



FY24 Results - Investor Presentation

Veris Limited - ASX:VRS
August 2024

Michael Shirley
Managing Director & CEO

Steve Harding
CFO

A fully integrated digital and spatial data advisory and consulting firm

As we are located across 15 offices and perform our services at many locations, we acknowledge Aboriginal and Torres Strait Islander peoples as the traditional owners and custodians of this land and the places on which we live and work.

We respect and honour Aboriginal and Torres Strait Islander Elders past, present and future. We acknowledge the stories, traditions and living cultures of Aboriginal and Torres Strait Islander peoples on this land and commit to building a brighter future together.

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Veris:
A fully
integrated
digital and
spatial data
advisory and
consulting
firm

Our Services

DIGITAL & SPATIAL

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

PLANNING & URBAN DESIGN

Due diligence, statutory and strategic planning, master planning, place-making, and planning approvals.

ENGINEERING SURVEY

Civil construction and engineering survey solutions for major infrastructure.

PROPERTY SURVEY

Land surveying, cadastral, and consulting solutions.

- A deliberate pivot into higher margin consultancy and strategic advisory services is gaining traction
- These services meet the digital transformation needs of our clients across multiple industrial sectors
- Veris is now appropriately aligned to the emerging data and digital transformation needs of industry
- This transformation across our addressable markets will continue to gain momentum over FY25.

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49% interest in
Indigenous owned
Wumara Group

