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JOHNS LYNG GROUP LIMITED (ASX: JLG)

ASX & Media Release

JOHNS LYNG GROUP PROGRESSES STRATEGIC PLAN AND ACHIEVES RECORD IB&RS BAU PERFORMANCE WITH EBITDA GROWTH +20.2%

Johns Lyng Group (ASX: JLG) today announced its financial results for the year ended 30 June 2024 (FY24), with significant progress across strategic and operational priorities, and delivering record Business as Usual (BaU) earnings.

Group Revenue for FY24 was \$1,158.9m and BaU revenue (excluding Commercial Construction) increased by 9.7% to \$929.7m. BaU EBITDA increased by 18.2% to \$111.2m.

Following successful strategic and bolt-on acquisitions and organic growth initiatives during FY24, JLG is well-positioned for continued growth in FY25. The Group has commenced the first half of FY25 maintaining strong workflow and has accordingly forecast BaU revenue growth of 15.1%.

FY24 – Financial Performance Highlights

- **Sales Revenue:** \$1,158.9m (FY23: \$1,281.3m)
 - **IB&RS BaU Revenue:** \$845.3m / +9.0% (FY23: \$775.3m)
 - **CAT Revenue:** \$205.6m (FY23: \$371.3m¹)
- **Group EBITDA²:** \$129.6m / +8.5% (FY23: \$119.4m)
 - **IB&RS BaU EBITDA:** \$111.2m / +20.2% (FY23: \$92.5m)
 - **CAT EBITDA:** \$27.0m (FY23: \$44.3m)
- **Net profit after tax (NPAT):** \$63.3m (FY23: \$62.8m)
 - **NPAT-A (normalised):** \$70.8m (FY23: \$67.5m)
 - **BaU NPAT-A (normalised):** \$55.9m / +37.2% (FY23: \$40.7m)

Note: normalised numbers are reconciled to statutory reporting on page 5 of this release.

Group Chief Executive Officer, Scott Didier AM, said:

“We are very pleased to deliver our results for the 2024 financial year, which demonstrate the strength of our defensive growth strategy. We have focussed on opportunities that are aligned with our core capabilities, provide annuity style revenues and are predominantly unaffected by economic cycles.

¹ FY23 was bolstered by a record contribution from Catastrophe (CAT) related activity

² EBITDA is defined as earnings before interest, tax, depreciation and amortisation

“We have continued to grow amid a challenging macro-economic environment which is a testament to our people and underscores our defensive business model which gives us confidence that our growing portfolio of businesses will continue to deliver into the future.

“FY24 marked an inflection point for our growth in the United States. We grew the number of Business Partners to 25, launched our core business services lines, and were appointed to AllState’s Emergency Response and Mitigation Panel. This single panel gives us potential access to over 16 million people across America, highlighting the scope of the opportunity we see in this market.

“On behalf of the Johns Lyng Board, I would like to thank our people for their dedicated work that has enabled the strong results announced today. I would also like to thank our trusted clients and shareholders for their continued support. We look forward to building on the momentum we have.”

Australian Chief Executive, Nick Carnell said:

“Our Australian operations delivered a strong result in FY24. Our IB&RS BaU business is the cornerstone of the Group and a key driver of our financial performance. We are pleased to have achieved another record financial performance, underpinned by organic growth stemming from our reputation as a trusted partner to our insurance counterparties.

“CAT activity was strong for the year and we were pleased to significantly outperform forecast CAT revenue. While we note that CAT revenue was down on FY23, last year was a record, with several significant natural disasters impacting Australia. We continue to assist many of these communities to this day, rebuilding not just infrastructure but local economies and ecosystems through our best-in-class approach to disaster recovery.

“We made strong progress in growing our Stata Services division, with two bolt-on acquisitions during the year plus the strategic acquisition of SSKB Strata shortly post year-end. This brings our current portfolio of lots under management to more than 145,000. We now have the second largest market share in the country and remain focussed on this key strategic growth pillar, which presents significant opportunities to introduce our complementary services through IB&RS and Essential Home Services – our 5th growth pillar launched during FY24.”

Insurance Building & Restoration Services (ANZ)

During FY24, Johns Lyng continued to grow IB&RS via new client wins and contract extensions.

The division’s record BaU performance reflects the depth of the Group’s relationships with its blue-chip client base. In FY24, it extended several contracts with Hollard, Suncorp, CHU, and QBE and had a number of new-contract wins, including with New Zealand-based Tower Insurance, Safety Culture Care, RAA, Hutch, and large American insurer, AllState.

BaU performance was supplemented by CAT activity, which contributed \$205.6m in revenue during FY24, exceeding the Group’s CAT forecast by \$67.8m (+49.2%). Several new contract wins during the period contributed to this strong result, including contracts with Cairns and Douglas Councils and the Queensland Government. Ongoing workflow from CAT events in previous years also contributed to the CAT result for FY24.

This significant workflow resulted in the Group opening several new offices during the period.

