



Perenti & DDH1

Continued creation of
enduring value

26 June 2023

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More**

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Transaction overview

Transaction structure	<ul style="list-style-type: none"> Transaction by way of a Scheme of Arrangement (the “Scheme”) pursuant to which Perenti will acquire 100% of the fully paid ordinary shares in DDH1 (the “Transaction”)
Consideration	<ul style="list-style-type: none"> DDH1 shareholders to receive \$0.1238 of cash, plus 0.7111 Perenti shares for each DDH1 share held (the “Standard Consideration”) <ul style="list-style-type: none"> Ability to elect maximum scrip or maximum cash alternatives (subject to scale back based on a total cash pool of \$50 million¹) Implies A\$1.01 per DDH1 share, which represents a 17.4% premium based on the 5-day VWAPs²
Ownership	<ul style="list-style-type: none"> Upon completion of the Scheme, Perenti shareholders will own 71% of the fully diluted share capital of the combined entity and DDH1 shareholders will own the remaining 29%³
Governance	<ul style="list-style-type: none"> Rob Cole to remain Chair of Perenti; Mark Norwell and Peter Bryant will remain MD & CEO and CFO of Perenti, respectively Expanded Board of 8 members, comprised of 6 Directors from Perenti and 2 from DDH1 <ul style="list-style-type: none"> Diane Smith-Gander AO (Chair of DDH1) and Andrea Sutton (NED of DDH1) to join Perenti Board DDH1 CEO, Sy Van Dyk, will become President of the newly formed Drilling Services Division of Perenti
Board recommendation and shareholder support	<ul style="list-style-type: none"> Unanimously recommended by the DDH1 Board (who control 13.1% of shares outstanding), in the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of shareholders In addition to the Board of Directors, shareholders holding 24.9% of DDH1 shares including Oaktree, Matt Izett, Richard Bennett and Kent Swick have given DDH1 a voting intention statement to support the Scheme in the absence of a superior proposal and subject to the Independent Expert report Perenti has separately entered into a Call Option Deed with Oaktree, providing Perenti with the ability to acquire 19.99% of DDH1 shares from Oaktree upon DDH1 receiving a competing proposal
Timetable and key conditions	<ul style="list-style-type: none"> Standard conditions precedent, including DDH1 shareholder vote (at a Scheme meeting in September 2023), no material adverse change and court approval of scheme Targeting scheme implementation in October 2023

Notes:

1. Consideration mechanism subject to adjustment for any DDH1 or Perenti final FY23 dividends paid
2. As at 23 June 2023. Perenti VWAP of \$1.252 per share; DDH1 VWAP of \$0.864 per share
3. Subject to adjustments to final level of scrip consideration including as a result of dividends paid by either Perenti or DDH1

Compelling strategic rationale

Enhances Perenti's position as the leading ASX-listed contract mining services company

Highly synergistic and accretive to all shareholders

Meaningful synergies drive accretive outcomes shared by all shareholders

Double digit EPS accretion
~\$22m post-tax synergies¹

Enhances scale

Global leader in contract mining services, contract mining and drilling services with potential for ASX 200 inclusion

\$1.3bn combined
market cap²

Globally competitive service offering to customers

Complete range of surface and underground drilling capability

Tier 1 global drilling
provider

Improves Australian earnings and free cash flow

Re-weights portfolio back to Australia and accelerates utilisation of existing Perenti tax losses

Combined 54%
Australian exposure³

Delivery of FY25 targets

Improves margins and strengthens balance sheet

Revenue:	\$3.4b	✓
Leverage:	0.9x	✓
EBIT(A) margin:	10%	✓
ROACE:	21%	✓

Notes:

1. Based on FY24e post-tax synergies (including full run-rate operating synergies). See slide 18 for further detail
2. Fully diluted market cap as at 23rd June 2023
3. Based on 1H23 Revenue

