

A man wearing an orange high-visibility work shirt with reflective silver stripes and a blue baseball cap is smiling while cleaning a green truck. He is holding a long-handled brush with a yellow bristle head. The truck is green with yellow reflective stripes and has the word "BOOM" and "LOGISTICS" printed on its side, along with the license plate "BL8551".

BOOM

**FY20
Half Year
Results
Presentation**

26 February 2020

FINANCIAL PERFORMANCE

\$'m	H1 FY17	H1 FY18	H1 FY19	H1 FY20*
Trading Revenue	73.1	92.4	92.5	95.2
Trading EBITDA	4.5	11.3	12.0	7.2
Free Cash Flow	3.0	1.0	4.7	11.0
Net Debt	47.2	44.6	34.6	27.3[#]

* like for like pre AASB16

after \$7.5m share buy back

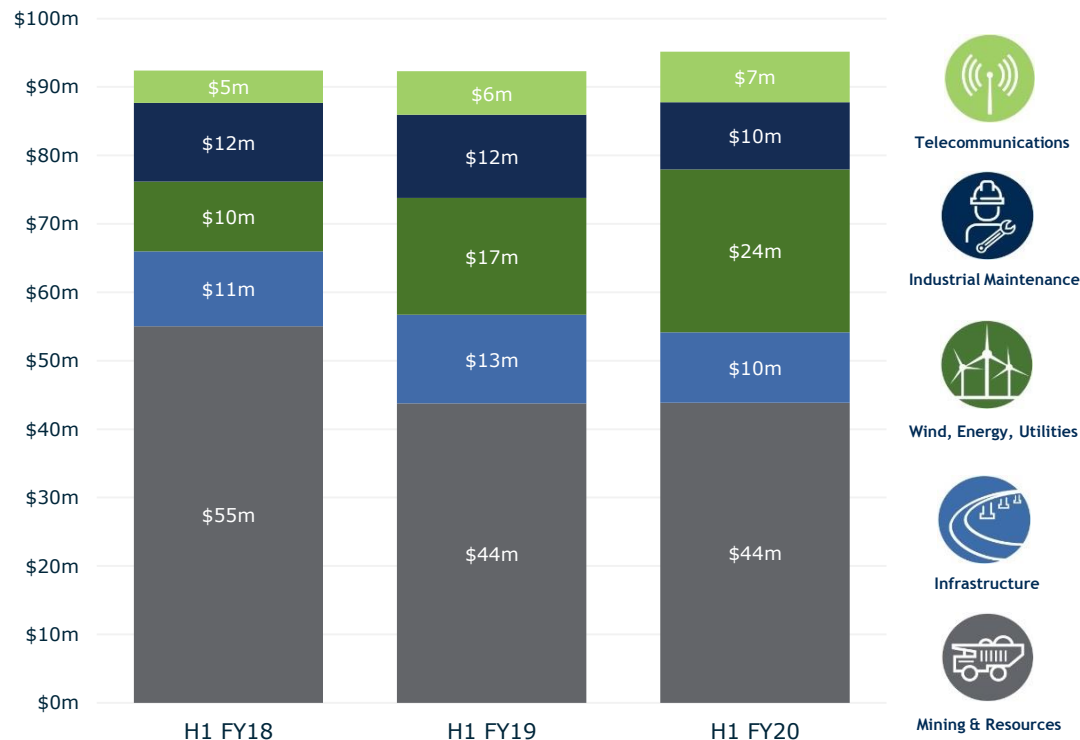
- ❑ **Trading revenue up 3%**
- ❑ **Free cash flow* at \$11.0m up from \$4.7m**
- ❑ **Gearing* at 22%**
(net debt/equity)
- ❑ **Net debt* down to \$27.3m**
- ❑ **46m share buy-back completed**
- ❑ **Interim dividend of 0.5 cents per share**

OPERATING PROFIT

- **Trading revenue up 3%**
- **Trading EBITDA**
 - \$7.2m on a comparable basis to prior period results
- **Direct expenses**
 - Include circa \$5.4m of lease payments for rented equipment compared to \$3.1m H1FY19
 - Changing asset model and AASB16 accounting standard significantly impacts comparison of GP% and EBITDA%
 - Payments for rented equipment increased as replacement asset fleet introduced at Olympic Dam
- **EBIT**
 - Delays and reduction in project scope at Tasmania wind farm project severely impacted H1 results
 - Reduction in project scope reduced revenue by \$5m
 - Project delays and subsequent requirement to run night shifts increased direct expenses
- **Non-trading expenses**
 - \$0.6m restructuring costs associated with reduction of non-client facing administrative roles
 - \$2.3m onerous contract provision relating to costs that will be incurred in H2 FY20 relating to the Tasmania wind farm contract

