



FY17 HALF YEAR RESULTS REVIEW

AGENDA

BSA | Maintain provides
Fire Services to Barangaroo Towers, Sydney



GROUP RESULTS OVERVIEW

A Stronger Business

Margins

- All key Group margin metrics up.
- NPAT \$1.9m (H1 2016: \$1.1m).
- Underlying EBITDA \$8.1m (H1 2016: \$8.0m).
- Underlying NPAT \$3.8m (H1 2016: \$3.1m).

Cashflow and balance sheet

- Net cash inflow from operations of \$9.8m (H1 2016: outflow \$8.5m).
- nRAH settlement deed signed in November 2016.
- Net Cash of \$27.4m (H1 2016 \$9.2m).

A Growth Outlook

Order Book

- Record order book.
- Connect and Maintain annualised order book value estimated at \$313m recurring revenue.
- Build order book of \$245m.
- Extended Foxtel and Optus contracts during the period.

Growth

- Pipeline of opportunities across the group continues to grow.
- BSA | Think initiatives providing enhanced opportunity mix.
- Strengthened balance sheet provides increased capacity to invest in growth.

Summary (\$000)	H1 2016	H1 2017
Revenue	257,707	241,247
EBITDA	5,162	5,370
EBITDA %	2.0%	2.2%
Depreciation	2,687	2,017
Amortisation	720	401
EBIT	1,755	2,952
Interest (net)	256	233
Net Profit Before Tax	1,499	2,719
Income Tax	446	795
NPAT	1,053	1,924
NPAT %	0.4%	0.8%

Underlying EBITDA and NPAT

Summary (\$000)	H1 2016	H1 2017
EBITDA	5,162	5,370
Significant Items	2,881	2,747
EBITDA excluding significant items ('Underlying EBITDA')	8,043	8,117
Underlying EBITDA %	3.1%	3.4%
NPAT	1,053	1,924
Significant Items (net of tax)	2,017	1,923
NPAT excluding significant items ('Underlying NPAT')	3,070	3,847
Underlying NPAT %	1.2%	1.6%

Note: Significant Items includes restructure costs and nRAH settlement and completion cost impacts.

- Revenue down largely due to reduced volumes on key Connect contracts in H1 not yet offset by ramp up in nbn volumes.
- EBITDA of \$5.4m (H1 2016: \$5.2m):
 - Includes the adverse impact of the nRAH legacy issue settlement of \$2.4m and restructure costs of \$0.3m.
 - Improved quality of revenue with minimum 5% EBITDA prior to corporate costs achieved in Connect and Maintain in the half.
- Underlying EBITDA of \$8.1m (H1 2016: \$8.0m).
- NPAT of \$1.9m (H1 2016 \$1.1m).
- Underlying NPAT \$3.8m (H1 2016 \$3.1m).
- Basic earnings per share of 0.46 cents per share (H1 2016: 0.25 cents).
- Depreciation fell and now more closely matches Capex.
- Interest costs remain low as a result of the strong net cash position.
- No interim dividend declared.
- Excellent opportunities emerging to deliver further improvement in future earnings.

