

ASX ANNOUNCEMENT



25 February 2022

Investor Presentation

APM Human Services International Limited (ASX: APM; "APM" or "the Company") provides the attached investor presentation to be presented at 12pm (AEDT) today 25 February 2022. Presenting will be Megan Wynne (APM Executive Chair), Michael Anghie (APM Group CEO) and Steve Fewster (APM Group CFO).

Ends

Authorised for release to the ASX by the Company Secretary of APM Human Services International Limited.

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About APM

Founded in 1994 in Perth, Western Australia, APM is an international human services provider with the purpose of "Enabling Better Lives".

Each financial year, APM supports more than 1 million people of all ages and stages of life through its service offerings that include assessments; allied health and psychological intervention; medical, psycho-social and vocational rehabilitation; vocational training and employment assistance; and community-based support services.

With over 1,000 sites spanning 11 countries (Australia, United Kingdom, Canada, United States of America, New Zealand, Germany, Switzerland, Sweden, Spain, Singapore, and South Korea), APM's more than 9,000 team members work to enhance community health and wellbeing, delivering services to clients across the early childhood, youth, employment, insurance, justice, veterans, disability, and aged care sectors.

For further information please visit: <https://apm.net.au>



H1 FY22 Results Presentation

25 February 2022

ASX: **APM**



Overview

Today's presenters



Megan Wynne
Executive Chair & Founder

- Occupational Therapist
- Founded APM in 1994



Michael Anghie
Group CEO

- Joined APM in 2018 as CEO
- Held senior leadership roles at global professional services firm Ernst & Young with a M&A background



Steve Fewster
Group CFO

- Joined APM in 2021 as CFO
- Previous CFO roles at WesTrac, iiNet and Southern Cross Electrical Engineering

Today's H1 FY22 agenda

- Highlights
- Delivering on our promises
- Strong financial performance
- Positive outlook, increased pro forma FY22 NPATA guidance



H1 FY22 highlights

APM delivered strong H1 FY22 revenue and earnings growth

Revenue

\$613.7m ↑ 29%_{pcp}

Pro forma operating cash²

\$138.4m ↑ 18%_{pcp}

Pro forma EBITDA¹

\$138.8m ↑ 17%_{pcp}

Net Leverage³

1.8x

Pro forma NPATA¹

\$77.0m ↑ 38%_{pcp}

Statutory NPATA

\$(16.6)m

Includes one off non-recurring expenses associated with the IPO and debt refinancing as outlined in the Prospectus

(1) Pro forma excludes one off non-recurring expenses associated with the IPO and debt refinancing as outlined in the Prospectus (see slide 24 for a reconciliation of EBITDA and slide 25 for a reconciliation of statutory NPATA).

(2) Pro forma operating cash (statutory operating cash adding back cash income tax paid, net finance costs and one-off IPO advisor fees).

(3) Net leverage reflects net debt (including lease liabilities) divided by last twelve-month pro forma EBITDA to 31 December 2021

Executing our growth strategy



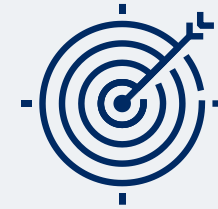
Grow existing businesses

- ✓ Successfully mobilised Restart program
- ✓ Commenced Residential Aged Care Assessments (RACA) contract
- ✓ Expanded US business to 24 states and into Job Corp market
- ✓ Talent acquisition and retention
- ✓ Mobilise Rehabilitation Services and Vocational Assistance Program for Veterans
- ✓ Investment in systems and technology
- ✓ 11 key leadership appointments



Integrate and scale M&A

- ✓ Lifecare (Allied Health & In-home care)
- ✓ Clustera (Swedish Employment Services)
- ✓ Early Start Australia (Early Childhood Early Intervention Therapy)
- ✓ Mobility (digital platform)
- ✓ MyIntegra (Plan Management and Support Coordination)
- ✓ Dynamic Workforce Solutions
- ✓ Generation Health



