



Innovative • Productive • Safe

Swick Mining Services Ltd

FY17 AGM Presentation

10th November 2017

ASX: SWK

www.swickmining.com

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Unless otherwise stated all the currency disclosures in this presentation are Australian Dollars.

Information included in this presentation is dated 10 November 2017.

Company Overview – FY 2017

- Top five global mineral drilling provider operating in Australia, US , Canada and Europe
- In excess of 1,100,000 metres drilled globally by market leading Underground Diamond division
- FY17 results - \$130.0m revenue (including other income), 9.3% EBITDA, NPAT loss of \$4.6m
- Roll-out of technology upgrades ongoing on underground fleet
- Focused on ensuring a return to strong profitability despite macro effects
- Moved to 100% ownership of Orexplore



Corporate Snapshot

Corporate Structure

- ASX: SWK - Listed Nov 2006
- Shares outstanding: 231.5m
- Share Price 08 Nov 17: \$0.28
- Market Cap 01 Sep 17: \$64.8m

Board and Executive Management

- Andrew Simpson - NEC
- Kent Swick - MD
- Phil Lockyer - NED
- David Nixon - NED
- Ian McCubbing – NED
- Jitu Bhudia– CFO

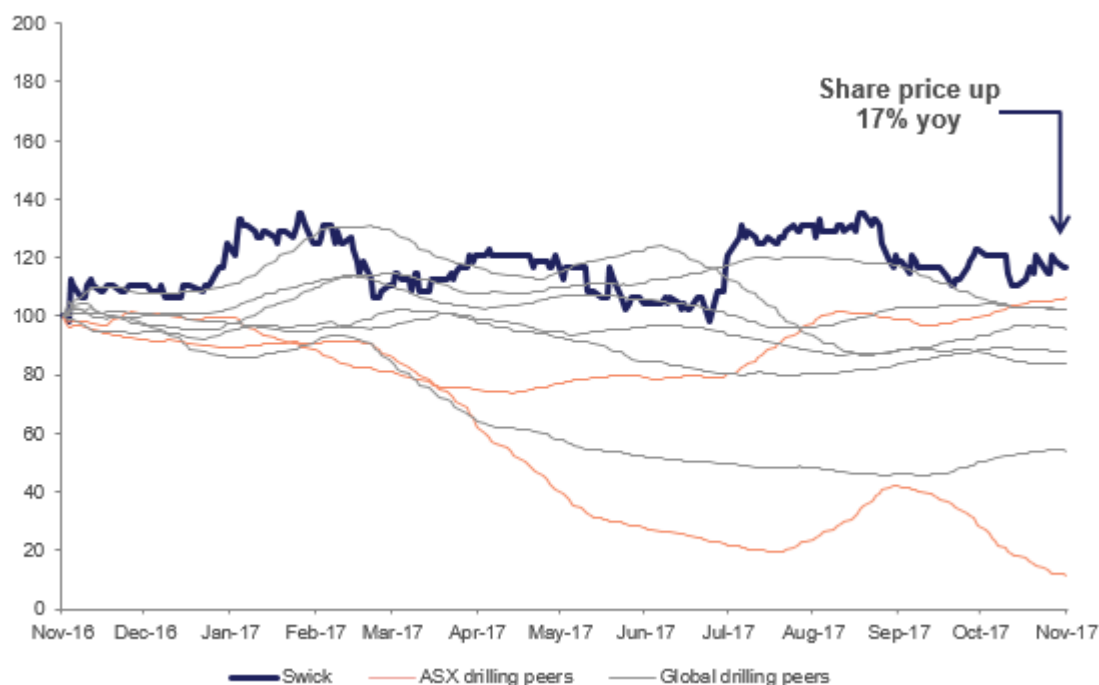
Substantial shareholders*

- Kent Swick (14.3%)
- Hercules Int. Pty Ltd (12.6%)
- IOOF Holdings Ltd (10.2%)
- Vanshap Capital LLC (9.4%)
- Rosanne Swick (6.0%)

