

JOHNS LYNG GROUP

BUILDING AUSTRALIA

Valuing People | **65 YEARS**
STRONG



Johns Lyng Group Limited Results Presentation

Half-year ended 31 December 2019 (1H20)

25 February 2020

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#01

Group Highlights.

At the heart of our business is an entrepreneurial desire to continue to **develop and grow** – without limits, anything is possible.

Insurance Building & Restoration Services Brands



Strong 1H20 financial performance: BaU exceeds expectations, CAT upside & acquisitions complete

1H20 Financial Performance

| Consolidated Profit & Loss (\$m) | Actual 1H19 | Actual 1H20 | % |
|-----------------------------------|--------------|--------------|--------------|
| Revenue - BaU | 137.6 | 195.5 | 42.1% |
| Revenue - CAT | 15.0 | 38.2 | 154.4% |
| Revenue - Total | 152.6 | 233.7 | 53.1% |
| EBITDA - BaU | 9.9 | 16.0 | 62.4% |
| <i>Margin (%)</i> | <i>7.2%</i> | <i>8.2%</i> | |
| EBITDA - CAT | 1.4 | 3.9 | 189.3% |
| <i>Margin (%)</i> | <i>9.0%</i> | <i>10.3%</i> | |
| EBITDA (Operating) - Total | 11.2 | 20.0 | 77.7% |
| <i>Margin (%)</i> | <i>7.4%</i> | <i>8.5%</i> | |

- **Group Revenue: \$233.7m** (+53.1% vs. 1H19 / BaU +42.1%)
- **Group Operating EBITDA: \$20.0m** (+77.7% vs. 1H19 / BaU +62.4%)
- **NPAT¹: \$7.9m** (+60.0% vs. 1H19²)
- **EPS: 3.56 cents per share** (+59.5% vs. 1H19²)
- **Dividend: 1.8 cents per share** (51% NPAT payout ratio)
- **Net assets: \$53.8m** (sufficient balance sheet capacity to fund organic growth and current M&A pipeline)

FY20 Outlook

| Consolidated Profit & Loss (\$m) | Actual FY19 | Forecast FY20 | % |
|-----------------------------------|--------------|---------------|--------------|
| Revenue - BaU | 288.9 | 375.3 | 29.9% |
| Revenue - CAT | 46.2 | 44.7 | (3.2%) |
| Revenue - Total | 335.1 | 420.0 | 25.3% |
| EBITDA - BaU | 19.4 | 31.3 | 61.6% |
| <i>Margin (%)</i> | <i>6.7%</i> | <i>8.3%</i> | |
| EBITDA - CAT | 3.8 | 4.3 | 11.1% |
| <i>Margin (%)</i> | <i>8.3%</i> | <i>9.5%</i> | |
| EBITDA (Operating) - Total | 23.2 | 35.6 | 53.3% |
| <i>Margin (%)</i> | <i>6.9%</i> | <i>8.5%</i> | |

- **Group Revenue: \$420.0m** (+25.3% vs. FY19 / BaU +29.9%)
- **Group EBITDA (Operating): \$35.6m** (+53.3% vs. FY19 / BaU +61.6%)
- Revenue and EBITDA upgraded 5% & 11% respectively in Jan-20
- Recent CAT events present FY20 & FY21 upside - ICA declared 6 new CAT's in last 5 months:
 - Bushfires, Hailstorms and East Coast Low (refer to page 10)
 - Financial impact too early to quantify

Recent Capitol Strata acquisition expands presence in strategically important strata market

Strategy on Track

- **Organic growth** through **geographical expansion, new client wins and Huski Home Services** (B2C and B2B emergency and scheduled residential repairs and maintenance)
- **Strata and broker markets** continue to be a key focus for organic growth in FY20 (insurance panels and direct facilities maintenance)
- **Acquisitions** complete: Bright & Duggan, Capitol Strata, Steamatic Nashville (US) and Air Control - additional near-term acquisition opportunities in the pipeline

bright & duggan



strata professionals

Acquisition of Bright & Duggan – a ‘game changer’ for Johns Lyng Group

- Aug-19: 51% voting / 46% economic equity interest
- Enterprise Value: \$31.8m (\$30.3m Equity Value), plus potential earn-out
- Founded in 1978 and headquartered in Sydney, Bright & Duggan is a leading strata and facilities management business
- More than 220 staff across 14 offices and more than 55,000 lots under management across more than 1,500 strata schemes

Capitol
FOLLOW THE LEADER

Acquisition of Capitol Strata – strategic bolt-on acquisition for Bright & Duggan

- Jan-20: 85% equity interest
- Enterprise Value: \$8.1m (\$8.3m Equity Value)
- Founded in 1995, QLD-based strata management company with ~16,000 lots under management

JLG Strategy

- The strata market comprises more than 2.6m strata titled lots nationally – represents a compelling investment and growth opportunity with inherent revenue synergies in collaboration with the Group’s other businesses
- JLG will support long-standing management shareholders to grow Bright & Duggan and Capitol in its existing markets and additionally cross-sell the Group’s various building services – multiple cross-sell opportunities per dwelling: **insurance building and restoration, emergency trades; scheduled trades and Huski Home Services** (direct to customer)



