

# Veris Limited Investor Presentation

September 2019





---

Surveying  
3D spatial  
Geospatial  
Town planning and urban design



---

Strategy and policy  
Communications and engagement  
Urban and regional planning  
Social sustainability  
Bid preparation  
Design studio



---

Specialised ICT and technology services

- Industrial Wireless
- Industrial IoT
- Content Access Solutions
- Unified Communications

# Overview

---

Veris made significant progress in strengthening the Company's operational capability following the national integration of nine acquired surveying businesses in 2018. An Operational Review (now complete) focused on harnessing the strength of Veris Australia aimed at improving efficiencies, margins and delivering greater value for shareholders and clients.

## FINANCIAL

- Revenue of \$125.9m, up by \$19.1m.
- Net debt position improved by \$2.4m to \$18m.
- Strong growth in net operating cashflow to \$6.2m (FY18: (\$0.1m)).
- Achieved costs reductions of circa \$3m on an annualised basis.

## OPERATIONAL

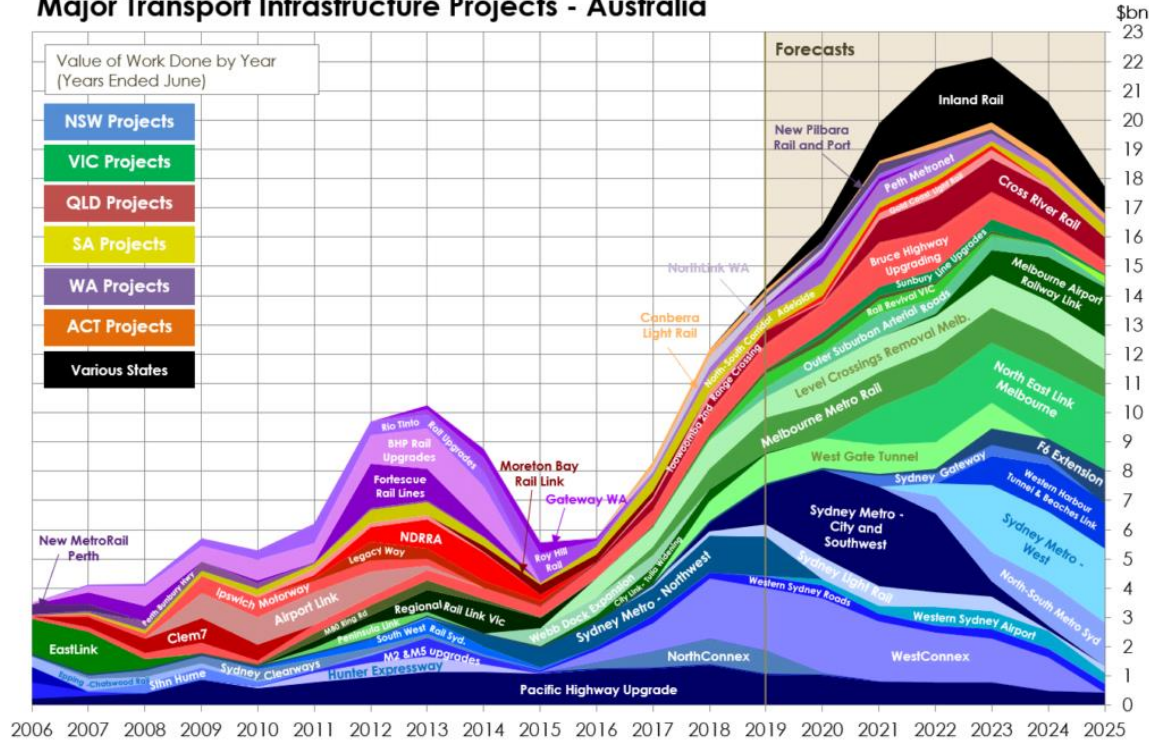
- Refreshed executive team.
- Invested in 3D spatial and geospatial strategy.
- First year of financial reporting operating as a fully integrated business.
- Improved accountability across Veris Australia business, right-sized to better reflect market demand.

## OUTLOOK

- Five-year strategic plan commenced.
- Focus is on targeting higher value, higher margin projects with greater technical content, including 3D spatial and geospatial work.
- Positioned for margin growth in FY20.
- Continued national infrastructure spend driving demand for Veris.

