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Macmahon Holdings (MAH.ASX)

Mining gold, copper and coal in Australia and Indonesia

Recommendation
Buy (Initiation)
Price
$0.275
Target (12 months)
$0.40 (previously Initiation)

Sector

Materials

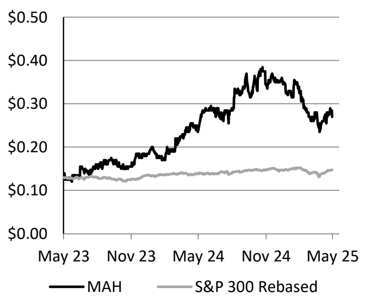
Expected Return	
Capital growth	**45.5%**
Dividend yield	**5.0%**
Total expected return	**50.5%**

Company Data & Ratios	
Enterprise value	**$817m**
Market cap	**$592m**
Issued capital	**2,155m**
Free float	**55%**
Avg. daily val. (52wk)	**$1.0m**
12 month price range	**$0.23-0.395**

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	0.24	0.35	0.24
Absolute (%)	14.9	-21.7	12.5
Rel market (%)	2.6	-20.0	6.7

Absolute Price



SOURCE: IRESS

Description: contracts, margins and capital

The company is a contract mining, and civil Infrastructure company. Its mining activities relate to the contractual operation of underground and surface mines in Australia and SE Asia (92%/8% of group revenue respectively), with the majority of the group's exposure being to gold (54%) which is underpinned by the current strong gold price. The main contract mining businesses have relatively long-term projects, and make EBITDA margins of around 17%, or around 7-8% after depreciation.

Its civil infrastructure business has grown significantly with the acquisition of Decmil Gp (a civil construction company) in 2024. This has developed from providing mine support, to projects involved with renewables and infrastructure (roads, bridges, accommodation), with a range of short and medium-term projects. Capital required is lower than mining, but potentially has more competitors. Margins are lower than mining at the EBITDA level (around 7%), and slightly lower at the PBT level. The company has a long-term aim of rebalancing the business to 1/3rd 1/3rd 1/3rd underground, surface and civil, with a stated aim to grow underground by 50% over the next 2 years.

Investment view: Initiate with BUY PT $0.40/sh

We see strong upside as the company delivers on: 1) Growth from underground mining (target of 50% growth in the next 2-3 years). 2) Growth from international, expected to reach 15% of group turnover. 3) Growth in civil as Decmil is able to scale with renewed balance sheet strength. 4) Upside from sale of the Homeground camp. 5) Scope for further acquisitions. 6) Rerating as the shares trade at just 5.7x FY25 EPS, or around NTA of $0.284 per share, but offer exposure to gold, limited tariff risk, and have high cash generation ($301m in FY24 pre capex or c50% of market cap) with an FY25 yield of 4.5%. The low rating of the shares relative to other mining contractors suggests that investor expectations are low, giving scope for upside surprise. We initiate coverage with a BUY, and value the shares at $0.40/sh using a DCF.

Earnings Forecast

Year end June 30	2024a	2025e	2026e	2027e
Sales revenue ($m)	2031.3	2441.7	2552.0	2662.4
EBITDA (Underlying) (A$m)	351.7	374.4	390.4	406.7
NPAT (Ex NCI Reported) (A$m)	53.2	79.9	98.5	109.3
NPATA (Underlying) (A$m)	91.9	104.9	113.2	121.4
EPS Diluted adjusted (cps)	4.3	4.9	5.3	5.6
EPS growth (%)	33.5%	13.4%	8.0%	7.3%
PE Ratio - Diluted adjusted (x)	6.4	5.7	5.2	4.9
Price/CF (x)	2.2	2.1	2.0	1.7
EV/EBITDA (x)	2.3	2.2	2.1	2.0
Dividend (¢ps)	1.1	1.3	1.6	2.0
Yield (%)	3.8%	4.5%	5.7%	7.2%
Franking (%)	57.1%	100.0%	100.0%	100.0%
ROE (%)	14.7%	14.8%	14.5%	14.5%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Contents

Investment thesis & current trading

Contract mining & civil infrastructure

The activities of MAH relate to contract mining, and civil infrastructure.

Contract Mining relates to the operation of underground and surface mines in Australia and SE Asia, with the majority of the group's exposure being to gold (54%), Met Coal (20%) and Lithium (8%). The company operate long-term stable projects (from contract renewals), with a pass through of many of the key expenses covered by escalations in the contract (especially labour costs and plant costs). The group makes around 15-20% EBITDA margins in its mining segments, although depreciation is a key cost, reflecting high capital usage particularly in surface mining. The balance sheet contains a large amount of capital equipment, much of which is leased or debt funded.

Civil Infrastructure: The company is capable of undertaking start to finish engineering, procurement, and construction (EPC) type projects. We refer to this division as Civil Infrastructure, as it undertakes more than just engineering work. Exposure has been growing following the acquisition of TMM in 2018, and more significantly with the acquisition of Decmil in 2024. This has developed from providing support to mines (rehab, roads, bridges, accommodation) to projects involved with renewables and infrastructure. It undertakes a range of short- and medium-term projects. Compared to mining, the capital required is lower, but the business potentially has more competitors and margins are lower (EBITDA around 7%), and slightly lower at the PBT level. The lower level of capital required means that the return on capital employed is higher and means that the business is potentially more scalable without the capital requirements associated with mining.

Growth: with long term contracts, growth is expected at mid to high single digit, however the company has a track record of 12.2% CAGR over the last 5 years (FY21 to FY25 guidance) achieved by winning additional contracts, retaining existing mines with contract extensions, and inorganically through acquisitions. The Australian business has achieved a CAGR of 19.9%. These achieved growth rates are considerably higher than would be expected for a business on 6x earnings.

Investment case

Steady growth from stable long-term relationships with mining customers, with upside from extending the scope or life, as well as bringing on new mining relationships. This is underpinned by the FY25 secured revenue of $2.2bn and order book of $4.3bn. In particular we see:

1. **Growth from underground mining,** with a target to grow revenue by 50% over the next 2-3 years. Revenue in FY24 was $530m across 6 key mine sites, suggesting the company need to add 2-3 large mines.
2. **Growth from international,** expected to reach 15% of group turnover including recently won contracts in Indonesia. MAH has a competitive advantage in hard rock underground mining in Indonesia, given its existing relationships and local knowledge.
3. **Growth in civil infrastructure,** through renewable energy and infrastructure. Decmil gains from the strength of the combined group balance sheet, which is reflected in $333m of new work the group has won since completion.
4. **Upside from asset sales:** The group acquired the Homeground accommodation site in Queensland with Decmil. This has been running at sub optimal levels. There is scope to release capital through a sale, part relocation or improved utilisation.
5. **Further corporate activity:** MAH has made four acquisitions since 2017, improving its footprint, scale and reach. All have been made using debt and cash. MAH is currently

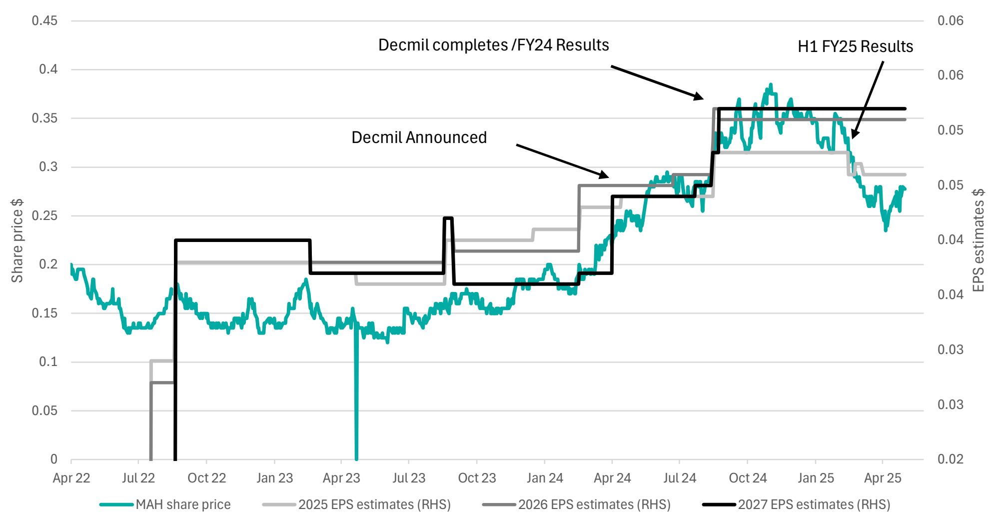
integrating Decmil and reducing gearing. Once achieved, we believe there is scope for MAH to make larger acquisitions using equity which would provide greater enhancement. We compare MAH with Perenti, (PRN.ASX, BUY, TP $1.45) highlighting the similarities and differences between them. We consider whether these businesses could merge, but conclude there is currently insufficient strategic rationale, or pressure, particularly as both benefit from having a stable business in contract gold mining.

6 **Low rating and a re-rating of the business:** The shares are amongst the lowest rated for mining contractors trading at just 5.7x FY25 EPS, or around the NTA of $0.284 per share, but offer exposure to gold, limited tariff risk, and have high cash generation ($301m in FY24 pre capex or c50% of market cap) with an FY25 yield of 4.5%. The low rating of the shares relative to other mining contractors suggests that investor expectations are low, giving scope for upside surprise. We note the shares have been de-rated since the start of the year, providing an attractive entry point.

Share price relative to earnings expectations

The following chart in Figure 1, shows the MAH share price compared to the forward earnings expectations for FY25, FY26 and FY27 (taken from Bloomberg and equivalent to the EEG function). We note the upgrades to expected earnings in April 2024 following the announcement of the Decmil acquisition and in August following FY results and the completion of Decmil. During the period March 24 to October 24, expectations for EPS increased steadily. For FY25, expected EPS rose 11% from 4.3cps to 4.8cps, and for FY26 rose by 13.3% from 4.5cps to 5.1cps. The shares rose 59% over this period and were re-rated from around 4.8x to 7.0x FY25 earnings. Since the start of 2025, the shares have been gradually de-rated. EPS estimates for FY25 have come down by 9%, with the shares losing 25% of their value and now trade at 6x EPS.

Figure 1 – MAH Share price ($, LHS) and EPS forecasts for EPS for FY25-FY27 ($, RHS)



SOURCE: BLOOMBERG AND BELL POTTER SECURITIES ESTIMATES

Recent trading

The company reported H1 FY25 results on 18 February. These showed:

- **Revenue** was $1.2bn ahead 22.0% vs H1 FY24.
- **Underlying EBITDA** was ahead 3.0% to $181.3m, while EBIT(A) was ahead 14.7% to $78.1m. Margins were lower reflecting the inclusion of Decmil, with EBITDA margins of 15.4% (18.2% in pcp), and EBIT(A) margins of 6.6% (7.1% in pcp).

- **Underlying operating cash flow** was $163.4m up 18.2%, while free cash flow was $49.0m.
- **Net debt** was $236.2m with gearing of 26.2% increased following the Decmil acquisition. Leverage (net debt/EBITDA) was 0.66x, compared to 0.42x at FY24.
- **Interim dividend** was 0.55cps, up 22.2%.
- **Guidance for FY25** was maintained expecting revenue of $2.4-2.5bn and EBIT(A) of $160-175m. Net debt is expected to be around June 24 levels, and Capex for FY25 is expected to be $233m.
- **New contracts & extensions:** The company announced two new gold projects in Indonesia worth over $500m and a two-year extension of the Daisy Milano mine.
- **Acquisition:** The Civil business saw the integration of Decmil, with synergies largely realised and $333m of new civil work awarded.

Relative valuations

In Figure 2 we compare the valuation of MAH against similar companies in the industrial or mining services sectors. Where we cover a company, we have used our own (unadjusted) EPS, DPS, and EBITDA figures. Where we do not cover a company shown, we have used consensus from Bloomberg. We have not adjusted figures to normalise year ends since most of these companies have June year ends, with only Ventia having a December year end. The expected return is from the close price shown in the table and may differ to the expected return shown on the front page. The unadjusted EPS shown below are closer to statutory. The adjusted EPS on the front page may add back unusual and one-off costs, most notably amortisation of acquired intangible assets.

