



Distributor and service provider to the
Australian electrical market

FY23 RESULTS PRESENTATION | 25 AUGUST 2023

Presenters



Michael Sainsbury
Executive Director & CEO



Jason Boschetti
Chief Financial Officer



Mohamed Yoosuff
Executive Director
Strategic Development



David Rafter
Non-Executive Chairman

What we'll share today

FY23 Results Presentation

- Overview
- Financial performance
- Highlights
- Our market
- Our focus
- Outlook

Overview

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.

Corporate snapshot



CAPITAL STRUCTURE

ASX Code	IPG
ASX Share price	\$4.56 ⁽¹⁾
IPO Date	17 th December 2021
Shares on issue	86,587,070
Debt	Nil
Cash	\$20.8M
Market capitalisation	\$394M ⁽¹⁾

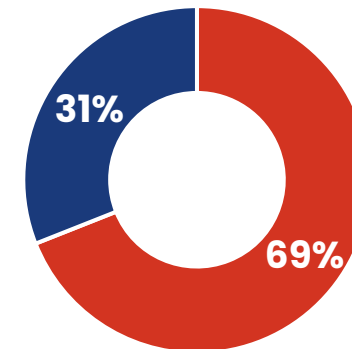
SHARE PRICE⁽¹⁾



BOARD OF DIRECTORS

David Rafter	Non-Executive Chair
Andrew Moffat	Non-Executive Director
Michael Sainsbury	Executive Director & CEO
Mohamed Yoosuff	Executive Director - Strategic Development

SHARE HOLDER BREAKDOWN⁽¹⁾



■ External ■ Board, Management and Employees

1. As at 23 August 2023

FY23 Results overview



Financial performance

Continued strong organic growth for the 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

Financial Performance

Financial overview

Strong operating performance

Strong operating performance delivers organic revenue, gross profit, EBITDA, EBIT and NPAT growth during FY23

Revenue performance key drivers:

- organic growth on existing product portfolio
- strength of the new operating model after fully integrating Control Logic and HTC into IPD Group Limited
- growth in particular end markets such as Data Centres
- expanded product portfolio with the inclusion of Delta UPS's

In light of escalating raw material costs and global inflation, diligent margin management has delivered stable gross margin across the group

Operating expense as a % of revenue improved on the pcp.

\$m	FY23	FY22	Movement % (vs last year)
Revenue	226.9	176.8	28.3%
Gross profit	86.8	67.5	28.6%
EBITDA	27.7	20.2	37.1%
EBIT	23.4	16.6	41.0%
NPAT	16.1	11.1	45.0%
Gross profit margin	38.2%	38.2%	0.0%
Operating expenses as % of revenue	26.3%	27.1%	(0.8%)
EBITDA margin	12.2%	11.4%	0.8%
EBIT margin	10.3%	9.4%	0.9%
NPAT margin	7.1%	6.3%	0.8%

Sales & earnings growth

Record revenue & EBITDA results

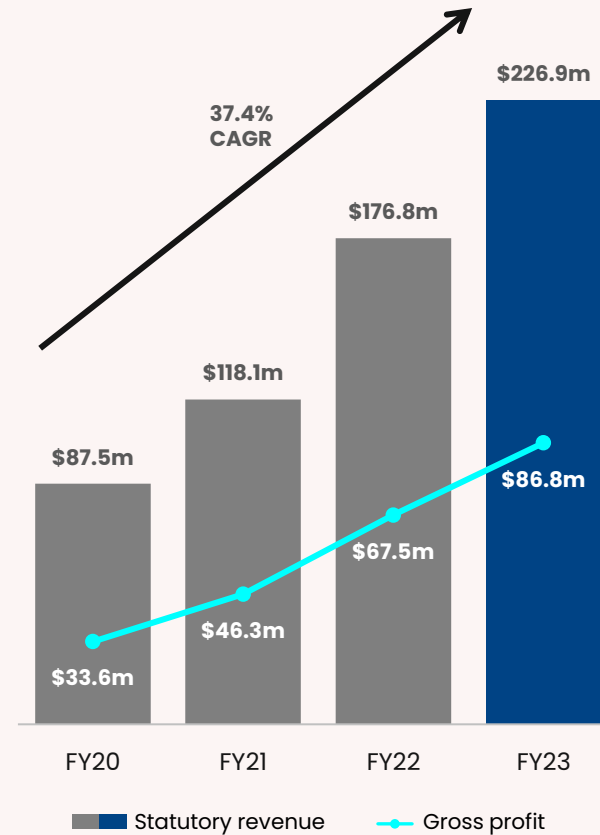
Revenue of \$226.9million, up 28.3% on pcp

