

H1 FY23 Result

- H1 FY23 revenue from continuing operations of \$52.5m, up 23% from \$42.6m in the pcp
- EBITDA from continuing operations of \$5.4m, up 77% from \$3.1m in the pcp
- Profit before tax of \$0.8m, up 139% from an underlying loss of \$2.0m in the pcp
- Strong balance sheet with net cash of \$18.4 million, up from \$17.2 million at 30 June 2022
- Secured workload and pipeline demonstrating continued growth, with currently
 - A secured workload in excess of \$55 million and
 - An unsecured project pipeline with a weighted value in excess of \$190 million
- Continued half-on-half improvement in revenue and profitability, reflecting execution of growth and turnaround strategy
- \$6.3 million cash flow from operations (up 259% from \$1.7m in PCP) demonstrating strong focus on working capital management
- Capital management strategies continue to be assessed targeting enhanced shareholder returns
- Investor webinar today at 12.00pm (AEDT). Register [HERE](#)

Veris Limited (ASX: VRS) (“Veris” or “the Company”) is pleased to release its results for the half year ended 31 December 2022.

Veris Australia underlying results (\$m)	H1 FY22	H1 FY23	% Change
Revenue	42.6	52.5	23%
EBITDA	3.1	5.4	77%
EBIT	(1.3)	1.2	196%
Underlying PBT	(2.0)	0.8	139%
Veris Ltd - Net Cash/ (Net Debt)	(3.2)	18.4	

The Company delivered revenue of \$52.5 million for the first half of FY23, representing an increase of 23% on the prior corresponding period (pcp). The growth reflects the continued execution of the Company’s turnaround strategy as a simplified pure-play spatial data business leveraging its market-leading national footprint.

EBITDA from continuing operations rose 77% in H1 FY23 to \$5.4 million compared to the pcp, with increasing EBITDA margins (1H FY23: 10.3%; 1H FY22: 7.2%) having been delivered via continuing focus on enhanced project management disciplines and simplified reporting structures.

Having returned to profitability in H2 FY22, Veris Australia delivered profit before tax of \$0.8 million in H1 FY23, up from a loss of \$2.0 million in the pcp.

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Continued improvements in margins remain a key focus for the Company, underpinned by embedding operational and cost efficiencies available from Veris' market-leading national platform. The strong growth in revenue achieved during the first half resulted from a combination of a 10% increase in staff numbers and continued growth in the project service offering to Veris' Key National Account program.

The improvement in financial performance during H1 FY23 was achieved despite significantly higher than normal levels of staff leave being taken as the broader economy adjusts to the post-COVID normalisation of restriction-free travel. As Veris' team continue to take leave accrued over the COVID lockdown periods, it has resulted in the inability to realise additional margin on these hours with the offset being the progressive reduction of accrued leave liabilities on the balance sheet.

The continued growth in margins demonstrated in H1 has been achieved against the backdrop of increasing staffing and wages costs as well as higher materials and consumables costs, which are reflective of the broader inflationary pressures being experienced across the economic landscape in the second half of CY22.

Importantly, the Digital & Spatial team continues to deliver improvement in project margins and profitability demonstrating the continued execution of Veris' data-driven strategy.

Management of key working capital balances has remained a strong focus as the business has grown its activity base throughout the first half, with cash flow from operations of \$6.3 million improving 259% from \$1.7 million in the pcp.

Capital Management

Veris' balance sheet and gross cash balance of \$20.2 million provides a strong platform for continued focus on capital management to deliver enhanced shareholder value.

The strong net cash balance (\$18.4 million at 31 December 2022) has provided a backdrop to the renegotiation of a number of key supply arrangements to deliver significant cost savings and operational efficiencies in areas including vehicle supply and operating costs, procurement and maintenance of leading-edge technical equipment, insurance arrangements and corporate financing facilities.

In the first half of FY23, Veris activated the Company's on-market share buyback program, which was announced in June 2022. The Company will continue to assess this initiative against other capital allocation opportunities to enhance shareholder value.

Veris also continues to assess a number of potential accretive corporate opportunities with a focus on those that add either technical capabilities, strategic scale or geographical presence. Veris notes that it is aware of its disclosure obligations and that none of these potential opportunities has to date progressed to require further market disclosure.

Veris' strategic objectives are targeted at delivering sustained shareholder returns from operational performance. Further continuation of improved operating performance will provide optionality for the Board to consider the most optimal form of enhancing shareholder value. Veris notes that at 31 December 2022 there remains in excess of \$12.7 million of unutilised tax losses for use in future periods as well as in excess of \$5.3 million of franking credits.

New project wins, pipeline and outlook

During the first half of FY23, Veris secured a number of key project wins, as well as variations to current projects, across a range of the Company's key industry sectors on its national platform. This included new work and variations valued at approximately \$18.8 million for the property sector, \$8.6 million for the infrastructure sector, and \$2.8 million for the mining and resources sector. Veris also secured several project wins across the defence and government sectors and currently has a number of projects in the advanced tendering phase, positioning the business strongly for future opportunities in these sectors.

These project wins and variations, more broadly, form part of the secured forward workload, which is in excess of \$55 million to be executed over the next 12 months. The unsecured pipeline continues to remain strong and has a weighted value in excess of \$190 million for execution over the next 24 months.

The outlook for Veris is favourable, with many of its key market sectors currently experiencing high levels of investment and growth, as well as a continuation of the customer-led drive for digital transformation to underpin the realisation of inherent efficiencies in the use of spatial data.

Michael Shirley, Managing Director & CEO, commented:

"It is pleasing to see the continued half-on-half improvements in operating and financial performance demonstrating the execution of our strategy in progress. These improvements have been delivered despite the broader inflationary environment impacting our cost of delivery. Whilst we are pleased with the progress the team has made, we see significant opportunities for a continuation of the turnaround in future periods.

"Our balance sheet strength has been critical to underpinning a number of strategic initiatives in the first half of FY23. Veris' board and management are highly focused on maximising the efficiencies and cost savings able to be generated via our strong cash balance.

"Importantly, our outlook remains strong with increasing numbers of larger projects and opportunities in our pipeline over the next 12 to 24 months."

**Veris FY22 results relate to the standalone continuing operations of Veris Australia and exclude any impact of the net gain on sale arising from the sale of the Aqura Technologies division that was settled in February 2022.*

– ENDS –

About Veris Limited

Veris Limited is the holding company that is listed on the ASX under the code VRS.

Veris Australia is Australia's leading provider of spatial data services across the infrastructure, property, resources, defence, utilities and government sectors. Veris Australia provides an end-to-end spatial data solution for its clients that not only includes data collection, analysis, interpretation but also data hosting and access, modelling, sharing and insights for clients with large-scale data requirements.

Authorised for release by the Board of Veris Limited.

Issued by Veris Limited
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