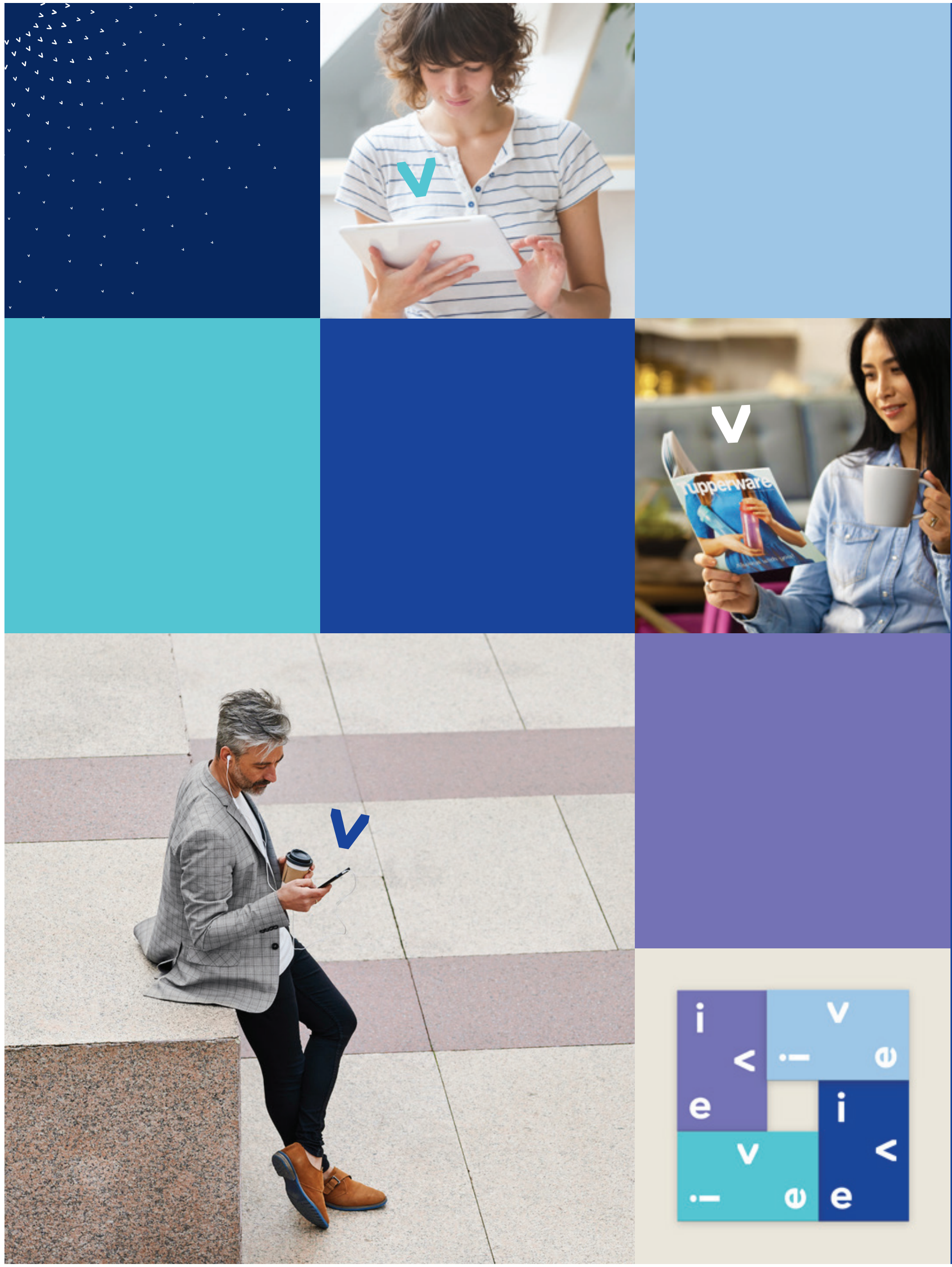

IVE Group Limited

FY21 Results Presentation

ASX : IGL
25 August 2021

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Going further since 1921

Celebrating our centenary this year, IVE is Australia's leading holistic marketing company. With an unmatched breadth and depth of offering, we guide our clients from idea to execution.

