

Appendix 4E

For the year ended 30 June 2023

Details of the current reporting period and the previous corresponding period

Current reporting period: 1 July 2022 to 30 June 2023

Previous corresponding period: 1 July 2021 to 30 June 2022

Results for announcement to the market

Key information	30 June 2023 \$'000	30 June 2022 \$'000	Change %
Revenue from contracts with customers	1,893,806	1,328,128	42.6%
Total profit from ordinary activities for the period attributable to members	108,700	40,735	166.8%
Total comprehensive income for the period attributable to members	103,691	42,198	145.7%
Net profit after tax before amortisation expense relating to acquired service agreement contract intangibles (NPATA)	158,477	92,424	71.5%
Underlying net profit after tax before amortisation expense relating to acquired service agreement contract intangibles (Underlying NPATA) ⁽ⁱ⁾	178,236	166,296	7.2%

(i) Underlying Net Profit After Tax before Amortisation of Service Contracts is comprised of reported statutory results less significant items. This is separately disclosed and a reconciliation of total comprehensive income/(loss) for the period to underlying NPATA is contained below. This non-IFRS measure is included to assist users in understanding the financial performance of the Group.

APM Human Services International Limited ("APM" or "the Group") utilises the non-IFRS measure of NPATA to assess the performance of its operations as it excludes the non-cash amortisation of service agreement contract intangibles over their useful lives. Service agreement contract intangibles arise when APM acquires businesses.

The following table adjusts the total comprehensive income for the year for the expenses associated with debt refinancing, corporate development and integration costs, to calculate the Underlying NPATA results for the year ended 30 June 2023.

	30 June 2023 \$'000	30 June 2022 \$'000	Change %
Total profit for the period	108,700	40,735	166.8%
Amortisation expense (relating to acquired service agreement contracts)	49,777	51,689	(3.7)%
NPATA	158,477	92,424	71.5%
Underlying adjustments:			
ASX listing transaction costs	–	32,153	(100.0)%
Extinguish existing MEP plan	–	10,491	(100.0)%
Foreign exchange impact	(3,878)	9,726	(139.9)%
Employee IPO Gift	–	5,053	(100.0)%
Non-cash loss on debt modification	–	24,663	(100.0)%
Reverse pre-IPO bank interest	–	32,712	(100.0)%
Capital structure on IPO	–	(29,333)	100.0%
Shareholder interest expense	–	28,300	(100.0)%
Corporate development and integrations	25,595	4,132	519.4%
Debt refinancing	2,576	–	(100.0)%
Tax expense adjustment	1,585	(22,640)	107.0%
Tax effect adjustments*	(6,119)	(21,385)	71.4%
Underlying NPATA	178,236	166,296	7.2%

* To recognise the tax effect of the underlying adjustments included above. Shareholder loan interest expense and share-based payments expense are non-deductible for Australian tax purposes.

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continued

For further details on APM's performance for the year ended 30 June 2023, refer to the Annual Report which forms part of this release, and the June 2023 results presentation announced to the Australian Securities Exchange ("ASX") on 28 August 2023.

Dividends

Dividends paid on 29 September 2022 and 29 March 2023 during the year were \$45.9 million and \$45.9 million respectively, based on 5.0 cents per fully paid ordinary share out of retained earnings. Since the end of the year the Directors have declared a final dividend of 5.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend is expected to be paid on 28 September 2023 from retained earnings at 30 June 2023.

Ordinary shares	Amount per security	Franked amount per security
Final dividend	5.0 cents	5.0 cents
Record date for determining entitlements to dividend		5.00pm on 8 September 2023
Payment date		28 September 2023

There is currently no Dividend Reinvestment Plan in place.

Net tangible assets

	30 June 2023 \$'000	30 June 2022 \$'000
Net assets	1,497,542	1,479,762
Less: intangible assets	(2,199,790)	(1,968,406)
Net tangible liabilities of the Company*	(702,248)	(488,644)
Fully paid ordinary shares on issue at balance date	917,181,946	917,181,946
Net tangible liabilities backing per issued ordinary share as at balance date	(0.77)	(0.53)

* The net tangible liabilities includes the right-of-use assets as per AASB 16.

Entities over which control has been gained during the year

During the year ended 30 June 2023, APM, through its wholly-owned subsidiary, APM Equus Holdings Corporation ("Equus Holdings") acquired 100% of the shares in Arbor E&T, LLC and certain affiliates (together known as "Equus") for cash consideration of \$251.7 million. Equus is a market leading provider of employment services in the United States. Refer to Note 3(a).

During the year ended 30 June 2023, APM acquired 100% of the shares in Everyday Independence Pty Ltd ("Everyday Independence" or "EI") for a total estimated consideration of \$83.8 million (i.e. upfront cash consideration of \$35.8 million and an estimated deferred consideration of \$48.0 million). EI is a registered provider of Therapeutic Supports including Occupational Therapy, Speech Pathology and Physiotherapy and delivers Early Childhood Intervention Services, Habit Coaching and positive behaviour support services. Refer to Note 3(b).

The following entities were acquired by the Group during the financial year:

Name of entity	Date of control
Springday Pty Ltd (Australia)	31 October 2022
Arbor E&T, LLC (United States)*	1 November 2022
ResCare Workforce Services Canada, Inc. (Canada)*	1 November 2022
2483307 Ontario Ltd (Canada)*	1 November 2022
674725 Ontario Ltd (Agilec) (Canada)*	1 November 2022
Equitable Social Solutions LLC (United States)*	1 November 2022
Everyday Independence Pty Ltd	1 February 2023
Clinpsych Psychology Services Pty Ltd	1 February 2023

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continued

The following entities had a material contribution to the Group during the financial period:

Name of entity	Revenue \$'000	Profit after tax \$'000
Arbor E&T, LLC (United States)*	347,269	7,772
674725 Ontario Ltd (Agilec) (Canada)*	12,238	374
Everyday Independence Pty Ltd	34,500	1,400

* Together known as "Equus".

Additional information

This information should be read in conjunction with the 2023 Annual Report. Additional information supporting the Appendix 4E disclosure requirements can be found in the Directors' report and the consolidated financial statements for the year ended 30 June 2023. This report is based on the Annual Report for the year ended 30 June 2023 on which PricewaterhouseCoopers has provided an unqualified audit report.