

ASX ANNOUNCEMENT (ASX:BLY)

24 February 2023

ASX Markets Announcement Officer
Exchange Centre
20 Bridge Street
Sydney NSW 2000

FULL YEAR 2022 RESULTS PRESENTATION

Please find attached for release to the market, Boart Longyear Group Limited's Full Year 2022 results presentation.

Authorised for lodgement by:

Nicholas R. Nash
Company Secretary

About Boart Longyear

Established in 1890, Boart Longyear is in its 133rd year as the world's leading provider of drilling services, orebody-data-collection technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

The Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Global Products division offers sophisticated research and development and holds hundreds of patented designs to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide.

Veracio, a wholly owned Boart Longyear subsidiary, offers mining clients a range of solutions that improve, automate, and digitally transform their orebody sciences by championing a modern approach through a diverse product portfolio by fusing science and technology together with digital accessibility. Veracio leverages AI and advanced analytics to accelerate real-time decision making and significantly lower the cost of mineral exploration.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia (ASX:BLY). More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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Full Year 2022 Results

February 24, 2023

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Due care and attention should be undertaken when considering and analysing the financial performance of the Company.

All references to dollars are to United States currency unless otherwise stated, and financial results presented may not be audited.



Three Divisions Driving Long-Term Growth



Drilling Services

Industry-leading provider of drilling services and largest, global, specialised and diversified driller

More than 4,500 employees around the world operate ~650 rigs

BOART LONGYEAR



Global Products

Offers the most advanced technology tooling and drill rigs, specifically engineered for long life and high performance while boasting world-class safety features

Almost 1,100 employees and six manufacturing sites globally



Veracio

Leveraging artificial intelligence and advanced analytics to accelerate real-time decision making and significantly lower the cost of mineral exploration

More than 75 employees worldwide

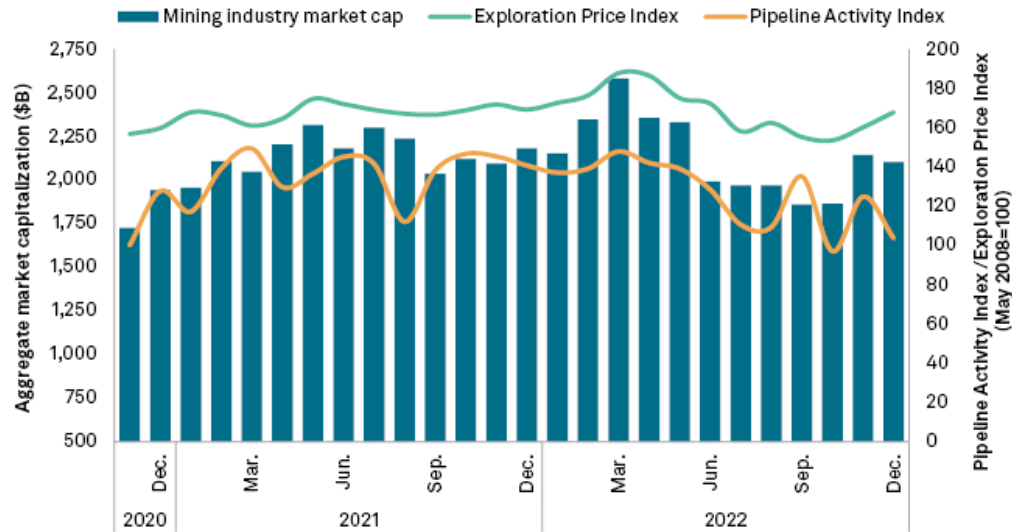


Strong 2022 Results in Dynamic Environment



Surging Metals Demand Driving Mining Sector Investment

Pipeline Activity Index, Nov 2020 – Dec 2022

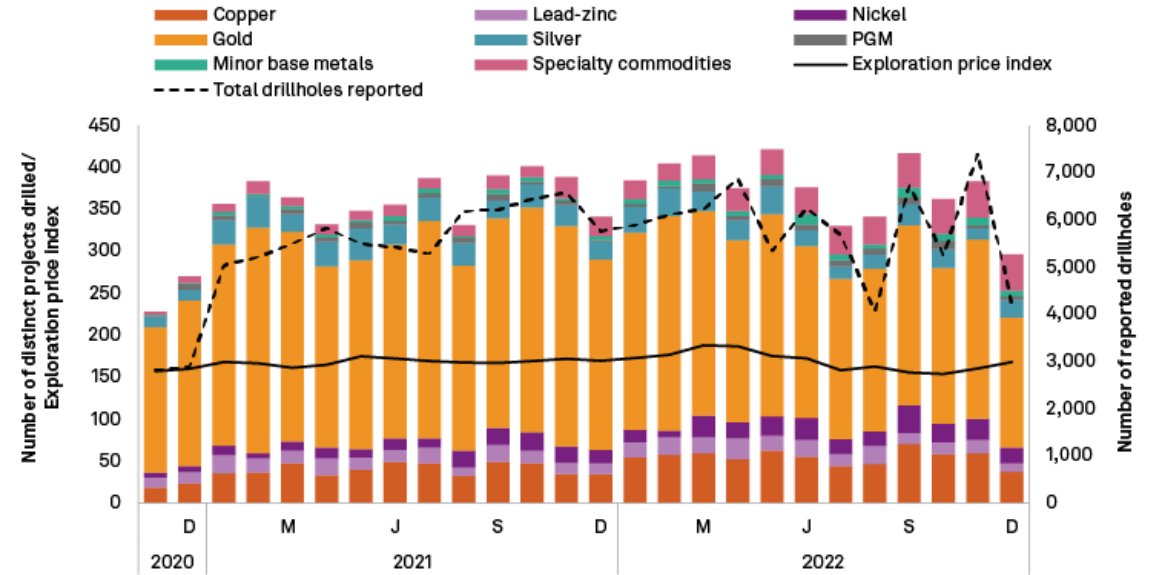


Source: S&P Global Market Intelligence as of 15 January 2023

Exploration struggling to keep up with demand

- Miners increasing exploration budgets after near decade of underinvestment to address growing supply demand
- Electrification and demand for green metals, such as copper, driving exploration and development spending
- China's reopening has fueled expectations for stronger metals demand
- By year end 2022, the downshift in US inflation and a lower US\$ led to resurgence of commodity prices

