CONDENSED CONSOLIDATED INTERIM

Financial Report 2024

FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

Perenti

ABN 95 009 211 474

Creating enduring
value and certainty

Expect
More

Perenti Limited

ABN 95 009 211 474

ASX half-year information - 31 December 2023

LODGED WITH THE ASX UNDER LISTING RULE 4.2A.3

This information should be read in conjunction with the 2023 Annual Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET - APPENDIX 4D

		%		31 December 2023 $'000	31 December 2022 $'000
Revenue from ordinary activities	Up	13.5	to	1,632,163	1,438,510
Profit from ordinary activities after tax attributable to members	Up	63.4	to	64,791	39,661
Net profit for the period attributable to members	Up	63.4	to	64,791	39,661

Dividends		Amount per security	Franked amount per security
Interim dividend	(cents)	-	-
Previous corresponding period	(cents)	-	-

Dividends

On 19 February 2024, the directors have determined the payment of a fully franked interim dividend of 2.0 cents (31 December 2022: nil) per fully paid share to be paid on 12 April 2024.

Dividend reinvestment plan

The Company's Dividend Reinvestment Plan is currently suspended until further notice.

Net tangible assets per share	31 December 2023 Cents	31 December 2022 Cents
Net tangible asset backing per ordinary share	**118.40**	105.54

Explanation of results

For an explanation of the figures reported above please refer to the Review of Operations Section and the Condensed consolidated interim financial report for the half-year ended 31 December 2023.

CONDENSED CONSOLIDATED INTERIM

Financial Report 2024

FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

FINANCIAL STATEMENTS

ABOUT THIS REPORT

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Perenti Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Perenti Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 4, 45 Francis Street, Northbridge, Western Australia 6003. Its shares are listed on the Australian Stock Exchange.

Directors' Report

Your directors present their report on the consolidated entity consisting of Perenti Limited ("**Perenti**") and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

DIRECTORS

The following persons were directors of Perenti during the half-year and up to the date of this report (unless indicated otherwise):

ROBERT COLE
CHAIRMAN

MARK NORWELL
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

ALEXANDRA ATKINS
NON EXECUTIVE DIRECTOR

ANDREA HALL
NON EXECUTIVE DIRECTOR

TIMOTHY LONGSTAFF
NON EXECUTIVE DIRECTOR

CRAIG LASLETT
NON EXECUTIVE DIRECTOR

DIANE SMITH-GANDER AO
NON EXECUTIVE DIRECTOR
Appointed 16 October 2023

ANDREA SUTTON
NON EXECUTIVE DIRECTOR
Appointed 16 October 2023

Perenti Organisational Structure

Perenti

Perenti Contract Mining

Perenti Contract Mining is one of the largest contract miners globally with demonstrated industry leading expertise in hard rock surface and underground mining.

Barminco
African Underground Mining Services
AMS

Perenti Drilling Services

Perenti Drilling Services is one of the world's largest drilling services contractors globally with the experience to drill the deepest and most complex holes in the mining and exploration industries.

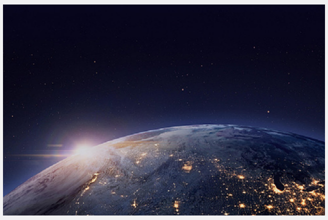
DDH1 Drilling
Swick
Ausdrill
Ranger Drilling
strike Drilling

Perenti Mining Services

Perenti's Mining Services Division is a portfolio of specialised, lower capital intensity businesses who predominantly work with clients across the mining sector, to deliver value-add services that meet current and emerging needs.

BTP
Supply Direct
Logistics Direct

idoba



idoba is a technology informed services and products business that provides unique end to end digital, technology and consulting services designed to rethink, transform and disrupt the mining industry and beyond.

idoba
orelogy

Review of Operations

Perenti has delivered a record operational and financial performance for 1H24 building on its record FY23 financial results and continuing the positive momentum generated in the business over the past two years. The results reflect the continued disciplined implementation of our 2025 Strategy and the efforts of our 11,000 people.

ACQUISITION OF DDH1

On 6 October 2023, the DDH1 Limited (DDH1) scheme of arrangement was implemented, where Perenti acquired 100% of DDH1 issued capital. The transaction resulted in Perenti issuing 279,704,558 ordinary shares and paying $50 million in cash to DDH1 shareholders.

The four DDH1 brands of DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services and Perenti's existing drilling services business Ausdrill, were subsequently combined to form the Drilling Services Division.

As a result of the transaction, Perenti recorded a provisional gain on acquisition of $29.4 million. The provisional gain on acquisition was realised due to the fair value of net assets acquired exceeding the total fair value of the consideration paid. An independent valuation of DDH1's plant and equipment was completed in the period, resulting in a provisional $48 million uplift to their pre-acquisition net book values.

1H24 OVERVIEW

A key focus for the period was the acquisition and subsequent integration of DDH1 into the Perenti business. Former DDH1 Managing Director and CEO, Sy Van Dyk was appointed President of the newly formed Drilling Services Division, with accountability over DDH1's four highly respected drilling brands, DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services, along with Ausdrill. Perenti's Drilling Services Division is now one of the largest drilling contractors globally, performing at expectations with a positive outlook.

On the completion of the acquisition of DDH1, Perenti's Non-executive Director, Mark Hine retired from the Board. Following the retirement of Mark Hine, former DDH1 Chair Diane Smith-Gander AO and former DDH1 Non-executive Director Andrea Sutton joined the Perenti Board. Significantly, with the addition of Diane Smith-Gander AO and Andrea Sutton, the Perenti Board of Directors has achieved an equal representation of females and males.

In 1H24, we made solid progress in implementing a number of our sustainability imperatives and priorities. The safety of our people remains our primary focus and following the establishment of the Safety Transformation Taskforce in March 2023, we have made considerable progress against a number of priority improvement initiatives identified as we look to achieve our goal of no *adverse physical and psychological life-changing events*.

Work has also continued to create a workplace that is safe, inclusive, and respectful for all our people and a number of divisional initiatives have been identified and implemented to support this priority. Our priority to accelerate decarbonisation has also been progressed with our partnership with ABB and the submission of an electrification study to IGO.

In December 2023, Perenti announced changes to its Group Executive Committee with the appointment of experienced mining executive Gabrielle Iwanow to the position of President of Contract Mining, with Paul Muller moving to a new role to be announced later in 2024.

REVIEW OF OPERATIONS

GROUP RESULTS

Perenti's consolidated statutory revenue and net profit after tax (NPAT) for 1H24 were $1,632.2 million (1H23: $1,438.5 million) and $69.8 million (1H23: $44 million), respectively. Compared to the prior comparative period, revenue increased by 13.5% and net profit after tax increased by 58.5%. The improved statutory results were partly attributable to the gain booked on the acquisition of DDH1.

