

# ASX Announcement



30 August 2022

## Investor Presentation on FY22 Results

DDH1 Limited (ASX: DDH) (DDH1) provides the attached investor presentation on its financial results for the year to 30 June 2022 (FY22).

DDH1 will be holding an investor and analyst conference call to discuss the FY22 results. The call will be hosted by Managing Director & CEO, Sy Van Dyk and Chief Financial Officer, Ben MacKinnon.

Detail of the briefing are as follows:

Date: Tuesday, 30 August 2022  
Start Time: 8:30am AWST / 10.30 AEST  
Pre-Registration Link: <https://s1.c-conf.com/diamondpass/10023152-3mak3h2.html>

Following registration, participants will receive a calendar invite and conference call participation code.

**This ASX announcement has been authorised by the Board of DDH1 Limited**

### For further information, please contact:

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### About DDH1 Limited

DDH1 is a quality global drilling company. The Company has four strong and well-established brands: DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Mining Services. Together they create a global scale mineral drilling company with operations throughout Australia, North America and Western Europe.

The Company has 184 rigs and one of the top five largest fleets globally (approx. 60% surface and 40% underground). DDH1 maintains a modern fleet with best-in-class technology to deliver optimal productivity, value and safety for clients.

The Company offers a broad range of specialty drilling services across the mining value chain and has a reputation for quality and service delivery. Approximately 80% of DDH1's clients are repeat business.

The Company revenue is predominately derived from the production and resource definition phase, which is less cyclical. DDH1's drilling services are commodity agnostic and it has exposure to a diverse range of commodities including gold, iron ore, nickel, copper and other critical metals. DDH1 has no exposure to coal.

DDH1 prioritises safety and is investing in automation and rigs of the future to minimise perceived high-risk operations and impact on the environment.

The Company has an experienced leadership team and a best-in-class workforce. Together they maintain a quality-focused culture and are driving its organic and inorganic growth strategy for shareholders.

For more information, please visit [www.ddh1.com.au](http://www.ddh1.com.au)



# DDH1 LIMITED FY22 RESULTS



30 AUGUST 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, FY22 annual financial statement, 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.

**Forward-Looking Statements and Risks:** This Presentation may contain forward looking statements concerning activities which are or may be undertaken, outlook or other matters. Any such forward-looking statements are based on assumptions, which may differ materially from the actual circumstances which may arise. Actual results may differ from projections and such variations may be material. You should not place undue reliance on any projections, which are based only on information currently available to DDH1. DDH1 undertakes no obligation to update any forward-looking statements for events or circumstances that occur subsequent to the date of this Presentation or to keep current any of the information provided. Past performance is no guarantee of future performance.

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.



At DDH1 we provide a complete range of specialised surface and underground drilling solutions to our mining and exploration clients globally.

We focus on providing accurate information in the most efficient and cost-effective manner, which underpins our sustained best-in-class operating margins and cash generation.

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

# FY22 RESULTS AGENDA

The background of the slide is a photograph of an oil rig at sunset. The sky is a warm, orange-brown color. In the foreground, there are several white trucks parked. A tall, red metal structure of the rig is prominent on the right side, with an Australian flag flying from the top. A string of small, colorful flags hangs across the middle ground. A tall light pole with several bright lights is visible on the left side.

FY22 PROFORMA  
OPERATIONAL  
HIGHLIGHTS

FY22 PROFORMA  
FINANCIAL HIGHLIGHTS

FY22 FINANCIAL  
PERFORMANCE

INDUSTRY &  
MARKET UPDATE

BUSINESS  
OVERVIEW

GROWTH &  
OUTLOOK

# FY22 PROFORMA OPERATIONAL HIGHLIGHTS



✓ **21.4%**

IMPROVED ROLLING  
12-MONTH TRIFR<sup>1</sup>

30 JUNE 2022 – 8.65  
30 JUNE 2021 – 11.01

↑ **2.4%**

RIG  
UTILISATION

FY22 – 77.4%  
FY21 – 75.0%

↑ **10.2%**

SHIFTS

FY22 – 91,228  
FY21 – 82,782

+ **14**

QUALITY RIGS

RIGS AT 30 JUNE 22 – 183  
RIGS AT 30 JUNE 21 – 169

+ **SWICK**

TRANSFORMATIVE  
TRANSACTION

72 RIGS  
608 SKILLED EMPLOYEES

↑ **258**

EMPLOYEES

FY22 – 1,863  
FY21 – 1,605

“We achieved record results notwithstanding a challenging operating environment of employee mobility challenges due to COVID restrictions and COVID absenteeism”

SY VAN DYK, MANAGING DIRECTOR & CEO

Note – Results are on a proforma basis, as they include Swick Mining Services’ Drilling Division (Swick Results) for all the current and comparative reporting periods

<sup>1</sup>Total Recordable Injury Frequency Rate (calculated over 1 million work hours)

# FY22 PROFORMA FINANCIALS



↑ **14.0%**

REVENUE

FY22 \$506.9M  
FY21 \$444.7M

↑ **6.9%**

ANNUALISED  
REVENUE PER RIG

FY22 – \$2.9M  
FY21 – \$2.7M

↑ **10.0%**

UNDERLYING  
EBITDA<sup>1</sup>

FY22 – \$113.6M  
FY21 – \$103.3M

22.4% MARGIN

↑ **7.7%**

OPERATING EBITDA<sup>2</sup>

FY22 \$111.3M  
FY21 \$103.3M

22.0% MARGIN

**\$16.6M**

NET DEBT<sup>3</sup>

\$7.7M NET CASH AT 30 JUNE 21

**27.0%**

STRONG  
UNDERLYING  
ROIC

AT 30 JUNE 22

↑ **12.9%**

UNDERLYING  
EBITA<sup>4</sup>

FY22 – \$76.2M  
FY21 – \$67.5M

15.0% MARGIN

↑ **2.65<sub>cps</sub>**

FULLY FRANKED FINAL  
DIVIDEND

FY22 INTERIM – 2.51cps  
FY21 FINAL – 2.18 cps

42.5% UNDERLYING  
PROFORMA NPATA

Note – Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all the current and comparative reporting periods

<sup>1</sup> Underlying EBITDA equals Statutory EBITDA adjusted for acquisition costs for Swick, profit on the sale of assets, non-cash revaluation of listed investments, redundancy costs and amounts provisioned for outstanding amounts owed by Wiluna Mining Corporation and equity investment in Wiluna Mining Corporation (refer page 34 for reconciliation)

<sup>2</sup> Operating EBITDA equals Statutory EBITDA adjusted for acquisition costs for Swick, profit on the sale of assets, non-cash revaluation of listed investments and redundancy costs (refer page 34 for reconciliation)

<sup>3</sup> Net Cash (Debt) excludes AASB 16 Right of Use liabilities

<sup>4</sup> Underlying EBITA equals Underlying EBITDA adjusted for depreciation

# FY22 FINANCIAL PERFORMANCE



# KEY METRICS



	PROFORMA*		
	FY22	FY21	VAR (%)
Revenue	506.9	444.7	14.0
Underlying EBITDA (\$m) <sup>1</sup>	113.6	103.3	10.0
Underlying EBITDA (%)	22.4%	23.2%	(0.8)
Operating EBITDA (\$m) <sup>2</sup>	111.3	103.3	7.7
Operating EBITDA (%)	22.0%	23.2%	(1.2)
Underlying EBITA (\$m) <sup>3</sup>	76.2	67.5	12.9
Underlying EBITA (%)	15.0%	15.2%	(0.2)
Operating EBITA (\$m) <sup>4</sup>	73.8	67.5	9.6
Operating EBITA (%)	14.6%	15.2%	(0.6)
Net (Debt) <sup>5</sup> / Cash (\$m)	(16.6)	7.7	(24.3m)

- Proforma revenue increased by 14% as a result of adding 14 quality rigs to the fleet to meet the strong market demand, increased utilisation and ability to increase rates in a tight supply market
- Proforma EBITDA margins impacted by COVID, particularly WA border shut downs and employee absenteeism due to illness
- Competitive labour market has required remuneration adjustments across all business units to ensure retention of best-in-class workforce
- The Group continues to have low leverage of 0.15x underlying proforma EBITDA

\* Proforma numbers include Swick Mining Services' Drilling Division (Swick Results) for all the current and comparative reporting periods

<sup>1</sup> Underlying EBITDA equals Statutory EBITDA adjusted for acquisition costs for Swick, profit on the sale of assets, non-cash revaluation of listed investments, redundancy costs and amounts provisioned for outstanding amounts owed by Wiluna Mining Corporation and equity holding in Wiluna Mining Corporation (refer page 33 for reconciliation)

<sup>2</sup> Operating EBITDA equals Statutory EBITDA adjusted for acquisition costs for Swick, profit on the sale of assets, non-cash revaluation of listed investments and redundancy costs (refer page 9 for reconciliation)