A national footprint servicing a broad-based addressable market



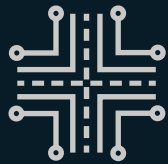
Our People



450+
People

Our Markets

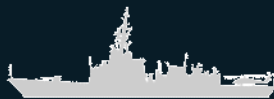
Transport



Mining & Resources



Defence



Property & Buildings



Energy & Utilities



Government



15
Offices
across
Australia

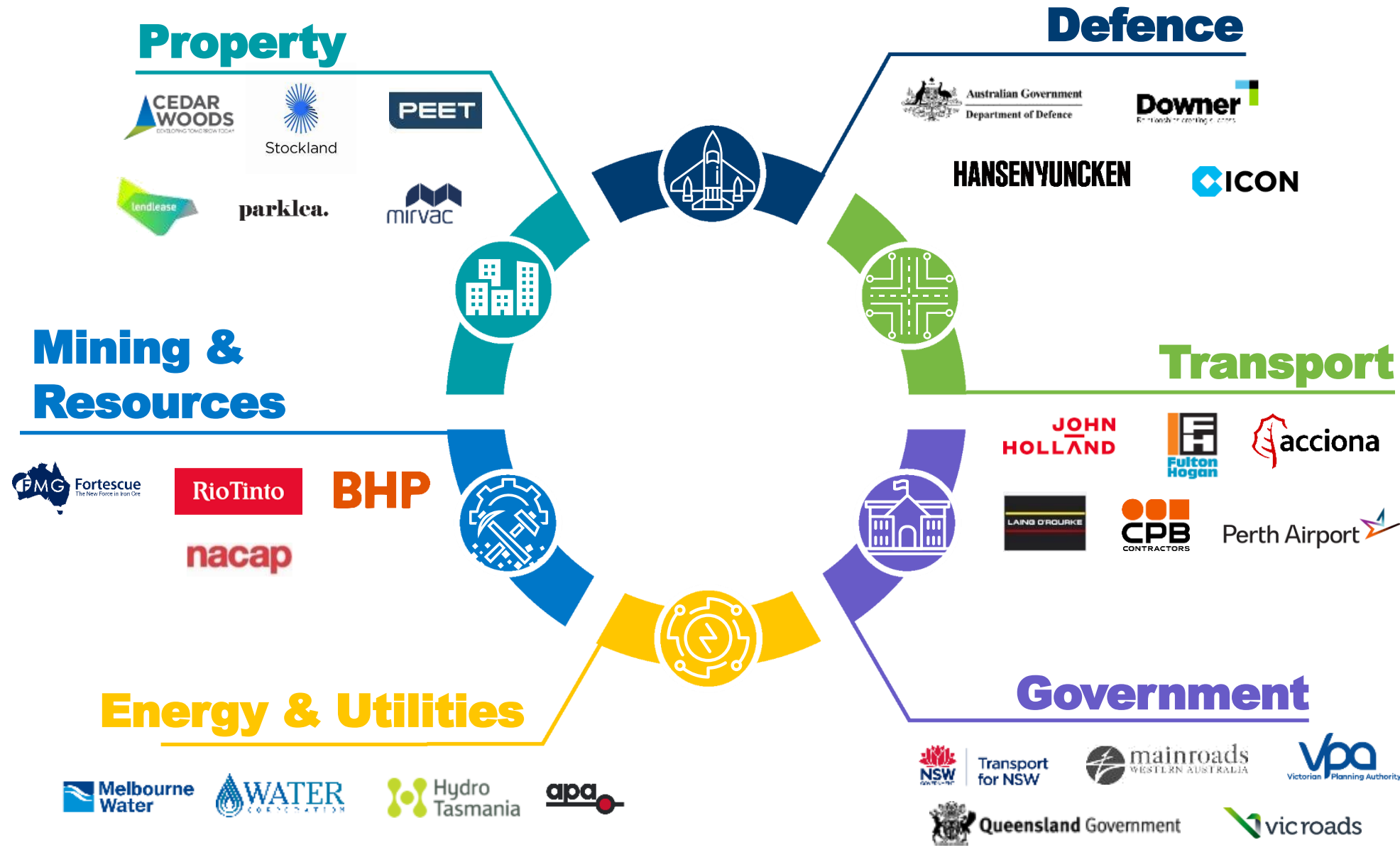


Our Core Values



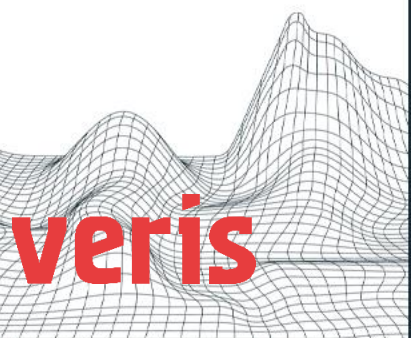
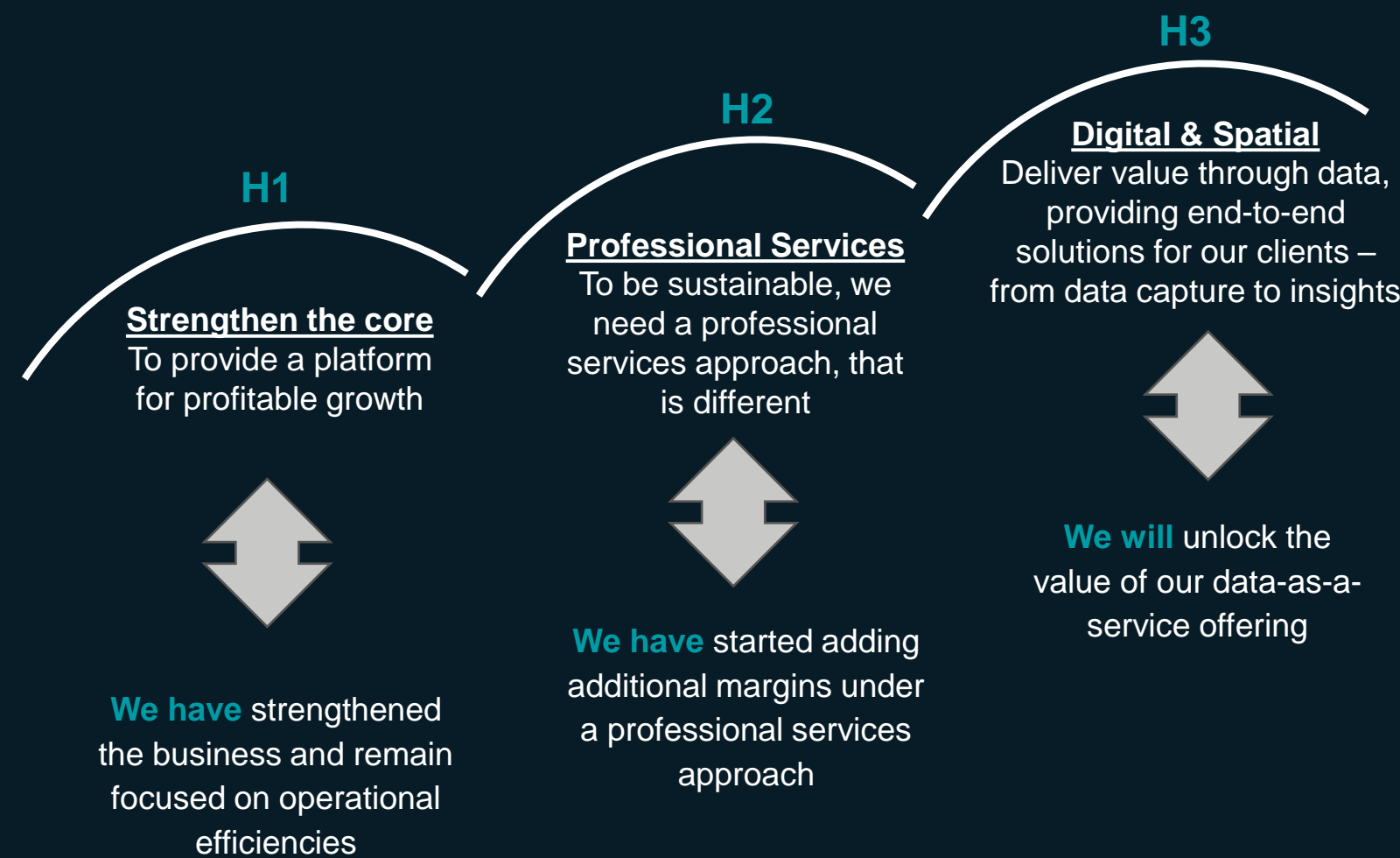
Unlocking growth in key accounts

