

The Veris logo consists of the word "veris" in a lowercase, sans-serif font, colored red. It is enclosed within a red outline that forms a square with a diagonal cut-off at the bottom-left corner.

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1H FY2017 Results

February 2017

DEVELOP
WITH _____
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National Business Model and successful growth in NSW markets

- Through its national surveying strategy, Veris has created a diversified professional services business with over 400 employees and annualised revenue of approximately \$65m
- Veris offers desirable investment exposure to growth in East Coast civil infrastructure and property investment
- National surveying strategy has mitigated declining resources construction and property development activity in Western Australia
- 1H FY2017 represents a transition from the 'old' business toward a national, East Coast-focused surveying company
- Surveying earnings growth expected in second half FY2017 given full period of earnings from recent acquisitions, second half seasonality and strong growth in underlying East Coast infrastructure markets



1H FY17 – continued to build strength of business foundation

Financial Results

- Survey revenue \$29.5m, up 19%
- Group EBITDA \$4.9m, down 44%, including 50% reduction in OTOC Australia
- Cash \$12.4m, net cash \$0.9m
- \$25m CBA Acquisition Facility



Strategic Achievements

- Veris branding completed
- Positioned survey business for East Coast 'Infrastructure Boom'
- Completed four acquisitions in 2H FY17, expanding market presence and specialist services
- New acquisitions shall make full contributions to the second half FY17 earnings
- Appointed first Regional Managing Partner – NSW in line with integrated operating structure



Outlook

- Higher survey earnings anticipated in 2H FY2017
- Undertaking due diligence on a number of acquisition opportunities
- Expanding East Coast surveying business
- Steps taken towards separating the Contracting and ICT / Communication divisions



1H FY17 Results



Surveying growth has mitigated reduced revenue from OTOC Australia

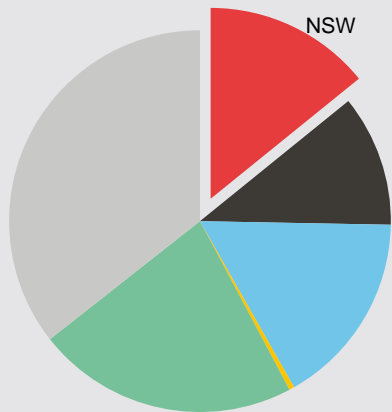
\$m	1H FY17	1H FY16
Revenue	55.0	62.5
EBITDA	4.9	8.7
Depreciation	(1.7)	(1.3)
Amortisation	(2.0)	(1.5)
Acquisition related cost/income	(0.8)	1.1
Restructuring costs	(0.4)	-
Share-based payments	(0.4)	(0.3)
EBIT	(0.4)	6.8
Net interest expense	(0.4)	(0.4)
Profit before tax	(0.8)	6.4
Income tax benefit/(expense)	1.0	7.9 ¹
Net profit after tax	0.2	14.3¹

Note 1: Includes tax benefit related to historic earnings from Nauru

Revenue Analysis – growing exposure to NSW markets

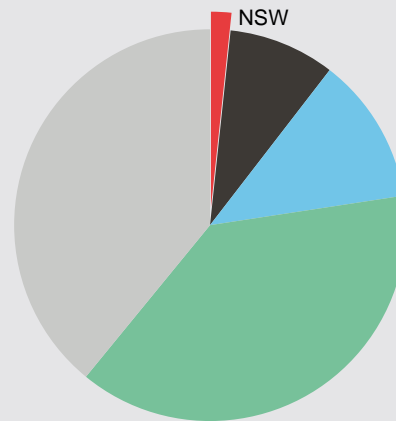
Veris is developing a diversified revenue base, with increasing exposure to East Coast infrastructure and property