- Strong organic growth has been delivered predominantly by the existing product portfolio and growing market share
- Strong statutory growth displayed by a 37.4% CAGR

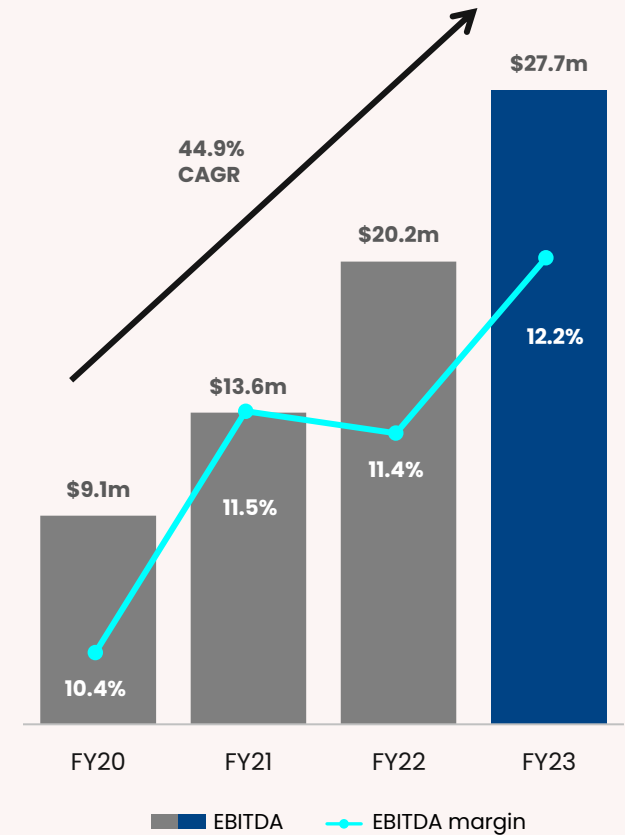
EBITDA of \$27.7 million, up 37.1% on pcp

- There have been ongoing strategic investments made during the year, some of which include:
 - 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 Group has invested into these strategic initiatives during the financial year, the Group continued to deliver strengthening EBITDA margins, and a 44.9% EBITDA CAGR over the past four financial years

