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# veris

## **1H FY25 Results and Business Update**

Presented by:

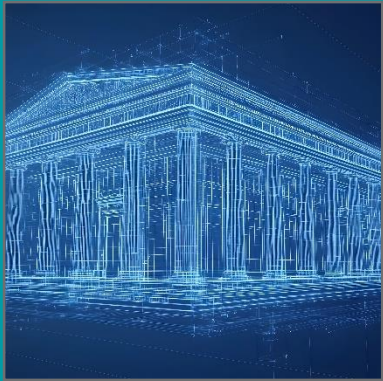
**Michael Shirley, Managing Director & CEO**

**Steve Harding, CFO**

24 February 2025



# Our vision for a Digital Future



Empowering industries with cutting-edge digital solutions



Leading in Digital Advisory & Consulting services



Harnessing the power of spatial data, Digital Twins and AI



Pioneering digital transformation for our clients



Unlocking digital innovation and sustainability outcomes

Veris - a fully integrated digital advisory and consulting firm, providing end-to-end solutions for clients.



# 1H FY25 highlights and key achievements



**Rebound in Profitability:**  
PBT of \$1.0m,  
up 212% from PCP.



**Margin Improvement:**  
PBT margin increased to  
2.1%, up 200% from PCP.



**Strategic Revenue Focus:**  
Revenue of \$46.8m, aligning  
with strategic focus on higher-  
margin project selection.



**Strong Cash Position and  
Order Book:** Cash balance  
rose to \$17.6m, with a  
secured forward workload  
over \$55m.



**Digital Expansion:**  
Share of revenue from  
digital and spatial data  
consulting services  
increase to 20.4%.



**Strategic Acquisition:**  
Acquisition of Spatial  
Vision to bolster digital  
solutions and advisory  
service offering.

