



BSA Limited  
Full Year Results

# 2010-11

➔ INVESTOR PRESENTATION

➔ BSA Results and Overview

Financial Review

Business Unit Review

Summary





# BSA RESULTS



## HIGHLIGHTS

- ❑ Revenue up 22% to \$403 million
- ❑ EBITDA up 16% to \$16.3 million
- ❑ Operating cash flow of \$28.4 million and net cash of \$8.7 million
- ❑ NPAT \$8.6 million
- ❑ MEC (NT) acquisition integrated
- ❑ Strong Building Services order book (now \$240 million)
- ❑ FOXTEL contract renewed (4 year + 1 year option)
- ❑ Burke Air - WA (acquired 1<sup>st</sup> August 2011)
- ❑ 1c final dividend and 1c special dividend (total 2c) DRP remains at no discount





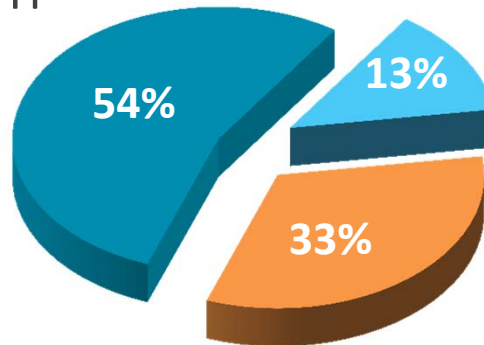
# BSA OVERVIEW



## POSITIONED FOR GROWTH

### Pro-forma Revenues

FY2011



- Building Services Construction
- Technical Maintenance Services
- Contracting Solutions

### BUILDING SERVICES CONSTRUCTION

Specialists in all aspects of Heating, Ventilation, Air Conditioning (HVAC) and Fire Systems across commercial and industrial buildings

Includes design, building information modelling, manufacturing, construction and commissioning

### TECHNICAL MAINTENANCE SERVICES

Ongoing maintenance services for HVAC and Fire Systems

Created from the maintenance services operations of Building Services and now also includes Burke Air (WA)

### CONTRACTING SOLUTIONS

Installation and maintenance services for major Australian corporations including; FOXTEL, Silcar (Telstra) and Optus

Includes expertise in telecommunications, digital hardware, fibre splicing, satellite and wireless infrastructure and field force management





## CONSISTENT CONTRACT EXECUTION

### CORE STRENGTHS

- Disciplined tendering and contract management
- Excellent project and field force management
- Logistics, customer contact and billing
- National network
- Culture of strong OHSE & risk management
- Culture of continuous improvement and innovation supported by significant internal I.T. and software development resources
- Leadership Position in Building Information Modelling (BIM)

### BUSINESS MODEL

- Annuity based contracts
- New build and upgrade installation
- Ongoing technical and maintenance services
- Recurring ticket of work



# BSA STRATEGY



## CLEAR STRATEGIC PRINCIPLES

LEADERSHIP	SUSTAINABILITY	GROWTH
Industry leadership in chosen market sectors	Low gearing, positioned for growth	Good organic prospects in each business unit
Enterprise Resource Planning System & industry best practice business unit support systems	Disciplined approach to contracting	Focus on containment of overheads & improvement programs to increase EBITDA %
Each business unit has a scalable platform for growth with capable leadership and committed staff	Balanced portfolio of Tier 1 Customers' contracts providing annuity revenue	Developing pipeline of bolt-on acquisitions



**PREDICTABLE, GROWING EARNINGS**



### STRUCTURE

- BSA Remuneration Committee's mandate is to approve all Non Executive Directors, Chief Executive Officer and CEO direct reports remuneration and
- Review and endorse the quantum of annual salary reviews for senior managers throughout BSA and
- Ratify the quantum of salary reviews within the annual budget process
- All salary components, including base, total fixed remuneration, short term incentives (STI), long term incentives (LTI) for senior managers and CEO are benchmarked and approved by Remuneration Committee



