

02 September 2025

Digital Shift Paying Dividends

NEED TO KNOW

- **FY25 result confirms full year turnaround to profitability**
- **Dividend reinstated and share buyback extended**
- **Spatial Vision acquisition accelerates Digital & Spatial growth with revenue contribution now >25%, aiding margins**

FY25 result confirms return to profit of \$2.0m (upper end of the previous trading update range of \$1.8m-\$2.0m unaudited) and more than a \$6m turnaround following the business restructure in FY24 (FY24 reported -\$4.4m NPAT). FY25 revenue came in at \$97.2m (vs expected range of \$95-97m), implying slight growth on 1H25 result of \$46.8m. In addition, average value of new work won in FY25 was 50% higher than on the year prior.

Dividend confirmed at \$0.2 cents per share equating to a payout ratio of ~55% with capital management initiatives totaling ~\$3.2m over the past few years. The share buyback program remains active and has been extended by 12 months. The balance sheet remains strong with \$16.6m cash, providing management scope to take advantage of accretive M&A opportunities.

Digital spatial data lifts to 25% share of revenue: We expect growth in the digital segment to continue to drive revenue momentum and support further margin expansion. Veris' strategic focus remains on (1) servicing premium end clients on a repeat basis (2) scaling its proprietary digital platforms and (3) leveraging a national delivery model.

Investment Thesis

Well diversified with unique digital capabilities: Veris is well positioned to grow revenue but more importantly margins, with a strong diversified pipeline across a range of sectors (incl infrastructure, property, defence & resources) and key major clients. Newly commercialised end-to-end digital offerings (data hosting, 3D and Digital Twin platforms) and spatial data expertise (aided by the Spatial Vision acquisition) adds to its competitive advantage.

Balance sheet adds to position of strength: High cash balance has led to significant operational benefits relating to various supply arrangements while also supporting an ongoing buyback program and giving Veris the ability to capitalise on value accretive opportunities that may arise, to further differentiate its spatial data capabilities.

Management execution: Since the turnaround in FY21 under new management, the company has seen an improvement of more than \$17m to profitability. The streamlining of the core business is enabling Veris to focus on its longer-term strategy which is increasingly leveraging its national scale and strong position in digital consulting services and spatial data analytics.

Valuation & Risks

Our DCF valuation is now \$0.25 per share (up from \$0.23 previously) after rolling our forecast period a year forward to FY32, and slightly adjusting our revenue and margin forecasts higher given recent strong execution. We assume 6% revenue growth and EBITDA margin increasing to 11% in FY26, leading to NPAT of \$4.0m (double that in FY25). At ~4.2x EV/EBITDA FY25, VRS offers significant value compared to peers. A key risk includes on time contract delivery. A full list of risks is detailed on page 10.

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Veris is Australia's leading end-to-end provider of digital spatial data services to a range of industries nationally, with a particular focus on data capture, data hosting and data analytics. Spatial data services are used to describe the shape and location of features and boundaries including natural features, buildings, survey marks, and administrative boundary areas. The company also provides services in engineering and property surveying, as well as town planning and urban design.
www.veris.com.au

Valuation	A\$0.250 (from A\$0.230)
Current price	A\$0.080
Market cap	A\$41m
Cash on hand	A\$16.6m (30 June 2025)

Upcoming Catalysts / Next News

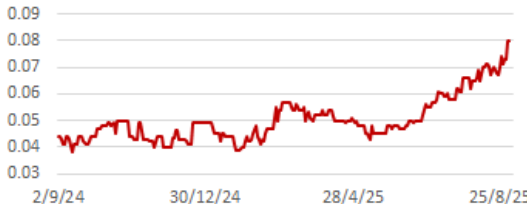
Period	
Ongoing	Additional contract updates
6 months	1H26 result

Share Price (A\$)



