

A photograph of five men standing in front of a green Boom Logistics truck. The men are wearing orange high-visibility work shirts with reflective silver stripes and blue jeans. The truck has "GHUNGALOU" written in large black letters on its side, with two handprints below it. The Boom Logistics logo is visible on the side of the truck and on the men's shirts. The word "GROVE" is also visible on the truck's side.

BOOM

**FY20
Full Year
Results
Presentation**

27 August 2020

FINANCIAL PERFORMANCE

\$'m	FY18	FY19	FY20*
Trading Revenue	183.1	182.7	186.2
Trading EBITDA	21.1	20.1	13.3
Trading EBIT	2.9	2.8	(3.4)
Free Cash Flow	8.4	8.8	18.8
Net Debt	37.3	36.6	19.6

- **Trading revenue* up 1.9%**
- **Free cash flow* up \$10.0m**
- **Gearing* down to 17% (net debt/equity)**
- **Asset sales of \$4.6m**
- **Net tangible assets 27 cents per share**
- **Share buy-back of \$1.7m**
- **Interim dividend of 0.5 cents per share to be paid on 2 October 2020**

* like for like pre AASB16

One-off wind farm project cost led to the disappointing FY20 result

- \$7.5m loss on the Cattle Hill wind farm project due to major delays, extreme weather conditions resulting in lower productivity and reduced scope of work
- COVID-19 impacted 2H FY20 revenues with delays to infrastructure, wind farm projects and maintenance activity
- \$1.8m impairment on small obsolete travel tower assets
- Delayed expansion in to the north-west WA due to COVID-19 restrictions
- Bushfires on east coast impacted small travel tower revenue
- The labour market tightened as mine maintenance & shutdowns reduced and project delays due to the coronavirus



One-off wind farm project cost and COVID-19 impacted FY20 earnings

Actions taken to reduce contract risk and improve results in FY21

- Strengthened risk management procedures and contract review processes to protect against major weather and other delays on future projects
- Changed contracting method on construction projects – moderated fixed fee pricing and increased equipment hire and labour rate model
- Delayed entering new construction based contracts during pandemic with supply chain risks and start date timing uncertainty
- Refocused on recurring revenue streams in mining and wind farm maintenance and growth in the energy sector
- Capital expenditure restricted, with investment in equipment for new projects being via the flexible asset rental model

OPERATIONS RESET FOR PROFIT GROWTH

BOOM

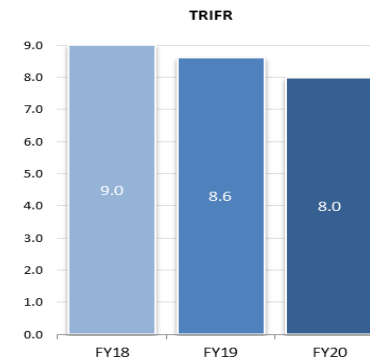
Focus on diversifying and targeting new recurring revenue streams

- Mining maintenance activity remained solid with our major customers under longer term contracts
- Wind farm project team successfully completed Coopers Gap QLD and relocated to a new wind farm project in Victoria
- Streamlined the travel tower business with rebalanced fleet – aimed at key telco's and growth in the energy sector
- Appointed new general manager in WA to lead new sales team focused on recurring revenue streams with new 3 year maintenance contract won
- Recruited new *readi* general manager to drive external revenue growth in labour hire services
- Restructured national overhead and reduced non-customer facing roles
- Closed Newcastle travel tower depot



Safety of our customers and employees is our priority – as we continue our journey to zero harm

We undertook a safety “reset” to improve performance



- Total Recordable Injury Frequency Rate (TRIFR) decreased to 8.0
- We undertook a safety “reset” during the year to increase focus on safety management interactions
- Safe Act Observations Frequency Rate (SAOFR) increased to 6450, an improvement of 65% on previous year