Pursue new markets

- ✓ Expansion of Allied Health services
- ✓ Disability and aged care
- ✓ Launched Employable ME (digital platform)
- ✓ Seek and convert new market opportunities (both local and international)

APM is making a positive and lasting social impact



> 1,000,000
people supported



> 660,000
Jobseekers assisted



> 180,000
people with a disability
supported (>90,000 assisted
into work)



> 100,000
people with mental
health needs
supported



> 30,000
veterans
supported



19%
of our people have
a lived experience
with disability



> 50%
of our leaders
are female



Published
2022 APM Disability
Diversity & Inclusivity Index
of Australian Workplaces
(Australia, December 2021)



Published
2021 WCG National
Employment Index
(Canada, October 2021)



Cyber security
framework compliance
to ISO27001 Information
Security Management
Standards



H1 FY22 business overview

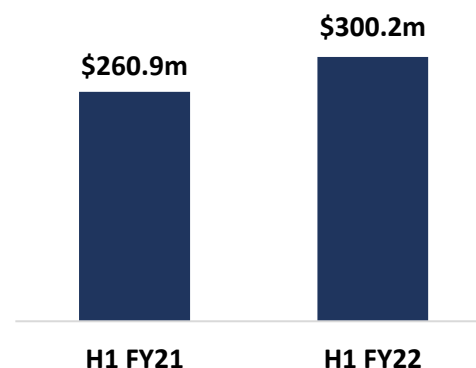
Australia



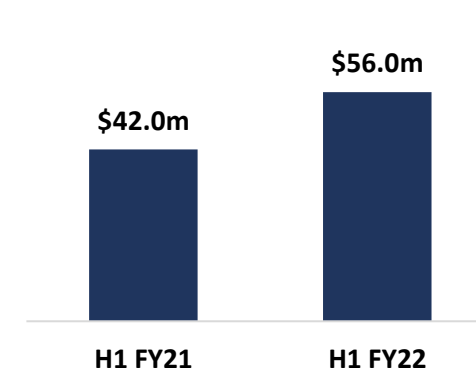
Services we deliver

- Support Jobseekers to gain meaningful employment
- Allied Health and vocational rehabilitation
- Mental health and wellbeing support
- Assessment services, aged care and disability support
- Early childhood early intervention services
- Community care
- NDIS plan management and support coordination
- Vocational training
- Digital solutions platforms for employment and on demand homecare services

Revenue¹



NPATA¹



- Delivered strong performance across challenging market conditions
- Growth in demand for vocational training and mental health support services
- Commencement of Residential Aged Care Assessments
- Completed acquisitions:
 - Generation Health
 - Early Start Australia and Lifecare expands Health & Wellbeing business
 - MyIntegra and Mobility provide the key entry points into NDIS and Aged Care sectors

(1) Revenue and NPATA are presented on a pro forma basis, refer slide 25 for a reconciliation with statutory accounts. Key adjustments relate to the IPO and the debt refinance in July 2021.

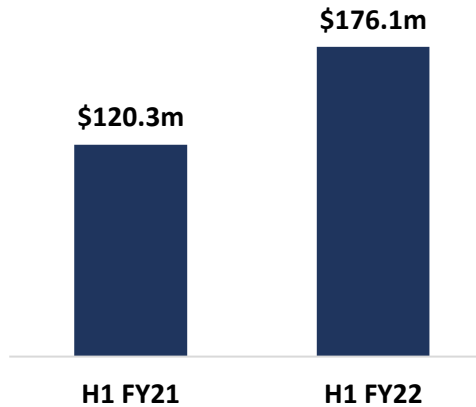
Europe



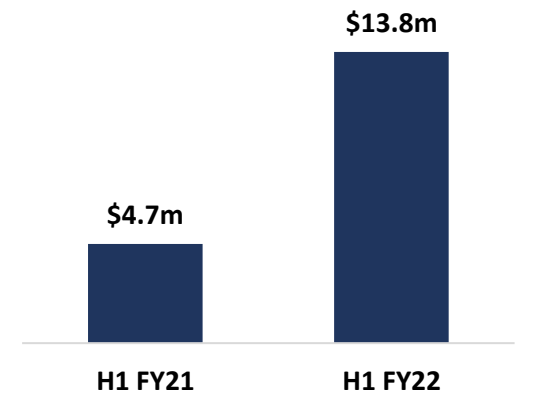
Services we deliver

- Support Jobseekers to gain meaningful employment
- Training and vocational support
- Mental health and wellbeing support
- Health programs
- Youth programs
- Community support services

