



Investor Conference Presentation Perth 2019

Our Business



Civil / Mining
Services



Surface
Mining



Underground
Mining



Rehabilitation



Plant & Maintenance

Performance Enhancement

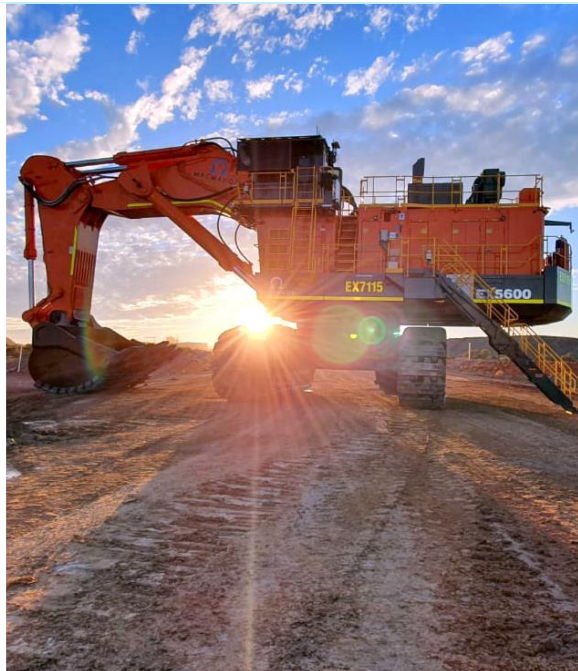


Our Equipment



Dump Trucks

277

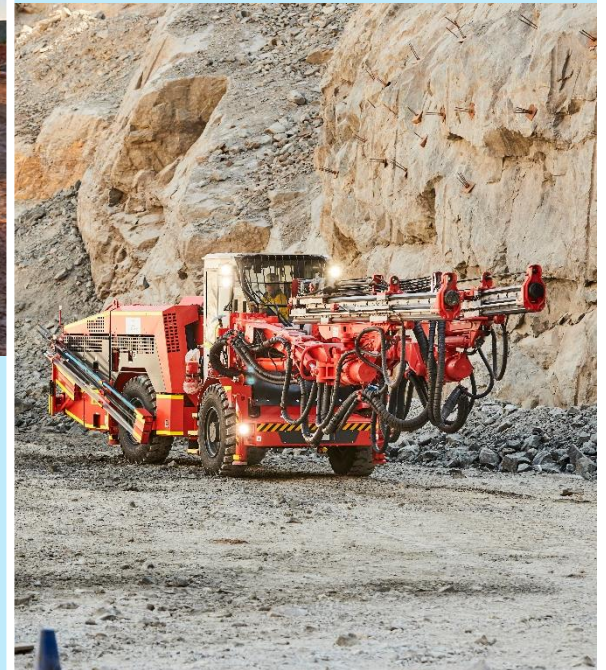


Excavators
and Loaders

110

Drill Rigs

74



Map of Operations

Surface Mining

- 1 Argyle
- 2 Batu Hijau
- 3 Byerwen
- 4 Kanthan
- 5 Langkawi
- 6 Lhoknga
- 7 Martabe
- 8 Mt Morgans
- 9 Telfer
- 10 Tropicana

TMM Group

- 11 Norwich Park
- 12 Peak Downs
- 13 Poitrel
- 14 Rolleston
- 15 Saraji

Performance Enhancement

- 16 Mogalakwena

Underground Mining/Services

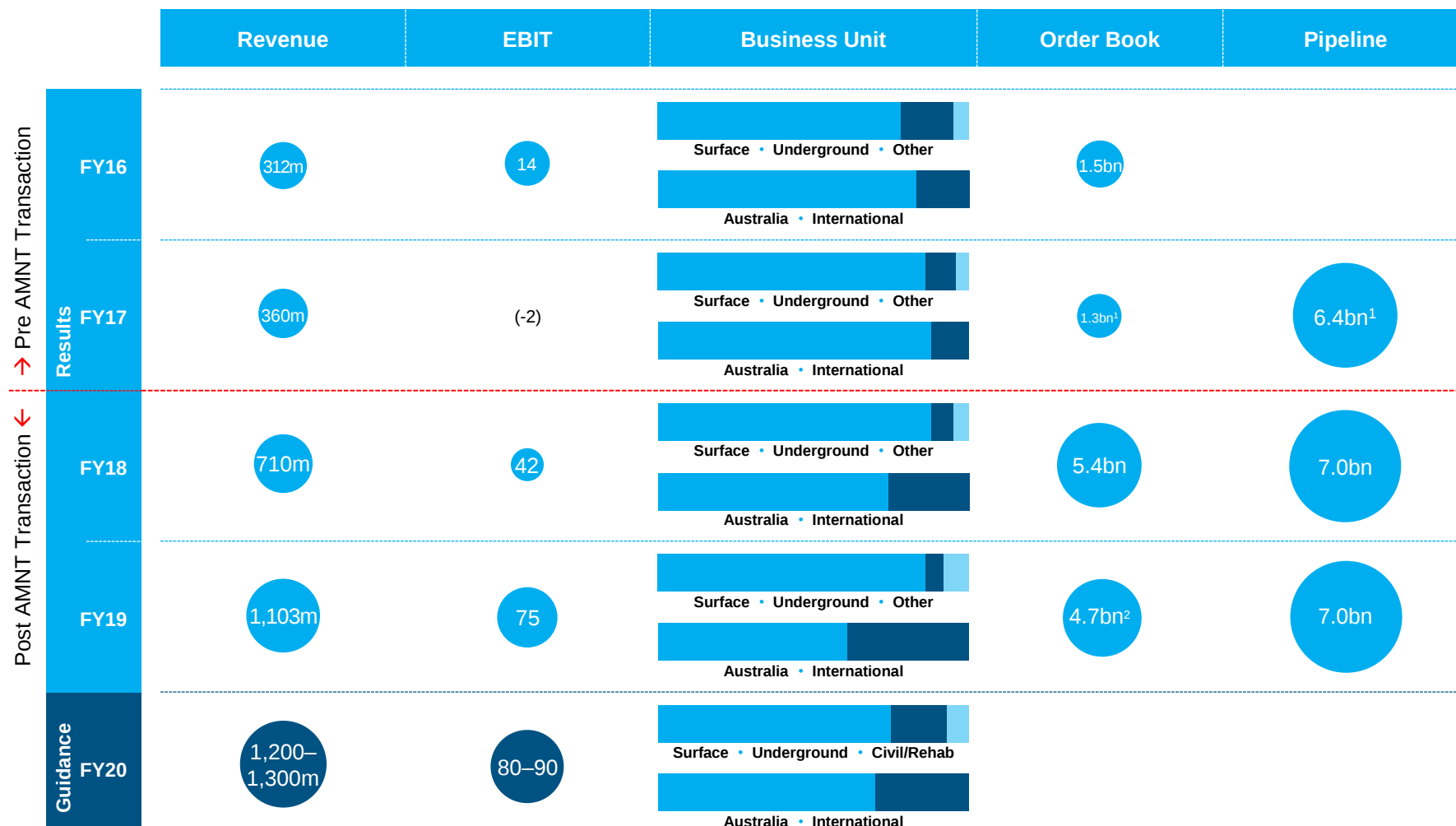
- 17 Ballarat
- 18 Boston Shaker
- 19 Fosterville
- 20 Granny Smith
- 21 Leinster
- 22 Olympic Dam
- 23 Tujuh Bukit

