



FY15 HALF YEAR RESULTS REVIEW

Highlights



#1

**Industry
Leadership**



**Scale, National
Coverage**



**Reputation for
Quality and Delivery**



**Further
Revenue Growth**

\$

**Strengthened &
Stabilised
Financial Position**

**Management Team
Delivering**



BSA's Technical Field Force Solutions continues to provide installation and maintenance services to Foxtel customers.

GROUP RESULTS OVERVIEW

BUSINESS UNIT REVIEW

OUTLOOK

◆ Improving Performance & Strengthened Financial Position

- Revenue up 7% to \$265.9m, EBITDA up to \$6.7m (1H2014: loss of \$13.8m)
- NPAT of \$1.6m (1H 2014: loss of \$23.4m)
- Net Cash of \$19k compared to Net Debt of \$32.7m at December 2013
- \$21.3m capital raising in October 2014 (net proceeds of \$19.8m). Funds applied to repayment of debt and reduction of creditors
- Increased traction on contracting disciplines and progress on resolution of legacy issues leading to continued improvement in profitability

◆ Operational Improvement

- Stabilisation of business on track. Good progress on building sustainable platform for growth

◆ Solid Progress in Resolving Legacy Issues

- Variation disputes on a number of key legacy contracts now resolved

◆ Solid Order Book

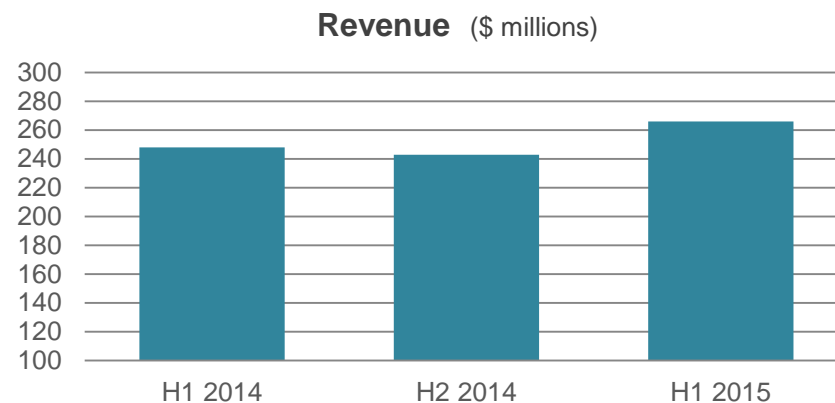
- Annualised recurring revenues of \$283m and construction Work In Hand of \$217m

◆ No Interim Dividend Declared

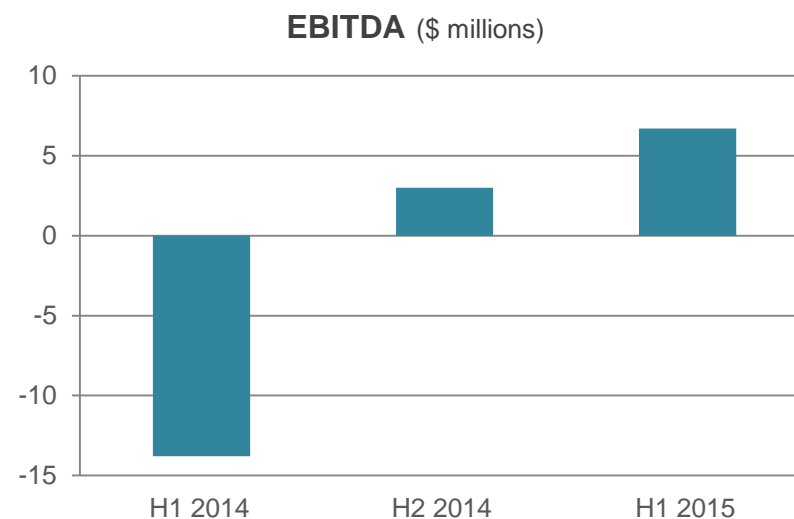
Half Year Results



Summary (\$'000)	H1 2014	H2 2014	H1 2015
Revenue \$'000	248,352	243,160	265,929
EBITDA \$'000	(13,819)	3,071	6,708
EBITDA %	(5.6%)	1.3%	2.5%
NPAT \$'000	(23,367)	(31,480)	1,566



