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FY2020 Half Year Results Presentation

February 2020

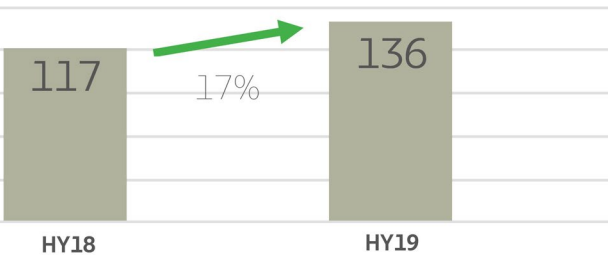
Tony Caruso, CEO & Managing Director
Brett Maff, Chief Financial Officer

Significant First Half growth and on track for Record Year

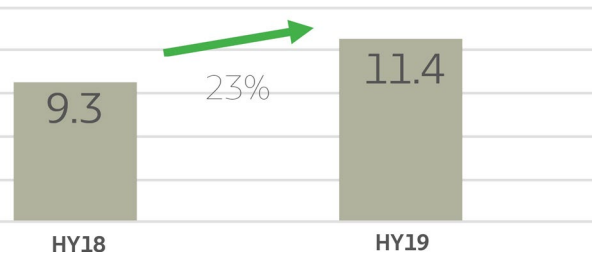
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- Significant increases in Revenue (17%), EBITDA (23%) and Profit (37%)
- Resumption of half year dividend – 2.0 cents per share
- Key contracts extended and scope increases with Tier 1 clients
- New projects mobilised and Workforce numbers increased 20%
- Wilson Mining acquisition and integration completed
- Net Cash position after dividends, acquisition and major project related capital investment
- Order book of \$700m and pipeline of \$1.9b remains at record highs
- Guidance maintained at \$295-315m Revenue and \$27-\$31m EBITDA

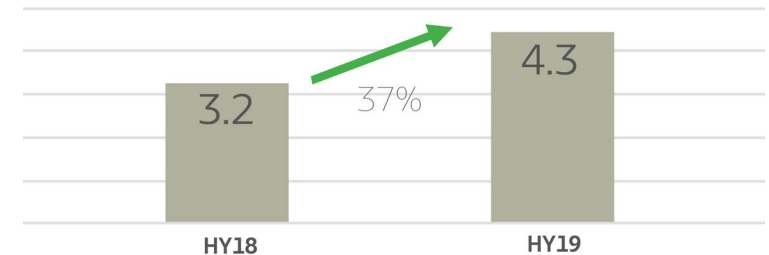
Revenue (\$M)



EBITDA (\$M)



Profit (\$M)

