



December 2012 Half Year Results Presentation

February 2013





Continued revenue and profit growth

- **Statutory EBIT of \$16.1m**
 - **Statutory NPAT of \$7.6m**
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- **Core business revenue growth of 11% on p.c.p.**
 - **Trading EBIT of \$17.8m → up \$1.8m, 12%**
 - **Trading NPAT of \$8.8m → up \$1.9m, 28%**
 - **Gearing at 39%**
 - **Capital investment of \$31.2m**
 - **Net Tangible Assets per share increased to \$0.53**

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 1H13 Trading EBIT result is a non-IFRS measure that excludes \$1.7m of one-off items, comprising restructuring costs. Boom's FY12 Trading NPAT is a non-IFRS measure that excludes the after-tax impact of these one-off items, being \$1.2m.
3. Gearing = Net Debt / Equity; p.c.p. = prior corresponding period



- ❑ **Continued p.c.p. growth in a challenging environment.**
- ❑ **Western Australia, Olympic Dam and Boom Sherrin performed solidly during the first half.**
 - Increased activity among major Western Australian customers underpinning solid earnings growth compared with 1H12.
 - The transition of crane operations at BHPB Olympic Dam was completed successfully by Boom, with all capital and 60 employees now in place and performing in line with expectations.
 - Boom Sherrin delivered 17% EBIT growth compared with 1H12.
- ❑ **Boom's growth in the first half of 2013 was achieved despite:**
 - reduction in coal prices and the strong Australian Dollar leading to reduced and volatile maintenance volumes in the coal sector;
 - a continuing drive from major mining companies to reduce costs which has resulted in significant variability in activity and a general pushback on service rates;
 - the pipeline of projects in the power and utility sectors, serviced by our travel towers, not proceeding as scheduled; and
 - lower activity in the construction and infrastructure sectors impacting on both the Access business and Heavy Lift Projects business.



- ❑ **Capital investment is focussed on improving the fleet profile to support core activity, with a clear emphasis on improving overall returns.**
- ❑ **Capital expenditure of \$16.1m has been invested in the core business of travel towers. This is in line with our strategy to grow in the active telecommunications and power transmission markets and maintain our number one market position.**
- ❑ **Boom continues to assist customers to improve productivity and will adapt its operations accordingly.**
- ❑ **Boom is committed to safety and quality and will continue to invest and drive for improved operational efficiency within our business and for our customers.**



Management's response to changes in customer demand has translated into increased revenue and a flow through to earnings growth. This restructuring is an ongoing process as the Company targets business wide cost reductions and increased operating flexibility.

Bowen Basin restructuring

- While Bowen Basin performance was better than p.c.p., coal related activity was inconsistent and below expectations.
- 10 voluntary redundancies effected in December at a cost of \$0.3m.
- Further redundancies and restructuring may be required to deliver a more appropriate labour model that matches supply with demand.

New South Wales restructuring

- NSW was impacted by lower maintenance works at Newcastle, a lack of activity in infrastructure works and less activity in Port Kembla associated with the steelworks.
- 29 positions made redundant in Port Kembla in December at a cost of \$0.7m.

Brisbane restructuring

- The Brisbane depot was significantly restructured in July 2012 with assets redeployed to core markets in NSW, Central QLD & WA.
- 20 redundancies and a restructure cost \$0.7m.

Financial Review 1H13

Profit & Loss



\$m	1H12	1H13	% change
Revenue			
Crane Logistics	137.9	156.0	13%
Boom Sherrin	34.0	29.5	(13%)
Discontinued businesses	3.6	-	
Operating Revenue	175.5	185.5	6%
Interest Income	0.2	0.2	
Total Revenue	175.7	185.7	6%
Trading EBIT			
Crane Logistics	18.9	21.5	14%
Boom Sherrin	3.5	4.1	17%
Discontinued businesses	0.2	-	
Central costs	(6.6)	(7.8)	(18%)
Total Trading EBIT	16.0	17.8	12%
<i>Trading EBIT Margin</i>	9%	10%	
Interest Expense & Borrowing Costs	(5.9)	(5.2)	(12%)
Tax	(3.2)	(3.8)	
Trading Net Profit after Tax	6.9	8.8	28%
Trading Adjustments	1.1	(1.2)	
Statutory Net Profit after Tax	8.0	7.6	(5%)

- **11% revenue growth from core business (Crane Logistics and travel towers in Boom Sherrin)**
- **Solid EBIT growth of 14% in Crane Logistics as a result of growth in Western Australian and the introduction of Olympic Dam offsetting challenging markets on the East Coast, particularly in coal**
- **Boom Sherrin EBIT growth and margin improvement from 10% in 1H12 to 14% in 1H13 as a result of restructuring activity undertaken in FY12**
- **Central costs includes \$0.8m for payment of FY12 short term incentives**
- **12% reduction in interest expense and borrowing costs as a result of the rundown of legacy finance leases and lower interest rates**

