



# FY18 Full Year Results Presentation

27<sup>th</sup> August 2018



# CORPORATE SNAPSHOT

## Capital Structure

Share price (24th August 2018)	\$1.27
Fully paid ordinary shares (ASX:MLD)	268.0 million
Market capitalisation (undiluted)	\$340.4 million
Net tangible assets (30 June 2018)	\$309.9 million
Cash (30 June 2018)	\$108.2 million
Bank debt (30 June 2018)	\$44.9 million
Enterprise value	\$277.1 million
ASX listing	November 2010

## Substantial Shareholders - 30 June 2018

Name	Shareholding
Perpetual Investments Ltd	10.7%
Schroder Investment Management (Australia) Ltd	8.1%
Kenneth Kamon	6.4%
Top 20 Shareholders	71.6%
Top 50 Shareholders	87.3%

## Directors and Senior Management

Andrew Edwards	Non-executive Chairman
Chris Tuckwell	Managing Director / CEO
Geoff Baker	Executive Director
Linton Kirk	Non-executive Director
Robert Ryan	Non-executive Director
Peter Gilford	CFO / Company Secretary

## Analyst Coverage

Hartleys Limited	Trent Barnett
Moelis Australia	Sean Kiriwan
Cannacord Genuity	Cameron Bell

# GROUP HIGHLIGHTS

## FINANCIAL

- Revenue growth of 13% from \$497.9m in FY17 to \$562.6m in FY18
- Net Profit Attributable to members of \$23.6M (impacted by first half write-downs and wet weather in the second half)
- EBITDA of \$78.8m for the financial year, at a margin of 14.0% (EBITDA Margin diluted by higher Civil, Infrastructure and SMP turnover)
- Fully franked dividend of 3.5 cents per share
- Order book of \$1.28bn at Aug18, up from \$1.130bn at Jun17
- Net cash of \$63.3m at Jun18
- Full year FY19 forecast revenue to be approximately \$620 million

## OPERATIONAL

- Continued focus on safety performance, business improvement and people development
- Continued delivery of mining services to Regis, with extension at Duketon South Operations for 5 years from Jul '18
- Expansion in Victoria Civil and Infrastructure business with recent wins
- Award of Framework Agreement with BHP Billiton for crushing and screening services at Mining Area C
- Award of Pilbara Pilgangoora project with contract value of +\$85 million over 2 years
- Mutual termination with Beadell Resources for the Tucano project in Brazil with over \$6 million repaid since reporting date.
- Headcount of 1,694 at Jun18

## STRATEGIC

- Pursuit of Tier 1 client opportunities
- Continued commodity diversification (gold, iron ore, lithium, copper)
- Strong balance sheet position to pursue and capitalise on growth opportunities in targeted sectors
- Expansion into Civil and Infrastructure and Mineral Processing continues to provide diversification
- Investment and focus on technology, production and operational efficiencies, cost reductions and sustainability in preparation for further growth

# FINANCIAL AND OPERATIONAL OVERVIEW

Full year result	FY 17	FY 18	% change
	(\$M)	(\$M)	
<b>Revenue</b>	<b>497.9</b>	<b>562.6</b>	▲ 13% on pcp
<b>EBITDA</b>	<b>99.2</b>	<b>78.8</b>	▼ 20% on pcp
<i>EBITDA margin</i>	<i>19.9%</i>	<i>14.0%</i>	
<b>EBIT</b>	<b>46.4</b>	<b>29.4</b>	▼ 37% on pcp
<i>EBIT margin</i>	<i>9.3%</i>	<i>5.2%</i>	
<b>Profit Before Tax</b>	<b>44.1</b>	<b>31.6</b>	▼ 28% on pcp
<i>Profit before tax margin</i>	<i>8.9%</i>	<i>5.6%</i>	
<b>Profit attributable to members</b>	<b>32.1</b>	<b>23.6</b>	▼ 26% on pcp
<i>Profit after tax margin</i>	<i>6.5%</i>	<i>4.2%</i>	
<b>Final dividend - fully franked (cps)</b>	<b>4.5</b>	<b>3.5</b>	
<b>Order book</b>	<b>1,130</b>	<b>1,281</b> (Aug 2018)	
<b>Strong balance sheet - net cash</b>	<b>64.2</b>	<b>63.3</b>	

