



# Macquarie WA Forum

1 December 2020

# Company Overview

A leading mining services company



- ✓ Offers the complete package of mining services primarily in Australia and Southeast Asia
- ✓ Extensive experience in both surface and underground mining
- ✓ Developed strong relationships with clients – transparent, flexible alliance style approach

Established  
**1963**

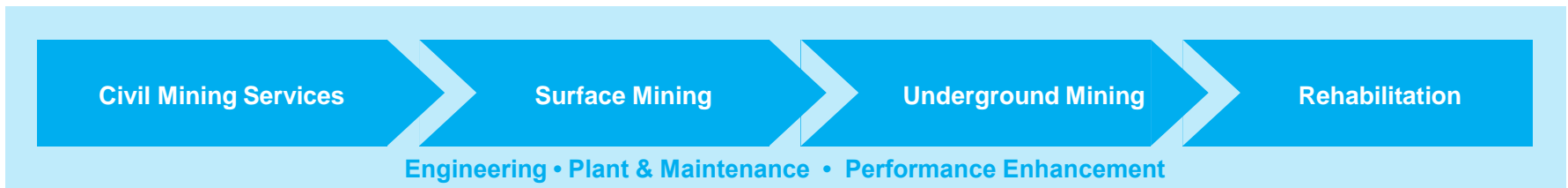
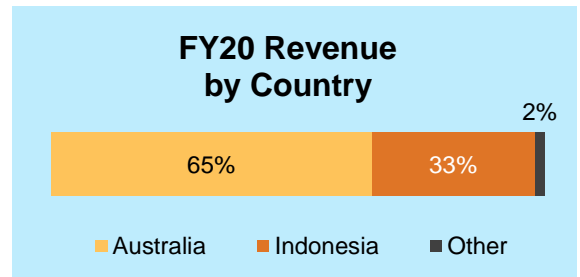
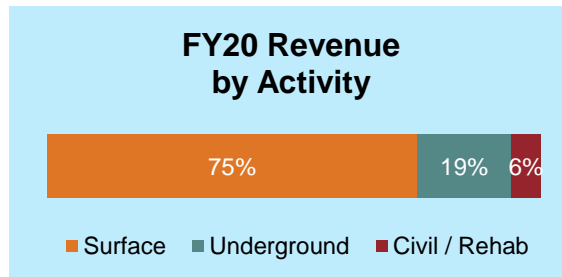
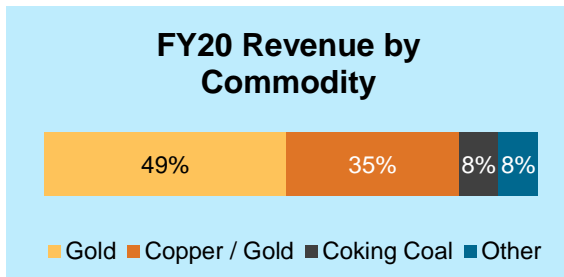
ASX 300 – Market Capitalisation  
**\$540m**