Air Control is a 'platform' acquisition - complementary adjacency with cross-selling opportunities into existing core business and strata management verticals



Acquisition of Air Control – a leading heating, ventilation and air conditioning mechanical services business

- Feb-20: 60% equity interest
- Enterprise Value: \$3.6m (\$3.2m Equity Value), plus potential earn-out
- Headquartered in Melbourne and founded in 2005 by incumbent Joint Managing Directors (each retaining a 20% minority equity interest)
- Recurring, annuity style maintenance revenues plus project and emergency work from diversified blue chip client base across commercial office buildings, hotels, shopping centres and large retail chains

Steamatic Nashville - initial franchisee buy-out in-line with US growth strategy



Steamatic Nashville (USA) – initial franchisee buy-out in-line with US growth strategy. Additional buy-outs in the pipeline

- Jan-20: 100% equity interest (trade & business assets)
- Enterprise Value: US\$1.2m (debt and cash free)
- Established in 1968 - services 8 counties outside of the metropolitan area
- Services include: carpet and furniture cleaning, air duct cleaning and commercial cleaning
- Newly appointed General Manager to acquire a minority equity interest in-line with JLG's Equity Partnership Model

1.3 Business Highlights – Group Summary

- JLG is a market leading integrated building services group, delivering building and restoration services across Australia
- Focused on recurring revenues and deep client relationships: JLG's strategically aligned businesses deliver >40k discrete jobs p.a.

Insurance Building & Restoration Services (IB&RS)

Building fabric repair and contents restoration after damage from insured events including: impact, weather and fire events. Hazardous waste removal, strata management and property/facilities management.



| IB&RS (\$m) | 1H20(A) | Contribution |
|-------------|---------|--------------|
| Revenue | 183.2 | 78.4% |
| EBITDA | 18.8 | 94.2% |

Commercial Building Services (CBS)

Residential & commercial flooring, emergency domestic (household) repairs, shop-fitting, pre-sale property staging & commercial heating, ventilation & air conditioning mechanical services.



| CBS (\$m) | 1H20(A) | Contribution |
|-----------|---------|--------------|
| Revenue | 31.1 | 13.3% |
| EBITDA | 2.1 | 10.5% |

Commercial Construction (CC)

Johns Lyng Commercial Builders undertakes commercial construction projects typically ranging from \$3m to \$20m in Victoria including 'large-loss' insurance rebuilds.



| CC (\$m) | 1H20(A) | Contribution |
|---------------------------|-------------|---------------|
| Revenue | 18.9 | 8.1% |
| EBITDA | 0.5 | 2.5% |
| JLG Corporate Overheads | (1.4) | (7.2%) |
| Total Group EBITDA | 20.0 | 100.0% |

Note 1: Normalised financials presented under AASB 16 (Leases) - Refer to Appendix 1 for detailed reconciliation to statutory results

Note 2: Other revenue of \$0.6m not presented above. Other EBITDA of (\$1.4m) consists of \$0.2m Other, (\$0.2m) Public Company Opex and (\$1.4m) Executive Incentive Plan

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#02

Financial Information.

Our deep industry **experience** and diversified service offering creates a **unique** blend of **talent** and **capabilities** which is a sustainable source of **competitive advantage**.

Commercial Building Services & Construction Brands



Consolidated Group 1H20 EBITDA (Operating): \$20.0m (+77.7% vs. 1H19)

Revenue (Group)

- **Total Revenue: \$233.7m** (1H19: \$152.6m)
 - +53.1% vs. 1H19
- **BaU Revenue: \$195.5m** (1H19: \$137.6m)
 - +42.1% vs. 1H19
- **CAT Revenue: \$38.2m** (1H19: \$15.0m)
 - +154.4% vs. 1H19

EBITDA (Group)

- **Operating EBITDA: \$20.0m** (1H19: \$11.2m)
 - +77.7% vs. 1H19
- **BaU EBITDA: \$16.0m** (1H19: \$9.9m)
 - +62.4% vs. 1H19
- **CAT EBITDA: \$3.9m** (1H19: \$1.4m)
 - +189.3% increase vs. 1H19

| Historical Revenue (\$m) | FY15 | FY16 | FY17 | FY18 | FY19 | 1H20 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| BaU | 210.1 | 218.8 | 233.7 | 217.6 | 288.9 | 195.5 |
| CAT | 17.8 | 23.6 | 16.0 | 69.2 | 46.2 | 38.2 |
| Total Revenue | 227.9 | 242.4 | 249.7 | 286.8 | 335.1 | 233.7 |
| <i>CAT % of Total Revenue</i> | <i>7.8%</i> | <i>9.7%</i> | <i>6.4%</i> | <i>24.1%</i> | <i>13.8%</i> | <i>16.3%</i> |
| <i>CAT % of IB&RS Revenue</i> | <i>14.1%</i> | <i>16.3%</i> | <i>10.4%</i> | <i>31.1%</i> | <i>17.7%</i> | <i>20.8%</i> |