FY19 revenue expected to exceed \$620 million

# FINANCIAL AND OPERATIONAL OVERVIEW

## Full year result FY18

### Mining / Crushing - work in hand for FY19 at \$348 million

- ❑ Award of Framework Agreement with BHP Billiton for crushing and screening services - Area C (up to 12Mtpa) to commence Oct '18 - contract value \$85 million over 3 years (+1 +1), and further crushing of stemming and other screening works across WAIO operations - contract term 2 years (+1 +1).
- ❑ Extension of tenure at Regis Resources Duketon South Operations for 5 years from Jul '18, expected to generate revenues of \$590 million and an increase in WIH of \$231 million to date.
- ❑ Pilbara Minerals - Pilgangoora project - contract value +\$85 million over 2 years (+1 +1) - includes mining of DSO (extension) - commenced January '18.
- ❑ Separate Mt Dove crushing contracts for Atlas Iron commenced later in the 1<sup>st</sup> half for iron ore ex Mt Webber and in the 2<sup>nd</sup> half for lithium DSO ex Pilgangoora.
- ❑ Ramelius Resources - Mt Magnet project - contract value +\$100 million over 30 months - commenced July '17.
- ❑ A \$14 million secured loan, and sub underwriting commitment to an entitlement issue in Blackham Resources Limited, the owner of the Matilda gold project in January and February 18 (see ASX announcement 15 January 2018).
- ❑ Minjar Gold - Gossan Hill project - contract value +\$11 million commenced in March '18.
- ❑ Completed works during the year for Atlas Iron at Abydos, for MetalsX at Central Murchison, and Northern Minerals at Browns Range.

### International - work in hand for FY19 at \$19 million

- ❑ The Antas project for Avanco Resources performing well with potential scope increase in the longer term.
- ❑ Mutual termination with Beadell Resources for the Tucano project in Brazil - \$61 million payment plan for outstanding debts and other items agreed (see ASX announcement 22 June 2018).
- ❑ Other opportunities being investigated within Brazil and Cambodia.

# FINANCIAL AND OPERATIONAL OVERVIEW

**MACA Interquip** - work in hand for FY19 at \$25 million

- ❑ Completion of works in the Tanami for Newmont in first half FY18.
- ❑ Panoramic Resources - Savannah project - SMP refurbishment - contract value \$5 to \$10 million.
- ❑ AngloGold Ashanti - Tropicana - secondary mill upgrade - \$6 million in first half FY19.

**Civil and Infrastructure** - work in hand for FY19 at \$118 million

## **Western Australia**

- ❑ Near completion of Gruyere bulk earthworks for Gold Road - commenced in June '17 - contract value of \$65 million incl latest \$11 million variation.
- ❑ Kimberley road maintenance - MRWA.
- ❑ Construction of tailings storage facilities for Blackham Resources and Pilbara Minerals.
- ❑ Evaporation ponds for Western Areas at Odysseus.
- ❑ Recent civil contract win - Coongan Gorge roadworks for MRWA - contract value \$30 million.

## **Victoria**

- ❑ Extended some road maintenance contracts with VicRoads for another 2 years to Jul '19 - value \$8.5 million.
- ❑ Recent civil contract wins including:
  - Safe Systems Road Infrastructure Program - \$16 million
  - O'Herns Road intersection
  - Doncaster Bus Lanes

**Current Work In Hand position (August '18) of \$1.3 billion.**

**Solid balance sheet - strong net cash position and strong working capital position.**

**Full year FY19 forecast revenue to be approximately \$620 million (FY18 \$563 million).**

# MACA STRATEGY

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## Our Growth Strategy is underpinned by:

- Delivering on our **Existing Clients**
- Winning **New Work**
- Diversifying into **New Markets, Services and Commodities**
- Extracting full value from all **trading divisions and assets**
- Providing our Divisions with **Support** to grow

