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# FY22 Annual General Meeting

21 October 2022





# Acknowledgement of Country

**We wish to acknowledge the traditional custodians of the land on which we meet today, the Whadjuk people, and pay our respects to elders past, present and emerging.**

**We extend that respect to the traditional custodians of the lands on which our online participants join us and to all Aboriginal and Torres Strait Islander people and non indigenous persons here today.**



**MACMAHON**

# Board of Directors



**EVA SKIRA**  
Independent Non-Executive Chair



**MICHAEL FINNEGAN**  
Managing Director  
and Chief Executive Officer



**DENISE McCOMISH**  
Independent, Non-Executive Director



**BRUCE MUNRO**  
Independent, Non-Executive Director



**ALEX RAMLIE**  
Non-Independent, Non-Executive Director



**ARIEF SIDARTO**  
Non-Independent, Non-Executive Director



**HAMISH TYRWHITT**  
Independent, Non-Executive Director

# Online Attendees – Question Process

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Select the Q&A Icon that appears on the top right of your screen



To submit a question, type your question in the box that states “Enter your question here” and press Send button



Your question will be sent immediately for review. To ask a verbal question, follow the instructions on the virtual meeting platform.

Received

The screenshot shows a navigation bar at the top with four icons: Broadcast (monitor), Vote (document with '1'), Q & A (speech bubbles), and Documents (folder). The Q & A icon is highlighted with a purple underline. Below the navigation bar is a large text input area labeled "Your questions(s)". Below this is a smaller text input area with the placeholder "Enter your question here" and a "Send" button to its right. The "Send" button is purple with white text. Below the "Send" button is a character count "24 character(s)". Above the "Send" button is a dropdown menu showing "3 Adoption of Remuneration Report" with a downward arrow.





# Online Attendees – Voting

When the Chair declares the poll open, select the 'Vote' icon and the voting options will appear on your screen.



To vote, select your voting direction. A tick will appear to confirm receipt of your vote.

There is no submit or send button, your selection is automatically recorded. To change your vote, select 'Click here to change your vote' and press a different option to override.

 Broadcast	 Vote	 Q & A	 Documents
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**Items of Business**

**2A Re-elect Mr John Brown as a Director**

FOR	AGAINST	ABSTAIN
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**2B Re-elect Mr Peter Nolan as a Director**

FOR	AGAINST	ABSTAIN
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# Format of Meeting

- 1. Welcome and Introduction**
- 2. Chair's Address**
- 3. Managing Director and CEO's Address**
- 4. Formal Business**
  - Introduction
  - Proxy Voting Results
  - Financial Statements and Reports Discussion/Questions
  - Consideration of Resolutions, Question and Voting
- 4. Closing**

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CHAIR ADDRESS

Eva Skira

MACMAHON – FY22 Annual General Meeting



# Overview

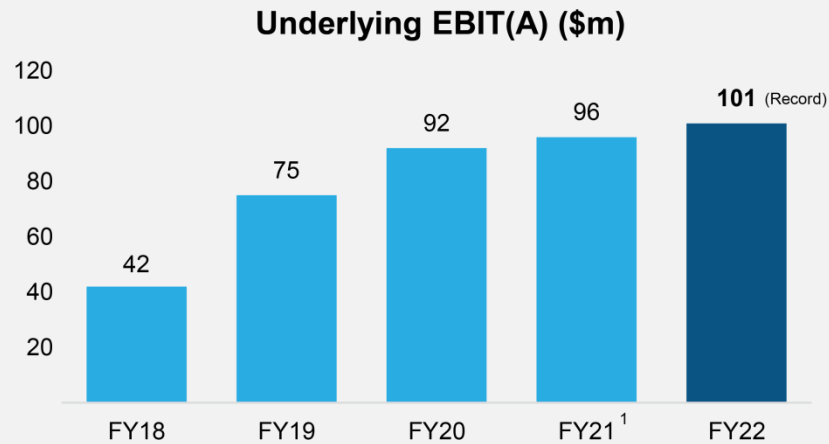
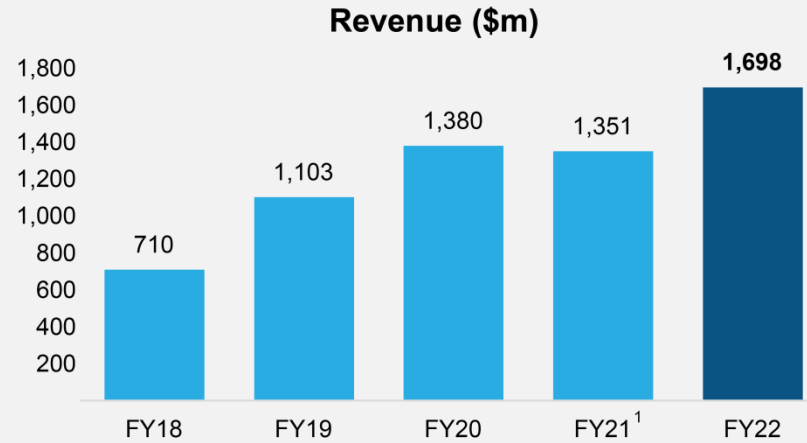
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## A Successful Year