| Consolidated Profit & Loss (\$m) | Actual 1H19 | Actual 1H20 | 1H20(A) vs. 1H19(A) % |
|---|--------------|--------------|-----------------------|
| Revenue - BaU | 137.6 | 195.5 | 42.1% |
| Revenue - CAT | 15.0 | 38.2 | 154.4% |
| Revenue - Total | 152.6 | 233.7 | 53.1% |
| Gross Profit | 31.2 | 48.2 | 54.4% |
| <i>Margin (%)</i> | <i>20.5%</i> | <i>20.6%</i> | |
| EBITDA - BaU | 9.9 | 16.0 | 62.4% |
| <i>Margin (%)</i> | <i>7.2%</i> | <i>8.2%</i> | |
| EBITDA - CAT | 1.4 | 3.9 | 189.3% |
| <i>Margin (%)</i> | <i>9.0%</i> | <i>10.3%</i> | |
| EBITDA (Operating) - Total | 11.2 | 20.0 | 77.7% |
| <i>Margin (%)</i> | <i>7.4%</i> | <i>8.5%</i> | |
| Other Items (Not Included Above) | | | |
| Gain on Disposal (Sankey & CHR) | 4.6 | - | |
| EBITDA - Total | 15.8 | 20.0 | 26.4% |

2.2.1 Segment Analysis – IB&RS

1H20 EBITDA: \$18.8m: +65.5% vs. 1H19 – 6 new CAT's declared in last 5 months (ICA)

Revenue (IB&RS)

- **Total Revenue: \$183.2m** (1H19: \$117.5m)
 - +55.9% increase vs. 1H19
- **BaU Revenue: \$145.0m** (1H19: \$102.5m)
 - +41.5% increase vs. 1H19
- **CAT Revenue: \$38.2m** (1H19: \$15.0m)
 - +154.4% increase vs. 1H19

EBITDA (IB&RS)

- **Total EBITDA: \$18.8m** (1H19: \$11.4m)
 - +65.5% vs. 1H19
- **BaU EBITDA: \$14.9m** (1H19: \$10.0m)
 - +48.8% vs. 1H19
- **CAT EBITDA: \$3.9m** (1H19: \$1.4m)
 - +189.3% vs. 1H19

| Segmental Analysis - IB&RS (\$m) | Actual 1H19 | Actual 1H20 | 1H20(A) vs. 1H19(A) % |
|-------------------------------------|----------------|----------------|-----------------------------|
| Revenue - BaU | 102.5 | 145.0 | 41.5% |
| Revenue - CAT | 15.0 | 38.2 | 154.4% |
| Revenue - Total | 117.5 | 183.2 | 55.9% |
| EBITDA - BaU | 10.0 | 14.9 | 48.8% |
| <i>Margin (%)</i> | <i>9.8%</i> | <i>10.3%</i> | |
| EBITDA - CAT | 1.4 | 3.9 | 189.3% |
| <i>Margin (%)</i> | <i>9.0%</i> | <i>10.3%</i> | |
| EBITDA - Total | 11.4 | 18.8 | 65.5% |
| <i>Margin (%)</i> | <i>9.7%</i> | <i>10.3%</i> | |

Recent Peak and CAT Events

| | | | |
|---------------------------------|--------------------------------|---|--|
| Mildura Hail Storm (Nov-16) | Cyclone Marcus (Mar-18) - CAT | Victoria Storms (Dec-18) | Hailstorm SE QLD (Nov-19) - CAT |
| Broken Hill Hail Storm (Feb-17) | Tasmania Floods (May-18) | Sydney Hail Storm (Dec-18) - CAT | Hailstorm: ACT, VIC & NSW (Jan-20) – CAT |
| Cyclone Debbie (Mar-17) - CAT | Bushfires (Dec-19) - CAT | Townsville Floods (Feb-19) - CAT | East Coast Low (Feb-20) – CAT |
| Kalgoorlie Hail Storm (Nov-17) | Sydney Storms (Nov-18) | Bushfires NSW/QLD (Sept-19) - CAT | Recent CAT events <u>not</u> included in current Forecast – financial impact too early to quantify |
| Melbourne Floods (Dec-17) | Coolgardie Hail Storm (Dec-18) | Bushfires Rappville, NSW (Oct-19) - CAT | |
| Victoria Hail Storm (Dec-17) | Cyclone Owen (Dec-18) | Bushfires: QLD, NSW, VIC & SA (Nov-Feb-20) - CAT | |

CAT EBITDA presented for illustrative purposes only. Calculated at average IB&RS margin.

