SERVICE STREAM LIMITED

Managing Director’s AGM Presentation

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20 October 2021

Key Messages

- Transformational acquisition of Lendlease Services announced in July 2021, providing a strong platform for future growth and enhances the Group's capabilities and addressable markets
- Group met FY21 guidance within a challenging year marked by a reduction in telecommunications works and an unpredictable COVID-19 setting
- Maintained strong focus on the delivery of operations and support of key clients:
  - Successfully re-secured major contractual agreements, supporting a strong core earnings base into the future
  - Pro-active cost response to align with renewed contract revenues, and disciplined investment in systems to drive operating efficiencies
  - Continued to deliver industry leading safety performance
- Industry sector fundamentals remain strong, and enhanced by significant private and public investment which will support increased infrastructure services into the longer term
- Continue to monitor and respond to the changing COVID-19 landscape

FY21 Group Highlights

Financial

- ✓ EBITDA from Operations of $80.1m, in line with guidance provided
- ✓ Strong cash flow generation, conversion of 99.0% and net cash position retained
- ✓ Balance sheet in robust position to support Lendlease Services transaction

Operational

- ✓ Delivered HSE performance improvements across key metrics
- ✓ Utility (Comdain) operations experiencing growth phase associated with gas and water infrastructure upgrades
- ✓ Re-secured all major telecommunications agreements over multi-year terms
- ✓ Strong foundation with future contracted revenues in excess of $2bn (excluding extension options)

Strategic

- ✓ Announced the acquisition of Lendlease Services in July, supporting the Group’s diversification and growth strategy
  - Acquisition is highly complementary to Service Stream’s current operations
  - Creates a broader portfolio of businesses by expanding operations across the wider infrastructures services market
  - Significant business separation and integration planning undertaken ahead of anticipated Completion in November
- ✓ Released enhanced Sustainability Report, supporting improved disclosure and performance across key ESG matters

FY21 Financial Headlines

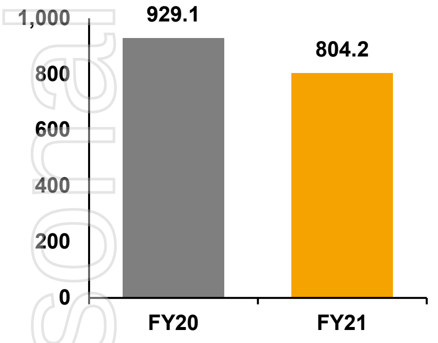
Revenue

$804.2m

13.4% v FY20

- Group Revenue down by $124.9m from FY20

Revenue ($m)



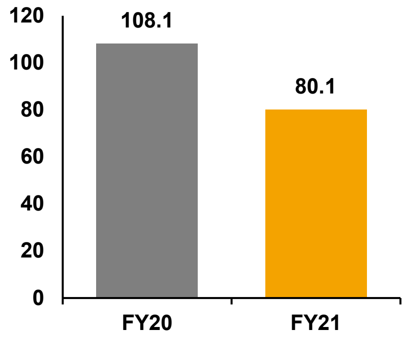
EBITDA from Operations

$80.1m

25.9% v FY20

- EBITDA from Operations, down from $108.1m in FY20
- Excludes M&A and restructuring costs of $5.0m

EBITDA from Operations ($m)



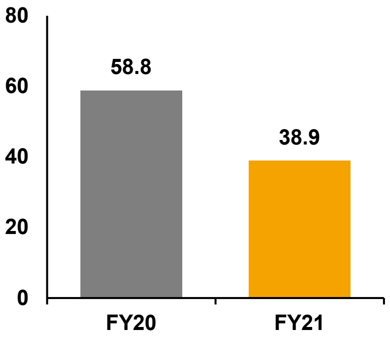
Adjusted NPAT (NPAT-A)

$38.9m

33.8% v FY20

- NPAT-A down from $58.8m in FY20
- Statutory NPAT of $29.3m is net of non-operational costs and amortisation of customer contracts from historical acquisitions