Strong forecast activity and development expenditure on infrastructure projects on the eastern seaboard, with a range of transport, healthcare, education and social infrastructure

## Major Transport Infrastructure Projects - Australia



- Committed forward pipeline for infrastructure investment of over \$200b.
- Government expenditure more certain within four year forward budget estimates, however, new major project pipeline expected to stay elevated for more than a decade.
- By 2034, population is projected to grow 23.7% to reach 31.4m.
- 2019 Infrastructure Australia Audit found engagement on project planning needs to increase across most sectors and jurisdictions.
- Governments now mandating 3D spatial 'digital twins' for building information management (BIM).

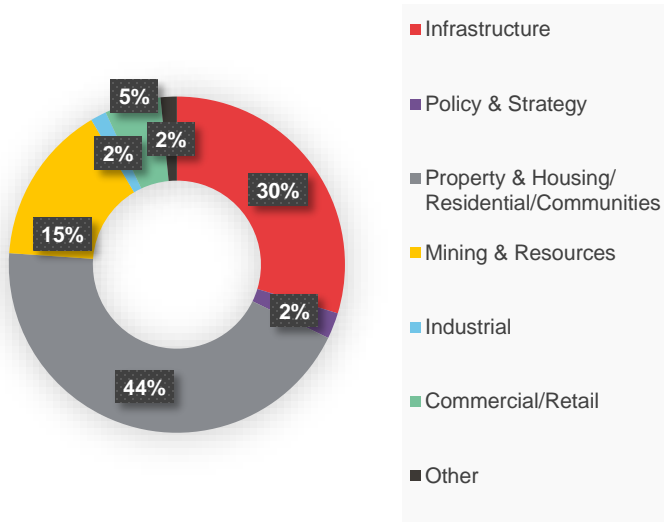
# Top Tier Clients Across Australia

Diversified, national client base; adding value through seamless national agreements and service offerings

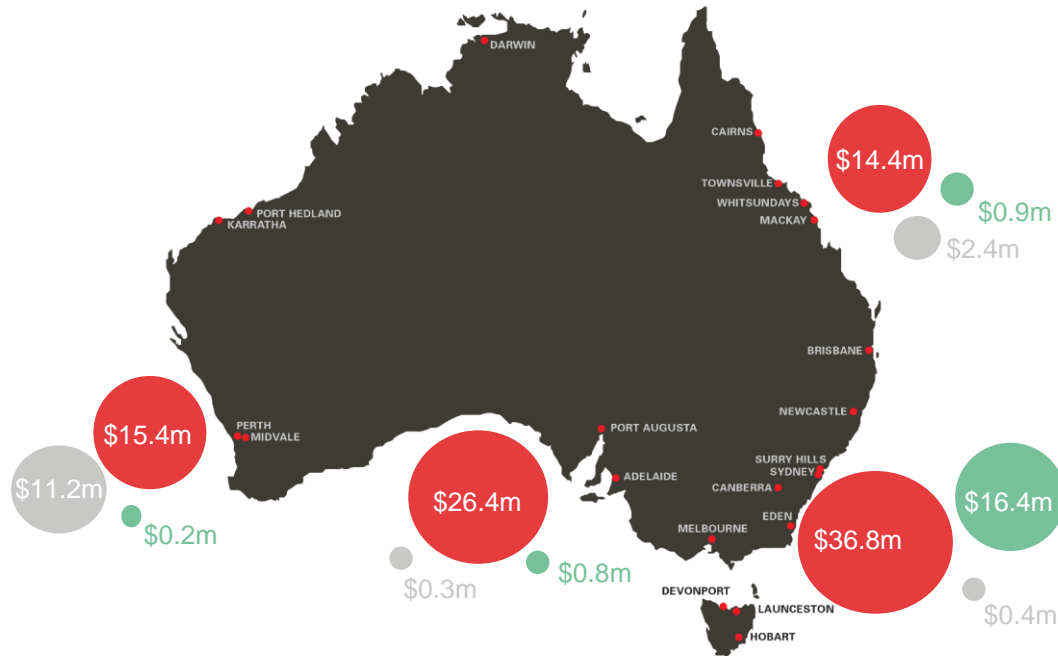


# Group Revenue in FY19

## Revenue by Market Sector



## Revenue by Location



Veris Australia	\$93.0m
Elton Consulting	\$18.3m
Aqura Technologies	\$14.3m
<b>Total Rev Australia</b>	<b>\$125.6*</b>

\*NZ \$0.3m

# Veris Strategic Plan 2019 - 2024

















- Repositioning the service model to focus on high value, high margin surveying, digital engineering, data management, geospatial and professional and advisory services.
- Strategy endorsed by the Board in June 2019.

