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# Investor Presentation - August 2015

Runge Pincock Minarco

# FY2015 Business Highlights

Software revenue now represents 58% of total revenue and as such Standard and Poor's changed RPM's GICS classification from "Commercial Services and Supplies - Industrial" to "Software and Services - Information Technology".

Software license sales grew 63% to \$15.9m including enterprise product sales of \$9.6m

Maintenance revenue grew 9% to \$13.7m

Advisory division achieved a positive contribution of \$0.9m despite very difficult trading conditions

GeoGAS made a \$1.3m contribution - up 21% on FY2014 despite lower revenues

The Company made 3 software source code acquisitions, released two new software products and increased the size of its software development team by 60%

The Company completed a 3 year employee downsizing programme at a total cost of \$4.8m for annual savings of \$14.8m

A 2 year office downsizing programme has now been completed at a total cost of \$6.2m (includes accelerated depreciation, lease incentives, onerous leases etc.) which achieved an annual savings of \$3.1m

The Company achieved an Operating Profit (before one-offs and tax) of \$0.3m (2014: loss \$4.4m)

On the 31<sup>st</sup> July, the Company had \$26.2m cash in the bank and no debt

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The largest publicly listed independent group of mining technical experts in the world

- 18 offices globally
- 47+ years' experience
- 118 countries
- 5,000 software installs
- 13,000 studies



<sup>19</sup> <b>K</b>				<sup>6</sup> <b>C</b>
<sup>23</sup> <b>V</b>	<sup>26</sup> <b>Fe</b>	<sup>28</sup> <b>Ni</b>	<sup>29</sup> <b>Cu</b>	<sup>30</sup> <b>Zn</b>
<sup>42</sup> <b>Mo</b>		<sup>47</sup> <b>Ag</b>	<sup>79</sup> <b>Au</b>	<sup>82</sup> <b>Pb</b>

# Financial Results

Runge Pincock Minarco

# Revenue By Division

Net revenue up 3% to \$62.0m

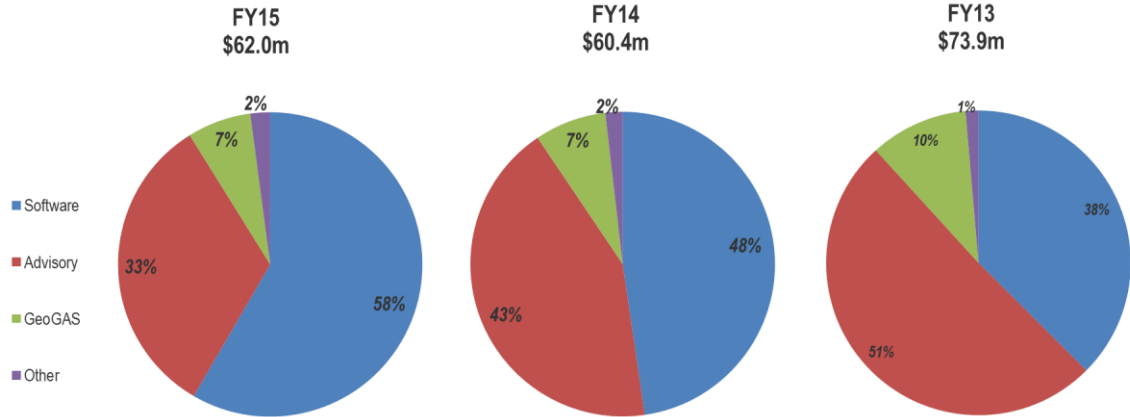
Software revenue up 26% to \$36.2m

- License sales up 63% to \$15.9m (best result in Company's history)
- Maintenance revenue up 9% to \$13.7m (best result in Company's history)

Advisory revenue down 22% to \$20.3m

GeoGAS revenue down 9% to \$4.2m

Software revenue now accounts for 58% of total revenue (2014: 48%, 2013: 38%)



Division	FY15	FY14	\$'var	%'var	FY13	\$'var	%'var
Software	36.2	28.8	7.4	26%	27.7	8.5	31%
Advisory	20.3	25.9	(5.6)	(22)%	37.5	(17.2)	(46)%
GeoGAS	4.2	4.6	(0.4)	(9)%	7.7	(3.5)	(45)%
Other	1.3	1.1	0.2	18%	1.0	0.3	30%
<b>Net Operating Revenue</b>	<b>62.0</b>	<b>60.4</b>	<b>1.6</b>	<b>3%</b>	<b>73.9</b>	<b>(11.9)</b>	<b>(16)%</b>

