21 AUGUST 2024

FY2024 FULL YEAR FINANCIAL RESULTS AND OUTLOOK

MLG is pleased to announce a materially higher profit for the year ended 30 June 2024. Strong revenue growth and improving margins have helped significantly improve our financial performance.

HIGHLIGHTS

- Statutory Revenue up 23.7% to $474.8 million, as compared to the prior corresponding period (pcp).
- Statutory Earnings before interest, tax, depreciation and amortisation (EBITDA) of $55.3 million (up 58.0% on pcp of $35.0 million).
- Statutory Net Profit After Tax (NPAT) up 1,253.5% to $11.0 million (pcp $0.8 million).
- 11.8% Pro Forma[1] EBITDA margin up 26.9% on pcp of 9.3%.
- Total capital expenditure of $49.6m is higher following the addition of new projects (Gold Fields, Granny Smith operation) during the year and the preparation for growth with Genesis into F2025.
- Net Tangible Assets (NTA) per share up 12.4% to 100.0c per share.
- Net debt of $56.6m, with a gearing ratio* of 1.0x down 37.5% on the pcp of 1.6x.
- Given the growth outlook for the group and the potential capital requirements required to execute these opportunities, the Directors have determined that no dividend will be declared for this year.
- The outlook for FY2025 remains strong with continued expectation of high levels of customer demand, and the full year impact of new projects established in FY2024.

*Gearing ratio = Net Debt (including operating leases) /Last 12 months EBITDA

MLG Oz Limited (ASX:MLG) ("MLG") is pleased to deliver its financial results for the year ended 30 June 2024 (FY2024). The following table outlines our pro forma result which reduces the statutory financial revenue to offset fuel tax credits and other income against cost of sales.

$000's	Notes		Pro Forma Statutory FY24	Pro Forma Statutory FY23
Mine Site Services and Bulk Haulage		25.1%	412,911	329,943
Crushing and Screening		38.4%	55,477	40,096
Export Logistics		95.6%	230	5,171
REVENUE	1	24.9%	**468,618**	**375,210**
Costs of sales	1,2		(390,479)	(320,753)
Gross profit		43.5%	**78,139**	**54,457**
General and administration	2	17.6%	(22,846)	(19,424)
EBITDA		57.8%	**55,293**	**35,033**
Depreciation			(34,188)	(23,373)
Loss on Sale of Assets			(943)	(6,963)
EBIT		329.3%	**20,162**	**4,697**
Margins				
EBITDA		26.9%	11.8%	9.3%
EBIT		230.8%	4.3%	1.3%

1. *Pro Forma revenue offsets fuel tax credits and other income against cost of sales*
2. *Costs of Work Health and Safety, long service leave and site administration have been included in cost of sales rather than as general and administrative costs. Previously disclosed financial reports reflected these as general and administrative costs.*

MLG founder, and Managing Director, Mr Murray Leahy said: "The material improvement in our financial performance is a significant achievement and reflects the high quality of operational capability we have established across our client base. The hard work and dedication, of both our operational teams and our support functions, has helped ensure we balance the higher demand for production volumes from our clients, in a way which ensures we can also sustainably deliver improvement in our profit margins. There has been a lot of rain across our network throughout the last 4 months of the year and I am immensely proud of the efforts of our team to mitigate as much of that impact as they could."

FY2024 BUSINESS PERFORMANCE

Group Revenue of $474.8m up $91.0m (up 23.7%) on the prior corresponding period (pcp) of $383.8m. Net profit after tax increased from $0.8m to $11.0m. (up 1,253.5%) The material improvement in profitability as compared to the pcp has been achieved through strong organic growth within existing projects, new projects established through the year and the improvement in margins experienced through FY2024. We note that the profitability in FY2023 (pcp) was heavily impacted by the loss on sale of the high-capacity crushing plants and the write-off of ancillary equipment and inventories related to these plants.

Higher revenues have resulted from a combination of factors. We continue to revise rates in line with contracted rise and fall provisions, our clients have also provided further organic growth through demand for new services, changes to haulage routes and their need for new civil construction projects. In addition, the group has been successful in winning new crushing campaigns and in expanding the numbers of integrated services projects such as the Granny Smith (Gold Fields), operation, and Genesis awards which commenced in the second half of the financial year.

The materially stronger profitability was achieved through improvements in our overall productivity across our operational sites, a large focus on optimising our portfolio of projects and a broad improvement in cost control. The implementation of a variety of management systems through the year has assisted the management teams to monitor, analyse and respond to their respective areas of responsibility. Our employee retention and recruitment initiatives, combined with a significant investment through the year in training programs, has been an important element in managing this growth. Our workforce has continued to grow and forms a key aspect in sustaining our growth.

