

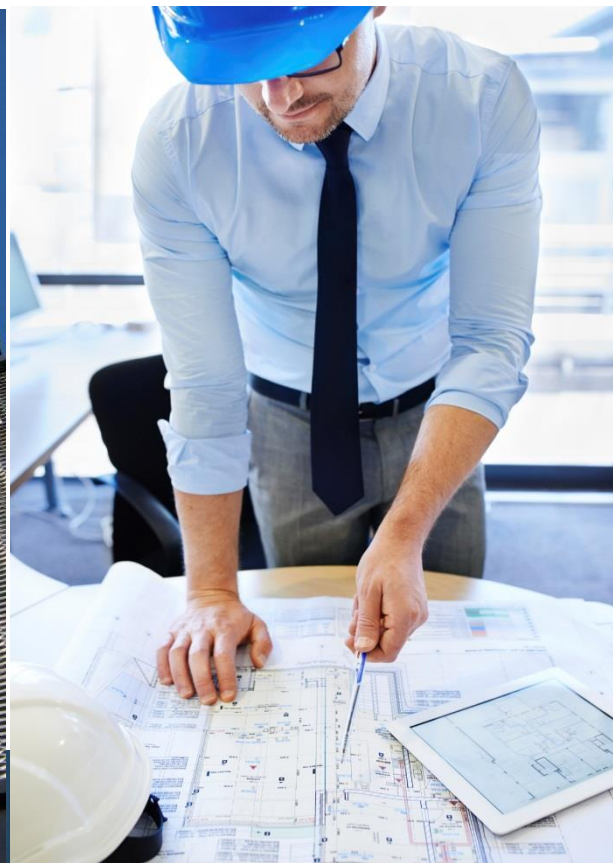
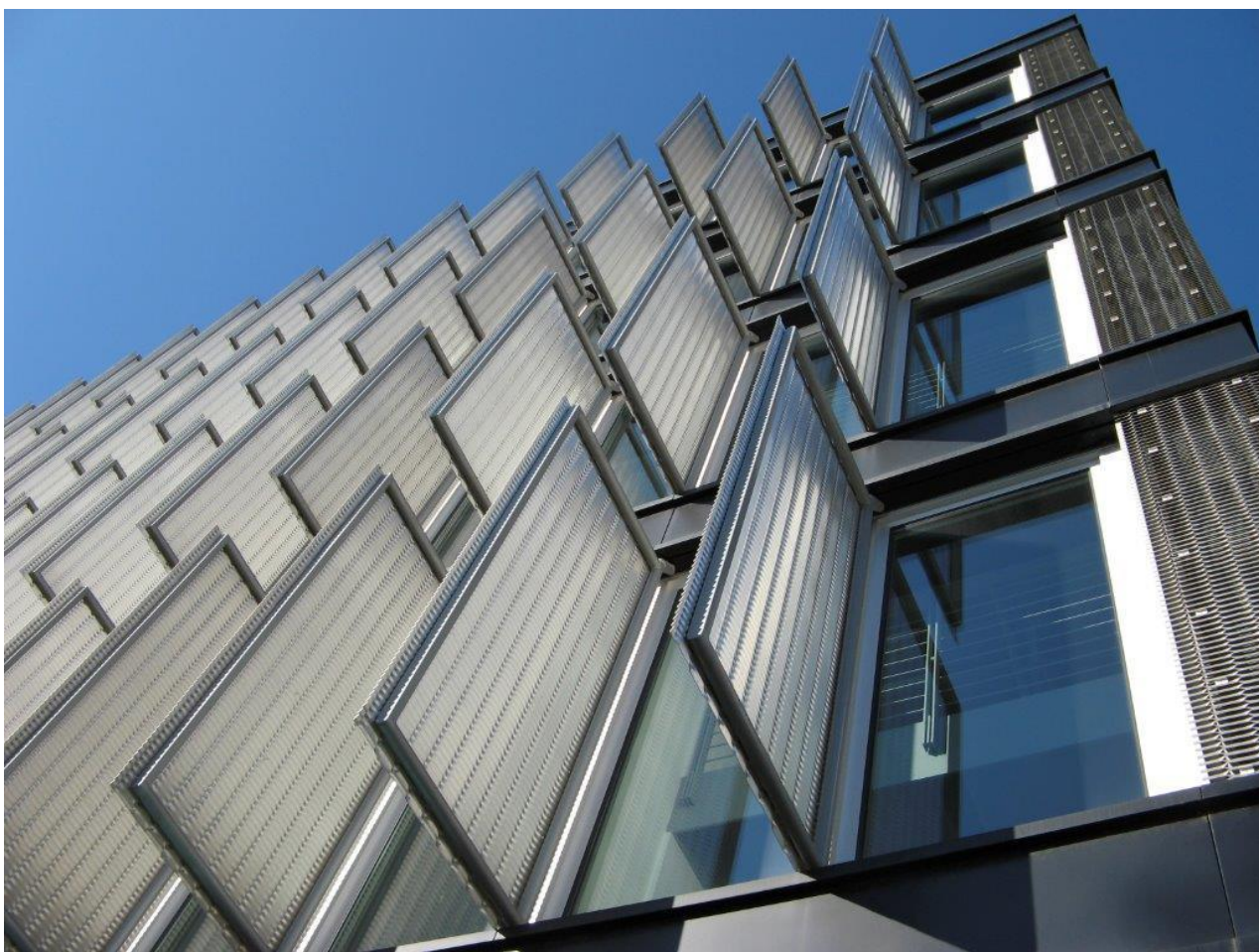


