



FY2024 FULL YEAR RESULTS

Metarock Group Limited (ABN 96 142 490 579)

Jon Romcke, Executive Chairman

Jeff Whiteman, Managing Director & Chief Executive Officer

August 2024



FY2024 Full Year Highlights



Successful conclusion of the Group's turnaround plan delivering a record profit of \$39.6m



The combination of the return to well performing, profitable operations, the sale of PYBAR on 31 May 2024, based on an Enterprise Value of \$65m, and material idle asset sales delivered a net cash position of \$21.8m



Turnaround plan milestones achieved since December 2022 include exit from legacy loss-making/underperforming contracts, divestment of non-core assets, lower overheads and a \$25m strategic equity investment from M Resources



Post period end, a new \$30m debtor finance facility was established with Scottish Pacific, replacing Westpac's facility



Ongoing core business, operating through the Mastermyne, Wilson Mining and MyneSight brands, performed well and have developed a robust order book¹ of \$280m and pipeline of \$1.4bn

TURNAROUND
PLAN
SUCCESSFULLY
CONCLUDED IN
FY2024

RECORD PROFIT AND
RETURN TO NET CASH
WITH FORWARD FOCUS
ON SUSTAINABLE
GROWTH OF
CORE BUSINESS

1. Including options to extend and recurring work

FINANCIAL HIGHLIGHTS

- › Revenue from continuing operations: \$294m, with underlying growth¹ of \$27m (10%)
- › EBITDA² from continuing operations: \$31.8m, up \$42.5m
- › EBITA³ from continuing operations: \$22.4m, up \$43.5m
- › NPAT from continuing operations: \$21.2m, up \$52.5m on the PCP and a Group record profit
- › Total Comprehensive Profit⁶ of \$39.6m, an improvement of \$113.7m on the PCP and a Group record profit
- › Underlying Operating Cash Flow: \$39.7m⁴
- › Net Cash/(Debt): \$21.8m, an improvement of \$115.3m⁵ on the PCP

RECORD FINANCIAL OUTCOMES

\$31.8m EBITDA FROM CONTINUING OPERATIONS

\$114M IMPROVEMENT IN TOTAL PROFIT

\$115m IMPROVEMENT IN NET CASH/(DEBT)

Non-IFRS measurements

1. Underlying revenue growth of \$27m was offset by a \$60m reduction in revenue as a consequence of the Group's exit from the legacy onerous Cook and Crinum projects resulting in a net reduction in revenue from continuing operations of \$33m
2. EBITDA: Earnings before net finance expenses, income tax expense/benefit, depreciation and amortisation
3. EBITA: Earnings before net finance expenses, income tax expense/benefit and amortisation
4. Underlying Operating Cash Flow excludes ATO payment plan repayments of \$11.2m and Cook cessation cash costs of \$11.5m
5. FY2024 Net cash (excluding leases) of \$21.8m compared to PCP net debt \$(73.7)m (excluding leases) plus deferred PYBAR consideration \$(8.9)m and ATO payment plan \$(10.9)m
6. Total Comprehensive Profit includes discontinued operations (PYBAR)

