



ServiceStream

Annual General Meeting

18 October 2023

Chairman's Address to Shareholders

Fellow Shareholders,

2023 has been an important year for Service Stream. We have finalised the consolidation of the Group's operating divisions and successfully rolled-out our 5-year strategic plan. We have pivoted away from the increasing risks associated with major D&C projects, strengthened our balance sheet, and positioned the business for further growth.

In FY23 we successfully re-secured or retained all expiring termed agreements in addition to winning \$700 million of new long-term maintenance and service agreements. This is a clear message from our markets that our end-to-end service offering is delivering benefits to our clients and our shareholders.

The business has approximately 5,000 dedicated and hardworking employees who are focused on meeting or exceeding our customer's expectations. We work collaboratively with our clients solving existing and emerging challenges. This is all achieved while putting the safety of our people and the communities we work in ahead of all else. In 2023, the business continued to maintain its industry leading health and safety performance, with significant reductions achieved across all major safety lag indicators. The Board's highest priority is to ensure that our people operate in a safe and respectful workplace, and we will continue to support Management in driving further gains in our safety performance.

Turning to our financial performance.

The business' underlying financial performance for FY23 was in line with expectations. While the financial impact associated with a major Queensland project was disappointing the broader underlying business delivered a strong cash flow performance and a lower net debt position 12-months ahead of forecast. With the benefit of a full-year of the Lendlease Services acquisition, total revenue for the Group grew 38% while underlying EBITDA grew 25% to the prior corresponding period. We paid a total of 1.5 cents per share fully franked dividend to our shareholders.

Our results are indicative of increasing investment by our customers across the sectors in which we operate and the delivery of synergies across our operating and corporate services divisions. With the consolidated business offering broader capabilities to new and existing clients in new, current, and

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adjacent markets, the business remains in a strong position to continue to grow its operations and diversify its revenue in the coming years.

Our strong financial position, headlined by our low gearing level will support future organic and external growth opportunities. As well as maintaining prudent financial management metrics, we are investing to accelerate the optimisation of our systems and processes to position the business for exciting emerging growth opportunities. A continued focus by Management to optimise our systems will allow us to flex our dedicated workforce to meet future growth demands.

Attracting and retaining high quality capable people continues to be a nationwide challenge for industry. A contracted pipeline of \$6 billion of ongoing work across our blue-chip client base provides both certainty and continuity for our dedicated workforce.

The Board renewal process that I have previously referenced continued to be implemented in FY23.

In November 2022, Sylvia Wiggins agreed to join the Board as a Non-Executive Director. Sylvia brings to the Board extensive infrastructure, finance, strategic planning, and risk management experience gained across a diverse range of industries. Her skills will be advantageous to the business as it enters its next growth phase. The Directors strongly support Sylvia's election today.

Today we announced the appointment of Nick Miller, who will join the Board as a Non-Executive Director from 1 November 2023. Nick's appointment concludes the Board renewal program.

The business has also recently announced that Peter Dempsey will retire as a Non-Executive Director at the conclusion of today's AGM. Peter joined the Board in March 2010 and was Chairman of the Board from November 2010 to February 2015 and previously the Chair of the Remuneration and Nomination Committee. In April 2023, Deborah Page, a longstanding Non-Executive Director and previous Chair of our Audit and Risk Committee also retired from the Board. On behalf of the Board, I would like to thank Peter and Deborah for their substantial contributions to Service Stream during their tenures as Non-Executive Directors and wish them both every success in the future.

As the last of the longstanding Non-Executive Directors, I can confirm to shareholders that should I be re-elected at today's AGM, it will be my last term as a director of Service Stream. It will conclude the Board renewal process and ensure an orderly transition from the longstanding directors to the newly appointed directors.

At last year's AGM, the Company received a first strike on its remuneration report. Naturally we were very disappointed by this, however we have heard your concerns. The Board used this feedback to improve its remuneration framework and disclosure reporting. In FY24, the Board will continue to review the structure of the Company's Incentive Plans to ensure that they remain relevant, market competitive and align with shareholder expectations.



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Finally, I would like to thank my fellow board members for their contributions and commitment over the course of the past year. Their dedication to the continuing growth and success of the Company is considerable and greatly appreciated.

On behalf of the Board, I would also like to thank our Managing Director Leigh Mackender, his executive team and all our valued staff and contractors for their hard work and dedication during the year. I am particularly delighted by the way Management has navigated the challenges of the current economic conditions which Australian businesses are encountering.

I look forward to the year ahead as Service Stream continues to build its brand as Australia's leading essential network service provider.

Thank you.

Brett Gallagher
Chairman