Building trust and mutual benefit



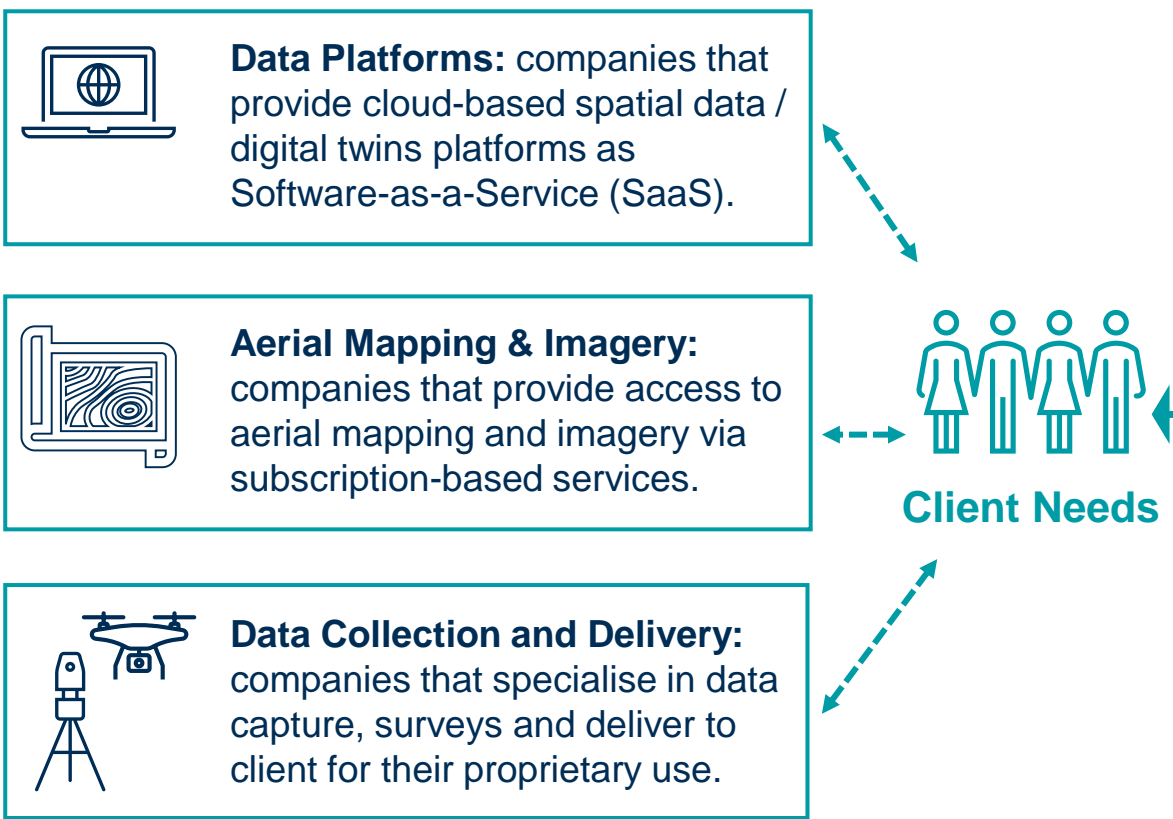
Executing on
strategy –
sustained
performance
and growth

We are delivering smarter solutions for our key clients with higher margins.

