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Half-Year 2022 Results

August 24, 2022

Jeff Olsen, Chief Executive Officer
Miguel Desdin, Chief Financial Officer

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Three Business Units Driving Long-Term Growth

Drilling Services

Industry-leading provider of drilling services and largest, global, specialised and diversified driller

More than 4,500 employees around the world operate more than 320 rigs



- Seasoned management team with deep sector experience
- Strong balance sheet

Global Products

Offers the most advanced technology tooling and drill rigs, specifically engineered for long life and high performance while boasting world-class safety features

Almost 1,100 employees and six manufacturing sites globally



- Global footprint operating on five continents
- Fleet of >650 drill rigs

Geological Data Services

Redefining the future of mineral exploration through innovative and emerging technologies delivered through industry-leading products and services

More than 75 employees worldwide



- Industry-leading safety record
- Large customer base with proud 130+ year history



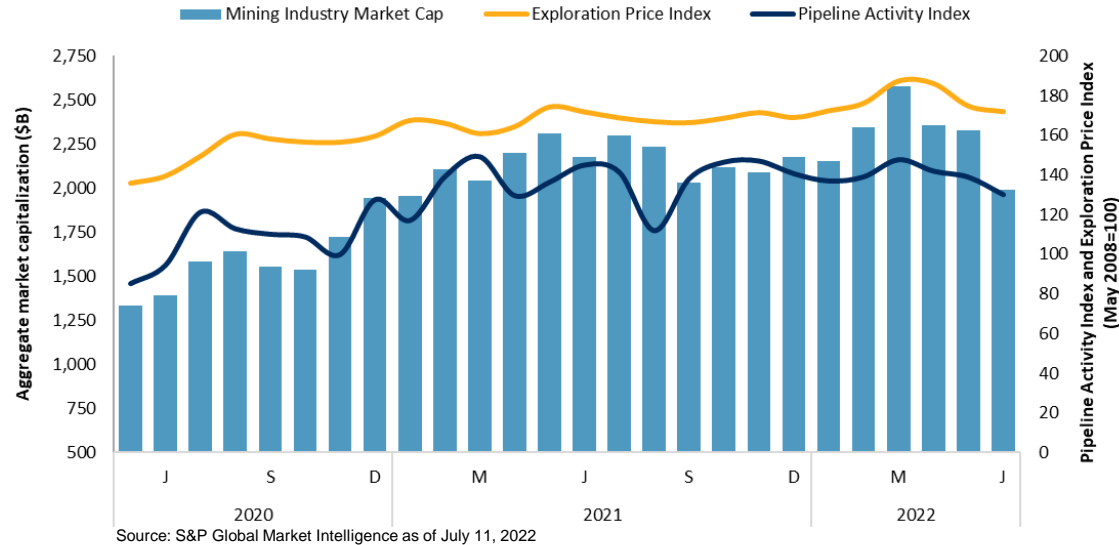
Strongest First Half Performance since 2013

- Healthy macroeconomic environment driven by electrification and green economy – industry facing long-term supply challenges, not demand concerns
- Robust 1H'22 revenue growth driven by substantial demand for Company's products and services
- Adjusted EBITDA^{1,2} expansion during 1H'22; however, experiencing higher input costs and supply chain headwinds
- Both Drilling Services and Products experienced price and volume growth during 1H'22
- GDS continues product development and business expansion
- Expanding ESG initiatives within operations
- Positioning business for long-term growth through capital investment



Exploration Investment Expanding to Meet Surging Demand

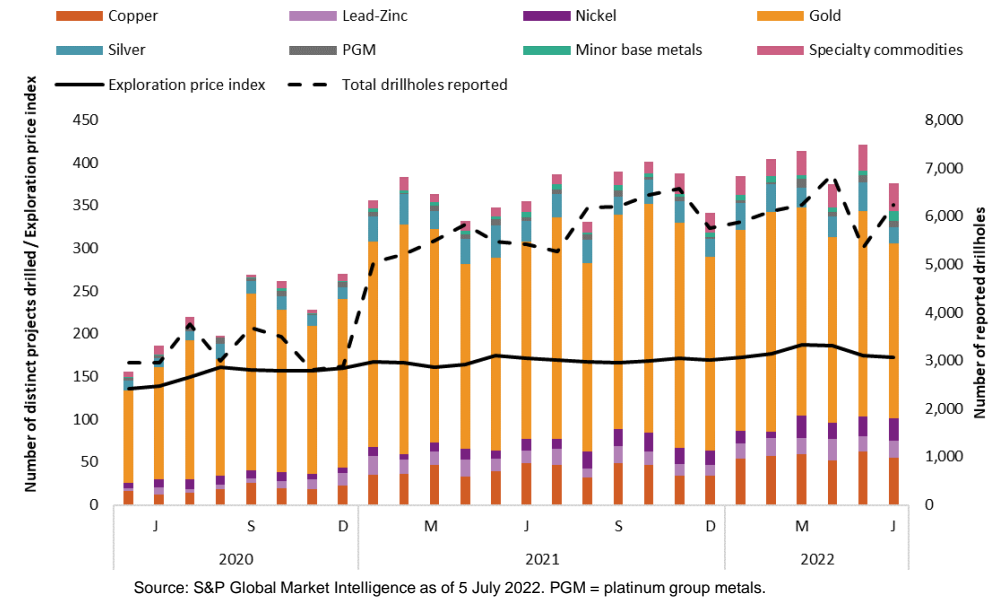
Pipeline Activity Index, January 2020 – June 2022



Exploration struggling to keep up with demand

- Miners increasing exploration budgets after near decade of underinvestment to address growing supply demand
- Electrification and demand for green metals, such as copper, driving exploration and development spending
- Exploration industry rebounded quickly from COVID-19 impacts
- According to S&P, 2021 non-ferrous exploration budgets increased 35% to \$11B over 2020

Project Drilling Activity by Commodity, May 2020 – June 2022



Dynamic commodity environment

- Green energy transition continues to drive strong long-term mineral demand
- In late Q2'22, metals prices eased from historic highs due to inflationary pressures, rising interest rate and strong US\$
- S&P's Pipeline Activity Index reached a ten-year high in March 2022 but edged lower by the end of Q2'22
- June 2022 financings of \$1.1B were second-highest monthly total of 2022, after the \$2.5B raised in March



