FY13-14 HALF YEAR RESULTS PRESENTATION

Agenda


Technical Field Force Solutions – Contact Centre Representatives

- **RESULTS AND OVERVIEW**
- **FINANCIAL REVIEW**
- **BUSINESS UNIT REVIEW**
- **KEY INITIATIVES**
- **THE YEAR AHEAD**

Results Highlights & Outlook

HALF YEAR RESULTS

- Total revenue $248m (PCP $234m)
- EBITDA ($13.8m) (PCP $7.2m)
  - Due to non-recurring project provisions and profit reductions of $20.4m primarily related to largely completed projects
- Underlying EBITDA of $6.5m excluding the impact of non recurring provisions and key profit reductions
- Goodwill Impairment of $10m
- Net cash outflow from operations of $10.5m driven by working capital increase and contract mobilisations. Net debt of $32.7m (PCP $20.4m)
- Banking facilities extended with increased facilities to match future working capital requirements
- No further update on the OSR matter and no change to $2m provision
- All banking covenants met and access to funds unaffected, not impacted by project provisions and impairment taken in results
- Net Loss after Tax ($23.4)m (underlying NPAT $0.9m) (PCP Net Profit $1.8m)
- No interim dividend to be paid

IMPROVING FINANCIAL POSITION

- Second half revenue forecast at $270m
- Second half EBITDA expected to exceed underlying H1 performance of $6.5m
- Strong cash inflows and reduction in net debt in the second half due to contracts mobilised in the first half, increased volumes and better margin performance
- Technical Design and Construction Projects:
  - Strong construction order book stands at $279m at 31 December 2013
- Technical Field Force Solutions:
  - Recurring revenues of $150m plus per annum
  - Further extension of Foxtel Contract to 2017
  - Extended and expanded Optus contract for 3 + 2 years
- Technical Maintenance Services:
  - Increased revenue by 15% to $50 million compared to the previous corresponding period
  - Significant contract mobilisations in the first half deliver earnings and cash in the second half
  - Recurring revenue of $80m plus per annum

Results Highlights & Outlook

HALF YEAR RESULTS

($000) Summary	H1 2013/14 Actual	H1 2013/14 Underlying Result (excluding one off items)
Revenue $	248,352	248,352
EBITDA $	(13,819)	6,534
EBITDA %	(5.6%)	2.6%
EBIT	(27,979)	2,374
NPBT	(29,009)	1,344
NPAT $	(23,367)	880

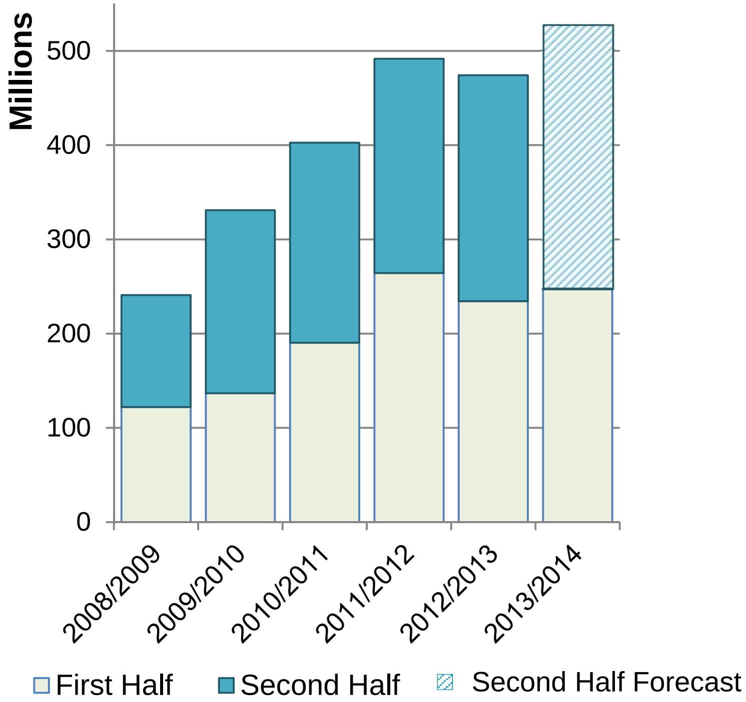
Note: Underlying Result excludes one-off provisions and Goodwill Impairment

