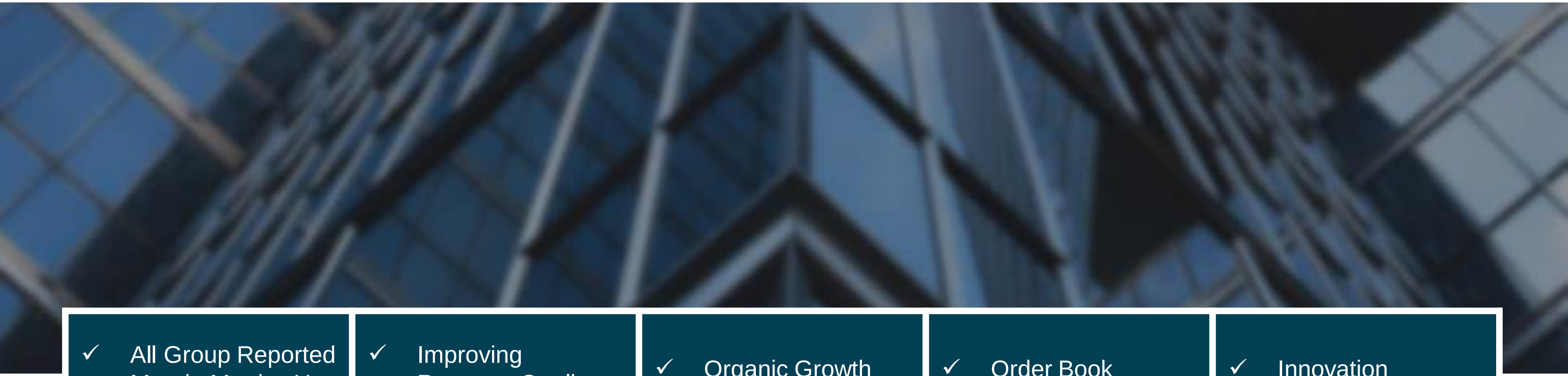
FY18 HALF YEAR

RESULTS REVIEW

GROUP RESULTS OVERVIEW

Half Year Highlights



✓ All Group Reported Margin Metrics Up

- NPAT up 57% on prior year.
- Underlying EBITDA up 11% on prior year.
- Further increase in Group recurring business EBITDA margins.
- HVAC Build loss in the half dampened an otherwise strong result.

✓ Improving Revenue Quality

- Further increase in proportion of recurring revenue.
- Integrated & new offerings expanding.
- Increased margin from recurring business.
- nbn HFC pause will lead to some revenue shifting to FY2019.
- HVAC Build revenue a smaller proportion of BSA | Build and Group revenue.

✓ Organic Growth

- nbn – volumes increased.
- Fire - continues to grow strongly.
- Multi-Service – further success this half.
- Significant contract wins in strategically targeted areas.
- Success in new market entry - energy, solar and storage and infrastructure.