Revenue by Location – 1H FY17



■ NSW ■ QLD ■ VIC ■ SA/TAS ■ WA ■ International

Revenue by Location – 1H FY16

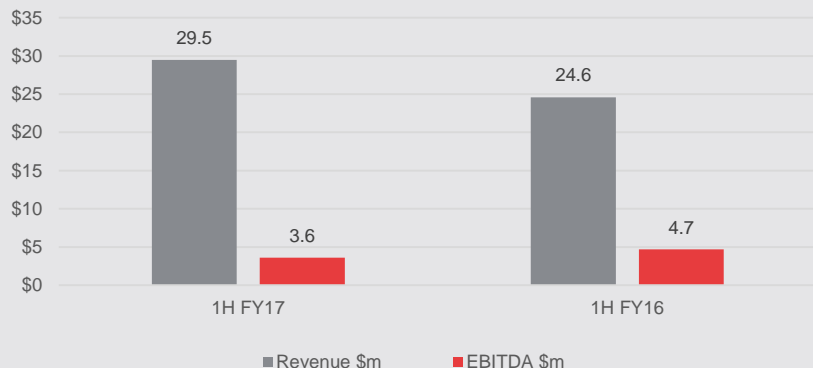


■ NSW ■ QLD ■ VIC ■ SA/TAS ■ WA ■ International

- 40% of revenue from the East Coast, up from 23% in 1H FY16
- NSW revenue increased from \$1.0m to \$7.8m, representing c.14% of total revenue
- WA revenue fell from \$23.9m (38%) to \$12.2m (22%)

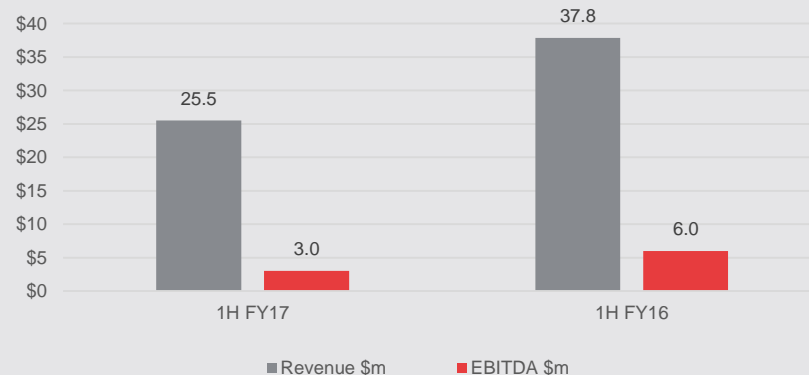
Segment Analysis

Professional Services (Surveying)



- Survey revenue up 19% to \$29.5m, underpinned by growth in NSW
- WA revenue down 41% to \$6.2m due to weak property and resources markets
- Acquired businesses performing in-line with expectations
- EBITDA margin 12.1% (1H FY16 19.1%), lower than forecast
 - Integration costs incurred in advance of longer term savings
 - WA region experiencing lower revenue and margin pressure
 - Rising labour costs in NSW due to competition for senior surveyors; signs emerging of market normalisation as pressure rises for resources
 - Several legacy fixed cost items in WA operations shall lapse in Q4 FY17

Construction Services (OTOC Australia)



- Revenue declined 33% to \$25.5m
- WA infrastructure projects completed in prior half were not replaced, coinciding with reduced activity at Nauru; Nauru workload expected to be completed in Q3 FY17
- Strategic direction for OTOC Australia has been resolved by Board
- \$4.8m Pilbara Minerals contract; additional stages yet to be awarded
- Strong progress in communications and technology
 - Village entertainment system upgrade (\$4.5m contract with Tier 1 client)
 - Cumulative revenue from Bunnings ICT \$6.8m

Balance Sheet



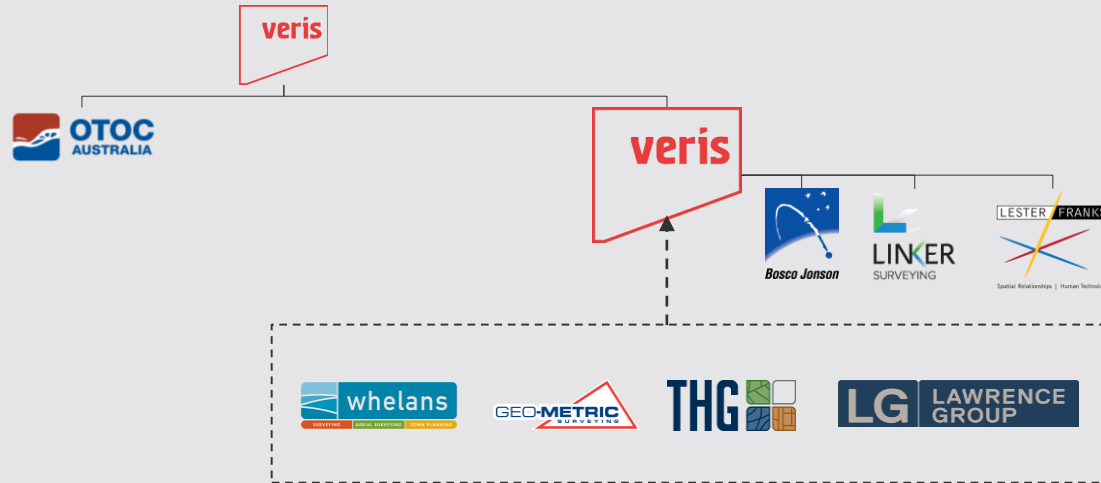
Strong balance sheet capacity and undrawn facilities to fund national surveying strategy