COMMENTARY

- Second half revenue forecast at $270m and second half EBITDA expected to exceed underlying H1 performance of $6.5m
- Full repayment of $10.0m additional working capital facility during 2014
- Strong second half cash flow from contracts mobilised in the first 6 months and cash inflows from largely completed projects
- All banking covenants fully compliant and cash forecasts confirm significant headroom for FY14

Half Year Results

Revenue



H1 FY 2014 Key Financial Highlights

Financial Performance

- Revenue $248m (PCP $234m)
- EBITDA ($13.8)m (PCP $7.2m)
  - Primarily due to non-recurring project provisions and profit reductions of $20.4m in the half year within TDCP Projects
  - Underlying EBITDA of $6.5m excluding non recurring provisions and key project profit reductions
  - Net Loss Before Tax ($29.0)m (underlying NPBT $1.3m) (PCP NPBT $2.5m) due to project provisions and goodwill impairment of $10m
- Net Loss After Tax ($23.4)m (underlying NPAT $0.8m) (PCP NPAT $1.8m)
- Earnings per share of (10.2) cents (underlying 0.4 cents) (PCP 0.8 cents)

Interim Dividend

- Nil Interim Dividend

Balance Sheet

- Net Cash Used in Operations of $10.5m with Net Debt of $32.7m at 31 December 2013

Outlook

- Strong cash inflows from largely completed projects and contracts mobilised in the first half
- Reduction in net debt expected by 30 June 2014
- Full repayment of $10m additional working capital facility during 2014

Income

Financial Performance

($000) Summary	Half Year 2013/14	H1 2013/14 Underlying Result (excluding one off items)	Half Year 2012/13
Revenue $	248,352	248,352	234,485
EBITDA $	(13,819)	6,534	7,239
EBITDA %	(5.6%)	2.6%	3.1%
EBIT	(27,979)	2,374	3,225
NPBT	(29,009)	1,344	2,477
NPAT $	(23,367)	880	1,838
Ordinary dividends (fully franked)	-	-	0.50 cents
Earnings per share - basic	(10.21) cents	0.39 cents	0.80 cents

- Year on year movement in EBITDA is largely due to:
  - $20.4m provisions and profit reductions primarily on key projects where residual cash in flows are expected in H2 FY14
  - Contract mobilisation costs in H1 with strong earnings and cash flows expected in H2 FY14
- NPBT impacted by project provisions and profit reductions of $20.4m and goodwill impairment of $10m
- Net Financing Costs increased to $1.1 million (PCP $0.8 million)
- Net income tax benefit of $5.6 million (PCP Net income tax expense $0.6 million)

Focus on Margin Improvement

Strengthened Leadership

Bid Management & Negotiation	Contract Mobilisation	Delivery	Overhead Control	Profit Performance
▪ Improved bid selection in place ▪ Enhanced bid gate processes have been implemented ▪ Corporate contractual benchmarks embedded	▪ Improved project mobilisation and control ▪ Standardised systems and processes ▪ Focussed resources	▪ Greater consistency of commercial controls ▪ More stringent corporate review of BU and project operations	▪ Annualised overhead reductions of over $4m during FY14 ▪ Containment strategies in place across all BU's ▪ Discretionary spend controls increased	▪ Platform for growth in place ▪ Targeting increased volumes in selected Business Units ▪ BU margin thresholds increased

BSA Strengths & Imperatives

Heightened Focus On Contract Execution and Project Controls

CORE STRENGTHS

- Experienced and sound track record in delivery to our customers
- Project based contracts and those with recurring revenue
- Effective field force management
- Logistics and customer relationship management
- National footprint with presence in all mainland states/territories
- Culture of strong workplace health & safety
- Continuous improvement and innovation programs
- Technology leadership – mobile field force platforms

