JOHNS LYNG GROUP

Johns Lyng Group Limited

Results Presentation

Half-year ended 31 December 2022 (**1H23**)

21 February 2023

Johns Lyng Group - Presenters

Scott Didier AM

Group
Chief Executive Officer

Lindsay Barber

Group
Chief Operating Officer

Nick Carnell

Australia
Chief Executive Officer

Matthew Lunn

Group
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Adrian Gleeson

Director, Investor & Business Relations

Gemma Sholl

Executive Assistant

CONTENTS

Appendices

// Johns Lyng Group

#01

Business Highlights.

At the heart of our business is an **entrepreneurial desire** to continue to **develop and grow** – without limits, anything is possible.

Insurance Building & Restoration Services Brands

1.1 Business Highlights – Financial Snapshot 1H23(A)

JOHNS LYNG GROUP

Record 1H23 financial performance, solid balance sheet & very strong work-in-hand

1H23 Group Profit & Loss

Revenue	EBITDA	NPAT[1]	EPS[1]
$635.6m	**$59.4m**	**$34.1m**	**9.68 cents**
+71.2%	+63.0%	+83.6%	+87.8%

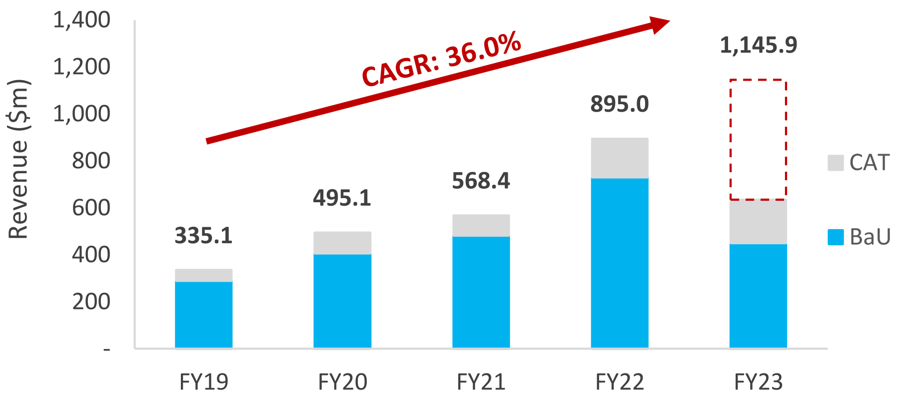
Revenue (BaU)	EBITDA (BaU)	NPAT-A[2]	EPS-A[2]
$449.5m	**$38.1m**	**$35.7m**	**10.16 cents**
+47.6%	+32.1%	+70.6%	+66.2%

1H23 Group Balance Sheet, Cash Flow & Dividend

Cash Conversion[3]	Interim Dividend	Net Assets
119.7%	**4.5 cps** +66.7%	$372.9m

Operating Cash Flow[3]	Payout Ratio	Net Cash
$70.4m	46.6%	$29.8m

Historical Revenue ($m)



RECONSTRUCTION EXPERTS

1H23 Contribution

Revenue	EBITDA	Margin
A$116.2m	**A$13.6m**	**~12%**
+23% vs. 2H22		In-line with expectations

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

[1] Calculated using statutory NPAT / statutory NPAT attributable to JLG shareholders

[2] Calculated using statutory NPAT excl. tax effected transaction expenses and tax effected amortisation of acquired intangible assets

[3] Calculated using operating cash flow pre-interest and tax

Record outlook - FY23(F) EBITDA (excl. CC[1]) upgrade +12.9%: $121.1m (+41.8% vs. FY22)

FY23 Earnings Guidance

- Group Revenue: $1.146bn (+11.2% upgrade / +14.9% excl. CC)
- Group EBITDA: $111.1m (+5.5% upgrade / +12.9% excl. CC)

Revenue	EBITDA
$1.146bn	**$111.1m**
+28.0% vs. FY22	**+32.9% vs. FY22**
+11.2% upgrade	**+5.5% upgrade**

Revenue (excl. CC)	EBITDA (excl. CC)
$1.078bn	**$121.1m**
+34.1% vs. FY22	**+41.8% vs. FY22**
+14.9% upgrade	**+12.9% upgrade**

Revenue – BaU (excl. CC)	EBITDA – BaU (excl. CC)
$837.6m	**$92.1m**
+31.0% vs. FY22	**+38.0% vs. FY22**

FY23 Forecast ($m)	Actual FY22	Forecast (Feb-23) FY23	FY23(F) (Feb-23) vs. FY22(A) %
Revenue - BaU (excl. CC)	**639.4**	**837.6**	**31.0%**
Revenue - CAT	164.8	240.5	46.0%
Revenue - Total (excl. CC)	**804.2**	**1,078.1**	**34.1%**
Revenue - Commercial Construction	90.8	67.9	
Revenue - Total	**895.0**	**1,145.9**	28.0%
EBITDA - BaU (excl. CC)	**66.8**	**92.1**	**38.0%**
EBITDA - CAT	18.6	29.0	55.8%
EBITDA - Total (excl. CC)	**85.4**	**121.1**	**41.8%**
EBITDA - Commercial Construction	(1.8)	(10.0)	
EBITDA - Total	**83.6**	**111.1**	32.9%

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results and Appendix 4 for detailed analysis of FY23(F) upgrade

[1] As a result of the current market dynamics, the Board and Management have resolved to scale back the Group's commercial construction operations to focus on large-loss insurance building projects

1.3 Business Highlights – 1H23 Summary

JOHNS LYNG GROUP

Record 1H23 result despite widespread cost & supply chain pressures underscores JLG's 'Defensive Growth' investment thesis

Strong platform for growth with US operations performing well & significant CAT work-in-hand

FY23 Earnings Guidance

- Group Revenue: $1.146bn (+11.2% upgrade / +14.9% excl. CC)
- Group EBITDA: $111.1m (+5.5% upgrade / +12.9% excl. CC)

Strong Balance Sheet & Ample Liquidity

- Net cash: $29.8m plus undrawn (committed) facilities: >$60m

Corporate Governance Update

- Board restructure: moving to 5 Independent NED's and 3 ED's
- New "Securities Trading" and "Related Party Transaction" policies approved and issued

Results / Recent Trading

- Strong 1H23 run-rate with momentum into 2H23 (record job registrations and work-in-hand pipeline)
- Management will continue to provide regular market updates

Organic Growth Strategy Unchanged

- Organic growth via geographical expansion, new client / contract wins and diversification into 'complementary adjacencies'
  - New client and panel wins / extensions expected to deliver incremental IB&RS job volumes during 2H23
- Strata and broker markets continue to be a key focus for FY23
  - Continuing roll-out of Johns Lyng Strata Services and "Emergency Broker Response" service
- Grow US market presence – US platform well established

1H23 Completed Acquisitions

A1Estimates | North Shore Strata Management | Adpen Strata

- Additional buy-out of Trevor Bright's 44.5% minority equity interest in Bright & Duggan
- Additional strategic acquisitions under assessment

JLG's Defensive Growth Investment Thesis

- Very large domestic and international market opportunity
- IB&RS revenues are non-discretionary spend for customers
  - Recurring (annuity style) revenues materially insulated from economic cycles
- JLG's subcontractor base >12.5k
  - JLG's deep regional relationships and certainty of ongoing work allocation for subcontractors are key differentiators
- Structural nature of IB&RS panel arrangements (predominantly cost-plus contracts) offers protection from inflationary pressures
- Client diversification mitigates concentration risk – largest individual insurance counterparty contributes <4% of revenue
- >64k jobs completed in 1H23 – very large job volumes mitigate project concentration risk
- Blue chip counterparties (predominantly insurance companies and Governments) - mitigates credit risk
- Strong balance sheet (net cash) offers protection from rising interest rates

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results and Appendix 4 for detailed analysis of FY23(F) upgrade

1.4 Summary – Current CAT Events

JOHNS LYNG GROUP

Record 1H23 CAT result with significant work-in-hand expected to contribute to multiple future periods

SE QLD & NSW Floods (Feb-22)

- Rainfall of 887mm fell during Feb-22 – more than double the previous high of 366mm in Feb-20
- In 3 days alone, Brisbane received 80% of its average annual rainfall
- The ICA's current estimated cost of claims is ~$5.74bn (largest Australian CAT event on record)
- **In Mar-22, JLG announced it had been awarded a ~$142m contract to manage the NSW Government's "Property Assessment and Demolition Program"**

VIC, NSW & TAS Floods (Oct-22)

- Severe flooding across VIC, NSW and TAS
- Rainfall of ~300mm fell in VIC with TAS experiencing >400mm
- The ICA's current estimated cost of claims is ~$592m
- Johns Lyng has mobilised internal resources and subcontractors from across the country to assist in the clean-up effort across the Makesafe, Restorx and Insurance Builders brands
- **In Oct-22, JLG announced it had been appointed by the VIC Government (Emergency Recovery Victoria) to assist those affected by the flood disaster**

Hurricane Ian Florida, US (Oct-22)

- Large and destructive near Category 5 Atlantic hurricane
- Deadliest hurricane to strike Florida since 1935 resulting in over 157 fatalities
- The National Oceanic and Atmospheric Administration estimate total losses of ~$112bn making it the costliest in Florida's history and third-costliest in US history
- **Newly launched Makesafe USA completed a significant number of jobs during the initial response with Express Builders USA and Reconstruction Experts continuing to carry out emergency and reconstruction work**

Source: Insurance Council of Australia and National Oceanic and Atmospheric Administration

1.5 Business Highlights – Portfolio Summary

- **JLG is a leading integrated building services group, delivering building, restoration & strata management services across Australia & the USA**
- **Focused on recurring revenues & deep client relationships, JLG's strategically aligned businesses deliver >125k discrete jobs p.a.**

Insurance Building & Restoration Services (IB&RS)

Building fabric repair and contents restoration after damage from insured events including: impact, weather and fire events. Hazardous waste removal, emergency domestic (household) repairs, strata management and property / facilities management.

