

Investor Update

Morgans Conference

5 OCTOBER 2021

MLG
MLG OZ PTY LTD

Manufactured by
MICK MURRAY WELDING

MLG

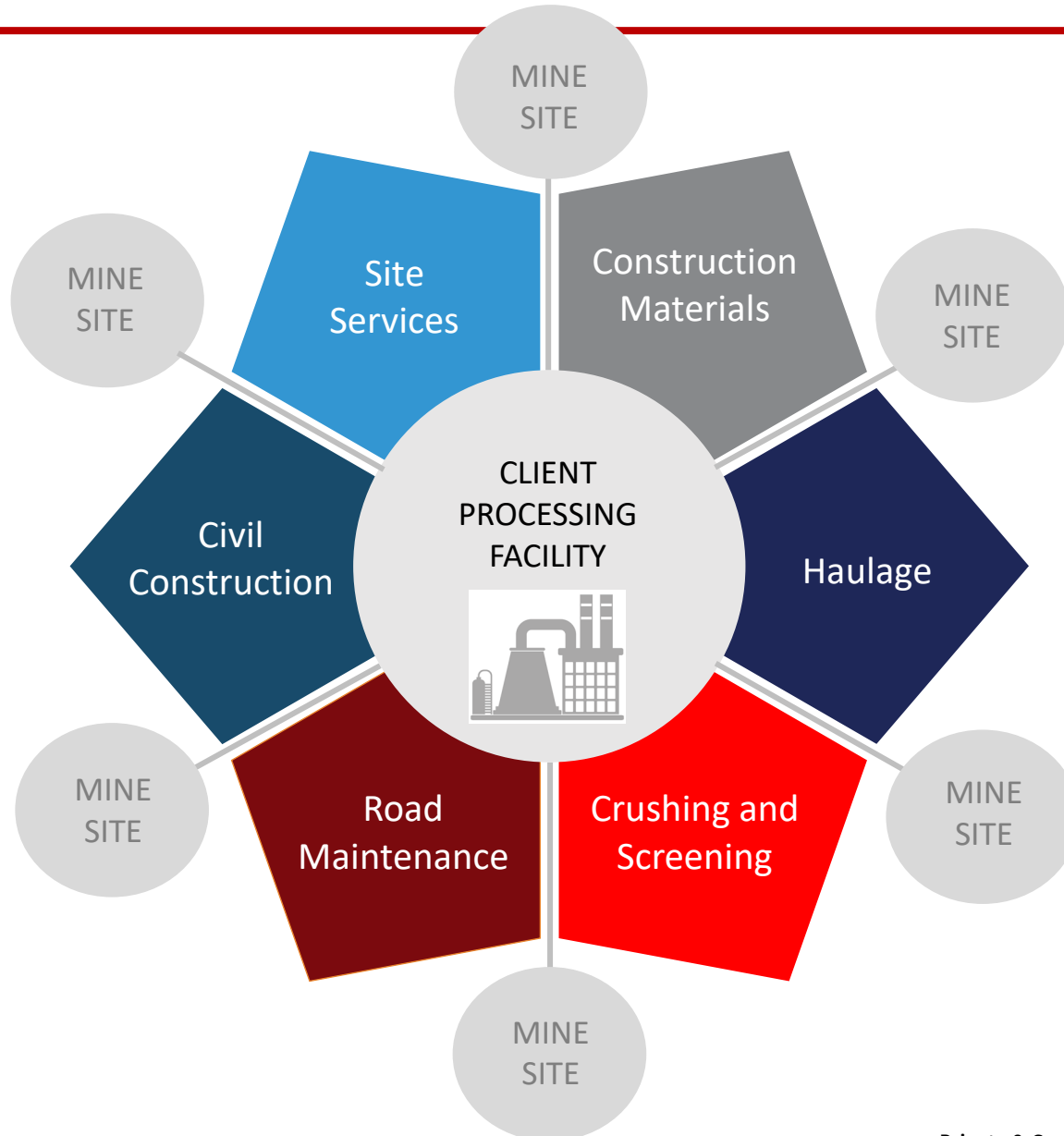
MLG Business Model



MLG

Integrated services model targeted at client processing facilities

Contract tenor typically 2-3 years with general standard terms and conditions and specific scope of work