Dynamic Financial and Operational Performance in 1H'22

↑129%
LTIR³

1H'22 0.16 vs. 1H'21 0.07

Refocusing on Critical Risk Management
and EHS fundamentals to address increase

↑18%
REVENUE

1H'22 \$528M vs. 1H'21 \$447M

Volume and price growth across Drilling
Services and Products

↑14%
ADJ. EBITDA^{1,2}

1H'22 \$69 vs. 1H'21 \$61M

Volume and price growth and operational efficiencies
offset by higher manufacturing costs and inflation

↑18%
CAPITAL DEPLOYED

1H'22 \$28M vs. 1H'21 \$26M

Positioning business for long-term growth

↓81%
NET DEBT

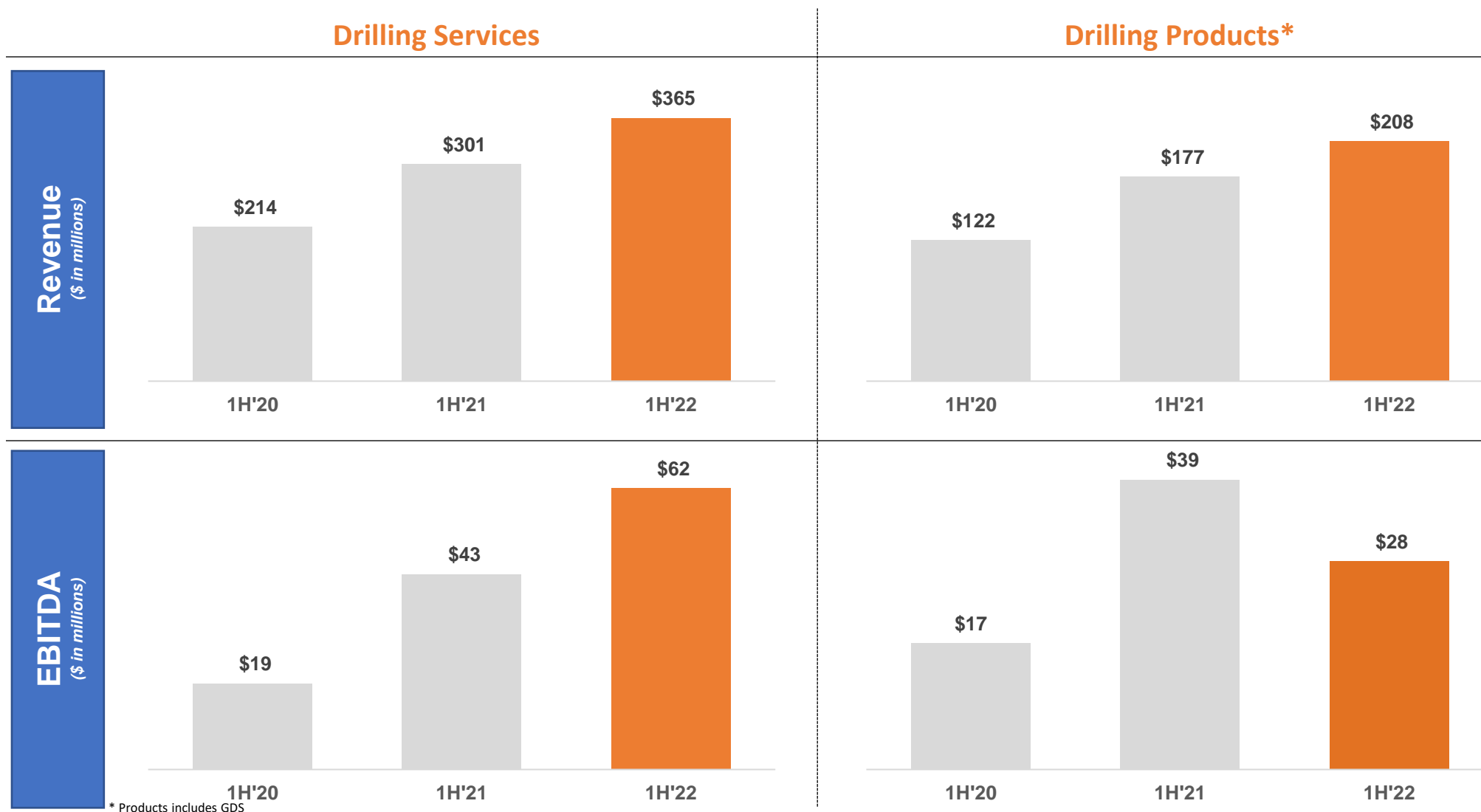
1H'22 \$176M vs. 1H'21 \$911M

Impact of 2021 recapitalisation



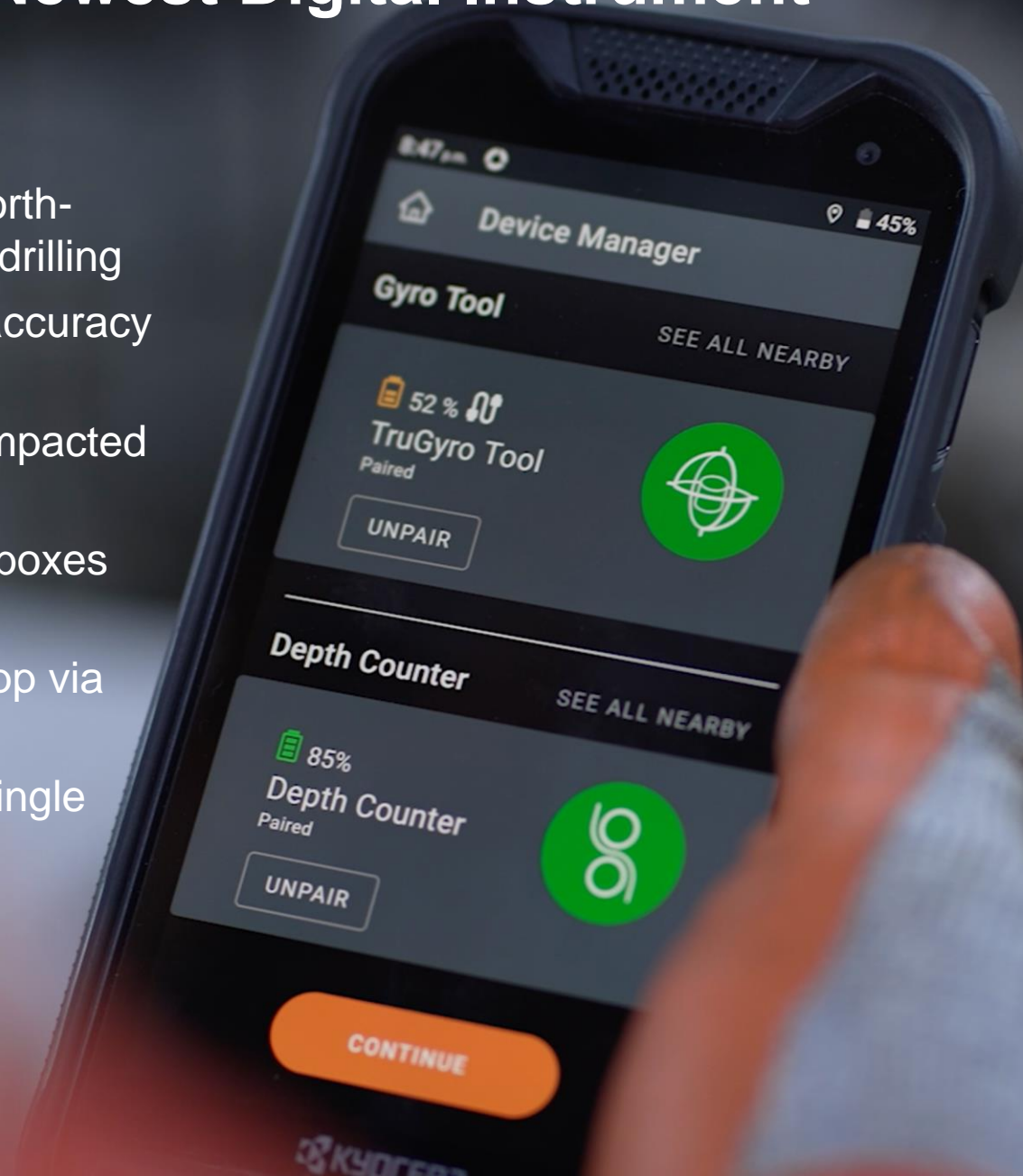
H1'22 Business Unit Performance

The information presented is before inter-segment eliminations in order to reflect each business unit's revenue and EBITDA assuming all inter-segment sales were made to third parties instead. This financial information is provided so that investors can better understand each business unit's true scale. Transactions between Company segments are carried out at arm's length and are eliminated on consolidation.



TruGyro – GDS' Newest Digital Instrument

- Most compact and integrated north-seeking gyro tool in exploration drilling
- Industry-leading gyrocompass accuracy in as little as 30 seconds
- Finds true north without being impacted by magnetic interference
- Packaged in two boxes vs. five boxes for competing products
- Easy-to-use intuitive operator app via handheld device
