



BSA Limited  
and subsidiary companies

# FY12

→ HALF YEAR INVESTOR PRESENTATION

## → BSA Results Overview

Financial Review

Business Unit Review

Conclusions



Chilled and heating water reticulation pipework at Swinburne University ACT



# BSA RESULTS OVERVIEW



## HIGHLIGHTS

- Revenue up 39% to \$264m
- EBITDA up 31% to \$11.0m
- Net cash of \$6.7m (pcp net debt of \$12.6m)
- NPAT up 38% to \$6.0m (pcp \$4.3m)
- Burke Air acquisition fully integrated
- Creation of Technical Maintenance Services business unit and consolidation of existing operations
- Building Services order book \$154m with \$20m contracted since December 2011.
- \$0.01 interim dividend - DRP remains at no discount



**Mechanical Switchboard and Heating Water Pumps at Freshwater Place**



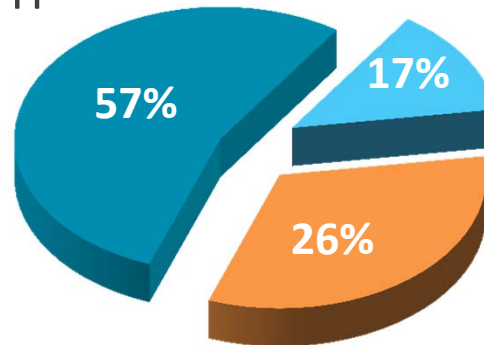
# BSA OVERVIEW



## POSITIONED FOR GROWTH

### Proforma Revenues

H1 FY2012



- 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, drafting, 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;

Foxtel and Optus

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



# BSA PLATFORM FOR GROWTH



## CONSISTENT EXECUTION

### CORE STRENGTHS

- Disciplined tendering and contract management
- Excellent project and field force management
- Logistics, customer contact and billing
- National network
- Culture of strong risk management
- Culture of continuous improvement and innovation supported by significant internal IT and software development resources

### BUSINESS MODEL

- Contract based
- New build and upgrade installation
- Ongoing facilities services and maintenance
- Recurring ticket of work



# BSA STRATEGY



## CLEAR STRATEGIC PRINCIPLES

LEADERSHIP	SUSTAINABILITY	GROWTH
Each business unit has a scalable platform for growth	Low gearing, maintainable payout ratio	Quality 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 %
Industry leadership in chosen market sectors	Balanced portfolio of Tier 1 contracts providing annuity revenue	Pipeline of bolt on acquisitions to increase regional coverage



**PREDICTABLE, GROWING EARNINGS AND  
SHAREHOLDER DISTRIBUTIONS**



# → BURKE AIR – ACQUISITION CASE STUDY



## FUNDAMENTALS

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

## OUTCOME

- Fully integrated on Pronto system within three months
- First five months trading in line with expectations - Revenue of \$13m and EBITDA of \$1.059m
- Forward Order Book \$17.8m (\$10m at acquisition)
- Active engagement with key staff across business units with excellent cross pollination of ideas
- Foundation member of the Technical Maintenance Services Business Unit

## CONSERVATIVE AND WELL EXECUTED



# AGENDA



BSA Strategy



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# → FULL YEAR RESULTS



## SOLID FIRST HALF PERFORMANCE

### Sound financial performance

- Revenue up 39% to \$264million
- EBITDA up 31% to \$11.0 million
- NPAT up 38% to \$6.0 million
- Effective tax rate 11% (pcp 2.0%)
- Earnings per share of 2.67 cents