IB&RS ($m)	1H23(A)	Contribution
Revenue	560.9	88.2%
EBITDA	64.3	108.1%

Commercial Building Services (CBS)

Residential and commercial flooring, shop-fitting, pre-sale property staging and commercial heating, ventilation and air conditioning mechanical services.

CBS ($m)	1H23(A)	Contribution
Revenue	33.0	5.2%
EBITDA	3.7	6.2%

Commercial Construction (CC)

Johns Lyng Commercial Builders undertakes commercial construction projects ranging from $3m to $20m in Victoria including large-loss insurance rebuilds and cladding rectification work[1]

CC ($m)	1H23(A)	Contribution
Revenue	41.6	6.5%
EBITDA	(5.1)	(8.5%)
Revenue - other	0.1	0.0%
EBITDA - other (incl. corporate overheads)	(3.5)	(5.8%)
Total Group Revenue	**635.6**	**100.0%**
Total Group EBITDA	**59.4**	**100.0%**

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

[1] As a result of the current market dynamics, the Board and Management have resolved to scale back the Group's commercial construction operations to focus on large-loss insurance building projects

1.6 Business Highlights – Global Locations

JOHNS LYNG GROUP

JOHNS LYNG GROUP

45 Locations Nationally[1]

- Head Office (1)
- State/Territory Offices (6)
- Regional Offices (29)
- Operational Warehouses (3)
- Novari Collective(2)
- Air Control (3)[2]
- Unitech Building Services (1)

1 Excluding Bright & Duggan Strata Management and Steamatic Australia

2 Air Control also operates from Johns Lyng's offices in Sydney and Brisbane

bright & duggan

australia's strata leader

18 East Coast Locations[1]

Capitol FOLLOW THE LEADER

change strata management

structure BUILDING MANAGEMENT

SHIFT

BrisBay Pty Ltd

- Bright & Duggan (15)
- Capitol (3)

STEAMATIC total cleaning & restoration

40 Locations Nationally

- Company-owned Locations (5)
- Franchise Locations (35)

Regional Victoria Locations

Gippsland	Brimbank
Bendigo	Yea
Ballarat	Moreland
Shepparton	Horsham
Albury-Wodonga	Warrnambool
Mildura	Geelong

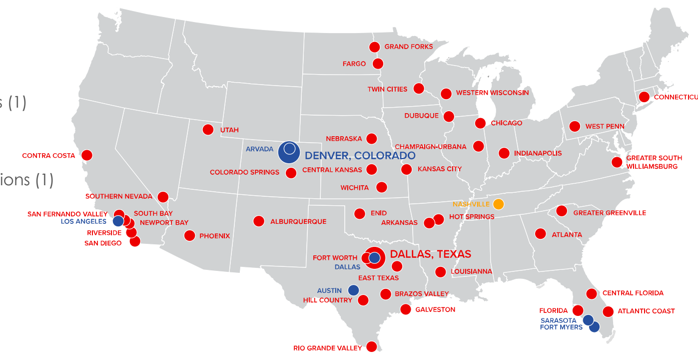
50 Locations Nationally

STEAMATIC

- Steamatic Headquarters (1)
- Franchise Locations (41)
- Company-owned Locations (1)

RE

- RE Headquarters (1)
- Office Locations (6)



// Johns Lyng Group

#02

Financial Information.

Our deep industry **experience** and diversified service offering creates a **unique** blend of **talent** and **capabilities** which is a sustainable source of **competitive advantage**.

Commercial Building Services & Construction Brands

2.1 Financial Summary – Group Profit & Loss

JOHNS LYNG GROUP

Consolidated Group 1H23 EBITDA: $59.4m (+63.0% vs. 1H22)

Revenue (Group)

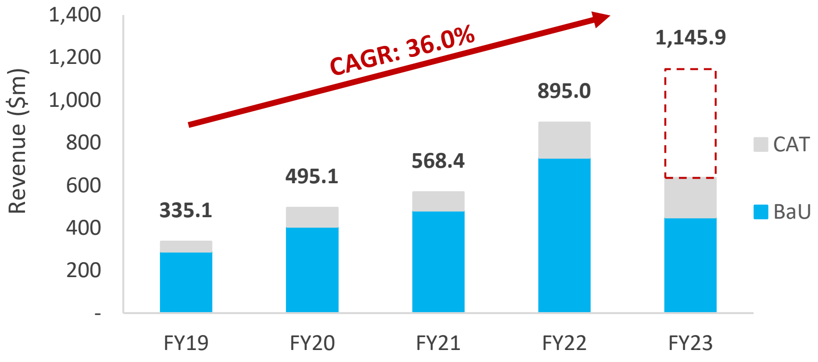
- **Total Revenue: $635.6m** (+71.2%)
- **BaU Revenue: $449.5m** (+47.6%)
- **CAT Revenue: $186.1m** (+178.9%)

EBITDA (Group)

- **Total EBITDA: $59.4m** (+63.0%)
- **BaU EBITDA: $38.1m** (+32.1%)
- **CAT EBITDA: $21.3m** (+180.3%)

Consolidated Profit & Loss ($m)	Actual 1H22	Actual 1H23	1H23(A) vs. 1H22(A) %
Revenue - BaU	**304.6**	**449.5**	**47.6%**
Revenue - CAT	66.7	186.1	178.9%
Revenue - Total	**371.3**	**635.6**	**71.2%**
Gross Profit	**80.6**	**134.0**	**66.3%**
Margin (%)	*21.7%*	*21.1%*	
EBITDA - BaU	**28.9**	**38.1**	**32.1%**
Margin (%)	*9.5%*	*8.5%*	
EBITDA - CAT	7.6	21.3	180.3%
Margin (%)	*11.4%*	*11.5%*	
EBITDA - Total	**36.5**	**59.4**	**63.0%**
Margin (%)	*9.8%*	*9.4%*	

Historical Revenue ($m)



Historical Revenue ($m)	FY19	FY20	FY21	FY22	1H23
BaU	288.9	406.1	481.8	730.2	449.5
CAT	46.2	89.0	86.5	164.8	186.1
Total Revenue	**335.1**	**495.1**	**568.4**	**895.0**	**635.6**
CAT % of Total Revenue	*13.8%*	*18.0%*	*15.2%*	*18.4%*	*29.3%*
CAT % of IB&RS Revenue	*17.7%*	*22.4%*	*19.5%*	*21.9%*	*33.2%*

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

2.2 Segment Analysis – IB&RS

JOHNS LYNG GROUP

EBITDA growth: +89.2% (incl. 62.9% BaU growth & record CAT activity)

Revenue (IB&RS)

- **Total Revenue: $560.9m** (+88.2%)
- **BaU Revenue: $374.8m** (+62.1% / +15.8% excl. acquisitions)
- **CAT Revenue: $186.1m** (+178.9%)

EBITDA (IB&RS)

- **Total EBITDA: $64.3m** (+89.2%)
- **BaU EBITDA: $42.9m** (+62.9% / +15.1% excl. acquisitions)
- **CAT EBITDA: $21.3m (+180.3%)**

Segment Analysis - IB&RS ($m)	Actual 1H22	Actual 1H23	1H23(A) vs. 1H22(A) %
Revenue - BaU	**231.3**	**374.8**	**62.1%**
Revenue - BaU (excl. FY22 & FY23 acquisitions)	207.0	239.6	15.8%
Revenue - CAT	66.7	186.1	178.9%
Revenue - CAT (excl. FY22 & FY23 acquisitions)	66.3	172.4	159.9%
Revenue - Total	**298.0**	**560.9**	**88.2%**
EBITDA - BaU	**26.4**	**42.9**	**62.9%**
Margin (%)	*11.4%*	*11.5%*	
EBITDA - BaU (excl. FY22 & FY23 acquisitions)	21.7	25.0	15.1%
Margin (%)	*10.5%*	*10.4%*	
EBITDA - CAT	7.6	21.3	180.3%
Margin (%)	*11.4%*	*11.5%*	
EBITDA - CAT (excl. FY22 & FY23 acquisitions)	7.0	18.0	158.4%
Margin (%)	*10.5%*	*10.4%*	
EBITDA - Total	**34.0**	**64.3**	**89.2%**
Margin (%)	*11.4%*	*11.5%*	

CAT EBITDA presented for illustrative purposes only.