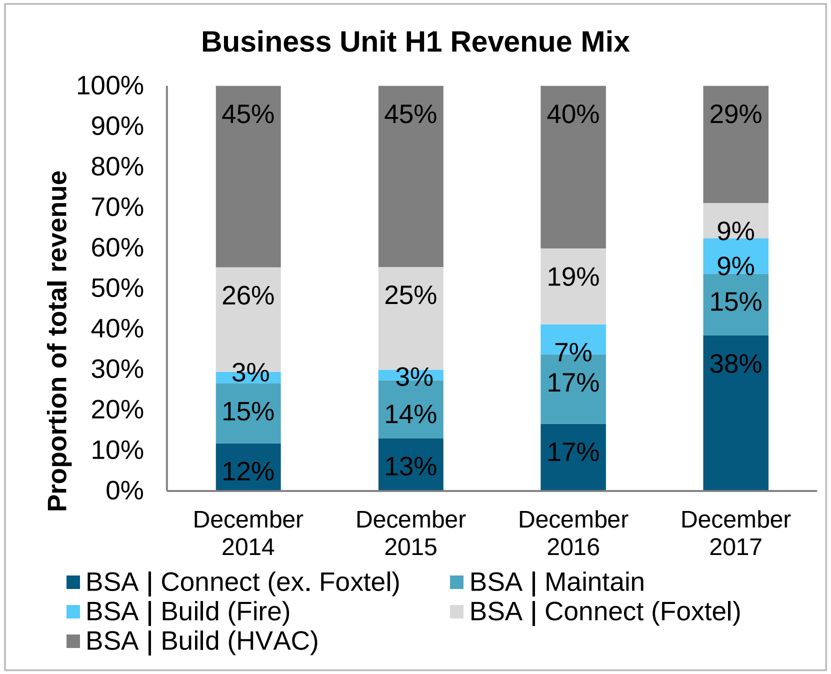
✓ Order Book

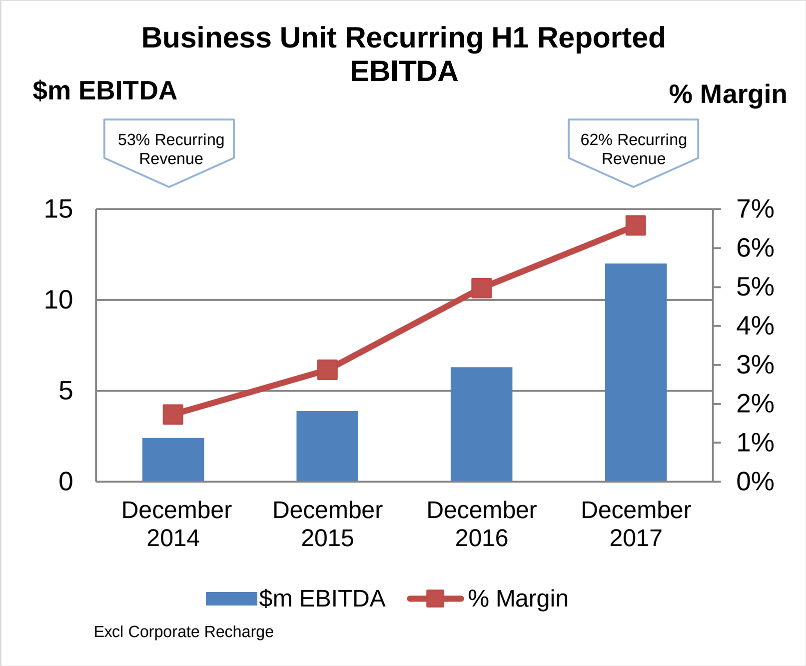
- Record order book- third period in a row.
- BSA | Connect and BSA | Maintain combined recurring revenue stands at $290m.
- BSA | Build order book stands at $291m.
- Fire business a stand out.

✓ Innovation

- CEO incubator continues to develop new markets and opportunities.
- Smart metering contracts expanding.
- BSA | Think – advisory leading to integrated contract wins.
- Preferred on major infrastructure project thanks to innovative delivery solution.

The BSA Transformation Journey





- Proportion of recurring revenue grew again in the half and represented 62% of Group revenue in H1 FY2018.
- Cost efficiency, productivity improvements and improved contract negotiation driving continued margin growth.
- Strong pipeline of opportunities across the Group.
- New sources of recurring revenue expanding – BSA | Connect, BSA | Maintain and opportunities in advisory and energy.
- New service offerings gaining momentum.
- BSA | Think established and now providing technical and advisory services to enhance customer value and relationships at an earlier point in the project lifecycle.

Half Year Results

Summary ($000)	H1 FY2018	H1 FY2017
Revenue	292,161	241,247
EBITDA	7,244	5,370
EBITDA %	2.5%	2.2%
Depreciation	2,454	2,017
Amortisation	337	401
EBIT	4,453	2,952
Interest (net)	375	233
Net Profit Before Tax	4,078	2,719
Income Tax Expense	1,065	795
NPAT	3,013	1,924
NPAT %	1.0%	0.8%

EBITDA and NPAT excluding Significant Items

Summary ($000)	H1 FY2018	H1 FY2017
EBITDA	7,244	5,370
Significant Items	1,732	2,747
EBITDA Excluding Significant Items	8,976	8,117
EBITDA Excluding Significant Items %	3.1%	3.4%
NPAT	3,013	1,924
Significant Items (net of tax)	1,212	1,923
NPAT Excluding Significant Items	4,225	3,847
NPAT Excluding Significant Items %	1.4%	1.6%

Note: Significant Items includes: restructure costs, other contract one offs and legal costs relating to legacy issues.