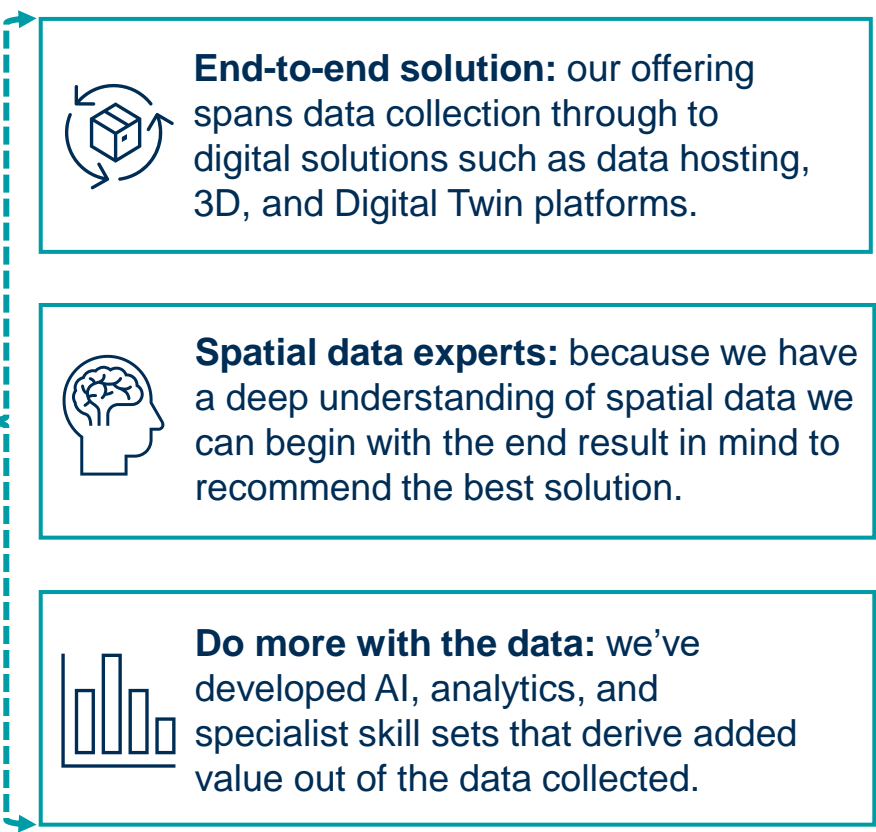


Sustainable, growth through strategy execution

Competitors have siloed
delivery models



Veris has a differentiated market
position



Meeting the Digital Transformation needs of our clients



Executing the strategy

We've taken clear steps in the delivery of our Digital Strategy:

- Development of AI, analytics, and data hosting capability
- Acquisition of aligned skillsets
- Expansion of value proposition to clients via integration of data and digital solutions
- Investment in leading-edge technology



Outcomes

We've achieved significant milestones along the way:

- ✓ First suite of digital solutions commercialised and generating revenue
- ✓ Allowed acceleration of pivot out of lower margin markets and sectors
- ✓ Built a unique capability and position in the market
- ✓ Enabled the delivery of end-to-end solutions to our key clients

Digital Strategy in Action

High margin, high value service offering, that demonstrates progress in advancing our digital strategy.



Digital Twin Victoria

- Veris-led consortium one of three new partnerships announced by Digital Twin Victoria (DTV).
- The consortium joined as a major development partner, bringing significant geospatial and 3D domain expertise.
- This and other new partnerships announced expand DTV's collaborative network marking the next phase in DTV's delivery strategy.



Cardinia Shire Council Sealed Roads Program

- An innovative digital solution by Veris.
- Instrumental in the adoption of sustainable road construction practices.
- Deploying the latest 3D Ground Penetrating Radar technology in combination with mobile laser scanning, Veris reduced environmental impacts and construction costs, and enhanced community engagement.



Digital Engineering Roadmap

- Veris wins contract to provide consultancy services to support the development of a Digital Strategy and Digital Engineering Roadmap.
- Client is a Queensland company with a large geographic spread and diverse asset base.
- Veris is now working with the client on a roadmap and program of activities to uplift and embed Digital Engineering practices.

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Digital Strategy in Action

High margin, high value service offering, that demonstrates progress in advancing our digital strategy.



Brisbane Airport

- Veris engaged to provide expertise in spatial documentation and Building Information Modelling (BIM) services.
- This work is crucial for effective project planning, design, and digital engineering.
- It provides a comprehensive understanding, and visualisation of the existing infrastructure.



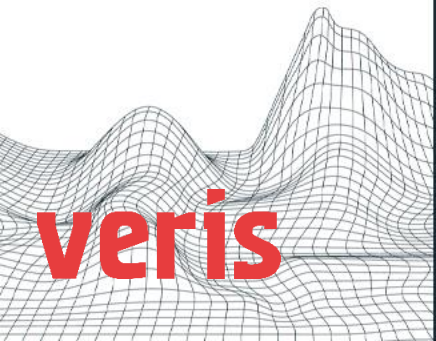
Warragamba Pipeline

- Veris engaged to perform 3D laser scanning to underpin the building of a digital model of twin water transport pipelines.
- Veris was then tasked with delivering a contract for ongoing real-time automated monitoring to identify updates to support the continued accuracy of the 3D digital model.



Central Place, Sydney

- Veris is delivering this project using the latest 3D Ground Penetrating Radar (3D GPR) technology.
- This technology performed subsurface investigations to support the addition of a high-voltage network cable to meet the power needs of a CBD industrial/commercial development.



