



Leading national distributor and service provider  
to the Australian electrical market

**FY22 RESULTS PRESENTATION | 30 AUGUST 2022**



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- CALIBRATION
- TESTING
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- COMMISSIONING
- MAINTENANCE
- INSTALLATION



**Michael Sainsbury**  
Executive Director & CEO



**Mohamed Yoosuff**  
Executive Director & CFO

# What we'll share today

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FY22 RESULTS  
PRESENTATION |

- FY22 Overview
- FY22 Financial performance
- Our focus
- Outlook



FY22 RESULTS  
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# FY22 Overview

## Extension of distribution agreement with ABB

- Successful transition of additional products and customers from ABB
- \$1.3m of orders received for EV charger hardware and solutions FY23 YTD

## HTC and Gemtek acquisition complete

- Integration into IPD offices
- System integrations of Control Logic, HTC and Gemtek executed during the financial year

## Successful listing on ASX (December 2021) raising \$20m of new capital for growth initiatives

- Share price growth of 69% since listing<sup>1</sup>

## Positive outlook for continued growth

- Continued buoyant market
- Continuing supply disruption and global trade uncertainty

1. As at 26 August 2022

# FY22 Overview

## Financial performance

Strong organic and inorganic growth for the Group

**\$180.5m**

↑ Pro forma revenue  
Up 26.6% (PCP \$142.6m)

**\$22.1m**

↑ Pro forma EBITDA  
Up 38.1% (PCP \$16.0m)

**\$18.5m**

↑ Pro forma EBIT  
Up 54.2% (PCP \$12.0m)

**\$12.6m**

↑ Pro forma NPAT  
Up 59.5% (PCP \$7.9m)

**3.7cents**

↑ Dividend<sup>1</sup> 32.1% greater  
than prospectus forecast  
(2.8c per share)

**\$63.4m**

Net assets  
(\$50.0m<sup>2</sup> as at 30 June 2021)

**\$25.4m**

Net cash  
(\$17.6m<sup>2</sup> as at 30 June  
2021)

**Zero**

0.0 LTIFR<sup>3</sup>

**90% / 10%**

Products / services  
revenue split

**18% / 27%**

ROIC<sup>4</sup> / ROCE<sup>5</sup>

1. Relates to second half of FY22

2. Pro forma per IPO prospectus

3. Lost time injury frequency rate at 30 June 2022. LTIFR Average number of lost time injuries over the past 12 months for every 1,000,000 hours worked

4. Return on invested capital (ROIC) = NOPAT / Invested Capital. NOPAT = NPAT (no debt on balance sheet). Invested capital = Equity + lease liabilities

5. Return on capital employed (ROCE) = EBIT / Capital Employed. Capital employed = Total assets – current liabilities

# FY22 Overview

## Prospectus forecast

**Strong operating performance delivers revenue, gross profit, EBITDA and NPAT above prospectus forecasts**

**Revenue outperformance driven by:**

- expanded distribution agreement with ABB
- organic growth of existing product portfolio
- synergies created with acquisitions and larger product portfolio
- acquisition of Gemtek

**Gross margins have benefited from product portfolio mix and careful margin management**

Operating expenses as % of revenue are slightly higher than forecast, due to employee benefits expense associated with supporting new acquisitions and revenue growth

\$m	FY22 prospectus pro forma forecast	FY22 pro forma actuals <sup>1</sup>	% variance (vs prospectus)
Revenue	169.6	<b>180.5</b>	<b>6.4%</b>
Gross profit	61.8	<b>68.6</b>	<b>11.0%</b>
EBITDA	18.1	<b>22.1</b>	<b>22.1%</b>
EBIT	14.5	<b>18.5</b>	<b>27.6%</b>
NPAT	9.7	<b>12.6</b>	<b>29.9%</b>
Operating expenses as % of revenue	25.9%	<b>26.2%</b>	<b>0.3%</b>
Gross profit margin	36.4%	<b>38.0%</b>	<b>1.6%</b>
EBITDA margin	10.7%	<b>12.3%</b>	<b>1.6%</b>
EBIT margin	8.5%	<b>10.3%</b>	<b>1.8%</b>
NPAT margin	5.7%	<b>7.0%</b>	<b>1.3%</b>

