JOHNS LYNG GROUP


**Johns Lyng Group Limited**

**Results Presentation**

Half-year ended 31 December 2023 (**1H24**)

27 February 2024

# Johns Lyng Group - Presenters

Scott Didier AM

Group
Chief Executive Officer

Nick Carnell

Australia
Chief Executive Officer

Lindsay Barber

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Chief Operating Officer

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Group
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Director, Investor &
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Gemma Sholl

Executive Assistant


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// 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*

JOHNS LYNG GROUP

## Record 1H24 BaU financial performance, solid balance sheet & very strong work-in-hand

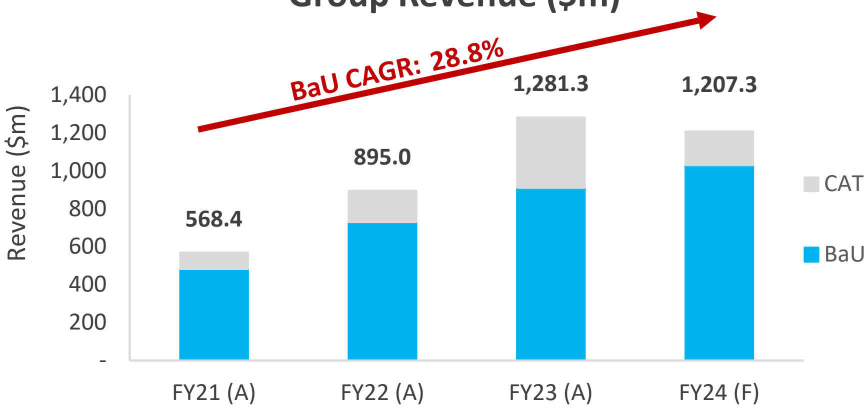
### 1H24 Group Profit & Loss

| | | | |
|---|---|---|---|
| Revenue **$610.6m** ($592.8m[1]) | EBITDA[1] **$69.7m** | NPAT[2] **$31.1m** | EPS[2] **8.47 cents** |
| Revenue (BaU)[1] **$472.4m** +15.8% | EBITDA (BaU)[1] **$54.2m** +25.5% | NPAT-A (BaU)[3] **$26.4m** +16.8% | EPS-A (BaU)[3] **6.97 cents** +17.7% |

### 1H24 Group Balance Sheet, Cash Flow & Dividend

| | | |
|---|---|---|
| Cash Conversion[4] **95.8%** | 1H24 Dividend **4.7 cps** | Net Assets **$460.3m** +$66.2m |
| Operating Cash Flow[4] **$58.5m** | Payout Ratio **c.56%** | Net Cash **$53.7m** |

### Group Revenue ($m)




JOHNS LYNG USA

### 1H24 Contribution

| | |
|---|---|
| Revenue[5] **A$112.3m** (1H23: A$114.3m) | EBITDA Margin[6] **c.10%** |

Allstate

**JLG recently announced it had entered into a partnership with Allstate Insurance for the provision of emergency response makesafe and water mitigation – Allstate is one of the largest insurance companies in the US with c.16m policy holders**

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

[1] Excluding Commercial Construction which is in the latter stages of run-off

[2] Calculated using statutory NPAT / statutory NPAT attributable to JLG shareholders as applicable

[3] Calculated using statutory NPAT / statutory NPAT attributable to JLG shareholders as applicable, excl. tax effected transaction expenses and tax effected amortisation of acquired intangible assets

[4] Calculated using pro-forma operating cash flow pre-interest and tax (refer to page 16)

[5] Excludes Florida BaU - negatively impacted (delays) by Hurricane Ian (CAT)

[6] Excludes Steamatic Inc. (Global Master Franchise), Florida BaU (negatively impacted (delays) by Hurricane Ian (CAT), start-up businesses and non-recurring transaction expenses

JOHNS LYNG GROUP

## Strong outlook - FY24(F) EBITDA[1] upgrade +5.0%: $136.4m

**FY24(F) Earnings Guidance**

- Group Revenue (excl. CC): $1.182bn (+3.5% upgrade)
- Group EBITDA (excl. CC): $136.4m (+5.0% upgrade)

Group Revenue
**$1.207bn**

Group EBITDA
**$129.4m**

Revenue (excl. CC)
**$1.182bn**
**+3.5% upgrade**

EBITDA (excl. CC)
**$136.4m**
**+5.0% upgrade**

Revenue – BaU (excl. CC)
**$1.005bn**
**+18.5% vs. FY23**

EBITDA – BaU (excl. CC)
**$114.4m**
**+21.6% vs. FY23**

| FY24 Forecast ($m) | Actual FY23 | Forecast (Feb-24) FY24 | FY24(F) (Feb-24) vs. FY23(A) % |
|---|---|---|---|
| **Revenue - BaU (excl. CC)** | **847.6** | **1,004.6** | **18.5%** |
| Revenue - CAT | 371.3 | 177.8 | |
| **Revenue - Total (excl. CC)** | **1,218.8** | **1,182.3** | |
| Revenue - Commercial Construction | 62.5 | 25.0 | |
| **Revenue - Total** | **1,281.3** | **1,207.3** | |
| **EBITDA - BaU (excl. CC)** | **94.1** | **114.4** | **21.6%** |
| EBITDA - CAT | 44.3 | 22.0 | |
| **EBITDA - Total (excl. CC)** | **138.4** | **136.4** | |
| EBITDA - Commercial Construction | (19.0) | (7.0) | |
| **EBITDA - Total** | **119.4** | **129.4** | |

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results and Appendix 3 for detailed analysis of FY24(F) earnings upgrade

[1] Excluding Commercial Construction which is in the latter stages of run-off

# 1.3 Business Highlights – 1H24 Summary

JOHNS LYNG GROUP

## Strong 1H24 result despite widespread cost & supply chain pressures underscores JLG's 'Defensive Growth' investment thesis

## Strong platform for growth with launch of new brands & services in the US & significant CAT work-in-hand

### FY24(F) Earnings Upgrade

- Group Revenue[1]: $1.182bn (+3.5% upgrade)
- Group EBITDA[1]: $136.4m (+5.0% upgrade)

### Strong Balance Sheet & Ample Liquidity

- Net cash: $53.7m plus undrawn (committed) facilities: >$80m

### Corporate Governance Update

- Appointed US-based Alex Silver as Non-executive Director
- Board comprises majority independent NED's (6 NED's and 3 ED's)

### Results / Recent Trading

- Strong 1H24 run-rate with momentum into 2H24
- 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 2H24
- Strata and broker markets continue to be a key focus for FY24
  - Continuing roll-out of Johns Lyng Strata Services and "Emergency Broker Response" service
- US market growth – US platform at inflection point with Allstate partnership and launch of "Customer Connect"

### 1H24 Acquisitions Completed

SmokeAlarms Australia | LINKfire | YOUR LOCAL STRATA | AM Strata

- 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 >15k
  - 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 <5% of revenue
- >400k discrete jobs p.a. - mitigates 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 3 for detailed analysis of FY24(F) earnings upgrade

[1] Excluding Commercial Construction which is in the latter stages of run-off

# 1.4 Summary – Recent CAT Events

JOHNS LYNG GROUP

## Strong 1H24 CAT result with significant work-in-hand expected to contribute to multiple future periods

**Hurricane Ian Florida, US (Oct-22)**

- Large and destructive near Category 5 Atlantic hurricane. The National Oceanic and Atmospheric Administration estimate total losses of c.US$116bn, making it the costliest in Florida's history and third-costliest in US history
- **Makesafe USA completed a significant number of jobs during the initial response with Express USA and Reconstruction Experts continuing to carry out reconstruction work**

