# INVESTOR PRESENTATION

# 2024

BSA Limited

# Our Business

*Strong foundations built on our track record for client service & delivery excellence.*

BSA is one of Australia's leading technical services companies, providing innovative solutions that are both flexible in delivery and a testament to many years of service excellence and industry leading practices:

- **BSA** has a wealth of experience in providing technical and workforce management **solutions;**
- **BSA** will use its core strengths as a leading Telco and Smart Energy Services Company to diversify into emerging markets, such as EV, which is set for exponential growth;
- **BSA** clients include some of Australia's leading organisations;
- **BSA** has a substantial national workforce; and
- **BSA** is led by a strong & experienced management team.

We have clients in many sectors and industries that place their confidence in BSA's asset lifecycle solutions and end-to-end service delivery. Below is an overview of just a few of the markets in which BSA operates:

| Telco | Media & Broadcast | Energy | Electric Vehicles (EV) | Commercial | Government | Infrastructure |
|---|---|---|---|---|---|---|

**300+** Employees

**1,000+** Skilled Field Technicians

**National** Footprint

**~$250 Million** Annual Revenues

# UPDATE TO PLAN

# FY2024 – Continuing our plan

Moving into Transformation

## Stabilise

**Completed:**

- People retention;
- Divestment of non-core division;
- Exit loss making contracts; and
- Optimised Operating Model.

## Focus

**Completed:**

- People engagement;
- Indispensable delivery partner;
- Growth in adjacent & complimentary markets; and
- Focus on profitability.

## Transform

**On target:**

- Employer of choice;
- Sustainable profitability; and
- Targeting double digit EBITDA margins in the medium term.

# CONTINUING OPERATIONS

# Overview

**1 Leading National Telco and Energy Services Platform with Strong Brand Heritage**

- ✓ Australian owned delivering end to end services to the Telco and Smart Energy markets;
- ✓ Diverse range of capabilities across fixed-line, wireless, satellite, smart metering and EV networks, supported by a class leading operating model; and
- ✓ Recent divestments of non-core businesses has enabled laser strategic focus on core markets.

***~3,500 jobs per day***

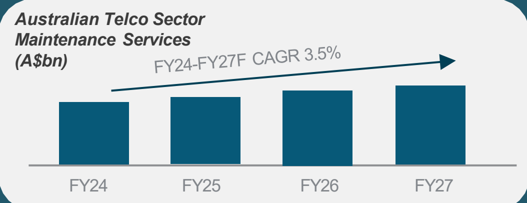
***~300 direct staff***

**2 Long Term Partner to a Blue Chip Client Base**

- ✓ Focus on multi-year B2B contracts with tier one clients such as nbn, Bluecurrent, Intellihub, NSW Telco Authority and Foxtel;
- ✓ Track record of service excellence and customer retention – 10+ year relationship with clients such as Foxtel and nbn; and
- ✓ Partnership approach – BSA is proud to represent its clients as the trusted delivery partner for critical services.

**3 Strong Growth Prospects and Attractive Industry Thematics**

- ✓ The Australian telecommunication services market is valued in excess of $9bn and is expected to grow at 3.5% p.a. from FY24 to FY27; and
- ✓ Ongoing evolution of technology in the medium term (e.g. upgrade to Fibre- to-the-Premise, 5G networks and EV adoption) will drive strong future demand for BSA's services.




**4 Highly Experienced Leadership Team Able to Deliver on the Growth Plan**

- ✓ BSA has built a highly motivated and experienced leadership team from a range of telco, smart energy and field service delivery backgrounds; and
- ✓ The leadership team has been key in executing on the turnaround plan and is well placed to continue to drive the next phase of growth.

***~100 years collective industry experience***

# Key Achievements

## Safety

### TRIFR 2.59

- Lead indicators focus
- Lower lag indicators
- Improved Health and Safety Index Scores

## People

### GPTW 79%*

- GPTW certified
- Engagement workshops
- New Engagement Plan

## Clients

### 100% Retention

- Foxtel 3 year contract renewal
- Leading Customer Satisfaction scores
- Proven EV capabilities with foundation clients

