

23 October 2019



Veris Quarter 1 FY2020 Update

Highlights

- Strong Group revenue of \$32.6 million and Group EBITDA of \$2.6 million
- Veris Australia delivers significantly improved margins for Q1 - FY20

Background

Veris provides a quarterly update for the first quarter of FY20. In October 2018 Veris announced a decline in EBITDA margins in the Veris Australia business to 7% for the Prior Corresponding Period (Q1 – FY19) (PCP), Veris commenced an Operational Review which was completed in June 2019. A significant number of measures have been undertaken to increase efficiency and improve margins.

Veris Australia Comparisons to PCP and FY19

Veris Australia's EBITDA for Q1 - FY20 of \$2.3 million (unaudited) is a significant improvement compared to the PCP EBITDA of \$1.8 million. The tables below outline the change compared to the PCP and improvements on the FY19 EBITDA margin.

Veris Australia	Q1 – 2020	PCP		% Change
Revenue	\$23.2m	\$24.8m	↓	(6.5%)
EBITDA	\$2.3m	\$1.8m	↑	27.8%
EBITDA Margin	9.9%	7.3%	↑	35.6%

Veris Australia	Q1 – 2020	FY19		% Change
Revenue	\$23.2m	\$93.0m		
EBITDA	\$2.3m	\$5.8m		
EBITDA Margin	9.9%	6.2%	↑	59.6%

Note:

(1) To ensure like-for-like comparison, the Q1 – FY20 results disclosed above do not include the impact of new Accounting Standards, AASB 16: Leases, AASB 15: Revenue from Contracts with Customers and AASB 9: Financial Instruments. The impact of these Accounting Standards will be accounted for at 31 December 2019, with an expected net EBITDA increase of circa \$250k on the reported Q1 – FY20 EBITDA outlined in this announcement.

Managing Director, Adam Lamond said:

"We are pleased to report a strong first quarter for the Group, driven by improved margins in the Veris Australia business. Both Elton Consulting and Aqura performed in-line with expectations. Higher margins achieved in the Veris Australia business in Q1 - FY20 are a result of our continuous focus on increasing efficiency and cost reduction. The Group's revenue remains in line with expectations and we will continue to work towards further margin improvement in the Veris Australia business."

– ENDS –

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