

2015 AGM Presentation

18 November 2015

Stephen Bizzaca, Managing Director & CEO



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1. FY2015 Recap



FY15 Highlights Recap



Maintained top quartile safety performance

- Total recordable injury frequency rate further reduced to 10
- Awarded the BHP Billiton Excellence Award – Health category

Improved financials

- Improved 2H performance provided positive results

Sector downturn still impacting, but improved competitiveness and cost reductions improving financials

- Revenue \$67.5m (-3%)
- Underlying NPAT \$0.9m (+164%)
- Underlying EBITDA \$3.5m (+62%)
- Underlying EBITDA margin 5.1% (+66%)
- Cash on Hand \$3.1m (+99%)
- Value of NTA per security sustained at \$0.34

Debt reduction achieved

- Equipment Debt \$0.9m (-92%)
- Net Debt* \$2.4m** (-82%)

Competitiveness improved

- New Enterprise Agreement introduced
- Existing Enterprise Agreement varied

Continue to deliver operational excellence

- Client relationships extended and created
- Another five longwall projects completed
- Hours worked at highest level in 24 months (+12%)

*Note: All comparisons are YOY * Interest bearing debt only less cash and cash equivalents . **Includes \$4.0m associated with an invoice facility*

FY2015 Financials Recap



➤ All bottom line metrics improved

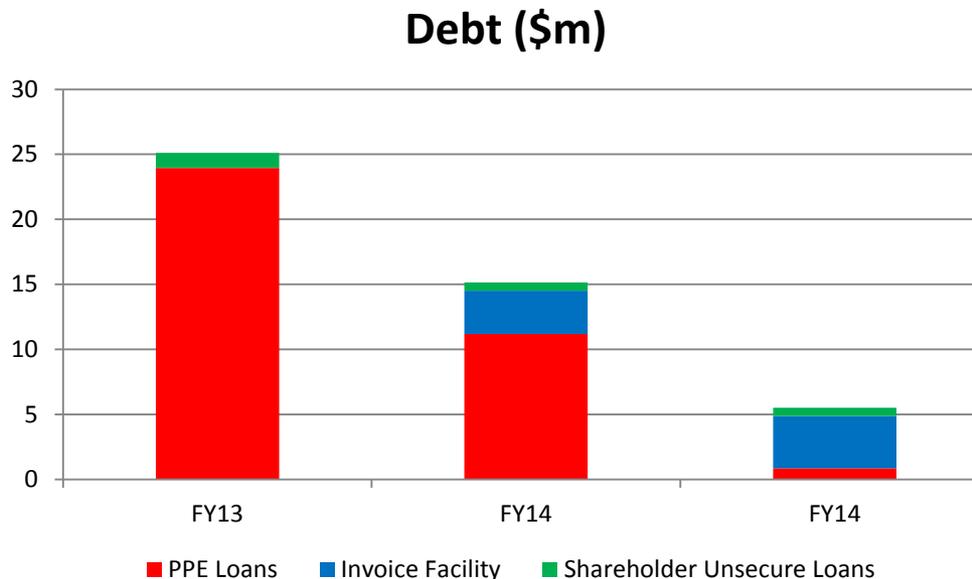
	Change		FY2015	FY2014
NPAT	102%	↑	\$0.8m	(\$42.8m)
Underlying NPAT	164%	↑	\$0.9m	(\$1.4m)
Revenue	(3%)	↓	\$67.5m	\$69.4m
EBITDA	>1000%	↑	\$3.4m	\$0.0m
Underlying EBITDA	62%	↑	\$3.5m	\$2.1m
Underlying EBITDA Margin	66%	↑	5.1%	3.1%
Cash on hand	99%	↑	\$3.1m	\$1.6m
Net debt*	(82%)	↓	\$2.4m**	\$14.1m
Equipment debt	(92%)	↓	\$0.9m	\$11.2m
Underlying Earning per share	163%	↑	1.84	(2.89)
Net Tangible Assets per security			34c	34c

