

**Lycopodium**

## Investor Presentation – 1H FY2020

26 February 2020





## About Lycopodium

**Lycopodium is an innovative and value driven process, engineering and project delivery group.**

The Company is headquartered in Perth, Western Australia and is listed on the Australian Stock Exchange (ASX: LYL).





# Corporate Overview



Michael (Mick) Caratti  
Chairman

Share Price  
(as at 25.2.20)  
**\$6.00**

Shares on Issue  
**39.7m**



Peter De Leo  
Managing Director



Bruno Ruggiero  
Executive Director



Peter Dawson  
Executive Director

Market  
Capitalisation  
**~\$238.2m**



Justine Campbell  
Chief Financial Officer



Lawrence (Laurie) Marshall  
Non-Executive Director



Robert (Bob) Osmetti  
Non-Executive Director

Cash at Bank  
(as at 31.12.19)  
**\$112.8m**



Steven Chadwick  
Non-Executive Director



Rodney (Rod) Leonard  
Non-Executive Director



# Core Capabilities

## Sectors



- Gold and Precious Metals
- Base Metals
- Battery Metals
- Specialty Metals
- Diamonds and Gemstones
- Bulk Minerals
  - Iron Ore
  - Minerals Sands
  - Bauxite



- Railways
- Roads
- Ports
- Non-process Resource Infrastructure
- Asset Management



- Pharmaceuticals
- Biotechnology
- Chemical and Energy
- Food and Beverage
- Manufacturing
- Research and Development