### PROCESS

- All new senior positions are market tested with advice sought by the Remuneration Committee from external remuneration consultants
- Annual reviews for senior positions and directors include advice from external remuneration consultant using systematic & consistent comparative analysis that is market capitalisation and revenue based then benchmarked against 3<sup>rd</sup> quartile remuneration.
- Formal submissions from CEO/CFO for STI/LTI are reviewed and formally approved by Remuneration Committee
- STI/LTI performance criteria is specified in BSA template aligned to budget/business plan outcomes as an addendum to the executive employment contract including eligibility criteria
- BSA Annual Report includes a comprehensive Remuneration Report





# AGENDA



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# FULL YEAR RESULTS



## Sound financial performance

- Revenue up 22% to \$403 million
- EBITDA up 16% to \$16.3 million
- NPAT down 6.2% to \$8.6 million
- Earnings per share of 4.02 cents

## Final Dividend

- 1c per share – payable 4<sup>th</sup> October 2011

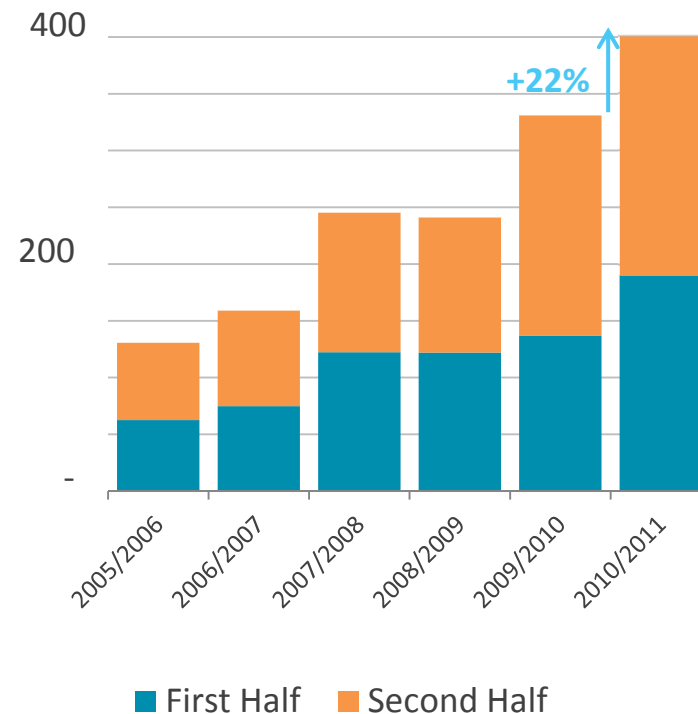
## Special Dividend

- 1c per share – payable 4<sup>th</sup> October 2011

## Strong balance sheet

- Operating cash flow \$28.4 million with Net Cash of \$8.7 million at 30<sup>th</sup> June 2011

## REVENUE IN \$MILLIONS





# INCOME



<b>(\$000)</b>	<b>Full Year</b>	<b>Full Year</b>	<b>Movement</b>
<b>SUMMARY</b>	<b>2010/11</b>	<b>2009/10</b>	<b>Actual</b>
Revenue \$	<b>402,573</b>	<b>330,918</b>	21.7%
EBITDA \$	<b>16,251</b>	<b>14,006</b>	16.0%
EBITDA %	<b>4.0%</b>	<b>4.2%</b>	(0.2%)
EBIT	<b>9,611</b>	<b>9,086</b>	5.8%
NPAT \$	<b>8,587</b>	<b>9,156</b>	(6.2%)
Dividends (fully franked)	<b>3.0 cents</b>	<b>2.0 cents</b>	50.0%
Earnings per share - basic	<b>4.02 cents</b>	<b>4.59 cents</b>	(12.4%)

