



PROGRAMMED

FY16 Results Presentation

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Recruit. Deploy. Manage. Maintain.

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This presentation should be read in conjunction with the Announcements issued to the ASX since the 2015 Annual Report which can be found on the Programmed website at www.programmed.com.au.

Safety pause



What could go wrong?

Key points

- ▼ Transitional year, with the acquisition of Skilled in October 2015, one-off integration costs, and managing the significant downturn in the oil and gas sector.
- ▼ Integration of Skilled ahead of plan, with cost savings of more than \$30 million p.a. already delivered.
- ▼ Before amortisation and non-trading items, NPAT was \$38.8 million, up 25%.
- ▼ Lower demand for marine services, following steep decline in oil and gas prices, led to \$102.4 million non-cash impairment of goodwill.
- ▼ Skilled transaction, integration, restructuring and other costs were \$33.9 million.
- ▼ After amortisation and non-trading items (\$136.8 million), reported loss was \$98.0 million.
- ▼ Net debt down to \$239 million from \$302 million on completion of Skilled acquisition.
- ▼ Final dividend of 5cps fully franked.
- ▼ Improved safety results on both LTIFR and TIFR measures.
- ▼ FY17 EBITA¹ projected in the range \$100 million to \$110 million, with FY17 EBITDA¹ in the range \$120 million to \$130 million.

¹based on current estimates; excluding non-trading items; subject to actual trading conditions and assuming no material changes to the macroeconomic environment.

Group results

Group Results	Year Ended 31 Mar 2016 \$m	Year Ended 31 Mar 2015 \$m	% change
Revenue	2,209.4	1,434.2	54.1%
Results Before Amortisation and Non-Trading Items			
EBITDA	80.6	61.4	31.3%
Depreciation	(15.1)	(10.5)	(43.8%)
EBITA	65.5	50.9	28.7%
Interest	(11.2)	(5.4)	(107.4%)
Profit before Tax	54.3	45.5	19.3%
Income tax expense	(15.5)	(14.3)	(8.1%)
Profit after Tax (before amortisation and non-trading items)	38.8	31.2	24.5%
Amortisation and Non-Trading Items			
Amortisation	(9.3)	(0.8)	
Skilled transaction, integration and other costs	(33.9)	(3.8)	
Marine goodwill impairment (non-cash)	(102.4)	0.0	
Incentive payment (Turnpoint acquisition)	0.0	(1.4)	
Share of net loss of associates	(0.5)	(0.6)	
Discontinued operations (Broadsword)	(1.7)	0.0	
Tax on amortisation and non-trading items	11.0	1.1	
Profit / (Loss) after Tax (statutory basis)	(98.0)	25.7	
Earnings per Share (before amortisation and non-trading items)	21.8	26.3	(17.1%)
Earnings per Share (statutory basis)	(55.0)	21.7	
Weighted Average Shares on Issue (million)	178.3	118.5	

- ▼ FY16 results include six months' revenue from Skilled.
- ▼ NPAT before amortisation and non-trading items was \$38.8 million, up 25%.
- ▼ EBITA of \$65.5 million in line with February 2016 guidance.
- ▼ Increase in Amortisation to \$9.3 million relates to identifiable intangibles arising from the Skilled acquisition and is non-cash.
- ▼ Marine goodwill impairment consists of \$27.8 million booked in 1H and \$74.6 million booked in 2H consistent with February guidance.
- ▼ Final dividend of 5cps fully franked (FY15: 6.5 cps), bringing dividends for the year to 11.5 cps (FY15: 18 cps).
- ▼ Final dividend payable on 26 July 2016 to shareholders on the register at 5 July.
- ▼ DRP reinstated, with 2.5% discount.
- ▼ Board considering underwriting of DRP for FY16 final dividend.

