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MACQUARIE CONFERENCE

10 October 2017

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TO MINING

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Financial Data and Rounding

All dollar values are in Australian dollars (AUD or \$) unless stated otherwise. Figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding and the actual calculation of these figures may differ from the figures set out in this Presentation.

WHAT WE DO



CONTRACT MINING SERVICES AFRICA

SURFACE MINING

UNDERGROUND
MINING

EXPLORATION
DRILLING



DRILLING SERVICES

EXPLORATION

DRILL & BLAST

PRODUCTION

GRADE CONTROL

WATERWELLS



EQUIPMENT SERVICES & SUPPLIES

EARTHMOVING
FLEET HIRE & SALES

EARTHMOVING
EQUIPMENT PARTS

SUPPLY AND
LOGISTICS



ALL OTHER

DIAMOND
COMMUNICATIONS

MINANALYTICAL
SERVICES

WELL CONTROL
SOLUTIONS

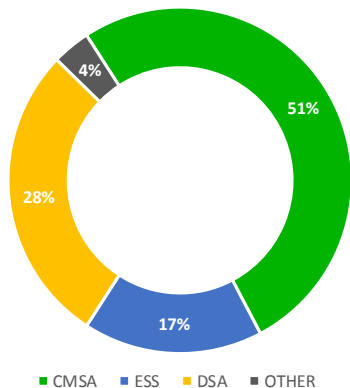


WHERE WE DO IT

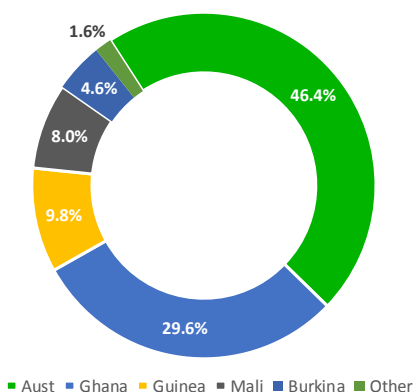
83% of Ausdrill's revenue relates to non-discretionary production related activities and is driven by material moved



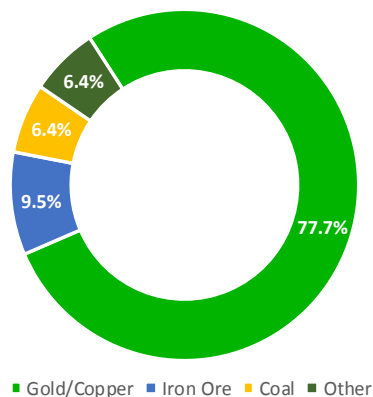
Sales revenue by business activity ¹



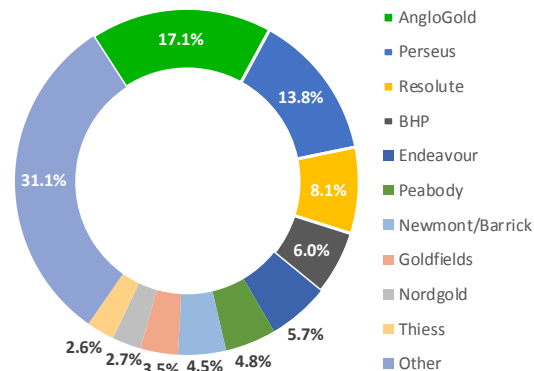
Sales revenue by country ¹



Sales revenue by commodity ²



Sales revenue by customer ¹



¹ Based on FY17 sales. Figures may not add due to rounding

² Based on FY17 sales revenue for Contract Mining Services Africa, Drilling Services Australia and Equipment Services & Supplies

PERFORMANCE SUMMARY

FY17 Overview

- Sales revenue of AUD776.3 million, up 4.5% on prior corresponding period
- AUD 1.6 billion in new projects and key contract renewals secured
- Profit from continuing operations of AUD 31.4 million, up 53.3% on prior corresponding period
- Ausdrill is targeting 30-40% profit growth in FY18

