IVE Group Limited 2021 Annual General Meeting

Chief Executive Officer’s Presentation

Matt Aitken

23 November 2021

Contents

Financial performance dashboard

REVENUE **$656.5m** (3.1% decrease on PCP)	**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**	**FULL YEAR DIVIDEND** **14.0c** **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
– 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

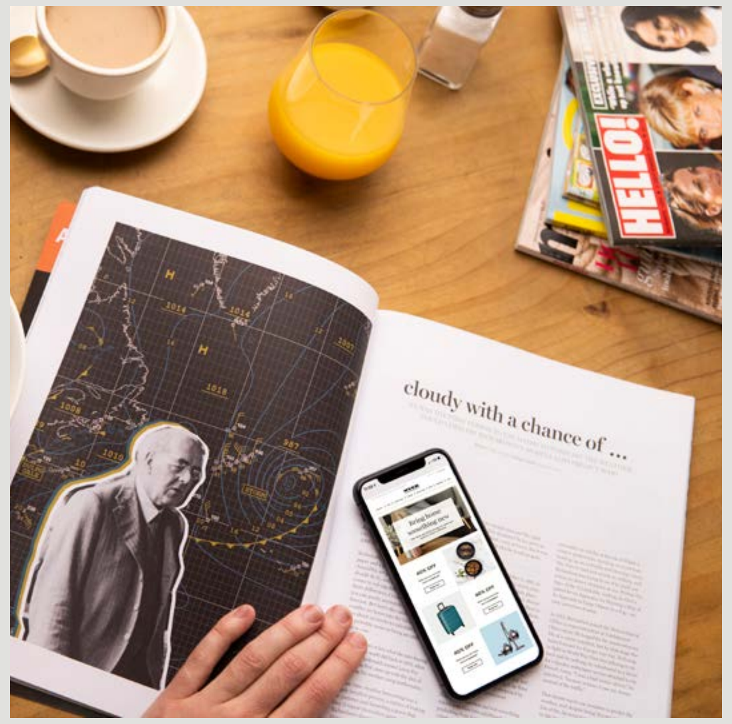
> Strong results in challenging environment demonstrate resilience of the business

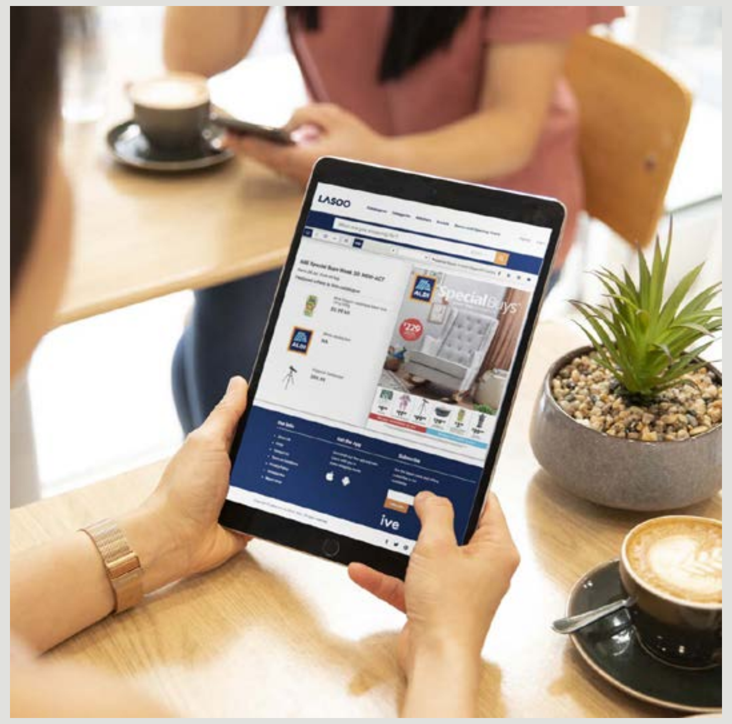
> Staff at all levels responded very well to the unprecedented and volatile operating environment