Calculated at average IB&RS margin.

Recent CAT & Peak Events[1]			
Cyclone Owen, QLD (Dec-18)	QLD, NSW, VIC & SA Bushfires (Nov-Feb-20) – CAT	Perth Hills, WA Bushfire (Feb-21) – CAT	**SE QLD & NSW Floods (Feb-22) - CAT**
Victoria Storms (Dec-18)	SE QLD Hailstorm (Nov-19) – CAT	**NSW & SE QLD Floods (Mar-21) – CAT**	**VIC, NSW & TAS Floods (Oct-22) - CAT**
Sydney Hailstorm (Dec-18) - CAT	ACT, VIC & NSW Hailstorms (Jan-20) – CAT	**Cyclone Seroja, WA (Apr-21) - CAT**	**Hurricane Ian (Oct-22) – CAT**
Townsville Floods (Feb-19) - CAT	East Coast Low (Feb-20) – CAT	**VIC Storms & Floods (Jun-21) - CAT**	
NSW & QLD Bushfires (Sept-19) – CAT	Central QLD Hailstorm (Apr-20)	VIC Earthquake (Sept-21)	
Rappville, NSW Bushfires (Oct-19) – CAT	**SE QLD Hailstorm (Oct-20) – CAT**	**SA, VIC, TAS Severe Storms (Oct-21) - CAT**	

JLG does not forecast for CAT events. Forecast CAT revenue and EBITDA relates to the contracted work-in-hand from various recent CAT events

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

[1] Active CAT events highlighted red

2.2.1 Segment Analysis – CBS & Commercial Construction

JOHNS LYNG GROUP

Strong recovery out of COVID-19 restrictions for CBS & CC repositioned with focus on large-loss insurance work

Commercial Building Services

- **Revenue: $33.0m** (+27.0%)
- **EBITDA: $3.7m** (+9.2%)
  - Continued recovery post COVID-19 with job volumes and work-in hand remaining high

Commercial Construction

- **Revenue: $41.6m**
- **EBITDA: ($5.1m)**
  - Challenging 1H23 driven by significant input cost inflation which eroded margins for the current contracted work-in-progress
  - As a result of the current market dynamics, the Board and Management have resolved to scale back the Group's commercial construction operations to focus on large-loss insurance building projects
  - Accordingly, this will significantly reduce the division's risk profile going forward
  - Existing Commercial Construction projects are expected to be completed over next 12 months

Segment Analysis - CBS ($m)	Actual 1H22	Actual 1H23	1H23(A) vs. 1H22(A) %
Commercial Building Services			
Revenue	26.0	33.0	27.0%
EBITDA	**3.4**	**3.7**	**9.2%**
Margin (%)	*13.0%*	*11.2%*	

Segment Analysis - CC ($m)	Actual 1H22	Actual 1H23	1H23(A) vs. 1H22(A) %
Commercial Construction			
Revenue	47.2	41.6	(11.8%)
EBITDA	**1.2**	**(5.1)**	
Margin (%)	*2.5%*	*(12.2%)*	

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

JOHNS LYNG GROUP

Strong balance sheet, ample liquidity & sufficient capacity to fund organic growth & bolt-on M&A

Balance Sheet (31 Dec-22)

- Net assets: $372.9m
- Net cash: $29.8m
  - Undrawn (committed) revolving credit facilities: >$60m
  - Ample liquidity and sufficient balance sheet capacity to fund organic growth and current bolt-on M&A pipeline

Capital Efficiency Metrics

- Strong capital efficiency metrics driven by asset-light balance sheet including:
  - RoCE[1]: 63.2%
  - RoE[1,2]: 36.3%

Earnings per Share

- EPS: 9.68 cents (+87.8% vs. 1H22)
- EPS-A (normalised)[3]: 10.16 cents (+66.2% vs. 1H22)

Balance Sheet ($m)	Actual Jun-22	Actual Dec-22
Total Assets	638.7	701.3
Net Assets	332.8	372.9
Cash	57.0	82.6
Debt (3rd Party)	(35.3)	(52.8)
Net Cash / (Debt)	**21.7**	**29.8**

Capital Efficiency Metrics[4] ($m)	Actual LTM Dec-21	Actual LTM Dec-22
Return on Capital Employed (RoCE)		
EBITDA (excl. FY22 & FY23 acquisitions)	56.1	64.8
Adjusted SH Funds + 3rd Party Debt	77.0	102.5
Return on Capital Employed	**72.9%**	**63.2%**
Return on Equity (RoE)		
NPAT Attributable to JLG SH's (excl. FY22 & FY23 acquisitions)	21.4	23.7
Equity Attributable to JLG Shareholders	48.9	65.2
Return on Equity	**43.7%**	**36.3%**

Earnings per Share (EPS) (cents)	Actual 1H22	Actual 1H23
Earnings per Share - Statutory	5.15 cents	9.68 cents
Earnings per Share - A - Normalised	**6.11 cents**	**10.16 cents**

[1] Pro-forma calculation excludes $225.9m (LTMDec-21: $217.2m) funds received from JLG's equity capital raising announced 13 Dec-21 and the P&L and balance sheet impact of FY22 & FY23 acquisitions
[2] Calculated using NPAT attributable to JLG shareholders excl. tax effected transaction expenses
[3] Calculated using NPAT attributable to JLG shareholders excl. tax effected transaction expenses and tax effected amortisation of acquired intangible assets
[4] Refer to Appendix 3 for detailed reconciliation of capital efficiency metrics

2.4 Cash Flow & Working Capital

JOHNS LYNG GROUP

Highly cash generative business, low capex requirements & consistent working capital dynamics

Capital Expenditure

- Capex primarily consists of vehicles, plant and equipment
  - Fleet includes 698 vehicles at 31 Dec-22 vs. 494 at 31 Dec-21
  - 1H23 growth capex includes ~$6.5m ‘temporary accommodation assets’ purchased as part of JLG’s CAT response for VIC Government
    - Elmore temporary accommodation village delivered during 1H23 for flood affected families including supply and installation of accommodation units and infrastructure

Working Capital

- Working capital cycle is actively managed - strong focus on cash flow with materially consistent working capital metrics

Cash Conversion

- Operating cash flow (pre-interest and tax): $70.4m (~120% cash conversion from EBITDA)
  - Strong 1H23 cash conversion (~120% EBITDA) - foreshadowed at FY22
    - Working capital normalising post 2H22 CAT mobilisation and spike in job volumes in response to SE QLD & NSW Floods CAT (Feb-22)

Interim Dividend (1H23)

- Interim dividend of 4.5 cents per share (+66.7% / ~47% payout ratio)
  - Record date of entitlement: 27 Feb-23
  - Dividend payment date: 14 Mar-23
  - Dividend policy unchanged: 40%-60% NPAT[1]

Capital Expenditure ($m)	Actual 1H22	Actual 1H23
Plant & Equipment	2.4	2.9
Temporary Accommodation Assets (JL Disaster Mgt)	-	6.5
Plant & Equipment - Total	2.4	9.4
Motor Vehicles	2.1	4.6
Leasehold Improvements	0.2	0.5
Computer Equipment	0.0	0.0
Capitalised Software Development	0.7	0.9
Total Capital Expenditure	**5.3**	**15.4**

Working Capital	Actual LTM Jun-22	Actual LTM Dec-22
Days Sales Outstanding (Count-back)	41.8	34.1
Days Purchases Outstanding (Count-back)	46.6	43.0

Cash Conversion ($m)	Actual 1H22	Actual 2H22	Actual 1H23
EBITDA (Normalised)	**36.5**	**47.1**	**59.4**
Normalisations[2]	(2.5)	(7.0)	(0.6)
EBITDA (Statutory)	**34.0**	**40.1**	**58.8**
Movement in Accrued Income	1.4	(31.3)	3.2
Movement in Income in Advance	3.0	8.6	7.6
Movement in Work in Progress (Net)	4.4	(22.6)	10.8
Movement in Debtors & Creditors (Net)	(9.2)	(9.4)	0.9
Movement in Working Capital - Other	2.3	(0.9)	(1.1)
Movement in Working Capital - Total	**(2.5)**	**(32.9)**	**10.5**
Non-cash Items	1.8	1.7	1.1
Net Cash from Operating Activities (Pre-interest & Tax)	**33.2**	**9.0**	**70.4**
Cash Conversion (%) - Statutory	**97.7%**	**22.3%**	**119.7%**

[1] Statutory NPAT attributable to JLG shareholders

[2] Normalisations include transaction expenses - Refer to Appendix 1 for detailed reconciliation to statutory results

Select Clients

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#03

Strategy & Growth.