Our landscape is constantly shifting and evolving, and as marketing natives so are we. We are forever seeking new ways to navigate the marketing maze to connect our clients with customers, wherever and whenever.

Specialising in creative, data driven communications (DDC), integrated marketing, production and distribution, we bring together the capabilities, specialists and technology needed to make customer connection seamless.

By forever seeking new ways to simplify, integrate, and amplify their marketing activity, we take our clients, their businesses and their customers, further.

Financial performance dashboard

(underlying, continuing and post AASB16)

A strong set of financial outcomes in a period of uncertainity and volatility

REVENUE **$656.5m**	**EBITDA** **$100.2m** (including JobKeeper) **$85.3m** (excluding JobKeeper)	**GROSS PROFIT MARGIN** **48.1%** (46.2% PCP)	**NPAT** **$30.2m** (including JobKeeper) **$19.9m** (excluding JobKeeper)
EARNINGS PER SHARE* (excluding JobKeeper) **13.5c** (8.4% increase on PCP)	**OPERATING CASHFLOW** (excluding AASB16) **$97m**	**NET DEBT** **$77.3m** **CASH ON HAND** **$107m**	**FINAL DIVIDEND** **7.0c** **PER SHARE FULLY FRANKED**

**EPS based on NPAT/weighted average shares on issue*

- The underlying financial results are on a non IFRS basis and are not audited or reviewed
- The underlying results are a continuing operations basis and exclude non-operating items (refer Appendix C)
- Underlying results include net JobKeeper receipts in H1 of $14.9m

Key business highlights

Earnings guidance met, strong cashflows deliver increased balance sheet strength and demonstrate underlying resilience

Strong operating performance

- Delivered on earnings guidance – EBITDA $100.2m
- Improved margins notwithstanding reduced revenue, achieved through flexing cost base and supply chain
- Strong results in challenging environment demonstrate resilience of the business
- Staff at all levels responded very well to the unprecedented and volatile operating environment

Strategic initiatives

- The divestment of IVE Telefundraising in October 2020 for consideration of $16.5m represented a profit on sale of $4.2m
- Entered into long-term contract with Australian Community Media (ACM) on 30 October 2020, with expected revenues of circa $100m over the five-year term. To support ACM's requirements, and further enhance service to clients, we acquired selected assets of ACM's web offset operation in WA for a purchase consideration of $2m




Key business highlights (continued)

Balance sheet further strengthened

- Strong cashflow generation, operating cashflow conversion of 131%
- Net Debt reduced by $59.8m from $137.1m (30 June 2020) to $77.3m
- Cash balance at 30 June 2021 of $107m
- Net debt to pre AASB16 EBITDA excluding JobKeeper of 1.3x (target net debt of 1.5x)
- $50m of senior debt facility was repaid on 6 August 2021

Improving shareholder returns

- EPS growth over PCP of 8.4%
- Resumption of dividends in H1 FY21 with final dividend declared of 7 cents per share fully franked, with a full year dividend of 14 cents per share fully franked
- ROFE of 15%
- The Company announced a share buyback on 12 November 2020. As at 25 August 2021, the Company has acquired 5.4m shares at a total cost of $7.4m (average price of $1.37 per share). This represents 3.6% of issued capital

Strong position to fund growth initiatives

- Latent balance sheet capacity available of $30-40m
- Provides opportunity to actively pursue earnings accretive growth initiatives (refer page 14) or further capital management

Key business highlights (continued)

Customers and revenue

IVE continues to benefit from its differentiated value proposition and a loyal, strong and diversified customer base

Retention

- IVE provided continuity of service and supply to all customers throughout the pandemic
- Ongoing traction in share of wallet growth across IVE's 2,800 customers
- Our long-term track record of retaining clients is excellent and in FY21 IVE secured more than $100m (annualised) in contract renewals across a multitude of customers, including Woolworths, Westpac, L'Oreal, IAG, Bupa, Toyota, GlaxoSmithKline, Luxottica and Energy Australia
- There was no material client loss in FY21

Growth

- Continued focus on growing market-share through harnessing the power and uniqueness of IVE's go-to-market proposition
- New business momentum across all parts of the business remains strong, and despite the challenges of COVID, $58m (annualised) of new clients were on-boarded:
  - Australian Community Media (ACM), Bunnings, Officeworks, Simplot, Colgate, Zip Money and a number of others
- The pipeline of opportunities is strong for FY22 with a number of key prospects already signed