*As at 14th August 2017

Share price relative to ASX and Global peers Aug 2016 to current

SWK is up 17% yoy



ASX listed peers include Mitchell Services, Boart Longyear

Division Overview



Drilling: Underground Delineation
 Rig Type: Swick Mobile Drill
 Sectors: Gold, Base Metals
 Sites: Operating Mines
 Advantage: Reliability, Productivity, Safety, Total Value
 Range: + 1,500m
 Fast Fact: World's leading drill rig
 Fleet Size: 68 Rigs (57 Asia Pacific & 11 International).
 FY17 Revenue: \$118.3 million



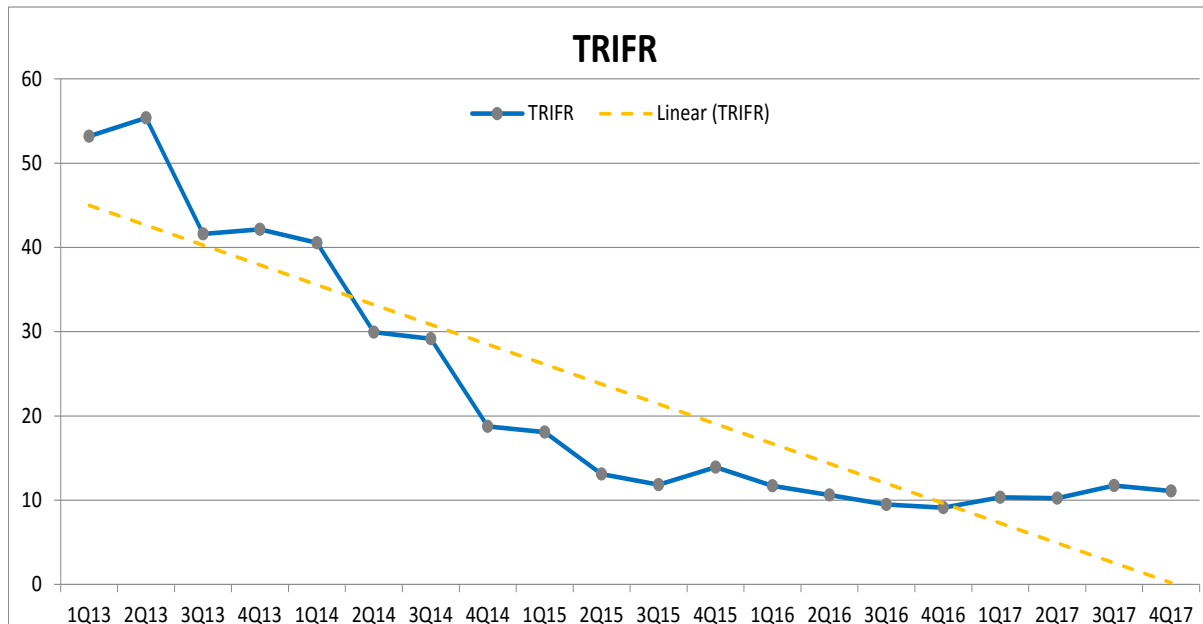
Drilling: Reserve Definition & Expl.
 Rig Types: Swick RC Drills
 Sectors: Base Metals, Bulks, Gold
 Sites: Brownfield & Greenfield
 Advantage: High Air Power, Deep Hole Capacity
 Range: + 400m
 Fast Fact: Award Winning Rig Design
 Fleet Size: 7 Rigs
 (6 Swick & 1 tracked Schramm)
 FY17 Revenue: \$7.4 million



Mineral Technology: Orexplore

- Base Metal Product now available
- Geochemistry to 100ppm in 10 minutes per metre
- Large volume analysis – kg's vs grams
- 3D Visualization of inside the core
- Structure, Mineralogy and Lithology
- Intuitive software, cloud based virtual core farm
- Gold detector(<0.5ppm) in development, expected release FY19
- Commercial launch of base metal product in FY18

Safety in FY 2017 – Towards Zero Harm



Swick Training & Induction Facility



- Safety improvements over the last four years now stabilised with TRIFR of 11.1 at year end
- Commissioned a purpose built testing, training and induction facility – underground simulation
- 100% implementation of IPAD technology with HSE tools and training videos
- Focus now on early intervention and biomechanical studies
- Additional engineering solutions to assist in reducing weights borne by personnel in prototype tests