<sup>3</sup> Underlying EBITA equals Underlying EBITDA adjusted for depreciation

<sup>4</sup> Operating EBITA equals Operating EBITDA adjusted for depreciation

<sup>5</sup> Net debt excludes right for use liabilities

# BALANCE SHEET



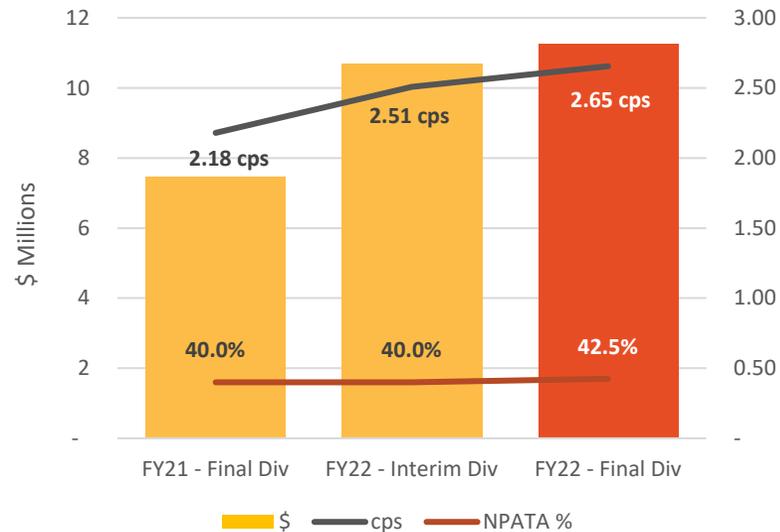
(\$'m)	Statutory FY22	Proforma FY21	VAR (%)
Cash	17.9	29.3	(38.7)
Receivables	93.6	77.1	21.3
Inventory	55.8	46.5	20.2
PPE (inc ROU)	237.0	201.1	17.9
Intangibles	61.4	36.1	70.1
Tax Assets	3.9	15.6	(75.3)
Others Assets	4.4	13.7	(67.7)
<b>Total Assets</b>	<b>474.0</b>	<b>419.3</b>	<b>13.0</b>
Payables	51.1	44.1	15.9
Provisions	20.7	17.2	20.3
DTL	10.9	2.7	298.4
Borrowings (inc ROU)	49.3	35.4	39.4
<b>Total Liabilities</b>	<b>132.0</b>	<b>99.4</b>	<b>32.8</b>
<b>Net Assets</b>	<b>342.0</b>	<b>319.9</b>	<b>6.9</b>

- Strong balance sheet with net debt (excluding right of use liabilities) being \$16.6m
- Gross debt (excluding right of use liabilities) increased due to ~\$32m taken on as a part of the Swick transaction
- Investment in inventory to mitigate short-term supply chain risk and meet increasing demand
- Net tangible assets of \$281m
- Increase intangibles due to goodwill and identifiable intangibles on the acquisition of Swick
- Change in deferred tax position primarily due to the use of the Federal Government instant tax write off

# DIVIDENDS & SHARE BUY BACK



## DIVIDENDS



## SHARE BUY BACK PROGRAM (M shares)

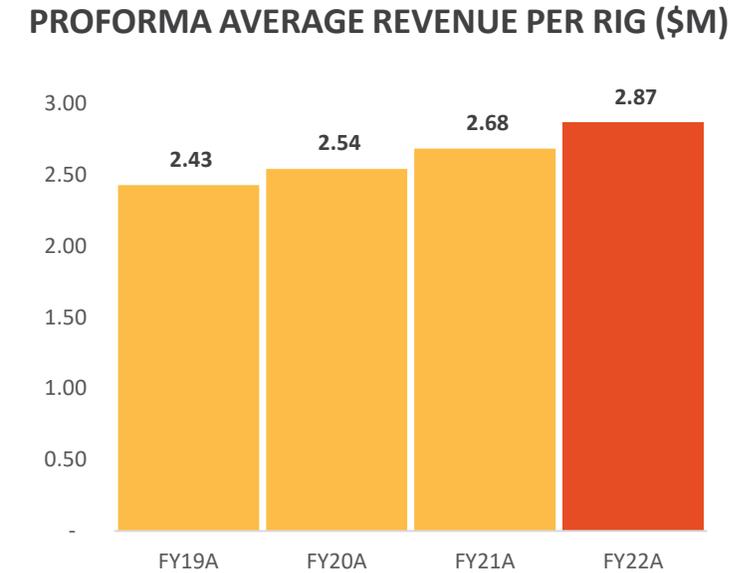
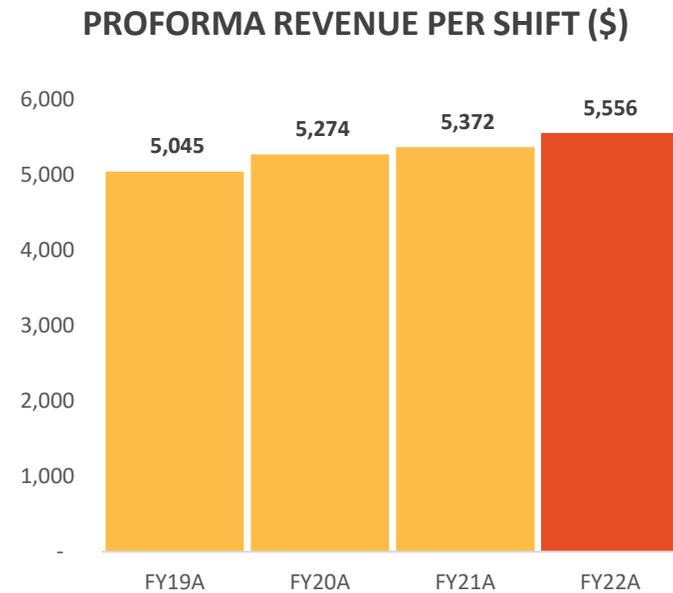
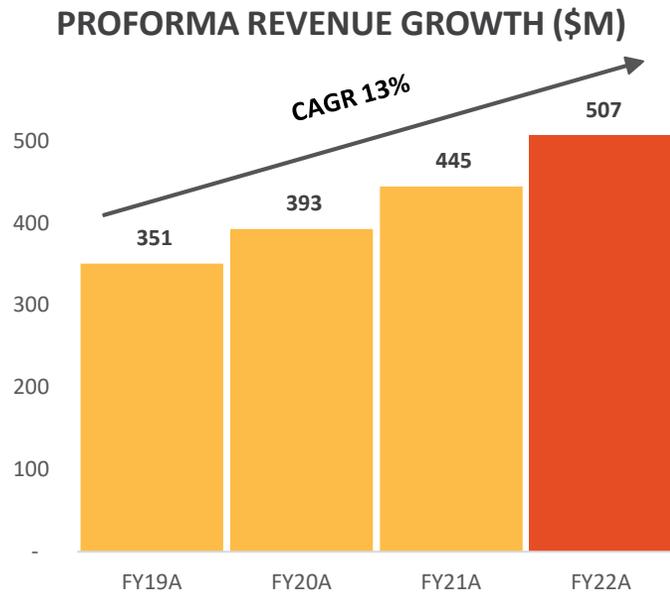


- Fully franked final dividend of 2.65 cps bringing the FY22 fully franked full year dividend to 5.16 cps
- Annualised yield of ~6.1% fully franked, based on a share price of 0.85c
- Final dividend declared based on 42.5% of Proforma Underlying NPATA<sup>1</sup>

- Buy back announced in early July with on market purchasing commencing on 28 July
- A max. of 34.3m shares to be purchased over the next 12 months
- Daily max. purchase price is limited to the lower of the 5 day VWAP +5% and the Board approved maximum purchase price
- Daily maximum volume is the lower of 40% of the daily trading volume and 40% of the 20 day trading volume average

<sup>1</sup> Proforma Underlying NPATA includes Swick results for the all of the all periods, adds back in the impacts of the Wiluna provisions and adds back the transaction costs for the Swick acquisition.

