

FY19 Full-year results

28 August 2019

Transformational 12 months

- Market guidance exceeded by 5%, with an underlying net profit after tax (before amortisation) of \$103 million. Statutory net profit after tax of \$181.3 million
- Strong full-year cash conversion of 89% and operating cash flow of \$206.9 million
- Secured more than \$3.4 billion in new work since 30 June 2018. Work in hand increased to \$7.0 billion
- Increased Australian revenues by more than \$0.5 billion, to \$0.9 billion
- Successfully completed the acquisition of leading underground contractor Barminco
- Finalised sale of Energy Drilling Australia assets, with Connector Drilling asset sale to be completed shortly
- Completed review of balance sheet with an impairment of \$113.6 million for the full-year
- Implemented new strategy with enhanced focus on our customers, people and technology
- Established group operating model with strengthened group executive and AMS leadership
- New group brand identity – we are Perenti

Underlying excludes non-recurring items set out on slide 10

Statutory net profit after tax of \$181.3 million refers to the statutory net profit after tax attributable to members

New work includes contracts secured by Barminco prior to finalisation of acquisition of Barminco

We are a global mining services provider

Our Aspiration

To become the indispensable
mining services company



Our Purpose

To create enduring value
and certainty



Our Principles

No shortcuts
Never wasteful
Smarter together
Walk in their shoes
Enable tomorrow



**Expect
More**

Principles to practice

A story of firsts...

- First female mining engineers working underground in India
- First tele-remote loaders operated in India
- Robotic solution to support Chrysos
- First automated grade-control sample collection system
- Underground project secured in Botswana



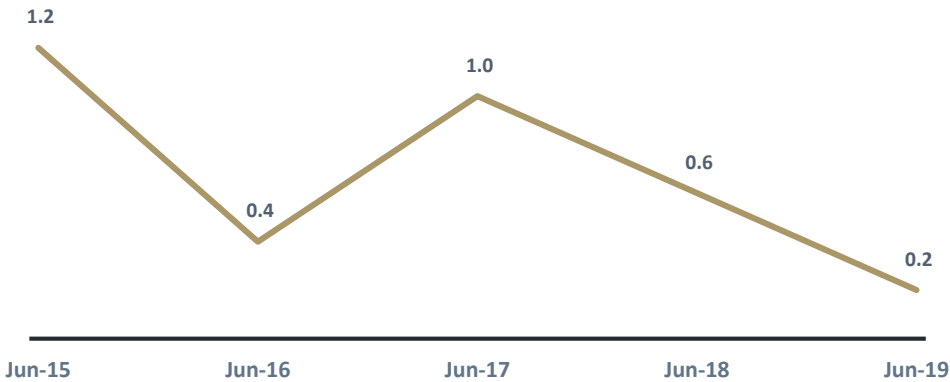
Where we operate

- Working in 13 countries across 4 continents
- Over 30 years experience, over 25 years in Africa
- Significant investment in the communities in which we operate
- More than 50 projects

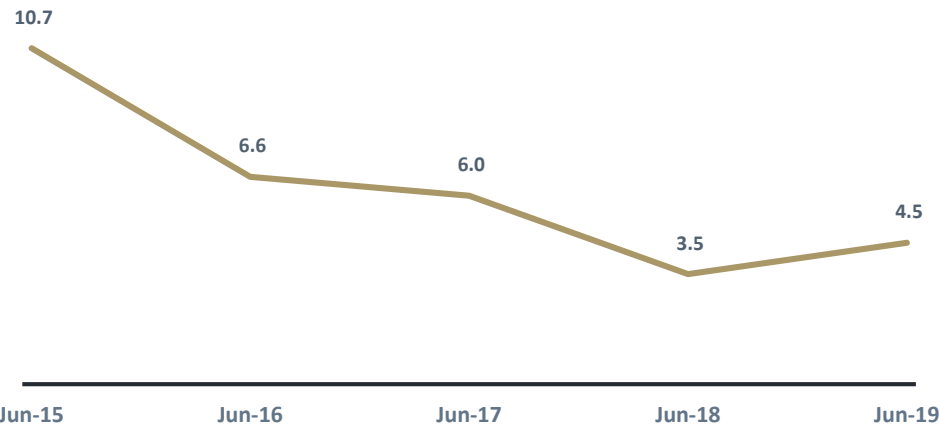


Safety and people

Lost Time Injury Frequency Rate (LTIFR)

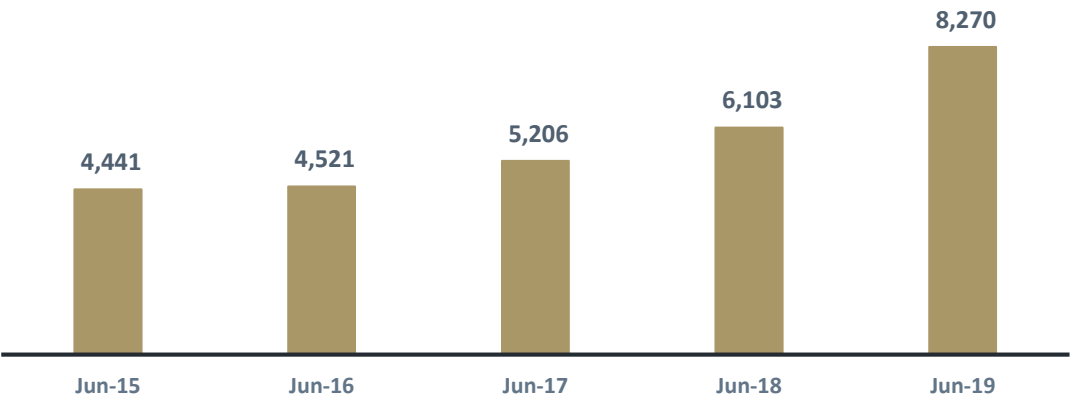


Total Recordable Injury Frequency Rate (TRIFR)

