





**GLOBAL
LEADERS
IN DRILLING
SOLUTIONS**

FULL YEAR CONSOLIDATED RESULTS

FOR THE 12 MONTHS ENDED 31 DECEMBER 2021



PRESENTED BY

Danie Pretorius

CEO

Koos Jordaan

Director

Roelof Swanepoel

COO

André van Deventer

CFO





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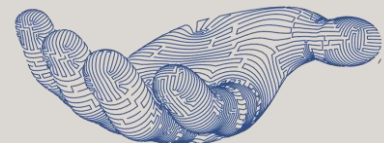
BUSINESS OVERVIEW

DANIE PRETORIUS, CEO

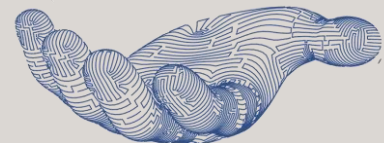
THE MINING MACRO TRENDS



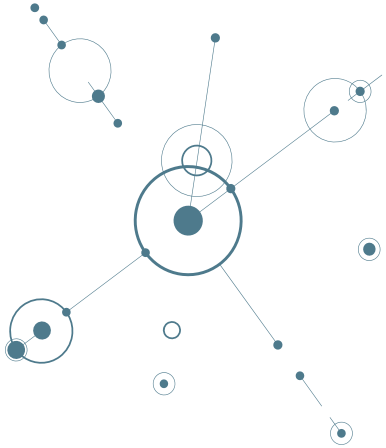
- Embedding ESG into the organisation
- Licence to operate and community involvement
- War on talent
- Unlocking value through technology, innovation and big data
- Operating in the new super cycle and market volatility experienced



DELIVERING OUR GROUP STRATEGY



HIGHLIGHTS



Strong revenue growth in 2021



Achieved ROCE target



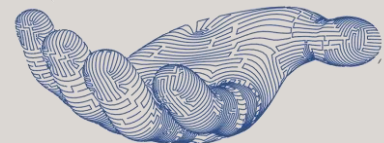
Mobile Tunnel Borer (MTB) awarded a contract



Strong pipeline



Excellent plant utilisation





TECHNOLOGY OVERVIEW

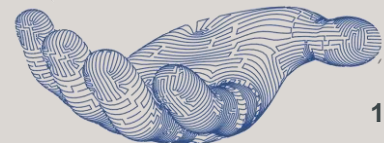
KOOS JORDAAN, DIRECTOR

RAISE BORING

- R&D
 - LP 100
 - Remote Operated shaft support
 - EV track carriers for Raise Borers
 - New Box hole Boring machine in development
 - Monitoring of DHE while in operation
- Continuous Improvement
 - Remote drilling
 - Training Simulator
 - Directional drilling



Image: CAD model of the LP100 Raise Boring machine

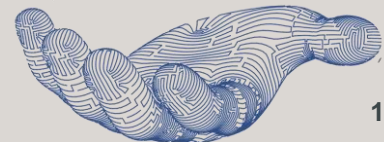


EXPLORATION DRILLING

- Mine dewatering
- Geophysics wireline logging
 - Calliper log
 - Optical televiewer
 - Lithology logs
- Geotechnical logs
 - RQD (Rock quality designation)
 - Elasticity
 - Fractures
- Surface and UD rig development
 - Robotic Rod and tube handling
 - Solid removal system
 - Water recirculation
 - Electrical and hybrid
 - Remote and semi autonomous control



Image: Core logging by field geologists at Kolomela Mine

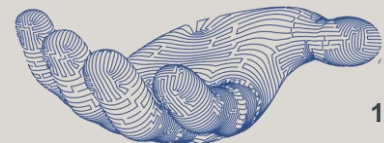


TUNNELLING

- Why mechanical excavation
 - Safe access
 - Continuous operation
 - ESG roadmap
- MTB (Mobile Tunnel Borer)
 - Mobile and fast from A to B
 - Anglo American – Mogalakwena
 - Start tunnelling
 - Scope
 - Gen II
 - Study and engagement for twin decline access
- C&B (Cut and Break) technology
 - De Beers and Element 6
 - Low energy and flexible
 - Applications



Image: MTB Collaring at Mogalakwena Mine

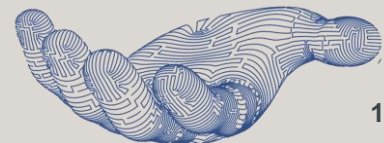


SHAFT BORING

- Why shaft boring?
 - Productivity
 - Safety (exposure & # of personal)
 - ESG roadmap
- SBS (Shaft Boring System)
 - Hard rock and deep access
 - Partnership with IDC
 - Funding secured
 - First system in manufacturing
 - Royal Bafokeng Platinum – Styldrift mine
 - Scope
 - Working on LOI to award
 - Site investigation and readiness
 - Study work and adaptations



Image: Inspecting the shaft face during experimental testing, with the SBS cutterhead above

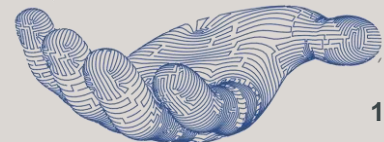


MINING

- Why and How?
 - None explosive
 - Continuous operation and remote access
 - Orebody dictates method
 - Phased and collaborative approach
 - ESG roadmap
- Projects
 - ARM (African Rainbow Minerals)
 - Scope
 - Research and experimentation complete
 - In manufacturing followed by surface testing
 - Northam Platinum
 - Concluding feasibility study
 - Harmony
 - Feasibility study in progress



Image: Experimental Rock Cutter testing for the ARM project on the PGM Reef underground

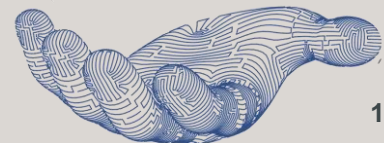


DIGITISATION

- A&R Group
 - Proximity detection – EMESRT level 9 – Automatic intervene by machine to prevent unsafe interaction
 - 250 000 people and equipment monitored in South Africa and rest of Africa
 - Insights into safety behaviour and operational performance
 - Missing person locator
- AVA Solution
 - Data-driven mine management solution
 - Load and haul tracking and monitoring
 - New developments in Logistics – Tracking material from pit to ports
 - Growth into Brazil, Peru, USA, Central Africa, Indonesia and Malaysia