Figure 2 – Industrial/mining service providers – relative valuations

	BP Rec	BP target price (AUD)	Exp Tot Ret (%)	Year end	Close Price in Local (AUD)	Market Cap (AUD Bn)	PE Forecast (X)	PE Next year (X)	EV/EBITDA forecast (X)	EV/EBITDA next year (X)	Dividend Yield Forecast (%)	Dividend Yield Next year (%)
DOWNER EDI LTD				Jun	6.12	4.11	16.11	13.63	6.54	6.07	3.82	4.49
VENTIA SERVICES GROUP PTY LT				Dec	4.64	3.92	16.06	14.64	8.35	8.04	4.81	5.24
SRG GLOBAL LTD	Buy	1.65	22%	Jun	1.40	0.85	16.51	14.34	6.53	5.80	3.93	4.29
MACMAHON HOLDINGS LTD	Buy	0.40	45%	Jun	0.29	0.61	7.69	6.23	1.98	1.84	4.39	5.54
NRW HOLDINGS LTD				Jun	2.83	1.29	10.33	9.46	3.72	3.59	5.48	5.97
DEVELOP GLOBAL LTD	Buy	4.00	16%	Jun	3.46	0.95	151.23	8.75	22.89	5.97	0.00	0.00
PERENTI LTD	Buy	1.45	7%	Jun	1.42	1.32	10.07	8.48	2.65	2.57	4.93	5.00
MONADELPHOUS GROUP LTD	Hold	16.20	3%	Jun	16.43	1.62	19.57	19.75	8.98	8.92	4.14	4.26
DURATEC LTD	Buy	1.95	26%	Jun	1.59	0.40	16.36	12.95	6.67	5.48	2.81	3.38
SERVICE STREAM LTD				Jun	1.91	1.17	17.64	16.71	8.19	7.66	3.20	3.52
ACROW LTD				Jun	1.04	0.32	9.50	7.90	5.42	4.56	5.70	6.18
AUSTIN ENGINEERING LTD	Buy	0.85	127%	Jun	0.38	0.24	8.94	5.80	4.68	3.37	3.68	5.00
GR ENGINEERING SERVICES LTD				Jun	2.69	0.45	13.87	14.08	7.10	7.19	7.43	7.55
GENUSPLUS GROUP LTD	Buy	3.30	11%	Jun	3.00	0.54	18.48	15.71	8.29	6.75	1.00	1.17
SOUTHERN CROSS ELECTRICAL	Buy	2.50	36%	Jun	1.90	0.50	15.49	12.00	7.52	5.95	4.22	4.22
Simple average of group (Ex DVP)							11.57	10.10	5.09	4.58	3.50	3.87

prices updated 12/05/25, estimates updated 12/05/25

SOURCE: BLOOMBERG & BELL POTTER SECURITIES ESTIMATES

We note that at the current share price MAH trades on 7.7x reported FY25 earnings or 5.7x underlying earnings as shown on the front page. This is one of the lowest in the table and below the sector average of 11.6x (Excluding DVP). It is valued at an EV/EBITDA multiple of 2.0x, which is below the sector (simple) average of 5.1x (ex DVP), although given the relatively high capex and depreciation charge at MAH we would caution against placing too much weight on this metric. The FY25 yield at 4.5% is ahead of the sector average of 3.5%, although we anticipate that the payout ratio will increase as debt and gearing falls.

Comparison with Perenti (PRN)

MAH and PRN are similar businesses, both undertaking contract mining operating both underground and surface mines, in Australia and overseas. We attempt to highlight the similarities and differences of the two companies.

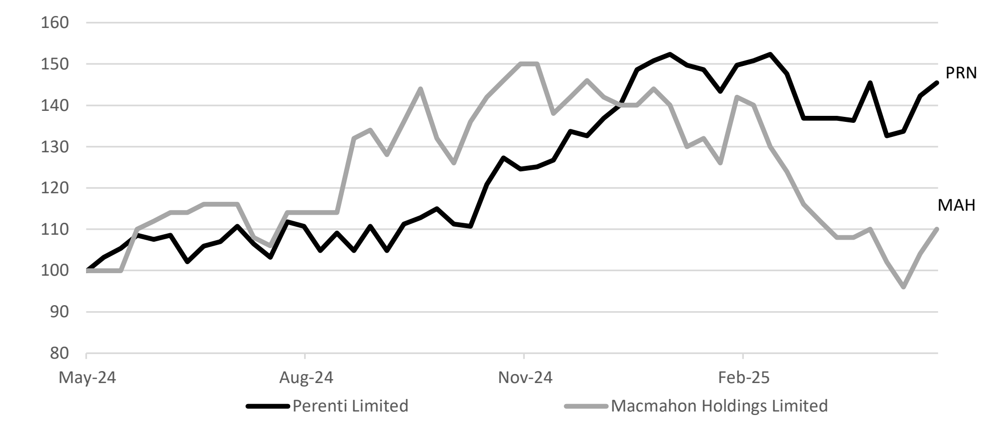
From an investment point of view, both should be driven by similar factors. Both are defensive value stocks on low multiples. As we showed above there is a minor difference in rating between the two stocks. PRN probably benefits from being larger and more liquid but is more dependent upon drilling in the exploration area for a further re-rating, and investors may regard its exposure to Africa as riskier than MAH's exposure to Indonesia.

Share price performance

The following chart shows the progression of both companies share prices over the last year rebased to 100. Through 2024, until the start of 2025 both were tracking reasonably closely, although MAH was performing slightly better. The slow activity in PRN's drilling business may have held it back. At the start of 2025, both stocks saw volatility around the FY results in February. PRN's results were slightly below expectations.

With the wider market volatility seen since the FY results, both could be seen as a safe haven for investors being largely domestic, having high exposures to gold mining, and both trading on low multiples and close to NTA. PRN has outperformed MAH, with both having favourable news flow on contract developments, and PRN's share price may have been helped by the on-going share buy-back.

Figure 3 – MAH Share price vs PRN share price (rebased to 100)



SOURCE: IRESS AND BELL POTTER SECURITIES ESTIMATES

Similarities:

- **Capital intensity:** both find surface mining capital intensive, having considerable debt and plant on balance sheet, and both finding capex and depreciation are material items affecting the cashflow and P&L. Gearing is 26% at MAH and a similar 25% at PRN. Net debt is $237m at MAH and $598m at PRN
- **Strategy:** both highlight the capital intensity of surface mining and both are seeking to increase exposure to underground and to diversify earnings from related segments (services, technology, drilling, or civil infrastructure exposure). MAH's exposure to surface is 60% of revenue with underground 23%, whereas PRN has 58% underground and 14% surface.

- **Contract pricing:** The majority of the Australian contract mining businesses would be subject to the same principal costs of labour and capital, and we would suspect both would use similar pricing models to compete. Pricing may vary outside of Australia, although both businesses are attempting to maximise returns for shareholders, while maintaining the standards expected of an ASX listed company.
- **Valuation:** While there are slight differences in valuation between these two companies, they both trade on a low multiple of earnings, or EV/EBITDA compared to other mining service companies and both trade near NTA (MAH just below $0.284, PRN 10% premium to $1.26/sh). We expect that the low valuation means both companies would not wish to issue equity and would be more inclined to buy back shares.
- **Commodities - Gold:** Both are dominated by gold mining, particularly in WA, with PRN 62%, MAH 54-58% of revenue (Au/Cu is 4%). PRN has exposure to copper, nickel, and iron ore, while MAH has exposure to copper, lithium and met coal.
- **Acquisitive growth:** both have grown through acquisition, with the most significant recent acquisitions being Decmil for MAH and DDH for PRN.

Differences:

- **Size:** PRN is larger in revenue, profit and cashflow. PRN's revenue is 1.48x larger, (1.8bn vs $1.2bn in H1 FY25), twice the size in terms of EBIT(A) ($155m vs $78m) and 1.7x in operating cashflow ($271m vs $163m).
- **Geography/Geopolitical risk:** PRN has large offshore exposure representing 49% of revenue, with the majority in Africa (44% of revenue in West Africa, Botswana and RSA), whereas MAH has a relatively small exposure to Asia Pacific representing 8% of revenue, although this is growing with recent contract wins and should reach 15%.
- **Diversification:** PRN has diversified through a range of mining services including drilling, which expanded with the acquisition of DDH, BTP (repair, maintenance and renting plant), as well as logistics and technology for mine planning (idoba). MAH has a narrower range of businesses, with its third segment from expanding civil infrastructure.
- **Equity - free float & issuance:** MAH has not issued equity since 2017, when AMNT became a major shareholder with 44%. The company believe that AMNT are a supportive shareholder and would not restrict equity issuance (if required for good reasons). MAH's acquisitions have been funded with cash, debt or deferred consideration rather than equity. By contrast PRN acquired DDH in part by issuing shares (280m shares and $50m in cash in Oct 2023). PRN has been buying back shares, and we assume the share count will decline by around 2.5% per annum. (As noted above neither company trades at a high multiple, meaning we would not expect either to be keen to issue shares). PRN's shares are more liquid with an average daily volume of $3.0m compared to $1.0m at MAH.

Could these businesses merge?

Given the similarities between these two businesses, we consider why they continue as independent competitors and whether they should merge. We note that the press carried articles suggesting that PRN were keen to acquire MAH in 2021 (source :https://www.australianmining.com.au/perenti-global-tries-again-for-macmahon-merger/).

We consider whether a merger makes sense using the usual merger benefits:

- **Rationale:** there does not appear to be any short-term pressure on either business that could force one to seek a merger. Both have strategies, to grow and diversify that respective managements are executing. The high gold price means the majority of clients are well placed. Both have been growing revenue and profitability, both seem well managed.

- **Synergies:** we estimate the available synergies of merging two businesses would be relatively small. There may be some head office costs, and common functions that could be rationalised, but these probably do not justify a merger. The major costs in mining are labour and plant, both of which are largely passed through to the mine owner, meaning there are probably few real synergies from being larger. A merger may force management to look for too many synergies and ultimately be detrimental to the business.
- **Contracts:** each mining contract is separate and unique (even if there are commonalities in contract pricing and structure). The profit on each contract is restricted by competition during tender and re-tender, and the terms the mine owner will accept. Mine owners probably would not appreciate less competition and may be inclined to give contracts to others to maintain a competitive environment. Given the change of control clauses that exist in mining contracts, a merger may result in the combined entity losing market share.
- **Competition/Barriers to entry:** we understand there are enough contract miners to maintain competition. While there are barriers to entry in contract mining, these relate to operating expertise, procedures and regulatory licenses. Given the right people and enough capital, it would not be difficult to create a similar company. We understand a key factor in winning mining contracts is reputation based on the corporate track record (delivery plus safety) as well as the competence and skill of the individuals involved. Both companies may face new competition outside Australia.
- **Access to capital:** both companies could benefit from access to capital. On the debt side, both companies have substantial borrowings and leases, but neither have a high credit rating. Better terms may be available within a larger group. As we noted above PRN has a larger market cap, with no substantial locked-in holding.

Business strategy and development

Macmahon describes its activities as being a diversified contractor with capabilities in surface and underground mining, civil construction and resources engineering.

The business was started in 1963 as a construction company and has over 60 years' experience of offering mining services. It has three divisions and employs around 9,600 people working on full time and contract basis.