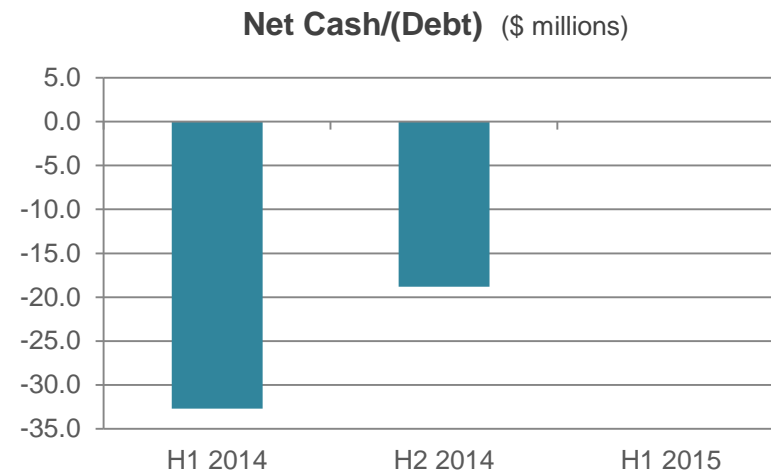
- ◆ Revenue \$265.9 m (1H 2014: \$248.4 m) up 7.1%
- ◆ EBITDA profit of \$6.7 m (1H 2014: loss of \$13.8 m)
- ◆ NPAT of \$1.6m (1H 2014: loss of \$23.4m)
- ◆ Basic earnings per share of 0.56 cents per share (1H 2014: loss per share of 10.21 cents)



Cash Flow and Net Debt



Summary (\$000)	H1 2014	H2 2014	H1 2015
Net cash (outflow)/inflow – operations	(10,481)	16,062	(59)
Net cash/(debt) – at end of period	(32,743)	(18,800)	19
Equity	51,449	19,930	41,334
Net (Cash) Debt/ Net (Cash) Debt + Equity	38.9%	48.5%	(0.5%)



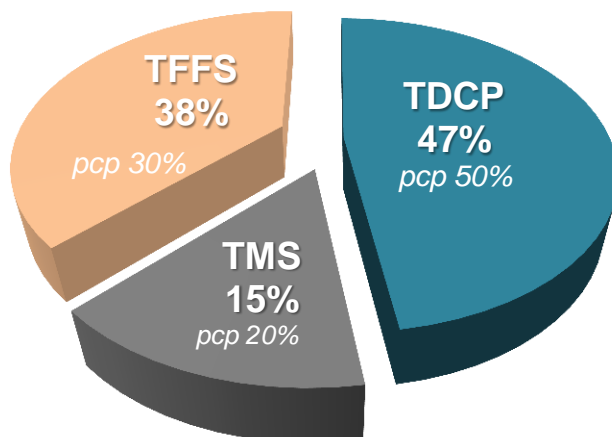
- ◆ Banking – Full repayment of \$10.0m additional working capital facility during calendar year 2014. Continuing strong relationship with the bank with working capital facilities renewed through to November 2015
- ◆ Cash flow – Proceeds from capital raising applied to repayment of debt and reduction of creditors

- ◆ Working Capital – Strong drive on improving working capital and resolving legacy issues
- ◆ Net Debt – Significant reduction in Net Debt over the last 12 months as a result of operating cash flows and successful capital raising. Solid platform now established

Business Unit Overview



Revenues H1 2015



Proportion of recurring revenues continues to increase

TECHNICAL DESIGN AND CONSTRUCTION PROJECTS (TDCP)

Revenue: \$126.3m (1H FY14 \$123.8m)

- Design, drafting, manufacturing, construction and commissioning of heating, ventilation, air conditioning (HVAC) and fire systems
- Commercial, large scale residential and industrial buildings
- National presence
- Recognised design and value engineering skills
- Strong forward order book

TECHNICAL MAINTENANCE SERVICES (TMS)

\$39.5m (1H FY14 \$50.1m)