**SA River Murray Floods (Dec-22)**

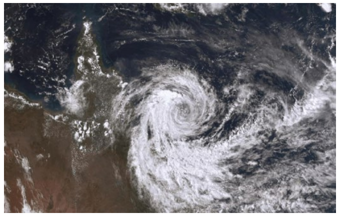
- Severe flooding of the River Murray in SA as a result of interstate rain and flood events (particularly in VIC). The ICA's current estimated cost of claims is c.$435m
- **In Apr-23, JLG announced it had been appointed by the SA Government to assist those affected by the flood event ("River Murray Flood Clean-up Program")**

**Auckland Floods & Cyclone (Feb-23)**

- Rainfall of c.240mm fell on 27 Jan-23 (equal to a summer's worth of rain), followed by severe storms and winds caused by Cyclone Gabrielle. The ICNZ's current estimated cost of claims is c.NZ$3.6bn
- **Johns Lyng NZ (launched during FY23) has completed a significant number of jobs in relation to the severe damage caused by the Auckland Floods and Cyclone Gabrielle. JL NZ continues to respond to insurance claims in respect of the event**

**QLD Tropical Cyclone Jasper (Dec-23)**

- Large category 2 tropical cyclone hit the coast of Northern QLD and took 5 days to move west across the state. The slow speed meant more concentrated rainfall with >1.5 metres of rain in some regions. The ICA's current estimated cost of claims is c.$202m
- **JLG initially responded with Makesafe and restoration services and teams are now working to progress claims and schedule repairs**



**East Coast Xmas / NY Storms (Dec-23)**

- Severe and prolonged rain and storms across the east coast of Australia during the Christmas / New Year period. The highest daily rainfall recorded in any one location was c.252mm. The ICA's current estimated cost of claims is c.$541m
- **JLG is responding to a significant number of jobs providing Makesafe, restoration and building reinstatement services with additional resources redeployed from across the country**

Source: Insurance Council of Australia, National Oceanic and Atmospheric Administration, SA Department for Environment and Water and Insurance Council of New Zealand

# 1.5 Business Highlights – Portfolio Summary

- JLG is a leading integrated building services group, delivering building, restoration, property management, essential home services and disaster recovery services in Australia, New Zealand and the USA
- Focused on recurring revenues and deep client relationships, JLG's strategically aligned businesses deliver >400k discrete jobs p.a.

## Insurance Building & Restoration Services (IB&RS)

Building fabric repair & contents restoration after damage from insured events incl. impact, weather & fire events.

Disaster & Catastrophe response for insurance companies & Governments.

Hazardous waste removal & emergency domestic (household) repairs.

Strata & property management.

Essential home services incl. smoke alarm compliance & fire safety services.

| IB&RS ($m) | 1H24(A) | Contribution |
|---|---|---|
| Revenue | 546.5 | 89.5% |
| EBITDA | 70.5 | 110.5% |

## Commercial Building Services (CBS) & Commercial Construction (CC)

Commercial flooring, shop-fitting, pre-sale property staging & commercial HVAC services.

Johns Lyng's commercial construction operations are now in run-off with existing projects expected to be completed in 2024.

| CBS ($m) | 1H24(A) | Contribution |
|---|---|---|
| Revenue | 46.2 | 7.6% |
| EBITDA | 4.7 | 7.3% |

| CC ($m) | 1H24(A) | Contribution |
|---|---|---|
| Revenue | 17.8 | 2.9% |
| EBITDA | (5.8) | (9.2%) |
| Revenue - other | 0.1 | 0.0% |
| EBITDA - other (incl. corporate overheads) | (5.5) | (8.6%) |
| **Total Group Revenue** | **610.6** | **100.0%** |
| **Total Group EBITDA** | **63.9** | **100.0%** |

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

# 1.6 Business Highlights – Global Locations

JOHNS LYNG GROUP

**52** Locations Nationally[1]

- Head Office (1)
- State/Territory Offices (6)
- Regional Offices (32)
- Operational Warehouses (3)
- Novari Collective (2)
- Air Control (3)[2]
- Unitech Building Services (1)
- Linkfire (2)
- Smoke Alarms Australia (2)


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

**16** East Coast Locations

Capitol FOLLOW THE LEADER · change strata management · structure BUILDING MANAGEMENT · SHIFT · BrisBay Pty Ltd BODY CORPORATE ESTABLISHMENT & MANAGEMENT · NORTH SHORE STRATA MANAGEMENT · ADPEN STRATA · Advanced Advanced Community Management Pty. Ltd. · YOUR LOCAL STRATA

- Bright & Duggan (13)
- Capitol (3)

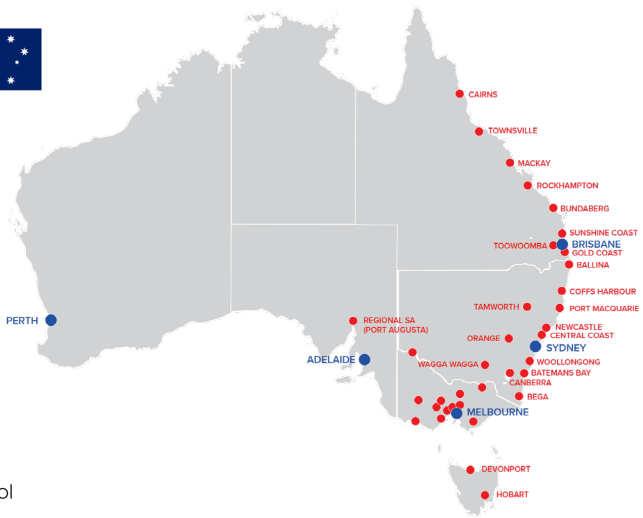

STEAMATIC total cleaning & restoration

**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 |




STEAMATIC Restoration | Construction | Cleaning

- Steamatic Headquarters (1)
- Franchise Locations (38)
- Company-owned Locations (1)

RE

- RE Headquarters (1)
- Office Locations (9)

**50** Locations Nationally

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# #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*

JOHNS LYNG GROUP

## Consolidated Group 1H24 BaU EBITDA[1]: $54.2m (+25.5% vs. 1H23)

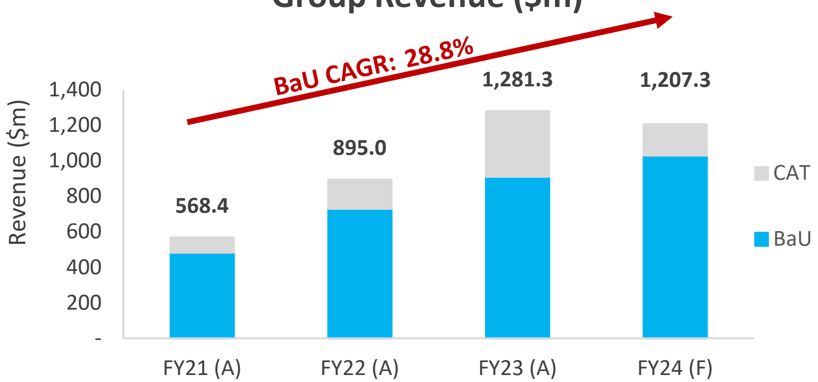
### Revenue (Group)

- **Total Revenue: $610.6m**
- **Total Revenue (excl. CC) : $592.8m**
  - **BaU Revenue: $472.4m** (+15.8%)
  - **CAT Revenue: $120.4m**

### EBITDA (Group - excl. CC)

- **Total EBITDA: $69.7m**
  - **BaU EBITDA: $54.2m** (+25.5%)
  - **CAT EBITDA: $15.5m**