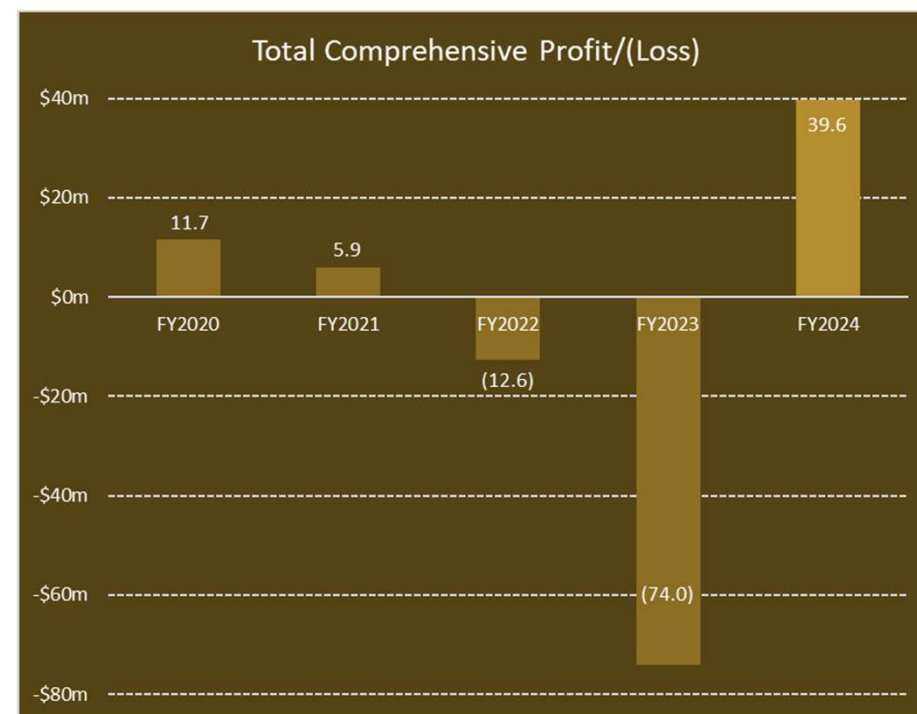
Earnings

Record earnings underpinned by focus on profitable core business and successful PYBAR sale process



\$ Millions	FY2024	FY2023	Movement
Continuing Operations			
Revenue	294.1	326.8	(32.6)
Other Income	4.7	4.2	0.5
EBITDA	31.8	(10.7)	42.5
<i>EBITDA Margin (%)</i>	<i>10.8%</i>	<i>(3.3%)</i>	
Depreciation	(9.4)	(10.5)	1.1
EBITA	22.4	(21.2)	43.5
Amortisation	(0.2)	(0.2)	0.1
Net Finance Expenses	(4.5)	(6.0)	1.6
Profit Before Income Tax	17.7	(27.4)	45.2
Income Tax	3.5	(3.9)	7.3
Net Profit/(Loss) After Tax From Continuing Operations	21.2	(31.3)	52.5
Profit/(Loss) From Discontinued Operations	18.4	(42.7)	61.1
Total Comprehensive Profit/(Loss)	39.6	(74.0)	113.7

- › Revenue from continuing operations down on PCP due to exit from legacy Cook and Crinum projects (\$60m), partially offset by growth in continuing business (\$27m)
- › EBITA from continuing operations includes \$4.3m gain on sale of non-core assets, partially offset by asset impairments and onerous contract expenses totalling \$(1.1)m
- › Profit from discontinued operations includes \$16.5m profit on sale of PYBAR



- › Record earnings for the Group of \$39.6m
- › Further, even the \$16.9m NPAT from Continuing Operations (excluding \$4.3m non-recurring gains) exceeds the Group's prior record profit, generated by strong operational performance in the Mastermyne segment

