

IVE Group Limited 2024 Annual General Meeting

Managing Director's Presentation
Matt Aitken

19 November 2024

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idea > execution

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Key highlights

Financial performance

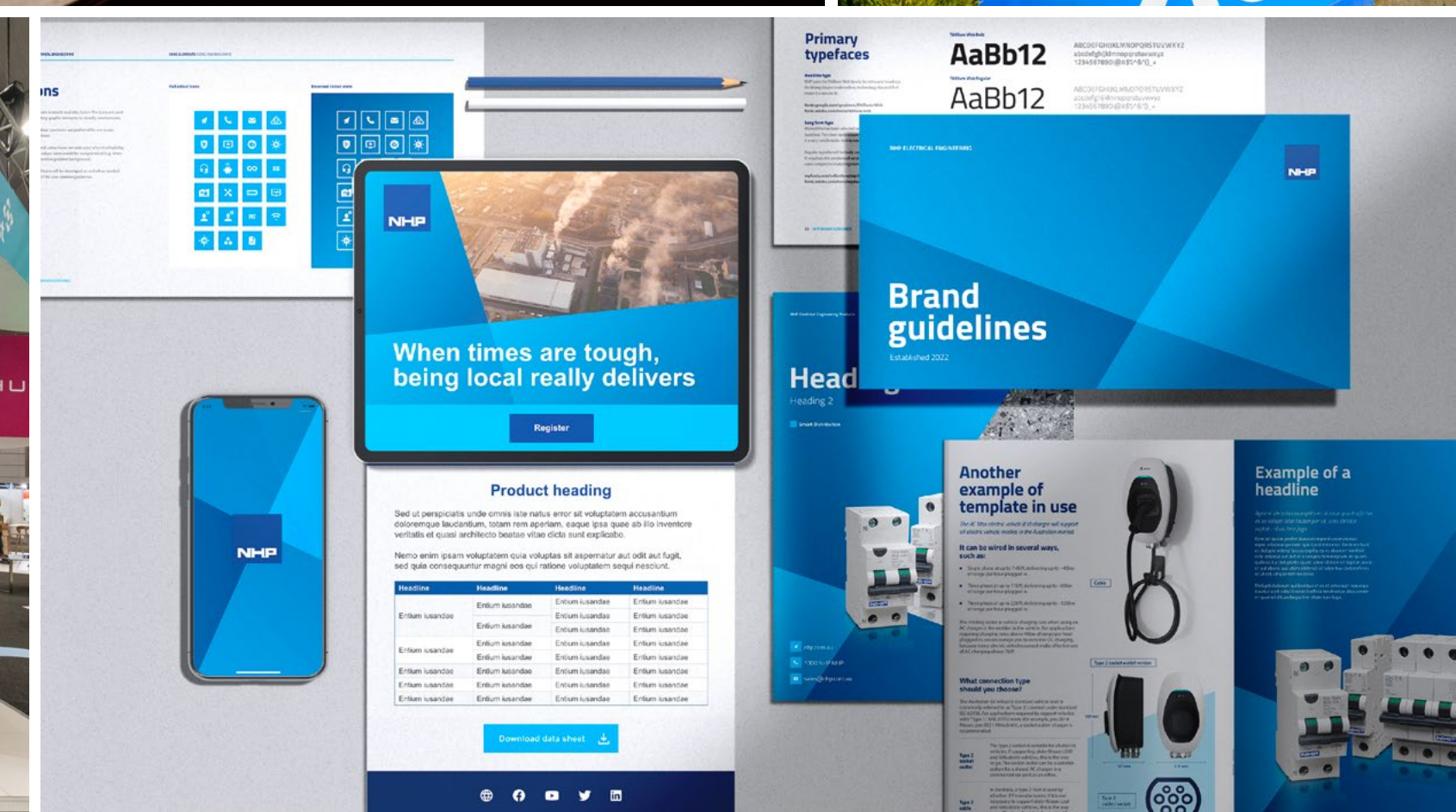
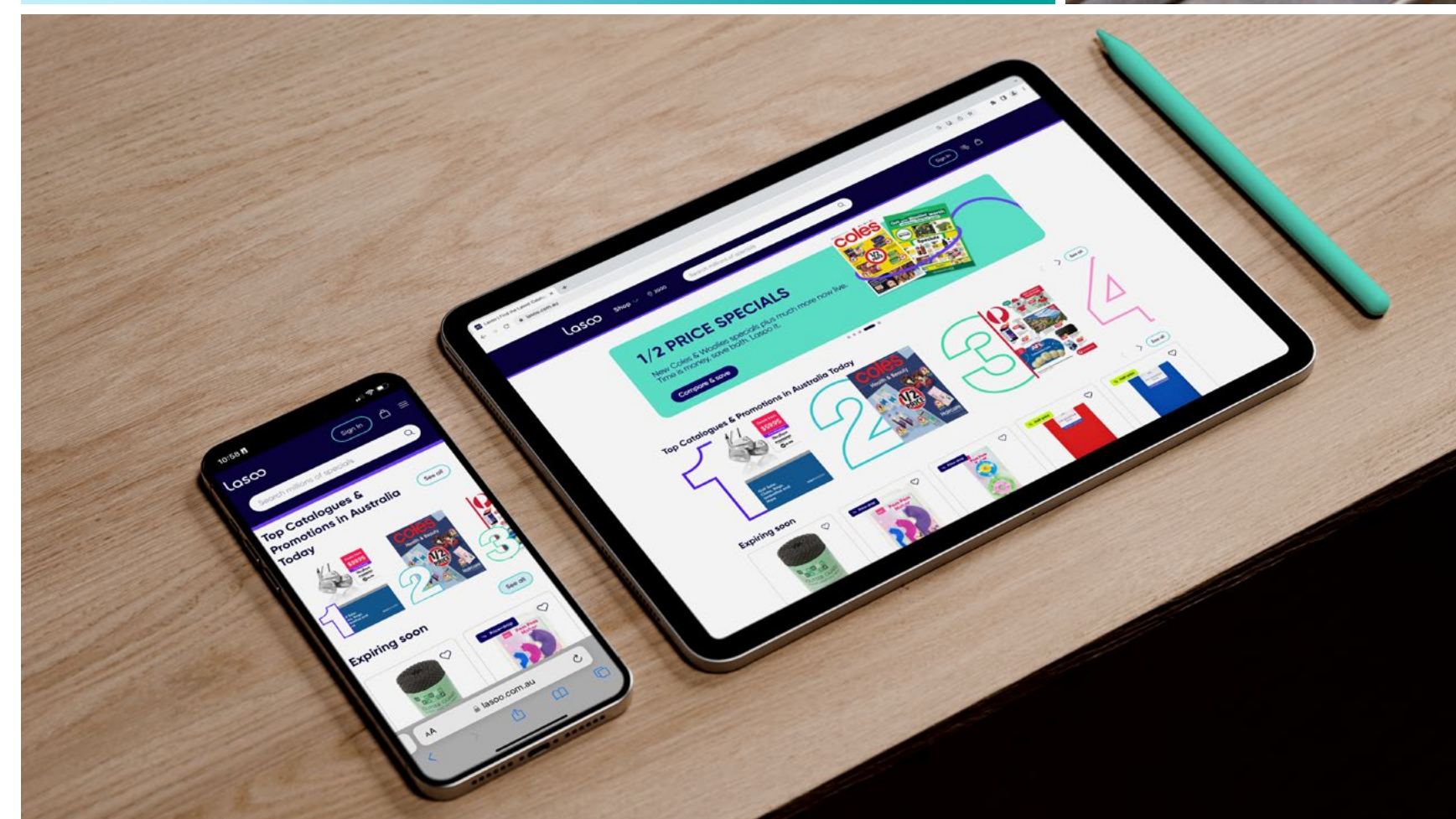
- > All key profit metrics up on a strong pcp with solid margin expansion
- > NPAT/margin higher but impacted by increased net finance costs
- > Strong uplift in operating cash flow – gearing below target

Operational updates

- > Ovato – full year run-rate synergies in FY25
- > Sustainability initiatives on-track

