

ASX ANNOUNCEMENT

20 February 2024

Appendix 4D

Results for Announcement to the Market

Name of entity: Macmahon Holdings Limited

ACN: 007 634 406

For the six months ended 31 December 2023 Compared with the six months ended 31 December 2022

Results for announcement to the market

In millions of AUD				
Revenue from ordinary activities	down	2.12%	to	966.3
Profit after income tax	up	57.00%	to	36.5
Profit after tax attributable to members	up	57.00%	to	36.5
Basic earnings per share (cents)	up	56.76%	to	1.74

Dividends	Amount	Franked	Record date	Payment date
	per	amount	for interim	for interim
	security	per security	dividend	dividend
Interim dividend declared	0.450 cents	0.000 cents	21 March 2024	11 April 2024

In cents of AUD	31 December 2023	30 June 2023
Net tangible assets per security	28.9	27.8

For a brief explanation of the figures reported above refer to the attached Interim Financial Report for 31 December 2023.

ACN 007 634 406

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ASX ANNOUNCEMENT

20 February 2024

Joint ventures:

Ownership interest

Joint venture	Principal activities	31 December 2023	30 June 2023
PT Macmahon Labour Services	Mining services	49.0%	49.0%

*** ENDS ***

This announcement was authorised for release by the Board of Directors of Macmahon Holdings Limited.

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 for more information.





CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2023

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For the half-year ended 31 December 2023

The Directors present their report, together with the condensed consolidated interim financial statements, of Macmahon Holdings Limited and its controlled entities (the Group or Macmahon) for the half-year ended 31 December 2023 including the independent review report thereon ("The Interim Financial Report").

DIRECTORS

The Directors of the Company at any time during or since the end of the interim period are:

H Tyrwhitt (Non-Executive Chair)

M Finnegan (Managing Director and Chief Executive Officer)

D Chandran (Non-Executive Director) (Appointed 1 February 2024)

D Gibbs (Non-Executive Director)
D McComish (Non-Executive Director)

G White (Non-Executive Director) (Appointed 1 February 2024)
E Skira (Non-Executive Chair) (Resigned 20 October 2023)

PRINCIPAL ACTIVITIES

Macmahon is an ASX listed company, providing services to many of the largest resources projects in Australia and Southeast Asia. Founded in 1963, Macmahon services resource companies across various commodity sectors. Our end-to-end mining services encompass mine development and materials delivery through to engineering, civil construction, on-site mining services, rehabilitation, site remediation, training, equipment maintenance and refurbishment services.

OPERATIONAL OVERVIEW

Macmahon derives revenue from activities including surface and underground mining and mining support services which includes civil design and construction (primarily on mine sites), equipment refurbishment, sales of equipment and maintenance, training, design and fabrication of mining infrastructure, and mine site maintenance and rehabilitation services.

Surface Mining

Macmahon's surface mining division offers a broad range of services including mine planning, drill and blast, bulk and selective mining, crushing and screening, water management as well as equipment operation and maintenance. During the period, Macmahon provided surface mining services to the following projects:

- **Tropicana Gold Mine** Macmahon is fulfilling a life of mine contract at the Tropicana project in Western Australia for AngloGold Ashanti and joint venture partner, Regis Resources.
- Telfer Gold Mine Macmahon is fulfilling a life of mine contract at the Telfer project in Western Australia for Newmont.
- Byerwen Coking Coal Mine Macmahon has been providing open cut mining services at the Byerwen
 metallurgical coal mine in Queensland's Bowen Basin for QCoal since the establishment of the mine in November
 2017.
- Dawson South Macmahon commenced a three-year contract in March 2021 to provide surface mining services for Anglo American's Dawson South operations, an open-cut metallurgical coal mine located in the Bowen Basin in Queensland.
- Warrawoona Gold Mine Macmahon commenced an open cut mining services contract in January 2021 with Calidus Resources at the Warrawoona gold project in Western Australia.
- Batu Hijau Copper / Gold Mine Macmahon is performing its life of mine contract to provide all mining services
 at the Batu Hijau mine in Indonesia for PT Amman Mineral Nusa Tenggara (AMNT). Batu Hijau is a wellestablished, world-class copper/gold deposit.
- Martabe Gold Mine Macmahon is contracted by PT Agincourt Resources to provide mining services at the Martabe gold mine in the North Sumatra province of Indonesia.
- King of the Hills Gold Mine Macmahon commenced a five-year contract with Red 5 to provide surface and
 underground mining services at the King of the Hills Project near Laverton in Western Australia in January 2022.

For the half-year ended 31 December 2023

- Greenbushes Lithium Mine commencing in early FY24, Macmahon has been contracted by Talison Lithium to provide mining services at the Greenbushes Lithium mine in Western Australia.
- Langkawi Quarry Macmahon is currently fulfilling a mining services quarry contract for YTL Cement in Langkawi Island in Malaysia.

