



**31 January 2024**

**Trading update,  
Quarterly Activities Report and ASX Appendix 4C For the Quarter Ended 31 December 2023**

**Sydney, 31 January 2024:** BSA (Company or Group) is pleased to publish the quarterly activities report, trading update and the related Appendix 4C statement of cashflows for the quarter ending 31 December 2023 (Q2 FY2024):

**Highlights:**

- Financial results for the half year ended 31 December 2023 are presented as continuing operations and discontinued operations;
- Material year on year improvement in continuing operations as a result of additional client scopes and pricing initiatives;
- Half Year ended 31 December 2023 EBITDA margin of 8.3% (pcp 5.2%) achieved in continuing operations;
- Divested business transition services completed;
- Entered into partnership with Guardian Protection Services Pty Ltd (Guardian) for APS Fire Division and conducting an orderly closure; and
- Half year results will be released on 23 February 2024 with investor call details below.



## Trading update:

BSA is also pleased to release an unaudited trading update for the 6 months to 31 December 2023 for continuing operations:

Financial Performance \$'m	Q2 FY2024	Q2 FY2023	Var	H1 FY2024	H1 FY2023	Var
Revenue	64.5	62.7	1.8	121.2	123.0	(1.8)
EBITDA pre restructure costs	5.7	3.9	1.8	10.1	6.4	3.7

- Half year revenue of \$121.2 million is down by 1.5% vs. prior comparative period (pcp). Volumes across fixed line services were impacted by customer roll out timing which marginally reduced revenue. However, gross margin and EBITDA margins increased due to favourable mix of work. Other platforms continue to deliver stable volumes;
- Half year EBITDA of \$10.1 million (\$3.7 million increase in EBITDA to pcp) driven by higher margin work on Fixed Line platforms;
- Performance is expected to continue at similar margins as a result of pricing changes and volume forecasts; and
- Focus of the Group remains on the Telecommunications and Energy sectors.

Commenting on the half year results, the Joint CEO's Arno Becker and Richard Bartley said:

*"Our continuing operations have delivered exceptional results over the past six months, demonstrating a steady increase in profitability. Our margin mix continues to be favourable and is indicative of our commitment to our clients.*

*The Fire business has been a key area of focus among our stakeholders. We now have certainty and a clear path forward regarding this matter".*

## Discontinued operations

### APS Fire Division partnership with Guardian Protection Services

BSA has entered into an agreement with Guardian Protection Services Pty Limited (Guardian) in relation to the APS Fire Division which is currently held for sale. The partnership will see Guardian assume responsibility for certain key projects from APS Fire, subject to approvals, in addition to providing services to APS Fire in relation to warranty periods for recently completed projects.

Guardian is a trusted and experienced business which operates in the fire protection industry. Guardian company has operated for 22 years and has extensive experience with a proven track record. Guardian operates across multiple and diverse sectors including Commercial, Industrial, Infrastructure and Government.

This move completes an exit of all non-core activities in line with the Company strategy and future focus which will be on the telecommunications sectors and complementary markets.



The BSA Board and Management team understand the importance of providing stability to all stakeholders including valued employees and clients. The transition plan to Guardian will provide certainty to both people and projects. The APS Fire division will not tender for new work, partner with Guardian to finalise specific projects and cease operations once all rights and obligations have been addressed.

### Financial Impact:

BSA expects to incur approximately \$3.8m in closure costs for APS Fire including people related costs, warranty liabilities in addition to project completion and wind down costs. This will be recognised as one off restructure costs in the Groups' half year financial statements. The cash impact of the closure will ultimately be less than this amount as client retentions are returned over the coming 24 months and working capital is unwound.

BSA provides an unaudited trading update for discontinued operation for the 6 months ended 31 December 2023 excluding restructure costs.

Financial Performance \$'m	H1 FY2024	H1 FY2023 <sup>1</sup>	Var
<b>Revenue</b>	6.6	100.1	(93.5)
<b>EBITDA pre restructure costs</b>	<b>(1.7)</b>	<b>(10.1)</b>	<b>8.4</b>

<sup>1</sup>Financial table includes APS Fire QLD & APS Maintain where were divested during FY23.

This realignment allows BSA to focus resources and capital on core areas of Telecommunications and Smart Energy, strengthen partnerships, and enhance service offerings.

### Total Group Performance

Financial Performance \$'m	Q2 FY2024	Q2 FY2023	Var	H1 FY2024	H1 FY2023	Var
<b>Revenue:</b>						
Continuing Operations	64.5	62.7	1.8	121.2	123.0	(1.8)
Discontinued Operations <sup>1</sup>	2.7	51.0	(48.3)	6.6	100.1	(93.5)
<b>Group Revenue</b>	<b>67.2</b>	<b>113.7</b>	<b>(46.5)</b>	<b>127.8</b>	<b>223.1</b>	<b>(95.3)</b>
<b>EBITDA:</b>						
Continuing Operations	5.7	5.0	0.7	10.1	6.4	3.7
Discontinued Operations <sup>1</sup>	(1.3)	(10.2)	8.9	(1.7)	(10.1)	8.4
<b>EBITDA pre restructure costs</b>	<b>4.4</b>	<b>(5.2)</b>	<b>9.6</b>	<b>8.4</b>	<b>(3.7)</b>	<b>12.1</b>
<b>Restructure Costs</b>	<b>(3.8)</b>	<b>0.0</b>	<b>(3.8)</b>	<b>(3.8)</b>	<b>0.0</b>	<b>(3.8)</b>

<sup>1</sup> Q2FY2023 includes both APS Maintain and APS Fire Queensland (both divested). Results from APS Maintain business included up to 3 February 2023. Result for APS Fire Build Queensland is included to 31 May 2023.