A doubtful debt provision of $8.2 million was recorded at 31 December 2023 against Panoramic Resources as a result of their underground Savannah Nickel Project operated by Barminco ceasing operations and going into care and maintenance.

In the consolidated statement of profit or loss, the key determinants of operating performance being revenue, materials expense, labour costs, rental expense and depreciation, were largely consistent between 1H24 and 1H23 when calculated as a percentage of revenue.

Net finance costs increased in 1H24 by $2.7 million to $33.4 million when compared to 1H23. The increase was mainly attributable to higher interest rates on Perenti's revolving credit facilities (RCF) due to the increase in cash rates during 1H24 and a $1.5 million net gain in 1H23 from the buyback of the US144A notes at 91.5% of their face value.

Tax expense was reduced in 1H24 by $4.9 million to $32.3 million compared to 1H23 and the effective tax rate in 1H24 was 31.6%. The decrease in tax expense was mainly attributable to some one-off impacts from corporate restructuring activities completed in 1H23.

The statutory profit for 1H24 included several abnormal items presented as "non-underlying items" in the reconciliation table below. These abnormal items included the provisional gain on acquisition referenced above, transaction and other one-off costs of $7.6 million mainly due to the DDH1 acquisition-related costs and $7.3 million of idoba product development costs. A reconciliation from Perenti's statutory results to its underlying net profit after tax and amortisation of customer-related intangibles (NPAT(A)) is presented below.

From an underlying perspective, the Group delivered solid revenue and underlying EBIT(A) in 1H24. Underlying EBITDA, EBIT(A), and NPAT(A) increased by $31.2 million (11.1%), $13.9 million (10.4%) and $13.1 million (20.0%) respectively when compared to 1H23. 1H24 EBITDA margin was steady at 19.1% while the EBIT margin of 9.1% was lower than the 9.4% reported in the prior comparative period.

The improvement in underlying operating profit was largely attributable to nearly three months of DDH1 results that were recorded in 1H24 only. Excluding the impact of DDH1, Perenti's operating results were relatively stable.

CASH FLOWS AND CASH CONVERSION

The Group's 1H24 net cash inflow from operating activities was $171.9 million, an increase of 8.5% over the $158.4 million reported for 1H23. Receipts from customers increased $186.9 million (12.4%) and payments to suppliers and employees increased $150.4 million (11.5%). These increases were due to growth in the underlying business and the inclusion of nearly three months of DDH1 at 31 December 2023. Underlying EBITDA to operating cash flow (before interest, tax and acquisition costs) conversion of 79% improved on the 75% reported for 1H23.

Cash tax paid was higher in 1H24 primarily due to pre-payment of taxes in certain foreign jurisdictions at the end of FY22 and outcomes from implementing specific tax strategies both of which reduced cash taxes in 1H23.

Net investing expenditure in 1H24 was $253.9 million against $141.7 million in 1H23. Investment expenditure for property, plant and equipment and intangible assets, excluding proceeds from divestments and sale of plant and equipment, was $198.8 million in 1H24 compared to $165.2 million in 1H23, an increase of $33.6 million which was mainly due to an increase in stay-in-business capex of $13.8 million and growth capex and technology development of $19.9 million. 1H24 investing cashflows also included net consideration paid to DDH1 of $74.0 million, comprising of cash paid to DDH1 shareholders on acquisition of $50.0 million and a net $24.0 million paid to extinguish DDH1 debt facilities partially offset by cash acquired from DDH1. Proceeds from the sale of PP&E (including assets held for sale) decreased to $18.9 million from $23.4 million in 1H23 with 1H23 positively impacted by asset sales in relation to our strategic exit from Mali.

Net cash inflows from financing activities in 1H24 were $137.2 million compared to a net outflow of $40.0 million in 1H23. During the period, Perenti utilised its credit lines to fund growth capital and the DDH1 acquisition.

Reconciliation of statutory NPAT to underlying NPAT (A) for 1H24 - $million	Revenue	EBITDA	EBIT	NPAT
Statutory results	**1,632.2**	**321.8**	**135.5**	**69.8**
Non-cash amortisation of customer related intangibles	-	-	22.4	22.4
Statutory results before amortisation	**1,632.2**	**321.8**	**157.9**	**92.2**
Non-underlying items				
Gain on acquisition (DDH1 acquisition)	-	(29.4)	(29.4)	(29.4)
Transaction and other one-off costs	-	7.6	7.6	7.6
Net foreign exchange loss	-	5.1	5.1	5.1
idoba product development	-	7.3	7.3	7.3
Net tax effect	-	-	-	(4.3)
Underlying Results[1]	**1,632.2**	**312.4**	**148.5**	**78.5**

1 Underlying NPAT result is profit before the amortisation of customer-related intangibles and at 100% share.

REVIEW OF OPERATIONS

BALANCE SHEET AND CAPITAL MANAGEMENT

Following the acquisition of DDH1, Perenti re-commenced its share buy-back activities on 12 October 2023. By the end of 1H24, Perenti bought back 8,180,416 shares for $8.5 million at an average price of $1.05 per share.

At 31 December 2023, Perenti had available liquidity of $506.8 million, including cash of $356.7 million and undrawn revolving credit facilities of $150.1 million. Net debt was $594.1 million, with a gearing of 25.1% and leverage was unchanged from 30 June 2023 but in line with expectations at 0.9x.

During 1H24, the credit rating of Perenti improved with S&P Global updating Perenti's BB+ credit outlook from "Stable" to "Positive" and Moody's updating the Ba2 outlook from "Stable" to "Positive".

CONTRACT MINING

During 1H24, Contract Mining continued to deliver solid operational performance across its global portfolio of underground and surface projects, including the award of $900 million in new contracts or contract extensions. Most notable, was the US$235 million contract for African Mining Services at Motheo in Botswana.

At a segment level, the Contract Mining Division contributed 79.4% of the Group's total revenue and 78.0% of underlying EBIT(A) before corporate overheads.

Within the Contract Mining Division, the Underground business contributed 65.9% of the Group's revenue and 68.9% of the Group's underlying EBIT(A) before corporate overheads. In 1H24 Underground revenue increased by $73.4 million (7.3%) and underlying EBIT(A) decreased by $3.6 million (3.0%) with a margin of 11.1% (1H23: 12.3%). The results were impacted by the recognition of the $8.0 million provision for doubtful debt related to the Savannah Nickel Project.

Our Surface business contributed 13.5% of Group revenue and 9.1% of Group EBIT(A) before corporate overheads. The Surface underlying EBIT(A) result in 1H24 decreased by $15.1 million (48.8%) with a margin of 7.2% (1H23: 12.8%). During 1H23, revenue and earnings were positively impacted by $11.3 million of retrospective contractual rate revisions at the Iduapriem African project.