# Software Division

Software revenue up 26% to \$36.2m

License sales up 63% to \$15.9m

- New commodity solutions and simulation product sales up 4% to \$2.4m

- New enterprise product sales up 554% to \$9.6m

Maintenance revenue up 9% to \$13.7m

Consulting revenue up 5% to \$7.7m

Increased operating investment

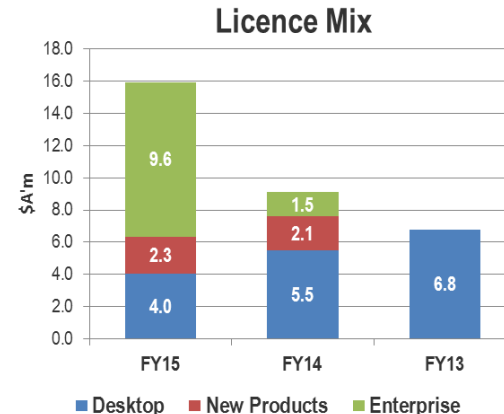
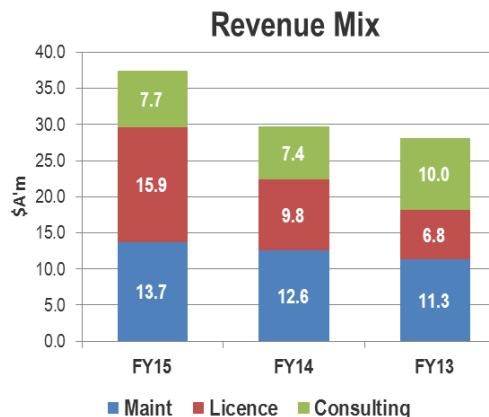
- Professional enterprise sales staff

- More hands-on customer interaction

- 60% increase in software development staff

Contribution increased to \$9.2m (up 74%)

A\$m	FY15	FY14	\$ Var	% Var	FY13
<i>License</i>	15.9	9.8	6.1	62%	6.8
<i>Maintenance</i>	13.7	12.6	1.1	9%	11.3
<i>Consulting</i>	7.7	7.3	0.4	5%	10.0
<i>Direct expenses</i>	(1.1)	(0.9)	(0.2)	27%	(0.4)
<b>Software revenue</b>	<b>36.2</b>	<b>28.8</b>	<b>7.4</b>	<b>26%</b>	<b>27.7</b>
Operating expenses	(19.3)	(17.6)	(1.7)	10%	(19.1)
<b>Gross Contribution</b>	<b>16.9</b>	<b>11.2</b>	<b>5.7</b>	<b>51%</b>	<b>8.6</b>
Development Expenses	7.7	5.9	1.8	31%	5.9
<b>Contribution</b>	<b>9.2</b>	<b>5.3</b>	<b>3.9</b>	<b>74%</b>	<b>2.7</b>



# Advisory Division

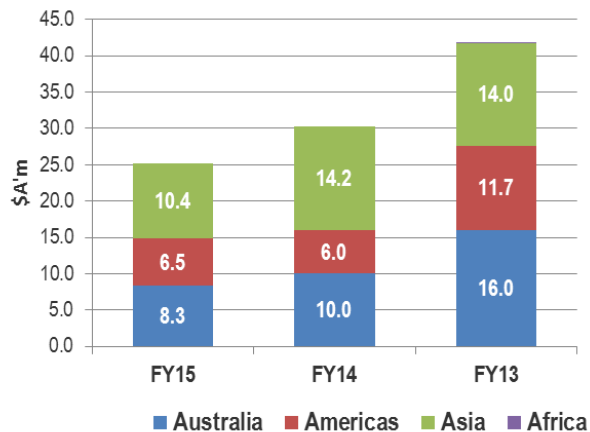
Advisory revenue down 17% to \$25.2m

- Australian sourced revenue down 17% to \$8.3m
- Asian sourced revenue down 27% to \$10.4m

21% reduction in operating expenses

Advisory division returned a positive contribution of \$0.9m despite very difficult trading conditions

A\$'000	FY15	FY14	\$ Var	% Var	FY13
<i>Australia</i>	8.3	10.0	(1.7)	(17)%	16.0
<i>Americas</i>	6.5	6.0	0.5	9%	11.7
<i>Asia</i>	10.4	14.2	(3.8)	(27)%	14.0
<i>Africa</i>	-	-	-	-	0.2
<b>Advisory Revenue</b>	<b>25.2</b>	<b>30.2</b>	<b>(5.0)</b>	<b>(17)%</b>	<b>41.9</b>
Direct expenses	(4.9)	(4.3)	(0.6)	15%	(4.4)
Operating expenses	(19.4)	(24.5)	5.1	(21)%	(30.5)
<b>Contribution</b>	<b>0.9</b>	<b>1.4</b>	<b>(0.5)</b>	<b>(36)%</b>	<b>7.0</b>



# GeoGAS Division

Compliance volumes increased 4% to 2,235 tests (FY2014: 2,160 tests)

Laboratory revenue fell 11% to \$3.6m

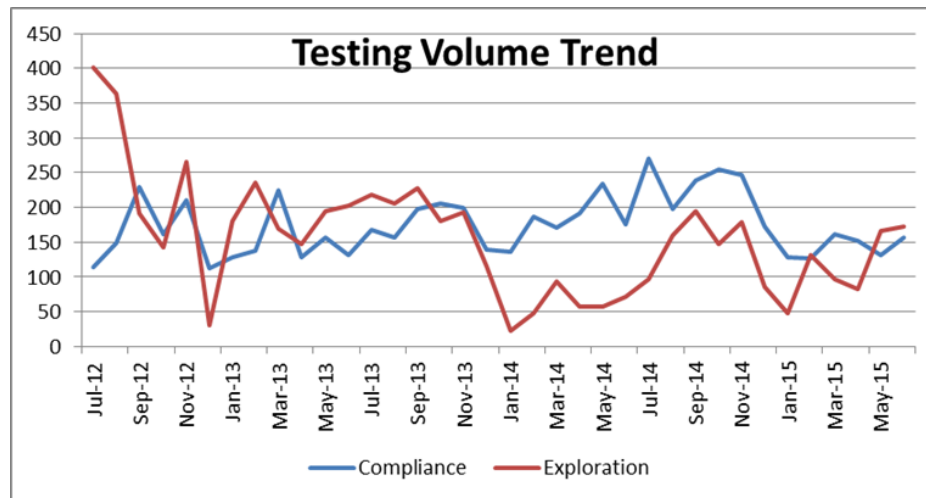
- Canister rental revenue declined 16% as the average rental period reduced significantly