Project Drilling Activity by Commodity, Nov 2020 – Dec 2022



Source: S&P Global Market Intelligence as of 6 January 2023. PGM = platinum group metals.

Dynamic commodity environment

- Dominance of electric vehicles continues to drive long-term minerals demand
- According to S&P, 2022 non-ferrous exploration budgets increased 16% to \$13B over 2021
- Gold was top exploration target in 2022 with exploration budgets reaching a ten-year high
- Copper exploration budgets increased 21% Y-o-Y reaching a nine-year high



Dynamic Financial and Operating Performance

+13%

REVENUE

FY'22 \$1,039M vs. FY'21 \$921M

Robust Drilling Services and Global Products growth

+7%

ADJUSTED EBITDA¹

FY'22 \$124M vs. FY'21 \$116M²

Impacted by Drilling Services price and volume gains

+83%

LTIR³

FY'22 0.11 vs. FY'21 0.06

Focused on EHS fundamentals and our Golden Rules of Safety

+3%

CAPITAL DEPLOYED

FY'22 \$60M vs. FY'21 \$58M

Added 31 drill rigs to Drilling Services global fleet

+121%

NET PROFIT AFTER TAX⁴

FY'22 \$12M vs. FY'21 \$(57)M

Driven by lower finance costs and lower G&A expenses

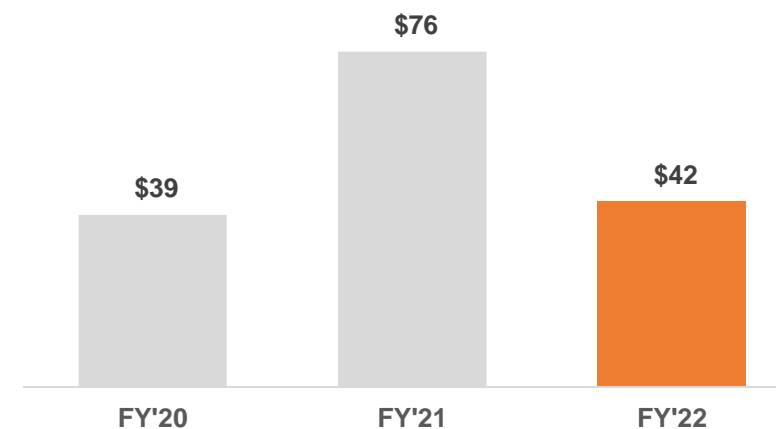
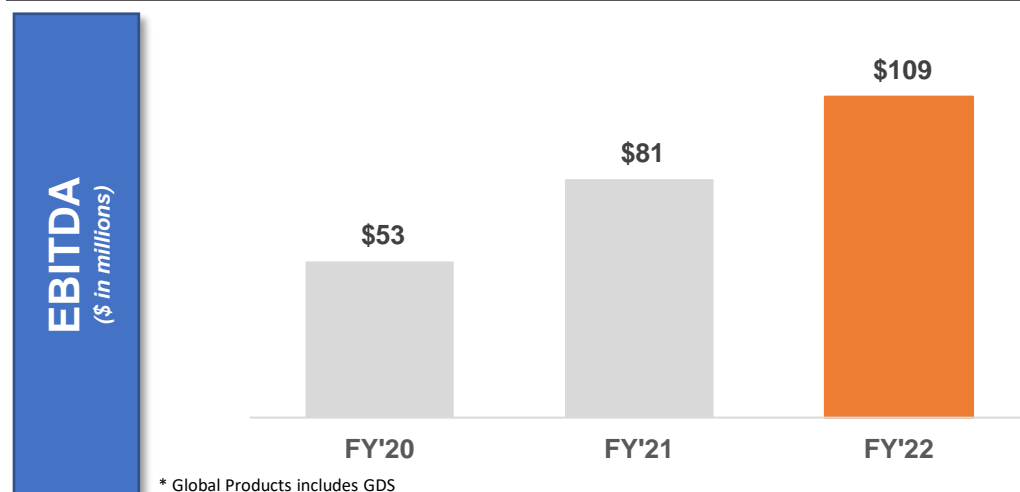
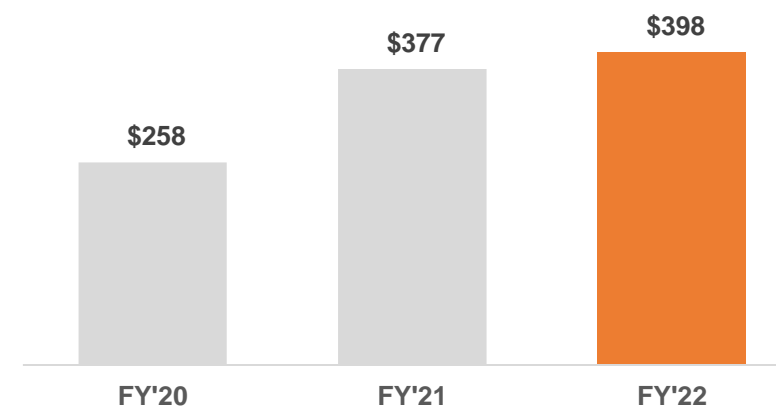


FY'22 Divisional Performance

The information presented is before inter-segment eliminations in order to reflect each business unit's revenue and EBITDA assuming all inter-segment sales were made to third parties instead. This financial information is provided so that investors can better understand each business unit's true scale. Transactions between Company segments are carried out at arm's length and are eliminated on consolidation.