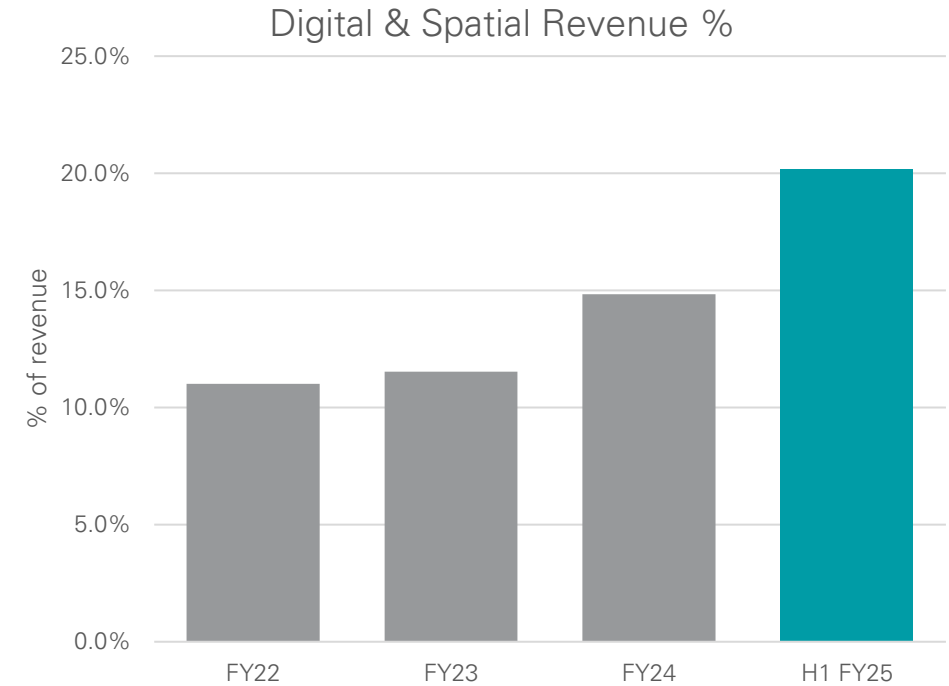
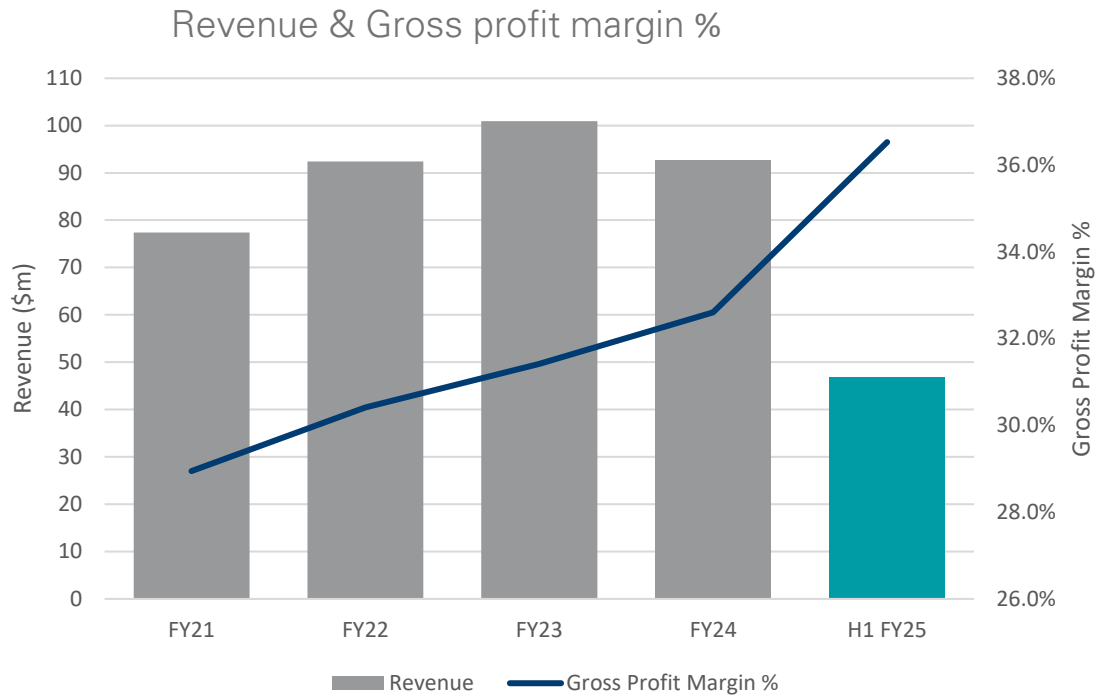