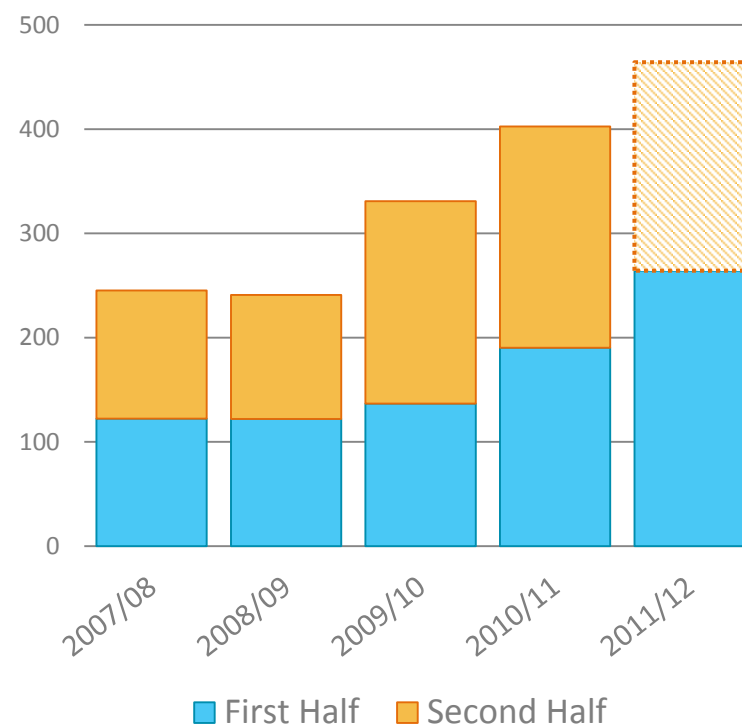
### Interim Dividend

- 1c per share – payable 20th April 2012

### Balance sheet

- Operating cash flow \$12.0 million with Net Cash of \$6.7m

**+38%** REVENUE  
IN \$MILLIONS



## SOLID FIRST HALF PERFORMANCE

(\$000) SUMMARY	Half Year 2011/12	Half Year 2010/11	Movement Actual
Revenue \$	264,248	190,306	39%
EBITDA \$	11,052	8,393	31%
EBITDA %	4.2%	4.4%	(5.2%)
PBT \$	7,141	5,198	37%
Income Tax Expense \$	-797	-94	847%
NPAT \$	5,955	4,304	38%
Dividends (fully franked)	1.0c	1.0c	- %
Earnings per share - basic	2.67c	2.03c	32%

- 2011/12 includes 5 month contribution (Revenue \$13m / EBITDA \$1.059m) from Burke Air (acquired 1st August 2011)
- 2011 /12 reflects increase in effective tax rate to 11% (pcp 2.0%) as a result of changes to the eligibility rules regarding R&D



# CASHFLOW



## STRONG CASHFLOW

<b>(\$000)</b>	<b>Half Year</b>	<b>Half Year</b>
<b>SUMMARY</b>	<b>2011/12</b>	<b>2010/11</b>
Revenue	<b>264,248</b>	<b>190,306</b>
Cash flows from operations	<b>12,026</b>	<b>2,499</b>
Cash flows from investing	<b>(9,839)</b>	<b>(2,638)</b>
Cash flows from financing	<b>(11,965)</b>	<b>(2,343)</b>
Net Cash /(Debt) at end of period	<b>6,739</b>	<b>(12,635)</b>

