Annual Results - 2018

DEVELOP
WITH
CONFIDENCE ™

Veris is a national professional services business offering surveying, professional and advisory and geospatial services

FY2018 Financial Dashboard

Revenue	EBITDA[1]	NPATBA[3]
$106.8m	$11.2	$5.3m
45% ▲	96% ▲	92% ▲

Cash	DPS	Net Debt
$5.6m	0.5 cents	$8.0m



1. EBITDA is a non-IFRS measure
2. % increase from prior period represents the movement from continuing operations
3. Underlying NPATBA

FY2018 Highlights

Strategic

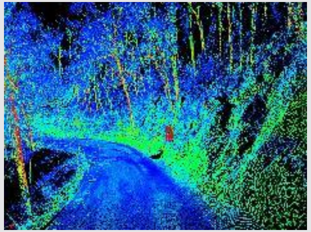
- Transition to consulting business complete
- Focus on driving Shareholder value
- Completed Elton Consulting Group acquisition
- Achieved stage one milestone target of $100 million revenue

Operational

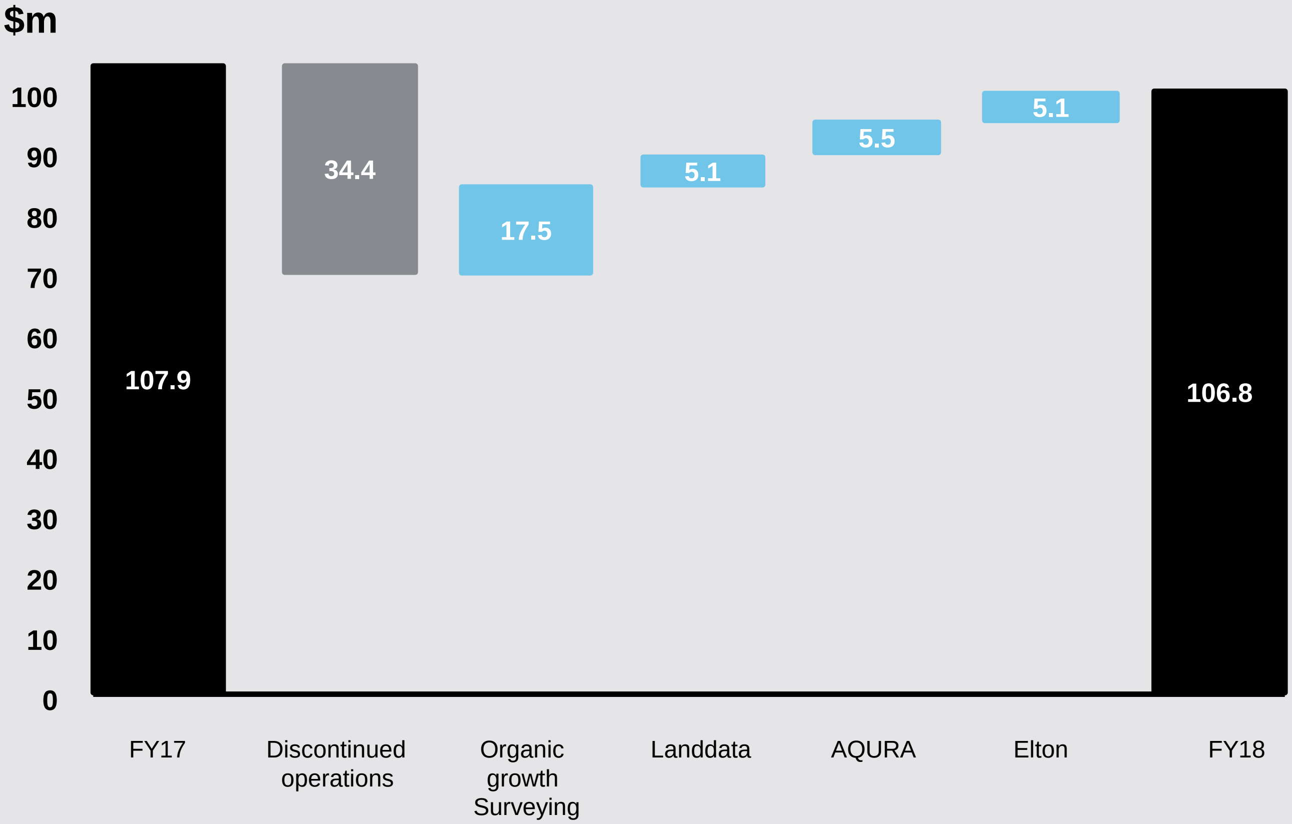
- Finalised integration of Surveying business by 30 June 2018
- Strong growth potential in Eastern Australian infrastructure markets
- Awarded projects on the back of cross selling

Financial

- FY2018 Revenue $106.8 million
- FY2018 EBITDA $11.2 million
- Third consecutive dividend



Revenue Bridge FY17 to FY18



Revenue from discontinued contracting business has been replaced by consulting revenue.