GBF Underground

- 24 Deflector
SILVERLAKE - SLR 
- 25 Maxwells
SILVERLAKE - SLR 
- 26 Daisy Milano
SILVERLAKE - SLR 
- 27 Nicolsons
PANTORO - PNR 
- 28 Comet Vale
ORMINEX - ONX 



Macmahon has evolved significantly



1. As at 31 December 2016

2. Includes GBF

Key Projects

Project / Clients	Location	Commodity / Type	Comments
	WA Australia	Gold Open-pit	- Commenced March 2012 - Alliance life-of-mine contract - Long Island extension to continue to 2023 - Potential to extend scope
	WA Australia	Copper-gold Open-pit	- Commenced February 2016 - Life-of-mine contract – current estimate to January 2023 - Finalised rates increase
	WA Australia	Gold Open-pit	- Commenced December 2017 5 year contract - Potential to extend and expand scope
	QLD Australia	Coking coal Open-pit	- Commenced December 2017 3 year contract - Put and call option on equipment - Potential to extend and expand scope



Tropicana



Telfer



Mt Morgans



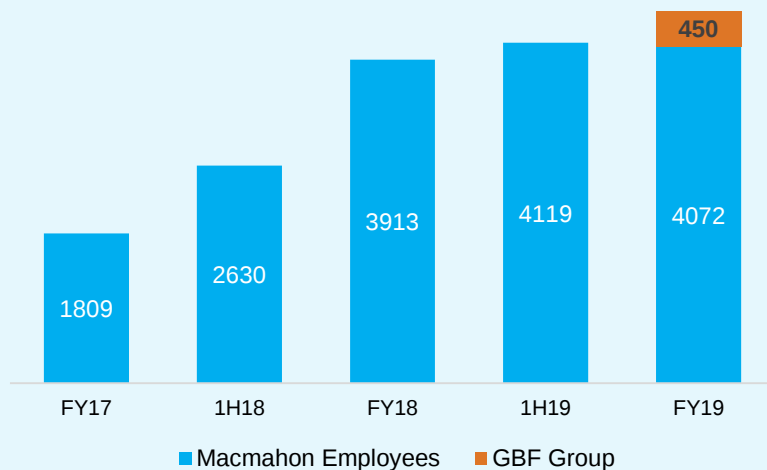
Byerwen

Key Projects

Project / Division	Location	Commodity / Type	Comments
 Batu Hijau AMMAN MINERAL	Sumbawa Indonesia	Copper-gold Open-pit	- Commenced August 2017 - Alliance life-of-mine contract - Equipment depreciated on straight line basis over 5 years to August 2022 - If contract ends before August 2022, AMNT obligated to purchase equipment - Investigating extension of the Batu Hijau pit and development of large Elang deposit
 Underground Various	Australia	Various Mining Services	- Boston Shaker Tropicana alliance 5 year contract, commenced May 2019 - In Australia, continued to secure repeat, sustainable work including at Fosterville and Olympic Dam
 SE Asia Various	Indonesia & Malaysia	Various Mining Services	- Limestone quarries in Malaysia and Indonesia 50:50 joint venture developing an exploration decline at Tujuh Bukit, and performing open cut mining at Martabe in Indonesia - Martabe contract recently extended for 2 years to March 2023
 GBF Group GBF	Australia	Gold Underground	- Silver Lake Resources (Daisy Milano, Maxwells, Deflector) - Pantoro (Nicolsons) - Carlowen Mining (Comet Vale) - Millennium Minerals (Bartons) recently terminated given client in administration
 Civil TMM GROUP	Australia	Various Mining Services	Civil and rehabilitation work at Peak Downs, Saraji, Rolleston, Poitrel and South Walker Creek

People and Safety

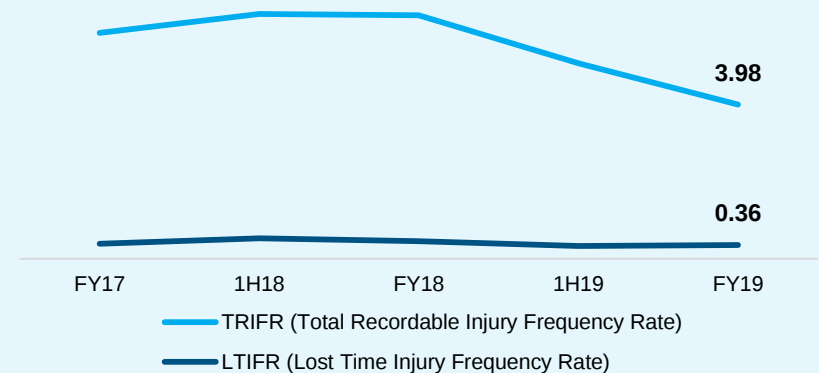
Group Employee Numbers¹



- New leadership program was implemented
- Traineeship and apprenticeship programs have expanded
- Diversity continues to increase
 - 5.4% of Australian workforce is Indigenous
 - 13.8% of our total workforce is female
- Strong Minds, Strong Mines program continues to improve mental health awareness – Winner of WA Mental Health Award 2019

