

# MACA Limited

## Full Year Results Presentation

August 2022





# **Our business at a glance**



**MACA is a full service contractor specialising in delivering high quality teams to a diverse range of critical projects in both the Resource and Government sectors**

**3,700+ WORKFORCE (EMPLOYEES & CONTRACTORS)**

**OVER 30 MINING, CIVIL AND INFRASTRUCTURE SITES ACROSS AUSTRALIA**

**\$2.8bn WORK IN HAND AT JULY 2022**





## FY22 FULL YEAR RESULTS

# FULL YEAR UPDATE

- Revenue of \$1.65bn for the year, representing a 41% increase on FY21 (first full year of contribution from the Mining West acquisition in FY21, which accounts for 24% of the revenue growth)
- Earnings increased across EBITDA, EBIT and NPAT
- Strong earnings per share of 12.5 cents (FY21: 4.7 cents)
- Operating cash flow of \$132m in FY22 with cash at Jun22 of \$91.6m
- Net debt reduction from \$208m at Dec21 to \$194m at Jun22
- Strategic contract wins during FY22:
  - Mining: Roy Hill (Iron Ore)
  - Civil: Roy Hill, Sino Iron, MainRoads WA and MRPV (Victoria)
  - MACA Interquip: Norton Gold Fields
- MACA has maintained its strong tenure and work in hand position of \$2.8 billion at July 2022 across key growth sectors of gold, iron ore, battery minerals and government works
- MACA continues to maintain a strong pipeline of opportunities, the majority of which are for existing clients
- In light of the Thiess takeover offer the Board of Directors has deferred any decision around declaration of final dividend for the 2022 financial year
- FY23 revenue guidance provided of ~\$1.45bn to \$1.5bn, of which ~\$1.3bn is secured at the date of this presentation





## FY22 FULL YEAR RESULTS

# FINANCIAL HIGHLIGHTS

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# \$1.65bn

FY22 Revenue

▲41% on FY21

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# \$60.6m

EBIT (reported)

▲70% on FY21

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# \$132.5m

Operating cash flow

(70% cash conversion)

Cash of \$92m, net debt \$194m

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# \$189.2m

EBITDA (reported)

▲39% on FY21

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# \$35.8m

NPAT (reported)

▲121% on FY21

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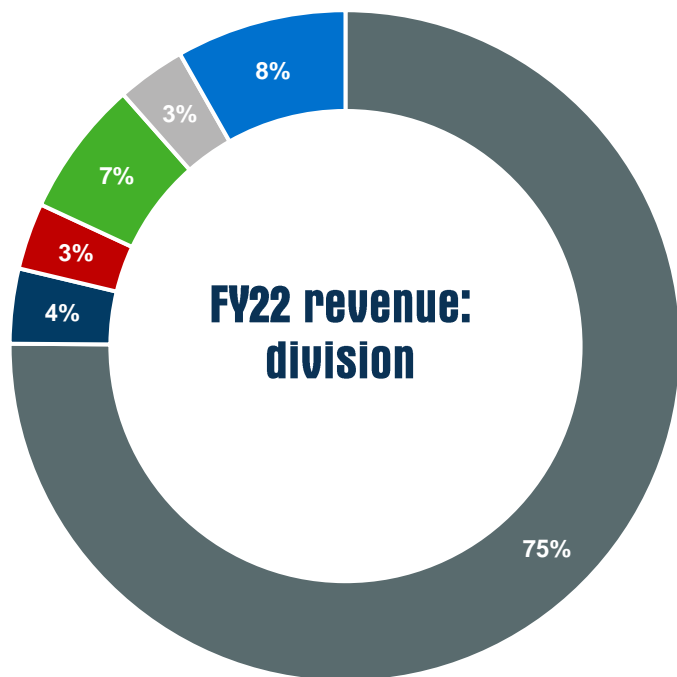
# 12.5cps

