



FULL YEAR RESULTS 2018

2018 HIGHLIGHTS



✓ Significant turnaround in financial performance

- FY18 Revenue of \$710.3m, up 98% on FY17
- FY18 EBIT¹ of \$41.2m (in-line with guidance), vs EBIT loss in FY17
- FY18 EBITDA¹ of \$118.9m, up 274% on FY17
- FY18 NPAT of \$31.3m and basic EPS of 1.53cps from continuing operations
- FY18 Operating cash flow of \$101.9m, up 236% on FY17
- Net cash position at year end of \$3.4m

✓ Key Achievements

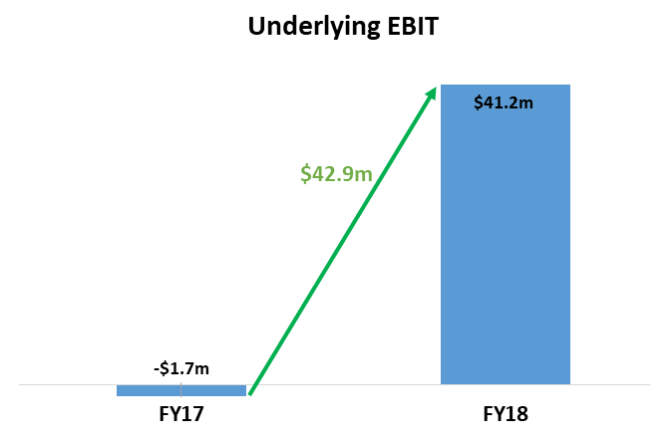
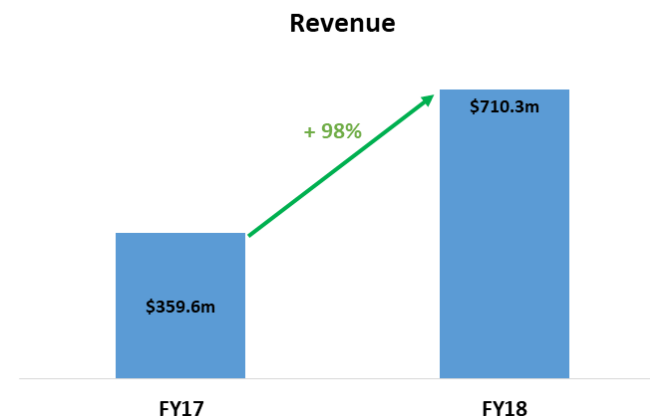
- Secured ~\$1.1 billion of new work and contract extensions in Australia
- Completed transformational AMNT transaction and started work at Batu Hijau
- Commenced new surface operations at Byerwen and Mount Morgans
- Started new underground development at Endeavor and exploration decline at Tujuh Bukit
- Successful acquisition and integration of TMM Group - civil earthworks business

✓ Strong Outlook

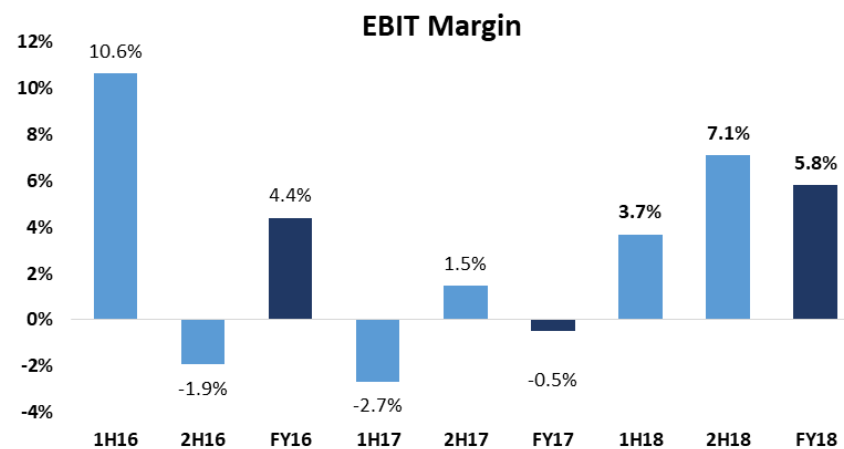
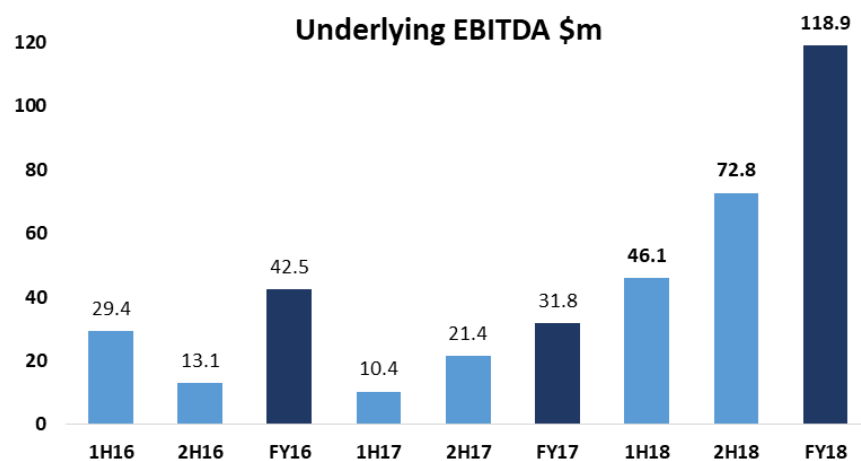
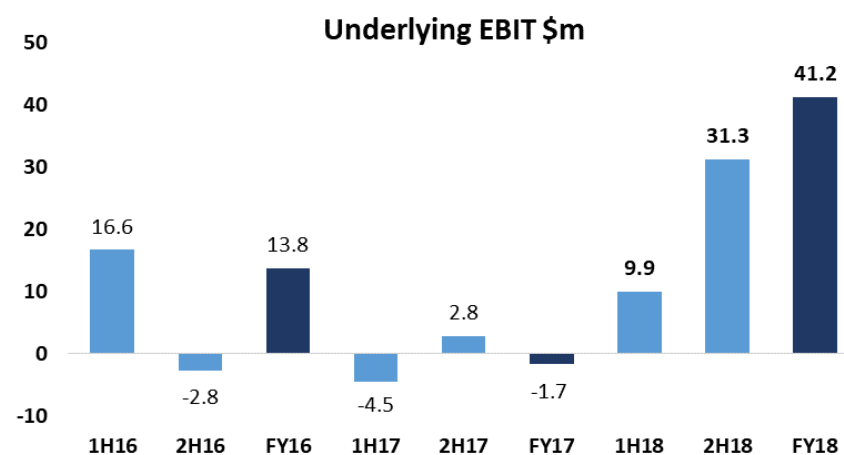
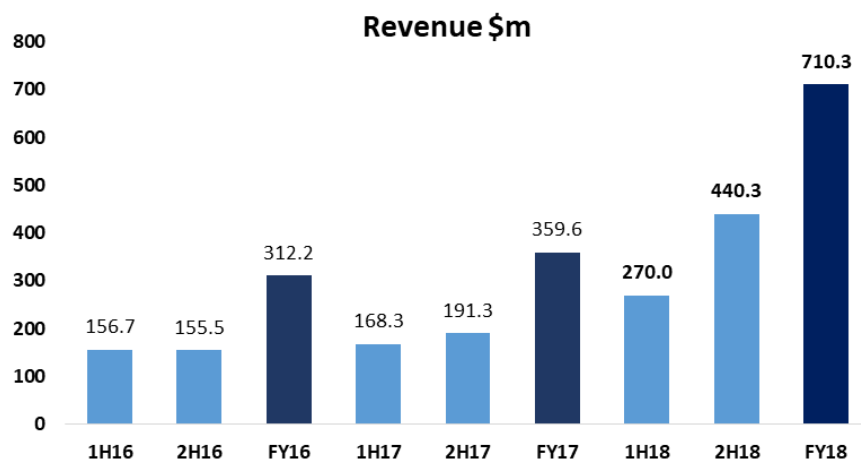
- Record order book of ~\$5.4 billion
- Tender pipeline of \$7 billion+
- **FY19 expected Revenue of \$950 million - \$1050 million² (\$1 billion contracted)**
- **FY19 expected EBIT of \$70 - 80 million²**