# STRONG REVENUE GROWTH\*



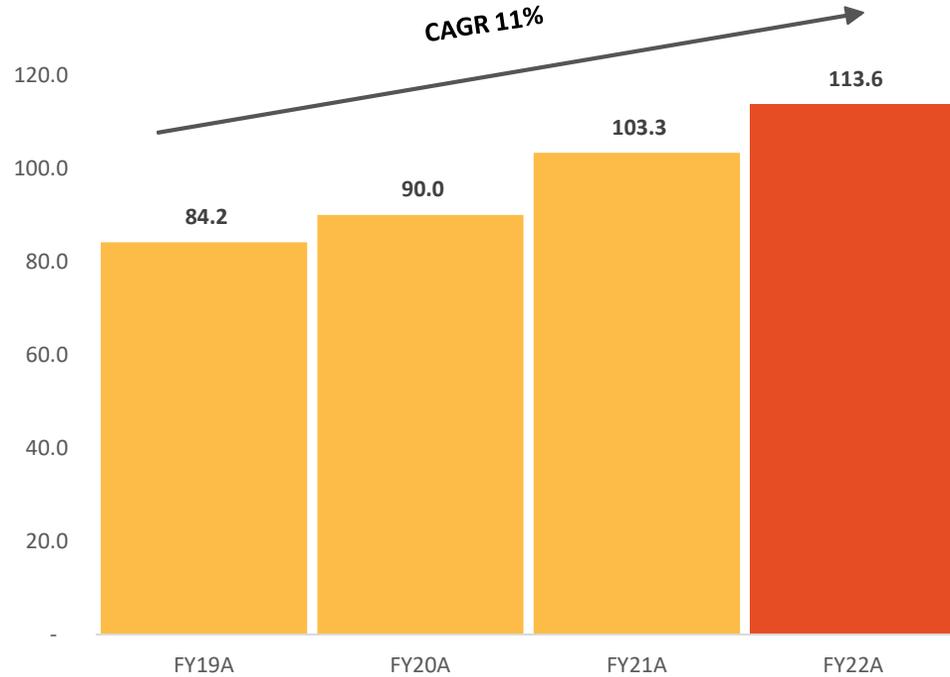
- Organic rig growth across all brands (DDH1, Strike, Ranger and Swick) due to strong demand in all regions globally
- Rig utilisation increased to 77.4%, despite industry wide labour challenges
- Proforma revenue per shift increased 3.4%, reflecting our ability to increase rates in a tight supply market
- Proforma average revenue per rig increased 6.9%, reflecting higher utilisation and increasing rates

\*. Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all the current and comparative reporting periods

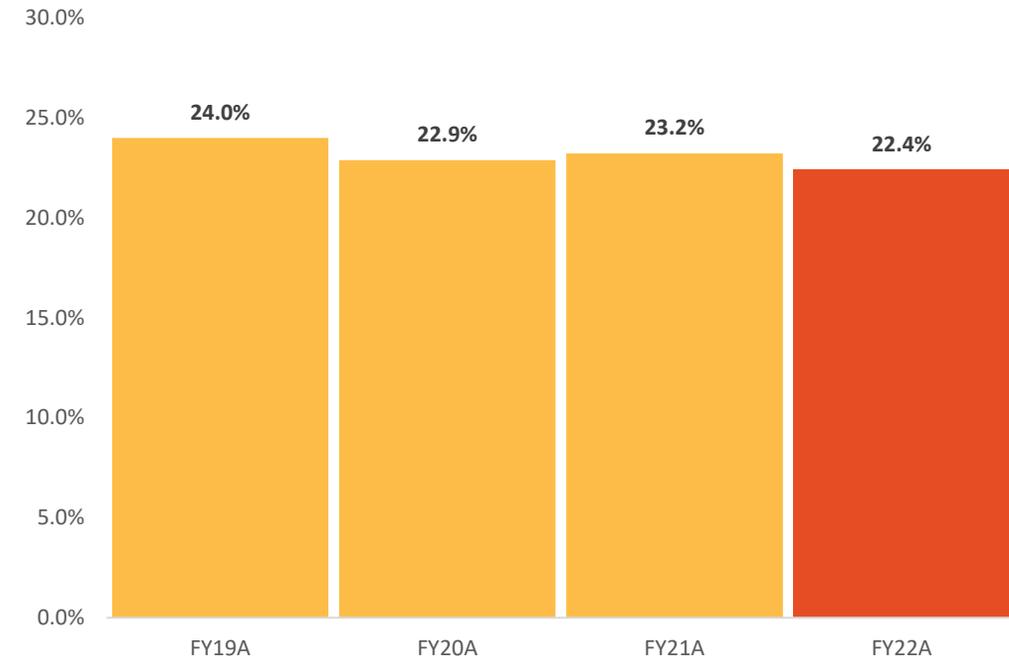
# STRONG EARNINGS GROWTH



PROFORMA UNDERLYING EBITDA GROWTH (\$M)



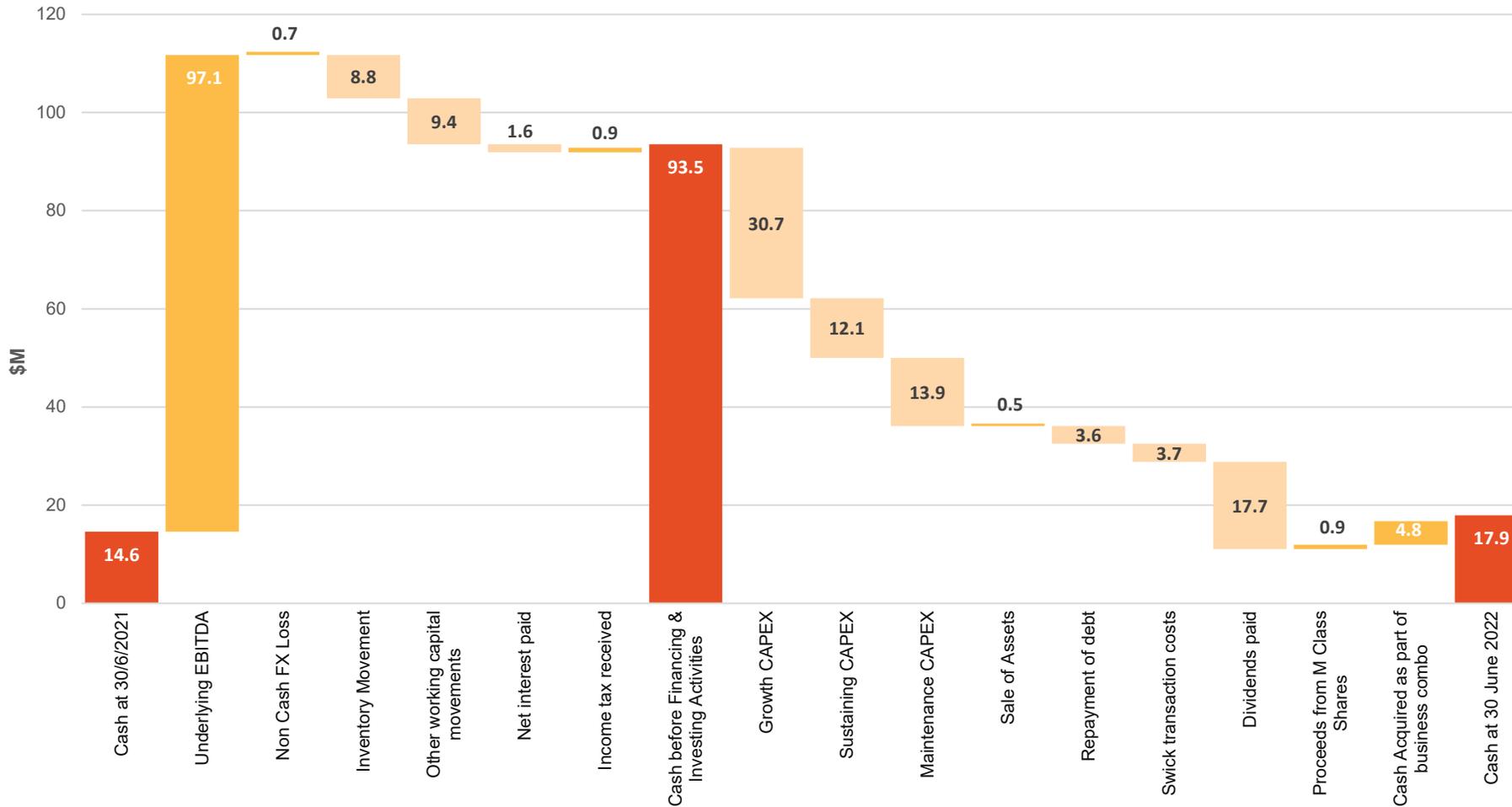
PROFORMA UNDERLYING EBITDA MARGIN %



- Strong trend of proforma underlying EBITDA growth
- Proforma underlying EBITDA margins impacted in short-term by COVID border closures and employee absenteeism, as well as cost inflation particularly in wages
- Rate increases achieved with clients has partly offset the COVID operating challenges and the cost inflation

\* Proforma results as they include Swick Mining Services' Drilling Division (Swick Results) for all of the current and comparative reporting periods

# CASH FLOW WATERFALL



- Cashflow from operations before tax and interest of \$79.6M, at a conversion rate of 82% of statutory underlying EBITDA
- \$8.8M invested in inventory to mitigate short-term supply chain risk and meet increasing demand
- \$30.7M invested in growth CAPEX
- \$17.7M returned to shareholders in dividends
- Undrawn facilities of \$61.7M

