

 FY24 Half Year Presentation

**bsa**<sup>®</sup>

# Investor Presentation

FY24 Half year

[WWW.BSA.COM.AU](http://WWW.BSA.COM.AU)



# Our Business

Strong foundations built on our track record for client service & delivery excellence.



**300+**  
Employees



**1,000+**  
Skilled Field  
Technicians



**National**  
Footprint

**~\$240m**  
Annual  
Revenue

BSA has evolved to become one of Australia's leading technical services companies, providing rich and adapted solutions that are both flexible in delivery and a testament to many years of industry practice:

- **BSA** has a wealth of experience in providing technical and workforce management solutions;
- **BSA** will use its core strengths as a leading Telco Services Company to diversify into emerging markets, such as EV, which is set for exponential growth;
- **BSA** clients include some of Australia's leading organisations;
- **BSA** has a substantial national workforce; and
- **BSA** is led by a strong & experienced management team.

## Markets

We have clients in many sectors and industries that place their confidence in BSA's asset lifecycle solutions and end-to-end service delivery. Below is an overview of just a few of the markets in which BSA operates.



Telco



Media  
& Broadcast



Energy



Electric  
Vehicles (EV)



Commercial



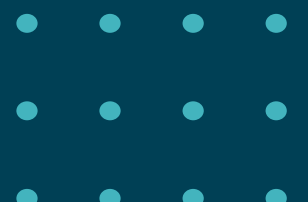
Government



Infrastructure

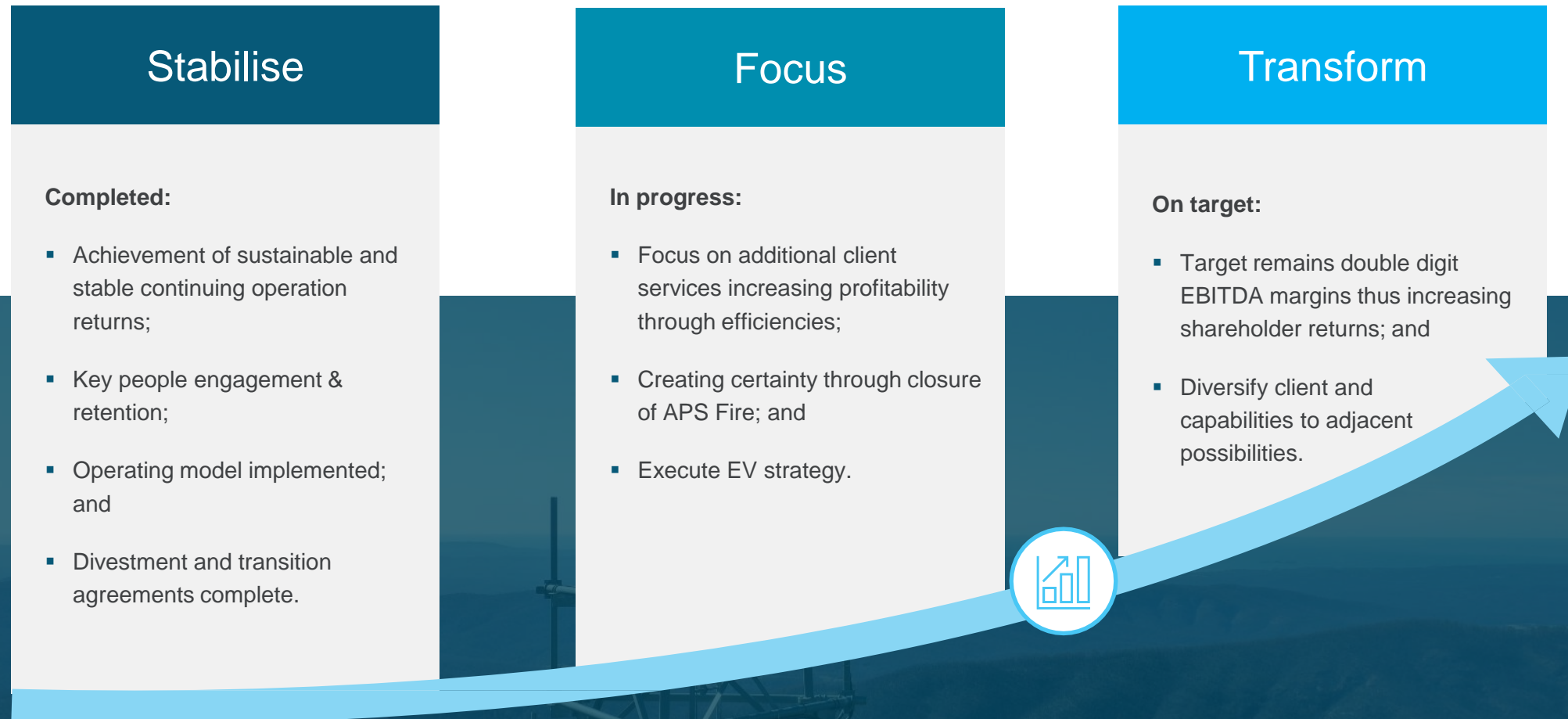
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# Highlights



