

JOHNS LYNG GROUP LIMITED (ASX: JLG)

ASX & Media Release

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Johns Lyng Group Limited provides earnings upgrade for FY23

Johns Lyng Group Limited (ASX:JLG) is pleased to provide a revenue and EBITDA forecast upgrade for FY23 over previous market guidance provided in February 2023.

Forecast revenue for FY23 has been upgraded by \$110m to \$1.19bn (excl. Commercial Construction). This is an increase of 10.2% over previous market guidance and an increase of 47.7% over FY22.

Total Group revenue for FY23 is now expected to be approximately \$1.25bn.

Forecast normalised EBITDA for FY23 has been upgraded by \$12.1m to \$133.2m (excl. Commercial Construction). This is an increase of 10.0% over previous market guidance and an increase of 56.0% over FY22.

Total normalised EBITDA for FY23 is now expected to be approximately \$115.9m.

The upgrade is driven by ongoing strong demand for the Group's core Business-as-Usual services, and an increase in catastrophe (CAT) activity during FY23 which is expected to continue into FY24 and beyond.

Commercial Construction revenue and EBITDA forecasts have been reduced by \$7.9m and \$5m respectively. The reduction is consistent with the headwinds facing this sector in Australia and vindicates the Group's previously announced strategy to exit this business line.

Scott Didier, JLG Group CEO and Managing Director said:

"Johns Lyng has seen another record year of demand. We are servicing this organic growth via investment in new offices, service lines and brands in Australia, New Zealand and the US."

"Johns Lyng's investment in our strategic growth pillars gives us confidence that there is a multi-year growth opportunity for the company."

"Pleasingly we will start FY24 with strong volume from record 'work-in-hand'."

"The integration of Reconstruction Experts (RE) in the United States has been tracking to plan. Based in Denver, RE is a leading provider of insurance focused repairs to residential, commercial and industrial properties. Our RE team has been actively engaged in the clean-up program following Hurricane Ian which made landfall in Florida in October last year. Catastrophe management is in JLG's DNA and is now a leading line of business for us in the US."

Nick Carnell, JLG Australian CEO said:

"Johns Lyng's CAT business continues to grow. We note that the size and duration of the work associated with these events is increasing."

"Johns Lyng's ability to service our government and insurance clients and be a trusted partner in this sector is critical to our success."

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“Most importantly for Johns Lyng it means that we are providing valuable services to communities affected by natural disasters. We will continue to invest to grow our capability in this sector.”

A full breakdown of the earnings upgrade is set out below:

FY23 Forecast (\$m)	Actual (Jun-22) FY22	Forecast (Feb-23) FY23	Upgrade (Jun-23)	Forecast (Jun-23) FY23	FY23(F) (Jun-23) vs. FY23(F) (Feb-23) %	FY23(F) (Jun-23) vs. FY22(A) (Jun-22) %
Revenue - BaU (excl. CC)	639.4	837.6	-	837.6	-	31.0%
Revenue - CAT	164.8	240.5	110.0	350.5	45.7%	112.7%
Revenue - Total (excl. CC)	804.2	1,078.1	110.0	1,188.1	10.2%	47.7%
Revenue - Commercial Construction	90.8	67.9	(7.9)	60.0		
Revenue - Total	895.0	1,145.9	102.1	1,248.1	8.9%	39.4%
EBITDA - BaU (excl. CC & PD)	66.8	92.1	0.1	92.2	0.1%	38.1%
EBITDA - CAT	18.6	29.0	12.0	41.0	41.3%	120.0%
EBITDA - Total (excl. CC & PD)	85.4	121.1	12.1	133.2	10.0%	56.0%
EBITDA - Commercial Construction	(1.8)	(10.0)	(5.0)	(15.0)		
EBITDA - Porter Davis Bad Debt Write-off ¹	-	-	(2.3)	(2.3)		
EBITDA - Total	83.6	111.1	4.8	115.9	4.3%	38.7%

Note: EBITDA excludes non-recurring transaction costs.

¹ This was a one-off contract for the repairs, maintenance and warranty defect work for Porter Davis prior to liquidation. JLG does not have any contracts of this nature with any other home builders.

ENDS

This announcement was authorised by the Disclosure Committee of the Board of Johns Lyng Group Limited.

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About Johns Lyng Group Limited

Johns Lyng Group Limited (JLG) is an integrated building services group delivering building and restoration services across Australia and the US. JLG's core business is built on its ability to rebuild and restore a variety of properties and contents after damage by insured events including impact, weather and fire events. Beginning in 1953, JLG has grown into an international business with over 2,300 employees servicing a diversified client base comprising major insurance companies, commercial enterprises, local and state governments, body corporates/owners' corporations and retail customers. JLG defines itself by delivering exceptional customer service outcomes every time.