



INTERIM CONSOLIDATED RESULTS

FOR THE 6 MONTHS ENDED 30 JUNE 2023



PRESENTED BY

Danie Pretorius

CEO

Koos Jordaan

Director

Roelof Swanepoel

COO

André van Deventer

CFO

AGENDA

- 01 : BUSINESS OVERVIEW
- 02 : TECHNOLOGY OVERVIEW
- 03 : OPERATIONAL OVERVIEW
- 04 : FINANCIAL OVERVIEW
- 05 : Q&A AND CLOSING

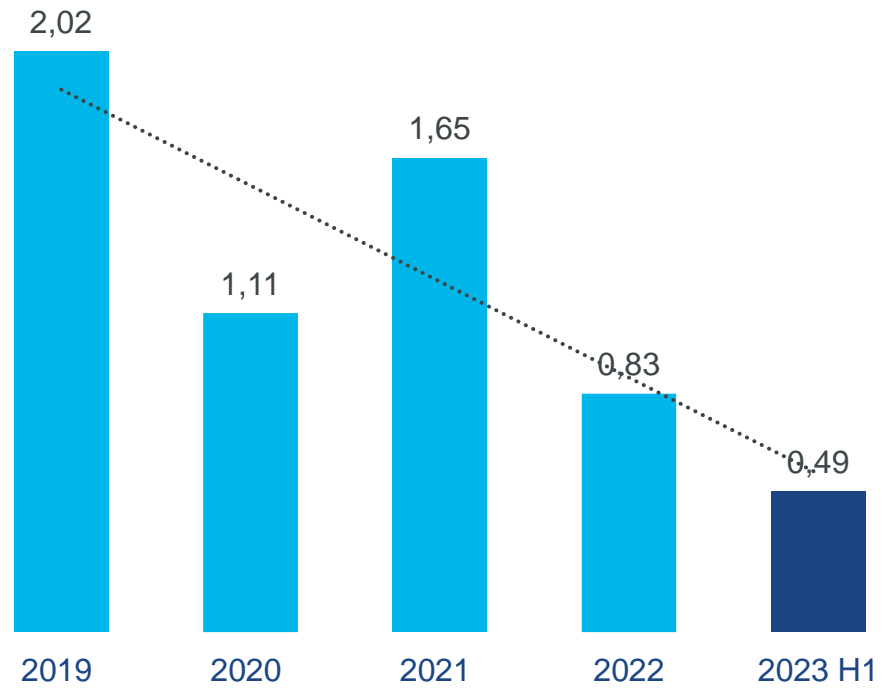


BUSINESS OVERVIEW

DANIE PRETORIUS, CEO

SAFETY

LTIFR



LTIFR – Lost Time Injury Frequency Rate | per 1 million hours

Robotic rod handling





KEY HIGHLIGHTS

- 01 Revenue in USD up **12.1%** from 96.5 million to **108.2 million**
- 02 EBITDA % of **26.3%** at **USD28.5 million**
- 03 Committed order book of **USD276.3m**
- 04 **Technology** advancement

