

The Veris logo consists of the word "veris" in a lowercase, sans-serif font, colored red. It is enclosed within a red outline that forms a square with a diagonal cut-off at the bottom-left corner.

veris

Veris Limited (ASX : VRS)

Presentation to Institutional Investors
Hosted by Baillieu Holst

20 June 2018

DEVELOP
WITH _____
CONFIDENCE™

Agenda



Description	
1	Veris Strategy
2	Integration
3	Professional and Advisory
4	Surveying
5	Geospatial
6	Case studies
7	Investment Highlights

Executive Team



**Adam
Lamond**

MANAGING DIRECTOR

- Founder and Managing Director of OTOC when it listed on the ASX in 2011 and Managing Director of Veris since March 2017
- Strategic development of Veris as a national professional services firm



**Brian
Mangano**

CHIEF FINANCIAL OFFICER

- Experience in publicly listed companies in the professional services, engineering/construction, technology and resource sectors, as a Chief Financial Officer and Managing Director
- Chartered Accountant with over 25 years experience



**Brian
Elton**

EXECUTIVE DIRECTOR

- Founder of Elton Consulting. Trusted advisor to public, private and not-for-profit sectors in city making, strategy, planning and human services.
- Fellow of the Planning Institute of Australia and a Member of the Australian Institute of Company Directors.



**Simon
Clode**

EXECUTIVE GENERAL
MANAGER - SURVEYING

- Highly regarded leader in professional services surveying and geospatial sectors, including serving as General Manager of Fugro
- Outstanding track record of managing multinational businesses in Australia and Asia



**Kim
Anson**

CHIEF EXECUTIVE
ELTON CONSULTING

- Over 25 years in executive management roles in professional advisory services, NSW state government and local government
- Previously General Manager of Marrickville and Waverley Councils

Veris Strategy

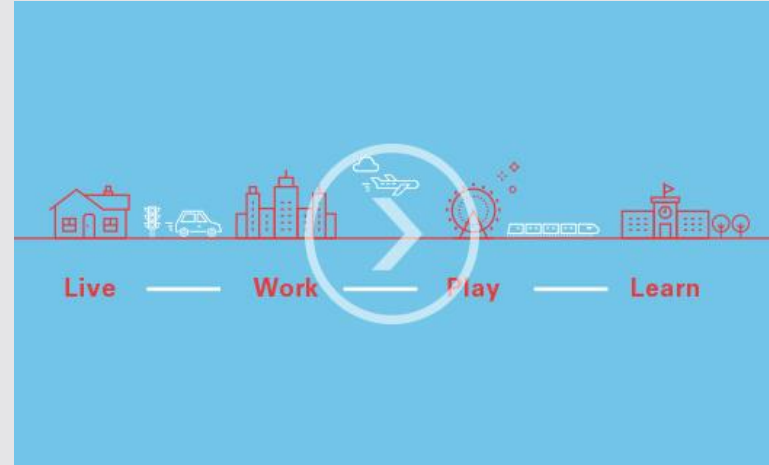


Adam Lamond
Managing Director

Introduction

To watch the introductory video to Veris follow these two steps:

- visit veris.com.au
- Click on the image shown here to the right



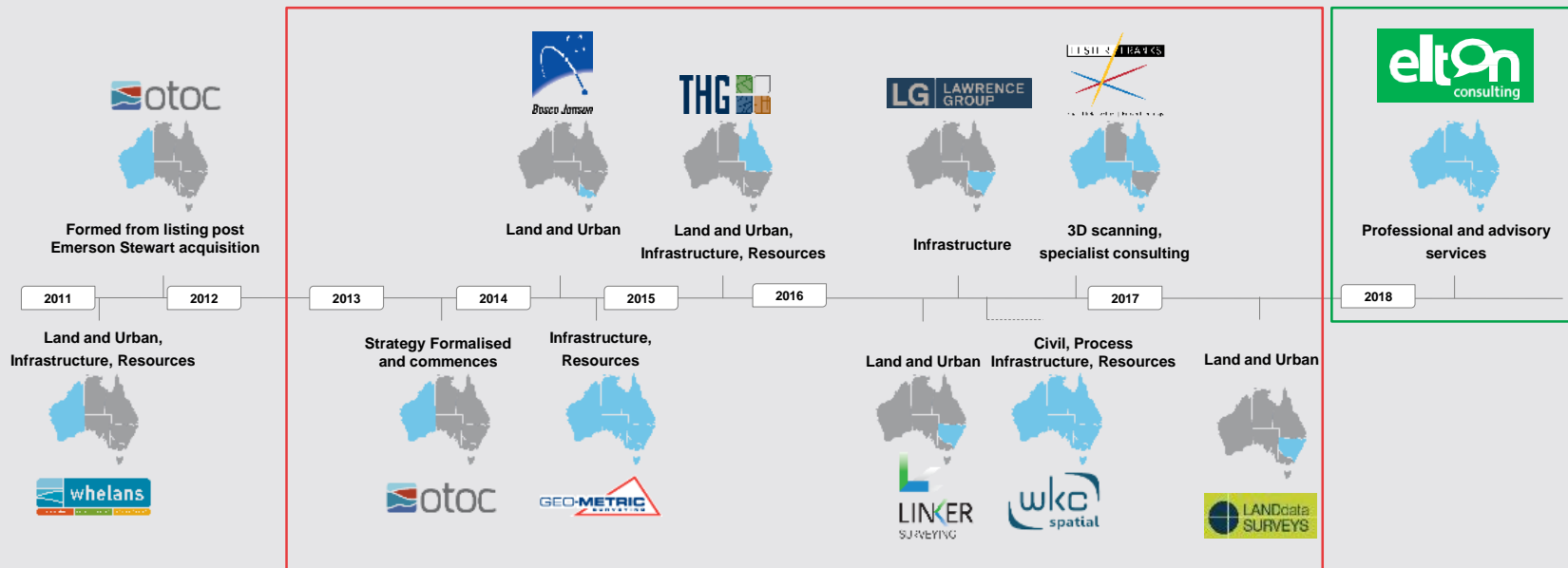
Growth through acquisition

Veris is an ASX-listed professional services company with a market capitalisation of \$73m and annualised professional services revenue approaching \$125m

