

The logo for PRIMERO, featuring the word in a white, sans-serif font. The letter 'E' is stylized with three horizontal blue bars. The background is a dark, industrial scene of a refinery or chemical plant at night, with complex metal structures and pipes illuminated by lights.

PRIMERO

Investor  
Presentation  
September  
2018

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The figures in this presentation are subject to rounding.

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**EST. 2011**

**LEADERS IN  
PROJECT  
ASSESSMENT**

**400 STAFF  
WORLDWIDE**

**EFFICIENCY**

**ACCOUNTABILITY**

“

SPECIALISING IN THE  
DESIGN, CONSTRUCTION  
AND OPERATION OF  
GLOBAL RESOURCE  
PROJECTS.

”

“

WORLD CLASS  
CREDENTIALS  
IN PROCESS  
ENGINEERING  
AND TECHNICAL  
DUE DILIGENCE

”

**INTEGRITY**

**PRIMERO**

## OVERVIEW

# Corporate Snapshot

A multi-disciplinary engineering group specialising in the design, construction and operation of global resource projects.

## BOARD OF DIRECTORS



Cameron Henry  
Managing Director



Mark Connolly  
Non-Executive Chairman



Brett Grosvenor  
Executive Director



Luke Graham  
Non-Executive Director



Dean Ercegovic  
Executive Director

## A STRONG PLATFORM FOR GROWTH

CORPORATE SNAPSHOT (ASX: PGX)		KEY SHAREHOLDERS	
Share price (14/09/2018)	\$0.405	Board and Management	54%*
Shares on issue	149.3M	Institutions	24%
Market capitalisation	\$60.5M	TOP 20	80.6%

WORKING CAPITAL	As at 30 June 2018 \$000
Insurance Bonding Facility Limit	20,000
Cash at Bank at Listing	20,424
<b>TOTAL</b>	<b>40,424</b>
Less: Insurance Bond facility Utilised	8,493
<b>NET</b>	<b>31,931</b>
BORROWING CAPACITY	
Current Borrowings	1,900
<b>Total Equity</b>	<b>27,600</b>

\*Shares subject to certain escrow provisions contained in the IPO prospectus

(spanish adjective) = First, to be 'primero' is to be number one.

DRIVING PROJECTS FORWARD

PRIMED FOR SAFETY

ACCOUNTABILITY

TAKING OWNERSHIP

EFFICIENCY

WORKING SMARTER

INTEGRITY

UPHOLDING PROMISES

DESIGN

CONSTRUCT

OPERATE

Mineral Processing

Energy & Hydrocarbons

Non Process Infrastructure

MINERALS

ENERGY

NPI

# 1. Update & key highlights

**KEY  
UPDATE  
HIGHLIGHTS**

**SEPTEMBER  
2018**

1

Successful \$25M Initial Public Offering in July 2018

2

Outperformed FY18 prospectus forecast financial results

3

Growing in key focus business sectors and project scale

4

Increased contracted order book in FY19 and FY20

5

Exceptional growth pipeline with opportunities for continued commodity and geographic diversification

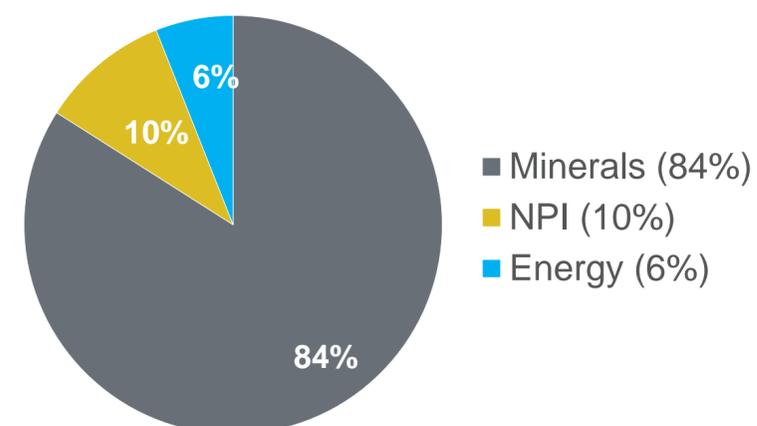
# UPDATE & KEY HIGHLIGHTS

## FY18 METRICS

REVENUE AND EARNINGS	FY18 (A\$M)	FY17 (A\$M)	CHANGE	
Total revenue	85.2	52.1	63%	↑
EBITDA	8.9	2.6	259%	↑
Pre-tax profit	7.4	1.7	345%	↑
Tax	2.2	0.5	327%	↑
NPAT	5.2	1.1	353%	↑