Vision, Values and Strategy

The company has a **Vision** "*to be the preferred contracting and services company: for employees to work for; for customers to use; and for shareholders to invest in.*"

Its values are: *United, Courage, Integrity and Pride.*

Its strategy is to *"expand and improve its end-to-end mining service capabilities to achieve sustainable growth and optimise financial returns."* Achieved by:

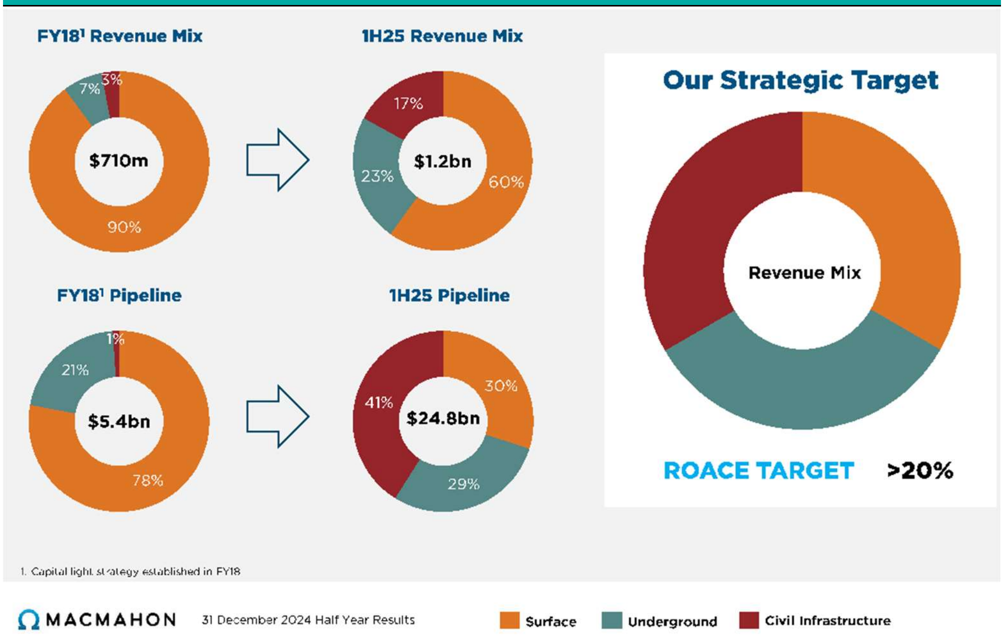
- **Improve margins and execution**
- **Invest in competitive advantage**, through people technology, and sustainability
- **Expand in core markets** through focused and selective work winning
- **Diversify for the next wave of growth**, to improve returns and operating model evolution.

The last of these is probably the most interesting as the company seeks to grow.

Strategy

MAH aims to balance the business between its three legs of underground mining, surface mining and civil engineering, as illustrated in the following chart from the H1 FY25 presentation.

Figure 4 - MAH strategic journey to lower capital intensity



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The following table compares some of the key properties of surface, underground and Civil Infrastructure work.

Table 1 - Surface vs Underground vs Civil

	Surface	Underground	Civil
Project Term years	Long 5-10	Med 3-5	Short <2
Capital employed (% of turnover)	High - c80%	High - c50-60%	Low
Depreciation	High	High	Low
Competitiveness (number of competitors)	Moderate	Moderate	High
Margin:			
EBITDA	c20%	c15-20%	c6-9%
EBITA	6-7%	6-7%	5-6%
Growth	LT contracts & annual increases New contracts limit by capital/ balance sheet	LT contracts & annual increases New contracts limit by capital/ balance sheet	Shorter contracts limited by people, capabilities, competition and demand
RoACE	15-20%	15-20%	>20% High/Low assets

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Surface mining is highly capital intensive, in many cases requiring the contractor to lease or buy the plant and equipment used. This cost of plant may represent 80% of first year turnover. To reflect this initial capital cost, contracts may be long term (7-10 years). The cost of this capital is passed through to the mine owner in the contract (effectively through lease costs, depreciation charges, or explicit costs for capital usage).

Growth may be limited by the balance sheet and capital considerations. Given the capital requirements, capital may represent a limit to the amount of work the contractor can assume and may in turn affect the amount of work taken on. The EBITDA margin is often high at around 20%, however with high levels of depreciation this drops to around 6-7% at the EBIT(A) level.

Contract mining is competitive, however there are relatively few groups with the necessary expertise, capital or fleet capacity to undertake the work.

Underground is slightly less capital intensive than surface. The equipment needs to be physically smaller to gain access through tunnels, and available space means there are fewer vehicles than a corresponding surface mine. Material movement is lower, and there is more emphasis on tunnelling, rather than waste removal. This means that for an equivalent underground contract there are generally more people involved. The company estimate that the initial capital requirement would represent 50-60% of first year turnover. Depreciation rates are high as underground equipment does not usually last as long as surface equipment, and the contracts are generally shorter. EBITDA margins are generally slightly lower than surface, typically 15-20%, but at the EBIT(A) level, margins may be slightly higher than surface. Capital would represent similar limitations to growth as surface.

Civil Infrastructure has much lower capital requirements, in terms of plant, however there is a need for working capital and insurance bond facilities. Most of the capital equipment can be hired or leased on a short term basis depending upon the nature of the work carried out, with the balance of cost relating to management/planning, labour and subcontracting. EBITDA margins are lower, typically around 6-8%, with EBIT(A) margins of around 5-6%.

With less capital employed, ROE, ROCE is higher than mining, MAH is able to scale the business more rapidly, subject to the availability of suitable people and materials. Some of the projects will require the company to post a bond, however this is usually short term and less onerous in capital compared to the mining business. Expanding the Civil Infrastructure business avoids some of the limitations imposed by the balance sheet.

Set against this, the business is limited by end demand for projects, and competition for those projects, the capabilities of the team including the number of people, and the range or type of projects that it is a credible bidder for.

We would note that while Decmil expanded the scale and range of projects undertaken, WA is very competitive with numerous civil engineering companies of varying sizes able to undertake a similar range of projects.

Background to business/recent acquisitions

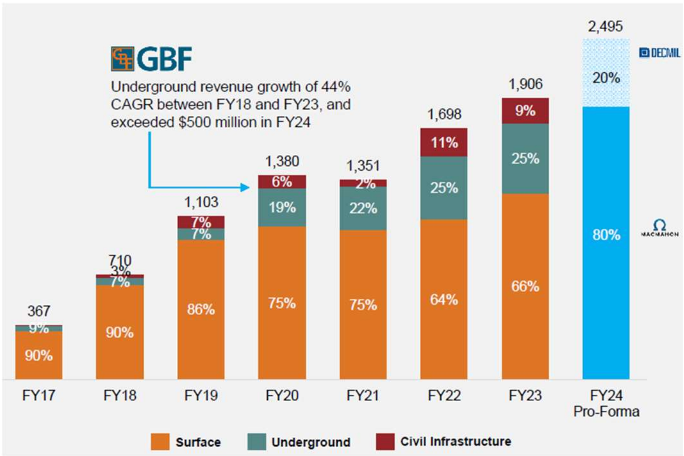
The business started in the early 1960s, initially as a construction company and won its first mining contract in 1967. Since then, it has expanded its and range of operations, both organically and through a number of acquisitions. The following two charts in Figures 5 and 6 are taken from a recent company presentation and show the development of the business since 2017.

The acquisitions of Decmil and GBF were significant to MAH, in terms of revenue growth and capabilities. TMM and PNP were relatively smaller acquisitions. The Amman contract in 2017 significantly increased the scale of the business and allowed MAH to avoid a takeover offer from CIMIC.

Figure 5 - Macmahon's recent M&A Track Record

SOURCE: COMPANY DATA, NOTE PNP REFLECTED CONTRACTS AND ASSETS

Figure 6 – Development of revenue



SOURCE: COMPANY DATA, NOTE FY24 REPRESENTS MAH AND DECMIL REVENUE MIX

We highlight the following to the development of the business.

2017 CIMIC approach

24 January 2017: CIMIC, at the time the world's largest contract miner, offered to buy the 79.5% of MAH that it didn't already own at 14.5cps. This represented a 31.9% premium to the MAH share price. MAH subsequently rejected the offer. (At the time MAH had 1.2bn shares in issue).

2017 AMNT agreement

13 Feb 2017: MAH signs MOU with **PT Amman Mineral Nusa Tenggara** (AMNT) to mine gold and copper at the Batu Hijau mine for 3 years. This was a significant contract for MAH, and the MOU had a change of control clause, allowing AMNT an exit from the contract.

1 March 2017: Company sign Heads of Agreement with AMNT, which lead to the 44% ownership by Amman, and effectively blocked the Cimic takeover offer. This agreement had three components:

1. MAH signed a mining contract to mine AMNT's gold and copper mine at Batu Hijau, worth over $2.7bn over 7 years.
2. MAH agreed to buy plant and equipment at the Batu Hijau Mine, which was ultimately valued at $145.6m (as noted in the FY18 R&A).
3. MAH issued 944m shares to PT AMNT to pay for the mining equipment. In late Feb MAH's shares were trading at 15cps, (meaning AMNT received shares initially worth around $150m). We understand that AMNT subsequently bought back the mining equipment, which freed up capital for MAH.

Subsequent acquisitions

2018: Acquires TMM for $2.7m in cash, shares and contingent consideration, plus up to $7m in earn out payments over 3 years. The acquisition was announced on 18 June and completed on 2 Aug. TMM was a Queensland based engineering group of companies with revenue of around $60m providing civil construction and maintenance services to the Queensland coal mining industry. The acquisition provided Macmahon with additional civil capability to enable core mining work such as contracts for initial site earthworks, construction services, as well as the ability to target site rehabilitation projects.

2019: Acquires GBF, a contract underground miner, for headline $48m or 2.4x EBITDA of $20m. The acquisition was completed in August 2019. The vendors were entitled to an earnout payment of 3x EBITDA above a headline rate (less increase in debt). The company subsequently paid $23.5m in earnout payment. The business was generating annual revenue of around $180m with operations at Deflector, Daisy Milano and Maxwells for Silverlake, Bartons mine for Millenium, Nicolson's Mine for Pantoro and Comet Vale for Orminex.

2023: Buys Pit n Portal from Emeco (EHL.ASX). This was a relatively small acquisition worth around $10m, satisfied by way of an asset sale (MAH paid $10m, and Emeco bought $10m of assets from MAH). MAH agreed to buy certain contracts, inventory and operations (underground mining) from Emeco and enter a strategic partnership with Emeco, whereby MAH leases equipment for mining and civil engineering projects.

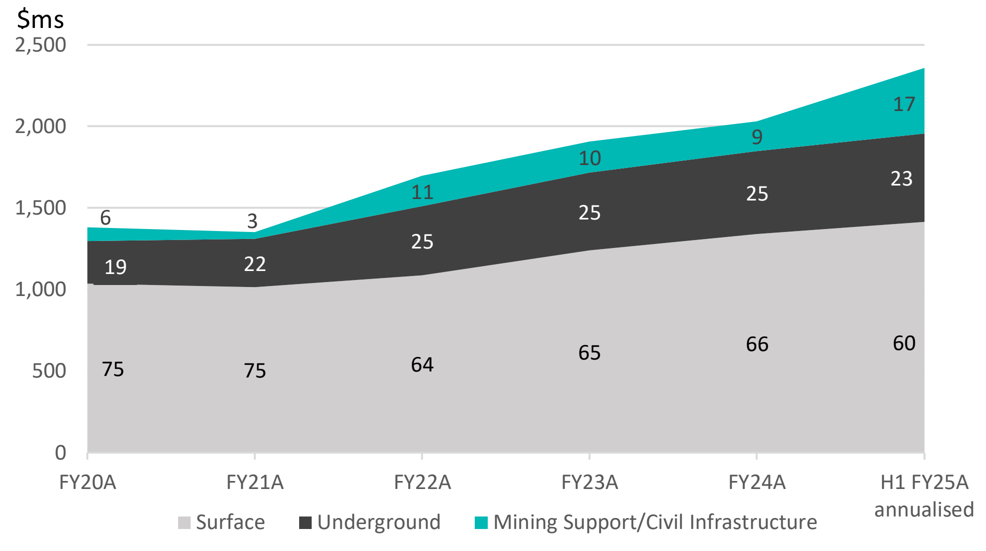
2024: Acquires Decmil. On 16 April 2024 the company announced it would acquire Decmil (quoted DCG.ASX), for $0.30/sh and its outstanding redeemable convertible preference shares for $0.343/sh. The total consideration was $105m in cash and net debt assumed and includes the value of share based payments (H1 FY25 Report). Decmil was expected to generate revenue of about $460m per year. The company undertook resources, infrastructure and renewables businesses as well as owning a 1,392 bed accommodation village in Gladstone QLD. The HY FY25 accounts noted Decmil made a profit of $14.2m in the first 6 months (which would imply an acquisition multiple of around 5x).