DRILLING SERVICES

The performance of the Drilling Services Division is in line with our expectations, with improved utilisation achieved in Q2 FY24. Financially and operationally, it has been a solid performance as the bulk of our revenue is generated from producers and project definition customers that have cash reserves to continue to invest in exploration and grade control drilling.

The newly formed Drilling Services Division contributed 14.4% of the Group's revenue and 14.1% of the Group's underlying EBIT(A) before corporate overheads during 1H24.

MINING SERVICES AND IDOBA

The Mining Services and idoba reporting segment contributed 6.2% of Group revenue after inter segment eliminations and 7.9% of Group EBIT(A) before corporate overheads during 1H24. The segment's underlying EBIT(A) in 1H24 increased by $7.9 million (134.8%) with a margin of 13.6% (1H23: 6.1%). Mining Services revenue and EBIT were higher on 1H23 as BTP delivered strong earnings on improved demand and utilisation of its rental fleet. At the same time, BTP's part business grew underpinned by a strong rebuild pipeline. BTP results also improved due to a gain of $3 million made on the sale of certain rental fleet items.

The idoba division continues to demonstrate start-up economics. Perenti continues to view technology as fundamental to the future of mining and is making an appropriate, albeit modest, investment in product development.

OUTLOOK

Perenti remains in an excellent position financially with a healthy workbook and pipeline of new opportunities. A significant focus for 2H24 will be the development of our 2030 Strategy to ensure we continue to create enduring value and certainty for our clients, investors, employees and the communities in which we operate.

In line with our update to guidance in December, Perenti now expects revenue for FY24 of between $3.3 billion to $3.4 billion, underlying EBIT(A) of between $310 million to $325 million, leverage of between 0.7x to 0.8x, capital expenditure of ~$350 million and free cash flow of >$100 million with FY25 growth.

DIVIDENDS

On 19 February 2024, the directors have determined the payment of a fully franked interim dividend of 2.0 cents (31 December 2022: nil) per fully paid share to be paid on 12 April 2024. The aggregate amount of the proposed dividend expected to be paid but not recognised as a liability at 31 December 2023 is $19,132,000 (31 December 2022: nil). The Company's Dividend Reinvestment Plan (DRP) is currently suspended until further notice.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in this report and the accompanying financial report. Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar, in accordance with the instrument.

This report is made in accordance with a resolution of directors.

Mark Norwell
Managing Director & Chief Executive Officer

Perth
19 February 2024

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the review of Perenti Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Perenti Limited and the entities it controlled during the period.

Helen Bathurst

Helen Bathurst
Partner
PricewaterhouseCoopers

Perth
19 February 2024

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the half-year ended 31 December 2023

	Notes	31 DECEMBER 23 $'000	31 DECEMBER 22 $'000
Revenue from ordinary activities		**1,632,163**	1,438,510
Other income	4(a)	**39,232**	24,944
Materials expense		**(501,974)**	(450,595)
Labour costs		**(653,901)**	(572,315)
Rental and hire expense		**(28,877)**	(27,868)
Depreciation expense	4(b)	**(161,286)**	(144,242)
Amortisation expense	4(b)	**(25,015)**	(17,223)
Finance costs	4(b)	**(35,026)**	(33,389)
Finance income	4(b)	**1,577**	2,678
Other expenses from ordinary activities	4(b)	**(164,800)**	(134,556)
Impairment of assets		**-**	(4,728)
Profit before income tax		**102,093**	81,216
Income tax expense		**(32,284)**	(37,181)
Profit for the half-year		**69,809**	44,035
Profit is attributable to:			
Equity holders of Perenti Limited		**64,791**	39,661
Non-controlling interests		**5,018**	4,374
Profit for the half-year		**69,809**	44,035
Earnings per share for profit attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic earnings per share		**8.0**	5.7
Diluted earnings per share		**7.7**	5.6

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	31 DECEMBER 23 $'000	31 DECEMBER 22 $'000
Profit for the half-year	**69,809**	44,035
Other comprehensive (loss)/income		
Items that may be reclassified to profit or loss		
Exchange losses on translation of foreign operations	**(1,922)**	(585)
Exchange gains on translation of foreign operations - non-controlling interest	**(911)**	206
Other comprehensive (loss)/income for the half-year, net of tax	**(2,833)**	(379)
Total comprehensive income for the half-year	**66,976**	43,656
Total comprehensive income for the half-year is attributable to:		
Equity holders of Perenti Limited	**62,869**	39,076
Non-controlling interests	**4,107**	4,580
Total comprehensive income for the half-year	**66,976**	43,656

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the half-year ended 31 December 2023

	Notes	31 DECEMBER 23 $'000	30 JUNE 23 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**356,736**	307,360
Trade and other receivables		**523,425**	435,220
Inventories		**286,690**	227,242
Current tax receivables		**17,714**	15,590
Assets classified as held for sale		**9,283**	18,663
Total current assets		**1,193,848**	1,004,075
Non-current assets			
Property, plant and equipment		**1,287,897**	968,236
Right-of-use assets		**46,697**	45,616
Intangible assets		**642,248**	626,083
Deferred tax assets		**122,714**	164,266
Receivables		**11,673**	15,098
Financial assets at fair value through profit or loss		**407**	-
Total non-current assets		**2,111,636**	1,819,299
TOTAL ASSETS		**3,305,484**	2,823,374
LIABILITIES			
Current liabilities			
Trade and other payables		**381,958**	421,385
Borrowings	5	**7,681**	3,201
Lease liabilities		**14,565**	16,538
Current tax liabilities		**27,895**	25,175
Employee benefit obligations		**106,117**	79,306
Total current liabilities		**538,216**	545,605
Non-current liabilities			
Borrowings	5	**891,072**	753,878
Lease liabilities		**37,485**	32,745
Deferred tax liabilities		**56,079**	58,554
Employee benefit obligations		**7,493**	6,136
Provisions		**255**	165
Total non-current liabilities		**992,384**	851,478
TOTAL LIABILITIES		**1,530,600**	1,397,083
NET ASSETS		**1,774,884**	1,426,291
EQUITY			
Contributed equity	7	**1,392,595**	1,118,448
Other reserves		**(35,266)**	(35,721)
Retained earnings		**391,467**	326,676
Capital and reserves attributable to the owners of Perenti Limited		**1,748,796**	1,409,403
Non-controlling interests		**26,088**	16,888
TOTAL EQUITY		**1,774,884**	1,426,291

