



*Redefining Service  
Excellence*

# CY21 Results Presentation

23 February 2022

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## ACKNOWLEDGEMENT OF COUNTRY AND MIHI

Ventia would like to respectfully acknowledge the Traditional Owners and Custodians of country throughout Australia and their connection to land, sea and community. We pay our respect to them, their cultures and to their Elders past, present and emerging.

He tautoko te ahurea i ngā kawa me ngā tikanga o ngā Iwi whānui o Aotearoa, me ka kawa me ka tikaka o ka Iwi whānui o Te Waipounamu. / We recognise and celebrate the culture of manawhenua in Aotearoa and Te Waipounamu where our teams respect local Iwi and communities across the country.



## CY21 PERFORMANCE HIGHLIGHTS

### Successfully transitioned to life as a listed entity

- Safety performance improved with 28% reduction in TRIFR<sup>1</sup>
- Outperformance on key prospectus forecasts
  - Pro forma EBITDA of \$379.9m is up \$14.1m
  - Pro forma NPATA of \$146.8 is up \$7.0m
  - High pro forma cash conversion of 84.9%, underpins fully franked dividend
- Work in hand up 28% to \$16.8b after securing \$8.2b of work
- Investment grade balance sheet post refinancing
- Navigated COVID-19 (including labour availability) with minimal business impact
- Absolute emissions reduction of 10% achieved
- Strategy to Redefine Service Excellence launched

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



## KEY CY21 FINANCIAL RESULTS HAVE OUTPERFORMED PROSPECTUS

Pro forma CY21 as at 31 December 2021<sup>1</sup>

### TOTAL REVENUE

**\$4,557.4m**

▼ 1% CY20  
▲ 1% ON PROSPECTUS

### EBITDA

**\$379.9m**

▲ 7% CY20  
▲ 4% ON PROSPECTUS

### EBITDA MARGIN

**8.3%**

▲ 0.6 PPTS ON CY20  
▲ 0.2 PPTS ON PROSPECTUS

### NPATA

**\$146.8m**

▲ 23% CY20  
▲ 5% ON PROSPECTUS

### CASH CONVERSION RATIO

**84.9%**

▼ 2.1 PPTS CY20  
▲ 0.2 PPTS ON PROSPECTUS

### WORK IN HAND

**\$16.8b**

▲ 28% ON CY20  
▲ 8% ON PROSPECTUS  
(31 July 21)

1. Pro forma results are non-IFRS measures that are used by Management to assess the performance of the business. They have been calculated from the statutory measures by adjusting the results for the financial impact of the Broadspectrum acquisition, the IPO and related refinancing. Refer to Page 23-24 for statutory to Pro forma NPATA reconciliation and Pro forma consolidated statements of profit or loss

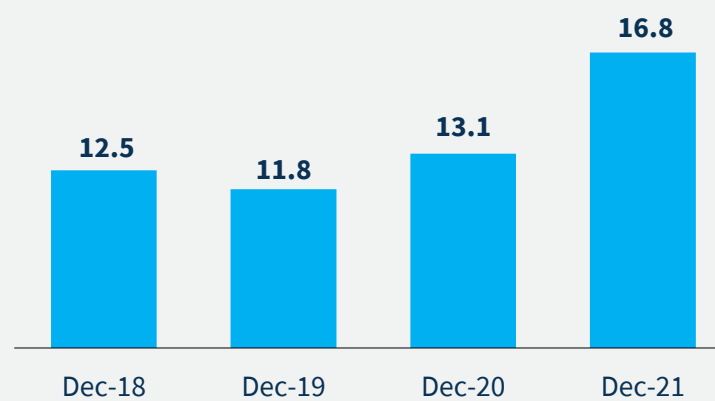
# DELIVERING ON OUR STRATEGY



## CLIENT FOCUSED



### Work in hand (\$ billions)



Work in hand up 28% on CY20 and 8% up on prospectus<sup>1</sup>

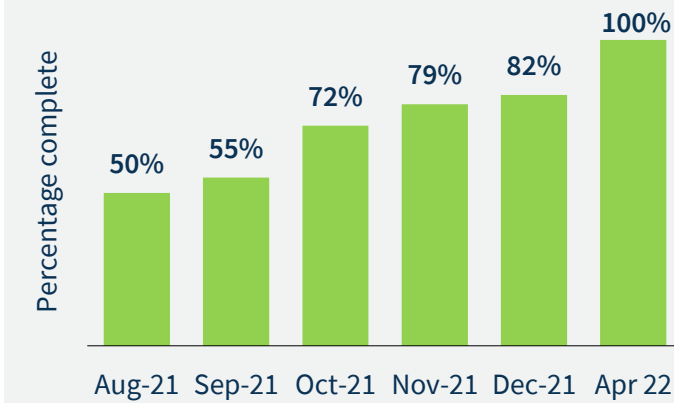
Cross selling is an emerging opportunity, leveraging the breadth and depth of Ventia capability

1. Prospectus work in hand as at 31 July 2021

## INNOVATIVE



### IT system integration



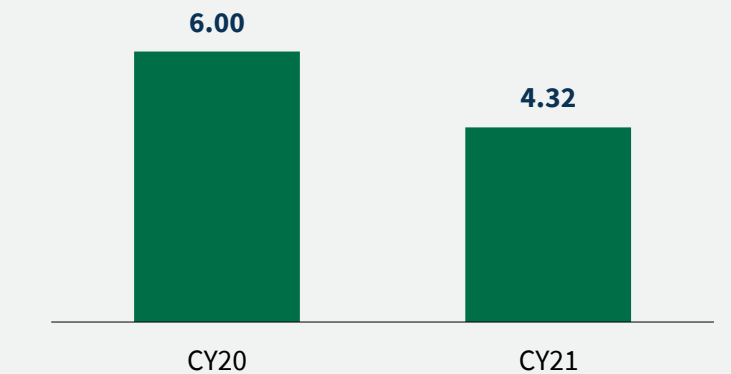
Implementation of a single enterprise platform drives innovation