# HY2024 – Executing our plan

Continuous execution of three horizon



# HY2024 Performance Highlights

BSA continues to achieve sustainable run rates and delivery with cornerstone clients

Safety		Continuing Operations		Discontinued Operations	
Absolute Safety Focus		Sustainable Earnings		Fire Build NSW	
LTIFR	2.47	Revenue	\$121.4m	Revenue	\$6.6m
TRIFR	3.09	EBITDA	\$10.1m	EBITDA*	(\$1.7m)

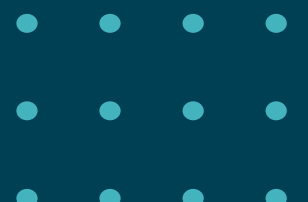
\*Pre Restructure Costs

LTIFR – Continuing Operations - Lost time injury frequency rates

TRIFR – Continuing Operations - Total recordable injury frequency rate

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# Continuing Operations



# Key Achievements

## Revenue

**\$121.4m**

- Key delivery partner for nbn & Foxtel;
- Significant market penetration in smart metering; and
- nbn Work volume improved in Q2 with strong momentum

## EBITDA

**\$10.1m**

- Favourable work type mix
- EBITDA growth of c58%;
- Improved EBITDA Health at 8.5% EBTIDA; and
- Strong quarter on quarter momentum

## Clients

**100% Retention**

- Partnering with clients to ensure the right tech, right place, right time;
- Top performer with cornerstone clients; and
- Best in class customer experience scores.

## Business Development

**New Clients & Markets**

- Entered Premium EV Residential with Evie Networks;
- Agreed Small Cells Wireless contract with Waveconn;
- Membership with Electric Vehicle Council; and
- Secured new wireless work with NSWTA.

## Safety & People

**Safety Metrics Improvement**

- c30% reduction in TRFIR rate
- HSE Index + 80%; and
- Authorized as a Great Place To Work (79%)

# Key Focus and Growth

Clear opportunities expected to underpin continued growth over the medium and longer term



## Fixed-Line

- ✓ Long-term nbn partnership;
  - ✓ Assurance and activation led;
  - ✓ Largest nbn market share across NSW and Victoria; and
  - ✓ Trusted multi-layered relationship with nbn for a critical piece of national infrastructure.
- ✓ Maximise opportunity from significant nbn pipeline forecast; and
  - ✓ Expansion of nbn scopes.



## Wireless

- ✓ Acquisition of Catalyst One in 2020 to establish capability in Group;
  - ✓ Market credibility and connections with key wireless operators in Australia;
  - ✓ Shift in market dynamics due to sale of tower assets across the country; and
  - ✓ Agreed Small Cells Waveconn Contract.
- ✓ Build on direct Telstra contract;
  - ✓ NSWTA expansion opportunities; and
  - ✓ Opportunities with wireless tower ownership change in FY24 and beyond.