Financial Review 1H13

Balance Sheet



Statutory \$m	30 June 2012	31 December 2012	Movement
Cash	10.1	7.9	(2.2)
Trade Receivables	70.0	68.8	(1.2)
Income Tax Receivable	8.0	4.3	(3.7)
Inventories	0.3	0.3	-
Assets Held For Sale	4.6	5.5	0.9
Plant & Equipment	342.3	354.0	11.7
Intangibles	74.2	75.1	0.9
Other Current Assets	3.5	4.5	1.0
Total Assets	513.0	520.4	7.4
Payables	36.9	23.3	(13.6)
Borrowings	123.9	135.7	11.8
Provisions	14.0	13.8	(0.2)
Other current & non-current liabilities	22.5	24.1	1.6
Total Liabilities	197.3	196.9	(0.4)
Net Assets	315.7	323.5	7.8
Net Tangible Assets per share	0.52	0.53	

- Solid balance sheet metrics maintained
 - Gearing: 39%
 - NTA: 0.53 cents per share
- Whilst trade receivables have reduced from prior year (on increased revenue), improvement in debtors days continues to be a major focus in FY13
- June 2012 payables included \$11.5m of Letters of Credit which were settled and funded in 1H13
- Intangibles increase reflects the investment in Boom's integrated National payroll and general ledger systems, both of which were completed in 1H13 and are already delivering efficiencies to the business

Financial Review 1H13

Cash Flow



Statutory \$m	1H12	1H13	Movement
Net receipts / (payments)	27.6	31.0	3.4
Net interest received / (paid)	(5.4)	(4.8)	0.6
Income tax received / (paid)	-	-	-
Net Cash provided from operating activities	22.2	26.2	4.0
Purchase of plant and equipment	(28.0)	(42.7)	(14.7)
Payments for intangible assets - software development	(0.9)	(1.2)	(0.3)
Proceeds from the sale of plant and equipment	11.1	4.0	(7.1)
Net Cash used in investing activities	(17.8)	(39.9)	(22.1)
Net repayments of borrowings	(3.4)	11.5	14.9
Payment of dividends	-	-	-
Cash used in financing activities	(3.4)	11.5	14.9
Net increase / (decrease) in cash	1.0	(2.2)	(3.2)
Closing cash	10.1	7.9	2.2

- Improved operating cash flows reflect p.c.p. growth

- \$42.7m of cash outflow for plant and equipment funded in 1H13, comprising:

- \$11.5m of FY12 assets funded through Letters of Credit at 30 June 2012
- \$31.2m of new purchases of plant & equipment in 1H13

- Capital investment continues to support specific customer and market demand

- \$15.2m BHPB Olympic Dam
- \$16.1m Travel Towers
- \$6.4m Western Australia
- \$1.9m East Coast Projects group
- \$1.7m Aitkin dry hire crane replacement
- \$1.4m other



- ❑ **FY13 Trading EBIT guidance is circa \$39m – a 10% increase on the prior year**
- ❑ **This outlook is dependant upon:**
 - no further major weather events;
 - maintenance of current major contracts and some improvement in East Coast performance; and
 - projects in utilities proceeding in line with current plans, following delays experienced in December and January.
- ❑ **Priorities for the remainder of FY13 include:**
 - adapting Boom's operations as customers in the coal sector transition to a new operating paradigm;
 - continuing to refine Boom's labour model to achieve greater flexibility; and
 - focussing on major pipeline opportunities for growth.



**Half Year Results
Presentation**

Appendix

Explanatory Notes

Note 1: Trading adjustments

The table below sets out the trading adjustments in the 1H13 result.

	EBIT	NPAT
Statutory result	16.1	7.6
Less restructuring costs		
Bowen Basin	0.3	0.2
Port Kembla	0.7	0.5
Brisbane	0.7	0.5
Trading result	17.8	8.8

Note 2: Statutory Revenue reconciliation

The table below sets out the composition of statutory revenue in 1H12 and 1H13.

Statutory \$m	1H12	1H13	% change
Crane Logistics	137.9	156.0	13%
Boom Sherrin Travel Towers	17.9	17.4	(3%)
Core Business Revenue	155.8	173.4	11%
Boom Sherrin Access & Other	16.1	12.1	(25%)
Revenue from Continuing Operations	171.9	185.5	8%
Revenue from Discontinued Businesses	3.6	-	
Operating Revenue	175.5	185.5	6%
Interest Income	0.2	0.2	-
Profit on Sale of Melbourne tower cranes			
Total Statutory Revenue	175.7	185.7	6%



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