Source: FactSet, MST Access

Figure 1: Financial Summary

MARKET DATA - Year end 30 June							12 month share price performance						
Price	\$	0.080											
DCF Valuation	\$	0.25											
Total return	%	221%											
52 week high / low	\$	0.038-0.076											
Market capitalisation	\$m	41											
Shares on issue (diluted)	m	556.6											
INVESTMENT FUNDAMENTALS							PROFIT AND LOSS						
Reported NPAT	\$m	-4.7	2.0	4.0	5.1	6.3	Revenue	\$m	92.6	97.2	103.1	107.2	111.5
Underlying NPAT result	\$m	-4.7	2.0	4.0	5.1	6.3	Operating Expenses	\$m	-88.5	-88.5	-92.2	-95.4	-98.6
Reported EPS- diluted	¢	-0.9	0.4	0.8	0.9	1.1	EBITDA*	\$m	4.1	8.7	10.8	11.8	12.9
Underlying EPS (diluted)	¢	-0.9	0.4	0.8	0.9	1.1	Depreciation & amortisation	\$m	-7.9	-6.2	-6.3	-6.2	-6.2
....Growth	%	nm	nm	109%	25%	21%	EBIT	\$m	-3.9	2.5	4.6	5.6	6.6
Underlying PE	x	nm	22.3	10.7	8.6	7.1	Net interest	\$m	-0.6	-0.5	-0.6	-0.5	-0.3
Operating cash flow per share	¢	1.5	1.7	2.1	2.2	2.4	Non-operating income	\$m	0.0	0.0	0.0	0.0	0.0
Free cash flow per share	¢	0.1	0.6	0.6	0.8	1.0	Pre-tax profit	\$m	-4.4	2.0	4.0	5.1	6.3
Price to free cash flow per share	x	53.0	13.6	12.5	9.7	7.9	Tax expense	\$m	-0.3	0.0	0.0	0.0	0.0
FCF yield	%	1.9%	7.3%	8.0%	10.3%	12.7%	Reported NPAT	\$m	-4.7	2.0	4.0	5.1	6.3
Dividend	¢	0.0	0.2	0.4	0.5	0.6	Adjustments to underlying	\$m	0.0	0.0	0.0	0.0	0.0
Payout	%	0%	56%	56%	56%	56%	Underlying NPAT	\$m	-4.7	2.0	4.0	5.1	6.3
Yield	%	0.0%	2.5%	5.3%	6.5%	7.9%	Weighted average basic shares	m	512.7	513.1	517.7	530.6	550.1
Franking	%	100%	100%	100%	100%	100%	Weighted average diluted shares	m	524.4	543.5	530.6	550.1	556.6
Enterprise value (excl lease liabilities)	\$m	16.8	28.6	25.6	24.6	22.1	GROWTH PROFILE						
EV/Sales	x	0.2	0.3	0.2	0.2	0.2	Revenue growth	%	-9.2	5.0	6.0	4.0	4.0
EV/EBITDA	x	4.2	3.3	2.4	2.1	1.7	EBITDA growth	%	nm	114.5	24.6	9.0	8.8
EV/EBIT	x	-4.4	11.6	5.6	4.4	3.3	EBIT growth	%	nm	nm	86.1	22.5	18.7
Price to book (NAV)	x	0.4	0.6	0.6	0.5	0.5	Underlying NPAT growth	%	nm	nm	103.9	29.1	22.8
Price to NTA	x	0.5	0.6	0.6	0.5	0.5	Underlying EPS growth	%	nm	nm	108.8	24.5	21.3
							DPS growth	%	nm	nm	110.0	23.8	21.2
KEY RATIOS							BALANCE SHEET						
EBITDA margin	%	4.4	8.9	10.5	11.0	11.5	Cash	\$m	16.1	16.6	19.6	22.6	26.2
EBIT margin	%	-4.2	2.5	4.4	5.2	6.0	Receivables	\$m	14.6	16.2	17.2	17.8	18.6
NPAT margin (underlying)	%	-5.1	2.0	3.9	4.8	5.7	Other	\$m	6.0	6.7	6.7	6.8	6.8
Underlying ROE	%	nm	7.5	13.8	17.0	18.9	Current assets	\$m	36.8	39.5	43.5	47.2	51.6
Underlying ROA	%	nm	2.8	5.9	6.2	7.6	Property, plant & equip incl ROUA	\$m	21.7	22.8	18.1	30.0	25.4
Net tangible assets per share	¢	4.5	4.7	5.2	5.4	5.8	Goodwill and intangibles	\$m	0.2	2.0	1.9	1.8	1.6
Book value per share	¢	12.2	13.4	13.1	15.7	15.1	Other	\$m	3.8	4.4	4.4	4.4	4.4
Net debt/(net cash)	\$m	-11.2	-12.9	-15.8	-18.9	-22.4	Non current assets	\$m	25.7	29.2	24.4	36.2	31.5
Interest cover (EBIT / net interest)	x	6.7	nm	7.7	12.1	19.6	Total assets	\$m	62.4	68.7	67.9	83.5	83.1
Gearing (net debt / EBITDA)	x	nm	nm	nm	nm	nm	Payables	\$m	9.5	10.4	11.0	11.5	11.9
Leverage (net debt / (net debt + equity))	x	nm	nm	nm	nm	nm	Borrowings	\$m	5.0	3.7	3.7	3.7	3.7
							Other incl lease liabilities	\$m	24.9	28.4	24.3	38.0	33.9
							Total liabilities	\$m	39.4	42.6	39.0	53.2	49.6
							Net assets	\$m	23.0	26.1	28.8	30.2	33.5
							Shareholder's equity	\$m	23.0	26.1	28.8	30.2	33.5
DUPONT ANALYSIS (on Underlying)							CASH FLOW						
Net Profit Margin	%	-5.1	2.0	3.9	4.8	5.7	EBIT (Cashflow)	\$m	-3.9	2.5	4.6	5.6	6.6
Asset Turnover	x	1.5	1.4	1.5	1.3	1.3	Depreciation & Amortization	\$m	7.9	6.2	6.3	6.2	6.2
Return on Assets	%	-7.5	2.8	5.9	6.2	7.6	Change in Net Operating Assets	\$m	1.8	-0.7	-0.3	-0.2	-0.3
Financial Leverage	x	2.7	2.6	2.4	2.8	2.5	Other items (incl interest)	\$m	1.8	1.3	0.5	0.6	0.8
Return on Equity	%	-20.4	7.5	13.8	17.0	18.9	Net operating cash flow	\$m	7.7	9.2	11.0	12.2	13.4
							Capital expenditure (PPE)	\$m	-1.9	-1.0	-1.5	-1.5	-1.5
							Lease liability repayment	\$m	-5.8	-5.7	-5.5	-5.5	-5.5
							Acquisitions/divestment/other	\$m	0.0	-0.6	0.0	0.0	0.0
							Investing cash flow	\$m	-7.7	-7.3	-7.0	-7.0	-7.0
							Equity	\$m	0.0	0.0	0.0	0.0	0.0
							Net Increase / (decrease) in loans	\$m	-0.1	-1.2	0.0	0.0	0.0
							Dividend/other incl buybacks	\$m	-1.1	-0.2	-1.0	-2.2	-2.8
							Financing cash flow	\$m	-1.2	-1.4	-1.0	-2.2	-2.8
							Opening cash	\$m	17.3	16.1	16.6	19.6	22.6
							Net cash flow	\$m	-1.2	0.5	2.9	3.1	3.6
							Year end cash	\$m	16.1	16.6	19.6	22.6	26.2
							FCF (OCF + capex + lease payment)	\$m	0.0	2.5	4.0	5.2	6.4
*Note: our EBITDA figure for FY24 & FY25 includes one-off factors incl asset impairments, restructuring costs and share based payments. Adjusted EBITDA for FY24 & FY25 was \$6.7m and \$10.0m respectively.													