Organic Surveying revenue growth of 27% on FY17 revenue was driven from increased Infrastructure projects works in Eastern Australia.

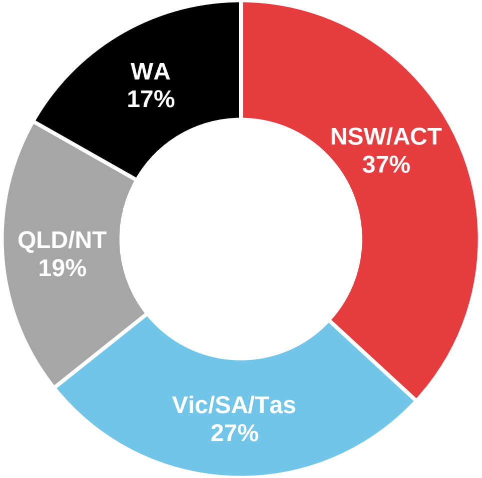
Landdata acquisition contributed 11 months for revenue in FY18.

Elton Consulting contributed three months revenue to the FY18 result. ($1.1m @ 20% EBITDA)

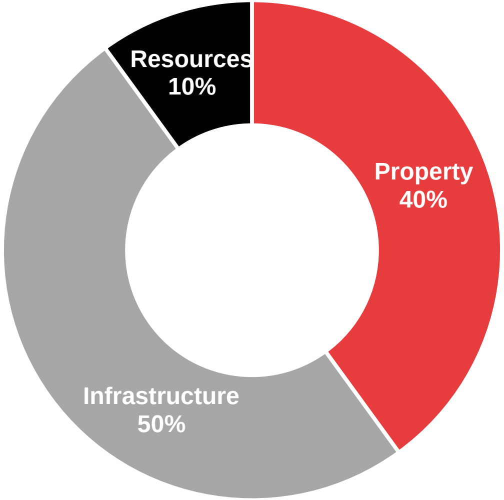
AQURA Technologies has achieved strong revenue growth during FY18.

