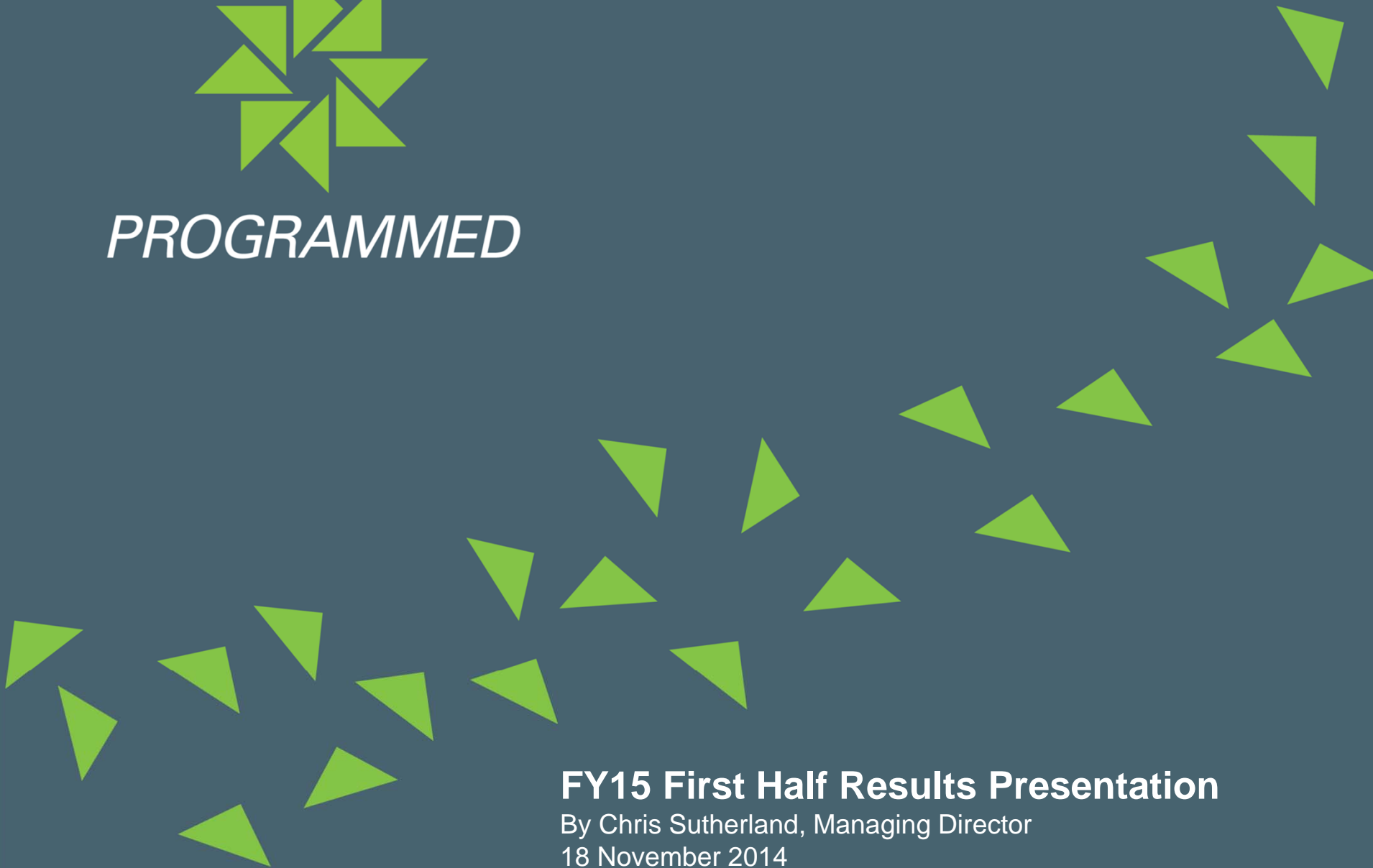




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**FY15 First Half Results Presentation**

