31 December 2015 Half Year Results Presentation

February 2016

Results Overview

Results consistent with December 2015 ASX update

- Trading EBITDA of $6.7m, compared to $2.6m in H2 of FY15 and $12.0m in H1 of FY15
- Cost saving initiatives successful with higher gross margin achieved on lower revenue – gross margin of 29.3% versus 28.1% in H1 of FY15
- Non-cash impairment charge of $11.6m booked against the fair value of the operating fleet, which has a post impairment carrying value of $202.2m, further to a decline in asset values across the sector
- Non-cash impairment charge of $5.9m booked against assets held for sale, $3.0m of which relates to non-core transport assets
- Net Loss After Tax of $20.3m (31 Dec 2014: loss of $3.4m)

Financial Position

- Gross syndicated debt at $52.5m down from $78.4m at 30 June 2015 and $84.4m at 31 Dec 2014
- Free cash flow at $19.3m is $5.5m better than pcp

Half Year Operating Profit

		31-Dec-15 $'m	31-Dec-14 $'m	Change %
Revenue from Services		79.9	113.7	-30%
less: Direct Expenses		(56.5)	(81.8)	-31%
Gross Profit		**23.4**	**31.9**	-27%
GP%	(1)	*29.3%*	*28.1%*	
less: Indirect Expenses		(12.8)	(14.3)	-10%
less: Central Costs	(2)	(3.9)	(5.6)	-30%
Trading EBITDA		**6.7**	**12.0**	-44%
Trading EBITDA%		*8.4%*	*10.6%*	
less: Non-Trading Expenses	(3)	(0.9)	(1.3)	
Profit on Sale of Assets		0.0	1.8	
Interest Income		0.1	0.1	
EBITDA		**5.9**	**12.6**	-53%
less: Depreciation		(9.6)	(11.8)	-19%
EBIT		**(3.7)**	**0.8**	
less: Borrowing Costs	(4)	(2.5)	(3.7)	-32%
less: Amortisation of Intangible Assets		(0.6)	(0.6)	
add: Tax Benefit		4.0	1.7	
Net Loss after tax but before impairment		(2.8)	(1.8)	
less: Impairment		(17.5)	(1.6)	
Net Loss After Tax		**(20.3)**	**(3.4)**	

1. **Cost reduction and restructuring initiatives have driven efficiencies and gross margin improvement**

2. **Significant Executive and National Office restructuring delivering the anticipated savings. Central costs include national service functions such as payroll and IT**

3. **Non-trading expenses comprise:**
- **Depot closure costs - $0.3m**
- **Redundancy Costs - $0.4m**
- **Fleet mobilisation costs post depot closures - $0.1m**
- **Legal Fees – Glove and Barrier - $0.1m**

4. **Significant reduction in borrowing costs further to debt reductions**

Half Year Trading Performance

Revenue

- Revenue has declined in the period due to:
  - Closure of unprofitable depots over the current and previous periods – circa $14.6m
  - Resources customers responding to market conditions by reducing demand, particularly in the coal sector – circa $9.7m
  - Lower major project activity in the current period – circa $8.9m
  - However, infrastructure revenue pipeline increasing

Business Stabilised and Positioned for Growth

- Restructuring activities undertaken to date have successfully reduced costs
- Business more flexible and better able to respond to volatile demand
- New labour models to allow the Group to competitively target new revenue opportunities with most success to date in WA
- Profit margins improving

