



//// underground mining excellence

A photograph of an underground mining operation. A large, orange and white drilling rig is positioned in a dark, rocky tunnel. The rig is illuminated by bright lights, and its long arm extends across the frame. The background shows the rough, uneven walls of the mine.

Q3 FY20 BUSINESS UPDATE



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Q3 FY20 BARMINCO RESULTS

- Continued solid performance in Q3
- Trading EBITDA up 12.1% on PCP
- Trading EBIT up 6.0% on PCP
- Trading EBIT margin at 8.5%
- Minimal impact in relation to AASB 16

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

	Mar-20 YTD \$M	Mar-19 YTD \$M
Revenue		
Mining	486.8	425.8
Diamond drilling	38.7	42.3
Other	13.7	9.5
Total revenue	539.2	477.6
Project costs	439.2	389.4
Project EBITDA		
Mining	92.8	81.2
Diamond drilling	6.6	6.1
Other	0.6	0.9
EBITDA – projects	100.0	88.2
Shared services costs		
Operational & admin services	29.2	24.5
Shared services allocation	(27.3)	(23.8)
Trading EBITDA¹	98.1	87.5
<i>Trading EBITDA %</i>	<i>18.2%</i>	<i>18.3%</i>
Depreciation and Amortisation	52.0	44.0
Trading EBIT²	46.1	43.5
<i>Trading EBIT %</i>	<i>8.5%</i>	<i>9.1%</i>
Transaction costs and other costs	1.4	11.5
EBIT	44.7	32.0

BARMINCO BALANCE SHEET

- Continued strong liquidity
- Barmenco entered into a \$75M secured principal credit facility with its parent, Perenti Global Limited. The new facility will provide the business with liquidity going forward and has replaced the \$45M Barmenco RCF that was cancelled on 9 June 2020

		Mar-20 \$M	Jun-19 \$M
Current assets	Cash and cash equivalents	89.6	73.3
	Trade and other receivables	107.2	96.9
	Inventories	26.5	24.6
	Other	4.1	4.6
	Total current assets	227.4	199.4
Non-current assets	Property, plant & equipment	146.3	161.7
	Right of use assets	39.5	-
	Intangible assets	292.9	256.6
	Investments accounted for using the equity method (AUMS)	134.8	85.0
	Deferred tax asset	34.2	14.0
	Other non-current assets	-	0.2
	Total non-current assets	647.7	517.5
Total assets		875.1	716.9
Current liabilities	Trade, other payables	95.5	86.9
	Borrowings	9.1	5.2
	Employee benefits	31.4	29.6
	Provisions	0.1	0.2
	Total current liabilities	136.1	121.9
Non-current liabilities	Borrowings	603.3	505.8
	Employee benefits	0.9	0.8
	Total non-current liabilities	604.2	506.6
Total liabilities		740.3	628.5
Net assets		134.8	88.4

BARMINCO CASH FLOW

- Working capital impacted by revenue growth
- Strong EBITDA cash conversion in Q3 FY20 of 111%
- \$14M of Dividends received from AUMS to 31 March 2020

	Mar-20 YTD \$M	Mar-19 YTD \$M
Trading EBITDA	98.1	87.5
Movement in Working Capital/Other	(11.8)	(8.0)
Dividends (AUMS)	14.0	5.2
Sub Total	100.3	84.7
Capital Expenditure (net of disposals)	(55.8)	(65.2)
Finance/HP Lease Payments	(7.7)	(11.7)
Interest (Net) & Transaction Costs	(17.9)	(35.6)
Tax paid	(2.7)	(0.6)
Other	0.1	(0.2)
Net Cashflow	16.3	(28.6)
Opening Cash	73.3	80.3
Closing Cash	89.6	51.7

BARMINCO CAPITAL EXPENDITURE

- YTD FY20 capex spend at \$66.6M
- 84% of capex funded via cash
- Growth capex mainly relates to:
 - Rosemont
 - Savannah (to be deployed to other projects in Q4 FY20 and beyond)

	Mar-20 YTD \$M	Mar-19 YTD \$M
Growth	33.6	23.4
Stay in business	33.0	42.7
Total capital expenditure	66.6	66.1

Reconciliation to Cash Capital Expenditure	Mar-20 YTD \$M	Mar-19 YTD \$M
Total capital expenditure (as per breakdown above)	66.6	66.1
Less: Capital expenditure funded by HP	(10.5)	-
Total capital expenditure (funded with cash)	56.1	66.1
Less: Proceeds from sale of PPE	(0.3)	(0.9)
Cash capital expenditure (net of disposals)	55.8	65.2