



# 2014 ANNUAL GENERAL MEETING

25 NOVEMBER 2014, 9.30 AM (WST), CROWN PERTH, BURSWOOD WA 6100

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GLOBAL CONSTRUCTION SERVICES LIMITED

# Board of Directors & Secretary



- **Peter Wade**  
Non-Executive Chairman
- **Enzo Gullotti**  
Group Managing Director
- **George Chiari**  
Executive Director
- **Sam Mangione**  
Non-Executive Director
- **Gabriel Chiappini**  
Company Secretary

Our strategy is underpinned  
by our values; Safety,  
Performance, Reliability.





# Agenda

- Business of Meeting  
**Peter Wade**
- Group Managing Director's Presentation  
**Enzo Gullotti**

Our national presence allows us to provide multi disciplined labour and high quality equipment anywhere across Australia.





# Business of Meeting





## RE-ELECTION OF MR PETER WADE

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That Mr Peter Wade who retires as a director in accordance with Clause 6.3 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company with immediate effect.”*





## RE-ELECTION OF MR PETER WADE

The following proxies have been received:

Vote Type	Voted	%	% all securities
For	109,889,725	97.59	56.06
Against	492,368	0.44	0.25
Open	2,216,453	1.97	1.13
Excluded	0	n/a	0
Abstain	296,505	n/a	0.15

Securities on Issue 196,008,260.





## APPROVAL OF PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.2, exception 9(b) and for all other purposes, the future grant of performance rights and the issue of shares under the Performance Rights Plan be approved.”*





## APPROVAL OF PERFORMANCE RIGHTS PLAN

The following proxies have been received:

Vote Type	Voted	%	% all securities
For	71,865,348	85.13	36.66
Against	10,376,474	12.29	5.29
Open	2,182,409	2.58	1.11
Excluded	28,389,315	n/a	14.48
Abstain	81,505	n/a	0.04

Securities on Issue 196,008,260.



# Resolution 3



## NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“To adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2014”*





## NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

The following proxies have been received:

Vote Type	Voted	%	% all securities
For	70,994,336	85.25	36.22
Against	10,262,935	12.32	5.24
Open	2,029,385	2.43	1.04
Excluded	29,240,466	n/a	14.92
Abstain	367,929	n/a	0.19

Securities on Issue 196,008,260.



## BOARD SPILL MEETING

To consider and, if thought fit, to pass the following as an ordinary resolution:

*“That, subject to and conditional on at least 25% of the votes cast on Resolution 3 being cast against the adoption of the Remuneration Report:*

- a. another general meeting of the Company (the “Spill Meeting”) be held within 90 days of the passing of this resolution;*
- b. all of the directors in office when the Board resolution to make the directors’ report for the financial year ended 30 June 2014 was passed excluding the Company’s managing director (such directors being Peter Wade, George Chiari and Sam Mangione) cease to hold office immediately before the end of the Spill Meeting; and*
- c. resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting.”*



## BOARD SPILL MEETING

The following proxies have been received:

Vote Type	Voted	%	% all securities
For	16,329,181	19.62	8.33
Against	64,699,084	77.70	33.01
Open	2,235,380	2.68	1.14
Excluded	29,240,466	n/a	14.92
Abstain	390,940	n/a	0.20

Securities on Issue 196,008,260.





