



2013 Annual General Meeting

22 October 2013



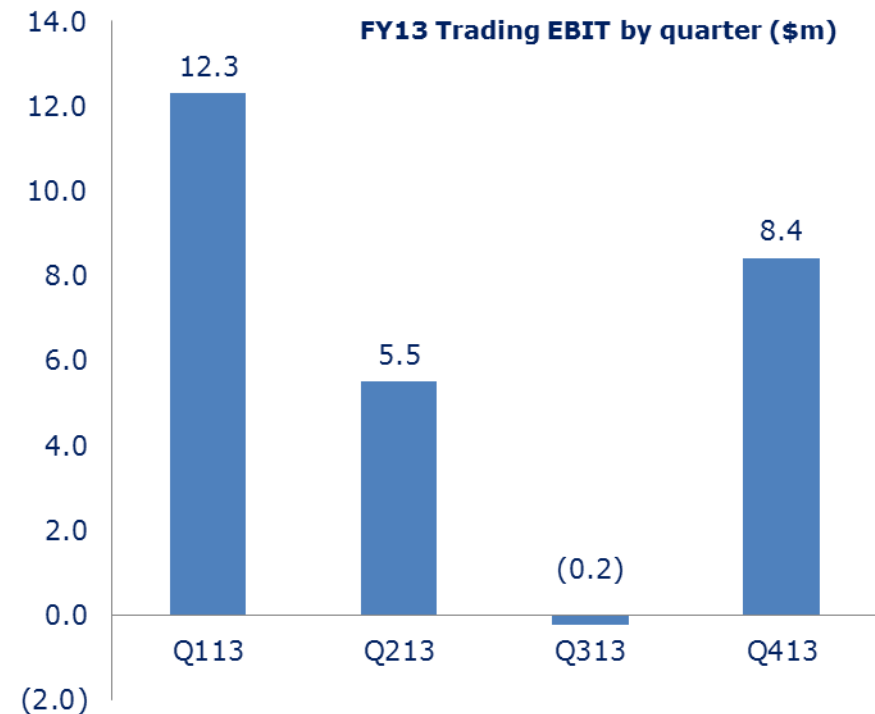
Mr John Robinson
Chairman



❑ Strong trading conditions continued in Q113

❑ Abrupt change in the second quarter

- Coal producers impacted by commodity demand and prices
- Change in emphasis from production growth to operating cost reduction
- Pressure on Boom charge out rates and generally lower activity
- Projects in other sectors of the economy also delayed or suspended





❑ **Cost reduction programme implemented**

- 12% reduction in the workforce (130 people) - a further 67 people in Q114
- Majority of redundancy costs provided for in FY13 results
- 30% of cutbacks have been in overheads

❑ **\$25m p.a. of employee costs eliminated**

- \$8.0m in various overhead categories, including National Office

❑ **66 surplus cranes released**

- Older, smaller and customised or non-preferred cranes
- Increased operating efficiency and interchangeability