Growth initiatives

- > Packaging
 - cornerstone acquisition of JacPak
 - no change in expected cost and revenue synergies
 - implementation of organic expansion plans
- > Creative and Content expansion – acquired independent creative agency, Elastic Group
- > Apparel – live trialing for a major international food retailer and a number of significant RFPs in train
- > Ongoing investment in Lasoo given proof of concept and better than expected performance



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Financial performance dashboard¹

Strong performance (versus record PCP) with Ovato integration and JacPak acquisition completed

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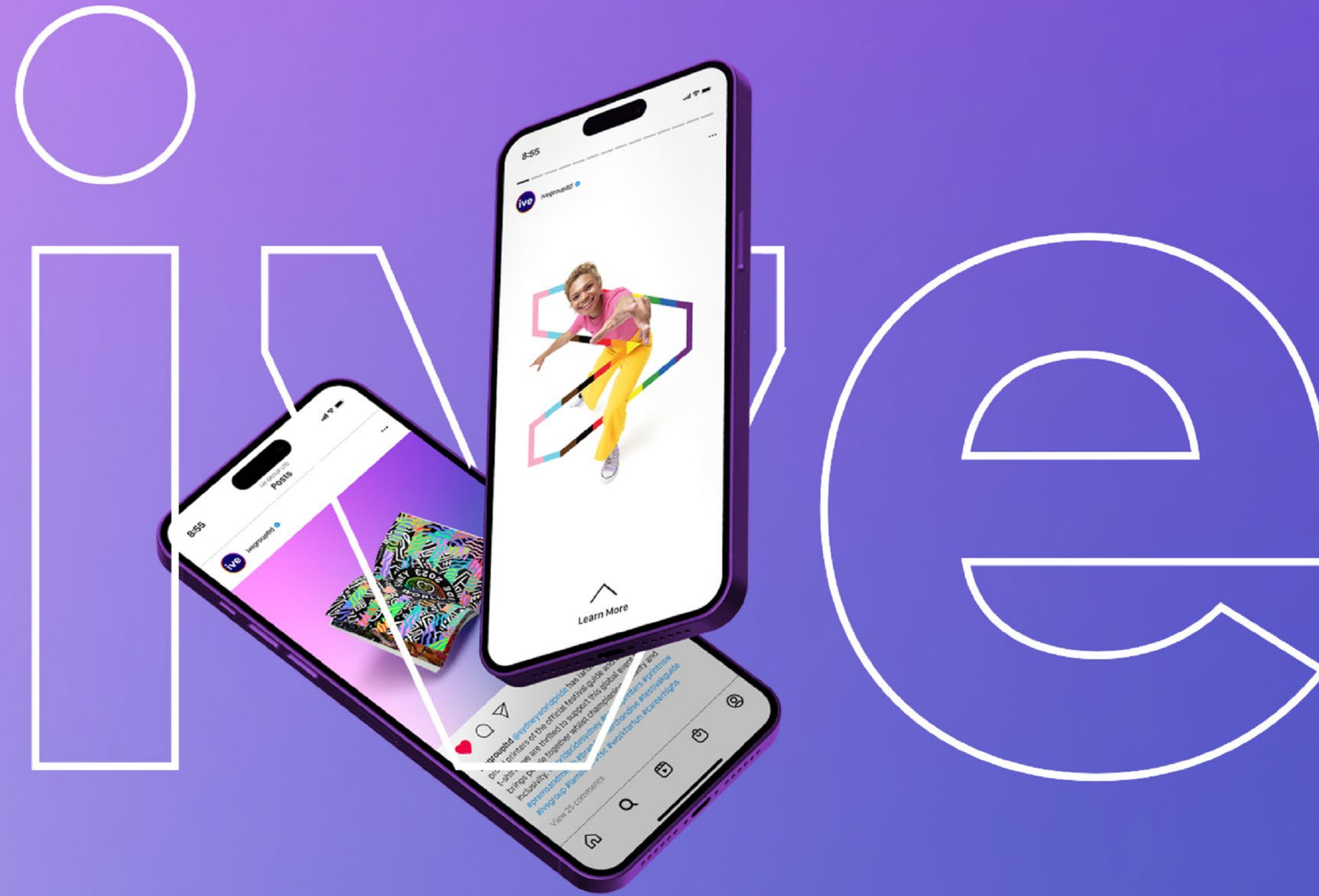
| | | | | | |
|---|-------------------------------------|--------------------------------------|---|---|---------------------------------|
| ➤ | REVENUE | EBITDA | NPAT | EPS (NPAT) | EPS (NPATA²) |
| | \$969.9m ↑0.3% on PCP | \$127.8m ↑7.5% on PCP | \$43.0m ↑8.4% on PCP | 28.0¢ ↑5.8% on PCP | 30.2¢ ↑6.1% on PCP |
| ➤ | MATERIAL GROSS PROFIT MARGIN | OPERATING CASH FLOW TO EBITDA | NET DEBT | FULLY FRANKED FINAL DIVIDEND | IFRS NPAT |
| | 46.7% 45.1% PCP | 114.0% 65.7% PCP | \$131.0m CASH ON HAND \$48.8m | 8.5¢ PER SHARE Stable on PCP | \$27.6m ↑61.0% on PCP |

¹ The underlying financial results are on a non-IFRS basis, exclude various non-operating items (refer Appendix A) and are not audited or reviewed

² NPATA - NPAT excluding amortisation of acquired customer contracts

Growth initiatives

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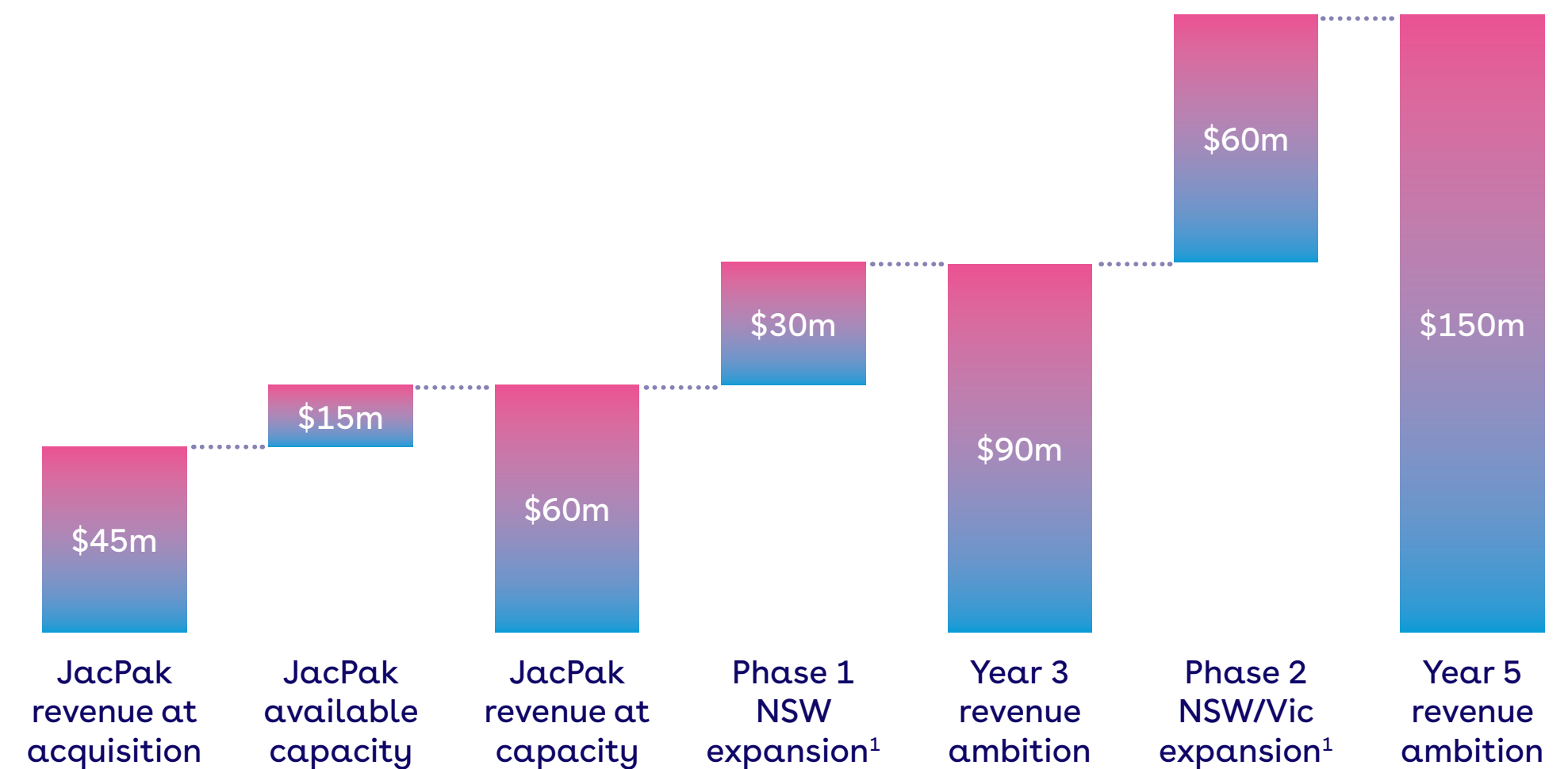