FY17 Results Overview

Profit & Loss - Group

A\$ million	FY17	FY16	% change
Revenue and other income	130.0	124.9	4%
EBITDA	12.1	14.8	(18%)
<i>EBITDA margin</i>	<i>9.3%</i>	<i>11.8%</i>	<i>(250 bps)</i>
Reported EBIT	(3.6)	(1.1)	(235%)
EBIT before significant items	(3.6)	(0.4)	(766%)
<i>EBIT margin</i>	<i>(2.8%)</i>	<i>(0.3%)</i>	<i>(250 bps)</i>
Reported NPAT	(4.6)	(2.8)	(63%)
NPAT before significant items	(3.3)	(1.3)	(148%)

Note: Totals may not add due to rounding

Note: Refer to Slide 18 for details of Significant Items

FY17 Results Overview

Profit & Loss – Drilling Segment:

A\$ million	FY17	FY16	% change
Revenue and other income	129.9	124.7	4%
EBITDA	13.4	15.2	(12%)
<i>EBITDA margin</i>	<i>10.3%</i>	<i>12.2%</i>	<i>(190 bps)</i>

- FY17 margins impacted by increased rig mobilisations in 2H17 and client driven standby event at Newmont Tanami for which no income has been received as yet (currently in dispute) for a total of 672 rig shifts.

Profit & Loss – Mineral Technology Segment:

A\$ million	FY17	FY16	% change
Revenue and other income	0.1	0.2	(50%)
EBITDA	(1.3)	(0.4)	(225%)

FY17 Results Overview

Balance Sheet

A\$ million	FY17	FY16
Cash	8.8	4.7
Receivables	16.7	19.1
Inventories	15.1	13.0
Property, plant and equipment	77.8	77.6
Other assets	16.1	14.7
Total assets	134.5	129.1
Payables	19.3	14.6
Borrowings	26.0	20.1
Employee obligations	5.4	6.4
Total liabilities	50.8	41.1
Shareholders' equity	83.7	88.0

- Strong balance sheet provides flexibility and liquidity.
- Increase in debt to fund increased capital and working capital spend due to increase in rig utilisation.
- Gearing (Net Debt/Equity) increased from 17.5% to 20.5%.
- 1.3 million SWK shares bought back at an average price of 22.0c.
- Net tangible asset (NTA) per share decreased from 36.7c to 30.9c.

