For personal use only

MACMAHON

Annual Report
2024





For personal use only

PRINTED ON 100% RECYCLED PAPER

CONTENTS

2 Year at a Glance

4 Our Business

5 Map of Operations

6 Our Capabilities

8 Vision, Values and Strategy

10 Letter from the Chair

12 MD and CEO Report

17 Operational and Financial Review

39 Sustainability

45 Directors' Report

51 Remuneration Report

67 Financial Statements

127 Directors' Declaration

128 Independent Auditor's Report

132 Summary of Consolidated Reports

134 ASX Additional Information

136 Corporate Directory and Glossary

This Annual Report is a summary of Macmahon's operations and financial results for the financial year ended 30 June 2024.

In this report, all references to 'Macmahon', 'the Company', 'the Group', 'we', 'us' and 'our' refer to Macmahon Holdings Limited (ACN 007 634 406) and its controlled entities unless stated otherwise.

The information in this Annual Report covers all offices, sites and facilities wholly owned and operated by Macmahon, including the operational footprint that covers Macmahon Holdings Limited and its controlled entities.

References in this report to a 'year' are to the financial year ended 30 June 2024 unless stated otherwise. All currency amounts are in Australian dollars unless stated otherwise.

For personal use only

For personal use only

Year at a Glance

FINANCIAL YEAR 2024 HIGHLIGHTS

FINANCIALS

REVENUE

$2.0b ↑

FY23: $1.9 billion
FY22: $1.7 billion

UNDERLYING EBITDA

$351.7m ↑

FY23: $308.7 million
FY22: $291.4 million

UNDERLYING EBIT(A)

$140.3m ↑

FY23: $116.6 million
FY22: $100.8 million

UNDERLYING OPERATING CASH FLOW (before interest and tax)

$301.0m ↓

FY23: $306.0 million
FY22: $269.8 million

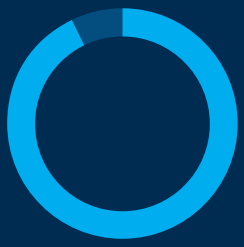
ORDER BOOK

$4.6b ↓

FY23: $5.1 billion
FY22: $5.0 billion

REVENUE DIVERSIFICATION

BY REGION (%)



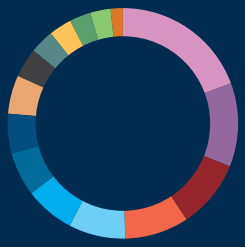
Australia	93
Southeast Asia	7

BY DIVISION (%)



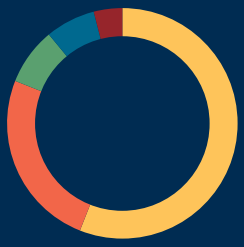
Surface	66
Underground	25
Mining Support and Civil Infrastructure	9

BY CLIENT (%)



AngloGold	19
QCoal	12
Red 5	10
Newmont	9
Anglo America	8
Talison	7
Genesis	6
Other	6
Silver Lake	5
QMetco	4
Calidus	3
PT AMNT	3
PT Agincourt	3
BHP	3
Northern Star	2

BY COMMODITY (%)



Gold	56
Met Coal	25
Copper/Gold	8
Lithium	7
Other	4

For personal use only

PEOPLE

GROUP WORKFORCE

9,676

TOTAL PEOPLE TRAINED

1,030

TRIFR

3.64

APPRENTICES

136

GRADUATES

36

TRAINEES

685

STRUCTURED LEADERSHIP DEVELOPMENT

273

We invest in building strong teams and seek individuals who want to make a significant contribution to our business.



For personal use only

OUR BUSINESS

Macmahon is a diversified contractor with leading capabilities in surface and underground mining, and mining support and civil infrastructure.

As an ASX-listed company, we provide services to many of the largest resources projects in Australia and Southeast Asia.

Founded in 1963, Macmahon services major resource companies across various commodity sectors. Our end-to-end mining services encompass mine development and materials delivery through to engineering, civil construction, onsite mining services, rehabilitation, site remediation, training and equipment maintenance and refurbishment services.



For personal use only

MAP OF OPERATIONS

MALAYSIA
- Selangor

INDONESIA
- Jakarta
- Batu Hijau
- Martabe
- Tujuh Bukit

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
- Telfer

QUEENSLAND
- Brisbane
- Coppabella
- Byerwen
- Dawson South
- Peak Downs
- Foxleigh

VICTORIA
- Fosterville

SOUTH AUSTRALIA
- Lonsdale
- Olympic Dam

SOUTHEAST ASIA



AUSTRALIA



20 Total Sites

4 Offices

3 Workshops

7 Commodities

Offices | Workshops | Surface | Underground | Mining Support and Civil Infrastructure

Due to formatting, map positioning is for illustration purposes only.

For personal use only

OUR CAPABILITIES

SURFACE MINING

Our surface mining division operates in Australia and Southeast Asia, offering a broad suite of services including:

- Bulk and selective mining
- Mine planning and analysis
- Drill and blast
- Crushing and screening
- Fixed plant maintenance
- Water management
- Equipment operation and maintenance
- Technology solutions partnering

UNDERGROUND MINING

Macmahon has a growing and highly experienced underground division specialising in underground mining and engineering services, including:

- Mine development
- Mine production
- Raise drilling
- Cablebolting
- Technology solutions partnering
- Shotcreting
- Remote shaft lining
- Production drilling
- Shaft sinking
- Paste Fill

MINING SUPPORT SERVICES

Civil Construction

Macmahon offers a wide range of design, civil earthworks, mine site infrastructure packages, mine rehabilitation, and closure services to mine owners, including:

- Topsoil and overburden stripping
- Bulk earthworks
- Road design and construction
- Mine infrastructure and services
- Train loading facilities
- Water infrastructure - dams, creek diversions, flood levies, and drainage structures
- Revegetation
- Rehabilitation monitoring and maintenance
- Non-process infrastructure
- Tailings storage facilities (TSF)

Engineering

Macmahon's extensive engineering capabilities provide clients with tailored mining solutions for projects both above and below ground with the ability to undertake design and fabrication and complete onsite construction.

Macmahon can deliver a comprehensive engineering, procurement, and construction offering from design to completion and maintenance, including:

- Shaft lining and maintenance
- Shaft fit out
- Ore pass liners
- Winder refurbishment
- Conveying, crushing, materials handling
- Emergency egress systems
- Pump stations and rising mains
- Site workshops and infrastructure

Business Improvement Consulting

Macmahon offers an advisory operational improvement service that can provide mine owners with the benefit of our contracting experience including:

- Operator coaching and industry skills training
- Cultural change programs for employees
- Advice and assistance with mine planning, maintenance and employee engagement

Equipment Maintenance, Refurbishment and Support Services

Macmahon offers comprehensive equipment maintenance, refurbishment and support services for a wide range of mining equipment. Our facilities in Western Australia, Queensland and South Australia provide Macmahon with the ability to:

- Service and maintain equipment, full in frame rebuilds including components, and complete repairs in workshops and/or in-field.
- Rapidly and efficiently deploy critical spares, parts and supplies to client locations.
- Train apprentices and employ a range of experienced tradespeople for rapid deployment to regional and remote sites.



For personal use only

VISION, VALUES AND STRATEGY

Vision

To be the preferred contracting and services company

For employees to work for

For customers to use

For shareholders to invest in

Values

In everything we do, we think and behave according to our values.

UNITED
Be Inclusive
Work Together
Support Each Other

COURAGE
Be Brave
Speak Up
Challenge Yourself

INTEGRITY
Be Honest
Respect People
Be Accountable

PRIDE
Be Humble
Work Hard
Celebrate Wins



For personal use only

For personal use only

Strategy

Macmahon is focused on expanding and improving its end-to-end mining service capabilities to achieve sustainable growth and optimise financial returns. Our people are focused on improving efficiencies, investing in future relevance and diversifying and expanding our service offering.

IMPROVE

Improve margins and execution

Consistently deliver our target margins by improving how we operate, how we manage contracts, and how we use systems.

INVEST

Invest in our competitive advantage and future relevance

Reinforce our positioning through investment in our people, our operating technology and our sustainability propositions.

EXPAND

Focused expansion in current markets

Expand our presence in core markets through focused, selective work winning.

DIVERSIFY

Position for the next wave of growth

Diversify our business to improve returns; enable growth through operating model evolution.



For personal use only

LETTER FROM THE CHAIR

Dear Shareholders,

Macmahon has continued with a strong performance for the 2024 financial year, making significant progress both operationally and financially. This includes delivering on market guidance for the eighth consecutive year, demonstrating the disciplined execution of the Company's strategy across market cycles.

Group revenue was $2.0 billion and underlying EBIT(A) was at a record level of $140.3 million, representing a solid financial performance with improvement in our return on average capital employed and free cash flow generation. We ended the year with $2.0 billion of secured work for FY25 and $4.6 billion of total work in hand. Importantly, safety performance also improved during the year as our workforce grew to a record 9,676 employees. This growth is a notable achievement, given the ongoing tight skilled labour market in the Australian mining sector.

The positive FY24 result was achieved during a period of increased volatility in some commodity prices. We see the benefit of portfolio diversity in our business as an important element in this regard and continue to work with our clients to effectively manage these challenges.

Macmahon's strategy is centred around building a sustainable, diversified and scalable business. Key to this is reducing capital intensity in the business and improving diversity of earnings through further expansion into underground mining, mining support services and civil infrastructure. The Company made significant progress on this front during the year including the acquisition of key Pit N Portal contracts from Emeco, and with reduced capital intensity through a long-term strategic equipment rental partnership with Emeco. There was also the acquisition of ASX listed civil contractor Decmil Group Limited, which will provide the foundation for Macmahon to accelerate civil infrastructure growth.

Our people are the critical ingredient to a sustainable company and we are fully committed to building a safe, respectful and inclusive work environment. We rolled out a number of programs, including the industry leading "Strong Mines, Strong Minds", Respect@Macmahon and the new "Macmahon Winning Way" which provide tangible benefits to our team and communities. Safety performance and employee wellness will continue to be of the highest priority.

Operating our business sustainably is a key objective for the Company, and we continued to take important steps during the year to manage our environmental impact and embed sustainability principles in our business planning, operations and culture. I encourage you to read our stand-alone Sustainability Report for ESG initiatives we are undertaking and how they benefit Macmahon, our clients and the community.

Macmahon adopts a disciplined approach to capital management and remains committed to paying a sustainable dividend in line with the Company's capital allocation policy. The Board is currently targeting a payout ratio of 20-35% of underlying earnings per share and following an increased interim dividend at the half-year is pleased to have declared an increased final dividend for FY24 of 0.60 cents per share (fully franked). This brings the full-year dividend to 1.05 cents per share, a 40% increase on the FY23 full-year dividend and representing a payout ratio of 24.0% of underlying earnings per share.

For personal use only

We saw changes to the Macmahon Board during the 2024 financial year. Eva Skira retired as Chair at the conclusion of the FY23 Annual General Meeting and I would like to acknowledge Eva's significant service and contribution to Macmahon over her 12 years on the Board.

Early in the financial year, we sadly announced the passing of the highly respected Bruce Munro and previous non-executive director of Macmahon.

We welcomed David Gibbs as the nominee Director of our major shareholder Amman following the departure of Alex Ramlie and Arief Sidarto, who stepped down from the Board in July due to commitments related to the IPO and listing of PT Amman Mineral Internasional on the Indonesia Stock Exchange.

Grahame White joined the Board in February and is an experienced executive and non-executive director with a background in the construction, energy and resources sectors in Australia and Asia. Dharmendra (Dharma) Chandran also joined the Board in February and is an experienced executive and non-executive director with significant expertise in the mining and civil contracting and construction sectors.

With these additions to the Board, I am confident we have an excellent team in place, comprised of a diverse range of skills and experience that will make a positive contribution to Macmahon.

I would like to conclude with some important acknowledgements. On behalf of the Board, I would like to thank our Managing Director and CEO, Michael Finnegan, for leading our dedicated and hard-working team in delivering another solid result for the year. They have laid important groundwork for continued growth into the future.

I also extend my thanks to all our team, clients, suppliers and shareholders for their commitment and contribution in making FY24 another positive year for the Company.

The business has a robust balance sheet and is well positioned with its lower capital intensity and improved earnings diversity to continue delivering strong financial performance across commodity and economic cycles.



HAMISH TYRWHITT

Independent,
Non-Executive Chair



For personal use only

MD AND CEO REPORT

KEY ACHIEVEMENTS

Macmahon reported another year of growth in revenue and underlying earnings. The FY24 financial result marked the eighth consecutive year the Company has met or exceeded its market guidance.

As with recent years, this consistency in performance has been delivered in a period characterised by skilled labour shortages and volatility in some commodity prices that have presented operational challenges for our clients and for our business. I am pleased to say that notwithstanding these challenges Macmahon has continued to execute its strategy, which has delivered a solid financial and operational result for the year.

We delivered annual revenue of $2.0 billion, which converted into record underlying earnings of $351.7 million EBITDA and underlying EBIT(A) of $140.3 million. This stems from the hard work of our incredible team, now at over 9,676 people, whose continual focus on commercial discipline and driving operational performance has delivered efficiencies for our clients and another strong year for Macmahon.

On an underlying basis, NPAT of $91.9 million was up 36% over the prior year, however, statutory net profit after tax (NPAT) of $53.2 million, was down on last year, primarily due to the impairment of the Company's $31.8 million exposure to Calidus Resources who announced the appointment of Receivers and Managers to its operations at the end of the period. This is disappointing for us and other stakeholders, but we are working with the Receivers to achieve the best outcome.

FY24 KEY OPERATIONAL HIGHLIGHTS

Continued improvement in group safety performance, while increasing the workforce 15.6% to 9,676 people.

Ending FY24 with a $4.6 billion order book including $2.0 billion secured for FY25.

Securing key new contract work and extensions for Boston Shaker ($352 million) and Dawson South (up to $390 million).

Greenbushes project ramped up successfully to reach steady state in April 2024.

Growing our underground business, which is now contrubuting over 26% of group revenue, and we are targeting +50% growth over the next 2-3 years.

Successful acquisition of key Pit N Portal contracts from Emeco, with around 220 people and projects fully integrated into Macmahon's underground business.

Actively lowering capital intensity of surface projects, including equipment sale at Dawson South ($44 million net cash proceeds collected over FY24 and FY25) and entered into a five-year strategic rental agreement with Emeco.

Record gold production at King of the Hills and Byerwen production consistently on target.

Pursuing highly filtered combined civil tender pipeline of $11.6 billion.



In August 2024, $104 million cash paid with the 100% acquisition of Decmil to accelerate civil business growth across Australia, aligning with our strategic focus to diversity earnings and reduce capital intensity.

For personal use only

Macmahon generated underlying operating cash flow of $301.0 million, representing an overall conversion rate from underlying EBITDA of 85.6%. This underpinned $74.6 million in free cash flow generation, with the Company reducing net debt to $146.6 million at year end.

HEALTH AND SAFETY

The safety and wellbeing of our people is our highest priority with Macmahon promoting a culture of continuous improvement. Pleasingly, our safety performance has continued to improve in FY24 with Macmahon's Total Reportable Injury Frequency Rate (TRIFR) decreasing to 3.64 in FY24 from 3.94 in FY23, and more importantly, there were no permanent life altering injuries.

Our commitment to workplace safety and wellbeing includes the unequivocal commitment of the leaders at Macmahon to continue building a safe, respectful and inclusive workplace. Through the delivery of our Respect@Macmahon roadmap, which encompasses Psychosocial, Sexual Harassment, Culture and Winning at Macmahon, we have rolled out a number of additional training and culture initiatives, including updating our critical risk standards and rolling out The Macmahon Winning Way, a new leadership program to enhance effective leadership and promote psychosocially safe work environments, something that is crucial for the Company's success.

Macmahon's Strong Minds, Strong Mines program is an award-winning initiative that continues to deliver mental, physical and social health support to our people and the broader mining industry The program seeks to remove the stigma around mental health and has been extended with Strong Minds, Strong Schools successfully piloted in a number of Western Australian schools during the year, providing an opportunity for larger scale deployment.

PEOPLE

Macmahon has continued to be successful in attracting talent in a challenging labour market. Our workforce has now grown to 9,676 people, including welcoming around 220 highly skilled workers via the Pit N Portal acquisition in February. Post year end, we also completed the Decmil acquisition which saw us welcome a further 200 employees to our team.

We continue to focus on the engagement of our people and developing our culture. Embedding our evolved Company values, pulse check and engagement surveys, and the execution of our Diversity, Equity and Inclusion Roadmap all contribute towards ensuring Macmahon provides an inclusive work environment that is reflective of the diverse communities in which we operate.

Development of our people continues to advance with ongoing investment in our Grow Our Own program, involving new to industry and skills upgrade programs. This saw us conduct 889 traineeships with 236 successfully completing their programs during FY24.

Macmahon has an agile and flexible workforce, and this was demonstrated at the end of the fiscal year with operations at Calidus Resources' Warrawoona mine transitioning to care and maintenance shortly after year end. We have worked with the Macmahon team at Warrawoona to find suitable opportunities across other projects where the Company operates at.

CAPITAL MANAGEMENT AND DIVIDEND

Macmahon's capital management strategy and capital allocation policy reflect the importance of paying stable dividends to our shareholders and retaining financial flexibility to enable continued execution of our strategy. Our priorities remain to keep a resilient balance sheet ensuring appropriate liquidity and gearing, retain flexibility to fund organic growth and accretive acquisitions, and provide increased cash returns to shareholders.

We have been executing on each of these fronts. Net Debt/EBITDA at 0.42x and gearing at 18.8% are improvements on last year, and were within our internal guiderails of 1.0x and 30% respectively. An increase in total dividends for FY24 to 1.05 cents per share is also in line with an increased payout ratio of 20% to 35% of underlying earnings per share from FY24.

Core objectives include increasing free cash flow generation to improve our cash backed return on average capital employed (ROACE). We increased our ROACE target to 20% having exceeded our long-term target of 15% in the first half of FY24.

This reflects the completion of a high growth capital expenditure phase for new projects, gains we have made around growing, and as this occurs, we can look to increase dividend returns to shareholders.

For personal use only

STRATEGY

Macmahon's strategy maintains focus on responsibly growing the business and optimising margins, increasing cash flow generation and cash backed ROACE through diversifying the earnings mix and reducing the capital intensity of the business.

Capital light is a term we have increasingly used in conjunction with Macmahon's growth plans. We have made progress in reducing the capital intensity of the business by diversifying and expanding revenue to include more underground mining and civil infrastructure projects, which are typically less capital intensive than surface mining, and support higher ROACE.

Underground mining has grown to comprise around 26% of group revenue, compared to around 7% in FY19. A key step to building scale in underground was the Pit N Portal transaction that added a significant skilled employee base in a tight Australian labour market. As part of that transaction, an accompanying long term strategic rental agreement with Emeco facilitates growth flexibility and enhances free cash flow generation for the Company. Macmahon has further growth aspirations for the underground business, targeting a 50% increase in revenue over the next two to three years.

Macmahon's intentions to expand its civil infrastructure business also took a significant step forward with the completion of the Decmil acquisition in August 2024. The acquisition provides capability, an established and scalable foundation to accelerate civil growth and is should improve the Company's overall ROACE through its lower capital intensity. It will also bring earnings and geographic diversification benefits with less mining commodity exposure and increased exposure to non-resource work in government infrastructure (e.g. roads, bridges) and renewables (e.g. wind farms) to offset the cyclicality of the mining sector.

Our established surface mining business provides scale and contract tenure, with our focus continuing to optimise margins, cost and capital efficiency whilst pursuing lower capital surface opportunities and growth.

In addition to investing in the Company's core businesses, Macmahon will continue to invest in the development of its people, systems, processes and tech-enabled efficiency gains to maintain and enhance competitive advantage.

OUTLOOK

Macmahon enters FY25 with a positive outlook, including our $4.6 billion order book and high level of secured work for the current financial year of $2.0 billion putting us in a strong position for the year ahead.

The Company also has a robust $21.4 billion highly filtered tender pipeline, that continues to support a positive demand outlook for the business, and also our objectives to grow in lower capital intensity segments.



For personal use only

The Decmil acquisition has added approximately $6.0 billion to Macmahon's existing tender pipeline which includes $4.5 billion of civil opportunities as at the end of FY24. This creates a more resilient business with less concentrated resource commodity exposure and provides a natural hedge to the cyclicality of contract mining.

While the highly skilled labour market is still challenging, there are some signs that it is easing. Macmahon will continue to invest internally and manage any issues that have been prevalent in the industry for some time now.

Levels of activity in the underground and civil infrastructure sectors, along with the broader mining sector, remain strong and Macmahon has diversity in its order book, client base and capabilities. Overall, Macmahon is well positioned to continue its strong performance and capitalise on high quality growth opportunities ahead.

BOARD

Before I close, I would like to acknowledge the Board, which has had some changes throughout the year. Eva Skira retired as Chair, after 12 outstanding years of service on Macmahon's Board and more than four as Chair. She was replaced by Hamish Tyrwhitt who joined Macmahon's Board in 2019. I would also like to acknowledge the sad passing of Non-Executive Director, Bruce Munro during the period. Bruce had a long and distinguished career over four decades in the construction and mining sectors in Australia and Southeast Asia and is dearly missed as a friend, trusted colleague and industry champion.

David Gibbs was appointed as the nominee Director of our major shareholder Amman, following the departure of Alex Ramlie and Arief Sidarto, bringing a wealth of operational and broader sector experience. We also welcomed Dharma Chandran and Grahame White, who have both significant expertise in the mining and civil contracting and construction sectors.

CONCLUSION

In closing, I would like to thank the Board, our clients, shareholders and all our stakeholders for their ongoing support. The Macmahon team is critical to any success, so finally I would like to express my gratitude to them, and commend our people for their vital contribution and commitment during the year.



MICHAEL FINNEGAN

Managing Director and Chief Executive Officer



For personal use only

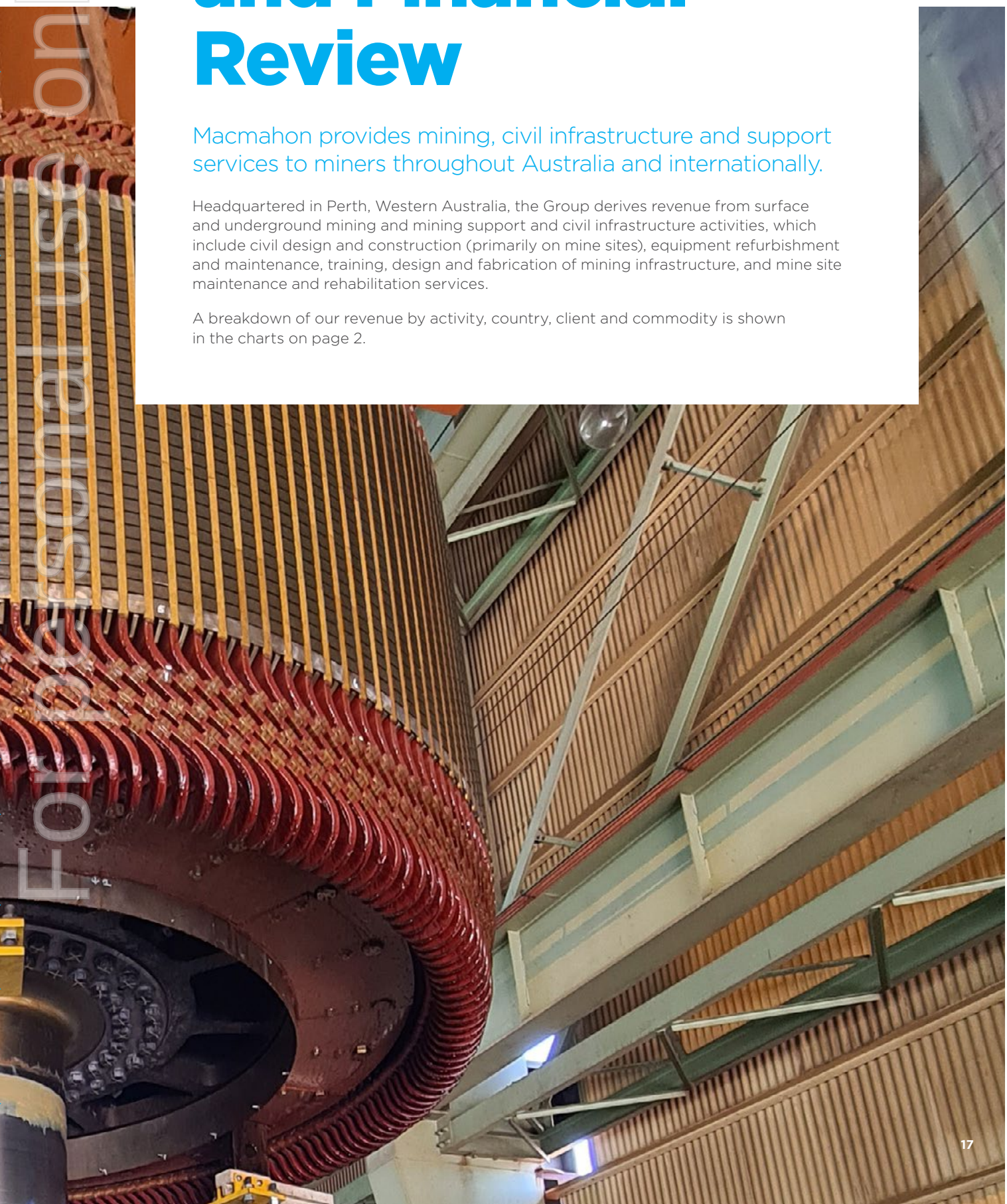
For personal use only

Operational and Financial Review

Macmahon provides mining, civil infrastructure and support services to miners throughout Australia and internationally.

Headquartered in Perth, Western Australia, the Group derives revenue from surface and underground mining and mining support and civil infrastructure activities, which include civil design and construction (primarily on mine sites), equipment refurbishment and maintenance, training, design and fabrication of mining infrastructure, and mine site maintenance and rehabilitation services.

A breakdown of our revenue by activity, country, client and commodity is shown in the charts on page 2.



For personal use only

SURFACE MINING

Macmahon's surface mining division offers the full suite of services including bulk and selective mining, mine planning, drill and blast, crushing and screening, water management, and equipment operation and maintenance.

Macmahon's surface mining fleet currently includes a broad range of excavators, dump trucks, front-end loaders, dozers, and drill rigs. Macmahon's fleet is sourced from various providers, including Caterpillar, Hitachi, Liebherr and Epiroc.

KEY PROJECT ACTIVITY

During the year, Macmahon provided services to the following projects:

King of the Hills Gold Mine
Macmahon has commenced a five-year contract with Red 5 to provide surface and underground mining services at the King of the Hills Project near Laverton in Western Australia.

Greenbushes Lithium Mine
Macmahon commenced a seven-year contract with Talison Lithium to provide open-cut mining services of load and haul, and crusher feed. Mining operations commenced on 1 July 2023.

Telfer Gold Mine
Macmahon is fulfilling a life of mine contract at the Telfer project in Western Australia for Newmont.

Tropicana Gold Mine
Macmahon is fulfilling a life of mine contract at the Tropicana project in Western Australia for AngloGold Ashanti and joint venture partner, Regis Resources.

Byerwen Coking Coal Mine
Macmahon has been providing open-cut mining services at the Byerwen Coking Coal Mine in Queensland's Bowen Basin for QCoal since the establishment of the mine in November 2017.

