



# Half Year Results FY 2021

# Financial Highlights

1H21 Revenue

**\$652.5m**

▼ 5% on 1H20

1H21 underlying EBITDA<sup>1</sup>

**\$121.2m**

▲ 6% on 1H20

1H21 underlying EBIT(A)<sup>1</sup>

**\$46.5m**

▲ 5% on 1H20

1H21 reported NPAT

**\$44.8m**

▲ 56% on 1H20

1H21 operating cash flow<sup>2</sup>

**\$96.7m**

▲ 7% on 1H20

Order Book<sup>3</sup>

**\$4.2bn**

Net Tangible Assets

**22.9 cps**

▲ 4% on FY20

ROACE / ROE<sup>4</sup>

**13.4% / 12.0%**

1H21 Interim Dividend

**0.30 cps**

▲ 20% on 1H20

FY21 Revenue Guidance<sup>5</sup>

**\$1.3bn – \$1.4bn**

FY21 EBIT(A) Guidance<sup>5</sup>

**\$90m – \$100m**

FY21 Secured Revenue<sup>6</sup>

**\$1.3bn**

1. Underlying numbers excludes total adjustments of \$3.5m, refer to reconciliation on slide 29

2. OCF: Net operating cash flow excluding interest and tax and M&A costs

3. Pro forma as at 23 February 2021. Excludes civil, short term underground churn and JV revenue. Includes Batu Hijau revenue adjustment, Deflector and Warrawoona (preferred)

4. ROACE: Underlying EBIT(A) annualised / Average (Total Assets – Current Liabilities), ROE: Underlying NPAT (A) annualised / Average Equity

5. Guidance assumes an exchange rate of AUD:USD 0.75, and excludes one-off items and amortisation related to the GBF Group acquisition

6. FY21 secured revenue of \$1.3bn (includes Deflector and excludes short term civil and underground churn work)

# 1H21 Key Developments / FY21 Outlook

## Financials

- Increased earnings and cashflow
- Effectively managed COVID-19 impacts
- Solid balance sheet: gearing 20.0%, ND/EBITDA 0.5x, cash and available facilities of \$255m
- Capital discipline: cash conversion 79.8% and ROACE 13.4%
- Interim dividend: 0.30 cents per share (20% franked)

## Surface Mining

- Record production volumes on key projects
- Awarded \$250m contract for Foxleigh project – February start
- Appointed preferred for Calidus' (ASX:CAI) Warrawoona \$220m project
- TMM awarded civil contract at Strandline's (ASX:STA) Coburn project

## Underground Mining

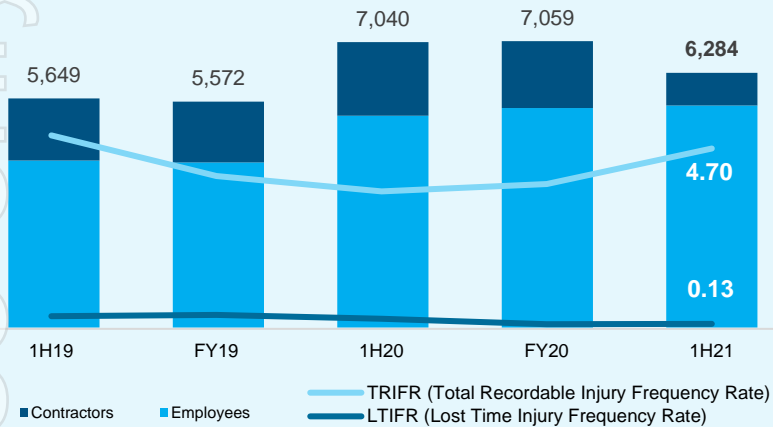
- GBF secured 4 year \$220m contract extension for Silver Lake's (ASX:SLR) Deflector mine
- GBF secured contract to construct and refurbish existing decline at the Bellevue (ASX:BGL) mine
- GBF awarded contract extension for Pantoro's (ASX:PNR) Wagtail and Nicolson's mines
- Successfully ramped up at Tropicana Boston Shaker contract
- Safely completed winding and shaft engineering activities at Olympic Dam

## Outlook

- **FY21 guidance:**
  - Revenue \$1.3 – \$1.4bn (revised from \$1.4 – \$1.5bn, due to accounting treatment of certain revenue at Batu Hijau)
  - EBIT(A) \$90 – \$100m (unchanged)
  - FX assumption increased from 0.72 to 0.75
- Pro forma order book of \$4.2bn, including preferred Warrawoona contract of \$220m
- Over 20 tender opportunities worth \$7bn, \$3.8bn tenders currently submitted and under preparation

# People, Safety & Sustainability

**Injury Frequency Rates and Workforce**



- **Safety and Wellbeing**

- Remains a core business priority
- **Strong Minds, Strong Mines** award winning physical and mental health program now offered to wider mining industry
- **LTIFR:** remains low and below industry benchmarks
- **TRIFR:** leadership team implementing various action plans to address increasing trend

- **COVID-19**

- Various measures continue to protect our people and operations, with some disruption and incremental costs to manage

- **Sustainability**

- Completed an ESG materiality assessment



- **Recruitment campaigns for skilled workers**

- Evident tightening in Western Australian labour market
- Go for Gold (east coast to west coast)
- Farmer Wants to Mine, Macmahon Maintenance Masters

















- **Grow our own Program**

- Apprentices: 79 (added 29 since June)
- Graduates: 36 (added 11 since June)

- **Diversity**

- 6% of Australian workforce is Indigenous
- 15% of Australian workforce is female
- Indonesia workforce, 99%+ Indonesian with focus on locals

# Key Projects

Project	Clients	Location	Commodity	Type	End (unless extended)	Global Cost Curve <sup>1</sup>
<b>Tropicana</b>	 	Western Australia, Australia	Gold	Surface	2023	
<b>Boston Shaker</b>				Underground	May 2024	
<b>Telfer</b>		Western Australia, Australia	Gold	Surface	Jan 2023	
<b>Mount Morgans</b>		Western Australia, Australia	Gold	Surface	Dec 2022	
<b>Mount Monger</b>		Western Australia, Australia	Gold	Underground	April 2023	
<b>Deflector</b>		Western Australia, Australia	Gold	Underground	May 2025	
<b>Bellevue Gold</b>		Western Australia, Australia	Gold	Underground	Est Aug 2021	
<b>Byerwen</b>		Queensland, Australia	Coking coal	Surface	Nov 2023	
<b>Batu Hijau</b>		Sumbawa, Indonesia	Copper/Gold	Surface	2031	
<b>Civil / Rehabilitation</b>	Various	Indonesia/Australia	Various	Surface		

1: Minespans 2020 data by McKinsey



# Batu Hijau Project

## Cornerstone project that underpins long term outlook

- Macmahon has life of mine alliance contract for Batu Hijau
- Second largest copper-gold mine in Indonesia (behind Grasberg)
- Commenced in 2017, successfully executing Phase 7 cut back

## Batu Hijau is a world class asset

- First quartile of the global copper cost curve<sup>1</sup>
- Reserve<sup>2</sup> of 6.9bn lbs of copper and 8moz of gold
- Finalising significant cut back (Phase 8), expected to extend current in-pit mining by another 6 years from 2022 to 2028

## Elang - potential beyond Batu Hijau

- Large undeveloped copper-gold porphyry deposit
- Located 62 km east of Batu Hijau
- Expected to be developed after Batu Hijau Phase 8

	Total (mt)	Grades		Contained	
		Cu (%)	Au (g/t)	Cu (blbs)	Au (mozs)
JORC mineral resources <sup>2</sup>					
Batu Hijau	966	0.38	0.29	8.00	8.58
Elang	3,211	0.31	0.31	22.00	31.30

1. GlobalData

2. As at 31 December 2019



## About the client

- Batu Hijau is owned by AMNT, an Indonesian mining company backed by prominent local investors including MedcoEnergi and Salim Group (large Indonesian conglomerate)
- AMNT is a supportive 44.3% indirect shareholder of Macmahon
- Strategic investment aligns interests



