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# People<sup>i</sup>N

People Infrastructure Ltd  
Annual Results FY 2021



# FY21 Key Highlights

People Infrastructure grew considerably throughout the year both organically and as a result of further acquisitions completed in the second half of the year. Specifically the company benefited from strengthening employment markets, exposure to growth sectors, industry diversity and implementation of leading business practices.

Revenue  
**\$444m**  
+19% PCP



Underlying  
EBITDA  
**\$38m**  
+33% PCP



Underlying  
NPATA  
**\$25m**  
+37% PCP



Normalised EPS  
**27 cents**  
+32.9%

Final Fully Franked Dividend  
**6 cents**



# ► FY21 Highlights

## Our Customers



**13,500+**

New on-hire  
and permanent  
roles filled



**7.7 million**

Hours billed, an 18%  
increase on FY20



**2,700+**

Clients served

## Our People



**4**

Brands joined  
the PeopleIN  
family



**111**

Employees joined  
the group, now  
totalling 480



**68%**

Female workforce

## Our Community



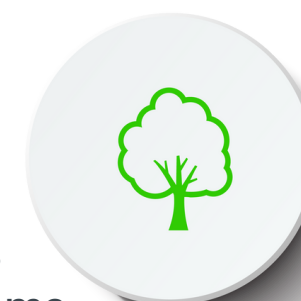
**500+**

Indigenous  
candidates  
placed across the  
PeopleIN family



**130+**

NDIS  
participants  
receiving home  
care via NNA  
DSS



**4.5  
million**

Trees planted  
via Timberwolf



**Key  
Partnerships**

Including NNA DSS  
and the Carl Webb  
Foundation

# ► Key Highlights

## Acquisitions Completed:

Swingshift (Healthcare)

Ecareer & Illuminate (IT)

Techforce (Industrial)

Vision Surveys (Op services)

## Organic Business Units Continue to Grow:

Homecare

Tribe (Outsourced HR)

Continued Opportunities  
For Acquisitions in FY22  
with

**\$50-\$70  
million**

Funding through debt  
and free cash flow  
whilst keeping Net Debt  
to EBITDA < 1x



## ► Key Highlights

### Robust Employment Market Drives Demand for Recruitment Services

The labour market is robust, consistent with a V-expansion buffeted by temporary lockdowns

