

ASX Announcement

3 May 2022



Revised – Investor Presentation to Macquarie Australia Conference

DDH1 Limited (**ASX: DDH**) (**DDH** or **the Company**) provides the attached revised Investor Presentation to the Macquarie Australia Conference. The revised presentation includes additional disclosures related to peer comparison revenues on slide 9.

This revised investor presentation replaces that released to ASX earlier today.

This ASX announcement has been authorised for release by Sy van Dyk, Managing Director and CEO of DDH1 Limited

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DDH1 Limited

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About DDH1 Limited

DDH1 Limited (ASX: DDH) is Australia's largest mineral drilling contractor providing high quality surface and underground drilling services to a diverse group of exploration and mining houses across a balanced spread of mineral commodities. Established in 2006, DDH1 is an industry leader in enabling its clients to secure quality mineral samples with exceptional spatial accuracy.

DDH1 employs around 1,600 people and operates a fleet of 176 highly specified mineral drilling rigs across its four brands, namely DDH1 Drilling, Ranger Drilling, Strike Drilling, and Swick Mining Services. Offering clients, the full suite of mineral drilling services including air core, reverse circulation, and both surface and underground core drilling.

DDH1's drill rig fleet is a strategically important asset within the Australian mining industry. Surface drilling is performed across Australia by DDH1 Drilling, Ranger Drilling, and Strike Drilling while Swick Mining Services has a global presence performing underground drilling services across Australia, North America, and Western Europe. DDH1 has a strong reputation for innovation in rig design and drilling practices that deliver improvements in productivity, safety, and value.

Central to DDH1's strategic approach is the pursuit of long-term relationships with clients, built on quality drilling services and a deep understanding of their business needs.

For more information, please visit www.ddh1.com.au



DDH1 LIMITED



MACQUARIE AUSTRALIA CONFERENCE



3 MAY 2022
DDH1.COM.AU

IMPORTANT NOTICE AND DISCLAIMER

This presentation and these materials (together the “**Presentation**”) have been prepared by DDH1 Limited ABN 48 636 677 088 (ASX Code: DDH) (“**DDH1**”) as a summary of DDH1’s operations and results for the purposes of a presentation to existing or potential investors in DDH1. By participating in this Presentation or reviewing or retaining these materials, you acknowledge and represent that you have read, understood, and accepted the terms of this Important Notice and Disclaimer.

This Presentation should be read in conjunction with DDH1’s Prospectus dated 10 February 2021, the HY22 half-year financial statements and FY21 annual financial statements of DDH1 Limited and FY20 annual financial statements of DDH1 Holdings Pty Ltd, and other periodic and continuous disclosure announcements that have been lodged by DDH1 with the ASX.

This Presentation is not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any security in the United States or any other jurisdiction.

Financial Data: All dollar values are in Australian Dollars unless stated otherwise.

Non-IFRS Information: DDH1’s financial reporting complies with Australian Accounting Standards and International Financial Reporting Standards (“IFRS”). This Presentation includes material that contains non-IFRS measures that are not subject to audit. The non-IFRS information has not been audited. DDH1 believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of DDH1. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this presentation. Such non-IFRS financial information is unaudited.

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Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that those predictions, forecasts and other forward-looking statements will not be achieved. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

This Presentation contains statements that are subject to risk factors associated with DDH1’s industry as well as unknown risks and uncertainties (both general and specific), many of which are outside the control of DDH1. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables, some of which are outside DDH1’s control, which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. Given this, recipients are strongly cautioned not to place undue reliance on any Projections and forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

Disclaimer: Other than as required by law, neither DDH1 nor any other person (including any director, officer or employee of any member of the Group) gives any representation, warranty or assurance (express or implied) in relation to the accuracy or completeness of any forward-looking statement or that the occurrence of any event, results, performance or achievement will actually occur. Except as required by applicable laws or regulations, DDH1 expressly disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.



The DDH1 Group is a well-established international drilling company providing a complete range of specialised surface and underground drilling solutions to mining and exploration clients.

We aspire to be the world's leading driller through innovation and a continued focus on high quality reliable services.