The numbers are compelling

	FY23E Perenti	FY23E DDH1	FY23PF Perenti + DDH1⁴
Revenue ¹	\$2.9b	\$0.55b	\$3.45b
EBIT(A) margin ¹	~9%	~13%	~10%
Leverage	~1.0x	~0.2x	~0.9x
Effective tax rate	36%	30%	31%
Australian earnings ²	47%	91%	54%
Market cap (<i>pre-potential re-rate</i>) ³	\$0.9b	\$0.4b	\$1.3b

Other key value propositions

- Realisation of operational and listing cost synergies
- Accelerates utilisation of Perenti tax losses
- Enhances generation of franking credits
- Expected further material leverage reduction in FY24 and the potential to reinstate dividends

Notes: Based on company guidance. Where not applicable, based on company's expectations on June year end balance / results

1. Based on mid-point of guidance. DDH1 provide guidance at EBITDA level. DDH1 EBIT(A) based on management best estimates for FY23 depreciation expense.

2. Based on 1H23 Revenue

3. Fully diluted market cap as at 23 June 2023. DDH1 implied market cap based on current value of scheme consideration

4. Pro-forma metrics shown pre-synergies except for effective tax rate which is inclusive of tax synergy due to Perenti's Australian tax group net operating loss offset (further detail on synergies on slide 18)



Expect More

Driven by our Purpose to deliver our fundamental objective

SUSTAINABILITY EMBEDDED IN EVERYTHING WE DO

Our Investors

We generate competitive returns that in turn attract further capital investments



Our People and Communities

We attract, retain and engage great people, and through our people we support our communities in which we work

To create enduring value and certainty



Our Clients

We win and extend the work that aligns with our strategic objectives in support of our clients

Deliver Competitive Total Shareholder Returns

Through a focus on sustainability and by building a portfolio of complementary businesses that deliver consistent and quality cash profits to create enduring value for our clients, our people and our investors

How we said we would evaluate acquisitions

The acquisition of DDH1 is in-line with Perenti's previously outlined acquisition assessment criteria

Key Assessment Criteria

Strategic attractiveness

- ✓ ✓ Commodity mix
- ✓ ✓ Market position
- ✓ ESG future focused

Fit within Perenti

- ✓ ✓ Complementary offering
- ✓ ✓ Attractive geographies
- ✓ ✓ Capital balanced

Value creation potential

- ✓ ✓ Earnings growth
- ✓ ✓ Strengthen balance sheet
- ✓ ✓ Cash generation

Scale makes the drilling market structurally attractive

Perenti has a long history and understanding of the drilling market including from its Ausdrill heritage

Strong long-term demand

Commodity outlook requires significant expenditure to explore, develop and produce materials to support the EV transition or net zero targets

Maintaining production needs increased drilling spend to ensure mining reserves are not diminished

Drilling becoming more complex resulting in larger drilling programs and demand for specialist services

Resilient commodity prices

Positive commodity backdrop which drives the supportive outlook for production and exploration drilling

DDH1's services are commodity agnostic and are well positioned to leverage demand for battery materials and other future facing commodities

DDH1 is Australia's largest pure-play drilling services provider

Highly respected operator with significant capabilities and access to a complete range of specialised surface and underground drilling services

Fleet

One of the top five largest drill fleets globally, with a modern fleet of 190 rigs. Combination enhances our position as a tier 1 global drilling services provider (289 rigs combined)¹

Revenue

85% of revenue base is from production / resource definition²





Diversification

Complementary jurisdiction and commodity mix

Quality and innovation

Track record of performance and service delivery across full suite of drilling services; in-house manufacturing, maintenance and R&D capabilities

Four iconic brands with differentiated specialties

	Overview	Rigs	% of revenue ²	Mine life cycle
	<ul style="list-style-type: none"> Diamond core Multi-commodity Australia 	74	46%	All
	<ul style="list-style-type: none"> Air core and reverse circulation Multi-commodity Australia 	16	9%	Exploration & development
	<ul style="list-style-type: none"> Reverse circulation Iron ore WA 	22	11%	All
	<ul style="list-style-type: none"> Underground diamond core Multi-commodity International 	78	34%	Development & production