- Delivered record financial results
- Achieved earnings guidance for 5<sup>th</sup> consecutive year
- Strong financial position
- \$5 billion order book
- Five new projects commenced / ramped up

## Our People

- 7,868 workforce
- Various measures continue to protect our people and operations
- Trained over 1,000 people
- Improved safety performance



<sup>1</sup> 2021 results have been restated to reflect the Group's change in accounting policy for costs related to configuration and customisation of Software-as-a-Service (SaaS). Refer to note 15 to the Financial Statements





# Sustainability

Focused on improving disclosure and performance

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## Environment



**Baseline Environmental Footprint Project**



**Overview of ESG footprint**



**FY22 GHG emissions**  
(tonnes per CO<sub>2</sub>-e)  
Scope 1: 15,125  
Scope 2: 1,246



**Land rehabilitated**  
169 hectares in Australia  
48 hectares in Indonesia



**Tyre Recycling Program**  
1,267 tonnes recycled

## Social



**Diversity**  
4.7% Indigenous  
33.3% Female NEDs  
57.1% Females in Executive Leadership positions



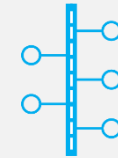
**Grow Our Own People**  
Training 1,030 people



**Strong Minds, Strong Mines**  
Extended to wider industry

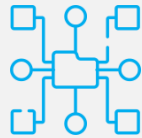


**Strong Minds, Strong Schools**  
Launched into WA Schools



**Sexual Harassment Road Map**  
Bystander training  
New whistleblower platform  
Independent culture review and pulse checks

## Governance



**Sustainability Framework**



**New Sexual Harassment Policy**



**Culture Survey**  
(New company values)



**No reported incidents of corruption**



**Board Diversity**



Naidoc Week Celebrations



Indigenous Trainees Queensland



Custom Loader Underground Tyre



Strong Minds, Strong Schools - WA



Perth Football Club Schools Program

# Capital Allocation Policy to Balance Growth and Shareholder Returns

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## Our Priorities

- ✓ Maintain strong balance sheet
- ✓ Ensure appropriate liquidity and gearing with regard to revenue visibility and outlook
- ✓ Retain flexibility to fund tender pipeline and accretive acquisitions
- ✓ Return cash to shareholders via dividends and/or share buyback

## FY22 Capital Allocation and Dividend

### 1. Maintain Financial Strength

- Gearing: 27.8%
- Liquidity: Net Debt / EBITDA 0.7x

### 2. Investment in Growth

- Growth Capex: \$131m on contract awards

### 3. Return Cash to Shareholders

- FY22 final dividend of 0.35 cents per share (unfranked)
- FY22 total dividend of 0.65 cents per share (unfranked)



# Closing Remarks

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**MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
ADDRESS**