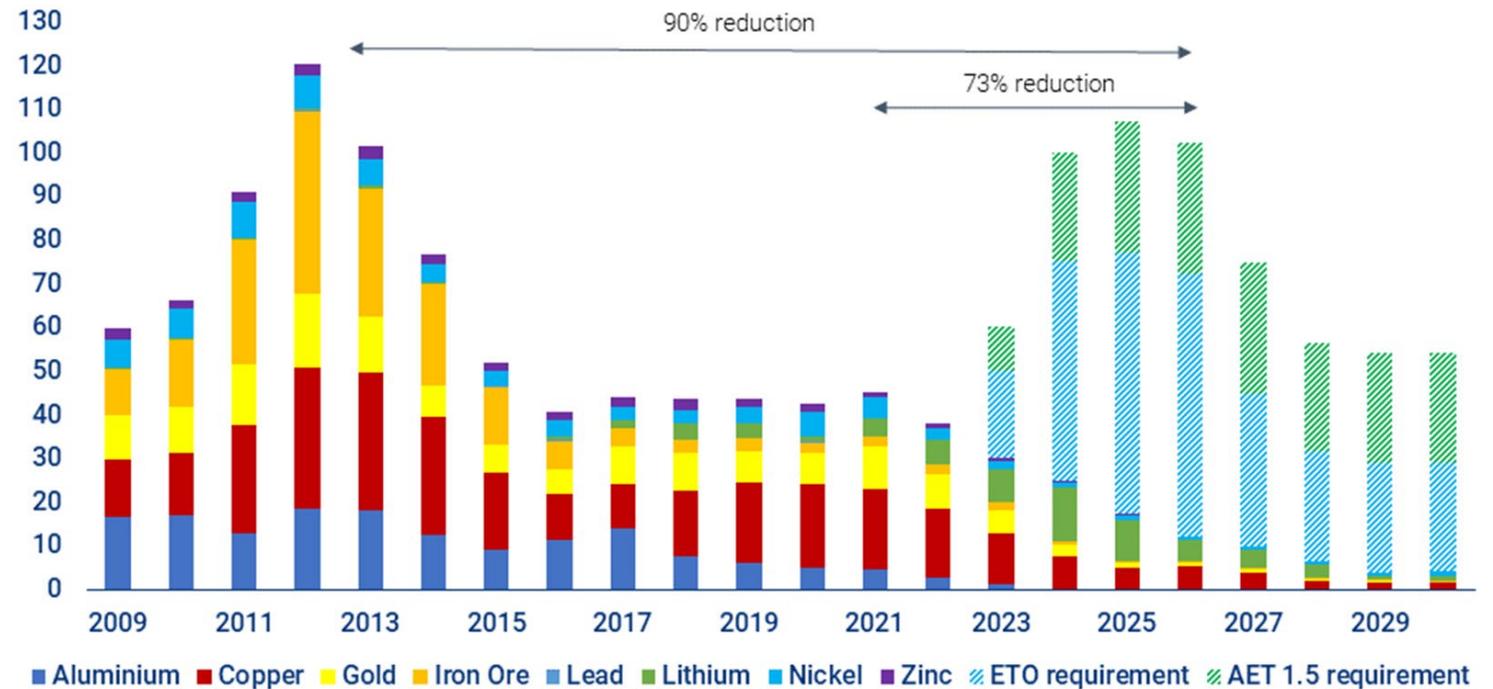
# INDUSTRY & MARKET UPDATE



# RENEWABLE DEMAND TO INCREASE

- CAPEX remains at well below the absolute levels of the peak of the last cycle in 2012
- A sustained production cycle needs increased exploration spend to ensure mining reserves are not diminished further
- The trend towards decarbonisation continues to gain momentum and the energy transition will be a multi-decade process
- Battery metals are found in abundance in Australia where DDH1 has a strong presence

METALS AND MINING COMMITTED INVESTMENT CAPEX AND REQUIRMENTS (US\$B)

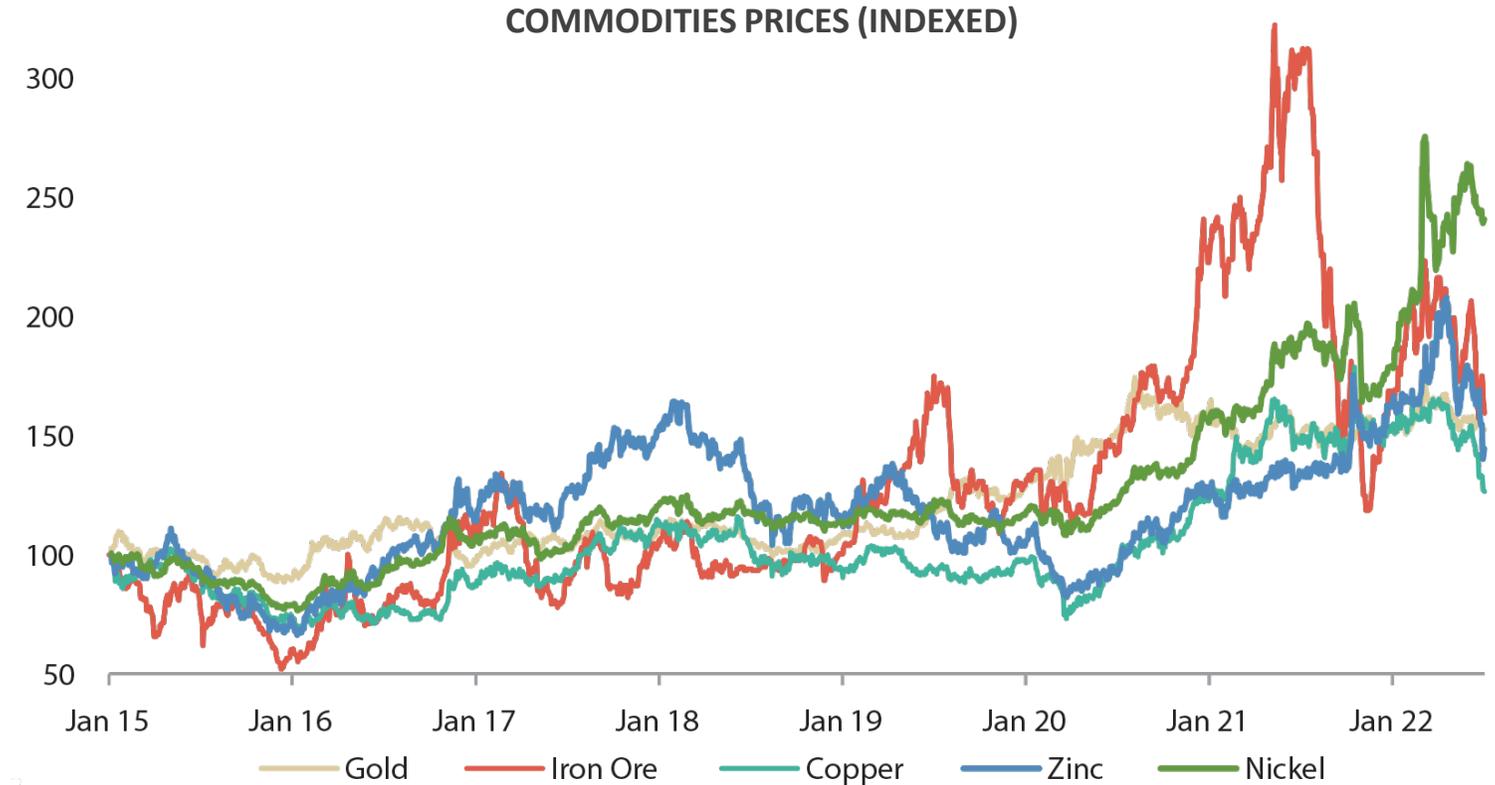


AET 1.5 - Accelerated Energy Transition 1.5-Degree Scenario  
 ETO - 2019 Energy Transition Outlook

Source: Wood Mackenzie Corporate Service

# COMMODITY PRICES REMAIN ROBUST

- Commodity markets are typically 25% to 50% larger in 2022 than in 2012
- Commodity prices are relatively high compared to the previous 5 years
- The increasing price of coal will drive drilling demand for coal and decrease capacity in the broader non-coal markets in which DDH1 operates in. DDH1 doesn't operate within the coal sector