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

		Attributable to owners of Perenti Limited					
	Notes	Contributed equity $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2023		**1,118,448**	**(35,721)**	**326,676**	**1,409,403**	**16,888**	**1,426,291**
Profit for the half-year		-	-	64,791	64,791	5,018	69,809
Other comprehensive income		-	(1,922)	-	(1,922)	(911)	(2,833)
Total comprehensive income for the half-year		**-**	**(1,922)**	**64,791**	**62,869**	**4,107**	**66,976**
Transfer to non-controlling interest reserve		-	(535)	-	(535)	5,093	4,558
Transactions with owners in their capacity as owners:							
Consideration paid for acquisition of business	6	279,705	-	-	279,705	-	279,705
Employee share rights - value of employee services		-	5,892	-	5,892	-	5,892
Shares issued on conversion of employee share rights	7	2,980	(2,980)	-	-	-	-
Buy-back of ordinary shares, gross of transaction costs and net of tax	7	(8,538)	-	-	(8,538)		(8,538)
		274,147	2,377	-	276,524	5,093	281,617
Balance at 31 December 2023		**1,392,595**	**(35,266)**	**391,467**	**1,748,796**	**26,088**	**1,774,884**

	Attributable to owners of Perenti Limited					
	Contributed equity $'000	Other reserves $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022	**1,137,030**	**(56,027)**	**230,937**	**1,311,940**	**10,420**	**1,322,360**
Profit for the half-year	-	-	39,661	39,661	4,374	44,035
Other comprehensive income	-	(585)	-	(585)	206	(379)
Total comprehensive income for the half-year	**-**	**(585)**	**39,661**	**39,076**	**4,580**	**43,656**
Transfer to non-controlling interest reserve	-	6,231	-	6,231	(831)	5,400
Transactions with owners in their capacity as owners:						
Employee share rights - value of employee services	-	7,515	-	7,515	-	7,515
Shares issued on conversion of employee share rights	2,160	(2,160)	-	-	-	-
Deferred tax movement on capital raising costs	(184)	-	-	(184)	-	(184)
Buy-back of ordinary shares, gross of transaction costs and net of tax	(12,871)	-	-	(12,871)	-	(12,871)
	(10,895)	11,586	-	691	(831)	(140)
Balance at 31 December 2022	**1,126,135**	**(45,026)**	**270,598**	**1,351,707**	**14,169**	**1,365,876**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2023

	Notes	**31 DECEMBER 23 $'000**	31 DECEMBER 22 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**1,699,828**	1,513,436
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,453,153)**	(1,302,874)
		246,675	210,562
Interest received		**1,657**	703
Interest and other costs of finance paid		**(32,095)**	(32,079)
Income taxes paid		**(32,687)**	(20,759)
Transaction costs relating to acquisition of subsidiary		**(11,649)**	-
Net cash inflow from operating activities		**171,901**	158,427
Cash flows from investing activities			
Payments for purchase of subsidiaries, net of cash acquired	6(g)	**(36,017)**	-
Loan to DDH1 Limited, pre-acquisition	6(c)	**(38,000)**	-
Payments for property, plant, equipment and intangibles		**(198,778)**	(165,185)
Proceeds from sale of property, plant and equipment		**8,383**	13,339
Proceeds from sale of assets held for sale		**10,522**	10,051
Repayment of loans by related party		**-**	168
Net cash outflow from investing activities		**(253,890)**	(141,627)
Cash flows from financing activities			
Proceeds from borrowings		**239,967**	317,587
Repayment of borrowings		**(84,505)**	(304,230)
Payments of lease liabilities		**(9,569)**	(15,779)
Payments of borrowing costs		**(168)**	(4,173)
Payments for share buy-back, gross of transaction costs		**(8,538)**	(14,012)
Payments for Perenti notes buy-back, gross of transaction costs		**-**	(24,785)
Proceeds from disposal of a non-controlling interest in a subsidiary		**-**	5,400
Net cash outflow from financing activities		**137,187**	(39,992)
Net increase(decrease) in cash and cash equivalents		**55,198**	(23,192)
Cash and cash equivalents at the beginning of the half-year		**307,360**	348,519
Effects of exchange rate changes on cash and cash equivalents		**(5,822)**	(2,856)
Cash and cash equivalents at the end of the half-year		**356,736**	322,471

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Perenti Limited (Company or Group) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are materially consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(a) New and amended standards adopted by the group

A number of amended standards and IFRIC interpretations became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(b) Impact of standards issued but not yet applied by the entity

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2023 reporting period and have not been early adopted by the Group. The Group is assessing the impact of the new standards, but does not expect them to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the internal reports reviewed by the Managing Director that are used to make strategic decisions. The Managing Director assesses the performance of the operating segments based on Revenue and EBIT(A).

The Managing Director identifies the operating segments based on the nature of the services provided, jurisdiction where services are performed and the nature of risks and returns associated with each business.

As a result of the acquisition of the DDH1 Group in October 2023, a new Drilling Services Division combining the DDH1 and Ausdrill businesses was formed to reflect divisional accountability under the operating model. As a result of Ausdrill transferring to Drilling Services, the Contract Mining Surface Africa and the Underground businesses will combine into one Contract Mining Segment, reflective of the type of services the respective business units provide.

The disclosed operating segments have been updated to reflect this change, and the 31 December 2022 amounts have been restated to be presented on the same basis.

In order to provide easy comparatives to the prior period reportable segments before the formation of the Drilling Services Division, the operating segments on page 16 present the previously disclosed segments but with the DDH1 Group presented separately for the half-year ended 31 December 2023.

Reportable segments before the formation of Drilling Services Division were:	**Reportable segments after the formation of the Drilling Services Division are:**
Contract Mining - Surface The provision of surface mining services including drilling and blasting, in-pit grade control, exploration drilling and earthmoving in Australia and Africa.	**Contract Mining** The provision of Underground and Surface contract mining services in Australia, Africa and North America.
Contract Mining - Underground The provision of underground mining services in Australia, Africa and North America.	**Drilling Services** The provision of drilling services across all stages of the mine life cycle including specialised deep hole multi-intersectional directional Diamond Core drilling, underground Diamond Core drilling, drilling and blasting and in-pit grade control in Australia, Europe and North America.
Mining Services and idoba Mining support services including equipment hire, equipment parts and sales, supply of equipment, logistics services and technology driven products and services.	**Mining Services and idoba** Mining support services including equipment hire, equipment parts and sales, supply of equipment, logistics services and technology driven products and services.
Corporate Corporate activity covering strategy, treasury, accounting, human resources, information technology, procurement, legal, risk, investor relations and other corporate administration.	**Corporate** Corporate activity covering strategy, treasury, accounting, human resources, information technology, procurement, legal, risk, investor relations and other corporate administration.

Intersegment Eliminations

Represents transactions between reporting segments that are eliminated on consolidation.

Financing arrangements are managed at a group level and therefore net financing costs are not allocated to segments.