## To be a recognised national business - with three pillars of growth

Surveying & Geospatial (Veris Australia)	Professional and Advisory (Elton)	Technologies (Aqura)
<p><i>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.</i></p>	<p><i>Professional and advisory services provide expert advice to businesses, governments and not-for-profits to support them to make considered and informed decisions on policy, strategy, city-making and service delivery.</i></p>	<p><i>Optimised approach to communications and media systems that enriches user experience, reduces operational expenditure and enables unbeatable total cost ownership.</i></p>
<p>Key focus</p> <ul style="list-style-type: none"> <li>• Improve Veris Australia margins.</li> <li>• Embed nationally consistent regional management practices.</li> <li>• Grow 3D spatial and geospatial services.</li> <li>• Improve strategic client management.</li> </ul>	<p>Key focus</p> <ul style="list-style-type: none"> <li>• Implement growth plans in NSW, Victoria, Queensland and Western Australia.</li> <li>• National practice leadership = consistent quality to clients wherever they are around Australia.</li> <li>• Review pricing strategy.</li> <li>• Implement CSR and RAP.</li> </ul>	<p>Key focus</p> <ul style="list-style-type: none"> <li>• Capitalising on current national long term contracts with Tier 1 clients within new geographical regions.</li> <li>• Continued development of Aqura products to enable As-A-Service commercial models.</li> <li>• National expansion of Aqura into Veris' East Coast offices.</li> </ul>
<b>Estimated Market Size</b>		
<b>\$5.0bn</b>	<b>\$2.0bn</b>	<b>\$1.5bn</b>



# Strengthening Veris Australia performance

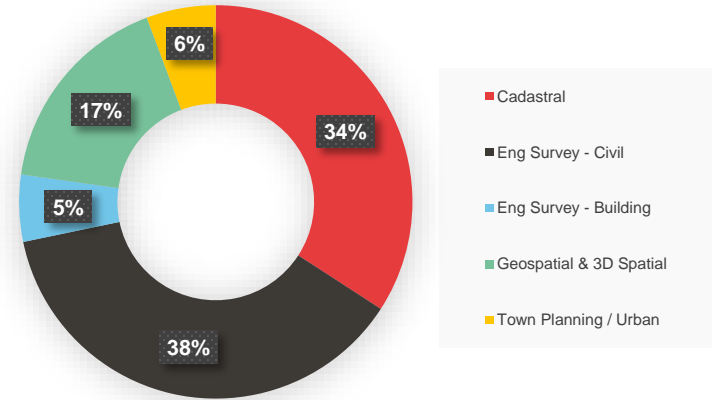
Actions		Achievements
<b>Operational Alignment</b>	– Improved professional staff and equipment utilisation	
	– Co-location of staff and offices to ensure efficiencies	
<b>Overhead Synergies</b>	– Establishment of Veris shared services	
	– One ERP system	
	– Identification of annualised cost savings	
<b>Commercial Management</b>	– Increased number of agreements with Tier 1 clients	
	– Focus on improving margin	
	– Centralised contract reviews	
<b>Culture &amp; People</b>	– New Regional and Commercial Managers appointed – Vic / SA / TAS	
	– Combined Regional Commercial Manager in Qld / NT / NSW / ACT	
	– Implemented Principals Academy training program	
<b>Systems &amp; Process</b>	– Improved quality, consistency and visibility of management reporting	
	– Focus on continuous improvement of job management system and processes	
<b>Governance and Control</b>	– Strengthened Executive Leadership team	
	– Risk review implementation commenced	
<b>Cash Management</b>	– Substantial improvement to working capital lock-up	



## Overview and Achievements

- Achieved revenue growth \$93m, up 4% on FY18 and diversified revenue portfolio.
- Strong pipeline of work identified.
- Long term client contracts with continuous scope of works.
- Enhanced operational cash flow and reduced net debt position.
- Veris Australia business fully integrated, with improved accountability across the business and right-sized to better reflect market demand.
- Operational Review complete with focus on margin improvement and strengthening performance.
- Invested in 3D spatial and geospatial strategy to position business for the future.