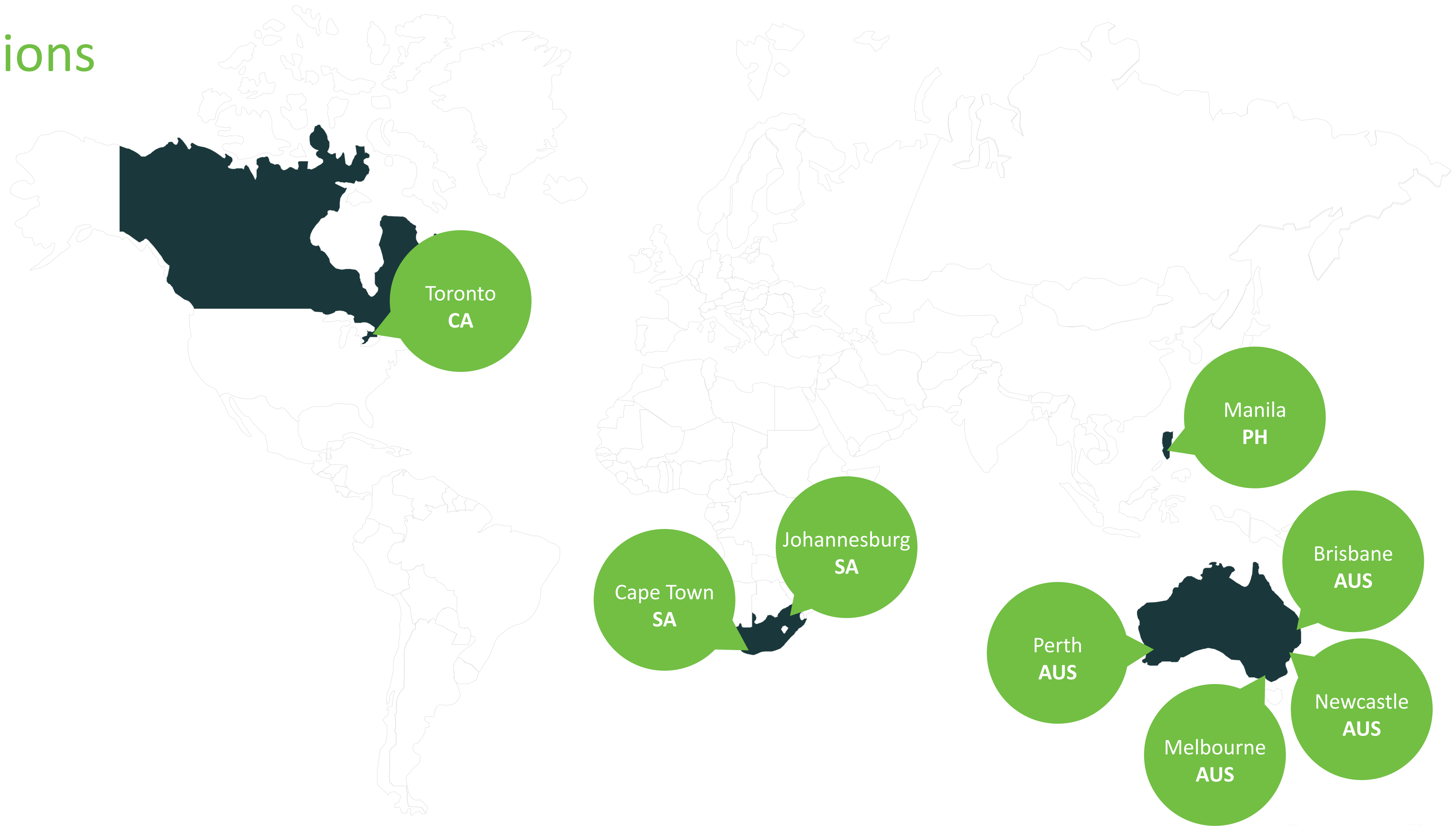
## Services



- Feasibility Studies
- Process Development and Optimisation
- Engineering and Design
- Project Management and Delivery
- Project Services
- Construction Management
- Commissioning and Operations Support
- Asset Management



