



Investor Presentation FY21 Half Year

Results Review



Agenda

1. FY21 First Half Update – Tim Harris
2. Group financials – Arno Becker
3. Operational performance – Tim Harris/Arno Becker
4. Outlook – Tim Harris

FY21 First Half Update

BSA residential technician in the field.

Half Year Highlights

Successful execution of key strategic and tactical goals, setting the base for FY22 and beyond

Increase market share & tenure on key contracts

Objective: secure multi year deals with increased market share

- **nbn** – new 4 year services and installations agreement which increased our **market share from 26% to circa 36%** and positions BSA as a key strategic delivery partner to nbn into the future; and
- **Foxtel** – 3 year deal with market share increasing from **50% to 100%** encompassing market leading technology and customer experience programs.

These significant contracts will transition over 2H FY21 and come fully on stream for FY22 and beyond

Diversification of clients and services

Objective: enter complementary wireless market and diversify client mix

- **Telstra** – new key client secured for an initial 3 year period through a partnership arrangement with Kordia Australia. Work secured across both our operating divisions (“Communications and Utilities Infrastructure” as well as “Advanced Property Solutions”); and
- **Wireless entry** – expanded our strong fixed line product offering into the wireless market through the acquisition of Catalyst ONE.

Cost Efficiency & Technology

Objective: evolve cost base (overheads and capex) to suit industry dynamics and preserve margin

- **Market leading Salesforce Field Services Lightning technology** rolled out across whole APS client base – this will lead to significant improvement in data insight, processing speed, cost efficiency and customer satisfaction;
- Advanced scoping of marketplace **B2B platform** for technical service providers;
- Cost efficiency and rationalisation measures successfully implemented across direct and indirect cost areas – e.g. **robotic process automation (“RPA”)** introduced to aid processing of claims for high work order volume clients; and
- **Structure & organisational design and delivery changes** that serve to move the business to a more variable cost model as well as reduce overall overhead spend. As a consequence BSA was able to hold and in some cases enhance gross margin and underlying EBITDA notwithstanding short term deferrals of revenue.

Focus Areas – CY21

Leveraging the secure foundation to drive significant transformational growth for FY22 and beyond

Increase market share & tenure on key contracts

- Increase share on existing contracts through strong on the ground performance, expertise in customer experience programs and true partnership approach;
- CUI - **participate in discretionary spend** programs with existing clients – nbn, Telstra; and
- APS - **leverage strong service contract base** to drive growth in discretionary spend programs as confidence returns.

Diversification of clients and services

- **Complementary Markets:** expand Catalyst ONE offering to deliver end to end wireless capability;
- **Continue to grow new geographies and organic growth** within existing products and markets;
- **Clients:** Strong tender pipeline in place under new Business Development function targeting broader client base; and
- **New material business stream** – potential to acquire new business stream that leverages current cost base, capability and unlocks revenue synergies – analysis underway.

Cost Efficiency & Technology

- **Existing sectors/clients:** use of technology to drive delivery excellence to improve margins, increase barriers to entry and increase client/customer experience;
- **New sectors:** use of technology to transform workforce management and deployment;
- Drive further cost reduction programs across direct & indirect cost base to **optimise returns** and reduce capital expenditure



Financial Performance

Reduced Revenue impacting results as FY20 nbn peak reduces and new contract wins only come on line for FY22 and beyond

\$213.2m
Revenue
H1 20 = \$259.1m

- Revenue of **\$213.2m**, down **17.7%** on pcp primarily due to reduced nbn volumes post FY20 peak; and
- Key tender success in Q2 secures significant revenue for FY22 and beyond (minimal FY21 impact).

\$11.4m
EBITDA (underlying)
H1 20 = \$14.3m

- Underlying EBITDA of **\$11.4m** down **\$2.9m** on pcp primarily volume impacted; and
- Reported EBITDA of **\$8.5m** down **33.6%** on pcp due legal costs and restructured delivery model.