## Key Areas of Focus

- **Safety, health and well being** of our team
- **Delivery on financial targets** through operational excellence
- **Attraction, retention and people development**
- **Business improvement and technology**
- **Risk management**

## Critical Success Factors

- **Safety, Health and Wellbeing**
- **Financial Discipline**
- **Client Focus**
- **MACA Can Do Culture**
- **Business Improvement**
- **Informed Decision Making**

# WHERE WE OPERATE(D)

## Australia

### Western Australia

#### Kimberley Region

MINING / CIVIL – Northern Minerals – Browns Range  
INFRASTRUCTURE – MRWA – Kimberley Road Maintenance  
CIVIL – MRWA – Coongan Gorge

#### Pilbara Region

MINING / CIVIL – Pilbara Minerals – Pilgangoora  
MINING / CRUSHING – Atlas Iron – Abydos  
CRUSHING – BHP – Area C  
– WAIO Operations  
CRUSHING – Atlas Iron – Mt Dove  
CIVIL – Marniyarra JV – Karratha

#### Murchison Region

MINING – Ramelius Resources – Mt Magnet  
MINING – MetalsX – Central Murchison  
MINING – Minjar Gold – Gossan Hill

#### Eastern Wheatbelt Region

CIVIL – Western Areas – Odysseus

#### Eastern Goldfields Region

MINING – Regis Resources – Duketon South  
– Moolart Well  
MINING / CIVIL – Blackham Resources – Matilda  
CIVIL – Gruyere Earthworks – Gold Road / Gold Fields JV  
INTERQUIP – AngoGold Ashanti – Tropicana

#### Northern Territory

INTERQUIP – Newmont – Tanami

#### Victoria

INFRASTRUCTURE – VicRoads – CN8124 Network Maintenance  
INFRASTRUCTURE – VicRoads – CN8292 Verge Maintenance  
INFRASTRUCTURE – Baw Baw Shire – 21501 Network Maintenance  
CIVIL – O’Herns Road Signalised Intersection Upgrade  
CIVIL – Safe System Road Infrastructure Program – Project Zero Construction Panel  
CIVIL – Doncaster Bus Lanes