Revenue Analysis – strong exposure to east coast infrastructure

Survey Revenue by Location – FY18



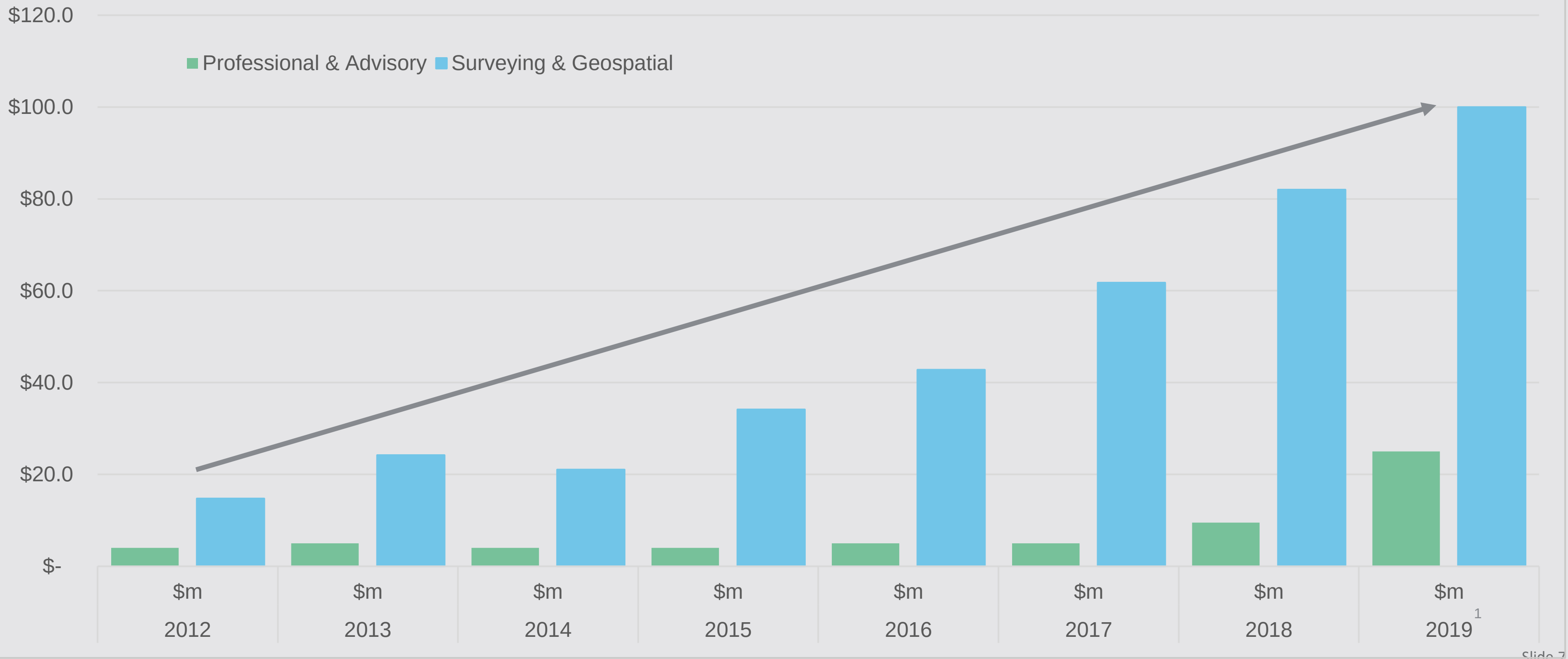
Survey Revenue by Industry – FY18



- Approximately 83% of revenue from the east coast, including approximately 37% from NSW
- Expect strong revenue growth in NSW/ACT given organic growth projections and project awards
- Revenue from civil and transport infrastructure approximately 50%; approximately 40% from property and real estate, and 10% from resources

Veris Revenue

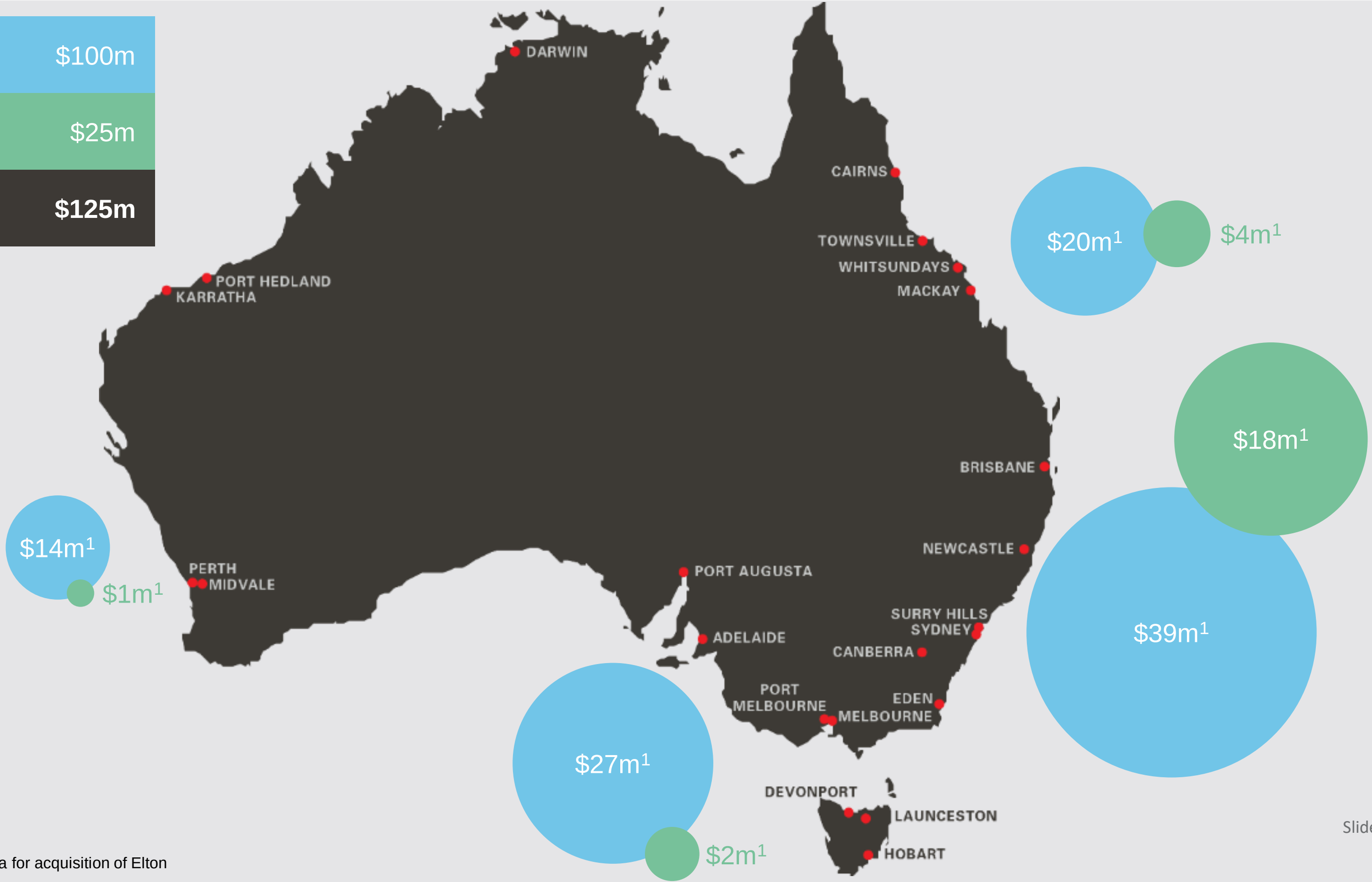
Consistent increase in revenue achieved through acquisition, organic growth and integration efficiencies