FY18 Progress

- Business performing to budget to end of August
- Mako, Bounou and Yanfolila projects in Africa have all commenced and are in ramp up
- High level of tendering activity underway

FY17 Proforma performance summary (Incl. 50% AUMS)¹

AUD million	ASL	AUMS 50%	Total	% change
Sales revenue	776.3	89.9	866.2	5.7% ▲
EBITDA	123.7	30.8	154.5	8.6% ▲
<i>EBITDA margin</i>	<i>15.9%</i>	<i>34.2%</i>	<i>17.8%</i>	<i>48bps</i>
EBIT	61.4	19.8	81.1	22.4% ▲
<i>EBIT margin</i>	<i>7.9%</i>	<i>22.0%</i>	<i>9.4%</i>	<i>128bps</i>
Profit before tax	32.2	19.0	51.3	49.7% ▲
<i>Profit before tax margin</i>	<i>4.2%</i>	<i>21.2%</i>	<i>5.9%</i>	<i>174bps</i>
Profit from continuing operations	18.4	13.1	31.4	53.3% ▲
Loss from Discontinued operations	(0.2)	-	(0.2)	
Reported profit after tax	18.2	13.1	31.2	
Return on average capital employed ⁽²⁾	7.7%	35.9%	9.6%	177bps

¹ Proforma results include AUMS 50% share of profits on a proportionately consolidated basis

² Return on average capital employed = Proforma EBIT from continuing operations excluding significant items/sum of average receivables, inventories, PP&E, intangibles, associates less trade payables

Note: Columns may not add due to rounding

CASH FLOW & BALANCE SHEET

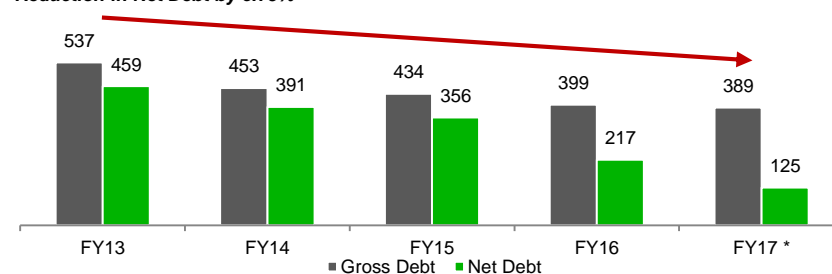
AUD million	FY16	FY17
Operating cash flows after interest and tax	91.0	94.6
Net debt (repayments)/proceeds	(47.8)	(0.7)
Capital expenditure	(12.4)	(147.4)
Proceeds from asset disposals	11.4	1.8
Distributions from AUMS	8.9	22.9
Proceeds from sales of business	49.4	22.2
Other movements	3.6	(0.6)
Cash flow before shareholder return	104.1	(7.2)
Dividends	-	(6.2)
Net cash flow	104.1	(13.5)

Note: Columns may not add due to rounding

Significant Debt Reduction through cycle

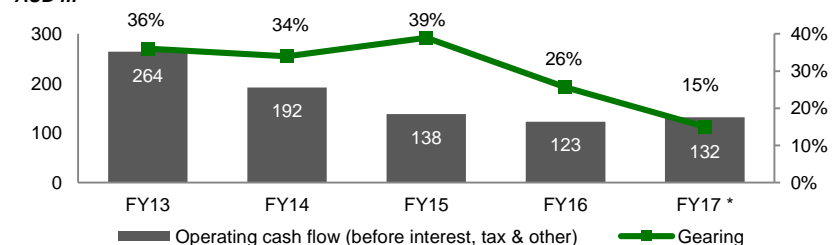
AUD m

Reduction in Net Debt by c.75%



Operating cash flow & Gearing (Net Debt / Net Debt + Equity)