Segments and exposures

MAH contracts to a range of customers and reports along the following segments as illustrated in the following Figure.

For the charts in this section, we have used the percentage of revenue split as disclosed at H1 FY25. The annualised figure is used to allow comparison with previous periods and simply doubles the H1 FY25 revenue figure. This is slightly below the company FY25 guidance of $2.4-2.5bn (by about 4% or $100m at the mid-point) reflecting the H1:H2 weighting of revenue.

Figure 7 - Macmahon revenue by activity ($m, % in labels FY20-H1 FY25)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Surface Mining: MAH offers a broad range of services, including bulk and selective mining, mine planning, drill and blast, crushing and screening, water management, tailings dam constructing as well as equipment operation and maintenance.

Over the period shown in the chart this has grown steadily and represented between 60-75% of turnover. It operates surface mines across Australia, and SE Asia.

Underground mining: offers underground development and production services, a broad range of ground support services, as well as services to facilitate ventilation and access to underground mines, including shaft sinking, raise drilling, shotcreting, cable bolting and shaft lining.

Over the period shown in the chart, this business has grown from 19% to 25% of turnover. It operates underground gold mines in WA, as well proving development work and tunnelling at Olympic Dam, in SA, for BHP.

Civil Instructure: For much of the period shown the company has undertaken civil mining support projects in the resources sector (much as listed in the following bullet point). This was enhanced by the acquisition of TMM in 2018. In 2024 the company made a step up through the acquisition of Decmil. This widened the range of integrated construction and engineering solutions offered by MAH, and structured to focus on key market sectors of:

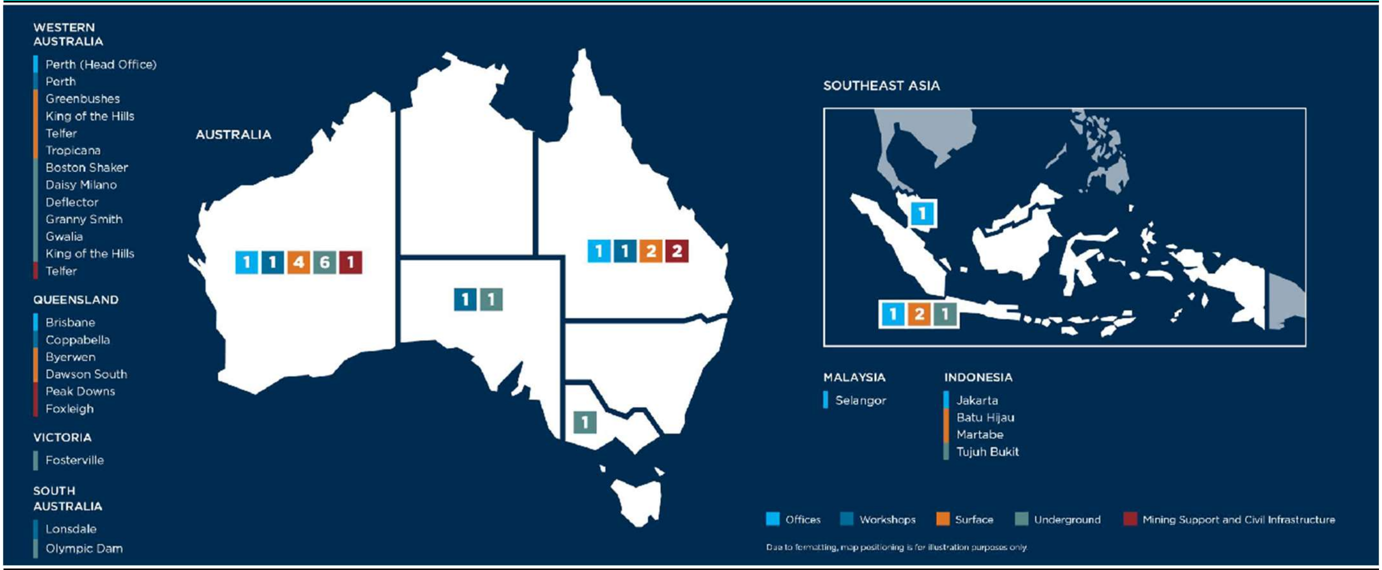
- **Resources:** including civil construction, bulk earthworks, non-process infrastructure, road maintenance and construction, bridgeworks, camps & remote village accommodation, and design & construct. The Decmil acquisition added to MAH's existing civil abilities around mining sites.

- **Infrastructure:** the company has supported major road and rail infrastructure projects across Australia, and constructed major highway projects including complex interchange designs, bridges and bridge widenings and road over rail.
- **Renewables:** experience in delivering Balance of Plant solutions (the supporting components and auxiliary systems of a power plant) for wind, solar and battery projects. Provides project management, ground condition surveys, crane pads / hard standings, wind turbine foundations, road upgrades and construction, substation civil and electrical.

Geographic exposure

The company has operations in Australia, Indonesia, and an operation in Malaysia. The map in Figure 8 is taken from the company FY24 results presentation.

Figure 8 - MAH map of operations

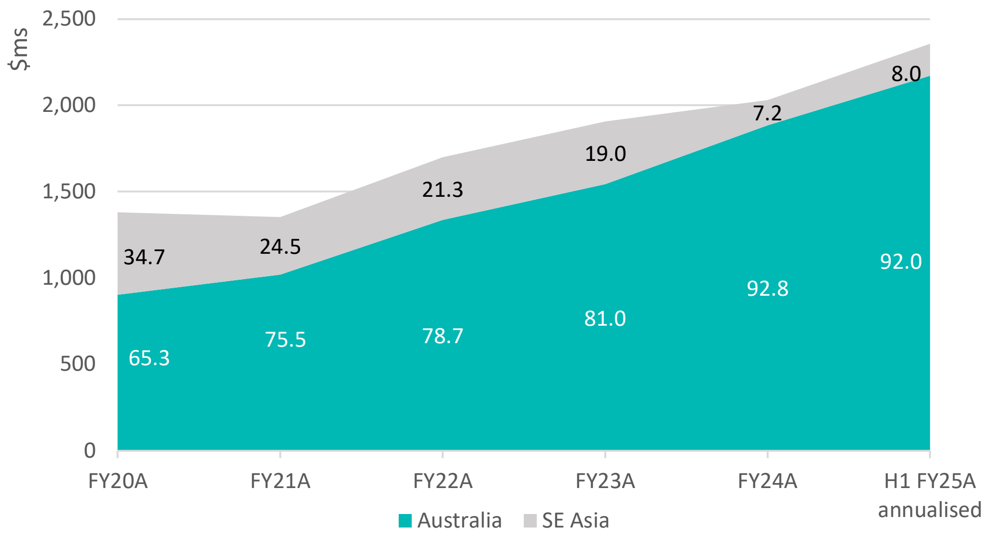


SOURCE: COMPANY DATA

Geographic exposure as % of revenue

The company provide a split of revenue annually. We have collated 5 years of data and annualised H1 FY25, as shown in the following chart in Figure 9.

Figure 9 - MAH geographic split of revenue by geography ($m, % in labels FY20-H1 FY25)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The chart illustrates MAH's successful growth strategy over the last five years.

- **Australia**: most of its operations are in Australia, which currently represents 92% of revenue. This has been achieved through winning and acquiring new mining contracts, and this also includes the growing civil business. Over the 5 years (FY20-FY25 annualised) revenue has grown from $0.9bn to $2.2bn, a CAGR of 19%.
- **SE Asia**. Since 2017 the company's major operation was the Batu Hijau Copper/Gold mine in West Nusa, Indonesia, which is owned by PT AMNT. AMNT became a significant investor in MAH and gave MAH a life of mine contract. This mine became less significant in FY24, dropping to around 3% of revenue. It has also operated the Martabe Gold and Silver mine in Sumatra for PT Agincourt Resources since 2016. Recently the company have won two additional gold mining contracts in Sulawesi, Indonesia with Pt Masmindo and PT Citra Pau Minerals. As these contribute, SE Asia is expected to increase to 15% of revenue.

Commodity exposure as % of revenue

The following chart shows the exposure of MAH to various commodities.

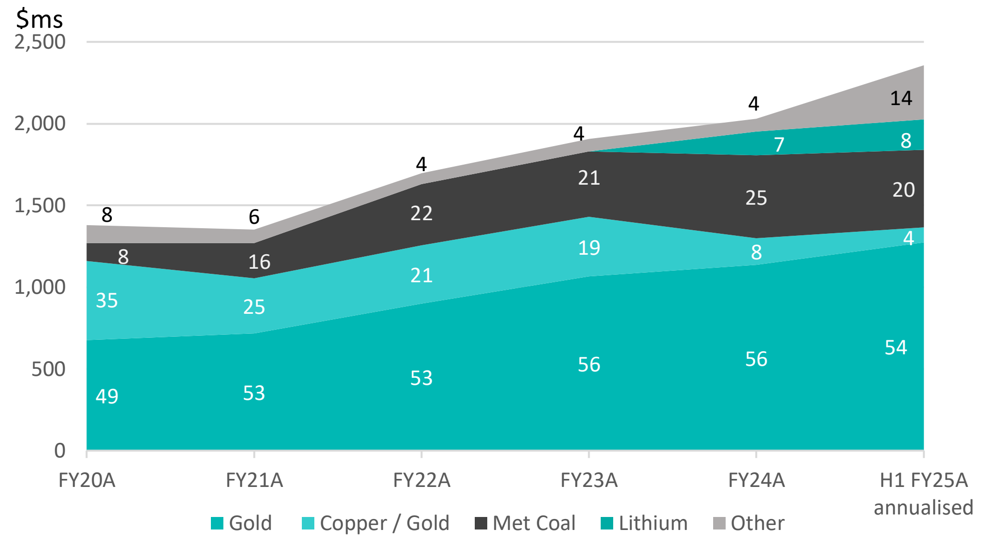
Gold, and copper 58%: The vast majority of MAH's exposure to commodities is to gold, representing over 50% of revenue for most of the period shown, rising to 54% in H1 FY25. Further exposure comes from copper/gold mines representing 35% of revenue in FY20, falling to 4% of revenue currently. The majority of these mines are in WA or Indonesia.

Met coal 20%: The second largest commodity exposure is met coal (also known as metallurgical or coking coal). It operates 3 surface mines in QLD, with Anglo American (since 2021), Q Coal (since 2017) and Qmetco (since 2021).

Lithium 8%: Exposure to Lithium rose to 8% of revenue, through a contract with Talison Lithium, at the Greenbushes mine approx. 250km south of Perth.

Other commodities 14%: this exposure includes a number of other commodities including silver and uranium.

Figure 10 - MAH split of revenue by commodity (FY20-H1 FY25, $m, % of revenue labels)



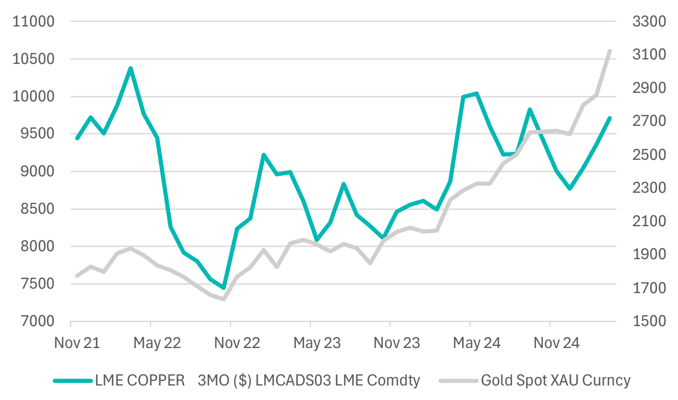
SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Commodity prices

The following two charts show the movement in the prices of gold, copper, coking coal futures and lithium, being the major commodities mined by MAH. While MAH's revenue and profitability do not directly depend upon the underlying commodity, there is a second order effect. A high commodity price will generally support stable or increased production, and mine extensions. A weak commodity price may see mine owners reassessing the future profitability of the plant and ultimately reduce production or shutting the mine.