By Chris Sutherland, Managing Director

18 November 2014



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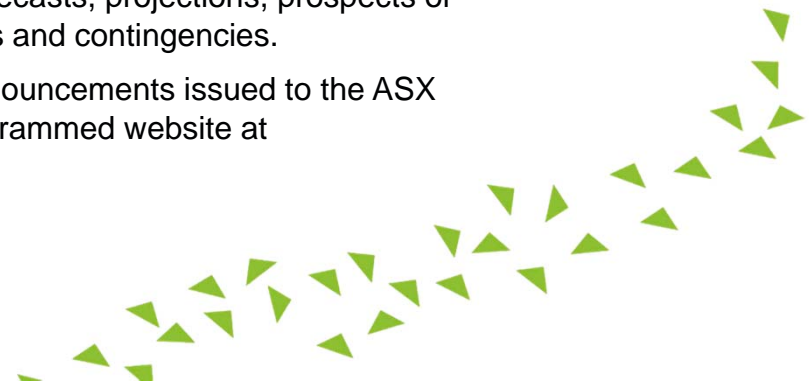
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## Safety Pause

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Eliminate the risk. Always check for live wires before each task. It is surprising how many times one finds live wires when the power is shut off at the switchboard.



## Group Performance 1H FY15

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- ✱ Revenue of \$717 million, down 1% on pcp
- ✱ Trading EBITDA of \$26.3 million, down 6% on pcp
- ✱ Profit after tax (before non-trading items) of \$12.1 million, down 5.5% on pcp
- ✱ Non-trading items (after tax) of \$2.3 million include Turnpoint acquisition incentive payment (\$1.4 million) and share of OneShift's loss(\$0.3 million)
- ✱ Statutory Profit after tax of \$9.8 million
- ✱ Interim fully franked dividend of 6.5 cents per share, up 8%
- ✱ Net debt of \$24.3 million (\$42.2 million at March 2014), down 42%
- ✱ Net debt / equity is 6% (10% at March 2014)



# Group Results



<b>Group Results</b>	<b>1H FY15 30 Sep 2014 \$m</b>	<b>1H FY14 30 Sep 2013 \$m</b>	<b>% change</b>
<b>Revenue</b>	<b>716.9</b>	<b>723.6</b>	<b>(0.9%)</b>
<b>Results Before Non Trading Items</b>			
<b>EBITDA</b>	<b>26.3</b>	<b>28.1</b>	<b>(6.4%)</b>
Depreciation and amortisation	(5.7)	(5.7)	0.0%
<b>EBIT</b>	<b>20.6</b>	<b>22.4</b>	<b>(8.0%)</b>
Interest	(3.0)	(4.1)	26.8%
<b>Profit before Tax</b>	<b>17.6</b>	<b>18.3</b>	<b>(3.8%)</b>
Income tax expense	(5.5)	(5.5)	0.0%
<b>Profit after Tax (before non trading items)</b>	<b>12.1</b>	<b>12.8</b>	<b>(5.5%)</b>
<b>Non Trading Items</b>			
Restructuring costs	(0.9)	(0.6)	
Incentive payment (Turnpoint acquisition)	(1.4)		
Share of net loss of associate (OneShift)	(0.3)		
Tax on non trading items	0.3	0.2	
<b>Profit after Tax (statutory basis)</b>	<b>9.8</b>	<b>12.4</b>	<b>(21.0%)</b>
<b>Earnings per Share (before non trading items)</b>	<b>10.2</b>	<b>10.9</b>	<b>(6.4%)</b>
<b>Earnings per Share (statutory basis)</b>	<b>8.2</b>	<b>10.5</b>	<b>(21.9%)</b>
Weighted Average Shares on Issue (million)	118.4	118.2	

# Group Cash Flow



Group Cash Flow	1H FY15 30 Sep 2014 \$m	1H FY14 30 Sep 2013 \$m	% change
Gross Operating Cash Flow	46.1	56.6	(19%)
Interest paid	(2.9)	(3.9)	26%
Income tax paid	(7.1)	(9.7)	27%
<b>Net Operating Cash Flow</b>	<b>36.1</b>	<b>43.0</b>	<b>(16%)</b>
Net purchases of non current assets	(4.3)	(2.4)	
Other investing cash flows	0.2	0.2	
<b>Net Investing Cash Flow</b>	<b>(4.1)</b>	<b>(2.2)</b>	<b>(86%)</b>
Net borrowings / (repayments)	(6.9)	(29.5)	
Dividends paid	(13.0)	(11.8)	
<b>Net Financing Cash Flow</b>	<b>(19.9)</b>	<b>(41.3)</b>	<b>52%</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>12.1</b>	<b>(0.5)</b>	
Cash at beginning of year	29.5	38.3	
Exchange Rate Variances	(0.2)	0.4	
<b>Cash at End of Period</b>	<b>41.4</b>	<b>38.2</b>	<b>8%</b>