Portfolio management initiatives complete – strong growth through 1H20

Commercial Building Services

- **Revenue: \$31.1m** (1H19: \$19.0m)
 - +63.6% vs. 1H19
- **EBITDA: \$2.1m** (1H19: \$1.4m)
 - +48.0% vs. 1H19
 - Portfolio management initiatives complete – strong growth through 1H20

| Segmental Analysis - CBS (\$m) | Actual 1H19 | Actual 1H20 | 1H20(A) vs. 1H19(A) % |
|-------------------------------------|----------------|----------------|-----------------------------|
| Commercial Building Services | | | |
| Revenue | 19.0 | 31.1 | 63.6% |
| EBITDA | 1.4 | 2.1 | 48.0% |
| <i>Margin (%)</i> | <i>7.5%</i> | <i>6.8%</i> | |

Commercial Construction

- **Revenue: \$18.9m** (1H19: \$15.6m)
 - +20.7% increase vs. 1H19
- **EBITDA: \$0.5m** (1H19: \$0.1m)
 - Turnaround plan complete
 - Strong Senior Management team in place
 - Robust pipeline of ‘core-competency’ projects

| Segmental Analysis - CC (\$m) | Actual 1H19 | Actual 1H20 | 1H20(A) vs. 1H19(A) % |
|----------------------------------|----------------|----------------|-----------------------------|
| Commercial Construction | | | |
| Revenue | 15.6 | 18.9 | 20.7% |
| EBITDA | 0.1 | 0.5 | 632.4% |
| <i>Margin (%)</i> | <i>0.4%</i> | <i>2.6%</i> | |

Strong balance sheet - sufficient capacity to fund organic growth & current M&A pipeline

Balance Sheet (31 Dec-19)

- Net assets: \$53.8m (30 Jun-19: \$44.4m)
- Net cash: \$8.0m (30 Jun-19: \$23.8m)
 - Gross cash: \$33.1m (30 Jun-19: \$30.1m)
 - Surplus cash ~\$15m (JLG: ~\$10m / B&D: ~\$5m)

Capital Efficiency Metrics

- Strong capital efficiency metrics driven by asset-light balance sheet including:
 - RoCE: 44.2% / RoE: 28.1%
 - EPS: 3.56 cents per share (+59.5% vs. 1H19²)

| Capital Efficiency Metrics (\$m) | Actual LTM Dec-18 | Actual LTM Dec-19 |
|--|-------------------|-------------------|
| Return on Capital Employed (RoCE) | | |
| EBITDA ¹ | 21.5 | 31.9 |
| Shareholder Funds | 39.4 | 53.8 |
| NCI Share of Intangibles NBV | - | (6.7) |
| Gross Debt (3rd Party) | 12.2 | 25.1 |
| SH Funds (excl. NCI % Intangibles NBV) + 3rd Party Debt | 51.6 | 72.2 |
| Return on Capital Employed | 41.8% | 44.2% |
| Return on Equity (RoE) | | |
| NPAT Attributable to JLG Shareholders ² | 8.6 | 13.1 |
| Shareholder Funds | 39.4 | 53.8 |
| NCI | 0.9 | (6.9) |
| Equity Attributable to JLG Shareholders | 40.3 | 46.9 |
| Return on Equity | 21.2% | 28.1% |
| Earnings Per Share (Half-year) - Statutory | 3.53 cents | 3.56 cents |
| Earnings Per Share (Half-year) - Normalised² | 2.23 cents | 3.56 cents |

| Balance Sheet (\$m) | Actual Jun-19 | Actual Dec-19 |
|--|---------------|---------------|
| Total Assets | 144.9 | 172.0 |
| Net Assets | 44.4 | 53.8 |
| Cash | 30.1 | 33.1 |
| Debt (3rd Party) | (6.2) | (25.1) |
| Net Cash / (Debt) | 23.8 | 8.0 |
| Net Business Partner Loan Accounts | 3.6 | 5.2 |
| Sub-total | 27.4 | 13.2 |
| AASB 16 (Leases) Reconciliation | | |
| Less: Current Lease Liability Adjustment | (1.9) | (3.0) |
| Less: Non-current Lease Liability Adjustment | (9.1) | (10.2) |
| Net Cash / (Debt) (AASB 16) | 16.4 | 0.0 |
| Intangible Assets Reconciliation | | |
| Software | 0.3 | 0.5 |
| Trademarks | | |
| - Steamatic | 3.1 | 3.1 |
| - Bright & Duggan | - | 5.3 |
| - Other | 0.0 | 0.0 |
| Trademarks - Sub-total | 3.1 | 8.4 |
| Customer Contracts - Bright & Duggan | - | 12.5 |
| Goodwill on Consolidation | | |
| - Trump (VIC) | 1.6 | 1.6 |
| - Trump (NSW) | 1.4 | 1.4 |
| - Trump (QLD) | 0.4 | 0.4 |
| - Dynamic Construction (TAS) | 0.1 | 0.1 |
| - Dressed for Sale | 1.9 | 1.9 |
| - Steamatic | 2.2 | 2.2 |
| - Bright & Duggan | - | 12.1 |
| Goodwill on Consolidation - Sub-total | 7.5 | 19.6 |
| Intangible Assets - Total | 11.0 | 41.0 |

High cash conversion from EBITDA – interim dividend 1.8 cents per share

Capital Expenditure

- Capex primarily consists of motor vehicle purchases
 - Fleet includes 281 vehicles at 31 Dec-19 vs. 258 at 31 Dec-18

Working Capital

- Working capital cycle is actively managed with strong focus on cash flow

Cash Conversion

- Operating cash flow (pre-interest and tax): \$20.0m (102% EBITDA cash conversion)
- Income tax payments commenced:
 - FY18 income tax payment: Feb-19
 - Income tax instalments commenced Apr-19
 - 1H19 income tax payment: Dec-19