[1] Increase in revenue is a result of Professional Advisory revenue acquired and organic growth in survey

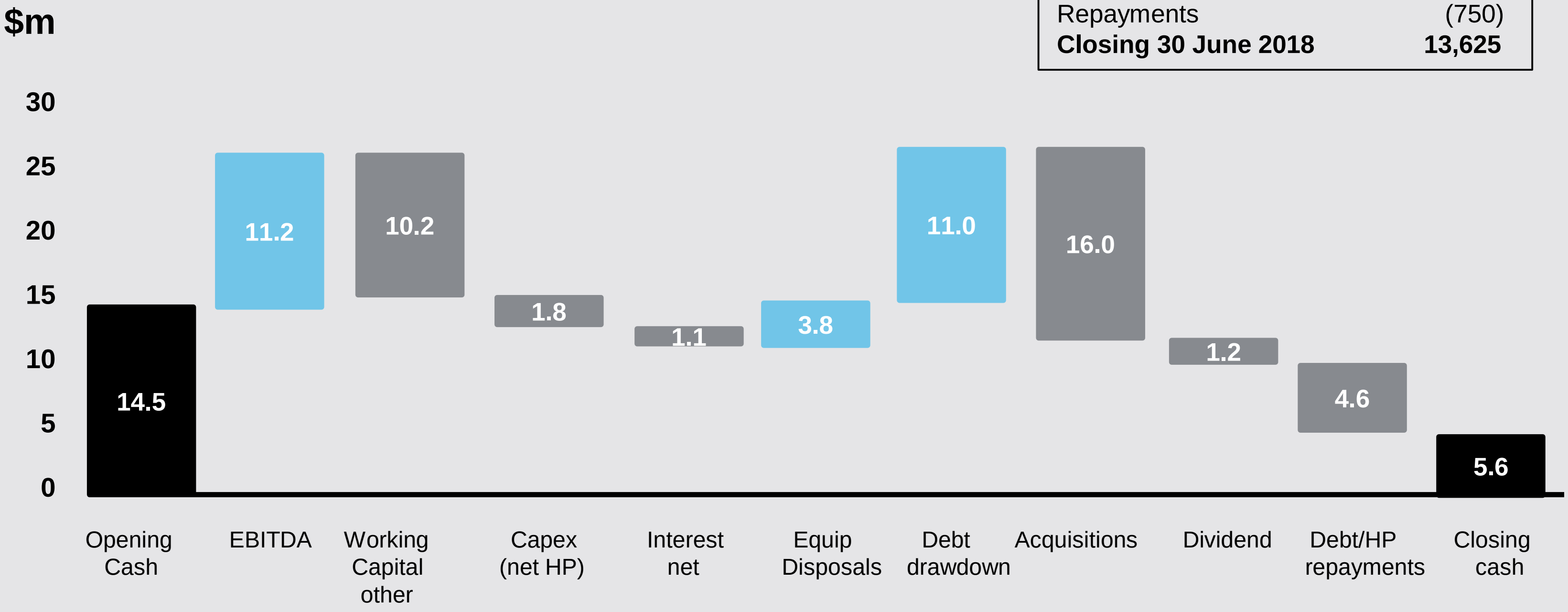
National Revenue by Region FY19 forecast

Survey & Geospatial	$100m
Professional and Advisory	$25m
Total	**$125m**



[1] Estimated annualised figures for FY18, pro-forma for acquisition of Elton

Cash flow



Borrowings	**$000**
Opening 1 July 2017	3,375
Drawdown Elton	11,000
Repayments	(750)
Closing 30 June 2018	**13,625**