Balance Sheet		
\$m	31 Dec 16	30 Jun 16
Cash	12.4	13.0
Hire Purchase Facilities	(7.7)	(6.8)
Commonwealth Bank Facility	(3.8)	(4.6)
Net Cash/(Debt)	0.9	1.6
Deferred Vendor Payments	3.7	3.0
Net Assets	66.9	53.3

- Strong balance sheet to fund organic growth and surveying acquisitions
- Raised \$12.0m in September 2016
- Acquisitions completed in 1H FY17: Lawrence Group, Goodwin Midson, WKC Spatial and Lester Franks (total up-front cash consideration \$8.0m)
- Deferred vendor payments \$1.8m paid in the half
- \$25m CBA Acquisition Facility - \$21.2m undrawn

Professional Services

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- Staged branding based on a deliberate marketing rationale
- Migration of brands to Veris has been scheduled

Market

- \$3.6bn annual revenue¹
- Annual Growth 2016-21 in line with CPI and population migration¹
- 3,650 businesses¹
- Nationally fragmented
- Strong position to service East Coast infrastructure and property sectors

Clients

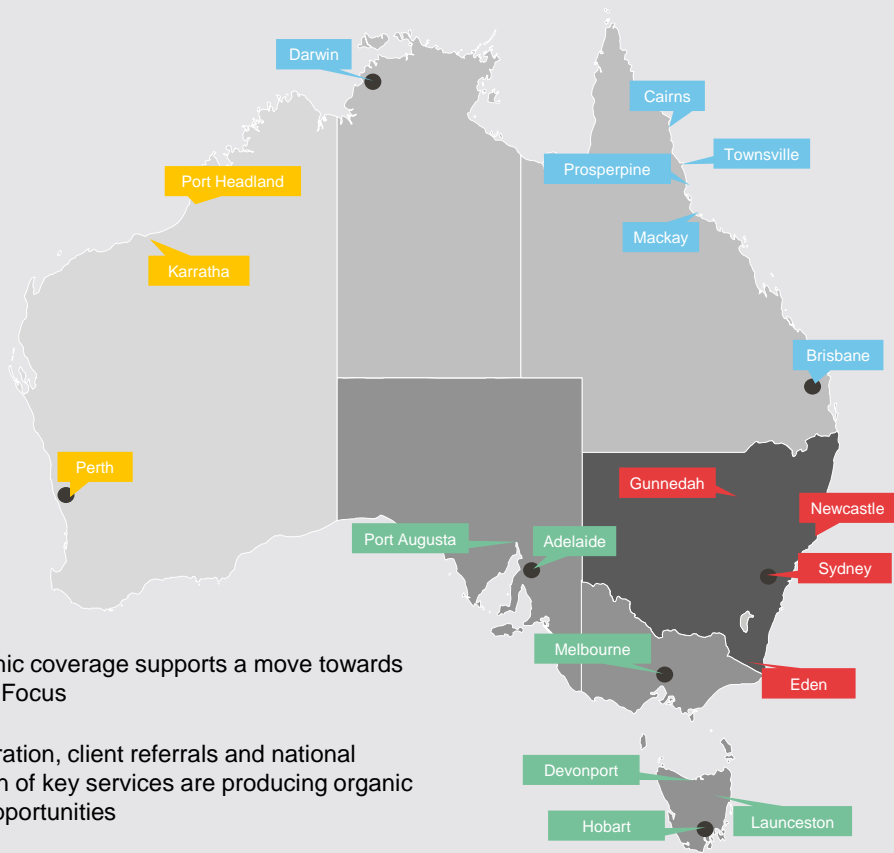
- National clients
- International investment
- Services required throughout lifespan of development

Rationale

- Strategic partnerships
- Access to a national network
- Expanded skills and capabilities
- Innovative use of technology
- Exceptional outcomes for projects
- Investment access to early phases of infrastructure expenditure

1. IBISWorld Industry Report M6922. February 2016

Geographic coverage to support East Coast Infrastructure Boom



- Geographic coverage supports a move towards Regional Focus
- Staff migration, client referrals and national expansion of key services are producing organic growth opportunities