Earnings Per Share

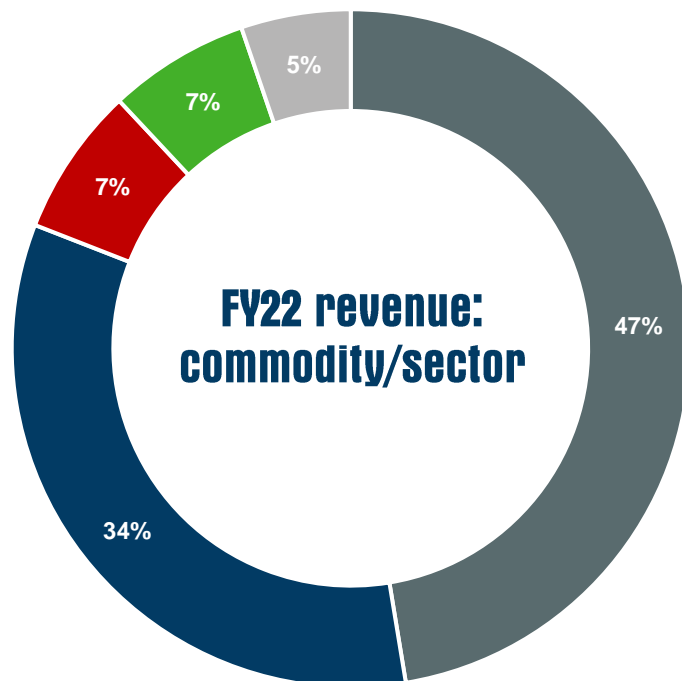


# FY22 FULL YEAR RESULTS

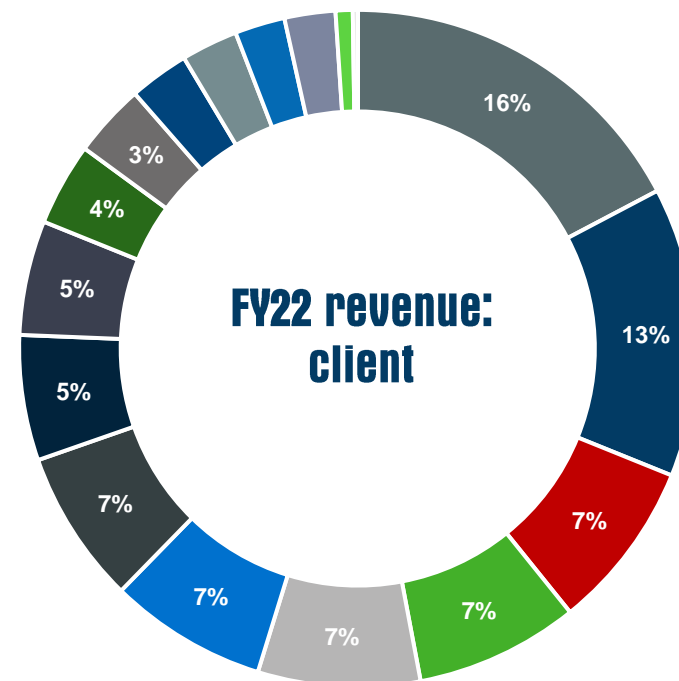
## REVENUE DIVERSITY



- Mining Australia
- Mining International
- Civil & Infra (VIC)
- Crushing
- Civil & Infra (WA)
- MACA Interquip



- Gold
- Nickel
- Lithium
- Iron Ore
- Government



## FY22 FULL YEAR RESULTS

# PEOPLE

- MACA's workforce increased through the year to 3,701 people (June 2021: 3,279 )
- Given the headwinds created by the pandemic, this increase is a testament to MACA's exceptional human resources, recruitment, training and site management teams
- Our site teams have endured COVID-19 impacts and worked closely with our clients to ensure critical industries remain productive and resilient
- MACA's diversity and inclusiveness has thrived during the global pandemic. We trust our leadership and staff to act in accordance with MACA's longstanding values and policies

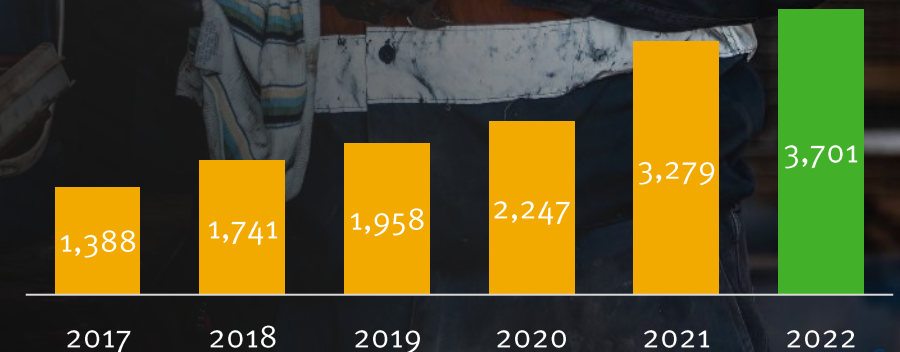
### Our Values

- People First
- Exceed Expectations
- Continuous Improvement
- Accountability
- Community

### Our Promise

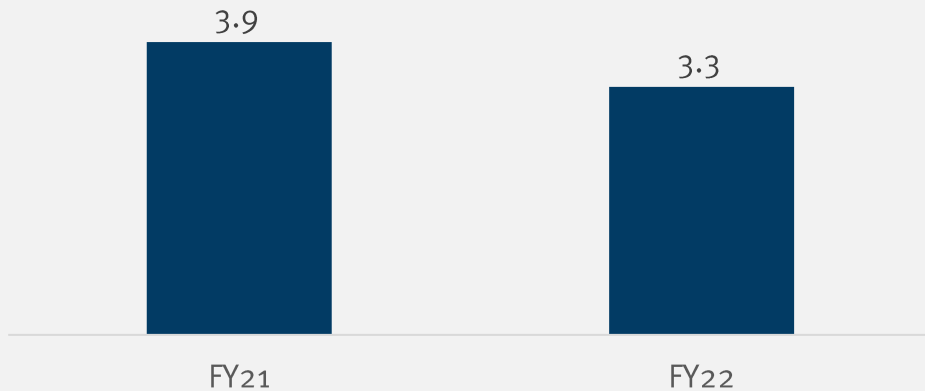
- We Care
- We are Flexible
- We Deliver

Group workforce numbers June 2022 (including contractors)

