

ASX ANNOUNCEMENT (ASX:BLY)

23 February 2024

BOART LONGYEAR ANNOUNCES FULL YEAR 2023 RESULTS**HIGHLIGHTS**

- **Consolidated revenue of \$1.1 billion increased 1.2% over 2022, driven by Drilling Services' growth.**
- **Adjusted EBITDA¹ of \$128.4 million expanded 3.4% over 2022, primarily from Global Products' improved costs as well as price and volume gains within Drilling Services.**
- **Veracio solidified its leadership position in the core scanning space during 2023 with the acquisition of Minalyze AB.**

Boart Longyear Group Ltd (ASX:BLY) (the Company or Boart Longyear), the world's leading provider of drilling services, an expert in providing valuable orebody knowledge, and a pioneer in innovative drilling equipment and performance tooling, announces results for the full year ended 31 December 2023. All results are referenced in US dollars.

Jeff Olsen, Boart Longyear's Chief Executive Officer, commenting on the Company's results, said, "Our business grew during 2023 as mining clients continued to benefit from long-term demand for metals. We accomplished this growth in the face of some regional softness in exploration spending, predominately in Canada and Australia, largely the result of a weak financing environment for junior and intermediate firms.

"Revenue for the year was driven by strong growth in Latin America and the US, as well as increased demand for sonic drilling services, rigs, and tooling.

"Adjusted EBITDA¹ benefitted from improved costs within Global Products as well as price and volume expansion within Drilling Services.

"Veracio continues to position itself for growth and solidified its leadership in the core scanning space during 2023 with the acquisition of Minalyze AB.

"We look forward to completing our transaction with American Industrial Partners (AIP), which we announced in December 2023. We believe the agreement offers attractive value for shareholders and will benefit customers and employees from AIP's planned investment in our core business to drive sustainable growth and long-term value."

¹ See page 3 of this press release for footnote descriptions.

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COMPARATIVE RESULTS

(\$ in millions)	Consolidated Results					
	Full Year Ended			Three Months Ended		
	31-Dec-23	31-Dec-22	% Change	31-Dec-23	31-Dec-22	% Change
Total Company						
Revenue	1,051.7	1,038.9	1.2%	242.0	245.9	(1.6%)
EBITDA	93.5	81.8	14.3%	(3.3)	12.2	(127.0%)
Adjusted EBITDA ¹	128.4	124.2	3.4%	26.5	21.8	21.6%
Statutory Net Profit / (Loss) After Tax	13.2	11.9	10.9%	(29.6)	(5.1)	480.4%
Net Cash Generated / (Used) in Operating Activities	55.8	69.1	(19.2%)	33.1	39.0	(15.1%)
Net Debt ²	160.1	133.8	19.7%			
	Divisional Results					
	Full Year Ended			Three Months Ended		
	31-Dec-23	31-Dec-22	% Change	31-Dec-23	31-Dec-22	% Change
Global Drilling Services						
Revenue	738.9	723.8	2.1%	171.4	169.6	1.1%
Organic Growth	3.1%			0.9%		
FX	(1.0%)			0.2%		
EBITDA (prior to intercompany profit margin elimination) ³	116.5	108.8	7.1%	23.5	14.9	57.7%
EBITDA (after intercompany profit margin elimination) ³	131.6	124.9	5.4%	27.5	19.3	42.5%
Average Number of Operating Drill Rigs	288	315	(8.6%)	273	298	(8.4%)
Average Number of Drill Rigs	609	647	(5.9%)	598	633	(5.5%)
Average Rig Utilisation ⁴	47%	49%	(4.1%)	46%	47%	(2.1%)
Global Products						
Revenue (prior to intercompany eliminations) ³	381.2	388.0	(1.8%)	88.4	97.0	(8.9%)
Revenue (after intercompany eliminations) ³	305.6	307.5	(0.6%)	68.5	74.9	(8.5%)
Organic Growth	2.2%			(8.3%)		
FX	(2.9%)			(0.2%)		
EBITDA (prior to intercompany profit margin elimination) ³	71.2	58.7	21.3%	15.9	14.2	12.0%
EBITDA (after intercompany profit margin elimination) ³	56.1	42.6	31.7%	11.9	9.8	21.4%
Average Backlog	55.4	60.1	(7.8%)	55.5	59.5	(6.7%)
Veracio						
Revenue (prior to intercompany eliminations) ³	9.0	9.9	NMF	2.4	2.1	NMF
Revenue (after intercompany eliminations) ³	7.1	7.6	NMF	2.0	1.5	NMF
Organic Growth	20.4%			32.8%		
FX	(1.7%)			0.4%		
Discontinued Product Line	(27.2%)			(9.0%)		
EBITDA (prior to intercompany profit margin elimination) ³	(20.9)	(17.2)	NMF	(6.1)	(11.7)	NMF
EBITDA (after intercompany profit margin elimination) ³	(20.9)	(17.2)	NMF	(6.1)	(11.7)	NMF

