

## FY23 Financial Results

IPD Group Limited (ASX:IPG, “IPD” or the “Group”) is pleased to release the Group’s financial results for the financial year ended 30 June 2023 (“FY23”).

### FY23 Results Highlights

- Record revenues and profits, with strong business performance in a buoyant market
- Revenue of \$226.9 million representing 28.3% growth on pcp
- EBIT of \$23.4 million representing 41.0% growth on pcp
- NPAT of \$16.1 million representing 45.0% growth pcp
- Strong balance sheet, with cash of \$20.8 million and no borrowings
- Long term working capital growth in line with revenue growth
- Earnings per share up 30.1% to 18.6 cents per share
- Fully franked dividend of 4.7 cents per share declared for the second half of FY23, 27.0% greater than the pcp
- Post financial year end, on 21 July 2023, IPD acquired 100% of EX Engineering Pty Ltd, a Perth-based business that specialises in the design, stocking, supply, modification, and repair of electrical hazardous area equipment

### FY23 Results Summary

\$m	FY23	FY22	Change (%)
Revenue	226.9	176.8	28.3%
Gross profit	86.8	67.5	28.6%
EBITDA	27.7	20.2	37.1%
EBIT	23.4	16.6	41.0%
NPAT	16.1	11.1	45.0%
Operating expenses as % of revenue	26.3%	27.1%	(0.8%)
Gross profit margin	38.2%	38.2%	0.0%
EBITDA margin	12.2%	11.4%	0.8%
EBIT margin	10.3%	9.4%	0.9%
NPAT margin	7.1%	6.3%	0.8%

Commenting on the results, **IPD’s Chief Executive Officer Michael Sainsbury said:**

*“We are pleased to report record sales and earnings for the 2023 financial year, our first full financial year since listing on the ASX. Together with our world-class supply partners, the team at IPD continue to deliver market-leading service to our customers.*

*Our strong balance sheet, with cash of \$20.8 million and no borrowings, has allowed us to fund the recent acquisition of EX Engineering without the need for any external sources of capital. Using IPD’s national sales force and footprint, we will be able to expand the successful EX Engineering model across Australia from its current base in WA.*

*We are well positioned to play a significant role in the decarbonisation effort by providing goods and services to meet the increasing demand for the efficient use and distribution of*

*electricity. Our exposure to residential construction remains low, at around 2% of our total revenue, and our exposure to commercial buildings, infrastructure, resources, utilities, and electrical vehicle chargers places us well for continued strong growth.”*

## **FY23 Result Overview**

The Group has delivered record organic revenues and profits for the financial year ended 30 June 2023. Sales revenue of \$226.9 million was up 28.3% on the pcp, demonstrating the strength of the operating model with the organisational transformation over the financial year. On 1 July 2022, the employees and operations of Control Logic Pty Ltd and High Technology Control Pty Ltd were integrated into IPD Group Limited to enable the streamlining of customer and supplier transactions, improve service levels with expanded customer service and technical support teams, create process efficiencies, improve capital management, and establish a uniform sales structure targeting dedicated sales channels.

There have been ongoing strategic investments made during the year, including:

- The ongoing expansion of Gemtek, as we build a significant team to service the large and emerging Electrical Vehicle charging market;
- Recruitment of specification-focused business development managers across the country to create pull-through demand by driving specification of IPD solutions through key influencers and identify significant opportunities early in the project life cycle;
- Investment in resources over and above the current pool to support strong revenue growth; and
- Operational expansion, with a new 4,000sqm long-term lease for a second NSW warehouse at Eastern Creek.

While the Group has invested in these strategic initiatives during the financial year, IPD continued to deliver strengthening EBIT margins at 10.3%.

## **Strong Balance Sheet**

As at 30 June 2023, the Group has \$72.9 million of net assets on its balance sheet. IPD was not materially impacted by the RBA increases to the Australian cash rate during the year as the Group continues to have no debt, with \$20.8 million in net cash, and is well capitalised to execute on its strategic priorities.

Post financial year end, on 21 July 2023, IPD acquired 100% of EX Engineering Pty Ltd, a Perth-based business that specialises in the design, stocking, supply, modification, and repair of electrical hazardous area equipment. The strength of IPD's balance sheet has allowed the Group to fund the recent acquisition of EX Engineering without any external capital.

## **Dividend**

The Board has today declared a final fully franked dividend of 4.7 cents per share, payable on 3 October 2023. This dividend relates to the profit in the second half of FY23 and represents an increase of 27.0% on the pcp.

At the 30 June 2023 the Group had a franking credit balance of \$16.0 million.

The total dividends declared for FY23 were 9.3 cents per share, equating to a distribution of \$8.0 million and a payout ratio of 50%.

## **Outlook and Earnings Guidance**

It is too early in the new financial year to provide a full year earnings outlook given domestic and global economic volatility and the recent acquisition of Ex Engineering. IPD's market focus on higher growth non-residential sectors of the economy will continue. The Board will provide an update on Q1 trading performance at the IPD Group Limited AGM on 28th November 2023.

## **FY23 Results Call**

An investor webinar is scheduled for 10.30am AEST on 25 August 2023 following the release of the results. Registration links below:

Teleconference registration: <https://s1.c-conf.com/diamondpass/10032461-nzcw61.html>

Webcast registration: [https://webcast.openbriefing.com/ipg\\_fyr\\_2023/](https://webcast.openbriefing.com/ipg_fyr_2023/)

For further information, please visit our website <https://ipdgroup.com.au> or contact us directly at [investorrelations@ipd.com.au](mailto:investorrelations@ipd.com.au).

This announcement was approved for release by the Board.

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## **About IPD Group**

IPD Group is a leading distributor and service provider in energy management and automation solutions. With a national presence, the company's mission is to enhance every aspect of electrical infrastructure through energy efficiency, automation, and secure connectivity while prioritising the safety and wellbeing of people. Committed to innovation, IPD Group plays a pivotal role in the electrification and decarbonisation of the economy, paving the way for a cleaner, interconnected tomorrow.