

28<sup>th</sup> November 2022

ASX Announcement

### CHAIRMAN'S AGM ADDRESS

On behalf of the IPD Group Board, I'm delighted to welcome our shareholders to our first Annual General Meeting as an ASX listed company, following our successful IPO in December 2021. So a warm welcome to our new post IPO shareholders and our existing shareholders, many of whom have been involved since the formation of the company back in 2005.

Despite COVID and global supply chain disruption challenges encountered by the business over the 2022 financial year, IPD pleasingly delivered substantial profit growth, both year on year and versus prospectus targets, as highlighted in the following table.

| \$m           | FY21<br>pro forma <sup>1</sup> | FY22<br>pro forma <sup>2</sup> | Variance<br>(%) | FY22 pro<br>forma <sup>2</sup><br>prospectus<br>forecast | Variance to<br>prospectus<br>(%) | FY22<br>statutory |
|---------------|--------------------------------|--------------------------------|-----------------|--|----------------------------------|-------------------|
| Revenue       | 142.6                          | <b>180.5</b>                   | 26.6%           | 169.6  | 6.4%                             | 176.8             |
| EBITDA        | 16.0                           | <b>22.1</b>                    | 38.1%           | 18.1   | 22.1%                            | 20.2              |
| EBIT          | 12.0                           | <b>18.5</b>                    | 54.2%           | 14.5   | 27.6%                            | 16.6              |
| NPAT          | 7.9                            | <b>12.6</b>                    | 59.5%           | 9.7  | 29.9%                            | 11.1              |
| EBITDA margin | 11.2%                          | <b>12.3%</b>                   | 1.1%            | 10.7%  | 1.6%                             | 11.4%             |
| EBIT margin   | 8.4%                           | <b>10.2%</b>                   | 1.8%            | 8.5%   | 1.7%                             | 9.4%              |
| NPAT margin   | 5.5%                           | <b>7.0%</b>                    | 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.

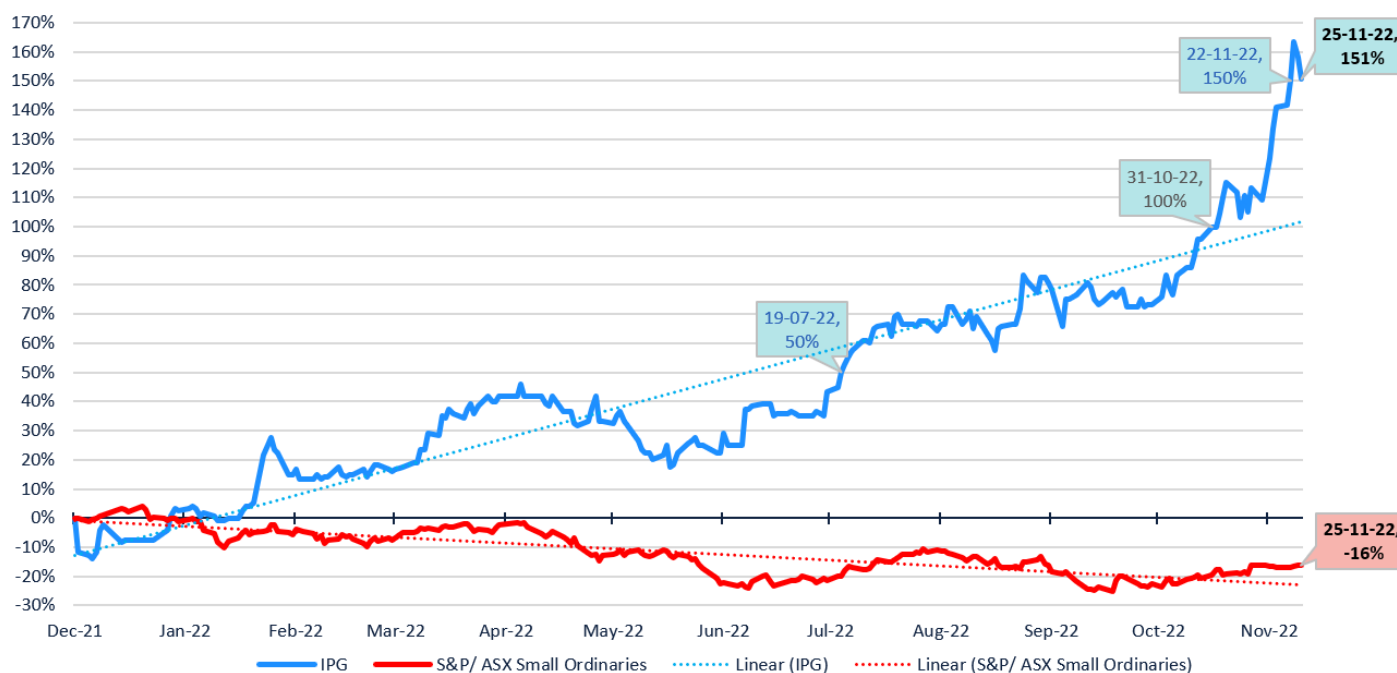
(2) FY22 pro forma results excludes IPO related expenses, includes three months of HTC prior to acquisition, five months of costs as a listed company and excludes HTC acquisition related expenses.

