

Investors' Corner

Citiplace, Perth

for ASA, 15th August 2024

Convenor: Mark Dixon

A photograph of a fire hose reel and a fire extinguisher in a hallway. The hose reel is in the foreground, and the fire extinguisher is in the background. The image is partially obscured by a blue geometric overlay on the right side of the slide.

Citiplace - Emergency Procedure

- ▶ If smoke is detected, or fire alarm is raised, follow exit signs
- ▶ Upon evacuating the building, meet at **designated area**
- ▶ Do not use lift in an emergency

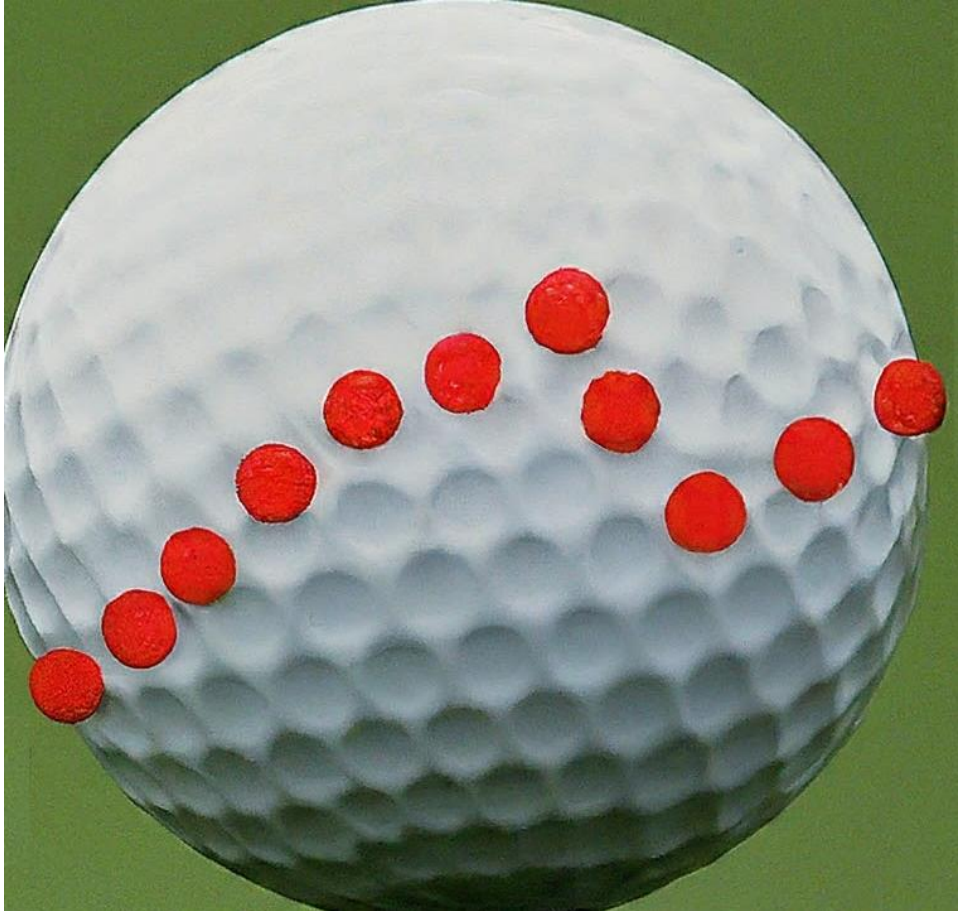
- ▶ **Designated area**
 - ▶ Turn right from the Citiplace Centre and proceed over the bridge to the pond area past the Art Gallery, if safe to do so.
 - ▶ Regroup there for head count if safe to do so.
 - ▶ If emergency personnel instruct differently then follow their directions.

Disclaimer

- ▶ The Australian Shareholders' Association (ASA) has provided the facilities for this meeting to provide general information about the ASA and to stimulate interest in financial markets.
- ▶ The ASA is not licensed to give financial advice.
- ▶ Presentations made here are not designed to provide any specific investment advice to any person present.
- ▶ The ASA does not accept any responsibility to inform you of any matter that subsequently comes to our notice that may affect any of the information discussed.
- ▶ Anyone wishing to act on any matter discussed should seek independent advice from a licensed financial adviser.

Agenda

- ▶ Intro — welcome, emergency procedure, disclaimer
- ▶ **Peter Scales** — Macro-technical, with discussion
- ▶ **Selling shovels to gold miners** — Bob Kelliher
- ▶ **Preparing to disembark?** — Mark Dixon
- ▶ **CleanTeq Water Ltd** — David Brooke
- ▶ Next meeting — 19th September
- ▶ Close ~ noon.