REVENUE



EBITDA

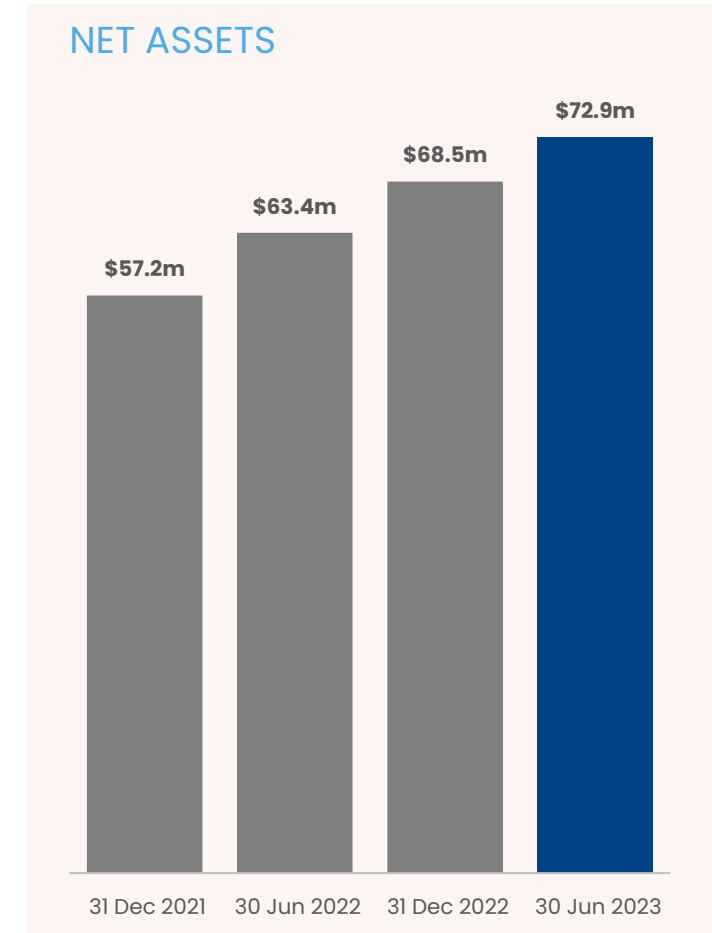


Strong & flexible financial position

Balance Sheet

\$m	As at 30 Jun 2023	As at 30 Jun 2022
Total current assets	109.1	97.0
Total non-current assets	30.5	27.8
Total assets	139.6	124.8
Total current liabilities	55.0	50.7
Total non-current liabilities	11.7	10.7
Total liabilities	66.7	61.4
Net assets	72.9	63.4

- \$20.8 million in net cash as at 30 June 2023
- Not materially impacted by the RBA increases to the Australian cash rate during the year as the Group continues to have no debt
- As at 30 June 2023, the Group has \$72.9 million of net assets



Disciplined approach to capital management

Net working capital & dividend

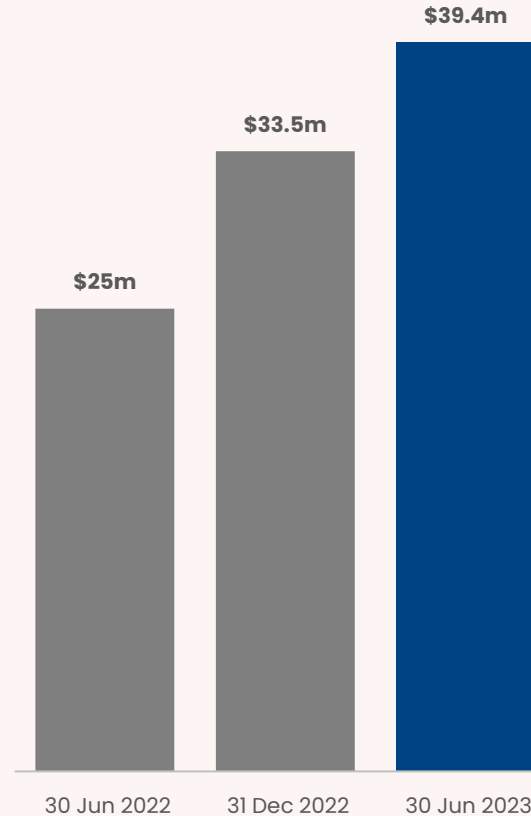
Net working capital (NWC) of \$39.4 million

- Inventory increased by \$9.4 million on the prior corresponding period but remained consistent with inventory levels from 31 December 2022. As supply chains and lead times begin to normalise, the inventory build during H1 was used to support the ongoing revenue growth into H2.
- Net working capital has grown commensurate with revenue growth. This investment remains critical to continue our ongoing growth.

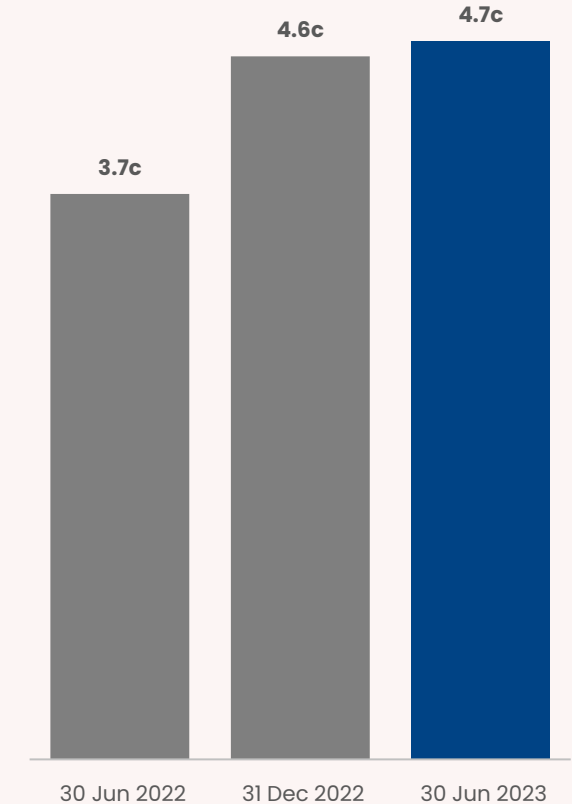
Dividend of 4.7 cents/share, up 27.0%

- The total dividends declared for FY23 were 9.3 cents per share, equating to a payout of \$8.0 million and a payout ratio of 50%.