## Financial

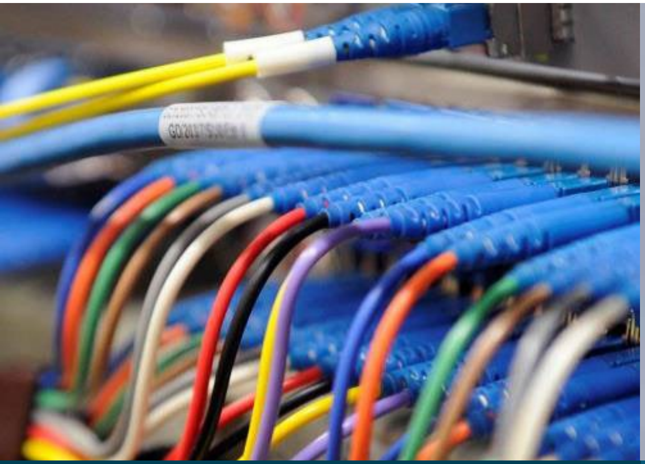
### Growth in KPIs

- Revenue of $255.7m (up 6.5% vs prior year)
- EBITDA of $22.2m (up 37% vs prior year)
- Efficient cashflow

** Great Place To Work Engagement Score*

# Key Focus and Growth

Clear opportunities expected to underpin continued growth over the medium and longer term




## FIXED LINE

- ✓ Long-term nbn partnership
- ✓ Assurance and activation led
- ✓ Largest nbn Services market share across NSW and Victoria
- ✓ Renewed Foxtel 3 year contract

- ✓ Maximise opportunity from significant nbn pipeline forecast
- ✓ Expansion of nbn scopes

## WIRELESS

- ✓ Market credibility and connections with key wireless operators in Australia
- ✓ Shift in market dynamics due to sale of tower assets across the country

- ✓ NSWTA expansion opportunities
- ✓ Opportunities with wireless asset owners as market evolves

## SMART METERING

- ✓ Over 5 years of experience supporting Bluecurrent (formerly Vector)
- ✓ Secure longer term Intellihub contracts

- ✓ Leverage customer experience and workforce management expertise
- ✓ Expand into new Energy sectors including behind the meter solutions

## EV CHARGING

- ✓ Established key partnerships in the Electric Vehicle high growth markets
- ✓ Proven experience in residential, commercial AC and commercial DC
- ✓ Capability with all major EV charging vendor technologies

- ✓ Continue to grow existing partnerships to deliver full lifecycle management

# Key Contract Overviews

The below provides an overview of key current contracts

**Dec 2017**

Evergreen Smart metering Installation contract in NSW, QLD, & SA.

*Length of client relationship: ~ 6 years*

**Mar 2021**

Activation and Assurance services to nbn network infrastructure across NSW and VIC

*Length of client relationship: ~ 9 years*

**Jun 2022**

Installation services for electric vehicle charging infrastructure

*Length of client relationships ~ 2+ years*

**Jul 2022**

Smart Meter Installations in NSW, QLD, and SA in addition to partnering on EV opportunities

*Length of client relationship: ~ 2 years*

**Jun 2024**

FOXTEL

Secured an extension to the existing single national supplier agreement for an additional 3 year with two optional 1 year extensions

*Length of client relationship 20+ years*

**Jul 2024**

Telco Authority

End-to-end design and construction program for the upgrade of microwave assets across NSW