BUSINESS MODEL

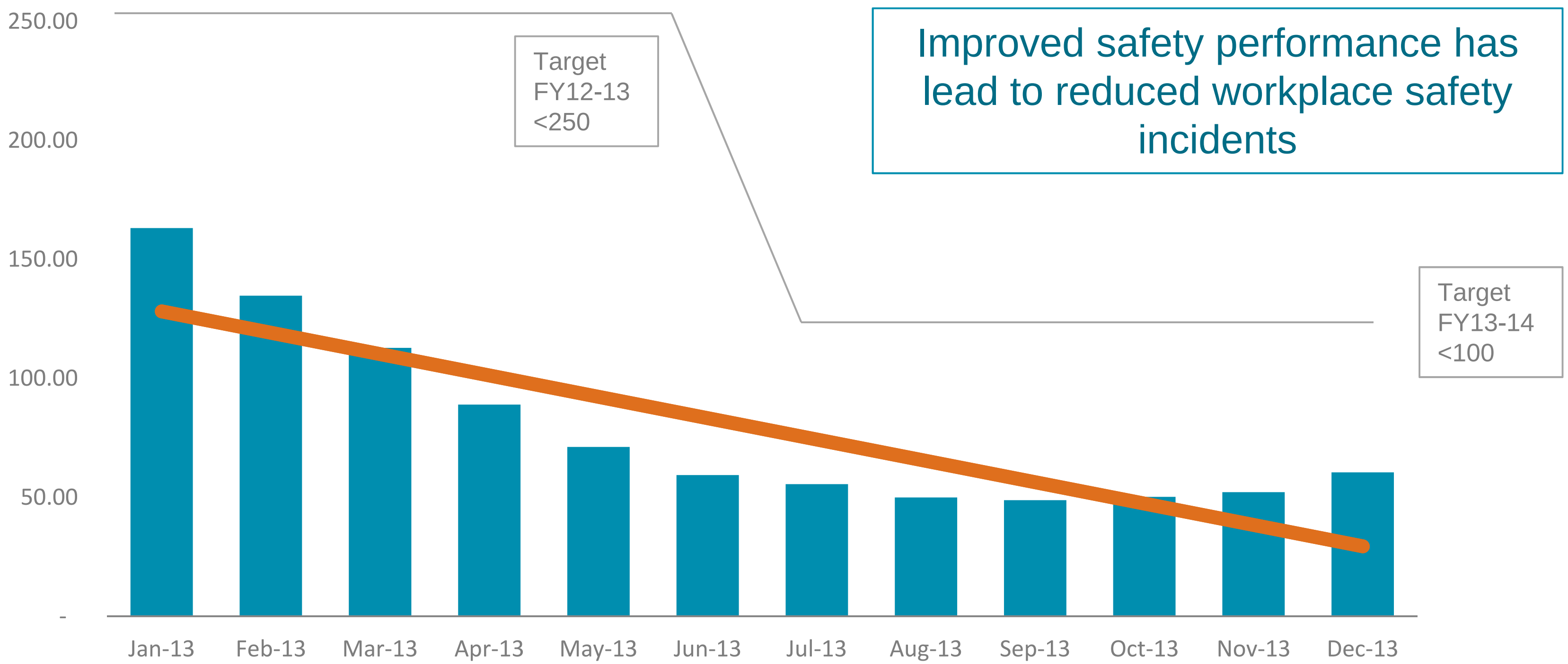
- A technical services contracting company
- Primary focus on growing annuity-based business
- Ongoing technical facilities services and maintenance contracts
- Recurring ticket of work (TOW) with estimated FY14 volume of 600,000 TOW for Technical Field Force Solutions (TFFS)
- New build and upgrade installation with a predictable forward workload a business imperative

IMPERATIVES

- Enhanced cash management
- Margin improvements on strong forward workload
- Improved project controls over commercial and financial delivery
- Streamlined corporate governance over tender gate processes
- Strengthened executive team with a focus on project commercial outcomes
- Delivery of cost efficiencies and containment strategies
- Increasing focus on risk management with active business continuity programs and Integrated Management System supporting all health safety, security, environment and quality databases

Work Health & Safety Performance

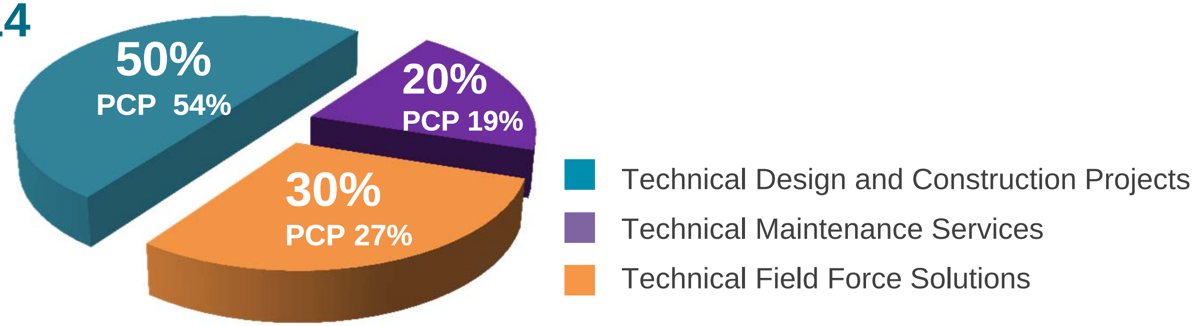
BSA Group 12 Month Rolling Average Lost Days Frequency Trend