1. Pro forma reconciliation presented on page 30



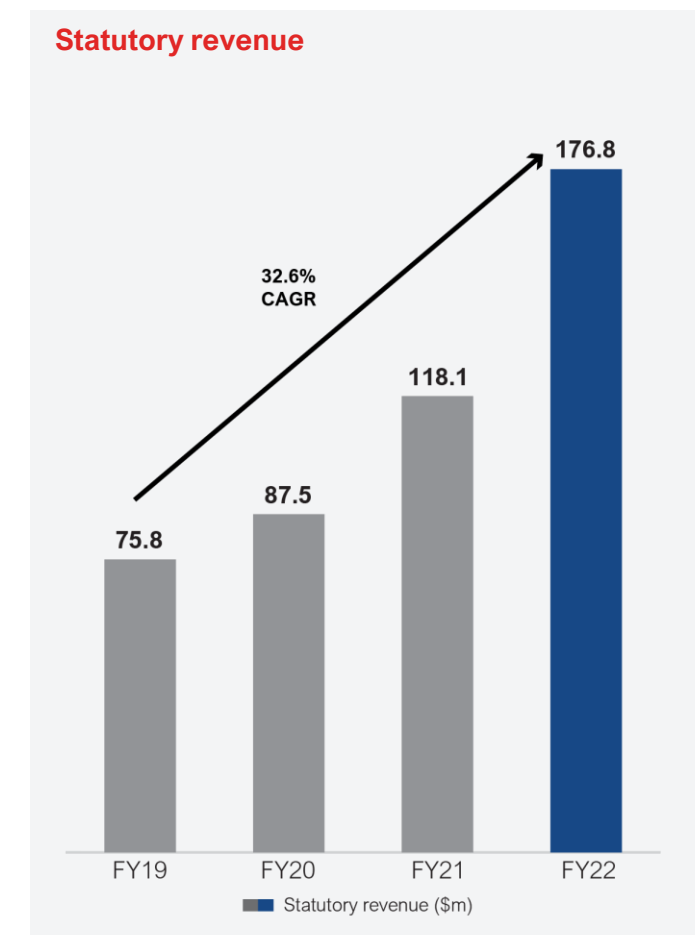
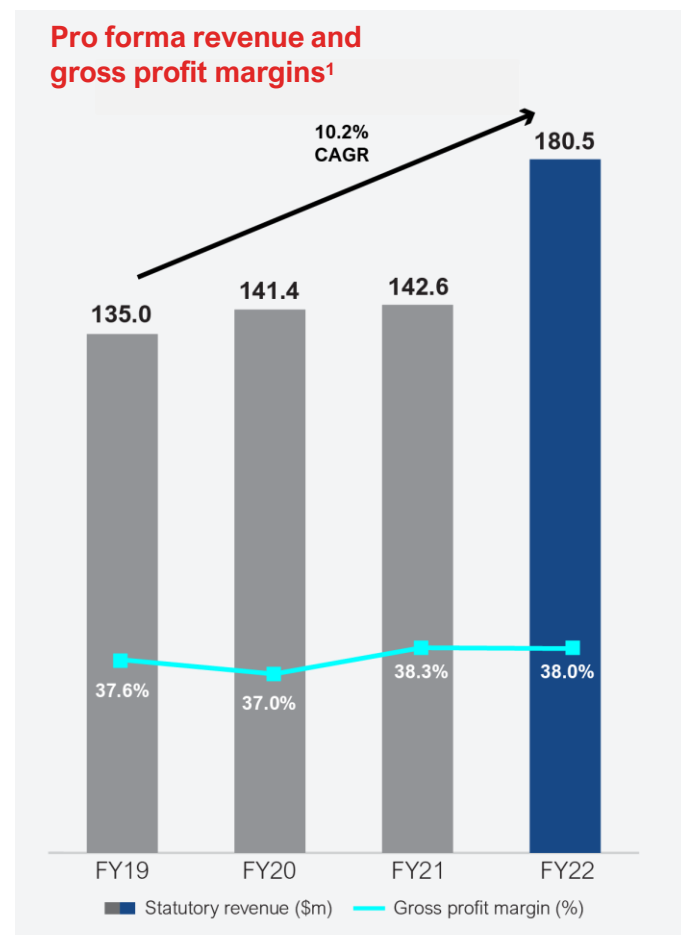
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# Financial performance

# Sales growth & margins

## Record revenue results achieved

- Pro forma revenue of \$180.5 million, up 26.6% on pcp
  - strong revenue growth has been achieved despite the effect of lockdown in some states as well as global supply chain issues
  - strong organic growth displayed through the pro forma revenue CAGR of 10.2%
  - FY22 pro forma gross profit margins have declined year on year by 0.4% due to expanded distribution agreement with ABB
- Statutory revenue of \$176.8 million, up 49.7% on pcp
  - statutory revenue includes the acquisitions of Addelec in August 2019 (FY20), Control Logic in October 2020 (FY21) HTC in October 2021 (FY22) and Gemtek in April 2022 (FY22)
  - statutory revenue CAGR of 32.6%, representing both organic and inorganic growth