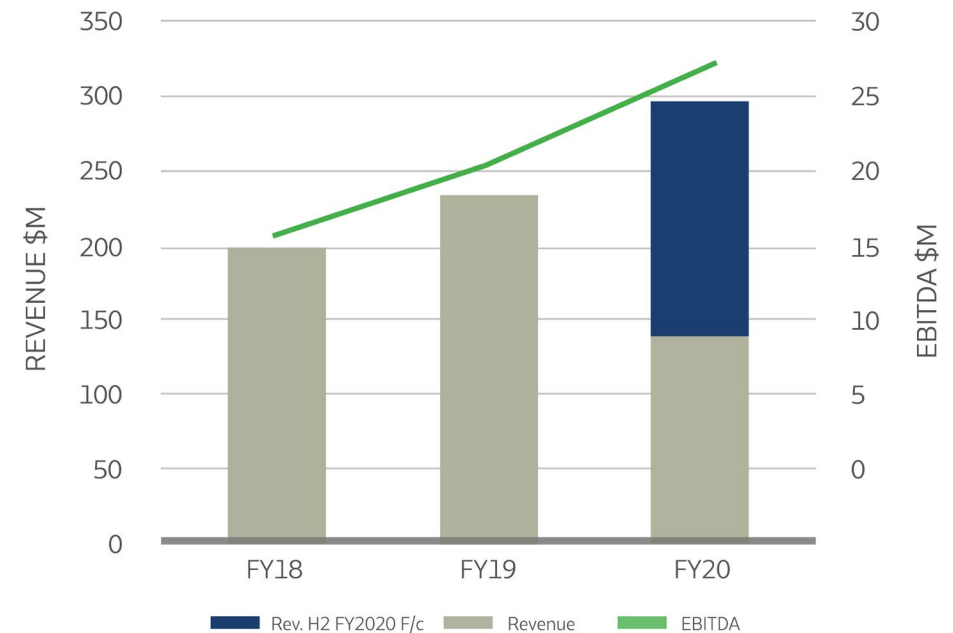


Revenue, EBITDA and NPAT well ahead of PCP

- Revenue \$136.4m vs \$116.8m pcp up 17%
- NPAT \$4.3m vs \$3.2m pcp up 37%
- EBITDA \$11.4m vs \$9.3 pcp up 23%
 - 8.4% EBITDA margin, up from 8.0% in pcp
- Disciplined overhead cost management continues
 - HY2020 Mastermyne (excluding Wilson Mining) Overhead Costs at 6.5% of revenue vs pcp 7.1% (Forecast FY2020 – 6.0%)
- Tax losses utilised of \$0.8m (effective tax rate of ~27% for FY2020)
- 2H Revenue and EBITDA higher due to:
 - Projects fully manned, equipment deployed and operating at full run rate for 2H
 - Full 2H contribution of WMS
 - Additional work scopes on current projects
 - Overheads currently at suitable level to support additional revenue
- Re-confirm full year guidance of \$295-\$315m Revenue and \$27-\$31m EBITDA

Revenue/EBITDA Profile

\$AUD millions



Strong period of investment to support our growth

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- Capital investment during period of \$9.0m (\$7.3m net of funding)

- Aquila Project Production Equipment - \$4.6m
- 2 X New Sandvik Loaders - \$1.7m (Hire Purchase funded)
- Mynesight Training Facility NSW - \$0.3m
- Recurring sustaining capex - \$2.4m
 - Acquisition of Wilson Mining – \$3.8m cash consideration
 - Investment in equipment fleet will improve FY20 and future margins
 - Expected 2H capital investment is approximately \$5.1m for remaining loaders (Hire Purchase funded), finalisation of Aquila Production Equipment \$0.4m and \$1.3m sustaining capex



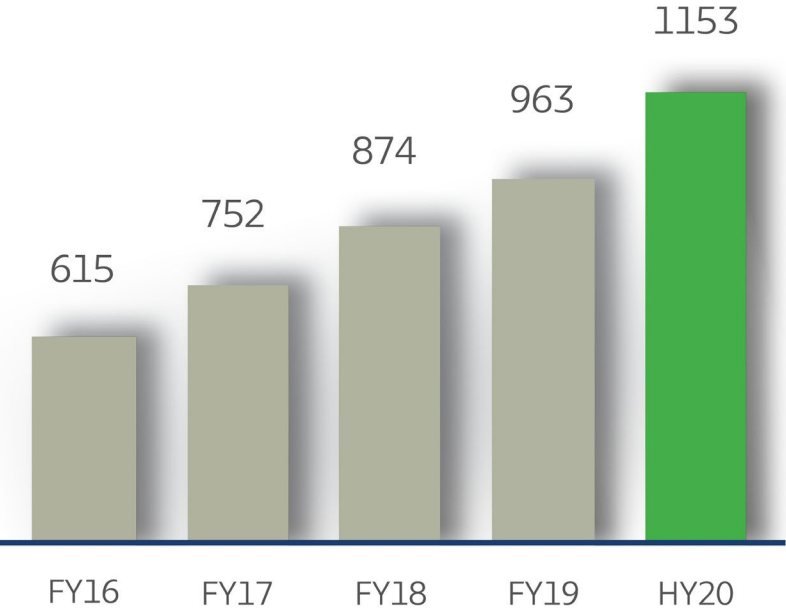
Maintaining safety focus as we expand the business

- Relentless focus on a safety culture that's delivering good performance
- Integrating Chemical Consolidation activities into Mastermyne Group safety systems
- Increasing number of sites completing significant periods of injury free work
- Leading safety indicators continue to guide our efforts
- 6 sites injury free for 12 months
 - Wambo 1744 days
 - Broadmeadow 1669 days
 - Grosvenor Vent 835 days
 - Narrabri 408 days
 - Tahmoor 274 days (start of contract)
- 7 sites injury free for previous 6 months



Strong increase in Workforce numbers reflect the strength of the business

Group Headcount (FTE)



- 20% increase in workforce numbers
- Development Units at Aquila & Moranbah North Mine (MNM) fully mobilised and now contributing at full run rate
- Key contracts extended on MNM Umbrella and Appin
- Wilson Mining integration completed adding growth options
- 2nd Underground Training Facility in NSW operational from 2H