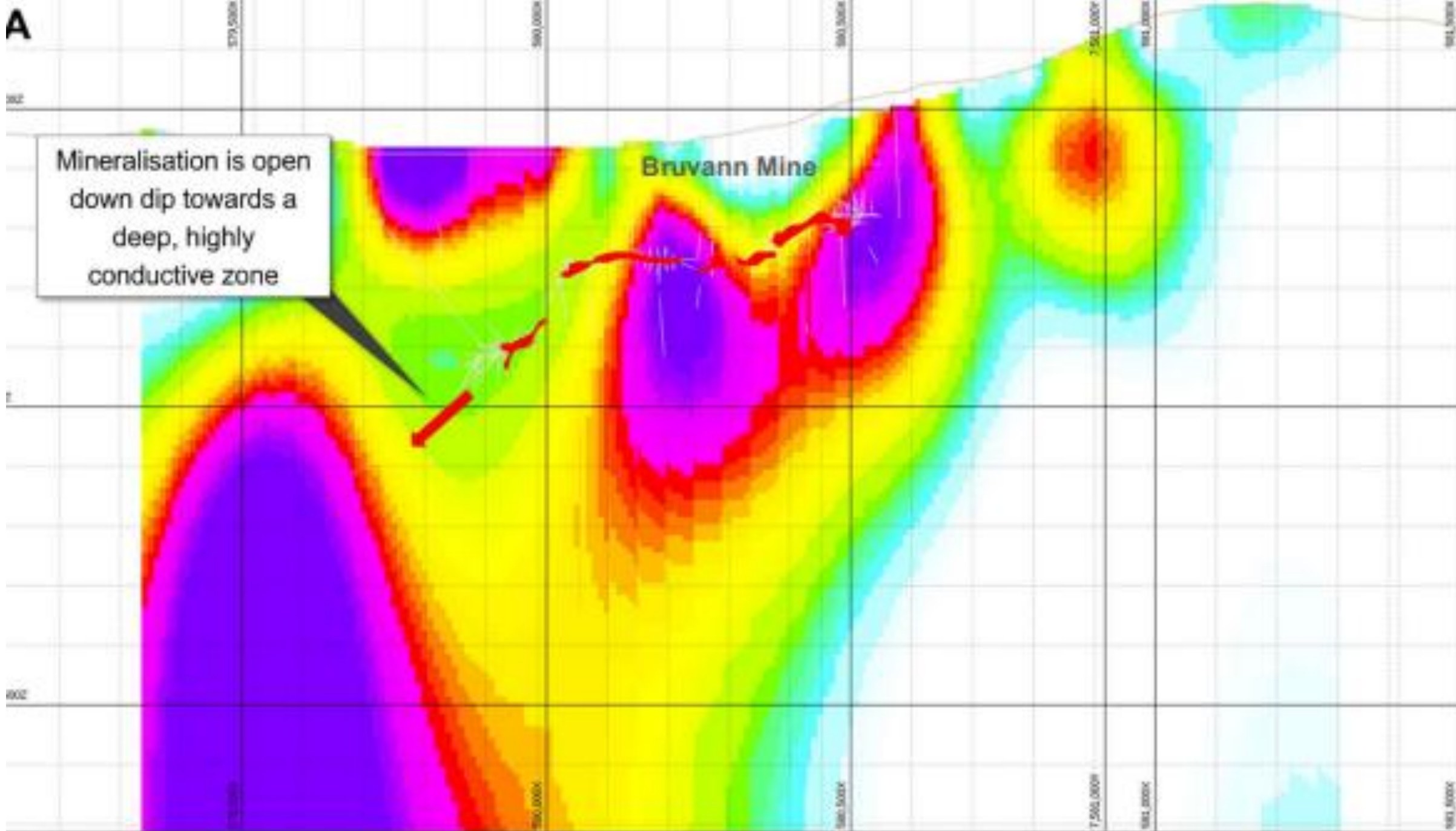


Macro-technical, with discussion — Peter Scales

**Selling shovels to
gold miners**
Perenti Ltd (PRN) – DDH1
— Bob Kelliher

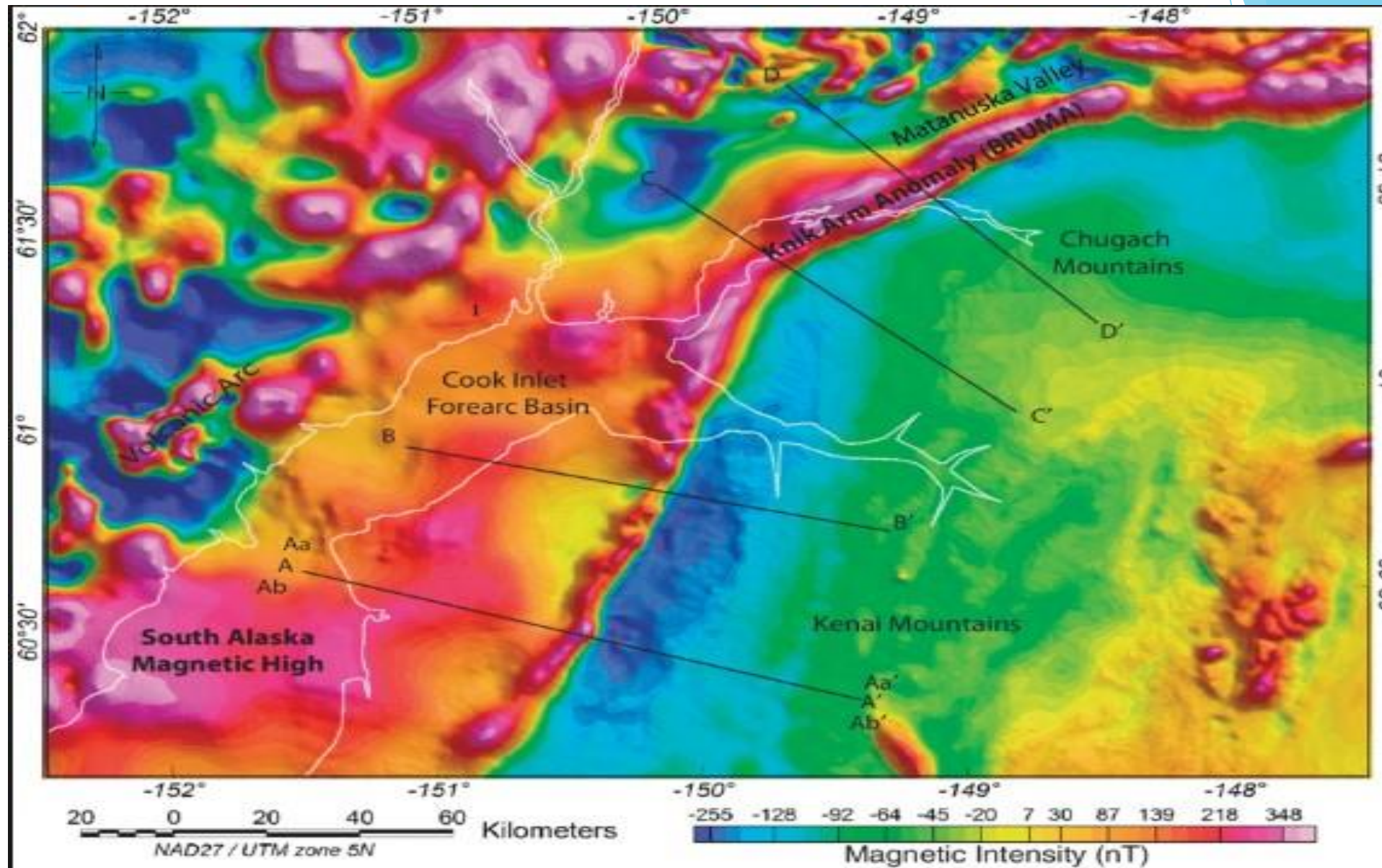


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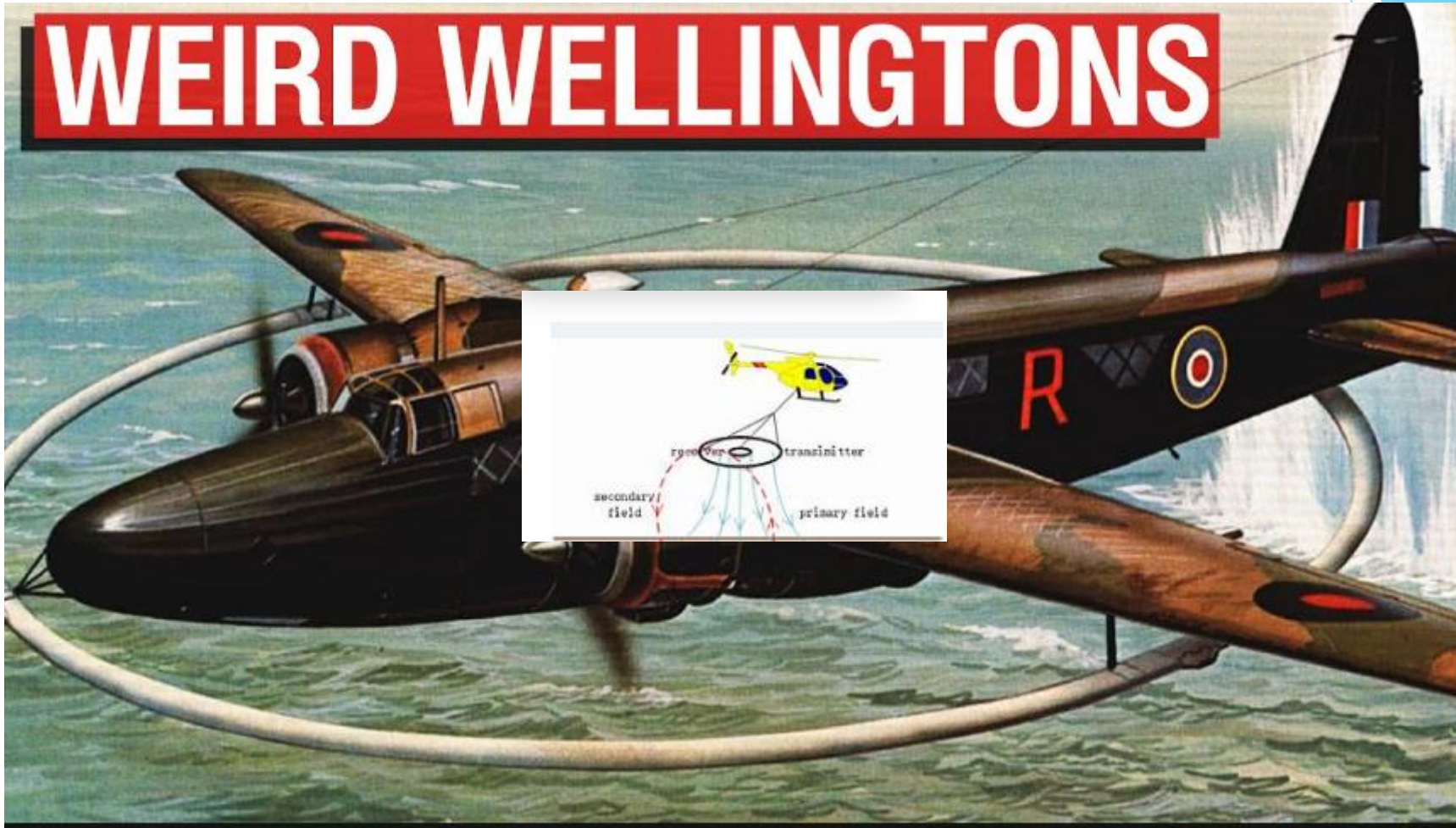