FUTURE INVESTMENT



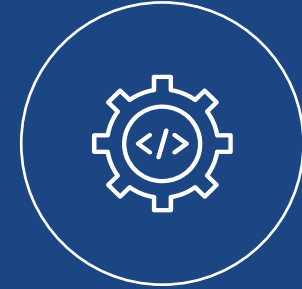
Raise boring
and support
services



Slim
drilling



Future
mechanical
rock excavation
and cutting



Future
digitalisation
and smart mining



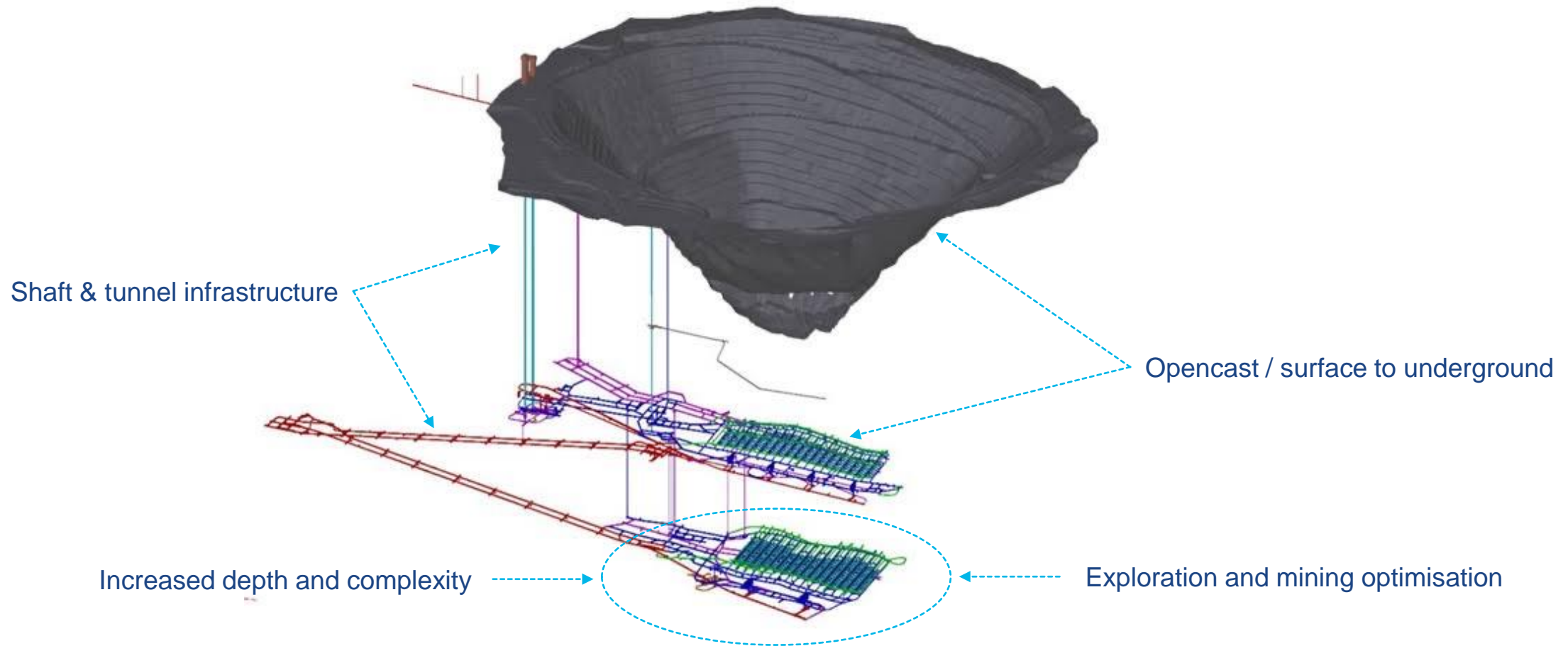


TECHNOLOGY OVERVIEW

KOOS JORDAAN, DIRECTOR

UNLOCKING VALUE

Increased remote & environmentally sensitive operations



TECHNOLOGY INVESTMENT

		Business divisions / segments	Affiliated entities	Technology projects	Types of technologies	Maturity / contribution
MD	Raise boring	Incl. Future acquisitions	Additional RD8 and RD7 rigs First LP100 slot borer	Automation, remote operation, digitisation	2x RD7s 2023, 1x RD8 2024 1x unit YE 2023	
	Exploration / slim hole drilling	Incl. Hallcore	UG robotic core rig Surface robotic core rig	Robotics, water reuse / cleaning, electrification	1 x unit H1 2024 1 x unit H1 2024	
	New technology	Shaft sinking	SBS 4300 manufacturing / testing Studies and larger scope work	Continuous rock excavation, virtual reality, remote operation	50m test sink H1 2024	
		Tunnelling	TP MTB re-build (Gen 1 Mark 4) New Gen 2 MTB Continuous hard rock miner Cut & break development	Continuous rock excavation	H1 2024 2025 Ongoing learning / development Ongoing experimentation & development	
		None explosive mining	Reef boring	Continuous rock excavation, virtual reality, remote operation	H2 2024 System surface commissioning	
	Digitisation	Incl. A&R and AVA	Scraper winch proximity detection Missing person locator	Digitisation, AI and virtual reality	YE 2023 first system operational YE 2023 first system operational	
		Local / regional operational entities e.g., Mexico, Canada etc.				



ROBOTICS



COLLISION AVOIDANCE





OPERATIONAL OVERVIEW

ROELOF SWANEPOEL, COO

OUR PEOPLE

R

ESPECT

Workforce

2 859

(2022: 2 892)

Core engineering skills

32 additional engineers employed
in the last 18 months

A

CCOUNTABILITY

**Investment
in training**

USD0.8m

(2022: USD1.3m)

**Senior and middle
management succession
planning in place**

I

NNOVATION

S

AFETY

LTIFR

0.49

(2022: 0.83)

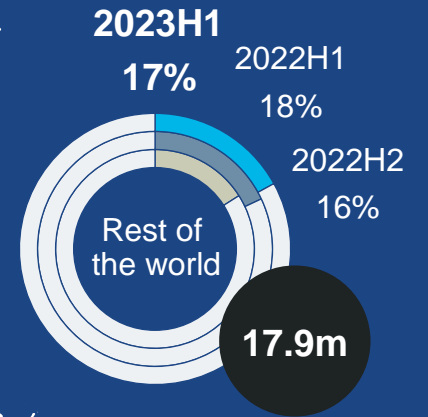
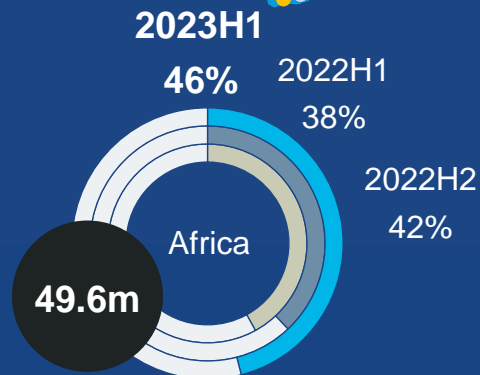
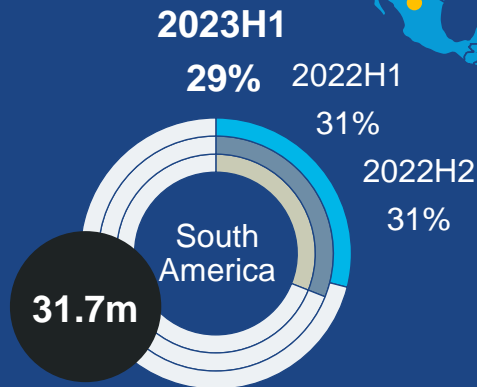
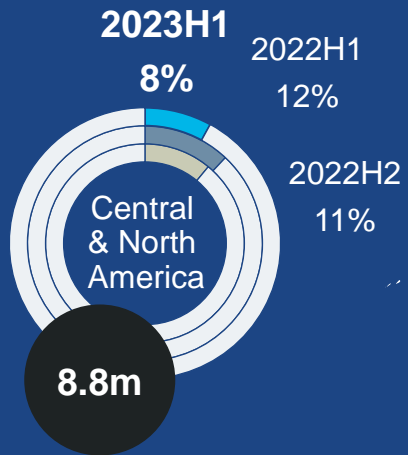
**Improved reward and
recognition scheme
for senior and
middle management**