Actions & Response

- Established COVID-19 safe plans and new risk management procedures across all depots and sites
- Conducted weekly risk reviews and introduced response team led by the CEO
- Enforced social distancing requirements, established stringent cleaning processes and introduced temperature checks at all depots
- National travel restrictions in place, with exception of FIFO crews able to gain permits and access to specific projects
- New safety processes introduced at depots and on sites, to ensure crews' and customers' safety
- Cash preservation measures initiated, including deferral of taxes inline with government relief packages and extended credit terms with suppliers



Introduced stringent cleaning processes and hygiene protocols across all depots

Operational Impact

- Safety and social distancing resulted in the reduction of crews on sites, such as Esso offshore contract
- Border closures and travel restrictions impacted FIFO crews travelling to projects and shutdowns including movement of assets
- Infrastructure and wind farm project delays, decrease in shutdowns, and postponed maintenance activities impacted revenues in 2H FY20
- Delayed expansion into new growth regions, such as the north-west WA and Central Queensland
- The labour hire market tightened as mining maintenance and shutdowns reduced in size and scale
- **No confirmed cases of COVID-19 among Boom employees**

OPERATING RESULTS

- **Trading EBITDA**

- \$13.3m pre AASB16, like for like basis

- **Direct expenses**

- Includes additional \$3.8m of equipment rental costs (circa \$9.7m compared to \$5.9m FY19)
- Changing asset model and AASB16 accounting standard significantly impacts comparison of GP% and EBITDA%
- High costs on loss making Cattle Hill project impacted direct expenses

- **Indirect expenses and central costs**

- Impact of travel tower restructure in FY19
- Non-client facing administrative roles reduced in year
- Cost controls as a result of COVID-19

- **Non-trading expenses**

- \$0.9m restructuring costs associated with reduction of administrative roles and closure of Newcastle travel tower depot
- \$2.7m relating to onerous wind farm contract that is under dispute
- \$0.6m in insurance excess amounts payable following damage to equipment

- **EBIT**

- \$7.5m loss (including non-trading expense) incurred on Cattle Hill wind farm project impacted FY20 result
- \$1.8m impairment on small obsolete travel tower assets
- Project delays due to COVID-19 impacted 2H revenues and profit

	30-Jun-20 \$'m	30-Jun-19 \$'m	Mvmt \$'m
	Pre AASB16 Like-for-Like*		
Revenue from Services	186.2	182.7	3.5
Other Income	0.0	2.6	(2.6)
less: Direct Expenses	(142.6)	(134.3)	(8.3)
Gross Profit	43.6	51.0	(7.4)
GP%	23.4%	27.9%	
less: Indirect Expenses	(24.5)	(24.6)	0.1
less: Central Costs	(5.8)	(6.3)	0.5
Trading EBITDA	13.3	20.1	(6.8)
Trading EBITDA%	7.1%	11.0%	
less: Non-Trading Expenses	(4.2)	(2.0)	(2.2)
plus: Non-Trading Income	0.0	1.6	(1.6)
	9.1	19.7	
less: Impairment	(1.8)	(2.0)	0.2
Profit/(Loss) on Sale of Assets	0.4	(2.0)	2.4
Statutory EBITDA	7.7	15.7	(8.0)
less: Depreciation Expense	(16.7)	(17.3)	0.6
EBIT	(9.0)	(1.6)	(7.4)
less: Net Borrowing Costs	(3.0)	(3.7)	0.7
less: Tax Expense	(4.5)	0.0	(4.5)
Net Loss After Tax	(16.5)	(5.3)	(11.2)

*a reconciliation to the statutory results is at Appendix 1

BALANCE SHEET

- Net debt down***

- Net debt reduced by \$17m in period to \$19.6m
- Gearing (net debt/equity) at 17%

- Capital management**

- 11.4 million shares bought back and cancelled at a cost of \$1.7m in 1H FY20
- Cash preservation and debt reduction prioritised in 2H FY20 as a prudent response to COVID-19
- Payment of interim dividend of 0.5 cents per share, with a record date of 31 March 2020, deferred to 2 October 2020

- AASB16 accounting standard requires company to bring operating leases on to balance sheet**

