



ServiceStream

## Annual General Meeting

23 October 2024

### Chairman's Address to Shareholders

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Fellow Shareholders,

Financial year 2024 has been an important year for Service Stream, as we delivered improved, consistent and incremental value to our shareholders in keeping with our 5-year strategic plan, and most notably, we celebrated 20 years of Service Stream Limited.

As I reflect on the past 20 years, I am conscious that the long-term sustainability of a business is not by accident. In Service Stream's case it's made up of successes, challenges and strategic decisions that have shaped and grown the business that we are today. When Service Stream first launched in 2004, it was almost exclusively a telecommunications business. However, over the years and specifically in the past decade, the business has diversified into a leading multi-network essential service provider with a broad customer base operating across many industries.

I have remained firmly of the view in my 14 years as a director with the business, that encouraging and rewarding management for long-term decision making is critical to long-term success. I note that the strong financial performance that the business delivered in FY2024 is a product of prior decisions diligently executed by Management over the prior 3 years. This year shareholders have realised the benefit of the successful acquisition and integration of Lendlease Services, the implementation of our optimisation program, investment in our people and systems and the transition away from the uncertainty of large fixed-price lump sum contracts.

Our values of **Safety, Delivery, People** and **Accountability** support our vision, shape our culture and influence our strategy. They serve as the foundation of our identity, influence how we operate, how we are perceived by our stakeholders and underpin everything we do. They are the key drivers to our ongoing success.

#### Safety

In 2024, health and safety remained a primary focus of the Board and Management, with High Potential Incidents reducing by 23% and the business increasing investment in its safety leadership model of Walk | Talk | Lead | Care. Having been a member of our Health, Safety & Environment Committee for over 10-years, it is pleasing to see the positive impact of our 'safety first' focus and investment in safety improvement programs which have continued to yield material improvements across our HSE

[Service Stream Limited ABN 46 072 369 870](#)

HEAD OFFICE Level 4, 357 Collins Street, Melbourne VIC 3000 | Mailing Address: PO Box 14570, Melbourne VIC 8001  
T +61 3 9677 8888 | F +61 3 9677 8877 | E [info@servicestream.com.au](mailto:info@servicestream.com.au) | [www.servicestream.com.au](http://www.servicestream.com.au)



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performance indicators. Since 2013, our MTIFR has reduced from 25.64 to 1.58, and our TRIFR from 26.51 to 2.35. In FY2025, the Board will continue to support Management in driving further gains in our safety performance.

### Delivery

In FY2024, Service Stream carried out over 55 million service visits for our customers across Australia. The \$2.2 billion of revenue secured by the business this past financial year was secured across both new and existing clients thanks to our reputation for consistently delivering quality services in a safe and reliable manner.

This year's results are also indicative of the increasing investment by our customers across the sectors in which we operate and the business' ability to deliver synergies across our operating and corporate services divisions. The business remains in a strong position to continue to grow its operations and diversify its revenue in the coming years.

### People

Our people are the face of Service Stream and without their commitment to quality, safety and customer service the business would not be in the robust position it is today. They are key to our success and the ongoing delivery of our business strategy. With the profitable growth mindset adopted by the business and investment in the development of the skills and strengths of our people, we have been able to grow our employee workforce from approximately 1,200 in 2004 to over 5,200 today. What is most pleasing is that over 500 employees have remained with the business for 10-years or more, with many of our senior managers having progressed through the business in that time.

With a contracted pipeline of \$5.5 billion of work-in-hand across our blue-chip client base, we can provide certainty, continuity and opportunity for our dedicated workforce. With a focus on driving long-term sustainable practices which support the growth of our business and people, we are able to contribute to the social and economic obligations of our broader stakeholders.

### Accountability

We are accountable for the results we deliver to our stakeholders.

A sustainable business is built on profitability and returns for shareholders, and in FY2024 the Group delivered significant improvements across all financial metrics on the prior year. The Group's Total Revenue was up 11.2% to \$2.4 billion, underlying EBITDA from Operations increased by 13.2% to \$129.2 million, and NPAT-A of \$50.1 million was an increase of 36.4% on the prior year. Service Stream's share price also increased by over 50% from this time last year and our total fully franked dividend of 4.5 cents per share was an improvement of 200%.

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The financial growth of the business over the past 20 years is quite extraordinary. From annualised revenue of \$135 million in FY2005 to \$2.4 billion in FY2024 is transformational. With a strong balance sheet, supported by a shift from a net debt of \$35.7 million in FY2023 to net cash of \$7.9 million, the business remains well positioned to deliver consistent long-term returns for our shareholders.

### Personal Note

There are many stakeholders and valued shareholders who have been a part of the Service Stream journey and with whom we have forged strong relationships with over the past 20 years. To our shareholders, customers, employees and contractors, I thank you for your support, loyalty and commitment.

I would also like to thank my fellow board members for their contributions over the course of the past year. Their dedication to the continuing growth and success of the Company is considerable and greatly appreciated. I note that Elizabeth Ward is seeking re-election today. Liz is a valuable contributor to the Board and is Chair of our HS&E Committee. I, along with the rest of the directors, strongly support her re-election.

Finally, on behalf of the Board I would also like to thank our Managing Director Leigh Mackender, his executive team and all our valued staff for their hard work and dedication during the year.

I look forward to the year ahead as Service Stream continues to build its brand and reputation as Australia's leading essential network service provider.

Thank you.

**Brett Gallagher**  
Chairman