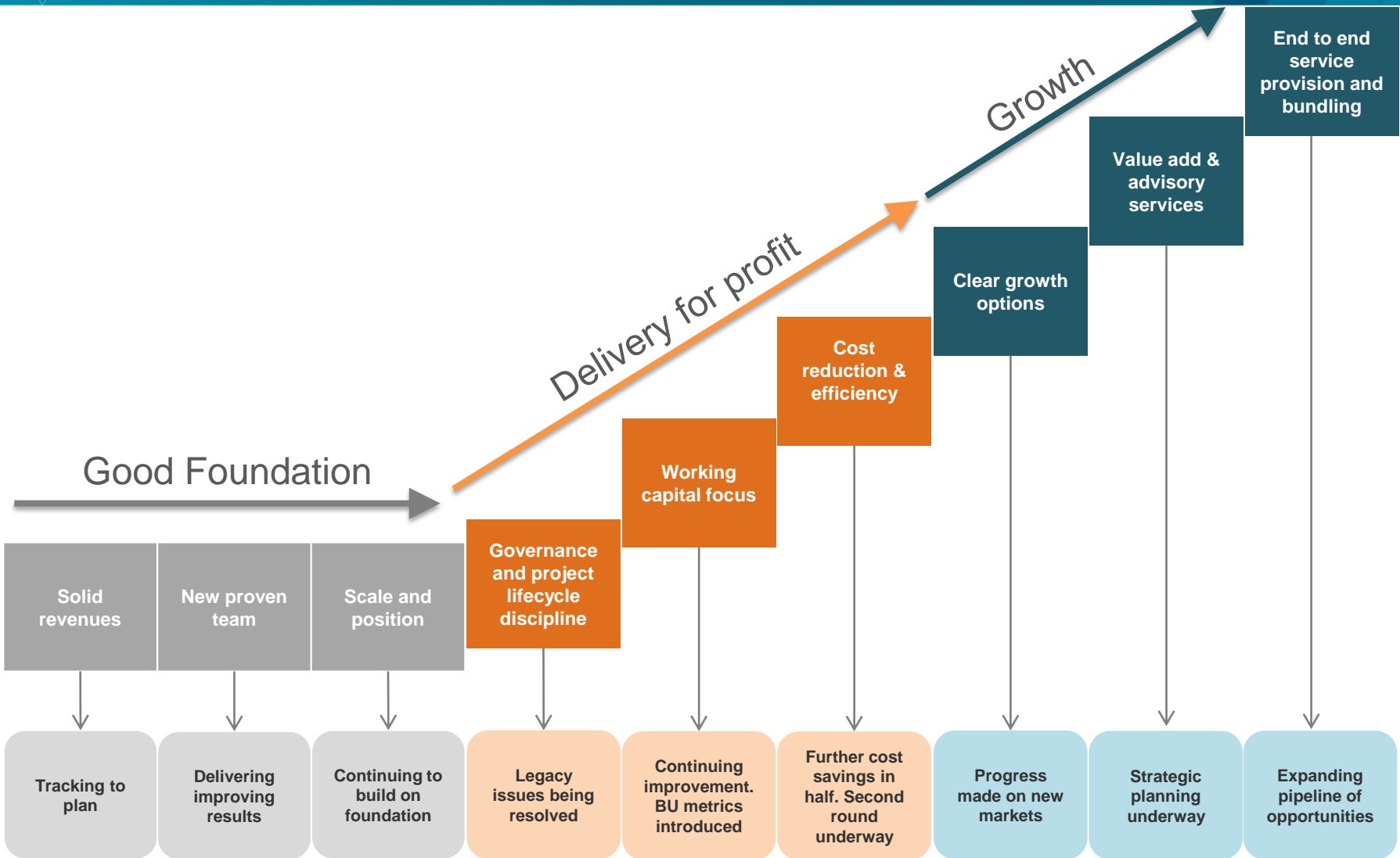
- Ongoing maintenance services for HVAC, hydraulic, electrical and fire systems
- Unique and market leading data capture and analysis technology
- National presence
- Annuity-based revenue
- Able to leverage directly from TDCP
- Leading mobility information systems

TECHNICAL FIELD FORCE SOLUTIONS (TFSS)