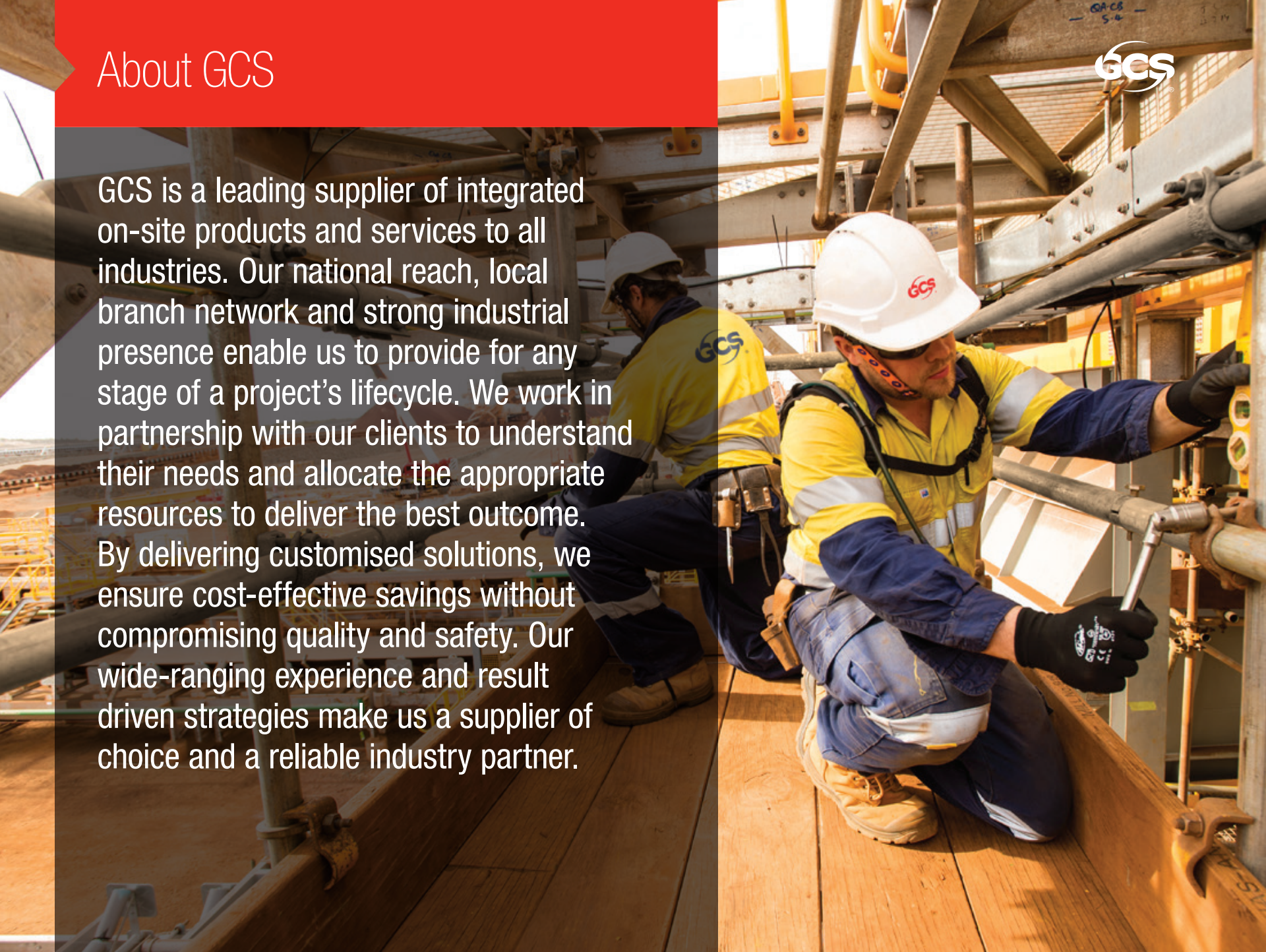
# Group Managing Director's Presentation





# About GCS

GCS is a leading supplier of integrated on-site products and services to all industries. Our national reach, local branch network and strong industrial presence enable us to provide for any stage of a project's lifecycle. We work in partnership with our clients to understand their needs and allocate the appropriate resources to deliver the best outcome. By delivering customised solutions, we ensure cost-effective savings without compromising quality and safety. Our wide-ranging experience and result driven strategies make us a supplier of choice and a reliable industry partner.





# Health, Safety, Environment, Quality



Our professional reputation is built on delivering integrated products and services across multiple markets and sectors at industry-leading standards. Central to growing and exceeding this ethic, is our Integrated Management System. Developed to communicate our Health; Safety; Environment; and Quality objectives, and apply consistent standards across our Australian network.



Quality  
ISO 9001

SAI GLOBAL



Oil & Gas  
ISO 29001

SAI GLOBAL



Health & Safety  
AS 4801

SAI GLOBAL



We are committed to safety — it's our primary focus and a part of our culture.





