



# HALF YEAR RESULTS PRESENTATION

**FEBRUARY 2020**

# FY20 HALF YEAR FINANCIAL RESULTS



**\$364m**  
**REVENUE**  
(up 12% on pcp)

**\$54.4m**  
**EBITDA**  
(up 97% on pcp)

**\$12.0m**  
**NPAT**  
after minority interest  
(up 48% on pcp)

FY20 guidance  
**Revenue: \$770m**

**EBITDA: \$104m - \$110m**

Interim Dividend of  
**2.5 cps**

Cash at bank of  
**\$76.9m**

Net debt of  
**\$81.8m\***

Order book of  
**\$2.4b**  
as at Feb20

*\*Net debt of \$81.8m at Dec19 includes \$13.0m of operating leases recognised under AASB 116*

# 1HFY20 HIGHLIGHTS



## 1. Mining WA: Ravensthorpe Open Pit Mining Contract

Five year mining contract award in November 2019 from FQM Australia Nickel Pty Ltd at the Ravensthorpe Nickel Project. The project is expected to generate approximately \$480m in revenue over the initial five year term and will diversify MACA's client base and commodity exposure

## 2. Crushing

Commenced crushing at Mt Webber for Atlas Iron in November 2019 (one year term, plus two six month extensions), up to 2mtpa  
Continued operations at a number of BHP's sites, including Mining Area C and Eastern Ridge

## 3. Civil Construction Western Australia

Commenced Stage 3 Karratha / Tom Price Road for Main Roads WA (\$81m)  
Commenced the Iron Bridge Magnetite - Bulk Earthworks For Access Roads and Infrastructure Contract for FMG Iron Bridge and Formosa Steel IB Pty Ltd (\$26m)

## 4. Civil Construction and Infrastructure Maintenance Victoria

Recent contract awards for VicRoads:

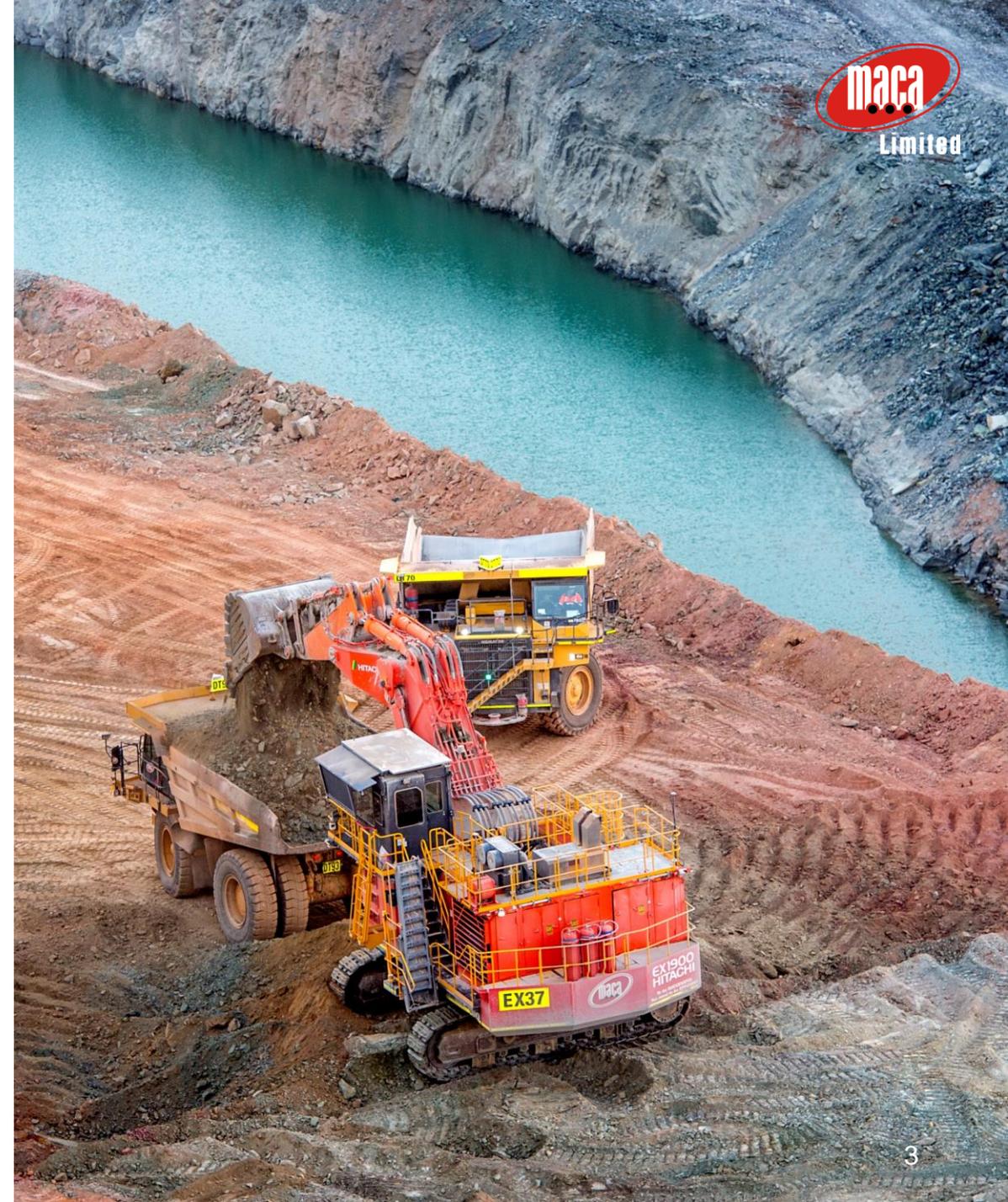
- Bacchus Marsh Road Stage 2A Safety improvements (\$10m);
- Civil and Safety Barrier Works on Princes Highway (\$17m); and
- Additional minor works contracts (\$10m)