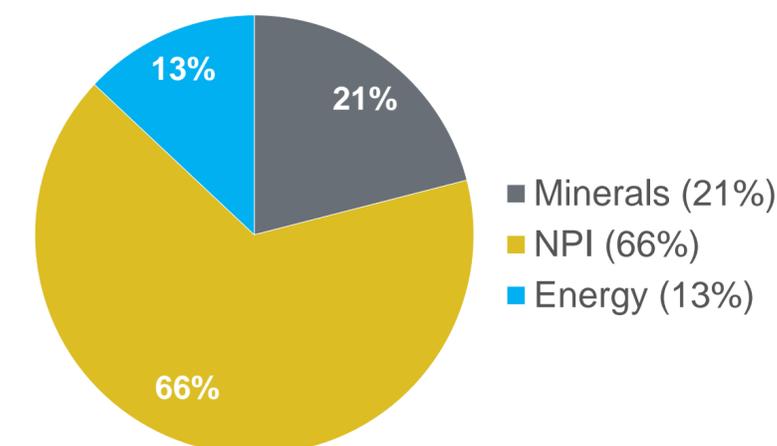
- + Outperformed prospectus forecast revenue of \$79M – actual A\$85M
- + Outperformed prospectus forecast EBIDTA of A\$8.6M – actual A\$8.9M
- + Outperformed prospectus forecast NPAT of A\$4.7M (plus listing costs) – actual A\$5.2M