### Group Revenue ($m)




| Consolidated Profit & Loss ($m) | Actual 1H23 | Actual 1H24 | 1H24(A) vs. 1H23(A) % |
|---|---|---|---|
| **Revenue - BaU (excl. CC)** | **407.9** | **472.4** | **15.8%** |
| Revenue - CAT | 186.1 | 120.4 | |
| **Revenue - Total (excl. CC)** | **594.0** | **592.8** | |
| Revenue - Commercial Construction | 41.6 | 17.8 | |
| **Revenue - Total** | **635.6** | **610.6** | |
| **EBITDA - BaU (excl. CC)** | **43.2** | **54.2** | **25.5%** |
| *Margin (%)* | *10.6%* | *11.5%* | |
| EBITDA - CAT | 21.3 | 15.5 | |
| *Margin (%)* | *11.5%* | *12.9%* | |
| **EBITDA - Total (excl. CC)** | **64.5** | **69.7** | |
| *Margin (%)* | *10.9%* | *11.8%* | |
| EBITDA - Commercial Construction | (5.1) | (5.8) | |
| **EBITDA - Total** | **59.4** | **63.9** | |

| Historical Revenue ($m) | FY21 | FY22 | FY23 | 1H24 |
|---|---|---|---|---|
| BaU | 481.8 | 730.2 | 910.1 | 490.2 |
| CAT | 86.5 | 164.8 | 371.3 | 120.4 |
| **Total Revenue** | **568.4** | **895.0** | **1,281.3** | **610.6** |
| *CAT % of Total Revenue* | *15.2%* | *18.4%* | *29.0%* | *19.7%* |
| *CAT % of IB&RS Revenue* | *19.5%* | *21.9%* | *32.4%* | *22.0%* |

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

[1] Excluding Commercial Construction which is in the latter stages of run-off

# 2.2 Segment Analysis – IB&RS

JOHNS LYNG GROUP

## 1H24 BaU EBITDA: $55.0m (+28.1% vs. 1H23)

Revenue (IB&RS)

- **Total Revenue: $546.5m**
  - **BaU Revenue: $426.1m** (+13.7% / +6.1% excl. acquisitions)
  - **CAT Revenue: $120.4m**

EBITDA (IB&RS)

- **Total EBITDA: $70.5m**
  - **BaU EBITDA: $55.0m** (+28.1% / +13.2% excl. acquisitions)
  - **CAT EBITDA: $15.5m**

| Segment Analysis - IB&RS ($m) | Actual 1H23 | Actual 1H24 | 1H24(A) vs. 1H23(A) % |
|---|---|---|---|
| **Revenue - BaU** | **374.8** | **426.1** | **13.7%** |
| Revenue - BaU (excl. FY23 & FY24 acquisitions) | 374.6 | 397.5 | 6.1% |
| Revenue - CAT | 186.1 | 120.4 | |
| Revenue - CAT (excl. FY23 & FY24 acquisitions) | 186.1 | 120.4 | |
| **Revenue - Total** | **560.9** | **546.5** | |
| **EBITDA - BaU** | **42.9** | **55.0** | **28.1%** |
| *Margin (%)* | *11.5%* | *12.9%* | |
| EBITDA - BaU (excl. FY23 & FY24 acquisitions) | 42.3 | 47.9 | 13.2% |
| *Margin (%)* | *11.3%* | *12.1%* | |
| EBITDA - CAT | 21.3 | 15.5 | |
| *Margin (%)* | *11.5%* | *12.9%* | |
| EBITDA - CAT (excl. FY23 & FY24 acquisitions) | 21.0 | 14.5 | |
| *Margin (%)* | *11.3%* | *12.1%* | |
| **EBITDA - Total** | **64.3** | **70.5** | |
| *Margin (%)* | *11.5%* | *12.9%* | |

**CAT EBITDA presented for illustrative purposes only.**

**Calculated at average IB&RS margin.**

**Recent CAT & Peak Events[1]**

| | | | |
|---|---|---|---|
| NSW & QLD Bushfires (Sept-19) – CAT | Central QLD Hailstorm (Apr-20) | VIC Earthquake (Sept-21) | **Auckland Floods & Cyclone (Feb-23) – CAT** |
| Rappville, NSW Bushfires (Oct-19) – CAT | SE QLD Hailstorm (Oct-20) – CAT | SA, VIC, TAS Severe Storms (Oct-21) – CAT | **QLD Tropical Cyclone Jasper (Dec-23) - CAT** |
| QLD, NSW, VIC & SA Bushfires (Nov-Feb-20) – CAT | Perth Hills, WA Bushfire (Feb-21) – CAT | **SE QLD & NSW Floods (Feb-22) – CAT** | **East Coast Xmas/NY Storms (Dec-23) - CAT** |
| SE QLD Hailstorm (Nov-19) – CAT | NSW & SE QLD Floods (Mar-21) – CAT | **VIC, NSW & TAS Floods (Oct-22) – 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** |
| ACT, VIC & NSW Hailstorms (Jan-20) – CAT | Cyclone Seroja, WA (Apr-21) - CAT | **Hurricane Ian (Oct-22) – CAT** | |
| East Coast Low (Feb-20) – CAT | VIC Storms & Floods (Jun-21) - CAT | **SA River Murray Floods (Dec-22)** | |

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

[1] Active CAT events which contributed to 1H24 and will contribute to 2H24 highlighted red

# 2.2.1 Segment Analysis – CBS & Commercial Construction

## Strong CBS performance and growth (1H24 EBITDA +26.5% vs. 1H23)

**Commercial Building Services**

- **Revenue: $46.2m** (+40.2%)
- **EBITDA: $4.7m** (+26.5%)
  - Continued strong performance with job volumes and work-in hand remaining high

**Commercial Construction**

- **Revenue: $17.8m**
- **EBITDA: ($5.8m)**
  - As previously disclosed to the market, the Group's Commercial Construction operations are now in the latter stages of run-off
  - Going forward, existing resources will be focused on large-loss insurance building work
  - Final 2 remaining Commercial Construction projects are expected to be completed in 2024

| Segment Analysis - CBS ($m) | Actual 1H23 | Actual 1H24 | 1H24(A) vs. 1H23(A) % |
|---|---|---|---|
| **Commercial Building Services** | | | |
| Revenue | 33.0 | 46.2 | 40.2% |
| **EBITDA** | **3.7** | **4.7** | **26.5%** |
| *Margin (%)* | *11.2%* | *10.1%* | |

| Segment Analysis - CC ($m) | Actual 1H23 | Actual 1H24 | 1H24(A) vs. 1H23(A) % |
|---|---|---|---|
| **Commercial Construction** | | | |
| Revenue | 41.6 | 17.8 | (57.3%) |
| **EBITDA** | **(5.1)** | **(5.8)** | |

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

# 2.3 Balance Sheet

JOHNS LYNG GROUP

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

### Balance Sheet (31 Dec-23)

- Net assets: $460.3m (+$66.2m)
- Net cash: $53.7m
  - Undrawn (committed) revolving credit facilities: >$80m
  - Ample liquidity and sufficient balance sheet capacity to fund organic growth and current bolt-on M&A pipeline

### Capital Expenditure

- Capex primarily consists of vehicles, plant and equipment
  - Fleet includes 906 vehicles at 31 Dec-23 vs. 698 at 31 Dec-22
  - 1H23 growth capex included c.$6.5m 'temporary accommodation assets' purchased as part of JLG's CAT response for VIC Government

### Earnings per Share

- EPS: 8.47 cents
- EPS-A BaU (normalised)[1]: 6.97 cents (+17.7% vs. 1H23)

| Balance Sheet ($m) | Actual Jun-23 | Actual Dec-23 |
|---|---|---|
| Total Assets | 785.5 | 800.2 |
| Net Assets | 394.2 | 460.3 |
| Cash | 130.0 | 109.0 |
| Debt (3rd Party) | (58.2) | (55.4) |
| **Net Cash / (Debt)** | **71.9** | **53.7** |

| Capital Expenditure ($m) | Actual 1H23 | Actual 1H24 |
|---|---|---|
| Plant & Equipment | 2.9 | 2.2 |
| Temporary Accommodation Assets (JL Disaster Mgt) | 6.5 | - |
| Plant & Equipment - Total | 9.4 | 2.2 |
| Motor Vehicles | 4.6 | 4.1 |
| Leasehold Improvements | 0.5 | 0.2 |
| Computer Equipment | 0.0 | - |
| Capitalised Software Development | 0.9 | 0.9 |
| **Total Capital Expenditure** | **15.4** | **7.4** |

| Earnings per Share (EPS) (Cents) | Actual 1H23 | Actual 1H24 |
|---|---|---|
| Earnings per Share - Statutory | 9.68 cents | 8.47 cents |
| **Earnings per Share - A - Normalised (BaU)** | **5.93 cents** | **6.97 cents** |