Revenue



NPATA¹



- Employment services benefit from UK economic recovery
- Successful mobilisation of Restart contract - delivering in line with expectations
- Recommencement of summer National Citizens Service Youth contract
- Swedish market entry through acquisition of Clustera

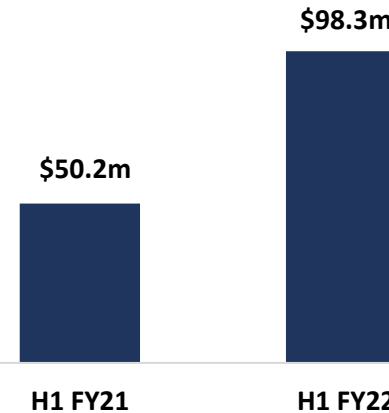
North America



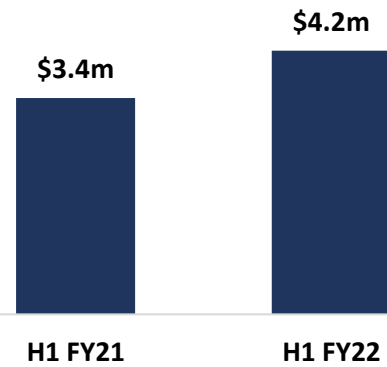
Services we deliver

- Support Jobseekers to gain meaningful employment
- Training and vocational assistance
- Allied Health and vocational rehabilitation

Revenue



NPATA¹



- Acquisition and integration of DWFS (US) and entry into Job Corp market
- Expanded US operations to 24 States
- Ontario employment contract fully operational H1 FY22
- On track for January 2023 start-up of Rehabilitation Services and Vocational Assistance Program for Veterans (Canada)

(1) No pro forma adjustments in the North America segment.

Asia Pacific



Services we deliver

- Support Jobseekers to gain meaningful employment
- Outplacement services
- Allied Health and vocational rehabilitation

Revenue

\$41.7m



H1 FY21

\$38.8m



H1 FY22

NPATA¹

\$5.9m



H1 FY21

\$3.1m



H1 FY22

- Temporary impact of COVID-19 lockdowns in New Zealand and Korea
- Contract renewal with Ministry of Employment and Labour (MOEL) success package in Korea
- Growth in participants in Singapore

(1) No pro forma adjustments in the Asia Pacific segment.



H1 FY22 financial performance

Strong growth in revenue and earnings

A\$m	H1 FY22	H1 FY21	Growth
Revenue	613.7	475.9	29%
Pro forma EBIT ¹	81.1	66.3	22%
Pro forma profit before tax (PBT)	62.5	49.5	26%
Pro forma profit after tax (NPAT) ²	51.0	30.5	67%
Pro forma NPAT before amortisation (NPATA)³	77.0	56.0	38%
Statutory NPATA	(16.6)	24.9	(167)%

Revenue up 29% to \$613.7m

- 65% of revenue growth is organic
- Underpinned by growth in employment services and new acquisitions
- Partially offset by COVID impact on APAC business

Pro forma EBIT up 22% to \$81.1m

- Benefits of scale
- EBIT split between H1 and H2 is in line with Prospectus forecast
- H2 will benefit from the maturation of Restart contract, opening of global markets and continued contribution from acquisitions.

