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FY2020 Full Year Results Presentation

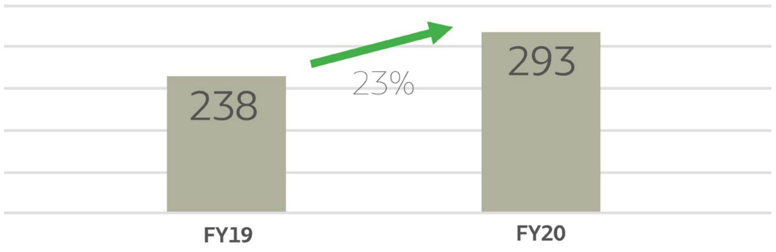
August 2020

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

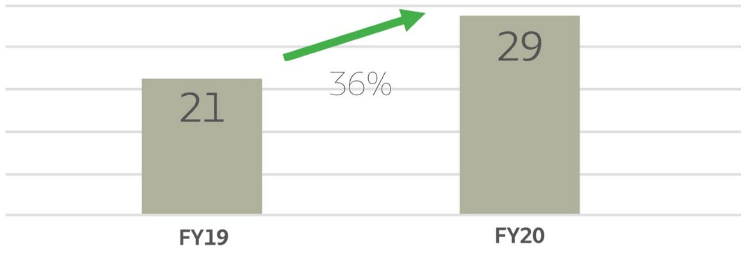
Mastermyne in excellent shape after another strong year

- Safe Operations remains our primary focus with lengthy injury free periods at multiple sites
- Record Revenue and NPAT well ahead of the PCP (Revenue increased by 23% to $292.7m and Net Profit up 37%[1] to $11.7m)
- Reported EBITDA of $28.6m with margins increasing to 9.8% (8.8% before AASB16 impact, in line with PCP)
- Final dividend declared of 4.0 cents per share (fully franked)
- New projects were won and mobilised at Aquila and Moranbah North
- Wilson Mining successfully integrated and poised to deliver further growth
- Record order book of $656m[2]

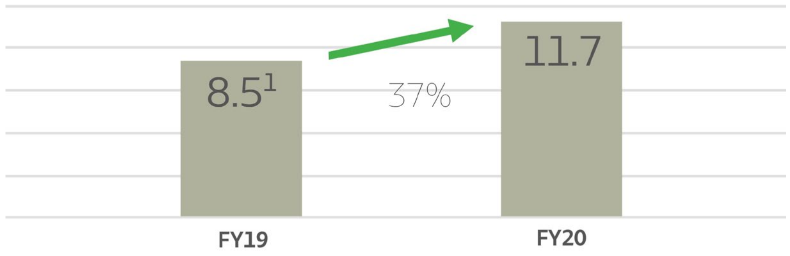
Revenue ($M)



EBITDA ($M)