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

[1] Calculated using NPAT attributable to JLG shareholders excl. tax effected transaction expenses and tax effected amortisation of acquired intangible assets

# 2.4 Cash Flow, Working Capital & Dividend

JOHNS LYNG GROUP

## Highly cash generative business with low capex requirements

### Working Capital

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

### Cash Conversion

- **Pro-forma cash conversion from EBITDA: 95.8%**
  - Operating cash flow (pre-interest and tax): $29.7m; plus
  - Non-recurring customer prepayment received in 2H23: $20.9m; plus
  - Unwinding of Commercial Construction working capital (business in latter stages of run-off): $7.9m
  - **Pro-forma operating cash flow (pre-interest and tax): $58.5m** (95.8% cash conversion from EBITDA)

### Interim Dividend (1H24)

- Fully franked dividend of 4.7 cents per share (c.56% payout ratio)
  - Record date of entitlement: 4 Mar-24
  - Dividend payment date: 19 Mar-24
  - Dividend policy unchanged: 40%-60% NPAT[1]

| Working Capital ($m) | Actual LTM Jun-23 | Actual LTM Dec-23 |
|---|---|---|
| Days Sales Outstanding (12m average) | 46.5 | 45.1 |
| Days Purchases Outstanding (12m average) | 56.0 | 47.7 |

| Cash Conversion ($m) | Actual 1H23 | Actual 1H24 |
|---|---|---|
| **EBITDA (Normalised)** | **59.4** | **63.9** |
| Normalisations[2] | (0.6) | (2.8) |
| **EBITDA (Statutory)** | **58.8** | **61.1** |
| Movement in Accrued Income | 3.2 | 6.5 |
| Movement in Income in Advance | 7.6 | (22.3) |
| Movement in Work in Progress (Net) | 10.8 | (15.8) |
| Movement in Debtors & Creditors (Net) | 0.9 | (10.5) |
| Movement in Working Capital - Other | (1.1) | (6.2) |
| **Movement in Working Capital - Total[3]** | **10.5** | **(32.5)** |
| Non-cash Items | 1.1 | 1.1 |
| **Operating Cash Flow (Pre-interest & Tax)** | **70.4** | **29.7** |
| Add: Customer Prepayment Received in 2H23 | - | 20.9 |
| Add: Movement in CC Net Working Capital | - | 7.9 |
| **Operating Cash Flow (Pre-interest & Tax) - Pro-forma** | **70.4** | **58.5** |
| **Cash Conversion (%) - Pro-forma** | **119.7%** | **95.8%** |

[1] Statutory NPAT attributable to JLG shareholders

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

[3] Movement in working capital excludes acquisitions during the relevant period

Select Clients

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# #03

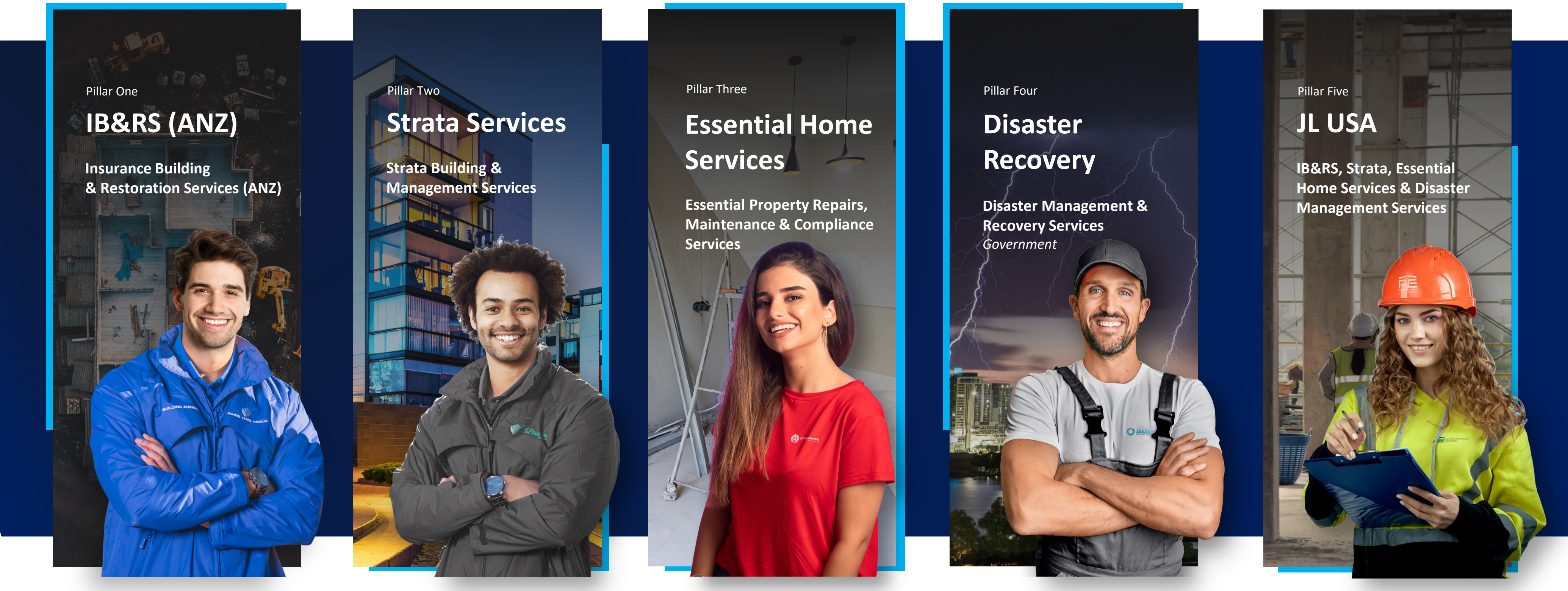
# Strategy & Growth.

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 Strategic Growth Pillars

JOHNS LYNG GROUP

## Significant domestic & international market opportunities across all 5 growth pillars




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

JOHNS LYNG GROUP

## Significant progress made against strategic priorities during 1H24

### New Contract Wins & Extensions

- **Tower (NZ)**: Wellington, Auckland and Christchurch building contract (evergreen);
- **Safety Culture Care**: national building and restoration contract (evergreen);
- **RAA**: 3-year South Australian building panel;
- **Hollard**: 18m building and restoration panel extension;
- **Suncorp**: 3-year national commercial building panel extension;
- **JL Disaster Mgt**: multi-phase work programs awarded:
  - Cairns Council (Dec-23, Tropical Cyclone Jasper): flood and disaster recovery;
  - Douglas Council (Dec-23, Tropical Cyclone Jasper): flood and disaster recovery; and
  - QLD Gov (Jul-23, event preparedness): temporary emergency mobile accommodation preferred supplier (1-year contract, plus 2-year option)
- **Allstate (US)**: appointed to emergency response makesafe and water mitigation panel with access to Allstate's c.16m policy holders

### Strategic Initiatives

- 4 Steamatic franchises sold in the US in 1H24 including: Fresno (CA), Virginia Beach (VA), Northwest Houston (TX) and Denver (CO)
- Growth in broker market ("Emergency Broker Response" service)
- Targeting new clients and panels
- US market penetration – growth platform now established with RE, plus roll-out of Business Partner equity model in US and Allstate panel win
- Continued ramp-up of new service lines: JL Disaster Management, JL Energy, JL Hire, JL NZ, JL USA Makesafe, Express and CAT response