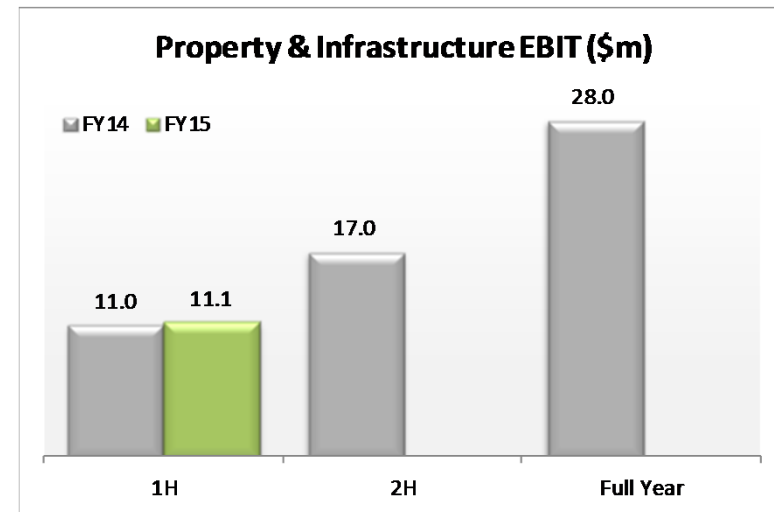
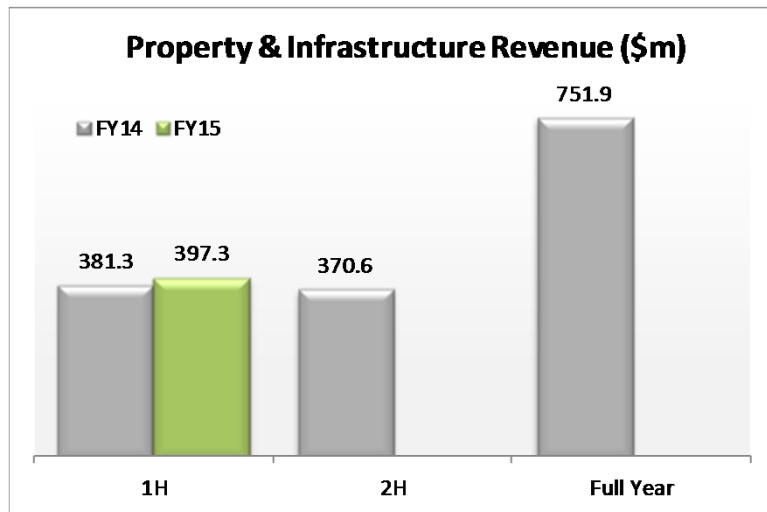
# Group Balance Sheet

Balance Sheet	30 Sep 2014	31 Mar 2014	% change
	\$m	\$m	
Cash	41.4	29.5	40%
Trade and other receivables	180.9	201.4	(10%)
Contract recoverables	101.0	110.2	(8%)
Inventories	77.0	73.0	5%
Property, plant & equipment	25.9	26.4	(2%)
Goodwill & other intangible assets	260.6	260.2	0%
Other assets	32.0	33.3	(4%)
<b>Total Assets</b>	<b>718.8</b>	<b>734.0</b>	<b>(2%)</b>
Trade and other payables	158.0	162.4	(3%)
Borrowings	65.7	71.7	(8%)
Provisions and other liabilities	89.6	89.5	0%
<b>Total Liabilities</b>	<b>313.3</b>	<b>323.6</b>	<b>(3%)</b>
<b>Total Equity</b>	<b>405.5</b>	<b>410.4</b>	<b>(1%)</b>
Net Debt	24.3	42.2	(42%)
Net Debt / Equity	6.0%	10.3%	(42%)

# Property & Infrastructure



- ✱ Gross margins for task based sundry / project works across painting, grounds, signage, electrical and communications services remain tight, with customers focused on reducing costs
- ✱ Turnpoint, the specialist turf business continues to perform well with acquisition related earnout fee of \$1.4 million paid during half
- ✱ Significant long term FM / maintenance contracts renewed or secured
- ✱ Strengthening pipeline of potential new FM work, particularly within the PPP market