Cash Flow Summary

BOOM LOGISTICS

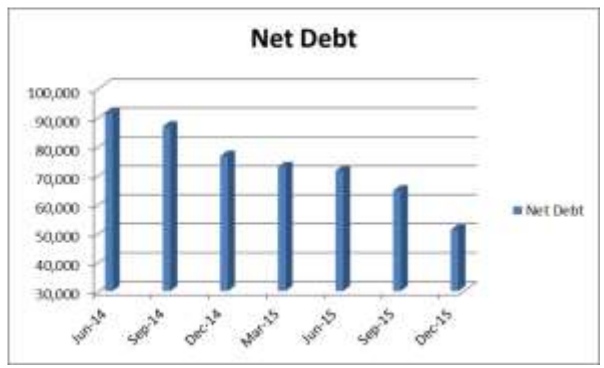
		31-Dec-15 $m	31-Dec-14 $m	mvmt $m
Trading EBITDA		6.7	12.0	(5.3)
less: non-trading - expense in period	(1)	(0.9)	(1.3)	0.4
less: non-trading - cash outflow for restructuring costs provided on balance sheet at prior reporting date	(1)	(2.7)	(1.9)	(0.8)
less: non-trading- cash outflow for employee leave entitlements associated with redundancies	(1)	(0.9)	(0.8)	(0.1)
Movement in working capital		4.1	2.2	1.9
Cash Flow from Operations before interest and tax	**(2)**	**6.3**	**10.2**	(3.9)
Interest paid (net of interest received)		(2.3)	(3.2)	0.9
Income tax received		4.5	4.5	0.0
Net cash provided by operating activities		**8.5**	**11.5**	**(3.0)**
Purchase of property, plant, equipment and software		(0.5)	(7.0)	6.5
Proceeds from the sale of plant and equipment	**(3)**	11.3	9.3	2.0
Net cash provided by investing activities		**10.8**	**2.3**	**8.5**
Free cash flow		**19.3**	**13.8**	**5.5**
Net repayment of borrowings	**(4)**	**(25.0)**	**(14.6)**	**(10.4)**
Net Decrease in Cash		**(5.7)**	**(0.8)**	**(4.9)**

1. **Cash costs associated with non-trading activity were $4.5m in period compared to $4.0m in prior period**
2. **Cash flow from operations benefitted from strong working capital performance**
3. **Solid gains from successful execution of asset sales program in period. A further $2.2m of assets have been sold or contracted since reporting date**
4. **Free cash flow funded significant debt repayments. Debt amortisation requirements for year ended June 2016 met 6 months in advance**

Balance Sheet Analysis

		31-Dec-15 $m	30-Jun-15 $m	mvmt $m
Cash		1.3	7.0	(5.7)
Trade Debtors	(1)	28.9	40.6	(11.7)
Assets Held for Sale	(2)	10.6	8.8	1.8
Property Plant and Equipment	(2)	213.5	253.3	(39.8)
Other Assets		4.3	8.3	(4.0)
Total Assets		**258.6**	**318.0**	(59.4)
Payables		11.7	16.8	(5.1)
Syndicated Debt	(3)	52.5	78.4	(25.9)
Other Borrowing net of pre paid borrowing costs		0.6	(0.4)	1.0
Provisions		11.3	15.5	(4.2)
Other Liabilities		4.4	9.4	(5.0)
Total Liabilities		**80.5**	**119.7**	(39.2)
Net Assets		**178.1**	**198.3**	(20.2)
Net Tangible Assets per Share (cents)		**37.3**	**41.0**	
Gearing (Net Debt/ Equity)	(4)	**29%**	**36%**	

1. **On going focus on working capital management in challenging business environment**
2. **Asset value decreased due to asset sales in period ($11.2m); impairment of operating fleet as a result of decline in market prices across the sector ($11.6m); impairment of non-core assets held for sale ($5.9m) (including $3.0m relating to non-core specialised transport assets) and depreciation over period ($9.6m). Capex limited with priority placed on debt repayment**
3. **Significant debt reduction achieved from asset sales and tight working capital management. Net debt reduced to $51.2m**



4. **Gearing reduced to 29%**

Priorities for H2 FY16

Boom's priorities for the second half of FY16 are:

Revenue Growth

- To capitalise on new revenue opportunities with a particular focus on growing revenue in the infrastructure sector, broadening our revenue base in the Queensland market and capitalising on new customer opportunities in WA
- Focus on developing revenue streams for travel towers in telecommunications and energy sectors. Panel agreements signed with key customers in H1

Margin Improvement

- Further improve operational labour costs and continue to rebuild gross margins
- Shutdown labour pools effectively servicing WA customer base. Model to be replicated in Queensland with new customers
- In the final stages of negotiation on 2 critical EBA's on the East Coast
- Continued focus on operating costs

