ASX ANNOUNCEMENT

People Infrastructure Reports Annual Results

Date: 25 August 2020 – People Infrastructure Ltd (ASX: PPE) (“Company”), a leading workforce management company that delivers innovative solutions to workforce challenges, today announced its full year results for the twelve months ended 30 June 2020.

Key highlights for FY20:

- **Normalised EBITDA[3] of $26.4m being 49.2% higher than normalised FY19 EBITDA and 7.8% above most recently provided guidance**
- **Normalised NPATA[3] of $18.4m being 53.3% higher than normalised FY19 NPATA**
- **Normalised NPATA[3] per share of 20.5 cents being 23.1% higher than normalised FY19 NPATA per share**
- **Strong operating cashflow generation of $27.1m and a positive cash balance (net of debt) of $9.9m**
- **Final dividend declared of 4.5 cents per share fully franked being consistent with the final dividend declared for FY19**
- **Normalised EBITDA[3] margin of 7.1% compared to 6.4% in FY19**

Declan Sherman, People Infrastructure’s Managing Director said: “People Infrastructure confronted a number of challenges in FY20 due to the impact of Covid-19. Whilst the business was immediately impacted at the outset of the first wave of Covid-19, it has shown tremendous resilience to bounce back strongly over the last few months. As a result, we are pleased to announce an increase in earnings in FY20 and strong cashflow generation throughout the year.”

“Prior to Covid-19 and as demonstrated in the first half results, People Infrastructure was on track for a strong FY20 as a result of organic growth in the business and the benefits of acquisitions completed during the past 12 months. The first wave of Covid-19 created immediate challenges, in particular the cancelation of elective surgeries and government / private hospital partnerships emptying hospitals as well as other workforce dislocations due to virus containment measures. The impact of these measures was felt for a relatively short period and the business was still able to generate a strong result for FY20. Nonetheless, a number of People Infrastructure employees have made sacrifices during this period and I thank our employees for their fortitude and commitment during a difficult time. Senior management and the board took a reduction in their salaries in the range of 25% - 50% between April and June and have foregone bonuses for FY20.”

“Throughout the year People Infrastructure successfully integrated its most recent acquisitions, First Choice Care and Carestaff in the health sector and Halcyon Knights in the information technology sector into the broader People Infrastructure business. It also significantly grew its Homecare business and since the end of the year across the entire business has made a number of key strategic hires to continue to grow its business.”

“Once again, People Infrastructure’s commitment to its employees and its customers and the processes that underpin the services that it provides has generated further financial success across the business.
The Company continues to deliver on its long-term strategy of being a leading provider of workforce solutions. By delivering innovative and efficient workforce management services, we have been able to grow both our current and new client base.”

Results Summary

		Normalised FY2019	Normalised FY2020	Growth
Revenue	$'000	278,155	374,214	34.5%
Normalised EBITDA	$'000	17,781	26,419	49.2%
Ebitda margin		*6.4%*	*7.1%*	
Normalised NPATA	$'000	12,052	18,375	53.3%
NPATA per share	**cents**	**16.6**	**20.5**	**23.1%**
Net Debt	$'000	19,461	(9,878)	
Net Debt / EBITDA	x	1.09	na	
ROE	%	21.7%	22.3%	

The Company has declared a final dividend for the year of 4.5 cents per share. This represents a dividend that is consistent with FY19 but also a temporary decrease in the payout ratio given current economic volatility.

Summary and Outlook

Declan Sherman said: “Looking forward into FY21, whilst we are aware that the economic and operational uncertainty relating to Covid-19 may have implications for our clients, we continue to focus on driving growth in niches where we can demonstrate a clear point of difference in our product and services offering. We continue to look at both the opportunity to grow organically into new sectors as well as acquisition opportunities that would expedite that growth.”

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 annual results.
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 annual results.
3. Normalised earnings before interest tax depreciation and before amortisation (“Normalised EBITDA”) and Normalised net profit after taxation and before amortisation (“Normalised NPATA”) represents the statutory NPAT adjusted for one off expenses including costs associated with acquisitions, costs of employee options and performance rights and the associated tax deduction of these expenses, and the adoption of AASB 16 Leases and amortisation. A reconciliation back to statutory EBIT and NPAT are contained in Directors Report which forms part of the Interim Financial Report.
4. Normalised numbers have not been subject to audit or review and are based on numbers contained in the Company’s financial statements.

For Further Information:

Declan Sherman, Managing Director
+61 7 3238 0800
W