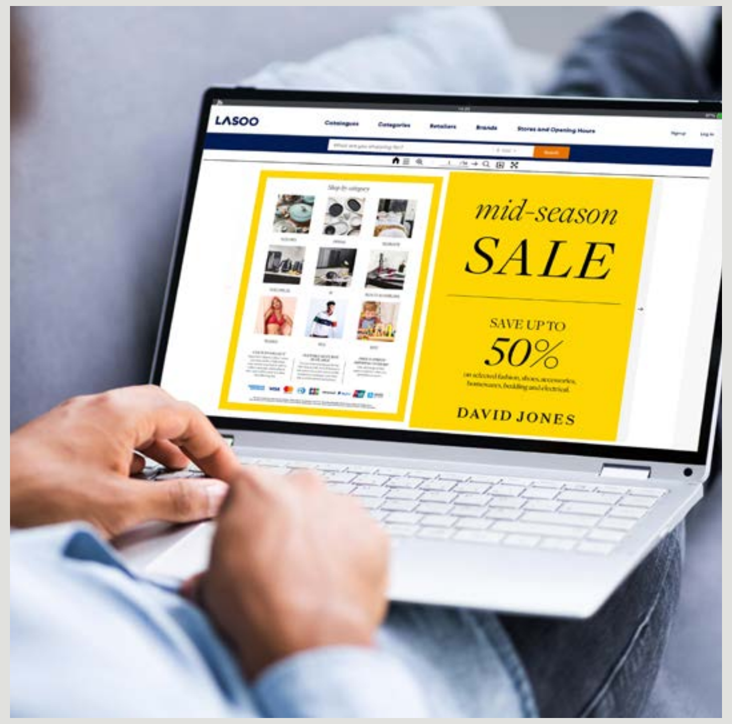
Strategic initiatives

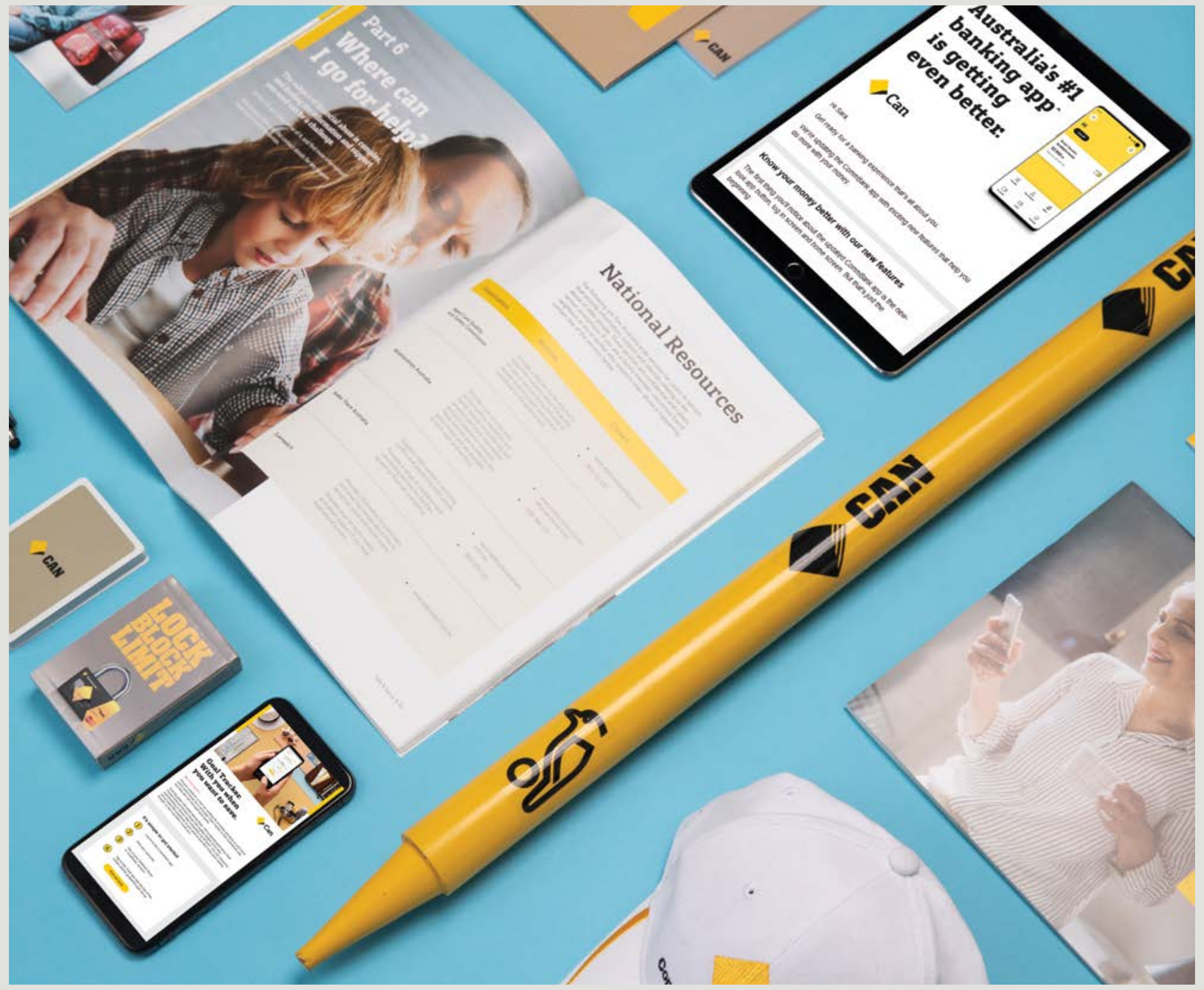
> The divestment of IVE Telefundraising in October 2020 for consideration of $16.5m represented a profit on sale of $4.2m

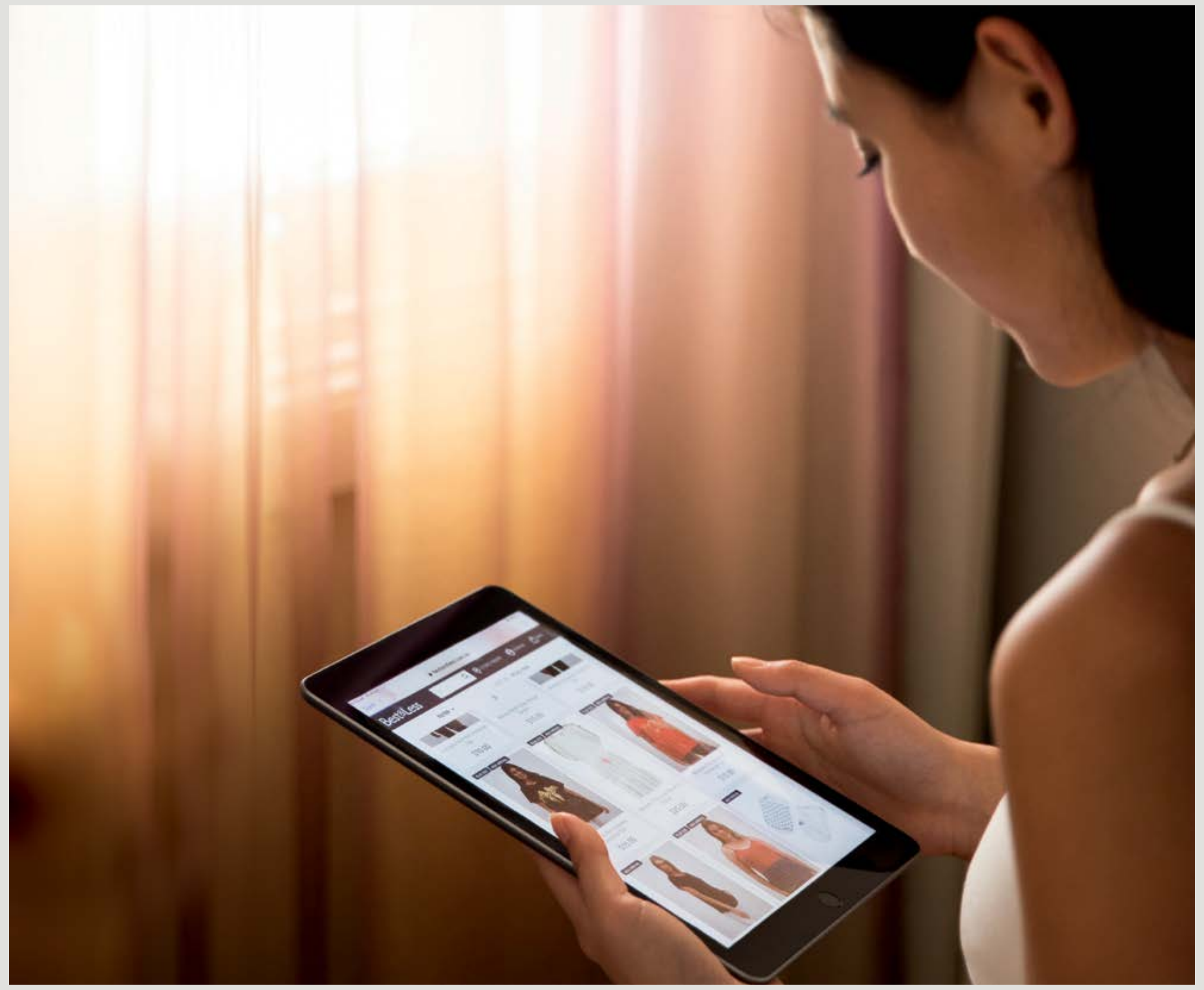
> Entered into long-term contract with Australian Community Media (ACM) on 30 October 2020, with expected revenues of circa $100m over the five-year term. To support ACM's requirements, and further enhance service to clients, we acquired selected assets of ACM's web offset operation in WA for a purchase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