NPAT-A ($m)



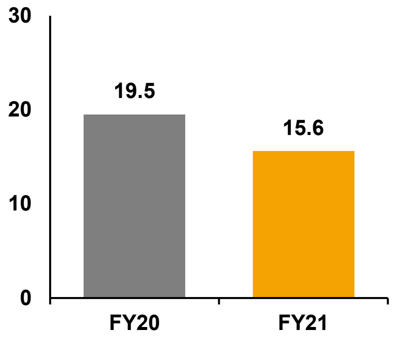
Net Cash

$15.6m

-$3.9m v FY20

- Strong EBITDA to OCFBIT conversion rate of 99.0%

Net cash ($m)



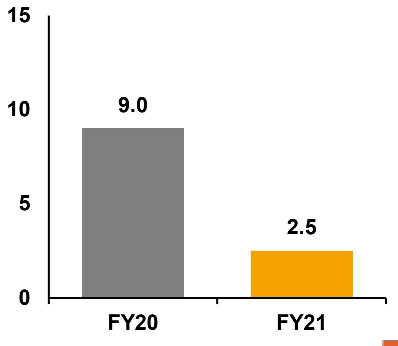
Dividend

2.5 cps

FY21 interim dividend only

- Final FY21 dividend not declared to assist with funding the Lendlease Services acquisition
- Resumption of dividends expected for full year FY22, subject to business performance

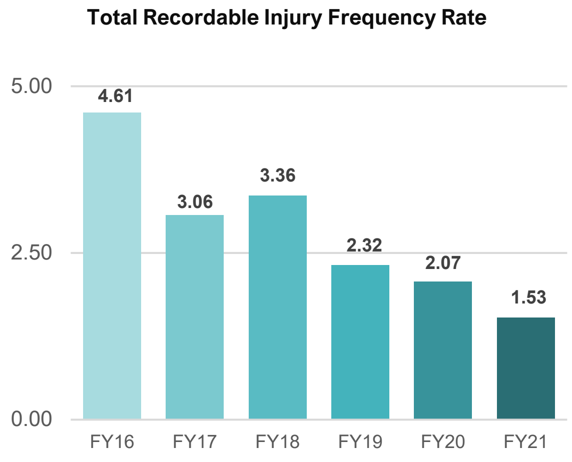
Dividend (cps)

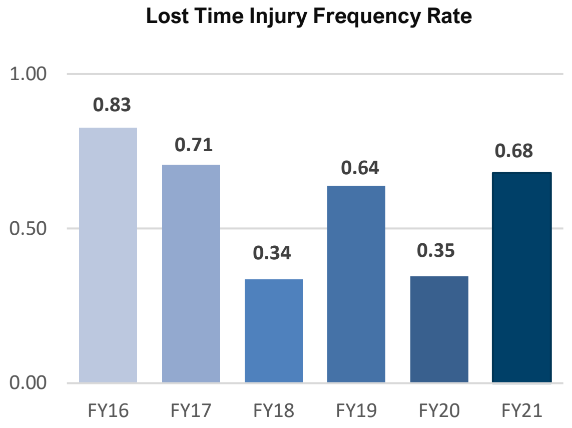


Safety Performance

Maintaining our focus on the safety of our people, our customers and the community

- Safety is a core value at Service Stream; we continue to deliver industry leading safety performance:
  - TRIFR recorded annual reduction of 26% over FY21
  - MTIFR improved by 50% on prior year, and
  - LTIFR has remained below 1.0x for six consecutive years
- Strong safety culture that engages proactively with our stakeholders to reduce risk through improved work practices and enhanced controls
- Particular emphasis on implementing improved controls across higher risk work activities including; working from heights, asset strikes, vehicle / plant, electrical works, slips and trips





COVID-19

Positive exposure to essential network infrastructure and pro-active management of evolving issues enabling continuation of operations