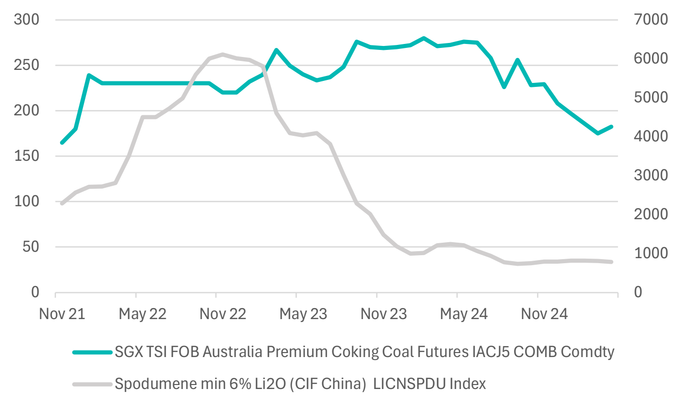
As shown, the gold price has been strong, especially as market volatility has increased. Copper has been relatively stable, rising in 2025, potentially ahead of the introduction of tariffs in the US. The coking coal futures price has been relatively stable, with the price dropping below $200/Mt recently. These are large contracts over relatively long period with large producers, such as Anglo American. The lithium price, which has been under pressure with increased global production of lithium running ahead of demand. The price appears to have stabilised at around US$700-800/t, having fallen heavily in 2023.

Figure 11 - Copper (US$/MT LHS) and Gold Price (US$/Troy Oz RHS)



SOURCE: BLOOMBERG

Figure 12 - Australia Premium Coking Coal Futures (US$/MT LHS) and Spodumene 6% (US$/MT RHS)



SOURCE: BLOOMBERG

MAH has one mining contract with Talison related to Lithium mining and has completed a road upgrade for Covalent Lithium.

Talison: It has an open-cut mining contract with Talison Lithium, at the Greenbushes Lithium project 250km south of Perth, worth $1.1bn over 7 years from 2023. While this could be seen as higher risk, given the weak Lithium price, we understand it is an established project, producing a high-grade product, generated high margins and is being expanded. It has large backers (jointly owned by Tianqi Lithium Corporation/IGO Limited JV (51%) and Albemarle Corporation (49%)).

Covalent Lithium – road upgrade: At H1 FY25 the company showed 4% of revenue with Covalent Lithium. This is a $123m civil engineering project awarded to Decmil for road upgrades to 113km of road. This project was completed in April 2025.

Exposure to key clients

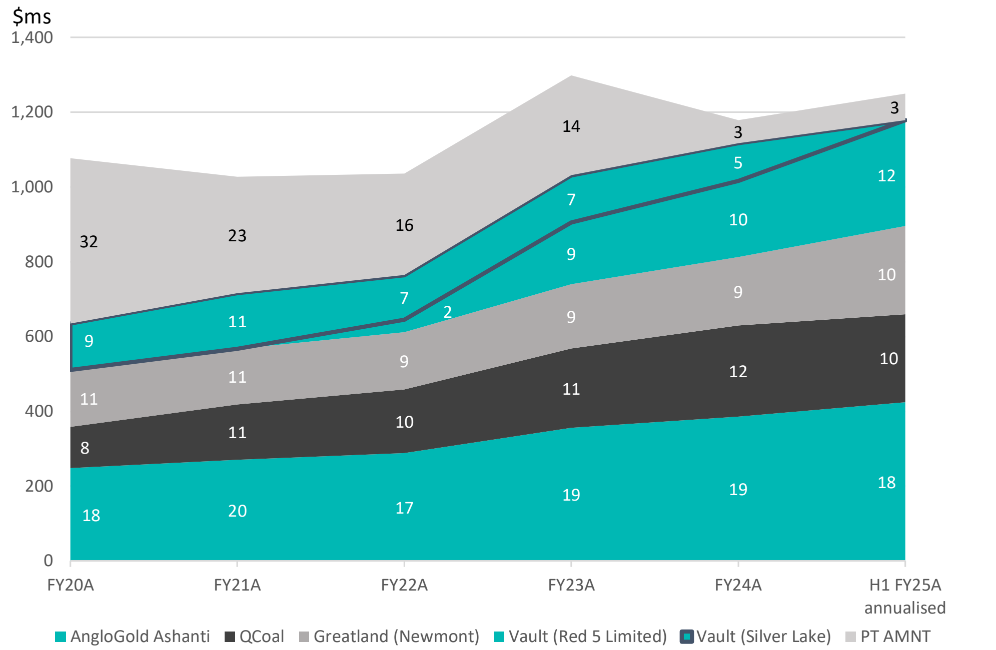
The Figure below shows the exposure to MAH's major clients, both in terms of revenue and percentage of revenue.

AngloGold Ashanti: MAH's largest client is AngloGold Ashanti in its joint venture with Regis Resources. This represents 18% of revenue or around $400m annually, covering the Tropicana/Boston Shaker gold mine 300kms north of Kalgoorlie WA. We understand Tropicana was signed in 2012 as a $900m surface contract over 15 years. Boston Shaker was a 2024 contract to extend the mine underground, worth $352m over 3 years.

Vault represents 12% of revenue, or around $280m of annual revenue. Vault is the combination of Silver Lake and Red 5 and MAH had gold mining contracts with both companies. The main contracts are King of the Hills, near Leonora, (surface and underground) formerly a Red 5 mine and Daisy Milano, formerly a Silver Lake underground mine near Kalgoorlie. The King of the Hills contract was a 2022 $650m contract over 5 years. The Daisy Milano contract was a 2024 contract worth $90m over 2 years.

Q Coal represents 10% of turnover or around $240m. MAH operates Byerwen, a surface Met Coal mine in Glenden, QLD. In April 2025, the contract was extended with the extension being $900m over 3 years. The previous extension was agreed in 2020, and was worth $700m over 6 years.

Figure 13 - MAH revenue by key clients >10% ($m, % of revenue labels, FY20-H1 FY25)



SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Greatland (formerly Newmont) represents 10% of turnover. MAH operates the Telfer mine in the Pilbara, mining gold and copper. This was a 2016 contract, renewed in 2019 worth $430m over 6 years.

PT AMNT MAH undertakes copper and gold mining at the Batu Hijau mine in West Nusa, Indonesia. This is now a relatively small client representing around 3% of revenue, or around $60-70m/yr. We include in the chart due to its previous significance to MAH. In 2017 it represented around 34% of revenue.

Other: The chart covers just over half or 53% of revenue. MAH has a high-quality client list with various other with exposures below 10% of revenue. These include Talison Lithium (8%), Genesis (6%), Saipem Clough (5%), Qmetco (4%), Anglo American (4%), Covalent Lithium (4%), PT Agincourt (3%), BHP (2%) and other clients (around 11% due to rounding).

Exposure to key projects

The table below shows the exposure to MAH's major mining projects. This is taken from the results presentation which lists all of its key mining projects. We have looked back through company announcements to add some information about the most recent contract.

We note that some of the larger contracts can be worth up to $300m per year, depending on the size of the operation and the range of services offered. We understand that not all contracts offer the same range of services. For example Ulysses and Olympic Dam appear to relate to development work. By contrast the company offer more services at King of the Hill, with the company noting that "*surface includes load and haul, drill and blast, crusher feed and rehandling underground material to the ROM. The underground scope of works includes lateral and vertical development, installation of mine services, long-hole drilling and blasting and remote loading and haulage*."

Table 2 – MAH exposure to key projects

Name, location	Client (formerly)	Commodities	Project start	Contract End	Mine End	Contract	Note
						Start - $value(m)/term	
Australia - Surface							
Tropicana, Kalgoorlie WA (300km N of)	Anglogold Ashanti / Regis	Au	2012	LOM	2033	2012 - $900/15	Both S + UG
Telfer, Pilbara, WA	Greatland (Newmont)	Au/Cu	2016	LOM	2025	2019 - $430/6	
Byerwen, Glenden, QLD	Q Coal	C	2017	2025	2069	2025 - $900/3	2 Extensions
Greenbushes, WA (250km S of Perth)	Talison Lithium	Li	2023	2030	2043	2023 -$1100/7	
King of the Hills, Leonora, WA	Vault (Red5)	Au	2021	2026	2038	2021 - $650/5	S + UG contract
Dawson South, Bowen Basin, QLD	Anglo American	C	2021	2025	2036	2020 - $200/3	+ 1 yr extension
Foxleigh, MacKenzie River, QLD	Qmetco	C	2021	2026	2032	2021 - $250/5	
Australia - Underground							
Boston Shaker (Tropicana) , WA	Anglogold Ashanti / Regis	Au	2012	LOM	2033	2024 - $352/3	Both S + UG
Deflector, Yalgoo, WA	Vault (Silver Lake)	Au	2016	2025	2025	2025 - $105/2	
Gwalia, Leonora, WA	Genesis (St Barbara)	Au	2021	2026	2031	2025 - $67/1	Ext. (Inc Ulysses)
Ulysses, nr Leonora, WA	Genesis	Au	2024	2026	2029	^^^^^^^^	
King of the Hills, Leonora, WA	Vault (Red5)	Au	2021	2027	2038	2021 - $650/5	S + UG contract
Daisy Milano, Kalgoorlie, WA	Vault (Silver Lake)	Au	2024	2026	2025	2024 - $90/2	
Olympic Dam, WA	BHP	Cu/U/Au	NA	NA	NA	? -$295/?	Development
Indonesia							
Batu Hijau, West Nusa	Amman Mineral AMNT	Cu/Au	2017	LOM	2030	2017 -$2700/7	Nearing end
Martabe, Sumatra	PT Agincourt Resources	Au/Ag	2016	2026	2033	2023 -$350 /7	
Awak Mas, Sulawesi	PT Masmindo	Au	2024	2032	2032	2024- $463/7	Recent win
Poboya, Sulawesi	PT Citra Palu Minerals CPM	Au	2024	2026	2026	2024 -$80/2	Recent win

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES NOTE: LOM= LIFE OF MINE, AU: GOLD, CU: COPPER, U: URANIUM, C: MET COAL, LI: LITHIUM, AG: SILVER, CONTRACTS IN $MS

Civil Infrastructure

The company has a strategy to expand its civil infrastructure, with an aim to equalise the business equally between surface, underground and civil.

The company has a long history of undertaking civil mining support projects in the resources sector. These include small to medium projects around mine sites including earthworks, construction of roads, bridges and site accommodation. The key projects are listed in the following Figure taken from the H1 FY25 results.

