ASX ANNOUNCEMENT (ASX:BLY)

28 February 2020

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

BY ELECTRONIC LODGEMENT

Full-Year 2019 Results Investor Presentation

Please find attached for release to the market, Boart Longyear Limited’s Full-Year 2019 Results Investor Presentation.

-ENDS-

This Presentation was authorised for release by Robert Closner, 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.

Investor Relations:
Matthew Broomfield
Director, Investor Relations
Australia +61 8 8375 8300
USA +1 801 952 8343
ir@boartlongyear.com

Media:
Michael Weir
Citadel-MAGNUS
Australia: +61 8 6160 4903
Mobile: +61 402 347 032
mweir@citadelmagnus.com
FY 2019 Results
February 2020
Jeff Olsen – Chief Executive Officer
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• 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
FULL YEAR 2019 HIGHLIGHTS
- Return to meaningful operating cash generation

**FINANCIAL PERFORMANCE**

**REVENUE**

1.3%

**NET PROFIT AFTER TAX**

Neg US$ 45M

(2018 – Neg US$44M)

**ADJUSTED EBITDA**

US$ 87M

(2018 – US$81M)

**OPERATING CASH FLOW**

US$ 35M

(2018 – $4M)

**STRATEGIC OBJECTIVES**

**GEOLOGICAL DATA SERVICES**

REVENUE GROWTH

>60%

**NEXT MATURING DEBT FACILITY**

JULY 2022

**MAINTAINED BALANCE SHEET DISCIPLINE**

CASH RETURN ON INVESTMENT

10.5%

**SAFETY**

**LTIR**

0.02

(2018 – 0.10)¹

OVER 14 MILLION HOURS WORKED LTI FREE

**TCIR**

1.37

(2018 - 1.90)¹

LOWEST REPORTED RESULT OVER LAST 4 YEARS

FY 2019 Results – See page 23 for footnote descriptions
Leading innovation in the industry
- Improving drill productivity and data collection

**Geological Data Services**

- **TruScan™** (On-site Assay)
- **TruShot™** (Down-hole Survey)
- **TruCore™** (Down-hole Core Orientation)
- **TruSub™** (Drilling Parameters)
- **TruDistance™** (Rig Alignment)
- **Gyro** (Down-hole Survey)

**Product Offering**

- **Longyear™ Bits** (Diamond Coring)
- **XQ™ Rods** (Next Generation Thread Design)
- **LF™160 Rig & FREEDOM™ Loader** (Surface Coring)
- **LS™250 MiniSonic Rig** (Sonic Drilling)
- **MDR700™** (Mobile Underground Coring Rig)
- **DriftMaster™** (Percussive Rod)
- **iRig Technology** (Intelligent Rigs)

**Drilling Services Offering**

- **MDR500™** (Diamond Coring)
- **TRUPRODUCTIVITY™** (Drilling Productivity)
- **Trulog™** (Drilling Time Management)
- **STOPEMASTER™ MDR** (Percussive drilling)
- **NoHandsOnSteel Rig™** (full-autonomous drilling)
- **HydroShot™** (Core barrel Technology)
- **DR-40 Horizontal** (Large Rotary Water Well Rig)

FY 2019 Results – See page 23 for footnote descriptions
2019 Financial Highlights
- REVENUE \(^3\) – (1.2\%) lower after eliminating FX and discontinued operations. Second half volumes lower from M&A Activity impacts of the major mining houses (Barrick/Randgold, Newmont/GoldCorp and Nevada Gold JV)
- EBITDA – 9\% Improvement over full year 2018
  - Improved pricing, mix and productivity
  - Improving portfolio resulting in improved margins

Revenue by Commodity

2019 Operating Highlights
- SAFETY – Lowest recorded LTI of 0.02 on record
- OPERATING EFFICIENCY IMPROVEMENTS
  - 1\% Labor reduction as a % of Revenue
  - Unproductive time decreased by 4\% per shift in UG Coring
  - TruProductivity\(^TM\) initiative global rollout underway
  - Drill Rig operational data for productivity gains

Key Financials (US $M):