FY18 Results Overview

$m	FY18		FY17
Revenue	**106.8**		**73.5**
EBITDA	**11.2**	▲ 96%	**5.7**
Depreciation	(3.6)		(3.7)
Acquisition related costs	(1.6)		(1.2)
Restructuring costs[1]	(1.8)		(0.9)
Share-based payments	(1.0)		(0.3)
EBITA	**3.2**	▲ 900%	**(0.4)**
Amortisation	(4.1)		(4.2)
EBIT	**(0.9)**	▲ 80%	**(4.6)**
Net interest expense	(1.0)		(0.6)
Profit before tax	**(1.9)**		**(5.2)**
Income tax benefit/(expense)	0.9		3.8
NPAT	**(1.0)**		**(1.4)**
Amortisation net of tax	2.8		2.9
NPATBA	**1.8**	▲ 20%	**1.5**

Note 1: FY18: includes costs associated with the restructuring and integration activities for the surveying business

Note 2: FY17 restated for continuing operations

FY18 Balance Sheet

$m	FY18	FY17
Cash	5.6	14.6
Receivables	30.9	16.0
Work in progress	10.5	4.6
Other current assets	1.7	1.1
Plant and equipment	15.2	11.0
Intangibles	58.6	40.5
Deferred tax asset	6.3	7.6
TOTAL ASSETS	**128.8**	**95.4**
Payables	17.5	7.3
Deferred vendor payments	6.0	2.7
Loans and borrowings	26.0	11.5
Employee benefits	10.6	6.4
Current tax liabilities	0.5	0.6
TOTAL LIABILITIES	**60.6**	**28.5**
NET ASSETS	**68.2**	**66.9**
NET CASH (DEBT)	**(8.0)**	**11.2**

Elton Purchase Consideration	**$000**
Net Assets acquired	1,853
Brand	293
Customer relationships	3,496
Goodwill	12,251
Total Purchase consideration	17,893

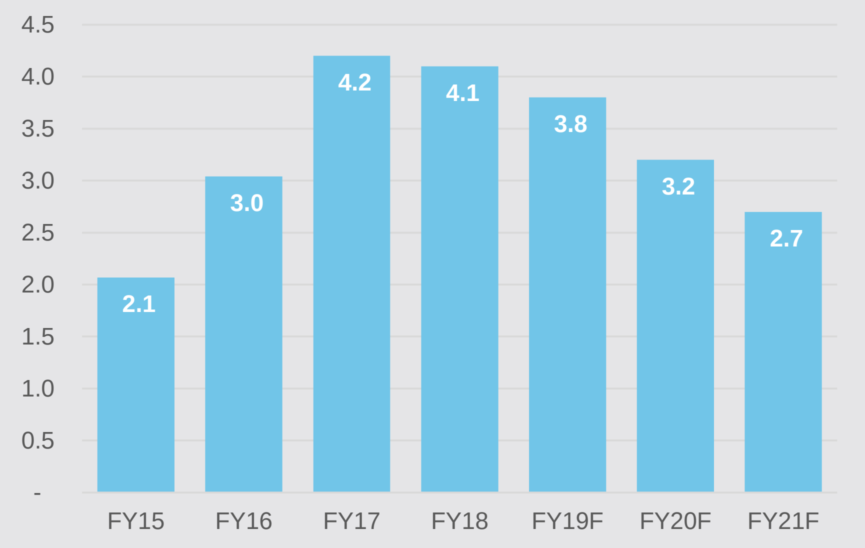
LandData Purchase Consideration	**$000**
Net Liabilities acquired	(880)
Customer relationships	3,360
Goodwill	2,930
Total Purchase consideration	5,410

FY18 Cash flow

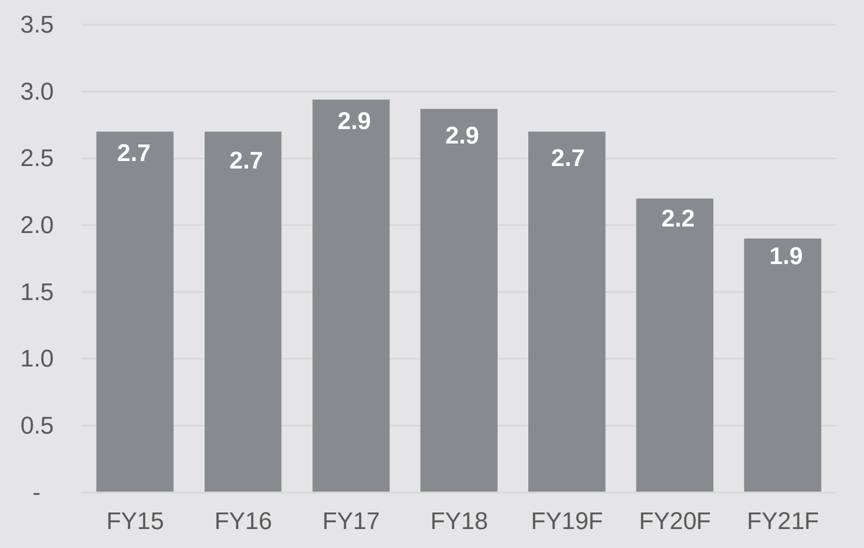
$m	FY18	FY17
EBITDA	**11.2**	**5.7**
Working capital/other	(10.2)	1.6
Net Interest	(1.1)	(0.9)
Operating cash flow	**(0.1)**	**6.4**
Capex (net of HP)	(1.8)	(0.8)
Equipment disposals	3.8	0.4
Free cash flow	**1.9**	**6.0**
Acquisitions	(16.0)	(10.0)
Dividend (net of DRP)	(1.2)	(1.0)
Borrowings proceeds	11.0	-
Debt/HP payments	(4.6)	(5.6)
Share issue proceeds	-	12.3
NET CASH FLOW	**(8.9)**	**1.7**
CASH BALANCE	**5.6**	**14.6**

