Downer

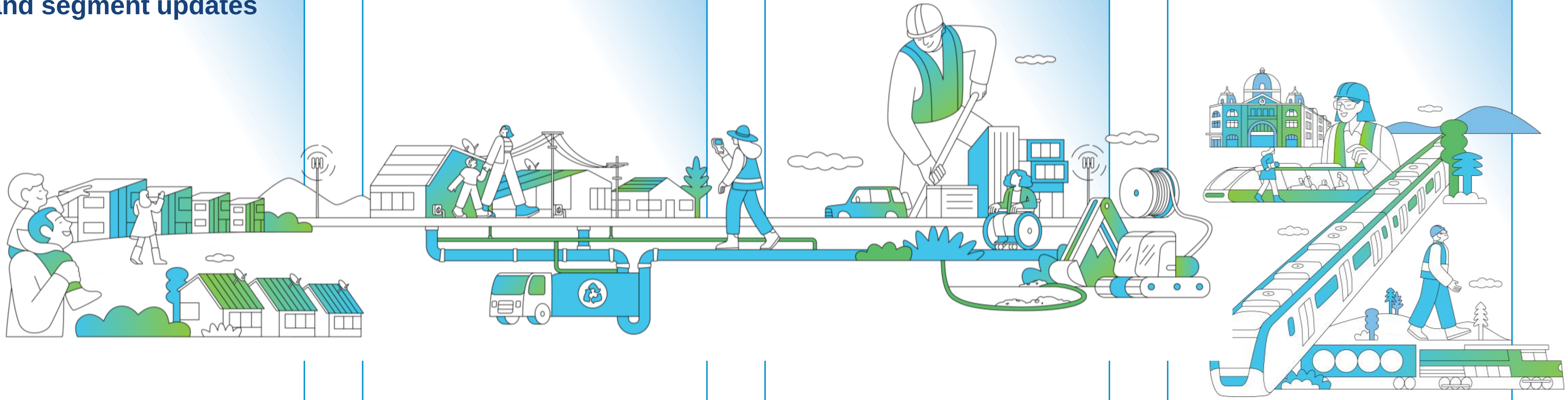
Investor Presentation

For the year ended
30 June 2024

30 August 2024

Agenda

Downer



Key messages Results summary and segment updates	Group financials	Priorities Outlook	Q&A
Peter Tompkins (MD & CEO)	Malcolm Ashcroft (CFO)	Peter Tompkins (MD & CEO)	

The Downer advantage

Strong diversified exposure to tailwinds and growth sectors

Energy transition

Defence capability

Population growth

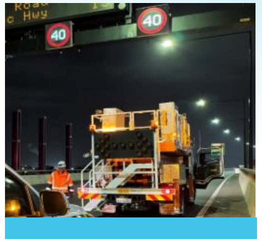
Local industry revitalisation

Our advantages

Sovereign prime contractor, local industry and technology enabler	Robust risk management and governance framework
Scale, market leadership and technical capabilities	Performance culture, customer relationships and the best people

Transport

Road Services
Rail & Transit Systems
Infrastructure projects



Utilities

Telecommunications
Water
Power & Gas
Energy Networks

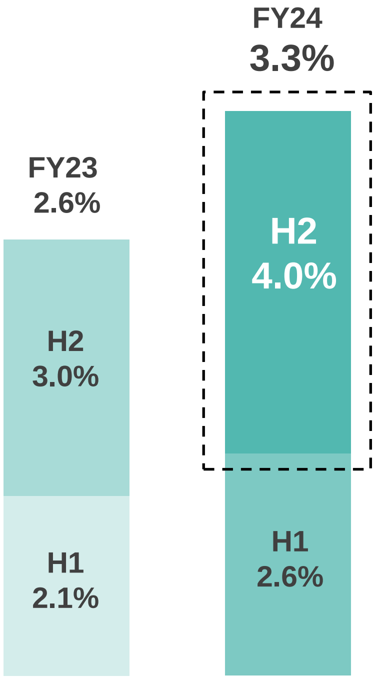
Facilities

Government
Health & Education
Citizen Services
Defence
Industrial & Energy

Building momentum in performance

Downer

EBITA margin performance



Earnings
+34%

Pro forma
EBITA[1,2] $384.1m

H2 margin
4.0%

Pro forma
FY24 EBITA[1,2] margin 3.3%
+0.7pp on 2.6% in FY23

Cost out
$130m

versus initial $100m target
(annualised gross cost)

Op cash
104%

Normalised[3] cash conversion
63% in FY23

Leverage
1.4x

Net debt to EBITDA[4]
2.0x at Jun-23

NPAT
$82.1m

Statutory NPAT
up from $385.7m loss in FY23

FY24 total dividend of 17.0 cents per share, up 30.8% on FY23

Pro forma numbers are used throughout this presentation to provide a like for like comparison at 30 June 2024. Pro forma[1] reflects the statutory results adjusted for ISI and excludes the revenue and EBITA contribution relating to completed divestments. Refer to slide 31 for reconciliation.

Footnotes are presented on slide 34.

FY24 achievements

Turnaround on track

- Improvement across earnings, margins and cash metrics
- Delivering on cost out commitments
- Utilities segment turnaround to profitability
- Further reduction in net debt with leverage down to 1.4x
- BBB Stable Fitch rating affirmed in May-24

Enhanced governance, risk management and performance

- Board renewal (3 new directors) and Project Governance Committee in operation
- Enhanced enterprise risk management and tendering guardrails in place
- Good progress on derisking project exposures in line with forecasts
- New Business Performance Review process and reporting in place
- Investment Committee oversight of capital allocation

Reshaping our future

- Good progress on business reset – new trans-Tasman operating model in place
- The Downer Difference, our new high performance culture program
- Senior leadership changes with 75% new appointments in Executive Leadership Team
- Merged Utilities and Industrial & Energy businesses to maximise opportunity from key tailwinds
- Six divestments of non-core businesses completed plus three in progress

Transport

Well positioned for improved profitability with a healthy forward pipeline in core markets to maximise value capture from integrated delivery model

$6.0bn	$252.8m	4.2%
Revenue	**EBITA**	**EBITA %**
▲ 7.8%	▲ 5.0%	▼ 0.1pp

- Volumes affected by lower Transport Agency spending in AUS and NZ
- New long term VIC road maintenance contract partially offset by conclusion of WA road maintenance contract
- Revenue increase driven by QTMP ramp up throughout FY24
- Material overhead cost reductions achieved
- Reduced contribution from Keolis Downer joint venture
- Completed sale of Repurpose It joint venture and VEC contracts

- Commercial reset of low margin contracts and delivered cost out programs positioning for improved FY25
- Completed the delivery of HCMT project – all 70 sets in passenger service
- QTMP – expecting continued ramp up and contribution in FY25
- VIC Transport Agency spend at historically low levels with partial recovery in Q4
- Enhanced customer offering though Road Science and TrainDNA innovation
- Keolis Downer joint venture under review

All numbers are pro forma[1] unless stated otherwise. Refer to slide 32.

Utilities

Turnaround continues with solid future pipeline

Downer

$2.4bn	$54.5m	2.3%
Revenue	**EBITA**	**EBITA %**
▲ 6.5%	▲ >100%	▲ 2.8pp

- Telco outperformance
- Consistent with H1, result impacted by run-off of existing low margin contracts, particularly in Water and Energy Networks
- Power Maintenance Contract reached breakeven in H2 as expected
- Material overhead cost reductions achieved
- Completed sale of Spotless Advanced Metering (SAM)

- New external COO appointed in 2H to lead Energy & Utilities – businesses merged to leverage energy transition opportunities
- $600m Unitywater contract over initial five-year term commenced in May-24
- NBN market continues to consolidate – awarded three-year $100m contract in Jun-24
- Good progress on completing Water portfolio projects and resolving commercial matters

All numbers are pro forma[1] unless stated otherwise. Refer to slide 32.