Employment is up 6.31% YoY and more meaningfully 1.4% above pre-COVID levels

Unemployment fell to a decade-low 4.6% versus a peak of 7.5%

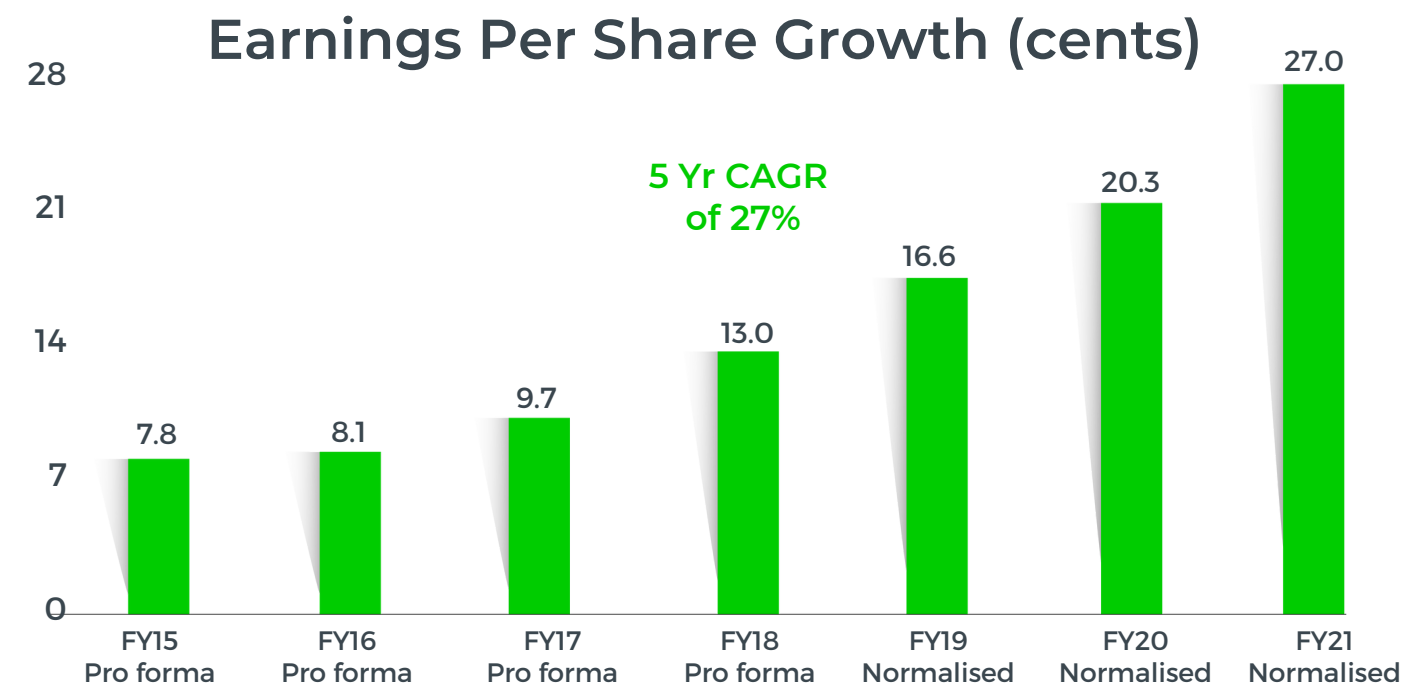
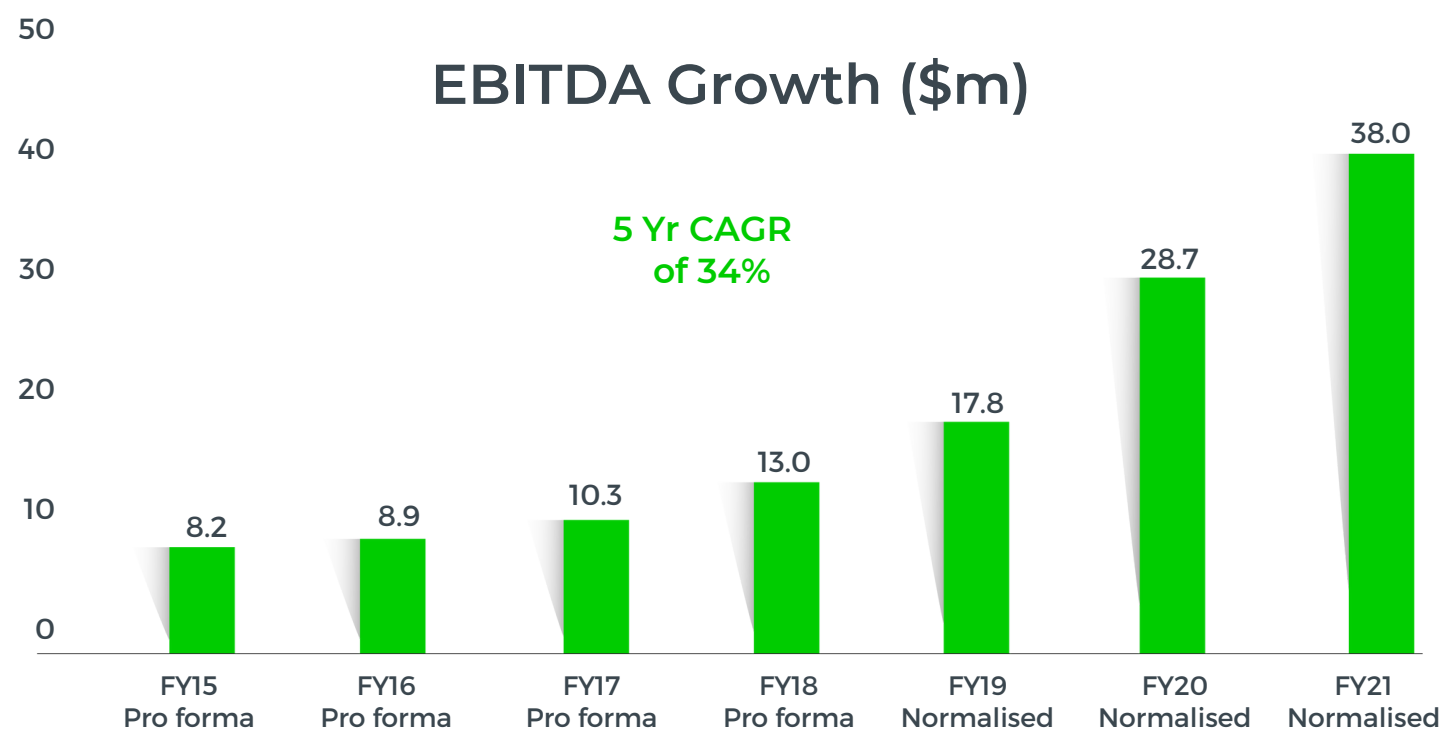
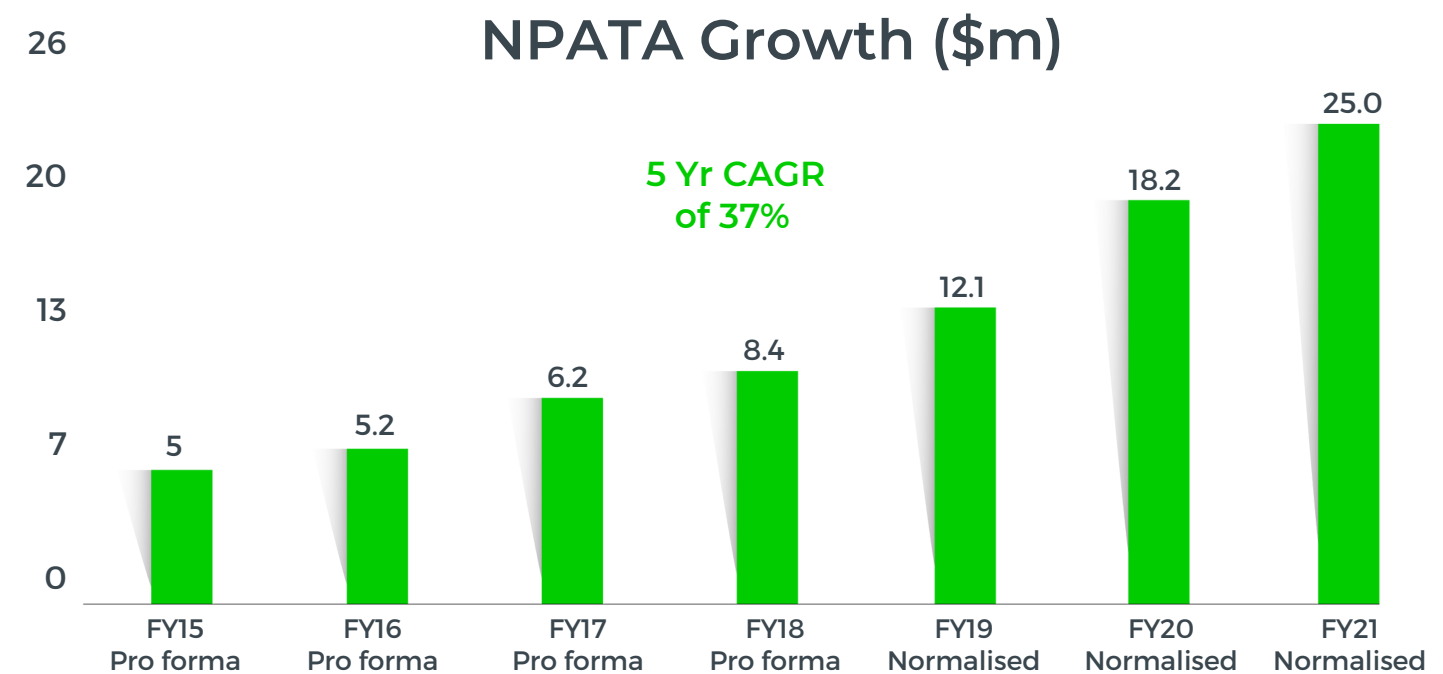
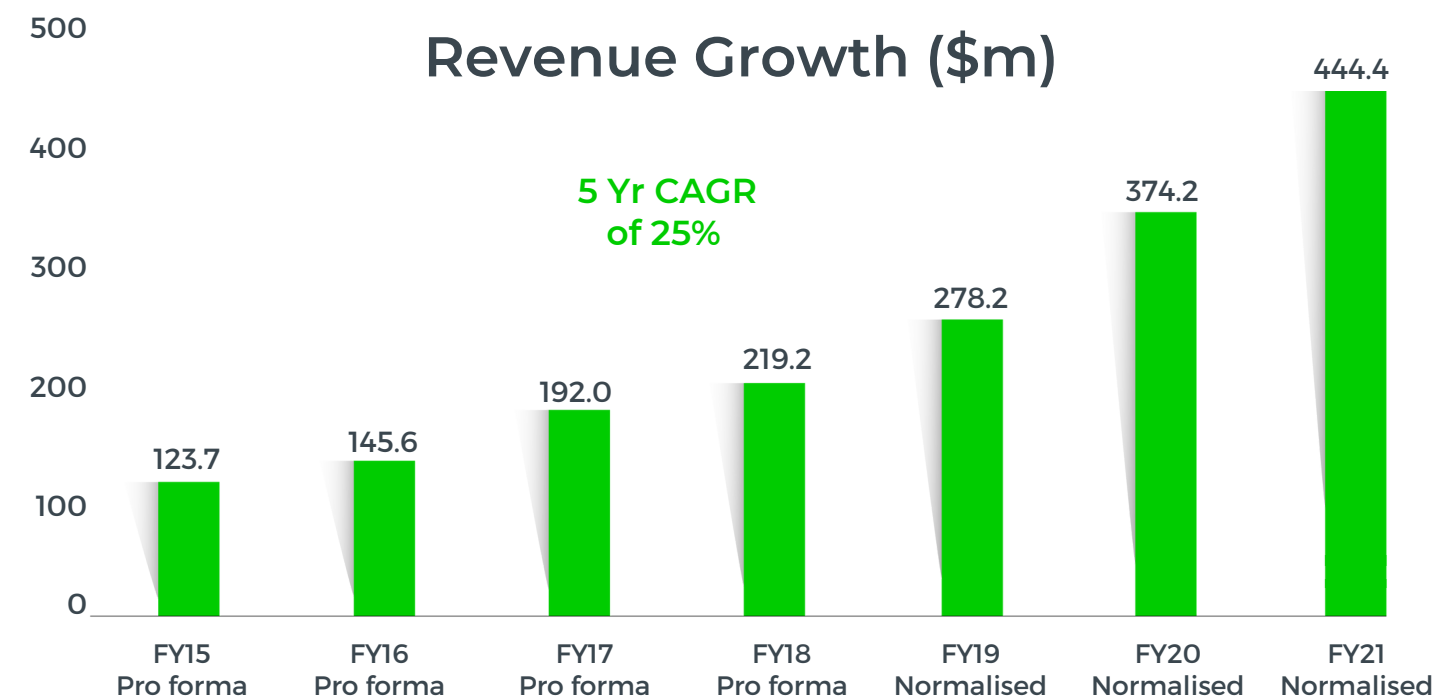
Employment is growing at a rapid 3.5% annual rate, with the lead indicators of ANZ job ads (up 40% from pre-COVID levels), job vacancies (up 58%) and near-record NAB Employment index pointing to further strong gains when NSW reopens.