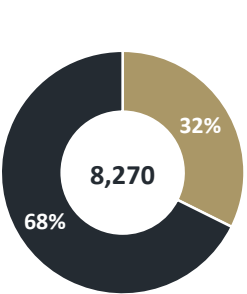


Includes Barmingo for FY19

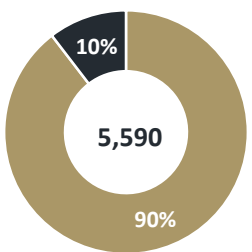
Workforce



FY19 workforce by geography

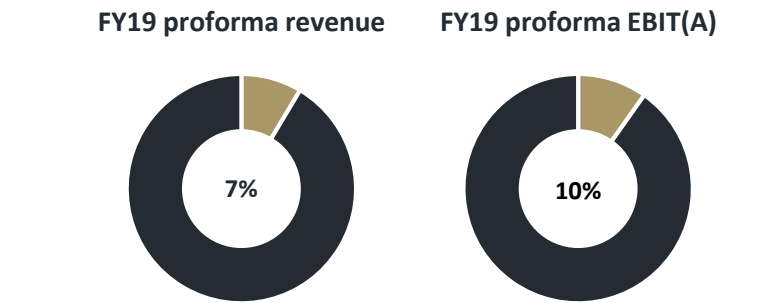
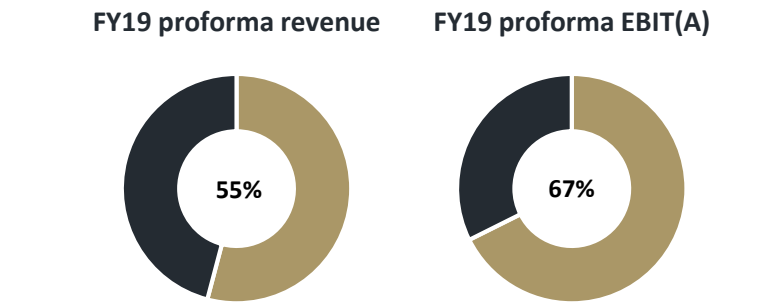
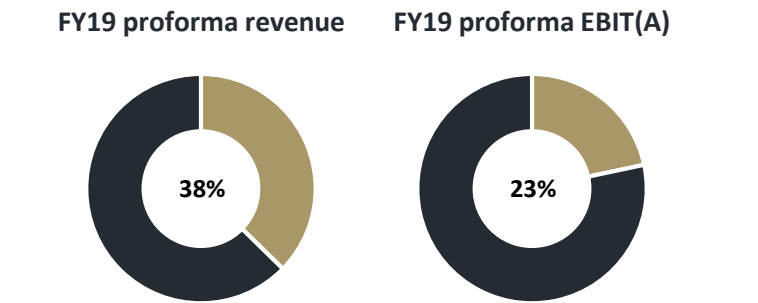


International workforce



■ Australia ■ International ■ Surface ■ Underground ■ Nationals ■ Expatriates
■ Investments ■ Group functions

Our mining services



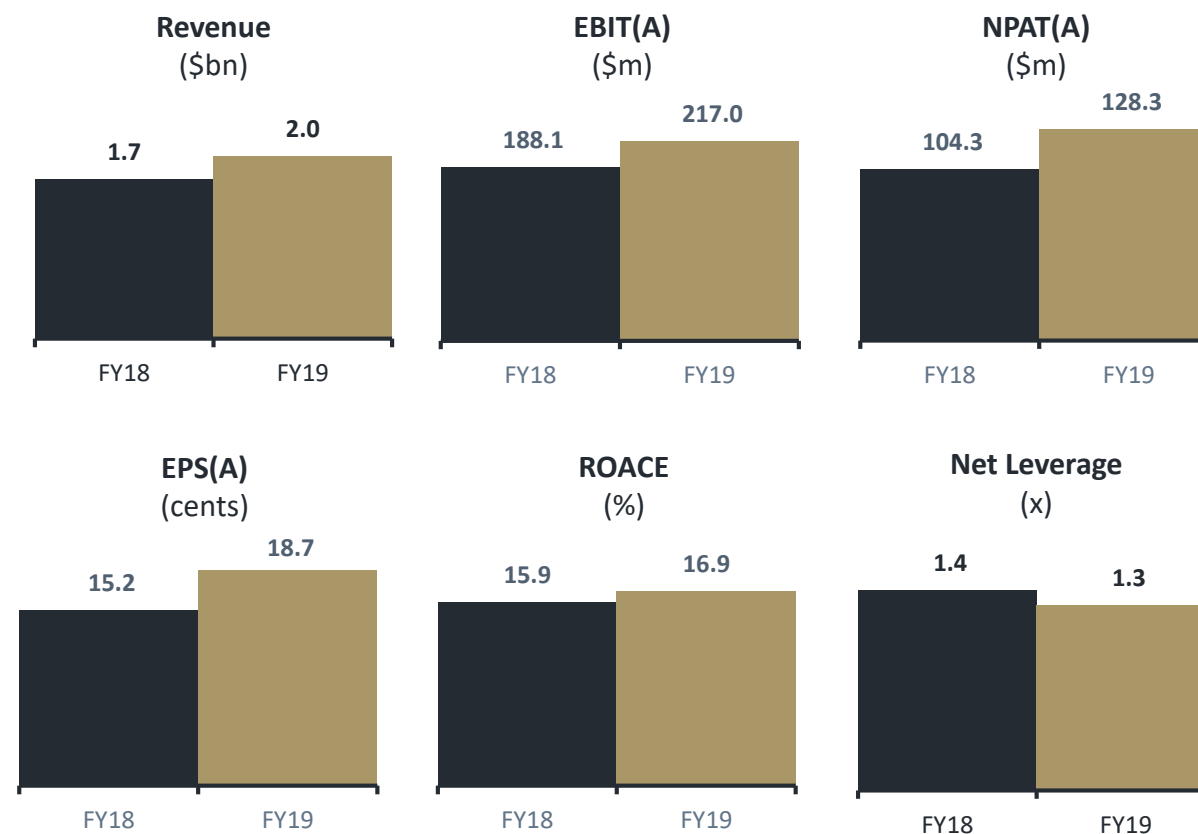
FY19 proforma includes 100% of Barmenco and AUMS and excludes any non-recurring items as disclosed on slide 10
 EBIT(A) excludes Group Functions
 Figures may not add due to rounding

Financials



Financial highlights - proforma

- Strong financial performance for the group with proforma revenue of \$2 billion, up 14.2% on FY18
- Proforma net profit after tax of \$128.3 million, representing growth of 23.0%
- Fully franked final dividend of 3.5 cents per share declared
- Continued focus on capital discipline delivered a ROACE of 16.9%
- Strong balance sheet with proforma Net Leverage of 1.3x and Gearing at 27.4%