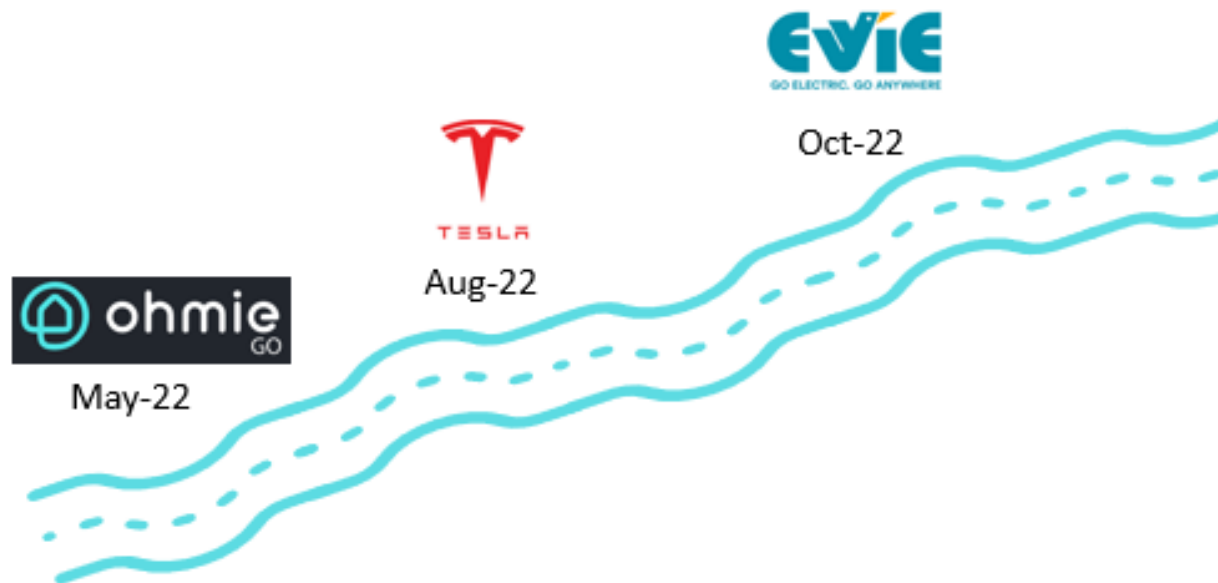


## Smart Energy Solutions

- ✓ Over 5 years of experience supporting Bluecurrent (formerly Vector);
  - ✓ Secure longer term Intellihub contract; and
  - ✓ Build key partnerships in the emerging Electric Vehicle high growth market.
- ✓ Leverage customer experience and workforce management expertise to expand into new Energy sectors (including EVs); and
  - ✓ Move beyond field services.



# EV market entry provides growth potential



## FY24 - Prove

Current market opportunities and the broader market focus is on installs and BSA will prioritise its services accordingly. Additionally, BSA will offer EV Charging Consultancy services as a channel to market for multi-point installations and broader charger programs of works as well as a point of differentiation.

## FY25 - Grow

As the market matures, BSA's installation base grows, reactive maintenance will become a priority as will BSAs ability to offer intelligent proactive maintenance.

## FY26 - Lead

With more readily available data BSA will be able to extend and refine existing services while also offering intelligent products such as Charging as a Service.

## EV Capabilities

- Premium Residential Installs;
- Design and Construct EV network Charging Infrastructure;
- Multi-point Commercial Installations;
- End to End EV Operating Model; and
- EV Consultancy.

# Health, Safety & Environment (HSE) Performance

Focus on continuous improvement across all areas of health, safety, environment and well-being

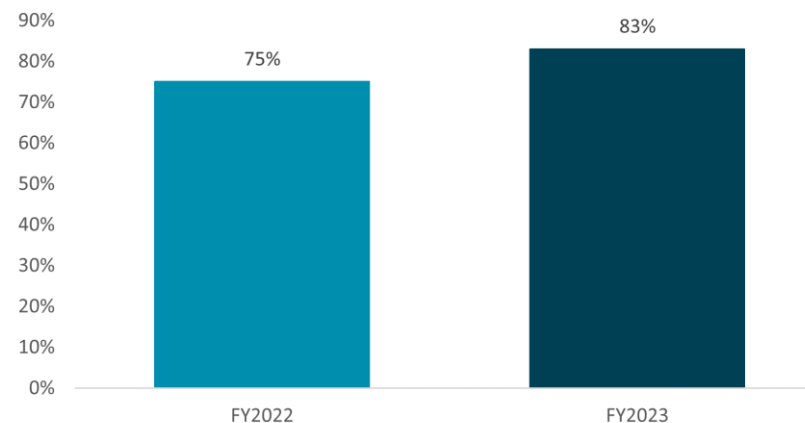
- We continued our focus on our HSE strategic pillars of Leadership, Engagement, Risk & Systems, and Health & Wellness;
- We achieved strong results on our Health and Safety Index survey where we improved from 75% to 83% (and are now 8% above industry benchmarks) with our workforce;
- We had positive audit results relating to our ISO safety, environmental and quality standards / office of the federal safety commissioner;
- We continued our focus on critical risk, checking against critical risk controls and measuring critical risk control effectiveness;
- We partnered with Patrizia Cassaniti and the Touched by Christopher Foundation for our Stop for Safety Day;
- We celebrated National Safe Work Month across the business in October and recognised our top safety champions during National Safe Work Month activities;
- We celebrated RUOK? Day in September; and
- TRIFR continues to decrease towards industry leading performance whilst we transition our focus to lead performance indicators.



