

27 February 2025

Verbrec Half Year FY2025 Interim Results Announcement

- **Verbrec produces third consecutive profitable period since the appointment of new management team in 2023. Gross margins at another multi-year high.**
- **Prudent use of cash reduces debt. Cash remains stable.**
- **Increased work in hand suggests stronger revenues and profits in second half.**

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) a leading engineering, project, training and mining technology service provider that supports customers across Australia and the Pacific, today announces its half year financial results to 31 December 2024.

Revenues and gross margins for the Company in the first half FY2025 are consistent with the second half of FY2024.

Verbrec continues to produce higher gross margins period on period, with H1 FY2025 a multi-year record high for the business at 37.0% (34.9% H1 FY2024).

Profitability of the group continues to strengthen with the impact of discontinued operations no longer impacting the Company's financial performance. The Company produced an EBITDA of \$3.1 million (\$5.0 million H1 FY2024) representing a 7.2% EBITDA margin (10.0% H1 FY2024). No impairments affected comprehensive profit due to discontinued operations in the first half FY2025.

Cash balances remain stable at \$4.5 million (\$4.6 million H2 FY2024) whilst Verbrec's loan debt is prudently reduced to \$6.1 million (\$7.8 million H1 FY2024).

Client feedback from the first half suggests that inflationary pressures, uncertainty prior to election results (both international and domestic) and shortage of qualified engineering resources caused deferrals of several notable prospective project opportunities that were expected to commence in H1 FY2025.

Management expects stronger revenues and profits in the second half, supported by an increased work in hand at \$40.0 million (\$36.6 million at 31 October 2024).

Half Year FY2025 Interim Results Summary

	H1 FY2025	H1 FY2024
Revenue	\$42.8 m	\$50.0 m
Gross Profit	\$15.8 m	\$17.4 m
Gross Margin	37.0 %	34.9 %
EBITDA	\$3.1 m	\$5.0 m
EBITDA Margin	7.2 %	10.0 %
Profit / (Loss) after tax for Continuing Operations	\$0.8 m	\$2.9 m
Profit / (Loss) after tax attributable to Discontinued Operations	-	(\$2.8 m)
Total comprehensive Profit attributable to owners of the Company	\$0.8 m	\$0.2 m

Note: Revenue, Gross Profit, Gross Margin, EBITDA and EBITDA Margin in the above table are presented in the context of Continuing Operations only.

Verbrec Limited

ASX : VBC

ACN: 127 897 689

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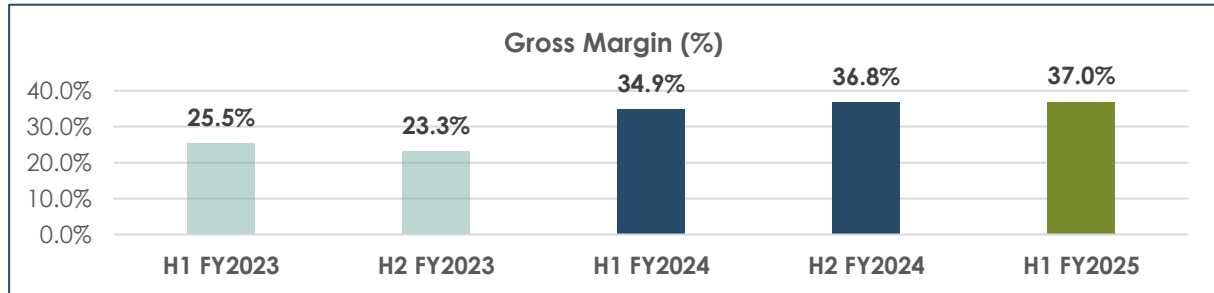
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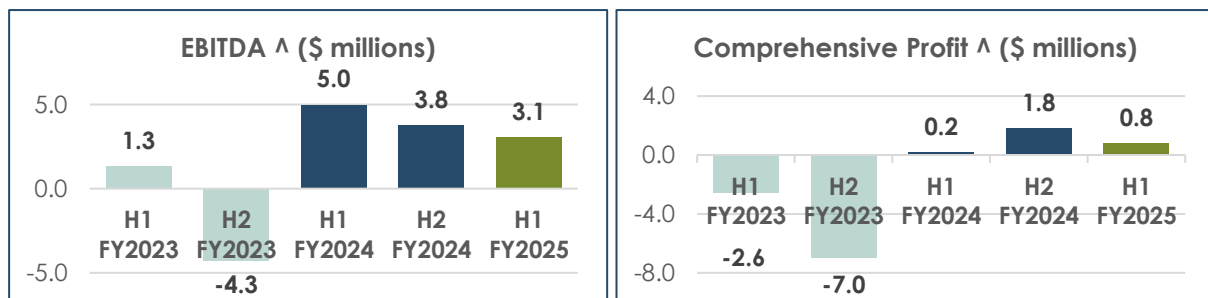
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Results Commentary

Verbrec continues to produce higher gross margins, establishing another multi-year high gross margin in the half year ended 31 December 2023.