*Length of client relationship: ~ 7 years*

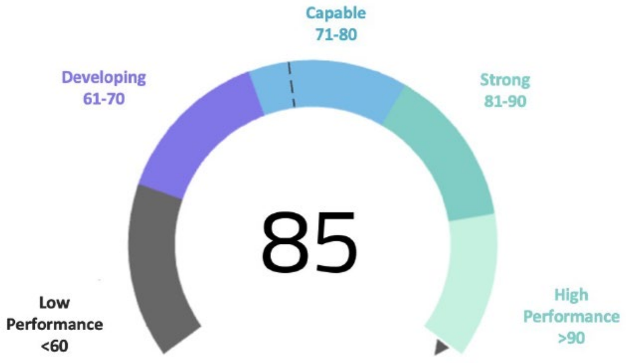
*previously Vector

# Health, Safety & Environment (HSE) Performance

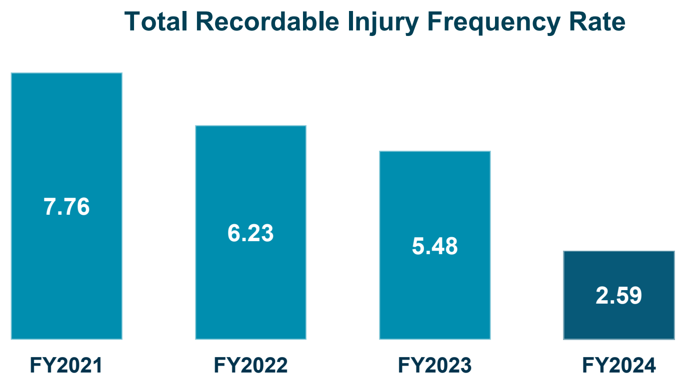
## Focus on continuous improvement across all areas of health, safety, environment and well-being

- Focus on our HSE strategic pillars of Leadership, Engagement, Risk & Systems, and Health & Wellbeing;
- HSE Index results improved from 83 to 85 (11 points above industry benchmarks);
- Refreshed of BSA Absolutes to reinvigorate our focus on critical risk;
