



Leading national distributor and service provider
to the Australian electrical market

AGM 2022 | 28 NOVEMBER 2022

CEO Presentation
Michael Sainsbury

Important notice & disclaimer

NO RELIANCE

The information contained in this document is not investment or financial product advice and is not intended to be relied upon as the basis for an investment decision, and is not, and should not be assumed to be, complete. The information provided in this presentation may not be suitable for your specific needs and should not be relied upon by you in substitution for obtaining independent advice.

To the maximum extent permitted by law, neither the Company nor any other party guarantees or makes any representations or warranties, express or implied, as to, or takes responsibility for, the accuracy or reliability of the information contained in this document or as to any other matter, or takes any responsibility for any loss or damage suffered as a result of any inadequacy, incompleteness or inaccuracy in any statement or information in this document including, without limitation, any financial information, any estimate or projections or any other financial information.

Past performance information provided in this document may not be a reliable indication of future performance. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions, and beliefs of the Company. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon.

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking statements and comments about future events. Forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of the Company, are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct, and which may cause the actual results or performance of the Company to be materially different from any results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this document. Forward looking statements should not be relied on as an indication or guarantee of future performance. No representation, warranty or undertaking is made that any projection, forecast, assumption or estimate contained in this document should or will be achieved. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

MISCELLANEOUS

No person, especially those who do not have professional experience in matters relating to investments, may rely on the contents of this document. If you are in any doubt as to the matters contained in this document you should seek independent advice and/or consult your stockbroker, bank manager, solicitor, accountant, or other financial adviser.

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.

PRESENTATION AUTHORISED BY THE BOARD

We power, automate and connect infrastructure to build a better world

As more countries take action to reduce carbon emissions, demand continues to grow for the products and services essential to deliver responsible economic development.

IPD Group is a vertically integrated provider of end-to-end solutions to the Australian electrical market that help make it possible.



• CALIBRATION • REFURBISHMENT • MAINTENANCE
• TESTING • COMMISSIONING •

ipdgroup

VISION | To build the best team, provide an outstanding end-to-end customer experience and implement solutions to the challenges faced by the industries we serve.

MISSION | Through early adoption of technology, provide products, solutions and services of superior quality and value that exceed expectations.

VALUES |

– respect	– leadership
– integrity	– service
– knowledge	– fun



Extension of distribution agreement with ABB

- Successful transition of additional products and customers from ABB

HTC and Gemtek acquisition complete

- Integration into IPD offices
- System integrations of Control Logic, HTC and Gemtek executed during the financial year

Successful listing on ASX (December 2021) raising \$20m of new capital for growth initiatives

- Share price growth of 151% since listing¹

Positive outlook for continued growth

- Continued buoyant market
- Continuing supply disruption and global trade uncertainty

1. As at 25 November 2022

FY22 Overview



Financial performance

Strong organic and inorganic growth for the Group

\$180.5m

↑ Pro forma revenue
Up 26.6% (PCP \$142.6m)

\$22.1m

↑ Pro forma EBITDA
Up 38.1% (PCP \$16.0m)

\$18.5m

↑ Pro forma EBIT
Up 54.2% (PCP \$12.0m)

\$12.6m

↑ Pro forma NPAT
Up 59.5% (PCP \$7.9m)

3.7cents

↑ Dividend¹ 32.1% greater
than prospectus forecast
(2.8c per share)

\$63.4m

Net assets
(\$50.0m² as at 30 June 2021)

\$25.4m

Net cash
(\$17.6m² as at 30 June
2021)