- Exposure to essential infrastructure networks has provided a steady revenue base and sustained resilience through the COVID-19 pandemic
- Comprehensive COVID-19 response plan maintained across all aspects of the Group's national operations
- Strong engagement with clients to ensure safe operations within agreed guidelines
- COVID-19 related effects which have negatively impacted operations during FY21 include:
  - deferral of discretionary and non-critical programs of work
  - border restrictions and various state-based lock downs impacting work delivery and resource movement
  - continuing moratoriums on electricity and gas disconnections (and subsequent reconnections)
  - increased costs to support specific safety-related protocols across business operations
  - The Victorian Stage 4 COVID-19 restrictions significantly reduced TechSafe's Victorian services with $1.1m of JobKeeper assistance received in relation to this issue
- The business continues to monitor and adapt to the changing COVID-19 landscape and circumstances. The recent outbreaks across NSW and Victoria have interrupted some of our operations, however the business has been able to mitigate any impact to date.

Sustainability: Our Approach

Health & Safety

As a leading service provider delivering a range of essential services through a predominantly field-based workforce, workplace health and safety is critical to business success and our long-term sustainability.

The safety of our people, our clients and the communities with whom we engage is our first priority.

Environment

Service Stream recognises the long-term importance of building a reputation as an environmentally responsible organisation. We are committed to managing the impact of our operations in order to prevent environmental harm and improve resource efficiency in a balanced and economically responsible manner.

People

Service Stream is a people business, with a diverse workforce exceeding 5,000 employees and contractors. Our people are our greatest asset and critical to our ongoing success.

The business strives to be an employer of choice and implement policies and practices which support the identification, engagement and development of our valued people.

Governance

The Service Stream Board is responsible for setting and implementing corporate governance practices and oversees the business on behalf of shareholders.

Day-to-day management of the company's operations are delegated to the Managing Director and Executive Management Team.

Community

Service Stream recognises the importance of maintaining supportive relationships with all stakeholders, and the positive impact that it brings not only to our business and industry, but to the communities in which we work and live.

Sustainability: FY21 Highlights

Committed to long-term sustainable practices which support and enhance the economic, social, and environmental performance for the Company and our expansive stakeholder groups

<16%

Reduction in High Potential Incident Frequency (HPIFR) rates

Commenced trial of battery / hybrid vehicles

Progressed initiatives across the Sustainability, Diversity & Inclusion Committees (Gender, First People, Inclusion & Environment)

Completed a Stakeholder materiality assessment to identify key ESG issues, priorities and risks

74%

Employee engagement score, marking 5% improvement

Enhanced governance frameworks and released Service Stream's Modern Slavery Statement

Acquisition of Lendlease Services

Lendlease Services Acquisition

Consistent with Service Stream's strategy, the acquisition of Lendlease Services will diversify revenues, enhance current capabilities and expand the Combined Group's addressable markets

Diversifies Service Stream's operations, creating a multi-network essential service provider	*Creates a broader portfolio of operations across the wider infrastructure services market*
Enhances the Combined Group's capabilities and expands addressable markets	*Builds deeper capabilities across electricity, water & waste-water, industrial and transportation sectors supporting an expansion of addressable markets*
Complementary client base across known and familiar markets	*Enhances the Group's portfolio of blue-chip clients, further reducing reliance on a small number of customers*
Compelling synergy realisation and business combination benefits	*The acquisition will generate significant cost synergies of ~$17 million, with further potential opportunities to be reviewed during the integration program[1]*
Financially attractive acquisition, highly accretive to earnings	*FY22PF EPS-A accretion of ~30%, before one-off transaction and implementation costs[1]*

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ESSENTIAL NETWORK SERVICES

1 - Please refer to the separate ASX Market Presentation released on 21 July 2021 for further information.

