



31 October 2023

**Trading update,
Quarterly Activities Report and ASX Appendix 4C For the Quarter Ended 30 September 2023**

BSA is pleased to publish the quarterly activities report, trading update and the related Appendix 4C statement of cashflows for the quarter ending 30 September 2023 (Q1 FY2024):

Highlights:

- Continuing operations continue to show significant improvement in its financial performance compared to comparative periods.
- Delivery of consistent margins reflecting the group's focus on telecommunications and smart energy markets.
- Cash performance materially improved on prior comparative period.

Trading update:

- BSA is pleased to release an unaudited trading update for the 3 months to 30 September 2023 for continuing operations;

Financial Performance \$'m	Q1FY2024	Q1FY2023	Variance
Revenue	56.7	60.3	(3.6)
Gross Margin %	29%	21%	8%
EBITDA	4.4	2.5	1.9

- Q1 revenue of 56.7 million is down by 6% vs. prior comparative period (pcp). Volumes across fixed line services were impacted by customer roll out timing which marginally reduced revenue. However, gross margin and EBITDA margins increased due to favorable mix of work. Other platforms continue to deliver stable volumes;
- EBITDA of \$4.4 million (\$1.9 million increase in EBITDA to pcp) driven by higher margin work on Fixed Line platforms; and
- Performance is expected to continue at similar margins as a result of pricing changes and volume forecasts; and
- Focus of the Group remains on the Telecommunications and Energy sectors.

Commenting on the quarterly operations, Richard Bartley said:

“BSA’s Continuing Operations has delivered strong gross margin and EBITDA consistent with Q3/Q4 FY23 and well ahead of prior comparative period. We continue to strengthen our relationships with clients and focus on EBITDA quality of our revenue. This has resulted in a more sustainable business operating model and strongly positions us for growth across the Telco and Smart Energy sectors”.

Total Group Performance

Financial Performance \$'m	Q1FY2024	Q1FY2023	Variance
Revenue:			
Continuing Operations	56.7	60.3	(3.6)
Discontinued Operations ¹	3.9	49.2	(45.3)
Total Revenue	60.6	109.5	(48.9)
EBITDA:			
Continuing Operations	4.4	2.5	1.9
Discontinued Operations ¹	(0.4)	(1.0)	0.6
EBITDA	4.0	1.5	2.5

¹ Q1FY2023 includes both APS Maintain and APS Fire Queensland (both divested). Results for APS Maintain business is included to 3 February 2023. Results for APS Fire Build Queensland is included to 31 May 2023.

Discontinued operations:

- APS Fire Build NSW remains as an asset held for sale; and
- BSA management continue to focus on improving performance in APS Fire Build NSW.

Financial Position

Net Debt \$'m	Balance
Cash	2.0
Borrowings	(4.0)
Asset Finance	(0.1)
Opening Net (Debt) as at 30 June 23	(2.1)
<i>Net Cashflow for the period</i>	1.7
<i>Net proceeds/(repayments) of borrowings</i>	2.5
<i>Net (repayments)/proceeds of asset finance</i>	(0.1)
Cash	3.7
Borrowings	(6.5)
Asset Finance	-
Closing Net (Debt) as at 30 Sep 23	(2.8)

The Group had \$8.5 million of undrawn financing facilities at 30 September 2023 relating to its borrowing base facility.

Cashflow Performance

Cashflow \$'m	Q1FY2024	Q1FY2023
Receipts from customers	65.0	119.9
Payments to suppliers	(63.7)	(127.0)
Interest	(0.4)	(0.3)
Taxation	-	(0.4)
Net cash generated/(used) used from operations	0.9	(7.8)
Net payments for equipment and software	(0.2)	(0.6)
Net payments on sale of business, net of transaction costs	(0.2)	-
Net payments relating to contingent consideration (Catalyst ONE)	(0.7)	-
Net cash (used) from investing activities	(1.1)	(0.6)
Net proceeds/(repayments) of borrowings	2.5	(0.4)
Lease payments	(0.6)	(1.0)
Net cash generated/(used) from financing activities	1.9	(1.4)
Net Cashflow for the period	1.7	(9.8)

The Group cashflow performance includes continuing and discontinued operations. Operating cash flow for the period was \$0.9 million cash inflow.

Net payments on sale of business relate to the final net working capital adjustment on the disposal of APS Maintain.

BSA continues to manage its cash flows and net working capital balances to minimise utilisation of available financing facilities.

Authorised for release by the Board of Directors.

Arno Becker and Richard Bartley

Joint Chief Executive Officers

BSA Limited

T: +61 2 9763 6200

E: corporate@bsa.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

BSA Limited

ABN

50 088 412 748

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	65,017	65,017
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(47,965)	(47,965)
	(c) advertising and marketing	(3)	(3)
	(d) leased assets (disclosed in section 3.9)	-	-
	(e) staff costs	(10,010)	(10,010)
	(f) administration and corporate costs	(5,689)	(5,689)
	(g) legal settlements	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(432)	(432)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	918	918
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(912)	(912)
	(c) property, plant and equipment	(171)	(171)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,083)	(1,083)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,500	2,500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease repayments)	(565)	(565)
3.10	Net cash from / (used in) financing activities	1,935	1,935
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,959	1,959
4.2	Net cash from / (used in) operating activities (item 1.9 above)	918	918

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,083)	(1,083)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,935	1,935
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,728	3,728

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,728	1,962
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,728	1,962

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The payments to Related Parties shown at Section 6.1 in the Appendix 4C related to fee payments to directors in the normal course of business during the quarter.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000												
7.1 Loan facilities	15,000	6,500												
7.2 Credit standby arrangements	-	-												
7.3 Other (please specify)	-	-												
7.4 Total financing facilities	15,000	6,500												
7.5 Unused financing facilities available at quarter end		8,500												
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Facility</th> <th style="text-align: center;">Facility Limit</th> <th style="text-align: center;">Drawn</th> <th style="text-align: center;">Interest Rate</th> </tr> </thead> <tbody> <tr> <td>CBA Borrowing Base</td> <td style="text-align: center;">\$15.0m</td> <td style="text-align: center;">\$6.5m</td> <td style="text-align: center;">5.4337%</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Facility	Facility Limit	Drawn	Interest Rate	CBA Borrowing Base	\$15.0m	\$6.5m	5.4337%				
Facility	Facility Limit	Drawn	Interest Rate											
CBA Borrowing Base	\$15.0m	\$6.5m	5.4337%											

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	918
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,729
8.3 Unused finance facilities available at quarter end (item 7.5)	8,500
8.4 Total available funding (item 8.2 + item 8.3)	12,229
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Not applicable	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Not applicable	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Not applicable

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023

Authorised by: the Board