- Right of use asset offset by increase in lease liabilities
- Gearing post AASB16 at 34%

The Group maintains the following operating leases:

- Rented cranes – short term flexible rental arrangements
- Light commercial vehicles
- Transport assets - trucks and trailers
- Property leases

- Net tangible assets per share 27 cents**

* Not adjusted for new AASB16 accounting standard

	30-Jun-20	30-Jun-19	mvmt
	\$m	\$m	\$m
	Pre AASB16 Like-for-Like*		
Cash	2.1	1.5	0.6
Trade and Other Receivables	34.6	35.5	(0.9)
Other Assets	3.0	9.8	(6.8)
Assets Held for Sale	3.1	0.2	2.9
Property Plant and Equipment	127.7	152.1	(24.4)
Total Assets	170.5	199.1	(28.6)
Payables	11.9	13.9	(2.0)
Bank and Other Loans	21.7	38.1	(16.4)
Pre paid borrowing costs	(0.1)	(0.2)	0.1
Employee Provisions	8.9	8.4	0.5
Other Liabilities	7.9	5.0	2.9
Tax Payable	4.4	0.0	4.4
Total Liabilities	54.7	65.2	(10.5)
Net Assets	115.8	133.9	(18.1)
Gearing (Net Debt/ Equity)	17%	27%	
NTA (cents per share)	0.27	0.30	

*a reconciliation to the statutory results is at Appendix 1

CASH FLOW

- Cash from operations strengthened**

- Working capital tightly managed
- COVID-19 response included prudent cash preservation measures. Circa \$1.6m of cash payments deferred to FY21 with the agreement of the counterparty
- \$4.5m income tax received in FY20 and to be repaid over 24 months

- Capital expenditure**

- Minor asset purchases in FY20 limited to \$1.6m with a further \$0.6m paid in relation to prior year additions
- A number of older under utilised-assets sold in period. \$1.2m cash also received in relation to prior period disposals. \$1.5m cash to be received in FY21 in relation to asset sales completed in June 2020
- Capex in FY21 to be low with larger capacity cranes continued to be financed through flexible rental arrangements where suitable
- 35 small obsolete travel tower assets transferred to assets held for sale at year end. Sale proceeds of circa \$3m are expected in 1H FY21