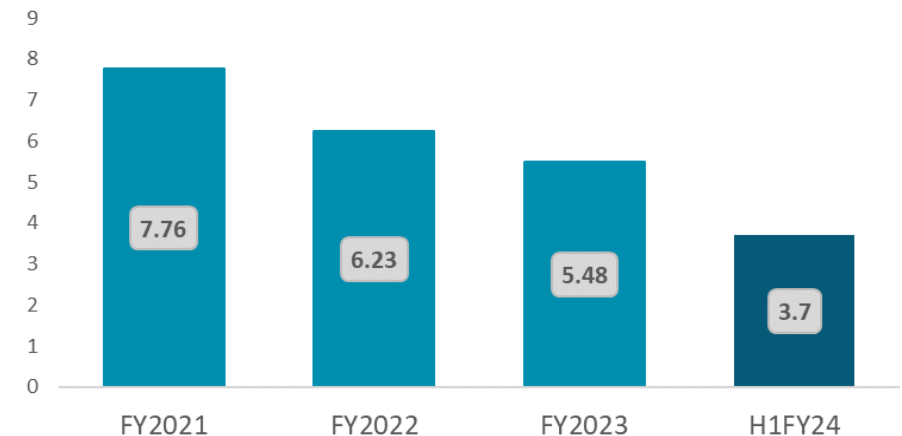
**LET'S TALK ABOUT SAFETY**

**STOP. SPEAK UP. SAVE LIVES.**

Lead Indicator - H&S Index Score

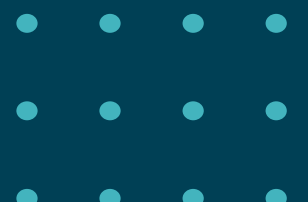


Total Recordable Injury Frequency Rate





# Discontinued Operations



# Discontinued Operations – Providing Certainty

Transition plan to Guardian Protection Services Pty Ltd (Guardian), that will safeguard the interests of all parties involved



## People

- ✓ Wellbeing of people the main priority;
- ✓ Transparent process with full communication to impacted people; and
- ✓ Assessment of redeployment opportunities either internally or externally.



## Client commitment

- ✓ Rights and obligations to be fulfilled on existing project;
- ✓ Finalise all existing projects to agreed standards;
- ✓ Ensure commercial rigour on closure.

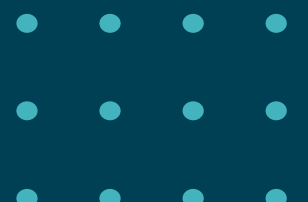


## Partnership with Guardian

- ✓ Novation, subject to approval, of key projects;
- ✓ Guarding capability aligned with client requirements;
- ✓ People transition where possible;
- ✓ Collaboration on completion of
  - Defects Liability Period;
  - Warranty provision; and
  - Inspection and testing.