Mineralisation is open down dip towards a deep, highly conductive zone

Bruvann Mine



WEIRD WELLINGTONS



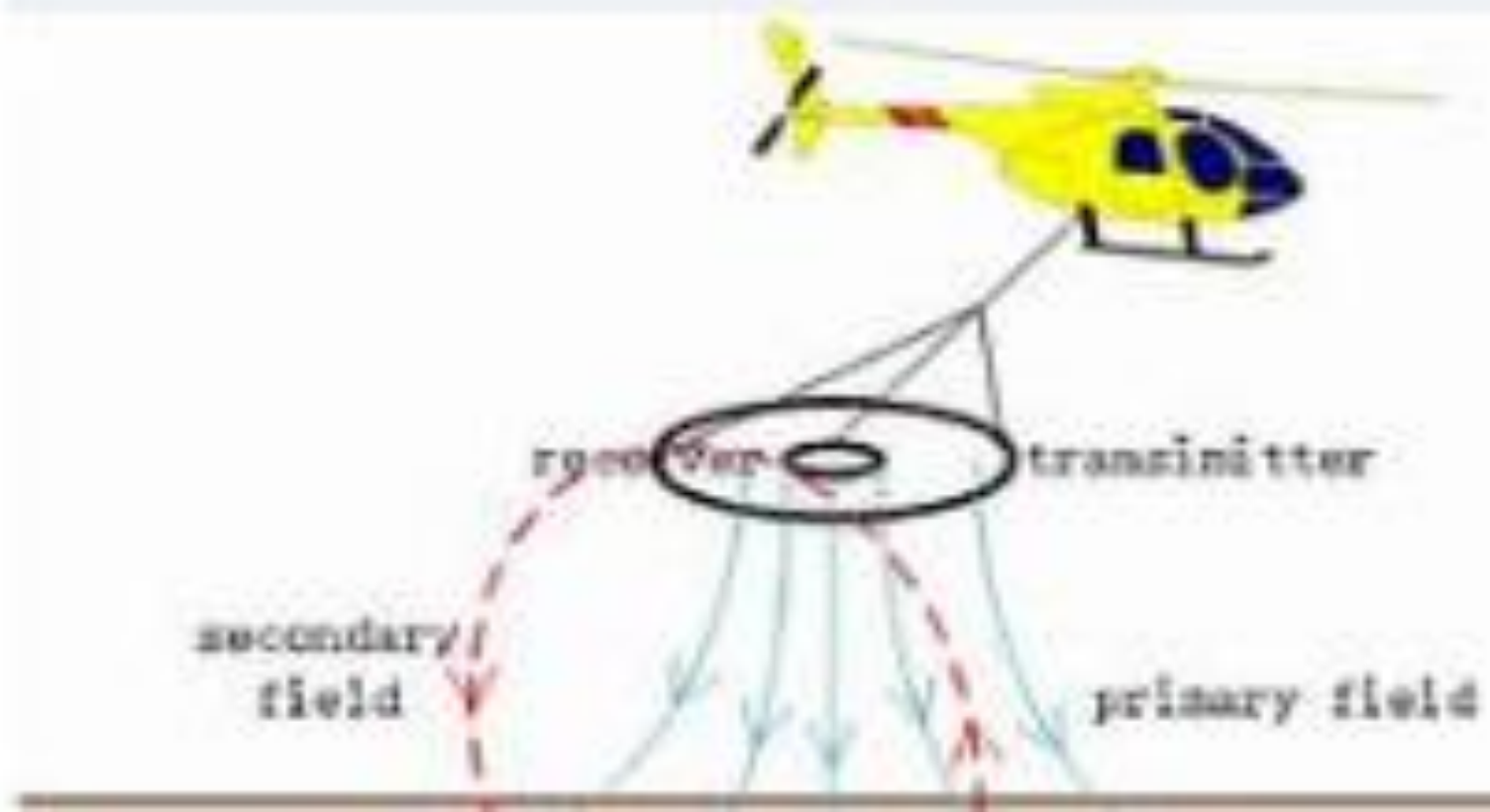


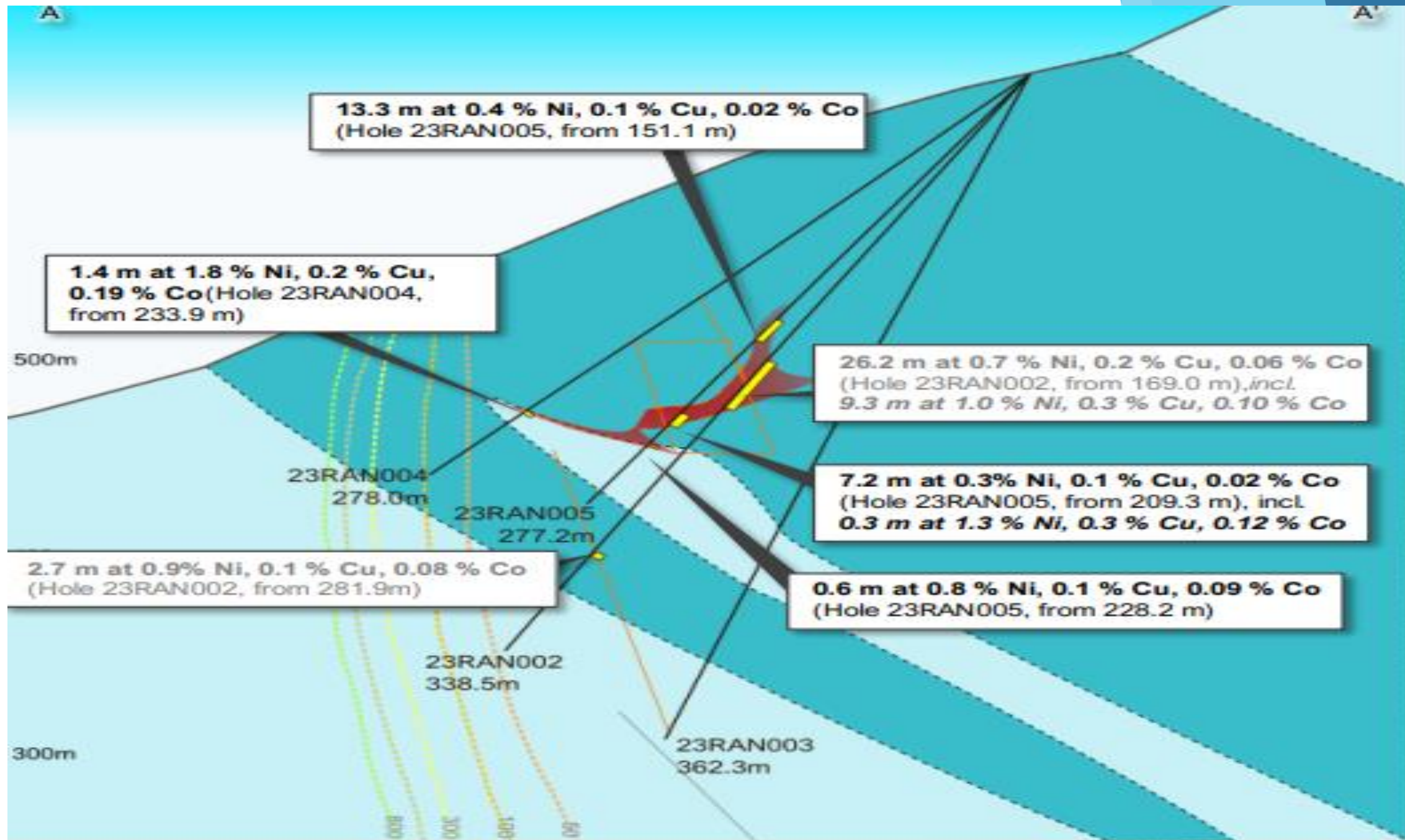
DGPS Antenna

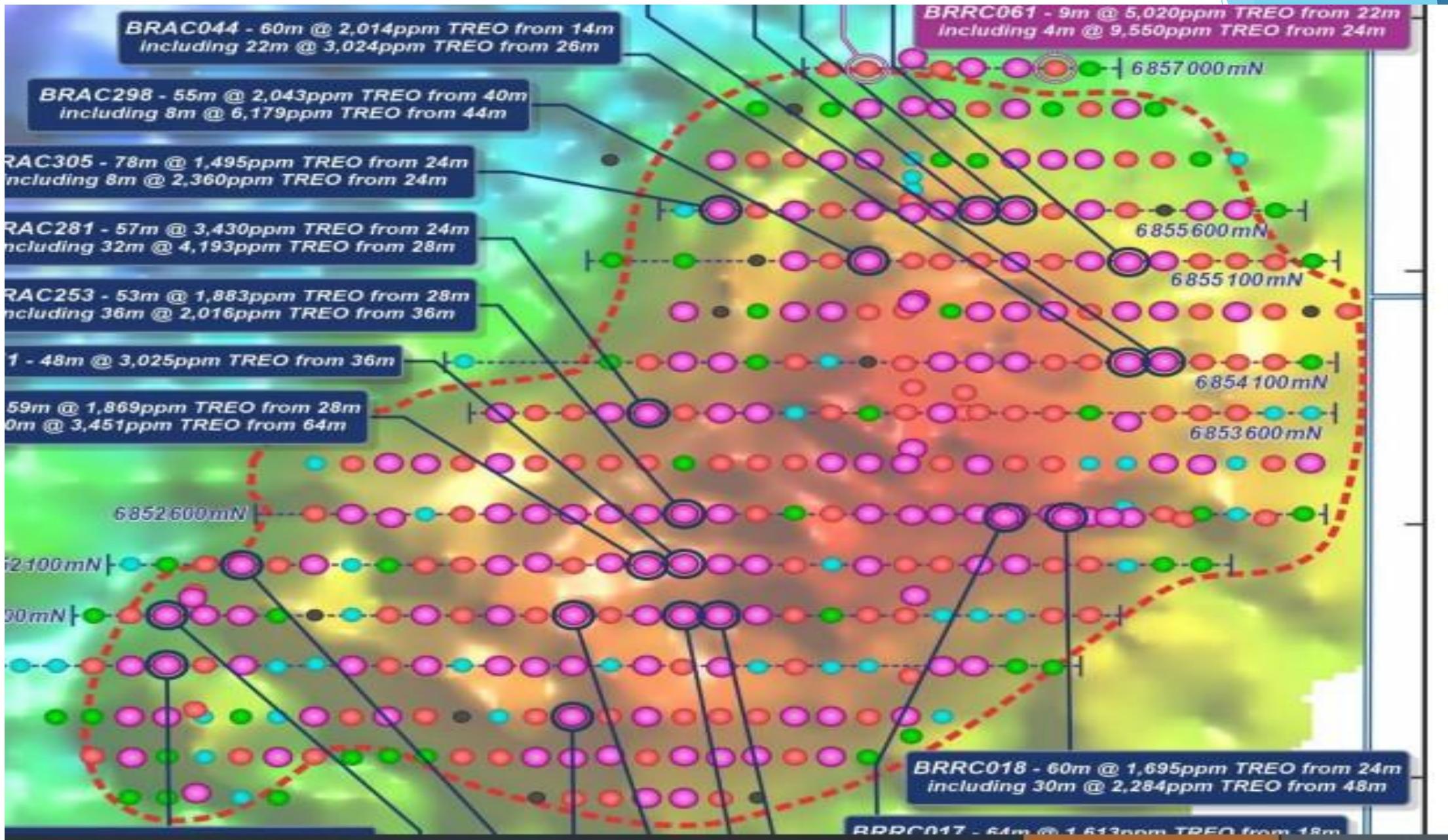
Aeromagnetic Data Recording and Compensation System

Fluxgate Sensor

Magnetometer Sensor









A premier iron ore focused reverse circulation drilling company with industry leading technology.



Australia's leading dual aircore/reverse-circulation capable exploration drilling company.



Swick Mining Services, is one of the world's largest mineral drilling contractors, specialising in underground diamond coring for the hard rock mining industry.

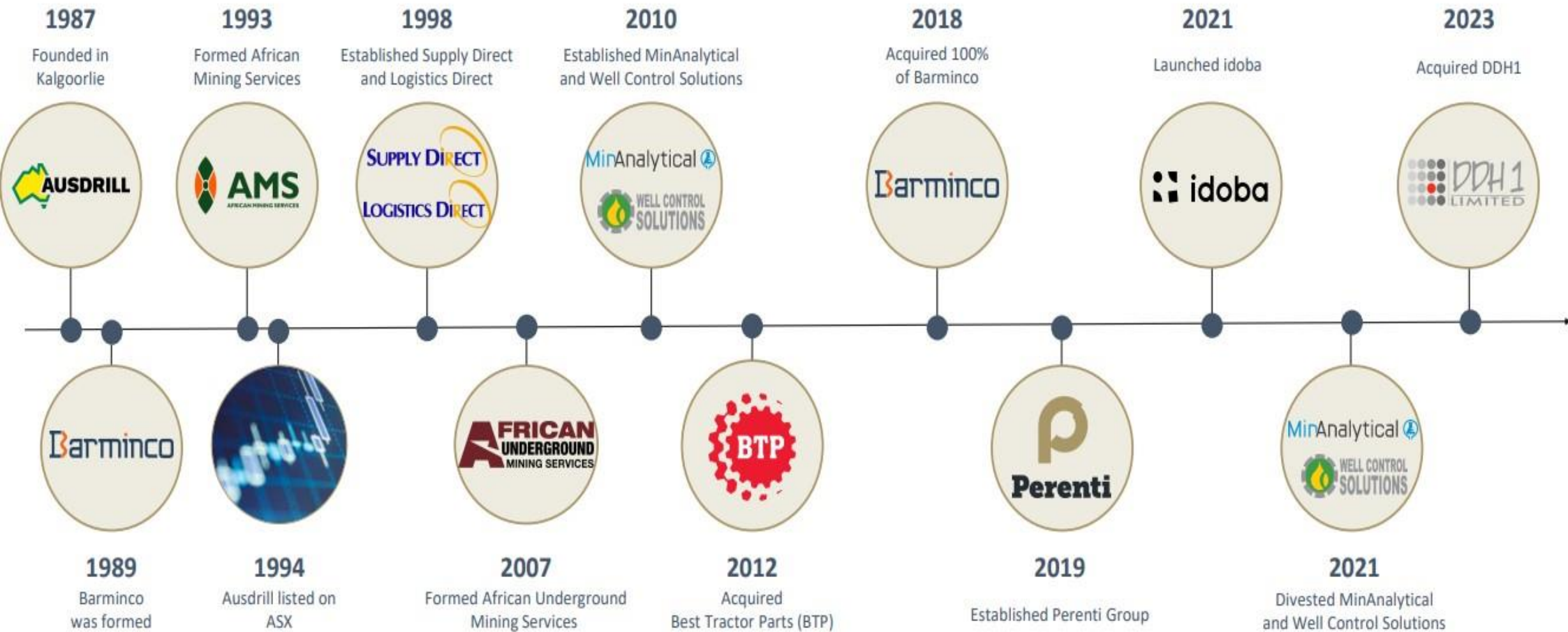








Perenti | Our evolution





- A global leader in underground hard-rock mining with 30+ years experience
- Demonstrated history of reaching or exceeding productivity targets
- Established relationships with clients focused on operational excellence



- Specialist drilling capability across the value chain (exploration, development, production)
- Commodity agnostic with a high exposure to production drilling
- Modern, well-maintained fleet of 302 rigs (top 3 in the world)



- A portfolio of businesses, including low capital intensity services
- Trusted by leading companies in the sale, rebuild and rental of equipment, components and parts
- Supply and logistics capability, including underground support products and mining consumables




- Technical and technological capabilities to navigate the increasing complexity of mining

