



11 May 2020

Veris Limited Q3 FY2020 Update

Veris Limited (ASX: VRS) provides an update to the market regarding results for Veris Australia and Aqura Technologies for the third quarter of financial year 2020 (FY20).

Third quarter performance across the Group was impacted by several external factors. In the first part of the quarter, the severe bushfire conditions experienced in large parts of Australia impacted project delivery due to restricted access to project sites and resultant staff safety concerns, directly contributing to a reduced level of chargeable client hours leading to a decline in revenue. A number of regions across Australia and key markets in which Veris operates were then subject to extreme weather events including cyclones, heavy rainfall and hailstorms, further impacting project productivity and resulting revenue.

Most recently, the COVID-19 pandemic crisis has impacted the Group to varying degrees; in some sectors, direct results from COVID-19 have been more severe, and in some sectors the impacts of the crisis have been less significant.

In response to the significant ongoing uncertainty caused by COVID-19, the Group has prepared for a number of scenarios to ensure continuing successful operations in the near to medium-term. With modifications to our operational practices, both Veris Australia and Aqura Technologies continue to deliver projects for our clients in a safe and efficient manner. Throughout this period Veris Limited remains committed to the safety and wellbeing of our staff and our clients.

Veris Australia

Veris Australia has strong committed work in hand with its existing project base, in addition to a good pipeline of future work with a focus on growth in the engineering survey and digital and spatial sectors.

In response to the current economic climate Veris Australia is working to reduce its operational headcount to meet its projected workload, ensuring its workforce is best configured to meet the needs of the current and anticipated market conditions. This activity is underway and should be completed during May 2020. The company will also look to reduce operational overhead costs, and a plan is underway to reduce centralised overhead costs by June 2020 to ensure stability as the market emerges from the current period of uncertainty.

Veris Australia Q3 FY20 actual performance – comparisons to PCP

The table below outlines Q3 FY20 results compared to the previous corresponding period (PCP).

Veris Australia	Q3 FY20	PCP
Revenue	\$17.8m	\$23.1m
EBITDA	(\$0.2m)	\$1.4m
EBITDA Margin	(1.3%)	6.1%

Comments from Veris Australia Chief Executive Officer Michael Shirley:

“Veris Australia has a strong pipeline of future work, including recent engagements across significant infrastructure, engineering and cadastral scopes of work in New South Wales, Victoria, Queensland and Western Australia. We are confident that despite extraordinary circumstances in recent months – with factors such as natural disasters and COVID-19 beyond anyone’s control – expected growth in key sectors such as engineering survey and digital and spatial will continue to underpin Veris Australia well into the future. We have taken proactive steps to manage the impact of COVID-19 on our business in these unprecedented times. We have welcomed recent news regarding ongoing support from governments and industry bodies for major projects across Australia to continue work, providing essential economic stimulus for State economies during the COVID-19 crisis.”

Corporate

Level 12, 3 Hasler Road
Locked Bag 9
Osborne Park
WA 6017

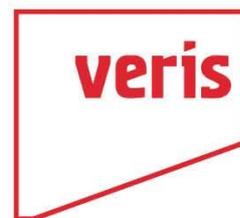
T 08 9317 0600
veris@veris.com.au
veris.com.au

Office Locations

Over 20 offices
across Australia
veris.com.au/contactus

Veris Australia Pty Ltd
ABN 53 615 735 727

**DEVELOP
WITH
CONFIDENCE™**



Aqura Technologies

Aqura Technologies has continued to demonstrate growth in both its product offering and geographic markets reflected in revenue growth achieved in Q3 despite suffering significant project delays to a number of large projects as a result of the COVID-19 pandemic. These project delays were confirmed in March and materially impacted the expected revenues.

The softening of revenue as a result of the COVID-19 pandemic combined with Aqura's continued investment in new products and geographic markets has resulted in a small EBITDA loss for the period. Aqura continues to work closely with its clients to manage these disruptions and is encouraged to see a number of the impacted projects are largely back on track.

Despite the short-term timing impact associated with the impact of COVID-19, demand for Aqura's services continues to be strong, and the business's geographic expansion into the eastern seaboard is on track with the award of new contracts from new customers, further diversifying Aqura's customer portfolio.

In response to COVID-19, Aqura Technologies has registered for the Australian Government's JobKeeper program to ensure the business can continue to support its staff.

Aqura Technologies' Q3 FY20 actual performance – comparisons to PCP

The table below outlines Q3 FY20 results compared to the previous corresponding period (PCP).

Aqura Technologies	Q3 FY20	PCP
Revenue	\$4.88m	\$4.50m
EBITDA	(\$0.065m)	\$0.58m
EBITDA Margin	(1.3%)	12.9%

Comments from Aqura Technologies Chief Executive Officer Travis Young:

"Aqura Technologies has felt the impacts of the COVID-19 crisis through project delays, specifically in March, which impacted quarterly results overall. Continued investment in geographic and product and service line diversification, coupled with the effects of COVID-19 related project delays impacted quarterly EBITDA margins. We are proud to have realised strong project delivery margins and look ahead to the final quarter of this financial year and FY21 with optimism."

– ENDS –

Issued by Veris Limited
For further information please contact:
Veris Corporate Office - Telephone: (08) 9317 0628