E

FFICIENCY



GEOGRAPHIC REVENUE DIVERSIFICATION

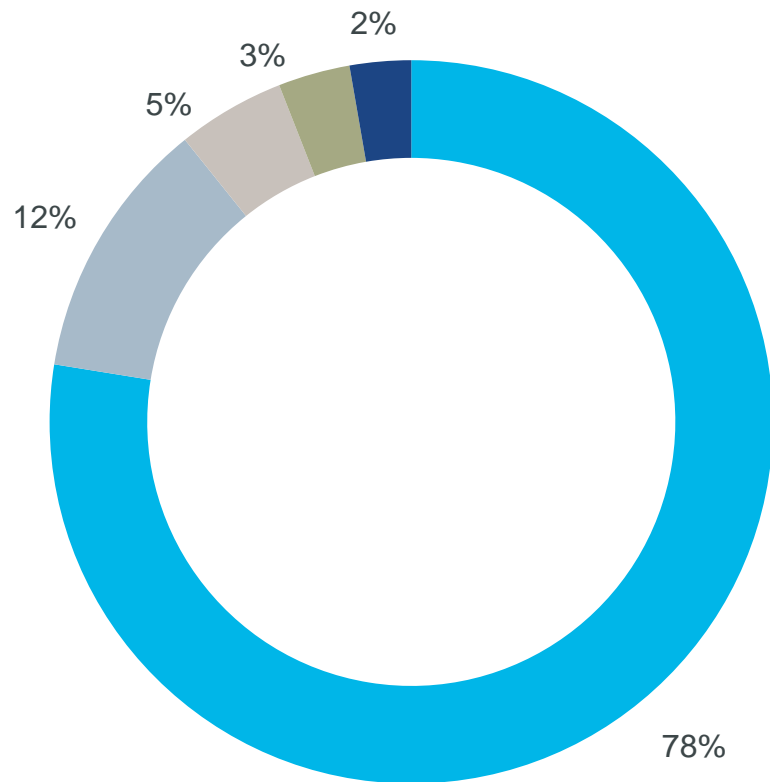


- FOOTPRINT
- TRAIN
- MAINTAIN
- DESIGN
- MANUFACTURE

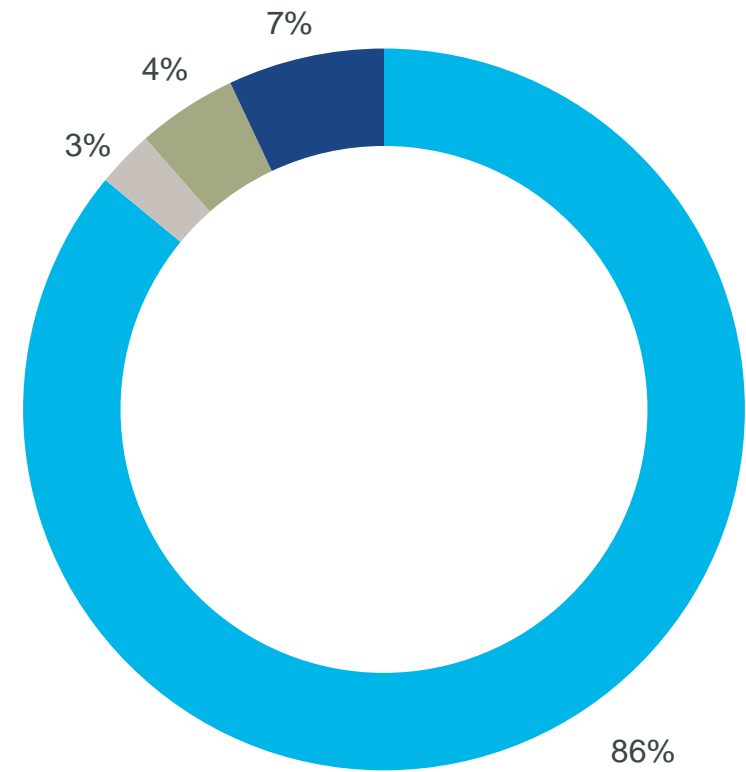
Operating profit margin	2023H1	2022	2021
Africa	24%	21%	21%
Central and North America	3%	5%	8%
Rest of the World	22%	15%	20%
South America	9%	17%	15%

REVENUE BY SEGMENT

2023H1



2022H1

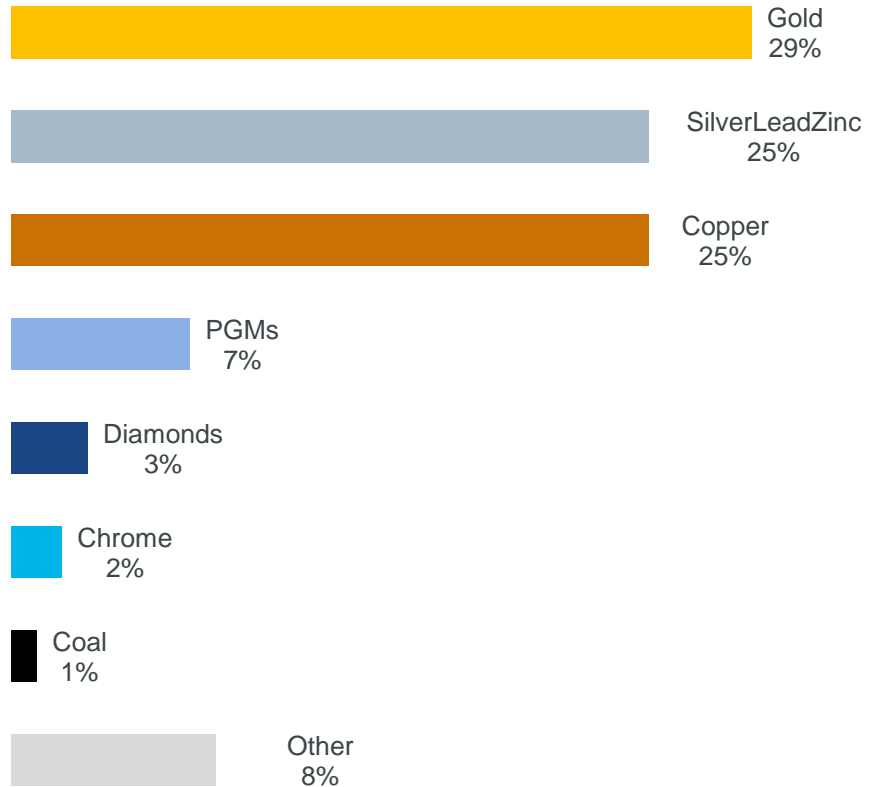


■ Raise boring & support services ■ Sale of industrial products ■ Slim drilling ■ Support services ■ New rock-boring technology