AUD m



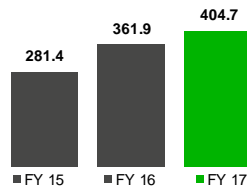
* FY17 Net Debt is proforma post equity issuance in September 2017

FINANCIAL PERFORMANCE

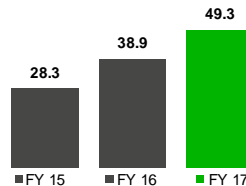
AFRICAN MINING SERVICES



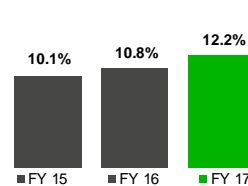
External Sales Revenue (AUD m)



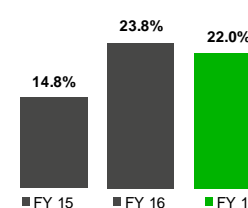
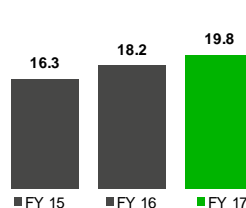
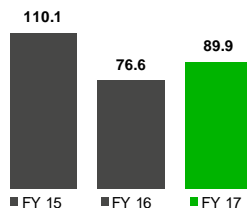
EBIT (AUD m)



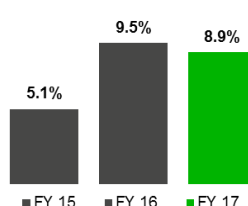
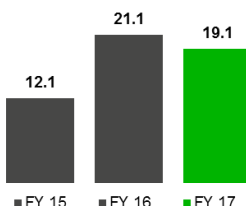
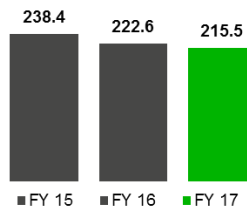
EBIT Margin



AFRICAN UNDERGROUND MINING SERVICES (50%)



DRILLING SERVICES

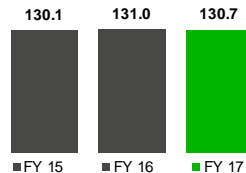


FINANCIAL PERFORMANCE

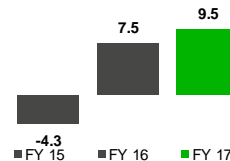
EQUIPMENT SERVICES & SUPPLIES



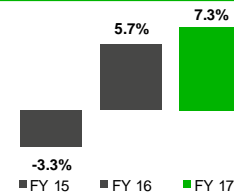
External Sales Revenue (AUD m)



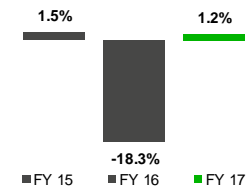
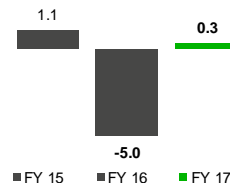
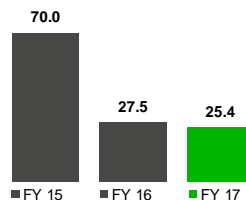
EBIT (AUD m)



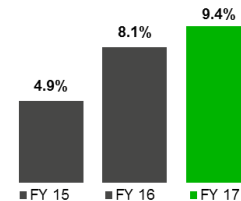
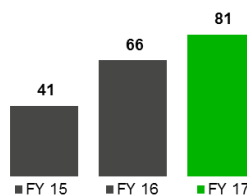
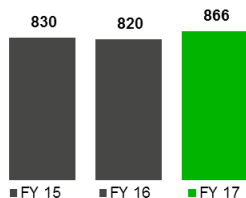
EBIT Margin