Financial results summary

Going further since 1921

Profit and loss

Improving metrics despite COVID-19 impacts

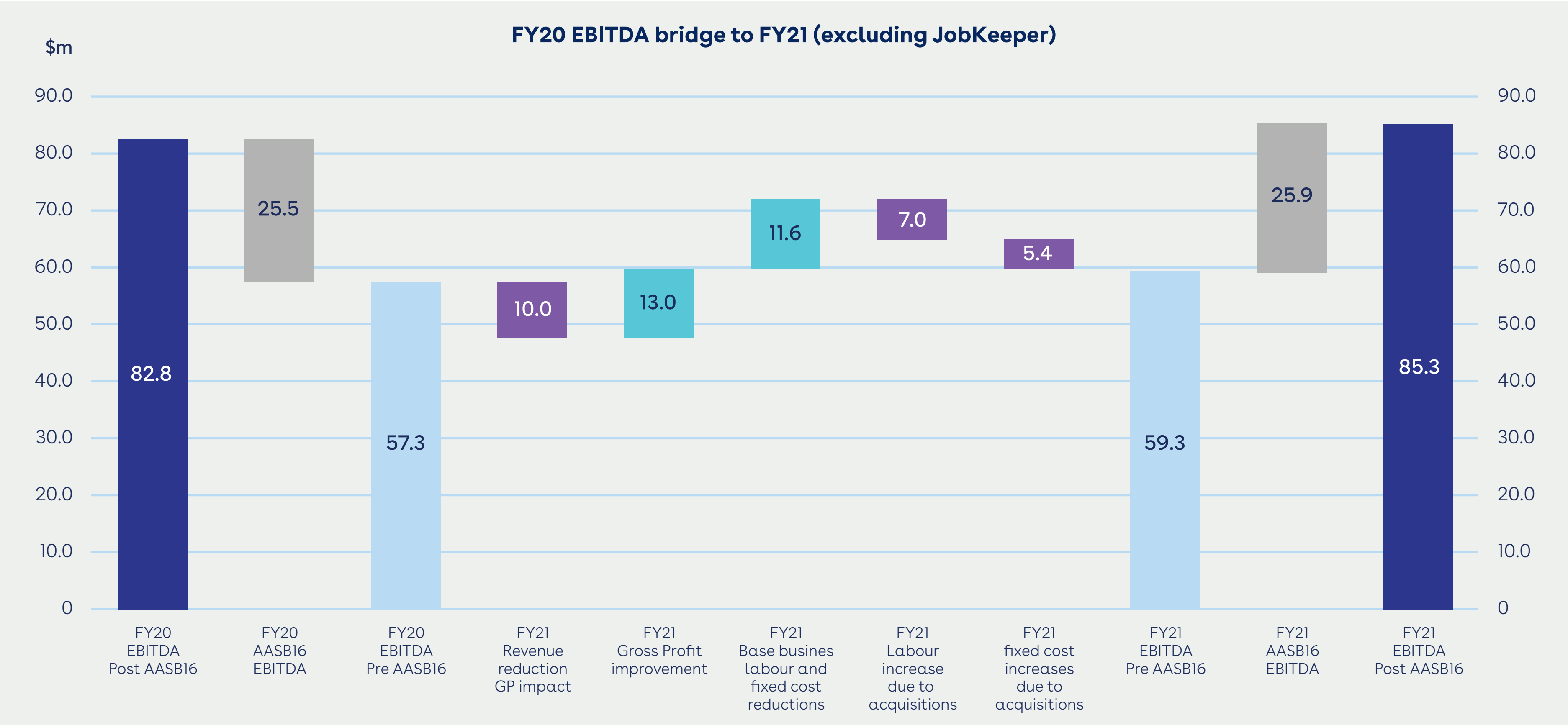
	Underlying continuing operations excluding JobKeeper		
	Actual FY2021 $m	Actual FY2020 $m	Variance %
Revenue	656.5	677.4	(3.1%)
Gross Profit	316.0	313.0	1.0%
% of Revenue	48.1%	46.2%	4.2%
EBITDA	85.3	82.8	3.0%
EBITDA margin %	13.0%	12.2%	6.3%
EBIT	38.1	37.3	2.1%
NPAT	19.9	18.5	7.5%
EPS (cents)	13.5	12.5	8.4%