Drilling Services

Global Products*



* Global Products includes GDS





Bigger vision. Smarter data. Smaller footprint.

By fusing science and technology, Veracio will help miners leverage their opportunities while mitigating the social and environmental impact of their decisions.

Unlocking the value and utility of scarce resources.

- Sensing, automation and AI technologies
- Accelerating exploration and orebody confidence
- With high-definition data that leads to better decisions
- Creating more economically efficient operations
- While improving sustainability and reducing waste



JT Clark
CHIEF EXECUTIVE OFFICER



Mike Ravella
CHIEF INNOVATION OFFICER

OREBODY KNOWLEDGE
Platforms

Pr TruProbe™

Su TruSub™

Sc TruScan™

AI + DATA
Software

Ac TruAccess

St TruStructure

Lo AutoLogger

DRILLER
Tools

Co TruCore™*

Sh TruShot™

* TruCore is no longer offered in the US and Australia



ESG Achievements for 2022



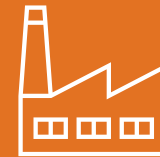
Employee Training

Completed **63,000** training modules during 2022



Diversity

Achieved **11%** women in global workforce against 15x25 goal



Emissions Management

Finalised **Scope 1 & 2 emissions** baseline project across global manufacturing facilities



Safety Achievement

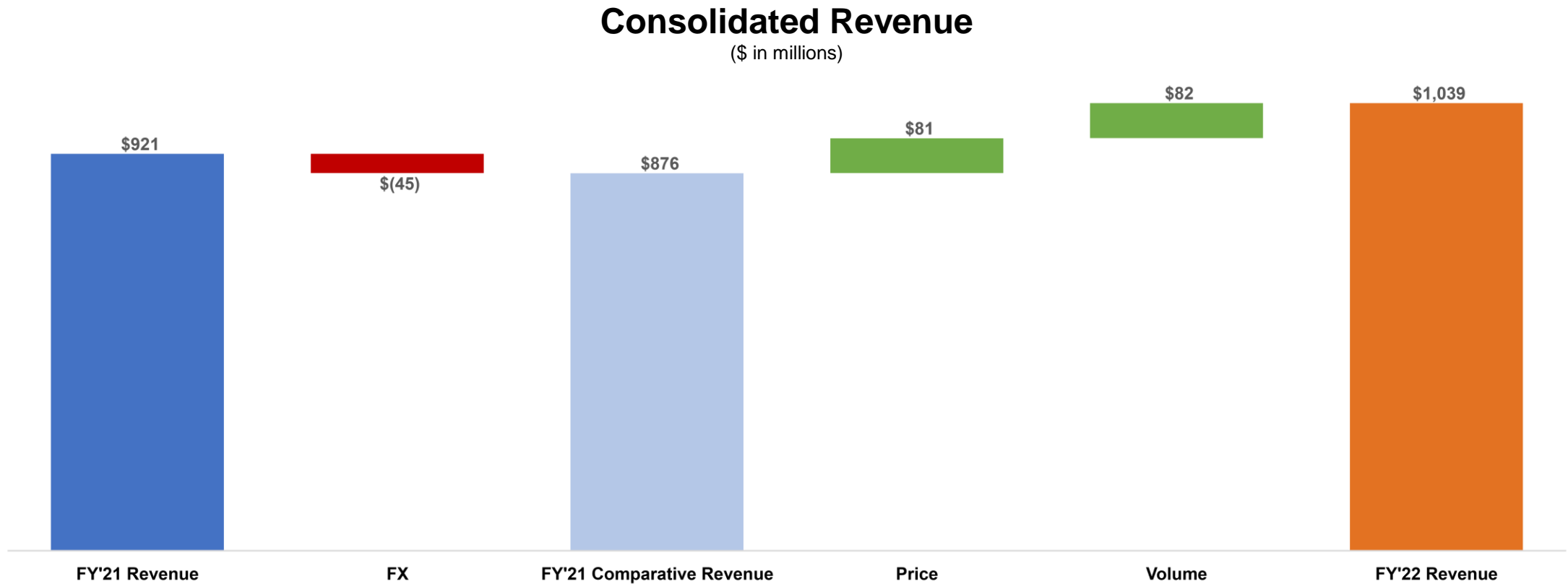
Received '**Safe Day Everyday Gold Award**' for third consecutive year in Canada





