



Macmahon Holdings Limited  
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# ASX ANNOUNCEMENT

20 October 2023

## 2023 Annual General Meeting Presentation to Shareholders

Macmahon Holdings Limited (ASX: MAH) (**Macmahon** or the **Company**) releases its attached 2023 Annual General Meeting Presentation to Shareholders.

**\*\*\* ENDS \*\*\***

This announcement was authorised for release by Michael Finnegan, Chief Executive Officer and Managing Director.

For further information, please contact:

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Chief Commercial Officer  
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### **About Macmahon**

*Macmahon is an ASX listed company offering the complete package of mining services to miners throughout Australia and Southeast Asia.*

*Macmahon's extensive experience in both surface and underground mining has established the Company as the contractor of choice for resources projects across a range of locations and commodity sectors.*

*Macmahon is focused on developing strong relationships with its clients whereby both parties work in an open, flexible and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties.*

Visit [www.macmahon.com.au](http://www.macmahon.com.au) for more information.



MACMAHON

# FY23 Annual General Meeting

20 October 2023



# Acknowledgement of Country

**We wish to acknowledge the traditional custodians of the land on which we meet today, the Whadjuk people, and pay our respects to elders past, present and emerging.**

**We extend that respect to the traditional custodians of the lands on which our online participants join us and to all Aboriginal and Torres Strait Islander people and non indigenous persons here today.**



# Meeting Agenda

- 1. Welcome and Introduction**
- 2. Chair's Address**
- 3. Managing Director and CEO's Address**
- 4. Formal Business**
  - Introduction
  - Proxy Voting Results
  - Financial Statements and Reports Discussion/Questions
  - Consideration of Resolutions, Question and Voting
- 5. Closing**