NET WORKING CAPITAL (NWC)



DIVIDENDS



Highlights

FY23 Overview

Growth momentum has continued

Successful integration of Control Logic and HTC businesses

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 frees up 30% capacity in main distribution centre

Gemtek building momentum

Winning projects that illustrate our value proposition

NRMA

Scope of works:

- Numerous sites
- Site acquisition
- Site construction
- Maintenance & repair

Hancock Prospecting

Electrifying their transport link between Port Headland & Roy Hill Mine sites.

Scope of works:

- Site inspections
- Engineering design
- Civil works (concrete, cables etc)
- Installation & commission
- Hardware supply
- Load management, charge point operation, metering, monitoring & security

Elizabeth Key Bus Depot

Scope of works:

- Power distribution Busduct
- Cable & accessories
- Control management system
- Installation & commission

NSW – State funding for 3 charging locations – in excess of \$1.8 million

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.



People & ESG commitment

Employee survey conducted with an excellent Net Promoter Score of 42%

Environmental

- Dedicated to energy efficiency with a 100Kw solar system at 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

Social

- Supports initiatives: 'Biggest Morning Tea', 'International Women's Day', 'Movember' and 'R U OK Day'
- Employee Assistance Program (EAP)
- Transitioning programs for employees (parental leave & retirement)

Governance

- Commitment to ethical business conduct
- Environmental standards and transparent affiliations in place
- Inclusive employee programs
- Transitioning to EVs and focus on workplace flexibility

Our Market

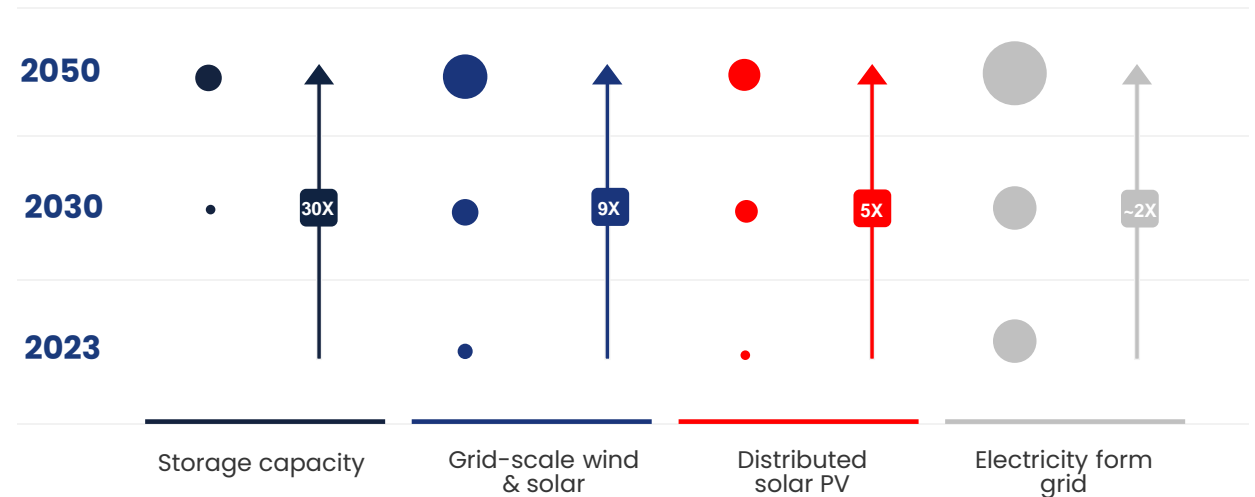
Electrification & energy transition

Significant tailwinds from electrification push & associated mandated change

Electricity usage to double by 2050

- **Storage capacity to increase 30x** : Vital for electricity grids with growing renewables to ensure system reliability in a mixed energy environment.
- **Grid scale wind & solar increase 9x & distributed solar PV 5x** : Renewable energy supply mix will be a greater proportion of energy supply and require a growing percentage of investment spend.
- **Commercial buildings are investing** more in sustainable solutions, with energy costs accounting for about 1/3 of their operating expenses.
- **Zero energy buildings (ZEBs)** utilise various technologies and design elements to achieve energy self-sufficiency, highlighting a growing demand for energy-efficient structures in the electrification movement.