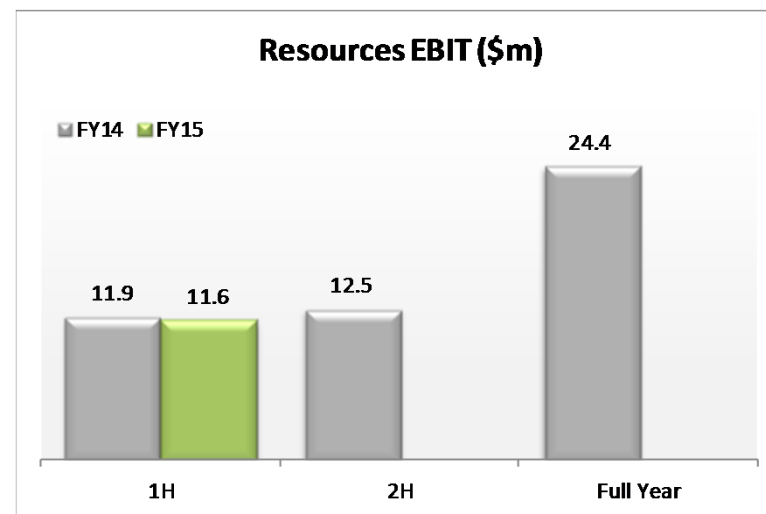
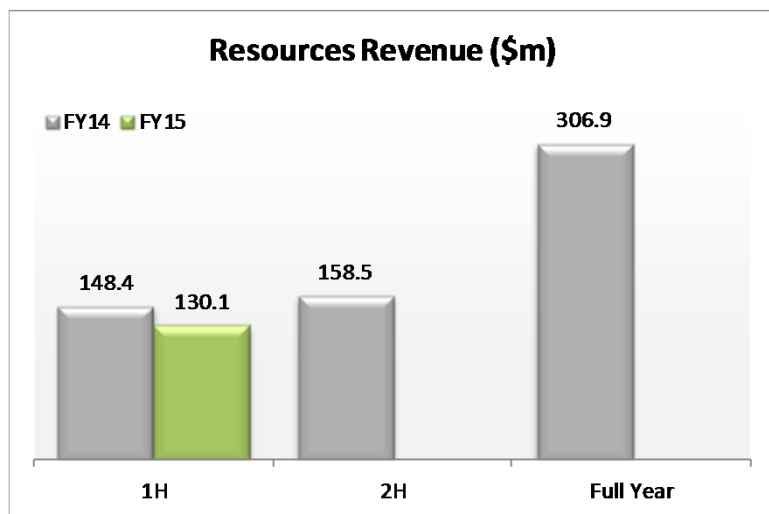




# Resources

- ✱ Similar EBIT to pcp
- ✱ Project higher revenue in 2H than 1H with Ichthys related works having commenced late September 2014<sup>1</sup>
- ✱ Reasonable pipeline of offshore oil and gas opportunities exist
- ✱ New marine EBA remains under negotiation

1. Subject to no major industrial action

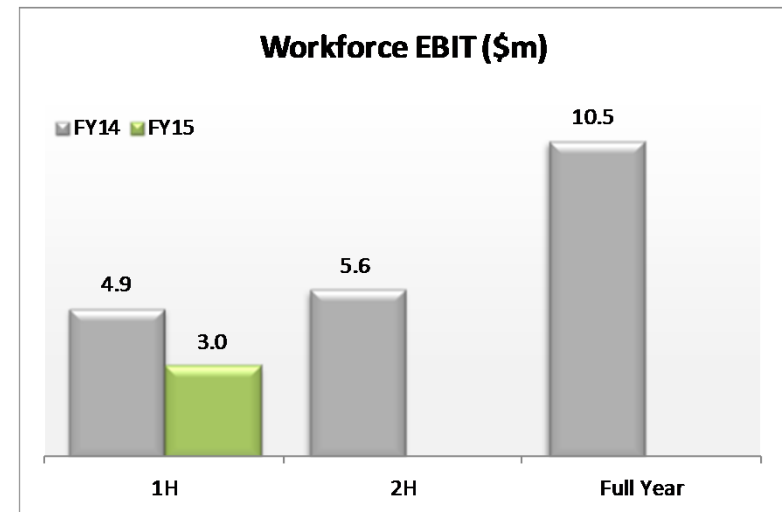
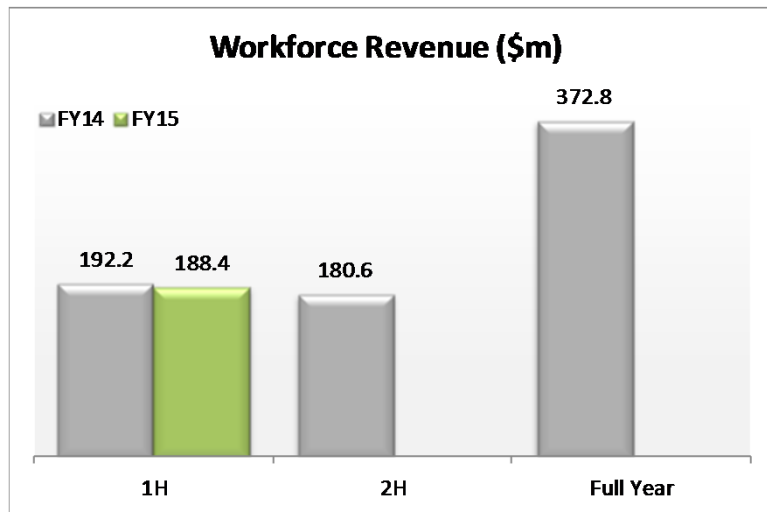




