

# 2013 Full Year Results Presentation



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# 2013 Results

	FY 2012 \$M	FY 2013 \$M	Change %
<b>Revenue</b>			
McGrath	33.5	31.8	(5.1%)
Nomad Eastern States	29.1	27.5	(5.6%)
Rental Business	19.0	19.8	4.13%
<b>Continuing Operations Revenue</b>	<b>81.8</b>	<b>79.1</b>	<b>(3.3%)</b>
Nomad Modular WA (discontinued)	29.6	0.0	
Rapley (discontinued)	33.7	7.5	
<b>Total Reported Revenue</b>	<b>145.5</b>	<b>86.6</b>	<b>(40.5%)</b>
<b>EBITDA</b>			
McGrath	4.4	1.4	(67.7%)
Nomad Eastern States	3.0	1.5	(51.7%)
Rental Business	12.8	10.0	(21.7%)
Corporate & Other	(5.2)	(3.9)	(25.3%)
<b>Continuing Operations EBITDA</b>	<b>15.1</b>	<b>9.1</b>	<b>(40.0%)</b>
Nomad Modular WA (discontinued)	(4.8)	0.3	
Rapley (discontinued)	(0.2)	(5.2)	
<b>Group EBITDA</b>	<b>10.1</b>	<b>4.1</b>	<b>(59.2%)</b>
<b>Group EBIT before Goodwill Impairment</b>	<b>5.7</b>	<b>1.7</b>	<b>(70.8%)</b>

Borrowing Expenses	(1.1)	(0.4)	
Income Tax Expense	(1.4)	0.1	
Impair Deferred Tax Asset	0.0	(10.1)	
Goodwill Impairment ( Rapley )	0.0	(5.0)	
<b>Statutory Net Profit After Tax</b>	<b>3.2</b>	<b>(13.7)</b>	

- ✓ Continuing Operations Revenue down 3.3% to \$79.1M.
- ✓ Continuing Operations EBITDA down 40% to \$9.1M.
- ✓ Underperforming Rapley business placed into Care and Maintenance in December.
- ✓ Group EBIT of \$1.7M before goodwill impairment.
- ✓ Non Cash Impairment of remaining \$5M of Rapley goodwill.
- ✓ Non cash impairment of deferred tax assets of \$10.1M.
- ✓ Loss after tax including goodwill and deferred tax asset of \$13.7M.

# 2013 Results : Highlights & Overview

## NBS Group

- ✓ Positive cash flow from operations of \$11M.
- ✓ Corporate Overhead costs down 25%.
- ✓ Second half continuing operations EBITDA up 78% to \$5.8M.

## McGrath Homes

- ✓ Award of \$28.8M contract in October 2012 to design, manufacture and install 60 Modular Homes for Rio Tinto.
- ✓ First delivery of houses to Wickham site in April 2013.
- ✓ Rio Tinto Contract Extension of \$3.7M in June 2013.
- ✓ Rio Tinto contract expected to be complete by November 2013.
- ✓ Private Residential continues at 40% of total revenue.
- ✓ Private Residential orders at \$17M up from \$12M in July last year.

## Nomad Eastern States

- ✓ Strong second half EBITDA.
- ✓ \$15M in new contracts announced in April 2013.
- ✓ Annualised overhead reduction in business unit overheads of \$0.8M, including 20% reduction in staff numbers.

## Nomad Rental

- ✓ \$2.4M sale of Pilbara based rental assets in November 2012 to Auzcorp.
- ✓ \$9.9M sale of WA, QLD and SA rental assets announced in December in 2012 to Black Diamond Group Limited.

# 2013 Results : First Half Vs. Second Half

	FY13-H1 \$M	FY13-H2 \$M	FY 2013 \$M	Half Yr Change
<b>Revenue</b>				
McGrath	11.5	20.3	31.8	77.0%
Nomad Eastern States	10.6	16.9	27.5	59.2%
Rental Business	8.3	11.5	19.8	38.6%
<b>Continuing Operations Revenue</b>	<b>30.4</b>	<b>48.7</b>	<b>79.1</b>	60.3%
Nomad Modular WA (discontinued)	0.0	0.0	0.0	
Rapley (discontinued)	4.2	3.3	7.5	
<b>Total Reported Revenue</b>	<b>34.6</b>	<b>52.0</b>	<b>86.6</b>	50.4%
<b>EBITDA</b>				
McGrath	0.0	1.4	1.4	2707.4%
Nomad Eastern States	(0.1)	1.5	1.5	2778.7%
Rental Business	5.3	4.7	10.0	(11%)
Corporate & Other	(2.0)	(1.8)	(3.9)	9.7%
<b>Continuing Operations EBITDA</b>	<b>3.3</b>	<b>5.8</b>	<b>9.1</b>	77.8%
Nomad Modular WA (discontinued)	0.0	0.3	0.3	
Rapley (discontinued)	(4.6)	(0.6)	(5.2)	
<b>Total Group EBITDA</b>	<b>(1.4)</b>	<b>5.5</b>	<b>4.1</b>	489.3%