### M&A

- 3 acquisitions completed during 1H24 including Smoke Alarms Australia, Linkfire and Your Local Strata – plus the acquisition of AM Strata (effective 1 Feb-24)
- Additional M&A opportunities under evaluation:
  - Consolidation of highly fragmented IB&RS, Strata Management and Essential Home Services markets
  - US platform established – acquisitions under assessment

### Strategic Growth Priorities by Pillar (FY24+)

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

1. **IB&RS (ANZ):** Develop new client relationships, insurance panel penetration, product and service innovation and geographical expansion
2. **Strata Services:** Continue strata management roll-up, grow strata building services and cross-sell
3. **Essential Home Services:** Launch additional services and cross-sell
4. **Disaster Management:** Build deeper Government relationships
5. **Johns Lyng USA:** Continue roll-out of brands, cross-sell and geographical expansion (organically, via M&A and synthetically via Customer Connect)

# 3.3 JL USA – Progress Snapshot

JOHNS LYNG GROUP

## US operations performing well with roll-out of new service lines & implementation of Business Partner equity model underway

### 1H24 Financial Performance (JL USA)

**Revenue**

**A$112.3m**[1]

(1H23: $114.3m)

**EBITDA**

**c.10%**[2]

1H24 EBITDA Margin

### Implementation of JLG Equity Partnership Model

*Roll-out of 'tried and tested' JLG equity partnership model in the US with **25 Business Partners** as at 31 December 2023 across 4 States (Colorado, California, Texas and Florida) (30 Jun-23: 13)*

*Active brands now operating under JL USA*

RECONSTRUCTION EXPERTS · STEAMATIC Restoration & Cleaning · JOHNS LYNG MAKESAFE BUILDERS · JOHNS LYNG EXPRESS BUILDERS

| Strategic 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<br>• Execution of strategic and bolt-on M&A | • Implement Johns Lyng's 'tried and tested' Business Partner equity model in US |
| **Achievements** | • Launch of JL Express and JL Makesafe across multiple States, plus Customer Connect<br>• New service lines complement existing RE and Steamatic operations | • Multiple cross-sell opportunities already realised between RE and Steamatic | • New office locations and M&A opportunities currently under assessment<br>• Strategic plan in place - 'Growth Roadmap' collaboratively agreed with Management | • 25 Business Partners as at 31 Dec-23 across 4 States (Colorado, California, Texas and Florida) (30 Jun-23: 13) |

[1] Excludes Florida BaU – negatively impacted (delays) by Hurricane Ian (CAT)

[2] Excludes Steamatic Inc. (Global Master Franchise), Florida BaU (negatively impacted (delays) by Hurricane Ian (CAT), start-up businesses and non-recurring transaction expenses

# 3.4 JL USA – Johns Lyng Customer Connect

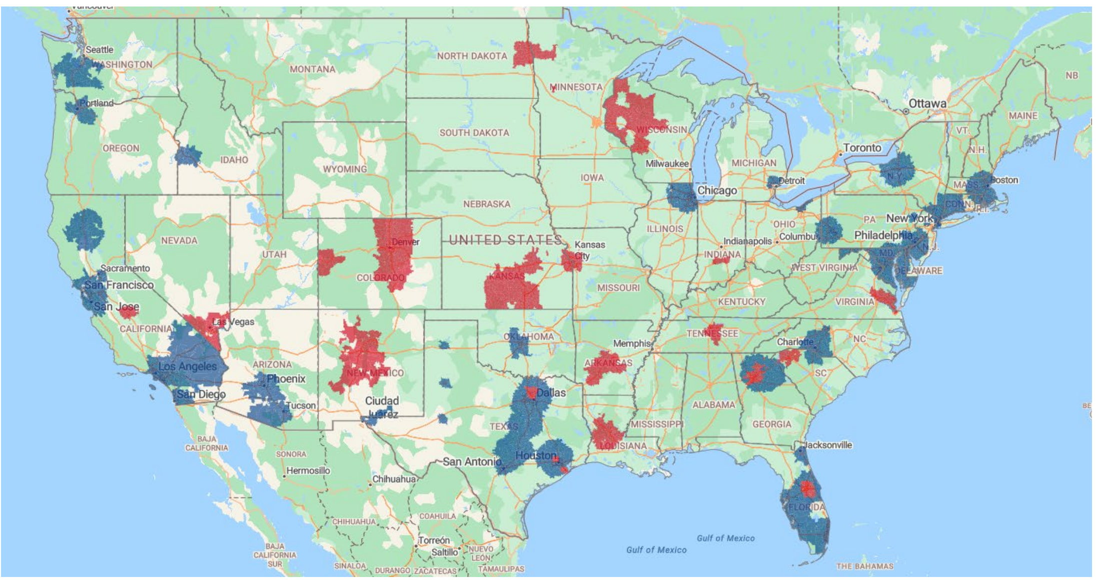
## Launch of Customer Connect platform & appointment to Allstate panel is a key strategic milestone for JL USA

- **On 5 Feb-24, JLG announced it had entered into a partnership with Allstate Insurance for the provision of emergency response makesafe and water mitigation – Allstate is one of the largest insurance companies in the US with c.16m policy holders**
- **The appointment of JLG to Allstate's panel is a key strategic milestone for the US business**

## Johns Lyng Customer Connect – Claims Management Platform

- To support and accelerate its growth, Johns Lyng USA has launched its claims management platform, Customer Connect, which allows claims from Insurance Carriers to be received and managed through a single platform including allocation to operating subsidiaries and trusted affiliate partners.

**JL USA Coverage (#18)** **Affiliate Coverage (#115)** **MSA[1] Coverage: c.70%**




### Claim / Job Lifecycle

**1. Claim Allocation**
- Insurance Carrier allocates job to Customer Connect
- Customer Connect allocates job to JL SubCo, Steamatic franchisee or affiliate
- Homeowner signs work order (contract) with service provider – **all performance and credit risk allocated to contractor**

**2. Claim Management**
- Customer Connect audits and returns file to Insurance Carrier
- Customer Connect manages claim for Insurance Carrier, monitoring all SLA's throughout process

**3. Claim Completion**
- Once job complete, Customer Connect undertakes a review of job file vs. agreed standards
- Customer Connect returns file, receives payment for job
- Customer Connect pays contractor net of fees

[1] Major Service Area

## Recent acquisitions expand presence in strategically important strata market

bright & duggan strata professionals

YOUR LOCAL STRATA

AM Strata

JOHNS LYNG STRATA SERVICES

**Acquisition of Your Local Strata (YLS) and AM Strata (AMS) – strategic bolt-on acquisitions for Bright & Duggan (B&D)**

- **Your Local Strata:** 100% equity interest acquired effective 1 Sep-23. YLS is a Sydney-based strata management company with 3,077 lots under management across 187 schemes - $2.23m cash at Completion[1] plus an earn-out of up to $620k payable in cash
- **AM Strata:** 100% equity interest acquired effective 1 Feb-24 (post-period end). AMS is a Gold Coast-based strata management company with 4,200 lots under management across 140 schemes - $4.05m cash at Completion[1]
- As at 31 Dec-23 Bright & Duggan's portfolio comprised:

**>97k** Lots / Units

**>4k** Buildings / Strata Schemes

**JLG's Strata Market Strategy**

- The Australian strata market comprises more than 3.1m 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 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)

[1] Net of a 10% retention pending finalisation of customary post-Completion purchase price adjustments

# 3.5.1 Strategy & Growth - Recent Acquisitions

## Recent acquisitions set the foundation for JLG's 5th Strategic Growth Pillar – "Essential Home Services"

**Smoke Alarms Australia (SAA) – platform acquisition to enter the smoke alarm, electrical and gas compliance, testing and maintenance services market**