Zero

0.0 LTIFR³

90% / 10%

Products / services
revenue split

18% / 27%

ROIC⁴ / ROCE⁵

1. Relates to second half of FY22

2. Pro forma per IPO prospectus

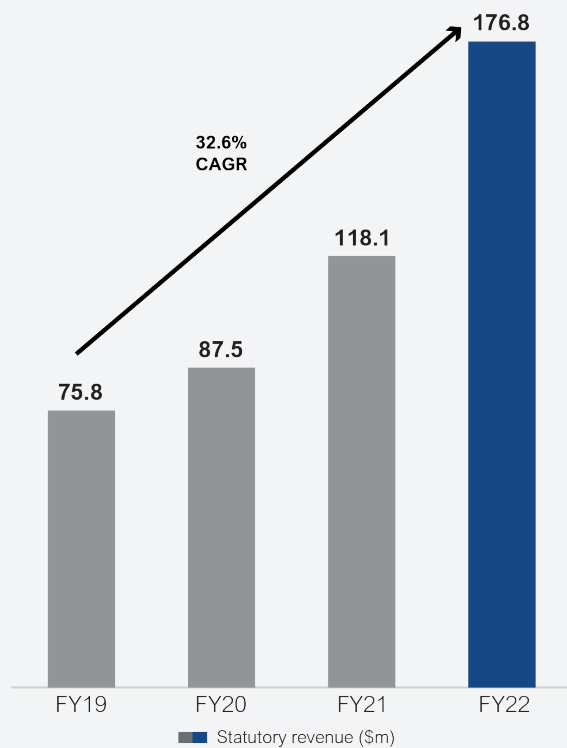
3. Lost time injury frequency rate at 30 June 2022. LTIFR Average number of lost time injuries over the past 12 months for every 1,000,000 hours worked

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

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

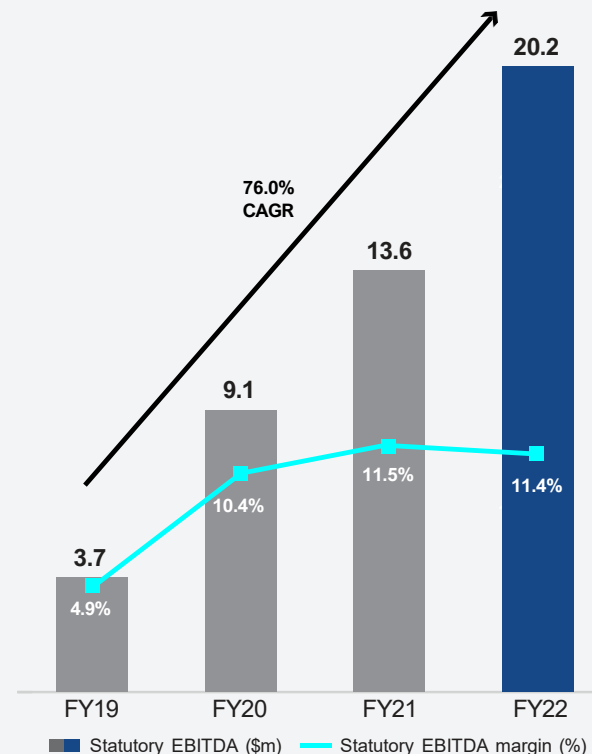
FY22 Overview

Statutory revenue



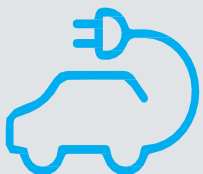
- Statutory revenue of \$176.8 million, up 49.7% on pcp
- Statutory revenue CAGR of 32.6%, representing both organic and inorganic growth
- Statutory revenue includes the acquisitions of Addelec in August 2019 (FY20), Control Logic in October 2020 (FY21), HTC in October 2021 (FY22) and Gemtek in April 2022 (FY22)

Statutory EBITDA & EBITDA margin



- Statutory EBITDA of \$20.2 million up 48.5% on pcp, representing a statutory EBITDA margin of 11.4% (includes \$1.6 million of IPO costs)
- Statutory EBITDA CAGR of 76.0%, representing both organic and inorganic growth

IPD are exposed to a number of high growth areas



Electric vehicles

Public and private sector commitments to transition vehicle fleets to EVs and expand EV charging infrastructure

IPD sells EV infrastructure on behalf of ABB and provides related services (installation, commissioning, maintenance, etc)



Renewable energy

Increased focus on compliance measures regarding 'green buildings', including NABERS and Greenstar ratings

IPD's power monitoring products enable commercial buildings and utilities to monitor energy usage at a granular level



Industrial communication systems

High profile cyber attacks on companies resulting in increased demand and investment in cybersecurity protection

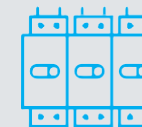
IPD sell hardware and software solutions which protect enterprise's electrical infrastructure



Data centres

Rising demand for components and systems for data centres

IPD sell various critical products to data centres and offer installation, test and commission, maintenance and ad hoc engineering services



Modular switchboard systems

Changes in the newly introduced low voltage switchgear & control gear assemblies standard

Both Elsteel and IPD invested heavily in design and testing to provide a comprehensive modular electrical switchboard solution

Changing electrical landscape

Australia is undergoing a distributed energy revolution¹

Expected energy transition to 2050²

Industry drivers

Economic:

- Inflation and soaring electricity prices
- Rising demand for renewable electricity to drive industry expansion

Political:

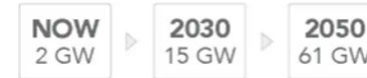
- Government renewable energy schemes and incentives
- Installation expansion into corporate and residential buildings
- Development of large scale energy storage infrastructure

Environmental:

- Impacts of population growth on the environment
- Growing environmental consciousness
- More companies are establishing environmental, social and governance (ESG) criteria



Storage capacity to increase by a factor of 30



Grid-scale wind and solar to increase 9-fold



Distributed solar PV to increase 5-fold



Electricity usage from the grid to nearly double



1. the-distributed-energy-resources-revolution-paper.pdf (cleanenergycouncil.org.au)

2. <https://aemo.com.au/newsroom/media-release/aemo-releases-30-year-electricity-market-roadmap>

EV charging infrastructure market

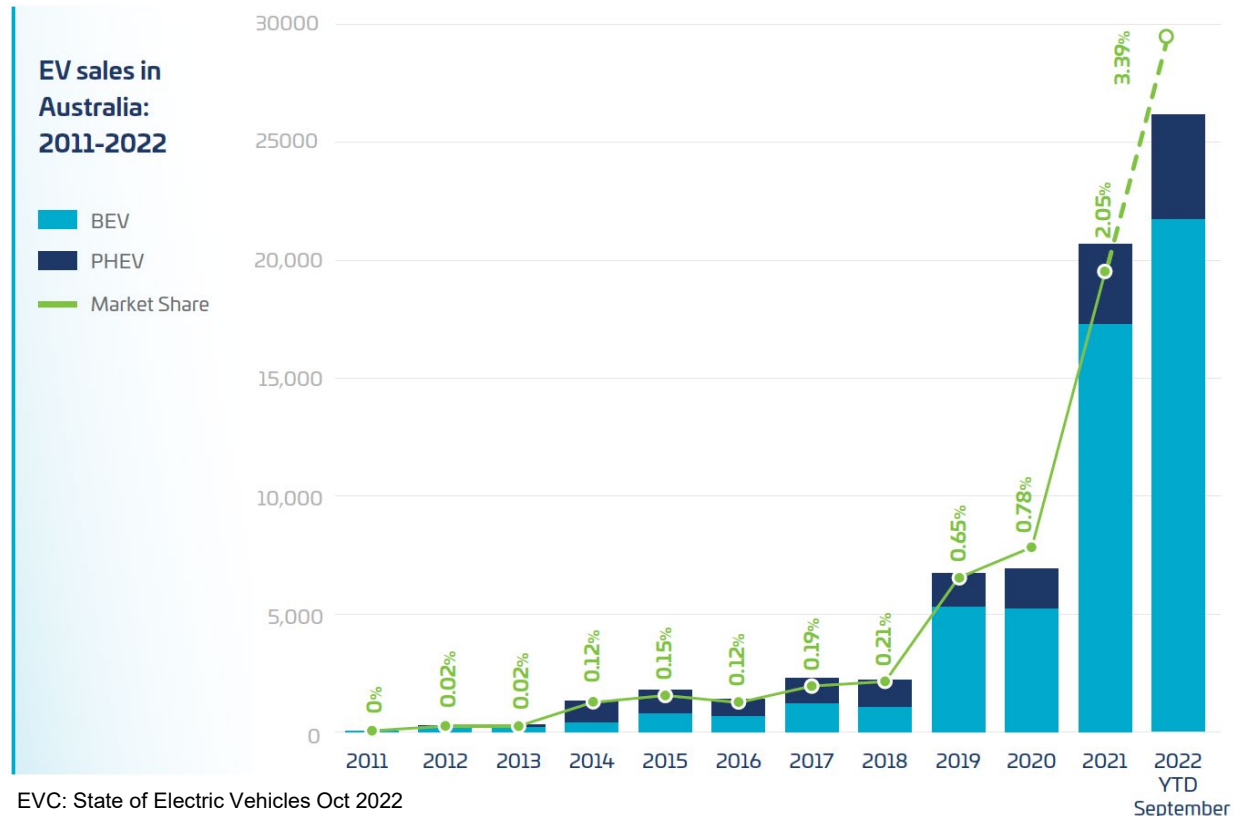
Electric vehicle chargers uptake and investment