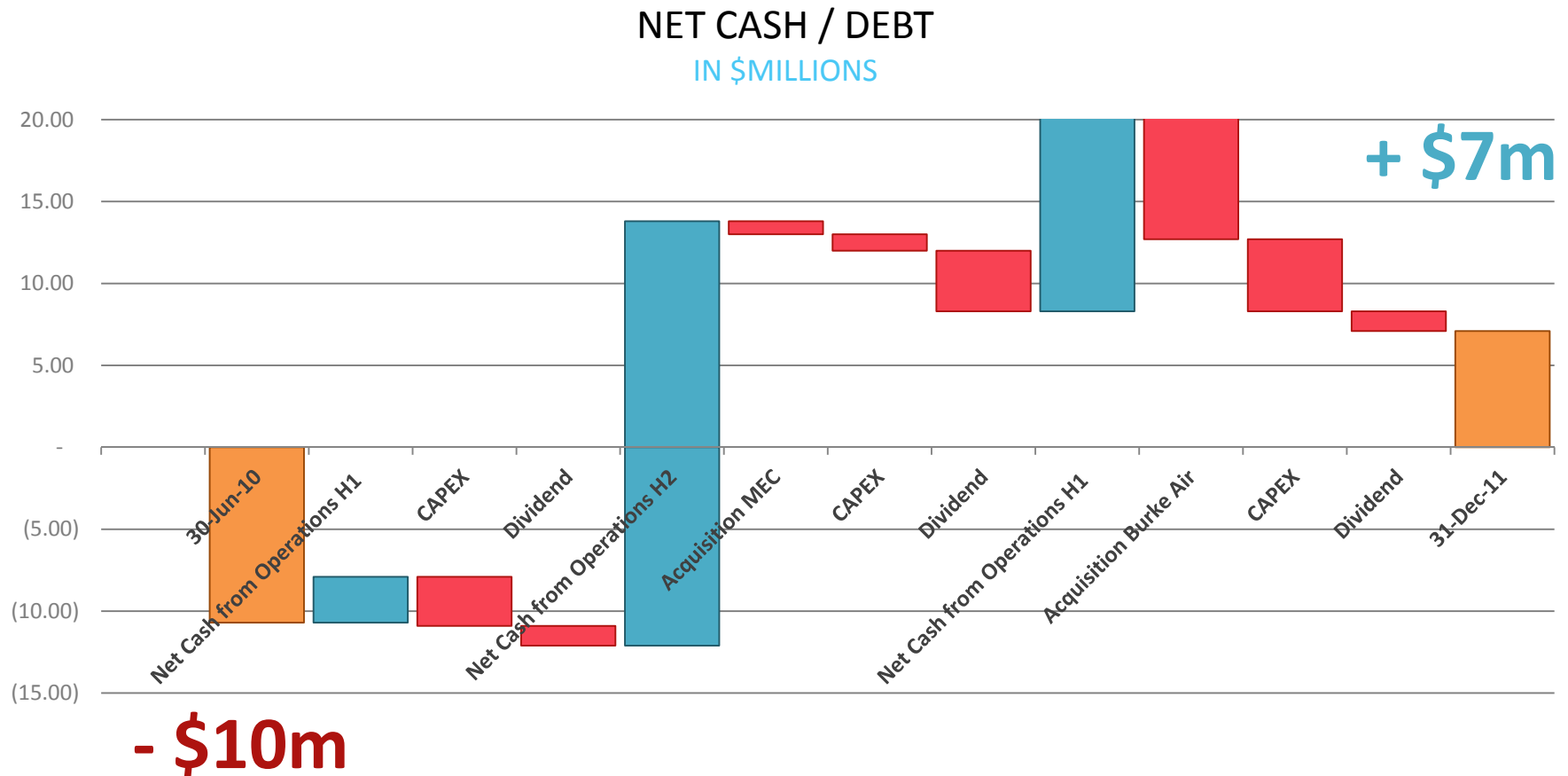
- ➔ Strong cash flow continued due to timing of building services projects and sound working capital management
- ➔ Acquisition of Burke Air \$8.9m cash / \$0.3m script (total acquisition price \$9.2m)
- ➔ Capex of \$4.4 million (pcp \$2m) – mainly service vehicle fleet replacement
- ➔ Dividends paid (net of DRP) \$2.833m – FY10 Final and Special – DRP take-up rate 35%
- ➔ Pre-payment of \$10 million long term bill facility



# CASHFLOW



## STRONG CASH GENERATION





# CONSERVATIVELY GEARED



## HEADROOM FOR GROWTH

<b>(\$000)</b>	<b>Half Year</b>	<b>Half Year</b>
<b>SUMMARY</b>	<b>2011/12</b>	<b>2010/11</b>
Working Capital	<b>(1,386)</b>	<b>16,002</b>
Net Cash/(Debt )	<b>6,739</b>	<b>(12,368)</b>
Equity	<b>76,930</b>	<b>70,444</b>
Net Debt: Net Debt + Equity	<b>Net Cash</b>	<b>(14.9%)</b>
Interest expense	<b>768</b>	<b>1,183</b>
Interest cover (EBITDA)	<b>14.3x</b>	<b>7.09x</b>

- ➔ Long term bank borrowings \$9.0m extended to 31st July 2013 from Oct / Dec 2012
- ➔ \$10m working capital facility available and undrawn
- ➔ Working capital management remains key focus
- ➔ \$50m bank guarantee and surety bond facilities: \$42m utilised / \$8m available



# INCOME TAX CHANGES



## Research & Development

- ➔ With effect from 1st July 2011 the eligibility rules associated with Research & Development Activity have changed, significantly reducing the R&D concessions available
- ➔ The finalisation of the FY2011 claims has resulted in an additional deduction of \$5.8m and after tax benefit of \$1.7m recognised in the first half.

## Rights to Future Income

- ➔ On the 25th November 2011 the Federal Government announced proposed changes to the tax consolidation rules and is seeking to retrospectively amend (and largely reverse) tax consolidation amendments that it enacted in 2010
- ➔ Should these changes become effective they will have a material impact on the RTFI claims made in the 2010 financial year in relation to the acquisition of the Allstaff and Triple M Group of companies and will reverse the income tax benefit booked in prior years totalling approx \$1.2m
- ➔ The effect of these changes will be applied if the legislative changes are enacted



# → AGENDA



BSA Strategy

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## BUILDING SERVICES

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**Fume Cupboards**  
**PC3 Lab Swinburne University**





