



# **December 2013 Half Year Results Presentation**

**February 2014**



## Period of consolidation and well positioned for future growth

- **Statutory EBIT of \$11.7m**
- **Statutory NPAT of \$4.9m**

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- **Trading EBIT of \$12.5m**
- **Trading NPAT of \$5.4m**
- **Positive free cashflow of \$13.4m**
- **Gearing at 32% (37% at 30 June 2013)**
- **Net Debt down to \$102m (\$115.8m at 30 June 2013)**
- **Net Tangible Assets per share of \$0.52**

Note:

1. All Statutory references reflect International Financial Reporting Standards (IFRS) financial information. Trading results reflect non-IFRS financial information and exclude one-off items such as restructuring costs.
2. Boom's 1H14 Trading EBIT result is a non-IFRS measure that excludes \$0.75m of one-off items, comprising restructuring costs (\$0.65m) and legal fees associated with Boom Sherrin's 18m Glove and Barrier legal action (\$0.10m). Boom's 1H14 Trading NPAT is a non-IFRS measure that excludes the after-tax impact of these one-off items, being \$0.53m.
3. Gearing = Net Debt / Equity

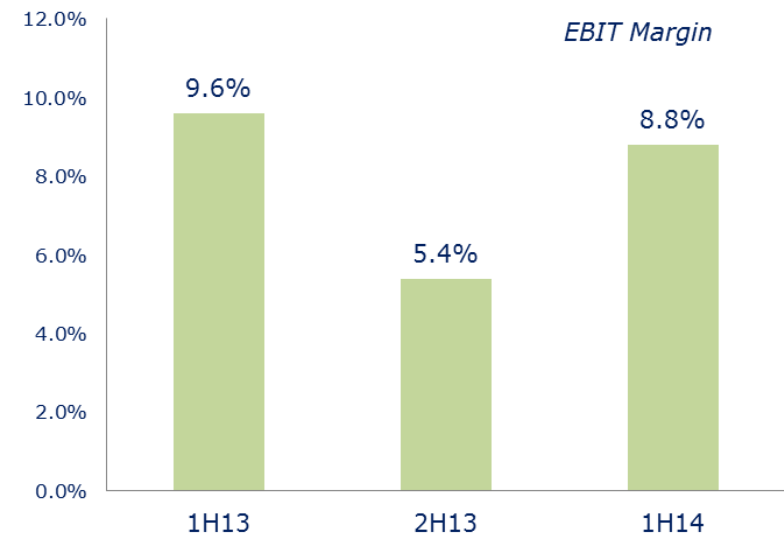


- Revenue reductions were primarily a consequence of:
  - the loss of the BHPB Ports contract in Port Hedland;
  - significant reduction in maintenance volumes in the Bowen Basin combined with demand volatility; and
  - the continued rundown of the access & general hire business within Boom Sherrin in keeping with our “manage for cash” strategy for this business, offset by revenue increases in the core travel tower business compared to 2H13.

# 1H14 performance – Management actions



- In order to improve margins, Boom has responded with ongoing initiatives including:
  - further restructuring with an additional 88 redundancies occurring in 1H14 across the business following the headcount reduction of 130 during FY13. This included reducing administration overheads with the transition of transactional accounting in Queensland and New South Wales into a shared services centre in Brisbane;
  - refining Boom's labour model primarily through the renegotiation of EBAs to achieve greater flexibility; and
  - focussing on major opportunities for growth in LNG, wind and resources, as well as pursuing opportunities in new projects and markets.





- This has resulted in Boom:
  - being awarded the principal contract for the installation and mechanical completion of the Bald Hills Wind Farm in Victoria. This is expected to commence in April for a period of 7 months;
  - extending services with existing customers on the Gorgon LNG project (on Barrow Island and at the land base at Henderson);
  - winning new business with:
    - Fortescue Metals Group;
    - Leightons;
    - Bulga Coal; and
    - Wheatstone LNG project;
  - retaining key customers such as Alcoa, Rio Tinto and Karara Mining;
  - redeploying under-utilised assets to dry hire or wet hire opportunities; and
  - the sale of surplus/obsolete assets to reduce net debt.

# Financial Review 1H14

## Profit & Loss



\$m	1H14	1H13	% change
<b>Revenue</b>			
Crane Logistics	<b>114.6</b>	156.0	(27%)
Boom Sherrin	<b>27.6</b>	29.5	(6%)
<b>Operating Revenue</b>	<b>142.2</b>	185.5	<b>(23%)</b>
Interest Income	<b>0.1</b>	0.2	
<b>Total Revenue</b>	<b>142.3</b>	185.7	<b>(23%)</b>
<b>Trading EBIT</b>			
Crane Logistics	<b>14.7</b>	21.5	(32%)
Boom Sherrin	<b>4.5</b>	4.1	11%
Central costs	<b>(6.7)</b>	(7.8)	(15%)
<b>Total Trading EBIT</b>	<b>12.5</b>	17.8	<b>(30%)</b>
<i>Trading EBIT Margin</i>	<b>9%</b>	10%	
Interest Expense & Borrowing Costs	<b>(4.7)</b>	(5.2)	(10%)
Tax	<b>(2.4)</b>	(3.8)	
<b>Trading Net Profit after Tax</b>	<b>5.4</b>	8.8	<b>(38%)</b>
Trading Adjustments	<b>(0.5)</b>	(1.2)	
<b>Statutory Net Profit after Tax</b>	<b>4.9</b>	7.6	<b>(36%)</b>

- Crane Logistics revenue impacted by:

- the abrupt changes experienced from the second quarter of FY13 through coal producers' cost reduction programmes; and