AGENDA

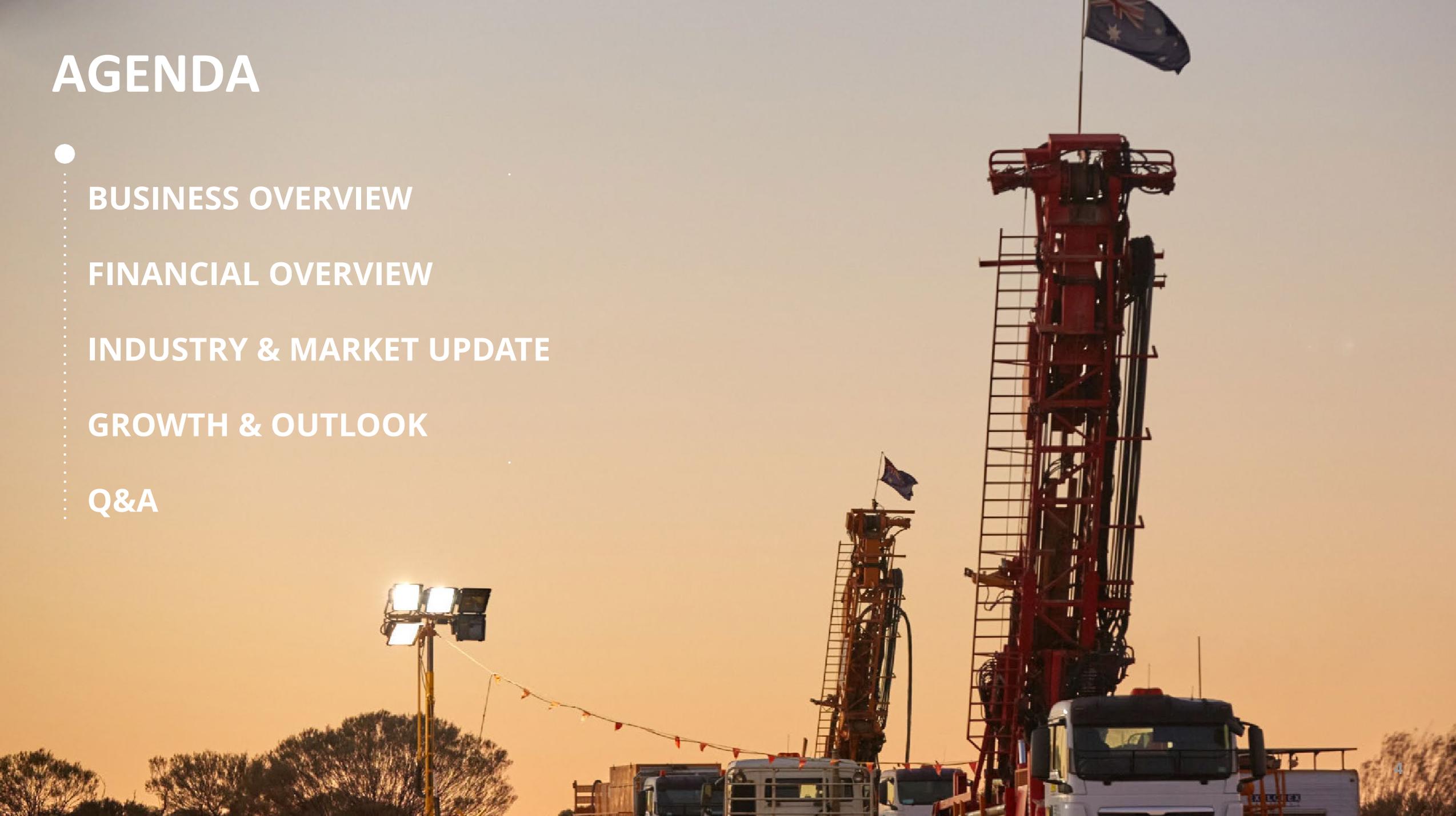
BUSINESS OVERVIEW

FINANCIAL OVERVIEW

INDUSTRY & MARKET UPDATE

GROWTH & OUTLOOK

Q&A



BUSINESS OVERVIEW



OUR COMPANY

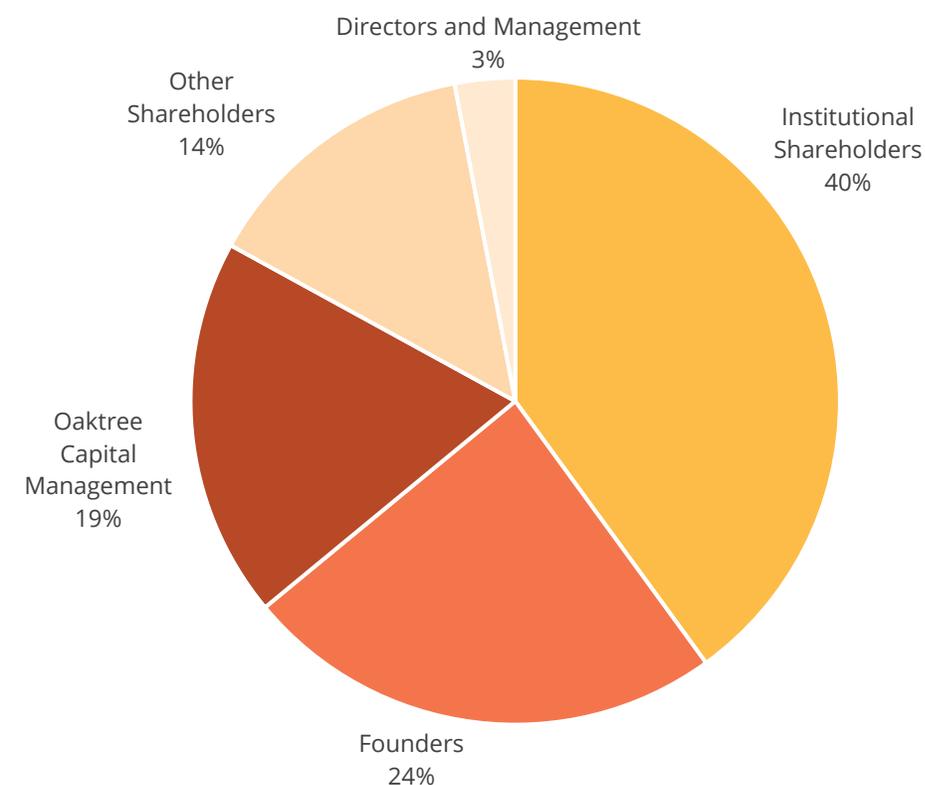
CAPITAL STRUCTURE

| | |
|--------------------------|------------------|
| ASX Code | DDH |
| Listing Date | 9 March 2021 |
| Share Price ¹ | \$1.025 |
| Shares on Issue | 426,759,176 |
| Market Capitalisation | A\$437.4 million |

EXPERIENCED BOARD & LEADERSHIP TEAM

| | |
|-----------------------|------------------------------------|
| Diane Smith-Gander AO | Independent Non-Executive Chair |
| Alan Broome AM | Independent Non-Executive Director |
| Andrea Sutton | Independent Non-Executive Director |
| Byron Beath | Non-Executive Director |
| Murray Pollock | Non-Executive Director |
| Sy Van Dyk | Managing Director & CEO |
| Ben MacKinnon | CFO & Joint Company Secretary |
| Darryl Edwards | Joint Company Secretary |

SHAREHOLDERS²



Notes: ¹ ASX close 28 April 2022 ² Holdings as at 4 March 2022

OUR LEADING GLOBAL DRILLING BUSINESS



A proven track record of performance and service delivery across our portfolio

A full suite of specialised drilling services

Global scale with established operations in Australia, America and Europe

179* rigs, one of the top five largest drill fleets globally



- Established in 2006
- Diamond core
- All stages of mine cycle
- Multi-commodity
- 71 surface and underground rigs
- Australia wide operations



- Established in 2013
- Air core and reverse circulation
- Exploration
- Multi-commodity
- 14 rigs including 7 dual purpose
- Australia wide operations