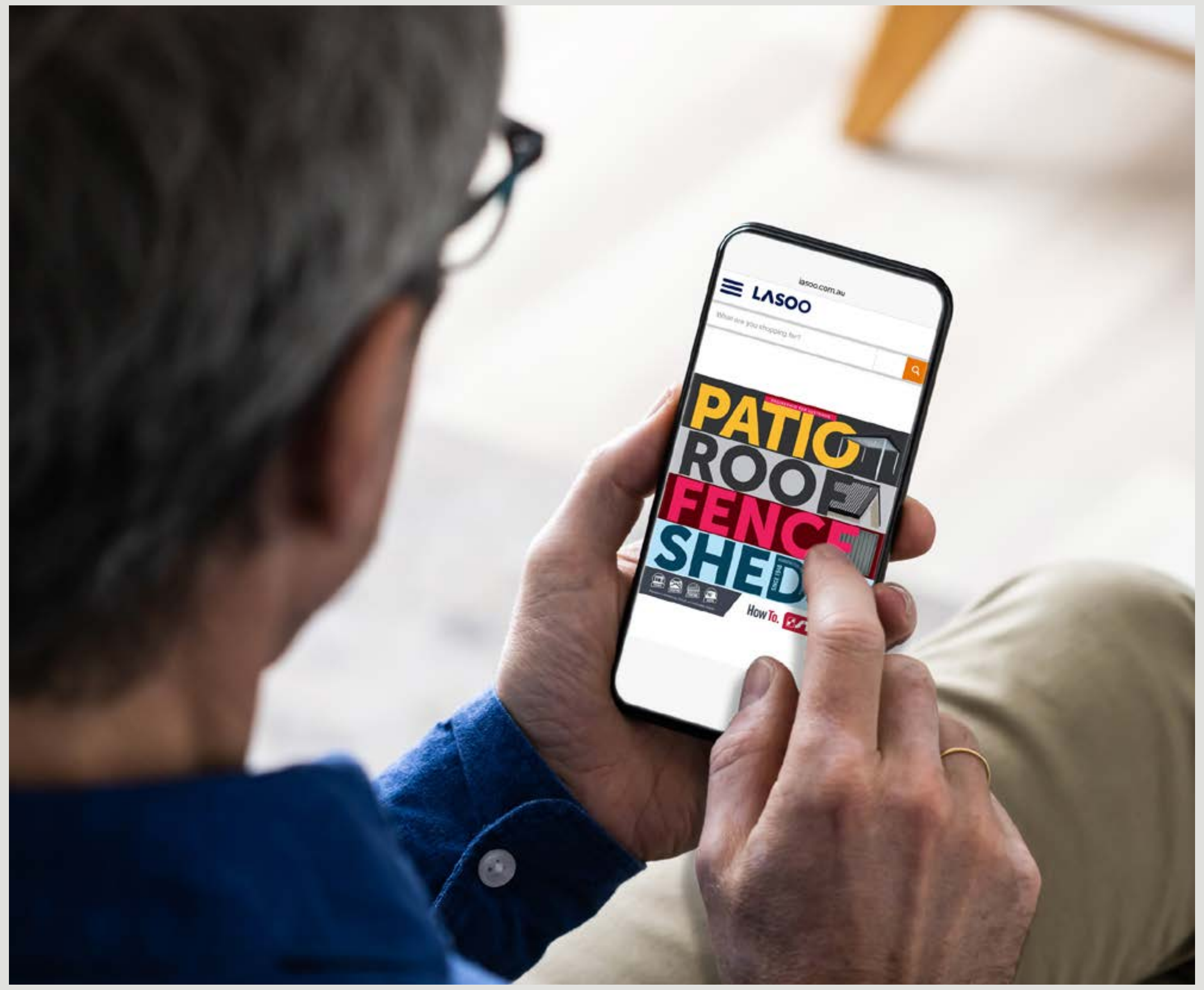


Balance sheet further strengthened

- 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



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

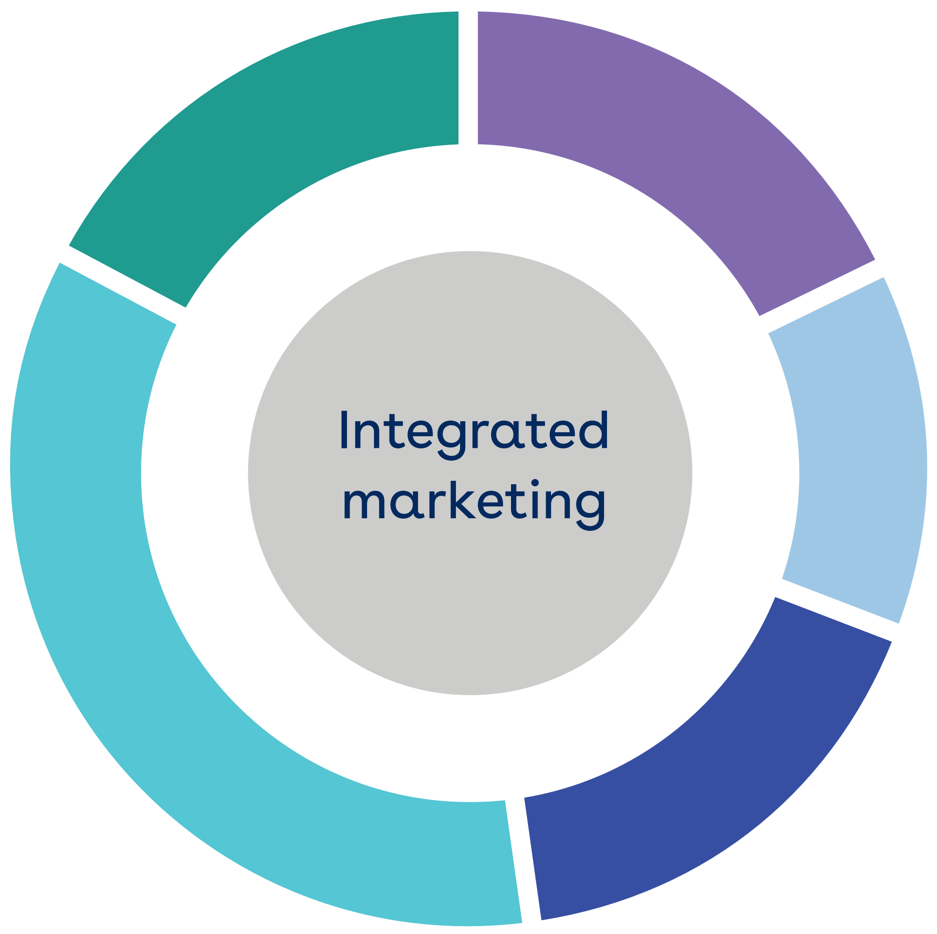
Revenue diversification

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)

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