People  
**7,000+**

Australian Mining  
**Contract Miner of the Year**

Major Equipment  
**500**

WAAMH Award  
**Mentally Healthy Workplace**



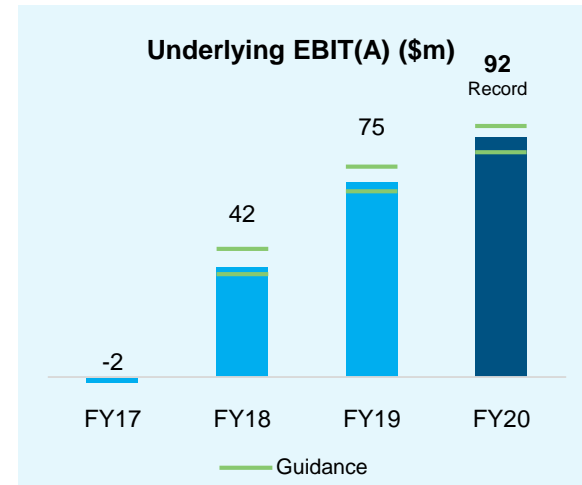
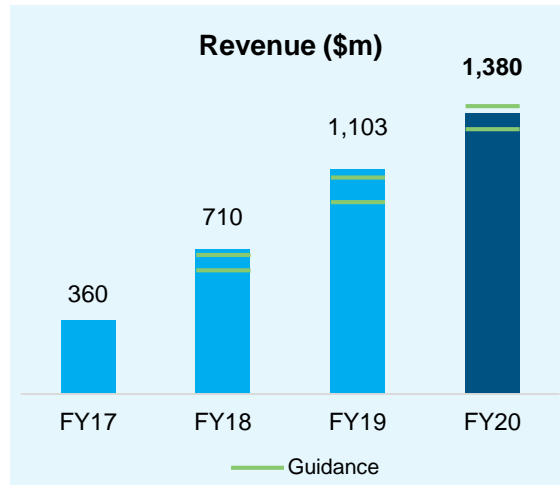
# Financial Snapshot

Achieved guidance for 3rd consecutive year



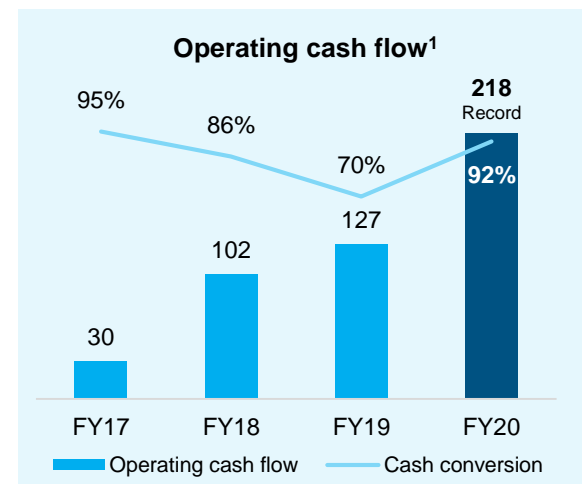
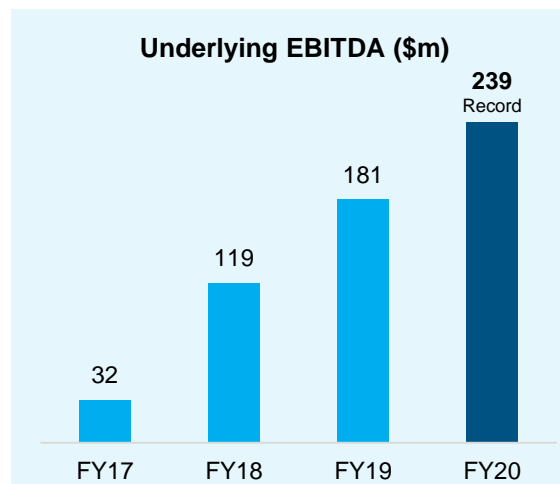
## Another successful year

- 3 year revenue CAGR of 57%
- Delivered record EBIT(A)



## Delivered record EBITDA

- 3 year EBITDA CAGR of 96%
- Delivered record cash flow
- Strong cash conversion



1. OCF: Net operating cash flow excluding interest, tax, M&A costs and non-recurring items

# Recent Business Highlights

Tripled underground business over past year



## Expanded Underground

- Successful Boston Shaker project
- Completed GBF acquisition
- Extended Silver Lake contract
- Secured Bellevue contract



## COVID-19

- Ensured business continuity
- Protected the wellbeing of our people and communities



# A Record Year

Strong free cash flow potential

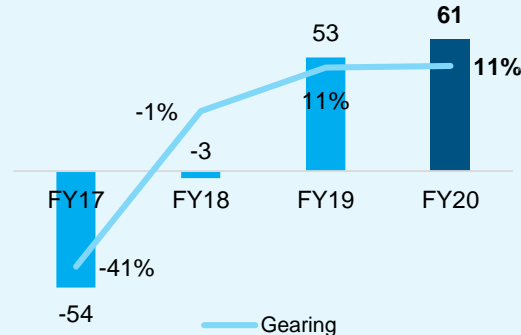


FY20 Results Highlights	Revenue	Record underlying EBITDA <sup>1</sup>	Leverage <sup>2</sup>
	<b>\$1,380.4m</b>	<b>\$238.7m</b>	<b>0.3x</b>
	▲ 25% on FY19	▲ 32% on FY19	
	Net Operating Cash Flow	Capex	Free Cash Flow
	<b>\$193.6m</b>	<b>\$141.6m</b>	<b>\$52.0m</b>