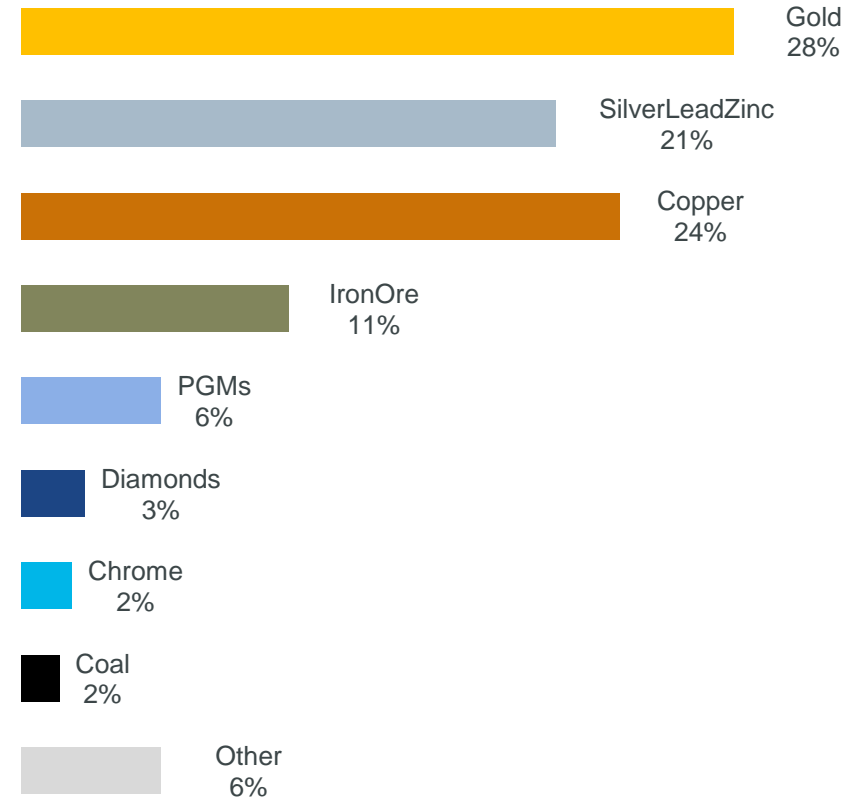


COMMODITY REVENUE DIVERSIFICATION

2023H1



2022H1



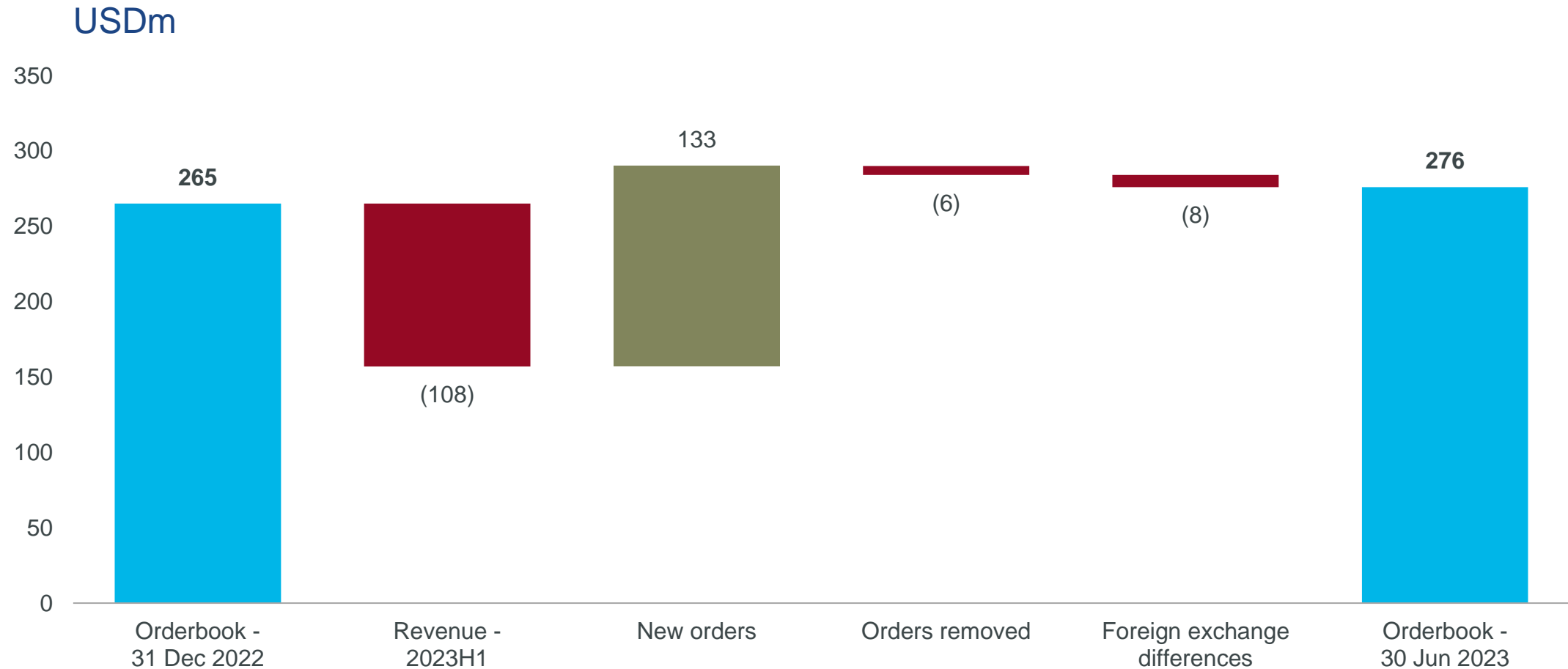
ARPOR SUMMARY PER ANNUM

	2023H1	2022	2021	2020
Total Raise bore rigs	140	140	150	145
Utilisation %	72%	77%	70%	60%
Fleet Mix ARPOR (USD)	135 934	133 193	120 111	105 715
> Large Raise bore rigs	87	87	90	86
Utilisation %	82%	89%	82%	69%
ARPOR (USD)	156 114	154 509	136 586	119 191
< Large Raise bore rigs	53	53	60	59
Utilisation %	58%	55%	50%	45%
ARPOR (USD)	83 226	84 674	81 150	75 657
Total Slim rigs*	61	61	58	58
Utilisation %	84%	82%	55%	48%
ARPOR (USD)	42 689	49 645	31 493	30 237

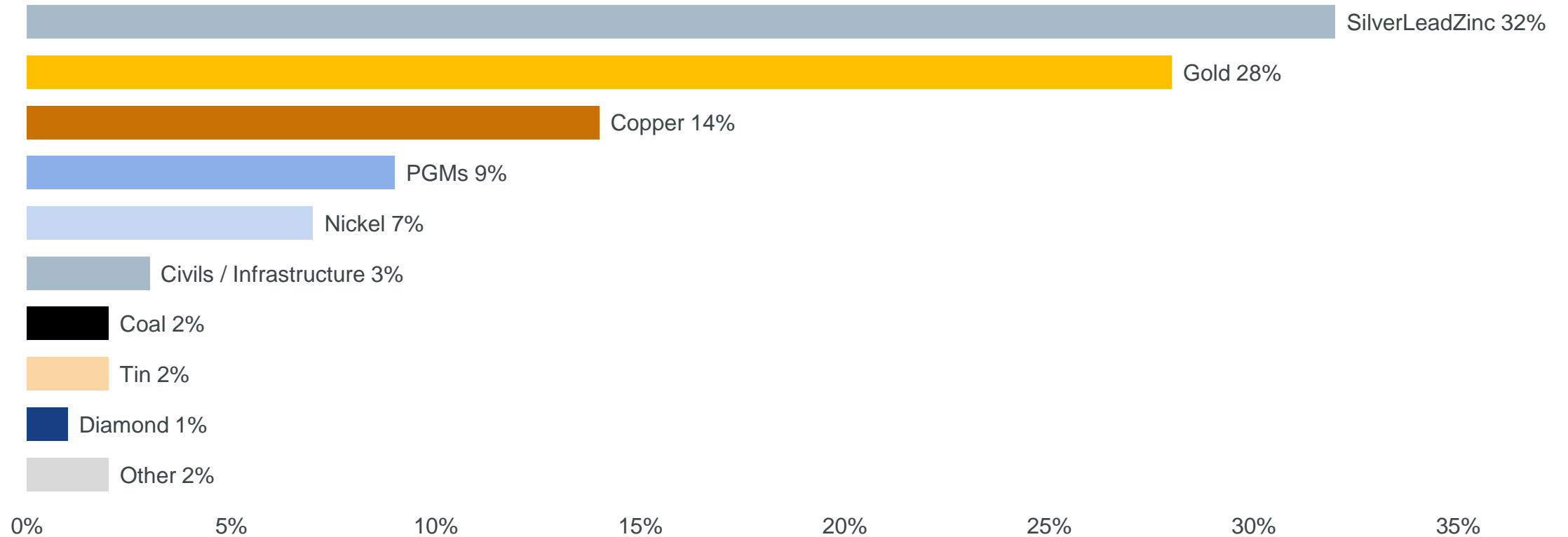
APROR: Average monthly revenue per operating rig