The underlying financial results are on a non-IFRS basis and are not audited or reviewed
The underlying results are on a continuing operations basis and exclude JobKeeper and non-operating items (refer Appendix C)
EPS based on NPAT/ weighted average shares on issue

- Net revenue reduction of $20.9m over PCP
  - COVID-19 resulted in reduced base revenue of $75.6m over PCP, primarily across the retail catalogue, travel and events/exhibitions sectors
  - Increase in revenue of $54.7m over PCP primarily from the full year benefit of Salmat acquisition and part year benefit of ACM acquisition from November 2020
- Gross margin improvement reflects stable market conditions and effective management of supply chain
- Improvement in EBITDA and NPAT margin driven by improving gross margin and flexing cost base
- EPS growth of 8.4% notwithstanding the COVID-19 impacts of reduced revenue

EBITDA bridge

EBITDA growth achieved in a challenging environment driven by cost management and improved work mix



- Net revenue reduction of $20.9m at gross profit of 48.1% drove $10m reduction in gross profit
- Gross profit increase of $13m due to improved work mix (reduced outwork) and supply chain management
- Cost savings in base business of $11.6m offset by increases associated with Salmat/ACM acquisitions of $12.4m

Balance sheet strength

Strong cash generation over the period has substantially reduced gearing

	FY2021 Actual $m	FY2020 Actual $m
Loans & borrowings – short term	6.5	6.9
Loans & borrowings – long term	177.3	181.8
Loans & borrowings* – Sub Total	**183.8**	**188.7**
Less cash	106.5	51.6
Net Debt	**77.3**	**137.1**

* *Loans & borrowings are gross of facility establishment costs*
* *Excludes right of use liabilities impacts from adopting AASB16*

- Net debt down $59.8m to $77.3m, driven by significant free cashflow and sale of Telefundraising business
- Net debt of 1.3X well below stated target of 1.5X pre AASB16 EBITDA (excluding JobKeeper)
- As at 30 June 2021 working capital facility of $30m is fully undrawn
- $50m of senior debt facility was repaid on 6 August 2021
- Senior debt facility matures in April 2023
- Balance sheet strength cornerstones capacity to execute on growth initiatives

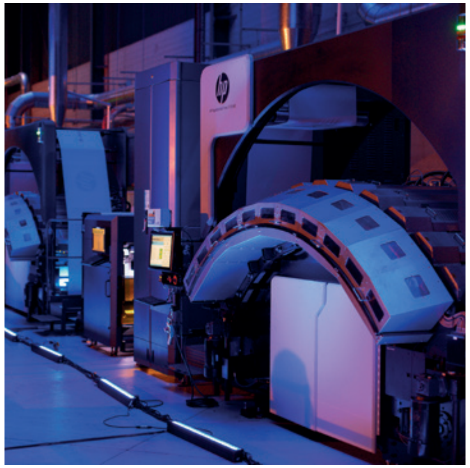
Capital expenditure

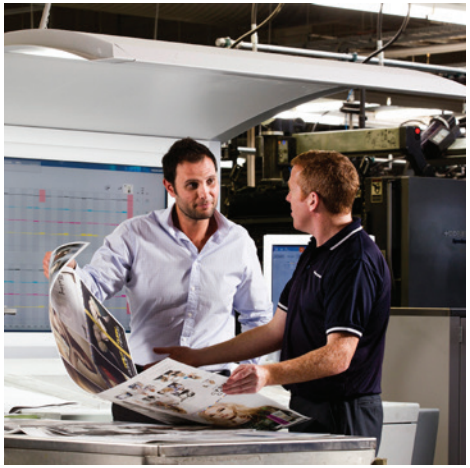
Capital expenditure normalising following the completion of a major investment and expansion program over recent years

	FY 2021 $m
Group wide targeted investment and maintenance	8.7
Group wide MIS upgrades	4.0
Total	**12.7**

Excludes land & buildings acquired as part of ACM acquisition ($2.0m)