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Change Fav / (Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>516</td>
<td>534</td>
<td>(3%)</td>
</tr>
<tr>
<td>COGS</td>
<td>432</td>
<td>448</td>
<td>4%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>21</td>
<td>26</td>
<td>20%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>90</td>
<td>83</td>
<td>9%</td>
</tr>
</tbody>
</table>

EBITDA as % of Revenue:

- 17\% for FY 2019
- 16\% for FY 2018
Global Products: 2019 Operations

2019 Financial Highlights

- **REVENUE**\(^3\) – 7.5% Increase after eliminating FX, discontinued operations and slow moving inventory sales completed in 2018
  - **Longyear\(^{TM}\) Bits – 13% Growth
- **EBITDA** – Improvement supported by improvement in portfolio and discipline on cost control.
- **CREASED BACKLOG** – End 2019 closed 20% higher over prior year

### Key Financials (US $M):

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Change Fav / (Unfav)</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>229</td>
<td>237</td>
<td>(3%)</td>
</tr>
<tr>
<td>COGS</td>
<td>175</td>
<td>180</td>
<td>3%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>31</td>
<td>31</td>
<td>1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>31</td>
<td>31</td>
<td>1%</td>
</tr>
<tr>
<td>EBITDA as % of Revenue</td>
<td>14%</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

### Pro Forma\(^4\) Revenue (US $M):

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Change Fav / (Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to BLY Drilling Services</td>
<td>57</td>
<td>56</td>
<td>2%</td>
</tr>
<tr>
<td>Pro Forma Revenue</td>
<td>286</td>
<td>293</td>
<td>(2%)</td>
</tr>
</tbody>
</table>

### Revenue by Product Category

2019 Operating Highlights

- **COST MANAGEMENT** – Optimised supply options to minimise impacts of inflation and tariffs
- **MANUFACTURING EFFICIENCY** – Lean improvements reduced costs, contributing to gross margin growth
- **NEW PRODUCT INTRODUCTIONS** – Growing demand for LF\(^{TM}\)160 Rig and FREEDOM\(^{TM}\) Loader, XQ\(^{TM}\) Rods, Longyear\(^{TM}\) Bits and DriftMaster\(^{TM}\) percussive rods

FY 2019 Results – See page 23 for footnote descriptions
## FY19 – FINANCIAL METRICS
- Improvement across financial performance metrics

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric</th>
<th>2019 Value</th>
<th>2018 Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td>+1.3%</td>
<td></td>
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<tr>
<td><strong>PROFITABILITY</strong></td>
<td></td>
<td>US$ 87M</td>
<td>US$ 81M</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2018 – US$81M)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adjusted EBITDA$^2$</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET WORKING CAPITAL</strong></td>
<td></td>
<td>30% of SALES</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING CASH FLOW</strong></td>
<td></td>
<td>US$ 35M</td>
<td>US$ 81M</td>
<td>-2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2018 – US$81M)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL DEPLOYED</strong></td>
<td></td>
<td>US$ 51M</td>
<td>US$ 683M</td>
<td>-26%</td>
</tr>
<tr>
<td><strong>NET DEBT</strong></td>
<td></td>
<td>US$ 764M</td>
<td>US$ 683M</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2018 – US$683M)</td>
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<tr>
<td></td>
<td></td>
<td>(AASB16 adoption US$27M)</td>
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<tr>
<td></td>
<td></td>
<td>Net Debt/Adj EBITDA$^2$</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH RETURN ON INVESTMENT</strong></td>
<td></td>
<td>10.5%</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>(2018 – 9.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RATING OUTLOOK</strong></td>
<td></td>
<td>Moody’s Caa2</td>
<td>S&amp;P CCC+</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outlook - Stable</td>
<td>Outlook - Stable</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Adjusted EBITDA refers to earnings before interest, taxes, depreciation, and amortization (EBITDA) adjusted for certain items.*

10.5% (2018 – 9.6%)

Net Debt/Adj EBITDA$^2$

8.8x (2018 – 8.5x)

Moody’s Caa2 Outlook - Stable
S&P CCC+ Outlook - Stable

Investment in Organic & Technological opportunities

Continued improvement in operational performance enabling investment back into business.