FY18 Revenue by Segment



Total – A\$85.2M

FY17 Revenue by Segment



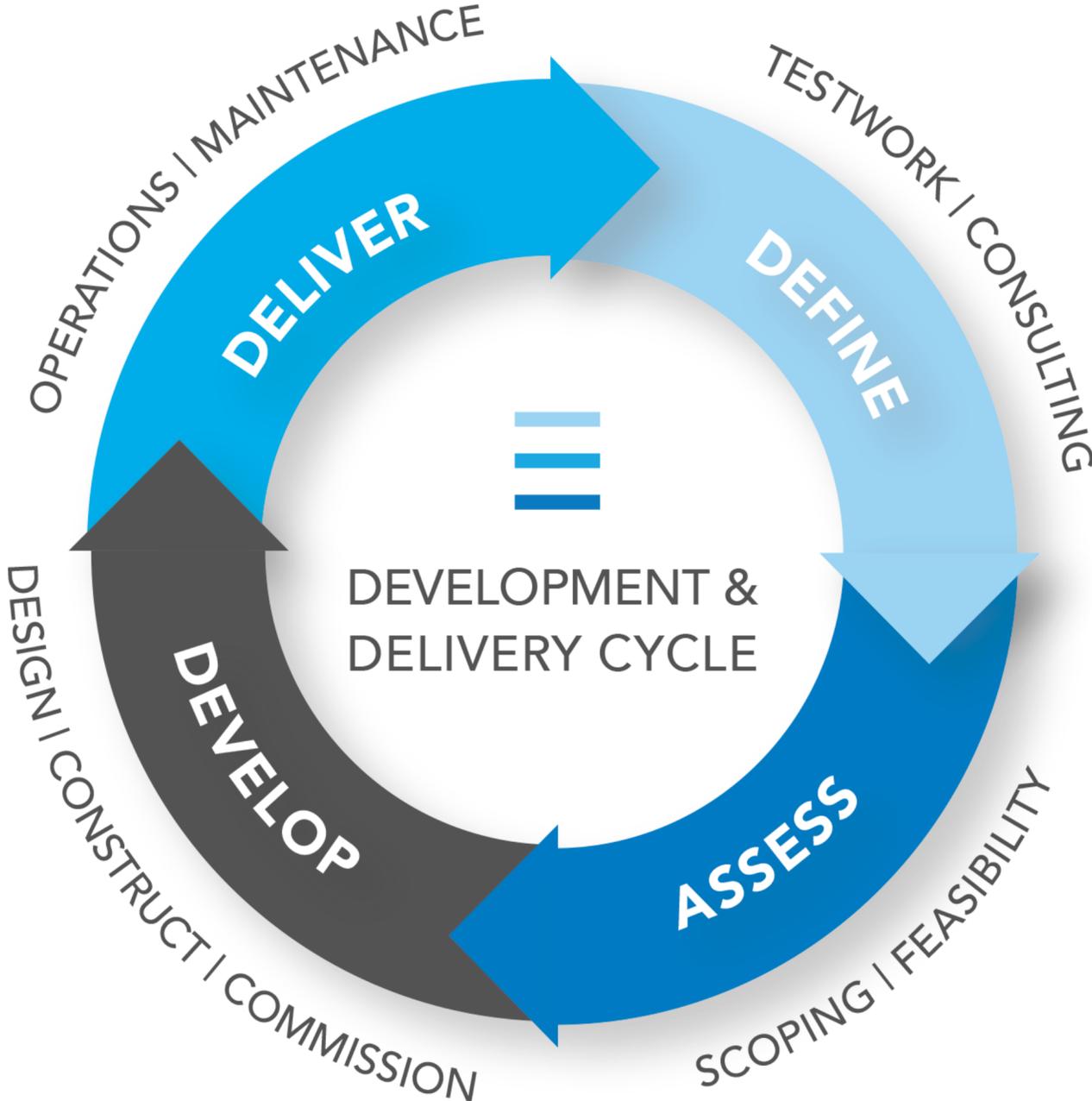
Total – A\$52.1M

# 2. Core Business Model

**INTEGRATED MODEL**

# The Development & Delivery Cycle

Capability, systems and experience to provide the complete project life cycle



## AN EMERGING LEADER

# Why are we different?

<b>MULTI-COMMODITY SPECIALISTS</b>	Exposure and experience in delivery across multiple commodities – precious, base, bulk industrial minerals and hydrocarbons
<b>MULTI-DISCIPLINE TURNKEY DELIVERY</b>	Ability to deliver in-house ‘turnkey’ vertical EPC contracting strategy in three focus sectors – Minerals, Energy & Non-Process Infrastructure
<b>OPERATIONS &amp; MAINTENANCE</b>	Contract operations model becoming more and more prevalent and attractive for <7 – 8 year project lifecycles
<b>YEAR-ON-YEAR ROBUST GROWTH</b>	Entering our 3 <sup>rd</sup> consecutive year of strong revenue growth and well funded to capitalise on an ever increasing profile and pipeline of opportunities driven by an energetic, young professional team
<b>REPUTATION &amp; DELIVERY TRACK RECORD</b>	Our growth and reputation as a contractor that delivers the desired outcome efficiently and safely is gaining momentum year-on-year

## A STAGED APPROACH

# How do we manage growth?

<b>SYSTEMS &amp; PROJECT CONTROLS</b>	Significant investment made with human and financial capital developing internal project management, cost reporting and forecasting tools
<b>STRONG REPORTING CULTURE</b>	Strict reporting culture with project reviews and 'deep dives' conducted on all lump sum projects on a monthly basis
<b>PROJECT SCALE-UP</b>	Disciplined tendering review and submission procedures along with strong commercial management principles
<b>STRONG GOVERNANCE</b>	Processes and controls in place to ensure ASIC guidelines compliance and approvals for authority levels coupled with close oversight from an experienced Board
<b>EXPERIENCED CONTRACTORS</b>	Experienced contractors with strong track record of delivering over \$300M of work since company inception