- ✓ Second half continuing operations revenue up 60% to \$48.7m.
- ✓ Second half continuing operations EBITDA up 78% to \$5.8M.
- ✓ Rapley losses stemmed in the second half.
- ✓ Continued reduction of corporate overhead costs

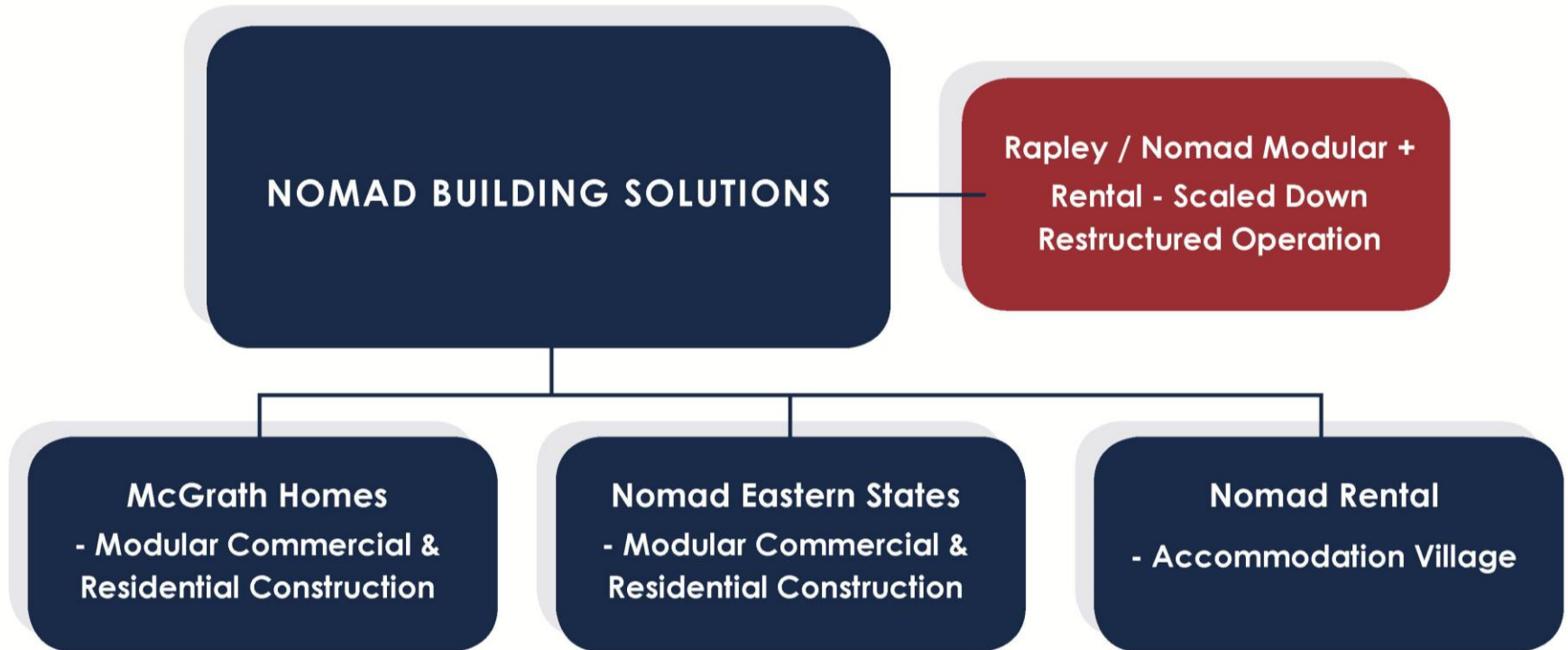
# 2013 – Cash & Debt (\$'000s)

## All Borrowings Paid Down As At February 2013

	Jun-10	Jun-11	Jun-12	Jun-13
Cash At Bank	8,845	17,042	10,180	11,300
Borrowings	26,842	14,564	6,900	0
Net Cash / (Debt)	-17,997	2,478	3,280	11,300
Debt Repayments		12,278	7,664	6,900