Packaging

- > Acquired Melbourne based folding carton producer, JacPak, on 31 October 2023
- > JacPak contributed revenue of \$28.3m during FY24 which was broadly in-line with annual revenue expectations of around \$45m (considering seasonality and transfers to IVE's Victorian printing operations)
- > No change to expected synergies – cost savings of \$2.4m locked-in with \$15m of available capacity for organic revenue growth
- > The Group has been encouraged by a number of new business wins since taking ownership of JacPak
- > IVE intends servicing national brands through packaging operations in both Victoria and NSW, supported by our national logistics network:
 - in Victoria, JacPak (IVE Packaging) will continue to operate as a standalone business with annual revenue capacity of \$60m
 - in NSW, IVE intends expanding its Sydney commercial printing site capability (with the addition of die cutting and gluing equipment) to also support the efficient production of folding carton packaging
- > The standalone JacPak facility coupled with the Sydney expansion will result in total packaging revenue capacity of around \$90m pa
- > For Phase 2, additional investment would add a further \$60m to capacity resulting in the Group achieving its stated ambition of generating annual packaging revenue of around \$150m pa over 5 years



Packaging revenue ambition



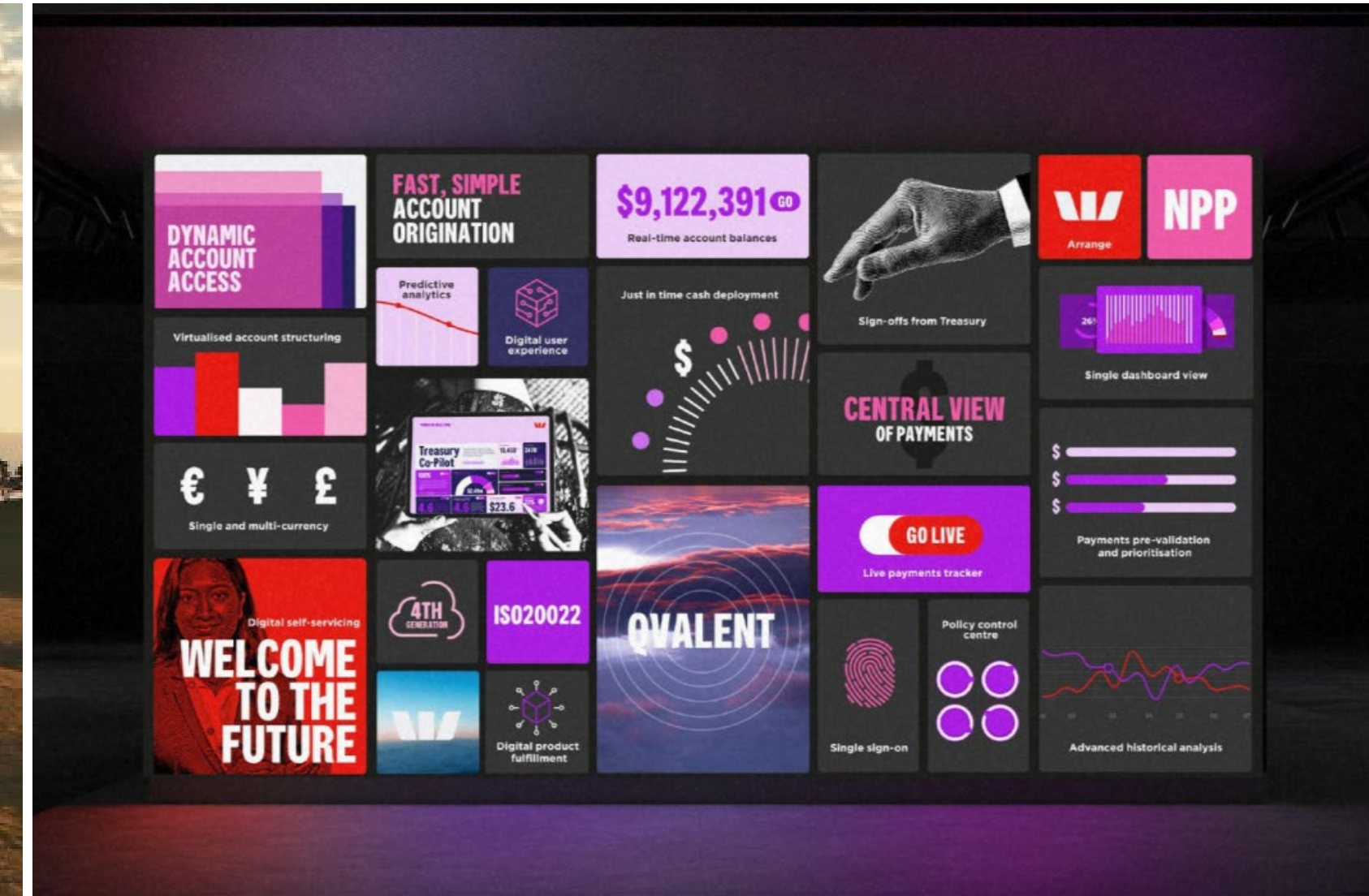
¹ Additional capital expenditure required



Creative, Content & Integrated Solutions

- > Fragmentation of the media landscape and proliferation of marketing channels has significantly increased the type, volume and frequency of content required for effective omni-channel marketing
- > IVE is upscaling its Creative, Content & Integrated Solutions business to capture additional share of customer wallet and to access new revenue streams, markets and customers
- > Initial focus has been on talent and capability – expanding the breadth and depth of service offering across strategy, creative, content production and technology
- > To accelerate that expansion, IVE acquired Elastic Group, an independent creative agency that specialises in video content creation and visual communications – Elastic’s Sydney and Melbourne operations (including 40 staff) relocated and integrated
- > Elastic retains an impressive portfolio of customers across automotive, pharmaceutical, government, sports & entertainment, food & beverage, finance and property
- > IVE now has an unrivalled in-house marketing services offering, providing customers with a streamlined and simplified way of producing ideas and content for every marketing channel

Introducing Elastic:
Elastic Reel 2024



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IVE has invested in new skills and capabilities that, when combined with our existing offering, enables us to help brands connect with their targeted consumers across every possible touch-point