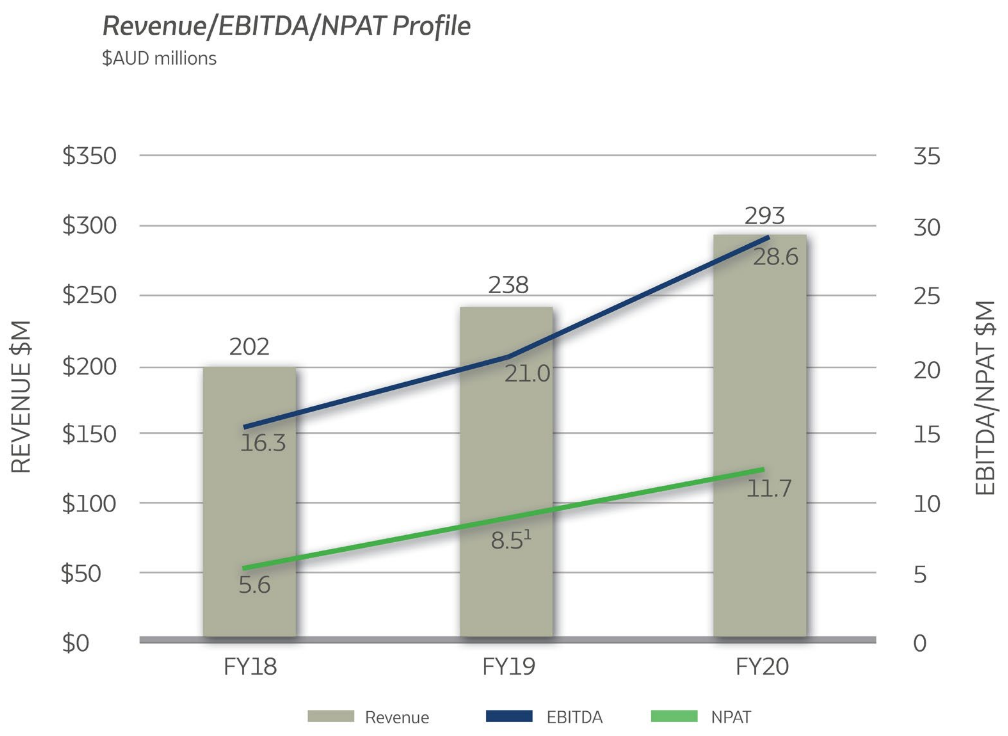
Profit ($M)



1 Pre FY2019 Mastertec gain on sale of $2.0m
2 plus purchase order and recurring work ~$30-40m pa

Record Revenue, EBITDA and NPAT all well ahead of the PCP

- Revenue $292.7m vs $238.0m PCP up 23%
- $28.6m Reported EBITDA, $21.0m PCP (up 36%)
  - EBITDA (pre AASB16 impact) $25.6m (up 22%)
- 9.8% EBITDA margin, in line with pcp at 8.8% pre AASB16 impact
- Disciplined overhead cost management continues
  - Overhead costs @ <7% of revenue
- NPAT $11.7m vs $8.5m[1] PCP (up 37% - pre Mastertec FY2019 Gain on Sale)
- Tax losses utilised of $4.4m (effective tax rate of ~24% for FY2021)



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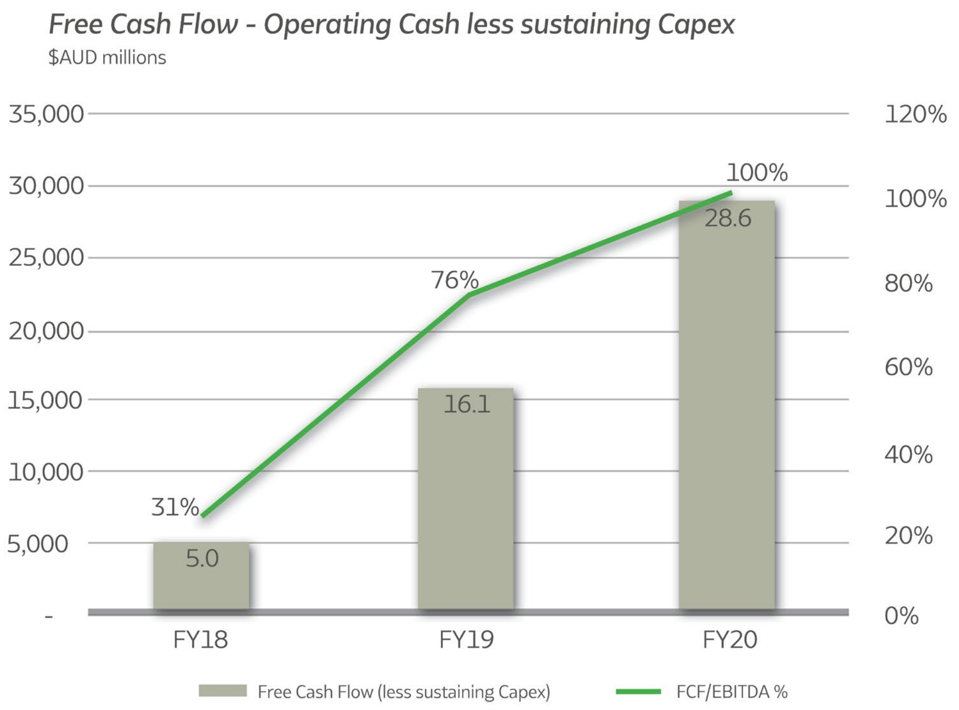
Exceptional cash generation provides for strong balance sheet and shareholder returns