Dawson South Metallurgical Coal Mine
Macmahon provides surface mining services for Anglo American's Dawson South operations, an open-cut metallurgical coal mine in the Bowen Basin in Queensland. On 1 July 2024, Macmahon commenced a one year extension of the contract, with a further extension option for two years.

Batu Hijau Copper/Gold Mine
Macmahon is performing its life of mine contract to provide all mining services at the Batu Hijau mine in Indonesia for PT Amman Mineral Nusa Tenggara. Batu Hijau is a well-established, world-class copper/gold deposit. The contract is currently in Phase 8.

Langkawi Quarry
Macmahon is currently fulfilling a mining services quarry contract for YTL Cement on Langkawi Island (Malaysia).

Martabe Gold Mine
Macmahon is contracted by PT Agincourt Resources to provide mining services at the Martabe Gold Mine in the North Sumatra province of Indonesia. The contract is currently in Phase 8 and extended to 2030.

Warrawoona Gold Project
Macmahon provided open-cut mining services at the Warrawoona Gold project in Western Australia for Calidus Resources. On 28 June 2024, Calidus Resources Limited went into administration and with the operations at Warrawoona placed into care and maintenance early July 2024, the receivable of $31.8 million owing to Macmahon has been fully impaired. This has been excluded from underlying EBIT(A) at 30 June 2024.

As part of an update on 2 August 2024, the Receivers and Managers are seeking urgent expressions of interest for the acquisition and/or recapitalisation process of Calidus Resources Limited. At this early stage of the process, Macmahon anticipates this will be a pathway for recoverability.

For personal use only

Project Extensions

DAWSON SOUTH

Queensland

Metallurgical Coal
Client: Anglo American

EXTENSION PROJECT

1 year

plus a 2 year option

VALUE

$200 million

PEOPLE

215





For personal use only

UNDERGROUND MINING

Macmahon's underground mining division offers underground development and production services, a broad range of ground support services, as well as services to facilitate ventilation and access to underground mines, including shaft sinking, raise drilling and shaft lining.

Macmahon's underground mining fleet is comprised of trucks, loaders, jumbo drills, long hole production drills, and raise drills. This equipment is predominantly sourced from Sandvik, Komatsu, Epiroc and Caterpillar.

KEY PROJECT ACTIVITY

During the year, Macmahon provided services to the following projects:

Gwalia Gold Mine
Macmahon is fulfilling an underground mining services contract with Genesis Minerals at its Gwalia Gold Mine in Western Australia. The scope of work includes mine development, ground support, production drilling and blasting, loading and trucking, shotcreting and paste fill reticulation.

Ulysses Gold Mine
Macmahon was engaged by Genesis Minerals to undertake the initial development at their new Ulysses underground mine approximately 20km south of their Gwalia Mine. Development of this mine commenced in April 2024.

Boston Shaker Gold Mine
Macmahon provides all production and development mining services at the Boston Shaker underground mine at the Tropicana site, a joint venture between AngloGold Ashanti and Regis Resources. The scope includes the development of the Tropicana surface ore body through the Boston Shaker decline.

King of The Hills Gold Mine
Macmahon commenced a five-year contract with Red 5 to provide surface and underground services at the King of the Hills Project near Laverton in Western Australia. The underground scope of works includes all development and production.

Deflector Gold Mine
Macmahon is fulfilling a contract to provide underground mining services to Silverlake Resources at the Deflector Gold Project in Western Australia. The underground scope of works includes all development and production.

Daisy Milano Gold Mine
Macmahon provides mining services to Silverlake Resources at the Daisy Milano underground mine near Kalgoorlie in Western Australia.

Tank, Durkin and Cassini Mines
In December 2024, Macmahon entered into an agreement to acquire Pit N Portal underground contracts from Emeco, adding the Daisy Milano and Tank projects owned by Silverlake Resources and Durkin and Cassini projects owned by Wyloo Metals to the underground portfolio. While the Durkin, Cassini, and Tank projects finished in Q4 of FY24, as expected, the projects provided Macmahon with a trained an experienced workforce of approximately 200, which were able to be offered redeployment opportunities on other Macmahon sites.

Tujuh Bukit Gold/Copper Mine
Macmahon continued to provide underground mining services and support, including fixed plant maintenance and road maintenance for the exploration decline.

Granny Smith Gold Mine
Macmahon provides cablebolting services to Goldfields near Laverton in Western Australia.

Fosterville Gold Mine
Macmahon provides cablebolting services to Kirkland Lake Gold in Victoria.

Leinster Nickel Mine
Macmahon provided production drilling and other mining services to BHP in the eastern Goldfields in Western Australia.

For personal use only



Other

Macmahon provides raise drilling services to various sites in Australia, including King of the Hills for Red 5 and BHP's Cliffs Mine near Mt Keith in Western Australia, Tomingley Gold Mine in Dubbo, New South Wales for Alkane Resources and at Olympic Dam in South Australia for BHP, where Macmahon has been providing raise drill services for over 30 years.

Macmahon's growing engineering division provides various services to a number of clients, including shaft sinking at Agnico Eagle Mines Fosterville Gold Mine, shaft and winder refurbishment to BHP's Olympic Dam Project, and ore pass liners for IGO Limited's Cosmos mine.

Project Extensions

BOSTON SHAKER

Western Australia

Gold
Client: AngloGold Ashanti and Regis Resources

EXTENSION PROJECT

3 years

VALUE

$352 million

PEOPLE

250





For personal use only

MINING SUPPORT AND CIVIL INFRASTRUCTURE

Macmahon provides consulting, design, procurement, fabrication, construction, equipment sales and hire, equipment refurbishment, maintenance, training services and site rehabilitation services to the resources sector. Macmahon is focussed on building its civil infrastructure and construction business in Australia and Southeast Asia as part of its ongoing strategy to diversify its business.

EQUIPMENT REFURBISHMENT, MAINTENANCE AND SUPPORT SERVICES

Macmahon owns and operates world-class purpose-built equipment maintenance facilities, allowing it to support frontline contracting services with a full suite of equipment refurbishment, maintenance and skilled labour services.

Macmahon's primary workshop, located in Perth, Western Australia, is a key operational asset with the ability to rebuild equipment and components. This facility allows Macmahon to provide specialised workshop equipment services to internal and external clients and to rapidly and efficiently deploy supplies maintenance supplies to client locations, and conduct essential in-field or onsite maintenance work.

TRAINING SERVICES

Macmahon is committed to continuous training and development of our people, providing workers with the necessary skills and knowledge to maximise their potential. Underpinning this is our registered training organisation (RTO) with two training hubs located at our Coppabella Queensland and Perth Airport Western Australia facilities.

Programs offered facilitate face-to-face training and assessment services involving mining simulated technologies to a range of new-to-industry and experienced industry workers. Our training services include National Traineeship Programs, apprenticeships, high-risk work licenses, leadership development and equipment operator training. We also have an ex-Defence program to support veterans who are new to industry, utilise their transferable skills and complete targeted fast track trade upgrades.

KEY PROJECT ACTIVITY

During the year, Macmahon provided mining support and civil infrastructure services in Western Australia, Queensland and Indonesia, including:

Fimiston Gold Mine
Macmahon has completed construction of Tailings Storage Facility (TSF) 2 for Northern Star Resources.

Telfer Gold Mine - Civil
Macmahon commenced work on TSF 7 and 8 for Newmont and expect to complete these works in FY25.

Peak Downs and Saraji Mines
Macmahon provides multiple mining services and rehabilitation projects in Queensland, including approximately 56ha of rehabilitation at Peak Downs and Saraji Mines.

Foxleigh Project
Macmahon has been fulfilling a contract to supply equipment hire and maintenance services for the Foxleigh Coal Mine in the Bowen Basin since March 2021.

Hu'u Copper/Gold Mine
Macmahon has constructed an 11km access road at the Hu'u copper-gold exploration project and continues to provide maintenance services for the access road on Sumbawa Island in Indonesia.

Martabe Gold Mine
Macmahon has commenced the construction of the new tailings dam at the Martabe Gold Mine in North Sumatra, Indonesia.

For personal use only



Other
Macmahon continued to successfully deliver long-term mining support and civil infrastructure services in addition to a number of rehabilitation and other projects to clients in the Bowen Basin. Macmahon is pursuing numerous additional opportunities to support its growth strategy in the civil, infrastructure and rehabilitation areas.

Decmil Acquisition
On 15 April 2024, Macmahon entered into a Scheme Implementation Deed to acquire all of the fully paid ordinary shares and redeemable convertible preference shares on issue in Decmil Group Limited ('Decmil') by way of two separate, inter-conditional Schemes. Decmil provides multi-disciplinary project delivery across the infrastructure, resources, and renewable energy sectors, and has been in operation for over 40 years. Its core operations add increased exposure for Macmahon to both the renewable and government infrastructure sectors which have a steady growth trajectory. The acquisition of Decmil supports Macmahon's strategy of achieving continued earnings growth while diversifying earnings into less capital-intensive civil infrastructure business.

⊕ **New Project**

TELFER TSF CIVIL

Western Australia

Gold and Copper
Client: Newmont

TAILINGS DAM CIVIL WORKS

CONTRACT TERM

1 year

VALUE

$33m

PEOPLE

44





Images taken May 2024

For personal use only

FINANCIAL REVIEW

FROM OPERATIONS BEFORE SIGNIFICANT ITEMS

	1H24 $m	2H24 $m	FY24 $m	FY23 $m
Revenue				
Australia	871.0	1,014.5	**1,885.5**	1,543.3
Indonesia	93.8	48.8	**142.6**	359.9
Other International	1.5	1.7	**3.2**	3.0
Group Revenue	966.3	1,065.0	**2,031.3**	1,906.2
EBITDA (underlying)	176.0	175.7	**351.7**	308.7
EBIT(A) (underlying)	68.1	72.2	**140.3**	116.6
NPAT (underlying)	39.7	52.2	**91.9**	67.6
EBITDA (reported)	172.8	140.6	**313.4**	303.9
EBIT (reported)	65.0	36.7	**101.7**	106.7
NPAT (reported)	36.5	16.7	**53.2**	57.7

Note: With the exception of revenue and NPAT (reported) the other measures above are not defined by IFRS and are unaudited. Refer to Summary of Consolidated Reports section for reconciliation of underlying results.

PROFIT AND LOSS

Macmahon delivered revenue and underlying earnings growth in line with its publicly stated guidance. Revenue for the Group increased by 6.6% to $2.0 billion (30 June 2023: $1.9 billion) mainly attributed to the commencement of Greenbushes in July 2023, inclusion of the Pit N Portal contracts acquired on 31 December 2023 and organic growth in existing projects.

Underlying earnings (before interest, tax, customer contracts amortisation and other adjusting items (EBIT(A)) for FY24 increased by 20.3% to $140.3 million (30 June 2023: $116.6 million). Similarly, underlying earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 13.9% to $351.7 million (30 June 2023: $308.7 million).

On 28 June 2024, Calidus Resources Limited went into administration and with the operations at Warrawoona placed into care and maintenance early July 2024, the receivable of $31.8 million owing to Macmahon has been fully impaired. This has been excluded from underlying EBIT(A) at 30 June 2024.

As part of an update on 2 August 2024, the Receivers and Managers are seeking urgent expressions of interest for the acquisition and/or recapitalisation process of Calidus Resources Limited. At this early stage of the process, Macmahon anticipates this will be a pathway to recoverability.

Depreciation (excluding amortisation on customer contracts) and Net Finance Costs

Depreciation (excluding customer contract amortisation) and net finance costs for the year increased from $191.7 million and $24.3 million, respectively, to $211.4 million and $26.8 million. The increase in depreciation attributed to the growth in property, plant and equipment for new projects, whilst the increase in net finance costs relate primarily to increased interest rates and borrowing costs with the execution/extension of facilities.

Tax

The Group reported a tax expense of $21.7 million and an effective tax rate of 28.9%. The prior year's effective tax rate was 30%.

BALANCE SHEET

Net assets increased from $608.8 million to $633.5 million at 30 June 2024. Total assets and total liabilities decreased by $13.4 million and $38.1 million, respectively, due to sales of assets to Dawson South and generation of operating cash flow through profitable operations which were used to repay debts resulting in significant reduction of net debt from $201.9 million to $146.6 million.

The Group's net tangible assets (NTA) increased by 4.1% to $623.1 million at 30 June 2024 (30 June 2023 $598.3 million). As a result, NTA per share increased from 27.8 cents per share to 28.9 cents per share.

For personal use only

Working Capital

Investment in net working capital increased by 67.8% to $165.5 million during the period, primarily due to commencement of new projects during the year, projects acquired from Pit N Portal during FY24 and timing of receipts for certain receivables. Current trade and other receivables and inventory increased from $331.0 million and $92.3 million, respectively, to $382.8 million and $105.4 million at 30 June 2024. The current trade and other payables at 30 June 2024, of $322.7 million, remained consistent with the prior year of $324.7 million.

Net Debt

Net debt at 30 June 2024, reduced from $201.9 million to $146.6 million, representing a gearing of 18.8%. This comprised cash on hand at 30 June 2024, of $194.6 million (30 June 2023: $218.2 million), offset by borrowings of $341.2 million (30 June 2023: $420.1 million). Net debt to EBITDA for 30 June 2024, was 0.42 times.

The decrease in net debt of $55.3 million was primarily due to cash flow from operations and sale of assets to Dawson South, partially offset with the payment of dividends.

As at 30 June 2024, cash and unutilised working capital facilities totalled $280.2 million (30 June 2023: $299.9 million).

CASH FLOW

Underlying operating cash flow (excluding interest, tax, acquisition and SaaS customisation costs) for the year ended 30 June 2024, was $301.0 million (30 June 2023: $306.0 million), representing a conversion rate from underlying EBITDA of 85.6%. Cash conversion was impacted with Calidus Resources Limited placed into administration and approximately $11 million cash receipts from a client being received on 1 July 2024, which was partially offset with 50% payment from Dawson South for the sale of assets. The remaining 50% payment is due in 2025.

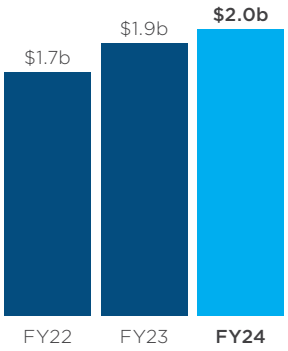
Capital Expenditure

Capital expenditure for property, plant and equipment for the year totalled $207.1 million (2023: $239.4 million), comprising $57.1 million (2023: $46.2 million) acquired through finance leases and $150.0 million funded in cash (2023: $193.2 million). Excluding tyres of $33.5 million (2023: $28 million), the capital expenditure for property, plant and equipment was $173.57 million (2023: $211 million)

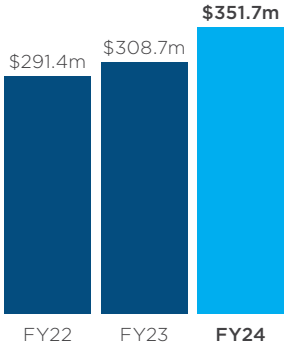
DIVIDEND

The Board has approved the payment of a final dividend of 0.60 cents per share for FY24. This equates to a total dividend declared for FY24 of 1.05 cents per share.

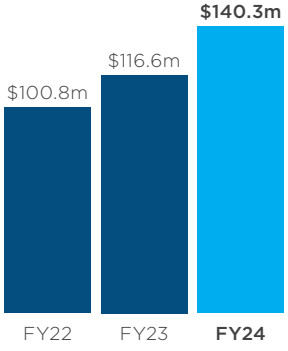
REVENUE



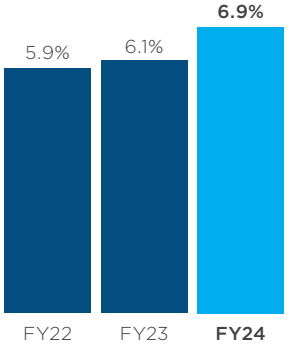
UNDERLYING EBITDA



UNDERLYING EBIT(A)



UNDERLYING EBIT(A) MARGIN



For personal use only

RISK MANAGEMENT

Macmahon defines risk management as the identification, assessment and management of risks that have the potential to materially impact on its operations, people, reputation, and financial results.

Given the breadth of operations, the geographies and the markets in which Macmahon operates, a wide range of risk factors have the potential to impact Macmahon. While Macmahon attempts to mitigate and manage risks where it is efficient and practicable to do so, there is no guarantee these efforts will succeed. Macmahon's corporate governance statement sets out its risk management policy, which includes an overview of the policy, framework and processes.

Summarised below are the material business risks that may affect the achievement of Macmahon's strategies, performance and prospects.

PEOPLE AND CULTURE

Given the current shortage in skilled labour and surge in demand for contract mining services in Australia, Macmahon could face difficulties securing specialised skilled employees aligned with Macmahon's values and objectives. This could result in significant operational delays and inefficiencies, reducing productivity and increasing operational costs. It can also elevate safety risks, as inexperienced workers may be more likely to be involved in workplace accidents.

To mitigate this risk, Macmahon has made culture a key focus of the business by championing our values and pursuing a strategy of creating a rewarding and supportive workplace. The development and implementation of initiatives like the Respect@Macmahon Roadmap and the Diversity, Equity, and Inclusion Roadmap have further embedded our values across the business. Additionally, Macmahon has increased its apprenticeship intake and training programs and conducts ongoing employee engagement surveys to continuously assess and improve our workplace culture. These efforts not only reinforce our commitment to our values but also ensure a thriving, inclusive, and motivated workforce.

INDUSTRIAL RELATIONS AND UNION CHANGES

Macmahon aims to maintain strong relations with our workforce in order to ensure a safe and productive working environment. Disruptions to Macmahon's operations and work environment could occur due to increased union activism, shifts in the political landscape, or alterations in industrial relations legislation, which could potentially impact our ability to provide continuity of supply and/or work environment. Macmahon has Enterprise Agreements to cover the majority of the wages workforce for existing projects.

PSYCHOSOCIAL HARM RISK

Psychosocial harm refers to incidents that may cause harm to the mental health of our workforce. Failure to adequately implement workplace policies or enforcement to prevent harassment or bullying, effectively report or provide support systems for affected employees, and provide adequate training to prevent such incidents could compromise employee wellbeing. The deteriorating mental health of employees could lead to increased absenteeism or turnover, difficulty in attracting and retaining talent due to negative workplace culture, potential legal implications, operational disruptions due to workforce instability, and potential reputational damage impacting the Company's ability to retain clients and impacting operational and financial performance. To mitigate this risk, Macmahon is committed to ensuring the safety and wellbeing of our people, communities, and environment around us. The Respect@Macmahon Roadmap is always expanding and continues to drive improvements in this area. We implement policies and standards, including the Code of Conduct, Diversity and Inclusion Policy, Sexual Harassment Policy, Whistleblower Policy, and the Equal Employment Opportunity Complaint and Resolution Procedure, designed to protect our workforce. These underpin our approach towards managing psychosocial harm, providing clear guidance on the standards we expect all our operations to achieve.

FATALITY/SIGNIFICANT EVENT RISK

As a mining services company, our operations can be disrupted by pandemics, natural disasters, extreme weather events and major process or infrastructure failures. Macmahon could be exposed to multiple fatalities or unable to respond effectively to significant events such as natural

For personal use only

disasters due to non-compliance with post-incident response procedures and lack of attention to occupational health, safety, and environment (HSE) practices. Failure to adhere to established safety protocols or a general lack of emphasis on occupational HSE practices could result in loss of life or injury to employees, significant damage to infrastructure, damage to the Company's reputation, and increased regulatory scrutiny. To mitigate this, Macmahon has implemented internal controls including: HSEQ and HR policies including critical control standards, an integrated safety health management system (SHMS), pre-employment medical screening, healthy lifestyle programs, drug and alcohol checks, employee assistance program, life saving rules, fatigue management, adequate workplace rest facilities and camp facilities, mental health programs, internal and external auditing of the SHMS and testing of response plans (Crisis and Emergency Management Plan, Emergency Preparedness and Response Procedure, and Project Emergency Response Plans).

LOGISTICS AND SUPPLY CHAIN RISK

Macmahon partners with various suppliers and joint venturers. Current global supply chains are more fragile due to macroeconomic uncertainty, which has the potential to impact our business operations significantly. In the era of globalised commerce, logistical and supply chain risks are rising due to geopolitical issues, supplier disruptions, and broader macroeconomic trends. Given the dependence on international suppliers and partners, these risks are particularly relevant for Macmahon. Macmahon is exposed to global macroeconomic issues and/or unethical practices of suppliers and joint venture partners, such as engagement in modern slavery, which could disrupt Macmahon's supply chain. This could cause potential disruptions to operations due to supply chain or logistical issues leading to delays and increased costs, damage to Macmahon's reputation and potential legal issues if associated with entities engaging in modern slavery, loss of trust among stakeholders, and possible sanctions or penalties from regulatory bodies. To manage this risk, Macmahon has implemented a regular review of procurement policies and procedures, monitoring inventory holdings and regular contact with key suppliers to optimise critical inventory needed to meet operational requirements and commercial teams managing clients to ensure that cost increase pass-on is optimised.

EXECUTION OF STRATEGIC CONTRACTS

The proper execution of strategic contracts is vital for business continuity and growth. In the complex environment of mining operations, challenges such as project delays, cost overruns and early contract terminations can severely impact the Company's financial health and reputation.

If underperformance of project delivery, inefficient contract management, and premature contract termination were to occur, Macmahon could be exposed to delays and cost overruns, potential legal and regulatory issues arising from non-compliance with contract terms, damage to reputation, and potential loss of future business opportunities. To mitigate this risk, Macmahon has implemented continual improvement of contract management capabilities, emphasising robust planning, performance tracking and effective communication with involved parties.

BREACH OF CLIMATE REGULATIONS

As global focus on climate change intensifies, non-physical climate regulation risks such as policy changes, regulatory reforms and shifting investor expectations have emerged as significant considerations for companies. For Macmahon, failure to align with these changing expectations could result in reputational damage, legal penalties and reduced investment. As a result, potential regulatory penalties and reputational damage could occur. To mitigate this risk, Macmahon has established a three year ESG roadmap based on specific actions to address material impacts identified. Also a climate risk and opportunity assessment process was conducted to integrate climate considerations into the Macmahon's business processes and decision making.

Macmahon's performance against each of these topics will be disclosed in its annual Sustainability Report.

For personal use only

LEGAL/REGULATORY NON-COMPLIANCE WITHIN ALL JURISDICTIONS IN WHICH MACMAHON OPERATE

As well as Australia, Macmahon operates in international markets, including Indonesia and Malaysia, which may have a higher sovereign risk rating than Australia. This exposes Macmahon to additional adverse economic conditions, civil unrest, conflicts, terrorism, security breaches, bribery and corrupt practices. If Macmahon does not adequately monitor compliance with key legal or regulatory requirements in the jurisdictions it operates, then there is a risk of potential fines or legal proceedings, loss of social license to operate, impacting business continuity and growth, damage to reputation, and loss of trust among stakeholders, including clients and investors.

To mitigate this risk, Macmahon:

- Monitors political activity, policy, legislative and regulatory changes in the jurisdictions it operates.
- Engages with relevant authorities and agencies in those jurisdictions.
- Maintains robust ongoing monitoring of changes in laws and regulations by HR, safety and legal teams.

CYBER SECURITY, IT SERVICES AND IT INFRASTRUCTURES

Cyber security risk has become a significant concern as the industry increasingly adopts digitisation and automation, becoming more vulnerable to cyber threats and attacks. The potential for cyber attacks, data misuse and release of sensitive information poses an ongoing risk to the business. To mitigate this risk, Macmahon has developed a Cyber Resilience Strategy and Cyber Security Management Framework in response to our security maturity assessment, which continues to evolve in accordance with industry changes.

INNOVATION RISK

Adopting new technologies to achieve operational efficiency and cost-effectiveness is needed to remain competitive in the market. Macmahon positions itself as an early adopter of new technologies. Macmahon innovates through the optimisation of business and operational structures and processes. There is a risk that unmatched technological improvements by competitors could leave Macmahon at a competitive disadvantage and unable to compete. There is also a risk that Macmahon does not keep abreast of the changes in the current business environment, making the Company less attractive to clients. To mitigate this risk, Macmahon has a technology roadmap in surface and underground operations to enhance safe and efficient productivity.

FINANCING RISK

Macmahon has diversified financing facilities with a number of external financiers. Our aim is to ensure that we continue to meet all our obligations under these facilities regardless of the financial climate.

Default on the obligations of our financing facilities could cause withdrawal of financial support, insufficient cash flow to meet debt obligations, unexpected financial losses, changes in market conditions impacting the Company's financial stability, or potential loss of operational flexibility due to reduced liquidity and reputational damage. To mitigate this risk, Macmahon's annual budgeting process includes forecasting of covenants for the next three years. Other controls include a prudent capital expenditure process, ongoing liquidity monitoring, and internal gearing and liquidity limits set yearly.

MACROECONOMIC AND CHANGES IN POLITICAL LANDSCAPE RISK

Macroeconomic and political landscape risks are becoming increasingly relevant as global markets continue to intertwine. For Macmahon, fluctuations in foreign currency exchange (FX) rates, commodity prices, and changing political and regulatory environments in the jurisdictions where Macmahon operates can significantly affect the bottom line. Macmahon is exposed to macroeconomic events or geopolitical tensions changes such as unstable foreign currency fluctuations, political conflicts, industry and commodity price volatility, or price inflation may have a negative impact on the business.

This is due to economic instability or downturns in the markets Macmahon operates in, political instability leading to policy changes, unpredictable fluctuations in foreign currency rates, volatile commodity prices, or high inflation rates. As a result, potential financial loss due to unfavourable economic conditions, challenges in meeting changing legal or regulatory requirements, operational disruptions due to political conflicts, decreased profitability due to currency or commodity price

For personal use only

fluctuations, and potential reputational damage if unable to maintain compliance with evolving legal frameworks could occur. To manage this risk, developing a flexible business strategy that includes diversification of markets and products will further aid in minimising the FX impact/ exposure to intercompany debt and other foreign currency transactions. Macmahon monitors FX exposure closely and implements natural hedging across international operations as required.

CONTINGENT LIABILITIES

Macmahon is exposed to a number of contingent liabilities, including those described in the notes to the Annual Report. The conversion of Macmahon's contingent liabilities into actual liabilities could result in a negative impact on Macmahon's financial position and financial guidance due to unexpected financial burdens. To mitigate this, Macmahon has ongoing monitoring of contingent liabilities, changes to legislation and potential legal precedents.

CAPITAL STRATEGY AND STRUCTURE

Macmahon aims to manage uncertainty related to changing macroeconomic conditions. We do the same when it comes to the volatility in commodity, currency and capital markets, given the impact they can have on our earnings, balance sheet and ability to pursue our strategy.

If Macmahon fails to sufficiently plan capital spending, raise sufficient funds and meet financial covenants imposed by lenders, it could be exposed to potential inadequate capital structure to fund our strategic objectives, creating balance sheet risks such as issues with gearing, liquidity, or covenants. As a result, Macmahon could face difficulty in executing strategic initiatives due to a lack of necessary funding, potential breaches of covenants leading to penalties or increased borrowing costs, potential liquidity issues impacting daily operations, and diminished investor confidence due to perceived financial instability. To mitigate this risk, Macmahon has robust financial controls over gearing, liquidity and banking covenants to manage and structure capital and fund its strategic objectives.