	31-Dec-19 \$'m		31-Dec-19 \$'m	31-Dec-18 \$'m
	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like	
Revenue	94.9	0.3	95.2	92.5
Other Income	0.0		0.0	2.6
less: Direct Expenses	(67.2)	(5.4)	(72.6)	(67.0)
Gross Profit	27.7	(5.1)	22.6	28.1
<i>GP%</i>	<i>29.2%</i>		<i>23.7%</i>	<i>29.5%</i>
less: Indirect Expenses	(10.0)	(2.5)	(12.5)	(12.7)
less: Central Costs	(2.8)	(0.1)	(2.9)	(3.4)
Trading EBITDA	14.9	(7.7)	7.2	12.0
<i>Trading EBITDA%</i>	<i>15.7%</i>		<i>7.6%</i>	<i>13.0%</i>
less: Non-Trading expenses and provision for onerous contract	(2.9)		(2.9)	(1.0)
less: Impairment	0.0		0.0	(1.0)
Profit on Sale of Assets	0.0	0.1	0.1	0.4
Statutory EBITDA	12.0	(7.6)	4.4	10.4
less: Depreciation Expense	(15.5)	7.3	(8.2)	(8.3)
EBIT	(3.5)	(0.3)	(3.8)	2.1
less: Net Borrowing Costs	(2.3)	0.7	(1.6)	(1.9)
less: Income Tax Expense	0.0		0.0	0.0
Net Profit After Tax	(5.8)	0.4	(5.4)	0.2

REVENUE STREAMS BY SECTOR



**We are
diversifying and
entering new
'value added'
revenue streams**

**Cross-selling
Boom and readi
services to
major customers
and projects**

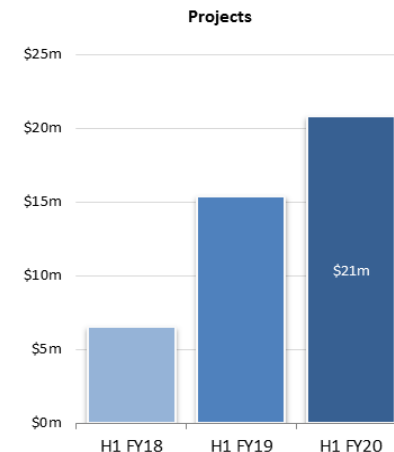
REVENUE – PROJECTS

- Extra works at Coopers Gap QLD wind farm continues to April 2020
- Cattle Hill TAS wind farm expected to be completed in March 2020
- Major new wind farm project, planned to commence H2 FY20
- Increasing revenues and services on wind farm maintenance programs
- Work commenced at Albion Park Rail bypass infrastructure project in NSW
- Growth in Melbourne infrastructure in H2 with new 750t crane
- New revenue opportunities in civil engineering works & rail projects



**\$400m wind farm
tender pipeline
remains solid over
the next 2 years**

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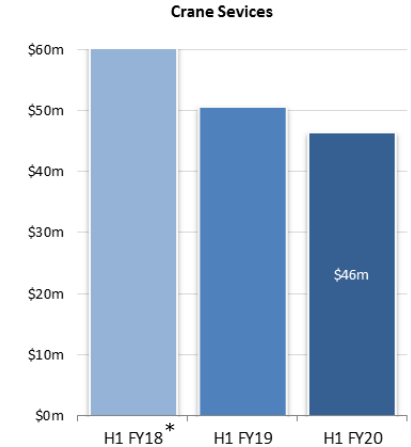
- Wind farm construction
- Bridge installations and infrastructure construction
- Wind farm maintenance programs
- Rail and Infrastructure maintenance works

REVENUE – CRANE SERVICES

- Mining maintenance continued to be strong in Queensland in H1
- Renewed 3 year mining maintenance contract in QLD/NSW valued at circa \$40 million
- NSW revenue was lower in H1 as customers reduced maintenance in the thermal coal sector
- New mining customer to commence in H2 in Hunter Valley
- Major customers in WA implemented cost reduction programs & smaller shutdowns than in previous periods
- New structure in place in WA, performance improving & targeting growth projects in the north-west



