

# Service Stream Limited

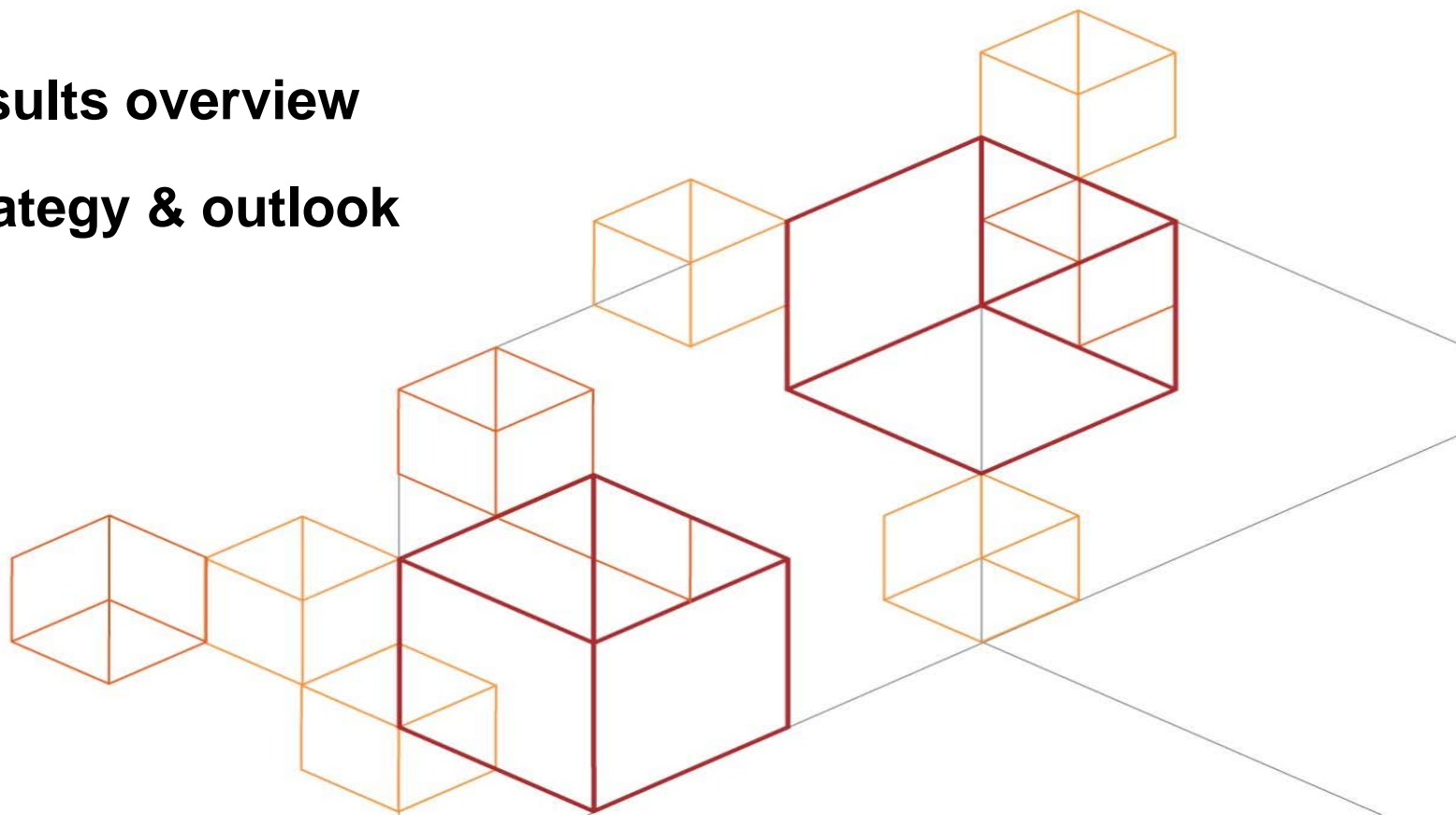
## 2012 Annual General Meeting Presentation