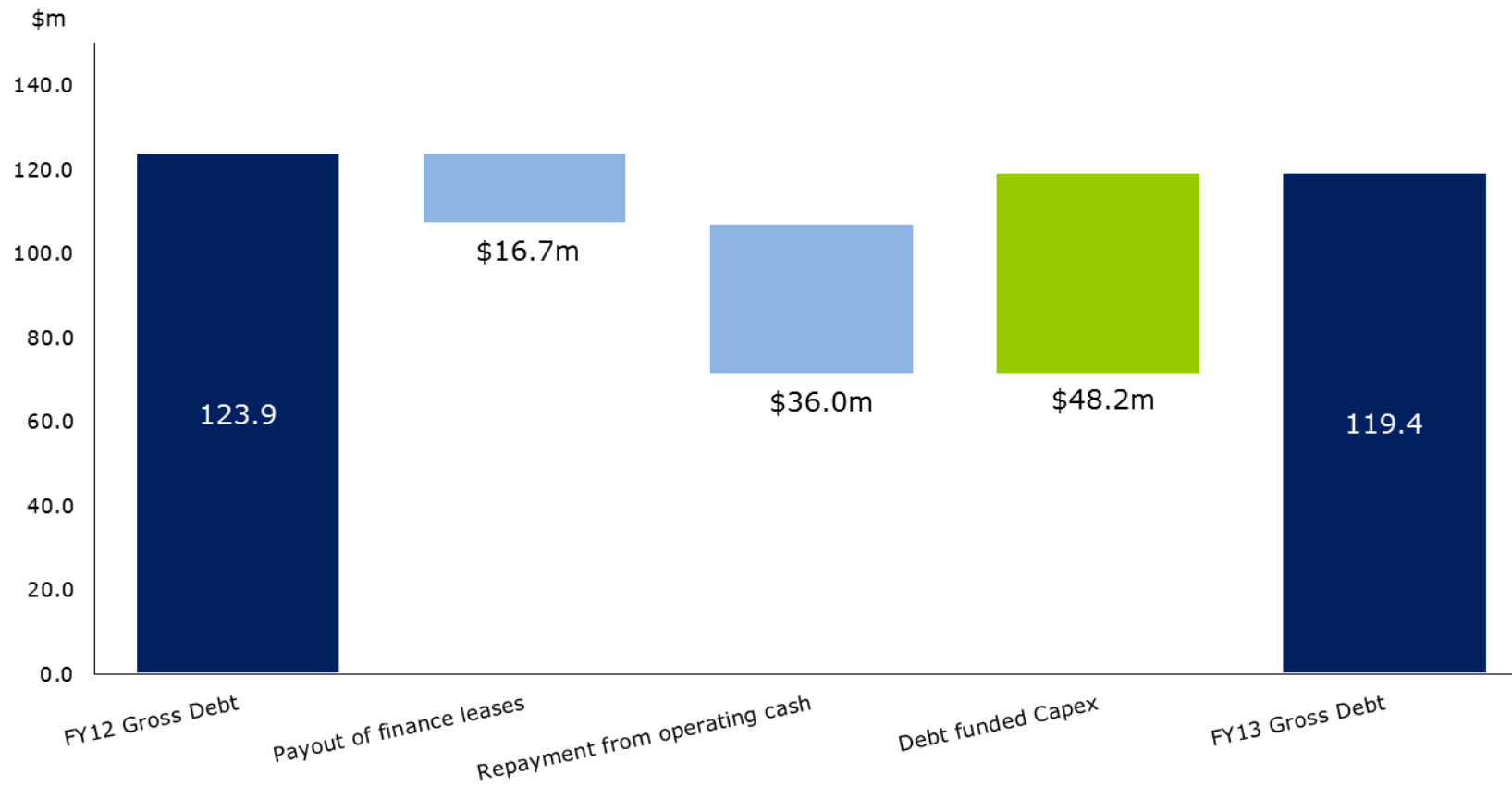


\$m	FY12	FY13	% change
Total Revenue	349.1	338.4	(3%)
Total Trading EBIT	35.5	26.0	(27%)
<i>Trading EBIT Margin</i>	10%	8%	
Trading Net Profit after Tax	18.5	10.7	(42%)
Non-Trading Adjustments	1.3	(13.2)	
Statutory Net Profit after Tax	19.7	(2.5)	(113%)

Note: All Statutory references reflect International Financial Reporting Standards (IFRS) financial information. Boom's FY13 Trading EBIT result is a non-IFRS measure that excludes \$18.9m of one-off items, comprising restructuring costs (\$6.8m), impairments (\$11.0m) and legal fees associated with Boom Sherrin's 18m Glove and Barrier legal action (\$1.1m). Boom's FY13 Trading NPAT is a non-IFRS measure that excludes the after-tax impact of these one-off items, being \$13.2m.



- **Gearing at 37% (Net Debt / Equity)**
- **Net Tangible Assets per Share of \$0.51**





- ❑ **Restructuring benefits evident in the final quarter of FY13 and have continued into the first quarter of FY14**
 - Stable earnings despite subdued revenue
- ❑ **Drive for further cost reductions and improvement in operating efficiency**
- ❑ **Improved fleet position, with renewed investment in the travel tower business**
- ❑ **Continued adaptability and responsiveness in a changing environment**



Mr Brenden Mitchell
Managing Director



Delivering industrial services utilising **operators and equipment** – cranes, travel towers, transport and other assets – for major customers in the **mining & resources, energy, utilities and infrastructure sectors**