Facilities

Predictable long-term contracts delivering strong margins

Downer

$3.2bn	$179.3m	5.7%
Revenue	**EBITA**	**EBITA %**
▼ 0.7%	▲ 3.3%	▲ 0.2pp

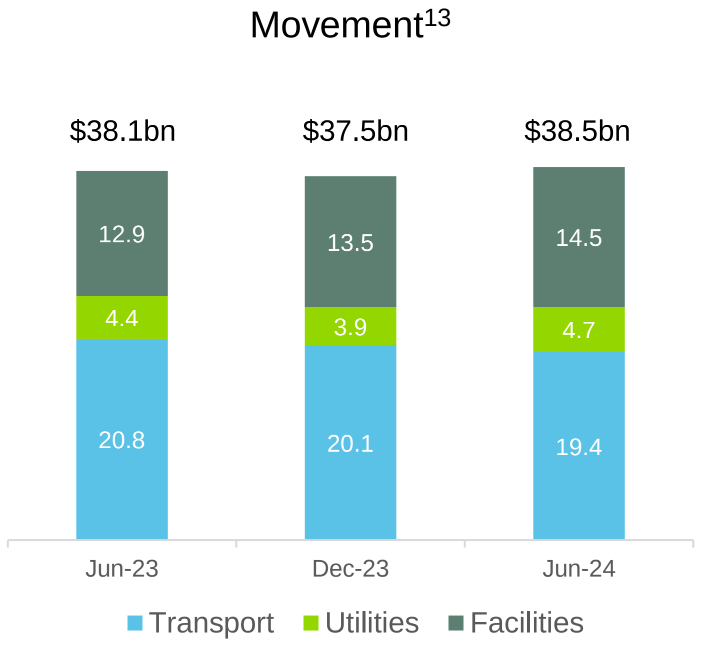
- Portfolio of Government Health & Education PPPs stable and performing well
- Downer Professional Services performed well in challenging market
- Material overhead cost reductions achieved
- Completed sale of Asset and Development Services and AE Smith New Zealand

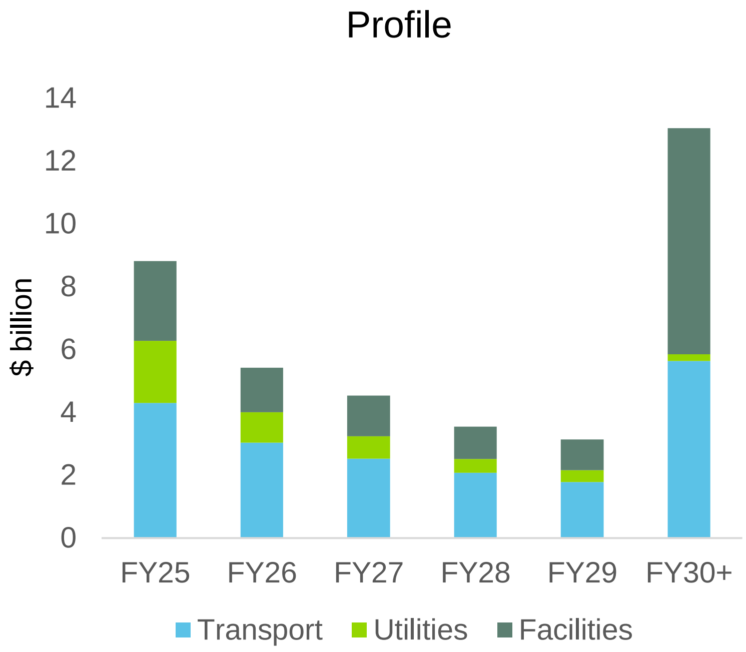
- Outcome of the Defence Base Services Tender expected in 2H25
- Awarded 10-year $860m Homes NSW contract[16] (on max allowable regions), replacing existing LAHC contract
- Downer JV awarded the Woomera Defence Base Redevelopment Project
- Awarded Prime Contractor of the Year at the Australian Defence Industry Awards
- Moomba Carbon Capture and Storage Project nearing completion

All numbers are pro forma[1] unless stated otherwise. Refer to slide 32.

$38.5bn work-in-hand

Long-dated	~90% government related	Diversified by industry	~90% services[5]



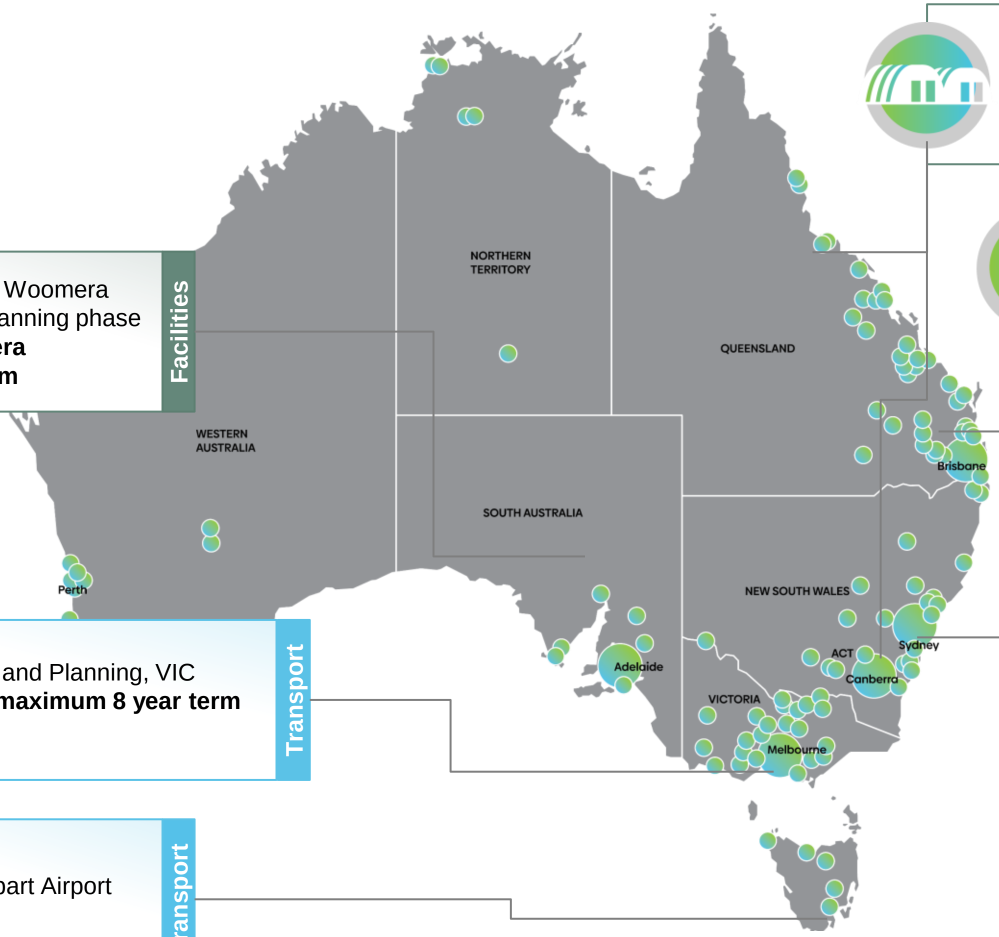


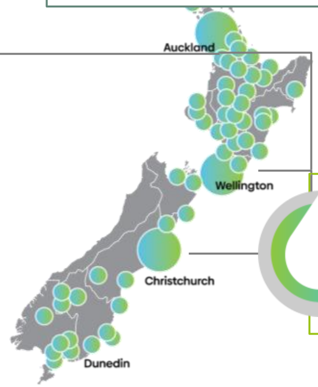
- High proportion of secured revenue for FY25
- Improvement in risk profile and quality of work-in-hand through disciplined bidding and enhanced Business Review processes

The 5C framework to define risk appetite		
Capacity	Capability	Contract
Counterparty	Compensation	

Significant contract wins

Continued to secure new work in FY24 across sectors and geographies





Facilities
Department of Defence - EMOS
$400m 12 month contract extension to Jul-25
Estate Maintenance and Operation Services (EMOS)

Utilities
Unitywater
$600m contract for an initial 5 year term
Deliver water, sewerage and recycled water services in SEQ

Facilities
Department of Defence - Woomera
Selected to deliver the planning phase for the proposed **Woomera Redevelopment Program**

Facilities
Homes NSW
$860m contract over a maximum 10 year term
Maintenance services to public housing dwellings

Transport
Department of Transport and Planning, VIC
$320m contract over a maximum 8 year term
Road maintenance

Utilities
Department of Corrections
Delivering the **Water Infrastructure Program** in Auckland, Wellington and Christchurch **over a 2.5 year term**

Transport
Awarded contract for Hobart Airport Airfield Upgrade Project

Transport
Hamilton City Council
$540m contract over a maximum 10 year term
Road maintenance

ESG update

Downer

Environmental

Focus on investment in renewable energy to reduce Scope 2 emissions

27.7 tCO_2-e / \$m

8% reduction from FY23

Reduction in GHG emissions intensity (per \$m revenue[15])

300 tCO_2-e

reduction in FY24

From installation of PV solar capacity

Social

Investing in our people and enhancing the employee experience

2.54 TRIFR

FY23: 2.68

0.88 LTIFR

FY23: 0.90

Advanced Workplace

Maintained recognition by Mental Health First Aid Australia

MENTAL HEALTH FIRST AID Australia Advanced Workplace Recognition

The Downer Difference.