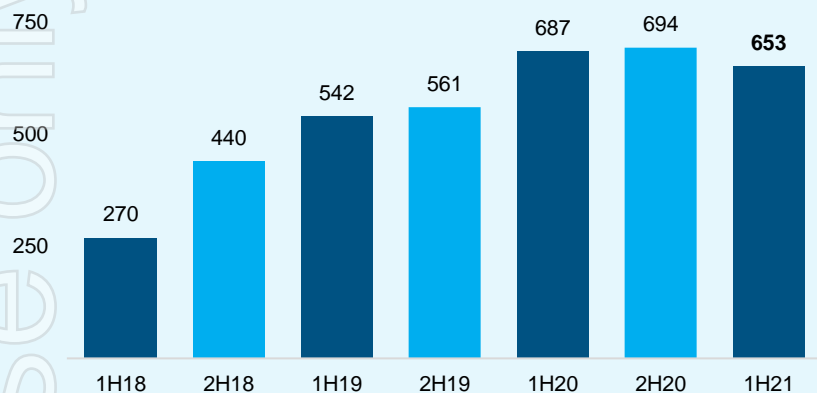


Deflector, WA (Silver Lake Resources)

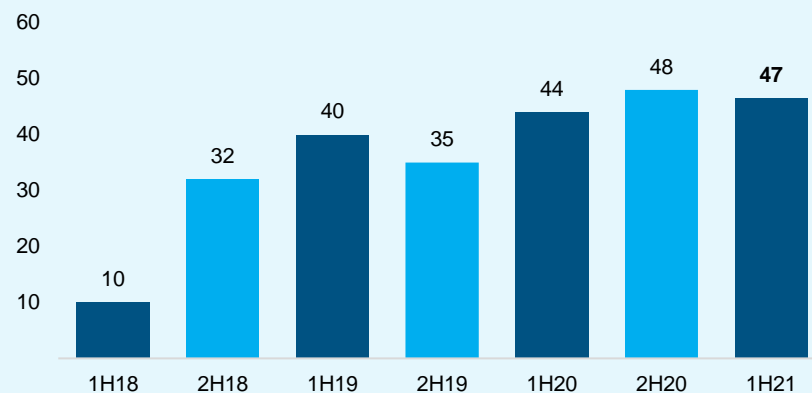
# H21 Results

# Financial Performance

## Revenue (\$m)

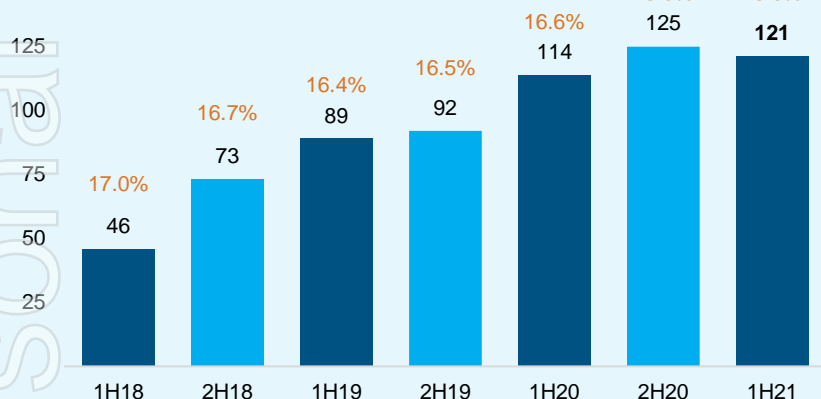


## Underlying EBIT(A) (\$m)

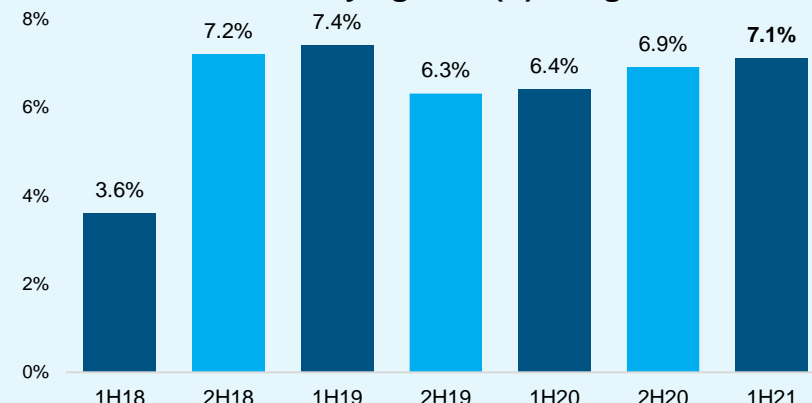


## Underlying EBITDA (\$m)

EBITDA margin  
18.0% 18.6%

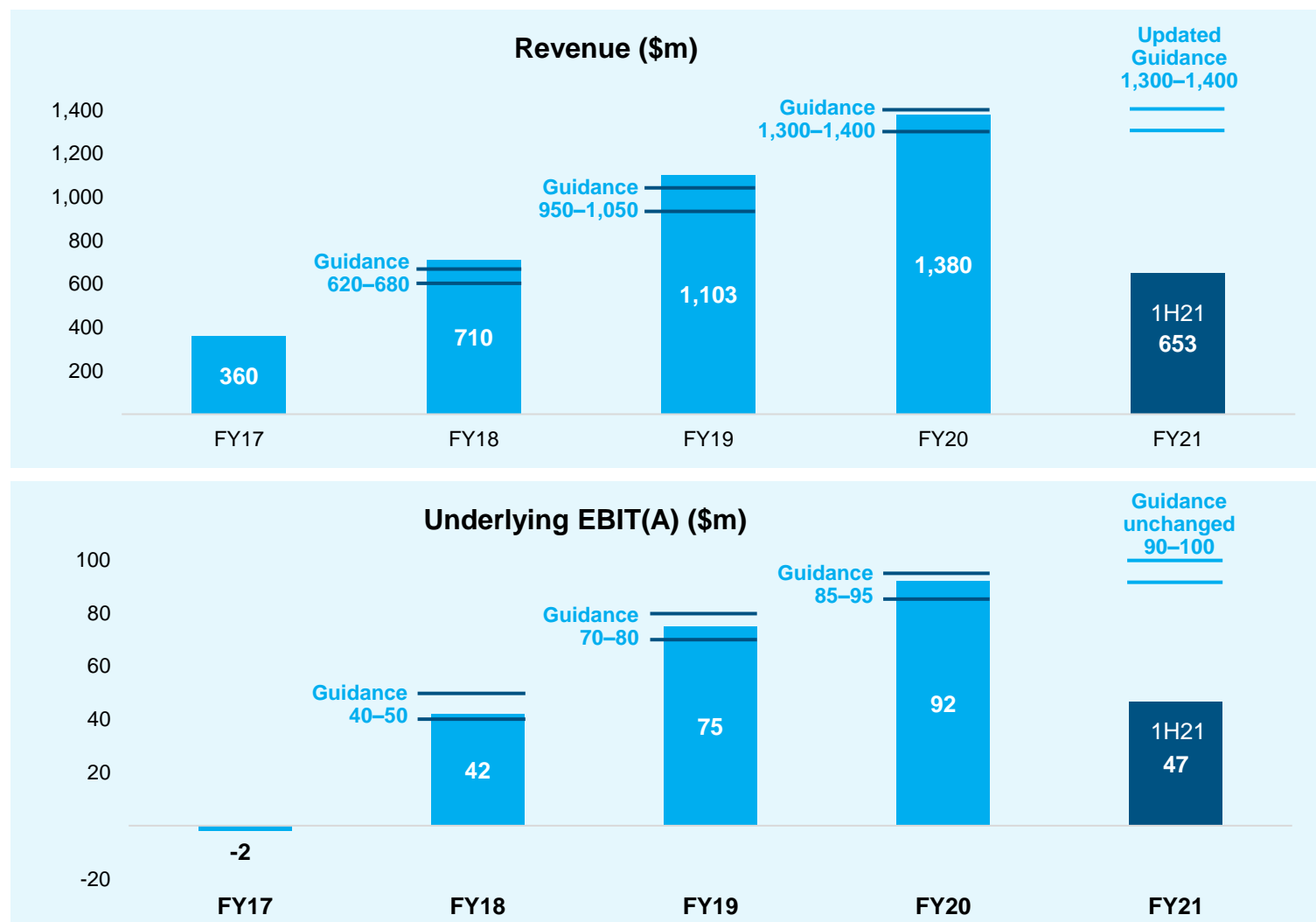


## Underlying EBIT(A) Margin





# On track to deliver expected earnings



# Profit and Loss

\$ Millions	1H20	1H21	Change
<b>Revenue</b>	<b>686.7</b>	<b>652.5</b>	▼ 5%
<b>EBITDA<sup>1</sup></b>	<b>114.0</b>	<b>121.2</b>	▲ 6%
<i>EBITDA margin</i>	16.6%	18.6%	
<b>EBIT(A)<sup>1</sup></b>	<b>44.1</b>	<b>46.5</b>	▲ 5%
<i>EBIT(A) margin</i>	6.4%	7.1%	
Net finance costs	(7.6)	(6.2)	
<b>PBT(A)<sup>1</sup></b>	<b>36.5</b>	<b>40.3</b>	▲ 10%
<i>PBT(A) margin</i>	5.3%	6.1%	
Tax (expense)/benefit	(5.0)	7.9	
- DTA recognition benefit		17.9	
<b>NPAT(A)<sup>1</sup></b>	<b>31.5</b>	<b>30.4</b>	▼ 3%
<i>NPAT(A) margin</i>	4.6%	4.6%	
<b>EPS(A)<sup>1</sup> (basic)</b>	<b>1.50 cps</b>	<b>1.45 cps</b>	▼ 4%
Reported NPAT	28.7	44.8	▲ 56%
<b>Reported EPS (basic)</b>	<b>1.37 cps</b>	<b>2.13 cps</b>	▲ 55%
<b>Dividends per share</b>	<b>0.25 cps</b>	<b>0.30cps</b>	▲ 20%