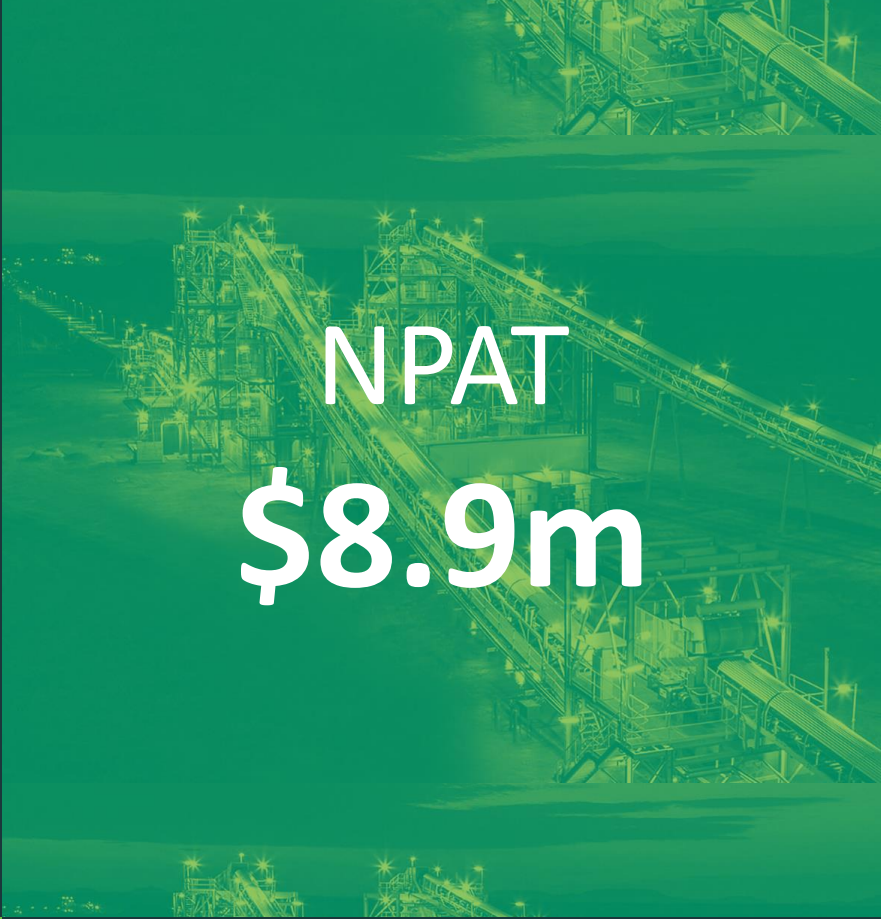
# Locations





# 1H FY2020 Highlights

Revenue  
**\$110.3m**



NPAT  
**\$8.9m**

Fully Franked  
Dividend  
**15 cents**

Earnings  
per Share  
**22.6 cents**

EBITDA  
**\$16.4m**

Strong  
Balance Sheet

## Operational

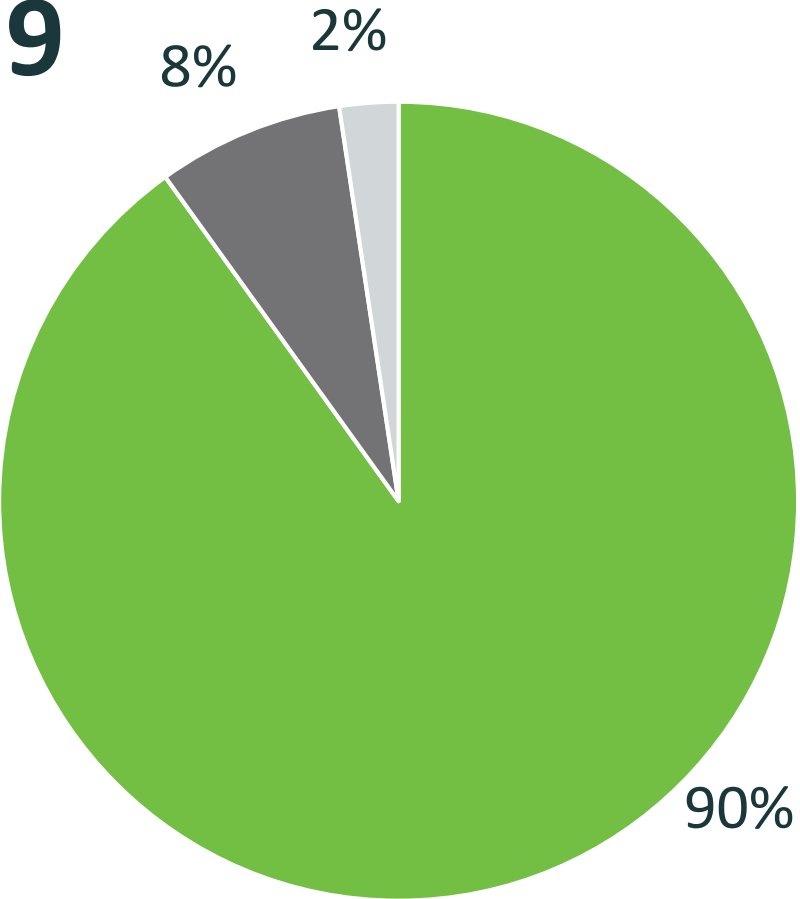
- Continuing to develop EPC capability – in delivery of Perseus' Yaouré Project and West African Resources' Sanbrado Project.
- Development of a Corporate Shared Services model to standardise processes and operating platforms across the company – scope to initially include Finance, HR, Travel, IT, Legal, Marketing & Communications and Corporate Development (implementation anticipated by July 1 2020).
- Development and implementation of a People Strategy and People Plan – focused on strategic leadership and succession planning; upskilling; global mobility and talent management; client-centred design and delivery; and knowledge management.
- Above two initiatives will support improved organisational connectedness to drive greater collaboration across the company, globally.



