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## BSA announces the divestment of APS Maintain

### HIGHLIGHTS

- **BSA divests its APS Maintain business to CBRE Group, Inc. for A\$20 million in cash**
- **Divestment in-line with strategic objectives of BSA including**
  - **Focusing on telecommunication and utility sectors;**
  - **Enhancing current capabilities in addressable markets; and**
  - **Pursuing financially attractive and accretive outcomes.**

**Sydney, 23 November 2022:** BSA Limited (ASX:BSA) is pleased to announce that it has entered into an agreement to divest its APS Maintain business to CBRE Group, Inc., a NYSE-listed Fortune 150 company and global leader in commercial real estate services and investments for A\$20 million in cash and subject to customary completion adjustments and third party consents.

The divestment of the APS Maintain business represents the next stage of stabilising, refocusing and transforming the BSA Group.

The transaction will enable BSA to focus on the telecommunication, utility and major fire construction sectors. The business has a leading position and remains committed to successfully delivering work for key clients including nbn, Foxtel, and tier one contractors. The Australian and New Zealand outsourced telecommunications services market is expected to grow at over 6% CAGR from FY22-26<sup>1</sup> to A\$11.8bn, with BSA well placed to pursue significant growth opportunities in such services following the divestment.

The transaction includes all maintenance works across HVAC and Fire including minor works and includes all APS subsidiaries relating to those services. The APS Maintain business delivered \$158.7m revenue and an EBITDA loss of (\$4.0m) in FY22. The sale excludes the APS Fire Build business which, in FY22, delivered revenue of \$63.6m and a breakeven EBITDA result.

Given the company's deferred tax assets, BSA does not expect that any tax will be paid on sale.

BSA Interim CEO, Arno Becker said: "The sale of the business is a great outcome for both our customers and our people. CBRE will leverage its skilled workforce, scalability, global experience and complementary services to continue delivery of world class services to APS customers. The sale will also ensure continued career growth opportunities for existing APS employees. We look forward to a smooth transition to CBRE."

<sup>1</sup> BIS Oxford Economics (2022). Refers to financial years ended 30 June. Numbers presented in current prices (nominal value).

BSA Interim Chairman, Nick Yates said, “The Board is pleased to announce the transformative APS Maintain sale for BSA. The transaction allows a more focused effort from management going forward in the telecommunications sector, an industry in which we have both strong reputation and brand recognition.”

The CUI division are experts in residential installations for over 20+ years partnering with tier one customers including Foxtel, Telstra, Optus and nbn. In FY22, CUI delivered revenue of \$244.1m and EBITDA of \$8.1m with trading results impacted by COVID-19, inclement weather and client spend patterns. Current trading is in line with expectations and BSA expects significantly improved divisional performance in FY23.

A summary of historic results for CUI is included below:

Revenue (\$'m)	FY19	FY20	FY21	FY22
CUI	251.5	270.9	211.1	244.1
EBITDA (\$'m)	FY19	FY20	FY21	FY22
CUI	19.3	21.0	16.9	8.1

The proceeds of the sale of APS Maintain which we expect to be approximately \$18m (after completion adjustments), will be used to increase working capital to meet operational costs, thus strengthening the company’s balance sheet. As at 30 September 2022, BSA has reported a net debt position of (\$7.7m). Transaction completion is expected by 28 February 2023.

BSA is being advised by MA Moelis Australia and Piper Alderman.

Authorised for release by the Board of Directors.

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<sup>1</sup> BIS Oxford Economics (2022). Refers to financial years ended 30 June. Numbers presented in current prices (nominal value).