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FY19 HALF YEAR RESULTS PRESENTATION

FEBRUARY 2019

Tony Caruso – CEO & Managing Director

Brett Maff – Chief Financial Officer



Strong Performance with Positive Outlook

- Strong first half performance with **stronger H2** based on current run rate and new projects
- Significantly **improved Order Book** at \$489 million with \$324 million contracted beyond FY2019
- Relentless cost focus is delivering stronger EBITDA margins with **further upside** to be realised
- Whole of Mine opportunities continue to progress with new opportunities arising
- A positive industry outlook is driving **new contracts**



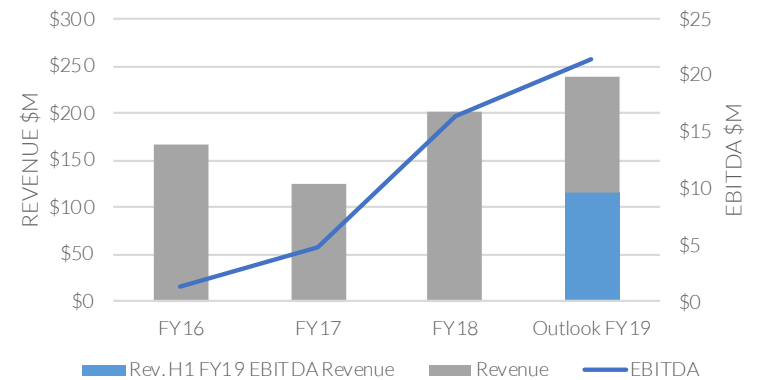
3rd Consecutive Half Year Period of Strong Growth



- Revenue up **28% on pcp** (\$116.8 million vs \$91 million)
- EBITDA \$9.3 million (8.0% margin), up from \$6.7 million (7.3% margin) in pcp
- Net Profit \$3.2 million** (75% increase on pcp)
- Financial result in line with guidance despite material impact of suspension of North Goonyella contract in September
- Overheads **continue to reduce** as a percentage of revenue from 7.7% to 7.0%
- Equipment utilization remains stable and is being maintained above 86%
- Utilised \$4.6m of tax losses in FY19, with long term tax rate of ~25% through realisation of remaining deferred tax assets (transferred tax losses)

\$AUD (000's)	HY19	HY18	Change(%)
Total Revenue	116,773	91,043	28.3%
Statutory EBITDA	9,306	6,682	39.3%
EBITDA %	8.0%	7.3%	0.6%
Statutory Profit/(loss) before tax	4,618	2,802	64.8%
Tax benefit/(expense)	(1,457)	(999)	(45.8%)
Statutory Profit/(loss) after tax	3,161	1,803	75.3%
EPS (cents)	3.0	1.7	73.5%

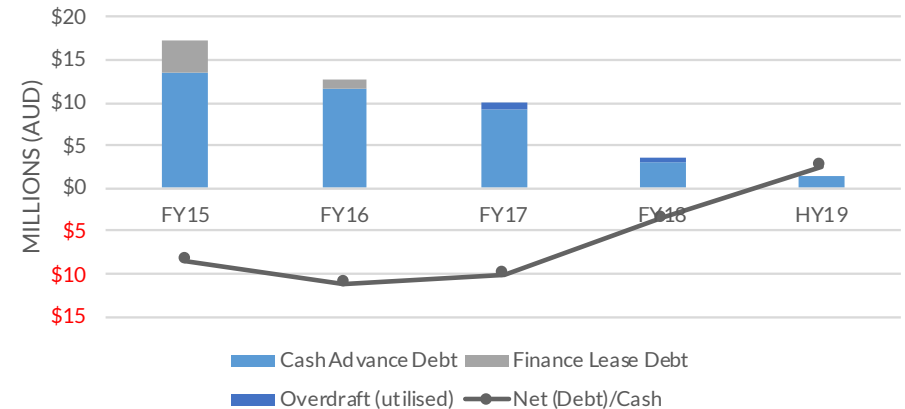
Revenue/EBITDA Profile



Continued Strong Cash Generation Has Resulted in a Net Cash Position

- **Net cash position** of \$2.5 million from \$3.5 million net debt position at FY18
- Cash Advance facility fully **repaid by June 2019** (\$1.5 million drawn at 31 December 2018)
- Working capital facilities of \$20 million plus \$10 million in equipment funding lines to support **future growth opportunities**
- Well managed capital spend program to align with contract terms and ROCE
- Re-investment in existing fleet and acquisition of new fleet will **improve margins** in future periods