5.3%
EBITDA% decrease
0.2%

- Underlying EBITDA margin of **5.3%**; down **0.2 percentage points**; and
- Reported EBITDA margin of **4.0%** down by **0.9 percentage points**.

\$3.3m
NPAT (underlying)
H1 20 = \$5.8m

- Underlying NPAT down to **\$3.3m** impacted by increased non-cash amortisation charges as our technology solution is deployed; and
- Reported NPAT of **\$1.3m** impacted by significant items.

0.5 cps
Dividend
H1 20 = 0.5 cps

- Interim dividend of **0.5 cents** per share (cps), fully franked.

\$21.5m
Positive net cash

- Net cash of **\$21.5m**, up **\$6.3m** on pcp and includes **\$2.1m** Catalyst ONE consolidation;
- Operating Cashflow (OCFBIT/EBITDA*) conversion rate of **82%**; and
- No intermonth CBA facilities have been utilised in H1 FY21.



Group Financials



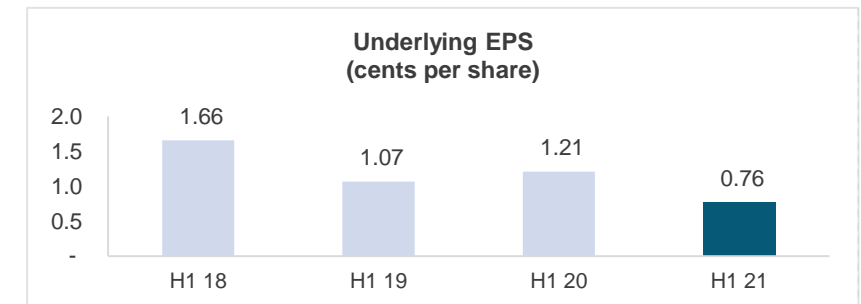
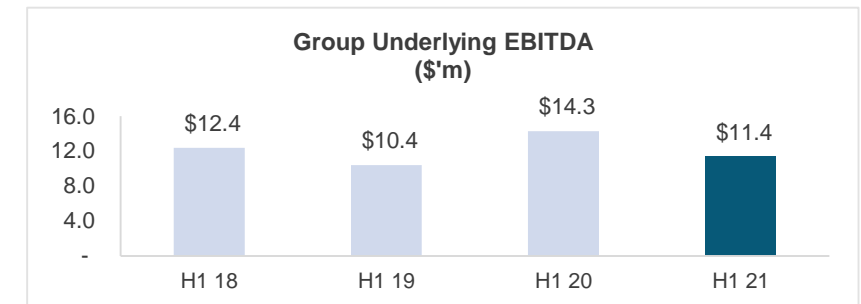
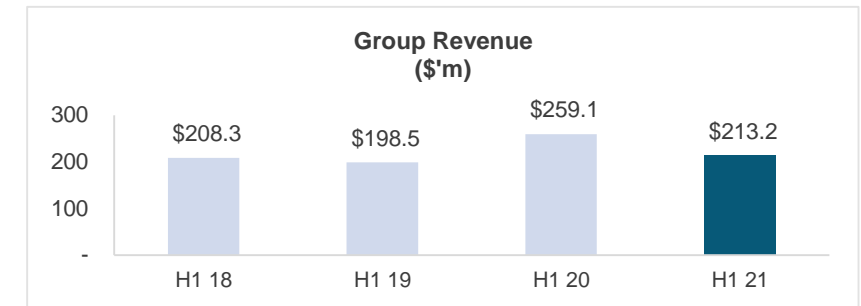
Profitability