BHP Billiton ♦ Rio Tinto ♦ BHPB Mitsubishi Alliance

Xstrata ♦ Newmont Boddington Gold ♦ Alcoa

Port Waratah Coal Services ♦ Dalrymple Bay Coal Terminal

Anglo American Metallurgical Coal ♦ Fortescue Metals Group

Monadelphous ♦ Thiess Decmil Kentz JV ♦ Downer Group

Orica ♦ Leighton Contractors ♦ BlueScope Steel

Thiess John Holland ♦ Laing O'Rourke ♦ BP Australia ♦ Esso

Westrac Equipment ♦ Hitachi ♦ Komatsu ♦ Bucyrus

John Holland ♦ Toll Group ♦ Hastings Deering

Telstra ♦ United Group ♦ Brookfield Multiplex

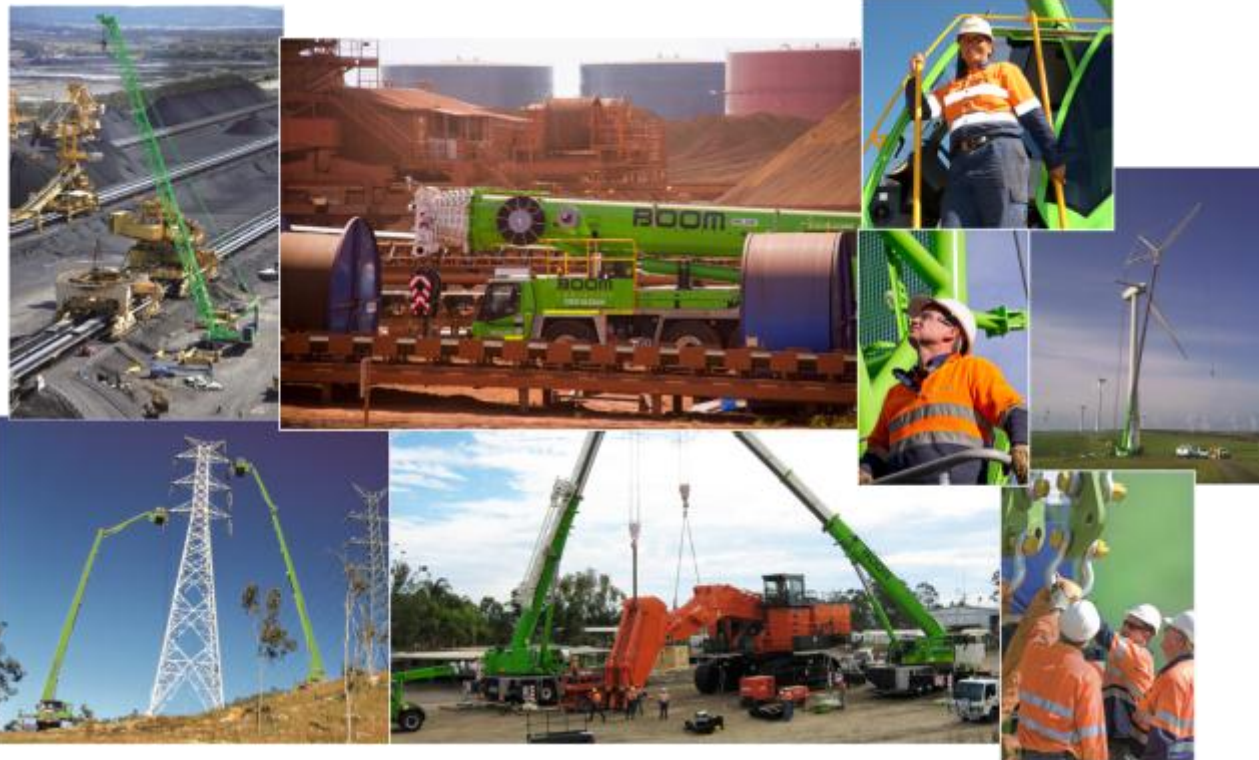
Vestas ♦ Alstrom ♦ REpower ♦ TRUenergy

RCR Engineering ♦ Mermaid Marine Australia

BOC Limited ♦ Hazelwood Power

Loy Yang Power ♦ Belle Banne

Ausgrid ♦ Jemena ♦ Western Power ♦ Powerlink





- ☐ **Commodity prices and the strength of the Australia dollar put extreme pressure on even the lowest cost commodity producers**
- ☐ **Severe contraction in infrastructure spending on the East Coast**
- ☐ **Coal customers under duress, driving costs down**
- ☐ **Volatility and pricing pressure being experienced nationally**
- ☐ **Reasonable level of activity in South Australia and Western Australia mitigated the impacts the East Coast activity to some extent**



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BOOM'S LIFE SAVING RULES



RULE 1

Always conduct a risk management activity before starting a task.