CONTENT

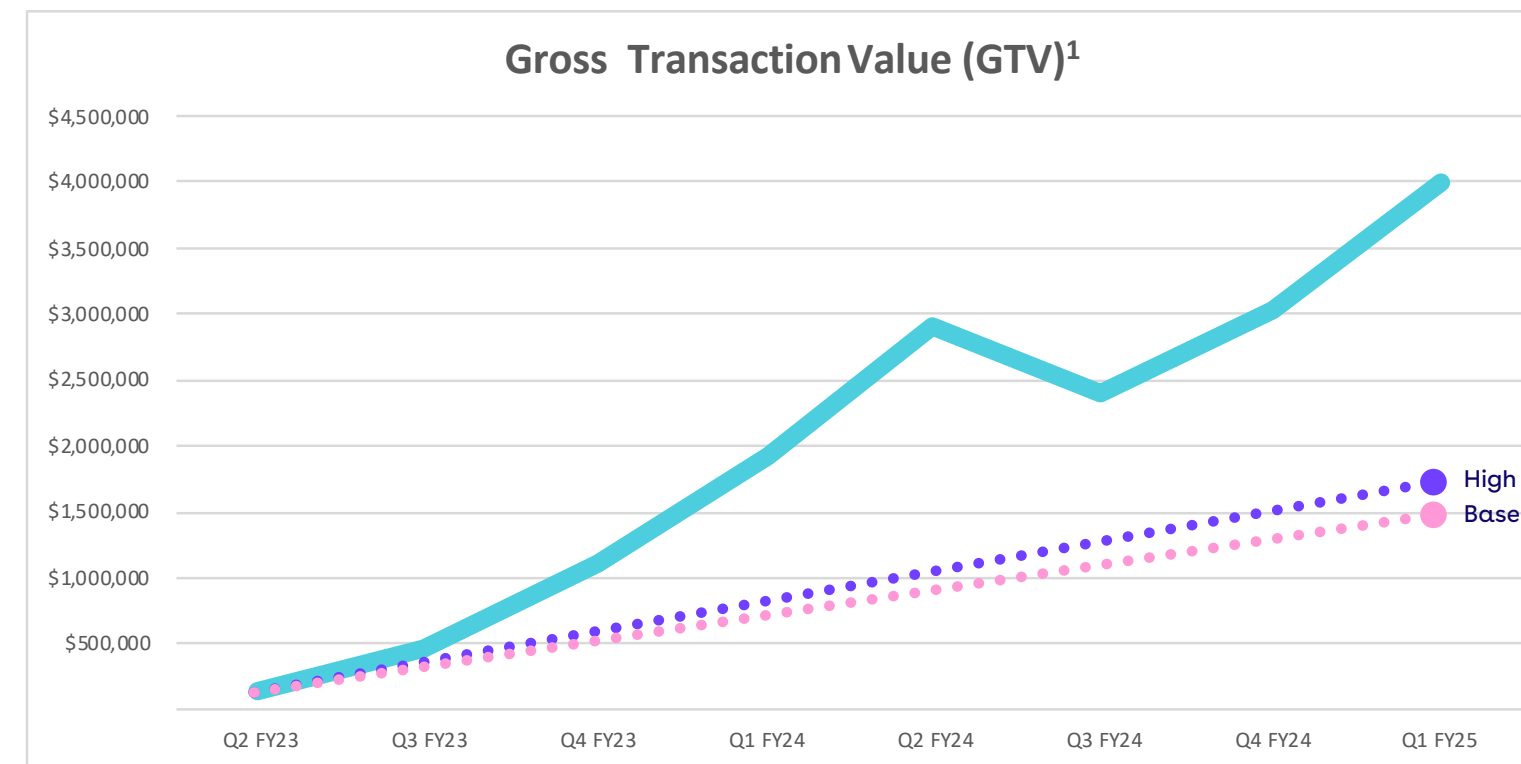
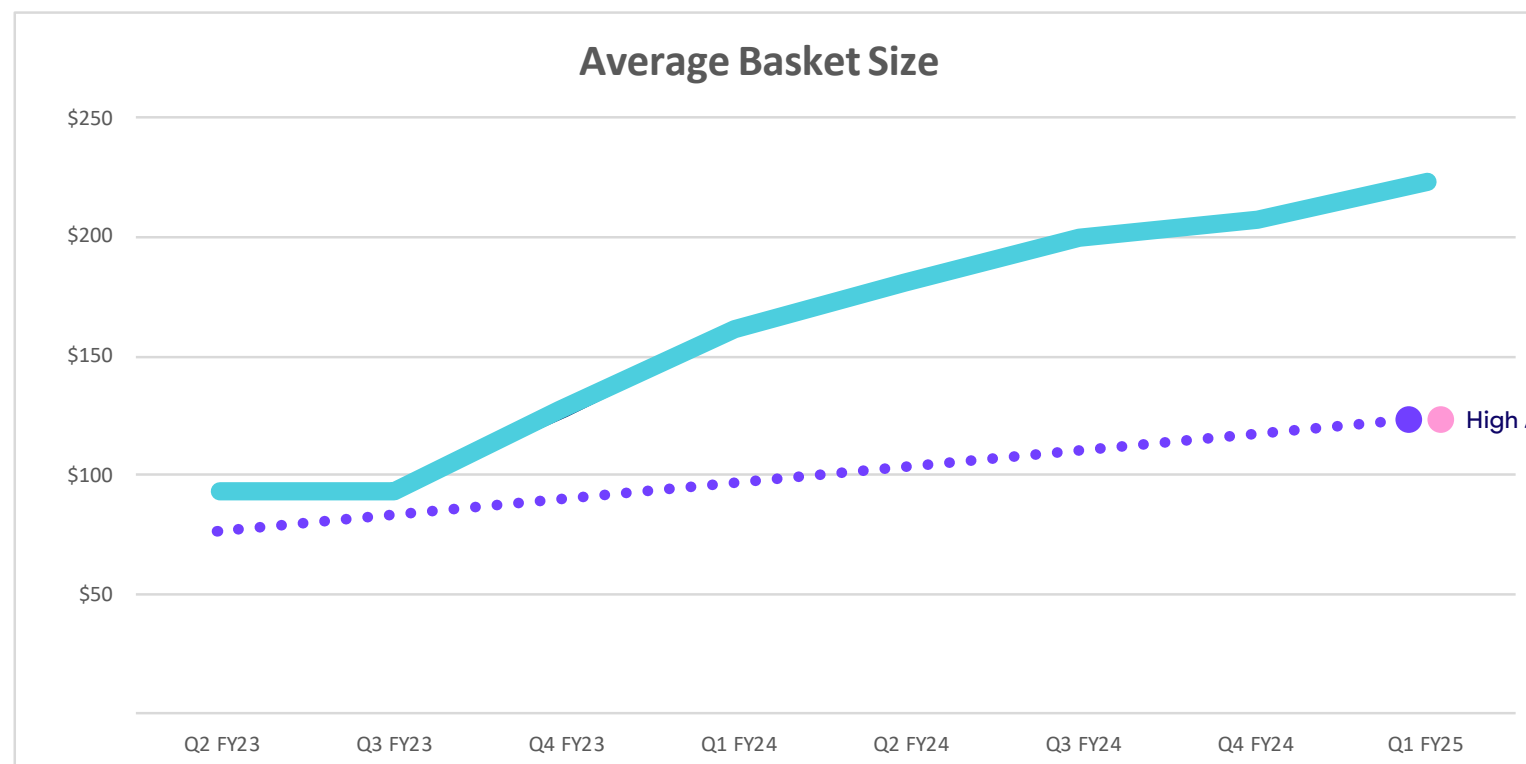