# Workforce

Lower EBIT due to ongoing weakness in blue collar economy and structural changes across the industry

- ✱ Business well prepared to manage current situation having been planning response to structural industry change for past 18 months
- ✱ Upgrade of core Workforce business system was completed enabling the business to be redesigned in October through centralisation of major account management and recruitment functions, reduction of branches and expansion of mobile account / sales network
- ✱ Savings of more than \$3 million pa are projected from October 2014
- ✱ OneShift sales have grown significantly in first half, with record sales of more than \$200,000 recorded in September 2014
- ✱ Tender for National Employment Services contract submitted in an alliance with APM in November 2014






## Full Year Guidance



The group's trading EBIT for FY15 is projected to be approximately \$50 to \$52 million, before non-trading items.

In addition to the non-trading items totalling \$2.6 million before tax in the first half, the company's accounts for the full year are expected to include non-trading items of approximately \$2.0 million in the second half associated with the changes being made within the Workforce and Property & Infrastructure divisions, and \$0.1 million in respect of Programmed's share of OneShift's loss in the second half.

This guidance is based on the following assumptions:

- i) No industrial action associated with the ongoing marine EBA negotiations;
  - ii) No change to current market conditions and margins;
  - iii) Workforce redesign delivers savings as planned.
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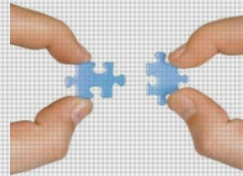
# Appendix

# Our Vision: To be the leading provider of staffing, maintenance and project services, without injury



## SAFETY

Safety is paramount. We will act to ensure the safety and environmental well-being of our customers, the public and ourselves.



## TEAMWORK

We respect everyone's contribution by working together to achieve common goals and project outcomes. Our sense of team extends to building long-term customer and community relationships for the benefit of all.



## ACCOUNTABILITY

We encourage individuals and teams to take responsibility and ownership of the process, and the outcome, through decisive leadership and initiative.



## HONESTY & INTEGRITY

Our business relationships are based on fair, open, and ethical principles. We take pride in the way we work with our customers and communities, the integrity of our services, and doing what we say we are going to do.



## RECOGNITION & ENJOYMENT

We are a people business. We recognise and reward outstanding achievement, and provide opportunity for our employees to develop and succeed. We create an environment for every team member to have a positive, enjoyable and rewarding work experience.

# Programmed Today





**PROGRAMMED**





Recruit. Deploy. Manage. Maintain.  
[www.programmed.com.au](http://www.programmed.com.au)

We have the power to build your business.

Programmed provides the people, maintenance, tools and expertise to help your business grow. With over 10,000 employees working out of more than 100 locations, we are ready to support your business today.

Take a look at the services we provide, and if you can see a way our business may be able to assist yours, please visit [www.programmed.com.au](http://www.programmed.com.au)

Integrated Workforce provides labour hire and staffing services to all industries.

Property Services provides a complete range of painting, building repairs, signage and grounds maintenance services.

Facility Management offers a comprehensive range of facilities and asset management services.

Total Marine Services is a specialist provider of manning, project management and logistics solutions to the offshore oil and gas industry.

Construction and Maintenance provides construction support, maintenance and shutdown services to the resources and energy sectors.

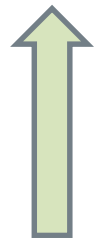
KLM Electrical and Communication provides design, installation and maintenance services to the electrical, audio visual and communications market.