BENEFIT OF INTEGRATED MODEL

- Single service provider
- Single contractual management touch point
- Reduced duplication (single workshop, shared equipment)
- Processing facilities typically long life
- Haulage can be adjusted to changing mine plans
- Builds long term client relationship

Vertically integrated service offering

MLG delivers integrated production support services to embed MLG into customer operations



Construction
Materials and
Quarries

Site Services
and Civil Works

Crushing and
Screening

Bulk Haulage

Export
Logistics



- Strategic acquisition and positioning of quarry operations, throughout Western Australia near key regional centres
- Supply of bulk materials products for mining and civil projects
 - Sand
 - Aggregate
 - Cement
 - Lime



- Crusher feed
- Road maintenance
- Rehabilitation work
- Vehicle maintenance
- Machine and labour hire
- Tails Dam construction



- Contract crushing - mobile plant
- Build Owned and Operated- fixed plant
- Concrete aggregate production
- Road base production
- General screening



- Bulk material transfer
- General site haulage
- Bulk ore haulage services (on road and off road)
- Logistics



- Bulk material import/export
- Container handling
- Esperance Port facility

Financial Information



Financial Performance ahead of prospectus

Higher revenues mitigating some challenging cost pressures

REVENUE

\$254.0m ↑
(Prospectus \$241.6m)

Higher demand for haulage and proceeds from cessation of Christmas Creek crushing services.

EBITDA

\$42.7m ↑
(Prospectus \$41.0m)

Excludes costs associated with IPO.

EBIT

\$24.2m ↔
(Prospectus \$24.3m)

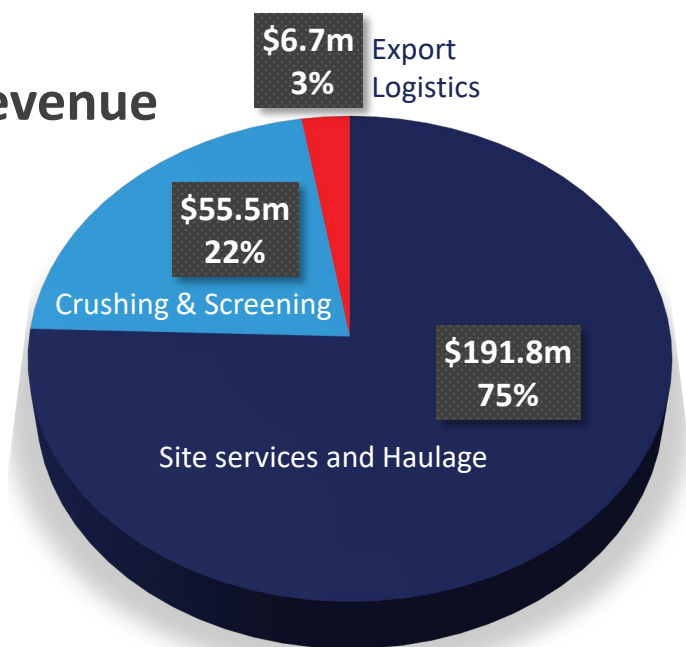
Excludes costs associated with IPO.

DIVIDEND

1.71c/Share
(Jan to June 2021)

100% fully franked.