Debt Profile



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**MAINTAINED STRONG
SAFETY PERFORMANCE IN
A PERIOD OF SIGNIFICANT
WORKFORCE GROWTH**

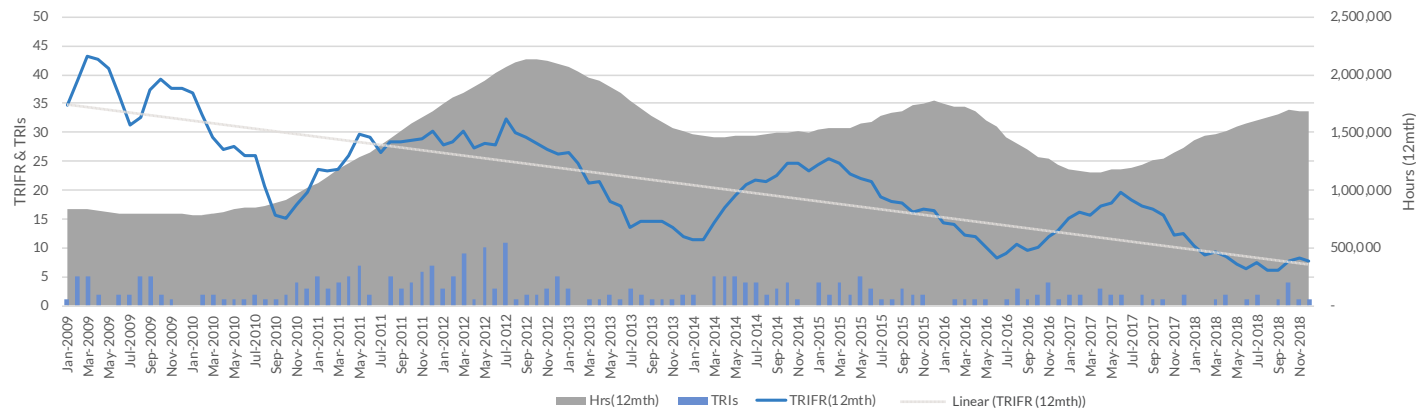


Excellence in Safety Underpins Everything We Do



- Group Injury frequency rates continue a downward trend and remain well below last recorded industry averages
- 9 sites** completed the period with **no recordable injuries** and are progressing to 12 months recordable injury free
- Maintaining our focus in shifting the paradigm with safety management
- 6 Major Projects have achieved greater than **12 months recordable injury free** with :
 - Wambo +1371 days
 - Broadmeadow +1304 days
 - Ulan West +1131 days
 - Grosvenor +470 days
 - Moranbah Driveage +386 days
 - Narrabri 365 days

Mastermyne Group TRIFR 12 Month Rolling vs Hours Worked 12 Month Rolling



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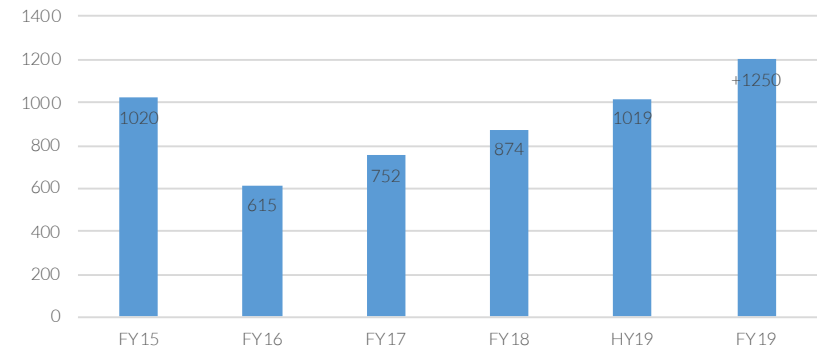
**MASTERMYNE REMAINS
FAVOURABLY POSITIONED AS
THE LEADING UNDERGROUND
COAL CONTRACTOR**