Image: An A&R proximity detection device fitted to a Wheel Loader onsite





OPERATIONAL REVIEW

ROELOF SWANEPOEL, COO

OUR PEOPLE



Workforce:
~**2 300** people

New employed:
~**700** people

Future skills
training

Internship programs
globally

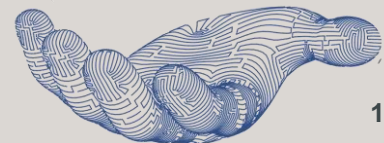


>**25** nationalities
employed

Gender diversity

Local management teams

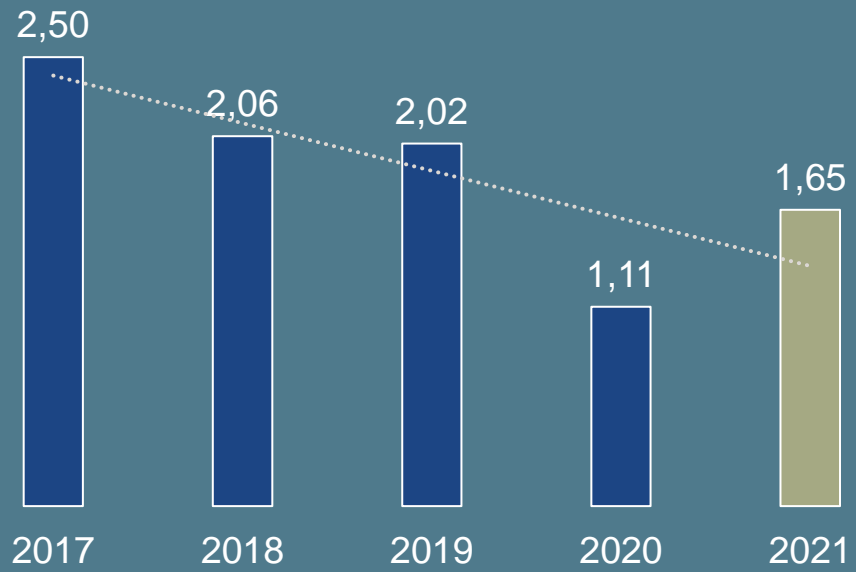
Expats **2%** to **5%**



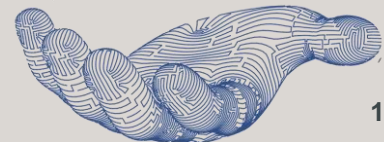
SAFETY



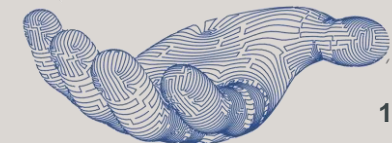
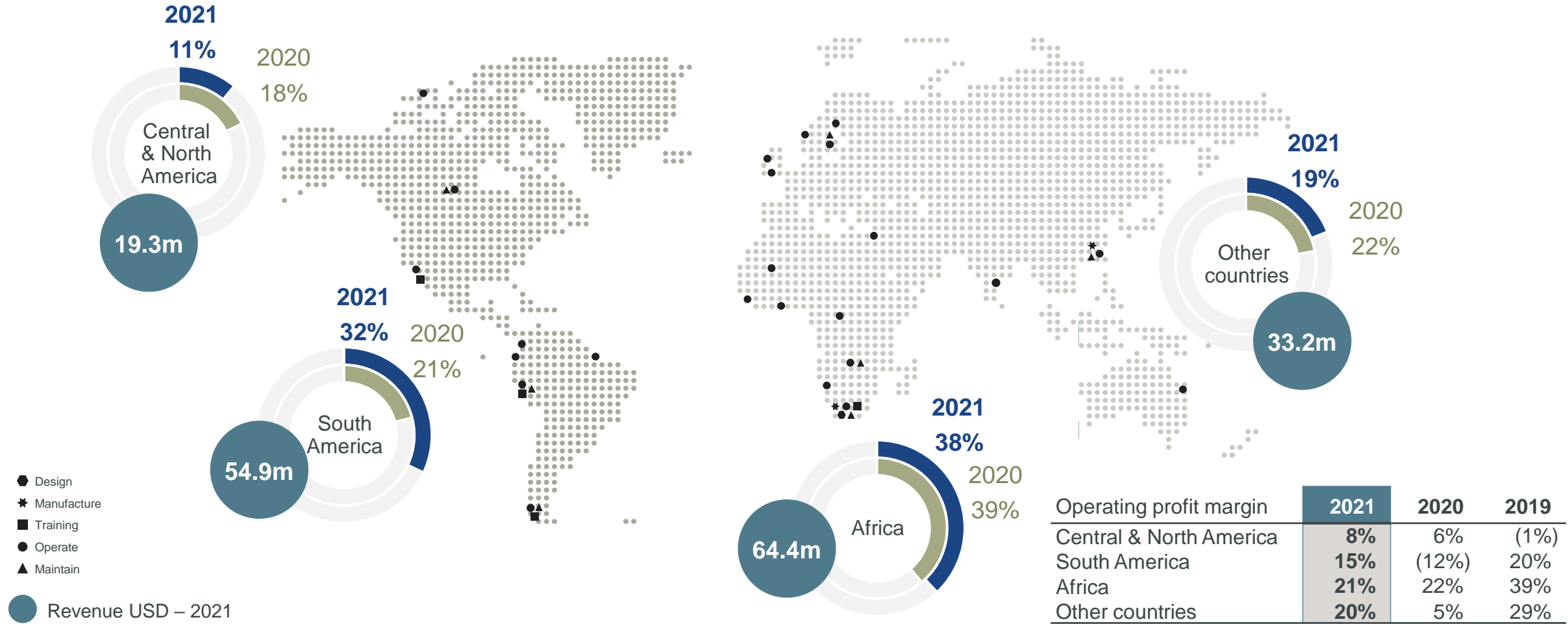
LTIFR