Revenue at pre nbn peak levels as new contract wins yet to transition

Summary (\$'m)	H1 21	H1 20	Change	Change %
Revenue	\$213.2	\$259.1	(\$45.9)	(17.7%)
EBITDA (underlying)	\$11.4	\$14.3	(\$2.9)	(20.3%)
<i>EBITDA (underlying) %</i>	5.3%	5.5%	(0.2%)	
Depreciation & Amortisation	(\$5.6)	(\$5.1)	(\$0.5)	(9.8%)
EBIT (underlying)	\$5.8	\$9.2	(\$3.4)	(37.0%)
Interest & Tax	(\$2.5)	(\$3.4)	\$0.9	26.5%
NPAT (underlying)	\$3.3	\$5.8	(\$2.5)	(43.1%)
<i>NPAT (underlying) %</i>	1.5%	2.2%	(0.7%)	
Underlying Earnings per share (cps)	0.76	1.21	(0.44)	(36.6%)
<hr/>				
Significant Items	(\$2.9)	(\$1.5)	(\$1.4)	93.3%
Significant Items (net of tax)	(\$2.0)	(\$1.1)	(\$0.9)	81.8%
EBITDA (reported)	\$8.5	\$12.8	(\$4.3)	(33.6%)
<i>EBITDA (reported) %</i>	4.0%	4.9%	(0.9%)	
NPAT (reported)	\$1.3	\$4.7	(\$3.4)	(72.3%)
<i>NPAT reported (%)</i>	0.6%	1.8%	(1.2%)	
Earnings per share (cps)	0.30	1.08	(0.78)	(72.1%)

Other Significant Items:

These includes legal and restructure costs





Cash Flow

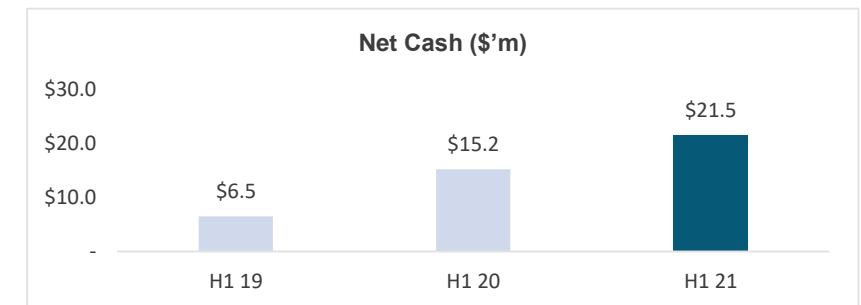
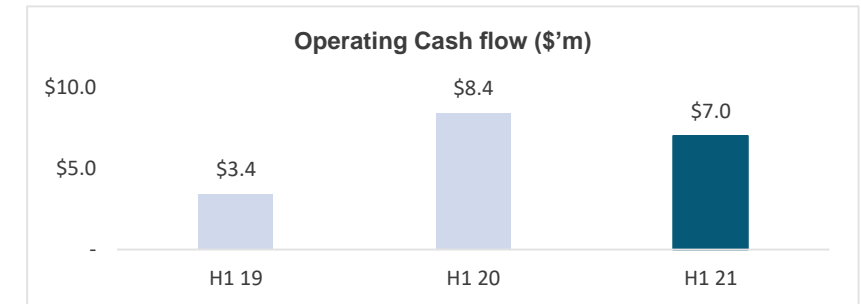
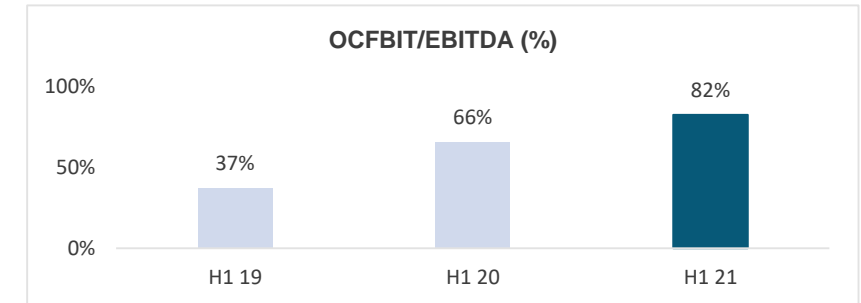
Strong cash performance achieving 82% OCFBIT* conversion and increased net cash