Financial Performance

Driving Revenue Growth



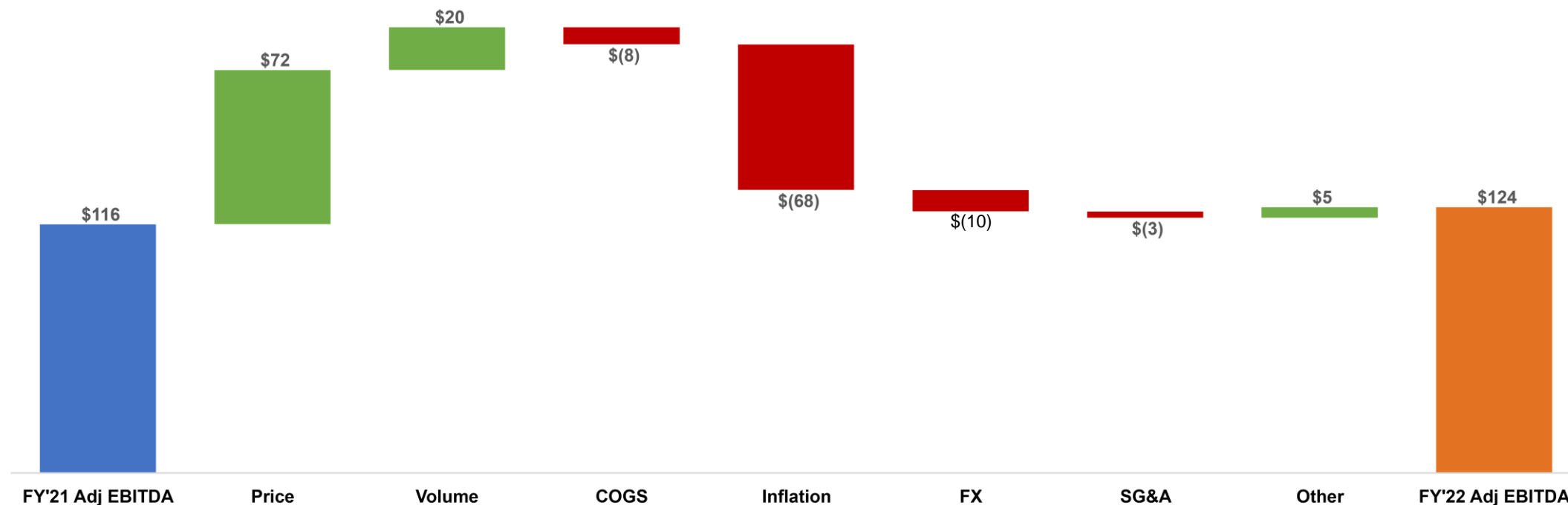
- Driven by robust price and volume gains in Drilling Services and Global Products
- FX impacted mainly from Canada and Australia



Solid Adjusted EBITDA Growth in Inflationary Environment

Consolidated Adjusted EBITDA^{1,2}

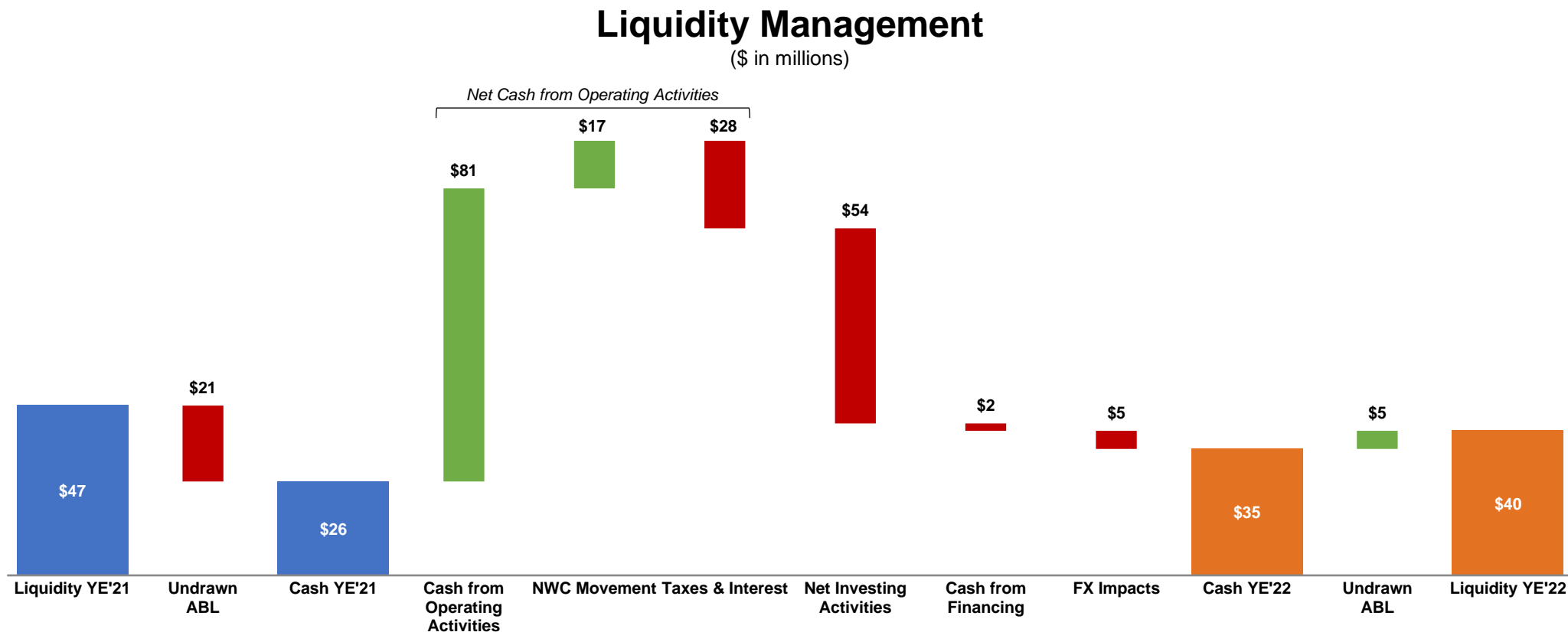
(\$ in millions)