Downer's performance culture program

Governance

Committed to enhancing internal controls and processes

- **Board renewal** (3 new directors)
- **Board subcommittees**
  Expanded remit and oversight
  - Project Governance Committee
  - People & Culture Committee
- **ICAC public enquiry concluded**

Control environment

Strengthening governance and controls through launch of new enterprise-wide source to contract platform

Sustainability Linked Loan (SLL)

Refinanced a \$500m tranche of the \$1.4bn syndicated SLL facility and established a new sustainability linked financing framework

Second consecutive year

THE AUSTRALIAN BUSINESS AWARDS®

EOC EMPLOYER OF CHOICE WINNER 2023

Fourth consecutive year

The S&P Global Sustainability Yearbook

Included in the S&P Global Sustainability Yearbook 2024

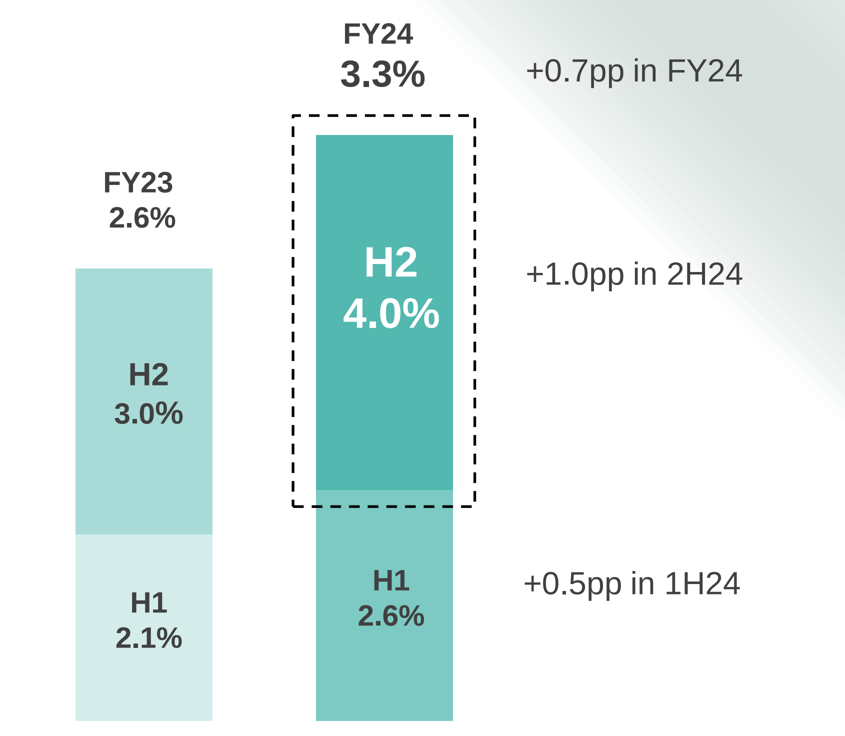
Group financials

Progress on business turnaround

Revenue[1,6]	$11.7bn	▲ 5.5%
Work in hand	$38.5bn	▲ 1.0%
EBITA[1,2]	$384.1m	▲ 34.1%
EBITA margin	3.3%	▲ 0.7pp
NPATA[1,2]	$212.3m	▲ 45.4%
Statutory NPAT	$82.1m	▲ >100%
Normalised[3] cash conversion	104.4%	▲ 41.8pp
Net Debt to EBITDA[4]	1.4x	2.0x at Jun-23

FY24 total dividend of 17.0 cents per share, up 30.8% on FY23

EBITA margin performance



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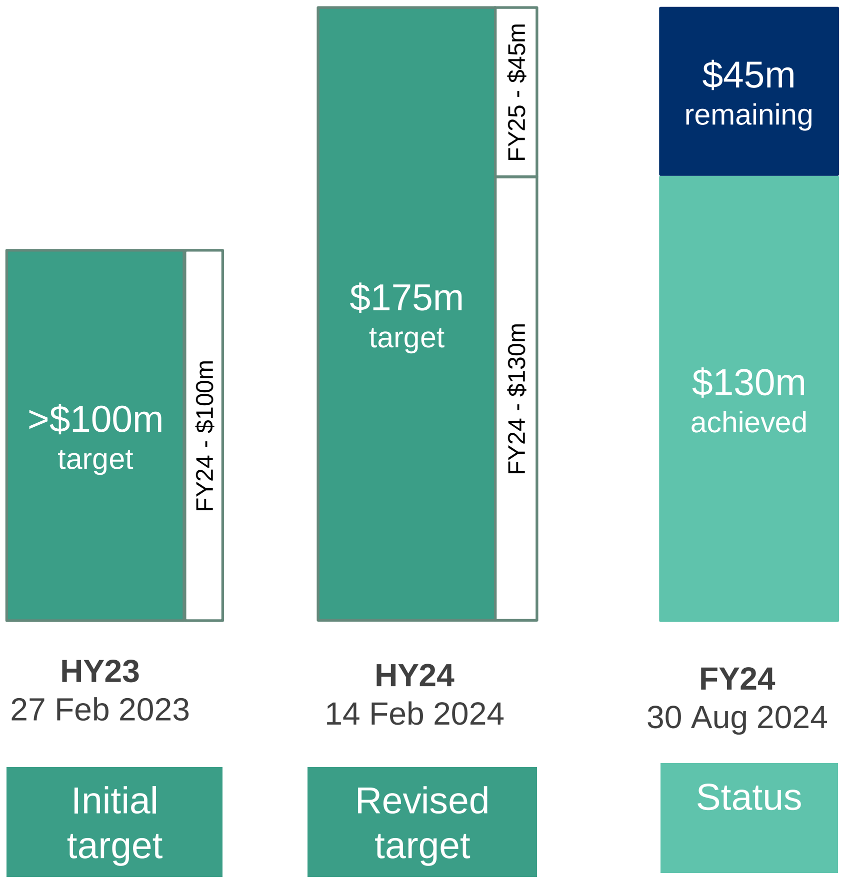
On track to achieve $175m cost out target