PIPELINE MAKEUP

Macmahon's performance is impacted by its ability to win, extend and complete new contracts with an appropriate economic return (the "pipeline"). Pipeline degradation of Macmahon's order book pipeline could occur due to misalignment of business operations with market strategy and failure to win or extend new contracts. As a result, Macmahon could face financial losses due to uneconomic contracts and operational inefficiencies leading to resource strain, which ultimately impact overall financial performance and position due to failure to win or extend new contracts. Macmahon has applied a rigorous work pipeline process to mitigate this risk, including the authority to bid process and risk and opportunity standards, a Board review on potential key projects, and budgets are prepared to consider all secured work.

STRATEGIC PARTNERSHIP RISK - SERVICE PROVIDERS

Strategic partnerships are vital in leveraging resources, sharing knowledge and competencies, and achieving operational efficiency. Macmahon strategically partners with providers of non-core services to grow the Company's revenue and market share in targeted markets. A breakdown in these relationships and/or financial distress experienced by the partner(s) could lead to operational disruption, reputational damage and/ or financial losses. This is mitigated by extensive due diligence and procurement activities that ensure parties with complementary skill sets will accelerate our growth in mining support and civil infrastructure and enable us to secure larger-scale projects on acceptable commercial terms.

EXECUTIVE AND NON-EXECUTIVE PERFORMANCE

The performance of Macmahon's leadership team is a critical determinant of the Company's success. In a highly competitive mining service industry, the Company's strategic direction, financial performance, and stakeholder confidence are all closely tied to the capability and judgement of the CEO and the Board. Inadequate leadership or decision-making by the CEO, inadequate Board composition, and lack of experience or capability of the Board and CEO could result in compromised strategic directions impacting the Company's growth and competitiveness, financial underperformance eroding shareholder value, and reduced decreased stakeholder confidence due to lack of effective leadership, potential loss of key personnel, and reputational damage. Macmahon has implemented a comprehensive performance management system to mitigate this risk, which is reviewed regularly. In addition, the effectiveness of the Board is monitored by use of board evaluation processes and regular 'in camera' discussion.

For personal use only

BREAKDOWN IN CORPORATE GOVERNANCE

Overseeing governance is a key function of the Board. Failures in Macmahon's corporate governance systems could lead to increased fraud rates, financial inaccuracies, safety issues, and reputational damage. This may be due to inadequate or insufficient oversight by the Board, non-compliance with governance standards, inadequate poor internal controls and audit mechanisms, or failure to adhere to regulatory requirements and ethical standards. Without the appropriate controls, there is an increased likelihood of fraudulent activities and financial misstatements, safety issues leading to employee harm, loss of life, operational disruptions, reputational damage attracting adverse reactions from shareholders, markets, and regulators, increased risk of litigation against the Company, and potential penalties or sanctions by regulatory bodies.

To mitigate this, Macmahon maintains a formal Corporate Governance Statement and an annual review occurs of the Company's main governance policies and procedures. This is supported by:

- Internal management review processes.
- Regular board meetings.
- Internal and external auditing processes.
- Representation undertakings by the executive team to the CEO and CFO every six months.
- A robust internal function that ensures the review and regular monitoring of whistleblower policy and hotline, code of conduct, corrective action and non-conformance standards.

SOCIAL LICENSE TO OPERATE

Local communities can significantly impact Macmahon's operations and corporate reputation. Local communities often depend on the project for employment, training and local business opportunities. Social licence to operate represents the level of acceptance or approval by local communities and stakeholders of Macmahon's operations. With increased public scrutiny of the mining industry's social and environmental impact, maintaining a social licence is critical for ongoing success. If Macmahon fails to effectively manage environmental and social impacts of operation and meet the expectations of the community in the way it operates (e.g. controlling noise pollution, controlling environmental pollution, preserving heritage sites, protecting the environment, considering Native Title rights), Macmahon could be exposed to damaged reputation, potential loss of clients or tender and potential legal consequences for non-compliance with local regulations or expectations. To mitigate this risk, Macmahon has implemented active engagement and support in local community relations and sponsorship programs. In addition, Macmahon is ensuring local communities are considered when hiring and procuring supplies. Macmahon also supports a positive work environment through various health and wellbeing programs, and our Strong Minds, Strong Mines program provides mental, physical and social health support to our people and the broader mining industry.

ACQUISITION INTEGRATION RISK

Macmahon's strategy includes the acquisition and successful integration of Decmil. Failure to successfully integrate the acquisition into the Macmahon group could result in synergies not realised, loss of key employees, customers and diversified revenue. To mitigate this risk Macmahon has implemented an integration committee which incorporates appropriate skilled members from Macmahon, Decmil and external consultants. Detailed integration plans have been developed and will be considered on a regular basis.



For personal use only

For personal use only

OUR BOARD



HAMISH TYRWHITT

Independent, Non-Executive Chair

Appointed Director on 1 October 2019
Appointed as Chair on 20 October 2023

Qualifications: MIE Aust CPEng APEC Engineer (Fellow), ATSE (Fellow), HKIE, and MAICD

Experience and expertise: Mr Tyrwhitt has over three decades of senior leadership experience in the global contract mining, engineering and construction sectors. He worked for Leighton Group (now CIMIC), at the time the world's largest contract miner, for 28 years including as Managing Director for Leighton Asia before leading its global operations as Group CEO from 2011 to 2014.

Since leaving Leighton Group, Mr Tyrwhitt has held CEO and non-executive roles with construction and resources companies listed on the NASDAQ Dubai, Singapore and London stock exchanges.

Mr Tyrwhitt is a fellow of the Australian Academy of Technological Sciences and Engineering, a fellow of the Institution of Engineers Australia, a member of the Hong Kong Institute of Engineers, and a member of the College of Civil Engineers, Australia.

Listed current other directorships: None

Listed former directorships (last three years): None

Committee memberships:
- Chair of the Nomination Committee
- Member of the Remuneration and Culture Committee
- Member of the Audit and Risk Committee

Interests in ordinary shares: 829,268

Interests in share rights: 158,500



MICHAEL FINNEGAN

Managing Director and Chief Executive Officer

Appointed as Managing Director on 1 October 2019

Qualifications: BSc (Mining)

Experience and expertise: Mr Finnegan has more than 25 years of experience in the mining industry, with the last 20 years primarily spent in senior line management positions.

Mr Finnegan has a strong commercial and technical background and has spent time in operations on the east and west coasts of Australia, as well as a number of countries throughout Asia.

Listed current other directorships: None

Listed former directorships (last three years): None

Committee memberships:
- Member of the Nomination Committee

Interests in ordinary shares: 5,020,008

Interests in performance rights: 15,882,821

For personal use only



DHARMA CHANDRAN

Independent, Non-Executive Director

Appointed on 1 February 2024

Qualifications: Bachelor of Commerce majoring in Marketing, Bachelor of Laws, and Master of Commerce majoring in Organisation and Management

Experience and expertise: Mr Chandran is an experienced executive and non-executive director with a background in professional services and human resource management within the financial services and, resources and industrial sectors, in Australia and Asia. He has significant experience in the contract mining and civil construction sectors, as the former Chief Human Resources and Corporate Services Officer for mining and civil contractor Leighton Holdings, and further experience in human resource management through his previous role as Chief People Officer of the ABC and his current role as Chief People Officer of Toll Group.

Listed current other directorships: None

Listed former directorships (last three years): Mortgage Choice

Committee memberships:
- Chair of the Remuneration and Culture Committee
- Member of the Nomination Committee

Interests in ordinary shares: None

Interests in share rights: None



DAVID GIBBS

Non-Independent, Non-Executive Director

(AMNT Nominee) Appointed on 13 July 2023

Qualifications: BSc (Hons), ARSM, C Eng, and MAICD

Experience and expertise: Mr Gibbs has 40 years of international experience in large-scale mining operations with copper and gold, diamonds, uranium, coal (thermal and coke), talc and nickel laterite resources. His experience includes underground and open pit mining across South Africa, Namibia, Papua New Guinea, Australia, Thailand, and Indonesia.

Mr Gibbs is also an Associate of The Royal School of Mines.

Listed current other directorships: PT Amman Mineral Internasional Tbk (IDX: AMMN)

Listed former directorships (last three years): None

Committee memberships:
- Member of the Nomination Committee

Interests in ordinary shares: 260,210

Interests in share rights: 200,210

For personal use only



DENISE McCOMISH

Independent, Non-Executive Director

Appointed on 1 March 2021

Qualifications: FCA, DipAcctgFoundn (Glam), MAICD

Experience and expertise: Ms McComish is an experienced company director with extensive financial, corporate, ESG and board experience across multiple sectors. Ms McComish was a partner with KPMG for 30 years, specialising in audit and advisory services, and held leadership positions including KPMG Australia board member and national mining leader.

Ms McComish has been a member of the Australian Takeovers Panel since 2013. She also serves as Advisory Board Chair for the ECU School of Business and Law, and a WA Division Councillor for the Australian Institute of Company Directors. Ms McComish is a Fellow of Chartered Accountants Australia and New Zealand, and a member of AICD and Chief Executive Women. In 2018, she was awarded an Honorary Doctorate in Business from Edith Cowan University.

Listed current other directorships: Mineral Resources Limited, Webjet Limited, Gold Road Resources Limited.

Listed former directorships (last three years): None

Committee memberships:
- Chair of the Audit and Risk Committee
- Member of the Nomination Committee
- Member of the Remuneration and Culture Committee

Interests in ordinary shares: 711,743

Interests in share rights: 141,816



GRAHAME WHITE

Independent, Non-Executive Director

Appointed on 1 February 2024

Qualifications: Bachelor of Engineering (Mechanical) from the University of NSW, MAIDC.

Experience and expertise: Mr White is an experienced executive and non-executive director with a background in the construction, energy and resources sectors in Australia and Asia.

Mr White brings a wealth of experience in engineering, mining and resources, infrastructure and civil contracting, strategy, project technical and commercial analysis, and project development and operations management. During his career, he has spearheaded business development across Hong Kong, Singapore, Thailand, Vietnam, Philippines, China, and Malaysia in the infrastructure and civil contracting sector.

Listed current other directorships: Metals X Limited

Listed former directorships (last three years): None

Committee memberships:
- Member of the Audit and Risk Committee
- Member of the Nomination Committee

Interests in ordinary shares: 500,000

Interests in share rights: None

For personal use only

EVA SKIRA AM

Independent, Non-Executive Chair

Appointed Director on 26 September 2011
Appointed as Chair on 27 June 2019
Retired from the Board on 20 October 2023

Qualifications: BA (Hons), MBA, Life Mbr SF Fin, Life Mbr FAIM, FAICD, FGIA, FCIS.

Experience and expertise: Ms Skira has a background in banking, capital markets, stockbroking and financial markets, previously holding executive positions at the Commonwealth Bank in the Corporate Banking/Capital Markets divisions and later with stockbroker Barclays de Zoete Wedd.

Ms Skira has served on a number of boards in business, government, and the not-for-profit sectors across a range of industries, including engineering, infrastructure, health and finance.

Listed current other directorships: None

Listed former directorships (last three years): None

Interests in ordinary shares at date of retirement: 1,166,736

Interests in share rights: None

BRUCE MUNRO

Independent, Non-Executive Director

Appointed on 1 October 2019 until his passing on 21 August 2023 (Board approved leave of absence 11 April to 10 July 2023)

Qualifications: BE (Hons), FIEAust

Experience and expertise: Mr Munro had more than 40 years of experience as an engineer and manager with major construction and mining contractors in a number of countries, including Australia, Asia, India and southern Africa.

Listed current other directorships: None

Listed former directorships (last three years): None

Interests in ordinary shares at date of passing: 2,241,536

Interests in share rights: None

ALEX RAMLIE

Non-Independent, Non-Executive Director

(AMNT Nominee) Appointed on 12 July 2017 and resigned 13 July 2023

Qualifications: BA, MA (Economics)

Experience and expertise: Mr Ramlie is the President Director and Chief Executive Officer of PT Amman Mineral Internasional Tbk (Amman), which he joined in 2015 as a member of the founding team and successfully listed on the Indonesia Stock Exchange in July 2023.

Listed current directorships: PT Amman Mineral Internasional Tbk (IDX: AMMN)

Listed former directorships (last three years): None

Interests in ordinary shares at the date of resignation: 2,619,447

Interests in share rights: None

ARIEF SIDARTO

Non-Independent, Non-Executive Director

(AMNT Nominee) Appointed on 12 July 2017 and resigned 13 July 2023

Qualifications: BSE, BS, MBA

Experience and expertise: Mr Sidarto has extensive experience in the financial services and corporate sectors.

Listed current directorships: PT Amman Mineral Internasional Tbk (IDX: AMMN)

Listed former directorships (last three years): None

Interests in ordinary shares at the date of resignation: 2,619,447

Interests in share rights: None

EXECUTIVE MANAGEMENT TEAM

For personal use only

MICHAEL FINNEGAN

Managing Director and Chief Executive Officer

Mr Finnegan has more than 25 years of experience in the mining industry, with the last 20 years primarily spent in senior line management positions.

Mr Finnegan has a strong commercial and technical background and has spent time in operations on the east and west coasts of Australia, as well as a number of countries throughout Asia.

URSULA LUMMIS

Chief Financial Officer

Ms Lummis is a Chartered Accountant and holds a Bachelor of Commerce (Honours) degree in Accounting, Auditing and Tax. She joined Macmahon in 2018 as Group Financial Controller and was appointed Chief Financial Officer on 1 November 2021.

Before Macmahon, Ms Lummis had more than 20 years' experience with KPMG South Africa and KPMG Australia, providing services to many globally listed companies in the mining and mining services sectors.

DONALD JAMES

Chief Commercial Officer

Mr James is a Fellow Chartered Accountant with extensive financial and corporate experience in high value private and listed public companies in the mining and industrial services sectors. He has held strategic key executive leadership positions and non-executive director roles in developing and operational entities, within which he has demonstrated a strong focus on delivering high return business outcomes.

PETER POLLARD

Chief Corporate Development Officer

Mr Pollard holds a Bachelor of Business and joined Macmahon in August 2020 as Chief Financial Officer. In November 2021, Mr Pollard moved into a strategic consulting role and was appointed Chief Corporate Development Officer in November 2023.

Mr Pollard has over 40 years' experience in the contracting and services sectors covering mining, oil and gas, infrastructure and telecommunications.



For personal use only

ELIZABETH GRAY

Executive General Manager, HSEQ and Training

Ms Gray joined Macmahon in 2020 and holds a Graduate Diploma in Occupational Health and Safety and a Bachelor of Nursing. Ms Gray has more than 20 years of experience in senior roles in health, safety, environment, training and community engagement. She has been instrumental in implementing strategies to generate positive HSEQ performance and drive cultural change.



NICOLA HAMILTON

Executive General Manager, People

Ms Hamilton commenced with Macmahon in February 2021 and holds a Bachelor of Human Resource Management (Honours). She has over 20 years of experience in people management with global resources companies. She specialises in building and leading HR functions in diverse environments with expertise in business and strategic planning, change management, talent management and development, and employee relations.



JASON MCCALLUM

Executive General Manager – East Coast Operations and Maintenance

Mr McCallum is a Senior Executive with over 35 years' experience in the mining sector. He joined Macmahon in June 2023 as General Manager East Coast and Civil Operations and was appointed Executive General Manager of East Coast Operations and Maintenance in November 2023. Before Macmahon, Mr McCallum held senior management positions with BHP, Vale Coal and Yancoal.



MAHA CHAAR

General Counsel and Company Secretary

Ms Chaar is a senior executive and qualified lawyer with extensive national and international experience.

Ms Chaar holds a Master of Laws, a Bachelor of Laws (Honours), and a Bachelor of Science. She joined Macmahon in 2021 and was appointed General Counsel in January 2022 and Company Secretary in January 2024. She has authored several published, peer reviewed academic papers and articles.



For personal use only



For personal use only

Sustainability

Macmahon is committed to sustainability. We believe that being sensitive to the impact we have on the environment and communities should be the utmost priority. We prioritise the health and wellbeing of our people, as well as our environmental and social footprint. Our approach to sustainability creates long-term value for our shareholders.

At Macmahon, the commitment to our workers is driven by our values of United, Courage, Integrity, and Pride. By fostering an environment that is inclusive and supportive, encouraging brave and open conversation and maintaining accountability, we ensure a sustained focus on managing the safety, health, and wellbeing of our people.

Macmahon is committed to supporting and enriching the communities in which we operate, aiming to build strong relationships and create more informed and engaged communities

For further information, please refer to the standalone FY24 Sustainability Report.



For personal use only

SUSTAINABILITY YEAR IN REVIEW

GOVERNANCE

440
Suppliers were screened for sustainable procurement practices and assessment for social impact risks

No reported incidents
of corruption

Compliance with ASX Corporate Governance Council's principles, and all relevant legislative requirements

Review mechanisms for advice and concern about ethics

Initiate Conflict of Interest reporting process



For personal use only

ENVIRONMENT

Implementation of **supplier Environmental Impact self-assessment questionnaire** (SAQ)

Climate Risk and Opportunities workshop carried out

894
Scope 1 tonnes Co_2-e

947
Scope 2 tonnes Co_2-e

Gross environmental footprint established and tracked monthly



For personal use only

SOCIAL

50%
Females in Executive Leadership positions

4.4%
First Nations People

14%
Female employees across the whole organisation

16.67%
Female Non-Executive Directors

31%
Female workforce at Martabe in Indonesia

Respect@Macmahon

Macmahon is committed to prevent and eliminate sexual harassment from our workplaces. FY24 saw the launch of Respect@Macmahon. The FY24 program included specific activities aligned to eliminating sexual harassment, driving the Macmahon values, and supporting an inclusive and respectful culture.

Respect@Macmahon also included targeted activities aimed at promoting a psychologically safe workplace environment.

Macmahon views investing in leadership as investing in the Company's future. As part of Respect@Macmahon, FY24 saw the launch of 'The Macmahon Winning Way' frontline leadership development program. The program is a testament to its commitment to excellence, equipping leaders with necessary skills and knowledge to lead effectively and maintain a positive, safe working environment.



For personal use only

INTERNAL AND EXTERNAL TRAINING

36
Graduates
4% female representation

136
Apprentices
33 completed
7% female representation

273
Leadership development
7% female representation

685
Trainees
349 still registered in traineeships
38% female representation

17
Ex-Defence
Upskilled Heavy Deisel Mechanic trade upgrades and mobilised to site

SAFETY AND WELLBEING

Expansion of **Critical Risk Management Program**

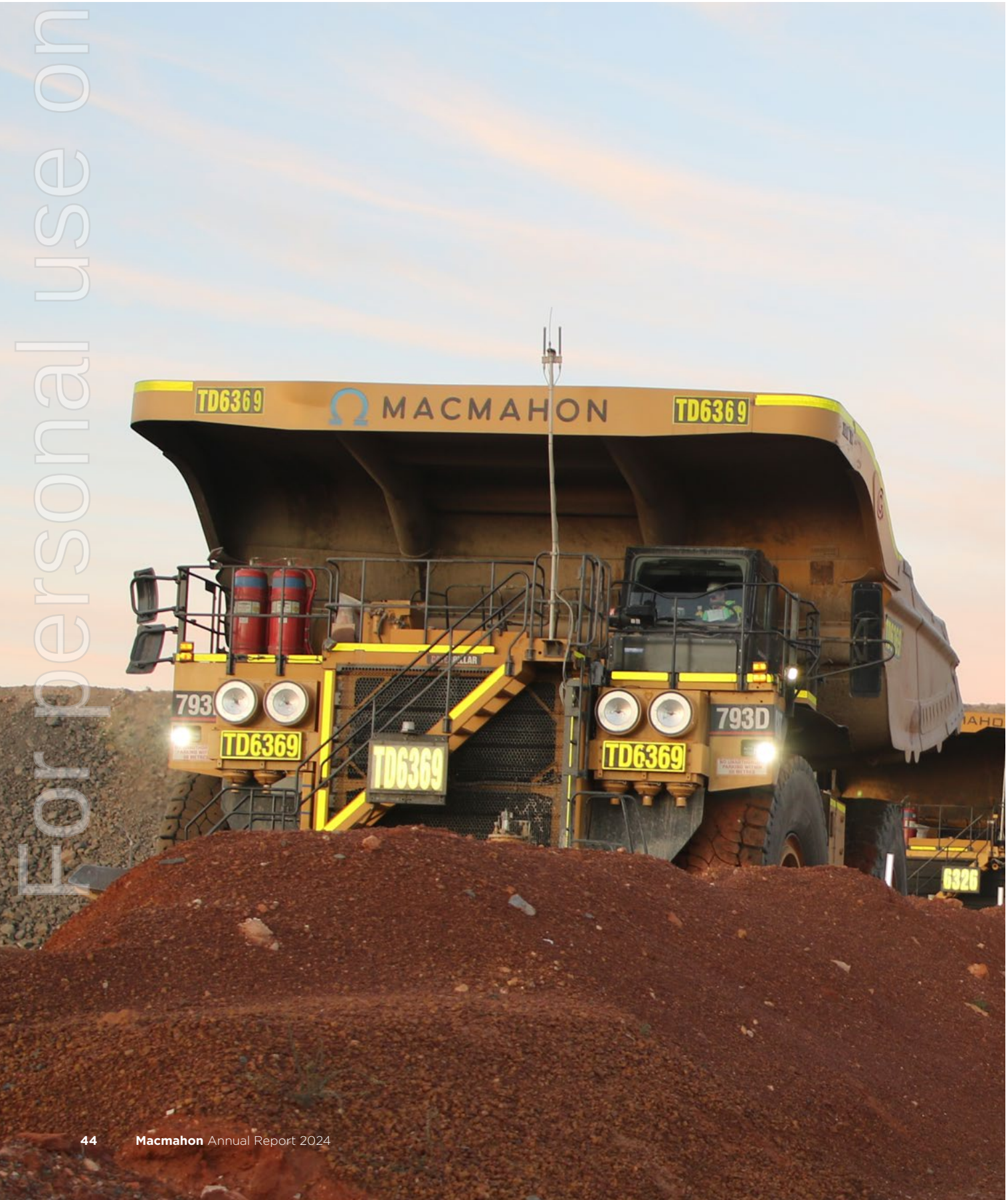
Roll out of **The Macmahon Winning Way** leadership training

Rolled out targeted programs to enhance the **health and safety of our workforce**

Additional **56 Wellness Champions** were trained, bringing the total to 104 across our Australian offices and sites



For personal use only



For personal use only

Directors' Report

The Directors present their report, together with the financial statements for the consolidated entity (referred to as the 'Group') consisting of Macmahon Holdings Limited (referred to as the 'Company') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

DIRECTORS

The following persons were Directors of Macmahon during the financial year and up to the date of this Report, unless otherwise stated:

Hamish Tyrwhitt, Independent, Non-Executive Director (appointed Chair 20 October 2023)

Michael Finnegan, Managing Director and Chief Executive Officer

Dharma Chandran, Independent, Non-Executive Director (appointed 1 February 2024)

David Gibbs, Non-Independent, Non-Executive Director (appointed 13 July 2023)

Denise McComish, Independent, Non-Executive Director

Grahame White, Independent, Non-Executive Director (appointed 1 February 2024)

Eva Skira AM, Chair and Independent, Non-Executive Director (retired 20 October 2023)

Bruce Munro, Independent, Non-Executive Director (passed away 21 August 2023)

Alexander Ramlie, Non-Independent, Non-Executive Director (resigned 13 July 2023)

Arief Widyawan Sidarto, Non-Independent, Non-Executive Director (resigned 13 July 2023)

Particulars of their qualifications, experience, special responsibilities and any directorships of other listed Australian companies held within the last three years are set out in this Annual Report under the "Our Board" heading on pages 32 to 35 and form part of this Report.



For personal use only

Meetings of Directors

The number of meetings^ of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Board		Audit and Risk Committee		Remuneration and Culture Committee		Nomination Committee	
	M	A	M	A	M	A	M	A
H Tyrwhitt	16	16*	4	4	3	3	2	2
D McComish	16	15	4	4	3	3	2	2
G White †	6	6	1	1	N/A	N/A	1	1
D Chandran †	6	5	N/A	N/A	1	1	1	1
D Gibbs	16	15	2	2	1	1	2	2
M Finnegan	16	16	N/A	N/A	N/A	N/A	1	1
E Skira**	6	6	1	1	1	1	N/A	N/A
B Munro◊	2	1	N/A	N/A	N/A	N/A	N/A	N/A

Chair
Member

M The number of meetings held during the period the Director was a member of the Board and/or Committee.
A The number of meetings attended by the Director during the period the Director was a member of the Board and/or Committee.

* Mr Tyrwhitt attended six Board meetings as a member and 10 meetings as chair. He attended two Remuneration Committee meetings as Chair and one meeting as a member.
** Ms Skira ceased to be a director on 21 October 2023.
◊ Mr Munro ceased to be a director on 21 August 2023.
† Mr White and Mr Chandran were appointed to the Board from 1 February 2024.
^ There were no Board or Committee meetings held prior to Mr Ramlie's and Mr Sidarto's resignations on 13 July 2023.

COMPANY SECRETARIES

Maha Chaar
(appointed 31 January 2024)
Ms Chaar is Macmahon's General Counsel and Company Secretary. A summary of Ms Chaar's biography is set out on page 37 of this Report.

Ben Secrett
(resigned 31 January 2024)
Mr Secrett was the Company Secretary from March 2023 until 31 January 2024.

OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM

Ms McComish was a Director of the Company during the financial year and was previously a partner of the current audit firm, KPMG, at a time when KPMG undertook an audit of the Group. Ms McComish retired from the KPMG partnership on 30 November 2019 and was appointed as a Director of the Company on 1 March 2021.

CORPORATE GOVERNANCE STATEMENT

The Company's 2024 corporate governance statement is available from its website site at www.macmahon.com.au/about/corporate-governance/#corporate-governance-statement

PRINCIPAL ACTIVITIES

The principal activities of the Group consisted of providing surface mining, underground mining and mining support and civil infrastructure services to mining companies throughout Australia and Southeast Asia.

Apart from the above, or as noted elsewhere in this report, there were no significant changes in the nature of the activities of the Group during the year under review.

For personal use only

DIVIDENDS

Declared and paid during FY24

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents	$	Date of payment
Interim 2024 ordinary	0.45	9,697,437	11 Apr 2024
Final 2023 ordinary	0.45	9,519,302	11 Oct 2023

Declared after year-end

After the balance sheet date, the following dividends were declared by the Directors:

	Cents	$	Date for payment
Final 2024 ordinary	0.60	12,803,909	11 Oct 2024

As the final dividend was declared after 30 June 2024, the financial effect of these dividends has not been brought to account in the consolidated financial statements of the Group for FY24.

REVIEW OF OPERATIONS

For the year ended 30 June 2024, the Group reported increases in revenue, underlying EBIT(A), EBITDA that were driven by the commencement of new projects including Greenbushes, the acquisition of key projects from Pit N Portal and organic growth, the commencement of new projects including Greenbushes and the acquisition of key projects from Pit N Portal. The impairment of Calidus receivables at 30 June 2024 offset the above benefits resulting in a decrease in net profit after tax for the year. As part of an update on 2 August 2024, the Receivers and Managers are seeking urgent expressions of interest for the acquisition and/or recapitalisation process of Calidus Resources Limited. At this early stage of the process, Macmahon anticipates this will be a pathway to recoverability.

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the operational review and financial review on pages 17 to 25, and form part of this Directors' Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the year under review.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Dividends

On 19 August 2024 the Board approved a final dividend on ordinary shares of 0.60 cents per ordinary share in respect of FY24.

