



1HFY16 Results Presentation

26 February 2016

Stephen Bizzaca, Managing Director & CEO



Agenda



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





1. Highlights



1HFY16 Highlights



Maintained top quartile safety performance

- Total recordable injury frequency rate¹ further reduced to 8

Improved financials

- Improved performance provided positive results
- Performance sustained over 12 months (2HFY15 & 1HFY16)

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

- Revenue \$35.7m (+14%)
- Underlying NPAT \$1.1m (+605%)
- Underlying EBITDA \$2.4m (+198%)
- Underlying EBITDA margin 6.7% (+148%)
- Cash on Hand \$1.6m (+316%)
- Value of NTA per security improved \$0.37 (+12%)

Debt level stable

- Equipment Debt \$0.4m (-64%)
- Net Debt² \$4.6m³ (-14%)

Continue to deliver operational excellence

- Client relationships extended and created
- Letter of intent executed for whole mine operation
- Another four longwall projects completed
- Hours worked at highest level in 24 months

Note: All comparisons are YOY

¹ 1,000,000 hour basis. ² Interest bearing debt only less cash and cash equivalents. ³ Includes \$5.0m associated with an invoice facility



2. Financial Review



Financial Review



Improved performance despite market downturn

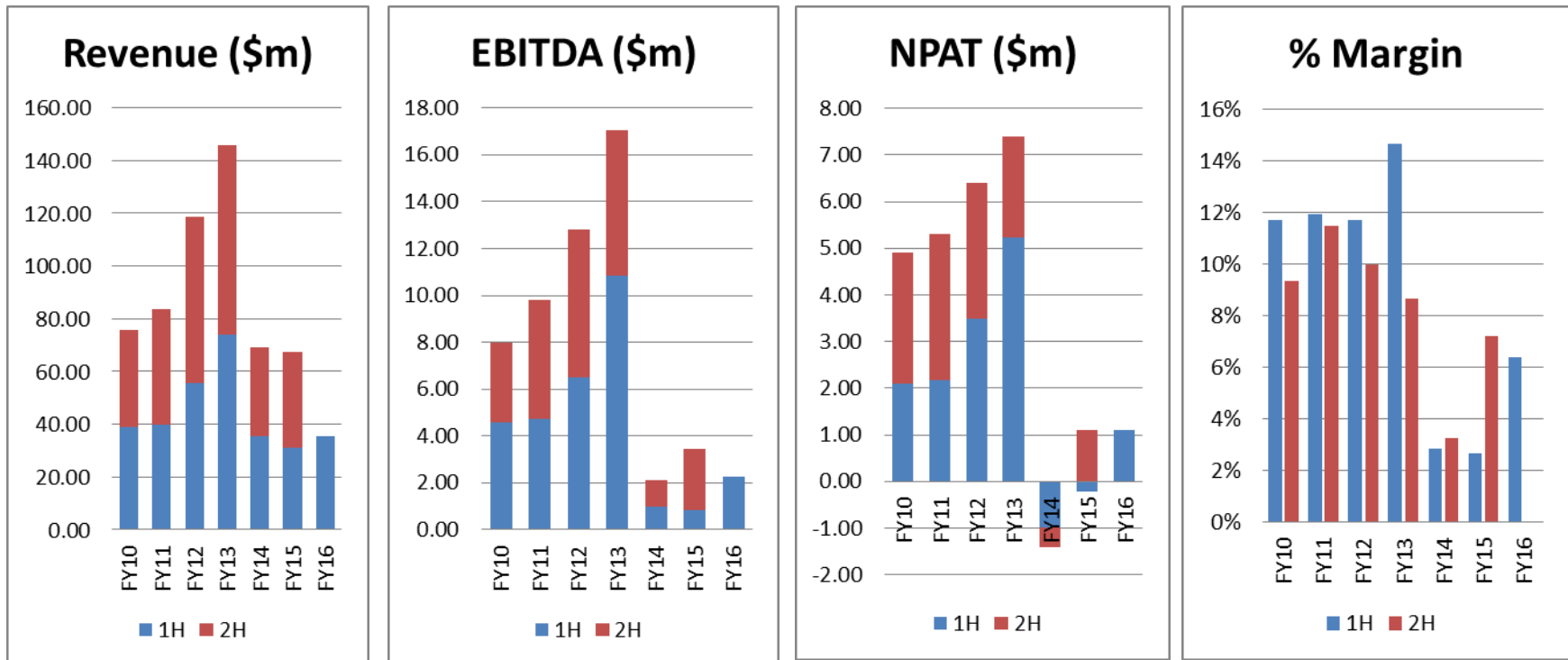
	Change		1HFY2016	1HFY2015
➤ NPAT	357% ↑		\$0.5m	-\$0.2m
➤ Underlying NPAT	605% ↑		\$1.1m	-\$0.2m
➤ Revenue	14% ↑		\$35.7m	\$31.2m
➤ EBITDA	72% ↑		\$1.8m	\$1.0m
➤ Underlying EBITDA ¹	198% ↑		\$2.4m	\$0.8m
➤ Underlying EBITDA margin	148% ↑		6.7%	2.7%
➤ Underlying EPS	605% ↑		2.4c	-0.5c
➤ Cash on hand	316% ↑		\$1.6m	\$0.4m
➤ Net Debt	-14% ↓		\$4.6m	\$5.8m
➤ Equipment Debt	-64% ↓		\$0.4m	\$1.1m
➤ Net Tangible Assets per security ²	12% ↑		37c	33c

