



INVESTOR PRESENTATION

2015 FULL YEAR RESULTS

GLOBAL CONSTRUCTION SERVICES LIMITED
27 AUGUST 2015

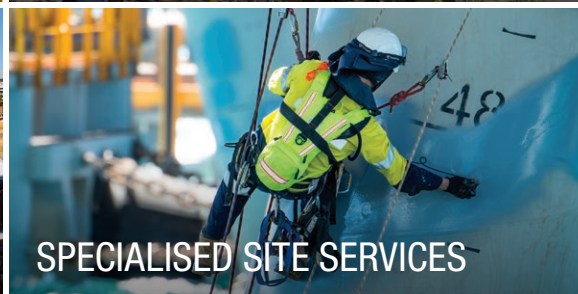
About GCS



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.



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



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

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

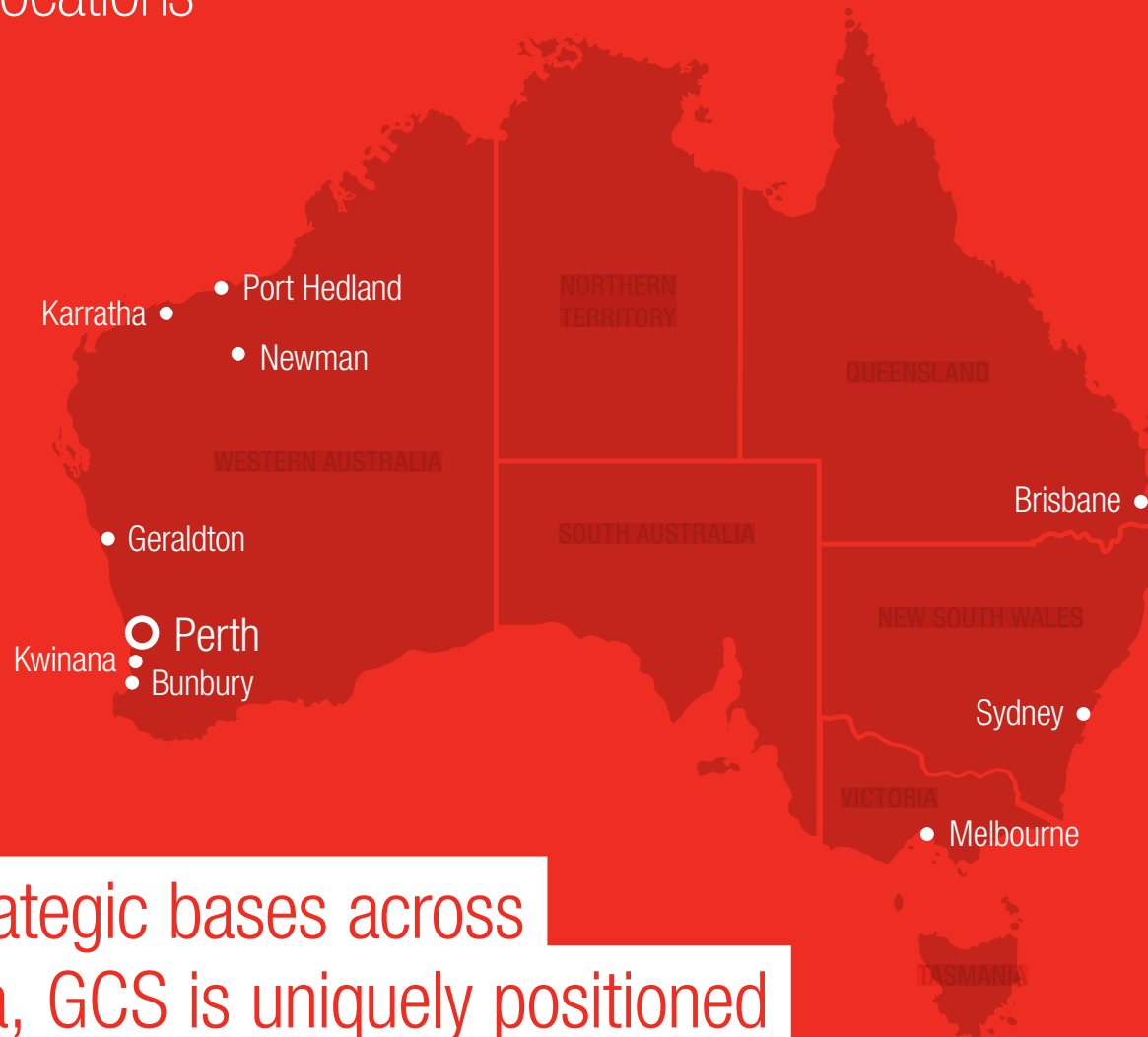


Health & Safety
AS 4801

SAI GLOBAL

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

Division Locations



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

- Solid financial performance in a tough market
 - Earnings of \$8.7m, up 7.1% on FY14
 - Revenue \$150.5m, down 6.0% on FY14
 - Continued strong focus on capital management and further debt reduction
 - Strong activity levels and improved margins in Residential sector
 - Lower cost base through operational efficiencies
 - Reduced interest costs
- Diverse market sector presence and broad product offering underpinning the growth and ongoing development of the business despite the mining slowdown
- Momentum increasing in Commercial sector
- Executing on strategy to continue to build annuity revenue streams
- New major contracts and contract extension secured