# Corporate Overview – Directors



**EVA SKIRA\***  
Independent, Non-Executive Chair



**MICHAEL FINNEGAN**  
Managing Director  
and Chief Executive Officer



**DAVID GIBBS**  
Non-Independent, Non-Executive Director



**DENISE McCOMISH**  
Independent, Non-Executive Director



**HAMISH TYRWHITT\***  
Independent, Non-Executive Director

# Online Attendees – Question Process

Select the Q&A Icon that appears on the top right of your screen

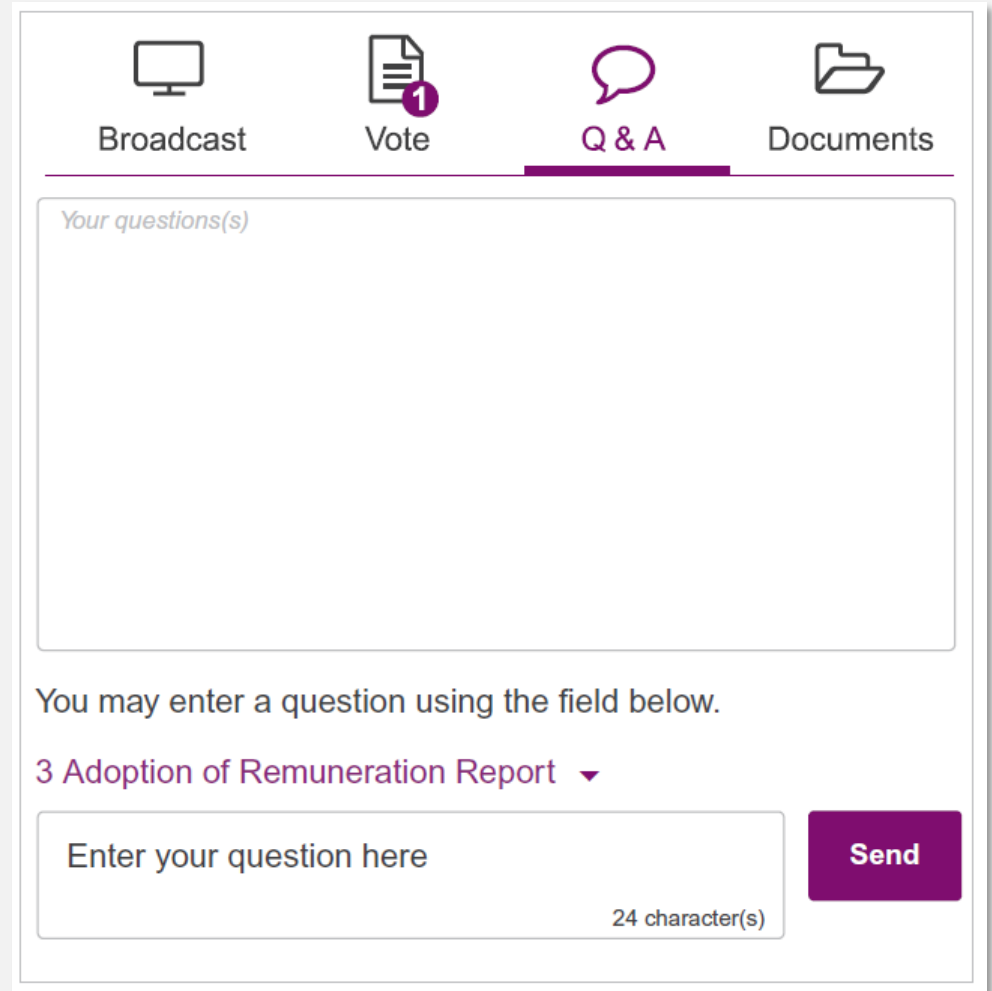


To submit a question, type your question in the box that states “Enter your question here” and press Send button



Your question will be sent immediately for review. To ask a verbal question, follow the instructions on the virtual meeting platform.

Received



The screenshot shows a meeting control bar at the top with four icons: Broadcast (monitor), Vote (document with '1'), Q & A (speech bubble), and Documents (folder). The Q & A icon is highlighted with a purple underline. Below the bar is a large text input area labeled "Your questions(s)". Underneath this is a smaller instruction: "You may enter a question using the field below." This is followed by a dropdown menu showing "3 Adoption of Remuneration Report" with a downward arrow. Below the dropdown is a text input field containing the placeholder "Enter your question here" and a character count "24 character(s)". To the right of the input field is a purple "Send" button.

## Online Attendees – Voting

When the Chair declares the poll open, select the 'Vote' icon and the voting options will appear on your screen.



To vote, select your voting direction. A tick will appear to confirm receipt of your vote.

There is no submit or send button, your selection is automatically recorded. To change your vote, select 'Click here to change your vote' and press a different option to override.

The screenshot displays a web interface for online voting. At the top, there are four navigation tabs: 'Broadcast' (with a monitor icon), 'Vote' (with a document icon and a red '1' notification badge, and a purple underline), 'Q & A' (with a speech bubble icon), and 'Documents' (with a folder icon). Below the tabs is a grey header bar with the text 'Items of Business'. The first item is '2A Re-elect Mr John Brown as a Director', followed by three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The second item is '2B Re-elect Mr Peter Nolan as a Director', also followed by three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'.



CHAIR ADDRESS

Eva Skira

MACMAHON – FY23 Annual General Meeting





# A successful year for Macmahon

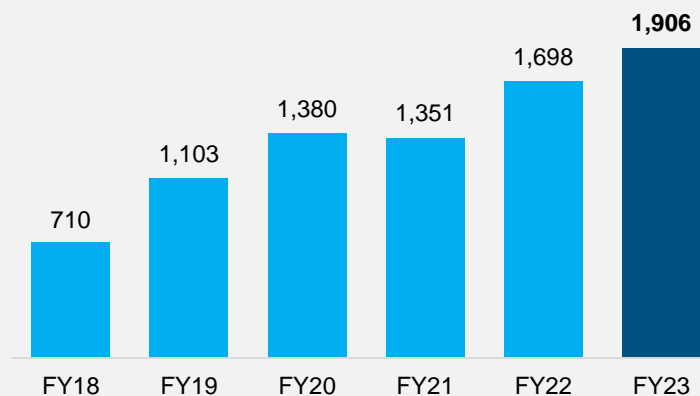
## FY23 Highlights

- Achieved guidance for 6<sup>th</sup> consecutive year
- Delivered record financial results
- \$5.1b order book including \$2.6b in contract extensions and new work won
- Delivered \$34.7m free cash flow
- Reduced leverage (0.65x) and gearing (25%)
- Increased full year dividend of 0.75cps

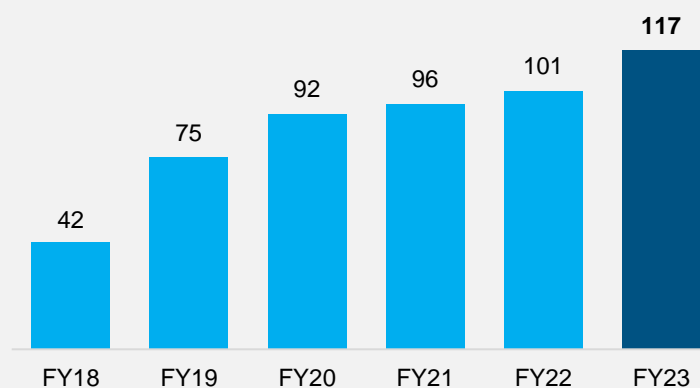
## Our People

- Improved safety performance, reduced TRIFR to 3.9
- Successfully attracted talent and increased workforce to 8,368
- Trained 758 people through 'Grow Our Own'
- New to industry program launched for Australian Defence Force Veterans