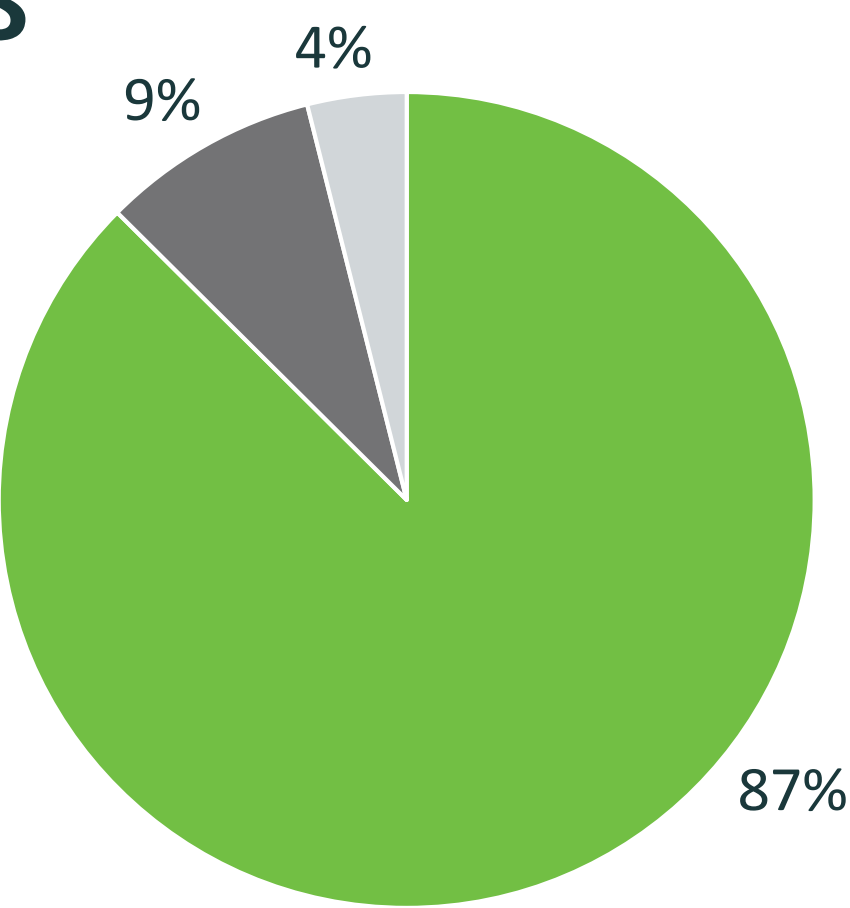
# 1H FY2020 Revenue by Sector

|                    | Dec 19  | Dec 18  |
|--------------------|---------|---------|
| Sector             | A\$'000 | A\$'000 |
| Resources          | 99.3    | 63.9    |
| Infrastructure     | 8.3     | 6.3     |
| Process Industries | 2.6     | 2.9     |
|                    | 110.3   | 73.1    |

