31 December 2016 Half Year Results Presentation

February 2017

Results Overview

- Total Revenue of $73.1m (FY16 H1: $79.9m; FY16 H2: $72.4m)
  - Significant improvement in East Coast business – revenue up 8% on pcp
  - Further decline in West Coast business – on-going revenue down 33% on pcp
- Trading EBITDA of $4.5m (FY16 H1: $6.7m; FY16 H2: $4.5m)
- Operating costs down 6% partially offsetting decrease in revenue:
  - Trading Gross Margin of 27.1% versus 29.3% in FY16 H1; 27.1% in FY16 H2
  - Trading EBITDA Margin of 6.2% versus 8.4% in FY16 H1; 6.2% in FY16 H2
- Non-cash impairment charge of $1.9m against the carrying value of assets held for sale
- Net Loss After Tax of $9.5m (FY16 H1: loss of $20.3m; FY16 H2: loss of $9.9m)
- Free cash flow at $3.0m (FY16 H1: $19.3m; FY16 H2: $2.9m)
- Gross syndicated debt at $48.4m down from $51.0m at 30 June 2016
- Net Tangible Assets per share at 33 cents (30 June 2016: 35 cents)

Market Conditions

Business conditions contrasted significantly between the East and West Coast

East Coast Markets

- Benefits from Boom's strategic initiatives began to deliver improved results across the East Coast business
  - Flexible labour arrangements delivering better results from contracts
  - Successfully rebuilding revenue in key geographies to build critical mass
  - Building revenue in new markets
- East Coast revenue was up 8% on pcp
- Assets are being transferred from West Coast to support on-going growth

West Coast Markets

- Conditions in the West Coast markets have deteriorated significantly in the period
  - Revenue from nearly completed LNG projects continues to decline (in line with expectations)
  - Maintenance revenue from major customers declined
  - Decrease in wind farm maintenance work in the period
  - Decrease in project work and intense price competition
- West Coast revenues were down 33% on pcp
- Assets are being transferred to support East Coast growth and operations are being reviewed to improve EBITDA performance

Update on Tender Opportunities

Renewed contracts worth $15m of annual revenue with customers we currently serve

- Olympic Dam renewed for a further 5 year term
- Two major resources customers have renewed or extended their contracts in the Hunter Valley and Queensland

New contracts won worth $10m of annual revenue

- Maintenance contracts secured with major customer for three new coal mines in Queensland and one new site in the Hunter Valley
- Supply of labour to offshore oil and gas platforms in Bass Strait
- Agreement for construction of windfarm in Western Victoria

Major New Tenders

- Resources – Western Australia - $10m of annualised revenue – tenders submitted
- Wind Farms – FY18 projects – combined $15m of annualised revenue – shortlisted to tender
- Infrastructure – various projects – combined $10m of annualised revenue – panel agreements

Operating Profit

		31-Dec-16 $'m	31-Dec-15 $'m	Change %
Revenue from Services	(1)	73.1	79.9	-9%
less: Direct Expenses	(2)	(53.3)	(56.5)	-6%
Gross Profit		**19.8**	**23.4**	-15%
GP%		*27.1%*	*29.3%*	
less: Indirect Expenses	(2)	(11.5)	(12.8)	-10%
less: Central Costs	(2)	(3.8)	(3.9)	-3%
Trading EBITDA		**4.5**	**6.7**	-33%
Trading EBITDA%		*6.2%*	*8.4%*	
less: Non-Trading Expenses	(3)	(1.2)	(0.9)	
(Loss)/ Profit on Sale of Assets		(0.1)	0.0	
EBITDA		**3.2**	**5.8**	-45%
less: Depreciation and Amortisation		(8.9)	(10.2)	-13%
EBIT (before Impairment)		**(5.7)**	**(4.4)**	
less: Net Borrowing Costs		(1.9)	(2.4)	-21%
less: Income Tax (Expense)/ Benefit		0.0	4.0	
Net Loss after Tax (before Impairment)		(7.6)	(2.8)	
less: Impairment	(4)	(1.9)	(17.5)	
Net Loss After Tax		**(9.5)**	**(20.3)**	