- ✓ \$26.8M of debt repaid since June 2010
- ✓ Debt payments funded from asset sales and cash generated from operations
- ✓ Debt is nil at 30 June 2013
- ✓ Cash at June 30th 2013 of \$11.3M

# Nomad Divisional Structure



# Review of Operations

## McGRATH HOMES

- ✓ Year On Year Revenue down 5.1% to \$31.8M
- ✓ Second half revenue up by 77% on H1 providing uplift in second half EBITDA.
- ✓ Major contract award for Rio Tinto in Wickham contributed stronger second half.
- ✓ Smaller contracts also won for Department Of Housing (Port Hedland); Aspen, Mystic River and Shire Of Wiluna.
- ✓ Stronger enquiry level and order intake in second half for Private Residential as WA housing markets rebound. Private residential orders are currently at \$17M compared to \$12M in July last year.
- ✓ Second Display Centre opened in Maddington in January 2013.



# Review Of Operations

## Nomad Eastern State (NES)

- ✓ Year on Year revenues down 5.6% to \$27.5M
- ✓ Second half revenue up by 59% on H1 contributes to positive EBITDA result.
- ✓ Major contracts either completed or substantially completed for;
  - ✓ McConnell Dowell – 400 Man Camp \$7.7M
  - ✓ RLW – camp accommodation & facilities \$13M
  - ✓ Aurizon – rail duplication facilities \$2.2M
  - ✓ Canstruct – Nauru facilities \$1.5M
- ✓ Halley Homes contribution of \$3.6M in softer Residential Market.
- ✓ Annualised reduction in overheads of \$0.8M.

# Review Of Operations

## Rental Business

- ✓ Year on Year Revenues increased 4.1% to \$19.8M (includes Asset Sales)
- ✓ Full Year EBITDA of \$10M which includes Asset Sales to
  - ✓ Black Diamond           \$9.9M
  - ✓ Auzcorp                 \$2.4M
  - ✓ Others                   \$0.7M
- ✓ High occupancy rates maintained throughout the year at Karratha Village despite Woodside lease terminating in Sept 2012.

# Review Of Operations

## Rapley (Now Discontinued)

- ✓ Medium term under performing business
- ✓ Substantial First Half Loss of \$4.6m
- ✓ Place under Care and Maintenance in Dec 2012 – No new contracts.
- ✓ Second Half loss of \$0.6M due to;
  - ✓ Wind Down of Final Contracts
  - ✓ Redundancies and Closure Costs

# Nomad's Continuing Strategy

McGrath Market Position	Position NES for Recovery	Monetise the Rental Assets	Close out Nomad Legacy Issues	Eliminate Bank Debt & Build Cash	Reduce Corporate Overheads	Focus on Shareholder Value
<p>Positioned to take advantage of recovering housing sector.</p> <p>Housing starts up 27% in FY13.</p> <p>Revenue forecast up 4% in FY14.</p>	<p>Well positioned for recovery of Queensland market.</p> <p>Reduced business unit overheads.</p>	<p>Sales to Auzcorp for \$2.4M.</p> <p>Sales to Black Diamond for \$9.9M.</p> <p>Other Sales of \$0.7M.</p>	<p>18 open issues at 1 July 2012.</p> <p>4 open issues at 30 June 2013.</p>	<p>\$26.8M of debt repaid since June 2010.</p> <p>Net cash of \$11.3M up from \$3.3M at June 2012.</p>	<p>FY11 corporate overhead costs of \$8.2M reduced to \$5.2M in FY12.</p> <p>FY12 corporate overhead costs of \$5.2M reduced to \$3.9M in FY13.</p>	<p>Board appointed corporate advisers to assist with strategy and maximising shareholder value.</p>
<p>Increase private residential market share.</p> <p>Implement production efficiency measures and improve gross margins.</p> <p>Increase product range.</p>	<p>Increase Halley Homes market penetration.</p> <p>Implement production efficiency measures and improve gross margins.</p> <p>Increase product range.</p>	<p>Further sales of \$5 to \$6M expected.</p>	<p>Close TDK by June 2014, other issues by December 2013.</p>		<p>Corporate overhead costs to be reduced by 50% in FY14.</p>	

# Contacts



Unit 1, 226 Balcatta Rd, Balcatta, W.A. 6021

PO Box 894 Innaloo, W.A. 6918

**T:** (08) 9303 3798 **F:** (08) 9240 7268

ABN: 52 117 371 418

Contacts:

Peter Hogan - Managing Director

Andrew Sturcke – Chief Financial Officer



**RAPLEY**