- $21.4m Net Cash position after return to shareholders and on-going investment
  - Dividends $6.1m
  - Wilson Mining acquisition payment $3.8m
  - $9.1m net capital expenditure
- Strong working capital management supported cash generation from Operating Activities at 100% of EBITDA
- Capital Management strategy:
  - Maintain a Net Cash position up to $20m to ensure strength through market cycles
  - Payout 40-60% of NPAT in dividends to shareholders
  - Dividends weighted with a more conservative Interim Dividend
  - Other Capital Management options to be considered from time to time
- Undrawn Working Capital and Equipment Leasing lines of $20m and $10m respectively, leaves the company extremely well capitalised to service further growth



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Strong period of investment to support our growth

- Capex expenditure in FY2020 driven by opportunistic investment supported by long term projects
- Larger investment than previous periods but will continue to support future margins
- FY2020 Capital investment of $13.4m ($9.1m net of funding)
- Margins continuing to benefit from strategic capital investment
- Capital investment will reduce in FY2021, made up of mostly Sustaining Capex
- New projects may require capital investment, but will be supported through disciplined approach

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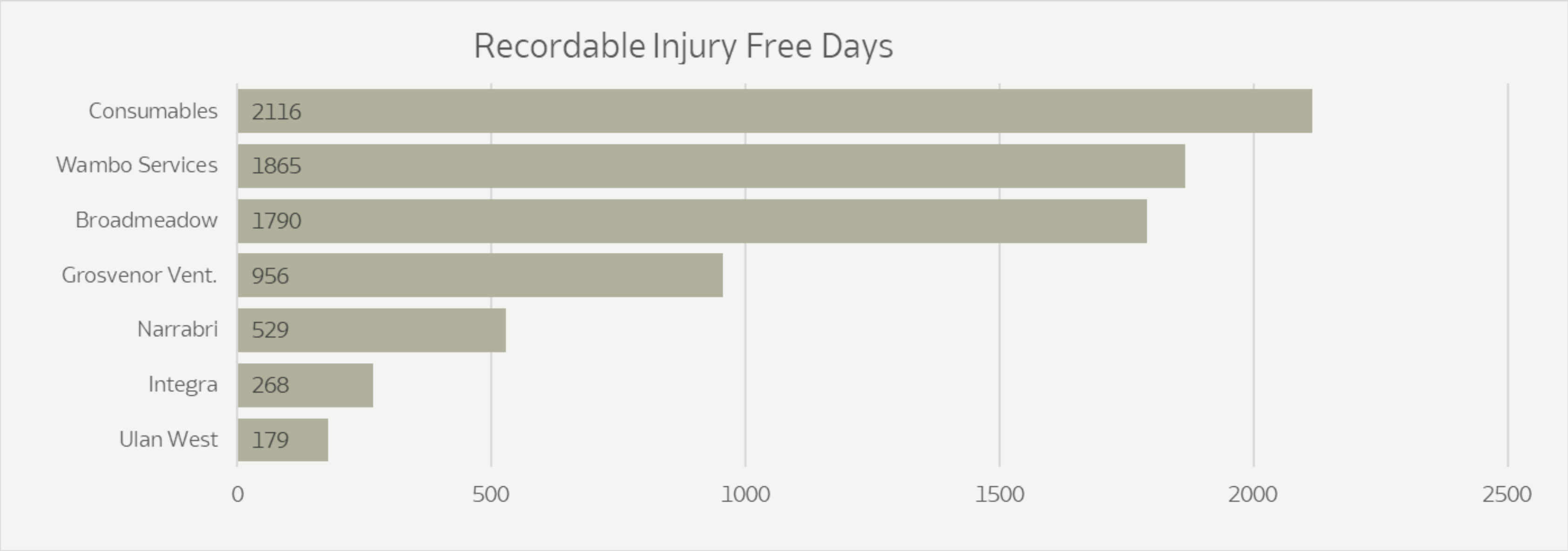
Safe Operations is still our primary focus