- Revenue up 21% with further improvement in quality and mix.
- Increase in proportion of recurring revenues vs one off project revenues.
- Substantial growth in BSA | Connect despite continuing decline in Foxtel volumes.
- EBITDA of $7.2m (H1 FY2017: $5.4m) impacted by $1.7m of significant one off items including:
  - $1.1m restructure costs to drive improved performance.
  - $0.4m legal and professional fees relating to legacy issues excluding nRAH.
  - $0.2m nRAH losses in the period.
- HVAC Build client delays and adverse project cost movements impacted the half.
- EBITDA excluding significant items $9.0m (H1 FY2017: $8.1m).
- NPAT excluding significant items $4.2m (H1 FY2017: $3.8m).
- Basic earnings per share of 0.71 cents (H1 FY2017: 0.46 cents).
- Underlying Group EBITDA profit increase in the half:
  - Strong growth in BSA | Connect volume and margin.
  - Investment continued in:
    - CEO incubator program expansion to cover wider market opportunities.
    - Start up of smart metering business.
    - Investment in BSA | Maintain relating to Multi-Service and Fire.
    - Further analysis of key Telco markets including mobile.
- Underlying recurring business EBITDA margin increased to 7.0% in the half (H1 FY2017: 5.0%).

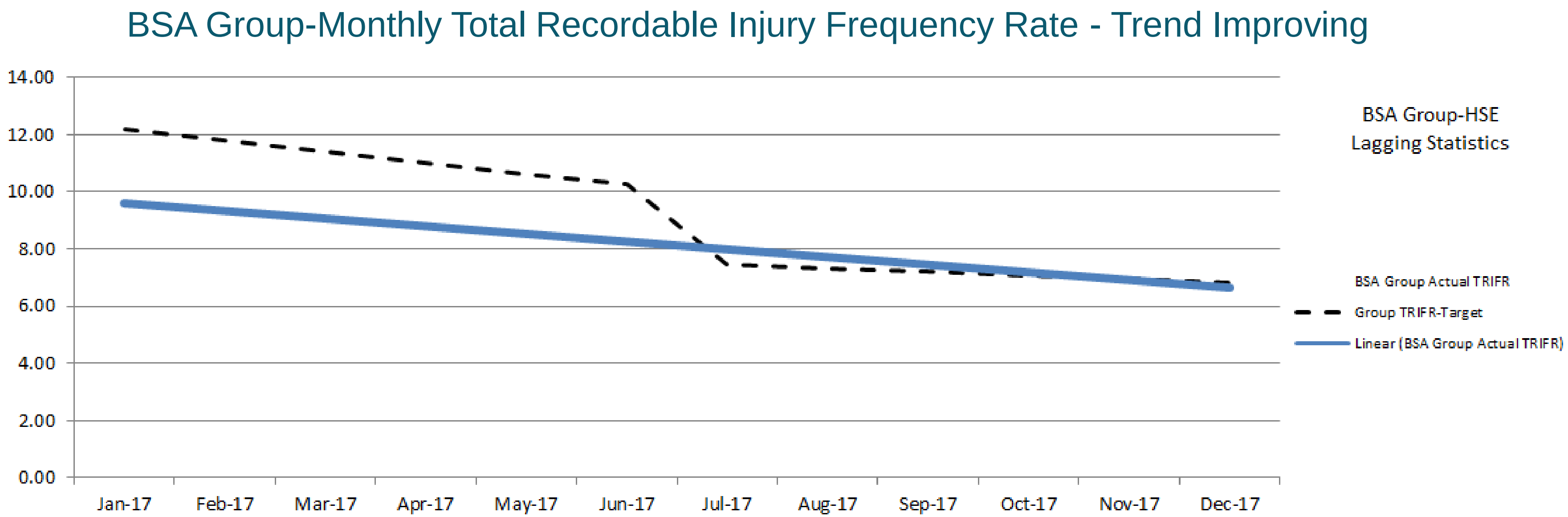
Cash Flow and Funding

Summary ($000)	HY FY2018	HY FY2017
Net cash inflow - operations	**1,444**	**9,839**
Net cash at end of period	6,896	27,428
Equity	46,438	43,341
Working Capital	16,955	(4,111)
Capital Expenditure	7,130	1,671