Figure 14 –MAH key civil projects

CLIENT	PROJECT	LOCATION	SECTOR	CONTRACT SIZE	PERCENTAGE COMPLETED	EXPECTED COMPLETION
covalent LITHIUM	Covalent Kwinana NPI	WA	Resources	<$25 million	100%	Complete
Town of Port Hedland	Port Hedland Community Centre	WA	Infrastructure	<$25 million	100%	Complete
Government of Western Australia Department of Finance	Karratha Senior High School	WA	Infrastructure	$25-50 million	100%	Complete
GPG	Ryan Corner Wind Farm	VIC	Renewables	$100-200 million	100%	Complete
mainroads	Albany Ring Road Stage 2	WA	Infrastructure	$100-200 million	81%	Q4 FY24
Government of Western Australia Department of Finance	Pundulmurra TAFE Expansion	WA	Infrastructure	$25-50 million	79%	Q4 FY24
City Stirling	Florin Parkside	WA	Infrastructure	$25-50 million	72%	Q4 FY24
RAIL PROJECTS VICTORIA	Gippsland Line Upgrade	VIC	Infrastructure	$200-300 million	71%	Q2 FY26
tilt	Waddi Wind Farm Early Works	WA	Renewables	<$25 million	40%	Q1 FY26
PERDAMAN	Perdaman Bulk Earthworks	WA	Infrastructure	$50-100 million	27%	Q3 FY25
covalent LITHIUM	Covalent Logistics Road	WA	Resources	TBC	16%	Q4 FY25
MAJOR ROAD PROJECTS	Ison Road Rail Overpass	VIC	Infrastructure	$50-100 million	13%	Q4 FY25

Resources Infrastructure Renewables

SOURCE: COMPANY DATA

Growth in civil infrastructure

In 2018 the company acquired TMM, a relatively small company. This increased civil exposure by around $60m or around 6-7% of MAH's revenue at the time.

In 2024 the company made a significant step with the acquisition of Decmil. This widened the range of integrated construction and engineering solutions offered, structured to focus on key market sectors of:

- **Resources:** including civil construction, bulk earthworks, non-process infrastructure, road maintenance and construction, bridgeworks, camps & remote village accommodation, and design & construct. The Decmil acquisition added to MAH's existing civil abilities around mining sites.
- **Infrastructure:** the company has supported major road and rail infrastructure projects across Australia, and constructed major highway projects including complex interchange designs, bridges and bridge widenings and road over rail.
- **Renewables:** experience in delivering Balance of Plant solutions (the supporting components and auxiliary systems of a power plant) for wind, solar and battery projects. Provides project management, ground condition surveys, crane pads / hard standings, wind turbine foundations, road upgrades and construction, substation civil and electrical.

Prior to being taken over by MAH, Decmil had a number of issues which we note from its FY23 R&A.

- **Loss making:** While EBITDA was positive at $9m for FY23, it was loss making at the reported level after interest and D&A. Its EBITDA had been negative in the previous three years. Cumulative losses after tax had reached $250m over the same previous three years (FY21-FY23). In H1 FY24, prior to acquisition, the company noted that it was EBITDA positive and profitable in Q2 FY24.

- **Debt:** It had around $35m of debt and leases, compared to net assets of $58m (of which $50m was intangible assets). Total group assets included $59m tied up in accommodation assets, which had a low occupancy and were generating an EBITDA of just $1.1m.
- **Cash** was $3.7m, down from $39m in the prior year. After repayment of borrowings, cashflow was negative $23m in FY23.
- **Capital** It had raised capital in June 2023 ($4.3m from conv pref shares). The R&A notes the company raised $10m in FY22 from the issuance of 26m shares, and a $20m sub debt offering. It did not pay dividends in FY23 or FY22.

As a result of these issues, it was not highly rated, and MAH was able to acquire it for a low multiple (around 5x or a 25% premium to NAV). The acquisition has provided a number of benefits. MAH has been able to achieve nearly all the $5m of synergies targeted and with MAH's financial strength it has been in a better financial position and able to compete for new work. As result it has won $333m of new work since acquisition.

Homeground/Gladstone Accommodation camp

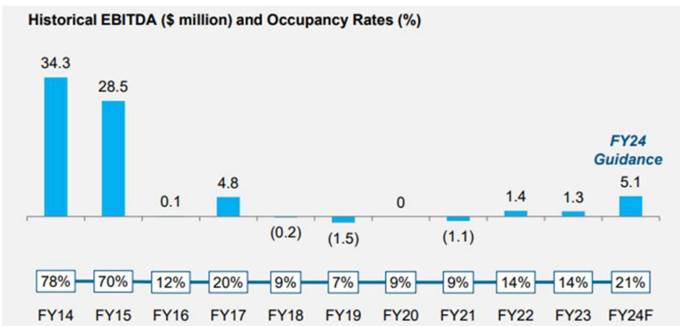
MAH acquired the Homeground Gladstone accommodation village shown in Figure 15, as part of the acquisition of Decmil Group. The village has 1,392 beds and is used to provide worker accommodation in the Gladstone area in Queensland, Australia. This was included on balance sheet at $51.6m, with this fair value determined by and independent property valuer. Decmil noted that it had tried to sell the village, to allow more efficient utilization of capital.

When MAH made the acquisition of Decmil it included a chart of the occupancy and EBITDA of the camp, shown in Figure 16 below. While occupancy was affected by Covid-19, it was not optimal before or after. At the HY FY25 results it was noted that occupancy was 31%. While this has improved, this is probably still well below optimal. Several projects are planned in the surrounding area suggesting occupancy could improve, and the company was considering alternative usage including relocation of units to different locations. As MAH have recently acquired this asset, a sale of the site, even at a discount to the $51m balance sheet value would release capital, and avoid any deterioration under MAH's ownership.

Figure 15 - Gladstone accommodation Camp

SOURCE: COMPANY DATA

Figure 16 – Occupancy and EBITDA (pre acquisition)



SOURCE: COMPANY DATA 16 APRIL 2024 PRESENTATION

Forecasts, guidance & assumptions

Segmental forecasts

The following table shows the recent development of turnover and EBITDA as well as our forecasts to FY27. We assume mining will grow by 8.7% in FY 25, 4% in FY 26 and 1% in FY27, with underground growing at a faster rate toward the 50% growth over 2-3 years. We assume margins of 17% going forward.

We assume civil & support will achieve a revenue of $420m in FY25, and grow by 7% in FY26 and FY27, with EBITDA margins of 7.4% rising to 7.5% in FY27.

Figure 17 – MAH Segmental split

Segmental forecasts									
Y/e June 30	**2023a**	**1H24a**	**2H24a**	**2024a**	**1H25a**	**2H25e**	**2025e**	**2026e**	**2027e**
Revenue ($m)									
Mining	1906.2	966.3	1064.9	2031.3	976.2	1033.1	2009.3	2089.7	2168.3
Surface	1258.1	628.1	692.2	1320.3	705.1	714.3	1419.4	1433.6	1447.9
Underground	476.5	241.6	286.6	528.1	271.1	318.8	589.9	656.1	720.4
Support	171.6	96.6	86.2	182.8	0.0	0.0	0.0	0.0	0.0
Civil & support	0.0	0.0	0.0	0.0	190.1	229.9	420.0	449.4	480.9
Unallocated	0.0	0.0	0.0	0.0	12.4	0.0	12.4	13.0	13.2
Total segment revenue	**1906.2**	**966.3**	**1064.9**	**2031.3**	**1178.7**	**1263.0**	**2441.7**	**2552.0**	**2662.4**
Change y-o-y	**12.3%**	**-2.1%**	**15.9%**	**6.6%**	**22.0%**	**18.6%**	**20.2%**	**4.5%**	**4.3%**
EBITDA ($m)									
Mining	309.1	175.0	178.5	353.5	166.5	175.1	341.6	355.2	368.6
Civil & support	0.0	0.0	0.0	0.0	13.1	17.9	31.1	33.3	36.1
Unallocated	-0.5	0.9	-2.7	-1.8	1.7	0.1	1.7	1.9	2.0
Total segment EBITDA	**308.7**	**176.0**	**175.7**	**351.7**	**181.3**	**193.1**	**374.4**	**390.4**	**406.7**
EBITDA margins (%)									
Mining	16.2%	18.1%	16.8%	17.4%	17.1%	17.0%	17.0%	17.0%	17.0%
Civil & support	0.0%	0.0%	0.0%	0.0%	6.9%	7.8%	7.4%	7.4%	7.5%
Total	**16.2%**	**18.2%**	**16.5%**	**17.3%**	**15.4%**	**15.3%**	**15.3%**	**15.3%**	**15.3%**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Forecasts

Our estimates are shown in the following table. The forecasts for revenue and EBITDA are as shown in the segment forecasts in the previous Figure. Our FY25 estimates for revenue and EBIT(A) are reasonably in-line with the company guidance.

Figure 18 - Macmahon Forecasts

INTERIM INCOME STATEMENT									
Y/e June 30 ($m)	**2023a**	**1H24a**	**2H24a**	**2024a**	**1H25a**	**2H25e**	**2025e**	**2026e**	**2027e**
Total Segment Revenue	1906.2	966.3	1064.9	2031.3	1178.7	1263.0	2441.7	2552.0	2662.4
Other revenue (inc Associates)	8.8	3.2	5.4	8.6	6.1	5.9	12.0	12.4	12.7
Total Reported Revenue	**1915.0**	**969.6**	**1070.3**	**2039.9**	**1184.8**	**1268.9**	**2453.7**	**2564.4**	**2675.1**
Total Underlyig Expenses	1602.3	793.5	924.3	1717.8	1012.2	1074.3	2086.4	2170.9	2264.0
Reported EBITDA (stat)	**303.9**	**172.8**	**140.6**	**313.4**	**166.5**	**188.7**	**355.3**	**381.1**	**398.4**
Non U/L expenses	-4.8	-3.1	-35.1	-38.3	-14.7	-4.4	-19.1	-9.3	-8.3
Underlying EBITDA	**308.7**	**176.0**	**175.7**	**351.7**	**181.3**	**193.1**	**374.4**	**390.4**	**406.7**
Dep. & Amort.	197.2	107.8	104.0	211.8	105.5	103.7	209.2	214.0	216.2
EBIT(A) underlying	**116.6**	**68.1**	**72.2**	**140.3**	**78.1**	**93.0**	**171.1**	**181.8**	**194.3**
EBIT (reported)	**106.7**	**65.0**	**36.7**	**101.7**	**61.0**	**85.1**	**146.1**	**167.2**	**182.2**
Interest earned	1.3	0.7	1.0	1.7	1.0	1.0	2.1	1.1	1.6
Interest & finance costs	-25.7	-14.1	-14.4	-28.5	-18.5	-13.8	-32.3	-25.4	-25.4
PBT	**82.4**	**51.6**	**23.3**	**74.9**	**43.6**	**72.3**	**115.9**	**142.8**	**158.4**
Tax expense	-24.7	-15.0	-6.6	-21.7	-13.6	-22.4	-36.0	-44.3	-49.1
Reported NPAT	**57.7**	**36.5**	**16.7**	**53.2**	**30.0**	**49.9**	**79.9**	**98.5**	**109.3**
Reported NPAT	**57.7**	**36.5**	**16.7**	**53.2**	**30.0**	**49.9**	**79.9**	**98.5**	**109.3**
U/L net adjustments	4.8	3.1	35.1	38.3	14.7	4.4	19.1	9.3	8.3
Underlying NPAT	**62.5**	**39.7**	**51.8**	**91.5**	**44.8**	**54.3**	**99.0**	**107.8**	**117.6**
Amortisation	5.1	0.0	0.4	0.4	2.3	3.5	5.8	5.3	3.8
Underlying NPATA	**67.6**	**39.7**	**52.2**	**91.9**	**47.1**	**57.8**	**104.9**	**113.2**	**121.4**
Underlying EPS (Diluted cps)	**3.2**	**1.9**	**2.4**	**4.3**	**2.2**	**2.7**	**4.9**	**5.3**	**5.6**
Dividend (cps)	**0.75**	**0.45**	**0.60**	**1.05**	**0.55**	**0.70**	**1.25**	**1.58**	**1.97**

SOURCE: COMPANY DATA AND BELL POTTER SECURITIESESTIMATES

Guidance, and performance against guidance

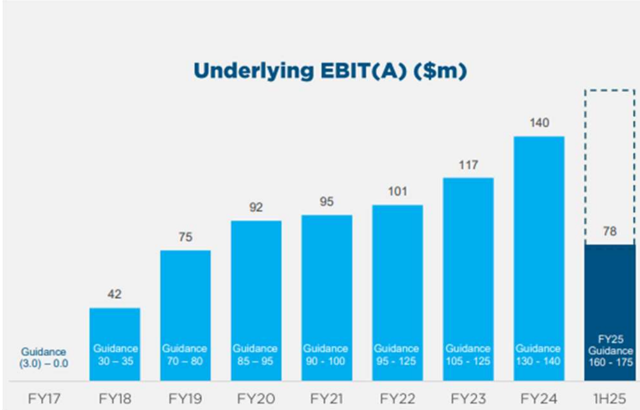
The following two charts in Figures 19 and 20 show the guidance given by the company for revenue and EBIT(A), The company note that it has consistently met or exceeded the initial guidance given.