- Recent industry events reinforce focus on safety for mine workers
- The Queensland Parliament passed the Mineral and Energy Resources and Other Legislation Amendment Bill 2020
- Continued focus on risk management and reducing exposure to critical risks
- Leading safety indicators continue to guide our efforts
- "Brain Science" project is continuing to provide insights into improving safety message delivery and behaviours
- Continuing to see a number of sites working long periods injury free



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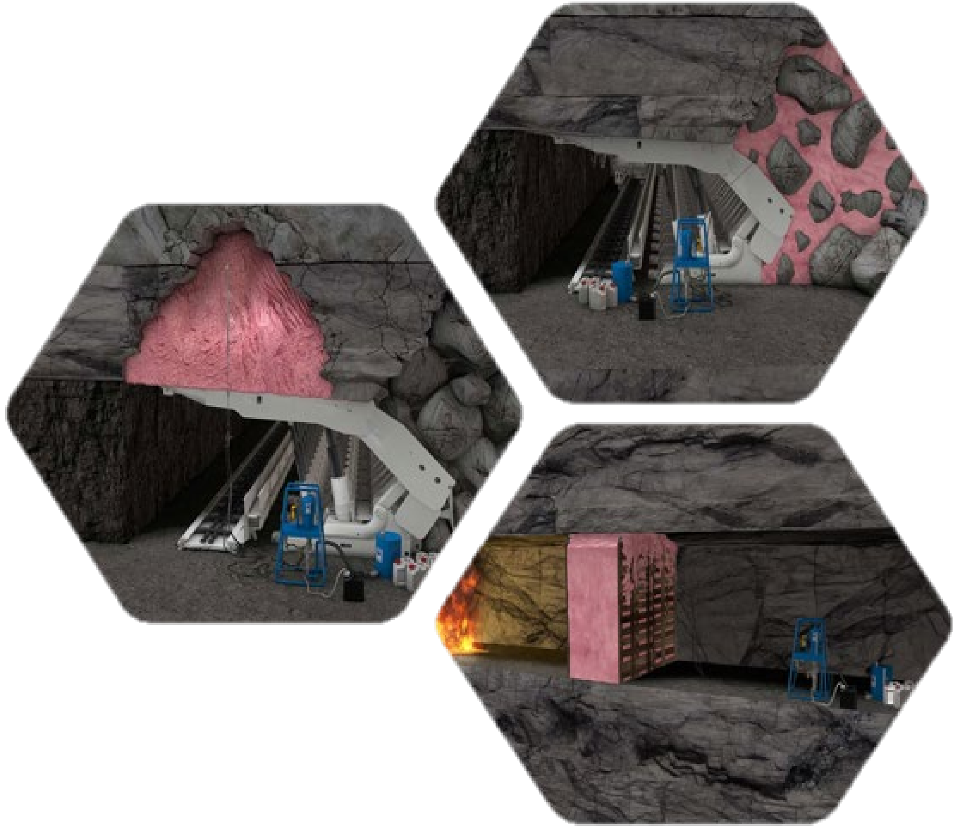
New projects were won and mobilised and successfully completed NSW projects