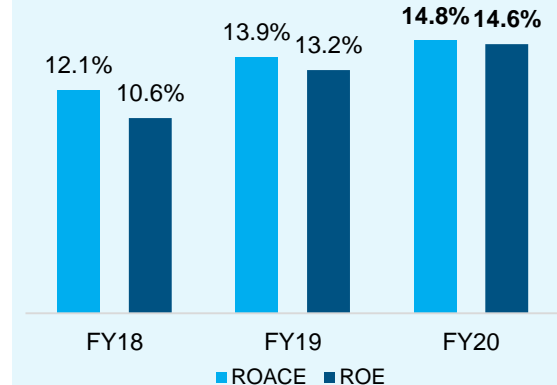
## Improving ROC driven by:

- Diversification into lower capital intensive businesses
- Low capex contract extensions
- Top class maintenance capability
- Strict capex hurdles

## Conservative balance sheet net debt / (net cash)



## Improving returns<sup>3</sup>



1. Underlying numbers include total adjustments of \$4.2m – refer to slide 30 of FY20 results presentation



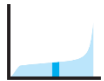


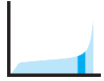

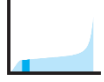


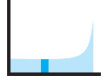

2. Net debt / Underlying EBITDA

3. ROACE: Underlying EBIT(A) annualised / Average (Total Assets – Current Liabilities). ROE: Underlying NPAT (A) / Average Equity

# Key Projects

Growing activity in WA

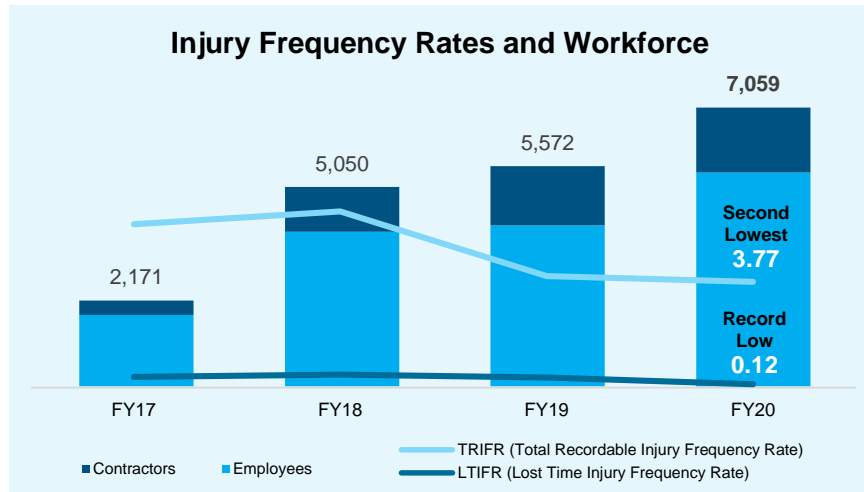


Project	Clients	Location	Commodity	Type	End (unless extended)	Global Cost Curve <sup>1</sup>
<b>Tropicana</b>	 	WA, Australia	Gold	Surface	2023	
<b>Boston Shaker</b>				Underground	May 2024	
<b>Telfer</b>		WA, Australia	Gold	Surface	Jan 2023	
<b>Mount Morgans</b>		WA, Australia	Gold	Surface	Dec 2022	
<b>Mount Monger</b>		WA, Australia	Gold	Underground	April 2023	
<b>Deflector</b>		WA, Australia	Gold	Underground	May 2021	
<b>Bellevue Gold</b>		WA, Australia	Gold	Underground	Aug 2021	
<b>Byerwen</b>		QLD, Australia	Coking coal	Surface	Nov 2023	
<b>Batu Hijau</b>		Sumbawa, Indonesia	Copper/Gold	Surface	2031	
<b>Civil / Rehabilitation</b>	Various	Indonesia/Australia	Various	Surface		