NSW	
Offices	Total Staff
4	110

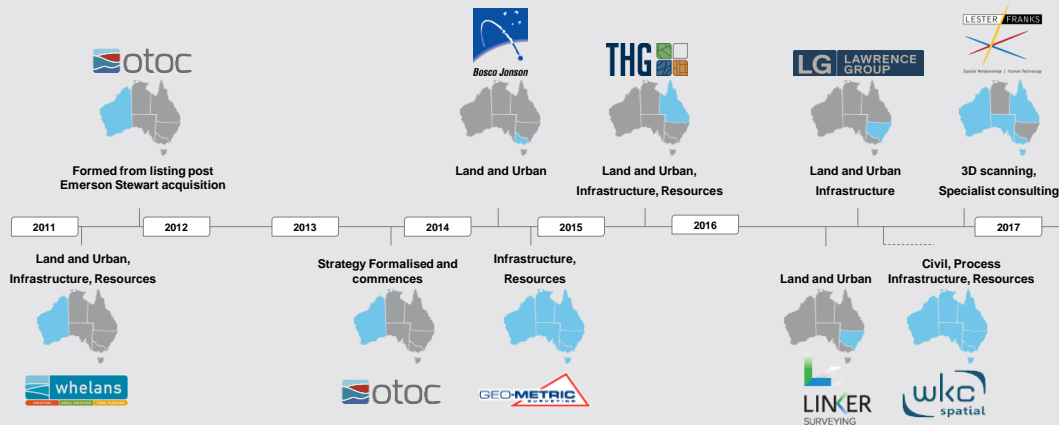
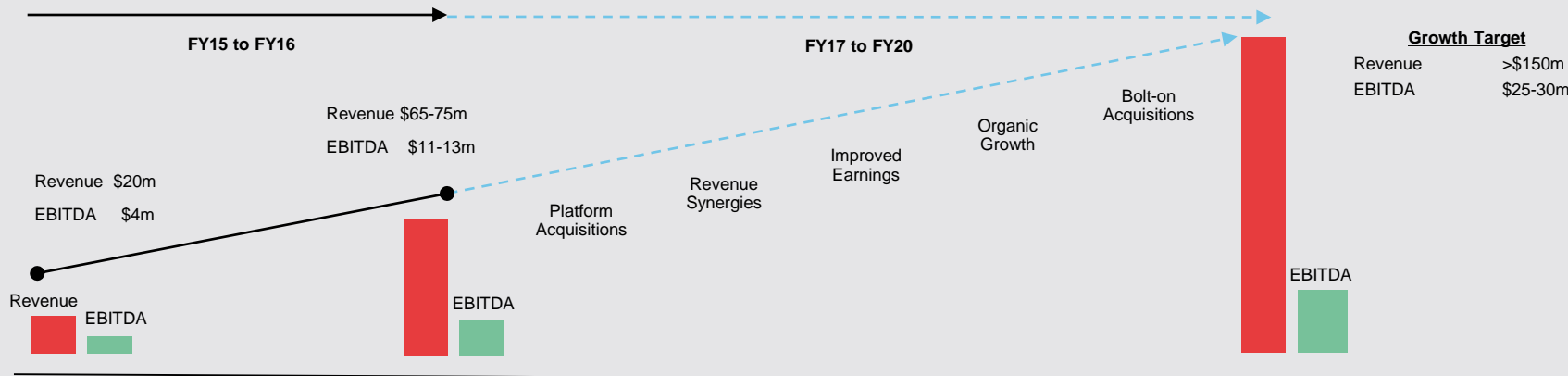
QLD / NT	
Offices	Total Staff
6	80