LTIFR – Lost Time Injury Frequency Rate



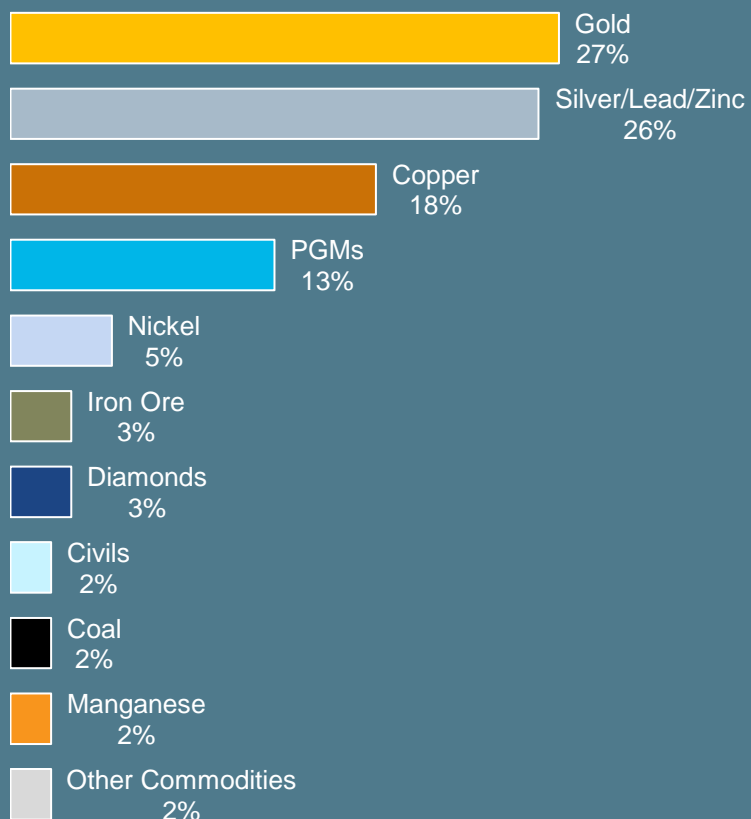
GEOGRAPHIC REVENUE DIVERSIFICATION



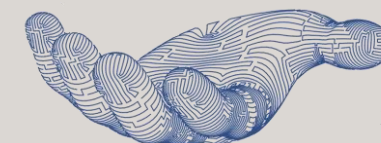
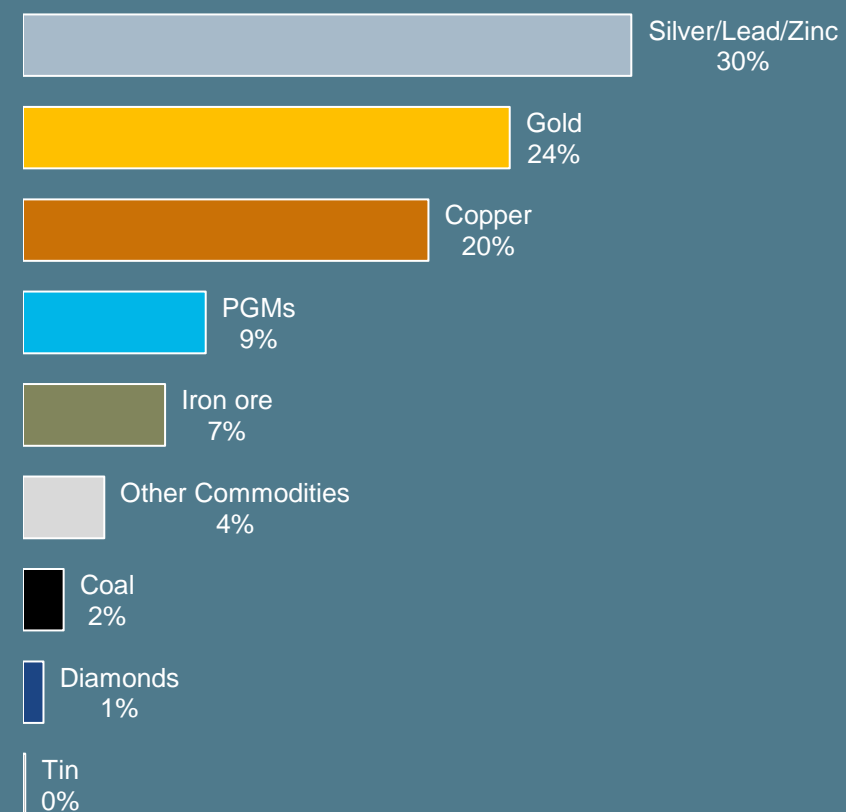
COMMODITY REVENUE DIVERSIFICATION



2021



2020



ARPOR SUMMARY PER ANNUM

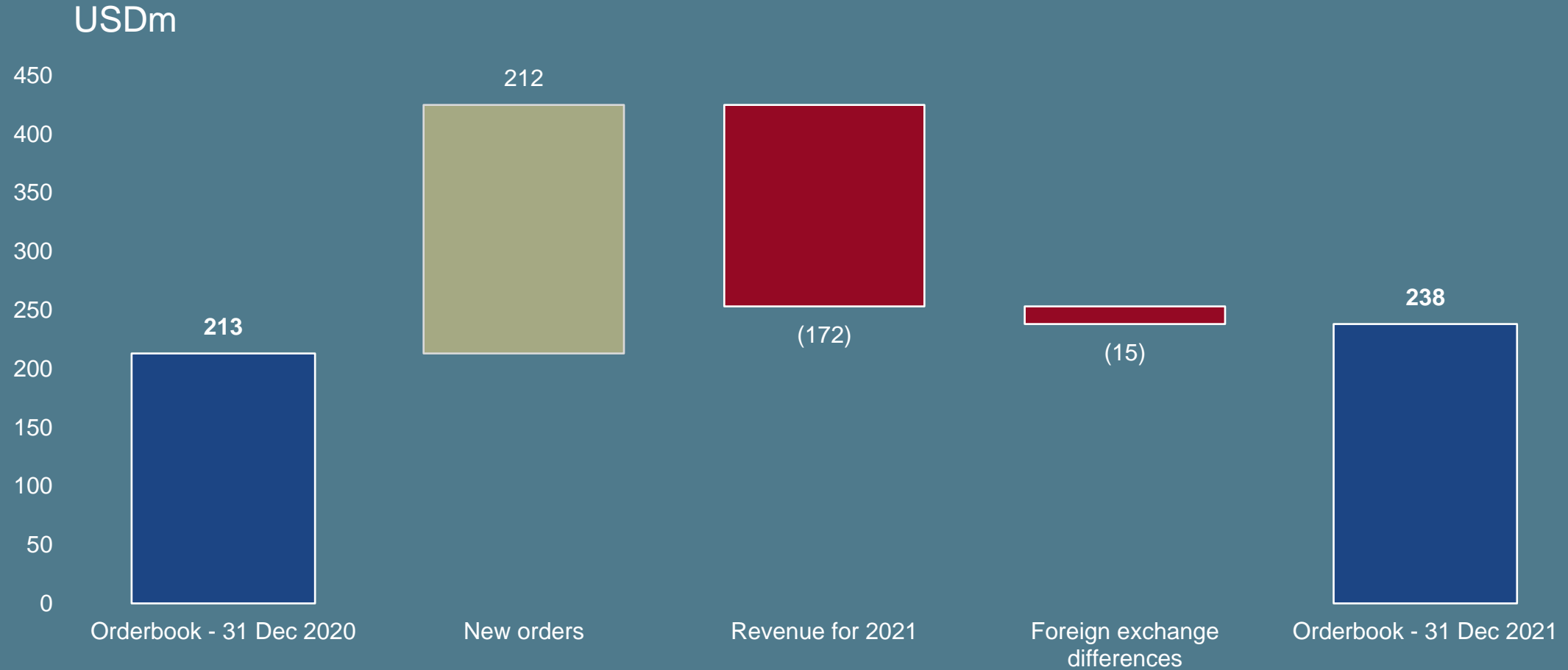


	2021	2020	2019
Total Raise bore rigs	150	145	143
Utilisation %	70%	60%	64%
Fleet Mix ARPOR (USD)	120 111	105 715	111 135
> Large Raise bore rigs	90	86	84
Utilisation %	82%	69%	69%
ARPOR (USD)	136 586	119 191	126 103
< Large Raise bore rigs	60	59	59
Utilisation %	50%	45%	57%
ARPOR (USD)	81 150	75 657	85 285
Total Slim rigs	58	58	30
Utilisation %	55%	48%	70%
ARPOR (USD)	31 493	30 237	69 292

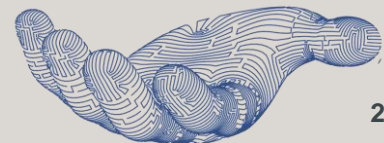
APROR: Average monthly revenue per operating rig



