

# FY17 Full Year Results Presentation

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# Overview

- Company is well positioned as we come through a tough cycle
- Order book has increased significantly through new contracts secured in H2
- Continuing to see strong demand for contract services and equipment
- Forecasting significant financial improvement in FY18





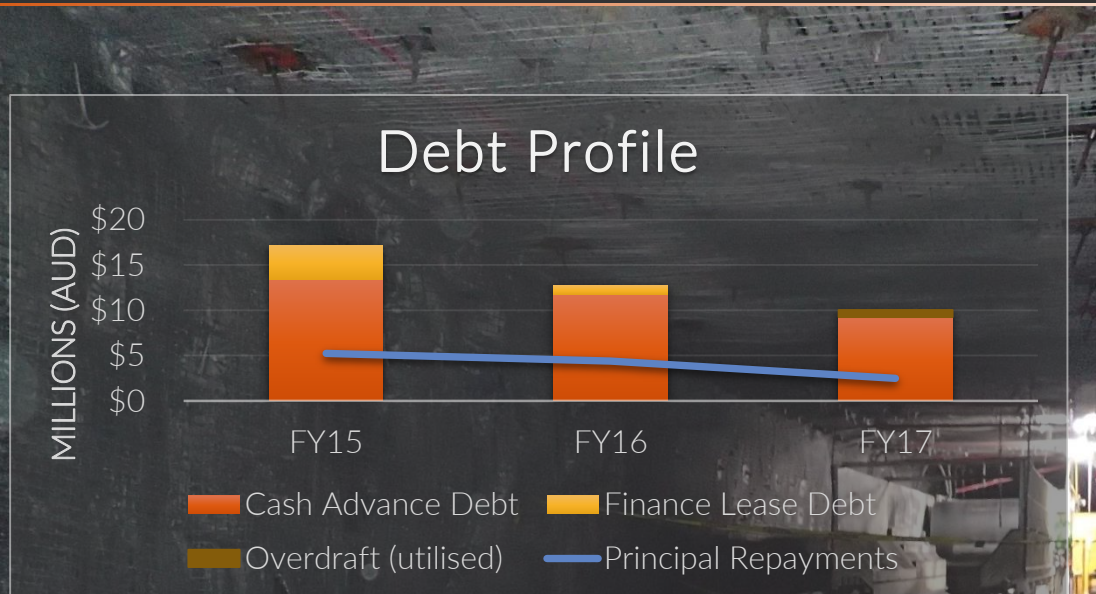
# Stronger second half continuing into FY18

- Second half underlying profit
- Employee numbers increased 47% from 511 to 752 in H2
- Fleet utilization rates back to average historical levels of 80%+
- A restructured Mastertec delivered stronger H2 performance
- Overheads remained static as revenue increased

\$AUD (000's)	1H17	2H17	FY17
Total Revenue	56,954	67,208	124,162
<b>Profit/(Loss) before tax</b>	<b>(2,001)</b>	<b>(880)</b>	<b>(2,881)</b>
Add back Workshop exit costs	154	1,163	1,317
<b>Underlying Profit/(Loss) before income tax</b>	<b>(1,847)</b>	<b>283</b>	<b>(1,564)</b>



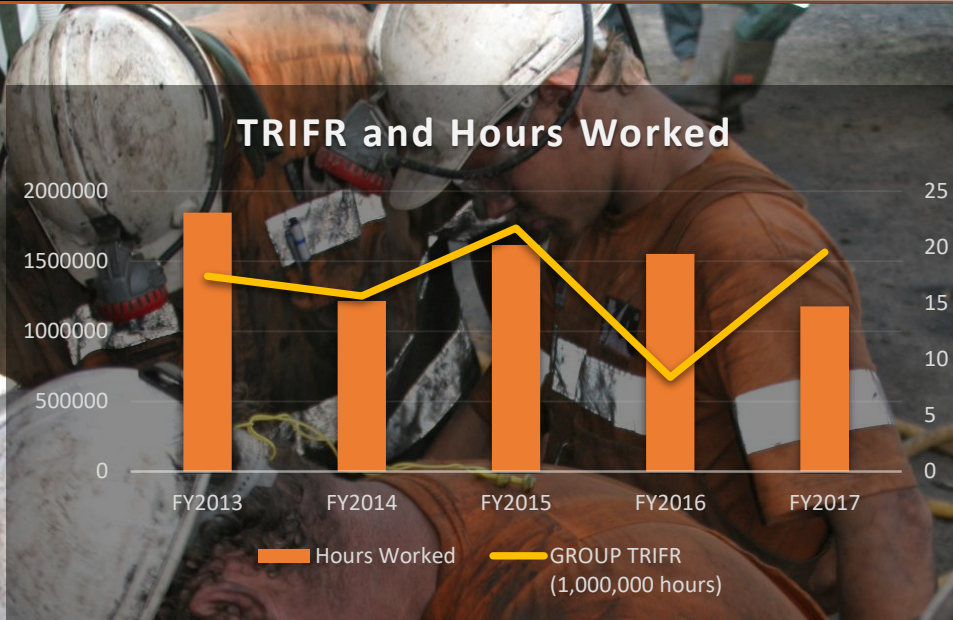
# Maintained strong financial position which will support upcoming growth