1. Group employee numbers includes Full Time Equivalent contractors

Injury Frequency Rates

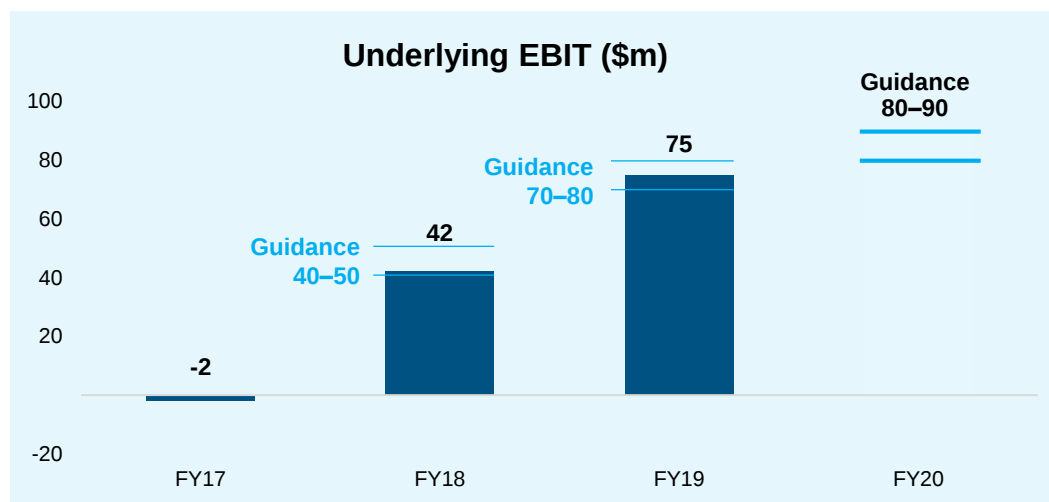
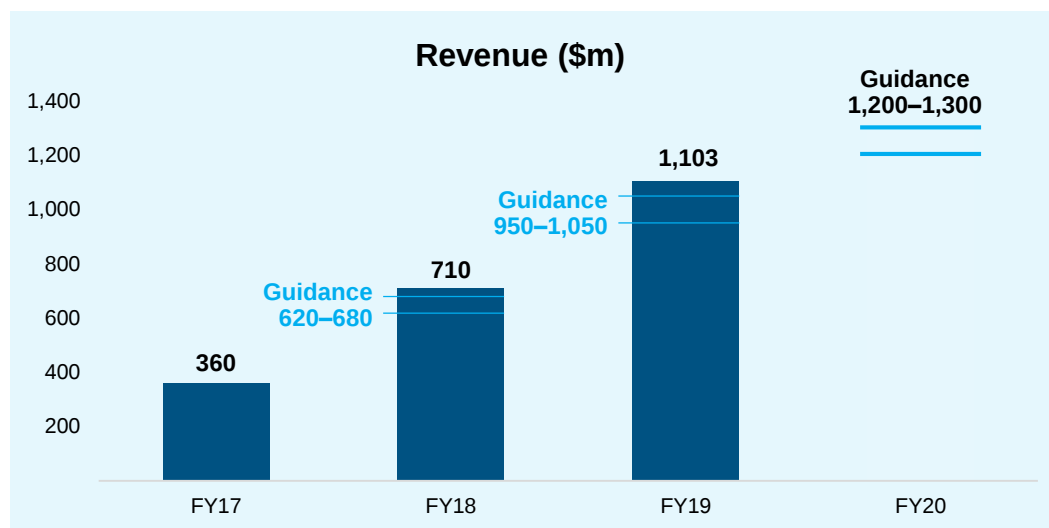


- Safety of people is our utmost priority
- 37% yearly improvement in TRIFR down to 3.98
- 22% yearly improvement in LTIFR down to 0.36
- Targeting further improvement in FY20
- Overshadowed by unfortunate Batu Hijau fatality in March – FY19 STIP for key executives was reduced by 60%