## 5. MACA Interquip

Completed mill installation for Adaman Resources at Kirkalocka Gold Project for revenue of c.\$30m  
Innovative development and trial deployment of dust suppression machine at BHP

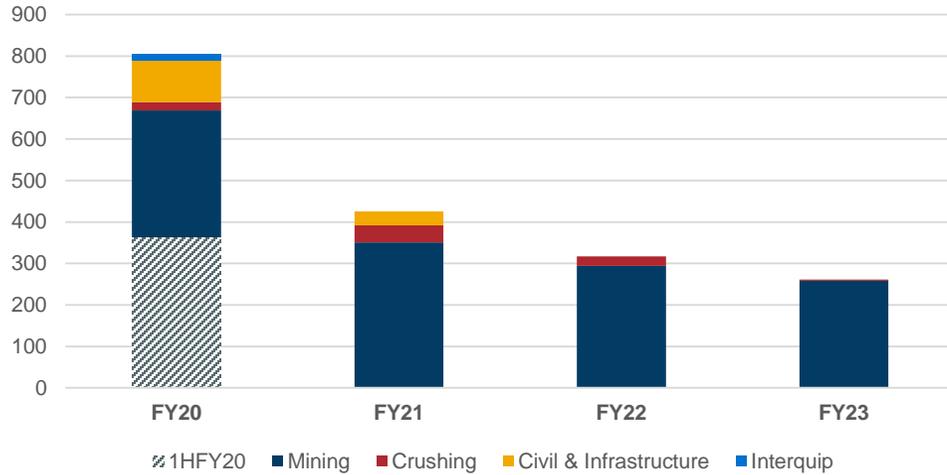
## 6. Corporate

Board and Management changes including the appointment of Mike Sutton as CEO  
Closure of Brazil operations effective January 2020



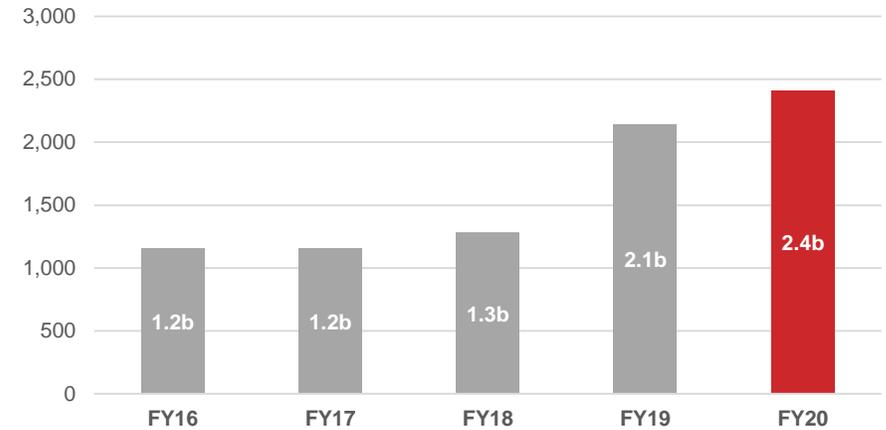
# WORK IN HAND: \$2.4B AT FEB20

Work in Hand: Run-off of Secured Work



A\$m

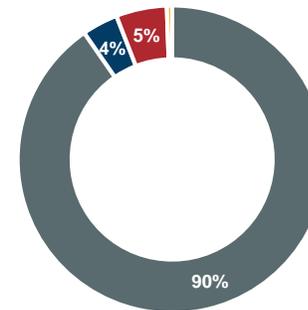
Work in Hand: Year-on-year growth



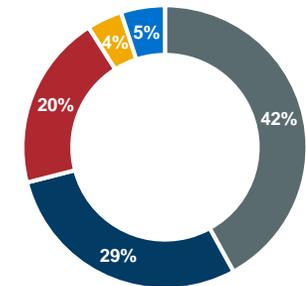
## Strong work in hand position

- Work in hand at Feb20 of \$2.4b
- Tenure of contracts ranging from one to nine years, out to FY28
- Work in hand at Feb20 includes \$320m relating to Emerald Resources Okvau Project (subject to MoU)