Mine site services and bulk haulage

Revenue grew strongly up 25.1% to $412.9m ($329.9m in FY2023). This increase in revenue has been driven by a number of factors with client demand for higher volume and the commencement of new projects contributing to additional haulage routes, greater demand for construction materials and higher volumes of site services across the portfolio. Billing rates are now more frequently adjusted in accordance with rise and fall mechanisms embedded within our client contract. The underlying labour market has remained constrained across the industry, which in turn is keeping labour rates high. The addition of the Granny Smith (Gold Fields) operation in February this year was another contributor to the higher revenue, and to a lessor extent start of the Genesis expansion which commenced in the second half but is expected to ramp up more fully into FY2025. Productivity across our portfolio has been a clear focus with efforts to maximise the utilisation of our equipment and control costs more effectively. These actions have helped improve profit margins throughout the year. Margins were significantly up across the first half of the financial year as a result of higher rates, and changes to the structural mix of many contracts where we negotiated a higher portion of fixed cost recovery and had minimal impact from weather events. The expectation for the second half of the financial year was for a lower margin given the anticipated mobilisation of several projects which occurred in the third quarter. This increased costs for a short period while we mobilised and established these projects. In addition, high rain events through the autumn and into winter months contributed to challenging operational impacts particularly in March and June.

Crushing and screening

Revenue contribution from crushing and screening services has materially increased again in FY2024 up $15.4m to $55.5m (up 38.4%). Our first half revenues were particularly strong with a number of large projects all fully operational for the whole of the period. The large project for Lithco's Bald Hill operation completed in February 2024 with the teams and equipment transitioning into two new projects for Gold Fields and Northern Star. Our Koolan Island and Christmas Creek projects continued through the year albeit the scope of works reduced in the second half. Overall, this was a strong performance across our crushing services demonstrating strong demand from clients and illustrating our capability to provide crushing and screening solutions across multiple client projects and different ore types.

Export logistics

Revenues from export logistics have largely completed with a small contribution this year of $0.2m, down 95.6% on $5.2m in FY2023.

FY2025 OUTLOOK

Our industry exposure to the gold sector continues to be a material factor in the ongoing demand for higher production volumes and broader satellite mine coverage. Despite the high rainfall in the last quarter of the financial year the group has performed very well and is well positioned to continue to benefit from the strategic investments in our gold sector clients have made in increasing the number and capacity of their respective processing facilities.

We continue to focus on the long-term sustainability of our profit margins and expect to see further improvements over time as we manage costs and optimise our project portfolio. New projects established in FY2024, including Granny Smith (Gold Fields) and Genesis will have full year contributions and projects which were operating below expectations have now reset with rates reflective of current cost environment.

The strong contribution from civil and crushing projects this year was an important element in the overall growth achieved in FY2024. These projects are, by their nature, shorter term projects which will require new contract wins to replace these revenues as projects are completed. The group has a strong business development capability and will continue to progress opportunities for crushing and screening projects as well as expansion of our civil operations. The recent civil construction project win announced with 29Metals was an important recognition of our capability to win new projects and new clients in this area.

While the labour market remains constrained in the mining sector, recent announcements of mining closures, in areas MLG does not have a high exposure too, may provide opportunities for some easing in the labour market for MLG. In addition, we do have a large-scale tender book, with existing and new clients, which highlights opportunity for significant growth potential for MLG, subject to achieving return hurdles.

Our expectation is for further growth in revenue and EBITDA through FY2025, however the investment in growth capital to support the medium to longer term growth will likely limit NPAT growth in the short term subject to project timing and mobilisation.

MLG founder, and Managing Director, Mr Murray Leahy said: "MLG is very focused on optimising its delivery capability and financial performance. We continue to experience a very high level of enquiry for our services and remain well placed to maximise the return for our shareholders, while balancing the investment need for capital equipment, against the potential financial returns we can achieve on that investment"

MLG Oz Limited (ASX:MLG), ("MLG") is a founder led business which provides a range of services to mine sites, integrated around the needs of client's ore processing facilities. MLG is an Australian company based in Kalgoorlie, Western Australia, which provides integrated services across gold, iron ore, and other base metal clients throughout Western Australia and in the Northern Territory.

MLG's integrated business model offers clients a range of services under a single contractual framework. The breadth of services encompasses crushing and screening capabilities including build, own and operate models, contract crushing and screening services, crusher feed, and material management. The Company's integrated mine site service offering spans a range of capabilities including; on road and off road bulk haulage capacity, civil construction, road maintenance, rehabilitation work, vehicle maintenance, machine and labour hire, and end-to-end bulk commodity export logistics solutions. A dedicated facility at the Esperance Port supports export logistics services.

In addition to the provision of integrated service offerings above, MLG's 100%-owned quarries are strategically located near existing mining operations which facilitates the efficient supply of bulk construction materials (sand, and aggregate) to our clients.

Authorised for release by the Board of Directors.

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