

17 January 2024

First Half Trading Update

Preliminary and unaudited results for the six months ended 31 December 2023:

- **Approximate Revenue of \$1.14 billion**
- **Approximate Underlying EBITDA of \$148 million**
- **Approximate Underlying NPATA of \$55 million**
- **Cash conversion to exceed 80%¹**
- **Net Debt (excluding lease liabilities) of approximately \$800 million**
- **Second half FY24 EBITDA and NPATA to be higher than 1H24, with a second half skew consistent with prior periods**

APM Human Services International Limited (ASX: APM; 'APM' or 'the Company') provides an update to the market ahead of its results for the six months ended 31 December 2023 ('1H24'). 1H24 financials remain preliminary and unaudited.

1H24 group performance

As communicated at the Company's AGM in November 2023, APM's first half performance will be lower than the prior comparable period due to:

- Continuation of current labour market conditions driven by sustained, historic low levels of unemployment and reduced client flows into employment services programs which in turn result in lower volumes of placements particularly impacting Australia and the United Kingdom;
- continued tightness in the market for recruitment of allied Health professionals in its growing Health and Wellbeing business; and
- the impact of higher interest costs and taxes.

As a result, APM's preliminary and unaudited 1H24 results indicate revenue of \$1.14 billion, underlying EBITDA of \$148 million, and underlying NPATA of \$55 million. Cash conversion is expected to exceed 80%¹.

Outlook

APM expects that organic growth in its Health business, as well as through the benefits of optimisation and scale, and across the North American market through mobilisation of contract wins and integration of the Equus acquisition, will continue into second half FY24 ("2H24").

As a result, APM expects 2H24 EBITDA and NPATA to be higher than 1H24 with a second half earnings skew consistent with prior periods.

¹ Statutory operating cash, less interest, tax and underlying adjustments divided by underlying EBITDA

From an employment services perspective, changes in unemployment, program eligibility, policy changes and the introduction of new programs to support those outside labour markets, all positively impact its business. APM is expected to benefit from these changes as they occur.

As advised on 17 November 2023, the UK Government announced a suite of changes which are considered positive for APM, including the extension of the Restart Scheme for two years until June 2026 and expanded program eligibility which will increase client volumes. The timing of the commencement of the expanded and extended Restart program is yet to be determined.

Finally, for FY25, new contracts and contract ramp ups in employment services in the United States and Canada will provide organic growth, and APM remains on track to commence the Functional Assessments contract in September 2024.

Strategic priorities

Strategically, near term focuses for APM are:

- Continued delivery of high quality leading services to clients and customers across its business;
- Mobilisation of new programs particularly in North America and Functional Assessments in the United Kingdom;
- Focus on attracting and retaining allied health professionals to service the growing addressable market in Australia; and
- Integration and optimisation of recent acquisitions and continued focus on the refinement of the operating and support systems to enable APM's people to deliver best-in-class services to clients and customers.

- Ends -

Authorised for release by the Board 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 2 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 1,600 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 14,500 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>