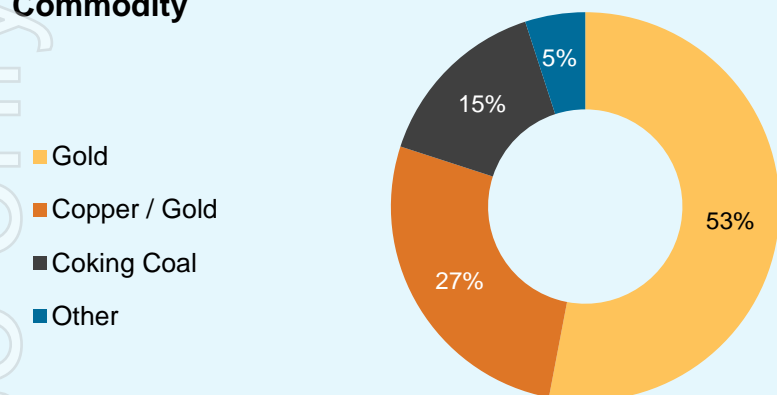
- **Revenue** decreased by 5%
  - Change in accounting treatment on certain client provided consumable items at Batu Hijau.
  - Macmahon did not have control over the movement of tyres and lubricants due to COVID-19. Consistent with AASB 15<sup>2</sup>, the Company has not recorded these consumables.
  - As there is no margin associated with these consumable items, earnings have not been impacted.
  - Excluding this change, revenue grew approximately 3% across the remainder of the business.
- **EBITDA and EBIT(A)** growth of 6% and 5% respectively, driven by organic growth across the business.
- **EBITDA and EBIT(A)** margin improved to 18.6% and 7.1% respectively.
- **Tax Benefit** was attributable to recognition of a **Deferred Tax Asset (DTA)** of \$17.9m due to change in Australian tax legislation, which allows a tax deduction for new Australian capex through to FY22. Over this period, effective tax rate expected to be ~30%, but effective cash tax rate expected to be ~15%.
- **Interim dividend** increased to 0.30cps (20% franked).

1. Underlying earnings, refer to reconciliation on slide 29

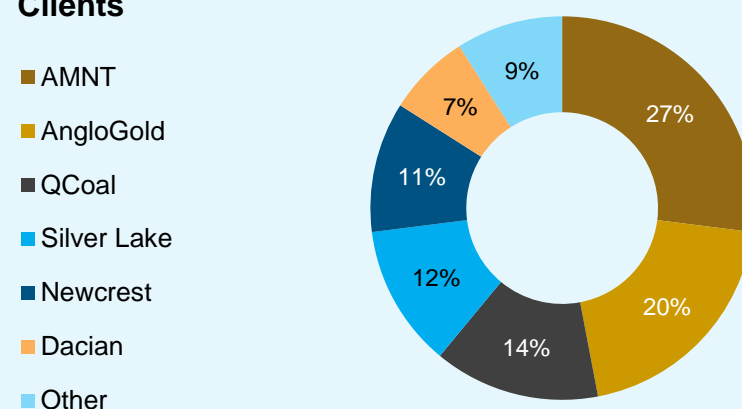
2. Under AASB 15, if a customer contributes goods, to facilitate fulfilment of the contract, an assessment is required as to whether the Company obtains control of these contributed goods