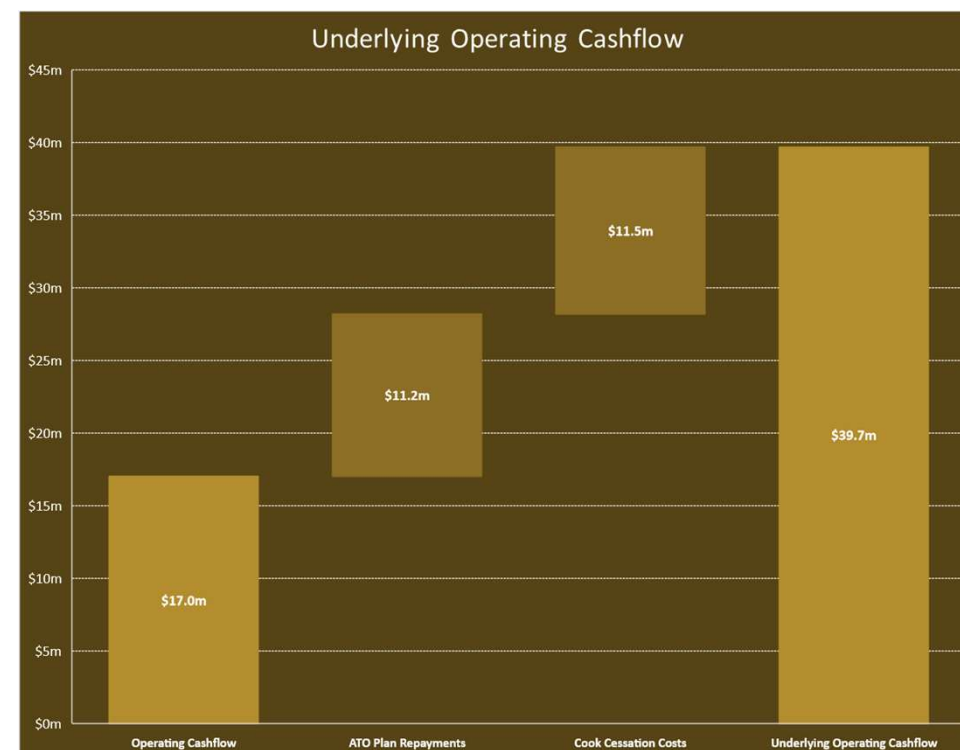
Cash Flow

Strong Operating Cash Flow bolstered by proceeds from sale of PYBAR and equipment facilitating material debt repayment



\$ Millions	FY2024	FY2023
EBITDA – Continuing Operations	31.8	(10.7)
EBITDA – Discontinued Operations	22.7	(23.5)
EBITDA – Total Group	54.4	(34.2)
Movements in Working Capital	(27.4)	(26.0)
Non-Cash Items	(3.1)	56.1
Net Interest Costs	(6.9)	(8.9)
Income Tax Receipts / (Payments)	-	12.5
Net Operating Cash Flow	17.0	(0.4)
Capex	(4.2)	(29.8)
Proceeds from Sale of Plant & Equipment	32.3	24.0
Repayment of Borrowings	(72.1)	(5.7)
Payments of Deferred Consideration	(8.9)	(3.8)
Proceeds from Sale of Entities and Business	48.3	-
Proceeds from issue of shares (net of share issue costs)	0.8	23.3
Net Increase / (Decrease) in Cash and Cash Equivalents	13.1	7.7
Cash and Cash Equivalents at Beginning of Period	12.9	5.2
Cash and Cash Equivalents at End of Period	26.0	12.9

- › Significant improvement in EBITDA generated highly positive operating cash flow, despite ATO payment plan repayments (concluded in 1H FY2024) and Cook cessation cash costs totalling \$22.7m
- › Capex reduced due to absence of Cook and Crinum related investment in FY2024



- › Proceeds from operating cashflow, sale of non-core assets and PYBAR divestment were used to repay borrowings and for working capital requirements

Balance Sheet

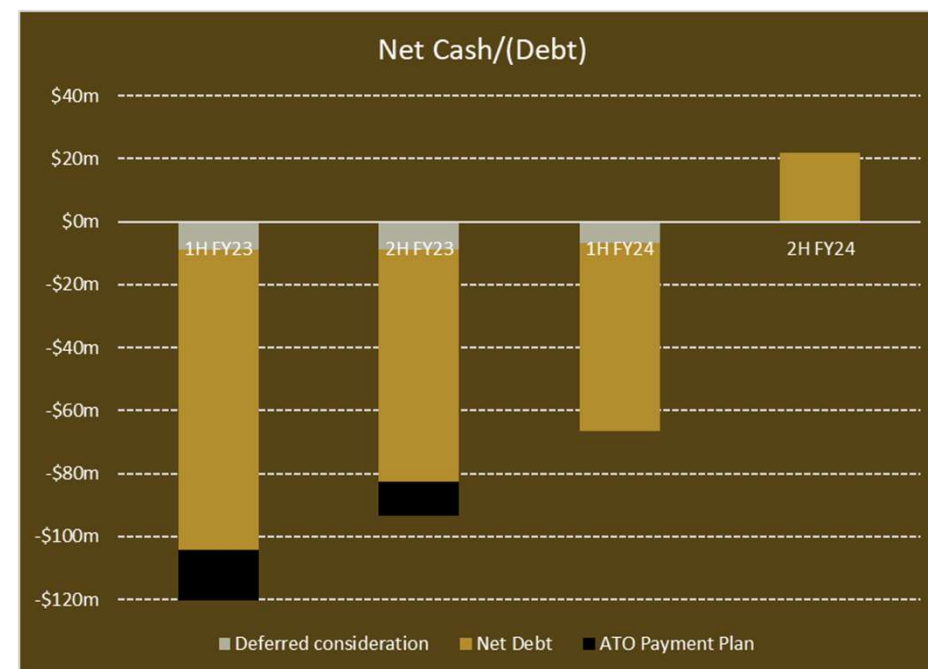
Substantial debt reduction completes the recapitalisation commenced in FY2023 which included \$25m strategic equity investment by M Resources