Group cash flow

Group Cash Flow	Year Ended 31 Mar 2016 \$m	Year Ended 31 Mar 2015 \$m	% change
Gross Operating Cash Flow	90.9	80.9	12%
Interest paid	(15.8)	(5.1)	(210%)
Income tax paid	(16.4)	(10.1)	(62%)
Net Operating Cash Flow	58.7	65.7	(11%)
Net purchases of non current assets	(1.9)	(8.8)	
Payment for businesses	(1.3)	0.0	
Proceeds from sales of businesses	3.9	0.0	
Cash received for business acquisitions	26.7	0.0	
Other investing cash flows	0.6	0.4	
Net Investing Cash Flow	28.0	(8.4)	433%
Net borrowings / (repayments)	(20.0)	(23.5)	
Dividends paid	(29.9)	(20.7)	
Net Financing Cash Flow	(49.9)	(44.2)	(13%)
Net Increase / (Decrease) in Cash	36.8	13.1	
Cash at beginning of year	42.8	29.5	
Exchange Rate Variances	(0.7)	0.2	
Cash at End of Period	78.9	42.8	84%

- ▼ Gross operating cash flow 182% of EBITDA after cash non-trading items.
- ▼ Net purchases of non current assets includes \$7m proceeds from sale of vessels.
- ▼ Proceeds from sale of business arises from part payment for sale of Damstra.
- ▼ Cash received for business acquisition was the cash in Skilled bank at completion.

Group balance sheet

Balance Sheet	31 Mar 2016	31 Mar 2015	% change
	\$m	\$m	
Cash	78.9	42.8	84%
Trade and other receivables	413.8	196.4	111%
Contract recoverables	90.5	97.2	(7%)
Inventories	94.1	82.6	14%
Property, plant & equipment	43.2	24.4	77%
Goodwill & other intangible assets	593.0	263.0	125%
Other assets	67.3	26.1	158%
Total Assets	1,380.8	732.5	89%
Trade and other payables	263.8	173.6	52%
Borrowings	318.0	49.8	539%
Provisions and other liabilities	193.4	90.7	113%
Total Liabilities	775.2	314.1	147%
Total Equity	605.6	418.4	45%
Net Debt	239.1	7.0	
Net Debt / Equity	39.5%	1.7%	

- ▼ Continued focus on capital management and strong operating cash flow.
- ▼ Net debt of \$239 million compares with \$302 million at 16 October 2015 on completion of Skilled acquisition.
- ▼ Net debt lower than February 2016 guidance of between \$260 million and \$290 million.

Debt facilities

- ▼ Programmed's debt facilities, established in October 2015, total \$600 million in four tranches:
 - ▼ Working capital facility of \$170 million (4 year term)
 - ▼ Working capital facility of \$180 million (3 year term)
 - ▼ Bank guarantee facility of \$175 million (3 year term)
 - ▼ Facility of \$75 million to fund the cash consideration and transaction costs for the acquisition of Skilled (2 year term)
- ▼ The company also has a separate working capital and bank guarantee facility of NZ\$10 million (3 year term), together with overdraft and asset finance facilities.
- ▼ The company operated within its loan covenants throughout FY16.