Note: Totals may not add due to rounding

FY17 Results Overview

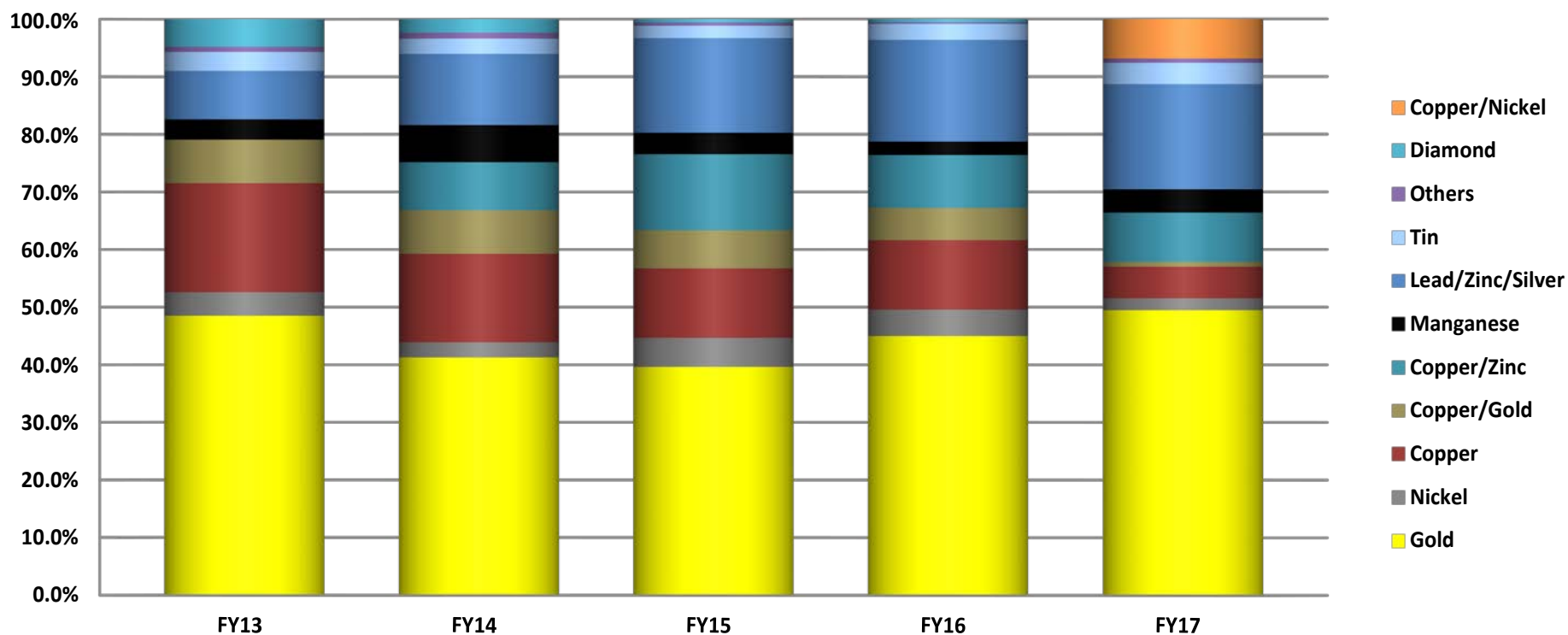
Cash Flow

A\$ million	FY17	FY16	% change
EBITDA	12.1	14.8	(18%)
Working capital improvement	3.4	3.0	13%
Operating cash flow before interest and tax	15.5	17.8	(13%)
<i>EBITDA cash conversion</i>	<i>128.6%</i>	<i>120.5%</i>	<i>810 bps</i>
Tax refund	1.7	1.9	(11%)
Net interest paid	(1.0)	(1.2)	(17%)
Operating cash flow after interest and tax	16.3	18.5	(12%)
Cash used in investing activities	(17.9)	(13.8)	30%
Acquisition of minority interest in Orexplore	(3.1)	-	-
Cash from/(used in servicing) debt	5.9	(4.9)	220%
Cash from/(used in servicing) equity	3.1	(0.8)	100%
Net cash flow	4.2	(1.1)	482%

