

Veris Ltd FY22 Result – Return to Profitability

- Full-year revenue from continuing operations of \$92.4 million, up 19.3% vs FY21
- EBITDA from continuing operations of \$10 million, representing a 35% increase vs FY21
- Return to profitability with a consolidated Group profit after tax of \$21.1m, including:
 - An after-tax profit of \$0.5 million from the continuing operations of Veris Australia (FY21: loss of \$2.3m); and
 - Profit on sale of Aqura Technologies (net of operational earnings to 28 Feb 2022) of \$20.5 million
- Strong balance sheet with net cash of \$17.2 million
- Record secured workload and pipeline demonstrating continued growth, with
 - A secured workload in excess of \$55 million and
 - An unsecured project pipeline with a weighted value in excess of \$190 million
- Launched an on-market share buyback program
- Veris is now a strongly positioned, well capitalised pure-play spatial data services business

Veris Limited (ASX: VRS) (“Veris” or “the Company”) is pleased to release its results for the full year ended 30 June 2022.

FY22 was a transformative year for the Company, with the sale of the Aqura Technologies business in the second half of the year leaving the Company with the continuing operations of Veris Australia.

Veris Australia Underlying results (\$m)	FY20	FY21	FY22	% Change
Revenue	74.8	77.5	92.4	19%
EBITDA	0.8	7.4	10.0	35%
EBIT	(14.1)	(0.6)	1.4	333%
Underlying PBT	(16.0)	(2.3)	0.1	104%
Veris Ltd - Net Cash/ (Net Debt)	(5.0)	-	17.2	n/a

Operating results noted above refer to the full-year results of Veris Australia, now being the sole operating subsidiary and continuing operations of the Company. The Company delivered revenue of \$92.4 million for the year, representing an increase of 19.3% on FY21. The growth represents a continuation of sustained year-on-year revenue growth since FY20 and reflects the continued execution of the turnaround strategy that commenced at the same time.

EBITDA from continuing operations rose 35% in FY22 to \$10.0 million, with increasing EBITDA margins (FY22: 10.8%; FY21: 9.9%; FY20: 1.1%) having been delivered via enhanced project management disciplines and simplified reporting structures.

The results also reflect a return to profitability for Veris Australia, with an after-tax profit from continuing operations of \$0.5 million representing a \$16.5 million improvement since FY20.

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The positive result came despite the Company enduring COVID-related impacts in the first half of FY22, including the increased costs and revenue inhibiting ramifications of widespread community lockdowns and interstate border closures. As the economy opened up in the second half of the financial year, Veris experienced increasing shortages of staff availability as COVID-19 infections increased coupled with the broader impacts of increasingly tight labour markets, supply chain inflationary pressures as well as extreme weather events particularly on the eastern seaboard.

The successful sale of Aqura Technologies transformed the balance sheet. The net proceeds realised on the sale enabled the repayment of long-standing corporate debt facilities and positioned Veris with cash at bank of \$18.2 million at 30 June 2022. The strengthened financial position provides a platform for the Company to leverage efficiencies from its operating model, enables continued investment in its technological offering and provides underlying strength through periods of uncertainty.

The renewed balance sheet strength has allowed Veris to extinguish its long-term corporate debt, replacing it with lower cost facilities to support ongoing investment in technology and people.

Michael Shirley, Managing Director & CEO, commented:

"It's exciting to be confirming a return to profitability for Veris, which validates our strategy execution is gaining traction and delivering results. We continue to reshape our business as we deliver on our targeted strategy and the positive result is cause for significant optimism going forward. The Company is well-positioned for sustained success and growth with a strong balance sheet, leading client base and record high pipeline of work."

Delivering on strategic priorities

Underpinning the continued turnaround in Veris' results is an ongoing investment in the key priorities of strategic growth, client value, delivery and people.

- Strategic growth – delivering growth in revenue from key accounts by aligning Veris' business to clients who see value in the national presence and multi-disciplinary expertise of Veris.
- Client value - driving value through the power of spatial data by providing innovative ways to collect, securely store, access, analyse and interrogate the data for value enhancing insights and smarter decision-making.
- Delivery – an ongoing and heightened focus on project management, transparency in reporting, internal simplicity and efficiency.
- People – committed to building a diverse workforce and an inclusive culture, delivering a fantastic employee experience and attracting and retaining the best talent.

Capital Management

Veris launched an on-market share buyback program in June 2022, which provides the Company the ability to buy back up to 10% of shares on issue over the subsequent 12-month period, in accordance with relevant regulatory requirements and in line with pricing and volume limits. Veris commenced buyback activities prior to the August 2022 restricted trading period and will continue to assess this initiative against other capital allocation opportunities to ensure the maximisation of value for our shareholders.

Pipeline & Outlook

Veris enters FY23 with a strong order book and pipeline. The secured forward workload is in excess of \$55m, to be executed over the next 12 months, which is 10% higher than the same time last year. Veris' unsecured project pipeline has continued to grow and now has a weighted value in excess of \$190 million over the next 24 months.

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The outlook for Veris is buoyant, with many of its key market sectors currently experiencing high levels of investment and growth, as well as a continuation of the customer led drive for digital transformation to underpin the realisation of inherent efficiencies in the use of spatial data. These include:

- Infrastructure – the wave of a record-level infrastructure spending commitments in response to the pandemic continues to hit the market;
- Defence – ongoing investment by the Australian Government over the coming decade in new and upgraded defence capabilities;
- Utilities – management and maintenance of existing assets, utilities and connecting infrastructure;
- Government – investment by government agencies in the planning of development and infrastructure and maintenance of assets;
- Energy & Resources – investment in the supporting infrastructure as well as operations and sustaining capital; and
- Property – growth in greenfields residential, urban renewal and strata developments.

Veris is now a strongly positioned, well capitalised, simplified pure-play spatial data services business, with a strategy that is clear, refined and is progressing, with core elements of the strategy showing results.

**Veris FY22 results relate to the standalone continuing operations of Veris Australia and exclude any impact of the net gain on sale arising from the sale of the Aqura Technologies division that was settled in February 2022.*

– ENDS –

About Veris Limited

Veris Limited is the holding company that is listed on the ASX under the code VRS.

Veris Australia is Australia's leading provider of spatial data services across the infrastructure, property, resources, defence, utilities and government sectors. Veris Australia provides an end-to-end spatial data solution for its clients that not only includes data collection, analysis, interpretation but also data hosting and access, modelling, sharing and insights for clients with large-scale data requirements.

Authorised for release by the Board of Veris Limited.

Issued by Veris Limited
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