Cash flow results (\$'m)	H1 21	H1 20	Change
EBITDA (Group)	\$8.5	\$12.8	(\$4.3)
Non-cash & working capital	(\$1.5)	(\$4.4)	
Operating Cash flow before interest and tax ("OCFBIT")	\$7.0	\$8.4	(\$1.4)
EBITDA/OCFBIT Conversion %*	82%	66%	16%
Previously provided costs	(\$0.2)	(\$2.0)	\$1.8
ATO repayment	(\$7.8)		(\$7.8)
Interest & Tax	(\$0.9)	(\$0.9)	-
Cash flow from Operations	(\$1.9)	\$5.5	(\$7.4)
Catalyst ONE - (net impact)**	\$0.3		\$0.3
CAPEX	(\$3.9)	(\$3.2)	(\$0.7)
Free Cash flow	(\$5.5)	\$2.3	(\$7.8)
Dividends paid	(\$4.2)	(\$1.6)	(\$2.6)
Loan & Lease liability payments	(\$3.2)	(\$2.6)	(\$0.6)
Movement in cash	(\$12.9)	(\$1.9)	(\$11.0)
Opening cash	\$37.7	\$21.9	\$15.8
Closing Cash	\$24.8	\$20.0	\$4.8
Net Cash Reconciliation	H1 21	H1 FY20	Change
Cash & Cash Equivalents	\$24.8	\$20.0	\$4.8
Less Borrowings	(\$3.3)	(\$4.8)	\$1.5
Net Cash	\$21.5	\$15.2	\$6.3

* Operating Cash Flows Before Interest and Tax (OCFBIT) as a percentage of EBITDA (reported)