Veris offers surveying, professional and advisory, and geospatial services

National client base, and workforce approaching 700 employees

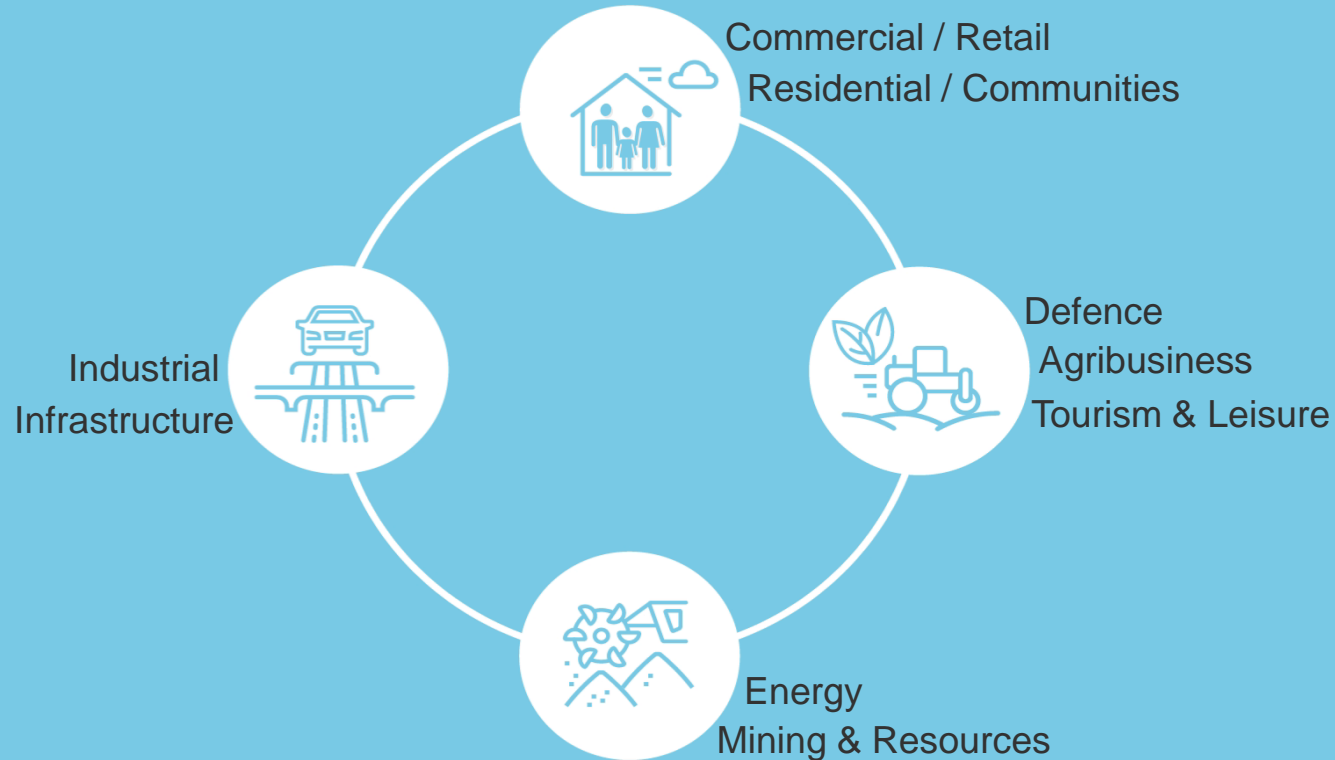
Preferred investor exposure to the development cycle



Acquisition Metrics

Veris has raised equity capital of \$22m to fund acquisitions, with the balance being funded from operating cash flow
Veris has a \$25m acquisition facility with CBA; undrawn balance of \$11m to fund future acquisitions

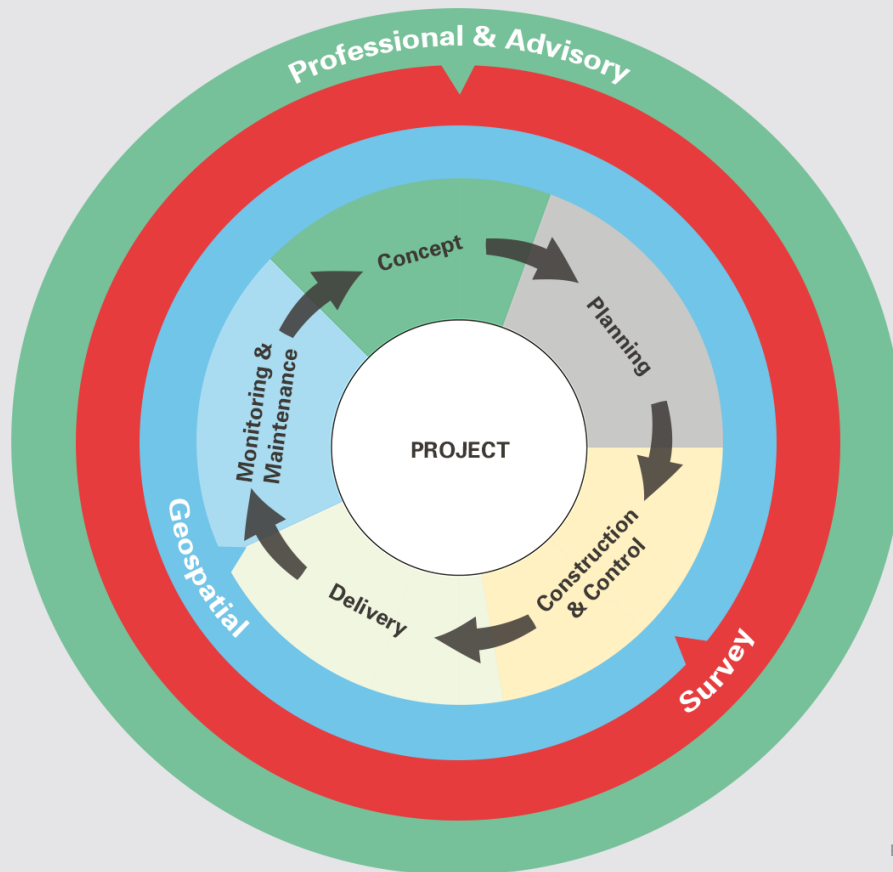
									Other	Total
Purchase Price	\$17.0m	\$9.5m	\$4.4m	\$4.0m	\$5.85m	\$5.0m	\$4.8m	\$16m	\$3.0m	\$68.95m
Cash	\$13.0m	\$7.0m	\$2.2m	\$3.0m	\$3.85m	\$3.1m	\$3.8m	\$9.0m	\$3.0m	\$47.45m
Shares	\$1.0m	\$2.5m	\$0.4m	\$0.4m	\$1.0m	\$0.5m	-	\$3.0m	-	\$9.0m
Performance	\$3.0m	-	\$1.8m	\$0.6m	\$1.0m	\$1.4m	\$1.0m	\$2.0m	-	\$10.5m
Deferred								\$2.0m		\$2.0m






