

# 2015 ANNUAL GENERAL MEETING

24 NOVEMBER 2015, 11:00 AM (WST), QV1 BUILDING, PERTH WA 6000



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.





# Group Managing Director's Presentation





## About GCS

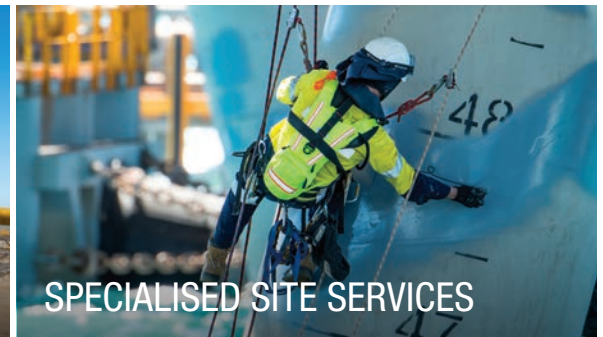


GCS is a leading supplier of integrated on-site products and services to all industries. Our national reach, local branch network and strong industrial presence enable us to provide for any stage of a project's lifecycle. We work in partnership with our clients to understand their needs and allocate 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.

# Products & Services



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



## Revenue (\$m)

FY15

\$150.5m

FY14 \$160.1m Down 6%

## EBITDA (\$m)

FY15

\$27.9m

FY14 \$29.1m Down 4%

## EBIT (\$m)

FY15

\$16.2m

FY14 \$17.1m Down 5%

## NPAT (\$m)

FY15

\$8.7m

FY14 \$8.2m Up 7%

## Net debt to equity

FY15

14%

FY14 32% Down 18pp\*

\*Percentage points

## EPS (c)

FY15

4.7c

FY14 4.8c Down 2%



# Customer Sectors



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



Commercial



Resource, Industrial, Oil & Gas



Residential

## KEY CLIENTS

THIESS

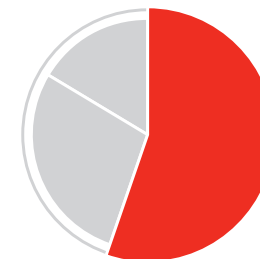


# Commercial Sector



- 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)



FY15 55.4% FY14 52.6%

## Revenue

FY15 \$83.5m FY14 \$84.2m  
Down 0.8%

## Adjusted EBITDA<sup>(1)</sup>

FY15 \$12.8m FY14 \$12.8m  
Unchanged

## Net Assets

FY15 \$72.4m FY14 \$85.1m  
Down 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.



# Resource, Industrial, Oil & Gas



- 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)



FY15 28.3% FY14 31.7%

## Revenue

FY15 \$42.5m FY14 \$50.8m  
Down 16.3%

## Adjusted EBITDA<sup>(1)</sup>

FY15 \$10.6m FY14 \$13.3m  
Down 20.3%

## Net Assets

FY15 \$47.9m FY14 \$41.2m  
Up 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.

# Residential Sector



- 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)



FY15 16.3% FY14 15.7%

## Revenue

FY15 \$24.5m FY14 \$25.1m  
Down 2.4%

## Adjusted EBITDA<sup>(1)</sup>

FY15 \$7.0m FY14 \$5.8m  
Up 20.7%

## Net Assets

FY15 \$20.8m FY14 \$22.9m  
Down 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



# Disclaimer



The information in this presentation is not an offer, nor constitutes investment advice or any recommendation to subscribe or acquire securities in Global Construction Services Limited, nor retain or sell any securities currently held.

The presentation has been prepared without taking into account any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own investment objectives and seek independent professional advice.

Actual outcomes may vary materially from any forecasts, projections or implied forecasts. A number of important factors and risks may cause actual performance to differ materially.

The information in this presentation is current at the date of this presentation and is based on publicly available information, internally developed data and other sources.

The information was prepared with all due care and diligence however no warranties or representations are made to the accuracy, reliability or completeness of the information.





Ph: 139 GCS (139 427)  
[www.gcs-group.com.au](http://www.gcs-group.com.au)