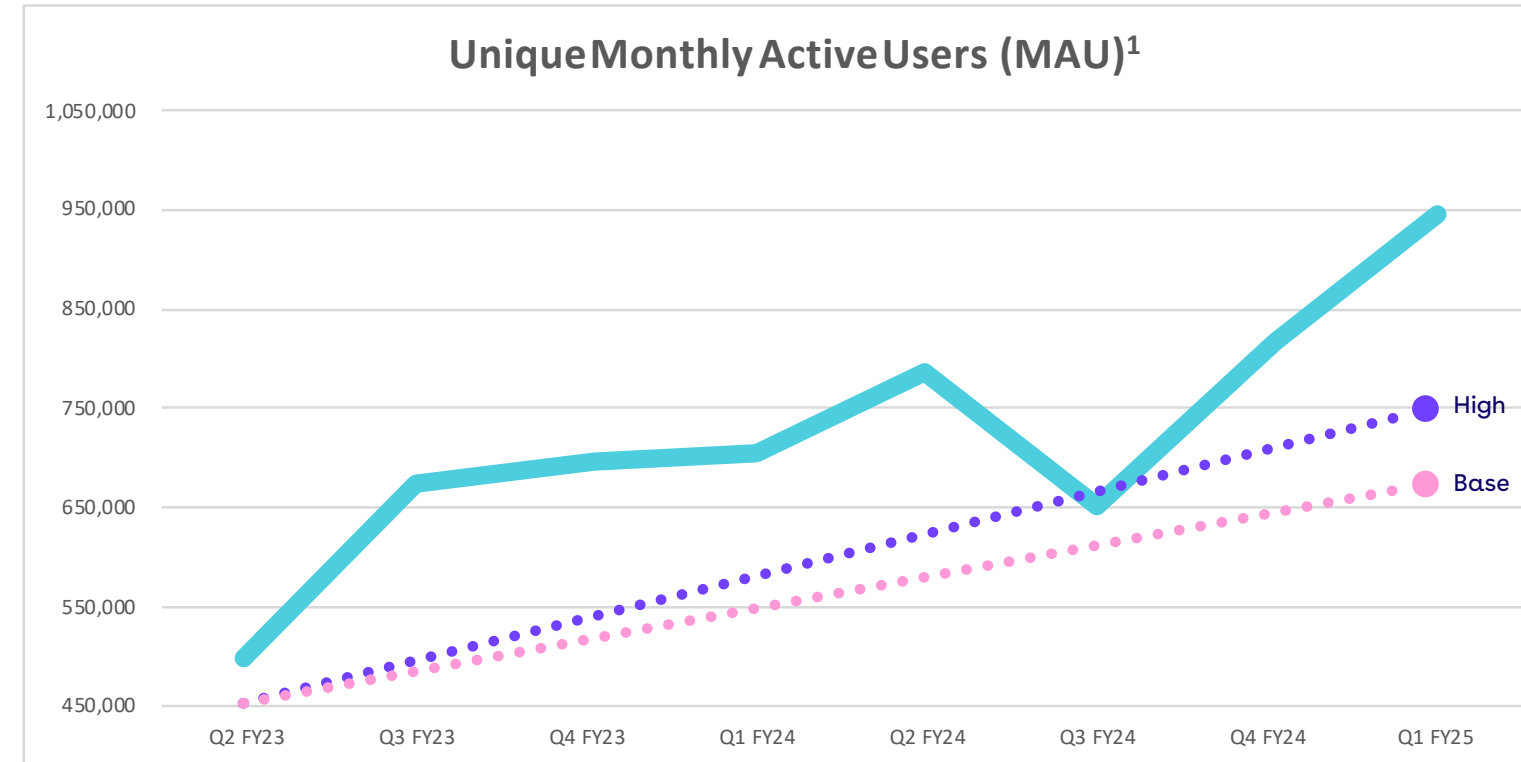
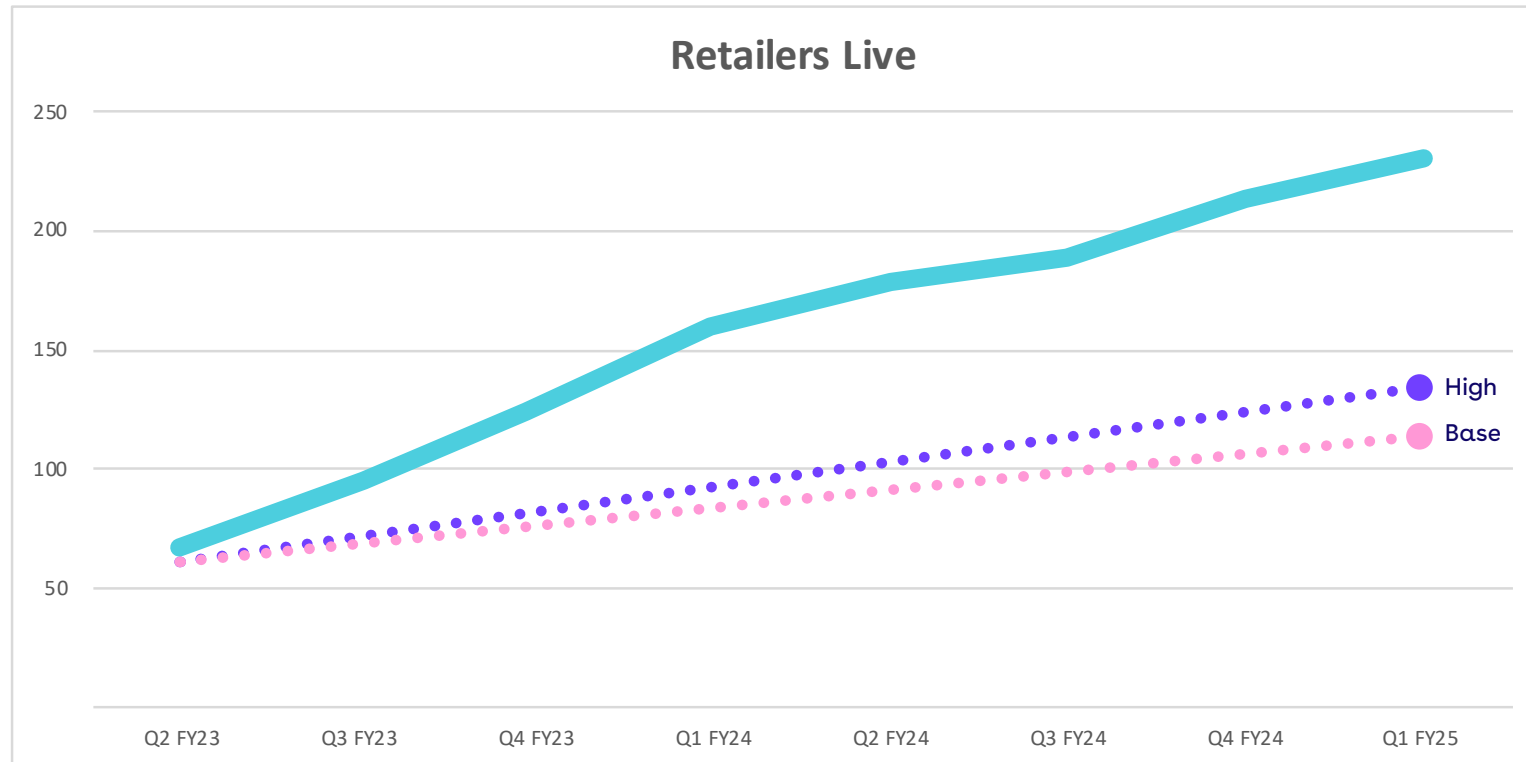
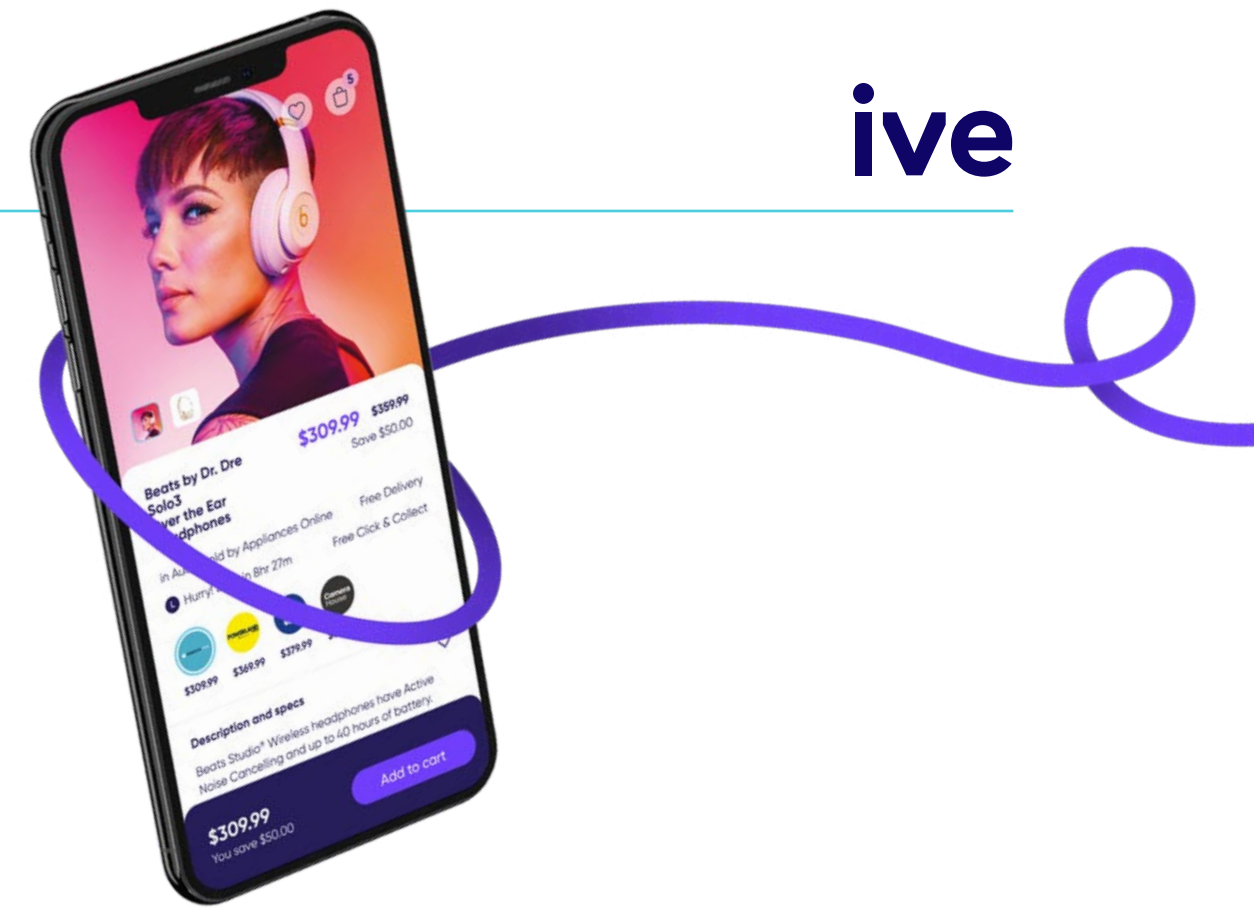