**Expanding our
depot footprint into
Moranbah QLD and
north-west WA
for growth**



- Mining maintenance
 - fixed plant
 - mobile equipment
- Engineered specialised lifts
- Shutdown and programmed maintenance services
- Industrial and maintenance services

* Major shutdown at Olympic Dam in FY18

REVENUE – TRAVEL TOWERS

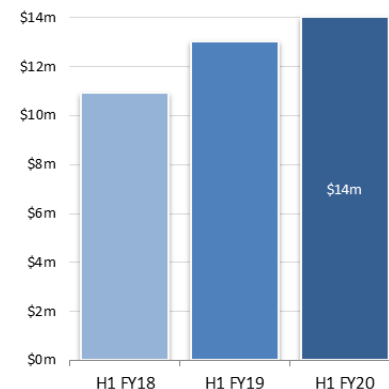
- Roll-out of telecommunications 5G and data network upgrade continues in the metro areas
- Solid revenue growth on electrical transmission string-line to power pole project works in FY20
- New opportunities on high-voltage transmission line works in WA in H2
- Small travel towers with energy customers impacting H2 revenue in fire affected areas on east coast
- Restructured travel tower business and increased sales team resulting in improved performance



High demand for large travel towers in the Energy and Telco sectors

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Travel Towers



- Telecommunications
- Wind farm transmission 'string-line' works
- Infrastructure projects
- High voltage transmission line maintenance works

REVENUE – LABOUR HIRE

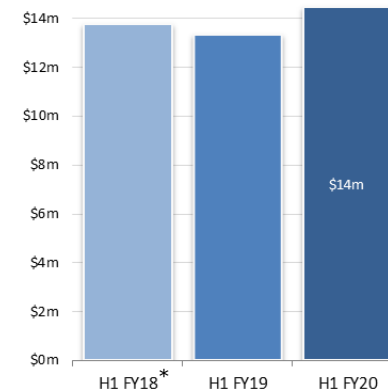
- Labour hire revenue is steady on mining shutdowns and maintenance contracts
- Strengthened sales team to focus on external revenues in oil & gas, mining and infrastructure sectors
- Increased specialised skills required in growing wind farm sector
- Building relationships and value added services with Boom clients, provides an important new labour hire revenue stream
- New labour hire work expected to commence H2 on wind farm civil construction project



**Targeting new
external revenues
and growth
opportunities**

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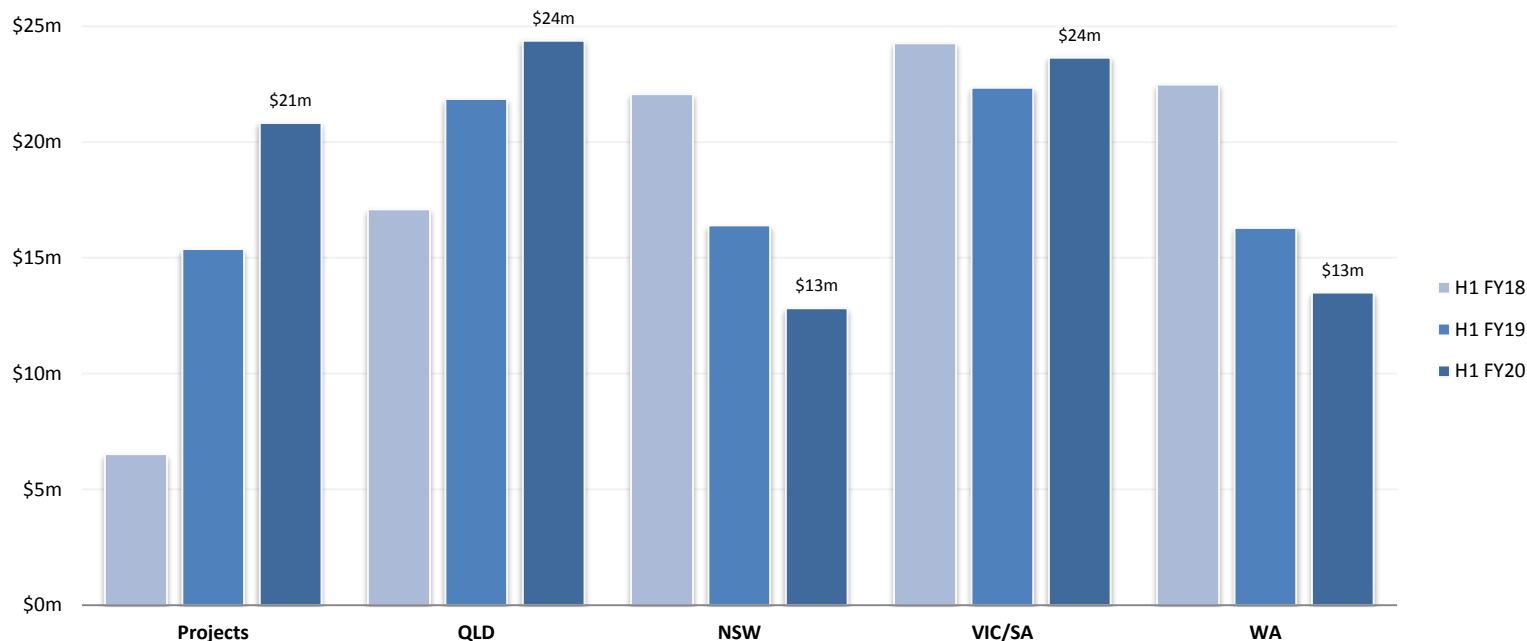
Labour Hire



