

28 September 2022

APM expands in North American employment services market with strategic acquisition of Equus Workforce Solutions

- **Strategic acquisition of Equus which results in APM being a leader in North American employment services, expanding its service offering from 24 to 42 States and Territories in the U.S. and in Canada**
- **Equus has strong cultural and values alignment with APM in its approach to its people, servicing clients and “Enabling Better Lives” for 1 million individuals in North America each year**
- **The U.S. represents an attractive market for APM, with stable and increasing funding in existing major government programs and adjacent program opportunities**
- **Cash consideration of A\$225 million (US\$153 million³) with underlying FY22 EBITDA¹ of A\$47 million (US\$32 million³)**

APM Human Services International Limited (ASX: APM; ‘APM’) is pleased to announce it has entered into a definitive agreement to acquire all the issued shares of Equus Workforce Solutions and certain affiliates (“**Equus**”), a wholly owned company of BrightSpring Health Services (“**BrightSpring**”), for cash consideration of A\$225 million (US\$153 million³) (the “**Acquisition**”).

Equus is a market leading provider of employment services in the United States (“**U.S.**”) and operates in the Canadian employment services and vocational rehabilitation market through its subsidiary Agilec.

Equus provides services utilising Federal funding streams such as Workforce Innovation and Opportunity Act (“**WIOA**”), Temporary Assistance for Needy Families (“**TANF**”) which between them support many workforce development programs as well as Job Corps.

Equus, with over 3,100 team members operates in 357 locations across 38 states and territories in the U.S. as well as Canada.

Approximately 75% of Equus’ revenues are generated from its employment services operations (workforce development), serving ~850,000 U.S. individuals annually. The remainder of revenue is split across its Disability to Work (WeCare program within New York City), Job Corps, Equitable Social Solutions, and Canada divisions with an additional ~150,000 individuals assisted.

¹ Underlying FY22 EBITDA of A\$47 million post IFRS-16 (US\$32 million) which reflects a full year of ownership under APM excluding one-off, non-recurring items such as integration and deal costs.

³ AUD/USD FX rate 0.68.

Commenting on the Acquisition, APM Group CEO, Michael Anghie said:

"Equus is a highly strategic acquisition for APM that builds on our core capability in our employment services pillar.

The acquisition is strongly aligned with our strategy of pursuing value and earnings accretive acquisitions that expand the depth and breadth of our service offering in existing markets and provide opportunities for future growth.

Engaging with the Equus team on an exclusive basis allowed us the opportunity to build relationships, understand the business and develop plans for integration, future operations and growth.

The Acquisition makes APM a leader in U.S. employment services, increasing our exposure from 24 to 42 U.S. States and Territories. North America is an attractive market for APM, with stable and increasing funding for programs, and clear opportunities for future growth serving the needs of existing programs and entering new adjacent areas of the market."

APM Executive Chair, Megan Wynne said:

"Equus has strong cultural and values alignment with APM in its approach to its people, servicing clients and 'Enabling Better Lives' for individuals in North America. The leadership team from Equus, who have deep experience in the sector, will remain with the business and we look forward to warmly welcoming the Equus team into the APM family."

Commenting on the Acquisition, Equus President, Mark Douglas said:

"Equus is excited about the mission alignment of joining the APM Group and for the impact we will have together on individuals, families, businesses, and communities.

Equus and the APM Group share core values and a commitment to our people, customers, partners and communities. We look forward to changing lives together."

Equus operates primarily on 'cost-plus' and 'cost-reimbursement' contracting models that are typical for the U.S. market and broadly consistent with APM's existing U.S. employment services contracts. In FY22, Equus reported total revenue of A\$427 million (US\$291 million³), and Underlying EBITDA of A\$47 million¹ (US\$32 million³).

The acquisition will be funded by existing cash and headroom within APM's syndicated multi-currency revolving corporate facility. On an Underlying 30 June 2022 basis, post completion APM will have net debt of A\$663 million and a net leverage ratio of ~2.3x². At completion, APM will have available undrawn committed borrowing facilities and cash liquidity of approximately A\$177 million.

Completion, subject to customary conditions, is expected to occur by the end of calendar year 2022.

APM was advised by Goldman Sachs, EY and Alston & Bird.

¹ Underlying FY22 EBITDA of A\$47 million post IFRS-16 (US\$32 million) which reflects a full year of ownership under APM excluding one-off, non-recurring items such as integration and deal costs.

² Leverage ratio includes Net Debt grossed up for lease liabilities, including Equus contribution of US\$42m (A\$62m).

³ AUD/USD FX rate 0.68.



Investor briefing to be held at 9:30am AEDT, 29 September:

Participants can register via <https://s1.c-conf.com/diamondpass/10025667-qwfgla.html>

Registered participants will receive their dial in number upon registration.

- Ends -

Authorised for release by the Board of APM Human Services International Limited.

For further information please contact:

Investors

Matt Cooper

Investor Relations Manager

E: matt.cooper@apm.net.au

P: +61-403 604 915

Ronn Bechler

Executive Director, Automic Group

E: ronn.bechler@automicgroup.com.au

P: +61-400 009 774

Media

Adrian Bradley

General Manager – Corporate Affairs

E: adrian.bradley@apm.net.au

P: +61-2 6214 8800

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 10,300 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>