1. Includes the revenue contribution of all acquisitions which have occurred over the period. Refer to page 30 for a reconciliation

# Sales growth & margins

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## Sales growth highlights

**Successful execution** of the expanded distribution agreement with ABB (effective 1 September 2021)

**Significant growth in the automation & control products**

**Growing demand for Industrial Cyber Security solutions** by Control Logic

**Elsteel Techno revenue continues to grow** due to compliance standards changes resulting in increased demand from switchboard builders

On 1 October 2021, **IPD acquired 100% interest** in High Technology Control (HTC), a well established electrical industry specialist

On 4 April 2022 IPD acquired the assets of **Gemtek, a specialist EV charging solutions provider**

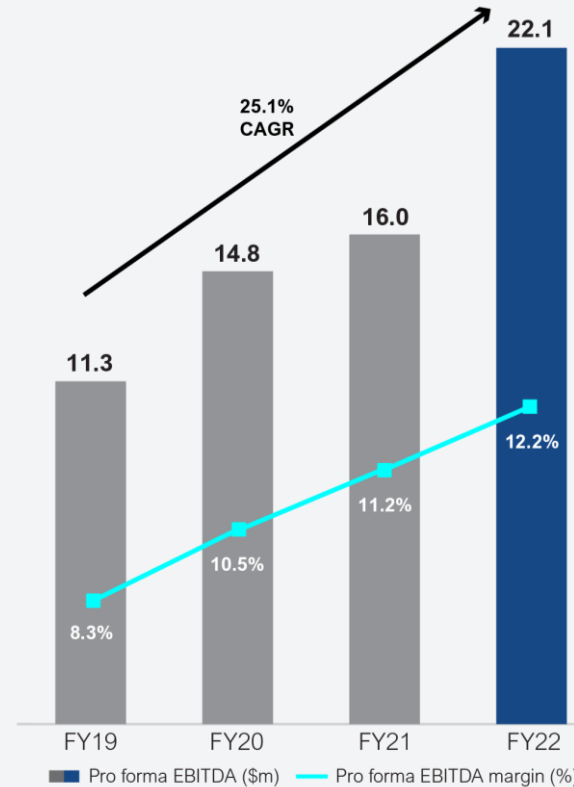


# Earnings growth & margins

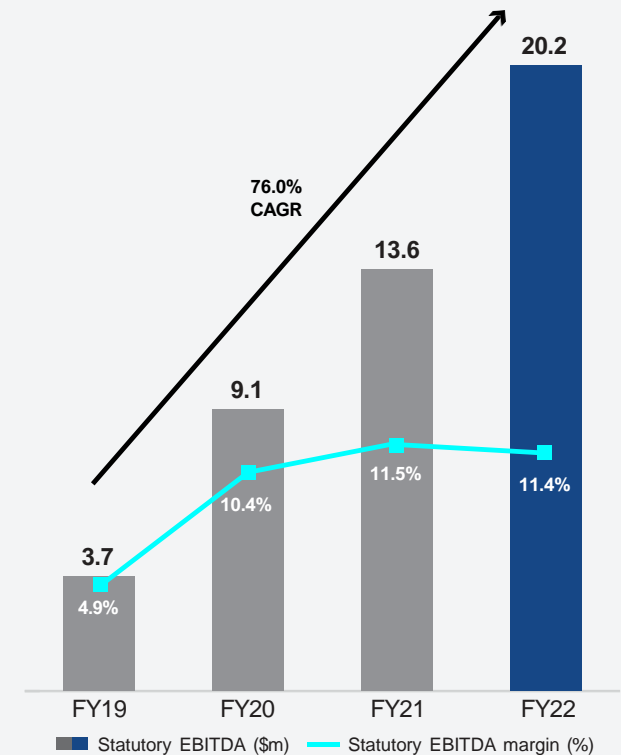
## Record earnings results achieved

- Pro forma EBITDA of \$22.1 million up 38.1% on pcp, representing a pro forma EBITDA margin of 12.2%
  - pro forma EBITDA assumes acquisition of Addelec Control Logic and HTC occurred prior to FY19, thus **organic growth has resulted in a 25.1% CAGR**
  - growth in FY22 partly due to expanded distribution agreement with ABB effective 1 September 2021 (FY22)
  - pro forma EBITDA margins have expanded year on year from 8.3% in FY19 to 12.2% in FY22 showing benefits of economies of scale
- Statutory EBITDA of \$20.2 million up 48.5% on pcp, representing a statutory EBITDA margin of 11.4% (includes \$1.6 million of IPO costs)
  - statutory EBITDA CAGR of 76.0%, representing both organic and inorganic growth