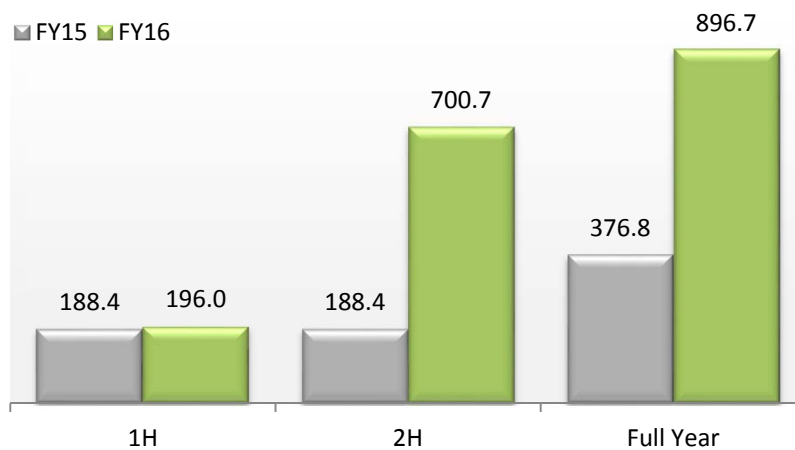
Acquisition of Skilled

- ▼ Acquisition has increased company's scale and diversification, opening new opportunities across the combined customer base.
- ▼ Integration ahead of plan, with cost savings of more than \$30 million p.a. already delivered.
- ▼ Group and divisional management teams have bonded and operating successfully.
- ▼ Programmed culture and HSE systems embedded across all operations.
- ▼ All businesses rebranded under master Programmed brand.
- ▼ Integration of core business IT systems to be completed in FY17, with one-off integration and restructuring costs projected to be approx. \$10 million.
- ▼ Strategically marketing to specific industry sectors and customers across the group.
- ▼ Larger, scalable platform will enable continuing investment in technology and lower unit operating costs, resulting in a more competitive business and additional benefits for customers.
- ▼ A number of years will be needed for the benefits of Programmed's increased size, scale and efficiency to be fully realised.

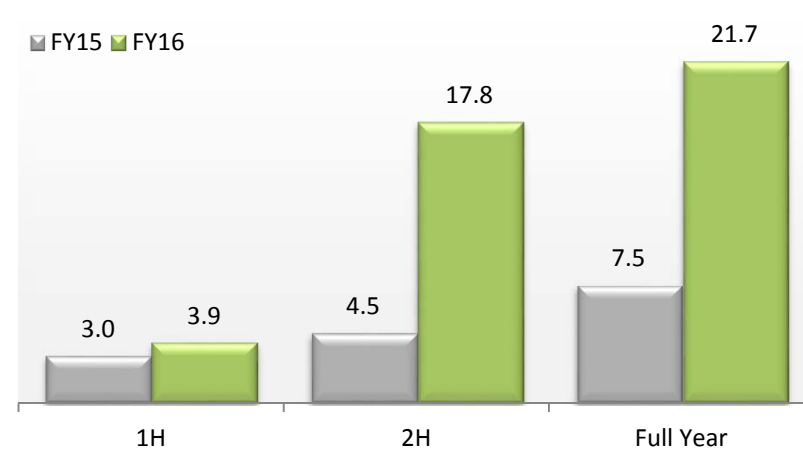
Staffing*

- ▼ Management and front offices integrated successfully, with more than 20 offices consolidated.
- ▼ No material customers or revenue lost arising from Skilled’s acquisition.
- ▼ Programmed now Australia’s largest blue collar staffing business, and steps being taken to promote the benefits of the company’s strong safety systems and compliance.
- ▼ White collar businesses, operating in growing markets, consolidated under Programmed Professionals brand.
- ▼ OneShift continues to develop and grow customers and job seekers.
- ▼ Revenue projected to increase on an annualised basis in FY17.

Staffing Revenue (\$m)



Staffing EBITA (\$m)

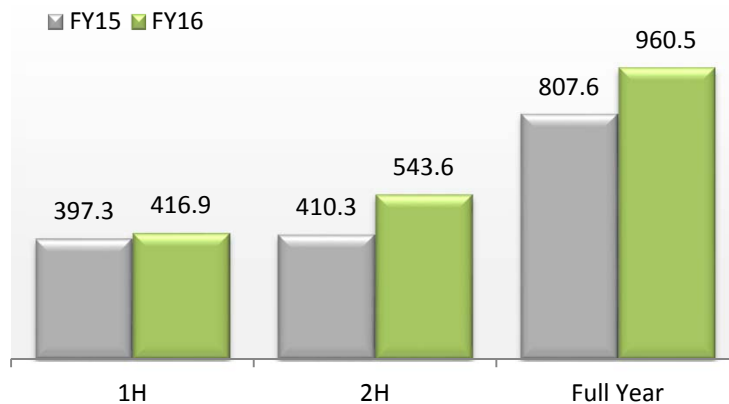


* Combines Programmed’s Workforce business and Skilled’s Workforce Services and Technical Professionals businesses.