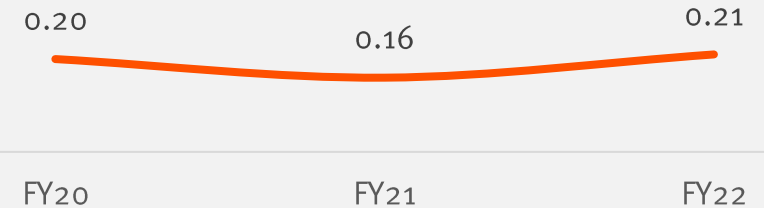


**MACA remains committed to working safely and continuously improving our safety performance**

**TRIFR: 15% improvement in FY22**



**LTIFR: maintaining low LTIFR of 0.21 in FY22**



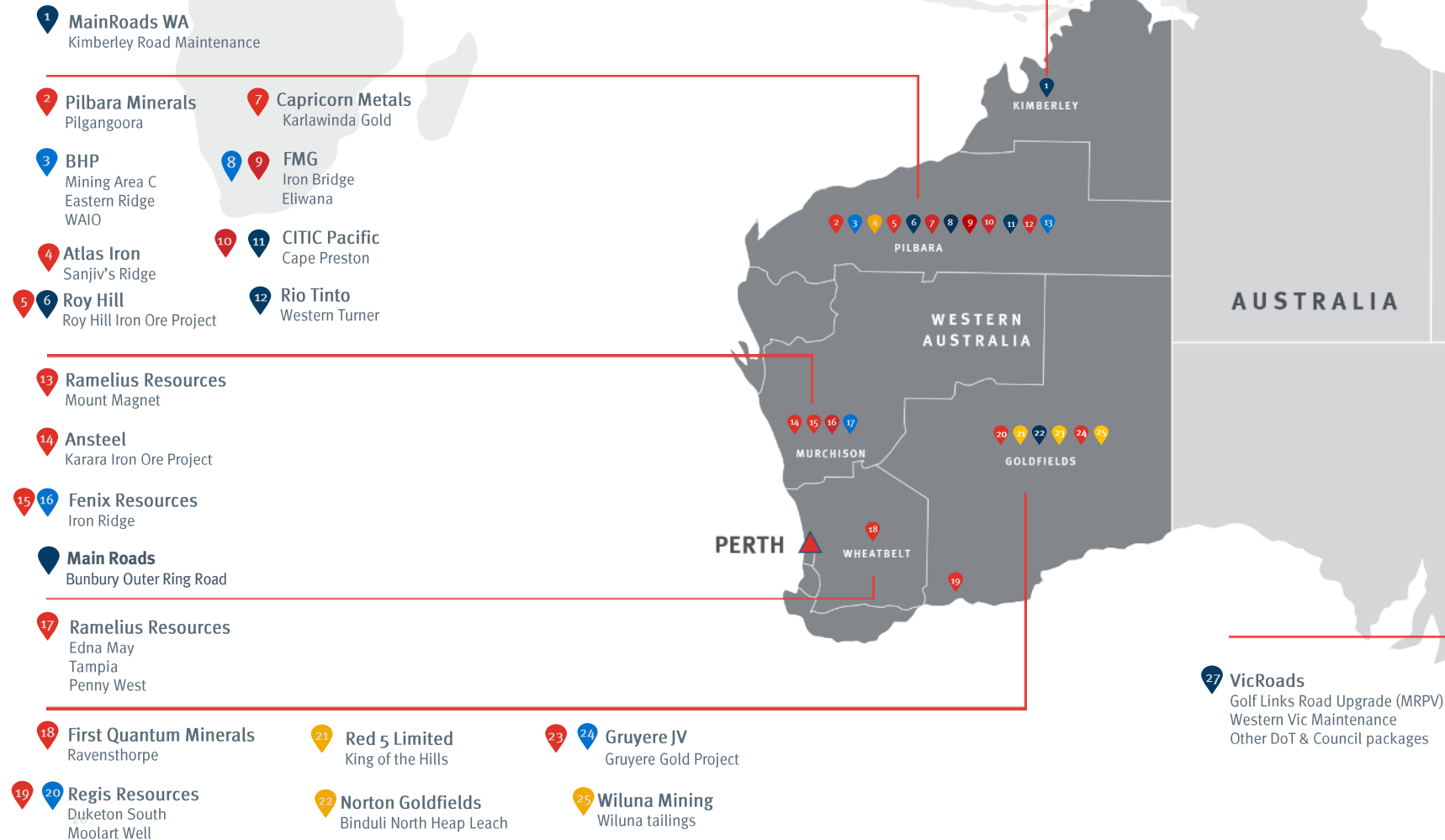


# FY22 FULL YEAR RESULTS

## AREAS OF OPERATION

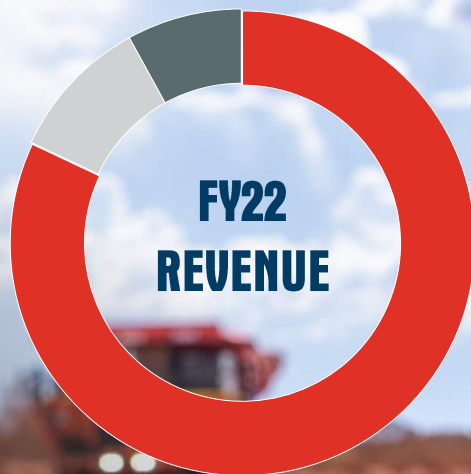


- ▲ MACA OFFICES
- MINING
- CIVIL & INFRASTRUCTURE
- CRUSHING
- MACA INTERQUIP





# OPERATIONAL UPDATE MINING SEGMENT



We remain committed to our existing client base and value the long-standing relationships that underpin our business.