CHANNELS **24/7** Always on Content



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Lasoo – warrants modest additional investment



Actual Original base business case Original high business case

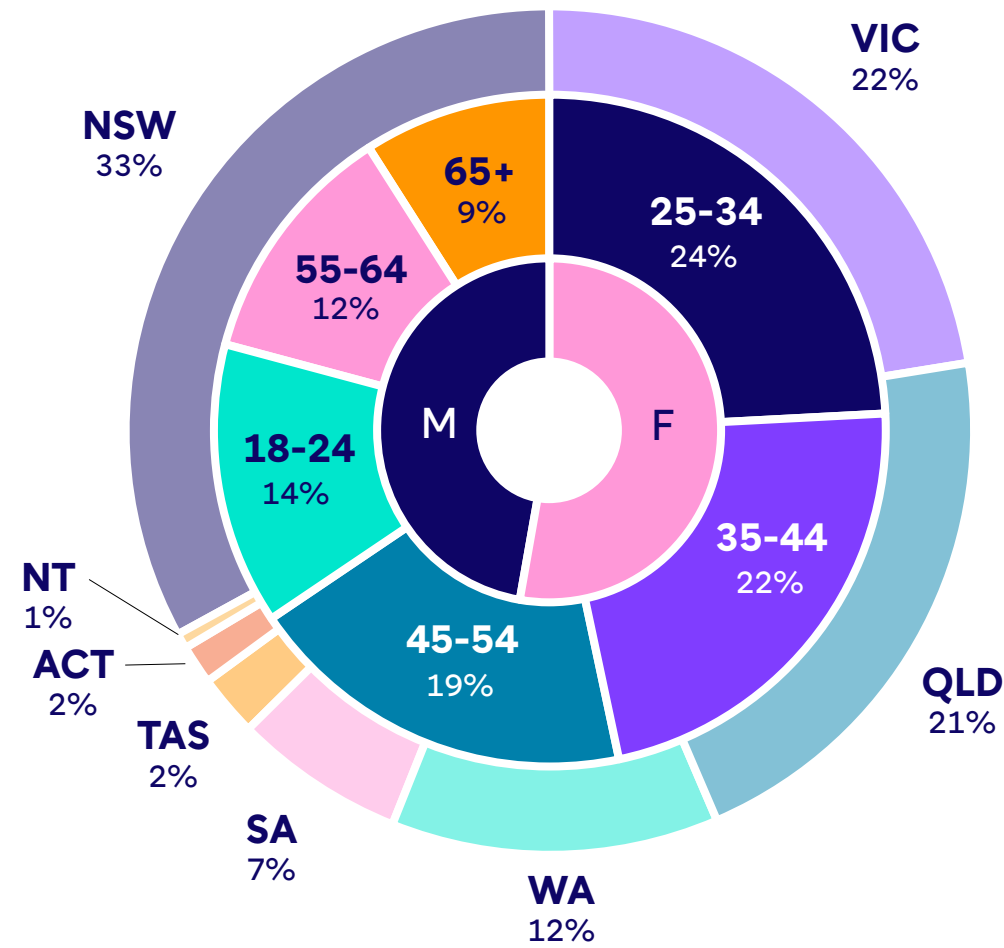
- > Lasoo is exceeding the original business case on all key metrics
- > In October 2024, Lasoo generated annualised GTV of \$19.2m, up 20% from \$16m in June 2024 and expects to exceed annualised GTV of \$24m in November 2024
- > Given proof of concept and better-than-expected performance, the Group will continue to invest in Lasoo to further enhance customer experience and significantly scale the business
- > With modest additional investment, Lasoo is now expected to breakeven during FY28 with annualised GTV of \$120m (versus breakeven during FY26 with GTV of \$50m) with plans to grow GTV to \$150m by FY30

1 Total per quarter

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Lasoo – customer and retailer metrics

Who our customers are



What our customers are saying

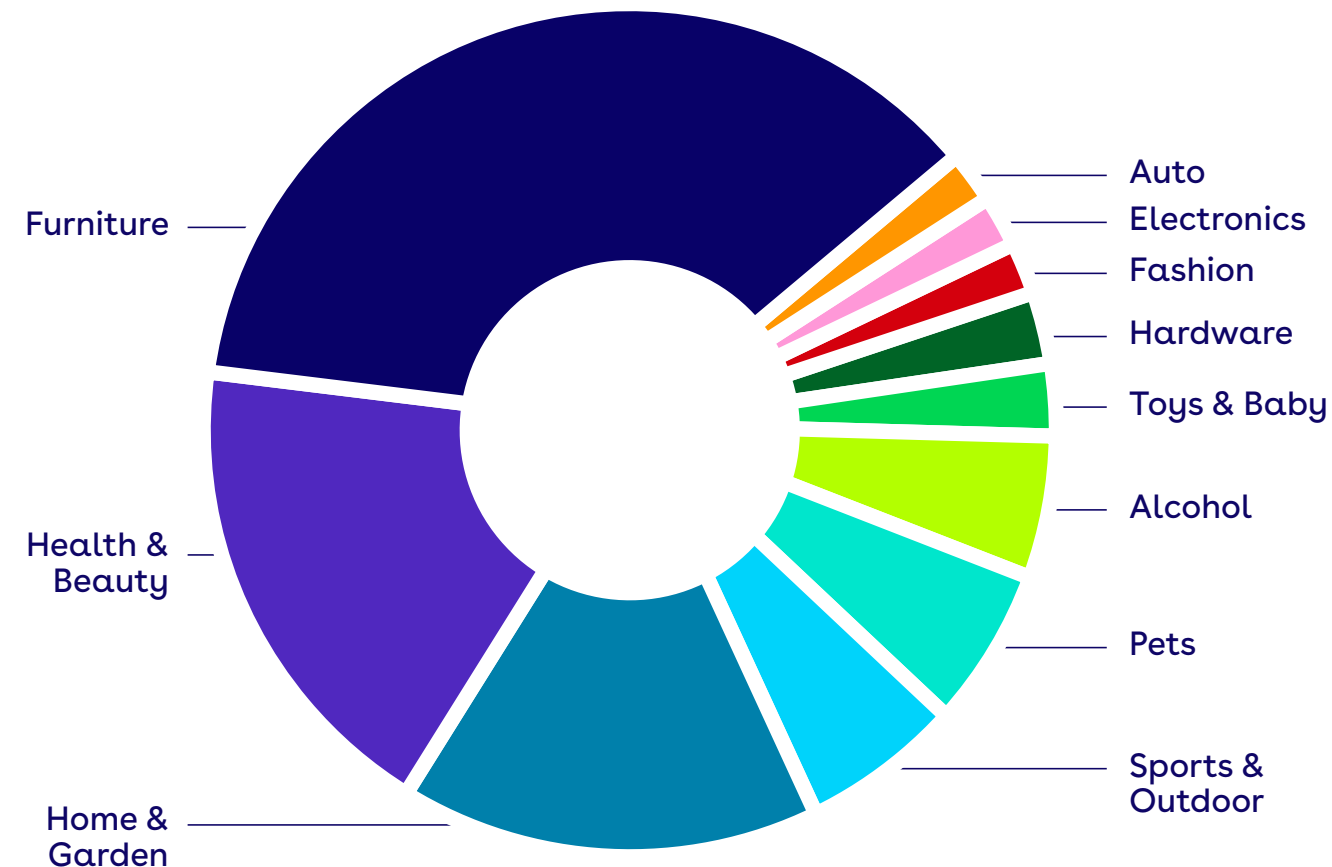
Lasoo **Trust Pilot Score**
4.4★ (Excellent)

★★★★★ 14 June 2024
Would buy again.
 Great prices and speedy free delivery. What's not to like. Had some issues with assembling my new outdoor chairs but that's a problem with the manufacturer's instructions and my ineptness, not the retailer. Would buy again.