Addressing the project cycle

Maximising exposure to the project development lifecycle

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



Professional and Advisory	Surveying	Geospatial
<p><i>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.</i></p>	<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.</i></p>	<p><i>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.</i></p>
		
<ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> – Predominantly field based staff – Medium Capex requirements – Moderate HSE risk – Technical focus – Work on clients site 	<ul style="list-style-type: none"> – 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

Strategy – National Professional Services Business

Creating a national professional services business, with three pillars of growth

Professional and Advisory



Surveying



Geospatial



Market
Size

\$2.0bn

\$3.0bn

\$2.0bn

Veris
annualised
Revenue

\$25m

1.25%

\$95m

3.2%

\$5m

0.3%

Veris
Target

\$50m-\$80m

2.5%-4.0%

\$150m

5.0%

\$70m-\$100m

3.5%-5.0%

National Operations

Survey & Geospatial \$100m

Professional and Advisory \$25m

Total \$125m



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

Integration



Brian Mangano
Chief Financial Officer

By 30 June 18 we will have achieved our 9 Integration Objectives

One Brand

- Consistent quality in message and identity to build a reputation as market leaders across Australia
- Open new relationships with clients and industries
- Opportunity to offer new services to our clients
- Consistency in behaviours through our values



One ABN, Veris Australia Pty Ltd

- Unified work under a single structure
- Back office efficiencies
- Simplification of processes
- Transparency

All employees in Veris Australia

- Alignment of benefits and opportunities for professional development and training
- The ability to get involved in different types of work, with new people across Australia
- National support structure behind every employee
- The opportunity to help shape not only our company but our industry



One HSEQ Platform

- National HSEQ practises to ensure the well being of everyone across the country
- Environmental considerations in the communities we serve
- Standardisation of quality and how we operate
- Accreditations that reflect our consistent quality of delivery



One Customer Relationship Management System

- Understand our clients better – one source of truth
- Local expertise with national overview
- Identify opportunities to strengthen relationships
- Ability to offer more services to clients



One Information & Communication Technology Standard

- Ease of communication and sharing of knowledge nationally
- Better capture, movement and utilisation of data
- Best practice tools to enhance delivery and client experience
- Consistency of performance.

By 30 June 18 we will have achieved our 9 Integration Objectives

One Financial System

- Consistent reporting
- Leading indicators for improvements and efficiencies
- Accurate time management and reporting through online timesheets
- National support services, providing consistent quality, allowing you to focus on your clients



Consistent Reporting Across the Company

- Aligned priorities
- Identification of opportunities for further improvement
- Orientation of resources to prospects
- Streamlined decision making

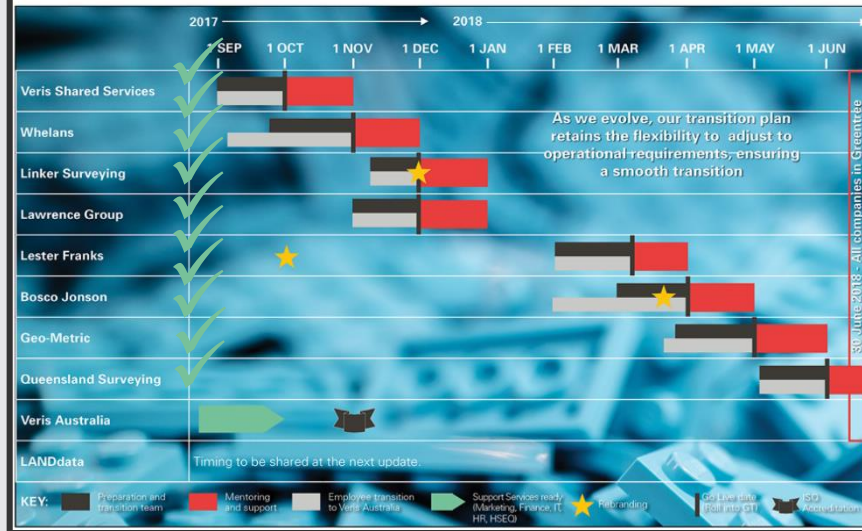


All client projects managed in Veris Australia

- Consistent experience for clients
- Unified operations and reporting
- Understand potential of service lines through the performance
- Business structure to support client growth needs nationally