* Includes 23 not under direct control

ORDERBOOK MOVEMENT

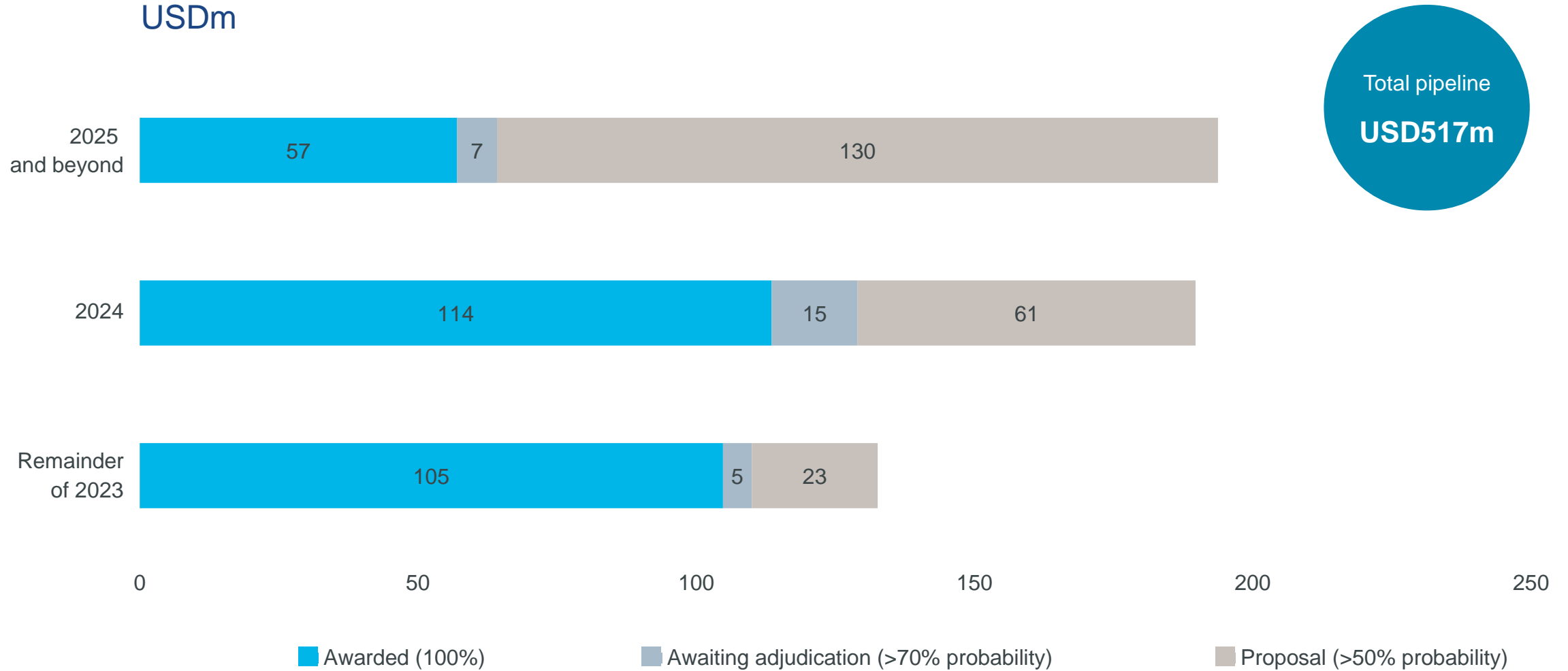


AWARDED ORDERS BY COMMODITY



PIPELINE

USDm





FINANCIAL OVERVIEW

ANDRÉ VAN DEVENTER, CFO

HIGHLIGHTS FOR THE PERIOD 2023H1

Revenue in USD up
12.1% from
96.5 million to
108.2 million

Profit in USD
increased 5.9% from
13.5 million to
14.3 million

Headline earnings
per share in ZAR
up 25,0% from
135,6 cents to
169,5 cents

Headline earnings
per share in USD
up 5.7% from
8.8 cents to
9.3 cents

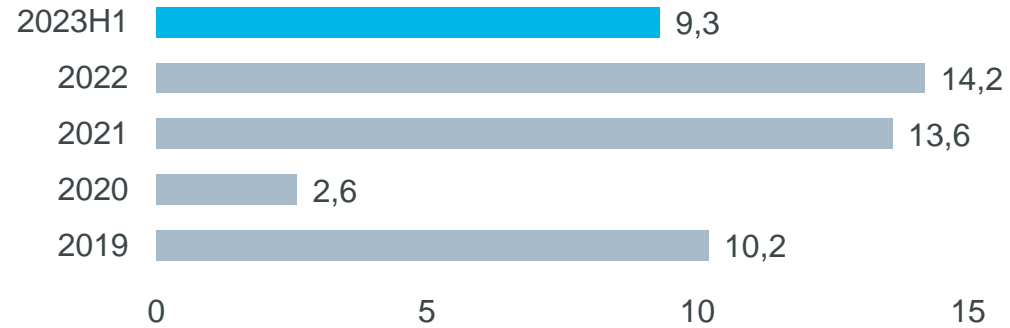
EBITDA
of
USD28.5 million

Return on
capital employed
(EBIT) of
16.3%

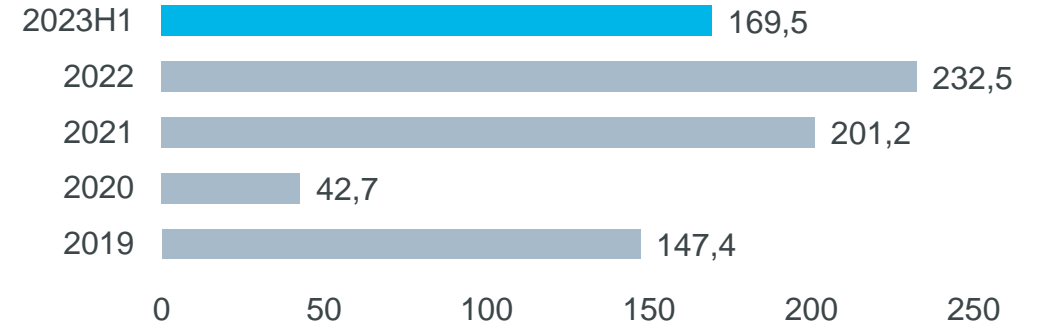


HEADLINE EARNINGS PER SHARE

HEPS (USDc)

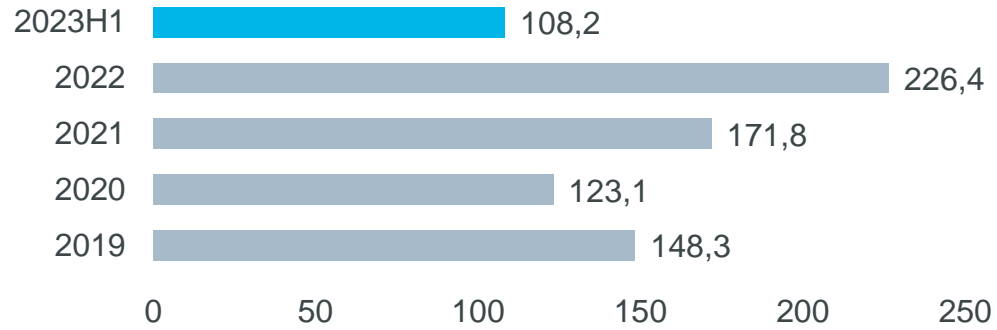


HEPS (ZARc)



