



NRW HOLDINGS

EUROZ CONFERENCE

19

RESULTS OVERVIEW

Operations

- ✓ Revenue⁽¹⁾ of \$522.6M, an increase of 52.3%
- ✓ EBITDA⁽²⁾ increased to \$74.3M compared to \$40.3M in the prior comparative period
- ✓ EBIT⁽³⁾ more than doubled to \$50M
- ✓ Net Earnings increased to \$28.1M compared to \$15.3M
- ✓ Order Intake in the 6 months circa \$1.0B increasing total work in hand to \$2.4B

Strategic

- ✓ Completed \$10M acquisition of RCR Mining Technologies and Heat Treatment – diversifies service offering
- ✓ Secured new Civil contracts for all 3 major WA Iron Ore projects – South Flank, Eliwana and Koodaideri

Balance Sheet

- ✓ Cash holdings increased to \$82.7M compared to \$53.0M as at June 2018
- ✓ Net Debt improved to \$12.8M compared to \$34.4M as at June 2018
- ✓ Low Gearing – 4.3%
- ✓ Interim Dividend declared of 2 cents fully franked

(1) Statutory Revenue of \$495.5M plus revenue from associates \$27.1M

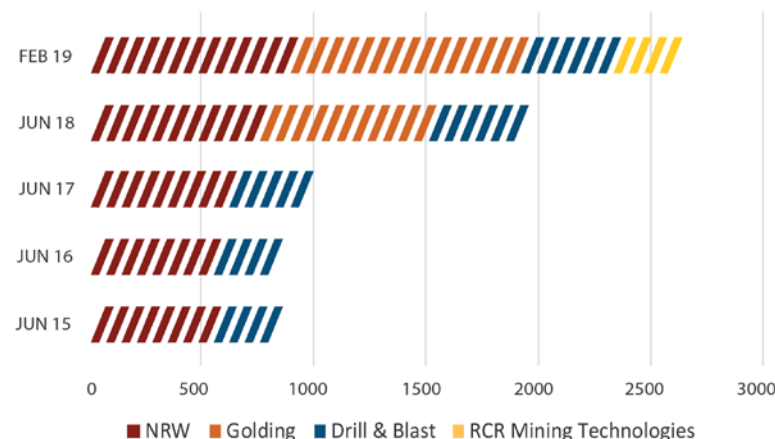
(2) EBITDA is earnings before interest, tax, depreciation, amortisation and transaction costs

(3) EBIT is earnings before interest, tax and transaction costs

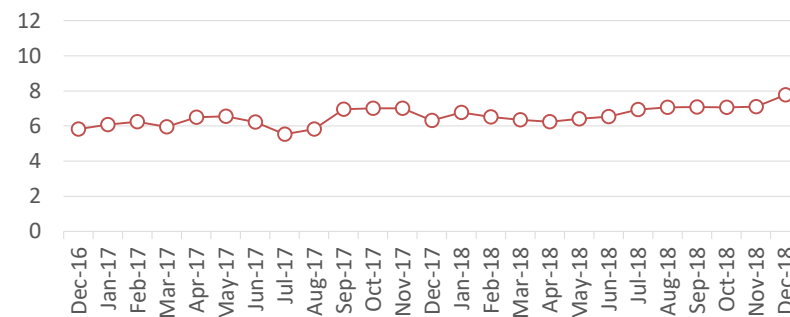


- Continued growth in headcount to over 2,600 post RCR MT acquisition (February 2019)
- Increase training and personnel development
- Business is responding well to increasing manning requirements – particularly re-engagement of previous NRW employees
- 8.1% Indigenous employment as a percentage of direct employees working on Pilbara projects
- Our goal is the elimination of serious injuries through the effective and uncompromising management of hazards in our workplaces
- Total Recordable Injury Frequency Rate (TRIFR) performance across the business as at December 18 - 7.77 (December 2017 - 6.32)
- Safety priorities identified to strengthen our safety culture backed by applied training

Headcount



Total Recordable Injury Frequency Rate





CIVIL

NRW Civil
Golding Civil
Golding Urban

CAPABILITIES

- Mine development
- Bulk earthworks
- Roads & bridges R5/B4
- Rail
- Marine works
- Commercial & residential subdivisions
- NPI



MINING

NRW Mining
Golding Mining
AES Equipment Solutions

CAPABILITIES

- Whole of mine management
- Mine development
- Load & haul
- Dragline
- Coal handling preparation plants
- Mine site rehabilitation
- Maintenance services
- Mobile Equipment
- Truck sales