1. **Revenue decrease a result of:**
   - **Impact of closed depots – ($2.1m)**
   - **Wind down of major LNG project – ($3.3m); and**
   - **Revenue decrease across WA customer base – ($5.3m)**

   Balanced in part by:
   - **Revenue increase across EC customer base - $3.9m**

2. **Flexibilities built into the cost base have allowed significant cost reductions to be realised in the period. Cost reductions have partly offset impact of decrease in revenue**

3. **Non-trading expenses comprise:**
   - Restructure Costs - $1.1m
   - Legal Fees – Glove and Barrier - $0.1m

4. **Impairment recognised on assets identified as held for sale during the period. Assets reclassified to held for sale in the period include older assets with lower demand that attract lower sale prices.**

Trading Performance

East Coast Business

- East Coast business has delivered solid growth with momentum building
  - Revenue up 8% on pcp
  - Gross Margin up to 27.9% (FY16 H1: 27.4%)
- Tender successes with existing and new clients show support for our flexible and competitive operating model
- Further growth expected as new contracts begin to generate revenue in H2 and additional assets are transferred into the business to increase revenue capacity

West Coast Business

- West Coast business operating in extremely difficult market
  - Revenue down 33% on pcp as a result of:
    - Sharp (expected) decrease in revenue from the nearly completed Gorgon LNG project;
    - Decreasing maintenance spend from major customers;
    - Decrease in wind farm maintenance activity in the period; and
    - Intense competition for ad hoc work driving down price and volume of work won by Boom
  - Gross Margin down to 24.2% (FY16 H1: 34.2%)
- New business opportunities to be assessed against opportunities on the East Coast
  - Fleet requirements reviewed – 21 assets being transferred to East Coast for growth and replacement of older fleet
  - Surplus assets released for sale
  - Tenders currently submitted for major new contracts worth upwards of $10m of annual revenue
  - Initiatives to improve profitability of contracts under way

Cash Flow Summary

BOOM LOGISTICS

		31-Dec-16 $m	31-Dec-15 $m	mvmt $m
Trading EBITDA		4.5	6.7	(2.2)
less: cash component of non-trading - expense in period	(1)	(0.4)	(0.9)	0.5
less: non-trading - cash outflow for restructuring costs provided at prior reporting date	(1)	(0.3)	(2.7)	2.4
less: non-trading- cash outflow for employee leave entitlements associated with redundancies	(1)	(0.7)	(0.9)	0.2
Movement in working capital	(2)	(2.7)	4.1	(6.8)
Cash Flow from Operations before interest and tax		**0.4**	**6.3**	**(5.9)**
Interest paid (net of interest received)		(1.9)	(2.3)	0.4
Income tax received	(3)	4.5	4.5	0.0
Net cash provided by operating activities		**3.0**	**8.5**	**(5.5)**
Purchase of property, plant, equipment and software		(1.7)	(0.5)	(1.2)
Proceeds from the sale of plant and equipment		1.7	11.3	(9.6)
Net cash provided by investing activities	(4)	**0.0**	**10.8**	**(10.8)**
Free cash flow		**3.0**	**19.3**	**(16.3)**
Transaction costs related to borrowings		(1.0)	0.0	(1.0)
Net repayment of borrowings	(5)	(2.6)	(25.0)	22.4
Net Decrease in Cash		**(0.6)**	**(5.7)**	**5.1**

1. **Cash costs associated with non-trading activity were $1.4m in period compared to $4.5m in prior period**
2. **Working capital tightened with some major customers extending their trading terms in the first half of FY17**
3. **Income tax refund received in H1 to be prepaid in H2 as in prior periods**
4. **Capital expenditure primarily related to 10 year rebuilds.**

   Cost funded by proceeds from sale of assets
5. **Free cash flow funded debt repayments and transaction costs arising from implementation of new finance facility**