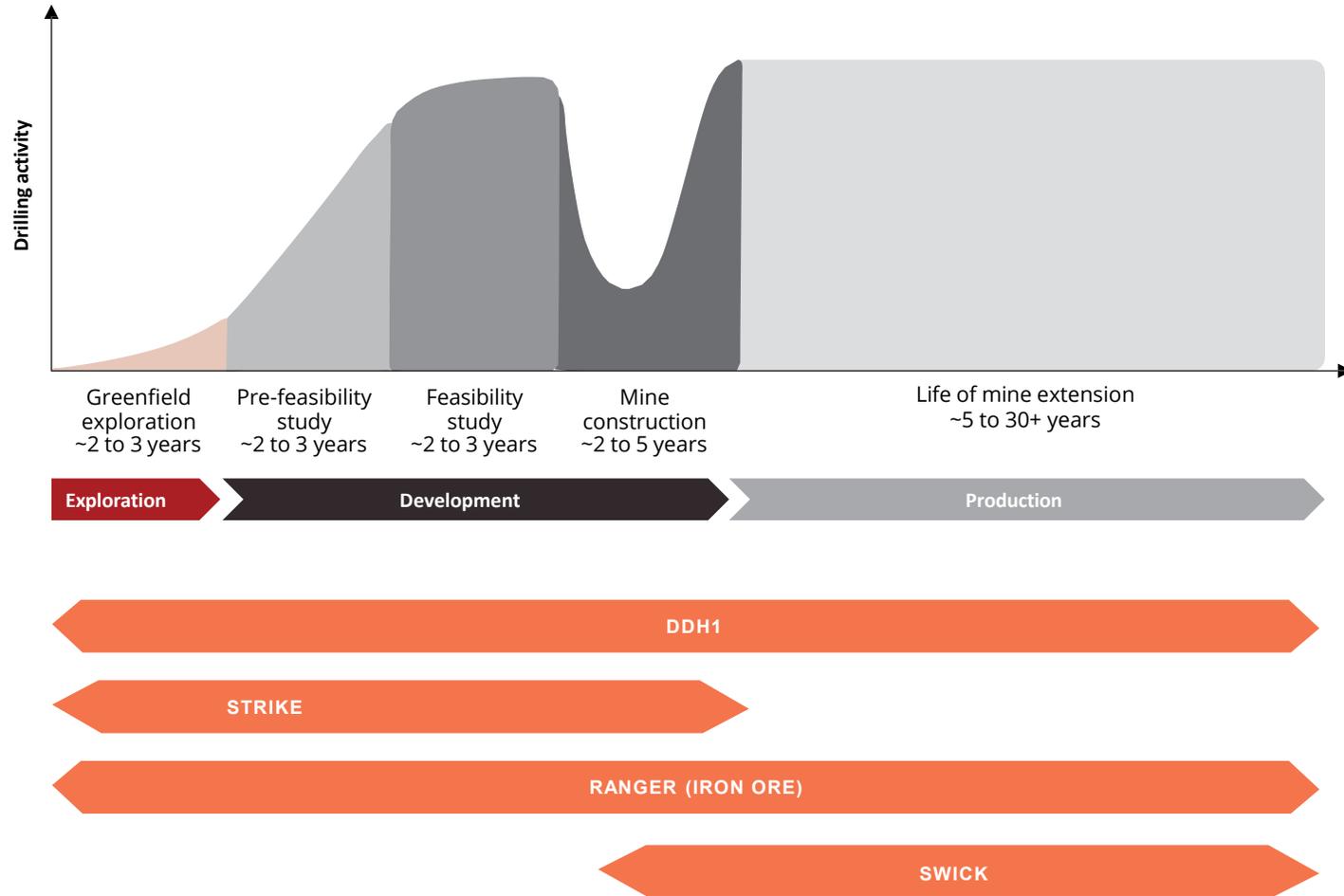


- Established in 2005
- Reverse circulation
- All stages of mine cycle
- Iron ore
- 22 rigs
- Western Australian based operations



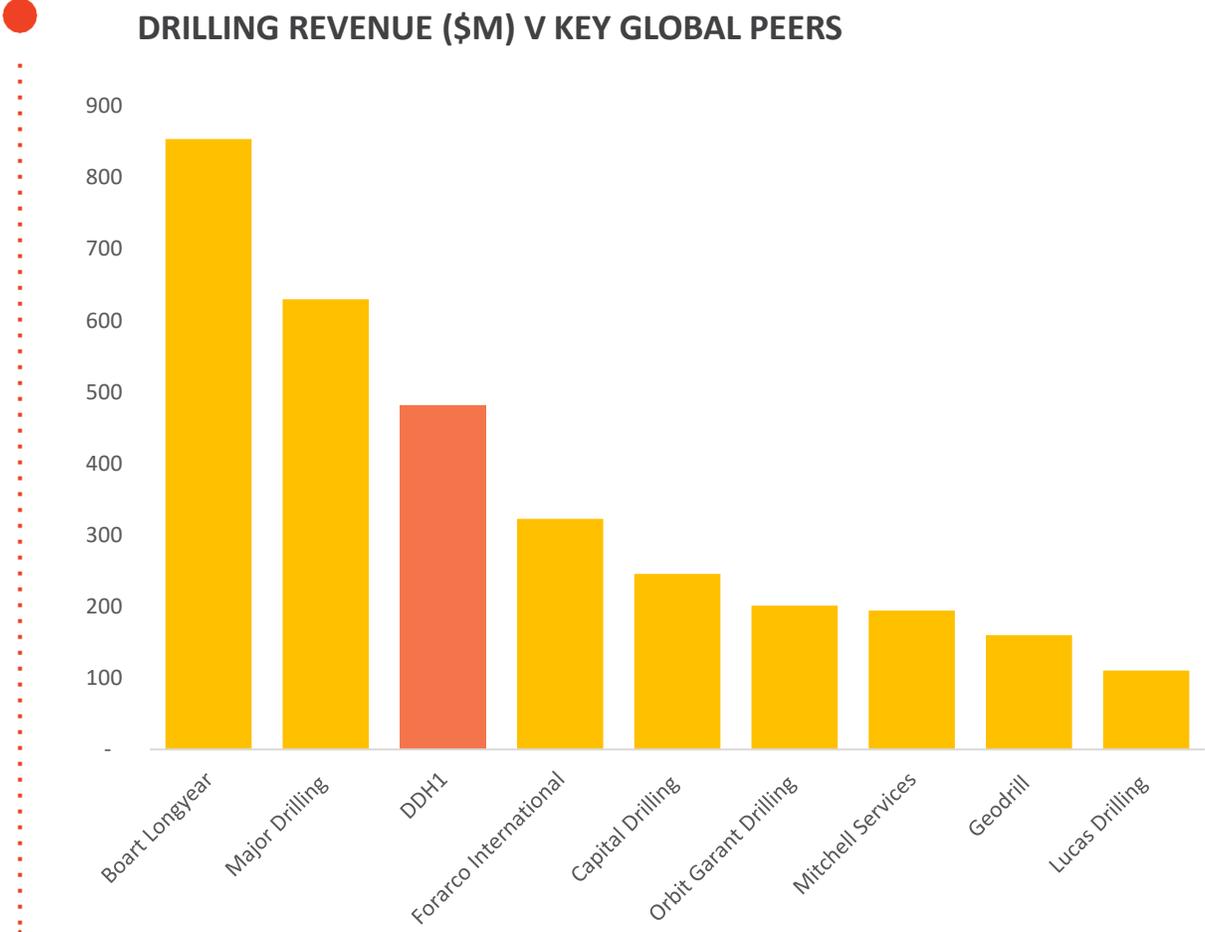
- Established in 1997
- Underground diamond core
- Development and production
- Multi-commodity
- 72 rigs
- Australia, Spain, North America, Portugal

