TIP Group

Teaminvest Private Group Limited (ASX: TIP)

ACN 629 045 736

Interim REPORT half-year ended 31 December 2023

Interim Report
half-year ended
31 December 2023

Icon Metal

Contents

TIP Group

info@tipgroup.com.au | www.tipgroup.com.au

About TIP Group

TIP Group is an ASX-listed financial institution focussed on transferring knowledge and wealth between generations. TIP aims to be the financial institution of choice for first-generation wealth, linking the knowledge and capital accumulated over their careers with the next generation of business leaders to achieve outstanding returns.

Noble purpose

Transferring knowledge and wealth between generations.

Vision

To build a society in which the knowledge and wealth we accumulate over a lifetime isn't lost, forcing the next generation to learn (and earn) it all again.

Mission

We invest the wealth and experience of successful people to develop the next generation of business leaders, enhancing the legacy of all.

Gold's Gym - from the Colour Capital stable

CEO's Letter

Continued profit growth in 1H24

The six months ended 31 December 2023 (1H24) delivered further growth for Teaminvest Private Group Limited (TIP). Reporting highlights include:

- Look Through EBITDA up 24% to $7.9m;
- Operating profit up 20% to $2.3m;
- Statutory Profit up 11% to $2.1m;
- Fully-franked interim dividend of 1.50 cents per share, 9% higher than 1H23; and
- Announcement of our first on-market buy-back to take advantage of our discount to net assets in line with the FY23 update to our capital allocation policy

The dividend includes the ability to participate in our dividend reinvestment plan (available on the ASX and our website).

Our economic moats: the path to higher profits

In his 2007 letter to shareholders, Warren Buffett wrote:

"A truly great business must have an enduring 'moat' that protects excellent returns on invested capital. The dynamics of capitalism guarantee that competitors will repeatedly assault any business 'castle' that is earning high returns."

In my FY23 letter I covered the types of moats, how to identify a moat and what to do when a moat is identified. If you have not read it, I would encourage you to do so as our focus on developing and growing moats drives our strategic thinking.

Our moats fall into the "better" category: they enable us to provide an objectively better product or service than competitors.

From the perspective of the Group, we have three customer types:

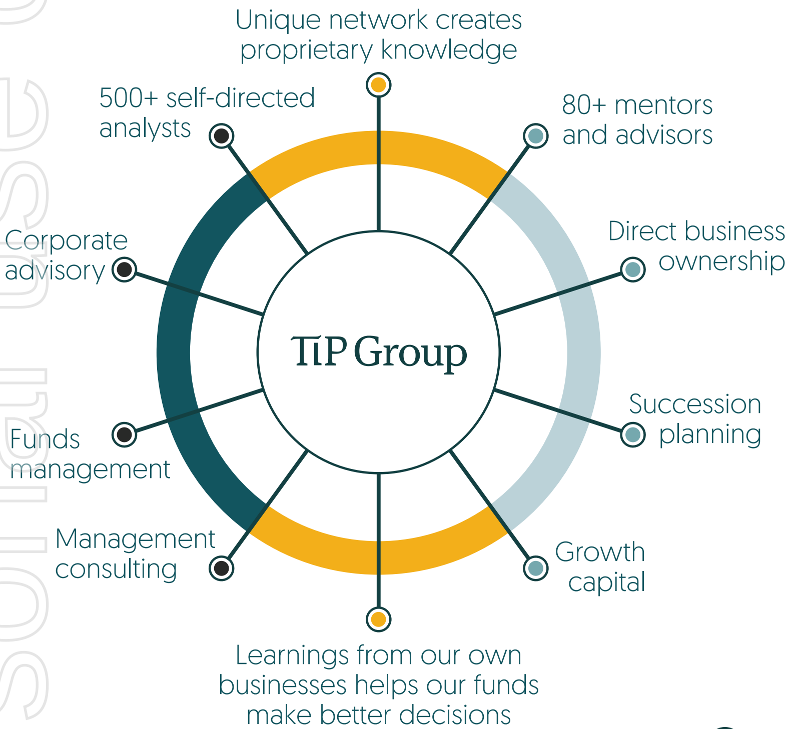
- Founders of SMEs looking to sell their business to us;
- Investors in our funds; and
- Self-directed analysts, mentors and advisors that contribute to our network (TI Members and Selected Shareholders).

All other customers fall into the respective division or portfolio company and are managed at that level.

Our core Group moats are:

1. **Philosophy** – TIP's unique philosophy enables us to make better and faster decisions. Sticking to our philosophy provides a differentiated market offer and ensures replicability of long-run compound returns. It is the core ingredient in driving fund outperformance and attracting the Network.
2. **Insight** – TIP's focus on education attracts a better calibre of contributor and generates better insights. These insights are captured by our fund managers and executives to deliver better products, services and returns.
3. **Network** – TIP's network of 500+ self-directed analysts and 80+ mentors and advisors create better insights and opens more opportunities. It is the base from which we generate outperformance, referrals of potential acquisitions, fund investors and Wealth clients.
4. **Full Service** – TIP's full-service offer enables the value derived from our philosophy, insights, and network to be monetised more efficiently. It allows us to delight our customers in more ways, increasing our opportunities to work together and making it easier to acquire new clients.