FY18 proforma includes 100% of Barmenco and AUMS and excludes one-off benefit from claim settlement of \$5.3 million and Diamond Communications which was sold on 1 May 2018

FY19 proforma includes 100% of Barmenco and AUMS and excludes any non-recurring items as disclosed on slide 10

ROACE is defined as proforma EBIT(A) / sum of average receivables, inventories, PP&E less trade payables

Proforma Net Leverage is defined as proforma Net Debt / proforma EBITDA

Gearing is defined as Net Debt / sum of Net Debt and Shareholders' equity

EPS(A) is defined as proforma NPAT(A) / closing number of shares on issue as at 30 June 2019

FY19 Reconciliation of proforma to statutory results

\$million	Revenue	EBITDA	EBIT	NPAT	
Statutory Results	1,638.4	401.0	207.2	181.3	
Less non-recurring items below					
50% AUMS step acquisition gains	-	(198.4)	(198.4)	(198.4)	A
Transaction and one-off costs	-	30.2	30.2	39.1	B
Non-cash asset impairment	-	113.6	113.6	113.6	C
Foreign exchange movement	-	(1.0)	(1.0)	(1.0)	D
Non-cash amortisation of customer related and software intangibles	-	-	29.1	29.1	E
Taxation Benefit	-	-	-	(60.6)	F
Underlying Results	1,638.4	345.5	180.7	103.1	
AUMS and Barminco (4-month pre-acquisition - net of equity accounted profit, transaction costs, capital structure and tax impact)	331.5	70.2	36.3	25.2	G
Proforma Results	1,969.8	415.7	217.0	128.3	
Margin		21.1%	11.0%	6.5%	

Refer to slide 29 for explanation of items

Statutory net profit after tax of \$181.3 million refers to the statutory net profit after tax attributable to members

Columns may not add due to rounding

Proforma profit and loss

\$million	FY18	FY19	Change	
Revenue	1,724.6	1,969.8	14.2%	▲
EBITDA	356.9	415.7	16.5%	▲
<i>EBITDA margin</i>	20.7%	<i>21.1%</i>	<i>40bps</i>	▲
EBIT (before amortisation)	188.1	217.0	15.4%	▲
<i>EBIT (before amortisation) margin</i>	10.9%	<i>11.0%</i>	<i>10bps</i>	▲
PBT (before amortisation)	134.9	169.1	25.3%	▲
<i>PBT (before amortisation) margin</i>	7.8%	<i>8.6%</i>	<i>80bps</i>	▲
NPAT (before amortisation)	104.3	128.3	23.0%	▲
<i>NPAT (before amortisation)</i>	6.1%	<i>6.5%</i>	<i>40bps</i>	▲

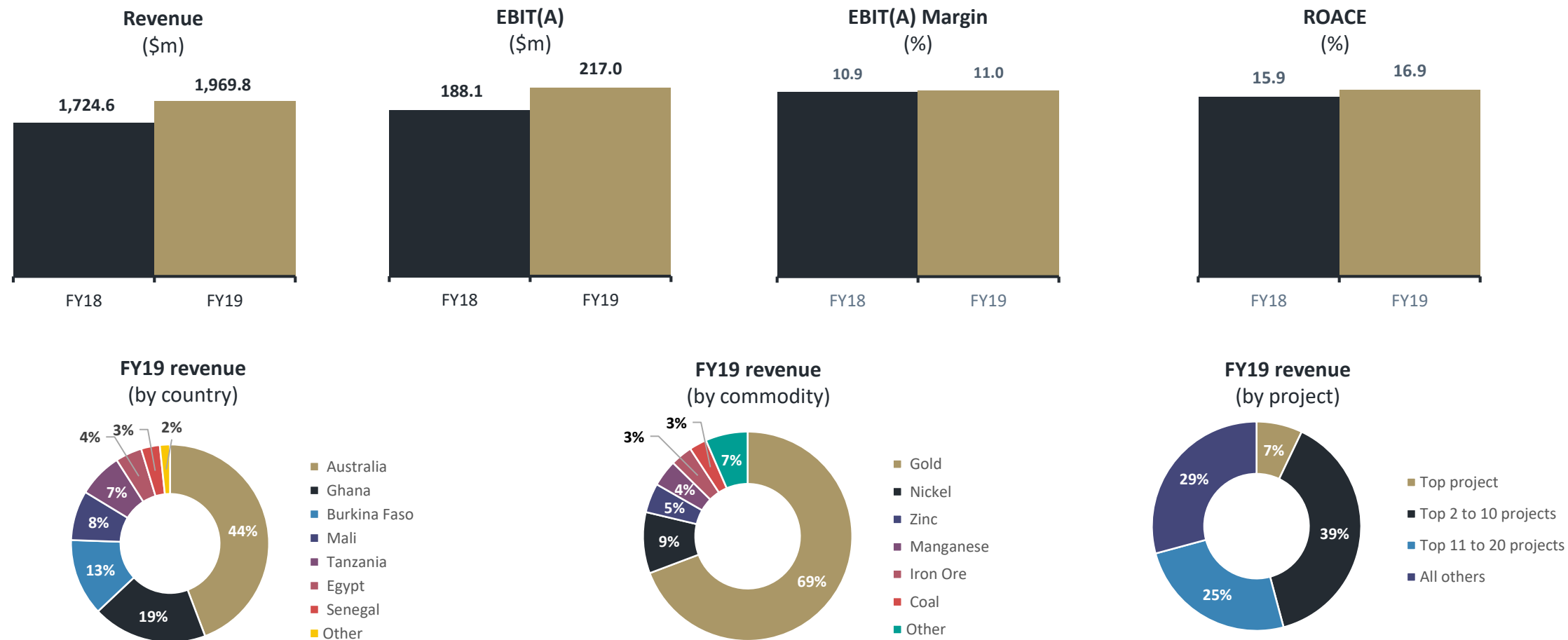
- Strong financial performance delivering revenue growth on the back of new work and scope increases at existing operations
- EBITDA growth of 16.5% delivered with EBITDA margin maintained above 20%
- EBIT(A) growth delivered of 15.4% with EBIT(A) margin maintained above 10%
- Revenue growth of 14.2% converted to PBT(A) growth of 25.3%

