

Service Stream 2024 Annual General Meeting



ServiceStream





Acknowledgment of Country

Service Stream acknowledges the traditional custodians of country throughout Australia and their continuing connections to land, water and communities.

We pay our respects to their elders past and present



Board of Directors



Brett Gallagher

Chairman



Leigh Mackender

Managing Director



Martin Monro

Independent
Non-executive Director



Elizabeth Ward

Independent
Non-executive Director



Sylvia Wiggins

Independent
Non-executive Director

Voting and Questions Process

Voting General

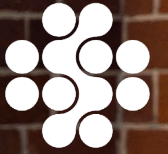
- Voting will be conducted by poll on all items of business

Question Process

- Questions will be responded to at the conclusion of the formal business
- Questions will be taken from those present at the meeting, or submitted in writing prior



Chairman's Address



ServiceStream



Australian Owned & Operated

ASX 300 listed entity

60 years+ experience

Maintaining Australia's critical infrastructure

\$2.39 billion

Group revenue FY24

\$900m+

Market Capitalisation

70%+

Revenue secured with federal or state governments

60+ Offices

Strategically located across all states and territories

5,200+

Employee workforce

17,000+

Specialist subcontractors

55 Million+

Property / service visits per annum

10.5 million+

Planned & reactive maintenance Tickets of Work p.a.

Safety

Industry leading safety performance

Integrated Management Systems

Safety | Quality | Asset Management | Information Management
Environmental Management | Risk Management



Managing Director's Address

FY24 Financial Highlights

Exceptional financial results across all key metrics



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Total Revenue

\$ 2,392m

⬆ Increase of 11.2% up on pcip

Underlying EBITDA

\$ 129.2m

⬆ Increase of 13.2% on pcip

NPATA

\$ 50.1m

⬆ Increase of 36.4% on pcip

Cashflow Conversion

101.6%

OCFBIT

Net Cash

\$ 7.9m

⬆ Increase of \$43.6m on pcip

FY24 Total Dividend

4.5 cps

⬆ Increase of 200% on pcip





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Major Contract Renewals and New Business

Secured \$2.2bn in major multi-year agreements, further enhancing a diversified portfolio

Secured Contract Works

\$2.2bn

Retaining **97%** of contracts which proceeded to market



Multinet
Victorian Maintenance
Gas
3 Year Term



Optus
National 5G Wireless
Telecommunications
3 Year Term



South East Water
Metering Services
Water
3 Year Term



Energy Queensland
Metering Services
Electricity
3 Year Term

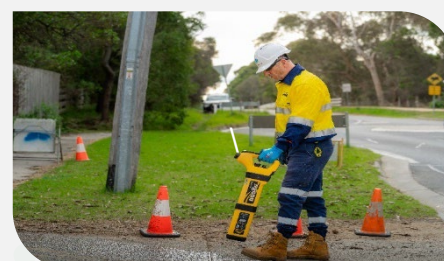
Expanded WIH, Exceeding

\$5.5bn

Secured over the initial contract terms



NBN
Network Evolution
Telecommunications
2 Year Term



Yarra Valley Water
Network Renewals
Water
9 (+3) Year Term



Dept Transport & Planning
Victorian Road Maintenance
Transport
4 (+2 x 2) Year Term



