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NRW HOLDINGS

EUROZ CONFERENCE

RESULTS OVERVIEW

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Operations

- ✓ Revenue(1) of $522.6M, an increase of 52.3%
- ✓ EBITDA(2) increased to $74.3M compared to $40.3M in the prior comparative period
- ✓ EBIT(3) more than doubled to $50M
- ✓ Net Earnings increased to $28.1M compared to $15.3M
- ✓ Order Intake in the 6 months circa $1.0B increasing total work in hand to $2.4B

Strategic

- ✓ Completed $10M acquisition of RCR Mining Technologies and Heat Treatment – diversifies service offering
- ✓ Secured new Civil contracts for all 3 major WA Iron Ore projects – South Flank, Eliwana and Koodaideri

Balance Sheet

- ✓ Cash holdings increased to $82.7M compared to $53.0M as at June 2018
- ✓ Net Debt improved to $12.8M compared to $34.4M as at June 2018
- ✓ Low Gearing – 4.3%
- ✓ Interim Dividend declared of 2 cents fully franked

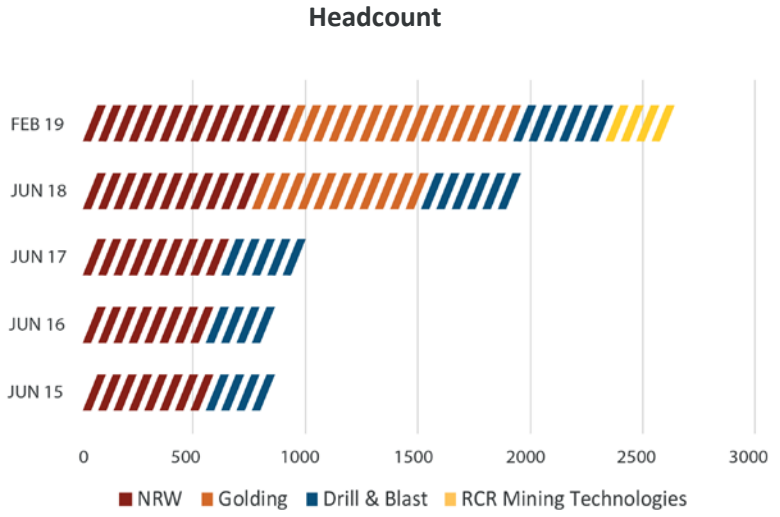
(1) Statutory Revenue of $495.5M plus revenue from associates $27.1M

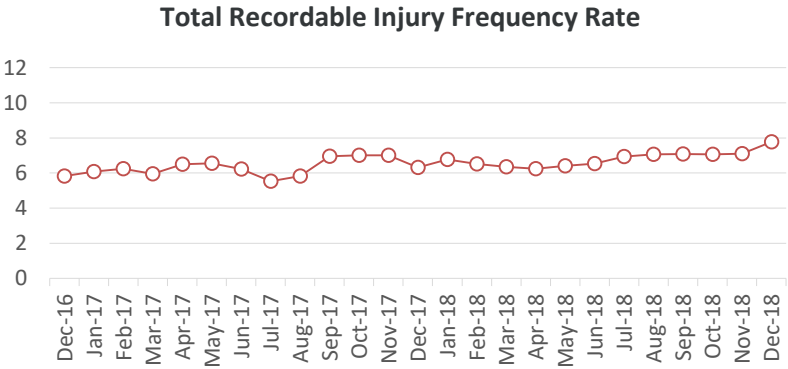
(2) EBITDA is earnings before interest, tax, depreciation, amortisation and transaction costs

(3) EBIT is earnings before interest, tax and transaction costs

HSE & PEOPLE

- Continued growth in headcount to over 2,600 post RCR MT acquisition (February 2019)
- Increase training and personnel development
- Business is responding well to increasing manning requirements – particularly re-engagement of previous NRW employees
- 8.1% Indigenous employment as a percentage of direct employees working on Pilbara projects
- Our goal is the elimination of serious injuries through the effective and uncompromising management of hazards in our workplaces
- Total Recordable Injury Frequency Rate (TRIFR) performance across the business as at December 18 - 7.77 (December 2017 - 6.32)
- Safety priorities identified to strengthen our safety culture backed by applied training