Source: Company data; MST Access

FY25 result confirms turnaround; digital driving quality growth

Figure 2: Recent results and MSTe forecasts

Veris \$M	FY22	FY23	FY24	1H25	FY25	vs MSTe	FY26e	FY27e
Revenue	92.4	100.9	92.6	46.8	97.2	96.0	103.1	107.2
Gross Profit Margin %	30.4	31.4	32.6	36.6	36.5	NA	NA	NA
EBIT	-0.6	1.8	-3.9	1.2	2.5	2.6	4.6	5.6
EBIT Margin %	-0.6%	1.8%	-4.2%	2.6%	2.6%	2.8%	4.4%	5.2%
PBT	-1.8	1.1	-4.4	1.0	2.0	1.9	4.0	5.1
PBT Margin %	-1.9%	1.1%	-4.8%	2.1%	2.1%	2.0%	3.9%	4.8%

Source: Company data; MST Access

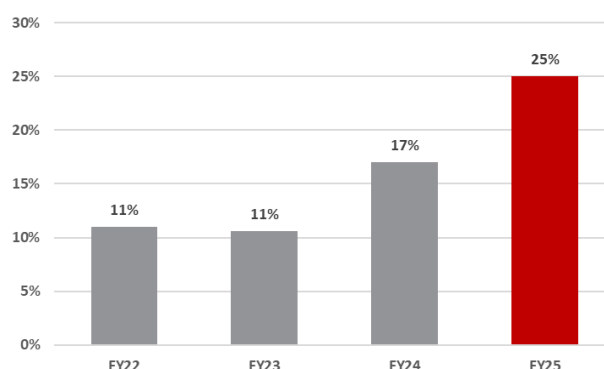
Veris has confirmed a strong turnaround in FY25 following its earlier trading update in July, returning to profitability (>\$6m improvement) with revenue of \$97.2m, equating to +5% growth on FY24. This was ahead of recent guidance of \$95-97m. The top line result led to EBITDA of \$10.0m (10.3% margin vs 7.2% in FY24) and profit before tax of \$2.0m (vs a \$4.4m loss in FY24), in line with the upper end of guidance of \$1.8-\$2.0m.