Priorities for H2 FY16

Boom's priorities for the second half of FY16 are:

Funding

- Continue momentum with asset sales program to further reduce debt:
  - Focus on disposal of non-core transport assets included in assets held for sale; and
  - Continued focus on phasing and executing sales program to preserve maximum possible value in crane and travel tower sales as market conditions continue to change
- Progress refinancing options

Other Matters

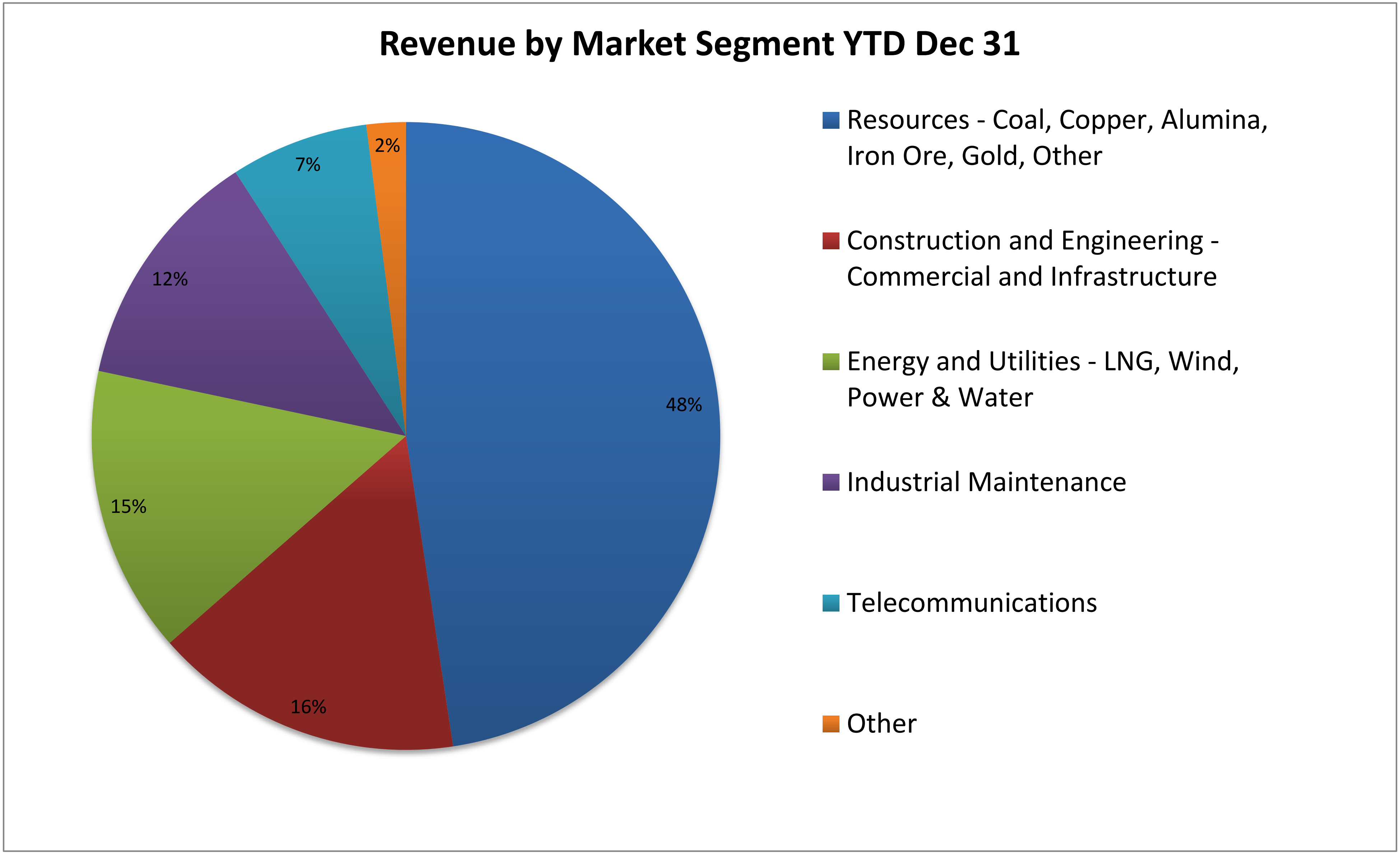
- Review of executive remuneration to be undertaken to ensure that shareholder and management priorities continue to be aligned
- Board actively seeking renewal with the Chairman intending to retire prior to the 2016 AGM