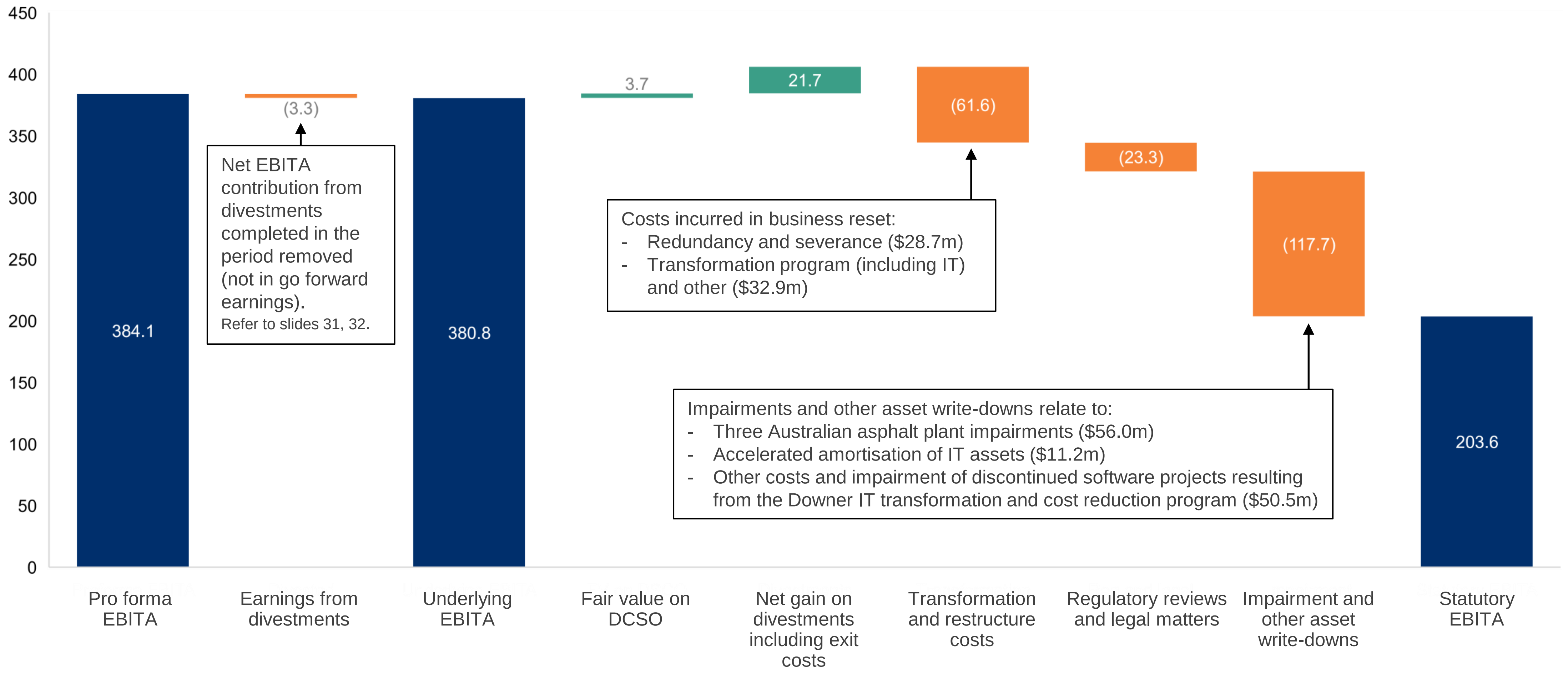
Annualised gross cost out



- $130m of annualised gross cost out achieved in FY24 v initial $100m target
- Clear line of sight to the remaining $45m target by end of FY25
- FY25 run rate benefit expected from the $50m annualised gross cost removed in H2

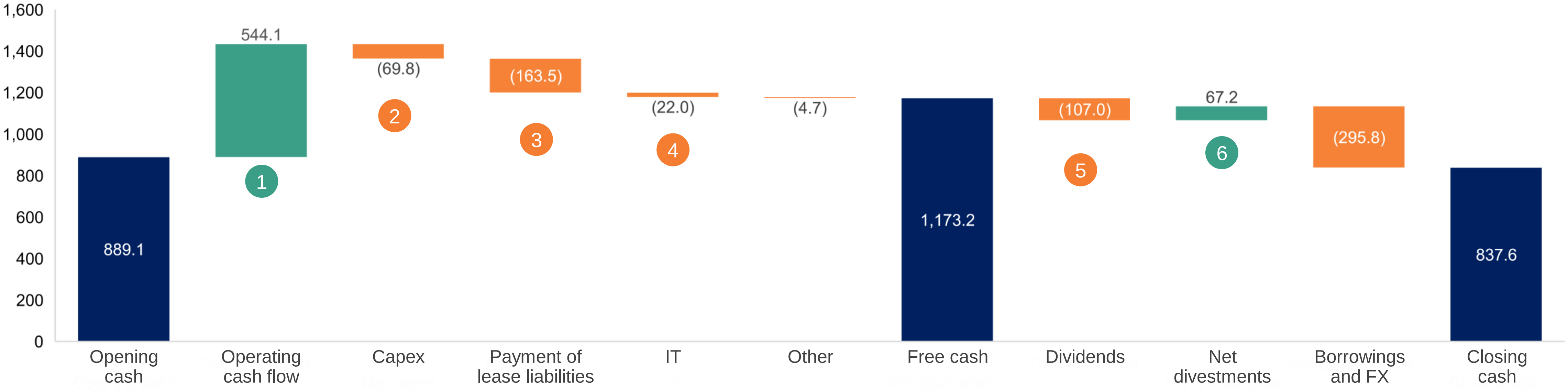
Reconciliation to statutory result

Pro forma to statutory EBITA ($m)[1,2,7]



Significant improvement to FY24 cash conversion

Disciplined back to basics focus – working capital management, cash collections, resolution of contractual variations and claims



1. Operating cash flow

104% normalised cash conversion[3], up from 63% in FY23

2. Capex

Primarily maintenance capex in the Transport segment, offset by one-off proceeds from disposal of PP&E

3. Payment of lease liabilities

Consistent with FY23 (down 1%)

4. Information Technology

Security upgrades and end of life hardware replacement

5. Dividends

Payment relates to:
- FY23 Final 8 cps
- FY24 Interim 6 cps
- ROADS

6. Net divestments

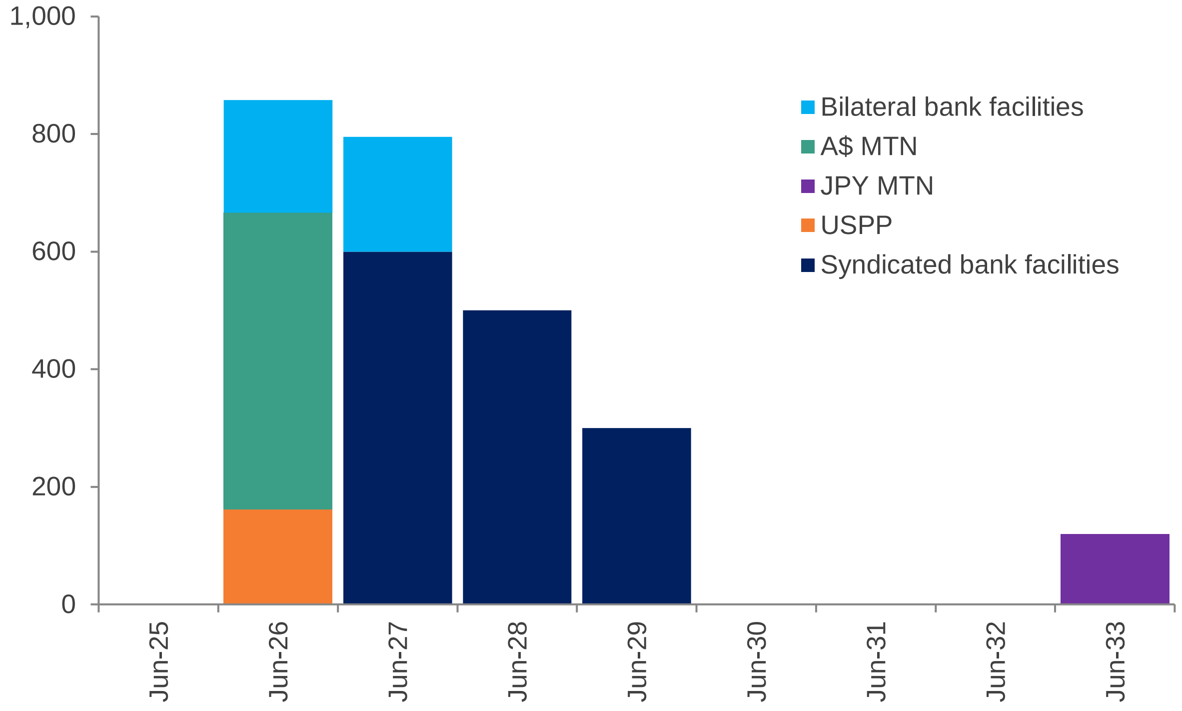
Proceeds from divestments $68.5m net of acquisition deferred settlements ($1.3m)