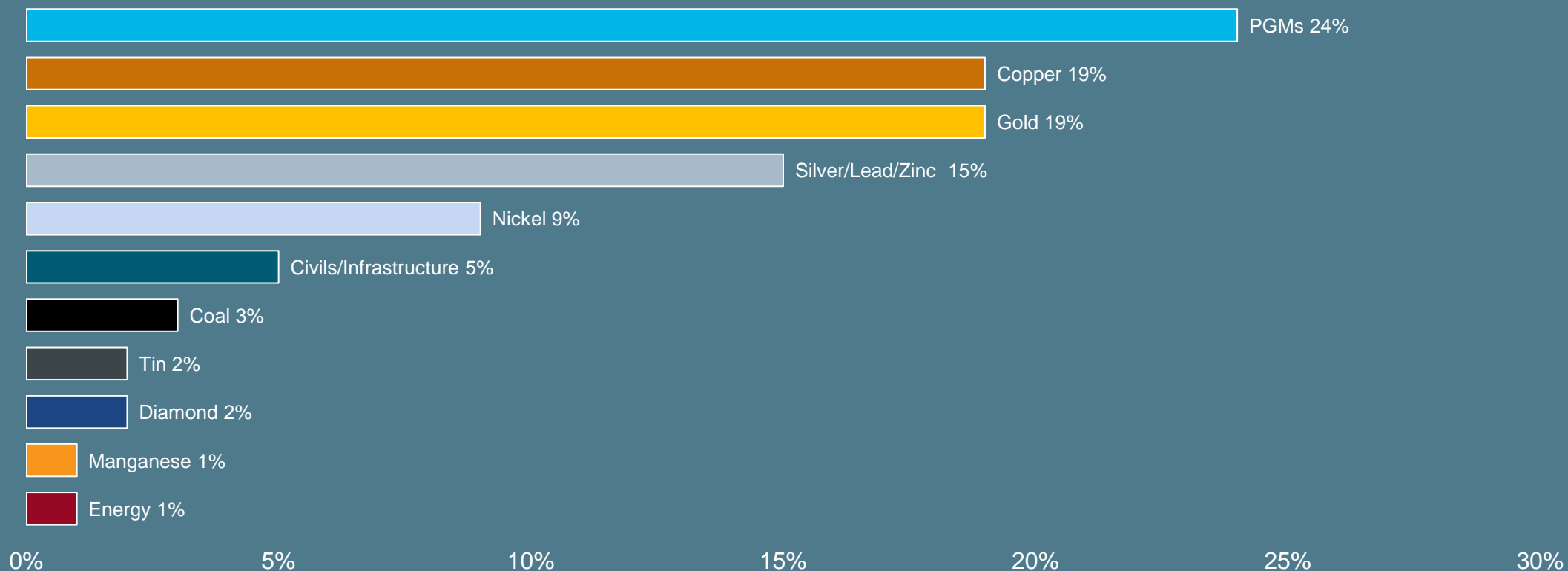
ORDERBOOK MOVEMENT



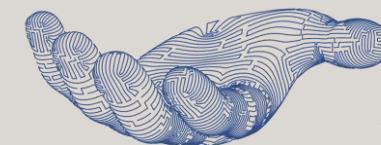
Joint Ventures included



AWARDED ORDERS BY COMMODITY



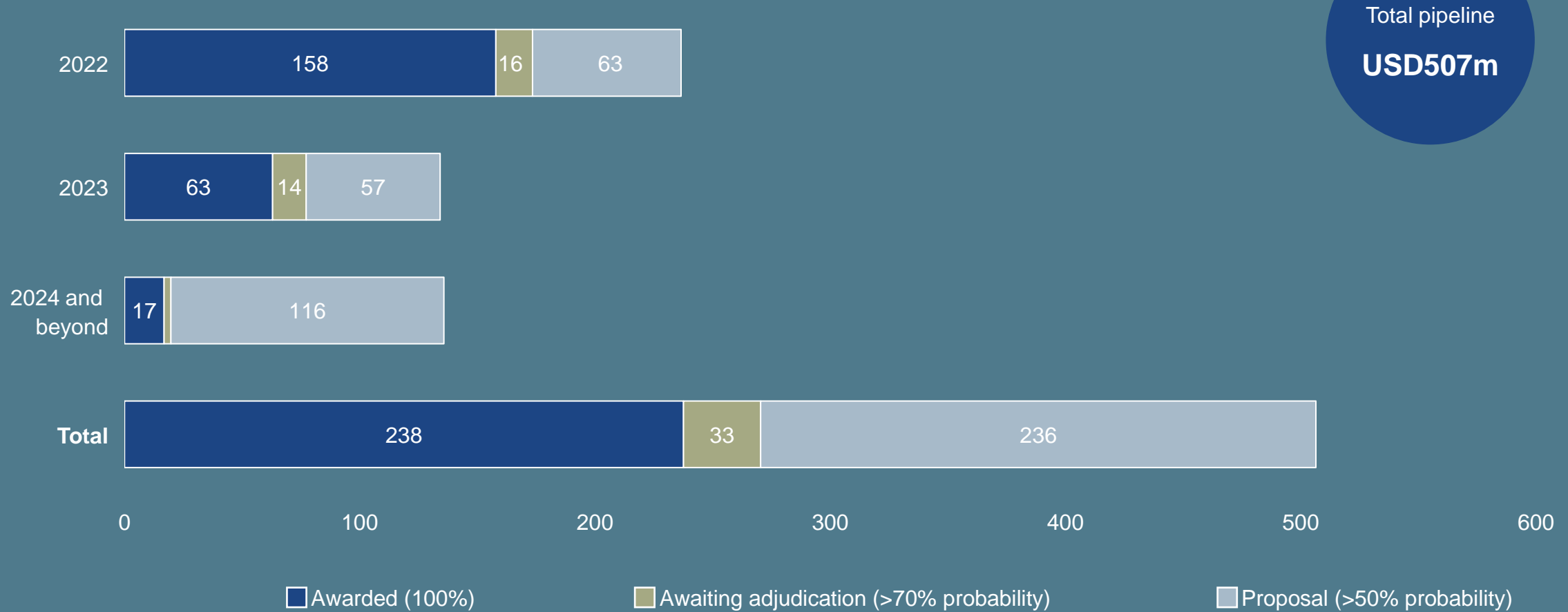
Joint Ventures included



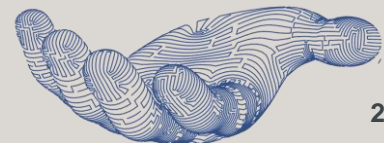
PIPELINE

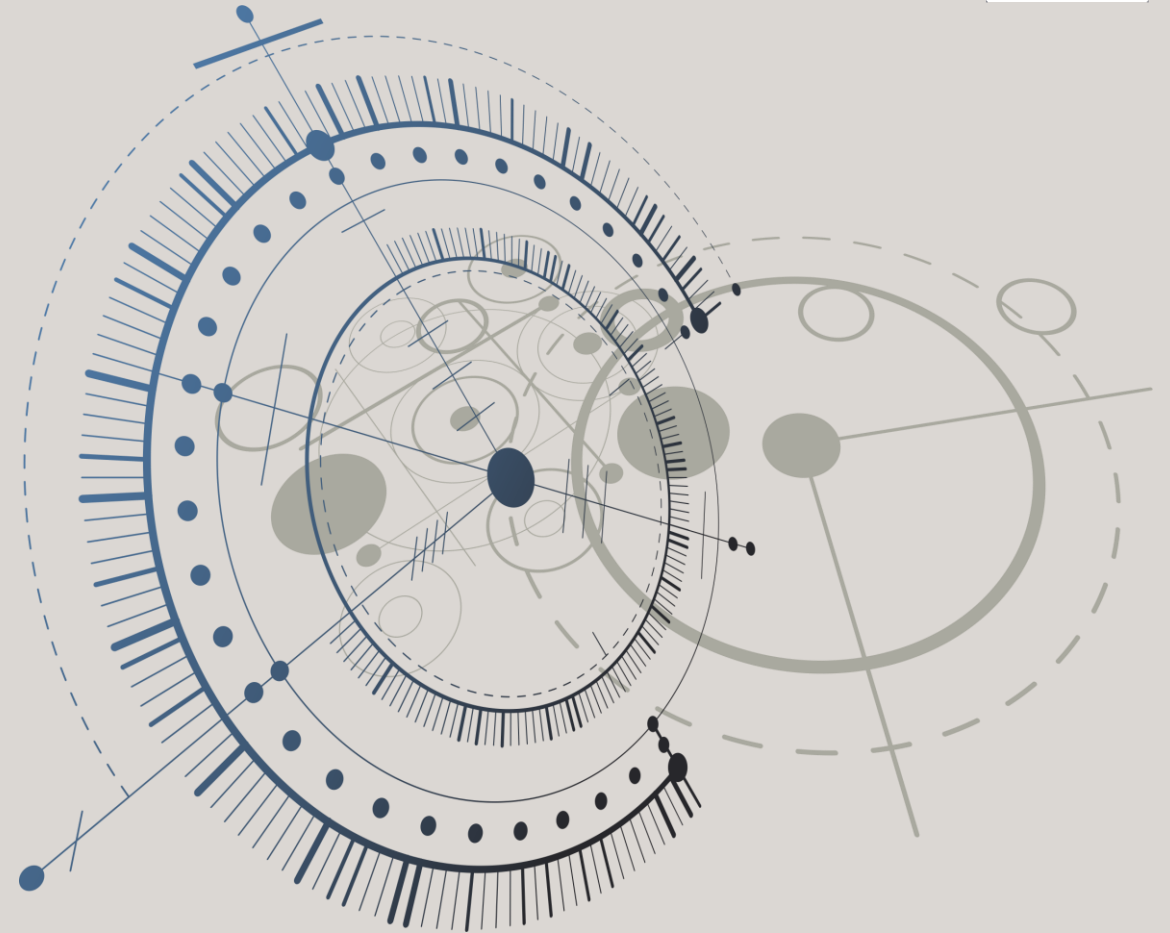


USDm



Joint Ventures included

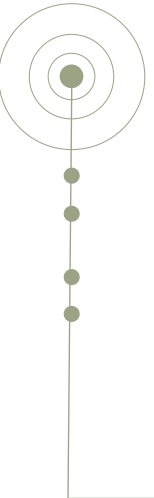




FINANCIAL OVERVIEW

ANDRÉ VAN DEVENTER, CFO

HIGHLIGHTS FOR THE PERIOD



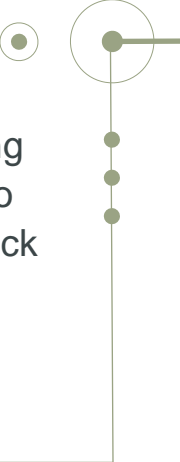
USD revenue