Cash and debt bridge ($000)	
Net cash at 30 June 2017	**13,505**
FY 2017 Dividend paid	(2,114)
nRAH - net cash outflows	(2,145)
OSR - cash payments for legacy issues	(938)
Cash capex	(2,121)
Increase in debt due to motor vehicle lease liability additions	(3,308)
Other cash and debt movements	4,017
Net cash and debt movement	**(6,609)**
Net cash at 31 December 2017	**6,896**

- Half year cashflow impacted by:
- Material cash and debt movements relating to:
  - nRAH - $2.1m largely relating to defects liability period and scope change costs to be recovered.
  - OSR Payments for legacy issues - $0.9m.
  - Cash capex of $2.1m for plant, equipment and IT investment supporting nbn work.
  - Leases of $3.3m to replenish and expand fleet.
  - Final FY2017 Dividend paid - $2.1m.
- Net cash flows from operations in H1 FY2018 includes investment in Fire, Energy and National contracts.
- Working capital increased in the last 12 months largely due to early cash receipts in the prior period and business growth.
- Continuing strong bank relationship:
  - BSA are in the final stages of negotiating a new NAB facility agreement to extend the existing facility to 31st December 2020 as well as introducing an additional working capital facility to fund future growth.
  - Undrawn bank facilities at 31st December 2017:
    - $23.1m combined loan and leasing facility.
    - $3.7m guarantee facilities.
- Strong balance sheet position provides capacity to fund future growth.

Health & Safety Performance



- Continued and successful focus upon Health and Safety during H1 FY2018.
- Consistent and common HSE Strategies now in place across the Group. Businesses focussing on the key principles of:
    - Present and felt leadership
    - Safe and secure person
    - Safe and secure place
    - Robust processes and systems
- TRIFR now approaching 7, down from 23.27 in July 2015.
- Significant Risk Activity Review completed.

BUSINESS REVIEW

Business Overview

BSA | THINK

Highlighting and selling our technical and advisory expertise in:

- Analysis and planning
- Problem solving
- Solution definition
- Design / BIM
- Asset management
- Energy/sustainability
- Contracting/Delivery strategies
- Project management
- Compliance.

BSA | BUILD

Design and construct, manufacturing, and commissioning of heating, ventilation, air conditioning (HVAC) and fire systems. Large scale commercial, government and industrial buildings. National presence.

BSA | CONNECT

Communications, installation and maintenance services for major Australian telcos media operations and energy providers. National presence. Large scale workforce management systems.

BSA | MAINTAIN

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

Business Units – Half Year Review

BSA | Build

- Revenue $109.7m (H1 FY2017: $115.2m).
- EBITDA loss of $1.4m (H1 FY2017: profit of $0.6m).
- Client delays and adverse cost movements on specific HVAC Build projects led to EBITDA loss in HVAC Build in the half. Projects now substantially complete and expecting improved performance in H2.
- EBITDA also impacted by $0.2m nRAH losses as well as $0.3m of restructure costs.
- Work on hand for the business stood at $291m at 31st December 2017.
- Major HVAC contract wins including: RAAF (Air Force Base), Royal Victorian Eye and Ear Stage 3, Battlefield Airlifter Project and International Terminal Building (Brisbane) expansion.
- The Fire business continues to grow strongly with over $60m of contracts secured in the half and is delivering improved margins.
- Fire now represents 23% (H1 FY2017 17%) of BSA | Build business revenue.