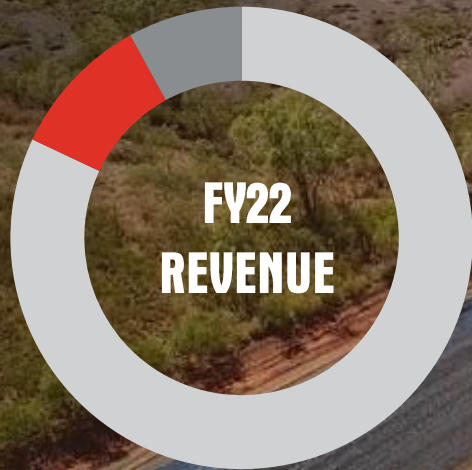


- **Regis Resources:** Mining services contract at Duketon North has been extended. Both MACA and Regis have signalled intention to explore conversion of both Duketon North and Duketon South contracts into a partnership-style life of mine alliance arrangement
- **Capricorn:** Continued work at the Karlawinda gold project. The Autonomous Haulage System proof of concept continues to gain attention in the market as we enter the next phase of the trial
- **Gold Fields, Gold Road Resources:** Continued work at the Gruyere Gold Project, with both mining services and crushing operations
- **Ramelius Resources:** Open cut mining work completed at Penny West gold project, with ongoing operations at Mount Magnet and Tampia
- **Emerald Resources:** Continued work at the Okvau Gold Project in Cambodia
- **First Quantum:** Continued work at Ravensthorpe Nickel Project with First Quantum Australia Nickel
- **Pilbara Minerals:** Continued work at the Pilgangoora Lithium Project
- **Allkem:** maintained and operated fleet commencing in early FY23 at the Mt Cattlin Lithium Project
- **Fortescue Metals Group:** Continued mining and maintenance work at the Eliwana Iron Ore Project, commenced work at Flying Fish (a satellite project to Eliwana)
- **CITIC Pacific:** Continued work at the Sino Iron Project, Cape Preston
- **Atlas Iron:** Continued work at the Sanjiv Ridge Iron Ore Project
- **Fenix Resources:** Continued work at the Iron Ridge iron ore project, with both mining services and crushing operations
- **Roy Hill:** Commenced mining services work at Roy Hill iron ore operations in the Pilbara
- **Fortescue Metals Group :** Continued providing crushing services at both the Eliwana and Iron Bridge projects
- **Other Crushing:** MACA continued to perform minor crushing operations for various gold producers
- **Karara Mining (Ansteel):** Contract finished end of Feb-22, with majority of workforce transferred to existing MACA projects
- **BHP:** MACA's crushing operations at BHP Mining Area C (12 mtpa), WAIO Stemming (1-2 mtpa) and Eastern Ridge (5 mtpa) reaching prescribed end dates during FY22



## OPERATIONAL UPDATE

# CIVIL CONSTRUCTION & INFRASTRUCTURE MAINTENANCE SEGMENT

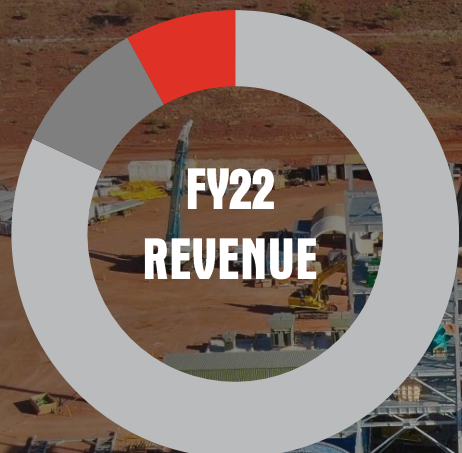


MACA's Civil and Infrastructure business continues to perform work packages for both resource sector clients and State and Local Governments. Our deliberate pursuit of alliance style contracts, which better suits the MACA win-win culture, is expected to produce improved outcomes

- **Kimberley Network maintenance:** Continued the provision of road maintenance services and minor works in the Kimberley Region for Main Roads WA. This project has a significant indigenous participation rate
- **South West Gateway Alliance:** MACA Civil, as a 10% member of the Alliance, continued the construction of the Bunbury Outer Ring Road
- **Western Turner Syncline 2:** Completed delivery of the RE Wall for Mondium supporting the Western Turner Syncline Phase 2 project
- **Sino Iron - TSF Lift:** Continued civil works for mining client Sino Iron in relation to the TSF lift package
- **Roy Hill ROM<sub>4</sub> Earthworks:** Commenced works for new client Roy Hill at the Roy Hill Iron Ore Project in relation to the ROM<sub>4</sub> earthworks package
- **Bussell Highway Bridges:** Commenced works at Bussell Highway Duplication Project for Main Roads WA
- **Golf Links Road:** MACA's Victorian-based Civil and Infrastructure business continued work for the Major Road Projects Victoria for the Golf Links Road upgrade in Langwarrin South. Subsequent to year end, MACA has been awarded a second MRPV project – Hall Road East
- **Victoria:** Various civil construction and infrastructure maintenance projects for the Department of Transport and Local Government councils



# OPERATIONAL UPDATE INTERQUIP SEGMENT



Our work on the Red 5 King of the Hills project is a powerful demonstration of MACA Interquip's ability to deliver a major EPC contract