1. Underlying numbers, refer to reconciliation on slide 21

2. Guidance is not a guarantee of future performance and is subject to known and unknown risks. This guidance assumes an exchange rate of AUD:USD 0.76, and excludes the potential impact of one-offs including unquantified contingent liabilities such as the shareholder class action noted in Macmahon's Annual Report.



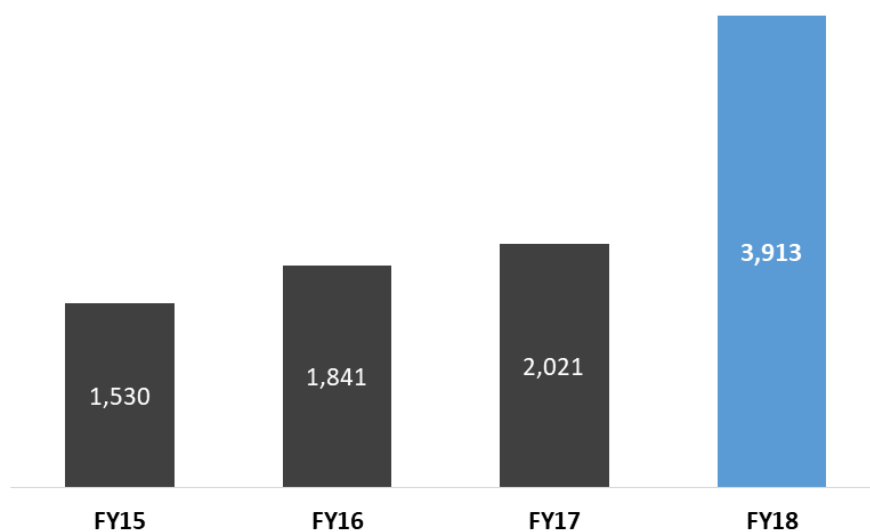
FINANCIAL PERFORMANCE



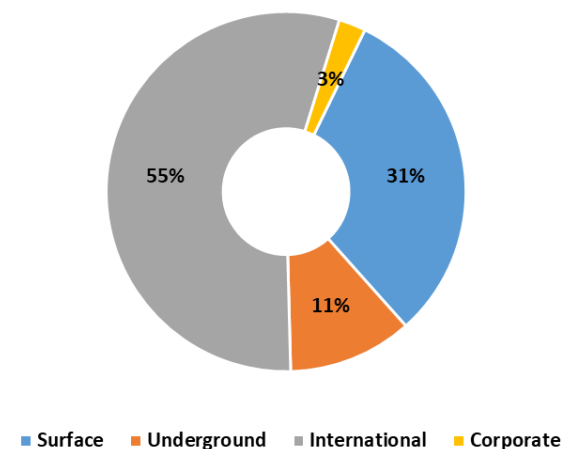
KEY CONTRACTS

Project / Client	Location	Commodity / Type	Comments
Tropicana AngloGold Ashanti / Independence Group	WA Australia	Gold Open-pit	<ul style="list-style-type: none"> • Alliance life-of-mine contract • Achieved reduction in unit cost by ~37% from 2015 • Phase 1 of Long Island expansion approved in Dec 17 • Strong relationship
Telfer Newcrest	WA Australia	Copper-gold Open-pit	<ul style="list-style-type: none"> • Difficult and risky project but achieved significant operational turnaround in FY18 • Achieved record monthly mine production in June quarter
Martabe PT Agincourt Resources	North Sumatra, Indonesia	Gold Open-pit	<ul style="list-style-type: none"> • 50:50 NKE Joint venture commenced 2015 • Project continues to perform well • Contract maturity FY21
Underground Various	Australia & Indonesia	Various Mining Services	<ul style="list-style-type: none"> • Mining services business continues to secure repeat, sustainable work • January 2018, 50:50 NKE joint venture commenced work to develop an exploration decline at Tujuh Bukit for PT Merdeka (IDX: MDKA) in Indonesia • March 2018, commenced development project at Endeavor Mine for CBH Resources near Cobar, NSW
Batu Hijau PT AMNT	Sumbawa Island, Indonesia	Copper / Gold Open Pit	<ul style="list-style-type: none"> • Transformational alliance contract at Tier 1 asset • Expected revenue of US\$1.8bn over 5 years • Successful commencement in August 2017 and ramp up in 2H FY18. • Potential to extend scope to include significant future development such as Elang • Strong relationship and performing well
Byerwen QCoal (majority owned)	QLD Australia	Coking Coal Open-pit	<ul style="list-style-type: none"> • Commenced August 2017 • \$350m 3 year contract • Project performing well
Mount Morgans Dacian Gold	WA Australia	Gold Open-pit	<ul style="list-style-type: none"> • Commenced December 2017 • \$250m 5 year contract • Project performing well