# 1H FY25 Financial update



# Consolidating the base - Stable, higher quality revenue delivering higher margins



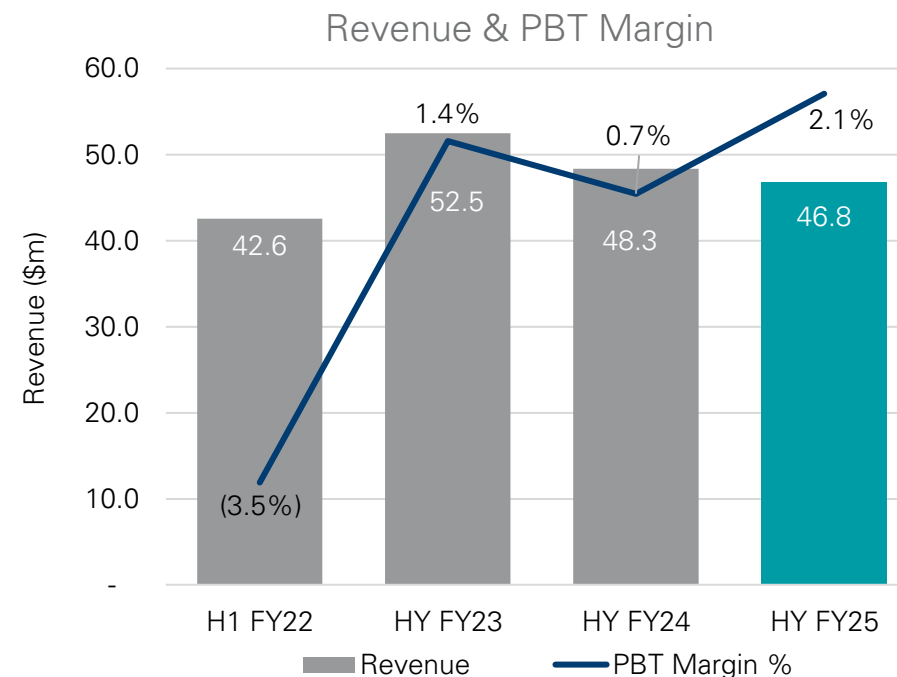
## Highlights

- Gross profit margin expansion driven by more selective choice of projects and clients
- Increasing proportion of revenue generated from Digital & Spatial advisory projects – now 20+ %.



# 1H FY25 Results Summary

| Veris Australia P&L \$M      | H1 FY25 | H1 FY24 | H1 FY23 | H1 FY22 | % Change vs PCP |
|------------------------------|---------|---------|---------|---------|-----------------|
| Revenue                      | 46.8    | 48.3    | 52.5    | 42.6    | (3.3%)          |
| <i>Gross Profit Margin %</i> | 36.6%   | 33.9%   | 31.6%   | 28.8%   |                 |
| EBIT                         | 1.2     | 0.6     | 1.2     | (0.8)   | 117%            |
| <i>EBIT Margin %</i>         | 2.6%    | 1.2%    | 2.3%    | (1.9%)  |                 |
| PBT                          | 1.0     | 0.3     | 0.8     | (2.0)   | 212%            |
| <i>PBT Margin %</i>          | 2.1%    | 0.7%    | 1.4%    | (3.5%)  |                 |



## Highlights

- EBIT margin % and PBT Margin % improvement despite small decline in headline revenue
- Continued shift away from smaller projects delivering enhanced gross profit margin %
- Continued investment in Digital & Spatial offering – now contributing 20% of H1 revenue vs 15% in H1 FY24 (H1FY23: 10%).
- 27% decrease in project numbers compared to pcp, yet only a 3% decline in revenue. Demonstrates the continuing transition in the targeting of higher value, higher margin projects for larger clients.



# Strong balance sheet underpins ongoing strategic M&A initiatives

| Balance Sheet \$M             | Dec 24      | Jun 24      |
|-------------------------------|-------------|-------------|
| Cash                          | 17.6        | 16.1        |
| Debtors & WIP                 | 14.8        | 18.6        |
| P,P&E                         | 7.8         | 8.8         |
| AASB16 Leases – ROUA          | 11.3        | 12.8        |
| DTA, Intangibles, Other       | 5.6         | 6.0         |
| <b>Total Assets</b>           | <b>57.1</b> | <b>62.4</b> |
| Trade Creditors               | 4.9         | 9.5         |
| Employee Benefits (C + NC)    | 8.8         | 7.8         |
| HP Lease Liabilities (C + NC) | 0.5         | 0.7         |
| Borrowings                    | 4.3         | 5.0         |
| AASB16 Leases – ROU (Current) | 4.3         | 4.4         |
| AASB16 Leases – ROU (N-C)     | 8.8         | 10.7        |
| Other Liabilities             | 1.1         | 1.1         |
| <b>Total Liabilities</b>      | <b>32.8</b> | <b>39.4</b> |
| <b>Net Assets</b>             | <b>24.3</b> | <b>23.0</b> |

## Overview

- Strong cash movement underpinned by:
  - ✓ Delivery of higher margin projects;
  - ✓ Crystallisation of working capital; and
  - ✓ Minimising capex requirements via continued efficiency gains in the utilisation and mobilisation of equipment
- Rising and robust cash position – up to \$17.6 million
- Stable balance sheet and capital position
- Debtors & WIP management remains a strong focus
- Borrowings have been utilised to replace legacy, high-cost HP Lease Liabilities used to finance equipment purchases
- AASB16 Leases predominantly represent capitalisation of office lease commitments
- Balance sheet strength underpins continuing M&A initiatives.