Revenue

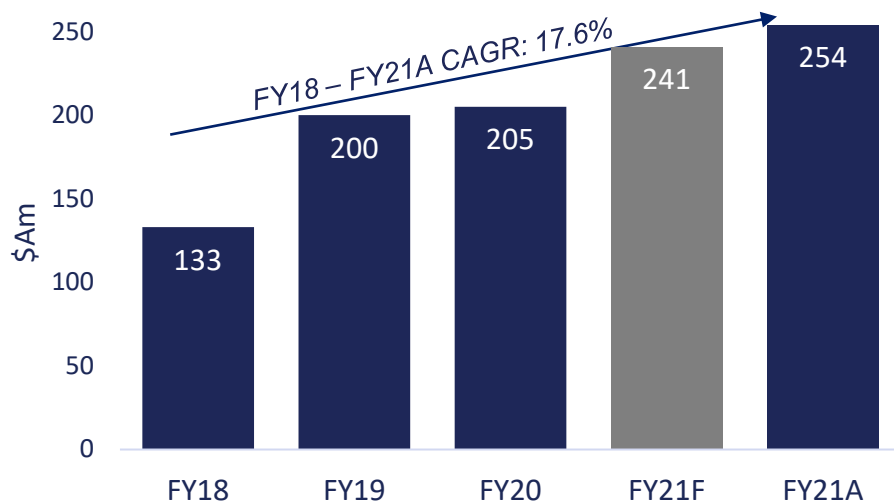


- Pro forma revenue offsets fuel tax credits against fuel cost
- Pro Forma excludes cost associated with IPO
- Impairment charge taken against construction costs of Christmas creek fixed plants (circa \$1m)

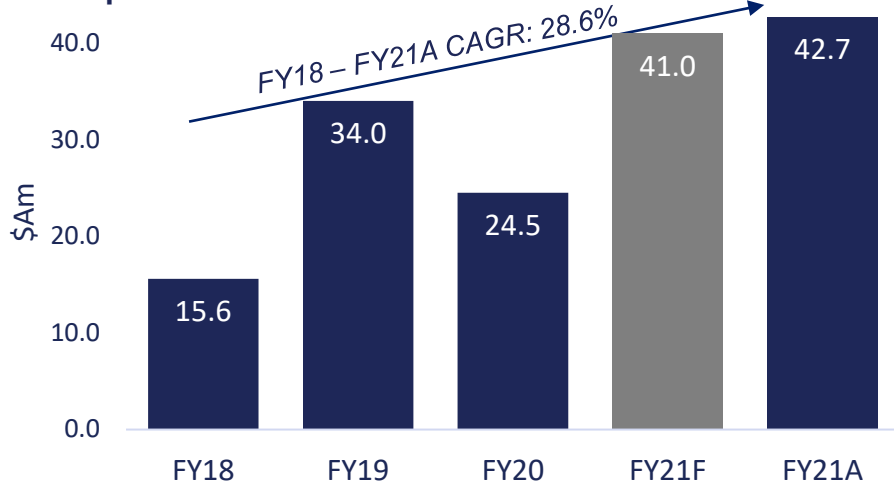
Financial performance

Higher revenues in FY21 mitigating some challenging cost pressures

Prospectus Data - Pro forma¹ revenue



Prospectus Data - Pro forma¹ EBITDA



FY21 Actual - Pro forma¹

\$000's	Notes	Statutory		Pro Forma	
		Actuals		Prospectus Forecast	Pro Forma Actual
		FY20	FY21	FY21	FY21
Revenue					
Mine Site Services and Bulk Haulage		172,529	191,818	189,864	191,818
Crushing and Screening		28,858	55,478	47,842	55,478
Export Logistics		3,749	6,720	3,891	6,720
Fuel Tax Credits	2	3,311	3,470	-	-
Other Income	2	147	329	-	-
Total revenue		208,594	257,815	241,597	254,016
Costs of sales		(167,975)	(200,112)	(184,622)	(196,313)
Gross profit		40,619	57,703	56,976	57,703
General and administration		(14,866)	(17,465)	(15,938)	(14,984)
EBITDA		25,753	40,238	41,038	42,719
Depreciation	3	(13,745)	(18,519)	(16,752)	(18,519)
EBIT		12,008	21,719	24,286	24,200
Margins					
EBITDA				17.0%	16.8%
EBIT				10.0%	9.5%