Dividend (1H20)

- Interim dividend of 1.8 cents per share (51% payout ratio)
 - Record date of entitlement: 2 March 2020
 - Dividend payment date: 17 March 2020
 - Dividend policy: 40%-60% NPAT

| Capital Expenditure (\$m) | Actual 1H19 | Actual 1H20 |
|----------------------------------|-------------|-------------|
| Plant & Equipment | 0.2 | 0.6 |
| Motor Vehicles | 1.1 | 0.7 |
| Leasehold Improvements | 0.1 | 0.3 |
| Total Capital Expenditure | 1.4 | 1.6 |

| Working Capital (\$m) | Actual Dec-18 | Actual Dec-19 |
|--|---------------|---------------|
| Days Sales Outstanding (12m average) | 45.4 | 38.7 |
| Days Purchases Outstanding (12m average) | 51.5 | 43.1 |

| Cash Conversion (\$m) | Actual 1H19 | Actual 1H20 |
|--|---------------|---------------|
| EBITDA (Statutory) | 15.7 | 19.6 |
| Gain on Sale of Businesses (Sankey & CHR) | (4.6) | - |
| Statutory EBITDA (excl. Gain on Disposal) | 11.2 | 19.6 |
| Movement in Working Capital | 2.6 | 0.3 |
| Non-cash Items | 0.5 | 0.1 |
| Net Cash from Operating Activities (Pre-Interest & Tax) | 14.2 | 20.0 |
| Cash Conversion (%) | 127.4% | 102.4% |
| Net Interest Paid | (0.4) | (0.8) |
| Tax Paid | (0.2) | (7.2) |
| Net Cash from Operating Activities | 13.7 | 12.1 |

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#03

Strategy & Growth.

Whether they are 'core business' **acquisitions, start-ups** or opportunities in **complementary adjacencies**, JLG is well positioned to embrace & capitalise on **growth initiatives**.

Select Clients



Domestic & international organic expansion plus M&A opportunities

Contracts

- Job volumes from recent contract wins increasing towards expected 'run-rate'
- Strata insurance job volume / allocation increasing post acquisition of Bright & Duggan
- RAC Tasmania panel win

Domestic Expansion

- New office opened in Coffs Harbour (NSW) during 1H20
- Permanent office established in Townsville (QLD)
- Growth in Broker market ('Emergency Broker Assist')
- Huski Home Services - emergency and scheduled residential repairs and maintenance (B2C)
- Targeting new clients and panels

Strata Market

- Key focus on building and restoration services for Strata Insurers in 2020
- Established designated Strata Building Services division initially focused on NSW market ahead of national roll-out
- Significant synergies with Bright & Duggan & Capitol Strata
- Multiple cross-sell opportunities per dwelling: **insurance building and restoration, emergency trades, scheduled trades and Huski Home Services** (direct to customer)
- Estimated 2.6m lots nationwide (insured value c.\$995bn)¹

M&A

- Bright & Duggan, Capitol Strata, Steamatic Nashville (USA) and Air Control acquisitions Complete
- Additional M&A opportunities presenting:
 - Consolidation of fragmented Insurance Building and Restoration Services industry
 - Diversification into 'complementary adjacencies'
 - Additional acquisitions are being considered in an orderly and controlled manner

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#04

FY20 Forecast.

JLG has a demonstrable track record of **growth and financial control**. Significant market opportunities exist to continue this trend.

Positive outlook - FY20 (F) EBITDA (Operating): \$35.6m (+53.3% vs. FY19)

FY20 Outlook

- **Group Revenue: \$420.0m** (+25.3% vs. FY19 / BaU +29.9%)
- **Group EBITDA (Operating): \$35.6m** (+53.3% vs. FY19 / BaU +61.6%)
 - Revenue and EBITDA upgraded 5%/11% respectively in Jan-20
- Strong momentum from last 12 months BaU performance expected to continue to drive FY20 results:
 - New contracts maturing - job volumes increasing towards expected 'run-rate';
 - Panel allocations from key clients increasing; and
 - Deeper market penetration in WA, NT and TAS

Additional 4Q20 & FY21 Upside:

- New client contracts;
- Full year impact of acquisitions:
 - Bright & Duggan, Capitol Strata and Air Control
 - Integration in progress - cross-sell expected from 4Q20
- Recent CAT events (ICA declared 6 new CAT's in last 5 months):
 - Bushfires, Hailstorms and East Coast Low (refer to page 10)
 - Financial impact too early to quantify