**Accelerating on strategy**





# Our journey of transformation

1

## Save

- Addressed under performance
- Restructured operations
- Stabilise debt and cash management

2

## Stabilise

- Financial discipline
- Efficiencies in operating model
- Restructure the balance sheet
- Focus on efficiency in capital management

3

## Invest

- People
- Technology
- Key client accounts
- Digital strategy
- Delivery excellence
- Organic profitable growth

4

## Transform

- Digitally differentiated
- High margin, high value
- Digital advisory & consulting
- Growth through acquisition

**Positioning Veris through continuous investment in strategy**



## Digital Strategy Execution

Executing our digital strategy for tangible outcomes.



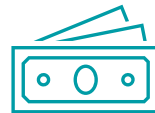
**Advanced AI and Analytics Development:** Enhanced our technological foundation with cutting-edge AI, analytics, and data hosting capabilities.



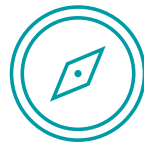
**Strategic Talent Acquisition:** Integrated specialised talent to drive innovation and execution in digital and spatial data consulting and advisory fields.



**Expanded Client Value Proposition:** Enhanced client offerings by integrating comprehensive data and digital solutions.



**Commercialisation and Market Shift:** Launched revenue-generating digital solutions and pivoted to higher-margin markets.



**Unique Market Position and End-to-End Solution:** Built a distinctive market presence and enabled comprehensive, end-to-end solutions for key clients.

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## **Acquisition of Spatial Vision Innovations Pty Ltd**



## Acquisition of Spatial Vision Innovations Pty Ltd

Veris to acquire 100% of Spatial Vision Innovations Pty Ltd ("Spatial Vision")

25-year history as a trusted provider of specialist spatial solutions and GIS services to both Government and the private sector.

# Spatial Vision



## About Spatial Vision

- **Established Expertise:** Founded in 1999 with over 25 years track record in serving clients.
- **Core Services:** Specialises in Spatial and GIS Services, Enterprise GIS, and Application Development.
- **Client Base:** Serves Government and private sector clients across sectors such as Climate Change, Agriculture, Natural Resource Management, Fisheries, and Marine markets.
- **Innovative Solutions:** Trusted provider of services addressing spatial, social, and environmental challenges through innovative geospatial solutions and information technology applications.
- **Skilled Team:** Comprises approximately 40 highly-skilled professionals generating over \$9 million in annual revenue.





# Strategic Rationale

The acquisition further advances Veris' strategic shift towards a fully integrated digital advisory and consulting model.

By integrating Spatial Vision's complementary capabilities in strategic consulting, spatial data analysis, and GIS services, Veris will build on and enhance its existing service offering.



## Strengthening Digital Solutions

Enhances Veris' digital advisory and consulting capabilities and solidifies position as a leader in spatial data and GIS services. Addition of the skills and services in Spatial IT and Solutions architecture



## Expanding Government Client Reach

Broadens our reach to key Government clients across multiple states, opening new avenues for growth and collaboration.



## Immediate Scale

Highly skilled team of 40 professionals will add immediate complementary scale to Veris' existing core strengths within the Digital & Spatial service offering.



# Key Benefits and Synergies

The acquisition of Spatial Vision further advances Veris' strategic shift towards a fully integrated digital advisory and consulting model.



## Operational Synergies

Combines the strengths of both companies, creating a powerhouse of digital and spatial expertise.



## Financial Synergies

Expected to be earnings accretive from FY26, with significant cost savings and efficiency gains.