# 1H21 Revenue Diversification

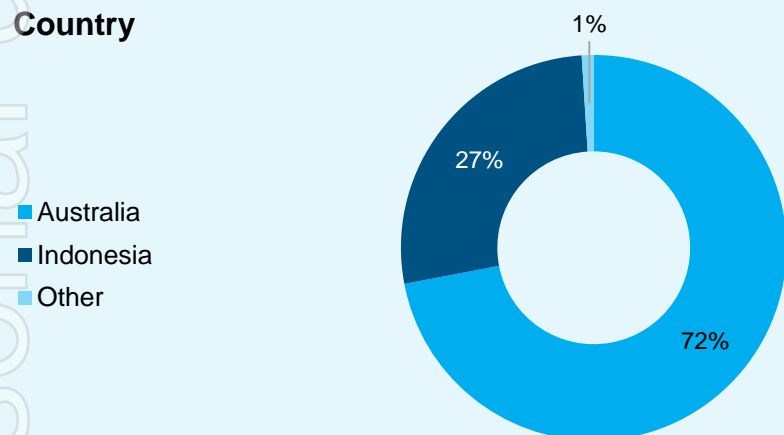
## Commodity



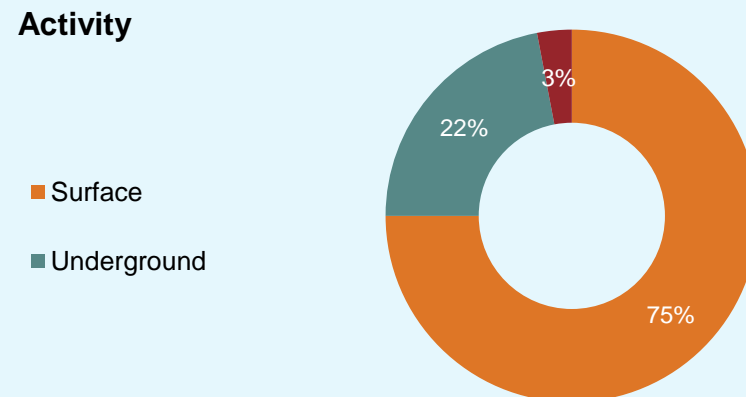
## Clients



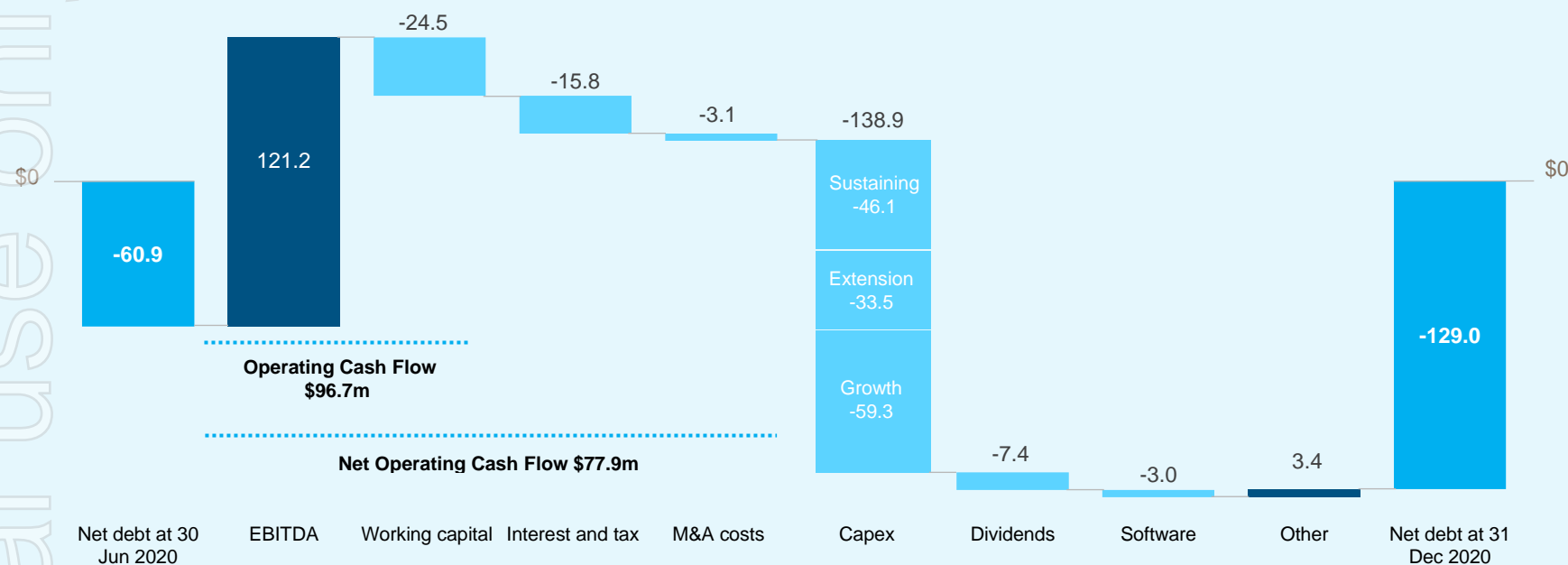
## Country



## Activity



# Cash Flow – Net Debt Waterfall



- EBITDA cash conversion of 79.8%, anticipating to achieve full year cash conversion target of 85%
- Excluding additional contract wins, FY21 capex expected to be \$230m (from \$175m):
  - \$95m sustaining capex (unchanged)
  - \$40m extension capex – for Mount Monger, Deflector, Nicolsons, Batu Hijau
  - \$95m growth capex – for Foxleigh, Byerwen, Boston Shaker, Solomon, Bellevue



# Balance Sheet

\$ Millions	FY20	1H21
Cash	141.8	148.4
Receivables	202.6	212.0
Inventories	57.3	58.6
Property, plant and equipment	457.0	508.8
Intangible assets and goodwill	21.3	23.1
Other assets	42.9	51.4
<b>Total assets</b>	<b>923.0</b>	<b>1,002.3</b>
Payables	153.9	147.2
Borrowings	202.7	277.4
Other liabilities	68.6	61.2
<b>Current liabilities</b>	<b>268.6</b>	<b>269.4</b>
<b>Total liabilities</b>	<b>425.2</b>	<b>485.8</b>
<b>Total Equity</b>	<b>497.8</b>	<b>516.6</b>
<b>Net Debt<sup>1</sup></b>	<b>60.9</b>	<b>129.0</b>
<b>Net Tangible Assets (NTA)</b>	<b>22.1 cps</b>	<b>22.9 cps</b>
<b>Gearing<sup>2</sup></b>	<b>10.9%</b>	<b>20.0%</b>
<b>ND/EBITDA<sup>3</sup></b>	<b>0.3x</b>	<b>0.5x</b>
<b>ROACE<sup>4</sup></b>	<b>14.8%</b>	<b>13.4%</b>
<b>ROE<sup>5</sup></b>	<b>14.6%</b>	<b>12.0%</b>

1. Includes AASB 16 Leases

2. Net Debt / (Net Debt + Equity), Net debt includes AASB 16 Leases

3. Net Debt / Annualised underlying EBITDA

4. Underlying EBIT (A) annualised / Average (Total Assets – Current Liabilities)

5. Underlying NPAT (A) annualised / Average Equity

- Solid balance sheet and liquidity position
  - Gearing 20.0%
  - Net Debt / EBITDA of 0.5x
  - Cash and available banking facilities of \$255m
- Refinanced existing facility into new enhanced \$170m facility
  - Maturity date extended by 2 years to July 2023
  - Competitive interest rate of sub 3% plus swap rate
- Borrowings comprise primarily of equipment lease facilities
  - Equipment lease facilities \$196.0m
  - Bank finance \$68.3m
  - Property lease \$13.1m
- Solid ROACE of 13.4%, but impacted due to timing of new capex and commencement of work – expect ROACE of 15% over long term
- Balance sheet supports sustainable dividends and provides financial flexibility to enable continued execution of growth strategy

# Capital Allocation Policy & 1H21 Dividend

Policy adopted to balance growth and cash returns to shareholders

Objectives	1. Maintain financial strength	2. Invest in growth	3. Return cash to shareholders
Priorities	<ol style="list-style-type: none"> <li>1. Maintain strong balance sheet</li> <li>2. Ensure appropriate liquidity and gearing with regard to revenue visibility and outlook</li> <li>3. Retain flexibility to fund tender pipeline and accretive acquisitions</li> <li>4. Return cash to shareholders via dividends and/or share buyback</li> </ol>		
1H21 Capital Allocation and Dividend	<ul style="list-style-type: none"> <li>• Investment in growth               <ul style="list-style-type: none"> <li>– Capex \$138.9m, sustaining capex \$46.1m</li> <li>– FY21 capex guidance \$230m: sustaining capex \$95m; extension capex \$40m; growth capex of \$95m</li> </ul> </li> <li>• Returned to Shareholders               <ul style="list-style-type: none"> <li>– FY21 interim dividend of 0.30 cents per share (20% franked), represents 20.7% of underlying EPS</li> <li>– Record date 17 March 2021</li> <li>– Payment date 7 April 2021</li> </ul> </li> </ul>		

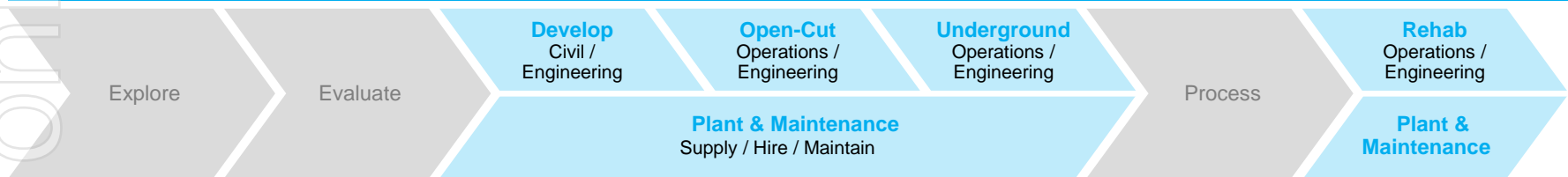


Byerwen, Queensland (QCoal)

# Strategy and Outlook

# Key Strategic Priorities

## Mining Value Chain



## Key Strategic Focus

Safety	Execution and Relationships	Technology	People and Culture	New Work	Diversification
<ul style="list-style-type: none"> <li>Continue focus on improving safety</li> </ul>	<ul style="list-style-type: none"> <li>Enhance margins and execution</li> <li>Improve productivities</li> </ul>	<ul style="list-style-type: none"> <li>Integrate high performing systems</li> <li>Deliver value via tech enabled efficiency tools</li> </ul>	<ul style="list-style-type: none"> <li>Build proactive and positive culture</li> </ul>	<ul style="list-style-type: none"> <li>Grow and diversify market share</li> <li>Capitalise on \$7.0bn tender pipeline</li> </ul>	<ul style="list-style-type: none"> <li>Mining related Civil</li> <li>Underground</li> <li>Rehabilitation</li> <li>Engineering</li> </ul>



# Sustainability - Completed materiality assessment

## Safety, Health and Wellbeing



**New role of Environment and Sustainability**



**Safety performance**  
LTIFR – 0.13  
TRIFR – 4.70

**STRONG MINDS**  
**STRONG MINES**



**Strong Minds, Strong Mines** –  
WAAMH Award, program  
offered to industry

**COVID-19 Response** –  
financial, accommodation,  
physical and mental health, EAP



**People development** –  
registered training organisation  
(RTO)



**Grow our Own** –  
450 people in structured  
training programs (graduates,  
apprenticeships,  
traineeships)



**New to Industry Training Programs**  
– 25% Female participation



**Diversity Policy** –  
Indigenous – 6% (Aus)  
Female – 15% (Aus)

## Environment



**Rehabilitation** –  
FY20 completed  
107 hectares



**FY20 GHG emissions** –  
(tonnes per CO<sub>2</sub>-e)  
Scope 1: 6,119 / Scope 2: 1,803



**Climate Change Statement**–  
continual improvement  
in energy efficiency



**Solar panels** at head office –  
expected to produce  
650,000kWh pa

## Social & Community involvement



Sponsor of  
**CME DETECT**  
project (\$25k)