- Free Cash Flow**

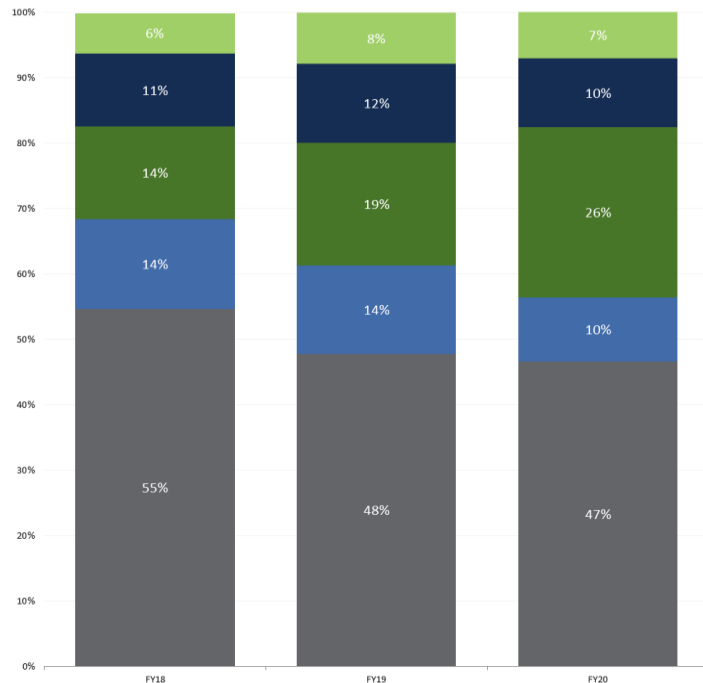
- Debt reduction prioritised in 2H FY20

	30-Jun-20	30-Jun-19	mvmt
	\$m	\$m	\$m
	Pre AASB16 Like-for-Like*		
Trading EBITDA	13.3	20.1	(6.8)
less: cash component of non-trading expenses paid in period	(1.8)	(1.6)	(0.2)
Cash proceeds from legal settlement	0.8	0.8	0.0
Movement in working capital	2.5	(2.8)	5.3
Cash Flow from operations before interest and tax	14.8	16.5	(1.7)
Interest paid (net of interest received)	(2.9)	(3.3)	0.4
Income tax received	4.5	0.0	4.5
Net cash provided by operating activities	16.4	13.2	3.2
Purchase of plant, equipment	(2.2)	(10.8)	8.6
Proceeds from the sale of plant and equipment	4.6	6.4	(1.8)
Net cash used in investing activities	2.4	(4.4)	6.8
Free cash flow	18.8	8.8	10.0
Transaction costs related to borrowings	0.0	(0.2)	0.2
Net repayment of borrowings	(16.4)	(2.8)	(13.6)
Payments for Shares Bought Back	(1.7)	(6.0)	4.3
Net cash used in financing activities	(18.1)	(9.0)	
Net Increase/ (Decrease) in Cash	0.7	(0.2)	0.9

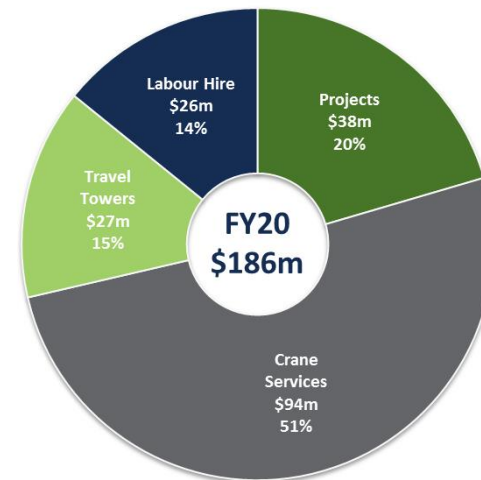
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REVENUE STREAMS

Growth in project revenues, supported by longer term mining services contracts



Increasing focus on new recurring revenue streams



Introducing new value-added services to our customers

CRANE SERVICES

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FY20 Overview

- Activity with mining maintenance customers continued to be strong in Queensland, revenue increased by 8% on prior year
- Renewed 3 year mining maintenance contract with Glencore, with majority of major mining customers under long term contracts
- New mining customer commenced in the 2H in the Hunter Valley; however, other NSW mining customers reduced maintenance activity in the second half
- New maintenance contract won in WA, with performance improving and WA revenues increased by 6% on prior year

FY21 Outlook

- We are re-establishing in Moranbah QLD, where we are seeing interest from miners
- Expanding our service offer at Olympic Dam where another major shutdown is planned
- Operations at Port Hedland depot in north west WA to commence in the first quarter



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

Crane Services



**FY20 revenue similar
to previous year**

- Mining maintenance services
 - fixed mining plant
 - mobile mining equipment
- Engineered specialised lifts
- Shutdown, industrial and programmed maintenance services

* Major shutdown at Olympic Dam in FY18

PROJECTS

FY20 Overview

- Successful completion of Coopers Gap wind farm project in QLD with additional works completed in May 2020
- Increasing revenues and services on national wind farm maintenance programs
- Work continues on Albion Park Rail bypass infrastructure project in NSW

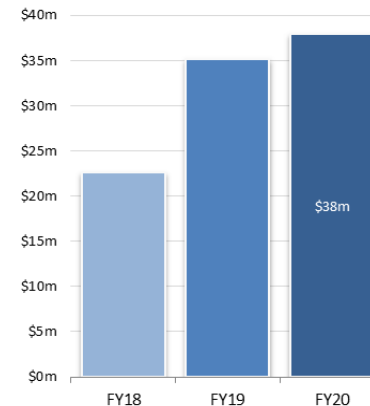
FY21 Outlook

- Commenced work on a new wind farm in Victoria on an equipment hire and labour rate model to continue through the first half
- Major new contract awarded to support work on the Snowy 2.0 project and commenced August 2020
- Parramatta light rail infrastructure contract won in NSW commencing in the first quarter
- Growth opportunities in infrastructure, civil engineering and rail crossing projects on the east coast