- 2010/11 includes:
  - full contribution from Allstaff (acquired 11th December 2009)
  - 5 month contribution from MEC Services NT (acquired 20<sup>th</sup> January 2011)
  - amortisation of intangibles of \$2.7 million compared to \$1.7 million in 2009/10



# CASHFLOW



<b>(\$000)</b>	<b>Full Year</b>	<b>Full Year</b>
<b>SUMMARY</b>	<b>2010/11</b>	<b>2009/10</b>
Revenue \$	<b>402,573</b>	<b>330,918</b>
Cash flows from operations	<b>28,432</b>	<b>8,737</b>
Cash flows from investing	<b>(5,001)</b>	<b>(3,102)</b>
Cash flows from financing	<b>(11,720)</b>	<b>4,574</b>
Net Cash /(Debt) at end of period	<b>8,709</b>	<b>(10,718)</b>

- Strong cash flow due to timing of building services projects and sound working capital management
- Capex of \$5.5 million (FY10 \$2.5 million) includes - Pronto implementation, Sydney Olympic Park relocation, new call centre system and motor vehicle replacements
- Dividends paid (net of DRP) \$2.5 million – FY10 Final and FY11 Interim





# CONSERVATIVELY GEARED



<b>(\$000)</b>	<b>Full Year</b>	<b>Full Year</b>
<b>SUMMARY</b>	<b>2010/11</b>	<b>2009/10</b>
Working Capital	1,778	19,426
Net Cash/(Debt )	8,709	(10,718)
Equity	72,776	67,105
(Debt): Net Debt + Equity	13.6%	(13.8%)
Interest expense	2,321	1,840
Interest cover (EBITDA)	7.0x	7.6x

- Bank borrowings \$19.3 million repayable Oct / Dec 2012
- Working capital management remains key focus
- Bank guarantee and surety bond facilities: \$46 million utilised/ \$4 million available

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**BUILDING SERVICES**

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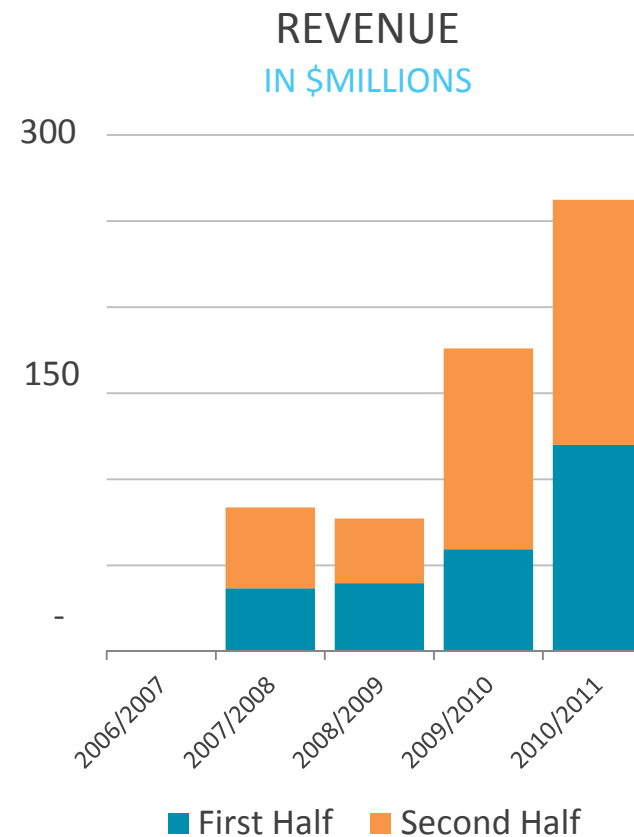


# BUILDING SERVICES



## OVERVIEW

- Revenue \$262 million (2010 \$176m)
- EBITDA \$15.3 million
- Full year contribution from Allstaff (acquired 11th Dec 2009)
- Continuing focus on maintenance and recurring revenue
- \$240 million order book supported by growing pipeline
- National and industry platform extended through MEC Services and Burke Air acquisitions
- Strong focus on Environmentally Sustainable Development (ESD) and Building Information Modeling (BIM) as emerging market trends are beginning to pay dividends