Outlook

Outlook for H2 of FY16:

- Market conditions expected to remain extremely tough with no prospect of rate recovery in the short term
- Rate of revenue regrowth dependent on the pace of success in tender opportunities and the timing of new projects
  - Competitive cost structures to drive tender activity
    - Build critical mass in key geographies
    - Increase exposure and revenue in infrastructure spend
  - Early success with NSW infrastructure project wins to contribute circa $3.0m revenue to H2 result
- Expect second half trading EBITDA to be in the range of $6m-$8m given:
  - Delays to finalisation of EBA negotiations impacting H2 profitability at two depots
  - Resources customers signalling their intent to further reduce maintenance expenditures going into H2, as evidenced by major shutdown activity in Queensland being delayed to FY17
  - Major project conversion lower than anticipated in H2 but pipeline building

Revenue Mix


Revenue by Market Segment YTD Dec 31
48%
16%
15%
12%
7%
2%
Resources - Coal, Copper, Alumina, Iron Ore, Gold, Other
Construction and Engineering - Commercial and Infrastructure
Energy and Utilities - LNG, Wind, Power & Water
Industrial Maintenance
Telecommunications
Other

Fleet Statistics

	Cranes		Travel Towers		Other Assets*		Total^
	West Coast	East Coast	West Coast	East Coast	West Coast	East Coast	
At 30 June 2015							
Number of Assets	104	242	35	202	N/A	N/A	
Value of Assets ($'m)	80.1	99.1	6.6	50.9	10.6	14.8	262.1
Year Ended 30 June 2015							
Number of Assets Disposed	22	56	9	58	N/A	N/A	
Cash Proceeds on Disposal ($'m)	6.8	9.3	0.2	1.6	0.1	2.3	20.3
At 31 December 2015							
Number of Assets	94	226	30	186	N/A	N/A	
Value of Assets ($'m)	66.6	85.7	7.4	45.3	7.9	11.1	224.0
6 Months Ended 31 Dec 2015							
Number of Assets Disposed	10	16	5	16	N/A	N/A	
Cash Proceeds on Disposal ($'m)	3.7	3.5	2.0	0.4	0.6	1.0	11.2

* includes Transports Assets, Machinery, Furniture, Fittings & Equipment and Freehold Land & Buildings

^ includes Assets Held for Sale and Property, Plant and Equipment

Asset Utilisation

- Movement in crane utilisation reflects both asset sales and patterns of demand from customers
  - Sales of cranes with capacity less than 55 tonnes is driving the increase in utilisation
  - Utilisation of cranes with capacity 56-199 tonnes has dropped as a result of level of customer demand. These cranes are used disproportionately by resources customers. Whilst assets are required to fulfil the contracts customer demand is driving lower utilisation
  - Utilisation of 300 tonne+ cranes has dropped reflecting the project activity in the prior year

Crane Capacity	6 months ended 31 Dec 2014	6 months ended 31 Dec 2015
0-25 tonne	75%	80%
26-55 tonne	66%	73%
56-100 tonne	83%	71%
101-199 tonne	71%	65%
200-299 tonne	78%	79%
300 tonne +	87%	71%

- Travel tower utilisation has increased in the higher end 50 metre+ category and decreased in the lower end categories reflecting low customer demand
- Telecommunication and energy sectors have been targeted to increase utilisation of these assets

Investor enquiries:

Brenden Mitchell
Managing Director and
Chief Executive Officer

03 9207 2500

Tim Rogers
Chief Financial Officer

03 9207 2500

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.

BOOM Logistics

Level 6, 55 Southbank Boulevard
Southbank Victoria 3006
T: +61 3 9207 2500
F: +61 3 9207 2400
E: info@boomlogistics.com.au
www.boomlogistics.com.au

BOOM Logistics Limited
ABN 28 095 466 961