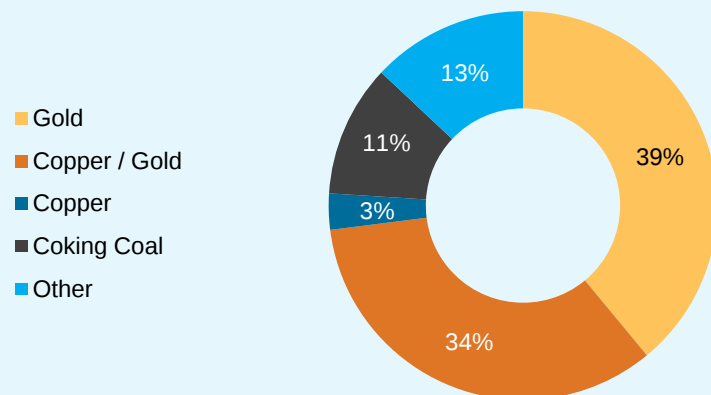
Financial Performance

Delivering strong growth in line with guidance

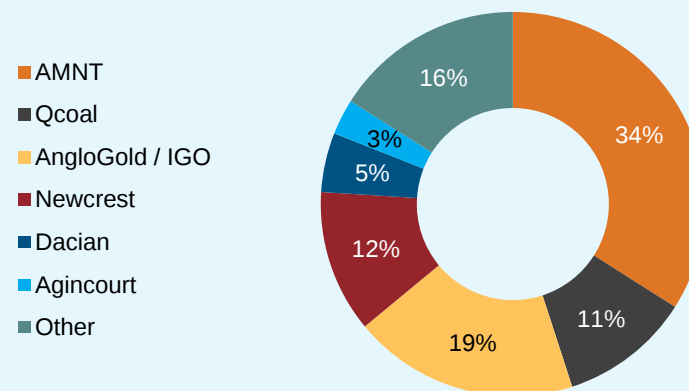


FY19 Revenue Diversification

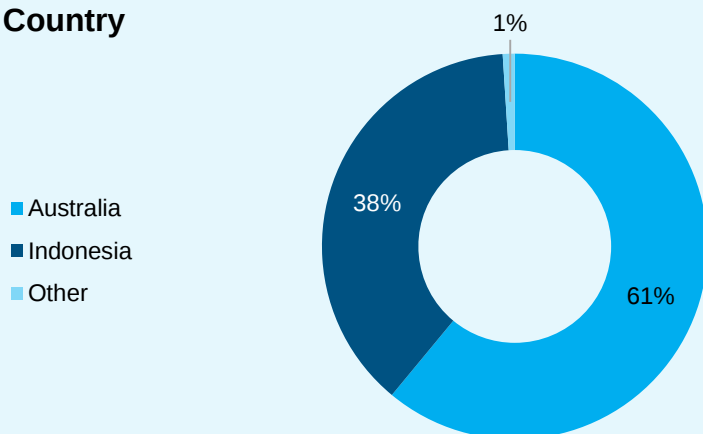
Commodity



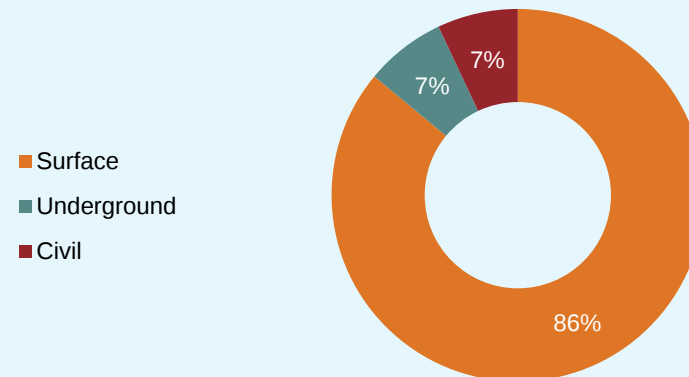
Clients



Country



Activity



Robust Balance Sheet

\$ Millions	FY18	FY19
Cash	109.6	113.2
PPE	380.1	399.6
Equity	409.8	447.6
Net Debt / (Cash)	(3.3)	52.7
Gearing ¹	(0.8)%	10.5%
ROACE ²	12.1%	13.9%
Net Tangible Assets (NTA)	18.7 cps	20.3 cps

- Strong operating cash flow of \$126m for FY19 underpinning robust financial position
- Balance sheet supported reinstatement of sustainable dividends after 7 years
- Balance sheet protected - 76% of PPE is subject to put call options and/or life of mine contracts
- Low gearing 10.5%, Net Debt/EBITDA of 0.3x

1. Net Debt / (Net Debt + Equity)

2. Underlying EBIT / Average (Total Assets – Current Liabilities)

Capital Allocation Policy & Dividends

New 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	1. Maintain strong balance sheet 2. Ensure appropriate liquidity and gearing with regard to revenue visibility and outlook 3. Retain flexibility to fund tender pipeline and accretive acquisitions 4. Return cash to shareholders via dividends and/or share buyback		
FY19 Dividend	• Board has reinstated sustainable dividends • FY19 final dividend of 0.5 cents per share		



Strategy and Outlook

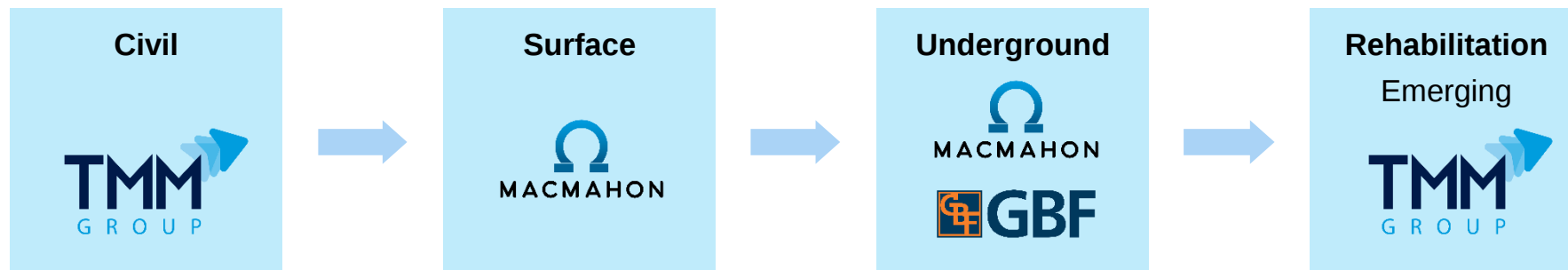
Strategy



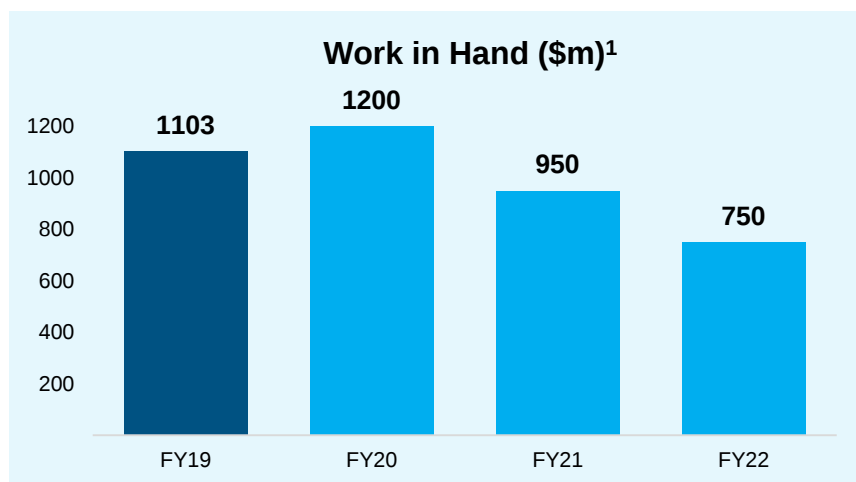
Our strong order book with excellent revenue visibility underpins a focus on execution of work in hand and pursuit of new opportunities