NRW - BUSINESS STRUCTURE

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CIVIL

NRW Civil

Golding Civil

Golding Urban

CAPABILITIES

- Mine development
- Bulk earthworks
- Roads & bridges R5/B4
- Rail
- Marine works
- Commercial & residential subdivisions
- NPI

MINING

NRW Mining

Golding Mining

AES Equipment Solutions

CAPABILITIES

- Whole of mine management
- Mine development
- Load & haul
- Dragline
- Coal handling preparation plants
- Mine site rehabilitation
- Maintenance services
- Mobile Equipment
- Truck sales

DRILL & BLAST

Action Drill & Blast

CAPABILITIES

- Drilling
- Blasting
- Explosive supply

MINING TECHNOLOGIES

RCR Mining Technologies

CAPABILITIES

- Apron, belt & hybrid feeders
- Stackers
- Belt reelers & turning stations
- Autogenous drum scrubbers
- Product support, spare parts and service
- Off-site repair & fabrication
- Maintenance services
- Heat Treatment

RCR MINING TECHNOLOGIES (RCRMT)

Autogenous Scrubbers

NRW Holdings

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RCR MINING TECHNOLOGIES (RCRMT)

- **Acquisition price $10M**[1] - funded through existing cash reserves completed mid February 2019
- RCR MT
  - **Generated ~$110M of revenue in FY18**
  - Track record of delivering positive earnings ~300 employees
  - Facilities in Bunbury, Welshpool and Victoria.
  - Experienced management team to remain with the business
  - Opportunity to offer clients an integrated service offering that includes design, procurement and maintenance
  - **Adds scale and recurring income from maintenance activities**
    - **Circa $50M per annum from recurring revenue**
- Mining Technologies has a strong tier one customer base with over 1,500 primary machines in operation nationally and internationally
- Product case studies (on following slides)
  - Apron Feeders
  - Relocatable Crushing and Conveyors

RCR Mining Technologies

Products & Services

- Stackers
- Apron & Belt Feeders
- Belt Reelers
- High Capacity Conveyors
- Slide Gates
- Screening Plants
- Mobile Screening Plants
- Autogenous Scrubbers
- In-Pit Crushing & Conveying
- OEM Product Support
- Heat Treatment

(1) Plus assumed relevant RCR workforce and their employment entitlements

APRON FEEDER LOCATIONS

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RELOCATABLE CONVEYOR

- Controlled off site manufacture and integration of key modules – Designed and built in Bunbury facility
- Reduces on site installation times to weeks rather than months
- All modules fully relocatable
- Ideal solution for stranded ore bodies
- First installation includes 5km of relocatable conveyor and a semi-mobile primary crushing station

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BUSINESS PERFORMANCE

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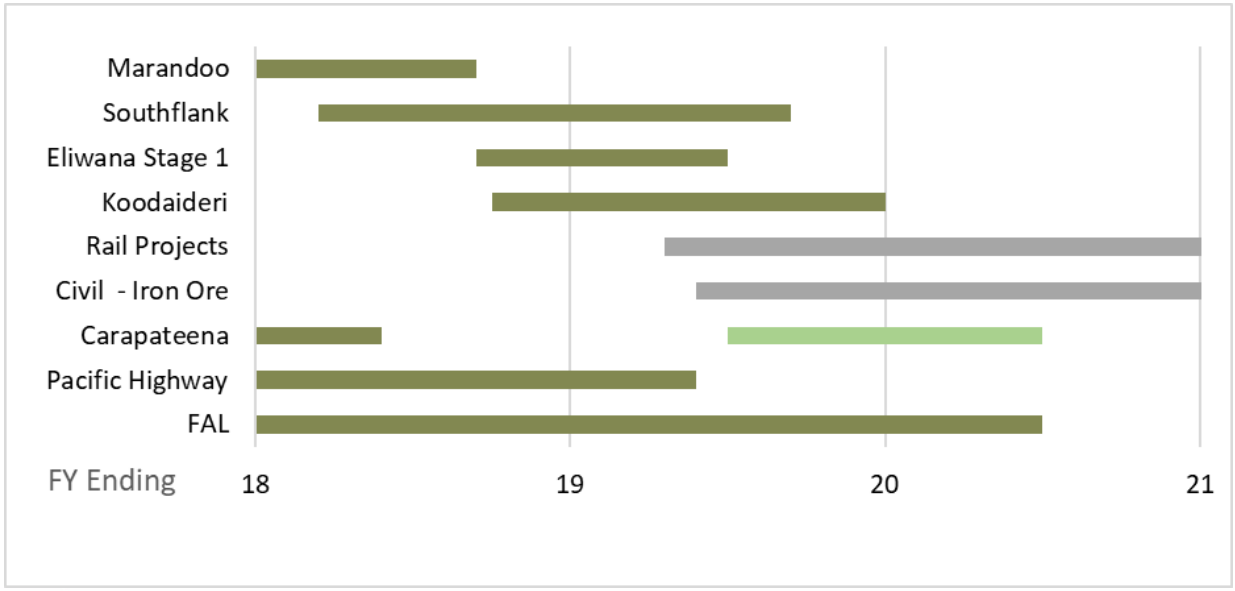
South Flank Bulk Earthworks & Concrete, WA