**QCoal Ca\$hEdUp** –  
financial education  
in regional QLD



**Medical supply donation:**  
The Perkins (raised \$235k),  
SJOG Hospital, Ramsay Health  
Care



**Regional and  
local sport  
sponsorships**

### Indigenous Engagement:



**Jangga Aboriginal Trainee Program** – with Qcoal  
**EEO Recognition** – QLD mining award 2020



**Carey Mining**  
'Get Into Mining'  
Indigenous program



**Doorn-Dijl Yoordaning** –  
Indigenous regional  
employment

## Governance



**7 board members** –  
4 independent  
(incl. Chair)



**Code of Conduct Policy** –  
Anti-bribery and Corruption  
and Conflicts

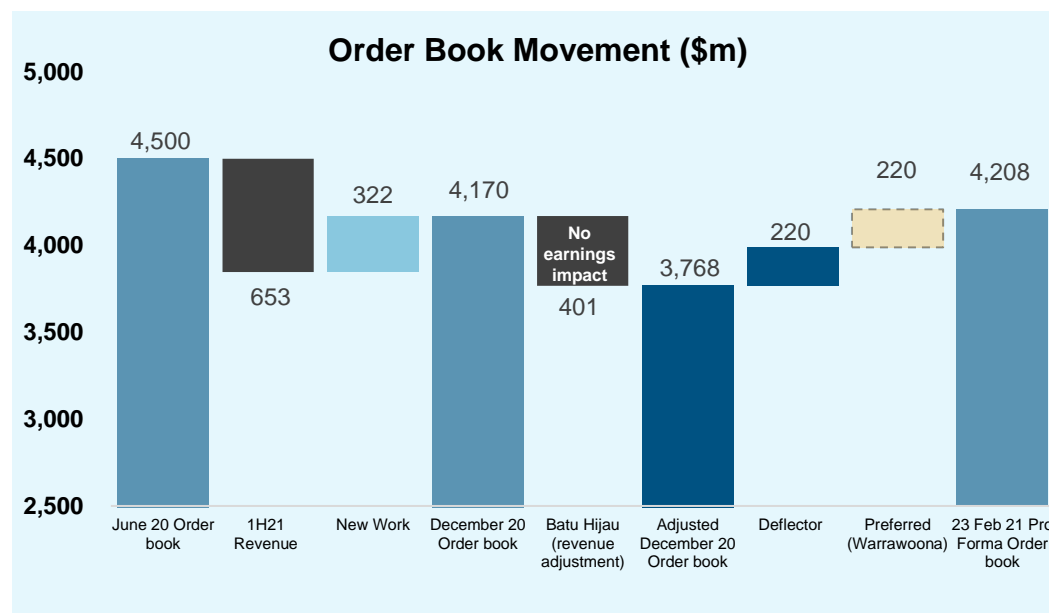
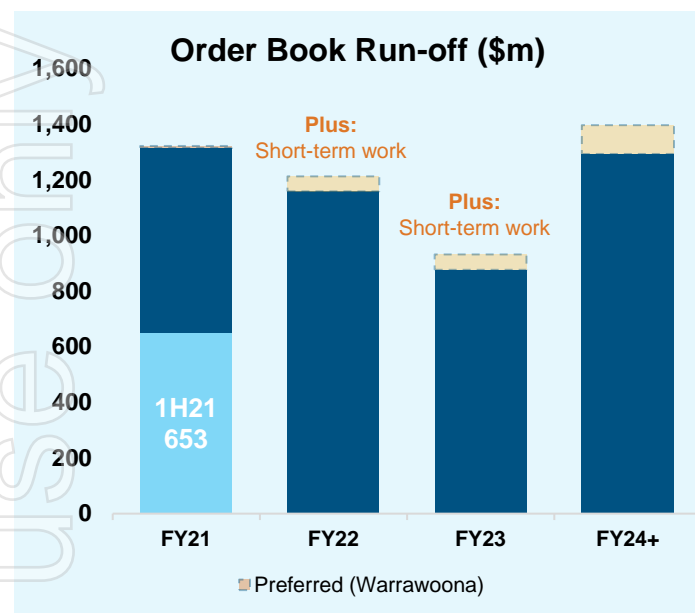


**Modern Slavery Statement**  
– to be published in March  
– Commenced awareness  
training across Group



**Updated  
Whistleblower  
policy**

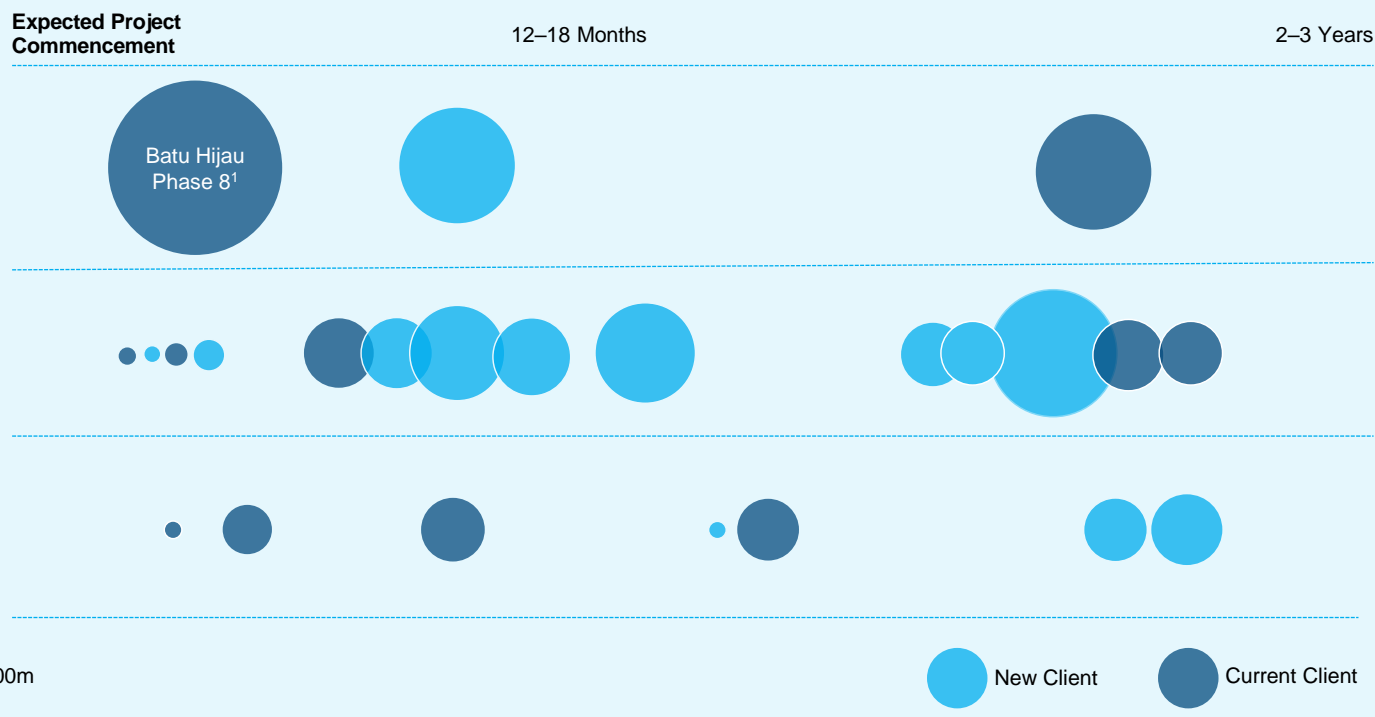
# Order Book<sup>1</sup> \$4.2 billion



- Secured \$322m of new work in 1H21 including Foxleigh, Bellevue, Nicolsons, Strandline and Solomon
- Order book adjusted for removal of certain 'pass-through' consumables (Tyres and Lubricants) at Batu Hijau (no earnings impact)
- Order book of \$4.2bn includes Deflector and Warrawoona (preferred contract)
- Excludes civil and underground short term work (FY20 \$110m)
- Majority of order book is from:
  - Gold and Copper/Gold mines
  - Mines at bottom half of global cost curve
  - Strategic Alliances – transparent, flexible approach driven by win-win outcomes

1. Pro forma as at 23 February 2021. Excludes civil, short term underground churn and JV revenue. Includes Batu Hijau revenue adjustment, Deflector and Warrawoona (preferred)

# Tender Pipeline \$7 billion



- Well positioned to capitalise on additional growth opportunities
- Over 20 tender opportunities, majority Australian and gold projects
- \$3.6bn of new client opportunities
- \$1.2bn underground opportunities
- In addition to extensions, \$2.2bn current submitted tenders and \$1.6bn tenders under submission

1: Based on current accounting treatment of consumables (tyres and lubricants)