★★★★★ 28 Dec 2023
New loyal customer.
 I had purchased a number of household furniture and will remain a loyal customer looking out for those special deals. Great pricing as well. Totally wrapped with them. Packaged with care to reduce any damage during transit. Received everything in great condition. I'm heading on website now to purchase a king size bed 😊

★★★★★ 28 May 2024
I was very pleased...
 I was very pleased with my recent purchase of a mattress with Lasoo - prompt service & quick delivery. The whole experience went smoothly & I am delighted with the mattress - wasn't sure how a 'bed in a box' would turn out but I followed the instructions & it went like clockwork! The quality & sleep experience has surpassed my expectations, all at an affordable price.

What our customers are buying



Over 200,000 SKUs live on Lasoo

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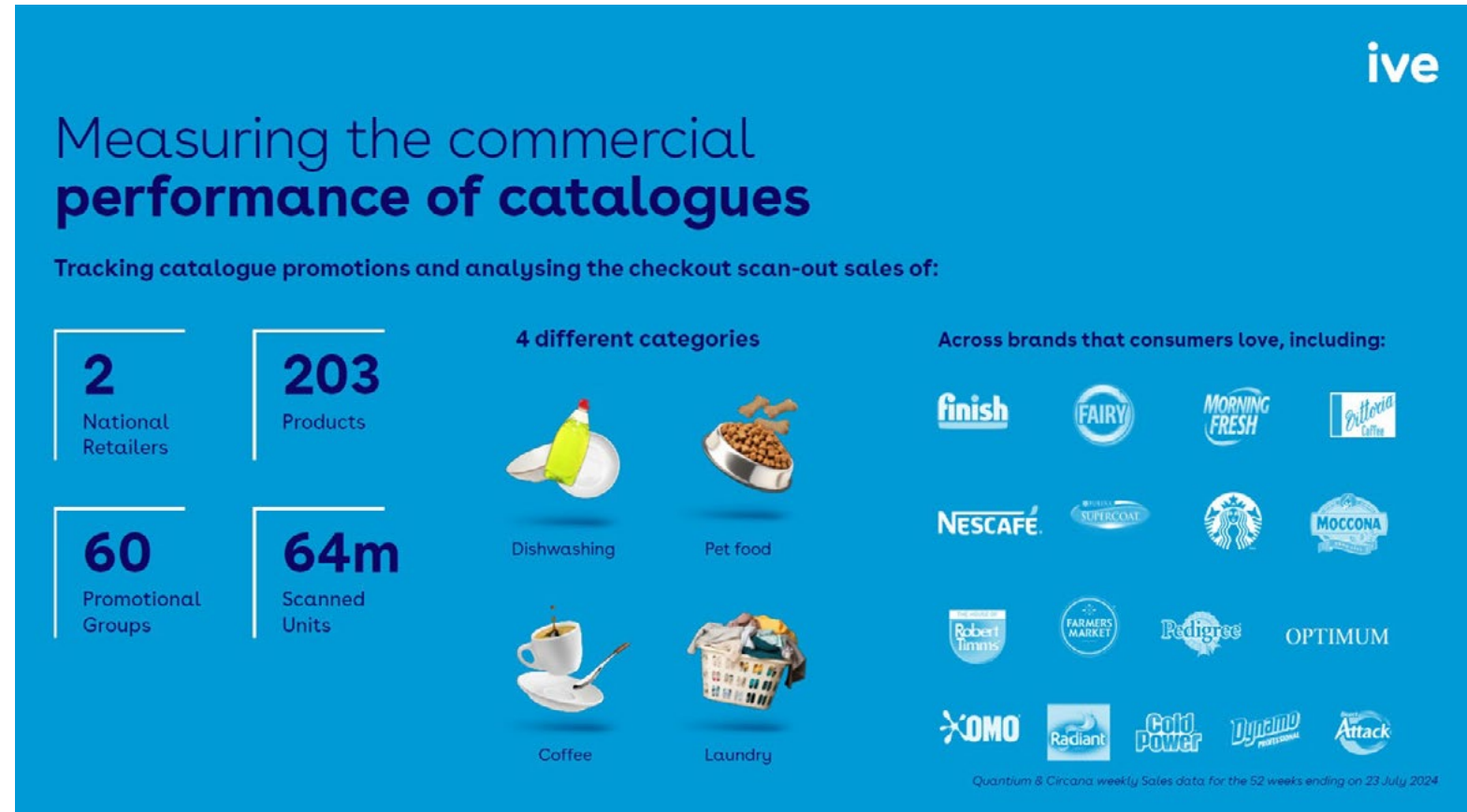
The proven value of catalogues

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Catalogue credentials

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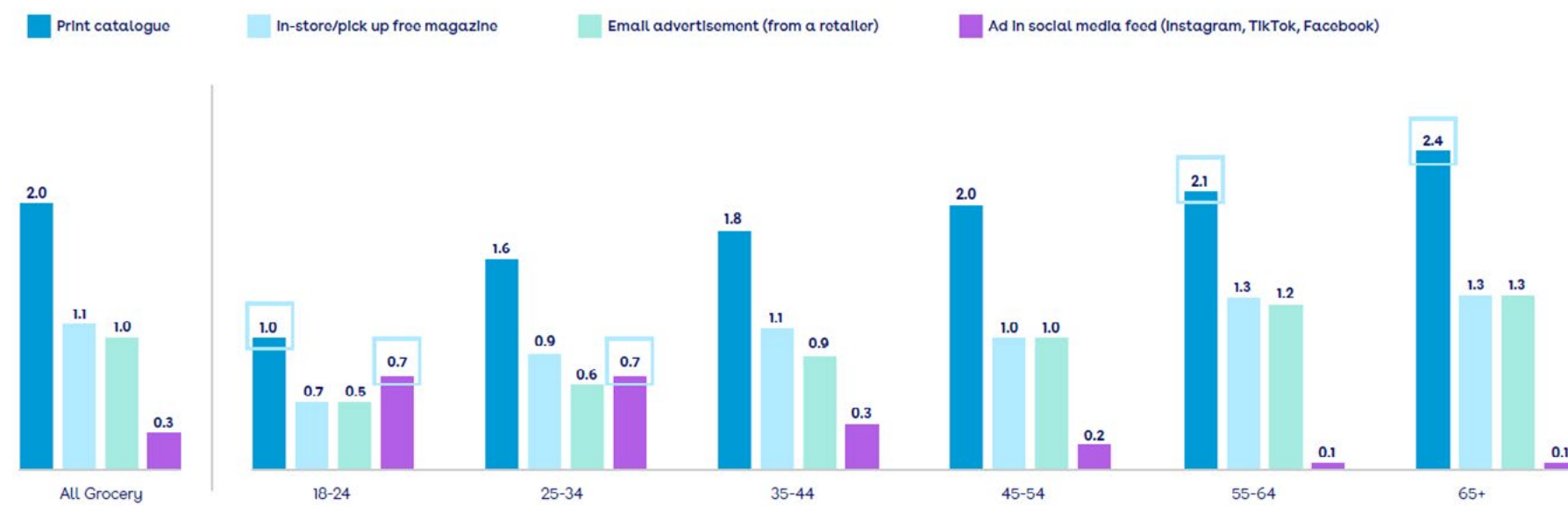