With little migration, unemployment should reach 45-year lows sub-4% this year or early next year. PeopleIN set up to access offshore labour when borders open.

Total shareholder return  
since listing of 360%

# Consistently Growing Shareholder Returns

Compound earnings per share growth over the last 5 years of 27.2%





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# Strategy

# Our Family of Brands





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# Our Growth

PeopleIN will continue expanding its service mix across all verticals via our growth solutions for key customers.

Customer	Solutions	Services
Talent	Talent Lifecycle	<ul style="list-style-type: none"><li>Talent sourcing</li><li>On-hire &amp; permanent staffing</li><li>Development</li><li>Education &amp; Training</li></ul>
Client	Staffing	<ul style="list-style-type: none"><li>On-hire &amp; permanent recruitment staffing</li></ul>
	Business Support	<ul style="list-style-type: none"><li>Outsourced HR/Payroll-e.g: Tribe</li><li>Consultancy- e.g Project Partners</li><li>Training-e.g ECT4Health</li></ul>
End Customer	Service Delivery	<ul style="list-style-type: none"><li>Home Care - e.g: NNA DSS</li><li>Surveyance - e.g: Vision Surveys</li><li>Mass Planting - e.g: Timberwolf</li><li>Facilities Management - e.g: Mobilise</li></ul>

## Strategic Pillars

The success of our business has been built on three strategic pillars.

Our promise to ourselves is that Together we will Perform and Transform.



### TOGETHER

We Grow Together As One Tribe

Communicate, cooperate and collaborate



### PERFORM

Cultivate Our Brands To Be Market Leaders

Stand out from the crowd and deliver incomparable customer service



### TRANSFORM

We Lay Down The Tracks For Future Prosperity

Develop our teams, leaders, brand family and customer offering

# Our Three Strategic Pillars

## ► Together

- Grow together as one business and as one tribe
- Create and progress a united PeopleIN
- Leverage the size and capabilities of the group to service the individual businesses
- Develop our operating frameworks across the business to become an accelerator of performance

## ► Perform

- Cultivate our businesses to be the leading businesses in the markets they serve
- Establish the growth path for our businesses underpinned by differentiation in order to generate a sustainable market leading position
- Continually improve our customer service delivery to be better, faster, and cheaper

## ► Transform

- Lay down the tracks for our future prosperity
- Development of high performing leaders, people and teams
- Extend our business by M&A, buy to build and organic growth ventures within growth markets



# Addressable Markets of Focus

## Staffing Services

## Business Services

## Operations Services

## Combined Opportunity

**\$29b\***

**\$96b\***

**\$76b\***

**\$54b\***

**>\$255b\***

### Growth Opportunities:

New markets within  
current verticals &  
new verticals

- Doctors
- Allied Health
- Education
- White collar

### Adjacent Growth Opportunities:

- Training and Education
- BPO
- HR Consultancy
- Workplace Health & Safety
- IT Consultancy

### Adjacent Growth Opportunities:

- Homecare
- Residential care
- Allied services
- Health / hospitals
- Managed services
- Industrial services
- Engineering
- Surveying