** Cash paid on completion of the acquisition only. Includes \$1.8m payment and \$2.1m take on cash balance.

BSA Limited Investor Presentation – H1 FY21



Subject to rounding



Operational Performance

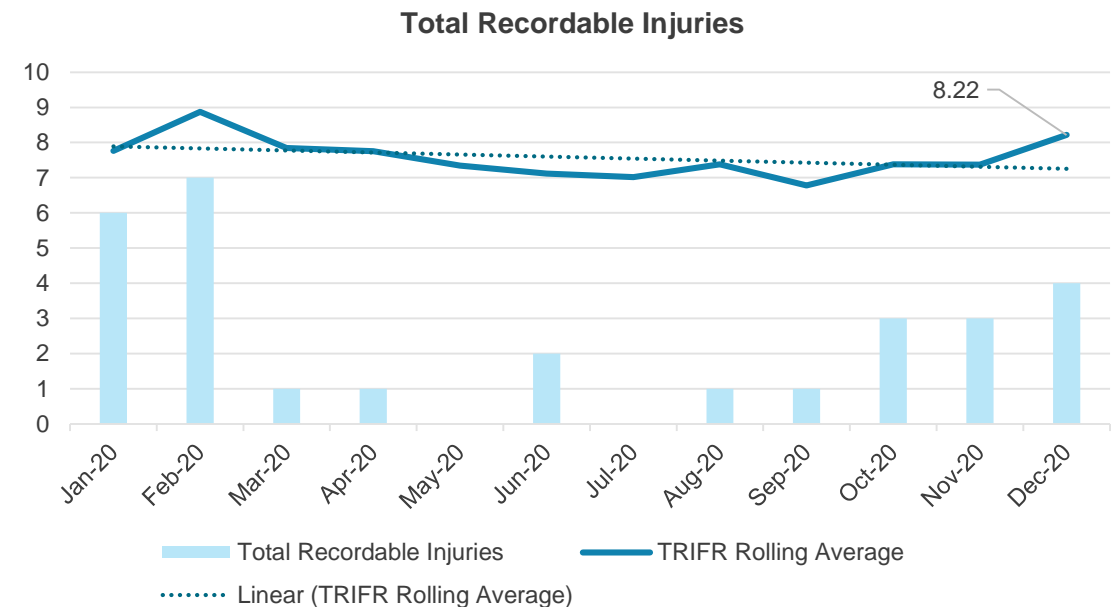
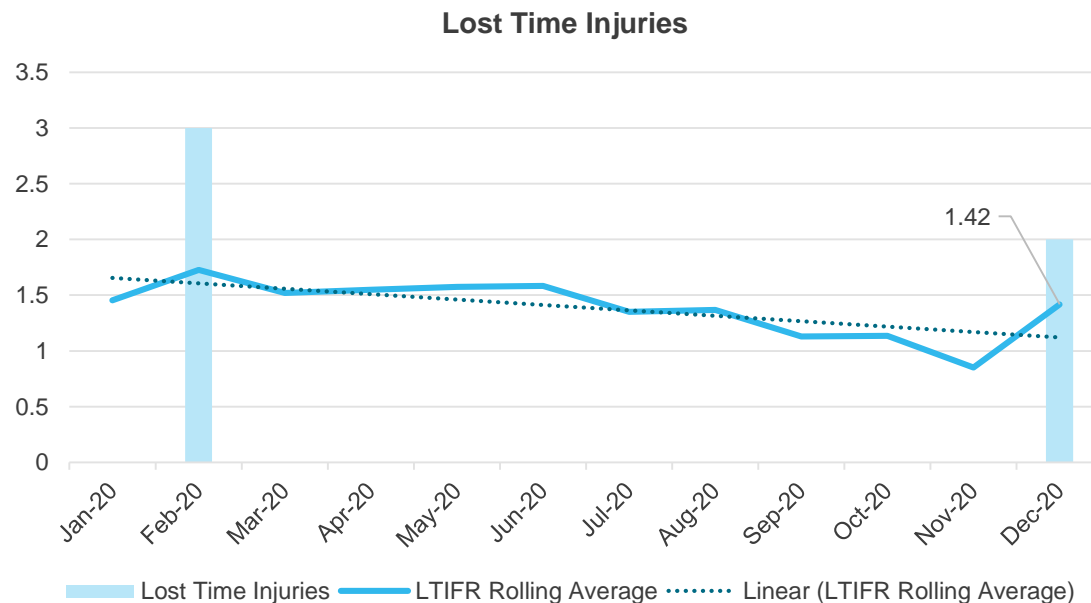
BSA technicians providing maintenance services for electricity supply to Ausgrid customers in NSW. Substation image courtesy of Ausgrid.



Health & Safety Performance

Continued investment into programs to drive improvement in health and safety performance

- Long term performance of lost time injury frequency rate continues to trend down with specific focus on measures to improve Total Recordable Injury Frequency Rate through targeted awareness programs;
- Continued proactive risk management of COVID-19 under government and internal guidelines;
- Key initiatives over the half include the annual BSA Stop for Safety Day and proactive focus on Health and Wellbeing in light of ongoing societal restrictions; and
- Focus for the following half include the further upgrade of our Safety systems and the continued roll out of BSA Absolutes.