Patchy growth in exploration related testing

Laboratory operating expenses down 15%

Contribution of \$1.3m up 21% despite lower revenue

A\$'000	FY15	FY14	\$ Var	% Var	FY13
Laboratory	3.6	4.0	(0.4)	(11)%	6.7
Consulting	0.8	0.7	0.1	16%	1.9
<b>GeoGAS revenue</b>	<b>4.3</b>	<b>4.7</b>	<b>(0.3)</b>	<b>(7)%</b>	<b>8.6</b>
Operating expenses	(3.0)	(3.6)	0.6	(15)%	(6.4)
<b>Contribution</b>	<b>1.3</b>	<b>1.1</b>	<b>0.2</b>	<b>21%</b>	<b>2.1</b>





# Financial Results Summary

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<i>A\$'m</i>	<b>FY15</b>	<b>FY14</b>	<b>\$ Var</b>	<b>% Var</b>
<b>Net Operating Revenue</b>	<b>62.0</b>	<b>60.4</b>	<b>1.6</b>	<b>3%</b>
Field Expenses	(41.6)	(45.6)	4.0	(9)%
Development Expenses	(7.7)	(5.9)	(1.8)	31%
Corporate Expenses	(10.1)	(9.9)	(0.2)	2%
<b>Operating EBITDA</b>	<b>2.6</b>	<b>(1.0)</b>	<b>3.6</b>	
Depreciation & Amortisation*	(2.6)	(3.3)	0.7	(21)%
Net Finance Costs	0.3	(0.1)	0.4	
<b>Operating Profit/(Loss) Before Tax</b>	<b>0.3</b>	<b>(4.4)</b>	<b>4.7</b>	
<b>Significant One-off Items:</b>				
Impairment of Advisory Goodwill	(2.5)	(3.0)	0.5	
Restructure - Staff	(1.3)	(1.0)	(0.3)	
Restructure - Office Leases	(1.9)	(0.5)	(1.4)	
Accelerated Depreciation - Head Office	(1.5)	(0.2)	(1.3)	
Total Significant Items	(7.2)	(4.7)	(2.5)	
<b>Loss before Tax</b>	<b>(6.9)</b>	<b>(9.1)</b>	<b>2.2</b>	<b>24%</b>
<b>Net Loss After Tax</b>	<b>(6.8)</b>	<b>(7.4)</b>	<b>0.6</b>	<b>8%</b>

\* Excludes accelerated depreciation on the Head Office lease shown in significant items

# Balance Sheet

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A\$m	FY15	FY14	\$ Var	% Var
Cash	22.6	7.5	15.1	201%
Receivables - Q4 Software Sales	7.7	3.1	4.6	148%
Receivables and WIP	10.9	10.9	-	-
Property, Plant and Equipment	2.6	6.4	(3.8)	(59)%
Intangibles	3.8	2.3	1.5	65%
Goodwill	18.5	21.0	(2.5)	(12)%
Deferred Tax	8.6	8.0	0.6	8%
Prepayments, Deposits, etc	2.0	2.5	(0.5)	(20)%
<b>Total Assets</b>	<b>76.7</b>	<b>61.7</b>	<b>15.0</b>	<b>24%</b>
Trade Payables	(8.0)	(5.1)	(2.9)	57%
Provisions - Employees	(3.2)	(3.3)	0.1	(3)%
Provisions - Onerous Leases & Make Good	(1.9)	(2.7)	0.8	(30)%
Unearned Income	(8.5)	(8.6)	0.1	(1)%
Lease Straightlining, etc	(0.2)	(2.0)	1.8	(90)%
<b>Total Liabilities</b>	<b>(21.8)</b>	<b>(21.7)</b>	<b>(0.1)</b>	<b>-</b>
Share Capital	69.9	48.7	21.2	44%
Reserves and Retained Earnings	(15.0)	(8.7)	(6.3)	72%
<b>Total Equity</b>	<b>54.9</b>	<b>40.0</b>	<b>14.9</b>	<b>37%</b>

# Cashflow

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\$'m	FY15	2H15	1H15	Change 2H to 1H
Net Cash 1 July	7.5			
<b>Cash from Operations</b>	<b>(0.1)</b>	6.1	(6.2)	12.3
Payments for:				
Restructure Costs - Staff	1.0	0.7	0.3	0.4
Restructure Costs - Premises	1.5	1.1	0.4	0.7
Make Good - Brisbane Office	1.0	1.0	-	
	<b>3.5</b>	2.8	0.7	2.1
Payments for:				
Property Plant & Equipment	0.3	0.2	0.1	0.1
Software Acquisitions	2.6	1.3	1.3	-
	<b>2.9</b>	1.5	1.4	0.1
Proceeds from:				
Capital Raising	21.0	-	21.0	(21.0)
	<b>14.5</b>	1.8	12.7	(10.9)
FX Restatement	0.6			
<b>Net Cash 30 June</b>	<b>22.6</b>			