Whether they are core business **acquisitions, start-ups** or opportunities in '**complementary adjacencies**', JLG is well positioned to embrace and capitalise on **growth initiatives**.

3.1 JLG's 4 Key Pillars for Growth

Refer to Appendix 5 for a detailed discussion of our strategic objectives

Organic growth complemented by strategic & bolt-on M&A

3.2 Strategy & Growth

Significant progress against strategic priorities during 1H23

New Contract Wins

- QBE: 3 year national building contract extension
- Allianz: 1 year national restoration contract extension
- Comminsure: 1 year national building and restoration contract extension
- IAG: 5 year national building contract extension
- RACQ: 3 year QLD contract extension
- JL Disaster Mgt: multi-phase work programs awarded:
  - NSW Gov (Feb-22 Floods): Property Assessment and Demolition Program
  - VIC Gov (Oct-22 Floods): debris clean-up, property assessments and Elmore Temporary Accommodation

Strategic Initiatives

- New offices opened in: Melbourne CBD (JL Disaster Mgt), Rochester, Seymour, Newcastle, Moruya Heads, Bankstown and Auckland (NZ)
- Growth in broker market ("Emergency Broker Response" service)
- Targeting new clients and panels
- Deeper penetration of US market – growth platform established through acquisition of Reconstruction Experts
- New service lines launched: JL Disaster Management, JL Energy, Makesafe USA, Express USA and US CAT response

Strata Market Focus

- Key focus on building and restoration services for Strata Insurers in FY23
- Established designated Strata Building Services division - national roll-out on track
- Significant synergies with Bright & Duggan
- Multiple cross-sell opportunities per dwelling: insurance building and restoration, emergency and scheduled trades (B2B) and 'behind the door' services (B2C)
- Estimated 2.9m lots nationwide (insured value c.$1.2tn)[1]

M&A

- 3 acquisitions completed during 1H23 - integration ongoing
- Additional buy-out of Trevor Bright's 44.5% minority equity interest in Bright & Duggan
- Additional M&A opportunities under evaluation:
  - Consolidation of highly fragmented IB&RS and Strata Management markets
  - US platform established – bolt-ons under assessment
  - Diversification into 'complementary adjacencies'

[1] https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/

3.3 JL USA – Progress Snapshot

US operations performing well with key leadership team in place

1

Strong 1H23 Earnings

Plus upside from Hurricane Ian

2

Integration complete

- Key leadership team equity partnerships complete
- Strategic plan in place
- Cultural alignment exceeding expectations

3

Hurricane Ian

First CAT event since acquisition – demonstrates size of US opportunity and Management's capability to respond

4

New Service Line Roll-out

Commenced roll-out of key JLG brands alongside Reconstruction Experts and Steamatic

1H23 Financial Performance (RE)

A$116.2m

1H23 Revenue

+23% vs. 2H22

A$13.6m

1H23 EBITDA

~12% margin (in-line with expectations)

Roll-out of JLG Service Lines

RECONSTRUCTION EXPERTS

JOHNS LYNG MAKESAFE BUILDERS

JOHNS LYNG EXPRESS BUILDERS

STEAMATIC Restoration & Cleaning

3.4 JL USA – Progress Update

JOHNS LYNG GROUP

US operations performing well with key leadership team in place

Priority	Launch New Services	Cross-sell	Geographical Expansion	New Business Partners & Regional Leaders
Description	• Roll-out of Johns Lyng's successful Australian brands and operating model in the US across existing locations	• Leverage RE's long-term relationships with HOA's and Steamatic's brand equity to cross-sell within the JL USA group	• Expand US footprint through opening of new offices and / or strategic bolt-on acquisitions	• Implement Johns Lyng's 'tried and tested' equity partnership model in US
Achievements	• JL Express launched in CO, TX and FL • JL Makesafe launched in FL • New service lines complement existing RE and Steamatic operations	• Multiple cross-sell opportunities already realised between RE and Steamatic (see case studies below)	• New office locations and M&A opportunities currently under assessment • Strategic plan in place ('Growth Roadmap' collaboratively agreed with Management)	• New Business Partners appointed in Texas, Florida, California and Colorado – additional 'Rockstars' identified

US Cross-sell Case Studies

Case Study 1: Steamatic to RE

Apr-21	Steamatic New Mexico client suffers total loss
Feb-22	Steamatic reaches out to RE for support
Feb-22	RE pitches to client and signs \$2m 'no-bid' contract

Apartment building fire in Carlsbad, New Mexico

Case Study 2: RE to Steamatic

Apr-22	McBride fire in New Mexico destroys over 200 structures near Las Vegas
Aug-22	RE pitches HOA after property mgt client reaches out and wins \$4m 'no-bid' contract
Sep-22	RE refers ~\$300k revenue to Steamatic New Mexico franchise for single family home losses

McBride fire in New Mexico

Recent acquisitions expand presence in strategically important strata market

Strategy on Track

- Organic growth through geographical expansion, new client wins and diversification into 'complementary adjacencies'
- Strata and broker markets continue to be a key focus for organic growth in FY23 (insurance panels and direct facilities maintenance)
- 2 bolt-on strata acquisitions completed during 1H23 plus acquisition of Trevor Bright's 44.5% minority equity interest in Bright & Duggan

Acquisition of North Shore Strata Management (NSS) and Adpen Strata (Adpen) – strategic bolt-on acquisitions for Bright & Duggan (B&D)

- **North Shore Strata:** 80% controlling equity interest acquired effective 1 Nov-22
  - QLD-based strata management company with 1,751 lots under management across 250 schemes
  - $1.933m cash at Completion plus an earn-out of up to $446k payable in cash
- **Adpen:** 100% equity interest acquired effective 1 Nov-22
  - Brisbane-based strata management company with 372 lots under management across 40 schemes
  - $322k cash at Completion
- As announced to the market on 26 Aug-22, post the retirement of Trevor Bright as Executive Chairman of Bright & Duggan, JLG acquired his 44.5% equity interest in B&D for $25.6m ($15.4m (60%) in cash and $10.2m (40%) in JLG Ltd shares)
- Bright & Duggan's current portfolio comprises approximately:

~91k
Lots / Units

~3.8k
Building / Strata Schemes

JLG's Strata Market Strategy

- The Australian strata market comprises more than 2.9m strata titled lots nationally – represents a compelling investment and growth opportunity with inherent revenue synergies in collaboration with the Group's other businesses
- JLG will support long-standing management shareholders to grow Bright & Duggan in its existing markets and additionally cross-sell the Group's various building services – multiple cross-sell opportunities per dwelling: insurance building and restoration, emergency trades, scheduled trades and 'behind the door' services (direct to customer)

3.5.1 Strategy & Growth - Recent Acquisitions

Recent IB&RS acquisition strategically expands estimating capacity to service incremental BaU & CAT work

A1Estimates

Acquisition of A1 Estimates (A1) – strategic bolt-on acquisition for JLG's core IB&RS division

- 60% controlling equity interest acquired effective 1 Nov-22
  - 40% equity retained by founder, Tom Jordan
- Cash at Completion of $1.515m, plus deferred consideration of $550k payable in JLG Ltd shares, plus potential future earn-out of up to $276k payable in JLG Ltd shares
- A1 is a Byron Bay-based insurance repairs estimating business that has worked as a key subcontractor for the Group's Flood Property Assessment Program in Northern NSW
- A1 represents an important step in expanding the Group's estimating capacity and Johns Lyng Disaster Management's service capability

JOHNS LYNG DISASTER RECOVERY

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#04

FY23 Outlook.

JLG has a demonstrable track record of **growth and financial control**. Significant market opportunities exist to continue this trend.