## International

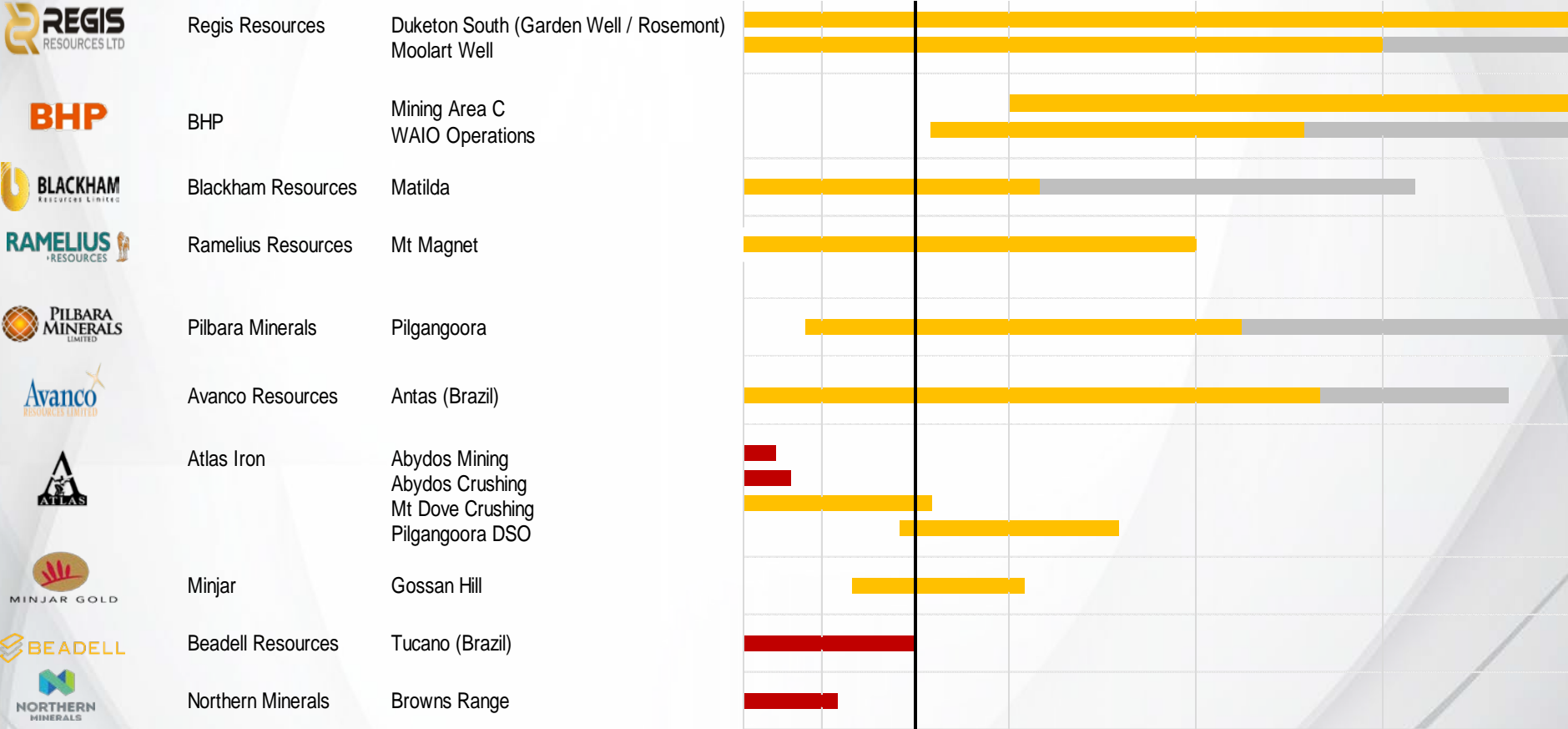
### Brazil

MINING – Beadell Resources – Tucano (Amapá State)  
MINING – Avanco Resources – Antas North (Para State)

# TENURE - MINING

## Mining / Crushing

2017 2018 2019 2020 2021



Contract durations are based on

- contract terms being time based and/or volume based
- latest schedule information and pricing

