

ASX RELEASE – IVE GROUP LIMITED (ASX:IGL)

24 November, 2020

Executive Chairman’s Review – Annual General Meeting 2020

Our Strategy

IVE commenced the evolution from ‘just a printing company’ to a broader product and service offering late in the 1990’s through a combination of organic growth initiatives and a long-term strategic acquisition program. Our continued growth and diversification, and the convergence of technologies on the back of the digital revolution over the last decade, has coincided with meaningful consolidation across the more traditional parts of the marketing communications sector. This has resulted in a more defined competitive landscape than ever before with a reduced number of competitors. IVE has led sector consolidation and innovation over the last 10 years and today has the most diversified integrated marketing communications offer in the Australian market.

Core to the ongoing sustainability of the business is the value proposition we take to market has always remained relevant by closely aligning to our clients evolving marketing communications requirements.

The diversity of IVE’s value proposition places us in a strong position relative to a number of competitors across the sector. IVE does not have one headline competitor that has an equivalent breadth of offering, and we continue to hold dominant market positions across the sub sectors in which we operate. In this context, we believe the impact of the COVID-19 pandemic will further strengthen our position to grow market share.

The strength of our long-term client relationships, continued high levels of customer service, combined with a powerful commercial offer, are core to protecting/retaining revenue. This, combined with the continued drive to grow new revenues, places IVE in a unique position from which to build market share as the sector consolidates further post COVID-19.

IVE's strengths relative to competitors places us in an ideal position to defend and grow revenue:

- Our people and culture
- Our customer first philosophy
- Significant and ongoing investment in our asset base and operations over many years
- Efficient operations enhanced further through cost recalibration and business simplification over the last 12 months
- Diversified value proposition facilitates 'bundled offer' to our clients
- Scale of business ensures powerful buying power
- Strong financial position provides all stakeholders with stability and security
- Very well credentialed in terms of quality, environment and data security

The Year in Review

2021 will mark a significant milestone with the centenary year of our business. Our family reflects with much pride at what has been created over the last 100 years, starting with the humble beginnings of my grandfather Oscar Selig, who in March 1921 launched a suburban newspaper called 'the Link' in Balmain NSW. It was my father Gordon's vision and leadership for decades that undoubtedly formed the solid foundations of the Group we have today.

As I consider the unprecedented and ongoing impacts of the COVID-19 crisis over the last year, it has been our heritage, the culture of our business, and the collective experience and dedication of our people that placed us in a position of strength from which to respond. Notwithstanding the extent and speed with which the crisis impacted their personal and professional lives, our entire workforce of 1700 staff responded together as one. They committed to do whatever was required to maintain a safe workplace, and to ensure we continued delivering high levels of service to our clients.

Under the circumstances, I do not believe IVE could have responded any better to the impacts of COVID-19, and I thank our CEO Matt Aitken, our leadership team, and all of our amazing staff for their outstanding efforts and commitment over the last year, particularly the last 8 months.

Matt moved seamlessly into the CEO's role in August 2019, and since has clearly demonstrated through his leadership how fortunate we are to have someone of his calibre, personal style and skill set at the helm.

The acquisition of Salmat Marketing Solutions (now IVE Distribution), Reach Media NZ and Lasoo in January 2020 completed the final phase of our strategic roadmap over recent years to further strengthen and expand our offer to retail clients. The now

enhanced structure of these businesses has resulted in a more streamlined, nimble and lower cost operation.

Dividends and Share Buy-Back

Whilst we did not pay a dividend for the last year as a result of the pandemic, the solid financial performance of the business since listing on the ASX in late 2015 has enabled us to pay \$72 million in fully franked dividends to shareholders. Notwithstanding the impacts of COVID-19 in FY20, the Company remains well capitalised and highly liquid. Our balance sheet was further strengthened by the recent divestment of our IVE Telefundraising business for consideration of \$16.5 million (profit on divestment of approximately \$3.5 million). The Company is well on track to achieving target net debt of 1.5x net debt/EBITDA as communicated at our AGM last year.

On November 12, 2020, the Group announced its intention, as part of its ongoing capital management strategy, to conduct an on market share buy- back program of up to 10% of the Company's ordinary shares (there are currently approximately 148.2 million ordinary shares on issue). The Board intends to resume dividend payments consistent with the existing dividend policy commencing with the H1 FY21 interim dividend.

Closing

We are confident IVE is ideally placed to maintain and grow our strong market position as we emerge from the COVID-19 crisis, albeit the global and domestic uncertainty and volatility continues. We believe our investment and diversification strategy over the last decade to be sound, and we have confidence that the value proposition IVE takes to market, and our extensive customer base, places us in a flexible position to adapt to movements in client expectations over the years ahead.

We are fortunate to have a highly skilled, diverse and engaged board. Thank you to my fellow directors for their commitment and valuable input over what has been a seminal year for the business and all of us in the context of the COVID-19 pandemic.

Independent non-executive director and chair of our ARCC, Carole Campbell, will leave the Board at the conclusion of our AGM today. On behalf of the Company and fellow directors, I convey our appreciation to Carole for her significant contribution since joining our Board 2 years ago, particularly in her capacity as chair of the ARCC - our very best wishes to Carole for the future.

The announcement of a new independent non-executive director and chair of the ARCC is imminent.



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Thank you

Geoff Selig

Executive Chairman

This announcement has been authorised for release by Geoff Selig, Executive Chairman

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