# 3. Project Overviews

## COMPANY OVERVIEW

# Current projects & locations



## PRIMERO

**WA - Pilbara**  
 Pilbara Minerals  
 Pilgangoora  
 DMS Design, Discrete Construction & Commissioning

Newcrest  
 Telfer  
 Sustaining Capital

Rio Tinto  
 Marandoo  
 Southern Waste Fines Pumping & Piping

Rio Tinto  
 Marandoo  
 MEM Workshop Extension

Rio Tinto  
 Brockman 2  
 HME Washbay EPC

Rio Tinto  
 Paraburdoo  
 HME Washbay EPC

Rio Tinto  
 West Angelas  
 AHS Fuel Facility Conversion

Quadrant Energy  
 Varanus Island  
 Tank B Refurbishment

Citic Pacific Mining  
 Sino Iron  
 Sustaining Capital Projects

**WA - South-West**  
 Global Advanced Metals  
 Greenbushes  
 Antimony Removal Study



**WA - Murchison**  
 Tungsten Mining  
 Mt Mulgine Tungsten/Moly  
 ECI - EPC

Egan Street Resources  
 Rothsay Gold  
 ECI

- Minerals
- Energy
- NPI

**WA - Perth**  
 Neometals  
 Battery Recycling Study

APA Group  
 Donaldson Road Gas Metering  
 Construction

**WA - Kimberleys**  
 Northern Minerals  
 Browns Range HRE Pilot Plant  
 Construction & Commissioning

King River Copper  
 Speewah High Purity Vanadium  
 Bene and Hydromet Scoping Studies

**WA - Goldfields**  
 Tawana Resources  
 Bald Hill Lithium  
 Study, Design, Construct, Operate

Northern Star  
 Kanowna Belle  
 Arsenic Stabilisation Study

Independence Group  
 Nova  
 Sustaining Capital Projects

Independence Group  
 Nova  
 HME Washbay Upgrade

**SA - Torrens Island**  
 Wartsila  
 Barker Inlet 211MW Power Station  
 Construction

**NT - Darwin**  
 Core Exploration  
 Grants Lithium  
 DMS ECI

**VIC - Ballarat**  
 Hill End Gold  
 High Purity Alumina (HPA)  
 Scoping Study



## KEY PROJECT OVERVIEW

# WARTSILA / AGL

## TORRENS ISLAND POWER STATION

- + Over 28,000m<sup>3</sup> of earthworks completed to date
- + On-site piling works well underway – approximately 30% complete with circa 300 piles installed
- + Site manning levels increasing significantly for ramp-up of works
- + Site services and concrete installation commenced
- + Project on track to be completed 3<sup>rd</sup> quarter 2019



## KEY PROJECTS OVERVIEW

# RIO TINTO

## PILBARA IRON ORE OPERATIONS

### Current contracts

- + Marandoo Fine Waste storage facility
- + Marandoo Workshop Extension
- + West Angeles Automated Haulage Services fuel facility upgrade
- + Parabardoo & Brockman 2 Heavy Vehicle wash facility upgrades





## KEY PROJECTS OVERVIEW

# TAWANA RESOURCES

## BALD HILL OPERATIONS & MAINTENANCE

- + Plant operating and producing for periods of up to 170% of installed nameplate capacity
- + Utilisation rates averaging above 85%
- + Recoveries in line with expected and contracted design parameters
- + 150 days incident free
- + Operational costs well below forecast targets

## KEY PROJECTS OVERVIEW

# MERDEKA COPPER/GOLD

## TUJUH BUKIT OPF PHASE 2

- + Phase 2 design completed
- + Complex engineering assessment & delivery – side by side 4mtpa circuits
- + Complete Engineering & Procurement strategy – showcasing offshore delivery capability
- + Repeat work with existing client