Note: ¹ Underlying adjustment one off tendering cost (\$614k) largely incurred in FY15 ² NTA per security remains significantly above share price

Financial Trends (underlying)



Improved performance sustained over last two reporting periods (2HFY15 & 1HFY16)



Balance Sheet & Cashflow



Balance Sheet	Dec15	Dec14
Cash (\$m)	1.58	0.38
Total Assets (\$m)	34.86	31.89
Total Shareholder funds (\$m)	17.62	16.03
Net Debt (\$m)	4.56	5.29
Net Debt to Equity	26%	33%

Cashflow	Dec15	Dec14
Operating activities (\$m)	(1.39)	(1.00)
Investing activities (\$m)	(0.90)	9.75
Financing activities (\$m)	0.76	(9.42)
Net (decrease) increase in cash (\$m)	(1.54)	(1.48)
Cash at beginning of period (\$m)	3.12	1.05
Closing cash (\$m)	1.58	0.38



3. Operational Review

Sustainability & Diversification



Client	Mine	Location	Services	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
BORAL	Berrima	Illawarra, NSW	Whole Mine Operations								
BHP Billiton South32 (post Mar 2015)	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								
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	Metropolitan	Illawarra, NSW	Mine Services								
	Wambo	Hunter Valley, NSW	Longwall Relocations								
		Hunter Valley, NSW	Conveyor Installations								
	North Goonyella	Bowen Basin, Qld	Longwall Relocations								
		Bowen Basin, Qld	Conveyor Installations								
		Bowen Basin, Qld	Longwall Recovery Mat								
WHITEHAVEN	Narrabri	Western Coalfields, NSW	Roadway Development								
		Western Coalfields, NSW	Longwall Relocations								
		Western Coalfields, NSW	Supplementary Labour								
WOLLONGONG COAL	Russell Vale	Illawarra, NSW	Equipment Hire								
	Wongawilli	Illawarra, NSW	Consultation								
		Illawarra, NSW	Pre-Mobilisation Works								
		Illawarra, NSW	Whole Mine Operations ¹								

Legend			
Current Contract	Previous contract	Contract options	Likely Re-occurring work