DRILL & BLAST

Action Drill & Blast

CAPABILITIES

- Drilling
- Blasting
- Explosive supply



MINING TECHNOLOGIES

RCR Mining Technologies

CAPABILITIES

- Apron, belt & hybrid feeders
- Stackers
- Belt reelers & turning stations
- Autogenous drum scrubbers
- Product support, spare parts and service
- Off-site repair & fabrication
- Maintenance services
- Heat Treatment

RCR MINING TECHNOLOGIES (RCRMT)



Autogenous Scrubbers



RCR MINING TECHNOLOGIES (RCRMT)



- **Acquisition price \$10M⁽¹⁾** - funded through existing cash reserves completed mid February 2019
- RCR MT
 - **Generated ~\$110M of revenue in FY18**
 - Track record of delivering positive earnings ~300 employees
 - Facilities in Bunbury, Welshpool and Victoria.
 - Experienced management team to remain with the business
 - Opportunity to offer clients an integrated service offering that includes design, procurement and maintenance
 - **Adds scale and recurring income from maintenance activities**
 - **Circa \$50M per annum from recurring revenue**
- Mining Technologies has a strong tier one customer base with over 1,500 primary machines in operation nationally and internationally
- Product case studies (on following slides)
 - Apron Feeders
 - Relocatable Crushing and Conveyors

Products & Services

- Stackers
- Apron & Belt Feeders
- Belt Reelers
- High Capacity Conveyors
- Slide Gates
- Screening Plants
- Mobile Screening Plants
- Autogenous Scrubbers
- In-Pit Crushing & Conveying
- OEM Product Support
- Heat Treatment

(1) Plus assumed relevant RCR workforce and their employment entitlements

APRON FEEDER LOCATIONS



RELOCATABLE CONVEYOR

- Controlled off site manufacture and integration of key modules – Designed and built in Bunbury facility
- Reduces on site installation times to weeks rather than months
- All modules fully relocatable
- Ideal solution for stranded ore bodies
- First installation includes 5km of relocatable conveyor and a semi-mobile primary crushing station