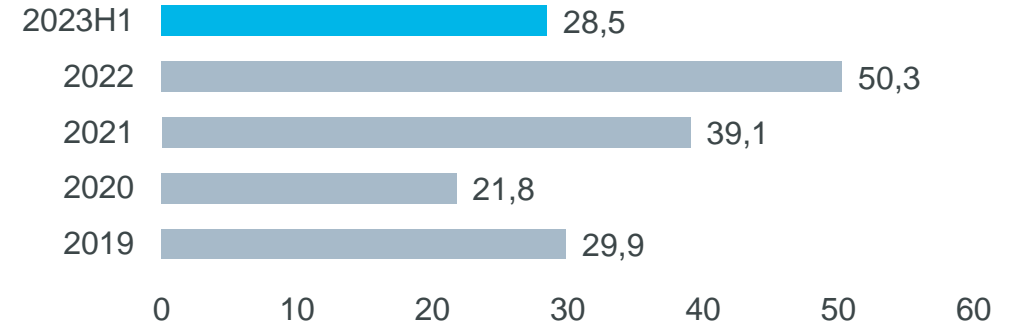
EBITDA MARGIN

REVENUE (USDm)



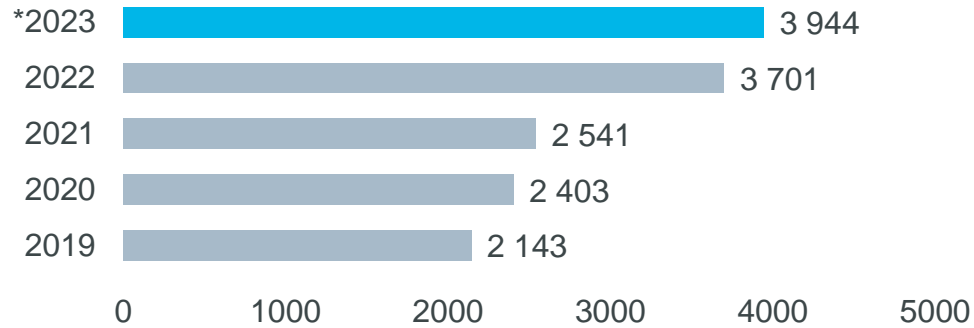
EBITDA
26.3%
(2022H1:
23.9%)

EBITDA (USDm)



COMPOUNDED ANNUAL GROWTH RATE

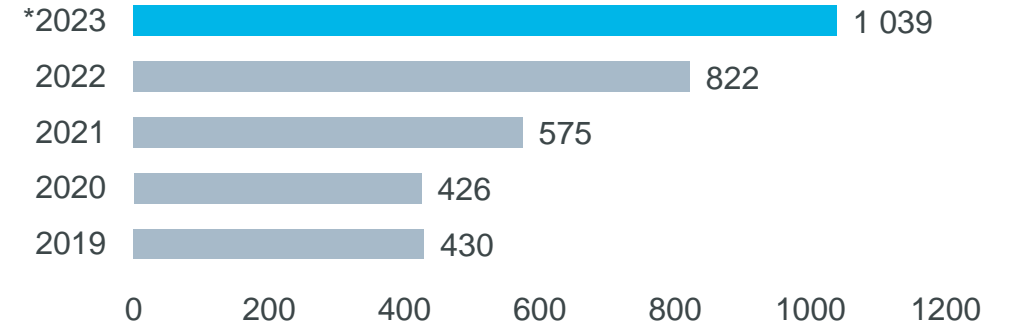
REVENUE (ZARm)



REVENUE
16.5%**

EBITDA
19.9%**

EBITDA (ZARm)



* Annualised | ** 2018 as a base



STATEMENT OF FINANCIAL POSITION

	Jun 2023 USDm	Dec 2022 USDm	Comment
Assets			
Non-current assets	181.8	182.9	Investment in new machines currently in AUC
Current assets	156.6	161.6	Current ratio of 2.02
Total assets	338.4	344.5	Working capital days negative
Equity and liabilities			
Equity	173.9	170.5	
Non-controlling interest	19.0	18.7	
Total equity	192.9	189.2	USD3.7m dividends paid to shareholders
Liabilities			
Non-current liabilities	67.9	72.6	Gearing ratio marginally down, well within tolerance
Current liabilities	77.6	82.7	
Total liabilities	145.5	155.3	
Total equity and liabilities	338.4	344.5	