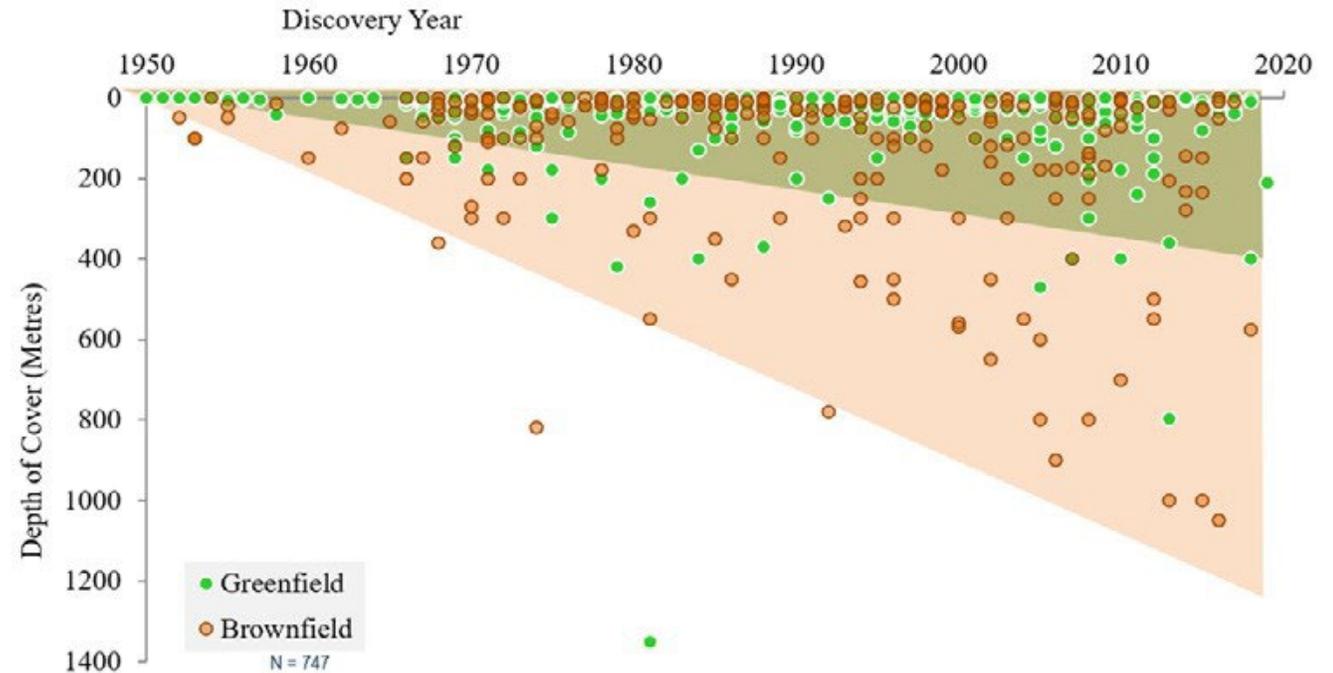
Source: IRESS, Jefferies

# INCREASING DEMAND FOR SPECIALISED DRILLING



- 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

Depth of cover for discoveries in Australia between 1950 and 2019



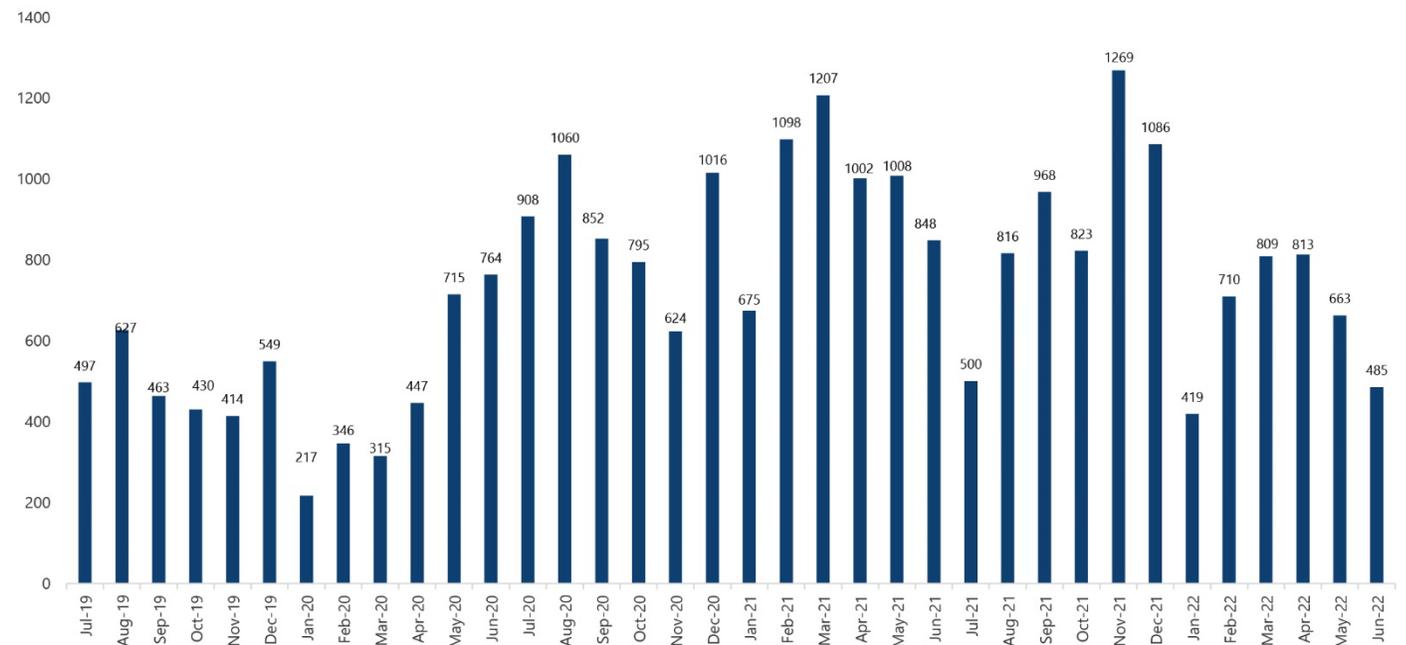
Source: MinEx Consulting.

# INDUSTRY REMAINS WELL-FUNDED



- Our top 5 customers which account for 47% of our FY22 revenues have a combined \$34B in cash on their balance sheets at 30 June 2022, with balances ranging from \$0.5B to \$17.2B.
- Explorers and mining houses have strong balance sheets and cash balances
- DDH1 works closely with its broad client base and has clear visibility for FY23 demand
- Most clients have indicated they intend to prosecute planned drilling programs

### MONTHLY JUNIOR MINER CAPITAL RAISINGS (US\$M)



Source: Factset, Jefferies

# SHORT-TERM INDUSTRY CHALLENGES



## LABOUR

- Access to labour has improved since the opening of the WA borders in early March 2022
- DDH1 focus on enhancing its employee value proposition and new recruitment strategies is successfully attracting employees
- DDH1 is on track to reach full employee capacity in Q1 FY23, however, the Company continues to monitor COVID-related disruptions carefully
- DDH1 employee turnover remains low for critical driller level positions

## INFLATION

- Contracts have been structured with the ability to on-charge many consumables at cost plus
- Shorter-term contracts are being renewed with rate increases to offset higher costs
- Longer-term contracts include rise and fall mechanisms

## RIG AVAILABILITY

- Lead times for surface rigs remain between 8-12 months (excluding automation features)
- 7 surface rigs and 4 underground rigs are on order for FY23 with 4 arriving in Q1
- DDH1 has strong relationship with OEMs resulting in first call option when build slots or low-hour second-hand rigs become available

## UNDERGROUND RIG MANUFACTURING CAPABILITY

- Swick's manufacturing capabilities enable an underground rig build to be completed in 6-8 weeks
- DDH1's current manufacturing capacity can deliver up to 20 rigs per year
- Underground segment is not constrained by rig availability

# BUSINESS OVERVIEW



# 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

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



- Established in 2006
- Diamond core
- All stages of mine cycle
- Multi-commodity
- 74 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