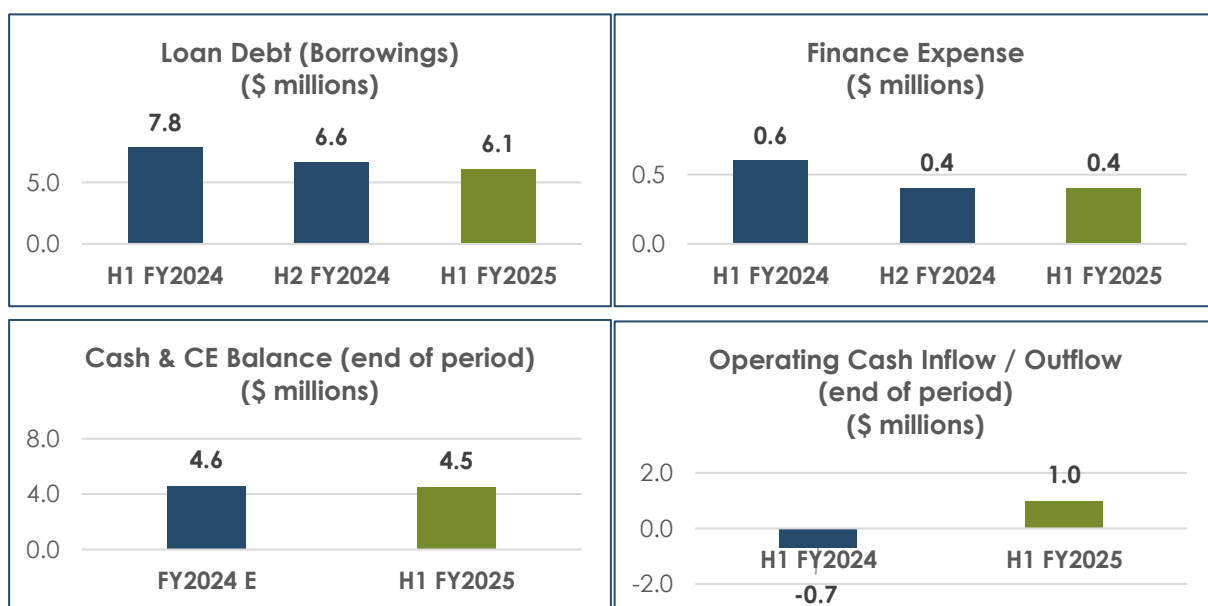


Verbrec posts third consecutive profitable period since the appointment of new CEO and management team in mid-2023.



^ EBITDA and Comprehensive Profit are impacted by \$0.7 million share-based performance rights, higher than prior periods (\$0.2m H2 FY2024; \$0.1m H1 FY2024). See Verbrec's H1 FY2025 Half Year Results Presentation for more information.

Verbrec is prudently reducing its loan debt whilst maintaining a stable cash position and generating net operating cash inflow throughout the period.



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Foundations Established for Verbrec Profitability and Growth

Verbrec expects to deliver stronger revenue, gross margin and EBITDA results in the second half FY2025.

Client feedback from the first half suggests that inflationary pressures, uncertainty prior to election results (both international and domestic) and shortage of qualified engineering resources caused deferrals of several notable prospective project opportunities that were expected to commence in H1 FY2025.

Lack of industrial activity in New Zealand and tightening of mining capital expenditures also impacted revenue results for the half.

Accordingly, management have reconsidered the group's forward work pipeline and internal forecast taking into consideration these trends.

A stronger second half is supported by an increased work-in-hand at \$40.0 million, up from \$36.6 million as reported at 31 October 2024.

It is management's expectation that the trend of client capital expenditure deferrals is temporary and may persist until the results of the Australian federal election are released in mid-2025.

Verbrec's unweighted opportunity pipeline has increased by \$31.8 million to \$131.0 million (up from \$99.2 million as reported at 31 October 2024). It is expected that deferred project opportunities will proceed to award decision in H1 FY2026.

Forward Pipeline

The *Remainder FY2025 Forward Pipeline* reporting as at **1 January 2025**. All forward pipeline data is indicative only and does not consider revenues recognised to 31 December 2024.

Overall	Remainder FY2025
Weighted Forward Pipeline	Weighted Forward Pipeline
\$139.7 million	\$46.9 million
made up of:	made up of:
Opportunity Pipeline	Opportunity Pipeline
\$131.0 million	\$20.7 million
FY2024 Tender Win Rate (TWR): 36.0%	FY2024 Tender Win Rate (TWR): 36.0%
Repeatable Revenue	Repeatable Revenue
\$52.6 million	\$11.7 million
Work in Hand	Work in Hand
\$40.0 million	\$27.7 million

Weighted Forward Pipeline = (Opportunity Pipeline * TWR) + Repeatable Revenue + Work in Hand

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Significant Projects and Awards

\$4.2 million Port Adelaide Electrical Upgrade

Prior to the end of the half, the Company published an announcement titled [Verbrec secures \\$4.2m Port Adelaide Electrical Project](#), a significant award for the South Australian business to upgrade the electrical and control system infrastructure at the M Berth Facility located at Inner Harbour Port Adelaide.

