NRW HOLDINGS

MACQUARIE AUSTRALIA CONFERENCE

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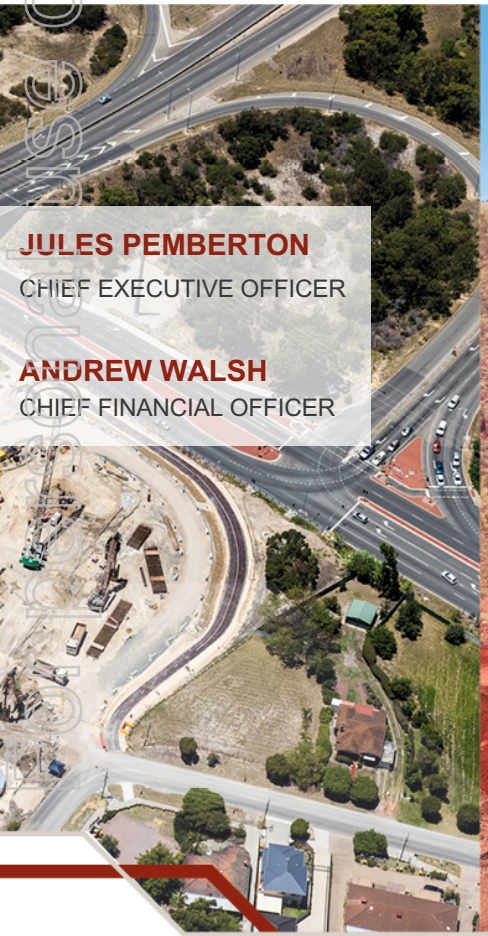
JULES PEMBERTON
CHIEF EXECUTIVE OFFICER

ANDREW WALSH
CHIEF FINANCIAL OFFICER



2 May 2018

NRW HOLDINGS OVERVIEW

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1994
Founded NRW Civil & Mining

2007
Listed on the ASX

2010
Established Action Drill & Blast

2016
Acquired Hughes East Coast Drill & Blast

2017
Acquired Golding

Order Book
$2.0(1) billion

(1) Assumes Baralaba awarded at full contract value

Leader of **diversified services** to the **resource** and **infrastructure** sectors

Workforce
2000

Mining and construction fleet
750 + items

OUR DIVISIONS

NRW Civil & Mining

Leading provider of civil and mining services to the public infrastructure and resource sectors, boasting an extensive schedule of plant and equipment and fully mobile workforce.

Golding

Market leading Queensland-based civil, mining and urban services contractor, with an exceptional technical capability and proven history.

Action Drill & Blast

One of the largest drilling and blasting teams in Australia, Action Drill and Blast offer an integrated drill and blast service across civil and mining sectors.

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PROJECT LOCATIONS

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- 10 Civil & Mining contracts across WA and SA
- 3 Civil infrastructure projects across QLD and NSW, 10 Urban projects in SE Qld
- 6 Mining contracts in QLD
- 19 Drill and Blast contracts across Coal, Lithium and Gold

WA - Pilbara
- **Altura Mining** — Pilgangoora Lithium Project
- **Altura Mining** — Pilgangoora Lithium Project
- **Altura Mining** — Pilgangoora Tailings Storage Facility
- **Fortescue Metals Group** — Solomon TSF1 Wall Raise
- **Macmahon** — Telfer
- **Pilbara Minerals** — Pilgangoora Bulk Earthworks
- **Rio Tinto Iron Ore** — Marandoo Southern Waste Fines Storage Facility
- **Rio Tinto Iron Ore** — Yandicoogina Sustaining Project Stage 2
- **Rio Tinto Iron Ore** — Yandicoogina Sustaining Project Stage 2
- **Robe River Mining Co** — West Angelas Airstrip
- **Robe River Mining Co** — Mesa J TSF6 Construction Works

WA - Murchison
- **Gascoyne Resources** — Dalgaranga Gold Project
- **Gascoyne Resources** — Dalgaranga Gold Project

WA - Goldfields
- **Gold Fields** — St Ives Gold Mine

WA - South West
- **Talison Lithium** — Greenbushes

WA - Perth
- **Public Transport Authority** — Forrestfield–Airport Link

SA - Southern
- **OZ Minerals** — Carrapateena

QLD - Bowen Basin
- **Downer Blasting Services** — Blackwater Mine
- **Glencore** — Collinsville
- **Golding Contractors** — Isaac Plains
- **Jellinbah Mining** — Jellinbah Mine
- **Middlemount Coal** — Middlemount
- **Middlemount Coal** — Middlemount
- **Peabody** — Coppabella Coal Mine
- **Rio Tinto Alcan** — Yarwun Civil Construction Works
- **Stanmore Coal** — Isaac Plains
- **Wesfarmers** — Curragh
- **Yancoal** — Yarrabee
- **Broadlea Coal Management** — Broadlea Open-Cut Coal Mine