GCS is uniquely positioned in the Australian market place to provide a comprehensive range of products and services throughout the lifecycle of a project.



ON-SITE WORKFORCE



FORMWORK & CONCRETING



SITE ACCOMMODATION



PLANT & EQUIPMENT



SCAFFOLD & ACCESS SOLUTIONS



VEHICLE FLEET RENTALS



SPECIALISED SITE SERVICES

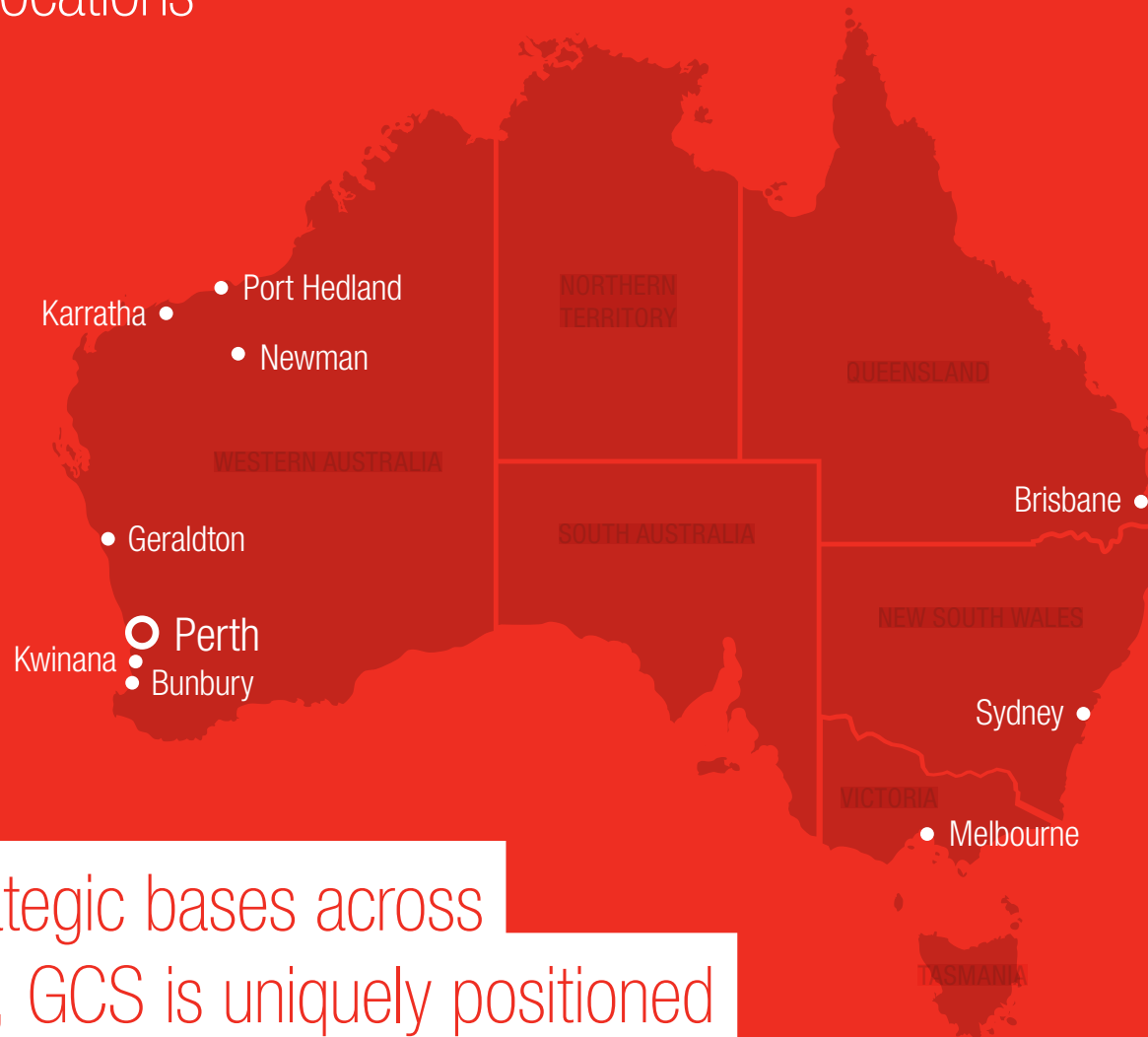
GCS is a leading supplier of integrated on-site products and services throughout Australia.