Work in Hand: by Division



Work in Hand (Mining & Crushing): by Commodity



■ Mining ■ Crushing ■ Civil & Infra ■ Interquip

■ Gold ■ Coal ■ Nickel ■ Iron Ore ■ Lithium

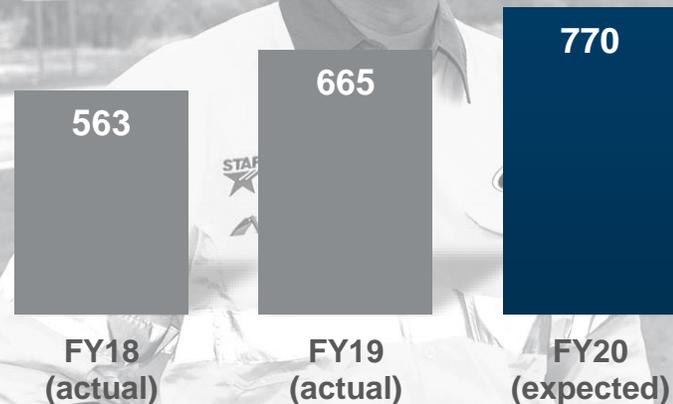
# COMPANY OUTLOOK



## Outlook

- MACA maintains a positive outlook for FY20, supported by a strong work in hand position of \$2.4b at Feb20, favourable market conditions in the sectors we operate in and a strong pipeline of opportunities with existing and new clients.
- **Mining:** strong tendering activities and demand in the market for MACA's services. Numerous opportunities with both existing and new clients are at advanced stages.
- **Crushing:** continued pursuit of crushing opportunities in the Pilbara to deploy crushing assets and leverage opportunities within our existing client base.
- **International:** cessation of operational activities in Brazil. Commencement of operations in Cambodia anticipated to occur in H1 FY21.
- **Civil & Infrastructure (WA):** robust pipeline of development in the West Australian iron ore sector is continuing to drive demand for significant bulk earthworks projects, alongside strategic targeting of public sector projects.
- **Civil & Infrastructure (VIC):** strong pipeline of opportunities in Victorian civil construction projects and seeking road asset management and maintenance opportunities with state and local government asset owners
- **MACA Interquip:** focus on Tier One and Tier Two opportunities in construction and further development of our maintenance capability.
- **Corporate / balance sheet:** Continued improvement on debtor management and balance sheet rationalisation expected throughout FY20 and into FY21.
- **Guidance:** We reaffirm our revenue guidance of \$770m and EBITDA guidance of \$104m to \$110m.

## MACA Revenue



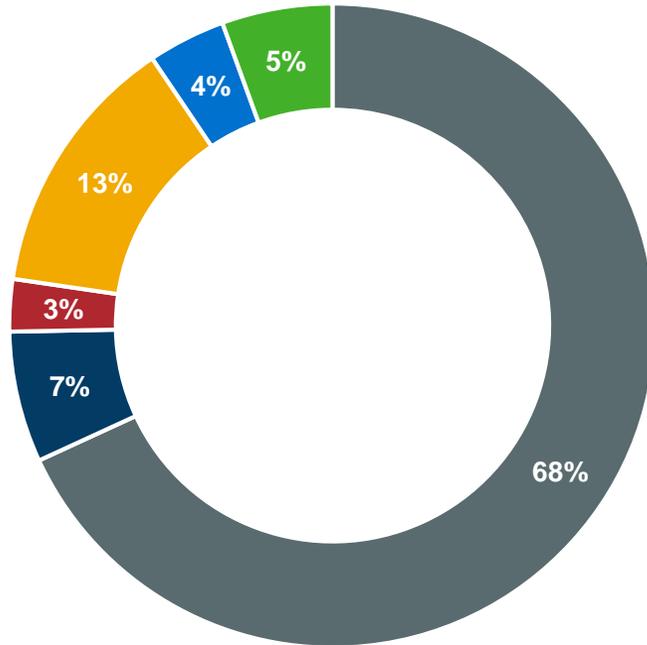
# OUR SERVICES



 <p><b>MINING AUSTRALIA</b></p>	 <p><b>CRUSHING</b></p>	 <p><b>MINING INTERNATIONAL</b></p>	 <p><b>CIVIL CONSTRUCTION</b></p>	 <p><b>INFRASTRUCTURE MAINTENANCE</b></p>	 <p><b>MACA INTERQUIP</b></p>
<ul style="list-style-type: none"> <li>• Modern fleet of surface mining equipment</li> <li>• Load &amp; haul mining contracts</li> <li>• Bulk earthworks</li> <li>• Modern fleet of proven drilling equipment</li> <li>• Complete blasting service utilising latest technology</li> <li>• Experience in gold, iron ore, lithium, coal and other commodities</li> </ul>	<ul style="list-style-type: none"> <li>• Modern fleet of crushing equipment including primary jaw crushers, secondary cone crushers and tertiary cone crushers</li> <li>• Complete screening services</li> <li>• Large fixed or smaller mobile crushing circuits</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate equipment and operating techniques to meet client needs in diverse operating environments</li> <li>• Load and haul</li> <li>• Drill and blast</li> <li>• Experience in gold and copper international projects</li> </ul>	<ul style="list-style-type: none"> <li>• Civil bulk earthworks for the private / resource sector including mining, TSF, road, borefield and camp infrastructure</li> <li>• Public works civil capabilities include roads and bridges, bulk earthworks, aerodromes, drainage and marine works</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure capabilities and experience includes roads maintenance and construction, parks and gardens, specialist services including road stabilisation, verge works, bridge works and safety barriers</li> <li>• Asset management and maintenance segments in Australia</li> </ul>	<ul style="list-style-type: none"> <li>• Delivering small to large scale structural, mechanical and piping projects</li> <li>• New and refurbished plant and equipment</li> <li>• Consumables to the mineral processing sector of the resources industry</li> <li>• Significant number of low to high lift cranes available</li> </ul>