December 19



December 18



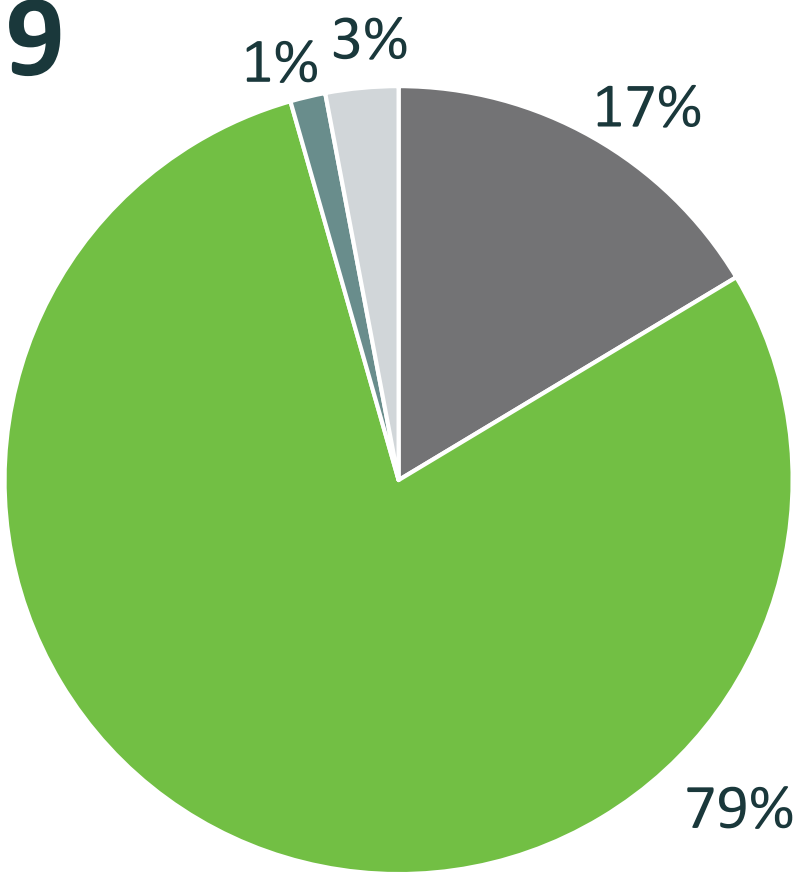


# 1H FY2020 Revenue by Geography

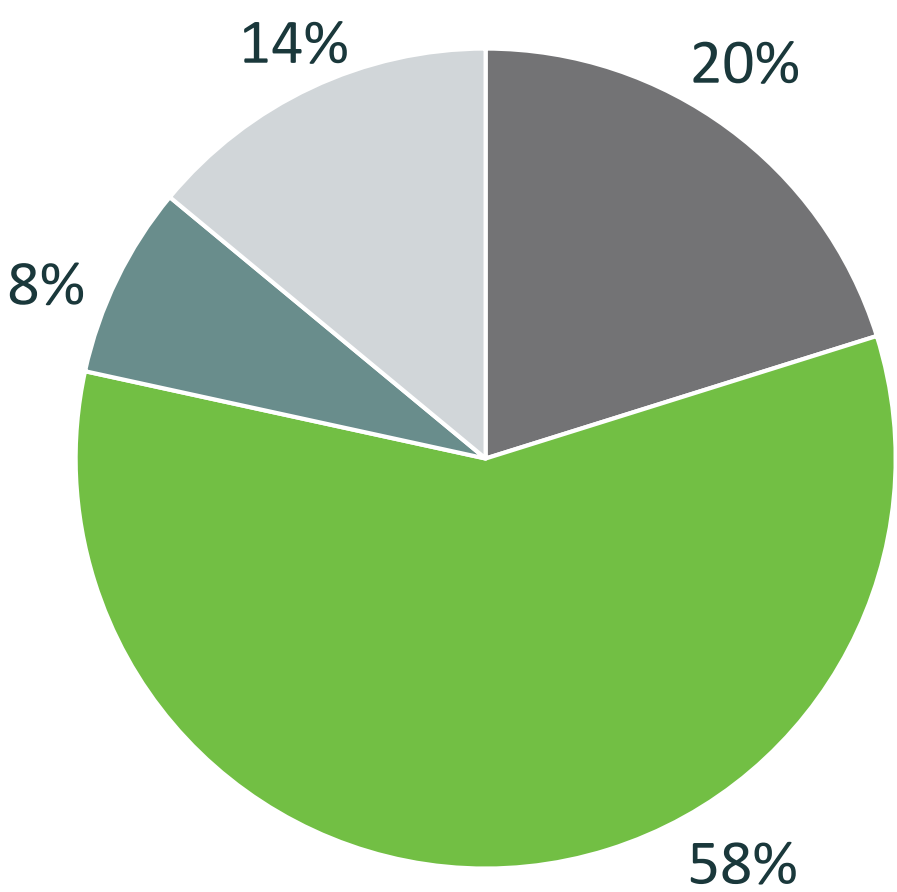
|            | Dec 19  | Dec 18  |
|------------|---------|---------|
| Geography* | A\$'000 | A\$'000 |
| Australia  | 18.1    | 14.7    |
| Africa     | 87.3    | 42.6    |
| Americas   | 1.6     | 5.5     |
| Other      | 3.3     | 10.2    |
|            | 110.3   | 73.1    |

\* By project location

December 19



December 18





# 1H FY2020 Balance Sheet

|                   | Dec 19  | June 19 |
|-------------------|---------|---------|
|                   | A\$'000 | A\$'000 |
| Current Assets    | 179.4   | 102.8   |
| Total Assets      | 204.8   | 119.8   |
| Total Liabilities | 122.2   | 40.4    |
| Equity            | 82.6    | 79.4    |

