IVE Group Limited
ABN 62 606 252 644
Level 3
35 Clarence Street
Sydney NSW 2000
P+61 2 9089 8550
ivegroup.com.au

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IVE GROUP ANNOUNCES HALF YEAR RESULTS TO 31 DECEMBER 2020

25 February 2021 (Sydney): IVE Group Limited (**IVE Group or The Company, ASX:IGL**) is pleased to announce its results for the six months ended 31 December 2020 (1H FY21).

The strength of IVE's client relationships, flexibility of the cost base, and the Company's capacity to respond to the impacts of COVID-19 delivered a solid financial performance for the period. Strong free cashflow has resulted in continued high liquidity, a further meaningful reduction in net debt, and the resumption of dividend payments. Previous guidance for the FY21 full year is reaffirmed.

Financial performance[1]

- Revenue $340.8m
- EBITDA $59.2m
- NPATA $23.0m
- Gross profit margin consistent with FY20 full year
- Free cash conversion to EBITDA of 119%
- Cash on hand of $94.6m at 31 December 2020
- Net Debt $90.1m, a further reduction of $47m from 30 June 2020
- Earnings per share of 16.0 cents[2]
- Interim dividend of 7.0 cents per share, fully franked

Evolution of the business structure continued with the divestment of IVE Telefundraising (formally Pareto Phone) for cash consideration of $16.5m, a net gain on sale of $4.2m, with the proceeds used to further strengthen the balance sheet.

Following the successful pivot into PPE during FY20, the ivolve range of PPE was successfully launched in October 2020. The Company has continued to flex and streamline the cost base in response to COVID-19 to mitigate short-term revenue impacts and to benefit the business on an ongoing basis.

[1] Underlying and continuing basis, including Job Keeper and post AASB16
[2] Based on underlying NPATA

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JobKeeper support ended for the majority of the IVE business(s) at the end of the September quarter. IVE Distribution received JobKeeper through to the end of December.

Commenting on the Company's 1H FY21 performance, IVE Group's Executive Chairman Geoff Selig said:

"The impacts of COVID-19 have varied across our business, our clients, supply chain and the sector more broadly. Under the circumstances, the Board is very pleased with the first half performance and the significant reduction of $89m in net debt since the end of March 2020"

"The share buyback announced on 12 November 2020 represents a flexible and efficient capital management initiative that benefits shareholders and reflects the confidence in the Company's ongoing performance. The Board's focus continues to be on maintaining our strong financial position and sound strategic roadmap".

Outlook for the Full Year to 30 June 2021

The Company reaffirms previous guidance that FY21 underlying EBITDA is expected to be consistent with FY20 ($100m underlying EBITDA continuing operations).

IVE Group Chief Executive Officer Matt Aitken said:

"Our solid first half performance reflects the depth and breadth of our client relationships, the diversity of the value proposition we take to market, and the resilience and commitment of our staff".

"The Company remains well placed to grow our market share across the numerous sectors we operate in as we emerge from the COVID-19 pandemic".

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A tele-conference briefing for investors and analysts will be held on Thursday, 25 February 2021 at 11:00am Australian Eastern Daylight Savings time.

To pre-register for the briefing and avoid a queue when calling, please follow the link below at least an hour before the meeting:

https://s1.c-conf.com/diamondpass/10011816-2L0lwi.html

Conference call dial-in numbers:

Australia: 1800 954 502 / 02 8072 4187

New Zealand: 0800 480 392

This announcement has been authorised for release by the IVE Group Board

Geoff Selig
Executive Chairman

Contact Details:

Richard Nelson
Investor Relations
0455 088 099
investors@ivegroup.com.au

For more information please visit our website

www.ivegroup.com.au