## KEY PROJECTS OVERVIEW

# NORTHERN MINERALS

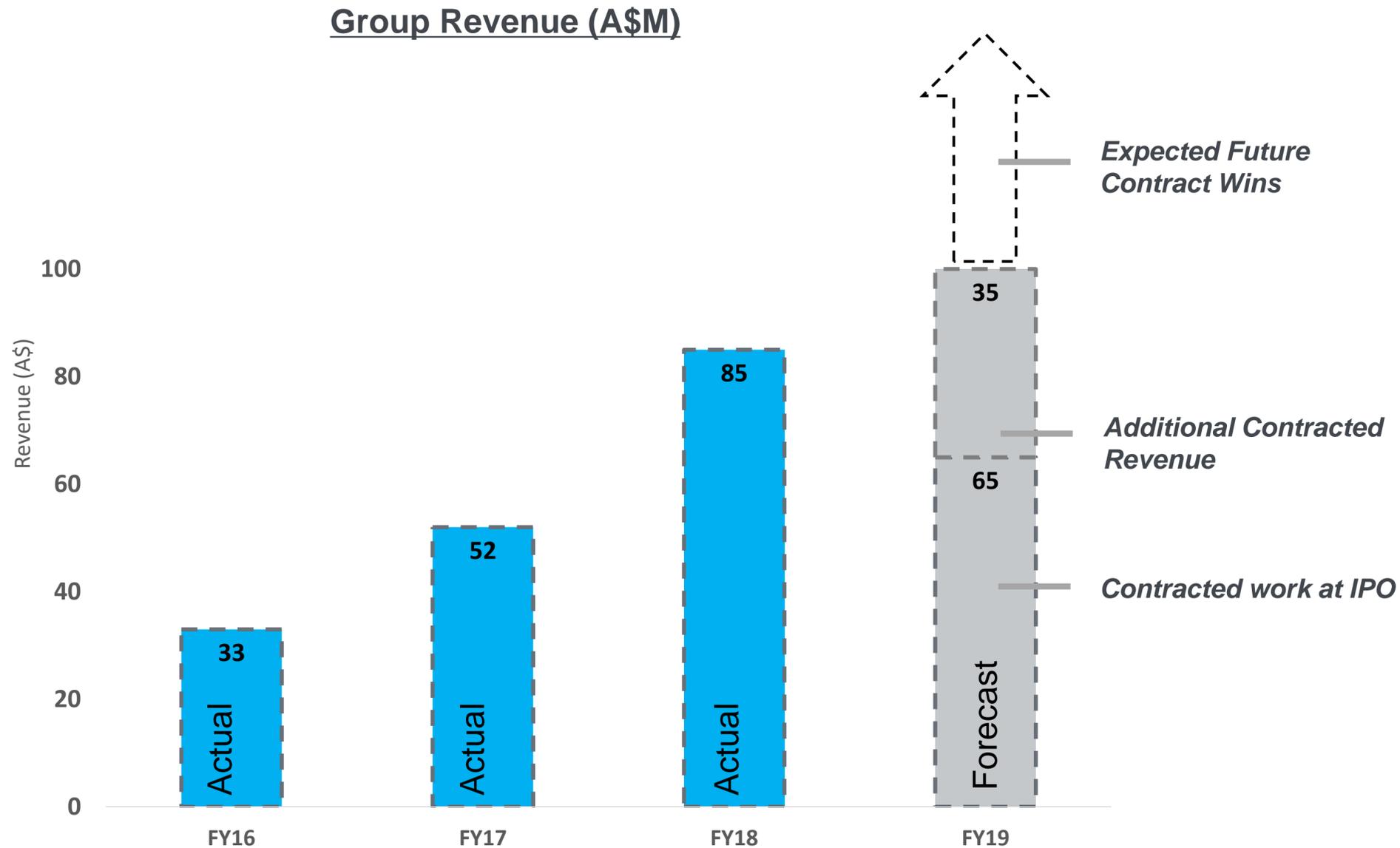
## BROWNS RANGE HYDROMET PLANT

- + Over 60,000 man hours completed LTI free
- + Multi-discipline turnkey construction & commissioning works
- + First significant heavy rare earths processing facility outside of China
- + Remote location delivery