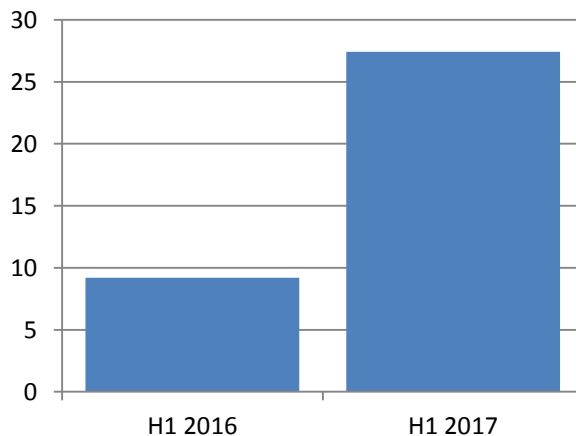
CASH FLOW, NET DEBT AND FUNDING



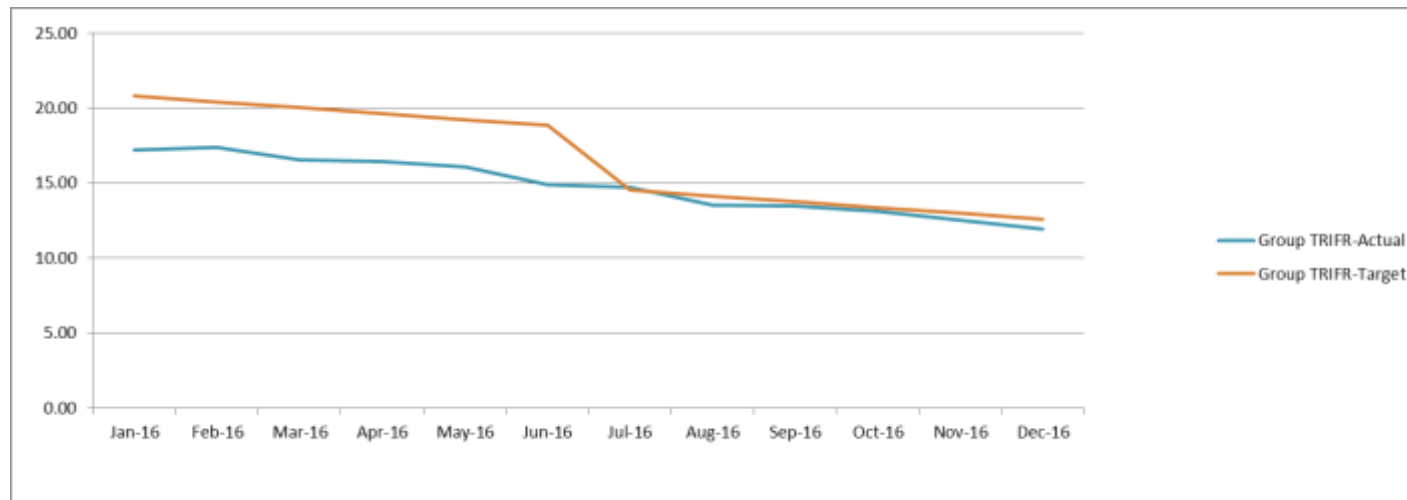
Summary (\$000)	H1 2016	H1 2017
Net cash (outflow) / inflow – operations	(8,511)	9,839
Net cash – at end of period	9,194	27,428
Equity	44,768	43,341
Working Capital	19,728	(4,111)
Capital Expenditure	807	1,671

- Low leverage maintained.
- Net Cash position of \$27.4m at 31st December 2016; an increase of \$18.2m against 31st December 2015.
- Capital expenditure increased in the first half as a result of new contract mobilisations and refreshing of fleet vehicles.
- Banking relationship remains strong.
- Improved working capital position at 31st December 2016 following nRAH settlement, the improved cash cycle of certain new contracts and early cash receipts.
- Net cash position provides capacity for investment in a range of growth opportunities.

Net Cash (\$ millions)