| FY20 Outlook (\$m) | Actual FY19 | Forecast (Aug-19) FY20 | Forecast (Jan-20) FY20 | FY20(F) (Jan-20) vs. FY19(A) % |
|--|----------------|------------------------------|------------------------------|--------------------------------------|
| Revenue - BaU | 288.9 | 367.1 | 375.3 | 29.9% |
| Revenue - CAT | 46.2 | 31.6 | 44.7 | (3.2%) |
| Revenue - Total | 335.1 | 398.7 | 420.0 | 25.3% |
| EBITDA - BaU | 19.4 | 29.5 | 31.3 | 61.6% |
| EBITDA - CAT | 3.8 | 2.8 | 4.3 | 11.1% |
| EBITDA (Operating) - Total | 23.2 | 32.3 | 35.6 | 53.3% |
| Gain on Disposal | 4.6 | - | - | |
| EBITDA - Total | 27.8 | 32.3 | 35.6 | 28.1% |
| Reconciliation: AASB16 to AASB 117 (Leases) | | | | |
| Less: Rent Expense | (2.1) | (3.6) | (3.6) | |
| EBITDA - Total (AASB 117) | 25.7 | 28.8 | 32.0 | |
| Margin Analysis (AASB 16) | | | | |
| <i>EBITDA - BaU Margin</i> | <i>6.7%</i> | <i>8.0%</i> | <i>8.3%</i> | |
| <i>EBITDA - CAT Margin</i> | <i>8.3%</i> | <i>8.9%</i> | <i>9.5%</i> | |
| <i>EBITDA (Operating) Margin</i> | <i>6.9%</i> | <i>8.1%</i> | <i>8.5%</i> | |

JLG does not forecast for CAT events. Forecast CAT revenue and EBITDA relates to the run-off work from Townsville Floods CAT (Feb-19)

Calculated at avg IB&RS margin

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Appendices.

JLG's **high performance culture** drives consistent, high **quality outcomes** for clients and repeat additional business.

Appendix 1: Financial Reconciliation to Statutory Results

| Reconciliation | FY18 | | | FY19 | | | FY20 |
|--|----------|----------|----------|----------|----------|----------|----------|
| | 1H18 (A) | 2H18 (A) | FY18 (A) | 1H19 (A) | 2H19 (A) | FY19 (A) | 1H20 (A) |
| Revenue | | | | | | | |
| IB&RS | | | | | | | |
| BaU | 77.9 | 75.6 | 153.6 | 102.5 | 112.3 | 214.8 | 145.0 |
| CAT | 29.0 | 40.3 | 69.2 | 15.0 | 31.2 | 46.2 | 38.2 |
| IB&RS (incl. CAT) | 106.9 | 115.9 | 222.8 | 117.5 | 143.5 | 261.0 | 183.2 |
| CBS | 27.1 | 15.8 | 42.9 | 19.0 | 20.5 | 39.4 | 31.1 |
| <i>Normalisations - CHR & Sankey Divestments</i> | (2.4) | (1.1) | (3.5) | - | - | - | - |
| <i>CBS (Normalised)</i> | 24.8 | 14.7 | 39.4 | 19.0 | 20.5 | 39.4 | 31.1 |
| CC | 12.3 | 11.0 | 23.3 | 15.6 | 18.1 | 33.7 | 18.9 |
| Other | 1.5 | (0.2) | 1.3 | 0.5 | 0.4 | 0.9 | 0.6 |
| Total Revenue (Statutory) | 147.8 | 142.6 | 290.4 | 152.6 | 182.5 | 335.1 | 233.7 |
| Total Revenue (Excl. Transaction Costs)¹ | 147.8 | 142.6 | 290.4 | 152.6 | 182.5 | 335.1 | 233.7 |
| Total Revenue (Normalised)² | 145.4 | 141.4 | 286.8 | 152.6 | 182.5 | 335.1 | 233.7 |
| Total Revenue (Fully Normalised)³ | 145.4 | 141.4 | 286.8 | 152.6 | 182.5 | 335.1 | 233.7 |