Group Employee Numbers

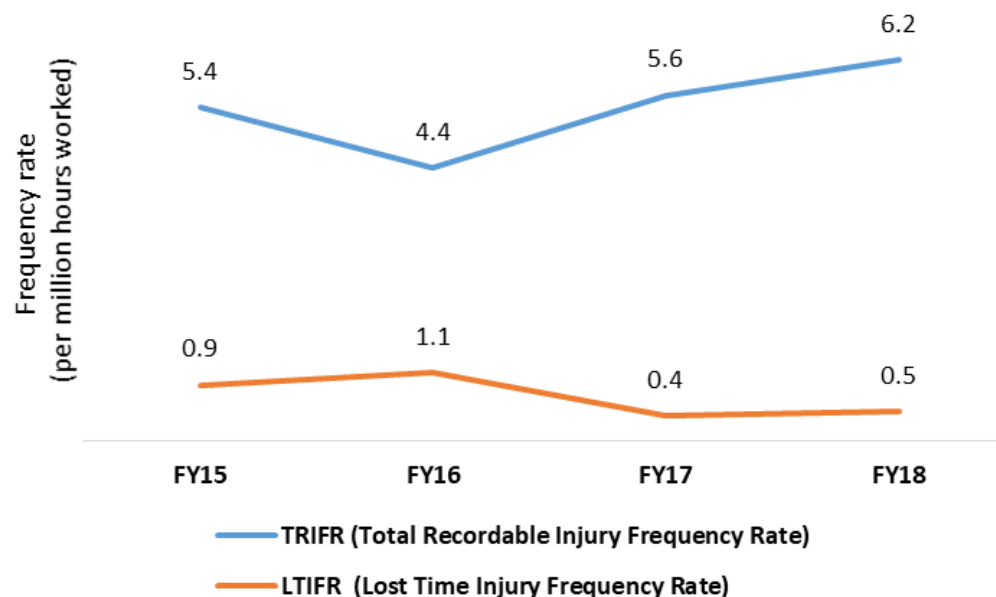


Employees by Business Unit



- Employee base almost doubled, largely due to the successful transition at Batu Hijau
- Successful integration of TMM workforce and ramp up of workforce at Byerwen, Mount Morgans, Endeavor and Tujuh Bukit
- Roll out of Short-term Incentive Plan for staff and Long Term Incentive Plan for key leaders within the business
- Expansion of the Cert III Traineeship Program
- Commenced Mid Year Apprenticeship Intake program
- Development and implementation of multiple Green Starter programs

1. Group employee numbers includes Full Time Equivalent contractors



- Improvement in safety performance remains a key focus
- No permanent disabling injuries or fatalities recorded
- 85% of Projects were LTI Free; 67% of Projects were Recordable Injury Free
- Mental and Physical Health program roll out
- Successfully completed to new 2015 ISO 9001 Quality Standards
- Completed 5 project launches within the reporting period

1. Graph excludes the impact of the Nigerian incident in 2016

INCOME – STRONG 2H



\$ Millions	FY17	1H18	2H18	FY18	Change
Sales revenue¹	359.6	270.0	440.3	710.3	+98%
EBITDA²	31.8	46.1	72.8	118.9	+274%
<i>EBITDA margin</i>	8.8%	17.1%	16.5%	16.7%	+789bps
EBIT²	(1.7)	9.9	31.3	41.2	+\$42.9m
<i>EBIT margin</i>	(0.5%)	3.7%	7.1%	5.8%	+626bps
Net finance costs	(0.1)	(0.7)	(1.7)	(2.4)	-\$2.3m
PBT²	(1.8)	9.2	29.6	38.8	+\$40.6m
<i>PBT margin</i>	(0.5%)	3.4%	6.7%	5.5%	+596bps
Tax expense	(0.3)	(1.0)	(6.5)	(7.5)	-\$7.2m
<i>Effective tax rate</i>	(17.8%)	11.2%	22.0%	19.4%	-
Net profit / (loss) after tax²	(2.1)	8.2	23.1	31.3	+\$33.4m
<i>NPAT margin</i>	(0.6%)	3.0%	5.2%	4.4%	+499bps
Underlying EPS (basic)	(0.47 cps)	0.42 cps	1.11 cps	1.53 cps	+2.00 cps
Average ROE²	(1.1%)			10.5%	-

- Strong financial performance delivering outstanding profit growth, in line with guidance³
- Significant margin improvement driven by Telfer turnaround and successful ramp up of new projects
- Australian tax expense reduced due to deferred tax assets. Expect benefit over next 3 years

1. Total revenue excludes Martabe joint venture and other income

2. Underlying earnings from continuing operations, refer to reconciliation on slide 21. FY17 excludes takeover defence costs of \$3.4m