Pro forma<sup>1</sup> EBITDA and EBITDA margin



Statutory EBITDA and EBITDA margin



1. Includes the contribution of all acquisitions which have occurred over the period and other pro forma adjustments. Refer to page 30 for a reconciliation

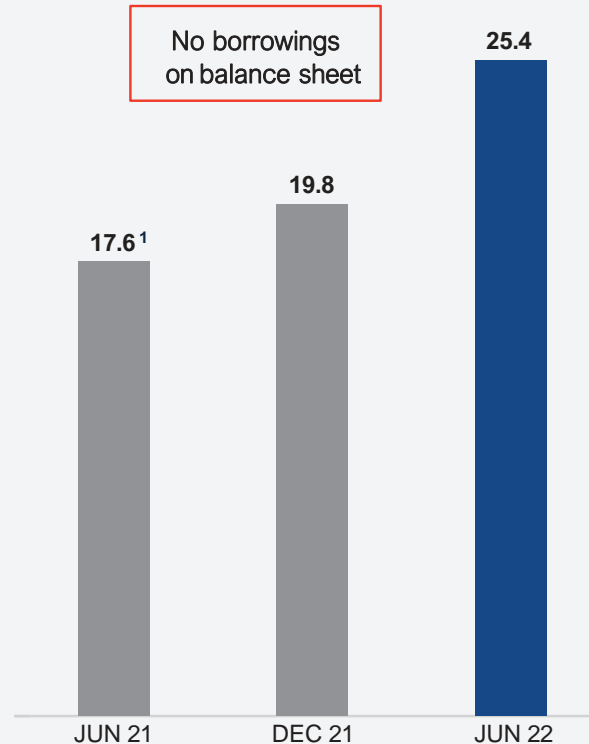
# Strong & flexible financial position

## Balance Sheet

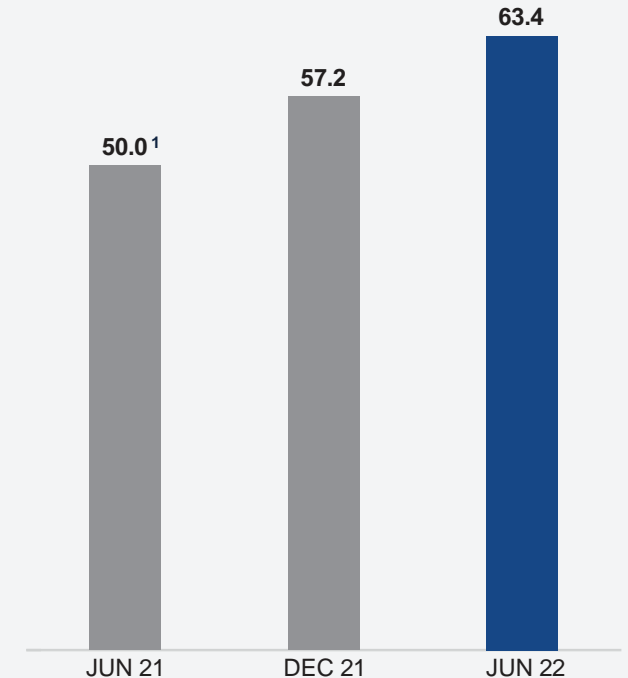
\$m	As at 30 Jun 2021 (Prospectus) <sup>1</sup>	As at 31 Dec 2021	As at 30 Jun 2022
Total current assets	71.8	87.5	97.0
Total non-current assets	25.6	28.6	27.8
<b>Total assets</b>	<b>97.4</b>	<b>116.1</b>	<b>124.8</b>
Total current liabilities	34.9	47.1	50.7
Total non-current liabilities	12.5	11.8	10.7
<b>Total liabilities</b>	<b>47.4</b>	<b>58.9</b>	<b>61.4</b>
<b>Net assets</b>	<b>50.0</b>	<b>57.2</b>	<b>63.4</b>

- \$25.4 million of cash at bank as at 30 June 2022, an increase of \$7.8 million since 30 June 2021 (per IPO Prospectus)<sup>1</sup>
- No borrowings on balance sheet
- Net assets of \$63.4 million

Cash at bank (\$m)



Net assets (\$m)