- 100% equity interest acquired effective 1 Jul-23
  - Back-to-back with Completion, senior management acquired a c.8.4% equity interest (on vendor finance) – in-line with JLG's existing Business Partner equity model
- $50.1m cash at Completion, plus a potential earn-out of up to $11.0m linked to FY24 EBITDA payable in cash or JLG Ltd Shares at JLG's discretion
- SAA is a Sydney-based national provider of smoke alarm, electrical and gas compliance, testing and maintenance services
  - Founded in 2005, SAA is the second largest provider in Australia completing c.284k jobs p.a.
  - Customer base predominantly consists of landlords (via real estate agents)

**Linkfire – platform acquisition to enter the fire and essential safety services market**

- 70% controlling equity interest acquired effective 1 Jul-23
  - 30% equity retained by existing senior management
- $11.7m cash at Completion, plus a potential earn-out of up to $6.25m linked to FY24 and FY25 EBITDA payable in cash or JLG Ltd Shares at JLG's discretion
- Linkfire is a provider of fire and essential safety services in Victoria and Newcastle (NSW)
  - Founded in 1998, Linkfire has grown to become a leader in its existing markets servicing >8.5k buildings p.a.
  - c.80% of Linkfire's customer base consists of strata managers / owners' corporations

- ***The acquisitions were funded by a successful and oversubscribed institutional placement and share purchase plan which raised a total of $70m***
- ***SAA and Linkfire are strong standalone businesses that set the foundation for JLG's 5th Strategic Growth Pillar – "Essential Home Services"***
- ***Access to JLG's senior management and networks will help boost SAA's and Linkfire's already strong standalone growth, while presenting significant cross-sell and industry consolidation opportunities via select M&A***
- ***The acquisitions align with JLG's strong track record of expansion via highly complementary acquisitions with annuity style business models underpinned by defensive, non-discretionary products and services***

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# #04

# FY24 Outlook.

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

# 4.1 FY24 Outlook

JOHNS LYNG GROUP

## Strong outlook with +5.0% upgrade to FY24(F) EBITDA[1]: $136.4m (BaU +21.6% vs. FY23)

**FY24 Outlook**

- **Group Revenue: $1.207bn**
  - **Group Revenue (excl. CC): $1.182bn** (+3.5% upgrade)
  - **BaU Revenue (excl. CC): $1.005bn** (+18.5% vs. FY23 / +11.8% excl. acquisitions)
- **Group EBITDA (excl. CC): $136.4m** (+5.0% upgrade)
  - **BaU EBITDA (excl. CC): $114.4m** (+21.6% vs. FY23 / +11.8% excl. acquisitions)
- Momentum from 1H24 expected to continue to drive results - potential 2H24 upside from:
  - Job volume ramp up from recent contract wins;
  - New clients and contracts;
  - Deeper market penetration in WA, SA, NT, TAS and NZ;
  - Continuing roll-out of Johns Lyng Strata Services;
  - Roll-out of additional JLG service lines in the US;
  - Integration of recent acquisitions - revenue synergies expected;
  - Additional strategic acquisitions under assessment; and
  - Ongoing CAT responses plus potential future CAT events - 2 CAT events during 1H24

| FY24 Outlook ($m) | Actual FY23 | Forecast FY24 | FY24(F) (Feb-24) vs. FY23(A) % |
|---|---|---|---|
| **Revenue - BaU (excl. CC)** | **847.6** | **1,004.6** | **18.5%** |
| Revenue - BaU (excl. FY23 & FY24 acquisitions & CC) | 846.4 | 946.5 | 11.8% |
| Revenue - CAT | 371.3 | 177.8 | |
| Revenue - CAT (excl. FY23 & FY24 acquisitions) | 371.1 | 177.8 | |
| **Revenue - Total (excl. CC)** | **1,218.8** | **1,182.3** | |
| Revenue - Commercial Construction | 62.5 | 25.0 | |
| **Revenue - Total** | **1,281.3** | **1,207.3** | |
| **EBITDA - BaU (excl. CC)** | **94.1** | **114.4** | **21.6%** |
| EBITDA - BaU (excl. FY23 & FY24 acquisitions & CC) | 90.6 | 101.3 | 11.8% |
| EBITDA - CAT | 44.3 | 22.0 | |
| EBITDA - CAT (excl. FY23 & FY24 acquisitions) | 42.7 | 20.8 | |
| **EBITDA - Total (excl. CC)** | **138.4** | **136.4** | |
| EBITDA - Commercial Construction | (19.0) | (7.0) | |
| **EBITDA - Total** | **119.4** | **129.4** | |

| Margin Analysis | | |
|---|---|---|
| *EBITDA - BaU Margin (excl. CC)* | *11.1%* | *11.4%* |
| *EBITDA - BaU Margin (excl. FY23 & FY24 acquisitions & CC)* | *10.7%* | *10.7%* |
| *EBITDA - CAT Margin* | *11.9%* | *12.4%* |
| *EBITDA - CAT Margin (excl. FY23 & FY24 acquisitions)* | *11.5%* | *11.7%* |
| *EBITDA - Total Margin (excl. CC)* | *11.4%* | *11.5%* |

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 | FY21(A) | FY22(A) | FY23(A) | FY24(F) |
|---|---|---|---|---|
| CAT Revenue Forecast (original at start of FY) | 20.3 | 46.4 | 100.5 | 137.8 |
| CAT Revenue - Actual / Current Forecast | 86.5 | 164.8 | 371.3 | 177.8 |
| **Historical CAT Outperformance vs. Fcst** | **66.2** | **118.3** | **270.8** | **40.0** |
| | *325.9%* | *254.8%* | *269.4%* | *29.0%* |

Note: normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results and Appendix 3 for detailed analysis of FY24(F) earnings upgrade

[1] Excluding Commercial Construction which is in the latter stages of run-off

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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

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| Reconciliation | FY22 | | | FY23 | | | FY24 | FY24 |
|---|---|---|---|---|---|---|---|---|
| | 1H22 (A) | 2H22 (A) | FY22 (A) | 1H23 (A) | 2H23 (A) | FY23 (A) | 1H24 (A) | FY24 (F) |
| **Revenue** | | | | | | | | |
| **IB&RS** | | | | | | | | |
| **IB&RS - BaU** | **231.3** | **355.2** | **586.5** | **374.8** | **400.5** | **775.3** | **426.1** | |
| IB&RS - CAT | 66.7 | 98.0 | 164.8 | 186.1 | 185.2 | 371.3 | 120.4 | 177.8 |
| **IB&RS - Total** | **298.0** | **453.2** | **751.3** | **560.9** | **585.7** | **1,146.6** | **546.5** | |
| *IB&RS - FY23 & FY24 Acquisitions - BaU* | - | - | - | *(0.2)* | *(1.0)* | *(1.2)* | *(28.7)* | |
| *IB&RS - BaU (excl. FY23 & FY24 Acquisitions)* | *231.3* | *355.2* | *586.5* | *374.6* | *399.5* | *774.1* | *397.5* | |
| *IB&RS - FY23 & FY24 Acquisitions - CAT* | - | - | - | *(0.0)* | *(0.1)* | *(0.2)* | - | |
| *IB&RS - CAT (excl. FY23 & FY24 Acquisitions)* | *66.7* | *98.0* | *164.8* | *186.1* | *185.0* | *371.1* | *120.4* | |
| *IB&RS - Total (excl. FY23 & FY24 Acquisitions)* | *298.0* | *453.2* | *751.3* | *560.7* | *584.5* | *1,145.2* | *517.8* | |
| **CBS** | 26.0 | 26.6 | 52.6 | 33.0 | 38.6 | 71.6 | 46.2 | |
| **CC** | 47.2 | 43.6 | 90.8 | 41.6 | 20.9 | 62.5 | 17.8 | 25.0 |
| **Other** | 0.2 | 0.2 | 0.3 | 0.1 | 0.5 | 0.7 | 0.1 | |
| **Total Revenue (Statutory)** | **371.3** | **523.7** | **895.0** | **635.6** | **645.7** | **1,281.3** | **610.6** | **1,207.3** |
| **Total Revenue (Normalised)** | **371.3** | **523.7** | **895.0** | **635.6** | **645.7** | **1,281.3** | **610.6** | **1,207.3** |
| Total - CAT | 66.7 | 98.0 | 164.8 | 186.1 | 185.2 | 371.3 | 120.4 | 177.8 |
| *Total - FY23 & FY24 Acquisitions - CAT* | - | - | - | *(0.0)* | *(0.1)* | *(0.2)* | - | - |
| ***Total - CAT (excl. FY23 & FY24 Acquisitions)*** | ***66.7*** | ***98.0*** | ***164.8*** | ***186.1*** | ***185.0*** | ***371.1*** | ***120.4*** | ***177.8*** |
| **Total - BaU (Normalised)** | **304.6** | **425.7** | **730.2** | **449.5** | **460.6** | **910.1** | **490.2** | **1,029.6** |
| *Total - FY23 & FY24 Acquisitions - BaU* | - | - | - | *(0.2)* | *(1.0)* | *(1.2)* | *(28.7)* | *(58.0)* |
| ***Total - BaU (Normalised excl. FY23 & FY24 Acquisitions)*** | ***304.6*** | ***425.7*** | ***730.2*** | ***449.3*** | ***459.5*** | ***908.8*** | ***461.6*** | ***971.5*** |