ALL OTHER



PRO FORMA GROUP¹



¹ Includes 50% of AUMS on a proportionately consolidated basis

STRATEGIC INITIATIVES - DELIVERED

Category	Strategies delivered
Rationalisation	<ul style="list-style-type: none"> ✓ Refocused on core businesses ✓ Major cost reduction program ✓ EDA assets warehoused ✓ Reorganisation of support and operational functions ✓ Reinvestment in IT to enable improved analytics / reporting across the group
Asset Disposals	<ul style="list-style-type: none"> ✓ Disposal of non-core and/or loss making businesses including DTA, DT HiLoad and Miners Rest to improve cash flow and reduce debt. DTA sale generated a multiple of 8x EBITDA, i.e. AUD 66 million
Balance Sheet Management	<ul style="list-style-type: none"> ✓ Ongoing application of cash flows towards debt reduction; paid down AUD 220 million of debt over the last four years ✓ Fleet redeployed and capital expenditure limited to critical requirements ✓ Maintained funding flexibility to seize growth opportunities when they present
Other Business Actions	<ul style="list-style-type: none"> ✓ Industry supporting industry through “drill-for-equity” program - capped at AUD 10 million in aggregate ✓ Continued focus on safety

STRATEGIC INITIATIVES - TARGETED

Category	Strategies targeted
Delivery	<ul style="list-style-type: none"> ✓ Finalise ramp-up and deliver growth projects ✓ Maintain and build on key client base ✓ Continued focus on safety performance – One Safe All Safe
Further rationalisation	<ul style="list-style-type: none"> ✓ Focus on cost-out in the Kalgoorlie business – ~AUD 3 million targeted in FY18 ✓ Shared services model to deliver ~AUD 2 million in annualised savings in FY18 ✓ Exit non-core businesses
Growth	<ul style="list-style-type: none"> ✓ Ausdrill targeting 30 – 40% profit growth in FY18 on secured contracts and expected renewals ✓ Project pipeline opportunities in both surface and underground mining remain exceptionally strong and are expected to deliver further revenue growth in FY19 and beyond ✓ Rising commodity prices and stable gold price should seed further growth ✓ Higher demand for mining services should drive margin improvement in most businesses
Balance Sheet Management	<ul style="list-style-type: none"> ✓ Maintain funding flexibility to seize growth opportunities when they present

Appendices

An aerial photograph of a winding dirt road in a mining operation. A large yellow dump truck is driving on the road, carrying a load of dark material. The road is flanked by steep, rocky hillsides. The entire image has a green tint on the left side and a yellow tint on the right side, with a grid pattern overlaid on the right side.

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PROFIT AND LOSS

A\$million	FY16	FY17	% Change
Continuing Operations			
Sales revenue	743.0	776.3	4.5% ▲
Interest income	1.6	2.4	46.5%
Materials	(299.0)	(329.4)	(10.2%)
Labour	(239.9)	(251.2)	(4.7%)
Rental and hire	(14.0)	(14.3)	(2.3%)
Depreciation & amortisation expense	(67.9)	(62.4)	8.1%
Finance costs	(33.7)	(31.5)	6.5%
Share of associates profits	9.1	13.1	44.3%
Other items	(74.2)	(57.7)	22.2%
EBITDA ⁽¹⁾	125.1	136.8	9.4% ▲
<i>EBITDA margin ⁽²⁾</i>	15.6%	15.9%	33bps
EBIT	57.2	74.4	30.3% ▲
<i>EBIT margin ⁽²⁾</i>	6.5%	7.9%	143bps
Operating Profit/(loss) before tax	25.1	45.3	80.6% ▲
<i>Operating Profit before tax margin ⁽³⁾</i>	3.4%	5.8%	246bps
Profit/(loss) after tax	20.5	31.4	53.3% ▲
Return on average capital ⁽⁴⁾	6.5%	8.6%	215bps
Discontinued Operations – Profit/(loss)	37.6	(0.2)	
Profit/(loss) after tax from continuing and discontinued operations	58.2	31.2	46.3% ▼

⁽¹⁾ Includes impairment of available-for-sale assets of \$1.5 million in FY16.

