

ASX and NZX Release

23 February 2022

2021 key results outperformed prospectus

Ventia Services Group Limited (Ventia) today announced its financial results for the 12 months to 31 December 2021 (CY21).

Ventia delivers essential infrastructure services across Australia and New Zealand, through four operating sectors – Defence and Social Infrastructure, Infrastructure Services, Telecommunications and Transport. The main features of the results are:

- **Key CY21 results have outperformed the prospectus forecast**
- **CY22 prospectus forecast reaffirmed**
- **CY21 dividend payout of 75% of Proforma NPATA¹, 1.47 cents per share, fully-franked**
- Continued strong safety focus; achieving a 28% reduction in TRIFR²
- Total revenue stable at \$4.6 billion, demonstrating resilience through 2021
- Work in hand increased to \$16.8 billion, up 28% from CY20
- Statutory EBITDA of \$312.2 million and Statutory NPAT of \$19.5 million³
- Strong pro forma EBITDA of \$379.9 million, up 7.2% at a margin of 8.3%
- Diligent cash focus delivered pro forma Operating cash flow conversion of 84.9%⁴

Ventia Group Chief Executive Officer, Dean Banks said: “Ventia today announced a strong result for the full year to 31 December 2021. I am very pleased that we have delivered what we said we would deliver in the prospectus to date. Our CY21 results provide a strong platform for growth in CY22 and beyond.

“Our result is underpinned by continued demand for essential infrastructure services, operational improvements and the synergies achieved from the acquisition of Broadspectrum. CY21 pro-forma EBITDA was \$379.9 million, up 7% from CY20 and EBITDA margin up 0.6 percentage points from CY20. Our cash conversion was strong at 84.9%.

“A significant amount of work was won this year, \$8.2 billion, due primarily to four large contracts secured across each of our Sectors. The new work won, contract growth and high level of renewal is a testament to Ventia listening to the voice of our clients and offering a compelling value proposition.

¹ For the period 19 November 2021 to 31 December 2021

² TRIFR - Total recordable injury frequency rate, calculated as the total number of recordable injuries, divided by hours worked in millions

³ Including profit after income tax for the year from discontinued operations of \$24.6m

⁴ Operating cash flow represents EBITDA plus any non-cash share payments, less changes in Net Working Capital. Operating cash flow conversion is operating cash flow divided by EBITDA expressed as a percentage

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Combined with an increasing demand for the essential infrastructure services we provide and a strong base of contracted revenue, we start 2022 with a positive outlook.”

Safety and Sustainability

Ventia’s Total Recordable Injury Frequency Rate (TRIFR) decreased to 4.3 from 6.0, a 28% reduction. This has been achieved through an elevated focus on safety, including front line management training and increased utilisation of safety data analysis and reporting.

Illustrating Ventia’s commitment to sustainability, best practice disclosure and climate action, Ventia has joined the Science Based Targets initiative and commenced the journey towards adoption of the Financial Stability Board’s Task Force on Climate-related financial disclosure. Ventia has set ambitious targets and will release its first sustainability report in March 2022.

Dividends and Balance Sheet

In line with Ventia’s strong cash flow generation, the Board declared a final dividend of 1.47 cents per share, fully-franked, payable on 6 April 2022. This payment represents 75% of pro forma NPATA from the period 19 November 2021 to 31 December 2021.

Ventia’s proactive capital management approach saw the successful refinance of bank debt facilities by way of a \$750 million syndicated bank loan facility. The business also has an undrawn revolving facility of \$400 million, giving Ventia strong financial flexibility with more than \$580m of cash and undrawn facilities as at 31 December 2021.

The initial public offering and resultant refinancing has materially strengthened Ventia’s balance sheet and credit metrics, with interest cover ratio⁵ now at 12.6x, net debt to EBITDA ratio⁵ at 1.8x and an investment grade credit profile.

Outlook

2021 was a successful year for Ventia. Among many other achievements, Ventia was successful in winning new major contracts, namely the Across Government Facilities Management Arrangement (AGFMA) with the Government of South Australia, a long-term primary maintenance master contract with Chevron Australia, contracts with nbn and a long-term operations and maintenance contract as part of the Spark consortium, for the North-East Link project in Victoria.

⁵ Pro forma basis

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Today, Ventia reaffirmed its CY22 key pro forma prospectus forecasts.

- NPATA guidance of \$171.8 million
- Revenue of \$4,942.6 million
- EBITDA of \$408.6 million; and
- Cash conversion of 91.4%

With a qualified pipeline of opportunities identified across each of its four operating sectors, Ventia is positioned to capitalise on favourable market conditions and differentiate through its strategy to Redefine Service Excellence.

Ventia's strong business fundamentals and clear strategy provides confidence in the business outlook and in delivering long-term value to shareholders.

This announcement was authorised by the Ventia Board.

-Ends-

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About Ventia

Ventia is a leading essential infrastructure services provider in Australia and New Zealand, proudly providing the services that keeps infrastructure working for our communities. Ventia has access to a combined workforce of more than 35,000 people, operating in over 400 sites across Australia and New Zealand. With a strategy to redefine service excellence by being client-focused, innovative and sustainable, Ventia operates across a broad range of industry segments, including defence, social infrastructure, water, electricity and gas, resources, telecommunications and transport.