Record Number of Development Units (7) Operating in a HY Period

- **Significant increase** in roadway meters developed over the half year to support and maintain record coal output
- Scopes increased on 5 major projects requiring additional personnel and equipment to resource
- Workforce numbers increasing to **1250+** to support contract work secured late in the HY
- Fleet rates **continued to improve** and utilization was maintained above 86%
- Margin improvement was hampered by suspension of North Goonyella contract and geotechnical issues at Narrabri and Wambo development projects
- Contract terms continued to be improved as opportunity presented

Group Headcount (FTE)



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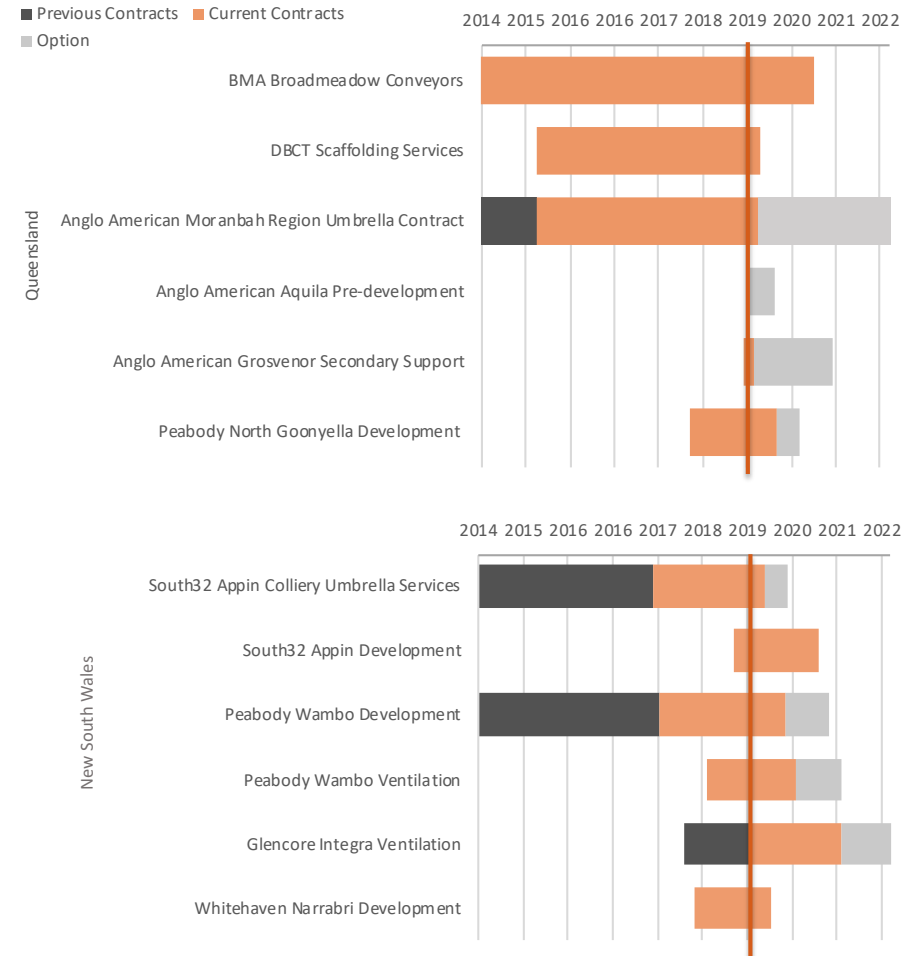
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**ORDER BOOK HAS
STRENGTHENED WITH
NEW CONTRACTS AND
ROLL OVERS**