Maintaining an Order Book and Pipeline at record levels

2H2020 order book

\$139 million*

FY2021 order book

\$175 million

Post FY2021 order book

\$386 million

Tendering pipeline

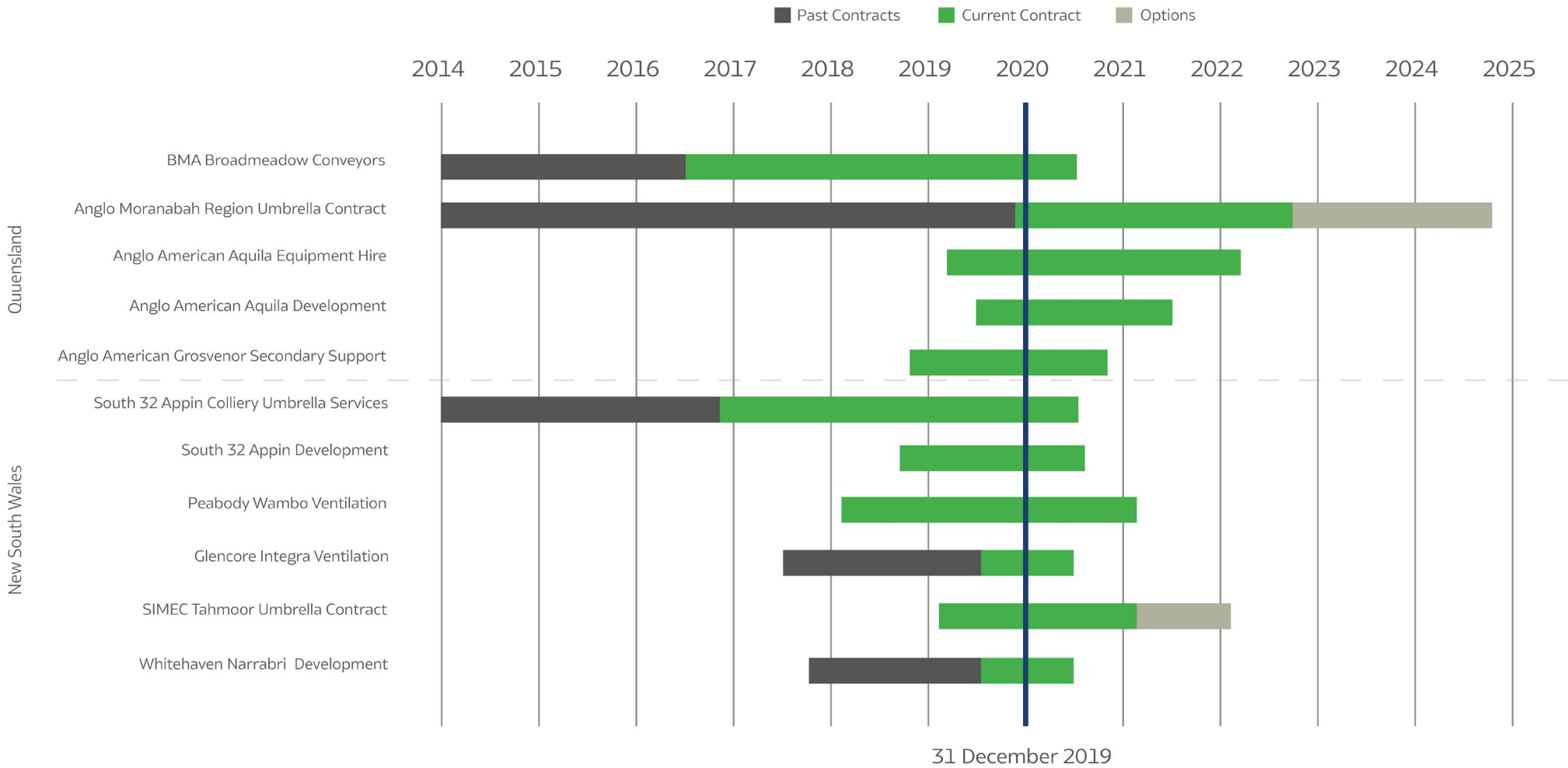
\$1.9 billion

- Record \$700m Order Book
- Tendering pipeline over \$1.9b, \$1.2b in core business, \$0.7b in Whole of Mine Projects
- Strong position to secure further work with no significant changes to the competitor landscape
- Continue to progress with several WOM projects
- Progress expansion plans into hard rock mines with Chemical Injection business

