

ASX Announcement
(ASX:PPE)

30 November 2020

People Infrastructure Ltd

Annual General Meeting – Chair’s Address and Management Presentation and Withdrawal of Resolution 4

In accordance with Listing Rule 3.13.3, attached is a copy of the Chair’s Address, Executive Director and CEO’s Presentation to be delivered at People Infrastructure Ltd Limited’s (ASX:PPE) 2020 Annual General Meeting (“AGM”).

Pursuant to the People Infrastructure Ltd Notice of Annual General Meeting (“NOM”) dated 27 October 2020, the Company advises that the closing share price on 27 November 2020 was \$3.62 as such the Company’s market capitalisation as at the date of the Annual General Meeting is over \$300 million and the Company no longer meets the eligibility criteria to seek shareholder approval for an additional placement capacity under ASX Listing Rule 7.1A. Accordingly, PPE announces that Resolution 4 (*Approval to Additional Share Issue Capacity under ASX Listing Rule 7.1A*) is being withdrawn and will not be put to shareholders at the AGM to be held today at 10am.

The withdrawal of this item of business does not affect the validity of the proxy form attached to the NOM or any proxy votes already made.

Enquiries - please contact:

David Cuda, Group CEO
Declan Sherman, Executive Director
Glen Richards, Chairman
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This announcement was authorised for release by the Board.



November 30, 2020

PEOPLE INFRASTRUCTURE BOARD AND MANAGEMENT ADDRESS

Glen Richards - Chairman

The 2020 financial year delivered a range of challenges to People Infrastructure, specifically related to the onset of the Covid-19 virus, but we are pleased to report that we were able to successfully weather these challenges throughout 2020 and our business continues to grow strongly in the 2021 financial year. For the third year in a row as a public company we continued to deliver on the expectations of our stakeholders, be they employees, clients or shareholders. In particular, People Infrastructure continued to generate positive returns to shareholders with the business growing considerably during FY20. Our result in FY20 was well above FY19 and the business continues track ahead of our expectations year to date for FY21.

During the year, every business in our group was impacted in some way by the Covid-19 virus. This was the biggest disruption of workforces that we have seen in this century. The ramifications were felt across all industries that we service, nursing, community services, childcare, information technology, professional services, transport, logistics, food processing, mining, hospitality, the list goes on. That being said, as a company we were able to manage these challenges and adapt our business practices to still meet the needs of our clients and candidates during this time.

Alongside pursuing organic growth in existing and new markets, in FY20 we completed the acquisition of First Choice Care, which is the leading nursing agency in Queensland, cementing our position as one of the largest employers of agency nurses in Australia. With nearly half our earnings now being generated by clients in the healthcare and community services sector we continue to be excited by the future prospects of this part of our business.

Our operations generated substantial free cash flow in FY20 and our balance sheet is conservatively geared therefore we are well positioned to invest in further opportunities should they arise. We raised capital during the year to both maintain a conservative balance sheet during a period of heightened economic volatility, and to pursue future acquisition opportunities. This was

extremely well supported and our shareholding register includes some of Australia's leading small cap investors.

The Board, although small, continues to have, in my view, a good balance of experience and the skills required for strong governance and to execute on People Infrastructure's long term strategy. I'd also like to make special mention of and thank the Executive Team, who in a year that provided significant macro economic and business challenges, continue to patiently focus on provide best practice services to our clients. The Board remains confident in their ability to continue to substantially grow the business long into the future.

Finally, I'd like to thank shareholders, for your ongoing support. It is very much appreciated. You have been supportive of the direction of the company and we never lose sight that you are the owners of People Infrastructure.

As we look ahead to 2021 and beyond, especially with the backdrop of an especially turbulent year I think it is worthwhile reiterating our long term vision to be one of Australia's leading workforce management companies delivering innovative solutions and services for our clients across a number of industries. We maintain a strong and sustained focus on protecting shareholder interests, improving intrinsic shareholder value, and always maintaining ethical behavior.

I would now like to introduce our outgoing Managing Director Declan Sherman and our CEO David Cuda who will provide an update on the business. Before Declan commences his address, on behalf of the board and fellow shareholders, I would like to thank Declan for his dedication and entrepreneurial tenacity as the founding managing director of People Infrastructure, and congratulate him on leading a team that has delivered above and beyond expectations for our stakeholders during some tough foundation years. Declan will continue as a director and I look forward to his continued involvement in the company.

Declan Sherman – Executive Director

I would like to go over the economic highlights for FY20 before making some more general observations about our business performance during the year.

People Infrastructure confronted a number of challenges in FY20 due to the impact of Covid-19. Whilst the business was immediately impacted at the outset of the first wave of Covid-19, it has shown tremendous resilience to bounce back strongly over the last six months. As a result, we were able to generate both an increase in earnings and significant increase in cashflow throughout the year.

Prior to Covid-19 and as demonstrated in the first half results, People Infrastructure was on track for a strong FY20 as a result of organic growth in the business and the benefits of acquisitions completed during the past 18 months. The first wave of Covid-19 created immediate challenges, in particular the cancelation of elective surgeries and government / private hospital partnerships emptying hospitals as well as other workforce dislocations due to virus containment measures. The impact of these measures on our business was relatively short lived and the business was still able to generate a strong result for FY20.