## Technical Skills

Highly skilled team of spatial solution, spatial data and digital consulting professionals.



## Client Value

Delivers greater value to clients through integrated services, advanced digital solutions, and strategic consulting.



## **Outlook and pipeline**



# A leading client base aligned to growth in key industry sectors



Transport



Property & Buildings



Government



Utilities



Defence



Energy & Resources

|             |           |          |            |          |          |          |
|-------------|-----------|----------|------------|----------|----------|----------|
| SAM*        | \$220M    | \$150M   | \$280M     | \$110M   | \$100M   | \$210M   |
| CAGR^       | 9.5 - 11% | 8 - 9.5% | 7.5 - 8.5% | 10 - 12% | 14 - 16% | 12 - 14% |
| Key Clients |           |          |            |          |          |          |

Outlook and Pipeline

\*Serviceable Addressable Market 2025 | ^Compound Annual Growth Rates (CAGR) for Spatial Consulting Services in Australia (2024–2034)





# Outlook and Pipeline

Veris has continued to hold a strong pipeline and outlook underpinned by a national footprint and positioning across a diverse spread of markets.



**Secured forward workload** is in excess of \$55 m to be executed over the next 12 months.



**Ongoing project variation and direct assignment works** in addition to forward workload.



**Healthy, unsecured project pipeline** has a weighted value in excess of \$190m.



**Recent and future acquisitions**, including Spatial Vision, unlock new and extended strategic market expansion opportunities.



**Strategic shift towards higher margin, large and complex opportunities** with key clients and a reduction in smaller projects.



**Strong track record in demonstrating the conversion of our backlog and pipeline** to revenue and margin in subsequent periods, providing confidence in our outlook.



# Summary



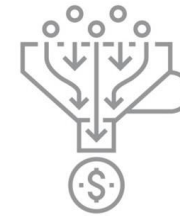
**Digital strategy initiatives delivering results**, with Digital & Spatial services 20.4% of total 1H FY25 revenues.



**Veris leverages its spatial and advisory skillsets** resulting in increased market opportunities to provide high margin services and delivery of multi-disciplinary projects.



**Growth through acquisition**, on the base of an organically growing business, acquisition is used to accelerate strategy progress.



**A strong pipeline of committed and tendered projects** – as at end-1H FY25 , a secured forward workload valued at greater than \$55m.