STORAGE CAPACITY, GRID-SCALE WIND & SOLAR GROWTH POTENTIAL

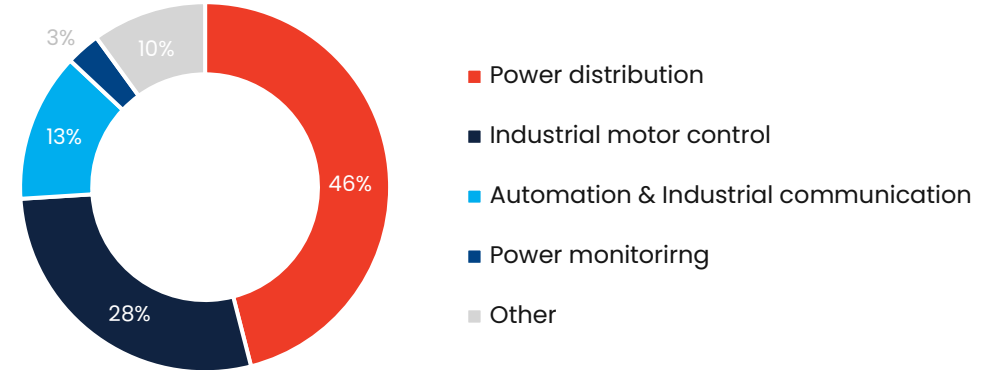


Our products & customers

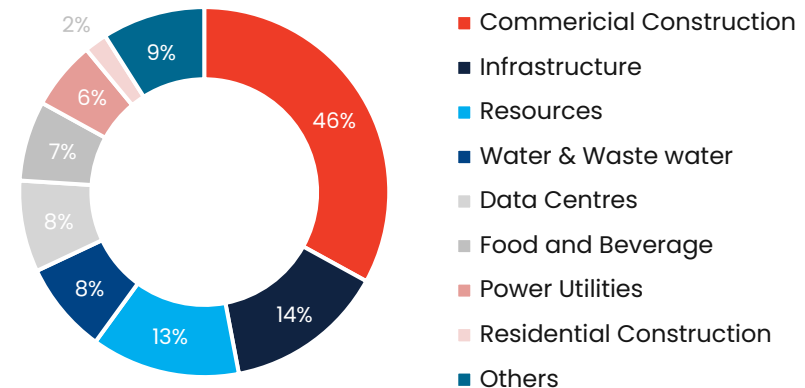
Our core product portfolio of power distribution, industrial motor control and automation products are at the forefront of the electrification wave.

- ~50% exposure to commercial construction & infrastructure end markets
- Resources & utilities are also key end markets
- Customers include switchboard manufacturers, OEMs and system integrators, electrical wholesalers, electrical contractors and power utilities.
- End user industries include commercial construction, residential construction, infrastructure, mining, power utilities, healthcare & education.

PRODUCT BY REVENUE



END CUSTOMER MARKETS



Our Focus

IPD Group with total coverage

Ready to capitalise on EV charging infrastructure investments



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



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



IPD manufacturing of EV charging distribution boards.



Addelec engineering, construction with service & maintenance capability.

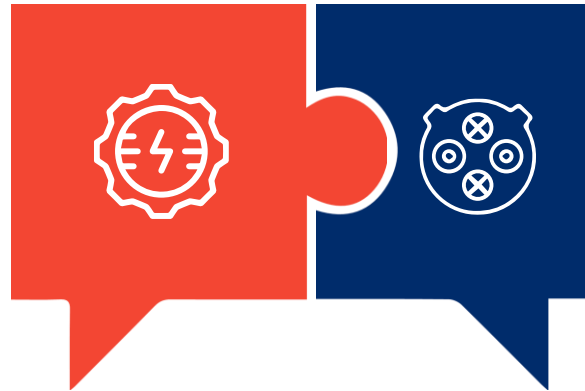
A new EV business

Gemtek & Addelec to integrate forming a new EV business

As one, we will be uniquely positioned as a full-service EV infrastructure provider.

addelec 

Complete electrical engineering and service provider specialising in high and low voltage projects



gemtek 

Electrical vehicle charging hardware software and infrastructure solutions

Estimated 20x more chargers will be required by 2030, which we conservatively estimate is a **\$1b opportunity for IPD**, from a forecast \$18-20b required investment.