## Financial Position

Net Debt \$'m	Dec-22	Jun-23	Dec-23
Cash	1.9	2.0	2.3
Borrowings	(12.8)	(4.0)	(4.0)
Asset Finance	(1.3)	(0.1)	-
<b>Net Debt</b>	<b>(12.2)</b>	<b>(2.1)</b>	<b>(1.7)</b>

\*Net Debt excludes Insurance Funding

The Group has \$11.0m of undrawn financing facilities as at 31 December 2023 relating to its borrowing base facility.

## Cashflow Performance

Cashflow \$'m	Q2 FY2024	H1 FY2024
Receipts from customers	74.4	139.4
Payments to suppliers	(72.4)	(136.0)
Interest	(0.4)	(0.8)
Taxation	-	-
<b>Net cash generated from operations</b>	<b>1.6</b>	<b>2.6</b>
Net payments for equipment and software	-	(0.2)
Net payments on sale of business, net of transaction costs	-	(0.2)
Net payments relating to contingent consideration (Catalyst ONE)	-	(0.7)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(1.1)</b>
Net repayments of borrowings	(2.5)	-
Lease payments	(0.5)	(1.1)
<b>Net cash used in financing activities</b>	<b>(3.0)</b>	<b>(1.1)</b>
<b>Net Cashflow for the period</b>	<b>(1.4)</b>	<b>0.4</b>

Subject to rounding

The Group cashflow performance includes continuing and discontinued operations. Operating cash flow for the period was \$1.7 million cash inflow.

BSA continues to manage its cash flows and net working capital balances to minimise utilisation of available financing facilities.



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BSA expects to release its 31 December 2023 half year results on Friday 23 February 2024 prior to market opening.

Joint CEO's Arno Becker and Richard Bartley will hold an investor briefing to discuss the H1 FY2024 results at 2.00pm (AEST) on 23 February 2024.

The audio briefing will be streamed live at this time. Access via the BSA Limited company page on the Open Briefing website:

**<https://webcast.openbriefing.com/bsa-hyr-2024/>**

The presentation slides will be available through the link.

Participants will need to pre-register for the call at the link below:

**<https://registrations.events/direct/OCP64554>**

Once registered, participants will receive a calendar invite and a unique code, which is to be quoted when dialing into the call. To ask question participants will need to dial “\*1” (star, 1) on their telephone keypad.

Conference ID: **64554**

The webcast will open 15 minutes prior to the start of the presentation.

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Authorised for release by the Board of Directors.

Arno Becker and Richard Bartley  
Joint Chief Executive Officers  
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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

BSA Limited

**ABN**

50 088 412 748

**Quarter ended ("current quarter")**

31 December 2023

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	74,400	139,417
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(58,289)	(106,254)
	(c) advertising and marketing	2	(1)
	(d) leased assets (disclosed in section 3.9)	-	-
	(e) staff costs	(8,860)	(18,870)
	(f) administration and corporate costs	(5,211)	(10,900)
	(g) legal settlements	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(351)	(784)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>1,691</b>	<b>2,608</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(912)
	(c) property, plant and equipment	(35)	(206)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(35)</b>	<b>(1,118)</b>
3.	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	2,500
3.6	Repayment of borrowings	(2,500)	(2,500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease repayments)	(540)	(1,103)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(3,040)</b>	<b>(1,103)</b>
4.	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,730	1,959
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,691	2,608

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(35)	(1,118)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,040)	(1,103)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>2,346</b>	<b>2,346</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,346	3,730
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,346</b>	<b>3,730</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	74
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The payments to Related Parties shown at Section 6.1 in the Appendix 4C related to fee payments to directors in the normal course of business during the quarter.</p>		



<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>												
7.1	Loan facilities	15,000	4,000												
7.2	Credit standby arrangements	-	-												
7.3	Other (please specify)	-	-												
7.4	<b>Total financing facilities</b>	15,000	4,000												
7.5	<b>Unused financing facilities available at quarter end</b>		11,000												
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Facility</th> <th style="width: 20%;">Facility Limit</th> <th style="width: 20%;">Drawn</th> <th style="width: 25%;">Interest Rate</th> </tr> </thead> <tbody> <tr> <td>CBA Borrowing Base</td> <td style="text-align: center;">\$15.0m</td> <td style="text-align: center;">\$4.0m</td> <td style="text-align: center;">5.6872%</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Facility	Facility Limit	Drawn	Interest Rate	CBA Borrowing Base	\$15.0m	\$4.0m	5.6872%				
Facility	Facility Limit	Drawn	Interest Rate												
CBA Borrowing Base	\$15.0m	\$4.0m	5.6872%												

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	1,691
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,346
8.3	Unused finance facilities available at quarter end (item 7.5)	11,000
8.4	Total available funding (item 8.2 + item 8.3)	15,037
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;">Not applicable</div>	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<div style="border: 1px solid black; padding: 5px; min-height: 20px;">Not applicable</div>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: the Board