Balance Sheet Analysis

		31-Dec-16 $m	30-Jun-16 $m	mvmt $m
Cash		1.2	1.8	(0.6)
Trade Debtors	(1)	30.3	29.1	1.2
Assets Held for Sale	(2)	5.7	3.9	1.8
Property Plant and Equipment	(2)	194.8	206.9	(12.1)
Other Assets		3.2	6.7	(3.5)
Total Assets		**235.2**	**248.4**	(13.2)
Payables		13.9	14.3	(0.4)
Bank and Other Loans	(3)	48.4	51.0	(2.6)
Pre paid borrowing costs		(0.9)	(0.2)	(0.7)
Provisions		10.5	10.4	0.1
Other Liabilities		4.6	4.8	(0.2)
Total Liabilities		**76.5**	**80.3**	(3.8)
Net Assets		**158.7**	**168.1**	(9.4)
Net Tangible Assets per Share		**33 cents**	**35 cents**	
Gearing (Net Debt/ Equity)		**30%**	**29%**	

1. **Debtor day KPI was 6 days worse than position at 30 June 2016. Reflects**
   - **debtors generally seeking to extend credit terms;**
   - **Major customers extending credit terms by 30 days in FY17 H1; and**
   - **lower than anticipated receipts in the month of December - adversely impacted both operating cash flow and debt drawn under the receivables finance facility**

2. **Surplus assets have been released for sale from the operating fleet with an impairment of $1.9m realised against these generally older assets.**

3. **Net debt reduced to $47.2m (30 June 2016: $49.2m and 31 December 2015: $51.2m). Gross debt and operating cash flow adversely affected by lower receipts from debtors received in December.**

Priorities for FY17 H2

Priorities for FY17 H2

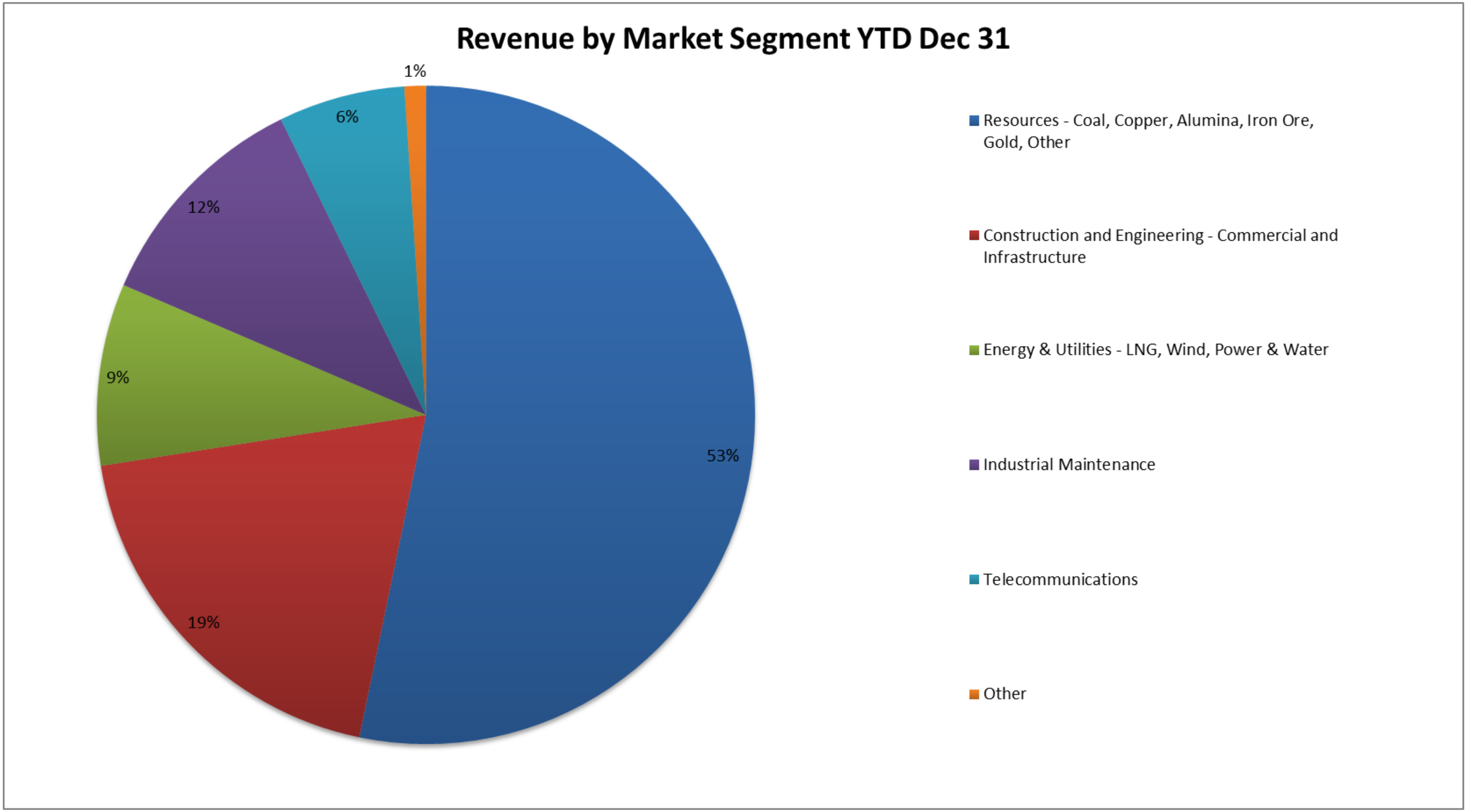
- Continue to review unprofitable depots and poor performing regions to release assets for growth initiatives or for sale:
  - Minor Townsville travel tower depot closed in FY17 H2;
  - Further regions actively under review
- Continue to target identified growth areas on the East Coast with additional assets to capitalise on revenue opportunities
- Asset review. Release surplus assets for sale to further pay down debt and improve shareholder value
  - $5.7m assets identified for sale at 31 December 2016
  - Further assets to be identified and released for sale in FY17 H2
- Develop non capital intensive labour hire services to enhance service offering and overall returns
- Continue to drive down costs and optimise the Group's flexible and competitive service model
- Retain existing profitable customer contracts with proactive and efficient service delivery