NRW Holdings

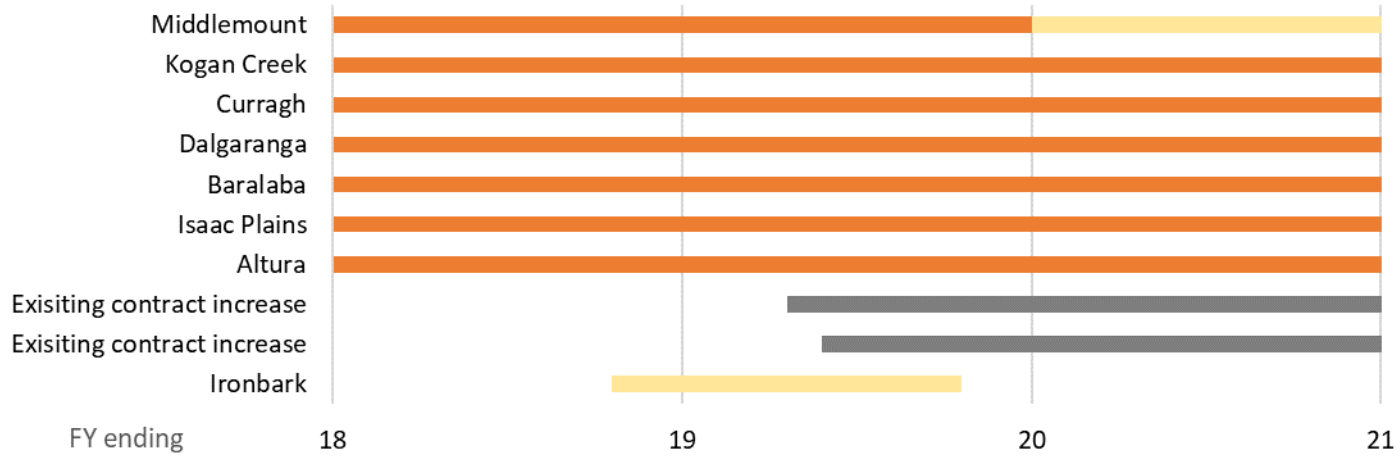
CIVIL

- Strong margin improvement in first half – 7.2% v 4.8%
- Contracts awarded to NRW for replacement tonnes programs (Iron Ore) with more packages to be bid
  - Circa $300M secured work to date
- Directly addressable opportunities (earthworks and concrete) circa $2.5B over four years
- Current active tenders in excess of $600M
- Growing Infrastructure requirements in Queensland and New South Wales
- Value of Perth's public infrastructure works - $5B to 2028
- Strong order cover for FY19 - (per revenue guidance)
- FY20 revenues expected to grow following sustaining tonnes program awards



MINING

- Significant revenue increase ($310.1M v $133.1M) and margin improvement in first half
  - production volumes, productivity and higher fleet utilisation
- Secured Isaac Plains East contract extension $500M – to June 2024
- Clients looking to accelerate production at a number of sites - potential order increase circa $300M
- Increasing opportunities in iron ore to provide pre-strip work on major projects
- Equipment investment targeted at existing clients to support activity growth and contract term extension
- Early Contractor Involvement (ECI) with Fitzroy Australia for provision of project development services and proposed Ironbark No 1 mine
- Revenue for FY19 fully secured and FY20 secured work at same level as FY19