1. Pro forma per IPO prospectus

# Cash flow

## Pro forma cash flow

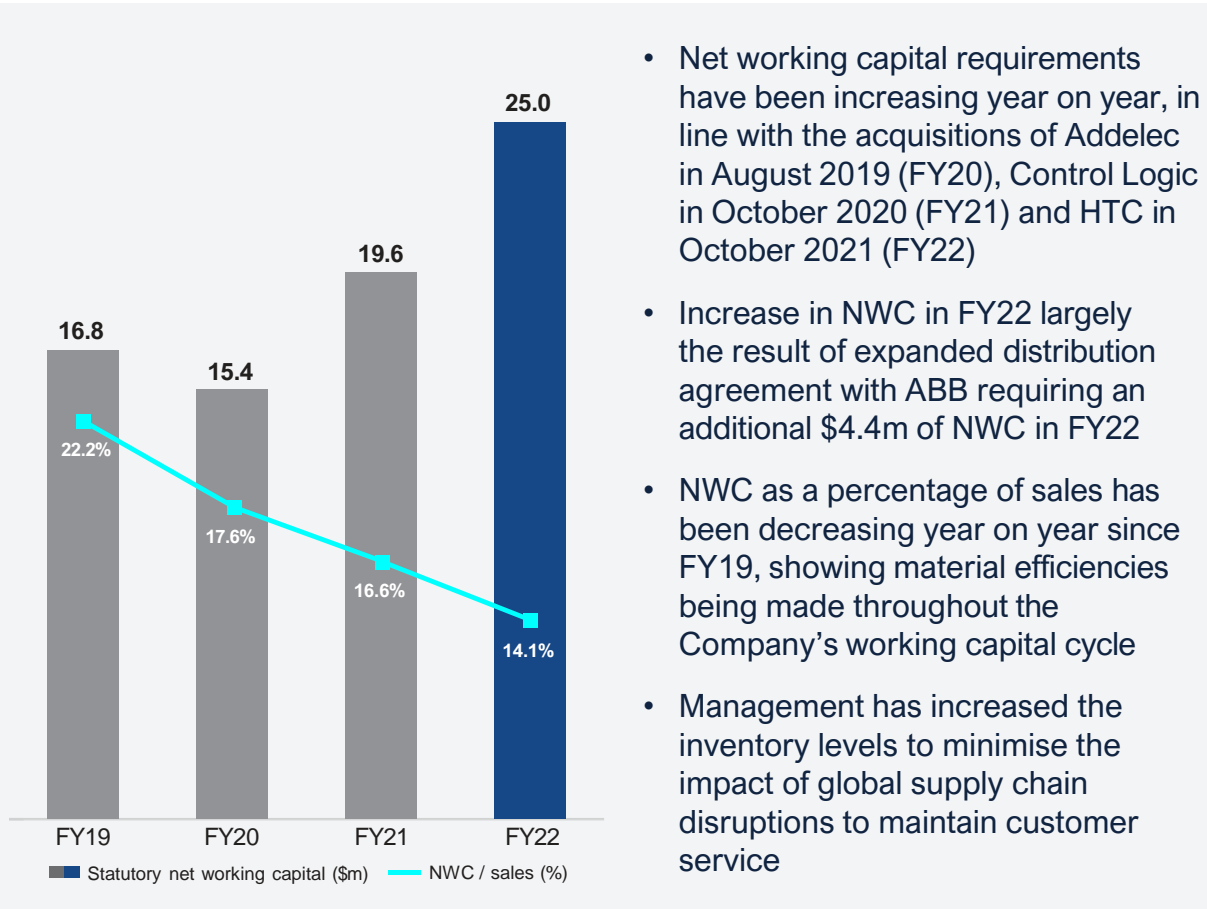
\$m	Pro forma FY21	Pro forma FY22	FY22 prospectus pro forma forecast	Variance vs FY22 prospectus pro forma forecast
EBITDA	16.0	22.1	18.1	22.1%
Change in working capital	(4.6)	(11.4)	(10.7)	6.5%
<b>Operating free cash flow</b>	<b>11.4</b>	<b>10.7</b>	<b>7.4</b>	<b>44.6%</b>
Capital expenditure / acquisitions	(0.7)	(2.0)	(1.1)	81.8%
<b>Net free cash flow before financing, tax and dividends</b>	<b>10.7</b>	<b>8.7</b>	<b>6.2</b>	<b>40.3%</b>
Operating free cash flow conversion (pre tax payment)	97.0%	73.0%	63.8%	
Net free cash flow before financing, tax and dividends conversion	67.0%	39.5%	34.4%	

- Pro forma operating free cash flow of \$10.7 million with an operating free cashflow conversion (pre tax) of 73.0%
- Working capital increased to support revenue growth
- Operating free cashflow conversion will remain strong

