

ASX RELEASE – IVE GROUP LTD (ASX:IGL)

25 August, 2021

Financial Results for the Year Ending 30 June 2021

IVE Group Limited (IVE or The Company) today is pleased to announce its financial results for the 12 months ended 30 June 2021, where the financial performance exceeded full year guidance.

IVE's strong cashflows, significantly strengthened balance sheet, and solid financial performance demonstrate the underlying resilience of the business throughout a year of uncertainty and volatility.

Financial Performance ¹

- Revenue \$656.5m
- EBITDA
 - \$100.2m EBITDA (including Jobkeeper)
 - \$85.3m EBITDA (excluding JobKeeper)
- Gross Profit Margin 48.1% (46% PCP)
- NPAT
 - \$30.2m (including Jobkeeper)
 - \$19.9m NPAT (excluding JobKeeper)
- Earnings Per Share (excluding Jobkeeper) 13.5 cents (8.4% increase on PCP)
- Operating cashflow (excluding AASB16) \$97m
- Net Debt \$77.3m
- Cash on hand \$107m
- Final Dividend 7.0 cents per share fully franked

The COVID-19 pandemic affected the business throughout the year, primarily reducing revenue over PCP as clients navigated their way through continual revisions to marketing plans.

IVE moved quickly at the outset of the pandemic in Q4 FY20 to implement a broad range of measures to protect the safety and wellbeing of our valued staff, and this continued throughout the FY21 full year.

The Company, through the period, once again maintained high levels of customer service through a hybrid of continuing operations across multiple production/service facilities and staff working remotely.

The Company qualified for the Federal Governments JobKeeper Program in Q4 FY20, receiving \$14.9m in Jobkeeper subsidy in Q1 FY21.

¹ Underlying and continuing basis

Notwithstanding the impacts of reduced revenue and other impacts of COVID-19, the Company exceeded full year earnings guidance posting a \$100.2m EBITDA result, improved margins over PCP, and an 8.4% growth over PCP in earnings per share (EPS) excluding Jobkeeper.

Commenting on the Company's FY21 performance, IVE Group Executive Chairman Geoff Selig said: "given the year of unprecedented volatility and uncertainty, I acknowledge the capacity of our people and business to respond to the pandemic by coming together as one and committing to go above and beyond to service our clients and care for each other. The solid financial performance of the business, and our significantly strengthened balance sheet, demonstrate the resilience of the business, and position the Company to deliver strong growth as we emerge from this period of disruption. My thanks to our Board, our CEO Matt Aitken for his leadership, and the entire IVE team for their skill and continued commitment over what has been a most challenging year"

Outlook

The solid underlying fundamentals of the business, combined with the strength of our balance sheet, place IVE in an ideal position to deliver strong growth as we emerge from this period of COVID-19 disruption

FY22

- Given the ongoing COVID-19 disruption, we are not able to provide specific FY22 guidance at this time
- Importantly, we highlight the resilience of the IVE business over the last 18 months, the Company expects this resilience to continue during the current period of disruption

Looking forward

- Revenue growth is expected across the business over the next 12-24 months, driven by post lockdown economic recovery, and further improved market positioning in key sectors
- Heightened operating leverage across the business will contribute to earnings growth as revenue returns
- \$30-40m available to invest in driving earnings accretive growth initiatives:
 - o Enhance our digital offering through Lasoo re-platforming and amplification
 - o Expansion into adjacencies (fibre based packaging and 3PL)
 - o Acquisitions (strategic and/or bolt on)
 - o Target ROFE in excess of 15%

Capital management

- Share buyback to remain in place
- Dividend policy unchanged

Capital expenditure

- FY22 capital expenditure expected to be circa \$10m excluding Lasoo investment of \$3.5m
- Capital expenditure to continue at approximately 60% of annual depreciation



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A briefing for investors and analysts will be held at 11:00am Australian Eastern Standard Time today.

Pre-registration for the briefing is essential. Please follow the link and pre-register at least 30 minutes before the scheduled start. [REGISTER](#)

The financial accounts and presentation slides are available on IVE Group's website [HERE](#)

This announcement has been approved by the IVE Group Board

Geoff Selig

Executive Chairman

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For more information, please visit our website

www.ivegroup.com.au