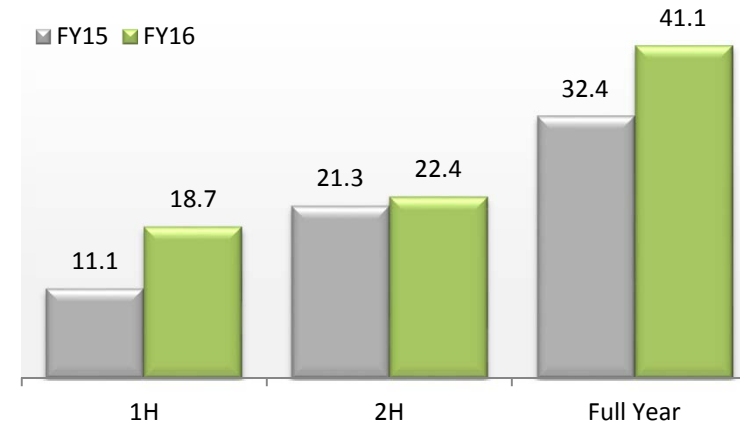
Maintenance*

- ▼ New long-term facility management contracts.
- ▼ Higher margin due to improved operational control.
- ▼ Painting volumes similar, with reduced invested capital.
- ▼ New grounds maintenance contracts.
- ▼ Electrical business' focus on fit-out, maintenance and upgrades securing new work.
- ▼ New WA Government contract expected to generate revenue between \$90 million and \$120 million p.a., with possible total revenue of \$1.5 billion+ over 15 years.
- ▼ Strategies in place to secure significant share of operational and maintenance expenditure on resource companies', utilities' and governments' infrastructure.
- ▼ Industrial and mining revenue lower, and activities being refocused on operational support and maintenance.

Maintenance Revenue (\$m)



Maintenance EBITA (\$m)

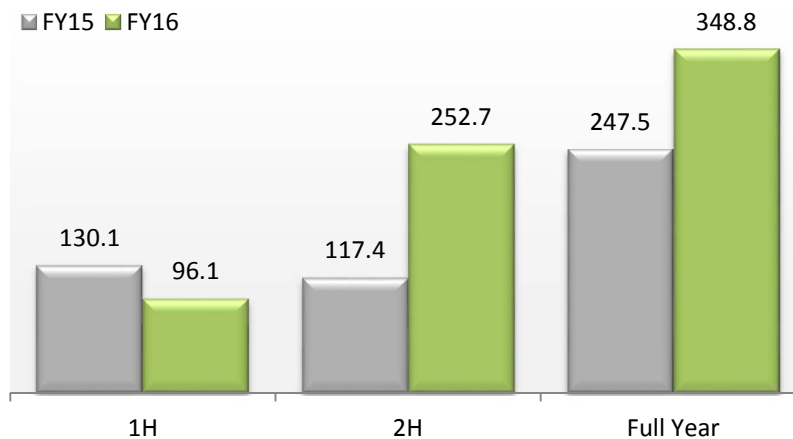


* Combines Programmed's Property & Infrastructure businesses and Skilled's industrial maintenance businesses.

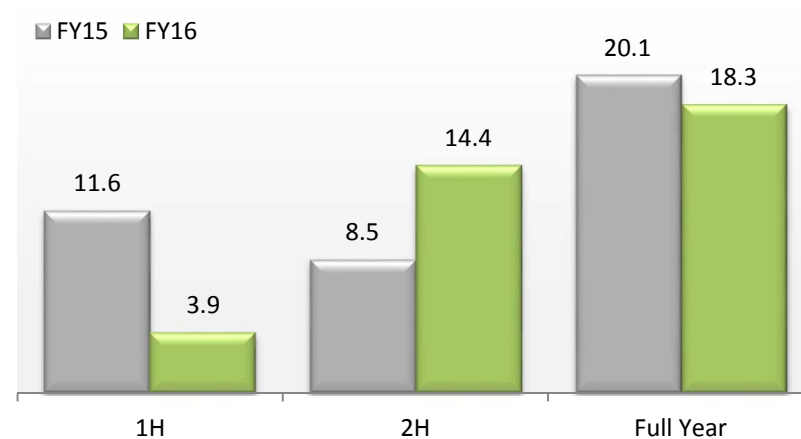
Marine*

- ▼ A number of major offshore projects completed in the second half.
- ▼ Business downsized significantly to suit lower activity forecast for FY17 due to steep decline in oil and gas prices.
- ▼ Broadsword vessels sold for \$25 million and business treated as a discontinued operation, with revenue and earnings excluded from FY16 results.

Marine Revenue (\$m)



Marine EBITA (\$m)



* Combines Programmed's Resources division and Skilled's marine businesses.