- **Red 5 King of the Hill:** MACA Interquip completed a major Engineering Procurement and Construction contract in June 2022 at Red 5's King of the Hills Gold Project in Western Australia. The project consists of design, construction and supply of the SAG mill, gyratory crusher and processing facility along with equipping of the bore fields, high voltage power distribution, workshop, warehouse and bulk earthworks
- **Norton Gold Fields:** Continued work on the Binduli Heap Leach project for Norton, with ongoing support for Norton into FY23
- **Engineering:** MACA Interquip has developed a significant in house engineering capability over the year and has a number of studies underway for our clients, including Rox Resources, Westgold, Castile Resources



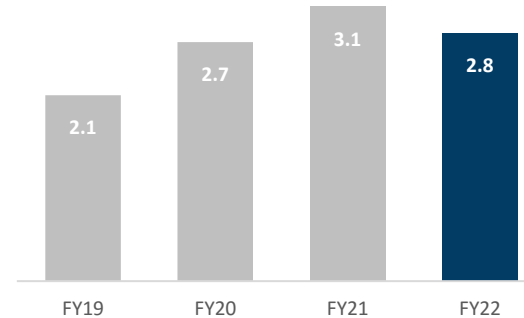
## FY22 FULL YEAR RESULTS

# \$2.8BN WORK IN HAND AND \$10BN PIPELINE

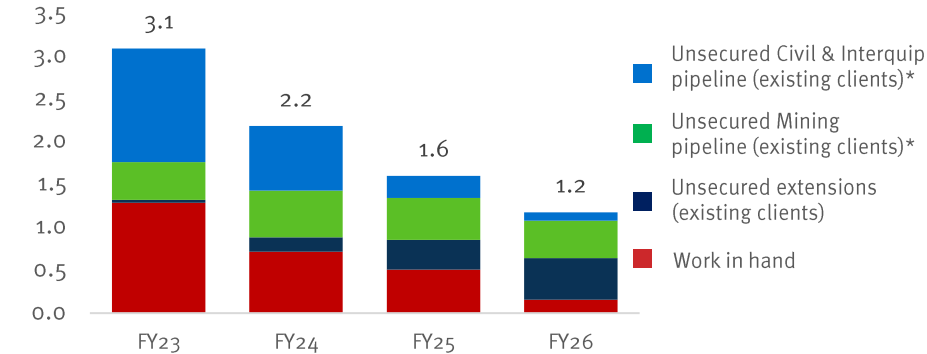


- MACA maintains a strong tenure and work in hand position at July 2022 of \$2.8bn
- Significant contracts won in FY22 include:
  - A mining services contract with Roy Hill Iron Ore Pty Ltd at the Roy Hill iron ore operation in the Pilbara
  - 12-month extension to mining services contract at Pilgangoora Lithium Project for Pilbara Minerals Limited
  - Record civil work in hand in excess of \$400m, with the award of various Civil Construction packages for resource sector clients, including Roy Hill and First Quantum, in addition to Government sector authorities MRPV and Main Roads WA; and
  - The Binduli Heap Leach project for Norton Gold Fields
- MACA continues to remain well positioned to add to its order book, with a pipeline of organic growth opportunities of ~\$10bn across its Mining, Civil & Infrastructure and MACA Interquip divisions.

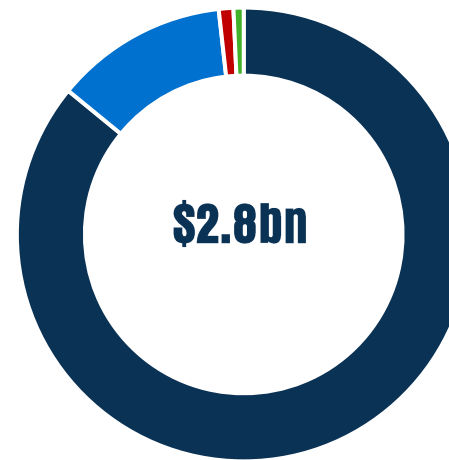
Work in hand: year on year (\$bn)



Work in hand & select pipeline opportunity run-off

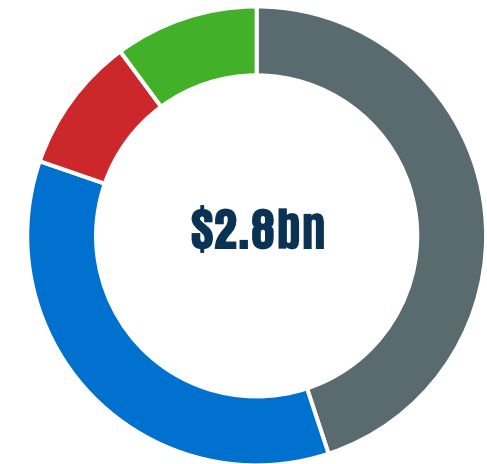


Work in hand: by division



■ Mining  
■ Civil & Infrastructure  
■ Crushing  
■ MACA Interquip

Work in hand: by commodity/sector



■ Gold  
■ Iron Ore  
■ Battery Minerals  
■ Government

\*Unsecured pipeline (existing clients): Relates to projects under pursuit / tender for current clients of MACA





## Mining Australia

- Improved operational performance achieved in FY22 expected to continue into FY23
- Some fleet capacity expected in FY23 will allow for selective targeting of appropriate opportunities

## Crushing

- Following cessation of BHP contracts in FY22, MACA's current mix of a long-term contract and multiple shorter-term contracts are expected to reduce crushing contribution in FY23
- A number of opportunities expected in FY23 for existing clients (iron ore and gold)