Amortisation of Intangibles

Gross Amortisation $m



Amortisation After Tax $m

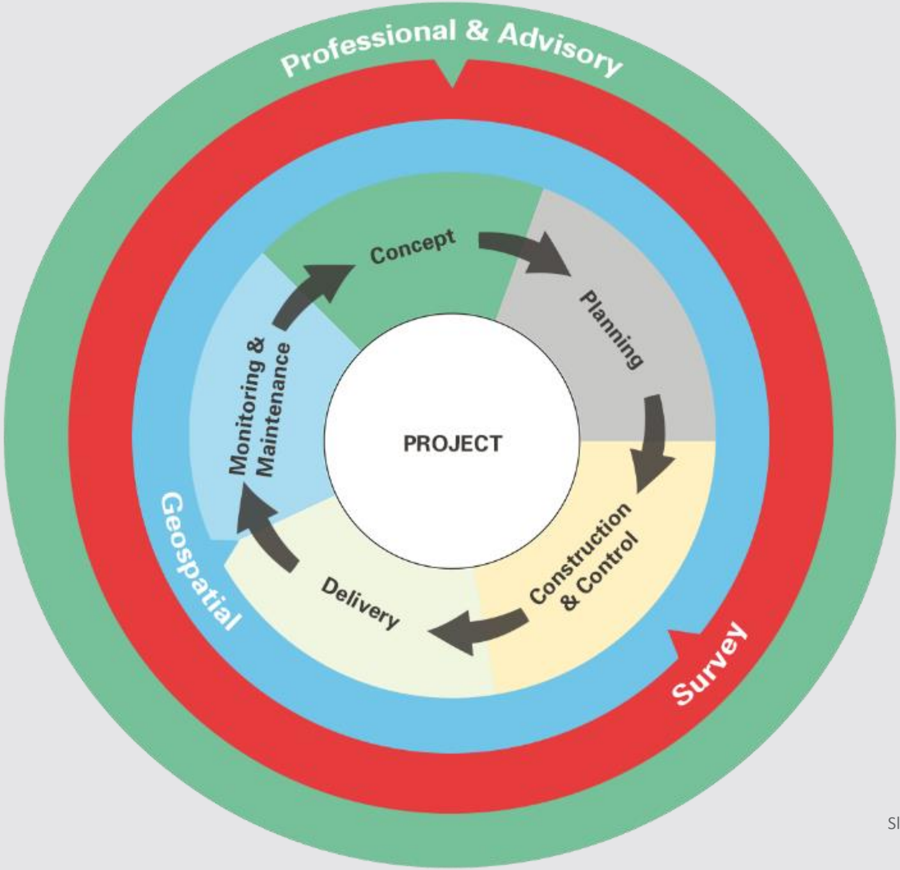


Based on acquisitions to 30 June 2018

Addressing the project cycle

Maximising exposure to the project development lifecycle

Realising value from initial concept, through construction and during ongoing maintenance



Veris Strategy

Professional and Advisory	Surveying	Geospatial
Professional and Advisory Services are engaged to provide expert advice to businesses, governments and not-for-profit organisations to support them to make considered and informed decisions on policy, strategy, city-making and service delivery.	*Surveying is a profession that involves examining and recording the features of a piece of land or infrastructure in order to create maps, plans, detailed descriptions and to facilitate construction.*	*Geospatial Services relate to products, services and tools involved in the collection, integration and management of geospatial data. Geospatial Services are prominent in many areas.*
		
– Focussed on strategy to delivery – Diverse skill base and workforce – Degree qualified - often more than one – High Emotional quotient (EQ) required – Communication and negotiation skills – Offices base close to CBDs and client offices – Low capital expenditure – Salary based – Low HSE risk	– Predominantly field based staff – Medium Capex requirements – Moderate HSE risk – Technical focus – Work on clients site	– Office based staff – Focus on making data accessible and turned into information – Asset Management focus – Data Management focus – Application Development – Low HSE risk – Recurring billing for maintenance

NSW / ACT

Operations

- NSW experiencing unprecedented infrastructure (road, rail, runway) and urban development growth, with major projects forecast to 2025.
- Revenues in 2017/18 significantly ahead of budget forecast.
- Growth in resources in excess of 200 FTE, becoming the largest survey company in NSW.
- Establishment of NSW headquarters at Olympic Park.
- Establishment of new service line - subsurface utility mapping.

