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Media Release
30 August 2024

AJ LUCAS DELIVERS STRONGER REVENUE AND OPERATING EARNINGS

Drilling services and gas exploration group AJ Lucas Group Limited (ASX: AJL) ("Lucas") has today reported its FY2024 financial results, driven by strong performance of the Australian Drilling operations.

Lucas recorded revenue of $159.1 million (FY23: $157.6 million), and Group EBITDA of $29.2 million, an increase of 23.4%. The net result for the year was a small loss of $0.7.

These results are driven by the Australian operations which has benefited from continued strong demand for metallurgical coal used for steel making. The Australian Operations delivered a divisional EBITDA of $31.2 million (2023: $26.0 million), an increase of 19.9% on FY23 and on the back of a 36.6% increase in EBITDA reported in FY23 when compared to FY22.

The Group's UK operations, incurred administration and other holding expenses of $2.1 million which included $0.2 million related to the revaluation of future decommissioning obligations and licence costs associated with extending licences.

Profit before interest and tax (excluding impairment) was up 31.9% to $21.7 million (FY23: $16.4 million).

The Group has made a sizeable investment in plant and equipment of $14.3 million to ensure the Groups Australian Operations are able to continue to deliver improving financial results. At the end of the year, the company had total interest-bearing loans and borrowings of $126.4 million, comprising a senior syndicated facility, junior loan notes and related-party loans to major shareholder Kerogen. The company's cash reserves increased to $16.8 million from $14.0 million.

Lucas Chief Executive Officer for Australian Operations Greg Runge said:

> *"Operationally this year offered an opportunity for the Australian drilling business to expand our services in the coal market in Australia. Through both our conventional exploration, degasification (pre and post mining), and service offering to the coal mining segment I am pleased to report we have re-entered coal seam gas drainage, leveraging our long experience and expertise drilling in coal assets and buoyed by increased market demand.*
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> *Our forward order book remains historically strong, with new entrants into the coal market supporting our positive forward view. An increasingly difficult ESG environment for some of our key clients has seen ownership transition to newer participants who believe, like we do, that the market fundamentals remain robust and are looking to invest and expand operations. This drives demand of our key offerings, particularly in the pre and post drainage service segments that benefit from our technical expertise and superior execution."*

Authorised for lodgement by Andrew Purcell, Chairman, on behalf of the Board

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