* Interest bearing debt only less cash and cash equivalents . **Includes \$4.0m associated with an invoice facility

FY2015 Debt reduction Recap



- Target achieved
 - All asset sales proceeds used to reduce debt
 - Debt reduction has delivered a positive cashflow impact of \$500k per month



Industry Downturn Strategy Recap



Our Plan

- Higher focus on sustainability of work
- Improve value adding to our clients by reducing cost base and improving competitiveness.
- Become cashflow positive
- Increase pipeline options, target all areas as no labour skills shortage

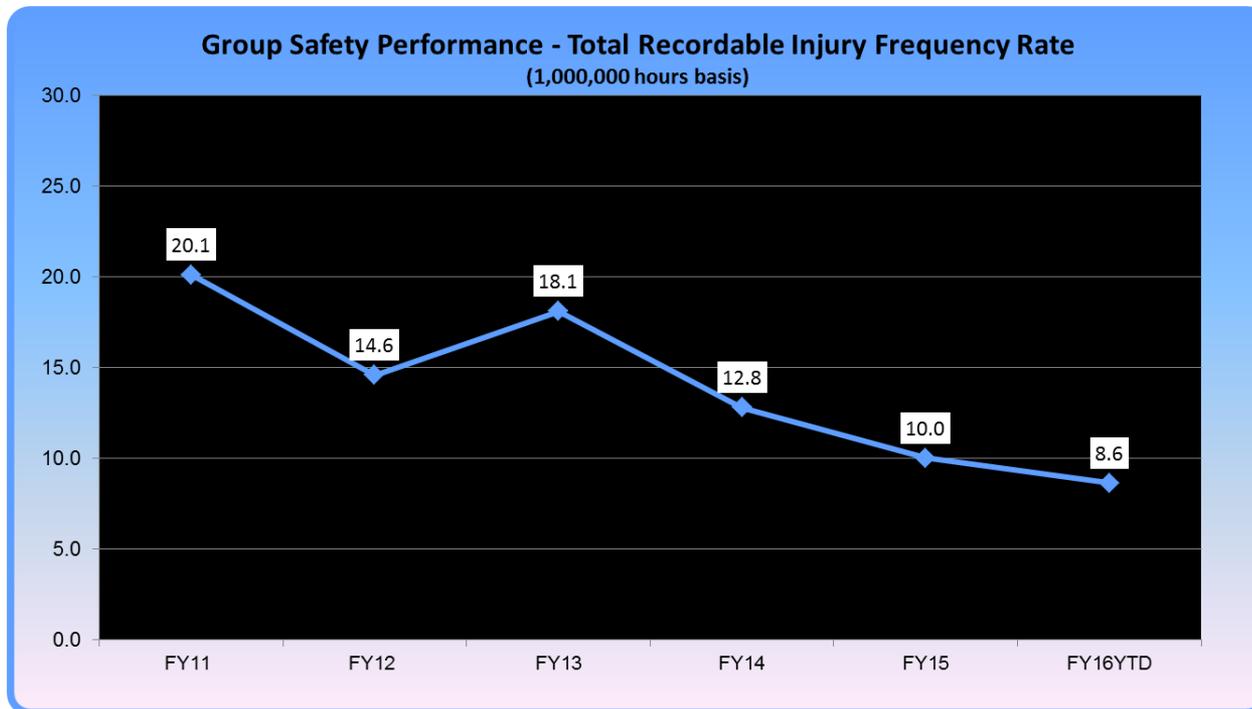
Our Achievements

- No material contract work lost
- Awarded most replacement contracts
- New national and varied enterprise agreements and restructuring have significantly lower costs and allowed lower prices to clients and improved competitiveness, resulting in new contracts awarded and existing extended
- PP&E debt reduced to \$0.9m
- EDITDA margin increased
- New conveyor contracts and clients
- Preferred contractor for remnant mining proposal