FY18 proforma includes 100% of Barmenco and AUMS and excludes one-off benefit from claim settlement of \$5.3 million and Diamond Communications which was sold on 1 May 2018

FY19 proforma includes 100% of Barmenco and AUMS and excludes any non-recurring items as disclosed on slide 10

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Group performance - proforma



FY18 proforma includes 100% of Barmingo and AUMS and excludes one-off benefit from claim settlement of \$5.3 million and Diamond Communications which was sold on 1 May 2018
FY19 proforma includes 100% of Barmingo and AUMS and excludes any non-recurring items as disclosed on slide 10

Surface performance - proforma

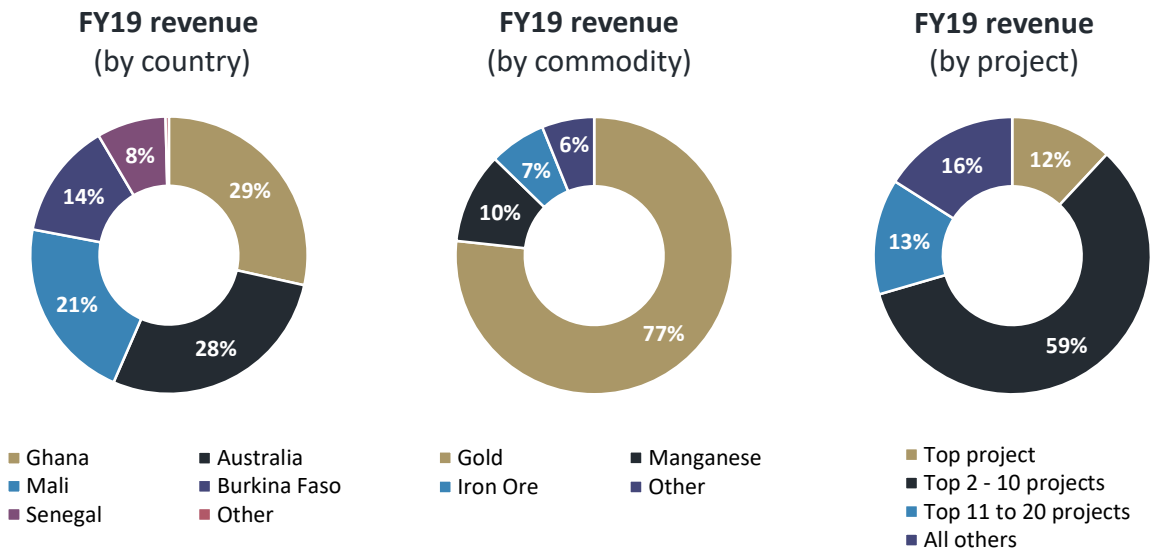
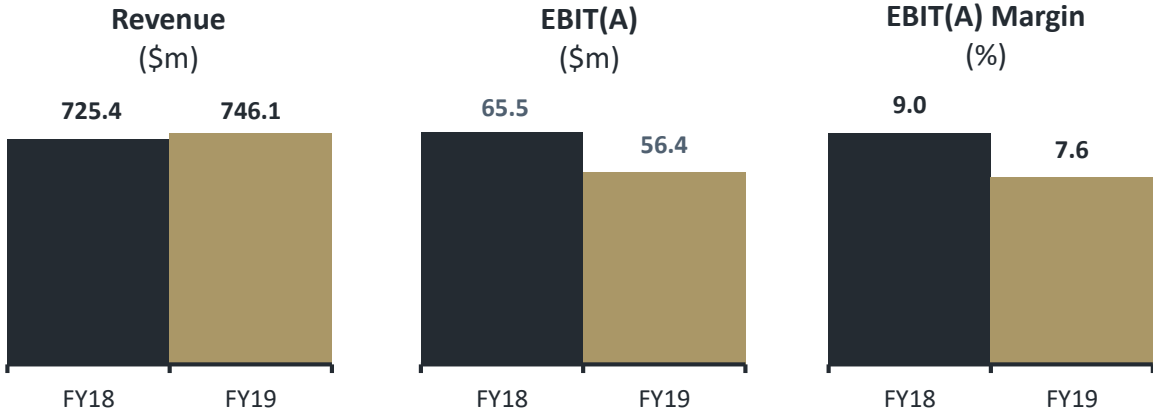
Proforma revenue growth driven by Tabakaroni, Yanfolila, Boungou and Nsuta, partially offset by the cessation of Edikan and Syama

EBIT(A) performance impacted by challenges at Boungou, sub-optimal performance in exploration and supply chain challenges

Transformation of AMS is key priority of the Company

Top 10 projects	
Yanfolila	Mako
Iduapriem	Tabakaroni
Boungou	St Ives and Granny Smith
Edikan	Bissa
Nsuta	Super Pit