| Reconciliation | FY18 | | | FY19 | | | FY20 |
|---|----------|----------|----------|----------|----------|----------|----------|
| | 1H18 (A) | 2H18 (A) | FY18 (A) | 1H19 (A) | 2H19 (A) | FY19 (A) | 1H20 (A) |
| EBITDA (AASB 16) | | | | | | | |
| IB&RS | | | | | | | |
| BaU | 9.3 | 6.8 | 16.1 | 10.0 | 9.0 | 19.0 | 14.5 |
| <i>Normalisations - Transaction Costs</i> | - | - | - | - | 0.4 | 0.4 | 0.4 |
| BaU (Normalised) | 9.3 | 6.8 | 16.1 | 10.0 | 9.4 | 19.4 | 14.9 |
| CAT | 4.8 | 5.5 | 10.2 | 1.4 | 2.5 | 3.8 | 3.9 |
| IB&RS (incl. CAT) | 14.1 | 12.3 | 26.4 | 11.4 | 11.8 | 23.2 | 18.8 |
| <i>Normalisations - Suncorp & US Start-up Costs</i> | - | 1.2 | 1.2 | - | - | - | - |
| IB&RS (Fully Normalised incl. CAT) | 14.1 | 13.5 | 27.6 | 11.4 | 11.8 | 23.2 | 18.8 |
| CBS | 2.2 | (0.3) | 2.0 | 5.9 | 0.8 | 6.7 | 2.1 |
| <i>Normalisations - Transaction Costs</i> | - | - | - | 0.1 | - | 0.1 | 0.0 |
| <i>Normalisations - CHR & Sankey Divestments</i> | (0.4) | (0.1) | (0.5) | (4.6) | - | (4.6) | - |
| <i>CBS (Normalised)</i> | 1.8 | (0.4) | 1.4 | 1.4 | 0.8 | 2.2 | 2.1 |
| <i>Normalisations - Trump (VIC)</i> | - | 1.4 | 1.4 | - | - | - | - |
| CBS (Fully Normalised) | 1.8 | 1.0 | 2.8 | 1.4 | 0.8 | 2.2 | 2.1 |
| CC | (0.9) | (0.8) | (1.6) | 0.1 | 0.8 | 0.9 | 0.5 |
| Other | (3.1) | 0.1 | (3.0) | (0.2) | 0.3 | 0.1 | 0.2 |
| <i>Normalisations - IPO & Other Transaction Costs</i> | 3.3 | 0.5 | 3.7 | - | - | - | - |
| <i>Other (Normalised)</i> | 0.2 | 0.5 | 0.7 | (0.2) | 0.3 | 0.1 | 0.2 |
| Public Company Opex | (0.8) | 0.2 | (0.6) | (0.2) | (0.3) | (0.5) | (0.2) |
| Executive Incentive Plan | - | (1.6) | (1.6) | (1.3) | (1.5) | (2.7) | (1.4) |
| Total EBITDA (Statutory) | 11.6 | 10.0 | 21.5 | 15.7 | 11.6 | 27.4 | 19.6 |
| Total EBITDA (Excl. Transaction Costs)¹ | 14.8 | 10.4 | 25.2 | 15.8 | 12.0 | 27.8 | 20.0 |
| Total EBITDA (Normalised)² | 14.4 | 10.3 | 24.7 | 11.2 | 12.0 | 23.2 | 20.0 |
| Total EBITDA (Fully Normalised)³ | 14.4 | 12.9 | 27.3 | 11.2 | 12.0 | 23.2 | 20.0 |

| Reconciliation | FY18 | | | FY19 | | | FY20 |
|--|----------|----------|----------|----------|----------|----------|----------|
| | 1H18 (A) | 2H18 (A) | FY18 (A) | 1H19 (A) | 2H19 (A) | FY19 (A) | 1H20 (A) |
| EBIT, PBT, NPAT & CAPEX (AASB 16) | | | | | | | |
| Depreciation & Amortisation | (1.9) | (2.4) | (4.3) | (2.4) | (2.8) | (5.2) | (3.7) |
| EBIT | | | | | | | |
| Statutory | 9.6 | 7.6 | 17.2 | 13.3 | 8.8 | 22.1 | 15.9 |
| Excluding Transaction Costs ¹ | 12.9 | 8.0 | 20.9 | 13.4 | 9.2 | 22.6 | 16.3 |
| Normalised ² | 12.4 | 7.9 | 20.4 | 8.8 | 9.2 | 18.0 | 16.3 |
| Fully Normalised ³ | 12.4 | 10.5 | 22.9 | 8.8 | 9.2 | 18.0 | 16.3 |
| Net Interest | (0.7) | (0.4) | (1.1) | (0.4) | (0.4) | (0.8) | (0.8) |
| PBT | | | | | | | |
| Statutory | 8.9 | 7.2 | 16.1 | 12.9 | 8.5 | 21.4 | 15.1 |
| Transaction Related Bank Fee Amortisation | - | - | - | - | 0.1 | 0.1 | 0.0 |
| Excluding Transaction Costs ¹ | 12.2 | 7.6 | 19.8 | 13.0 | 8.9 | 21.9 | 15.5 |
| Normalised ² | 11.7 | 7.5 | 19.2 | 8.4 | 8.9 | 17.3 | 15.5 |
| Fully Normalised ³ | 11.7 | 10.1 | 21.8 | 8.4 | 8.9 | 17.3 | 15.5 |
| Income Tax Expense | 0.3 | (2.3) | (2.0) | (3.9) | (2.0) | (5.9) | (4.1) |
| NPAT | | | | | | | |
| Statutory | 9.2 | 4.9 | 14.1 | 9.0 | 6.5 | 15.5 | 11.0 |
| Excluding Transaction Costs ¹ | 12.5 | 5.3 | 17.8 | 9.0 | 6.9 | 16.0 | 11.4 |
| Normalised ² | 12.1 | 5.2 | 17.3 | 4.5 | 6.9 | 11.4 | 11.4 |
| Fully Normalised ³ | 12.1 | 7.8 | 19.9 | 4.5 | 6.9 | 11.4 | 11.4 |
| CAPEX | | | | | | | |
| Capex - Total | 1.2 | 3.4 | 4.6 | 1.4 | 2.4 | 3.8 | 1.6 |

¹ Excluding IPO and other transaction related expenses

² Excluding earnings contribution and gain on sale from divested businesses (CHR & Sankey) in addition to the above normalisations