Notes: 2. Pro Forma offsets fuel tax credit revenue and other income against Costs of sales

3. Includes impairment of the Fixed Plants at the Fortescue's Christmas Creek site in Actual and Pro Forma Actual FY21

Pro forma adjustments:

¹Adjusted for effect of new accounting standards (AASB9, AASB15 and AASB16), public company costs, and interest costs to reflect impact of proceeds from the offer. Revenue has been adjusted to offset fuel tax credits against cost of fuel rather than shown as revenue.

Cashflow and Capital expenditure

Continued strong cash flow conversion and higher capex ahead of new contract start-ups in FY22

- Historical positive operating cash flow allowing the business to cover the majority of the capital investment which has occurred across the same time period

- Higher FY21 capex includes investment in equipment for new projects at Jundee, and Paddington commencing in FY22

- Cash conversion rate lower due to a large outstanding debtor at 30 June 2021 (Debt has now been received)

Pro forma¹ cash flow summary

	Pro Forma ¹ Historical				Pro forma ¹ Forecast	Pro forma Actual
\$'000	Notes	FY18	FY19	FY20	FY21	FY21
EBITDA		15,599	33,970	24,482	41,038	42,719
Movement in net working capital		8,208	(8,890)	4,536	(851)	(2,686)
Other operating cash flows	²	-	38	17	-	-
Tax paid		(3,858)	(2,714)	(2,132)	(2,626)	(3,139)
Operating Cash Flows		19,949	22,404	26,904	37,561	36,894
Net Replacement Capex		(563)	(5,604)	(11,337)	(9,267)	(10,735)
Growth Capex		(24,065)	(19,822)	(36,746)	(22,206)	(30,415)
Net Cash Flows before financing	³	(4,679)	(3,022)	(21,179)	6,088	(4,256)

Cash flow metrics	FY18	FY19	FY20	FY21F	FY21A
Operating cash flow conversion	127.9%	65.9%	109.9%	91.5%	86.4%

Pro forma adjustments:

¹Adjusted for effect of new accounting standards (AASB9, AASB15 and AASB16), public company costs, and interest costs to reflect impact of proceeds from the offer. Revenue has been adjusted to offset fuel tax credits against cost of fuel rather than shown as revenue.

² Movement in net working capital represents the movement between the opening and closing working capital positions in each period presented

³ The Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows have been presented at the net cash flows before financing level as the capital and debt structure of MLG will be different post Offer and as the repayment of debt mentioned above is expected to be spread across debt facilities and various hire purchase arrangements

Balance Sheet

Lower net debt as compared to 30 June 2020 providing capacity for growth following receipts of IPO proceeds



- Strong cash position at 30 June 2021 of \$9.7m
- Net Assets increase to \$114.2m, underpinned by \$152.1m of property, plant and equipment
- Utilisation of proceeds from IPO to reduce financial liabilities by \$30.9m
- Net debt at \$36.8m as at 30 June following higher capital expenditure (0.86x EBITDA)

000's	Consolidated 30 June 2021	Consolidated 30 June 2020
Cash and cash equivalents	9,689	1,005
Trade and other receivables	42,226	33,392
Inventories	14,214	9,866
Total current assets	66,130	44,264
Property, plant and equipment	152,098	128,012
Other non-current assets	4,660	6,466
Total non-current assets	156,757	134,478
Total assets	222,887	178,742
Trade and other payables	47,074	35,049
Financial liabilities	28,229	49,007
Lease liabilities	1,525	1,450
Provisions	1,009	763
Total current liabilities	77,836	86,270
Financial liabilities	18,226	28,402
Lease liabilities	3,287	4,515
Other non-current liabilities	9,313	5,076
Total non-current liabilities	30,826	37,993
Total liabilities	108,662	124,262
Net assets	114,225	54,480