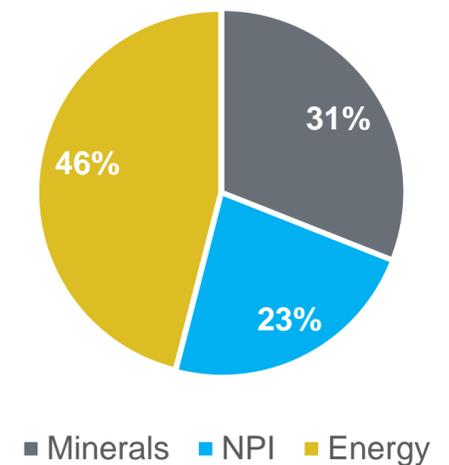
# 4. Market Outlook

# Continued Growth

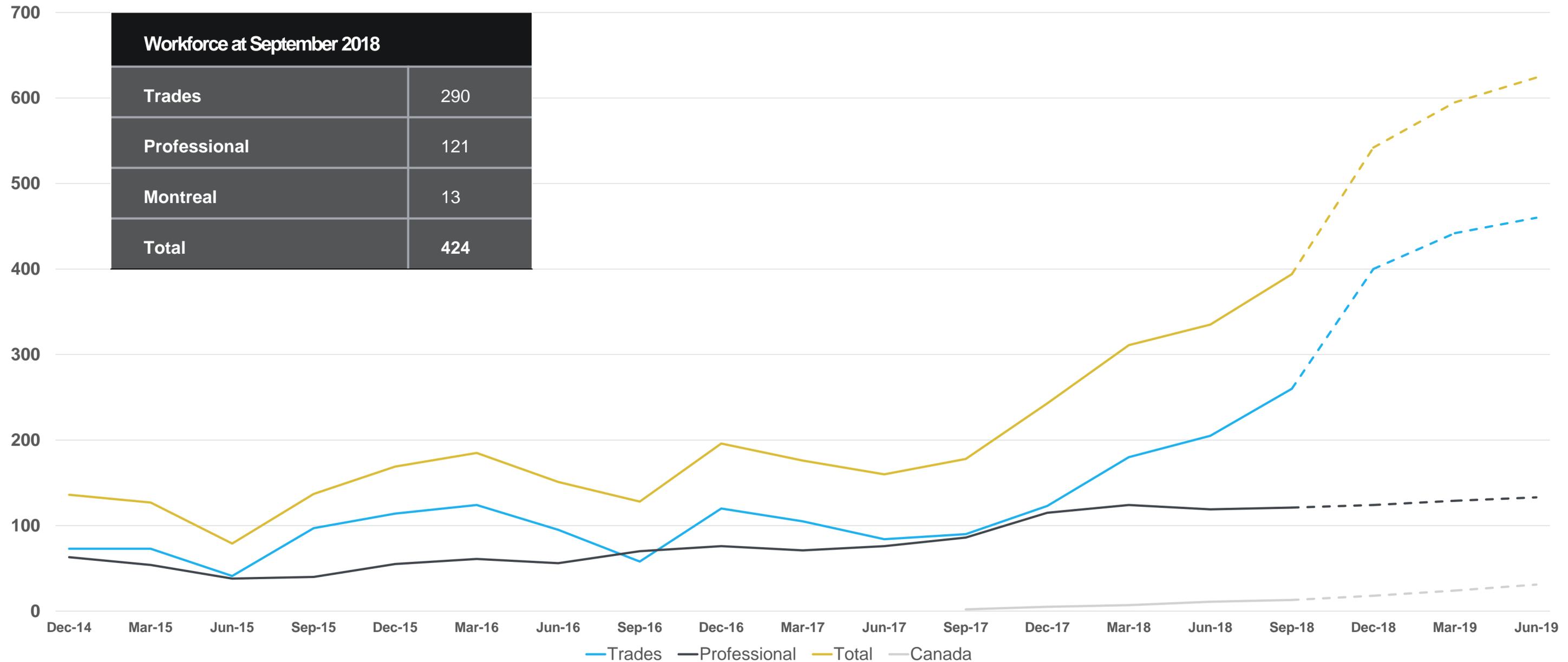


- + Strong order book already locked in for FY19 of \$100M
- + Tendering pipeline at highest levels in company history with \$600M in qualified opportunities in FY20
- + Multiple opportunities underpinning geographical expansion and operational sector growth
- + Diversification of revenue streams continuing
- + Project values increasing with stronger balance sheet following ASX listing

**FY19 - Contracted Revenue**



# Forecast manning levels



# A Growth Business



1 Capability, skills and experience across all aspects of the project life cycle

2 An energised, motivated team quickly developing a reputation for safe and efficient project delivery

3 Strong balance sheet allows more opportunities to be captured while remaining true to the existing business model and core expertise

4 Entering 3<sup>rd</sup> consecutive year of revenue growth with a record FY20 tender pipeline and growing opportunities in all three business sectors

5 Experienced Board and Management team fully aligned with shareholders

The logo for PRIMERO, featuring the word in a bold, sans-serif font. The letter 'E' is stylized with three horizontal bars, the middle one being blue and the top and bottom ones white. The background of the entire slide is a dark, industrial scene of a refinery or chemical plant at night, with complex metal structures, pipes, and lights.