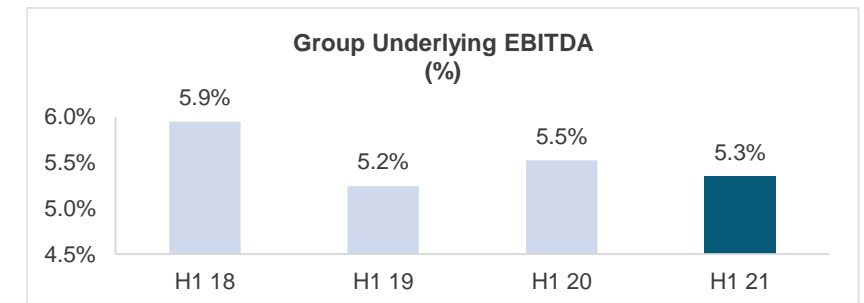
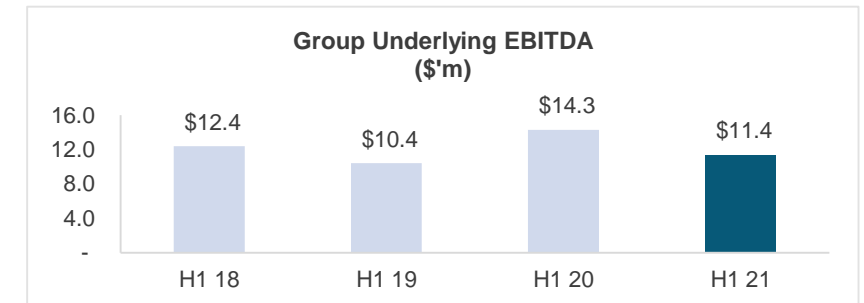
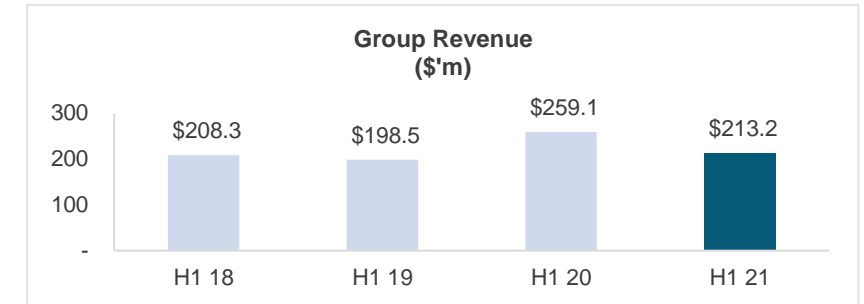
Segment Results – Continuing Operations

Volume driven impacts in H1 FY21

Revenue (\$'m)	H1 18	H1 19	H1 20	H1 21	Mvt
CUI	137.7	117.7	150.9	105.3	(45.6)
APS	70.7	80.8	108.2	107.9	(0.3)
Total Revenue	208.3	198.5	259.1	213.2	(45.9)

EBITDA (\$'m)	H1 18	H1 19	H1 20	H1 21	Mvt
CUI	11.6	9.1	11.7	8.9	(2.8)
APS	3.7	4.2	4.8	4.3	(0.5)
Corporate & Other	(2.9)	(2.9)	(2.2)	(1.8)	0.4
Underlying EBITDA	12.4	10.4	14.3	11.4	(2.9)
Significant items	(1.0)	(1.1)	(1.5)	(2.9)	(1.4)
Reported EBITDA	11.4	9.3	12.8	8.5	(4.3)

EBITDA %	H1 18	H1 19	H1 20	H1 21	Mvt
CUI	8.4%	7.8%	7.8%	8.5%	0.7%
APS	5.2%	5.2%	4.4%	4.0%	(0.4%)
Corporate & Other	(1.4%)	(1.5%)	(0.8%)	(0.8%)	0.0%
Underlying EBITDA %	5.9%	5.2%	5.5%	5.3%	(0.2%)
Reported EBITDA %	5.5%	4.7%	4.9%	4.0%	(0.9%)