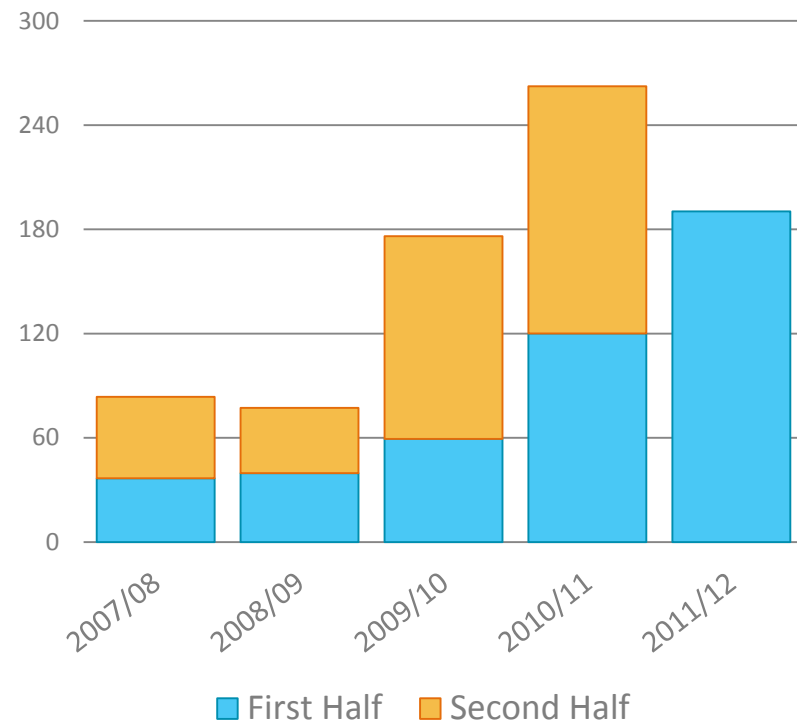
# BUILDING SERVICES



## OVERVIEW

- ➔ Revenue \$190 million (pcp \$120m)
- ➔ EBITDA (excluding Corporate allocations) \$9.8 million (pcp \$7.0m)
- ➔ Five month contribution from BurkeAir (acquired 1st Aug 2011)
- ➔ BurkeAir now fully integrated within Technical Maintenance Service Business
- ➔ \$154 million order book with \$20m of contracts secured since December 2011
- ➔ Recent contract wins include:
  - ➔ Griffith University G40
  - ➔ 8 Chifley Square
  - ➔ Park Lane

REVENUE  
IN \$MILLIONS





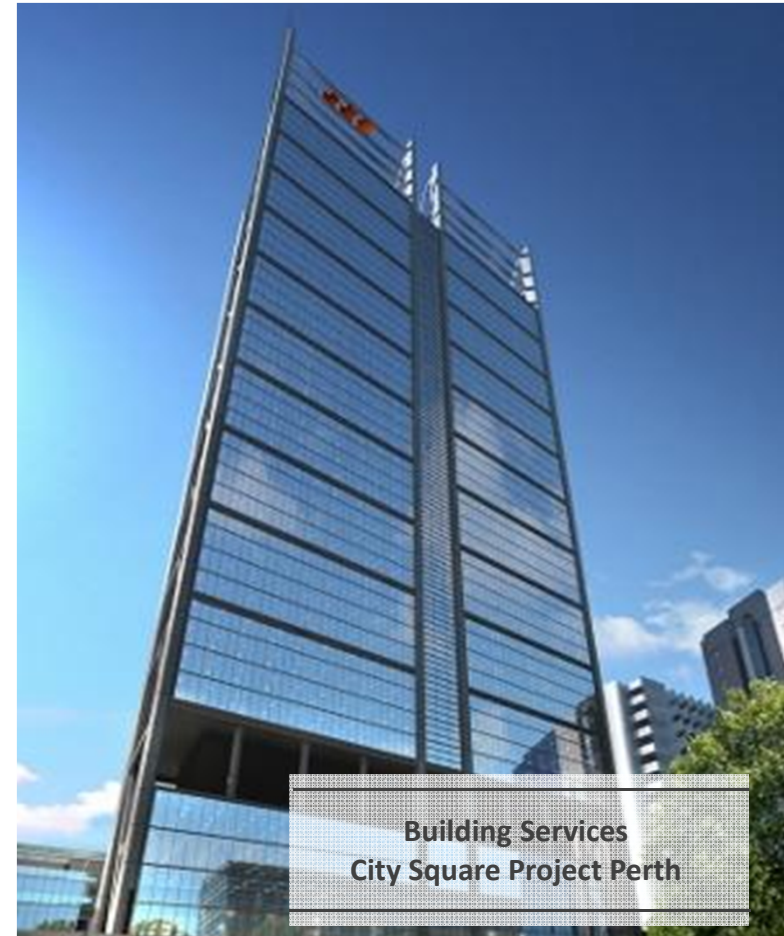
## BUSINESS FOCUS

### Construction

- Delivery of major projects including:
  - Fiona Stanley Hospital
  - The Kinghorn Cancer Centre
  - The Olivia Newton-John Cancer and Wellness Centre
- Building order book and recurring revenue for 2012/13 and beyond