⁽²⁾ Excludes equity accounted profits.

⁽³⁾ Operating profit margin = Profit before tax from continuing operations as a % of sales revenue.

⁽⁴⁾ Return on average capital employed = EBIT excluding significant items/sum of average receivables, inventories, PP&E, intangibles, associates less trade payables.

Note: Columns may not add due to rounding.

BALANCE SHEET

A\$million	FY16	FY17
Cash and cash equivalents	181.9	166.7
Current receivables	169.8	167.7
Inventories	191.4	188.8
Property, plant and equipment	489.8	560.5
Other assets	117.5	103.5
Total assets	1,150.4	1,187.1
Payables	82.8	100.4
Borrowings	398.5	388.6
Employee obligations	34.9	41.8
Other liabilities	27.5	26.3
Total liabilities	543.8	557.0
Shareholders' equity	606.6	630.1
Net Debt	216.7	221.9

Note: Columns may not add due to rounding.

CASH FLOW

A\$million	FY16	FY17
Receipts from customers (inclusive of GST)	791.5	802.2
Payments to suppliers and employees (inclusive of GST)	(668.3)	(670.1)
	123.2	132.1
Interest received	1.7	2.4
Interest and other costs of finance paid	(30.9)	(29.1)
Income taxes received / (paid)	(6.4)	(11.8)
Other	3.4	1.0
Net cash inflow/(outflow) from operating activities	91.0	94.6
Payments for property, plant and equipment	(12.4)	(147.4)
Proceeds from sale of property, plant and equipment	11.4	1.8
Proceeds from sale of available-for-sale financial assets	7.5	3.2
Payments for available-for-sale financial assets	(3.8)	(3.9)
Proceeds from sale of business	49.4	22.2
Distributions from associates and loan repayments	8.9	22.9
Other	-	-
Net cash inflow/(outflow) from investing activities	60.9	(101.1)
Proceeds from secured borrowings	-	-
Proceeds from unsecured borrowings	4.3	3.7
Repayment of borrowings	(44.1)	(4.0)
Repayment of hire purchase and lease liabilities	(8.0)	(0.5)
Dividends paid to company's shareholders	-	(6.2)
Other	-	-
Net cash inflow/(outflow) from financing activities	(47.8)	(7.0)
Net increase/(decrease) in cash and cash equivalents	104.1	(13.5)
Cash and cash equivalents at the beginning of the period	77.9	181.9
Effects of exchange rate changes on cash and cash equivalents	(0.1)	(1.7)
Cash and cash equivalents at end of period	181.9	166.7

Note: Columns may not add due to rounding.

AUMS PROFIT AND LOSS – 50% SHARE

A\$million	FY16	FY17	% change
Sales revenue	76.6	89.9	17.3% ▲
EBITDA	26.3	30.8	16.9% ▲
<i>EBITDA margin</i>	34.3%	34.2%	11bps
EBIT	18.2	19.8	8.6% ▲
<i>EBIT margin</i>	23.8%	22.0%	176bps
Profit/(loss) before tax	18.2	19.0	4.4% ▲
<i>Profit before tax margin</i>	23.8%	21.2%	262bps
Profit/(loss) after tax	9.1	13.1	44.3% ▲

Note: Columns may not add due to rounding.

AUMS BALANCE SHEET – 50% SHARE

A\$million	FY16	FY17
Cash and cash equivalents	5.8	12.5
Receivables	24.0	13.3
Inventories	21.6	22.1
Property, plant and equipment	23.7	28.6
Other assets	8.8	1.2
Total assets	84.0	77.7
Payables	11.7	11.4
Borrowings – external	0.1	5.3
Provisions	0.3	0.4
Other liabilities	2.2	1.7
Total liabilities	14.2	18.8
Shareholders' equity	69.8	58.9

Note: Columns may not add due to rounding.

Thank you

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