(AASB16 adoption US$27M)
Consolidated Results Summary: FY19

Volumes impacted by Major Miner M&A Activities

- Excluding FX, discontinued operations and slow moving inventory sales, revenue increased $9M (1.3%)
- Mining Industry M&A activities delayed mineral exploration projects and reduced overall market activity through second half
- Healthy bidding activity in Drilling Services and Products backlogs growing
Consolidated Results Summary: FY19
Continued operational improvements

Consolidated Adjusted EBITDA\(^2\) Bridge

- Excluding FX, discontinued operations, impacts of inflation and AASB 16 accounting change, EBITDA increased $14M (19.2%)
- Price improvement (3.5%) benefit over inflationary pressures in market
- Discipline cost control

FY 2019 Results – See page 23 for footnote descriptions
• Net Debt increasing with adoption of AASB 16 Accounting for Leases (US$27M)
• Net Debt/Adj EBITDA stabilised 8.8x
• Next maturing Debt Facility – July 2022
Balance Sheet Improvement
Meeting objectives to improve Liquidity

**Liquidity Management**

- 2019 Cash generation from operations improvement of $31M over full year 2018
- Asset Back Lending Revolver (ABL) and Backstop Term Loan Facilities increased by $25M and extended through to 2022 ($10M accessible when leverage targets are achieved)
- NWC improvement through targeted initiatives
- Cash interest increase of ~$25M with senior secured notes now cash pay

FY 2019 Results – See page 23 for footnote descriptions
REVENUE SPLIT BY COMMODITY
Significant exposure to Gold & Copper

BLY WEIGHTED AVERAGE COMMODITY PRICE

Gold Price History

Copper Price History

FY 2019 Results – See page 23 for footnote descriptions
Delivering on Strategic Objectives
We build our customers’ orebody knowledge

Demonstrating strong improvement
- Over 14.5 million hours worked Lost Time Free
- Adjusted EBITDA up 8% on comparable revenue over 2019
- Reinvested in business to capitalise on 2020 market growth by adding 35 technology advanced rigs

Progressing with strong upside potential
- Gold prices strengthening (>\$1600/oz) which supports business with ~65% revenue from sector
- Prolonged underinvestment in new capital and new projects to meet increasing demand
- COVID-19 outbreak could have adverse impact on consumer demand and commodity prices

Stabilising Net Debt to EBITDA; next Debt maturity 2022
- Continuing to invest in technology, growth & productivity
- Priority to reduce Debt further

Advancing towards a healthier business
- Building track record of operating and financial performance and discipline
- Meaningful growth in Data Tools and Services (GDS) expected
- Market conditions favourable for solid organic growth

Summary
- Market
- Balance Sheet
- Year Ahead
Questions?
Safety & Environment
Leading safety performance focused on continuous improvement

Safety Performance
- 2019 Lost time incidents – 1 (vs 5 in 2018)
- Over 14.5 Million hours worked Lost Time Free
- Total Case incident rate – Lowest performance in 4 years

Continuous Improvement
Key initiatives have significantly reduced injury rates:
- Global EHS Management System Improvements – Focused on accountability and field level risk
- Critical Risk Program – Aimed at eliminating potential fatal and significant injuries
- Embedded leading indicators into our annual Leadership KPIs:
  - BITS safety training on time completion
  - Leadership Safety Inspections and Verifications
  - Corrective Action Closure and In-Vehicle Monitoring Systems utilisation

Leading safety performance KPI’s
- LTIR – 0.02
- TCIR – 1.37

“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 or the environment.”
Year-Over-Year Comparison
Strong focus on productivity and cost control in improving market

