



1HFY15 Results Presentation

February 2015

Stephen Bizzaca, Managing Director & CEO



Agenda



1. Highlights
2. Financial Review
3. Operational Review
4. Outlook
5. Summary
6. Questions





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1. Highlights



Highlights



Maintained top quartile safety performance

- Total recordable injury frequency rate 14

Sector downturn still impacting, but improved competitiveness and improving financials

- Revenue \$31.2m (-12%)
- Underlying NPAT -\$0.2m (+357%)
- Underlying EBITDA \$0.8mm (-17%)
- Underlying EBITDA margin 2.7% (+89%)
- Cash underlying profit after tax positive (\$0.5m)

Debt reduction achieved

- Equipment Debt \$1.1m (-93%)
- Net Debt \$5.3m (-63%)

Competitiveness improved

- New Enterprise Agreement introduced
- Existing Enterprise Agreement varied

Continue to deliver operational excellence

- Client relationships extended and created
- Another eight longwall projects completed
- First international longwall project completed
- Hours worked at highest level in 18 months (+5%)

Note: All comparisons are YOY



2. Financial Review



Financial Review



	Change		1HFY2015	1HFY2014
➤ NPAT	>1,000%	↑	-\$0.2m	-\$30.7m
➤ Underlying NPAT	357%	↑	-\$0.2m	-\$1.0m
➤ Revenue	-12%	↓	\$31.2m	\$35.4m
➤ EBITDA	112%	↑	\$1.1m	\$0.5m
➤ Underlying EBITDA	-17%	↓	\$0.8m	\$1.0m
➤ Underlying EBITDA margin	89%	↑	2.7%	1.4%
➤ Underlying EPS	357%	↑	-0.5c	-2.2c
➤ Cash on hand	-58%	↓	\$0.4m	\$0.9m
➤ Net Debt	-63%	↓	\$5.3m	\$14.4m
➤ Equipment Debt	-93%	↓	\$1.1m	\$15.3m
➤ Assets - PPE	-59%	↓	\$15.5m	\$37.6m
➤ Net Tangible Assets per security	-79%	↓	33c	62c
➤ <i>Note: NTA per security remains significantly above share price</i>				

Balance Sheet & Cashflow



Balance Sheet	Dec14	Dec13
Cash (\$m)	0.38	0.91
Total Assets (\$m)	31.89	55.67
Total Shareholder funds (\$m)	16.03	28.39
Net Debt (\$m)	5.29	14.37
Net Debt to Equity	33%	49%

Cashflow	Dec14	Dec13
Operating activities (\$m)	(1.00)	(1.91)
Investing activities (\$m)	9.75	4.72
Financing activities (\$m)	(9.42)	(7.85)
Net (decrease) increase in cash (\$m)	(1.48)	(5.03)
Cash at beginning of period (\$m)	1.05	5.93
Closing cash (\$m)	0.38	0.91



3. Operational Review



The Coal Sector



Trading Conditions

- **Market conditions continue to be challenging**
 - Continued pressure to further reduce prices to clients
 - Extremely competitive state
- **Mine closures continue**
 - Remnant mining opportunities
 - Potential opportunities for a low cost operator
- **Most new mine projects deferred**

Our Response

- **Focused on improving competitiveness & providing value add solutions to our clients**
 - New and varied Enterprise Agreement have reduced labour cost by 15%

Relationships



➤ Our established relationships continue to prosper

Client	Mine	Location	Services	FY10	FY11	FY12	FY13	FY14	FY15	FY16
ANGLO COAL	Grasstree	Bowen Basin, Qld	Longwall Relocations							
BORAL	Berrima	Illawarra, NSW	Whole Mine Operations							
bhpbilliton resourcing the future	Appin	Illawarra, NSW	Roadway Development							
		Illawarra, NSW	Mine Services							
		Illawarra, NSW	Supplementary Labour							
		Illawarra, NSW	Civils & Conveyors							
	Dendrobium	Illawarra, NSW	Equipment Hire							
	West Cliff	Illawarra, NSW	Supplementary Labour							
BMA BHP Billiton Mitsubishi Alliance	Broadmeadow	Bowen Basin, Qld	Longwall Relocations							
		Bowen Basin, Qld	Equipment Hire							
	Crinum	Bowen Basin, Qld	Conveyor Installations							
CATERPILLAR®	Narrabri	Western Coalfields, NSW	Longwall Installation							
	KME	Bowen Basin, Qld	Longwall Installation							
	Adriyala	Andhra Pradesh, India	Longwall Installation							
GLENCORE	Ulan #3	Upper Hunter Valley, NSW	Longwall Relocations							
	Ulan West	Upper Hunter Valley, NSW	Longwall Installation							
	Blakefield	Hunter Valley, NSW	Longwall Relocations							
	Tahmoor	Illawarra, NSW	Longwall Relocations							
Peabody ENERGY	Metropolitan	Illawarra, NSW	Mine Services							
	Wambo	Hunter Valley, NSW	Longwall Relocations							
		Hunter Valley, NSW	Conveyor Installations							
	North Goonyella	Bowen Basin, Qld	Longwall Relocations							
VALE	Integra	Hunter Valley, NSW	Longwall Relocations							
		Hunter Valley, NSW	Longwall Installation							
WHITEHAVEN COAL	Narrabri	Western Coalfields, NSW	Roadway Development							
			Longwall Relocations							
YANCOAL	Austar	Hunter Valley, NSW	longwall Relocations							