The key growth drivers behind our record breaking financial year results encompass the successful integration of Control Logic, HTC & Gemtek acquisitions, the expansion of our product range, and meeting customer lead-time needs and increased demand via an investment in additional inventory. The company remains well capitalised to execute its strategic growth plans with no debt on our balance sheet.

The Board approved a fully franked dividend of 3.7 cents per share for the second half of FY22, which was paid to eligible shareholders on October 3rd 2022. Pleasingly, this second half dividend was 32.1% higher than the prospectus forecast of 2.7 cents per share and represented a payout ratio of approximately 50% of NPAT, in line with the company's dividend policy range of 40% to 60% of NPAT.

IPD shares have achieved considerable price growth to date since the \$1.20 listing price in Dec 2021, both in absolute terms and in comparison with the Small Ordinaries Index, as shown in the graph below.

**IPG and S&P/ASX Small Ordinaries Index price return from IPG listing date  
17-12-2021 to 25-11-2022**



From an environmental perspective, IPD's suite of power management, energy control and renewables products is well placed to assist clients and broader society in reducing greenhouse gas emissions and energy consumption. This capability has been further enhanced in FY22 by the additional products and solutions of HTC, particularly in regards to high energy consuming HVAC equipment and Gemtek, with respect to electric vehicle charging infrastructure. Our Addelec Power Services business is also providing testing, commissioning & installation services to these specialised systems.

The entire IPD team can be very proud of the excellent workplace health & safety focus adopted across FY22, with the achievement of zero lost time injuries across the business despite increased staff numbers, a highlight.

Effective corporate governance remains a key focus area for the Board. Given the increasing threat of business disruption from malicious cyber security incursions, this has been a particular topic of governance attention in FY22 and likely for the foreseeable future. Following a detailed cyber security review of existing systems and processes, the company has made significant risk mitigation investments including the appointment of a Chief Information Officer and the deployment of improved technology, procedures and information security training to staff.

In response to the political and economic turmoil that unfolded in Sri Lanka in Q4 of FY22, IPD has established a contingent support office in the Philippines to provide an alternate means of delivering the key back of house support services performed by our Sri Lankan team as required.

Building management team bench strength is another Board focus area and we announced today some executive management changes, with our current long term CFO Mohamed Yoosuff moving into a newly created Director of Strategic Development role along with the internal promotion of our current General Manager of Finance Jason Boschetti into the CFO role. The formal date of effect for these changes will be January 1st 2023, following a structured transition process. Mohamed's new role will mainly encompass, mergers and acquisitions, investor

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relations, IT and executive oversight of our offshore operations in Sri Lanka and the Philippines. Jason was selected two years ago as a strategic CFO succession plan appointment and he has already successfully managed many key projects, including acquisitions and integrations. His outstanding leadership played an integral role in the company's successful 2021 ASX listing.

In closing, I would like to thank my fellow non-executive director and Chairman, David Rafter, for his valuable support and contribution to running an effective Board. Congratulations to our CEO Michael Sainsbury & CFO Mohamed Yoosuff and the IPD senior management team in leading the delivery of these record results. The Board recognises that the drive, hard work and expertise of our workforce and supply chain partners are fundamental to our success and we thank all for your commitment and loyalty. I take this opportunity to thank our shareholders for their trust and support.

This release has been authorised by the IPD Group Limited Board of Directors.

-- ENDS --

#### **Further information**

For further information, please visit our website <https://ipdgroup.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 operations in nine locations across six states, providing a truly national offering to its customer base.

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