



28 April 2023

General Manager
ASX Market Announcements
Australian Securities Exchange
Limited PO Box H224
Australia Square
Sydney
NSW 1215

FOR IMMEDIATE RELEASE

**Trading update,
Quarterly Activities Report and ASX Appendix 4C For the Quarter Ended 31 March 2023**

Sydney, 28 April 2023: BSA is pleased to publish the quarterly activities report, trading update and the related Appendix 4C statement of cashflows for the quarter ending 31 March 2023 (Q3 FY2023):

Highlights:

- Continuing operations continue to show significant improvement in its financial performance compared to the same period in the previous year.
- Current quarter's performance is consistent with the previous quarter reflecting the group's focus on telecommunications market;
- BSA completes the sale of the APS Maintain business to CBRE Group, Inc. on 3 February 2023; and
- Progress continues to complete the sale of APS Fire QLD to Entire Fire Pty Ltd by 30 April 2023 for nominal consideration.

Trading update:

- BSA is pleased to release an unaudited trading update for the 9 months to 31 March 2023 for continuing operations (CUI);

Financial Performance \$'m	Q3 FY2023	Q3 FY2022	Var	YTD FY2023	YTD FY2022	Var
Continuing Revenue - CUI	58.4	60.4	(2.0)	181.4	182.9	(1.5)
<i>Gross Margin %</i>	<i>27%</i>	<i>18%</i>	<i>9%</i>	<i>24%</i>	<i>18%</i>	<i>6%</i>
EBITDA						
CUI	5.8	1.8	4.0	14.6	5.2	9.4
Corporate	(1.2)	(1.2)	-	(3.6)	(3.7)	0.1
Continuing EBITDA	4.6	0.6	4.0	11.0	1.5	9.5

- Q3 revenue of \$58.4 million is marginally down by 3% vs prior comparative period (pcp). Volumes on nbn have remained stable with mix of work favourably impacting EBITDA returns. Prior period comparatives include mobilisation costs. Other platforms continue to deliver stable volumes;

- CUI EBITDA of \$5.8 million (\$4.0 million increase in EBITDA to pcp) driven by:
 - Higher margin work in Q3 FY2023 specifically on nbn Unify platform with mobilisation on this platform completed during FY2022; and
 - Maintaining the operating cost base.
- Performance is expected to continue at similar margins as a result of pricing changes and volume certainty; and
- Focus of the Group remains on the telecommunications sectors and complementary markets.

Commenting on the quarter results, Joint CEO's Arno Becker and Richard Bartley said:

"BSA's CUI division once again delivered strong gross margin and EBITDA showing quarter on quarter growth in FY23. We continue to strengthen our relationships with clients, and this has resulted in a more sustainable business model along with an opportunity to participate in the growth across the Telco sector."

Total Group Performance

Financial Performance \$'m	Q3 FY2023	Q3 FY2022	Var	YTD FY2023	YTD FY2022	Var
Revenue:						
Continuing Operations	58.4	60.4	(2.0)	181.4	182.9	(1.5)
Discontinued Operations						
APS Maintain ¹	8.6	40.5	(31.9)	89.8	106.5	(16.7)
APS Fire Build	9.9	12.9	(3.0)	28.9	41.9	(13.0)
Total Revenue	76.9	113.8	(36.9)	300.1	331.3	(31.2)
EBITDA:						
Continuing Operations	4.6	0.6	4.0	11.0	1.5	9.5
Discontinued Operations						
APS Maintain ²	(4.8)	(1.9)	(2.9)	(7.1)	(4.5)	(2.6)
APS Fire Build	(0.7)	(0.2)	(0.5)	(8.4)	(0.5)	(7.9)
EBITDA pre significant items³	(0.9)	(1.5)	0.6	(4.5)	(3.5)	(1.0)

¹ Revenue for the APS Maintain business is included to 3 February 2023.

² EBITDA includes results from the APS Maintain business to 3 February 2023, disposal costs and separation costs.

³ No significant items in FY2023 (YTD FY2022: Loss \$23.9 million).

Discontinued operations:

- The sale of the APS Maintain business completed on 3 February 2023 for \$21.6 million including estimated working capital adjustments.
- Fire Build Queensland sale is expected to close by 30 April 2023.
- Fire Build NSW remains as an asset held for sale.
- During the quarter the weaker businesses performance for APS Fire continues to be impacted by:
 - project delays;
 - price increases due to delays and inflation; and
 - supply chain disruption.
- BSA management continue to focus on improving performance in APS Fire Build, with initiatives well underway.