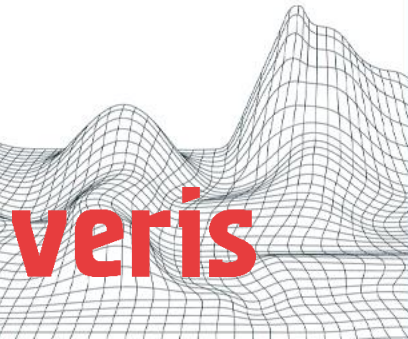


FY24 Financial Update

FY24 financial highlights

Quick and decisive restructuring and operational initiatives

Veris is right-sized to leverage demand for digital services in FY25 and beyond.




Revenue

\$92.6m in FY24



Digital service line Revenue Share

17% in FY24



Order Book

\$60m over next 12 months




Strategic shift continues

18% reduction in project volumes




Higher value projects

12% increase yoy in average project \$ value completed




Labour cost base reduced

\$3.6m of annualised cost outs



One-off costs

\$3.0m+ of one-off / restructuring costs in FY24



Cash at hand

\$16.1m at 30 June



- Digital & Spatial revenue growth
- Order book and balance sheet remain robust.

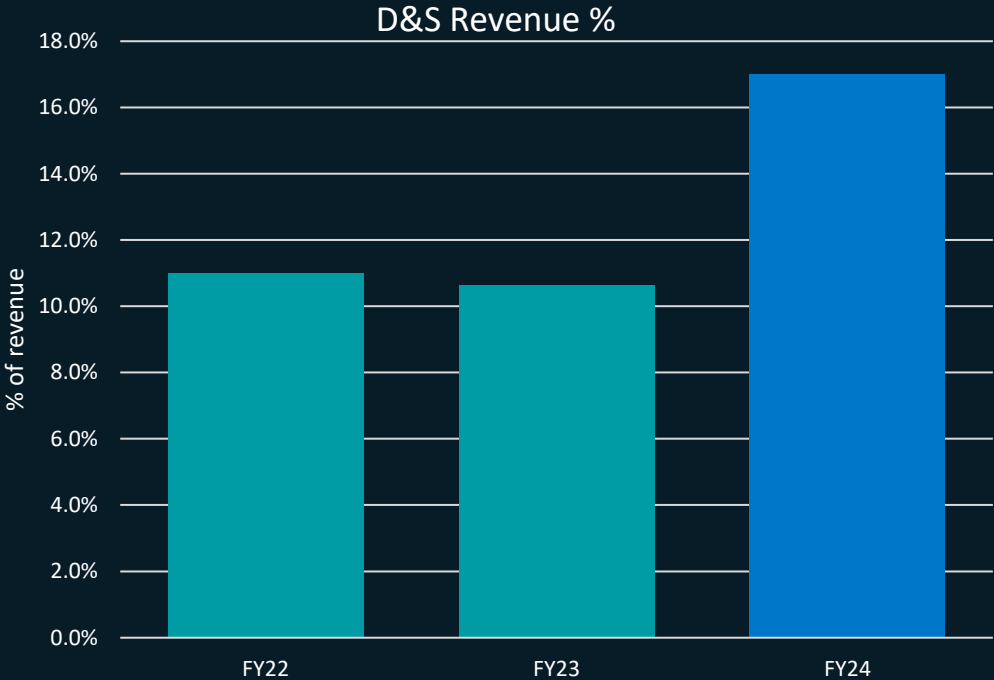
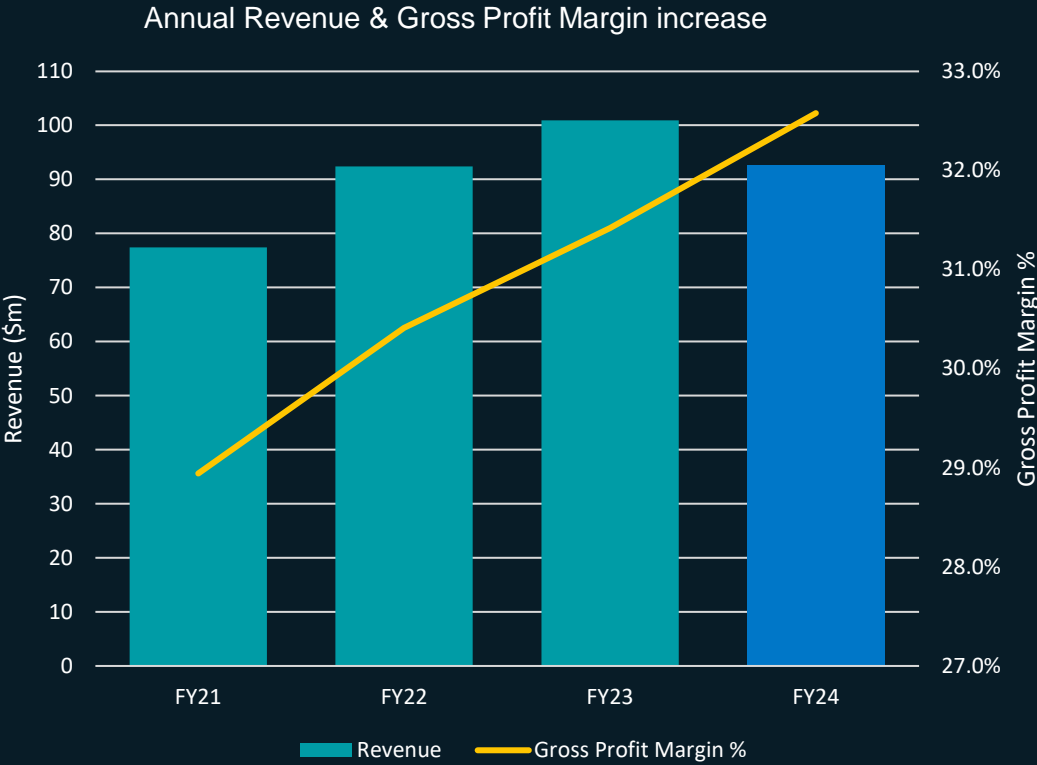
FY24 results summary

