



# **Mastermyne Group Limited**

**FY2013**

**Annual General Meeting**

**25 November 2013**



**Mastermyne**

Underground • Services • Engineering

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# FY2013 Results Recap



## REVENUE

**\$248.8m (↓8.5%)**

Guidance  
\$245 - \$250m

FY2012: \$271.9m

FY2011: \$164.8m

## EBITA

**\$18.5m (↓27.7%)**

FY2012: \$25.6m

FY2011: \$16.2m

## NPAT

Underlying

**\$11.5m (↓27%)**

Guidance  
\$11.1m-\$11.6m

FY2012: \$15.8m<sup>1</sup>

FY2011: \$9.8m<sup>2</sup>

- Order Book \$236 million at 30 June 2013
- Tendering Pipeline currently at \$962 million with \$378 million in active tenders
- Continuing trend of improvement in safety outcomes. FY2013 Group TRIFR 3.28 (FY2012: 4.67)
- 1,843,108 man hours worked in the period and six sites recorded a 12 month TRIFR of 0.00
- Maintained strong revenue in a challenging market with no loss of contracts other than scheduled
- Secured \$65m of revenue through 6 new contracts late in the second half despite difficult market conditions. 3 contracts are new sites and 3 replacing existing contractors where MYE was already working
- Secured 2 new contracts and renewed 2 others in Engineering and MyneSight divisions
- Workforce numbers reduced to 754 FTE with majority of change from scheduled or early project completions

<sup>1</sup> FY12 Underlying NPAT included a tax adjustment reversing the prior period benefits in relation to rights to future income as a result of changes to legislation enacted prior to 30 June 2012

<sup>2</sup> Statutory NPAT for FY11 was \$11.7 million, underlying NPAT included adjustments for a net impairment of Debtors and Assets in relation to the continuous miner lost in Pike River mine. Also included tax adjustments for rights to future income.

# FY2014 Update



- Secured a further 2 contracts in Qld for installing Conveyors and Longwall's
- Renewed or extended all order book contracts that were due to be rolled or had options
- Workforce numbers will peak above 800 by January 2014
- Tender pipeline is continually refreshing with new opportunities.
- Development contracts are again starting to dominate the tendering activity
- Equipment utilisation has remained at similar levels to H2 FY2013 and is expected to increase as development contracts are secured in H2 FY2014
- Services Division has secured some smaller short duration contracts and have a strong pipeline of near term opportunities
- Engineering Division is performing to budget
- MyneSight Division is continuing to secure training contracts
- Updated H1 FY2014 guidance issued today. Full year results significantly weighted to H2



# Outlook

- Tender Pipeline is dominated by opportunities in Qld and the Illawarra where mining operations are predominately Coking Coal
- FY2015 is building towards a strong return to contract development mining and increased equipment utilisation evidenced by the tenders opportunities currently being discussed
- Tenders are being awarded albeit in smaller and shorter packages of work
- Mastermyne has successfully secured several of these smaller packages which have placed us on more sites and positioned the company for further work as the sector recovers
- Engineering, Services and MyneSight are all experiencing increased activity which is expected to build in H2 FY2014
- Balance sheet and cash flows remain strong and the company is expecting to be net debt free from December 2013



# Summary



- FY2013 was a good result in a very tough market. Maintained strong revenue after a record result in FY2012 with no loss of contracts other than scheduled run off
- Order book remains solid with no loss of existing contracts, new contracts added and options and rollovers renewed
- Tendering activity is still very strong and headlined by a number of development mining and equipment utilisation opportunities
- Engineering, Services and Myne Sight Divisions continue to experience good levels of activity
- Company expects to be net debt free from December 2013
- Full year result for FY2014 will be significantly weighted to H2 FY2014
- Company is well positioned with its strong links to Coking Coal operations and its strategic range of services which support coal production

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