## Mining International

- Steady state performance with Okvau gold project largely ramped up
- MACA will selectively consider regional growth opportunities as they arise

## Civil Construction

- West Coast division continues to see strong activity levels.
- Record work in hand position entering FY23
- Recent project wins with Roy Hill and Rio Tinto highlight strength of mining/civil offering
- Victorian division has been awarded lower risk alliance style projects. Significant long-tenured material opportunities available in FY23

## Infrastructure Maintenance

- Subsequent to year end, award of long-tenured East Coast maintenance project Yarra Ranges provides diversification to MACA's portfolio and a base for additional regional growth
- Continued successful delivery of MACA's Kimberley road maintenance contract in WA to 2026 and Western Vic maintenance contract in Victoria

## MACA Interquip (SMP)

- Recent schedule of rates awards starting to fill pipeline for 1H-FY23. Strong tender pipeline for FY23
- In-house engineering capability is a deliberate route to market strategy to generate new opportunities

~\$1.45bn  
to \$1.5bn

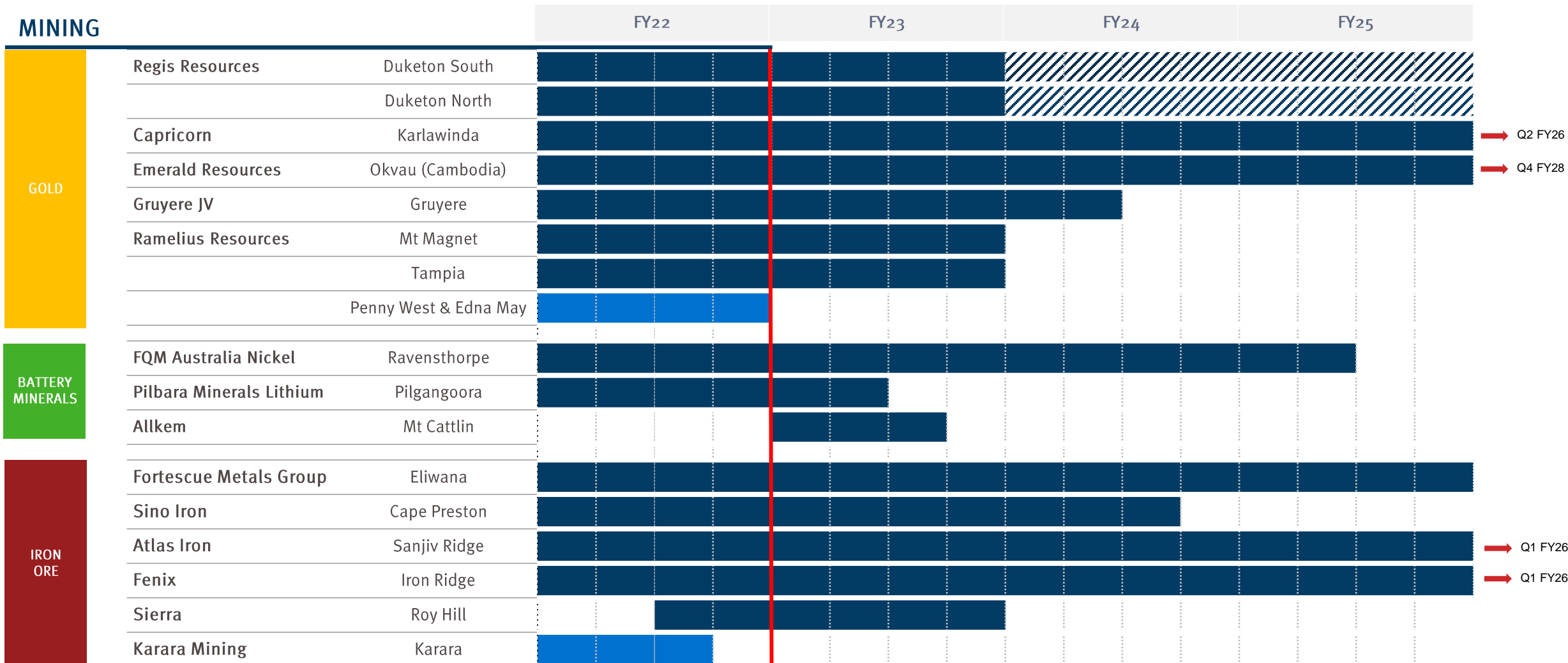
Full Year FY23  
Revenue Guidance



# FY22 FULL YEAR RESULTS

## MINING TENURE

MACA continues to maintain a strong average remaining tenure position of 27 months across its 15 projects in gold, battery minerals and iron ore



\*Contract durations are based on - contract terms being time based and/or volume  
 - latest schedule information and pricing  
 - stage of client approval

■ Current Contracts    ▨ Option to Extend    ■ Completed Contracts



# FY22 FULL YEAR RESULTS

## OTHER TENURE



CRUSHING		FY22	FY23	FY24	FY25	
BHP	Mining Area C & WAIO					
Gold Clients	Minor Crushing Projects					
Fenix	Iron Ridge					→ Q2 FY26
FMG	Iron Bridge & Eliwana					
CIVIL & INFRASTRUCTURE (WA & VIC)						
SCJV	Bunbury Outer Ring Road					
Main Roads WA	Kimberley Maintenance					→ Q2 FY26
Western Vic	Maintenance					
Yarra Ranges	Maintenance					→ Q4 FY27
MRPV (Victoria)	Golf Links Road					
MRPV (Victoria)	Hall Road East					
Main Roads WA	Busselton Bridges					
Roy Hill	Various Packages					
Rio Tinto	Western Range Early Works					
Lynas Rare Earths	Bulk Earthworks Ponds Project					
MACA INTERQUIP						
Red 5	King of the Hills					
Capricorn Karlawinda	Supply & Projects					
Norton	Binduli North Heap Leach					
Wiluna Mining	Wiluna Tailings					