Pro forma NPATA up 38% to \$77.0m

- Effective tax rate of 22% in line with Prospectus forecast

(1) Earnings before income tax (EBIT)

(2) Refer slide 24 for a reconciliation of pro forma NPAT to statutory NPAT

(3) Refer slide 25 for a reconciliation of pro forma NPATA to statutory NPATA

Strong growth in operating cashflows

A\$m	H1 FY22	H1 FY21	Growth
Statutory operating cash flow	80.0	111.7	(28%)
Add: IPO deal costs in operating cash flow	20.9	(0.0)	
Add: Net finance costs paid	(0.0)	(0.0)	
Add: Net income taxes paid	37.5	5.7	
Pro forma operating cash flow¹	138.4	117.4	18%
Pro forma EBITDA²	138.8	119.1	17%
Pro forma EBITDA cash conversion³	100%	98%	
Statutory cash flow			
Operating cash flow	80.0	111.7	
Investing cash flow	(113.6)	(31.1)	
Financing cash flow	148.1	(46.4)	
Net increase / (decrease) in cash	114.5	34.2	
Opening cash (including FX differences)	106.8	28.9	
Closing cash	221.3	63.1	

Pro forma operating cashflow up 18% to \$138.4m

- Underpinned by EBITDA growth in H1 FY22

Investing cashflow of \$113.6m supports growth strategy

- Acquisitions of Generation Health, DWFS, Early Start Australia, MyIntegra and Mobility - \$76.4m
- Capex driven by Restart mobilisation, IT fleet and security upgrades - \$37.2m

Financing cash flows of \$148.1m

- Includes proceeds of \$343.5m from the IPO and debt repayments of \$161.9m
- Interest payments down \$10.6m following July 2021 debt refinance, IPO and debt repayment

(1) pro forma operating cash (statutory operating cash adding back cash income tax paid, net finance costs and one-off IPO advisor fees)

(2) Earnings before interest, tax, depreciation and amortization, refer slide 24 for a reconciliation of pro forma EBITDA

(3) Cash conversion reflects pro forma operating cash (statutory operating cash adding back cash income tax paid, net finance costs and one-off IPO advisor fees) divided by pro forma EBITDA.

Sound balance sheet supports growth initiatives

A\$m	31-Dec-21	30-Jun-21
Cash	221.3	106.8
Trade and other receivables	86.8	87.5
Accrued revenue	131.3	100.7
Prepayments	16.7	19.8
Total current assets	456.0	314.8
Property, Plant & Equipment	53.2	30.3
Right-of-use Assets	73.4	75.7
Intangible assets	1,876.3	1,729.6
Other non-current assets	17.6	7.6
Deferred tax assets	9.9	14.6
Total non-current assets	2,030.4	1,857.8
Trade and other payables	(52.0)	(52.5)
Accrued expenses	(81.1)	(62.0)
Interest bearing liabilities	(41.7)	(31.4)
Current tax liabilities	(9.2)	(29.5)
Deferred revenue	(104.5)	(78.2)
Provisions	(30.6)	(28.6)
Total current liabilities	(319.1)	(282.3)
Interest bearing liabilities	(633.0)	(757.8)
Shareholder loans	0.0	(965.5)
Deferred tax liabilities	(73.3)	(99.0)
Provisions	(27.6)	(20.3)
Other non-current liabilities	(28.3)	(4.1)
Total non-current liabilities	(762.1)	(1,846.7)
Net Assets	1,405.2	43.6

- Operating activities and net IPO proceeds increased cash balance by \$114.5m
- Working capital (excluding tax) down \$18.8m
- Intangibles up \$146.7m due to business acquisitions, partially offset by amortisation of customer contracts
- Shareholder loans converted to equity as part of the IPO
- Net debt excluding property leases down \$1.2bn
- Leverage of 1.8x pro forma EBITDA¹ (including lease liabilities)



Positive outlook; Prospectus FY22 forecasts reaffirmed

Market fundamentals underpinning long term growth



**Structural changes
in labour markets**



**Increased government focus
on quality, performance,
trusted partnerships and
service consistency across
geographic markets**