■ Completed Contracts ■ Current Contracts ■ Option to Extend

# TENURE - CIVIL / INFRASTRUCTURE / INTERQUIP

## Current Client Base and Contracts

### Civil and Infrastructure

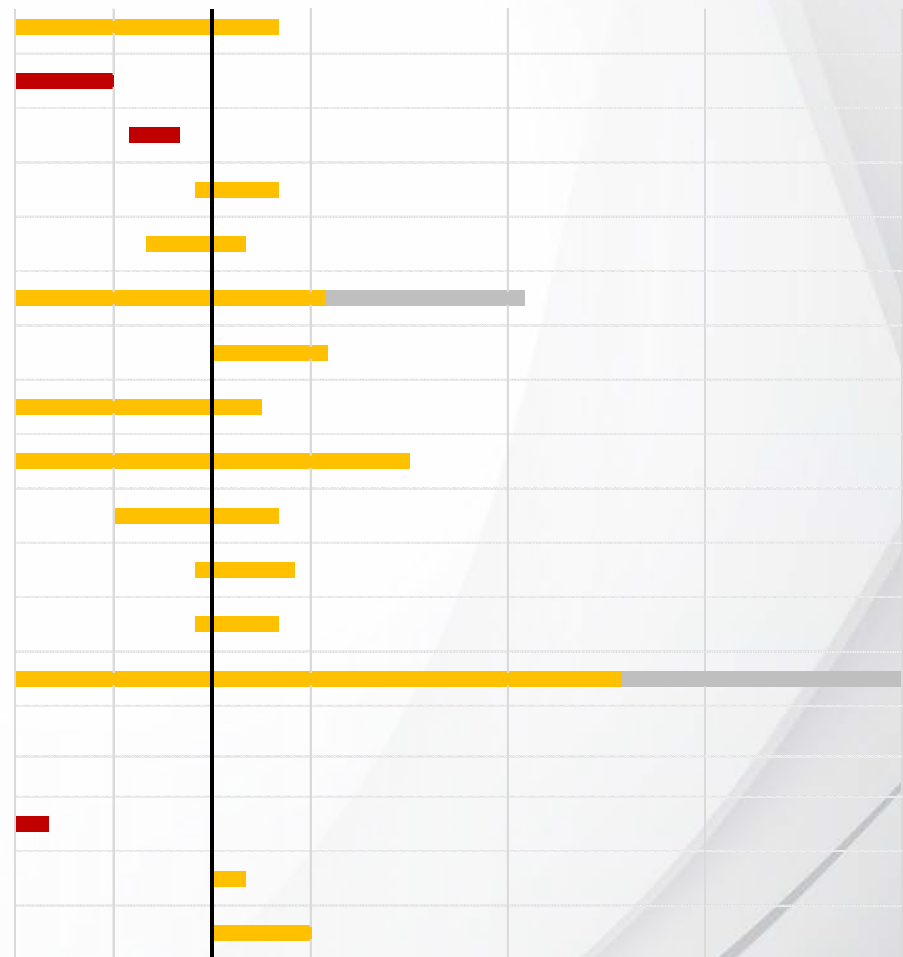


Gold Road	Gruyere JV
Northern Minerals	Browns Range
Blackham Resources	Tailings Storage Facility
Western Areas	Odysseus Evaporation Ponds
Pilbara Minerals	Tailings Storage Facility
Western Australia	Kimberley Road Maintenance
Western Australia	Coongan Gorge
VicRoads	VicRoads (CN 8292)
VicRoads	VicRoads (CN 8124)
VicRoads	O'Herns Road Upgrade
VicRoads	SSRIP - Project Zero
VicRoads	Doncaster Bus Lanes
Victoria	Baw Baw Shire (25101)

### MACA Interquip



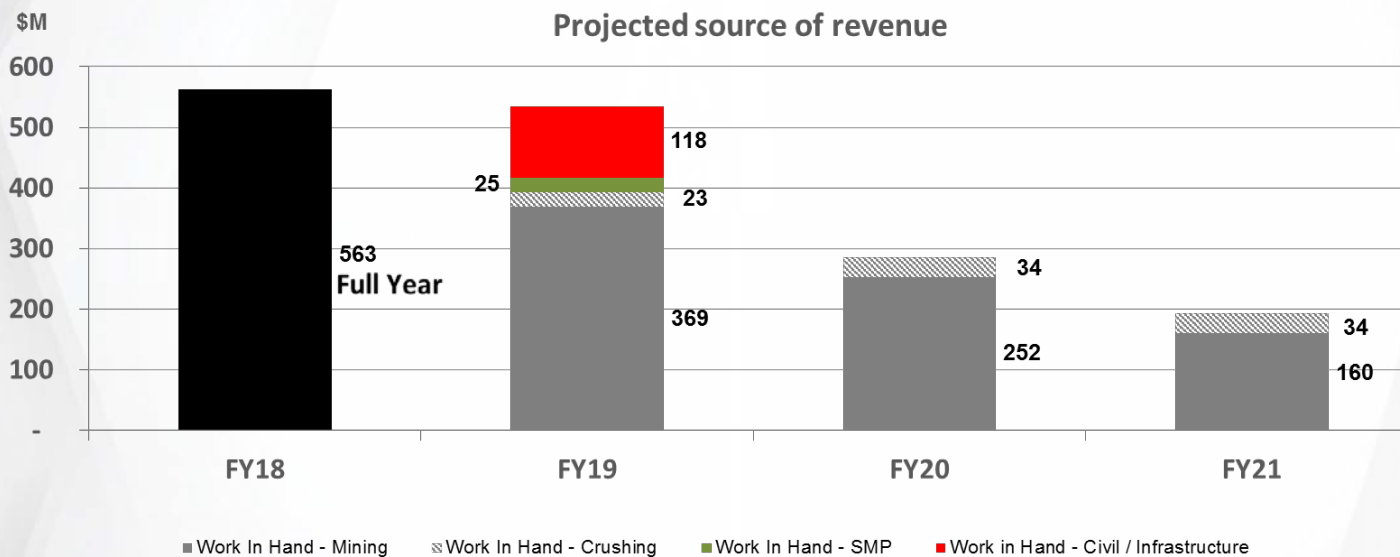
Newmont	Tanami Expansion
Panoramic Resources	Savannah
AngloGold Ashanti	Tropicana



