



Providing electrical solutions to the
industrial electrical market

AGM 2023 | 28 NOVEMBER 2023

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

CEO Presentation

Michael Sainsbury



Our Vision

To help build a future where sustainable electrical infrastructure creates a better life for all.



Our Mission

To enhance every aspect of infrastructure through energy efficiency, automation and secure connectivity while prioritising the safety and wellbeing of people.

Our guiding principles



Our Values

Courage to evolve

We embrace new opportunities, challenge norms, and evolve together in the pursuit of a sustainable tomorrow.

Knowledge is our key

Knowledge is our greatest tool in helping customers thrive and succeed.

Stronger together

With collaboration, we can overcome any challenge together.

Earn customers for life

Striving for lifelong customers, one interaction at a time.

Own it

We take responsibility for our actions to drive positive change.

People first

We respect every individual, valuing their unique perspectives and contributions.

FY23 Results



Financial performance

Continued strong organic growth for IPD Group

REVENUE

\$226.9m

↑ Up 28.3% (PCP \$176.8m)

EBITDA

\$27.7m

↑ Up 37.1% (PCP \$20.2m)

EBIT

\$23.4m

↑ Up 41% (PCP \$16.6m)

NPAT

\$16.1m

↑ Up 45% (PCP \$11.1m)

TOTAL DIVIDENDS – FY23

9.3cents

Payout ratio of 50%

NET ASSETS

\$72.9m

(\$63.4m as at 30 June 2022)

NET CASH

\$20.8m

(\$25.4m as at 30 June 2022)

LTIFR ⁽¹⁾

1.1 LTIFR

PRODUCTS/SERVICES REVENUE SPLIT

92% / 8%

ROIC ⁽²⁾ / ROCE ⁽³⁾

20% / 29%

1. Lost time injury frequency rate at 30 June 2023. LTIFR Average number of lost time injuries over the past 12 months for every 1,000,000 hours worked