# **INVESTOR PRESENTATION FY2015 RESULTS**

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# Contents

1. FY2015 Group Overview
2. Bloomer Constructions – FY15 Overview and Outlook
3. McGrath Modular and Nomad Properties – FY15 Overview and Outlook
4. FY2016 Outlook
5. Proposed Company Name Change

# FY 2015 Group Overview

## Financial performance highlights

- Revenue of \$80.3m (FY14: \$37.9m)
- Normalised EBITDA loss from continuing operations of \$0.8m (FY14: loss \$0.2m)
- Successful acquisition of Bloomer Constructions adds \$1.6m to FY15 EBITDA
- Profitable trading from McGrath Modular in the second half with H2 EBITDA of \$0.4m
- Return to group profitability anticipated in FY2016
- Market Cap: \$33.6m (25 August 2015): based on 454.7m shares on issue

## Balance sheet highlights

- Cash at bank (30 June 2015): \$8.6m (including \$2.9m in trust), representing a 3% increase YOY
- Company raised \$3.5m (gross) in April 2015 to fund the acquisition of BCQ (\$1.5m) and to provide additional working capital for the Group
- BCQ acquisition added \$4.8m in net assets to the Company's balance sheet
- Company has bank borrowings of \$3.1m at 30 June 2015 – expected to be repaid in full on or before 31 December 2015
- Group capital tax losses to be crystallised in excess of \$40m
- Group revenue tax losses of \$30.7m
- Franking Credits of \$17.8m

# FY 2015 Group Overview

## Operational highlights

FY2015 saw a significant restructure of the Groups business segments

- Leading residential and commercial builder Bloomer Constructions (BCQ) was acquired
- Unprofitable segments were discontinued and focus was shifted to existing brands with strong future prospects
- The Company is focused on strengthening and growing the brands of BCQ, McGrath Modular and Nomad as well as continuing to win profitable business within each of these divisions
- Future group strategy includes cross collaboration between these brands when tendering on certain types of projects, leveraging on the extensive experience across all brands
- Opportunistic investment in personnel, processes and contacts during 2H has seen NBS achieve Federal Safety Accreditation (FSC), further enhancing Nomad's ability for income diversity.
- NBS management has made substantial progress during FY2015 on outstanding legacy projects with the two remaining items at FYE2015 fully provided and expected to be successfully closed out by November 2015





# FY 2015 Group Overview

## Strengthening Management and Board

- During FY2015 there has been a commitment to sourcing and securing quality management personnel who are focused on rebuilding the NBS Group after a challenging period of restructuring
  - Peter Constable assumed the role of Chairman on 20 April 2015. Peter is a principal of Ryder Capital who have been instrumental in supporting the restructure of the Nomad business, board and senior management
  - Heather Gardner was appointed non-executive Director on 10 November, 2014 subsequently CEO on 22 November 2014, bringing more than 30 years experience in executive and company management roles. Heather has extensive hands on industry experience and was most recently a long-term senior executive at FK Gardner Group
  - Pat McMahon was appointed CFO on 23 March, 2015 bringing 18 years experience in business advisory, financial and commercial roles both internationally and within Australia. Recently, Pat held the position of Group Financial Controller with ASX listed Discovery Metals Limited.
  - Lachlan McIntosh was appointed as a non-executive director on 3 October 2014, having been a long-term director of Industree Ltd and a current director of ASX listed Eureka Group Holdings Limited
  - Wayne Bloomer joined the Board as a director on 4 May 2015 bringing more than 30 years experience in building and construction following the acquisition of Bloomer Constructions by NBS