Over \$25m revenue expected from recent Gas Market Transition & Decarbonisation project awards

In the first half, Verbrec capitalised on the growth in the Gas Market Transition (Decarbonisation) projects, as briefly detailed in the announcement titled [Verbrec Delivering on Strategy – Over \\$25m Contracts Secured](#) including:

Operations and Maintenance Projects

Verbrec operates 1,778 KM of gas pipelines across Australia.

Verbrec's Operations and Maintenance business were awarded a five-year extension to operate and maintain the Roma Gas Pipeline in Queensland and several pipelines located in the Bass and Otway basins in Victoria.

In late 2024, Verbrec were awarded a multi-year operations and maintenance contract for the Cape Preston Gas Pipeline in Western Australia. This award established a permanent presence in WA for the Operations and Maintenance business and opens up opportunities to expand into the region.

LNG Concept Project in Papua New Guinea

In November 2024, Verbrec were awarded the contract to undertake a select phase study to investigate the viability of commercialising several major gas fields in Papua New Guinea.

The study involves the identification and selection of technologies and routes, including a blend of onshore and offshore / floating infrastructure for the processing of liquid natural gas.

If Verbrec successfully delivers the select phase, subject to commercial viability of the project, there are opportunities for Verbrec to participate in future engineering and construction phases.

Verbrec awarded engineering contract for Australia's largest current onshore gas pipeline development

Verbrec's engineering team has been awarded the Front-End Engineering and Design (FEED) contract for a significant energy infrastructure project.

This award underscores Verbrec's excellence in engineering and strategic planning, building on the success of the previous pre-FEED phase.

The pipeline is poised to be a crucial asset in enhancing energy security for New South Wales. By improving the reliability of gas supply, this pipeline will contribute to stabilising and reducing gas and electricity prices for households, manufacturers, and businesses across the region.

Expanding Training Presence in WA

Verbrec provides industrial training solutions through its registered training organisation, Competency Training.

In February 2025, Competency Training opened a new training location in Belmont, WA, complementing its other Perth metropolitan location in Jandakot, WA.

The expansion is a result of high demand from students for high voltage, electrical and renewable training courses, fuelled by the evolving energy landscape and need for additional qualified electrical trades in the state.

Competency training has, since the start of FY2024 expanded from 6 locations to 12 locations across Australia and New Zealand.

New Appointments to the Management Team

Principal Consultant (Growth & Energy Transition)

Verbrec recognises the need to position its business to capitalise on the growing opportunities emerging from the evolving energy landscape, and the investments in this area from our relationship clients and governments throughout Australia and the Pacific.

Erik Vandenberg has joined Verbrec as Principal Consultant (Growth & Energy Transition).

Erik's role is focused on growing revenues by developing strong relationships with clients, developers and technology owners to position Verbrec as an engineering-first partner of choice to deliver innovative energy solutions to the Australian and Pacific markets.

General Manager – People & Capability

A key pillar of Verbrec's strategy is the building of great teams through the attraction and retention of the best people, ensuring that the group has the capability to deliver full asset lifecycle services to our relationship clients.

Debra Mair has joined Verbrec as the General Manager – People & Capability.

Debra is an innovative and results driven business leader with a proven ability to deliver people management solutions that contribute to meaningful improvements in organisational performance.

Outlook

In the first half, Verbrec capitalised on its technical capabilities to deliver major projects that will provide stable and secure energy sources for Australia and the Pacific. It is expected that this trend will continue in 2025 and beyond as clients and governments seek to secure reliable energy and peaking fuels to supplement renewable energy developments. Verbrec is a valuable contributor to Energy Security and Gas Market Transition (including Decarbonisation) servicing a wide range blue-chip relationship clients.

Another major focus for the second half will be diligent overhead control and reduction, striving to increase revenues from economically attractive project opportunities and developing key alliances and partnerships with companies and technology owners, thus increasing the breadth and depth of Verbrec's services offering.

From a solid foundation, the Verbrec management team expects that revenues and profits will be stronger in the second half, as deferred projects start to come online, strategic partnerships crystallise and the Company capitalises on its high-quality opportunity pipeline.

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Authorised for release by the Board of Directors of Verbrec Limited.

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About Verbrec Limited

Verbrec Limited (ASX : VBC) (Verbrec or the Company) a leading engineering, asset management, project delivery, operations & maintenance, training and mining technology service provider that supports customers across Australia, New Zealand, Papua New Guinea and beyond. The Company serves the energy, infrastructure, and mining industries through their technical specialties; asset management, automation and control, pipelines, power, process

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