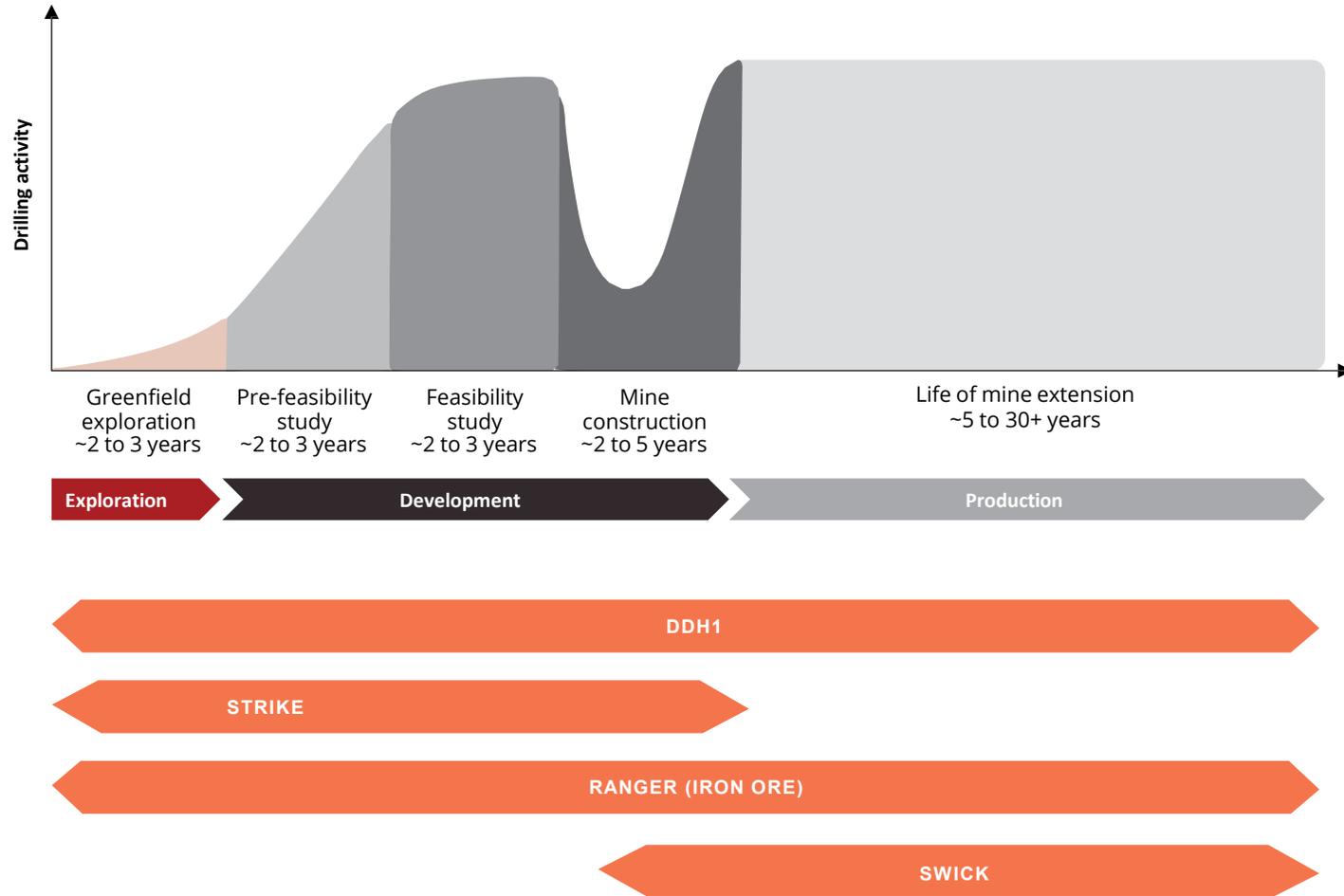


- Established in 2005
- Reverse circulation
- All stages of mine cycle
- Iron ore
- 22 rigs
- Western Australian based operations



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

# OUR SERVICES ACROSS THE MINING VALUE CHAIN

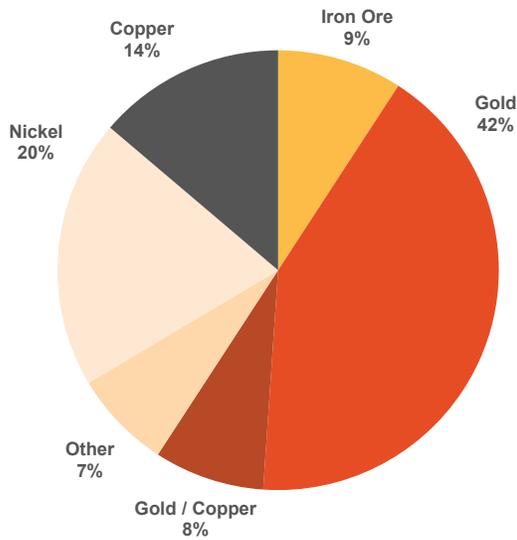


- Focusing on mine development and production phases, less cyclical
- Selective exposure to highly prospective earlier stage greenfields exploration drilling
- Extending services to existing customers, who often have multiple mine sites – surface and underground
- Leveraging existing experience and understanding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

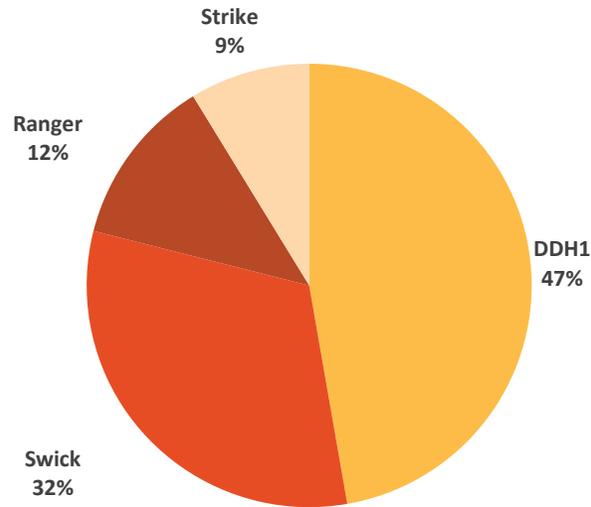
# OUR DIVERSIFIED QUALITY REVENUE BASE\*



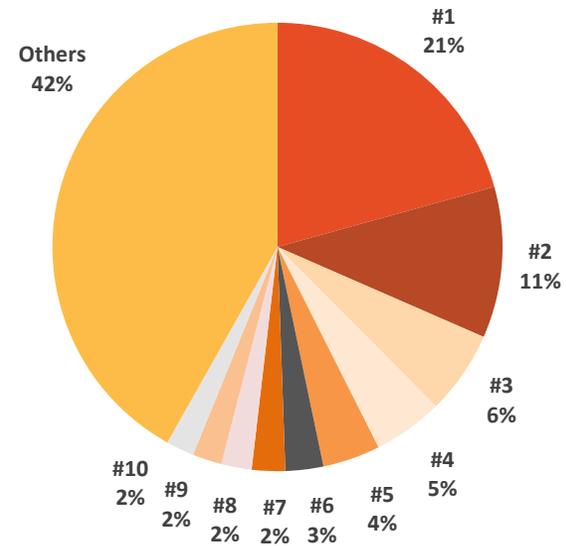
BY COMMODITY



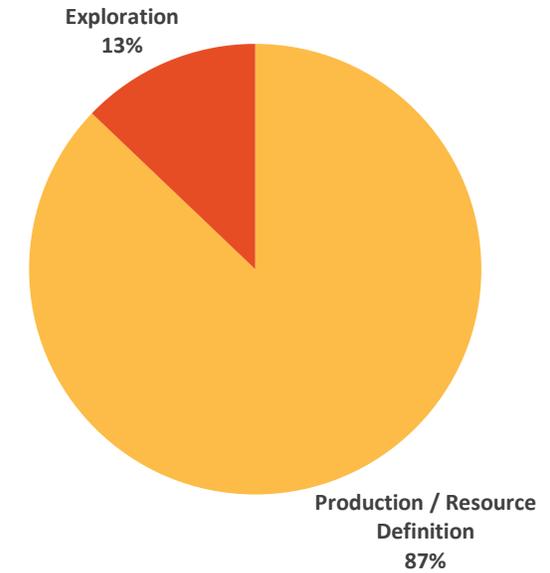
BY BRAND



BY CUSTOMER



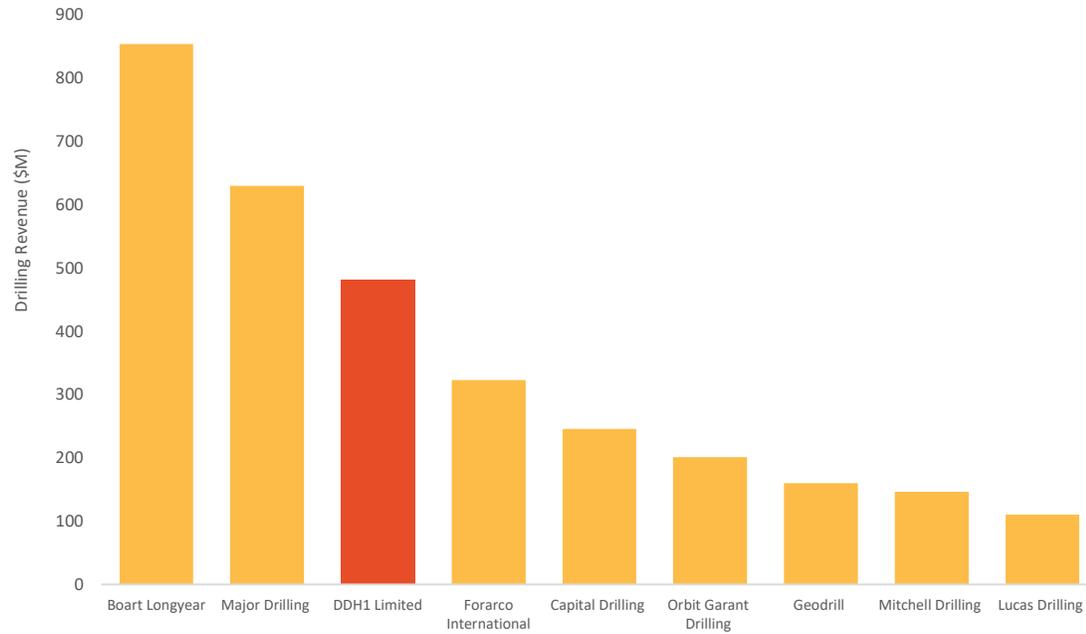
BY PRODUCTION EXPOSURE



\* Results are on a proforma basis, as they include Swick Mining Services' Drilling Division (Swick Results) for all current and comparative reporting periods

# OUR GLOBAL SCALE

## TOTAL DRILLING REVENUE (\$M) V KEY GLOBAL PEERS\*



- Largest drilling service provider within Australia by rig fleet size
- Significant and growing presence within global markets, third largest drilling service provider by revenue