Order Book has Strengthened with New Contracts and Roll Overs



- Order Book increased to **\$489 million***
 - \$115 million order book to be delivered in H2 FY19
 - \$166 million to be delivered in FY20
 - \$208 million beyond FY20
- New Contracts** awarded at Grosvenor Mine (secondary support) and Aquila Mine (initial mine establishment works)
- Contract extensions** secured at Wambo, Integra and Appin Projects
- Discussions well progressed with Anglo American to extend the Moranbah Regional Umbrella Contract
- North Goonyella contract remains suspended due to fire and is expected to recommence H1FY20
- Tendering pipeline over \$2 billion, **\$1.2 billion** in core business, \$0.8 billion in Whole of Mine Projects



*(includes \$35m of contract extension options and assumes 3 year roll-over for Anglo Moranbah Region Umbrella Contract)

Whole of Mine Opportunities are Progressing as Confidence Rises

- Most advanced Whole of Mine opportunity has not proceeded as expected due to external factors outside the control of the company
- Completed BFS study with Stanmore for the Isaac Plains underground coal mine under the ECI model
- Commenced early stage discussions on a number of new WOM opportunities
- Significant internal work done on WOM establishment which positions Mastermyne favourably



Robust Coal Market Outlook

- Coal market **continues to strengthen** based on solid fundamentals
- Stronger H2 based on H1 exit run rate and further supported by **new contracts**
- Brownfield and Greenfield expansion along with on-going corporate activity is supporting a strong pipeline
- No changes to the competitor landscape is maintaining Mastermyne's strong position to secure further work
- Further growth is forecast in FY19 and FY20 with additional upside from Whole of Mine opportunities
- Full year remains on target to deliver **\$230 to \$250 million** revenue and **\$20 to \$23 million** EBITDA (excluding WOM contracts)



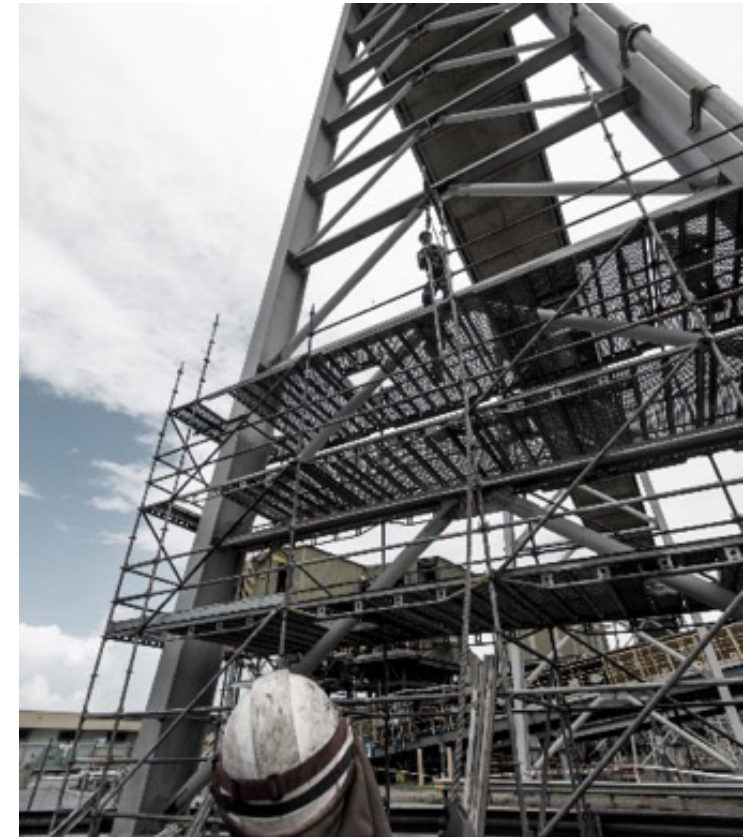
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**STRONG PERFORMANCE
WITH POSITIVE
OUTLOOK**