Perenti



Source: Scheme Booklet



The Sandvik electric DL422iE longhole drill is one of the many heavy and light electric vehicles being trialled by Barminto.





Swick Gen3 E-Rig

Swick Mining Services' (Swick) Gen3 E-Rig embodies a significant leap in underground diamond drilling technology, emphasising safety, productivity and environmental sustainability. Swick is currently constructing the first production version of the Gen3 E-Rig, with availability anticipated in the first half of FY25.

Following comprehensive field tests in FY23 and continued design enhancements in FY24, the Gen3 E-Rig has demonstrated reduction in power usage per meter drilled by approximately 30-50%, aligning with industry's drive towards decarbonisation. This efficiency not only lowers operational costs but also minimises environmental impact.

The Gen3 E-Rig's robust design showcases Swick's unwavering commitment to innovation. It features a fully integrated battery cooling system and a patented DC-driven rotation motor, which significantly enhances safety by eliminating battery fire risks. Additionally, the rig's electric tramming capability replaces diesel engines, further reducing emissions and operational costs.

The Gen3 E-Rig also incorporates the next generation of Swick Automation. This advancement reduces operator risk and improves productivity, making the rig a safer and more efficient solution for underground drilling operations.



Enable tomorrow



Never wasteful



785C water cart before rebuild.