Acquisition of Decmil Group Limited

Subsequent to the end of the financial year the Group completed its acquisition of Decmil Group Limited. The acquisition provides an established foundation to accelerate the Group's civil infrastructure growth, which aligns with its strategic focus to diversify earnings (refer to note 23 in the financial statements for more information).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group in future financial years and the expected results of those operations have been included generally within the Annual Report. The Group plans to continue providing surface mining, underground mining and mining support and civil infrastructure services to mining companies throughout Australia and Southeast Asia.

ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation in respect of its projects and operations business activities. The Group aims to ensure that the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with relevant environmental legislation. The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

REMUNERATION REPORT (AUDITED)

The audited remuneration report is set out on pages 51 to 65 and forms part of this Directors' Report.

For personal use only

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors and executives of the Company for costs incurred in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

For the year ended 30 June 2024, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During FY24, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the consolidated financial statements.

The Directors are satisfied that the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Based on advice received from the Audit and Risk Committee, the Directors are of the opinion that the services as disclosed in note 30 to the consolidated financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor.
- None of the services undermines the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity, acting as an advocate or jointly sharing economic risks and rewards.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 49.

AUDITOR

KPMG continues in office in accordance with section 327 of the *Corporations Act 2001*.

RESOLUTION

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



HAMISH TYRWHITT

Independent, Non-Executive Chair
20 August 2024

For personal use only

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Macmahon Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Macmahon Holdings Limited for the financial year ended 30 June 2024 there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

R Gambitta
Partner
Perth
20 August 2024

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only



For personal use only

Remuneration Report

This Remuneration Report for the year ended 30 June 2024 has been audited by the Company's external auditor.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) as defined by and in accordance with the requirement of the *Corporations Act 2001* (the Act) and its regulations. The KMP included in the Remuneration Report include personnel who planned, directed and were responsible to control all business activities and not only specific pillars.



For personal use only

1 EXECUTIVE REMUNERATION

1.1 Overview

The Company's approach to remuneration is to compensate employees in a way that is cost-effective and appropriate for current industry conditions, but also sufficient to attract, retain and incentivise the calibre of personnel needed to effectively manage the Group's business. To this end, the remuneration packages offered to executive key management personnel (KMP) have three components:

- Market competitive fixed remuneration.
- A short-term incentive opportunity to earn a cash bonus dependent on performance over an annual period.
- A long-term incentive opportunity to earn Macmahon shares dependent on performance over multiple years.

The targeted remuneration mix for executive KMP for the year ended 30 June 2024 is outlined below:

		At risk	
	Fixed remuneration	Short-term incentive	Long-term incentive
Michael Finnegan Chief Executive Officer (CEO) and Managing Director	34%	33%	33%
Ursula Lummis Chief Financial Officer (CFO)	45%	33%	22%
Donald James Chief Commercial Officer (CCO)	45%	33%	22%

1.2 Fixed remuneration

The fixed remuneration paid to executive KMP is based on the size and scope of their role, knowledge and experience, market benchmarks for that role, and to some extent the Group's financial circumstances. Fixed remuneration comprises base salary, any applicable role specific allowances, and superannuation.

Remuneration levels are reviewed annually by the Remuneration Committee through a process that considers individual and overall performance of the Group. In addition, external advisors and industry surveys may be used to ensure the KMP's remuneration is competitive with the market and relevant industry peers.

During the year, benchmarking was completed by Remsmart, formally BDO Reward WA Pty Limited, for the CEO's and other executive KMP's remuneration. Based on the results of the market benchmarking review, remuneration increases of 4.0% to the CEO, 16.9% to the CFO and 3.53% to the CCO were provided from 1 July 2023. These increases were appropriate to ensure that senior executives are being remunerated commensurate with their responsibilities and remain market competitive.

For personal use only

1.3 FY24 Short term incentive ("STI")

During FY24, the STI opportunity provided to executive KMP had the following features:

Description	Executive KMP are eligible to participate in the annual STI plan, which comprises a portion of their variable remuneration and is subject to performance measures.
Performance measures and weighting	A combination of specific Group KPIs are chosen to reflect the core drivers of short-term performance and to provide a framework for delivering sustainable value to the Group and its shareholders. The following KPIs were chosen for the 2024 financial year: • EBIT(A) (50%) • Return on Average Capital Employed (ROACE) (10%) • Average Asset Intensity (10%) • Contracted EBIT(A) (10%) • Health, Safety and Environment Target (10%) • People culture (10%) The STI was structured to commence upon achievement of the Company's publicly stated EBIT(A) guidance (gateway), and to increase in line with any additional EBIT(A), up to a cap.
Reasons for using these targets	The KPIs were chosen to reflect the core drivers of short-term performance and to provide a framework for delivering sustainable value to the Group and its shareholders.
Performance period	Performance against the STI targets relate to the period from 1 July 2023 to 30 June 2024.
Form of payment and timing of payment	The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Remuneration Committee. The Board approves the final STI award based on this assessment of performance after which the STI is paid in cash.
Executive claw back	The after-tax STI payment to executive KMP may be claimed back by the Company at any time up to two years after payment in the event of: (a) A restatement of the Group's financial results (other than a restatement caused by a change in applicable accounting standards or interpretations), the result of which is that any STI awarded to the KMP would have been a lower amount had it been calculated based on such restated results. (b) Fraudulent, dishonest or other improper conduct of the executive KMP.
Board discretion	The Board has the right to modify, reduce or remove the STI opportunity at any time, including if there is a fatality.

Potential bonus awards

The table below shows the potential bonus awards, as a percentage of total fixed remuneration ("TFR"), available to the executive KMPs under the FY24 STI Plan.

	Performance level		
	Threshold (lower end of guidance range $130 million EBIT(A))	**Target** (mid of guidance range $140 million EBIT(A))	**Stretch** (capped at $150 million EBIT(A))
M Finnegan	0% of TFR	100% TFR	150% TFR
U Lummis	0% of TFR	75% TFR	150% TFR
D James	0% of TFR	75% TFR	150% TFR

The STI metric is pro-rata between the Threshold, Target and Stretch performance level.

For FY25, there will be no significant change to the STI plan.

The Board will have the right to modify, reduce or remove the STI opportunity at any time.

1.4 Long term incentive (LTI)

At the discretion of the Board, the Company provides an LTI opportunity to executive KMP through the grant of performance rights. These performance rights can vest into fully paid ordinary shares in the Company, for no consideration, subject to meeting a performance condition and a continued employment condition. The purpose of this LTI opportunity is to incentivise executive KMP to deliver sustained increases in shareholder value over the long term.

For personal use only

Performance condition
The vesting of performance rights granted on 1 July 2023 are subject to the following vesting conditions weighted at 50% each:

- Absolute total shareholder return (TSR) over a three-year performance and service period.
- Strategic objectives subject to the measurement period below and a three-year service period:
  - Year 1 Safety (4%); business mix (14%)
  - Year 2 People culture based on survey score (4%); business mix (14%)
  - Year 3 Business mix (14%)

For the purposes of calculating TSR, the starting share price is based on the volume weighted average price (VWAP) over the 30 calendar days before the first day of the performance period, and the closing share price is based on the VWAP over the 30 calendar days up to and including the final day of the performance period.

For performance rights granted on 1 July 2023, the portion of each grant of rights eligible to vest at various levels of increase in Compound Annual Growth Rate (CAGR) TSR is:

Company's TSR performance over the performance period	Proportion of performance rights that are eligible to vest at the end of the performance period
Less than 10% CAGR TSR growth	0%
Between 10% and < 15% CAGR TSR growth	50%, plus a straight-line increase in % award until 15% TSR is achieved
At 15% CAGR TSR growth and above	100%

On achievement of all hurdles the maximum LTI award is 100%.

Continued employment condition
Performance rights lapse if a holder ceases employment before the rights vest unless the Board, in its absolute discretion, determines otherwise. There is no vesting of performance rights based solely on continued employment.

Change of control
If a change of control occurs or the Company is wound up or delisted, the Board may (in its absolute discretion) determine that all or a portion of the performance rights on issue will vest, notwithstanding the time restrictions or performance conditions applicable to the performance rights.

Testing of the performance condition
Performance rights are tested for vesting only once at the end of the performance period. That is, there is no re-testing of performance rights.

Dividends and voting rights
Performance rights do not have dividend or voting rights. However, the shares allocated upon vesting of performance rights rank equally with other ordinary shares on issue.

Restriction on disposal of shares
The shares allocated to performance rights holders upon the vesting of those rights are initially held in a trust and are subject to disposal restrictions in line with the Company's Securities Trading Policy.

Performance rights granted in FY24
During FY24, a total of 11,037,036 performance rights were granted to current executive KMP. Refer to Table 6.3 for further details of performance rights granted during the year.

In addition to the performance rights listed above, the Company granted performance rights to other senior employees of the Group subject to a three-year performance period and continued employment. Details of all performance rights issued by the Company are set out in note 28 to the consolidated financial statements included in this Annual Report.

The number of performance rights granted to participants in accordance with the LTI Plan is at the discretion of the Board.

For personal use only

1.5 Statutory performance indicators (including variable remuneration measures)

The table below shows measures of the Group's financial performance over the past five years as required by the *Corporations Act 2001*. However, these measures are not all consistent with the measures used in determining the variable amounts of remuneration to be awarded to executive KMP. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded to executive KMP.

	FY24	FY23	FY22	FY21	FY20
Statutory performance indicators					
Profit/(loss) after income tax expense from continuing operations ($m)	53.2	57.7	27.4	75.4	64.9
Reported basic earnings per share from continuing operations (EPS) (cents)	2.53	2.75	1.30	3.59	3.10
Dividends declared (cents per share)	1.05	0.75	0.65	0.65	0.60
Dividends paid (cents per share)[1]	0.90	0.65	0.65	0.65	0.75
Share price at 30 June (cents)	29.0	15.5	13.5	19.0	25.5
Total Shareholder Return (TSR) (%)	92.9	19.6	(25.5)	(22.9)	41.9

1 0.90 cents per share includes the final dividend for FY23 of 0.45 cents per share and the interim dividend for FY24 of 0.45 cents per share.

1.6 Employment contracts

The Company's executive KMP are engaged under ongoing employment contracts with no fixed termination date. However, these contracts may be terminated by notice from either party.

Key details of the employment contracts of the current executive KMP are set out below:

	Annual fixed remuneration including superannuation	Other remuneration	Notice periods to terminate	Termination payments
M Finnegan	$977,600	Short-term and long-term incentive opportunities as described above.	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements; plus If the executive is terminated or resigns in certain circumstances following a change of control or delisting of Macmahon, a payment equal to 6 months of annual fixed remuneration, including superannuation. Any unvested performance rights held by the executive KMP lapse upon termination or resignation, unless the Board, in its absolute discretion, determines otherwise.
U Lummis	$643,000			Statutory entitlements plus Any unvested performance rights held by the executive KMP lapse upon termination or resignation unless the Board, in its absolute discretion, determines otherwise.
D James	$572,000			

Key details of the employment contract of the former executive KMP are set out below:

R McLeod[1]	$640,900	Short-term and long-term incentive opportunities as described above.	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements plus Any unvested performance rights held by the executive KMP lapse upon termination or resignation unless the Board, in its absolute discretion, determines otherwise.

1 Mr Richard McLeod resigned as Chief Operating Officer effective 12 October 2023.

2 NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration structure provided to Non-Executive Directors is distinct from that applicable to executive KMP. Non-Executive Directors only receive fixed remuneration which is not linked to the financial performance of the Group.

The remuneration provided to Non-Executive Directors in FY24 is set out below:

	Cash remuneration[1] $	Salary sacrifice for share rights $	Total $
H Tyrwhitt[2]	227,813	42,793	270,606
D Chandran[3]	55,833	-	55,833
D Gibbs[4]	96,364	54,054	150,418
D McComish	141,712	38,288	180,000
G White[3]	55,833	-	55,833
E Skira[2]	86,667	-	86,667
B Munro[5]	24,286	-	24,286
A Ramlie[6]	10,833	-	10,833
A Sidarto[6]	10,833	-	10,833
Total	710,174	135,135	845,309

1 Cash remuneration includes salary, committee fees and superannuation.
2 Mr Tyrwhitt commenced in the role as Non-Executive Chair on 20 October 2023. Ms Skira retired as Non-Executive Chair effective 20 October 2023.
3 Mr Chandran and Mr White were appointed as Non-Executive Directors, effective 1 February 2024.
4 Mr Gibbs has been appointed as a Non-Executive Director, effective 13 July 2023.
5 Mr Munro passed away on 21 August 2023.
6 Mr Ramlie and Mr Sidarto resigned from the Board, effective 13 July 2023.

The maximum aggregate amount, as approved by Shareholders at the 2021 Annual General meeting, that can be paid to Non-Executive Directors is $1,300,000 per annum, including superannuation (the Fee Pool).

Non-Executive Directors have the option to sacrifice a percentage of their fixed remuneration for share rights.

For personal use only

For personal use only

Share rights
A Non-Executive Director Salary Sacrifice Plan was initiated by the Company during FY19, pursuant to which Non-Executive Directors may elect to sacrifice all or a portion of their annual pre-tax directors' fees and committee fees (excluding superannuation) in the form of share rights. Vesting is contingent on the Non-Executive Director remaining continuously engaged by the Company as a Non-Executive Director. Share rights were granted in two tranches on 1 July 2023 (50% vesting on the day after the release of Macmahon's half-year results and 50% vesting on the day after the release of Macmahon's full-year results). The share rights may be cash settled at the request of the Non-Executive Director prior to vesting.

For additional information on restrictions or failure to vest, refer to the ASX announcement, dated 5 July 2018.

In accordance with Australian Accounting Standards, as the share rights provide an option over equity, they have been fair valued as of their grant dates. Details of the share rights are provided in section 6.

3 REMUNERATION GOVERNANCE

The Board oversees the remuneration arrangements of the Company. In performing this function, the Board is assisted by input and recommendations from the Remuneration Committee ("the Committee"), external consultants and internal advice. The Committee is responsible for the overview, and recommendation to the Board, of remuneration arrangements for Non-Executive Directors and executive KMP. The CEO and Managing Director, in consultation with the Board, sets remuneration arrangements for other executive KMP. No employee is directly involved in deciding their own remuneration, including the CEO.

Further details of the role and function of the Committee are set out in the Remuneration Committee Charter on the Company's website at www.macmahon.com.au.

The Committee obtains advice and market remuneration data from external remuneration advisors as required. When advice and market remuneration data is obtained, the Committee follows protocols regarding the engagement and use of external remuneration consultants to ensure ongoing compliance with executive remuneration legislation. These protocols ensure that any remuneration recommendation from an external consultant is free from undue influence by any member of the Company's executive KMP to whom it relates.

The protocols for any external consultant providing remuneration recommendations prohibit them from providing advice or recommendations to executive KMP or Non-Executive Directors before recommendations are given to the Committee. These arrangements were implemented to ensure that any external party will be able to carry out its work, including information capture and formation of its recommendations, free from undue influence by the individuals to whom they relate.

In FY24, the Company engaged Remsmart, formally BDO Reward WA Pty Limited, to provide benchmarking information about market remuneration levels for the CEO and other KMP respectively in a peer group of ASX listed companies. This information was not a remuneration recommendation as defined by the Act, however, was considered by the Board in the FY24 remuneration review process.

The Board is satisfied that the remuneration benchmarking data provided by Remsmart was free from undue influence by employees of Macmahon.

4 VALUE PROVIDED TO KMP

4.1 Statutory remuneration for the year ended 30 June 2024

Details of the nature and value of each major element of remuneration provided to executive KMP of the Company during FY24 are set out in the table below. In this table, the value of share-based payments has been calculated in accordance with Australian Accounting Standards.

For personal use only

Directors Non-Executive	Year	Short-term Salary $	Committee fees $	Cash bonus/ STI $	Non-monetary benefits $	Total short-term $
H Tyrwhitt[1] (Chair)	2024	198,744	45,045	-	-	243,789
	2023	108,597	63,348	-	-	171,946
D Chandran[2]	2024	48,799	1,501	-	-	50,300
	2023	-	-	-	-	-
D Gibbs[3]	2024	113,399	22,113	-	-	135,512
	2023	-	-	-	-	-
D McComish	2024	117,117	45,045	-	-	162,162
	2023	108,597	45,249	-	-	153,846
G White[2]	2024	48,799	1,501	-	-	50,300
	2023	-	-	-	-	-
E Skira[1] **(Chair)**	2024	78,078	-	-	-	78,078
	2023	234,299	-	-	-	234,299
B Munro[5]	2024	15,677	6,202	-	-	21,879
	2023	84,664	35,207	-	-	119,872
A Ramlie[4]	2024	9,760	-	-	-	9,760
	2023	108,597	-	-	-	108,597
A Sidarto[4]	2024	9,760	-	-	-	9,760
	2023	108,597	-	-	-	108,597
Total compensation for Non-Executive Directors	2024	640,133	121,407	-	-	761,540
	2023	753,352	143,805	-	-	897,157

Executives	Year	Short-term Salary and allowances $	Committee fees $	STI bonus $	Non-monetary benefits $	Total short-term $
M Finnegan Managing Director and Chief Executive Officer	2024	949,892	-	992,167	1,119	1,943,178
	2023	914,524	-	698,301	1,119	1,613,944
U Lummis Chief Financial Officer	2024	615,390	-	489,436	340	1,105,166
	2023	524,532	-	306,435	340	831,307
D James Chief Commercial Officer	2024	544,297	-	435,393	-	979,690
	2023	524,524	-	306,435	-	830,959
R McLeod[2] Chief Operating Officer	2024	179,615	-	-	-	179,615
	2023	610,625	-	357,081	-	967,706
Total compensation for executive personnel	2024	2,289,194	-	1,916,996	1,459	4,207,649
	2023	2,574,205	-	1,668,252	1,459	4,243,916
Total compensation for Directors and Executives	2024	2,929,327	121,408	1,916,996	1,459	4,969,189
	2023	3,327,557	143,805	1,668,252	1,459	5,141,073

NED footnotes

1 Mr Tyrwhitt commenced in the role as Non-Executive Chair on 20 October 2023. Ms Skira retired as Non-Executive Chair effective 20 October 2023.
2 Mr Chandran and Mr White were appointed as Non-Executive Directors, effective 1 February 2024.
3 Mr Gibbs has been appointed as a Non-Executive Director effective 13 July 2023.
4 Mr Ramlie and Mr Sidarto resigned from the Board effective 13 July 2023.
5 Mr Munro passed away on 21 August 2023.
6 Represents the fair value at grant date of the share rights issued for salary sacrificed over the vesting period of the award.

Other long-term benefits $	Post-employment: Super-annuation $	Post-employment: Termination payments	Share-based payment[6]: Options and rights $	Performance related %	Non-performance related %	Compensation consisting of options and rights %	Total compensation $
-	26,817	-	3,235	-	100	-	273,841
-	18,054	-	958	-	100	-	190,958
-	5,533	-	-	-	100	-	55,833
-	-	-	-	-	-	-	-
-	14,906	-	4,087	-	100	-	154,505
-	-	-	-	-	-	-	-
-	17,838	-	2,895	-	100	-	182.895
-	16,154	-	-	-	100	-	170,000
-	5,533	-	-	-	100	-	55,833
-	-	-	-	-	-	-	-
-	8,589	-	-	-	100	-	86,667
-	5,701	-	1,210	-	100	-	241,210
-	2,407	-	-	-	100	-	24,286
-	12,587	-	2,391	-	100	-	134,849
-	1,073	-	-	-	100	-	10,833
-	11,403	-	2,420	-	100	-	122,420
-	1,073	-	-	-	100	-	10,833
-	11,403	-	2,420	-	100	-	122,420
-	83,769	-	10,217	-	100	-	855,526
-	75,301	-	9,399	-	100	-	981,857

Other long-term benefits[1] $	Post-employment: Super-annuation $	Post-employment: Termination payments	Share-based payment: Options and rights $	Performance related %	Non-performance related %	Compensation consisting of options and rights %	Total compensation $
86,303	27,708	-	673,667	61	39	25	2,730,856
85,608	25,476	-	479,572	53	47	22	2,204,600
54,254	27,610	-	174,093	49	51	13	1,361,123
49,193	25,468	-	89,134	40	60	9	995,102
52,115	27,703	-	157,606	49	51	13	1,217,114
51,047	27,986	-	57,797	38	62	6	967,789
16,540	2,459	-	(33,522)	N/A	100	N/A	165,092
58,080	30,275	-	67,044	38	62	6	1,123,105
209,212	85,480	-	971,844	53	47	18	5,474,185
243,928	109,205	-	693,547	45	55	13	5,290,596
209,212	169,249	-	982,061	46	54	16	6,329,711
243,928	184,506	-	702,946	38	62	11	6,272,453

Executives footnotes

1 Other long-term benefits related to movement in annual and long service leave liabilities for each Executive.
2 Mr McLeod resigned as Chief Operating Officer effective 12 October 2023.

For personal use only

4.2 Voluntary information – Remuneration received by executive KMP for the year ended 30 June 2024

The amounts disclosed below reflect the benefits received by each KMP during the reporting period.

	Fixed remuneration[1] $	Awarded STI (cash)[2] $	Realised remuneration received $
M Finnegan	977,600	698,301	1,675,901
U Lummis	643,000	306,435	949,435
D James	572,000	306,435	878,435
R McLeod[3]	182,074	357,081	539,155
Total	**2,374,674**	**1,668,252**	**4,042,926**

1 Fixed remuneration includes base salaries received and payments made to superannuation funds.
2 The STI paid is the FY23 STI settled in FY24, and the FY24 STI will be paid in FY25.
3 Mr McLeod resigned as Chief Operating Officer effective 12 October 2023.

The amounts disclosed above are not the same as remuneration expensed in relation to each KMP in accordance with Australian Accounting Standards (see Table 4.1 above).

Nevertheless, the directors believe that remuneration received is relevant information for the following reasons:

- The statutory remuneration expense for performance rights is based on the fair value determined at the grant date for all unvested rights and does not reflect the fair value of the rights vested and actually received by the KMPs during the year.
- The statutory remuneration shows benefits before they are actually received by the KMPs (deferral and claw back of STI payments).
- Where performance rights do not vest because a market-based performance condition is not satisfied (e.g. absolute TSR), the Company must still recognize the full amount of expenses even though the KMPs will never receive any benefits.

The accuracy of information in this section has been audited together with the rest of the remuneration report.

5 ANALYSIS OF STI BONUSES INCLUDED IN STATUTORY REMUNERATION FOR FY24

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to executive KMP are as follows:

	Included in statutory remuneration $	Vested in year %	Forfeited in the year %
M Finnegan	992,167	101.5	-
U Lummis	489,436	101.5	-
D James	435,393	101.5	-

For personal use only

The STI Award is structured to commence upon achievement of the Company's publicly stated EBIT(A) guidance (gateway), and to increase in line with any additional EBIT(A), up to a cap based on the following:

	KPI	Threshold	Target	Stretch	Actual results	Actual Award STI
STI Award created on EBIT(A)	EBIT (A)	$130m	$140m	$150m	**$140.3m**	**101.5%**

The EBIT(A) result creates the maximum STI award which is then allocated to further hurdles as follows:

KPI	Weighting	Threshold	Target	Actual results	Actual Award STI
ROACE	10%	15.3%	16.5%	17.2%	**Yes**
Average Asset Intensity	N/A	47%	44%	39.1%	**Yes**
Contracted EBIT(A)	Project EBIT(A) from work in hand to be greater than 3x FY24 Project EBIT(A)			3.59x	**Yes**
Health, Safety and Environment Target	TRIFR < 3.7 for FY24			3.64	**Yes**
People culture target based on survey score	WAM Engagement Survey 80% or greater			84%	**Yes**
STI awarded to KMP					**101.5%**

The percentage vested during the year was based on the following:

KPI	Weighting	Threshold	Target	Stretch	Actual Award STI
Reported Underlying EBIT(A)	50% of award	0%	100%	150%	**50.7%**
ROACE	10% of award				**10.1%**
Average Asset Intensity	10% of award				**10.1%**
Contracted EBIT(A)	10% of award				**10.1%**
Health, Safety and Environment Target	10% of award				**10.1%**
People culture target based on survey score	10% of award				**10.1%**
STI awarded to KMP					**101.5%**

For personal use only

6 EQUITY INSTRUMENTS

6.1 Rights over equity instruments granted as compensation

Non-Executive Director share rights

Details of share rights over ordinary shares in the Company granted to Non-Executive Directors during FY24 as part of the NED Salary Sacrifice Plan were as follows:

		Salary sacrificed $	Number of rights granted[1]	Fair value at grant date[2] $	Vesting date
H Tyrwhitt	Tranche 1	21,396	158,500	1,429	Feb 24
	Tranche 2	21,396	158,500	1,806	Aug 24
D Chandran[3]	Tranche 1	–	–	–	–
	Tranche 2	–	–	–	–
D Gibbs	Tranche 1	27,027	200,210	1,805	Feb 24
	Tranche 2	27,027	200,210	2,282	Aug 24
D McComish	Tranche 1	19,144	141,816	1,278	Feb 24
	Tranche 2	19,144	141,816	1,616	Aug 24
G White[3]	Tranche 1	–	–	–	–
	Tranche 2	–	–	–	–
E Skira[4]	Tranche 1	–	–	–	–
	Tranche 2	–	–	–	–
B Munro[5]	Tranche 1	–	–	–	–
	Tranche 2	–	–	–	–
A Ramlie[6]	Tranche 1	–	–	–	–
	Tranche 2	–	–	–	–
A Sidarto[6]	Tranche 1	–	–	–	–
	Tranche 2	–	–	–	–

1 Share rights are issued under the NED Salary Sacrifice Plan and are not in addition to their fixed remuneration. Rights relating to former Non-Executive Directors lapse on retirement, resignation or death.
2 In accordance with Australian Accounting Standards, as the share rights granted include an "option" over ordinary shares, the option element is required to be fair valued at the grant date. The fair value per share is $0.009 for Tranche 1 and $0.0133 for Tranche 2.
3 Rights were granted on 1 July 2023 prior to the appointment of Mr Chandran and Mr White as Non-Executive Directors.
4 Ms Skira retired as Non-Executive Chair effective 20 October 2023.
5 Mr Munro passed away on 21 August 2023.
6 Mr Ramlie and Mr Sidarto resigned from the Board, effective 13 July 2023.

For personal use only

For personal use only

Executive KMP performance rights and ordinary shares
During FY24, the following performance rights were granted as compensation to KMP:

	Number of rights granted	Vesting conditions	Grant date	Fair value per right at the grant date	Fair value at grant date $	Earliest potential vesting date
M Finnegan	3,481,481	Market	1 Jul 23	0.1260	438,667	1 Jul 26
	3,481,481	Non-market	1 Jul 23	0.1840	640,593	1 Jul 26
U Lummis	1,018,518	Market	1 Jul 23	0.1260	128,333	1 Jul 26
	1,018,518	Non-market	1 Jul 23	0.1840	187,407	1 Jul 26
D James	1,018,518	Market	1 Jul 23	0.1260	128,333	1 Jul 26
	1,018,518	Non-market	1 Jul 23	0.1840	187,407	1 Jul 26

Rights will expire before the termination of the individual's employment or the day after they are tested by the Board against the vesting condition and found not to satisfy that condition. In addition to a continuing performance condition, vesting is conditional on the extent to which the Company achieves increases in absolute TSR over the performance period, as well as safety, people and business mix targets.