- Mining shutdown labour hire services
- Oil & Gas maintenance services contracts
- Construction projects labour hire
- Heavy industry & specialised skills in mining

* Major shutdown at Olympic Dam in FY18

REVENUE BY REGION



H1 FY20:	Growth in wind farm construction and maintenance	Mining customer demand remains strong in QLD	Mining revenue lost from NSW industrial dispute	Telco & Energy sector growth in VIC/SA	Cost reduction programs implemented & reduced shutdown activity in WA
H2 FY20:	Commence new wind farm project in H2	Expansion into Moranbah in H2	New mining customer to commence H2	New Melbourne infrastructure work in H2	New contracts won and expansion into northwest in H2

BALANCE SHEET

- **Net debt down***
 - Net debt reduced by \$9.3m in period to \$27.3m
 - Gearing (net debt/equity) at 22%
 - **Trade working capital managed to deliver effective operating cash conversion**
 - **AASB16 accounting standard requires company to bring operating leases on to balance sheet**
 - Right of use asset offset by increase in lease liabilities
- The Group maintains the following operating leases:**
- Rented cranes – short term flexible rental arrangement range between 12-36 months
 - Light commercial vehicles
 - Transport assets - trucks and trailers
 - Property leases
- **Net tangible assets per share maintained at 30 cents**

* Not adjusted for new AASB16 accounting standard

	31-Dec-19		31-Dec-19	30-Jun-19
	\$'m		\$m	\$m
	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like	
Cash	2.0		2.0	1.5
Trade and Other Receivables	34.2		34.2	35.5
Assets Held for Sale	0.2		0.2	0.2
Other Assets	4.4		4.4	9.8
Property Plant and	139.2	(3.7)	142.9	152.1
Right of Use Asset	25.3	25.3	0.0	0.0
Lease Receivable	2.1	2.1	0.0	0.0
Total Assets	207.4	23.7	183.7	199.1
Payables	14.1		14.1	13.9
Bank and Other Loans	25.9	(3.4)	29.3	38.1
Pre paid borrowing costs	(0.2)		(0.2)	(0.2)
Lease Liabilities	25.6	25.6	0.0	0.0
Employee Provisions	8.4		8.4	8.4
Other Liabilities	7.3	1.9	5.4	5.0
Total Liabilities	81.1	24.1	57.0	65.2
Net Assets	126.3	(0.4)	126.7	133.9
Gearing (Net Debt/ Equity)	39%		22%	27%
NTA (cents per share)	0.30		0.30	0.30

CASH FLOW

- Cash from operations strengthened**

- Debtor days reduced by 2 days
- \$4.5m income tax received is a timing benefit only and is repaid in H2 FY20

- Capital expenditure**

- Asset purchases in period limited to \$0.8m with a further \$0.7m paid in relation to prior year additions
- Small number of older under utilised assets sold in period with a further \$1.2m cash received in relation to prior period disposals
- Capex in H2 FY20 to be low with larger capacity cranes continued to be financed through flexible rental arrangements
- Small number of asset sales in H2 FY20 expected

