

FY17 Full Year Results Presentation

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August 2017

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mastermyne
Group of Companies

Overview

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- Company is well positioned as we come through a tough cycle
- Order book has increased significantly through new contracts secured in H2
- Continuing to see strong demand for contract services and equipment
- Forecasting significant financial improvement in FY18



Stronger second half continuing into FY18

- Second half underlying profit
- Employee numbers increased 47% from 511 to 752 in H2
- Fleet utilization rates back to average historical levels of 80%+
- A restructured Mastertec delivered stronger H2 performance
- Overheads remained static as revenue increased

\$AUD (000's)	1H17	2H17	FY17
Total Revenue	56,954	67,208	124,162
Profit/(Loss) before tax	(2,001)	(880)	(2,881)
Add back Workshop exit cots	154	1,163	1,317
Underlying Profit/(Loss) before income tax	(1,847)	283	(1,564)



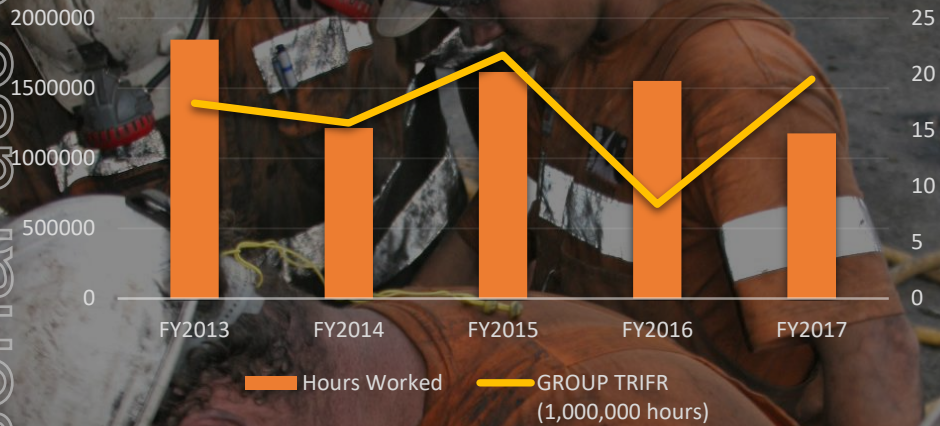
Maintained strong financial position which will support upcoming growth



- Strong cash generated in H2 FY17 and will continue in FY18
- Restructured Finance facility increases working capital and supports growth (the restructure included a \$4 million repayment of the Cash Advance facility in Jul-17)
- New tender awards will require additional capex H1 FY18
- Focus on continuing to reduce net debt

Safety Continues to be a core focus

TRIFR and Hours Worked



- Majority of project sites achieved 0 TRIFR over the year
- Increased leading indicators demonstrate continued proactive focus to reduce injuries
- Small number of our projects experienced higher injury rates
- Excellent HSEQ compliance across all areas of the business



Mining Division secures new contracts

- Mining Division continued strong performance through H2
- Significant scope expansion at Moranbah North mine; 2 roadway development panels (approx. 130 personnel)
- Mobilising roadway development contract at Appin Mine (approx. 120 personnel)
- Announced Whitehaven Narrabri development contract; includes placement of further development equipment
- Further tenders pending award in H1 FY18

\$AUD (\$'000)	FY17	FY16	Change (%)
Revenue	92,400	130,658	(29.3%)
EBITDA	6,858	8,982	(23.6%)
EBIT	1,444	2,896	(50.1%)
EBITDA Margins	7.4%	6.9%	0.5%



Mastertec restructured for profitability

- Operations consolidated around core strengths in scaffolding and protective coating services
- Secured 3 year South32 Illawarra Scaffolding Services Contract and a 12 month extension at DBCT in QLD
- Exited underperforming / non-core revenue streams which included impairment of remaining workshop asset
- FY17 Q4 results demonstrate divisional profitability
- Growth focused on long term access and protective coatings contracts in ports and heavy infrastructure