Wind farm tender pipeline remains strong over the next 2 years

Projects



FY20 revenue up 8%

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

TRAVEL TOWERS

FY20 Overview

- Restructured travel tower business delivered cost savings and improved performance
- Solid revenue growth on electrical transmission, string-line to power pole, project work on wind farms
- Roll-out of telecommunications 5G and data network upgrades continued in the metropolitan areas
- Small travel towers impacted by bushfire affected areas on east coast
- Utilisation improved on larger assets and rebalanced fleet targeting the energy sector

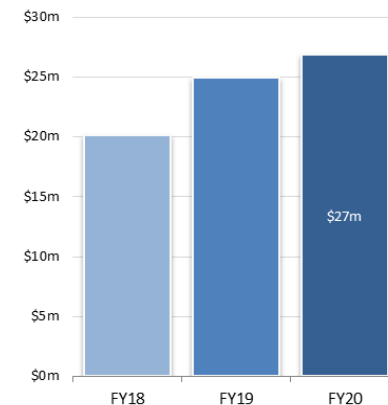
FY21 Outlook

- Won major new high-voltage transmission line works project in the Pilbara region of WA, commenced August 2020
- Significant new growth opportunities in the high voltage interconnector and renewables sectors over the next 5 years



Strong demand for large travel towers in the telecommunications & energy sectors

Travel Towers



FY20 revenue up 8%

- Telecommunications – 5G and data network installations
- Wind farm transmission 'string-line' works
- Major interconnector & power grid infrastructure projects
- High voltage transmission line maintenance works

LABOUR HIRE

FY20 Overview

- *readi* labour hire revenue was steady supplying support labour to Boom mining customers and wind farm projects
- Oil & Gas and industrial maintenance revenues were in line with the previous year in the first half
- COVID-19 impacted revenue in the second half, as social distancing requirements impacted numbers of crew allowed on site
- The labour market tightened, as shutdowns were reduced and projects were delayed due to the coronavirus

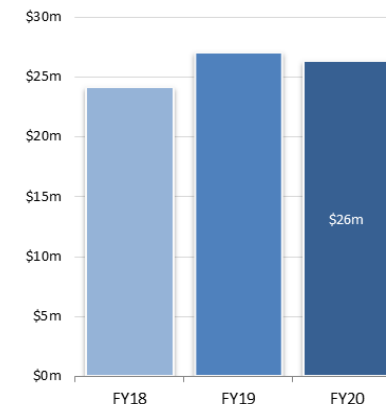
FY21 Outlook

- *readi* is supplying labour to Boom to support introduction of new value-added services to contracted customers
- *readi* has stayed connected with its workforce and this will allow the business to ramp up services when restrictions ease