* Order book excludes recurring work of ~\$15-20m pa



World class assets and long term relationships supporting record order book

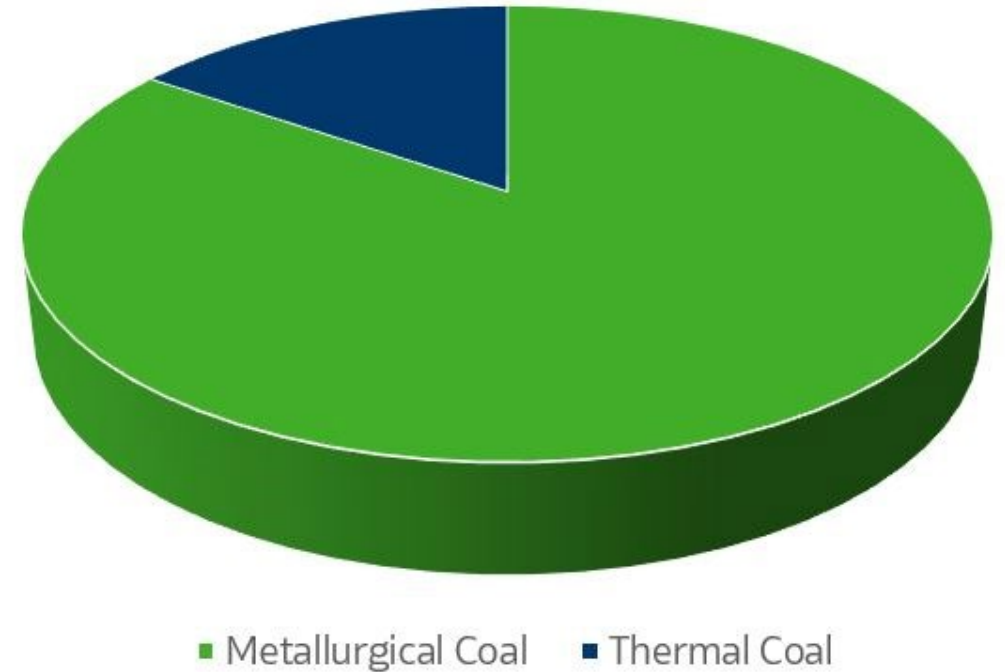


Mastermyne Portfolio is heavily weighted to Metallurgical Coal

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- Long term fundamentals remain very strong for Metallurgical Coal with no substitutes in primary steelmaking
- Total seaborne market forecast to increase by 1.9% CAGR to 2025 (source: Wood Mackenzie)
 - China demand remains steady
 - India demand continues to increase
- Australia remains best placed to supply the seaborne metallurgical coal market
- 20 of Australia's 22 closest neighbours are developing nations and still have significant steel and power requirements

Mastermyne Order Book Revenue Exposure





Key focus areas to deliver further growth

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01

Maximise returns from core coal business

- Convert current tender pipeline opportunities
- Improve contract terms to support margin growth
- Continue to drive operating leverage

02

Expand underground service offering

- Leverage Wilson Mining acquisition through niche service offering
- Bolt on additional product and service offerings

03

Build a whole of mine business

- Assessing multiple WOM opportunities moving through the pipeline
- Source strategic mining fleet to provide a competitive advantage
- Study Group assisting clients on early stage Greenfield and Brownfield projects