OUR SERVICES ACROSS THE MINING VALUE CHAIN



- Focusing on mine development and production phases, less cyclical
- Selective exposure to highly prospective earlier stage greenfields exploration drilling
- Extending services to existing customers, who often have multiple mine sites – surface and underground
- Leveraging existing experience and understanding of site geology to provide drilling efficiencies to mine operators

OUR GLOBAL SCALE



DDH1 Limited data includes Swick Mining Services for the 12 months ended 31 December 2021. For further information on source data, refer to appendix.



OUR STRENGTHS



WELL-ESTABLISHED OPERATIONS

~80% REPEAT BUSINESS
LONG-TERM PRODUCTION CONTRACTS
15+ YEARS EXPERIENCE

EXTENSIVE DRILLING CAPABILITY

FULL SUITE OF SERVICES ACROSS MINING VALUE CHAIN
DEEP AND DIRECTIONAL DRILLING SPECIALISTS
COMMODITY AGNOSTIC

MODERN DRILL FLEET

BEST-IN-CLASS TECHNOLOGY
YOUNG FLEET COMPARED TO ECONOMIC LIFE OF 20+ YEARS

STRONG SAFETY PERFORMANCE

IMPROVING TRIFR*
INVESTMENT IN AUTOMATION AND RIGS OF THE FUTURE

EXPERIENCED LEADERSHIP TEAM

BEST-IN-CLASS WORKFORCE
QUALITY-FOCUSED CULTURE

STRONG FINANCIAL POSITION

QUALITY RECURRING REVENUE – 87% FROM PRODUCTION-BASED ACTIVITIES
PROVEN TRACK RECORD OF GROWTH
LOW DEBT WITH ABILITY TO DRIVE GROWTH STRATEGY