Business Conditions

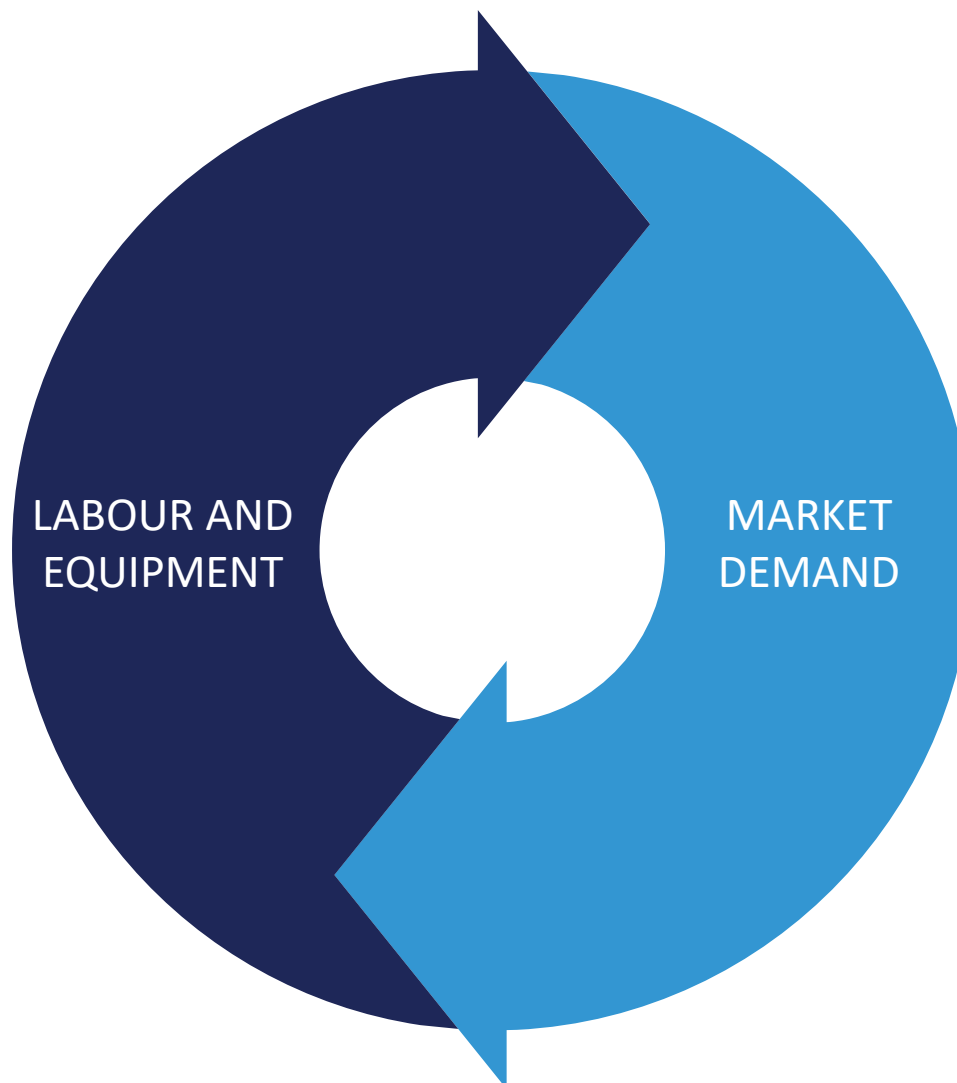
Robust industry dynamics driving growth from existing clients with continuing demand for greater ore movements



High levels of activity in Industry continue

Level of enquiry and new project commencement remains very high despite supply challenges

- Challenging labour market conditions
 - Rising wage rates
 - High demand across the industry for trained and experienced operators
- High demand for equipment within the industry
 - Delays in supply from OEM's
 - Limited competitor scale in MLG space
 - Preference to suppliers with fleet capacity (existing or on order)
- Covid restrictions continue to cause delays
 - Inability to source labour from eastern states
 - Sea lane shipping costs suffering severe escalation of cost
 - Equipment orders delayed – utilising subcontractors