<table>
<thead>
<tr>
<th>Statutory</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Change Fav / (Unfav)</th>
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<tbody>
<tr>
<td>(US $M except EPS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>745</td>
<td>770</td>
<td>(3%)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>139</td>
<td>131</td>
<td>6%</td>
</tr>
<tr>
<td>GM as % of Revenue</td>
<td>19%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>27</td>
<td>18</td>
<td>53%</td>
</tr>
<tr>
<td>OM as % of Revenue</td>
<td>4%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>67</td>
<td>54</td>
<td>23%</td>
</tr>
<tr>
<td>EBITDA as % of Revenue</td>
<td>9%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>NPAT</td>
<td>(45)</td>
<td>(44)</td>
<td>NMF</td>
</tr>
<tr>
<td>NPAT as % of Revenue</td>
<td>-6%</td>
<td>(6%)</td>
<td></td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>(51.8)</td>
<td>(52.9)</td>
<td>2%</td>
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</table>

<table>
<thead>
<tr>
<th>Adjusted$^2$</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Change Fav / (Unfav)</th>
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<tbody>
<tr>
<td>(US $M)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>745</td>
<td>770</td>
<td>(3%)</td>
</tr>
<tr>
<td>Adjusted Gross Margin</td>
<td>144</td>
<td>142</td>
<td>1%</td>
</tr>
<tr>
<td>Adj. GM as % of Revenue</td>
<td>19%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Adjusted Operating Profit</td>
<td>43</td>
<td>44</td>
<td>-3%</td>
</tr>
<tr>
<td>Adj. OM as % of Revenue</td>
<td>6%</td>
<td>6%</td>
<td></td>
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<tr>
<td>Adjusted EBITDA</td>
<td>87</td>
<td>81</td>
<td>8%</td>
</tr>
<tr>
<td>Adj. EBITDA as % of Revenue</td>
<td>12%</td>
<td>10%</td>
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### Key Performance Indicators by Quarter

<table>
<thead>
<tr>
<th></th>
<th>Quarters ended 2019</th>
<th>Quarters ended 2018</th>
<th>Quarters ended 2017</th>
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<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q3</td>
<td>Q2</td>
</tr>
<tr>
<td><strong>Total Company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (US$ millions)</td>
<td>166.0</td>
<td>191.1</td>
<td>198.0</td>
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<tr>
<td>EBITDA (US$ millions)</td>
<td>(13.5)</td>
<td>26.3</td>
<td>34.2</td>
</tr>
<tr>
<td>Adjusted EBITDA² (US$ millions)</td>
<td>1.9</td>
<td>27.7</td>
<td>36.2</td>
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<tr>
<td>Operating Profit (Loss)</td>
<td>(24.1)</td>
<td>16.7</td>
<td>25.0</td>
</tr>
<tr>
<td>Net cash flows (used in) provided by operating activities</td>
<td>4.3</td>
<td>11.0</td>
<td>16.6</td>
</tr>
<tr>
<td>Net Debt (US$ millions)</td>
<td>764.1</td>
<td>741.6</td>
<td>730.9</td>
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<tr>
<td>Adjusted SG&amp;A² (US$ millions)</td>
<td>26.2</td>
<td>21.8</td>
<td>23.9</td>
</tr>
<tr>
<td><strong>Global Drilling Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue (US$ millions)</td>
<td>115.1</td>
<td>130.3</td>
<td>138.9</td>
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<tr>
<td>EBITDA (US$ millions)</td>
<td>9.1</td>
<td>24.2</td>
<td>31.0</td>
</tr>
<tr>
<td>Average # of drill rigs</td>
<td>691</td>
<td>689</td>
<td>691</td>
</tr>
<tr>
<td>Average rig utilisation</td>
<td>40%</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td><strong>Global Products</strong></td>
<td></td>
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</tr>
<tr>
<td>Revenue (US$ millions)</td>
<td>50.9</td>
<td>60.8</td>
<td>59.0</td>
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<tr>
<td>EBITDA (US$ millions)</td>
<td>(2.5)</td>
<td>16.1</td>
<td>11.3</td>
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<tr>
<td>Average backlog (US$ millions)</td>
<td>32.3</td>
<td>24.5</td>
<td>30.6</td>
</tr>
</tbody>
</table>
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 Earnings 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, discontinued operations and slow moving inventory.

- **Footnote 4**: Transactions between segments are carried out at arm’s length and are eliminated on consolidation.

- **Footnote 5**: Source: S&P Global Market Intelligence.