Our current FY25 forecasts for revenue of $2,453m and u/l EBIT(A) of $171m are in line with the guidance ranges of $2.4-2.5bn and $160-175m respectively.

Figure 19 –revenue guidance vs outcome

SOURCE: COMPANY DATA

Figure 20 –EBIT(A) guidance vs outcome

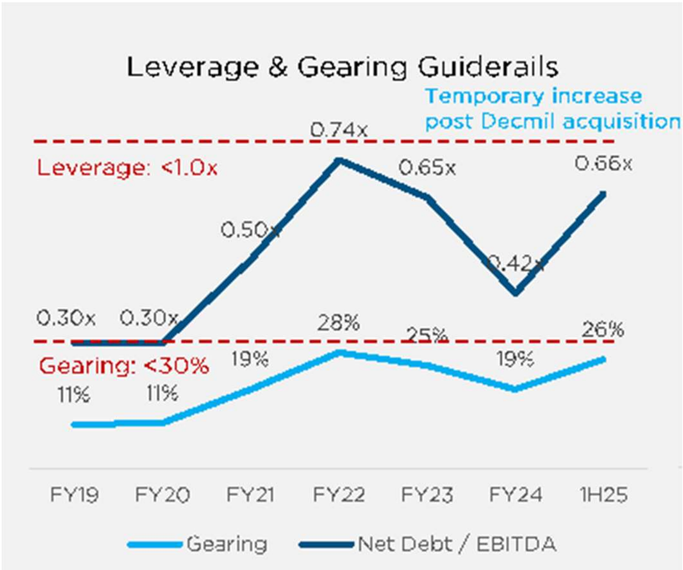


SOURCE: COMPANY DATA

Balance sheet and debt leverage

The following chart shows the development of gearing and leverage. The business took on additional debt to cover the acquisition of Decmil. Management expect net debt to return to pre-acquisition levels by end FY25, implying a reduction from $237m down to $147m. With our forecast EBITDA expected to increase to $355m by end FY25 this would take leverage to around 0.39x or gearing to 17% (on a D/ (D+E) basis). Note that our forecasts assume debt will be slightly higher at the year end, however this will likely depend upon working capital and balance sheet management, rather than us having a lower view on profitability.

Figure 21 – Gearing and Leverage



SOURCE: COMPANY DATA

Fixed assets, Debt, NAV and NTA

At H1 FY 25 the company had total assets of $1.7bn which included property, plant and equipment of $681m.

Debt and leases were $459m at HY FY25 with cash of $222m, giving net debt of $237m.

The company had shareholder's funds of $669m and Intangible assets of $57m. The book value per share was $0.30/ps and NTA was $0.284/ps.

Valuation

We value MAH using a DCF valuation, with a WACC of 10.2% applied to EBITDA after tax adjusted for working cap, inventory, capex (including the operating proportion of leases). A summary of our valuation is shown in Figure 22 below.

We use our forecasts for the next 3 years and then project forward using the long-term real growth rate of 1.0%.

We value the next 10 years cashflow after tax at $664m. We value the terminal value at $1.4bn, which discounted to present value terms, gives a present value of $423m. This gives a total NPV of $1,087m.

Deducting end 2025 net debt and leases of $225m gives a value for the business of $862m or $0.40/ps at June 2025.

Figure 22 – DCF valuation

WACC Calculation / key assumptions	
Risk free rate	4.5%
Market risk premium	5.0%
ß = beta	1.40
Borrowing rate	8.0%
Tax rate	25.0%
Target gearing	23.1%
Cost of equity	11.5%
Cost of debt	6.0%
Discount rate (WACC) - Post Tax	**10.2%**
Inflation	0.5%
Nominal growth rate	0.5%
Long-term real growth rate	**1.0%**

DCF ($m)	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	Beyond
EBITDA	355.3	381.1	398.4									
Change in provisions	2.7	0.3	0.3									
Working capital changes	73.6	-24.5	12.6									
Tax paid	-26.4	-44.3	-49.1									
Other operating items	-121.4	-16.3	-15.8									
Operating cash flow	**283.8**	**296.4**	**346.4**									
Stay in business capex	-205.5	-221.3	-225.2									
Capex on leased assets	0.0	0.0	0.0									
Maintainable cash flow	**78.2**	**75.1**	**121.2**									
Growth capex & acquisitions	-63.1	0.0	0.0									
Total cashflow	**15.2**	**75.1**	**121.2**	**122.4**	**123.6**	**124.8**	**126.1**	**127.4**	**128.6**	**129.9**	**131.2**	**1,362.1**

Total Valuation ($m)	
DCF component	1,087.4
Net cash/(Debt) inc leases	-225.3
Total ($m)	**862.1**
Shares on issue (m)	2,155.0
Value per share ($)	**0.40**

SOURCE: BELL POTTER SECURITIES ESTIMATES

We note that using a DCF has some implicit uncertainty, as cashflow forecasts are difficult for any business where there is significant amount of capex and working capital, which cannot be forecasted accurately.

Implicit in our valuation is that debt, capex and EBITDA should be reasonably matched over time, provided the company is able to price the cost of debt and capex needs into its EBITDA margins and maintain a tight grip on working capital. We achieve this by assuming a capex/depreciation ratio just over 1.0x (reflecting that the business will probably need additional net capex).

Relative valuations

In Figure 23 we compare the valuation of MAH against similar companies in the industrial or mining services sectors. Where we cover a company, we have used our own (unadjusted) EPS, DPS, and EBITDA figures. Where we do not cover a company shown, we have used consensus from Bloomberg. We have not adjusted figures to normalise year ends since most of these companies have June year ends, with only Ventia having a December year end. The expected return is from the close price shown in the table and may differ to the expected return shown on the front page. The unadjusted EPS shown below are closer to statutory. The adjusted EPS on the front page may add back unusual and one-off costs, most notably amortisation of acquired intangible assets.

Figure 23 – Industrial/mining service providers – relative valuations

	BP Rec	BP target price (AUD)	Exp Tot Ret (%)	Year end	Close Price in Local (AUD)	Market Cap (AUD Bn)	PE Forecast (X)	PE Next year (X)	EV/EBITDA forecast (X)	EV/EBITDA next year (X)	Dividend Yield Forecast (%)	Dividend Yield Next year (%)
DOWNER EDI LTD				Jun	6.14	4.12	16.16	13.67	6.56	6.09	3.81	4.48
VENTIA SERVICES GROUP PTY LT				Dec	4.64	3.92	16.06	14.64	8.36	8.06	4.81	5.24
SRG GLOBAL LTD	Buy	1.65	21%	Jun	1.41	0.85	16.63	14.45	6.58	5.84	3.90	4.26
MACMAHON HOLDINGS LTD	Buy	0.40	45%	Jun	0.29	0.61	7.69	6.23	1.98	1.84	4.39	5.54
NRW HOLDINGS LTD				Jun	2.83	1.29	10.33	9.46	3.81	3.67	5.48	5.97
DEVELOP GLOBAL LTD	Buy	4.00	14%	Jun	3.50	0.96	152.97	8.85	23.14	6.03	0.00	0.00
PERENTI LTD	Buy	1.45	7%	Jun	1.42	1.31	10.03	8.45	2.65	2.56	4.95	5.02
MONADELPHOUS GROUP LTD	Hold	16.20	1%	Jun	16.65	1.65	19.84	20.01	9.12	9.06	4.08	4.20
DURATEC LTD	Buy	1.95	27%	Jun	1.58	0.40	16.26	12.87	6.62	5.44	2.83	3.40
SERVICE STREAM LTD				Jun	1.92	1.18	17.73	16.80	8.06	7.54	3.19	3.50
ACROW LTD				Jun	1.03	0.31	9.40	7.82	5.44	4.57	5.76	6.24
AUSTIN ENGINEERING LTD	Buy	0.85	124%	Jun	0.39	0.24	9.06	5.88	4.74	3.42	3.64	4.94
GR ENGINEERING SERVICES LTD				Jun	2.80	0.47	14.43	14.66	7.06	7.16	7.14	7.25
GENUSPLUS GROUP LTD	Buy	3.30	11%	Jun	3.00	0.54	18.48	15.71	8.29	6.75	1.00	1.17
SOUTHERN CROSS ELECTRICAL	Buy	2.50	39%	Jun	1.86	0.49	15.17	11.75	7.33	5.80	4.31	4.31
Simple average of group (Ex DVP)							11.60	10.14	5.09	4.58	3.49	3.85

prices updated 12/05/25, estimates updated 13/05/25

SOURCE: BLOOMBERG & BELL POTTER SECURITIES ESTIMATES

We note that at the current share price MAH trades on 7.7x reported FY25 earnings or 5.9x underlying earnings as shown on the front page. This is one of the lowest in the table and below the sector average of 11.6x (Excluding DVP). It is valued at an EV/EBITDA multiple of 2.0x, which is below the sector (simple) average of 5.1x (ex DVP), although given the relatively high capex and depreciation charge at MAH we would caution against placing too much weight on this metric. The FY25 yield at 4.5% is ahead of the sector average of 3.5%, although we anticipate that the payout ratio will increase as debt and gearing falls.

Macmahon Hdgs Ltd (MAH) Overview

Contract mining & civil infrastructure

The activities of MAH relate to contract mining, and civil infrastructure.

Contract mining relates to the operation of underground and surface mines in Australia and SE Asia, with the majority of the group's exposure being to gold (54%), Met Coal (20%) and Lithium (8%). The company operate long-term stable projects (from contract renewals), with a pass through of many of the key expenses covered by escalations in the contract (especially labour costs and plant costs). The group makes around 15-20% EBITDA margins in its mining segments, however depreciation is a key cost, reflecting high capital usage particularly in surface mining. The balance sheet contains a large amount of capital equipment, much of which is leased or debt funded.

Civil Infrastructure: The company is capable of undertaking start to finish engineering, procurement, and construction (EPC) type projects. In this note we refer to this division as Civil Infrastructure, as it undertakes more than just the engineering work. Exposure has been growing following the acquisition of TMM in 2018, and more significantly with the acquisition of Decmil in 2024. This has developed from providing support to mines (rehab, roads, bridges, accommodation) to projects involved with renewables and infrastructure. It undertakes a range of short- and medium-term projects. Compared to mining, capital required is lower, but the business is more competitive and margins are lower at the EBITDA level (around 7%), and slightly lower at the PBT level. The lower level of capital required means that the return on capital employed is higher and means that the business is potentially more scalable without the capital requirements associated with mining.

Growth: with long term contracts, growth is expected at mid to high single digit, however the company has a track record of 12.2% CAGR over the last 5 years (FY21 to FY25 guidance) achieved by winning additional contracts, retaining existing mines with contract extensions, and inorganically through acquisitions. The Australian business has achieved a CAGR of 19.9. These achieved growth rates are considerably higher than would be expected for a business on 6x earnings.