# Use of Capital Funds Raised

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<b>\$'m</b>	
<b>Net Capital Raising</b>	<b>21.0</b>
Software Acquisitions	(2.5)
Software Development Costs Increase	(1.8)
<b>Cash Retained</b>	<b>16.7</b>

# FY15 Strategic Achievements

Oversubscribed capital raising AUD\$21m

Released two new software products

- XECUTE
- Quarry Solution

Acquired source code of three software products

- Mine Design - Mine 2-4D
- Spatial Database
- Simulation - FlexSim

Continued to work closely with SAP

- Signed the SAP Application Development Cooperation Agreement
- Had our integrations to SAP certified

Reduced occupancy costs significantly

- Brisbane, Sydney, Perth, Jakarta, Wollongong



# Software Strategy

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# Standardise, Simplify and Integrate

Deliver a complete **Commercial off the Shelf (COTS) Enterprise planning platform** built on open industry standards

Release a suite of **simplified, standardised and integrated solutions** for different commodities and mining methods built on the same product architecture

Provide software solutions that **deliver a step change** in mine planning, execution and value chain optimisation through **investments in visual innovation**



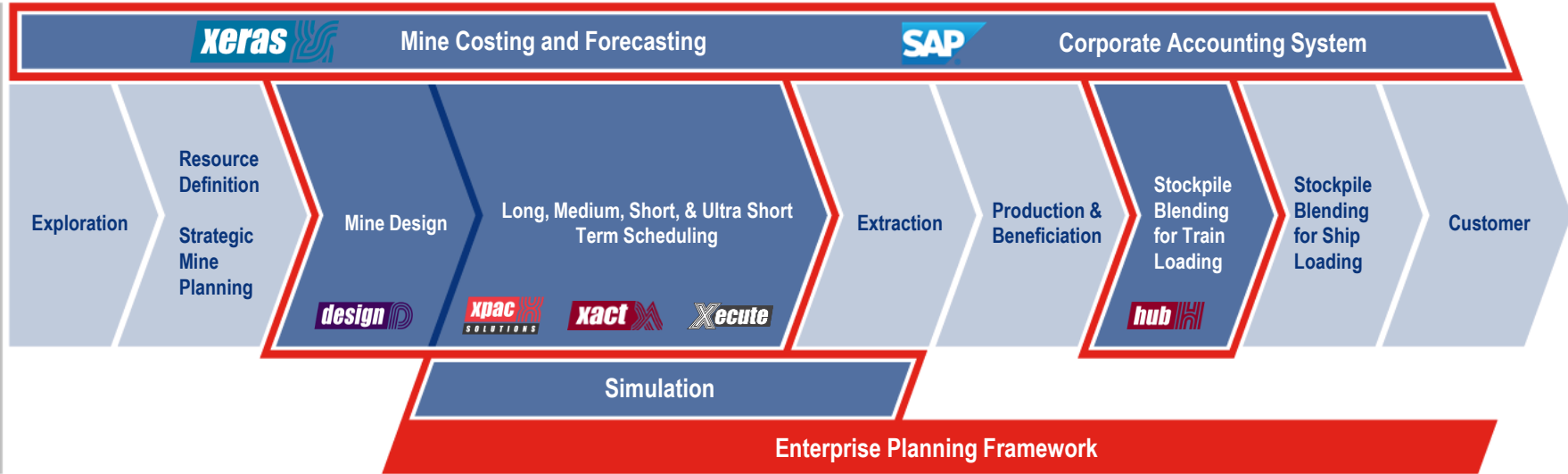
# Mining Value Chain - Where we fit

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Advisory

Exploration management & advice | Geological modelling | Resource definition | Due diligence studies | Feasibility studies | Reserve definition | Environmental & social services | Expert witness & legal support | Asset advisory support | Valuation, appraisal & fairness opinion

Software





# New Product Adoption - FY2015 only

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Logos for Open Pit Metals, Xpac Solution, Cliffs, Taseko, Anglo American, Centerra Gold, Mount Gibson Iron, Roy Hill, Oceana Gold, Antofagasta Minerals, and Arrium Mining and Materials.

Logos for Xecute, RPM Enterprise Planning Framework, Hub, ISA The International Society of Automation, and BHP Billiton.

