Boart Longyear Limited
ABN 49 123 052 728

26 Butler Boulevard, Burbridge Business Park
Adelaide Airport
South Australia 5950, Australia
Tel: +61 8 8375 8375 • Fax: +61 8 8375 8498
www.boartlongyear.com

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

LF™160 Rig & FREEDOM™ Loader

BOART LONGYEAR™

FY 2019 Results

February 2020

Jeff Olsen – Chief Executive Officer

Important Notice and Disclaimer

- This presentation has been prepared by Boart Longyear Limited, ABN 49 123 052 728 (Boart Longyear or the Company). It contains general information about the Company's activities as at the date of the presentation. It is information given in summary form and does not purport to be complete. The distribution of this presentation in jurisdictions outside Australia may be restricted by law, and you should observe any such restrictions.

- This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, securities in any jurisdiction. Neither this document nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

- The Company has prepared this presentation based on information available to it, including information derived from public sources that have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein.

- This presentation includes forward-looking statements within the meaning of securities laws. Any forward-looking statements involve known and unknown risks and uncertainties, many of which are outside the control of the Company and its representatives. Forward-looking statements may also be based on estimates and assumptions with respect to future business decisions, which are subject to change. Any statements, assumptions, opinions or conclusions as to future matters may prove to be incorrect, and actual results, performance or achievement may vary materially from any projections and forward-looking statements.

- 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.

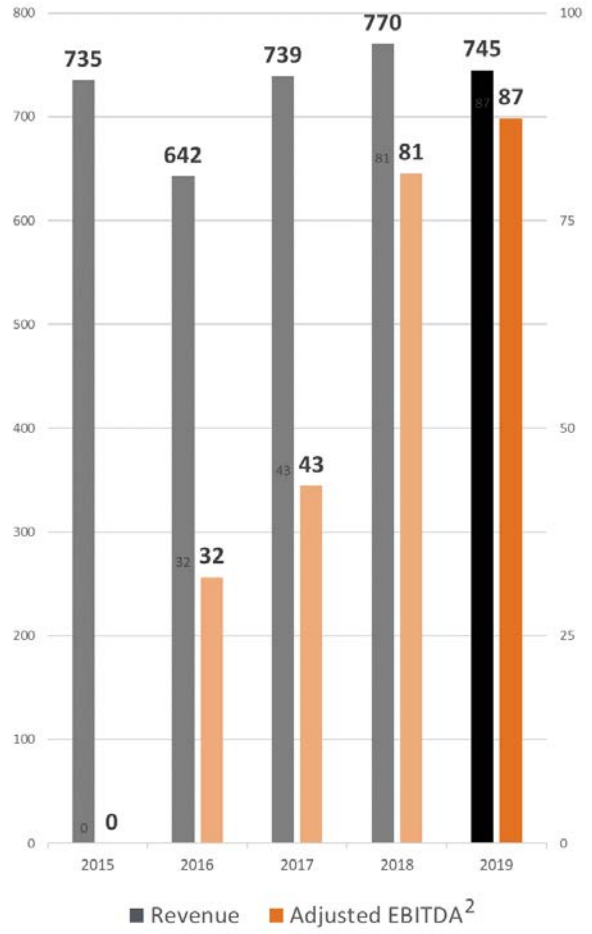
Boart Longyear is

The world's leading provider of drilling services

An expert in providing valuable orebody knowledge

A pioneer in drilling equipment and performance tooling

FULL YEAR 2019 HIGHLIGHTS
- Return to meaningful operating cash generation



FINANCIAL PERFORMANCE

REVENUE [3]
1.3%

NET PROFIT AFTER TAX
Neg US$ **45M**
(2018 – Neg US$44M)

ADJUSTED EBITDA [2]
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

Leading innovation in the industry
- Improving drill productivity and data collection

Geological Data Services

In Market

TruScan™
(On-site Assay)

TruShot™
(Down-hole Survey)

TruCore™
(Down-hole Core Orientation)

Developing

TruSub™
(Drilling Parameters)

TruDistance™
(Rig Alignment)

Gyro
(Down-hole Survey)

Product Offering

In Market

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)

Developing

iRig Technology
(Intelligent Rigs)