***readi* is making progress with new external customer opportunities**

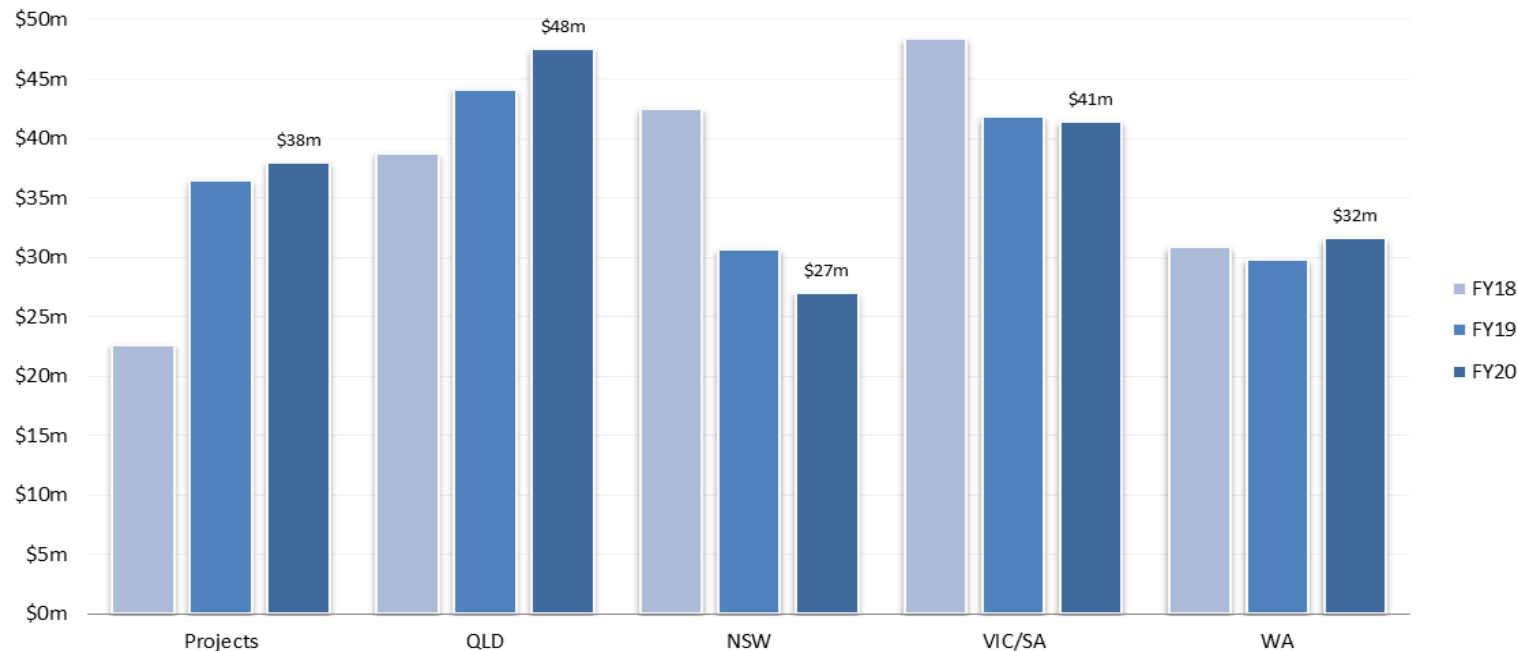
Labour Hire



FY20 revenue down 3%

- Mining shutdown & maintenance labour
- Oil & Gas maintenance service contracts
- Construction, heavy industry labour & specialised skills in wind farm sector

REVENUE BY REGION



FY20:	Growth in wind farm, civil and infrastructure	Contracted mining customers demand remained strong	Mining customers lost from FY19 industrial dispute	Activity remains steady with contracted clients	New contracts and projects won with increased sales activity
FY21:	Commenced at Snowy 2.0 and new wind farm	New services to be expanded to major miners	Revenue in NSW dependant on coal mining activity	Olympic Dam shutdown in planning phase	Expansion and revenue growth in the north-west