## Revenue by service

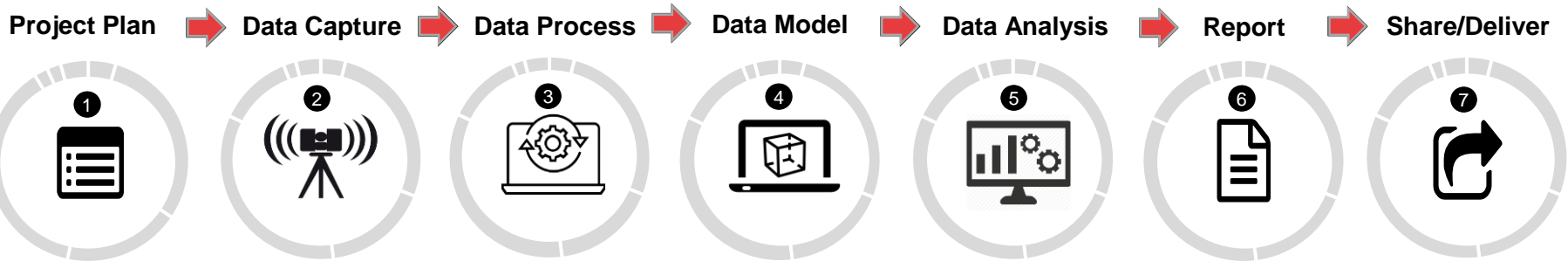


## Geospatial

Geospatial services involve the use of technologically advanced systems to capture, process, model, analyse, manage and deliver a wide array of geospatial data. This workflow is fast becoming a key platform to aiding in project design and asset management.

Our team is able to distill complex surveying inputs such as combining spatial data, imagery and existing design datasets to digitise the real world as a 3D representation. This enables clients to make informed decisions for projects or the management of an asset.

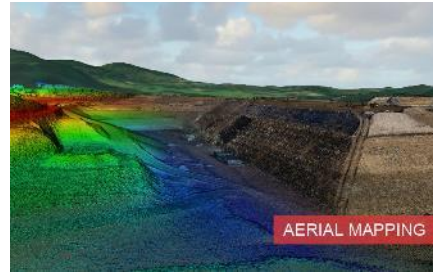
## End to end geospatial services



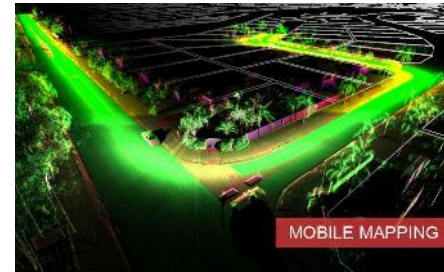
# Showcasing our capability



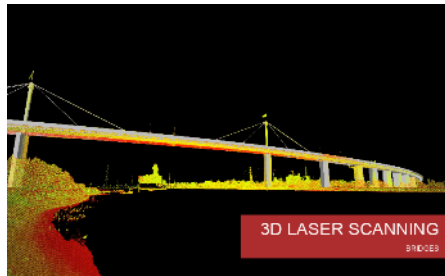
Terrestrial 3D scanning of Great Ocean Road for stability monitoring



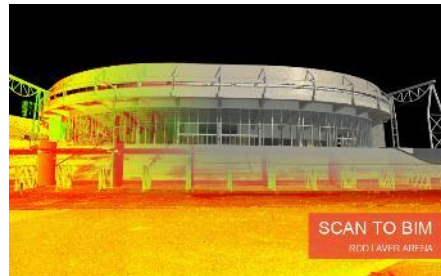
Aerial UAV survey of mine sites for assessment of stockpile volumes



Mobile laser scanning of streetscapes for large scale mapping of assets



Terrestrial 3D laser scanning of Westgate Bridge, Melbourne



Scan to BIM of Rod Laver Arena and surrounds to facilitate redevelopment of precinct