Drilling Services Offering

In Market

MDR500™
(Diamond Coring)

TRUPRODUCTIVITY™
(Drilling Productivity)

Trulog™
(Drilling Time Management)

STOPEMASTER™ MDR
(Percussive drilling)

Developing

NoHandsOnSteel Rig™
(full-autonomous drilling)

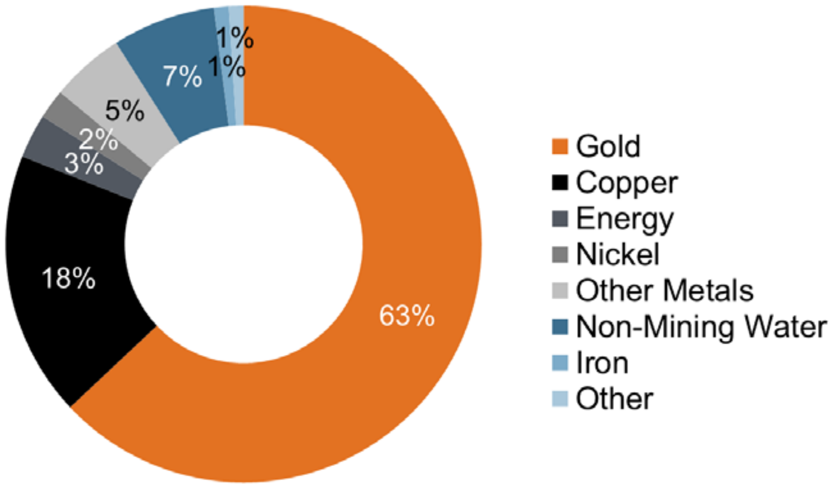
HydroShot™
(Core barrel Technology)

DR-40 Horizontal
(Large Rotary Water Well Rig)

Drilling Services: 2019 Operations

Key Financials (US $M):	FY 2019	FY 2018	Change Fav / (Unfav)
Revenue	516	534	(3%)
COGS	432	448	4%
SG&A	21	26	20%
EBITDA	90	83	9%
EBITDA as % of Revenue	*17%*	*16%*	

Revenue by Commodity



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

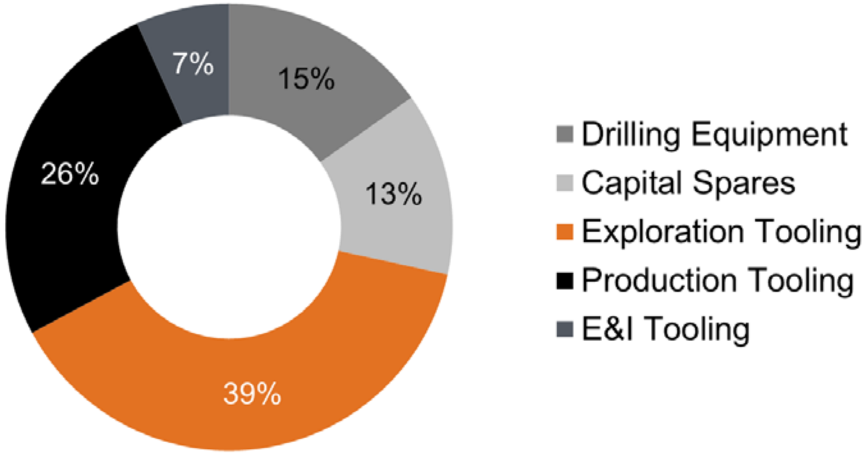
2019 Operating Highlights

- **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™ initiative global rollout underway
    - Drill Rig operational data for productivity gains

Global Products: 2019 Operations

Key Financials (US $M):	FY 2019	FY 2018	Change Fav / (Unfav)
Revenue	229	237	(3%)
COGS	175	180	3%
SG&A	31	31	1%
EBITDA	31	31	1%
EBITDA as % of Revenue	*14%*	*13%*	
Pro Forma[4] Revenue (US $M)	**FY 2019**	**FY 2018**	**Change Fav / (Unfav)**
Sales to BLY Drilling Services	57	56	2%
Pro Forma Revenue	286	293	(2%)