EBIT(A)

EBIT(A) is defined as earnings before finance costs, finance income, income tax expense or benefit, amortisation of customer relationships intangibles, idoba product development costs and net foreign exchange gains or losses.

2 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director
After formation of Drilling Services Division

Half-year ended 31 December 2023	Contract Mining $'000	Drilling Services $'000	Mining Services and idoba $'000	Corporate $'000	Inter-segment eliminations $'000	Consolidated $'000
Segment revenue						
Sales to external customers	1,295,514	235,298	101,351	-	-	1,632,163
Intersegment sales	-	-	19,832	-	(19,832)	-
Total sales revenue	**1,295,514**	**235,298**	**121,183**	-	**(19,832)**	**1,632,163**
Timing of revenue recognition						
- At a point in time	-	575	52,041	-	(17,580)	35,036
- Over time	1,295,514	234,723	69,142	-	(2,252)	1,597,127
	1,295,514	235,298	121,183	-	(19,832)	1,632,163
Underlying segment EBIT(A)	**135,476**	**24,432**	**13,773**	**(25,129)**	-	**148,552**
Gain on acquisition	-	29,371	-	-	-	29,371
Customer relationships intangibles amortisation	(18,321)	(4,059)	-	-	-	(22,380)
Transaction, restructuring costs and other	(184)	(247)	(1,370)	(5,764)	-	(7,565)
idoba product development	-	-	(7,305)	-	-	(7,305)
Foreign exchange (loss)/gain, net	(2,256)	(239)	(2,646)	10	-	(5,131)
Reported segment EBIT	**114,715**	**49,258**	**2,452**	**(30,883)**	**-**	**135,542**
Finance income						1,577
Finance costs						(35,026)
Profit before tax						102,093
Income tax expense						(32,284)
Profit for the period						69,809
Non-controlling interests						(5,018)
Profit for the year attributable to members						**64,791**
Segment assets	**2,570,893**	**667,200**	**222,229**	**1,790,139**	**(1,944,977)**	**3,305,484**
Segment liabilities	**1,334,598**	**268,136**	**141,623**	**1,133,871**	**(1,347,628)**	**1,530,600**
Other segment information						
Depreciation expense	(120,996)	(23,428)	(15,471)	(1,391)	-	(161,286)
Acquisition of property, plant and equipment, intangibles and other non-current assets	160,365	23,211	14,638	564	-	198,778
Proceeds from sale of property, plant and equipment and assets held for sale	14,830	2,673	1,402	-	-	18,905

2 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director (continued)
Before formation of Drilling Services Division

Half-year ended 31 December 2023	Contract Mining Surface $'000	Contract Mining Underground $'000	DDH1 Group $'000	Mining Services and idoba $'000	Corporate $'000	Inter-segment eliminations $'000	Consolidated $'000
Segment revenue							
Sales to external customers	321,992	1,075,651	133,169	101,351	-	-	1,632,163
Intersegment sales	-	-	-	19,832	-	(19,832)	-
Total sales revenue	**321,992**	**1,075,651**	**133,169**	**121,183**	-	**(19,832)**	**1,632,163**
Timing of revenue recognition							
- At a point in time	575	-	-	52,041	-	(17,580)	35,036
- Over time	321,417	1,075,651	133,169	69,142	-	(2,252)	1,597,127
	321,992	1,075,651	133,169	121,183	-	(19,832)	1,632,163
Underlying segment EBIT(A)	**24,956**	**119,702**	**15,250**	**13,773**	**(25,129)**	-	**148,552**
Gain on acquisition	-	-	29,371	-	-	-	29,371
Customer relationships intangibles amortisation	-	(18,321)	(4,059)	-	-	-	(22,380)
Transaction, restructuring costs and other	(43)	(141)	(247)	(1,370)	(5,764)	-	(7,565)
idoba product Development	-	-	-	(7,305)	-	-	(7,305)
Foreign exchange (loss)/ gain, net	(302)	(1,963)	(230)	(2,646)	10	-	(5,131)
Reported segment EBIT	**24,611**	**99,277**	**40,085**	**2,452**	**(30,883)**	**-**	**135,542**
Finance income							1,577
Finance costs							(35,026)
Profit before tax							102,093
Income tax expense							(32,284)
Profit for the period							69,809
Non-controlling interests							(5,018)
Profit for the period attributable to members							**64,791**
Segment assets	**778,330**	**1,977,716**	**482,047**	**222,229**	**1,790,139**	**(1,944,977)**	**3,305,484**
Segment liabilities	**468,208**	**1,022,515**	**112,011**	**141,623**	**1,133,871**	**(1,347,628)**	**1,530,600**
Other segment information							
Depreciation expense	(45,423)	(86,576)	(12,425)	(15,471)	(1,391)	-	(161,286)
Acquisition of property, plant and equipment, intangibles and other non-current assets	66,941	102,636	13,999	14,638	564	-	198,778
Proceeds from sale of property, plant and equipment and assets held for sale	12,978	3,952	573	1,402	-	-	18,905

2 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director (continued)
Prior period (restated due to formation of Drilling Services Division)

Half-year ended 31 December 2022	Contract Mining $'000	Drilling Services $'000	Mining Services and idoba $'000	Corporate $'000	Inter-segment eliminations $'000	Consolidated $'000
Segment revenue						
Sales to external customers	1,243,695	99,151	95,664	-	-	1,438,510
Intersegment sales	-	-	11,598	-	(11,598)	-
Total sales revenue	**1,243,695**	**99,151**	**107,262**	-	**(11,598)**	**1,438,510**
Timing of revenue recognition						
- At a point in time	-	813	45,072	-	(8,796)	37,089
- Over time	1,243,695	98,338	62,190	-	(2,802)	1,401,421
	1,243,695	99,151	107,262	-	(11,598)	1,438,510
Underlying segment EBIT(A)	**154,183**	**6,881**	**5,866**	**(32,322)**	-	**134,608**
Customer relationships intangibles amortisation	(14,858)	-	-	-	-	(14,858)
Transaction, restructuring costs and other	3,230	-	(1,357)	(2,861)	-	(988)
Impairment of assets	(4,728)	-	-	-	-	(4,728)
Foreign exchange (loss)/gain, net	(2,895)	(123)	(86)	997	-	(2,107)
Reported segment EBIT	**134,932**	**6,758**	**4,423**	**(34,186)**	**-**	**111,927**
Finance income						2,678
Finance costs						(33,389)
Profit before tax						81,216
Income tax expense						(37,181)
Profit for the period						44,035
Non-controlling interests						(4,374)
Profit for the year attributable to members						**39,661**
Segment assets	**2,356,417**	**187,442**	**227,660**	**1,822,939**	**(1,835,091)**	**2,759,367**
Segment liabilities	**1,279,283**	**173,125**	**138,771**	**1,012,743**	**(1,210,431)**	**1,393,491**
Other segment information						
Depreciation expense	(118,402)	(9,380)	(14,586)	(1,874)	-	(144,242)
Acquisition of property, plant and equipment, intangibles and other non-current assets	140,239	8,357	13,307	2,511	-	164,414
Proceeds from sale of property, plant and equipment and assets held for sale	16,406	799	3,568	-	-	20,773