Group debt profile

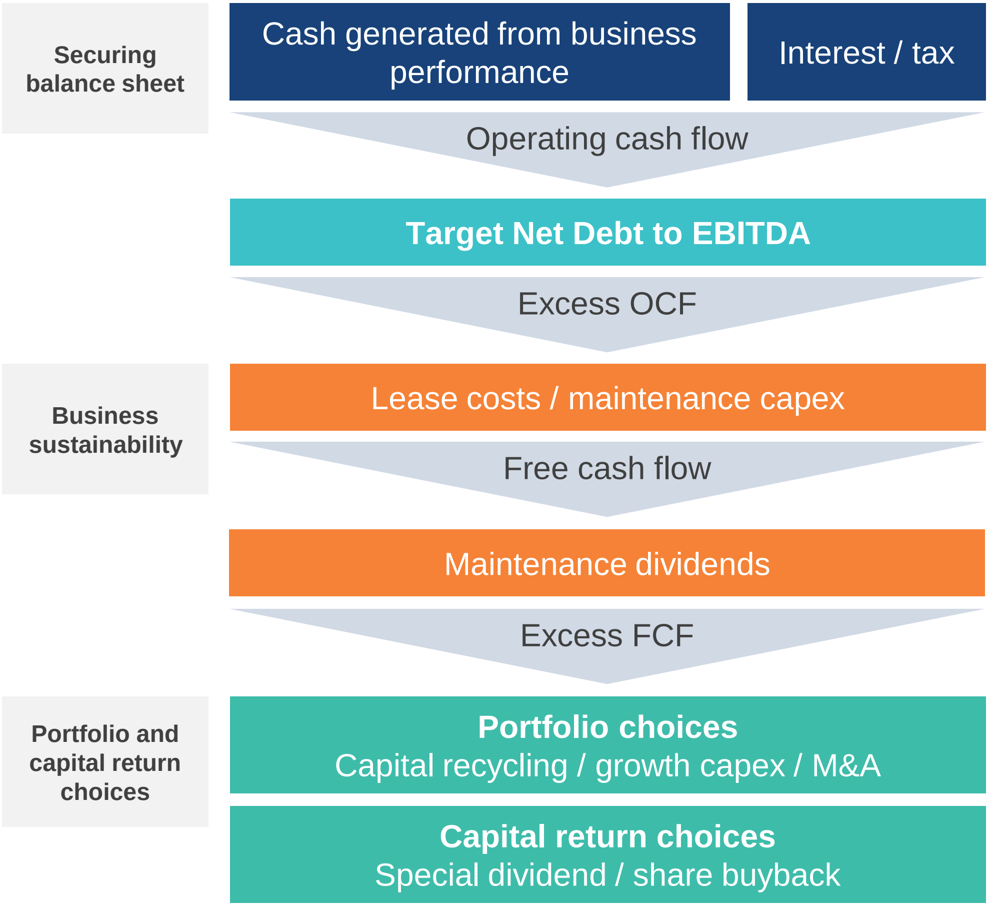
- Weighted average debt facility duration of 2.9 years[8] (3.3 years at 31 December 2023)
- Compliant with all financial covenants
- Fitch BBB investment grade rating with Stable Outlook affirmed May-24
- No refinancing requirements in the next 12 months

Debt facilities $m	Jun-24	Dec-23	Jun-23
Total limit	2,572.1	2,574.7	2,567.8
Drawn	1,307.1	1,237.7	1,592.8
Available	**1,265.0**	**1,337.0**	**975.0**
Cash	837.6	553.4	889.1
Total liquidity	**2,102.6**	**1,890.4**	**1,864.1**
Net debt[9]	469.5	684.3	703.7

Debt maturity profile (A$m)



Capital allocation framework



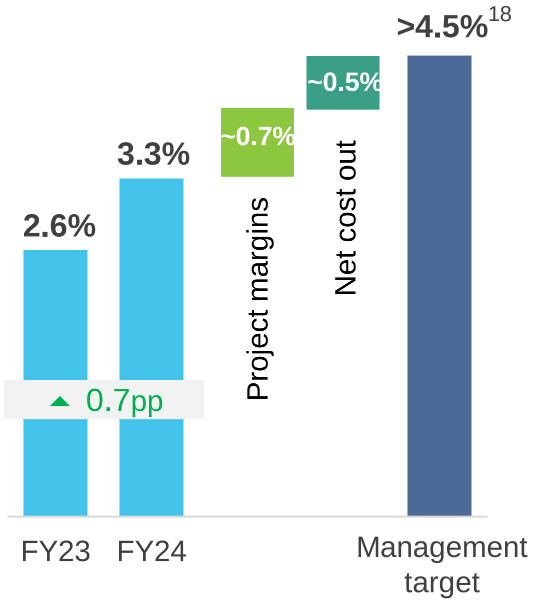
- **Operating cash flow** – targeting average cash conversion >90% in the medium term, noting project phasing and working capital requirements can influence period cash conversion
- **Target leverage** – further reduction in leverage anticipated – reassess as turnaround progresses
- **Capex** – lighter capital cycle expected in the short term
- **Investment Committee** – implemented a new Management committee to enhance governance and tighten capital allocation across the Group
- **Dividends** – dividend payout ratio of 50% to 60% – reassess as turnaround progresses
- **Earn the right to grow** – management focus on turnaround and optimising performance of existing businesses before pursuing growth options
- **Acquisitions / divestments** – finalising non-core divestments with ongoing portfolio management
- **Capital management** – creating opportunity to further enhance current capital structure

Priorities and outlook

Maintaining the momentum

Downer

		Progress	
Leadership & culture	Driving a performance culture	HY24	▪ Implement The Downer Difference, our new high performance culture program ▪ Changes to Board composition and governance structures (3 new directors since Jun-23) ▪ Changes to key corporate and business unit leadership roles (75% of ELT newly appointed)
Project margins	Tendering / governance	HY24	▪ Enhanced tendering governance in place with improved focus on risk / margin, aligning to the 5C framework ▪ Chief Risk Office established – enterprise risk management and tendering guardrails improved
	Project delivery	HY24	▪ Back to basics focus and lifting contracting disciplines ▪ Renewing focus on project controls and performance management ▪ Ongoing progress in derisking project exposures
Cost out (overheads)	Efficient operating model	HY24	▪ $130m annualised gross cost out achieved – on track for remaining $45m by end of Jun-25 ▪ Continue to drive cost discipline and operating efficiencies throughout the business ▪ Continue to re-shape the role of Downer's corporate and support functions
Portfolio	Simplify portfolio	HY24	▪ Completed six divestments in H1, plus three in progress ▪ Keolis Downer joint venture under review



Management target EBITA margin of >4.5%[18] is reflected in LTI scorecard gates

>4.2% minimum threshold EBITA margin in FY25

>4.5% average EBITA margin across FY25 and FY26

FY25 priorities

Executing our strategy which is supported by a back to basics approach, an agile contractor mindset, cost control, risk management and enhanced project delivery

- Safety is our highest priority with a focus on critical risk control effectiveness
- Implement our performance-based leadership and culture program, The Downer Difference
- Continue to drive performance outcomes:
  - Achieve higher project margins
  - Deliver remaining cost out targets and continued cost disciplines
- Maintain risk management discipline (5C framework and enhanced risk guardrails) in tendering with a focus on improving the quality of revenue
- Continuous improvement in technology and back-office processes to support a lower cost base and drive ongoing operational productivity

FY25 segment outlook

Transport

- Commercial reset of low margin projects, FY24 cost out, and performance improvement initiatives expected to support further margin improvement in FY25
- Continued government agency spending constraints in H1 likely to skew to a stronger H2 in Road Services (AUS and NZ)
- QTMP ramp up expected to be offset by Hawkins revenue reduction, due to focus on quality of revenue and enhanced risk guardrails
- Scale and competitive advantages of integrated value chain remains a strong core

Utilities

- Merger of Utilities and Industrial & Energy businesses provides enhanced capabilities and overhead efficiencies to pursue energy transition opportunities
- Positive contribution following completion of low margin contracts and recurring benefits of cost out program achieved in FY24
- Management pursuing growth opportunities in power, water and telco sectors within risk appetite parameters
- Healthy pipeline of opportunities in energy sector

Facilities

- Facilities outlook remains positive
- Outcome of the Defence Base Services Tender expected in 2H25
- Margin improvement drivers include divestments of low margin, overhead intensive businesses and FY24 cost out
- Recent wins demonstrate the benefits of scale and sovereign capability with a healthy pipeline of opportunities

Group outlook

Downer

The FY24 result demonstrates:

- Our ability to deliver earnings and EBITA margin improvement in varied market conditions within enhanced risk guardrails
- The resilience of our diversified and high-quality portfolio
- The benefits of scale and our capacity to achieve operating and cost efficiencies
- Building momentum and growing confidence entering FY25

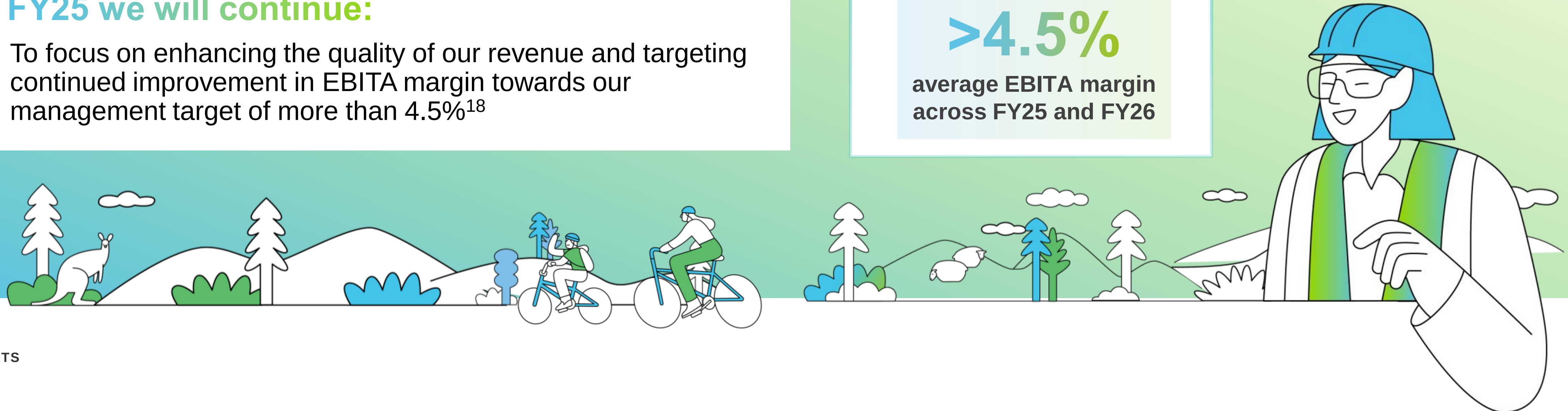
In FY25 we will continue:

- To focus on enhancing the quality of our revenue and targeting continued improvement in EBITA margin towards our management target of more than 4.5%[18]

Management target EBITA margin of >4.5%[18] is reflected in the LTI scorecard gates

>4.2%
minimum threshold EBITA margin in FY25

>4.5%
average EBITA margin across FY25 and FY26



Supplementary Information

Our Purpose, Promise and Pillars

Our Purpose Enabling communities to thrive.

Our Promise Our customers' success is our success.

Our Pillars

Safety and sustainability

Safety is our first priority. Zero Harm to our people, communities and environment is embedded in our culture. We will leave a positive legacy for future generations.

Delivery

We build trust by delivering on our promises with excellence while focusing on sustainability, value for money and efficiency.

Relationships

We collaborate to build and sustain enduring relationships with our customers, our people and our communities, based on trust and integrity.

Thought leadership

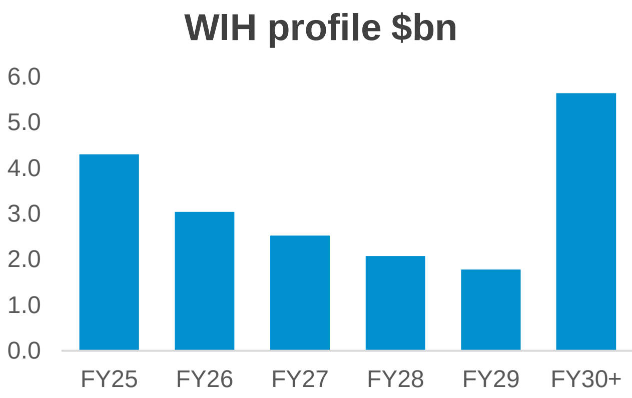
We remain at the forefront of our industry by employing the best people and having the courage to challenge the status quo.

Transport

Road Services

Rail & Transit Systems

Projects

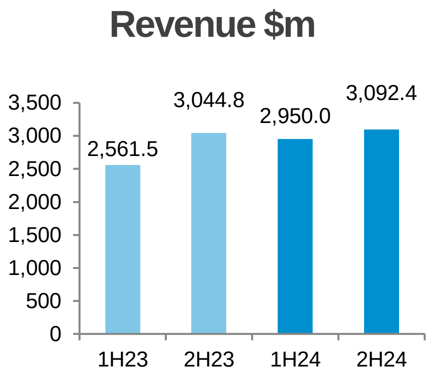


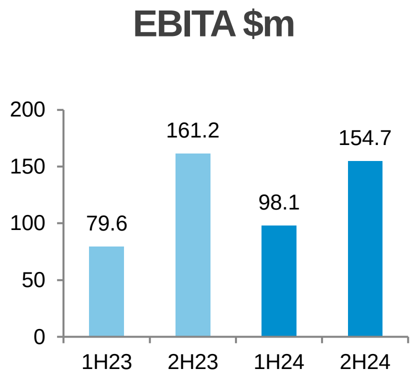
$19.4bn total

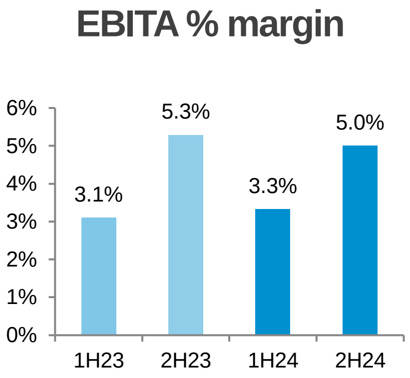
93% government[10]

Top 5 contracts remaining

1. Queensland Train Manufacturing Program until 2042
2. Maintaining Waratah trains until 2044
3. Maintaining HCMTs until 2053
4. Maintaining Sydney Growth Trains until 2044
5. Hamilton City Council road maintenance until 2028 (plus a three and two-year extension)







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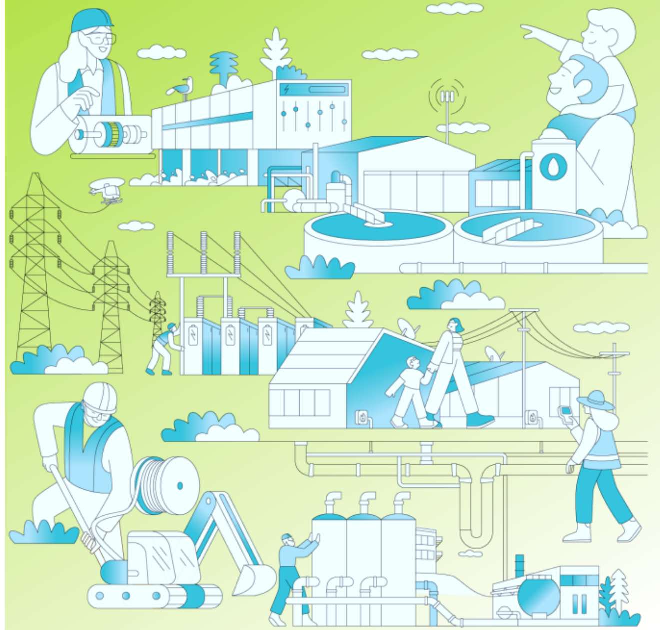
Utilities

Downer

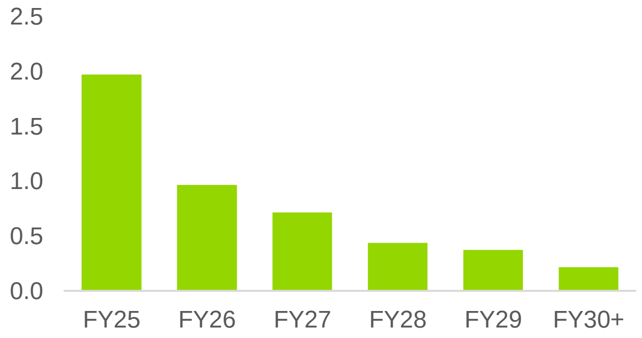
Telecommunications

Water

Power & Gas



WIH profile $bn



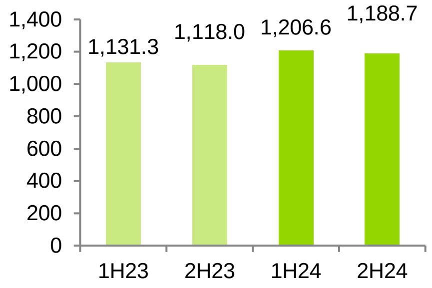
$4.7bn total

87% government[10]

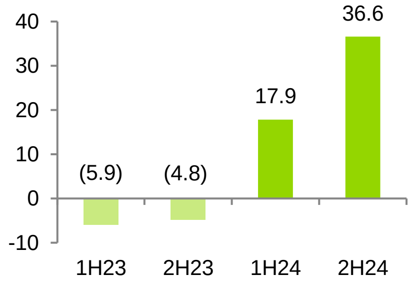
Top 5 contracts remaining

1. South-east Queensland water (Unitywater) until 2029 (plus three two-year extensions)
2. Sydney Water until 2030 (Confluence Water JV)
3. Logan City Council (water) until 2027 (plus one two-year extension)
4. City of Gold Coast (water) until 2032
5. Melbourne water until 2028

