

ASX and NZX Release

21 February 2024

Strong FY23 result provides confidence for 2024

Ventia Services Group Limited (Ventia) today announced its full-year result for the financial year ended 31 December 2023 (FY23), delivering 10% revenue and EBITDA growth, with NPATA of \$202.1m up 12.5%, outperforming the top end of our guidance range.

Ventia Group Chief Executive Officer, Dean Banks said: “Our strategy is to redefine service excellence through being client focused, innovative and sustainable. Our FY23 result is another consistent and reliable performance for our investors, which is testament to the success of our strategy and operating model. In 2023, we achieved cross-selling growth of 48%, built on a renewal rate of 87% and the embedding of VenSights (data and analytics platform) across the business. We also submitted our emission targets to the Science Based Targets Initiative (SBTi) for validation.

“Financially we achieved solid performance and growth across all sectors. We delivered contracted Work in Hand of \$18.1 billion, revenue and EBITDA growth of 10% and NPATA exceeding the top end of our guidance range. We generated revenue of more than \$1.2 billion across the year from new projects, and importantly the spend from our top 10 clients has increased at a CAGR of 23% over the last three years, illustrating Ventia’s long-term relationships, commitment to service excellence and our compelling value proposition.”

Highlights

- **NPATA of \$202.1 million up 12.5% on FY22**
- **Strong business performance, with growth across all sectors**
- **Continued positive safety momentum with TRIFR¹ down 11%**
- **Revenue of \$5,676.4 million, up 9.8% on FY22**
- **EBITDA of \$465.2 million, up 10.8% with margin of 8.2%**
- **Work in hand \$18.1 billion**
- **Operating cash flow conversion of 88.8%²**
- **Final Dividend of 9.41 cents per share, franked to 80%, with total dividend for FY23 of 17.72 cents per share, an increase of 12.5%**
- **Guidance for FY24 - NPATA growth of 7-10% on FY23**

“Ventia’s Statutory NPATA of \$202.1m was up 12.5% on the prior corresponding period (pcp), which underpinned our final dividend of 9.41 cents per share and total dividend of 17.72 cents per share (up 13.6% and 12.5% respectively). This result was largely driven by the outperformance in

¹ TRIFR - Total recordable injury frequency rate, calculated as the total number of recordable injuries, divided by hours worked in millions.

² Operating cash flow represents EBITDA plus any non-cash share payments, less changes in Net Working Capital. Operating cash flow conversion is operating cash flow divided by EBITDA expressed as a percentage.

*FY22 EBITDA, NPATA and cash conversion, comparative periods are reported on a pro forma basis, consistent with historic disclosures

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Telecommunications and Transport. The full year benefit of new Telecommunications contracts, such as nbn's fibre upgrade works, Telstra's Intercity fibre build, as well as the new Transurban contract in Transport have contributed to revenue growth of over 20% in both sectors.

"We see significant future growth opportunity across all four business sectors, underpinned by strong demand drivers and market trends. We are confident our strategy will continue to deliver service excellence for our clients and long-term value for shareholders," said Dean.

Safety and Sustainability

Ventia's TRIFR continued to improve, falling from 3.7 to 3.3 in FY23, an 11.3% reduction. There were several new and innovative safety campaigns introduced in 2023 that have contributed to our safety performance. Some of these include our Elevate program (targeting leadership behaviours), All Roads Lead to Home (targeting driver safety) and a continued focus on improving our safety indicators.

Our commitment to sustainability is unwavering. This year we developed our net zero targets in line with the Science Based criteria and submitted our proposed targets for validation. Our targets are to be carbon neutral for Scope 1, 2 and 3 by 2050, and shorter term to achieve a 42% absolute reduction in Scope 1 and 2 emissions by 2030 (using 2021 as our base year). We hope to have SBTi verify our submission and have confirmation of our targets in due course. We will subsequently release our transition plan.

Over the year we delivered an absolute emission³ reduction of 5.5% across the business through the increased use of renewables and the sale of a carbon-intensive asset. An additional 154 hybrid and electric vehicles have been added to our fleet, taking the total light fleet to 9.8% using renewable fuel. We remain committed to our targets across environment, social, and governance and you can find a full update on our progress in the Annual Report.

Dividends and Balance Sheet

Ventia's financial performance and high cash flow conversion allowed the Board to declare a final dividend of 9.41 cents per share, 80% franked and payable on 5 April 2024. The total dividend for FY23 will therefore be 17.72 cents per share, an increase of 12.5% on FY22. This represents material growth for shareholders and aligns to the Board's targeted 75% payout of NPATA.

Ventia's diligent focus on cash has delivered consistency, once again reporting high cash conversion of 88.8% and a leverage ratio of 1.2x. As at 31 December 2023, the business had a liquidity position of \$738.7 million, including cash of \$338.7 million and an undrawn revolving facility of \$400 million.

Outlook

³ Combined scope 1 and scope 2 emissions

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Dean Banks said: “We have a high-quality diversified portfolio, coupled with expert capability and a compelling value proposition. This ensures we are well positioned to continue to execute on our strategy and deliver sustainable returns for shareholders. We expect revenue and earnings momentum will continue as the demand for essential services continues, supported by our strategy and differentiated operating model.

“Ventia’s robust business fundamentals, consistency of delivery and diligent risk focus gives us the confidence to today announce our 2024 guidance range for NPATA of 7 to 10 percent growth compared to FY23.”

Market briefing

Ventia will provide a market briefing at 11.00am (AEDT) today, 21 February 2024. The market briefing will be webcast via the Ventia website at ventia.com.

This announcement was authorised by the Ventia Board.

-Ends-

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About Ventia

Ventia is a leading essential infrastructure services provider in Australia and New Zealand, proudly providing the services that keeps infrastructure working for our communities. Ventia has access to a combined workforce of more than 35,000 people, operating in over 400 sites across Australia and New Zealand. With a strategy to redefine service excellence by being client-focused, innovative and sustainable, Ventia operates across a broad range of industry segments, including defence, social infrastructure, water, electricity and gas, resources, telecommunications and transport.