6.2 Details of equity rights affecting current and future remuneration
Details of the vesting profiles of the performance rights over ordinary shares in the Company held by executive KMP during FY24 are as follows:

Executive KMP	Grant date (effective from)	Fair value on grant date	Number granted	Number previously forfeited	Number forfeited in 2023	Held at 30 June 2023	Financial year in which the grant vests, subject to performance	Maximum value yet to vest[1]
M Finnegan	1 Jul 20	$0.142	2,467,420	-	(2,467,420)	-	1 July 2024	-
	1 Jul 21 (Tranche 1)	$0.099	1,886,792	-	-	1,886,792	1 July 2024	-
	1 Jul 21 (Tranche 2)	$0.177	1,886,792	-	(528,301)	1,358,491	1 July 2024	-
	1 Jul 22 (Tranche 1)	$0.061	3,050,848	-	-	3,050,848	1 July 2025	$62,034
	1 Jul 22 (Tranche 2)	$0.125	3,050,848	-	(427,119)	2,623,729	1 July 2025	$109,322
	1 Jul 23 (Tranche 1)	$0.126	3,481,481	-	-	3,481,481	1 July 2026	$292,444
	1 Jul 23 (Tranche 2)	$0.184	3,481,481	-	-	3,481,481	1 July 2026	$427,062
U Lummis	1 Jul 22 (Tranche 1)	$0.061	788,644	-	-	788,644	1 July 2025	$16,036
	1 Jul 22 (Tranche 2)	$0.125	788,644	-	(110,410)	678,234	1 July 2025	$28,260
	1 Jul 23 (Tranche 1)	$0.126	1,018,518	-	-	1,018,518	1 July 2026	$85.556
	1 Jul 23 (Tranche 2)	$0.184	1,018,518	-	-	1,018,518	1 July 2026	$124,938
D James	1 Jul 22 (Tranche 1)	$0.061	932,204	-	-	932,204	1 July 2025	$18,955
	1 Jul 22 (Tranche 2)	$0.125	932,204	-	(130,509)	801,695	1 July 2025	$33,404
	1 Jul 23 (Tranche 1)	$0.126	1,018,518	-	-	1,018,518	1 July 2026	$85,556
	1 Jul 23 (Tranche 2)	$0.184	1,018,518	-	-	1,018,518	1 July 2026	$124,938
R McLeod[2]	1 Jul 22 (Tranche 1)	$0.061	1,081,356	-	(1,081,356)	-	1 July 2025	-
	1 Jul 22 (Tranche 2)	$0.125	1,081,356	-	(1,081,356)	-	1 July 2025	-

1 The maximum value of performance rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed.
2 Mr McLeod resigned as Chief Operating Officer effective 12 October 2023.

6.3 Analysis of movements in performance rights

The movement during the reporting period by the number of performance rights over ordinary shares in the Company held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2023	Granted as compensation	Forfeited during the year	Held at 30 June 2024
M Finnegan	12,342,700	6,962,962	(3,422,841)	15,882,821
U Lummis	1,577,288	2,037,036	(110,410)	3,503,914
D James	1,864,407	2,037,036	(130,508)	3,770,935
R McLeod[1]	2,162,712	-	(2,162,712)	-

1 Mr McLeod resigned as Chief Operating Officer effective 12 October 2023.

6.4 Analysis of movements in share rights

The movement during the reporting period, by number of share rights over ordinary shares in the Company held, directly, indirectly or beneficially, by Non-Executive Directors, including their related parties, is as follows:

	Held at 1 July 2023	Salary Sacrifice Rights Granted	Vested during FY24	Held at 30 June 2024
Non-Executive Directors				
H Tyrwhitt	145,758	317,000	(304,258)	158,500
D Chandran[1]	-	-	-	-
D Gibbs[2]	-	400,420	(200,210)	200,210
D McComish	-	283,632	(141,816)	141,816
G White[1]	-	-	-	-
E Skira[3]	-	-	-	-
B Munro[4]	-	-	-	-
A Ramlie[5]	-	-	-	-
A Sidarto[5]	-	-	-	-

1 Rights were granted on 1 July 2023, prior to the appointment of Mr Chandran and Mr White as Non-Executive Directors, effective 1 February 2024.
2 Mr Gibbs has been appointed as a Non-Executive Director effective 13 July 2023.
3 Ms Skira retired as Non-Executive Chair effective 20 October 2023.
4 Mr Munro passed away on 21 August 2023.
5 Mr Ramlie and Mr Sidarto resigned from the Board effective 13 July 2023.

For personal use only

For personal use only

6.5 Movements in ordinary shareholdings

The movement during FY24 in the number of ordinary shares in the Company held directly, indirectly or beneficially, by Non-Executive Directors and executive KMP, including their related parties, is as follows:

	Held at 1 July 2023	Vested rights[2]	Held at 30 June 2024
Non-Executive Directors			
H Tyrwhitt	525,010	304,258	829,268
D Chandran[3]	-	-	-
D Gibbs	-	200,210	200,210
D McComish	569,927	141,816	711,743
G White[3]	-	-	-
E Skira[4]	982,621	184,115	N/A[1]
B Munro[5]	2,450,276	291,258	N/A[1]
A Sidarto[6]	2,251,217	368,230	N/A[1]
A Ramlie[6]	2,251,217	368,230	N/A[1]
Executive KMP			
M Finnegan	5,020,008	-	5,020,008
U Lummis	-	-	-
D James	-	-	-
R McLeod[7]	-	-	-
Total	**14,050,276**	**1,858,117**	**6,761,229**

1 Ceased to be a Non-Executive Director during FY24.
2 Rights refer to share rights for Non-Executive Directors and performance rights for executives.
3 Mr Chandran and Mr White were appointed as Non-Executive Directors, effective 1 February 2024.
4 Ms Skira retired as Non-Executive Chair effective 20 October 2023.
5 Mr Munro passed away on 21 August 2023.
6 Mr Ramlie and Mr Sidarto resigned from the Board effective 13 July 2023.
7 Mr McLeod resigned as Chief Operating Officer effective 12 October 2023.

For personal use only



For personal use only

Financial Statements

GENERAL INFORMATION

The financial statements cover Macmahon Holdings Limited ("the Company" or "the Parent") as a consolidated entity (referred to hereafter as "the Group") consisting of Macmahon Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company.

Macmahon Holdings Limited is a public company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 20 August 2024.

An accounting policy, critical accounting estimate, assumption or judgement specific to a note is disclosed within the note itself.

68 Consolidated Statement of Profit or Loss and Other Comprehensive Income

69 Consolidated Statement of Financial Position

70 Consolidated Statement of Changes In Equity

71 Consolidated Statement of Cash Flows

72 Notes to the Consolidated Financial Statements

124 Consolidated Entity Disclosure Statement

127 Directors' Declaration

128 Independent Auditor's Report

132 Summary of Consolidated Reports

134 ASX Additional Information

136 Corporate Directory and Glossary

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 $'000	2023 $'000
Revenue	2	**2,031,261**	1,906,150
Other income	3	**8,262**	8,539
Expenses			
Materials and consumables used		**(395,664)**	(517,812)
Employee benefits expense	4	**(951,357)**	(817,621)
Depreciation and amortisation expense	4	**(211,790)**	(197,153)
Equipment and other short-term lease expenses	4	**(152,911)**	(99,258)
Subcontractor costs		**(82,380)**	(74,627)
Share-based payments expense	29	**(2,055)**	(898)
Impairment of financial assets	17	**(31,805)**	-
Other expenses	4	**(110,278)**	(100,639)
Operating profit		**101,283**	106,681
Share of profit of equity-accounted investees, net of tax	25	**372**	294
Operating profit, income and expenses from equity-accounted investees		**101,655**	106,975
Finance costs	4	**(28,506)**	(25,652)
Finance income	4	**1,739**	1,342
Net finance costs	4	**(26,767)**	(24,310)
Impairment of asset disposal group		**-**	(252)
Profit before income tax		**74,888**	82,413
Income tax expense	5	**(21,662)**	(24,743)
Profit after income tax for the year		**53,226**	57,670
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation	20	**(3,868)**	5,271
Items that will not be reclassified to profit or loss:			
Equity investments at FVOCI - Net of change in fair value	10	**(8,480)**	(1,995)
Other comprehensive income for the year, net of tax		**(12,348)**	3,276
Total comprehensive income for the year attributable to the owners of the Company		**40,878**	60,946

	Note	2024 Cents	2023 Cents
Earnings per share for profit attributable to the owners of Macmahon Holdings Limited			
Basic earnings per share	6	**2.53**	2.75
Diluted earnings per share	6	**2.48**	2.74

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

For personal use only

Consolidated Statement of Financial Position

	Note	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**194,578**	218,162
Trade and other receivables	9	**382,837**	331,009
Inventories	11	**105,430**	92,252
Income tax receivable	5	**17,058**	12,033
Total current assets		**699,903**	653,456
Non-current assets			
Investments accounted for using the equity method	25	**1,071**	792
Trade and other receivables	9	**45,096**	46,847
Property, plant and equipment	15	**671,912**	720,057
Intangible assets and goodwill	16	**10,379**	10,560
Other financial assets	10	**-**	8,480
Deferred tax asset	5	**22,989**	24,523
Total non-current assets		**751,447**	811,259
Total assets		**1,451,350**	1,464,715
LIABILITIES			
Current liabilities			
Trade and other payables	12	**322,703**	324,739
Borrowings	18	**104,139**	121,861
Income tax payable	5	**14,510**	-
Employee benefits	13	**84,107**	70,376
Provisions	14	**32,720**	26,447
Total current liabilities		**558,179**	543,423
Non-current liabilities			
Trade and other payables	12	**4,713**	1,959
Borrowings	18	**237,026**	298,247
Employee benefits	13	**4,919**	3,934
Deferred tax liability	5	**12,998**	8,303
Total non-current liabilities		**259,656**	312,443
Total liabilities		**817,835**	855,866
NET ASSETS		**633,515**	608,849
EQUITY			
Issued capital	19	**563,118**	563,118
Reserves	20	**(12,443)**	(1,628)
Net accumulated profits		**82,840**	47,359
TOTAL EQUITY		**633,515**	608,849

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For personal use only

Consolidated Statement of Changes In Equity

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Retained profits $'000	Total equity $'000
Balance at 30 June 2023	563,118	(1,628)	(192,396)	239,755	608,849
Profit after income tax expense for the year	-	-	-	53,226	53,226
Other comprehensive income for the year, net of tax	-	(12,349)	-	-	(12,349)
Total comprehensive income for the year	-	(12,349)	-	53,226	40,877
Transactions with owners in their capacity as owners:					
Treasury shares allocated on vesting of performance rights (note 20)	-	353	-	(51)	302
Treasury shares purchased for compensation plans (note 20)	-	-	-	-	-
Dividends (note 20)	-	-	-	(19,217)	(19,217)
Share-based payments expense (note 28)	-	2,704	-	-	2,704
Transfer of lapsed performance rights (note 20)	-	(1,523)	-	1,523	-
Balance at 30 June 2024	563,118	(12,443)	(192,396)	275,236	633,515

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Retained profits $'000	Total equity $'000
Balance at 30 June 2022	563,118	(5,901)	(192,396)	194,679	559,500
Profit after income tax expense for the year	-	-	-	57,670	57,670
Other comprehensive income for the year, net of tax	-	3,276	-	-	3,276
Total comprehensive income for the year	-	3,276	-	57,670	60,946
Transactions with owners in their capacity as owners:					
Treasury shares allocated on vesting of performance rights (note 20)	-	431	-	-	431
Treasury shares purchased for compensation plans (note 20)	-	(190)	-	-	(190)
Dividends (note 20)	-	-	-	(13,815)	(13,815)
Share-based payments expense (note 28)	-	1,977	-	-	1,977
Transfer of lapsed performance rights (note 20)	-	(1,221)	-	1,221	-
Balance at 30 June 2023	563,118	(1,628)	(192,396)	239,755	608,849

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

Consolidated Statement of Cash Flows

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		**2,195,546**	2,140,565
Payments to suppliers and employees		**(1,894,641)**	(1,834,535)
Payments to suppliers and employees for SaaS costs		**(1,243)**	(2,941)
Receipts from joint venture entities		**100**	13
Corporate development costs		**(3,156)**	(691)
Interest received		**1,739**	1,342
Interest and other finance costs paid		**(24,917)**	(24,910)
Income taxes paid		**(2,610)**	(11,989)
Net cash from operating activities	7	**270,818**	266,854
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**6,416**	3,630
Payments for property, plant and equipment	15	**(149,985)**	(193,228)
Payments for intangible assets	16	**(48)**	(30)
Proceeds from sale of disposal group held for sale		**1,209**	1,618
Earn-out in relation to previous acquisition		**-**	(5,130)
Net cash used in investing activities		**(142,408)**	(193,140)
Cash flows from financing activities			
Purchase of own shares	20	**-**	(190)
Proceeds from interest-bearing loans	18	**106,374**	108,257
Repayment of interest-bearing loans	18	**(156,311)**	(64,008)
Repayment of lease liabilities	18	**(81,911)**	(85,439)
Dividends paid	20	**(19,218)**	(13,815)
Net cash used in financing activities		**(151,066)**	(55,195)
Net increase in cash and cash equivalents		**(22,656)**	18,519
Cash and cash equivalents at the beginning of the financial year		**218,162**	197,958
Effects of exchange rate changes on cash and cash equivalents		**(928)**	1,685
Cash and cash equivalents at the end of the financial year	8	**194,578**	218,162

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

Notes to the Consolidated Financial Statements

A	**Results**	73
1	Operating segments	73
2	Revenue	75
3	Other income	76
4	Expenses	76
5	Tax	78
6	Earnings per share	82
B	**Cash Flow Information**	83
7	Reconciliation of profit after income tax to net cash from operating activities	83
C	**Working Capital**	83
8	Cash and cash equivalents	83
9	Trade and other receivables	84
10	Other financial assets	85
11	Inventories	86
12	Trade and other payables	86
13	Employee benefits	87
14	Provisions	88
D	**Fixed Assets**	89
15	Property, plant and equipment	89
16	Intangible assets and goodwill	91
E	**Risk**	93
17	Financial risk management	93
F	**Debt and Equity**	100
18	Borrowings	100
19	Equity – Issued capital	102
20	Equity – Reserves	103
G	**Unrecognised Items**	104
21	Contingent liabilities	104
22	Commitments	105
23	Events after the reporting period	105
H	**Other Information/ Group Structure**	106
24	Interests in subsidiaries	106
25	Interests in joint ventures	107
26	Related party transactions	107
27	Compensation of key management personnel	108
28	Share-based payments	108
29	Remuneration of auditors	116
30	Deed of cross guarantee	116
31	Parent entity information	119
32	Business combination	120
33	Other material accounting policies	121

For personal use only

A Results

1 OPERATING SEGMENTS

Identification of reportable operating segments
The Group has identified its reportable segments based on the internal reporting, which is reviewed and used by the Chief Executive Officer (the Chief Operating Decision Maker) in assessing the performance and in determining the allocation of resources between business units.

Management have identified three operating segments; Surface Mining, Underground Mining and International Mining. These segments have been aggregated into "Mining" due to all segments exhibiting similar economic characteristics regarding the nature of the products and services, production processes, type or class of customers and methods used in rendering their services.

The following describes the operations of each reportable segment:

Mining
The Group provides a broad range of mining services, which includes surface and underground mining, civil and rehabilitation services, equipment maintenance, rentals and management.

Financial performance is measured with reference to underlying earnings before interest, tax and customer contract amortisation (EBIT(A)), as included in the internal reporting reviewed by the Chief Executive Officer, and is measured consistently with profit or loss in the consolidated financial statements. Segment EBIT(A) is used to measure financial performance, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The financial performance of each reportable segment is set out below:

Consolidated – 2024	Mining $'000	Unallocated $'000	Total $'000
Revenue			
Revenue from contracts with customers	**2,021,086**	-	**2,021,086**
Revenue from contracts with customers - non-cash consideration	**10,175**	-	**10,175**
Total revenue	**2,031,261**	-	**2,031,261**
Underlying EBITDA	**353,520**	(1,816)	**351,704**
Depreciation and amortisation expense (excluding customer contracts amortisation)	**(209,995)**	(1,411)	**(211,406)**
Underlying EBIT(A)	**143,525**	(3,227)	**140,298**
Finance income	**-**	1,739	**1,739**
Finance costs	**(28,116)**	(390)	**(28,506)**
Corporate development costs	**-**	(3,156)	**(3,156)**
Share-based payments expense	**-**	(2,055)	**(2,055)**
SaaS customisation costs	**-**	(1,243)	**(1,243)**
Impairment of financial assets[1]	**(31,805)**	-	**(31,805)**
Amortisation on customer contracts	**(384)**	-	**(384)**
Profit/(loss) before income tax expense	**83,220**	(8,332)	**74,888**
Segment assets	**1,226,729**	224,621	**1,451,350**
Segment liabilities	**795,549**	22,286	**817,835**
Capital expenditure	**182,825**	-	**182,825**

1 Refer to note 17.

Consolidated – 2023	Mining $'000	Unallocated $'000	Total $'000
Revenue			
Revenue from contracts with customers	1,906,150	-	1,906,150
Total revenue	1,906,150	-	1,906,150
Underlying EBITDA	309,133	(474)	308,659
Depreciation and amortisation expense (excluding customer contracts amortisation)	(190,565)	(1,452)	(192,017)
Underlying EBIT(A)	118,568	(1,926)	116,642
Finance income	-	1,341	1,341
Finance costs	(25,136)	(516)	(25,652)
Earn-out in relation to previous GBF acquisition	-	-	-
Acquisition costs	-	(691)	(691)
Share-based payments expense	-	(898)	(898)
SaaS customisation costs	-	(2,941)	(2,941)
Impairment of asset disposal group		(252)	(252)
Amortisation on customer contracts	(5,136)	-	(5,136)
Profit/(loss) before income tax expense	88,296	(5,883)	82,413
Segment assets	1,213,565	251,150	1,464,715
Segment liabilities	846,387	9,479	855,866
Capital expenditure	239,385	-	239,385

	Geographical revenue from contracts with customers		Geographical non-current assets	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Australia	**1,885,481**	1,543,318	**623,902**	677,109
Indonesia	**142,624**	359,862	**120,214**	126,198
Malaysia	**3,156**	2,970	**7,331**	7,952
Others	**-**	-	**-**	-
	2,031,261	1,906,150	**751,447**	811,259

Major customers

The revenue information above is based on the location of customers. Revenue from two customers related to three projects, individually greater than 10%, amounted to $630.968 million (2023: four projects related to three customers, individually greater than 10%, amounted to $830.500 million), arising from the provision of mining services.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Chief Executive Officer in making decisions about resource allocation and performance assessment, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise of corporate assets, net foreign exchange differences, finance income, income taxes, share-based payments and acquisition costs. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

For personal use only

2 REVENUE

	Consolidated	
	2024 $'000	2023 $'000
Revenue from contracts with customers	**2,021,086**	1,906,150
Revenue from contracts with customers (non-cash consideration)	**10,175**	-
	2,031,261	1,906,150

Services revenue

The Group generates revenue from the provision of mining services, which includes surface and underground mining, civil and rehabilitation services, equipment maintenance, rentals and management. The activities for each contract were assessed as highly inter-related and, as a result, the Group determined that one performance obligation exists for each of its mining contracts.

The transaction price for each contract is based on agreed contractual rates to which the Group is entitled, and may include a variable pricing element which is discussed below.

Revenue for the services is recognised over time based on the work completed and billed to the customers as the customer receives the benefit. As services are invoices on a monthly basis based on the actual services provided, or at cost plus margin incurred to date, the Group has used the practical expedient available under AASB 15 Revenue to recognise revenue based on the right to invoice. This is on the basis that the invoices amount corresponds directly with the value to the customer of the Group's performance completed to date. Amounts billed to customers are not secured and are typically due within 5–60 days from the invoice issuance.

Sale of goods

The Group generates revenue from the sale of goods in the course of ordinary activities, which is recognised at point in time when control has been transferred to the customer, generally being when the goods are delivered and accepted by the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of trade discounts.

	Consolidated	
	2024 $'000	2023 $'000
Revenue from mining services	**1,954,246**	1,906,150
Revenue from sale of goods	**77,015**	-
	2,031,261	1,906,150

Variable consideration

Certain contracts with customers include a variable element which is subject to the Group meeting either certain cost targets or material movement KPIs. Variable consideration is recognised when it is highly probable that a significant reversal of revenue will not occur in a subsequent period.

For the year ended 30 June 2024, variable consideration amounted to $21.006 million (2023: $19.540 million) which was carried as a contract asset (note 9) (2023: $10.232 million), and $1.558 million has been subsequently approved by customers.

Non-cash consideration

Where customers contribute materials to the Group to facilitate the fulfilment of the contract, and the Group obtains control of the contributed materials, the costs of these materials have been included as revenue, as non-cash consideration received from the customer and the corresponding expense is included in materials and consumables used in the consolidated statement of profit or loss and other comprehensive income.

For personal use only

For personal use only

3 OTHER INCOME

	Consolidated	
	2024 $'000	2023 $'000
Net gain on disposal of plant and equipment	**3,638**	1,172
Other	**4,624**	7,367
	8,262	8,539

Other income primarily relates to training rebates received.

4 EXPENSES

Profit before income tax from continuing operations includes the following specific expenses:

	Consolidated	
Depreciation and amortisation	2024 $'000	2023 $'000
Depreciation		
Leasehold improvements	**595**	191
Plant and equipment	**116,074**	107,868
Right-of-use assets	**94,392**	83,631
Amortisation		
Software	**345**	327
Customer contracts	**384**	5,136
	211,790	197,153

Other expenses

Other expenses includes the following:

	Consolidated	
	2024 $'000	2023 $'000
Freight expenses	**29,253**	27,714
Consulting and other professional services	**9,530**	7,760
Recruitment, training and other employee incidentals	**16,912**	17,304
Travel and accommodation expenses	**10,503**	8,765
Insurance expenses	**9,511**	9,688
Expected credit loss (ECL) allowance	**398**	-
Administrative and facilities expenses	**12,661**	9,102
Information, communication and technology expenses	**10,786**	10,057
Foreign exchange loss	**1,816**	474
SaaS customisation costs	**1,243**	2,941
Corporate development costs	**3,156**	691
Other expenses	**4,509**	6,143
	110,278	100,639

For personal use only

Employee benefits expense

Employee benefits expense includes the following:

	Consolidated	
	2024 $'000	2023 $'000
Salaries and Wages (including on-costs)	**809,862**	695,133
Hired Labour	**141,495**	122,487
	951,357	817,620

The following expenses are also included in Salaries and Wages (including on-costs):

	Consolidated	
	2024 $'000	2023 $'000
Defined contribution superannuation expense	**65,599**	49,295
Employee shares[1]	**649**	1,079
	66,248	50,374

1 Shares awarded to employees with no performance vesting hurdles other than service conditions form part of the total employee benefits expense. For information on the details of the share-based payments arrangement to these employees, refer to note 28(b).

Net finance costs

Finance costs include interest on lease liabilities and are expensed in the period in which they are incurred. Borrowing costs capitalised are amortised over the term of the facility.

	Consolidated	
	2024 $'000	2023 $'000
Interest income on term deposits	**(1,739)**	(1,342)
Interest expense on lease liabilities	**9,005**	13,007
Interest expense and other facility charges on interest-bearing loans	**17,848**	9,887
Other borrowing costs	**1,653**	2,758
	26,767	24,310

Lease Expenses

Lease expenses includes the following:

	Consolidated	
	2024 $'000	2023 $'000
Leases under AASB 16 *Leases*		
Depreciation of right-of-use assets	**(94,392)**	(83,631)
Equipment and other short-term lease expenses	**(152,911)**	(99,258)
	(247,303)	(182,889)

For personal use only

5 TAX

a) Income tax expense

	Consolidated	
	2024 $'000	2023 $'000
Income tax expense		
Current tax	**15,433**	5,467
Deferred tax - origination and reversal of temporary differences	**6,229**	19,276
Income tax expense	**21,662**	24,743
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**74,888**	82,413
Tax at the statutory tax rate of 30%	**22,466**	24,724
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	**811**	270
Non-deductible expenses/(non-assessable income)	**400**	33
Foreign tax rate differential	**(1,318)**	(2,757)
Net temporary difference previously unrecognised	**(731)**	294
Current year losses for which no deferred tax asset was recognised	**34**	(125)
Other[1]	**-**	2,304
Income tax expense	**21,662**	24,743

1 Including withholding tax on dividends from international subsidiaries.

b) Current assets and liabilities - income tax

	Consolidated	
	2024 $'000	2023 $'000
Income tax receivable/(payable) - Australian operations	**(14,510)**	-
Income tax receivable/(payable) - International operations	**17,058**	12,033

c) Non-current assets - deferred tax

	2024 $'000	2023 $'000
Net deferred tax (liability)/asset		
At the beginning of the financial year	**16,220**	35,496
Income tax (charge)/credit recorded in the income statement	**(6,229)**	(19,276)
Net deferred tax asset	**9,991**	16,220

For personal use only

Consolidated	Net Deferred tax assets Indonesia[1] 2024 $'000	Net Deferred tax assets Indonesia[1] 2023 $'000	Net Deferred tax liabilities Australia[1] 2024 $'000	Net Deferred tax liabilities Australia[1] 2023 $'000	Charged/(credited) to the income statement 2024 $'000	Charged/(credited) to the income statement 2023 $'000
Deferred tax asset comprises temporary differences attributable to:						
Inventories	**-**	-	**(4,660)**	(4,381)	**(280)**	63
Property, plant and equipment	**1,722**	943	**45,219**	16,946	**29,052**	(28,281)
Property, plant and equipment - Right of Use assets	**-**	-	**(93,887)**	(89,930)	**(3,957)**	-
Lease liabilities	**-**	-	**44,476**	59,427	**(14,951)**	-
Provision for project closure	**-**	-	**10,922**	7,588	**3,333**	-
Contracted reimbursements for project closure costs	**-**	-	**(2,571)**	(2,571)	**-**	-
Contract assets	**-**	-	**(49,567)**	(45,880)	**(3,687)**	(747)
Other payables	**-**	-	**13,441**	12,680	**762**	187
Employee benefits	**-**	-	**23,629**	24,021	**(392)**	5,938
Unused tax losses carried forward	**21,267**	23,580	**-**	13,796	**(16,109)**	3,564
Total	**22,989[2]**	24,523	**(12,998)**	(8,303)	**(6,229)**	(19,276)

1 Net Deferred tax assets and liabilities are disclosed separately where there is no right of offset due to different tax jurisdictions.
2 The Indonesian deferred tax asset of $22.989 million relates primarily to unused tax losses carried forward of $21.267 million, which are subject to a five-year expiry period, and $1.7 million relating to property, plant and equipment.

Unrecognised deferred tax asset		
Available fraction tax losses	**5,091**	5,608
Other non-deductible differences	**3,687**	3,797
Unrecognised deferred tax asset	**8,778**	9,405

Income tax

The effective tax rate for the current year is 28.9% (30 June 2023: 30.0%). There was no withholding tax on dividends paid in FY24, the effective tax rate excluding withholding tax on dividends paid in FY23 was 27.2%.

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Indonesian deferred tax asset relating to tax losses is subject to a five year period.

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 112 Income Taxes) from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and provision for contract closure, and a deferred tax liability in relation to its right-of-use assets and contracted reimbursements for project closure costs. However, there was no impact on the statement of financial position because the balances qualify for offset under AASB 112. There was also no impact on the opening retained earnings as at 1 July 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised as noted above.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Macmahon Holdings Limited. Current income tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable to/(receivable from) other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Group as an equity contribution or distribution.