increased by
40%

USD HEPS
increased by
396%

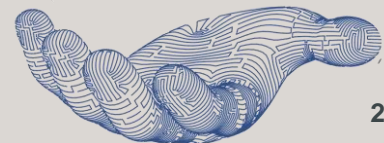
ZAR HEPS
increased by
348%

Cash generated
from operations
amounted to
USD32.5m

Gearing ratio
improved to
5.8%



Healthy working
capital cycle to
support the uptick
experienced
in the market



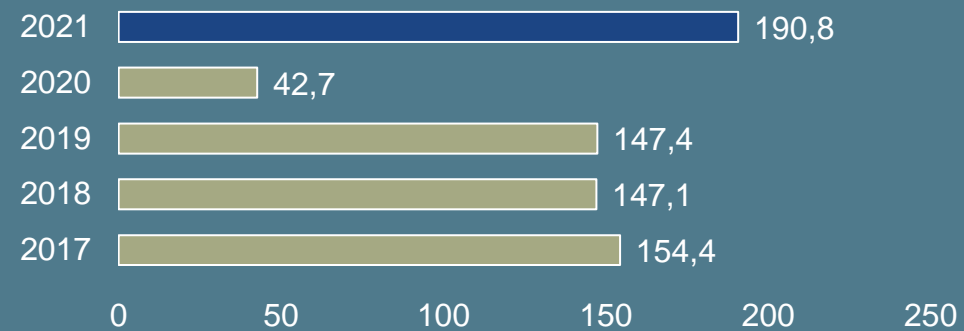
HEADLINE EARNINGS PER SHARE



HEPS (USDc)



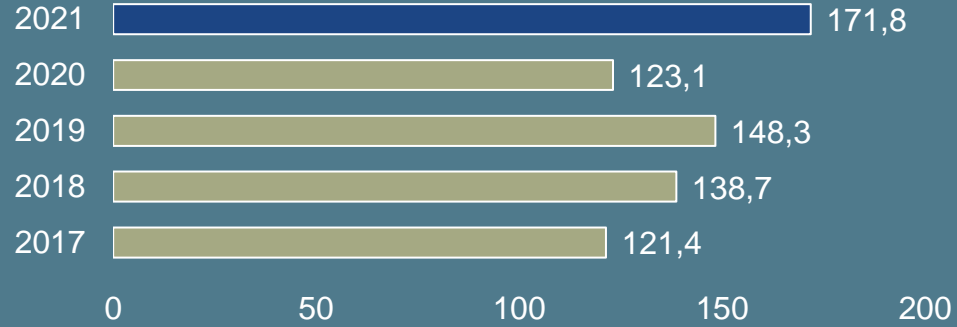
HEPS (ZARc)



EBITDA

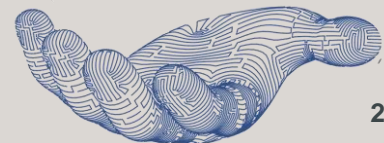
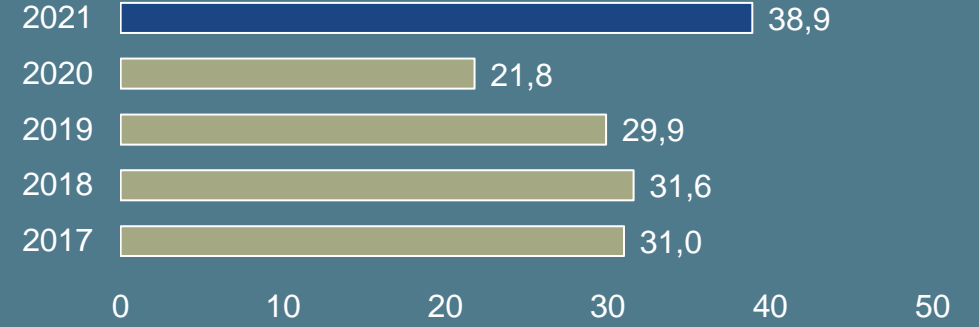


REVENUE (USDm)