Continuation of our strategy through actively pursuing current growth opportunities

> Balance sheet strength will support an investment of $30-40m in growth initiatives

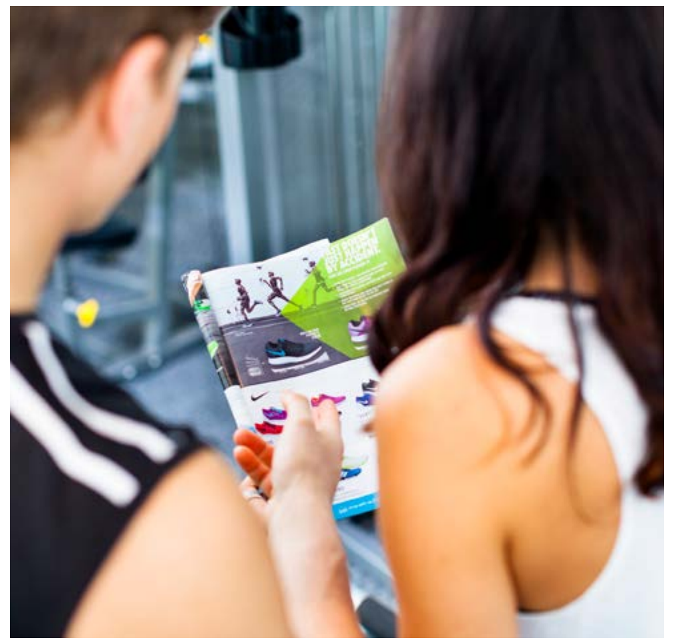
> Growth initiatives target a minimum ROFE of 15%

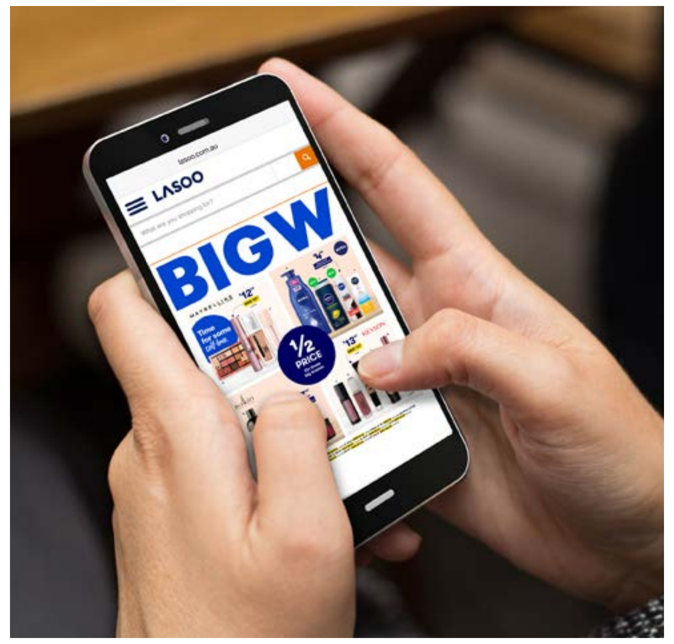
There is a range of initiatives and opportunities for the Company to pursue:

> Enhance and amplify our Lasoo digital catalogue aggregator business

> Complementary adjacencies

> Bolster existing offer through further 'bolt-on' acquisitions





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

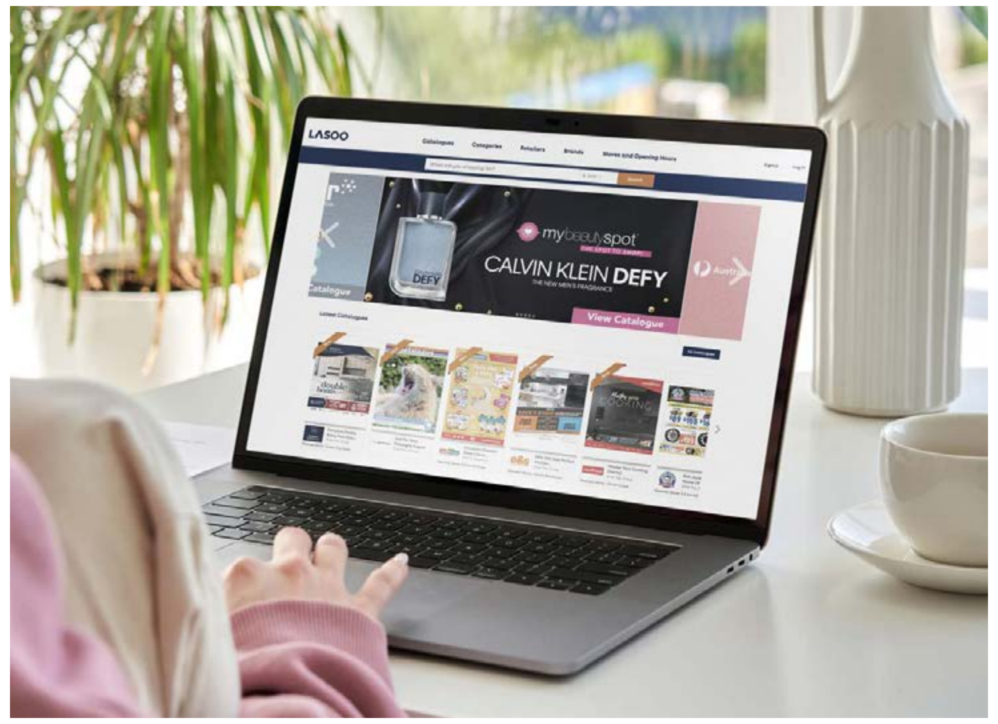
- Lasoo was the first digital catalogue site in Australia, established in 2007
- Strategically acquired by IVE in 2020
- Loyal and active customer base
- Diverse and growing retailer base includes many of Australia's leading retailers

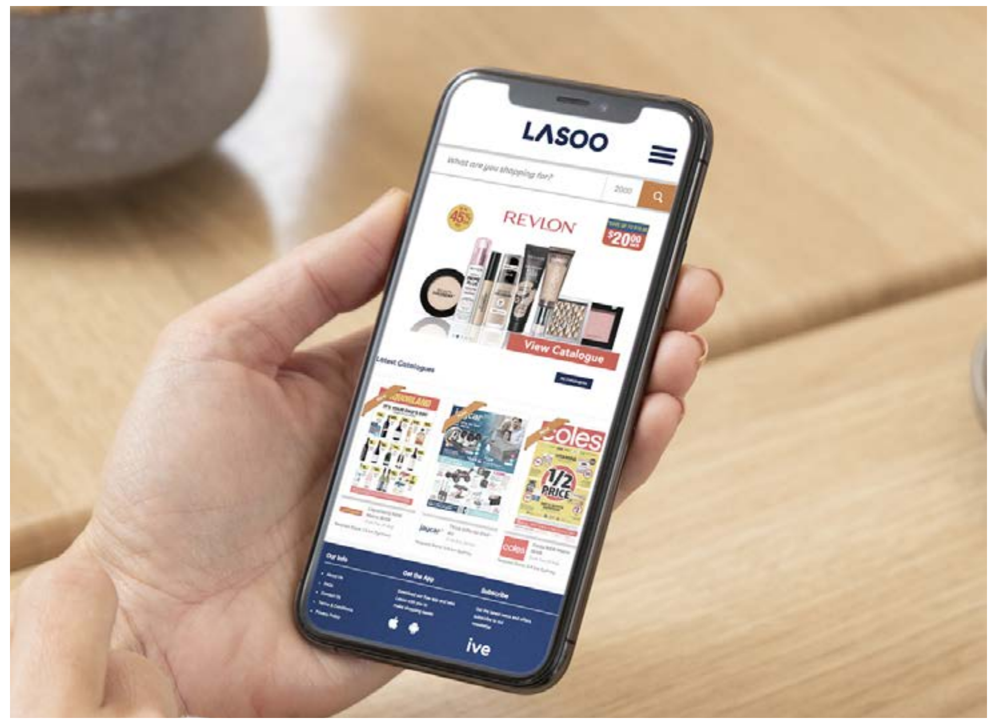
The Company has committed to investing in Lasoo over the next 2-3 years to improve the consumer experience, and will work closely with our retail clients to unlock opportunities to drive further revenue for their business. The enhanced platform will be launched in the first half of 2022.

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 base 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

**Roy Morgan* online survey October 2020





9.6m shopping sessions p.a.

24m digital catalogues shopped p.a.

840,000 buy now clicks p.a.