**Veris has a long-term stable, unsecured project pipeline**, with a weighted value of \$190m over the next 24 months.



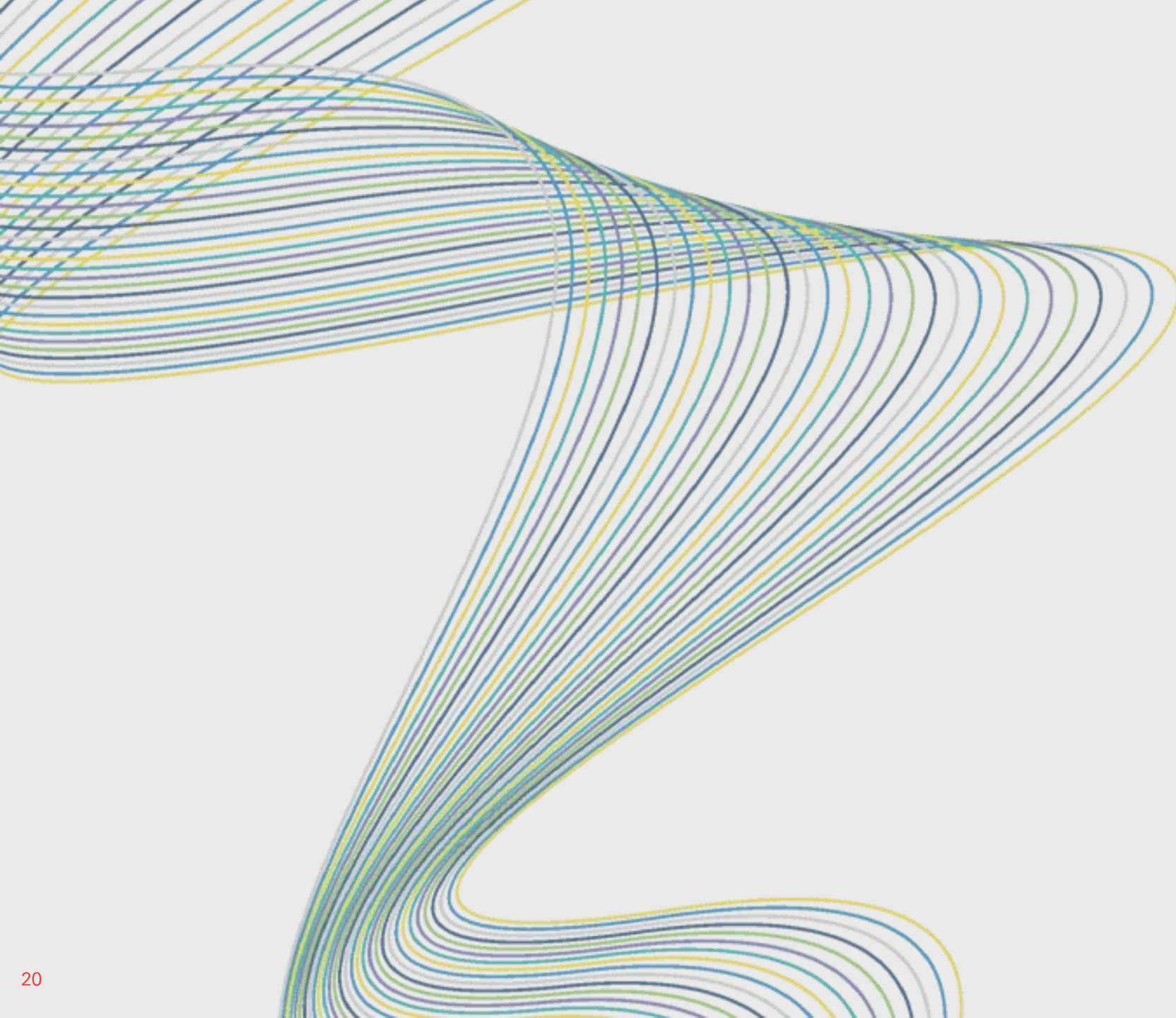
**Strong cash position**– cash balance rose to \$17.6m.



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## Appendix





# Veris: A fully integrated digital advisory and consulting firm

## Digital and Spatial

3D scanning, data capture, hosting storage, management, modelling, visualisation, and analysis.

- A deliberate pivot into higher margin consultancy and strategic advisory services

## Consulting and Advisory

Due diligence, statutory and strategic planning, master planning, place-making, planning approvals, project management, environmental planning and approvals, contaminated land and waste management, water management.

- These services meet the digital transformation needs of our clients across multiple industrial sectors

## Property Survey

Land surveying, cadastral, and consulting solutions.

- Veris is now appropriately aligned to the emerging data and digital transformation needs of industry

## Engineering Survey

Civil construction and engineering survey solutions for major infrastructure.

- This transformation across our addressable markets will continue to gain momentum.