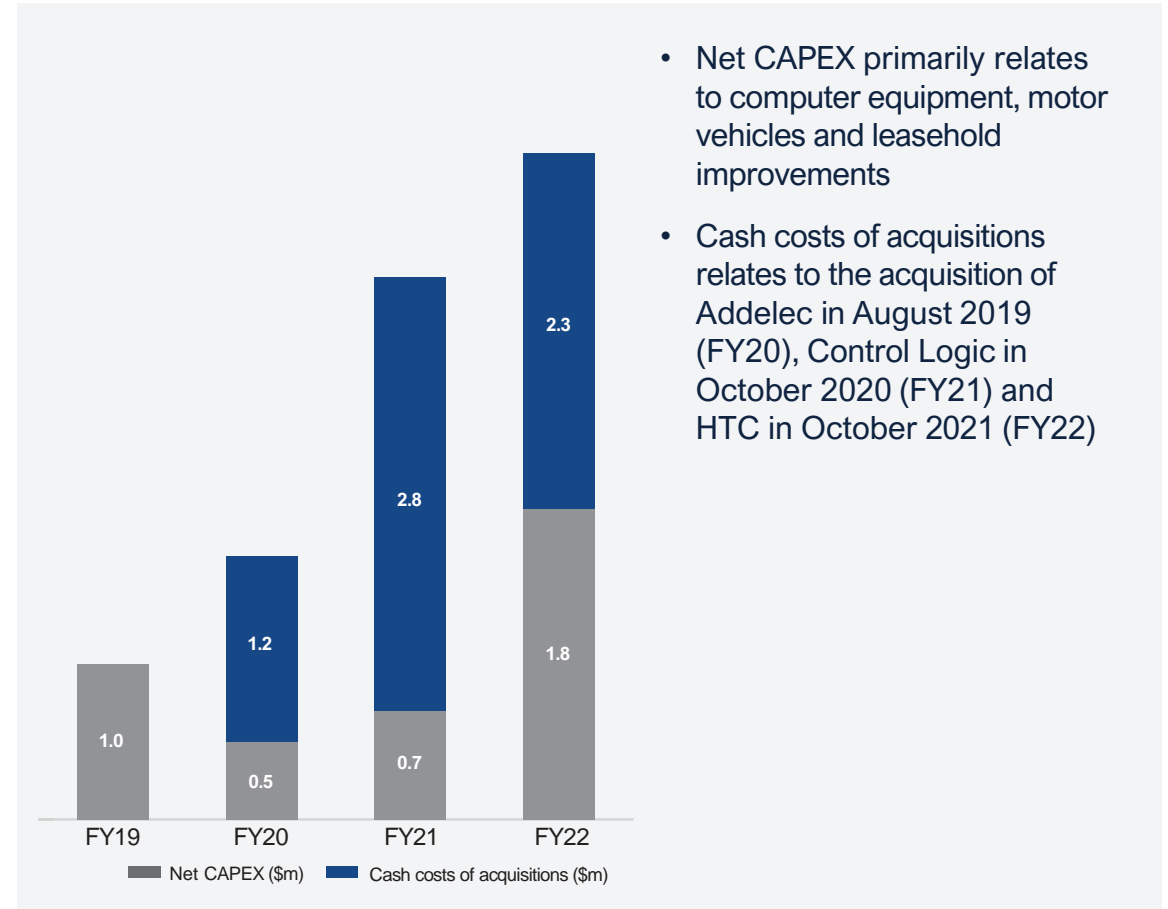


# Diligent management of working capital & capex

## Net working capital (NWC)



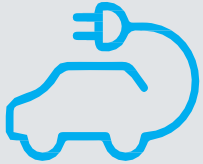
## CAPEX summary



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# Our focus

# IPD are exposed to a number of high growth areas



## Electric vehicles

Public and private sector commitments to transition vehicle fleets to EVs and expand EV charging infrastructure

IPD sells EV infrastructure on behalf of ABB and provides related services (installation, commissioning, maintenance, etc)



## Renewable energy

Increased focus on compliance measures regarding 'green buildings', including NABERS and Greenstar ratings

IPD's power monitoring products enable commercial buildings and utilities to monitor energy usage at a granular level



## Industrial control systems

High profile cyber attacks on companies resulting on increased demand and investment in cybersecurity protection

IPD sell hardware and software solutions which protect enterprise's electrical infrastructure



## Data centres

Rising demand for components and systems for data centres

IPD sell various critical products to data centres and offer installation, test and commission, maintenance and ad hoc engineering services



## Modular switchboard systems

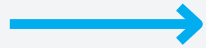
Changes in the newly introduced low voltage switchgear & control gear assemblies standard

Both Elsteel and IPD invested heavily in design and testing to provide a comprehensive modular electrical switchboard solution



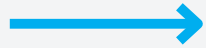
# Strategic priorities

## Become a significant end to end solution provider to the EV charger market



- |  |                                     |
|--|-------------------------------------|
| EV hardware distribution agreement with ABB  | <input checked="" type="checkbox"/> |
| Design and project delivery skills – Gemtek  | <input checked="" type="checkbox"/> |
| Appointment of an experienced leader to the EV business Unit – David Sullivan                    | <input checked="" type="checkbox"/> |
| Increase the scale of business development, engineering and project delivery staff – in progress | <input type="checkbox"/>            |
| Establish a nationwide network of licensed EV installers – in progress                           | <input type="checkbox"/>            |