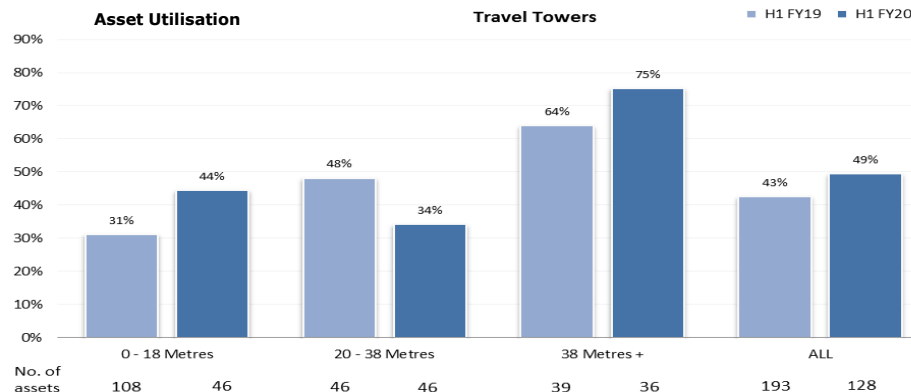
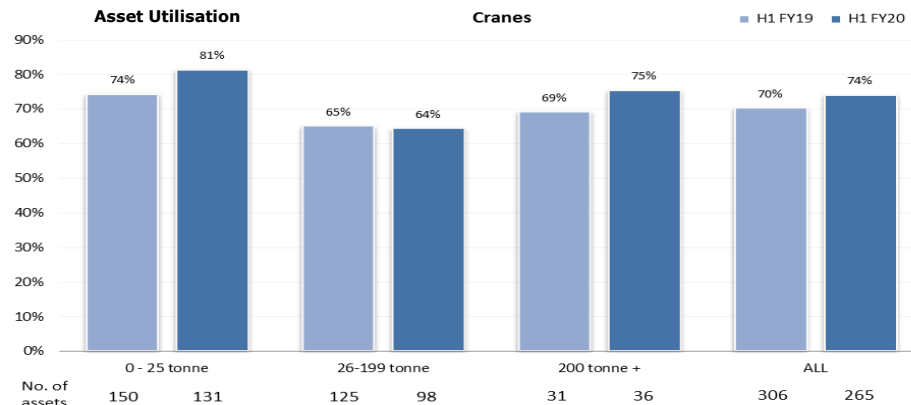
- Capital management**

- Share buy back funded from free cash flow
- \$1.7m spent in period to complete the 10% on market buy program with 46 million shares bought back and cancelled over the 12 month program

	31-Dec-19		31-Dec-19	31-Dec-18
	\$'m		\$m	\$m
	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like	
Trading EBITDA	14.9	(7.7)	7.2	12.0
Cash component of non-trading expenses paid in period including employee leave entitlements	(1.7)		(1.7)	(0.7)
Final cash proceeds from prior period legal settlement	0.8		0.8	0.0
Movement in working capital	(0.7)	1.0	0.3	(2.0)
Interest paid (net of interest received)	(2.2)	0.7	(1.5)	(1.7)
Cash flow from operations before tax	11.1	(6.0)	5.1	7.6
Income tax received	4.5		4.5	4.5
Net cash provided by operating activities	15.6	(6.0)	9.6	12.1
Purchase of property, plant, equipment	(1.5)		(1.5)	(8.7)
Proceeds from the sale of plant and equipment	2.9		2.9	1.3
Net cash provided by/ (used in) investing activities	1.4		1.4	(7.4)
Free cash flow	17.0	(6.0)	11.0	4.7
Net repayment of borrowings	(14.8)	6.0	(8.8)	(2.1)
Payments for shares bought back	(1.7)		(1.7)	(2.0)
Net cash used in financing activities	(16.5)	6.0	(10.5)	(4.1)
Net Increase in Cash	0.5	(0.0)	0.5	0.6

CAPITAL MANAGEMENT

- Interim dividend 0.5 cents per share
- Continue to be diligent on equipment capital expenditure
- Olympic Dam fleet upgraded with new rental assets
- Assets relocated to Queensland and north-west WA for growth
- Flexible asset rental model used on new/growth projects
- Further capital management initiatives to be considered over next 12 months to improve shareholder returns



FY20 OUTLOOK

- Revenue and earnings expected to be stronger in the second half FY20
- Forecast assumes no supply chain disruption or project delays in relation to the coronavirus
 - FY20 trading revenue circa \$200m
 - FY20 trading EBITDA¹ circa \$20m
- Market sector outlook in H2
 - New wind farm projects to commence
 - Growing infrastructure opportunity
 - Mining maintenance is solid
 - New revenue streams via readi
- Evaluating new diversified services, aligned to our current customer base and growth plans
 - Engineering services
 - Mining maintenance & shutdowns
 - Industrial services



¹ Not adjusted for new AASB16 accounting standard



BOOM

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