3. FY18 Revenue of \$620-680m and EBIT of \$40-50m

CASH FLOW – SIGNIFICANT GROWTH



\$ Millions	FY17	1H18	2H18	FY18
EBITDA	31.8	46.1	72.8	118.9
Interest and tax	(0.1)	9.4	(5.5)	3.9
Working capital and other	(1.5)	(32.7)	15.7	(17.0)
Net operating cash flow	30.2	22.8	83.0	105.8
Proceeds from sale of assets	12.6	0.6	2.5	3.1
Capital expenditure (cash)	(34.9)	(13.6)	(30.5)	(44.1)
Net repayment of borrowings and finance leases	(1.4)	(2.4)	(9.9)	(12.3)
Other movements	0.6	(0.1)	(5.8)	(5.9)
Net cash flow	7.1	7.3	39.3	46.6
Operating cash flow²	30.3	13.4	88.5	101.9
EBITDA conversion	95.3%	29.0%	121.6%	85.7%

- Operating cash flow of \$101.9m, up 236% on pcp
- Strong cash conversion of 85.7%
- FY18 capex of \$129.8m¹, driven by new contracts
- FY19 capex expected to be \$180m
- Investment in capex to fund growth and new projects and extensions, primarily:
 - Byerwen project: \$80m capex will be treated as operating lease in FY19
 - Tropicana Long Island Phase 1 expansion

1. Excludes \$182.5m of equipment acquired from AMNT transaction which was paid in shares

2. Net operating cash flow excluding interest and tax

BALANCE SHEET – NET CASH

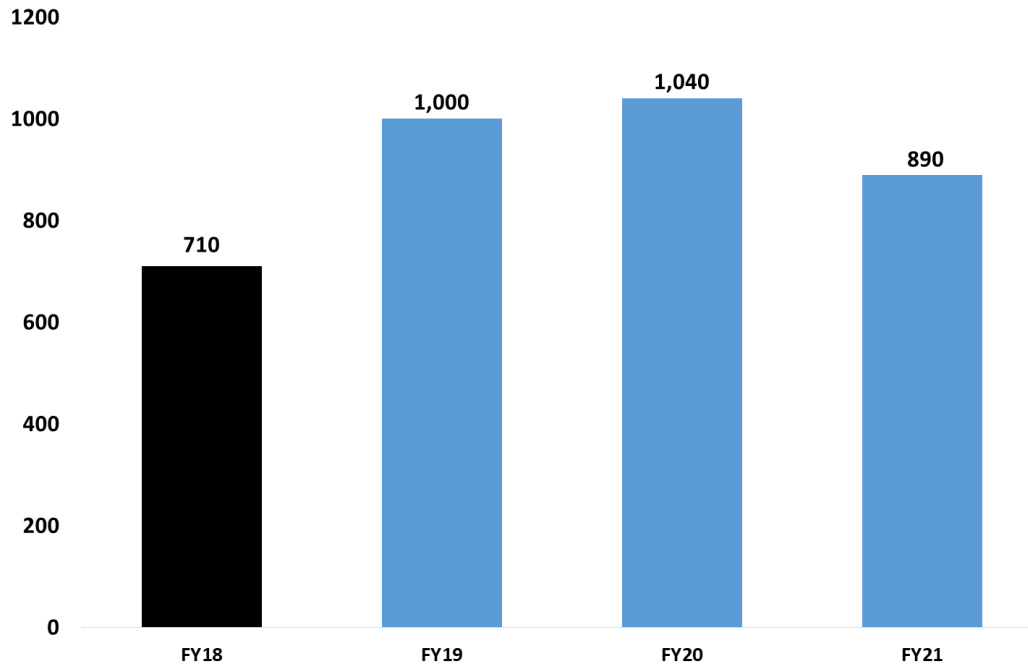
\$ Millions	FY17	1H18	FY18
Cash	62.9	70.2	109.6
Receivables	53.4	120.3	152.3
Inventories	32.1	31.8	42.0
Property, plant and equipment	122.7	310.8	380.1
Other assets	23.9	24.5	39.3
Total assets	295.0	557.6	723.3
Payables	74.0	112.1	175.0
Borrowings	8.8	42.3	106.3
Other liabilities	27.2	29.0	32.2
Total liabilities	110.0	183.4	313.5
Shareholders' Equity	185.0	374.2	409.8
Net Cash	54.1	27.9	3.4
Net Tangible Assets	15.4cps	17.4cps	18.7cps

- Robust balance sheet (net cash \$3.4m) – strong platform to fund further growth
- Balance sheet significantly strengthened following the completion of AMNT transaction and transfer of \$182.5m of equipment
- NTA increased 21.4% to 18.7cps
- CBA credit approval to increase corporate debt facility to \$50m