- Strong focus on Balance Sheet
 - Maintained disciplined execution of capital management strategy
 - Net debt reduced to \$30.9m, down \$32.7m (51%) on previous year
 - Net debt / equity reduced to 14%, down 18 percentage points on previous year
- Tender pipeline remains robust with strong activity levels in the Commercial and Residential sectors
 - Major project awards to both main contractors and GCS with momentum increasing
- Significant rationalisation of operations to align resources to match activity levels, improve productivity and reduce costs
- SmartScaff JV exceeds expectations driven by strong East coast demand
- Strategic placement to Brookfield Capital Partners III
- Refinanced debt facilities to enhance the Group's capital structure
- Exploring East coast expansion opportunities

Financial Results



Full Year Financial Results – June 2015

REVENUE (\$m)

FY15 \$150.5m
FY14 \$160.1m

–
6%

EBITDA (\$m)

FY15 \$27.9m
FY14 \$29.1m

–
4%

EBIT (\$m)

FY15 \$16.2m
FY14 \$17.1m

–
5%

NPAT (\$m)

FY15 \$ 8.7m
FY14 \$ 8.2m

+
7%

NET DEBT TO EQUITY

FY15 14%
FY14 32%

–
18pp*

EPS (¢)

FY15 4.7¢
FY14 4.8¢

–
2%

NTA

FY15 80.5¢
FY14 81.8¢

–
2%

*pp=percentage points



- Continued focus on Balance Sheet
 - Disciplined approach to capital management
 - Net debt reduced by:
 - \$32.7m vs June 2014, down 51%
 - Funds from placement used to repay \$8.8m of bank debt
 - Net debt / equity reduced to:
 - 14% from 32% at June 2014
- Refinance of Debt Facilities
 - \$60m 5 year secured facility with GE Capital
 - Average debt maturity profile extended
 - Undrawn funding capacity of \$56.6m

	Jun-15 \$m	Jun-14 \$m	Change %
Cash	20.7	13.8	50
Receivables & Inventories	36.2	33.3	9
Prepayments	4.4	4.6	-4
Current Tax Assets	–	0.6	-100
Current Assets	61.3	52.3	17
Other Receivables	7.6	9.7	-22
Investments JV	8.3	6.6	25
PP&E	171.7	173.7	-1
Intangibles	59.0	58.6	1
Tax Assets & other	3.3	2.9	12
Non Current Assets	249.8	251.6	-1
TOTAL ASSETS	311.1	303.9	2
Current Payables	17.0	15.2	12
Deferred Income	3.7	0.2	1750
Borrowings	18.2	23.8	-24
Tax Liabilities	1.0	–	100
Current Liabilities	39.9	39.2	2
Borrowings	33.5	53.7	-38
Provisions	3.6	1.0	260
Deferred Tax Liabilities	13.8	12.0	15
Non Current Liabilities	50.9	66.7	-24
TOTAL LIABILITIES	90.8	105.9	-14
NET ASSETS	220.3	198.0	11
Equity	142.3	128.7	11
Retained Earnings	78.0	69.3	13
TOTAL EQUITY	220.3	198.0	11

- Cash flow from operations
 - Solid operating cash flow performance of \$30.2m compared to FY14 of \$30.4m
- Capital expenditure management (Cash & HP)
 - Total capex \$12.5m, \$5.1m up on FY14
 - Focused on growth capex for Ichthys, Sino Iron and Capital Square projects
- Strategic placement with Brookfield Capital Partners III raised \$13.3m net proceeds from Tranche 1 & 2
- Repaid all secured bank debt
- Interest paid is down due to lower debt levels

	Jun-14 \$m	Jun-13 \$m	Change %
Receipts from Customers	152.8	172.9	-12
Payments to Suppliers	(123.0)	(137.1)	-10
Income Taxes Paid	0.4	(5.4)	-107
Inflows from operating activities	30.2	30.4	-1
Net PP&E	(5.6)	(2.3)	143
Interest Received	0.8	0.8	0
Investment	-	-	-
Related Party Loans	2.1	(0.1)	-2200
Outflows from Investing activities	(2.7)	(1.6)	69
Proceeds from Borrowings	25.4	7.0	263
Repayment of Borrowings	(55.0)	(31.3)	76
Interest Paid	(4.3)	(6.0)	-28
Net proceeds from Issue of Shares	13.3	-	100
Dividends Paid	-	-	-
Inflows/(outflows) from financing activities	(20.6)	(30.3)	-32
Net increase/(decrease) in cash	6.9	(1.5)	560
Cash at beginning of period	13.8	15.3	-10
CASH AT END OF PERIOD	20.7	13.8	50