System integration 82% complete, delivering a 30% saving in IT cost, on track for completion in April 2022

## SUSTAINABLE



### Total Recordable Injury frequency rate (TRIFR)



28% improvement in TRIFR

Driven by our relentless focus on health and safety - our number one brand promise

# 28% INCREASE IN WORK IN HAND

## \$8.2b

total work secured in CY21

Over the next 12 months

## \$16.3b

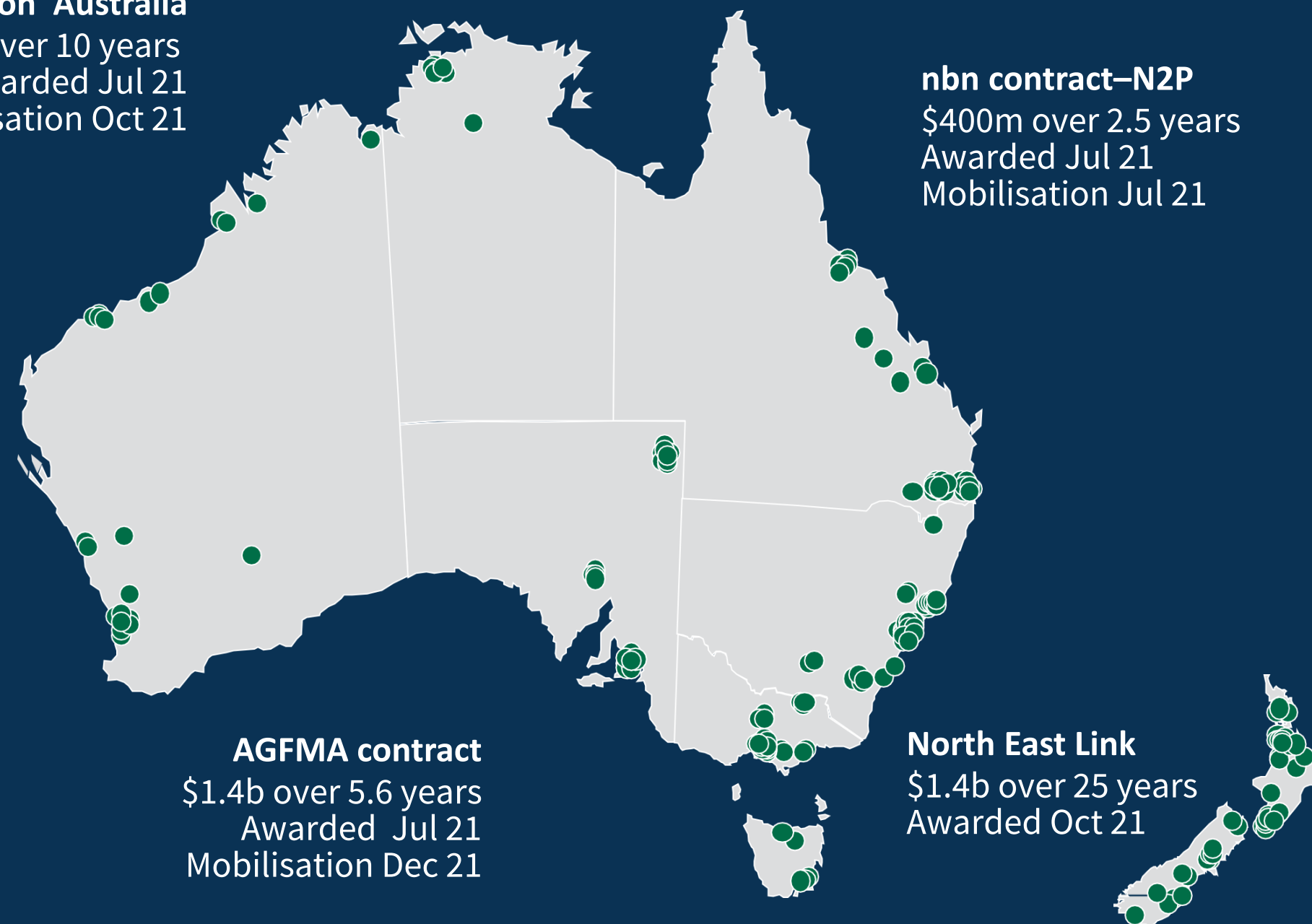
of qualified opportunity in the pipeline

**Chevron Australia**  
\$1b over 10 years  
Awarded Jul 21  
Mobilisation Oct 21

**nbn contract-N2P**  
\$400m over 2.5 years  
Awarded Jul 21  
Mobilisation Jul 21

**AGFMA contract**  
\$1.4b over 5.6 years  
Awarded Jul 21  
Mobilisation Dec 21

**North East Link**  
\$1.4b over 25 years  
Awarded Oct 21






**400+** project sites across Australia & New Zealand

**~40%** of CY2021 total revenue generated in regional and rural areas

No single state or territory contributed

more than **24%** of total revenue in CY2021

# STRONG PERFORMANCE ACROSS OUR DIVERSIFIED PORTFOLIO

	Defence & Social Infrastructure	Infrastructure Services	Telecommunications	Transport
				
CY21 pro forma Total revenue	<b>\$1.9b</b> ▲ 20.4% on CY20 ▲ 0.2% on prospectus	<b>\$1.2b</b> ▼ 1.5% on CY20 ▲ 0.4% on prospectus	<b>\$1.0b</b> ▼ 23.3% on CY20 <sup>1</sup> ▲ 6.3% on prospectus	<b>\$0.5b</b> ▼ 6.8% on CY20 ▼ 2.6% on prospectus
CY21 pro forma EBITDA	<b>\$128.7m</b> ▲ 16.8% on CY20 ▲ 3.5% on prospectus	<b>\$118.5m</b> ▲ 2.0% on CY20 ▼ 1.3% on prospectus	<b>\$129.5m</b> ▼ 25.6% on CY20 <sup>1</sup> ▲ 3.7% on prospectus	<b>\$32.5m</b> ▲ 29.2% on CY20 ▲ 2.5% on prospectus
Work in hand Dec-2021	<b>\$6.1b</b>	<b>\$4.7b</b>	<b>\$1.7b</b>	<b>\$4.3b</b>

