



MACMAHON

# Canaccord Mining Services Series

3<sup>rd</sup> December 2024



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This presentation was authorised for release by the CEO and Managing Director.



# Our Business

A leading ASX-listed diversified mining services contractor with operations in Australia and Southeast Asia

## Trusted. Diversified. Experienced.

- ✓ **Comprehensive range of integrated mining and civil infrastructure services** in Australia and Southeast Asia
- ✓ **Extensive, proven track record** in surface, underground mining and civil infrastructure
- ✓ **Established long-term relationships with clients** predicated on a transparent, flexible partnership style approach
- ✓ **Delivered record financial results** in FY24 and **achieved guidance for the past eight years**

### Established

1963

### People<sup>1</sup>

9,676

52% Australia, 48% Indonesia

### Net Tangible Assets<sup>1</sup>

28.9cps

Share Price<sup>3</sup>: 36.5cps

### ROACE Target

20%

FY24 ROACE: 17.2%

### Orderbook<sup>2</sup>

\$5.0b

FY25 Work Won: \$400m+

### Tender Pipeline<sup>2</sup>

\$21.2b

### FY25 Secured Revenue<sup>2</sup>

\$2.3bn

### FY25 Revenue Guidance<sup>1</sup>

\$2.4bn – \$2.5bn

### FY25 Underlying EBIT(A) Guidance<sup>1</sup>

\$160m – \$175m

1. As at 30 June 2024

2. As at 30 June 2024 plus FY25 new work won (~\$300m in current year), orderbook excludes short term civil and underground churn work and future contract cost escalation recoveries

3. Share price as at 29 November 2024

# Our Service Offerings

Macmahon provides a comprehensive range of integrated mining and civil infrastructure services

## Civil Infrastructure



- Provider of civil construction solutions across Australia with highest national roads, bridges and financial qualifications
- Key sectors include public infrastructure, renewables and resources
- 500+ workers across locations in WA, VIC and QLD

## Surface Mining



- A global leader in surface mining providing the full suite of surface mining services including engineering, rehabilitation, plant maintenance and mine optimisation
- 7,256 workers across major mining projects in Australia and Indonesia
- Long term relationships with Tier 1 clients

## Underground



- Highly experienced and growing team specialising in the provision of underground mining and engineering services including raisedrilling, cablebolting and shaft sinking
- 1,272 workers across 11 contracts in Australia and growth aspirations in Indonesia
- Tier 1 clients of AngloGold Ashanti, Genesis Minerals and Silverlake Resources