- Offers standard north-seeking single shot and multi-shot surveys



Creating a Sustainable Future for Our Stakeholders

ESG Highlights for 1H'22

Published inaugural
ESG report



Baselining Scope 1 &
Scope 2 emissions in
manufacturing plants



Finalised three-year
ESG strategy



Distributed >1,000
mosquito nets to
local African
communities for
World Malaria Day





Financial Performance

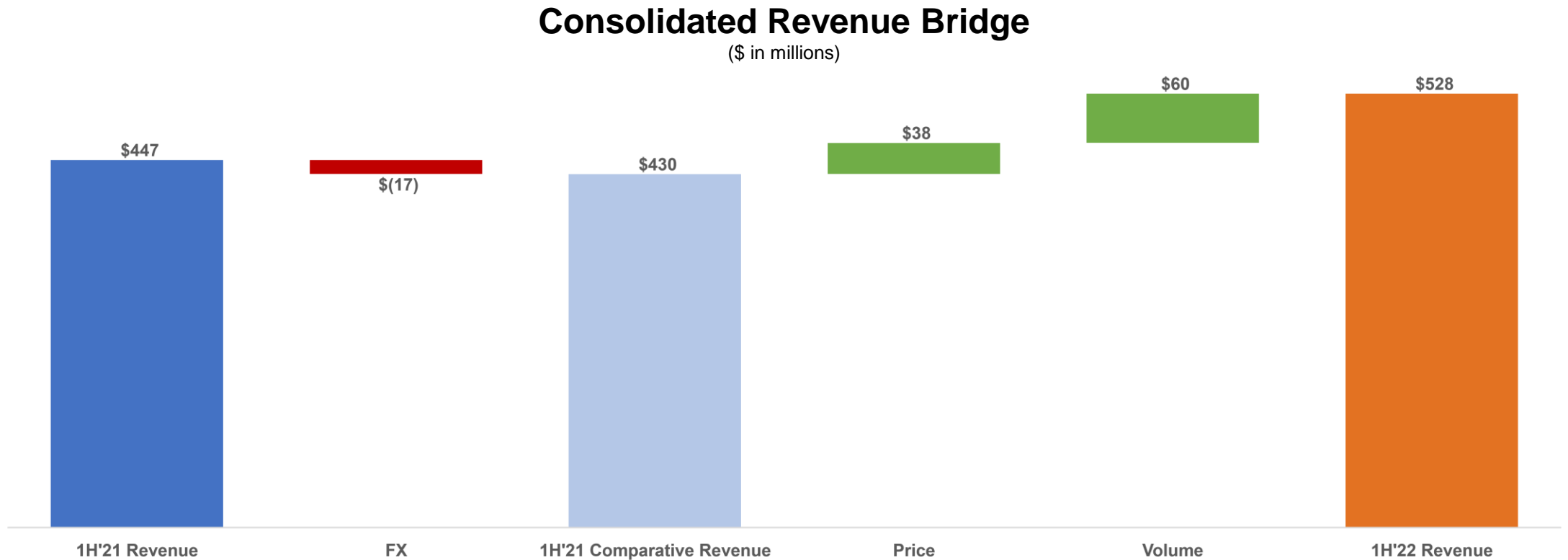
Miguel Desdin
Chief Financial Officer

Managing Inflation and Supply Chain Headwinds

Input Cost Inflation	<ul style="list-style-type: none">▪ Expanded capacity by introducing a rod line manufactured in Germany to leverage lower cost steel within the European market▪ Heavily impacted by rising energy costs, and tightening metals and freight markets▪ Investing capital in manufacturing plants to lower cost of production
Labour Inflation	<ul style="list-style-type: none">▪ Offering and paying competitive wage rates to attract high-quality candidates▪ Differentiating Company with industry-leading training▪ Focusing on gender diversity to expand talent pool▪ Refining recruitment and onboarding to increase employee retention▪ Implementing actions to address employee engagement survey
Supply Chain Management	<ul style="list-style-type: none">▪ Increased investment in inventory to address supplier lead time delays▪ Developed vendor management strategy focused on opportunities to lower input costs through diversification▪ Continuous leveraging of global manufacturing footprint to support elevated consumption levels