Note: Totals may not add due to rounding

Commodity Split – 5yr Trend

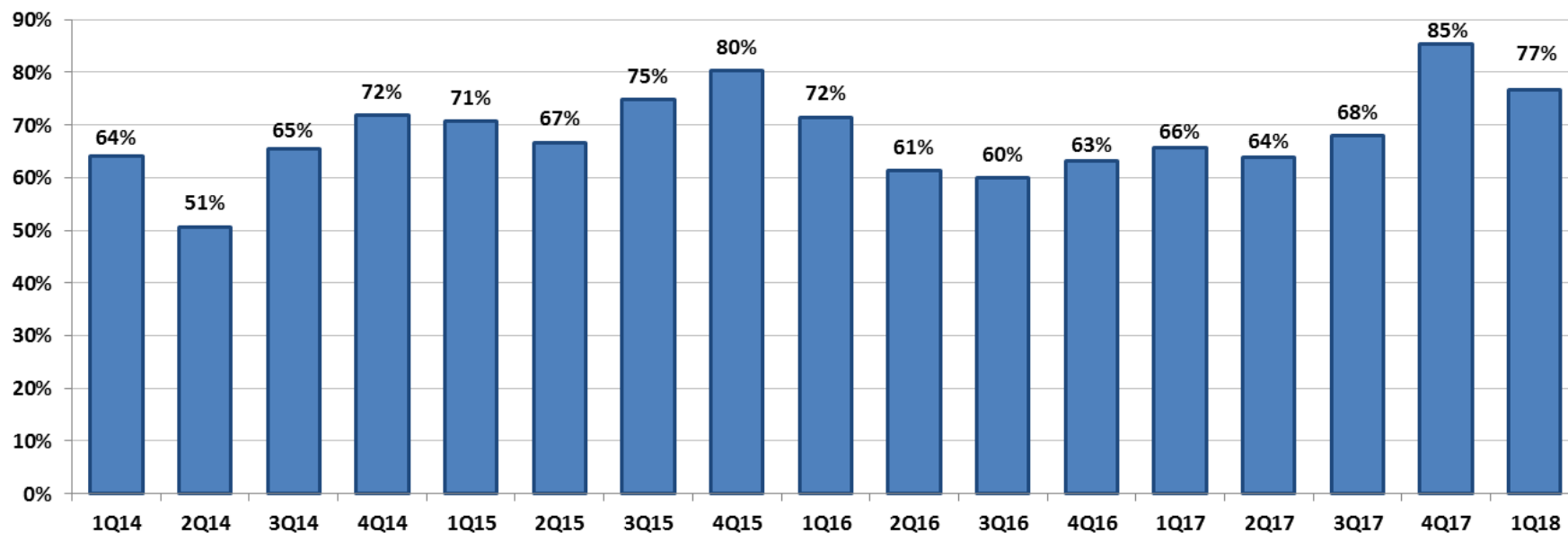
Revenue by Commodity



Fleet Utilisation

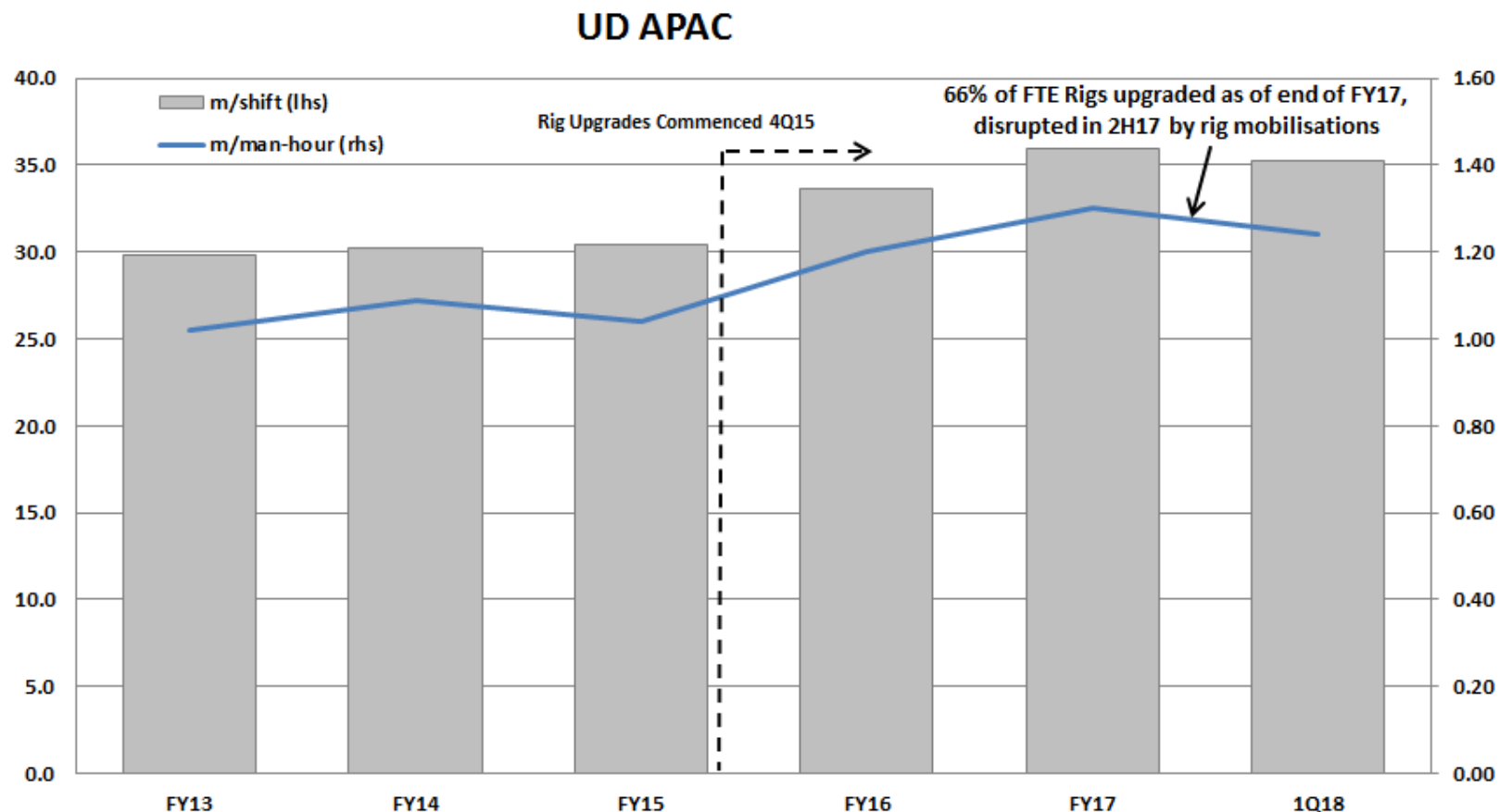
- In July 2017 (post FY17) five UD rigs demobilized from Golden Grove which will provide additional opportunity at better margins.
- Swick has an ability to maintain volume in macro market downturns with long term contracts at operating mines.

