

11 December 2023

## Update and FY24 Guidance

Perenti Limited (ASX:PRN) ('Perenti' or 'the Company') is pleased to provide an update and consolidated FY24 guidance.

Following the successful completion of the DDH1 transaction on 6 October 2023, Perenti has established its Drilling Services Division headed by Sy Van Dyk. The new Division includes the four newly acquired DDH1 brands, DDH1 Drilling, Ranger Drilling, Strike Drilling and Swick Drilling with Perenti's existing Ausdrill business. Integration activities are well advanced, tax and corporate synergies have been crystalised, and the business remains confident in delivering the previously stated operational synergies.

### Consolidated FY24 Guidance

On 22 August 2023, Perenti announced FY24 guidance of revenue between \$2.8 billion and \$3.0 billion, underlying EBIT(A) between \$260 million to \$275 million, net capital expenditure of ~\$330 million and leverage of between 0.8x and 0.9x. On 29 August 2023, DDH1 announced FY24 guidance, forecasting operating EBITDA of between \$123 million and \$130 million with capital expenditure of \$60 million.

With the DDH1 acquisition effective 6 October, FY24 guidance, based on a USD:AUD rate of \$0.68, is:

- Revenue of \$3.3 billion to \$3.4 billion;
- Underlying EBIT(A) of \$310 million to \$325 million;
- Net capital expenditure of ~\$365 million; and
- Leverage of 0.7x to 0.8x.

Perenti's leverage at 31 December 2023 will be above the full year guidance range due to the timing of the DDH1 transaction and the associated payment of \$50 million of cash consideration, together with the timing of capital expenditure.

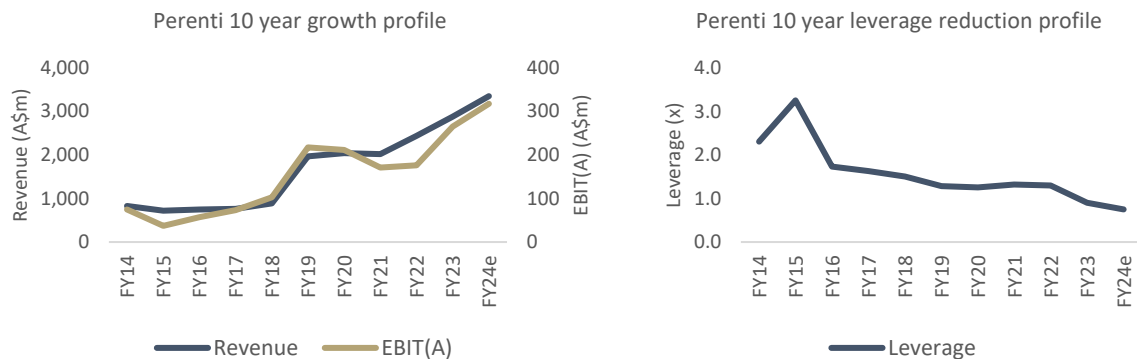
Mark Norwell, Managing Director & Chief Executive Officer of Perenti said "The team from Perenti and DDH1 have shown they have strong cultural alignment and are focused on making the most of the opportunity by bringing these two strong businesses together. We are seeing evidence of this in the seamless way the integration activities are progressing.

"In the weeks since coming together, I am very pleased that the Drilling Services Division is performing to expectations and that we are seeing steady demand for our drilling expertise, with rig utilisation rates comfortably above long-term averages.

"For the remainder of FY24, we continue to expect the group to deliver strong operational performance and earnings which will continue to strengthen our balance sheet and generate cash.

With the DDH1 transaction complete, Perenti continues to demonstrate its ability to deliver consistent, value accretive organic and inorganic growth. Since FY18, the financial year prior to the acquisition of Barmenco, the business has delivered EBIT(A) growth at a CAGR of 21%<sup>1</sup>, whilst reducing leverage by 50%.

<sup>1</sup> Assumes CAGR to the mid-point of FY24 guidance.



Source: Company Reports from 01/07/2013 proforma to respective mid-point FY24 guidance ranges

### DDH1 acquisition FY24 non-underlying impact

Having regard to the consideration that was paid and the high-quality nature of the assets that were acquired, the market value of the DDH1 assets exceeds their current book value, resulting in a non-cash gain on acquisition. Perenti will provide more specific detail in relation to the Purchase Pricing Accounting for DDH1 with the first half FY24 results.

### Future Facing Investment (FFI) – idoba product development

As previously communicated Perenti’s FY24 guidance excludes a cash commitment of \$15 million related to FFI, specifically idoba product development, the guidance numbers for both earnings and capital presented continue to exclude this amount.

The allocation of the \$15 million between capitalised and expenditure will be determined in line with the relevant accounting standards once the expenditure has been incurred. The amount expensed will be classified as non-underlying and will be excluded from underlying earnings results.

Authorised by:

**The Perenti Board of Directors**

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