RESULTS COMMENTARY

Revenue for 2023 increased 1.2% over 2022, reflecting a robust mining industry. Revenue grew 2.1% in Drilling Services, driven by strong growth in Latin America and the US. Global Products' revenue decreased 0.6%, reflecting healthy sonic and exploration drilling equipment growth partially offset by softer exploration tooling from the weak junior financing environment. Veracio's revenue benefitted from growth of the TruScan and TruGyro product lines.

Organic revenue for 2023 increased 3.1% in Drilling Services, increased 2.2% in Global Products, and increased 20.4% in Veracio compared to the prior period.

Adjusted EBITDA¹ for 2023 increased 3.4% over 2022, primarily from improved cost controls within Global Products and price and volume gains within Drilling Services offset by ongoing Veracio market readiness costs.

^{1,2,3,4} See page 3 of this press release for footnote descriptions.

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Cash generated from operations in 2023 of \$55.8 million decreased 19.2% over 2022, primarily due to higher interest costs.

Liquidity on 31 December 2023 was \$57.3 million, comprised of cash balances totalling \$47.9 million and \$9.4 million net availability under the Company's asset-based loan facility. CAPEX for 2023 was \$50.6 million, including the acquisition of 23 drill rigs for Drilling Services' global fleet.

PLAN OF ARRANGEMENT – TAKE-PRIVATE TRANSACTION

On 27 December 2023, Boart Longyear announced it had entered into a binding arrangement agreement with an entity which is wholly owned by American Industrial Partners Fund VIII, L.P. (AcquireCo) under which AcquireCo will acquire all of the issued and outstanding common shares of the Company pursuant to an Ontario court approved plan of arrangement (Transaction).

Each of the Company's six largest shareholders, Centerbridge, Ascribe, HG Vora, Corre, First Pacific, and Nut Tree, who in aggregate hold beneficial interests in 98.86% of the Company's common shares, also entered into irrevocable voting and support agreements with AcquireCo pursuant to which they have agreed to vote all of their respective Company shares in favour of the Transaction and against any alternative transaction.

The Transaction was approved by the Company's shareholders at a special meeting of shareholders held on 21 February 2024.

The Transaction remains subject to approval by the Ontario Superior Court of Justice (Commercial List) (Court) at a hearing scheduled for Tuesday, 27 February 2024 at 9.30am EST and other conditions precedent to the Transaction having been satisfied or waived (where permitted).

Closing of the Transaction is expected to occur five business days after all necessary regulatory and Court approvals for the Transaction have been obtained and each other relevant condition precedent to the Transaction has been satisfied or waived (where permitted), and all documents agreed to be delivered have been delivered by the parties. The Company currently anticipates that closing will occur in early April 2024. Boart Longyear will be delisted from the ASX following the completion of the Transaction.

FOOTNOTE DESCRIPTIONS

1. Adjusted EBITDA is 'Earnings before interest, tax, depreciation, and amortisation and before major restructuring initiatives, impairments of assets, and other significant and non-recurring transactions outside the ordinary course of business.'
2. Net debt does not include leasing facilities as reported under Australian Accounting Standards Board (AASB) 16.
3. 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. EBITDA is a non-AASB financial measure that management uses to assess operating performance. See the section of Boart Longyear's 2023 Full Year Financial

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Report titled "Non-AASB Financial Measures" for information regarding our use of EBITDA and a reconciliation of net profit (loss) to EBITDA.

4. 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.
 - The Company's full-year rig utilisation metric is an average of the 52 weeks within that year.

Authorised for lodgement by:

Nicholas R. Nash
Company Secretary

Disclaimer

This announcement contains certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

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About Boart Longyear

Established in 1890, Boart Longyear is in its 134th year as the world's leading provider of drilling services, orebody-knowledge technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the Company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

The Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Global Products division offers sophisticated research and development and holds hundreds of patented designs to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide.

Veracio, a wholly owned Boart Longyear subsidiary, offers mining clients a range of solutions that improve, automate, and digitally transform their orebody sciences by championing a modern approach through a diverse product portfolio by fusing science and technology together with digital accessibility. Veracio leverages AI and advanced analytics to accelerate real-time decision making and significantly lower the cost of mineral exploration.

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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