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

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

Sales & earnings growth

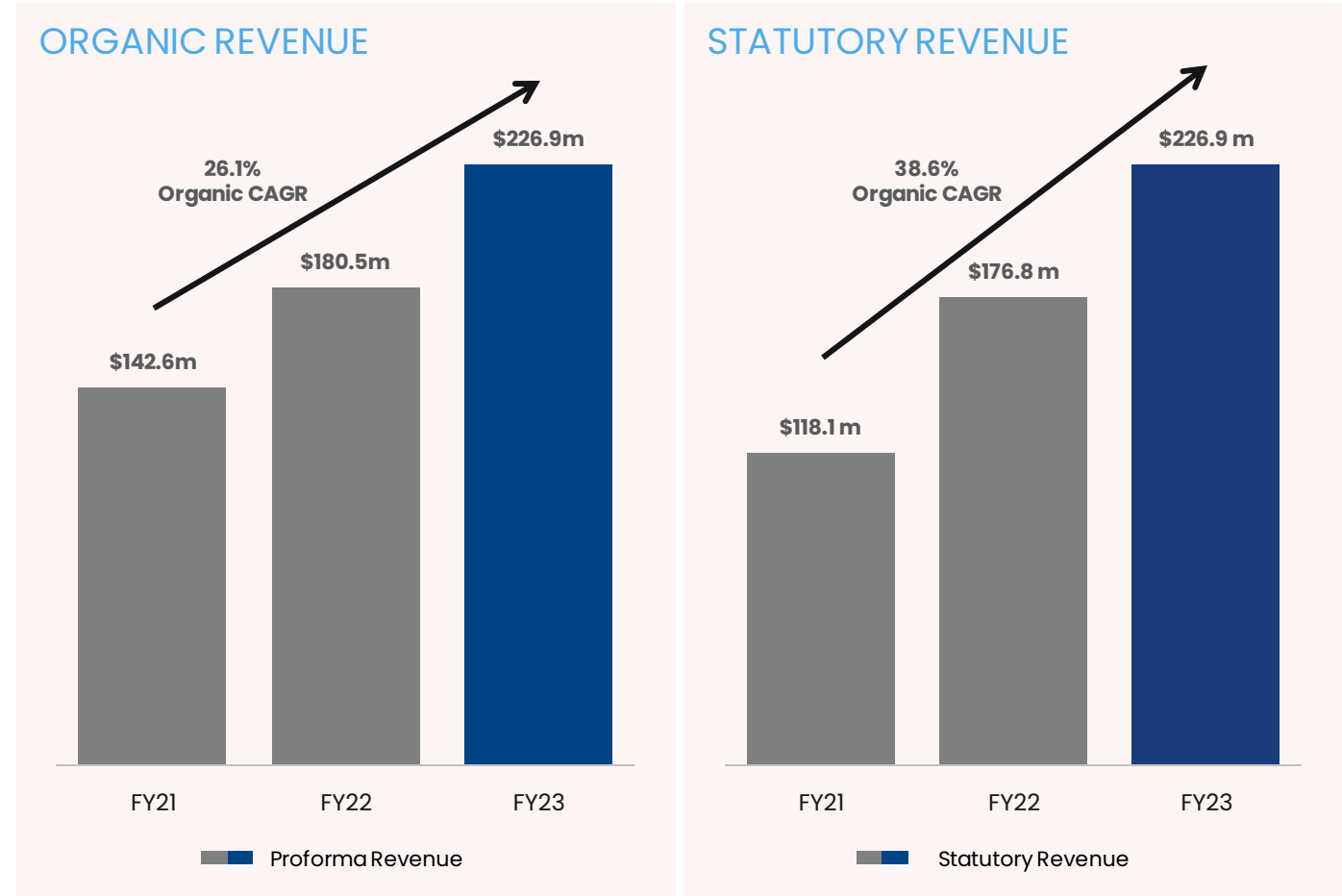
Record revenue & EBIT results

Revenue of \$226.9 million, up 28.3% on pcp

- Strong organic growth displayed by a 26.1% CAGR since FY21 has been delivered predominantly by the existing product portfolio and growing market share
- Strong statutory growth displayed by a 38.6% CAGR since FY21 demonstrates the success of the IPD's strategy to pursue strategic acquisitions

EBIT of \$23.4 million, up 41.0% on pcp

- There have been ongoing strategic investments made during the year
- Expansion of the Gemtek team
- Recruitment of specification focused business development managers across the country
- Operational expansion with a new 4,000sqm warehouse
- While the Company has invested into these strategic initiatives during the financial year, IPD has continued to deliver strengthening EBIT margins through increases in gross profit margins and the benefits of operating leverage. EBIT has grown at a 56.0% CAGR since FY21



FY23 Overview

Growth momentum has continued

Successful integration

of Control Logic and
HTC businesses

Strong organic growth

at a 26.1% revenue CAGR
between FY21 and FY23

Delta distribution

agreement providing access
to new UPS and BESS markets

Orders won

for multiple
data centres

New business development

investment is creating demand
through specification

Busduct project

business is growing

Additional 4000m² warehouse

freed up 30% capacity in main
distribution centre

Our market drivers



Electrification and energy transition:

- Electricity usage to double by 2050
- *Decarbonisation*: Since 2007, Australia cut its fossil fuel electricity use from 81% to 53% and is adopting renewables faster than the global average
- *Decentralisation*: Improved technology has boosted efficiency and affordability in the decentralised energy sector
 - Storage capacity to increase 30x
 - Grid scale wind & solar increase 9x
 - Distributed solar PV 5x
- *Digitalisation*: Smart meters and digitalisation in Australia's energy sector are on the rise

EV infrastructure:

- IPD Group has a potential \$1b opportunity in the expanding EV charging infrastructure, set to grow 20x by 2030
- Australia's EV fleet is set to grow from ~40k to 1m by 2027, increasing infrastructure demand
- IPD Group offers end-to-end EV infrastructure solutions

Unique end-to-end solution

Well placed to capitalise on EV charging infrastructure investments



IPD product distributor for many brands of electrical distribution & charging equipment



Addelec engineering, construction with service & maintenance capability

Gemtek's EV charging site assessment, infrastructure design and load management solutions



IPD manufacturing of EV charging distribution boards



Ex Engineering acquisition

Significant step forward in expanding our service offerings and capabilities

Solid financials :

Revenue ~\$12M

EBITDA \$2.5M

Purchase price ~\$10M

Services hazardous environment customers

such as oil and gas, petrochemicals, mines, grain etc

Complex assembled products;

with sticky customers protecting profits

High barriers to entry

due to specialised knowledge and regulatory hurdles



Next steps: IPD's national sales force and footprint to expand the successful EX Engineering model across Australia from its current base in WA

Transaction Highlights

IPD is undertaking the acquisition of CMI Operations

Transaction	<ul style="list-style-type: none">IPD Group Limited (“IPD”) to acquire CMI Operations Pty Ltd (“CMI”), a leading distributor of electrical cables and manufacturer and distributor of plug brands in Australia, from ASX listed Excelsior Capital Limited (“Excelsior”) (ASX:ECL)Total consideration includes an upfront payment of \$92.1 million and a contingent payment up to a maximum of \$8.9 million
Rationale	<ul style="list-style-type: none">CMI is a strategically compelling acquisition in highly complementary sectors that extends IPD’s product suite, increases supplier diversity, strengthens its overall value proposition with existing customers and broadens customer reach
Attractive business model	<ul style="list-style-type: none">Low capital intensity and high cash flow generationSolid and growing EBIT margins, increased from 12.0% in FY21A to 14.9% in FY23AStrong re-occurring revenue streams linked to a regulatory driven plug replacement cycle
Growth	<ul style="list-style-type: none">CMI has been experiencing significant organic growth, growing at a ~18% revenue CAGR between FY21A and FY23ADuring the same period, EBIT has grown at 31% per annum, demonstrating the benefits of operating leverage
Funding	<ul style="list-style-type: none">Acquisition to be funded with a combination of new debt facilities and a fully underwritten equity raising of approximately \$65 million
Financial impact¹	<ul style="list-style-type: none">The acquisition results in pro forma FY23A EPS accretion of over 30% (excluding synergies)²Increases IPD’s pro forma FY23A EBIT margin from 10.3% to 11.7%Leverage of ~0.9x gross debt³ / pro forma FY23A EBITDA