Below is a diagram that shows how our moats interact to delight our customers and provide a distinct competitive advantage.



Unique peer-led network

Our unique peer-led model of:

- 500+ self-directed analysts;
- 80+ mentors and advisors;
- Own team of corporate advisors; and
- Subject matter experts from our partner funds and operating businesses...

Provide an ecosystem of knowledge creation and insight development.

An unfair advantage for our investments

Our direct investments access:

- Growth capital via TIP Group;
- Tailored financial products via TIP Wealth;
- Our network of mentors and advisors;
- Proprietary insights;
- Leadership development through our talent program; and
- Our internal corporate advisory and consulting capability...

Giving them a distinct competitive advantage.

Our clients and investors benefit from proprietary insights

We synthesize insights from:

- Our fund managers;
- Our corporate advisory team;
- Our 500+ self-directed analysts;
- Our 80+ mentors and advisors; and
- Our business knowledge accumulated by running direct companies....

To deliver differentiated solutions and generate outstanding returns.

Look Through Results

Look Through Results is the proportion of revenue and EBITDA generated by our investments attributable to TIP Group. They are calculated by multiplying the percentage we own of an investment by the revenue and EBITDA it generates. They are a non-IFRS measure which we find more useful for understanding operating performance than Statutory Comprehensive Income (SCI) reported in accordance with accounting standards.

In 1H24 we report three divisions: TIP Equity, TIP Wealth and Education & Corporate.

($m)	Revenue						
Segment	**1H19**	**1H20**	**1H21**	**1H22**	**1H23**	**1H24**	**△%**
Equity	61.2	69.5	71.2	73.0	80.2	74.4	(7%)
Wealth (incl. UK)					0.8	2.3	182%
Education & Corporate				2.1	2.0	2.1	3%
Pre-abnormal	61.2	69.5	71.2	75.1	83.0	78.8	(5%)
Abnormal		2.8					
Total	61.2	72.3	71.2	75.1	83.0	78.8	(5%)

($m)	EBITDA						
Segment	**1H19**	**1H20**	**1H21**	**1H22**	**1H23**	**1H24**	**△%**
Equity	4.4	6.0	7.4	5.2	5.7	7.1	24%
Wealth (incl. UK)					(0.2)	0.3	n.m
Education & Corporate				1.0	0.8	0.8	(15%)
Pre-abnormal	4.4	6.0	7.4	6.2	6.4	8.2	28%
Abnormal		2.8	(0.6)	(2.3)		(0.3)	n.m
Total	4.4	8.8	6.8	3.9	6.4	7.9	24%

Note: Wealth includes impact of Enva acquisition

Look Through EBITDA was up 24% to $7.9m. This performance was primarily driven by gains in our well-established Equity division which rebounded from the impact of the construction shut-down, and a small (but welcome) contribution from our newly established Wealth division.

While we regard revenue as less important than profit (as the saying goes: “revenue is vanity while profit is sanity”), Look Through Revenue declined 5%, primarily due to the prior period inclusion of revenue from since discontinued operations.

TIP Equity

TIP Equity is our private equity operations. Established in 2012, Equity forms the bulk of our business.

Look Through EBITDA grew by 24% to $7.1m, driven primarily by significant growth in Graham Lusty Trailers (**GLT**), East Coast Traffic Control (**ECT**) and Icon Metal. Whilst earnings rose, Look Through Revenue declined slightly, predominantly due to the prior comparison period including revenue from discontinued operations.

Graham Lusty Trailers (100% owned) grew revenue by 12% and EBITDA by 19% in 1H24. Now led by Shay Chalmers, GLT continues to delight customers by providing unparalleled designs, outstanding customer service and a product that is constantly being innovated and improved. This result is particularly pleasing as it is the first full half of GLT under the next generation of leadership. At 81, founder Graham Lusty (guided by Dean Robinson, Stephen Pribula and Kevin Robinson) has managed a rare feat: a successful handover to new management whilst continuing growth. Whilst we trust Graham will remain an ambassador of GLT for many years to come, we are excited to see where the new-look team led by Shay can take this fantastic business. To put the journey in context, GLT has already delivered 7.4x our cash investment in net earnings* since we initially acquired half the business in November 2012.

Graham Lusty Trailers

East Coast Traffic Control (100% owned) grew revenue by 6 % and EBITDA by 16% in 1H24. Led by Greg Jeckeln, ECT continues to grow its reputation as the traffic controller of choice for regional Australia: with customers from the South Western Slopes region in New South Wales to Cairns now benefitting from their best-in-class service. Despite a rocky start, ECT has now delivered net earnings* of 2.8x our capital investment, a testament to the remarkable efforts of the outstanding leadership. My congratulations go to the wonderful team who continue to take this business from strength to strength.

East Coast Traffic Control

Icon Metal (100% owned), grew EBITDA by $1.4m in 1H24, washing through the impact of covid and the construction lock-downs to return to profit for the first half of the year since 2021. The team at Icon, led by Stephen Pribula and Chris Farmer, have put in countless hours and huge effort to weather the storm and position Icon to be even stronger in the future. Getting through challenging times requires intelligence, perseverance and an unswerving passion to make the right choices in the midst of business and emotional strain. We are lucky to have a team at Icon that embodies these elements in full: and it makes me proud to know that our shareholders can rely on these fantastic leaders to never let them down.