Investment case

Steady growth from stable long-term relationships with mining customers, with upside from extending the scope or life, as well as bringing on new mining relationships. This is underpinned by the FY25 secured revenue of $2.2bn and order book of $4.3bn. In particular we see:

1. **Growth from underground mining,** with 50% growth expected over the next 2-3 years.
2. **Growth from international,** expected to reach 15% of group turnover including recently won contracts in Indonesia. MAH has a competitive advantage in hard rock underground mining in Indonesia, given its existing relationships and local knowledge.
3. **Growth in civil infrastructure,** through renewable energy and infrastructure. Decmil gains from the strength of the combined group balance sheet, which is reflected in $333m of new work the group has won since completion.
4. **Upside from asset sales:** The group acquired the Homeground accommodation site in Queensland with Decmil. This has been running at sub optimal levels. There is scope to release capital through a sale, part relocation or improved utilisation.
5. **Further corporate activity:** MAH has made four acquisitions since 2017, improving its footprint, scale and reach. All have been made using debt and cash. MAH is currently integrating Decmil and reducing gearing. Once achieved, we believe there is scope for

MAH to make larger acquisitions using equity which would provide greater enhancement. We compare MAH with Perenti, (PRN.ASX, BUY) highlighting the similarities and differences between the two businesses. We consider whether these businesses could merge, but conclude there is currently insufficient strategic rationale, or pressure, particularly as both benefit from having a stable business in gold mining.

6 **Low rating and a re-rating of the business:** The shares are amongst the lowest rated for mining contractors trading at just 6x FY25 EPS, or around the NTA of $0.284 per share, but offer exposure to gold, limited tariff risk, and have high cash generation ($301m in FY24 pre capex or c50% of market cap) with a yield of 4.5%. The low rating of the shares relative to other mining contractors suggests that investor expectations are low, giving scope for upside surprise. We note the shares have been de-rated since the start of the year, providing an attractive entry point.

Risks

MAH is subject to all of the following risks:

Commodity price and exchange rate fluctuations. The continued operation of mining assets are subject to fluctuations in underlying commodity prices and foreign currency exchange rates. This does not directly affect the company but may affect the profitability, viability of the mine and therefore the decisions made by the mine owners.

Infrastructure access/ Third party risk. Bulk commodity producers are particularly reliant upon access to transport infrastructure. Access to infrastructure is often subject to contractual agreements, permits, and capacity allocations. Agreements are typically long-term in nature (+10 years). Infrastructure can be subject to outages as a result of weather events or the actions of third-party providers.

Operating and capital cost fluctuations. Markets for exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour markets.

Resource growth and mine life extensions. Future earnings forecasts and valuations may rely upon resource and reserve growth to extend mine lives.

Sovereign risks. Mining companies' assets can be located in countries other than Australia and are subject to the sovereign risks of that country.

Regulatory risks. Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.

Environmental risks. Resources companies are exposed to risks associated with environmental degradation as a result of their exploration and mining processes.

Operating and development risks. Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single operation company. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.

Occupational health and safety risks. Mining companies are particularly exposed to OH&S risks given the physical nature and human resource intensity of operating assets.

Funding and capital management risks. Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments, and managing debt repayments.

Reputation and Key client risk: The company replies on repeat business from a number key clients, based in part on its reputation and delivery on previous projects. Loss of this status could result in lower future volumes of work.

Contracting risk: as a contractor it identifies projects that it has the skills and resources to bid for either as lead contractor or as a subcontractor. The contractor process includes risks such as: misidentification of work required, mispricing or underestimating timescale (including appropriate contingency), delivery of work to acceptable standard and timeframe, within budget. Subcontractors are subject to availability and may not deliver work as planned, or within cost assumptions.

Macmahon Holdings
as at 13 May 2025

Recommendation	Buy
Price	$0.275
Target (12 months)	$0.40

Table 3 - Financial summary

Macmahon Holdings Limited				
	Price Target (A$)	0.40	Share Price (A$)	0.275
	Recommendation:	Buy	Market Cap (A$m)	592.6

INCOME STATEMENT					
Y/e June 30 ($m)	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
Total Segment Revenue	**1,906.2**	**2,031.3**	**2,441.7**	**2,552.0**	**2,662.4**
Other revenue (inc Associates)	**8.8**	**8.6**	**12.0**	**12.4**	**12.7**
Total Revenue	**1,915.0**	**2,039.9**	**2,453.7**	**2,564.4**	**2,675.1**
Total Underlying Revenue	**1,906.2**	**2,031.3**	**2,441.7**	**2,552.0**	**2,662.4**
Total Underlying Expenses	1,602.3	1,717.8	2,086.4	2,170.9	2,264.0
Reported EBITDA	**303.9**	**313.4**	**355.3**	**381.1**	**398.4**
Underlying EBITDA	**308.7**	**351.7**	**374.4**	**390.4**	**406.7**
Non underlying Rev & Exp	4.1	-29.6	-7.1	3.1	4.4
Dep. & Amort.	197.2	211.8	209.2	214.0	216.2
EBIT	**106.7**	**101.7**	**146.1**	**167.2**	**182.2**
Interest Expense	-25.7	-28.5	-32.3	-25.4	-25.4
PBT	**82.4**	**74.9**	**115.9**	**142.8**	**158.4**
Tax expense	24.7	21.7	36.0	44.3	49.1
Reported NPAT	**57.7**	**53.2**	**79.9**	**98.5**	**109.3**
Non Controlling Interest	0.0	0.0	0.0	0.0	0.0
Profit to shareholders	**57.7**	**53.2**	**79.9**	**98.5**	**109.3**
Reported NPAT	**57.7**	**53.2**	**79.9**	**98.5**	**109.3**
Post. Tax Adj	4.8	38.3	19.1	9.3	8.3
Underlying NPAT	**62.5**	**91.5**	**99.0**	**107.8**	**117.6**
Amort.	5.1	0.4	5.8	5.3	3.8
Underlying NPATA	**67.6**	**91.9**	**104.9**	**113.2**	**121.4**

CASHFLOW					
Y/e June 30 ($m)	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
Underlying NPAT	**62.5**	**91.5**	**99.0**	**107.8**	**117.6**
Depreciation & Amort.	197.2	211.8	209.2	214.0	216.2
Change in Working Capital	14.4	-46.1	73.6	-24.5	12.6
Other	-7.1	13.6	-98.1	-0.9	0.1
Operating cashflow	**266.9**	**270.8**	**283.8**	**296.4**	**346.4**
Capex	-193.2	-150.0	-205.5	-221.3	-225.2
Net (Acquisition)/Disposals	0.1	7.6	-63.1	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Investing cashflow	**-193.1**	**-142.4**	**-268.6**	**-221.3**	**-225.2**
Change in borrowings	-41.2	-131.8	-56.5	0.0	0.0
Equity raised	-0.2	0.0	-2.5	0.0	0.0
Dividends paid	-13.8	-19.2	-24.8	-29.7	-36.6
Other	1.7	-0.9	-9.3	-6.9	-7.3
Financing cashflow	**-53.5**	**-152.0**	**-93.1**	**-36.7**	**-43.9**
Net change in cash	**20.2**	**-23.6**	**-77.9**	**38.4**	**77.3**
Cash at end of period	**218.2**	**194.6**	**116.6**	**155.1**	**232.3**

BALANCE SHEET					
Y/e June 30 ($m)	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
Cash	218.2	194.6	116.6	155.1	232.3
Cash held on trust	0.0	0.0	0.0	0.0	0.0
Receivables	345.6	401.3	488.3	536.7	561.9
PPE	439.1	377.7	407.3	415.0	422.8
Intangibles	10.6	10.4	53.9	47.5	42.9
Equity Accounted Investments	0.0	0.0	0.0	0.0	0.0
Other assets	170.3	173.2	297.1	297.1	297.1
Total assets	**1,464.7**	**1,451.4**	**1,662.4**	**1,755.5**	**1,866.2**
Payables	360.3	369.9	530.5	554.4	592.2
Debt	268.6	192.9	205.0	205.0	205.0
Other provisions	3.9	4.9	7.6	7.9	8.3
Other liabilities	10.3	17.7	6.8	6.8	6.8
Total liabilities	**855.9**	**817.8**	**955.5**	**979.8**	**1,017.9**
Contributed equity	563.1	563.1	563.1	563.1	563.1
Reserves	47.4	82.8	100.2	100.2	100.2
Retained earnings	-1.6	-12.4	43.6	112.4	185.0
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total shareholders funds	**608.8**	**633.5**	**706.9**	**775.7**	**848.3**
W/A shares on issue	**2,104.5**	**2,142.6**	**2,157.3**	**2,155.0**	**2,155.0**

VALUATION DATA					
Y/e June 30 ($m)	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
Cash NPAT ($m)	**67.6**	**91.9**	**104.9**	**113.2**	**121.4**
Cash EPS (fully diluted) (c)	3.2	4.3	4.9	5.3	5.6
Adjusted EPS growth (%)	**7.4%**	**33.5%**	**13.4%**	**8.0%**	**7.3%**
Diluted adjusted P/E ratio (x)	**8.6**	**6.4**	**5.7**	**5.2**	**4.9**
CFPS (c)	12.7	12.6	13.2	13.8	16.1
Price/CF (x)	2.2	2.2	2.1	2.0	1.7
DPS (c)	0.8	1.1	1.3	1.6	2.0
Yield (%)	**2.7%**	**3.8%**	**4.5%**	**5.7%**	**7.2%**
Franking (%)	100%	57%	100%	100%	100%
EV/EBITDA (x)	**2.6**	**2.3**	**2.2**	**2.1**	**2.0**
EV/EBIT (x)	7.7	8.0	5.6	4.9	4.5
Price/book (x)	1.0	0.9	0.8	0.8	0.7
NTA ($)	0.3	0.3	0.3	0.3	0.4

PROFITABILITY RATIOS					
Y/e June 30 ($m)	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
EBIT/sales (%)	5.6%	5.0%	6.0%	6.5%	6.8%
Return on assets (%)	4.5%	6.3%	6.4%	6.3%	6.5%
Return on equity (%)	10.7%	14.7%	14.8%	14.5%	14.5%
Dividend cover (x)	3.7	2.4	3.0	2.9	2.6
Effective tax rate (%)	30.0%	28.9%	31.1%	31.0%	31.0%

LIQUIDITY AND LEVERAGE RATIOS					
Y/e June 30 ($m)	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
Net debt/(cash) ($m)	201.9	146.6	225.3	186.9	109.6
Net debt/equity (%)	**33.2%**	**23.1%**	**31.9%**	**24.1%**	**12.9%**
Net debt/EBITDA (x) - Adj.	0.65	0.42	0.60	0.48	0.27
Gross debt/EBITDA - Adj.	1.4	1.0	0.9	0.9	0.8
Interest Coverage	4.2	3.6	4.5	6.6	7.2
Current ratio (x)	1.2	1.3	1.0	1.1	1.2

INTERIMS					
Half end December 31 ($m)	**1H23a**	**1H24a**	**1H25a**	**1H26e**	**1H27e**
Underlying Revenue	987.2	966.3	1178.7	1231.9	1285.2
Underlying EBITDA	**149.3**	**176.0**	**181.3**	**184.6**	**187.6**
Reported profit	**23.3**	**36.5**	**30.0**	**40.6**	**42.8**
Underlying NPATA	**26.7**	**39.7**	**47.1**	**48.7**	**49.1**
Interim Adjusted EPS (cents)	1.3	1.9	2.2	2.3	2.3
Interim DPS (cents)	0.3	0.5	0.6	0.7	0.8

Key Assumptions					
	2023a	**2024a**	**2025e**	**2026e**	**2027e**
Revenue Growth	12.3%	6.6%	20.2%	4.5%	4.3%
EBITDA margin	16.2%	17.3%	15.3%	15.3%	15.3%

Divisional					
Segment revenue	**2023a**	**2024a**	**2025e**	**2026e**	**2027e**
Mining	1906.2	2031.3	2009.3	2089.7	2168.3
Surface	1258.1	1320.3	1419.4	1433.6	1447.9
Underground	476.5	528.1	589.9	656.1	720.4
Support	171.6	182.8	0.0	0.0	0.0
Civil & support	0.0	0.0	420.0	449.4	480.9
Unallocated	0.0	0.0	12.4	13.0	13.2
Total	**1906.2**	**2031.3**	**2441.7**	**2552.0**	**2662.4**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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