- Benefitted from pricing gains within Drilling Services and Global Products and Drilling Services' volume growth
- Negatively impacted by inflation, mainly consumables, raw materials, labour, and manufacturing costs
- FX impacted mainly from Canada and Australia
- Drilling Services' productivity improvements included in Other category



Cash Flow Discipline through Working Capital Management



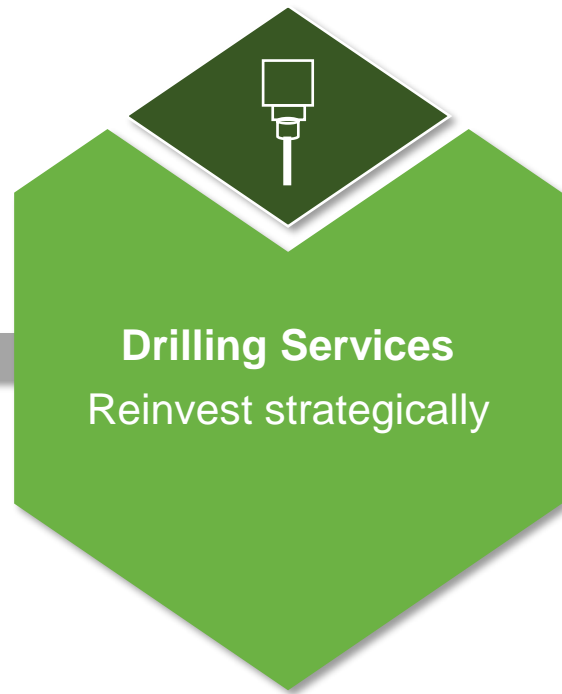
- Proactively managing working capital as well as inventory
- December 2021 ABL expansion made permanent in June 2022
- Higher cash interest in 2022 vs. payment in kind interest in 2021 on outstanding debt





Corporate Summary

Driving Growth in 2023



Investment Highlights



- 1** | Vertically Integrated Industry Leader with Differentiated Offerings Providing Competitive Advantages
- 2** | Unique Integrated Provider of Best-in-Class Drilling Services, Products and Technology Offerings
- 3** | Diverse Revenue Mix Providing Exposure to Most-Attractive Geographies and Commodities
- 4** | Disruptive Veracio Technology to Upend Traditional Logging and Assaying for Miners
- 5** | Robust Growth Profile
- 6** | Strong Balance Sheet Positioned for Growth
- 7** | Stable Capital Structure, Improved Profitability and Significant Growth Tailwinds
- 8** | Best-in-Class Management Team with Decades of Experience





Q&A

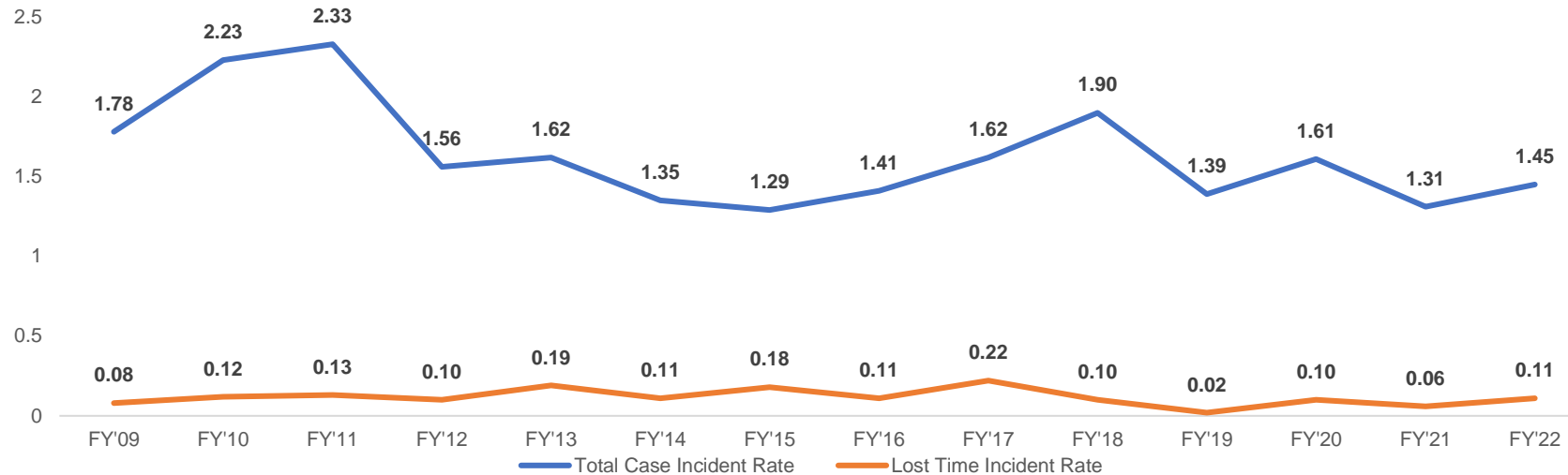




Appendix

Safety Performance Focused on Continuous Improvement

Total Incident Rates³



Key Initiatives

- Refocused on EHS fundamentals, including revamped new employee onboarding training to enhance the new hire experience, emphasising safety fundamentals and building competency relating to Boart Longyear's EHS tools
- Incident reduction focused on critical risk events, hand injuries, as well as vehicle incidents
- Implemented health and wellness campaigns incorporating employee assistance programs through third-party providers
- Maintaining safe work environment focused on industrial hygiene
- Revamped environmental management systems leading to further improvement of controls