2 SEGMENT INFORMATION (CONTINUED)

(b) Segment information provided to the Managing Director (continued)
Prior period (as originally disclosed per 31 Dec 2022 financials)

Half-year ended 31 December 2022	Contract Mining Surface $'000	Contract Mining Underground $'000	Mining Services and idoba $'000	Corporate $'000	Inter-segment eliminations $'000	Consolidated $'000
Segment revenue						
Sales to external customers	340,632	1,002,214	95,664	-	-	1,438,510
Intersegment sales	-	-	11,598	-	(11,598)	-
Total sales revenue	**340,632**	**1,002,214**	**107,262**	-	**(11,598)**	**1,438,510**
Timing of revenue recognition						
- At a point in time	813	-	45,072	-	(8,796)	37,089
- Over time	339,819	1,002,214	62,190	-	(2,802)	1,401,421
	340,632	1,002,214	107,262	-	(11,598)	1,438,510
Underlying segment EBIT(A)	**37,718**	**123,346**	**5,866**	**(32,322)**	-	**134,608**
Customer relationships intangibles amortisation	-	(14,858)	-	-	-	(14,858)
Transaction, restructuring costs and other	3,468	(238)	(1,357)	(2,861)	-	(988)
Impairment of assets	(4,728)	-	-	-	-	(4,728)
Foreign exchange (loss)/gain, net	(505)	(2,513)	(86)	997	-	(2,107)
Reported segment EBIT	**35,953**	**105,737**	**4,423**	**(34,186)**	**-**	**111,927**
Finance income						2,678
Finance costs						(33,389)
Profit before tax						81,216
Income tax expense						(37,181)
Profit for the period						44,035
Non-controlling interests						(4,374)
Profit for the year attributable to members						**39,661**
Segment assets	**765,515**	**1,778,344**	**227,660**	**1,822,939**	**(1,835,091)**	**2,759,367**
Segment liabilities	**497,946**	**954,462**	**138,771**	**1,012,743**	**(1,210,431)**	**1,393,491**
Other segment information						
Depreciation expense	(43,565)	(84,217)	(14,586)	(1,874)	-	(144,242)
Acquisition of property, plant and equipment, intangibles and other non-current assets	49,839	98,757	13,307	2,511	-	164,414
Proceeds from sale of property, plant and equipment and assets held for sale	9,136	8,069	3,568	-	-	20,773

2 SEGMENT INFORMATION (CONTINUED)

(c) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Managing Director is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

Total revenue by geographical location is as follows:

	31 December 2023			31 December 2022 (restated)		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
	$'000	$'000	$'000	$'000	$'000	$'000
Contract Mining						
- Australia	**518,043**	-	**518,043**	498,130	-	498,130
- Ghana	**251,997**	**-**	**251,997**	251,184	-	251,184
- Burkina Faso	**167,898**	-	**167,898**	162,793	-	162,793
- Botswana	**166,931**	-	**166,931**	149,679	-	149,679
- Tanzania	**72,380**	-	**72,380**	68,201	-	68,201
- Canada and USA	**67,084**	-	**67,084**	53,965	-	53,965
- Mali	**-**	-	-	3,725	-	3,725
- Senegal	**51,181**	-	**51,181**	56,019	-	56,019
Drilling Services						
- Australia	**220,256**	-	**220,256**	99,150	-	99,150
- North America	**11,593**	-	**11,593**	-	-	-
- Portugal	**2,238**	-	**2,238**	-	-	-
- Spain	**1,211**	-	**1,211**	-	-	-
Mining Services and idoba						
- Australia	**88,278**	**(786)**	**87,492**	79,748	(766)	78,982
- Africa	**32,905**	**(19,046)**	**13,859**	27,514	(10,832)	16,682
Total segment revenue	**1,651,995**	**(19,832)**	**1,632,163**	1,450,108	(11,598)	1,438,510

3 INDIVIDUALLY SIGNIFICANT ITEMS

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	Notes	31 DECEMBER 23 $'000	31 DECEMBER 22 $'000
Gain on acquisition	6	**29,371**	-
Impairment of assets		**-**	(4,728)

(a) Impairment of property, plant and equipment and inventory

For the half-year ended 31 December 2023, the Group assessed whether there were any indicators of impairment. The Company's market capitalisation was below its net assets and therefore management considered this factor amongst other impairment indicators at 31 December 2023.

The following table summarises the outcomes from impairment testing conducted across the Company's material Cash Generating Units (CGU).

CGU	Indicator for impairment testing		Valuation method used		Impairment expense/ (reversal)	
	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22	31 Dec 23 $'000	31 Dec 22 $'000
Contract Mining - Surface (Africa)	**Y**	Y	**FVLCD**	FVLCD	**-**	4,728
Contract Mining - Underground (Australia/Africa and North America)	**Y**	Y	**VIU**	VIU	**-**	-
Drilling Services - Ausdrill*	**Y**	Y	**FVLCD**	FVLCD	**-**	-
Drilling Services - DDH1 Group**	**Y**	-	**FVLCD**	-	**-**	-
BTP Group	**Y**	Y	**FVLCD**	FVLCD	**-**	-

* *Previously referred to as Contract Mining - Surface (Australia) CGU*

** *The DDH1 Group consists of DDH1, Swick, Strike and Ranger brands which are now integrated into Perenti Group. Each of these brands are a separate CGU and is tested for impairment separately. As part of the work performed to recognise DDH1 at fair value on the date of acquisition, management obtained external valuations. Given the transaction was completed within 12 months from 31 December 2023, the valuations are considered current and used to support DDH1's carrying values. Refer to Note 6 for further details.*

3 INDIVIDUALLY SIGNIFICANT ITEMS (CONTINUED)

(a) Impairment of property, plant and equipment and inventory (continued)

Fair value less costs of disposal

At 31 December 2023, estimates of recoverable amounts for non-current assets within the Contract Mining - Surface (Africa), Drilling Services - Ausdrill and BTP Group CGUs were prepared using the FVLCD method to assess whether impairments or reversal of previous impairments were required. As disclosed in the 30 June 2023 Annual Report, the Group sourced independent valuations to support the FVLCD estimates required for the applicable assets. As these valuations were obtained during the last six months, and there were no other internal or external factors that indicated the valuations were not current, management have placed reliance on these independent valuations as at the 31 December 2023 balance date.