Notes:

1. Drill rigs as at 31-Dec-22. Perenti currently has 99 drill rigs
2. 1H FY23 revenue

High quality operator with attractive fleet

DDH1 has an attractive fleet with a consistent track record in delivering strong return on invested capital

Specialist provider

Full suite services across mining value chain

Deep and directional drilling specialists

Commodity agnostic (no coal exposure)

Large modern fleet

Young fleet, economic life of 20+ years

Focus on fleet productivity and utilisation

190 rigs, one of the top 5 largest drill fleets globally

Continuous investment

Ongoing investment in automation and emission reduction technology

Capex investment of \$32m in 1H23 to maintain a modern fleet and develop new drilling solutions



Unlocks value for DDH1 shareholders

The transaction provides an attractive value and business proposition for DDH1 shareholders

Strong strategic fit

Combined group creates a leading global contract mining services player, with deep capabilities across drilling services, contract mining and mining services with a technology driven service offering

Greater breadth and depth of capabilities

Future focused

Combined group have a shared vision for a sustainable future, which will drive growth and demand for our services over the long term

Shared focus on sustainability

Attractive offer

Perenti's offer provides both an attractive upfront premium to DDH1 shareholders, plus meaningful ownership in the combined group

c. 29% ownership in combined group¹

Highly synergistic

Ongoing ownership in the combined group will allow for participation in value created through transaction synergies²

Additional value creation upside

Enhances scale & liquidity

Perenti's offer provides upfront liquidity, and ownership in a larger more frequently traded stock, with the potential to be included in the ASX200

Enhanced liquidity

Notes:

1. Subject to adjustments to final level of scrip consideration including as a result of dividends paid by either Perenti or DDH1
2. See slide 18 for further detail

Aligned with Perenti's sustainability goals

DDH1 culture fully aligned with Perenti's commitments to a safer more sustainable future

Perenti's sustainability imperatives



Caring for our people & communities



Valuing the environment & enabling the energy transition



Acting ethically & responsibly

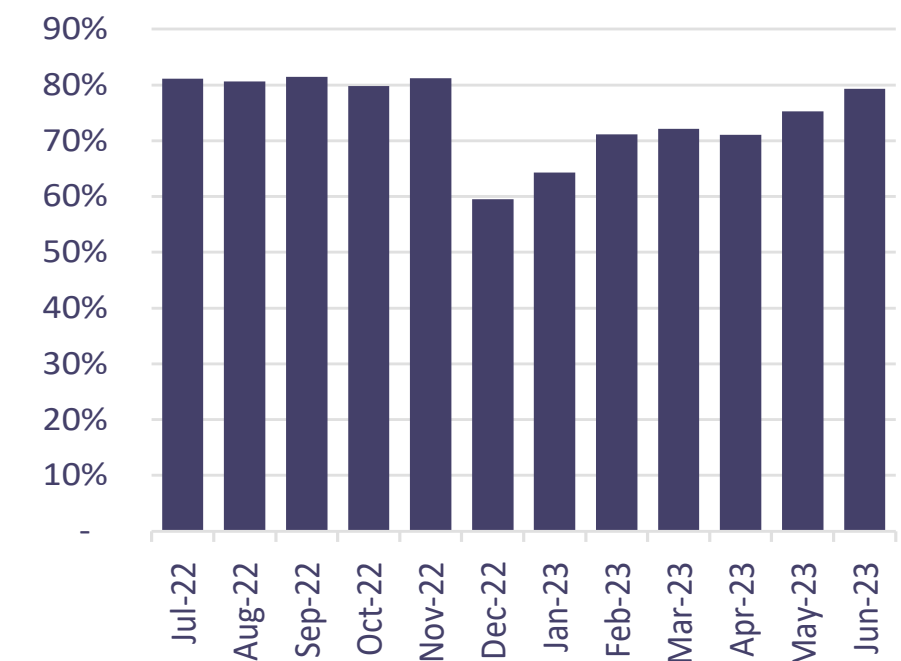
DDH1 fully aligned with Perenti's sustainability imperatives