Mining Business

# Disciplined Strategy Execution has Delivered Consistent Growth

Successful growth track record through both organic initiatives and acquisitions

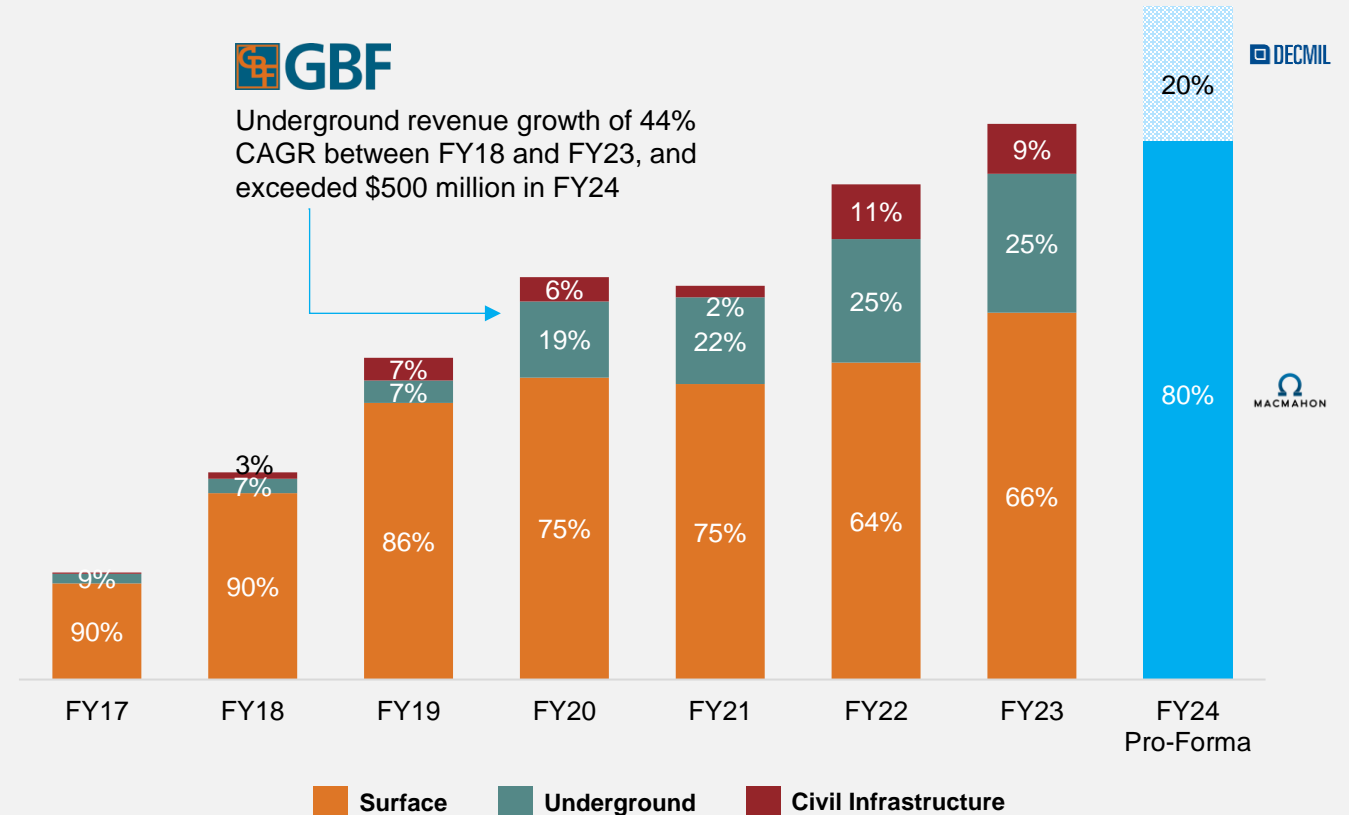
## Macmahon's M&A Track Record

		Adds significant scale and capability to civil infrastructure	2024
		Added underground scale	2024
		Added underground scale and capability	2019
		Added civil infrastructure capability	2018
		Added scale to surface mining and international diversification	2017

## Total Revenue and Business Unit Contribution (\$ million)<sup>1</sup>



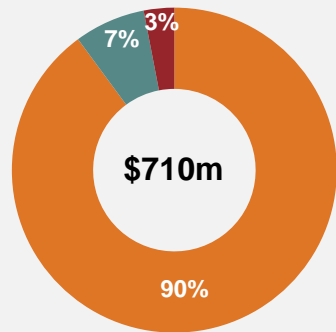
Underground revenue growth of 44% CAGR between FY18 and FY23, and exceeded \$500 million in FY24



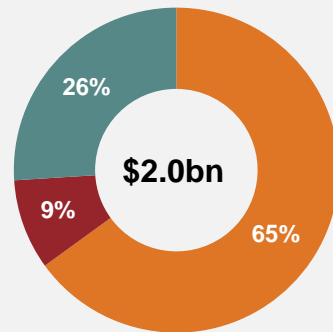
1. FY24 Pro-Forma reflects Macmahon and Decmil (unaudited) actual FY24 revenue mix  
 2. Acquisition of selected PnP contracts and assets only

# Diversification Towards Lower Capital Intensity Services

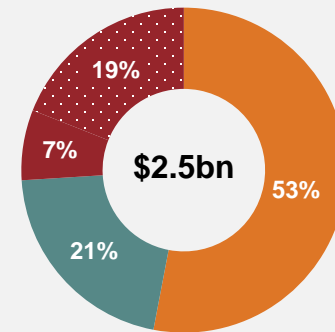
FY18 Revenue Mix



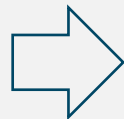
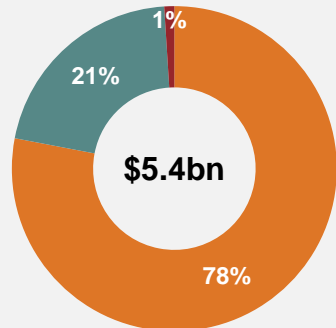
FY24 Revenue Mix