- the finalisation of the BHPB Ports contract in North West WA

- Restructuring activity in 2H13 has improved margins since Q213

- Boom Sherrin EBIT has benefited from \$1.5m profit on sale of assets in the year, as surplus assets have been released

- Central costs have been reduced whilst absorbing some administrative burden from the business following some centralisation activities

- Interest expense has reduced through reduction in debt levels

# Financial Review 1H14

## Balance Sheet



Statutory \$m	31 December 2013	30 June 2013	Movement
Cash	5.8	3.6	2.2
Trade Receivables	52.8	55.4	(2.6)
Income Tax Receivable	4.4	4.5	(0.1)
Inventories	0.4	0.5	(0.1)
Assets Held For Sale	7.1	10.9	(3.8)
Plant & Equipment	328.2	336.7	(8.5)
Intangibles	74.0	74.6	(0.6)
Other Current Assets	4.0	2.8	1.2
<b>Total Assets</b>	<b>476.7</b>	489.0	<b>(12.3)</b>
Payables	17.1	20.4	(3.3)
Borrowings	107.8	119.4	(11.6)
Provisions	13.2	17.2	(4.0)
Other current & non-current liabilities	19.9	18.7	1.2
<b>Total Liabilities</b>	<b>158.0</b>	175.7	<b>(17.7)</b>
<b>Net Assets</b>	<b>318.7</b>	313.3	<b>5.4</b>
<b>Net Tangible Assets per share</b>	<b>0.52</b>	0.51	

- **Sound balance sheet metrics maintained**
  - **Gearing: 32%**
  - **NTA: 0.52 cents per share**
- **Improvement in trade receivables continues to be a major focus**
- **\$9.9m in proceeds from asset sales in the 6 months to December 2013 – with a continued focus on fleet rationalisation where appropriate**
- **Debt reduction achieved through positive free cashflow, driven by reduced capex and the increase in asset sales – Net Debt of \$102m**

# Financial Review 1H14

## Cash Flow



Statutory \$m	1H14	1H13	Movement
Net receipts / (payments)	15.4	31.0	(15.6)
Net interest received / (paid)	(4.1)	(4.8)	0.7
Income tax received / ( paid)	-	-	-
<b>Net Cash provided by operating activities</b>	<b>11.3</b>	26.2	<b>(14.9)</b>
Purchase of plant and equipment	(7.8)	(42.7)	34.9
Payments for intangible assets - software development	-	(1.2)	1.2
Proceeds from the sale of plant and equipment	9.9	4.0	5.9
<b>Net Cash from / (used in) investing activities</b>	<b>2.1</b>	(39.9)	<b>42.0</b>
<b>Free cashflow</b>	<b>13.4</b>	(13.7)	<b>27.1</b>
Proceeds of borrowings	115.3	39.3	76.0
Repayments of borrowings	(126.4)	(27.8)	(98.6)
Payment of dividends	-	-	-
<b>Net Cash from / (used in) financing activities</b>	<b>(11.1)</b>	11.5	<b>(22.6)</b>
<b>Net increase / (decrease) in cash</b>	<b>2.3</b>	(2.2)	<b>(4.5)</b>
<b>Closing cash</b>	<b>5.8</b>	7.9	<b>2.1</b>

- **Positive free cashflow of \$13.4m**
- **Capital investment has been curtailed following the fleet review conducted in 2H13 which reflected foreseeable customer requirements and the previous 4 years of fleet investment**
- **Asset sales have been well ahead of targets**
- **Free cashflow applied to debt reduction**





- ❑ Boom expects prevailing market conditions to continue with the usual susceptibility to weather events in Q314 and with:
  - subdued and volatile demand expected in the mining sector;
  - infrastructure spending outside of LNG and iron ore to remain low through FY14;
  - utilities demand in both telecommunications and energy expected to be solid through FY14; and
  - increased activity in the wind farm sector.
  
- ❑ Boom will continue to seek opportunities to improve its revenue base with both existing and new customers whilst also pursuing opportunities for further cost reductions.



**Full Year Results  
Presentation**

**Appendix**

## Explanatory Notes

### Note 1: Trading adjustments

The table below sets out the trading adjustments in the 1H14 result.

	EBIT	NPAT
<b>Statutory result</b>	<b>11.7</b>	<b>4.9</b>
<b>Less restructuring costs</b>		
Queensland	0.3	0.2
National Office	0.3	0.1
Western Australia	0.1	~0.1
Boom Sherrin	0.1	~0.1
<b>Trading result</b>	<b>12.5</b>	<b>5.4</b>

### Note 2: Statutory Revenue reconciliation

The table below sets out the composition of statutory revenue in 1H13 and 1H14.

Statutory \$m	1H14	1H13	% change
Crane Logistics	<b>114.6</b>	156.0	<b>(27%)</b>
Boom Sherrin Travel Towers	<b>17.1</b>	17.4	<b>(2%)</b>
<b>Core Business Revenue</b>	<b>131.7</b>	173.4	<b>(24%)</b>
Boom Sherrin Access & Other	<b>10.5</b>	12.1	<b>(13%)</b>
<b>Operating Revenue</b>	<b>142.2</b>	185.5	<b>(23%)</b>
Interest Income	<b>0.1</b>	0.2	
<b>Total Statutory Revenue</b>	<b>142.3</b>	185.7	<b>(23%)</b>

Segment information is provided in note 4 to the half year financial report based on the information provided to the chief operating decision maker in accordance with accounting standard AASB 8 Operating Segments. This presentation has been prepared at 31 December 2013 to provide further (unaudited) information considered appropriate to explain developments in the business.



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