Total Fleet Utilisation (excl. discontinued)



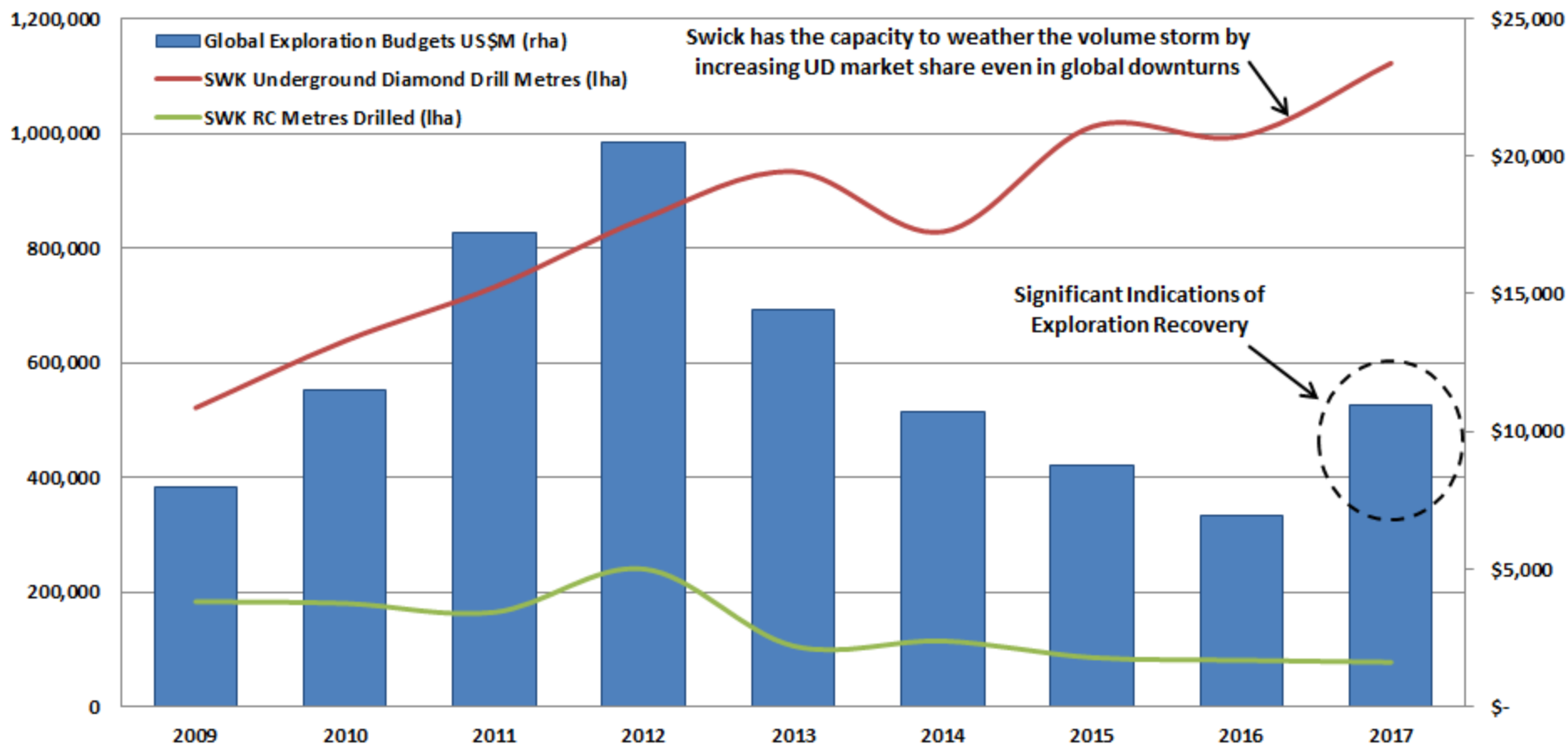
UD APAC Productivity

- UD APAC represents approximately 78% of group revenue, R&D