Leading Safety Performance KPIs

2022 LTIR: 0.11
2022 TCIR: 1.45

Lost Time Incidents

2022: 7
2021: 4



Year-Over-Year Comparison

Statutory			
(\$ in millions, except EPS)	FY 2022	FY 2021	% Change
Revenue	1,039	921	13%
Gross Margin	177	174	2%
<i>Gross Margin as % of Revenue</i>	17%	19%	
Operating Profit	33	36	(8%)
<i>Operating Profit as % of Revenue</i>	3%	4%	
EBITDA	82	84	(2%)
<i>EBITDA as % of Revenue</i>	8%	9%	
NPAT ⁴	12	(57)	121%
<i>NPAT as % of Revenue</i>	1%	(6%)	
EPS (cents)	4.0	(68.7)	106%

Adjusted			
(\$ in millions, except EPS)	FY 2022	FY 2021	% Change
Revenue	1,039	921	13%
Adjusted EBITDA ²	124	116	7%
<i>Adj. EBITDA as % of Revenue</i>	12%	13%	



Key Performance Indicators by Quarter

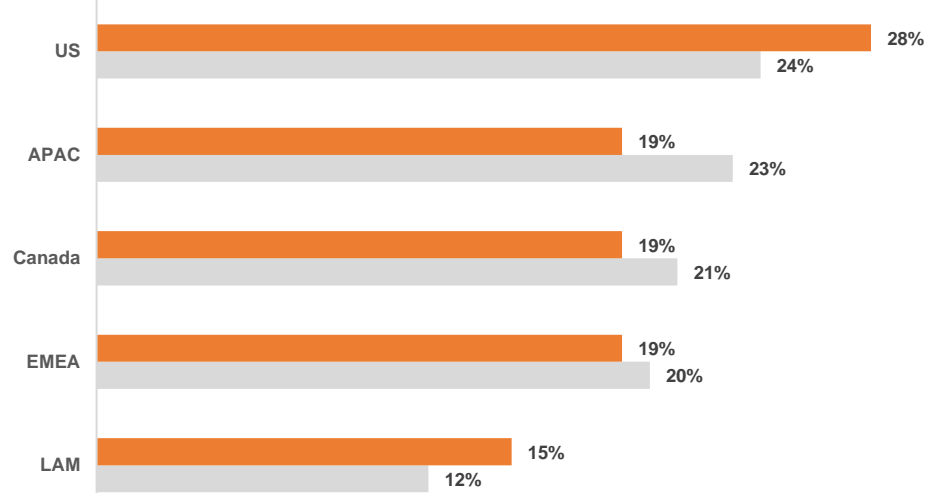
(\$ in millions)	Q4'22	Q3'22	Q2'22	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20	Q1'20
Total Company												
Revenue	245.9	265.4	266.2	261.4	238.4	236.0	238.0	209.0	175.8	172.3	138.3	170.9
EBITDA	12.2	17.2	17.9	34.5	(4.8)	38.6	27.2	23.2	7.4	19.5	5.6	7.8
Adjusted EBITDA ¹	22.4	32.6	32.1	37.1	19.4	32.8	32.4	28.1	15.1	20.8	15.5	8.6
Operating Profit (Loss)	(3.4)	22.5	6.1	23.3	(18.8)	26.6	15.7	12.2	(3.1)	8.9	(4.7)	(1.8)
Net Cash Flows (Used In) Provided by Operating Activities	38.7	9.4	22.8	(2.1)	(11.3)	(10.6)	14.7	10.4	10.8	9.0	24.6	4.9
Net Debt	175.7	190.0	175.8	177.8	164.0	129.7	910.7	869.2	855.1	823.0	815.0	791.0
SG&A	30.2	37.1	34.3	29.5	30.1	25.4	26.5	21.2	23.0	19.1	15.0	23.8
Global Drilling Services												
Revenue	169.5	188.9	186.4	179.0	155.5	158.0	160.6	140.6	121.4	121.0	96.9	117.0
Revenue per Rig	0.27	0.30	0.28	0.27	0.24	0.24	0.25	0.22	0.18	0.18	0.14	0.17
EBITDA	19.3	34.6	36.2	34.8	20.4	24.0	29.3	21.1	10.6	21.0	7.8	11.0
EBITDA per Rig	0.03	0.05	0.06	0.05	0.03	0.04	0.05	0.03	0.02	0.03	0.01	0.02
Average # Drill Rigs	633	638	657	657	654	651	645	638	664	687	691	689
Average Rig Utilisation ²	47%	50%	50%	47%	48%	49%	50%	45%	40%	38%	35%	38%
Global Products*												
Revenue	76.3	76.6	79.8	82.4	83.0	78.0	77.4	68.4	54.5	51.0	41.5	53.9
EBITDA	(1.9)	8.7	6.0	12.6	11.0	19.0	15.7	16.3	5.5	7.1	6.8	5.5
Average Backlog	60.0	61.1	58.2	60.7	70.4	74.0	70.9	51.3	37.9	29.0	30.0	36.5