- Positive audit results in ISO HSE, quality standards / office of the federal safety;
- Partnered with ***Touched by Christopher Foundation*** for our Stop for Safety Day;
- Progressed our sustainability roadmap as we contribute to a healthier environment; and
- TRIFR continues its decreasing trend towards industry leading performance whilst we transition our focus to lead performance indicators.

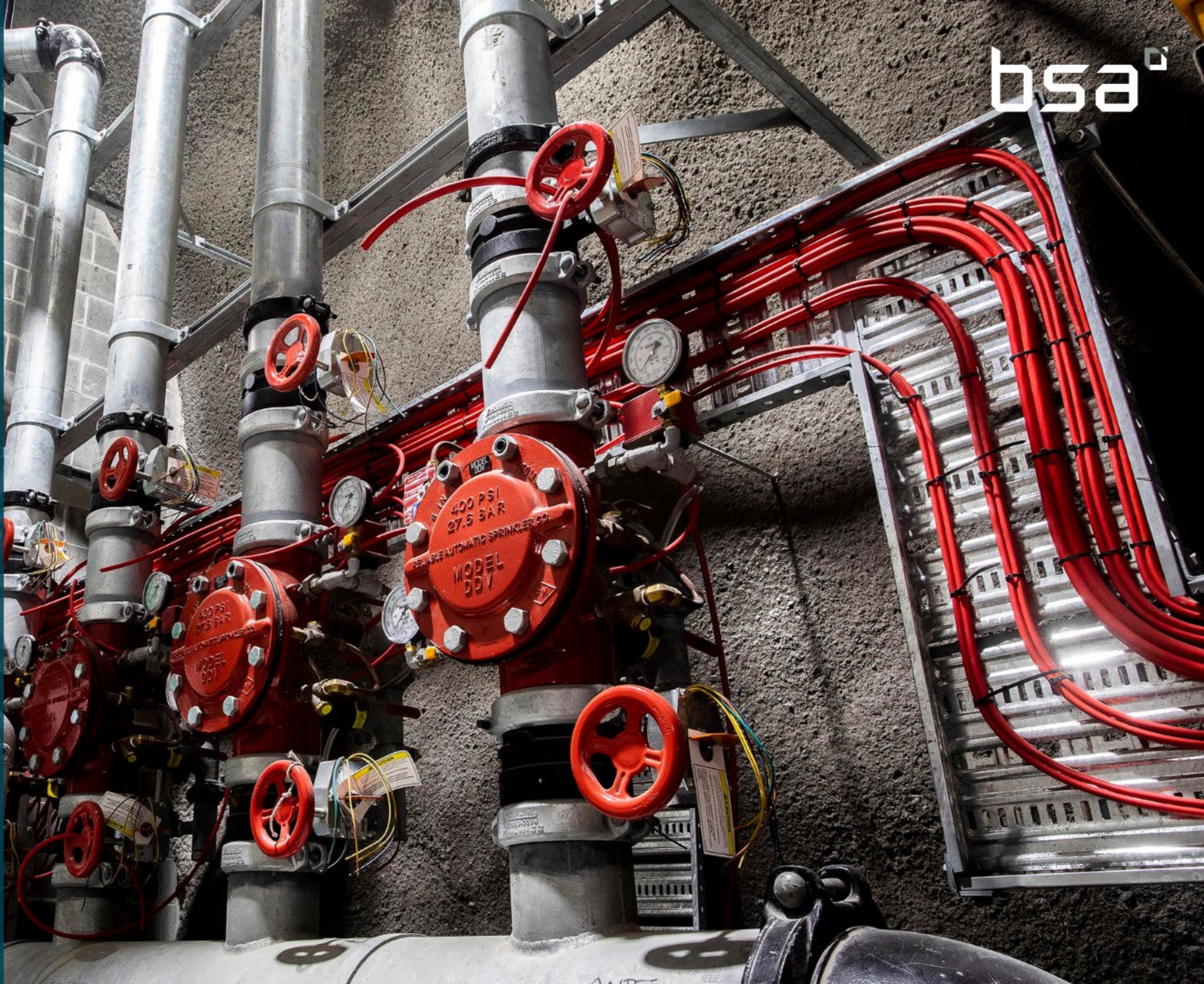
Health and Safety Index®
A FEFO Consulting Company