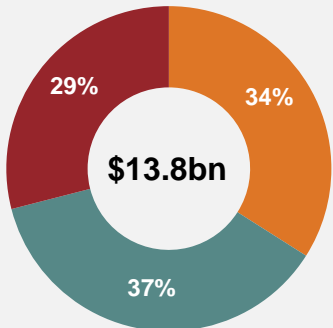
Pro-Forma<sup>1</sup>  
FY24 Revenue Mix



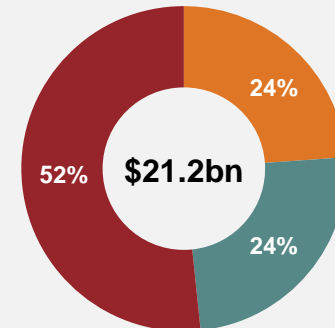
FY18 Pipeline



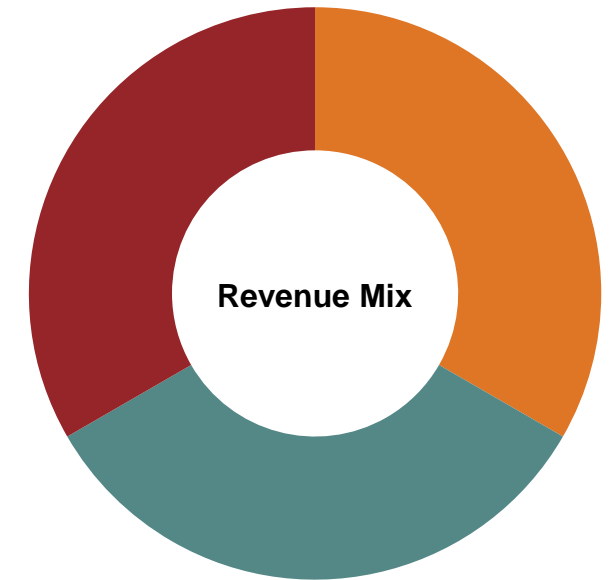
FY24 Pipeline



Current  
Pipeline<sup>2</sup>



Our Target



ROACE TARGET >20%

1. FY24 Pro-Forma reflects Macmahon and Decmil (unaudited) actual FY24 revenue mix  
2. As at 28 November 2024

# FY25 Key Highlights

## Surface Mining

- **Awarded ~\$80m<sup>1</sup> Poboya gold project** in Indonesia
- **Dawson operations on track**, assessing expansion options
- **Greenbushes at steady state**
- **\$1bn to \$1.5bn of Surface projects** across Australia and Indonesia are in the **final stages of the tendering process**
- Actively **tendering \$5.1bn in surface projects** and **targeting lower capital solutions** to maintain surface revenue base and **drive achievement of 20% ROACE target**

## Underground

- **Targeting +50% revenue growth** over the next 2-3 years
- **Awarded two-year, \$90m extension at Daisy Milano**
- **Secured strategically aligned extensions** at Ulysses, Gwalia, Olympic Dam and Fosterville
- **Ulysses ramp up on track**, first ore achieved in Q2 ahead of schedule
- **Commencement of the Havana portal** at Boston Shaker
- **\$5.1bn tender pipeline** with a focus on opportunities in both Australia and Indonesia

## Civil Infrastructure

- **\$240m of new civil work awarded post Decmil acquisition:**
  - \$111m Borumba Dam Project
  - \$61m Marble Bar Road Upgrade Project
  - \$64m Mount Holland Road Upgrade Project
- Management are focussed on the **monetisation of Homeground** as it is a non-core asset
- **Robust growth forecast in all Decmil markets** - infrastructure, renewables and resources civils
- **Executing \$11.0bn tender pipeline**, targeting gross margins >10% with equitable risk allocation on new projects