# Our Structure



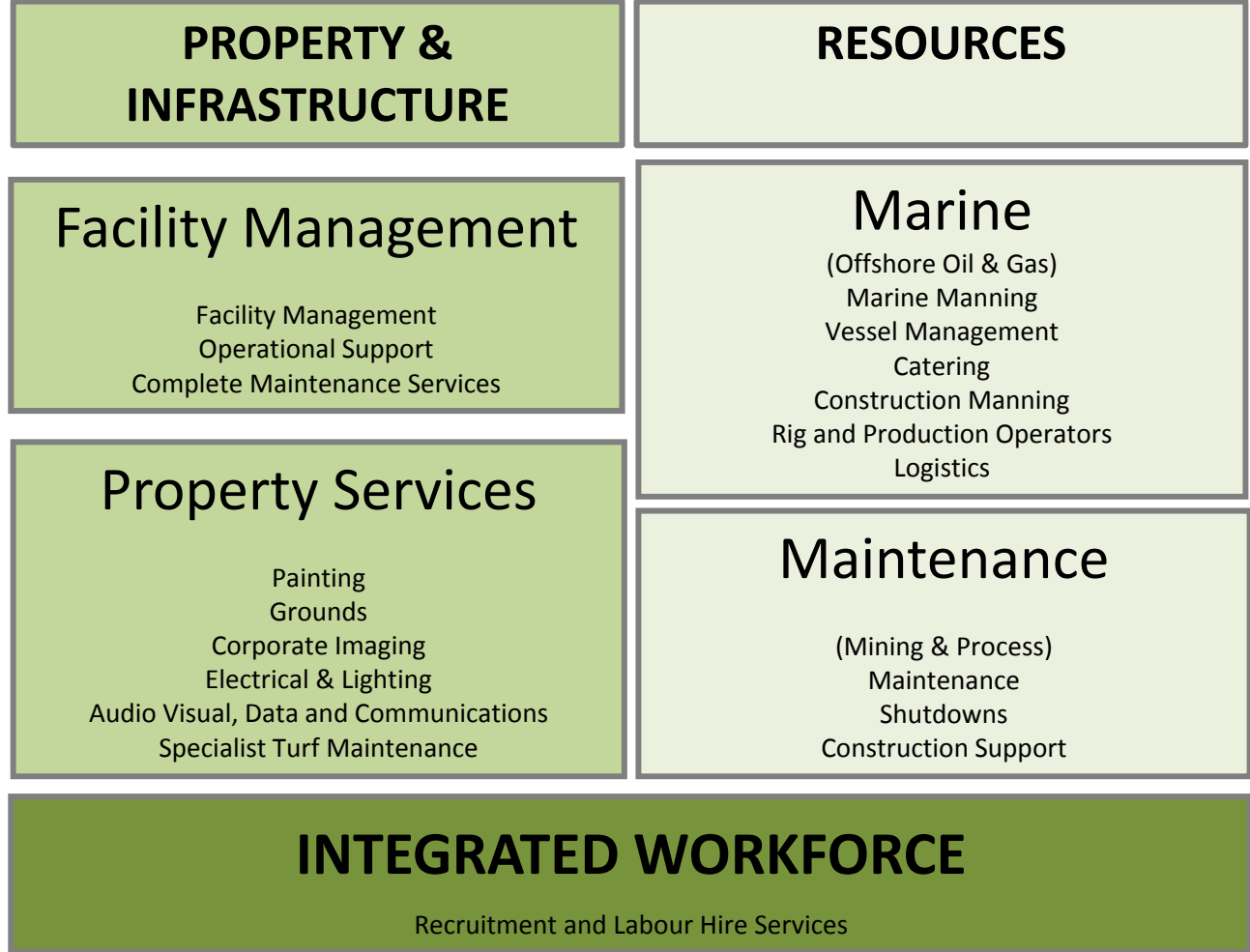
Customers contract a complete **MANAGEMENT** and / or maintenance **SOLUTION**



Customers contract the **TASK** capability



Customers contract the **STAFFING** service





# Strategy



To achieve our vision, we have a plan built on 4 key components.