Outlook

Outlook for FY17:

- Market remains challenging especially on the West Coast
- Assets released from unprofitable depots and regions to be made available to capitalise on profit generating opportunities
- Opportunities for further improvement in East Coast business:
  - New contracts to commence in H2;
  - Major shutdown work secured in NSW;
  - Preparation for major project at Olympic Dam timetabled for FY18 expected to generate additional revenue in H2;
  - Commodity price increases and customer ownership changes expected to drive increased maintenance activity at coal mines in H2; and
  - Additional assets to be transferred from the West Coast to be made available for revenue generating activity
- Additional growth to come from infrastructure, energy and telecommunications markets. Strong pipeline of wind farm opportunities for FY18. Rate of growth dependant on:
  - Success in competitive tenders; and
  - Project timing
- Proceeds from asset sales to be used to reduce debt and position the Group to deliver returns to shareholders

Revenue Mix



Revenue by Market Segment YTD Dec 31
1%
6%
12%
9%
53%
19%
Resources - Coal, Copper, Alumina, Iron Ore, Gold, Other
Construction and Engineering - Commercial and Infrastructure
Energy & Utilities - LNG, Wind, Power & Water
Industrial Maintenance
Telecommunications
Other

Fleet Statistics

	Cranes		Travel Towers		Other Assets*		Total^
	WA	East Coast	WA	East Coast	WA	East Coast	
At 30 June 2016							
Number of Assets	90	223	33	178	N/A	N/A	
Value of Assets ($'m)	63.1	82.4	7.0	42.9	5.6	9.8	210.8
Year Ended 30 June 2016							
Number of Assets Disposed	14	19	2	24	N/A	N/A	
Cash Proceeds on Disposal ($'m)	4.8	4.4	2.0	0.7	2.2	1.6	15.7
At 31 December 2016							
Number of Assets	87	220	32	173	N/A	N/A	
Value of Assets ($'m)	56.4	82.4	6.5	39.9	5.1	10.2	200.5
6 Months Ended 31 Dec 2016							
Number of Assets Disposed	1	5	1	5	N/A	N/A	
Cash Proceeds on Disposal ($'m)	0.4	0.3	0.1	0.6	0.2	0.1	1.7

* includes Transports Assets, Machinery, Furniture, Fittings & Equipment and Freehold Land & Buildings
^ includes Assets Held for Sale and Property, Plant and Equipment

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