1. Minespans 2020 data by McKinsey

# People, Safety and Sustainability

Record low LTI safety performance



- Strengthen ESG culture and reporting
- Progressing materiality assessment with stakeholders
- Strong Minds, Strong Mines
  - WA Association of Mental Health Award 2020
  - Program offered to industry

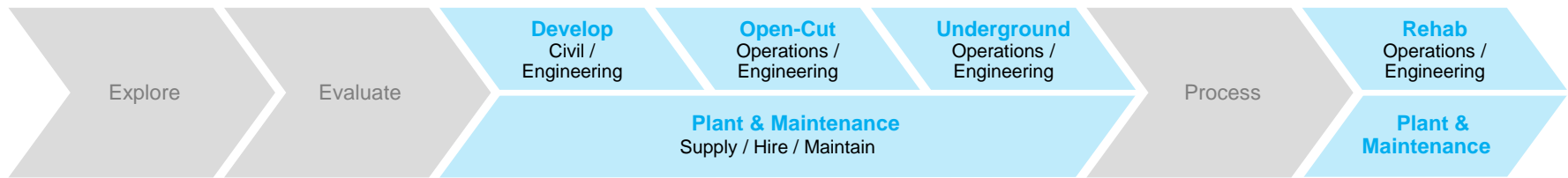


# Key Strategic Priorities

Diversify into adjacent services



## Mining Value Chain



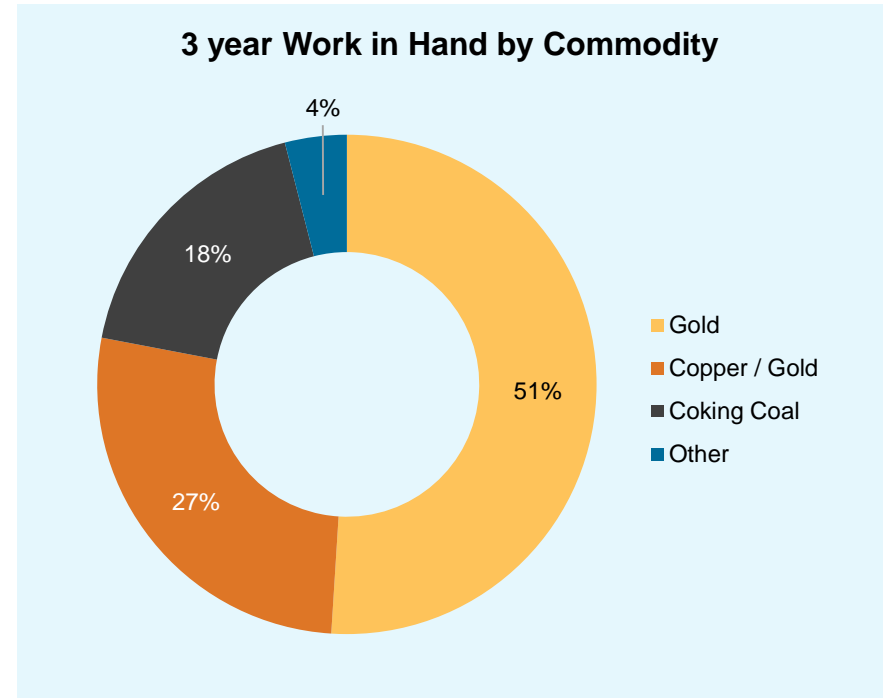
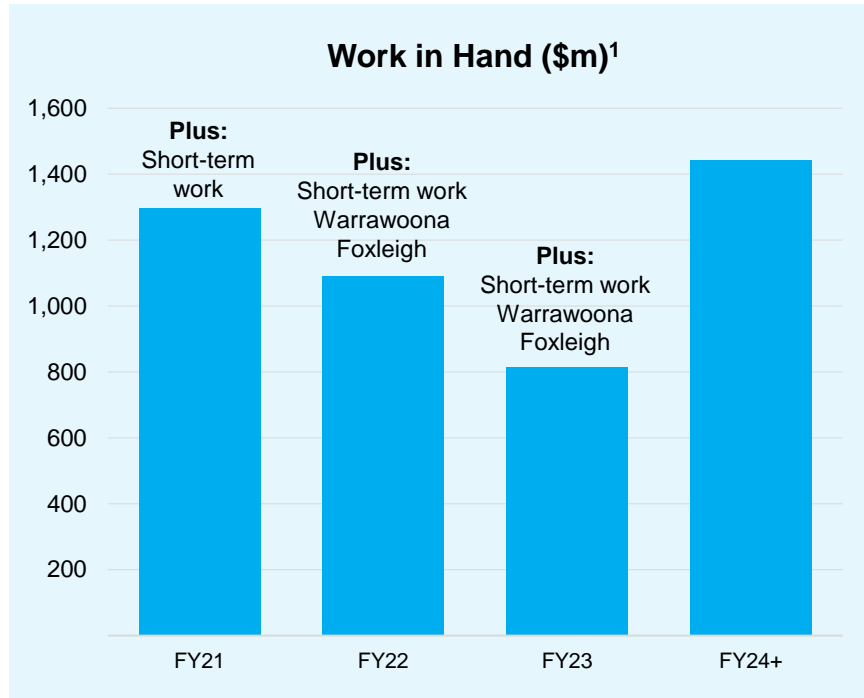
## Key Strategic Focus