1. CY21 Telecommunications results reflect a lower available market following the completion of initial national fibre builds in Australian and New Zealand





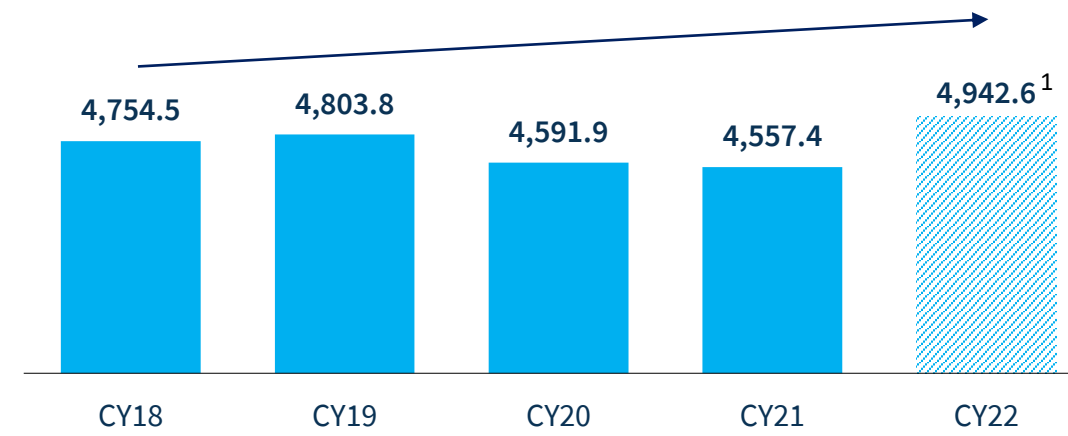
# FINANCIAL RESULTS

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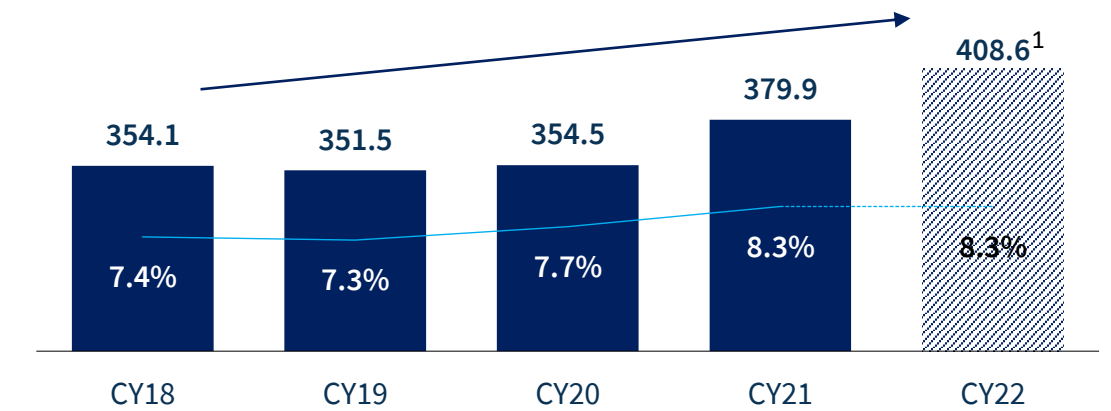


# FOUNDATIONS IN PLACE TO DELIVER PROSPECTUS FORECAST

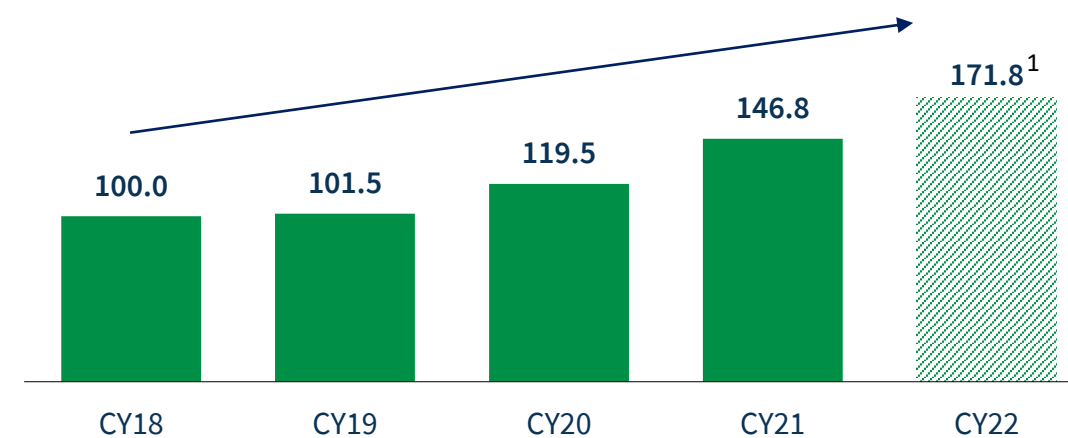
Pro forma Total Revenue (\$m)