2022 Results: 75
2023 Results: 83



# DISCONTINUED OPERATIONS



# Discontinued Operations – Substantially Complete

All material projects now practically complete

## People

- ✓ Prioritising the wellbeing of people as operations wind down;
- ✓ No significant safety issues; and
- ✓ Completion of people transition plan.

## Client commitment

- ✓ Practical completion on all major projects achieved. Transition to:
  - Defects Liability Period;
  - Warranty provision; and
  - Inspection and testing.
- ✓ Commercial finalisation of projects expected in by Q1 FY25.

## Financials

- ✓ Revenue of $11.7m
- ✓ EBITDA loss of ($4.2m)*
- ✓ Closure Costs of ($3.8m)
- ✓ Financial results impacted due to delays in project completions
- ✓ All material costs relating to discontinued operations captured in FY24.

**excludes closure costs*

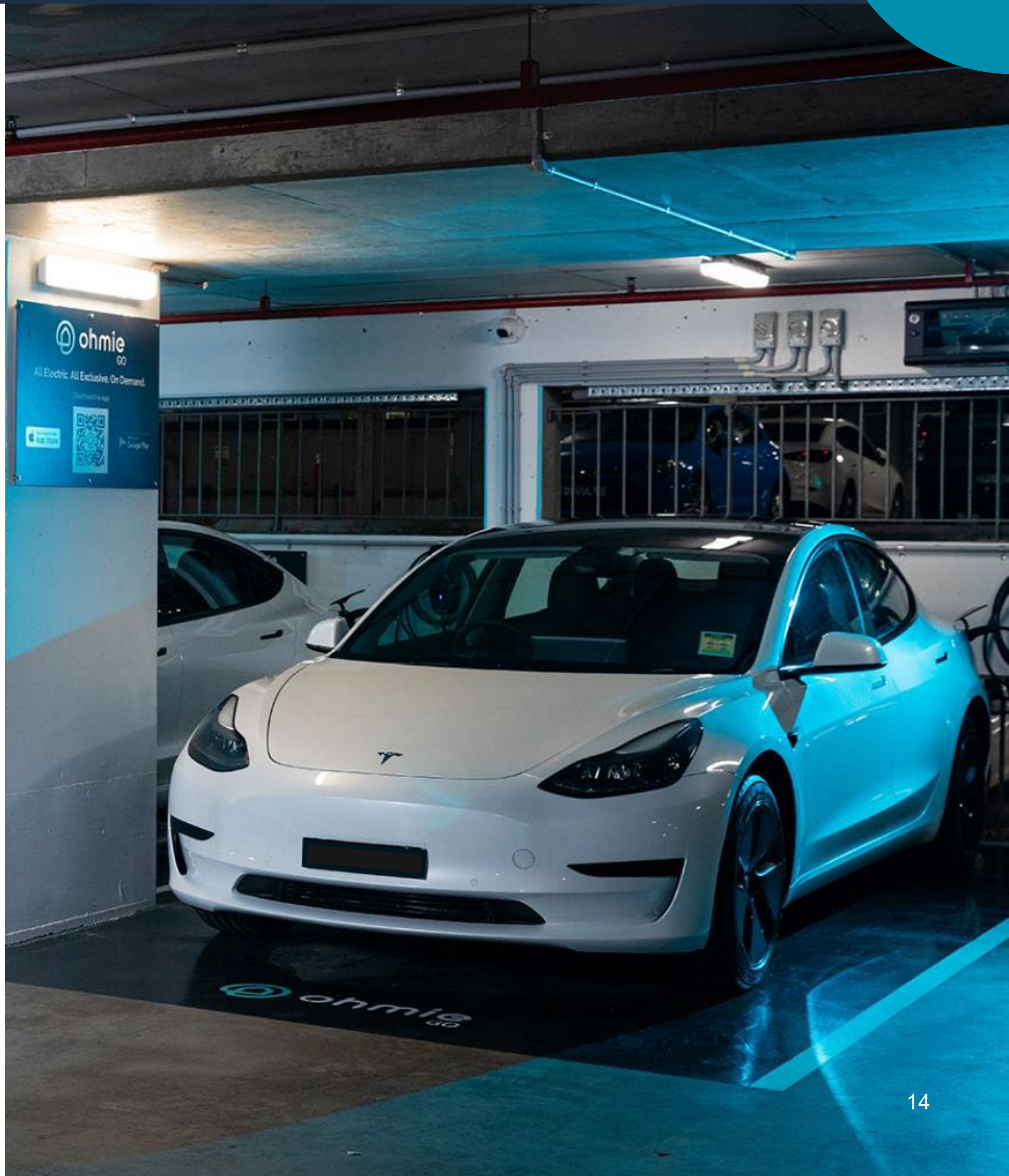
# FINANCIAL PERFORMANCE

# Group Results

| ($'m) | FY24 | FY23 | Change |
|---|---|---|---|
| **Revenue** | | | |
| Continuing Operations | 255.7 | 239.8 | 15.9 |
| Discontinued Operations | 11.7 | 124.0 | (112.3) |
| **Group Revenue** | **267.4** | **363.8** | **(96.4)** |
| | | | |
| **EBITDA** | | | |
| Continuing Operations | 22.2 | 16.2 | 6.0 |
| Discontinued Operations | (4.2) | (7.8) | 3.6 |
| **Group EBITDA pre-significant items** | **18.0** | **8.4** | **9.6** |
| | | | |
| **Significant items** | | | |
| Restructure expenses | (3.8) | - | (3.8) |
| **Group EBITDA post-significant items** | **14.2** | **8.4** | **5.8** |

*BSA incurred $3.8m in closure costs for the APS Fire business including people related costs, warranty liabilities in addition to project completion and wind down costs. This was recognised as a significant one-off restructuring expense in the Group's financial statements for FY24.*