- Strong cash generated in H2 FY17 and will continue in FY18
- Restructured Finance facility increases working capital and supports growth (the restructure included a \$4 million repayment of the Cash Advance facility in Jul-17)
- New tender awards will require additional capex H1 FY18
- Focus on continuing to reduce net debt



# Safety Continues to be a core focus



- Majority of project sites achieved 0 TRIFR over the year
- Increased leading indicators demonstrate continued proactive focus to reduce injuries
- Small number of our projects experienced higher injury rates
- Excellent HSEQ compliance across all areas of the business



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# Mining Division secures new contracts

- Mining Division continued strong performance through H2
- Significant scope expansion at Moranbah North mine; 2 roadway development panels (approx. 130 personnel)
- Mobilising roadway development contract at Appin Mine (approx. 120 personnel)
- Announced Whitehaven Narrabri development contract; includes placement of further development equipment
- Further tenders pending award in H1 FY18

\$AUD (\$'000)	FY17	FY16	Change (%)
Revenue	92,400	130,658	(29.3%)
EBITDA	6,858	8,982	(23.6%)
EBIT	1,444	2,896	(50.1%)
EBITDA Margins	7.4%	6.9%	0.5%



# Mastertec restructured for profitability

- Operations consolidated around core strengths in scaffolding and protective coating services
- Secured 3 year South32 Illawarra Scaffolding Services Contract and a 12 month extension at DBCT in QLD
- Exited underperforming / non-core revenue streams which included impairment of remaining workshop asset
- FY17 Q4 results demonstrate divisional profitability
- Growth focused on long term access and protective coatings contracts in ports and heavy infrastructure

\$AUD (\$'000)	FY17	FY16	Change (%)
Revenue	32,751	40,413	(19.0%)
EBITDA	(1,883)	(6,859)	72.5%
EBIT	(2,941)	(16,343)	82.0%
EBITDA Margins	(5.7%)	(17.0%)	11.2%





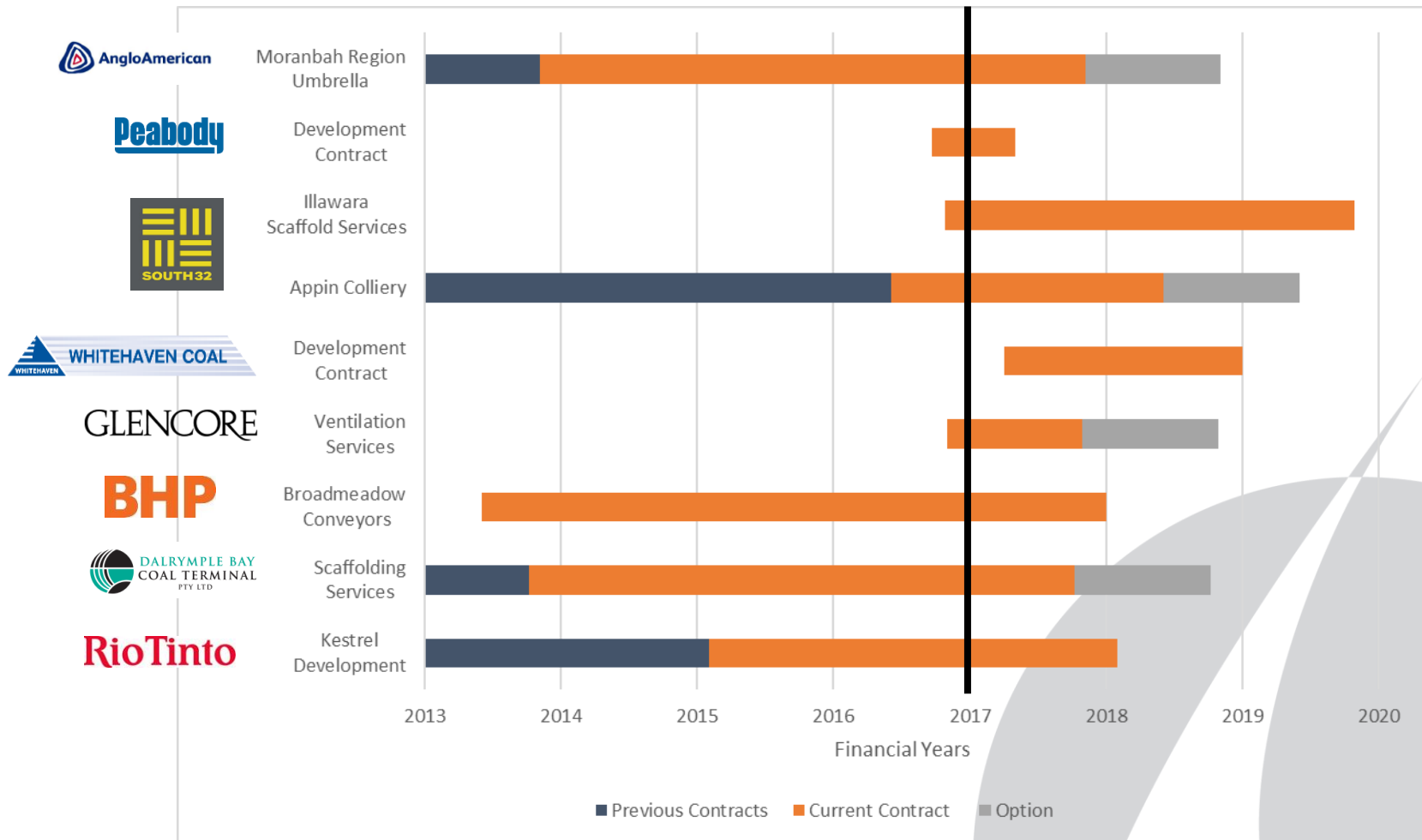
# Order book has increased significantly