A premium provider of contract mining services across the mining value chain, delivering consistent returns and stable employment

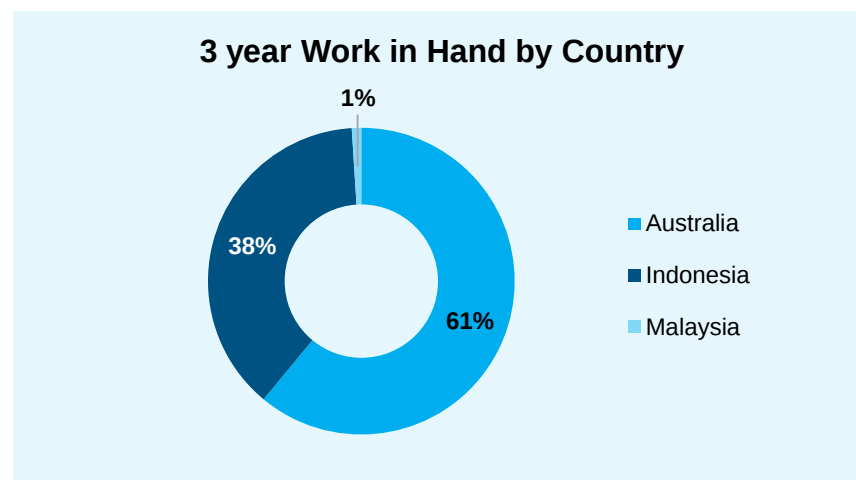
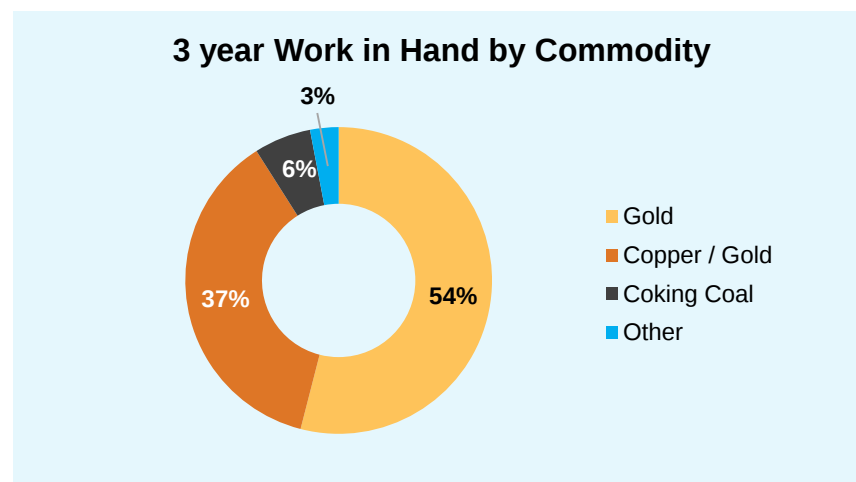
Safety	Execution and Relationships	Technology	People and Culture	New Work	Diversification
Safety performance across operations a core priority	Ensure project performance at or above expectations with commitment to strong client relationships	Invest in innovation and technology striving for increased efficiency and productivity	Proactive, positive culture with people empowered to make decisions, are accountable and appropriately rewarded	Macmahon remains focused on winning new work across a diverse spread of commodities, clients and geographies	Grow our core mining business with a focus on underground and rehabilitation, including exploring M&A opportunities