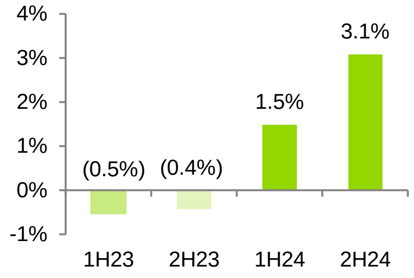
Revenue $m



EBITA $m



EBITA % margin



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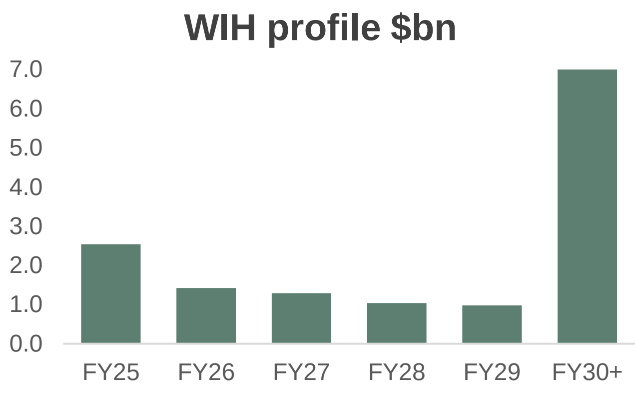
Facilities

Government
Health & Education
Defence
Industrial & Energy

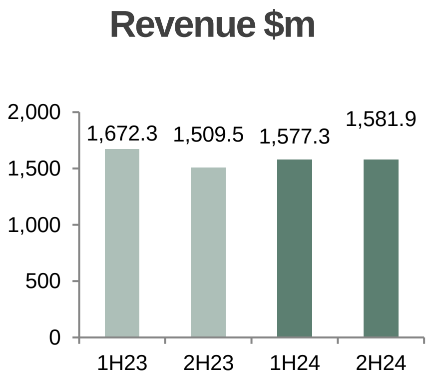


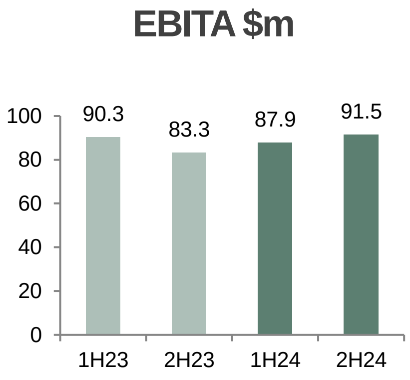
$14.5bn total

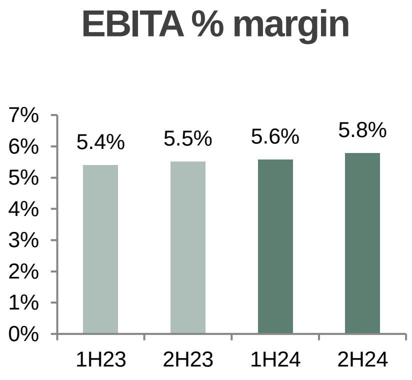
87% government[10]

Top 5 contracts remaining

1. New Royal Adelaide Hospital PPP until 2046
2. Bendigo Hospital PPP until 2042
3. Sunshine Coast University Hospital PPP until 2042
4. Sydney International Convention, Exhibition and Entertainment Centre PPP until 2041
5. Perth Convention and Exhibition Centre until 2038







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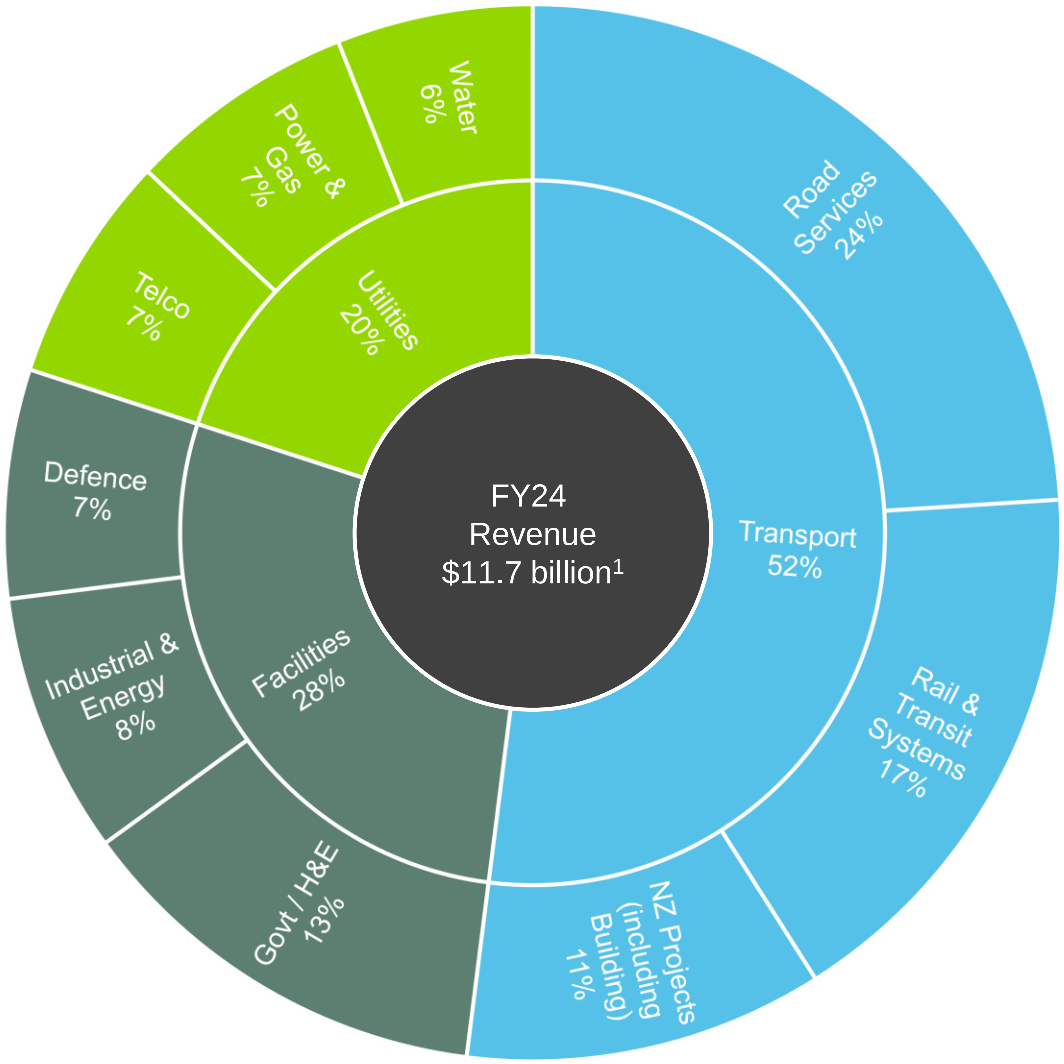
FY24 revenue composition

Downer



Revenue diversified across Transport, Utilities and Facilities markets

All numbers are pro forma[1] unless stated otherwise. Refer to slide 32.

Cash flow

Downer

Change in cash ($m)	FY24	FY23	Change
Total operating cash flow	**544.1**	**318.2**	**71.0%**
Net capex	(69.8)	(205.4)	66.0%
Payment of principal lease liabilities	(163.5)	(165.0)	0.9%
IT	(22.0)	(32.4)	32.1%
Advances to JVs and other	(4.7)	(9.3)	49.5%
Free cash flow	**284.1**	**(93.9)**	**>100%**
Dividends paid	(107.0)	(125.4)	14.7%
Divestments	68.5	160.5	(57.3%)
Acquisitions (deferred settlement)	(1.3)	(0.1)	(>100%)
Share buyback	-	(17.8)	100%
Net (repayment) / proceeds of borrowings	(296.1)	227.3	(>100%)
Net (decrease)/increase in cash	**(51.8)**	**150.6**	**(>100%)**
Cash at the end of the period	**837.6**	**889.1**	**20.4%**
Total liquidity	**2,102.6**	**1,864.1**	**12.8%**

Cash conversion ($m)	FY24	FY23	Change
Underlying[7] EBIT	357.7	297.2	20.4%
Add: Depreciation and amortisation	346.0	336.2	2.9%
Underlying[7] EBITDA	**703.7**	**633.4**	**11.1%**
Operating cash flow	**544.1**	**318.2**	**71.0%**
Add: Net interest paid	80.9	85.8	(5.7%)
Add: Tax paid	10.6	7.0	51.4%
Adjusted operating cash flow	**635.6**	**411.0**	**54.6%**
EBITDA conversion	**90.3%**	**64.9%**	**25.4pp**
Normalised[3] EBITDA conversion	**104.4%**	**62.6%**	**41.8pp**