24 October 2012



# Agenda

- 1. Results overview**
- 2. Strategy & outlook**



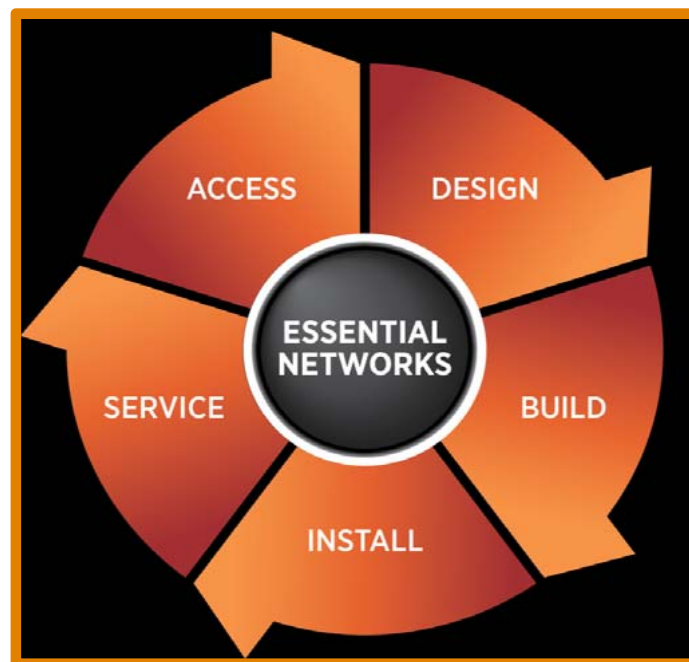
# Results Overview

Graeme Sumner  
Managing Director



## Service Stream: Who we are

- A leading provider of essential network services, including access, design, build, installation and maintenance.
- We operate principally in the essential networks of fixed communications, mobile communications, and energy & water.
- Blue chip customers include Telstra, Origin Energy, Jemena, Vodafone and NBN Co.
- More than 4,000 employees and contractors.





## Highlights: FY12 Financials

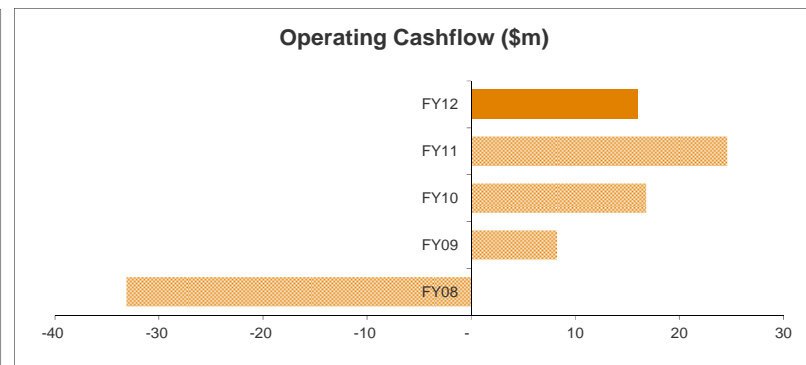
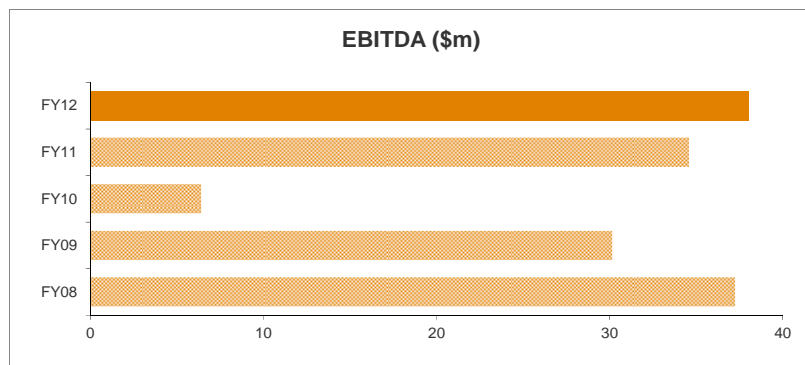
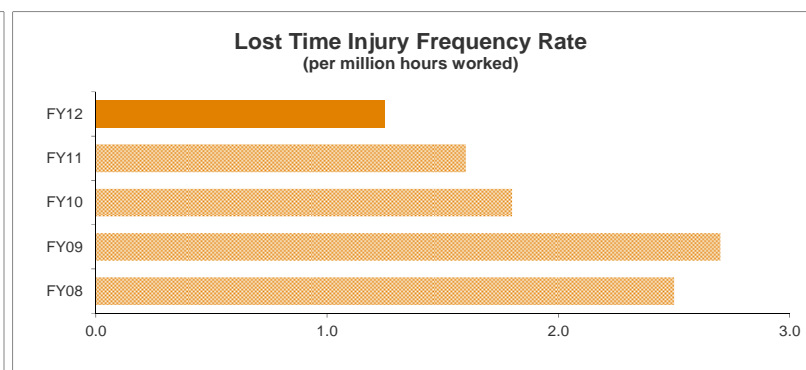
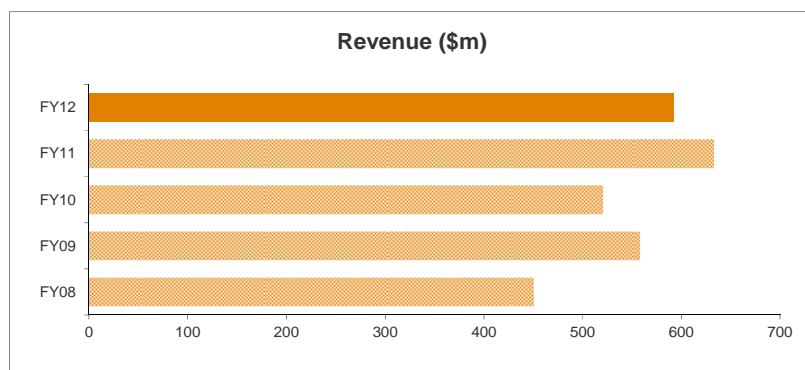
- EBITDA of \$38.0m, up 10.0% on FY11 result.
- Increase in EBITDA margin from 5.5% to 6.4%.
- NPAT of \$18.7m, up 13.8%.
- EPS of 6.60 cents, up 13.8%.
- Operating Cashflow result of \$16.0m reflects resumption of tax payments.
- Declared a final dividend of 1.0 cent per share, taking FY12 DPS to 2.0 cent per share.