Revenue by Product Category



2019 Financial Highlights

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

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™160 Rig and FREEDOM™ Loader, XQ™ Rods, Longyear™ Bits and DriftMaster™ percussive rods

LR™90H Horizontal Drilling Rig

BOART LONGYEAR™

FY 2019 Results

February 2020

Miguel Desdin– Chief Financial Officer

FY19 – FINANCIAL METRICS

- Improvement across financial performance metrics

REVENUE

+1.3%

After eliminating impacts of FX, discontinued operations and slow moving inventory

PROFITABILITY

US$ **87M**
(2018 – US$81M)
Adjusted EBITDA[2]

US$ **Neg 45M**
(2018 – Neg US$44M)
Net Profit After Tax

OPERATING CASH FLOW

US$ **35M**
(2018 – $4M)

Continued improvement in operational performance enabling investment back into business.

NET WORKING CAPITAL

30%
of SALES

(2% of Sales improvement over 2018)

CAPITAL DEPLOYED

US$ **51M**

Investment in Organic & Technological opportunities

NET DEBT

US$ **764M**
(2018 – US$683M)
(AASB16 adoption US$27M)

Net Debt/Adj EBITDA[2] Leverage

8.8x
(2018 – 8.5x)

CASH RETURN ON INVESTMENT

10.5%
(2018 – 9.6%)

RATING OUTLOOK

Moody's
Caa2
Outlook - Stable

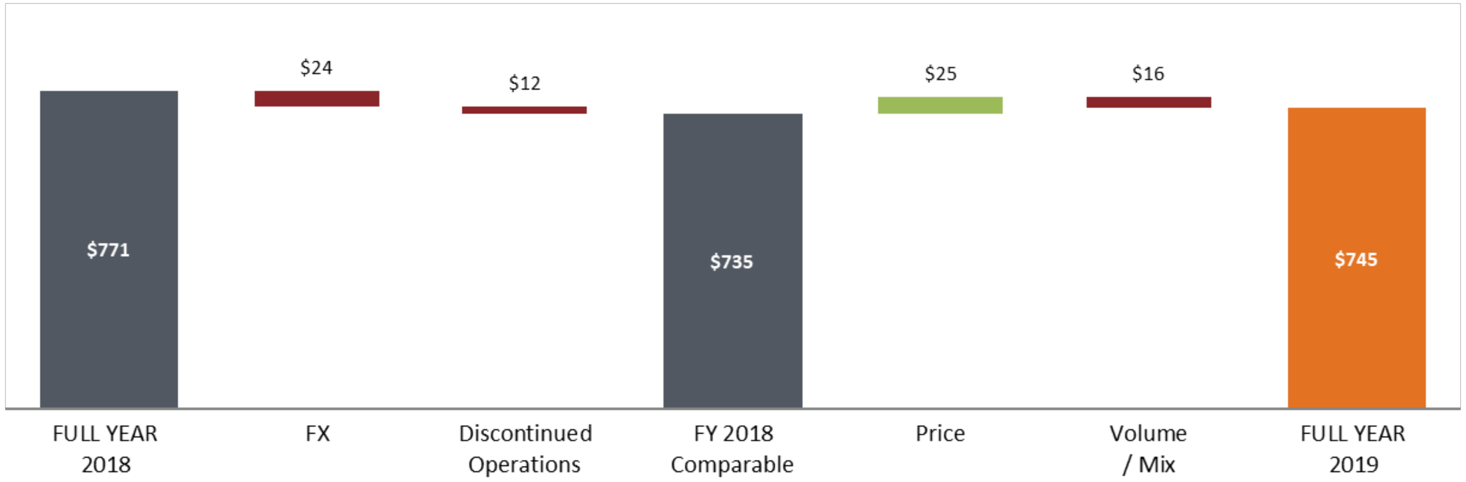
S&P
CCC+
Outlook - Stable

Consolidated Results Summary: FY19

Volumes impacted by Major Miner M&A Activities

(US $M)