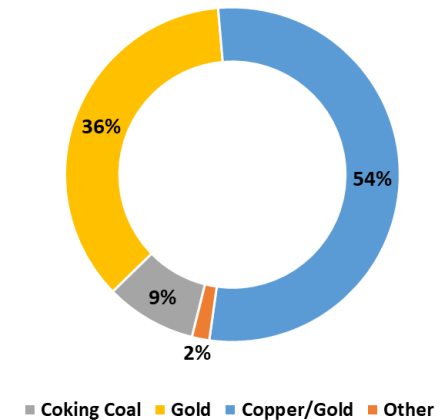
RECORD ORDER BOOK ~\$5.4 BILLION



Work in hand \$m - June 2018

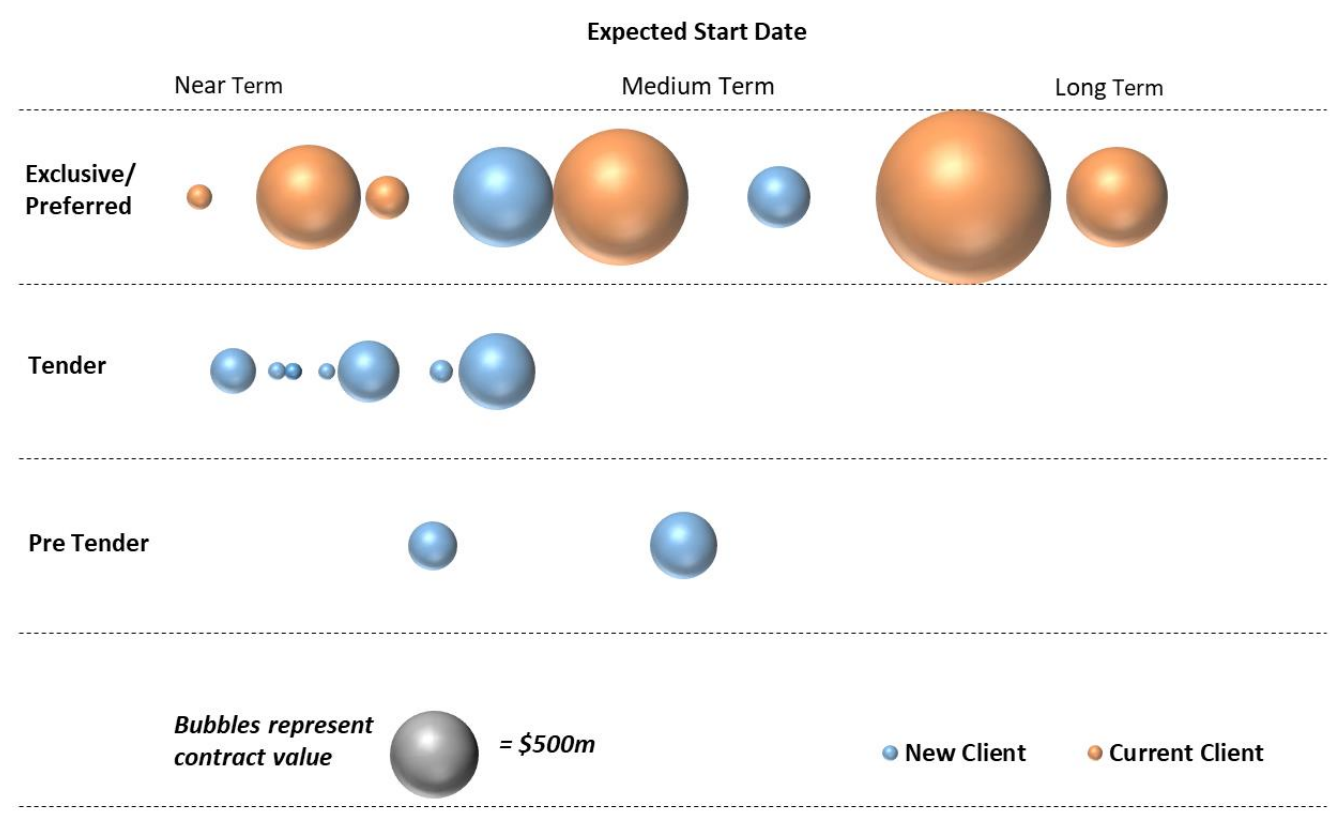


3 year order book by commodity



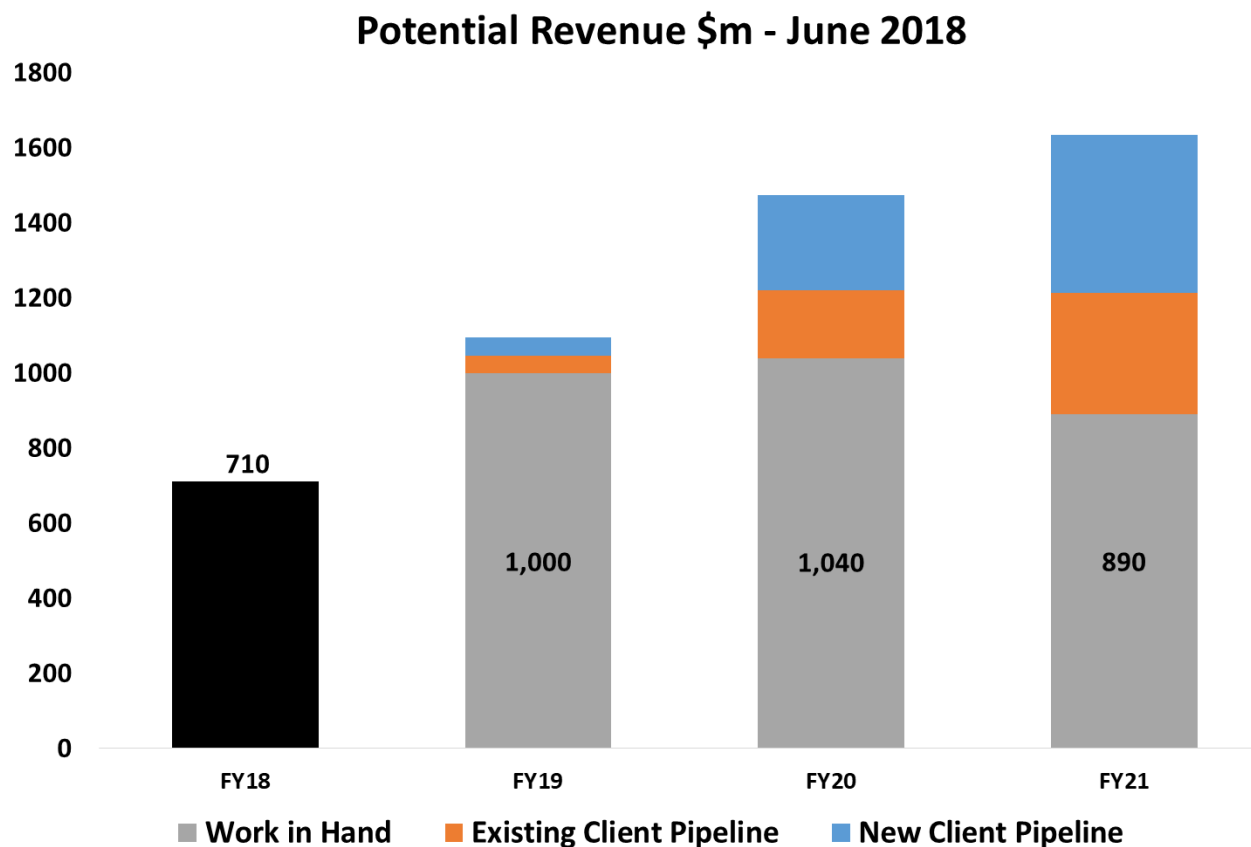
- In addition to Batu Hijau, new work and extensions of ~\$1.1bn secured over FY18; bidding discipline maintained
- Record order book at 30 June 2018 with work in hand of ~\$5.4bn, up 9% on FY17
- Provides solid platform
- Current revenue run rate at \$1bn