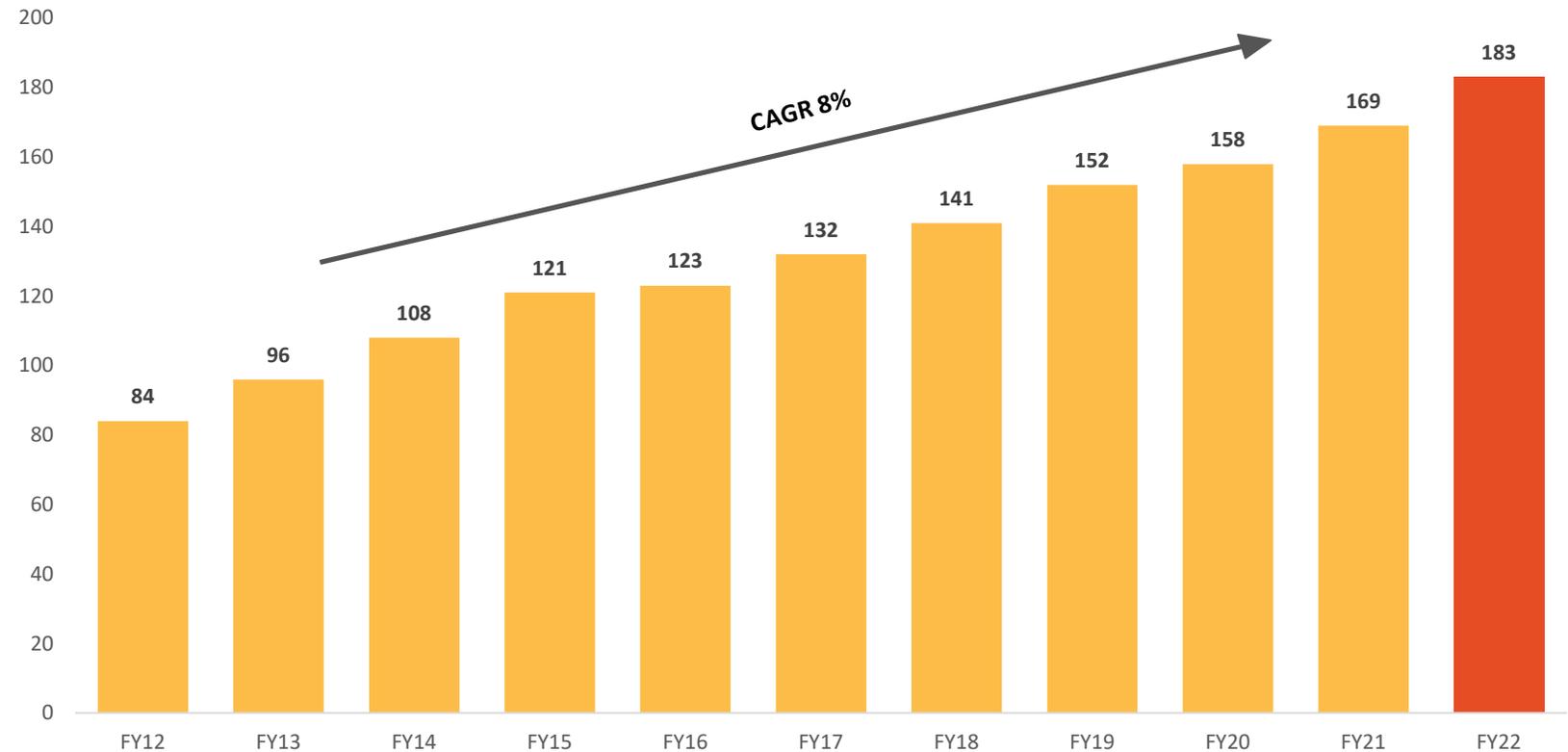
\*Revenue data for 12 months ended 31 December 2021 (excluding Major Drilling, data at 31 January 2022 and the 12 months ended 31 January 2022).  
Source – Refer to Appendix



# WELL POSITIONED TO INCREASE RIG UTILISATION



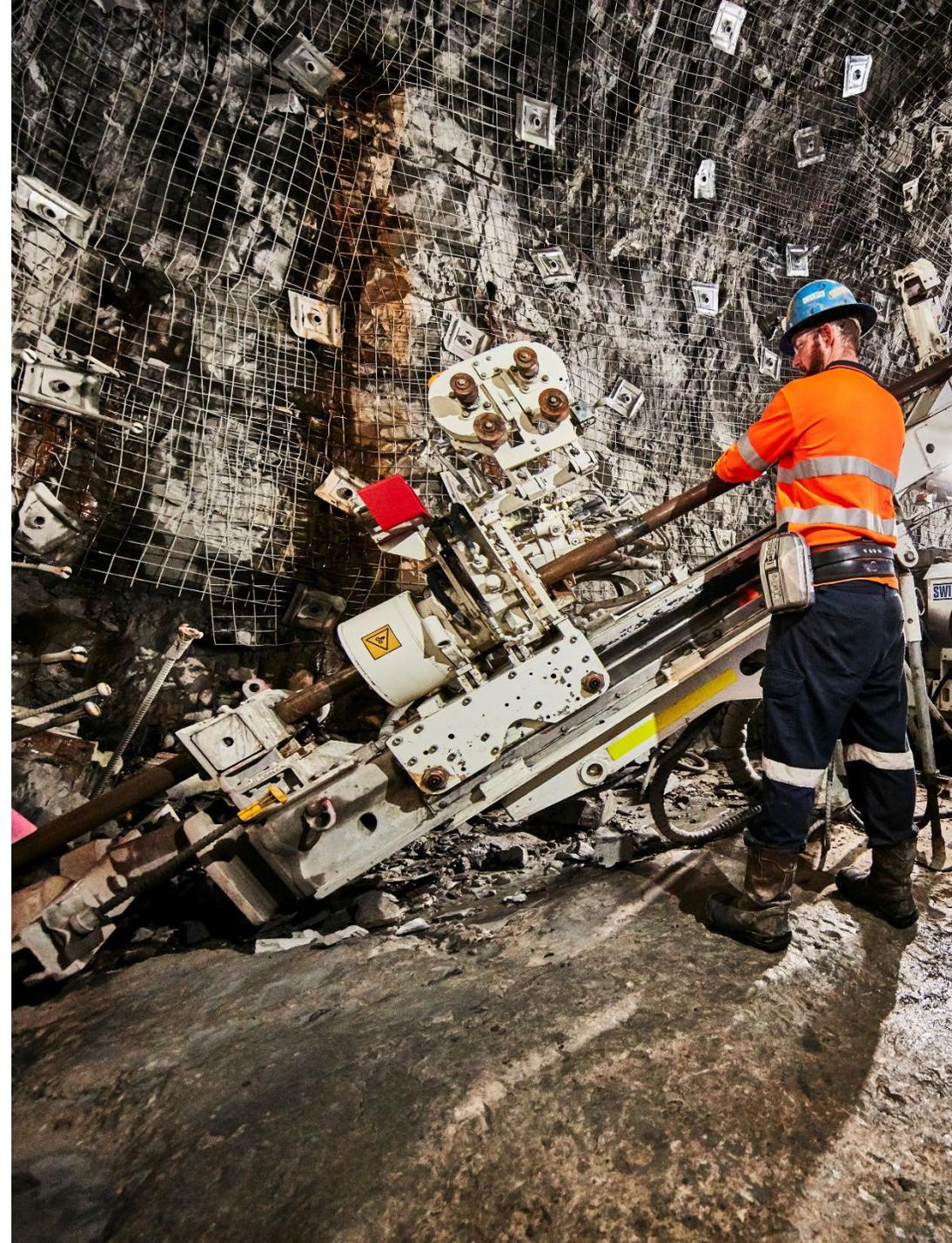
- DDH1 fleet of 183 rigs\* is the largest in the Australian market and fifth largest in the world
- 11 rigs currently on order or under build
- Combined fleet has grown at a CAGR of 8% for the last 10 years
- Ability to invest in additional rigs in response to strong industry demand
- Organic fleet growth positions DDH1 to leverage industry fleet shortfall, meet increased demand and maintain high rig utilisation



\* At 30 June 2022

# SWICK SYNERGIES UPDATE

- Swick integration is on track and progressing well
- Swick is now incorporated into DDH1's divisional business operating structure alongside DDH1 Drilling, Strike Drilling and Ranger Drilling
- Anticipated cost synergies of \$4.8M include \$1.3M per annum of immediate savings and an additional \$3.5M to be realised over 12 months
- Savings are derived from corporate overhead and operational and procurement synergies



# OUR STRENGTHS



## WELL-ESTABLISHED GLOBAL OPERATIONS

- 15+ YEARS EXPERIENCE
- PRESENCE IN KEY MINING REGIONS
- 87% LONG-TERM PRODUCTION CONTRACTS

## TRACK RECORD OF STRONG FINANCIAL PERFORMANCE

- PROFORMA REVENUE CAGR 13%
- STRONG ROIC
- STRONG CASH GENERATION AND ABILITY TO DRIVE GROWTH STRATEGY
- SUSTAINABLE DIVIDEND POLICY