**Mick Finnegan**

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# FY22 Financial Highlights

Record underlying operating earnings delivered

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<b>Revenue</b> <b>\$1.7bn</b> ▲ 26%	<b>Underlying EBITDA<sup>1</sup></b> <small>(Record)</small> <b>\$291.4m</b> ▲ 17% 17.2% margin	<b>Underlying EBIT(A)<sup>1</sup></b> <small>(Record)</small> <b>\$100.8m</b> ▲ 5% 5.9% margin	<b>FY23 Secured Revenue<sup>5</sup></b> <b>\$1.45bn</b>	
<b>Underlying NPAT(A)<sup>1</sup></b> <b>\$63.0m</b> ▲ 5% Statutory NPAT \$27.4m	<b>Underlying operating cash flow<sup>2</sup></b> <b>\$269.8m</b> Flat Cash Conversion 92.6%	<b>Total Dividend</b> <b>0.65cps</b>		<b>FY23 Revenue Guidance<sup>6</sup></b> <b>\$1.6bn – \$1.7bn</b>
<b>Net Debt</b> <b>\$215.5m</b> Net Debt /EBITDA 0.74x	<b>ROACE<sup>3</sup></b> <b>13.9%</b>	<b>Order Book<sup>4</sup></b> <b>\$5.0bn</b>		<b>FY23 EBIT(A) Guidance<sup>7</sup></b> <b>\$105m – \$125m</b>

1. Underlying numbers exclude total adjustments of (\$35.6m)

2. Net operating cash flow excluding interest, tax, M&A costs and SaaS customisation costs

3. ROACE: Underlying EBIT(A) / Average ((Total Assets excluding Cash) – (Current Liabilities excluding debt))

4. As at 30 June 2022 and excludes future contract cost escalation recoveries

5. Excludes short term civil and underground churn work and future contract cost escalation recoveries

6. Guidance assumes an exchange rate of AUD:USD 0.72 and excludes future contract cost escalation recoveries

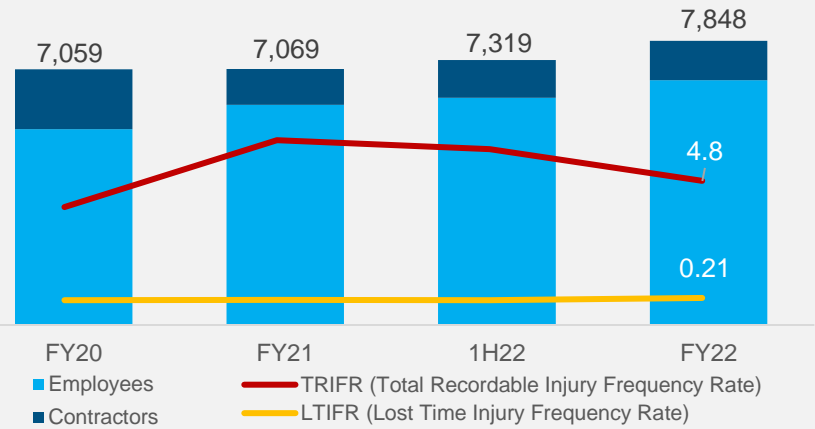
7. Excludes one-off items and amortisation related to the GBF Group and Martabe acquisition



# People and Safety

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**Injury Frequency Rates and Workforce FTE**



**STRONG MINDS**  
**STRONG MINES**





# Winning at Macmahon – Evolving our Culture & Values

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## Macmahon Winning Statement

### WINNING AT MACMAHON IS

We are **diverse**.  
We **respectfully partner**.  
We **sustainably deliver value**.  
We wear the **Omega** with **pride**.

## Macmahon Winning Equation

**WINNING = PEOPLE x VALUES x PERFORMANCE**

## Macmahon Winning Values

### WE THINK AND BEHAVE ACCORDING TO OUR VALUES.



#### UNITED

**Be Inclusive • Work Together • Support Each Other**

We value diversity, inclusion and working together to achieve exceptional outcomes.



#### COURAGE

**Be Brave • Speak Up • Challenge Yourself**

We persevere and push through boundaries to strengthen our team.



#### INTEGRITY

**Be Honest • Respect People • Be Accountable**

We are transparent, we live our values and take accountability for our actions.



#### PRIDE

**Be Humble • Work Hard • Celebrate Wins**

We set high standards, pursue excellence, show humility and celebrate success.

# FY22 Operational Highlights

Execution of new project starts and existing contracts, managing challenging industry conditions. Well positioned for FY23.