Lendlease Services: Acquisition Update

- ✓ Positive feedback received from Lendlease Service's clients to the acquisition, and strong support for the change of control requirements
- ✓ Anticipated Completion in November 2021
- ✓ Strong interaction with Lendlease Services personnel in readiness to support Day 1 operations
- ✓ Service Stream provided with oversight across YTD trading and material new business opportunities
- ✓ Significant progress across integration and synergy programs:
  - Dedicated integration team resourced and mobilised
  - Focus on business continuity to support Day 1 operations
  - Planning well progressed on separation activities to remove dependency on transitional services from Lendlease Group
  - Further validation and confidence on value of estimated synergies, with benefits expected to ramp up from H2 FY22

Service Stream Going Forward

Post-acquisition, Service Stream reflects a leading Australian essential networks services business operating across the Telco, Utilities and Transport sectors, underpinned by a core earnings base and positioned for significant and sustainable long-term growth

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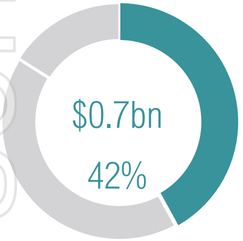
ESSENTIAL NETWORK SERVICES

Australia's leading essential network service provider

Telecommunications

- Fixed line
- Mobile / Wireless
- Satellite

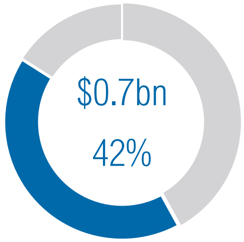
FY21 Revenue



Utilities

- Electricity
- Gas
- Water/ Waste Water
- Industrial Maintenance

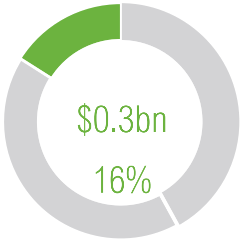
FY21 Revenue



Transportation

- Road Infrastructure
- Tunnel Infrastructure
- ICT

FY21 Revenue



$1.7 billion
Pro forma FY22 combined Group revenue

$120-125 million
Pro forma FY22 EBITDA from Operations

>$5.8 billion
Combined backlog of contracted works

~85%
Combined Group FY22 revenue secured

Blue-chip client base
Network owners and operators, regulators and government organisations

Diversified Operations
Diversified multi-network service provider supporting critical infrastructure networks