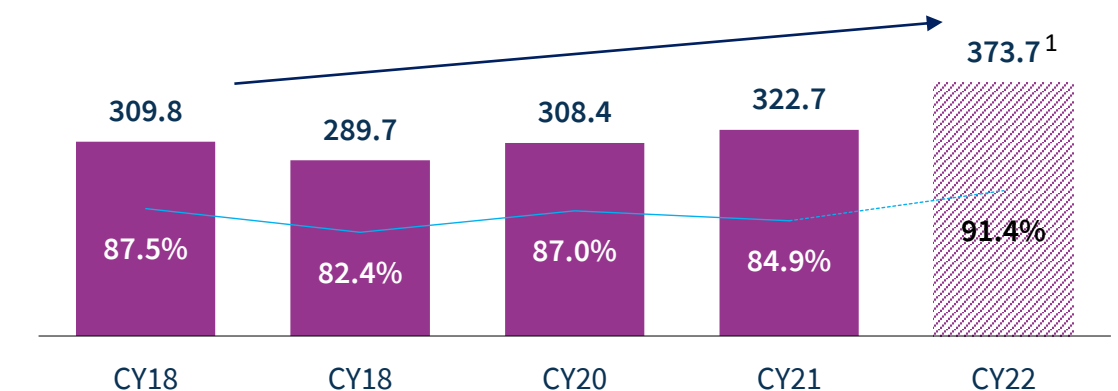
Pro forma EBITDA and Margin (\$m/%)



Pro forma NPATA (\$m)



Pro forma Operating Cash Flow and Cash Flow Conversion<sup>2</sup> (\$m/%)



1. CY22 Forecast per Prospectus dated 26 October 2021

2. Operating Cash Flow represents EBITDA plus any non-cash share based payments, less changes in Net Working Capital. Operating Cash Flow Conversion reflects Operating Cash Flow divided by EBITDA, expressed as a percentage.

## KEY MARKET CONSIDERATIONS

### INFLATION PROTECTION BUILT INTO WORK IN HAND

- 94% of work in hand<sup>1</sup> has price escalations or panel arrangements with ongoing pricing updates
- Limited exposure to fixed price contracts
- Flexible workforce model, with over 15,000 employees and access to a subcontractor workforce of over 20,000 people
- Labour costs are largely known and escalations are built into contract pricing

### COVID-19 IMPACT

- Navigated COVID-19 in CY21 with minimal financial impact

1. Relates to contracts with work in hand over \$50 million (89% of Ventia portfolio)



## DELIVERING CASH BACKED PROFITS

### Pro forma Cash flow conversion of 84.9%

\$ millions, pro forma	CY21	CY20
EBITDA	379.9	354.5
Non cash share based payments	7.5	7.5
Changes in Net Working Capital	(64.7)	(53.6)
<b>Operating Cash Flow<sup>1</sup></b>	<b>322.7</b>	<b>308.4</b>
<i>Operating Cash Flow Conversion<sup>2</sup></i>	<i>84.9%</i>	<i>87.0%</i>
Lease payments	(72.0)	(80.8)
Maintenance capital expenditure	(27.0)	(15.1)
Growth capital expenditure	(9.3)	(14.9)
<b>Cash flow before financing and tax</b>	<b>214.4</b>	<b>197.6</b>
Net financing costs	(30.4)	(30.4)
<b>Free cash flow before tax and dividends</b>	<b>184.0</b>	<b>167.2</b>

\$ millions, pro forma	CY21	CY20
Total capital expenditure	(36.3)	(30.0)
Capital intensity <i>(Total capital expenditure / Total revenue)</i>	0.8%	0.7%

◀ Lease payments have reduced 11% due to fleet and property optimisation

◀ Capex targeted to remain less than 1% of total revenue going forward

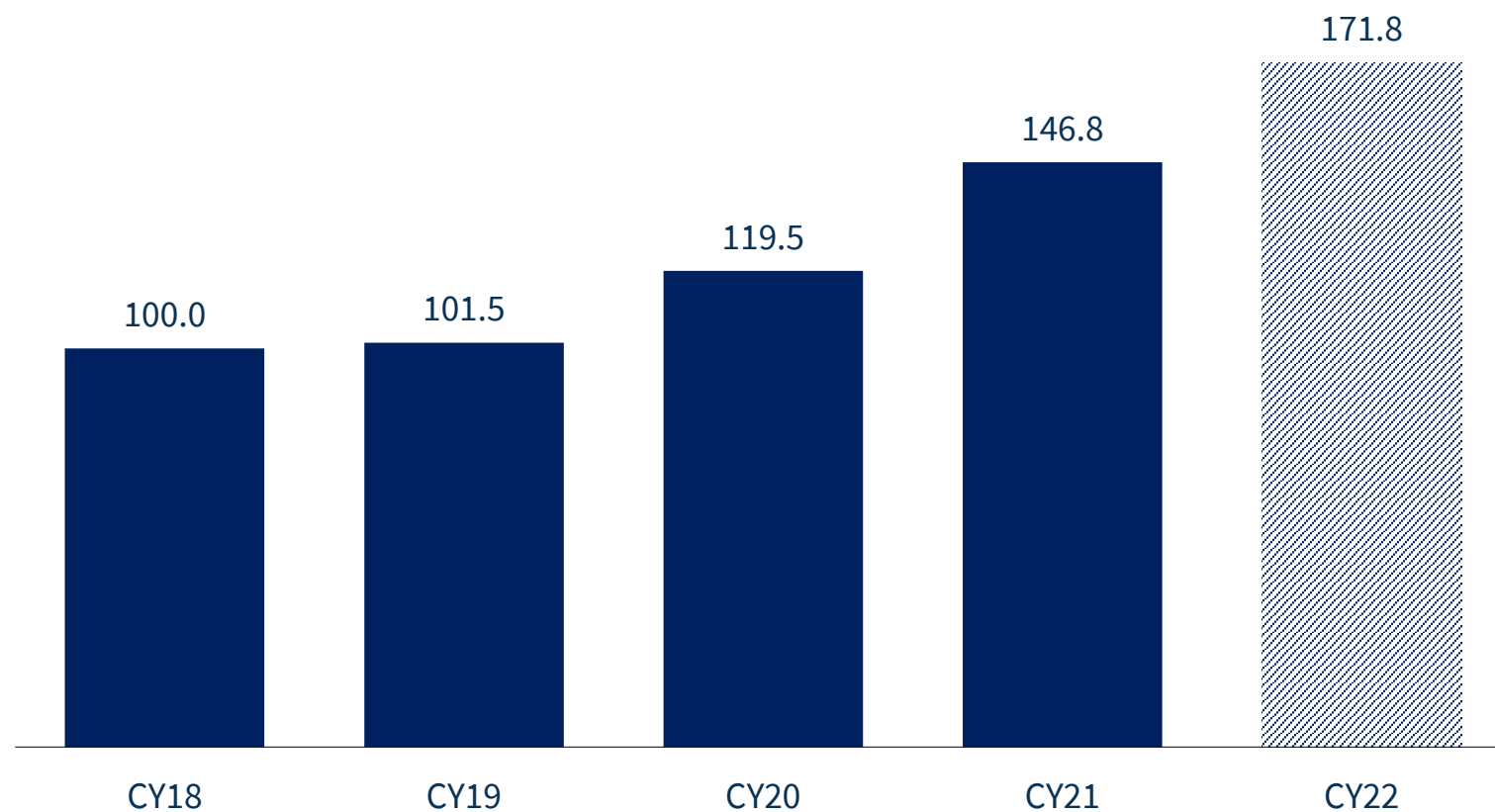
◀ Pro forma interest payments have reduced materially post refinancing