- > Qualitative consumer research & quantitative commercial analysis
- > Print catalogues are most frequently seen by retail shoppers¹
- > Catalogues are the 'cornerstone' for optimising customer reach¹
- > Print catalogues have the highest engagement with consumers, across all age groups¹
- > Household distribution (relative to in-store distribution) of catalogues:²
 - A highly profitable marketing activity;
 - Increase sales by 6%-21% on average; and
 - Increase market share

¹ Wide Eyes Market Research 2024

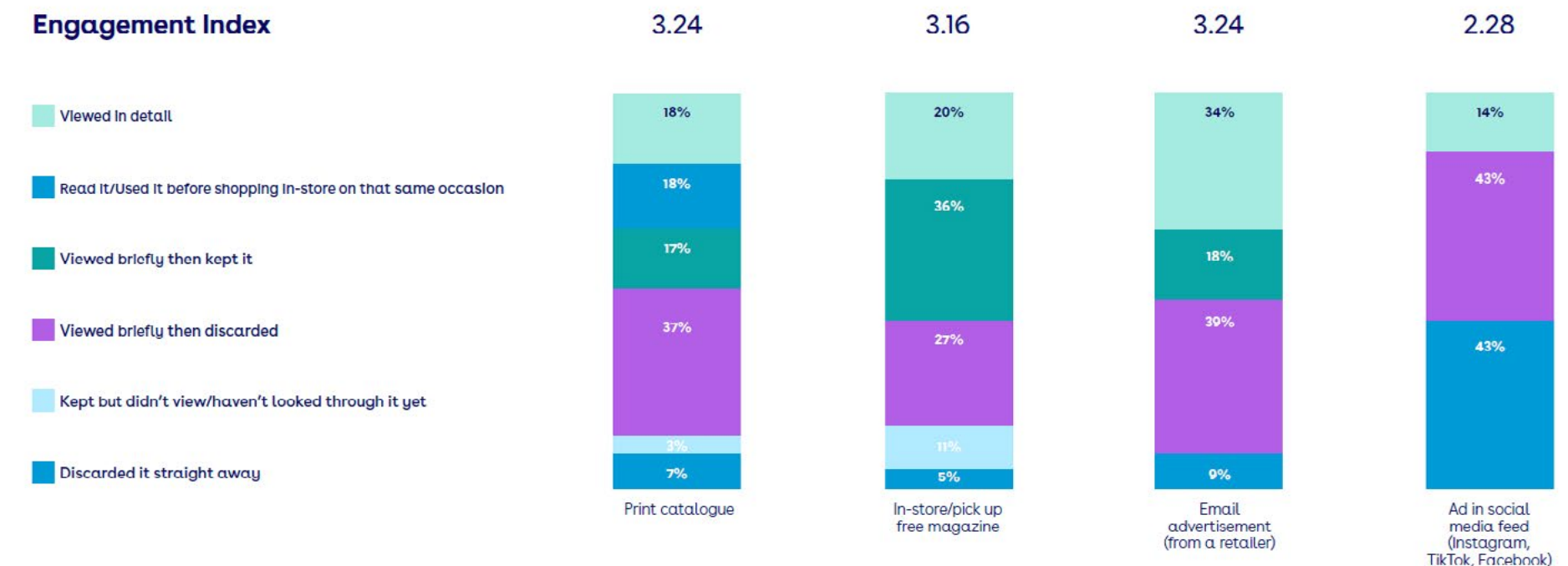
² Quantum and Circana Scan Data Mat Aug 2024

Engagement & action index by age



Print has highest engagement across all age groups, but particularly 55+. Social engaging under 34 only.

Media engagement when seen



Once media is made available (i.e. received/seen), print catalogue achieves the highest levels of engagement.

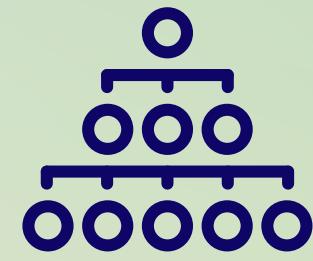


Sustainability

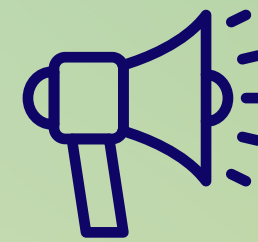


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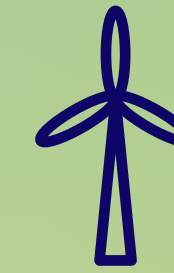
Sustainability achievements in FY24



Appointed Chief People & Sustainability Officer



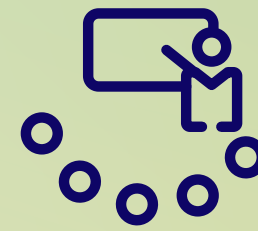
Publicly launched our Sustainability Strategy



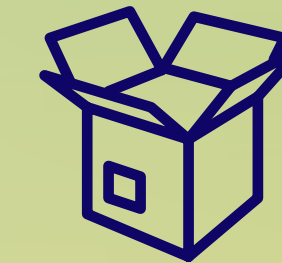
Commenced 7-year partnership with Iberdrola for the generation of renewable electricity



Established ESG Working Groups



Trained 170 client-facing teams on Sustainability



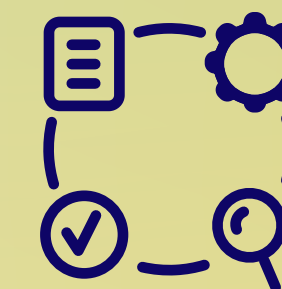
Became a signatory to the Australian Packaging Covenant



Improving measurement & reporting capabilities



62 employees received mental health first aid officer training



Commenced preparation of our Reconciliation Action Plan

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FY25 trading update and outlook



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FY25 trading update and outlook

- > The business performed strongly in the 4 months to 31 October 2024:
 - Revenue is broadly stable on PCP (excluding incremental JacPak revenue) with a strong new business pipeline for the remainder of the half
 - Good progress filling available JacPak revenue capacity
 - Material gross margin (MGM) improved relative to pcp
 - Underlying EBITDA of \$48.1m compared with \$41.2m pcp reflecting margin expansion including incremental Ovato synergies (noting 1H24 included a \$5.5m Ovato loss) and JacPak contribution
- > **The Company reaffirms FY25 underlying NPAT guidance of \$45m - \$50m** which excludes the following items:
 - Lasoo operating loss similar to FY24; and
 - Restructure and integration costs of around \$2.5m
- > Capital expenditure is expected to be around \$24.5m, including \$11.0m relating to the packaging capacity build-out (net of disposal proceeds)
- > The Group's FY25 dividend is expected to be held steady at 18.0¢ps:
 - Reflecting the already substantial dividend payout/yield; and
 - To preserve cash to pay down senior debt and/or other capital management initiatives.
- > While diversification (typically through acquisition) remains a core element of IVE's growth strategy, there is presently nothing on the Group's radar with senior debt expected to reduce in FY25
- > With a strong balance sheet and numerous organic growth initiatives in train, the business is well positioned for continued profitable growth

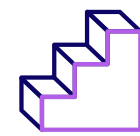
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Now to 2030 –
a vision for growth and leadership



Leverage our unique competitive advantage



IVE's extensive breadth and scale of client relationships provide a significant advantage in the Australian market. With **over 2,800 clients** across multiple sectors, businesses have witnessed our ability to scale alongside our largest accounts, building a strong level of trust in IVE. This ability to adapt and grow with our clients sets us apart from the competition.

Our offering remains strong and we have access to blue-chip clients and capital; our focus is on building and integrating new capabilities to deliver even greater value.

Our vision

We aim to further cement our position as Australia's leading integrated marketing solutions provider, delivering impactful human-centered experiences for brands across all channels.

As we move toward 2030, we must adapt to rapid changes in consumer expectations, advancements in technology – including hyper-personalisation – and the increasing shift towards sustainability as a core business driver.



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Our goal

Our goal is to position IVE as the leader in omnichannel solutions, leveraging our strong foundation in creativity, sustainability and technological innovation.

What truly sets IVE apart is our comprehensive manufacturing capability and national footprint. Our breadth and depth in this space enable us to deliver end-to-end solutions across print, packaging, logistics, and digital technology. This unique combination of capabilities solidifies our position as a fully integrated, omnichannel provider that can execute across every customer touchpoint, from concept to delivery, at scale.



Thank you

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