Work in Hand

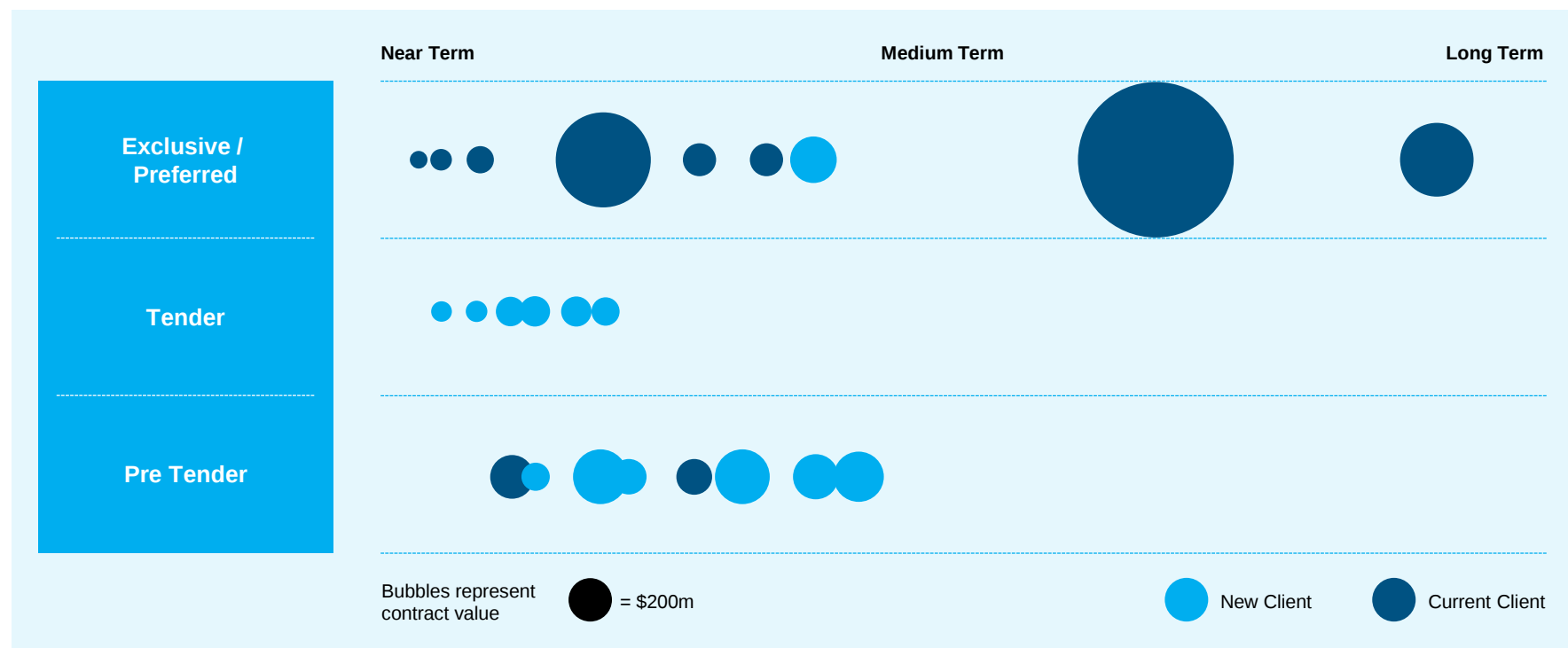


- **Order book of ~\$4.7 billion**, including GBF Group
- Existing order book underpins FY20 growth before any new contracts, civil and underground churn work
- Solid medium term earnings visibility with largely long term alliance style contracts
- Majority of order book is exposed to Copper/Gold and Gold



1. Excludes Civil and JV revenue

Tender Pipeline



- 20+ tender opportunities worth \$7bn+, split between Australia and Indonesia, and gold, base metals, lithium and coal
- \$4.5bn+ exclusive or preferred tenderer
- \$4.5bn+ current clients
- \$1.5bn+ potentially to be awarded in FY20

FY20 Priorities and Outlook

FY20 priorities:

- Lock in additional contract expansions / new work
- Mining technology
- Build on safety culture
- Growth in underground business – integrate GBF
- Disciplined capital management

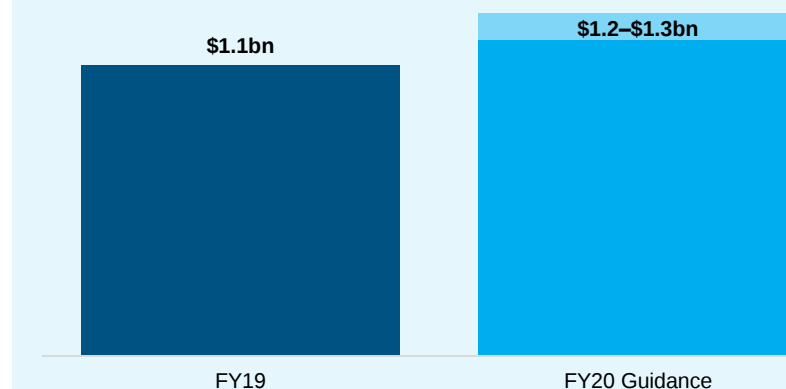
FY20 guidance¹:

- **Revenue of \$1.2 - \$1.3bn**
(underpinned by \$1.2bn in contracted work)
- **EBIT of \$80 - \$90m**

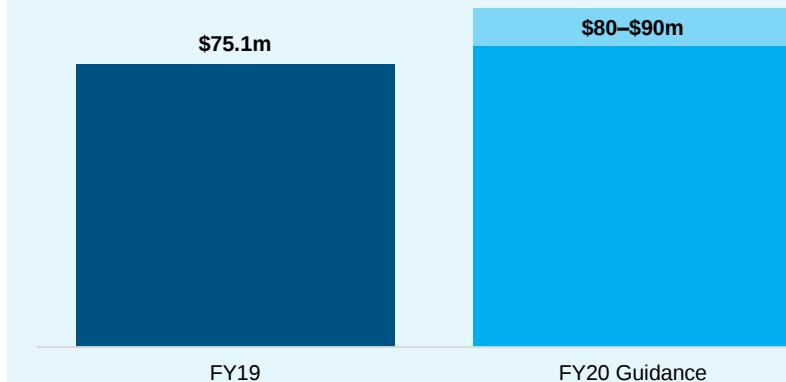
Positive outlook supported by:

- ✓ Strong order book of ~\$4.7bn
- ✓ FY20 work in hand of ~\$1.2bn
- ✓ Significant \$7bn+ tender pipeline – existing clients \$4.5bn+
- ✓ Robust balance sheet – protected by security arrangements on significant fleet
- ✓ GBF acquisition - greater scale and diversity