- Metallurgical Coal Projects now account for ~95% of total order book
- Additional Development Units were brought on at Aquila & Moranbah North Mine (MNM)
- Key contracts extended on MNM Umbrella, Integra, Broadmeadow and scope increases at Aquila
- All new projects were fully mobilised during FY2020 and contributing at full run rate in H2
- 30 June 2020 saw scheduled contract completions at Narrabri and Appin projects
- Maintained a focus on project execution to drive up margins
- Deployed additional mining equipment across the year

Appin

Wilson Mining successfully integrated and poised to deliver further growth

- Strategic acquisition complimenting the suite of services already offered
- Delivering revenue and margins in line with expectations
- Integration successfully completed to schedule and on budget
- Building customer base and expertise through leveraging Mastermyne relationships
- Strong synergies with the Mining Operations provides clients with a different operating model
- Providing the platform for diversification into other underground commodities



Business remains strongly cash positive with significant growth options

FY2021 order book
$208 million*

FY2022 order book
$173 million

Post FY2022 order book
$275 million

Tendering pipeline
$1.5 billion

- COVID restrictions and impacts globally likely to weigh on coal prices
- Metallurgical coal prices expected to bounce back sooner than Thermal coal prices
- Starting the year with a strong order book that we will build on over the year
- Business remains well positioned with flexibility to weather any further softening in coal prices
- Major projects scheduled for FY2020 are expected to come through this year
- First Whole of Mine project now well advanced with a suite of other near-term opportunities following
- Tendering pipeline over $1.5b, $0.7b in core business, $0.8b in Whole of Mine Projects

* plus purchase order and recurring work ~$30-40m pa

We are well positioned to continue our investment in growth and diversification

01

Maximise returns from core coal business

- Convert current tender pipeline opportunities
- Improve contract terms to support margin growth
- Continue to drive operating leverage
- Expansion of the training business

02

Expand underground service offering

- Leverage Wilson Mining acquisition through niche service offering
- Bolt on additional product and service offerings
- Build a skill set within the business to lead an entry into the metalliferous sector
- Reviewing acquisition opportunities that support the strategic growth plan

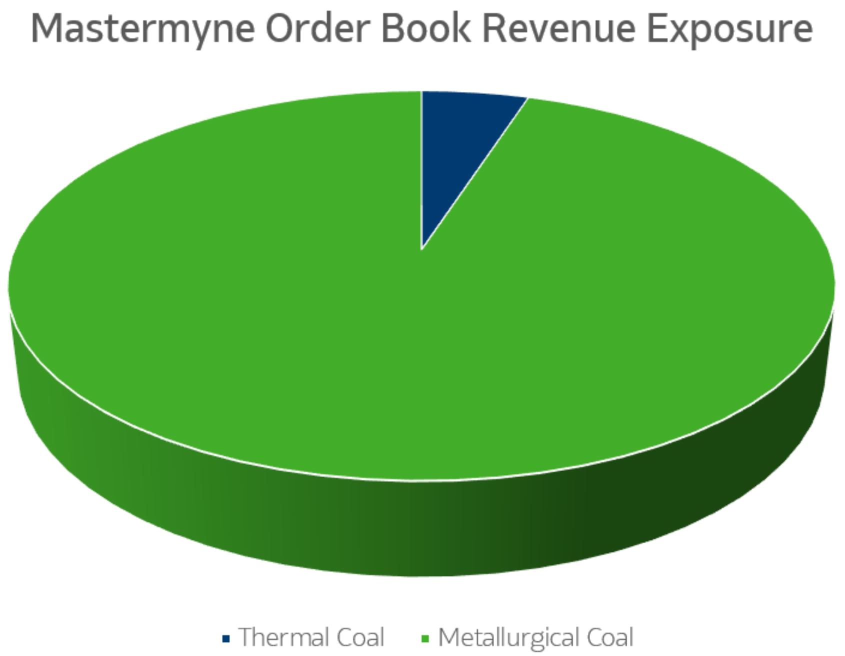
03

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

Market fundamentals remain strong despite some recent weakness in pricing

- Coal market remains very strong based on solid fundamentals
- The Aust. seaborne trade for Met Coal will remain robust as very few countries have suitable reserves of high quality domestic met coal.
- Long term fundamentals remain very strong for Met. Coal (~95%+ of Mastermyne revenue exposure)
- Rising Asian demand driving a forecast 490mt increase in Aust. Coal exports over the next 12 years
- Prices to remain robust as supply continues to be constrained
- 20 of Aust. 22 closest neighbours are developing nations and still have significant steel and power requirements.