Johns Lyng Disaster Management

Johns Lyng Disaster Management had another strong year, with significant workflow and new contract wins contributing to CAT performance.

The business's strong reputation as a market leading national disaster response company continues to be a significant asset in securing major contracts. In FY24 the Group won a new contract with the Queensland Government for emergency temporary accommodation and extended its FY23 contract with the Victorian Government following additional works required in response to prior flood events.

With natural disasters expected to occur more regularly and with more intensity, JLG is well positioned to continue supporting recovery efforts, rebuilding communities and developing their resilience.

Strata Services

In FY24, the Group continued to execute its growth strategy for the Strata Services division through a combination of organic growth and acquisitions. JLG now holds the second-largest market share in Australia, at just under 5%, underscoring the fragmented nature of the strata management market and the significant opportunities for consolidation.

The bolt-on acquisitions of Your Local Strata and AM Strata during the year plus the strategic acquisition of SSKB Strata shortly post year-end helped to expand the Group's current portfolio to more than 145,000 lots under management across more than 4,800 strata schemes.

Throughout FY24, we continued to deliver building and restoration works for strata insurers and managers. Our Essential Home Services growth pillar, established following the acquisitions of Smoke Alarms Australia and Linkfire, enabled the introduction of additional services to our offering and contributed to the division's growth.

Johns Lyng USA

The Group's operations in the United States are a key strategic growth pillar and in FY24 Johns Lyng USA made strong progress on several important fronts.

The Group continued the rollout of its proven equity partnership model with 25 Business Partners across the US at present.

During the period, the Group also introduced its core business service lines to the US market, including Makesafe, Express Builders and Steamatic Restoration. These new service lines, which will be further rolled out in FY25, will introduce new revenue streams and opportunities for organic growth.

In the second half of FY24, Johns Lyng USA was appointed to a panel for one of the largest US insurance companies, AllState. The Emergency Response and Mitigation Panel provides the Group with access to a potential 16 million policy holders and marks a significant milestone in the US strategic plan.

Workflow from Hurricane Ian continued into FY24, with Johns Lyng USA working closely with insurers and various levels of government to restore communities impacted by one of the most devastating and costly natural disasters in American history.

Capital Management

Johns Lyng continues to maintain a strong a balance sheet, with net assets increasing by \$66.1m to \$460.3m.

Group Chief Financial Officer, Matthew Lunn, said:

“The strength of our balance sheet allows us to capitalise on opportunities for future acquisitions in a timely manner in line with our growth strategy, building on our successful M&A program post-IPO.

We continue to see further opportunities for bolt-on and strategic M&A.”

FY25 Forecast

Johns Lyng is well placed for another strong year in FY25, with the first quarter maintaining the positive momentum of FY24. The Group has a solid BaU job registration pipeline which has contributed to the forecast BaU revenue growth of 15.1%³.

With several CAT contracts continuing into FY25, the Group expects strong revenues from CAT related activity.

JLG will continue to assess further acquisitions and growth opportunities across all 5 strategic growth pillars.

- **FY25 (F) Sales Revenue:** \$1.128bn
 - Includes BaU Revenue³: \$1.070bn (15.1% increase vs. FY24)
- **FY25 (F) EBITDA:** \$123.5m
 - Includes BaU EBITDA³: \$119.2m (7.2% increase vs. FY24)

Dividend

On 27 August 2024, the Board declared a final dividend of 4.7 cents per share (fully franked). This final dividend is in addition to the previously announced half year (interim) dividend of 4.7 cents per share (fully franked), totalling 9.4 cents per share (fully franked) and representing approximately 54% of NPAT attributable to the owners of Johns Lyng Group for FY24.

The final dividend will be paid on 16 September 2024 with a record date of entitlement of 2 September 2024.

³ Excluding Commercial Construction

Reconciliation to Statutory Results	FY23	FY24
Revenue		
BaU	910.1	953.2
CAT	371.3	205.6
Sales Revenue - Statutory	1,281.3	1,158.9
Less: Commercial Construction	(62.5)	(23.6)
Sales Revenue - Statutory (excl. CC)	1,218.8	1,135.3
EBITDA		
BaU	71.6	97.5
CAT	44.3	27.0
EBITDA - Statutory	115.9	124.6
Transaction Related Expenses	3.5	5.0
EBITDA - Normalised	119.4	129.6
Less: Commercial Construction (Loss)	19.0	8.7
EBITDA - Normalised (excl. CC)	138.4	138.3
NPAT		
BaU	36.0	48.4
CAT	26.8	14.9
NPAT - Statutory	62.8	63.3
Transaction Related Expenses ⁴	2.6	4.6
NPAT - Normalised	65.4	67.9
Amortisation ⁴	2.1	2.9
NPAT-A - Normalised	67.5	70.8
CAT	(26.8)	(14.9)
BaU NPAT-A - Normalised	40.7	55.9

ENDS

This announcement was authorised by the Board of Johns Lyng Group Limited.

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⁴ Tax effected

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 2,300 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.