QLD - Surat Basin
- **CS Energy** — Kogan Creek
- **Yancoal**

QLD - Brisbane & South East
- **Halcyon Developments** — Halcyon Green
- **Lend Lease** — Yarrabilba
- **Mirvac** — Gainsborough Green
- **Stockland** — Sovereign Pocket
- **Sunland** — The Heights
- **Queensland Rail** — Coomera to Helensvale Rail Duplication

QLD - Gladstone
- **DTMR** — Dawson Highway Bridge Replacement
- **GAWB** — Gladstone Area Water Board Offline Storage

NSW
- **Downer** — Boggabri
- **BHP** — Mount Arthur
- **Roads and Marine** — Pacific Highway

RESULTS OVERVIEW – HALF YEAR FY18

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- Revenue of $345.3M (1) up 95% on the same period last year
- Underlying EBITDA (2) of $40.3M up 38% on the prior comparative period
- Net Profit after Tax before amortisation of $19.5M (3) (up 70%) on the prior comparative period
- Golding acquisition completed September 2017; Acquisition price $85M; Golding net cash balance on acquisition (generated in July and August) totalled $10.7M
- Net Debt reduced to $49.8M compared to pro forma post acquisition debt of $76M
- Improved gearing ratio of 20.4% compared to pro forma acquisition gearing of 33%
- Cash holdings of $53.0M
- Strong cash conversion, circa 93% of EBITDA

Notes

(1) Statutory Revenue of $312.7M plus revenue from associates $32.5M and excludes pre acquisition revenues generated by Golding in July and August 2017.

(2) Underlying EBITDA excludes one off costs related to the Golding acquisition of $2.5M

(3) Statutory comprehensive income of $15.3M add back $4.2M of amortisation

Greenbushes Lithium

Solomon TSF1 Wall Raise

OPERATIONAL UPDATE

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- **Golding**
  - ✓ The business continues to perform well
  - ✓ Expect to execute Baralaba this week ($350M (1))
- **NRW Civil & Mining**
  - New civil resources projects - slower award than expected
  - Rio Tinto Yandicoogina Project completed followed by recent award of Marandoo ($37M)
  - Commenced works on Carrapateena – aerodrome nearing completion
  - Commenced mining at Dalgaranga
  - Awarded ECI by Rio Tinto for the provision of construction support for sustaining capital program of works
  - FAL - both TBM's in full operation, TBM Grace expected to break through Airport Central Station in May
- **Action Drill & Blast**
  - Weather and drill utilisation impacting performance
  - Turn around strategy actioned, increased opex and capex in 2nd half FY18, improvement expected in FY19

(1) Per ASX announcements 8/3/18 & 19/4/18

Carrapateena Aerodrome

CIVIL

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Current projects include

- Woolgoolga to Ballina (RMS), Offline storage facility (GAWB), Urban (includes Sunland, Mirvac), FAL (PTA), Yandi (Rio Tinto), Aerodrome Carrapateena (OZ Minerals)

Contract awards

- ECI for OZ Minerals at Carrapateena project valued at $111M, aerodrome nearing completion ($15M)
- Awarded bulk earthworks contract for Ausenco-Downer Joint Venture valued circa $10M (Carrapateena plant site)
- Tailings facility at Marandoo for Rio Tinto – $37.5M (announced Feb 18), fully mobilised commencing early works
- Awarded ECI by Rio Tinto for the provision of construction support for sustaining capital program of works

Outlook

WA Resources	• Currently bidding work for replacement tonnes programs (Iron Ore). Scope of works include 300km of new rail to construct and multiple Brownfield and Greenfield projects. Directly addressable opportunities (earthworks and concrete) circa $3B over 4 years
WA Public Infrastucture	• Metronet - major rail opportunity worth $2B
East Coast Infrastructure	• Growing Infrastructure requirements in Queensland and New South Wales - developing Joint Venture's with key partners
Urban	• Further stages of existing property developments, growing SE Queensland property sector. Strategy is currently being developed to explore additional east coast markets