Financial Position

Net Debt \$'m	Q3 FY2023	Q3 FY2022
Cash	1.9	3.4
Borrowings	(12.8)	(7.5)
Insurance Funding & Asset Finance	(1.3)	(1.0)
Opening Net Debt as at 31 December	(12.2)	(5.1)
Net Cashflow for the quarter	9.7	14.6
Net Borrowings repaid/(drawn) for the quarter	3.0	(35.2)
Cash	11.6	18.0
Borrowings	(11.0)	(43.5)
Asset Finance	(0.1)	(0.2)
Closing Net Cash/(Debt) as at 31 March	0.5	(25.7)

*Net Debt in the investor presentation does not include Insurance Funding & Asset Finance

The Group's finance facilities with CBA have been reduced to align and support the continuing operations of the business. The cash advance facility of \$6.0 million was removed and the working capital facility of \$37.5 million reduced to \$15.0 million. The revised facilities are provided on similar terms to the Group's existing arrangements.

The Group had \$4.0 million of undrawn financing facilities at 31 March 2023 relating to its borrowing base facility, which can be used for working capital purposes.

The cash disclosed at 31 March 2023 includes \$5.0 million in restricted term deposits. BSA expects the restriction to be removed before 31 May 2023.

Cashflow Performance

Cashflow \$'m	Q3 FY2023	YTD FY2023
Receipts from customers	85.2	326.0
Payments to suppliers	(92.5)	(342.2)
Interest	(0.5)	(1.6)
Taxation	-	(0.8)
Net cash used from operations	(7.8)	(18.6)
Net payments for equipment and software	(0.5)	(1.5)
Proceeds on sale of business, net of cash disposed	21.7	21.7
Net cash generated from investing activities	21.2	20.2
Net repayments of borrowings	(2.9)	(0.5)
Lease payments	(0.8)	(2.9)
Net cash from financing activities	(3.7)	(3.4)
Net Cashflow for the period	9.7	(1.8)

The Group cashflow performance includes continuing and discontinued operations. Net cash flow for the quarter was \$9.7m including the sale of APS Maintain. BSA continues to manage its cash flows and net working capital balances to minimise utilisation of available financing facilities.

Working capital management remains a strong focus within the group, by ensuring the continued generation of EBITDA and high cash conversion through stringent guidelines on aged debt, maintaining conservative minimum liquidity thresholds and ensuring best market payment terms with our supply chain.

Authorised for release by the Board of Directors.

Arno Becker and Richard Bartley
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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")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	85,211	326,005
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(75,052)	(272,731)
	(c) advertising and marketing	-	(6)
	(d) leased assets (disclosed in section 3.9)	-	-
	(e) staff costs	(10,676)	(42,917)
	(f) administration and corporate costs	(6,197)	(22,837)
	(g) legal settlements	(535)	(3,727)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	4
1.5	Interest and other costs of finance paid	(515)	(1,590)
1.6	Income taxes paid	-	(774)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(7,764)	(18,573)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(536)	(1,190)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
2.2	(f) other non-current assets	(32)	(382)
	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	21,728	21,728
	(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	21,160	20,156
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	11,000	26,092
3.6	Repayment of borrowings	(13,946)	(26,592)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease repayments)	(774)	(2,936)
3.10	Net cash from / (used in) financing activities	(3,720)	(3,436)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,912	13,441
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,764)	(18,573)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	21,160	20,156

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,720)	(3,436)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,588	11,588

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	6,588	1,912
5.2	Call deposits	5,000	-
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)	11,588	1,912

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	159
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>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.</p>		

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	11,000	
7.2 Credit standby arrangements	-	-	
7.3 Other (please specify)	141	141	
7.4 Total financing facilities	15,141	11,141	
7.5 Unused financing facilities available at quarter end		4,000	
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.			
Facility	Facility Limit	Drawn	Interest Rate
CBA Borrowing Base	\$15.0m	\$11.0m	4.9450%
CBA Master Asset	\$0.1m	\$0.1m	6%

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(7,764)
8.2 Cash and cash equivalents at quarter end (item 4.6)	11,588
8.3 Unused finance facilities available at quarter end (item 7.5)	4,000
8.4 Total available funding (item 8.2 + item 8.3)	15,588
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.01
<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: 28 April 2023

Authorised by: the Board