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



KEY CLIENTS

THIESS

BGC

**Brookfield
MULTIPLEX** **BM**

NRW
Holdings Limited

LEIGHTON

Monadelphous

CLOUGH
pursuit of excellence

LAING O'ROURKE

SAMSUNG **SAMSUNG C&T**
Engineering & Construction Group

CBI **KENTZ**
Engineers & Constructors

Downer

PROBUILD

**John
Holland**

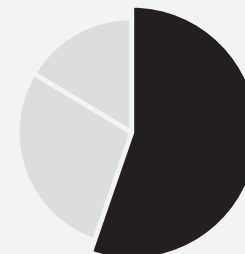
woodside

- Major contracts
 - Brookfield Place Tower 2 and May Holman Centre successfully delivered on time and on budget
 - Perth Children's Hospital, Kings Square, Brookfield Place Tower 2 and Crown Hotel curtain wall installation contracts progressing well
 - Commenced work on \$30m formwork and concrete contract for Brookfield Multiplex for the New Perth Stadium
 - Commenced work on Capital Square project in the Perth CBD. Received Letter of Intent for \$46.2m
 - Awarded exclusive equipment and labour hire agreement by Brookfield Multiplex for WA
- Project pipeline remains robust with strong tender activity
 - WA government committed infrastructure projects
 - Significant private sector investment including new hotels and shopping centre expansions
 - Award of major commercial contracts to main contractors gathering momentum
- Well positioned to capitalise on the growing investment pipeline in the commercial sector

SEGMENT SIZE (by Revenue Share)

FY14 52.6%

FY15 55.4%



REVENUE (\$m)

FY15 \$83.5m

FY14 \$84.2m

-
0.8%

ADJUSTED EBITDA¹

FY15 \$12.8m

FY14 \$12.8m

0%

NET ASSETS

FY15 \$72.4m

FY14 \$85.1m

-
14.9%

¹ 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.

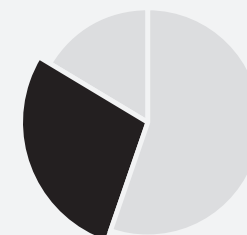
- Performance in this sector was impacted by the competitive market conditions, and the one off sale of scaffold supplied to the Gorgon project in the prior year (\$8.4m)
- Scaffolding supply contract for all Woodside Energy onshore and offshore locations extended to 31 December 2017, plus 2 year option
- Commenced supply of scaffold equipment to Kaefer for the Ichthys project in Darwin with volumes increasing up to 6,000 tonnes, estimated two year duration
- Awarded scaffold services contract for the Sino Iron project by CITIC Pacific Mining for an initial 2 year term with renewal options
- Actively pursuing new annuity / maintenance revenue opportunities



SEGMENT SIZE (by Revenue Share)

FY14 31.7%

FY15 28.3%



REVENUE (\$m)

FY15 \$42.5m
FY14 \$50.8m

-
16.3%

ADJUSTED EBITDA¹

FY15 \$10.6m
FY14 \$13.3m

-
20.3%

NET ASSETS

FY15 \$47.9m
FY14 \$41.2m

+
16.2%

¹ 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.

- FY15 has seen improved margins following stronger market conditions, price growth and operational efficiencies
- Demand in the sector has been strong on the back of increased new home sales, building approvals and record low interest rates
- Cautiously positive, with residential building activity anticipated to continue its good performance in FY16



SEGMENT SIZE (by Revenue Share)

FY14 15.7%

FY15 16.3%



REVENUE (\$m)

FY15 \$24.5m
FY14 \$25.1m

-
2.4%

ADJUSTED EBITDA¹

FY15 \$7.0m
FY14 \$5.8m

+
20.7%

NET ASSETS

FY15 \$20.8m
FY14 \$22.9m

-
9.2%

¹ 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.

- SmartScaff, East coast growth expansion continues
- Strong demand and high utilisation levels are being experienced across the East coast
- Financial performance and contribution above expectation
- Increased activity and good performance expected to continue throughout FY16



- Strategic partnership between GCS and Brookfield formed to
 - Pursue and take advantage of industry consolidation opportunities
 - Expand GCS' products and services nationally
- Successfully completed the refinancing of debt facilities
 - Enhance the Group's capital structure
 - New 5 year secured facility for A\$60 million with GE Capital
 - Extends the company's average debt maturity profile
 - Provides more flexible and sustainable debt structure to support and respond to market conditions

Outlook

- Momentum increasing in the commercial sector
 - Pipeline remains robust with strong tendering activity
 - Recent awards of major commercial contracts to main contractors and GCS
 - Strong revenue and profit growth potential
- Continue to diversify, build and secure annuity revenue
 - Over the project life cycle and across the entire suite of products
 - Develop competitive strategic partnerships
- Actively pursue market growth and industry consolidation opportunities in collaboration with Brookfield
- Continue to reduce costs yet maintain execution capability and service
- Maintain a disciplined approach to balance sheet and capex management
- Well placed to meet future growth and expansion on the back of a solid and well established integrated product and services platform
- Target to reinstate dividends in FY16



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