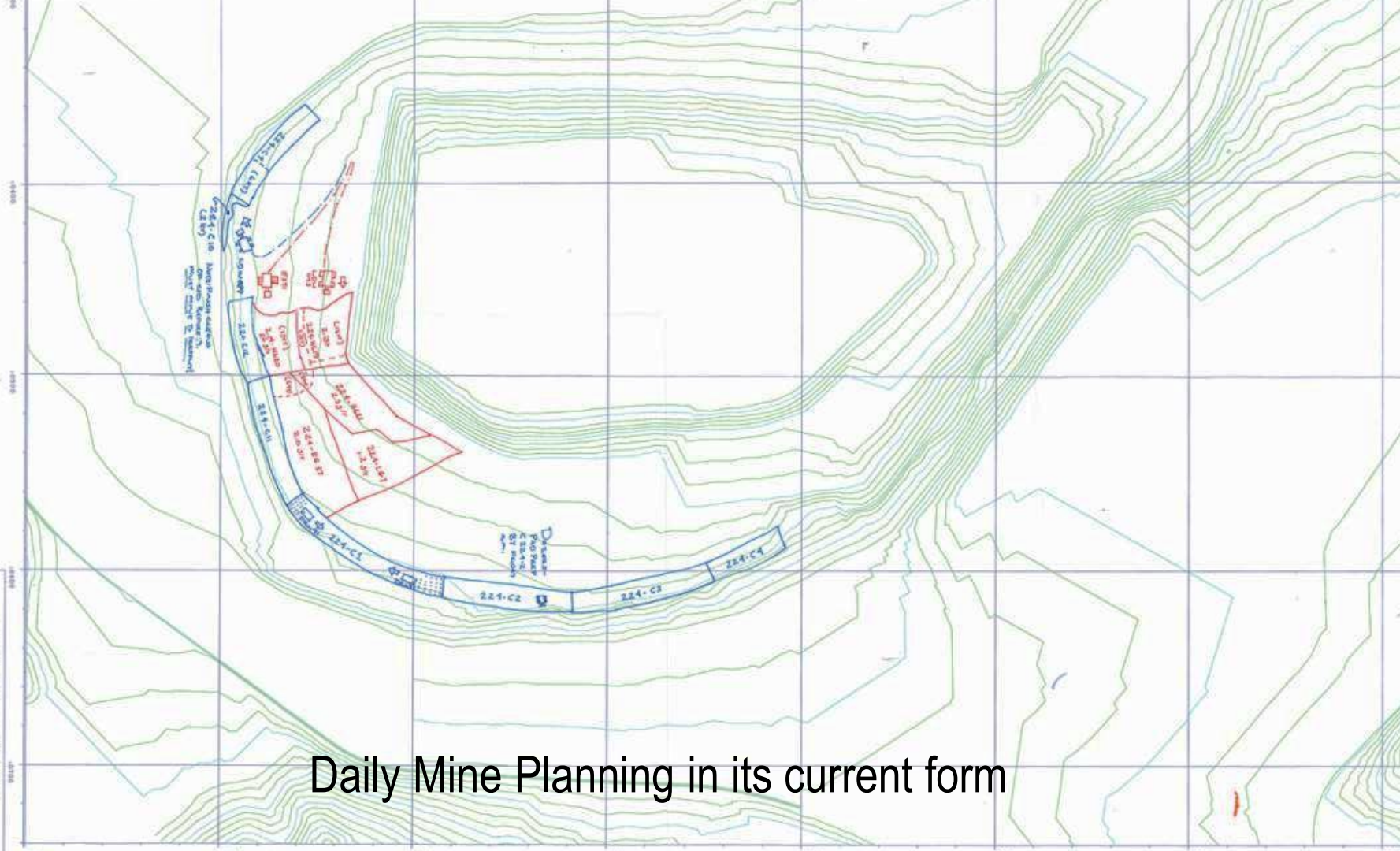
Logos for Open Pit Diamonds, Xpac Solution, and Lukoil (LUKOIL) Neftyanaya Kompaniya.

Logos for Haulsim, Anglo American, Volvo, Rio Tinto, Southern Copper Southern Peru, Eostra MCC, Modular, Antofagasta Minerals, Kwazi Group, and Glencore.

Logos for Xe Xeras for Enterprise, Dominion Diamond Corporation, Glencore, G-Resources, FMG, and Yancoal (Yan Coal Australia Pty Ltd).