4.1 FY23 Outlook

JOHNS LYNG GROUP

Record outlook - FY23(F) EBITDA (excl. CC[1]) upgrade +12.9%: $121.1m (+41.8% vs. FY22)

FY23 Outlook

- **Group Revenue: $1.146bn** (+28.0% vs. FY22 / +34.1% excl. CC – represents +14.9% upgrade excl. CC)
  - **BaU Revenue (excl. CC): $837.6m** (+31.0% vs. FY22 / +11.5% excl. acquisitions)
- **Group EBITDA: $111.1m** (+32.9% vs. FY22 / +41.8% excl. CC – represents +12.9% upgrade excl. CC)
  - **BaU EBITDA (excl. CC): $92.1m** (+38.0% vs. FY22 / +26.2% excl. acquisitions)
- Strong momentum from 1H23 expected to continue to drive results - potential 2H23 upside from:
  - Job volume ramp up from recent contract wins;
  - New clients and contracts;
  - Deeper market penetration in WA, SA, NT and TAS;
  - Continuing roll-out of Johns Lyng Strata Services;
  - Integration of recent acquisitions - revenue synergies expected from:
    - Roll-out of additional JLG service lines in the US; and
    - Strata Building Services cross-sell;
  - Additional strategic acquisitions under assessment; and
  - Ongoing CAT responses and future CAT events - ICA declared 2 CAT events during 1H23

FY23 Forecast ($m)	Actual FY22	Forecast (Feb-23) FY23	FY23(F) (Feb-23) vs. FY22(A) %
Revenue - BaU (excl. CC)	**639.4**	**837.6**	**31.0%**
Revenue - BaU (excl. FY22 & FY23 acquisitions & CC)	498.9	556.3	11.5%
Revenue - CAT	164.8	240.5	46.0%
Revenue - CAT (excl. FY22 & FY23 acquisitions)	145.1	212.7	46.6%
Revenue - Total (excl. CC)	**804.2**	**1,078.1**	**34.1%**
Revenue - Commercial Construction	90.8	67.9	
Revenue - Total	**895.0**	**1,145.9**	28.0%
EBITDA - BaU (excl. CC)	**66.8**	**92.1**	**38.0%**
EBITDA - BaU (excl. FY22 & FY23 acquisitions & CC)	45.1	56.9	26.2%
EBITDA - CAT	18.6	29.0	55.8%
EBITDA - CAT (excl. FY22 & FY23 acquisitions)	14.5	25.1	72.8%
EBITDA - Total (excl. CC)	**85.4**	**121.1**	**41.8%**
EBITDA - Commercial Construction	(1.8)	(10.0)	
EBITDA - Total	**83.6**	**111.1**	32.9%

Margin Analysis		
EBITDA - BaU Margin (excl. CC)	*10.4%*	*11.0%*
EBITDA - BaU Margin (excl. FY22 & FY23 acquisitions & CC)	*9.0%*	*10.2%*
EBITDA - CAT Margin	*11.3%*	*12.1%*
EBITDA - CAT Margin (excl. FY22 & FY23 acquisitions)	*10.0%*	*11.8%*
EBITDA - Total Margin (excl. CC)	*10.6%*	*11.2%*

JLG does not forecast for CAT events. CAT revenue is contracted work-in-hand from various recent CAT events.

CAT EBITDA presented for illustrative purposes only. Calculated at average IB&RS margin.

Historical CAT Revenue vs. Forecast	FY20(A)	FY21(A)	FY22(A)	FY23(F)
CAT Revenue Forecast (original at start of FY)	31.6	20.3	46.4	100.5
CAT Revenue - Actual	89.0	86.5	164.8	240.5
Historical CAT Outperformance vs. Fcst	**57.4** *181.7%*	**66.2** *325.9%*	**118.3** *254.8%*	**140.0** *139.3%*

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results and Appendix 4 for detailed analysis of FY23(F) upgrade

[1] As a result of the current market dynamics, the Board and Management have resolved to scale back the Group's commercial construction operations to focus on large-loss insurance building projects

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Appendices.

JLG's **high performance culture** drives consistent, high **quality outcomes** for clients and additional repeat business.

Appendix 1: Financial Reconciliation to Statutory Results

JOHNS LYNG GROUP

Reconciliation	FY21 1H21 (A)	FY21 2H21 (A)	FY21 FY21 (A)	FY22 1H22 (A)	FY22 2H22 (A)	FY22 FY22 (A)	FY23 1H23 (A)	FY23 FY23 (F)
Revenue								
IB&RS								
IB&RS - BaU	**178.6**	**179.4**	**358.0**	**231.3**	**355.2**	**586.5**	**374.8**	
IB&RS - CAT	38.2	48.4	86.5	66.7	98.0	164.8	186.1	
IB&RS - Total	**216.7**	**227.8**	**444.6**	**298.0**	**453.2**	**751.3**	**560.9**	
IB&RS - FY22 & FY23 Acquisitions - BaU	-	-	-	*(24.3)*	*(116.3)*	*(140.6)*	*(135.2)*	
IB&RS - BaU (excl. FY22 & FY23 Acquisitions)	*178.6*	*179.4*	*358.0*	*207.0*	*238.9*	*445.9*	*239.6*	
IB&RS - FY22 & FY23 Acquisitions - CAT	-	-	-	*(0.4)*	*(19.3)*	*(19.7)*	*(13.7)*	
IB&RS - CAT (excl. FY22 & FY23 Acquisitions)	*38.2*	*48.4*	*86.5*	*66.3*	*78.8*	*145.1*	*172.4*	
IB&RS - Total (excl. FY22 & FY23 Acquisitions)	*216.7*	227.8	*444.6*	*273.4*	317.7	*591.0*	*412.1*	
CBS	22.3	23.5	45.7	26.0	26.6	52.6	33.0	
CC	38.8	39.1	77.8	47.2	43.6	90.8	41.6	
Other	0.1	0.2	0.2	0.2	0.2	0.3	0.1	
Total Revenue (Statutory)	277.8	290.5	568.4	371.3	523.7	895.0	635.6	1,145.9
Total Revenue (Normalised)	**277.8**	**290.5**	**568.4**	**371.3**	**523.7**	**895.0**	**635.6**	**1,145.9**
Total - CAT	38.2	48.4	86.5	66.7	98.0	164.8	186.1	240.5
Total - FY22 & FY23 Acquisitions - CAT	-	-	-	*(0.4)*	*(19.3)*	*(19.7)*	*(13.7)*	*(27.8)*
Total - CAT (excl. FY22 & FY23 Acquisitions)	***38.2***	***48.4***	***86.5***	***66.3***	***78.8***	***145.1***	***172.4***	***212.7***
Total - BaU (Normalised)	**239.7**	**242.2**	**481.8**	**304.6**	**425.7**	**730.2**	**449.5**	**905.4**
Total - FY22 & FY23 Acquisitions - BaU	-	-	-	*(24.3)*	*(116.3)*	*(140.6)*	*(135.2)*	*(281.3)*
Total - BaU (Normalised excl. FY22 & FY23 Acquisitions)	***239.7***	***242.2***	***481.8***	***280.3***	***309.3***	***589.7***	***314.3***	***624.1***