Legend

Current Contract

Previous contract

Contract options

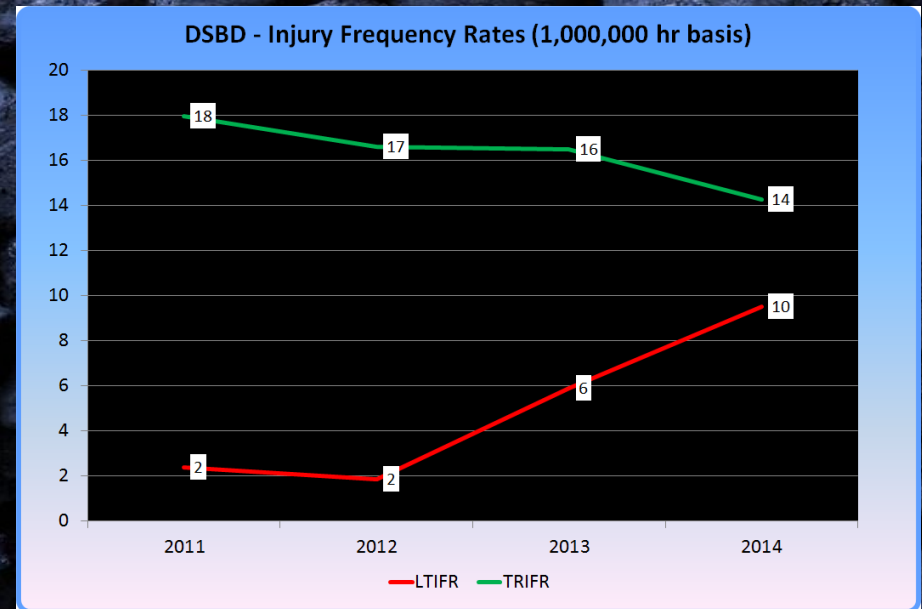
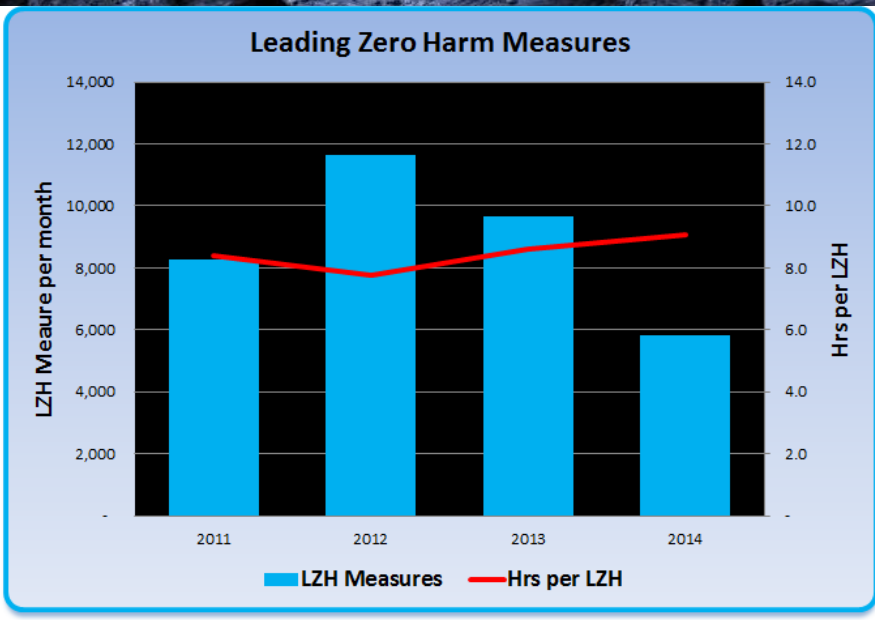
Likely Re-occurring work