primarily focused on this division



Exploration Budgets on the Improve

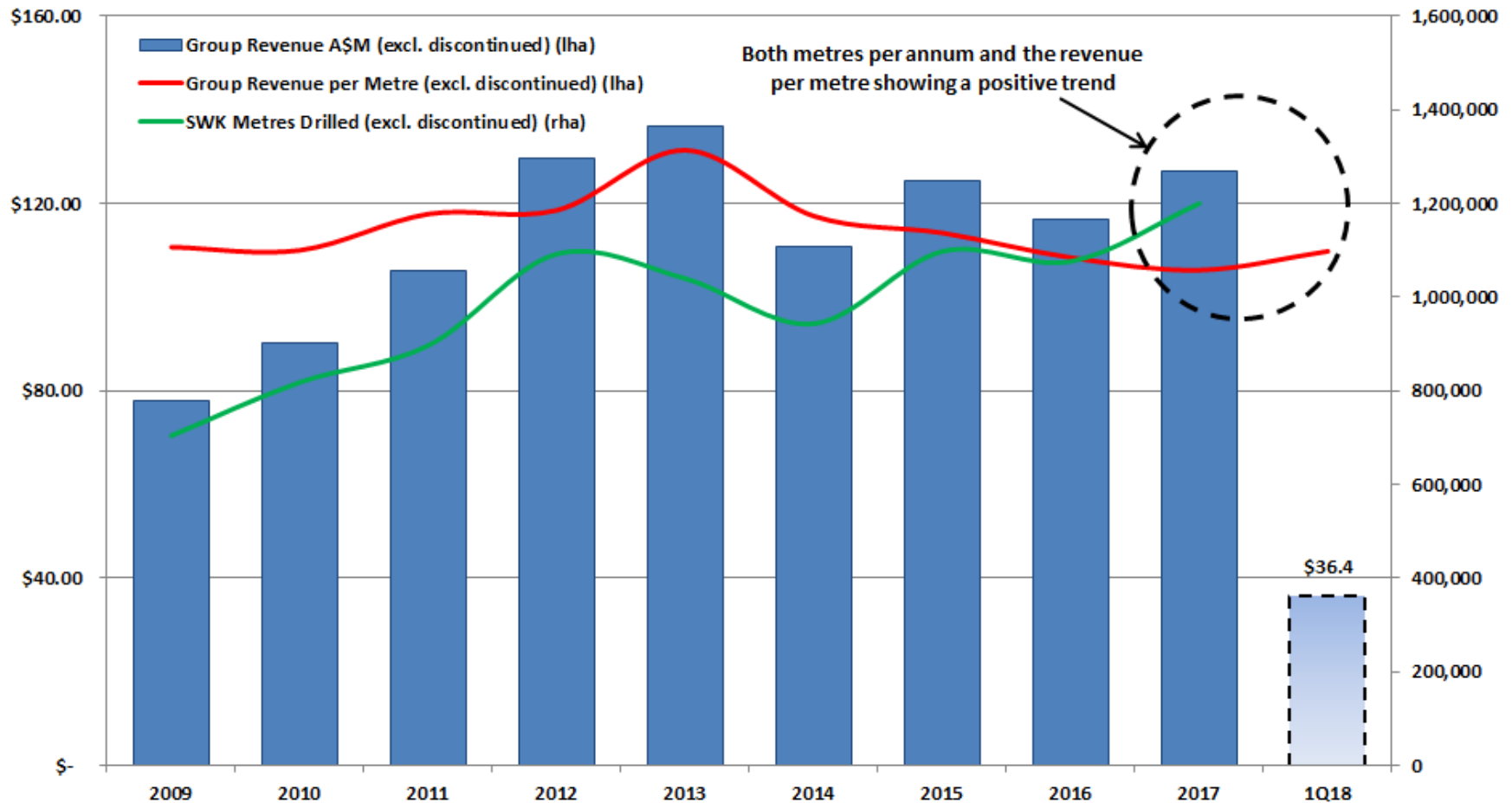
Global Exploration Budgets c/w Swick Metres Drilled