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# Financial Results

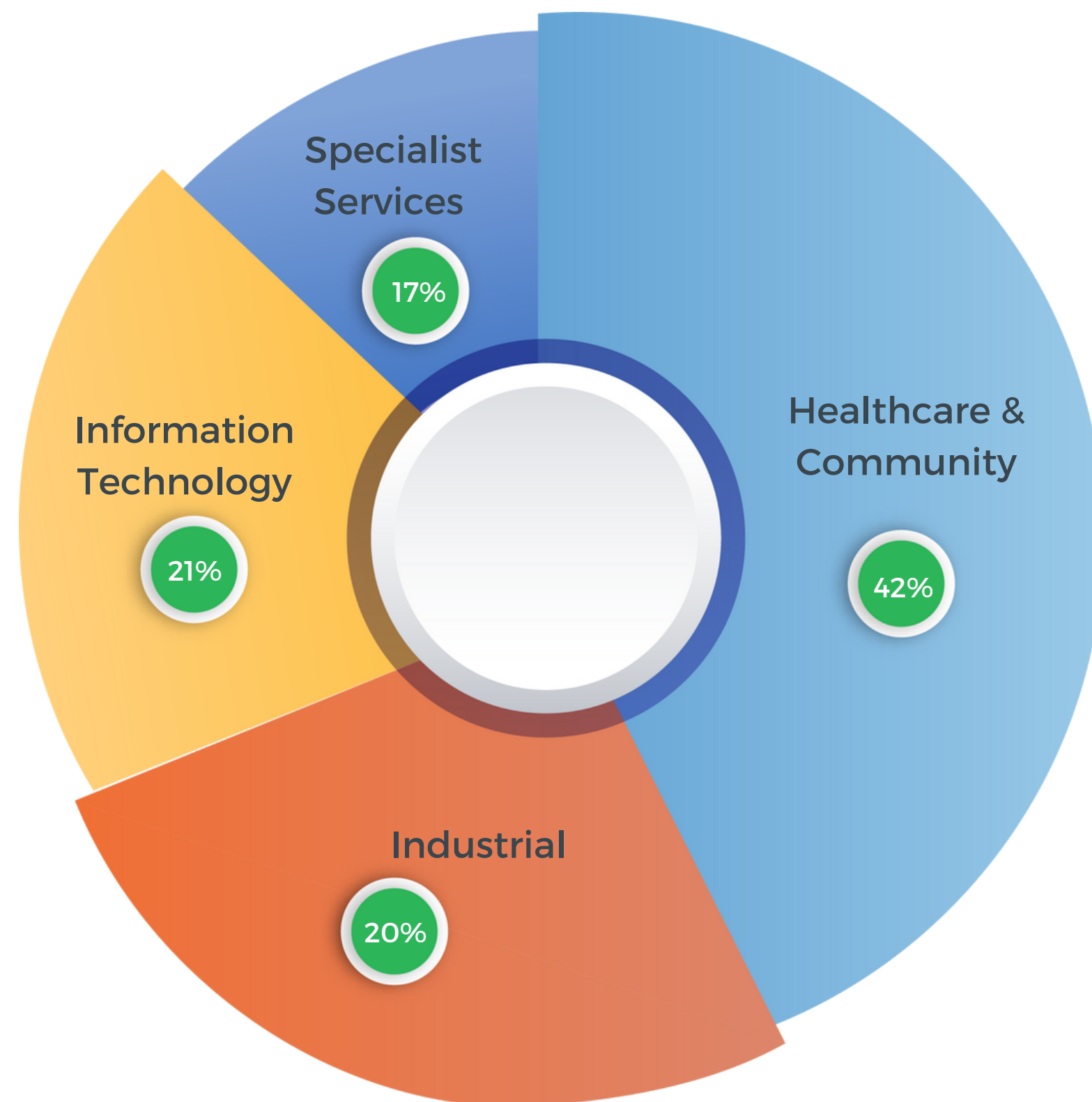


# Underlying Results

- ▶ Record EBITDA contribution of \$38m
  - Second half contributed \$17m in normalized EBITDA which was a record half for the business
  - Techforce and Vision Surveys (QLD) acquisitions completed should generate an incremental \$7.8m in EBITDA in 2022
- ▶ Strong contribution from all divisions; in the final quarter all divisions were either at or exceeding record profit contribution
- ▶ Strong rebound in the business post immediate challenges from COVID-19 restrictions
- ▶ Significant demand for employees across all industries which PeopleIN services
- ▶ Continued investment into corporate services functions to drive benefits across the entire business
- ▶ Jobkeeper refresh
  - Received \$13.2m from Jobkeeper in the first half, which was used to support 1,350 eligible employees:
    - \$3.1m was paid to internal employees. As a result of receiving this Jobkeeper support PeopleIN made the decision not to stand down or terminate a large number of employees
    - \$10.1m was paid to employees in the field. Most of this went to topping up hours for employees who didn't work sufficient hours to be entitled to wages equivalent to Jobkeeper payments (ie was completely passed through) and paid through to clients.

\$'000	FY21	FY20	Mvmt %
Revenue	444,281	371,164	20%
Underlying EBITDA	38,049	28,655	33%
Depreciation	(2,602)	(2,669)	
Amortisation	(4,132)	(3,929)	
Underlying EBIT	31,316	22,057	42%
Finance Costs	(1,548)	(2,292)	
Underlying NPBT	29,767	19,765	51%
Underlying Income Tax	(8,901)	(5,496)	
Underlying NPAT	20,867	14,269	46%
Amortisation	4,132	3,929	
Underlying NPATA	24,998	18,198	37%

## ► Divisional contribution to EBITDA





# Capital Management

## FY21

Net Debt	\$25,249,600
Net Debt to EBITDA x	0.66
Net Assets	\$114,787,809
Debtor Days (ex Techforce)	34
Debtor Days*	47
Invoices over 60 days overdue	1.4%

\*Normalised for a full year of sales from Techforce

## Strong Financial Position

- ▶ Able to undertake future acquisitions of up to \$50m - \$70m based on maintaining conservative gearing of less than 1x EBITDA
- ▶ Industry leading debtor collections driven by sophisticated client vetting and collections process – overall debtor days has one off increase as a result of acquisition of Techforce
- ▶ Invoices over 60 days overdue decreased from 6% to 1.4% at June 30
- ▶ Incurred \$1.3m in capex in FY21 up from \$1.1m in capex in FY20
  - Estimate capex for FY22 to be approximately \$2.5m

# Cash Conversion of 84%

## Cash Flows from Operating Activities

	Jun-21 \$	Jun-20 \$
Receipts from customers	475,406,211	405,537,546
Payments to suppliers and employees	(455,044,666)	(369,026,489)
Interest received	8,833	11,468
Finance costs	(1,548,488)	(2,291,510)
Income tax (paid)/refunded	(11,239,259)	(7,102,168)
<b>Net cash provided by operating activities</b>	<b>7,582,631</b>	<b>27,128,847</b>

### Normalisation adjustments

COVID-19 Related Tax Deferrals 2020 to 2021		
GST Deferral	5,748,679	(5,748,679)
Payroll Tax Deferral	371,403	(2,018,883)
Income Tax catch up of instalments re FY19	1,168,550	(1,168,550)
Change from Quarterly to Monthly Superannuation payments	2,553,243	-
Purchase price consideration for acquisitions	447,041	1,447,515
Acquisition costs	593,505	156,603
Performance rights associated costs	190,913	83,201
<b>Normalised Operating Cashflows</b>	<b>18,655,965</b>	<b>19,880,054</b>