Consolidated Revenue Bridge

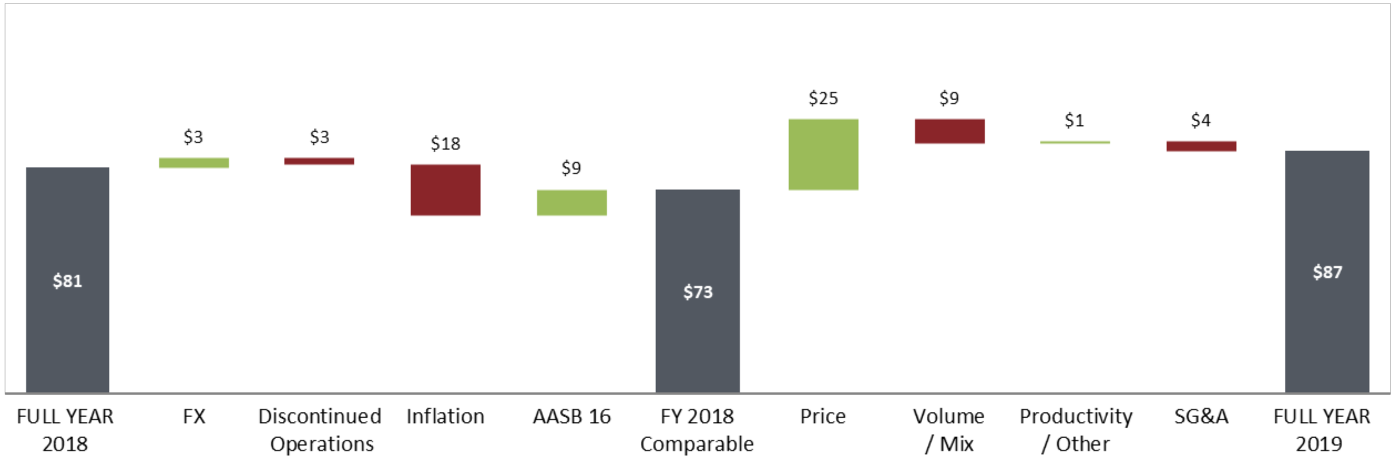


- Excluding FX, discontinued operations and slow moving inventory sales, revenue increased $9M (1.3%)
- Mining Industry M&A activities delayed mineral exploration projects and reduced overall market activity through second half
- Healthy bidding activity in Drilling Services and Products backlogs growing