Summary

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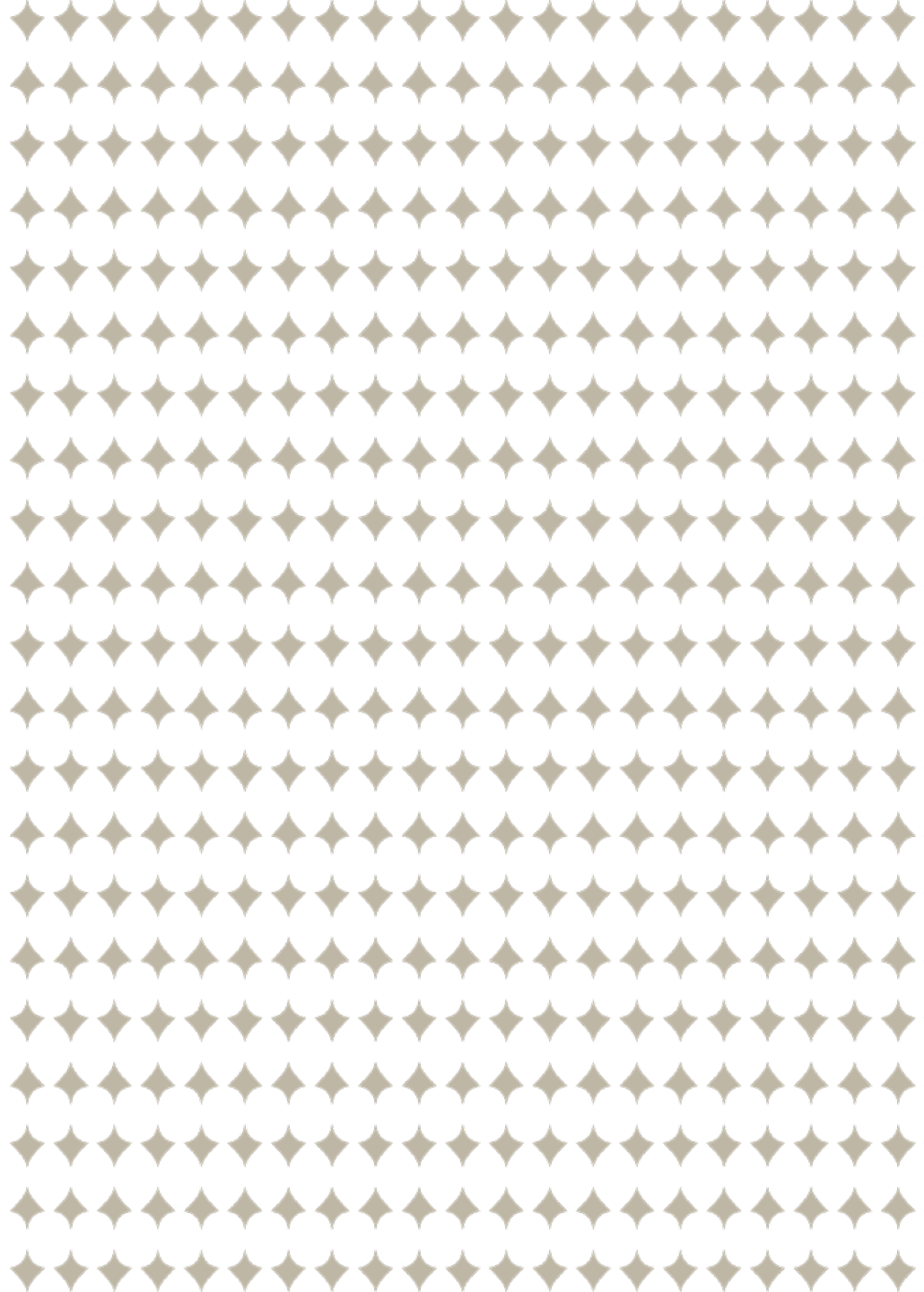


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Appendices



Corporate Overview

Capital structure

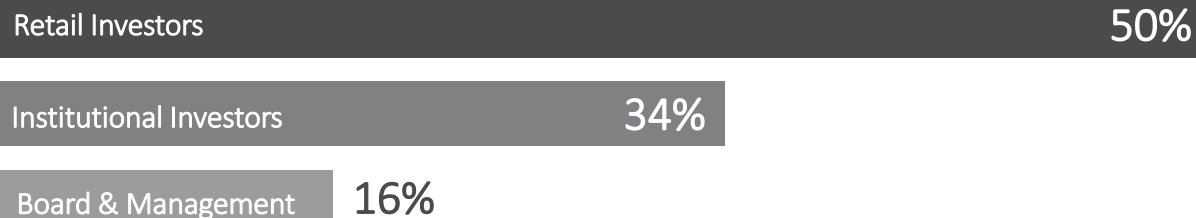
Share price as at 15 February 2020	\$1.00
Shares on issue*	106.3m
Market capitalisation	\$106.3m
Net Cash/(Debt) as at 31 December 2019	\$4.9m
Enterprise value	\$101.4m

Major shareholders

Andrew Watts	11.54%
Kenneth Kamon	10.23%
Darren Hamblin	9.06%
Paradice Investment Management	6.25%
Grieg & Harrison Pty Ltd	4.57%

*Includes unissued shares for Wilson Mining acquisition
 Figures in \$AUD

Shareholder composition



Two-year trading history



Board



Colin Bloomfield
Non-Executive Chairman

Colin’s former roles during his 27 years with BHP Billiton include President Illawarra Coal (8 years), Vice President Health, Safety and Environment (Global role) and Project Director for the BHP Billiton merger integration as well as member of the deal team for the transaction. He was also an Underground Coal Mine Manager both in New South Wales and Queensland.