BSA Results

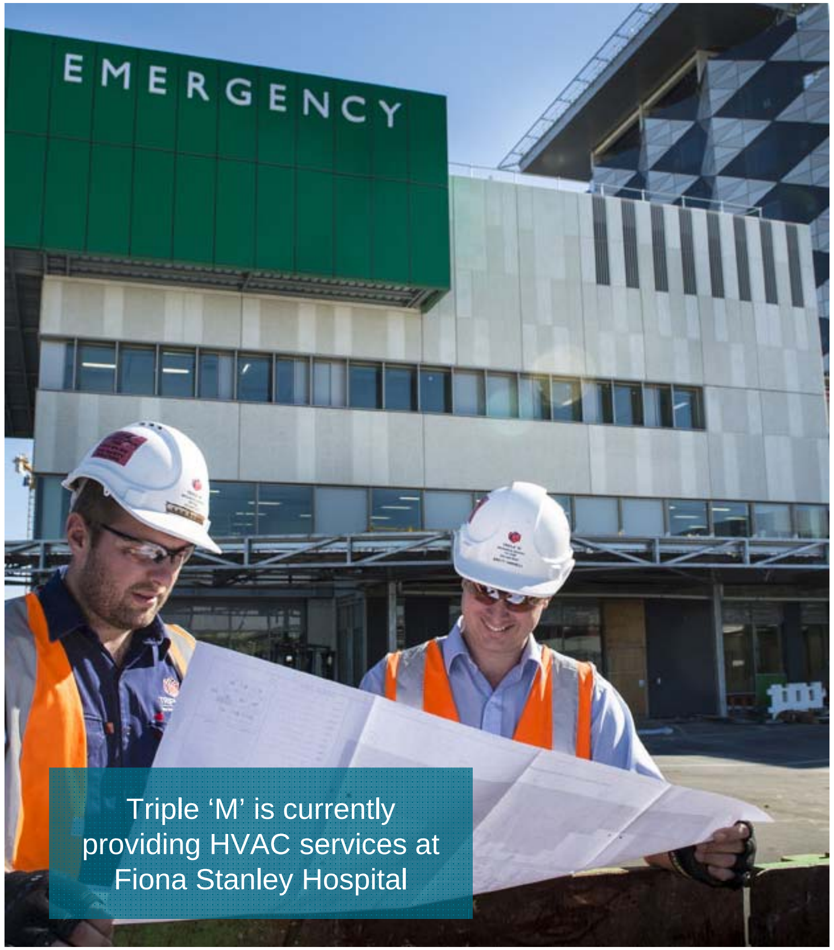
Revenues H1 FY 2014

Proportion of recurring revenues continues to increase



TECHNICAL DESIGN AND CONSTRUCTION PROJECTS	TECHNICAL MAINTENANCE SERVICES	TECHNICAL FIELD FORCE SOLUTIONS
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 Contract based revenue	Ongoing maintenance services for HVAC and Fire Systems Major provider to tier 1 organisations using industry leading mobility solutions as a key competitive advantage Recurring revenue	Installation and maintenance services for major Australian corporations including; FOXTEL and Optus Includes expertise in telecommunications, digital hardware, fibre splicing, satellite and wireless infrastructure and field force management Recurring revenue

Agenda



- RESULTS AND OVERVIEW
- **FINANCIAL REVIEW**
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Cashflow

Cashflow

($000) SUMMARY	Half Year 2013/14	Half Year 2012/13
Revenue	248,352	234,485
Cash (Used In) Operations	(10,481)	(20,841)
Cash flows from investing	(1,776)	(2,983)
Cash flows from financing	11,753	5,756
Net Cash /(Debt) at end of period	(32,743)	(20,352)