Financial highlights for the year included

- Normalised EBITDA of \$26.4m being 49.2% higher than normalised FY19 EBITDA and 8% above guidance
- Normalised NPATA of \$18.4m being 53.3% higher than normalised FY19 NPATA
- Normalised NPATA per share of 20.5 cents being 23.1% higher than normalised FY19 NPATA per share
- Strong operating cashflow of \$27.1m and a positive cash balance (net of debt) of \$9.9m
- Normalised EBITDA margin of 7.1% compared to 6.4% in FY19

Over the last 5 years we have delivered compound growth of over 20%, across revenue, EBITDA, NPATA and earnings per share, this is somewhat of an achievement and something we are immensely proud of. Perhaps what is just as exciting is the growth ahead of us – but I will leave that to Dave to speak to.

Other highlights throughout the year included the successful integration of our most recent acquisitions into the broader People Infrastructure business; these being First Choice Care and Carestaff in the health sector and Halcyon Knights in the information technology sector. Also the successful launch of the homecare business was another highlight and continues to perform well.

For all our success in 2020, for me I will remember 2020 not for the year end results or the operational impact that Covid-19 had on our business, but by the way we were able to respond to such an unprecedented set of circumstances.

For me the most noteworthy aspects are as follows:

- First our employees – they made significant sacrifices during this period and I thank them for their fortitude and commitment during a difficult time.
- Second the focus on the workplace health and safety - for both our corporate and field employees this was paramount especially where a number of our employees were in situations with high risk of direct contact with Covid-19.
- Third serving our customers – in particular to manage their own workplace dislocation issues was a major priority to ensure business continuity and employee safety.
- Finally, to manage the health of our own business in unprecedented economic uncertainty where we were still able to grow the business during this time.

A challenging year required leadership at a number of levels across our business, and one thing our business demonstrated was significant leadership across all levels. Special thanks go out to our board Tom, Glen and Liz, our CEO Dave and our CFO Megan and our divisional leaders, Juliet and Nathan in nursing, Frank in community services, Marcus and Lincoln in IT and Tom once again in ISS. We have such a strong leadership team and the transition to David as CEO has been incredibly positive for the business and sets the foundations for growth for the business over the next decade.

On that note I would like to hand over to David to talk further about operations and the year ahead

David Cuda – Chief Executive Officer

“To make an extraordinary impact by harnessing the talent in people”. What an inspiring purpose we have evolved to catapult us forward to create an impactful business which is built to prosper and succeed.

We are excited about the journey ahead as we seek to make an extraordinary impact on all our stakeholders, being our team, our customers, our shareholders and our broader

communities. Combined with our four core values of: Be Human, Be Memorable, Be Bold and Be Extraordinary, we have a strong culture and a defined DNA that guides everything we do.

We already have strong foundations to grow our business underpinned by:

- our talented team;
- our passion and desire to make an extraordinary impact; and
- our core competencies as a firm

This is all supported by a strong balance sheet and disciplined capital investment approach.

We have set ourselves an aspirational vision: To be the most successful Australian founded Workforce Solutions firm ever. Our focus is on building an enduring company: a company which is able to scale through implementing strategies which generate meaningful medium to long term growth and value for all our stakeholders.

Our strategic plan is underpinned by our three pillars; Together, Perform, Transform.

Together is about growing together as one business, where we leverage the combined synergies and capabilities across our entire business to maximise opportunities for our firm and our people.

Perform is about our relentless focus to cultivate our brands to be the undisputed leaders in their niche markets.

Transform is about laying down the tracks for our future prosperity through

- developing high performing people and teams;
- internally generating new business units; and
- undertaking complimentary acquisitions that we can buy-to-build.

We are currently implementing numerous initiatives to evolve new internally generated business units plus we are assessing and targeting a range of complimentary acquisition opportunities.

As we move forward, we will simultaneously exploit the growth opportunities in our current core Staffing business, whilst exploring and creating new Solutions and Services.

Within our Staffing operations we are focused on growth within current and new markets through a combination of sales and business development activities, internally generating new business units and undertaking complimentary buy-to-build acquisitions.

Furthermore, we are excited about our strategic road map to leverage our core competencies and infrastructure we have evolved for over 20 years in the sourcing, skilling, deployment and management of workforces across Australia and utilise these competencies to move into adjacent upstream new Solutions and Service lines, which we term Operations Services and Business Services. As an example, we have recently moved into the Human Services Homecare market and we are also evolving a business in the Facilities Maintenance market. Both these service lines are built on the back of our workforce management competencies and create new markets to penetrate where we can add enduring value and make an extraordinary impact.

Lastly, our success on our exciting journey ahead will be powered by our People and we have an unrelenting focus on retaining and hiring the very best talent whilst cultivating a wonderful culture where our people can flourish and prosper.

We thank our team, partners and shareholders for their support to date and we are driven to ensure we make a lasting extraordinary impact on you as we move forward.

We look forward to updating you on our performance and operations in February upon the release of our H1 Results.