

# ASX ANNOUNCEMENT

## PEOPLE INFRASTRUCTURE REPORTS FY21 HALF YEAR RESULTS, FY21 PROFIT GUIDANCE AND MANAGEMENT CHANGES

25 February 2021

People Infrastructure Ltd (ASX: PPE) ("Company"), a leading workforce management company that delivers innovative solutions to workforce challenges, today announced its half year results for the six months ended 31 December 2020.

### Key highlights for FY21H1:

- Normalised EBITDA<sup>1,2,3</sup> of \$21m being 49.3% higher than normalised FY20H1 EBITDA
- Normalised NPATA<sup>1,2,3</sup> of \$13.7m being 51.5% higher than normalised FY20H1 NPATA
- Normalised NPATA per share of 14.8 cents being 18.4% higher than normalised FY20H1 NPATA per share
- Normalised operating cashflow of \$9.8m and a positive cash balance (net of debt) of \$7.2m
- Interim dividend declared of 4.5 cents per share fully franked being consistent with the final dividend declared for FY21H2
- FY21 earnings guidance of Normalised EBITDA of \$35m to \$37m, subject to stated assumptions

Despite facing a number of challenges and the impact of Covid-19 in the first half of FY21, we are pleased to announce an increase in earnings for People Infrastructure in H1 FY21. We specifically recognise and thank our employees for their tenacity, resilience, and commitment during a difficult time. Hopefully with the rollout of the vaccination program we will see the impact of Covid-19 diminishing and a return to a more normal business environment and business activity.

### Results Summary

		Normalised H1 FY20	Normalised H1 FY21	Growth
Revenue	\$'000	194,845	200,957	3.1%
Normalised EBITDA	\$'000	14,058	20,990	49.3%
Normalised NPATA	\$'000	9,023	13,671	51.5%
<b>NPATA per share</b>	<b>cents</b>	<b>12.4</b>	<b>14.8</b>	19.0%
Net Debt	\$'000	28,471	(7,209)	
Net Debt / EBITDA	x	1.1	na	

During the year, the Company received \$13.2m in JobKeeper wage subsidies, on behalf of 1,350 eligible employees out of a total average weekly workforce of 5,888 employees. The JobKeeper payments have allowed the Company to maintain the jobs of all our eligible employees, and preserve a relationship with these employees, in keeping with the intent of the Federal Government's wage subsidy arrangements. In doing so, the Company has been able to rebound quickly and get staff back to work faster than would have been the case if these employment relationships had been

<sup>1</sup>Earnings before Interest, tax, depreciation and amortisation ("EBITDA") and Net profit after tax and before amortisation ("NPATA") is a non-IFRS term which has not been subject to audit or review but has been determined using information presented in the Company's annual results.

<sup>2</sup>Normalised earnings before interest tax depreciation and before amortisation ("Normalised EBITDA") and Normalised net profit after taxation and before amortisation ("Normalised NPATA") represents the statutory NPAT and statutory EBIT adjusted for one off expenses including costs associated with acquisitions, costs of employee options and performance rights and the associated tax deduction of these expenses. A reconciliation back to statutory EBIT and NPAT are contained in Directors Report which forms part of the Interim Financial Report. **We note that as foreshadowed in our last results announcement we will no longer be adjusting for AASB 16 Leases and amortisation, given it is an ongoing change to the accounting standards, the impact of this is approximately \$1.6m.**

<sup>3</sup>Normalised numbers have not been subject to audit or review and are based on numbers contained in the Company's financial statements.

lost, especially in a volatile environment where ongoing restrictions including border closures and lockdowns continue to impact our business. The Company has also been supported during the pandemic by shareholders who invested a further \$17.6m into the Company.

The Company has declared an interim dividend for the year of 4.5 cents per share consistent with the dividend for the second half of FY20 which has been supported by the dividend reinvestment plan. The Company's net cash position at 31 December 2020 (net of debt) was \$7.2m.

### **Management Changes**

The Company has accepted the resignation of David Cuda as Group CEO. Mr Cuda has resigned for personal reasons and will be leaving the group in March 2021. We thank him for his contribution and leadership during his time with the organisation. Former Managing Director, Declan Sherman, will be stepping into the role of CEO in an interim capacity while recruitment is conducted for a replacement CEO.

### **FY21 Outlook and Profit Guidance**

Following the half-yearly result for H1FY21, People Infrastructure remains cautiously optimistic on the outlook for the remainder of the financial year and expects to achieve normalised EBITDA between \$14m and \$16m for the second half of FY21. Forecast normalised EBITDA for FY21 is therefore expected to be within the range of \$35m to \$37m. This guidance is based on current momentum in the operating divisions being maintained, no new Covid-19 related restrictions and a continuation of current economic conditions. We note significant uncertainty remains given the Covid-19 pandemic. We do not expect to receive material government subsidies in the second half of FY21, assuming that there are no new negative impacts from the Covid-19 pandemic.

Declan Sherman said: "Looking forward into the second half of FY21, whilst we are aware that the economic and operational uncertainty relating to Covid-19 may still have implications for our clients, we note the general stability that is returning to the sectors which we serve and we continue to focus on driving growth in niches where we can demonstrate a clear point of difference in our product and services offering. We continue to look at both the opportunity to grow organically into new sectors as well as use our strong balance sheet for acquisition opportunities that would expedite that growth."

For further information, please refer to the investor presentation and to People Infrastructure's Appendix 4D Half Year Report, both of which have been released today.

### **Investor briefing**

The Company will hold an investor conference call at 9am Eastern Daylight Saving Time on February 26th. Participants will pre-register for the call at the link below.

<https://s1.c-conf.com/diamondpass/10012851-p48dhw.html>

They will receive a calendar invite and a unique code which is to be quoted when dialing into the call. The calendar invite will also include a list of toll free numbers to dial. Conference ID is 10012851

An archive of this presentation will be made available on February 26th, 2020.

<https://www.openbriefing.com/OB/4186.aspx>

### **Enquiries - please contact:**

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People Infrastructure (ASX:PPE) is a diversified workforce solutions firm delivering a wide range of services to Australian businesses across four main sectors including healthcare, community services, industrial services and information technology. People Infrastructure has a track record of successfully acquiring and growing businesses

through leveraging its core capabilities in the sourcing, skilling, deployment and management of workforces. This announcement was authorised for release by the Board.

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