1. Safety

2. People and Culture

3. Systems and Integration

4. Growth

- a) marketing and customer development
- b) build scale
- c) expansion in resources
- d) expansion in public infrastructure





# The Programmed Difference

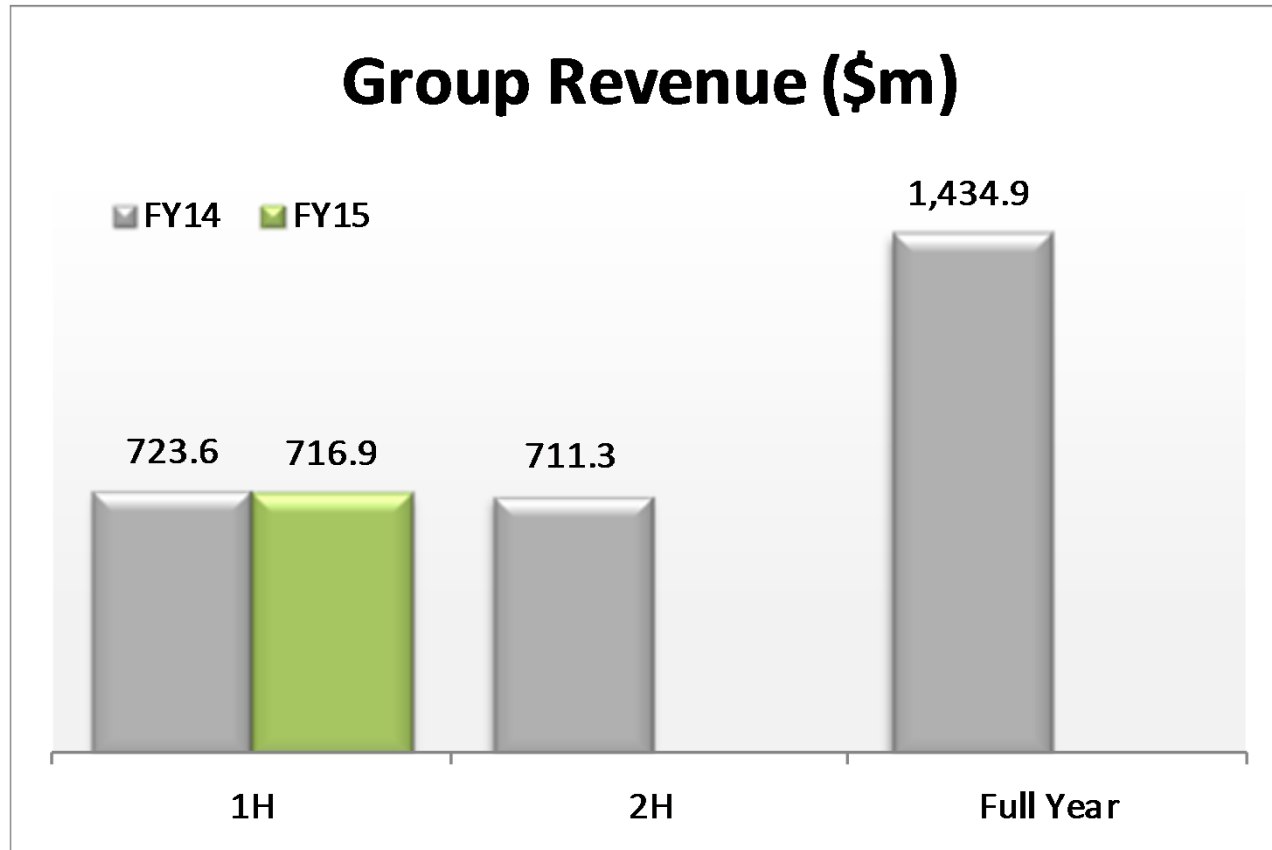


The **Programmed Difference** are the core attributes of our company that support all the services we deliver;

- Our ability to **recruit and develop** the right people
- Our ability to **deploy the right person** with the competency to each job
- Our ability to **get safety right** on the ground
- Our ability to **manage IR** in an increasingly difficult environment
- Our ability to **manage HR** in an increasing regulatory environment
- Our ability to **deliver operational improvements**, flexibility and high levels of satisfaction to our customers

