

Chairman's AGM Address

26 November 2024

On behalf of the IPD Group Board I'm delighted to welcome our shareholders to our FY24 AGM.

I am again delighted to report that our Company has delivered record financial results in FY24, as organic growth and the acquisitions of EX Engineering and CMI Operations increased Revenue by 28.0% versus FY23 and Underlying Net Profit After Tax by 44.7% versus FY23.

During FY24 the Group's capital structure changed as a result of the \$92.1 million acquisition of CMI Operations, which was funded by a successful equity raising of \$65 million and the establishment of a \$40 million debt facility with the Commonwealth Bank of Australia. This corporate debt facility was IPD Group's first ever debt facility, which balanced the desire to preserve shareholder equity against cost-effective debt funding. Pleasingly, the Group's strong operating free cash flow conversion of 88% through FY24 has resulted in a modest year-end Net Debt position of only \$8.8 million, with a cash balance of \$22.3 million.

While CMI Operations was the largest acquisition IPD Group has undertaken to date, this approach to funding and strong performance over the period once again allowed the Board to approve total dividends to shareholders of 10.8 cents per share (fully franked) for FY24. This equates to shareholder payments of \$11.2 million and a payout ratio of 50% of NPAT, in line with the dividend policy range of 40-60%. The total dividend of 10.8 cents per share was 16.1% higher than in FY23.

From a governance perspective, the Board placed particular focus across the financial year on M&A due diligence, evaluating expert advice on optimal CMI Operations acquisition funding options, succession planning, cyber security, and preparatory work for the upcoming Mandatory Climate Reporting legislation.

FY24 represented the first full financial year of Jason Boschetti's time as Chief Financial Officer, having assumed the role in January 2023 when former CFO Mohamed Yoosuff moved to the role of Director of Strategic Development. We are pleased to note that the smooth transition in responsibilities has been followed by continued strong execution on the part of both Jason and Mohamed, as reflected in the record FY24 results and the two successful acquisitions completed over the past year. Alongside CEO Michael Sainsbury, the Board is highly confident that the seasoned senior management team in place will continue to execute against IPD Group's strategic priorities in the year ahead.

Given the Group's strong balance sheet, expanding range of products and services, and ongoing focus on strategic M&A, IPD Group is ideally positioned to continue supporting our customers as they execute against a multitude of megatrend tailwinds, in turn delivering earnings growth for our shareholders.

To close, I would like to thank my fellow directors for their support and guidance across a very busy Board schedule in FY24. We appreciate the trust and support of all shareholders. The Board understands that the passion, drive, and expertise of our staff and supply partners have been fundamental to our success across FY24, and we thank all for your support and loyalty.

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

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Further information

For further information, please visit our website <https://ipdgroup.com.au/> or contact us directly at investorrelations@ipd.com.au.



ABN 12 111 178 351

43 Newtown road, Wetherhill Park, NSW 2164 PO Box
6422, Wetherhill Park, NSW 1851

Tel: 02 9645 0777

About IPD Group

As a provider of electrical solutions in energy management and automation, IPD is dedicated to enhancing electrical infrastructure. The company focuses on energy efficiency, automation, and secure connectivity, prioritising the safety and wellbeing of people. Committed to innovation, IPD Group plays a pivotal role in the electrification and decarbonisation of the economy, paving the way for a cleaner, interconnected tomorrow.