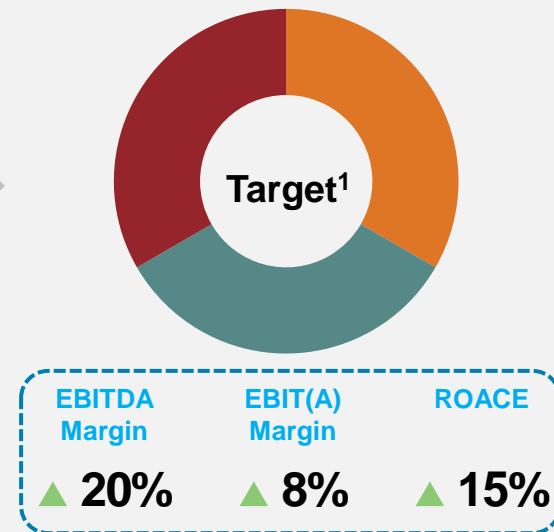
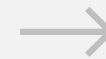
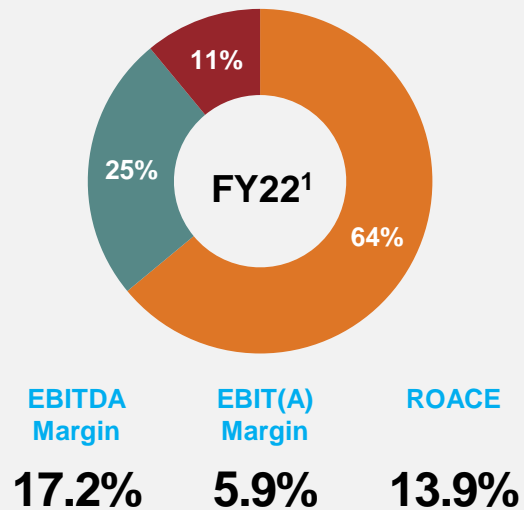
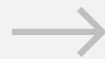
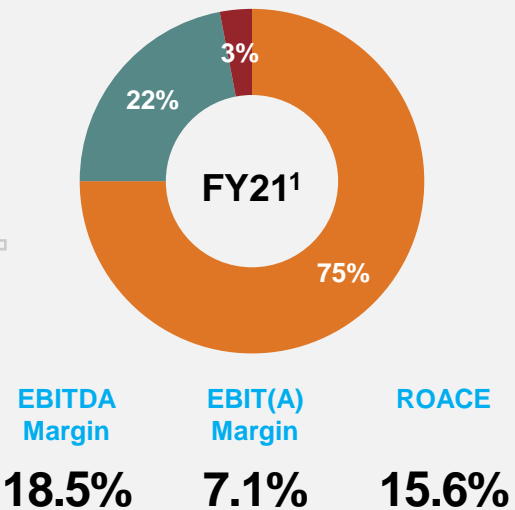
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Financials	Surface Mining	Underground Mining	Mining Support Services	Outlook
<ul style="list-style-type: none"> <li>Continued growth in revenue and underlying operating earnings</li> <li>Guidance delivered for 5<sup>th</sup> consecutive year</li> <li>Solid balance sheet:               <ul style="list-style-type: none"> <li>– ND/EBITDA 0.74x</li> <li>– Gearing 27.8%</li> </ul> </li> <li>Disciplined capital management:               <ul style="list-style-type: none"> <li>– Cash conversion 92.6%</li> <li>– SFA refinanced, available liquidity of \$297m</li> <li>– ROACE of 13.9%</li> </ul> </li> <li>Final dividend: 0.35 cps (unfranked)</li> <li>Full year dividend stable at 0.65 cps</li> </ul>	<ul style="list-style-type: none"> <li>Executing on contract commencement and ramp-ups including:               <ul style="list-style-type: none"> <li>– Dawson South project</li> <li>– King of the Hills project</li> <li>– Warrawoona project</li> </ul> </li> <li>Improvement in Telfer contract performance</li> <li>Batu Hijau Phase 8 well advanced</li> <li>Successful redeployment of our Mt Morgans workforce and equipment to other Macmahon projects</li> </ul>	<ul style="list-style-type: none"> <li>Increasing scale of underground division to 25% of group revenue</li> <li>Commencement at King of the Hill underground project</li> </ul>	<ul style="list-style-type: none"> <li>Increasing scale of business to 11% of group revenue</li> <li>Delivering training to 1,030 Macmahon and other mining industry participants</li> <li>Ramp-up of Foxleigh project equipment hire and maintenance services</li> <li>Expanded in WA including construction of new mine site for Calidus at Warrawoona project and a tailings storage facility buttress at Northern Star's Fimiston pit.</li> <li>Entered into Teaming Arrangement with party that has complimentary skill set that will accelerate our growth</li> </ul>	<ul style="list-style-type: none"> <li>FY22 year-end work in hand and tender pipeline support continued growth</li> <li>Order book of \$5.0bn includes FY23 secured revenue of \$1.45bn</li> <li>Addressable tender pipeline of \$8.4bn heavily filtered to deliver on strategic objectives including creating a sustainable, diversified and scalable business</li> <li><b>FY23 Guidance:</b> <ul style="list-style-type: none"> <li>– Revenue of \$1.6bn – \$1.7bn</li> <li>– Underlying EBIT(A) of \$105m – \$125m</li> </ul> </li> </ul>