Underground Mining

Macmahon's underground mining division offers underground development and production services, a broad range of ground support services, as well as services to facilitate ventilation and access to underground mines including shaft sinking, raise drilling and shaft lining. During the period, Macmahon provided underground services to the following projects:

- **Gwalia Gold Mine** Macmahon is fulfilling an underground mining services contract with Genesis at its Gwalia gold mine in Western Australia. The scope of work includes mine development, ground support, production drilling and blasting, loading and trucking, shotcreting and paste fill reticulation.
- Boston Shaker Gold Mine Macmahon provides all production and development mining services at the Boston Shaker underground mine at the Tropicana site, a joint venture between AngloGold Ashanti and Regis Resources. The scope includes the development of the Tropicana surface ore body through the Boston Shaker decline.
- King of the Hills Gold Mine Macmahon commenced a contract with Red 5 in January 2022, to provide both surface and underground services at the King of the Hills project near Laverton in Western Australia. The underground scope of works includes all development and production.
- **Deflector Gold Mine** Macmahon is fulfilling a contract to provide underground mining services to Silverlake Resources at the Deflector gold project in Western Australia.
- Daisy Milano Gold Mine Macmahon provides mining services to Silverlake Resources at the Daisy Milano underground mines near Kalgoorlie in Western Australia.
- Granny Smith Gold Mine Macmahon provides cablebolting services to Gold Fields near Laverton in Western Australia.
- Fosterville Gold Mine Macmahon provides cablebolting services to Kirkland Lake Gold in Victoria.
- Leinster Nickel Mine Macmahon provides production drilling and other mining services to BHP in the eastern Goldfields in Western Australia.

Macmahon provides raise drilling services to various sites in Australia, including King of the Hills for Red5, Norseman for Pantoro and BHP's Cliffs mine near Mt Keith in Western Australia, Tomingley gold mine in Dubbo, New South Wales for Alkane Resources and at Olympic Dam in South Australia for BHP, where Macmahon has been providing raise drill services for over 30 years.

Macmahon's growing engineering division provides various services to a number of clients, including engineering construction crews to BHP at Leinster Nickel Operations, shaft and winder refurbishment to BHP's Olympic Dam project, and ore pass liners for IGO Limited's Cosmos mine.

Mining Support Services

Macmahon provides consulting, design, procurement, fabrication, construction, equipment sales and hire, equipment refurbishment, maintenance, training services and site rehabilitation services to the resources sector.

Key project activity

During the period, Macmahon provided services to the following projects:

- Fimiston Macmahon has recently completed the Fimiston tailings dam buttress project for Northern Star Resources in Western Australia.
- Warrawoona Gold Project Macmahon completed construction of the new mine site for Calidus Resources in the east Pilbara region of Western Australia. Works included construction of the new mine infrastructure including roads, pads, drainage, dams, office facilities and workshops.
- Peak Downs and Saraji Mines Macmahon through its wholly owned subsidiary, TMM, provides multiple mining
 and rehabilitation services in Queensland, including approximately 56ha of rehabilitation at Peak Downs and Saraji
 mines.
- Foxleigh Project Macmahon is fulfilling a contract to supply equipment hire and maintenance services for the Foxleigh coal mine in the Bowen Basin since March 2021.

For the half-year ended 31 December 2023

- **Hu'u** Macmahon is constructing an 11km access road at the Hu'u copper/gold exploration project on Sumbawa Island in Indonesia. This project concludes in January 2024.
- Martabe Gold Mine Macmahon has commenced the construction of new haul roads and waste dumps at the Martabe gold mine in North Sumatra, Indonesia.

Macmahon continued to deliver long-term mining civil services in addition to a number of rehabilitation and other projects to clients in the Bowen Basin. Macmahon is pursuing numerous additional opportunities to support its growth strategy.

Equipment refurbishment, maintenance and support services

Macmahon owns and operates world-class purpose-built equipment maintenance facilities, allowing it to support frontline contracting services with a full suite of equipment refurbishment, maintenance and skilled labour services.

Macmahon's primary workshop, located in Perth, Western Australia is a key operational asset with the ability to rebuild both equipment and components. This facility allows Macmahon to provide specialised workshop equipment services to internal and external clients and to rapidly and efficiently deploy supplies to client locations and conduct essential in field or on-site maintenance work.

Training services

Macmahon is a registered training organisation and has two training hubs located at our facilities in Lycullin Coppabella, Queensland and at the Perth, Western Australia corporate office near the domestic airport. Programs offered to include face-to-face training and assessment services involving mining simulated technologies to a range of new-to-industry and experienced industry workers. Our training services include national traineeship programs, apprenticeships, high-risk work licenses, first aid training and equipment operator training.