2. FY2016 Update

- Overall safety performance remains in the top quartile and continues to improve
- Excellent safety performance enhances work sustainability and new opportunities

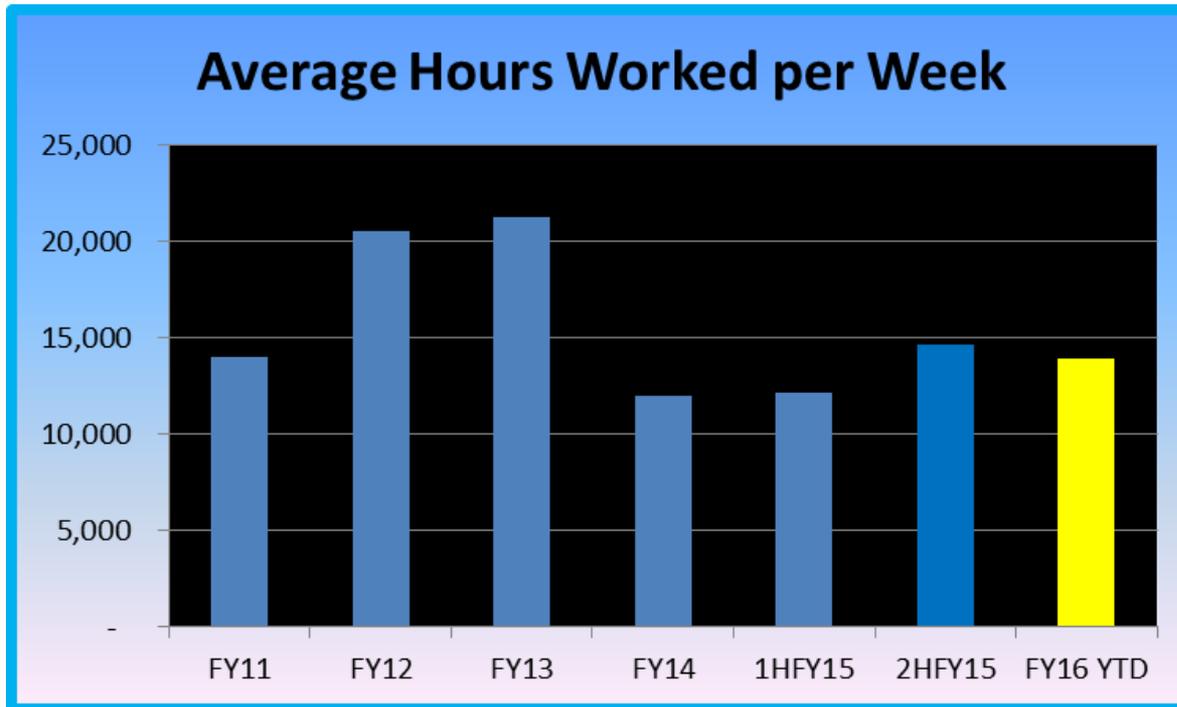


TRIFR FY14: Qld Industry Ave 20.3 & NSW Industry Ave 33.3

People



- ▲ Level of hours worked maintained
- ▲ YTD up 17% (July-October periods)



- Metallurgical coal (currently DSB main client base)
 - USD coking coal price significantly down with excess supply and subdued demand growth.
 - Australian production still growing protected by depreciating AUD; US production dropping.
 - Australian long-term production forecast to remain around current levels, with open cut tonnage progressively replaced by underground production.
- Thermal coal
 - Prices also dropping with oversupply and fossil fuels being targeted.
 - Coal will continue to be major source of energy.
 - Indonesia closing low quality mines and redirecting export tonnage for domestic use.
 - Australian long-term production forecast to increase; new tonnage largely open cut.