**Focus on prevention of injury
and illness and early
intervention across health
and wellbeing sector**



**Widening social and economic
inequality**



**Increasing mental health and
disability awareness**



**Ageing populations, increased
longevity and more complex
health care needs**

APM is well positioned to deliver strong sustainable growth

H2 FY22 priorities

- Increase scale in priority programs
- Integrate and invest in recent acquisitions
- Position APM for growth in new contracts
- Seek and convert new market opportunities

Reaffirm prospectus FY22 forecasts and increase full year guidance to incorporate acquisitions

- Recent contract wins, and acquisitions in the past 12 months provide a foundation for growth
- Prospectus FY22 forecasts reaffirmed based on H1 FY22 performance.
- Increased full year FY22 guidance to \$157.6m pro forma NPATA from prospectus forecast of \$155.1m pro forma NPATA driven by Lifecare and Clustera acquisitions contributing \$2.5m NPATA to H2 FY22 earnings
- Directors intend to pay a final dividend of between 40% and 60% of NPATA generated in the period 1 January 2022 to 30 June 2022

In closing

Market leading provider of health and human services across multiple geographies

Exposure to large addressable markets that are resilient through economic cycles with inelastic demand and favourable industry dynamics

APM makes a positive and lasting social impact for the people, communities, and governments it supports

Historically long-tenured contracts with cross-party government support for social welfare expenditure

Founder led, experienced management team with strong performance culture – proven ability to deliver

Opportunities for future growth, building on track record of historical organic growth and strategic acquisitions

Consistently delivering strong outcomes for clients and customers, underpinned by its origins in Allied Health

Reaffirm prospectus FY22 forecasts and increase full year guidance to incorporate acquisitions



Questions



Appendix

APM's service offering



Employment Services

Delivery of services to individuals who require support to find work, including those with injury, illness or disability, sole parents, youth, aged workers, ex-offenders, and people from culturally or linguistically diverse backgrounds

**AUS, NZ, UK,
North America, Europe, Asia**



Health and Wellbeing

Delivery of government, insurance and corporate health programs focused on prevention, rehabilitation (medical, psycho-social and vocational), Allied Health and psychological intervention services

**AUS, NZ,
UK, Canada**



Communities and Assessment

APM works with individuals to develop support plans for funded and non-funded support. Also operates community-based programs including youth, justice, and veterans' services

AUS, NZ, UK



Disability and Aged Care Support Services

Support services catering to the disability and aged care sectors with services including plan management, support coordination and an on-demand home care services market place

AUS

% PF FY22F revenue












76%

17%

5%

2%

Revenue model

Revenue Model	Relevant Business Segments	Description
Service fee	 	<ul style="list-style-type: none"> Initial fee for commencing and working with referrals, completing intake, assessing and providing advice. Service fees are generally a fixed amount Can vary by individual due to the assessed level of difficulty to place each individual client into employment
Outcome fee / payment by results or milestone	 	<ul style="list-style-type: none"> Received after a client has been placed into a job, and then again at milestones after a client has sustained employment. The outcome fee may be based on the length of sustained employment (e.g. Australia), achieving an earnings threshold (e.g. UK) or achievement of a milestone (e.g. NDPP or NCS in UK) Can vary by individual due to the assessed level of difficulty to place that individual into employment
Cost reimbursement and cost plus		<ul style="list-style-type: none"> Typically reimbursed for costs incurred to deliver the services and can include an allowance for providers to make a profit on the costs of providing the services. The profit is typically calculated as a specified percentage of direct costs
Fixed fee	  	<ul style="list-style-type: none"> Typically refers to an agreed amount that is fixed at the start of the contract and does not adjust with changes in volumes
Fee for service	  	<ul style="list-style-type: none"> Based on delivery of a service. Fee typically based on hourly rates, per assessment, per counselling session, per training program