\$ Millions	FY2024	FY2023
Cash and Cash Equivalents	26.0	12.9
Borrowings	(2.0)	(56.1)
Liabilities directly associated with assets classified as held for sale	(2.2)	(30.5)
Net Cash/(Debt)	21.8	(73.7)
Property, Plant and Equipment	8.0	53.8
Assets classified as held for sale	3.6	33.9
Right-Of-Use Assets	8.3	17.6
Working Capital	21.4	2.8
Lease Liabilities	(5.2)	(15.8)
Current Tax Liabilities	(1.4)	-
Deferred Tax Assets	5.9	-
Net Tangible Assets	62.4	18.6
Intangible Assets	11.2	14.2
Net Assets	73.6	32.8

- Plant and equipment, ROU assets and lease liabilities all reduced with the divestment of the equipment intensive PYBAR business
- Working capital increased to \$21.4m having repaid \$10.9m ATO payment plan and \$8.9m deferred PYBAR consideration during FY2024

1. Excluding leases

2. FY2023 total net debt comprised net debt of \$73.7m (excluding leases), ATO payment plan \$10.9m and deferred PYBAR consideration \$8.9m



- Net cash of \$21.8m¹ at 30 June 2024, an improvement of \$115.3m on PCP total net debt², building on the progress achieved in 2H FY2023
- Debt reduction achieved through solid improvement in operating cash flow in addition to asset sales

Mastermyne's specialist underground mining capabilities

Proven expertise across the underground coal mining value chain utilising three well recognised brands



- › Coal Mine Services:
 - › Mine development including drift drivage
 - › In-place roadway development production
 - › Cut and Flit Production
 - › Mine support services, such as: ventilation, conveyor installation, longwall relocations and outbye services
 - › Production and ancillary equipment hire and maintenance
 - › Supply of specialist products & consumables
- › Design and Engineering:
 - › New mine studies from Concept through to Feasibility
 - › Mine optimisation
 - › Technical services



- › Market leading, specialist polymeric products and services
 - › Secondary support and mine emergency sealing solutions
 - › Cavity fill and resin injection strata consolidation



- › Leading specialist RTO delivering accredited training and inductions to mine operators
 - › Outsourced training & compliance
 - › Tailored 'cleanskin' courses

Continuing Operations - Mastermyne

Proven performance underpinned by focus on core capabilities

- › Mastermyne delivered a vastly improved result in FY2024 with an EBITDA margin of 10.8% underpinned strong operational performance on the continuing project portfolio and having exited the onerous Cook and Crinum projects
- › Continued as AngloAmerican's largest contractor across its three Qld underground mines:
 - › New 5 year contract for Wilson Mining polymeric ground consolidation products and services (from July 2024)
 - › An underground fire at Grosvenor mine (29 Jun 2024) resulted in the loss of approximately 140 roles of which 61 were able to be redeployed. Any potential impact in FY2025 on Mastermyne manning levels at the Moranbah North and Aquila mines due to the client redeploying its own employees remains uncertain at this stage
- › Proven performance at Narrabri mine assisted in the award of an additional 3 year contract (from Oct 2023) to operate a second development panel and recently a 2 year extension of the initial cut & flit development contract (to Sept 2026)
- › Secured Peabody's Centurion mine (assisting with operational readiness activities) and Illawarra Coal (optimisation, product supply) as new clients with opportunity to grow both
- › Mastermyne's role at Integra mine finished in Aug 2025 with the early closure of the mine. The Tahmoor and Broadmeadow projects also demobilised during the year.
- › Order book¹ of \$280m consistent with PCP despite award of new projects, largely due to timing of Moranbah North renewal (currently expires Oct 2024).
- › Mastermyne has a deep pipeline of contract opportunities, worth approximately \$1.4bn (FY2023: \$0.7bn), in its core contract mining services space, comprising contract renewals, expansions and new mining projects