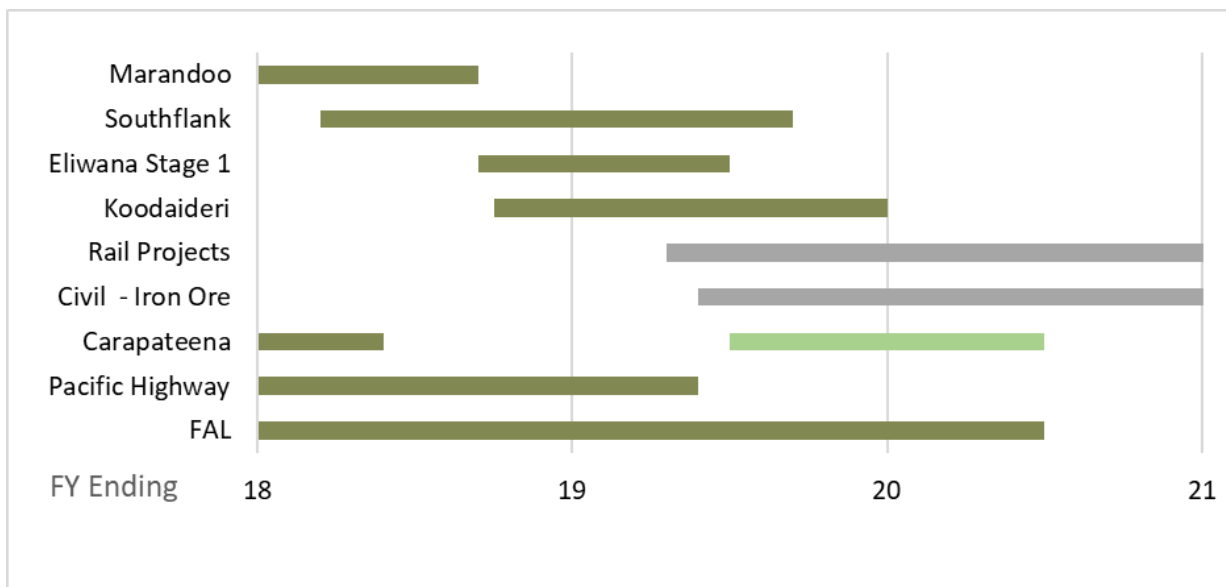
BUSINESS PERFORMANCE



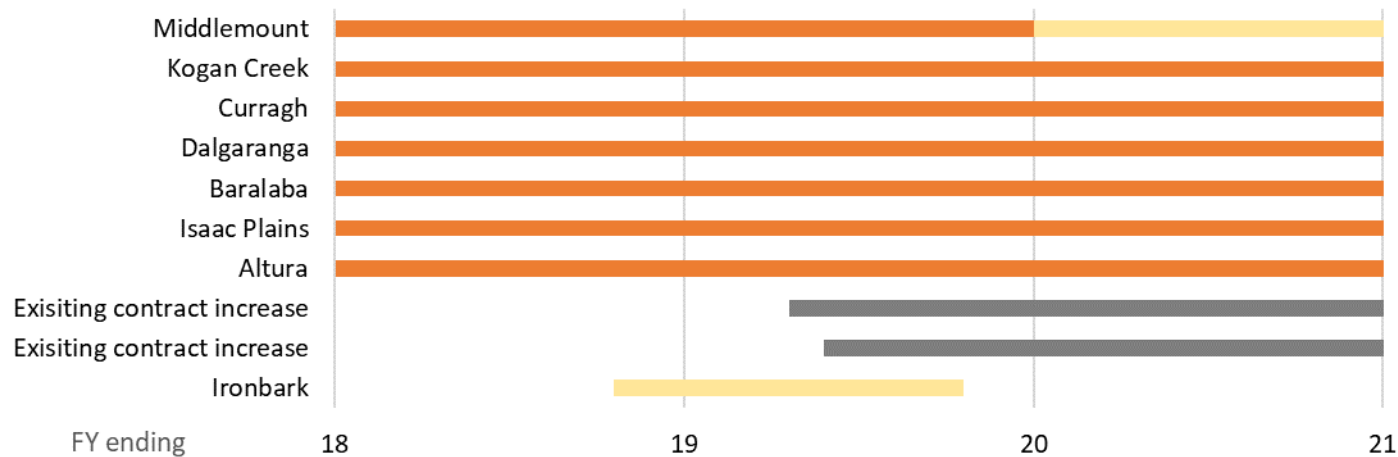
South Flank Bulk Earthworks & Concrete, WA



- Strong margin improvement in first half – 7.2% v 4.8%
- Contracts awarded to NRW for replacement tonnes programs (Iron Ore) with more packages to be bid
 - Circa \$300M secured work to date
- Directly addressable opportunities (earthworks and concrete) circa \$2.5B over four years
- Current active tenders in excess of \$600M
- Growing Infrastructure requirements in Queensland and New South Wales
- Value of Perth's public infrastructure works - \$5B to 2028
- Strong order cover for FY19 - (per revenue guidance)
- FY20 revenues expected to grow following sustaining tonnes program awards



- Significant revenue increase (\$310.1M v \$133.1M) and margin improvement in first half
 - production volumes, productivity and higher fleet utilisation
- Secured Isaac Plains East contract extension \$500M – to June 2024
- Clients looking to accelerate production at a number of sites - potential order increase circa \$300M
- Increasing opportunities in iron ore to provide pre-strip work on major projects
- Equipment investment targeted at existing clients to support activity growth and contract term extension
- Early Contractor Involvement (ECI) with Fitzroy Australia for provision of project development services and proposed Ironbark No 1 mine
- Revenue for FY19 fully secured and FY20 secured work at same level as FY19



Results

- Revenue increase - higher volumes for new work
- EBITDA as guided - impacted by drill remediation programme to improve utilisation
- Tangible improvements being seen on drills returned to site operations

Contract Awards

- 15 month contract extension for Talison Lithium Greenbushes project - \$13.5M
- Subcontract award for drill & blast services at South Flank – \$11M
- Total contract awards and extensions in first half of \$73.9M

Outlook & Order Book

- All of FY19 revenue guidance already under contract
- Focus on securing extensions to contracts completing in FY 2019
- Business turnaround well underway with increased drill availability and improved project performance.

