

# ASX ANNOUNCEMENT

23 February 2018

## Results for the six months ended 31 December 2017

### Macmahon returns to profitability - results in line with guidance

- **1H18 revenue of \$270.0 million up from \$168.3 million in the pcq**
- **EBIT of \$9.9 million**
- **FY18 EBIT guidance of \$40 million to \$50 million (excluding one-off costs and unrealised FX gains / losses)**
- **Contacts secured underpin earnings for 5+ years**
- **Cash balance at 31 December 2017 of \$70.2 million (net cash of \$27.9 million)**
- **Healthy pipeline of new opportunities**

Macmahon Holdings Limited (ASX:MAH) today released its half year results to 31 December 2017.

Revenue for the half year was \$270.0 million, resulting in a net profit after tax from continuing operations of \$8.2 million. Revenue for the full year is expected to be in the range of \$620 - \$680 million with FY18 EBIT from continuing operations (excluding one-off costs and unrealised FX gains / losses) anticipated to be in the range of \$40 - \$50 million.

Chief Executive Officer, Michael Finnegan, said the Company was well positioned for future growth and was on track to deliver significantly improved financial performance.

“The last six months has been a busy period for Macmahon,” Mr Finnegan said.

“During the half we have continued to focus on executing our existing projects well. We have also successfully commenced operations at a number of new major projects,” Mr Finnegan said.

Commenting on some of the Company’s major operations, Mr Finnegan said, “In Australia, we continued to perform well at Tropicana where we have a close and productive relationship with our client. In December 2017, phase 1 of the Long Island mining strategy was approved by the project’s Joint Venture partners, which will further extend the life of the mine.

“At Telfer, we have been steadily improving our performance and we remain on track to achieve a break even result for the 2018 financial year.

“In Queensland, we are very happy with the progress made at Byerwen, which commenced operations in August 2017.

“Meanwhile, in Western Australia, we are currently in the process of establishing our operations at the Mt Morgans Gold Mine following the award of the mining contract in mid-December 2017.

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“Looking overseas; obviously the most significant development during the period was the contract award and commencement of work at the Batu Hijau Copper/gold Mine in Indonesia. Importantly, the workforce transition to Macmahon is progressing without significant interruption to operations, and we are close to commencing Phase 2 of the project.

“All of our other surface projects in South East Asia are performing well and we are continuing to leverage our local expertise to pursue further opportunities in the region,” he said.

In October the Macmahon - NKE joint venture was selected by PT Merdeka Copper Gold as the preferred proponent to develop an exploration decline at its Tujuh Bukit Porphyry Project in Indonesia.

Commenting on the outlook for the Company, Mr Finnegan said Macmahon was continuing to pursue a range of opportunities which aligned with the Company’s strategy.

“We are fortunate in that we have contracts secured that underpin our earnings for at least 5 years, which means that we can be more selective with the opportunities we pursue,” Mr Finnegan said.

“In particular we are looking 12 – 18 months ahead at a range of surface and underground opportunities and are fostering strategic relationships with potential clients well ahead of tenders being released,” Mr Finnegan said.

**\*\*\* ENDS \*\*\***

For further information, please contact:

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### **About Macmahon**

*Macmahon is an ASX listed company offering the complete package of mining services to miners throughout Australia and in New Zealand, South East Asia and Africa.*

*Macmahon’s extensive experience in both surface and underground mining has established the Company as the contractor of choice for resources projects across a range of locations and commodity sectors.*

*Macmahon is focused on developing strong relationships with its clients whereby both parties work in an open, flexible and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties.*

Visit [www.macmahon.com.au](http://www.macmahon.com.au) for more information.