Balance Sheet  
provides capacity  
for investment

Cash on hand of  
**\$112.8m**  
as at 31 Dec 2019

Net Tangible  
Assets per Share  
**168.0 cents**

Operating  
Cashflow  
**\$77.6m**



# Major Projects





## Western Turner Syncline Phase 2

|                            |  |
|----------------------------|--|
| <b>Sector</b>              | Resources  |
| <b>Client</b>              | Rio Tinto  |
| <b>Location</b>            | Pilbara, Western Australia   |
| <b>Commodity</b>           | Iron Ore   |
| <b>Scope</b>               | <ul style="list-style-type: none"><li>• Engineering, design, procurement and construction of the mineral processing facilities and associated non-process infrastructure</li><li>• Awarded and delivered via Mondium</li></ul> |
| <b>Processing Capacity</b> | 36 Mtpa  |





# Yaouré

|                            |  |
|----------------------------|--|
| <b>Sector</b>              | Resources  |
| <b>Client</b>              | Perseus  |
| <b>Location</b>            | Côte d'Ivoire  |
| <b>Commodity</b>           | Gold   |
| <b>Scope</b>               | <ul style="list-style-type: none"><li>• Engineering, procurement and construction (EPC) services</li></ul> |
| <b>Processing Capacity</b> | 3.0 Mtpa   |





# Boto

|                     |   |
|---------------------|---|
| Sector              | Resources   |
| Client              | IAMGOLD Corporation   |
| Location            | Senegal   |
| Commodity           | Gold  |
| Scope               | <ul style="list-style-type: none"><li>• Engineering and procurement (EP) services</li></ul> |
| Processing Capacity | 3.0 Mtpa  |





# Sanbrado

|                            |   |
|----------------------------|---|
| <b>Sector</b>              | Resources   |
| <b>Client</b>              | West African Resources  |
| <b>Location</b>            | Burkina Faso  |
| <b>Commodity</b>           | Gold  |
| <b>Scope</b>               | <ul style="list-style-type: none"><li>• Full Engineering, Procurement and Construction Management (EPCM) services</li></ul> |
| <b>Processing Capacity</b> | 2.0 to 2.7 Mtpa   |