| Reconciliation | FY22 | | | FY23 | | | FY24 | FY24 |
|---|---|---|---|---|---|---|---|---|
| | 1H22 (A) | 2H22 (A) | FY22 (A) | 1H23 (A) | 2H23 (A) | FY23 (A) | 1H24 (A) | FY24 (F) |
| **EBITDA (AASB 16)** | | | | | | | | |
| **IB&RS** | | | | | | | | |
| IB&RS - BaU | 24.1 | 33.0 | 57.0 | 42.5 | 46.7 | 89.2 | 53.1 | |
| *IB&RS - Normalisations - Transaction Costs* | *2.3* | *6.9* | *9.2* | *0.5* | *0.3* | *0.8* | *1.9* | |
| *IB&RS - Normalisations - Porter Davis Bad Debt Write-off* [1] | - | - | - | - | *2.5* | *2.5* | - | |
| **IB&RS - BaU (Normalised)** | **26.4** | **39.9** | **66.3** | **42.9** | **49.6** | **92.5** | **55.0** | |
| IB&RS - CAT | 7.6 | 11.0 | 18.6 | 21.3 | 23.0 | 44.3 | 15.5 | 22.0 |
| **IB&RS - Total (Normalised)** | **34.0** | **50.9** | **84.9** | **64.3** | **72.5** | **136.8** | **70.5** | |
| *IB&RS - FY23 & FY24 Acquisitions - BaU* | - | - | - | *(0.9)* | *(4.2)* | *(5.1)* | *(8.1)* | |
| *CAT Margin Adjustment (Pre-Acquisition EBITDA Margin)* [2] | - | - | - | *0.3* | *1.3* | *1.6* | *1.0* | |
| *IB&RS - BaU (excl. FY23 & FY24 Acquisitions)* | *26.4* | *39.9* | *66.3* | *42.3* | *46.7* | *89.0* | *47.9* | |
| *IB&RS - FY23 & FY24 Acquisitions - CAT* | - | - | - | *(0.0)* | *(0.0)* | *(0.0)* | - | |
| *CAT Margin Adjustment (Pre-Acquisition EBITDA Margin)* [2] | - | - | - | *(0.3)* | *(1.3)* | *(1.6)* | *(1.0)* | *(1.2)* |
| *IB&RS - CAT (excl. FY23 & FY24 Acquisitions)* | *7.6* | *11.0* | *18.6* | *21.0* | *21.6* | *42.7* | *14.5* | |
| *IB&RS - Total (excl. FY23 & FY24 Acquisitions)* | *34.0* | *50.9* | *84.9* | *63.3* | *68.3* | *131.7* | *62.4* | |
| **CBS** | 3.4 | 1.9 | 5.2 | 3.6 | 4.7 | 8.3 | 4.7 | |
| *Normalisations - Transaction Costs* | *0.0* | *0.0* | *0.0* | *0.1* | *0.0* | *0.1* | - | |
| *CBS (Normalised)* | *3.4* | *1.9* | *5.2* | *3.7* | *4.7* | *8.4* | *4.7* | |
| **CC** | 1.2 | (3.0) | (1.8) | (5.1) | (13.9) | (19.0) | (5.8) | (7.0) |
| **Other** | 0.9 | 1.4 | 2.3 | 1.4 | 1.9 | 3.3 | 0.8 | |
| Public Company Opex | (0.6) | (0.6) | (1.2) | (1.4) | (1.3) | (2.7) | (2.6) | |
| *Normalisations - Transaction Costs* | 0.2 | 0.0 | 0.2 | 0.1 | 0.0 | 0.1 | 0.9 | |
| *Public Company Opex (Normalised)* | *(0.4)* | *(0.5)* | *(1.0)* | *(1.4)* | *(1.2)* | *(2.6)* | *(1.8)* | |
| Executive Incentive Plan | (2.5) | (3.5) | (6.0) | (3.5) | (4.0) | (7.5) | (4.5) | |
| **Total EBITDA (Statutory)** | **34.0** | **40.1** | **74.1** | **58.8** | **57.1** | **115.9** | **61.1** | **126.6** |
| *Total Normalisations* | 2.5 | 7.0 | 9.4 | 0.6 | 2.9 | 3.5 | 2.8 | 2.8 |
| **Total EBITDA (Normalised)** | **36.5** | **47.1** | **83.6** | **59.4** | **60.0** | **119.4** | **63.9** | **129.4** |
| Total - CAT | 7.6 | 11.0 | 18.6 | 21.3 | 23.0 | 44.3 | 15.5 | 22.0 |
| *Total - FY23 & FY24 Acquisitions - CAT* | - | - | - | *(0.0)* | *(0.0)* | *(0.0)* | - | - |
| *CAT Margin Adjustment (Pre-Acquisition EBITDA Margin)* [2] | - | - | - | *(0.3)* | *(1.3)* | *(1.6)* | *(1.0)* | *(1.2)* |
| ***Total - CAT (excl. FY23 & FY24 Acquisitions)*** | ***7.6*** | ***11.0*** | ***18.6*** | ***21.0*** | ***21.6*** | ***42.7*** | ***14.5*** | ***20.8*** |
| **Total - BaU (Normalised)** | **28.9** | **36.1** | **64.9** | **38.1** | **37.0** | **75.1** | **48.3** | **107.4** |
| *Total - FY23 & FY24 Acquisitions - BaU* | - | - | - | *(0.9)* | *(4.2)* | *(5.1)* | *(8.1)* | *(14.3)* |
| *CAT Margin Adjustment (Pre-Acquisition EBITDA Margin)* [2] | - | - | - | *0.3* | *1.3* | *1.6* | *1.0* | *1.2* |
| ***Total - BaU (Normalised excl. FY23 & FY24 Acquisitions)*** | ***28.9*** | ***36.1*** | ***64.9*** | ***37.5*** | ***34.1*** | ***71.6*** | ***41.2*** | ***94.3*** |

[1] Relates to a non-recurring bad debt write-off in respect of a repairs, maintenance and warranty defect contract with Porter Davis prior to liquidation. JLG does not have any contracts of this nature with any other home builders