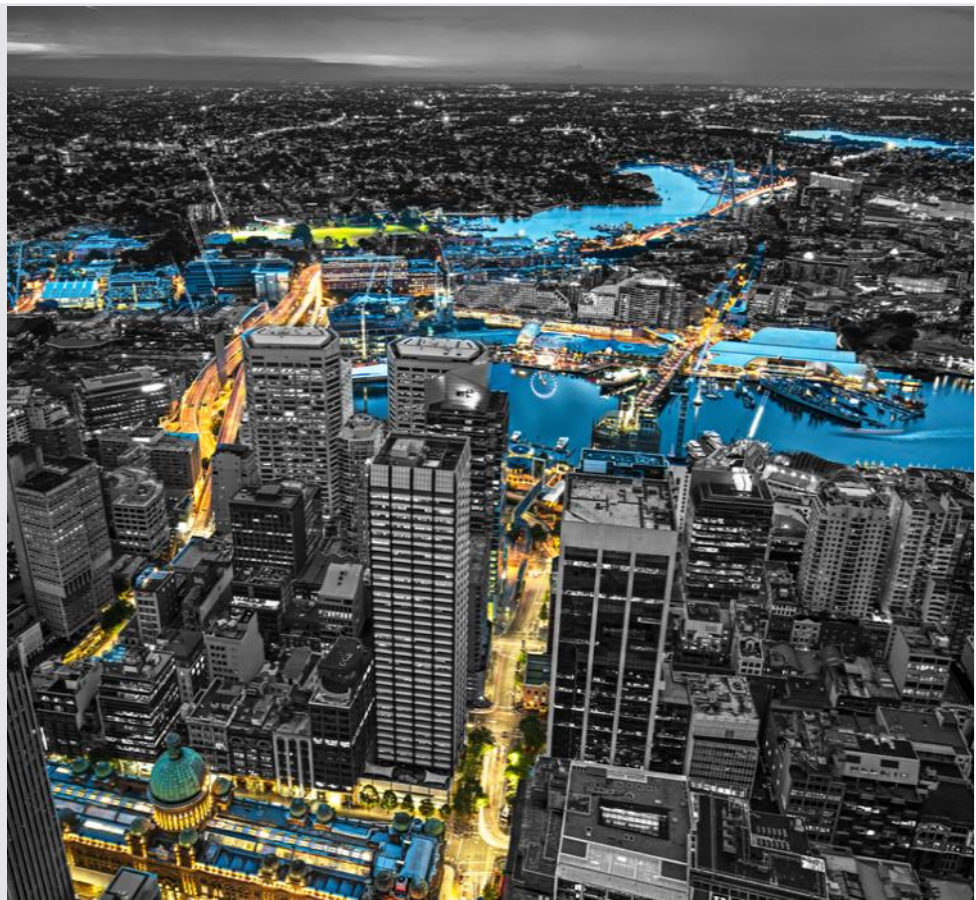
Indicative Transition Plan



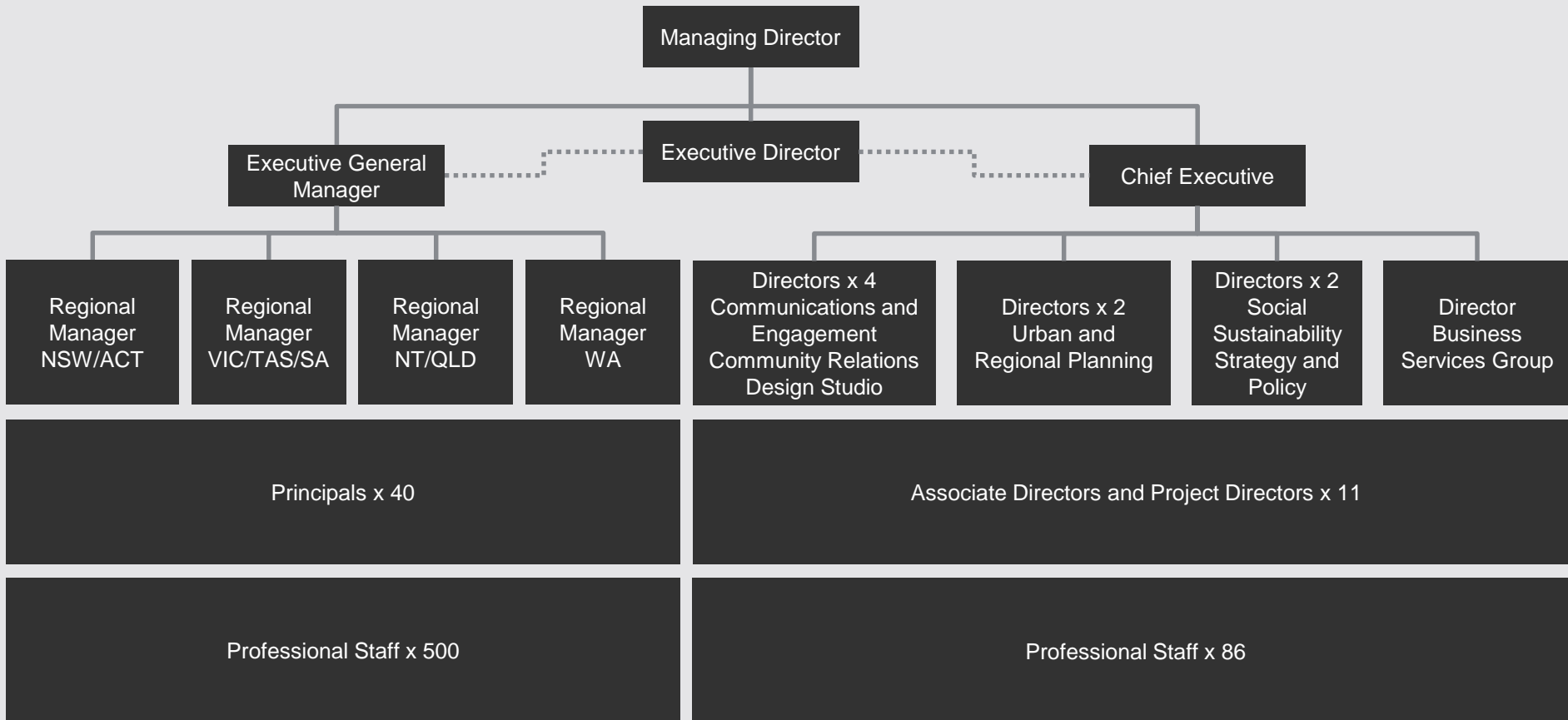
Importance of Integration

Integration is pivotal in achieving our Vision to be an efficient national Professional Services Group.