Our strong market presence and customised solutions makes us a leading supplier to the Commercial, Residential, Resource, Industrial, Oil & Gas sectors.



Our national presence allows us to provide multi disciplined labour and high quality equipment to all industries anywhere across Australia.

# Division Locations



With strategic bases across Australia, GCS is uniquely positioned to service a wide range of industry sectors through its local branch network.



- FY 2014 positive financial performance in a tough market
  - Underlying earnings of \$9.5m, \$5.8m lower than FY2013 of \$15.3m
  - Statutory earnings of \$8.2m after Forge bad debt write off of \$1.3m post tax
  - Revenue \$160.1m compared to \$200.3m, down 20%
  - Result reflects the challenging and competitive market conditions experienced
    - Delays in Commercial sector projects
    - General slowdown in demand in the Pilbara
    - Highly competitive pricing and lower utilisation levels



# Subsequent Event - Strategic Placement



- Two tranche \$14m strategic placement (“Placement”) to Brookfield Capital Partners III, a private equity fund managed by Brookfield Asset Management Inc. (Brookfield)
- Placement price at \$0.47, a 6.8% premium to last close and 10.4% premium to one month VWAP
- Post the two tranches, Brookfield will hold approximately 14.9% of issued capital in GCS
- Funds used from the Placement will be used to reduce debt and provide additional working capital
- Strategic partnership between GCS and Brookfield formed to drive industry consolidation and expand GCS’ products and skill set nationally



# Financial Results



## Full Year Financial Results – June 2014

### REVENUE (\$m)

2014 \$160.1m  
2013 \$200.3m

–  
20%

### UNDERLYING EBITDA (\$m)<sup>#</sup>

2014 \$30.9m  
2013 \$47.7m

–  
35%

### EBITDA (\$m)

2014 \$29.1m  
2013 \$47.7m

–  
39%

### EBIT (\$m)

2014 \$17.1m  
2013 \$30.4m

–  
44%

### NPAT (\$m)

2014 \$8.2m  
2013 \$15.3m

–  
47%

### NET DEBT TO EQUITY

2014 32%  
2013 43%

–  
11pp<sup>\*</sup>

### EPS (¢)

2014 4.8¢  
2013 9.7¢

–  
51%

### NTA

2014 81.8¢  
2013 76.7¢

+  
7%

<sup>#</sup> Underlying basis pre Forge bad debt write off of \$1.8m pre tax

<sup>\*</sup>pp=percentage points



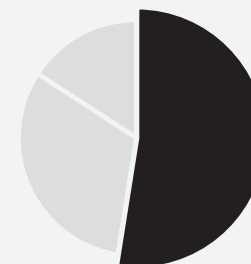


- Major contracts
  - Midland Hospital and QEII car park successfully delivered on schedule and budget
  - Work on Brookfield Place Tower 2, May Holman Centre and Perth Children's Hospital progressing well
  - Award of additional curtain wall installation contracts this calendar year
- Project pipeline remains robust with strong tender activity
  - WA government committed infrastructure projects (Elizabeth Quay, Wellington St bus port, new football stadium, East Perth Foreshore Development)
  - Private sector investment including new hotel pipeline worth more than \$3 billion during next 5 years
  - Recent awards of major contracts to main contractors
  - Anticipate previously delayed major commercial contracts to be awarded in 2015
  - Timing and certainty variable
- Well positioned to capitalise on the investment pipeline moving into FY15

