

## Q1 FY25 Trading Update - Improved financial performance underpinned by Digital strategy execution & FY24 restructuring initiatives

Veris demonstrates improved profitability in Q1 FY25.

- Unaudited PBT of \$0.6m in Q1 FY25 demonstrates a strong rebound from the \$1.8m underlying loss before tax and restructuring costs recorded in FY24.
- Turnaround recorded in Q1 supported by:
  - continued growth in digital & spatial data-driven consulting and advisory services; and
  - cost-reductions resulting from corporate restructuring initiatives actioned in H2 FY24.
- Continued adoption of more selective bidding strategy focussing on higher value, higher margin projects and consulting work resulting in:
  - Q1 FY25 revenue modestly lower than the pcg in FY24; however
  - PBT margin of 2.3% significantly higher than previous periods.
- Veris' EBIT and PBT margins showing strong recovery, albeit still remaining impacted by some continued run-off of lower margin legacy contracts.
- Veris' continued transformation supported by a robust balance sheet.
- Veris anticipates further financial improvement throughout the remainder of FY25 despite some ongoing macroeconomic challenges, as digital solutions continue to drive growth.

Digital and spatial data advisory and consulting firm **Veris Limited (ASX:VRS)**, ('Veris' or 'the Company') is pleased to announce a trading update for the first quarter of its 2025 financial year ('Q1 FY25').

Veris delivered a strong turnaround in operating performance in Q1 FY25 with the result underpinned by:

- continued growth in digital and spatial data-driven consulting and advisory services; and
- a re-shaped operations and cost structure resulting from corporate restructure initiatives undertaken in H2 FY24.

### Improved EBIT and PBT margins

(Q1 results Unaudited)	FY22	FY23	FY24	Q1 FY24	Q1 FY25
Revenue (\$m)	92.4	100.9	92.6	24.9	24.3
EBIT Margin (% Rev)	1.4%	1.8%	(2.6%)	2.5%	2.9%
Profit Before Tax (\$m)	0.1	1.0	(1.8)	0.5	0.6
PBT Margin %	0.1	1.0	(2.0%)	2.0%	2.3%

Continued focus on higher value, higher margin project opportunities delivered an unaudited PBT of \$0.6m in Q1 FY25, representing a PBT margin of 2.3%.

The actions taken in FY24 to restructure and reposition the business are delivering the desired impact (see ASX announcement dated 26 August 2024), with a sharper focus on higher-margin opportunities driving this positive outcome.

The focus on digital and spatial growth continues to generate momentum, with significant wins leveraging digital consulting, digital solutions, and spatial expertise. In addition, the Company's continued strategic shift to pivot

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away from low-margin, legacy projects and to reposition away from Victorian-based engineering-related work has resulted in a stronger underlying market outlook.

Margin growth is expected to improve as Veris' professional services and advisory offerings replace lower margin service lines.

Veris' Q1 FY25 pretax profit of \$0.6 million was higher than the PCP figure of \$0.5 million, reflecting an improvement in both profit quantum and importantly, margin percentage. The Company's pre-tax profit margins have improved, though the full potential is still being held back by some remaining legacy contracts.

Revenues for Q1 FY25 were modestly lower than the previous period, in line with Veris' decision to focus on more selective, high-value contracts from its key client program.

The Company's balance sheet remains strong, underpinning Veris' continued transformation strategy and ability to capitalise on further digital transformation and professional services opportunities.

#### **A continued uplift in financial performance is expected over the balance of FY25**

Looking forward, Veris expects to embed this improved financial performance throughout the remainder of FY25, despite ongoing macroeconomic challenges such as elevated cost pressures. Despite these inflationary cost pressures, the Company is committed to continuing its investment in the ongoing transformation of its business, ensuring it remains at the forefront of digital consulting and advisory services.

#### **Michael Shirley, Managing Director and CEO, commented:**

*"Our digital transformation strategy, implemented progressively over recent years, is now yielding clear results, with Veris reporting improved profitability over the first quarter of its 2025 financial year. This increase is evident in both monetary value and margin growth, reflecting the positive impact of actions taken in FY24."*

*"Although Q1 FY25 revenues were slightly lower compared to the previous corresponding period, this aligns with our intention to avoid bidding for work in lower margin segments. EBIT margins, along with our PBT margin, have strengthened in response to our continued focus on higher margin, multi-disciplinary projects and better project management execution. As some of our longer-term legacy contracts continue to conclude over time we expect our focus on higher margin digital and spatial consulting and advisory projects with key clients to further enhance earnings."*

*"Looking ahead, our strategic initiatives are already enhancing our financial performance, but the transformation of Veris is far from complete. We will continue to invest in our digital strategy over the coming quarters, ensuring Veris' national network is well-resourced and positioned to further penetrate its target market segments in digital and spatial data advisory and consulting services."*

– ENDS –

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## About Veris Limited

Veris Limited (ASX:VRS), is a fully integrated digital and spatial data advisory and consulting firm. It provides end-to-end spatial data and digital solutions to tier-1 clients in key industry sectors including Transport, Buildings & Property, Energy & Resources, Defence, Utilities and Government. The Company has a national footprint, with a diverse geographic spread of offices, servicing major metropolitan and regional centres across Australia.

The Veris end-to-end service offering unlocks the digital transformation needs of industry, spanning spatial data collection, hosting, sharing, analytics, insights and modelling for clients with large-scale data requirements, through to survey, planning, consulting and advisory services.

Veris strives to provide a safe work environment for its staff, operating under its accredited Health, Safety, Environment and Quality (HSEQ) management system. The Company is also committed to improving employment opportunities to Australia's indigenous population, via its initial Reconciliation Action Plan, Veris Reflect, and its stake in the Wumara Group, a majority indigenous-owned land and construction surveying business.

To learn more, please visit: [www.veris.com.au/](http://www.veris.com.au/)

Authorised for release by the Board of Veris Limited.

Issued by Veris Limited