Additionally, Veris declared a fully franked final dividend of 0.2 cps, taking total capital management initiatives to \$3.2m over the past three years including share buybacks. The company's balance sheet remains very strong with \$16.6m in cash even after outlays for the Spatial Vision acquisition (\$1.5m), reduction in corporate borrowings (\$1.8m) and continuation of the share buyback (\$0.2m), which was recently extended a further 12 months.

The results were underpinned by (1) disciplined project selection with higher value long term clients resulting in 27% fewer projects in FY25 vs FY24, (2) margin expansion (gross margins were 36.5% in FY25 vs 32.6% in FY24 driven by a strategic shift toward larger, higher-value digital and advisory services) and (3) the successful integration of Spatial Vision. Digital and spatial advisory offerings now comprise more than 25% of group revenue and we note that Veris achieved approximately 50% growth in the value of new project wins in FY25 compared to the prior year, further aiding margin growth.

Looking ahead, management highlight that the outlook for FY26 is positive and supported by a strong and well diversified pipeline. Veris' secured forward workload is now in excess of \$65m and the weighted forward pipeline exceeds \$190m, as it continues to focus on scalable, margin-accretive growth in digital and advisory capabilities across its core sectors of transport, government, energy, utilities, defence, and property.

Figure 3: Increasing Digital & Spatial revenue % share



Source: Company data

Recent acquisition: Spatial Vision bolsters digital service offering

As previously highlighted, Veris recently acquired Spatial Vision Innovations Pty Ltd, a Melbourne-based provider of spatial and GIS solutions, for an enterprise value of up to \$3.0m. The acquisition aligns with Veris' strategic shift toward enhancing its spatial data, digital consulting, and GIS capabilities to service higher value engagements.

Spatial Vision, founded in 1999, is a well-established company with ~40 professionals and generated over \$9m of annual revenue pre-acquisition. The business serves both government and private clients across sectors such as climate change, agriculture, marine, and natural resource management. The acquisition bolsters Veris' presence across key government sectors in Victoria, New South Wales, Queensland, and Western Australia, and is anticipated to be earnings accretive from FY26 onwards. Veris expects to benefit from operational and financial synergies, expanded advisory roles, and a stronger national client offering. The deal was funded through a combination of cash and Veris shares, with initial consideration of \$2m and up to \$1m in milestone payments linked to future performance.

The recent FY25 result confirms that Spatial Vision has shown strong early momentum post acquisition. The team's expertise in spatial data, GIS and strategic consulting is having a significant impact on enhancing Veris' offering and accelerating the transition to becoming a fully integrated digital advisory business.

Regarding Veris' future M&A strategy, management has previously stated that: "Veris continues to diligently assess a number of accretive corporate opportunities focusing on adding technical capabilities (that will aid the digital and spatial data led consulting and advisory strategy), strategic scale or geographic presence." We see the recent acquisition of Spatial Vision as fulfilling all of these three objectives. Continued balance sheet strength positions Veris well to capitalise on further strategic and accretive M&A opportunities.

Digital spatial data contract wins show strong execution

During FY25, Veris announced a series of new project wins, reinforcing its strategic focus on delivering high-value digital and spatial advisory services for major clients, particularly involving projects involving larger, more complex and multi-disciplinary works. The contracts reflect Veris's growing role in supporting key industry sectors through the application of advanced data capture technologies and proprietary digital platforms. As noted above, the acquisition of Spatial Vision aligns with Veris' broader shift toward digital transformation services involving spatial data across the energy, transport, utilities, government and environmental sectors. Recent contract wins in a growing number of complex, larger scale, multidisciplinary projects are helping drive revenue growth and improved margins for the business overall.

\$5.2m Western Sydney Airport SSTOM project contract extension

The \$5.2m contract cements Veris' involvement in one of the most significant infrastructure projects nationally and positions the company well for further operations and maintenance works over the long term (up to 15 years). It involves engineering surveys, asset monitoring and cadastral services for the Western Sydney Airport SSTOM (stations, systems, trains, operations and maintenance) project. Veris has already delivered \$2.8m in engineering surveying works for three new metro stations since being first engaged in Nov 2023. Delivery of the additional project is expected to be completed in CY25 with subsequent works expected up until April 2027. It further confirms Veris' ability to leverage its strong relationships with major key clients across its multi-disciplinary offering, including for large infrastructure projects.

