63.1%
Amortisation expense	872	913	
Pro forma NPATA	4,030	6,064	50.5%

STRONG REVENUE GROWTH IN FY19 H1

- Growing demand from existing clients particularly in high growth sectors
 - Healthcare
 - IT
 - Specialist services including payrolling and contract planting
- Continued new client wins

STRONG EARNINGS GROWTH

- Continued roll out of back office IT and process improvements driving further economies of scale
- Improved EBITDA margins

Notes:

1. 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 half year results and the prospectus dated 20 October 2017.
2. 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 half year results and the prospectus dated 20 October 2017.
3. 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, acquisition costs and costs associated with the capital structure prior to listing, including Company convertible notes and debt are excluded from the pro forma numbers.

31 DECEMBER 2018 BALANCE SHEET

\$'000	31-Dec-18
Cash and cash equivalents	5,321
Trade and other receivables	28,805
Investments	2,776
Plant and equipment	2,621
Intangible assets	42,068
Other assets	1,122
Total assets	82,713
Trade and other payables	13,334
Borrowings	18,351
Other liabilities	4,076
Total liabilities	35,762
Total Equity	46,950
Debt metrics	
Net debt	13,031
Net debt / EBITDA (annualised)	0.78
Operational Metrics	
ROCE	23.6%
ROE	25.8%
Debtor days	39.2

Note:

Return on capital employed: Annualised EBIT / (Equity plus Net debt); Return on equity: Annualised NPAT / Equity

STRONG CASHFLOW RESULTING IN LOW NET DEBT POSITION

- Net Debt of \$13m with total available debt facilities \$28 million
- Capacity to deliver on growth strategies

CAPITAL LIGHT MODEL WITH LIMITED CAPEX REQUIRED TO ACHIEVE GROWTH

- H1 FY19 annualised return on capital employed 23.6%
- H1 FY19 annualised return on equity 25.8%

H1 2019 CASH FLOW

\$'000	Statutory FY 2019H1
Receipts from customers	147,911
Payments to suppliers and employees	-141,301
Interest received	4
Finance costs paid	-623
Income taxes paid	-1,829
Net cash provided by operating activities	4,161

STRONG OPERATING CASH FLOW

- Reflects management's tight control of working capital
- The business generated \$4.1 m in operating cash flow in H1 2018 on a statutory basis
- Debtor days reduced to 39

2019 OUTLOOK

Strong organic growth throughout the business continues to underpin a record set of results for 2019

Organic Growth

- Positive industry tailwinds driving growth especially in healthcare and IT
- Cross-selling benefits across the organisation
- Further back office savings from investing in technology and improving processes
- Growing capabilities in adjacent industry groups

Other Acquisitions

- People Infrastructure continues to review potential acquisition opportunities that meet its strict investment criteria
 - 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
- Focus on **Healthcare**
 - Looking for complimentary acquisitions to further expand the business
- **Information Technology** providing interesting opportunities as well
- Looking at **other sectors** where we can leverage our capabilities in workforce management (**Specialty Services**)

COMMUNITY SUPPORT

An active participant in our community

We pride ourselves on sponsoring charities and supporting local communities and have done so for many years. People Infrastructure sponsors numerous events such as the Great Endeavour Rally and numerous company awards, including TAFE NSW.

We also participate in numerous grass roots community initiatives. We have built community gardens for local residents, supported art programs for those with disabilities, purchased equipment for the breaking down barriers initiative as well as supporting various other community programs. We are committed to continued sponsorship with these organisations as well as forming new partnerships with new organisations in the years to come.



**WE
LIFE WITHOUT BARRIERS
VE**

APPENDICES



STATUTORY RECONCILIATION TO TRADING RESULTS

	31-Dec-18	31-Dec-17
Statutory NPAT	5,875,780	1,982,378
<i>Proforma adjustments:</i>		
Net finance costs adjustment	0	432,000
Acquisition costs	97,339	0
IPO costs expensed	0	456,000
Fair value movement in equity account investments	(874,695)	0
Fair value movement in convertible notes	0	578,460
Non-controlling interests	(121,860)	0
Share based payments expense	154,905	90,262
Tax adjustment	19,468	(289,000)
Pro forma NPAT	5,150,937	3,250,100
Amortisation	912,865	871,886
Pro forma NPATA	6,063,802	4,121,986

- Major adjustments relate to the fair value movement in equity accounted investments and non-controlling interests.
- Both of these relate to People Infrastructure increasing their ownership of Project Partners throughout the year to a position of consolidating the company. The shares in Project Partners were acquired at a discount to their fair value hence the fair value movement.

SUSTAINABLE COMPETITIVE ADVANTAGES

People Infrastructure has established itself as a leader in the workforce management markets

INDUSTRY LEADING TECHNOLOGY	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Developed one of the largest databases of workers in Australia over the past 20 years• Active pool of over 10,000 candidates and a total database of over 40,000 candidates
A FOCUS ON SMES	<ul style="list-style-type: none">• A focus on providing contracted workforce solutions to small to medium sized organisations has facilitated greater client diversity and higher margins
EXCELLENT SAFETY RECORD	<ul style="list-style-type: none">• Industry-leading safety record, driven by a relentless focus on safety for employees, has served to attract and retain clients and high quality workers• Work-cover rates below industry average, providing insurance premium savings and enhancing the company's margin
LONG STANDING CLIENT RELATIONSHIPS	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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
EXPOSURE TO HIGH GROWTH SECTORS	<ul style="list-style-type: none">• Largest provider of workforce management services to the disability sector• Key supplier of services to other growth industries, including information technology, childcare, infrastructure, mining, food processing and hospitality