## Highlights: Contracts

- Syntheo won contracts with NBN Co for the design and construction of the National Broadband Network:
  - WA region, \$174m over an initial two-year term, with options for a further two years, bringing the total potential value to \$484m; and
  - SA/NT region, \$141m over an initial two year term, with options for a further two years, bringing the total potential value to \$341m.
- Two-year extension to the Telstra National Wireless Construction contract, valued at approximately \$80m.
- Service Stream won contracts with NBN Co for the construction of new estates in WA, SA, NT and NSW, estimated value of \$100m over the next 18 months.

## FY12 builds on recent track record of consistent earnings growth



## Subsequent events of note

- Awarded Field Services Delivery (FSD) and Network Augmentation and Restoration Activities (NARA) by NBN Co for Victoria, Western Australia, South Australia, and the Northern Territory. Each contract has initial two year term plus two one-year extensions, with an initial value of \$80m.
- Existing A&AS contract to cease 31 December 2012, with exact ramp-down program still to be advised by Telstra.
- Syntheo currently shortlisted for further NBN Co design & construction work-packages across Victoria, New South Wales and Queensland.
- Service Stream shortlisted for Telstra remediation program, which readies existing Telstra infrastructure for NBN fibre roll-out.





We've re-branded our divisions around three specialist brand names...

