ASX ANNOUNCEMENT (ASX:BLY)

27 August 2020

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

2020 Half Year Results Presentation

Please find attached for release to the market, Boart Longyear Limited’s 2020 Half Year Results Presentation.

-ENDS-

Authorised for lodgement by:
Nora Pincus,
Company Secretary

About Boart Longyear

Established in 1890, Boart Longyear is the world’s leading provider of drilling services, drilling equipment and performance tooling for mining and drilling companies. It also has a substantial presence in aftermarket parts and service, energy, mine de-watering, oil sands exploration, production drilling, and down-hole instrumentation.

The Global Drilling Services division operates for a diverse mining customer base spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals. The Global Products division designs, manufactures and sells drilling equipment, performance tooling, down-hole instrumentation and parts and services.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia (ASX:BLY). More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, follow us on Twitter, LinkedIn and Facebook.

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- Due care and attention should be undertaken when considering and analysing the financial performance of the Company.

- All references to dollars are to United States currency unless otherwise stated, and financial results presented are not audited.
Boart Longyear is

The world’s leading provider of drilling services

An expert in providing valuable orebody knowledge

A pioneer in drilling equipment and performance tooling
**FIRST HALF 2020 HIGHLIGHTS**
- Material impact of COVID-19 on operating performance

<table>
<thead>
<tr>
<th>Month</th>
<th>REVENUE</th>
<th>NET PROFIT</th>
<th>ADJUSTED EBITDA</th>
<th>OPERATING CASH FLOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>(34.1%)</td>
<td>(21.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>(28.9%)</td>
<td>(20.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>(1.2%)</td>
<td>(0.2%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FINANCIAL PERFORMANCE**

- **REVENUE** <sup>3</sup>
  - 2019 vs 2020: (18%)<sup>3</sup>

- **NET PROFIT AFTER TAX** <sup>4</sup>
  - 2019 vs 2020: Neg $61M (Neg $3M)

- **ADJUSTED EBITDA** <sup>2</sup>
  - 2019 vs 2020: $24M ($58M)

- **OPERATING CASH FLOW**
  - 2019 vs 2020: $30M ($20M)

**KEY ACHIEVEMENTS**

- **COVID-19 PANDEMIC**
  - Business continuity plan implemented generating 25% savings

- **SENIOR SECURED NOTEHOLDERS**
  - 99.75% Approval
  - 2020 Cash Interest converted to PIK preserving $25M liquidity in light of Pandemic

- **MULTIPLE COMMERCIAL AGREEMENTS SIGNED FOR TRUSCAN™**

**SAFETY**

- **LTIR**
  - 0.09
  - (2019 – 0.00)<sup>1</sup>

- **TCIR**
  - 1.42
  - (2019 - 1.22)<sup>1</sup>

HY 2020 Results – See page 24 for footnote descriptions
COVID-19 - How has the Company performed?
- Material impact of COVID-19 on operating levels but has been well managed

Management Actions Implemented to Reduce COVID-19 Impact

Management initial assessment of significant decrease in revenue versus expectation
- Acted swiftly & aggressively with a global effort to reduce overhead costs
- Overhead personnel were placed on restricted pay by either:
  - Exco and Board took 75-100% pay reduction for the period
  - Furloughed – working 1 week/month with 75% pay reduction
  - Pay reductions - working full time with 50% pay reduction
- Implemented travel ban on workforce not directly tied to field based projects
- Renegotiated deferred / delayed lease payments on all Rooftops
- Negotiated with customers for assistance / fixed cost relief
- Government support received where available
  - Government emergency wage support
  - Government Tax deferrals achieved across many jurisdictions

Operating Actions
- Senior Secured Notes – 99.75% approval from Lenders to convert cash interest to PIK interest through 2020
- Bank provided relief on ABL covenants through Q2 to combat impact of COVID-19 – $5M liquidity benefit
- Ceased non-committed capital investment through second quarter
- Implemented further inventory initiatives
- Improved billing and collection cycles

Impacts on Jurisdictions through first half 2020

HY 2020 Results – See page 24 for footnote descriptions
First Half 2020 Results
August 2020
Miguel Desdin – Chief Financial Officer
## Financial Metrics – First Half 2020

**- Material impact of COVID-19 on financial performance**

<table>
<thead>
<tr>
<th><strong>REVENUE</strong></th>
<th><strong>PROFITABILITY</strong></th>
<th><strong>OPERATING CASH FLOW</strong></th>
<th><strong>LIQUIDITY</strong></th>
<th><strong>CAPITAL DEPLOYED</strong></th>
<th><strong>NET DEBT</strong></th>
<th><strong>NET WORKING CAPITAL</strong></th>
<th><strong>RATING OUTLOOK</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$309M³</td>
<td>Adjusted EBITDA²</td>
<td>$30M</td>
<td>$38M</td>
<td>$15M (2019 – $22M)</td>
<td>$815M</td>
<td>27.9%</td>
<td>Moody’s Caa2</td>
</tr>
<tr>
<td><strong>PROFITABILITY</strong></td>
<td><strong>Adjusted EBITDA²</strong></td>
<td><strong>Net Profit After Tax⁴</strong></td>
<td><strong>Improvements in working capital management, reduced tax spend and lower capital investment</strong></td>
<td><strong>INCLUSION OF APPLICABLE PREMIUM &amp; DEBT MODIFICATION ON SENIOR SECURED NOTES</strong></td>
<td><strong>INCLUSION OF APPLICABLE PREMIUM &amp; DEBT MODIFICATION ON SENIOR SECURED NOTES</strong></td>
<td><strong>2.9% Sales improvement over 2019</strong></td>
<td><strong>S&amp;P CCC+ Outlook – Negative</strong></td>
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<tr>
<td><strong>LIQUIDITY</strong></td>
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</table>

**HY 2020 Results – See page 24 for footnote descriptions**
Consolidated Results Summary: First Half 2020
- Volumes directly effected by COVID-19

- Excluding FX, revenue decreased $70M (18%)
- April was low point of COVID-19 pandemic
Consolidated Results Summary: First Half 2020
- Positive EBITDA despite combating impacts of COVID-19

Consolidated Adjusted EBITDA\(^2\) Bridge

Adjusted EBITDA\(^2\) down $34M (58%) driven by:

- Impacts in volume through the second quarter from COVID-19
- Improvements generated through swift & aggressive actions in a global effort to reduce overhead costs
Balance Sheet Improvement
- Short Term impacts of COVID-19 impacting Net Debt Leverage

• Consent of 99.75% of Senior Secured Note holders saw amendment to convert cash interest payments to payment in kind for 2020 to conserve Company's liquidity

• Applicable Premium negotiated into Senior Secured Note as part of the 2017 Debt Restructure and payable at maturity is now accounted for in Debt ($21.7M)

• Next maturing Debt Facility – July 2022

Net Debt Bridge

(US $M)

<table>
<thead>
<tr>
<th></th>
<th>FULL YEAR 2019</th>
<th>Applicable Premium Restatement</th>
<th>FULL YEAR 2019 RESTATEMENT</th>
<th>Accreted Interest</th>
<th>Debt Modification &amp; Applicable Premium</th>
<th>Cash At Bank</th>
<th>HALF YEAR 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>764</td>
<td>17</td>
<td>781</td>
<td>30</td>
<td>15</td>
<td>(12)</td>
<td>815</td>
</tr>
</tbody>
</table>

HY 2020 Results – See page 24 for footnote descriptions
Balance Sheet Improvement
- Liquidity management through COVID-19 interruptions highest priority

Liquidity Management

• First half 2020 Cash generation from operations a positive in light of impacts of COVID-19

• ABL - Borrowing on the facility is limited to the lower of the Lender's commitment ($65M) or the borrowing base ($45M @ 30 June). As COVID-19 abates the company expects business activity and the borrowing base to increase.

• NWC - Release supported by lower activities as well as initiatives implemented under management business continuity plans
Global Exploration Market – Commodities
- Metrics indicate a critical need for further investment in new reserves

**Global Gold Resource & Reserve statement highlight need for material investment in reserve replacement**
- Combined gold reserves across majors are down 33%
- New gold discoveries at historic lows
- Majority of miners “high grading” deposits with 60% mining at above average reserve grade
- Junior activity increasing on increased Gold prices

![Gold Reserve Position of top 20 Producers](chart)

**Copper supply side requires significant exploration & project development activity to meet forecast deficits**
- Analysts predicting an increasing supply deficit for Copper over the next 5 years.
- Project pipeline insufficient to meet rising demand
- Major miners now focusing on Copper Exploration
- Limited greenfield exploration success from Majors in recent years
- Improving Copper and Base Metal pricing
Global Exploration Market - Industry
- Strong leading indicators point to increased demand for exploration spend

Commodity pricing and revenues returned to 2012 levels
- Strong sector operating margins (EBITDA)
- Significant sector Free Cash Flow (FCF) generation

Early signs of Increased Capital Investment
- 5+ Years of under-investment
- Heavy Mining Equipment (HME) spend has similar discretionary nature to exploration spend
Global Exploration Market - Industry
- Strong leading indicators point to increased demand for exploration spend

Mining House balance sheets are strong
- Repair cycle sees strongest position in last 15+ Years
- 3rd strongest global industry sector

Equity Markets returning investment to sector
- MSCI & Gold indices close to 2012
- EBITDA in range of 2012 Performance
- Nearing peak dividend yields of ~5%
- Miners will need to invest to maintain long term returns
Unlocking orebody knowledge through a comprehensive approach

- Geoscientist-led technology development with field testing sites in Australia & Canada
- Replaces disjointed, inefficient systems to vastly improve pace and cost of development
- Leveraging global presence, customer relationships, & reputation for quality

Geological Data Services
- Providing accurate and consistent data to drive efficient mining

Current Key Clients

- Newcrest Mining Limited
  - 2019 Annual Report

“[…] this technology provides data vital for our geologists to make more accurate and timely decisions, through faster and smarter targeting. […] this is transforming how we explore.”

Rio Tinto

TruSub™
- Fully digital technology that records drilling parameters to drive drilling productivity

TruShot™
- Quality digital technologies that accurately record position of the core and hole path

TruGyro™
- Accurate real time elemental geochemistry without sample processing for drill core and chips

TruCore™
- Automated lithologic and structural identification driving accuracy and consistency in logging

TruProbe™
- Driller deployable stackable geophysical sensor technology (concept under evaluation)

TruScan™
- TruScan™ Dashboard

TruLog™
- TruLog™ Cloud

TruSub UI/Cloud

TruGyro UI/Cloud

TruShot View™

TruScan™ Dashboard

Auto Structural Logging

HY 2020 Results – See page 24 for footnote descriptions
Delivering on Strategic Objectives
- We build our customers’ orebody knowledge

Decisive actions taken through H1 to combat impacts of COVID-19
- Positive Adjusted EBITDA of $24M despite combating impacts of COVID-19
- Net Cash Flow from Operating Activities increased $10M on first half 2019
- Successful negotiation on Senior Secured Note facility to generate full year ~$25M liquidity

Industry metrics indicate strong upside potential
- Gold prices attractive with Copper deficit to drive upside
- Prolonged underinvestment requires correction
- Equity markets returning to investment in sector

Challenged capital structure; focus on improving business performance to create options
- Next maturity 2022
- Implement capital structure option that balances interests of all stakeholders

Activity levels improving but potential for continued restrictions in some countries
- Partnering with customer’s to manage health and wellbeing of industry workforce
- Investing in equipment to be positioned to capitalise on growing market
- Monitoring impacts of COVID-19 on each Country and will act as required
Questions?
Environment, Health and Safety
Leading safety performance focused on continuous improvement

Safety Performance
- 2020 Lost time incidents – 2 (vs 0 LTI’s over same period 2019)

Key initiatives:
- COVID-19 Business Continuity Plans have been implemented
  - Global Directive documents have set a framework for COVID-19 control measures at all operating sites and facilities
  - Tracking and trending COVID-19 through our Global EHS Information Management System (GEMS) allows for timely actions and focuses on our employee's health
  - Partnered with our clients and health authorities to provide a safe work environment
- Critical Risk Program – Eliminating potential fatal and significant injuries
  - Added specific COVID-19 critical control verifications to our proactive GEMS system
- Refocus on our EHS fundamentals as operating rhythms stabilize
  - Region and business line specific plans have been implemented in Q2 focused on achieving our EHST 2020 targets
  - Particular attention will be on crews that have been under lockdown or extended rotations due to the pandemic
  - Virtual or digital leadership interactions and verifications are now part of our employee engagement approach

“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.”

HY 2020 Results – See page 24 for footnote descriptions
# Year-Over-Year Comparison

Weathering the short term impacts of COVID-19 on business

<table>
<thead>
<tr>
<th></th>
<th>Statutory (US $M except EPS)</th>
<th>Adjusted (US $M)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HY 2020</td>
<td>HY 2019</td>
</tr>
<tr>
<td>Revenue</td>
<td>309</td>
<td>388</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>45</td>
<td>86</td>
</tr>
<tr>
<td>GM as % of Revenue</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>OM as % of Revenue</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>13</td>
<td>54</td>
</tr>
<tr>
<td>EBITDA as % of Revenue</td>
<td>4%</td>
<td>14%</td>
</tr>
<tr>
<td>NPAT</td>
<td>(61)</td>
<td>(3)</td>
</tr>
<tr>
<td>NPAT as % of Revenue</td>
<td></td>
<td>-20%</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>(69.6)</td>
<td>(3.5)</td>
</tr>
</tbody>
</table>

HY 2020 Results – See page 24 for footnote descriptions
### Key Performance Indicators by Quarter

**HY 2020 Results – See page 24 for footnote descriptions**

<table>
<thead>
<tr>
<th></th>
<th>Quarters ended 2020</th>
<th>Quarters ended 2019</th>
<th>Quarters ended 2018</th>
<th>Quarters ended 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2</td>
<td>Q1</td>
<td>Q4</td>
<td>Q3</td>
</tr>
<tr>
<td><strong>Total Company</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (US$ millions)</td>
<td>138.3</td>
<td>170.9</td>
<td>166.0</td>
<td>191.1</td>
</tr>
<tr>
<td>EBITDA (US$ millions)</td>
<td>5.6</td>
<td>7.8</td>
<td>(13.5)</td>
<td>26.3</td>
</tr>
<tr>
<td>Adjusted EBITDA² (US$ millions)</td>
<td>15.5</td>
<td>8.6</td>
<td>1.9</td>
<td>27.7</td>
</tr>
<tr>
<td>Operating Profit (Loss)</td>
<td>(4.7)</td>
<td>(1.8)</td>
<td>(30.0)</td>
<td>16.7</td>
</tr>
<tr>
<td>Net cash flows (used in) provided by operating activities</td>
<td>24.6</td>
<td>4.9</td>
<td>4.3</td>
<td>11.0</td>
</tr>
<tr>
<td>Net Debt (US$ millions)</td>
<td>815.0</td>
<td>791.0</td>
<td>781.5</td>
<td>753.2</td>
</tr>
<tr>
<td>SG&amp;A (US$ millions)</td>
<td>15.0</td>
<td>23.8</td>
<td>26.2</td>
<td>21.8</td>
</tr>
<tr>
<td><strong>Global Drilling Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (US$ millions)</td>
<td>96.9</td>
<td>117.0</td>
<td>115.1</td>
<td>130.3</td>
</tr>
<tr>
<td>EBITDA (US$ millions)</td>
<td>14.6</td>
<td>11.0</td>
<td>9.1</td>
<td>24.2</td>
</tr>
<tr>
<td>Average # of drill rigs</td>
<td>691</td>
<td>689</td>
<td>691</td>
<td>689</td>
</tr>
<tr>
<td>Average rig utilisation</td>
<td>35%</td>
<td>38%</td>
<td>40%</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Global Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (US$ millions)</td>
<td>41.5</td>
<td>53.9</td>
<td>50.9</td>
<td>60.8</td>
</tr>
<tr>
<td>EBITDA (US$ millions)</td>
<td>12.3</td>
<td>5.5</td>
<td>(2.5)</td>
<td>16.1</td>
</tr>
<tr>
<td>Average backlog (US$ millions)</td>
<td>30.0</td>
<td>36.5</td>
<td>32.3</td>
<td>24.5</td>
</tr>
</tbody>
</table>
Diversified End-Market Exposure

Revenue by Type – Products & Services
- Production Drilling: 6%
- Surface Coring: 25%
- Performance Tooling: 22%
- Underground Coring: 18%
- Rotary/RC: 18%
- Drilling Equipment: 8%
- Other: 3%

Revenue by Region – Products & Services
- USA: 22%
- APAC: 26%
- LAM: 11%
- EMEA: 21%
- Canada: 20%

Drilling Services Revenue by Stage
- Production (In-Pit): 25%
- Greenfield: 9%
- Development (Near Mine/Brownfield): 0%
- Non-Mining: 6%
Footnote Disclosures

- **Footnote 1:** Per 200,000 work hours.

- **Footnote 2:** Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company’s financial results by adding back significant items (i.e., charges relating to recapitalisation, impairments, restructuring, and employee and related costs). In the case of Pro Forma Adjusted EBITDA, additional adjustments are made to account for one-time items. In the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.

- **Footnote 3:** Revenue has been calculated on a comparable basis and eliminates impacts of FX.

- **Footnote 4:** Net Profit after Tax was impacted through the first half by a number of Non-Cash and Non-Recurring adjustments including impairments, debt modification and other restructuring charges.