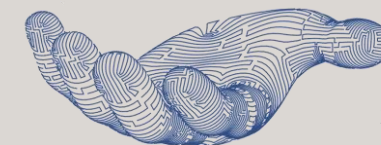
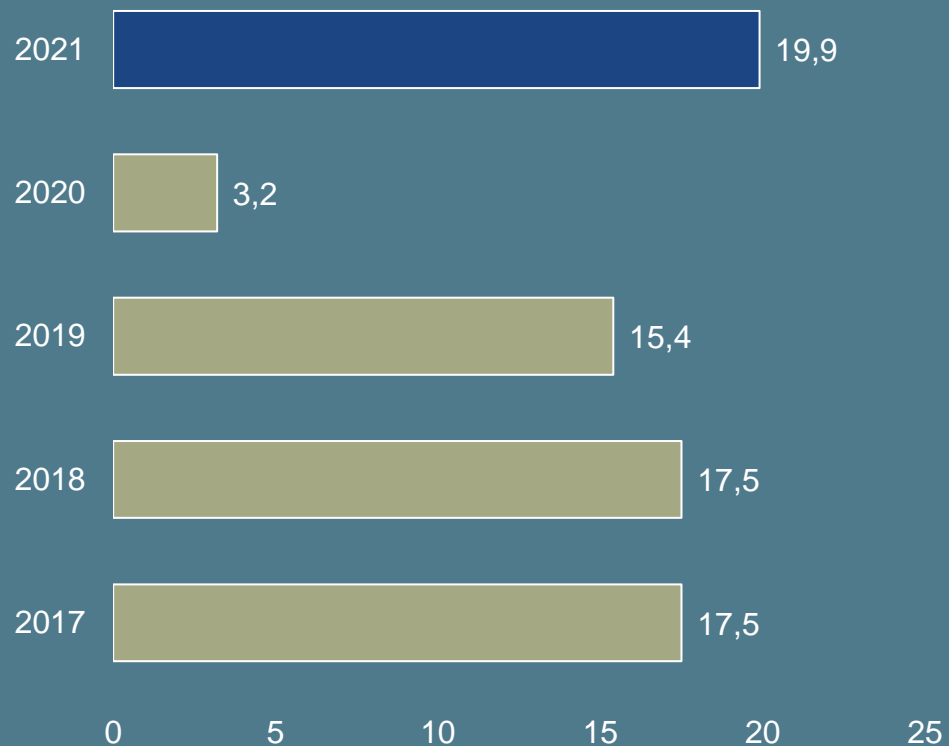
EBITDA
22.6%

EBITDA (USDm)



PROFIT AFTER TAX

USDm



STATEMENT OF FINANCIAL POSITION

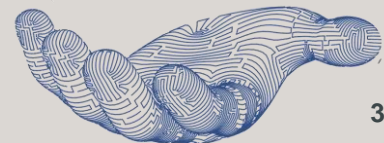


	2021 USDm	2020 USDm	Comment
Assets			
Total non-current assets	172.8	166.7	Increase in non-current assets of USD28.9m - more details on slide 38
Total current assets	117.3	98.4	Strategically investing in working capital cycle to mitigate supply chain challenges - more details on slide 35
Total assets	290.1	265.1	
Equity			
Equity	176.6	166.4	
Non-controlling interest	9.8	9.7	
Total equity	186.4	176.1	
Liabilities			
Total non-current liabilities	19.6	40.4	Gearing ratio improved to 5.8% and healthy net interest-bearing debt/EBITDA of 0.26
Total current liabilities	84.1	48.6	Full balance outstanding with ABSA Bank reflected as current as at 31 December 2021
Total liabilities	103.7	89.0	
Total equity and liabilities	290.1	265.1	

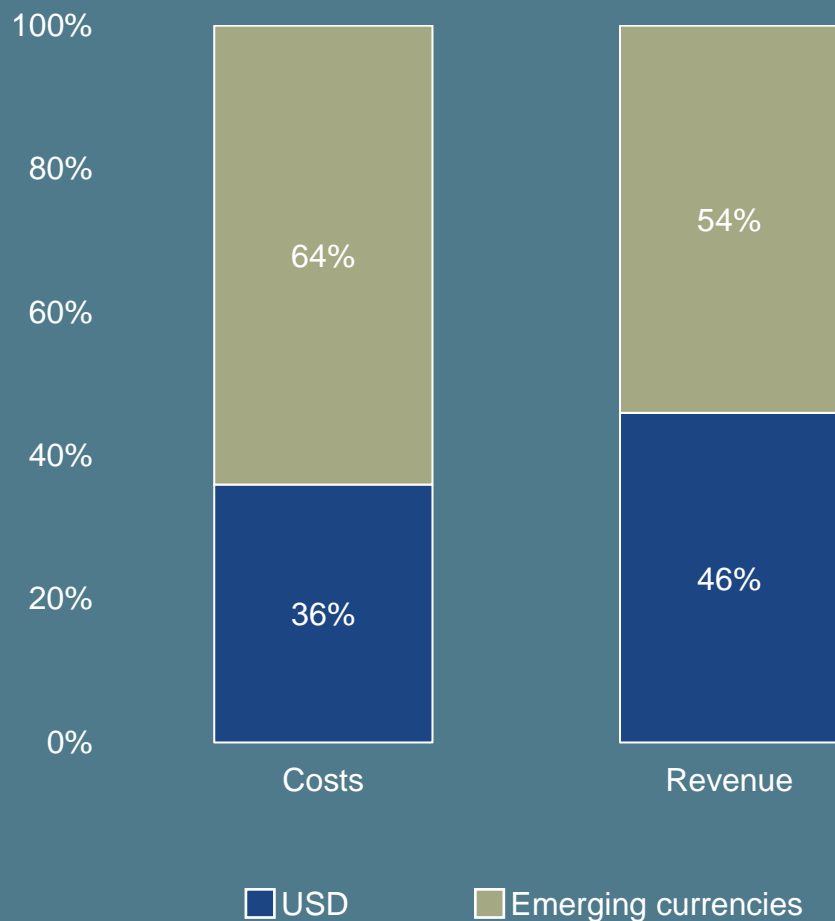


STATEMENT OF COMPREHENSIVE INCOME

	2021 USDm	2020 USDm	Comment
Revenue	171.8	123.1	Return to pre-Covid-19 conditions
Cost of sales	(123.2)	(95.2)	Aligned with uptick in commodity cycle
Gross profit	48.6	28.0	
Other operating income	6.0	2.9	Improved machine utilisation – especially the larger machines
Other operating expenses	(25.0)	(20.6)	Improved ARPOR for entire fleet
Operating profit	29.7	10.3	Record EBITDA since listing
Investment income	0.5	0.3	Positive contribution from associate and joint venture companies
Finance costs	(2.6)	(3.0)	
Share of profit/(loss) from equity accounted investment	0.5	(0.2)	
Profit before taxation	28.1	7.5	
Taxation	(8.2)	(4.3)	
Profit for the year	19.9	3.2	



IMPACT OF CURRENCY ON PROFIT BEFORE TAXATION



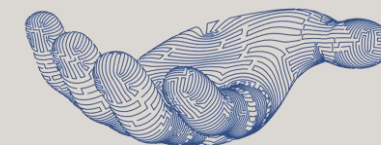
Impact on profit before taxation
USD 0.5m



