

14 November 2022

Perenti's strong year to date operational performance underpins FY23 guidance upgrade

Perenti (ASX: PRN) ('Perenti' or 'the Company') is pleased to announce an operational update and an upgrade to its FY23 guidance.

On 23 August 2022 Perenti announced its FY23 guidance, expecting revenue of between \$2.4 billion and \$2.5 billion and EBIT(A) of between \$185 million and \$205 million. Net capital expenditure was forecast to be approximately \$330 million and leverage was expected to be approximately 1.2x. On 14 October 2022, Perenti noted that "the strong finish to FY22 has continued into FY23 and if the operating conditions, including exchange rates, remain as they are, we will see EBIT(A) performance heading towards the higher end of our guidance range."

Following the completion of detailed quarterly forecasting activities, Perenti now expects FY23 revenue of between \$2.6 billion to \$2.7 billion, EBIT(A) of between \$215 million to \$230 million, net capital expenditure of approximately \$340 million and leverage of between 1.1x and 1.2x.

The upgraded guidance is a result of several factors, notably:

- favourable movements in the US dollar to Australian dollar ('USD:AUD') exchange rate, and
- improving operational and commercial conditions.

Perenti considers Bloomberg consensus estimates to inform its expectations of USD:AUD exchange rates. The impact of recent exchange rate volatility on our FY23 guidance is estimated at between \$12 million to \$16 million of additional EBIT(A) and an approximate \$10 million unfavourable movement in capital expenditure.

Perenti's Managing Director and CEO, Mark Norwell, said the Company had worked diligently to embed capital, operational and commercial discipline over recent years and this upgrade is a result of the ongoing and significant efforts by our people and the returns on growth capital invested in FY22, combined with the favourable improvement of external factors, albeit challenges still exist.

"Like most businesses, we have, and continue to experience the volatility within the macro-economic landscape. These factors, including exchange rates, supply chain challenges and labour shortages, are difficult to predict. We have continued to establish and embed operating and commercial disciplines to strengthen our foundations, improving our resilience to market conditions, while remaining future focused to ensure we are positioned to capture opportunities when they present.

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Perenti is a diversified global mining services group with interests in contract mining, mining support services and future technology solutions. The Group was founded in Kalgoorlie in 1987 and is today one of the world's largest mining service companies providing surface and underground mining at scale. Our portfolio consists of sustainable, inter-related and value-adding mining services and technology focused businesses. Headquartered in Perth, Australia, and operating across four continents, our focus is to create enduring value and certainty for our investors, clients, employees and the communities in which we operate.

“Our upgraded FY23 guidance reflects how our embedded disciplines and robust foundations have enabled our exceptional workforce to deliver beyond expectations. Perenti is well placed and will continue to focus on the delivery of our updated 2025 strategy, as released to the market earlier this year, as we strive to deliver enduring value and certainty for all our stakeholders.” Mr Norwell said.

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