The Group recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the unused tax losses can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

For personal use only

Nature of tax funding arrangements and tax sharing arrangements
The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/(from) the head entity equal to the current tax asset/(liability) assumed by the head entity and any deferred tax loss asset assumed by the head entity, resulting in the head entity recognising an inter-entity payable/(receivable) equal in amount to the tax asset/(liability) assumed. The inter-entity payables/(receivables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Pillar Two Global Minimum Top-Up Tax legislation
The Group is monitoring and evaluating the domestic implementation by relevant countries of the Organisation for Economic Co-operation and Development's (OECD) Pillar Two which seeks to apply a 15% global minimum tax. Pillar Two was substantively enacted by Malaysia with effect from 1 January 2025.

The Group has adopted the guidance contained in the IASB issued International Tax Reform - Pillar Two Model Rules and applies the mandatory temporary exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is currently evaluating the cash tax implications and other impacts of the Pillar Two Model Rules and does not expect the impact on the Group to be significant.

For personal use only

For personal use only

6 EARNINGS PER SHARE

	Consolidated	
	2024 $'000	2023 $'000
Profit after income tax attributable to the owners of Macmahon Holdings Limited	**53,226**	57,670
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**2,107,475,001**	2,100,686,298
Adjustments for calculation of diluted earnings per share:		
Effect of performance rights on issue	**35,104,169**	3,786,014
Weighted average number of ordinary shares used in calculating diluted earnings per share	**2,142,579,170**	2,104,472,312
	Cents	**Cents**
Earnings per share for profit attributable to owners of Macmahon Holdings Limited		
Basic earnings per share	**2.53**	2.75
Diluted earnings per share	**2.48**	2.74

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit/(loss) attributable to the owners of Macmahon Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares (if any), and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

For personal use only

B Cash Flow Information

7 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	2024 $'000	2023 $'000
Profit after income tax expense for the year from continuing operations	**53,226**	57,670
Adjustments for:		
Depreciation and amortisation expense	**211,790**	197,153
Net (gain)/loss on disposal of plant and equipment	**(3,638)**	(1,172)
Share of profit of equity accounted investees, net of tax	**(372)**	(294)
Share based payments expense	**2,704**	1,977
Net foreign exchange loss/(gain)	**1,816**	474
Remeasurement of ECL allowance	**398**	-
Impairment of asset disposal group	**-**	252
Impairment of financial assets	**31,805**	-
Other	**(3,218)**	742
Net gain on acquisition of subsidiary	**-**	-
Income tax expense	**21,662**	24,743
Income taxes paid	**(2,610)**	(11,989)
Net cash received from equity accounted investees	**100**	13
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	**(90,644)**	(60,424)
Decrease/(increase) in inventories	**(8,416)**	(2,286)
Increase/(decrease) in trade and other payables	**38,612**	51,427
Increase in employee benefits	**11,014**	7,501
Increase/(decrease) in provisions	**6,589**	1,067
Net cash from operating activities	**270,818**	266,854

C Working Capital

8 CASH AND CASH EQUIVALENTS

	Consolidated	
	2024 $'000	2023 $'000
Cash on hand	**11**	12
Cash at bank	**194,567**	218,150
	194,578	218,162

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

For personal use only

9 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024 $'000	2023 $'000
Current		
Trade receivables[1]	**72,318**	64,236
Contract assets[1]	**238,646**	204,534
Less: Provision for ECL	**(798)**	(3,433)
	310,166	265,337
Other receivables	**65,032**	56,129
Prepayments	**7,639**	9,543
	382,837	331,009
Non-current		
Contract assets	**9,031**	12,146
Other receivables	**4,088**	8,839
Agency receivables	**31,977**	25,862
	45,096	46,847

1 On 28 June 2024, Calidus Resources Limited went into administration and with the operations at Warrawoona placed into care and maintenance early July 2024, the trade receivable and contract assets of $31.8 million owing to the Group has been fully impaired.

Trade and other receivables

Trade receivables are initially recognised at the fair value of the services provided to the customer and subsequently at amortised cost less expected credit loss allowances. Other receivables are initially recognised at fair value and subsequently measured at amortised cost less expected credit loss allowances (ECL).

Due to the short term nature of these receivables, their carrying amount approximates their fair value.

Other receivables include:

- Contracted reimbursements for project closure costs of $8.569 million (2023: $8.569 million) relating to the costs recognised as part of the provision for contract closure. Refer to note 14.
- VAT receivable of $32.762 million (2023: $32.913 million) relating to input tax credits collected on goods and services consumed has been classified as current, in part, to the extent that the Group expects to receive this within the next 12 months. A VAT receivable of $3.329 million is classified as non-current as at 30 June 2024 (2023: $8.869 million).

Agency receivables

The Group entered into a tripartite agreement with a customer and financier regarding certain mining equipment acquired for the mining contract. The tripartite agreement provides the financier with a put option and the customer with a call option over the equipment, whilst the Group acts as an agent between the financier and the customer, to source and maintain the equipment. The feature of the put/call transaction results in control and risk or reward of the equipment not being with the Group. Lease costs paid by the Group in relation to the equipment (including interest) in excess to the receipts from the customer is recovered from the customer on the earlier of the life of the asset or exercise of the put/call, which is represented by a non-current receivable at the end of the contract.

Contract assets

Contract assets include $233.900 million (2023: $200.582 million) for the Group's right to consideration of mining services rendered but not billed as at 30 June 2024. Contract assets are transferred to trade receivables when the Group issues an invoice to the customer.

Included in contract assets are also current mobilisation costs of $4.745 million (2023: $6.203 million) capitalised at the commencement of the projects, where the recovery of these costs is included in future rates. These costs are amortised over the contract period as the income is earned. A balance of $9.031 million of capitalised mobilisation costs is classified as non-current as at 30 June 2024 (2023: $9.895 million) as the contract term for the projects is over 12 months.

The balance of contract assets varies and is dependent on the scale of mining services rendered for the claim period, which is ordinarily a calendar month, immediately preceding the end of the reporting period.

For personal use only

10 OTHER FINANCIAL ASSETS

	Consolidated	
	2024 $'000	2023 $'000
Non-current investments		
Equity securities - at FVOCI	-	8,480
	-	8,480

In FY23, the Group participated in the capital raising by Calidus Resources Limited with an equity investment by way of conversion of existing receivables. Calidus Resources Limited went into administration on 28 June 2024, as a result the investment in equity securities has been reduced to nil as at 30 June 2024.

As part of an update on 2 August 2024, the Receivers and Managers are seeking urgent expressions of interest for the acquisition and/or recapitalisation process of Calidus Resources Limited.

Equity securities designated as at FVOCI

The Group irrevocably designated the investments shown below as equity securities at fair value through other comprehensive income (FVOCI) at initial recognition because these equity securities represent investments that are not held for trading and the Group considers this classification to be more relevant.

	Fair value		Dividend income recognised	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Investment in Calidus Resources Limited	-	8,480	-	-
	-	8,480	-	-

No strategic investments were disposed of during 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Fair value movements - Investment in Calidus Resources Limited

	Consolidated	
	2024 $'000	2023 $'000
Fair value at 1 July	**8,480**	-
Additions	-	10,475
Fair value movements in other comprehensive income	**(8,480)**	(1,995)
Fair value at 30 June	-	8,480

Other financial assets

The Group classifies its financial assets to be measured subsequently at fair value (either through OCI or through profit or loss). The classification depends on the entity's business model for managing the financial assets and the contracted terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted rices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- The FY23 investment was classified as a level 1 in the fair value hierarchy.

11 INVENTORIES

	Consolidated	
	2024 $'000	2023 $'000
Inventories	**110,564**	97,664
Less: Allowance for obsolescence	**(5,134)**	(5,412)
Inventories at the lower of cost and net realisable value	**105,430**	92,252

Inventories are measured at the lower of cost and net realisable value. There was no write-down to net realisable value that was recognised as an expense during 2024.

The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs to sell.

Allowance for obsolescence

The provision for impairment of inventories assessment requires a degree of estimation and judgment. The level of the provision is assessed by taking into account the recent sales experience, current market conditions, the ageing of inventories and other factors that affect inventory obsolescence.

12 TRADE AND OTHER PAYABLES

	Consolidated	
	2024 $'000	2023 $'000
Current		
Trade payables	**138,504**	157,541
Accrued expenses	**147,268**	132,421
Other payables	**36,931**	34,777
	322,703	324,739
Non-current		
Other payables	**4,713**	1,959
	4,713	1,959

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 60 days of recognition based on the credit terms.

Accrued wages and salaries between the last pay period and 30 June 2024 of $12.341 million (2023: $8.502 million) are included within accrued expenses.

Refer to note 17 for further details on financial instruments.

For personal use only

13 EMPLOYEE BENEFITS

	Consolidated	
	2024 $'000	2023 $'000
Current		
Annual leave	**54,151**	47,411
Long-service leave	**10,173**	8,683
Other employee benefits	**19,783**	14,282
	84,107	70,376
Non-current		
Long-service leave	**4,919**	3,934
	4,919	3,934

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available. Contributions to a defined contribution plan which are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Other employee benefits

Other employee benefits include short-term incentive plans (prior years deferred entitlements and current year estimates), site performance bonuses, sick leave accruals, religious holiday allowance for certain international staff and other short-term benefits.

For personal use only

14 PROVISIONS

Movements in each class of provision during the current financial year are set out below:

	Project closure $'000	Other $'000	Total $'000
At 1 July 2023	25,293	1,154	26,447
Arising during the year	9,686	-	9,686
Reclassified from employee costs	(333)	-	(333)
Released during the year	(794)	-	(794)
Utilised during the year	(1,430)	(856)	(2,286)
At 30 June 2024	32,422	298	32,720

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, if it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax discount rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Provision for project closure

The provision for project closure requires a degree of estimation and judgement around contractual term and expected redundancy and demobilisation costs. The provision is assessed by taking into account past history of contract closures and likelihood of contract extensions.

For personal use only

For personal use only

D Fixed Assets

15 PROPERTY, PLANT AND EQUIPMENT

Set out below are the carrying amounts of property, plant and equipment and right-of-use assets recognised and movements for the period:

	Right-of-use assets				
Consolidated	Buildings $'000	Plant and equipment $'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
At 30 June 2022	**9,917**	**290,600**	**54**	**372,005**	**672,576**
Additions	-	72,313	3,490	163,552	239,355
Disposals	-	(901)	-	(1,389)	(2,290)
Depreciation expense	(1,452)	(82,179)	(191)	(107,868)	(191,690)
Transfers	-	(7,346)	-	9,252	1,906
Exchange differences	-	28	-	172	200
At 30 June 2023	**8,465**	**272,515**	**3,353**	**435,724**	**720,057**
At 1 July 2023	**8,465**	**272,515**	**3,353**	**435,724**	**720,057**
Additions	-	118,460	219	63,598	182,277
Disposals	-	(581)	-	(2,476)	(3,057)
Depreciation expense	(1,411)	(92,981)	(595)	(116,074)	(211,061)
Transfers	-	(9,952)	-	(5,228)	(15,180)
Exchange differences	-	(344)	-	(780)	(1,124)
At 30 June 2024	**7,054**	**287,117**	**2,977**	**374,764**	**671,912**
Cost	14,485	488,673	3,999	919,614	1,426,771
Accumulated depreciation and impairment losses	(6,020)	(216,158)	(646)	(483,890)	(706,714)
Carrying amount at 30 June 2023	**8,465**	**272,515**	**3,353**	**435,724**	**720,057**
Cost	14,485	539,195	4,218	876,360	1,434,258
Accumulated depreciation and impairment losses	(7,431)	(252,078)	(1,241)	(501,596)	(762,346)
Carrying amount at 30 June 2024	**7,054**	**287,117**	**2,977**	**374,764**	**671,912**

Security

Leasehold improvements and plant and equipment are subject to a registered charge to secure banking facilities. Refer to note 18.

Property, plant and equipment

Property, plant and equipment is measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges from foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of plant and equipment is the estimated amount for which plant and equipment could be exchanged, on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of plant and equipment is based on external market appraisals from accredited, independent valuation specialists.

When parts of an item of plant and equipment have different useful lives, the items are accounted for as separate items (i.e. major components) of plant and equipment.

For personal use only

Depreciation and amortisation
Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation on buildings, leasehold improvements and minor plant and equipment is calculated on a straight-line basis. Depreciation on major plant and equipment and components is calculated on machine hours worked or straight-line over their estimated useful life. Leased assets are depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term, or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation methods, useful lives and residual values are reviewed on regular basis with annual reassessments for major items and adjusted if appropriate.

The expected useful lives for the current and comparative years are as follows:

- Leasehold improvements: Period of the lease
- Plant and equipment: 3-12 years
- Right-of-use assets: Period of the lease

Depreciation on certain components allocated to property, plant and equipment, including tyres, are based on their measure of usage.

The carrying amounts of the Group's assets, other than inventories (see inventory accounting policy) and deferred tax assets (see income tax accounting policy), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see impairment of non-financial assets below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to profits reserve.

Subsequent costs
The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation expenses for its property, plant and equipment and finite life intangible assets. The depreciation and amortisation expense will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions; including the continued performance of contracted work, growth rates of the estimated future cash flows and discount rates based on the current cost of capital.

For personal use only

16 INTANGIBLE ASSETS AND GOODWILL

Set out below are the carrying amounts of intangible assets recognised and movements for the period:

Consolidated	Goodwill $'000	Customer contracts $'000	Software $'000	Total $'000
Cost				
At 30 June 2022	**8,808**	**13,655**	**2,774**	**25,237**
Additions	-	-	30	30
At 30 June 2023	**8,808**	**13,655**	**2,804**	**25,267**
Additions	-	500	48	548
At 30 June 2024	**8,808**	**14,155**	**2,852**	**25,815**
Accumulated amortisation and impairment				
At 30 June 2022	**-**	**(8,519)**	**(725)**	**(9,244)**
Amortisation	-	(5,136)	(327)	(5,463)
At 30 June 2023	**-**	**(13,655)**	**(1,052)**	**(14,707)**
Amortisation	-	(384)	(345)	(729)
At 30 June 2024	**-**	**(14,039)**	**(1,397)**	**(15,436)**
Net book value				
At 30 June 2023	8,808	-	1,752	10,560
At 30 June 2024	**8,808**	**116**	**1,455**	**10,379**

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

For personal use only

Goodwill

Goodwill is measured at cost, less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

For the purposes of impairment testing, goodwill has been allocated to the Group's cash generating units (CGU) or operating divisions as follows:

	Consolidated	
	2024 $'000	2023 $'000
Current		
Surface mining	**3,025**	3,025
Underground mining	**5,783**	5,783
	8,808	8,808

The recoverable amount was determined by calculating the higher of Fair Value less Cost of Disposal (FVLCD) and Value in Use (VIU) for each of the Group's CGUs. The key assumptions in determining the estimated recoverable amount are the discount rate and budgeted EBITDA. The discount rate was a pre-tax measure weighted average cost of capital for the Group of 13.5%. The budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. The cash flow projections included specific estimates for three years and a terminal value thereafter. The terminal value was determined based on management's estimate of the long-term annual EBITDA.

Customer contracts

Customer contracts are a separately identifiable intangible asset equal to the present value of future post-tax cash flows attributed to the portfolio of incomplete underground mining services contracts assumed at acquisition date through a business combination.

Customer contracts are carried at cost, less accumulated depreciation and impairment losses. Amortisation of customer contracts is included in depreciation and amortisation expenses in the consolidated statement of profit or loss and other comprehensive income. The expected useful life of customer contracts ranges from two to three years.

Software

Development expenditure is capitalised only if development costs can be measured reliably or the process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The software expenditure capitalised includes the cost of materials, direct labour and overhead costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised software development expenditure is measured at cost less accumulated amortisation and impairment losses. The amortisation is included in depreciation and amortisation expenses. The expected useful life of software is five years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation, and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

For personal use only

E Risk

17 FINANCIAL RISK MANAGEMENT

	Consolidated	
	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	**194,578**	218,162
Equity investments	**-**	8,480
Trade and other receivables	**346,250**	294,908
	540,828	521,550
Financial liabilities		
Trade and other payables	**311,251**	308,780
Borrowings	**341,165**	420,108
	652,416	728,888

Trade and other receivables excludes prepayments of $7.639 million (2023: $9.543 million), contract closure reimbursements of $8.569 million (2023: $8.569 million), VAT receivable of $36.091 million (2023: $41.782 million), non-financial contract assets of $13.776 million (2023: $16.098 million), and other non-financial assets of $15.608 million (2023: $6.956 million).

Trade and other payables excludes GST and other taxes payable of $16.165 million (2023: $17.918 million).

Fair value of financial assets and financial liabilities
Fair value of cash and cash equivalents, receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management objectives
The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. This framework is designed to identify, monitor and manage the material risks throughout the Group to ensure risks remain within appropriate limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by the Audit and Risk Committee. Internal audits undertaken are reviews of controls and procedures, the results of which are reported to the Audit and Risk Committee.

The Group has exposure to the following risks from its use of financial instruments:

- 17(a) Market risk
- 17(b) Credit risk
- 17(c) Liquidity risk

This note presents qualitative and quantitative information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

For personal use only

17(a) Market risk

This note presents qualitative and quantitative information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than respective functional currencies of entities within the Group, which are primarily the Australian Dollar (AUD), but also the US Dollar (USD), Indonesian Rupiah (IDR), Malaysian Ringgit (MYR), and Singapore Dollar (SGD). The Group is also exposed to foreign currency risk on plant and equipment purchases that are denominated in a currency other than AUD. The currencies giving rise to this risk are primarily USD and IDR.

The contracts for mining services and purchases are primarily denominated in the functional currencies of entities within the Group to minimise the foreign exchange currency risk.

In respect of other monetary assets and liabilities held in currencies other than the AUD, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
Australian Dollars	**2024**	**2023**	**2024**	**2023**
USD	**0.6557**	0.6731	**0.6668**	0.6617
IDR	**10,267**	10,192	**10,919**	9,920
MYR	**3.0782**	3.0211	**3.1456**	3.0908
SGD	**0.8840**	0.9181	**0.9041**	0.8975

The carrying amount of foreign currency denominated financial assets and financial liabilities at 30 June were as follows:

	Financial assets		Financial liabilities	
Consolidated	**2024 $'000**	**2023 $'000**	**2024 $'000**	**2023 $'000**
USD	**12,351**	12,239	**(21)**	(1,605)
IDR[1]	**84,787**	101,006	**(58,767)**	(93,271)
Other	**326**	9,258	**(241)**	(263)
	97,464	122,503	**(59,029)**	(95,139)

1 The Group is paid in IDR for services performed in Indonesia; however, the amount of these IDR payments are adjusted according to movements in the IDR:USD exchange rate up to the date of invoice.

The following analysis demonstrates the increase/(decrease) of profit or loss and other comprehensive income at the reporting date, assuming a 10% strengthening and a 10% weakening of the following transaction currencies against the functional currencies of the Group companies where the financial assets and liabilities are recorded. This analysis also assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as 2023.

	Weakened by 10%		Strengthened by 10%	
Consolidated - 2024	**Effect on profit before tax $'000**	**Effect on other comprehensive income $'000**	**Effect on profit before tax $'000**	**Effect on other comprehensive income $'000**
USD	**(1,182)**	**-**	**1,182**	**-**
IDR	**(2,602)**	**-**	**2,602**	**-**
Other	**(9)**	**-**	**9**	**-**
	(3,793)	**-**	**3,793**	**-**

	Weakened by 10%		Strengthened by 10%	
Consolidated - 2023	**Effect on profit before tax $'000**	**Effect on other comprehensive income $'000**	**Effect on profit before tax $'000**	**Effect on other comprehensive income $'000**
USD	(1,063)	-	1,063	-
IDR	(773)	-	773	-
Other	(900)	-	900	-
	(2,736)	-	2,736	-

Price risk

Price risk is the risk that changes in market prices e.g. Equity prices - will effect the Group's income or the value of its holdings of financial instruments. Under this policy, pricing rate exposures are managed on an ongoing basis.

At 30 June, the Group was exposed to market price risk on financial instruments as follows:

	Consolidated	
	2024 $'000	**2023 $'000**
Equity securities - at FVOCI	**8,480**	10,475
Fair value movements through OCI	**(8,480)**	(1,995)
Net exposure to price risk	**-**	8,480

Calidus Resources Limited went into administration on 28 June 2024, as a result the fair value of the investment has been reduced to nil as at 30 June 2024.

For personal use only

Interest rate risk

Interest rate risk on variable rate borrowings is managed under the Group's approved Treasury Policy. Under this policy, interest rate exposures are managed by entering fixed rate finances for equipment purchases.

At 30 June, the Group was exposed to variable interest rate risk on financial instruments as follows:

	Consolidated	
	2024 $'000	2023 $'000
Cash and cash equivalents	**150,576**	191,804
Interest-bearing loans	**(154,402)**	(174,217)
Net exposure to interest rate risk	**(3,826)**	17,587

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the increase/(decrease) to profit or loss and other comprehensive income at 30 June 2024, assuming a change in interest rates of 50 basis points. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

	50 basis point increase	50 basis point decrease
Consolidated - 2024	Effect on profit before taxes $'000	Effect on profit before taxes $'000
Cash and cash equivalents	**753**	(753)
Interest-bearing loans	**(772)**	772
	(19)	19

	50 basis point increase	50 basis point decrease
Consolidated - 2023	Effect on profit before taxes $'000	Effect on profit before taxes $'000
Cash and cash equivalents	**959**	**(959)**
Interest-bearing loans	**(871)**	**871**
	88	**(88)**

17(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables and contract assets from customers.

Impairment losses on trade receivables and contract assets recognised in profit or loss were as follows:

	Consolidated	
	2024 $'000	2023 $'000
Impairment loss on trade receivable and contract assets arising from contracts with customers	**(31,805)**	-
	(31,805)	-

On 28 June 2024, Calidus Resources Limited went into administration and with the operations at Warrawoona placed into care and maintenance early July 2024, the receivable of $31.805 million owing to Macmahon has been fully impaired.

As part of an update on 2 August 2024, the Receivers and Managers are seeking urgent expressions of interest for the acquisition and/or recapitalisation process of Calidus Resources Limited.

For personal use only

Cash and cash equivalents
The Group limits its exposure to credit risk for cash and cash equivalents by placing funds with highly rated international banks.

Guarantees
The Group's policy is to provide financial guarantees only to or for subsidiaries. Details of outstanding guarantees are provided in note 21.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the characteristics of each individual customer. The demographics of the Group's customer base, including the default risk of the industries and countries in which customers operate, has less influence on credit risk. For the year ended 30 June 2024, 31.1% of the Group's revenue is attributable to revenue transactions with two customers related to three projects (2023: 43.6% attributed to three customers related to four projects). Geographically, the primary concentration of credit risk is in Australia and Indonesia.

Under the Group's systems and procedures, each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The exposure to credit risk is monitored on an ongoing basis. The Group's analysis includes external ratings, when available, and in some cases bank references. Credit risk is minimised by managing payment terms and receiving advance payments.

Exposure to credit risk
The carrying amount of the Group's financial assets represents its maximum credit exposure as follows:

	Consolidated	
	2024 $'000	**2023 $'000**
Cash and cash equivalents	**194,578**	218,162
Trade receivables	**71,520**	60,803
Contract assets	**233,901**	198,331
Other receivables	**8,852**	9,912
Agency receivables	**31,977**	25,862
Credit risk exposure	**540,828**	513,070

Trade and other receivables excludes prepayments of $7.639 million (2023: $9.543 million), contract closure reimbursements of $8.569 million (2023: $8.569 million), VAT receivable of $36.091 million (2023: $41.782 million), non-financial contract assets of $13.776 million (2023: $16.098 million), and other non-financial assets of $15.608 million (2023: $6.956 million).

The profile of trade and other receivables and contract assets by segment is as follows:

	Consolidated	
	2024 $'000	**2023 $'000**
Mining customers	**347,048**	298,341
Less: Provision for expected credit losses	**(798)**	(3,433)
Credit risk exposure by customer	**346,250**	294,908

For personal use only

At 30 June, the exposure to credit risk for trade and other receivables by geographic region was as follows:

	Consolidated	
	2024 $'000	2023 $'000
Country		
Australia	**293.538**	251,541
Indonesia	**52,607**	45,999
Other	**903**	801
	347,048	298,341

Expected credit loss allowance

	2024		2023	
Consolidated	Gross carrying amount $'000	Loss allowance $'000	Gross carrying amount $'000	Loss allowance $'000
Current (not past due)	325,809	(312)	277,370	(69)
Past due 0 - 30 days	16,272	(71)	13,376	(60)
Past due 31-60 days	1,238	(5)	1,006	(7)
Over 90 days overdue	3,729	(410)	6,589	(3,297)
	347,048	(798)	298,341	(3,433)

In determining the provision for ECLs, the Group allocates its exposure to a credit risk based on data that is determined to be predictive of the risk of loss (including, but not limited to external credit ratings, audited financial statements and available public information) and applying experienced credit judgement. Loss rates applied to credit risk ratings are sourced from external credit rating agencies.

The following table provides summarised information of the exposure to credit risk on trade receivables as at 30 June 2024:

Credit rating	Credit impaired	Loss rate %	Gross carrying amount $'000	Loss allowance $'000
A- to AAA	No	0.014	**1,022**	**(0)**
BBB- to BBB+	No	0.030	**1,991**	**(1)**
BB- to BB+	No	0.114	**576**	**(1)**
B+ to B-	No	0.014	**343,065**	**(402)**
C to CCC	Yes	N/A	**-**	**-**
D	Yes	100.000	**394**	**(394)**
			347,048	**(798)**

The movement in the provision for ECLs is as follows:

	Consolidated	
	2024 $'000	2023 $'000
Opening balance	**3,433**	3,403
Net remeasurement of provision for ECL	**398**	-
Loss allowance on trade and other receivables arising during the period	**31,805**	-
Loss allowance on trade and other receivables written off during the period[1]	**(34,556)**	-
Exchange differences	**(282)**	30
	798	3,433

1 The loss allowance on trade and receivables written off during the period includes $31.805 million for Calidus Resources Limited and $2.6 million for trade receivables provided for in previous financial periods.

For personal use only

The Group recognises a provision for ECLs on financial assets measured at amortised cost and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment. The Group assumes a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions, such as realising security (if any is held) or the financial asset is more than 90 days past due.

17(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows, and matching the maturity profiles of financial assets and liabilities.

Information about changes in term facilities during the year is disclosed in note 18.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities, and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2024	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Trade payables	**(138,504)**	**-**	**-**	**-**	**(138,504)**
Accrued expenses	**(147,268)**	**-**	**-**	**-**	**(147,268)**
Other payables	**(36,931)**	**(4,713)**	**-**	**-**	**(41,644)**
Borrowings	**(116,530)**	**(101,113)**	**(146,020)**	**-**	**(363,663)**
Total non-derivatives	**(439,233)**	**(105,826)**	**(146,020)**	**-**	**(691,079)**

Consolidated – 2023	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Trade payables	(157,541)	-	-	-	(157,541)
Accrued expenses	(132,421)	-	-	-	(132,421)
Other payables	(34,777)	(1,959)	-	-	(36,736)
Borrowings	(132,949)	(89,253)	(218,595)	(1,646)	(442,443)
Total non-derivatives	**(457,688)**	**(91,212)**	**(218,595)**	**(1,646)**	**(769,141)**

The cash flows in the maturity analysis are not expected to occur significantly earlier than contractually disclosed above.