Automated monitoring of critical assets for detection of movement and deformation

## Veris geospatial service portfolio:

- Mobile Laser Scanning
- Terrestrial Laser Scanning
- 3D Laser Scanning
- Ground Penetrating Radar
- GIS for hydrology
- Unmanned Aerial Vehicles
- Aerial Mapping
- Photogrammetry

# Geospatial Growth Capability

- Veris offers a compelling range of geospatial services nationally across all industry sectors.
- Geospatial services are rapidly approaching 20% of Veris' revenue on the back of:
  - focus on organic growth;
  - strong industry tailwinds, driven by technology adoption and the realisation of business benefits by customers;
  - favourable regulatory support for geospatial;
  - existing and new Veris customers requiring geospatial services; and
  - established capabilities and market credibility as a professional geospatial service provider.
- Veris has low market share and tremendous headroom to grow.



[https://youtu.be/ zuCnyCXLl4](https://youtu.be/zuCnyCXLl4)

## Overview and Achievements

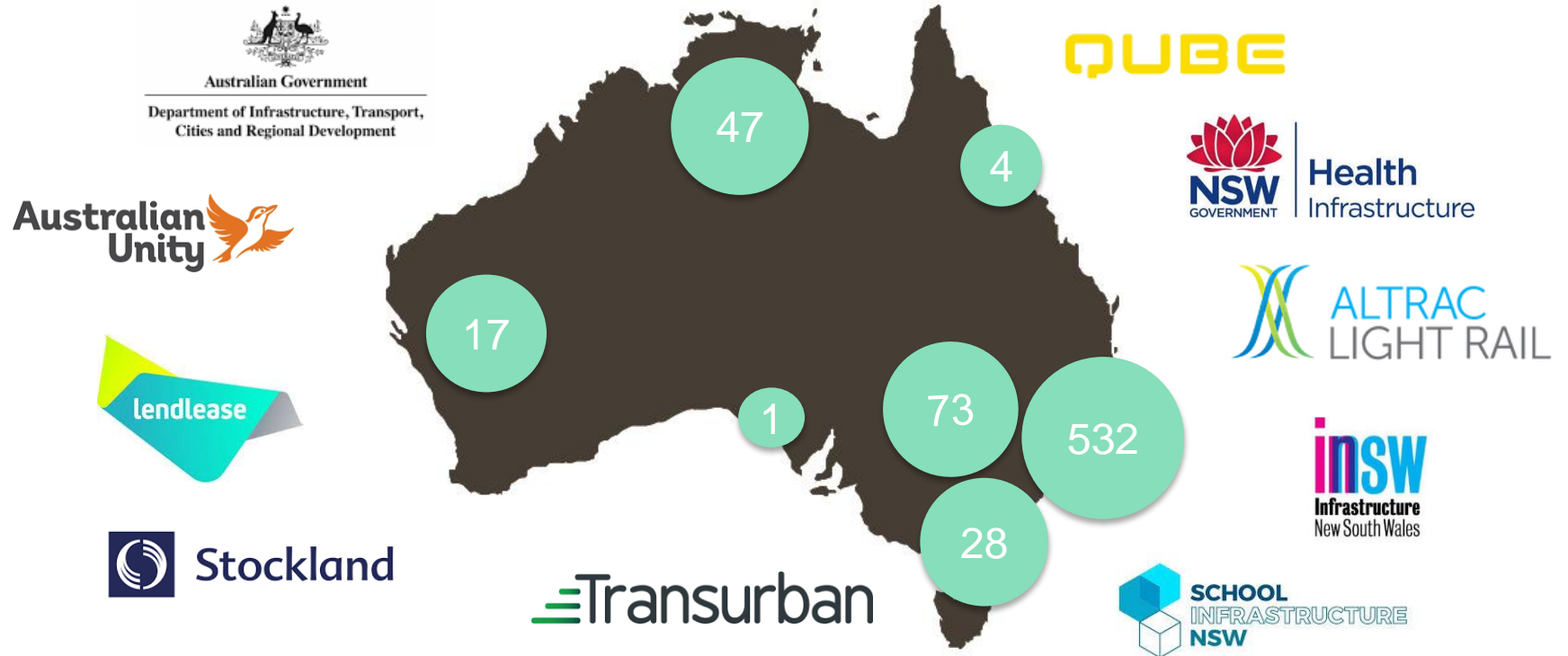
- Achieved revenue growth \$18.3m up 2.5% on FY18.
- Rollover of significant contracts with key government and Tier 1 private sector clients.
- Increased national footprint with offices now in Sydney, Melbourne, Canberra, Brisbane, Perth and Darwin.
- Strong strategic client management with the top 10 clients = 34% of revenue.