Outlook Delta SBD



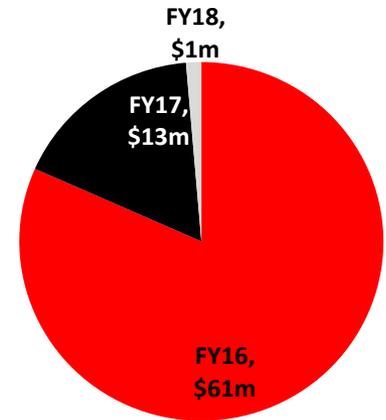
- Market conditions will continue to remain challenging
- Equipment utilisation is improving
- Opportunities due to:
 - New flexible national EA and revised existing Illawarra EA
 - Improved competitiveness
 - Cheaper out sourcing option for clients
 - Our uniqueness
 - Mining innovation
 - Whole mine operation
 - Remnant mining via pillar extraction
- Ability and capacity to pursue appropriate growth

Outlook Delta SBD

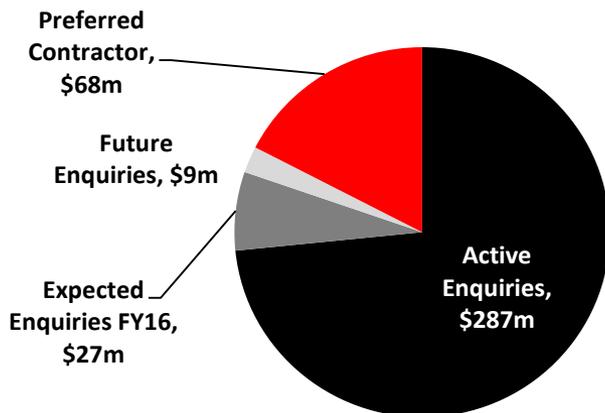


- Business well positioned for sustainability and growth
- Workbook increased in FY16, overall remains stable
 - Includes revenue \$22.8m (1 July to 24 October 2015)
- Pipeline remains significant, most short/mid term
 - Preferred contractor for major project, potential commencement early 1QCY16

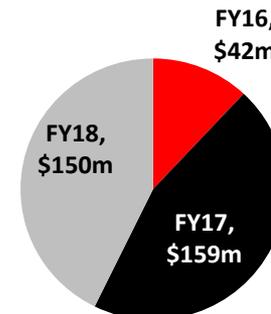
Workbook - \$75m



Target Pipeline (\$390m)



Target Pipeline - Potential Revenue by FY (\$351m)





3. Summary



Summary



Personnel

Improved safety performance
Sustained lower cost base and competitiveness in all areas
Numbers at highest level in 24 months

Sector

Increased metallurgical coal production
Steaming coal production slightly increased

Market

Remains very competitive
Maintained outsourcing competitiveness

Sustainability

Maintained our excellent client relationships
Focused on continuing to improve added value to our clients

Opportunities

Targeted all areas of pipeline
Focused on innovated & remnant mining projects

Profitability

Well positioned to improve positive profit with growth

Shareholders

Focused on improving returns



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4. Questions





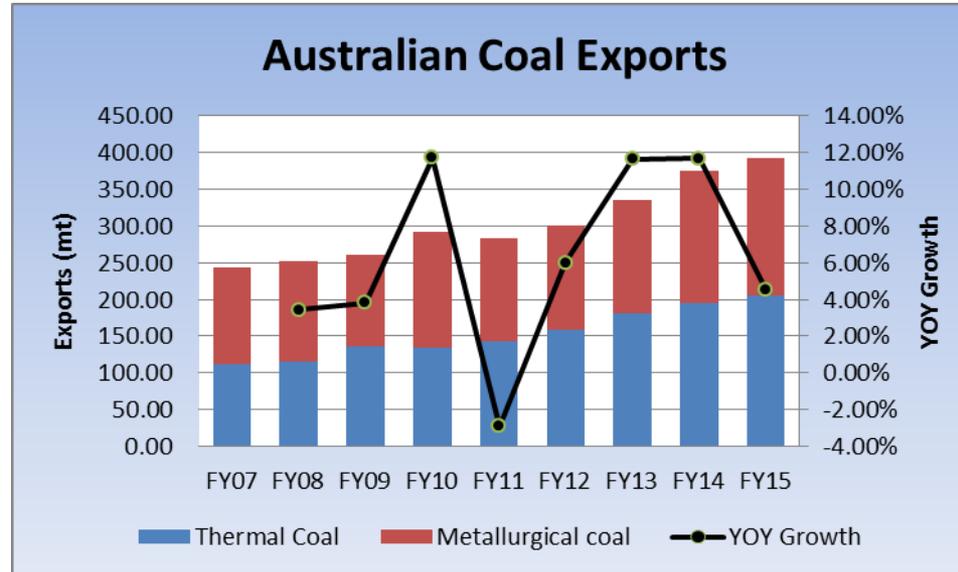
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Appendices