PRIMERO

# Key Contacts

**Cameron Henry**

*Managing Director*

[cameron.henry@primero.com.au](mailto:cameron.henry@primero.com.au)

**Ryan McFarlane**

*Chief Financial Officer*

[ryan.mcfarlane@primero.com.au](mailto:ryan.mcfarlane@primero.com.au)

**Perth Head Office**

+61 8 6500 9500



# Appendix A: Health, Safety & Environment

## OUR CULTURE

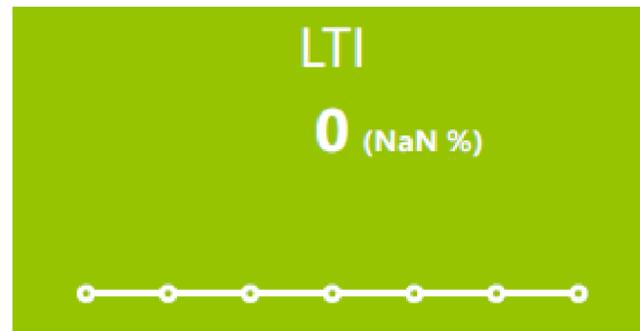
# Primed For Safety

### HSE DASHBOARD

Less than 10 per 1M hours - Lower Better



0 LTI Target - Lower Better



1 per 100 hours - Higher Better



3 per week per Manager - Higher Better



Less than 100 per 1M hours - Lower Better



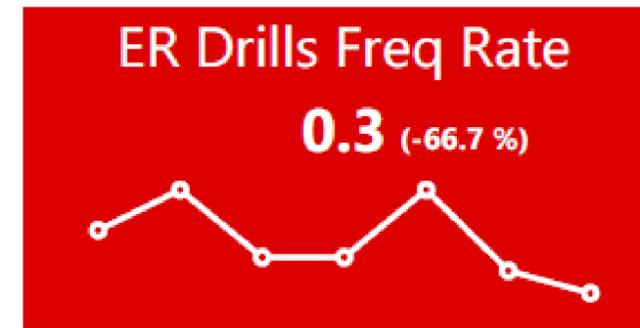
Less than 100 per 1M hours - Lower Better