*Net earnings calculated as sum of all profits and losses, excluding interest and tax which occurs only at the Group level.

TIP Wealth

TIP Wealth is our advisory, funds management and investment banking business, focused on using the Group's insights and networks to deliver superior client outcomes. The wealth division was established in FY23 and provides a platform for substantial growth. As of 31 December 2023, Wealth acts as manager or trustee for $221m in funds under management (**FUM**), and as an advisor for a further $1.6b of funds under advice (**FUA**)*.

*Includes Enva (which is not consolidated in the statutory accounts), but excludes Clime Investment Management

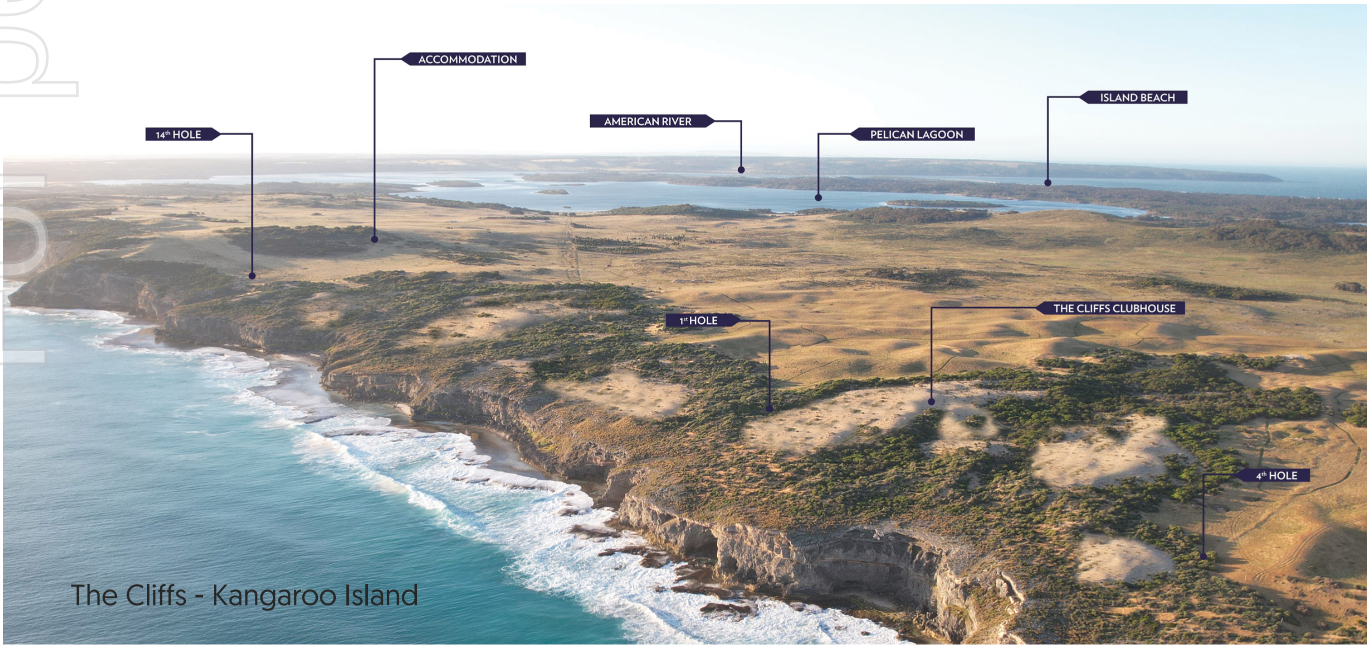
Wealth earns revenues in three ways:

- Advisory fees, usually comprising a small retainer and a much larger success fee;
- Operation fees, usually determined as a small proportion of funds under management (**FUM**), paid to cover the provision of trustee, custodial and administrating functions; and
- Performance fees, usually linked to outperformance relative to a compounding high-water mark or industry benchmark

Operation fees tend to be small and regular (usually less than 150 basis points (**bps**) annually of FUM). Corporate advisory and performance fees are irregular (in that they depend on success and are paid only upon achieving results at the end of some pre-determined period) but can be significant (often 300 to 500 bps of total deal size in the case of advisory, and 1,500 to 2,000 bps of outperformance in the case of performance fees).

TIP Wealth delivered Look Through revenue of $2.3m (up 182%), and Look Through EBITDA of $0.3m (up $0.5m) for the half.

Of particular note, our flagship Conscious Investor (wholesale) and Corinthian Balanced (NFP/Charity) funds delivered after-fee returns to investors of 4.9% (annualised 10.0%) and 4.3% (annualised 8.8%) respectively for the half: a testament to the continued power of disciplined value investing using proven Teaminvest principles.



The Cliffs - Kangaroo Island

Statutory Comprehensive Income (SCI)

Unlike Look Through results, which are compiled on a proportional ownership (i.e. operating) basis, SCI is calculated in accordance with the Australian accounting standards in force at any time. It encompasses consolidation accounting where we control a business, equity accounting where we own a substantial share and have significant influence (typically between 20% and 50%), and investment accounting where we don't have significant influence (typically less than 20%).