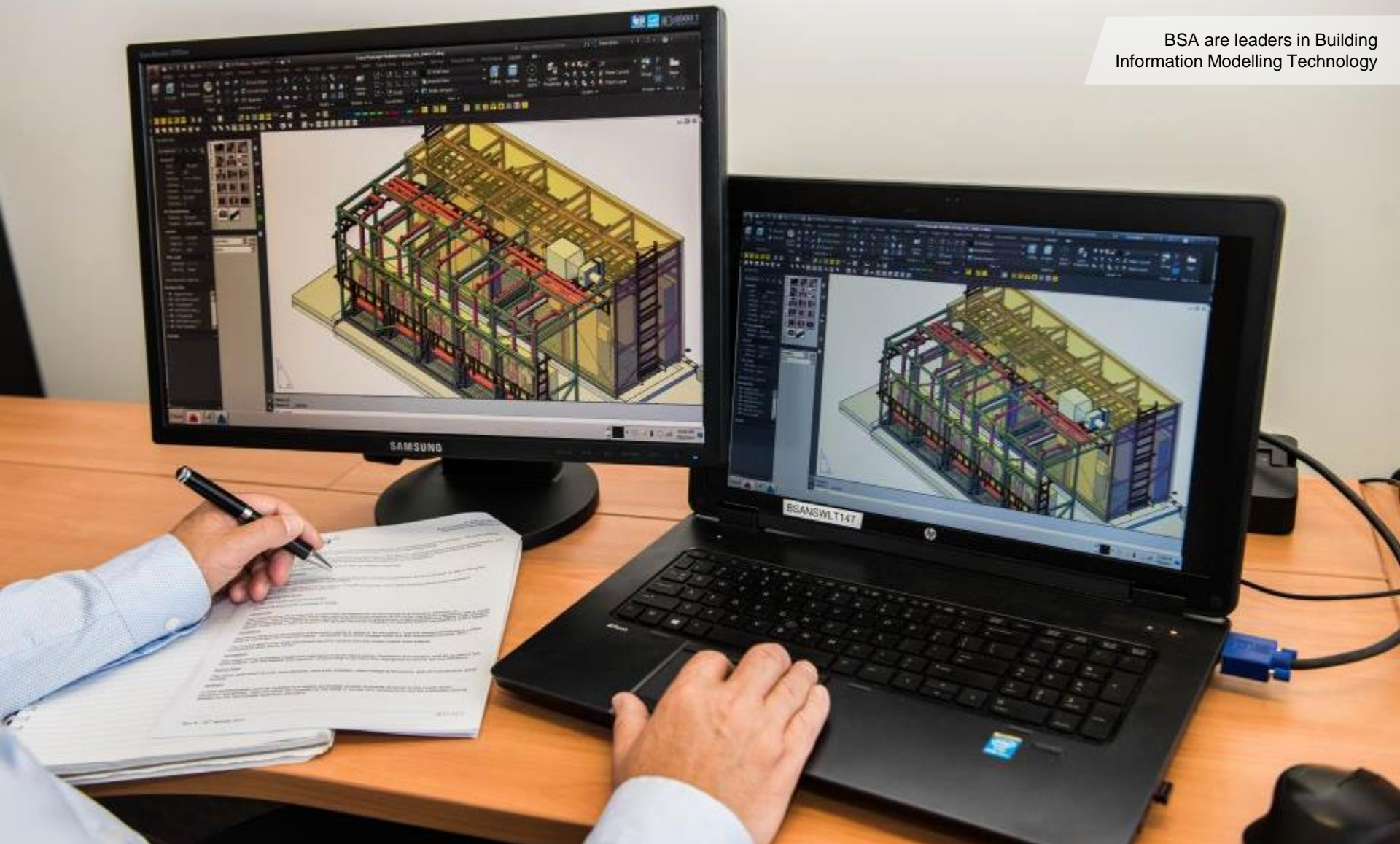


BSA Group-Monthly Total Recordable Injury Frequency Rate - Trend Improving



- Continued reduction in Total Recordable Injuries throughout 2016.
- Behavioural HSEQ programme roll out embedding further cultural improvements within the business.
- BSA Group Health and Safety focus is maintaining the momentum on continual improvements as a key business imperative.

BSA are leaders in Building Information Modelling Technology



BUSINESS REVIEW

BSA | Connect

Communications, installation and maintenance services for major Australian telcos and media operations including Optus, Foxtel, nbn, Ericsson and Telstra.

BSA | Connect

- Revenue \$85.3m (H1 2016: \$98.8m). EBITDA \$4.3m (H1 2016: \$3.3m).
- Major nbn contracts mobilised successfully.
- Revenue below expectations due to delayed ramp up in nbn volumes.
- Executed a 3 year agreement with Ericsson to deliver fixed wireless and satellite customer connection services.
- Renegotiated and extended our agreements with long standing clients Foxtel and Optus.
- Commenced trialling field service arrangements with new retail service providers.
- Awarded a new services agreement with Fox Sports for installation and maintenance services.
- NSW Office of State Revenue payroll tax issue remains open.

BSA | Maintain

Ongoing maintenance services for HVAC, hydraulic, electrical and fire systems. National presence. Leading mobility information systems.