* At 1H FY22

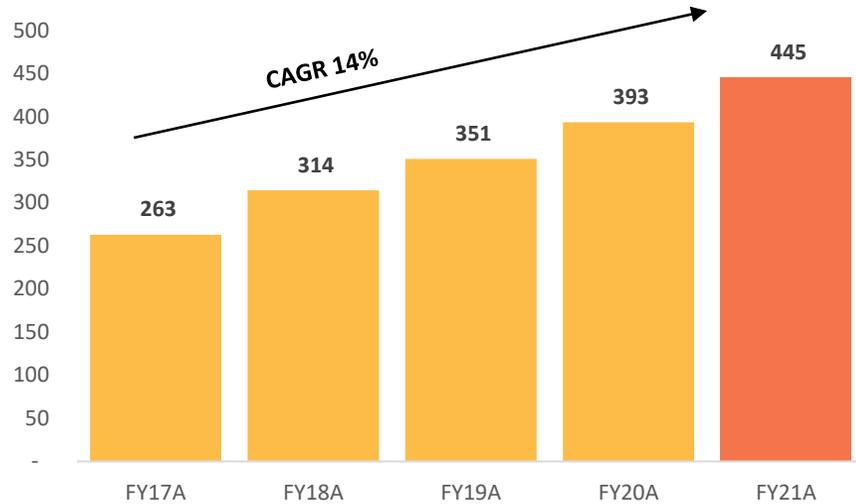
Financial Overview



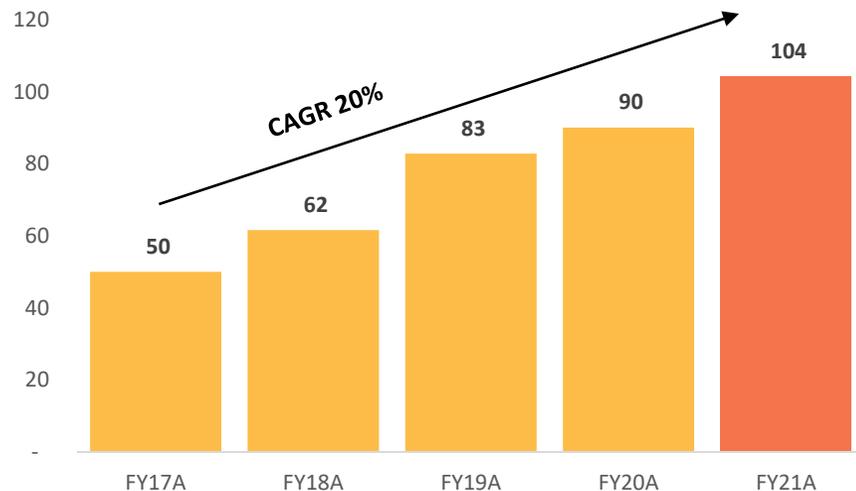
LEADING FINANCIAL PERFORMANCE



PROFORMA¹ REVENUE



PROFORMA¹ EBITDA

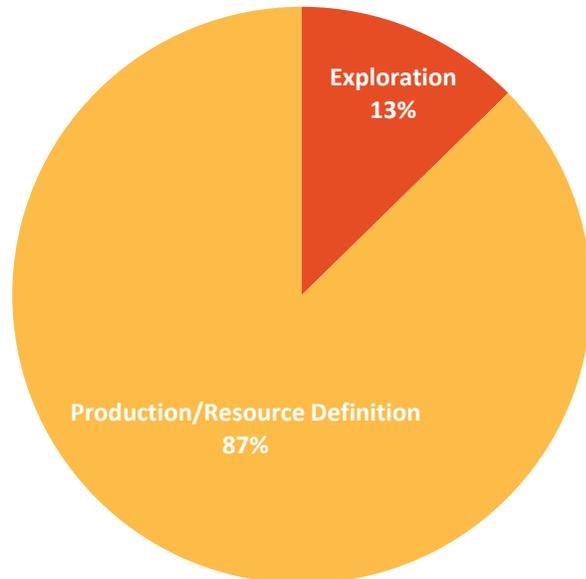


- Track record of growing revenue and EBITDA organically
- Ability to grow and maintain margins
- Market leading proforma ROIC of 31% for the LTM ended 31 December 2021
- Strong balance sheet with a forecast net debt of approx. 0.1x EBITDA at 30 June 2022
- Strong cash generation (circa 90% of operating EBITDA)
- Dividend Policy of 30% – 50% of Operating NPATA. \$17.6m in dividends paid since listing in March 2021

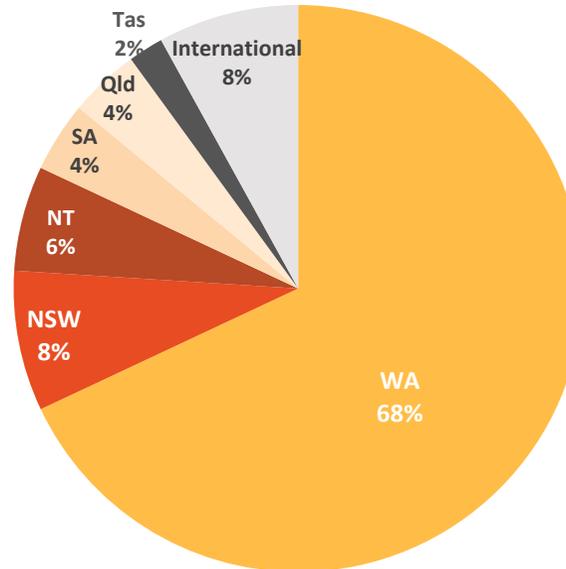
1. Proforma data assume DDH1 Drilling, Strike Drilling, Ranger Drilling and Swick Mining Services were a combined group for all the financial periods