\$AUD (\$'000)	FY17	FY16	Change (%)
Revenue	32,751	40,413	(19.0%)
EBITDA	(1,883)	(6,859)	72.5%
EBIT	(2,941)	(16,343)	82.0%
EBITDA Margins	(5.7%)	(17.0%)	11.2%



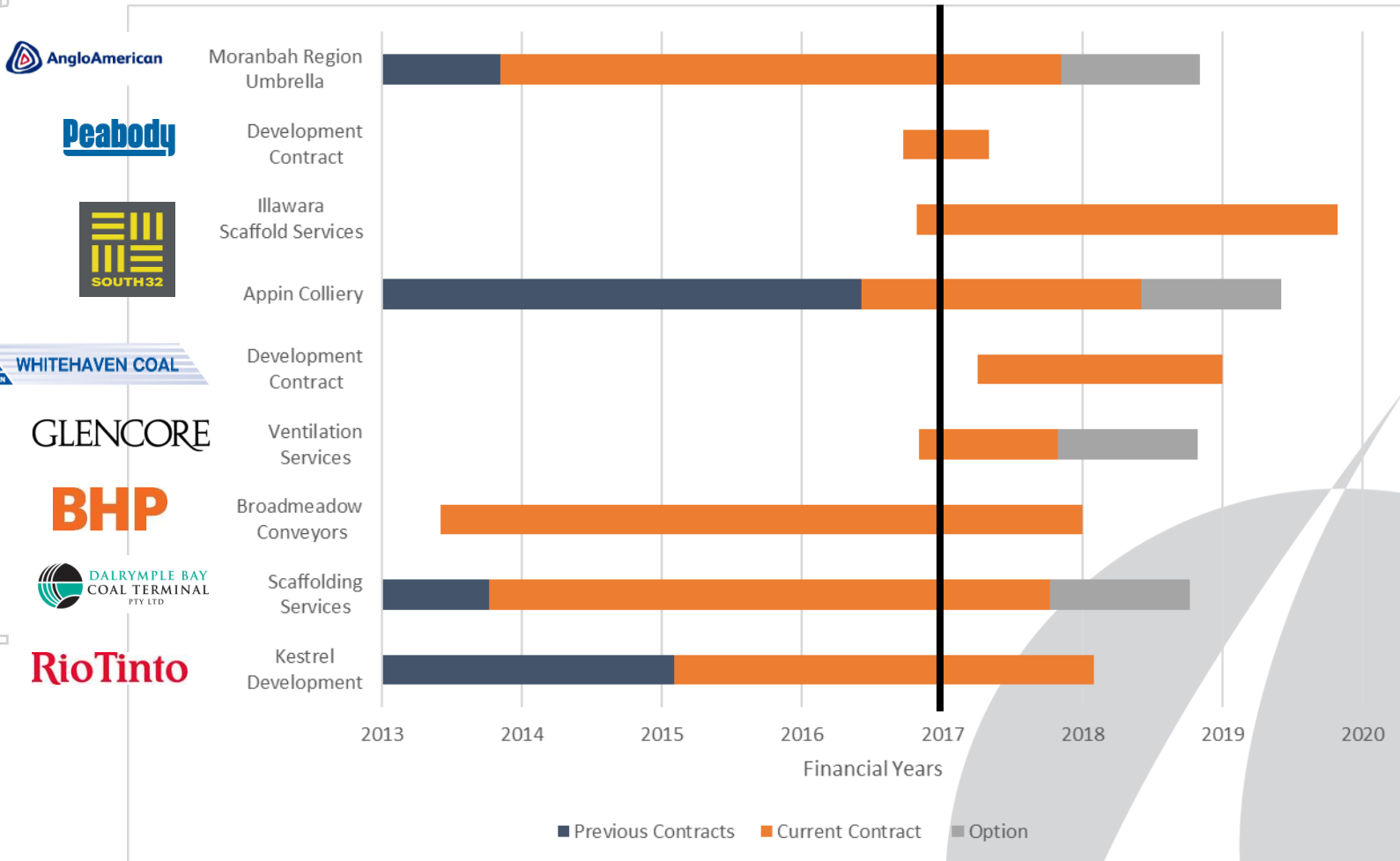
Order book has increased significantly

- Total order book increased 120% to \$280+ million, since the end of FY16
- Maintained strong Tier 1 customer base
- No reduction in contracts
- Customer diversification through recent contracts
- Further development tenders pending award in H1 FY18
- Total tendering pipeline \$970+ million
 - \$220+ million in core business
 - \$750+ million in Whole of Mine opportunities



Order book Tier 1 Customers

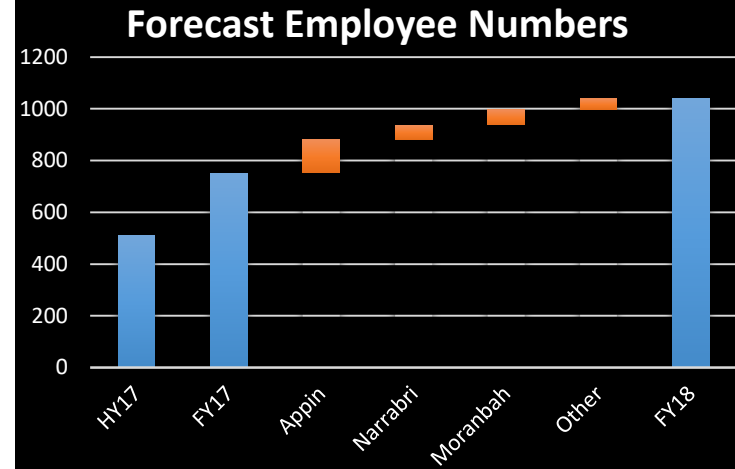
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Outlook is a return to profit

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- FY17 Q4 run-rate shows return to profit
- Demand for equipment forecast to remain strong throughout the year