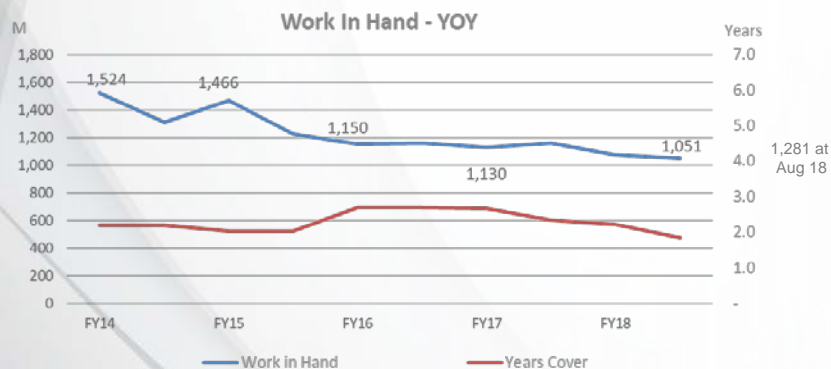
Contract durations are based on - contract terms being time based and/or volume based  
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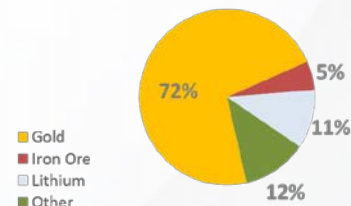
# WORK IN HAND POSITION – AS AT NOW



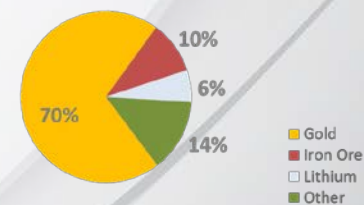
FY19 revenue expected to be approx. \$620 million



**Commodity Split - FY19 - Mining WIH**



**Commodity Split - All Mining WIH**



# PEOPLE

As at June '18 MACA employed a workforce of +1,600 personnel throughout Western Australia and Victoria in Australia, and Brazil in South America

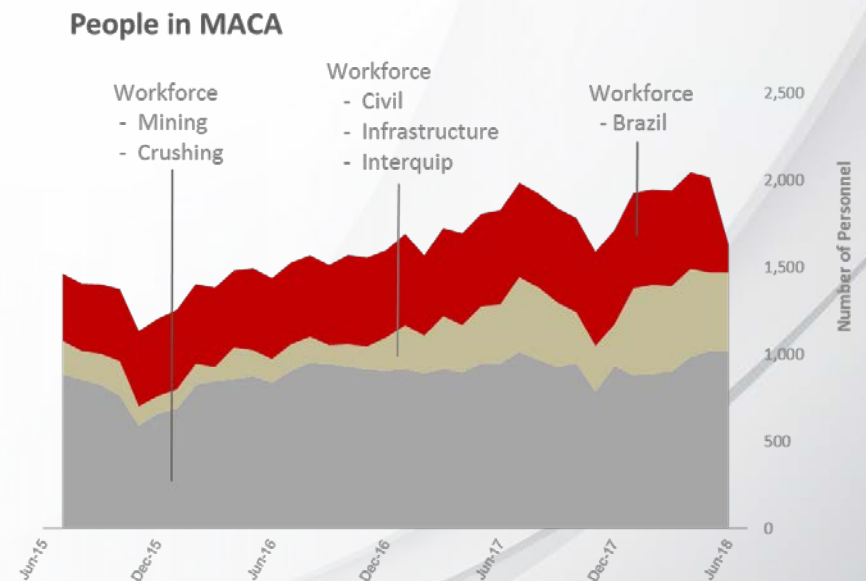
MACA Leadership and Management Program. Focus on leadership behaviour and skills development with all Project Managers and Supervisors from all divisions continued