While SCI is the official published result of the Group, shareholders should be aware of its limitations when using it to understand operating performance. The table below sets out our SCI and a summary balance sheet.

($m) **P&L**	**1H20**	**1H21**	**1H22**	**1H23**	**1H24**	**△%**
Revenue	46.4	48.7	45.8	57.8	55.5	(4%)
Operating expenses	(39.8)	(44.0)	(43.8)	(53.1)	(50.5)	
EBITDA	6.6	4.7	2.0	4.7	4.9	5%
D&A	(1.4)	(1.3)	(2.1)	(1.9)	(2.0)	
EBIT	5.2	3.4	(0.1)	2.8	2.9	5%
Interest income / (expense)	(0.2)	(0.2)	(0.1)	(0.2)	0.0	
PBT	5.0	3.2	(0.2)	2.6	3.0	12%
Tax income / (expense)	0.4	(0.2)	0.5	(0.7)	(0.9)	
Statutory NPAT	**5.4**	**3.0**	**0.3**	**1.9**	**2.1**	11%
Abnormal items	(2.8)	0.4	1.6		0.2	
Operating NPAT	2.6	3.4	1.9	1.9	2.3	20%

($m) **Balance Sheet**	**1H20**	**1H21**	**1H22**	**1H23**	**1H24**	**Per Share**
Current assets	29.4	36.8	33.5	37.4	43.8	
Non-current assets	73.7	77.7	94.8	80.6	79.3	
Total assets	103.1	114.5	128.3	118.0	123.1	4.54
Current liabilities	20.5	23.4	20.1	27.5	28.1	
Non-current liabilities	4.2	2.8	8.4	7.5	6.6	
Total liabilities	**24.7**	**26.2**	**28.5**	**35.0**	**34.7**	
Equity	**78.4**	**88.3**	**99.8**	**83.0**	**88.5**	**3.26**
Cash	8.2	11.3	9.9	5.9	7.0	0.26
Total debt (traditional)	2.9	2.4	1.6	0.6	0.3	
Total debt (AASB 16)	7.3	5.8	6.0	3.7	1.7	

Abnormal items

During 1H24, we recognised a bad debt of $0.25m related to amounts owing to Colour Capital (33%) by a franchisee.

On market buy-back

In the FY23 update to our philosophy document, released as part of our annual report, we included the following:

"TIP predominantly owns and operates profitable and growing businesses. We also look to regularly expand our portfolio when great businesses become available at good prices. We therefore consider capital allocation in three steps:

1. *What capital should be reinvested in our existing operations to deliver appropriately growing returns (Organic Investment);*
2. *What capital should be set aside for new acquisitions (Acquisitive Investment);*
3. *Where excess capital exists, how much should be returned to shareholders as a reward for the use of their funds (Distributions).*

When a Distribution is appropriate, we intend to provide it to shareholders by:

- *If our share price is lower than both the implied valuation using the CIP Formula and our equity per share, conducting an on-market acquisition of shares;*
- *If our share price is higher than both the implied valuation using the CIP Formula and our equity per share, distributing an appropriately franked dividend; and*
- *If the share price is neither higher nor lower than both valuation methods imply, at the discretion of the board."*

With TIP trading at a discount to our net assets of 46%, and a 70% discount to our peer median P/E ratio of 18.8x*, we have therefore announced an on-market share buy-back for up to 10% of our issued capital.

*As of 14th Februrary 2024

Information asymmetry and the value of buy-backs

When we acquire a new business we have to answer three core questions:

1. Is the business appropriately designed and resourced?;
2. Does it have competent and trustworthy management?; and
3. Will the price deliver a reasonable likelihood of meeting our required return on investment?

We like to think we have become reasonable judges of these questions, however we do not (and cannot) get it right all the time. Beyond the general unpredictability of the future, this is due to information asymmetry.

When someone invests in a new business, the vendor always knows more than the buyer. Moreover, it is in the vendors interest to secure the maximum price they can. It is almost certainly true that – absent a strategic rationale for the buyer as a partner – the price will only be accepted if it exceeds the vendor's internal valuation. In other words, if the buyer "overpays".

At TIP we try to counter this risk in four ways:

- We undertake a detailed due diligence on any potential investment;
- We seek a partnership rather than a complete sale;
- We design incentives that reward the vendor for remaining in the business and delivering on expectations; and
- We incorporate a margin of safety into our pricing.

Whilst these work (we would hardly have delivered our historic returns on invested capital if they didn't!), they are not perfect. Unless we could see inside the vendors head, there is always a risk that our actions will not be enough to overcome the asymmetry.

For most investors or private equity buyers, the only choice when considering an investment is to proceed or reject. However, as a listed company, we have a further choice available to us: to instead use excess capital to acquire a greater share of the business we know best.

This is what a buy-back does. It allows a listed company to acquire – from other shareholders - more of the asset that the board and management team (should) know best. A business where there is years of due diligence available, no information asymmetry, and where the board can (as if granted some super-power) actually see inside the heads of key decision makers.

Therefore, provided the price to acquire a greater share of their own business (represented by various metrics like price/book, price/earnings and expected return on investment) is no higher than the equivalent cost of acquiring the same profits elsewhere, why would a board miss such an opportunity? The same return with less risk seems the kind of deal any rational investor would quickly grasp.