VIC / SA / TAS	
Offices	Total Staff
8	145

WA	
Offices	Total Staff
5	85

Total	
Offices	Total Staff
23	415

National Survey Operations and Growth Plan – on track



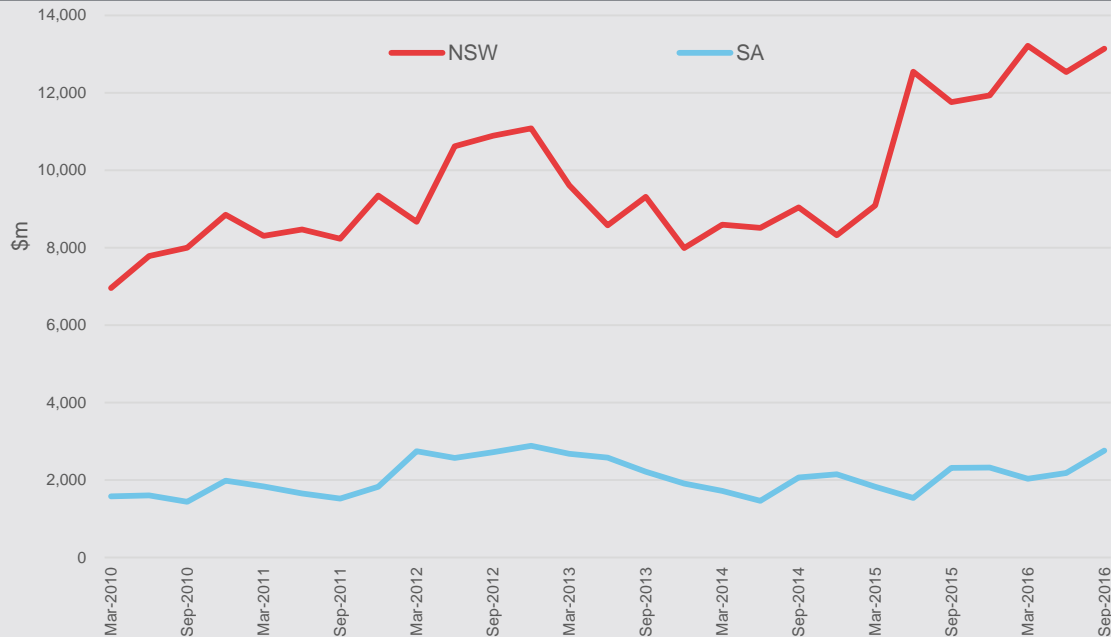
2017 Acquisition Focus

- NSW, VIC, SA, QLD
- Civil infrastructure
- Property scale

Market Opportunities – Infrastructure

Record levels of infrastructure expenditure to be completed in NSW and SA

Engineering Construction: value of work to be done



- Australia is spending more public money on new transport infrastructure than any other major developed country¹.
- The transport sector continues to be a major priority for the state (WA) with the Western Australian Government investing \$1.8 billion in key roads and public transport infrastructure².
- State governments looking to cash in with asset sales that can be recycled back into badly needed new infrastructure, such as in NSW, where the Baird government is ploughing billions from port and electricity privatisations into projects such as the Westconnex toll road³.

Integration of our national surveying business shall be delivered in line with our Strategic Objectives

FUNCTIONAL ELEMENT	PRIMARY OBJECTIVE	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
VISION	"To be a market leading planning, design, survey and spatial solutions company renowned for generating client value through innovation and excellence from our exceptional people."					
MISSION	"OTOC is passionately committed to developing our spatial company in order to deliver superior sustainable financial returns for all stakeholders."					
ATTRIBUTES	High Quality	Consistent	Reliable	Market Leader	Diversified Revenue	Sustainable
	VALUE					
REVENUE	5% Market = \$150M					
GROUP OPERATING MODEL	Operational Unity					
	CLIENT					
SERVICES AND MARKET	Identified & Targeted					
BUSINESS DEVELOPMENT	National Focus					
	PRODUCTIVITY					
FINANCE / TREASURY	Fully Integrated					
COMMERCIAL / LEGAL	Central Processes					
	SUSTAINABILITY					
HSEQ	Minimum Standards					
RISK	Group Processes					
	PEOPLE					
ORGANISATION	Organisational Clarity					
EMPLOYMENT	Consistent / Attractive					
	INNOVATION					
INVESTMENT	Core Pillar					
COORDINATION	Group Function					

FY 2017 Priorities

- Communicate our Vision
- Branding
- Acquisition & Organic Growth
- Deploy Corporate Values
- Target Operating Model
- Organisational design
- HSE Minimum Standards
- Deploy ERP across several businesses
- Talent development and resource utilisation

Investment Highlights

Developing a diversified professional services business; offering leading investment exposure to East Coast infrastructure growth

- Successful first half with four survey acquisitions and 'Veris' branding completed
- Investment in integration activity, business development and strategic hires, including appointment of first Regional Managing Partner, to deliver organic growth in NSW
- Acquisitions targeted at building Veris' position as a market leader in the East Coast surveying industry
- Veris provides investors with early stage exposure to projected growth in East Coast infrastructure and property sectors and recurring work through the project life cycle
- Strong balance sheet position to maintain growth trajectory



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Thank you

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