Trading update for the 4 months ended 31 October 2021

> Strong revenue recovery and momentum across the business with revenue up 9% over pcp*

> EBITDA & NPAT* up 32% and 75% respectively on pcp, demonstrating heightened operating leverage across the business as highlighted in FY21 full year results

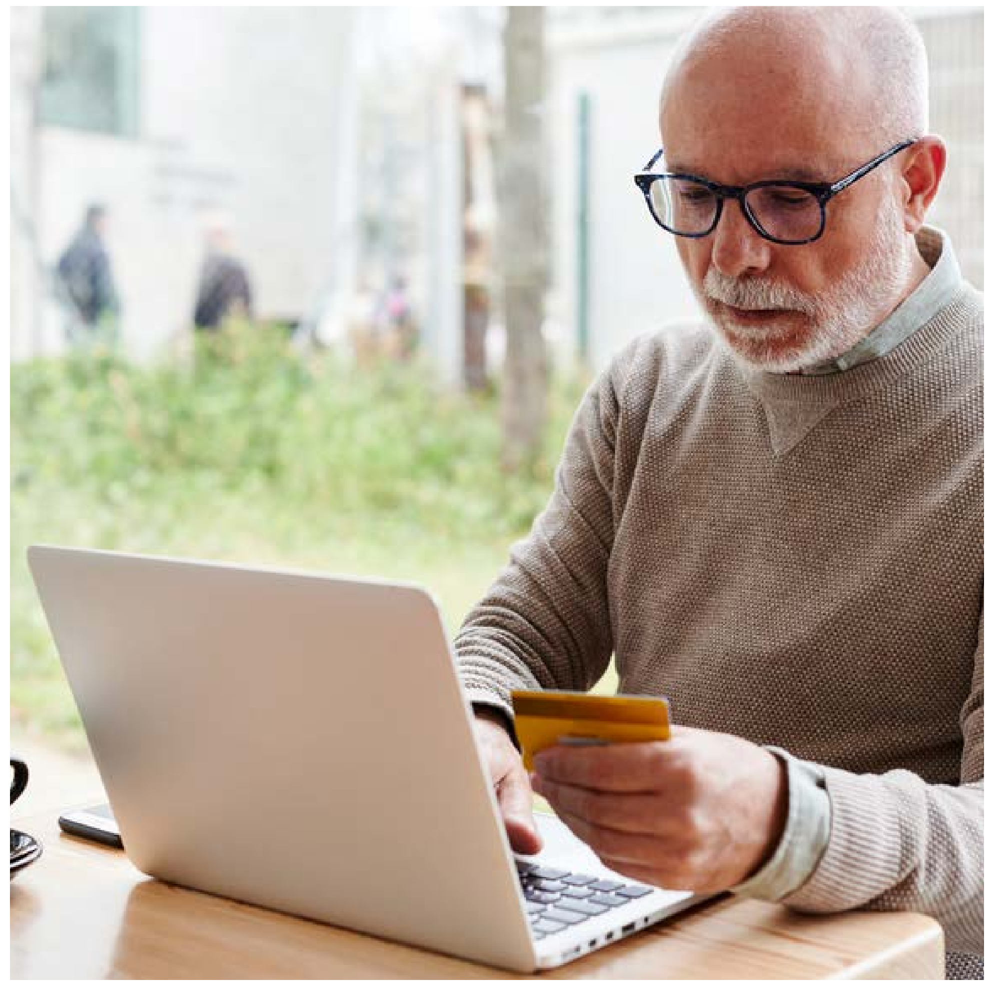
> Cash on hand at 31 October 2021 of $42m (post repaying $50m in senior debt facility in August 2021)

> Net Debt at 31 October 2021 of $89.7m

** – Revenue, EBITDA and NPAT normalised for our Telefundraising business which was divested on 31 October 2020*

– EBITDA on a pre AASB 16 basis

– EBITDA and NPAT exclude FY21 Jobkeeper receipts



Supply chain: opportunities and challenges

Post COVID global supply chain disruption has a dual effect:

> We continue to benefit from clients "onshoring" work previously produced offshore to guarantee supply

> Paper prices have moved to the top end of their long term historical range driven by tightening supply, increases in pulp costs and well documented increases in global energy prices and shipping costs. Our expectation is that this price pressure will continue throughout 2022. These price movements primarily impact our web offset printing division

> In response we have moved quickly to shore up supply and believe it is prudent to increase our paper inventory holdings as foreshadowed at the time of our full year results in August. IVE has long term strong relationships with all major international paper suppliers.

> We are working closely with our clients to manage/mitigate "flow through" cost adjustments as required

> We are confident that the majority of these recent paper cost increases will be passed through to clients

Major H2 initiatives

Active Display Group (ADG) and AFI Branding Solutions (AFI) acquisition and integration

- Acquisition metrics
  - The acquisition of ADG and AFI completed on 1st November 2021 for consideration of $6.5m. $5.2m of the consideration paid on completion, with $1.3m of the total payable as deferred consideration based on the achievement of agreed revenue targets over a 24 month period
  - The acquisitions are expected to contribute annual revenues of circa $45m, additional EBITDA of $6.5m and NPAT of $4m (2.8 cents per share), post the full integration of both ADG and AFI into IVE's existing operations
  - The integration of both businesses will commence in November 2021 and will be complete by June 30, 2022.
  - These acquisitions significantly expanded our third party logistics (3PL) and retail display businesses as well as further diversifying our offering into fabric printing (AFI)
  - This is our first acquisition since the Salmat transaction in January 2020. The $5.2m acquisition (excluding deferred consideration) represents the company's initial investment in growth initiatives as previously communicated

- Update
  - The announcement of these acquisitions has been very well received by clients and all staff that are now IVE employees
  - Finalization of integration planning is near complete, the business is an excellent cultural fit
  - Sales teams across the group are already working together to identify cross sell opportunities across the broader Group
  - Sales momentum across the businesses is strong, particularly in AFI, a leading supplier to the events sector, which is expected to rebound in 2022