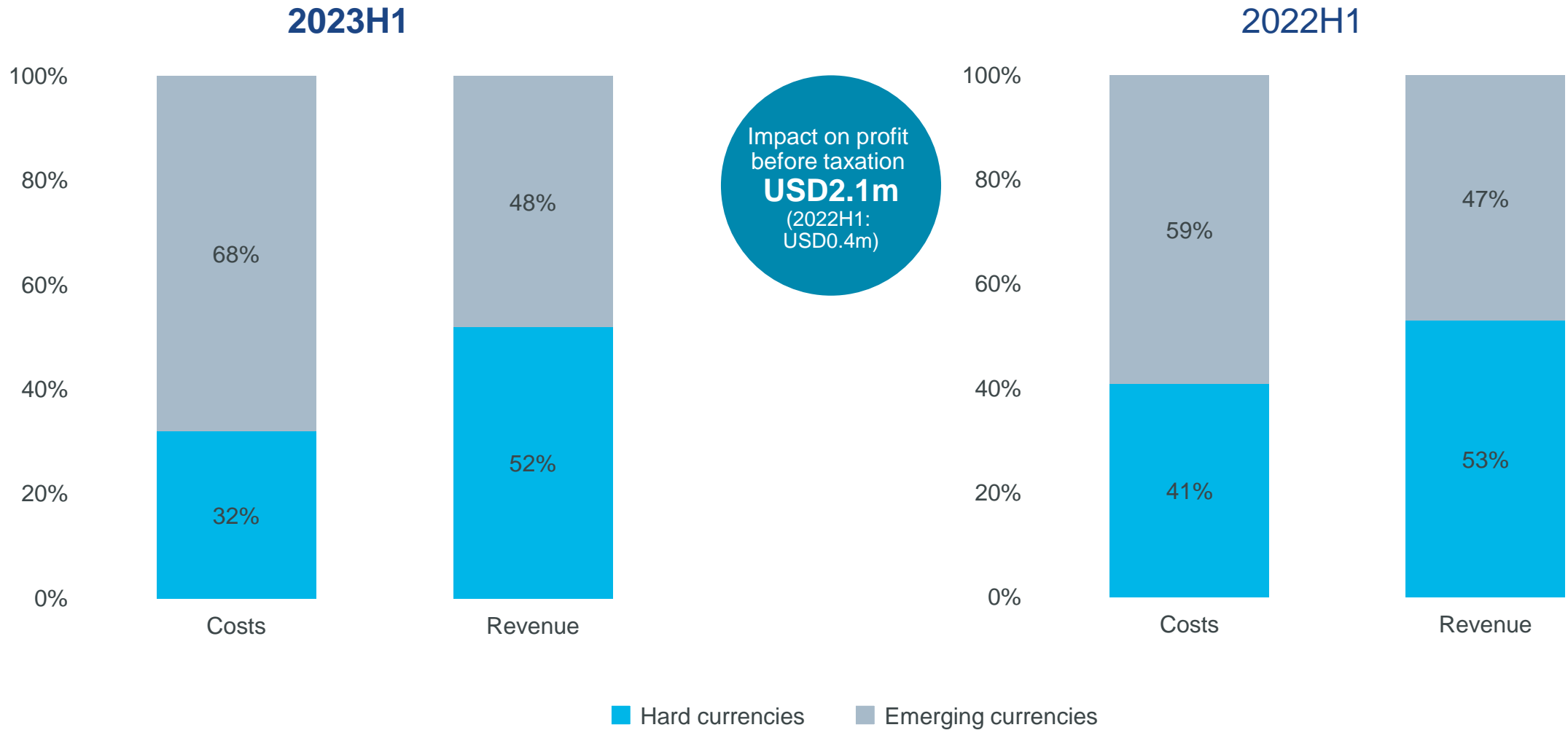


STATEMENT OF COMPREHENSIVE INCOME

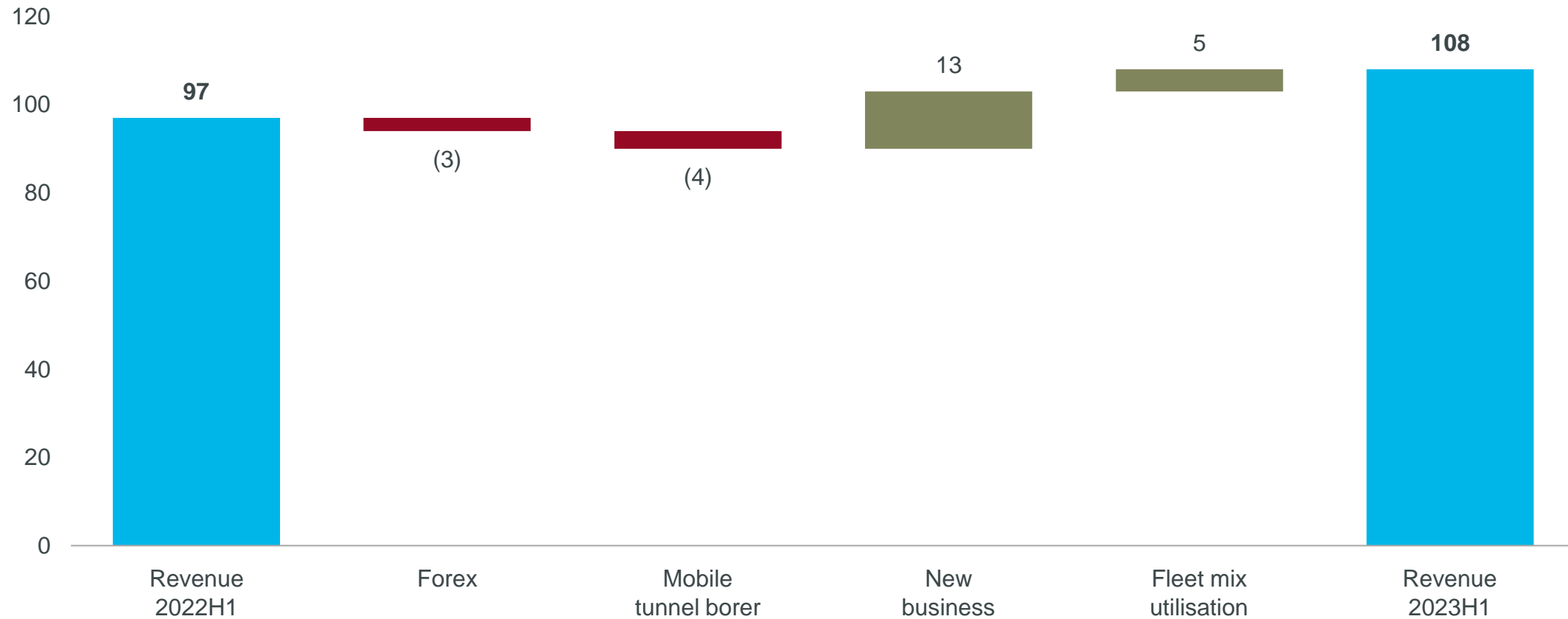
	Jun 2023 USDm	Jun 2022 USDm	Dec 2022 USDm	Comment
Revenue	108.2	96.5	226.4	Better ARPOR, stable utilisation and A&R
Cost of sales	(75.3)	(67.2)	(161.5)	
Gross profit	32.9	29.3	64.9	Stable gross profit margin
Other operating income	3.0	1.0	2.1	
Other operating expenses	(14.6)	(13.0)	(32.1)	Consistent operating expense ratio
Operating profit	21.2	17.3	35.1	
Investment income	0.1	0.0	0.9	
Finance costs	(1.9)	(0.9)	(4.5)	Interest rate increased on facilities
Share of profit/(loss) from equity accounted investment	0.8	1.1	1.4	
Profit before taxation	20.1	17.5	32.7	
Taxation	(5.6)	(4.1)	(10.4)	
Profit for the year	14.6	13.5	22.3	



IMPACT OF CURRENCY ON PROFIT BEFORE TAXATION



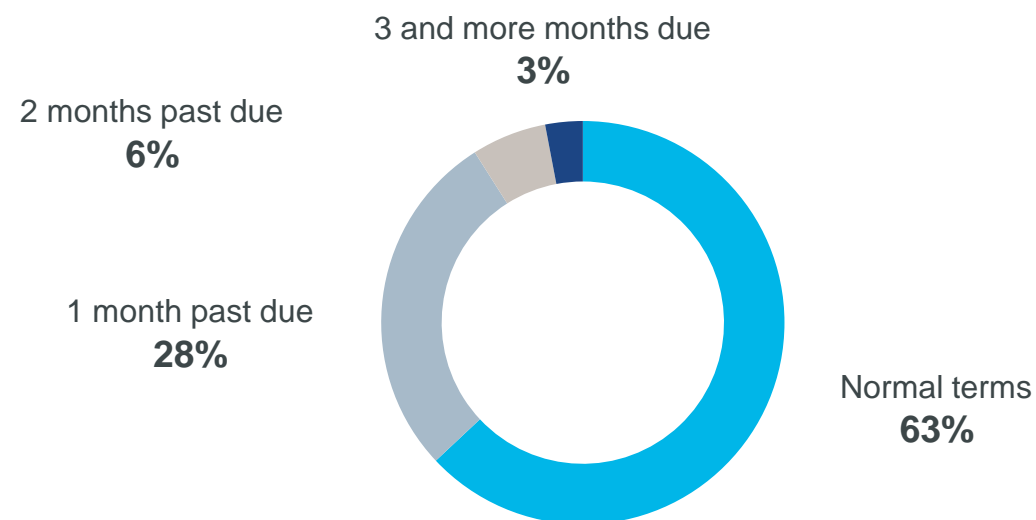
REVENUE WATERFALL BREAKDOWN



WORKING CAPITAL BREAKDOWN

USDm	Jun 2023 USDm	Dec 2022 USDm	Movement
Inventory	47.9	46.5	1.4
Trade and other receivables	80.5	79.4	1.1
Trade and other payables	56.8	57.3	(0.5)