785C water cart after RTD rebuild

~11,000 people

operating across

100+

Clients

60+

Projects

12

Countries

10+

Commodities

with

37

years in
Australia

32

years in
Africa

4

years in
North America

10

years in
Europe



Perenti

 **Perenti**
CONTRACT MINING

Barminco

AFRICAN
UNDERGROUND
MINING SERVICES

 **AMS**

 **Perenti**
DRILLING SERVICES

 **DDH1**
DRILLING

SWICK
DRILLING & MINING SERVICES

 **AUSDRILL**

RANGER
DRILLING

 **strike**
DRILLING

 **Perenti**
MINING SERVICES

 **BTP**

SUPPLY DIRECT

LOGISTICS DIRECT

 **idoba**

 **idoba**

orelogy
an idoba company

Diversified | Services, Geography, and Commodity

Revenue stability is underpinned by underground operations and investment grade jurisdictions

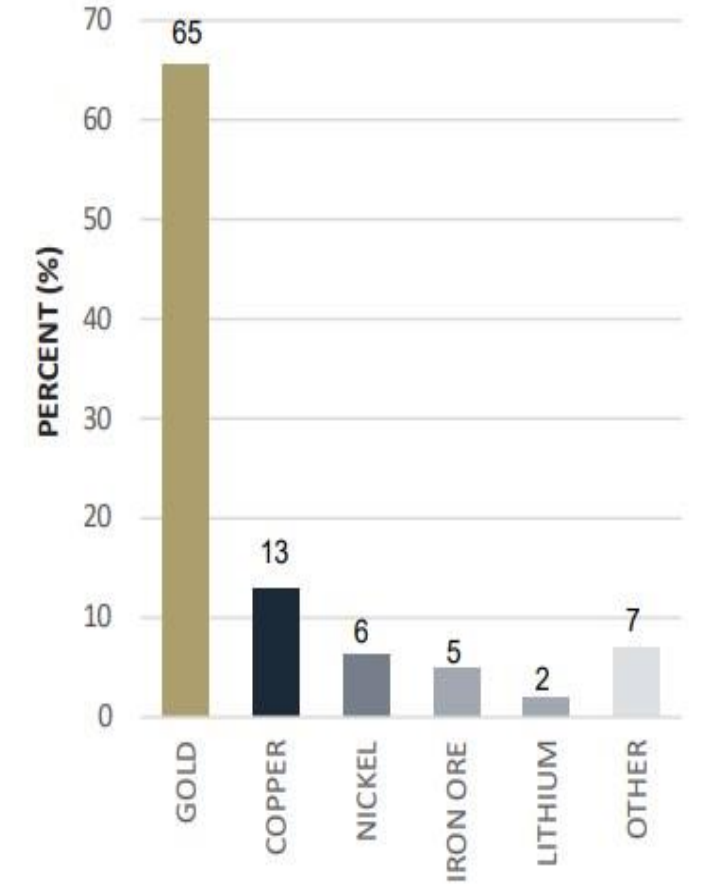
Services



Geography



Commodity¹



Consolidated statement of profit or loss

For the year ended 30 June 2024

		30 JUNE 24 \$'000	30 JUNE 23 \$'000
	Notes		
Revenue	2	3,342,020	2,880,136
Other income	2	42,254	43,330
Materials expense		(992,923)	(914,643)
Labour costs		(1,374,206)	(1,143,405)
Rental and hire expense	3	(59,548)	(55,629)
Depreciation expense	3	(326,001)	(283,646)
Amortisation expense	3	(52,584)	(33,998)
Finance costs	3	(81,882)	(64,609)
Finance income	3	4,328	3,675
Other expenses from ordinary activities	3	(332,616)	(260,275)
Impairment of assets	3	—	(4,728)
Profit before income tax		168,842	166,208
Income tax expense	4	(61,677)	(63,622)
Profit for the year		107,165	102,586
Profit is attributable to:			
Equity holders of Perenti Limited		95,476	95,739
Non-controlling interests		11,689	6,847
Profit for the year		107,165	102,586
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	5	10.9	13.9
Diluted earnings per share	5	10.5	13.4

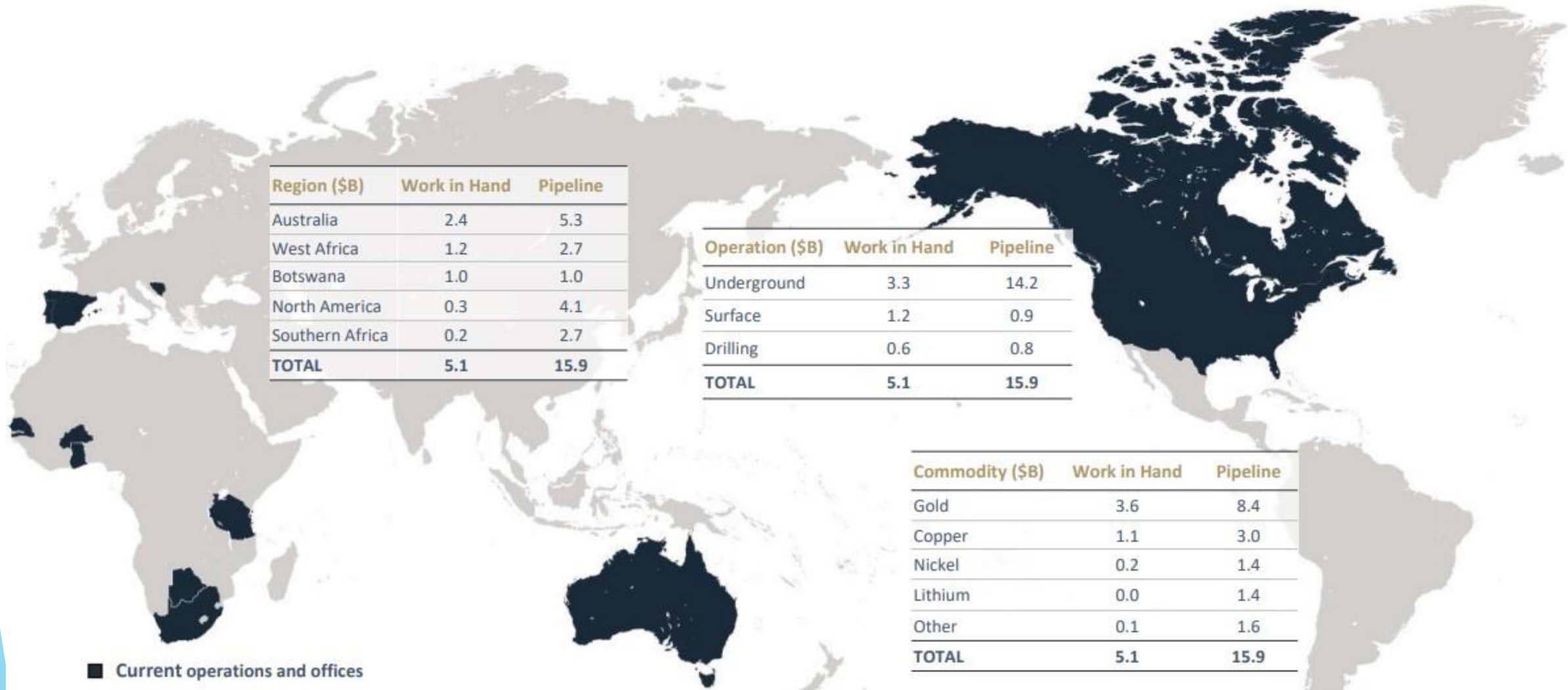
	NOTES	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents		459,136	307,360
Trade and other receivables	7	509,137	435,220
Inventories	8	282,301	227,242
Current tax receivables		18,547	15,590
Assets classified as held for sale	9	9,457	18,663
Total current assets		1,278,578	1,004,075
Non-current assets			
Receivables	7	12,823	15,098
Property, plant and equipment	9	1,270,455	968,236
Right-of-use assets	11	42,614	45,616
Intangible assets	10	617,078	626,083
Deferred tax assets	4	133,996	164,266
Financial assets at fair value through other comprehensive income		254	—
Total non-current assets		2,077,220	1,819,299
TOTAL ASSETS		3,355,798	2,823,374
LIABILITIES			
Current liabilities			
Trade and other payables	12	432,887	421,385
Borrowings	15	3,468	3,201
Lease liabilities	11	13,647	16,538
Current tax liabilities		22,954	25,175
Employee benefit obligations	13	107,371	79,306
Total current liabilities		580,327	545,605
Non-current liabilities			
Borrowings	15	877,418	753,878
Lease liabilities	11	34,071	32,745
Deferred tax liabilities	4	63,238	58,554
Employee benefit obligations	13	11,688	6,136
Provisions		673	165
Total non-current liabilities		987,088	851,478
TOTAL LIABILITIES		1,567,415	1,397,083
NET ASSETS		1,788,383	1,426,291
EQUITY			
Contributed equity	17	1,374,352	1,118,448
Other reserves	17	(17,713)	(35,721)
Retained earnings		403,080	326,676
Capital and reserves attributable to the owners of Perenti Limited		1,759,719	1,409,403
Non-controlling interests		28,664	16,888
Total equity		1,788,383	1,426,291

