

19 December 2022

Operational update and FY23 guidance upgrade

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

Operational Update

The positive momentum noted in the operational update released on 14 November 2022 has continued as Perenti heads toward the end of the calendar year, with this momentum expected to continue into 2023.

Since the release of the most recent operational update Perenti has secured improvements to commercial conditions across several Australian and African projects, including retrospective rate adjustments in relation to work that has previously been completed. These rate adjustments are the key catalyst in providing a further guidance upgrade one month after our previous upgrade.

Furthermore, Perenti, through its subsidiary Barmenco, has been awarded a new contract for development work at Evolution Mining's (ASX:EVN) Ernest Henry underground gold and copper mine and, additionally, has secured a variation to expand its work scope at Regis Resources' (ASX:RRL) Garden Well mine.

The Ernest Henry underground mine is located approximately 100 kilometres to the south of the Dugald River underground mine. As Barmenco transitions out of Dugald River in early calendar year 2023, employees and capital resources from Dugald River will be mobilised to the new contract at Ernest Henry.

Perenti will continue to negotiate potential contract extensions and rate adjustments to bring earnings back to historical levels as the business continues to focus on delivering its FY25 target EBIT(A) margin of 10%.

FY23 Guidance Update

On 14 November 2022 Perenti updated its FY23 guidance to forecast 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.

With the announcement of improved commercial conditions and in consideration of securing work at Ernest Henry and scope growth at Garden Well, Perenti now forecasts that the Company's FY23 revenue will be between \$2.7 billion and \$2.9 billion and EBIT(A) will be between \$230 million and \$250 million. Net Capital Expenditure remains unchanged at \$340 million.

Mark Norwell, Managing Director and CEO of Perenti said "Together, over the last four years, our 9,000 dedicated employees have been unrelenting in delivering on our purpose of creating value and certainty for our stakeholders. Over these four years, by being smarter together and by taking no shortcuts, Perenti has navigated a period of unprecedented uncertainty and, whilst challenges still exist, we are now seeing the significant effort of our people translate into value upside to our shareholders.

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Perenti is a diversified 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 services companies providing surface and underground mining at scale, technology solutions and mining support services. Headquartered in Perth, Australia, and operating across four continents with a workforce of 9,000 employees, our focus is to create enduring value and certainty for our investors, clients, employees and the communities in which we operate.

He added, “In addition to generating greater returns in FY23, we are focused on continuing to pursue business and project optimisation initiatives which will facilitate the delivering our 2025 strategy. Our Strategy is designed to drive positive momentum in shareholder value well into the future. Perenti’s outlook is underpinned by our world class Contract Mining Division, and the continued development of our Mining Services and idoba Divisions. Our focus on generating enduring value for our people, clients and communities, will ensure we continue to deliver sustainable returns for our shareholders.”

Authorised by:

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