Normalised Operating Cashflows as a % of Normalised NPATA (last 2 years) 84%

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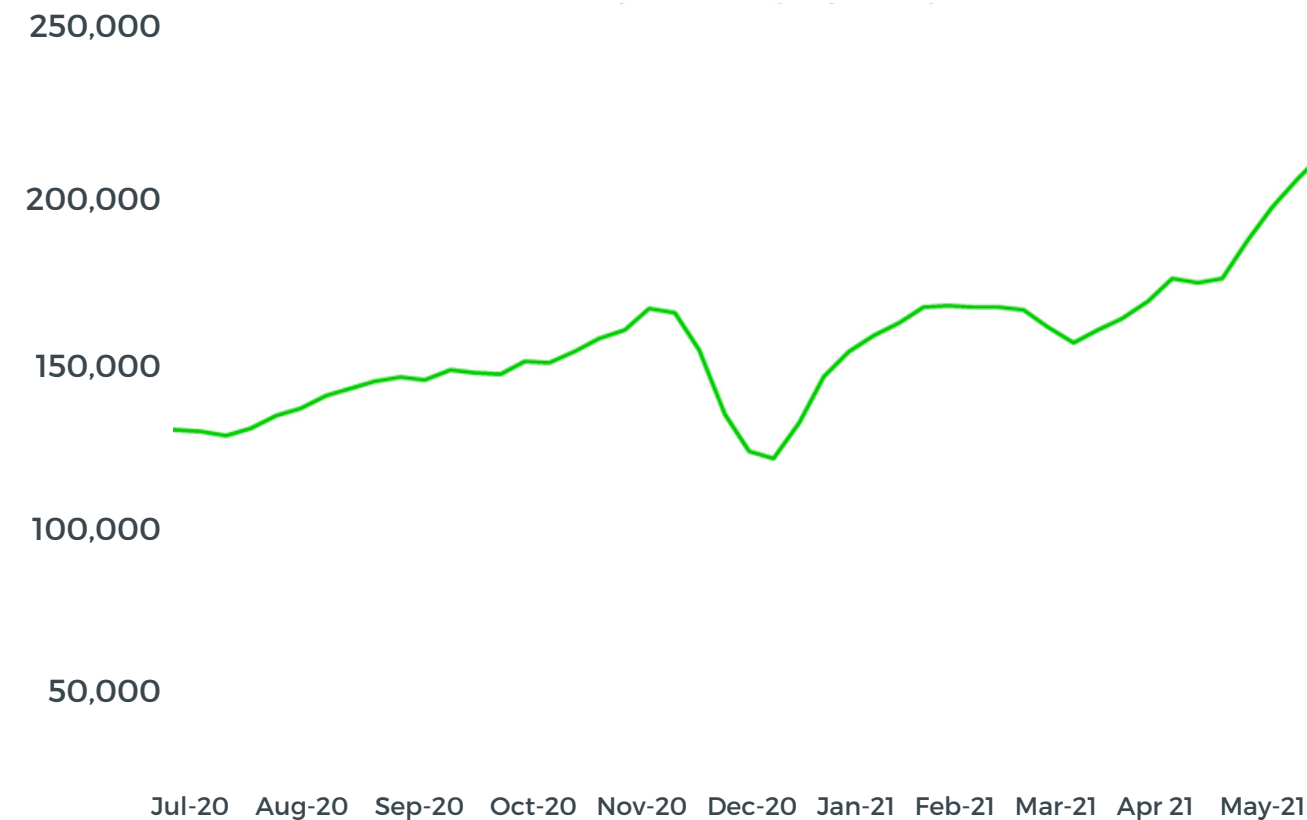
# Business Performance Update



# Total Group Billed Hours and Perm Billings

- ▶ During the initial stages of the COVID-19 pandemic, we maintained our employment connection with our on-hire staff to support the needs of our clients.
  - Mobile workforce able to work from home or from the office; interviewing and customer meetings through video conferencing
- ▶ The industry diversification across the business has supported the positive progression of the group's weekly billed hours during the period
- ▶ Strong demand for labour and difficulties in sourcing has driven increased client numbers and limited focus on margins
- ▶ Perm billings have been particularly strong in the second half of the year versus the first half of the year

Total Group Billed Hours (avg. per week)



Total Group Perm Billings (avg. \$ per week)



# Healthcare Vertical

Leading workforce of supplementary nurses and personal carers on the Eastern Seaboard of Australia providing staffing into hospitals and aged care facilities.

► **Increase in revenue throughout the year**

- Billed hours have increased by 14% in FY21
- Gross profit margins slightly above 5% variance range versus FY20
- Nursing stabilised during the year (increased work relating to Covid testing, vaccinations, and quarantine offset by a temporary decrease in demand relating to hospital lockdowns)

► **Expanded the business in Melbourne through the acquisition of Swingshift**

- Business is performing in line with expectations
- Integration in line with plan

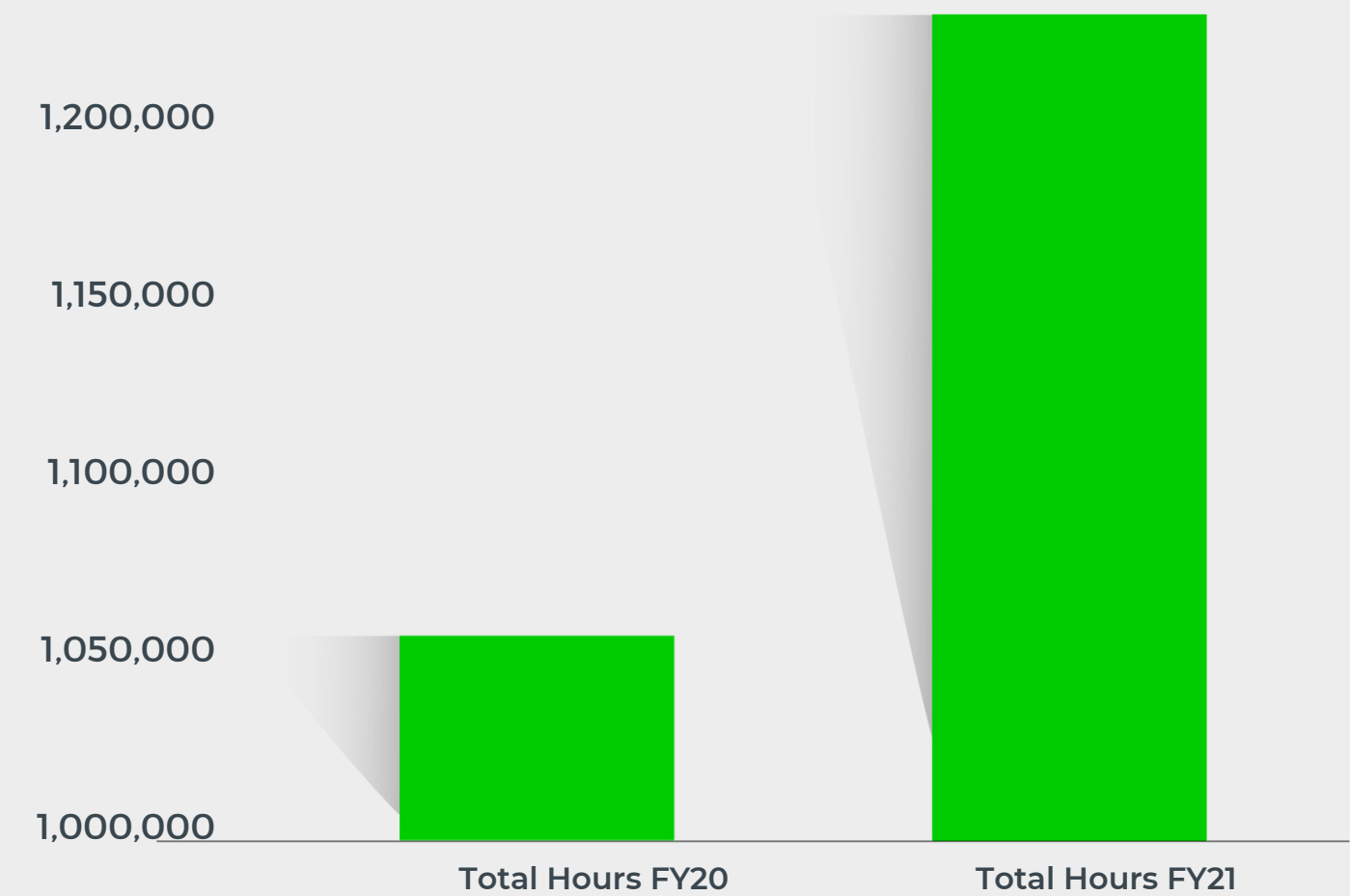
► **Continue to provide an integrated service offering as a point of difference**