A once-in-a-generation opportunity

- There are some estimates that suggest Australia will have 3 million EVs on the road by 2030
- Significant long-term investment will be needed to support Australian charging infrastructure
- Based on global take up of private chargers and global directives on public charger infrastructure, Australian charging infrastructure would require \$15 billion - \$20 billion of investment over the next 10 years

Current initiatives

- ACT mandated new zero emission vehicles by 2035
- NSW launched phase two of EV Fast Charging Grants \$633M over 4 years
- NSW Destination EV Charger grant. \$20M for regional/rural areas
- New legislation before parliament to remove fringe benefits tax (FBT) on eligible electric cars
- Introduction of the Commonwealth fleet target to ensure its fleet purchases and leases will be 75% electric by 2025
- Volvo to stop importing internal combustion engine vehicles to Australia by 2026. Audi will end development of new internal combustion engine models by the end of 2026



EV charging infrastructure market

Electric vehicle chargers and associated infrastructure

Integrated Charging Solutions

Energy demand levels are changing

- On-site commercial charging for fleets will need to be a standard feature over the next decade as fleets migrate to the EVs
- Corporate fleets and government will lead the way forward buying the largest share of EVs initially, which will flow into the second-hand market in the following few years
- Many major building upgrades will be needed to ensure electrical infrastructure to supply adequate capacity for the new demand
- IPD Group are in a favourable position to capitalise on EV charging and subsequent electrical infrastructure upgrades

Medium Voltage Distribution



Battery Energy Storage Systems



Energy Management & Power Quality



Low Voltage & Solar Distribution Boards



EV Chargers & Management Software



Design, Installation, Service & Maintenance



Strategic priorities

Become a significant end-to-end solution provider to the EV charger market →

EV hardware distribution agreement with ABB



Design and project delivery skills – Gemtek



Appointment of an experienced leader to the EV business Unit – David Sullivan



Increase the scale of business development, engineering and project delivery staff – in progress



Establish a nationwide network of licensed EV installers – in progress



Expand product range →

UPS – Uninterrupted Power Supply



BESS – Battery Energy Storage Systems



High efficiency motors

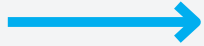


Renewables



Strategic priorities

Acquisitions



The Group has a proven track record of successful acquisitions



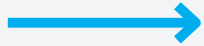
IPD continues to assess potential complementary acquisitions that add to its customer offering



Potential targets have been identified and preliminary discussions are taking place



Strategic sales focus



Investment in resources over and above the current pool to create pull-through demand by driving specification of IPD solutions through key influencers and identify significant opportunities early in the project life cycle



Promote “packaged” solutions covering all products, create and deliver an education program for consultants, become a trusted advisor for relevant solutions to end users in key targeted vertical markets



Buoyant Market

- Infrastructure
- Mining
- Data centres

Regulatory Environment

- Decarbonisation
- Mandatory emission reduction
- Incentive schemes

Electrification of the Economy

- Renewables
- Energy management
- EV Chargers

Global Supply Chain

- Cost increase of materials and freight
- Increase inventory levels to mitigate disruption
- Extended delivery lead times continue

COVID-19

- Lock downs relaxed
- Increase in staff travel to meet customers face to face

Sri Lanka

- Political and economic climate in Sri Lanka back to normal
- Colombo employees have returned to the office
- Back up operations in Manila is functioning well with 11 staff already onboard

Trading update & outlook

Earnings guidance

Guidance is based on unaudited management accounts for the first four months of FY23 and management budget for November and December

- Record performance in FY22
- Positive momentum has continued into FY23
- Margins have remained strong, price increases from suppliers have been successfully passed on to the market

H2 FY23 strategic investments:

- Second NSW warehouse in Sydney – IPD secured approx. 4,000sqm site in Eastern Creek
- Continued investment into inventory
- Investment into resources as we expand Gemtek and recruit specification focused business development managers across the country

\$m	H1 FY22 pro forma ¹	H2 FY22 statutory	H1 FY23 guidance range ²
Revenue	85.5	95.0	105.3 - 108.0
EBITDA	10.8	11.3	13.0 - 13.4
EBIT	9.0	9.6	11.1 - 11.5
EBITDA margin	12.6%	11.9%	
EBIT margin	10.5%	10.1%	

1. H1 FY22 pro forma results excludes IPO related expenses, includes three months of HTC prior to acquisition, five months of costs as a listed company and excludes HTC acquisition related expenses

2. Guidance is based on unaudited management accounts for the first four months of FY23 and management budget for November and December

Thank you for joining us.