Veris Underlying results \$M	FY24	FY23	FY22
Revenue	92.6	100.9	92.4
<i>Gross Profit Margin %</i>	<i>32.6%</i>	<i>31.4%</i>	<i>30.4%</i>
EBITDA	6.7	10.2	10.0
<i>EBITDA Margin %</i>	<i>7.2%</i>	<i>10.1%</i>	<i>10.8%</i>
Underlying PBT	(1.8)	1.0	0.1
<i>Underlying PBT Margin %</i>	<i>(1.7%)</i>	<i>1.1%</i>	<i>0.1%</i>

Highlights

- Reduced revenue resulting from:
 - Continued transition away from legacy small projects
 - Softness in key markets; and
 - Resourcing constraints in Queensland operations
- Continued shift away from smaller projects delivering enhanced gross profit margin %
- Continued growth in Digital & Spatial offering – now contributing 17% of FY24 revenue vs 11% in FY23
- Restructuring initiatives (cost and headcount reductions) actioned in H2 to right-size project teams and support functions to respond to market conditions and position for future opportunities with key client base
 - \$3.0m+ in one-off and restructuring costs
 - Head count reduced yoy by 22% via combination of:
 - Some project-specific staff departures following conclusion of projects
 - Desired attrition/ managed departures
 - Restructuring related redundancies.

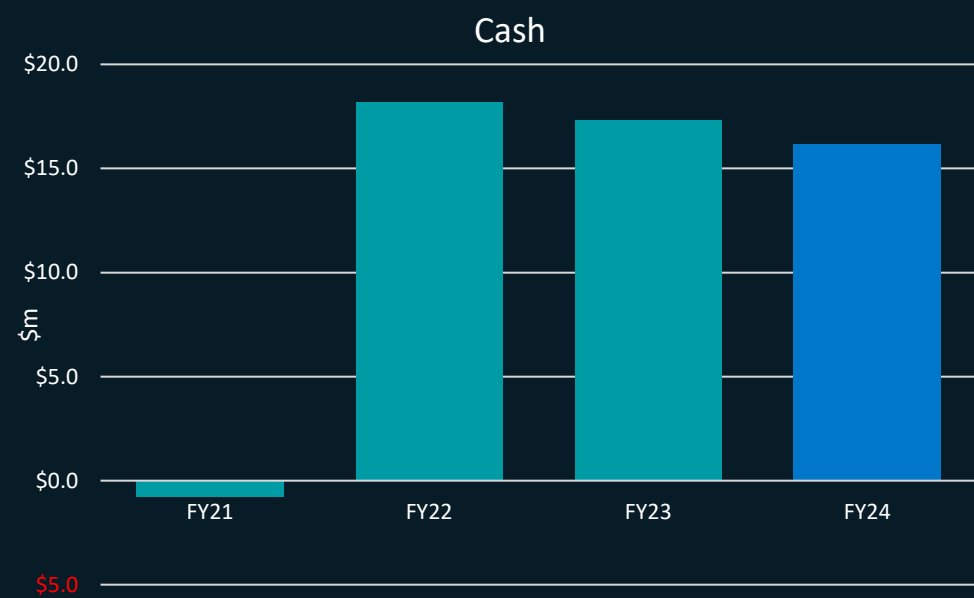
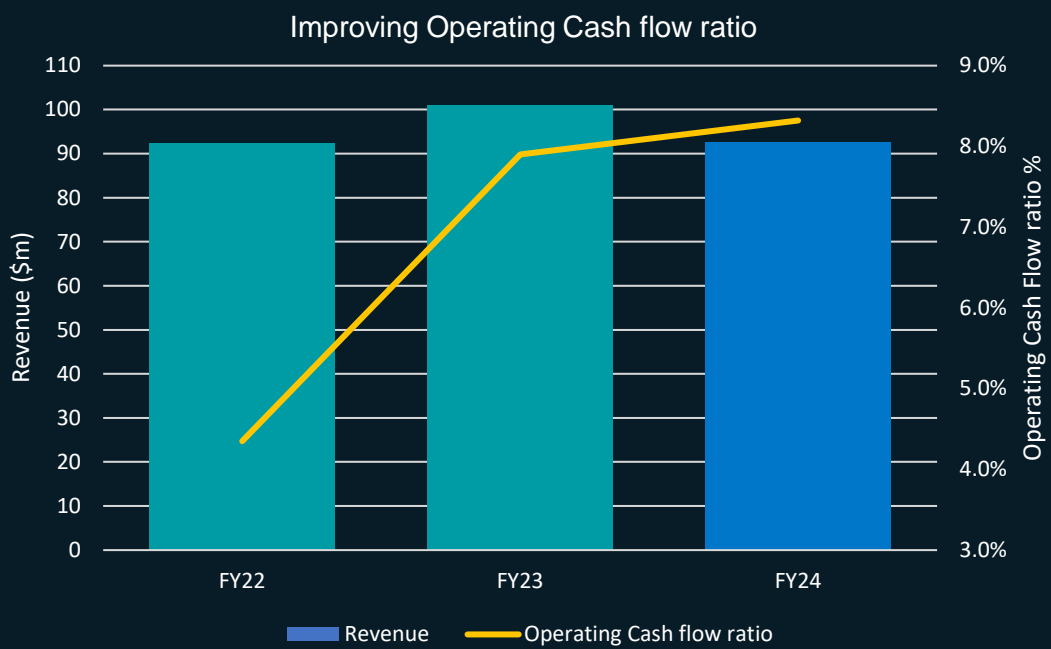
FY24 Overview