Kitome

If it's that simple, why do some buy-backs reduce shareholder value?

If conducting a buy-back when excess capital is available, and the price is right, has so many advantages to acquiring an external asset, why do we see so many examples of boards getting it wrong?

Whilst I will defer to academics to determine the root-cause of under-performance by others, the risk that should be immediately apparent in conducting a buy-back is the determination of opportunity cost and price.

Whilst the logic that a buy-back can be a great investment is sound, it assumes the board and management are equally capable of both adequately valuing new opportunities and their own company. If they aren't, or they have a bias towards one or the other (for example a desire to empire build or a focus on reputation; or conversely the endowment effect which states that you will more highly value something you own, to the same asset if owned by another), then the decision making can be skewed or incorrect.

It is my own personal view that this has been exacerbated by the preponderance of independent directors on boards. It seems obvious to me that professional independent directors must be at a disadvantage when it comes to internal capital allocation: experiencing the same information asymmetry as if they were acquiring an external business. Unlike a vendor who has spent years, day in-day out, inside the business, an independent non-executive director might have only a few days a year of exposure. And almost certainly limited industry experience or engagement with second (or lower) level management.

Let me know if you think my ideas have merit. Perhaps this could be an interesting further topic for our research partnership with University of New South Wales?

Half ahead

In my FY23 letter I wrote:

"Our goals for FY24 are simply to continue to focus on the three things that (to paraphrase Warren Buffett) "matter most":

1. *Continually delighting customers;*
2. *Eliminating unnecessary costs; and*
3. *Innovating to do the first two better."*

Our fantastic leadership teams have put this into practice in 1H24. For 2H24 they remain our continued focus.

2H24 will also see the first of our strategic partnerships with another listed entity. Clime Investment Management **(CIW)**, founded by John Abernethy in 1994, began as a pioneer in the self-directed investor education market. Today CIW operates a full-service private wealth offering with $5.5bn in FUA and $1.3bn in FUM. Our strategic stake allows us to assist CIW in the two areas we do best: providing support for the transfer of knowledge between generations, and assisting investors allocate their capital wisely.

Final word

If you are excited by our noble purpose, and would like to participate in our unique organisation, please apply to become a Selected Shareholder. The knowledge you bring, and the value you add, accelerates our growth.

As Warren and Charlie put it so succinctly: "We are better investors because we are business people; and better business people because we are investors".

I look forward to seeing you at future strategy days.

Best wishes,

Andrew Coleman
CEO
Teaminvest Private Group Limited

Corporate Directory

Directors

Malcolm Jones - Chair

Andrew Coleman

Howard Coleman

Ian Kadish

Regan Passlow

Company secretaries

Anand Sundaraj

Dean Robinson

Teaminvest Private Group Limited

ABN 74 629 045 736

Interim Report - 31 December 2023

Teaminvest Private Group Limited
Directors' report
31 December 2023

TiP Group

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Teaminvest Private Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors
The following persons were directors of Teaminvest Private Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Malcolm Jones - Chair
Andrew Coleman
Howard Coleman
Ian Kadish
Regan Passlow

Principal activities
During the financial half-year, the principal continuing activities of the Group consisted of investing in Australian businesses.

Review of operations
The profit for the Group after providing for income tax amounted to $2,070,000 (31 December 2022: $1,897,000).

The Group continues to see the growth from previous financial years into the financial half-year ended 31 December 2023.

Refer to the 'CEO letter' for further details of operations and commentary on the results.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Coleman
Managing Director and Chief Executive Officer

19 February 2024
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF TEAMINVEST PRIVATE GROUP LIMITED

As lead auditor for the review of Teaminvest Private Group Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Teaminvest Private Group Limited and the entities it controlled during the period.

Ryan Pollett

Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney, 19 February 2024

Consolidated	Note	31 Dec 2023 $'000	31 Dec 2022 $'000 (Restated)*
Revenue			
Revenue from continuing operations	4	54,710	55,057
Share of profits of associates accounted for using the equity method		636	777
Other income		91	192
Interest revenue calculated using the effective interest method		125	65
Expenses			
Raw materials and consumables used		(19,731)	(20,710)
Employee benefits expense		(23,960)	(24,216)
Depreciation/amortisation	5	(1,998)	(1,603)
Impairment of receivables		(687)	(108)
Occupancy expense		(356)	(347)
Other expenses		(5,762)	(4,568)
Finance costs		(140)	(239)
Profit before income tax expense from continuing operations		2,928	4,300
Income tax expense		(858)	(1,236)
Profit after income tax expense from continuing operations		2,070	3,064
Profit/(loss) after income tax expense from discontinued operations	11	-	(1,167)
Profit after income tax expense for the half-year		2,070	1,897
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		2,070	1,897
Profit/(loss) for the half-year is attributable to:			
Owners of Teaminvest Private Group Limited		2,054	1,953
Non-controlling interest		16	(56)
		2,070	1,897
Total comprehensive income for the half-year is attributable to:			
Continuing operations		2,054	3,120
Discontinued operations	11	-	(1,167)
Owners of Teaminvest Private Limited		2,054	1,953
Continuing operations		16	(2)
Discontinued operations		-	(54)
Non-controlling interest		16	(56)