FINANCIAL OVERVIEW Profit or Loss

	For the half-year ended 31 December 2023 \$'000	For the half-year ended 31 December 2022 \$'000
Revenue Australia Indonesia Other International Group Revenue	871,029 93,839 1,450 966,318	747,751 238,148 1,309 987,208
EBITDA (underlying) EBIT(A) (underlying) NPAT (underlying) EBITDA (reported) EBIT (reported) NPAT (reported)	175,958 68,147 39,680 172,813 65,002 36,535	149,304 53,697 29,769 146,229 47,198 23,270

Except for revenue and NPAT (reported), the measures above are not defined by IFRS and are unaudited. Refer to Note 5 to the condensed consolidated interim financial statements for reconciliation of underlying results.

Revenue for the Group decreased by 2.1% to \$966.3 million (31 December 2022: \$987.2 million).

This decrease is primarily attributed to the transition of Batu Hijau project from phase 7 to phase 8, which largely eliminated zero margin pass through revenue.

Excluding the reduction related to pass through revenue, revenue has grown \$128.1M or up 15.3% compared to prior corresponding period.

Underlying earnings (before interest, tax, customer contracts amortisation and other adjusting items (EBIT(A)) increased by 26.8% to \$68.1 million (31 December 2022: \$53.7 million). Similarly, underlying earnings before interest, tax, depreciation and amortisation and other one-off items (EBITDA) increased by 17.9% to \$176.0 million (31 December 2022: \$149.3 million).

Reported net profit after taxes for the half-year ended 31 December 2023 increased by 56.7% to \$36.5 million (31 December 2022: \$23.3 million). The increase is primarily due to the commencement of the Greenbushes project, and the increased scope and ramp up of underground projects (King of the Hills and Boston Shaker). This is partially offset by international sector profit decreases at Batu Hijau and Martabe which were as a result of wet weather impacting operations in the region.

Balance Sheet and Cash Flows

Net assets increased by \$25.5 million to \$634.3 million as at 31 December 2023 (30 June 2023: \$608.8 million).

The Group's net tangible assets (NTA) increased by 4.2% across the half-year from \$598.3 million (30 June 2023) to \$623.4 million at 31 December 2023. As a result, NTA per share increased from 27.8 cents per share to 28.9 cents per share.

Working Capital

Investment in net working capital increased during the half-year by \$51.5 million primarily due to the commencement of the Greenbushes project and ramp up of underground projects. At 31 December 2023, current trade and other receivables increased by \$13.2 million to \$344.2 million (30 June 2023: \$331.0 million), inventories increased by \$12.9 million to \$105.2 million (30 June 2023: \$92.3 million) whilst current trade and other payables decreased \$25.3 million to \$299.4 million (30 June 2023: \$324.7 million).

Capital Expenditure

Capital expenditure (excluding intangible assets and tyres) for the half-year was \$111.5 million (31 December 2022: \$100.7 million), comprising of \$39.1 million acquired through finance (31 December 2022: \$40.9 million) and \$72.5 million funded in cash (31 December 2022: \$59.8 million).

For the half-year ended 31 December 2023

Net Financing

At 31 December 2023, cash on hand totalled \$200.1 million (30 June 2023: \$218.2 million) offset by borrowings of \$412.6 million (30 June 2023: \$420.1 million) resulting in net debt at 31 December 2023 of \$212.4 million (30 June 2023: \$201.9 million).

The increase in net debt was primarily due to the increase in sustaining equipment together with working capital to support the commencement of Greenbushes and ramp up of existing projects. This was partially offset by the generation of positive operating cash flows.

Cash Flow

Operating cash flows (excluding interest, tax, SaaS costs, acquisition and corporate development costs) for the half-year was \$138.2 million (31 December 2022: \$105.5 million), representing a conversion rate from underlying EBITDA of 79% (31 December 2022: 71%).

DIVIDENDS

Subsequent to 31 December 2023, the Directors have declared an unfranked interim dividend of 0.45 cents per share.

EVENTS SUBSEQUENT TO THE REPORTING DATE

The Directors are not aware of any other matter or circumstance arising since 31 December 2023 not otherwise dealt with within the condensed consolidated interim financial statements that has significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of affairs of the Group in subsequent financial periods.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to "rounding-off". Amounts in this report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 8 of the interim financial report. Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the *Corporations Act 2001*.

HAMISH TYRWHITT

Chair 20 February 2024 Perth



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Macmahon Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Macmahon Holdings Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG.