# BUILDING SERVICES NATIONAL FOOTPRINT



## ACQUISITION OF BURKE AIR

- Acquired 1 August 2011
- Purchase price of \$9.2 million with \$8.9 million paid in cash from existing resources and \$0.3 million in BSA shares
- Headquartered in Perth with operations in Busselton, Port Headland & Karratha, Burke Air is a full-service HVAC business
- Expands the customer footprint to include the HVAC resources services sector
- Revenues circa \$27 million per annum with EBITDA margins above company average run rate
- Provides further exposure to growing resources and Defence sectors



CONTRACTING SOLUTIONS



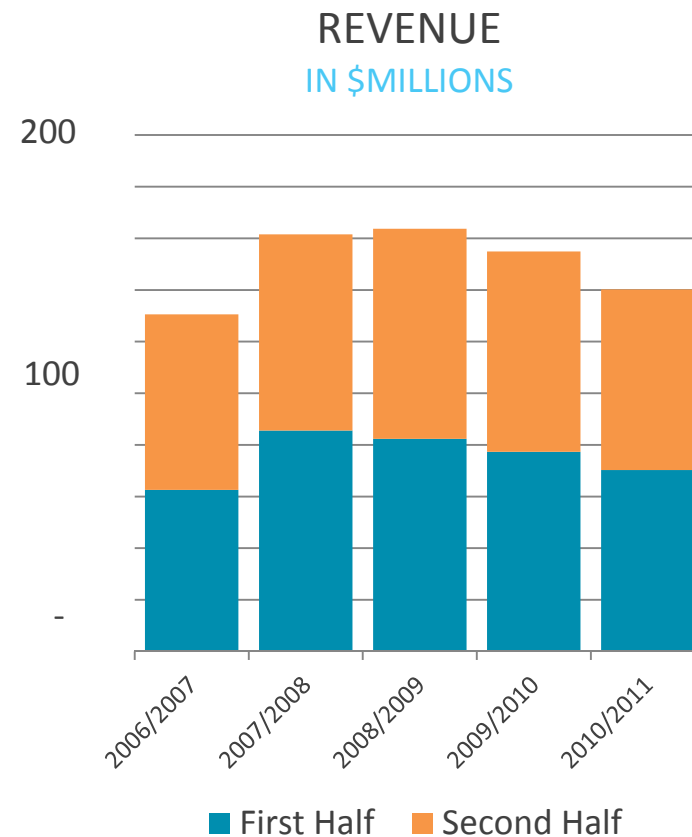


# CONTRACTING SOLUTIONS



## OVERVIEW

- Revenue of \$140 million (2010 \$155 million)
- EBITDA of \$6.3 million
- Partnership with FOXTEL extended for an additional 4 + 1 years, although lower volumes of works impacted FY2011 revenue and margins
- Silcar (Telstra) and Optus projects continue to perform in line with expectations
- Future participation in NBN will focus on wireless opportunities





## FOXTEL CONTRACT RENEWAL

- New multi-year contract renewal (4 +1 years )
- 13<sup>th</sup> year of BSA's partnership with Australia's leading Pay TV operator
- Further develops BSA's capabilities to provide superior levels of performance in field service operations
- Full service offering including installation, fault management, call centre operations, dispatch and logistics





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# SUMMARY



- ➔ Dividend 1c plus special dividend 1c
- ➔ Circa half \$billion revenue run rate by end FY12
- ➔ Continued strong organisation focus on cash management
- ➔ Strong forward Building Services order book of \$240 million and healthy future revenue for Contracting Solutions underpinned by renegotiated FOXTEL contract (4 years + 1 year option)
- ➔ Growing pipelines for organic and acquisitive sales
- ➔ Achievement of leadership position in OHS&E & risk management