Revenue (\$m)



Underlying EBIT(A) (\$m)



# Sustainability

Evolving commitment and enhancing contribution

## Environment



**Baselining of our Environmental Footprint underway**



**Sustainability Framework developed, roadmap and execution plan in development**



**FY23 GHG emissions (CO<sub>2</sub>-e tonnes)**  
Scope 1: 1,091  
Scope 2: 913



**Land rehabilitated**  
56 hectares in Australia  
55 hectares in Indonesia



**Tyre Recycling Program**  
662 tonnes recycled

## Social



**Diversity**  
4.7% First Nations  
33.3% Female NEDs  
57.1% Females in Executive Leadership positions



758 trained through our **'Grow Our Own' programme**



**Strong Minds, Strong Mines**  
Extended to wider industry



**Strong Minds, Strong Schools**  
Launched into WA Schools



**Sexual Harassment Road Map**  
Bystander training, embedded whistleblower platform, independent culture review and pulse checks

## Governance



Expanded our dedicated **Cyber Security Team**, including 24/7 monitored security operations centre



**New Sexual Harassment Policy with roll out of associated training**



**Winning at Macmahon**  
embedded with ongoing pulse checks



**No reported incidents of corruption**



Investing in **new technology** to enhance our capability to identify, protect, detect, respond and recover against cyber threats



# Macmahon Board

## Macmahon Board Post AGM



**HAMISH TYRWHITT**

Independent, Non-Executive Director  
**Chair Elect**



**MICHAEL FINNEGAN**

Managing Director  
and Chief Executive Officer



**DENISE McCOMISH**

Independent, Non-Executive Director



**DAVID GIBBS – AMNT Nominee**

Non-Independent, Non-Executive Director  
Appointed 13 Jul 23

## Board Departures 2023



**ALEX RAMLIE - AMNT Nominee**

Non-Independent, Non-Executive Director  
Retired 13 July 23



**ARIEF SIDARTO - AMNT Nominee**

Non-Independent, Non-Executive Director  
Retired 13 July 23



**BRUCE MUNRO**

Independent, Non-Executive Director  
Deceased 21 Aug 23



**EVA SKIRA**

Independent, Non-Executive Chair  
Retiring 20 Oct 23

# Closing Remarks





**MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
ADDRESS**

**Mick Finnegan**

MACMAHON – FY23 Annual General Meeting



# FY23 Financial Highlights

Record underlying operating earnings delivered

<b>Revenue</b> <b>\$1.9bn</b> ▲ 12%	<b>Underlying EBITDA<sup>1</sup></b> <small>(Record)</small> <b>\$308.7m</b> ▲ 6% 15.7% margin	<b>Underlying EBIT(A)<sup>1</sup></b> <small>(Record)</small> <b>\$116.6m</b> ▲ 16% 6.1% margin	<b>FY24 Secured Revenue<sup>5</sup></b> <b>\$1.6bn</b> <hr/> <b>FY24 Revenue Guidance<sup>6</sup></b> <b>\$1.7bn – \$1.8bn</b> <hr/> <b>FY24 EBIT(A) Guidance</b> <b>\$130m – \$140m</b>
<b>Underlying NPAT(A)<sup>1</sup></b> <b>\$67.6m</b> ▲ 7% Statutory NPAT \$57.7m	<b>Underlying operating cash flow<sup>2</sup></b> <b>\$306.0m</b> ▲ 13% Cash Conversion 99.1%	<b>Total Dividend</b> <b>0.75cps</b> 23.3% payout ratio	
<b>Net Debt</b> <b>\$201.9m</b> Net Debt /EBITDA 0.65x	<b>ROACE<sup>3</sup></b> <b>14.5%</b>	<b>Order Book<sup>4</sup></b> <b>\$5.1bn</b>	

1. Underlying numbers exclude total adjustments of \$9.9 million

2. Net operating cash flow excluding interest, tax, corporate development costs and SaaS customisation costs

3. ROACE: Underlying EBIT(A) / Average ((Total Assets excluding Cash) – (Current Liabilities excluding debt))

4. As at 30 June 2023 and excludes future contract cost escalation recoveries

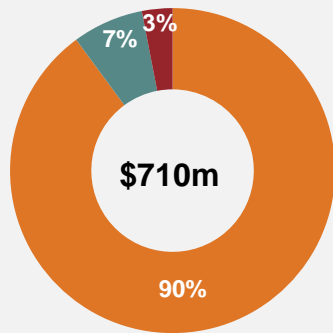
5. Excludes short term civil and underground churn work and future contract cost escalation recoveries