## Key Focus and Growth

- Strong revenue and EBITDA growth forecast for FY20.
- Focus of growth for new offices – communications and engagement and social sustainability.
- Continued strengthening of strategic client relationship management.
- Digital engagement services refresh underway.
- CSR and RAP implementation important to growth of Tier 1 client base.



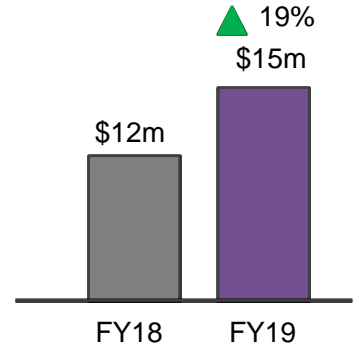
## Growing Footprint of Projects FY19



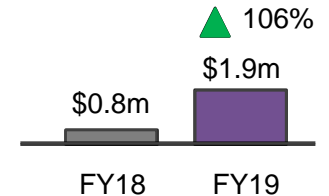
## Overview and Achievements

- Aqura provides specialised IT&C technology and services to Blue Chip organisations.
- Organic growth continued in FY19.
- Revenue growth expected in FY20, with work already in hand equal to FY19 revenue.
- Aqura is transforming its core products to “as a service” offerings, enabling a broader customer base with scalable opex solutions.
- Queensland and Victoria - service offerings.
- Enabling the Aqura IOT service with the establishment of a recent global supplier agreement with Vodafone.
- Market leader in Private LTE (Industrial Wireless) recently awarded WAITA’s “Most Effective Infrastructure Solution”.

### Revenue



### EBITDA



### Aqura Customers





## Key Focus and Growth

- Aqura has specialised technical capabilities, servicing Tier 1 customers.
- Aqura's growth plans include:
  - East coast revenue;
  - offering products as a service enabling annuity revenue streams;
  - continue to focus on sales and marketing capabilities; and
  - broadening customer segments inclusive of the following:
    - Tier 2 mining;
    - Oil and Gas;
    - Utilities; and
    - Primary Industries.

## Aqura's Offerings:



### Industrial Wireless

Robust private LTE and wireless networks for mission critical applications.



### Content Networks

Latest technology optimises voice, video and data across large scale networks.



### Unified Communications

Hosted telephony platforms for mid to large corporate customers.



### Internet of Things

Providing IoT connectivity for Industrial clients to realise their IoT applications.



# FY19 Financial Dashboard

	FY19		FY18
Revenue	\$125.9m	↑	\$106.8m
Underlying EBITDA	\$6.5m	↓	\$11.2m
Operating Cash Flow	\$6.2m	↑	(\$0.1m)
Net Debt	\$18.0m	↓	\$20.4m

- Revenue growth through full year contribution of Elton Consulting
- Earnings impacted by gross margin delivered by Veris Australia
- Improved net debt position with \$4.2m reduction in gross debt