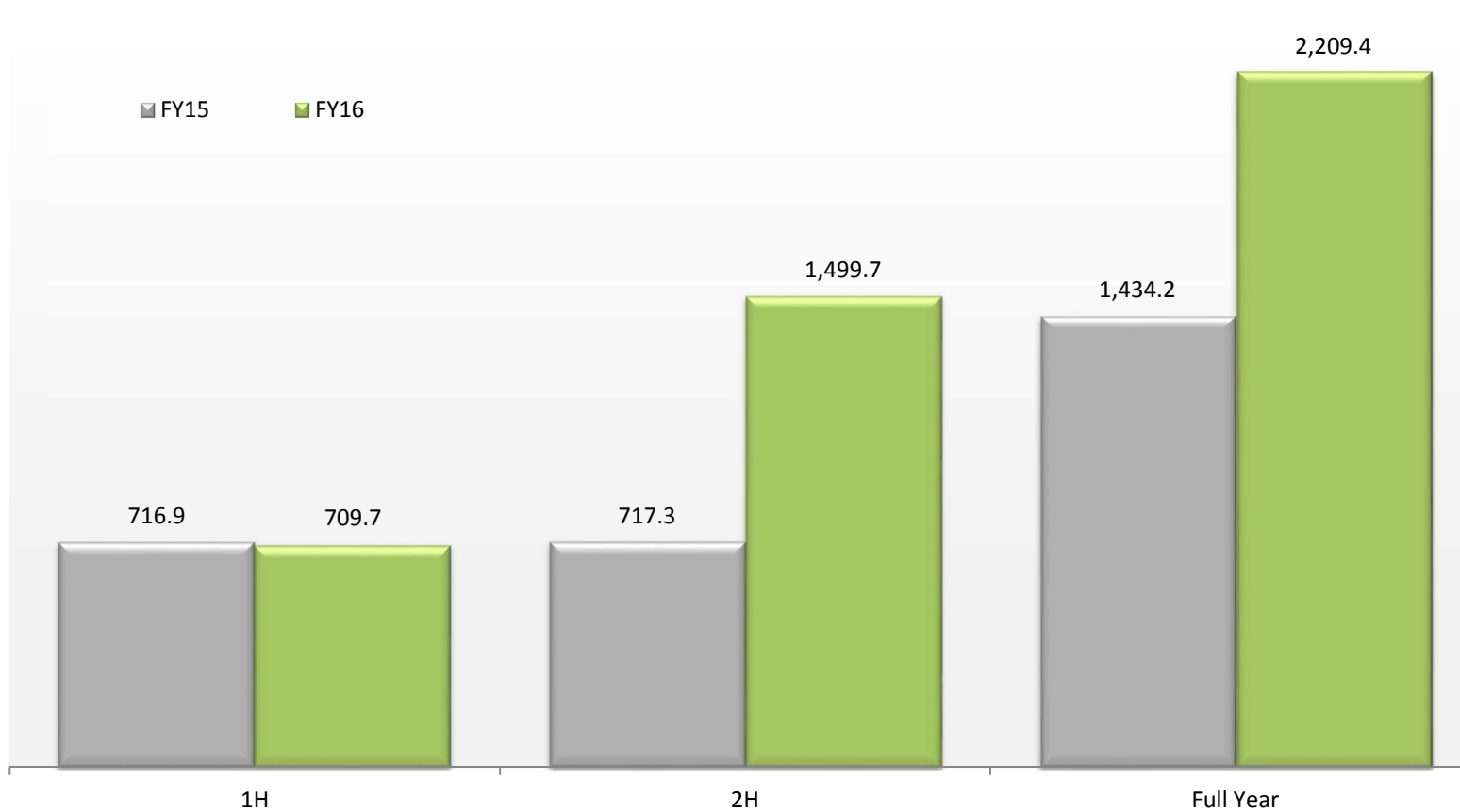
Looking ahead

- ▼ Programmed has a clear vision to be a leading provider of staffing, maintenance and facility management services, without injury.
- ▼ The company's business model, providing services to thousands of customers across all industry sectors throughout Australia and New Zealand, provides considerable strength in a challenging economy.
- ▼ Customers in markets such as retailing, tourism, transport and manufacturing are hiring people and spending on their assets again, and there are growing opportunities in education, health and aged care.
- ▼ Demand is growing for staff and maintenance services in these sectors, which represent more than 2/3 of group revenue going forward.