6. FY24 revenue guidance range assumes an exchange rate of AUD:USD 0.70 and excludes future contract cost escalation recoveries

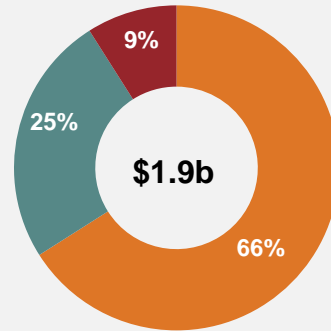
# Expanding into Lower Capital Intensity Services

Executing filtered tender pipeline to progress towards long term targets

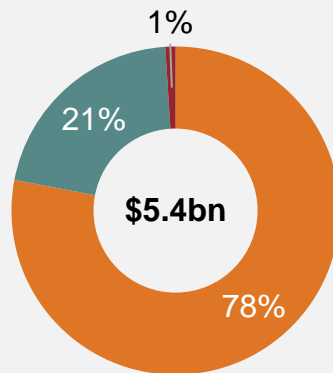
FY18 Revenue Mix



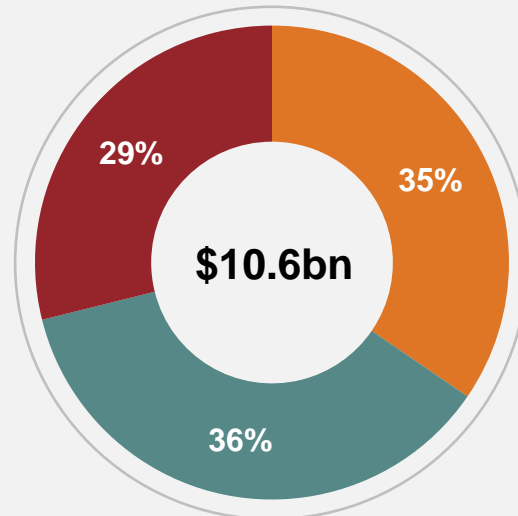
FY23 Revenue Mix



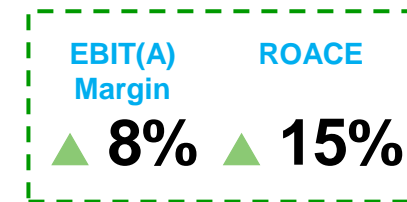
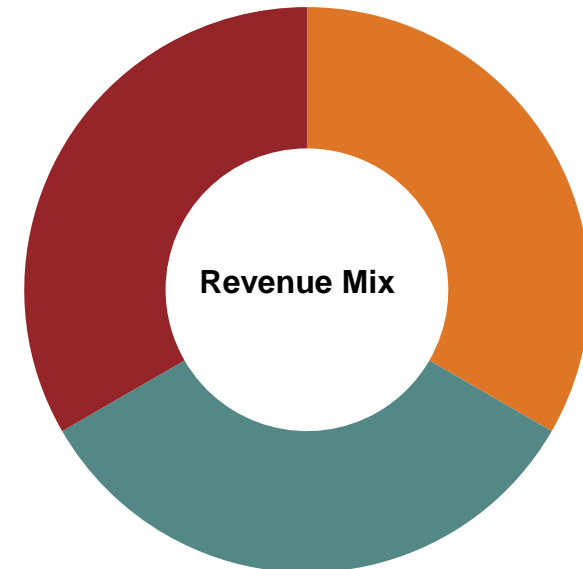
FY18 Pipeline



FY23 Tender Pipeline



TARGET



# FY23 Operational Highlights

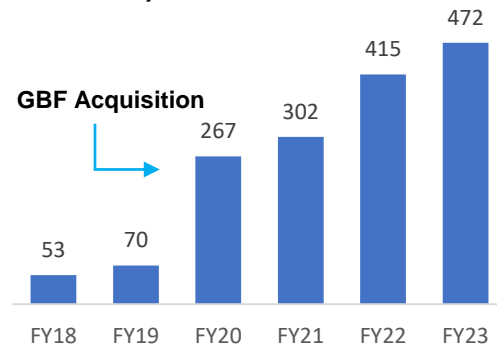
Execution of existing contracts while managing industry headwinds and securing highly filtered new work