AGL
Loy Yang Station Maintenance
Industrial
5 Year Term

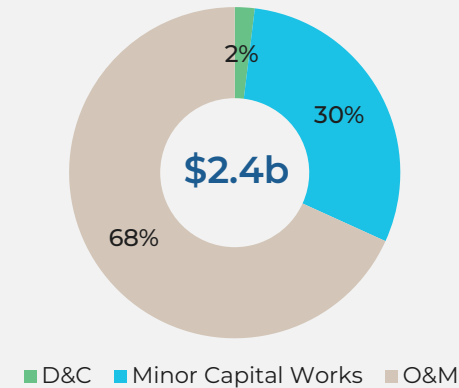


High Quality Diversified Revenues

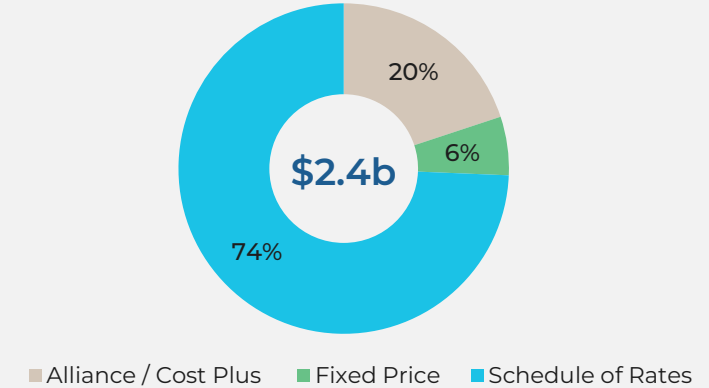
Positive work mix aligned to the Group's growth strategy and risk appetite

- Group's revenue profile biased to annuity style, lower-risk maintenance agreements
 - Multi-year O&M operations now reflecting **~70%** (63% in FY23) of Group revenues
 - Delivery of select Minor Capital Works provides positive exposure to clients' increasing capital investment cycles, balancing stable base of O&M
 - **~90%** of works delivered under Schedule of Rates or Alliance style commercial models
- Average contract term now 5 years, with average contract tenure of 17 years
- Group holds many long-standing 30+ year contractual relationships

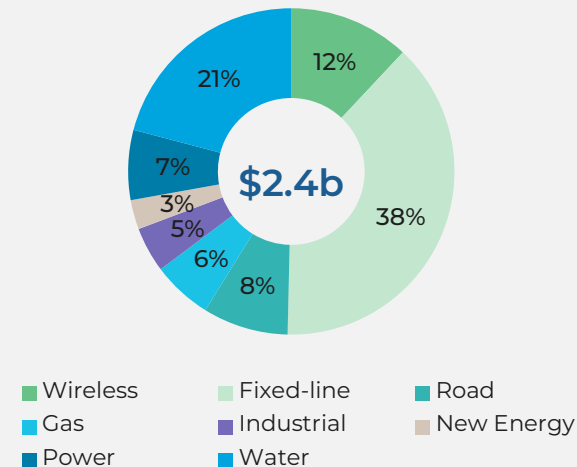
Work Type



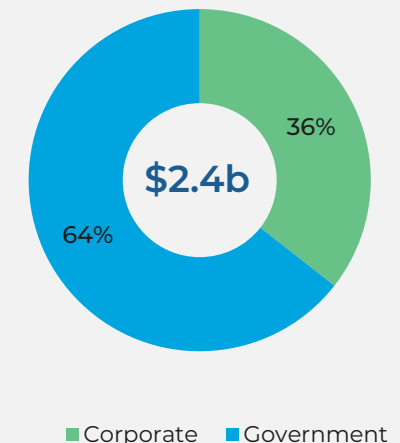
Commercial Models



Industry Sectors



Customer / Client



Safety Performance

Continuing to deliver industry leading safety performance

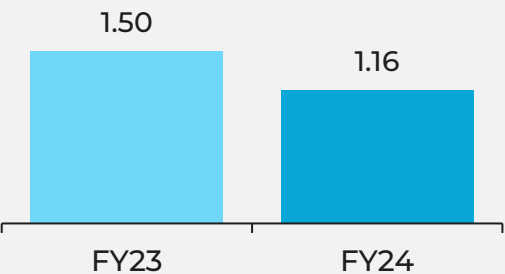
- 23% reduction in High Potential Incidents
- Increased investment and proactive leadership driving several initiatives:
 - Service Stream Safety Leadership Model

Walk | Talk | Lead | Care

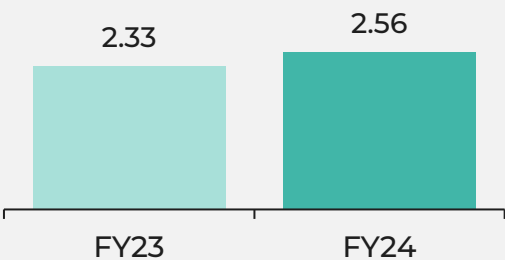
Safety

- Critical Control awareness program across higher-risk work activities
- Front-line supervisor support, training and development program