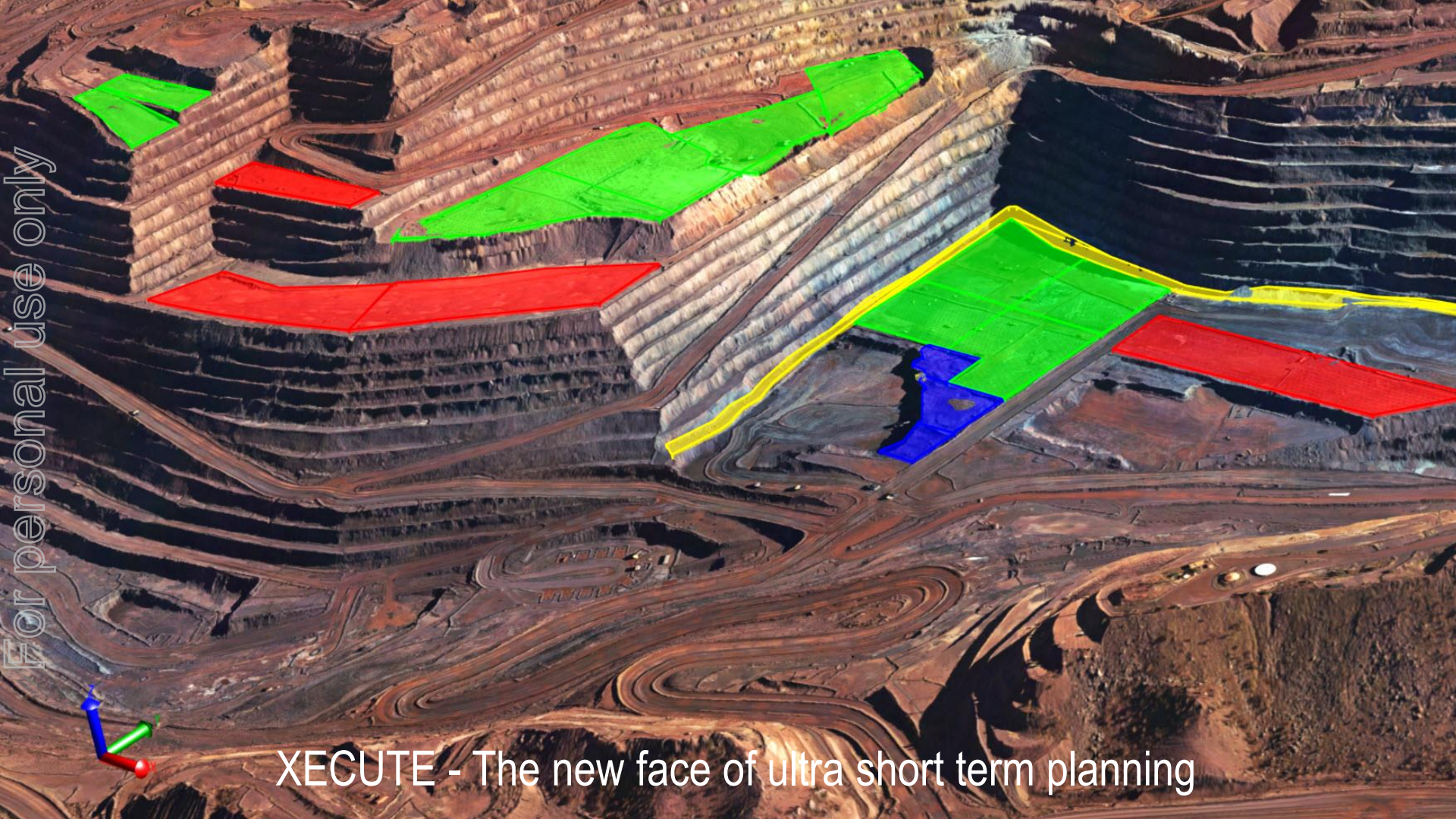
# Innovation

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Daily Mine Planning in its current form

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XECUTE - The new face of ultra short term planning

### ORIGINS

Loading Areas



## Simulation Applications

### DESTINATIONS



Crushers

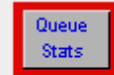
Dumping Area

### TRUCK FLEET



PC   
DA1   
DA1

#



Update  
Lines & Delays



Update  
Processes

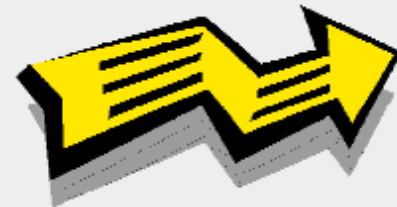


Update  
Statistics



Tons Crusher   
Tons Dumped   
Tons Stock  
Missions

### DISPATCH



# HAULSIM - The new face of mining simulation

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# XERAS 8

Home View Tools Enterprise

Cut Copy Paste Fill Calculate Full Calculate Calculate All Scenarios Calculate Structure

Drilldown Drillback Show Audit Audit Formula Audit Default Formula Audit Audit

Generate Cell References Browse Cell References Resolve Indirect Reference

Query Report Report Writer Reporting

Scenario Manager

Quick Chart Graph Charts

New Delete Open Close Save Sheets

Cell (1, 1) Type fx

Activity Pool System Resource Report: Banner - Banner X Report

System

- Style Sheet
- Model Control
- Version Control
- Chart of Accounts
- Financial Parameters
- Consumable Prices

Resource

- Equipment Inputs
- Equipment Resource
- Equipment Data
- Equipment Rosters
- Labour Inputs
- Labour Rosters
- Labour Cost Input
- Labour Numbers Input
- Production Cost Inputs
- Blasting Inputs
- Prod Cost Input
- Downstream Cost Inputs
- General Cost Input
- General Capital Input
- Capital Input
- Selling Prices Input
- Selling Prices

Pool

- Total Equipment:Agg
- M8750 Dragline:Equ
- P&H4100XPB:Equ
- HitachiEX 3500:Equ
- HitachiEX 5500:Equ
- Caterpillar988G:Equ
- Caterpillar992G:Equ
- Caterpillar994D:Equ
- Le TourneauL1800:Equ
- Caterpillar785C:Equ
- Caterpillar789C:Equ
- Caterpillar793C:Equ
- Caterpillar797:Equ
- Komatsu730 E:Equ
- Komatsu830 E:Equ
- Komatsu930 E:Equ
- CaterpillarD10R:Equ
- CaterpillarD11R:Equ
- KomatsuD475A-3:Equ
- Caterpillar854G:Equ
- Caterpillar16H:Equ
- Caterpillar24H:Equ
- Caterpillar777D - Watercart:Equ

Activity

- Total:Agg
- Mining:Agg
- Processing Costs:Agg
- Administration & Offsite Costs:Agg
- Infrastructure Capital:Agg
- No Costs:Agg