Anthony Caruso
Managing Director

Tony has held a number of senior management positions in contracting services over 30+ years working across major underground mining projects in QLD and NSW.

Joining Mastermyne in 2005, under Tony’s leadership the company has hit many milestones including the ASX listing in 2010.



Andrew Watts
Non-Executive Director

Andrew co-founded Mastermyne in 1996 and has been involved in contracting within the mining industry since 1994.

From 1996 -2005 Andrew was responsible for all aspects of Mastermyne’s operations until the appointment of Tony Caruso as CEO.



Gabriel Meena
Non-Executive Director

Gabe is an executive with over 30 years experience in the steel, mining and stevedoring industry covering operations, maintenance and engineering. Gabe has held senior operational and management roles with Bluescope Steel as General Manager Mills and Coating, Bluescope Steel China as President China Coated and BHP Collieries as General Manager of a number of coal mines. Gabe’s most recent role was General Manager Operations with Patrick Terminals.



Julie Whitcombe
Non-Executive Director

Julie is currently Chief Operations Officer for Vermeer Australia and RDO Equipment, supplying and servicing John Deere and Vermeer equipment in support of a range of industry sectors in Australia. Prior to her current role, Julie spent nine years as part of the executive team of Senex Energy Limited, an ASX-listed oil and gas company.



HY20 Financial Performance

Period ended 31 December 2019	HY20	HY19*		Change
Total Revenue	\$136.35m	\$116.77m	▲	+16.8%
EBITDA	\$11.43m	\$9.31m	▲	+22.8%
EBITDA %	8.4%	8.0%	▲	+0.4%
Statutory profit/(loss) before tax	\$6.25m	\$4.62m	▲	+35.2%
Tax benefit/(expense)	(\$1.91m)	(\$1.46m)		(31.0%)
Statutory profit/(loss) after tax	\$4.34m	\$3.16m	▲	+37.2%
EPS (cents)	4.1c	3.0c	▲	+36.7%

*HY19 includes discontinued operations

Figures in \$AUD



HY20 Cash Flow

Period ended 31 December 2019 \$AUD millions	HY20	HY19
EBITDA (Statutory)	11.43	9.30
Movements in working capital	(4.93)	2.74
Non-cash items	0.10	0.07
Net interest costs	(0.17)	(0.34)
Income tax receipts / (payments)	(1.51)	(1.40)
Net Operating Cash Flow	4.92	10.38
Net capex (including intangibles)	(7.31)	(4.26)
Net borrowings / (repayments)	2.56	(1.50)
Wilson Mining Acquisition	(3.80)	-
Free Cash Flow	(3.63)	4.64
Distribution to minority ownership	-	(0.15)
Dividends	(4.07)	-
Net increase/(decrease) in cash and equivalents	(7.70)	4.49
Cash and cash equivalents at beginning of period	16.42	(0.52)
Cash and cash equivalents at end of period	8.72	3.97

Figures in \$AUD

HY20 Balance Sheet

Assets

Period ended 31 December 2019 \$AUD millions	HY20	FY19
Assets		
Cash and cash equivalents	8.72	16.42
Trade and other receivables	47.95	39.17
Inventories	6.96	3.22
Total current assets	63.63	58.81
Deferred tax assets	7.69	8.13
Property, plant and equipment	25.30	18.28
Right-of-use assets	8.89	-
Intangible assets	12.42	6.76
Total non-current assets	54.31	33.16
Total assets	117.94	91.97

Liabilities

Period ended 31 December 2019 \$AUD millions	HY20	FY19
Liabilities		
Trade and other payables	19.09	16.82
Loans and borrowings	3.84	-
Lease liabilities	2.97	-
Employee benefits	11.45	8.14
Current tax liability	2.24	2.42
Other liabilities	3.80	-
Total current liabilities	43.39	27.39
Lease liabilities	5.74	-
Employee benefits	0.25	0.24
Other liabilities	3.86	-
Total non-current liabilities	9.84	0.24
Total liabilities	53.23	27.63
Net assets	64.71	64.34

Figures in \$AUD

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