# FY21 Priorities and Outlook

## FY21 priorities:

- Build on strong safety culture
- Effectively manage COVID-19
- Deliver FY21 contracted work
- Secure additional contract expansions / new work
- Enhance and diversify earnings in civil, underground, engineering and rehabilitation businesses
- Maintain disciplined management of capital
- Invest in mining technology and digital transformation

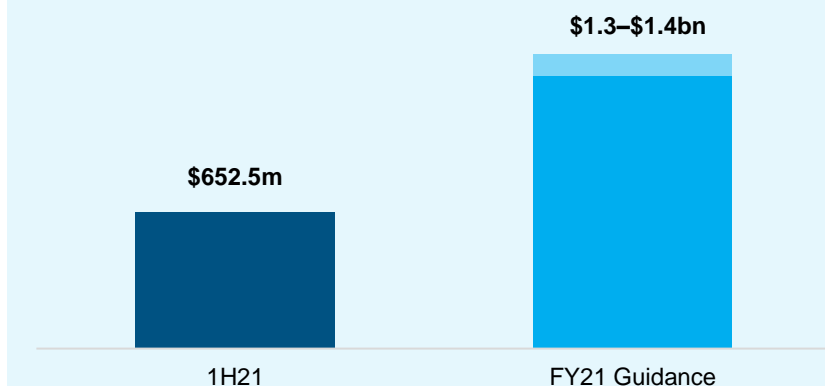
## FY21 guidance<sup>1</sup>:

- Revenue of \$1.3bn – \$1.4bn
- EBIT(A) of \$90m–\$100m
- Based on AUD:USD of 0.75 vs 0.72 when guidance originally provided

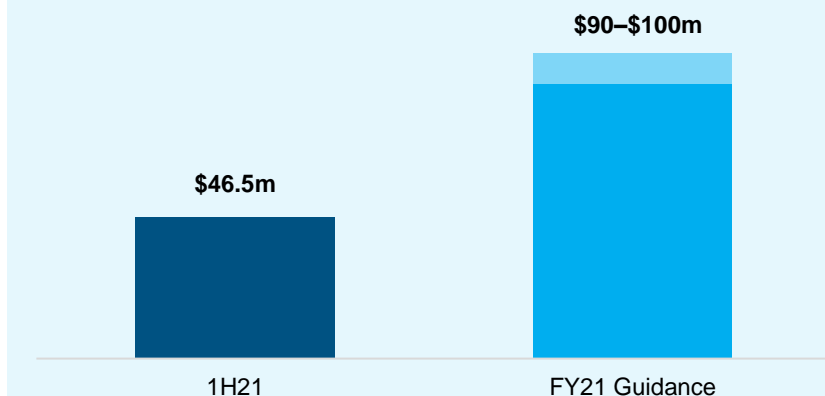
## Outlook supported by:

- ✓ Order book of \$4.2bn
- ✓ Tender pipeline of \$7bn
- ✓ Strong balance sheet
- ✓ Proven leadership team

## Revenue Guidance



## EBIT(A) Guidance



<sup>1</sup>: Guidance assumes an exchange rate of AUD:USD 0.75, and excludes the impact of one-offs, and amortisation related to GBF Group acquisition.



# Thank You



## Contact

**Chris Chong**

**Investor Relations and Corporate Development**

[cchong@macmahon.com.au](mailto:cchong@macmahon.com.au)

**Mick Finnegan**

**CEO & MD**

[mfinnegan@macmahon.com.au](mailto:mfinnegan@macmahon.com.au)

**Peter Pollard**

**CFO**

[ppollard@macmahon.com.au](mailto:ppollard@macmahon.com.au)

[www.macmahon.com.au](http://www.macmahon.com.au)



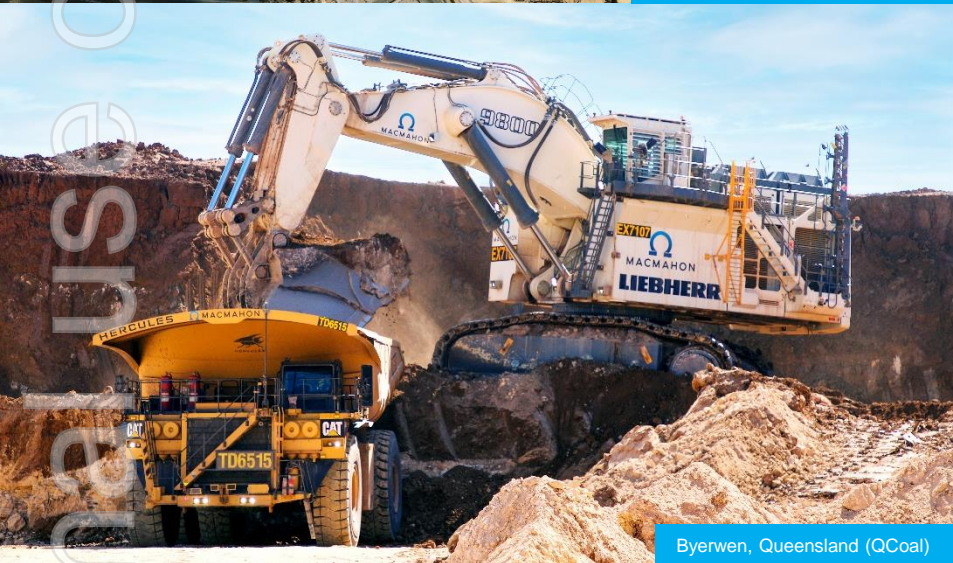




Batu Hijau, Indonesia (PT AMNT)



Boston Shaker, WA (AngloGold Ashanti / IGO)



Byerwen, Queensland (QCoal)



Cancer 200: Ride for Research

# Appendix

# Corporate Overview



## Capital Structure

<b>Share Price<sup>1</sup> (ASX:MAH)</b>	<b>\$0.245</b>
Fully paid ordinary shares (m)	2,155
<b>Market Capitalisation</b>	<b>\$528.0m</b>
Cash (31 December 20)	\$148.4m
Debt (31 December 20)	\$277.4m
<b>Enterprise Value</b>	<b>\$657.0m</b>
<b>Net Tangible Assets per share</b> (31 December 20)	<b>\$0.229</b>

## Directors

Eva Skira	Independent Non-Executive Chair
Michael Finnegan	CEO and Managing Director
Alex Ramlie	Non-Independent Non-Executive Director
Arief Sidarto	Non-Independent Non-Executive Director
Vyrl Vella	Independent Non-Executive Director
Bruce Munro	Independent Non-Executive Director
Hamish Tyrwhitt	Independent Non-Executive Director

## Analyst Coverage

Argonaut	Ian Christie
CLSA	Ben Brownette
Euroz Hartleys	Trent Barnett
Moelis	Sean Kiriwan