- New client awards
 - Norton Gold Fields – Paddington Operation (started September 2021)
 - Litam MOU – Bald Hill lithium project (commence Q2 of FY2022)
 - Mincor Resources NL – Kambalda Nickel (early next year)
 - Roy Hill crushing and screening program commencing October 2021
- Existing client growth
 - Northern Star (Existing Client) – Jundee expansion (started October 2021)
 - Western Areas, Cosmic Boy contract (3 years)
- Clients engaging in cost mitigation strategies
 - Site specific allowances
 - Rate increases underpinned by contractual rise and fall mechanisms
 - Open to considering shared risk modelling

Circa \$24m
Revenue p.a.

Circa \$20m
Revenue p.a.

Market position and client portfolio provides strong outlook



Material projects commencing in H1 and large tenders on horizon for H2

1.

MLG FLEET AND STRATEGIC POSITION

- Pre ordered fleet arriving
- Machine rebuild capability expanding
- Scale of fleet and market position.

2.

CLIENT PORTFOLIO

- Existing client base with significant expansion plans
- Willing to consider risk sharing and site specific incentive programs
- Portfolio optimisation opportunities to maximise margin.

3.

CRUSHING CAPACITY

- Availability of fixed plants for redeployment
- Targeting longer term contractual opportunities
- Not required to service current needs

4.

TENDER PIPELINE

- High volume of tenders in progress
- Roy Hill relationship evolving with longer term expansion opportunity
- Growth into new metals markets

FINANCIAL OUTLOOK FOR FY22

- Market aware of lower H1 expectations
 - Loss of Christmas Creek contribution
 - Materially higher start-up costs for new projects
 - Review of Lime business (importation) viability due to material increase in importation cost (sea freight)
- Stronger second half expected
 - new projects fully mobilise
 - New projects commencing in second half (Mincor, Lithco)
 - Rate rise negotiations commenced in Q2 flow through into second half

Strong pipeline of potential growth opportunities

MLG has identified and is actively pursuing a range of potential growth initiatives



Further contract wins

- Utilise differentiated business capability to provide multiple support services into one delivery framework
- Consolidate MLG's position as a critical component of the client's operations and the production supply chain

1



Expanded service offering

- MLG's growth to date has been driven by the ability to offer a range of capabilities within the production process through one delivery model
- Seek to further enhance and expand this service offering to provide MLG with a potential competitive advantage in future tender processes

2



Pursuit of strategic assets

- Continued pursuit of strategic assets (such as quarries) near long-life assets with the aim of creating a competitive advantage
- Quarries established to date have provided a competitive advantage in unlocking further contract expansion within the existing client base

3



Bolt-on acquisition opportunities

- Complementary potential acquisition opportunities have been identified by MLG, which would broaden MLG's service offering and geographical reach

4



Commodity market diversification

- Current MLG clients consist of low-cost gold, nickel, and iron ore operations
- Seek further exposure to new commodities to provide further portfolio diversification and exposure to long-life assets
- More diverse commodity exposure will provide opportunities to increase project pipeline

5



Australia-wide operations

- Significant potential opportunity to expand the scope of MLG's offering to mining and non-mining clients and operations across Australia
- MLG will actively pursue selective and complementary opportunities

6

Thank you.

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Core Values



Safety & Environment

This is our number one priority – It underlines every activity we undertake.



Leadership, Passion & Courage

We are passionate about leading change. We deliver and perform with enthusiasm, energy and conviction.



Continuous Improvement

We deliver first class performance with value and always look to be better.



Customer Service

We employ the right people and deliver exceptional service.



Performance

Optimising assets and people to ensure competitive efficiency.



Teamwork

We view our customers as partners and focus on building long-term relationships.



Integrity & Trust

Being honest, fair and ethical in the way we work.