Consolidated statement of cash flows

For the year ended 30 June 2024

	Notes	30 JUNE 24 \$'000	30 JUNE 23 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		3,617,064	3,009,036
Payments to suppliers and employees (inclusive of goods and services tax)		(2,983,704)	(2,486,359)
		633,360	522,677
Interest received		4,235	1,538
Interest and other costs of finance paid		(65,228)	(61,186)
Income taxes paid		(72,927)	(64,909)
Transaction costs relating to acquisition of subsidiary		(11,649)	—
Net cash inflow from operating activities	6	487,791	398,120
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		(335,154)	(373,921)
Proceeds from sale of property, plant and equipment		21,335	76,729
Proceeds from sale of assets held for sale		10,522	16,338
Payments for purchase of subsidiaries, net of cash acquired	20	(36,017)	—
Loan to DDH1 Limited, pre acquisition		(38,000)	—
(Loan to)/repayment of loan by non-controlling interest		(5,412)	168
Net cash outflow from investing activities		(382,726)	(280,686)
Cash flows from financing activities			
Proceeds from borrowings		842,255	340,106
Repayment of borrowings		(698,670)	(433,195)
Redemption premium on 2025 High Yield Bonds		(5,695)	—
Payments of lease liabilities		(17,790)	(28,611)
Dividends paid	18	(19,112)	—
Dividends paid to non-controlling interest		(3,407)	(435)
Payments for bonds buy-back, gross of transaction costs		—	(24,887)
Payments for borrowing costs		(14,976)	(4,586)
Payments for share buy-back, gross of transaction costs		(29,756)	(21,526)
Proceeds from disposal of a non-controlling interest		—	5,400
Net cash inflow/(outflow) from financing activities		52,849	(167,734)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		307,360	348,519
Effects of exchange rate changes on cash and cash equivalents		(6,138)	9,141
Cash and cash equivalents at end of year		459,136	307,360

Looking Ahead: Work in Hand and Pipeline



Region (\$B)	Work in Hand	Pipeline
Australia	2.4	5.3
West Africa	1.2	2.7
Botswana	1.0	1.0
North America	0.3	4.1
Southern Africa	0.2	2.7
TOTAL	5.1	15.9

Operation (\$B)	Work in Hand	Pipeline
Underground	3.3	14.2
Surface	1.2	0.9
Drilling	0.6	0.8
TOTAL	5.1	15.9

Commodity (\$B)	Work in Hand	Pipeline
Gold	3.6	8.4
Copper	1.1	3.0
Nickel	0.2	1.4
Lithium	0.0	1.4
Other	0.1	1.6
TOTAL	5.1	15.9

Note:

- Southern Africa includes Tanzania, South Africa and Namibia.
- West Africa includes Ghana, Burkina Faso, Senegal and Cote d'Ivoire.
- North America includes Canada and the USA.

REVENUE **\$3.4B to \$3.6B**

EBIT(A) **\$325M to \$345M**

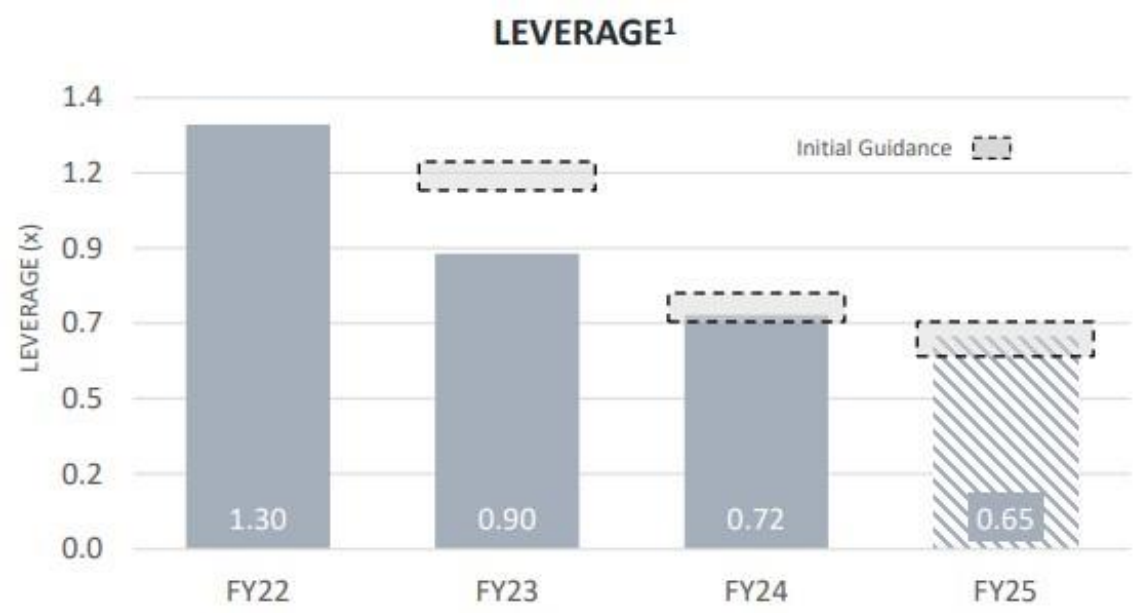
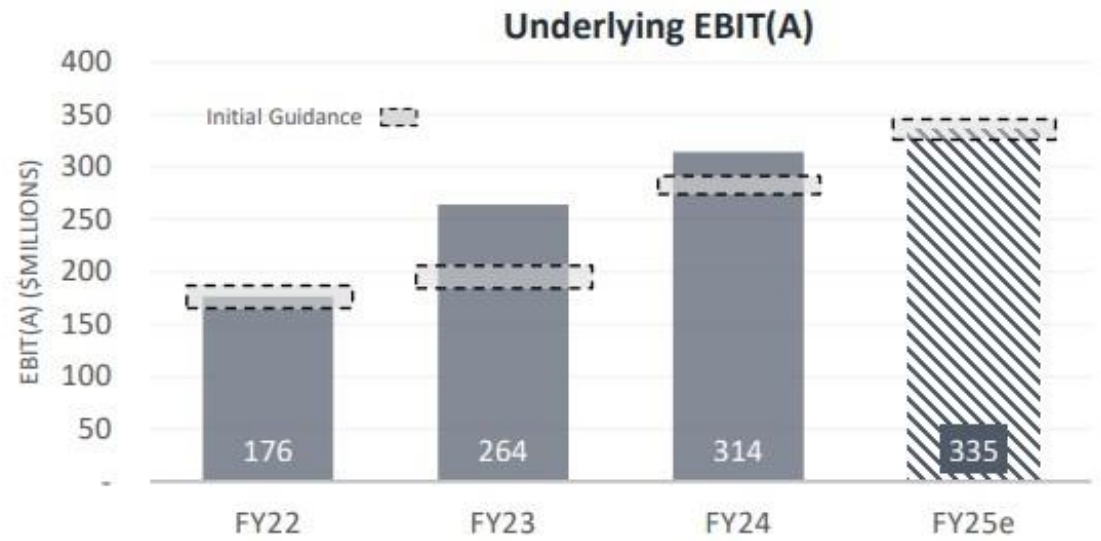
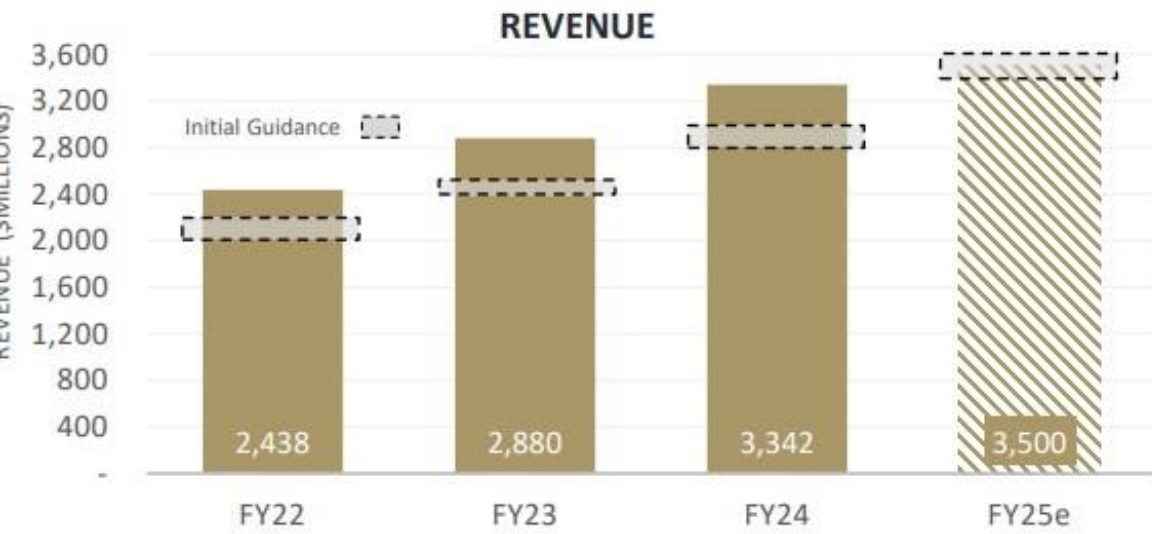
LEVERAGE **0.6x to 0.7x**

