



PROGRAMMED

FY16 First Half Results Presentation

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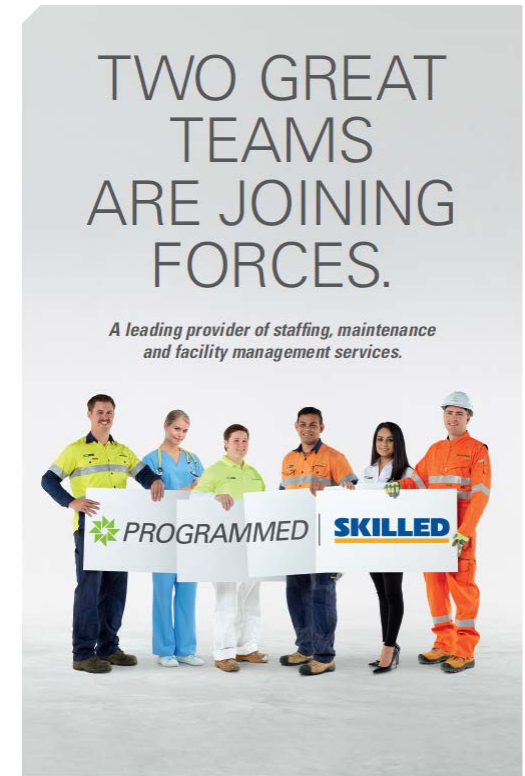
This presentation should be read in conjunction with the Announcements issued to the ASX since the 2015 Annual Report which can be found on the Programmed website at www.programmed.com.au.

Safety pause



Group Highlights 1H FY16

- ▼ Revenue of \$710 million, down 1.0%
- ▼ EBIT¹ of \$20.1 million, down 2.4%
- ▼ Profit after tax of \$12.8¹ million, up 5.8%
- ▼ Earnings per share of 10.8c¹, up 5.9%
- ▼ Non-cash impairment of Resources goodwill of \$27.8m
- ▼ Fully franked final dividend of 6.5 cents per share, same as pcp
- ▼ Net debt \$18.0 million
- ▼ Net debt/equity 4.7% at 30 September 2015
- ▼ Completed Skilled transaction effective 16 October 2015
- ▼ Integration ahead of schedule
- ▼ Forecast \$20m of synergies extracted by Dec 2015



¹ Before non-trading items (refer to slide 5)

Group results

Group Results	1H FY16 30 Sep 2015 \$m	1H FY15 30 Sep 2014 \$m	% change
Revenue	709.7	716.9	(1.0%)
Results Before Non-Trading Items			
EBITDA	25.3	26.3	(3.8%)
Depreciation and amortisation	(5.2)	(5.7)	8.8%
EBIT	20.1	20.6	(2.4%)
Interest	(1.9)	(3.0)	36.7%
Profit before Tax	18.2	17.6	3.4%
Income tax expense	(5.4)	(5.5)	1.8%
Profit after Tax (before non-trading items)	12.8	12.1	5.8%
Non-Trading Items			
Skilled transaction, restructuring and other costs	(5.2)	(0.9)	
Resources goodwill impairment (non-cash)	(27.8)		
Incentive payment (Turnpoint acquisition)		(1.4)	
Share of net loss of associate (OneShift)	(0.1)	(0.3)	
Tax on non-trading items	1.6	0.3	
Profit / (Loss) after Tax (statutory basis)	(18.7)	9.8	
Earnings per Share (before non-trading items)	10.8	10.2	5.9%
Earnings per Share (statutory basis)	(15.7)	8.2	
Weighted Average Shares on Issue (million)	118.8	118.4	

Group cash flow

Group Cash Flow	1H FY16 30 Sep 2015 \$m	1H FY15 30 Sep 2014 \$m	% change
Gross Operating Cash Flow	17.4	46.1	(62%)
Interest paid	(1.8)	(2.9)	38%
Income tax paid	(5.9)	(7.1)	17%
Net Operating Cash Flow	9.7	36.1	(73%)
Net purchases of non current assets	(4.8)	(4.3)	
Payment for businesses	(1.3)	0.0	
Other investing cash flows	0.2	0.2	
Net Investing Cash Flow	(5.9)	(4.1)	(44%)
Net borrowings / (repayments)	(1.7)	(6.9)	
Dividends paid	(13.6)	(13.0)	
Net Financing Cash Flow	(15.3)	(19.9)	23%
Net Increase / (Decrease) in Cash	(11.5)	12.1	
Cash at beginning of year	42.8	29.5	
Exchange Rate Variances	(0.4)	(0.2)	
Cash at End of Period	30.9	41.4	(26%)