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Moranbah North

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Appendices

Corporate Overview

Capital structure	
Share price as at 13 August 2020	$0.78
Shares on issue*	102.3m
Market capitalisation	$79.8m
Net Cash/(Debt) as at 30 June 2020	$21.4m
Enterprise value	$58.4m

Major shareholders	
Andrew Watts	11.54%
Kenneth Kamon	10.23%
Darren Hamblin	9.06%
Paradice Investment Management	4.63%
Grieg & Harrison Pty Ltd	4.57%

*excludes Wilson Mining shares to be issued

Figures in $AUD

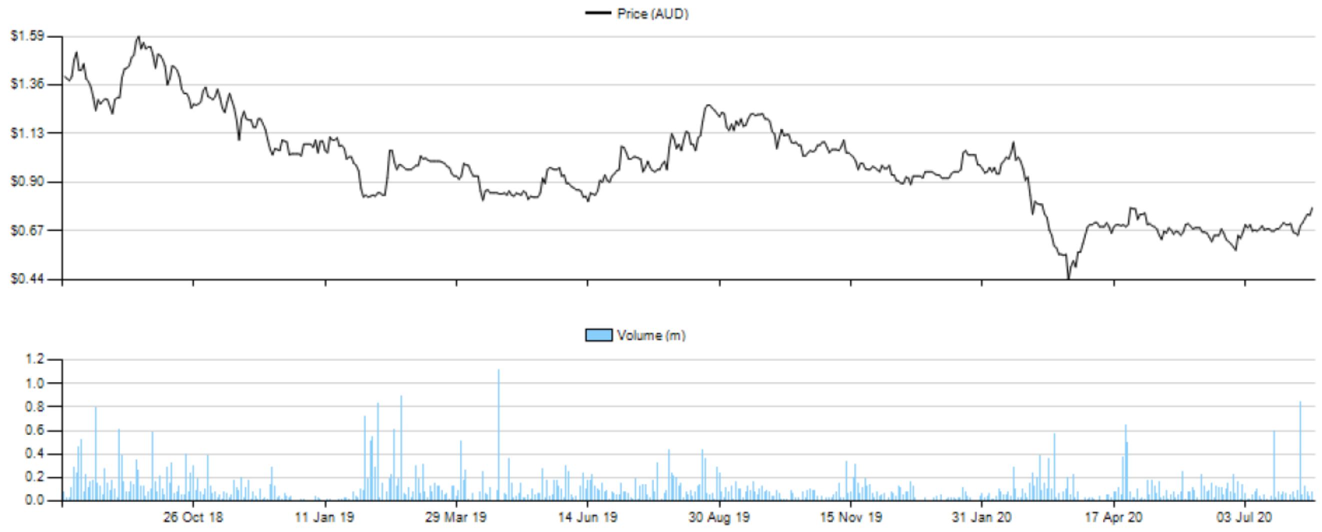
Shareholder composition

Retail Investors 53%

Institutional Investors 30%

Board & Management 17%

Two-year trading history



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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 Executive Officer for RDO Australia Group, an equipment dealership business operating 18 branches across eastern Australia 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.