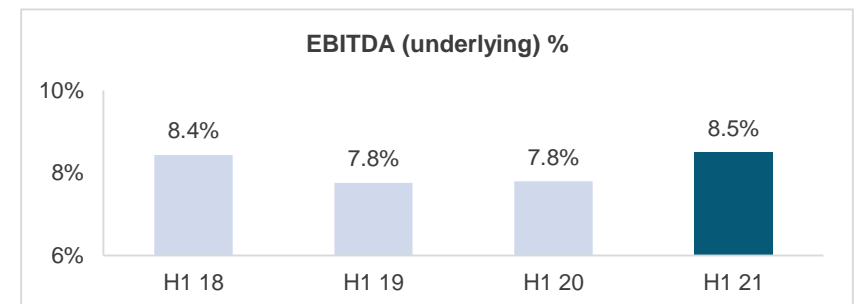
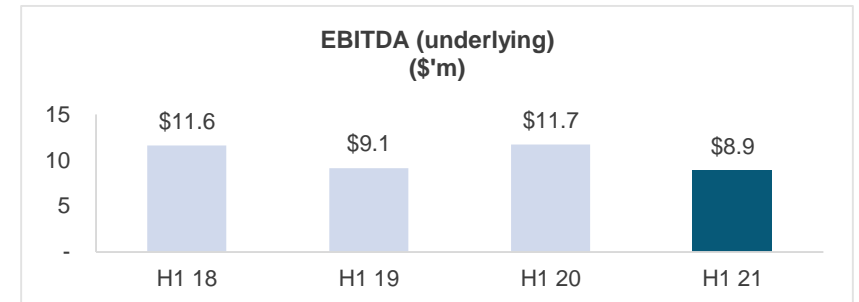
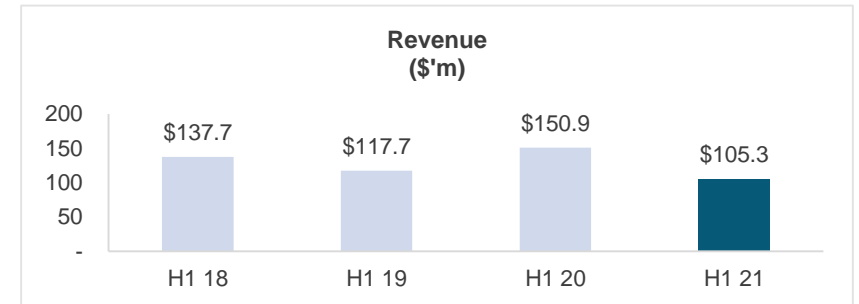
Business Performance

Communications & Utility Infrastructure (CUI)

Summary (\$'m)	H1 21	H1 20	Change	Change %
Revenue	\$105.3	\$150.9	(\$45.6)	(30.2%)
EBITDA (underlying)	\$8.9	\$11.7	(\$2.8)	(23.9%)
EBITDA %	8.5%	7.8%	0.7%	9.0%

Highlights

- Revenue and EBITDA reduction driven by lower nbn activation volumes as the connections roll out phase reduces from peak FY20 levels;
- Strong margin performance of 8.5% with continued focus on leading the market in technology and delivery solutions to improve efficiency and performance;
- Contract wins with nbn, foxtel & Telstra with significantly increased market share secure strong revenue base for FY22 and beyond;
- Growth into smart metering sector continues with a 76% increase on pcg; and
- Successful strategic acquisition of Catalyst ONE in December 2020 allows for significant growth opportunities in the wireless sector.