1. Pro forma FY23A metrics exclude any synergies, incremental costs, or one-off transaction or integration costs

2. Adjusted for the theoretical ex-rights price (“TERP”) which is the theoretical price at which an IPD share should trade at immediately after the ex-date for the Entitlement Offer. Assumes that the maximum contingent payment of \$8.9 million is paid (refer to next page for details)

3. Gross debt is on a pre-AASB16 basis (excluding lease liabilities)

CMI Overview

CMI sells a portfolio of electrical cables and Australia's leading plug brand for hazardous environments

- Established in Sydney in 1991, CMI is a leading distributor of electrical cables and manufacturer and distributor of its "Minto" plug brand
- CMI consists of two core divisions:
 - CMI's **cable division** supplies electrical cable to major construction, infrastructure and renewables projects nation-wide, targeting orders of between \$0.25m - \$10m
 - CMI's **plug division** "Minto", is the market leader in hazardous environments and other safety-focused applications for its best-in-class couplers and receptacle products
- Since its establishment, CMI:
 - has grown organically to generate \$104.3 million of revenue in FY23A and \$15.5 million of EBIT
 - has expanded to operate Australia wide, with six warehouses located across four states
 - now employs ~60 people who service ~500 customers annually
- CMI is exposed to growing industries, with end-users in construction, infrastructure, renewables, mining, tunnelling and precious metals

Key facts	
\$104.3m FY23A net sales	18% FY21A – FY23A revenue CAGR
\$17.1m FY23A EBITDA	\$15.5m FY23A EBIT
16.4% FY23A EBITDA margin	14.9% FY23A EBIT margin
27.4% FY23A gross profit margin	~60 FTE employees as at June 2023
6 Warehouses across 4 states	~500 Customers as at June 2023
<1% Warranty rates	nil Lost time incidents since FY20

Our strategic priorities

Focused on achieving double-digit growth



People & capabilities

Investing in resources over and above the current pool to support our strong revenue growth

EV infrastructure

Merging Addelec and Gemtek to capitalise on the growing EV infrastructure market with a substantial combined team



Strategic sales

Investing in business development managers across the country to boost demand by promoting our IPD solutions to key influencers and identify early project opportunities

Acquisitions

Expand product portfolio further into key themes of decarbonisation, decentralisation, and digitalisation

Continue to pursue strategic and earnings-accretive company acquisitions, while ensuring a good cultural fit



Our people & sustainability

Our people are not just the heart of IPD Group, they are the driving force behind our success.

43%

Net promoter score – This reinforces our 'employer of choice' status, with many satisfied employees likely to recommend our business

70%

Employee engagement score

1.1

Lost time injury frequency rate (LTIFR)

567

IPD employees



Environmental

Dedicated to energy efficiency with a 100Kw solar system at our Sydney Head office

Sustainable procurement practices and our collaboration with suppliers for a circular economy in packaging

Use of 100% FSC certified Fill Pak paper and recyclable boxes

Recycling initiatives and partnership with reDirect Recycling

ISO 14001 accreditation highlights structured environmental management

Transitioning our fleet to Electric Vehicles



Social

Support and company donations for initiatives such as 'Biggest Morning Tea', 'International Women's Day', 'Movember' and 'R U OK Day'

Implementation of an Employee Assistance Program (EAP)

Introducing employee transition programs, including parental leave and retirement plans

Sponsoring multiple industry associations such as NECA, MEA, and NESMA to provide essential funding for the electrical industry



Governance

Commitment to ethical business conduct

Environmental standards and transparent affiliations in place

Inclusive employee programs

Mandatory training for all commercial employees around ACCC and our obligations as an ASX listed entity

A strong Designated Line of Authority (DLA) policy across the organisation ensuring compliance and adherence

Outlook



Trading update & outlook

Earnings guidance

Guidance is based on unaudited management accounts for the first four months of FY24 and management budget for November and December

- Positive momentum has continued into FY24 and the outlook for our markets remain buoyant
- Tailwinds from the electrification of the economy have had a positive impact
- The Company is expecting a number of significant projects to commence in the second half of the year

\$m	H1FY23 statutory	H2FY23 statutory	Underlying H1 FY24 guidance ¹	H1FY23 vs H1FY24 change (%) ²
EBITDA	13.4	14.3	16.0 – 16.5	~21%
EBIT	11.5	11.9	13.5 – 14.0	~20%

1. Excludes one off M&A transaction costs

2. Based on the midpoint of the H1 FY24 guidance range

Q&A



Thankyou