

30 August 2024

APM reports FY24 Financial Results

APM Human Services International Limited (ASX: APM; 'APM' or 'the Company') is pleased to announce its final audited results for the financial year ended 30 June 2024 ('FY24').

FY24 headlines:

- Revenue of \$2,298m, up 21% on prior corresponding period ('FY23' or 'pcp')
- Underlying EBITDA of \$279.6m, down 23% (FY23: \$365.0m)
- Underlying NPATA of \$95.1m, down 47% (FY23: \$178.2m)
- Statutory NPATA of \$(166.6)m (FY23: \$158.5m)
- Underlying NPATA per share of 10.4 cents, down 47% (FY23: 19.4 cents)
- Cash conversion of 81.8%, up 9.4 pts (FY23: 72.4%)

Revenue of \$2,298m, was up 21% on FY23 driven by a full year contribution from Equus in the US, and Everyday Independence in Australia, as well as organic growth across its Australian Health business, offset by a reduction in revenue in Australia and UK employment services.

Underlying EBITDA was \$279.6m and Underlying NPATA was \$95.1m, down 23% and 47% on FY23 respectively, driven primarily by reduced contribution from performance-based Employment Services contracts due to lower client flow across Australia in DES and Workforce Australia and the Restart Scheme in the UK. With NPATA additionally impacted by an increase in interest expense compared to FY23.

Statutory NPATA was \$(166.6)m, which included an impairment charge of \$269m relating to goodwill and customer contracts acquired through historical acquisitions. We note, that this is a non-cash impairment and is excluded from the underlying results and APM's covenant calculations.

Underlying EBITDA margin of 12.2% was 7.0 pts lower than FY23, impacted by the factors noted above as well as a change in the mix of earnings, with a greater contribution from the US-business in particular.

Cash conversion at 81.8% was in-line with expectations for a normal working capital cycle.

APM was also successful during H2 FY24 in securing a committed facility of up to \$950m, that provides certainty of funding and would move maturities out to FY30 in the event it was executed.

Commenting on the FY24 performance, APM Group CEO, Michael Anghie said:

"As has been seen throughout the year, we have been operating in an environment with extended and historic low levels of unemployment which has impacted many parts of our business.

"Whilst we are seeing early signs of stabilisation in unemployment data and caseloads in employment programs, the environment remains subdued.

"I'd like to acknowledge the entire APM team, who have worked diligently during this challenging period, to ensure we collectively are enabling better lives each day. It is APM's track record of high performance and commitment to delivering positive client outcomes that enables our ongoing success."

Update on the Scheme

APM refers to the Scheme Booklet released on ASX on 19 August 2024 (**Scheme Booklet**) in relation to the scheme of arrangement (**Scheme**). The Scheme Booklet includes a copy of the independent expert's report (**Independent Expert's Report**) prepared by independent expert, Kroll Australia Pty Ltd (**Independent Expert**).

APM confirms that there have been no material changes to the financial position of APM as set out in the Scheme Booklet (including in sections 9.11 ("Trading update") and 9.12 ("Material changes to the financial position of APM since 31 December 2023")) as a result of the conclusion of the audit of its full year financial results for FY24.

Further, the Independent Expert has considered APM's FY24 financial results and has confirmed to APM that there is no change to its previously stated conclusion that the Scheme, on the basis of the cash consideration of \$1.45 per share in APM, is fair and reasonable and therefore in the best interest of APM shareholders, in the absence of a superior proposal.

Each member of the independent board committee of APM (**APM IBC**), and Megan Wynne and Michael Anghie (together with the APM IBC, the **APM Recommending Directors**)¹ unanimously recommend that APM shareholders vote in favour of the Scheme and the Item 7 Transaction (as that term is defined in the Scheme Booklet), subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of APM shareholders and in the absence of a superior proposal.

For further information relevant to the decision of APM shareholders as to how to vote at the General Meeting and Scheme Meeting (as those terms are defined in the Scheme Booklet), including as to the APM Recommending Directors' recommendation and the Independent Expert's opinions in relation to the Scheme, APM shareholders should read the statements in this announcement in the context of the disclosure in the Scheme Booklet.

- Ends -

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

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¹ Please refer to the Scheme Booklet for information relevant to the recommendations of Ms Wynne and Mr Anghie, including in footnote 2 on page 8 of the Scheme Booklet ("Letter from the Lead Independent Director").



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 1,400 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 15,000 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>