- Cash used in Operations of $10.5m reflects ramp up in mobilisation costs and additional working capital to close out major projects which will largely reverse in the second half with the finalisation of key projects
- Investing Cash flows of ($1.8)m reduced from PCP ($3.0)m due to reduction in capital expenditure
- Financing Cash flows of $11.8m increased from PCP $5.8m due to the utilisation of facilities agreed with the bank during H1 2013/4 to match working capital requirements and no dividend payment in current period
- Strong cash flows expected in H2 FY14 due to the completion of key projects, additional cash flows from contracts mobilised in H2 and the ramp up to key projects on hand
- Full repayment of $10m additional working capital facility will be achieved by November 2014

Gearing

Working Capital and Net Debt

($000) Summary	H1 2013/14	H1 2012/13
Working Capital	14,570	19,612
Net (Debt)	(32,743)	(20,352)
Equity	51,449	74,224
Net Cash (Debt) / Net Cash (Debt) + Equity	(38.9)%	(21.5)%
Interest expense	1,098	839
Interest cover (EBITDA)	(7.9)x	8.6x

- BSA has received confirmation from its lenders that:
  - BSA's working capital facilities have been extended to 30 November 2014 and are subject to annual agreement and rollover thereafter
  - Working capital facilities were increased from $16.0m to $26.0m
  - BSA's term debt facilities have been extended to 30 March 2015
- Bank Guarantee and bond facilities of $50m with circa 30% currently available
- Net debt to equity impacted by losses due to project provisions and impairment
- Net debt reduction expected in H2 FY14

Agenda


BurkeAir apprentice during training for delivery of maintenance services

RESULTS AND OVERVIEW

FINANCIAL REVIEW

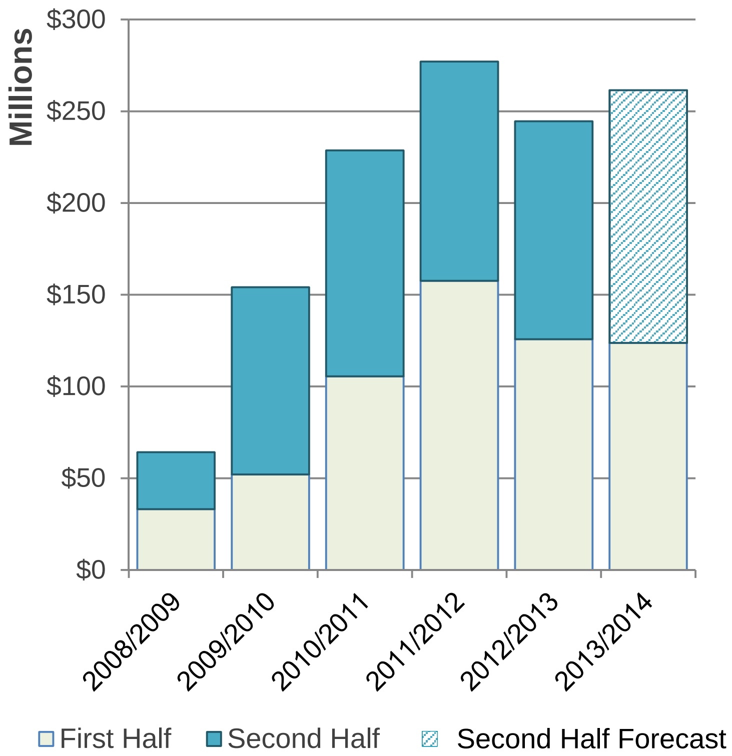
BUSINESS UNIT REVIEW

KEY INITIATIVES

THE YEAR AHEAD

Technical Design & Construction Projects

Revenue



Overview

- Revenue of $124m (PCP $128m)
- EBITDA ($13.3)m (underlying $7.1m) (PCP $3.1m)
- Strong forward order book of $279m (30 June 2013 $277m) with an increased focus on margin extraction
- Good tender success rate and large pipeline of opportunities in a highly competitive environment
- Notable contracts secured include: Old Treasury Building, 32 St Georges Terrace, Strawberry Hills Australia Post, Warringal Private Hospital, 140 William St, Nexus Centre
- Legacy contract issues now coming to an end and enhanced project commercial and financial controls in place
- Fiona Stanley Hospital in Perth is in the final stages of construction commissioning
- Building Information Modelling (BIM) technology, a key strength.
- Key strategic focus to solidify the BU and enhance project controls and margins