BSA | Connect

- Revenue $137.7m (H1 FY2017: $85.3m).
- EBITDA $11.1m (H1 FY2017: $4.3m).
- Revenue up by 61% on prior period largely due to growth in nbn revenues. Some nbn revenue will shift to FY2019 due to HFC pause.
- nbn revenues shifting from construction to maintenance.
- Reported EBITDA at 8.1% in the half (H1 FY2017: 5.0%)
- EBITDA impacted by legal costs relating to legacy issues of $0.2m, as well as restructure costs of $0.3m incurred during the year.
- Underlying EBITDA percentage for the half at 8.4% (H1 FY2017: 5.1%).
- Major focus on further expansion of resource base to meet increased market demand.
- Continued focus on restructuring and streamlining the business unit during the year to enhance margins.
- Smart metering business well established with further opportunities emerging.

BSA | Maintain

- Revenue $45.0m (H1 FY2017: $41.4m).
- EBITDA $0.9m (H1 FY2017:$2.0m).
- Revenue up by 8.7% on prior period largely due to contract wins in the last 12 months.
- EBITDA impacted by $0.3m restructure costs and investment in national accounts and fire maintenance delivery and growth.
- Order book continues to grow with further key opportunities in the pipeline.
- Key contracts won during the half total $12.2m include Telstra Non-Network Properties(Northern) and various local government contracts.
- Continued to build Multi-Service offering including bundled services across mechanical, fire, electrical, plumbing and building repairs.
- Fire revenue increased by $0.4m in the half and represents 15% of the maintenance business nationally.
- Expansion of additional value add services including energy management, indoor air quality and predictive maintenance solutions ongoing.
- Continued expansion into infrastructure/mining.

Strategic Market Repositioning Progress

Situation/Issue	Goal/Action	Outcome
Foxtel disruption leads to steeply falling revenue (Annual Revenue has fallen by c$100m over last three years).	Act early to replace revenue – nbn targeted.	Won nbn work and diversified client base.
Replace substantial nRAH revenue - $50 million per year.	Invest in marketing and Business Development	Revenue replaced and current record order book.
Untapped potential in Fire business.	Grow Fire as a priority.	Annual revenue growth from $18m to $65m in four years.
Commoditisation/competitive landscape in Build business.	Use our solutions & advisory skills to differentiate and develop new contracting models.	A number of contracts now negotiated, avoiding the “race to the bottom”.
Reduce reliance on existing markets.	Diversification into new and related markets.	Entry into smart metering and solar.
Infrastructure market booming and untapped from a BSA perspective.	Focus on infrastructure market entry.	Preferred on major infrastructure Fire contract. Growth in resources and mining continuing.

Ongoing Strategic Activities

Focus continues on key initiatives to deliver future targeted margin growth

Diversify Business

- Accelerate fire growth
- Increase infrastructure footprint
- Scale Multi-Service delivery
- Continue smart metering growth
- Extend energy services

Enhance Underperforming HVAC Build Business

- Scale back poor market operations
- Restructure for talent & efficiency
- Focus on profitable minor works business
- Joint venture on larger projects to minimise risk
- Optimisation review underway

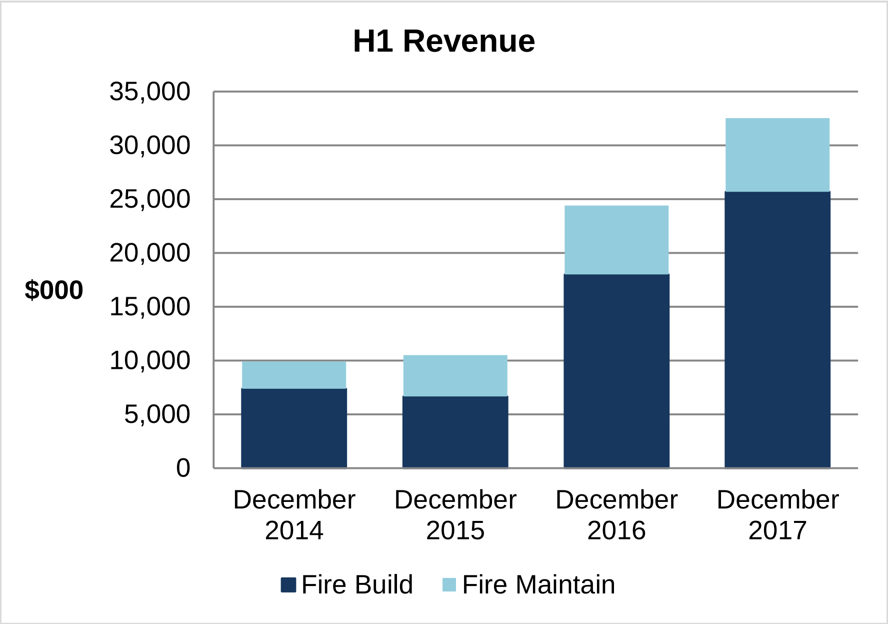
Expand BSA Think/Advisory and CEO incubator