3D spatial scan to BIM



Aqura Technologies LTE team site visit in Pilbara

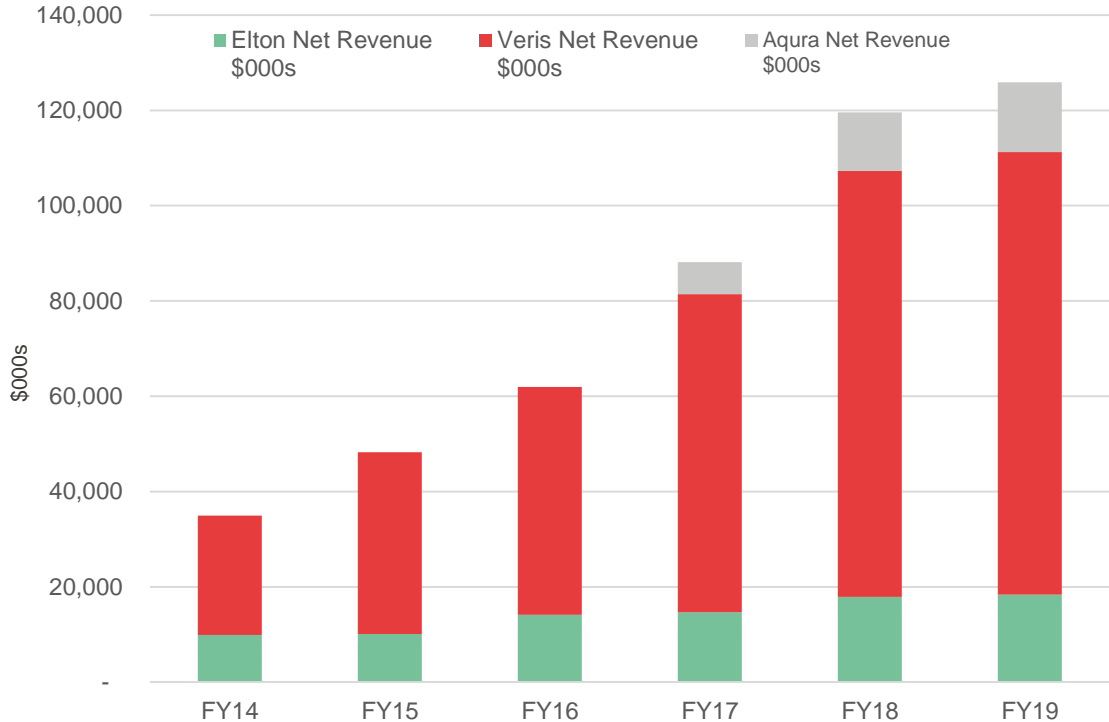


Community Engagement & Relations – Sydney Metro

# FY19 Revenue

## Revenue growth across all businesses in FY19

- Veris Australia
  - \$93.0m, up 4% on FY18
  - Delivery of major infrastructure projects
- Elton Consulting
  - \$18.3m, up 2.5% on FY18
  - Three elections impacted award of new work
- Aqura Technologies
  - \$14.3m\*, up 18.9% on FY18
  - Delivery of technology services to Tier 1 clients



\*NZ \$0.3m

# Cash Flow and Balance Sheet

## Cash Flow

\$m	FY19		FY18
Cash flow from operations	7.5	↑	1.0
Net interest expense	(1.3)	↑	(1.1)
<b>Cash flow from operations</b>	<b>6.2</b>	↑	<b>(0.1)</b>
Cash flow from investing activities	(2.0)	↓	(14.0)
Cash flow from financing activities*	(6.2)	↑	5.2
<b>Net cash flow</b>	<b>(2.0)</b>	↑	<b>(8.9)</b>