## Expand product range

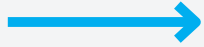


- |                                       |                          |
|---------------------------------------|--------------------------|
| UPS – Uninterrupted Power Supply      | <input type="checkbox"/> |
| BESS – Battery Energy Storage Systems | <input type="checkbox"/> |
| High efficiency motors                | <input type="checkbox"/> |
| Renewables                            | <input type="checkbox"/> |

# Strategic priorities

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## Acquisitions



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The Group has a proven track record of successful acquisitions



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IPD continues to assess potential complementary acquisitions that add to its customer offering



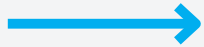
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Potential targets have been identified and preliminary discussions are taking place

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## Strategic sales focus



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Investment in resources over and above the current pool to create pull-through demand by driving specification of IPD solutions through key influencers and identify significant opportunities early in the project life cycle



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Promote “packaged” solutions covering all products, create and deliver an education program for consultants, become a trusted advisor for relevant solutions to end users in key targeted vertical markets

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# Outlook

## Buoyant Market

- Infrastructure
- Mining

## Regulatory Environment

- Decarbonisation
- Mandatory emission reduction
- Incentive Schemes

## Electrification of the Economy

- Renewables
- Energy Management
- EV Chargers

## Global Supply Chain

- Cost increase of materials and freight
- Increase inventory levels to mitigate disruption

## COVID-19

- Lock downs relaxed
- Increase in staff travel to meet customers face to face

## Sri Lanka

- Political and economic uncertainty in Sri Lanka
- Colombo employees continue to work from home uninterrupted
- Have started a back up operation in Manila
- IPD has increased salaries provided to employees however the changes in FX rates have offset increased costs



# Trading update & outlook

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## FY23 outlook

IPD's business continues to perform well in a buoyant market

Supply chain disruptions and global trade continue to remain uncertain

Board will provide an update on Q1 trading performance at the Company's AGM on 10 November 2022

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# Questions

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# Supplementary information

# Business summary

IPD's business is split between the sale of infrastructure products and the provision of services to businesses across Australia

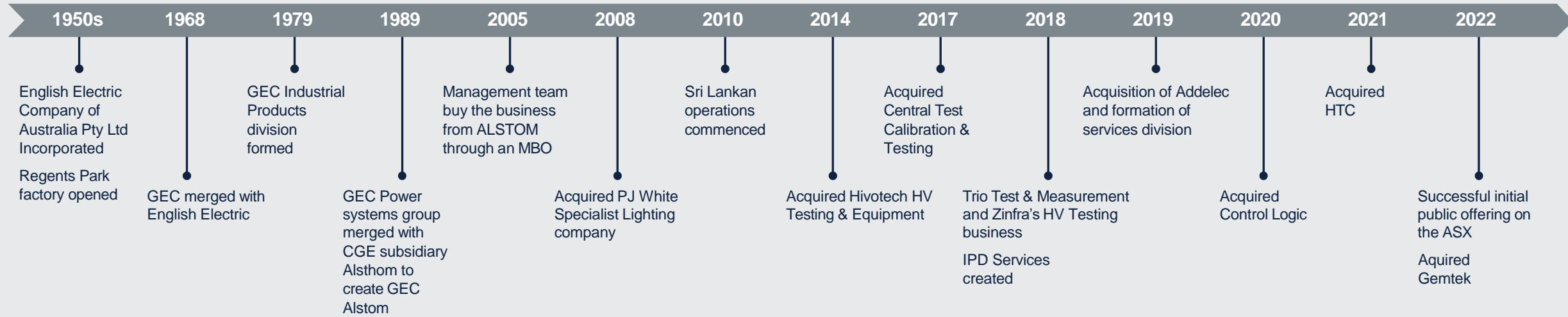
	FY22 pro forma revenue split	Description	Brands	Customer types	End users/industries	Locations	Revenue model
<b>Products</b>	<p>90%</p>	Sale and distribution of a range of electrical infrastructure products and solutions		Switchboard manufacturers, OEMs and system integrators, electrical wholesalers, electrical contractors and power utilities	Commercial construction, residential construction, infrastructure, mining, power utilities, healthcare and education	Sydney, Brisbane, Melbourne, Adelaide and Perth	Sale of products and solutions
<b>Services</b>	<p>10%</p>	Specialist provider of low and high voltage electrical services		Data centres, healthcare, power generation, utilities, industrial, mining, roads and rail infrastructure		Sydney, Melbourne, Bendigo and Burnie (Tasmania)	Project management, labour and materials