**Gross profit margin expansion
driven by more selective choice
of projects / clients**

**Increasing proportion of revenue
generated from D&S advisory
projects – now circa 17%**

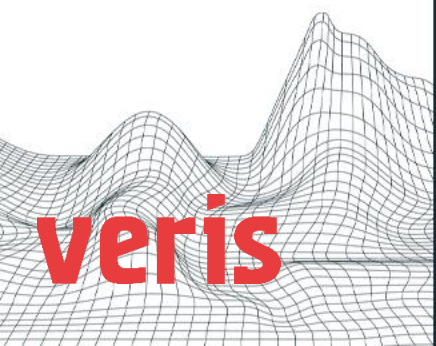
FY24 Overview



Operating Cash flow ratio continuing to improve despite decline in revenue demonstrating higher quality revenue and execution of margin improvement strategy

Stable cash balance having distributed in excess of \$2.0m in capital management initiatives in last 2 years (via both buyback and dividend)

Balance sheet



Balance Sheet	Jun24	Jun 23
Cash	16.1	17.3
Debtors & WIP	18.6	19.7
P,P&E	8.9	9.8
ROU Lease Assets	12.8	16.4
DTA, Intangibles, Other	6.0	6.3
Total Assets	62.4	69.5
Trade Creditors	9.6	7.2
Employee Benefits (C + NC)	7.8	8.7
HP Lease Liabilities (C + NC)	0.7	1.5
Borrowings	5.0	5.0
ROU Leases (Current)	4.4	4.9
ROU Leases (Non-Current)	10.7	12.7
Other Liabilities	1.2	0.8
Total Liabilities	39.4	40.7
Net Assets	23.0	28.8

Overview

- Stable balance sheet and capital position
- Strong cash balance of \$16.1m. Cash movement primarily reflects impact of:
 - \$0.7m dividend payment in November;
 - \$0.5m Continued on-market buy-back during FY24;
 - \$1.3m restructuring and one-off charges incurred during the year
- Right of Use (“ROU”) Leases predominantly represent capitalisation of office lease commitments
- Southbank (Melbourne) Office-related lease asset impairment of \$1.5m
- Debtors & WIP management remains a strong focus
- Borrowings have been utilised to replace legacy, high-cost HP Lease Liabilities used to finance Equipment purchases
- Strong cash position provides significant capacity to pursue M&A opportunities.

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Pipeline & Outlook

Pipeline

Despite some economic uncertainty, 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 \$60m to be executed over the next 12 months.