- Ability to provide end-to-end solutions across a project lifecycle
- Integrate and enhance service capabilities
- Develop new clients regionally and nationally
- Culture that continues to attract and retain talent
- Ability to service larger projects, a key differentiator to smaller/regional peers
- Operational control and best practice
- Operating cost savings
- Enhanced margins
- Quality and consistency



Depth of Operational Management



Professional and Advisory



Kim Anson
Chief Executive – Elton Consulting

Professional and Advisory

Elton Consulting's Professional and Advisory Services are

- engaged to provide expert advice to businesses, governments and not-for-profit organisations
- support them to make considered and informed decisions on policy, strategy, city-making and service delivery.

We work in partnership with clients to make a difference to cities and regions, communities and organisations.

Making a difference
to cities and regions,
communities and organisations.

Our service areas include:



Communications and engagement



Community relations



Urban and regional planning



Social sustainability



Strategy and policy



Bid strategy and preparation



Design Studio

Our Leadership Team



Deborah Palmer
Director
Communications
and Engagement
Design studio



Brendan Blakeley
Director
Communications
and Engagement



Brett Cox
Director
Communications
and Engagement



Peter Whelan
Director
Community
Relations



Jenny Rudolph
Director
Urban and
Regional
Planning



Rob Bennett
Director
Urban and
Regional
Planning



Steve Rossiter
Director
Social
Sustainability



Rachel Trigg
Director
Strategy
and Policy



Lee Geary
Director
Business
Services
Group



Recent Projects



- Sydney Modern – NSW Art Gallery
- Restart NSW
- NSW Social Housing consultation
- Western Sydney Airport
- Hornsby Council - quarry reuse



- NSW ferry wharf upgrade program
- Inland Rail – Melbourne to Brisbane
- Prince of Wales Hospital
- Herston Quarter Brisbane



- Wilton Junction rezoning and infrastructure plan
- Googong rezoning and development consents
- Newmarket urban renewal
- The Heights redevelopment Darwin
- NT Planning Reforms



- Parramatta Community Facilities – audit and needs study
- Ivanhoe Estate Urban Renewal- Social housing outcomes plan
- The Bays Market District – social sustainability study
- Review SIA guidelines - State Significant Development

Recent Projects



- NSW Joint Organisations pilot program
- West Belconnen cross border development – service planning
- Business planning and business improvement
- Strategic advice - affordable housing
- Community housing sector advice



- Ivanhoe Estate Urban Renewal
- Social housing management transfers
- Edmondson Park Town Centre
- Herston Quarter
- Central Barangaroo development
- Tonsley renewal, Adelaide



- FASS Website
- Inland Rail
- Wilton Junction rezoning
- Joint Organisations pilot
- State Infrastructure Strategy

Realising value

Fixed price projects



Staff embedded with clients on contract basis, discounted recharge rates



Projects time billed at standard charge out rates per hour, generally with upper limiting fee



Surveying



Simon Clode
Executive General Manager - Surveying

Surveying

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.

Surveying is prominent in many markets including

- Land and Property
- Resources
- Infrastructure
- Defence

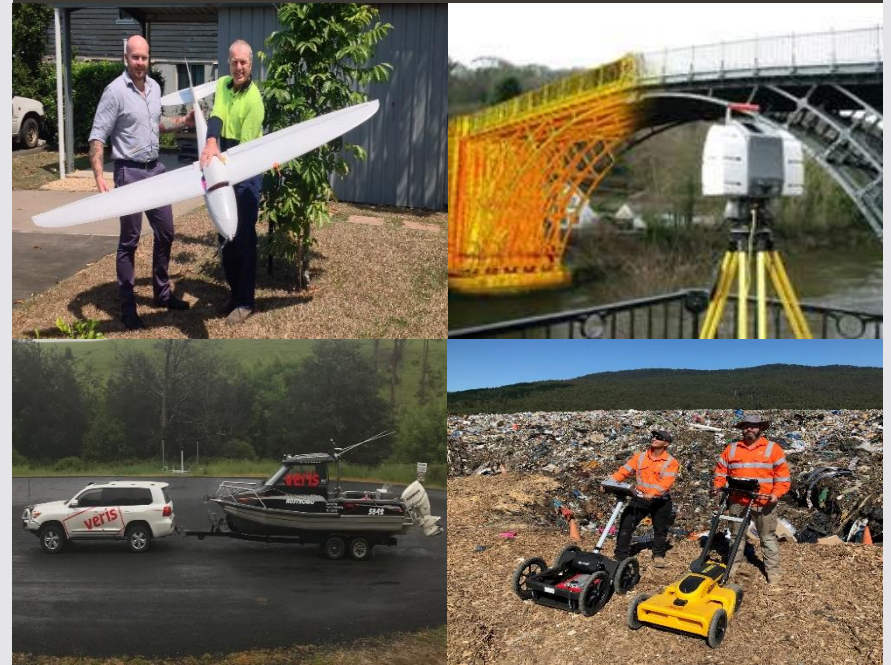


Dimensions of Surveying

Applications of surveying



Examples of the diversity of the profession



Realising value

Time billed at rates



Work billed on a piece rate



Fixed price projects



Sale of scanning and mapping data



Depth of Experience



Alan
Prudames

**REGIONAL MANAGER
NSW/ACT**

- 30 years experience in the survey and property development industry with considerable knowledge of both private and Government sectors
- Lead projects that have won 'Awards for Excellence' within the survey and spatial arena
- Experience within international consultancy securing significant infrastructure projects



Shane
Murphy

**REGIONAL MANAGER
QLD/NT**

- 35 years consulting experience leading to in-depth knowledge of Surveying, Tenure, 3D Spatial, Statutory and Planning requirements
- Consulting Cadastral Surveyor registered with the Surveyors Board of Queensland and a member of the SSSI.