Reconciliation	FY21 1H21 (A)	FY21 2H21 (A)	FY21 FY21 (A)	FY22 1H22 (A)	FY22 2H22 (A)	FY22 FY22 (A)	FY23 1H23 (A)	FY23 FY23 (F)
EBITDA (AASB 16)								
IB&RS								
IB&RS - BaU	21.8	19.0	40.9	24.1	33.0	57.0	42.5	
IB&RS - Normalisations - Transaction Costs	*0.1*	*(0.0)*	*0.1*	*2.3*	*6.9*	*9.2*	*0.5*	
IB&RS - BaU (Normalised)	**21.9**	**19.0**	**40.9**	**26.4**	**39.9**	**66.3**	**42.9**	
IB&RS - CAT	4.7	5.2	9.9	7.6	11.0	18.6	21.3	
IB&RS - Total (Normalised)	**26.6**	**24.2**	**50.8**	**34.0**	**50.9**	**84.9**	**64.3**	
IB&RS - FY22 & FY23 Acquisitions - BaU	-	-	-	*(5.2)*	*(18.3)*	*(23.5)*	*(19.7)*	
CAT Margin Adjustment (Pre-Acquisition EBITDA Margin) [1]	-	-	-	*0.6*	*1.3*	*1.9*	*1.8*	
IB&RS - BaU (excl. FY22 & FY23 Acquisitions)	*21.9*	*19.0*	*40.9*	*21.7*	*22.9*	*44.6*	*25.0*	
IB&RS - FY22 & FY23 Acquisitions - CAT	-	-	-	*(0.0)*	*(2.2)*	*(2.2)*	*(1.6)*	
CAT Margin Adjustment (Pre-Acquisition EBITDA Margin) [1]	-	-	-	*(0.6)*	*(1.3)*	*(1.9)*	*(1.8)*	
IB&RS - CAT (excl. FY22 & FY23 Acquisitions)	*4.7*	*5.2*	*9.9*	*7.0*	*7.6*	*14.5*	*18.0*	
IB&RS - Total (excl. FY22 & FY23 Acquisitions)	*26.6*	*24.2*	*50.8*	*28.7*	*30.4*	*59.1*	*43.0*	
CBS	(0.1)	1.7	1.6	3.4	1.9	5.2	3.6	
Normalisations - Transaction Costs	*0.1*	*0.0*	*0.1*	*0.0*	*0.0*	*0.0*	*0.1*	
Normalisations - Trump NSW/QLD G'will W'off	*1.8*	-	*1.8*	-	-	-	-	
CBS (Normalised)	*1.8*	*1.7*	*3.5*	*3.4*	*1.9*	*5.2*	*3.7*	
CC	1.2	0.9	2.1	1.2	(3.0)	(1.8)	(5.1)	
Other	0.1	0.6	0.7	0.9	1.4	2.3	1.4	
Public Company Opex	(0.3)	(0.4)	(0.7)	(0.6)	(0.6)	(1.2)	(1.4)	
Normalisations - Transaction Costs	0.1	0.1	0.2	0.2	0.0	0.2	0.1	
Public Company Opex (Normalised)	*(0.2)*	*(0.3)*	*(0.5)*	*(0.4)*	*(0.5)*	*(1.0)*	*(1.4)*	
Executive Incentive Plan	(1.8)	(2.3)	(4.1)	(2.5)	(3.5)	(6.0)	(3.5)	
Total EBITDA (Statutory)	25.7	24.7	50.4	34.0	40.1	74.1	58.8	110.5
Total Normalisations	2.0	0.2	2.2	2.5	7.0	9.4	0.6	0.6
Total EBITDA (Normalised)	**27.7**	**24.9**	**52.6**	**36.5**	**47.1**	**83.6**	**59.4**	**111.1**
Total - CAT	4.7	5.2	9.9	7.6	11.0	18.6	21.3	29.0
Total - FY22 & FY23 Acquisitions - CAT	-	-	-	*(0.0)*	*(2.2)*	*(2.2)*	*(1.6)*	*(3.4)*
CAT Margin Adjustment (Pre-Acquisition EBITDA Margin) [1]	-	-	-	*(0.6)*	*(1.3)*	*(1.9)*	*(1.8)*	*(0.6)*
Total - CAT (excl. FY22 & FY23 Acquisitions)	***4.7***	***5.2***	***9.9***	***7.0***	***7.6***	***14.5***	***18.0***	***25.1***
Total - BaU (Normalised)	**23.0**	**19.7**	**42.7**	**28.9**	**36.1**	**64.9**	**38.1**	**82.1**
Total - FY22 & FY23 Acquisitions - BaU	-	-	-	*(5.2)*	*(18.3)*	*(23.5)*	*(19.7)*	*(35.8)*
CAT Margin Adjustment (Pre-Acquisition EBITDA Margin) [1]	-	-	-	*0.6*	*1.3*	*1.9*	*1.8*	*0.6*
Total - BaU (Normalised excl. FY22 & FY23 Acquisitions)	***23.0***	***19.7***	***42.7***	***24.2***	***19.1***	***43.3***	***20.2***	***46.9***

[1] CAT EBITDA presented for illustrative purposes only - calculated at average IB&RS margin. Margin adjustment required to recalculate average IB&RS margin when presenting figures excluding acquisitions

Appendix 1: Financial Reconciliation to Statutory Results (Cont.)

JOHNS LYNG GROUP

Reconciliation	FY21			FY22			FY23
	1H21 (A)	2H21 (A)	FY21 (A)	1H22 (A)	2H22 (A)	FY22 (A)	1H23 (A)
EBIT, PBT, NPAT & CAPEX (AASB 16)							
Depreciation & Amortisation	(4.5)	(5.0)	(9.6)	(6.2)	(8.9)	(15.1)	(9.5)
EBIT							
Statutory	21.2	19.6	40.8	27.8	31.3	59.0	49.3
Normalised	**23.2**	**19.8**	**43.0**	**30.2**	**38.2**	**68.5**	**50.0**
Net Interest	(0.8)	(0.9)	(1.7)	(1.0)	(1.2)	(2.2)	(0.5)
PBT							
Statutory	20.4	18.7	39.1	26.8	30.1	56.9	48.9
Transaction Related Bank Fee Amortisation (Interest)	0.0	0.0	0.1	0.0	0.0	0.1	0.0
Normalised	**22.4**	**19.0**	**41.4**	**29.2**	**37.1**	**66.4**	**49.5**
Income Tax Expense	(6.3)	(5.3)	(11.7)	(8.2)	(10.2)	(18.4)	(14.7)
NPAT							
Statutory	14.0	13.4	27.5	18.6	19.9	38.5	34.1
Normalised	**16.1**	**13.6**	**29.7**	**21.1**	**26.9**	**48.0**	**34.8**
CAPEX							
Capex - Total	3.7	3.2	6.9	5.3	7.3	12.6	15.4

Appendix 2: AASB 16 to AASB 117 (Leases) Reconciliation

JOHNS LYNG GROUP

AASB 16 to AASB 117 Reconciliation	FY21			FY22			FY23
	1H21 (A)	2H21 (A)	FY21 (A)	1H22 (A)	2H22 (A)	FY22 (A)	1H23 (A)
EBITDA - Statutory (AASB 16)	**25.7**	**24.7**	**50.4**	**34.0**	**40.1**	**74.1**	**58.8**
Less: Rent Expense Adjustment	(2.4)	(2.5)	(4.9)	(3.1)	(3.8)	(6.8)	(4.2)
EBITDA (AASB 117)	**23.3**	**22.2**	**45.5**	**30.9**	**36.4**	**67.3**	**54.6**
EBIT - Statutory (AASB 16)	**21.2**	**19.6**	**40.8**	**27.8**	**31.3**	**59.0**	**49.3**
Less: Rent Expense Adjustment	(2.4)	(2.5)	(4.9)	(3.1)	(3.8)	(6.8)	(4.2)
Add: Depreciation Expense Adjustment	2.1	2.2	4.3	2.8	3.4	6.2	3.8
EBIT (AASB 117)	**20.9**	**19.4**	**40.3**	**27.4**	**30.9**	**58.4**	**48.9**
PBT - Statutory (AASB 16)	**20.4**	**18.7**	**39.1**	**26.8**	**30.1**	**56.9**	**48.9**
Less: Rent Expense Adjustment	(2.4)	(2.5)	(4.9)	(3.1)	(3.8)	(6.8)	(4.2)
Add: Depreciation Expense Adjustment	2.1	2.2	4.3	2.8	3.4	6.2	3.8
Add: Net Interest Expense Adjustment	0.4	0.4	0.8	0.4	0.5	0.9	0.5
PBT (AASB 117)	**20.5**	**18.8**	**39.3**	**26.9**	**30.2**	**57.1**	**48.9**
Net P&L Impact	**(0.1)**	**(0.1)**	**(0.2)**	**(0.1)**	**(0.1)**	**(0.2)**	**(0.0)**
RoU Assets	14.4		13.5	16.9		18.6	18.3
RoU Lease Liabilities	(16.2)		(15.3)	(18.9)		(20.7)	(20.4)
Net Assets Impact	**(1.8)**		**(1.9)**	**(2.0)**		**(2.1)**	**(2.1)**

Appendix 3: RoCE & RoE Reconciliation

JOHNS LYNG GROUP

Capital Efficiency Metrics ($m)	Actual LTM Dec-21	Actual LTM Dec-22
Return on Capital Employed (RoCE)		
EBITDA (excl. FY22 & FY23 acquisitions[1])	56.1	64.8
Shareholders' Funds (excl. FY22 & FY23 acquisitions[2])	66.9	99.3
NCI Share of Intangibles NBV	(5.9)	(4.9)
Gross Debt (3rd Party) (excl. FY22 & FY23 acquisitions)	25.9	43.0
Surplus Cash (Estimate)	(10.0)	(35.0)
Adjusted SH Funds + 3rd Party Debt	**77.0**	**102.5**
Return on Capital Employed	**72.9%**	**63.2%**
Return on Equity (RoE)		
NPAT Attributable to JLG SH's (excl. FY22 & FY23 acquisitions[3])	21.4	23.7
Shareholders' Funds (excl. FY22 & FY23 acquisitions[2])	66.9	99.3
NCI Liability (excl. FY22 & FY23 acquisitions)	(8.0)	0.9
Surplus Cash (Estimate)	(10.0)	(35.0)
Equity Attributable to JLG Shareholders	**48.9**	**65.2**
Return on Equity	**43.7%**	**36.3%**

[1] Excluding FY22 & FY23 acquisitions and transaction expenses
[2] Pro-forma calculation excludes $225.9m (LTMDec-21: $217.2m) funds received from JLG's equity capital raising announced 13 Dec-21 and the P&L and balance sheet impact of FY22 & FY23 acquisitions
[3] Calculated using NPAT attributable to JLG shareholders excl. tax effected transaction expenses