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

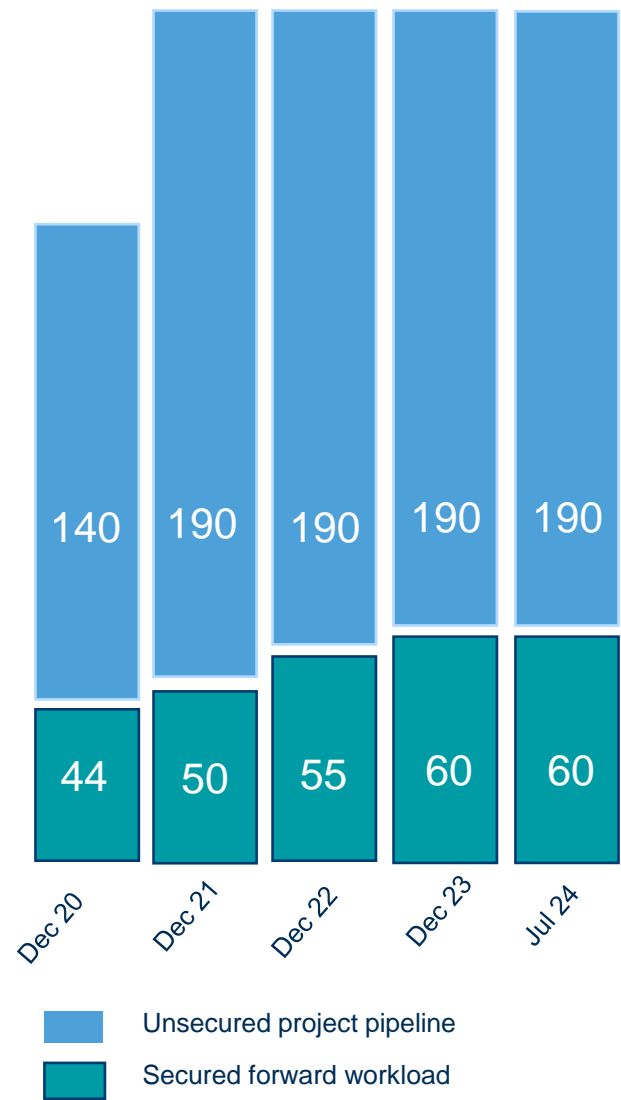


In addition to forward workload, we anticipate ongoing project variation and direct assignment works.



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

Pipeline



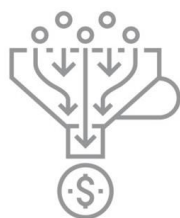
FY24 Summary



Digital strategy initiatives gain traction, with Digital accounting for 17% of total FY24 revenues.



A quick and decisive response to challenging market conditions, implementing a number of restructuring initiatives and operational efficiencies.



A strong pipeline of committed and tendered projects – as at end-FY24, 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.



Veris leverages its spatial and advisory skillsets by meeting stated objective to target national & regional key clients for delivery of multi-disciplinary projects



Growth in spatial consulting achieved, resulting in increased market opportunities to provide high margin services



Retention of a robust balance sheet – despite lower reported profitability over the past year

Targeted FY25 strategy deliverables

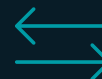
- **Meeting clients' digital transformation needs:** Leverage Veris' enhanced alignment to the growing data and digital transformation demands across multiple industries.
- **Leveraging inhouse digital expertise:** Capitalise on Veris' ability to provide digital solutions, including bespoke spatial data platforms supporting data hosting, analytics, AI and insights – services in high demand.
- **Increase revenue with Veris' multidisciplinary team:** This team is uniquely positioned to deliver high-value spatial consulting and advisory services for complex client challenges.



Restructuring and operational initiatives already delivering strong financial performance in Q1 FY25 to-date



Transformational opportunities, including the continued assessment of M&A opportunities, enabled by strong net cash position



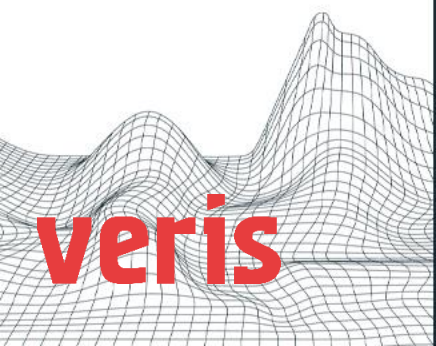
Positioned to capitalise on the commercialisation of a range of digital and spatial solutions



Investment in key sectors remains strong, with close monitoring of project start times



Multi sector spend by Government in smart cities / Digital Twin initiatives.



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Thank you

A fully integrated digital and spatial data advisory and consulting firm.

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For more information, please contact:

Steve Harding
CFO
(08) 6241 3333
communications@veris.com.au

Investor and Media Enquiries

Julia Maguire
The Capital Network
(02) 7257 7338
julia@thecapitalnetwork.com.au

Connect with us on LinkedIn



www.veris.com.au

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