



26 October 2023

BSA AGM 2023 Chair and Joint CEO Addresses

BSA Limited (ASX: BSA) - Attached are the Addresses to be delivered by the Chairman, Nicholas Yates and Joint CEO's Arno Becker and Richard Bartley at BSA Limited AGM to be held at 2.00pm on Thursday, 26 October 2023.

This announcement is authorised for release to the ASX by the Board



Annual General Meeting

26 October 2023

Chair Address

Dear Shareholders

FY2023 has been a significant year for BSA. As a company we have enacted change and transformed the business. I want to express my appreciation to our people, customers, shareholders, and stakeholders for their continued support. There were significant developments over the past financial year which set the Group up for a much stronger foundation in the financial year 2024 and beyond.

First and foremost, we are a people business, and the safety of our people is non-negotiable. We have continued to enhance the well-being of our workforce and foster a culture of safety and inclusivity. We continue to support initiatives such as “Stop for Safety”, and our Health and Safety Index Survey, with a continued focus on our BSA Safety Absolutes which are our “non-negotiables” to effect worker safety.

From a financial perspective we have also progressed significantly from FY2022. Our Telecommunications and Smart Energy operations have demonstrated robust financial performance, exceeded expectations, and recovered from their subdued performance in FY2022. Through our customer service excellence and trusted delivery partner approach, we have continued to deliver value to our customers, which has led to these positive financial returns.

We also continued the three-horizon strategy we set out in FY2022 with the Advanced Property Solutions (APS) Maintain and APS Fire Build QLD divested during the financial year. The proceeds of these transactions amounted to \$21.6 million, which improved the Group’s balance sheet. These divestments were executed carefully, ensuring minimal disruption to our other business operations under strong leadership. We continue to hold the APS Fire NSW business for sale.

By divesting these non-core assets, we have simplified the business, improved overall financial performance by removing unpredictable and low margin work, and also unlocked resources to reinvest in our core strengths. In FY2023 our focus moved towards the Telecommunications and Smart Energy markets, where we have brand recognition, a proven track record of excellence. Divesting the non-core assets was a pivotal move in our journey to “Stabilise, Focus, and Transform”. We are now better positioned to capitalize on opportunities and deliver value to our customers and shareholders alike.

The benefits of reallocating resources efficiently and concentrating on our core competencies are already becoming apparent, and we are excited about the positive impact they will have on our financial performance going forward.

We have a trusted relationship with key clients such as nbn and Foxtel where we are critical delivery partners. Going forward we will build on these partnerships with recurring revenue whilst targeting expansion into additional services and new geographies.

Future initiatives underpinning our transformation will focus on the opportunities of the electric vehicle (EV) markets. The rapid proliferation of EVs presents unique challenges and opportunities. As a leader in the Telecommunications and Smart Energy industries with vast experience of enabling new industry roll outs. We see immense potential to play a pivotal role in the EV ecosystem with our customer experience expertise and national footprint, and by leaning on our electrical capabilities developed in the smart energy markets. We are confident that through the combined efforts of our newly appointed Joint-CEOs, their executive leadership team and the wider BSA team, we will enter a sustainable growth phase.

Reconciliation Action Plan

The group connects with millions of customers across Australia every year and acknowledges its responsibility to contribute to First Nations reconciliation. BSA is pleased to announce that it has finalized its Reconciliation Action Plan. The plan sets how we will build relationships and provide opportunities for Indigenous People within the business. We also aim to improve retention, development and recruitment of Aboriginal and Torres Strait Islanders. The Group has partnered with Supply Nation to further expand these initiatives.

Board Changes

During the year, there have been some Board and Executive Management changes.

In March 2023, the board made the decision to appoint Joint CEOs as part of our strategic plan to strengthen leadership and bring in diverse perspectives to guide the Group into its next phase of growth.

Following an extensive search process, Arno Becker and Richard Bartley, both internal candidates, were appointed to the Joint CEO role from April this year bringing with them a wealth of experience and a proven track record of success. Both individuals possess a deep understanding and experience of the markets that BSA operates in.

In September 2023, Michelle Cox resigned as a director. Michelle's input over the past 2 years has been invaluable as she was deeply involved in guiding the business through its transformative phase. Michelle has not been replaced in the short-term however we continue to be focused on ensuring our Board has the right skill sets for the long-term.

In closing, I would like to again thank the Board and shareholders for their ongoing support, and of course the Executive Team, our staff and contractors for their continued hard work and dedication. The Board looks forward to advancing the interests of shareholders in this coming year and into the future.

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Joint Chief Executive Officer's Address

Arno Becker CFO & Joint CEO

I'm Arno Becker the Chief Financial Officer and Joint Chief Executive Offices of BSA and will be taking you through our strategic progress and full year results. Richard will follow with a detailed review of operations, safety, clients and new work.

Before we begin, I would like to acknowledge the resilience, drive and passion shown by our people over the past year. Their work, day in and day out to service our clients makes a huge impact.

I would also like to acknowledge our board and shareholders for their ongoing support and guidance in a challenging year.

Our Business

BSA is a company delivering technical services in the telecommunications sector, primarily fixed line with expansion into wireless through our Catalyst ONE acquisition and utilities, through smart metering. We have two cornerstone contracts with nbn and Foxtel, the latter enabling BSA to have a strong national footprint and the former primarily operating on the East Coast of Australia.