FY19 proforma excludes any non-recurring items as disclosed on slide 10



Underground performance - proforma

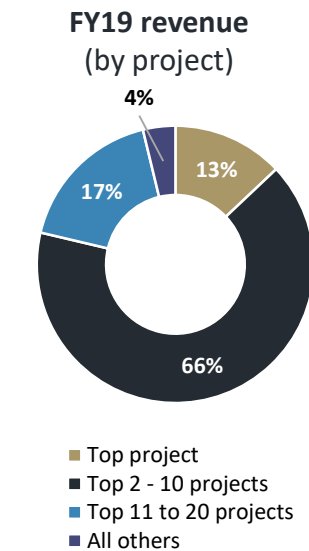
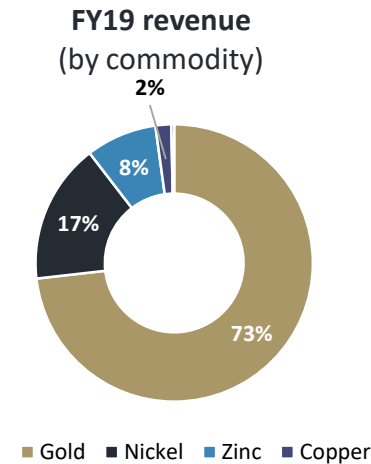
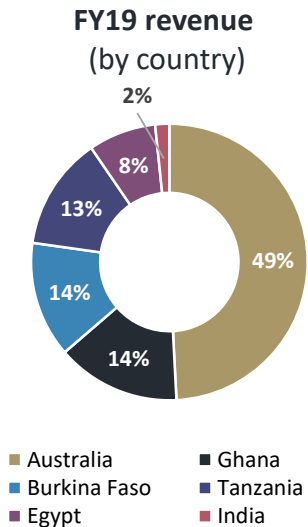
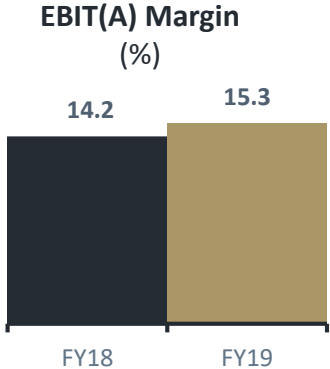
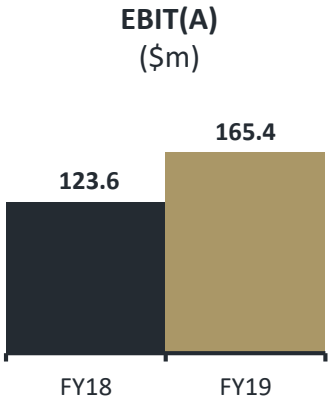
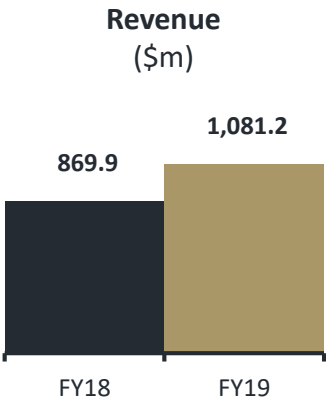
FY19 proforma revenue and EBIT(A) of \$1,081 million and \$165 million, up 24% and 34% respectively on prior period

Outstanding performance driven by project wins and increased scope from Subika, Siou, Yaramako, Sukari and Mt Colin

Leverage off strong customer relationships and robust business environment to continue growth in FY20

Top 10 projects	
Sunrise Dam	Agnew
Subika	Sukari
Yaramako	Dugald River
Nova	Nyankanga
Star and Comet	Spotted Quoll

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FY19 proforma includes 100% of Barmenco and AUMS and excludes any non-recurring items as disclosed on slide 10



Investments performance - proforma

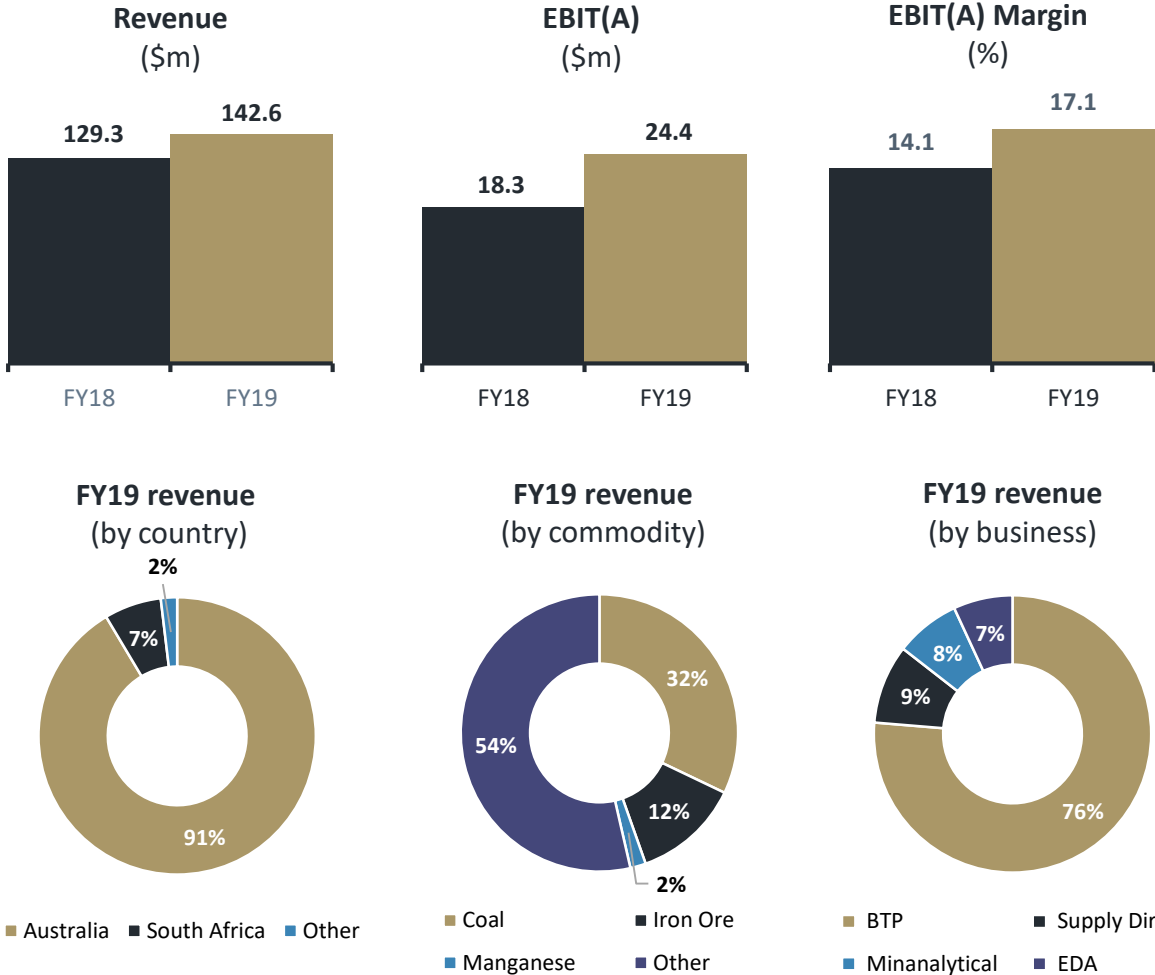
FY19 proforma revenue and EBIT(A) of \$143 million and \$24 million, up 10% and 34% respectively on prior period

Revenue driven by strong business performance by BTP, increased demand in the parts and equipment rental business. Peabody contract extension signed in May 19

Rollout of Chrysos technology through MinAnalytical is a strategic investment driver of the Company

Major Customers	
Peabody	Barrick
BHP	NRW
Rio Tinto	MPC Group
CIMIC	Santos
Macmahon	FMG

FY18 proforma excludes one-off benefit from claim settlement of \$5.3 million and Diamond Communications which was sold on 1 May 2018
FY19 proforma excludes any non-recurring items as disclosed on slide 10



Statutory cash conversion

\$million	FY18	FY19
Underlying EBITDA	161.7	345.5
Share of profits from AUMS	(22.3)	(10.7)
Adjusted EBITDA	139.4	334.8
Movement in receivables	(66.0)	(26.6)
Movement in inventories	(23.8)	(13.1)
Movement in payables and employee obligations	22.4	7.9
Other non-cash items	21.2	(4.8)
Operating cash flows before interest and tax	90.9	298.2
Cash Conversion (%)	65%	89%

Renewed focus on cash backed earnings led to significant improvement in cash conversion, further improvements targeted

Investment in working capital mainly driven by revenue growth

The movement in receivables, inventories and payables for FY19 exclude working capital acquired on acquisition of Barminco and non-cash items associated with the impairment and other adjustments
Columns may not add due to rounding

Statutory cash flow

\$million	FY18	FY19
Operating cash flows before interest and tax	90.9	298.2
Net interest expense	(26.0)	(57.9)
Taxation	(12.3)	(33.4)
Operating cash flows	52.6	206.9
Net debt (repayments)/proceeds	0.5	(221.3)
Net capital expenditure	(170.0)	(194.8)
Distributions from AUMS	13.6	-
Net proceeds from acquisition/sale of business	4.6	84.9
Proceeds from issue of shares	97.6	242.3
Net payments for assets at FVOCI/available-for-sale financial assets	(9.2)	(0.8)
Other movements	(0.6)	9.3
Cash flow before shareholder return	(10.8)	126.4
Dividends	(19.9)	(42.6)
Net cash flow	(30.6)	83.8

Columns may not add due to rounding

Debt repayment relates to the repayment of Ausdrill's US\$300 million unsecured notes, that was offset by a drawdown under revolving credit facilities

Net capital expenditure in line with depreciation to sustain asset base

Proceeds from the acquisition of a business relates to the cash acquired from Barminco on acquisition

\$250 million capital raising completed during the year to facilitate the partial repayment of the Ausdrill notes and to maintain balance sheet strength

Strong cash flow reinforces the rationale of acquiring Barminco

Statutory balance sheet

\$million	FY18	FY19
Cash and cash equivalents	137.3	223.5
Receivables	230.5	399.4
Inventories	212.6	251.1
Property, plant and equipment	664.3	887.7
Intangibles	-	743.6
Other assets	123.1	161.5
Total assets	1,367.8	2,666.8
Payables	122.8	268.5
Borrowings	404.5	757.4
Employee obligations	39.5	66.7
Other liabilities	26.1	162.5
Total liabilities	593.0	1,255.2
Shareholders' equity	774.8	1,411.6

Significant movement in statutory balance sheet reflects Barmenco acquisition and capital raising that was partially offset by non-cash asset impairment in the Surface Mining and Investments Industry Sector Groups

Significant tangible asset backing including more than 1,000 pieces of major mining fleet deployed in mine production activities and \$58.3 million in property

Intangibles mainly comprises customer relationship (\$293 million) and goodwill (\$450 million) recognised on the acquisition of Barmenco/50% of AUMS

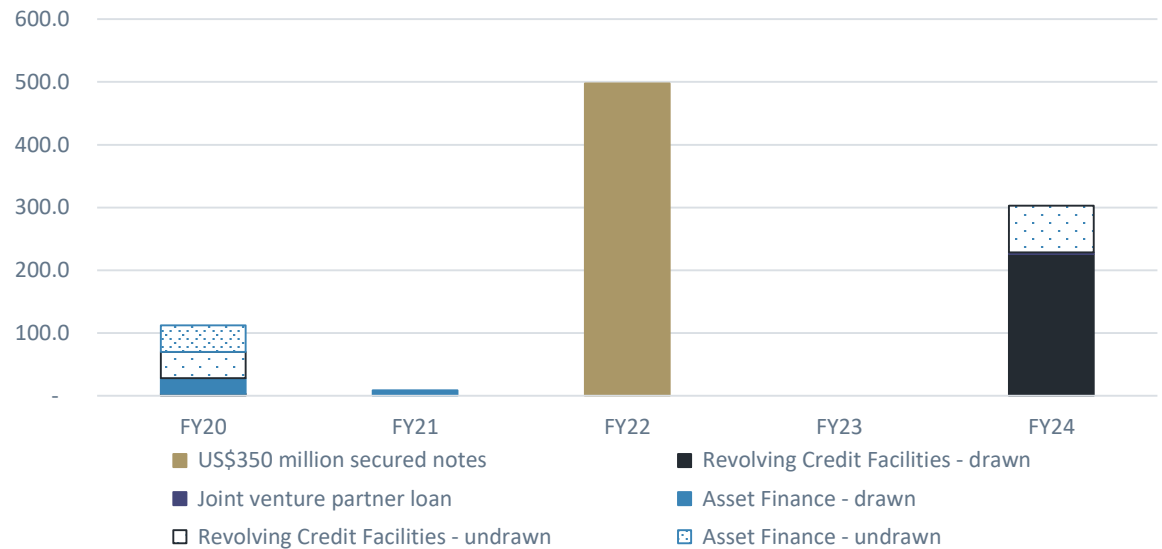
Inventory reduction of \$66.2 million from H1 FY19 includes impairment of \$54.4 million and focus on reducing working capital

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Group debt and funding

Group Debt (\$million)	FY18	FY19
US\$350 million secured notes	-	497.4
US\$300 million unsecured notes	405.0	-
Revolving Credit Facilities	-	225.1
Asset finance and other funding	(0.4)	34.9
Total borrowings	404.6	757.4
Cash and cash equivalents	(137.3)	(223.5)
Net debt	267.3	533.9
Gearing ratio	25.4%	27.4%
Proforma net Leverage ratio	1.4x	1.3x

Maturity profile



Net debt of \$533.9 million predominantly comprised of long dated debt maturities

Net Leverage at 1.3x and Gearing at 27.4% evidences strong balance sheet position

EBITDA interest cover increased from 6.7x to 8.7x

Credit ratings upgraded to BB by S&P and Ba2 by Moody's on the back of improved credit metrics

Barmingo's US\$350 million Senior Secured Notes due May 2022

EBITDA interest cover = proforma EBITDA / proforma interest expense

Columns may not add due to rounding

A man wearing a black hard hat with a bright orange headlamp, safety glasses, and yellow earplugs. He is looking upwards and to the left with a slight smile. The background is dark and industrial, with blurred lights and machinery.

Strategy and outlook

Strategic pillars to deliver certainty - underpinned by our people and principles

Strategic Pillars	Operational Excellence	Strategic Growth	Organisational Health	Technology Driven Future	Financial Capacity
Horizon 1: Setting the foundations (6 - 12mths)	<ul style="list-style-type: none"> • Transform AMS • Deliver on safety, operational and financial targets • Grow organically 	<ul style="list-style-type: none"> • Brand and marketing focus 	<ul style="list-style-type: none"> • Strengthen governance and audit 	<ul style="list-style-type: none"> • Building the foundations 	<ul style="list-style-type: none"> • Portfolio review • Strengthen the balance sheet • Increase cashed back profits
Horizon 2: Scaling the business (1 - 3yrs)	<ul style="list-style-type: none"> • Capital discipline • Ongoing focus on innovation 	<ul style="list-style-type: none"> • Regional and service expansion 	<ul style="list-style-type: none"> • Scalable enhanced management systems 	<ul style="list-style-type: none"> • Technology driven services model 	<ul style="list-style-type: none"> • Expand sources of capital • Grow financial & commercial acumen

FY20 priorities

- Deliver on current operational commitments and continue to improve AMS performance

- Successful delivery of new projects

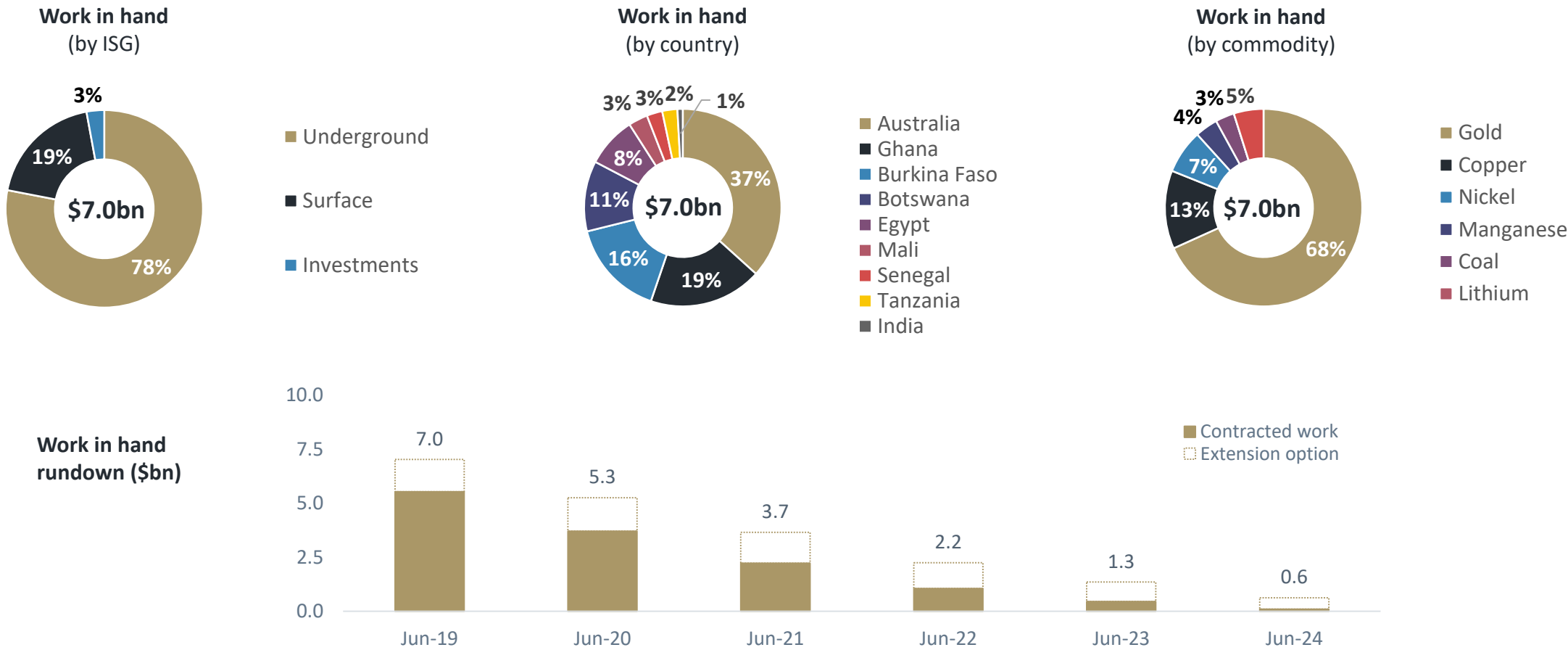
- Focus on maintaining cash conversion and reducing net leverage

- Review capital structure and focus on working capital management

- Continued investment in technology

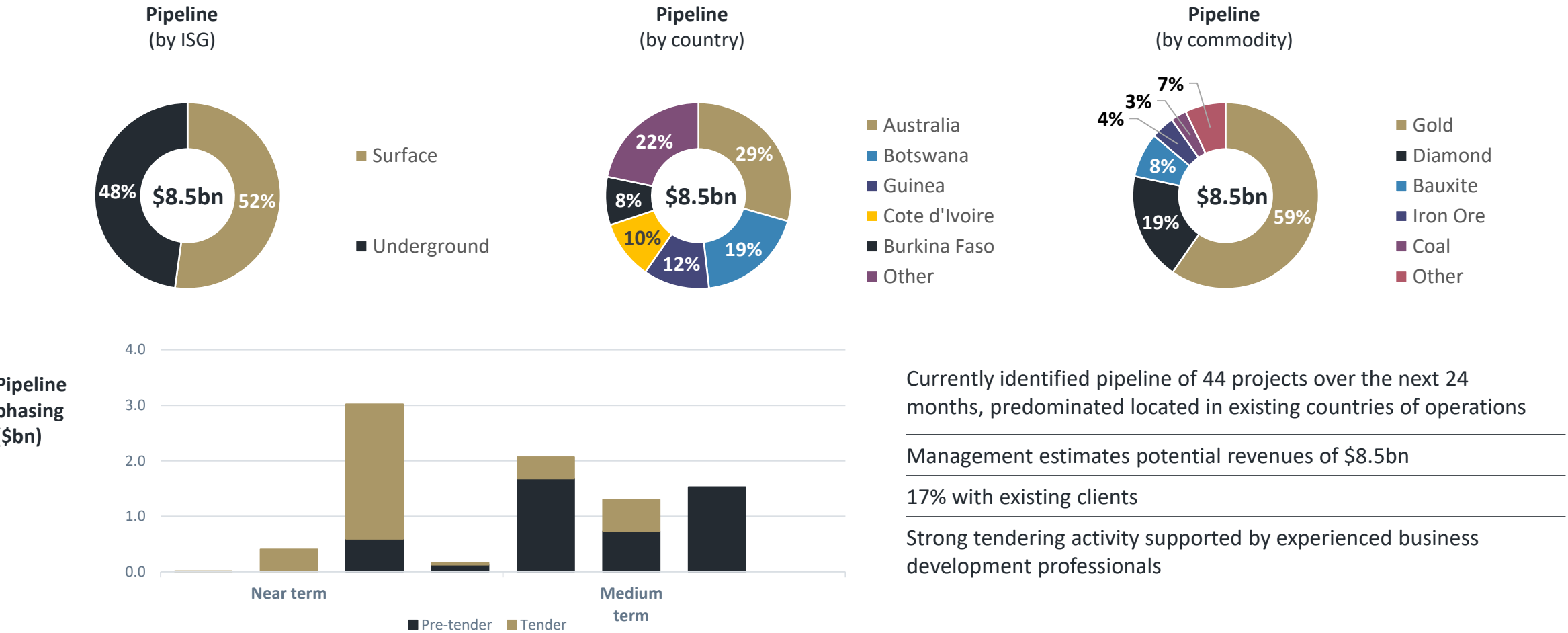
- Profitable and sustainable growth through organic expansion and strategic opportunities

Work in hand - \$7.0bn



Work in hand is remaining aggregate contract value between 30 June 2019 – 30 Nov 2026 excluding uncontracted external sales revenue for equipment part sales. Work In hand is based on monthly run-rate revenue, assuming that the contract continues to completion (including contractual extension options), without assuming any renewals and assuming contractual rates remain constant and there are no significant work stoppages or interruptions in production. US\$ revenues are converted using an exchange rate of US\$0.7021:A\$1. Refer also to forward looking statements disclaimer on “Important Notice and Disclaimer” slide

Pipeline - \$8.5bn



Pipeline is based on projects which management anticipates may generate an opportunity to tender for a mining services contract that commences in the next 24 months. Pipeline is based on management estimates of revenue opportunities if all of these contracts were put to tender on terms consistent with management’s experience. US\$ revenues are converted using an exchange rate of US\$0.7021:A\$1. Refer also to forward looking statements disclaimer on “Important Notice and Disclaimer” slide

Outlook – one year ahead

- We see significant organic growth opportunities across Australia and Africa
-
- Underground mining: We believe that the strong orderbook coupled with the organic growth opportunities makes a strong case for continued growth
-
- Surface mining: We have a more conservative view on revenue growth in the near term and are focused on enhanced earnings and cash conversion from existing operations
-
- Investments: Demand for equipment rental, parts and services continues to grow on the back of the mining re-investment cycle
-
- Targeting an underlying NPAT(A) for FY20 of around \$140 million on the assumption that the positive market, and global and regional conditions remain favorable

Refer also to forward looking statements disclaimer on “Important notice and disclaimer” slide

Appendices

Share information

Share Price Performance (rebased)



Capital Structure



















Share price	\$1.75
Fully paid ordinary shares	685.8 million
Market capitalisation (undiluted)	\$1,200.1 million
Net debt (as at 30 June 2019)	\$533.9 million
Enterprise value	\$1,734.0 million

Substantial Shareholders

Gresham Investments	9.1%
FMR LLC	7.4%
Dimensional Fund Advisors	5.6%

As at 22 August 2019

Equipment

 Surface Mining	 Underground Mining	 Investments
Ancillary  102	Ancillary  26	Ancillary  59
Dozers  48	Drills  132	Dozers  34
Drills  196	Loaders  88	Excavators  7
Excavators  51	Trucks  87	Loaders  10
Loaders  22		Trucks  33
Trucks  197		
616	333	143

One-off adjustments explained

A	The AUMS step acquisition gains relate to the fair value adjustment on Perenti's existing 50% share in AUMS held prior to the acquisition of Barminco and foreign currency translation reserve derecognition. Under accounting standards, Perenti is required to recognise its 50% share of net assets in AUMS at fair value (including recognition of identifiable intangible assets and goodwill) at the acquisition date 31 October 2018
B	Includes transaction costs, redundancy costs, profit and loss impacted in relation to the fraud and one-off expense incurred during the period
C	Includes non-cash impairment adjustment to inventory, property, plant and equipment and other assets
D	Normalising for foreign exchange gain/loss incurred over the period
E	Includes customer related intangibles and software amortisation expense that is recognised post acquisition date of 31 October 2018
F	Tax adjustment to derive the underlying tax expense. The adjustment relates to deferred tax assets recognised upon the acquisition of the Barminco Group, the tax impact of impairment and uncertain tax positions in Africa
G	Non-IFRS measure that includes the financial contribution from Barminco and AUMS, assuming that Barminco and 100% of AUMS were owned from 1 July 2018. This includes pro forma adjustments to reflect impact on net interest expense from the repayment of the US\$300 million unsecured notes, additional interest expense on Revolving Credit Facilities drawdown, interest income impact and associated net of tax effect

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This Presentation may use non-IFRS financial information including EBITDA, EBITDA margin, EBIT(A), EBIT(A) margin, EBIT, NPAT(A) and EPS(A) (as well as the same measures stated on an underlying or proforma basis), net debt and return on average capital employed (ROACE). These measures are used to measure both group and operational performance. A reconciliation of non-IFRS financial information to IFRS financial information is included in the slide 10. Non-IFRS measures have not been subject to audit or review. Certain of these measures may not be comparable to similarly titled measures of other companies and should not be construed as an alternative to other financial measures determined in accordance with Australian accounting standards.

Revenue refers to external sales revenue.

\$ refers to Australian Dollars.

Expect More





Thank you

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