Source: S&P Global

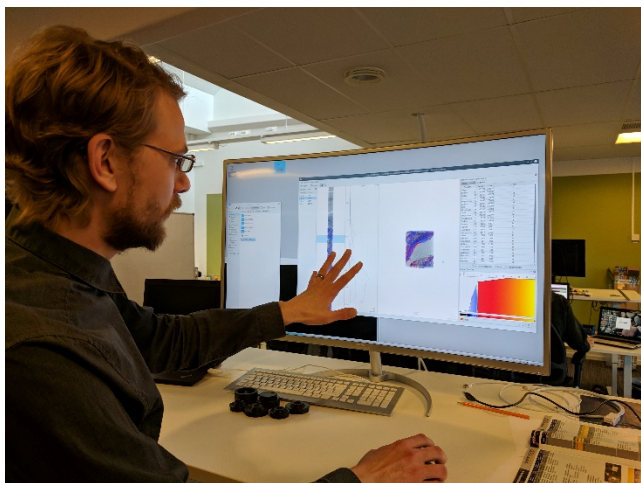
Trends are looking Positive

- 1Q 18 showing positive signs of recovery in drilling rates following four consecutive years of rates pressure.



Orexpire has developed a disruptive mineral scanning technology and is ready for commercialisation

- 100% wholly owned subsidiary of Swick
- Orexplore's Perth based laboratory currently being fitted out
- Commercialisation commencing in Australia 2H18
- Lab based trials with major mining houses underway



Unique Patented Technology

Provides detailed insight into

Geochemistry

Tomographic Imaging (CT)

Structure

Lithology

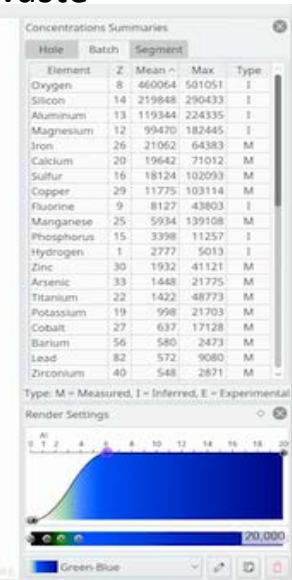
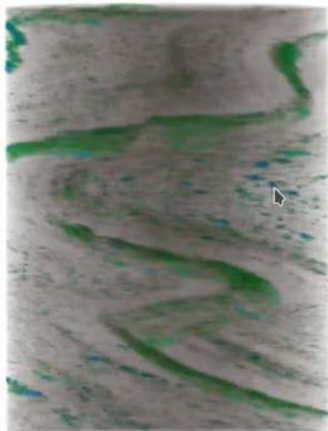
Mineralogy

Rock Density



Increased knowledge and decreased risk in resource development

- Non-destructive, on-site and highly informative to geologists and metallurgists
- Unique 3D visualisation of inside the core sample using CT (computerised tomography)
- Significantly reduced sampling error- analyse kilograms rather than grams of material
- Easy to use, intuitive software program providing a whole suite of mineral information
- Allows clients to create and access their virtual core farm on demand via the cloud
- Rapid results will allow clients to optimise their drilling budgets and reduce waste



Significant Items

Reconciliation of Underlying and Reported IFRS results

A\$ million	FY17				FY16		
Significant Items	Before Tax	Tax	After Tax		Before Tax	Tax	After Tax
Impairment of assets	-	-	-		0.7	(0.1)	0.5
De-recognition of deferred tax assets	-	1.3	1.3		-	0.9	0.9
Significant items impacting EBIT & NPAT	-	1.3	1.3		0.7	0.8	1.5

Note: Totals may not add due to rounding

Thank You