Revenue Growth and Momentum



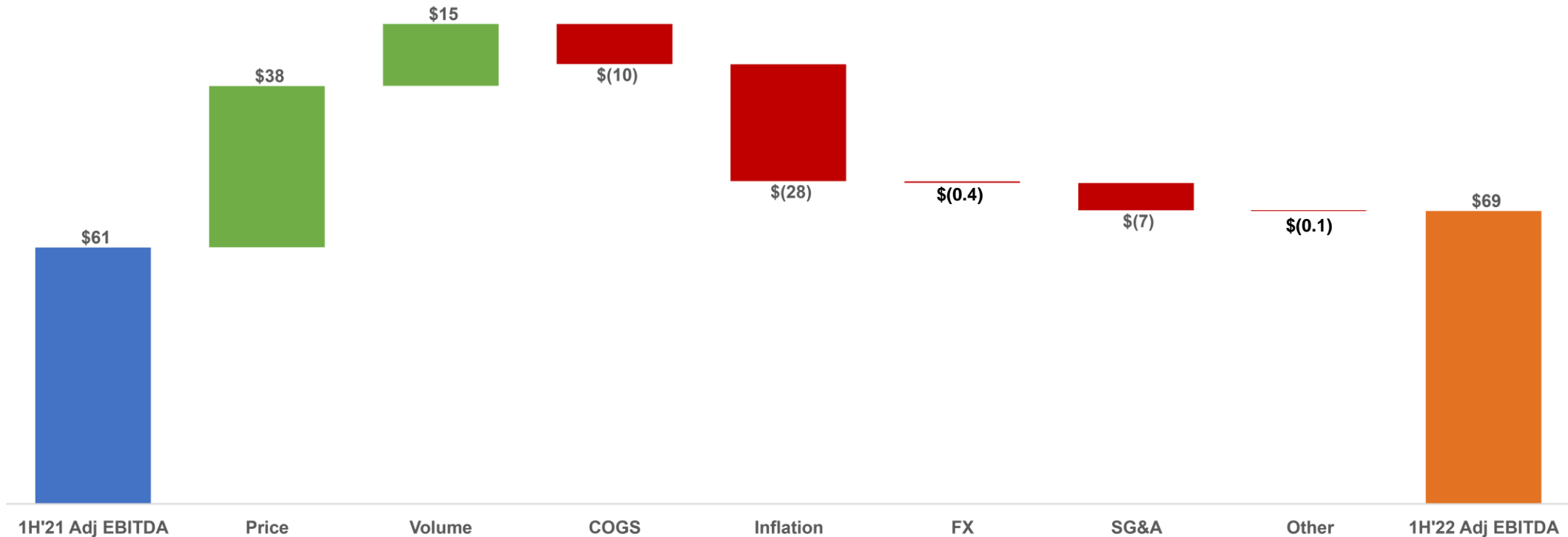
- FX impacted mainly from Canada and Australia
- Price and volume driven primarily by Drilling Services' performance with Products contributing in both categories



Strongest Adjusted EBITDA since 1H'13

Consolidated Adjusted EBITDA^{1,2} Bridge

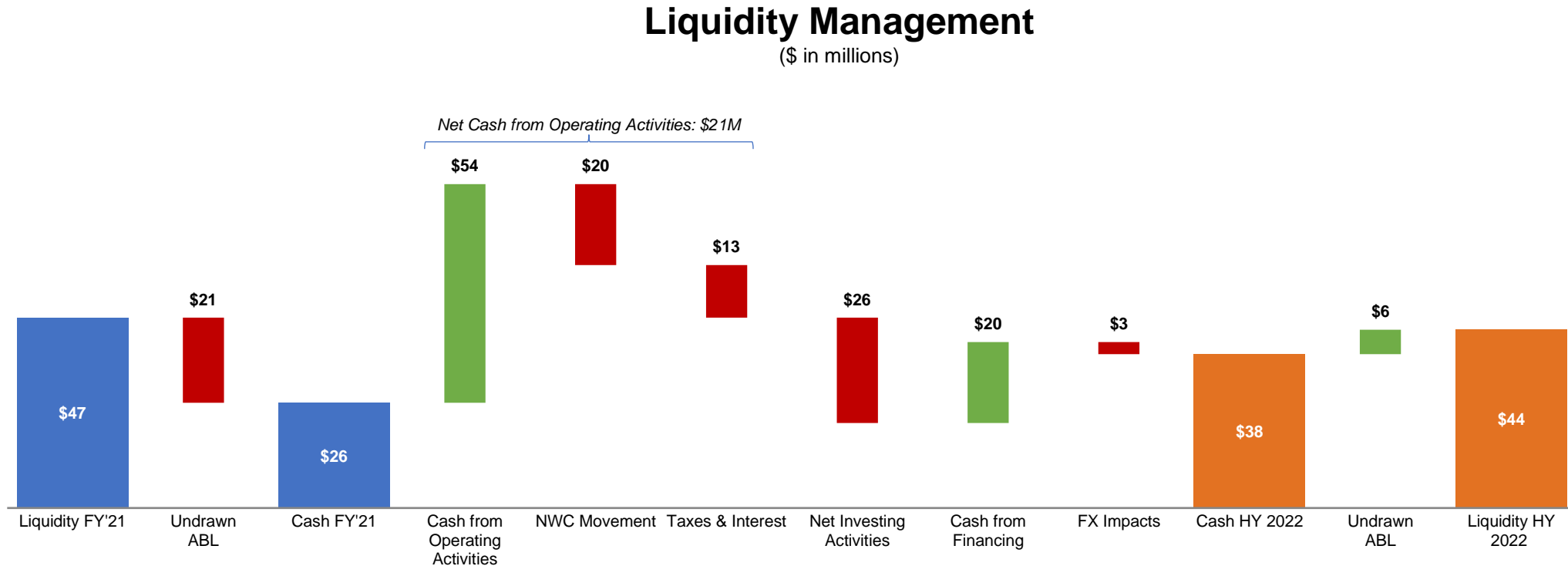
(\$ in millions)