# IPD's history of growth



## Reliably serving Australia for over 70 years



# Appendices

# Profit & loss

## Summary pro forma profit and loss

\$m	Pro forma FY21	Pro forma FY22	% change
Revenue	142.6	180.5	26.6%
<b>Gross profit</b>	<b>54.7</b>	<b>68.6</b>	<b>25.4%</b>
Other income	0.6	0.8	33.3%
Operating expenses	39.3	47.3	20.4%
<b>EBITDA</b>	<b>16.0</b>	<b>22.1</b>	<b>38.1%</b>
Depreciation and amortisation	4.0	3.6	(10.0%)
<b>EBIT</b>	<b>12.0</b>	<b>18.5</b>	<b>54.2%</b>
Net interest expense	0.6	0.5	(16.7%)
<b>PBT</b>	<b>11.4</b>	<b>18.0</b>	<b>57.9%</b>
Income tax expense	3.5	5.4	54.3%
<b>NPAT</b>	<b>7.9</b>	<b>12.6</b>	<b>59.5%</b>
Gross profit margin	38.3%	38.0%	(0.3%)
EBITDA margin	11.2%	12.2%	1.0%
EBIT margin	8.4%	10.2%	1.8%
NPAT margin	5.5%	7.0%	1.5%

# Balance

## Statutory balance sheet

\$m	31 Dec 21 Statutory	30 Jun 22 Statutory
Cash	19.8	25.4
Trade and other receivables	35.2	37.6
Inventories	31.3	32.9
Other current assets	1.2	1.1
<b>Total current assets</b>	<b>87.5</b>	<b>97.0</b>
Right-of-use assets	12.5	11.1
PP&E	2.9	3.4
Intangibles	10.1	10.5
Deferred tax assets	3	2.9
Other non-current assets	–	–
<b>Total non-current assets</b>	<b>28.6</b>	<b>27.8</b>
<b>Total assets</b>	<b>116.1</b>	<b>124.8</b>
Trade and other payables	37.9	40.4
Current tax liabilities	2	1.6
Lease liabilities	2.4	2.4
Provisions	4.8	6.3
<b>Total current liabilities</b>	<b>47.1</b>	<b>50.7</b>
Lease liabilities	11.4	10.2
Provisions	0.4	0.3
Deferred tax liabilities	–	0.2
<b>Total non-current liabilities</b>	<b>11.8</b>	<b>10.7</b>
<b>Total liabilities</b>	<b>58.9</b>	<b>61.4</b>
<b>Net assets / equity</b>	<b>57.2</b>	<b>63.4</b>



# P&L Reconciliation



\$m	FY19	FY20	FY21	FY22
<b>Statutory revenue</b>	<b>75.8</b>	<b>87.5</b>	<b>118.1</b>	<b>176.8</b>
Impact of acquisitions	59.2	53.9	24.6	3.7
<b>Pro forma revenue</b>	<b>135.0</b>	<b>141.4</b>	<b>142.6</b>	<b>180.5</b>

\$m	FY19	FY20	FY21	FY22
<b>Statutory EBITDA</b>	<b>3.7</b>	<b>9.1</b>	<b>13.6</b>	<b>20.2</b>
Offer costs	-	-	-	1.6
<b>Underlying EBITDA</b>	<b>3.7</b>	<b>9.1</b>	<b>13.6</b>	<b>21.8</b>
Public company costs	(0.4)	(0.4)	(0.4)	(0.2)
Impact of acquisitions	4.2	6.5	2.8	0.6
AASB16	2.6	-	-	-
Product recall	1.2	(0.4)	-	-
<b>Pro forma EBITDA</b>	<b>11.3</b>	<b>14.8</b>	<b>16.0</b>	<b>22.1</b>

\$m	FY19	FY20	FY21	FY22
<b>Statutory EBIT</b>	<b>0.6</b>	<b>5.8</b>	<b>9.6</b>	<b>16.6</b>
Offer costs	-	-	-	1.6
<b>Underlying EBIT</b>	<b>0.6</b>	<b>5.8</b>	<b>9.6</b>	<b>18.2</b>

\$m	FY19	FY20	FY21	FY22
<b>Statutory NPAT</b>	<b>(0.2)</b>	<b>4.0</b>	<b>6.5</b>	<b>11.1</b>
Offer costs	-	-	-	1.6
Tax impact	-	-	-	(0.4)
<b>Underlying NPAT</b>	<b>(0.2)</b>	<b>4.0</b>	<b>6.5</b>	<b>12.3</b>