New Royal Adelaide Hospital

1. Aerial view from the south

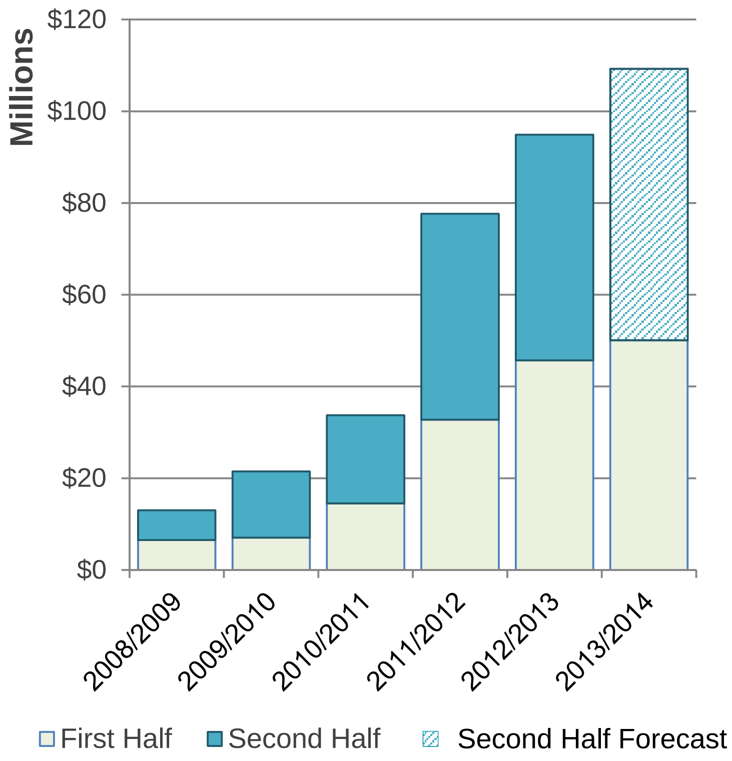
2. Interior of the concourse level three

3 Exterior view of the east plaza

- $93 million contract with the Hansen Yuncken Leighton Contractors Joint Venture (HYLC JV) for the installation of HVAC Services for the New Royal Adelaide Hospital Project
- The 800 bed New Royal Adelaide Hospital will be Australia's most advanced hospital, and the single largest infrastructure project in South Australian history
- Construction on the project commenced in 2011 and is expected to be completed in 2016
- The mobilisation of the project has commenced and is progressing smoothly
- The project is being managed very well with strong on and offsite resources as well as corporate support
- The project is less than 20% complete
- TDCP seen in top tier of service providers in this market

Technical Maintenance Services

Revenue



Overview

- Revenue increase to $50m (PCP $44m)
- EBITDA of $1.0m (PCP $2.6m) excluding Corporate allocations
- Efficiencies and major contract mobilisations completed in H1 and new efficiency measures are expected to deliver strong profit and cash in H2 FY14 and beyond
- Improved margin and working capital management expected in the second half
- Established as a national service provider to Tier 1 clients
- Focus on building recurring technical maintenance works with strong clients
- iPad-based asset maintenance solution fully deployed and a strong differentiator
- Key strategic focus is to grow presence and services and gross margins whilst containing overheads to deliver enhanced EBITDA margins