- Benefitted from price and volume growth as well as Drilling Services' 2021 productivity improvements
- Negatively impacted by increased manufacturing costs and input price inflation
- Costs of good sold (COGS) includes increased manufacturing costs
- Inflation represents increased input prices
- SG&A reflects increased headcount supporting strong growth and professional fees



Cash Flow Discipline



- Received six-month ABL expansion in December 2021, made permanent in June 2022
- Proactively managing working capital
- Higher cash interest in 2022 vs. payment in kind interest in 2021 on outstanding debt

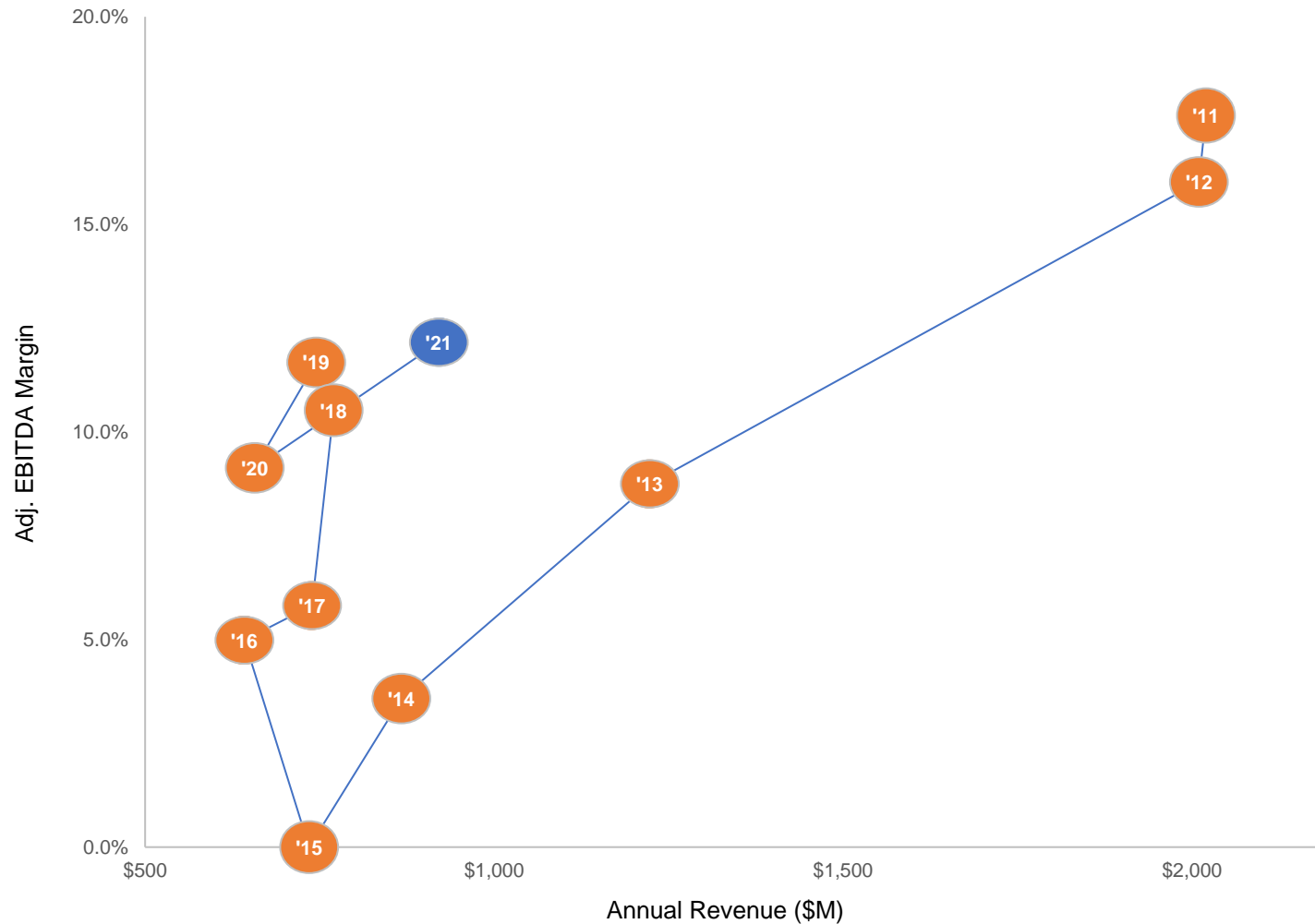




Corporate Summary

Jeff Olsen
Chief Executive Officer

Improved Cost Structure Delivering Adj. EBITDA Margin Momentum



- Diligently working to improve cost structure for several years
- Made significant progress during 2021 with results showing via an increased adj. EBITDA^{1,2} margin
- Margins for 1H'22 and FY'21 nearing 2011 and 2012 levels
- Company can generate strong margins without significant revenue increase



Investment Highlights



- 1** | Vertically Integrated Industry Leader with Differentiated Offerings Providing Competitive Advantages
- 2** | Unique Integrated Provider of Best-in-Class Drilling Services, Products and Technology Offerings
- 3** | Diverse Revenue Mix Providing Exposure to Most-Attractive Geographies and Commodities
- 4** | Disruptive GDS Technology to Upend Traditional Logging and Assaying for Miners
- 5** | Robust Growth Profile
- 6** | Strong Balance Sheet Positioned for Growth
- 7** | Stable Capital Structure, Improved Profitability and Significant Growth Tailwinds
- 8** | Best-in-Class Management Team with Decades of Experience