Revenue Guidance



EBIT Guidance



1. This guidance assumes an exchange rate of AUD:USD 0.72, 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

Mick Finnegan

CEO & MD

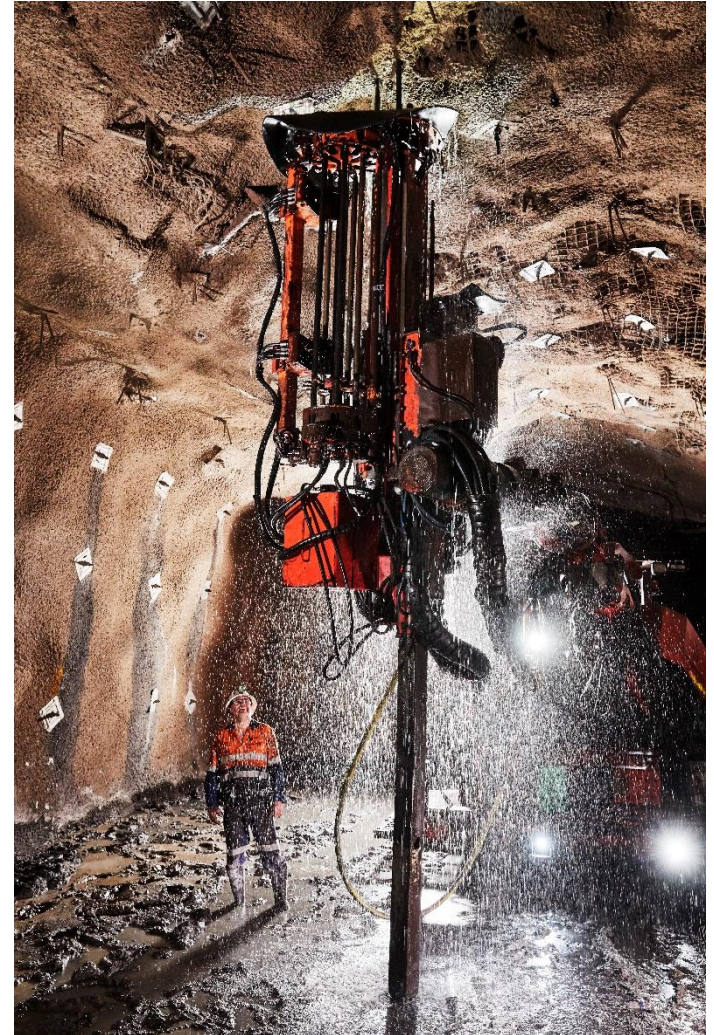
mfinnegan@macmahon.com.au

Giles Everist

CFO

geverist@macmahon.com.au

www.macmahon.com.au





Appendix

Corporate Overview



Capital Structure

Share Price	\$0.24
Fully paid ordinary shares (m)	2,155
Market Capitalisation	\$517.2m
Cash as at 30 June 2019	\$113.2m
Debt as at 30 June 2019	\$165.8m
Enterprise Value	\$569.8m

Directors and Senior Management

Eva Skira	Non-Executive Chair
Vyrl Vella	Non-Executive Director
Alex Ramlie	Non-Executive Director
Arief Sidarto	Non-Executive Director
Bruce Munro	Non-Executive Director
Hamish Tyrwhitt	Non-Executive Director
Michael Finnegan	CEO and MD
Giles Everist	CFO
Greg Gettingby	Chief Development Officer

Analyst Coverage

Argonaut	Ian Christie
Euroz	Gavin Allen
Hartleys	Trent Barnett
Moelis	Sean Kiriwan

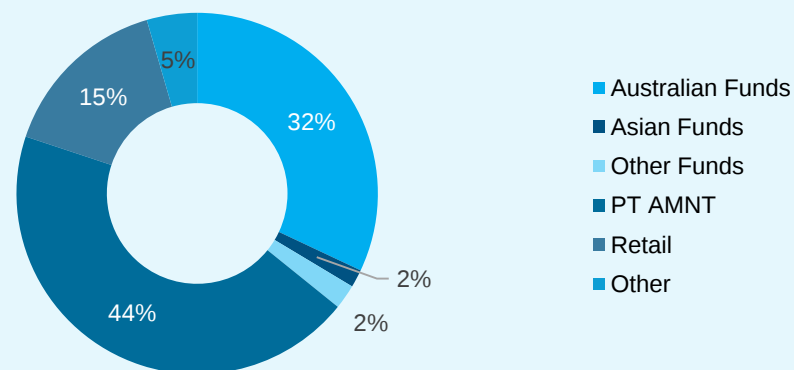
Index Inclusion ASX300

Liquidity - Daily Average Value \$400k+

Share Price (\$) – 3 years



Register – Top 20 account for 80%



Digital Transformation

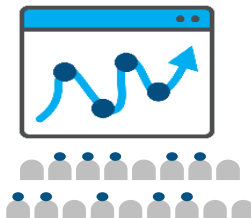
Optimising performance and equipment health through deployment of next generation operational technology

- Increasing visibility of business performance – Phase 1 of our new digital core (ERP) completed
- Investing in People and transforming work - HR processes to become automated, mobile and data-driven through our technology enabled HR Transformation programme
- Optimising equipment performance and health - Continuing investment and deployment of next generation operational technology
- Improving decision making - Delivering near real-time digital insights directly to our frontline teams

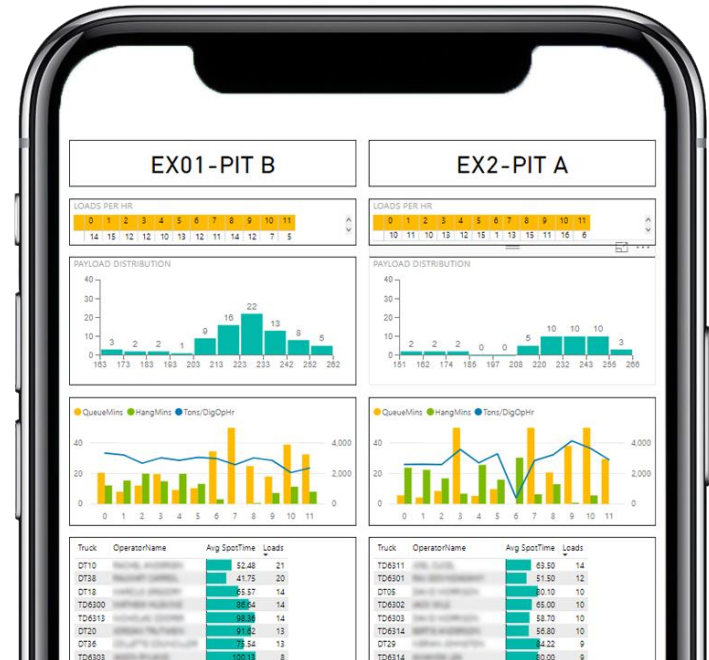
Up to 1.4 million data points
per truck per hour



Big Data
Artificial Intelligence
Automated Reporting



Operator behaviour, machine performance, mine conditions,
machine health, diagnostic tools