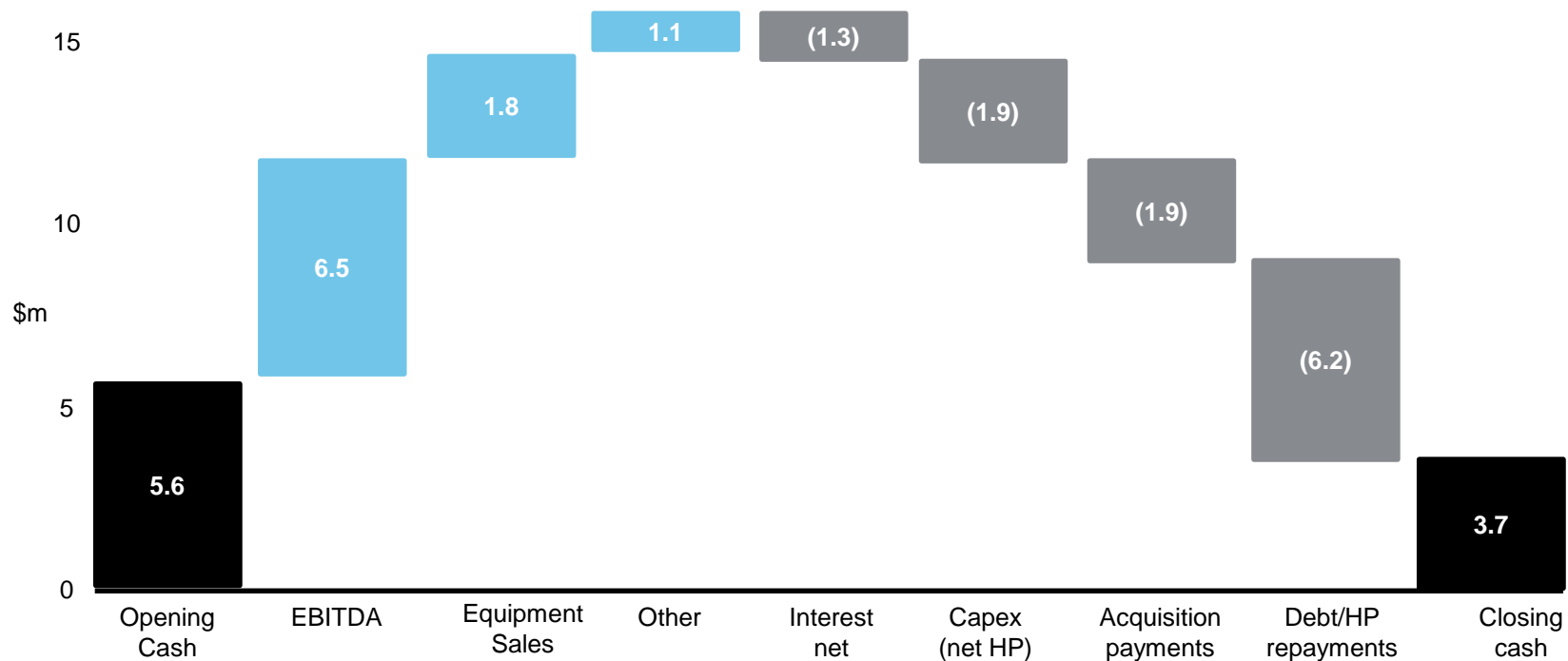
- Strong growth in cash from operations and improved working capital management, driving improved net cash flow performance in FY19.
- Substantial reduction in cash for investing activities following significant acquisitions in FY18.
- Cash flow from financing activities reflects \$6.2m in debt repayments in FY19, and debt repayments of \$4.6m in FY18 (FY18 result reflects \$11.0m loan drawdown).

## Balance Sheet

\$m	30 June 2019		30 June 2018
Cash	3.7	↓	5.6
Hire purchase facilities	(10.3)	↓	(12.4)
Commonwealth Bank facility	(11.4)	↓	(13.6)
<b>Net cash/(debt)</b>	<b>(18.0)</b>	↓	<b>(20.4)</b>
<b>Deferred vendor payments</b>	<b>(3.5)</b>	↓	<b>(5.9)</b>
<b>Net assets</b>	<b>27.1</b>	↓	<b>68.2</b>

- Net debt improvement, with funds used to pay down hire purchase and CBA facility.
- \$34.9m banking facility finalised with CBA in June 2019, supporting delivery of growth strategy.
- Net assets impacted by \$34.4m non-cash impairment to carrying value of surveying businesses in H1 FY19.

# Cash flow waterfall



# Summary and Outlook

## Key achievements

- Achieved revenue growth across all three business.
- Enhanced operational cash flow and reduced net debt position.
- Implemented Operational Review to drive margin improvement.
- Veris Australia business fully integrated, with improved accountability across the business and right-sized to better reflect market demand.
- Invested in 3D spatial and geospatial strategy to position business for the future.
- Strong EBITDA growth for Aqura, of \$1.9m, up by 107% on FY18 and securing new works packages exceeding \$13m.

## Outlook

- Positioned for margin growth in FY20.
- Full benefit of Operational Review in FY20, which will deliver a further \$3m in EBITDA.
- Solid start to FY20 in July.
- Five-year strategic plan endorsed by the Board.
- Strong focus on targeting higher value, higher margin projects with greater technical content, including 3D spatial and geospatial work.
- Growth strategy supported by tailwinds of continued Infrastructure spend and the shift to mandate digital and BIM engineering.



# 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.