# Key Strategic Priorities

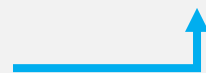
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<b>Improve</b> Margins & execution	<b>Invest</b> Relevance & competitive advantage	<b>Expand</b> Growth in current markets	<b>Diversify</b> Build scalability	<b>Value</b> Grow shareholder value
<ul style="list-style-type: none"> <li>Systems and processes</li> <li>Contract management</li> <li>Operational excellence</li> </ul>	<ul style="list-style-type: none"> <li>Advanced contractor</li> <li>Structure and capability</li> <li>Technology solutions to enhance sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Additional services with existing clients</li> <li>Grow market share in Indonesia with trusted clients where skilled labour market supports organic growth</li> </ul>	<ul style="list-style-type: none"> <li>Mining Support Services</li> <li>Underground</li> <li>Future/battery minerals</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen Balance Sheet</li> <li>Acquisitions, JV's and/or Teaming arrangements</li> <li>Exit non-core businesses</li> </ul>



As we grow the lower capital intensity projects we expect the overall business to see:

- ROACE to increase beyond the 15% target.
- EBIT(A) target margins to remain
- EBITDA target margins to reduce due to lower D&A



1. Based on Revenue



# Priorities and Outlook

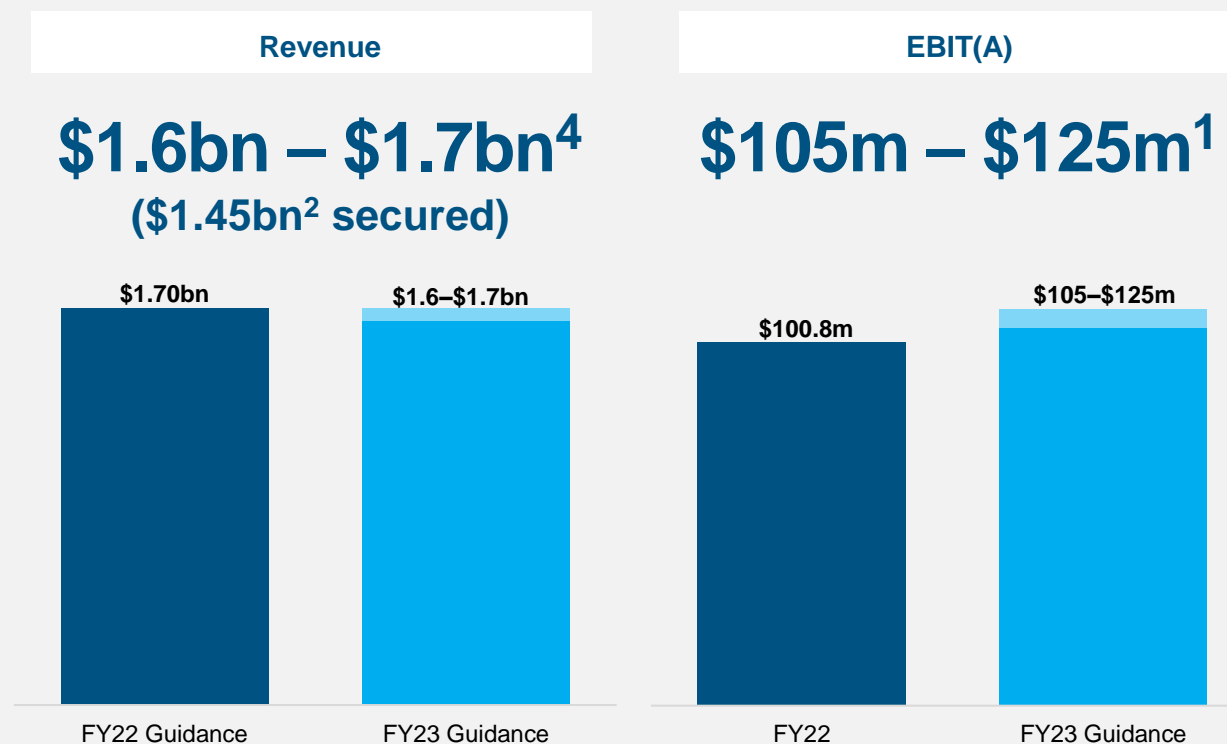
## FY23 PRIORITIES

- Optimise operations and deliver safety improvements
- Effectively manage COVID-19
- Finalise Batu Hijau Phase 8 extension
- Deliver earnings growth from recent growth capital investment
- Accelerate ROACE growth by continuing to diversify into lower capital intensity underground and mining support services
- Execute disciplined capital management and maintain robust balance sheet
- Continue investment in mining technology and digital transformation

## POSITIVE OUTLOOK

- ✓ Order book of \$5.0bn<sup>3</sup>
- ✓ High level of secured revenue and earnings
- ✓ Tender pipeline of \$8.4bn

## FY23 GUIDANCE<sup>1</sup>



1. Guidance assumes an exchange rate of AUD:USD 0.72, and excludes one-off items and amortisation related to the GBF Group and Martabe acquisition

2. Excludes short term civil and underground churn work and future contract cost escalation recoveries

3. As at 30 June 2022; excludes Batu Hijau Phase 8 (preferred) and future contract cost escalation recoveries

4. Guidance assumes an exchange rate of AUD:USD 0.72 and excludes future contract cost escalation recoveries

# Thank You





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# Meeting Resolutions