*Subject to rounding*

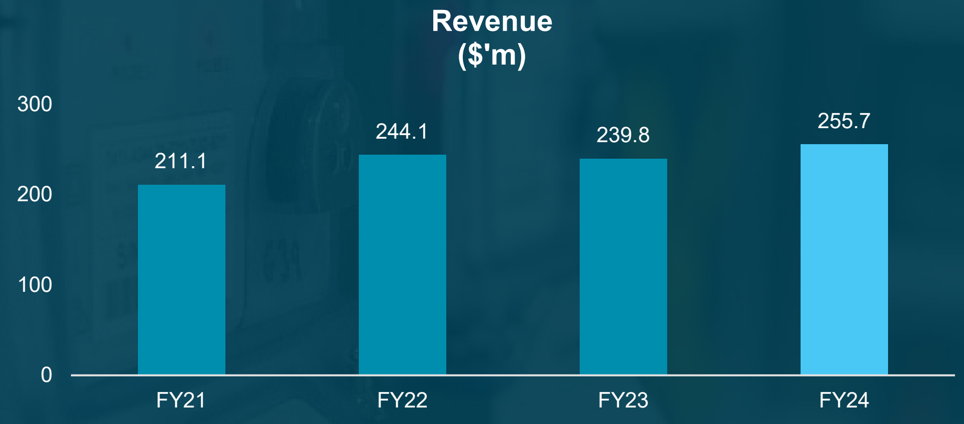


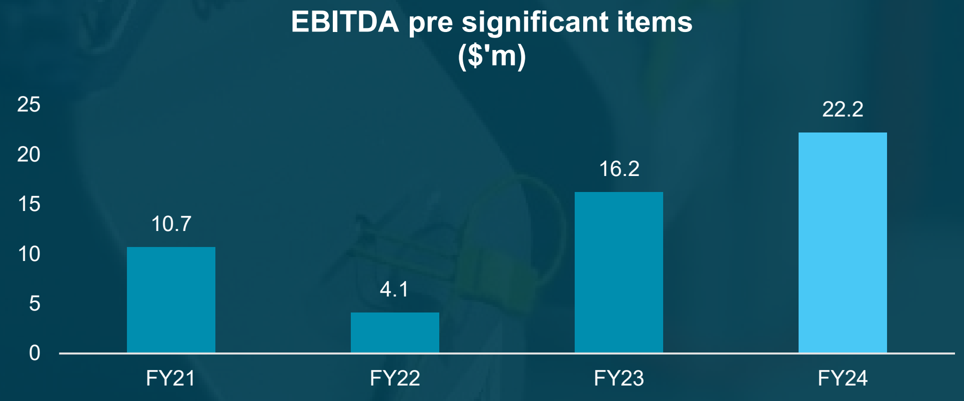
# Profitability - Continuing Operations

## Strong growth in Gross margin and EBITDA

| Summary ($'m) | FY24 | FY23 | Change |
|---|---|---|---|
| Revenue | 255.7 | 239.8 | 15.9 |
| Gross margin | 69.3 | 61.4 | 7.9 |
| *Gross margin %* | *27.1%* | *25.6%* | *1.5%* |
| Operating expenses and other income | (47.1) | (45.1) | (2.0) |
| **EBITDA** | 22.2 | 16.2 | 6.0 |
| *EBITDA %* | *8.7%* | *6.8%* | *1.9%* |
| Depreciation & amortisation | (3.8) | (4.2) | 0.4 |
| **EBIT** | 18.4 | 12.0 | 6.4 |
| Interest | (1.4) | (2.4) | 1.0 |
| Income tax benefit / (expense) | 1.9* | (3.7) | 5.6 |
| **NPAT** | 18.9 | 5.9 | 13.0 |
| *NPAT %* | *6.6%* | *2.5%* | *4.1%* |
| **Basic earnings per share (cps)** | 26.2 | 8.3 | 17.9 |

* Net income tax benefit of $1.9m for FY24 primarily as a result of the recognition of a deferred tax asset on tax losses now expected to be utilised in future years.




*Subject to rounding*

# Funding

| Funding Facilities ($'m) | Institution | Drawn | Available | Limit | PY Limit |
|---|---|---|---|---|---|
| **Cash Facilities** | | | | | |
| Debtor financing facility | CBA | 8.0 | 8.5 | 16.5 | 15.0 |
| **Total Cash Facilities** | | **8.0** | **8.5** | **16.5** | **15.0** |
| **Other Funding** | | | | | |
| Bank guarantees | CBA | 13.3 | 2.8 | 16.0 | 19.5 |
| Insurance bonds | SwissRe | 1.9 | - | 1.9 | 10.0 |
| Master Asset | CBA | - | - | - | 0.1 |
| Insurance funding facility | | 1.7 | - | 1.7 | 3.1 |
| **Total Other Funding** | | **16.9** | **2.8** | **19.7** | **32.7** |
| **Total Cash Facilities** | | **8.0** | **8.5** | **16.5** | **15.0** |
| **Total Other Funding** | | 16.9 | 2.8 | 19.7 | 32.7 |

| Net Cash/(Debt) ($'m) | FY24 | FY23 |
|---|---|---|
| Cash at bank | 1.6 | 2.0 |
| Facilities utilised | (8.0) | (4.0) |
| **Net Debt** | (6.4) | (2.0) |

## Facility & Funding

- BSA continues strong relationship with CBA;
- Receivables facility limit increased to $16.5m (PY $15m) during June 24;
- Facility in place until 30 September 2024 with negotiations to extend underway; and
- Group facility of $8.5m available at year end.