DIVERSIFIED REVENUE

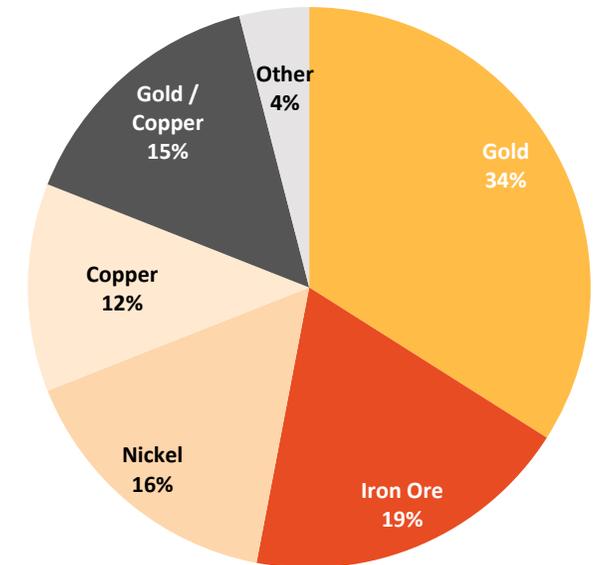
STRONG MINE PRODUCTION AND DEVELOPMENT EXPOSURE, WHICH IS LESS CYCLICAL



BROAD GEOGRAPHICAL EXPOSURE



**EXPOSURE TO A RANGE OF HARD ROCK COMMODITIES
NO EXPOSURE TO COAL**



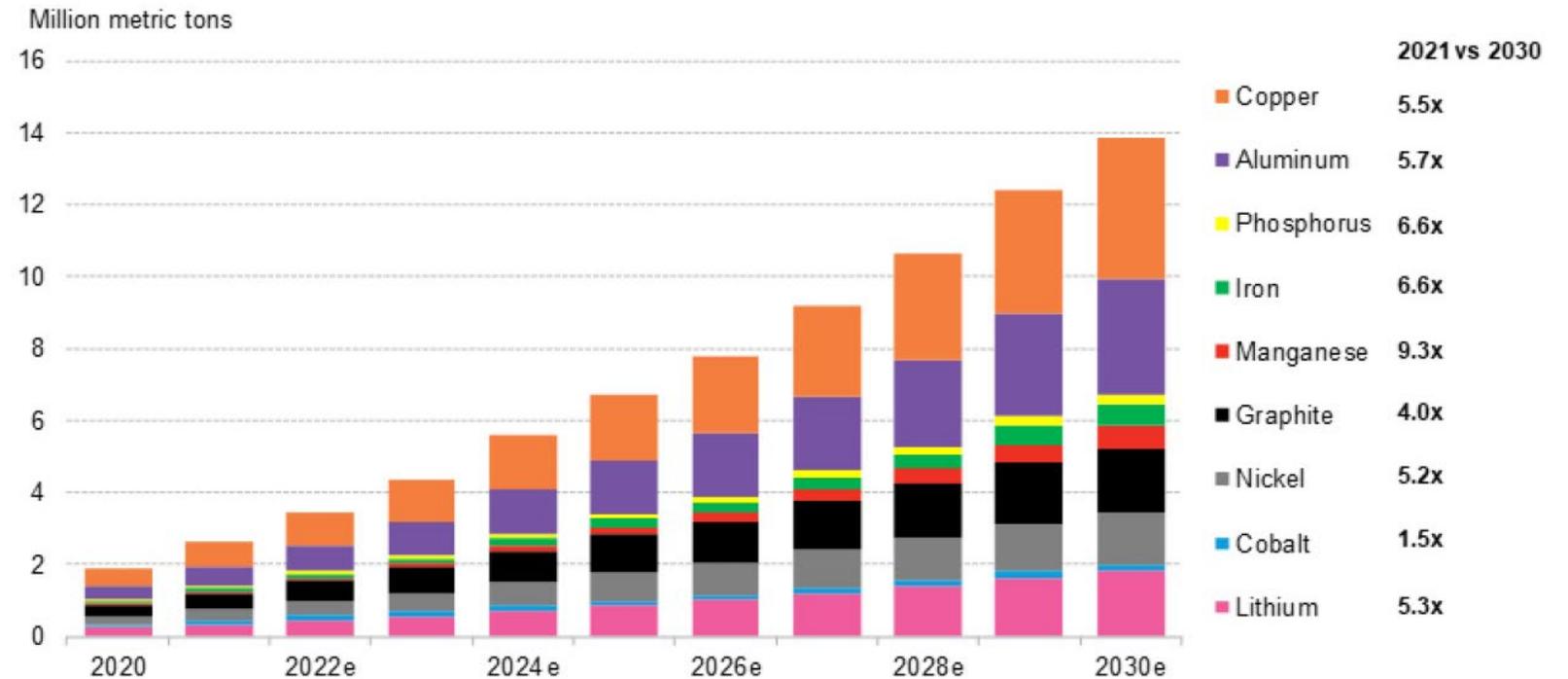
Industry & Market Update



STRONG MACRO ENVIRONMENT

- Strong commodity prices particularly gold, iron ore, copper, nickel and lithium
- Supportive capital markets with near record funds raised in CY21 by exploration and resource companies
- A sustained production cycle needs strong exploration spend to ensure mining reserves are not diminished
- Sustained growth in exploration and production drilling to be driven by the energy transition, which requires commodities that DDH1 drill for and are found in abundance in Australia

METALS DEMAND FROM LITHIUM-ION BATTERIES

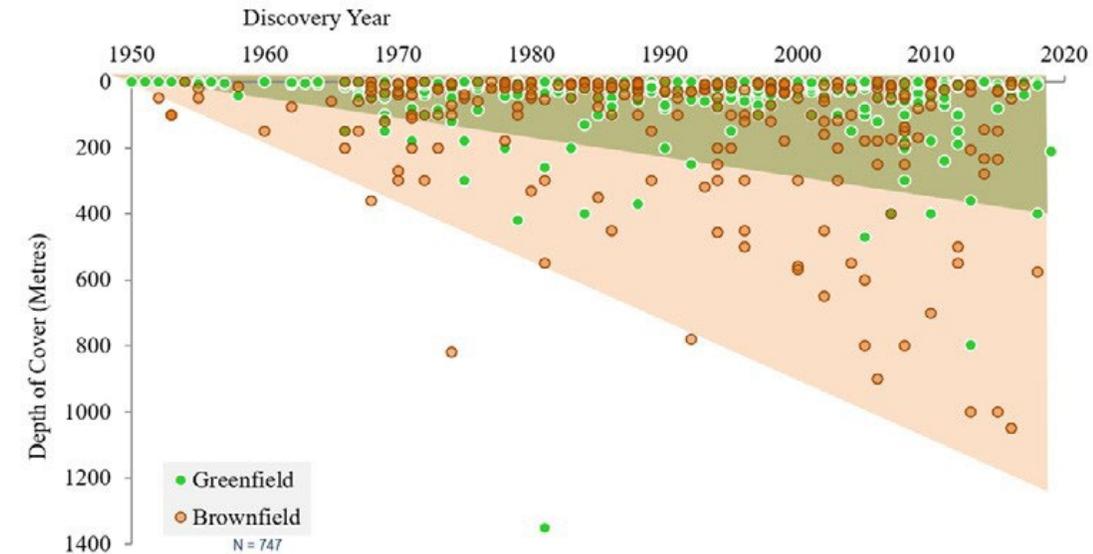


Source: BloombergNEF. Note: Metals demand occurs at mine, one-year before battery demand. All metals expressed in metric tons of contained metal, except lithium, which is in lithium carbonate equivalent

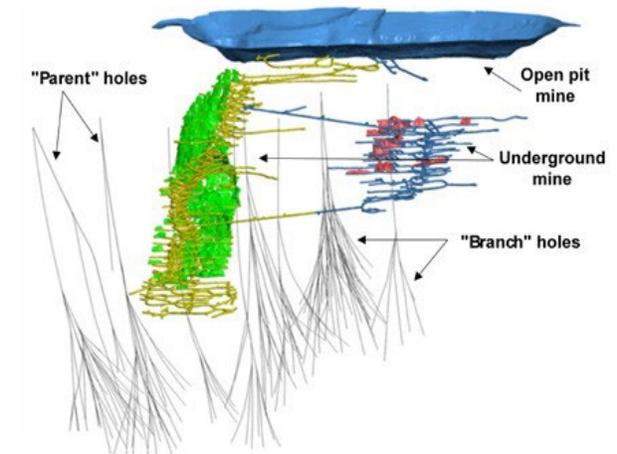
Canadian Mining Journal, June 2021

INCREASED DEMAND FOR SPECIALISED DRILLING TECHNIQUES

- Mining industry transitioning from shallower to deeper deposits:
 - More complex geology requiring more detailed information for mine planning
 - Increased drilling requirements to locate mineral deposits
- Development of mining technologies improving capability to mine at greater depths
- DDH1 drill fleet capability and technical expertise can deliver deeper, more complex drill programs
- Directional drilling capability contributes to:
 - Increased accuracy of geological information for development and planning
 - Time and financial savings attributed to drilling multiple branch holes from one main hole



Source: MinEx Consulting.