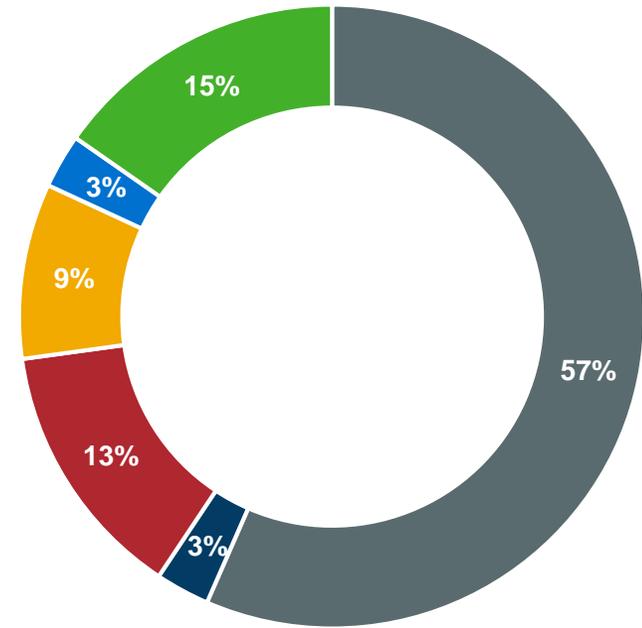
# REVENUE: DIVISION AND COMMODITY SPLIT

REVENUE (1H20) BY DIVISION



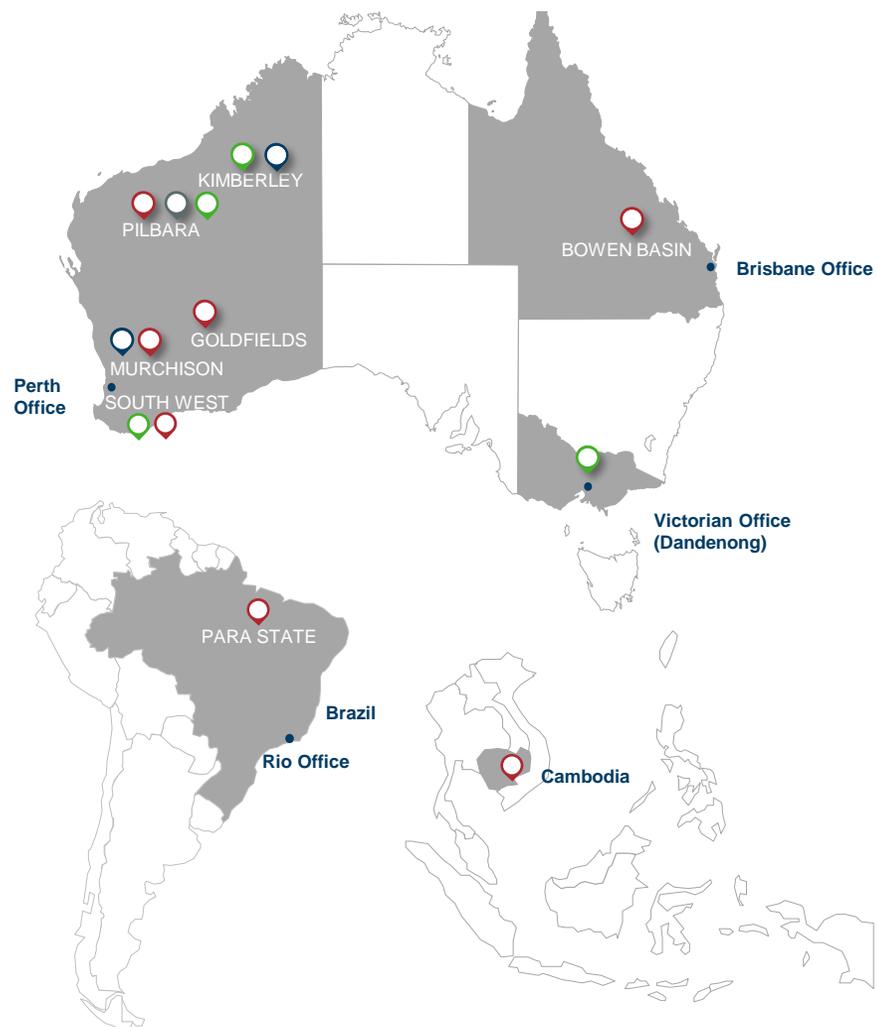
- Mining Australia
- Mining International
- Infrastructure Maintenance
- Crushing
- Civil Construction
- Interquip (SMP)

REVENUE (1H20) BY COMMODITY/SECTOR



- Gold
- Other
- Coal
- Iron Ore
- Lithium
- Government

# GEOGRAPHIC DIVERSITY: KEY PROJECTS



WA – Goldfields Esperance	Regis Resources	Duketon South Duketon North	
	Blackham Resources	Matilda Gold	
	FQM Australia Nickel	Ravensthorpe	
WA – Murchison	Ramelius Resources	Mount Magnet	
	Adaman Resources	Kirkalocka	
WA – Pilbara	Pilbara Minerals	Pilgangoora	
	BHP	Mining Area C Eastern Ridge WAIO	
	Atlas Iron	Mt Webber	
	MainRoads WA	Karratha / Tom Price Rd	
	FMG Iron Bridge / Formosa Steel	Iron Bridge	
WA – Kimberley	MainRoads WA	Kimberly Road Maintenance	
WA – South West	MainRoads WA	MCJV - Williams	
QLD – Bowen Basin	Carabella Resources	Bluff Coal	
	VIC – Regional	VicRoads	Network Maintenance Princes Hwy Rehabilitation Findon Road Safe System Infrastructure Program Dual Lane Roundabouts – Shepparton
			Network Maintenance
Brazil – Para State	OZ Minerals	Antas North ( <i>cessation in Jan20</i> )	
Cambodia (East)	Emerald Resources*	Okvau Gold	

\*Emerald Resources Okvau Project (subject to MoU)