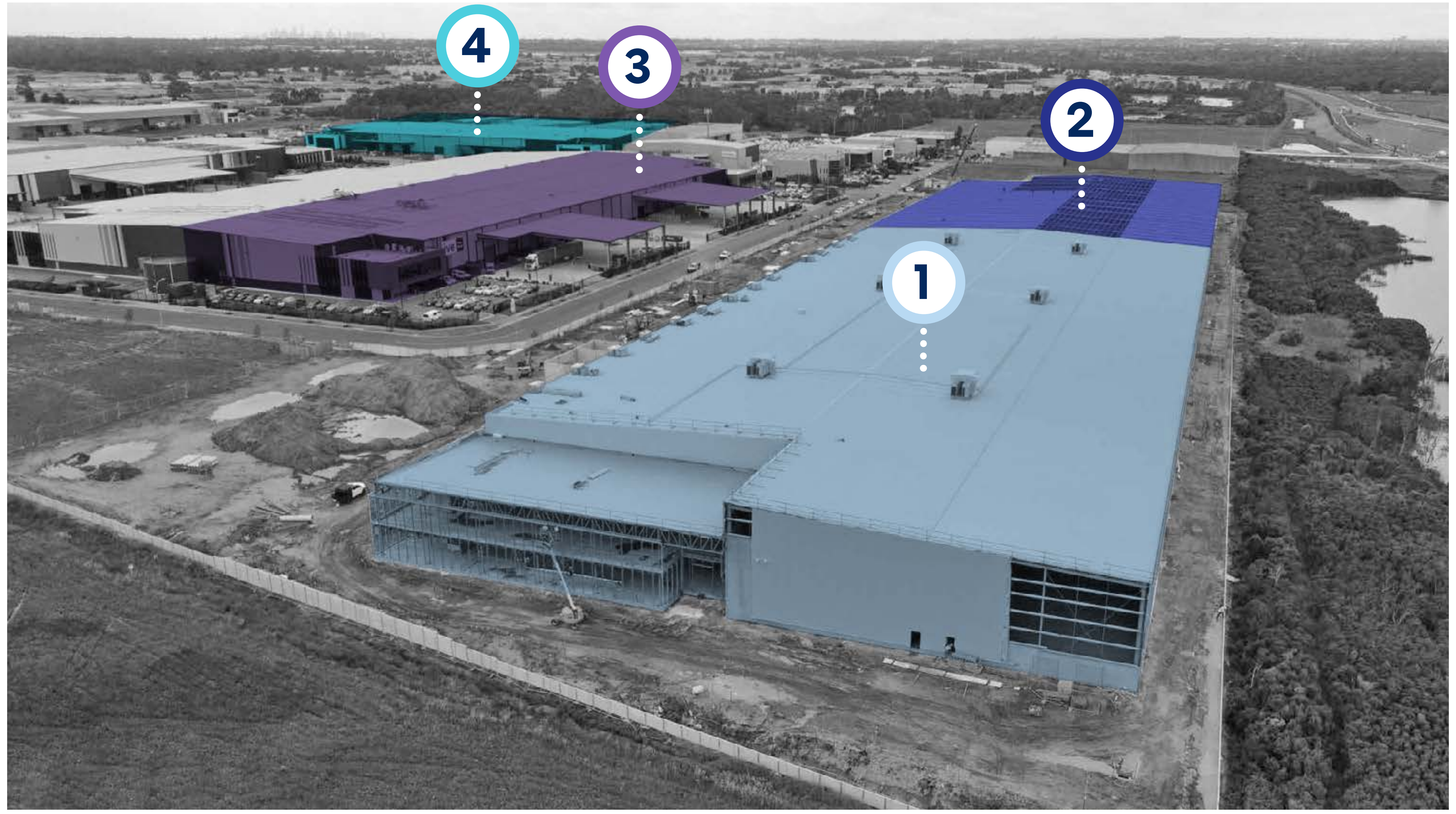
Victorian site consolidation

It is important to note that IVE has duplicate operations for all parts of the business across both NSW and Victoria.

Over the last two years and the current year we have invested significantly on our Victorian site consolidation program. This will result in IVE having only two operating precincts across greater Melbourne, driving further efficiencies and enhanced client service:

- Our **Sunshine** facilities across three co-located buildings total 52,000 sqm, which is the base for our web offset printing operations and letterbox distribution hub

- The new **Braeside** precinct across four co-located buildings also totalling 52,000 sqm
  - Our sheetfed & digital printing and DDC operations currently across 2 buildings in Clayton since 2006 will relocate to **Building 1** (18,000 sqm) in early 2022
  - **Building 2** (13,000 sqm) will be used for the expansion of our logistics and fulfilment business, including the integration of ADG's 3PL operations. Construction of this building is due to complete by the end of January 2022
  - Our retail display business was relocated from Sunshine to **Building 3** (7000 sqm) in late 2020. The ADG and AFI retail display operations will be integrated into this business
  - Our fulfilment and logistics business was relocated from multiple buildings in Clayton to **Building 4** (14,000sqm) in late 2019



Outlook

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

> The financial performance of the business on revenue, EBITDA and NPAT for the 4 months to 31 October 2021 is significantly up on the same period last year