[2] 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 | FY22 | | | FY23 | | | FY24 |
|---|---|---|---|---|---|---|---|
| | 1H22 (A) | 2H22 (A) | FY22 (A) | 1H23 (A) | 2H23 (A) | FY23 (A) | 1H24 (A) |
| **EBIT, PBT, NPAT & CAPEX (AASB 16)** | | | | | | | |
| Depreciation & Amortisation | (6.2) | (9.2) | (15.4) | (9.5) | (11.7) | (21.2) | (14.9) |
| **EBIT** | | | | | | | |
| Statutory | 27.8 | 31.0 | 58.7 | 49.3 | 45.4 | 94.7 | 46.2 |
| **Normalised** | **30.2** | **37.9** | **68.1** | **50.0** | **48.3** | **98.2** | **48.9** |
| Net Interest | (1.0) | (1.2) | (2.2) | (0.5) | (0.8) | (1.3) | (0.3) |
| **PBT** | | | | | | | |
| Statutory | 26.8 | 29.8 | 56.5 | 48.9 | 44.6 | 93.4 | 45.9 |
| Transaction Related Bank Fee Amortisation (Interest) | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 |
| **Normalised** | **29.2** | **36.8** | **66.0** | **49.5** | **47.5** | **97.0** | **48.7** |
| Income Tax Expense | (8.2) | (10.2) | (18.3) | (14.7) | (15.9) | (30.6) | (14.8) |
| **NPAT** | | | | | | | |
| Statutory | 18.6 | 19.6 | 38.2 | 34.1 | 28.7 | 62.8 | 31.1 |
| **Normalised** | **21.1** | **26.6** | **47.7** | **34.8** | **31.6** | **66.4** | **33.9** |
| **CAPEX** | | | | | | | |
| Capex - Total | 5.3 | 7.3 | 12.6 | 15.4 | 10.7 | 26.1 | 7.4 |

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

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| AASB 16 to AASB 117 Reconciliation | FY22 | | | FY23 | | | FY24 |
|---|---|---|---|---|---|---|---|
| | 1H22 (A) | 2H22 (A) | FY22 (A) | 1H23 (A) | 2H23 (A) | FY23 (A) | 1H24 (A) |
| **EBITDA - Statutory (AASB 16)** | **34.0** | **40.1** | **74.1** | **58.8** | **57.1** | **115.9** | **61.1** |
| Less: Rent Expense Adjustment | (3.1) | (3.8) | (6.8) | (4.2) | (4.9) | (9.1) | (5.3) |
| **EBITDA (AASB 117)** | **30.9** | **36.4** | **67.3** | **54.6** | **52.2** | **106.8** | **55.7** |
| **EBIT - Statutory (AASB 16)** | **27.8** | **31.0** | **58.7** | **49.3** | **45.4** | **94.7** | **46.2** |
| Less: Rent Expense Adjustment | (3.1) | (3.8) | (6.8) | (4.2) | (4.9) | (9.1) | (5.3) |
| Add: Depreciation Expense Adjustment | 2.8 | 3.4 | 6.2 | 3.8 | 4.4 | 8.1 | 4.7 |
| **EBIT (AASB 117)** | **27.4** | **30.6** | **58.0** | **48.9** | **44.9** | **93.7** | **45.5** |
| **PBT - Statutory (AASB 16)** | **26.8** | **29.8** | **56.5** | **48.9** | **44.6** | **93.4** | **45.9** |
| Less: Rent Expense Adjustment | (3.1) | (3.8) | (6.8) | (4.2) | (4.9) | (9.1) | (5.3) |
| Add: Depreciation Expense Adjustment | 2.8 | 3.4 | 6.2 | 3.8 | 4.4 | 8.1 | 4.7 |
| Add: Net Interest Expense Adjustment | 0.4 | 0.5 | 0.9 | 0.5 | 0.5 | 1.0 | 0.6 |
| **PBT (AASB 117)** | **26.9** | **29.9** | **56.8** | **48.9** | **44.6** | **93.5** | **45.8** |
| **Net P&L Impact** | **(0.1)** | **(0.1)** | **(0.2)** | **(0.0)** | **0.0** | **(0.0)** | **0.1** |
| RoU Assets | 16.9 | | 18.6 | 18.3 | | 24.6 | 20.3 |
| RoU Lease Liabilities | (18.9) | | (20.7) | (20.4) | | (26.6) | (22.3) |
| **Net Assets Impact** | **(2.0)** | | **(2.1)** | **(2.1)** | | **(2.1)** | **(2.0)** |

# Appendix 3: FY24(F) Earnings Upgrade Analysis

| FY24 Forecast ($m) | Forecast (Aug-23) FY24 | Upgrade (Feb-24) | Forecast (Feb-24) FY24 | FY24(F) (Feb-24) vs. FY24(F) (Aug-23) % |
|---|---|---|---|---|
| **Revenue - BaU (excl. CC)** | **1,004.6** | **-** | **1,004.6** | |
| Revenue - CAT | 137.8 | 40.0 | 177.8 | 29.0% |
| **Revenue - Total (excl. CC)** | **1,142.3** | **40.0** | **1,182.3** | **3.5%** |
| Revenue - Commercial Construction | 33.7 | (8.7) | 25.0 | |
| **Revenue - Total** | **1,176.0** | **31.3** | **1,207.3** | |
| **EBITDA - BaU (excl. CC)** | **113.0** | **1.4** | **114.4** | |
| EBITDA - CAT | 16.8 | 5.1 | 22.0 | 30.6% |
| **EBITDA - Total (excl. CC)** | **129.9** | **6.5** | **136.4** | **5.0%** |
| EBITDA - Commercial Construction | (1.9) | (5.1) | (7.0) | |
| **EBITDA - Total** | **128.0** | **1.4** | **129.4** | |

| Margin Analysis | | | |
|---|---|---|---|
| *EBITDA - BaU Margin (excl. CC)* | *11.3%* | | *11.4%* |
| *EBITDA - CAT Margin* | *12.2%* | | *12.4%* |
| *EBITDA - Total Margin (excl. CC)* | *11.4%* | | *11.5%* |

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.

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

# Appendix 4: Investment Highlights & Competitive Advantage

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| | |
|---|---|
| 1 **Annuity Style Revenues, CAT upside & Low Operating Costs** | • >400k discrete jobs p.a. – minimises project concentration risk<br>• Recurring BaU revenues comprise 'everyday claim events' - insulated from market conditions<br>• CAT events offer significant revenue & margin upside (recurring but unpredictable)<br>• Low fixed costs mitigate business risk – JLG scales up via national panel of >15k subcontractors |
| 2 **Experienced Management Team & Enduring Client Relationships** | • Long-standing key executive team with material equity ownership (>25% JLG Ltd stock)<br>• Management is committed to the business going forward – leadership succession plan in place<br>• Business Partners report monthly vs. Business Plan & KPI's ("GO Meetings") |
| 3 **Market Dynamics - Attractive Industry Fundamentals** | • Market growth drivers: population, insured property values & CAT frequency / magnitude<br>• Highly fragmented ANZ & US markets (M&A consolidation opportunity)<br>• Clients seeking integrated, national service providers – scale & track record are differentiators<br>• High barriers to entry (relationships, brand equity, credibility, trust & admin) |
| 4 **Strong Organisational Culture & Equity Partnership Model Alignment** | • Values driven, meritocratic organisational culture<br>• 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<br>• National footprint enables rapid & efficient client outcomes |
| 6 **Strong Track Record of Financial Performance & Control** | • c.26% revenue CAGR from acquisition in FY04 (c.$12m to c.$1.207bn)<br>• $136.4m FY24(F) normalised EBITDA (excl. CC) |
| 7 **Growth: Organic plus M&A** | • Market growth drivers: population, insured property values & CAT frequency / magnitude<br>• Increasing panel representation & focus on key Loss Adjuster & Broker relationships<br>• 'Right sizing' existing markets – deeper penetration in WA, SA, NT, TAS & NZ plus US expansion<br>• Consolidation of fragmented ANZ & US markets – significant cross-sell opportunities |

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