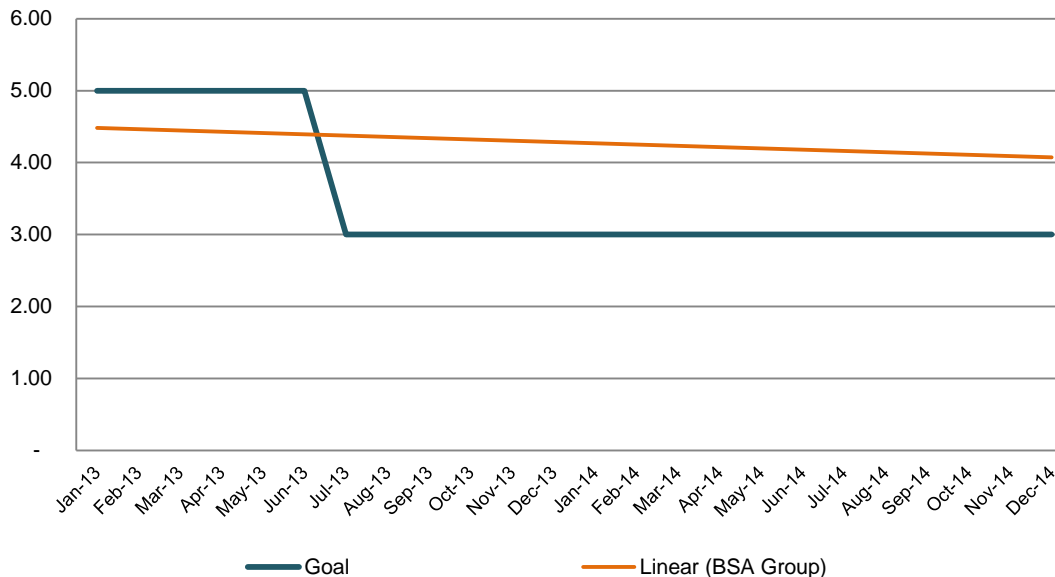
\$100.2m (1H FY14 \$74.5m)

- Communications, installation and maintenance services for major Australian telco and media operations including Foxtel and Optus
- Large scale ticket of work and field force management
- National presence with over 1,000 contractors
- Annuity-based revenue
- Strong call centre and field force expertise
- Well positioned to capitalise on NBN

Improving The Basics – Progress To Date



BSA Group Monthly Lost Time Incident Trend



BSA has continued its ongoing commitment to providing a safe work place for our people and delivering robust workplace health and safety programs.

This is reflected in the improvements across key reporting areas over the last 12 months:

- 49.5% reduction in our Lost Time Incident Frequency Rate (LTIFR) in the past 12 months
- 52.8% reduction in our Lost Days Frequency Rate (LDFR)

- ◆ The BSA Group 'Work, Health and Safety' culture continues to strengthen through the ongoing rollout and enhancement of the Integrated Management System (IMS) which focuses on quality, consistency and compliance of systems, processes and outcomes across the Group
- ◆ Further development of risk identification and Management Standards in FY15 Q3 will now build upon work carried out to date and strengthen decision making tools throughout daily operations and strategic planning