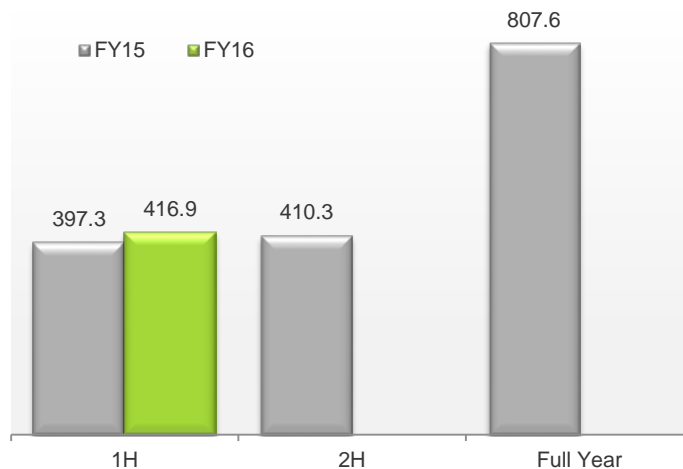
Group balance sheet

Balance Sheet	30 Sep 2015	31 Mar 2015	% change
	\$m	\$m	
Cash	30.9	42.8	(28%)
Trade and other receivables	194.6	196.4	(1%)
Contract recoverables	96.1	97.2	(1%)
Inventories	87.8	82.6	6%
Property, plant & equipment	24.0	24.4	(2%)
Goodwill & other intangible assets	237.5	263.0	(10%)
Other assets	31.4	26.1	20%
Total Assets	702.3	732.5	(4%)
Trade and other payables	175.8	173.6	1%
Borrowings	48.9	49.8	(2%)
Provisions and other liabilities	94.2	90.7	4%
Total Liabilities	318.9	314.1	2%
Total Equity	383.4	418.4	(8%)
Net Debt	18.0	7.0	157%
Net Debt / Equity	4.7%	1.7%	181%

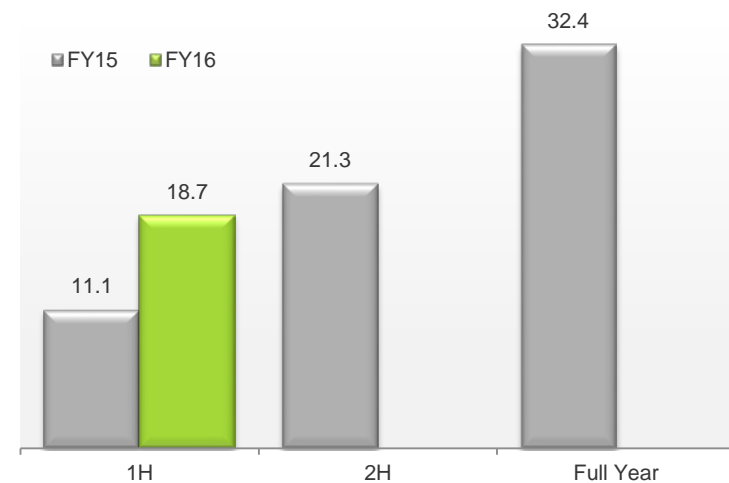
Property & Infrastructure

- Improvement in earnings in task-based services due to improved systems and tight operational control
- Painting program demand was stable, with no material reduction of capital invested, in contrast to recent years when the capital invested has been falling with demand
- Strong growth in Facility Management earnings on back of new contracts secured in prior year
- Preferred bidder as a member of Juris Partnership consortium for ACT Law Courts PPP

Property & Infrastructure Revenue (\$m)