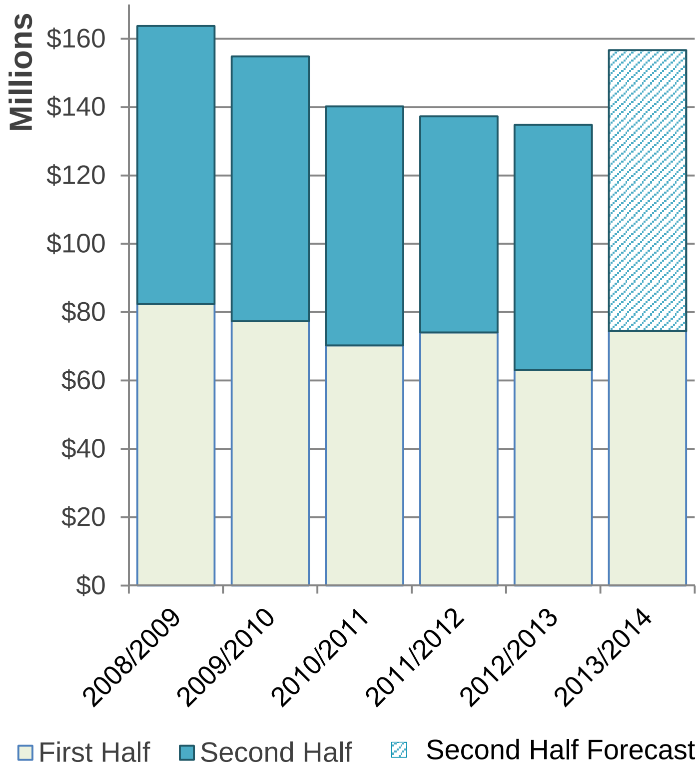
Business Focus

Our technicians utilise the latest technology in the field

- The Technical Maintenance Service (TMS) operations has been consolidating its operations to obtain synergies through systems, customers and technologies
- TMS completed the following initiatives during the first half;
  - Integrated ERP systems across all divisions,
  - Deployment of field staff mobility tablets
  - Standardisation of accounting practices, business operations and support functions
  - Upgrade of property facilities and vehicles
  - Implementation of account management programs
- Growing recurring revenue business
- Large market with fragmented competition
- Potential for further growth and margin improvement
- Solid internally developed systems to manage this style of business
- Solid spread of work around Australia, some pre-eminent customers such as Harvey Norman, Monash University, CBRE

Technical Field Force Solutions

Revenue



Overview

- Revenue increased to $75m (PCP $63m)
- EBITDA of $1.8m (PCP $3.3m) excluding Corporate allocations.
- Performance impacted in H1 by contract mobilisation costs but expected to deliver improved margin and cash in H2 FY14
- Continuing focus on improved working capital management and cost containment
- Partnership with FOXTEL extended to 2017 and now including 100% of regional work following Foxtel's acquisition of Austar
- Partnership with Optus expanded and extended (3 + 2 years) to provide installation and maintenance services

Foxtel

BSA continue their strong 15 year partnership with Foxtel

- New contract executed in December 2012
- Work commenced H1 FY14
- Extends BSA's existing metropolitan services to 2017, being an additional 2 years
- Now includes 100% of field activities in regional Australia following Foxtel's recent acquisition of Austar with initial rollout during H1
- BSA commenced providing residential and commercial satellite installation and maintenance services to Foxtel customers in 1998 and the signing of this contract serves to further strengthen BSA's alliance with Foxtel and is now in its 15th year
- Solid annuity based business
- Solid experienced management team and support staff/infrastructure to manage geographically spread work load
- Solid internally developed systems to manage significant volumes of work (tickets of work).
- Large centralised call centre
- Over 800 field resources
- Comprehensive mobility solutions

Agenda


BSA operations personnel at the new Royal Adelaide Hospital site.

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Key Initiatives

Increased Focus	Project controls
	Cost containment/reduction
	Margin improvement across Group
	Cash management and debt reduction
Finance Management	Strong relationship with Banker
	Refinanced debt end December with additional debt facility and revised covenants suitable for 2014/15
Executive Appointments	New CFO (Nick Benson) embedded (started Oct'13) with a large number of initiatives underway
	New CEO (Nicholas Yates) starting mid March

Agenda

Stainless Steel Condenser
Water Circuit at
CSL Biotherapies Privigen

RESULTS AND OVERVIEW

FINANCIAL REVIEW

BUSINESS UNIT REVIEW

INITIATIVES OF OUTLOOK

THE YEAR AHEAD

The Year Ahead

Overall Focus

- Capitalise on positive operating outlook and strong forward workload
- Reduce net debt and optimise working capital
- Continue to grow recurring revenue base
- Improved margin extraction, working capital management, expense reduction and financial controls

Technical Design and Construct Projects

- Strong order book of $279m underpins the remainder of this financial year and next year and the opportunity pipeline is healthy
- Focus on project commercial and financial controls

Technical Maintenance Services

- Into its third year of operation, TMS is now a major provider to Tier 1 customers and BSA expects it to secure new opportunities across all market sectors

Technical Field Force Solutions

- Expected to deliver consistent returns underpinned by the augmented Foxtel partnership and recent contract win with Optus

Financial Outlook

- Earnings and cash flow are expected to be strong in the second half as TMS contracts mobilised in the first half deliver strong earnings, the ramp up in work for nRAH and the mobilisation of regional Foxtel work moves to steady state in Q3 FY14
- Forecast full year revenues of circa $518m.
- Second half revenue forecast at $270m and second half EBITDA expected to exceed underlying H1 performance of $6.5m

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