1. Operating cash flow represents EBITDA plus any non-cash share payments, after changes in Net Working Capital
2. Operating cash flow divided by EBITDA expressed as a percentage

# DELIVERING DIVIDEND PAYOUT RATIO OF 75% FOR SHAREHOLDERS

## Cash performance supporting our dividend program

### Pro forma NPATA<sup>1</sup> (\$ millions)



### Dividends

- Final dividend to 31 December 2021 of 1.47 cents per share (75% of pro forma pro rata NPATA for the period from 19 Nov – 31 Dec 2021)
- Payable 6 April 2022
- Final dividend will be fully franked
- Future target payout ratio of 60-80% of NPATA

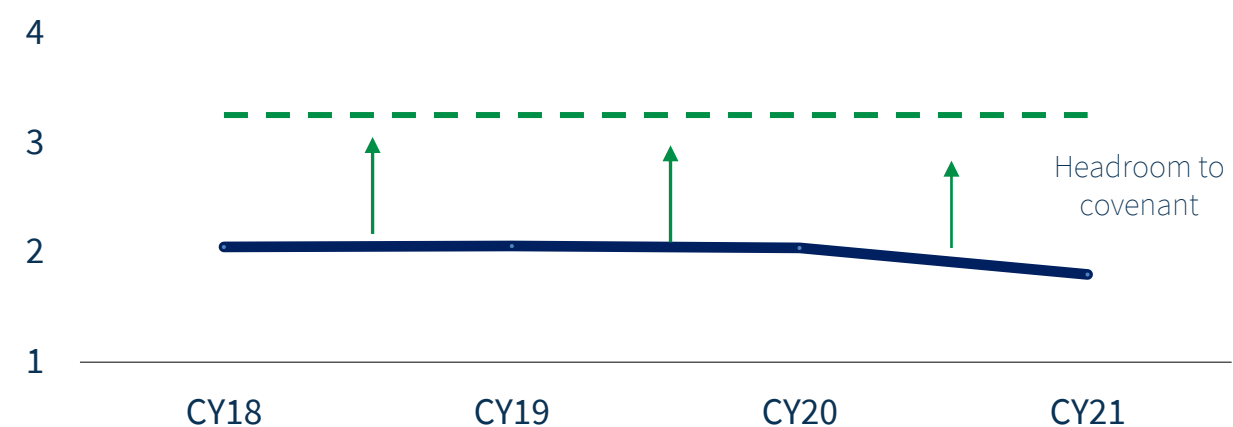
1. Net Profit After tax excluding the impact of amortisation of acquired intangibles

# INVESTMENT GRADE BALANCE SHEET

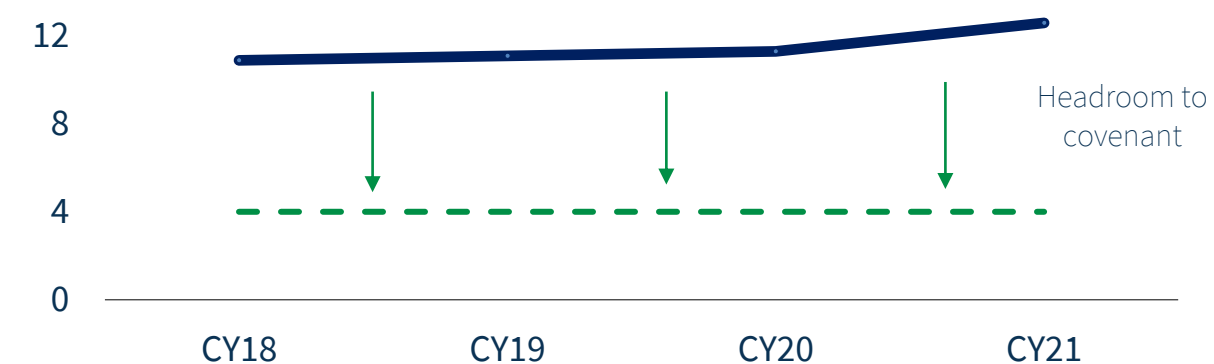
## Liquidity in place affording financial flexibility

31 December 2021 metrics	
Cash on hand	\$180m
Undrawn revolving credit facility	\$400m
<b>Total liquidity</b>	<b>\$580m</b>
Term loan	\$750m
Lease liabilities	\$142m
<b>Total debt</b>	<b>\$892m</b>
<b>Net debt</b>	<b>\$712m</b>
<b>Total debt facilities</b>	<b>\$1,150m</b>
<b>Credit rating</b>	S&P: BBB- (stable outlook) Moody's: Baa3 (stable outlook)
<b>Covenants</b>	Leverage Ratio <3.25x (pro forma 1.8x as at 31 Dec 21) Interest cover ratio >4x (pro forma 12.6x as at 31 Dec 21)

