

29 August 2023

## Perenti & DDH1 combination positioned to deliver returns to shareholders post Scheme implementation

Perenti (ASX: PRN) notes today's announcement by DDH1 Limited (ASX: DDH) of its FY23 financial and operational results, including stand-alone FY24 guidance. On a stand-alone basis, DDH1 expects FY24 Operating EBITDA of between \$123 million and \$130 million and capital expenditure of approximately \$60 million, of which \$22 million is growth capital.

Following the release of both the DDH1 and Perenti guidance for FY24 which reflects a very strong stand-alone outlook for both businesses, Perenti's confidence in the outlook of the combined business has been reinforced by:

- expected earnings and required capital expenditures;
- the strength of the pro forma balance sheet of the combined group; and
- the significantly enhanced cash flow of the combined group including synergies.

Therefore, subject to a positive DDH1 shareholder vote and following implementation of the Scheme, based on its forecast balance sheet strength and strong cash generation, Perenti will have capacity to re-commence paying dividends and/or to recommence capital returns to shareholders in accordance with its capital management framework.

The quantum, form and timing of returns to shareholders will be determined by the Perenti Board to optimise shareholder returns, having regard to factors including the prevailing share price, availability of franking credits and other circumstances at that time.

Mark Norwell, Managing Director & Chief Executive Officer of Perenti said: "Last week I was very pleased to announce Perenti's record FY23 financial performance and the outlook for FY24, demonstrating the strength of the business, its projects and most importantly, its people. With DDH1 today announcing solid FY23 results and positive outlook for FY24, we are encouraged by the outlook for the combined Perenti and DDH1 business."

In-line with the Perenti Capital Management Policy and given the forecast leverage position and the significant free cash generation of the combined business, following implementation Perenti will have capacity to provide near-term capital returns to shareholders in the form of the commencement of a share buyback program and / or at the 1H24 reporting period, the recommencement of dividends."

We await the DDH1 shareholder vote and are encouraged by the strong FY23 results and positive FY24 outlooks as presented by both companies. The transaction remains financially compelling for shareholders and, following the implementation of the Scheme, we look forward to providing meaningful and ongoing capital returns to shareholders."

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For context, as announced on 22 August 2023 and clarified on 23 August 2023, on a stand-alone basis Perenti's FY24 guidance is:

- underlying revenue of between \$2.8 billion and \$3.0 billion;
- underlying EBIT(A) of between \$260 million and \$275 million;
- net capital expenditure of ~\$330 million; and
- leverage of between 0.8x and 0.9x.

Authorised by:  
**Board of Directors**

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Perenti is a diversified global mining services group with businesses in surface mining, underground mining and mining support services. The Group was founded in Kalgoorlie in 1987 and is today one of the world's largest companies providing surface and underground mining at scale. Headquartered in Australia, Perenti has operations and offices in 13 countries across four continents, employs around 8,000 mining professionals and is creating enduring value and certainty for clients on some of the world's largest mining projects.