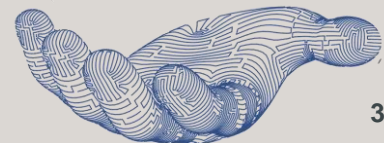
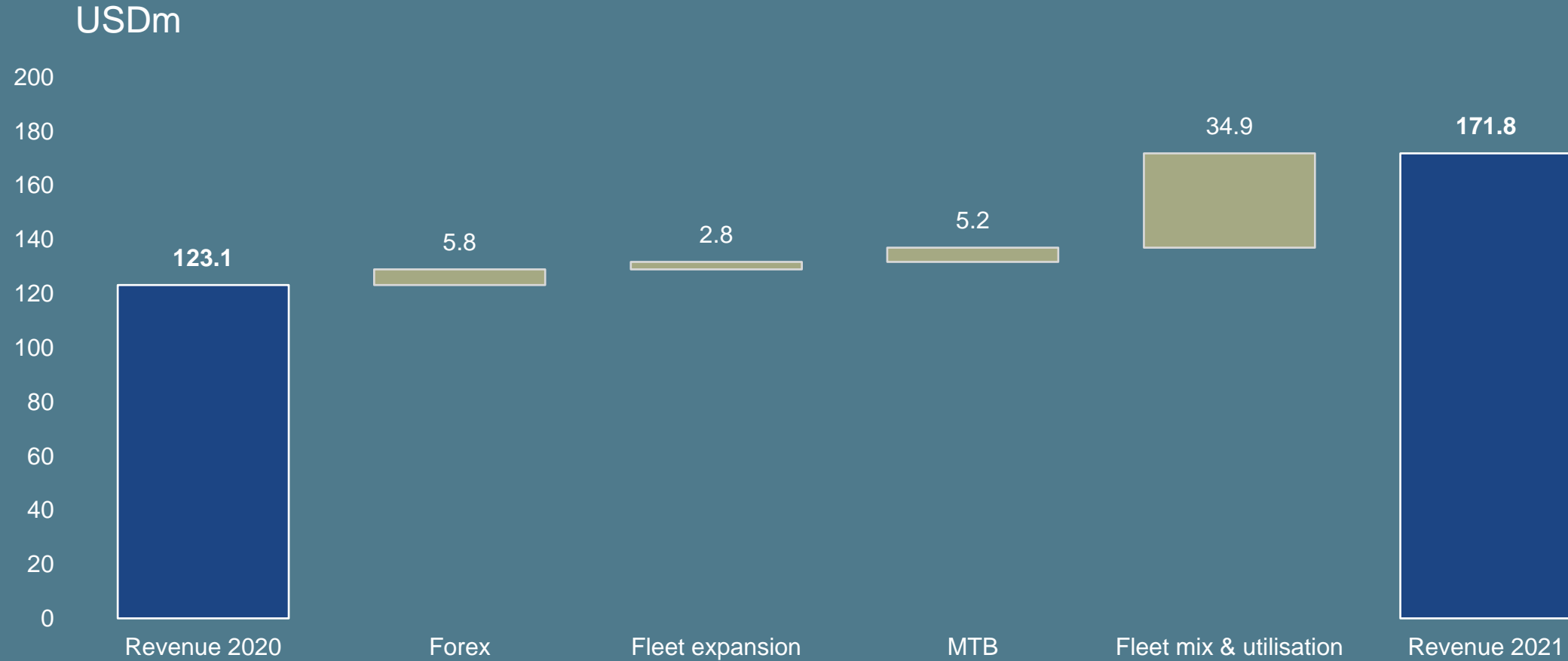
STATEMENT OF CASH FLOWS



	2021 USDm	2020 USDm	Comment
Net cash inflow from operating activities	32.5	25.5	EBITDA cash conversion of 110%
Net cash outflow from investing activities	(24.2)	(9.0)	Investment in property, plant and equipment – USD18.8m
Net cash outflow from financing activities	(10.5)	(10.7)	Investment in associates and a joint venture – USD6.3m
Total cash (outflow)/inflow for the period	(2.2)	5.8	
Cash at the beginning of the period	(1.2)	19.5	Strategically investing in working capital cycle to mitigate supply chain challenges
Effect of exchange rate movement on cash balances	24.8	(0.5)	
Total cash at end of the period	21.4	24.8	Repayment of interest-bearing debt – USD9.8m



REVENUE WATERFALL BREAKDOWN

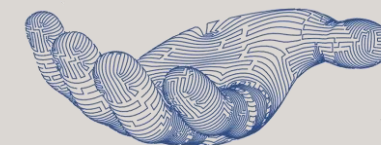
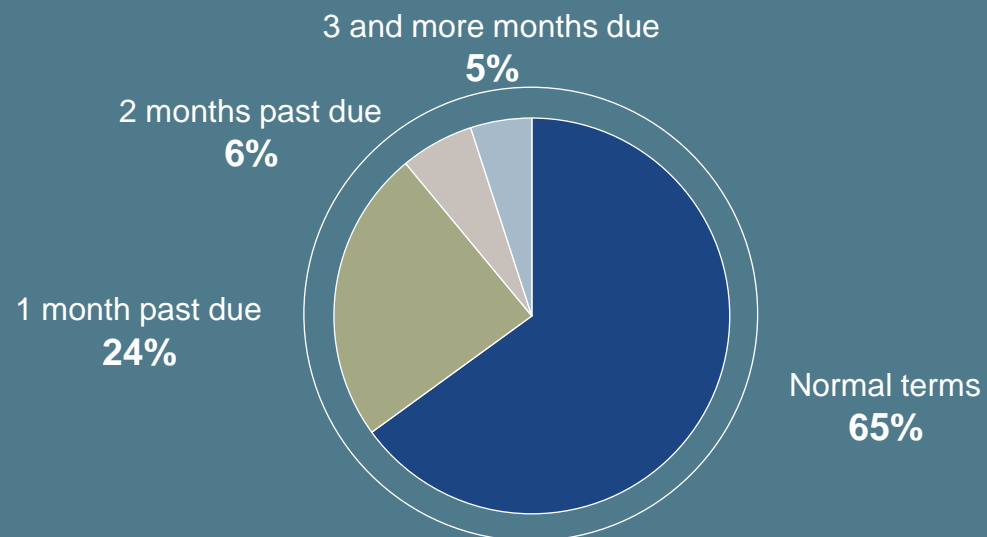


WORKING CAPITAL BREAKDOWN



USDm	2021	2020	Movement
Inventory	33.6	24.6	9.0
Trade and other receivables	54.5	43.8	10.7
Trade and other payables	35.5	26.9	8.6

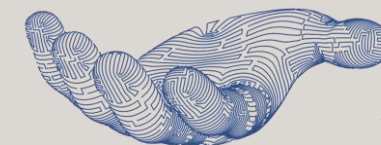
Trade receivable ageing



BALANCE SHEET RATIOS



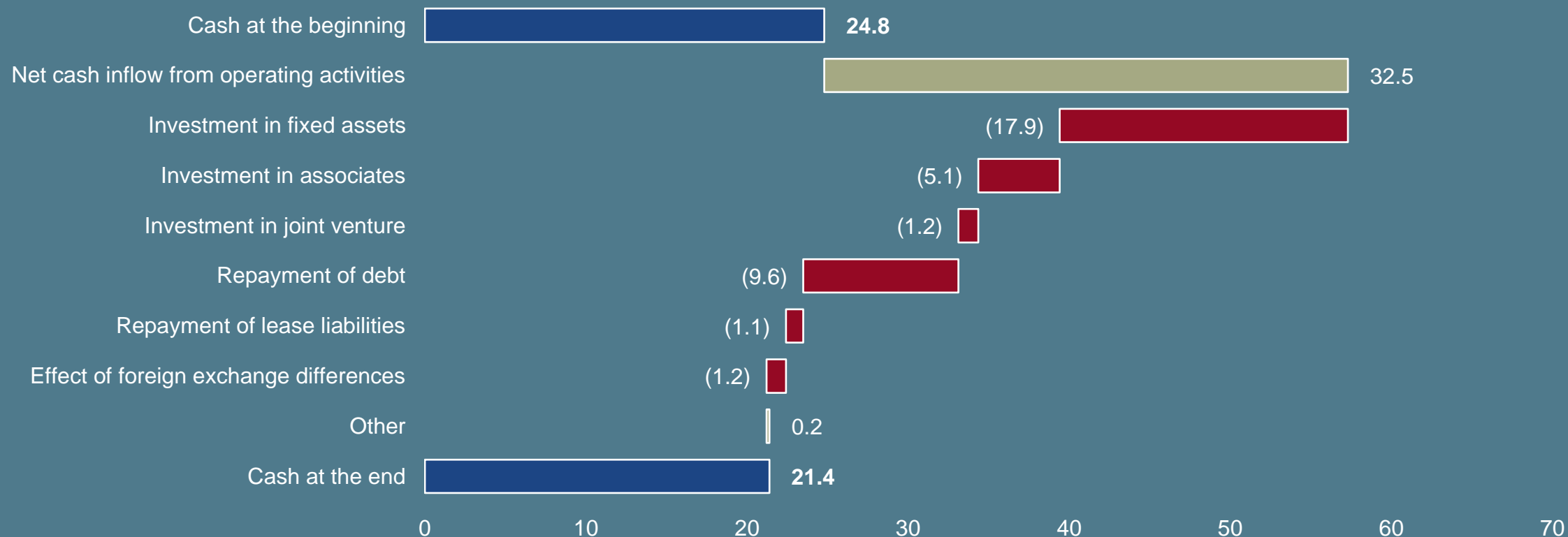
	2021	2020	2019
Return on capital employed (EBITDA)	18.9%	9.1%	12.9%
Return on capital employed (EBIT)	13.4%	5.7%	9.7%
Working capital ratio (days)	103.7	123.2	127.2
Gearing ratio (debt/equity)	5.8%	10.3%	22.5%