### Pro forma Leverage Ratio 1.8x, as at 31 December 2021



### Pro forma Interest Cover Ratio 12.6x as at 31 December 2021



# LOOKING FORWARD





# KEY OPPORTUNITIES FOR CY22 AND BEYOND



## Defence and Social Infrastructure

Growth in Government spending including increasing Defence investment

*# 1 provider of defence and base services in Australia*



## Infrastructure Services

Growth across core markets and positioning to support clients through the energy transition

*# 1 provider of complex environmental remediation services in Australia*



## Telecommunications

Expansion of existing fixed and wireless networks, growing pipeline of new large fibre network projects

*# 1 provider of telecommunication infrastructure services in Australia*



## Transport

Leveraging digital and data for smarter asset management across road networks, motorways & tunnels

*# 1 provider of private motorways and tunnels servicing & maintenance*

Accelerate cross-selling by leveraging enterprise capabilities and regional presence

Leverage enterprise-wide systems and operating platform

Continued adoption of EROAD technology for people safety and vehicle efficiencies



# HIGH QUALITY AND DIVERSIFIED PORTFOLIO

## GEOGRAPHIC FOOTPRINT



**400+**  
Project Sites

## AVERAGE MAXIMUM CONTRACT TENURE<sup>1</sup>



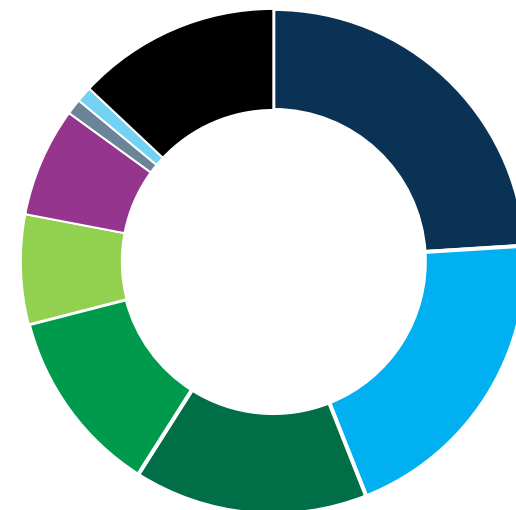
**7+ YEARS**

## CLIENT BASE



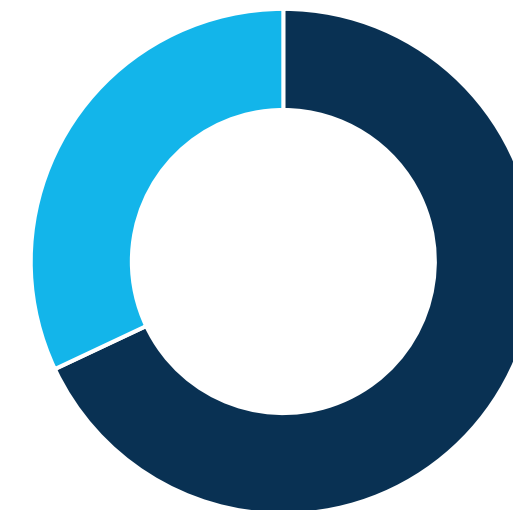
**100+ clients**

CY21 Total revenue by geography



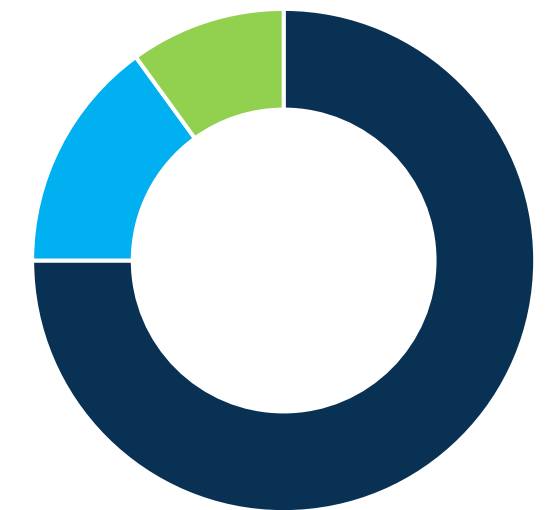
- NSW 24%
- VIC 20%
- QLD 15%
- WA 12%
- SA 7%
- NT 7%
- TAS 1%
- ACT 1%
- NZ 13%

