

30 August 2022

FY22 Financial Results

IPD Group Limited (ASX:IPD or the Company) is pleased to release the Company's financial results for the financial year ended 30 June 2022, its inaugural result as a publicly listed company since its initial public offer on 17 December 2021.

FY22 results highlights

- Record pro forma revenue of \$180.5 million representing 26.6% growth on pcp
- Record pro forma EBIT of \$18.5 million representing 54.2% growth on pcp
- Record pro forma NPAT of \$12.6 million representing 59.5% growth pcp and 29.9% greater than the prospectus forecast
- Result consistent with upgraded earnings guidance provided on 22 June 2022
- Successful listing on ASX (December 2021) raising \$20.0 million of new capital for growth initiatives
- Strong balance sheet, with cash of \$25.4 million and no borrowings
- Earnings per share increased to 14.3 cents per share, an increase of 38.8% over pcp
- Fully franked dividend of 3.7 cents per share declared for the second half of FY22, 32.1% greater than the prospectus forecast of 2.8 cents per share
- Successful integration of the HTC business, acquired in October 2021
- Zero Lost Time Injury Frequency Rate (LTIFR) during FY22 demonstrating focus on employee safety
- Acquisition of Gemtek in April 2022, an end-to-end provider of electric vehicle charging solutions
- David Sullivan, ex ABB senior executive, will join IPD to lead the Gemtek business unit on 12th October 2022

FY22 results summary

| \$m | FY21 pro forma ¹ | FY22 pro forma ² | Variance (%) | FY22 pro forma ² prospectus forecast | Variance to prospectus (%) | FY22 statutory |
|---------------------------------------|--------------------------------|--------------------------------|-----------------|---|----------------------------------|----------------|
| Revenue | 142.6 | 180.5 | 26.6% | 169.6 | 6.4% | 176.8 |
| Gross profit | 54.7 | 68.6 | 25.4% | 61.8 | 11.0% | 67.5 |
| EBITDA | 16.0 | 22.1 | 38.1% | 18.1 | 22.1% | 20.2 |
| EBIT | 12.0 | 18.5 | 54.2% | 14.5 | 27.6% | 16.6 |
| NPAT | 7.9 | 12.6 | 59.5% | 9.7 | 29.9% | 11.1 |
| Operating expenses as % of revenue | 27.5% | 26.2% | (1.5%) | 25.9% | 0.3% | 27.1% |
| Gross profit margin | 38.3% | 38.0% | (0.3%) | 36.4% | 1.6% | 38.2% |
| EBITDA margin | 11.2% | 12.2% | 1.0% | 10.7% | 1.5% | 11.4% |
| EBIT margin | 8.4% | 10.2% | 1.8% | 8.5% | 1.7% | 9.4% |
| NPAT margin | 5.5% | 7.0% | 1.5% | 5.7% | 1.3% | 6.3% |

(1) FY21 pro forma results include twelve months of HTC and three months of Control logic prior to acquisition, twelve months of costs as a listed company and excludes Control Logic acquisition related expenses.

(2) FY22 pro forma results excludes IPO related expenses, includes three months of HTC prior to acquisition, five months of costs as a listed company and excludes HTC acquisition related expenses.

Commenting on the results, IPD's Chief Executive Officer Michael Sainsbury said: "This year has been a transformative year for IPD, listing on the ASX and welcoming new shareholders to our business, while raising \$20.0 million to fund growth initiatives into the future. The Company has delivered record performance across all key financial and operation metrics. Our success over the last 12 months in a COVID environment demonstrates the commitment of our people and the strength of our business. We remain confident in the strength of our business and ambitious to drive its growth."

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FY22 result overview

Pro forma sales revenue for FY22 of \$180.5 million was up 26.6% on pcp, despite the effect of the lockdown in some states as well as global supply chain issues.

This growth reflects the strength of our operating model, successful integration of earnings accretive acquisitions and expanded product portfolios and ranges. Along with operating costs being well managed, management responded well to the ever-changing conditions related to COVID-19 to deliver a pro forma EBIT margin of 10.2% (FY21: 8.4%).

Strong balance sheet

In the first half of FY22 the Company raised \$20.0 million of capital through a successful IPO on the ASX. As at 30 June 2022 the Company had \$25.4 million in cash and no borrowings. IPD is well capitalised to execute on its strategic priorities.

Total investment in working capital increased by \$5.4 million during the year (up 27.6% pcp) to support an increase in sales of 49.7%. The Company has invested in additional inventory to minimise the impact of the global supply chain disruptions.

Dividend

In line with the dividend policy of the Company to distribute 40% - 60% of NPAT, the Company has declared a final fully franked dividend of 3.7 cents per share, payable on 3 October 2022. This represents a payout ratio of 50%. This dividend relates to the profit in the second half of FY22.

Post the dividend payment in October 2022, the Company is expected to have a franking credit balance of \$19.1 million. The 3.7 cents final dividend equates to \$3.2 million.

Outlook & earnings guidance

IPD's core business continues to perform well in a buoyant market. It is too early in the new financial year to provide a full year outlook given the ongoing impact of supply chain disruptions and global trade uncertainty. The Board will provide an update on Q1 trading performance at the Company's AGM on November 10th 2022.

This announcement was approved for release by the Board.

-- ENDS --

Further information

A conference call to present the results is scheduled for 11.00am AEST on 30 August 2022 following the release of the results. To access the conference call please click on the following URL: <https://redback.events/ir-694c03>

For further information, please visit our website <https://ipdgroup.com.au/> or contact the Company Secretary, Michael Austin, michael.austin@automicgroup.com.au.

About IPD Group

IPD is a national distributor and service provider to the Australian electrical market. IPD's core focus in the products division is the sale of electrical infrastructure products to customers including switchboard manufacturers, electrical wholesalers, electrical contractors, power utilities, OEMs and system integrators. In addition to selling products, IPD provides a range of value-added services, including custom assembly, sourcing, engineering design, technical compliance, procurement, transport, storage, regulatory management, technical support, packaging, labelling, inventory management and delivery. IPD Group operates in nine locations across six states, providing a truly national offering to its customer base.

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