- Total order book increased 120% to \$280+ million, since the end of FY16
- Maintained strong Tier 1 customer base
- No reduction in contracts
- Customer diversification through recent contracts
- Further development tenders pending award in H1 FY18
- Total tendering pipeline \$970+ million
  - \$220+ million in core business
  - \$750+ million in Whole of Mine opportunities



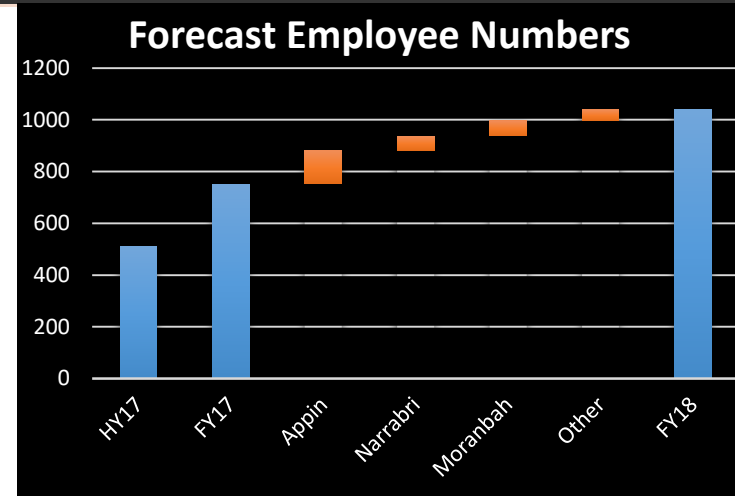


# Order book Tier 1 Customers



# Outlook is a return to profit

- FY17 Q4 run-rate shows return to profit
- Demand for equipment forecast to remain strong throughout the year
- Manning numbers are expected to exceed 1000 by December 2017
- FY18 revenue guidance \$160 - \$180 million





# Summary

- Company has emerged from a tough cycle with a strong balance sheet
- Order book has increased significantly through new contracts secured in H2
- Continuing to see strong demand for contract services and equipment
- Forecasting significant financial improvement in FY18



# Appendices





# Corporate Overview

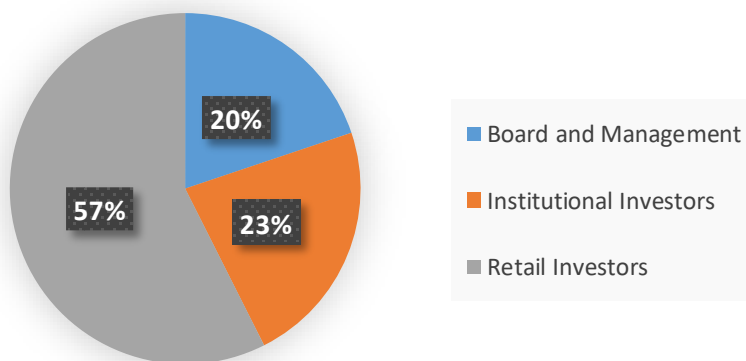
## Capital Structure

Share price as at 4 August 2017 (\$)	0.47
Shares on issue (m)	91.1
Market cap (\$m)	42.8
Net Debt as at 30 June 2017 (\$m)	10.0
Enterprise value (\$m)	52.8