TIP Group

	Note	Cents 31 Dec 2023	Cents 31 Dec 2022 (Restated)*
Earnings per share for profit from continuing operations attributable to the owners of Teaminvest Private Group Limited			
Basic earnings per share	10	7.56	11.84
Diluted earnings per share	10	7.56	11.84
Earnings per share for profit from discontinued operations attributable to the owners of Teaminvest Private Group Limited			
Basic earnings per share	10	-	(4.43)
Diluted earnings per share	10	-	(4.43)
Earnings per share for profit attributable to the owners of Teaminvest Private Group Limited			
Basic earnings per share	10	7.56	7.41
Diluted earnings per share	10	7.56	7.41

**Refer Note 10 Earnings per share & Note 11 – Discontinued Operations*
The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying note

Teaminvest Private Group Limited
Statement of financial position
As at half-year ended 31 December 2023

TIP Group

Consolidated	Note	31 Dec 2023 $'000	30 June 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		7,010	7,867
Trade and other receivables		9,350	10,661
Contract assets		15,943	10,294
Inventories		9,337	11,980
Income tax		347	384
Prepayments and other deposits		998	916
Held for sale	11	808	980
Total current assets		**43,793**	**43,082**
Non-current assets			
Investments accounted for using the equity method		27,356	28,394
Other financial assets		1,588	753
Property, plant and equipment		5,578	5,353
Right-of-use assets		1,475	2,134
Intangibles	6	43,348	43,955
Total non-current assets		**79,345**	**80,589**
Total assets		**123,138**	**123,671**
Liabilities			
Current liabilities			
Trade and other payables		10,419	13,560
Contract liabilities		13,760	12,375
Borrowings		283	529
Lease liabilities		1,030	1,438
Employee benefits		2,223	2,233
Provisions		377	495
Total current liabilities		**28,092**	**30,630**
Non-current liabilities			
Lease liabilities		682	974
Deferred taxes		5,433	4,781
Employee benefits		447	465
Total non-current liabilities		**6,562**	**6,220**
Total liabilities		**34,654**	**36,850**
Net assets		**88,484**	**86,821**
Equity			
Issued capital	7	90,372	90,372
Accumulated losses		(2,122)	(3,769)
Capital Contribution		229	229
Total equity attributable to the equity holders of the Parent		88,479	86,832
Non-controlling interest		5	(11)
Total equity		**88,484**	**86,821**

The above statement of financial position should be read in conjunction with the accompanying notes

Teaminvest Private Group Limited
Statement of changes in equity
For the half-year ended 31 December 2023

TIP Group

Consolidated	Issued capital $'000	Accumulated losses $'000	Capital Contribution $'000	Total equity $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022	88,301	(7,069)	229	81,461	52	81,513
Profit/(loss) after income tax for the half-year	-	1,953	-	1,953	(56)	1,897
Total comprehensive income for the half-year	-	1,953	-	1,953	(56)	1,897
Dividends paid	-	(392)	-	(392)	-	(392)
	-	(392)	-	(392)	-	(392)
Balance at 31 December 2022	**88,301**	**(5,508)**	**229**	**83,022**	**(4)**	**83,018**

Consolidated	Issued capital $'000	Accumulated losses $'000	Capital Contribution $'000	Total equity $'000	Non-controlling interests $'000	Total equity
Balance at 1 July 2023	90,372	(3,769)	229	86,832	(11)	86,821
Profit after income tax for the half-year	-	2,054	-	2,054	16	2,070
Total comprehensive income for the half-year	-	2,054	-	2,054	16	2,070
Dividends paid	-	(407)	-	(407)	-	(407)
	-	(407)	-	(407)	-	(407)
Balance at 31 December 2023	**90,372**	**(2,122)**	**229**	**88,479**	**5**	**88,484**

The above statement of changes in equity should be read in conjunction with the accompanying notes

TiP Group

Consolidated	Note	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		62,903	55,810
Payments to suppliers and employees (inclusive of GST)		(62,225)	(54,642)
Dividends received		1,675	525
Interest received		125	65
Interest and other finance costs paid		-	(239)
Income taxes paid		12	-
Net cash from operating activities		2,490	1,519
Cash flows from investing activities			
Payments for property, plant and equipment		(2,047)	(1,208)
Payments for intangibles		(37)	(61)
Proceeds from disposal of property, plant and equipment		91	575
Net cash used in investing activities		(1,993)	(694)
Cash flows from financing activities			
Repayments from borrowings		(246)	(15)
Repayment of lease liabilities		(701)	(985)
Dividends paid		(407)	(392)
Net cash used in financing activities		(1,354)	(1,392)
Net decrease in cash and cash equivalents		(857)	(567)
Cash and cash equivalents at the beginning of the financial year		7,867	6,426
Cash and cash equivalents at the end of the financial year		**7,010**	**5,859**
Represented by:			
Cash and cash equivalents		7,010	5,859
Less: bank overdraft		-	-
		7,010	5,859

The above statement of cash flows should be read in conjunction with the accompanying notes

TiP Group

Note 1. General information

The financial statements cover Teaminvest Private Group Limited as a Group consisting of Teaminvest Private Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Teaminvest Private Group Limited's functional and presentation currency.