- Manning numbers are expected to exceed 1000 by December 2017
- FY18 revenue guidance \$160 - \$180 million



Summary

- Company has emerged from a tough cycle with a strong balance sheet
- Order book has increased significantly through new contracts secured in H2
- Continuing to see strong demand for contract services and equipment
- Forecasting significant financial improvement in FY18



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Appendices

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Corporate Overview

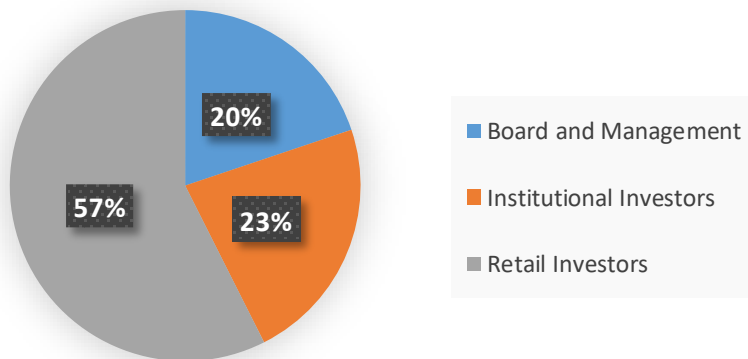
Capital Structure

Share price as at 4 August 2017 (\$)	0.47
Shares on issue (m)	91.1
Market cap (\$m)	42.8
Net Debt as at 30 June 2017 (\$m)	10.0
Enterprise value (\$m)	52.8

Board

Colin Bloomfield	Non-executive Chairman
Anthony Caruso	Managing Director
Andrew Watts	Non-Executive Director
Gabriel Meena	Non-Executive Director