Appendix 4: FY23(F) Earnings Upgrade Analysis

JOHNS LYNG GROUP

FY23 Forecast ($m)	Forecast (Aug-22) FY23	Upgrade (Feb-23)	Forecast (Feb-23) FY23	IB&RS Blended Margin Adjustment	Forecast (Feb-23) Adjusted FY23	FY23(F) (Feb-23) vs. FY23(F) (Aug-23) %
Revenue - BaU (excl. CC)	**837.6**	**-**	**837.6**	**-**	**837.6**	
Revenue - CAT	100.5	140.0	240.5	-	240.5	139.3%
Revenue - Total (excl. CC)	**938.1**	**140.0**	**1,078.1**	**-**	**1,078.1**	**14.9%**
Revenue - Commercial Construction	92.9	(25.0)	67.9	-	67.9	
Revenue - Total	**1,030.9**	**115.0**	**1,145.9**	**-**	**1,145.9**	11.2%
EBITDA - BaU (excl. CC, Public Co. Opex & EIP)	**102.2**	**-**	**102.2**	**(1.0)**	**101.2**	
EBITDA - CAT	12.2	15.8	28.0	1.0	29.0	136.9%
EBITDA - Total (excl. CC, Public Co. Opex & EIP)	**114.4**	**15.8**	**130.2**	**-**	**130.2**	**13.8%**
EBITDA - Public Co. Opex & Executive Incentive Plan	(7.1)	(2.0)	(9.1)	-	(9.1)	
EBITDA - Total (excl. CC)	**107.3**	**13.8**	**121.1**	**-**	**121.1**	**12.9%**
EBITDA - Commercial Construction	(2.0)	(8.0)	(10.0)	-	(10.0)	
EBITDA - Total	**105.3**	**5.8**	**111.1**	**-**	**111.1**	5.5%

Margin Analysis					
EBITDA - BaU Margin (excl. CC, Public Co. Opex & EIP)	*12.2%*		*12.2%*		*12.1%*
EBITDA - CAT Margin	*12.2%*		*11.7%*		*12.1%*
EBITDA - Total Margin (excl. CC, Public Co. Opex & EIP)	*12.2%*		*12.1%*		*12.1%*
EBITDA - Total Margin (excl. CC)	*11.4%*		*11.2%*		*11.2%*
EBITDA - Total Margin	*10.2%*		*9.7%*		*9.7%*

CAT EBITDA presented for illustrative purposes only. Calculated at average IB&RS margin.

BaU EBITDA remains in-line with original forecast.

Adjustment is a function of average IB&RS margin movement.

JLG does not forecast for CAT events. CAT revenue is contracted work-in-hand from various recent CAT events.

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

Appendix 5: JLG's Growth Pillars – IB&RS

JOHNS LYNG GROUP

IB&RS has a long history of delivering growth – currently targeting a number of organic opportunities across new clients, increased insurance panel representation, geographical expansion plus strategic & bolt-on M&A

Strategic Priorities – Significant Run-way for Continued Growth in Australia

Objective	Priorities / Targets
1. Develop new client relationships	• Targets identified and engaged • Cross-sell end-to-end IB&RS service capability • Relationship building and nurturing • Industry sponsorship, market engagement and visible brand presence
2. Insurance panel penetration	• Breadth of opportunity with existing insurers – significant number of additional panel opportunities nationally • Continue to join new insurer panels • Continue to increase panel allocation and grow market share
3. Product & service innovation	• "Emergency Broker Response" service is a 'game changer' — 100% broker take-up rate (win-win scenario) — 100% opportunity conversion rate (circumvents insurer panels) — Current barriers to entry create an exclusive market position
4. Geographical expansion	• JLG is the only national player – regional network and local relationships are key differentiators • Opened 7 new offices in 1H23 • Plan to continue leveraging existing relationships with clients and subcontractors to continue regional roll-out — Strategically entered NZ market in 1Q23 with 'Rockstar' Business Partner ▪ Existing clients underwriting the start-up phase – job allocations increasing exponentially — Significant organic opportunities exist in underweight geographies including: WA, SA, NT & TAS
5. M&A	• Additional opportunities under assessment

Leadership Team

Josh Barnes
COO, Johns Lyng Australia

Daniel Meiklejohn
EGM, JL Strata & Commercial Brands

JOHNS LYNG GROUP

45 Locations Nationally

STEAMATIC total cleaning & restoration

40 Locations Nationally

Appendix 5: JLG's Growth Pillars – Strata Services

Strata Services is a natural growth area given the attractive market fundamentals & unique opportunity for JLG to provide integrated insurance related & direct building & restoration services to strata managers & owners' corporations

JLG's Strata Market Strategy

Opportunities	Rationale
1. Attractive market fundamentals	• Strong EBITDA margins • Recurring revenues from 'sticky' clients • High cash conversion from EBITDA (asset light business) • Low credit risk
2. Highly fragmented market with opportunity for consolidation	• 2.9m lots nationally (JLG is currently #2 player in the space managing ~91k lots) • Low risk of revenue cannibalisation on acquisition – relationships are between individual strata managers and owners corporations • Opportunity supported by successful track record of strategic and bolt-on M&A
3. Significant synergies	• Revenue synergies include: — Strata Insurance Building & Restoration Services – revenue has grown exponentially from a standing start over the last ~3 years — Strata Building Services including: ▪ B2B (non-insurance R&M in building common areas); and ▪ B2C (non-insurance R&M for homeowners and tenants) — Operating synergies and efficiencies exist with every strata management acquisition
4. M&A	• Additional opportunities under assessment

~91k Lots / Units

~3.8k Building / Strata Schemes

Leadership Team

Alex Lang
Global CEO, Johns Lyng Strata Services

Emily Doherty
CEO, Bright & Duggan

Chris Duggan
MD, Bright & Duggan

bright & duggan
australia's strata leader

18 East Coast Locations

Appendix 5: JLG's Growth Pillars – Disaster Management & Recovery

JOHNS LYNG GROUP

JLG's experience & track record in delivering insurance building & restoration services for CAT events makes it a natural partner for Governments responding to large scale natural disasters & risk reduction efforts

- During FY22, JLG launched "Johns Lyng Disaster Management" – specifically assisting State and Local Governments with major event preparation, response and resiliency initiatives
- JLG's track record of service delivery, capability and local community engagement has resulted in milestone contracts with the Victorian & New South Wales State Governments including:

Year	Project
2021	**Victorian Storms Recovery**
	• Hazardous tree and debris removal on private land across 39 LGA's
2022	**Victorian Storm Recovery Contract Extensions**
	• Hazardous tree removal program extended to public land
	NSW Government Flood Recovery
	• >5k structural assessments and demolitions of total losses
	• Ext. 1: Construction of 4 temporary accommodation villages for displaced residents
	• Ext. 2: Government funded home repairs for low-income earners
	Victorian Flood Recovery
	• >11.5k structural assessments (ongoing)
	• 350 bed temporary accommodation facility complete
	• >4k secondary impact assessments for council assets
	• Property demolition and Makesafe programs commencing Mar-23
	• Parks Victoria hazardous tree removal works commencing Mar-23

Emerging Government opportunities

Federal and State Governments are increasingly motivated to invest in reducing disaster risk:

- Significant federal ($200m p.a.) and State funding to support disaster risk reduction programs

Leadership Team

Nick Wiesner
Head of JL Disaster Management Australia

Jeff Ryan
General Manager, JL Disaster Management Australia

Appendix 5: JLG's Growth Pillars – Johns Lyng USA

JLG is pursuing a number of attractive growth opportunities in the US given the platform it has developed through the acquisition of Steamatic & Reconstruction Experts

- Strategic plan to systematically develop a fully integrated national service offering including: Makesafe, Insurance Building, Restoration and Disaster Management via organic growth and select M&A opportunities
- US market opportunity is compelling - estimated ~US$100bn "multi-family" market for defect and damage insurance and property R&M (growing to ~US$250bn including single family residential and commercial properties)

Objective	Priorities / Targets
1. Launch & develop JLG's existing full suite of services in US market	• Transfer of Australian IP to US business - ongoing • Emergency CAT response – currently responding to Hurricane Ian in Florida — Expect current CAT response to fast-track full service BaU business in Florida
2. Cross-selling opportunities	• Leverage RE's and Steamatic's existing client relationships to grow job volumes and revenue • Opportunity to cross-sell services to capture large multi-scope projects
3. Geographical expansion	• Strategic plan to systematically develop a fully integrated national service • Leverage existing relationships with clients and subcontractors to build credentials in new regions • Steamatic will provide a 'soft-landing' in new States
4. M&A	• Additional opportunities under assessment – in particular interstate IB&RS and property management (strata) • Increasing awareness of JLG in US market is supporting enquiries from potential business vendors — JLG's permanent capital and partnership model is an attractive alternative to PE for owner-managers