## Substantial Institutional Shareholders

Paradise Investment Management	6.5%
--------------------------------	------

## Index

ASX300

## Liquidity – Daily Average Value

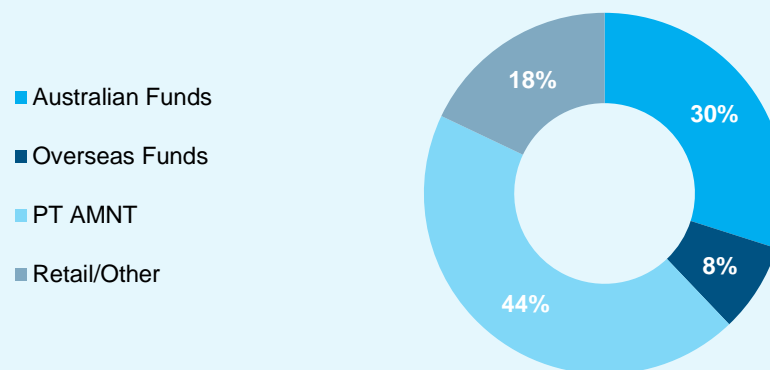
\$600k

1: As at 22 February 21

## Share Price (\$) – 3 years



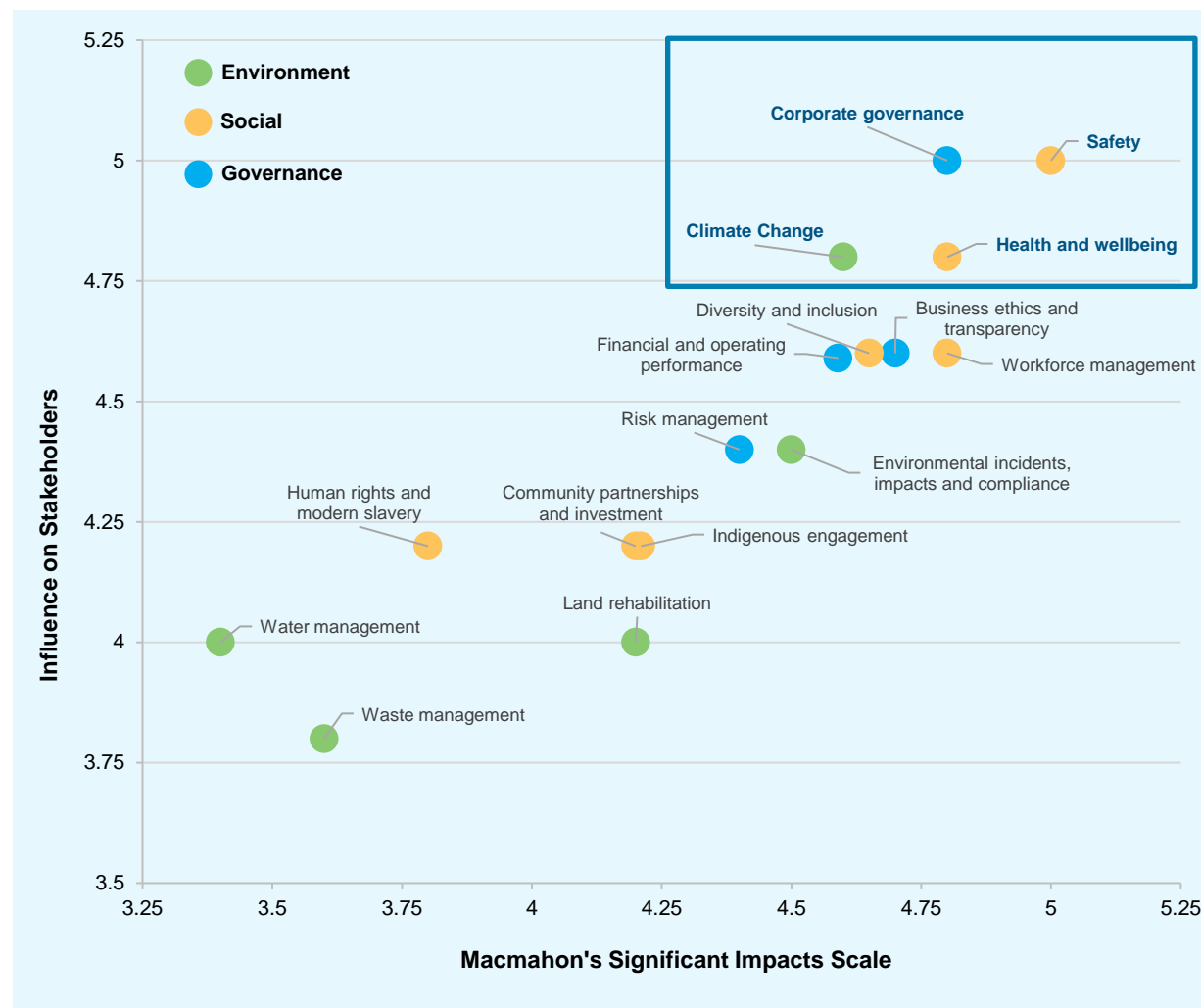
## Register – Top 20 account for 81%





# ESG Materiality Assessment

- A sustainability materiality assessment conducted in December
- Contacted internal and external stakeholders (investors, brokers, clients, suppliers)
- 15 material priorities identified
- Most common material topics were:
  - Corporate Governance
  - Safety
  - Health and wellbeing
  - Climate Change
- Current workplans are underway to address some material topic areas
- Note: Business ethics and transparency
  - Includes bribery and corruption



# Map of Operations

## Offices

- 1 Perth
- 2 Brisbane
- 3 Jakarta
- 4 Kalgoorlie

## Workshops

- 1 Perth
- 4 Boulder
- 5 Coppabella
- 6 Lonsdale

## Surface Mining

- 7 Batu Hijau
- 8 Byerwen
- 9 Coburn
- 10 Langkawi
- 11 Martabe
- 12 Mt Marven
- 13 Mt Morgans
- 14 Telfer
- 15 Tropicana
- 16 Warrawoona

## Civil and Rehabilitation

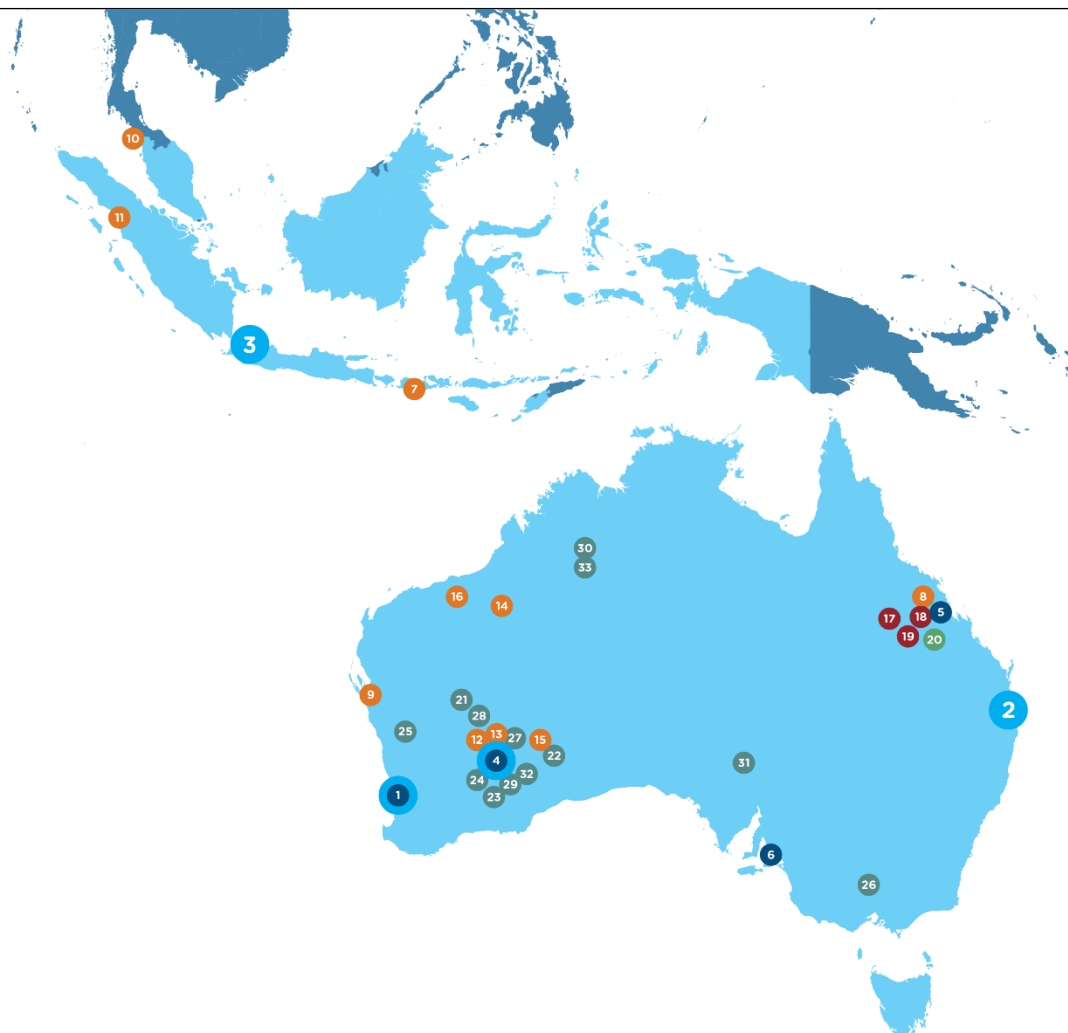
- 17 Peak Downs
- 18 Poitrel Levee
- 19 Saraji

## Plant and Maintenance

- 20 Foxleigh

## Underground Mining/Services

- 21 Bellevue
- 22 Boston Shaker
- 23 Cock-eyed Bob
- 24 Daisy Milano
- 25 Deflector
- 26 Fosterville
- 27 Granny Smith
- 28 Leinster
- 29 Maxwells
- 30 Nicolsons
- 31 Olympic Dam
- 32 Santa
- 33 Wagtail



