

**JOHNS LYNG GROUP LIMITED (ASX: JLG)**

**ASX/Media statement**

**17 November 2022**

**CEO Australia's Address 2022 Annual General Meeting**

Good morning, I am Nick Carnell, and I am CEO for Johns Lyng Group Australia. As Peter has already highlighted FY22 has been an outstanding year for Johns Lyng and the outlook remains very strong.

My aim is to give you a greater understanding of our Australian business and why we are so confident about its future prospects. I hope that when I finish you will have a better understanding about the drivers of our business and the key growth opportunities before us.

Before I do, I would like to emphasise, and stress that the results of these achievements is a testament to our people and culture. We are immensely proud and grateful to our committed team and their persistence to uphold our brand's integrity, values and culture during such difficult times.

At the core of our performance is to develop and penetrate our key markets. We do this by pursuing both organic and strategic growth across four key pillars.

The first two pillars of Johns Lyng are the Insurance Building & Restoration Services pillar and Strata Services pillar, with our Insurance division contributing 84% of our Revenue and an even greater proportion of our profit. These two divisions are the engine room of the Johns Lyng Group and management is acutely focussed on nurturing and investing in these businesses.

Insurance Building and Restoration Services has a significant runway for growth. Organically we do this by penetrating existing panel arrangements, opening new office locations and developing new client relationships where we can deliver our end-to-end service offering.

We are well represented on the major insurer panels but there remains a significant number of additional panel opportunities nationally. In this year alone we extended or established our relationship with CHU, Suncorp, Honey Insurance, Blue Zebra and Steadfast Claims Solutions. To service this growing client base, we grew our physical footprint in Launceston, Echuca, Coffs Harbour, Wollongong and Bairnsdale.

We also look closely at our market and have innovated to increase our penetration with Insurance Brokers. Our Emergency Broker Response product has been a gamechanger. This product allows insured customers to enjoy a rapid response service so that make-safe and other preliminary works can be conducted. Customers love it, brokers love it, and insurance companies love it because very often this timely work can mitigate more substantial damage and claims. By listening to the market and our clients we have created an exceptional value add solution with this product.

It's this innovation, coupled with our cost plus contracts that ensures our business remains immune to any inflationary pressures and protects our strong margins.

Similarly, Strata is a market where we like the fundamental structure and can see how our significant experience in IB&RS can be successfully welded to Strata Services. We saw that this is a fragmented market where our scale and skill set would yield excellent economies of scale contributing to very solid EBITDA margins.

That this business is capital light with low credit risk clients are additional virtues.

To put some perspective on the opportunity there are 2.9m strata managed lots in Australia and Johns Lyng are the second largest participant with over 90,000 lots managed nationally.

We have increased our ownership interest in Bright and Duggan and have appointed Alex Lang and Emily Doherty to the business to assist Chris Duggan on this important consolidation opportunity.

They will be working hard on creating scale synergies within Bright and Duggan and leveraging our other service offerings from across the group. Alex has been given the additional responsibility of leveraging our knowledge and skills in strata management on a global platform.

The Third Pillar at Johns Lyng is our Disaster Management and Recovery business. Our unique experience and track record in delivering insurance building & restoration services for CAT events makes us a natural partner for Governments responding to large scale natural disasters & risk reduction efforts.

To acknowledge the increasing importance of this work we have established a stand-alone Disaster Management and Recovery segment with dedicated senior management in the form of Nick Wiesner and Jeff Ryan. Nick and Jeff have the responsibility of ensuring that our Government and Institutional clients understand our track record of service delivery, capability & local community engagement. Their success is evidenced by the two milestone contracts with the Victorian Government for the Victorian Floods and Storms Recovery project and the New South Wales Government for the recent Flood Recovery project. A number of immediate and emerging opportunities have also arisen off the back of these projects, serving as testament to our capability in this space.

For our Victorian Flood response, the government has allocated \$150m to this program to complete curbside clean-up and waste management, rapid damage assessments of impacted homes, emergency accommodation villages, and demolition and rapid retrofit programs, with a contract commencement date of November 2022.

For our NSW Flood response, the government has allocated \$142m to this program to complete building and structural assessments, temporary accommodation villages, habitable repairs to homes, and a demolition program in support of government buybacks with a contract commencement date of April 2022.

We are also currently supporting the QLD Resilient Homes Program by conducting a number of Resilience assessments to homes affected by the most recent floods.

From my perspective as the CEO for our Australian businesses, we have years' worth of exciting opportunities in front of us. Continuing to invest in our people and progressing their careers will be our pathway to delivering for our clients and customers.

Before I hand over to Scott to talk about the US and our FY23 outlook we wanted to share a short video outlining the positive impact we are having in the community through these most recent flood events.

**ENDS**

This announcement was authorised by the Disclosure Committee 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 2,000 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.