- Operational footprint in excellent shape
- Full year capital expenditure of $8.7m excluding MIS upgrade(s) of $4.0m
- FY22 capital expenditure expected to be circa $10m (excludes $3.5m to re-platform and transition the Lasoo business)
- Ongoing capex (base business) expected to continue at approximately 60% of depreciation (pre AASB16)





Cashflow generation and dividends

Continuing strong free cashflow driven by operational performance and working capital management

	Underlying FY2021 $m	Underlying FY2020 $m
EBITDA (Post AASB16)	**100.2**	**97.8**
Less AASB16 EBITDA	(26.0)	(25.4)
EBITDA (Pre AASB16)	**74.2**	**72.4**
Movement in NWC/non-cash items in EBITDA	22.9	7.3
Operating cashflow	**97.1**	**79.7**
Capital expenditure (net)	(9.0)	(9.0)
Free cashflow	**88.1**	**70.7**
Operating cash conversion to EBITDA	131%	110%
Free cash conversion to EBITDA	119%	98%
EPS (including JobKeeper)	0.206	0.196
EPS (excluding JobKeeper)	0.135	0.125
ROFE (excluding JobKeeper)	15%	12.4%

- Continuing strong operating cashflows of $97m, with 131% operating cash conversion, 110% PCP
- Disciplined management of working capital, including reducing debtor days over period, and reduced inventory holdings
- Dividends
  - reinstated dividend in H1 FY21
  - final dividend of 7.0 cents per share fully franked
  - full year dividend of 14 cents per share fully franked
- ROFE improved to 15%

Share buyback update

As at 25 August 2021, the Company has acquired 5.4m shares at a total cost of $7.4m (average price of $1.37 per share). This represents 3.6% of issued capital. Shares on issue now 142.8m.

Employee share issue

In recognition of the extraordinary efforts of our employees (approximately 1600) over the last 18 months, the Board intends to issue 500 shares to every employee of the Company in FY22.

Strategy, growth, market position and historical metrics

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Going further since 1921

Strategy, diversification and growth opportunities

A clearly defined and well executed strategy has resulted in a resilient business with diversified revenue streams, well positioned to pursue growth initiatives

Execution of the long-term strategy

- The diversification of our offering has been a cornerstone of our strategy for over 20 years
- Listing in December 2015, strong free cashflow, combined with access to capital, enabled the Company to successfully execute a transformational investment and growth program that further expanded our integrated communications offer

A highly resilient business

- Leading market positions, diverse revenue mix, stable margins, reliable cashflow and strong balance sheet (refer pages 16-18)

Continuation of our strategy through actively pursuing current growth opportunities

- Balance sheet strength will support an investment of $30-40m in growth initiatives
- Growth initiatives target a minimum ROFE of 15%

There is a range of initiatives and opportunities for the Company to pursue:

- Enhance and amplify our Lasoo digital catalogue aggregator business
- Complementary adjacencies:
  - With our exposure to the fibre-based packaging sector increasing, we see opportunity for both organic and acquisition growth in this sector
  - Expansion of integrated logistics offering to include pure 3PL clients
- Bolster existing offer through further 'bolt-on' acquisitions

Continuing to expand our digital offerings further through enhancing and amplifying Lasoo

- Lasoo was the first digital catalogue site in Australia, established in 2007
- Strategically acquired by IVE in 2020
- Loyal and active customer base
- Diverse and growing retailer base includes many of Australia's leading retailers

IVE very well positioned to capitalise on growth in digital catalogues

- Digital catalogue readership has grown 22% from 2016 to 2020*
- This growth has rapidly accelerated since COVID-19
- More retailers are considering an omni-channel approach to catalogues, comprising a mix of both digital and printed catalogues
- The loyalty and activity levels of Lasoo's growing customer and retailer base provides a solid foundation for IVE to invest further to amplify the platform
- Opportunity to further expand our digital offering across our 2,800 strong client base, including over 400 retailers

The Company has committed to investing in Lasoo over the next 2-3 years to improve the consumer experience, and will work closely with our retail clients to unlock opportunities to drive further revenue for their business. The enhanced platform will be launched in early 2022.

*Roy Morgan online survey October 2020

LASOO

9.6m	24m	840,000
shopping sessions p.a.	digital catalogues shopped p.a.	buy now clicks p.a.