## Surface Mining

- **Telfer** performing well and record gold production at **KOTH**
- Secured **\$2.6b** in new work:
  - **\$1.1b 7+2 yrs Greenbushes contract** commenced 1 Jul 23
  - **\$100m Telfer extension**
  - **Batu Hijau Phase 8** commenced 1 Apr 23
  - **US\$350m Martabe** extension commenced 1 Apr 23 (7+2 yrs)
  - **\$440m Byerwen** extension commencing 1 Nov 23 to 30 Jun 25
- **Warrawoona (Calidus)** balance sheet strengthened and performing consistently

## Underground

- FY23 revenue at **25% of group** revenue
- Increased revenue from \$53m in FY18 to \$472m in FY23 (**CAGR of 44%**)



- **Targeting +50% increase in next 2-3 years**
- **KOTH, Boston Shaker** and **Deflector** performing strongly

## Mining Support Services & Civil Infrastructure

- **Fimiston** TSF project progressing well
- **Building internal capability and capacity** to accelerate growth
- Targeting large scale **civil infrastructure, engineering** and **rehabilitation** projects
- Growing and pursuing highly filtered tender pipeline with a focus on where **MAH has existing relationships and a competitive advantage**
- **Teaming and strategic partnership** arrangements being pursued in Australia and Indonesia

## Corporate

- Successfully attracted talent to **increase workforce to 8,368**
- **Skilled labour shortages** continued in Australia (equipment maintenance and operators), Southeast Asia a balanced market
- **Supply chain** shortages and delays normalising
- **Cost inflation subsiding**
- Contract structures provide **protection against rising input costs**, including labour
- Continuing to review strengthen and review Balance Sheet for improvement opportunities



# Safety & People

Investing in our people and continued safety improvement

## Safety & Wellbeing

- **TRIFR decreased** from 4.8 in FY22 to 3.9 in FY23
- External review and **strengthening of the Critical Risk Management Program**
- **Education and training** in risk assessments and psychosocial hazards
- Strengthened approach to senior management peer risk reviews and significant incident reviews
- **Successful roll out of Sexual Harassment Roadmap** including training of 48 Wellness Champions

## Training & Development

- **Trained 758 people through our 'Grow Our Own' program** including Trainees (453), External Trainees (149), Graduates (30) and Apprentices (126)
- **New to industry programme** launched for Australian Defence Force veterans
- Partnering with Indonesian training teams to identify opportunities to expand training and cross-skill teams

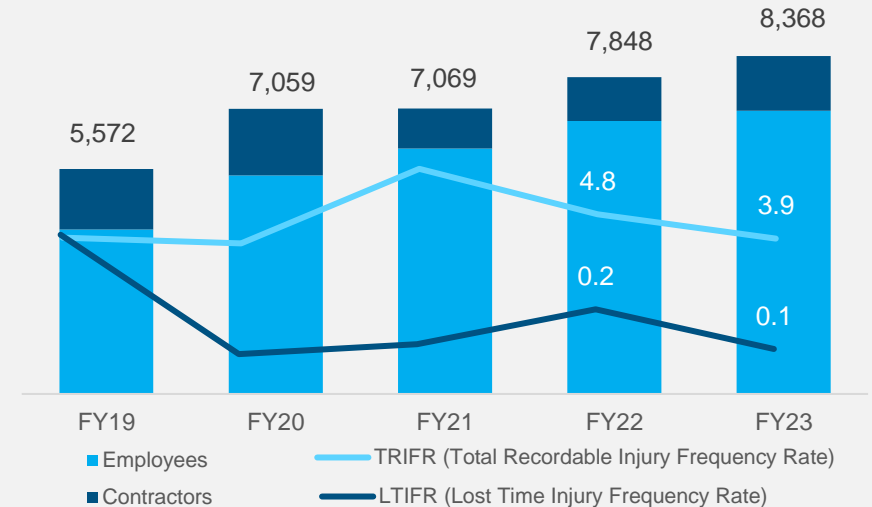
## Physical & Mental Health

- Award winning **Strong Minds, Strong Mines** program offered to the wider mining community
- **Strong Minds, Strong Schools** program piloted in Western Australia with large scale opportunity

## Diversity & Inclusion

- **Increased overall female representation** in the Australian-based workforce to 18% across all occupations
- **First Nations People represent 4.7% of Australian workforce** with reduced attrition rates in FY23
- Delivered Breaking Bias Training and Women at Macmahon Focus Groups as part of **executing our Diversity & Inclusion Roadmap**