ENERGY AND WATER



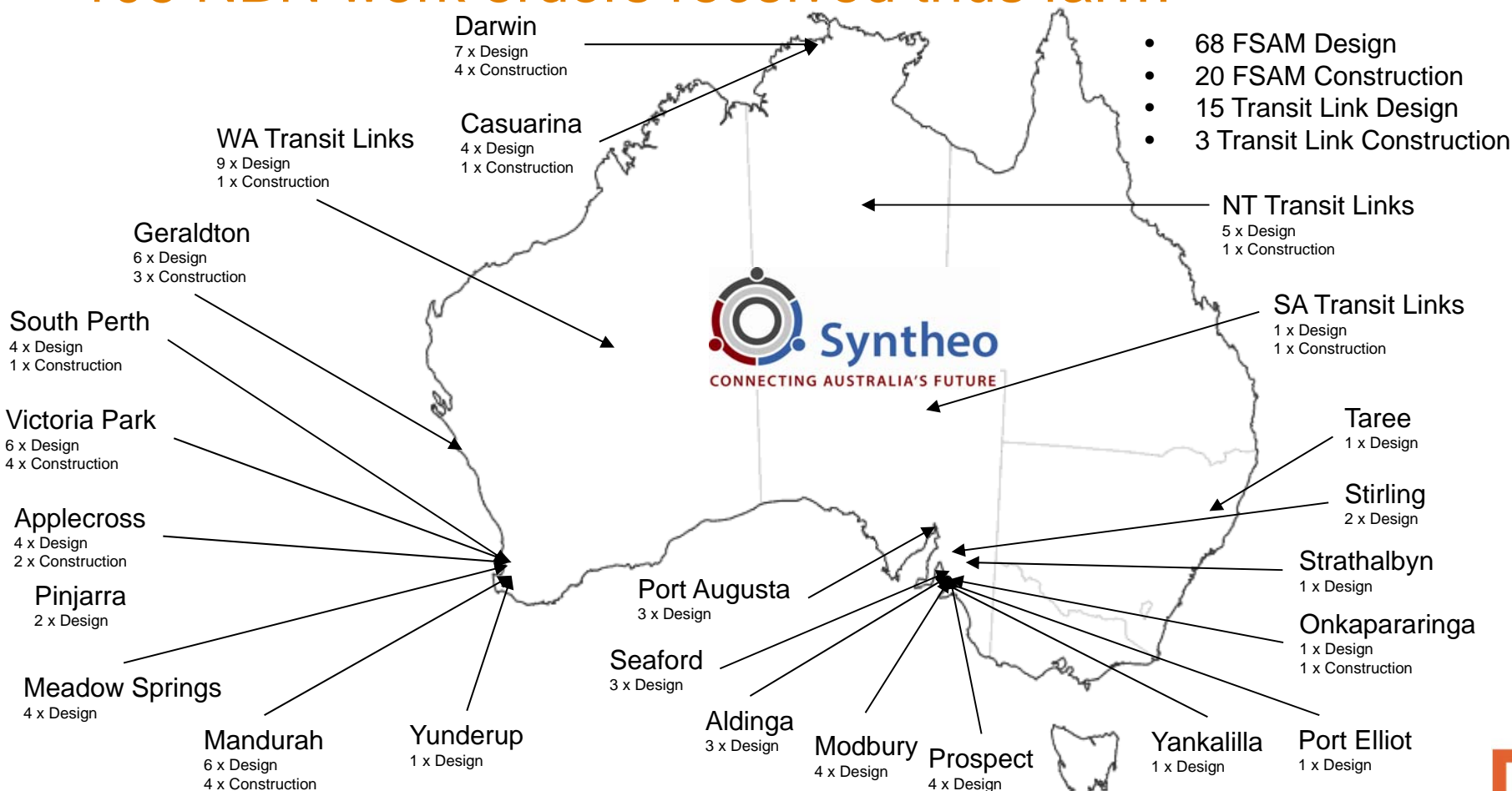
MOBILE COMMUNICATIONS



FIXED COMMUNICATIONS

# 106 NBN work orders received thus far...

As at 16 October 2012



## Strong medium term outlook

- Tender process for NBN Co's brownfield work packages 5 to 9 in the Eastern states is currently underway via Syntheo, valued at ~\$1.6 billion.
- Demonstrated ability to secure large NBN-related contracts - Work Packages 2 & 3, New Developments.
- Telstra network remediation expected to grow strongly.
- Mobile communications market drivers expected to remain strong for at least the next two years.
- Dividends expected to continue to reward shareholders now that sustainable profitability has returned.
- FY13 EBITDA expected to be broadly in line with FY12, with a bias towards H2. First half underlying EBITDA expected to be approximately \$17m, which after a one-time charge of \$3.1m in connection with the finalisation of the Ericsson Jersey dispute, will result in a reported H1 EBITDA of approximately \$14m.



# Questions?