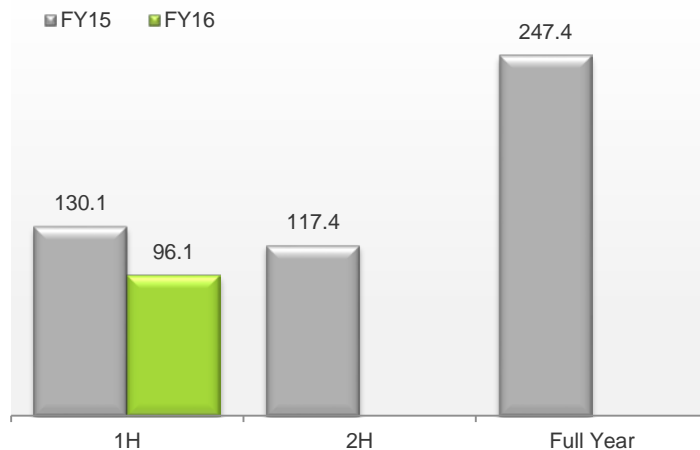
Property & Infrastructure EBIT (\$m)



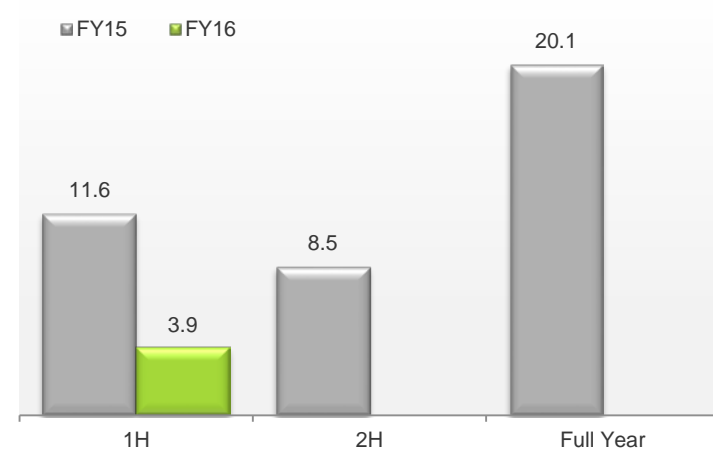
Resources

- Revenue and earnings were significantly lower as demand for marine services fell due to completion of a number of major offshore projects and the significant fall in oil price resulting in cancellation and deferral of some further works
- Some new marine services opportunities being pursued but demand expected to be weak in the near term
- Some opportunities for maintenance services in the onshore mining sector being pursued and acquisition of Skilled will add to existing capability

Resources Revenue (\$m)

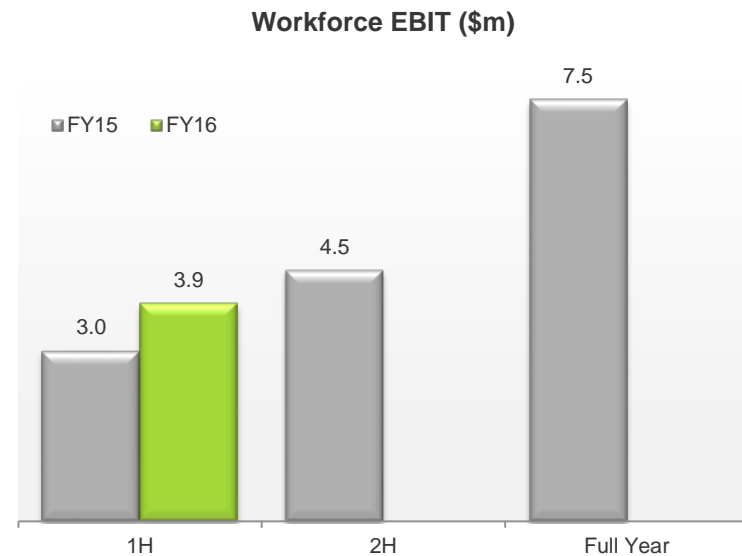
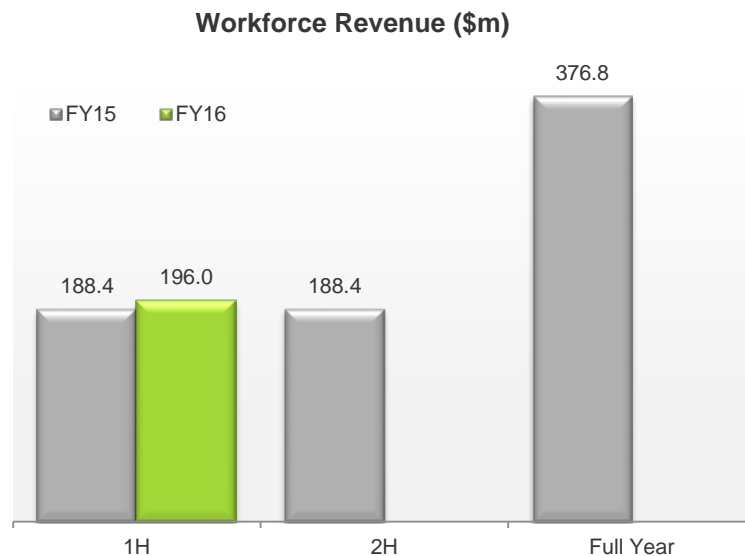