Outlook

- Continued strong revenue growth.
- Anticipated engagement on significant new major projects.
- Successful completion of several major projects in coming 12 months.

Projects

- Sydney Light Rail
- North Connex
- North West Rail Link
- Northern Road upgrade
- Crown Hotel and residential development at Barangaroo
- Central Park Broadway
- Ivanhoe Estate
- Western Sydney Airport
- Yowani Grounds

QLD / NT

Operations

- Very strong growth across the state in 2017-18.
- Utilisation of National Survey Capability/Technology providing access and additional revenue in non-traditional markets.
- Revenue growth from State and Local Government clients.

Outlook

- Positive movement continues in the Residential Communities market
- Solar projects and renewables market growth
- SEQ Major Infrastructure Projects

Projects

- Large SEQ Greenfield Property Developments
- Solar Projects across Qld
- Brisbane Infrastructure
- Regional Qld Infrastructure
- Inland Rail - Brisbane to Melbourne

VIC, SA, TAS

Operations

- Adoption of regional management structure.
- New premises in Devonport and Launceston.
- Significant green field projects under development.
- Strong presence in high rise building construction.
- Search for larger Melbourne office completed.

Outlook

- 2018/19 to be a year of consolidation and margin growth
- Move to single Melbourne presence in Southbank in late 2018 to integrate all Melbourne based operations
- Bed down regional management structure
- Develop strategic position as premium provider

Projects

- Melbourne Metro project commenced late 2017
- Westgate Tunnel project secured
- BHP scanning project secured and underway

WA

Operations

- WA Region is continuing to see signs of recovery in the Resource Sector driven largely through projects in the Pilbara and Eastern Goldfields
- Other sectors in the WA Region still face price pressures and general market competition.
- Operations working at near capacity across WA

Outlook

- Growth continues to look positive in the Resource Sector
- Emerging opportunities in the Geospatial service offerings

Projects

- Elizabeth Quay Towers Project
- Alkimos Project
- Wodgina, Pilgangoora
- Gruyere project
- Perth airport
- Pilbara rail project

Aqura Technologies

Operations

- Aqura has seen significant growth through the award of several multi project contracts and has invested in the resources required to support a steady program of work.
- Expansion into new verticals and high growth markets has driven the formation of key partnerships.

Projects

- Bunnings Unified Communications Managed Service
- BHP IRCES Content Access Upgrades
- Rio Tinto Amrun Private LTE Deployment
- BHP Rapid Deploy IoT Trailer

Outlook

- Aqura has forecasted strong revenue growth in FY19 approaching $17m. This revenue growth is underpinned by existing contracts, multi-year client agreements, content delivery model and service offerings that are in high demand for high-speed secure communications delivering efficiency and automation.
- Aqura is focused on expanding its revenue base through:
  - Maintaining its position as a market leader in Industrial Wireless solutions for the mining and resources sector
  - Continuing to focus on clients with multiple future projects and cross selling services lines within projects (e.g. Content Access and LTE for BHP and Rio Tinto)
  - Capitalising on the industry shift toward mining automation and efficiency (e.g. exploration and underground mining Industrial Wireless)
  - Focusing on repeat business and recurring revenue projects (e.g. operations service contracts, maintenance of networks)
  - Expanding the client base into new operating segments (e.g Content Access for Aged Care) and opportunities in Eastern Australia.
  - Developing IoT products and services for new, high growth markets

Case studies

Sydney Light Rail

Western Sydney Airport

Inland Rail

Ivanhoe Estate

Case studies

Sydney Metro

Parramatta Road Renewal

Melbourne Metro

Queensland Solar Farm

Summary and Outlook

FY2018

- Completion of integration of national surveying business
- Revenue synergies and organic growth, benefited from strong exposure to east coast infrastructure investment
- Elton Consulting Group acquisition that enhanced service offering and market position
- Survey revenue of $89 million, annualised circa $100 million
- Creation of Professional and Advisory services pillar.
- Completed divestment of OTOC Australia construction business
- Supported growth of AQURA Technologies; with a positive EBITDA contribution in FY18 of $900,000 and developed additional recurring revenue from managed services, LTE and communications
- Reduce corporate costs by 26%