- ✓ Strong safety culture
- ✓ Commitment to diversity and inclusion
- ✓ Mental health awareness
- ✓ Exposure to battery metals and electrification trend

Confidence in earnings outlook for combined group

	Perenti	DDH1
FY23 Revenue guidance	\$2.9b	\$0.55b
FY23 EBITDA guidance	—	\$117m – \$121m
FY23 EBIT(A) guidance	\$260m – \$265m	—

DDH1 Drill Rig Utilisation %



Perenti Drivers

- Robust earnings and consistent margin improvement
- Continue to capitalise on the easing of macro-economic conditions and improvements to operating and commercial conditions
- Sustained growth in underground mining services (>30% revenue CAGR over 5 years)

DDH1 Drivers

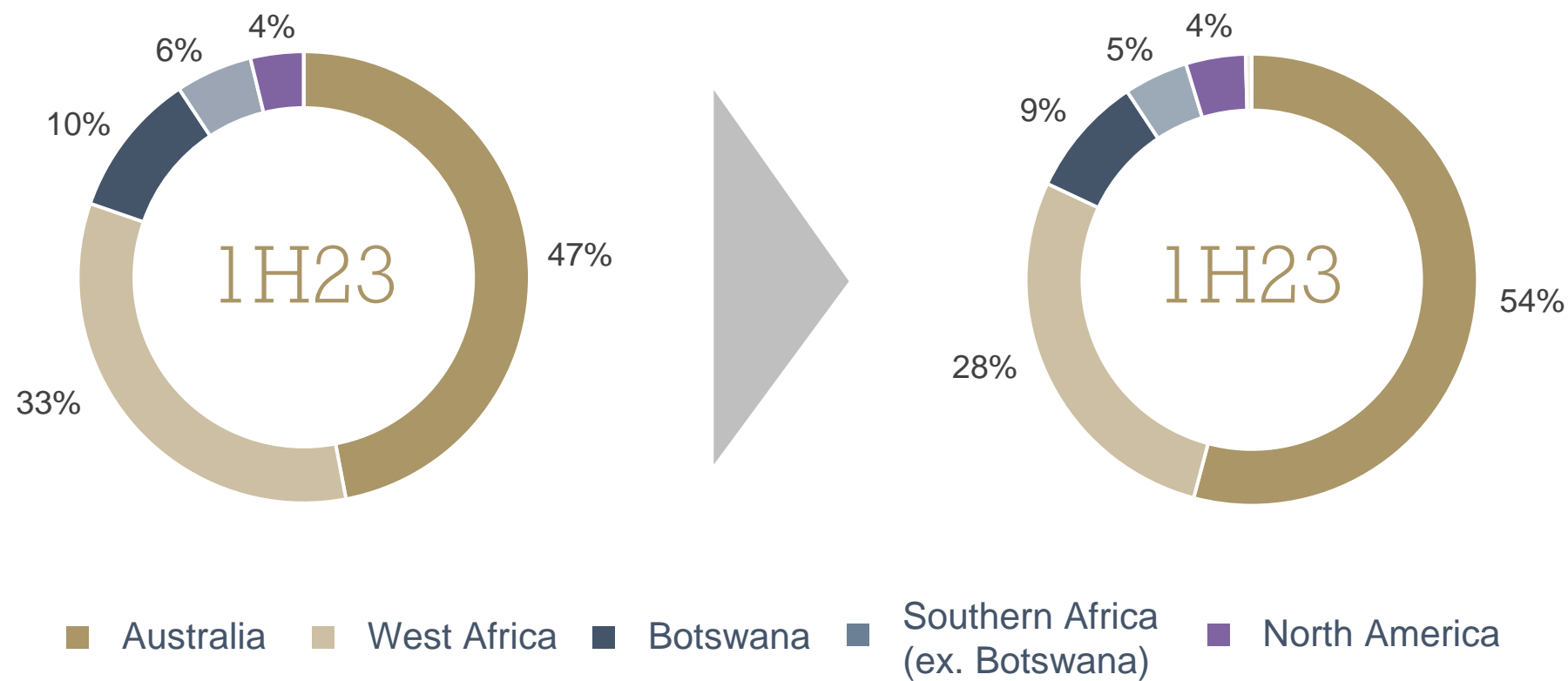
- Early CY23 impacts to operating performance due to adverse weather events, regulatory approval delays and deferrals of client drilling programs
- Improvements seen in Q4 performance and increasing in FY24
- Supported by substantial due diligence