Woolworths the fresh food people
coles
ALDI
BIGW
Kmart
CHEMIST WAREHOUSE
THE GOOD GUYS
Harvey Norman
SUPERCHEAP AUTO

Market positioning

Strong market position across a number of key sectors

- No 1 provider in key sectors we operate in
- IVE is considered an attractive counterparty given the diversity and power of our value proposition, geographical footprint and financial strength
- COVID-19 has increased pressure on key competitors in some sectors. We are ideally positioned to take advantage of any opportunities
- The table below provides an overview of our revenue by industry sector for FY21

Revenue Sector Analysis	$m	%
Retail: White goods, electronics, furniture, clothing	132.1	20.1
Supermarkets	74.7	11.4
Health / personal products	68.6	10.4
Food / beverage	16.0	2.4
Financial / corporate services	100.3	15.3
Publishing	47.7	7.3
Government	27.8	4.2
Health	19.9	3.0
Charity / not-for-profit	14.3	2.2
Tourism / entertainment	13.3	2.0
Manufacturing	11.9	1.8
Telecommunications	10.3	1.6
Other*	119.6	18.2
Grand Total	656.5	100.0

*Other includes: media, service, trade, agency, utilities, automotive, advertising agency, associations, food, transport, broker, building/construction, IT, property, legal & others.

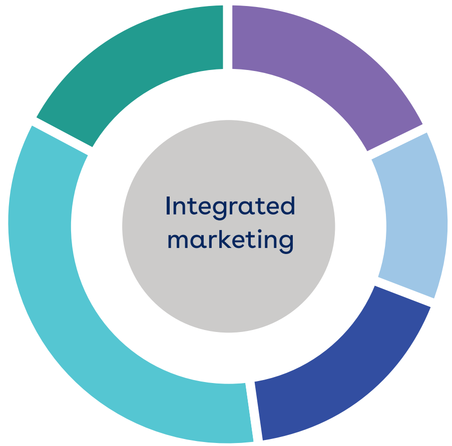
Revenue diversification

Execution of our strategy has resulted in the increased diversification of revenue streams and broader client relationships

- Our long term strategy of evolving our value proposition has resulted in well-diversified revenue streams across multiple sectors
- IVE's broad product and service offering has resulted in a large proportion of our clients engaging with us across multiple parts of our business
- Revenue growth expected across the business as the economy emerges from the current COVID-19 lockdowns
- We are ideally positioned to capitalise on opportunities across multiple sectors to grow market share
- The Company's capacity to fund a range of organic and inorganic strategic initiatives will result in further diversification of revenues

FY21

Revenue
$656.5m



Data driven communications
- CX data & insights
- Marketing technology
- Omnichannel deployment
- Archive retrieval
- Data enrichment

Integrated marketing
- Manage IM client spend within IVE Group
- Creative services
- Collateral optimisation
- Resource management
- Supply chain
- Business intelligence

Retail display, premiums & merchandising
- Temporary point of sale (POS)
- Semi-permanent and permanent point of sale
- Retail fit-outs
- Window displays
- Wide format digital printing
- Pop-ups and event activations
- Internal and external signage
- Co-packing
- Branded apparel & merchandise, corporate gifts, promotional products
- Hygiene, PPE and safety solutions (ivolve)

General commercial
- Sheetfed and digital printing
- Packaging

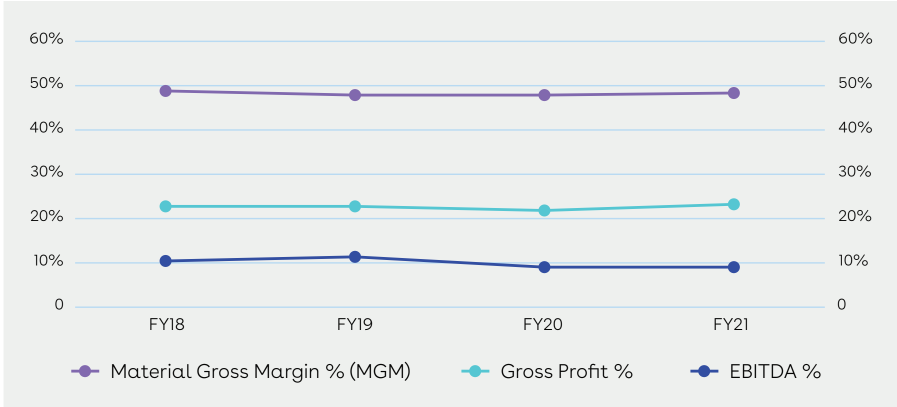
Web offset printing
- Catalogues
- Publications/magazines
- Books
- Corporate