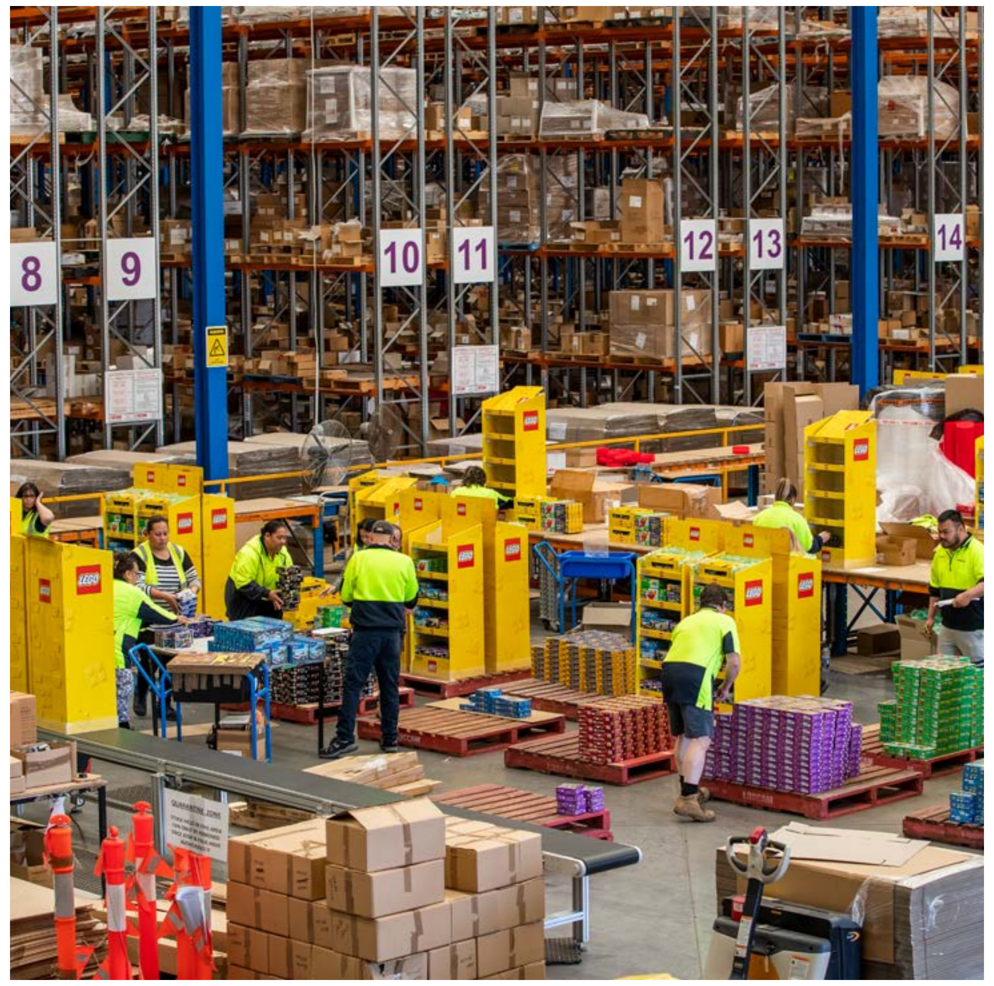
> As illustrated in the FY22 YTD results, heightened operating leverage across the business will underpin earnings growth as revenue returns

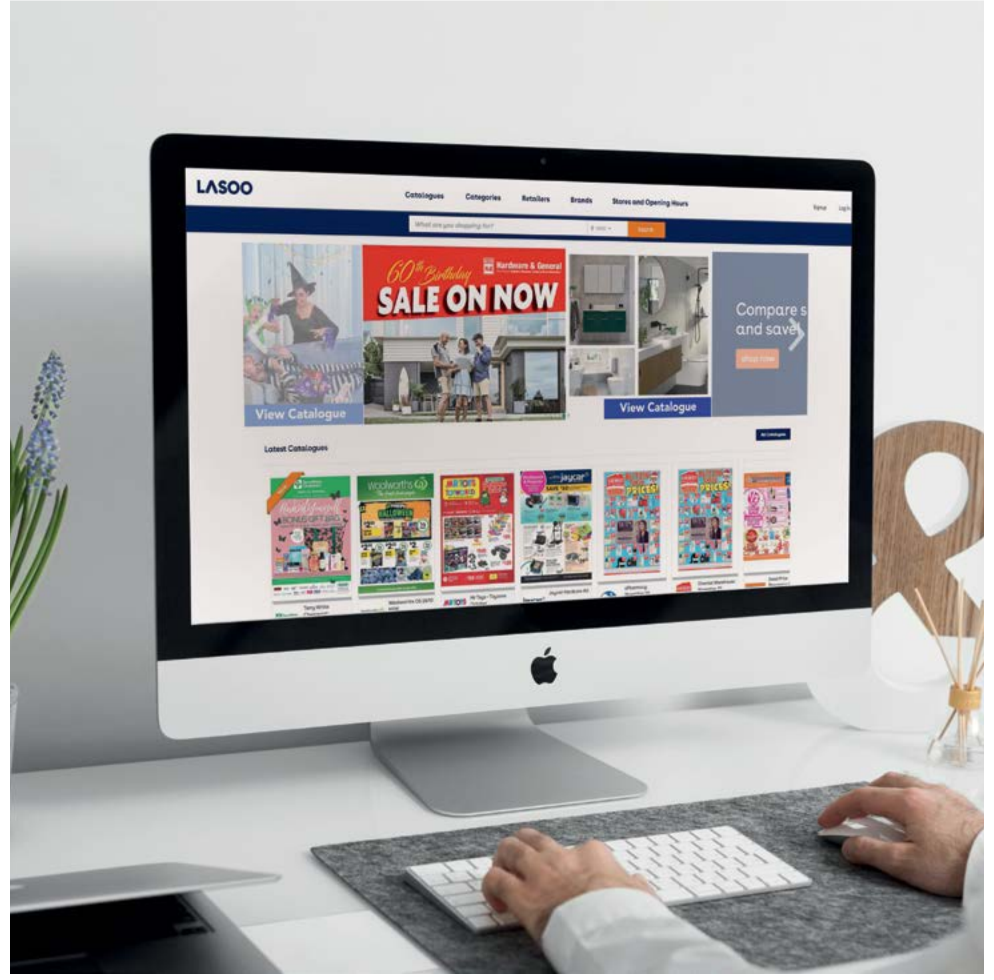
> Strong revenue momentum continues and we remain optimistic this will continue over the remainder of the FY22 year driven by post lockdown economic recovery

> We will closely manage paper supply chain pressures which we expect to continue through the balance of FY22

> IVE is well positioned to pass through paper price increases to clients. Due to contractual timing differences, we expect a one off NPAT impact of circa $2m in FY22

> The recent acquisitions of ADG and AFI at very low multiples represent the initial deployment of the $30-40m we have available to drive earnings accretive growth initiatives. In addition to organic growth initiatives, we would anticipate attractive acquisition opportunities will present over the coming 12-24 months





> Capital management

– The Group will continue to maintain our strong balance sheet position (circa 1.5x pre AASB 16 EBITDA or below)

– Dividend policy remains unchanged

– The Company's dividend policy seeks to pay strong dividends at sustainable levels, targeting a full year payout ratio of 65-75% of NPAT

> Capital expenditure

– Full year capital expenditure expected to be $10m excluding Lasoo phase 1 investment of $3.5m

– Capital expenditure to continue at approximately 60% of annual depreciation

Thank you

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