FY20 Financial Performance

Period ended 30 June 2020	FY20	FY19*		Change
Total Revenue	$292.7m	$238.0m	▲	+23.0%
Reported EBITDA	$28.6m	$21.0m	▲	+36.2%
EBITDA %	9.8%	8.8%	▲	+1.0%
EBITDA (pre AASB16 impact)	$25.6m	$21.0m	▲	+22.0%
EBITDA % (pre AASB16 impact)	8.8%	8.8%		0.0%
Statutory profit/(loss) before tax	$16.8m	$12.1m	▲	+38.3%
Tax benefit/(expense)	($5.1m)	($3.6m)	▼	(42.2%)
Statutory profit/(loss) after tax (pre Mastertec gain on sale)	$11.7m	$8.5m	▲	+36.6%
Statutory profit/(loss) after tax	$11.7m	$10.6m	▲	+10.4%
Basic EPS (cents)(pre Mastertec gain on sale)	11.0c	8.3c	▲	+32.7%
Basic EPS (cents)	11.0c	10.2c	▲	+7.8%

*FY19 Includes discontinued operations
Figures in $AUD

FY20 Cash Flow

Period ended 30 June 2020 $AUD millions	FY20	FY19
EBITDA (Statutory)	**28.62**	**21.01**
Movements in working capital	8.15	3.37
Non-cash items	0.29	0.18
Net interest costs	(0.75)	(0.54)
Income tax receipts / (payments)	(5.47)	(1.76)
Net Operating Cash Flow	**30.83**	**22.26**
Net capex (including intangibles)	(8.92)	(8.05)
Net borrowings / (repayments)	(3.06)	(3.00)
Sale of Mastertec Proceeds		5.89
Wilson Mining Acquisition	(3.80)	-
Free Cash Flow	**15.05**	**17.10**
Distribution to minority ownership	-	(0.15)
Dividends	(6.11)	-
Net increase/(decrease) in cash and equivalents	8.94	16.94
Cash and cash equivalents at beginning of period	16.42	(0.52)
Cash and cash equivalents at end of period	**25.36**	**16.42**

Figures in $AUD

FY20 Balance Sheet

Assets

Period ended 30 June 2020 $AUD millions	FY20	FY19
Assets		
Cash and cash equivalents	25.36	16.42
Trade and other receivables	49.09	39.17
Inventories	6.26	3.22
Total current assets	**80.71**	**58.81**
Deferred tax assets	7.91	8.13
Property, plant and equipment	22.42	18.28
Right-of-use assets	14.46	-
Intangible assets	12.19	6.76
Total non-current assets	**56.98**	**33.16**
Total assets	**137.70**	**91.97**

Liabilities

Period ended 31 December 2019 $AUD millions	FY20	FY19
Liabilities		
Trade and other payables	34.14	16.82
Lease liabilities	4.92	-
Employee benefits	9.99	8.14
Current tax liability	1.59	2.42
Total current liabilities	**50.63**	**27.39**
Lease liabilities	9.12	-
Employee benefits	0.17	0.24
Other liabilities	3.86	-
Total non-current liabilities	**13.15**	**0.24**
Total liabilities	**63.78**	**27.63**
Net assets	**73.91**	**64.34**

Figures in $AUD

AASB 16 Lease Accounting Standard Impact

Profit &Loss		
Operating Expenses	▼	$3.0m
Depreciation	▲	$3.1m
Interest Expense	▲	$0.3m
EBIT Impact	▲	$0.1m
Balance Sheet		
Right of Use Assets	▲	$14.5m
Lease liability	▲	$14.0m
Cashflow		
Operating Cash Flow	▼	$2.7m
Financing Cash Flow	▲	$2.7m
Net Cash Flow		nil

The group has elected not to restate any prior year comparative information in relation to AASB 16 Leases

The Right of Use Asset ("ROU")has been initially recognised as equal to the related Lease Liabilities

EBIT Impact:

- Previously leased/hired premises, equipment and motor vehicle expenses included in Operating Expenses $3.0m
- Replaced by Depreciation on ROU assets $3.1m and Interest Expenses on Lease Liabilities of $0.3m
- The EBIT impact over the life of the assets is expected to be immaterial

The balance sheet values initiated in relation to AASB16:

- Right of Use Asset $14.5m
- Lease Liability $14.0m

Figures in $AUD

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