# **THIESS TAKEOVER OFFER**



- On 26 July 2022 MACA entered into, and announced to ASX, a Bid Implementation Deed ("BID") with Thiess Group Investments Pty Ltd ("Thiess"), under which Thiess has agreed to make an offer to MACA shareholders to acquire all of the issued shares in MACA by way of a conditional off-market takeover bid.
- Thiess announced on 11 August 2022 the completion of the dispatch of Thiess' Bidder's Statement in relation to its conditional off-market takeover bid for MACA ("Offer").
- The Directors of MACA recommend that MACA shareholders accept the Offer, in the absence of a superior proposal and subject to the Independent Expert concluding, and continuing to conclude, that the Offer is fair and reasonable (or not fair but reasonable) to the MACA shareholders.
- On 19 August 2022, MACA announced its assessment of the non-binding, conditional and indicative proposal received from NRW Holdings Limited ("NRW"), for the acquisition of all MACA shares by way of a scheme of arrangement. After careful consideration of the NRW Indicative Proposal as a whole, and of each of its components, and after taking professional advice and liaising confidentially with NRW, the MACA Board unanimously concluded that the NRW Indicative Proposal is not superior to the existing conditional off-market takeover offer from Thiess to acquire all MACA shares. MACA informed NRW that if NRW could remove or reduce the risks that the NRW Indicative Proposal asked MACA shareholders to assume and increase the total consideration offered, then MACA considered that there was a basis for further discussion, and would have welcomed such discussion. (refer to the market announcement on 19 August 2022 for further details).
- MACA is currently in the process of preparing its Target's Statement in relation to the Offer, which will include an Independent Expert's Report. The Target's Statement, which will include the Independent Expert's Report and its conclusion, is expected to be made available to MACA shareholders by late August 2022.
- By waiting until the Target's Statement has been issued, this will allow MACA shareholders sufficient time to consider their alternatives and make a decision before the Offer is scheduled to close at 7pm (Sydney time) on 12th September 2022, unless the Offer is extended or withdrawn by Thiess in accordance with the Corporations Act.

# FY22 FULL YEAR RESULTS

## INCOME STATEMENT



A\$ million	FY20	FY21*	FY22
Revenue	808.0	1,173.9	1,650.5
EBITDA (reported)	120.4	135.8	189.2
<i>EBITDA margin</i>	14.9%	11.6%	11.5%
EBIT (reported)	(15.8)	35.7	60.6
<i>EBIT margin</i>	(2.0%)	3.0%	3.7%
Net Profit After Tax (attributable to members)	(17.9)	14.4	42.8
<i>Net Profit Margin</i>	(2.2%)	1.2%	2.6%
Basic earning per share - cents	(6.7)	4.7	12.5
Total dividends per share – cents^	5.0	5.0	2.5^
Shareholders funds	309.7	383.1	402.3
Net cash flow from operating activities	116.6	118.8	132.5
Net debt	(73.4)	(180.2)	(194.1)

\*The comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Annual Financial Statements for additional detail

^ In light of the proposed takeover offer the Board of Directors has deferred any decision around declaration of final dividend for the 2022 financial year



# FY22 FULL YEAR RESULTS

## BALANCE SHEET



A\$ million	Jun20	Jun21*	Jun22
Cash and cash equivalents	114.7	122.3	91.6
Trade and other receivables	154.3	289.3	285.9
Loans	26.8	26.8	-
Inventory	13.6	49.9	81.2
Property, plant and equipment	293.3	478.8	439.9
Other assets	29.1	37.2	73.8
<b>Total Assets</b>	<b>632.0</b>	<b>1,004.3</b>	<b>972.4</b>
Payables	116.1	246.6	242.1
Borrowings	188.1	302.6	285.6
Provisions	16.0	32.4	35.0
Other Liabilities	2.2	39.6	7.4
<b>Total Liabilities</b>	<b>322.3</b>	<b>621.2</b>	<b>570.1</b>
<b>Shareholders Equity</b>	<b>309.7</b>	<b>383.1</b>	<b>402.3</b>
<b>Net Debt</b>	<b>(73.4)</b>	<b>(180.2)</b>	<b>(194.1)</b>
Net tangible asset backing - cps (basic)	106.7	104.4	108.8

\*The comparative Consolidated Statement of Financial Position for the year ended 30 June 2021 has been restated for the change in fair value of Mining West Business according to AASB3 Business Combinations. Refer to Annual Financial Statements for additional detail