Value in use

Separately, an estimate of the recoverable amount for the Underground Mining CGU was prepared using the VIU method. No impairment expense was required to be recorded for this CGU at 31 December 2023.

In determining the recoverable value, estimates are made regarding the present value of future cash flows. These estimates are calculated using management judgement, contain elements of risk and uncertainty, can be impacted by changes in economic conditions, and changes to the discount rates used to calculate the present value of future cash flows.

There were no other internal or external impairment indicators for the Contract Mining - Underground CGU, other than the deficit in market capitalisation at 31 December 2023, and therefore the 30 June 2023 VIU model, updated for key assumptions, was used.

The key assumption changes were:

- The weighted average cost of capital pre-tax discount rates were in the range of 12.4% and 22.0% (30 June 2023: 12.6% and 23.7%) and varied depending on the country risk assigned to the region from where a project was domiciled. The present value of cash flows is sensitive to the growth and discount rates used noting a lower discount rate will result in a higher recoverable value.
- A foreign exchange rate of $0.68 US$:AU$ (30 June 2023: $0.67 US$:AU$) spot rate was used to translate the US Dollar denominated CGU's into Australian Dollars.

Further details of the assumptions utilised in the 30 June 2023 VIU model can be found in note 7(e)(iii) of the 30 June 2023 Annual Report.

During the half-year ended 31 December 2022, the Group decided to sell the property, plant, equipment and inventory in its 100% owned subsidiary Power Solutions Africa Sarl (PSA) for total consideration of $6.2 million (USD$4.5million). The difference between the consideration and asset carrying values resulted in an impairment to property, plant and equipment and inventory of $4.7 million.

4 OTHER INCOME AND EXPENSE ITEMS

(a) Other income

	Notes	31 DECEMBER 23 $'000	31 DECEMBER 22 $'000
Gain on acquisition		**29,371**	-
Gain on disposal of non-current assets		**6,109**	8,212
Apprentice grants		**931**	4,086
Insurance and settlement proceeds		**107**	10,837
Other items		**2,714**	1,809
Total other income		**39,232**	24,944

(b) Breakdown by nature

	31 DECEMBER 23 $'000	31 DECEMBER 22 $'000
Depreciation expense		
Plant and equipment depreciation	**150,698**	129,077
Right-of-use asset depreciation	**9,805**	14,377
Buildings depreciation	**783**	788
Total depreciation expense	**161,286**	144,242
Amortisation expense		
Customer relationships intangibles amortisation	**22,380**	14,858
Software amortisation	**2,635**	2,365
Total amortisation expense	**25,015**	17,223
Finance income		
Gain on settlement of debt	-	(1,908)
Interest income	**(1,577)**	(770)
Total finance income	**(1,577)**	(2,678)
Finance costs		
Interest expense	**30,692**	28,812
Lease contracts interest	**1,934**	1,792
Amortisation of borrowing cost	**2,400**	2,775
Other finance costs	**-**	10
Total finance costs	**35,026**	33,389
Other expenses from ordinary activities		
Travel and accommodation	**26,442**	20,827
Staffing, safety and training	**26,352**	21,103
Freight	**21,133**	19,437
Consultants	**18,890**	14,059
Insurance	**9,278**	7,425
IT and communications	**14,054**	10,204
Property related expenses	**4,884**	4,022
Duties and taxes	**6,742**	11,531
Trade receivable provisions and bad debts	**8,126**	(61)
Foreign exchange loss, net	**5,131**	2,108
All other expenses	**23,768**	23,901
Total other expenses from ordinary activities	**164,800**	134,556

5 BORROWINGS

	31 December 2023			30 June 2023		
	Current	Non-current	Total	Current	Non-current	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Secured						
Bank loans	**-**	**262,597**	**262,597**	-	113,000	113,000
Other loans	**2,046**	**1,237**	**3,283**	2,000	2,092	4,092
Capitalised borrowing costs	**-**	**(2,830)**	**(2,830)**	-	(3,410)	(3,410)
Total secured borrowings	**2,046**	**261,004**	**263,050**	2,000	111,682	113,682
Unsecured						
USD notes	**-**	**635,804**	**635,804**	-	649,718	649,718
Loan from non-controlling interest	**1,175**	**-**	**1,175**	1,201	-	1,201
Insurance premium funding	**4,460**	**-**	**4,460**	-	-	-
Capitalised borrowing costs	**-**	**(5,736)**	**(5,736)**	-	(7,522)	(7,522)
Total unsecured borrowings	**5,635**	**630,068**	**635,703**	1,201	642,196	643,397
Total borrowings	**7,681**	**891,072**	**898,753**	3,201	753,878	757,079

At 31 December 2023, the Group had total unutilised facilities (bank and other loans) of $177,380,000 (30 June 2023: $326,195,000).

Bank loans

The Group has a A$420 million syndicated debt facility which is provided by a number of leading lending institutions in the global banking market. The facility comprised of tranches with 2, 3, 4 and 5 year maturity dates at inception. As at 31 December 2023, 64.1% of the facility was drawn down inclusive of bank guarantees. In December 2023, the 2-year tranche was extended to July 2025.

Other loans

Other loans include asset financing arrangements with various financiers which are secured by the specific assets financed.

USD notes

On 7 October 2020 Perenti issued a 6.50% US144A/RegS Guaranteed Senior Notes due for repayment 7 October 2025 with a US$450 million principal amount. Subsequently in October 2022, Perenti repurchased US$17.1 million of the notes. As at 31 December 2023, the balance outstanding is US$432.8 million.

The notes issued by Perenti Finance Pty Ltd are unsecured and have been guaranteed by Perenti Limited and its subsidiaries. The interest on the notes is payable semi-annually on 7 April and 7 October. The notes are quoted on the Singapore Stock Exchange.

Loan from non-controlling interest

The loan is from the joint venture partner to AMAX Limited, a joint venture where Perenti has a 60% controlling interest.

Covenants on financing facilities

The Group's financing facilities contain undertakings including an obligation to comply with certain financial covenants. All banking covenants have been complied with at reporting date and the Group has significant headroom available under all covenants.

Credit ratings

The Group currently has a credit rating of Ba2 (Outlook Positive) from Moody's, a credit rating of BB (Outlook Positive) from Standard & Poor's and a credit rating of BB+ (Outlook Stable) from Fitch.

5 BORROWINGS (CONTINUED)

Fair value

For the majority of the borrowings, the fair values were not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Material differences are identified only for the following borrowings:

	31 December 2023		30 June 2023	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
On-balance sheet				
Traded financial liabilities				
US144A notes - unsecured	**635,804**	**625,854**	649,718	633,410

The fair values of non-current borrowings are based on market price (Level 1) at the balance sheet date.