*Subject to rounding*

# Cash flow

| Cash flow results ($'m) | FY24 | FY23 | Change |
|---|---|---|---|
| **EBITDA including significant items (continuing and discontinued operations)** | **14.2** | **1.9** | **12.3** |
| **Key cash movements:** | | | |
| Class action payments | (9.0) | (6.6) | (2.4) |
| Legal & legacy cost payments | (0.6) | (4.4) | 3.8 |
| Non-cash share-based payments charge | - | (0.4) | 0.4 |
| Working capital movement | (4.2) | (5.6) | 1.4 |
| **Gross Cash flow** | **0.4** | **(15.1)** | **15.5** |
| Interest & tax paid | (1.4) | (2.8) | 1.4 |
| **Operating Cash flow** | **(1.0)** | **(17.9)** | **16.9** |
| Catalyst ONE - contingent consideration payment | (0.7) | - | (0.7) |
| Proceeds from sale of business | - | 21.6 | (21.6) |
| Transaction costs relating to the sale of business | (0.2) | (1.8) | 1.6 |
| Net capex | (0.6) | (2.1) | 1.5 |
| **Free Cash flow** | **(2.5)** | **(0.2)** | **(2.3)** |

## Cash flow

- Operating cashflow improved to ($1.0m) outflow for FY24, a $16.9m improvement on pcp;
- EBITDA to adjusted gross operating cash flow conversion of 66%;
- Adjusted operating cash inflow prior to Class Action payments was $8.0m;
- Cash flows from continued operations improved due sustainable underlying EBITDA performance however impacted by discontinued operations and legacy payments;
- Capex relates to essential asset replacement and selected software capitalisation; and
- Contingent consideration relates to final earn out of Catalyst ONE acquisition.

*Subject to rounding*

# Balance Sheet

| ($'m) | FY24 | FY23 | Change |
|---|---|---|---|
| **Current assets** | **38.4** | **39.6** | **(1.2)** |
| - Cash | 1.6 | 2.0 | (0.4) |
| - Working capital | 36.8 | 27.0 | 9.8 |
| - Assets classified as held for sale | - | 10.6 | (10.6) |
| **Non-current assets** | **20.9** | **22.9** | **(2.0)** |
| - Intangible assets | 0.7 | 1.4 | (0.7) |
| - PP&E and software | 3.9 | 4.9 | (1.0) |
| - Right-of-use-assets | 2.7 | 5.2 | (2.5) |
| - Deferred taxes | 13.6 | 11.4 | 2.2 |
| **Current liabilities** | **(52.5)** | **(65.5)** | **13.0** |
| - Working capital | (33.3) | (28.4) | (4.9) |
| - Class action settlement | - | (8.9) | 8.9 |
| - Lease liabilities | (1.2) | (2.2) | 1.0 |
| - Employee benefit provisions | (3.7) | (3.5) | (0.2) |
| - Provisions | (6.3) | (10.8) | 4.5 |
| - Borrowings | (8.0) | (4.0) | (4.0) |
| - Contingent consideration | - | (0.8) | 0.8 |
| - Liabilities classified as held for sale | - | (6.9) | 6.9 |
| **Non-current** | **(5.2)** | **(6.6)** | **1.4** |
| - Other Payables | (0.1) | - | (0.1) |
| - Lease liabilities | (1.6) | (3.7) | 2.1 |
| - Employee benefit provisions | (1.3) | (1.0) | (0.3) |
| - Provisions | (2.2) | (1.9) | (0.3) |
| **Net assets** | **1.6** | **(9.6)** | **11.2** |
| Net cash & borrowings | 1.6 | (2.0) | 3.6 |
| Net assets excluding class action settlement | 1.6 | (0.7) | 2.3 |

## Key comments

- Intangible assets represent acquired customer contracts;
- PP&E and software mostly comprise IT and field management software;
- Right of use asset and lease liabilities represent fleet and property;
- Deferred taxes relate to tax timing differences on provisions, employee benefits and tax loss asset recognition;
- Provisions represent property make goods plus legacy legal and indirect tax provisions;
- Borrowings relate to facility drawn at 30 June 24.
- In January 2024, the Group announced that the APS Fire NSW division had ceased to tender for new work and will cease operations once all rights and obligations have been addressed. The cessation of operations was substantially complete by 30 June 2024. Consequently, the assets and liabilities of the APS businesses are no longer classified as held-for-sale for the year ended 30 June 2024.

*Subject to rounding*

# SUMMARY


# Summary & outlook

**Summary:**

- Significant improvements in underlying profitability and cash metrics;
- Continued partnership with cornerstone clients;
- APS Fire NSW closure substantially completed; and
- EV capability and credentials built ready for longer term growth.

**Outlook:**

- FY2025 financial performance is expected to yield similar volumes and results; and
- Continued targeting of double-digit EBITDA margins in the medium term (FY24 8.7% and FY23 6.8%).

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