1. Including options to extend and recurring work

\$294m (FY2023: \$327m)

Segment Revenue

Down 10% on PCP which included revenue from legacy contracts

\$31.8m (FY2023: \$(10.7)m)

Segment EBITDA

\$42.5m improvement on PCP includes \$4.1m profit on sale of surplus assets

\$280m (FY2023: \$269m)

Order book¹

Order book growth offset by timing on current contract renewals

Discontinued Operations - Sale of PYBAR

Exit from legacy contracts and improved operational performance enabled favourable sale process outcome



\$ Millions	FY2024	FY2023	Movement
Revenue	169.9	187.4	(17.5)
EBITDA	22.7	13.9	8.8
<i>EBITDA Margin (%)</i>	<i>13.4%</i>	<i>7.4%</i>	
Depreciation	(15.9)	(21.4)	5.5
EBITA	6.8	(7.5)	14.3
Amortisation	(1.9)	(3.7)	1.8
Impairment Loss	-	(37.4)	37.4
Result from Operating Activities	4.9	(48.6)	53.5
Net Finance Expenses	(2.5)	(3.7)	1.2
Income Tax	(0.6)	9.6	(10.2)
NPAT from Discontinued Operations	1.9	(42.7)	44.6
Gain on sale of PYBAR	16.5	N/A	N/A
Profit/(Loss) From Discontinued Operations	18.4	(42.7)	

- › PYBAR sale completed on 31 May 2024
 - › Based on Enterprise Value of \$65m
 - › Asset finance liabilities (approx. \$17.5m) transferred with the sale entities
 - › Net cash proceeds (post costs) \$46.2m¹
- › During the 11 months prior to completion:
 - › Revenue decreased whilst EBITDA increased due to
 - › Exit from loss making projects during FY2023 (Peak, Thalanga)
 - › Commencement of new projects (Maxwell, Savage River) and the ramp-up of Rosebery, together with the remaining project portfolio performing well
 - › Depreciation expense reduced as a consequence of non-core asset sales during 2H FY2023
 - › EBITA of \$6.8m was an improvement of \$14.3m over the PCP

1. Final completion balance sheet adjustment will be agreed under the terms of the contract post period end. Any adjustment is not expected to be material in quantum.



Safety and Sustainability

Elevating Safety Performance combined with renewed focus on social and governance responsibilities



Safety

- › Elevating Safety Performance continues to be a priority project focused on:
 - › Project leadership training
 - › Psychological behavioural awareness training
 - › Scoping and critical controls targeted at fatal risks
 - › Safety audits and coaching
- › Mastermyne's safety performance improving:
 - › TRIFR reduced to 9.3 (Jun 2023: 10.8)
 - › Severity of incidents generally lower
 - › Work remaining to achieve goal of zero life changing incidents
- › Legacy incidents
 - › Mastermyne continues to co-operate with the regulator in relation to legacy incident investigations
 - › Learnings built into business systems including business planning and opportunity assessment

Environmental

- › Developing an environmental roadmap integrated with our risk management process

Social

- › Refreshing investment in our people and our brand post turnaround, for example:
 - › Project leadership training
 - › Community and charity sponsorship
- › Employee engagement favourable and improving amongst our employee base of approximately 820 people (prior to Grosvenor event)

Governance

- › Board refresh completed including an independent non-executive director and executive chair appointed in Sept 2023
- › Audit & Risk Committee charter rebalanced to heighten focus on risk management