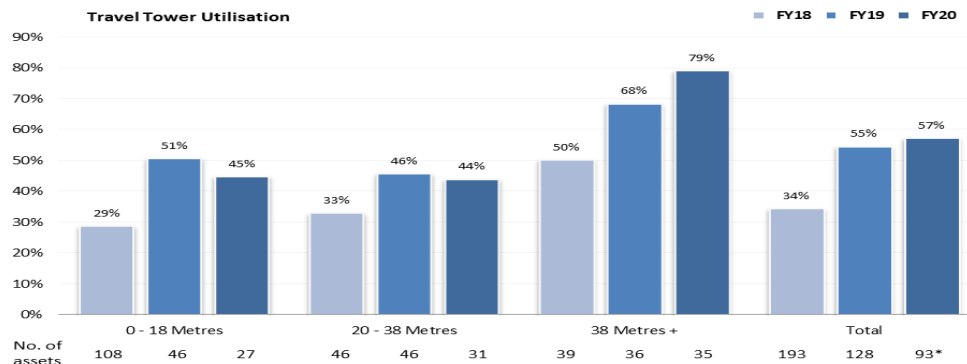
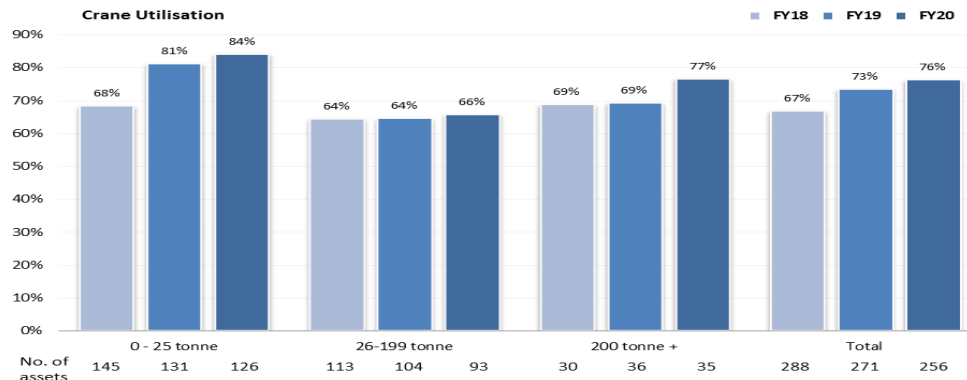
ASSET MANAGEMENT

FY20 Overview

- Continued to be diligent with minimal equipment capital expenditure
- Flexible asset rental model used on new growth projects and major contracts
- Improved larger travel tower utilisations on wind farm and energy projects

FY21 Outlook

- Low age assets to be relocated to the north-west WA for growth
- A further 35 obsolete travel towers to be auctioned in 1H FY21
- Capital recycling approach to support growth opportunities
- Planned 10 year maintenance and refurbishment program on selected assets
- Additional assets to be considered for growth:
 - Large travel towers for energy sector projects
 - North-west tenders to be submitted
 - New infrastructure contracts being tendered



* FY20 excludes 35 Travel Towers held for sale

FY21 OUTLOOK

While uncertainties remain due to COVID-19, we have laid the foundations for growth, underpinned by low debt and strong cash flow

- **Safety Always** – the priority is to keep our people and customers safe
- **Recurring revenue streams** – focus on diversifying and targeting new recurring revenue streams, concentrating on maintenance work
- **Introducing value-added services**
 - expanding our mining maintenance and shutdown services
 - supplying specialised skills & labour hire solutions
 - providing engineering & technical lifting services
- **Capital light strategy** – continue to be diligent on capital expenditure and support growth opportunities through the flexible asset rental model



Focus on recurring revenue streams and growth markets

Outlook for business

- **Crane Services** - expect stronger year underpinned by additional work on CQ mine sites, new Hunter Valley contract, strengthening presence in WA and expanding our maintenance service offering
- **Projects** - new contracts to lead to improved performance, with further growth from increasing infrastructure work such as rail, bridge and tunnel projects and wind farm maintenance
- **Travel Towers** – improved returns with a rebalanced fleet and focus on larger travel towers, capitalising on growth in renewable energy sector and upgrades to electricity grid
- **Labour Hire** - outlook dependent on pandemic, but capturing new work in mining/construction/infrastructure sectors and well placed to grow when restrictions ease



BOOM

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APPENDIX 1 – Reconciliation to Statutory Accounts