Teaminvest Private Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite G.01 and G.02
23 Ryde Road
Pymble 2073

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

For the purposes of the consolidated financial statements, Teaminvest Private Pty Ltd has been identified as the accounting parentand Teaminvest Private Group Limited as the legal parent.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 19 February 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into three statutory operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. Further details are as follows:

Segment name	Description
Equity segment	The Equity segment includes five wholly-owned subsidiaries of the Group: Lusty TIP Trailers Pty Ltd, Icon Metal Pty Ltd, East Coast Traffic Controllers Pty Ltd, Teaminvest Private Residential Group Pty Ltd, and Automation Group Investments Pty Ltd. There are two associate entities: Colour Capital Pty Ltd & Multimedia Technology Pty Ltd
Wealth segment	The Wealth segment includes four wholly-owned subsidiaries of the Group: TIP Trustees Limited, TIP Wealth RE No.1, Teaminvest Private Financial Services Pty Ltd and TIP Group Corporate Advisory Services Pty Ltd; one 70% owned subsidiary, Diversified Growth Management Pty Ltd and 50% interest owned in Teaminvest Private Insurance Services Pty Ltd and Conscious Capital Ltd.
Education & Corporate Segment	The Education & Corporate segment includes one wholly-owned subsidiary of the Group: TeamInvest Pty Ltd

Management opted to change the way segments were reported in the current financial period to appropriately reflect and manage the business activities which are similar in its operations. Last year's results have been restated under the new operating segments for comparative purposes.

There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions
There were no intersegment transactions.

TiP Group

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2023	Equity $'000	Wealth $'000	Education & Corporate $'000	Total $'000
Revenue from continuing operations				
Sales to customers	50,967	1,339	2,036	54,342
Other revenue	368	-	-	368
Total	**51,335**	**1,339**	**2,036**	**54,710**
EBITDA	6,302	(175)	724	6,851
Depreciation and amortisation expense				(1,998)
Interest revenue				125
Other income				91
Finance costs				(140)
Corporate overheads				(2,001)
Profit before income tax				2,928
Income tax expense				(858)
Profit after income tax				2,070
Consolidated - 31 Dec 2023				
Assets				
Segment assets	71,235	2,681	16,633	90,549
Unallocated assets:				
Income tax receivable				347
Corporate assets				4,886
Investment in associates				27,356
Total assets				123,138
Liabilities				
Segment liabilities	21,667	1,033	1,036	23,736
Unallocated liabilities:				
Deferred tax liability				5,433
Corporate liabilities				5,485
Total liabilities				34,654

TiP Group

Note 3. Operating segments (continued)

Restated operating segment information

Consolidated - 31 Dec 2022	Equity $'000	Wealth $'000	Education & Corporate $'000	Total $'000
Revenue from continuing operations				
Sales to customers	54,118	596	1,983	54,697
Other revenue	360	-		360
Total	**54,478**	**596**	**1,983**	**55,057**
EBITDA	5,960	35	849	6,854
Depreciation and amortisation expense				(1,603)
Interest revenue				65
Other income				192
Finance costs				(239)
Corporate overheads				(960)
Profit before income tax				4,300
Income tax expense				(1,236)
Profit after income tax				3,064
Consolidated - 30 Jun 2023				
Assets				
Segment assets	72,454	3,356	17,001	92,811
Unallocated assets:				
Income tax receivable				384
Corporate assets				2,082
Investment in associates				28,394
Total assets				123,671
Liabilities				
Segment liabilities	27,936	651	1,540	30,127
Unallocated liabilities:				
Deferred tax liability				4,781
Corporate liabilities				1,942
Total liabilities				36,850

Note 4. Revenue

Consolidated	31 Dec 2023 $'000	31 Dec 2022 $'000
Revenue from continuing operations		
Sale of goods	24,109	23,184
Rendering of services	30,233	31,513
	54,342	54,697
Other revenue		
Other sales revenue	368	360
Total Revenue from continuing operations	**54,710**	**55,057**

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 31 December 2023	Equity $'000	Wealth $'000	Education & Corporate $'000	Total $'000
Geographical Regions				
Australia	50,967	1,339	2,036	54,342
Timing of Revenue recognition				
Goods transferred at a point in time	24,109	-	-	24,109
Services transferred at a point in time	2,159	1,107	-	3,266
Services transferred over time	24,699	232	2,036	26,967
	50,967	1,339	2,036	54,342

Restated disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 31 December 2022	Equity $'000	Wealth $'000	Education & Corporate $'000	Total $'000
Geographical Regions				
Australia	52,118	596	1,983	54,697
Timing of Revenue recognition				
Goods transferred at a point in time	23,237	-	-	23,237
Services transferred at a point in time	8,426	420	-	8,846
Services transferred over time	20,455	176	1,983	22,614
	52,118	596	1,983	54,697

TIP Group

Note 5. Depreciation and amortisation

Consolidated	31 Dec 2023 $'000	31 Dec 2022 $'000
Profit before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Leasehold improvements	17	34
Plant and equipment	474	97
Motor vehicles	202	314
Buildings right-of-use assets	589	564
Plant and equipment right-of-use assets	72	7
Total depreciation	1,354	1,016
Amortisation		
Patents and trademarks	23	23
Customer contracts	130	134
Technology based intangible assets	224	223
Network & relationships	181	181
Other intangible assets	86	26
Total amortisation	644	587
Total depreciation and amortisation	**1,998**	**1,603**