- Australian Healthcare Academy (registered RTO) and ECT4Health sourcing and upskilling (qualifications, seminars, and workshops) nurses which are then placed through our nursing agencies
- Facilitation services for student nurses

► **Outlook**

- Launched rural and regional nursing business focused on non-metropolitan markets
- Launched perm placement healthcare business focused nationwide
- Exploring acquisition of doctor/locum business and other managed services
- Strong demand from clients and no margin pressure
- Business is now a top 2 provider of healthcare recruitment services in Australia

Healthcare - Billed Hours

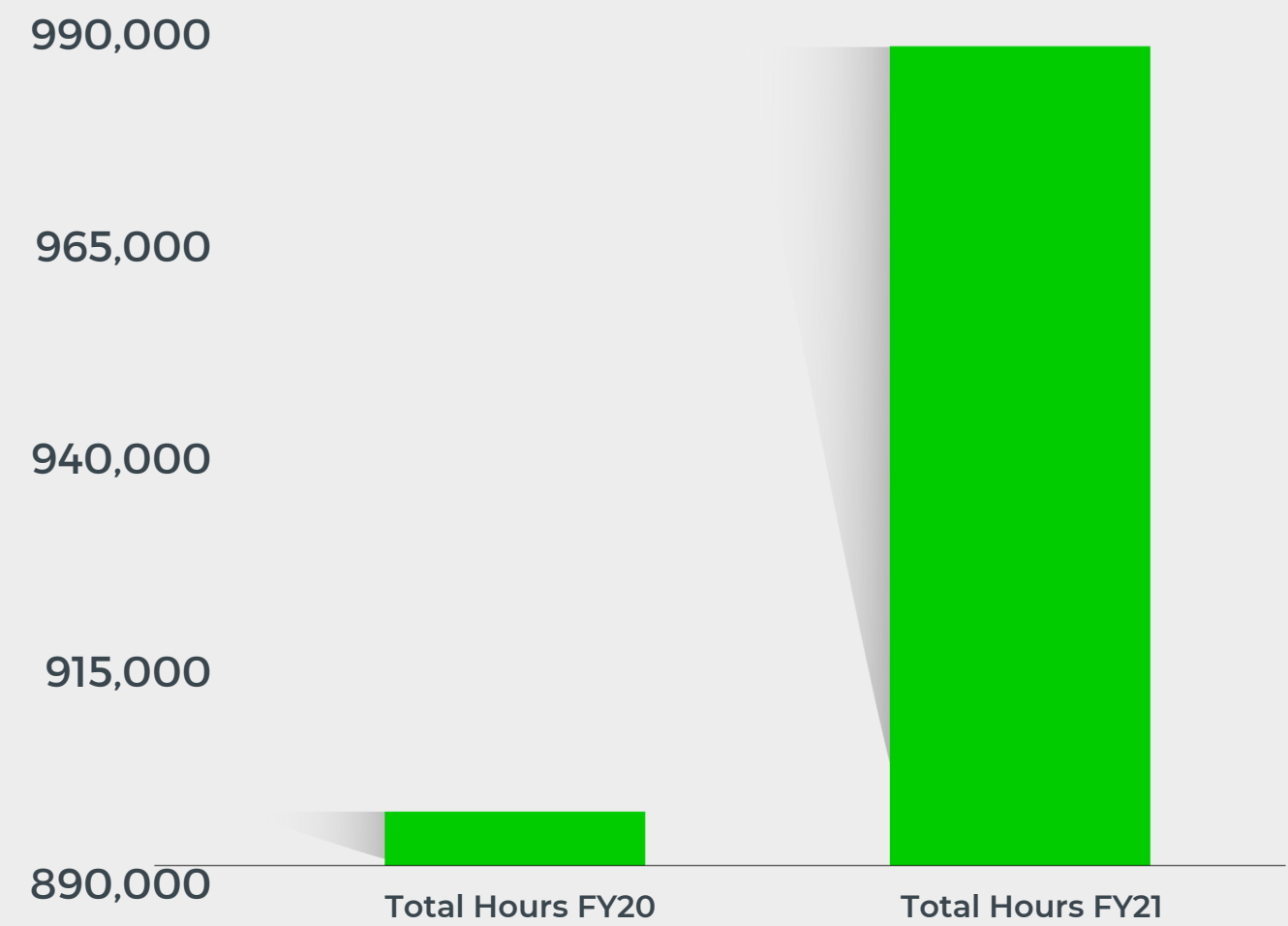


# Community Services Vertical

Workforce management and supplementary staffing within the Disability and Child Protection sectors across Australia.