Safety



- Leading zero harm initiatives remain on target
- Lower number of measures reflecting lower hours worked

- Overall safety performance remains in the top quartile



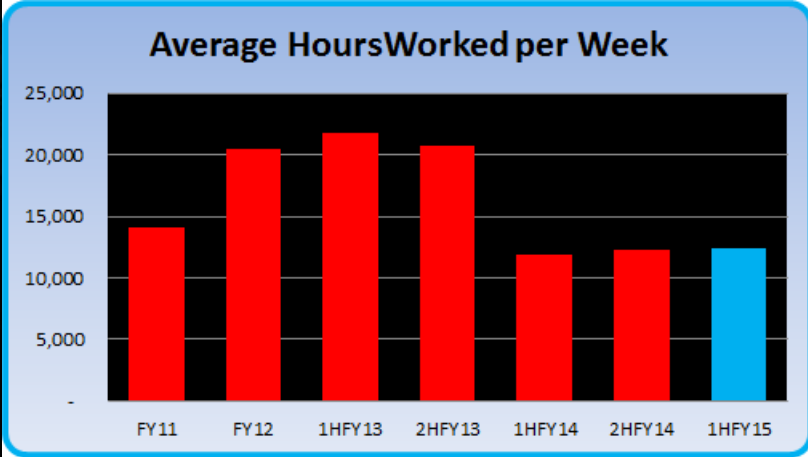
TRIFR FY14: Qld Industry Ave 20.3 & NSW Industry Ave 33.3

People



▲ Coal sector downturn still impacting hours worked.

▲ New and varied Enterprise Agreements demonstrates employee commitment



FY2015 Update

Our work



- Our Sustaining Work Continues:
 - BHP Billiton's Appin mine (NSW) - Roadwork development (two units), secondary support, drill and blast excavation and other mine services activities
 - Peabody's Metropolitan mine (NSW) - Secondary support and other mine services activities
 - Boral's Berrima mine (NSW) – Whole mine care and maintenance
- New Contracts Commenced
 - BHP Billiton's Appin mine (NSW) – Secondary support and mine services (2 year term)
 - BHP Billiton's Appin and West Cliff mines (NSW) – Supplementary labour (2 year term)
 - BMA's Crinum mine (Qld) – Conveyor salvages and installations (8 month term)
 - Glencore's Blakefield mine (NSW) – Multiple longwall relocations (2 years)

1HFY2015 Update

Our work



- Our Re-occurring Project Work Continues
 - Longwall projects
 - Whitehaven's Narrabri mine (NSW)
 - Peabody's Wambo mine (NSW)
 - Glencore's Blakefield mine (NSW)
 - Glencore's Ulan #3 mine (NSW)
 - Conveyor projects
 - BHP Billiton's Appin mine (NSW)





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4. Outlook

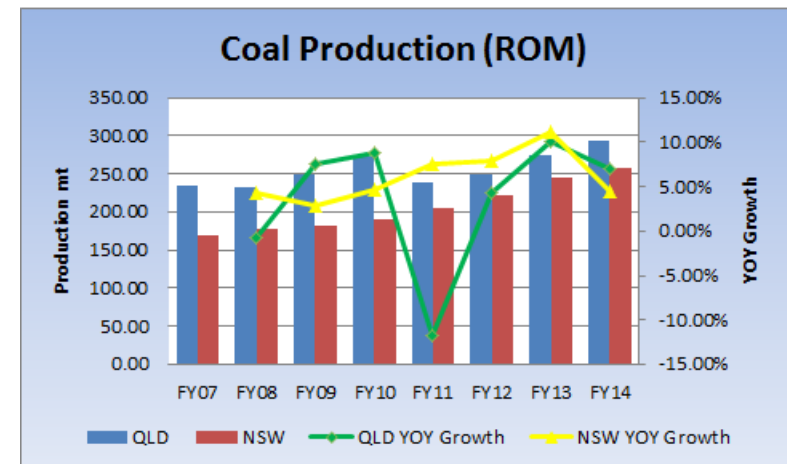
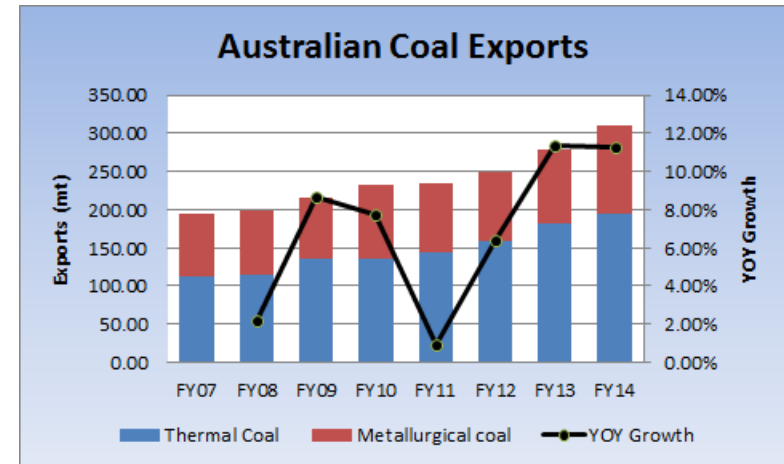