6 BUSINESS COMBINATION

(a) Summary of acquisition

On 6 October 2023, the Group completed the acquisition of DDH1 Limited ("DDH1") and its subsidiaries by a scheme of arrangement. The total consideration paid to DDH1 shareholders was $329.7 million for 100% of the shares.

DDH1 brings significant capability across a range of specialised surface and underground drilling services that complement Perenti's existing service offerings. Perenti will benefit from increased scale, synergies derived from the amalgamated group and the ability to leverage the operational and financial strengths of both companies.

Details of the purchase consideration and the net assets acquired and liabilities assumed are as follows:

	$'000
Purchase consideration	
Ordinary shares issued (279,704,558 Perenti shares at $1.00 each)	279,705
Cash paid	50,011
Total purchase consideration	329,716

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as follows:

	Provisional Fair value $'000
Cash and cash equivalents	13,994
Trade and other receivables	101,793
Inventories	59,483
Other current assets	9,911
Financial assets	653
Property plant and equipment	295,193
Right-of-use assets	12,246
Intangible assets - customer contracts	13,211
Intangible assets - customer relationships	17,436
Intangible assets - development assets	7,182
Trade and other payables	(53,357)
Provisions	(25,916)
Lease liabilities	(13,872)
Current tax liabilities	(923)
Deferred tax liabilities	(39,947)
Total net identifiable assets acquired	397,087
Loan to DDH1 Limited - pre-acquisition (refer to note 6(c))	(38,000)
Gain on acquisition	(29,371)
Total consideration	329,716

6 BUSINESS COMBINATION (CONTINUED)

(a) Summary of acquisition (continued)

The acquisition of DDH1 business resulted in a gain on acquisition of $29.4 million as the fair value of assets acquired, and liabilities assumed exceeded the total of the fair value of consideration paid. The acquisition resulted in a gain as the value of the ordinary shares issued as consideration for the acquisition decreased from the date the acquisition was announced on 26 June 2023 to the date the acquisition was completed on 6 October 2023 and due to the fair value uplift to plant and equipment. Customer contracts and relationships and development assets are being amortised in line with the valuation assessment.

The gain on acquisition amount has been recognised under “Other income” in the consolidated statement of profit or loss for the half year period ended 31 December 2023.

b) Status of acquisition accounting

The initial accounting for the acquisition of DDH1 has only been provisionally determined at the end of the reporting period.

(c) Loan to DDH1 Limited - pre acquisition

On 5 October 2023, Perenti advanced $38.0 million to DDH1 to allow DDH1 to repay its external debt and provide working capital via an ongoing inter-company loan. As this loan was advanced prior to the acquisition date of 6 October 2023, it was settled by the acquisition and the liability was not included in the liabilities assumed, but considered in the calculation of the gain on acquisition.

(d) Acquired receivables

The fair value of trade and other receivables was $101.8 million and comprised of trade receivables of $99.9 million and other receivables of $1.9 million. The gross contractual amount for trade receivables due was $101.7 million, of which $1.8 million is expected to be uncollectible (and thus provided for).

(e) Acquisition related costs

Acquisition-related costs (recorded against Other expenses) relating to the acquisition of DDH1 of $5.8 million were expensed at 31 December 2023. Additionally, acquisition-related costs of $5.9 million were incurred by DDH1 Limited pre-acquisition but paid post-acquisition.

(f) Revenue and profit contribution

DDH1 contributed circa $133.2 million revenue and circa $10.6 million to the Group's profit before tax for the period between the date of acquisition and the reporting date. If the acquisition of DDH1 had been completed on 1 July 2023, Group revenues for the half year would have been circa $1,798.5 million and Group profit before tax would have been circa $102.4 million.

(g) Net cash flow from acquisition

The net cash paid is as follows:

	$'000
Cash consideration paid	(50,011)
Cash acquired	13,994
Net cash outflow - investing activities	**(36,017)**

7 CONTRIBUTED EQUITY

(a) Contributed equity

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 $'000	30 June 2023 $'000
Fully paid ordinary shares	**956,609,086**	682,172,308	**1,392,595**	1,118,448

(b) Movements in ordinary share capital

Details	Notes	Number of shares	Total $'000
Opening balance 1 July 2023		682,172,308	1,118,448
Shares issued on conversion of employee share rights		2,912,636	2,980
Buy-back of ordinary shares, gross of transaction costs and net of tax	7(g)	(8,180,416)	(8,538)
Consideration paid for acquisition of business	6	279,704,558	279,705
Balance 31 December 2023		**956,609,086**	**1,392,595**
Less treasury shares			
Opening Balance at 1 July 2023		-	-
Consideration paid for acquisition of business		(6,966,462)	-
Conversion to Ordinary Shares		1,791,098	-
Closing Balance at 31 December 2023		(5,175,364)	-
Balance at 31 December 2023		**951,433,722**	**1,392,595**

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(d) Treasury shares

As part of the DDH1 acquisition, DDH1 treasury shares were converted to Perenti treasury shares in line with the Scheme Implementation Agreement. Treasury shares participate in dividends and the proceeds on winding up of the Group in proportion to the total number of shares held. There are no externally imposed capital requirements. At any meeting of shareholders, each treasury share is entitled to one vote.

(e) Dividend reinvestment plan

The Company's Dividend Reinvestment Plan is currently suspended until further notice.

(f) Rights

Information relating to the Company Incentive Rights Plan is included in the 2023 Annual Report.

(g) Share buy-back

For the half-year ended 31 December 2023, the Company completed an on-market share buy-back of 8.18 million shares for consideration of $8.54 million gross of transaction costs, all paid in cash. All shares bought back were cancelled.

8 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 19 February 2024, the directors have determined the payment of a fully franked interim dividend of 2.0 cents (31 December 2022: nil) per fully paid share to be paid on 12 April 2024. The aggregate amount of the proposed dividend expected to be paid but not recognised as a liability at 31 December 2023 is $19,132,000 (31 December 2022: nil).

There are no other matters or circumstances that have arisen since the end of the half-year which significantly affected or may significantly affect business operations, the results, or the state of affairs of the consolidated entity in subsequent financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 8 to 26 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards including AASB 134 *Interim Financial reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Mark Norwell
Managing Director & Chief Executive Officer

Perth
19 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PERENTI LIMITED

Independent auditor's review report to the members of Perenti Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Perenti Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated statement of financial position as at 31 December 2023, the Condensed consolidated statement of comprehensive income, Condensed consolidated statement of profit or loss, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Perenti Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PERENTI LIMITED (CONTINUED)

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers
PricewaterhouseCoopers

Helen Bathurst
Helen Bathurst
Partner

Perth
19 February 2024

Perenti

CONDENSED CONSOLIDATED INTERIM

Financial Report 2024

FOR THE HALF-YEAR ENDED
31 DECEMBER 2023

ABN 95 009 211 474

Expect More

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