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DRILL & BLAST

Results

- Revenue increase - higher volumes for new work
- EBITDA as guided - impacted by drill remediation programme to improve utilisation
- Tangible improvements being seen on drills returned to site operations

Contract Awards

- 15 month contract extension for Talison Lithium Greenbushes project - $13.5M
- Subcontract award for drill & blast services at South Flank – $11M
- Total contract awards and extensions in first half of $73.9M

Outlook & Order Book

- All of FY19 revenue guidance already under contract
- Focus on securing extensions to contracts completing in FY 2019
- Business turnaround well underway with increased drill availability and improved project performance.

FINANCIAL OVERVIEW

Gladstone Area Water Board Offline Storage, QLD

NRW Holdings

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SUMMARY FINANCIALS(1)

- 51% increase in Revenue to $522.6M mostly in Mining
  - o New work and existing contract expansion
  - o Golding 6 months (FY19) v 4 months (FY18)
- EBITDA margin increased to 14.2% (comparative 11.6%)
  - o Higher activity, improved productivity and increased fleet utilisation
- Underlying Net Earnings to $32.1M - increase of circa 2.5 times same period last year
- Strong cashflow generation maintained
- Low Gearing at 4.3%
- Income Tax
  - – Income Tax expense at normal levels (30%) – reduces tax assets on the balance sheet
  - – Tax payments to commence FY21 at current earnings levels
- Interest costs increase due to Golding debt (full six months) and early Note redemption
- Capex - New equipment purchases include 996 Liebherr for Curragh - second half will include CAT 793's ($25M) for Isaac Plains
- Closing cash balance of $82.7M supports RCR MT acquisition and Interim dividend

(1) As defined in NRW Holdings Interim Accounts for the half-year ended 31 December 2018

SUMMARY

Isaac Plains, QLD

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TENDER PIPELINE & OUTLOOK

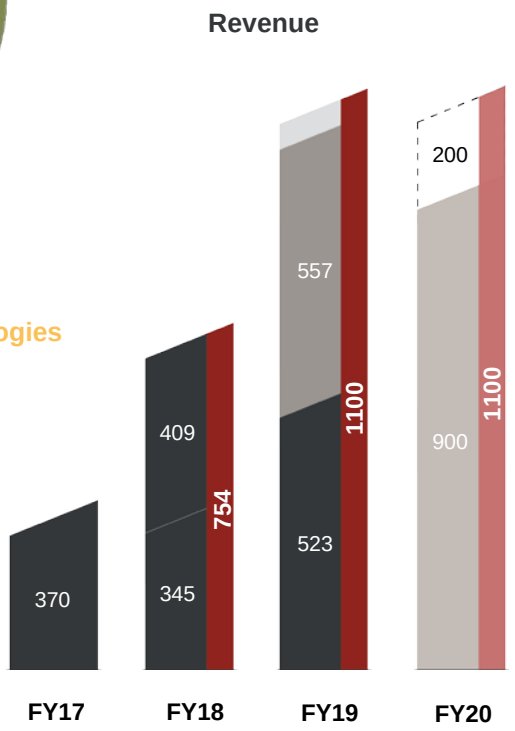
- Current Order book $2.4B
  - Secured revenue for FY19 is $1,080M
  - Current tenders awaiting award $1.1B
- FY19 revenue guidance $1.1B (to be updated for RCR MT acquisition)
- Pipeline circa $6.1B
  - Mining pipeline lower as Isaac Plains extension awarded to Golding ($500M)
  - Increasing Civil opportunities in addition to the Western Australia Iron Ore sector

Civil $3.4B

Mining $1.8B

Drill & Blast $0.7B

Mining Technologies $0.2B



- Positioning in key traditional civil markets strong, through recent awards for BHP, Rio Tinto and Fortescue
- Priority to integrate RCR MT and generate additional value from the acquisition, through cross selling to key clients and building a broader platform.
- Key focus on retaining, recruiting and training our workforce to meet strong market demand.
- NRW operating model continuing to evolve as a multi disciplined through cycle capex and opex business
- Opportunities for further market consolidation (post RCR MT)

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