### Technical Maintenance Services

- Developing industry leading capabilities across Technical Maintenance Services business
- Further acquisitions of maintenance businesses - grow annuity incomes
- Leveraging national procurement capabilities to reduce operating costs
- Management have commenced reporting as a separate segment from January 2012



Building Services  
City Square Project Perth



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CONTRACTING SOLUTIONS

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Installation Technicians using  
an iPad and in-house  
developed,  
works management software



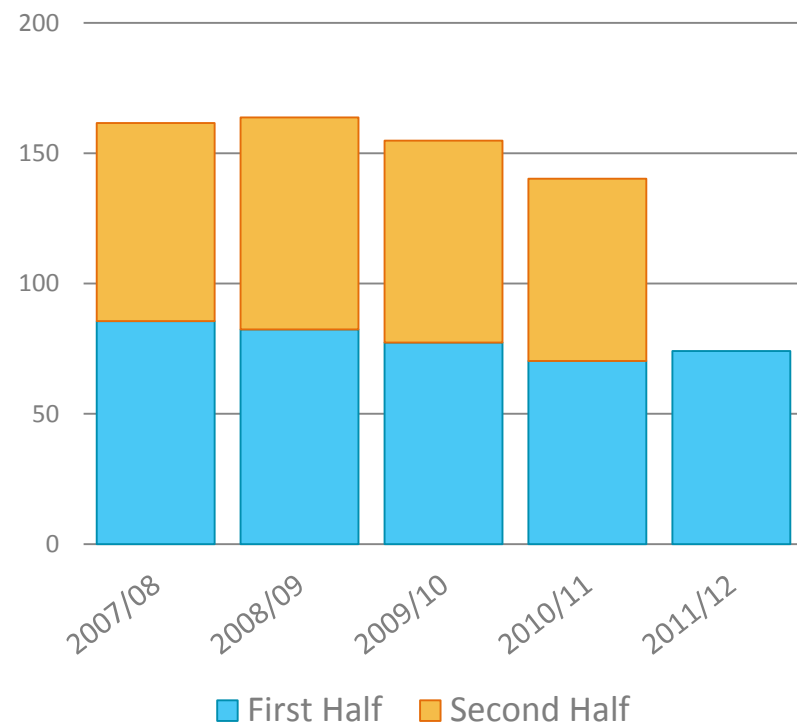
# CONTRACTING SOLUTIONS



## OVERVIEW

- ➔ Revenue of \$74 million (pcp \$70m)
- ➔ EBITDA of \$4.3 million (excluding Corporate Allocations) (pcp \$3.3m)
- ➔ Partnership with FOXTEL extended for an additional 4 + 1 years - tracking to plan
- ➔ Optus project continues to perform in line with expectations
- ➔ Silcar contract concluded in December 2011 as a result of a shift in supplier alignments by Telstra

REVENUE  
IN \$MILLIONS







# CONTRACTING SOLUTIONS



## BUSINESS FOCUS

- ➔ Delivery of multi-year contract with FOXTEL and maintaining service delivery leadership role:
  - ➔ 13<sup>th</sup> year of BSA's partnership with Australia's leading Pay TV operator
  - ➔ Demonstration of 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
- ➔ Rebalancing of overhead structure as a result of the loss of Silcar contract
- ➔ Additional organic growth opportunities being pursued





# AGENDA



BSA Strategy

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Summary

Mechanical plant lift for Coles headquarters at Tooranga Shopping Centre





# SUMMARY



- ➔ Interim Dividend 1c fully franked dividend
- ➔ Circa half \$ Billion revenue run rate expected by end FY12
- ➔ Continued strong organisational focus on cash management
- ➔ Strong forward Building Services order book of \$154m (plus an additional \$20m contracted since December 2011)
- ➔ Healthy future revenue from Contracting Solutions underpinned by renegotiated FOXTEL contract (4 years + 1 year option)
- ➔ Achievement of leadership position in OHS&E and risk management
- ➔ Technical Maintenance Services annuity style revenue circa \$60 million p.a
- ➔ Continued focus on growth through:
  - ➔ Capturing quality organic growth opportunities
  - ➔ Acquisitions
  - ➔ Focus on cost and working capital management



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