Resources EBIT (\$m)



Workforce

- ▼ Demand increased in blue collar economy...first increase in three years
- ▼ Retail, manufacturing (food), industrial and transport are hiring extra people
- ▼ Alliance with APM successfully commenced National Employment Services contract on 1 July 2015



Debt Financing

Programmed has finalised agreements with its banks to provide lending facilities, replacing the existing facilities effective from 16 October 2015.

The lending facilities include four financing tranches aggregating \$600 million (previously \$200 million) comprising:

- ▼ 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 to fund the cash consideration and transaction costs in relation to the acquisition of Skilled, of \$75 million (2 year term)

A separate working capital and bank guarantee facility of NZ\$10 million (3 year term) has been established.

Existing overdraft facilities and asset finance facilities remain in place.

Our Strategic plan (post combination with Skilled)

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 Programmed / Skilled 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 JSA's



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

Operational structure (from 19 Oct 2015)



Segment

Staffing

Maintenance

Marine

Division

Professionals

Skilled
Workforce

Facility
Management

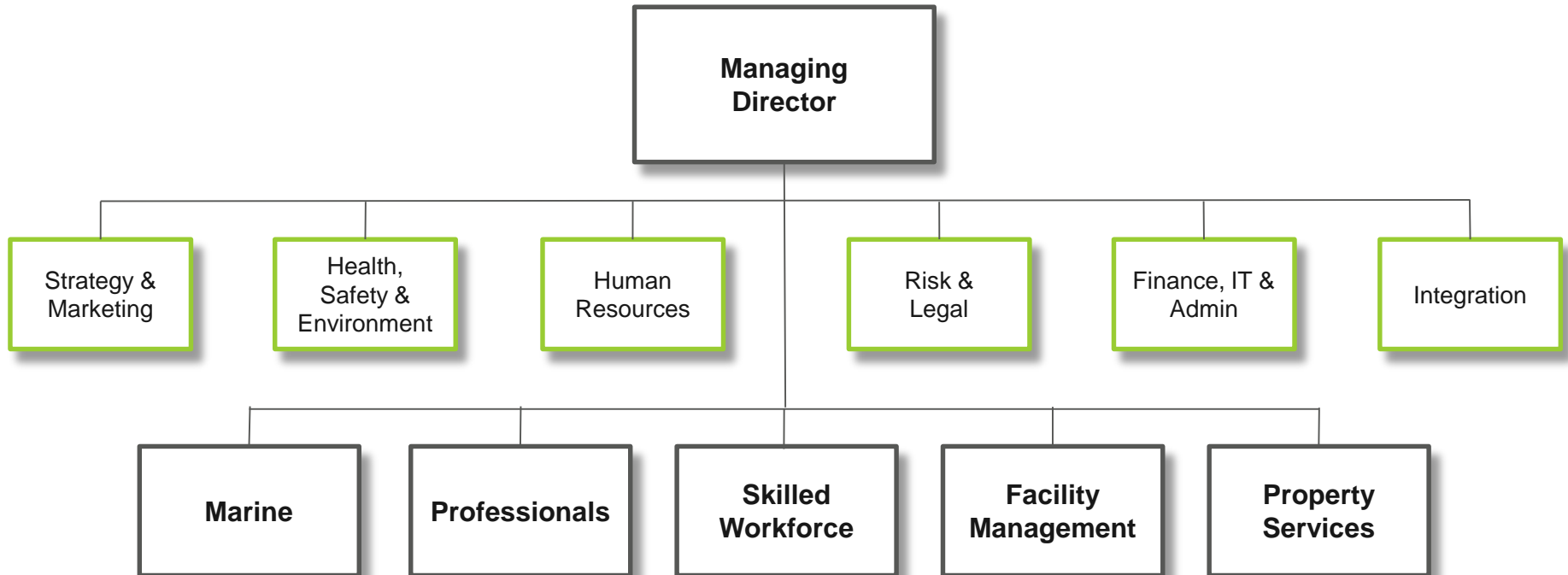
Property
Services

Marine

Businesses
Combined



Organisational structure (from 19 Oct 2015)



Integration plan

- ▼ Phase 1 - 17 July 2015 to 4 September 2015
 - ▼ Detailed Discovery and Primary Integration Planning
 - Gathered information and developed plans
 - Engaged with Skilled staff
- ▼ Phase 2 – 7 September 2015 to 16 October 2015
 - ▼ Pre Commencement Activity and Preparing for Day 1
 - Ready for Day 1 with 5/5/5 plans in 23 different workstreams
 - Plan reviewed, finalised and approved by the Board
 - Organisation design completed and announced internally on 6 October
 - Integrated management team met on 8 October 2015 for first official time.
- ▼ Phase 3 -19 October 2015 (DAY 1) to 31 March 2016
 - ▼ First Wave Integration Plan Implementation
 - Corporate integration
 - Business operations integration
 - Embedding the Programmed culture
 - Plan and design system integration
 - MD 3 week roadshow
- ▼ Phase 4 – 1 April 2016 to 31 March 2017