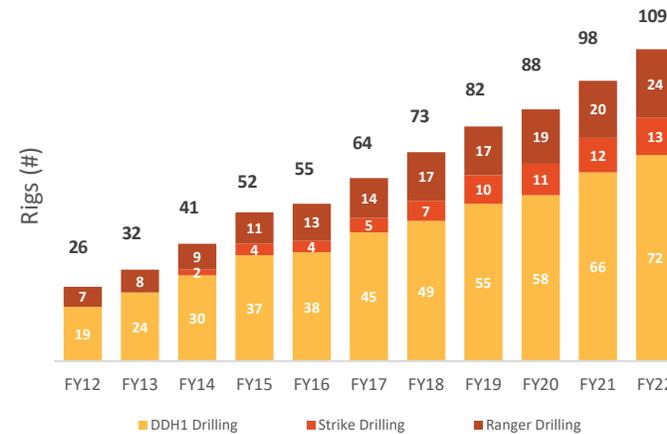


WELL POSITIONED TO INCREASE RIG UTILISATION

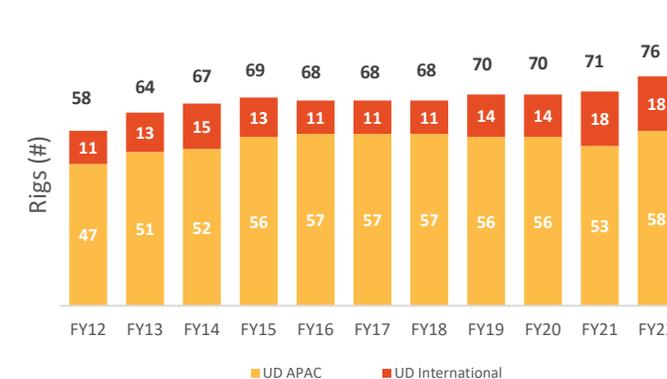


- DDH1 and Swick combined fleet of 179 rigs* is the largest in the Australian market and fifth largest in the world.
- Target of 185 rigs by 30 June 2022, however with current supply delays 4 rigs may be commissioned in July
- Australian drilling industry total rig fleet declined since peak in 2012
- High market utilisation reflects increased demand for drilling services
- Organic fleet growth positions DDH1 to leverage industry fleet shortfall, meet increased demand and maintain high rig utilisation
- Combined fleet has grown at a CAGR of 8% for the last 10 years