Outlook Sector



- Metallurgical coal (currently DSB main client base)
 - USD spot price of coking coal up 10% from the low point and the AUD has slightly depreciation
 - Australian production has actually growing and we believe the pressure to further increase production from current mines
 - Australian long-term production is forecast to continue to increase

- Thermal coal
 - Pricing remains subdued
 - Coal will continue to be major source of energy
 - Australian long-term production is forecast to continue to increase



Source: BREE

Note: FY11 decrease due to QLD floods

Outlook

Delta SBD



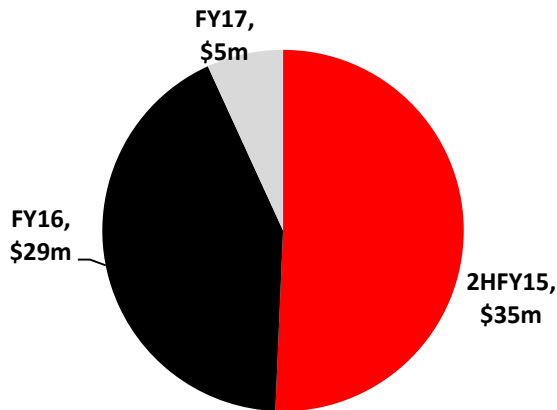
- Market conditions will continue to remain challenging
- Opportunities due to:
 - New flexible national EA and revised existing Illawarra EA
 - Improved competitiveness
 - Cheaper out sourcing option for clients
 - Our uniqueness
 - Mining innovation
 - Whole mine operation
 - Introduction of Gridmesh
- Ability and capacity to pursue appropriate growth opportunities

Outlook Workbook and Pipeline



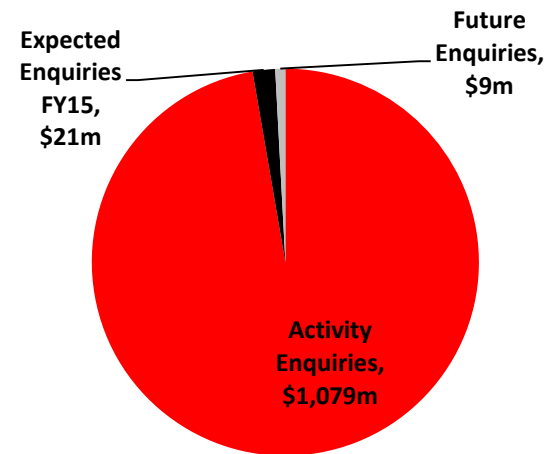
- Workbook remains stable

Workbook - \$69m



- Targeted pipeline remains high
- Active enquires have significantly increased
- Potential short term (FY15 to 17) revenue stable (\$430m)

Target Pipeline (\$1,100m)



- High focus on whole mine operations and or production mining operations, utilising our innovation mining patent



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5. Summary



Summary



Personnel	Lower cost base in all area - improved competitiveness Numbers at highest level in 18 months
Sector	Increased metallurgical coal production Steaming coal production to remain subdued
Market	Maintain outsourcing competitiveness Increased contractor demand expected
Sustainability	Maintain our excellent client relationships Focus on improving adding valuing
Opportunities	Targeted all areas of pipeline Focus on innovated mining projects
Profitability	Well position to return to positive profit and growth
Shareholders	Focus on improving returns