Consolidated Results Summary: FY19

Continued operational improvements

(US $M) **Consolidated Adjusted EBITDA[2] Bridge**

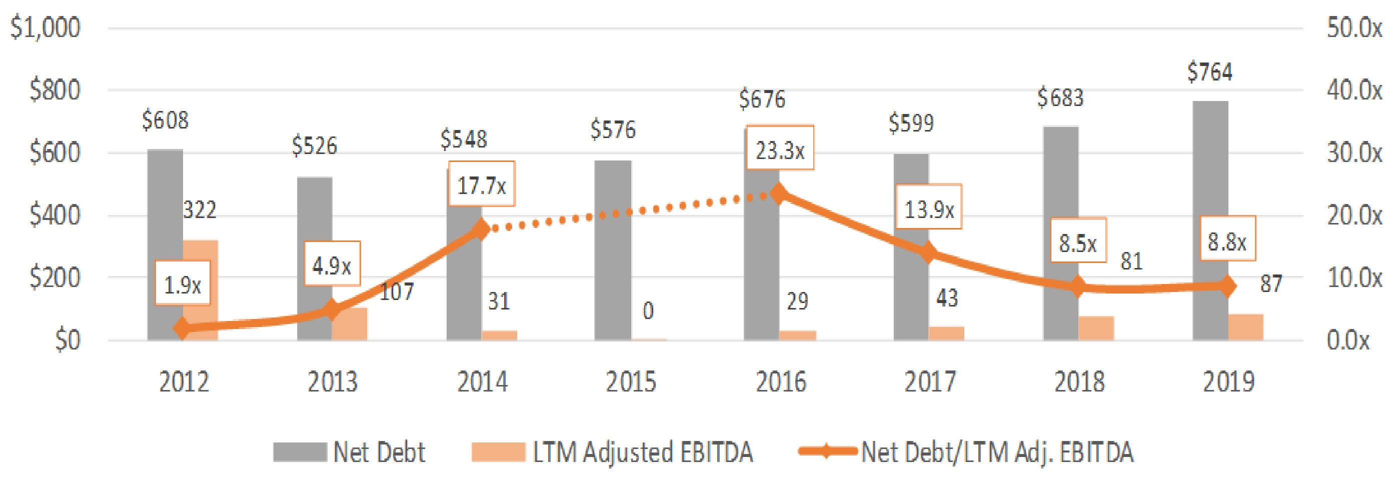


- Excluding FX, discontinued operations, impacts of inflation and AASB 16 accounting change, EBITDA increased $14M (19.2%)
- Price improvement (3.5%) benefit over Inflationary pressures in market
- Discipline cost control

Balance Sheet Improvement

Net Debt leverage stabilised, Next facility maturity of July 2022

(US $M) **Net Debt Leverage**



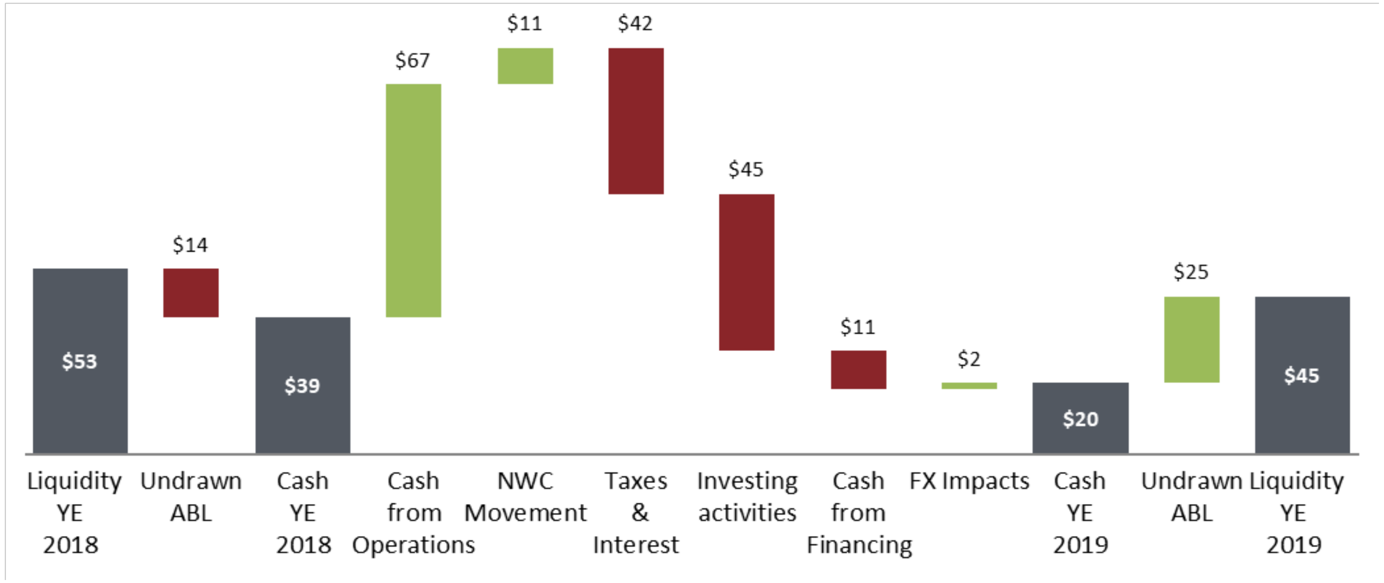
- Net Debt increasing with adoption of AASB 16 Accounting for Leases (US$27M)
- Net Debt/Adj EBITDA stabilised 8.8x
- Next maturing Debt Facility – July 2022

Balance Sheet Improvement

Meeting objectives to improve Liquidity

(US $M)