At our core we are a people business with 300 plus employees and over 1000 skilled field resources delivering our services.

During FY2023, BSA has demonstrated a significant improvement in its core capabilities demonstrating resilience, innovation and adaptability with our clients.

Progressing our plan

Over the past 12 months, the Group has undergone a strategic transformation, focusing on the Telecommunications sector whilst divesting non-core operations.

The company implemented its three pillar horizons strategy in March 2022 with the first two pillars substantially complete and progressing into transformation.

In summary, the group reviewed its operations with the outcome being an absolute focus on Telecommunications and adjacent markets. The group proceeded to divest its non-core assets which is now substantially complete with APS Maintain divested to CBRE and APS Fire QLD divested to Entire Fire.

The group continues to market APS Fire NSW whilst concurrently ensuring it is stabilised - focusing on its people and commercial outcomes.

We continue to work with our cornerstone clients ensuring we are top performers and targeting additional services. This has significantly improved our rate of returns which is reflected in our financial results.

Financial Highlights

Group focus and realignment has restored the Earnings before interest, tax, depreciation, and amortisation (EBITDA) profile for continuing operations and a marginal overall improvement in Group EBITDA. Focus remains on higher margin work streams and ensuring that all serviced platforms within the business generate appropriate margin.

Continuing operations delivered revenue of \$239.8 million, a marginal decrease compared to prior year. However stable volumes, an optimised cost base and favourable margin mix delivered a sustainable EBITDA of \$16.2 million which is significantly higher than the prior year of \$4.1 million. This approach has been instrumental in demonstrating resilience, achieving positive results, and positioning the segment for sustained growth in the dynamic market landscape.

All platforms have consistently maintained stable volumes reflecting the segment's ability to operational performance.

Discontinued operations consist of the following operating units:

- APS Maintain, divested 31 January 2023
- APS Fire Build Queensland, divested 31 May 2023
- APS Fire Build NSW, held for sale for the financial year.

The operating cash outflows showed a decline of \$4.1 million, materially affected by previously provisioned legal settlements, totalling \$11.0 million, which included the \$6.6 million Class Action Tranche 2 settlement payment. The final Tranche of \$9.0 million will be paid no later than 30 June 2024.

This resulted in a net debt balance of \$2m with \$11m of available facility as at 30 June 23.

I will now hand over to Richard who will give an overview of operations, safety, and people.

Richard Bartley COO & Joint CEO

Key Achievements

Thanks Arno and good afternoon all

We delivered c\$240m in revenue and c\$16m EBITDA with a strong uplift in EBITDA monthly run rate from November 2022 onwards. This was driven by both favourable commercial negotiations across both nbn/Foxtel and a better margin work type mix.

Our operational performance on our key cornerstone clients was excellent throughout the year and we delivered best in class balanced scorecard scores across safety, customer experience, quality and efficiency KPIs.

We expanded our Smart Metering market share by mobilising our new customer, Intellihub during the year and will continue to build on this foundation into FY2024.

We entered the high growth EV market with clients including Evie Networks, Ohmie and Tesla. Whilst initial volumes have been relatively low we expect to participate in the exponential EV market growth over the next 5 years and beyond as Australia cuts over on mass to EV.

In terms of Safety, we have pivoted towards the lead indicators of critical control checks, pro-active HIPO prevention and Health and Safety Index survey which we achieved an above par industry score of 83%. As a people business, keeping our people safe is the no.1 priority. After this, keeping our people engaged is our next top priority and we are pleased with our retention metrics.

Health & Safety

We work safe and go home safe is our key value.

Our approach to safety is multi-faceted and anchored by our 7 BSA absolutes which outline how we mitigate our top 2 safety risks of Working with Energy and Working at Heights.

We have a highly skilled safety team which supports all our frontline leaders and workers to ensure we are making safe choices every day.

Our Health and Safety management system is certified to ISO and Office of the Federal Safety Commissioner standards.

We completed a number of key initiatives as part of our H&S strategy including our annual stop of safety day, critical control check program, Mental Health first aid training and Safety leadership training.

We are pleased to have scored well above benchmark in our H&S Index survey. Our TRIFR rate decreased slightly during the year. We will continue to execute our H&S strategy which pro-actively focuses on lead indicators to improve our safety metrics moving forward.

Key focus and growth

In Fixed Line – we will capitalise on the nbn F2P customer migration push to higher speed plans and look to maximise opportunities from our significant nbn forecast pipeline.

In Wireless, we have refreshed our strategy and org structure to better target the new wireless asset owners.

This matches the industry shift as Telco Operators sold their wireless assets to Super/Investment funds.

Within our Smart Energy Solutions pillar, as previously mentioned we are targeting significant growth across Smart Metering and EV.

Full year focus

- Continuing Operations inline with prior year volumes, revenue and margin;
- Focus on APS Fire NSW Divestment;
- Capitalize on growth opportunities in Fixed Line, Wireless & Smart Energy markets;
- Targeting double digit EBITDA margins in the mid to long-term.

Case Studies

The case study slides highlight several BSA Case Studies that illustrate why BSA is well placed to execute on our growth plans across Fixed Line, Wireless, Smart Metering and EV.

Before concluding, I would like to thank the Executive team and the whole BSA workforce – both our own employees and our wide sub-contractor workforce for their drive and dedication in what has been a very testing time for us all in both our personal and professional lives – it is truly appreciated.

I'll now hand the meeting back to our Chair.