## QUALITY SPECIALIST DRILLING PROVIDER

- FULL SUITE OF SERVICES ACROSS MINING VALUE CHAIN
- DEEP AND DIRECTIONAL DRILLING SPECIALISTS
- COMMODITY AGNOSTIC (BUT WE DON'T OPERATE IN THE COAL MARKET)

## EXPERIENCED & DISCIPLINED LEADERSHIP TEAM

- STRONG QUALITY AND SAFETY FOCUSED CULTURE - IMPROVING TRIFR\*
- BEST-IN-CLASS WORKFORCE
- COMMITTED TO ENHANCING ESG DISCLOSURE

## LARGE MODERN DRILL FLEET

- IN-HOUSE ENGINEERING CAPABILITIES
- INVESTING IN AUTOMATION AND BEST-IN-CLASS TECHNOLOGY
- YOUNG FLEET v ECONOMIC LIFE OF 20+ YEARS

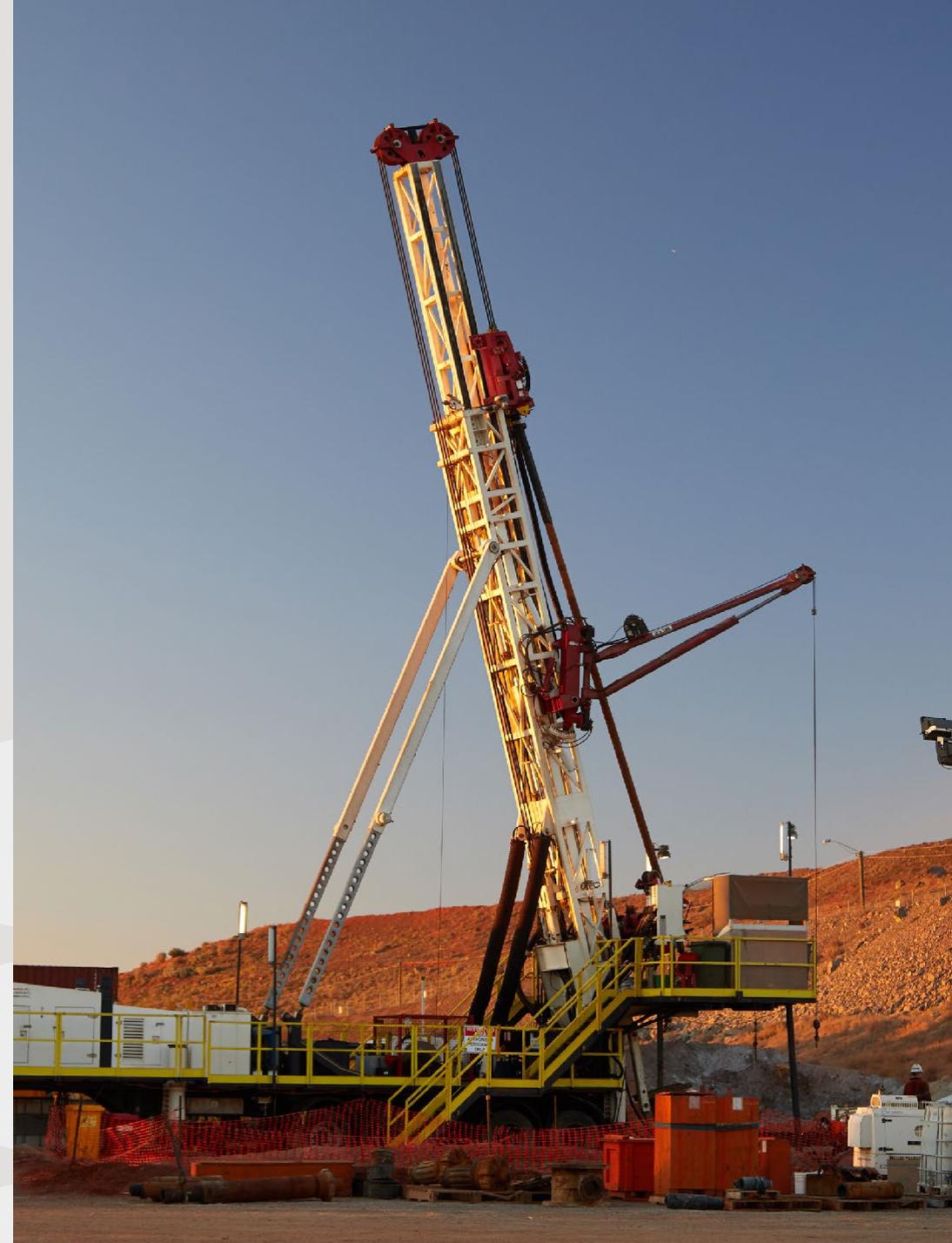
## LONG-TERM INDUSTRY GROWTH DRIVERS

- DIMINISHING MINERAL RESERVES
- INCREASING DEMAND FOR BATTERY METALS
- INCREASING DEMAND FOR SPECIALIST QUALITY DRILLING

\* At FY22

DDH1 LIMITED

# GROWTH & OUTLOOK



# STRATEGIC 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**

**CASHFLOW GENERATION  
AND MARGIN  
IMPROVMENT**

# FOCUS AREAS FOR FY23

- Increasing margins with continued focus on rate increases
- Cash flow generation
- Integration of Swick and extracting synergies from the transaction
- Being a leader at the forefront of renewable transition given such a high correlation of DDH1's focused commodities and their criticality in the transition from fossil fuels
- Disciplined investing in any additional capacity



# OUTLOOK REMAINS POSITIVE

- Strong industry fundamentals driving demand remain
- Battery metals are found in abundance in Australia where DDH1 has a strong presence
- Increasing demand for the specialist drilling services DDH1 provides
- Clients are well funded and have indicated their intention to execute drilling programs
- Top 5 customers (47% of FY22 revenues) have a combined \$34B cash at 30 June 2022, with balances ranging from \$0.5B to \$17.2B
- DDH1 has strong relationships with clients and visibility for demand in FY23
- DDH1 is increasing its rig fleet and is well positioned to increase utilisation and rates



# WELL POSITIONED TO DELIVER SUSTAINABLE RETURNS

- Well-established proven business with a consistent track record of leading service delivery
- Track record of strong financial performance
- Quality specialist drilling provider across the value chain
- Operating in key mining markets globally
- Skilled workforce, modern fleet and in-house engineering capabilities
- Diversified quality revenue profile – 87% recurring revenue from production/resource definition phase
- Strong balance sheet with ability to pursue disciplined organic and acquisitive growth
- Sustainable dividend Policy of 30% – 50% of operating NPATA
- Commencing share buy back program of up to 34,280,468 shares



# THANK YOU

An aerial photograph of a mining or construction site at sunset. The sun is low on the horizon, creating a bright orange and yellow glow that illuminates the scene. The sky is filled with dark, dramatic clouds. In the foreground, there is a large piece of yellow drilling equipment, a white truck, and a yellow trailer. A white pickup truck is parked on the right side of the site. The ground is dark and appears to be a mix of dirt and gravel. In the background, there are rolling hills and a line of trees. The overall atmosphere is one of a busy industrial site during the 'golden hour' of sunset.

## INVESTOR RELATIONS

**Sy Van Dyk**  
Chief Executive Officer

**Ben MacKinnon**  
Chief Financial Officer

[investor.relations@ddh1.com.au](mailto:investor.relations@ddh1.com.au)

## HEAD OFFICE

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# NON – IFRS INFORMATION

30 JUNE 2022

\$M

Underlying EBITDA	97.1
Provision for Wiluna Mining bad debt	(0.7)
Provision for investment in Wiluna Mining	(1.6)
Operating EBITDA	94.8
Swick acquisition costs	(3.8)
Movement in equity value of shares	(0.2)
Profit on sale of assets	0.2
Restructuring costs	(0.2)
Statutory EBITDA	90.8
Depreciation	(30.0)
Statutory EBITA	60.8
Amortisation of acquisition intangibles	(5.8)
Statutory EBIT	55.0



# NON – IFRS INFORMATION

30 JUNE 2022

**EBITDA Reconciliation – Statutory to Proforma Underlying** \$M

Statutory EBITDA	90.8
Add - Swick acquisition costs	3.8
Add - Movement in equity value of shares	0.2
Less - Profit on sale of assets	(0.2)
Add - Restructuring costs	0.2
Operating EBITDA	94.9
Add – Swick July 21 to Jan 22 EBITDA	16.4
Proforma Operating EBITDA	111.3
Add - Provision for Wiluna Mining bad debt	0.7
Add - Provision for investment in Wiluna Mining	1.6
Proforma Underlying EBITDA	113.6



## GLOBAL PEER INFORMATION

PEER NAME	EXCHANGE	DRILLING REVENUE AUD (\$M) <sup>1</sup>	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

<sup>1</sup> 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 \$0.93 was used to convert to AUD for comparative purposes.