Trade receivable ageing



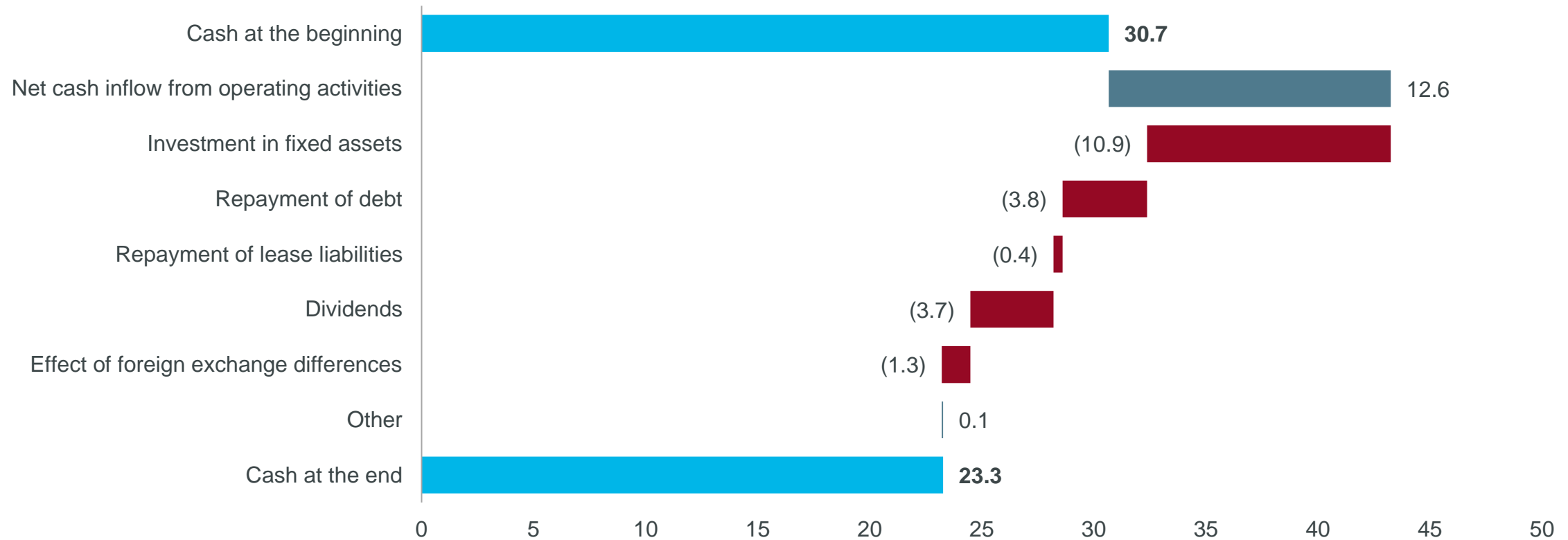
BALANCE SHEET RATIOS

	2023H1	2022	2021
Return on equity (PAT)	15.1%	11.8%	10.7%
Return on capital employed (EBIT)	16.3%	14.2%	13.5%
Return on capital employed (EBITDA)	21.9%	14.2%	16.4%
Working capital ratio (days)	120.5	110.5	103.7
Gearing ratio (net debt/equity)	9.6%	8.2%	5.8%



CASHFLOW WATERFALL

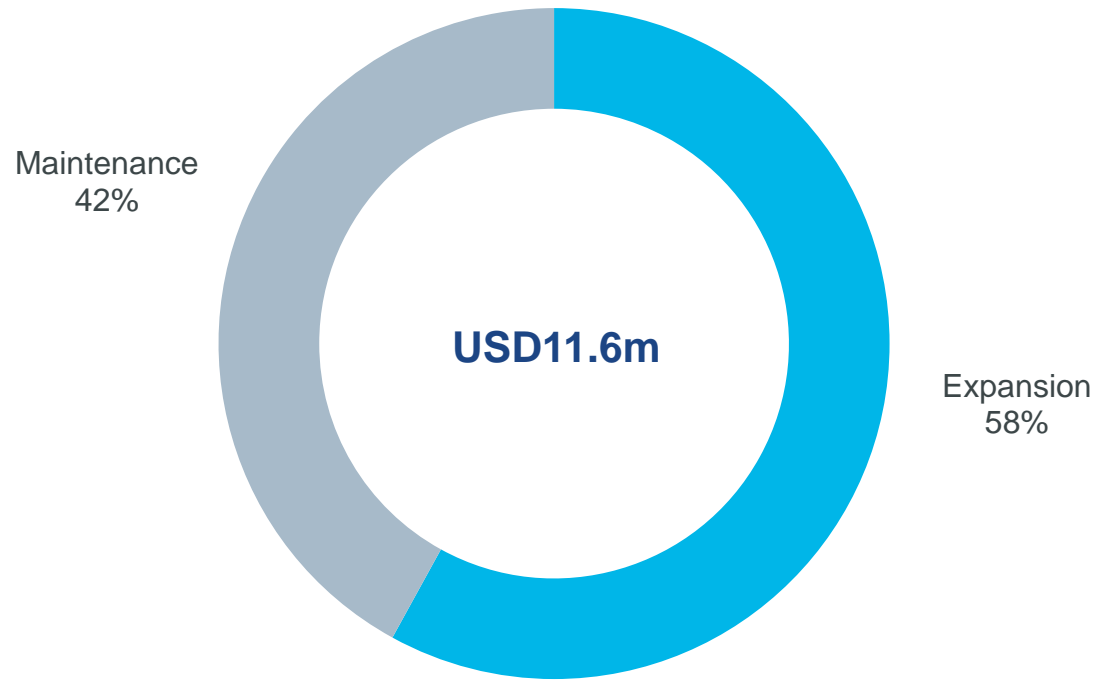
USDm



Cashflow waterfall for current reporting period



CAPITAL SPEND





Q&A AND CLOSING

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CORPORATE INFORMATION

MASTER DRILLING GROUP LIMITED

Registration number: 2011/008265/06
Incorporated in the Republic of South Africa
JSE share code: MDI
ISIN: ZAE000171948
LEI: 37890095B2AFC611E529

REGISTERED AND CORPORATE OFFICE

4 Bosman Street
PO Box 902
Fochville, 2515
South Africa

DIRECTORS

Executive

Daniël (Danie) Coenraad Pretorius
André Jean van Deventer
Barend (Koos) Jacobus Jordaan
Fred (Eddie) George Dixon
Gareth (Gary) Robert Sheppard

Chief executive officer and founder
Financial director and chief financial officer
Executive director
Alternate director
Alternate director

Non-executive

Hendrik (Hennie) Roux van der Merwe
Andries Willem Brink
Akhter Alli Deshmukh
Hendrik Johannes Faul
Mamokete Ramathe
Shane Trevor Ferguson

Chairman and independent non-executive
Independent non-executive
Independent non-executive
Independent non-executive
Independent non-executive
Non-executive

COMPANY SECRETARY

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South Africa
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South Africa

JSE SPONSOR

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100 Grayston Drive, Sandown
Sandton, 2196
South Africa

INDEPENDENT AUDITORS

BDO South Africa Incorporated
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South Africa

SHARE TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue,
Rosebank, South Africa

* Resides in the USA



MAKING A

DIFFERENCE IN THE MINING INDUSTRY