Other recent major contract wins in digital and spatial data

Additionally, Veris has recently announced a further \$7.6m+ in projects aligned with its Digital strategy, showcasing the group's leading capabilities across spatial data capture, digital modelling solutions, real time analytics, and tech driven consulting across a variety of sectors, all with a focus on maintenance, management and enhancement of various physical assets owned by clients. Project wins cover a number of different States nationally and are also likely to involve ongoing works and involvement beyond initial mandates, strengthening the forward pipeline. They include several contracts secured by Spatial Vision, highlighting the value accretion from the deal and recent integration. This follows additional digital oriented projects announced during FY24 which we covered in our previous update [here](#).

- **Murray Irrigation Asset Condition Assessment:** Veris secured a six-month contract, in partnership with Beca, to assess over 4,000 km of gravity-fed earthen channels owned by Murray Irrigation Limited in southern NSW. These assets are critical to Australia's agricultural sector, supporting more than 2,200 farms. Veris will use high-resolution aerial imagery and ground-based bathymetric surveys to conduct precise condition assessments, eliminating the need for disruptive dewatering and supports sustainable water management by providing data-driven insights for infrastructure maintenance and decision-making.

- **Ashburton Shire Network Condition Assessment:** Veris has been contracted to support the Shire of Ashburton in assessing 766km of unsealed roads using cutting-edge digital survey techniques. This includes the integration of 3D Ground Penetrating Radar and Mobile Laser Scanning, with outputs visualised in Veris' RoadSiDE platform. The platform enables data-driven decisions regarding gravel depth, road alignment, and maintenance priorities. The two-week fieldwork and subsequent one-year hosting arrangement was valued at over \$200k and aims to transform how remote regional roads are managed.
- **Road Safety Workflow Automation Platform:** The Spatial Vision team within Veris secured a \$300k, four-month contract to implement an automated digital workflow solution for a government road safety enforcement initiative. The software automates manual processes, reduces delays and errors, and delivers real-time visibility into compliance and processing operations. This initiative not only streamlines enforcement but also improves data integrity and vendor collaboration, showcasing Veris' capability in applying digital solutions for government clients.
- **Operational Improvement Advisory:** Veris was engaged for a six-month, \$100k consulting assignment to evaluate and recommend an Operational Improvement system that supports emergency response and knowledge sharing. The project involves stakeholder engagement, needs analysis, workflow mapping, and recommendations for digital tools that enable data storage, analytics, and stakeholder access. It aims to enhance incident management outcomes across fire and emergency services through smarter systems and processes.
- **Modernisation & Integration Project:** Veris executed a three-month, \$130k contract to overhaul a mobile application used by a government water agency to share real-time water data with the public. The project included modernising the app's technology stack and integrating new APIs to ensure reliability, accessibility, and performance. The work supports broader water resource management objectives and reinforces Veris' growing role in delivering digital transformation within the environmental and utility sectors.

An industry leader in digital spatial data

Recent major contract wins affirm Veris' market-leading spatial expertise in providing end-to-end solutions to major clients nationally. This follows investment into leading technologies to perform rapid data capture remotely and host data on cloud-based 3D and GIS platforms to enable visualisation and interrogation of the data and analysis. The recent addition of BridgeSiDe to the portfolio provides significant opportunity, alongside the existing RoadSiDe platform, to help provide crucial monitoring in digital format and enable follow up maintenance for the management of physical infrastructure, including major bridge and road assets nationally.

Importantly, beyond just providing tools and equipment, Veris' spatial data experts have a deep understanding of spatial data to be able to recommend best practice solutions with the end result in mind, while leveraging developed AI and analytics. All of these solutions improve the speed and quality of client decision making. Recent notables include:

- **Strong uptake of the digital product suite:** including the RoadSiDe, Digital Urbanism and Vantage platforms and the recent commercialisation of BridgeSiDe and Photo Navigator continue to broaden Veris digital data and analytics platform offering for major clients, including government agencies. These services lead to repeatable recurring revenue streams and only aid further margin growth for the business.
- **Digital Solutions consulting:** Veris provides high-value consultancy services in spatial data, analytics, GIS, and Digital Engineering to clients in Utilities, Transport, and Government, serving as a trusted digital transformation advisor. The acquisition of Spatial Vision has helped integrate additional environmental and digital advisory skillsets enabling Veris to be a strategic partner for major clients across the full project lifecycle.
- **Key contract wins in Digital Twins/Monitoring/IoT:** Veris secured significant contracts by combining expertise in spatial data collection, 3D modelling, and automated monitoring in a growing market segment.
- **Market penetration of custom spatial platforms:** Veris' bespoke digital platforms are being used across various industries and projects, with added functionality and automation to meet client needs as required.