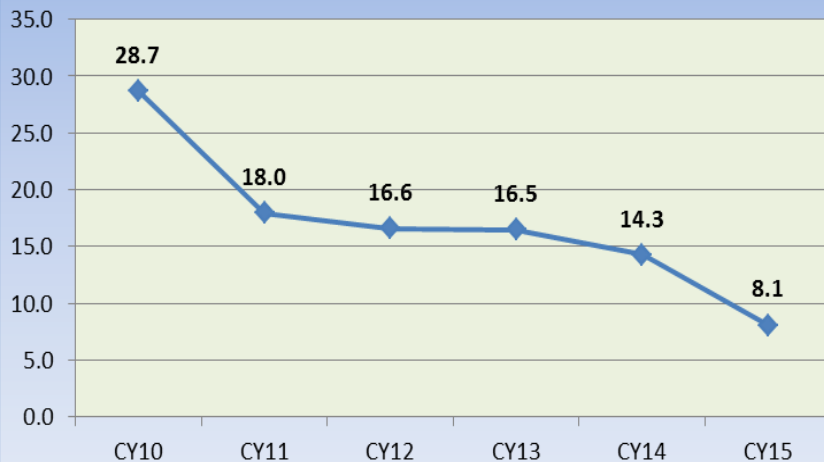
¹ Based on Letter of Intent

Safety & People

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

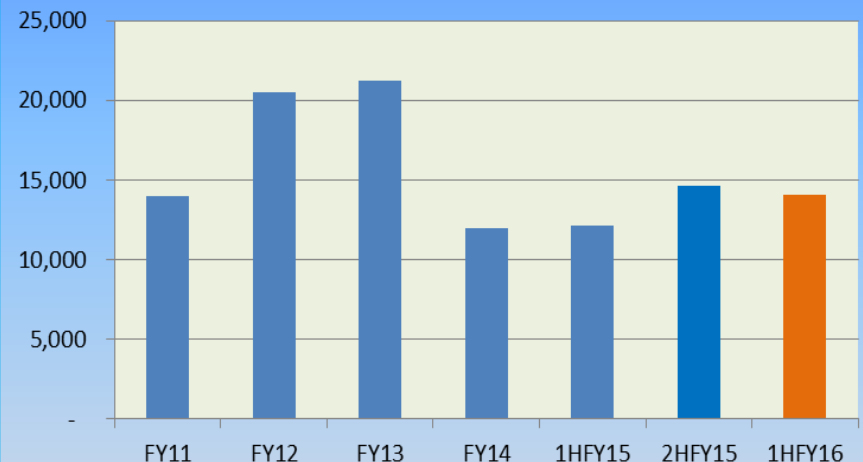
- Coal sector continues to impact hours worked
- Hours worked being maintained

Group TRIFR (1,000,000 hr basis)



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

Average Hours Worked per Week



➤ Sustaining Work

- South32's Appin mine (NSW) - Secondary support, civils/drill and blast excavation, other mine services activities and supplementary labour
- Peabody's Metropolitan mine (NSW) - Secondary support and other mine services activities
- Boral's Berrima mine (NSW) – Closure management (contract extended)

➤ Reoccurring Work

- Longwall projects
 - Whitehaven's Narrabri mine (NSW)
 - Peabody's Wambo mine (NSW)
 - Glencore's Blakefield mine (NSW)
- Conveyor projects
 - South32's Appin mine (NSW)

New Work



- Wollongong Coal's Wongawilli mine (NSW)
 - Pillar extraction approval submission to Mines Department
 - Equipment pre-mobilisation work
- South32's Appin mine (NSW)
 - CH4 services
 - Longwall instalation
- Boral's Berrima mine (NSW)
 - Closure seals



4. Outlook



- 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.
 - Major companies are divesting assets so large new projects very unlikely in mid term

- 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 continues to improve
- Opportunities due to:
 - Our competitiveness - cheaper out sourcing option for clients
 - Our uniqueness
 - Mining innovation
 - Whole mine operation
 - Remnant mining via pillar extraction
 - Whole mine operations
 - Major companies divesting assets to junior companies

Outlook Delta SBD



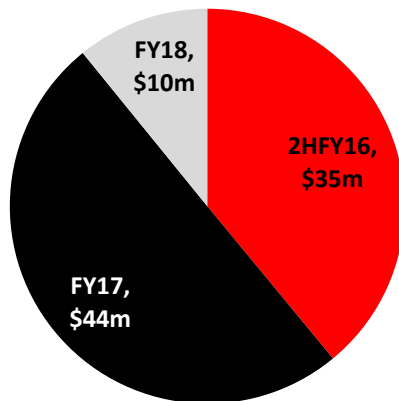
- New Opportunities in 2HFY16 to add to our sustainability
 - Wollongong Coal's Wongawilli whole mine operation
 - Pillar extraction submission accepted by Mine's Department
 - Pre-works commenced
 - Formal commencement expected in April 2016
 - Whitehaven's Narrabri mine supplementary labour
 - Development support (1 year contract, commencing February 2016)
 - Longwall maintenance support (2 year contract, commencing February 2016)
 - Glencore's longwall moves
 - Ulan #3 – commencing February 2016
 - Ulan West – commencing April 2016
 - Peabody mines
 - North Goonyella (Qld) – longwall recovery mesh (Deltagrid)
 - Metropolitan (NSW) – two new projects

Outlook Delta SBD

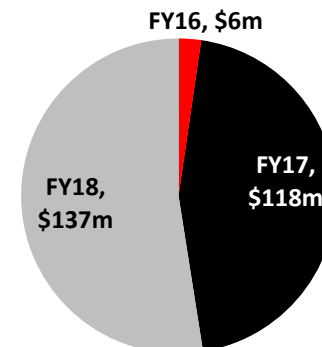


- Business remains well positioned for sustainability and growth
- Workbook sustained ¹
- Pipeline remains acceptable for current sector conditions
 - \$300m pipeline
 - \$187m active enquires
 - 87% short to mid term work

Workbook (\$89m)



**Target Pipeline -
Potential Revenue by FY**



¹ Includes Wongawilli Mine

5. Summary



Summary



Personnel

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

Sector

Metallurgical coal production continues to increase despite lower prices
Steaming coal production stable and prices lower

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 whole mine operations and innovated & remnant mining projects

Profitability

Well positioned to both sustain and improve positive profit with growth

Shareholders

Focused on continuing to improving returns



safer better dependable

Appendices

Corporate Overview



➤ Capital structure

➤ Shares on issues	47,659,787
➤ Options	nil
➤ Share price (@ 31 December)	\$0.14 (up from \$0.075 @ 31 December 2014)
➤ Market Capital	\$6.7m (up from \$3.6M @ 31 December 2014)