Notes: Perenti and DDH1 unaudited forecasts. Treatment of accounting principles on a like for like basis. Excludes one off transaction costs associated with the transaction and normal adjustments to statutory earnings. Excludes synergies

Diversified and balanced portfolio by geography and commodity

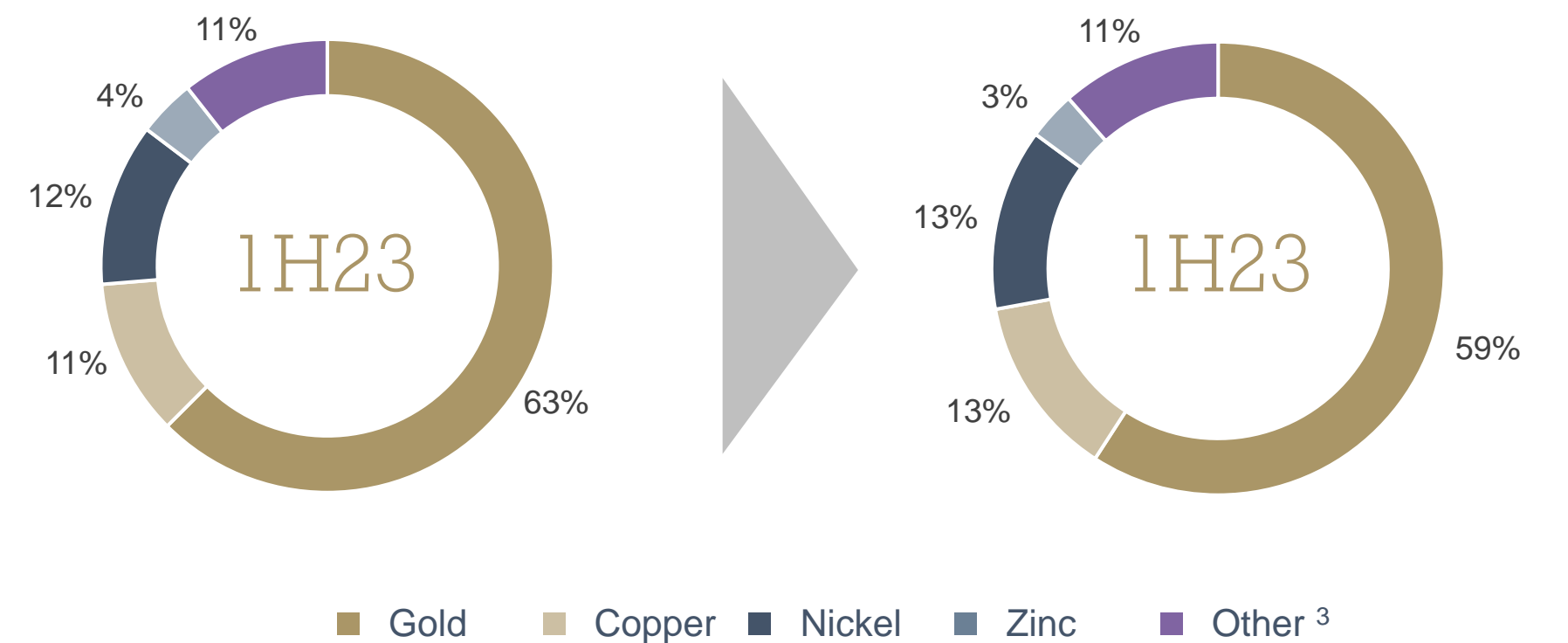
Reweights portfolio back to Australia

Pro-forma Revenue by Geography ^{1,2}



Highly attractive commodity exposure

Pro-forma Revenue by Commodity

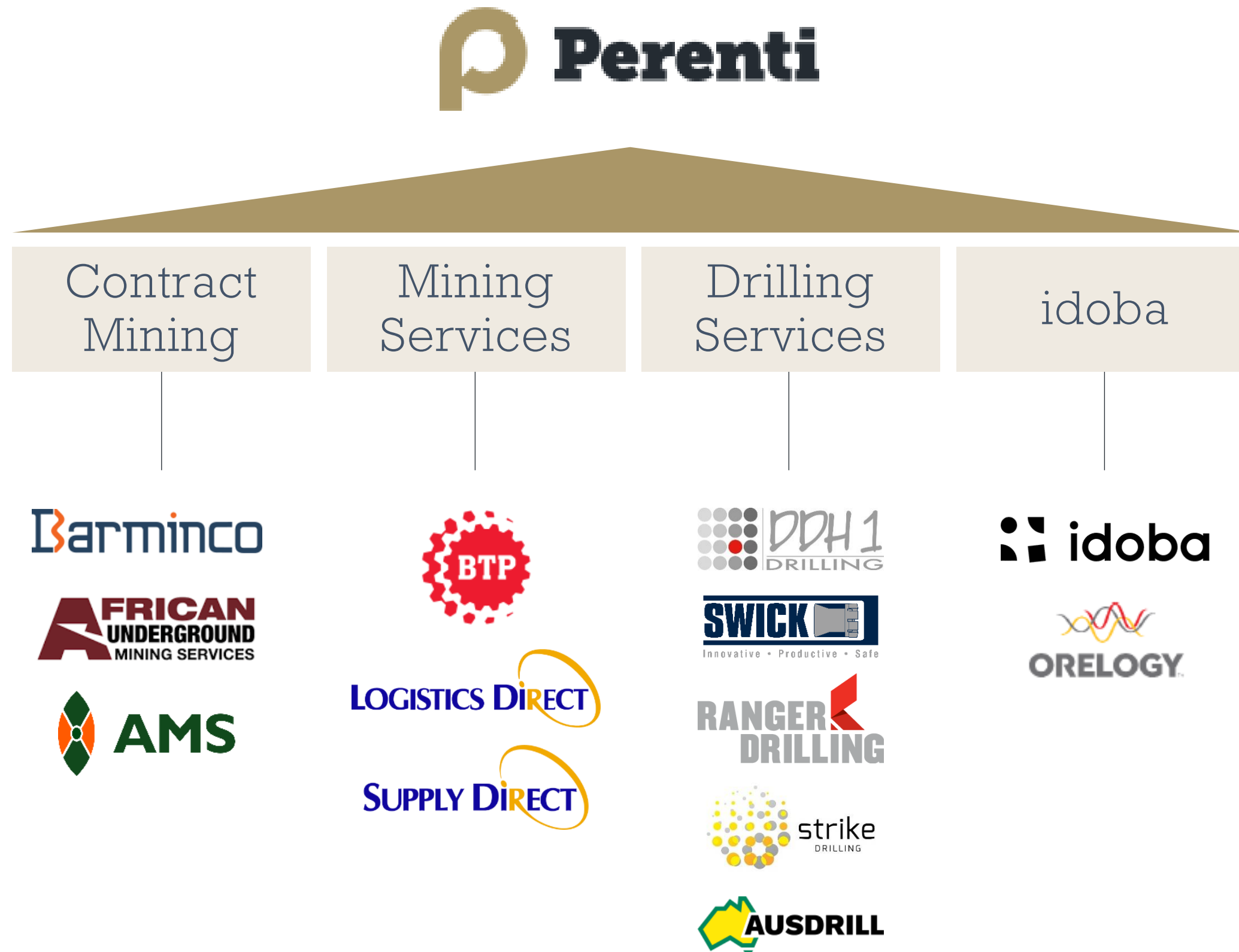


Notes: Based on 1H23 Revenue

1. Southern Africa includes Tanzania and South Africa, West Africa includes Ghana, Burkina Faso, Senegal and Mali
2. Europe not visible on chart (<1%)
3. Other includes Iron Ore, Lithium, Manganese and Mixed Coal

Combines talent from both organisations with alignment to operating model

Newly created Drilling Services Division



DDH1 and Ausdrill to combine

Drilling brands to remain independent providing consistent offering and customer continuity

Utilise shared experiences across drilling division to enhance service and customer offering

Retain leadership in key positions