Orderbook as strong as ever with diversified mix

Figure 4: Suite of proprietary cloud-based, AI enabled digital platforms that enable visualisation and analysis of spatial data

Vantage a Veris platform	RoadSiDe a Veris platform	DigitalUrbanism a Veris platform	DigitalTwin a Veris platform	BridgeSiDe a Veris platform	PhotoNavigator a Veris platform
Greenfields Live Updates and Document Repository	Virtual Asset Condition Assessment for Roads	Rapid 3D Optioneering for Master Planning Visualisation	A Connected Digital Replica of a Physical Asset	Virtual Asset Inspections for Bridges and Infrastructure	Interactive, Automated AI Driven Dilapidation Reports

Source: Company data

Veris enters FY26 with a positive outlook helped by a diverse pipeline across Transport, Property, Energy & Resources, Defence, Utilities and Government, which mitigates exposure to any one sector. These industries involve long term investment cycles (multi-year) in areas including transport corridors, urban renewal, energy transition and asset management. All of these areas show strong demand for survey, spatial data, digital platforms, consulting and advisory services. Management estimates the current market opportunity for Veris exceeds A\$1bn (vs Veris current ~\$100m revenue base) and continues to increase at high single digit/low double digit compound growth rates, providing opportunity for further market share gains in digital, spatial and consulting/advisory services.

The secured forward workload now exceeds A\$65m (up from A\$55m YoY), which has been aided by the recent acquisition of Spatial Vision. The mix of this forward workload has continued to evolve as management prioritises projects that are higher value and margin supportive (including those that leverage VRS' digital capabilities) and/or support the key client strategy. The unsecured forward pipeline over next two years also has a weighted value of A\$190m over the next 24 months.

Figure 5: All sectors remain growth supportive



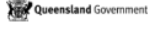
Source: Company data

Figure 6: VRS continues to leverage its national scale



Source: Company data

Figure 7: Notable major VRS clients across sectors alongside estimates of target market size and growth rates

	 Transport	 Property & Buildings	 Government	 Utilities	 Defence	 Energy & Resources
SAM*	\$220M	\$150M	\$280M	\$110M	\$100M	\$210M
CAGR^	9.5 - 11%	8 – 9.5%	7.5 – 8.5%	10 – 12%	14 – 16%	12 – 14%
Key Clients	   	    	    	   	   	   

Source: Company data; *Serviceable Addressable Market 2025 according to VRS, ^Compound Annual Growth Rates for Spatial Consulting Services (2024-2034) noted by Veris

Recent Geospatial Council Of Australia industry report reinforces the merit of Veris' strategic focus

According to the Geospatial Council of Australia Impact Study (released late last year in Oct-24), geospatial services contributed A\$38.6bn to Australia's GDP in FY2023–24 and supported over 12,000 additional full-time equivalent jobs. The report also details a "favourable adoption" scenario, which projects a contribution to GDP of A\$89.5bn and 31,849 additional jobs by FY2033–34, with cumulative gains of A\$689bn in economic output and A\$565bn in real income over the next decade. For background, their modelling considers two scenarios:

- **Business-as-Usual Scenario:** This assumes moderate progress in the development and adoption of geospatial technologies. It reflects current trends continuing without major acceleration in innovation, data sharing, or investment.
- **Favourable Scenario:** This assumes a faster pace of adoption, driven by greater investment in digital infrastructure, stronger data-sharing frameworks, more widespread use of technologies like digital twins and AI, and a more skilled geospatial workforce. It reflects a future where geospatial services are deeply integrated across government and industry.

With the above in mind, geospatial services have evolved from a niche capability into a foundational pillar of Australia's digital infrastructure, underpinning critical sectors such as energy, construction, mining, agriculture, and emergency management. Increasingly viewed as an ecosystem rather than a discrete industry, geospatial capabilities now enable operations and decision-making across nearly all areas of government and the economy.