 - ▼ Second Wave Integration
 - Implement the systems integration plan (HSE, HR, Finance, Payroll, Onhire Employees, CRM)
 - Secure new business from customers of the combined group

On Day 1 of a new, better, stronger Programmed

- ▼ New operational structure in place covering all employees
- ▼ Corporate support functions all integrated and supporting the whole group
- ▼ ICT networks connected enabling any employee from Programmed or Skilled full access to staff directories, systems and drives from every office (Programmed or Skilled)
- ▼ Email addresses and signature blocks with the correct branding deployed to every user
- ▼ A new intranet landing page for every user established as a source of information, news and ability to ask questions or provide feedback to the leadership team, including a video message from the Managing Director welcoming them and explaining the company's vision, values and plans
- ▼ Welcome to the 'new, better, stronger Programmed' packs distributed to every employee – Group Talk, Safety News, welcome letter, summary of corporate strategy and a welcome gift

Looking Ahead

As it is just 5 weeks since we completed the acquisition of Skilled, we have elected not to provide at this stage any specific guidance for FY16, as we review the current Skilled business performance and forecasts. However, there are four main things to consider for the remainder of FY16 and FY17:

- (1) the marine services market has rapidly declined over the past 6 months as a number of major offshore projects have been completed and the low oil price has resulted in a number of exploration and field development projects being cancelled and deferred.
- (2) we are successfully integrating both companies faster than planned.
- (3) we have a well performing FM business that has a strong pipeline of opportunities.
- (4) we have confidence in the long term strategy to combine Programmed and Skilled to create a better, stronger company, and in particular noting:
 - the combined maintenance and facility management operations, will now cover all industry sectors at a time when maintenance / FM outsourcing is growing in size and scope.
 - we have a medium term view of general growth across the non resources parts of the Australian economy and believe our combined staffing business will be well placed to grow.