R Gambitta Partner

Perth

20 February 2024



Independent Auditor's Review Report

To the shareholders of Macmahon Holdings Limited

Conclusion

We have reviewed the accompanying *Interim Financial Report* of Macmahon Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Macmahon Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the *Group's*financial position as at 31 December 2023
 and of its performance for the half-year ended
 on that date; and
- complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Interim Financial Report comprises:

- Condensed consolidated statement of financial position as at 31 December 2023.
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed Consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date.
- Notes 1 to 16 comprising material accounting policies and other explanatory information.
- The Directors' Declaration.

The *Group* comprises Macmahon Holdings Limited (the Company) and the entities it controlled at the half-year end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- such internal control as the Directors determine is necessary to enable the preparation of the halfyear Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG.

R Gambitta Partner

Perth

20 February 2024

DIRECTOR'S DECLARATION

For the half-year ended 31 December 2023

In the opinion of the Directors of Macmahon Holdings Limited;

- 1. The condensed consolidated interim financial statements and notes of the Group set out on pages 12 to 25 are in accordance with the *Corporations Act 2001* including:
 - a) giving a true and fair view of the financial position of the Group as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- 2. there are reasonable grounds to believe that Macmahon Holdings Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

HAMISH TYRWHITT

Chair 20 February 2024

Perth

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Note	Half-year ended 31 December 2023 \$'000	Half-year ended 31 December 2022 \$'000
Revenue		966,318	987,208
Other income		3,065	4,199
		969,383	991,407
Expenses			
Materials and consumables used		(181,634)	(308,665)
Employee benefits expense		(454,890)	(396,877)
Depreciation and amortisation expense		(107,811)	(99,031)
Equipment and other short-term lease expenses		(67,347)	(45,217)
Subcontractor costs		(40,455)	(38,099)
Loss on sale of subsidiary		-	(36)
Share based payments (expense) / reversal	12	(953)	(509)
Other expenses	6	(51,463)	(55,912)
Operating profit		64,830	47,061
Share of profit of equity-accounted investees, net of tax		172	137
Operating profit, income and expenses from equity-accounted investees		65,002	47,198
Finance income		715	463
Finance expense		(14,140)	(12,839)
Net finance costs		(13,425)	(12,376)
Profit before income tax		51,577	34,822
Income tax expense	7	(15,042)	(11,552)
Profit after income tax for the period		36,535	23,270
Other comprehensive income items that are or may be reclassified subsequently to profit and loss			
Foreign currency translation		(5,136)	1,332
Fair value gain	11	2,244	-
Other comprehensive income, net of tax		(2,892)	1,332
Total comprehensive income for the period		33,643	24,602
Earnings per share for profit attributable to the owners of Macmahon Holdings Limited			
Basic earnings per share (cents)		1.74	1.11
Diluted earnings per share (cents)		1.72	1.10

The accompanying notes form part of the condensed consolidated interim financial statements.

		31 December 2023	30 June 2023
	Note	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		200,133	218,162
Trade and other receivables	8	345,089	331,009
Inventories		105,207	92,252
Income tax receivable		14,488	12,033
Total current assets		664,917	653,456
Non-current assets			
Investments accounted for using the equity method		915	792
Trade and other receivables	8	39,662	46,847
Property, plant and equipment	9	729,777	720,057
Intangible assets and goodwill		10,919	10,560
Other financial assets		10,724	8,480
Deferred tax asset		23,277	24,523
Total non-current assets		815,274	811,259
Total assets		1,480,191	1,464,715
Liabilities			
Current liabilities			
Trade and other payables		300,305	324,739
Borrowings	10	168,915	121,861
Income tax payable		8,533	-
Employee benefits		72,385	70,376
Provisions		29,102	26,447
Total current liabilities		579,240	543,423
Non-current liabilities			<u> </u>
Trade and other payables		4,487	1,959
Borrowings	10	243,648	298,247
Employee benefits		4,491	3,934
Deferred tax liability		14,031	8,303
Total non-current liabilities		266,657	312,443
T-(-) U-1-196		0.45.007	055.000
Total liabilities		845,897	855,866
Net assets		634,294	608,849
Equity			
Issued capital		563,118	563,118
Reserves		(4,988)	(1,628)
Net accumulated profits		76,164	47,359
		70,101	11,000

 $\label{thm:condensed} The \ accompanying \ notes \ form \ part \ of \ the \ condensed \ consolidated \ interim \ financial \ statements.$

	Note	Share capital	Reserves	Accumulated losses	Retained profits	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2023		563,118	(1,628)	(192,396)	239,755	608,849
Profit after income tax for the period		-	-	-	36,535	36,535
Other comprehensive income, net of tax		-	(2,892)	-	-	(2,892)
Total comprehensive income for the period (net of tax)		-	(2,892)	-	36,535	33,643
Transactions with owners, recorded directly in equity:						
Dividends		-	-	-	(9,520)	(9,520)
Share-based payments expense	12	-	1,322	-	-	1,322
Transfer of lapsed performance rights		-	(1,790)	-	1,790	-
Total transactions with owners		-	(468)	-	(7,730)	(8,198)
Balance at 31 December 2023		563,118	(4,988)	(192,396)	268,560	634,294