High Potential Incident Frequency Rate



Total Recordable Injury Frequency Rate



Our Strategy Delivering Results

To be Australia's Leading Essential Network Services Provider



DELIVERY

Superior service solutions and delivery excellence



OPTIMISATION

Simplify, optimise and enhance our delivery model



GROWTH

Profitable growth and ongoing diversification

1

Improved financial performance and strong balance sheet

2

Extended capabilities and dependable operational performance for our valued clients

3

Higher quality, diversified revenues biased to annuity style, lower-risk maintenance agreements

4

Enhanced value creation for Shareholders

5

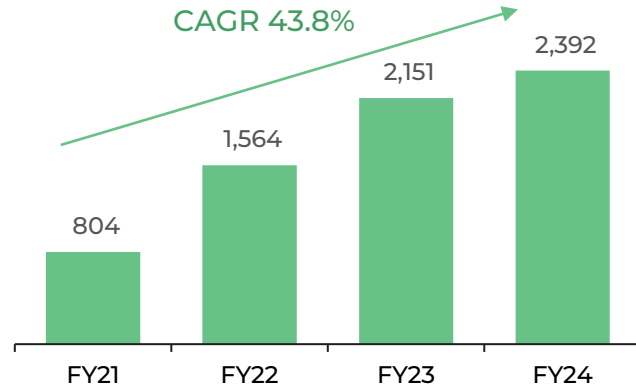
Scalable business model exposed to stable, attractive and growing infrastructure markets



Creating significant shareholder value

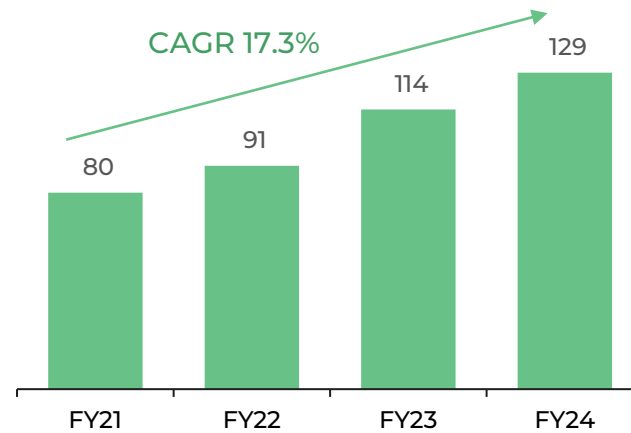
The acquisition and integration of Lendlease Services has dramatically changed the Group's profile

Total Revenue (\$m)



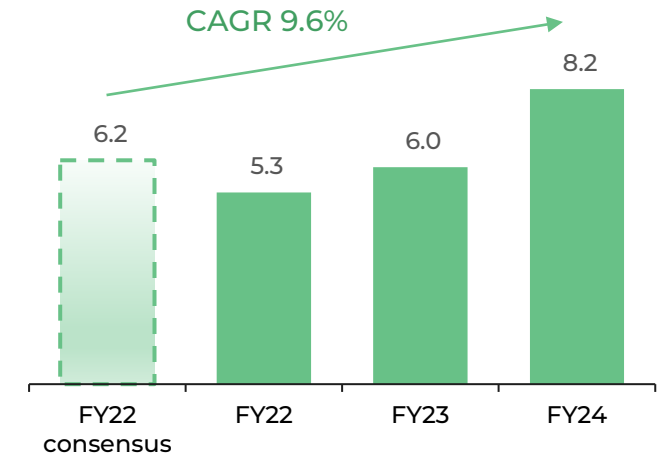
- Expanded market exposure by ~\$25bn in recurring annual maintenance expenditure
- Delivered strong annual revenue growth of 43.8% CAGR over past 3 years
- Enhanced portfolio of diversified blue-chip clients and market sectors

EBITDA from Operations (\$m)



- EBITDA growth of 17.3% CAGR over the past 3 years
- Improved quality of earnings through increased diversification
- Reduced reliance on D&C projects, whilst still positively exposed to clients' capital investment
- Synergies well in excess of expectations

EPS-A (\$m)