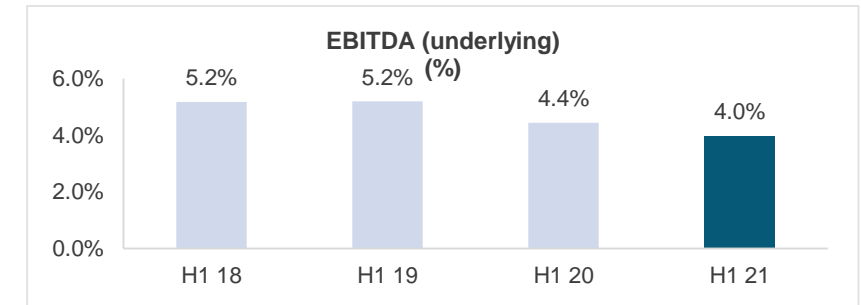
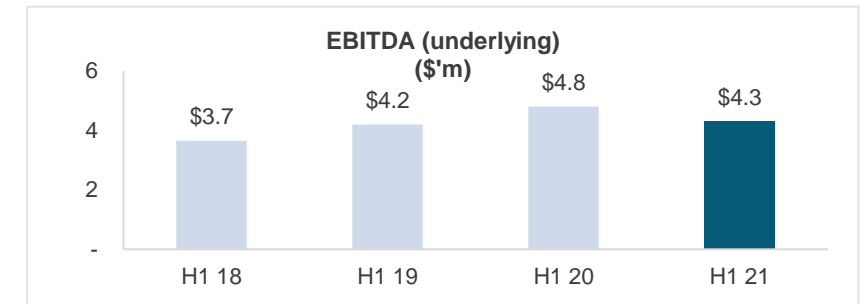
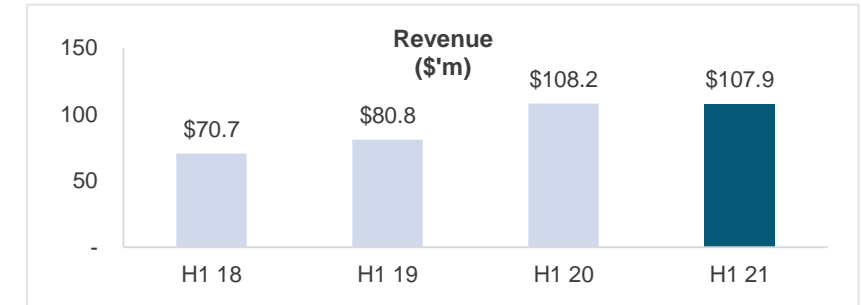
Business Performance

Advanced Property Solutions (APS)

Summary (\$'m)	H1 21	H1 20	Change	Change %
Revenue	\$107.9	\$108.2	(\$0.3)	(0.3%)
<i>Fire Build</i>	\$35.8	\$48.6	(\$12.8)	(26.3%)
<i>Maintain</i>	\$72.1	\$59.6	\$12.5	21.0%
EBITDA (underlying)	\$4.3	\$4.8	(\$0.5)	(10.4%)
<i>Fire Build</i>	\$2.9	\$3.9	(\$1.0)	(25.6%)
<i>Maintain</i>	\$1.4	\$0.9	\$0.5	55.6%
<i>EBITDA %</i>	<i>4.0%</i>	<i>4.4%</i>	<i>(0.4%)</i>	<i>(9.1%)</i>

Highlights

- Service revenue increase creating a solid platform for additional higher margin works once discretionary spend cycles return to normal;
- Strong revenue streams are expected in reactive and minor works (higher margin) as client confidence returns post COVID-19 – expected FY22;
- Fire Build impacted as major projects complete (NorthConnex, Grafton, Crown) and some new project awards delayed due to economic uncertainty; and
- Pilot IoT Solution to support future Data Driven Asset Maintenance programs have commenced.





Outlook

BSA providing fire suppression and fire life safety systems for John Holland at Sydney Metro's Waterloo Station. An artist's impression of the Waterloo metro station entrance from Cope Street plaza.



Outlook



External:

- Our core markets remain robust with strong pipelines of work across the majority of sectors;
- We expect discretionary spend to rebound strongly across sectors most impacted by COVID-19 once confidence returns; and
- Opportunity to challenge traditional delivery models to improve margins and strengthen barriers to entry.

Internal:

- Solid platform set by new management for FY22 and beyond;
- Assessment of potential significant acquisitions and investment to further diversify and drive material growth underway;
- FY21 Revenue outlook range of \$400m-\$420m with similar margins to the first half; and
- 3 year growth target to FY24
 - Revenue of \$750m;
 - EBITDA margins of 5% (minimum);
 - Dividend payout ratio of 60%; and
 - No adverse change to risk profile and quality of earnings.

Appendix



Our Business



BSA is one of Australia's leading technical services and field solutions companies

Headquartered in Sydney, BSA is a publicly-listed company on the Australian Securities Exchange with over 1,000 employees and revenues of circa \$450 million.



1,000
Employees



2,000
Skilled Field
Resources



23
Offices &
Warehouses

~\$450
Million

Annual
Revenues





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