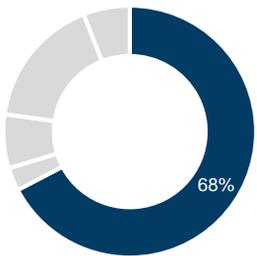
## CORPORATE

- **Board and Management changes:** Appointment of Mike Sutton as CEO, as a result of a considered process of succession planning. Mr Sutton has a bachelor of science in civil engineering and has been Chief Operating Officer at Downer EDI Mining from 2010 until recently. Prior to this time, Mr Sutton worked in various senior operational roles in the mining and civil industries including 13 years at Henry Walker Eltin.
- Additional appointment of Chris Sutherland as Non-Executive Director (refer to ASX announcement dated 20 February 2020)
- **Order Book:** Work in hand position of \$2.4b (Feb20)
- **Blackham:** Working capital facility provided (as announced on 20 June 2019) and existing secured loan to Blackham Resources (“BLK”) reduced to \$6m at Dec19. Shareholding monetised in November 2019. MACA has worked collaboratively with BLK over the last year to reduce the facility and loan balances
- **Great Panther:** Debt to MACA currently at \$19.8m (down from original \$60m), with all remaining equity sold
- **Carabella:** MACA has provided extended trading terms to support our client Carabella Resources with repayment commitments in the 2H FY20 (refer Section 4.1 of the FY20 Half Year Financial Report)

# OPERATIONAL



MINING  
AUSTRALIA

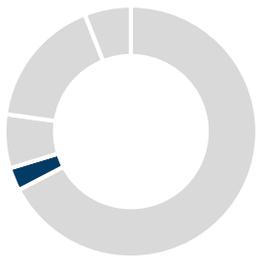


- **Regis Resources:** Continued work with long-term client Regis Resources at their Duketon South and North open pit gold projects, providing additional support on the Tooheys TSF clay liner tailings dam project
- **First Quantum:** Contract award of Ravensthorpe Nickel Project with First Quantum Australia Nickel Pty Ltd. Five year tenure expected to generate approximately \$480 million in revenue. Mobilisation to site occurred in January with operations commencing in the first quarter of 2020
- **Ramelius Resources:** Working closely with Ramelius since 2017 at their Mount Magnet gold operations
- **Blackham:** Operating at Blackham’s Matilda project since 2016, providing additional mining services support to Blackham in the first half of FY20 on the Wiluna TSF project
- **Pilbara Minerals:** Close working relationship with Pilbara Minerals performing mining services at their Pilgangoora project, with reduced activity in the first half of FY20. Contract term extended by 18 months
- **Carabella:** Life of mine contract with Carabella Resources Pty Ltd at the Bluff coal project in the Bowen Basin in Queensland

# OPERATIONAL



## MINING INTERNATIONAL

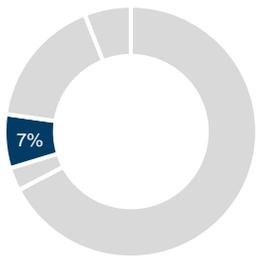


- **Brazil:** As announced on 21 January 2020, MACA ceased its Brazilian operations effective January 2020. The contract was due to conclude in 2020. MACA has realised a \$2m impairment on closure of its operations. MACA retains ownership of the majority of the plant and equipment utilised at Antas, and will either dispose or redeploy these assets to other operations outside of Brazil
- **Cambodia:** MACA has a MoU signed with Emerald Resources for an initial contract term of seven years which is expected to generate approximately US\$220m in revenue. MACA anticipates commencement of operations in Q4 2020, subject to approvals

# OPERATIONAL



## CRUSHING

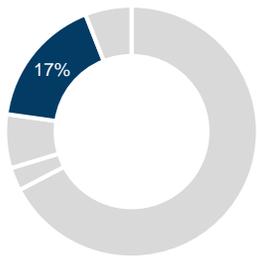


- **BHP:** Continued operations at BHP Mining Area C (12 mtpa), Eastern Ridge (5 mtpa) and Stemming (1-2 mtpa) for BHP's WAIO sites
- **Atlas Iron - Mt Webber:** During H2 FY20, MACA was awarded a contract for the crushing and screening of iron ore for Atlas Iron at its Mt Webber mine in the Pilbara, Western Australia. The contract involves crushing at a rate of 2 mtpa over a 12-month period (plus two six-month extensions) and is expected to generate \$9m of revenue over the initial 12-month period. Crushing commenced in November 2019 utilising existing crushing assets
- **Other:** Continued smaller crushing operations for Regis Resources at Duketon