	Note	Share capital	Reserves	Accumulated losses	Retained profits	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2022		563,118	(5,901)	(192,396)	194,679	559,500
Profit after income tax for the period		-	-	-	23,270	23,270
Other comprehensive income, net of tax		-	1,332	-	-	1,332
Total comprehensive income for the period (net of tax)		-	1,332	-	23,270	24,602
Transactions with owners, recorded directly in equity: Treasury shares purchased for		_	- (189)	_	_	(189)
compensation plans Treasury shares allocated on vesting of performance rights		-	180	-	16	196
Dividends		-	-	-	(7,351)	(7,351)
Share-based payments expense	12	-	509	-	=	509
Transfer of lapsed performance rights		-	(1,222)	-	1,222	-
Total transactions with owners		-	(722)	-	(6,113)	(6,835)
Balance at 31 December 2022		563,118	(5,291)	(192,396)	211,836	577,267

 $\label{thm:condensed} The \ accompanying \ notes \ form \ part \ of \ the \ condensed \ consolidated \ interim \ financial \ statements.$

Cash flows from operating activities Receipts from customers Payments to suppliers and employees Acquisition and corporate development costs	Half-year ended 31 December 2023	Half-year ended 31 December 2022
Cash flows from operating activities Receipts from customers Payments to suppliers and employees	4	
Receipts from customers Payments to suppliers and employees	\$'000	\$'000
Receipts from customers Payments to suppliers and employees		
Payments to suppliers and employees	1,092,819	1,071,334
	(955,589)	(968,314)
	(1,204)	(46)
Interest and other finance costs paid	(10,551)	(13,193)
Interest received	715	463
Income taxes paid	(1,942)	(7,872)
Net cash from operating activities	124,248	82,371
The calculation of the same of		,
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	1,243	1,012
Payment for plant and equipment 9	(89,460)	(59,798)
Payment for intangible assets	(30)	(30)
Acquisition of a subsidiary, net of cash acquired	-	(5,130)
Deferred consideration received on disposal of subsidiary	1,209	678
Net cash used in investing activities	(87,038)	(63,268)
Cash flows from financing activities		
Dividends paid	(9,520)	(7,351)
Proceeds from interest-bearing loans 10	56,374	58,000
Repayment of interest-bearing loans 10	(60,416)	(25,446)
Repayment of lease liabilities 10	(41,253)	(44,263)
Purchase of treasury shares	-	(189)
Net cash used in financing activities	(54,815)	(19,249)
<u> </u>	(, ,	(, , ,
Net (decrease) in cash and cash equivalents	(17,605)	(145)
Cash and cash equivalents at beginning of period	218,162	197,958
Effects of exchange rate changes on cash and cash equivalents	(424)	(1,814)
Cash and cash equivalents at end of period	200,133	195,999

 $\label{thm:condensed} The \ accompanying \ notes form \ part \ of \ the \ condensed \ consolidated \ interim \ financial \ statements.$

For the half-year ended 31 December 2023

1. General information

Macmahon Holdings Limited (the Company) is a for-profit public company limited by shares, incorporated and domiciled in Australia. The condensed consolidated interim financial statements of the Company as at 31 December 2023 and the half-year then ended consist of Macmahon Holdings Limited and the entities it controlled at the end of, or during, the half-year (collectively, the Group).

The principal activities of the Group for the half-year ended 31 December 2023 consisted of providing mining and consulting services to mining companies throughout Australia and Southeast Asia.

The consolidated financial statements of the Group as at and for the year ended 30 June 2023 (2023 Financial Statements) are available on request at the Group's registered office at 15 Hudswell Road, Perth Airport, 6105, Western Australia or at www.macmahon.com.au.

2. Basis of preparation

These condensed consolidated interim financial statements for the half-year ended 31 December 2023 were prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the 2023 Financial Statements for the year ended 30 June 2023.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 Financial Statements.

The amounts contained in the condensed consolidated interim financial statements were rounded to the nearest thousand dollars under the option available to the Group under Australian Securities and Investment Commission (ASIC) Corporations Instrument (Rounding in Financial/Directors' Report) 2016/191, unless otherwise stated.

The condensed consolidated interim financial statements provide comparative information in respect of the previous period.

3. Changes in significant accounting policies

The accounting policies are consistent with those disclosed in the 2023 Financial Statements and corresponding interim reporting period. The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

4. Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2023 Financial Statements.