BSA | Maintain

- Revenue \$41.4m (H1 2016: \$36.8m). EBITDA \$2.0m (H1 2016: \$0.6m).
- Revenues in the half increased due to new contracts secured in the last 12 months. Annuity revenue order book grew by \$3.0m in H1.
- EBITDA increased significantly due to prior year restructuring and increased revenue from new contract wins.
- Maintain has commenced new maintenance contracts with key customers including Sydney Cricket Ground, Inpex, Darwin Prison, NewsCorp, Metronode, Global Switch and Eastern Goldfields.
- Significant focus on new contract mobilisation during the half.
- Expanding services in Mining and Energy sectors.
- Continued growth of fire maintenance services and multi-services around Australia.

BSA | Build

Design and construct, manufacturing, and commissioning of heating, ventilation, air conditioning (HVAC) and fire systems. Commercial, large scale residential and industrial buildings. National presence.

BSA | Build

- Revenue \$115.2m (H1 2016: \$122.2m). EBITDA of \$0.6m (H1 2016: \$4.0m).
- nRAH settlement deed signed in November 2016 with construction works expected to be completed during H2.
- Contracted work on hand for Build stands at \$245m.
- Margin down due to the nRAH settlement impact and the timing of new project revenues.
- The Fire business continues to grow strongly including expansion into new industry segments.
- Major contract wins in the period include the Calvary Hospital in SA, 100 Mount St and 60 Martin Place in NSW and the Battlefield Airlift Project in QLD.
- Further development of project controls and commercial skills continued during the period.

EBITDA excludes corporate recharges

BSA | Connect

- Significant business development activity continues.
- Further diversification of service offerings with new and existing clients gaining momentum.
- Successful mobilisation of nbn works has positioned the business well for future growth.
- Enhance margins through delivery model optimisation, scalable cost base and cost mitigation initiatives.
- Delay in nbn volumes in H1 will lead to increased volumes in later periods.



BSA | Maintain

- Continued emphasis on multi-service maintenance offerings to include HVAC, fire, hydraulic, electrical and building maintenance.
- Ongoing development of advisory services offerings into new markets including energy management, indoor air quality and fire engineering services.
- Strong focus on cost containment and streamlining operations to deliver consistent improved margin performance.
- Continued investment in business development and client facing activities, including focus on co-bidding opportunities with Build business unit.

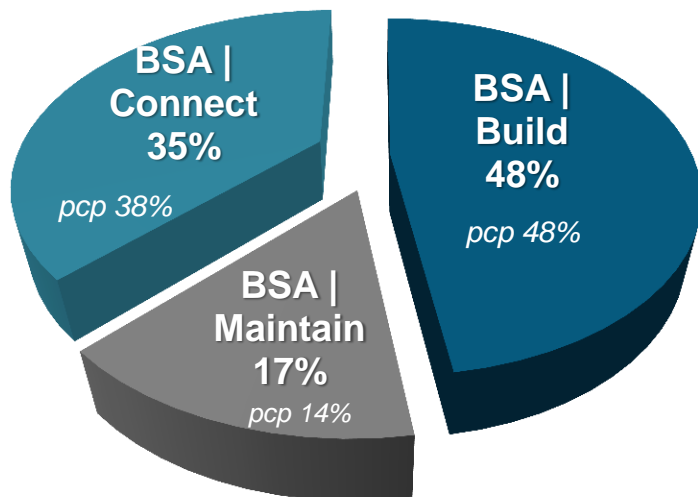
BSA | Build

- Commercial agreement reached with the client in relation to the new Royal Adelaide Hospital project, focus continues on residual commercial issues including completion of remaining works.
- Focus on sustainable margin enhancement through project controls, disciplines and cost out initiatives.
- Further growth of fire services business into new markets and new segments.
- Continued promotion of our technical advisory service to gain early project lifecycle involvement – design, value engineering and cost planning.
- Maintain focus on quality of earnings and risk management rather than revenue growth.