➤ Board

➤ Gordon Galt	Non-executive Chairman
➤ Stephen Bizzaca	Managing Director/Chief Executive Officer
➤ Glyn Dawkins	Non-executive Director
➤ Geoff Garside	Non-executive Director

➤ Shareholders – Top five (@ 31st December 2015)

➤ Stephen Bizzaca entities	35.9%
➤ Glyn Dawkins entities	27.2%
➤ Delta SBD Employee Trust	6.9% ¹
➤ Nehemine Pty Ltd	1.8%
➤ Omicron Enterprises Pty Ltd	1.4%

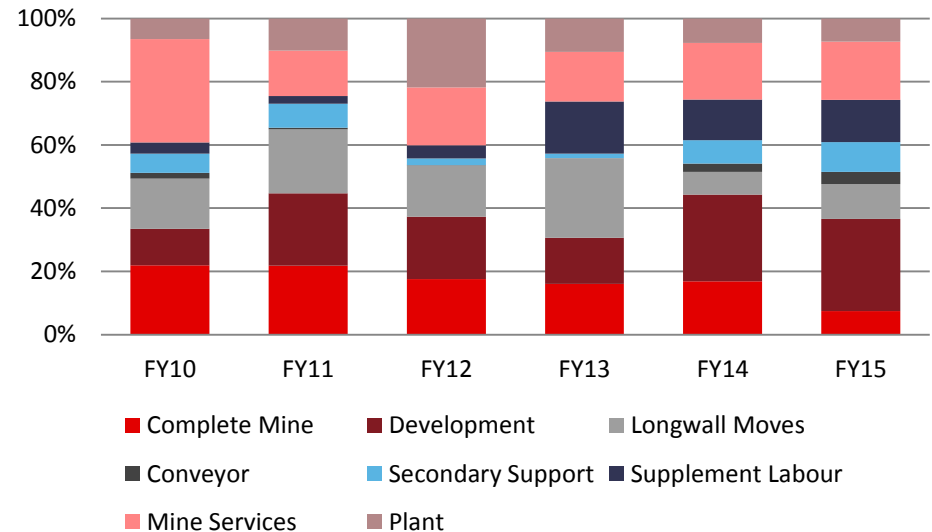
¹ excludes Stephen Bizzaca shares, included in "Stephen Bizzaca entities"

Diversity & Reliability

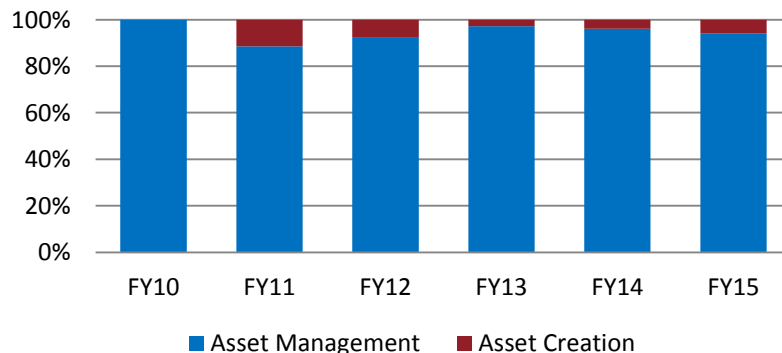


- Range of services provided has large spread & consistency
- Thirteen active mine sites in FY15
- High focus on “Asset Management”
- Reduced risk pricing structure

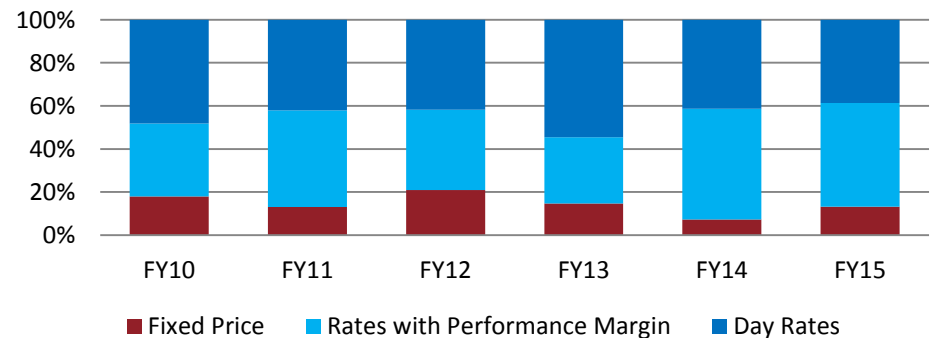
Range of Services



Asset Life Cycle Revenue Mix



Pricing Structure



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

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