The transformative role of geospatial services is highlighted in Figure 8, which shows how these technologies are expected to drive economic output across key Australian industries by 2033–34. This growth is especially pronounced in sectors where Veris is already active, including mining (with a forecast A\$161bn uplift), construction (A\$55bn), government and emergency services (A\$72bn), and agriculture (A\$41bn). The increasing demand for digital twins, AI-driven geospatial analytics, and real-time positioning systems is creating new service lines and margin expansion opportunities for digital-first firms including Veris.

With its acquisition of Spatial Vision, Veris has enhanced its capabilities in high-value consulting, automation, and cloud-based spatial data platforms. Moreover, the sector's growth is reinforced by strong government investment in climate resilience, infrastructure planning, and sustainability, embodied by national initiatives such as the Digital Atlas of Australia, (a government platform that brings together key spatial data for planning and analysis), and SouthPAN, (a satellite system that boosts GPS accuracy to precise centimetre levels for use in sectors like agriculture, construction, and emergency services). These developments are creating favourable conditions for spatial services providers, positioning Veris to benefit from substantial policy and infrastructure tailwinds.

Figure 8: Economic impact of geospatial data services on industries under two scenarios

		Under the business-as-usual scenario increases GDP by 2023-24	Under the favourable operating environment scenario increases GDP by 2033-34
	Mining	\$126.8 billion	\$160.7 billion
	Government services	\$63.2 billion	\$72.4 billion
	Construction	\$43.7 billion	\$54.7 billion
	Manufacturing	\$31.3 billion	\$36.9 billion
	Financial services & insurance	\$32.5 billion	\$42.2 billion
	Agriculture, forestry and fishing	\$30.0 billion	\$47.9 billion
	Transport	\$23.2 billion	\$26.7 billion
	Utilities	\$22.8 billion	\$27.2 billion

Source: Geospatial Council of Australia

DCF valuation of \$0.25/share provides ~2.1x upside

We have increased our base case DCF valuation to \$0.25/share (up from \$0.23/share previously) which accounts for one year roll forward in our forecasted projections, and slight increases to our longer-term revenue and margin forecasts.

Our forecast now assumes top line growth of 6.0% for FY26 and 4% in FY27 equating to \$103.1m and \$107.2m respectively. This is up from \$101.8m and \$104.8m previously. In conjunction, we note management's continued focus on the quality of the sales mix to drive margin growth, over and above top line growth alone. The bump in growth next financial year is aided by the \$9.0m run rate of annualised revenue to be received in full following the Spatial Vision acquisition in addition to further organic revenue growth from the provision of Veris' leading digital spatial data service offerings.

We have also updated our EBITDA margin forecasts to 11% in FY26, growing gradually by 50bps per year to a terminal rate of 13% by FY30 (up from 12% previously). We note there is risk to the upside for margins (currently low double digit for EBITDA) as the share of digital spatial data revenues continues to grow (now more than 25%).

For capex, we have updated our forecast to \$1.5m in capex p.a (down from \$2.0m previously) which is still slightly up on the \$1.0m of capex last year. Management has achieved notable improvements in the level of capex required given (1) increased ability to utilise its existing asset base more efficiently and (2) increasing shift towards digital service offerings. We also now forecast D&A as remaining flat on FY25, at \$6.3m in FY26. These updated forecasts lead to an NPAT projection of \$4.0m for FY26, double that achieved in the last fiscal year. Following the reinstatement of dividend payments for FY25, we forecast dividends in future years at a consistent payout ratio of ~55% also.

Our DCF valuation assumes a WACC of 10.0% (beta of 1.2x, risk free rate of 4.5%, market risk premium of 5.5%) and a terminal growth rate of 2.5%. We assume the current share count of 556.6m shares, fully diluted, which includes 38.9m in options/performance rights.