Mastermyne is Favourably Positioned to Capitalise on Strong Coal Market

- Strong first half performance with **stronger H2** based on current run rate and new projects
- Significantly **improved Order Book** at \$489 million with \$324 million contracted beyond FY2019
- Relentless cost focus is delivering stronger EBITDA margins with **further upside** to be realised
- Whole of Mine opportunities continue to progress with **new opportunities arising**
- A positive industry outlook is driving **new contracts**



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APPENDICES

HALF YEAR 2019 RESULTS



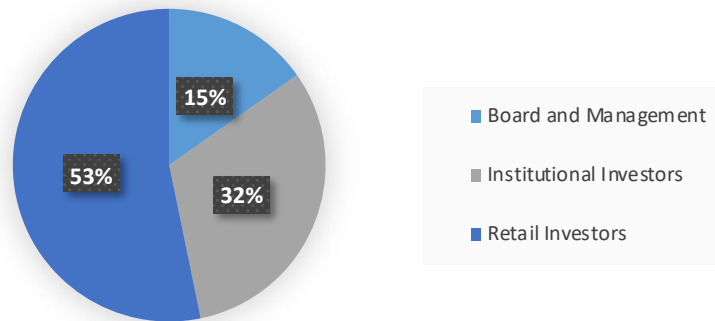
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Corporate Overview

Capital Structure	
Share price as at 15 Feb 2019 (\$)	0.84
Shares on issue (m)	101.7
Market cap (m)	85.4
Net Cash/(Debt) as at 31 December 2018 (\$m)	2.5
Enterprise value (\$m)	82z.9

Board	
Colin Bloomfield	Non-Executive Chairman
Anthony Caruso	Managing Director
Andrew Watts	Non-Executive Director
Gabrial Meena	Non-Executive Director
Julie Whitcombe	Non-Executive Director

Shareholder Composition



Substantial Shareholders	
Andrew Watts	12.06%
Kenneth Kamon	10.70%
Darren Hamblin	9.47%
Paradice Investment Management	8.32%
Maui Group	4.27%

2 Year Trading History



Mastermyne HY19 Income Statement

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Mastermyne HY19 Cash Flow

\$AUD (000's)	HY19	HY18
EBITDA (Statutory)	9,306	6,682
Movements in Working Capital	2,741	(5,820)
Non cash items	74	-149
Interest costs	(319)	(330)
Income tax receipts / (payments)	(1,402)	12
Net Operating Cash Flow	10,400	395
Net Capex (including intangibles)	(4,257)	(3,515)
Net borrowings / (repayments)	(1,500)	(5,000)
Proceeds from issue of share capital (net of issue costs)	-	5,670
Free Cash Flow	4,643	(2,450)
Distribution to Minority Ownership	(153)	-
Net increase/(decrease) in cash and equivalents	4,490	(2,450)
Cash and cash equivalents at beginning of period	(520)	(767)
Cash and cash equivalents at end of period	3,970	(3,217)

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Mastermyne HY19 Balance Sheet

\$AUD (000's)	DEC - 18	JUN - 18
Assets		
Cash and cash equivalents	3,970	1
Trade and other receivables	39,281	43,427
Inventories	3,174	2,973
Current Tax Assets	699	-
Total current assets	47,124	46,401
Deferred Tax Asset	6,789	8,791
Property, plant and equipment	21,009	21,053
Intangible assets	6,679	6,748
Total non-current assets	34,477	36,592
Total assets	81,601	82,993

\$AUD (000's)	DEC - 18	JUN - 18
Liabilities		
Bank Overdraft	-	521
Trade and other payables	16,791	19,024
Loans and borrowings	1,500	3,000
Employee benefits	6,283	5,235
Current Tax Liability	-	1,248
Total current liabilities	24,574	29,028
Loans and borrowings	-	-
Employee benefits	188	207
Total non-current liabilities	188	207
Total liabilities	24,762	29,235
Net assets	56,839	53,758



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HALF YEAR 2019 RESULTS

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