OVERVIEW

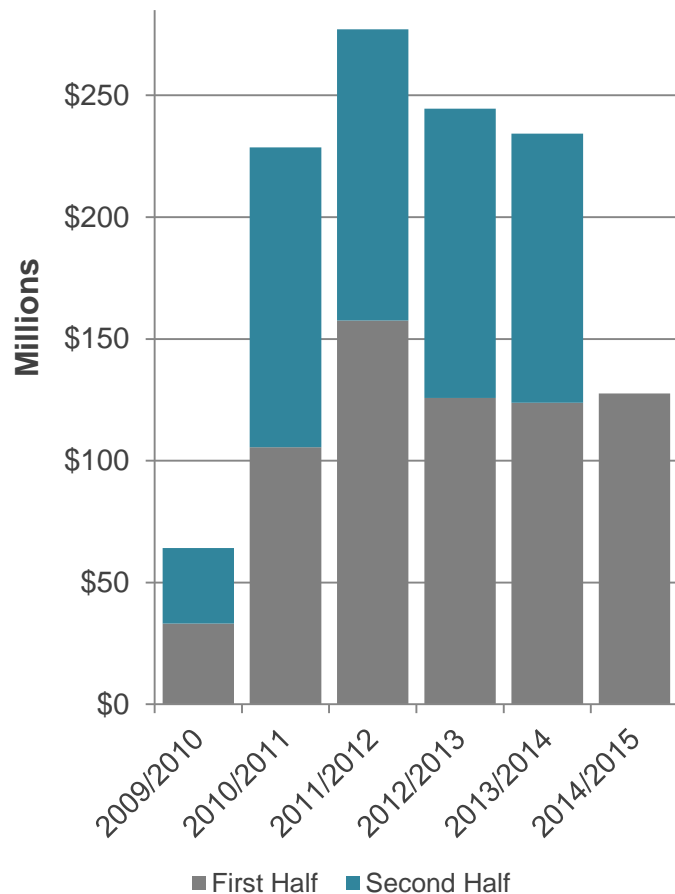
BUSINESS UNIT REVIEW

SUMMARY

Technical Design & Construction Projects



Revenue



Overview

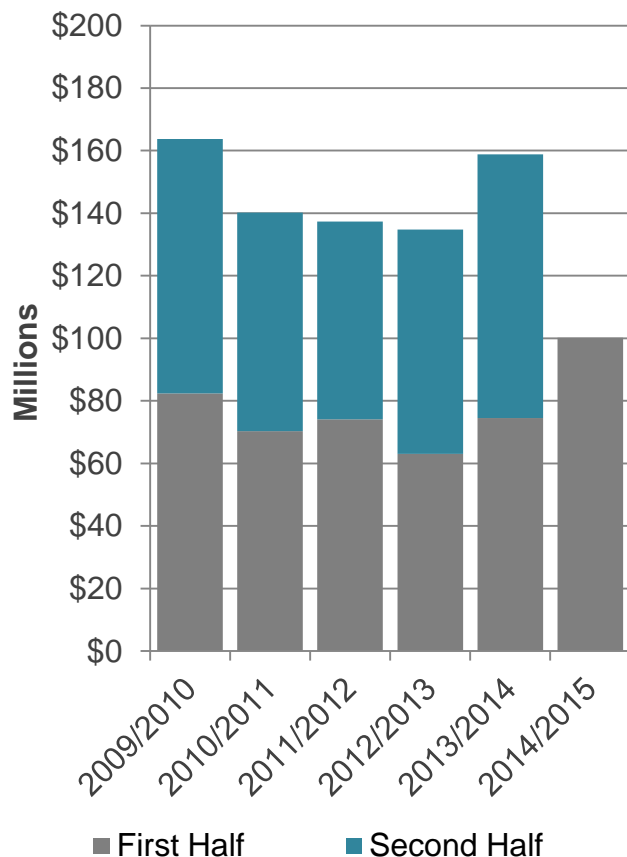
(Excluding corporate recharges & Impairment)

- ◆ Revenue \$126.3m (1H 2014: \$123.8m)
- ◆ EBITDA of \$7.5m (1H 2014: EBITDA loss of \$13.3m)
- ◆ Contracted work on hand for the business unit is strong and stands at \$217m
- ◆ Major Contract wins worth \$55.6m including: 480 Queen Street (QLD) , Freemasons Epworth (VIC) National Capital Private Hospital (ACT), Kings Square 3 and Australian Red Cross Blood Service (WA)
- ◆ The Fire Business has secured the Promenade Morton St, Parramatta in NSW as well as expanding into the Queensland market
- ◆ Allstaff Air-conditioning and Triple 'M' Mechanical in NSW have combined back of house skills and are finalising the creation of a Centre of Excellence for Engineering and Drafting activities
- ◆ The new Royal Adelaide Hospital project still has a number of significant and as yet unapproved variations, which remain the subject of ongoing negotiations. The project is progressing well, and we continue to work constructively with our client to resolve the outstanding variations.

Strategy

- ◆ Continued focus on project controls and disciplines and profit growth ahead of revenue growth
- ◆ Continued focus on projects utilising design smarts to realise higher margins
- ◆ Grow fire services business nationally – Queensland established
- ◆ New resource engaged to focus on buoyant residential market