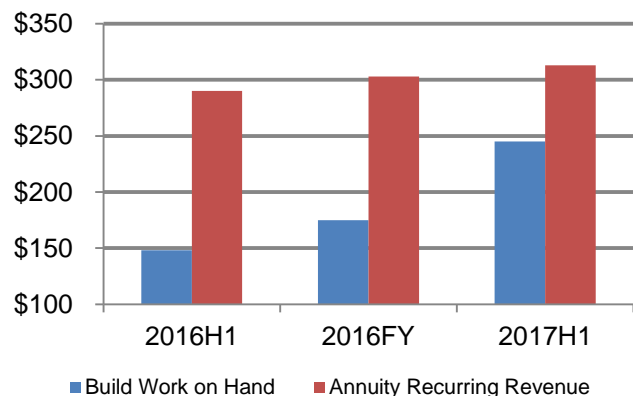
	Objective	Status
Stable Foundation	<ul style="list-style-type: none"> • Close out legacy issues • Working capital management • Maintain low leverage 	<ul style="list-style-type: none"> ✓ nRAH settlement deed signed in November 2016. ✓ Significant improvement in metrics. ✓ Strong net cash position.
People	<ul style="list-style-type: none"> • Strengthen management team • Enhance commercial acumen • Business development capability 	<ul style="list-style-type: none"> ✓ Chief Operating Officer commenced. ✓ Enhanced commercial management becoming business as usual. ✓ Investment in business development continues to deliver results.
Operational Execution	<ul style="list-style-type: none"> • Enhance business margins • Focus on implementation • Streamline operating models 	<ul style="list-style-type: none"> ✓ Improving overall margins. ✓ Key contracts mobilised smoothly. ✓ Continuing optimisation of business models leading to enhanced profits.
Market Focus	<ul style="list-style-type: none"> • Expand service offerings • Enter new markets • Improved client engagement 	<ul style="list-style-type: none"> ✓ CEO incubator established and delivering early wins. ✓ A range of new market entry opportunities under development. ✓ BSA Think initiative assisting repositioning.

Revenues H1 2017



- Significant contract wins have replaced wind down of nRAH project.
- Continued significant investment in business development.
- Quality of revenue mix continues to improve.
- Strong pipeline of opportunities across the Group.
- Growth bias toward increasing the annuity and repeat revenue opportunities.
- Continued focus on diversification of markets and service offerings.
- New commercial models providing enhanced margin opportunities.
- BSA | Think initiative assisting promotion of our advisory capability at an earlier point in the project lifecycle.

Work on Hand (\$ millions)



BSA | Build is providing Mechanical and Fire services to the International Convention Centre Hotel, Sydney



OUTLOOK

Enhanced Operations

- New Chief Operating Officer.
- New contracts transitioning to BAU.
- Ongoing efficiency drive.

Market Conditions

- All markets are steady or improving.
- Focus on new market opportunities gaining momentum.

Record Order Book

- Build - \$245m.
- Connect and Maintain - recurring revenues \$313m.

Growing Annuity Services

- Maintain – growth in integrated services and fire.
- Connect - to benefit from nbn ramp up.

Improving Margins

- Maintain and Connect met minimum EBITDA threshold of 5% in H1.
- Opportunity for further improvement in underlying margins in each business unit.

Growth Opportunities

- Organic growth in Maintain and Connect.
- Balance sheet flexibility to invest in new capabilities and services.

This presentation has been prepared by BSA Limited (the “Company”) and provides general background information about the Company’s activities. That information is current at the date of this presentation. The information is a summary and does not purport to be complete. This presentation is not (and nothing in it should be construed as) an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security in any jurisdiction, and neither this document nor anything in it shall form the basis of any contract or commitment. The presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor which need to be considered, with or without professional advice, when deciding whether or not an investment is appropriate.

The Company has prepared this presentation based on information available to it, including information derived from publicly available sources that have not been independently verified. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness or reliability of the information, opinions and conclusions expressed in this presentation.

Any statements or assumptions in this presentation as to future matters may prove to be incorrect and the differences may be material. This presentation should not be relied upon as a recommendation of or forecast by the Company. To the maximum extent permitted by law, none of the Company, its Directors, employees or agents, or any other person accepts any liability, including without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this presentation or its content or otherwise arising in connection with it.

The financial information disclosed in this presentation has been prepared on a statutory and pro forma basis consistent with the financial information prepared in the Company’s accounts. Due care and attention should be undertaken when considering and analysing the financial performance of the Company. All references to dollars are to Australian currency unless otherwise stated. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions.