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MACMAHON

Euroz Hartleys Industrial Forum

21 November 2023

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ASX Information

This presentation is dated 21 November 2023, and was authorised for release to the ASX by Michael Finnegan, Chief Executive Officer and Managing Director of Macmahon Holdings Limited.

Macmahon Holdings Limited ACN 007 634 406
15 Hudswell Road, Perth Airport WA 6105

Our Business & FY23 Financial Highlights

60 Year Anniversary and record underlying operating earnings delivered

Our Business

- ✓ Established 1963
- ✓ Comprehensive range of integrated mining services in Australia and Southeast Asia
- ✓ Extensive track record in surface, underground mining and civil infrastructure services
- ✓ Long term relationships with clients – transparent, flexible alliance style approach

Underlying EBITDA¹ (Record)

\$308.7m ▲ 6%
15.7% margin

Revenue

\$1.9bn ▲ 12%

Underlying EBIT(A)¹ (Record)

\$116.6m ▲ 16%
6.1% margin

Underlying operating cash flow²

\$306.0m ▲ 13%
Cash Conversion 99.1%

ROACE³

14.5%

Order Book⁴

\$5.1bn

FY24 Secured Revenue⁵

\$1.6bn

FY24 Revenue Guidance⁶

\$1.7bn – \$1.8bn

FY24 EBIT(A) Guidance

\$130m – \$140m

1. Underlying numbers exclude total adjustments of \$9.9 million

2. Net operating cash flow excluding interest, tax, corporate development costs and SaaS customisation costs

3. ROACE: Underlying EBIT(A) / Average ((Total Assets excluding Cash) – (Current Liabilities excluding debt))

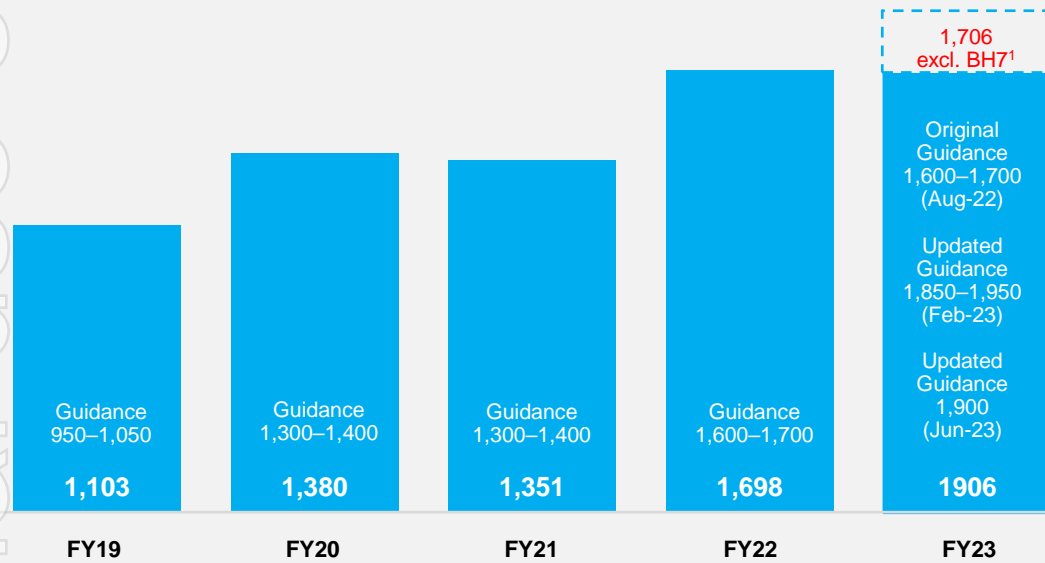
4. As at 30 June 2023 and excludes future contract cost escalation recoveries

5. Excludes short term civil and underground churn work and future contract cost escalation recoveries

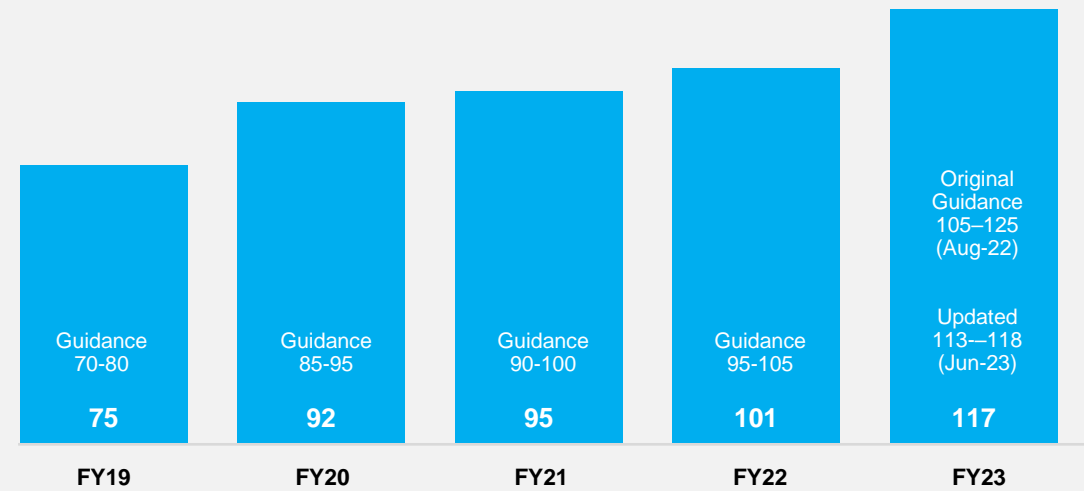
6. FY24 revenue guidance range assumes an exchange rate of AUD:USD 0.70 and excludes future contract cost escalation recoveries

Track record of delivering earnings guidance

Revenue (\$m)



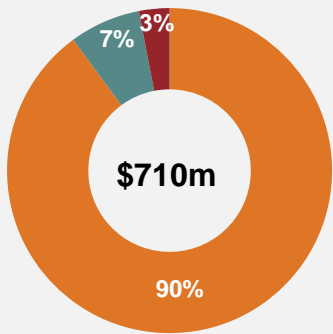
Underlying EBIT(A) (\$m)



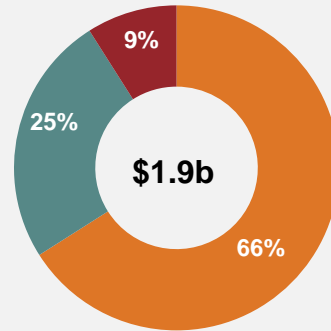
1 - excl. BH7 comprises ~ \$200m zero margin pass through costs relating to Batu Hijau Phase 7, no longer continuing in FY24 under Phase 8

Expanding into Lower Capital Intensity Services

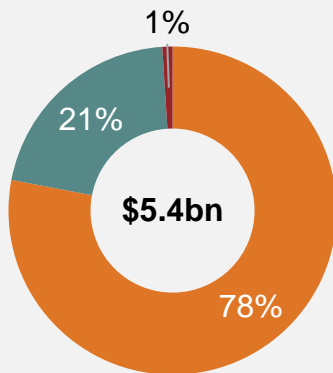
FY18 Revenue Mix



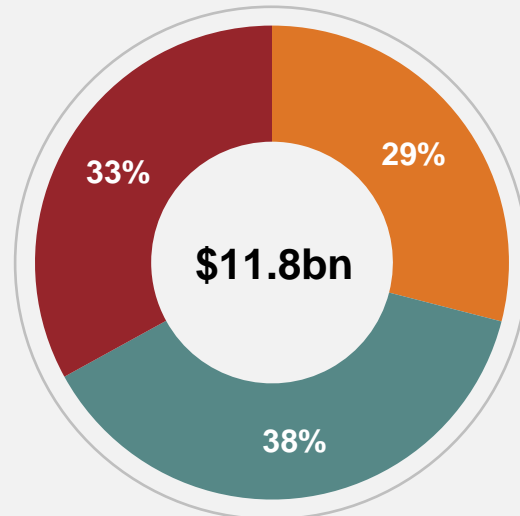
FY23 Revenue Mix



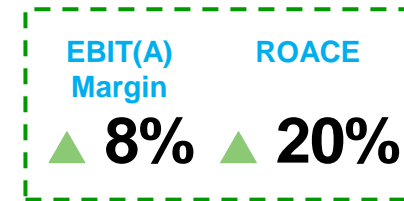
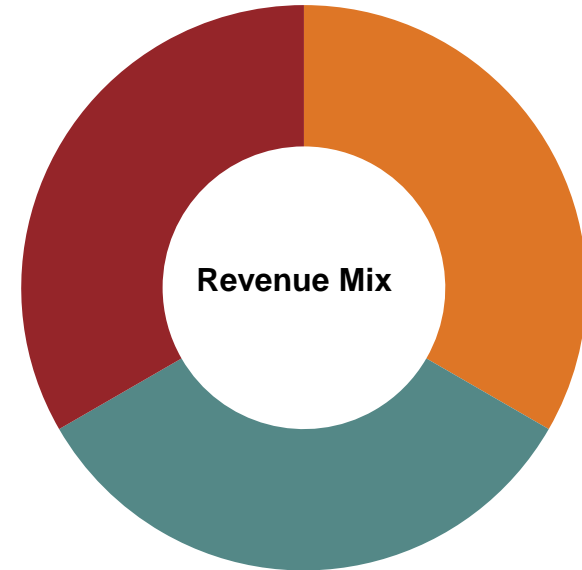
FY18 Pipeline



Tender Pipeline¹



TARGET



¹ - As at 17 November 2023

FY24 Operational & Strategy Execution Highlights

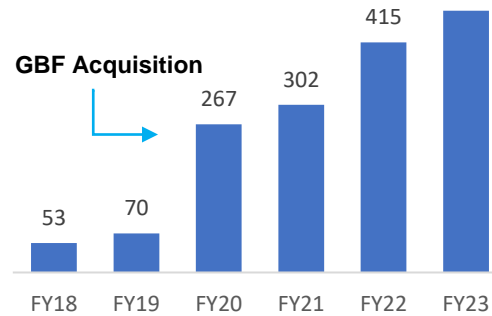
Execution of existing contracts while managing industry headwinds and securing highly filtered new work

Surface Mining

- **\$2.6b new work secured in FY23:**
 - **Successful start-up at Greenbushes** with ramp up expected to take ~6 months
- **Operational efficiency teams** in place to continue improvement in operational performance
- **Past peak growth capex investment phase**, focused on cash generation
- Looking at **opportunities to lower capital intensity** of existing and future surface operations

Underground

- Increased revenue from \$53m in FY18 to \$472m in FY23 (**CAGR of 44%**)



- **Targeting +50% increase in revenue over the next 2-3 years through organic growth**

Mining Support Services & Civil Infrastructure

- **Actively building internal capability and capacity** to accelerate growth
- Targeting large scale **civil infrastructure, engineering and rehabilitation** projects
- **Teaming and strategic partnership** arrangements being pursued
- **Considering inorganic growth opportunities** to accelerate development of civil infrastructure platform
- Growing and pursuing highly filtered tender pipeline with focus on **existing relationships and competitive advantages**

Corporate

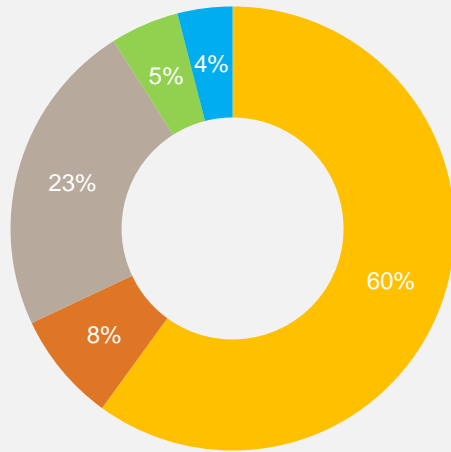
- Continue to grow our workforce from **8,368 to ~9,000**
- **Skilled labour shortages continued in Australia** (equipment maintenance and operators), but **employee turnover improving**
- Southeast Asia a balanced market with low turnover
- **Cost inflation subsiding**, but contract structures do provide **protection against rising input costs**, including labour
- Continuing to strengthen and review Balance Sheet for improvement opportunities
- **Net / EBITDA leverage ratio expected to reduce** as business enters free cash flow generation phase

Q1 FY24 Revenue Diversification

Continued improvement in business revenue mix including the addition of Lithium

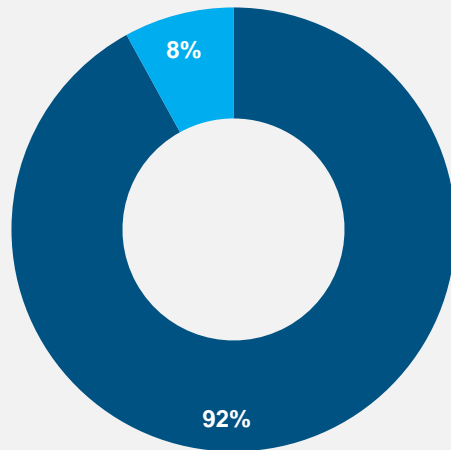
Commodity

- Gold
- Copper/Gold
- Met Coal
- Lithium
- Other



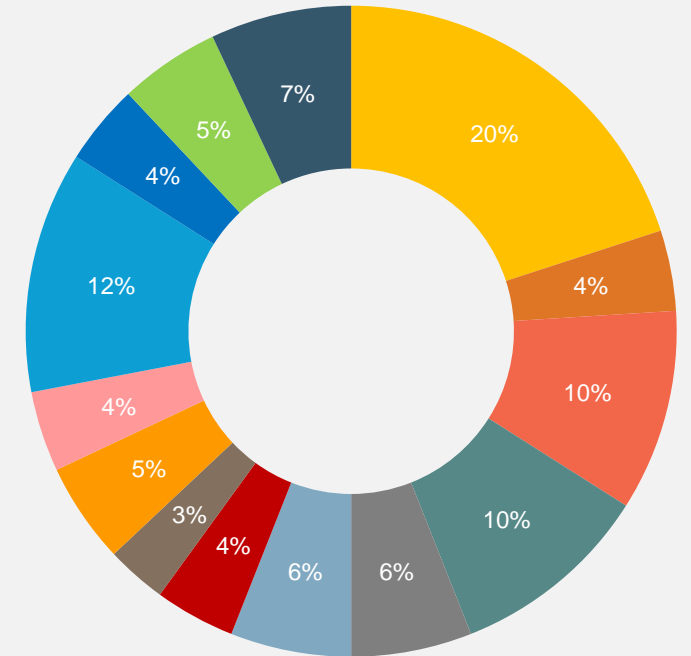
Region

- Australia
- Indonesia



Client

- AngloGold Ashanti
- Calidus
- Newcrest
- Red 5
- Silver Lake
- Genesis
- Copper
- PT AMNT
- PT Agincourt
- Gold
- Anglo America
- Met Coal
- Qmetco
- Q Coal
- Lithium
- BHP / BMA
- Talison
- Other



Key Projects

Diversified client portfolio

CLIENT	PROJECT	COMMODITY	CLIENT SINCE	END (UNLESS EXTENDED)	EST. MINE END DATE ¹	COST CURVE ¹
 ★	Tropicana, WA	Gold	2012	Life of mine	2033	Q2
	Telfer, WA	Gold	2016	Life of mine	2026	Q4
 ★	Byerwen, QLD	Met Coal	2017	June 2025	2069	Q1
 ★	Batu Hijau, Indonesia	Copper / Gold	2017	Life of Mine	2031	Q1
	Greenbushes, WA	Lithium	2023	Jun 2030	2039	Q1
	King of the Hills, WA	Gold	2021	Dec 2026	2038	Q3
	Dawson South, QLD	Met Coal	2021	Jun 2024	2037	Q1
	Warrawoona, WA	Gold	2021	Apr 2025	2031	Q2
	Martabe, Indonesia	Gold / Silver	2016	Mar 2030	2033	Q2
 ★	Boston Shaker, WA	Gold	2012	May 2024	2033	Q3
	Deflector, WA	Gold	2016	Apr 2025	2025	Q3
	Gwalia, WA	Gold	2021	Mar 2026	2031	Q4
	Foxleigh, QLD	Met Coal	2021	Feb 2026	2033	Q1
	Fimiston, WA	Gold	2021	Various	2034	-
	Saraji, QLD	Met Coal	2016	Dec 2023	2052	Q2



Capital Allocation Priorities

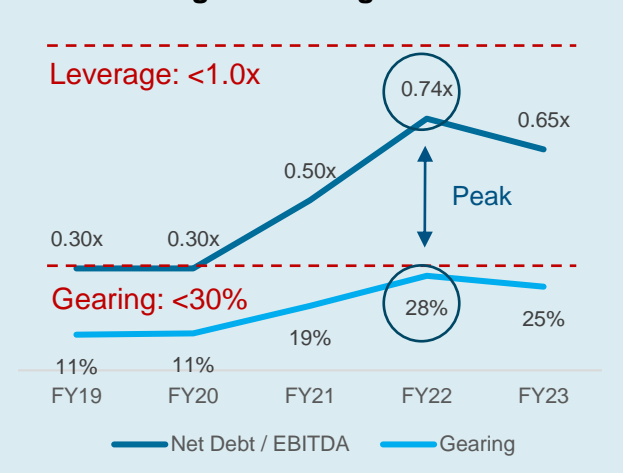
Our Priorities

- ✓ Maintain resilient balance sheet, ensure appropriate liquidity and gearing
- ✓ Disciplined and strategically aligned growth
- ✓ Increase cash return to shareholders

Capital Allocation

1. Maintain Financial Strength

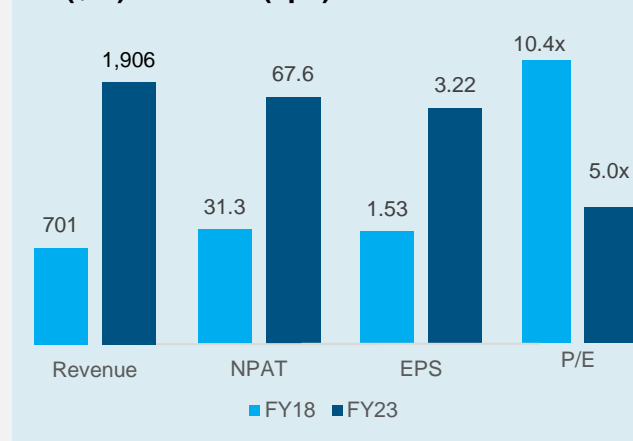
Leverage & Gearing Guiderails



Continue to reduce gearing and net debt

2. Investment in Growth

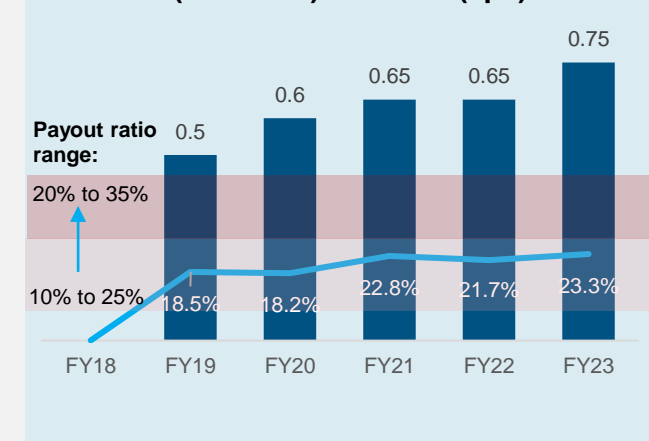
Increase in Revenue (\$m), Underlying NPAT (\$m) and EPS (cps) with attractive P/E¹



Targeting low capital growth in underground and civil infrastructure

3. Return Cash to Shareholders

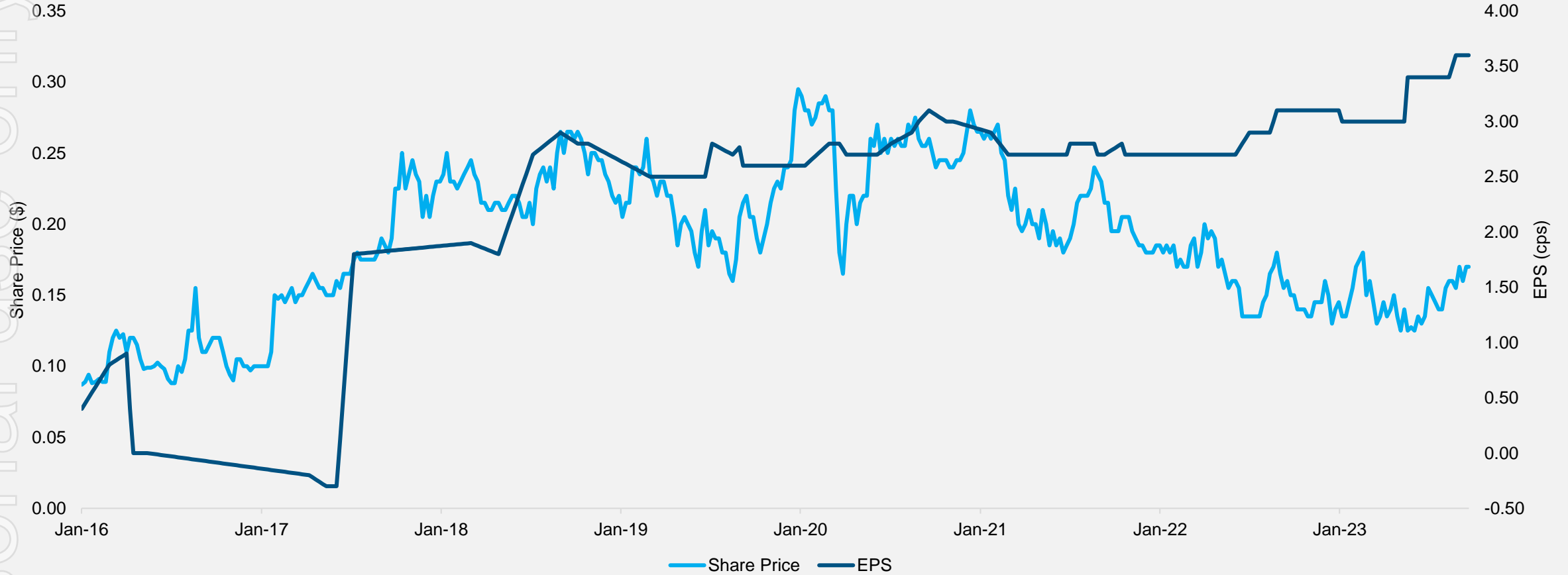
Historical Dividend Payout Ratio (% of EPS) and DPS (cps)



Increased payout ratio range to 20% to 35%

Share Price & EPS Divergence

Share Price Performance vs EPS



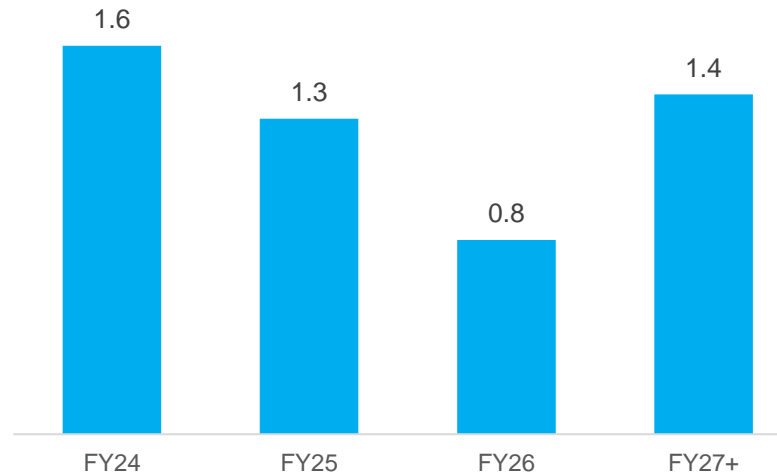
Order Book \$5.1bn¹ & Tender Pipeline \$11.8bn

Order book provides a high level of secured revenue and earnings

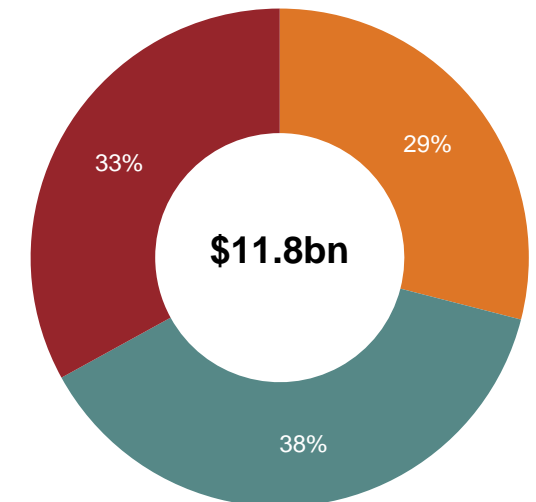
POSITIVE OUTLOOK

- ✓ Disciplined execution of our strategy
- ✓ Order book of \$5.1bn¹
- ✓ High level of secured revenue and earnings
- ✓ Highly filtered tender pipeline of \$11.8bn
- ✓ On track to deliver guidance for sixth consecutive year

**\$5.1bn¹ Work in Hand
Order Book Runoff (\$m)**



Tender Pipeline²



¹ – As at 30 June 2023 and excludes future contract cost escalation recoveries

² – As at 17 November 2023