Malcolm
Lester

**REGIONAL MANAGER
VIC/TAS/SA**

- 35 years professional experience as registered Land Surveyor and Registered Planner with over.
- National chair of the Association of Consulting Surveyors and the Australian Spatial Information Business Association. Fellow of the Australian Institute of Company Directors.



Gavin
Hassett

**REGIONAL MANAGER
WA**

- 25 years of extensive experience in all facets of land development, planning and survey
- Experience in delivering solutions to the asset life cycle for clients within land portfolios. Solution based experience in Strata Title Development throughout the state of Western Australia

Geospatial



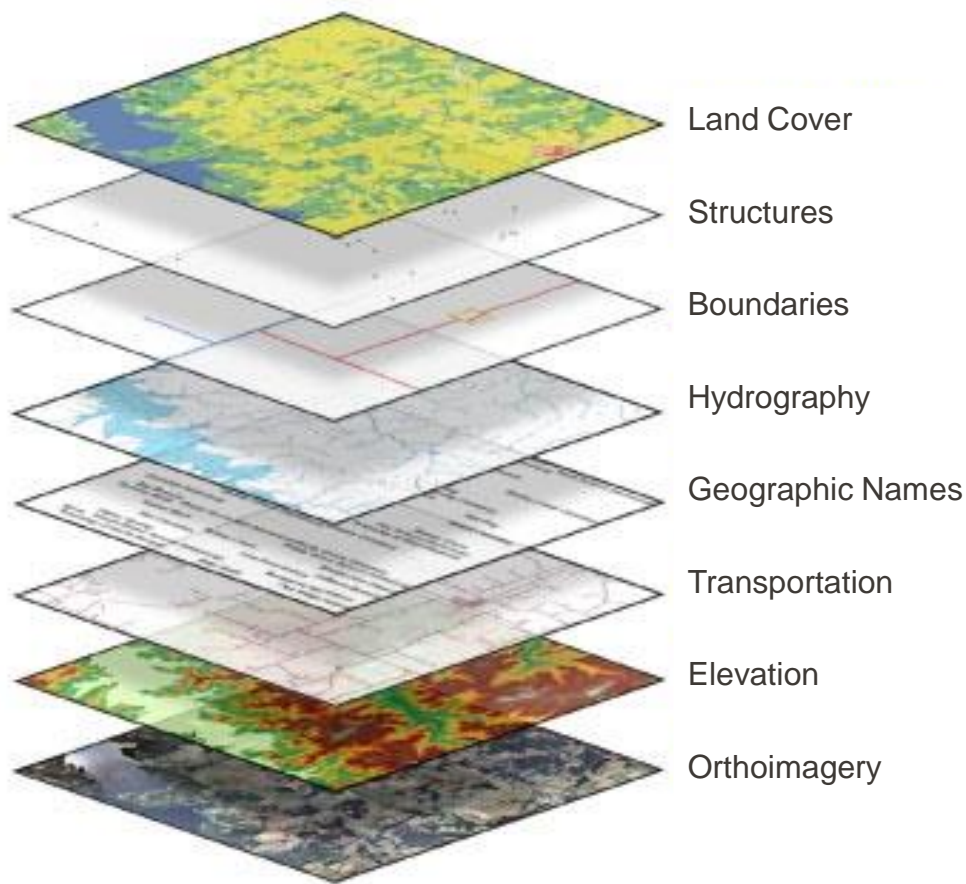
Simon Clode
Executive General Manager - Surveying

Geospatial Services

Geospatial Services related to products, services and tools involved in the collection, integration and management of geospatial data

Geospatial Services are prominent in many areas including:

- Asset Management
- Project Assessment
- Data Management
- Bespoke Application Development