CAPEX¹ **~\$330M**

FREE CASH² **>\$150M**

HOW WE WILL DELIVER

- Safe delivery of our services, targeting no life changing events.
- Continue to win and extend projects that deliver sustainable growth.
- Generation of free cash flow as a priority.
- Maintain disciplined approach to capital allocation.
- Continue to seek efficiency across all divisions and functions.
- Optimise corporate overheads to improve margins.



A platform of scale to deliver consistent returns

Management is proud to deliver several consecutive years of revenue and EBIT(A) growth and leverage reduction, at or better than guidance.

The scale that has been built and the balance sheet strength now positions Perenti to deliver reliable free cash flow. This enables:

- Funding of capital expenditure to sustainably grow earnings;
- Resumption of dividends, and use of buybacks to return value to shareholders;
- Reduction in gross debt to reduce interest costs.

Note: The FY25e figures in the charts use mid-point of guidance
 1. Leverage is defined as Net Debt / Underlying EBITDA

FY24: Exceptional free cash flow built on sustainable growth Perenti

REVENUE

\$3.34B

▲ 16% on FY23

Addition of the DDH1 group and solid operational performance.

EBITDA

\$645M

▲ 17% on FY23

EBITDA was in line with revenue and improved margin.

EBIT(A)

\$314M

▲ 19% on FY23

Record group EBIT(A) was successfully delivered due to the addition of DDH1 and margin improvement.

EBIT(A) MARGIN

9.4%

▲ 23 bps on FY23

Margins have lifted due to better operational performance and reduced Corporate overheads.

NPAT(A)¹

\$166M

▲ 26% on FY23

Record NPAT(A) consistent with the EBIT(A) performance and improved tax outcome related to the DDH1 acquisition.

FREE CASH FLOW²

\$184M

▲ \$67.2M on FY23

Outstanding cash flow from operating performance and redistribution of idle capital to offset expenditure.

LEVERAGE³

0.7x

▼ 19% on FY23

Higher underlying EBITDA and reduced net debt.

FINAL DIVIDEND

4 cents per share

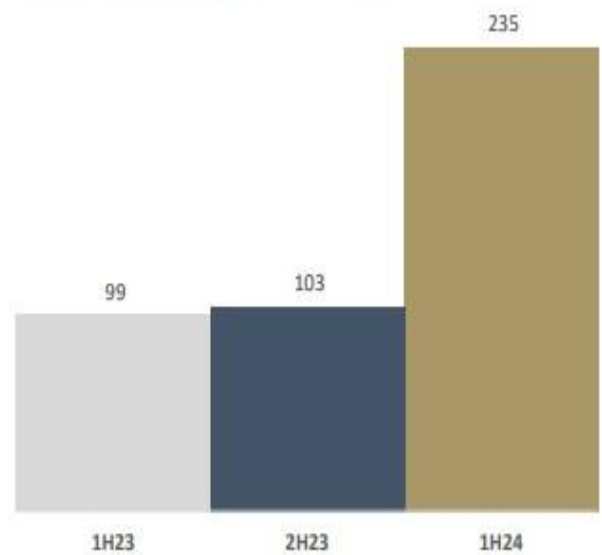
Strong cash generation has allowed declaration of a final dividend.

This takes the full year dividend to 6 cents per share.

Drilling Services: Delivers to expectations

REVENUE

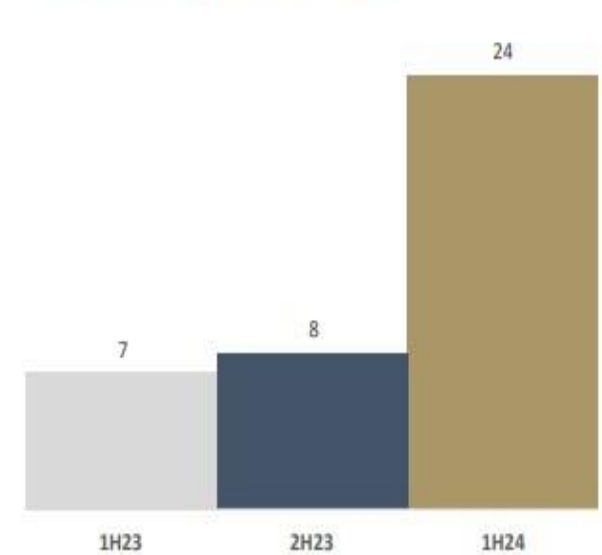
\$235M ▲ 137% vs 1H23



- Drilling Services includes the inclusion of the four DDH1 brands into the Perenti portfolio from 6 October 2023.
- Ausdrill revenue remains in-line with previous periods.
- Revenue growth forecast in 2H24 as the new Drilling Services Division delivers 6 months of DDH1 revenue.

EBIT(A)

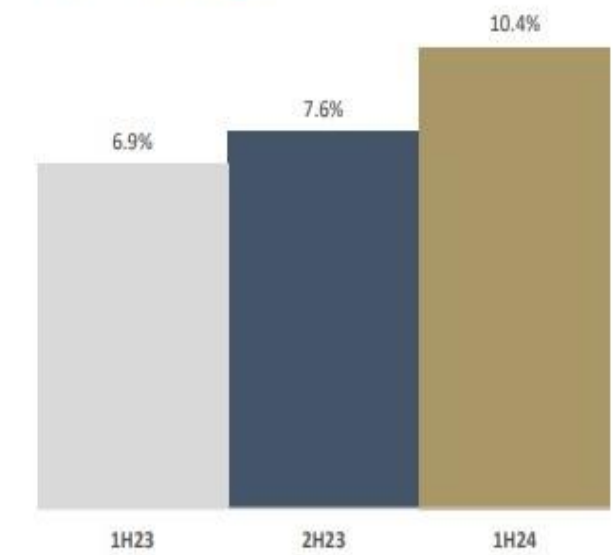
\$24M ▲ 255% vs 1H23



- Ausdrill earnings slightly higher on 1H23 in-line with stronger revenue from higher margin drill and blast activity.
- DDH1 performed to expectations.
- Production and resource definition activities continue to be primary driver of earnings.

EBIT(A) Margin

10.4% ▲ vs 1H23



- Ausdrill delivered stronger margins as drill and blast works increased.
- DDH1 inclusion from 6 October has improved margins.

Barminco awarded \$393 million, three-year contract at Regis Resources' Duketon Operations

Perenti Limited (ASX:PRN) ('Perenti' or 'the Company') is pleased to announce that its underground mining business Barminco has been awarded a new contract for the provision of mining services at Regis Resources Limited's (ASX:RRL) Duketon Operations (including Rosemont and Garden Well underground mines) in the Goldfields region of Western Australia.

- **Contract type:** Alliance style agreement.
- **Contract value:** A\$393 million (based on initial 3-year term).
- **Contract term:** Rolling 3-year term extended annually, commencing 1 April 2024.
- **Services:** Underground development, production and support services.
- **Capital requirement:** No new growth capital is required.