Depreciation and amortisation ($m)	FY24	FY23	Change
Depreciation – PP&E	123.1	128.3	(4.1%)
Depreciation – Right of use asset	153.3	154.9	(1.0%)
IT amortisation	46.5	26.8	73.5%
Amortisation of acquired intangibles	23.1	26.2	(11.8%)
Depreciation and amortisation	**346.0**	**336.2**	**2.9%**

Reconciliation of pro forma to statutory result

Reconciliation of pro forma to statutory result ($m)	EBITA[2]	Net finance cost	Tax expense[12]	NPATA[2]	Amortisation of acquired intangibles (post-tax)	NPAT
Pro forma result	**384.1**	**(88.7)**	**(83.1)**	**212.3**	**(16.2)**	**196.1**
Net divestment contribution	(3.3)	-	1.1	(2.2)	-	(2.2)
Underlying[7] result	**380.8**	**(88.7)**	**(82.0)**	**210.1**	**(16.2)**	**193.9**
Fair value on Downer Contingent Share Options (DCSO)	3.7	-	-	3.7	-	3.7
Net gain on divestments and exit costs	21.7	-	5.5	27.2	-	27.2
Transformation and restructure costs	(61.6)	-	18.0	(43.6)	-	(43.6)
Regulatory reviews and legal matters	(23.3)	-	6.8	(16.5)	-	(16.5)
Impairment and other asset write-downs	(117.7)	-	35.1	(82.6)	-	(82.6)
Total individually significant items	**(177.2)**	**-**	**65.4**	**(111.8)**	**-**	**(111.8)**
Statutory result	**203.6**	**(88.7)**	**(16.6)**	**98.3**	**(16.2)**	**82.1**

Reconciliation pro forma to underlying result

($m)	Pro forma	FY24 Divestments	Underlying[7]	Pro forma	FY23[14] Divestments	Underlying[7]
Transport						
Revenue	6,042.4	179.6	6,222.0	5,606.3	1,246.2	6,852.5
EBITA	252.8	(2.4)	250.4	240.8	48.1	288.9
EBITA %	4.2%	(1.3%)	4.0%	4.3%	3.9%	4.2%
Utilities						
Revenue	2,395.3	5.4	2,400.7	2,249.3	8.9	2,258.2
EBITA	54.5	1.1	55.6	(10.7)	0.4	(10.3)
EBITA %	2.3%	21.0%	2.3%	(0.5%)	4.5%	(0.5%)
Facilities						
Revenue	3,159.2	39.2	3,198.4	3,181.8	231.2	3,413.0
EBITA	179.3	(2.0)	177.3	173.6	(11.5)	162.1
EBITA %	5.7%	(5.2%)	5.5%	5.5%	(5.0%)	4.7%
Corporate						
Revenue	146.5	-	146.5	96.0	-	96.0
EBITA	(102.5)	-	(102.5)	(117.3)	-	(117.3)
Group						
Revenue	11,743.4	224.2	11,967.6	11,133.4	1,486.3	12,619.7
EBITA	384.1	(3.3)	380.8	286.4	37.0	323.4
EBITA %	3.3%	(1.5%)	3.2%	2.6%	2.5%	2.6%

FY24 divestments
Australian Transport Projects business (Transport)
Repurpose It joint venture (Transport)
VEC contracts (Transport)
Metering Services (Utilities)
AE Smith New Zealand (Facilities)
Asset and Development Services (Facilities)

Six divestments completed in FY24. Whilst none of these operations were considered major lines of business, pro forma information (which excludes the results of these divested operations), has been included to provide additional information on the impact of these divestments and the remaining Downer business.

Group underlying financial performance

Downer

Underlying[7] performance ($m)	FY24	FY23	Change
Total revenue[6]	11,967.6	12,619.7	(5.2%)
EBITDA	703.7	633.4	11.1%
Depreciation and amortisation	(322.9)	(310.0)	(4.2%)
EBITA[2]	**380.8**	**323.4**	**17.7%**
Amortisation of acquired intangibles	(23.1)	(26.2)	11.8%
EBIT	**357.7**	**297.2**	**20.4%**
Net interest expense	(88.7)	(88.0)	(0.8%)
Profit before tax	**269.0**	**209.2**	**28.6%**
Tax expense	(75.1)	(53.4)	(40.6%)
Net profit after tax	**193.9**	**155.8**	**24.5%**
NPATA[2]	**210.1**	**174.2**	**20.6%**
EBITA margin	3.2%	2.6%	0.6pp
Effective tax rate	27.9%	25.5%	2.4pp
ROFE[17]	13.3%	10.1%	3.2pp
Total dividend (cents per share)	17.0 cps	13.0 cps	4.0 cps

Underlying[7] segment performance ($m)	FY24	FY23	Change
Transport	250.4	288.9	(13.3%)
Utilities	55.6	(10.3)	>100%
Facilities	177.3	162.1	9.4%
Corporate (refer below)	(102.5)	(117.3)	12.6%
Underlying EBITA[2]	**380.8**	**323.4**	**17.7%**
Total individually significant items	(177.2)	(550.7)	67.8%
Statutory EBITA	**203.6**	**(227.3)**	**>100%**
Underlying NPATA[2]	**210.1**	**174.2**	**20.6%**
Statutory NPAT	**82.1**	**(385.7)**	**>100%**

Corporate costs in the period impacted by the following:

- Transformation and cost out benefits – significant cost out in 2H24 with run rate benefits expected in FY25
- $2.5m lower contribution from non-core JV investment
- STI provisions
- Inflation impact (labour and other costs)

Notes

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1. Pro forma reflects the statutory results adjusted for ISI and excludes the revenue and EBITA contribution relating to completed divestments to provide a like for like comparison at 30 June 2024. The pro forma result is a non-IFRS measure that is used by Management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review. Refer to slide 31 and 32 for reconciliations.
2. Downer calculates EBITA and NPATA to add back acquired intangible assets amortisation expense. Group FY24: $23.1m, $16.2m after-tax (FY23: $26.2m, $18.4m after-tax).
3. Normalised cash conversion has been adjusted to remove the cash outflows associated with FY23 and FY24 Individually Significant Items (not in underlying EBITDA) totalling $75.9m and Australian Transport Projects GST payment of $23.5m (FY23 equivalent of $9.0m and ($23.5m) respectively). Cash conversion is calculated as operating cash flow excluding tax and interest, divided by underlying EBITDA. Cash conversion was favourably impacted by cash flow phasing on a material project in delivery phase, which will unwind in FY25. Refer to slide 30.
4. Net debt to EBITDA ratio is net debt $981.4m, comprising lease liabilities, borrowings, deferred finance charges, cross currency and interest rate swaps, less cash, divided by underlying EBITDA $703.7m.
5. Remaining balance, Construction work-in-hand, comprises the NZ Projects (Transport), a portion of Water and Power & Gas (Utilities) and the construction component of QTMP (Transport).
6. Total revenue is a non-statutory disclosure and includes revenue from joint ventures, other alliances and other income.
7. The underlying result is a non-IFRS measure that is used by management to assess the performance of the business. Non-IFRS measures have not been subject to audit or review. Refer to slide 31 for reconciliation to statutory results.
8. Based on the weighted average life of debt facilities (by A$m limit).
9. Excludes lease liabilities, deferred finance charges, cross currency and interest rate swaps.
10. WIH Government includes direct Government and Government-related projects.
11. H&E is the abbreviation of Health & Education.
12. Tax expense of $82.0m is calculated by adjusting underlying tax of $75.1m with $6.9m tax on amortisation of acquired intangible assets.
13. Jun-23 WIH has been restated to be comparable with Dec-23 and Jun-24 reported WIH, and to remove impact of divestments.
14. Comparative FY23 period ‘net divestment contribution’ adjustments to reconcile between pro forma and underlying – EBITA $37.0m, Tax Expense ($8.8m), NPATA $28.2m.
15. tCO2-e / $m revenue accounted for under Scope 2 market-based emissions methodology.
16. Homes NSW contract is valued at $860m over the maximum term of 10 years. The initial term is five years, with provisions for two extensions of two years and one extension for one year.
17. Return on Funds Employed (ROFE) is underlying EBITA $380.8m divided by average of funds employed at FY24 and FY23 of $2,861.2m, with funds employed comprising total equity plus borrowings (excluding lease liabilities, deferred finance charges, cross currency and interest rate swaps) less cash.
18. The EBITA margin target of more than 4.5% is a management target that is incorporated into Downer’s long term incentive plan and is not provided as guidance.

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