MINING

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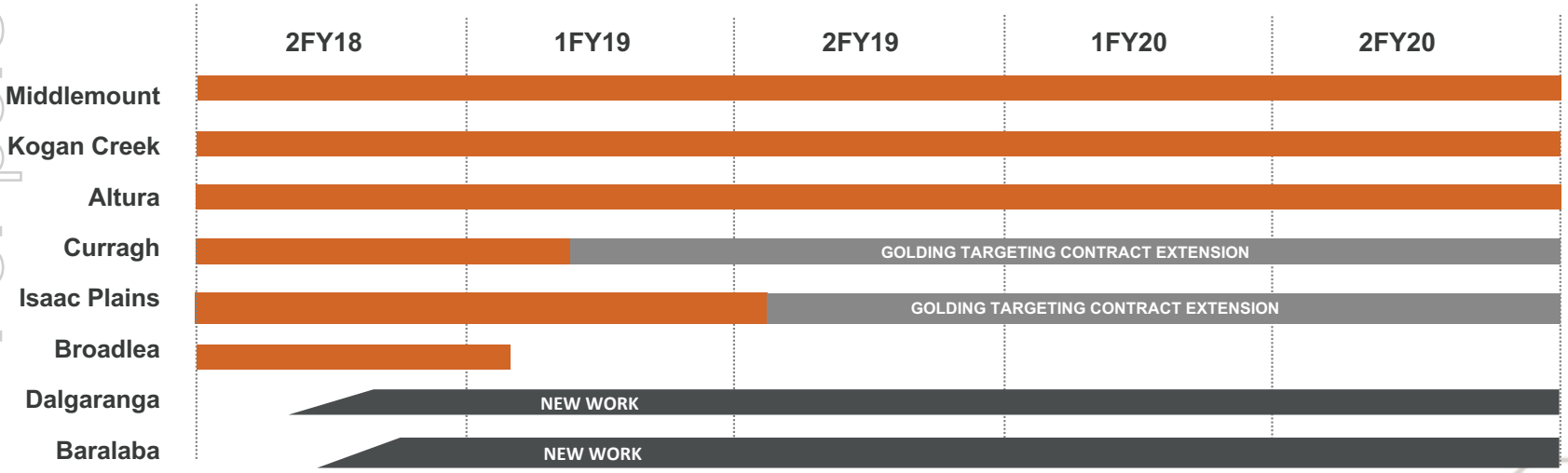
Contract awards

- $324M for Gascoyne Resources at Dalgaranga gold – commenced 2nd half FY18, term – 6 years
- Broadlea - $25M mining services contract awarded to Golding
- Baralaba North coal project – circa $350M expected to be finalised this week

Outlook

- Strong activity in the Coal market, current tenders circa $1.1B, (includes Baralaba)
- Other opportunities in Gold, Nickel, Lithium and Iron Ore
- Low level of new Capex required for new projects

Dalgaranga Mining



DRILL & BLAST

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Operations update

- Weather and drill availability causing lower revenue - Improvement plan in progress
- Key focus is improving drill utilisation
  - Incremental Capex to extend equipment life
  - Incremental Opex to address current issues
- improvement expected in FY19

Current projects

- Active on 19 projects – including:
  - Isaac Plains, Blackwater, Middlemount, Pilgangoora, Telfer, Greenbushes, Boggabri

Contract awards

- $57M – a mix of new awards (e.g. Broadlea) and contract extensions (e.g. Boggabri)
- Drill and blast support to the Mining business for Dalgaranga – circa $70M
- H2 awards circa $20M – includes 2 year Jellinbah extension and new contract for Thiess at Lake Vermont

Outlook

- Opportunities to further support the Mining business as Drill & Blast provider
- Increasing demand for drilling services

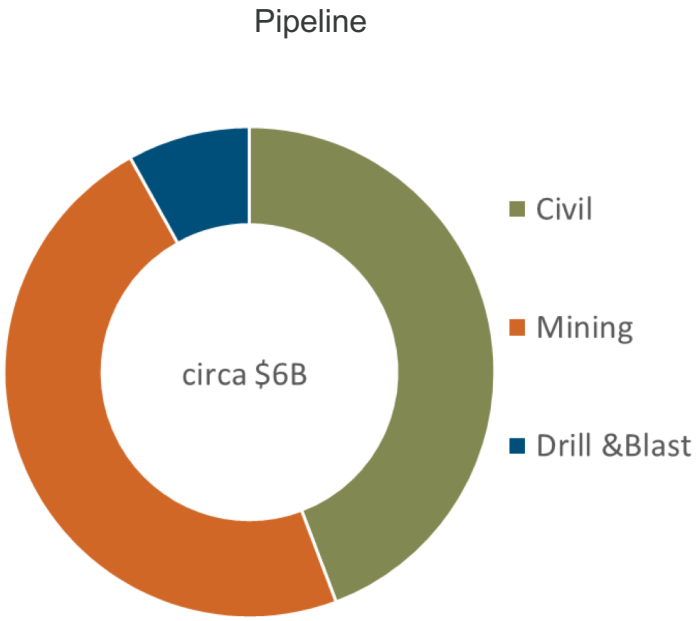
Greenbushes Lithium

TENDER PIPELINE & OUTLOOK

- Order book $1.6B increasing to circa $2.0B with recent announcements (1)
- Secured revenue for second half circa $400.0M
- Pipeline circa $6.0B, with $1.5B in active tenders

Outlook

- Focus on further developing WA Civil business scale to support major sustaining works programs
- Support growth in the Mining business across new projects – Dalgaranga and Baralaba
- Turn around plan for the Drill & Blast business is underway – we expect improvements in FY19
- Develop Joint Ventures with key partners to deliver major infrastructure opportunities in WA and on the East coast
- Grow and seek new markets for the Urban business



(1) Includes Marandoo and assumes Baralaba converts to full contract value

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