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6. Questions





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Appendices



About Delta SBD Limited



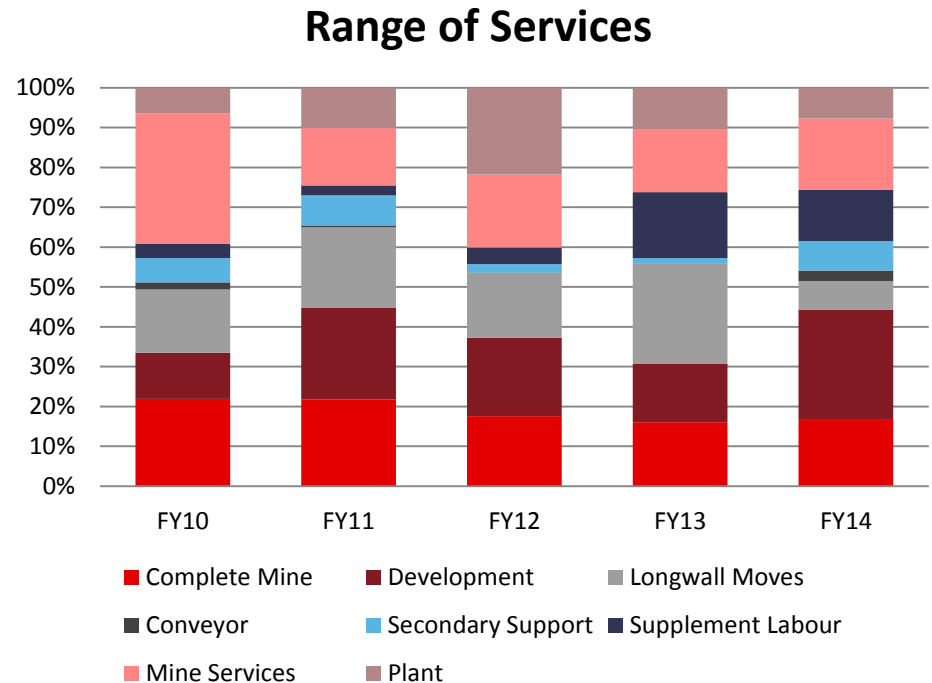
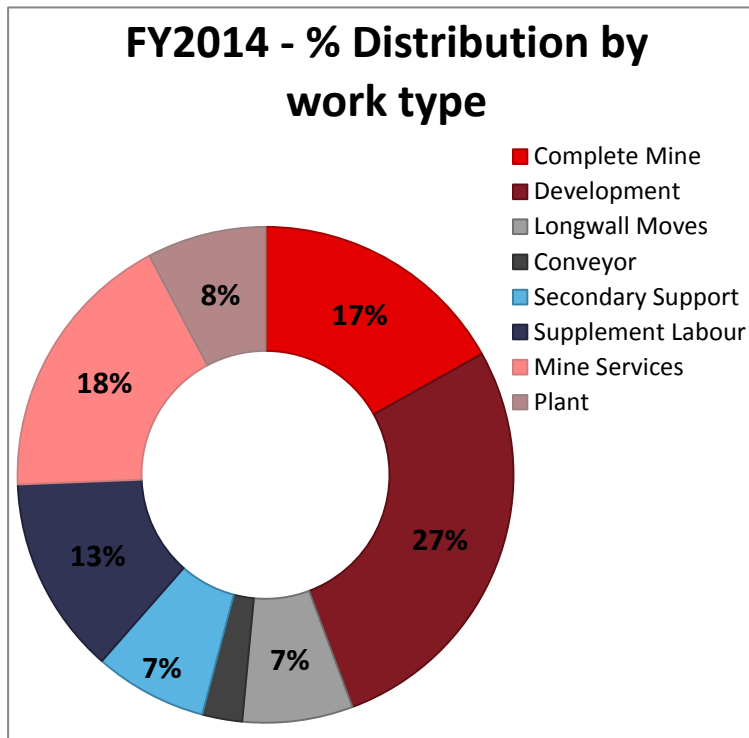
- ▲ Delta SBD is one of the largest contract companies servicing Australia's underground coal mining industry. The Group is geographically diverse, with operations across NSW at the Southern, Western, Hunter Valley and Narrabri coalfields and across the Bowen Basin in Queensland
- ▲ The Group's objective is to provide value-add services to clients by forging profitable long term partnerships. Delta SBD provides each project/mine with competent work teams, fit for purpose equipment and excellent site management backed by a supportive corporate management. The Group uses safe and efficient work methods enabling on-time completion of all works and services to client requirements

Diversity – Range of Services



- Large spread of services

- Consistency of services range



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