For the half-year ended 31 December 2023

5. Operating segments

Half-year to 31 December 2023	\$'000	\$'000	\$'000
Revenue			
Revenue from contracts with customers	966,318	-	966,318
Total revenue	966,318	-	966,318
Underlying EBITDA	175,041	917	175,958
Depreciation and amortisation expense	(107,106)	(705)	(107,811)
Underlying EBIT(A)	67,935	212	68,147
Finance income	-	715	715
Finance costs	(13,937)	(203)	(14,140)
Share-based payments expense	-	(953)	(953)
Acquisition and corporate development costs	-	(1,204)	(1,204)
SaaS costs	-	(988)	(988)
Profit / (loss) before income tax	53,998	(2,421)	51,577
Other segment information			
Segment assets as at 31 December 2023	1,233,631	245,658	1,479,289
Segment liabilities as at 31 December 2023	827,546	17,449	844,995
Capital expenditure for the half-year ended 31 December 2023	128,523	-	128,523
Half-year to 31 December 2022	Mining \$'000	Unallocated \$'000	Total \$'000
Revenue			
Revenue from contracts with customers	987,208	-	987,208
Total revenue	987,208	-	987,208
Underlying EBITDA	145,554	3,750	149,304
Depreciation and amortisation expense (excluding customer contracts)	(94,861)	(746)	(95,607)
Underlying EBIT(A)	50,693	3,004	53,697
Finance income	-	463	463
Finance costs	(12,605)	(234)	(12,839)
Share-based payments expense	-	(509)	(509)
Loss on disposal of subsidiary	-	(44)	(44)
Acquisition costs	-	(46)	(46)
SaaS costs	-	(2,476)	(2,476)
Amortisation on customer contracts	(3,424)	-	(3,424)
Profit / (loss) before income tax	34,664	158	34,822
Other segment information			
Segment assets as at 30 June 2023	1,094,907	243,371	1,338,278
Segment liabilities as at 30 June 2023	766,504	12,274	778,778
Capital expenditure for the half-year ended 31 December	100,701		100,701

Mining

Unallocated

Total

For the half-year ended 31 December 2023

5. Operating segments (continued)

	Sales to external customers		Geographical non-current assets as at	
	Half-year to 31 December 2023 \$'000 Half-year to 31 December 2022 \$'000		31 December 2023 \$'000	30 June 2023 \$'000
Australia	871,029	747,751	683,860	677,109
Indonesia	93,839	238,148	122,883	126,198
Other	1,450	1,309	8,531	7,952
	966,318	987,208	815,274	811,259

6. Other expenses

	Half-year to 31 December 2023 \$'000	Half-year to 31 December 2022 \$'000
Freight expenses	12,458	13,740
Recruitment, training and other employee incidentals	8,522	10,477
Consulting and other professional services	3,970	4,194
Acquisition and corporate development costs	1,204	46
IT costs	5,376	5,859
Travel and accommodation expenses	4,723	4,767
Insurance	4,733	3,867
Administrative and facilities costs	5,445	3,947
Foreign exchange loss	917	3,750
SaaS costs	988	2,476
Other expenses	3,127	2,789
	51,463	55,912

For the half-year ended 31 December 2023

7. Income tax

For the half-year ended 31 December 2023, the income tax expense of the Group was \$15.042 million (31 December 2022: \$11.552 million). The effective tax rate in the current period was 29.2% (2022: 33.2%). Refer below reconciliation:

	Half-year ended 31 December 2023	Half-year ended 31 December 2022
	\$'000	\$'000
Income tax expense / (benefit)	****	7.00
Current tax	8,069	5,331
Deferred tax – origination and reversal of temporary differences	6,973	6,221
Income tax expense / (benefit)	15,042	11,552
·		
Numerical reconciliation of income tax expense and tax at		
the statutory rate		
Profit before income tax expense	51,577	34,822
Tax at the statutory rate of 30%	15,473	10,447
Tax effect amounts which are not deductible/(taxable)		
in calculating tax income:		
Share-based payments	94	31
Non-assessable income	151	98
Foreign tax rate differential	(657)	(1,473)
Net temporary difference previously unrecognised	-	530
Deferred tax asset (recognised)/de-recognised due to change in	(02)	
tax rate	(82)	-
Current year foreign losses for which no DTA was recognised	63	(20)
Withholding tax	-	2,305
Other	-	(366)
Income tax expense	15,042	11,552

8. Trade and other receivables

	31 December 2023	30 June 2023
	\$'000	\$'000
Current		
Trade receivables	67,496	64,236
Contract assets	198,049	204,534
Less: Expected credit loss allowance (ECL)	(3,268)	(3,433)
	262,277	265,337
Other receivables	70,555	56,129
Prepayments	12,257	9,543
	345,089	331,009
Non-current		
Contract assets	10,741	12,146
Other receivables	1,722	8,839
Agency receivables	27,199	25,862
	39,662	46,847

For the half-year ended 31 December 2023

The movement in the expected credit loss allowance in respect of trade receivables and contract assets during the reporting period was as follows:

	\$'000
Balance as at 1 July 2023	(3,433)
Exchange differences	165
Balance as at 31 December 2023	(3,268)

9. Property, plant and equipment

Acquisitions

Capital expenditure for plant and equipment for the half-year totalled \$128.523 million (31 December 2022: \$100.701 million), comprising \$39.063 million acquired through debt (31 December 2022: \$40.903 million) and \$89.460 million funded in cash (31 December 2022: \$59.798 million).