For personal use only

F Debt and Equity

18 BORROWINGS

	Currency	Interest rate (%)	Maturity	Consolidated 2024 $'000	Consolidated 2023 $'000
Current borrowings					
Lease liabilities	AUD, USD	3.03-7.40	2024-2025	**60,709**	84,242
Interest-bearing loans	AUD, USD, IDR	3.29-6.47	2024-2025	**43,430**	37,619
				104,139	121,861
Non-current borrowings					
Lease liabilities	AUD, USD	3.28-7.24	2025-2029	**87,544**	113,848
Interest-bearing loans	AUD, IDR	3.49-8.06	2025-2028	**149,482**	184,399
				237,026	298,247

The movement in the carrying amount of borrowings is set out below:

Consolidated	Interest-bearing loans 2024 $'000	Interest-bearing loans 2023 $'000	Lease liabilities 2024 $'000	Lease liabilities 2023 $'000
At 1 July	**222,017**	174,309	**198,091**	239,161
New borrowings	**124,162**	103,317	**39,335**	41,746
Refinancing cash arrangement	**-**	-	**-**	10,286
Principal repayments	**(156,311)**	(61,367)	**(81,911)**	(88,080)
Disposals	**-**	-	**(1,735)**	-
Transfers	**5,544**	5,272	**(5,544)**	(5,272)
Exchange differences	**(2,459)**	486	**(24)**	250
At 30 June	**192,953**	222,017	**148,212**	198,091

Refer to note 17 for further information on financial instruments.

For personal use only

Lease liabilities
The Group leases offices, plant and equipment, and vehicles across the countries in which it operates. Lease contracts are for fixed periods between 6 months and 10 years and may include extension options.

During February 2024, the Group extended the syndicated asset finance facility for another year. After repayments, the total amount available is $88.556 million which supports the Group's capital requirements. As at 30 June 2024, $74.314 million was utilised (30 June 2023: $96.266 million).

Interest Bearing Loans
During July 2023, the Group expanded the existing syndicated multi-option debt facility by $50.000 million. After repayments, the total amount available under this facility is $222.000 million. The Group has drawn a total of $132.000 million as cash and $4.338 million as bank guarantees as at 30 June 2024. (As at 30 June 2023: $154.000 million as cash and $5.046 million drawn for bank guarantees).

Assets pledged as security
The Group's lease liabilities and specific loans are secured by the relevant assets and in the event of default, the assets revert to the lessor or financier. All remaining assets of the Group are pledged as security under the multi-option facility.

Borrowings
Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, borrowings are classified as non-current.

For personal use only

For personal use only

19 EQUITY – ISSUED CAPITAL

	Consolidated			
	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	**2,154,985,818**	2,154,985,818	**563,118**	563,118
Less: Treasury shares	**(43,487,855)**	(48,937,554)	**(11,067)**	(11,987)
Ordinary shares	**2,111,497,963**	2,106,048,264	**552,051**	551,131

	Number of Ordinary Shares	
	2024	2023
On issue at 1 July	**2,154,985,818**	2,154,985,818
On issue at 30 June	**2,154,985,818**	2,154,985,818

Ordinary shares

Ordinary shares are classified as equity and entitle the holder to participate in dividends and the proceeds on the winding up of the Parent in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the Parent does not have authorised capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the capital proceeds.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll each share shall have one vote.

Treasury shares

Ordinary shares purchased on market by the Company are recognised at cost, less incremental costs directly attributable to the ordinary shares purchased.

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it may provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value-adding relative to the Parent entity's current share price at the time of the investment.

The Group is subject to certain financing arrangement covenants, and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total equity and net debt. Net debt is calculated as 'borrowings' less 'cash and cash equivalents', as shown in the consolidated statement of financial position. Total equity is as shown in the consolidated statement of financial position. At 30 June 2024, the Group was in a net debt position.

The gearing ratio at 30 June is as below:

	Consolidated	
	2024 $'000	2023 $'000
Borrowings	**341,165**	420,108
Less: Cash and cash equivalents	**(194,578)**	(218,162)
Net debt	**146,587**	201,946
Equity	**633,515**	608,849
Gearing ratio	**18.79%**	24.91%

For personal use only

20 EQUITY – RESERVES

	Consolidated	
	2024 $'000	2023 $'000
Reserve for own shares (net of tax)	**(11,067)**	(11,987)
Fair value reserve (net of tax)	**(10,475)**	(1,995)
Foreign currency reserve (net of tax)	**5,492**	9,361
Share based payments	**3,607**	2,993
	(12,443)	(1,628)

Reserve for own shares

The reserve for Company's own shares comprises the cost (net of tax) of the Company's shares held by the trustee of the Group's equity compensation plans which were purchased on-market in anticipation of vesting of share-based payment awards under the equity compensation plans. During the year, no shares were purchased by the Company. In FY23, 1,059,620 shares were purchased for the non-executive directors' salary sacrifice plan. At 30 June 2024, there were 43,487,855 unallocated shares held in trust (2023: 48,937,554 shares).

Foreign currency reserve

The foreign currency reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on the net investments in foreign operations. The foreign currency translation reserve is reclassified to the profit and loss either on sale or cessation of the underlying foreign operation.

Share based payments reserve

The share based payments reserve is used to record the value of share based payments and performance rights to employees, including KMP, as part of their remuneration, as well as non-employees. Refer to note 28.

Fair value reserve

The fair value reserve comprises of the cumulative net change in the fair value of equity investments designated at FVOCI.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Reserve for own shares $'000	Fair value reserve $'000	Foreign currency $'000	Share-based payments $'000	Total $'000
Balance at 30 June 2022	**(12,910)**	**-**	**4,090**	**2,919**	**(5,901)**
Equity investments at FVOCI - net change in value	-	(1,995)	-	-	(1,995)
Share buy-back	(190)	-	-	-	(190)
Foreign currency translation	-	-	5,271	-	5,271
Treasury shares allocated on vesting of performance rights	444	-	-	(13)	431
Share based payments expense (note 28)	-	-	-	1,977	1,977
Transfer of expired performance rights to retained earnings	-	-	-	(1,221)	(1,221)
Balance at 30 June 2023	**(12,656)**	**(1,995)**	**9,361**	**3,662**	**(1,628)**
Equity investments at FVOCI - net change in value	-	(8,480)	-	-	(8,480)
Foreign currency translation	-	-	(3,869)	-	(3,869)
Treasury shares allocated on vesting of performance rights	1,589	-	-	(1,237)	353
Share based payments expense (note 28)	-	-	-	2,704	2,704
Transfer of expired performance rights to retained earnings	-	-	-	(1,522)	(1,522)
Balance at 30 June 2024	**(11,067)**	**(10,475)**	**5,492**	**3,607**	**(12,443)**

Dividends

The Parent has paid and proposed dividends as set out below:

	2024 $'000	2023 $'000
Cash dividends on ordinary shares declared and paid:		
Final dividend for 2023: 0.45 cents per share (2022: 0.35 cents per share)	**9,519**	7,351
Interim dividend for 2024: 0.45 cents per share (2023: 0.30 cents per share)	**9,698**	6,464
	19,217	13,815
Subsequent to year end - Proposed dividends on ordinary shares:		
Final cash dividend for 2024: 0.60 cents per share (2023: 0.45 cents per share)	**12,804**	9,451
	12,804	9,451
Dividend franking account at 30 June		
Amount of franking credits available to shareholders of the Company for future years	**105**	105

As part of the acquisition of Decmil Group Limited on 15 August 2024, the Group acquired $53.845 million franking credits. The Group will utilise $4.95 million franking credits to pay FY24's final dividend, resulting in a franking account balance of $49.000 million after the payment is made. Refer to note 23.

G Unrecognised Items

21 CONTINGENT LIABILITIES

The following contingent liabilities existed at 30 June 2024:

	Consolidated	
	2024 $'000	2023 $'000
Bank guarantees (syndicated multi-option debt facility)	**4,351**	5,047
Insurance performance bonds	**8,357**	8,148
	12,708	13,195

Bank guarantees and insurance bonds are issued to contract counterparties in the ordinary course of business as security in certain circumstances for the performance by the Group of its contractual obligations. The Group is also called upon to provide guarantees and indemnities to contract counterparties in relation to the performance of contractual and financial obligations. The value of these guarantees and indemnities is indeterminable.

Other contingent liabilities

The Group has the normal contractor's liability in relation to its current and completed contracts (for example, liability relating to design, workmanship and damage), as well as liability for personal injury and property damage during a project. Potential liability may arise from claims, disputes and/or litigation by or against Group companies. The Group is currently managing a number of claims, disputes and litigation processes in relation to its contracts, as well as in relation to personal injury and property damage arising from project delivery.

The Group notes that on 16 December 2022 its subsidiary, TMM Group (Operations) Pty Ltd, commenced proceedings in the Supreme Court of Western Australia against Coburn Resources Pty Ltd (a subsidiary of Strandline Resources Ltd) (see ASX announcement dated 28 December 2022). The proceedings are in connection with variation and extension of time claims under a contract for bulk earthworks, access road construction and drainage work at the Coburn Mineral Sands project. TMM is seeking declarations, damages, costs, interest and return of security against Coburn totalling approximately $24.4 million (of which $6.5 million was received by TMM from Coburn following a successful adjudication determination). Coburn filed a counterclaim against TMM seeking $7.8 million. The Directors are of the opinion that the disclosure of any further information on this dispute would be prejudicial to the interests of the Group.

There were no contingent assets recognised as at 30 June 2024 or 30 June 2023.

For personal use only

22 COMMITMENTS

At 30 June 2024, the Group has contracted capital expenditure commitments, but not provided for in the financial statements, of $2.297 million (2023: $10.505 million).

23 EVENTS AFTER THE REPORTING PERIOD

Dividends
Subsequent to 30 June 2024, the Directors declared a final fully franked dividend of 0.60 cents per share.

Decmil Group Limited acquisition
Subsequent to the end of the financial year the Group completed its acquisition of Decmil Group Limited. The acquisition provides an established foundation to accelerate the Group's civil infrastructure growth, which aligns with its strategic focus to diversify earnings.

The acquisition was implemented through two inter-conditional schemes of arrangement under which Macmahon acquired 100% of issued ordinary shares and redeemable convertible preference shares in Decmil (Schemes). The Group also acquired $53.845 million franking credits as noted in note 20.

On 31 July 2024, Decmil's shareholders voted in favour of the Schemes. On 5 August 2024, the Supreme Court of WA made orders approving the Schemes. Implementation of the Schemes and payment of the Schemes' consideration by Macmahon took place on 15 August 2024. Using the Group's 30 June 2024 closing share price of 29 cents per share, the face value of the share consideration is $6.521 million.

The consideration transferred to Decmil's shareholders comprised:

- Cash consideration: $103.977 million
- Share consideration: 22,486,841 Macmahon Holdings Limited shares in lieu of Decmil's existing management performance rights. The acquisition date fair value of the share consideration will be determined in accordance with AASB 2 Share-based payments. Using the Group's 30 June 2024 closing share price of 29 cents per share, the face value of the share consideration is $6.521 million.

The acquisition the Group is being funded through cash and existing debt facilities.

The Group is not in a position to present information related to the acquisition fair value of the assets acquired and liabilities assumed along with any goodwill that may arise from the acquisition of Decmil Group Limited due to the proximity of the acquisition date of 15 August 2024 to the date of release of these financial statements.

Syndicated Debt facility
On 13 August 2024, the Group increased the syndicated finance facility (SFA) by $80 million. The increase matures in September 2026, in line with the existing SFA.

For personal use only

For personal use only

H Other Information/Group Structure

24 INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Ownership interest	
Incorporated subsidiaries	Country of incorporation	2024 %	2023 %
Macmahon Contractors Pty Ltd	Australia	**100**	100
Macmahon Mining Services Pty Ltd	Australia	**100**	100
Doorn-Djil Yoordaning Mining and Construction Pty Ltd	Australia	**100**	100
Macmahon Underground Pty Ltd	Australia	**100**	100
Macmahon Contracting International Pte Ltd	Singapore	**100**	100
PT Macmahon Indonesia	Indonesia	**100**	100
Macmahon Constructors Sdn Bhd	Malaysia	**100**	100
TMM Group Pty Ltd*	Australia	**100**	100
TMM Group (Consult) Pty Ltd	Australia	**100**	100
TMM Group (IP) Pty Ltd*	Australia	**100**	100
TMM Group (Operations) Pty Ltd	Australia	**100**	100
Macmahon East Pty Ltd	Australia	**100**	100
Macmahon Maintenance Masters Pty Ltd	Australia	**100**	100
Macmahon (Southern) Pty Ltd[1]	Australia	**100**	100
Macmahon Africa Pty Ltd*	Australia	**100**	100
Macmahon Malaysia Pty Ltd*	Australia	**100**	100
Macmahon Sdn Bhd*	Malaysia	**100**	100
PT Macmahon Contractors Indonesia	Indonesia	**100**	100
Macmahon Singapore Pte Ltd*	Singapore	**100**	100
Macmahon Contractors Nigeria Ltd*	Nigeria	**100**	100
Macmahon Contractors Ghana Limited*	Ghana	**100**	100
Macmahon Botswana (Pty) Ltd*	Botswana	**100**	100
Strong Minds Strong Mines Pty Ltd	Australia	**100**	100
GF Holdings (WA) Pty Ltd	Australia	**100**	100
GBF Mining and Industrial Services Pty Ltd	Australia	**100**	100
GBF North Pty Ltd	Australia	**100**	100
GBF Number 6 Pty Ltd	Australia	**100**	100
GBF Project Services S.R.O[2]	Australia	**0**	100
PT Macmahon Mining Services	Indonesia	**100**	100
MBMS Contractors Pty Ltd	Australia	**100**	0
Interest in trusts			
Macmahon Holdings Limited Employee Share Ownership Plans Trust	Australia	**100**	100

* Entities were dormant for the financial year ended 30 June 2024.

1 Macmahon (Southern) Pty Ltd is incorporated and operates in Australia and has a registered branch in South Africa. The branch operations are dormant.

2 GBF Project Services S.R.O was deregistered in FY24.

25 INTERESTS IN JOINT VENTURES

Interest in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

		Ownership Interest	
Incorporated joint venture	Country of incorporation	2024 %	2023 %
PT Macmahon Labour Services	Indonesia	**49**	49
MAHBYS Fleet Rental Pty Ltd	Australia	**50**	0

	Consolidated	
	2024 $'000	2023 $'000
At 1 July	**792**	476
Share of profit of equity-accounted investees, net of tax	**372**	294
Exchange differences	**(93)**	22
At 30 June	**1,071**	792

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss, and the share of the movements in equity is recognised in other comprehensive income.

26 RELATED PARTY TRANSACTIONS

Parent entity

Macmahon Holdings Limited is the ultimate parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 24.

Joint ventures

Interests in joint venture arrangements are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report

Transaction with related parties - Joint venture

The following transactions occurred with related parties:

	Consolidated	
	2024 $'000	2023 $'000
Transactions recognised in profit or loss		
Costs incurred by the Group on behalf of and recharged to the joint venture	**105**	15
Costs incurred by the joint venture on behalf of and recharged to the Group	**-**	-
Receivable from/(payable to) joint venture		
Receivable from/(payable to) joint venture	**1**	1

For personal use only

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Transactions with significant shareholders - AMNT
AMNT (including its related entities) is a significant shareholder of the Company. The following transactions occurred with AMNT in relation to the provision of mining services for the Batu Hijau mine, which is wholly owned by AMNT:

	Consolidated	
	2024 $'000	2023 $'000
Transaction recognised in profit or loss		
Revenue recognised from shareholder	**66,968**	267,035
Receivables/(payables) from significant shareholders		
Trade receivables and contract assets	**33,655**	36,647

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

27 COMPENSATION OF KEY MANAGEMENT PERSONNEL

Key management personnel compensation for the financial year was as follows:

	Consolidated	
	2024 $	2023 $
Short-term employee benefits	**4,969,191**	5,141,073
Long-term employee benefits	**209,212**	243,928
Post-employment benefits	**169,249**	184,506
Share-based payments	**982,061**	702,946
	6,329,713	6,272,453

28 SHARE-BASED PAYMENTS

The Group has the following equity compensation arrangements to remunerate non-executive, executive and employees of the Group:

- Macmahon Executive Equity Plan (EEP);
- Senior Manager Long Term Incentive Plan (LTIP);
- Non-Executive Director Salary Sacrifice Plan (SSP); and
- Macmahon Employee Share Rights Plan (ESRP).

28(a) Executives and Senior Management Plans

EEP and LTIP Plans
The LTIP and EEP provides Executive and senior management with the opportunity to receive fully paid ordinary shares in the Company for no consideration, subject to specified time restrictions, continuous employment and performance conditions being met. Each performance right will entitle participants to receive one fully paid ordinary share at the time of vesting. The LTIP and EEP are designed to assist with employee retention, and to incentivise employees to maximise returns and earnings for shareholders. The allocation and granting of rights to employees under the LTIP and EEP are subject to Board approval.

For personal use only

For personal use only

Performance rights granted under prior years EEP plans are set out below:

	EEP Performance Rights 2021
Performance rights effective on	01/07/2020
Grant date	01/09/2020
Vesting date	01/07/2023
Service period	3 years
Tranche and number of performance rights	9,558,547
Remaining number of rights at 30 June 2024	-
Fair value on grant date	$0.1420
Vesting performance condition	
Less than 17% CAGR in TSR	0%
17% CAGR in TSR	50%
25% or more CAGR in TSR	100%
Between 17% and 25% CAGR in TSR	Pro-rata between 50% and 100%

	LTIP Performance Rights 2021
Performance rights effective on	01/07/2020
Grant date	01/09/2020
Vesting date	01/07/2023
Service period	3 years
Number of performance rights	4,220,275
Remaining number of rights at 30 June 2024	-
Fair value on grant date	$0.1420
Vesting performance condition	
Less than 15% CAGR in TSR	0%
15% CAGR in TSR	50%
25% or more CAGR in TSR	100%
Between 15% and 25% CAGR in TSR	Pro-rata between 50% and 100%

	LTIP Performance Rights 2022
	Tranche 1
Performance rights effective on	01/07/2021
Grant date	30/09/2021
Vesting date	01/07/2024
Service period	3 years
Number of performance rights	8,135,369
Remaining number of rights at 30 June 2024	3,609,519
Fair value on grant date	$0.0993
Vesting performance condition	
Less than 10% CAGR in TSR	0%
10% CAGR in TSR	50%
15% or more CAGR in TSR	100%
Between 10% and 15% CAGR in TSR	Pro-rata between 50% and 100%

	LTIP Performance Rights 2022
	Tranche 2
Performance rights effective on	01/07/2021
Grant date	30/09/2021
Vesting date	01/07/2024
Service period	3 years
Number of performance rights	8,135,369
Remaining number of rights at 30 June 2024	2,598,856
Fair value on grant date	$0.1769
Vesting performance condition (strategic objectives)	
During FY22	
Safety – Improve TRIFR[1] to 4.8 (20% improvement)	8%
Business Mix – 5% or more Mining Support of Group Revenue	14%
Business Mix – 25% or more Underground of Group Revenue	14%
During FY23	
People – Improve employee engagement score year-over-year	8%
Business Mix – 10% or more Mining Support of Group Revenue	14%
Business Mix – 30% or more Underground of Group Revenue	14%
During FY24	
Business Mix – 15% or more Mining Support of Group Revenue	14%
Business Mix – 33% or more Underground of Group Revenue	14%

1 TRIFR – Total Recordable Injury Frequency Rate

	LTIP Performance Rights 2023
	Tranche 1
Performance rights effective on	01/07/2022
Grant date	30/09/2022
Vesting date	01/07/2025
Service period	3 years
Number of performance rights	10,098,439
Remaining number of rights at 30 June 2024	8,211,672
Fair value on grant date	$0.0610
Vesting performance condition	
Less than 10% CAGR in TSR	0%
10% CAGR in TSR	50%
15% or more CAGR in TSR	100%
Between 10% and 15% CAGR in TSR	Pro-rata between 50% and 100%

For personal use only

	LTIP Performance Rights 2023
	Tranche 2
Performance rights effective on	01/07/2022
Grant date	30/09/2022
Vesting date	01/07/2025
Service period	3 years
Number of performance rights	10,098,439
Remaining number of rights at 30 June 2024	7,062,039
Fair value on grant date	$0.1250
Vesting performance condition (strategic objectives)	
During FY23	
Safety – Improve TRIFR[1] to <4.4	8%
Business Mix – 8% or more Mining Support of Group Revenue	14%
Business Mix – 27% or more Underground of Group Revenue	14%
During FY24	
People – Improve employee engagement score year-over-year	8%
Business Mix – 15% or more Mining Support of Group Revenue	14%
Business Mix – 28% or more Underground of Group Revenue	14%
During FY25	
Business Mix – 20% or more Mining Support of Group Revenue	14%
Business Mix – 33% or more Underground of Group Revenue	14%

1 TRIFR – Total Recordable Injury Frequency Rate

Performance rights granted during the current year are set out below:

	LTIP Performance Rights 2024
	Tranche 1
Performance rights effective on	01/07/2023
Grant date	12/01/2024
Vesting date	01/07/2026
Service period	3 years
Number of performance rights	13,151,949
Remaining number of rights at 30 June 2024	13,151,949
Fair value on grant date	$0.1260
Vesting performance condition	
Less than 10% CAGR in TSR	0%
10% CAGR in TSR	50%
15% or more CAGR in TSR	100%
Between 10% and 15% CAGR in TSR	Pro-rata between 50% and 100%

For personal use only

	LTIP Performance Rights 2024
	Tranche 2
Performance rights effective on	01/07/2023
Grant date	30/09/2022
Vesting date	01/07/2026
Service period	3 years
Number of performance rights	13,151,949
Remaining number of rights at 30 June 2024	13,151,950
Fair value on grant date	$0.1840
Vesting performance condition (strategic objectives)	
During FY24	
Safety – Improve TRIFR[1] to =<3.7	8%
Business Mix – >= % of Civil Infrastructure of Group Revenue	14%
Business Mix – >= % of Underground of Group Revenue	14%
During FY25	
People – Improve employee engagement score year-over-year	8%
Business Mix – >= % of Civil Infrastructure of Group Revenue	14%
Business Mix – >= % of Underground of Group Revenue	14%
During FY26	
Business Mix – >= % of Civil Infrastructure of Group Revenue	14%
Business Mix – >= % of Underground of Group Revenue	14%

1 TRIFR – Total Recordable Injury Frequency Rate

The following inputs were used in the measurement of the fair values at grant date of the 2024 LTIP performance rights:

	LTIP Performance Rights 2024	
	Tranche 1	Tranche 2
Fair value at grant date	$0.1260	$0.1840
Share price at grant date	$0.2000	$0.2000
Exercise price	Nil	Nil
Expected volatility (weighted average volatility)	50.00%	50.00%
Option life (expected weighted average life)	3 years	3 years
Dividend yield	3.50%	3.50%
Risk-free interest rate (based on government bonds)	3.68%	3.68%
Valuation model	Monte-Carlo Simulation	Monte-Carlo Simulation

Expected volatility is estimated taking into account historic average share price volatility.

For personal use only

For personal use only

Non-Executive Director (NED) Salary Sacrifice Plan (SSP)
The SSP provides Non-Executive Directors with the option to sacrifice a portion of their salary in return for a fixed number of rights over ordinary but restricted shares, which will vest equally within 8 months and 14 months from grant date. Once vested, the shares will be held on trust on behalf of the recipients but will be subject to certain restrictions, which limit the recipients' ability to sell the shares. Trading restrictions will generally end on the earliest of ceasing to be a NED, the date a change of control occurs or 15 years after the date the relevant NED share rights were granted.

The following assumptions were applied in the measurement of the fair values of NED share rights using the Black-Scholes option pricing model:

	NED Share Rights 2023		NED Share Rights 2024	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share rights effective on	01/07/2022	01/07/2022	**01/07/2023**	**01/07/2023**
Grant date	11/07/2022	11/07/2022	**01/07/2023**	**01/07/2023**
Vesting date	26/02/2023	30/08/2023	**23/02/2024**	**20/08/2024**
Service period	8 months	14 months	**8 months**	**14 months**
Tranche and number of share rights	1,587,995	1,587,993	**500,526**	**500,526**
Remaining number of share rights at 30 June 2024	-	-	**-**	**500,526**
Share price at grant date	$0.135	$0.135	**$0.155**	**$0.155**
Discount for lack of marketability	30%	30%	**30%**	**30%**
Implied fair value of restricted shares	$0.095	$0.095	**$0.109**	**$0.109**
Exercise price	$0.148	$0.148	**$0.135**	**$0.135**
Risk-free interest rate	3.01%	3.01%	**4.00%**	**4.00%**
Volatility factor	50%	50%	**50%**	**50%**
Dividend yield	1.35%	2.70%	**2.50%**	**5.00%**
Implied discount to share price at grant date	98%	97%	**94%**	**91%**
Fair value at grant date	$0.002	$0.004	**$0.009**	**$0.013**

Information about performance rights and share rights outstanding at year end.

The following unvested unlisted performance rights were outstanding at year end:

	LTIP and EEP Performance Rights		SSP Share Rights	
	2024 Number	2023 Number	2024 Number	2023 Number
Balance at start of year	**31,673,100**	33,150,636	**1,587,993**	1,059,620
Granted during the year	**26,303,898**	20,196,878	**1,001,052**	3,175,988
Vested during the year	**-**	(5,834,804)	**(2,088,519)**	(2,647,615)
Forfeited during the year	**(10,191,014)**	(15,839,610)	**-**	-
Balance at end of year	**47,785,984**	31,673,100	**500,526**	1,587,993

28(b) Employee Share Rights Plan
The ESRP provides selected permanent employees who are not a part of the EEP and LTIP arrangements with the opportunity to receive fully paid ordinary shares in the Company for no consideration, subject to specified time restrictions being met. Each right will entitle participants to receive one fully paid ordinary share at the time of vesting. The ESRP is designed to assist with employee retention in a competitive market.

Share rights granted during the current year under the ESRP plan is set out below.

	ESRP Performance Rights Tranche 1	ESRP Performance Rights Tranche 2	ESRP Performance Rights Tranche 3
Grant date	01/01/2023	01/01/2023	01/01/2023
Vesting date	31/03/2023	31/03/2024	31/03/2025
Service period	3 months	1 year 3 months	2 years 3 months
Percentage vesting	30%	30%	40%
Tranche and number of performing rights	4,387,948	4,387,948	5,850,597
Remaining number of rights at 30 June 2024	-	0	4,509,881
Fair value on grant date	$0.155	$0.155	$0.155

Information about employee share rights outstanding at year end

The following unvested unlisted employee rights were outstanding at year end:

	ESRP Share Rights	
	2024 Number	2023 Number
Balance at start of year	**9,306,858**	-
Granted during the year	**-**	14,626,493
Vested during the year	**(3,586,428)**	(4,294,362)
Forfeited during the year	**(1,210,549)**	(1,025,273)
Balance at end of year	**4,509,881**	9,306,858

The following share-based payment expenses were recognised net of forfeitures, to profit or loss, disaggregated by equity-compensation arrangement:

	Consolidated	
	2024 $'000	2023 $'000
LTIP performance rights	**2,049**	901
EEP performance rights	**-**	(14)
NED share rights	**6**	11
Employee share rights	**649**	1,079
	2,704	1,977

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by referencing the fair value of the equity instruments at the date at which they were granted. The fair value is determined by using the Binomial, Black-Scholes or Monte Carlo model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities with the next annual reporting period, but may impact profit or loss and equity.

