

ASX ANNOUNCEMENT

20 July 2021

Business Update

Macmahon Holdings Limited (ASX:MAH) (**Macmahon** or **the Company**) is pleased to advise that it has now signed the contracts for three previously announced projects.

Together, these contracts add approximately \$1.35 billion to the Company's order book, as shown in the table below:

Announced	Project	Client	Start	Estimated Value	Term (years)
3 Mar 2021	Gwalia	St Barbara Limited (ASX:SBM)	May 2021	\$500m	5
30 Mar 2021	Dawson South	Anglo American	1 July 2021	\$200m	3
9 Mar 2021	King of the Hills	Red 5 Limited (ASX:RED)	Early 2022	\$650m	5
				\$1,350m	

In addition to these previously announced projects, Macmahon is well progressed in finalising the commercial arrangements for Phase 8 of its Batu Hijau copper-gold project in Indonesia.

The Company has also signed a new contract with Northern Star Resources Limited (ASX:NST) for surface mining work at the Julius gold project in Western Australia. This contract is expected to deliver revenue of \$25 million over the next 12 months.

While Macmahon has observed a tightening of the labour market in Australia over the past year, it can confirm that the Gwalia, Dawson South and Julius projects have commenced operations by the times required in those contracts. Macmahon has existing strategies for responding to challenges in the availability of labour, and believes it is well placed to continue to manage this operational issue into the foreseeable future, and to continue to deliver value for its clients.

Consistent with its operational performance over the past year, Macmahon confirms that FY21 revenue and underlying EBIT(A)¹ are expected to be within the Company's previously announced guidance of \$1.3 - \$1.4 billion for revenue, and \$90 - \$100 million for EBIT(A).

Commentary

Commenting on today's announcement, Macmahon CEO and Managing Director Michael Finnegan said:

"Macmahon is continuing to build on its track record for delivery and to advance its growth strategy."

1. Underlying EBIT(A) is earnings before interest and tax, excluding one-off items, share based payments, M&A transaction costs and amortisation of customer contracts.

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“It is very satisfying to have secured significant new work during FY21, which provides us with a strong order book and excellent earnings visibility for FY22 and FY23. The underground work at Gwalia and King of the Hills also adds scale to our underground business, which is an important step in our strategy to diversify Macmahon.”

Despite the challenges of COVID-19, a tightening labour market and adverse foreign exchange movements, I am very pleased with our performance this year.”

Macmahon will report FY21 full year audited results on 25 August 2021.

***** ENDS *****

This announcement was authorised for release by the CEO and Managing Director.

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About Macmahon

Macmahon is an ASX listed company offering the complete package of mining services to miners throughout Australia and Southeast Asia.

Macmahon’s extensive experience in both surface and underground mining has established the Company as the contractor of choice for resources projects across a range of locations and commodity sectors.

Macmahon is focused on developing strong relationships with its clients whereby both parties work in an open, flexible and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties.

Visit www.macmahon.com.au for more information.