Realising value

Time billed for consulting, analysis and development



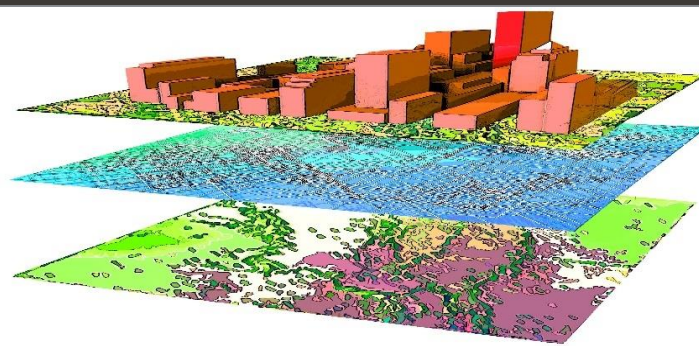
Fixed price for projects



Monthly data hosting fees



Data delivery fee



Case studies



Brian Elton
Executive Director and Founder of Elton Consulting



Simon Clode
Executive General Manager - Surveying



Kim Anson
Chief Executive – Elton Consulting

Professional Advisory



Communications
and Engagement



Urban and
Regional Planning



Social
Sustainability



Strategy
and Policy



Bid Strategy
and Preparation



Community
Relations



Design Studio

Survey



Property Surveying



CMI Construction
& Engineering Surveying



Unmanned Aerial
Vehicle Scanning



Bathymetry



Mobile
Laser Scanning



Terrestrial &
3D Scanning



Metrology



Underground
Scanning

Geospatial



Geospatial
Data Management



Business
Information Modelling

Sydney Light Rail

elton
consulting
A Veris Company

veris



Western Sydney Airport

elton
consulting
A Veris Company

veris



Inland Rail



Sydney Metro

elton
consulting
A Veris Company

veris



Ivanhoe Estate

elton
consulting
A Veris Company

veris



Parramatta Road Renewal

elton
consulting
A Veris Company



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Queensland Solar Farm

elton
consulting
A Veris Company

veris



Bankstown



Spirit of Tasmania

elton
consulting
A Veris Company

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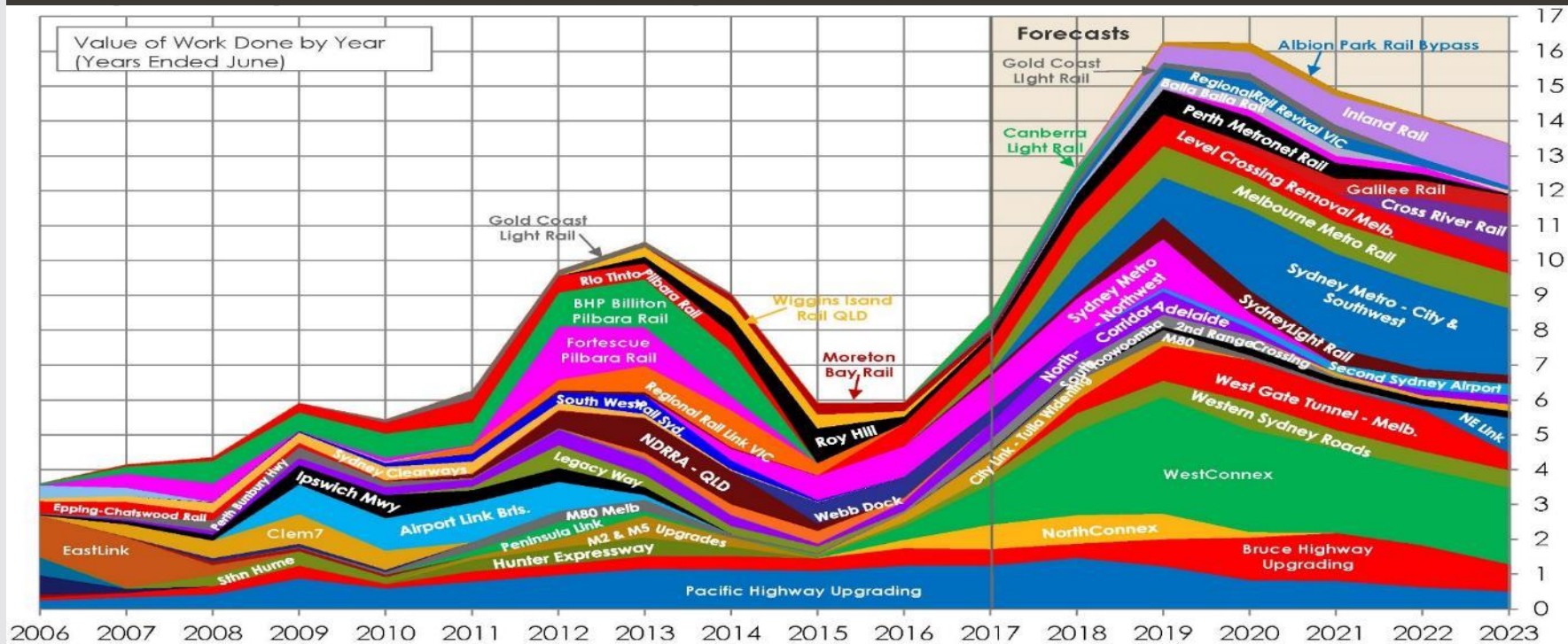
Investment Highlights



Adam Lamond
Managing Director

Market Outlook

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

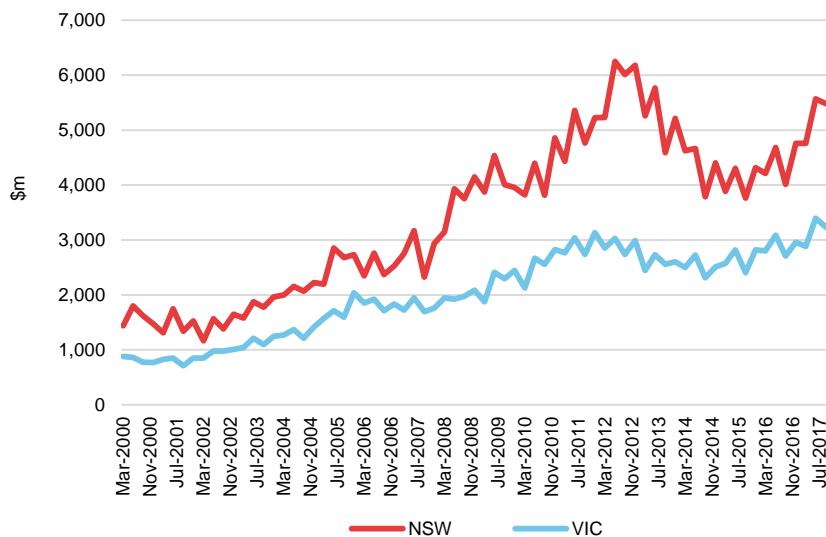


Market Outlook

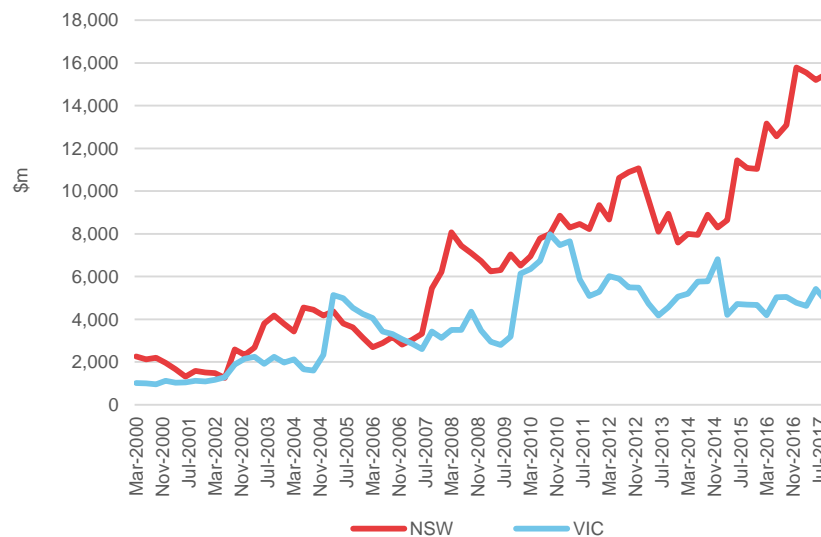
Given its leading position in NSW, Elton provides desirable exposure to the strong forecast activity in infrastructure spending across transport, health, education and urban renewal.