Fulfilment & distribution
- Letterbox distribution
- Integrated logistics (kitting and fulfilment, inventory management, warehousing, pick and pack)

Margin stability

Margins resilient despite COVID-19 impacting revenue since FY20

- Material gross margin (MGM) stable over period, reflects benefit of revenue diversification, stable market conditions, and effective management of supply chain
- Gross margin maintained in FY20 and FY21 demonstrating capacity to flex the cost base in response to COVID-19
- EBITDA margin stable to FY19, declined in FY20 due to change in revenue mix post Salmat acquisition, and COVID-19. Recovery in FY21 achieved notwithstanding revenue decline on PCP
- Business "match fit" with improved operating leverage, ideally positioned to benefit from anticipated revenue increases as economy reopens

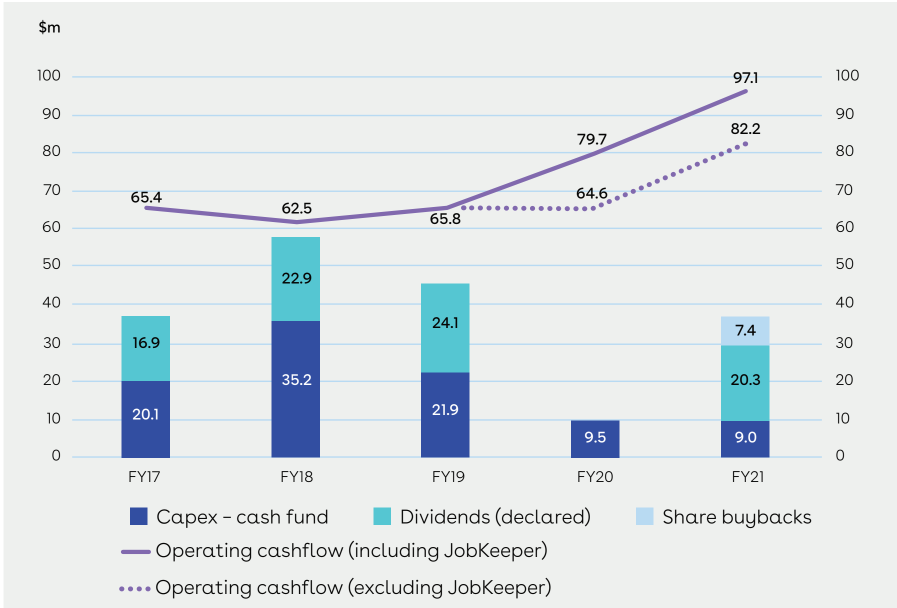


Note: EBITDA Margin pre AASB16

Cashflow & capital allocation

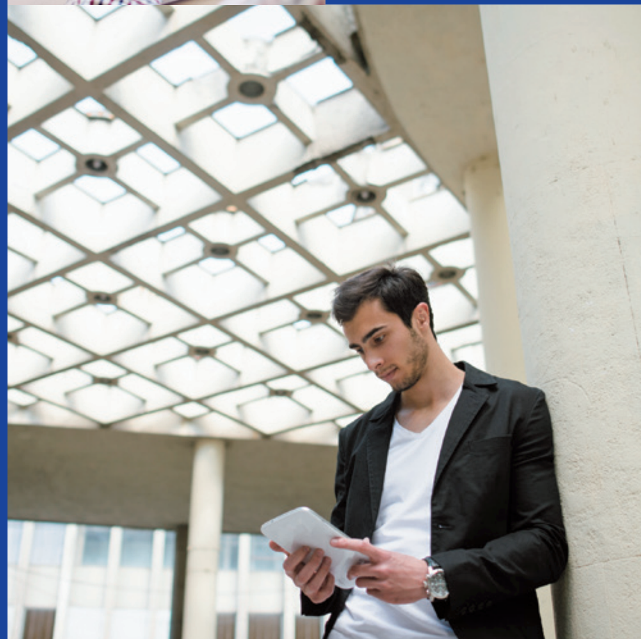
Increased balance sheet flexibility as operating cashflows increase and capital expenditure normalises