For personal use only

For personal use only

Share-based payments
Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial, Monte Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest, and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

If any performance rights have been forfeited for failure to complete a service period, the costs of the performance rights are trued up, i.e. amounts previously expensed are no longer incurred and accordingly reversed in the current year. This policy is applied irrespective of whether the employee resigns voluntarily or is dismissed by the Company.

29 REMUNERATION OF AUDITORS

The auditor of Macmahon Holdings Limited is KPMG Australia. Amounts paid or payable for services provided by KPMG and other non-KPMG audit firms are as follows:

	Consolidated	
	2024 $	2023 $
Group auditors		
Audit and review services - KPMG		
Audit or review of the financial statements - Australia	**520,212**	527,155
Additional scope for June 2023 audit - Australia	**-**	56,470
	520,212	583,625
Other services - KPMG		
Taxation services - Australia	**57,278**	55,808
Taxation services - Network firms	**17,693**	16,459
Other assurance services - Australia	**32,085**	34,828
Other advisory services - Financial due diligence - Australia	**258,750**	326,400
	365,806	433,495
	886,018	1,017,120
Subsidiary auditors		
Audit and review services		
Audit of the financial statements - Foo Kun Tan LLP	**20,363**	19,606
Audit of the financial statements - PwC Indonesia	**129,547**	130,491
	149,910	150,097
	1,035,928	1,167,217

30 DEED OF CROSS GUARANTEE

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (the Instrument)*, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* (the Act) requirements for preparation, audit and lodgement of their financial statements and Directors' report.

It is a condition of the Instrument that the Parent and each of its subsidiaries (Extended Closed Group) below enter into a Deed of Cross Guarantee (Deed). The effect of the Deed is that the Parent guarantees to each creditor, payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Act. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given the same guarantees in the event that the Company is wound up.

The following entities are party to the Deed under which each member guarantees the debts of the others:

- Macmahon Contractors Pty Ltd
- Macmahon Underground Pty Ltd
- Macmahon Mining Services Pty Ltd
- TMM Group Pty Ltd
- TMM Group (Operations) Pty Ltd
- GF Holdings (WA) Pty Ltd
- GBF North Pty Ltd
- GBF Mining and Industrial Services Pty Ltd

Set out below is a consolidated statement of profit or loss and other comprehensive income, summary of movements in consolidated retained earnings and consolidated statement of financial position, comprising the Company and its controlled entities which are a party to the Deed, after eliminating transactions between parties to the Deed:

For personal use only

For personal use only

Statement of Profit or Loss and Other Comprehensive Income

	Consolidated	
	2024 $'000	2023 $'000
Revenue	**1,872,578**	1,539,788
Other income	**10,522**	11,400
Materials and consumables used	**(393,775)**	(312,542)
Employee benefits expense	**(878,663)**	(754,028)
Subcontractor costs	**(80,467)**	(61,839)
Depreciation and amortisation expense	**(189,629)**	(174,168)
Equipment and other operating lease expenses	**(129,632)**	(84,605)
Net finance costs	**(24,693)**	(23,899)
Other expenses	**(126,475)**	(62,923)
Profit before income tax expense	**59,766**	77,184
Income tax expense	**(18,325)**	(12,517)
Profit after income tax expense	**41,441**	64,667

For personal use only

Statement of Financial Position

	Consolidated	
	2024 $'000	2023 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**143,220**	176,394
Trade and other receivables	**291,942**	244,281
Inventories	**105,236**	91,742
Income tax receivable	**-**	231
Total current assets	**540,398**	512,648
Non-current assets		
Trade and other receivables	**87,367**	75,933
Other financial assets	**17,770**	26,250
Property, plant and equipment	**572,131**	618,415
Intangible assets and goodwill	**10,338**	10,531
Deferred tax asset	**(15,089)**	(3,813)
Total non-current assets	**672,517**	727,316
Total assets	**1,212,915**	1,239,964
LIABILITIES		
Current liabilities		
Trade and other payables	**272,811**	266,033
Borrowings	**98,266**	110,475
Income tax payable	**(7,725)**	-
Employee benefits	**80,895**	68,633
Provisions	**22,988**	19,874
Total current liabilities	**467,235**	465,015
Non-current liabilities		
Trade and other payables	**4,713**	1,959
Borrowings	**211,115**	275,184
Employee benefits	**2,742**	2,311
Total non-current liabilities	**218,570**	279,454
Total liabilities	**685,805**	744,469
NET ASSETS	**527,110**	495,495
EQUITY		
Issued capital	**563,118**	563,118
Reserves	**(17,934)**	(10,989)
Net accumulated losses	**(18,074)**	(56,634)
TOTAL EQUITY	**527,110**	495,495

For personal use only

31 PARENT ENTITY INFORMATION

Set out below is the supplementary financial information of the Parent as follows:

Statement of Profit or Loss and Other Comprehensive Income

	2024 $'000	2023 $'000
(Profit)/Loss after income taxes of the Parent	**(487,320)**	150,847
Total comprehensive (profit)/loss of the Parent	**(487,320)**	150,847

Statement of Financial Position

	2024 $'000	2023 $'000
Current assets	**735,837**	14,118
Total assets	**985,302**	263,587
Current liabilities	**(289,410)**	(7,012)
Total liabilities	**(406,097)**	(164,540)
Equity		
Issued capital	**563,118**	563,118
Share-based payments reserve	**4,628**	2,583
Reserve for own shares	**(12,292)**	(12,656)
Accumulated losses	**(472,334)**	(472,334)
Retained profits	**496,084**	18,335
Total equity	**579,204**	99,046

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent has entered into a Deed with the effect that the Parent guarantees the debt of members of the Extended Closed Group. Further details of the Deed and the Extended Closed Group are disclosed in note 30.

Material accounting policies

The accounting policies of the Parent are consistent with those of the Group.

For personal use only

32 BUSINESS COMBINATION

On 31 December 2023, the Group acquired key contracts from Pit N Portal underground services business from Emeco Holdings Limited. The acquisition also included inventory, site fixed infrastructure assets and light vehicles. The Group also entered into employment contracts with the workforce delivering the relevant acquired contracts.

The acquisition of Pit N Portal's assets and the transferred workforce align with the Group's strategy of growing its underground mining services. The acquisition has been accounted for as a business combination.

Consideration transferred
Total consideration on acquisition of $8.833 million was satisfied via plant and equipment sale.

Impact of acquisition on the results of the Group
The underground services contracts acquired from Pit N Portal were completed in FY24 as expected. For the six months ended 30 June 2024, the business contributed revenue of $54.722 million and profit of $3.520 million to the Group's results. If the acquisition has occurred on 1 July 2023, management estimates that the consolidated revenue would have been $109.443 million and consolidated profit for the year would have been $7.040 million. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2023.

Acquisition related costs
The Group incurred acquisition costs of $1.448 million on legal fees and due diligence costs. These costs have been included in "Other expenses".

Identifiable assets acquired and liabilities assumed
The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	$'000
Customer contracts	500
Inventory	4,790
Property, plant and equipment	8,838
Accrued expenses	(1,343)
Employee benefits	(3,952)
Total identifiable net assets acquired	8,833

Measurement of fair values
The valuation techniques for measuring the fair value of material assets acquired were as follows:

Assets acquired	
Property, plant and equipment	Market comparison technique and cost technique: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Inventories	Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Business combinations
The Group accounts for business combinations using the acquisitions method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable assets acquired and liabilities assumed. Any gain on acquisition is recognised in profit or loss immediately. Goodwill is recognised when the fair value of the purchase consideration exceeds the fair value of identifiable assets.

For personal use only

33 OTHER MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The Group also adopted Disclosure of Accounting Policies (Amendments to AASB 101 Presentation of Financial Statements and IFRS Practice Statement 2) from 1 July 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and noted no changes to the note below. Furthermore, the amendments did not result in any changes to the accounting policies themselves and they did not impact the accounting policy information disclosed in the financial statements.

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

New Accounting Standards and Interpretations not effective for the Group at 30 June 2024 or early adopted

A number of new standards, amendments of standards and interpretations are effective for annual periods beginning from 1 July 2024 and earlier application is permitted, however, the Group has not early adopted these standards in preparing these consolidated financial statements.

The Group has reviewed these standards and interpretations and has determined that none of these new or amended standards and interpretations will significantly affect the Group's accounting policies, financial position or performance.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

The consolidated financial statements provide comparative information in respect of the previous period. For consistency with the current year's presentation, where required, comparative information has been reclassified.

The financial statements have been prepared under the historical cost basis, except for contingent consideration and certain other financial assets and financial liabilities, which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are included in the respective notes to the financial statements:

Note 2 - revenue recognition: estimate of variable consideration
Note 5 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macmahon Holdings Limited as of 30 June 2024 and the results of all subsidiaries for the year then ended. Macmahon Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries
Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Entities are deconsolidated from the date that control ceases.

Interest in equity accounted investees
The Group's interests in equity-accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method and are initially recognised at cost, including transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss, and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation
Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Macmahon Holdings Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the reporting date exchange rates of monetary assets, and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at the exchange rate at that date. The income and expenses of foreign operations are translated into Australian dollars at the average exchange rates for the period. Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are recognised to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve in equity.

For personal use only

For personal use only

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Goods and Services Tax (GST), Value Added Tax (VAT) and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

For personal use only

Consolidated Entity Disclosure Statement

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Incorporated subsidiaries	Country of incorporation	Body corporate, partnership or trust	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident	Ownership interest 2024 %	Ownership interest 2023 %
Macmahon Contractors Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Mining Services Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Doorn-Djil Yoordaning Mining and Construction Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Underground Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Contracting International Pte Ltd	Singapore	Body corporate	Foreign	Singapore	**100**	100
PT Macmahon Indonesia	Indonesia	Body corporate	Foreign	Indonesia	**100**	100
Macmahon Constructors Sdn Bhd	Malaysia	Body corporate	Foreign	Malaysia	**100**	100
TMM Group Pty Ltd*	Australia	Body corporate	Australia	N/A	**100**	100
TMM Group (Consult) Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
TMM Group (IP) Pty Ltd*	Australia	Body corporate	Australia	N/A	**100**	100
TMM Group (Operations) Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon East Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Maintenance Masters Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon (Southern) Pty Ltd[1]	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Africa Pty Ltd*	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Malaysia Pty Ltd*	Australia	Body corporate	Australia	N/A	**100**	100
Macmahon Sdn Bhd*	Malaysia	Body corporate	Foreign	Malaysia	**100**	100
PT Macmahon Contractors Indonesia	Indonesia	Body corporate	Foreign	Indonesia	**100**	100
Macmahon Singapore Pte Ltd*	Singapore	Body corporate	Foreign	Singapore	**100**	100
Macmahon Contractors Nigeria Ltd*	Nigeria	Body corporate	Foreign	Nigeria	**100**	100
Macmahon Contractors Ghana Limited*	Ghana	Body corporate	Foreign	Ghana	**100**	100
Macmahon Botswana (Pty) Ltd*	Botswana	Body corporate	Foreign	Botswana	**100**	100
Strong Minds Strong Mines Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
GF Holdings (WA) Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
GBF Mining and Industrial Services Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
GBF North Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
GBF Number 6 Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	100
GBF Project Services S.R.O[2]	Australia	Body corporate	Australia	N/A	**0**	100
PT Macmahon Mining Services	Indonesia	Body corporate	Foreign	Indonesia	**100**	100
MBMS Contractors Pty Ltd	Australia	Body corporate	Australia	N/A	**100**	0
Interest in trusts						
Macmahon Holdings Limited Employee Share Ownership Plans Trust	Australia	Trust	Australia	N/A	**100**	100

* Entities were dormant for the financial year ended 30 June 2024.
1 Macmahon (Southern) Pty Ltd is incorporated and operates in Australia and has a registered branch in South Africa. The branch operations are dormant.
2 GBF Project Services S.R.O was deregistered in FY24.

For personal use only

KEY ASSUMPTIONS AND JUDGEMENTS

Determination of Tax Residency
Section 295 (3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency
  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts
Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Branches (permanent establishments)
Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations. Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

For personal use only



For personal use only

Directors' Declaration

IN THE DIRECTORS' OPINION:

- The consolidated financial statements and notes, and the Remuneration Report in the Directors' Report, comply with and are made in accordance with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- The consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 33.
- The consolidated entity disclosure statement on pages 124 and 125 at the end of the financial year is true and correct.
- The consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024, and of its performance for the financial year ended on that date, and comply with Australian Accounting Standards and the *Corporations Regulations 2001*.
- There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable. At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee (pursuant to *ASIC Corporations (Wholly-owned Companies)* Instrument 2016/785) described in note 31 to the financial statements.

The Directors have been given the declarations from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2024 as required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



HAMISH TYRWHITT
Independent Non-Executive Chair
20 August 2024

For personal use only

Independent Auditor's Report

To the shareholders of Macmahon Holdings Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Macmahon Holdings Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of financial position as at 30 June 2024;
- Consolidated Statement of profit or loss and other comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

KPMG

Revenue recognition ($2,031 million)	
Refer to Note 2 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The majority of the Group's revenue arises from rendering mining and mining related services based on contracts with customers. Service revenue recognised is based on contractual rates or on a cost reimbursement plus margin basis as performance obligations are met. This is a key audit matter due to its significant value in the Group's financial report and audit effort associated with a large number of customer contracts.	Our procedures included: • Evaluating the Group's revenue recognition policies and revenue recognition on key contracts with customers against the requirements of the relevant accounting standards; • Understanding the Group's process and key controls for accounting for revenue across different contracts, considering the terms in the customer contracts; • Testing key controls in the revenue recognition process such as approval of monthly progress claims by the customers prior to billing; • Checking satisfaction of the performance obligation for a statistical sample of revenue transactions, by inspecting documentation such as customer approved progress claims; • Testing a statistical sample of contract assets by checking satisfaction of the performance obligation to underlying documentation; • Testing a sample of invoices recognised around year end, to the underlying progress claims to check revenue recognition in the correct period; • Obtaining significant credit notes recognised post year end to check the Group's recognition of revenue in the correct period; • For key contracts where variable consideration is recognised, evaluating the Group's evidence for these amounts, such as contract documents, correspondence with customers and subsequent approval of variable consideration; • Evaluating the Group's disclosures against our understanding obtained from our testing and the requirements of the accounting standards.

For personal use only

Other Information

Other Information is financial and non-financial information in Macmahon Holdings Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- Implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error;
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

For personal use only

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Macmahon Holdings Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 51 to 65 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

R Gambitta
Partner
Perth
20 August 2024

For personal use only

SUMMARY OF CONSOLIDATED REPORTS

Profit and loss ($'m)	2024	2023	2022	Restated[1] 2021	2020
Revenue from continuing operations	**2,031.3**	1,906.2	1,698.0	1,351.5	1,380.4
Underlying EBITDA	**351.7**	308.7	291.4	249.9	238.7
Depreciation and amortisation (excluding customer contracts)	**(211.4)**	(192.0)	(190.6)	(153.6)	(147.1)
Underlying EBIT	**140.3**	116.6	100.8	96.2	91.6
Other exclusions from underlying items[2]	**(38.6)**	(9.9)	(35.6)	(2.3)	(4.3)
Reported EBIT	**101.7**	106.7	65.1	93.9	87.3
Net interest	**(26.8)**	(24.3)	(19.0)	(14.6)	(14.8)
Profit/(loss) before income taxes	**74.9**	82.4	46.1	79.3	72.5
Income tax expense	**(21.7)**	(24.7)	(18.7)	(3.9)	(7.5)
Profit/(loss) after taxes from continuing operations	**53.2**	57.7	27.4	75.4	64.9
Minority interests	**-**	-	-	-	-
Profit/(loss) after taxes attributed to Macmahon	**53.2**	57.7	27.4	75.4	64.9
Other exclusions from underlying items (net of tax)[2]	**38.6**	9.9	35.6	15.5	4.3
Underlying net profit/(loss) after taxes attributed to Macmahon	**91.8**	67.6	63.0	59.9	69.2
Balance sheet ($'m)					
Plant and equipment	**671.9**	720.1	672.6	582.7	457.0
Total assets	**1,451.3**	1,464.7	1,338.3	1,143.5	923.0
Net assets	**633.5**	608.8	559.5	535.9	497.8
Equity attributable to the Group	**633.5**	608.8	559.9	535.9	497.8
Net debt/(net cash)	**146.6**	201.9	215.5	130.4	60.9
Cash flow ($'m)					
Underlying EBITDA	**351.7**	308.7	291.4	249.9	238.7
Net interest paid	**(23.2)**	(23.6)	(19.1)	(15.9)	(14.8)
Income tax (paid)/refund	**(2.6)**	(12.0)	(17.5)	(10.4)	(8.5)
Decrease/(increase) in working capital, provisions and other non-cash items	**(55.1)**	(6.3)	(26.9)	(15.4)	(21.7)
Net operating cash flows, including joint venture	**270.8**	266.9	227.9	239.0	193.7
Investing and financing cash flows (net)	**(293.5)**	(248.3)	(216.0)	(195.9)	(165.7)
Effect of exchange rates on cash	**(0.9)**	1.7	4.0	(2.8)	0.6
Cash at beginning of financial year	**218.2**	198.0	182.1	141.8	113.2
Closing cash and cash equivalents	**194.6**	218.2	198.0	182.2	141.8

1 30 June 2021 balances have been restated to reflect the Group's change in accounting policy for costs related to configuration and customisation of Software-as-a-Service (SaaS) arrangements. Refer to note 15 for more details.

2 Other exclusions from underlying items consist of:

- 2024 consists of acquisition costs, share-based payment expenses, SaaS costs, impairment of financial assets and amortisation on customer contracts recognised on acquisitions.
- 2023 consists of acquisition costs, share-based payment expenses, SaaS costs, impairment of asset disposal group and amortisation on customer contracts recognised on acquisitions.
- 2022 consists of earn-out in relation to previous acquisition, acquisition costs, share-based payment expenses, SaaS costs, impairment of asset disposal group and amortisation on customer contracts recognised on acquisitions.
- 2021 consists of earn-out in relation to previous acquisition, acquisition costs, share-based payment expenses, fair value uplift on investment in joint venture, gain on acquisition of subsidiary and amortisation on customer contracts recognised on acquisitions.
- 2020 consists of acquisition costs, share-based payment expenses and amortisation on customer contracts recognised on acquisitions.

For personal use only

	2024	2023	2022	Restated[1] 2021	2020
People and safety					
Number of employees	**9,676**	8,368	7,848	6,082	5,229
LTIFR	**0.3**	0.1	0.2	0.1	0.1
TRIFR	**3.6**	3.9	4.8	6.4	3.8
Order book					
Work in hand ($b)	**4.6**	5.1	5.0	5.0	4.5
New contracts and extension ($b)	**1.5**	2.0	1.7	2.3	1.4
Revenue growth (%)	**6.6**	12.3	25.6	(2.1)	25.1
Reported NPAT/Revenue (%)	**2.6**	3.0	1.6	5.6	4.7
Underlying NPAT/Revenue (%)[3]	**4.5**	3.5	3.7	4.4	5.0
EBIT interest cover (x)	**3.8**	4.4	3.4	6.4	5.9
Reported basic EPS from continuing operations (cents)	**2.53**	2.75	1.30	3.59	3.10
Underlying basic EPS from continuing operations (cents)	**4.36**	3.22	3.00	2.85	3.30
Balance sheet ratios					
Gearing ratio	**18.8**	24.9	27.8	19.6	10.9
Reported return on average capital employed (ROACE) (%)	**12.5**	13.3	9.0	15.3	16.4
Underlying ROACE (%)[2]	**17.2**	14.5	13.9	15.6	17.2
Reported return on equity (ROE) (%)	**8.6**	9.9	5.0	14.6	13.7
Underlying ROE (%)[2]	**14.8**	11.6	11.5	11.6	14.6
Reported return on assets (ROA) (%)	**3.7**	4.1	2.2	7.3	7.4
Underlying ROA (%)[2]	**6.3**	4.8	5.1	5.8	7.9
Net tangible assets (NTA) per share ($)	**0.29**	0.28	0.25	0.24	0.22
Cash flow ratios ($'m)					
Net operating cash flow per share (cents)	**12.6**	12.4	10.6	11.1	9.0
Shareholders					
Shares on issue ('m) at 30 June	**2,155.0**	2,155.0	2,155.0	2,155.0	2,155.0
Share price at 30 June (cents)	**29.0**	15.5	13.5	19.0	25.5
Dividends declared (cents)[3]	**1.05**	0.75	0.65	0.65	0.60
Percentage franked (%)	**-**	-	-	20.0	30.0
Market capitalisation ($'m)	**624.9**	334.0	290.9	409.4	549.5
Enterprise value (EV)	**771.5**	535.9	506.4	539.8	610.4
Price/NTA ($)	**1.0**	0.6	0.5	0.8	1.2

1 30 June 2021 balances have been restated to reflect the Group's change in accounting policy for costs related to configuration and customisation of Software-as-a-Service (SaaS) arrangements. Refer to note 15 for more details.
2 Underlying items are adjusted for other exclusions as per footnote 1 on page 130.
3 Subsequent to 30 June 2024, the Board approved the payment of a final dividend of 0.60 cents per share. For the year ended 30 June 2024, the payment of an interim dividend of 0.45 cents per share was also approved by the Board.

The Summary of Consolidated Reports uses non-IFRS financial information, such as underlying EBIT(A) and EBITDA, to measure the financial performance of the Group. Non-IFRS measures of financial performance are unaudited.

For personal use only

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not disclosed elsewhere in this report is set out below. The information was current as at 16 August 2024.

NUMBER AND DISTRIBUTION OF EQUITY SECURITIES

The Company has a single class of equity securities on issue, being fully paid ordinary shares. The distribution schedule of the Company's shares is detailed below.

1–1,000	616	0.01%
1,001–5,000	1,941	0.25%
5,001–10,000	980	0.35%
10,001–100,000	2,219	3.65%
100,001 and over	538	95.73%
Total	**6,294**	**100%**

There were 1,096 holders of less than a marketable parcel of shares (1,755 shares or fewer) based on the closing price on 16 August 2024 ($0.285) of Macmahon shares listed on ASX.

SUBSTANTIAL HOLDERS

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving a substantial shareholder notice under Part 6C.1 of the *Corporations Act 2001*.

Holders giving notice	Number of ordinary shares in which interest is held
Amman Mineral Contractors (Singapore) Pte Ltd	954,064,924
Paradice Investment Management Pty Ltd	145,996,305

There may be differences between this information and the list of the top 20 largest shareholders due to differences between registered holder details, the nature of a holder's relevant interest in voting shares, or movements of less than 1 percent which do not require disclosure.

VOTING RIGHTS

The voting rights attaching to fully paid ordinary shares are detailed below:

Each holder present at a general meeting (whether in person, online, by proxy or by representative) is entitled to one vote on a show of hands, or on a poll, one vote for each share, subject to any voting restrictions that may apply.

ON-MARKET SHARE BUY-BACK

The Company is not currently conducting an on-market buy-back of its shares listed on the ASX.

RESTRICTED SECURITIES AND VOLUNTARILY ESCROWED SECURITIES

There are no securities on issue which are restricted securities.

There are no which are subject to voluntary escrow.

For personal use only

Equity Security Holders

The names of the 20 largest holders of quoted equity securities (fully paid ordinary shares) are listed below.

Rank	Name	Shares	%
1	Amman Mineral Contractors (Singapore) Pte Ltd	954,064,924	44.30
2	Paradice Investment Management Pty Ltd	145,996,305	6.80
3	Dimensional Fund Advisors LP	79,527,845	3.70
4	Cbus Super	68,315,432	3.20
5	Ryder Capital	67,176,601	3.10
6	Macmahon Employee Holdings	63,956,155	3.00
7	Mitsubishi UFJ Financial Group, Inc	63,894,009	3.00
8	Perpetual Limited	50,000,000	2.30
9	Longwave Capital Partners Pty Ltd	24,025,102	1.10
10	QVG Capital Pty Ltd	20,000,000	0.90
11	Nicholas Debenham	18,368,000	0.90
12	Macquarie Group Limited	17,883,070	0.80
13	1851 Capital Pty Ltd	17,102,971	0.80
14	Nicholas & Annette Debenham	16,093,000	0.70
15	BrightSphere Investment Group	16,040,777	0.70
16	Precision Funds Management Pty Ltd	15,244,445	0.70
17	Forager Funds Management Pty Ltd	13,831,113	0.60
18	Alceon Liquid Strategies Pty Ltd	12,800,000	0.60
19	Ophir Asset Management Pty Ltd	11,921,269	0.60
20	Goldman Sachs Group	9,707,265	0.50
	Top 20 Holders	**1,685,948,283**	**78.2**
	Remaining Holders Balance	**469,037,535**	**21.8**
	Total Shares on Issue	**2,154,985,818**	**100.00**

For personal use only

CORPORATE DIRECTORY AND GLOSSARY

DIRECTORS

Hamish Tyrwhitt
Independent, Non-Executive Chair

Michael Finnegan
Managing Director and Chief Executive Officer

Dharma Chandra
Independent, Non-Executive Director

David Gibbs
Non-Independent, Non-Executive Director

Denise McComish
Independent, Non-Executive Director

Grahame White
Independent, Non-Executive Director

CHIEF FINANCIAL OFFICER

Ursula Lummis

COMPANY SECRETARY

Maha Chaar

REGISTERED OFFICE AND BUSINESS ADDRESS

15 Hudswell Road
Perth Airport WA 6105 Australia
Phone: +61 8 9232 1000
Fax: +61 8 9232 1001

POSTAL ADDRESS

PO Box 198
Cannington WA 6987 Australia

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000 Australia
Phone: 1300 850 505
www.computershare.com.au
web.queries@computershare.com.au

STOCK EXCHANGE LISTING

Macmahon Holdings Limited fully paid ordinary shares are listed on the Australian Securities Exchange with an ASX code of "MAH".

AUDITOR

KPMG
235 St Georges Terrace
Perth WA 6000 WA

INCORPORATION

Macmahon Holdings Limited is incorporated and domiciled in Australia as a public company limited by shares.
ACN 007 634 406
ABN 93 007 634 406

KEY DATES (SUBJECT TO CHANGE)

2024 Annual General Meeting – 29 October 2024 (at a time and place to be announced)
Release of FY25 Half Year Results – February 2025
Release of FY25 Full Year Results – August 2025

GLOSSARY

AMNT	PT Amman Mineral Nusa Tenggara
EBIT	Earnings before net interest expense and tax expense
EBIT(A)	Earnings before net interest expense, tax expense and customer contract amortisation
EBITDA	Earnings before net interest expense, tax expense, depreciation and amortisation
EV	Enterprise value, being market capitalisation plus net debt
Gearing ratio	Net debt/equity plus net debt
LTIFR	Lost time injury frequency rate
TRIFR	Total recordable injury frequency rate
NPAT	Net profit after tax
NTA	Net tangible assets
ROACE	Return on average capital employed – EBIT(A)/average capital employed, where capital employed is total assets excluding cash less current liabilities excluding current debt
ROE	Return on equity – Underlying NPAT/ average net assets
ROA	Return on assets – Underlying NPAT/ average assets

Note: Refer to Summary of Consolidated Reports for reconciliation to underlying results.

For personal use only

For personal use only

Macmahon Holdings Limited
ACN 007 634 406

15 Hudswell Road
Perth Airport WA 6105
Australia
+61 8 9232 1000
info@macmahon.com.au

macmahon.com.au

linkedin.com/company/macmahon
facebook.com/macmahonmining
instagram.com/macmahonmining/
@macmahon_mining
youtube.com/@macmahon9047