Sy Van Dyk to be President of the newly formed Drilling Services Division and all 4 DDH1 brand general management teams retained

Highly efficient integration

DDH1 brands to leverage Perenti's idoba platform and Contract Mining customers

DDH1 brands will continue to operate efficiently under their leading, recognised brand

Combined Board to deliver on 2025 Strategy

DDH1 board delegates bring valuable experience and highly complementary skill sets to the Perenti Board



Robert Cole
Non-Executive Chair



Mark Norwell
Group MD and CEO



Alex Atkins
Non-Executive Director



Tim Longstaff
Non-Executive Director



Andrea Hall
Non-Executive Director



Craig Laslett
Non-Executive Director



Diane Smith-Gander AO
Non-Executive Director



Andrea Sutton
Non-Executive Director

DDH1 delegates to the Board

- ✓ Industry leading experience
- ✓ Diverse range of backgrounds
- ✓ Highly complementary skill sets with ASX100 exposure
- ✓ International business experience
- ✓ Focus on health and safety
- ✓ Aligned culture and values
- ✓ Achieves 50:50 gender balance

Highly synergistic

Meaningful P&L synergies which positively impact accretion, with substantial additional cash tax benefits

- ✓ Material run rate operational synergies – expected to be delivered within 2 years
- ✓ Tax synergies realised from transaction completion

Source	Description	P&L synergies (Post-tax basis, annual)	Cash Annual
Operational and listing costs	<ul style="list-style-type: none"> ▪ Savings associated with listing costs ▪ Reduction in Ausdrill maintenance spend ▪ Diamond drilling rebuild savings ▪ Procurement and capital savings 	c. \$7m <i>Run-rate</i>	c. \$7m <i>Run-rate</i>
Tax	<ul style="list-style-type: none"> ▪ Instantly realisable accounting tax synergies from offsetting DDH1 Australian earnings against Perenti Australian tax group¹ ▪ Material cash tax savings largely from the utilisation of existing losses within Perenti Australia tax group 	c. \$15m <i>FY24²</i>	c. \$22m <i>FY24³</i>

Notes:

1. Perenti's corporate structure localises finance and corporate costs under a loss-making Australian tax group. This tax group generates tax losses that can be used against Delta's pre-tax earnings
2. Ongoing to the extent of continued losses within Perenti Australia tax group
3. Ongoing to the extent of continued carried forward tax losses within Perenti Australia tax group