Mark Norwell, Managing Director & Chief Executive Officer of Perenti said, "We're very pleased to continue our partnership with Regis Resources at the Duketon Operations where Barminco has been providing value to our client through both development and production works since February 2019. This award adds Australian based underground earnings to our portfolio, which is aligned with the ongoing delivery of our strategy."

9 August 2024

Barminco secures underground contract extension with Barrick at Hemlo, Canada

Perenti Limited (ASX: PRN) ('Perenti' or 'the Company') is pleased to announce that its underground mining business, Barminco, has signed a three-year contract with Barrick Gold Corporation (NYSE: GOLD, TSX: ABX) ('Barrick') to continue contract mining at the Hemlo gold mine in Canada.

Hemlo is located 350 kilometres east of Thunder Bay in Ontario, Canada and has been in production since 1989. In 2019, Barrick transitioned the operation to a contract mining model from owner operator, and Barminco has been the main underground contractor since. The contract is initially for 36 months, but also includes two 12-month options to extend. If these options are exercised, Barminco will be operating at Hemlo until 2029.

Under the terms of the existing contract, Barrick owns the current fleet of underground equipment and will procure any additional fleet required for the mine. This significantly reduces the capital intensity of the project for Barminco. The total contract value is worth more than AUD\$200 million and involves underground mine development, production and mining support services.

Mark Norwell, Managing Director & Chief Executive Officer of Perenti said "The continuation of our relationship with Barrick at the Hemlo gold mine for at least the next three years is another great example of how our Contract Mining team extends contracts over the life of a mine operation. The long-term nature of these relationships is built on a foundation of creating enduring value and certainty for our clients. This aligns our operational success with the goals of our clients and creates a collaborative working environment.

"The low capital intensity of this project is one of several capital light contracts we operate across the organisation, with our first capital light contract secured in 2018."

Gabrielle Iwanow, President of Contract Mining at Perenti said "We are pleased to continue working with Barrick and demonstrating our leading underground capability in the North American market. Barrick is an important client for Barminco and we look forward to continuing to partner with them to deliver safe production at Hemlo."



- ▶ Market Cap - \$947m
- ▶ Shares on issue - 938m

Perenti operational advantages

- ▶ Contract Drilling and Mining: all requirements are defined by the Miner, who sets out; where to drill, where to mine, where to dispose of waste.

Specialist equipment and knowhow provided by the contractor to the Miner.

No Feasibilities (Preliminary, Definitive, or Bankable)

No seeking approvals for exploration or mining permits.

No assays of drilling, no specialised software for detailed modelling of drilling results.

No problem with “dry” drill holes or poor mining results

Drilling and contract mining akin to selling shovels to early gold miners

Preparing to disembark

— Mark Dixon

“Live as if you were to die tomorrow. Learn as if you were to live forever.”

— Mahatma Gandhi

“With age comes wisdom, but sometimes age comes alone.”

— Anonymous



Do you have a Will?



Yes? ► Is it still valid?

Marriage or Divorce may invalidate your old will.

► Does it still reflect your wishes?

Have your children or siblings aged and don't need your goodies? – how about grandchildren?

No? ► If you wait till you have “incapacity” (cognitive) you won't be allowed to make a will.

What if you need to care for someone after you die?

- ▶ Consider a dependent who cannot manage money - do you leave your estate to them in cash?
- ▶ Would a Testamentary Trust be a better way?



Health dogma 'fails to support dying patients'

Jill Margo

Australia's "death-denying" culture is hampering hospitals across the country, according to a new report on how and where people spend the last phase of life.

It found a quarter of all public hospital beds are occupied by patients who are predominantly elderly, in their final year of life, and often receiving high-intensity care without clear benefits.

In this "cure-based" system, treatment is frequently at odds with their known preferences.

The report was prepared by the Violet Initiative, a national not-for-profit organisation that for the past 25 years has helped people navigate this final stage.

Although 70 per cent want to die at home, with emotional and medical support, less than 15 per cent achieve this. The report says the associated costs add an annual \$4 billion burden to the health and aged care systems.

It found that dying in hospital is the least preferred place to die, yet one in two Australians die there, spending an average of 33 days in hospital across four admissions in their final year.

This helps to explain why 11 per cent of the federal health budget is now being spent on 1 per cent of the population who die in that year.

"This is happening at a time when our public health systems are in crisis, with hospitals overwhelmed and dealing with bed blocks, elective surgery delays, emergency department overcrowding, and ambulance ramping," says Kate Carnell, chair of the Violet Initiative.

"The cost of our cure-based health system will escalate because our population is ageing, and the number of frail people is set to double within 15 years.

"Although the medicalisation of dying is not good healthcare or good



The last stage of life is not truly a clinical issue, it's a social issue, says Kate Carnell, chair of the Violet Initiative.

social care, governments don't want to touch it and pass it from department to department.

"We think part of the solution is to accept that the last stage of life is not truly a clinical issue. It is a social issue. It's about having a proper conversation and a proper plan.

"People should be able to fund the plan out of their health care packages. They can get a nurse, but getting an appropriately qualified person to help the family put together a plan is not covered."

In its mission is to transform the last stage of life, Violet has helped 18,000 people navigate these most personal moments.

They are subject to a conveyor belt from home to hospital, often ending on life support in an intensive care unit.

Ken Hillman, professor of intensive care at UNSW, in the report foreword

Called *Too little, too late: the experience of the last stage of life across Australia*, the report reviews national and global evidence and calls for action from federal and state governments.

In the foreword, Ken Hillman, professor of intensive care at UNSW, writes that hospitalisation is the fall-back position for people in the last stage of life. "They are subject to a conveyor belt from home to hospital, often ending on life support in an intensive care unit."

Just as there has been a shift in giving birth, with soon-to-be parents now reclaiming the process, so the last stage of life needs to be reclaimed too.

Professor Imogen Mitchell, chairman of the Violet Initiative's clinical committee and an ICU specialist, writes that our "death-denying culture" denies the need to plan for a high-quality death.

"Changing the current dogma is going to be hard, and we need to think beyond palliative care as being the whole solution."

Australian Financial Review, 22-July 2024, p.10



Australia's "death-denying" culture is hampering hospitals across the country, according to a new report on how and where people spend the last phase of life.

It found a quarter of all public hospital beds are occupied by patients who are predominantly elderly, in their final year of life, and often receiving high-intensity care without clear benefits. In this "cure-based" system, treatment is frequently at odds with their known preferences.

...

"We think part of the solution is to accept that the last stage of life is not truly a clinical issue. It is a social issue. It's about having a proper conversation and a proper plan.

...



**A Will is only for
after you die.
... but before?**

**Make it clear what you
want; and/or entrust your
decisions to someone you
trust!**

*Voluntary assisted dying has only been
allowed in Western Australia since July
2021*



 Office of the
Public Advocate

Information Sheet

Protecting the human rights of adults with decision

9. ENDURING POWERS OF GUARDIANSHIP

If you can't manage, who will manage your assets?

Enduring power of Attorney



How do I do it?

Some do it themselves

- ▶ [Guide to Wills](#) (WA)
- ▶ [Enduring Power of Attorney Information Kit](#) (WA)
- ▶ [Guide to enduring power of guardianship](#) (WA)
- ▶ [Advance Health Directive](#) (WA)

It is best to use a lawyer for anything more complex than the very basics

- ▶ A lawyer can ask you about things you might not have thought of
- ▶ For complex needs, consider an Estate Law specialist.

When you're done

- ▶ Will to the [Will Bank @ Public Trustee](#) (free in WA).
- ▶ Advance Health Directive to My Health Record.



CleanTeq Water

— David Brooke



Open discussion material



Close

- ▶ **Our next meeting:** Thursday, 19th September, 10 am, Citiplace.
- ▶ **Other ASA groups:**
- ▶ 20th August , Tuesday, 10 am — Stirling Discussion (Tuart Hill), contact [Chris](#)
- ▶ 21st August , Wednesday, 10 am — Busselton Discussion, contact [Bernie](#)
- ▶ 23rd August , Friday, 10 am — Perth South of the River (Bull Creek), contact [Peter](#)
- ▶ 22nd August , Thursday, 10 am — Nedlands Discussion, contact [Kevin](#)
- ▶ 3rd September , Tuesday 10:15am — Perth Member's Meeting & Investors Forum (State Library auditorium, Perth), contact [Kaye](#)

<https://www.australianshareholders.com.au/learn-connect/local-meeting-groups/>

Coffee?

State library cafe

