

28 November 2023

ASX Announcement

Chairman's AGM Address

On behalf of the IPD Group Board I'm delighted to welcome our shareholders to our second AGM as an ASX listed company, and the first to cover a full financial year following our successful IPO in December 2021.

I'm pleased to report that our Company produced record financial results for the financial year ending June 30th 2023, with impressive year on year organic revenue growth of 28.3% and EBIT and NPAT increasing by 41% and 45% respectively, reflecting strong margins and the effective leveraging of scale economies.

From our record NPAT earnings of \$16.1m, the Board approved total dividends of 9.3 cents per share for FY23, on a fully franked basis. This represents approximately 50% of NPAT in line with the Company's current dividend policy range of 40%-60%.

FY23 highlights have been the successful final integration of acquired businesses into a unified IPD structure, a lost time injury frequency rate well below industry average, securing a new critical power products distribution agreement with global manufacturer Delta Electronics and establishing an end-to-end EV charging infrastructure delivery capability.

Our healthy balance sheet, with no debt and closing FY23 cash of \$20.8 million, places IPD in an enviable position to take advantage of the expansive green energy market opportunities created by the electrification and decarbonisation of the Australian economy. Our most recent completed acquisition of EX Engineering Pty Ltd, a Perth based business specialising in the design, supply, modification and repair of electrical hazardous area equipment in July 2023, provides a strong example. As per the successful integration models used in previous acquisitions such as Control Logic, Addelec, HTC & Gemtek, EX Engineering founders Jenni and Warwick Greville have joined the IPD leadership group and together are working on a revenue synergy growth strategy by leveraging IPD's national footprint.

We remain active in prudently seeking earnings accretive acquisition targets that closely align with our strategic goals and our culture. The pivot of former long-term CFO Mohamed Yoosuff into the newly created role of Strategic Development Director on 1 January 2023, has allowed greater focus in this regard, along with the exploring of new product supplier opportunities. As announced to the market this morning, we are pleased to advise the acquisition of CMI, our largest M&A transaction to date. Our CEO will provide more details in his presentation shortly.

Corporate governance key focus areas for the Board in FY23 have included cyber risk management and succession planning for key leadership roles. Further to the appointment of a Chief Information Officer in FY22, the Company has further invested in enhanced cyber security prevention and business continuity technologies and processes in line with its risk profile. In terms of effective succession planning a positive example was the smooth CFO transition, with Jason Boschetti successfully taking on the role following the completion of a structured development plan led by former CFO Mohamed Yoosuff.

In closing, I would like to thank my fellow non-executive director Andrew Moffatt for his valuable support and contribution to running an effective Board. Congratulations and gratitude are due to our CEO Michael Sainsbury & CFO Jason Boschetti and Strategic Development Director Mohamed Yoosuff, along with the entire IPD senior management team in leading the delivery of these record results. Whilst effective leadership is crucial, the Board recognises that the drive, hard work and expertise of our workforce and supply chain partners are imperative 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 in the Company.

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.

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.

Chair address

FY23 Highlights

IPD Group experienced another record year.

- **Record Financial Year**: Achieved exceptional growth in revenue and increases in profitability
- **Dividend Announcement**: Dividends declared at 9.3 cents per share
- **Operational Achievements**: Successful business integrations, safety improvements, new Delta Electronics partnership, and EV charging capabilities
- **Strategic Acquisition**: Purchase of EX Engineering, enhancing green energy market presence and leveraging IPD's national footprint
- **Financial Health & Focus**: Robust financial standing with no debt and \$20.8 million in cash; strategic focus on acquisitions and new product opportunities
- **Corporate Governance**: Enhanced cyber security measures and effective leadership succession planning
- **Acknowledgements**: Thanks to the team, shareholders, and supply chain partners for their support and dedication

\$m	FY23	FY22	Movement (%)
Revenue	226.9	176.8	+28.3%
EBIT	23.4	16.6	+41.0%
NPAT	16.1	11.1	+45.0%
EBIT margin	10.3%	9.4%	+0.9%
NPAT margin	7.1%	6.3%	+0.8%