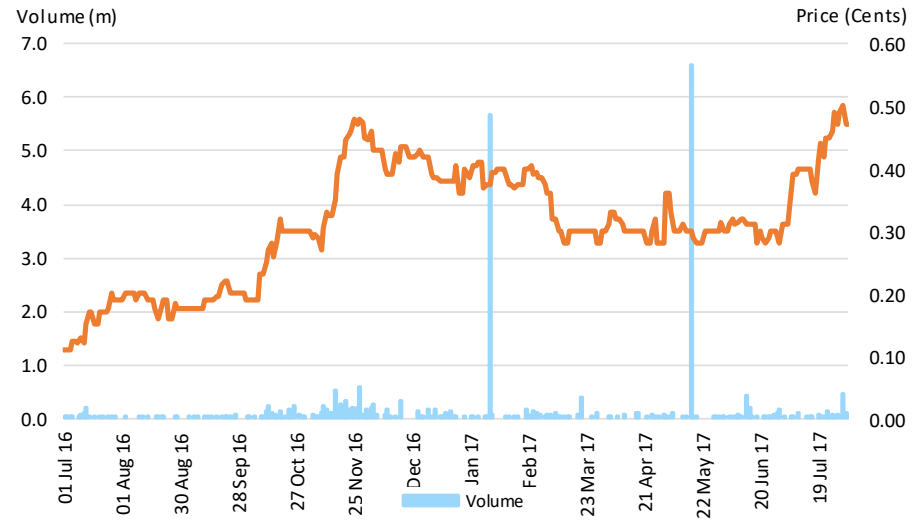
Shareholder Composition



Substantial Shareholders

Andrew Watts	13.46%
Kenneth Kamon	11.94%
Darren Hamblin	10.60%
Maui Capital	6.90%
Paradice Investment Management	6.21%
Boyles Asset Management, LLC	5.65%

12 Month Trading History



Mastermyne FY17 Income Statement

\$AUD (000's)	FY17	FY16	Change(%)
Total Revenue	124,162	168,434	(26.3%)
Statutory EBITDA	4,770	1,368	248.6%
EBITDA %	3.8%	0.8%	3.0%
Statutory profit/(loss) before tax	(2,881)	(15,041)	80.8%
Tax benefit/(expense)	771	1,855	(58.4%)
Statutory profit/(loss) after tax	(2,110)	(13,186)	84.0%
EBITDA Margins	3.84%	0.81%	3.03%
EPS (cents)	(0.02)	(0.14)	(84.7%)

Mastermyne FY17 Cash Flow

\$AUD (000's)	FY17	FY16
EBITDA (Statutory)	4,770	1,368
Movements in Working Capital	462	(2,566)
Non cash items	704	2,032
Interest Costs	(576)	(907)
Income tax receipts / (payments)	92	454
Net Operating Cash Flow	5,452	381
Net Capex (includes intangibles)	(4,331)	(2,053)
Net borrowings/(repayments)	(3,701)	(4,363)
Interest Received	22	59
Free Cash Flow	(2,558)	(5,976)
Dividends	(45)	(911)
Net increase/(decrease) in cash and cash equivalents	(2,603)	(6,887)
Cash and cash equivalents at beginning of period	1,836	8,723
Cash and cash equivalents at end of period	(767)	1,836

Mastermyne FY17 Balance Sheet

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\$AUD (000's)	Jun-17	Jun-16
Assets		
Cash and cash equivalents	1	1,836
Trade and other receivables	29,454	29,084
Inventories	2,684	3,408
Current Tax Assets	202	226
Total current assets	32,341	34,554
Deferred Tax Asset	9,285	8,579
Property, plant and equipment	18,745	21,540
Intangible assets	6,894	7,089
Total non-current assets	34,924	37,208
Total assets	67,265	71,762
Liabilities		
Bank Overdraft	768	0
Trade and other payables	11,392	11,039
Loans and borrowings	6,250	3,543
Employee benefits	3,388	3,237
Total current liabilities	21,798	17,819
Loans and borrowings	3,000	9,408
Employee benefits	138	102
Total non-current liabilities	3,138	9,510
Total liabilities	24,936	27,329
Net assets	42,329	44,433

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