Appendix

1H FY16 segment revenue

Revenue by division	1H FY16 30 Sep 2015 \$m	1H FY15 30 Sep 2014 \$m	% change
Property & Infrastructure	416.9	397.3	5%
Resources	96.1	130.1	(26%)
Workforce	196.0	188.4	4%
Other Revenue	0.7	1.1	
Total Consolidated Revenue	709.7	716.9	(1%)

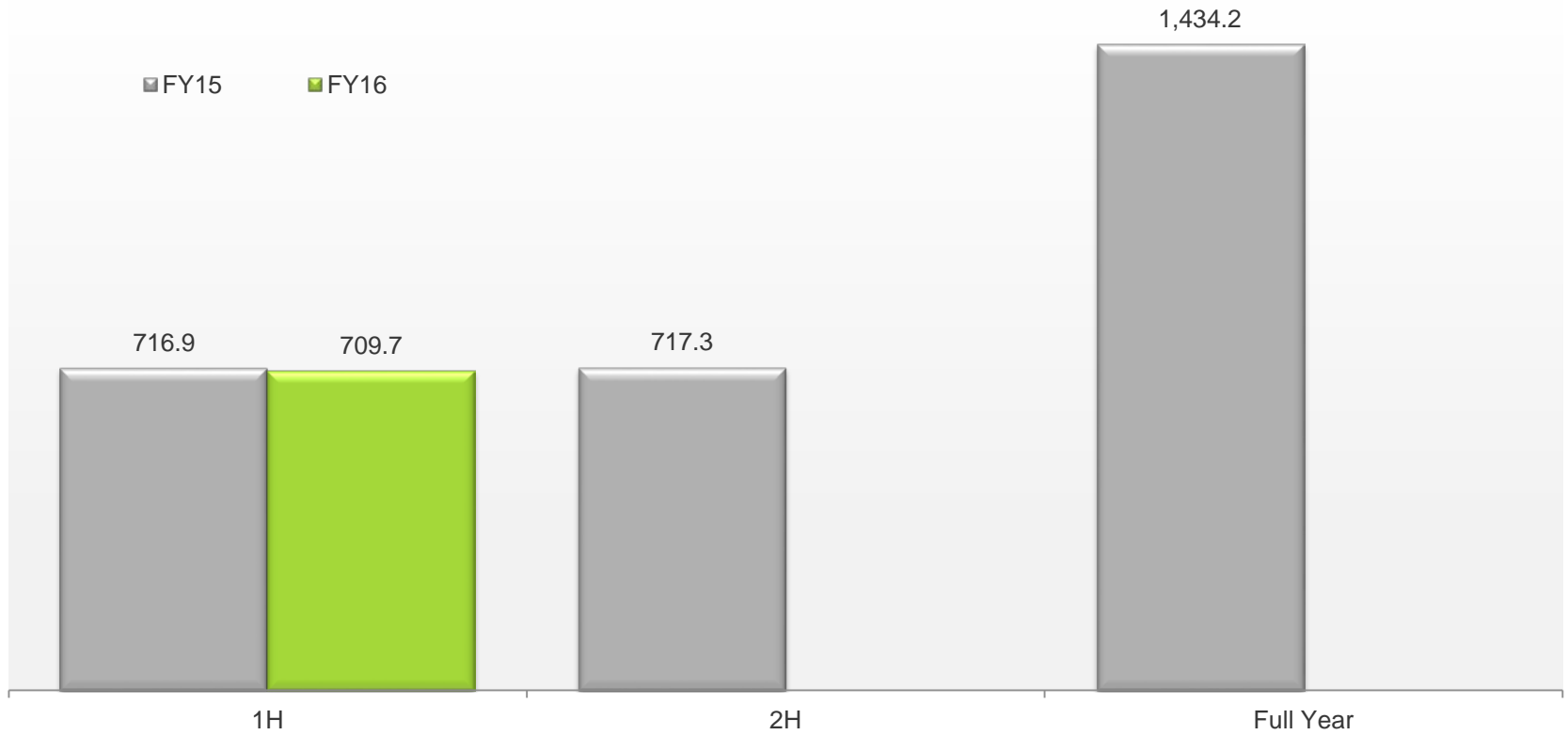
1H FY16 segment EBIT



EBIT by division	1H FY16 30 Sep 2015 \$m	1H FY15 30 Sep 2014 \$m	% change
Property & Infrastructure	18.7	11.1	68%
Resources	3.9	11.6	(66%)
Workforce	3.9	3.0	30%
Unallocated	(6.4)	(5.1)	(25%)
Consolidated EBIT (before non trading items)	20.1	20.6	(2%)
Non trading items	(33.1)	(2.6)	
Total Consolidated EBIT	(13.0)	18.0	(172%)