Less than 100 per 1M hours - Lower Better



1 ER Drill per Quarter - Higher Better



ISO 9001  
AS/NZS 4801  
OHSAS 18001  
BUREAU VERITAS  
Certification



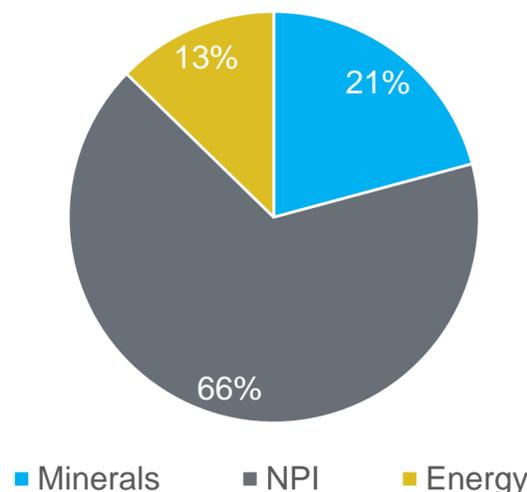
# Appendix B: Key Financials

# Profit and Loss

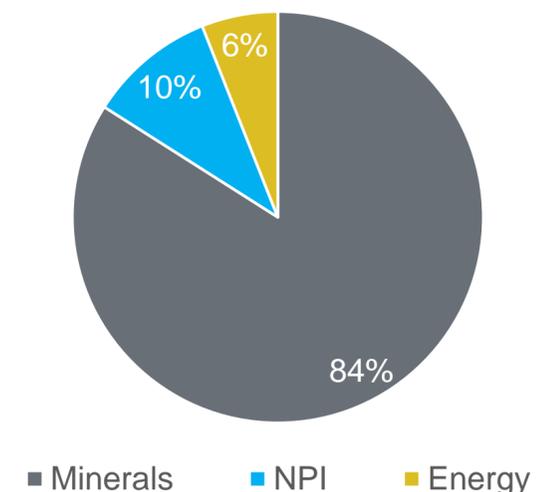
	Actual Year ended 30 June 2017	Prospectus Forecast Year ending 30 June 2018	Actual Year ended 30 June 2018 Minus Listing Costs
	\$'000	\$'000	\$'000
Revenue	52,140	79,913	85,217
Cost of sales	(46,617)	(67,054)	(71,327)
<b>Gross Profit</b>	<b>5,523</b>	<b>12,859</b>	<b>13,890</b>
<b>Gross Profit %</b>	<b>10.6%</b>	<b>16.1%</b>	<b>16.3%</b>
Other income	126	88	61
Other expenses	(3,017)	(4,336)	(4,900)
<b>EBITDA</b>	<b>2,632</b>	<b>8,611</b>	<b>9,051</b>
<b>EBITDA Margin %</b>	<b>5.0%</b>	<b>10.8%</b>	<b>10.6%</b>
Depreciation and amortisation	(565)	(825)	(847)
<b>EBIT</b>	<b>2,067</b>	<b>7,786</b>	<b>8,204</b>
Finance costs	(405)	(194)	(207)
<b>Profit before tax</b>	<b>1,662</b>	<b>7,591</b>	<b>7,997</b>
Income tax expense	(511)	(2,283)	(2,400)
<b>Net profit after tax</b>	<b>1,151</b>	<b>5,309</b>	<b>5,597</b>
Estimated ongoing public company costs		(605)	(605)
<b>Pro Forma Net profit after tax</b>		<b>4,704</b>	<b>4,992</b>

- + 63% increase in annual revenue from FY2017
- + 259% increase in normalised EBITDA and 353% increase in statutory net profit after tax from FY2017
- + Revenue, EBITDA, EBIT and NPAT all ahead of June 2018 IPO prospectus forecasts
- + Healthy gross margin of 16.3% which also came in above IPO prospectus forecasts
- + Minerals division made up 84% of the turnover for the year. This is expected to drop in 2019 as projects in the other sectors pick up.
- + No dividend was declared for the 2018 financial year to retain funds in the company to fund future growth opportunities

FY17 Revenue Split by Segment



FY18 Revenue Split by Segment



# Balance Sheet

	Historical as at 30 June 2018 \$'000	Pro Forma as at 30 June 2018 \$'000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	424	20,424
Trade and other receivables	15,486	15,486
Inventories	658	658
Work in progress and accrued income	4,337	4,337
Other	1,151	374
<b>Total current assets</b>	<b>22,056</b>	<b>41,279</b>
<b>Non-current Assets</b>		
Property, plant & equipment	3,793	3,793
Deferred tax assets	715	715
Investments	110	110
<b>Total non-current assets</b>	<b>4,618</b>	<b>4,618</b>
<b>TOTAL ASSETS</b>	<b>26,674</b>	<b>45,897</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	12,300	12,300
Borrowings	857	857
Income tax liabilities	1,641	1,641
Employee benefits	1,059	1,059
Unearned revenue	1,207	1,207
<b>Total current liabilities</b>	<b>17,064</b>	<b>17,064</b>
<b>Non-current Liabilities</b>		
Borrowings	1,060	1,060
Employee Benefits	173	173
<b>Total non-current liabilities</b>	<b>1,233</b>	<b>1,233</b>
<b>TOTAL LIABILITIES</b>	<b>18,297</b>	<b>18,297</b>
<b>NET ASSETS</b>	<b>8,377</b>	<b>27,600</b>
<b>EQUITY</b>		
Issued capital	348	19,571
Reserve	(4)	(4)
Retained earnings	8,033	8,033
<b>TOTAL EQUITY</b>	<b>8,377</b>	<b>27,600</b>

- + Pro Forma Balance Sheet prepared on the basis of a \$20 million capital injection at IPO which occurred shortly after the financial year end on the 9<sup>th</sup> of July 2018.
- + Balance Sheet now strong enough to fund future growth to enable Primero to work on bigger projects and expand footprint in other countries.
- + On the back of the listing Primero now has a \$20 million bonding facility in place.
- + Balance sheet has capacity to increase its Borrowings if the opportunity presents itself. Borrowings are a low \$1.9 million when compared to equity of \$27.6 million
- + Borrowings were paid down during the 2018 financial year and fell by \$1.0 million to \$1.9 million.
- + Pro Forma Net Tangible Assets of \$27.6 million, no goodwill on Balance Sheet
- + Cash position lower than forecast at the prospectus due to the timing of receipt of funds for projects and an increase in working capital requirement due to the higher turnover than forecasts.