Employee engagement of Vision and Core Values continued

A core business value is our strong commitment to safety

MACA has consistently maintained a Lost Time Injury Frequency Rate well below industry average

MACA continues to drive down the Total Recordable Injury Frequency rate across all business units



# COMPANY OUTLOOK

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- ❑ **Mining** – Numerous well advanced mining opportunities expected to result in contracts imminently. New crushing projects commenced with further opportunities being pursued. Extension at Duketon South subsequent to balance date to underpin mining business.
- ❑ **International** – Pursuing new projects and equipment hire options for idle equipment in Brazil. Pursue new work in Cambodia.
- ❑ **Civil / Infrastructure** – Increased spending by government is producing larger value opportunities in both asset maintenance and civil disciplines in Western Australia, Victoria and other states. Work in Hand at record levels at the commencement of the financial year.
- ❑ **MACA Interquip** – Existing Work in Hand and near term opportunities to allow positive contribution from the SMP business..
- ❑ A solid balance sheet (net cash) to fund new projects.
- ❑ A strong net cash and working capital position supports our capacity to maintain dividend payout ratio and to pursue other opportunities.
- ❑ Strong alignment with key stakeholders and clients continues to be a strong value within MACA.
- ❑ Revenue forecast FY19 expected to be approximately \$620 million.
- ❑ Current Order book of +\$1.3 billion (August 18).

# COMPANY PROFILE

## MACA Limited

MACA is an integrated services contracting company that provides contract mining, crushing and screening, civil construction, infrastructure and mineral processing equipment, with operations spanning Australia and Latin America.



## Our Divisions

### MACA Limited

#### MINING AUSTRALIA

Offering effective mine to mill solutions, utilising modern equipment and operating techniques, customised to meet the project needs and deliver the required outcomes for each project

#### CRUSHING

A complete screening service utilising the latest technology to deliver tailored screening and sizing solutions, all available in different combinations to meet sizing requirements

#### MINING INTERNATIONAL

Offering effective mine to mill solutions, utilising modern equipment and operating techniques, customised to meet the project needs and deliver the required outcomes for each project

#### CIVIL AND INFRASTRUCTURE

Civil construction and civil road and asset management maintenance services on district and arterial road networks, both sealed and unsealed.

#### MACA INTERQUIP

Delivering small to large scale SMP projects, new and refurbished plant and equipment, and consumables to the mineral processing sector of the resources industry

# INCOME STATEMENT

A\$ million	FY 16	FY 17	FY 18
Revenue	431.4	497.9	562.6
EBITDA	90.7	99.2	78.8
<i>EBITDA margin</i>	21.0%	19.9%	14.0%
EBIT	34.3	46.4	29.4
<i>EBIT margin</i>	8.0%	9.3%	5.2%
Net Profit After Tax (attributable to members)	24.2	32.1	23.6
<i>Net Profit Margin</i>	5.6%	6.4%	4.2%
Basic earning per share - cents	10.4	13.7	9.1
Total dividends per share - cents	8.5	9.0	6.5
Shareholders funds	255.6	269.7	320.9
Net cash flow from operating activities *	64.1	68.1	8.7
Net cash	41.9	64.2	63.3

\* Reduction in net cash flow from operating activities reflects the impact of extended trading terms being provided to a number of clients