# Cobré Panama

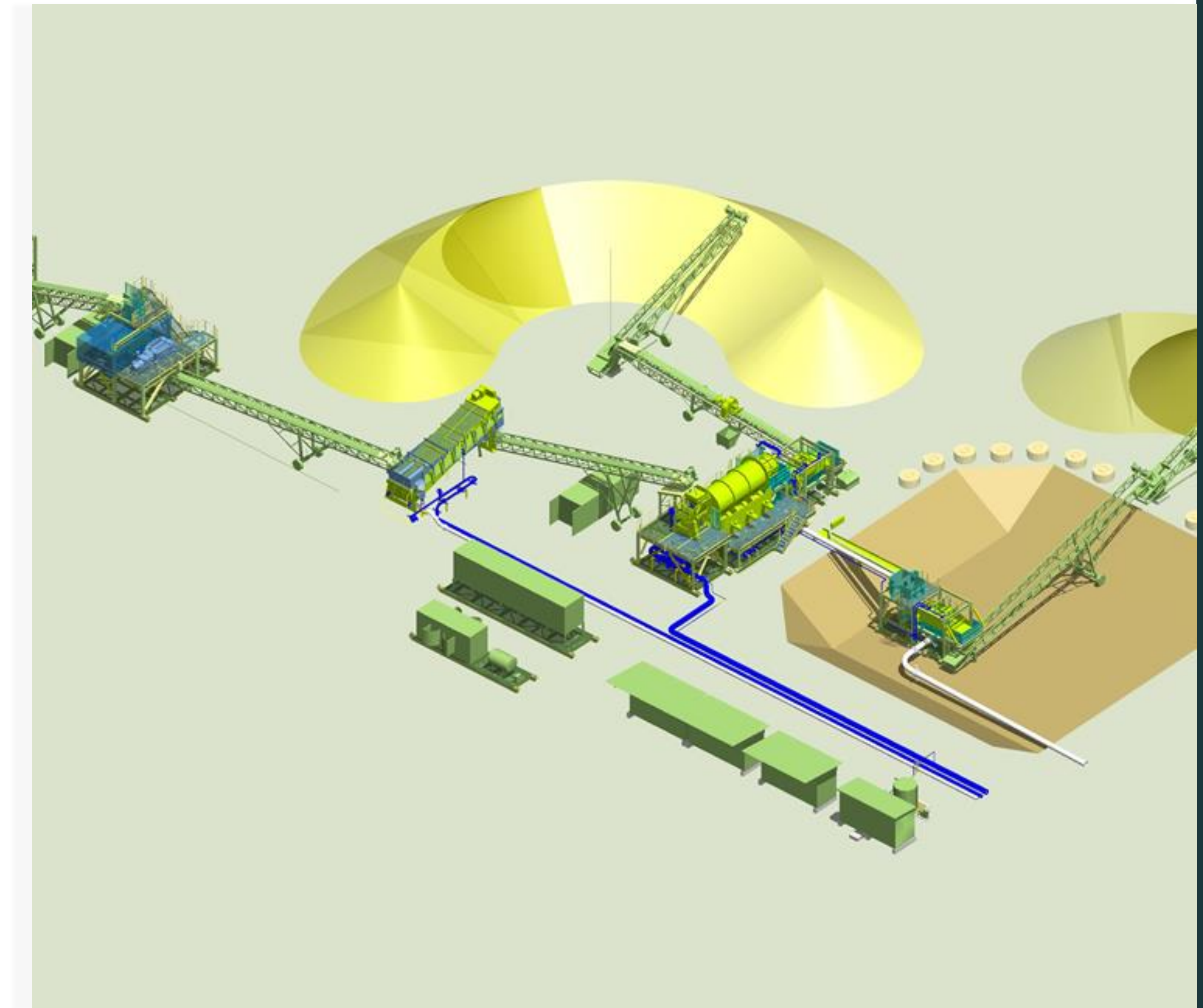
|                            |   |
|----------------------------|---|
| <b>Sector</b>              | Resources   |
| <b>Client</b>              | First Quantum Minerals  |
| <b>Location</b>            | Panama  |
| <b>Commodity</b>           | Copper, gold, molybdenum  |
| <b>Scope</b>               | <ul style="list-style-type: none"><li>• Process plant design</li><li>• Services to non-process infrastructure buildings</li><li>• Field engineering</li><li>• Plant commissioning support</li></ul> |
| <b>Processing Capacity</b> | 85 Mtpa   |





# Bonasika

|                            |  |
|----------------------------|--|
| <b>Sector</b>              | Resources  |
| <b>Client</b>              | Guyana Industrial Minerals   |
| <b>Location</b>            | Guyana   |
| <b>Commodity</b>           | Bauxite  |
| <b>Scope</b>               | <ul style="list-style-type: none"><li>• Detailed engineering</li><li>• Technical procurement support</li></ul> |
| <b>Processing Capacity</b> | 350 Ktpa   |





# Montepuez Ruby Mines

|                  |  |
|------------------|--|
| <b>Sector</b>    | Resources  |
| <b>Client</b>    | Gemfields  |
| <b>Location</b>  | Mozambique   |
| <b>Commodity</b> | Gemstones  |
| <b>Scope</b>     | <ul style="list-style-type: none"><li>• Installation and commissioning of the Recovery Plant</li><li>• Designed to incorporate UV-sorting technology</li></ul> |





## Feasibility Studies

| Sector – Resources |                          |              |               |   |
|--------------------|--------------------------|--------------|---------------|---|
| Project            | Client                   | Location     | Commodity     | Comments  |
| <b>Motheo</b>      | Sandfire Resources       | Botswana     | Copper        | Optimised Feasibility Study (OFS) and commencement of front-end engineering design (FEED) |
| <b>Toliara</b>     | Base Resources           | Madagascar   | Mineral sands | In conjunction with Mineral Technologies  |
| <b>Bomboré</b>     | Orezone Gold Corporation | Burkina Faso | Gold          | Commenced FEED for oxide phase  |