Coal Sector Facts

- Australian coal industry continues to grow – 30% in last three years

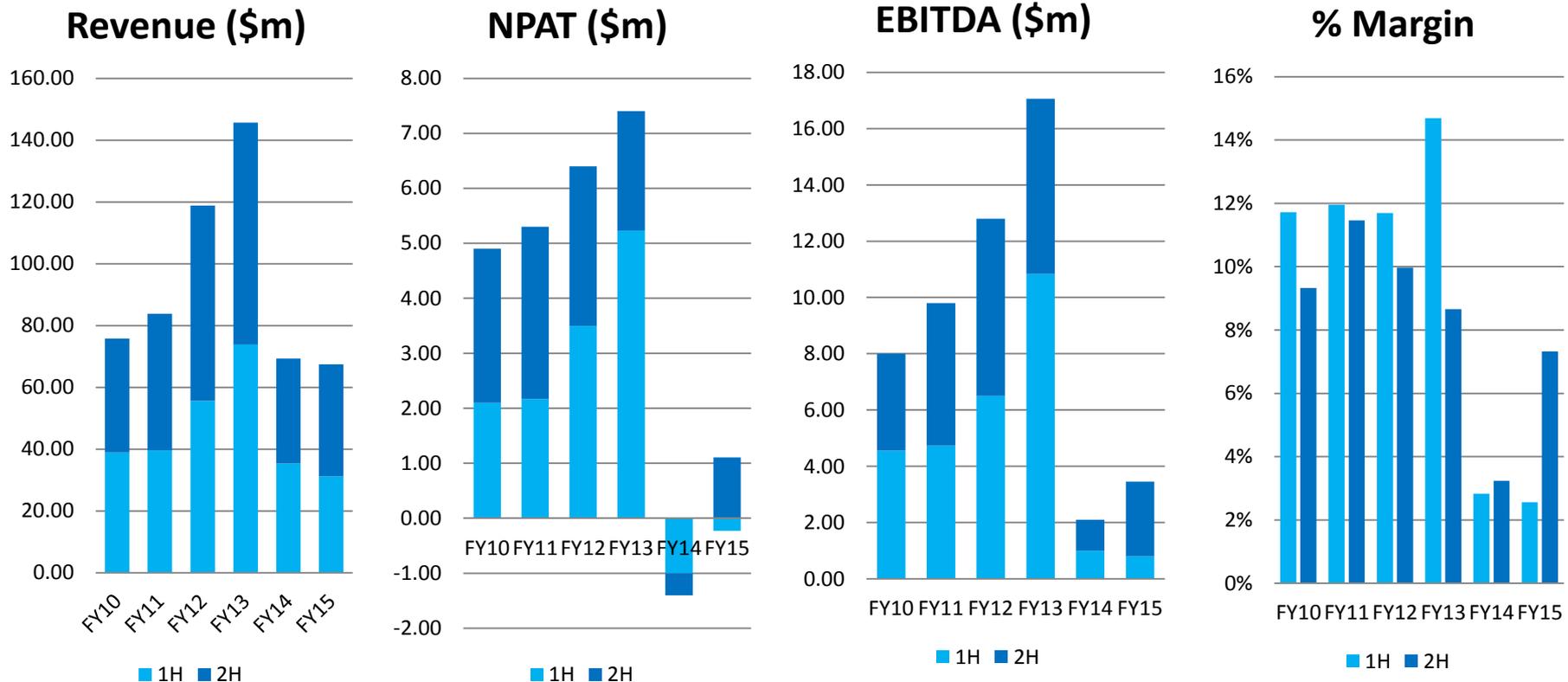


- Australian thermal coal is a cleaner energy source for power generation than others:
 - 10,000MW Coal Power Generation Plant requires:
 - 30Mtpa (6,500kcal/kg) high quality Australian bituminous coal
 - 64Mtpa (3,000kcal/kg) China, India domestic sub-bituminous coal