CY21 Total revenue by client type



- Public 68%
- Private 32%

CY21 Total revenue by contract profile

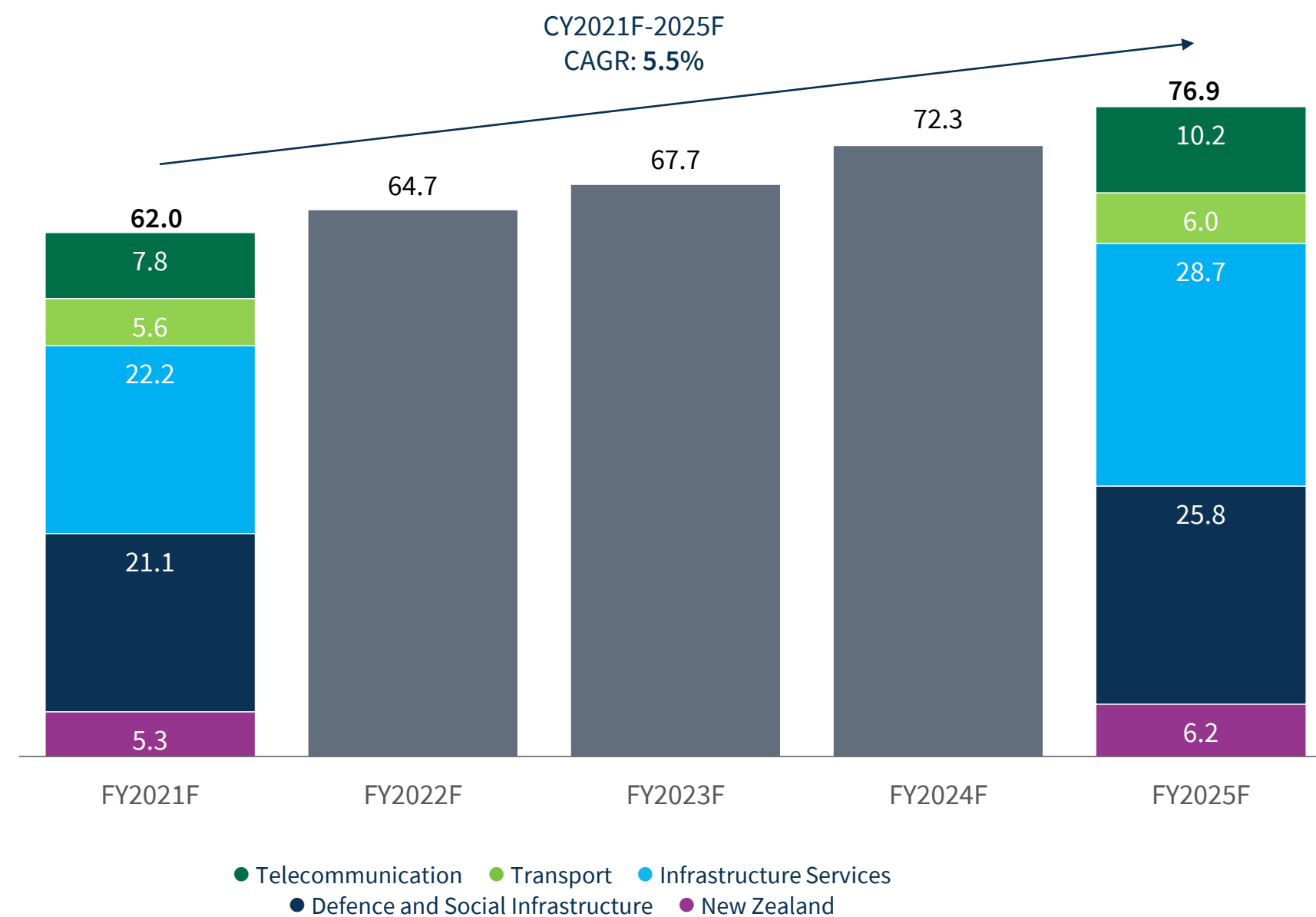


- Schedule of Rates 75%
- Cost Reimbursable 15%
- Fixed Price 10%

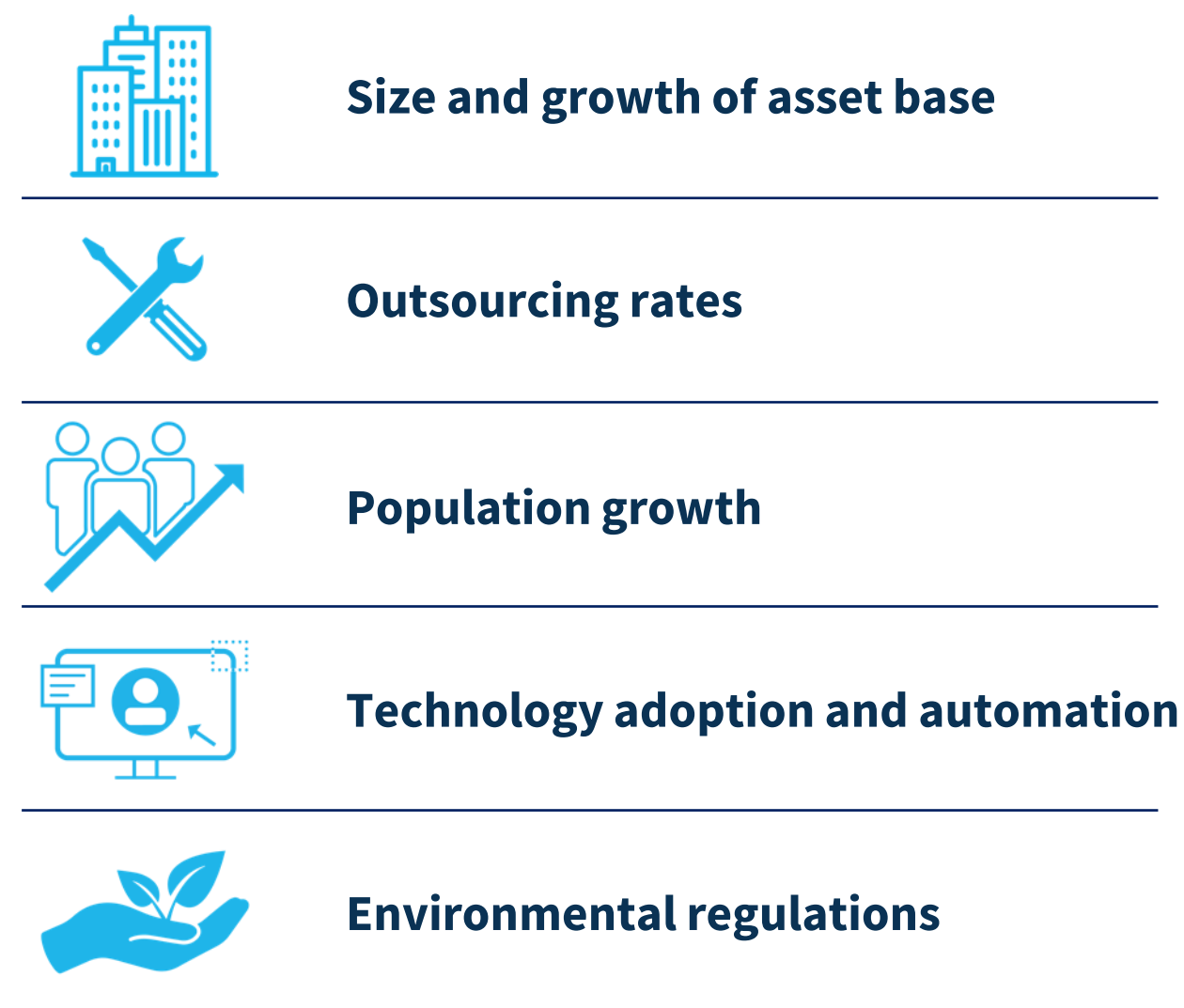
1. Maximum tenure of contract including extension options