- Consistent and increasing operating cashflow generation
- Reduced capital expenditure profile
- Introduction of buyback given softer share price and strengthening balance sheet
- Consistently high dividend yield, albeit with the exception of the pandemic period
- Strong cash coverage of dividend
- Well positioned to fund growth initiatives



Operating cashflow is EBITDA, ex AASB16 plus/minus movements in working capital FY20 and FY21 adjusted for discontinued operations

Outlook



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Going further since 1921

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, we expect this resilience to continue during this current period

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 drive earnings accretive growth initiatives:
  - Lasoo investment and amplification
  - Expansion into adjacencies (fibre-based packaging and 3PL)
  - Acquisitions (strategic and/or bolt-on)
  - 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




Appendices

Going further since 1921

Appendix A

IFRS Profit and Loss

	FY21 & FY20 Post AASB16 – Statutory			
	Actual FY2021 $m	Actual FY2020 $m	Variance $m	Variance %
Revenue	656.5	677.4	(20.9)	(3.1%)
Gross Profit	316.0	313.0	3.0	1.0%
% of Revenue	*48.1%*	*46.2%*	–	*4.2%*
EBITDA	96.2	85.8	10.4	12.2%
Depreciation and amortisation	47.2	85.5	(38.3)	(44.8%)
EBIT	49.0	0.3	48.7	–
Net finance costs	12.1	10.7	1.4	12.9%
NPBT	36.9	(10.4)	47.3	456.4%
Income tax expense	12.3	10.4	1.9	17.9%
NPAT from continung operations	24.7	(20.8)	45.4	218.9%
Discontinued Operations (NPAT)	4.8	0.6	4.2	739.1%
NPAT	29.5	(20.2)	49.7	246.0%
NPATA continuing operations	28.6	(16.1)	44.7	277.8%

FY20 depreciation and amortisation includes $40.0m impairment

Appendix B

IVE Group Limited Balance Sheet

	Actual FY21 $m	Actual FY20 $m
Current Assets		
Cash and cash equivalents	106.5	51.6
Trade receivables, prepayments and others	106.3	110.3
Inventories	43.8	56.2
Investments	1.8	0.0
Total Current Assets	258.4	218.2
Non Current Assets		
Deferred tax assets	15.0	15.3
Property, plant and equipment	100.1	107.1
Property, plant and equipment (ROUA)	96.2	115.5
Intangible assets and goodwill	131.2	145.1
Other (lease receivable)	0.0	0.0
Total Non Current Assets	342.4	383.0
Total Assets	600.8	601.2
Current Liabilities		
Trade payables and provisions	119.9	107.8
Loans and borrowings	2.8	3.1
Lease liability (ROUA)	27.9	34.3
Current tax payable	3.3	3.3
Total Current Liabilities	153.9	148.5
Non Current Liabilities		
Trade payables and provisions	11.3	10.2
Loans and borrowings	167.0	169.9
Lease liability (ROUA)	91.8	108.1
Total Non Current Liabilities	270.2	288.2
Total Liabilities	424.1	436.7
Net Assets	176.7	164.5
Equity		
Share Capital	149.1	156.5
Other reserves	(0.2)	(0.6)
Retained Earnings	27.8	8.6
Total Equity	176.7	164.5

IFRS to underlying NPAT reconciliation

	FY2021 $m
IFRS NPAT (continuing)	24.7
Restructure costs	3.3
Acquisition costs	1.0
JobKeeper	(14.9)
Financial asset write down (net of interest rec'd)	2.9
Insurance payout	(0.7)
Others	0.1
Sub total non operating items	(8.2)
Tax effect of adjustments	3.4
Underlying NPAT (excluding JobKeeper)	**19.9**

Appendix C

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No recommendation, offer, invitation or advice

This presentation contains general information about the activities of IVE Group Limited (IVE) which is current as at 30 June 2021. It is in summary form and does not purport to be complete. It presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards which comply with International Financial Reporting Standards (IFRS) as well as information provided on a non-IFRS basis. This presentation is not a recommendation or advice in relation to IVE or any product or service offered by IVE's subsidiaries.

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