## SEGMENT SIZE (by Revenue Share)

FY13 54.8%

FY14 52.6%

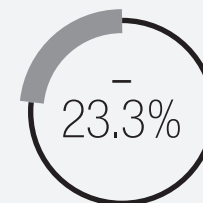


## REVENUE (\$m)

FY14 \$84.2m

FY13 \$109.8m

–  
23.3%

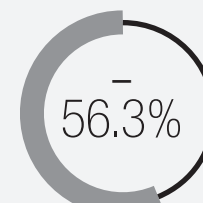


## ADJUSTED EBITDA<sup>1</sup>

FY14 \$12.8m

FY13 \$29.3m

–  
56.3%

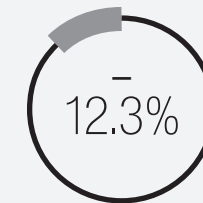


## NET ASSETS

FY14 \$76.9m

FY13 \$87.7m

–  
12.3%



<sup>1</sup> Adjusted EBITDA is EBITDA derived from the operating segments and excludes investments, other income, and GCS support functions including corporate office and treasury which are included in corporate/other.

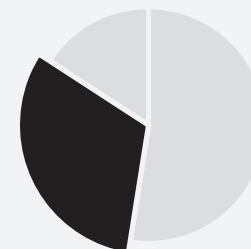
- The WA resources investment cycle has softened on the back of a slowdown in mining activity
- Competitive market for Plant Hire and Portable site accommodation
- Scaffolding supply contract for all Woodside Energy onshore and offshore locations commenced and progressing well
- Final 2400t of scaffold supplied to CBI-Kentz for Chevron's Gorgon project
- Appointed Kaefer's exclusive supply chain partner for Ichthys project in Darwin
- Market conditions will continue to be competitive
- Oil and gas opportunities remain buoyant with major LNG projects under construction including Gorgon, Wheatstone and Ichthys



## SEGMENT SIZE (by Revenue Share)

FY13 34.6%

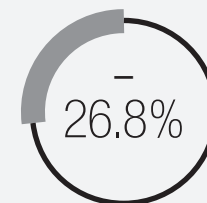
FY14 31.7%



## REVENUE (\$m)

FY14 \$50.8m

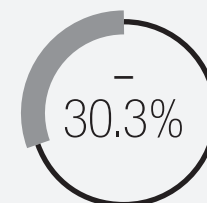
FY13 \$69.4m



## ADJUSTED EBITDA<sup>1</sup>

FY14 \$13.3m

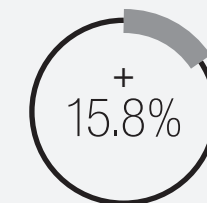
FY13 \$19.1m



## NET ASSETS

FY14 \$46.2m

FY13 \$39.9m



<sup>1</sup> Adjusted EBITDA is EBITDA derived from the operating segments and excludes investments, other income, and GCS support functions including corporate office and treasury which are included in corporate/other.



- FY14 has seen an upturn in the sector on the back of improved new home sales, building approvals and record low interest rates
- Demand in the sector has been further improved as a result of competitors exiting the market in WA
- Management continues to monitor this division to rationalise and align resources to service this market sector
- Cautiously positive with increased activity and anticipated confidence and improvement in housing investment



## SEGMENT SIZE (by Revenue Share)

FY13 10.5%

FY14 15.7%



## REVENUE (\$m)

FY14 \$25.1m

FY13 \$21.1m

+  
19.0%

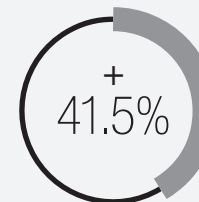


## ADJUSTED EBITDA<sup>1</sup>

FY14 \$5.8m

FY13 \$4.1m

+  
41.5%



## NET ASSETS

FY14 \$25.2m

FY13 \$23.8m

+  
5.9%



<sup>1</sup> Adjusted EBITDA is EBITDA derived from the operating segments and excludes investments, other income, and GCS support functions including corporate office and treasury which are included in corporate/other.



# Outlook

- Anticipate previously delayed major commercial contracts to be awarded in FY15
  - Pipeline remains robust with strong tender activity
  - Timing and certainty variable
- Improving market conditions, but still competitive
- Continue to diversify, build and secure annuity revenue over the project life cycle and across entire suite of products
- Develop competitive strategic partnerships
- Continue to reduce costs yet maintain execution capability and service
- Maintain a disciplined approach to balance sheet and capex management
- Businesses well placed to meet future growth and expansion on the back of a solid and well established integrated product and services platform
- Reinstate dividends when business and market conditions permit





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