Capital commitments

At 31 December 2023, the Group had entered into non-cancellable contracts to purchase plant and equipment of \$3.835 million (30 June 2023: \$10.505 million).

For the half-year ended 31 December 2023

10. Borrowings

During February 2024, the Group extended the syndicated asset finance facility for a further year. After repayments, the total amount available under this asset finance facility is \$112.360M which supports the Group's capital requirements. As at 31 December 2023, \$88.574M was utilised (30 June 2023: \$96.266m).

On 31 July 2023, the Group expanded the existing syndicated multi-option debt facility by \$50.0M. After repayments, the total amount available under this facility is \$233.0M. The Group has drawn a total of \$163.0M as cash and \$5.046M as bank guarantees as at 31 December 2023. (As at 30 June 2023:

The Group's lease liabilities are secured by the leased assets and in the event of default, the leased assets revert to the lessor. All remaining assets of the Group are pledged as security under the multi-option facility.

The table below summarises movements in borrowings during the half-year ended 31 December 2023:

	Interest- bearing loans	Lease liabilities	Total
	\$'000	\$'000	\$'000
At 1 July 2023	222,017	198,091	420,108
New borrowings	69,602	25,835	95,437
Principal repayments	(58,014)	(41,252)	(99,266)
Disposals	-	(1,735)	(1,735)
Transfers	5,544	(5,544)	-
Exchange differences	(1,819)	(162)	(1,981)
At 31 December 2023	237,330	175,233	412,563
Current	96,022	72,893	168,915
Non-current	141,308	102,340	243,648

For the half-year ended 31 December 2023

11. Fair value measurement

Equity securities designated as at FVOCI

The Group irrevocably designated the investments shown below as equity securities at fair value through other comprehensive income (FVOCI) at initial recognition because these equity securities represent investments that are not held for trading and the Group considers this classification to be more relevant.

	Fair value		Dividend income	
	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Investment in Calidus Resources Limited	10,724	8,480	-	-
	10,724	8,480	-	-

No strategic investments were disposed of during 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Fair value movements - Investment in Calidus Resources Limited

	Fair value movement 2023 \$'000
Balance at 1 July	8,480
Additions	-
Fair value movements in other comprehensive income	2,244
Balance at 31 December	10,724

For the half-year ended 31 December 2023

12. Share based payments

For the half-year ended 31 December 2023, the Group issued two tranches of performance rights under the Senior Manager Long Term Incentive Plan (LTIP) and two tranches of share rights under the Non-Executive Director Salary Sacrifice Plan (SSP).

The LTIP provides senior management with the opportunity to receive fully paid shares in the Company for no consideration, subject to specific time restrictions, continuous employment and the satisfaction of certain performance conditions. Each performance right entitles the participant to receive one fully paid ordinary share at the time of vesting. The plan is designed to assist with employee retention and to incentivise senior management to optimise returns and earnings for shareholders.

The SSP provides non-executive directors an option to sacrifice a portion of their salary in return for a fixed number of rights over ordinary but restricted shares which will vest equally at two dates approximately 8 months and 14 months from the start of the financial year (NED share rights). Once vested, the shares will be held on trust on behalf of the recipients but will be subject to certain restrictions which limit the recipients' ability to sell the shares. Trading restrictions will generally end on the earliest of ceasing to be a non-executive director, the date a change of control occurs or 15 years after the date the relevant NED share rights were granted.

The volume of rights outstanding as of 31 December 2023 is reconciled below:

	LTIP and EEP performance rights		NED share rights	
	2023	2022	2023	2022
Balance at 1 July	31,673,100	33,150,636	1,587,993	1,059,620
Granted	24,716,108	19,734,505	2,122,523	3,175,988
Vested	-	-	(1,587,993)	(1,059,620)
Lapsed / forfeited	(13,585,772)	(18,517,975)	-	-
Balance at 31 December	42,803,436	34,367,166	2,122,523	3,175,988

The following share-based payment expenses / (reversal) were recognised to profit or loss for the Half-year ended 31 December:

	LTIP and EEP performance rights		NED share rights	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Expenses	946	2,186	7	14
Reversal as a result of forfeiture	-	(1,682)	-	(9)
Total net expense / (reversal)	946	504	7	5

For the half-year ended 31 December 2023

13. Contingent assets and liabilities

The Group has the normal contractor's liability in relation to its current and completed contracts (for example, liability relating to design, workmanship and damage), as well as liability for personal injury and property damage during a project. Potential liability may arise from claims, disputes and/or litigation against Group companies and/or joint venture arrangements in which the Group has an interest. The Group is currently managing a number of claims, disputes and litigation processes in relation to its contracts, as well as in relation to personal injury and property damage arising from project delivery.