# OUTLOOK SUPPORTED BY STRONG INDUSTRY TAILWINDS

**Estimated Addressable Market Size across Australia And New Zealand (\$b)<sup>1,2,3</sup>**



**Demand drivers for Maintenance Services**



1. BIS Oxford Economics (2021). Refers to the financial years ended 30 June.
2. Refer to the prospectus for further information on the methodology BIS Oxford Economics used to estimate the addressable market.
3. Numbers presented in current prices (nominal value).

# OUR COMMITMENT TO A SUSTAINABLE FUTURE

## OUR ESG TARGETS

### ENVIRONMENT

- Committed to Science Based Targets initiative to set emission reduction and net zero targets
- 100% renewable energy by 2030
- 100% EV and hybrid fleet by 2030

### SOCIAL

- Aligned to HESTA 40:40 Vision commitment
- 40% female participation in senior management and all employees
- Retain Reconciliation Australia's Elevate RAP status

### GOVERNANCE

- Compliance with the ASX Corporate Governance principles and recommendations
- All significant suppliers compliant with our supplier code of conduct
- Maintain and improve systems and processes to prevent modern slavery within our diverse businesses & supply chains



## SUMMARY AND CY22 OUTLOOK

- Strongly positioned for success in CY22 and beyond
- CY22 key pro forma prospectus forecasts reaffirmed:
  - NPATA guidance of \$171.8m
  - Total revenue of \$4,942.6m
  - EBITDA of \$408.6m
  - Cash conversion of 91.4%
- Positioned to capitalise on favourable market conditions
- Differentiating through our strategy to Redefine Service Excellence



# QUESTIONS?



# APPENDIX



## STATUTORY NPAT TO PRO FORMA NPATA RECONCILIATION

\$ millions	CY21	CY20
<b>Statutory NPAT</b>	<b>19.5</b>	<b>28.0</b>
Broadspectrum pro forma adjustments	(24.6)	(9.7)
Broadspectrum transaction and integration costs	67.5	49.9
Amortisation	32.7	24.0
Offer-related costs	6.9	--
Listed public company costs	(5.5)	(8.7)
Ventia shareholder fee	2.5	3.0
Remuneration changes	(3.7)	(8.2)
<b>Total operating expense adjustments (pre-tax)</b>	<b>75.8</b>	<b>50.4</b>
Interest expense adjustments	107.0	73.1
Income tax adjustments	(71.0)	(45.5)
<b>Total adjustments</b>	<b>111.8</b>	<b>78.0</b>
<b>Pro forma NPAT</b>	<b>131.3</b>	<b>106.0</b>
Amortisation of acquired intangibles (after tax)	15.5	13.4
<b>Pro forma NPATA</b>	<b>146.8</b>	<b>119.5</b>

### Commentary

- **Broadspectrum pro forma adjustments** includes NPAT from Broadspectrum for H1 CY2020 prior to acquisition and excludes the financial performance and gain on sale of APP Corporation
- **Broadspectrum transaction and integration costs** excludes transaction and integration costs relating to the acquisition of Broadspectrum and the sale of APP Corporation
- **Amortisation** excludes Ventia accelerated amortisation of brands and software not used post integration
- **Offer related costs** excludes IPO related costs which were expensed
- **Listed public company costs** includes incremental costs that are incurred as a listed company
- **Ventia shareholder fee** excludes Ventia's previous shareholder fee structure which is no longer in place following the IPO
- **Remuneration changes** excludes the previous Executive Incentive Plan and includes Ventia's new share-based payment plan which will be implemented in CY22
- **Interest expense adjustments** excludes costs associated with legacy debt arrangements and includes interest on the New Banking Facilities
- **Income tax adjustments** applies a pro forma tax rate of 30%

## PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

\$ millions	CY21	CY20	CY20 to CY21 % variance	CY21 prospectus forecast
<b>Total Revenue</b>	<b>4,557.4</b>	<b>4,591.9</b>	<b>(0.8%)</b>	<b>4,501.7</b>
EBITDA	379.9	354.5	7.2%	365.8
EBITDA %	8.3%	7.7%	0.6pp	8.1%
Depreciation	(108.7)	(116.1)	(6.4%)	(104.8)
Amortisation of software	(31.1)	(37.4)	(16.8%)	(31.0)
<b>EBITA</b>	<b>240.1</b>	<b>201.0</b>	<b>19.4%</b>	<b>229.9</b>
EBITA %	5.3%	4.4%	0.9pp	5.1%
Amortisation of acquired intangibles	(22.1)	(19.2)	15.3%	(23.4)
<b>EBIT</b>	<b>218.0</b>	<b>181.8</b>	<b>19.9%</b>	<b>206.5</b>
Net finance costs	(30.4)	(30.4)	-	(30.2)
<b>Profit before tax</b>	<b>187.6</b>	<b>151.5</b>	<b>23.8%</b>	<b>176.3</b>
Tax expense	(56.3)	(45.4)	23.9%	(52.9)
<b>NPAT</b>	<b>131.3</b>	<b>106.0</b>	<b>23.8%</b>	<b>123.4</b>
Amortisation of acquired intangibles (after tax)	15.5	13.4	15.5%	16.4
<b>NPATA</b>	<b>146.8</b>	<b>119.5</b>	<b>22.9%</b>	<b>139.8</b>