FINANCIAL OVERVIEW



Gladstone Area Water Board Offline Storage, QLD

SUMMARY FINANCIALS⁽¹⁾

- 51% increase in Revenue to \$522.6M mostly in Mining
 - New work and existing contract expansion
 - Golding 6 months (FY19) v 4 months (FY18)
- EBITDA margin increased to 14.2% (comparative 11.6%)
 - Higher activity, improved productivity and increased fleet utilisation
- Underlying Net Earnings to \$32.1M - increase of circa 2.5 times same period last year
- Strong cashflow generation maintained
- Low Gearing at 4.3%
- Income Tax
 - Income Tax expense at normal levels (30%) – reduces tax assets on the balance sheet
 - Tax payments to commence FY21 at current earnings levels
- Interest costs increase due to Golding debt (full six months) and early Note redemption
- Capex - New equipment purchases include 996 Liebherr for Curragh - second half will include CAT 793's (\$25M) for Isaac Plains
- Closing cash balance of \$82.7M supports RCR MT acquisition and Interim dividend

(1) As defined in NRW Holdings Interim Accounts for the half-year ended 31 December 2018

SUMMARY



Isaac Plains, QLD

TENDER PIPELINE & OUTLOOK

- Current Order book \$2.4B
 - Secured revenue for FY19 is \$1,080M
 - Current tenders awaiting award \$1.1B
- FY19 revenue guidance \$1.1B (to be updated for RCR MT acquisition)
- Pipeline circa \$6.1B
 - Mining pipeline lower as Isaac Plains extension awarded to Golding (\$500M)
 - Increasing Civil opportunities in addition to the Western Australia Iron Ore sector
- Positioning in key traditional civil markets strong, through recent awards for BHP, Rio Tinto and Fortescue
- Priority to integrate RCR MT and generate additional value from the acquisition, through cross selling to key clients and building a broader platform.
- Key focus on retaining, recruiting and training our workforce to meet strong market demand.
- NRW operating model continuing to evolve as a multi disciplined through cycle capex and opex business
- Opportunities for further market consolidation (post RCR MT)



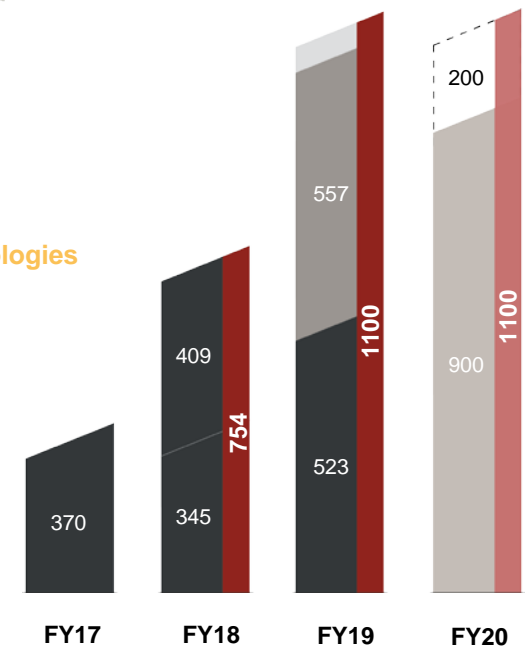
Civil
\$3.4B

Mining
\$1.8B

Drill & Blast
\$0.7B

Mining Technologies
\$0.2B

Revenue



- Actual revenue
- Secured work second half FY19
- FY20 secured work \$900M + \$200M expected from RCR MT and Urban (Not FY20 guidance)

Summary information

- This Presentation contains summary information about NRW and its associated entities and their activities current only at the date of this Presentation.
- This Presentation is for general information purposes only and does not purport to be complete. The content should be read in conjunction with NRW's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange which are available at www.asx.com.au, and also available on NRW's website at www.nrw.com.au.

Future and past performance

- To the extent this Presentation contains certain “forward-looking statements” and comments about future events (including projections, guidance on future earnings and estimates) these statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such statements by their nature involve known and unknown risks, uncertainty and other factors, many of which are outside the control of NRW. As such, undue reliance should not be placed on any forward looking statement and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast.
- Similarly, past performance should not be relied upon (and is not) an indication of future performance. It represents NRW's historical financial position at a specific date (and reference should be had to the full accounts released to ASX from which it is derived).
- NRW is under no obligation to update or correct the content of this Presentation after its date of release.

Disclaimer

- No representation or warranty, express or implied, is made by NRW, its related bodies corporate, or respective officers, directors, employees, agents or advisers, as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this Presentation.
- To the maximum extent permitted by law, those same parties expressly disclaim any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss or damage arising from the use of information contained in this Presentation.

No offer or recommendation

- This Presentation and any oral presentation accompanying it does not constitute an offer, invitation or recommendation to purchase, subscribe, hold or sell securities in NRW. It is not intended as advice to investors and does not seek to take into account the investment objectives, financial position or needs of a specific person or entity. Such persons or entities should seek their own independent advice before making any investment decision.



NRW.COM.AU