# OPERATIONAL

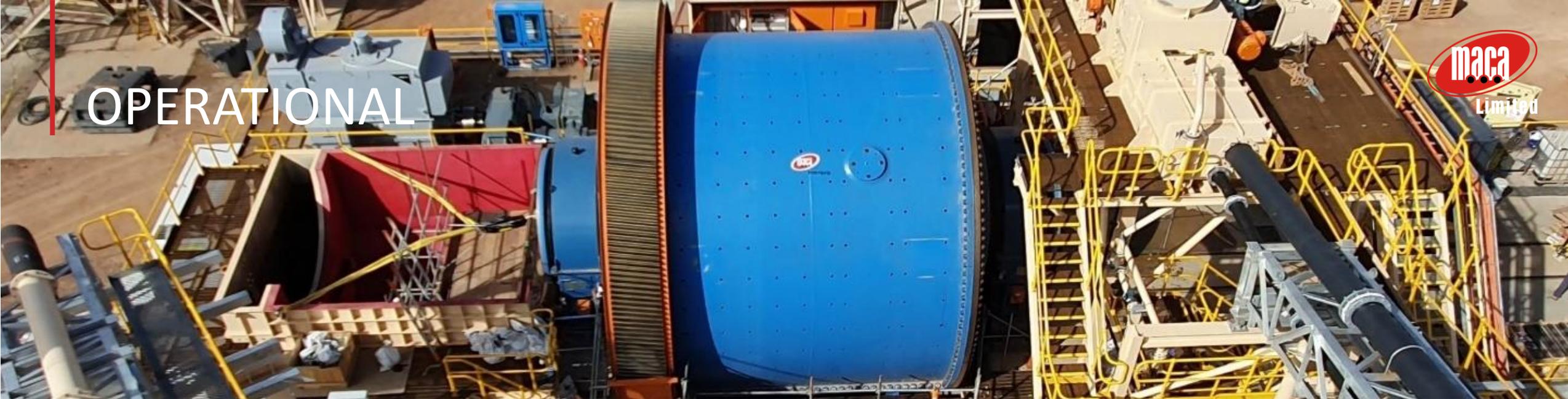


## CIVIL & INFRASTRUCTURE

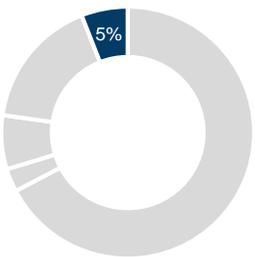


- Karratha Tom Price:** MACA was awarded the Karratha / Tom Price Road package in August 2019 and commenced work in September 2019 for Main Roads Western Australia. The project is expected to generate revenue of \$81m for MACA and is due for completion in 2020. The scope of work includes the construction and sealing of a 45km section of road
- Iron Bridge:** In October 2019 MACA was awarded the “Bulk Earthworks for Access Roads and Infrastructure” contract for the Iron Bridge Magnetite Project, a joint venture between Fortescue Metals Group Ltd subsidiary FMG Iron Bridge and Formosa Steel IB Pty Ltd. The contract is expected to generate revenue of \$26m for MACA, and includes general earthworks for camp expansion, construction of a 26km mine access road, construction of the explosive facility and access road and a further 23km of road upgrade
- Victoria:** MACA’s Victorian-based Civil and Infrastructure business has been awarded numerous contracts including - a \$10m construction contract for the Shepparton Alternative Route Roundabout Upgrade, a \$10m construction contract for the Bacchus Marsh Road Stage 2A Safety Improvements, the Midland Hwy Buninyong Road Towards Zero package, a \$17m civil and safety barrier works package on Princes Highway and additional minor works contracts with VicRoads and Local Victorian councils totalling approximately \$10m

# OPERATIONAL



**MACA  
INTERQUIP**



- **Adaman Resources - Kirkalocka Gold Project:** Completion in September 2019 of a new semi-autogenous grinding (SAG) mill and refurbishment of an existing processing plant – value of works \$30 million. MACA Interquip has entered into a longer term contract for the provision of maintenance services at this site
- **Saracen - Carosue Dam:** Tank upgrade - awarded in 2019 and planned completion in April 2020
- **Atlas Iron - Mt Webber:** Build, refurbish and install the Mt Webber crushing circuit (2 mtpa). Awarded the Atlas Iron Safety Award for the six week build programme
- **BHP:** The design, build and successful trial of a water vapour dust suppression machine

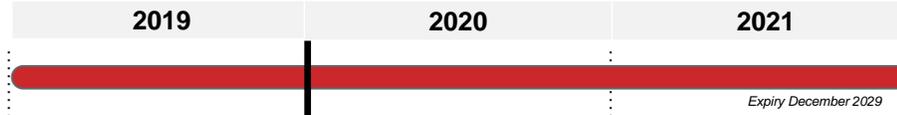
# TENURE: MINING AND CRUSHING



## MINING

Carabella Resources

Bluff Coal



Regis Resources

Duketon South



Duketon North



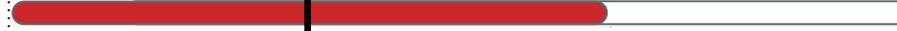
Blackham Resources

Matilda



Ramelius Resources

Mt Magnet



Greenfinch



Pilbara Minerals

Pilgangoora



Oz Minerals

Antas North (Brazil)



Emerald Resources

Okvau (Cambodia)



FQM Australia Nickel

Ravensthorpe



## CRUSHING

BHP Billiton

Mining Area C



WAIO Operations



Eastern Ridge



Atlas Iron

Mt Webber



■ Current Contracts 
 ▨ Subject to Approval 
   Option to Extend 
 ■ Completed Contracts

