



28 February 2018

1H FY18 Financial Results

HIGHLIGHTS:

- Survey EBITDA¹ \$5.6m, up 56% on 1H FY17
- Survey revenue \$41.3m, up 40% on 1H FY17, due to strong growth in infrastructure spend
- Group revenue \$46.3m, up 47% on 1H FY17
- Group EBITDA \$4.2m up 145% on 1H FY17
- NPATA² of (\$0.1m), up 89% on 1H FY17
- Cash \$8.1m and debt \$13.7m (including hire purchase liabilities)

Veris Limited today announced its financial results for the half year ended 31 December 2017 (1H FY18).

SURVEYING

Revenue from the Company's survey division rose 40% to \$41.3m. This growth was the result of the Company's strategy of developing a premier national surveying business with desirable exposure to property and civil infrastructure markets, particularly focused in New South Wales, Victoria and Queensland, which has offset declining revenues from Western Australia.

Veris surveying EBITDA was \$5.6m (1H FY17: \$3.6m) being a 56% increase on the prior corresponding half.

Veris expects survey division EBITDA to be stronger in 2H FY2018 given an upward trend in month-on-month results in the first half, indications of continued growth in the East Coast infrastructure markets and full period earnings from the LANDdata acquisition. This expected progression validates the Company's strategic commitment, to move away from its traditional construction focus in WA and deliver premium Professional Services across Australia. Professional Services revenue has historically produced a 45:55 split between first and second halves as a result of the Christmas holiday period. The first half EBITDA result has also been impacted by increased recruitment and mobilisation costs as the business gears up to meet the demands for more surveyors on a range of major infrastructure projects.

LANDdata acquisition was completed 1H FY18, strengthening the Veris surveying national footprint. LANDdata has operations in the ACT and NSW.

Restructuring Costs incurred during the period include one off costs incurred as part of the integration of nine businesses into one entity Veris Australia Pty Ltd. Integration is on schedule and is expected be completed by 30 June 2018.

¹ EBITDA is defined as earnings before depreciation, amortisation, interest, tax, impairment, restructuring, share-based payments, discontinued operations and acquisition costs and is an unaudited non-IFRS measure

² NPATA is Net Profit after Tax before Amortisation

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COMMUNICATIONS

The recently launched communications division of AQURA Technologies achieved revenue for the half of \$5.0m with an EBITDA contribution of \$120,000. AQURA is expected to contribute higher revenue and earnings in the second half as several projects are delivered.

DISCONTINUED OPERATION – OTOC AUSTRALIA

The OTOC Australia construction business was discontinued at the commencement of the half, in the prior corresponding half (1H FY17) this business delivered Revenue of \$23.4m and an EBITDA contribution of \$3.1m. Profit from discontinued operations for the period before tax was \$0.04m

BALANCE SHEET

The Company has a strong balance sheet to maintain organic growth and fund further acquisitions.

Cash \$8.1m, debt \$13.7m (including hire purchase facilities) and approximately \$22.0m in undrawn acquisition lending facilities.

Movements in Cash	\$000'S
Opening Cash at 1 July 2017	14.6
Acquisition funding	(4.9)
Dividend payment	(1.3)
Debt/interest payments	(2.0)
Plant and Equipment movement (net of financing)	2.0
Increase in Creditors	0.9
Increase in Debtors and Work in Progress	(2.9)
Cash generated by operating activities	1.7
Closing cash at 31 December 2017	8.1

Full details of the 1H FY18 result are contained in the Interim Financial Report which accompany this announcement.



COMMENTING ON THE 1H FY18 RESULTS, MANAGING DIRECTOR, ADAM LAMOND, SAID:

“Veris has positioned itself to take advantage of the significant increase in infrastructure construction across the capital cities of Eastern Australia, whilst meeting a number of challenges in Western Australia.

Our surveying business has been strengthened by strategic acquisitions and strong NSW revenue growth during the half. We have achieved a national footprint and continue to integrate our businesses into our National Operating Model.”

The earnings result demonstrates the sustainability of the national Professional Services growth strategy and business-wide operational targets. The Company is ideally positioned to continue to advance its strategy, with the benefit of strong balance sheet and earnings momentum.”

Veris invite you to join a conference call at which, Managing Director, Adam Lamond and CFO, Brian Mangano will be presenting these results.

Call details are as follows:

Date: Wednesday, 28 February 2018

Time: 11.00am AEST

Duration: Approximately 60 minutes

Participant Main Conference:

Dial: 1800 896 323

Passcode: 9412245054

Participants will be asked to state their name upon entry. Press *1 when prompted to ask a question during Q&A.

– ENDS –

For further information please contact:

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