Q&A

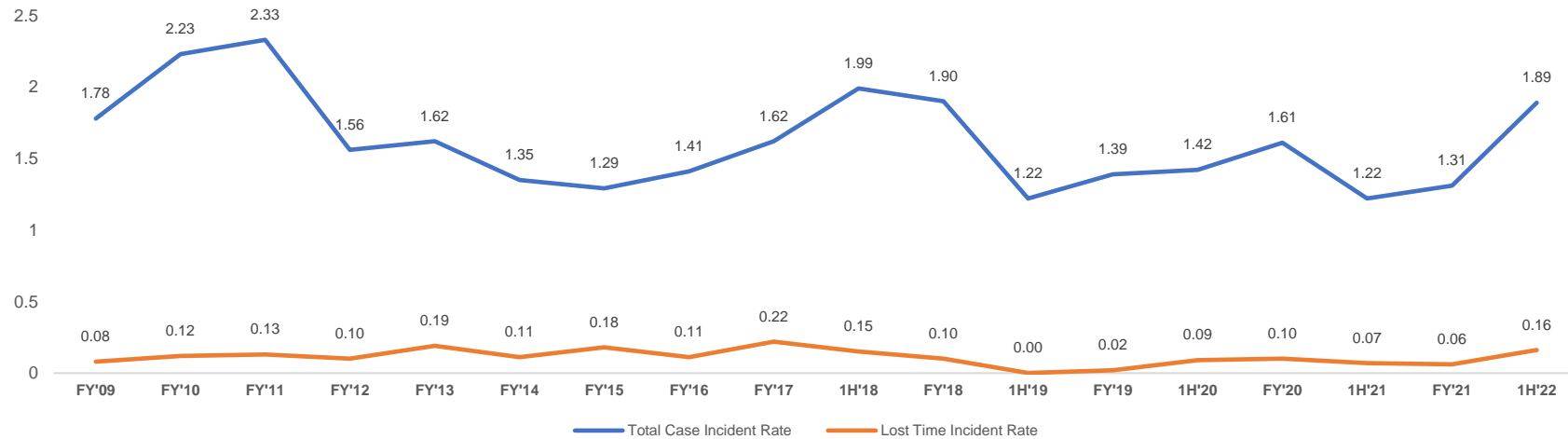


Appendix



Safety Performance Focused on Continuous Improvement

Total Incident Rates³



Key Initiatives

Competency Training Programs

- Strengthen and grow the program continually increasing the numbers of driller assistants and drillers that will complete the course
- Roll out newly developed curriculum for tradespersons – level I, and continue developing level II, III, & IV

Critical Risk Management – Focused on Identifying and Controlling Potentially Fatal Risks

- Critical control verifications are a centrepiece for leadership field engagement, elevating the focus by our teams to ensure critical controls remain in place and effective

Refocus on EHS Fundamentals

- Revamped new hire onboarding training to enhance the new hire experience, emphasising fundamentals and building competency relating to our EHS tools
- Incident reduction focused on reducing critical risk events, hand injuries, as well as vehicle incidents

Chief Operating Officer Compliance, Safety and Operations Virtual Sessions

- Regional communication and open discussions with field leaders and crews reinforcing expectations for two-way accountability relative to how we approach our work, and our commitment to compliance, safety, and operations



Leading Safety Performance KPIs

	1H'22	1H'21
LTIR	0.16	0.07
TCIR	1.89	1.22

Lost Time Incidents

1H'22: 5
1H'21: 2

“Our goal is to add value with zero harm – leading our industry with our employees returning home safely each day and performing our work with minimal impact to our neighbours and the environment.”



Year-Over-Year Comparison

Statutory			
(\$ in millions, except EPS)	1H'22	1H'21	% Change
Revenue	528	447	18%
Gross Margin	101	90	12%
<i>Gross Margin as % of Revenue</i>	19%	20%	
Operating Profit	29	28	5%
<i>Operating Profit as % of Revenue</i>	6%	6%	
EBITDA	52	50	4%
<i>EBITDA as % of Revenue</i>	10%	11%	
NPAT ⁴	18	(38)	147%
<i>NPAT as % of Revenue</i>	3%	(8%)	
EPS (cents)	6.0	(42.7)	114%

Adjusted			
(\$ in millions, except EPS)	1H'22	1H'21	% Change
Revenue	528	447	18%
Adjusted EBITDA ^{1,2}	69	61	14%
<i>Adj. EBITDA as % of Revenue</i>	13%	14%	



Key Performance Indicators by Quarter

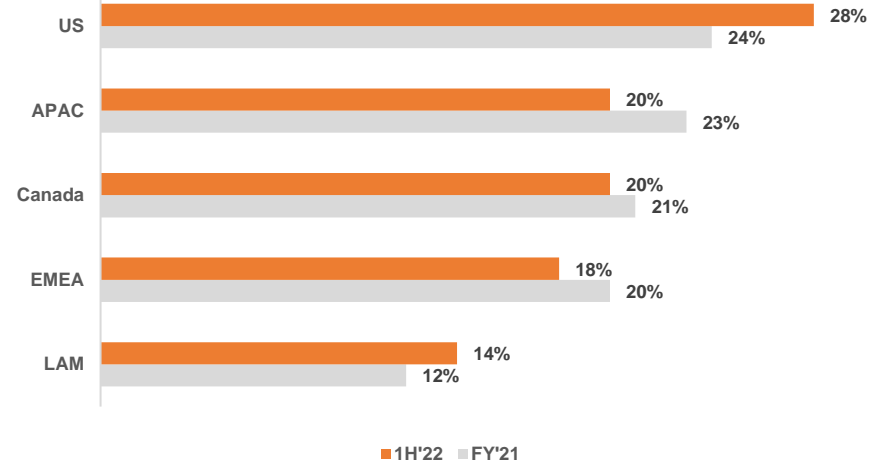
(\$ in millions)	Q2'22	Q1'22	Q4'21	Q3'21	Q2'21	Q1'21	Q4'20	Q3'20	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q1'19
Total Company														
Revenue	266.2	261.4	238.4	236.0	238.0	209.0	175.8	172.3	138.3	170.9	166.0	191.1	198.0	189.9
EBITDA	17.9	34.5	(4.8)	38.6	27.2	23.2	7.4	19.5	5.6	7.8	(13.5)	26.3	34.2	19.5
Adjusted EBITDA ^{1,2}	32.1	37.1	19.4	30.0	32.4	28.1	15.1	20.8	15.5	8.6	1.9	27.7	36.2	21.6
Operating Profit (Loss)	6.1	23.3	(18.8)	26.6	15.7	12.2	(3.1)	8.9	(4.7)	(1.8)	(30.0)	16.7	25.0	9.5
Net Cash Flows (Used In) Provided by Operating Activities	22.8	(2.1)	(11.3)	(10.6)	14.7	10.4	10.8	9.0	24.6	4.9	4.3	11.0	16.6	3.4
Net Debt	175.8	177.8	164.0	129.7	910.7	869.2	855.1	823.0	815.0	791.0	781.5	770.4	742.5	735.2
SG&A	34.3	29.5	30.1	25.4	26.5	21.2	23.0	19.1	15.0	23.8	26.2	21.8	23.9	22.2
Global Drilling Services														
Revenue	186.4	179.0	155.5	158.0	160.6	140.6	121.4	121.0	96.9	117.0	115.1	130.3	138.9	132.0
EBITDA	36.2	34.8	20.4	24.0	29.3	21.1	10.6	21.0	7.8	11.0	9.1	24.2	31.0	26.0
Average # Drill Rigs	657	657	654	651	645	638	664	687	691	689	691	689	691	691
Average Rig Utilisation ⁵	50%	47%	48%	49%	50%	45%	40%	38%	35%	38%	40%	41%	42%	41%
Global Products*														
Revenue	79.8	82.4	83.0	78.0	77.4	68.4	54.5	51.0	41.5	53.9	50.9	60.8	59.0	58.0
EBITDA	6.0	12.6	11.0	19.0	15.7	16.3	5.5	7.1	6.8	5.5	3.6	12.8	9.4	5.1
Average Backlog	58.2	60.7	70.4	74.0	70.9	51.3	37.9	29.0	30.0	36.5	32.3	24.5	30.6	30.9

* Includes GDS

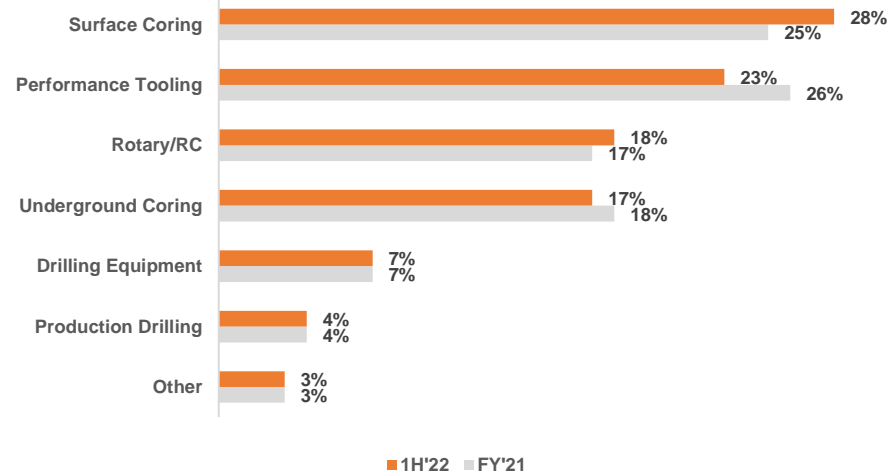


Consolidated and Products Performance Metrics

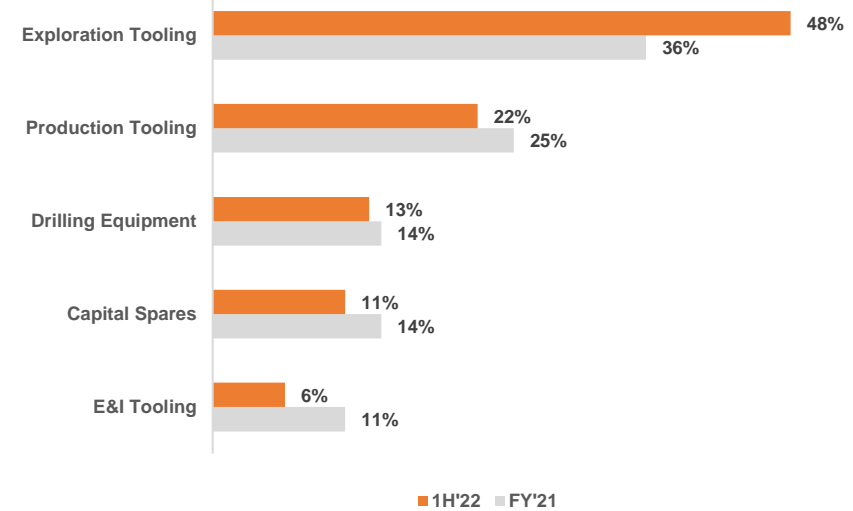
Consolidated – Revenue by Region



Consolidated – Revenue by Products and Services

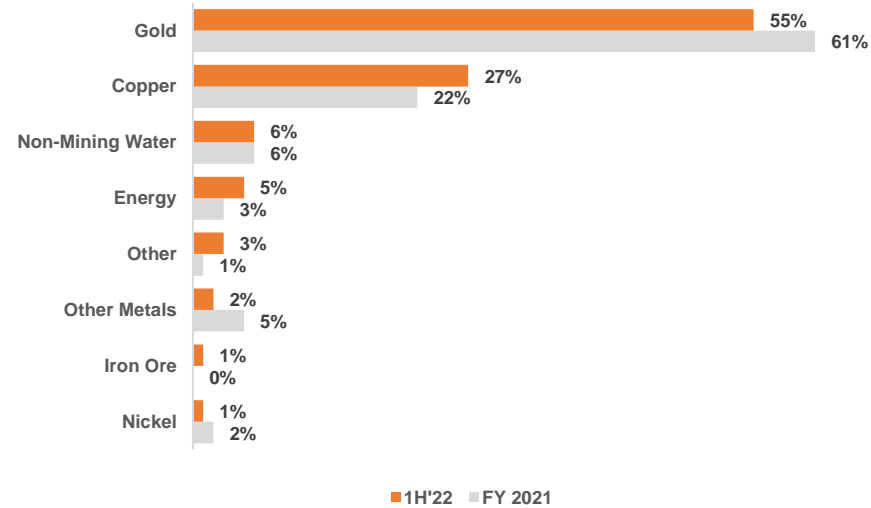


Products – Revenue by Product Category

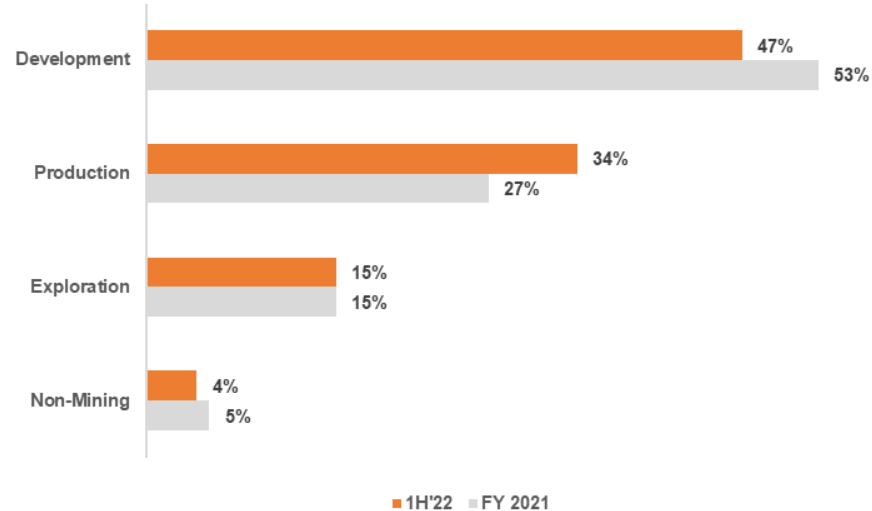


Drilling Services Performance Metrics

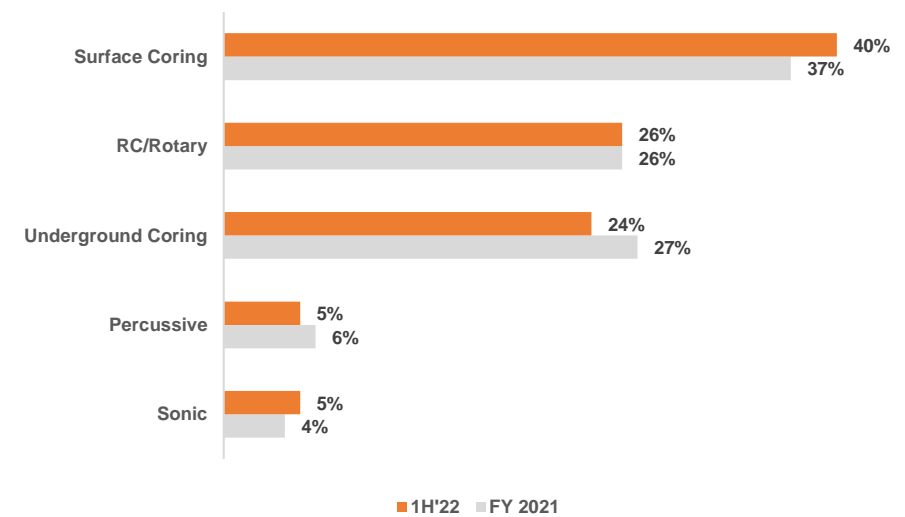
Drilling Services – Revenue by Commodity



Drilling Services – Revenue by Stage



Drilling Services – Revenue by Drilling Type



Summary of Inter-Segment Eliminations

Summary of Inter-Segment Eliminations ⁽¹⁾				
	1H'20	1H'21	1H'22	
Drilling Services (DS)				
DS Revenue Prior to InterCo Elimination	\$ 214	\$ 301	\$ 365	
(-) DS InterCo Revenue	-	-	-	
DS Segment Revenue	\$ 214	\$ 301	\$ 365	
DS Segment EBITDA Prior to InterCo Profit Elimination	\$ 19	\$ 43	\$ 62	
(+) DS InterCo Costs Prior to InterCo Elimination ⁽²⁾⁽³⁾⁽⁴⁾	7	7	9	
DS Segment EBITDA, Net of Adjustments	\$ 26	\$ 50	\$ 71	
<i>Memo: Eliminated Capital Expenditures⁽²⁾⁽³⁾⁽⁴⁾</i>				
Drilling Products (DP)⁽⁵⁾				
DP Revenue Prior to InterCo Elimination	\$ 122	\$ 177	\$ 208	
(-) DP InterCo Revenue	27	31	46	
DP Segment Revenue	\$ 95	\$ 146	\$ 162	
DP Segment EBITDA Prior to InterCo Elimination	\$ 17	\$ 39	\$ 28	
(-) DP InterCo EBITDA Prior to InterCo Elimination ⁽²⁾⁽³⁾⁽⁴⁾	(5)	(7)	(9)	
DP Segment EBITDA, Net of Adjustments	\$ 12	\$ 32	\$ 19	
Segment Reconciliation to Total Results, Revenue and Adjusted EBITDA				
	1H'20	1H'21	1H'22	
DS Segment Revenue	\$ 214	\$ 301	\$ 365	
DP Segment Revenue	95	146	162	
Total Third Party Revenue	\$ 309	\$ 447	\$ 528	
DS Segment EBITDA ⁽⁶⁾	\$ 26	\$ 50	\$ 71	
DP Segment EBITDA	12	32	19	
Corporate and Other Income / (Expense)	(14)	(22)	(21)	
Total Adjusted EBITDA⁽⁷⁾	\$ 24	\$ 61	\$ 69	

1. Transactions between segments are carried out at arm's length and are eliminated on consolidation
2. Represents inter-segment profits from Drilling Services / Costs of Drilling Services, which are eliminated upon consolidation
3. Eliminated Drilling Products' profits are greater than eliminated expenses as some inter-segment purchases represent capital expenditures
4. Inter-segment purchases in 2019 excluded capital spending and were recorded at 25% arms-length margin vs. 20% thereafter
5. GDS results are reported within Drilling Products segment
6. 2020 Segment EBITDA includes \$7.8 million adjustment for fixed asset impairment
7. Adjusted EBITDA at 30 June 2021 has been restated from the prior year figure to make it comparable to the current year calculation



Footnote Disclosures

- Footnote 1:** EBITDA is 'Earnings before interest, tax, depreciation and amortisation.' Adjusted EBITDA is 'Earnings before interest, tax, depreciation, and amortization and before major restructuring initiatives, impairments of assets, and other significant and non-recurring transactions outside the ordinary course of business.' These items are identified by management as not representing the underlying performance of the business. Adjusted EBITDA is not a comprehensive representation of all the significant transactions the Company recognised throughout the year. For example, it includes government aid received throughout the business for COVID-19 relief as well as gains from sales of assets. On the other hand, it excludes costs incurred to quarantine crews unable to work as a result of COVID-19, contract termination costs, legal fees, and indirect tax write-offs.
- Footnote 2:** Adjusted EBITDA at 30 June 2021 has been restated from the prior year figure to make it comparable to the current year calculation.
- Footnote 3:** Per 200,000 work hours.
- Footnote 4:** Net Profit after Tax in 2021 was impacted by a number of Non-Cash and Non-Recurring adjustments, including impairments, debt modification, and other restructuring charges.
- Footnote 5:** Boart Longyear calculates rig utilisation on a weekly basis. If a rig generates revenue during a specific seven-day period, it is counted as an *operating rig*. The Company's quarterly rig utilisation metric is an average of the 13 weeks within that quarter. The Company's half-year rig utilisation metric is an average of the 26 weeks within the first half.