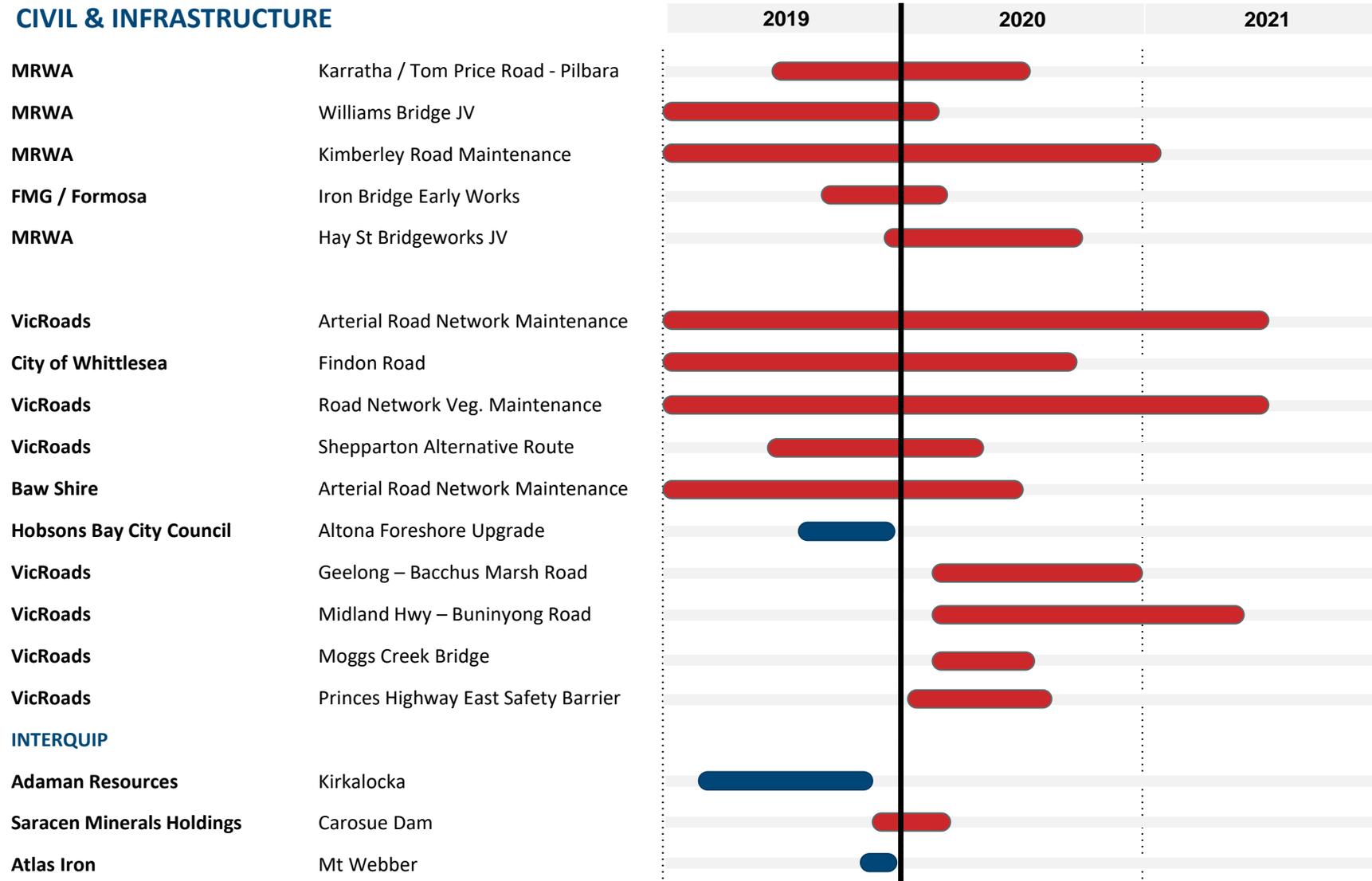
\*Contract durations are based on

- contract terms being time based and/or volume  
 - latest schedule information and pricing  
 - stage of client approval

# TENURE: CIVIL / INFRA / INTERQUIP



## CIVIL & INFRASTRUCTURE

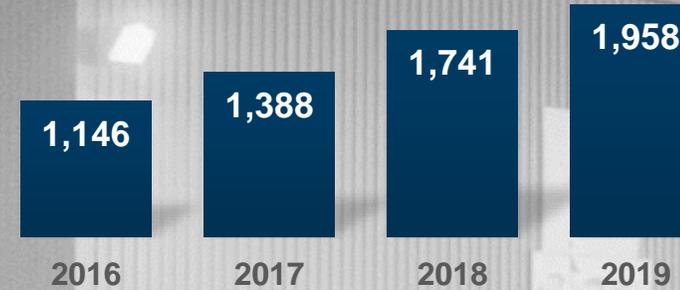


# PEOPLE

- Continuous growth of the MACA workforce at 1,950+ (including contractors) as at the end of December with a further 200+ in process for the ramp up of new projects in January.
- Ongoing dedication and investment to upskill and train existing and new people to help meet our organisational and industry current and future demands.
- 11% of our workforce currently enrolled in formal training programs, including apprenticeships (44 across the businesses), traineeships and leadership and graduate programs. MACA has an ongoing commitment to building industry capability.
- Ongoing drive on continuous improvement across all aspects of our business which includes our ongoing commitment to develop leaders across a number of effective leadership programs.
- Ongoing partnership with “Working Spirit” to deliver a successful Australian Veteran Program.



## Group Employee Numbers (including contractors)



## Employees by Division



# SAFETY

- Continuous improvement on safety leadership education remains paramount for MACA. Our mandate is that strong and effective safety leadership remains critical for both the health and safety of our people and to our business success.
- MACA remains certified to:
  - Occupational and Safety Management System (AS/NZ4801:2001)
  - Environmental Management Systems (ISO14001:2015)
  - Quality Management Systems (ISO 9001:2015)

## 1H20 HIGHLIGHTS

- Our objective of Working Safely to achieve Zero Harm remains our focus.
- Ongoing drive and commitment to safety beliefs and behavioural based programs including a clear focus on greater leadership visibility with open and honest safety conversations.
- Strong Leadership drive to improve quality across all safety initiatives.
- Steady decline in TRIFR and LTIFR over the past six months.