Report: Banner - Banner

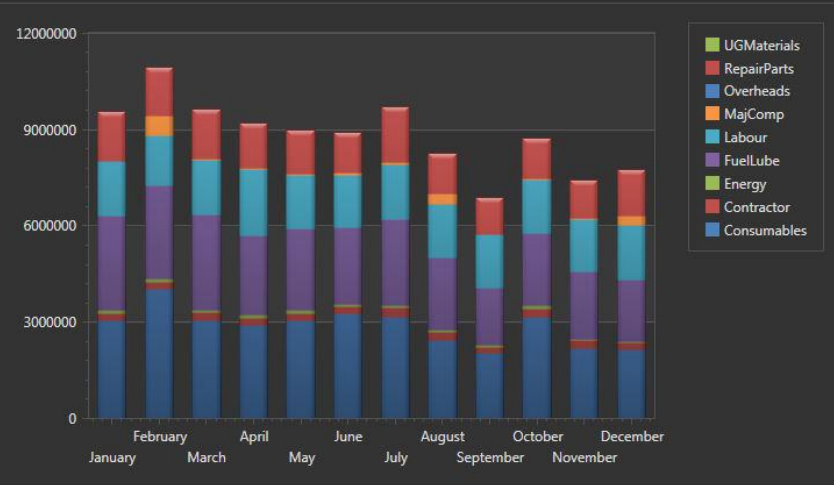
Code	Description	Units	seDa	Disc	NPVK	NPV	IRR	Y01	Y02	Y03	Y04	Y05	Y06	Y07	Y08	Y09	Y10	
Client	<b>Blue Sky Mining</b>																	
Project	Pre-feasibility Example																	
Model	Example Model																	
Job	9999							2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Scenario Results</b>																		
<b>Pessimistic Case</b>																		
Op01_Name	Pessimistic @ 0.1	AUD k			<b>Discount Rate</b>	<b>NPV (M)</b>	<b>NPV</b>	<b>IRR</b>	<b>Discounted Cash Flow</b>									
Op01_CF_1	Pessimistic @ 0.12	AUD k			10.0%	8,061	8,060,978	55.34%	(156,042)	(1,113,138)	279,690	458,415	934,379	814,097	737,106	651,577	612,312	556,218
Op01_CF_2	Pessimistic @ 0.15	AUD k			12.0%	6,490	6,490,133		(153,255)	(1,073,738)	264,972	426,538	853,879	730,675	649,759	564,109	520,649	464,506
Op01_CF_3	Pessimistic @ 0.15	AUD k			15.0%	4,762	4,762,005		(149,257)	(1,018,447)	244,771	383,741	748,165	623,513	540,000	456,588	410,418	356,810
Op02_Name	<b>BaseCase Case</b>				<b>Discount Rate</b>	<b>NPV (M)</b>	<b>NPV</b>	<b>IRR</b>	<b>Discounted Cash Flow</b>									
Op02_CF_1	BaseCase @ 0.1	AUD k			10.0%	10,950	10,949,600	65.85%	(146,930)	(1,096,706)	319,828	567,326	1,136,552	1,077,731	976,773	869,782	810,087	736,283
Op02_CF_2	BaseCase @ 0.12	AUD k			12.0%	8,860	8,859,565		(144,306)	(1,057,888)	302,998	527,875	1,036,634	967,293	861,026	753,023	688,817	614,891
Op02_CF_3	BaseCase @ 0.15	AUD k			15.0%	6,561	6,561,337		(140,542)	(1,003,413)	279,899	474,911	910,046	825,428	715,579	609,494	542,982	472,556

Report

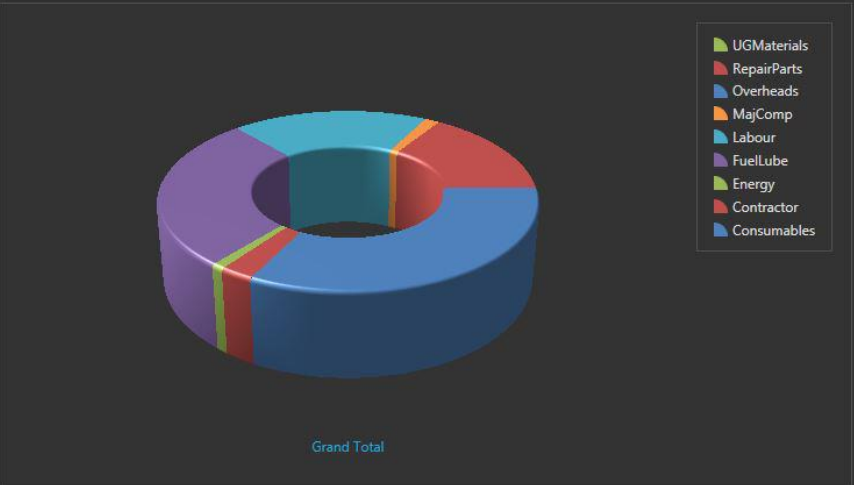
- Revenue
- Fleet Reports
- Process Costs
- CashFlow
- Banner