Revenue



Overview

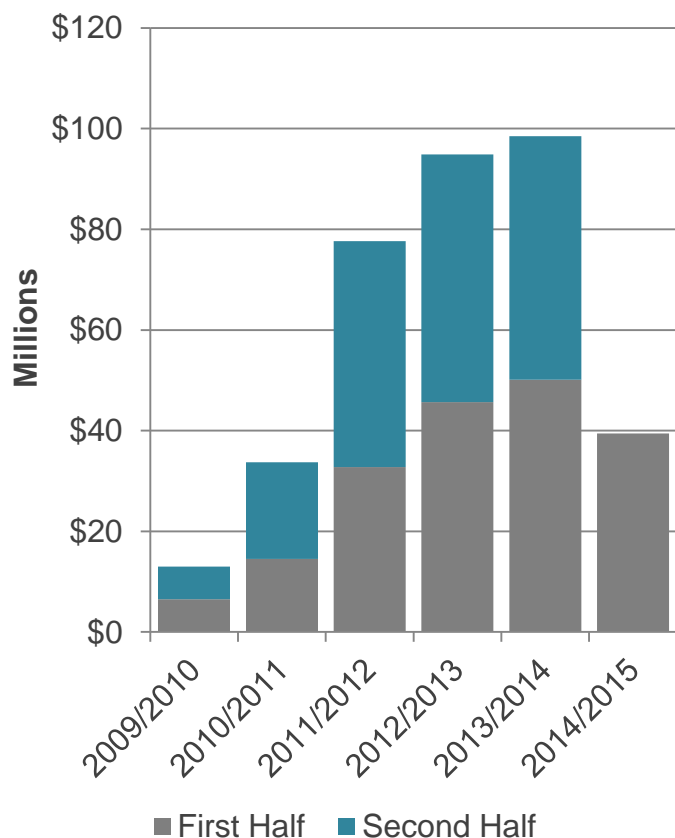
(Excluding corporate recharges & Impairment)

- ◆ TFFS revenue \$100.2m (1H 2014: \$74.5m)
- ◆ TFFS EBITDA \$2.1m (1H 2014: \$1.8m)
- ◆ TFFS completed 483,000 tickets of work in 1H 2015
- ◆ Successful on-boarding of additional field technicians across Australia to meet increased demand
- ◆ Considerable time and resources invested into IT research and development initiatives, resulting in improvements to operational efficiencies
- ◆ Still working with NSW Office of State Revenue to resolve payroll tax dispute

Strategy

- ◆ Prior work in relation to expanding the market bearing fruit with a number of opportunities emerging
- ◆ Continue to push into a new workforce management market

Revenue



Overview

(Excluding corporate recharges and Impairment)

- ◆ TMS revenue \$39.5m (1H 2014: \$50.1m)
- ◆ Lower revenues in half compared to prior corresponding period due to large upgrade project in previous corresponding period and reduced project volumes in Western Australia as a result of resources slow down
- ◆ TMS EBITDA \$0.3m (1H 2014: \$1.0m) impacted by lower revenue and a number of one-off items (including restructure costs) incurred during the half
- ◆ Annuity revenue increased by \$1.5m during the six months compared to the prior corresponding period
- ◆ TMS has commenced new maintenance contracts worth \$9.6m, including with new customers Charles Sturt University, CBRE, Australian Nuclear Science & Technology Organisation, Mt Druitt Hospital, Queensland Health and expansion of existing contracts with Harvey Norman, Brookfield and Sutherland Hospital
- ◆ Investment in our mobility systems has continued

Strategy

- ◆ Improve efficiency of business model, including shift away from project revenue
- ◆ Continue clean out of legacy issues
- ◆ Continue to grow potential in multi-services offering
- ◆ Focus on large scale single site clients and the PPP market



150 exhaust fume stacks were installed on the Monash University, New Horizons Building.

OVERVIEW

BUSINESS UNIT REVIEW

OUTLOOK

Operations

- ◆ Stabilisation of business on track
- ◆ Creation of sustainable platform for growth now well progressed
- ◆ Key second half focus on maintaining margin improvements
- ◆ Solid pipeline of opportunities

Balance Sheet and Working Capital

- ◆ Build on strong current position and continue the drive to lower leverage as a platform for future investment in new markets and services
- ◆ Maintain and enhance working capital management in each business unit

Market Conditions

- ◆ BSA market segments holding firm or improving

Solid Order Book

- ◆ Annualised recurring revenues of \$283m and construction Work In Hand of \$217m

Forecast

- ◆ FY15 Revenue on target for \$500m
- ◆ Improving traction on contracting disciplines and progress on resolution of legacy issues leading to continued improvement in profitability
- ◆ Progress strategic initiatives for new customers and markets

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