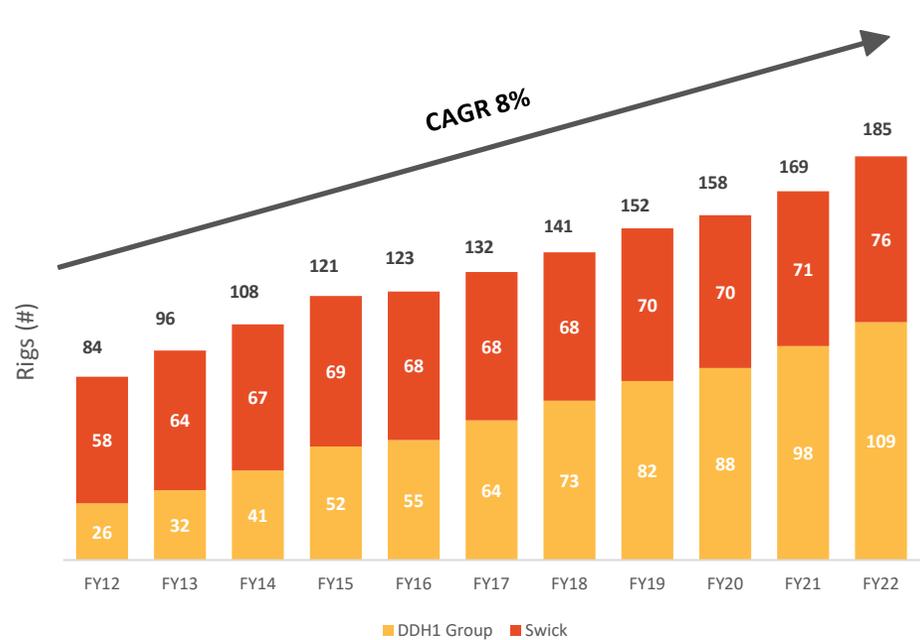
DDH1 GROUP



SWICK

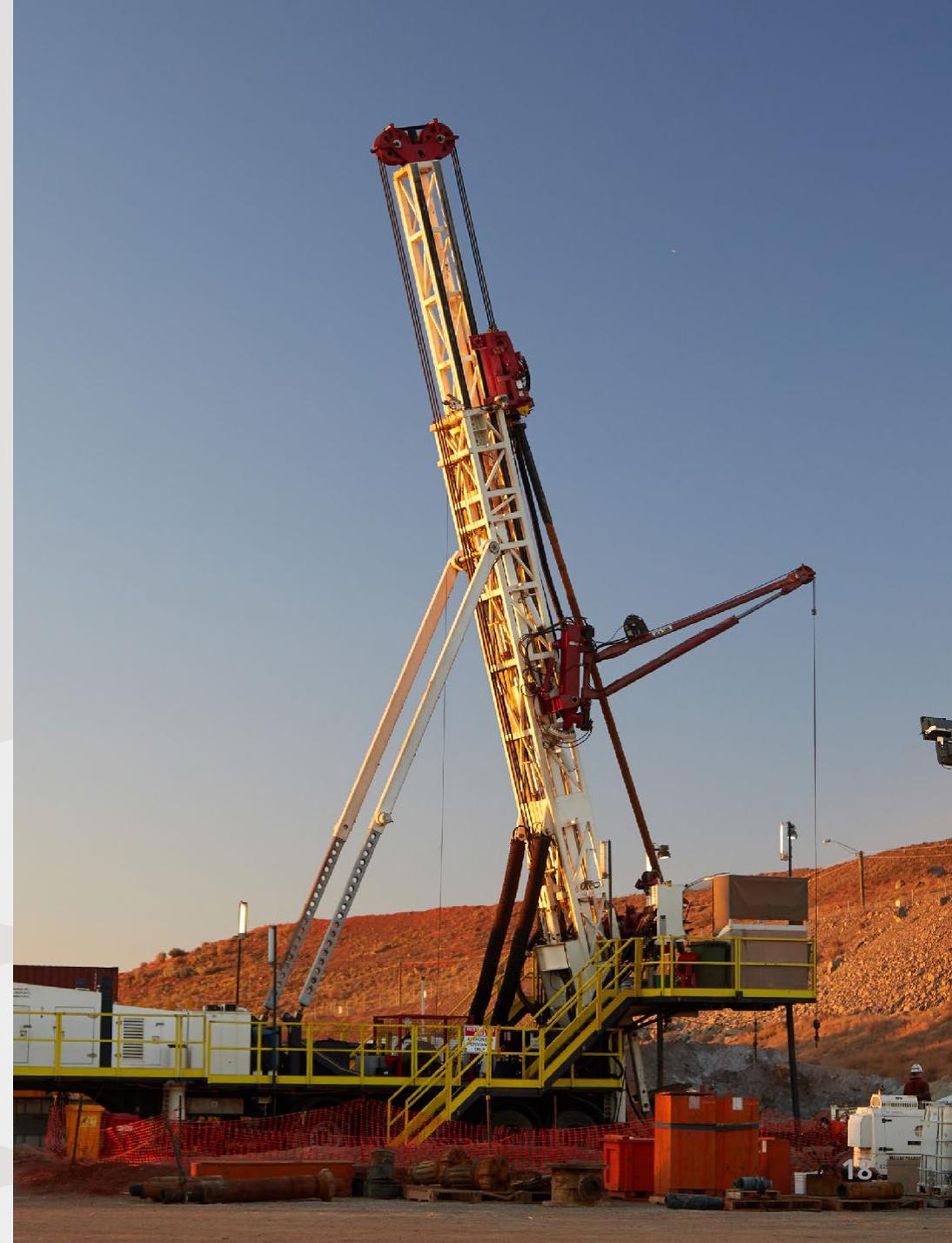


DDH1 GROUP + SWICK



* At 31 March 2022

Growth & Outlook



STRATEGIC GROWTH FOCUS



**EXPAND LONG-TERM
EXCLUSIVE
FULL-SERVICE DRILLING
RELATIONSHIPS**

**ACQUIRE HIGH QUALITY
AND COMPLEMENTARY
DRILLING BUSINESSES
THAT BRING
ADDITIONAL DIVERSITY**

**LEVERAGE SWICK'S
INTERNATIONAL
PRESENCE AS A SOLID
FOUNDATION FOR
INTERNATIONAL
EXPANSION**

**PURSUE ORGANIC
GROWTH VIA FLEET
EXPANSION, RATE
INCREASES AND HIGHER
UTILISATION**

**TAKE ADVANTAGE OF
INCREASING DEMAND
SUPPORTED BY THE
CLEAN ENERGY
TRANSITION**

ON TRACK - 3Q FY22 UPDATE



| \$M (unless indicated) | PROFORMA ¹ | | | | | |
|----------------------------|-----------------------|--------|--------|--------|----------|-------|
| | FY22 | | FY21 | | VARIANCE | |
| | Q3 | YTD | Q3 | YTD | Q3 | YTD |
| Revenue | 117 | 364 | 107 | 317 | 9.4% | 14.9% |
| Number of Shifts | 21,849 | 66,657 | 20,725 | 60,083 | 5.4% | 10.9% |
| Revenue/shift (\$'000) | 5.35 | 5.46 | 5.16 | 5.28 | 3.8% | 3.6% |
| Operating EBITDA | 23.2 | 79.6 | 22.1 | 69.5 | 5.1% | 14.6% |
| Operating EBITDA (%) | 19.8% | 21.9% | 20.6% | 21.9% | -0.8% | 0.0% |
| Average fleet size | 179 | 173 | 167 | 165 | 6.9% | 5.1% |
| Annualised revenue per rig | 2.62 | 2.80 | 2.56 | 2.56 | 2.3% | 9.3% |
| Utilisation (%) | 74% | 76% | 76% | 73% | -1.2% | 3.4% |

- Revenue growth for Q3 and YTD compared to prior year, being driven by increases in revenue per shift and fleet size, underpinned by robust demand for drilling services from mining producers and explorers.
- Revenue growth was in spite of the delay in the WA border opening until early March, excessive wet weather and staff contracting COVID, which resulted in significant number of drilling shifts which could not be operated during the quarter, due to staff unavailability
- Whilst the Company is experiencing inflationary pressure on its cost base, particularly labour, it has been steadily working with its customers to increase our drilling charge out rates. Pleasingly during FY22 Q3 the Company's revenue per shift increased 3.8%.

¹The results are provided on a Pro-Forma and un-audited management accounts basis, which means the Company has included the trading results for Swick Mining Services drilling division for all the current reporting periods as well as comparative periods.

WELL POSITIONED TO DELIVER SUSTAINABLE RETURNS

- Strong core business with a consistent track record of leading service delivery
- Skilled workforce and class modern fleet
- Quality recurring revenue and a strong balance sheet
- Pursuing further organic and acquisitive growth
- Dividend Policy of 30% – 50% of Operating NPATA
- Strong industry fundamentals
- YTD FY22 revenue up 14.9% on PCP and a positive outlook for FY22
- Well-positioned to deliver long-term returns to shareholders



Appendix



| Global peer information | | | | |
|----------------------------------------|----------|-----------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Peer name | Exchange | Drilling revenue AUD (\$m) ¹ | 12 months ended | Source |
| Boart Longyear Group Limited | ASX | 854 | 31 Dec 2021 | 2021 Annual report signed 25 February 2022 available on company website |
| Major Drilling Group International Inc | TSX | 630 | 31 Jan 2022 | Q3 Quarterly statement dated 3 March 2022 available on company website |
| Foraco International S.A | TSX | 323 | 31 Dec 2021 | Segment information Q4 2021 Financial statements available on company website |
| Capital Limited | LSE | 246 | 31 Dec 2021 | Revenue note 2021 Annual report dated 9 March 2021 available on company website |
| Orbit Garant Drilling Inc | TSX | 201 | 31 Dec 2021 | Q2 Quarterly report dated 9 February 2022 available on company website Q1 Quarterly report dated 11 November 2021 available on company website Q3 Quarterly report dated 12 May 2021 available on company website 2021 Annual report dated 28 September available on company website |
| Mitchell Services Limited | ASX | 194 | 31 Dec 2021 | Directors report contained within 2021 half year report dated 24 February available on company website |
| Geodrill Limited | TSX | 160 | 31 Dec 2021 | 2021 Annual report dated 4 March 2022 available on company website |
| AJ Lucas Group Limited | ASX | 110 | 31 Dec 2021 | 2021 Half year report dated 25 February 2022 available on company website 2021 Annual report dated 27 August available on company website |

¹ Where presented in USD, an average rate of \$0.72 was used to convert to AUD for comparative purposes. Where presented in CAD, an average rate of \$1.07 was used to convert to AUD for comparative purposes.

THANK YOU

An aerial photograph of a mining or drilling site during sunset. The sun is low on the horizon, creating a bright orange and yellow glow that illuminates the scene. In the foreground, there is a large piece of drilling equipment, a white truck, and a yellow vehicle. A dirt road winds through the site. In the background, there are hills and a cloudy sky. The overall atmosphere is one of a busy industrial site at the end of the day.

INVESTOR CONTACTS

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