FY2019

- Focus on Margin ahead of growth in Surveying business
- Stabilisation period
- Back office synergies from integration
- Cross selling opportunities from Professional and Advisory business into Surveying
- Cash conversion
- Growth Advisory business
- Achieve EBITDA margin between 15 % - 17% in the Professional and Advisory and Surveying businesses

Corporate Directory

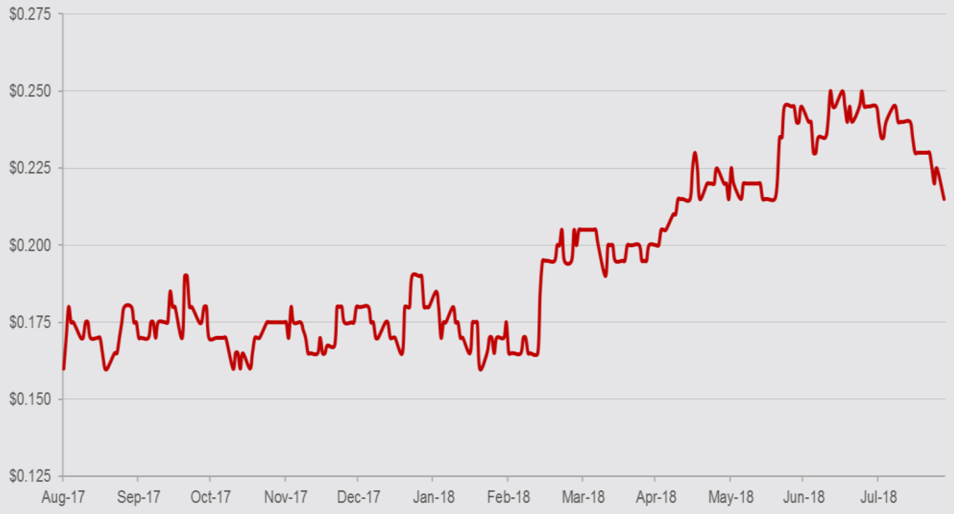
Capital Structure

Share price (ASX: VRS)	$0.225 [1]
Ordinary shares	350m
Market capitalisation	**$79m**
Cash (30-June-18)	$5.6m
Debt (30-Jun-18)	$13.6m
Enterprise value	**$94m**
Dividend per share (FY18)	$0.005
Dividend yield	2.0%

Board and Management

Derek La Ferla	Non-executive Chairman
Adam Lamond	Managing Director
Tom Lawrence	Non-executive Director
Karl Paganin	Non-executive Director
Brian Elton	Executive Director
Brian Mangano	Chief Financial Officer
Lisa Wynne	Company Secretary

Share Price



Substantial Shareholders

Directors	15.8%
Perennial	11.3%
Paradice	6.5%

1. As at 31 August 2018

Disclaimer

This Document should not be considered as an offer or invitation to subscribe for or purchase any securities in Veris Limited ("Veris" or the "Company") or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Veris should be entered into on the basis of this Document.

This Document contains high level information only and does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Veris and its prospects. Any forecasts and forward looking information contained in this Document are subject to risks and uncertainties and are not a guarantee of future performance. Actual performance will almost certainly differ from those expressed or implied.

Veris makes no representation or warranty, express or implied, as to the accuracy, currency or completeness of the information presented herein. Information contained in this Document may be changed, amended or modified at any time by Veris. Veris is under no obligation to update any information or correct any error or omission which may become apparent after this Document has been issued.

To the extent permitted by law, Veris and its officers, employees, related bodies corporate and agents ('Associates') disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of Veris and/or its Associates) for any loss or damage suffered by recipients of this Document or other persons arising out of, or in connection with, any use of or reliance on this Document or information contained herein. By accepting this Document, the recipient agrees that it shall not hold Veris or its Associates liable in any such respect for the provision of this Document or any other information provided in relation to this Document.

Recipients of this Document must make their own independent investigations, consideration and evaluation of the information contained herein. Any recipient that proceeds further with its investigations, consideration or evaluation of the information described herein shall make and rely solely upon its own investigations and inquiries and will not in any way rely upon this Document. Recipients of this Document should not act or refrain from acting in reliance on material in this Document.

Thank you

Perth
Level 12, 3 Hasler Road
Locked Bag 9
Osborne Park WA 6017
Australia

T 08 9317 0600
F 08 9317 0611
mail@veris.com.au
veris.com.au

DEVELOP
WITH ______
CONFIDENCE ™