# Bloomer Constructions – FY15 Overview, Update and Outlook

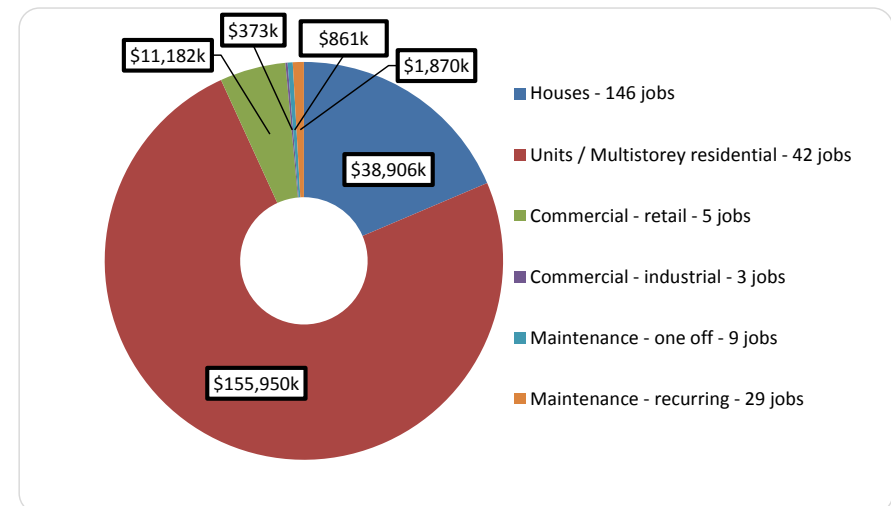
## FY15 Overview

- Transformational acquisition of Bloomer Constructions (Qld) Pty Ltd (BCQ) completed on 4 May 2015 – economic ownership from 1 March 2015
- BCQ is performing strongly – in the four months to 30 June 2016, BCQ has contributed to NBS Group \$58m in revenue and \$1.6m in EBIT (EBIT margins of 2.8%).
- NBS Board expectations for performance of BCQ for FY15 have been exceeded
- Wayne Bloomer has joined NBS board and continues to lead BCQ under a 5 year employment contract

## Update and outlook

- BCQ has a growing pipeline of projects – including \$200m of work in hand (consisting of 234 jobs) and \$8m of work won but not yet commenced, compared with \$158m of work in hand and \$68m of work won but not yet commenced at 18 February 2015 (See ASX Release)
- BCQ is expected to generate FY2016 revenues of at least \$156m while leveraging NBS management and Board relationships and NBS balance sheet to pursue value enhancing projects and developments opportunities

Composition of BCQ's pipeline of current projects





# McGrath Modular and Nomad Properties – FY15 Overview, Update and Outlook

## FY15 Overview

- McGrath Modular generated FY2015 revenue of \$22m and EBIT loss of \$0.8m – while this is a disappointing overall result, McGrath has emerged from a period of significant restructuring with a positive H2 FY 2015 EBITDA of \$0.4m
- Nomad Properties – King Village (Karratha) generated FY2015 revenue of \$0.4m and breakeven EBIT – suffered from a continuing poor operating environment in north west WA
- Overall, McGrath Modular and Nomad Properties business performance has reversed from H1 FY2015 with a return to profitability (before corporate overheads) in H2 FY2015

## Update and outlook

- McGrath Homes is currently undergoing a market brand realignment to reflect an expanded product offering and an enhanced service capability. As a market leader and pioneer in modular construction, it will be known as **McGrath Modular** on a go-forward basis
- McGrath operational settings positioned for growth – e.g. \$25m major sub-contract win for Wheatstone project
- NBS Board is currently assessing third party interest in King Village as part of strategic review
- Divesting of non-core and surplus assets remains a strong management focus
- Continued focus on cost-out / cost control and optimising Group resource requirements, and identifying efficiencies in Group procurement

## FY2016 Group Outlook

- McGrath was recently awarded a major subcontract valued at \$25m for 50 modular houses in Onslow, WA which underpins the outlook for the McGrath business in FY2016
- McGrath and Nomad are currently tendering on a number of high value projects and expect to announce further material contract wins during the course of 1H FY2015
- BCQ has a strong pipeline of projects due for completion throughout the remainder of FY2016 and into FY2017
- FY2016 NBS Group revenue expected to be in excess of \$200m with target EBIT margins in the range of 3–5%
- Board will continue to explore the optimal utilisation of the Company's tax assets – revenue tax losses (\$30.7m), capital tax losses to be crystallised (in excess of \$40.0m) and franking credits (\$17.8m)
- Further update on Group operating performance will be provided at AGM in November, 2015

# Proposed Company Name Change



## Onterran

- NBS has endured a prolonged period of restructuring – swift action by the Board on asset divestments and the closure of loss-making divisions enabled it to emerge with cash at bank and the ability to pursue M&A and growth opportunities
- NBS has been fortunate to attract a high calibre management team, conduct a Board refresh, acquire a leading construction business (BCQ) and set a clear growth strategy around its core areas of expertise:
  - remote and regional construction and via BCQ residential, commercial and industrial construction*
- NBS Board endorses the proposed change of Company name to: **Onterran**
- Onterran reflects the new foundation and approach of the Company, our people, our energy and our strategy
- The Onterran principles are set out below:
  - *We **partner** with our brands in our portfolio to leverage their solid business models.*
  - *We then work with them to **build** strong structures for growth and succeed with them as they **perform** through working with them.*
  - *We build businesses firmly grounded on terra firma. **We are Onterran.***
- NBS will be seeking shareholder approval to adopt the name Onterran and new ASX ticker: OTR (which has been provisionally reserved with the ASX) at the AGM in November, 2015





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