# INCOME STATEMENT



**A\$ million**

**1HY18**

**1HY19**

**1HY20**

	1HY18	1HY19	1HY20
Revenue	285.0	324.0	363.5
EBITDA	37.8	27.6	54.4
<i>EBITDA margin</i>	13.3%	8.5%	15.0%
EBIT	13.7	10.1	17.6
<i>EBIT margin</i>	4.8%	3.1%	4.8%
<b>Net Profit After Tax (attributable to members)</b>	<b>12.0</b>	<b>8.1</b>	<b>12.0</b>
<i>Net Profit Margin</i>	4.2%	2.5%	3.3%
Basic earning per share - cents	4.73	3.02	4.47
Interim dividends per share - cents	3.0	2.0	2.5
Shareholders funds	326.2	324.4	339.3
Net cash flow from operating activities	0.1	18.8	29.4
Net cash / (debt)	89.4	(6.5)	(81.8)

# BALANCE SHEET



<b>A\$ million</b>	<b>1HY18</b>	<b>1HY19</b>	<b>1HY20</b>
Cash and cash equivalents	136.1	71.6	76.9
Trade and other receivables	129.6	172.6	206.3
Loans	9.7	35.0	32.8
Inventories	14.1	16.0	15.7
Work In Progress	(3.0)	(1.3)	4.7
Property, plant and equipment	126.4	175.2	257.1
Other assets	23.1	21.6	16.7
<b>Total Assets</b>	<b>436.0</b>	<b>490.7</b>	<b>610.2</b>
Payables	46.1	72.8	94.1
Borrowings	46.8	78.1	158.7
Provisions	10.5	12.3	14.6
Other Liabilities	6.5	3.1	3.5
<b>Total Liabilities</b>	<b>109.8</b>	<b>166.3</b>	<b>270.9</b>
<b>Shareholders Equity</b>	<b>326.2</b>	<b>324.4</b>	<b>339.3</b>
<b>Net Cash / (Debt)</b>	<b>89.4</b>	<b>(6.5)</b>	<b>(81.8)</b>
Net tangible asset backing - cps (basic)	117.26	119.90	121.85

# COMMUNITY FOCUS

MACA is proud of its history of making positive contributions and commitments to the communities in which we operate. Some highlights include:

- **MACA Cancer200 – Ride for Research:** Team MACA raised \$1.7m in October 2019 with 300 riders, bringing the total MACA has raised over the past seven years to more than \$9.8m for the Perkins Institute
- **Youth Focus:** Ongoing participation with the Youth Focus Ride for Youth, with total funds raised to date for the charity more than \$800k
- **Defence Force Veterans:** Employment in concert with Working Spirit with commitments towards Veteran employment
- **Indigenous Employment:** Increased to highest level to date through direct employment, business development and education
- **Perth Children’s Hospital:** MACA has been a proud supporter of Western Australia’s only specialist paediatric hospital since 2008
- **Response to bushfires:** MACA and its team in Victoria have recently supported communities impacted by bushfires, through delivery of goods and donations to those directly in need



# CORPORATE SNAPSHOT



## Capital Structure

Share price (21 February 2020)	\$1.025
Fully paid ordinary shares (ASX:MLD)	268.0 million
Market capitalisation (undiluted)	\$274.7million
Net tangible assets per share (31 December 2019)	\$1.22
Cash (31 December 2019)	\$76.9million
Bank debt (31 December 2019)	\$145.7million
Enterprise value	\$356.5million

## Substantial Shareholders – 31 December 2019

Name	Shareholding
Schroder Investment Management (Australia) Ltd	9.1%
Kenneth Kamon	6.6%
Dimensional Fund Advisors	5.5%
Top 20 Shareholders	57.8%
Top 50 Shareholders	70.1%

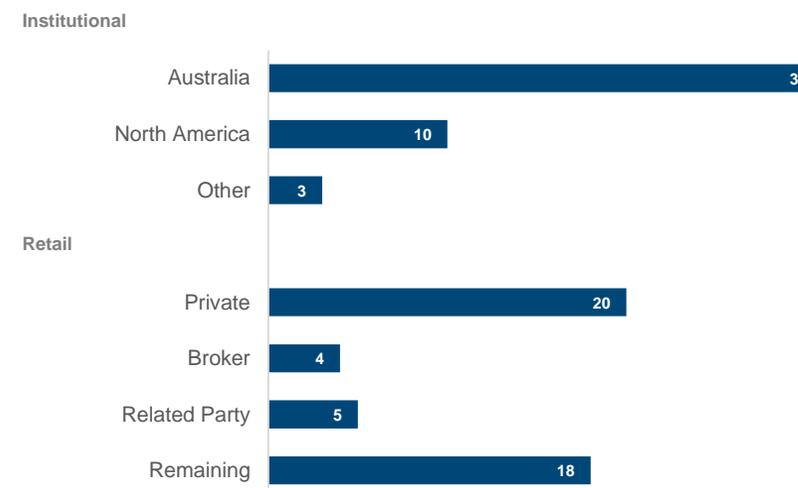
## Analyst Coverage

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

## Directors and Senior Management

Andrew Edwards	Non-executive Chairman
Mike Sutton	Chief Executive Officer
Geoff Baker	Executive Director
Linton Kirk	Non-executive Director
Robert Ryan	Non-executive Director
Chris Sutherland	Non-executive Director
Peter Gilford	CFO / Company Secretary

Shareholders by Type and Geographic Location (%)



# IMPORTANT NOTICE AND DISCLAIMER



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Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of MACA. Before making or varying any decision in relation to holding, purchasing or selling shares in MACA, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

All currency is denominated in Australian dollars.

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**Thank you**

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