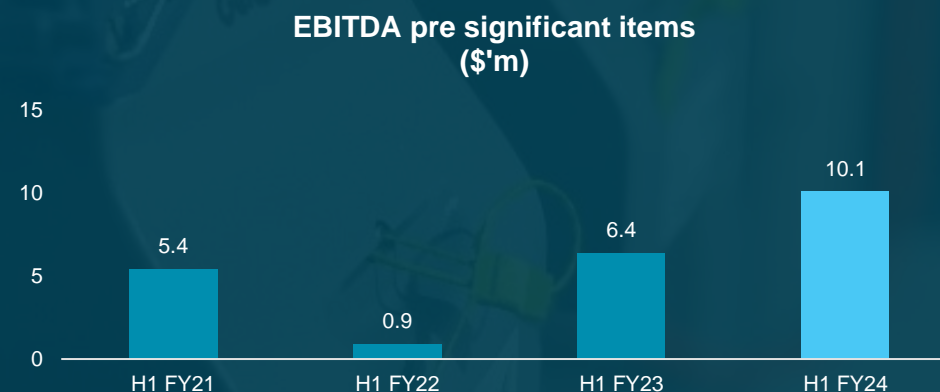
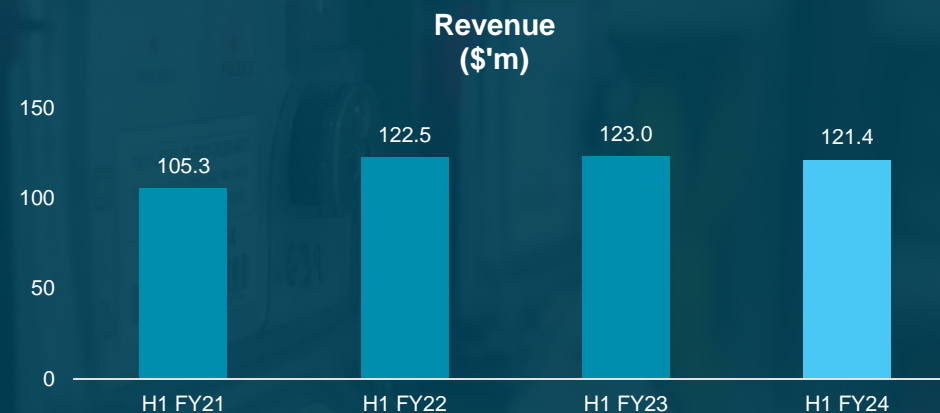
# Financial Performance



# Profitability – Continuing Operations

Strong growth in Gross margin and EBITDA

Summary (\$'m)	H1FY24	H1FY23	Change
Revenue	121.4	123.0	(1.6)
Gross margin	33.7	28.3	5.4
<i>Gross margin %</i>	<i>27.8%</i>	<i>23.0%</i>	<i>4.8%</i>
Operating expense and other income	(23.6)	(21.9)	(1.7)
<b>EBITDA</b>	10.1	6.4	3.7
<i>EBITDA %</i>	<i>8.3%</i>	<i>5.2%</i>	<i>3.1%</i>
Depreciation & amortisation	(1.5)	(2.2)	0.7
<b>EBIT</b>	8.6	4.2	4.4
Interest & tax	(0.9)	(2.8)	2.0
<b>NPAT</b>	7.7	1.4	6.4
<i>NPAT %</i>	<i>6.4%</i>	<i>1.1%</i>	<i>5.3%</i>
<b>Basic earnings per share (cps)</b>	10.75	1.92	8.79



Subject to rounding

# Funding

Funding Facilities (\$'m)	Institution	Drawn	Available	Limit
<b>Cash Facilities</b>				
Debtor financing facility	CBA	4.0	11.0	15.0
<b>Total Cash Facilities</b>		<b>4.0</b>	<b>11.0</b>	<b>15.0</b>
<b>Other Funding</b>				
Bank guarantees	CBA	15.2	4.3	19.5
Insurance bonds	SwissRe	2.0	-	2.0
Master Asset	CBA	-	-	-
Insurance funding facility		0.8	-	0.8
<b>Total Other Funding</b>		<b>18.0</b>	<b>4.3</b>	<b>22.3</b>
<b>Total Cash Facilities</b>		<b>4.0</b>	<b>11.0</b>	<b>15.0</b>
<b>Total Other Funding</b>		<b>18.0</b>	<b>4.3</b>	<b>22.3</b>
<b>Net Cash/(Debt) (\$'m)</b>				
Cash at bank			2.3	2.0
Facilities utilised			(4.0)	(4.0)
<b>Net Debt</b>			<b>(1.7)</b>	<b>(2.0)</b>

## Facility & Funding

- No changes in Facility Limits occurred during the half year ended;
- Cash at bank improved to \$2.3m;
- At 31 December 2023, the Group had \$11.0m in finance facility available; and
- Facility in place until 31 March 2024, in discussion with financier to extend facilities.

