

# ASX ANNOUNCEMENT

12 April 2024

## Macmahon executes Dawson South equipment sale agreement

Macmahon Holdings Limited (ASX: MAH) (**‘Macmahon’** or **‘the Company’**) is pleased to announce that it has executed an equipment sale agreement pursuant to which Macmahon has agreed to sell a substantial portion of its remaining mobile equipment fleet at the Dawson South project. The sale is expected to result in approximately \$44 million of net cash inflows.

Macmahon has executed an equipment sale agreement pursuant to which Macmahon has agreed to sell a substantial portion of its mobile equipment fleet at the Dawson South project. The Dawson South project is located in Queensland and forms part of the Dawson Mine, being an open cut steel making coal mine.

The mobile equipment was sold at market rates which were at or above book value, for cash consideration, and is expected to result in net cash inflows of approximately \$44 million to be collected during FY24 and FY25.

Macmahon is currently the mining contractor at the Dawson South project with the existing contract due to end on 30 June 2024. The parties are in negotiations on the terms of the new contract, which is expected to commence on or before 1 July 2024. Macmahon expects to retain its incumbent workforce of approximately 210 employees.

No new capital expenditure is expected over the new term due to the divestment of a large portion of the Dawson South equipment fleet, which will be utilised on the project.

Macmahon is focussed on its strategy of improving the cash-backed return on average capital employed in the business and is pleased to deliver a solution that meets the client’s needs, is in line with the Company’s strategy, and improves sustainable free cash flow generation.

Macmahon reaffirms that it expects to deliver FY24 revenue of between \$1.8 billion to \$1.9 billion and underlying EBIT(A) of \$130 million to \$140 million.

Managing Director and Chief Executive Officer Michael Finnegan said:

*“I’m pleased we have been able to sell a substantial portion of the Dawson South fleet and progress Macmahon’s capital light strategy to improve ROACE performance – where our target was recently increased from 15% to 20%.*

*I would like to thank the Macmahon team who have worked closely with our client to deliver this solution.”*



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

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