- ▶ **Increase in revenue throughout the year**
  - Community services revenue has grown during 2021 – a combination of growth in disability and child protection clients.
  - Billed hours has increased by 10% in FY21
  - Gross profit margins within 5% variance range versus FY20
- ▶ **Homecare business**
  - Have invested in a leading technology platform to supplement our existing internal resources
- ▶ **Outlook**
  - Expanding into Western Australia in FY22
  - There is also a desire to diversify the current offering to include mental health services.
  - Continue to grow homecare business (\$6m in packages under management at 30 June)

Community Service - Billed Hours





# Technology Vertical

Leader in Technology recruitment focusing on IT sales and marketing, product, cloud, cybersecurity, data & analytics, IT consulting, and technical support.

## ► Increase in revenue throughout the year

- Business was significantly impacted by Melbourne lockdown in the first half of FY21; Second half revenue was 43.6% higher than the first half (not incl eCareer & Illuminate)
- Billed hours have increased by 23% in FY21
- Perm billings have decreased by 1.8% in FY21 although significantly higher in the second half (record numbers)
- Gross profit margins decreased 9% versus FY20
  - Reflected growth in high volume lower margin clients

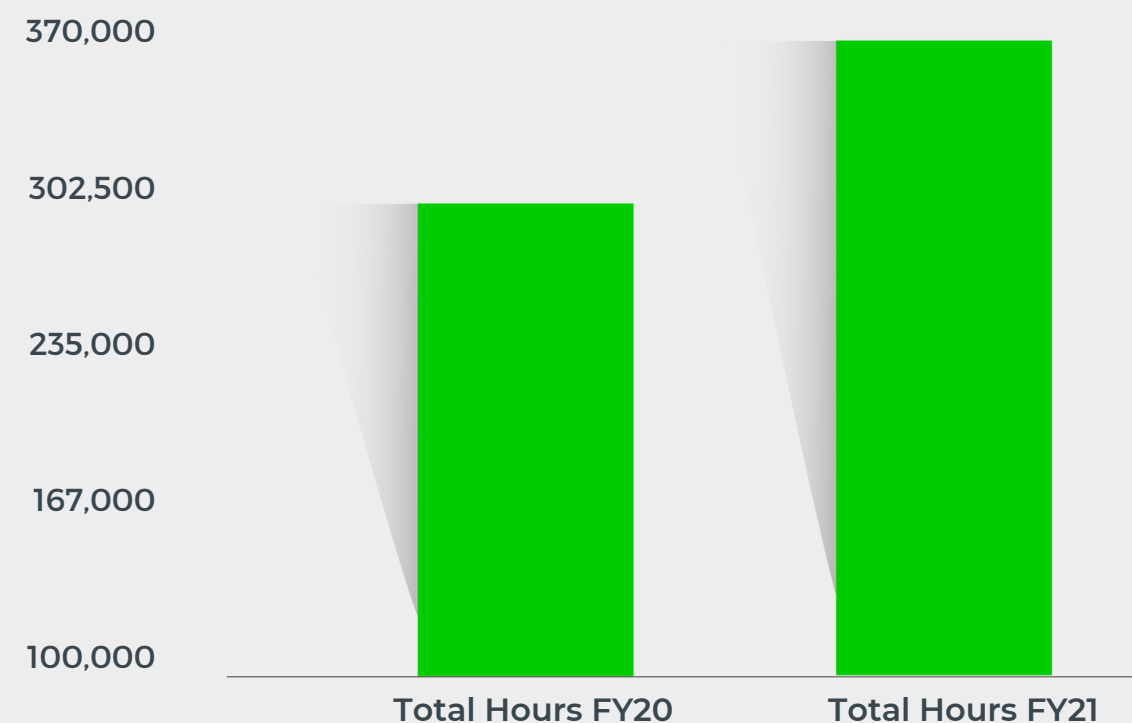
## ► Expanded the business in Sydney through the acquisition of Ecareer & Illuminate

- EBITDA guidance was \$1.6m in the first 12 months of ownership; business is performing ahead of expectations
- Integration in line with plan

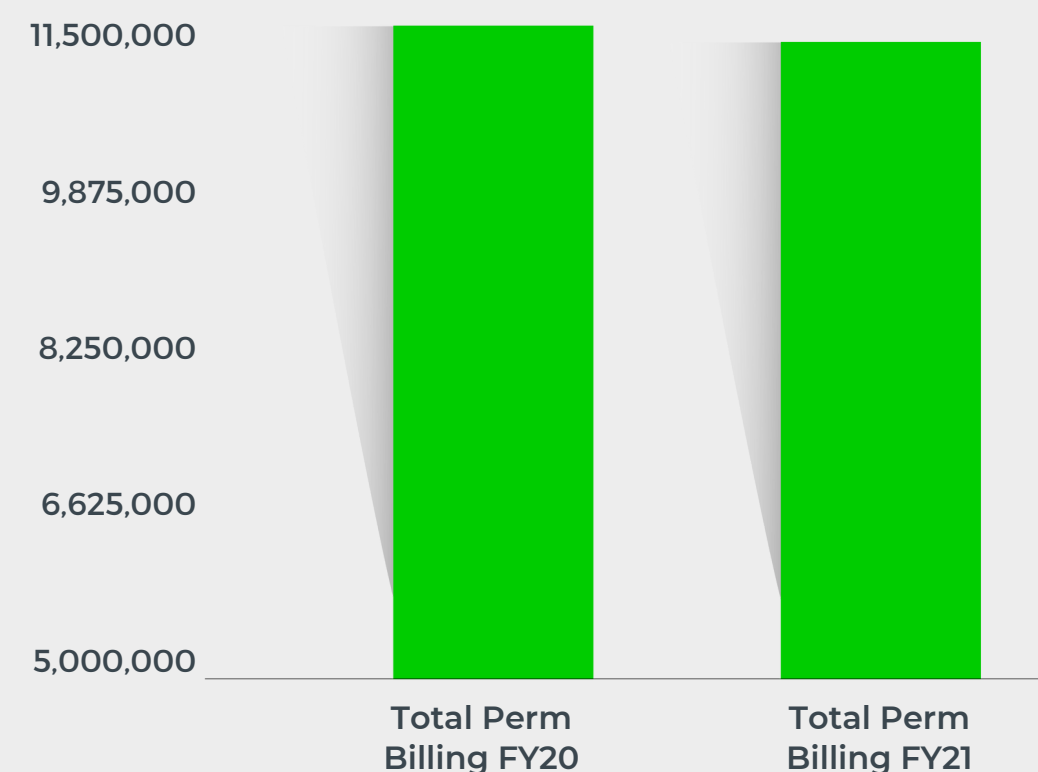
## ► Outlook

- Looking to further expand the business into other metropolitan markets in Australia and NZ that we do not currently service
- Looking to increase government market share
- Strong demand from clients and no margin pressure
- Business is now a top 5 provider of IT recruitment services in Australia