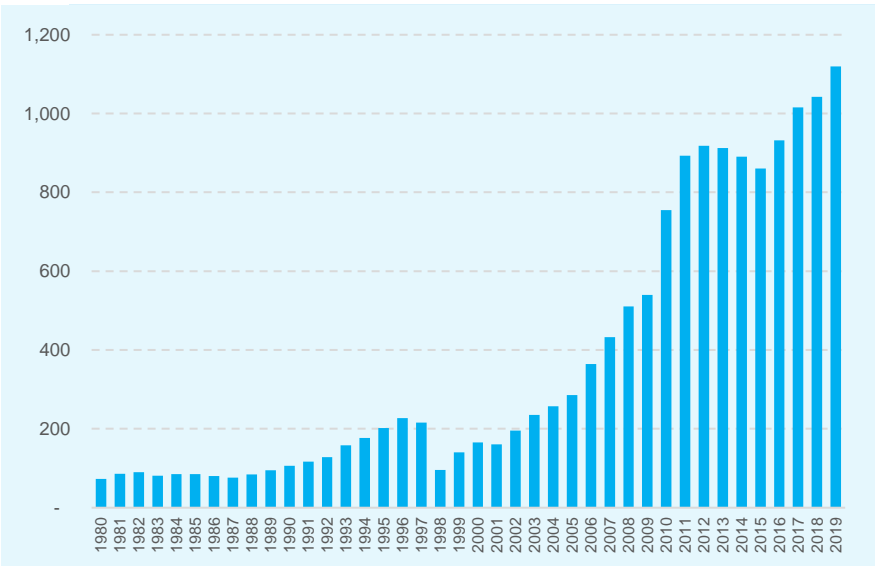
# Indonesia

Ranked 11 out of 89 countries



Source: Resource Governance Institute 2017 RGI

GDP current (US \$bn) - Large growing economy



Source: World Bank

- Indonesia has a long successful mining history, including successful IPO of Nickel Mines (NIC:AU) – market cap \$3bn
- Macmahon has successfully operated in Indonesia for many years
- Currently at Batu Hijau (since 2017) and Martabe (since 2015)



# COVID-19

## Protecting our People, Community and Clients

- Communication and education
- Health screening and physical distancing protocols
- Sanitation and cleaning
- Travel restrictions

## Ensuring Business Continuity

### Australia

- Relocation of some interstate workers
- Employee assistance programs
- Mental and Physical Health initiatives:
  - Strong Minds, Strong Mines program implemented online
  - Fatigue management program

### Indonesia

- Batu Hijau:
  - Accommodating workforce on Lombok for a two-week quarantine period before transferring to mine site on Sumbawa Island
  - Face masks mandatory
  - Stringent screening and frequent testing
  - Site hospital: 160 beds including 40 ICU units

## Business performing in line with expectations

- Remaining vigilant acknowledging COVID-19 environment continues to evolve and has potential to impact the business in the future



# Cash Flow



\$ Millions	1H20	1H21
<b>EBITDA</b>	<b>114.0</b>	<b>121.2</b>
Movement in receivables	(8.8)	(12.2)
Movement in inventory	(2.9)	(1.3)
Movement in payables and provisions	(13.0)	(11.5)
Other	1.4	0.5
Net Interest and tax (paid) / received	(11.2)	(15.8)
M&A costs and earn-out related to previous acquisitions	(1.3)	(3.1)
<b>Net operating cash flow</b>	<b>78.2</b>	<b>77.8</b>
Capital expenditure (cash)	(36.7)	(100.3)
Payment of software	(3.2)	(3.0)
Proceeds from sale of assets	0.9	3.9
Net (repayment)/proceeds of financial & lease liabilities	(8.7)	40.5
GBF acquisition (net of cash acquired)	(18.9)	(1.8)
Dividends	(10.5)	(7.4)
Other movements	-	(0.1)
<b>Net cash flow</b>	<b>1.2</b>	<b>9.6</b>
<b>Operating cash flow<sup>1</sup></b>	<b>90.7</b>	<b>96.7</b>
<b>EBITDA conversion</b>	<b>79.5%</b>	<b>79.8%</b>
<b>Capex</b>	<b>69.9</b>	<b>138.9</b>
<b>Free cash flow<sup>2</sup></b>	<b>20.8</b>	<b>(42.2)</b>

1. Net Operating cash flow excluding interest, tax and M&A costs

2. Operating cash flow less Capex

# Reconciliation of Non-IFRS Financial Information



\$ Millions	1H20	1H21
<b>Profit for the year (as reported)</b>	<b>28.7</b>	<b>44.8</b>
Add back:		
• Share Based Payment expense	1.3	0.2
• M&A costs and earn-out related to previous acquisitions	1.3	3.1
• GBF customer amortisation (A)	0.2	0.2
Less:		
• Deferred Tax Asset (DTA) recognition benefit	-	(17.9)
<b>Underlying Net profit after tax (NPAT)(A)</b>	<b>31.5</b>	<b>30.4</b>
Add back: Tax expense / (benefit)	5.0	(7.9)
Add back: DTA recognition benefit	-	17.9
<b>Underlying Profit before tax (PBT)(A)</b>	<b>36.5</b>	<b>40.3</b>
Add back: Net finance costs	7.6	6.2
<b>Underlying earnings before interest and tax (EBIT)(A)</b>	<b>44.1</b>	<b>46.5</b>
Add back: Depreciation and amortisation expense (excluding GBF customer amortisation)	69.9	74.7
<b>Underlying earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>114.0</b>	<b>121.2</b>
Weighted Average Number of Shares (m)	<b>2,095</b>	<b>2,100</b>
Underlying basic EPS(A) (cents)	<b>1.50</b>	<b>1.45</b>

Columns may not add up due to rounding

# Important Notice and Disclaimer

## Disclaimer as to forward looking statements

This presentation contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These forward looking statements are based on, among other things, Macmahon Holdings Limited's ACN 007 634 406 (Macmahon) assumptions, expectations, estimates, objectives, plans and intentions.

Forward looking statements are subject to inherent risks and uncertainties. Although Macmahon believes that the expectations reflected in any forward looking statement included in this presentation are reasonable, no assurance can be given that such expectations will prove to be correct. Actual events, results or outcomes may differ materially from the events, results or outcomes expressed or implied in any forward looking statement.

Except as required by applicable law or the ASX Listing Rules, Macmahon does not undertake to update or revise these forward looking statements, nor any other statements whether written or oral, that may be made from time to time by or on behalf of Macmahon, whether as a result of new information, future events or otherwise.

None of Macmahon (nor any of its officers and employees), or any other person named in this presentation, or any person involved in the preparation of this presentation makes any representation or warranty (express or implied)

as to the accuracy or likelihood or fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this presentation reflect views held only as at the date of this presentation.

The directors of Macmahon consider that they have used reasonable care in preparing forward looking financial information (Guidance) in this presentation. However, the Guidance is not fact, rather it is predictive in character and there are margins of uncertainty surrounding any assumptions about future conditions and anticipated performance. The Guidance may differ materially from results ultimately achieved and does not take into account the potential impact of some risks, such as the unquantified contingent liabilities noted in Macmahon's Annual Report. You are cautioned not to place undue reliance on the Guidance. Forward looking information is by its very nature subject to uncertainties and can be affected by unexpected events, many of which are outside the control of Macmahon's directors. Any variation to the assumptions on which the Guidance has been prepared could be materially positive or negative to actual financial performance. Therefore Macmahon's directors cannot guarantee the achievement of the Guidance.

The Guidance should not be regarded as a representation or warranty with respect to its accuracy or the accuracy of the best estimate assumptions or that Macmahon will achieve, or is likely to achieve, the particular results.

This presentation does not take into account the individual investment objectives, financial or tax situation or particular needs of any person. It does not contain financial advice. You should consider seeking independent legal, financial and taxation advice in relation to the contents of this presentation.

## Non-IFRS Financial Information

This presentation uses non-IFRS financial information including EBITDA and EBIT which are used to measure both group and operational performance. Non-IFRS measures have not been subject to audit or review.

References to "Macmahon", "the Company", "the Group" or "the Macmahon Group" may be references to Macmahon Holdings Limited or its subsidiaries.

## Not a disclosure document

This presentation is not a disclosure document and should not be considered as investment advice or an offer or invitation to subscribe for or purchase any securities in Macmahon, or an inducement to make an offer or invitation with respect to such securities. This presentation does not purport to cover all relevant information about any potential investment in Macmahon or any decision relating to Macmahon.