4,400+
Employees and pool of skilled sub contractors

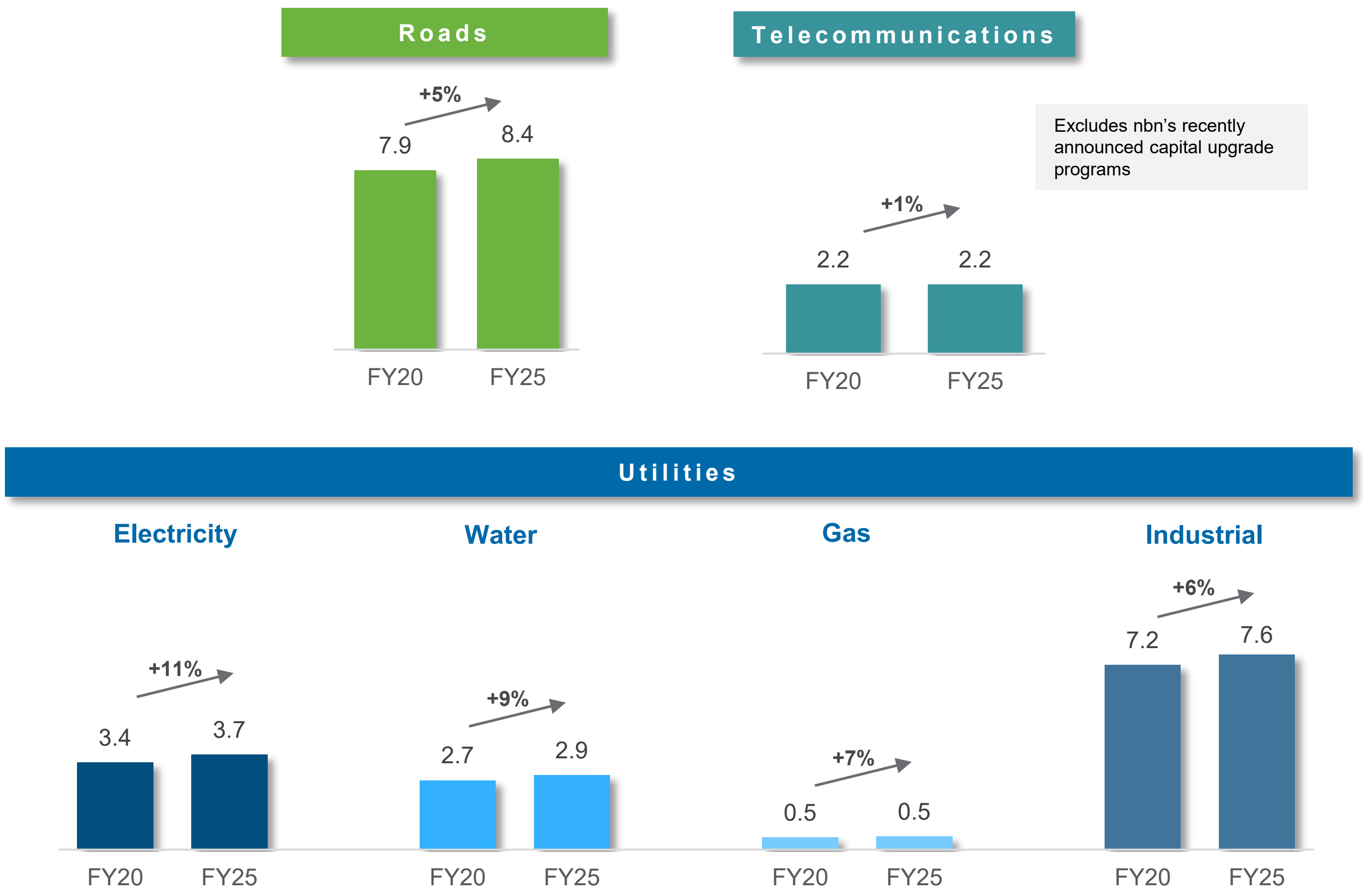
80+ locations
Offices and warehouse nationally

Australian Maintenance Sector

The Acquisition enhances Service Stream’s exposure to Australia’s growing Infrastructure Sector

- Strong industry fundamentals will continue to drive sustained demand and growth for maintenance of critical infrastructure services:
  - Large base of existing infrastructure assets in Australia requiring continued maintenance
  - New pipeline of projects benefitting from increased Government stimulus and private sector investment requiring maintenance over the long term
  - Continued trend towards outsourcing of maintenance to the private sector
  - Ageing infrastructure requiring increased maintenance and/or replacement

Annual Expenditure ($ billion)[1]



1. *Source: BIS Oxford Economics 2021, ‘Maintenance in Australia’ 2021 Edition. Excludes capital expenditure forecast.*

Trading update and group outlook

- Service Stream YTD trading has been in line with expectations
  - Stronger Telecommunications volumes has offset lower contribution across Utilities primarily due to COVID-19 related challenges
- Full year post acquisition pro forma FY22 EBITDA from Operations (as if the transaction had completed on 1 July 2021) inclusive of full run rate of synergies of $17m, of $120-125m guidance maintained
  - Service Stream's FY22 standalone earnings are expected to rebase below FY21, in line with the Telecommunication contracts secured during FY21
  - Lendlease Services has experienced slower ramp up of new projects, but full year FY22 earnings expectations maintained
  - Contribution from integration & synergy program to progressively ramp up from H2
  - Actual FY22 consolidated group results will include approximately 8 months contribution from Lendlease Services and realised synergies
- The current outbreak of COVID-19 is interrupting some of the Group's operations. Given the unpredictable nature of this pandemic and the associated response, any impact to the full year outlook is currently difficult to predict
  - Financial impacts to date have been successfully mitigated through overperformance across the broader business
  - Whilst the business expects there will continue to be intermittent interruptions, it has not forecast for major lockdowns to continue throughout the year
  - We expect lockdowns should diminish, and are encouraged by increasing vaccination rates across the country