## Information Technology - Billed Hours



## Information Technology - Perm Billings



# Industrial & Specialist Services Vertical (excl. Techforce)

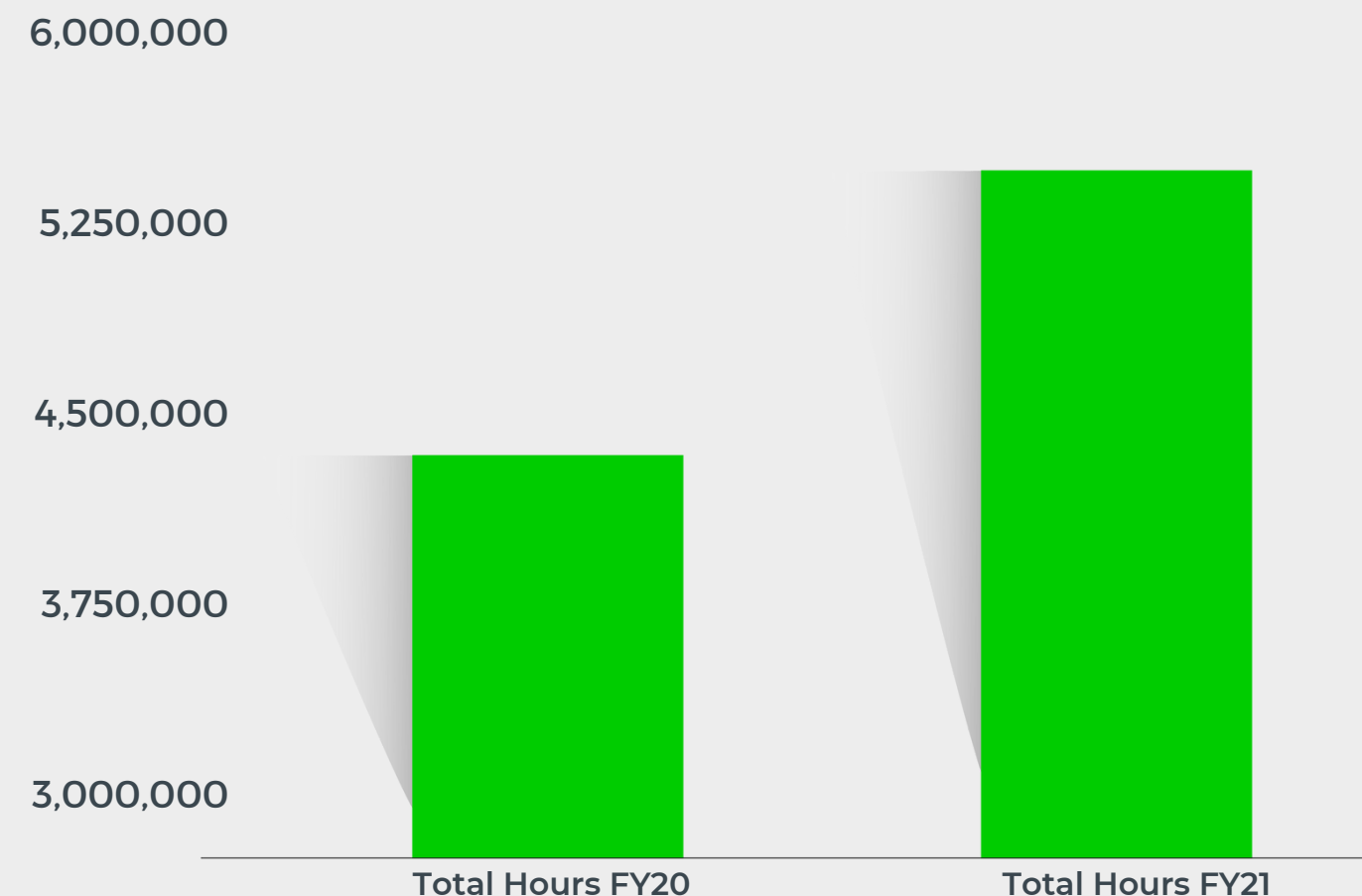
Leader in providing general staffing services to small and medium-sized businesses across Australia in a wide range of sectors including industrial, childcare, and hospitality. Also provides specialist services such as asset management and contract planting.

- ▶ **Increase in revenue throughout the year**
  - Billed hours have increased by 23% in FY21
  - Gross profit margins within 5% variance range versus FY20
- ▶ **Launched perm recruitment business which it intends to grow organically leveraging existing client relationships**
  - Profitable within the first quarter of operations
- ▶ **Launched indigenous joint venture servicing rural and remote communities**
- ▶ **Outlook**
  - Strong demand from clients and minimal margin pressure
  - Largest client offerings are food processing, mining (copper and zinc), and government

## Techforce and Vision Surveys (Qld)

- ▶ Over 25 client referrals to date across the broader PeopleIn business
- ▶ Businesses performing in line with expectations

### Industrial and Specialist - Billed Hours (ex Techforce)



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# Outlook



# Making an extraordinary impact by harnessing the talent in our people:

- ▶ PeopleIN continues to experience significant demand across its business in all its divisions which will drive organic growth
- ▶ Improving IT systems to enhance employee productivity
- ▶ Traditionally strong bounce back in demand post lockdowns across all sectors
- ▶ Investing in offshore staffing funnels to facilitate further growth post border openings
- ▶ Further expanding our training and education offering
- ▶ Exploring new industries to provide staffing services and new managed service offerings in current staffing verticals
- ▶ Expanding our geographic footprint throughout Australia and New Zealand
- ▶ Some short term volatility due to NSW and Victorian lockdowns; mitigated by regional and industry diversification across our business





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# Appendices: Financial Detail

# Appendix 1: Reconciliation of Statutory PBT to Underlying EBITDA

	30-Jun-21	30-Jun-20
	\$	\$
<b>Statutory Profit Before Tax</b>	<b>26,750,204</b>	<b>21,923,506</b>
Depreciation and amortisation	6,733,507	6,597,692
Finance costs	1,548,488	2,291,510
<b>EBITDA</b>	<b>35,032,199</b>	<b>30,812,708</b>
Normalisation adjustments		
Acquisition costs	593,505	156,603
Performance rights costs	190,913	83,201
Write off of Warrawong Office Fitout on relocation	217,888	0
Fair value movement in deferred consideration	944,861	(2,863,261)
Fair value movement in equity account investments	0	0
Non-controlling interests	(67,168)	0
Share based payments expense	1,137,141	465,913
<b>Normalised EBITDA</b>	<b>38,049,339</b>	<b>28,655,164</b>



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