- ▼ Demand for labour in the resources sectors has weakened due to completion of major projects and cutbacks in exploration and operating budgets.
- ▼ Following contract wins over the past two years, Programmed is well positioned to secure PPP contracts and long-term maintenance contracts in public housing, education, tourism and agriculture, all sectors forecast to grow.
- ▼ February 2016 projections of FY17 EBITA in the range \$100 million to \$110 million and EBITDA in the range \$120 million to \$130 million confirmed, based on current estimates; excluding non-trading items; subject to actual trading conditions and assuming no material changes to the macroeconomic environment.

APPENDIX

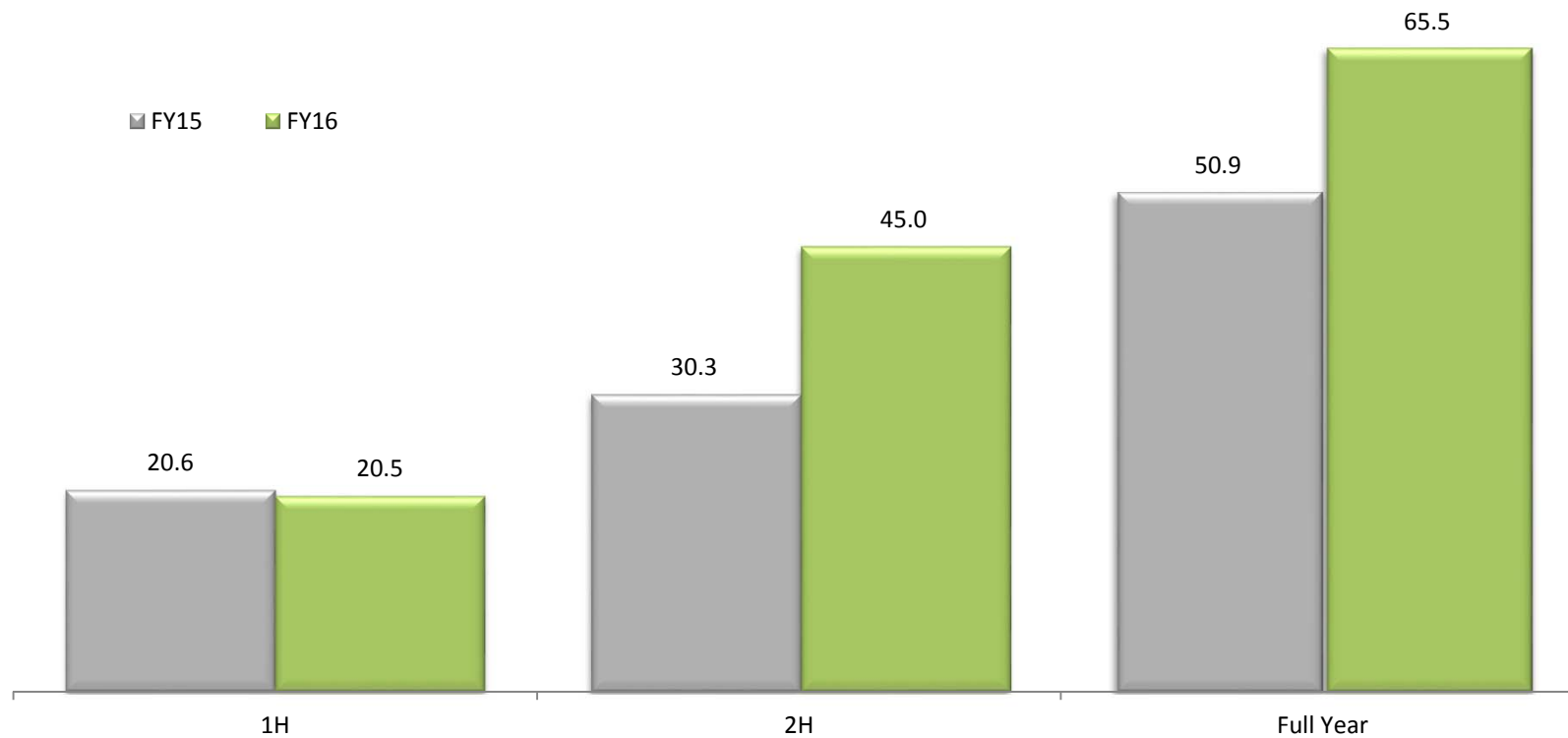
Group revenue

Group Revenue (\$m)