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

MDR700™ Mobile Underground Coring Rig

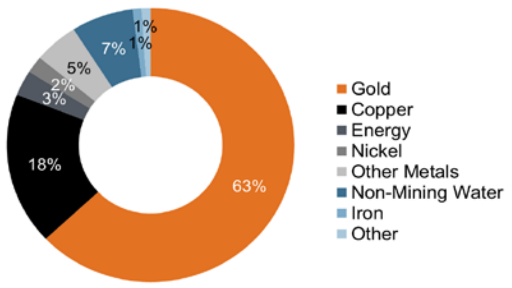
BOART LONGYEAR™

FY 2019 Results
February 2020
Jeff Olsen – Business Overview

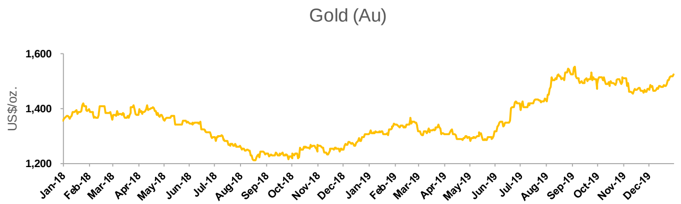
Commodity Price Outlook Continues to Improve

REVENUE SPLIT BY COMMODITY

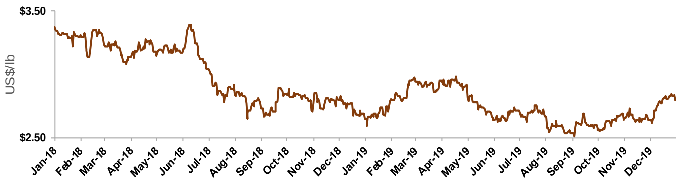
Significant exposure to Gold & Copper



Gold Price History[5]



Copper Price History[5]



BLY WEIGHTED AVERAGE COMMODITY PRICE[5]

Delivering on Strategic Objectives

We build our customers' orebody knowledge

Summary

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

Market

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

Balance Sheet

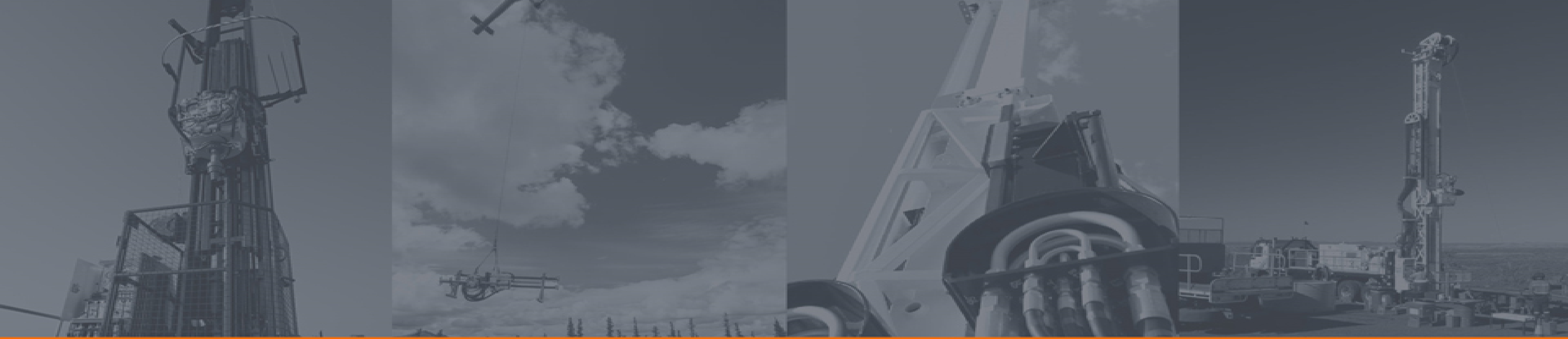
Stabilising Net Debt to EBITDA; next Debt maturity 2022

- Continuing to invest in technology, growth & productivity
- Priority to reduce Debt further

Year Ahead

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



Questions?