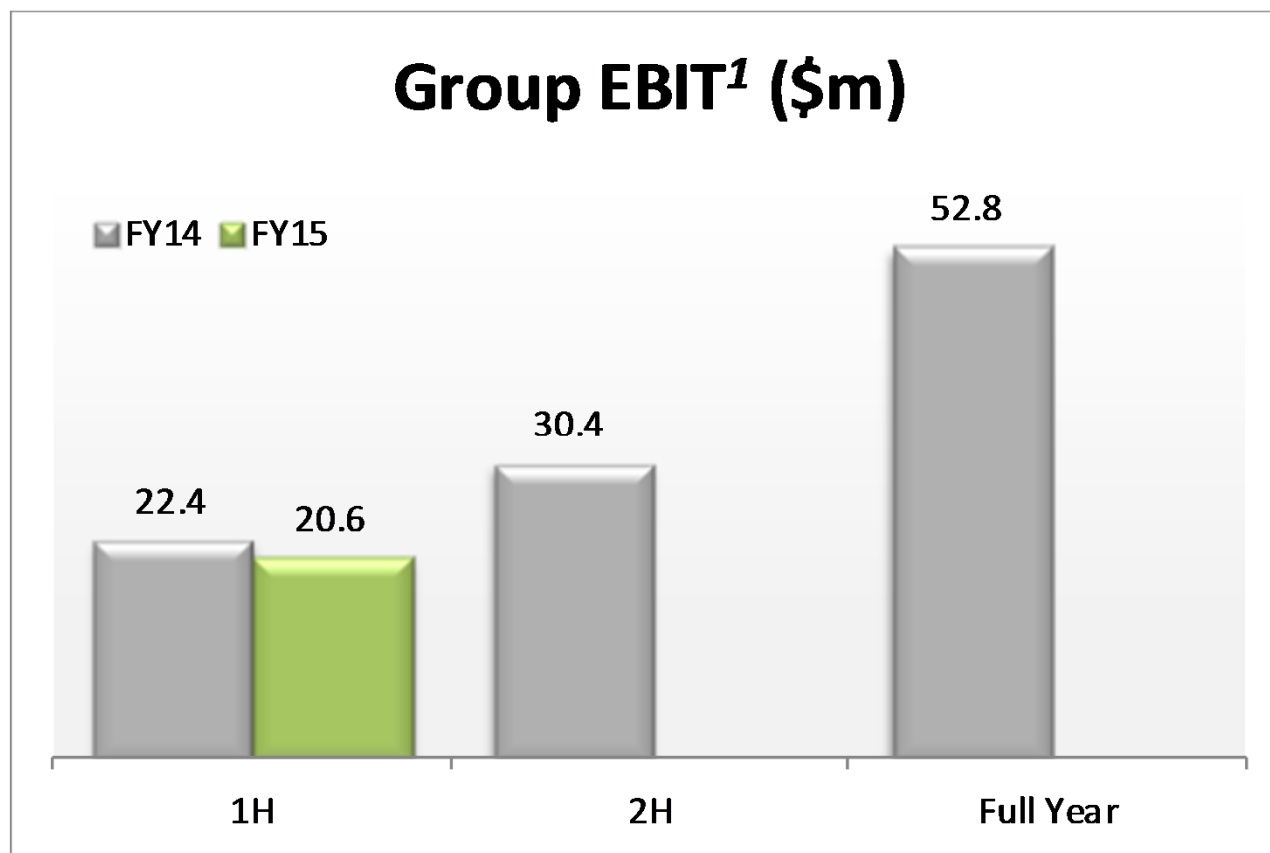


# Group Revenue by halves





## Group EBIT by halves



<sup>1</sup> Before non-trading items





## Segment Revenue



<b>Revenue by division</b>	<b>1H FY15 30 Sep 2014 \$m</b>	<b>1H FY14 30 Sep 2013 \$m</b>	<b>% change</b>
Property & Infrastructure	397.3	381.3	4%
Resources	130.1	148.4	(12%)
Workforce	188.4	192.2	(2%)
Other Revenue	1.1	1.7	
<b>Total Consolidated Revenue</b>	<b>716.9</b>	<b>723.6</b>	<b>(1%)</b>





## Segment EBIT



<b>EBIT by division</b>	<b>1H FY15 30 Sep 2014 \$m</b>	<b>1H FY14 30 Sep 2013 \$m</b>	<b>% change</b>
Property & Infrastructure	11.1	11.0	1%
Resources	11.6	11.9	(3%)
Workforce	3.0	4.9	(39%)
Unallocated	(5.1)	(5.4)	6%
<b>Consolidated EBIT (before non trading items)</b>	<b>20.6</b>	<b>22.4</b>	<b>(8%)</b>
Non trading items	(2.6)	(0.6)	
<b>Total Consolidated EBIT</b>	<b>18.0</b>	<b>21.8</b>	<b>(17%)</b>