# Infrastructure Projects

| Sector – Infrastructure   |                         |          |                                   |
|---|-------------------------|----------|-----------------------------------|
| Project   | Client                  | Location | Scope                             |
| <b>Botany Rail Duplication Project</b>  | ARTC                    | NSW      | Services survey and investigation |
| <b>Inland Rail S2P</b>  | ARTC                    | NSW      | Design services                   |
| <b>Lochinvar Train Support Facility</b>   | ARTC                    | NSW      | Concept track design              |
| <b>Maryvale Crossing Loop</b>   | John Holland Rail (CRN) | NSW      | Design services                   |
| <b>LiDAR Level Crossing Assessments</b>   | John Holland Rail (CRN) | NSW      | Data assessment                   |
| <b>Pipers Flat Rail Coal Unloader Project</b>   | Energy Australia        | NSW      | Specialist studies                |
| <b>Drayton Spur</b>   | Malabar Coal            | NSW      | Reconditioning and re-railing     |
| <b>Muswellbrook Bridge Replacement</b>  | Cardno                  | NSW      | Rail systems design early works   |
| Rail inspections for various clients, including Pacific National, BHPB and Southern Ports Authority |                         |          |                                   |



## Process Industries Projects

| Sector – Process Industries                                 |   |          |  |
|---|---|----------|--|
| Project   | Client  | Location | Scope  |
| <b>AEIP Energy Assessments</b>                              | Department of Jobs, Precincts, Regions (DJPR) | Victoria | Renewable energy and energy efficiency reviews for opportunity identification and CCE as independent assessment of Government funding projects |
| <b>Hydrogen Liquefaction &amp; Loading Terminal</b>         | Icon/Kawasaki                                 | Victoria | Project management, quality documentation and mechanical installation of unit operations   |
| <b>MCT &amp; MEX Hutches (Australian Synchrotron) ANSTO</b> | Caratelli (France)                            | Victoria | Project management, design support and installation of new hutches   |



# Subsidiaries

## Mondium

- Incorporated joint venture with Monadelphous, providing engineering, procurement and construction (EPC) services to the minerals processing sector.
- Recently awarded major contract by Rio Tinto, valued at approximately \$400 million, for the design and construction of the Western Turner Syncline Phase 2 (WTS2) mineral processing facilities and associated infrastructure in the Pilbara.
- Work on this significant project has commenced, and is expected to be completed during 2021.

## Orway Mineral Consultants (OMC)

- Wholly owned subsidiary of Lycopodium Limited.
- Expert team of metallurgists and process engineers offering expertise in a wide range of commodities including gold, copper, nickel, iron ore, uranium, manganese, lead/zinc and mineral sands.
- Key services include:
  - Metallurgical testwork specification and supervision
  - Flowsheet modelling, major equipment selection and design
  - Process engineering design for new and upgrade projects
  - Studies
  - Plant optimisation
  - Plant commissioning
  - Remote optimisation and consulting



## Subsidiaries *(continued)*

### Orway IQ

- Joint venture between Lycopodium subsidiary company Orway Mineral Consultants (OMC) and Process IQ Pty Ltd.
- Formed to deliver a remote optimisation consulting service – MillROC (Milling Remote Optimisation Consulting) – to the minerals processing industry.
- The JV draws on OMC's expertise in comminution design, modelling and optimisation and Process IQ's expertise in the IIoT (Industrial Internet of Things) cloud-based computing, process control, automation and instrumentation.
- Orway IQ is at the forefront of minerals process optimisation globally, with experts providing remote optimisation consulting services on live data to support mines to increase throughput, recovery, power efficiency and reduced liner wear.



# Strategy and Outlook

- Strong pipeline of projects and key identified prospects, including new projects and sustaining capital works.
- Continue to develop project pipeline with a suitable balance of EPCM and EPC contracted work.
- Further establish Mondium as a leading EPC contractor.
- Further geographical expansion – pursue opportunities in large markets where we are under-represented.
- Leverage expertise and experience for greater return – reward for the risk we manage.
- Create an exciting people experience to attract, engage, inspire and retain a high performing, global, professional workforce.
- Capture, retain and transfer knowledge and drive innovation – strategically leverage knowledge base for the development of our people and to drive continuous improvement.





# Questions?