* Includes Veracio

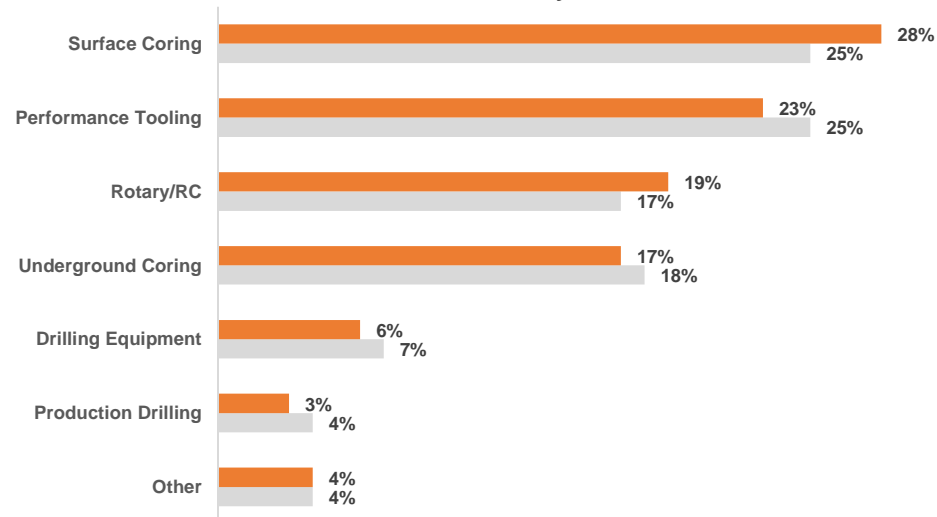


Consolidated and Products Performance Metrics

Consolidated – Revenue by Region

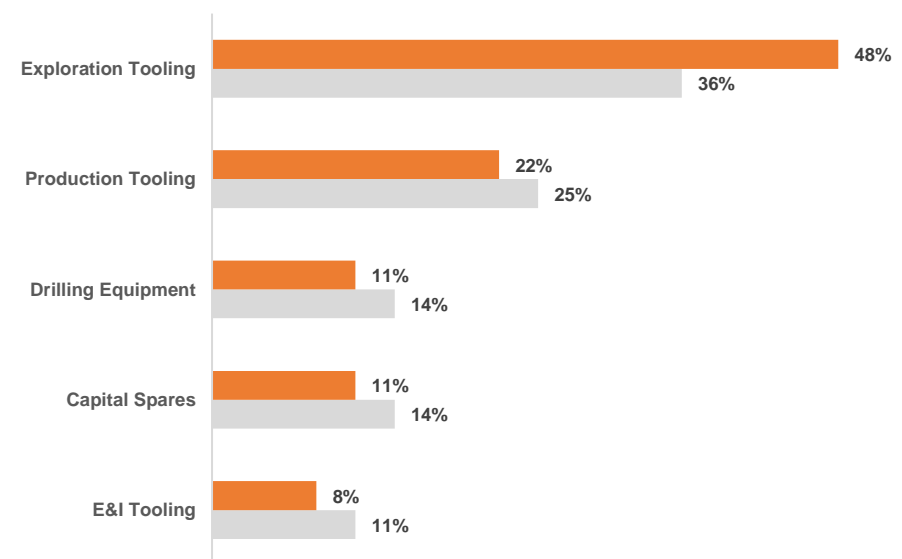


Consolidated – Revenue by Products and Services



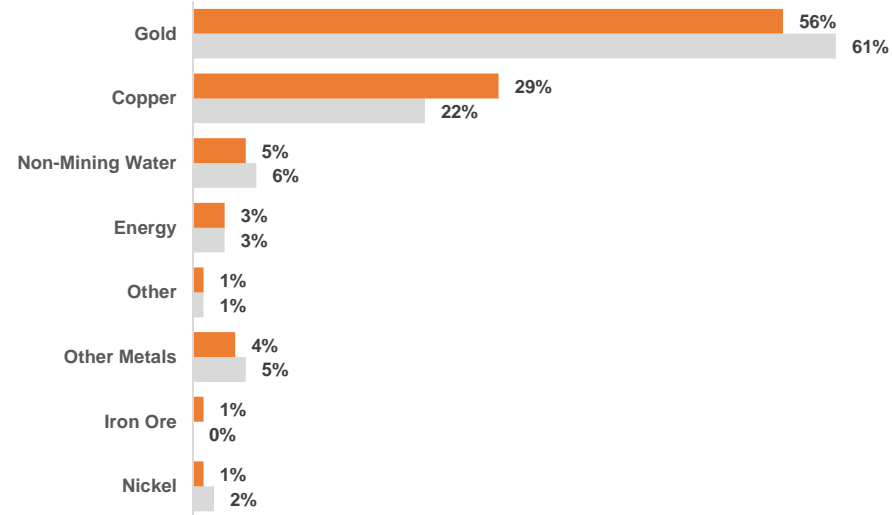
■ 2022 ■ 2021

Products – Revenue by Product Category

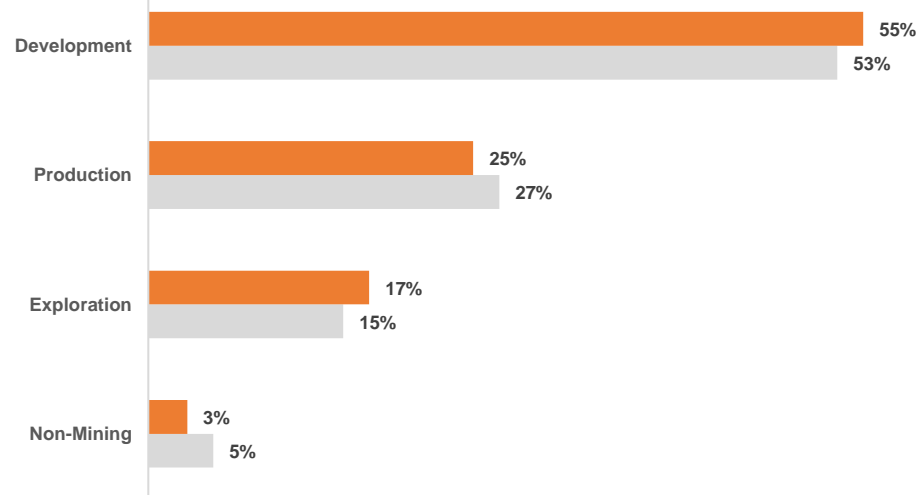


Drilling Services Performance Metrics

Drilling Services – Revenue by Commodity

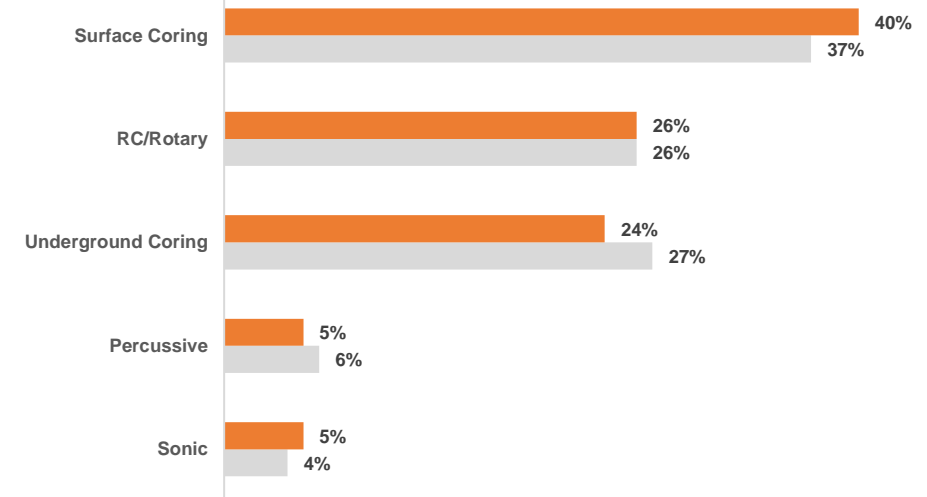


Drilling Services – Revenue by Stage



■ 2022 ■ 2021

Drilling Services – Revenue by Drilling Type



Summary of Inter-Segment Eliminations

Summary of Inter-Segment Eliminations⁽¹⁾

	2020	2021	2022
Drilling Services (DS)			
DS Revenue Prior to InterCo Elimination	\$ 456	\$ 615	\$ 724
(-) DS InterCo Revenue	-	-	-
DS Segment Revenue	\$ 456	\$ 615	\$ 724
DS Segment EBITDA Prior to InterCo Profit Elimination	\$ 53	\$ 81	\$ 109
(+) DS InterCo Costs Prior to InterCo Elimination ⁽²⁾⁽³⁾	9	14	16
DS Segment EBITDA, Net of Adjustments	\$ 62	\$ 95	\$ 125
Drilling Products (DP)⁽⁴⁾			
DP Revenue Prior to InterCo Elimination	\$ 258	\$ 376	\$ 398
(-) DP InterCo Revenue	57	70	83
DP Segment Revenue	\$ 201	\$ 306	\$ 315
DP Segment EBITDA Prior to InterCo Elimination	\$ 38	\$ 76	\$ 41
(-) DP InterCo EBITDA Prior to InterCo Elimination ⁽²⁾⁽³⁾	(11)	(14)	(16)
DP Segment EBITDA, Net of Adjustments	\$ 27	\$ 62	\$ 25

Segment Reconciliation to Total Results, Revenue and Adjusted EBITDA

	2020	2021	2022
DS Segment Revenue	\$ 456	\$ 615	\$ 724
DP Segment Revenue	201	306	315
Total Third Party Revenue	\$ 657	\$ 921	\$ 1,039
DS Segment EBITDA ⁽⁵⁾	\$ 62	\$ 95	\$ 125
DP Segment EBITDA ⁽⁶⁾	27	62	25
Corporate and Other Income / (Expense)	(29)	(41)	(26)

1. Transactions between segments are carried out at arm's length and are eliminated on consolidation.
2. Represents inter-segment profits from Drilling Services / Costs of Drilling Services, which are eliminated upon consolidation.