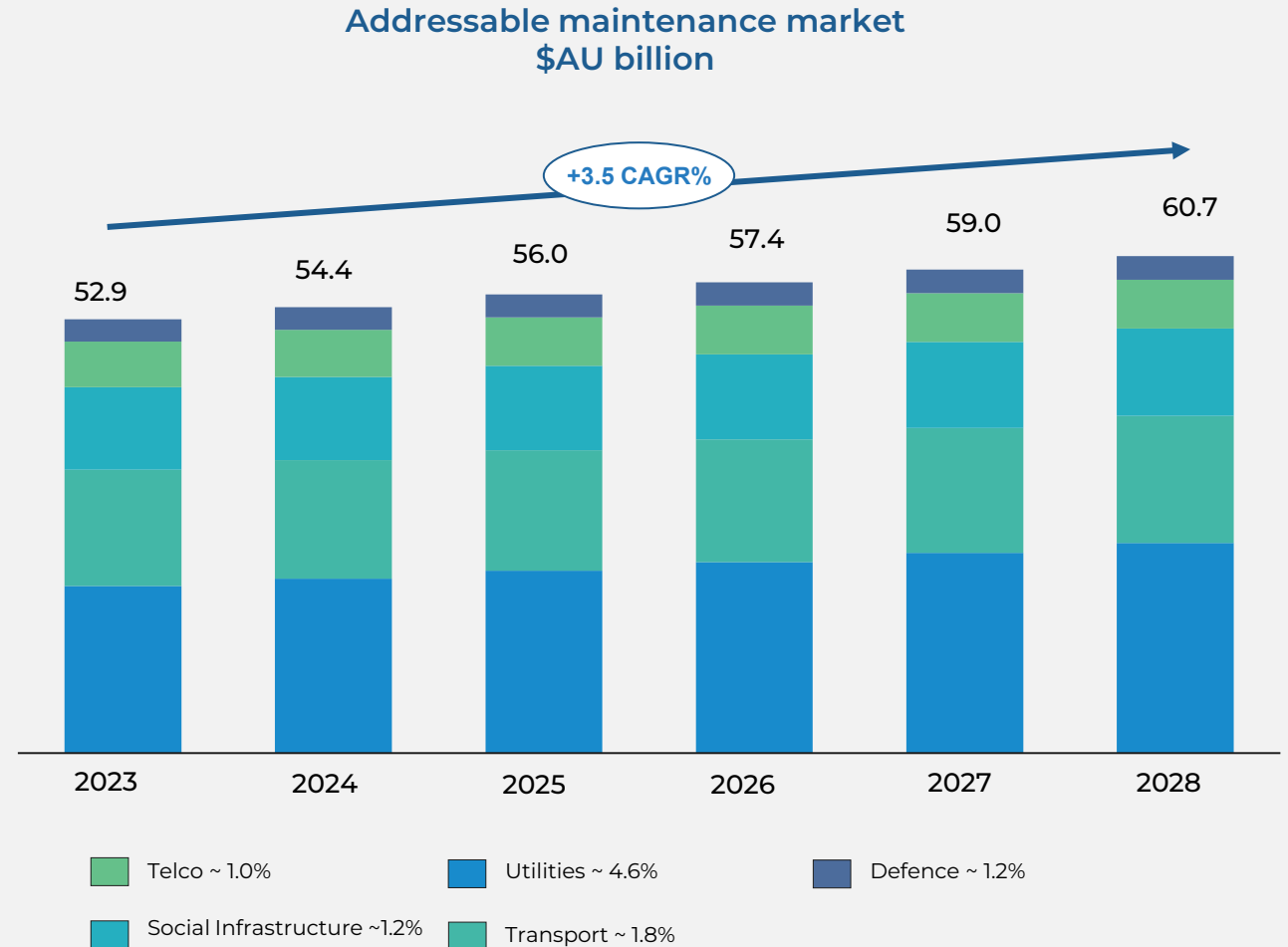
- Acquisition EPS-A accretion target of 30% vs FY22 broker consensus met, albeit one year late



Profitable Growth

Exposure to continued investment across key markets and an opportunity to increase future market share

- Strong levels of investment from Government and private asset owners and operators driven by:
 - Ageing infrastructure
 - Increased technology adoption and digital transition
 - Population growth and expansion across regional Australia
 - Renewable energy transition
 - Increasing impacts of natural disasters
- Opportunity to increase future market share



Sources: KPMG analysis; BIS Oxford Economics, 2021; IBISWorld, 2023; Citi Research, 2022; ARENA, 2022; AER, 2022; AEMC, 2022; ABS, 2023; 14, 2022; Federal and State government reports.