	30-Jun-20 \$'m		30-Jun-20 \$'m
	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like
INCOME STATEMENT			
Revenue from Services	185.5	0.7	186.2
Other Income	0.0		0.0
less: Direct Expenses	(130.9)	(11.7)	(142.6)
Gross Profit	54.6	(11.0)	43.6
<i>GP%</i>	<i>29.4%</i>		<i>23.4%</i>
less: Indirect Expenses	(19.6)	(4.9)	(24.5)
less: Central Costs	(5.6)	(0.2)	(5.8)
Trading EBITDA	29.4	(16.1)	13.3
<i>Trading EBITDA%</i>	<i>15.8%</i>		<i>7.1%</i>
<i>less: Non-Trading Expenses</i>	<i>(4.1)</i>	<i>(0.1)</i>	<i>(4.2)</i>
<i>plus: Non-Trading Income</i>	<i>0.0</i>		<i>0.0</i>
	25.3	(16.2)	9.1
<i>less: Impairment</i>	<i>(1.9)</i>	<i>0.1</i>	<i>(1.8)</i>
Profit/(Loss) on Sale of Assets	0.4		0.4
Statutory EBITDA	23.8	(16.1)	7.7
less: Depreciation Expense	(31.9)	15.2	(16.7)
EBIT	(8.1)	(0.9)	(9.0)
less: Net Borrowing Costs	(4.4)	1.4	(3.0)
less: Tax Expense	(4.5)		(4.5)
Net Loss After Tax	(17.0)	0.5	(16.5)

	30-Jun-20 \$m		30-Jun-20 \$m
	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like
CASH FLOW			
Trading EBITDA	29.4	(16.1)	13.3
less: cash component of non-trading expenses paid in period	(1.8)		(1.8)
Cash proceeds from legal settlement	0.8		0.8
Movement in working capital	0.2	2.3	2.5
Cash Flow from operations before interest and tax	28.6	(13.8)	14.8
Interest paid (net of interest received)	(4.3)	1.4	(2.9)
Income tax received	4.5		4.5
Net cash provided by operating activities	28.8	(12.4)	16.4
Purchase of plant, equipment	(2.2)		(2.2)
Proceeds from the sale of plant and equipment	4.6		4.6
Net cash used in investing activities	2.4	0.0	2.4
Free cash flow			18.8
Transaction costs related to borrowings	0.0		0.0
Net repayment of borrowings	(28.8)	12.4	(16.4)
Payments for Shares Bought Back	(1.7)		(1.7)
Net cash used in financing activities	(30.5)	12.4	(18.1)
Net Increase/ (Decrease) in Cash	0.7	0.0	0.7

APPENDIX 1 – Reconciliation to Statutory Accounts

	30-Jun-20		30-Jun-20
	\$m		\$m
BALANCE SHEET	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like
Cash	2.1		2.1
Trade and Other Receivables	34.6		34.6
Other Assets	3.5	0.5	3.0
Assets Held for Sale	3.1		3.1
Property Plant and	124.2	(3.5)	127.7
Right of Use Asset	22.8	22.8	0.0
Lease Receivable	1.6	1.6	0.0
Total Assets	191.9	21.4	170.5
Payables	11.9		11.9
Bank and Other Loans	18.5	(3.2)	21.7
Pre paid borrowing costs	(0.1)		(0.1)
Employee Provisions	8.9		8.9
Other Liabilities	9.9	2.0	7.9
Tax Payable	4.4		4.4
Lease Liabilities	23.1	23.1	0.0
Total Liabilities	76.6	21.9	54.7
Net Assets	115.3	(0.5)	115.8
Gearing (Net Debt/ Equity)	34%		17%
NTA (cents per share)	0.27		0.27

	30-Jun-20		30-Jun-20	30-Jun-19
	\$m		\$m	\$m
NET DEBT	STATUTORY	AASB16 ADJ	Pre AASB16 Like-for-Like	
Syndicated Debt	5.0		5.0	11.0
Trade Receivables Loan	4.1		4.1	7.6
Finance Arrangement	9.4		9.4	15.7
Finance Leases	0.0	(3.2)	3.2	3.7
AASB16 Lease Liabilities including Finance Leases	23.1	3.2	-	-
Gross Debt	41.6		21.7	38.0
Less: Cash on hand	(2.1)		(2.1)	(1.4)
Net Debt	39.5		19.6	36.6
Gearing (Net Debt/ Equity)	34%		17%	27%

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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