## Corporate

- **Executed \$80 million additional syndicated finance facility** for the acquisition of Decmil in Aug-24
- **Implementing new corporate operating model** to enhance divisional ownership and accountability
- **Australian labour market normalising**, but shortages persist in some areas (Queensland, equipment maintenance and operators)
- **FY25 Financial Performance:**
  - EBIT(A) guidance second half weighted, like prior years
  - Targeting FY25 net debt to remain at FY24 levels, including the acquisition of Decmil

1. USD converted to AUD at 0.65



# Map of Operations

## WESTERN AUSTRALIA

- Perth (Head Office)
- Perth
- Greenbushes
- King of the Hills
- Telfer
- Tropicana
- Boston Shaker
- Daisy Milano
- Deflector
- Granny Smith
- Gwalia
- King of the Hills
- Perdaman CERES
- Marble Bar
- Mount Holland
- Telfer

## QUEENSLAND

- Brisbane
- Coppabella
- Byerwen
- Dawson South
- Borumba Dam
- Peak Downs
- Foxleigh

## VICTORIA

- Fosterville
- Gippsland Line
- Ison Road

## SOUTH AUSTRALIA

- Lonsdale
- Olympic Dam



## SOUTHEAST ASIA



## MALAYSIA

- Selangor

## INDONESIA

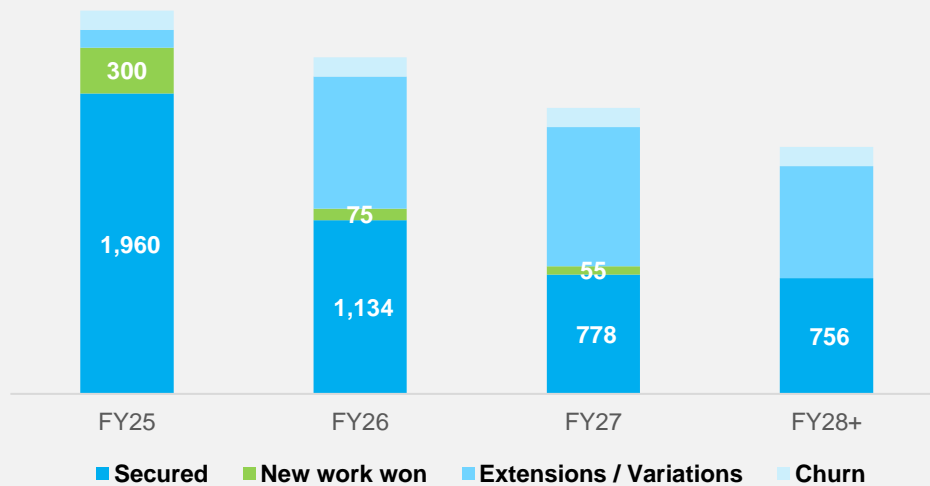
- Jakarta
- Batu Hijau
- Martabe
- Tujuh Bukit

- Offices
- Workshops
- Surface
- Underground
- Civil Infrastructure

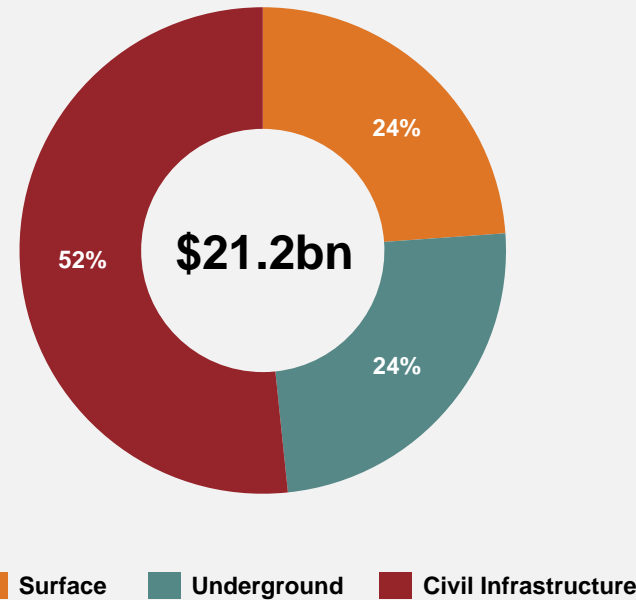


# Order Book \$5.0bn<sup>1</sup>, Extensions \$2.6bn<sup>2</sup> & Tender Pipeline<sup>3</sup> \$21.2bn

## Order Book Run Off (\$m)



## Tender Pipeline



- ~\$2.3 billion<sup>1</sup> of FY25 revenue secured
- \$5.0bn order book as at 30 June and including \$400m+ in new work awards to date
- Order book excludes short term civil and underground churn work, which historically delivers \$100 million - \$150 million annual revenue
- \$1.5 billion of outstanding tenders submitted
- \$8.7 billion outstanding tenders to be awarded in the next 12 months