HEALTHY TENDER PIPELINE \$7 BILLION+ MACMAHON



- 18 opportunities worth \$7bn+, split evenly between Australia and Southeast Asia
- Organic tender pipeline \$5bn+ (70%) sits with current clients
- New client tender pipeline \$2bn+
- Split between gold, base metals and coal

POTENTIAL REVENUE GROWTH



• Note: the figures in this graph are indicative only and should not be treated as guidance

FY19 OUTLOOK & STRATEGY



Positive outlook supported by:

- ✓ Record order book of \$5.4bn
- ✓ FY19 work in hand of \$1bn
- ✓ Significant \$7bn+ tender pipeline
- ✓ Robust balance sheet
- ✓ Greater scale, diversity and improving market conditions

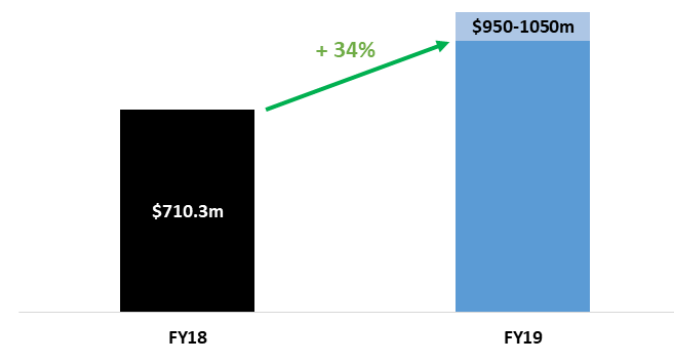
Earnings guidance for FY19¹

- Expected Revenue of \$950m - \$1,050m (at least 34% growth)
- Expected EBIT of \$70 - 80m (at least 70% growth)

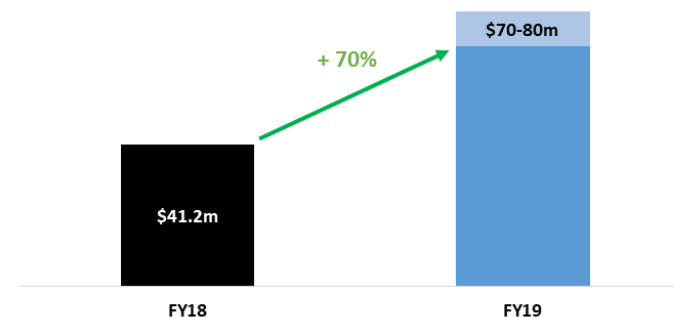
Strategic Priorities

- Improving safety performance
- Ongoing focus on project execution and disciplined bidding
- Disciplined approach to capital allocation
- Fostering strong relationships with clients
- Recruitment and retention
- Increased investment in technology and innovation
- Pursuing accretive acquisition opportunities to grow and expand offering

Revenue guidance



EBIT guidance



1. Guidance is not a guarantee of future performance and is subject to known and unknown risks. This guidance assumes an exchange rate of AUD:USD 0.76, and excludes the potential impact of one-offs including unquantified contingent liabilities such as the shareholder class action noted in Macmahon's Annual Report.



APPENDIX

CORPORATE OVERVIEW



Capital Structure

Share price (23 August 2018)	\$0.235
Fully paid ordinary shares (m)	2155
Market Capitalisation	\$506.4m
Cash	\$109.6m
Debt	\$106.2m
Enterprise Value	\$503.0m

Directors and Senior Management

Jim Walker	Non-executive Chairman
Vyril Vella	Non-executive Director
Eva Skira	Non-executive Director
Alex Ramlie	Non-executive Director
Arief Sidarto	Non-executive Director
Kim Horne	Non-executive Director
Michael Finnegan	CEO
Giles Everist	CFO
Greg Gettingby	General Counsel/Company Secretary

