



//// underground mining excellence

A large red drilling rig is positioned in a dark underground mine. The rig is illuminated by its own lights, and the surrounding rock walls are visible. The scene is overlaid with a semi-transparent black rectangle containing the text 'FY19 BUSINESS UPDATE'.

FY19 BUSINESS UPDATE



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FY19 HIGHLIGHTS

- Perenti's acquisition of Barminco completed on 31 October 2018
- Continued industry-leading safety performance
- Contracts continue to perform well with Barminco EBIT up 3.1% in FY19
- Strong EBITDA cash conversion of 109%
- New projects awarded – Odysseus and Rosemont with a combined value of \$120M+
- Significant Contract extensions secured circa \$1.4B in FY19 for Barminco:
 - 5 year Sunrise Dam extension valued at \$700M
 - 4 year Nova extension valued at \$240M
 - 4 year Agnew extension valued at \$335M
 - 3.5 year Rampura Agucha extension valued at \$100M
- UMA a (70/30) JV between AUMS and Rocksure awarded a 5 year US\$375M contract at Obuasi for AGA
- Tender activity remains strong

FY19 BARMINCO AUDITED RESULTS

- Revenue uplift a result of increased scope at key sites and the Mt Colin and Rosemont ramp up
- Trading EBITDA up 2.3% on PCP
- Trading EBIT up 1.5% on PCP
- Trading EBIT margin at 9.3%

	FY19 \$M	FY18 \$M
Revenue		
Mining	578.5	529.7
Diamond drilling	56.4	49.8
Other	12.9	6.6
Total revenue	647.8	586.1
Project costs	527.5	471.5
Project EBITDA		
Mining	110.9	107.4
Diamond drilling	8.2	6.8
Other	1.1	0.4
EBITDA – projects	120.2	114.6
Shared services costs		
Operational & admin services	32.5	31.9
Shared services allocation	(32.2)	(34.7)
Trading EBITDA¹	120.0	117.3
Trading EBITDA %	18.5%	20.0%
Depreciation and Amortisation	59.9	58.2
Trading EBIT²	60.1	59.2
Trading EBIT %	9.2%	10.1%
Redundancies	0.2	1.1
EBIT	59.9	58.1

(1) Trading EBITDA represents earnings before income tax (expense) benefit, finance costs, depreciation & amortisation, share of associates profit, redundancies expense and transaction costs

(2) Trading EBIT represents earnings before income tax (expense) benefit, finance costs, share of associates profit, redundancies expense and transaction costs

BARMINCO BALANCE SHEET

- Strong liquidity in Barminco standalone circa \$182M
 - Cash on hand of \$73.3M
 - Revolving credit facility of \$45M which is effectively undrawn
 - Circa \$67M of HP capacity
- Inventory increase due to revenue growth

Barminto Available Liquidity (June-19)	Maximum \$M	Amount Drawn \$M	Current Availability \$M
Cash	73.3	0.0	73.3
High Yield Bonds	498.5	498.5	0.0
Revolving Credit Facility ¹	45.0	3.1	41.9
Hire Purchase	75.0	7.8	67.2
Total	691.8	509.4	182.4

(1) No cash currently drawn, however \$3.1M of bank guarantees and transaction banking facilities have been applied against this balance

		Jun-19 \$M	Jun-18 \$M
Current assets	Cash and cash equivalents	73.3	80.3
	Trade and other receivables	96.9	83.5
	Inventories	24.6	20.7
	Other	4.6	2.7
	Total current assets	199.4	187.2
Non-current assets	Property, plant & equipment	161.7	124.9
	Intangible assets	256.6	259.0
	Investments accounted for using the equity method (AUMS)	85.0	71.2
	Deferred tax asset	14.0	63.3
	Other non-current assets	0.2	1.0
	Total non-current assets	517.5	519.4
Total assets		716.9	706.6
Current liabilities	Trade, other payables	86.9	72.6
	Borrowings	5.2	13.2
	Employee benefits	29.6	25.8
	Provisions	0.2	-
	Total current liabilities	121.9	111.6
Non-current liabilities	Borrowings	505.8	479.5
	Derivative financial instruments	-	19.6
	Employee benefits	0.8	1.7
	Total non-current liabilities	506.6	500.8
Total liabilities		628.5	612.4
Net (liabilities) / assets		88.4	94.2

BARMINCO CASH FLOW

- Strong EBITDA cash conversion of 109% in FY19
- Continued focus on working capital management
- Capex fully funded by cash
- Transaction costs relate to acquisition of Barminco by Perenti

	Jun-19 \$M	Jun-18 \$M
Trading EBITDA	120.0	117.3
Movement in Working Capital/Other	10.5	(21.1)
Dividends (AUMS)	19.3	13.1
Sub Total	149.8	109.3
Capital Expenditure (net of disposals)	(95.3)	(48.7)
Finance/HP Lease Payments	(15.4)	(18.3)
Interest (Net) & Transaction Costs	(52.8)	(39.8)
Proceeds from swap close out	8.4	-
Tax paid	(1.1)	(0.2)
FX rate fluctuations on cash held	(0.6)	-
Net Cashflow	(7.0)	2.4
Opening Cash	80.3	77.9
Closing Cash	73.3	80.3

BARMINCO CAPITAL EXPENDITURE

- Growth capex relates to:

- Mt Colin
- Rosemont
- Sunrise Dam
- Dugald River

	Jun-19 \$M	Jun-18 \$M
Growth	36.3	23.0
Stay in business	61.4	41.0
Total capital expenditure	97.7	64.0

- 100% of capex funded via cash

Reconciliation to Cash Capital Expenditure	Jun-19 \$M	Jun-18 \$M
Total capital expenditure (as per breakdown above)	97.7	64.0
Less: Capital expenditure funded by HP	-	(6.9)
Total capital expenditure (funded with cash)	97.7	57.1
Less: Proceeds from sale of PPE	(2.4)	(8.4)
Cash capital expenditure (net of disposals)	95.3	48.7

BUSINESS OUTLOOK

- Outlook for the metals and minerals mined underground remains relatively strong
- Tender pipeline and tender activity continues to be strong in Australia and Africa