Total Expenditure by Type



Total Expenditure Pie



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Initialize Model

Update Corporate Assumptions

Review Mine Plan

Update Equipment Costs

Update Employee Costs

Update Production Costs

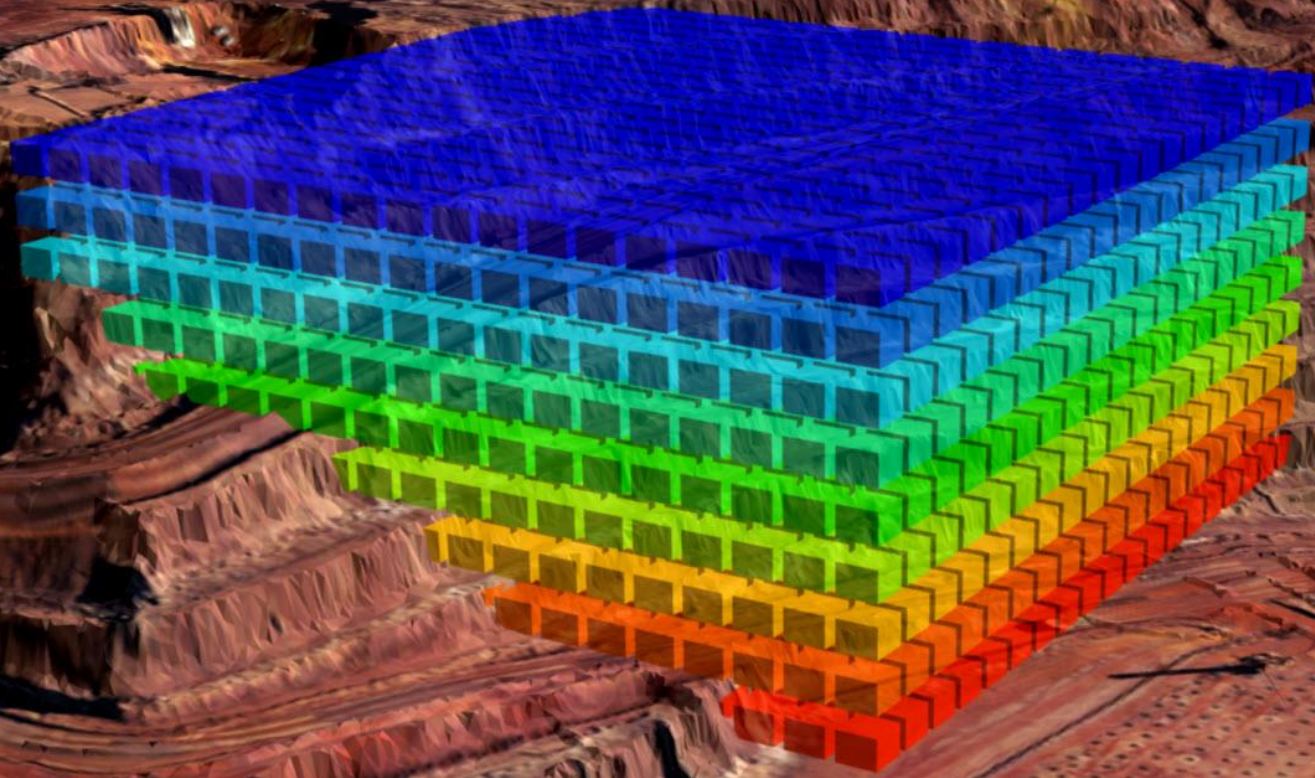
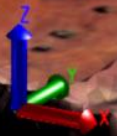
Update Administration Costs

Review Maintenance Cost Allocations

Review Standard Reports

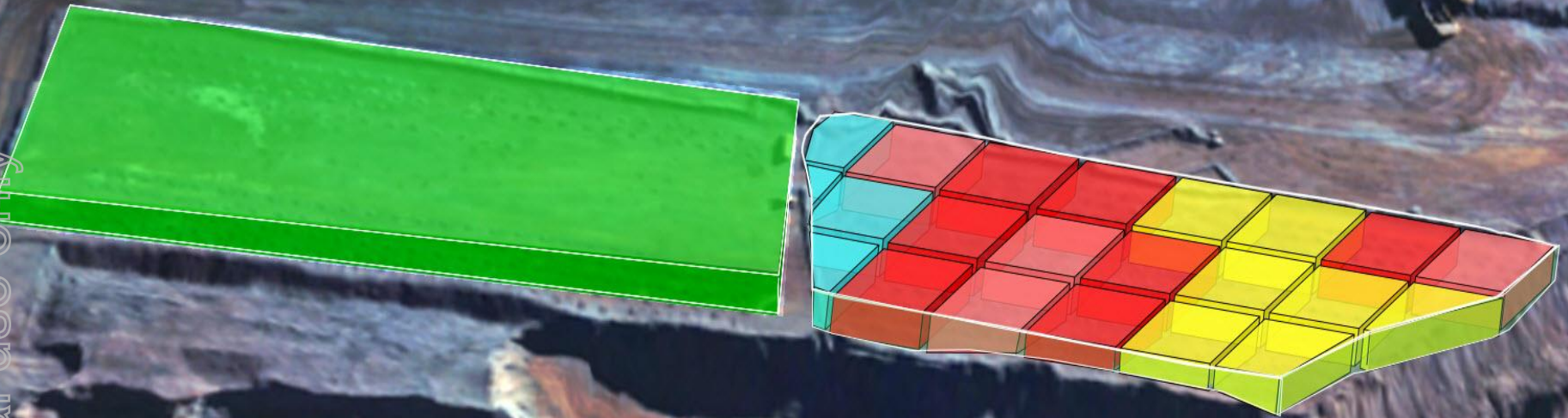


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Spatial Database

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Voxelisation

# Specific software focus for next nine months - Coal

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