## Board

Colin Bloomfield	Non-executive Chairman
Anthony Caruso	Managing Director
Andrew Watts	Non-Executive Director
Gabriel Meena	Non-Executive Director

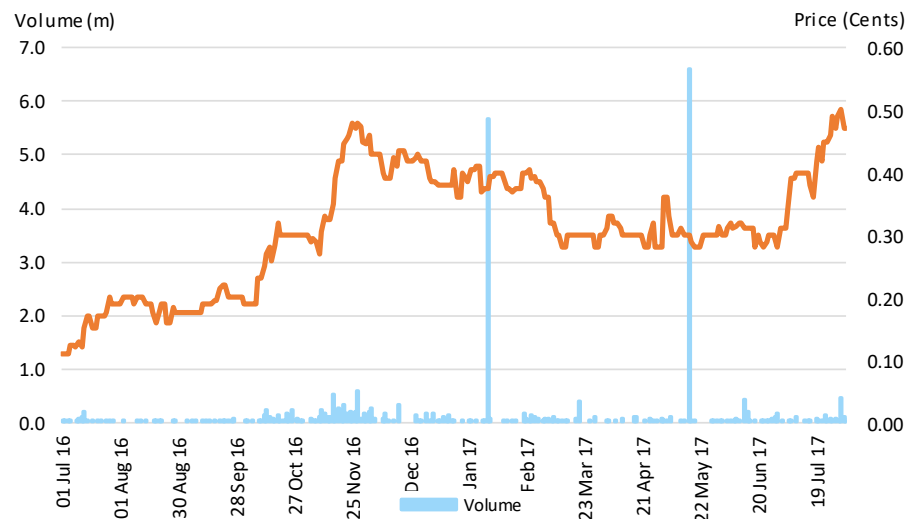
## Shareholder Composition



## Substantial Shareholders

Andrew Watts	13.46%
Kenneth Kamon	11.94%
Darren Hamblin	10.60%
Maui Capital	6.90%
Paradice Investment Management	6.21%
Boyles Asset Management, LLC	5.65%

## 12 Month Trading History



# Mastermyne FY17 Income Statement

\$AUD (000's)	FY17	FY16	Change(%)
Total Revenue	124,162	168,434	(26.3%)
Statutory EBITDA	4,770	1,368	248.6%
EBITDA %	3.8%	0.8%	3.0%
Statutory profit/(loss) before tax	(2,881)	(15,041)	80.8%
Tax benefit/(expense)	771	1,855	(58.4%)
Statutory profit/(loss) after tax	(2,110)	(13,186)	84.0%
EBITDA Margins	3.84%	0.81%	3.03%
EPS (cents)	(0.02)	(0.14)	(84.7%)



# Mastermyne FY17 Cash Flow

\$AUD (000's)	FY17	FY16
<b>EBITDA (Statutory)</b>	<b>4,770</b>	<b>1,368</b>
Movements in Working Capital	462	(2,566)
Non cash items	704	2,032
Interest Costs	(576)	(907)
Income tax receipts / (payments)	92	454
<b>Net Operating Cash Flow</b>	<b>5,452</b>	<b>381</b>
Net Capex (includes intangibles)	(4,331)	(2,053)
Net borrowings/(repayments)	(3,701)	(4,363)
Interest Received	22	59
<b>Free Cash Flow</b>	<b>(2,558)</b>	<b>(5,976)</b>
Dividends	(45)	(911)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,603)</b>	<b>(6,887)</b>
Cash and cash equivalents at beginning of period	1,836	8,723
<b>Cash and cash equivalents at end of period</b>	<b>(767)</b>	<b>1,836</b>

# Mastermyne FY17 Balance Sheet

\$AUD (000's)	Jun-17	Jun-16
<b>Assets</b>		
Cash and cash equivalents	1	1,836
Trade and other receivables	29,454	29,084
Inventories	2,684	3,408
Current Tax Assets	202	226
<b>Total current assets</b>	<b>32,341</b>	<b>34,554</b>
Deferred Tax Asset	9,285	8,579
Property, plant and equipment	18,745	21,540
Intangible assets	6,894	7,089
<b>Total non-current assets</b>	<b>34,924</b>	<b>37,208</b>
<b>Total assets</b>	<b>67,265</b>	<b>71,762</b>
<b>Liabilities</b>		
Bank Overdraft	768	0
Trade and other payables	11,392	11,039
Loans and borrowings	6,250	3,543
Employee benefits	3,388	3,237
<b>Total current liabilities</b>	<b>21,798</b>	<b>17,819</b>
Loans and borrowings	3,000	9,408
Employee benefits	138	102
<b>Total non-current liabilities</b>	<b>3,138</b>	<b>9,510</b>
<b>Total liabilities</b>	<b>24,936</b>	<b>27,329</b>
<b>Net assets</b>	<b>42,329</b>	<b>44,433</b>

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