Batu Hijau

AMNT

- AMNT is an Indonesian mining company that acquired 82.2% of Batu Hijau mine from Newmont and Sumitomo in November 2016
- Supportive shareholder and two board representatives

Batu Hijau

- Open pit, copper-gold porphyry located on Sumbawa, Indonesia
- Second largest copper-gold mine in Indonesia (behind Grasberg)
- Infrastructure includes: 120ktpd processing plant, 158MW coal-fired power plant, Benete port, town-site
- First quartile of the global copper cost curve
- Conducting smelter feasibility currently
- Investigating significant extension of the Batu Hijau pit

Performance Update

- Project performing well - achieving record productivities
- FY20 guidance does not include any potential gain share

Elang

- Potential to extend scope of work to Elang if developed
- Elang is one the world's largest undeveloped copper-gold porphyry deposits with a 13 billion lb Cu/ 20 million oz Au resource¹
- Potential production of ~365mlbs Cu and ~480k oz Au per annum¹

1. PT Medco Energi Internasional Tbk company website (see www.medcoenergi.com)

SUMBAWA



Profit and Loss



\$ Millions	FY18	1H19	2H19	FY19	Change
Revenue	710.3	542.1	560.9	1,103.0	▲ 55%
EBITDA¹	119.2	89.1	92.3	181.4	▲ 52%
<i>EBITDA margin</i>	<i>16.8%</i>	<i>16.4%</i>	<i>16.5%</i>	<i>16.4%</i>	
EBIT¹	41.5	39.9	35.2	75.1	▲ 81%
<i>EBIT margin</i>	<i>5.8%</i>	<i>7.4%</i>	<i>6.3%</i>	<i>6.8%</i>	
Net finance costs	(2.4)	(4.8)	(5.9)	(10.7)	
PBT¹	39.1	35.1	29.3	64.5	▲ 65%
<i>PBT margin</i>	<i>5.5%</i>	<i>6.5%</i>	<i>5.2%</i>	<i>5.8%</i>	
Tax expense	(7.5)	(2.8)	(4.9)	(7.7)	
NPAT¹	31.6	32.3	24.4	56.7	▲ 80%
<i>NPAT margin</i>	<i>4.4%</i>	<i>6.0%</i>	<i>4.4%</i>	<i>5.1%</i>	
Underlying EPS¹ (basic)	1.5 cps	1.5 cps	1.2 cps	2.7 cps	▲ 74%
Reported NPAT ²	31.3	23.6	22.5	46.1	▲ 47%
Reported EPS² (basic)	1.5 cps	1.1 cps	1.1 cps	2.2 cps	▲ 43%
Dividends per share	-			0.5 cps	

1. Underlying earnings from continuing operations, refer to reconciliation on slide 27

2. Continuing Operations

3. Columns may not add due to rounding

Balance Sheet



\$ Millions	FY18	1H19	FY19
Cash	109.6	77.4	113.2
Receivables	152.3	183.0	181.5
Inventories	42.0	45.8	45.8
Property, plant and equipment	380.1	408.2	399.6
Intangible assets and goodwill	5.8	9.6	10.2
Other assets	33.5	67.1	74.6
Total assets	723.3	791.2	824.9
Payables	175.0	175.0	168.6
Borrowings	106.3	158.6	165.8
Other liabilities	32.2	33.2	42.8
Total liabilities	313.5	366.8	377.3
Total Equity	409.8	424.4	447.6
Net Debt / (Cash)	(3.3)	81.2	52.7
Net Tangible Assets (NTA)	18.7 cps	19.2 cps	20.3 cps
Gearing¹	(0.8)%	16.1%	10.5%
ROACE²	12.1%		13.9%

1. Net Debt / (Net Debt + Equity)

2. Underlying EBIT / Average (Total Assets – Current Liabilities)

3. Columns may not add due to rounding

Cash Flow



\$ Millions	FY18	FY19
EBITDA	119.2	181.4
Movement in receivables	(93.8)	(41.5)
Movement in inventory	(9.9)	(3.8)
Movement in payables and provisions	88.0	0.1
Other	(1.6)	(10.3)
Interest and tax (paid) / received	3.9	(25.8)
Class Action Settlement	-	(7.6)
Net operating cash flow	105.8	92.5
Capital expenditure (cash)	(41.3)	(51.8)
Payment of software	(2.8)	(4.8)
Proceeds from sale of assets	3.1	2.4
Net repayment of borrowings and finance leases	(12.3)	(22.9)
Shares purchased on market for Long Term Incentive Plan	-	(12.7)
Other movements	(5.7)	0.9
Net cash flow	46.7	3.5
Operating cash flow¹	101.9	125.9
EBITDA conversion	85.5%	69.4%
Capex²	146.5	135.9

1. Net Operating cash flow excluding interest, tax and class action settlement

2. PPE and lease receivable

3. Columns may not add due to rounding

Reconciliation of Non-IFRS Financial Information



\$ Millions	FY18 Restated ¹	FY19
Profit for the year (as reported)	33.2	46.1
Add back: Loss from discontinued operations (net of tax)	-	0.0
Less: Profit from discontinued operations (net of tax)	(1.9)	-
Net profit after tax from continuing operations (as reported)	31.3	46.1
Add back:		
• Share Based Payment expense	0.3	2.6
• Class Action Settlement	-	7.3
• M&A transaction costs	-	0.7
Underlying Net profit after tax (NPAT)	31.6	56.7
Add back: Tax expense	7.5	7.7
Underlying Profit before tax (PBT)	39.1	64.5
Add back: Net finance costs	2.4	10.7
Underlying earnings before interest and tax (EBIT)	41.5	75.1
Add back: Depreciation and amortisation expense	77.7	106.2
Underlying earnings before interest, tax, depreciation and amortisation (EBITDA)	119.2	181.4
Weighted Average Number of Shares (m)	2041	2105
Underlying basic EPS (cents)	1.55	2.69

1. FY18 has been restated for consistency with the current year's presentation

2. Columns may not add 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.