RULE 2

Never work in the 'line of fire'.



RULE 3

Always check the ground for slope, stability and underground hazards.



RULE 4

Only operate equipment if trained and authorised.



RULE 5

Protect yourself from energy sources: avoid, de-energise, isolate, tag.



RULE 6

Never work without protection if you could fall.



RULE 7

Always confirm you are fit and your equipment and work environment are safe.



RULE 8

If you cannot control the risk STOP THE JOB.



Always conduct a risk management activity before starting a task.

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If you cannot control the risk STOP THE JOB.

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❑ **BHP Billiton Iron Ore Ports contract**

- Not retained on the basis of price, in part due to the high cost of Boom's EBA in the region

❑ **Contract wins and extensions**

- Rio Tinto - East Coast
- Karara Mining (Iron ore)
- Gorgon at Henderson (LNG)
- Leightons at FMG Solomon Hub (Iron ore)
- Various telecommunications projects through Boom Sherrin



- ❑ **Drive for cost reductions, aided by the successful implementation of national payroll and financial systems**
- ❑ **Cost reduction programme implemented**
 - 12% reduction in the workforce (130 people)
 - 30% of cutbacks have been in overheads
 - Reduction of a further 67 people in Q114



- ❑ **66 cranes identified for sale**
 - Expected to deliver over \$10m in proceeds in FY14
 - Average age of 18 years
 - 36 cranes under 25 tonnes and 15 less recognised or accepted models

- ❑ **Following over c. \$180m of investment over the last 4 years, Boom's crane fleet is now well balanced to meet customer demand**
 - Average age of the crane fleet is 8.9 years (down from c. 13 years four years ago)
 - 79 Glove and Barrier Travel Towers now refurbished and back in service - \$20m value

- ❑ **\$337m Plant & Equipment with c. \$10m investment in Travel Towers planned in FY14**



❑ Debt reduced, whilst investing in the business

- \$62.3m cash invested in capital
- Expansion into South Australia through the BHP Billiton Olympic Dam maintenance contract
- Reinvestment in the Travel Tower business – with strong prospects in the utilities and telecommunications sectors



- ❑ **Continue to serve our customers well and look for revenue growth opportunities to maximise our equipment utilisation**
- ❑ **Expand our position in the LNG, wind farm, utilities and resources sectors as well as in new projects and markets.**
- ❑ **Improve our competitive position in relation to our EBA frameworks which have become less competitive. We will continue to work with our employees to ensure we remain competitive. The North West EBA has been successfully resolved.**
- ❑ **We will reduce overall administration and overhead costs by a further \$2.5 million annualised in the next twelve months, whilst taking the opportunity to consolidate our Boom Sherrin and crane logistics businesses where they are in the same geographic locations.**
- ❑ **Disciplined capital Management will mean we expend less than depreciation on new equipment, deliver \$10 million in asset sales and reduce debt.**
 - In the first quarter we have reduced Net debt by \$12 million to \$104 million have gearing at 33% down from 37% and achieved \$4.3 million of our planned \$10 million of asset sales



Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Boom and certain plans and objectives of the management of Boom. Forward-looking statements can generally be identified by the use of words such as 'project', 'believe', 'foresee', 'plan', 'expect', 'aim', 'potential', 'goal', 'target', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'could', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Boom, which may cause the actual results or performance of Boom to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak only as of the date of this announcement. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, fluctuations in foreign currency exchange and interest rates, competition, Boom's relationships with, and the financial condition of, its suppliers and customers, or legislative changes, or regulatory changes or other changes in the laws which affect Boom's business. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements. Readers should not place undue reliance on forward looking statements. Except as required by law and ASX Listing Rules, Boom undertakes no obligation to update publicly or otherwise revise any forward looking statement as a result of new information, future events or other factors.

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