Reconciliation of pro forma to statutory EBITDA and NPAT

Reconciliation to Statutory Results

A\$m	Note	H1 FY22	H1 FY21
Pro forma EBITDA		138.8	119.1
IPO listing costs	1	(27.9)	–
Extinguish pre-IPO MEP plan	2	(10.5)	–
Foreign exchange impact on US debt	3	(12.9)	13.3
Employee IPO Gift	4	(5.1)	–
Total EBITDA Adjustments		(56.5)	13.3
Statutory EBITDA		82.4	132.4
Pro forma NPAT		51.0	30.5
IPO listing costs	1	(27.9)	–
Extinguish pre-IPO MEP plan	2	(10.5)	–
Foreign exchange impact on US debt	3	(12.9)	13.3
Employee IPO Gift	4	(5.1)	–
Debt refinance - July 2021	5	(24.7)	–
Reverse pre-IPO bank interest	6	(18.1)	(28.3)
Capital structure on IPO	6	14.7	14.7
Shareholder interest expense	7	(28.3)	(35.9)
Tax effect of adjustments	8	19.2	5.1
Total NPAT Adjustments		(93.6)	(31.1)
Statutory NPAT		(42.7)	(0.6)

- 1. IPO listing costs** – advisor costs relating to the IPO Offer.
- 2. Extinguish MEP plan** – As a result of the Offer, the Management Equity Plan was fully vested and expensed in the income statement.
- 3. FX impact on US debt** – impact of FX fluctuations on USD denominated debt.
- 4. IPO gift** – on IPO, APM offered a gift of Shares to qualifying employees.
- 5. Debt refinance** – expense associated with APM's refinance of the first and second lien term loan facility to an all first lien facility in July 2021.
- 6. Capital structure** – proceeds from the IPO were used to pay down debt and subsequently reduce the interest expense. This adjustment assumes the go forward capital structure was in place for the entire period reported.
- 7. Shareholder interest** – removing historical interest expense relating to the non-redeemable preferences (Series A) shares which converted to ordinary equity on IPO.
- 8. Tax effect** – recognise the tax effect of the abovementioned adjustments (note: shareholder interest expense is non-deductible for Australian tax purposes).

Reconciliation of pro forma to statutory NPATA by segment

Reconciliation to Statutory Results

A\$m	Note	H1 FY22	H1 FY21
Australia		56.0	42.0
Europe		13.8	4.7
North America		4.2	3.4
Asia Pacific		3.1	5.9
Pro forma NPATA		77.0	56.0
Australia	1	(93.6)	(31.1)
Europe		-	-
North America		-	-
Asia Pacific		-	-
Total NPATA Adjustments		(93.6)	(31.1)
Australia		(37.7)	10.9
Europe		13.8	4.7
North America		4.2	3.4
Asia Pacific		3.1	5.9
Statutory NPATA		(16.6)	24.9

1. Refer previous slide for a breakdown and description of the adjustment. All of which relate to the Australian segment.

Glossary

APAC	Asia Pacific Region	MOEL	Ministry of Employment and Labour (Korea)
CEO	Chief Executive Officer	NPATA	Net profit after tax and amortisation
CFO	Chief Financial Officer	NPAT	Net profit after tax
COVID	Coronavirus	NDIS	National Disability Insurance Scheme
CRS	Concussion Rehabilitation Services (New Zealand)	PBT	Profit before tax
DWFS	Dynamic Workforce Solutions	pcp	Previous corresponding period
EBITDA	Earnings before interest, tax depreciation and amortisation	PMET	Professionals, Managers, Executives and Technicians
EBIT	Earnings before interest and tax	RACA	Residential Aged Care Assessments
FY22	Financial year ended 30 June 2022	TANF	Temporary Assistance for Needy Families (US)
H1 FY21	Period 1 July 2020 to 31 December 2020	VRS	Vocational Rehabilitation Services (New Zealand)
H1 FY22	Period 1 July 2021 to 31 December 2021	WIOA	Workforce Innovation and Opportunity Act (US)
H2 FY22	Period 1 January 2022 to 30 June 2022		
IPO	Initial Public Offering		
M&A	Mergers and Acquisitions		

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