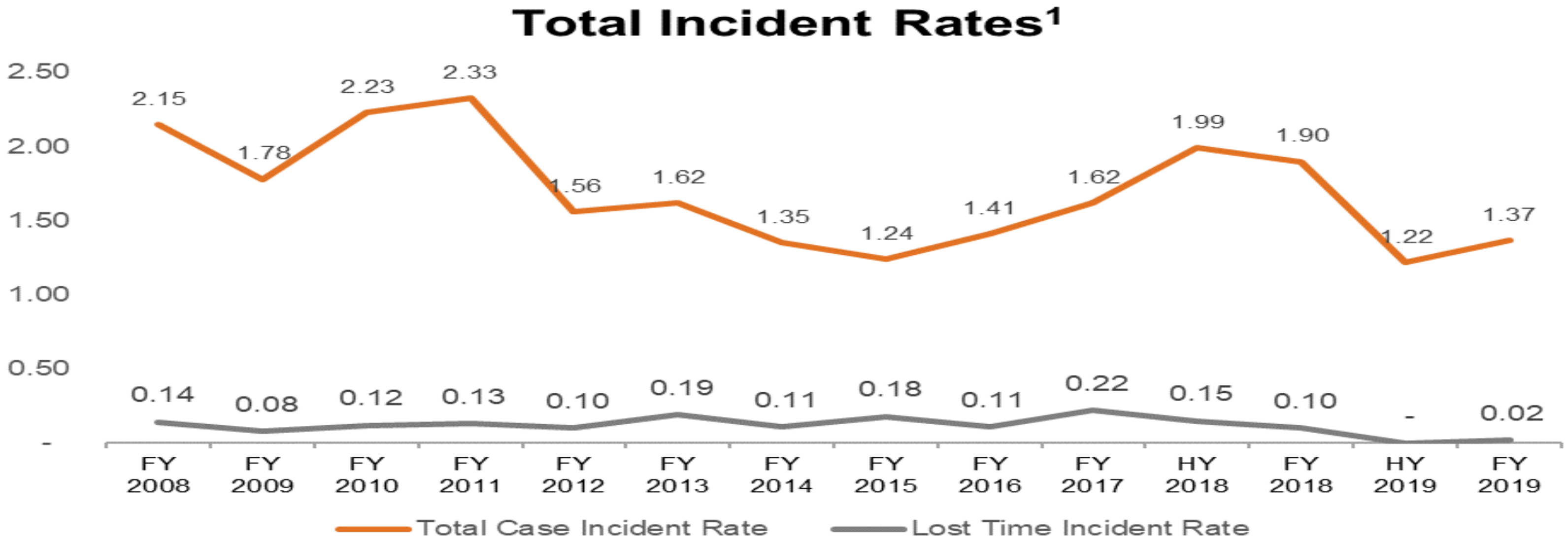
LR™500 Surface Coring Rig and Operator

BOART LONGYEAR™

FY 2019 Results
February 2020
Appendix

Safety & Environment

Leading safety performance focused on continuous improvement



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

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

"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

Statutory

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

Adjusted[2]

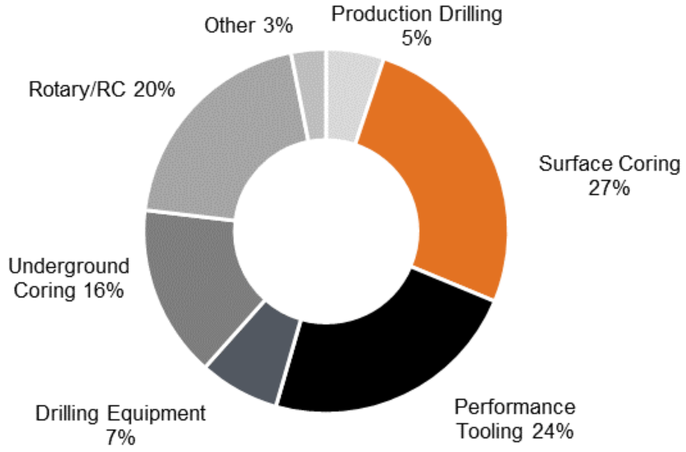
(US $M)	FY 2019	FY 2018	Change Fav / (Unfav)
Revenue	745	770	*(3%)*
Adjusted Gross Margin	144	142	1%
Adj. GM as % of Revenue	*19%*	*18%*	
Adjusted Operating Profit	43	44	-3%
Adj. OM as % of Revenue	*6%*	*6%*	
Adjusted EBITDA	87	81	8%
Adj. EBITDA as % of Revenue	*12%*	*10%*	