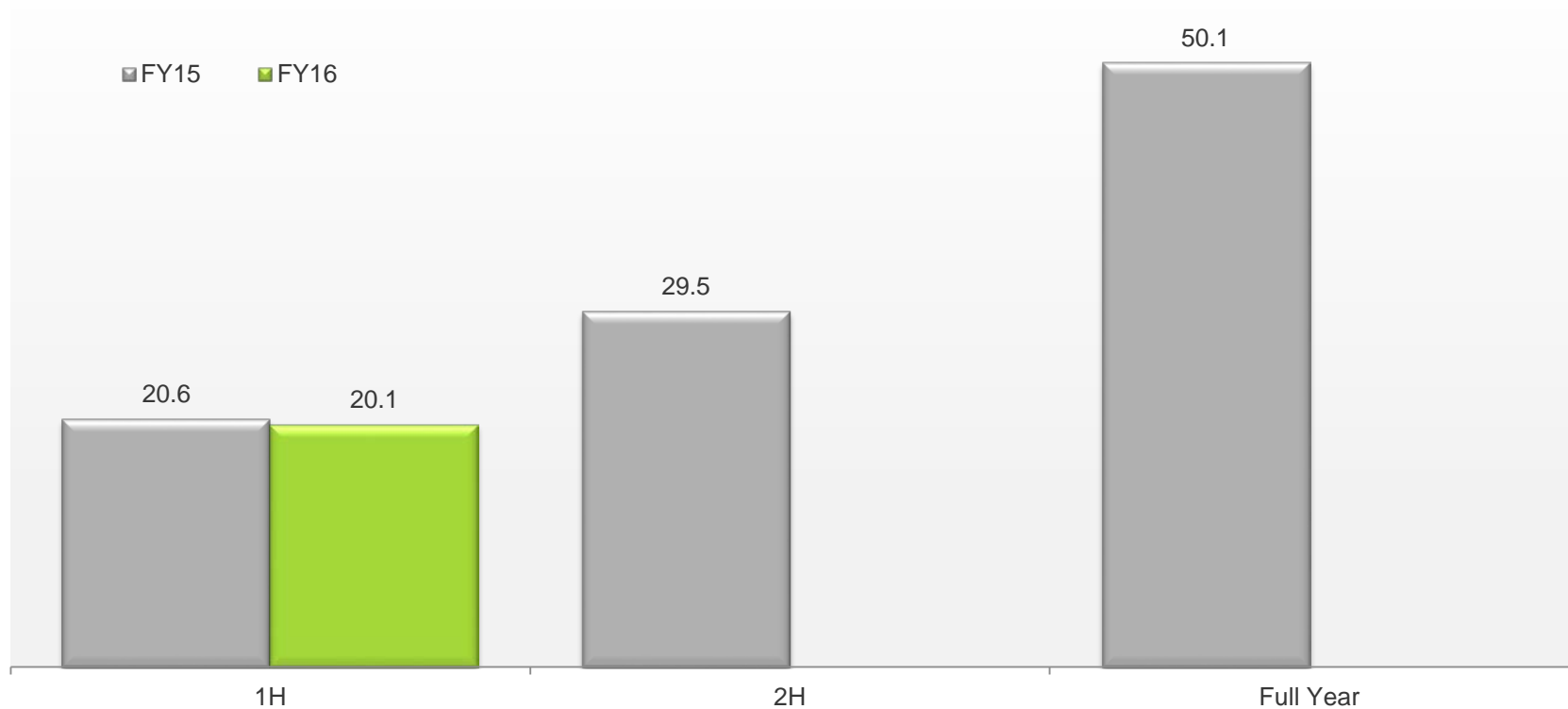
Group Revenue by halves

Group Revenue (\$m)



Group EBIT by halves

Group EBIT¹ (\$m)



¹ Before non trading items

TWO GREAT TEAMS ARE JOINING FORCES.

A leading provider of staff, maintenance, and facility management services.



Two of Australia's biggest and most trusted names, Programmed and Skilled, have come together. We have over 100 years combined experience providing quality service and innovative business solutions. We now have ability to provide a greater range of efficient and effective services for our clients. Find out more at programmed.com.au