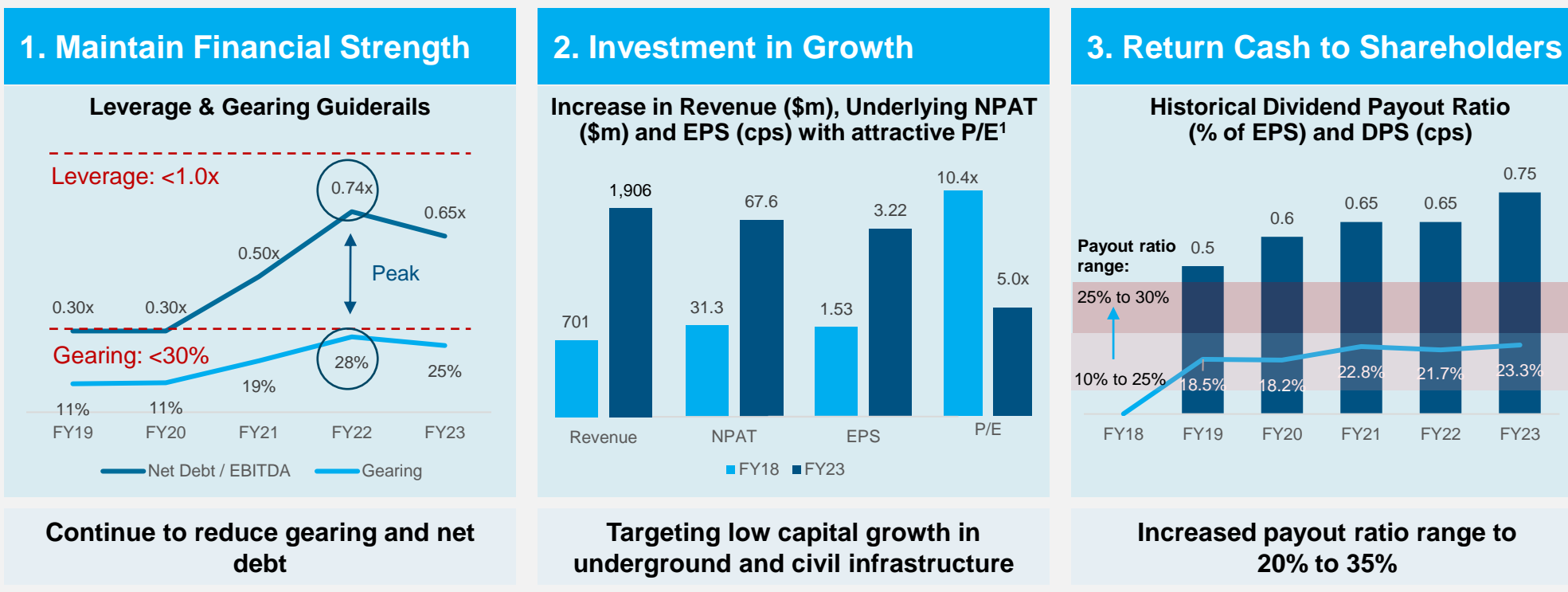
Injury Frequency Rates & Workforce



# Capital Allocation Policy to Balance Growth

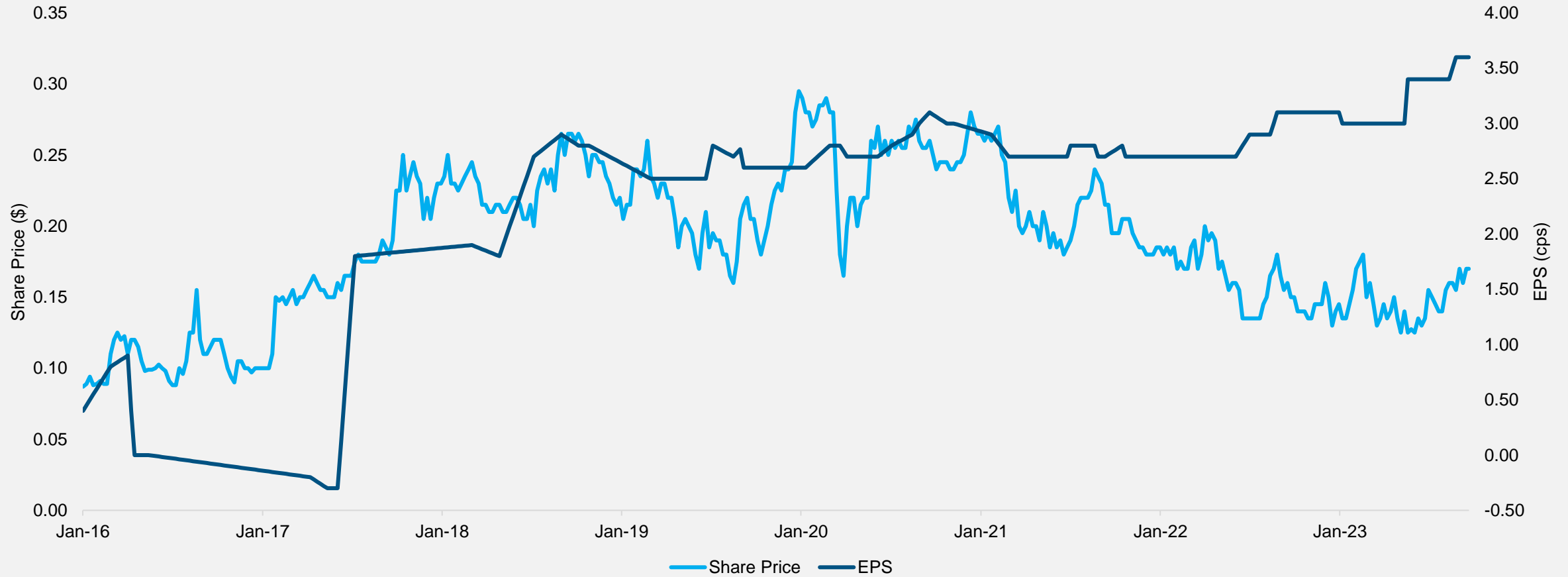
- Our Priorities**
- ✓ Maintain resilient balance sheet, ensure appropriate liquidity and gearing
  - ✓ Retain flexibility to fund organic growth and accretive acquisitions
  - ✓ Increased cash return to shareholders

## Capital Allocation



# Share Price & EPS Divergence

Share Price Performance vs EPS



# Priorities and Outlook

## FY24 PRIORITIES

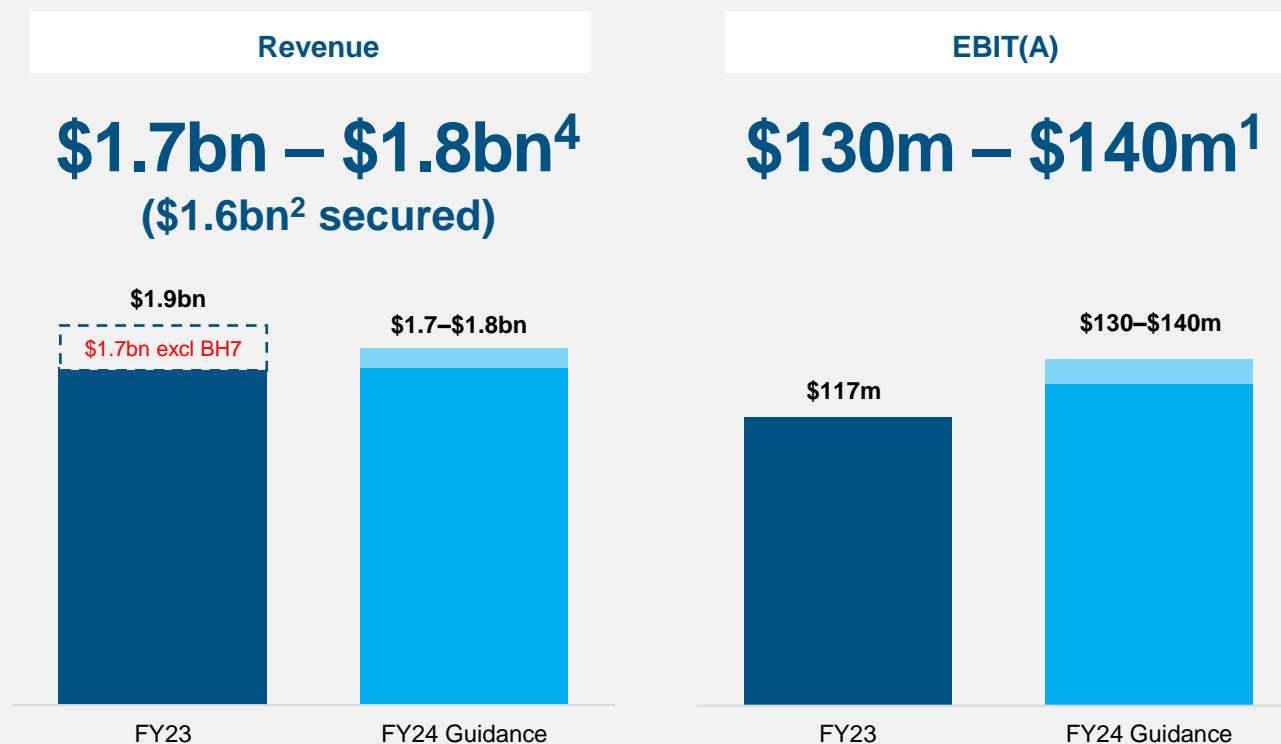
- Optimise operations and continue to deliver for clients safely
- Deliver earnings, margin growth and free cash flow from recent capital investments
- Accelerate ROACE growth and reduce capital employed by continuing to diversify into lower capital intensity opportunities
- Execute disciplined capital management, cost management and maintain strong balance sheet
- Attract, train and retain talent
- Continue investment in mining technology and digital transformation
- Smooth transition of Board changes