## FY22 FULL YEAR RESULTS

# CASH FLOW



- Operating cash flows of \$132.5m in FY22, representing an EBITDA cash conversion ratio of 70% (on reported EBITDA).
- While MACA's operating cash flows in FY22 (EBITDA to cash flow conversion ratio of 70%) reflect a steadier state of operations in the mining division, cash flows have been impacted by MACA's investment in net working capital during the year, particularly a build of inventory levels in order to manage supply chain pressures as a result of global events. Additionally, operating cash flows were impacted by the cost overrun at the KOTH project (refer to ASX announcement dated 22 April 2022)
- Investing cash outflows of \$103.9m include \$38.5m in relation to Mining West deferred acquisition costs, with the final instalment paid in early January 2022. Balance primarily relates to the net purchase of plant and equipment
- Net financing cash outflow of \$60.5m, with proceeds from borrowings of \$61.5m more than offset by repayment of borrowings of \$104.1m, and dividend payments of \$18m
- MACA's closing cash balance is \$91.6m at Jun22

A\$ million	FY20	FY21	FY22
Reported EBITDA	120.4	135.8	189.2
Net cash from operating activities	116.6	118.8	132.5
Net investing cash flows	(18.7)	(225.7)	(103.9)
Net financing cash flows	(42.6)	116.9	(60.5)
Foreign exchange movements	-	(2.3)	1.2
Net cash flow	55.4	7.7	(30.7)
Closing cash	114.7	122.3	91.6
<i>EBITDA / operating cash conversion</i>	<i>97%</i>	<i>87%</i>	<i>70%</i>



# FY22 FULL YEAR RESULTS

## TECHNOLOGY UPDATE



- MACA continues to progress various innovation and technology initiatives
- Significant achievements in FY22:
  - Autonomous Haulage Proof of Concept (POC) 1 completed March 2022
  - 6 month effort deploying artificial intelligence supported autonomy on a Hitachi EH3500 (pictured)
  - Demonstrated the ability to fit drive-by-wire control to the truck & remotely dispatch it to follow a pre-defined/mapped pathway. 100 load/haul/dump cycles were simulated
- POC2 is underway now. Consists of 4 focus areas: Obstacle detection & avoidance, Interact with load unit, Operate in the isolated pit, Grow the fleet.
- POC2 is scheduled to run until the end of April 2023, which will then lead into a “pre-production” phase, which will run until December 2023, after which we plan to enter steady state operations at project
- Outside of autonomy, Battery Electric Study (existing fleet, deep pit haulage and low intensity flat haul ROM rehandle) completed with our Partners and Leading Experts
- Other initiatives advancing with scoping studies underway. Utilising MACA size and opportunity to leverage and partner with global leaders



# CELEBRATING OUR 20 YEAR ANNIVERSARY IN 2022



- MACA's 20th anniversary in 2022. Two decades of servicing our clients
- 12 years listed on the ASX
- ~3,700 employees and contractors
- ~600 major fleet items
- Servicing full range of clients across multiple commodities, sectors and geographies
- Long term supporter of WA community and charities
- Long term support of apprentices and trainees





# MACA LIMITED

## CORPORATE SNAPSHOT



### Capital Structure

Share price (19 August 2022)	\$1.06
Fully paid ordinary shares (ASX:MLD)	341.7 million
Market capitalisation (undiluted)	\$362.2 million
Cash (30 June 2022)	\$91.6 million
Bank debt (30 June 2022)	\$285.6 million
Enterprise value	\$556.2 million
Net tangible assets (30 June 2022)	\$371.8 million

Top 20 Shareholders (30 June 2021 – 53.8%)	52.7%
Top 50 Shareholders (30 June 2021 – 66.8%)	61.1%

### Directors and Senior Management

Geoff Baker	Non-Executive Chairman	Founding shareholder of MACA with 40 years operational and management experience in the mining services sector
David Greig	CEO	Over 20 years of experience in mining, construction, maintenance and infrastructure industries. Previously Chief Development Officer and Chief Operating Office of MACA
Robert Ryan	Non-Executive Director	Civil engineering and construction executive with four decades experience including in strategic roles focussed on business improvement and growth
Nick Marinelli	Non-Executive Director	Former construction, infrastructure services and utilities executive with 35 years experience including as CEO of contractor Fulton Hogan Australia
David Flanagan	Non-Executive Director	Founding Managing Director of Atlas Iron (former ASX50 mining company) with 25 years mining and mineral exploration experience
Rachel Rees	Non-Executive Director	Chartered Accountant and senior executive with 30 years' experience including business transformation, governance, stakeholder engagement, financial & risk management
Peter Gilford	CFO / Company Secretary	Finance professional with experience in the areas of financial management, accounting, treasury, insurance, taxation, debt and equity funding

### Share Price (\$) – One year performance



# IMPORTANT NOTICE AND DISCLAIMER

The material in this presentation has been prepared by MACA Limited ABN 42 144 745 782 (ASX: MLD) (MACA) and is general background information about MACA's activities current as at the date of this presentation. The information is supplied in summary form and is therefore not necessarily complete and has not been independently verified.

Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling shares, securities or other instruments in MACA or any other company and does not take into account investors particular investment objectives, financial situation or needs. Before acting on any information investors should consider the appropriateness of the information having regard to these matters, any relevant offer document and should seek their own independent financial advice. This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to MACA's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward-looking statements. MACA does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts are subject to uncertainty and contingencies outside MACA's control. Past performance is not a reliable indication of future performance.

References to "underlying result" are a non-IFRS measure that is used to assess the underlying performance of the business, which are adjusted for one-off items and discontinued operations. Non-IFRS measures have not been subject to audit or review

Unless otherwise specified all information is for the twelve month period ended 30 June 2022 and all amounts are expressed in AUD.

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