Note 6. Non-current assets - intangibles

	Goodwill $'000	Patents and Trademarks $'000	Customer contracts $'000	Confidential Information & Know How $'000	Technology based intangible assets $'000	Network & Relationships $'000	Brand $'000	Other Intangible Assets $'000	Total $'000
Balance as at 30 June 2022	26,086	419	2,252	5,926	6,255	1,805	1,756	369	44,868
Additions	150	-	-	-	-	-	-	103	253
Amortisation expense	-	(47)	(262)	-	(447)	(361)	-	(49)	(1,166)
Balance as at 30 June 2023	26,236	372	1,190	5,926	5,808	1,444	1,756	423	43,955
Additions	-	-	-	-	-	-	-	37	37
Amortisation expense	-	(23)	(130)	-	(224)	(181)	-	(86)	(644)
Balance as at 31 December 2023	**26,236**	**349**	**1,860**	**5,926**	**5,584**	**1,264**	**1,756**	**374**	**43,348**

TiP Group

Note 7. Equity - issued capital

	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 $'000	30 Jun 2023 $'000
Ordinary shares - fully paid	27,147,329	135,736,260	90,372	90,372

Movements in ordinary share capital

Details	Date	Shares	Issue Price	$'000
Balance	30 Jun 23	135,736,260	-	90,372
Issue of ordinary shares under Dividend Reinvestment Plan	03 Oct 23	382	0.324	-
Share Consolidation (5:1)	06 Nov 23	(108,589,313)		-
Balance	**31 Dec 23**	**27,147,329**	**-**	**90,372**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion tothe number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share Consolidation

In the AGM held on 27 October 2023, shareholders approved the consolidation of issued share capital of the Company on the basis that every five shares be consolidated into one share (rounded to the nearest whole number of shares).

Share buy-back

There was no current buy-back during the period.

Note 8. Equity - dividends

On 28 August 2023 the company declared a dividend of 1.50* cents per share for payment on 3 October 2023. On 16 February 2024, the company declared a dividend of 1.50 cents for the current financial period.

* The amounts have been restated to reflect share consolidation for comparative purposes.

Note 9. Contingent liabilities

The Group has given bank guarantees as at 31 December 2023 of $2,598,993 (30 June 2023: $3,320,517).

TiP Group

Note 10. Earnings per share

	Consolidated	
	31 Dec 2023 $'000	31 Dec 2022 $'000
Profit after income tax attributable to the owners of Teaminvest Private Group Limited	2,054	1,953
	Number	**Number (restated)[1]**
Weighted average number of ordinary shares used in calculating basic earnings per share	27,147,289	26,346,180
Adjustments for calculation of diluted earnings per share:		
Shares issued for bonuses and fees	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	27,147,289	26,346,180
	Cents	**Cents**
Basic earnings per share	7.56	7.41
Diluted earnings per share	7.56	7.41

[1]The number of shares & EPS amount has been restated to reflect share consolidation (Refer Note 7) for comparative purpose.

Note 11. Discontinued Operations

TIP UK Pty Ltd and Wood & Lee Pty Ltd continue to be discontinued for the half year ending 31 December 2023. There was no contribution to the operations during the year.

Consolidated	31 Dec 2023 $'000	31 Dec 2022 $'000
Sale of goods	-	1,963
Total revenue	-	1,963
Raw materials and consumables used	-	(656)
Employee benefits expense	-	(2,097)
Depreciation and amortisation expense	-	(201)
Other expenses	-	(676)
Total expenses	-	(3,630)
Loss before income tax	-	(1,667)
Income tax benefit	-	500
Loss after income tax from discontinued operations	-	**(1,167)**

Cash flow information

Consolidated	31 Dec 2023 $'000	31 Dec 2022 $'000
Net cash from operating activities	-	(1,466)
Net decrease in cash and cash equivalents from discontinued operations	-	(1,466)

Asset held for sale with a total value of $808,000 is an investment in equity. There were no operations in the investment during the year.

Note 12. Events after the reporting period

Subsequent to the close of the reporting period, the Group invested in Clime Investment Management Limited (ASX: CIW) through institutional placement of 4.5 million shares at $0.30 per share for circa 5.85% stake. Payment comprised cash of $1,350,000 to Clime Investment Management Limited. The transaction was completed on 19 January 2024.

Graham Lusty Trailers (GLT) has entered into a lease to significantly increase its manufacturing capacity, commencing 1 April 2024. The new facility, located in Carole Park, Queensland, is 14,303sqm, and is expected to allow for a doubling of production capability once fully utilised. The lease was signed post the reporting period with an annual rent of $2.4m and lease commitment of 5+ years.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

TIP Group

31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Coleman
Managing Director and Chief Executive Officer

19 February 2024
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Teaminvest Private Group Limited,

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Teaminvest Private Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

BDO

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Ryan Pollett

Ryan Pollett
Director

Sydney, 19 February 2024

TiP Group

Corporate Office:

Ground Floor Suite 2
23 Ryde Rd
Pymble NSW 2073