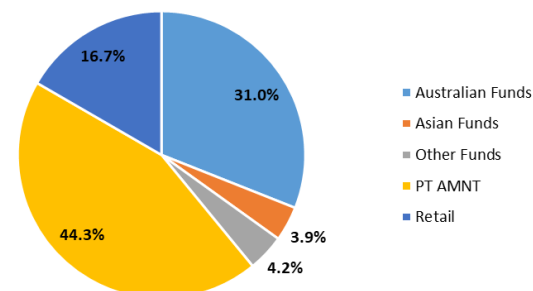
Analyst Coverage

Euroz	Gavin Allen
Hartleys	Trent Barnett
Moelis	Sean Kiriwan

Share Price

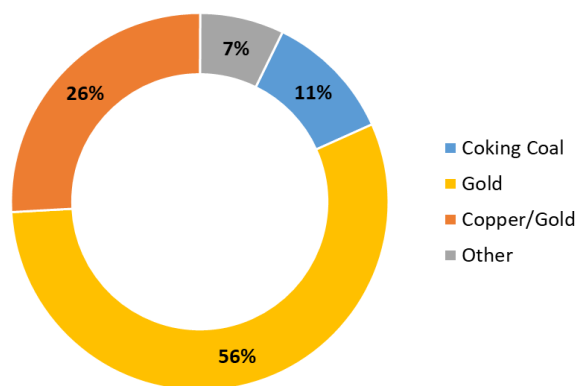


Register – Top 20 account for 80%

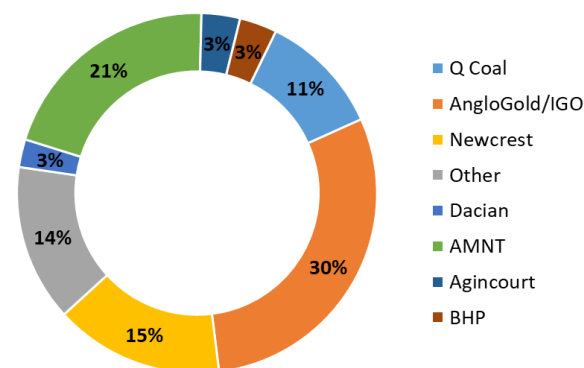


FY18 REVENUE BREAKDOWN

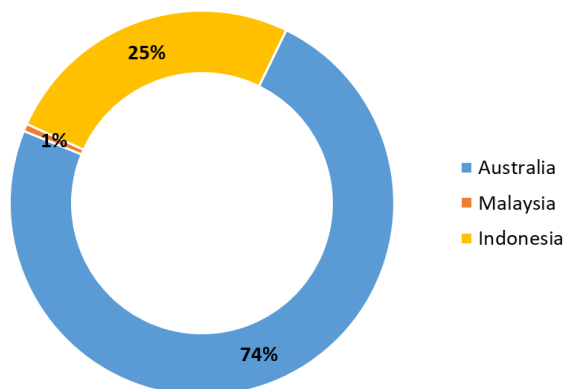
Revenue by Commodity



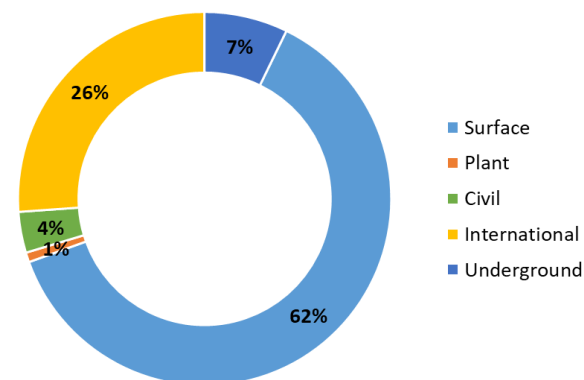
Revenue by Customer



Revenue by Country



Revenue by Activity



OUR SERVICES



UNDERGROUND MINING

- Mine development
- Mine production
- Raise drilling
- Cablebolting
- Shotcreting
- Remote shaft lining
- Shaft sinking



CIVIL/MINING SERVICES

- Mining infrastructure
- Overburden stripping
 - Bulk earthworks
 - Road design & construction
 - Train loading facilities
 - Water infrastructure – dams, creek diversions, flood levies, and drainage structures

Rehabilitation

- Design
- Bulk earthworks
- Revegetation
- Monitoring
- Maintenance



SURFACE MINING

- Mine planning & analysis
- Mine management
- Drill and blast
- Bulk & selective mining
- Crushing & screening
- Fixed plant maintenance
- Water management
- Equipment operation & maintenance



PLANT & MAINTENANCE

- Service and maintain equipment
- Rebuild components and complete repairs in-house

OUR EQUIPMENT

Dump Trucks

243



Excavators and Loaders

101



Drill Rigs

14



MAP OF OPERATIONS

LEGEND

Offices

- 1 Perth
- 2 Brisbane
- 3 Jakarta

Surface Mining

- 4 Kanthan
- 5 Lhoknga
- 6 Martabe
- 7 Batu Hijau
- 8 Telfer
- 9 Tropicana
- 10 Mt Morgans
- 11 Byerwen
- 12 Argyle

Underground Mining

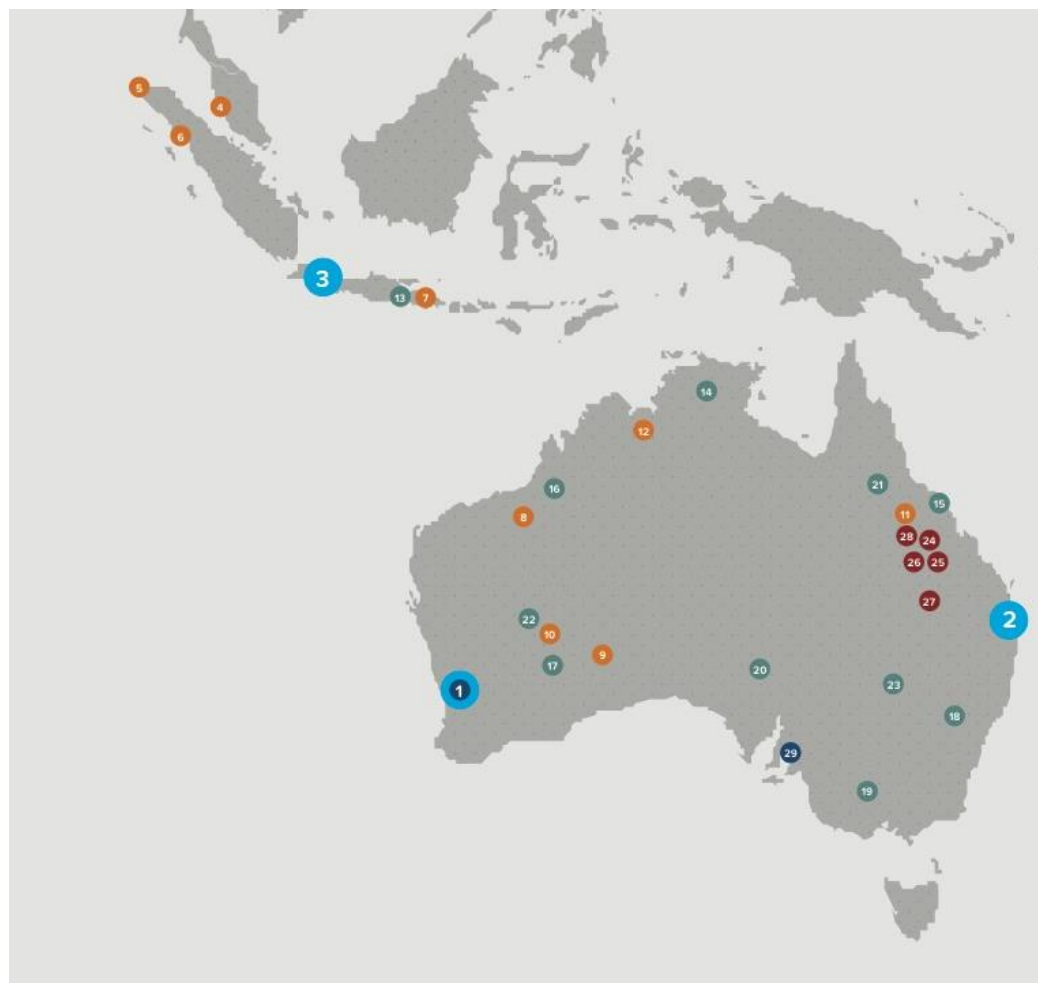
- 13 Tujuh Bukit
- 14 Ranger 3 Deeps
- 15 Mt Wright
- 16 Nifty
- 17 Granny Smith
- 18 Cadia
- 19 Ballarat
- 20 Olympic Dam
- 21 Pajingo
- 22 Leinster
- 23 Endeavor