# Cash flow

Cash flow results (\$'m)	H1 FY24	H1 FY23	Change
<b>EBITDA before restructuring costs and significant items</b>	<b>8.4</b>	<b>(3.7)</b>	<b>12.1</b>
<b>Key cash movements:</b>			
Legacy settlement costs	(0.6)	(3.1)	(3.1)
Initial due diligence	-	(0.4)	0.4
Working capital movement	(4.4)	(1.8)	(3.2)
<b>Gross Cash flow</b>	<b>3.4</b>	<b>(9.0)</b>	<b>12.4</b>
Interest & tax paid	(0.8)	(1.8)	1.0
<b>Operating Cash flow</b>	<b>2.6</b>	<b>(10.8)</b>	<b>13.4</b>
Catalyst ONE - contingent consideration	(0.7)	-	(0.7)
Sale of business, net of transaction costs	(0.2)	-	(0.2)
Net capex	(0.2)	(1.0)	0.8
<b>Free Cash flow</b>	<b>1.5</b>	<b>(11.8)</b>	<b>13.3</b>

## Cash flow

- Operating cash improvement versus the prior comparative period, with a \$2.6 million inflow for H1 FY24, versus a \$10.8 million outflow for H1 FY23;
- Cash flows improved due to strong performance by continuing operations, and the prior-period impact of the payment of previously provisioned legacy legal costs;
- Net cash inflow for the year due to strong EBITDA performance in continuing operations, prior periods were impacted by greater losses in discontinued operations which have been divested (APS Maintain & APS Fire Queensland);
- Restructuring costs of \$3.8m have not yet been incurred. Costs relate to people costs, warranty liabilities and project completion and wind down costs. The cash impact is likely to be mitigated by client retention returns and working capital unwinding;
- Capex relates to essential asset replacement; and
- Contingent consideration relates to final earn out of Catalyst ONE acquisition.



# Balance Sheet

(\$'m)	H1 FY24	FY23	Change
<b>Current assets</b>	<b>36.4</b>	<b>39.6</b>	<b>1.5</b>
- Cash	2.3	2.0	0.3
- Working capital (incl. net contract asset)	34.0	27.0	8.7
- Assets classified as held for sale	-	10.6	(10.6)
<b>Non-current assets</b>	<b>20.7</b>	<b>22.9</b>	<b>(2.2)</b>
- Intangible assets	1.3	1.4	(0.1)
- PP&E and software	4.6	4.9	(0.4)
- Right-of-use-assets	3.3	5.2	(1.9)
- Deferred taxes	11.5	11.4	0.1
<b>Current liabilities</b>	<b>(59.8)</b>	<b>(65.5)</b>	<b>4.0</b>
- Working capital	(31.0)	(28.4)	(0.5)
- Class action settlement	(8.9)	(8.9)	-
- Lease liabilities	(1.5)	(2.2)	0.7
- Employee benefit provisions	(4.3)	(3.5)	(0.8)
- Provisions	(10.0)	(10.8)	(3.1)
- Borrowings	(4.0)	(4.0)	-
- Contingent consideration	-	(0.8)	0.8
- Liabilities classified as held for sale	-	(6.9)	6.9
<b>Non-current</b>	<b>(4.6)</b>	<b>(6.6)</b>	<b>2.0</b>
- Other Payables	(0.2)	-	(0.2)
- Lease liabilities	(2.1)	(3.7)	1.6
- Employee benefit provisions	(1.0)	(1.0)	-
- Provisions	(1.3)	(1.9)	0.6
<b>Net assets</b>	<b>(7.3)</b>	<b>(9.6)</b>	<b>2.3</b>
Net cash & borrowings	(1.7)	(2.0)	0.3
Net assets excluding class action settlement**	1.6	(0.7)	2.3