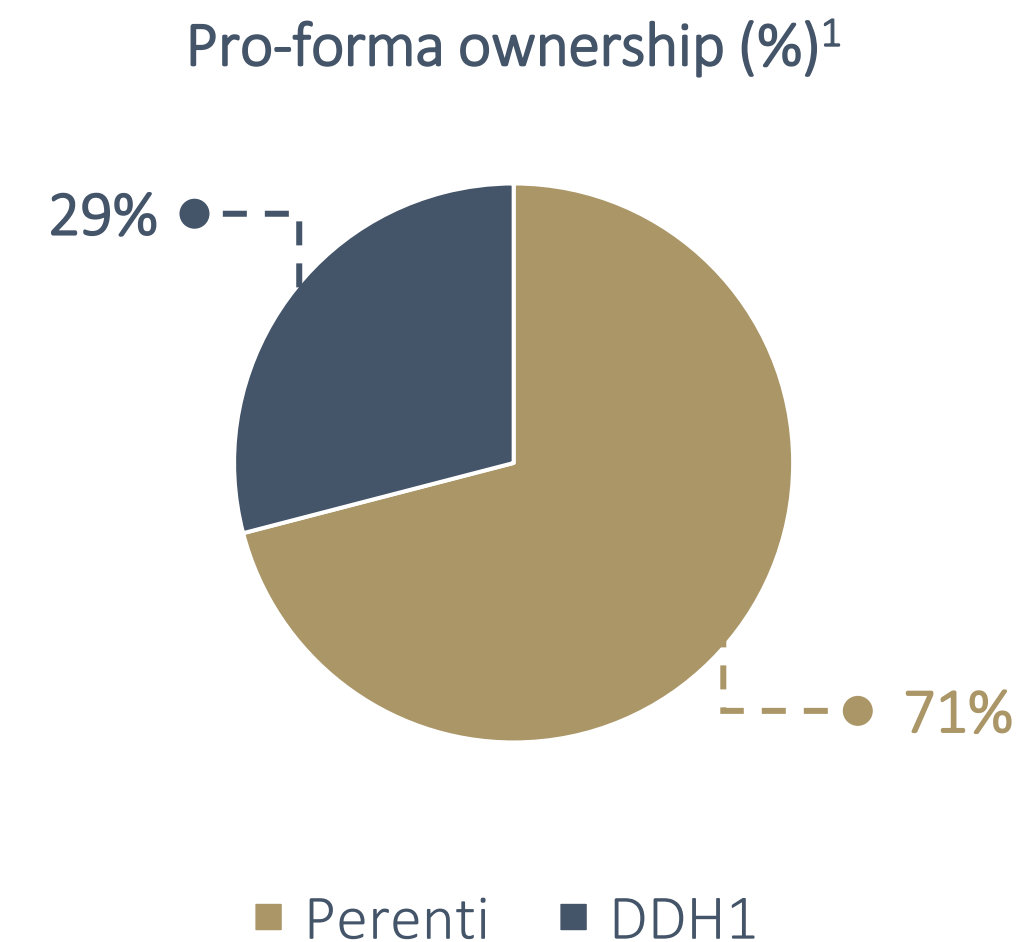
Material value creation for both sets of shareholders

The transaction is expected to be double digit EPS accretive at full synergy run rate

EPS accretive for Perenti shareholders

- ✓ EPS accretive pre-synergies
- ✓ Double digit EPS accretion at full synergy run-rate
- ✓ Potential for further value from other commercial synergies due to combined group's enhanced scale

Both sets of shareholders share in upside



Notes:

1. Subject to adjustments to final level of scrip consideration including as a result of dividends paid by either Perenti or DDH1

Compelling strategic logic

Highly synergistic and accretive to all shareholders

Enhances scale

Establishes Perenti as a tier 1 global leader in drilling services

Improves Australian earnings and free cash flow

Delivery of FY25 targets

Thank you

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Thank You

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More**

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.

**SUSTAINABILITY EMBEDDED IN
EVERYTHING WE DO**

Appendix



Indicative timetable

Transaction expected to close during 2023¹

Milestone	Indicative date
Send Scheme Booklet to ASIC	August 2023
First Court Date	August 2023
Election Date	September 2023
Scheme Meeting	September 2023
Second Court Date	September 2023
Effective Date	October 2023
Record Date	October 2023
Implementation Date	October 2023

Notes:

1. Subject to receipt of all required approvals by DDH1 shareholders and the Court