## POSITIVE OUTLOOK

- ✓ Order book of \$5.1bn<sup>3</sup>
- ✓ High level of secured revenue and earnings
- ✓ Tender pipeline of \$10.6bn

1. Guidance assumes an exchange rate of AUD:USD 0.70, and excludes various adjusting items  
 2. Excludes short term civil and underground churn work and future contract cost escalation recoveries  
 3. As at 30 June 2023; excludes future contract cost escalation recoveries  
 4. Guidance assumes an exchange rate of AUD:USD 0.70 and excludes future contract cost escalation recoveries

## FY24 GUIDANCE<sup>1</sup>



# Thank You





# Meeting Resolutions

# Proxy Voting Results

Resolutions	For	Against	Abstain	Open
<b>Resolution 1</b> Adoption of Remuneration Report	1,330,991,116 (83.64%)	258,969,927 (16.28%)	1,327,459	1,222,790 (0.08%)
<b>Resolution 2</b> Election of Mr David Gibbs as a Director	1,587,704,763 (99.70%)	3,567,860 (0.22%)	15,879	1,222,790 (0.08%)
<b>Resolution 3</b> Renewal of Proportional Takeover Provisions	1,586,936,296 (99.66%)	4,188,353 (0.26%)	163,853	1,222,790 (0.08%)

# Financial Statements and Reports





# Resolution 1

## ADOPTION OF REMUNERATION REPORT

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Company’s Remuneration Report (which forms part of the Directors’ Report) for the year ended 30 June 2023) be adopted.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

# Resolution 1 – Proxy Results

## ADOPTION OF REMUNERATION REPORT

<b>For</b>	1,330,991,116 (83.64%)
<b>Against</b>	258,969,927 (16.28%)
<b>Abstain</b>	1,327,459
<b>At the Proxy's Discretion</b>	1,222,790 (0.08%)
<b>Total Proxy Votes</b>	<b>1,592,511,292</b>

## Resolution 2

### **ELECTION OF MR DAVID GIBBS AS A DIRECTOR**

“That Mr David Gibbs, a Director appointed by the Board to fill a casual vacancy during the year, who retires from the office of Director in accordance with rule 3.6(a) of the Company’s Constitution, and being eligible, be elected as a Director of the Company.”

Note: Resolution 2 is an ordinary resolution and therefore requires a simple majority of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## Resolution 2 – Proxy Results

### ELECTION OF MR DAVID GIBBS AS A DIRECTOR

<b>For</b>	1,587,704,763 (99.70%)
<b>Against</b>	3,567,860 (0.22%)
<b>Abstain</b>	15,879
<b>At the Proxy's Discretion</b>	1,222,790 (0.08%)
<b>Total Proxy Votes</b>	<b>1,592,511,292</b>

## Resolution 3

### **RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS**

To consider and, if thought fit, pass the following Resolution as a special resolution:

“That, with effect from the close of the Meeting and in accordance with section 648G of the Corporations Act, the proportional takeover provisions set out in Rule 29.8 of, and Schedule 2 to, the Constitution of the Company (a copy of which is tabled at the Meeting), be renewed for a period of three years.”

Note: Resolution 3 is a special resolution and therefore requires approval of at least 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## Resolution 3 – Proxy Results

### RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

<b>For</b>	1,586,936,296 (99.66%)
<b>Against</b>	4,188,353 (0.26%)
<b>Abstain</b>	163,853
<b>At the Proxy's Discretion</b>	1,222,790 (0.08%)
<b>Total Proxy Votes</b>	<b>1,592,511,292</b>

**CLOSING**

**Annual General Meeting**

20 October 2023

[www.macmahon.com.au](http://www.macmahon.com.au)



**MEETING CLOSED**

## **Annual General Meeting**

20 October 2023

[www.macmahon.com.au](http://www.macmahon.com.au)