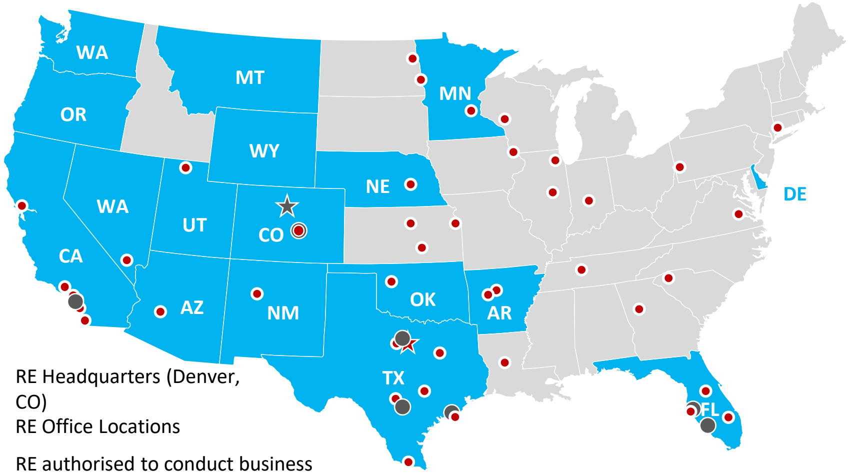
Leadership Team

Rich Whitten
CEO,
Johns Lyng USA
Joined: 2011 (RE)

Brent Adamcyzk
President,
Johns Lyng USA
Joined: 2013 (JLG)

Mike Barclay
COO,
Johns Lyng USA
Joined: 2008 (RE)

Ali Kronebusch
CSO,
Johns Lyng USA
Joined: 2006 (RE)



★ RE Headquarters (Denver, CO)
● RE Office Locations
■ RE authorised to conduct business
★ Steamatic Headquarters (Dallas)
● Steamatic Locations

Appendix 5: JLG's M&A Capability Supports All 4 Strategic Growth Pillars

JOHNS LYNG GROUP

JLG's robust investment criteria is non-negotiable

1 Management is critical

- Deal structures reflect JLG's partnership approach to deal making
- Vendors retain a meaningful equity interest and value JLG as a growth partner

2 Cultural fit is a deal breaker

- Financial rationale comes second to cultural fit with management

3 Strategic Rationale

Strategic rationale built around:

- Recurring revenues and high cash conversion
- Revenue synergies – scope to cross-sell into enlarged client base
- 'Sticky clients' underpinned by strong relationships
- Low risk of revenue cannibalisation post-Completion
- Scope for continued organic growth post-Completion
- EPS accretion and key metric analysis

4 Disciplined approach to capital allocation & due diligence

- Executive Management own >30% of JLG Ltd stock - hence complete alignment with investor shareholders (no deal hubris – we have walked away from numerous deals)

Strategic Acquisitions

Successful M&A program post-IPO

bright & duggan strata professionals

unitech building services

STEAMATIC Restoration & Cleaning

RE RECONSTRUCTION EXPERTS

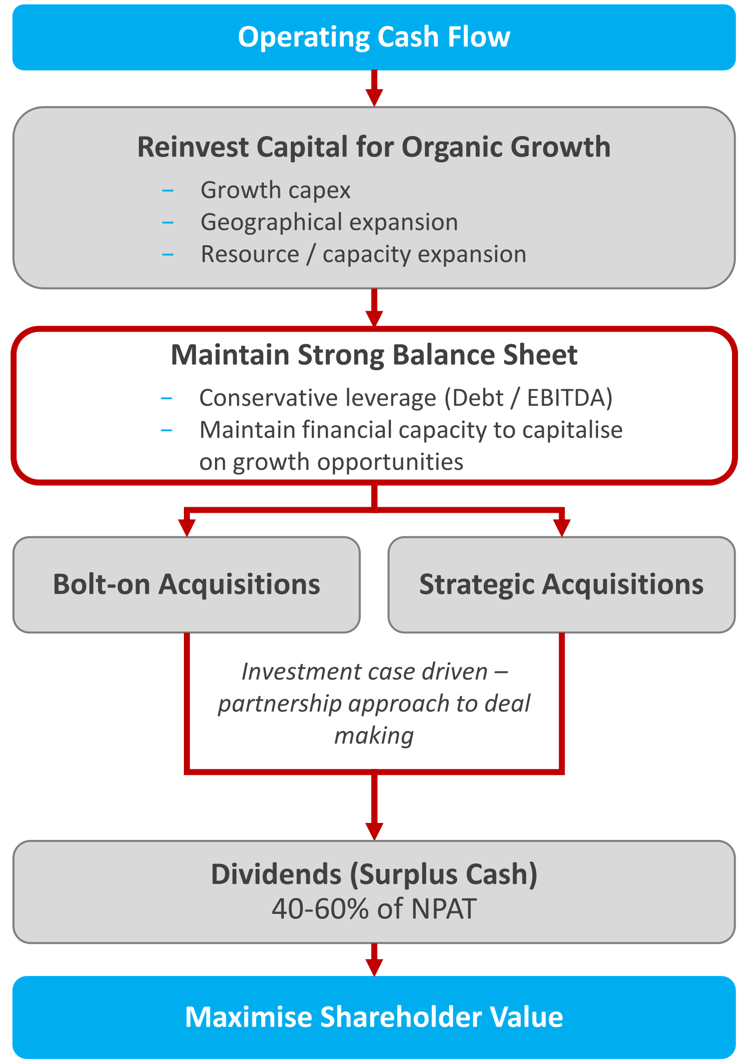
- **Aug-19**: Strata Services 'platform acquisition'
- **Jul-21:** IB&RS bolt-on in SA (underweight market)
- **Jul-21:** Strategic acquisition of #2 national restoration company
- **1 Jan-22:** US market 'platform acquisition'

Additional strategic & bolt-on opportunities currently under assessment across all 4 growth pillars

JOHNS LYNG GROUP

Disciplined approach to capital allocation rooted in founder-led principles & philosophy

- **Disciplined approach to capital allocation**
  - Management aligned with investor shareholders through material equity ownership – Senior Executive team own >30% of JLG Ltd stock
  - Centralised responsibility for capital management with Senior Executive team
- **Robust process for investment appraisal and analysis**
- **Patient and methodical process employed in deploying capital**
  - Strict delegations of authority (capex approval thresholds)
  - Detailed analysis and business case requirements for significant capex/ investment
    - Return on investment / capital / funds employed
    - EPS accretion and pro-forma margin analysis
    - Sensitivity analysis and scenario modelling
  - Detailed due diligence and Investment Paper requirements for Board level M&A approval
- **Partnership approach to deal making**
  - M&A is an extension of JLG's partnership model
  - Deal structures formulated around retained equity, earn-outs and shared risk models



Appendix 7: Investment Highlights & Competitive Advantage

JOHNS LYNG GROUP

1	**Annuity Style Revenues, CAT upside & Low Operating Costs**	• BaU represents >100k discrete jobs / 'everyday claim events' p.a. • Recurring BaU revenues are robust & generally insulated from macro-economic conditions • CAT events offer significant revenue & margin upside (recurring but unpredictable) • Low fixed costs mitigate business risk – JLG scales up via national panel of >12.5k subcontractors
2	**Experienced Management Team & Enduring Client Relationships**	• Long-standing key executive team with material equity ownership (>30% JLG Ltd stock) • Management is committed to the business going forward – leadership succession plan in place • Business Partners report monthly vs. Business Plan & KPI's (Group Operations ("GO") meetings)
3	**Market Dynamics - Attractive Industry Fundamentals**	• Market growth drivers: population, insured property values & CAT frequency / magnitude • Highly fragmented IB&RS & Strata markets (M&A consolidation opportunity) • Clients seeking integrated, national service providers – scale & track record are differentiators • High barriers to entry (relationships, brand equity, credibility, trust & admin)
4	**Strong Organisational Culture & Equity Partnership Model Alignment**	• Values driven, meritocratic organisational culture • Key employees (Business Partners) aligned with company performance via equity ownership
5	**Diversified & Strategically Aligned Service Offering**	• JLG has a market leading position with a strategically aligned portfolio of businesses • National footprint enables rapid & efficient client outcomes
6	**Strong Track Record of Financial Performance & Control**	• >27% revenue CAGR from acquisition in FY04-FY23(F) (c.$12m to c.$1.146bn) • c.$111.1m FY23 Forecast EBITDA
7	**Growth: Organic plus M&A** ***(Recent Acquisition of Reconstruction Experts Opens up the Massive US Market)***	• Market growth drivers: population, insured property values & CAT frequency / magnitude • Increasing panel representation & focus on key Loss Adjuster & Broker relationships • 'Right sizing' existing markets – deeper penetration in WA, SA, NT & TAS plus US expansion • Consolidation of fragmented IB&RS, Strata & US markets – significant cross-sell opportunities

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