Potential to grow the Melbourne business given robust levels of infrastructure and property development.

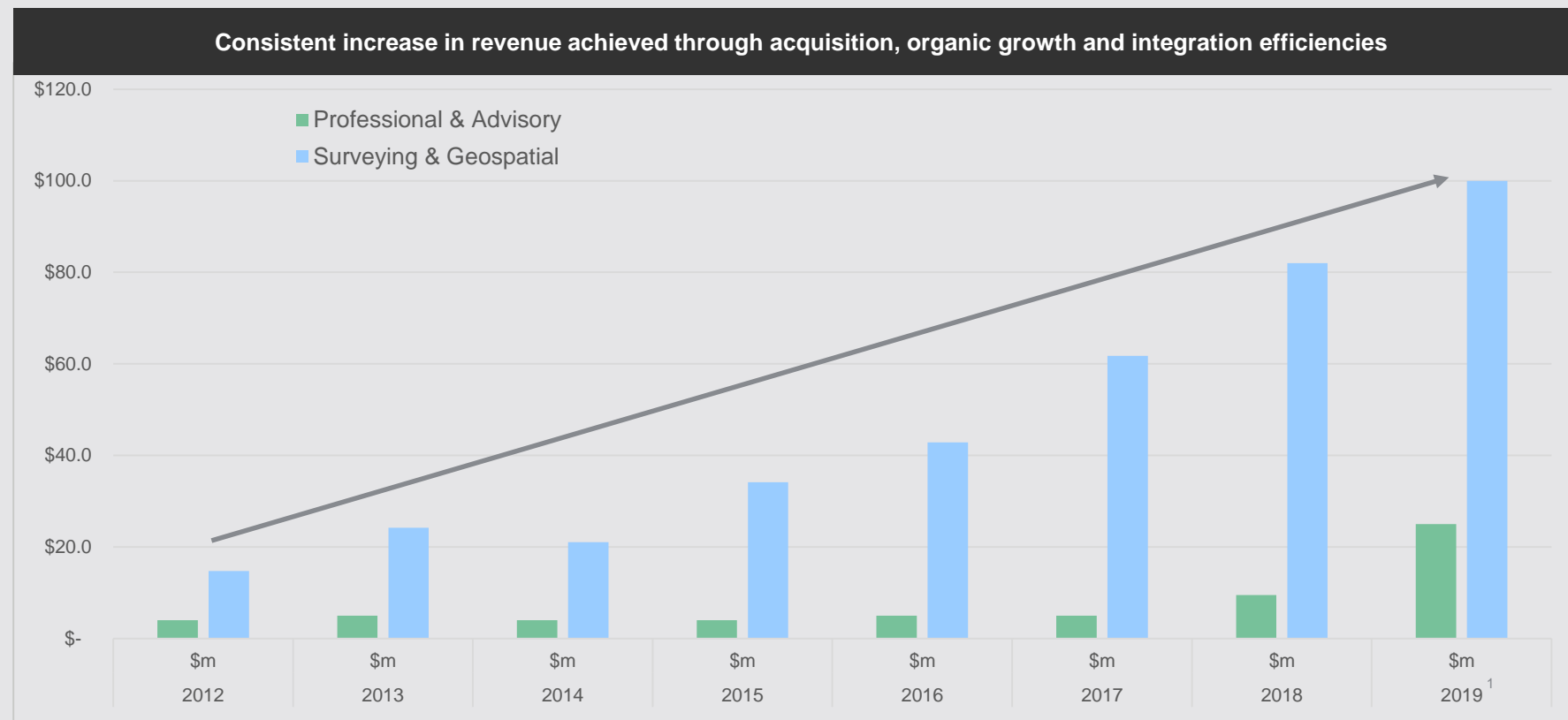
Engineering construction: value of work done



Engineering construction: value of work yet to be done



Revenue



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

Top Tier Clients serviced across Australia

Diversified, national client base; adding value for our clients through seamless national service offerings



Priorities for FY19

A year of bedding down process, systems and people

A Systems and Process

- System enhancement projects
- Concerted process improvement on identified areas

B Governance

- Risk and controls
- Establishment of Internal Audit function

C Cash Management

- Focus on debtors and WIP

D Culture and people

- Communication forums and leadership messaging
- Clarity on direction and expectations

Investment Highlights

Robust market outlook	<ul style="list-style-type: none">– Core infrastructure markets in New South Wales and Victoria remain strong and indications of improving markets in Western Australia and Queensland– Acquisition of Elton Consulting has positioned Veris at the front-end of the project cycle, leading to greater market share and immediate revenue synergies
Strong revenue growth	<ul style="list-style-type: none">– FY18F revenue at least \$90m, an increase of 35% on FY17– 30% revenue growth forecast in FY19¹, underpinned by current workload and organic growth in New South Wales
Fully integrated business to support improved margins	<ul style="list-style-type: none">– Integration objectives completed, resulting in cost savings at operations and corporate services– Future professional services EBITDA margins to trend above 15%-17% target

Investment Highlights

Free cash flow to build into FY19

- Capital intensive phase of the national acquisition strategy completed
- Processes established to improve working capital and conversion to cash

Valuation metrics support a market re-rating

- Current market capitalisation is approximate to the cost of the surveying and professional and advisory acquisitions, acquired at an average multiple of 4x EBITDA
- EV/revenue (FY18F) multiple of ~1.0x represents a significant discount to other listed professional services businesses

Corporate Directory

Capital Structure

Share price (ASX: VRS)	\$0.21
Ordinary shares	345.4m
Market capitalisation	\$73m
Cash (Pro-forma for Elton)	\$8m
Debt (Pro-forma for Elton)	\$23m
Enterprise value	\$87m

Board and Management

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

Share Price



Substantial Shareholders

Directors	19.3%
Perpetual	7.3%
Paradise	6.2%

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Thank you

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