**49% interest** in Indigenous owned Wumara Group



# A national footprint servicing a broad-based addressable market

## Our People



450+

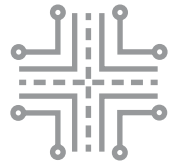
People

## Our Services



## Our Markets

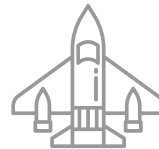
### Transport



### Mining & Resources



### Defence



### Property & Buildings



### Energy & Utilities

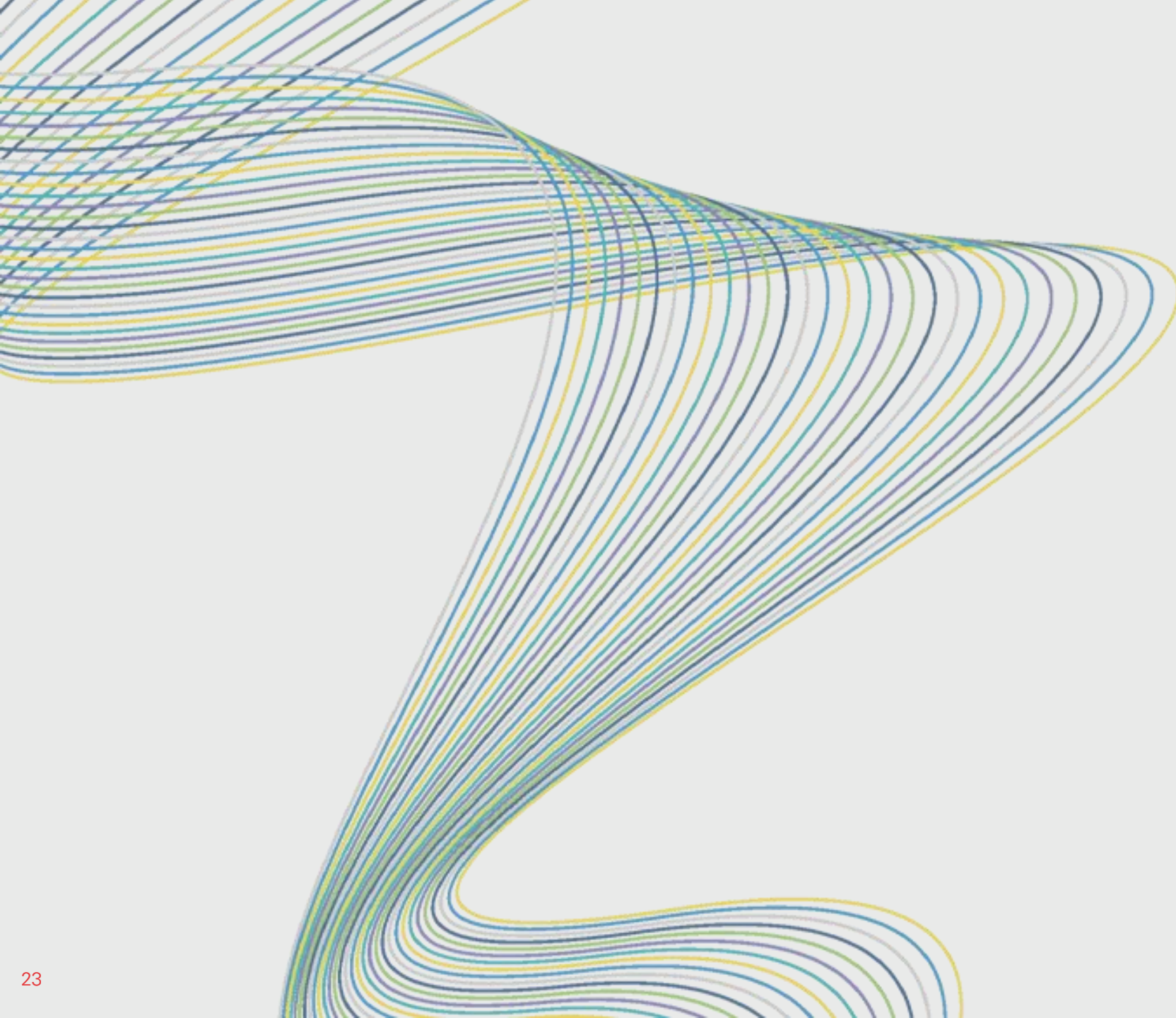


### Government



## Our Values





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