- Mobile
- Data/small cell
- Metering
- Design/Advisory
- Solar/Battery Storage
- Preferred on major infrastructure project on a negotiated basis

Margin improvement

- Optimising of organisation structures continuing
- Replacement of underperforming markets/areas
- Implementation of revised people plan to expand commercial capabilities
- Bid selection criteria enhanced

Case Study: BSA Fire – Update



Recent Fire contract wins valued at over $60m including:

- University of Sydney (Engineering Precinct) - Fire (Build) (NSW).
- Crown Casino Barangaroo– Fire (Build) (NSW).
- Grafton Prison – Fire (Infrastructure) (QLD).

- **Fire revenue has increased by 33% from H1 FY2017 to H1 FY2018 securing its largest ever contracts in the half.**
- **BSA is now established as a key market player in both construction and maintenance.**
- **Fire order book has grown significantly in the half with major projects secured in NSW and QLD within the Infrastructure and Commercial Sectors.**
- **Maintenance solutions are offered as Fire only, bundled with HVAC and as part of Multi-Service with a multi state footprint.**
- **Fire business EBITDA continues to grow contributing higher margins to the Group than the traditional project business.**
- **Now targeting further substantial growth in the Fire business over the next three years by expanding into new markets and geographies as well as with new and existing clients.**
- **Innovative delivery model has led to preferred status on major infrastructure project.**

BUSINESS UNIT FOCUS AREAS

BSA | Build

- Continue strategic repositioning of HVAC Build to drive improved margins.
- Grow Fire business nationally.
- Restructuring of business commenced.
- Focus on further wins in early project lifecycle involvement – design, value engineering and cost planning.
- Maintain focus on quality of opportunities rather than quantum.

BSA | Connect

- Continued streamlining of business operations through operational improvement initiatives.
- Focus on further enhancing client delivery across key platforms.
- Further expand field resources and skill sets including in new market opportunities.
- Expand new client offerings including smart metering and solar.
- Target expansion of new markets including mobile.
- Deliver further improvements in margin performance across all platforms.

BSA | Maintain

- Continue to expand direct delivery of multi-service maintenance including HVAC, fire, hydraulic, electrical and other building services.
- Expand technical and advisory offerings particularly in energy management.
- Further enhance mobility systems, asset management and lifecycle reporting.
- Develop improved outcomes for clients based on technology solutions.
- Focus on growth in Fire maintenance services nationally.

OUTLOOK

Outlook

Enhanced Operations

- Streamlining continuing.
- Key contracts performing well.
- Focus on HVAC Build performance improvements.
- nRAH close out remains a priority.

Market Conditions

- Growth opportunities in all existing markets.
- Identified potential in untapped target markets.
- Not exposed to any residential slowdown.

Strong Order Book

- Record order book with improved quality.
- BSA | Build - $291m.
- BSA | Connect and BSA | Maintain - recurring revenues $290m.

Growing Recurring Services

- BSA | Maintain – further growth in integrated services and fire.
- BSA | Connect – performance continues to improve.
- Recurring businesses at 62% of Group revenue in H1 FY2018.

Improving Margins

- Group recurring business underlying margins now at 7.0% EBITDA.
- New market entries will deliver further margin expansion as they mature.
- Operational improvements delivering improved margins.

Positive FY2018 Outlook

- Some nbn revenue to shift to FY2019 due to nbn HFC pause.
- FY2018 revenue expected at c$550m.
- Further focus on improving margins.
- Strong balance sheet to invest in new capabilities and services.

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