Key Performance Indicators by Quarter

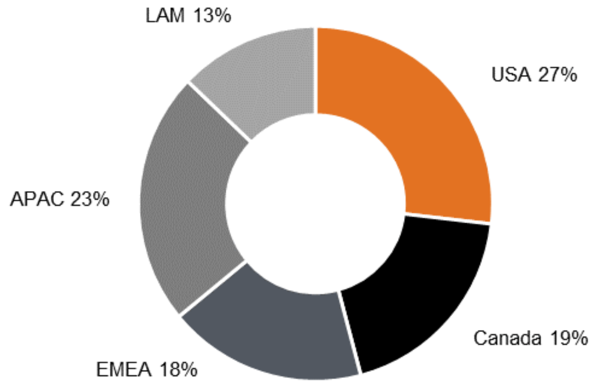
	Quarters ended 2019				Quarters ended 2018				Quarters ended 2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Company												
Revenue (US$ millions)	166.0	191.1	198.0	189.9	180.1	196.4	206.4	187.8	183.7	199.2	192.5	163.7
EBITDA (US$ millions)	(13.5)	26.3	34.2	19.5	5.1	20.7	15.3	13.0	(20.1)	(4.5)	(7.6)	(4.4)
Adjusted EBITDA[2] (US$ millions)	1.9	27.7	36.2	21.6	19.7	24.4	21.1	15.5	5.8	15.9	12.8	8.6
Operating Profit (Loss)	(24.1)	16.7	25.0	9.5	(3.0)	10.7	9.6	0.3	(27.5)	(21.5)	(16.9)	(21.8)
Profit (Loss) from Trading Activities	(11.7)	18.9	25.2	14.7	12.1	19.8	22.6	0.5	7.1	4.0	7.4	(8.5)
Net cash flows (used in) provided by operating activities	4.3	11.0	16.6	3.4	17.2	(1.5)	(12.0)	-	37.9	(34.2)	(18.3)	(39.4)
Net Debt (US$ millions)	764.1	741.6	730.9	729.0	682.5	667.2	649.7	615.7	598.9	595.8	753.2	718.4
Adjusted SG&A[2] (US$ millions)	26.2	21.8	23.9	22.2	22.2	20.6	21.7	23.0	20.2	28.6	27.2	27.4
Global Drilling Services												
Revenue (US$ millions)	115.1	130.3	138.9	132.0	126.6	140.2	145.2	121.7	122.6	136.6	134.1	107.3
EBITDA (US$ millions)	9.1	24.2	31.0	26.0	19.7	24.3	27.1	11.8	11.0	23.8	23.8	10.5
Average # of drill rigs	691	689	691	691	685	672	672	677	702	715	718	739
Average rig utilisation	40%	41%	42%	41%	43%	47%	49%	44%	43%	46%	45%	37%
Global Products												
Revenue (US$ millions)	50.9	60.8	59.0	58.0	53.5	56.2	61.2	66.1	61.0	62.7	58.4	56.4
EBITDA (US$ millions)	(2.5)	16.1	11.3	6.0	6.7	8.9	7.9	7.4	(0.2)	5.8	(0.1)	5.8
Average backlog (US$ millions)	32.3	24.5	30.6	30.9	27.9	22.9	29.9	32.0	31.3	27.0	23.7	21.7

Diversified End-Market Exposure

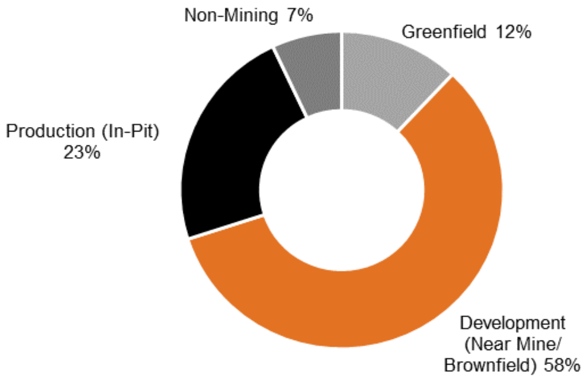
Revenue by Type – Products & Services



Revenue by Region – Products & Services



Drilling Services Revenue by Stage



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