Sector data not to scale



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FY25 Trading Update

Strong FY24 results and solid pipeline of opportunities providing positive momentum in FY25

- Group trading performance during Q1 in-line with Management's expectations
- ~85% of WIH for FY25 secured under contract or extension options
- Continuing to enhance the Group's quality of earnings
- Confident further improvements will be delivered in margins across Utility operations
- Solid pipeline of organic growth opportunities exist

The Group expects earnings growth in FY25, supported by a strong order book and favourable market opportunities





Questions

Formal Business of the Meeting



Resolution 1

Adoption of remuneration report

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That the remuneration report for the year ended 30 June 2024 be adopted.”

Note: The remuneration report is set out on pages 23 to 45 of the Company’s 2024 annual report. The vote on this resolution is advisory only and does not bind the directors of the Company.



Resolution 1 Proxy Position

Resolution 1 - Adoption of remuneration report

In Favour	Against	Open Usable*
415,101,485	3,874,344	780,566

*Open Usable Proxy Votes are available to the Chairman

Resolution 2

Re-election of Elizabeth Ward

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That Elizabeth Ward (who retires by rotation in accordance with rule 7.1(f) of the Company’s constitution and (being eligible) stands for re-election) be re-elected as a director of the Company”



Resolution 2 Proxy Position

Resolution 2 – Re-election of Elizabeth Ward

In Favour	Against	Open Usable*
400,211,713	20,285,337	801,445

*Open Usable Proxy Votes are available to the Chairman

Resolution 3

Acquisition of securities by Leigh Mackender under the FY25 Tranche of the Company's Short-Term Incentive Plan

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is hereby given for the grant of performance rights (and any resulting issue or transfer of shares in the Company) to the Managing Director, Leigh Mackender under the Company's FY25 Short-Term Incentive Plan, in accordance with the terms of that plan and as described in the explanatory statement."



Resolution 3 Proxy Position

Resolution 3 – Acquisition of securities by Leigh Mackender under the FY25 Tranche of the Company’s Short-Term Incentive Plan

In Favour	Against	Open Usable*
416,479,926	3,908,664	780,647

*Open Usable Proxy Votes are available to the Chairman

Resolution 4

Acquisition of securities by Leigh Mackender under the FY25 Tranche of the Company's Long-Term Incentive Plan

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That the acquisition by Leigh Mackender of 577,801 performance rights under the FY25 Tranche of the Company's Long-Term Incentive Plan (and up to 577,801 fully paid ordinary shares in the Company underlying, and issued in accordance with the terms of, those performance rights) on the terms summarised in the explanatory statement accompanying the notice of this meeting, be approved for the purpose of Rule 10.14 of the ASX Listing Rules and for all other purposes."



Resolution 4 Proxy Position

Resolution 4 – Acquisition of securities by Leigh Mackender under the FY25 Tranche of the Company’s Long-Term Incentive Plan

In Favour	Against	Open Usable*
418,674,061	1,716,731	795,637

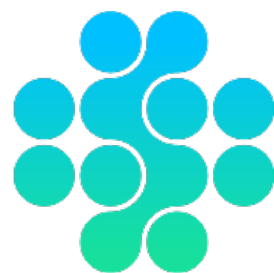
*Open Usable Proxy Votes are available to the Chairman

Proxy Position for all Resolutions

Resolutions	In Favour	Against	Open Usable*
Resolution 1 - Adoption of remuneration report	415,101,485	3,874,344	780,566
Resolution 2 – Re-election of Elizabeth Ward	400,211,713	20,285,337	801,445
Resolution 3 – Acquisition of securities by Leigh Mackender under the FY25 Tranche of the Company's Short-Term Incentive Plan	416,479,926	3,908,664	780,647
Resolution 4 – Acquisition of securities by Leigh Mackender under the FY25 Tranche of the Company's Long-Term Incentive Plan	418,674,061	1,716,731	795,637



Questions



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www.servicestream.com.au