FY2025 Priorities and Outlook

Metarock well positioned despite competitive market pressures



FY2025 Priorities

- › Metarock now has a solid foundation for pursuing growth within its core capabilities and potentially diversifying into adjacent activities
 - › Divesting PYBAR eliminated a significant capex burden
 - › New Scottish Pacific \$30m working capital facility (currently undrawn) represents a fresh lending relationship with improved funding capacity and tenure
- › Growth opportunities, both M&A and organic, apparent in the market and through Metarock's majority shareholder's network (M Resources)
- › Strategic priorities include:
 - › Diversifying and expanding client/project portfolio
 - › Setting up our whole team for success
 - › Investing to enhance competitive advantage
 - › Driving business efficiencies
 - › Delivering irreplaceable performance to our clients

Outlook

- › Order book¹ \$280m (FY2023: \$269m)
- › Key commercial risks² for FY2025 include:
 - › Potential impact on Moranbah North and Aquila manning levels as a consequence of the client's workforce being redeployed from Grosvenor mine due to the underground fire
 - › AngloAmerican Steelmaking Coal sale process, noting that, as the largest incumbent contractor in the business with extensive experience at the three UG mines, Mastermyne should be well placed to assist the successful bidder
 - › Legislative changes including IR
 - › Coal price fluctuations which may impact client investment and activity levels
- › Opportunity Pipeline \$1.4bn (FY2023: \$0.7bn) including:
 - › \$0.1bn in active tenders / negotiations

1. Including options to extend and recurring work

2. Refer Material Business Risks in the Directors Report within the FY2024 Annual Financial Report for additional detail on key risks



Disclaimer



The following disclaimer applies to this presentation and any information provided regarding the information contained in this presentation (the Information). You are advised to read this disclaimer carefully before reading or making any other use of this presentation or any information contained in this presentation. Except as required by law, no representation or warranty, express or implied, is made as the fairness, accuracy, completeness, reliability or correctness of the Information, opinions and conclusions, or as to the reasonableness of any assumption contained in this document. By receiving this document and to the extent permitted by law, you release Metarock Group Limited ("Metarock"), and its officers, employees, agents and associates from any liability (including in respect of direct, indirect or consequential loss or damage or loss or damage arising by negligence) arising as a result of the reliance by you or any other person on anything contained in or omitted from this document to the extent permitted by law.

Statements contained in this material, particularly those regarding the possible or assumed future performance, costs, dividends, returns, production levels or rates, prices, reserves, potential growth of Metarock, industry growth or other trend projections and any estimated company earnings are or may be forward looking statements. Such statements relate to future events and expectations and as such involve known and unknown risks and uncertainties, many of which are outside the control of, and are unknown to, Metarock and its officers, employees, agents or associates. In particular, factors such as variable climatic conditions and regulatory decisions and processes may cause or may affect the future operating and financial performance of Metarock. Actual results, performance or achievement may vary materially from any forward-looking statements and the assumptions on which those statements are based. The Information also assumes the success of Metarock's business strategies. The success of the strategies is subject to uncertainties and contingencies beyond Metarock's control, and no assurance can be given that the anticipated benefits from the strategies will be realised in the periods for which forecasts have been prepared or otherwise. Given these uncertainties, you are cautioned to not place undue reliance on any such forward looking statements. Metarock undertakes no obligation to revise the forward-looking statements included in this presentation to reflect any future events or circumstances. In addition, Metarock's results are reported under Australian International Financial Reporting Standards, or AIFRS. This presentation includes references to EBITDA, EBITA and NPAT. These references to EBITDA, EBITA and NPAT should not be viewed in isolation or considered as an indication of, or as an alternative to, AIFRS measures or as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

To the extent permitted by law, the distribution of this information in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. This Information does not constitute investment, legal, accounting, regulatory, taxation or other advice and the Information does not take into account any investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the Information. You are solely responsible for seeking independent professional advice in relation to the Information and any action taken on the basis of the Information. No responsibility or liability is accepted by Metarock or any of its officers, employees, agents or associates, nor any other person, for any of the Information or for any action taken by you or any of your officers, employees, agents or associates on the basis of the Information.



RESULTS PRESENTATION