Figure 9: Discounted cashflow valuation

DCF		FY22a	FY23a	FY24a	FY25a	FY26e	FY27e	FY28e	FY29e	FY30e	FY31e	FY32e
EBIT	\$m	-0.6	1.8	-3.9	2.5	4.6	5.6	6.6	7.6	8.5	8.8	9.1
Less: Taxes	\$m	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	-0.9	-2.7	-2.8
Post-tax EBIT	\$m	-0.6	1.8	-4.1	2.5	4.6	5.6	6.6	7.6	7.6	6.1	6.3
Plus: D&A	\$m	8.7	8.0	7.9	6.2	6.3	6.2	6.2	6.2	6.2	6.2	6.2
Post-tax cash flow	\$m	8.2	9.8	3.8	8.7	10.8	11.8	12.9	13.8	13.8	12.3	12.5
Less: Net capex	\$m	-2.4	-3.5	-1.9	-1.0	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Less: Change in WC	\$m	-4.6	-0.6	1.8	-0.7	-0.3	-0.2	-0.3	-0.2	-0.1	-0.1	-0.1
Free cash flow	\$m	1.2	5.7	3.7	7.0	9.0	10.1	11.1	12.1	12.2	10.7	10.8
Discounted cash flow	\$m	1.6	7.1	4.2	7.1	8.3	8.5	8.5	8.4	7.7	6.1	5.7
Sum of discount streams	\$m	53.1	CAPM									
Terminal growth		2.5%	Risk free rate			4.5%						
Future value into perpetuity	\$m	148.3	Equity beta			1.20						
NPV of terminal value	\$m	85.1	Equity risk premium			5.5%						
PV of cash flows	\$m	138.2	Cost of equity			11.1%						
Assumed tax loss value	\$m	28.3	Debt			20%						
Add: Net Cash	\$m	3.4	Equity			80%						
Equity value	\$m	141.7	Interest rate			8.0%						
Diluted shares		556.6	Tax rate			30%						
Value per share (A\$)	\$	0.25	WACC			10.0%						
Potential upside		363%										

Source: MST Access

Peer comps reference reiterate value case for Veris

We believe the value case for Veris is only emphasised when looking at other small cap peers, including Asset Vision, Pointerra and Aerometrex. We note that Veris trades at a significant discount despite its improving revenue quality, profitability (lack of profitability from other close peers makes direct valuation comparison challenging) and strong balance sheet (\$16.6m cash on hand), characteristics that others do not possess or hold to the same degree. At current market prices, Veris currently only trades at an EV/EBITDA FY25a multiple of ~4.2x (assuming mkt cap of \$38m, loans and lease liabilities totaling ~\$20.3m as of 30 June, and cash on hand of \$16.6m).

VRS' ongoing buyback program for up to a further 10% of shares on issue also continues to provide a strong signal on management's underlying valuation of the business, the company's financial strength and future growth prospects.

Figure 10: Peer comps reiterate value case for Veris

		EV/Rev multiple	Rev	Rev	EBITDA	EBIT	EV/EBITDA	Current
Comparables		FY25a	FY24(a)	FY25(a)	FY25	FY25	Multiple FY25	EV
Veris	VRS-AU	0.4	92.6	97.2	10.0	2.5	4.2	41.7
Asset Vision	ASV-AU	6.6	4.1	5.0	-0.5	-0.9	-0.9	33.4
Pointerra	3DP-AU	3.7	6.4	9.8	-2.1	-2.2	-17.5	36.0
Aerometrex	AMX-AU	0.7	24.8	23.9	3.5	-6.5	4.6	15.8
SRG Global	SRG-AU	0.9	1,069.3	1,323.3	118.8	72.3	10.1	1,203.0
Downer EDI	DOW-AU	0.5	10,969.0	10,472.1	659.6	317.1	8.7	5,736.0
Average EV/EBITDA Multiple		2.5					7.8	
								Projected EV 25'
Veris EV (FY25 average multiple x actual ebitda)		7.8			10.0			78.0
Less: net debt								3.7
Equity value								74.3
Shares on issue								556.6
Equity value per share								\$0.13

Source: Factset; MST Access

Key Risks

- Project delivery risk that could follow delays and cost blow outs arising from resource challenges.
- Risks associated with potential safety hazards attached to the work and delivery of projects by VRS employees and subcontractors. VRS has a wide range of protocols and programs to mitigate this risk.
- Contract risk that may include legal issues around omissions, incorrect rates and quantities, accepting unfavourable contractual terms, or disputes about contractual terms.
- Commodity and/or resources industry cycle risk, with a downturn or volatility in commodity prices and the resource cycle impacting demand for mining services such as surveying or remote site infrastructure.
- Political risk given both businesses serve clients in the public service through government and defence funding. VRS can also be impacted by major public infrastructure project delays determined by state governments.
- Competitive risk that could follow a competitor undertaking a price-led attack to win market share.
- Employee risk including the sourcing of subcontractors. Difficulty hiring these employees could delay projects and increase costs to VRS.
- Technology risk and cyber security events through loss of data or IT systems.

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Michael Youlden received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

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The companies and securities mentioned in this report, include:

Veris (VRS.AX) | Price A\$0.080 | Valuation A\$0.250;

Price, target price and rating as at 02 September 2025 (not covered)*

Additional disclosures

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Veris (VRS.AX)

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