Financial Trends (underlying)



➤ Impacted by sector downturn – 2H improvement on flat revenue

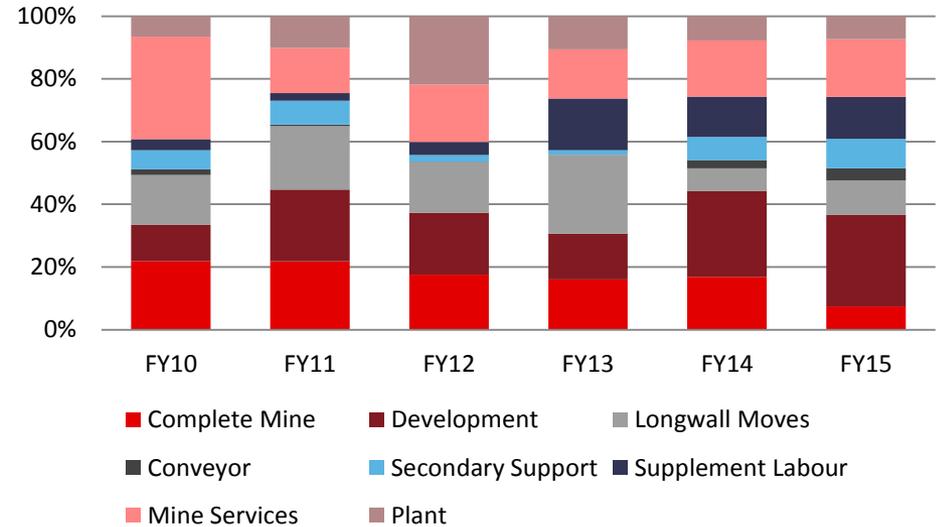


Diversity & Reliability

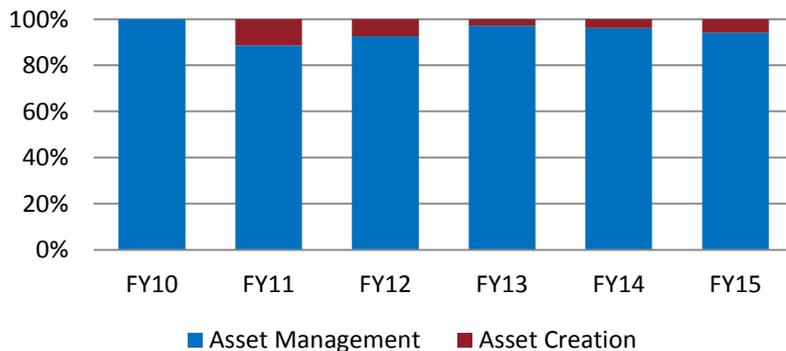


- Range of Services provided has large spread & consistency
- Thirteen active minesites in FY15
- High focus on “Asset Management”
- Reduced risk pricing structure