## Key comments

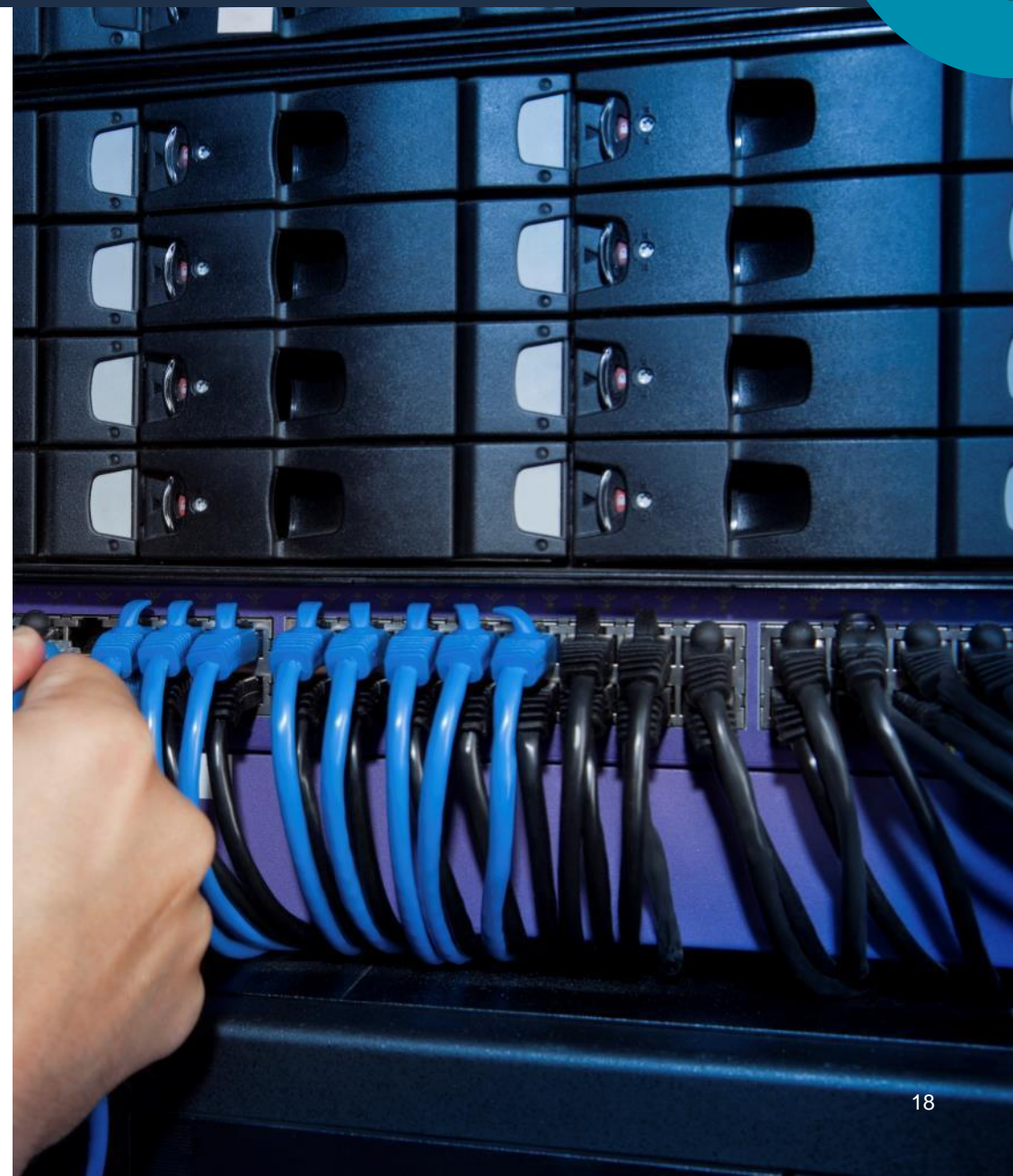
- Intangible assets represents acquired customer contracts;
- PP&E and software mostly comprise IT and field management software;
- Right of use asset and lease liabilities represent fleet and property;
- Deferred taxes relate to tax timing differences on Class action settlement, provisions and employee benefits;
- Provisions represent make good, legacy legal and tax provisions;
- Borrowings relate to facility drawn at 31 December 23.

# Group Results

(\$'m)	H1 FY24	H1 FY23	Change
<b>Revenue</b>			
Continuing Operations	121.4	123.0	(1.6)
Discontinued Operations	6.6	100.1	(93.5)
<b>Group Revenue</b>	<b>128.0</b>	<b>223.1</b>	<b>(95.1)</b>
<b>EBITDA</b>			
Continuing Operations	10.1	6.4	3.7
Discontinued Operations	(1.7)	(10.1)	8.4
<b>Group EBITDA pre-restructure expenses</b>	<b>8.4</b>	<b>(3.7)</b>	<b>12.1</b>
Restructure expenses	(3.8)	-	(3.8)
<b>Group EBITDA post-restructure expenses</b>	<b>4.6</b>	<b>(3.7)</b>	<b>8.3</b>

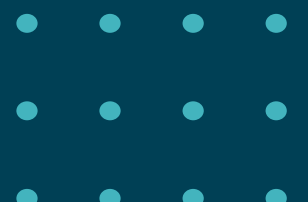
BSA expects to incur approximately \$3.8m in closure costs for the APS Fire business including people related costs, warranty liabilities in addition to project completion and wind down costs. This is recognised as one-off restructuring expense in the Group's half year financial statements.