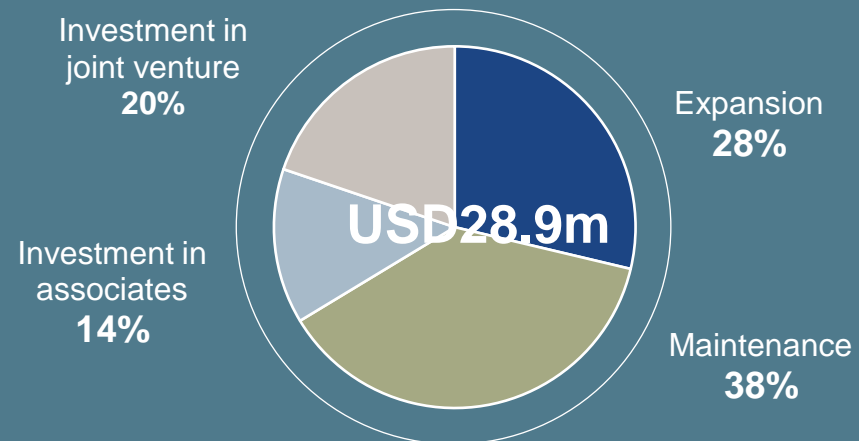
CASHFLOW WATERFALL



USDm



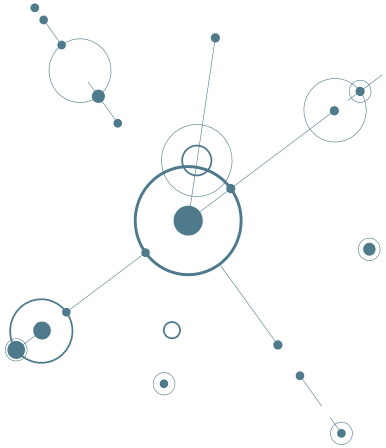
CAPITAL SPEND









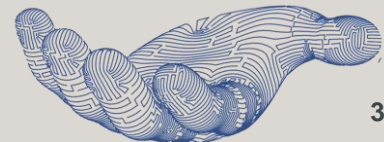
	2021
Land and buildings	1%
Plant and machinery	60%
Motor vehicles	4%
Software licence agreements	1%
Investment in associates	14%
Investment in joint venture	20%

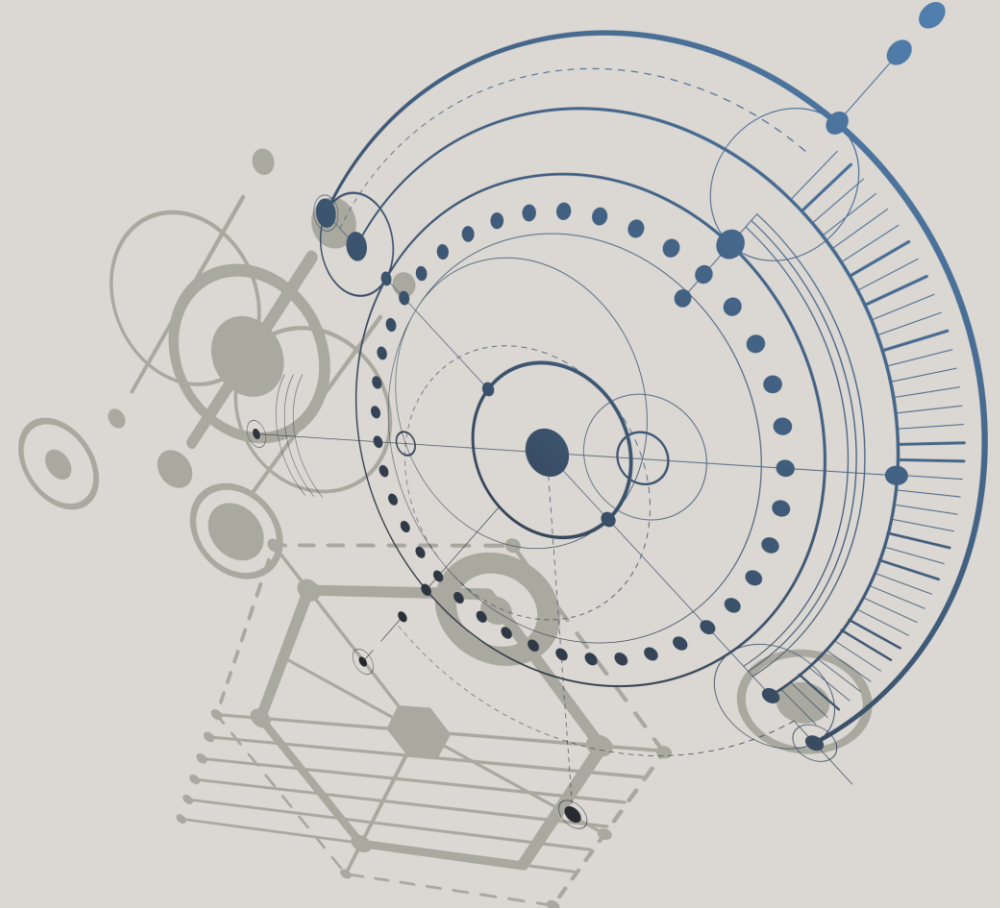


OVERVIEW



-  Healthy pipeline
-  Continued focus on working capital management
-  Continued focus on geographical expansion
-  Increased diversification
-  Technology development to remain relevant
-  Remain vigilant to address future challenges and economic ramp up



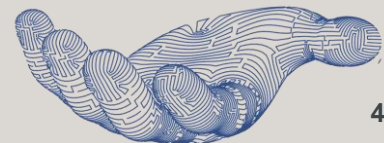


CLOSING AND Q&A

DISCLAIMER



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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

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 Jacobus (Koos) Jordaan
Gareth (Gary) Robert Sheppard

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

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
Non-executive

COMPANY SECRETARY

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JSE SPONSOR

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INDEPENDENT AUDITORS

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SHARE TRANSFER SECRETARIES

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