Bank guarantees and insurance bonds are issued to contract counterparties in the ordinary course of business as security for the performance by the Group of its contractual obligations. The Group is also called upon to provide guarantees and indemnities to contract counterparties in relation to the performance of contractual and financial obligations. The value of these guarantees and indemnities is indeterminable.

The Group notes that on 16 December 2022 its subsidiary, TMM Group (Operations) Pty Ltd, commenced proceedings in the Supreme Court of Western Australia against Coburn Resources Pty Ltd (a subsidiary of Strandline Resources Ltd) (see ASX announcement dated 28 December 2022). The proceedings are in connection with variation and extension of time claims under a contract for bulk earthworks, access road construction and drainage work at the Coburn mineral sands project. TMM is seeking declarations, damages, costs, interest and return of security totalling approximately \$24.4m (of which \$6.5m was received by TMM from Coburn following a successful adjudication determination). The Directors are of the opinion that the disclosure of any further information on this dispute would be prejudicial to the interests of the Group.

14. Related party transactions

AMNT (including its related entities) is a significant shareholder of the Group. The following table provides the total amount of transactions entered into with AMNT, for the half-year ended 31 December 2023 and 2022, as well as balances as at 31 December 2023 and 30 June 2023:

	31 December 2023 \$'000	31 December 2022 \$'000
Transaction recognised in profit or loss		
Revenue recognised from shareholder ¹	31,828	182,808
	31 December 2023 \$'000	30 June 2023 \$'000
Receivables from significant shareholders		
Trade receivables and contract assets	35,847	36,647

¹⁾ The decrease in revenue is primarily attributed to the transition of Batu Hijau project from phase 7 to phase 8, which largely eliminated zero margin pass through revenue. This is also reflected in the cost of materials.

For the half-year ended 31 December 2023

15. Business Combinations

On 31 December 2023, the Group acquired key contracts from Pit n Portal (PnP) underground services business from Emeco Holdings Limited. The acquisition included inventory, site fixed infrastructure assets and light vehicles. The Group also entered into employment contracts with the workforce delivering the relevant acquired contracts.

The acquisition of PnP's assets and the transferred workforce align with the Group's strategy of growing its underground mining services. The acquisition has been accounted for as a business combination.

Consideration transferred

Total consideration on acquisition of \$10.175 million was satisfied via the sale of plant and equipment to the vendor.

Acquisition costs relating to the PnP underground services business

The Group incurred acquisition costs of \$0.625 million on legal fees and due diligence costs. These costs have been included in "Other expenses".

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	\$'000
Customer contracts	500
Inventory	6,655
Property, plant and equipment	8,223
Accrued liabilities	(1,343)
Employee liabilities	(3,859)
Total identifiable net assets acquired	10,175

The initial accounting for the acquisition of PnP's assets and liabilities has only been provisionally determined at the end of the reporting period and is expected to be finalised by 30 June 2024.

Business combinations

The Group accounts for business combinations using the acquisitions method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable assets acquired and liabilities assumed. Any gain on acquisition is recognised in profit or loss immediately. Goodwill is recognised when the fair value of the purchase consideration exceeds the fair value of identifiable assets.

16. Subsequent events

Subsequent to 31 December 2023 end, the Directors have declared an unfranked interim dividend of 0.45 cents per share.

The Directors are not aware of any other matters or circumstances arising from 31 December 2023 not otherwise dealt with within the interim financial report that has significantly affected or may significantly affect the operations of the Group and the results of those operations or the state of affairs of the Group in subsequent financial periods.

CORPORATE DIRECTORY

Directors

H Tyrwhitt (Non-Executive Chair)

M Finnegan (Managing Director and Chief Executive Officer)

D Chandran (Non-Executive Director)
D Gibbs (Non-Executive Director)
D McComish (Non-Executive Director)
G White (Non-Executive Director)

Company Secretary

M. Chaar

Registered Office

15 Hudswell Road

Perth Airport, Western Australia 6105

Location of Shared Registry

Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000

Securities Exchange

Macmahon is listed on the Australian Securities Exchange with an ASX code of "MAH"

Auditor

KPMG 235 St Georges Terrace Perth WA 6000