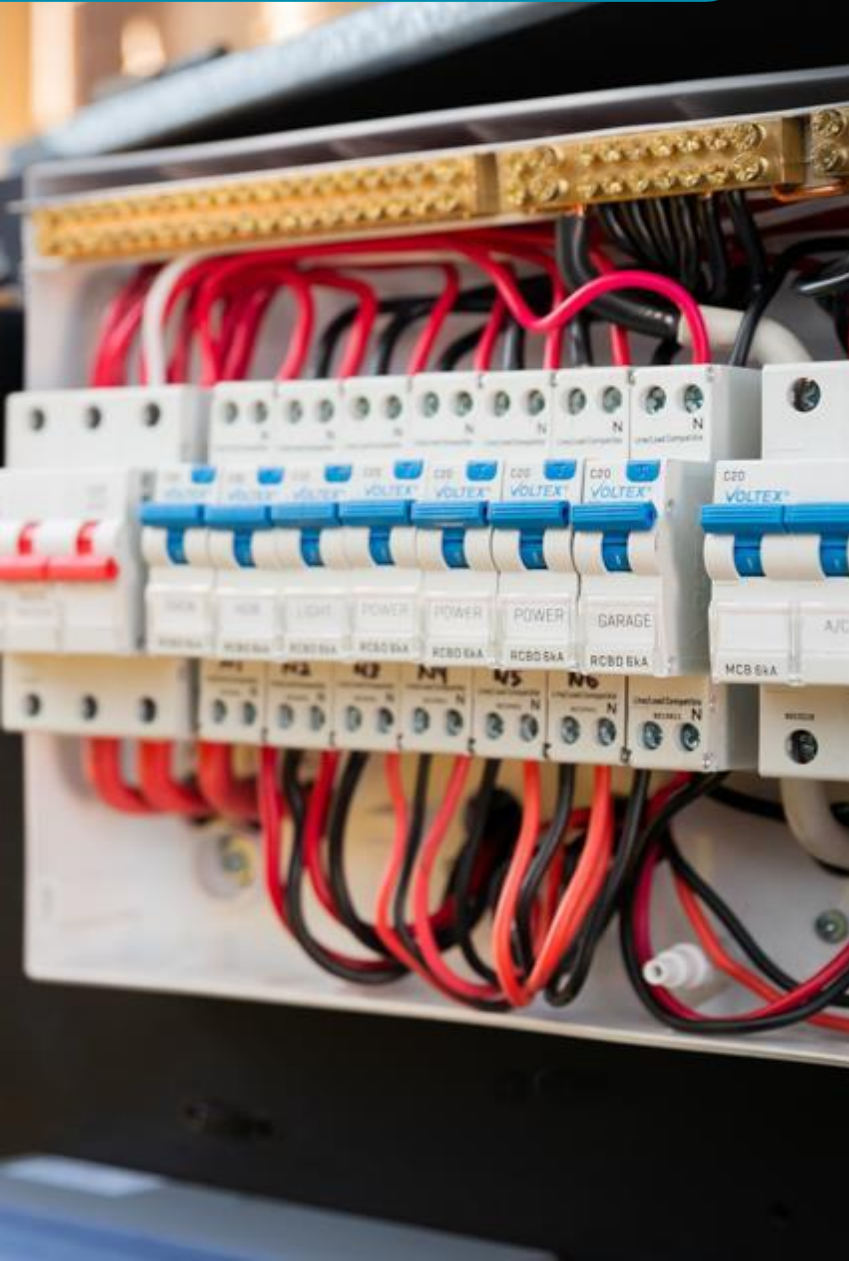
*Subject to rounding*



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# Summary





## Summary

- Significant improvement in profitability metrics;
- Continued partnership with cornerstone clients, targeting delivery of additional services;
- Execute Electric Vehicle strategy;
- Focus on transition of APS Fire NSW;
- FY2024 H2 financial performance is expected to yield similar results to H1 subject to client volumes; and
- Targeting double digit EBITDA margins in the mid to long-term.



Thank You

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