1. As at 30 June 2024 and including new contract awards to date (~\$300m in current year), excludes future contract cost escalation recoveries

2. Two and three year term extensions and variations not yet secured

3. As at 28 November 2024

# Capital Allocation to Balance Growth and Shareholder Returns

## Our Priorities

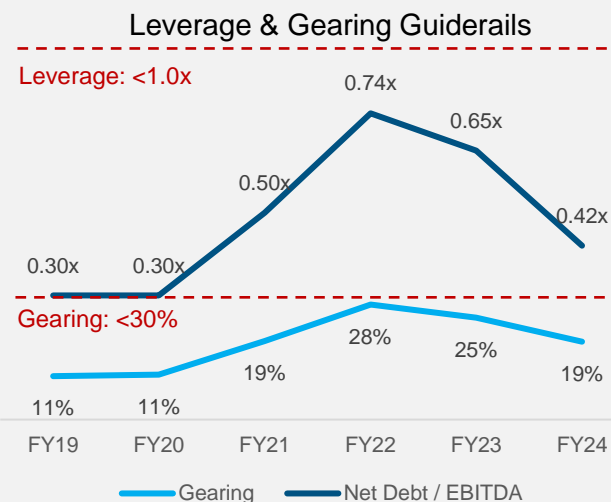
Maintain resilient balance sheet, ensure appropriate liquidity and gearing

Retain flexibility to fund organic growth and accretive acquisitions

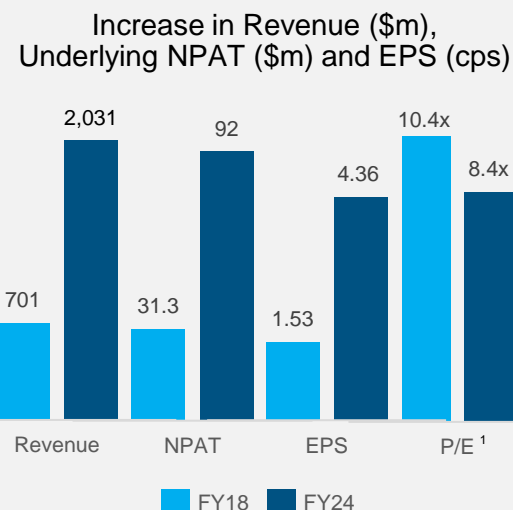
Increase cash return to shareholders

## Our Record

### Maintain Financial Strength Continue to reduce gearing and net debt

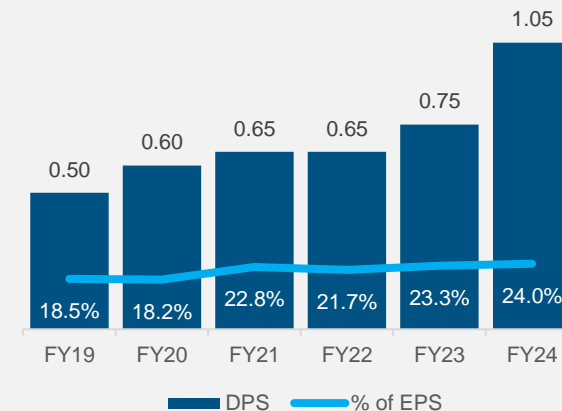


### Investment in Growth Targeting low capital growth in underground and civil infrastructure



### Return Cash to Shareholders Increased dividend payout ratio range to 20% to 35% of underlying EPS Previous payout ratio range of 10% to 25%

**Historical Dividend Payout Ratio (% of EPS) and DPS (cps)**



1. P/E Share Price as at 29 November 2024

# Thank You

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