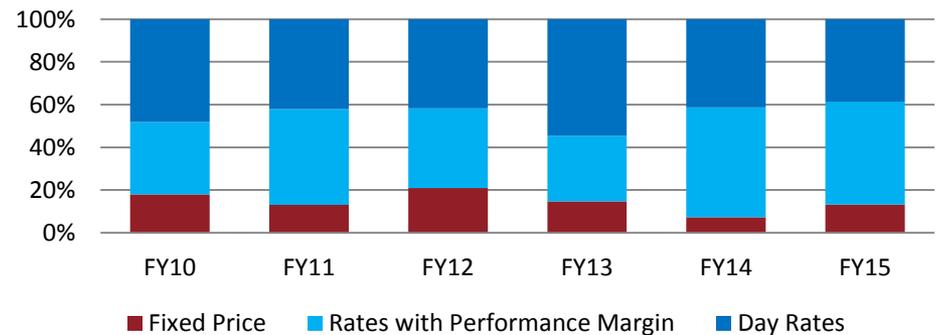
Range of Services



Asset Life Cycle Revenue Mix



Pricing Structure



Sustainability & Diversification



Client	Mine	Location	Services	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
BORAL	Berrima	Illawarra, NSW	Whole Mine Operations	Current Contract							
BHP Billiton South32 (post Mar 2015)	Appin	Illawarra, NSW	Roadway Development	Current Contract	Likely Re-occurring work						
		Illawarra, NSW	Mine Services	Current Contract	Likely Re-occurring work						
		Illawarra, NSW	Supplementary Labour	Current Contract	Likely Re-occurring work						
		Illawarra, NSW	Civils & Conveyors	Current Contract	Likely Re-occurring work						
	Dendrobium	Illawarra, NSW	Equipment Hire				Current Contract	Current Contract	Current Contract	Current Contract	Likely Re-occurring work
	West Cliff	Illawarra, NSW	Supplementary Labour						Current Contract	Current Contract	Likely Re-occurring work
BMA	Broadmeadow	Bowen Basin, Qld	Longwall Relocations		Current Contract						
		Bowen Basin, Qld	Equipment Hire		Current Contract						
	Crinum	Bowen Basin, Qld	Conveyor Installations				Current Contract	Current Contract	Current Contract	Current Contract	
CATERPILLAR	Narrabri	Western Coalfields, NSW	Longwall Installation			Current Contract					
	KME	Bowen Basin, Qld	Longwall Installation				Current Contract	Current Contract	Current Contract	Current Contract	
	Adriyala	Andhra Pradesh, India	Longwall Installation						Current Contract	Current Contract	
GLENCORE	Ulan #3	Upper Hunter Valley, NSW	Longwall Relocations	Current Contract	Likely Re-occurring work						
	Ulan West	Upper Hunter Valley, NSW	Longwall Installation	Current Contract	Likely Re-occurring work						
	Blakefield	Hunter Valley, NSW	Longwall Relocations	Current Contract	Likely Re-occurring work						
	Tahmoor	Illawarra, NSW	Longwall Relocations	Current Contract	Likely Re-occurring work						
PEABODY	Metropolitan	Illawarra, NSW	Mine Services	Current Contract	Likely Re-occurring work						
	Wambo	Hunter Valley, NSW	Longwall Relocations	Current Contract	Likely Re-occurring work						
		Hunter Valley, NSW	Conveyor Installations	Current Contract	Likely Re-occurring work						
	North Goonyella	Bowen Basin, Qld	Longwall Relocations	Current Contract	Likely Re-occurring work						
	Bowen Basin, Qld	Conveyor Installations	Current Contract	Current Contract	Current Contract	Current Contract	Current Contract	Current Contract	Current Contract	Current Contract	Likely Re-occurring work
WHITEHAVEN	Narrabri	Western Coalfields, NSW	Roadway Development			Current Contract	Likely Re-occurring work				
			Longwall Relocations			Current Contract	Likely Re-occurring work				
			Supplementary Labour			Current Contract	Likely Re-occurring work				

Current Contract

Previous contract

Contract options

Likely Re-occurring work

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-added 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

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