Safety	Execution and Relationships	Technology	People and Culture	New Work	Diversification
<ul style="list-style-type: none"><li>• Continue focus on improving safety</li></ul>	<ul style="list-style-type: none"><li>• Enhance margins and execution</li><li>• Improve productivities</li></ul>	<ul style="list-style-type: none"><li>• Integrate high performing systems</li><li>• Deliver value via tech enabled efficiency tools</li></ul>	<ul style="list-style-type: none"><li>• Build proactive and positive culture</li></ul>	<ul style="list-style-type: none"><li>• Grow and diversify market share</li><li>• Capitalise on ~\$8.5bn tender pipeline</li></ul>	<ul style="list-style-type: none"><li>• Civil</li><li>• Underground</li><li>• Rehabilitation</li></ul>



# Order Book

\$4.2 billion (at October)



**Early Success**  
secured/preferred contractor for \$500m of new work with new clients



**Coburn Mineral Sands**  
Civil  
\$20m • 1.5 years



**Bellevue Gold Mine**  
Underground  
\$10m • 1.5 years



**Warrawoona**  
Open pit  
\$220m • 4.5 years

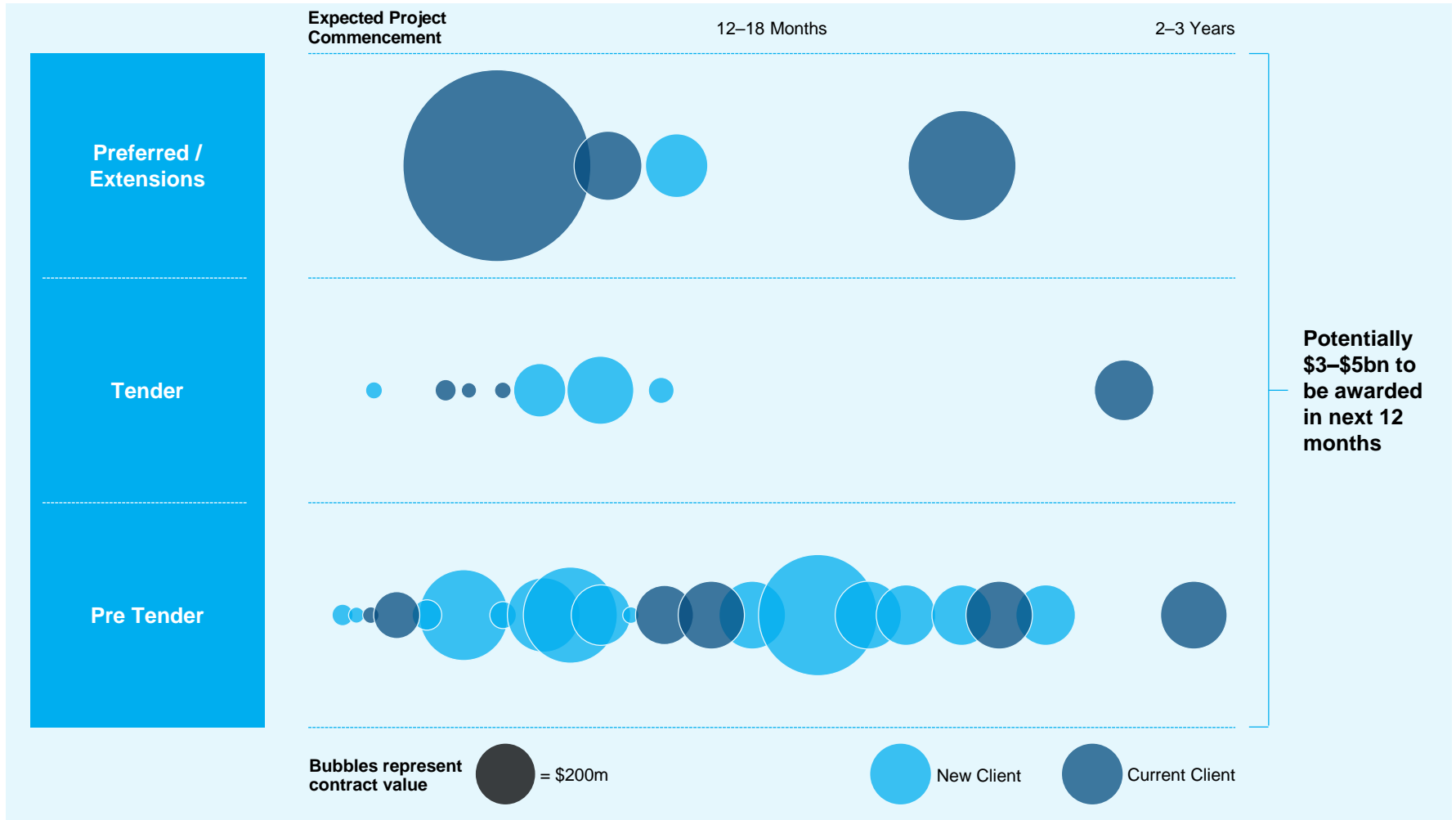


**Foxleigh**  
Hire and Maintenance  
\$250m • 5 years

1. Excludes civil, short term underground churn and JV revenue. Includes Coburn Mineral Sands Civil and Bellevue Gold work and ~\$100m scope growth

# Tender Pipeline

~\$8.5bn of opportunities



# Strong Outlook

Well positioned for sustainable growth

## A leading mining services business

- ✓ Scalable – systems, processes, structure
- ✓ Successful flexible alliance style approach
- ✓ Proven capabilities across the whole mining value chain
- ✓ Focused on developing technological competitive advantage

## Strong client base and order book

- ✓ \$4.2 billion work in hand at October 2020
- ✓ Solid medium term earnings visibility from high quality clients
- ✓ ~80% of revenue is from Gold and Copper/Gold projects

## Conservative Balance Sheet

- ✓ Provides flexibility to enable execution of growth strategy
- ✓ Supported by strong cash flows and return on capital

## Strong Board and Management team

- ✓ Proven track record of:
  - ✓ Delivering strong growth
  - ✓ Completing strategic and value enhancing acquisitions

## Reiterate FY21 Guidance<sup>1</sup>

- ✓ Revenue \$1.4–\$1.5 billion
- ✓ EBIT(A) \$90–\$100 million
- ✓ On track to achieve earnings guidance for 4 consecutive years



1. Guidance assumes an exchange rate of AUD:USD 0.72, and excludes one-off items and amortisation related to the GBF Group acquisition.