³ Excluding other non-recurring items in addition to the above normalisations

Appendix 2: AASB 16 to AASB 117 (Leases) Reconciliation

| AASB 16 to AASB 117 Reconciliation | FY18 | | | FY19 | | | FY20 |
|--|----------|----------|----------|----------|----------|----------|----------|
| | 1H18 (A) | 2H18 (A) | FY18 (A) | 1H19 (A) | 2H19 (A) | FY19 (A) | 1H20 (A) |
| EBITDA, EBIT, PBT & NPAT (AASB 117) | | | | | | | |
| EBITDA - Statutory (AASB 16) | 11.6 | 10.0 | 21.5 | 15.7 | 11.6 | 27.4 | 19.6 |
| Less: Rent Expense Adjustment | (0.8) | (0.9) | (1.7) | (1.0) | (1.1) | (2.1) | (1.8) |
| EBITDA (AASB 117) | | | | | | | |
| Statutory | 10.8 | 9.0 | 19.8 | 14.8 | 10.5 | 25.3 | 17.8 |
| Excluding Transaction Costs ¹ | 14.1 | 9.5 | 23.5 | 14.8 | 10.8 | 25.7 | 18.2 |
| Normalised ² | 13.6 | 9.4 | 23.0 | 10.3 | 10.8 | 21.1 | 18.2 |
| Fully Normalised ³ | 13.6 | 12.0 | 25.6 | 10.3 | 10.8 | 21.1 | 18.2 |
| EBIT - Statutory (AASB 16) | 9.6 | 7.6 | 17.2 | 13.3 | 8.8 | 22.1 | 15.9 |
| Add: Depreciation Expense Adjustment | 0.7 | 0.9 | 1.6 | 0.9 | 1.0 | 1.9 | 1.6 |
| EBIT (AASB 117) | | | | | | | |
| Statutory | 9.6 | 7.5 | 17.1 | 13.2 | 8.8 | 22.0 | 15.8 |
| Excluding Transaction Costs ¹ | 12.8 | 8.0 | 20.8 | 13.3 | 9.1 | 22.4 | 16.2 |
| Normalised ² | 12.4 | 7.9 | 20.3 | 8.7 | 9.1 | 17.8 | 16.2 |
| Fully Normalised ³ | 12.4 | 10.5 | 22.8 | 8.7 | 9.1 | 17.8 | 16.2 |
| PBT - Statutory (AASB 16) | 8.9 | 7.2 | 16.1 | 12.9 | 8.5 | 21.4 | 15.1 |
| Add: Net Interest Expense Adjustment | 0.3 | 0.3 | 0.6 | 0.3 | 0.3 | 0.5 | 0.3 |
| PBT (AASB 117) | | | | | | | |
| Statutory | 9.2 | 7.4 | 16.5 | 13.1 | 8.7 | 21.8 | 15.3 |
| Transaction Related Bank Fee Amortisation | - | - | - | - | 0.1 | 0.1 | 0.0 |
| Excluding Transaction Costs ¹ | 12.4 | 7.8 | 20.3 | 13.2 | 9.1 | 22.3 | 15.7 |
| Normalised ² | 12.0 | 7.7 | 19.7 | 8.6 | 9.1 | 17.7 | 15.7 |
| Fully Normalised ³ | 12.0 | 10.3 | 22.3 | 8.6 | 9.1 | 17.7 | 15.7 |
| NPAT - Statutory (AASB 16) | 9.2 | 4.9 | 14.1 | 9.0 | 6.5 | 15.5 | 11.0 |
| Income Tax Expense | 0.3 | (2.3) | (2.0) | (3.9) | (2.0) | (5.9) | (4.1) |
| NPAT (AASB 117) | | | | | | | |
| Statutory | 9.5 | 5.1 | 14.6 | 9.2 | 6.7 | 15.9 | 11.2 |
| Excluding Transaction Costs ¹ | 12.7 | 5.5 | 18.3 | 9.2 | 7.1 | 16.4 | 11.6 |
| Normalised ² | 12.3 | 5.4 | 17.7 | 4.7 | 7.1 | 11.8 | 11.6 |
| Fully Normalised ³ | 12.3 | 8.0 | 20.3 | 4.7 | 7.1 | 11.8 | 11.6 |

¹ Excluding IPO and other transaction related expenses

² Excluding earnings contribution and gain on sale from divested businesses (CHR & Sankey) in addition to the above normalisations

³ Excluding other non-recurring items in addition to the above normalisations

Appendix 3: Global Locations

23 Locations Nationally

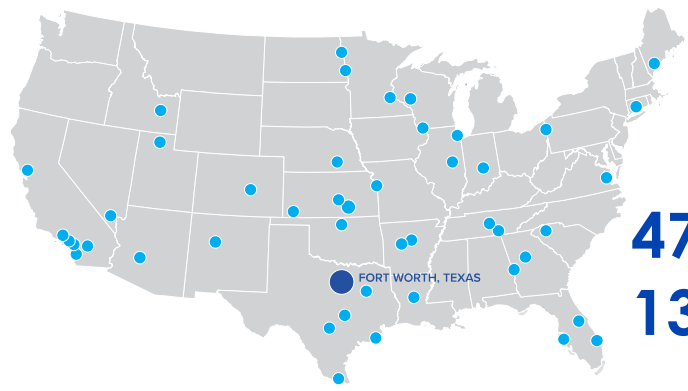


australia's strata leader

14 Locations across the east coast



3 Locations within QLD



47 Locations across the U.S.A
13 International Master Franchise Agreements

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