Integrated Gemtek and Addelec will uniquely provide **full-service EV infrastructure solutions**

Total market now to end 2027

DC Fast Charging Market:
2,100 – 2,200 DC Chargers
~650M AUD

AC Charging Market:
>2 Million AC Chargers
~4,000M AUD

Australia's current EV fleet

By 2027, a projected 12x increase to 1M EVs

Strategic priorities

Double digit organic growth

Expand product range



High efficiency motors



UPS (Uninterrupted Power Supply)



BESS – Battery Energy Storage Systems



Strategic sales



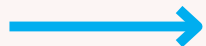
Invest in additional resources to boost demand by promoting IPD solutions among key influencers and spotting major opportunities early in the project's life cycle.



Promote all-inclusive product packages, develop an educational program for consultants, and establish trust as an advisor for tailored solutions in targeted markets.



Acquisitions



The Group has a proven track record of successful acquisitions



Continue with strategic and earning accretive acquisitions



Outlook



Trading update & outlook

FY24 outlook

**Mid to long term,
the outlook for
our markets
remain buoyant**

**Australian macro
economic environment
is subdued**

**Board will provide an
update on trading
performance at the
Company's AGM on the
28th November 2023**

Q&A



Important notice & disclaimer



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A number of figures and calculations in this presentation are subject to the effects of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. All dollar figures within this document represent Australian Dollars unless otherwise specifically stated.

Supplementary Information

Business summary

Product sales and complimentary services to Australia's electrical industry

	FY22 pro forma revenue split	Description	Brands	Customer types	End users/industries	Locations	Revenue model
<div data-bbox="71 458 377 792" style="background-color: #004a87; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">Products</div>	<p style="text-align: center; font-weight: bold; font-size: 1.2em;">92%</p>	<p>Sale and distribution of a range of electrical Infrastructure products and solutions</p>	 	<p>Switchboard manufacturers, OEMs and system integrators, electrical wholesalers, electrical contractors and power utilities</p>	<p>Commercial construction, residential construction, infrastructure, mining, power utilities, healthcare and education</p>	<p>Sydney, Brisbane, Melbourne, Adelaide and Perth</p>	<p>Sale of products and solutions</p>
<div data-bbox="71 858 377 1192" style="background-color: #004a87; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">Services</div>	<p style="text-align: center; font-weight: bold; font-size: 1.2em;">8%</p>	<p>Specialist provider of low and high voltage electrical services</p>	 	<p>EV charging infrastructure, Data centres, healthcare, power generation, utilities, industrial, mining, roads and rail infrastructure</p>		<p>Brisbane, Sydney, Melbourne, Perth, Bendigo and Burnie (Tasmania)</p>	<p>Project management, labour and materials</p>

IPD's history of growth



Reliably serving Australia for over 70 years

Evolution of IPD

1950s	1968	1989	1998	2005

Key acquisitions

2014	2017	2018	2019	2020	2021	2022	2023

1950s
English Electric Company of Australia Pty Ltd Incorporated
Regents Park factory opened

1968
GEC merged with English Electric

1979
GEC Industrial Products division formed

1989
GEC Power systems group merged with CGE subsidiary Alstom to create GEC Alstom

2005
Management team buy the business from ALSTOM through an MBO

2008
Acquired PJ White Specialist Lighting company

2010
Sri Lankan operations commenced

2014
Acquired Hivotech HV Testing & Equipment

2017
Acquired Central Test Calibration & Testing

2018
Trio Test & Measurement and Zinfra's HV Testing business
IPD Services created

2019
Acquisition of Addelec and formation of services division

2020
Acquired Control Logic

2021
Acquired HTC
Successful initial public offering on the ASX

2022
Acquired Gemtek

2023
Acquired EX Engineering

