

## ASX and NZX Release

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25 August 2022

### Delivered upon first half expectations and reaffirm full year forecast

Ventia Services Group Limited (Ventia) today announced its financial results for the six months to 30 June 2022 (HY22).

Ventia Group Chief Executive Officer, Dean Banks said: “Ventia today announced statutory net profit up 163.2% percent to \$105.0 million and pro forma NPATA up 13.6%, delivering a dividend of 7.47 cents per share. The statutory result was driven by business growth and a one-off recognition of historic tax losses, which were realised via the finalisation of the ATO tax audit in April 2022.”

- **Maintained safety focus; continued positive trajectory with TRIFR<sup>1</sup> down 29.4%**
- **Proforma revenue grew 8.7% on the pcp<sup>2</sup>, demonstrating resilience of essential services**
- **Pro forma EBITDA of \$203.3 million, up 7.7% at a consistent margin of 8.1%**
- **Work in hand increased to \$17.3 billion, up 38.0% on the pcp**
- **Prudent cash focus delivered pro forma operating cash flow conversion of 87.3%<sup>3</sup>**
- **HY21 dividend payout of 75% of pro forma NPATA<sup>4</sup>, 7.47 cents per share, franked 80%**
- **FY22 prospectus forecast reaffirmed**

“Today’s result reflects the strength of our diversified and resilient portfolio. The demand for essential infrastructure services is accelerating and combined with our pursuit of service excellence have delivered pro forma EBITDA and NPATA growth of 7.7% and 13.6% respectively.

“Our strong market position and strategic long-term relationships have driven Work in Hand of \$17.3 billion, up 38.0%, with a diverse spread across our sectors. The large new contract wins such as Sydney and Western Harbour Tunnel and Transpower, demonstrate clients seeking Ventia’s specialist capability, robust systems and governance, combined with compelling value. We remain confident of achieving our target of ~\$18 billion Work in Hand for FY22. To achieve this, we will continue to focus on our strategy to redefine service excellence, while listening to the voice of our customers.

“Macro market conditions have been challenging in the first half of 2022, with severe weather events, faster than expected inflation and some of the tightest labour markets seen historically. Pleasingly, these conditions have not impacted the demand for essential services. Ventia’s robust portfolio has enabled the business to strategically navigate the macro conditions with minimal business impact.”

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<sup>1</sup> TRIFR - Total recordable injury frequency rate, calculated as the total number of recordable injuries, divided by hours worked in millions

<sup>2</sup> PCP – Prior Corresponding Period (30 June 2021)

<sup>3</sup> 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

<sup>4</sup> For the period 19 November 2021 to 31 December 2021

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### Safety and Sustainability

Ventia's Total Recordable Injury Frequency Rate (TRIFR) improved markedly to 3.93 compared to 5.57 in HY21, a 29.4% reduction. This has been achieved through disciplined application of our safety system, higher uptake of our early intervention program and increased investment in our frontline management training.

In March Ventia released its first sustainability report, with reference to both the Global Reporting Initiative and Task Force on Climate-related Financial Disclosure guidelines. The report demonstrates our commitment to operating sustainably, assessing the impact of our business and measuring improvement over time. We have set ambitious goals and will report against these periodically, to create a lasting and positive legacy for people and the planet.

### Dividends and Balance Sheet

The robust financial result, strong cash flow conversion and focus on cash backed profits, allowed the Board to declare an interim dividend of 7.47 cents per share, franked 80%, payable on 7 October 2022. This payment represents a payout of 75% of pro forma NPATA for the six months to 30 June 2022.

Our credit metrics and balance sheet continue to strengthen, with our interest cover ratio increasing to 13.3x from 12.3x as at 30 June 2021. Our leverage ratio also improved with a decline to 1.5x, or 0.4x compared to 30 June 2021.

Ventia's proactive capital management approach has delivered high cash conversion and improving credit metrics over the half. This cash focused approach, combined with the business' low capital requirements (~1% of revenue), means that the business has operated efficiently since inception. On 30 June 2022, the business has liquidity of \$634 million, with available cash of \$234 million and an undrawn revolving facility of \$400 million, providing financial flexibility.

Our liquidity and financial flexibility, together with a solid operating cash flow and prudent debt profile, supports our ability to adequately fund our stable and growing dividend profile.

### Outlook

Ventia expects future growth to be driven by accelerating demand for essential services and our qualified pipeline of opportunities. Ventia's strategy to Redefine Service Excellence, will continue to set us apart. We will constantly seek ways to raise the bar for our customers in a safe and sustainable way.

Today, Ventia reaffirmed its FY22 key pro forma prospectus forecasts of:

- NPATA guidance of \$171.8 million
- Revenue of \$4,942.6 million; and

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- EBITDA of \$408.6 million

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

### Market briefing

Ventia will provide a market briefing at 10.45am (AEDT) today, 25 August 2022. The market briefing will be webcast via the Ventia website at [ventia.com](http://ventia.com).

*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.