Group EBITA

Group EBITA¹ (\$m)



¹ Before non-trading items

FY16 revenue by division

	Year ended 31 Mar 2016 \$m	Year ended 31 Mar 2015 \$m	% change
Staffing	896.7	376.8	138%
Maintenance	960.5	807.6	19%
Marine	348.8	247.5	41%
Other Revenue	3.4	2.3	
Total Consolidated Revenue	2,209.4	1,434.2	54%

FY16 EBITA by division

	Year ended 31 Mar 2016 \$m	Year ended 31 Mar 2015 \$m	% change
Staffing	21.7	7.5	189%
Maintenance	41.1	32.4	27%
Marine	18.3	20.1	(9%)
Unallocated	(15.6)	(9.1)	(71%)
Consolidated EBITA (before non-trading items)	65.5	50.9	29%
Non-trading items	(136.8)	(5.8)	
Total Consolidated EBITA	(71.3)	45.1	(258%)

FY16 results by division

Staffing	Year Ended 31 Mar 2016 \$m	Year Ended 31 Mar 2015 \$m	% change
Revenue	896.7	376.8	138%
EBITA	21.7	7.5	189%

Maintenance	Year Ended 31 Mar 2016 \$m	Year Ended 31 Mar 2015 \$m	% change
Revenue	960.5	807.6	19%
EBITA	41.1	32.4	27%

Marine	Year Ended 31 Mar 2016 \$m	Year Ended 31 Mar 2015 \$m	% change
Revenue	348.8	247.5	41%
EBITA	18.3	20.1	(9%)

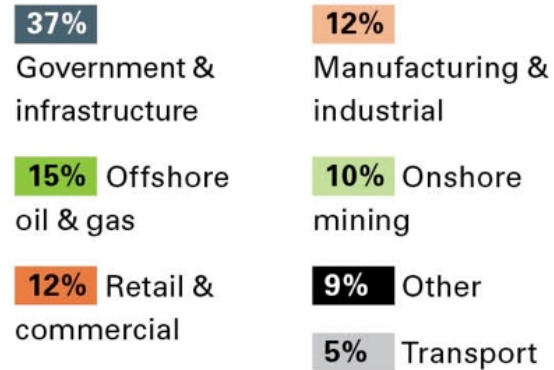
FY16 revenue split



REVENUE* BY STATE/COUNTRY



REVENUE* BY SECTOR



* Includes six months contribution from Skilled

Our strategic plan

Our Vision....To be a leading provider of staffing, maintenance and facility management services, without injury



SAFETY

- ▶ Improve critical risk standards based on combination of existing risk standards and rules
- ▶ Certified QHSE systems established in each division
- ▶ Revise life saving / golden rules in line with revised critical risks
- ▶ Refresh and roll out safety conversations, safety pauses and other behavioural tools
- ▶ Enforce rigour around site / project risk assessments and daily JSAs



PEOPLE & CULTURE

- ▶ Educate our people in the culture / behaviours expected which are visible displays of personal safety leadership, care and empathy for people and good customer service
- ▶ Educate our people about the Programmed Difference to enable all of us to speak and present the company in a similar vein



SYSTEMS

- ▶ A common accounting system
- ▶ A common staff HR / payroll system
- ▶ A common CRM system
- ▶ A common HSE reporting / administration system
- ▶ A common on-hire employee system



GROWTH

- ▶ Marketing & customer development
 - strategic marketing to customers of the combined group
 - transition to one master brand
 - sell the Programmed Difference
- ▶ Build and deliver scale efficiencies
- ▶ Expansion in resources and energy
- ▶ Expansion in infrastructure