TMM

- 24 Peak Downs
- 25 Norwich Park
- 26 South Walker
- 27 Rolleston
- 28 Saraji

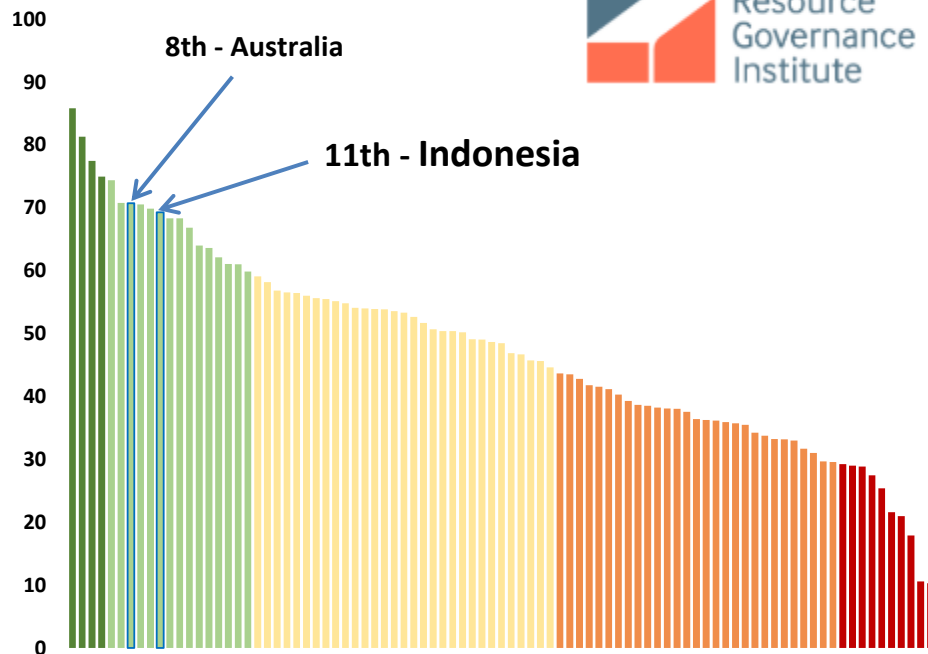
Workshops

- 1 Perth
- 29 Lonsdale



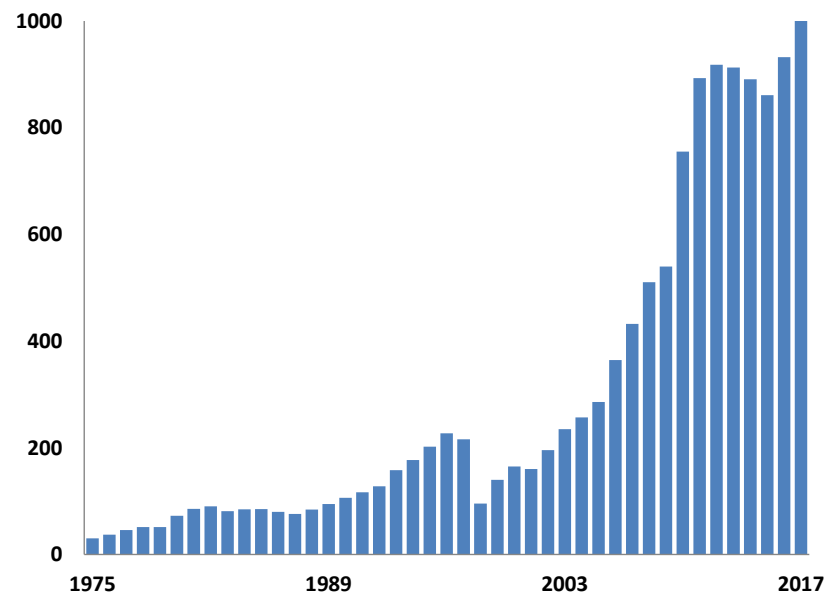
INDONESIA

Ranked 11 out of 89 countries



Source: Resource Governance Institute 2017 RGI

GDP current (US \$Bn) - Large growing economy



Source: World Bank

- Indonesia has a long successful mining history
- Macmahon has successfully operated in Indonesia for many years
- Currently at Martabe (since 2015) and Lhoknga quarry (since 2010)

RECONCILIATION OF NON-IFRS FINANCIAL INFORMATION



\$ Millions	2017	2018
Profit / (loss) for the year (as reported)	(22.8)	33.2
Add back: Loss from discontinued operations (net of tax)	17.3	
Less: Profit from discontinued operations (net of tax)		(1.9)
Net profit / (loss) after tax from continuing operations (as reported)	(5.5)	31.3
Add back:		
• Takeover defence costs	3.4	-
• Tax expense	0.3	7.5
• Net finance costs	0.1	2.4
Underlying earnings before interest and tax (EBIT)	(1.7)	41.2
Add back: Depreciation and amortisation expense	33.5	77.7
Underlying earnings before interest, tax, depreciation and amortization (EBITDA)	31.8	118.9

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THANK YOU



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