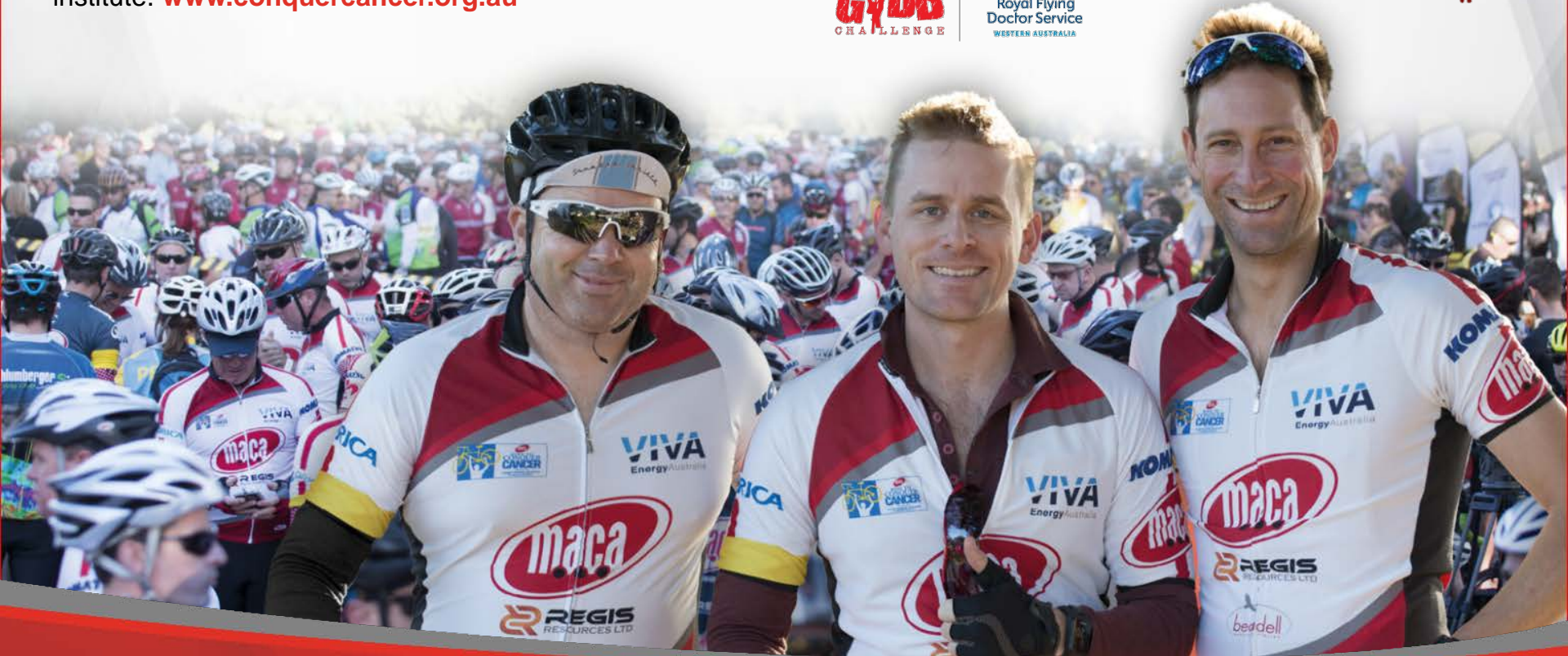
# BALANCE SHEET

A\$ million	FY 16	FY 17	FY 18
Cash and cash equivalents	115.6	112.0	108.2
Trade and other receivables	73.5	113.7	163.9
Loans	7.1	9.7	27.6
Inventories	10.0	13.6	13.6
Work In Progress	0.1	(0.3)	(2.0)
Property, plant and equipment	154.1	128.9	114.8
Other assets	12.9	18.0	20.3
<b>Total Assets</b>	<b>373.3</b>	<b>395.6</b>	<b>446.4</b>
Payables	32.9	64.0	64.6
Borrowings	73.7	47.8	44.9
Provisions	10.0	10.4	11.8
Other Liabilities	1.1	3.7	4.2
<b>Total Liabilities</b>	<b>117.7</b>	<b>125.9</b>	<b>125.5</b>
<b>Shareholders Equity</b>	<b>255.6</b>	<b>269.7</b>	<b>320.9</b>
<b>Net Cash / (Debt)</b>	<b>41.9</b>	<b>64.2</b>	<b>63.3</b>
Net tangible asset backing - cps (basic)	106.08	108.89	118.8

# COMMUNITY

MACA is proud to be the “Title Sponsor” of the Perth Ride to Conquer Cancer for 2018 in support of the Harry Perkins Institute of Medical Research.

Supporting ground breaking research initiatives and innovative new treatments at the **Harry Perkins Institute of Medical Research**, Australia’s premier cancer research institute. [www.conquercancer.org.au](http://www.conquercancer.org.au)



# DISCLAIMER

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All currency is denominated in Australian dollars.



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