3. Eliminated Drilling Products' profits are greater than eliminated expenses as some inter-segment purchases represent capital expenditures.
4. GDS results are reported within Drilling Products segment.
5. 2020 Segment EBITDA includes \$8.3 million adjustment for fixed asset impairment and \$3.3 million adjustment for inventory obsolescence charge.
6. 2020 Segment EBITDA includes \$1.8 million adjustment for inventory obsolescence charge.
7. Adjusted EBITDA at 31 December 2021 has been restated from the prior year figure to make it comparable to the current year calculation.



Footnote Disclosures

- Footnote 1:** EBITDA is 'Earnings before interest, tax, depreciation and amortisation.' Adjusted EBITDA is 'Earnings before interest, tax, depreciation, and amortization and before major restructuring initiatives, impairments of assets, and other significant and non-recurring transactions outside the ordinary course of business.' These items are identified by management as not representing the underlying performance of the business. Adjusted EBITDA is not a comprehensive representation of all the significant transactions the Company recognised throughout the year. For example, it includes gains from sales of assets and excludes contract termination costs, legal fees, and indirect tax write-offs.
- Footnote 2:** Adjusted EBITDA at 31 December 2021 has been restated from the prior year figure to make it comparable to the current year calculation.
- Footnote 3:** Per 200,000 work hours.
- Footnote 4:** Net Profit after Tax in 2021 was impacted by a number of Non-Cash and Non-Recurring adjustments, including impairments, debt modification, and other restructuring charges.
- Footnote 5:** Boart Longyear calculates rig utilisation on a weekly basis. If a rig generates revenue during a specific seven-day period, it is counted as an *operating rig*. The Company's quarterly rig utilisation metric is an average of the 13 weeks within that quarter. The Company's half-year rig utilisation metric is an average of the 26 weeks within the first half.