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# Proxy Voting Results

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Resolutions	For	Against	Abstain	Open
<b>Resolution 1</b> Adoption of Remuneration Report	1,284,783,353 (89.02%)	157,261,779 (10.9%)	96,360,053	1,219,506 (0.08%)
<b>Resolution 2</b> Re-election of Mr Bruce Munro as a Director	1,533,926,393 (99.74%)	2,744,456 (0.18%)	1,734,336	1,219,506 (0.08%)
<b>Resolution 3</b> Re-election of Mr Hamish Tyrwhitt as a Director	1,533,516,842 (99.72%)	3,056,793 (0.2%)	1,831,550	1,219,506 (0.08%)

# Financial statements and reports discussion

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# Resolution 1

## ADOPTION OF REMUNERATION REPORT

“That for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report (which forms part of the Directors' report for the year ended 30 June 2022) be adopted.”

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

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## Resolution 1 – Proxy Results

### ADOPTION OF REMUNERATION REPORT

<b>For</b>	1,284,783,353 (89.02%)
<b>Against</b>	157,261,779 (10.9%)
<b>Abstain</b>	96,360,053
<b>At the Proxy's Discretion</b>	1,219,506 (0.08%)
<b>Total Proxy Votes</b>	<b>1,443,264,638</b>

## Resolution 2

### RE-ELECTION OF MR BRUCE MUNRO AS A DIRECTOR

“To re-elect Mr Munro, who retires from the office of Director in accordance with rule 3.6(c) of the Company's Constitution, and being eligible, offers himself for re-election.”

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## Resolution 2 – Proxy Results

### RE-ELECTION OF MR BRUCE MUNRO AS A DIRECTOR

<b>For</b>	1,533,926,393 (99.74%)
<b>Against</b>	2,744,456 (0.18%)
<b>Abstain</b>	1,734,336
<b>At the Proxy's Discretion</b>	1,219,506 (0.08%)
<b>Total Proxy Votes</b>	<b>1,443,264,638</b>



## Resolution 3

### RE-ELECTION OF MR HAMISH TYRWHITT AS A DIRECTOR

“To re-elect Mr Tyrwhitt, who retires from the office of Director in accordance with rule 3.6(c) of the Company's Constitution, and being eligible, offers himself for re-election.”

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## Resolution 3 – Proxy Results

### RE-ELECTION OF MR HAMISH TYRWHITT AS A DIRECTOR

<b>For</b>	1,533,516,842 (99.72%)
<b>Against</b>	3,056,793 (0.2%)
<b>Abstain</b>	1,831,550
<b>At the Proxy's Discretion</b>	1,219,506 (0.08%)
<b>Total Proxy Votes</b>	<b>1,443,264,638</b>



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**CLOSING**

# Annual General Meeting

21 October 2022

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**MEETING CLOSED**

**Annual General Meeting**

21 October 2022

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