

RPMGLOBAL

# FY2020 HALF YEAR REVIEW

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# RPM GLOBAL

## INTELLIGENT MINING

### GLOBAL CLIENT BASE

COAL & ENERGY IRON ORE  
COPPER, GOLD & METALS  
OIL, POTASH, DIAMONDS



### GLOBAL COMMODITY LEADERS

**50** YEARS | **125** COUNTRIES

**22** OFFICES  
GLOBALLY



### OUR VALUES

DRIVE OUR VISION  
TO TRANSFORM THE  
MINING INDUSTRY  
FOUNDATIONS



TO INCREASE  
ECONOMIC AND  
EFFICIENCY YIELDS

OPERATING  
ENVIRONMENT AND  
PERSONNEL SKILLSET



WE VALUE OUR HISTORY, OUR EXPERIENCE,  
OUR PEOPLE AND OUR INNOVATION

### DIGITAL CONNECTED MINE



DELIVER VISIBILITY,  
TRANSPARENCY AND  
CONTROL ACROSS THE  
MINING VALUE CHAIN

MAXIMISE  
PROFITABILITY &  
PERFORMANCE



### ENTERPRISE PLATFORM

INDUSTRY STANDARD, STRATEGIC PARTNERSHIPS  
INTEGRATED APPLICATIONS

## COAL

RPM software is used on all 6 coal producing continents.



## IRON ORE

60% of the world's export iron ore is scheduled using RPMGlobal software



## GOLD

The top 10 gold miners in the world use our software across their global operations



## OIL SANDS

All of Canada's oil sands mines uses RPMGlobal scheduling software



## ZINC

Some of the world's largest zinc producers use RPMGlobal planning and financial software.



GLENCORE

## DIAMONDS

The world's largest diamond miners utilise software from RPMGlobal across their operations.



RioTinto



## URANIUM

The world's largest uranium mines use RPMGlobal specialised software and expert consultants.



RioTinto



## COPPER

4 out of the world's top 5 copper producers rely on RPMGlobal software and consultancy services.



Teck



GLENCORE

# Diversified Client Base

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Global Resource Leaders			
Global Commodity Leaders			
Coal & Energy	Iron Ore	Copper, Gold and Metals	Oil, Potash, and Diamonds
Global Mining Contractors			
Original Equipment Manufacturers			
Financial Institutions			

# ADVISORY

## INVESTOR SERVICES

**550+** INVESTOR SERVICES PROJECTS PAST 5YRS

**\$60**

BILLION EQUITY MARKET TRANSACTIONS

40+ IE LENDERS  
**ENGINEER ENGAGEMENT**



WORKING WITH THE  
**TOP 10**  
LEADING GLOBAL COMMERCIAL AND INVESTMENT BANKS

WORKING FOR ALL MAJOR MINING PRIVATE EQUITY FIRMS

SUPPORT FOR \$15 BILLION SUCCESSFUL MINING M&A DEALS (ESPECIALLY NORTH ASIA TO THE WORLD)

>300 TECHNICAL REVIEWS\*

PARTNERING WITH ALL KEY SOVEREIGN WEALTH FUNDS



**30+** EXPERT WITNESS CASES

\*PAST FIVE YEARS GLOBALLY

## OPERATIONAL SERVICES

**150+**



OPERATIONAL SERVICES PROJECTS\*

**\$35M**

CAPEX SAVINGS IN FLEET FOR A SINGLE ASSET



**30%**

INCREASE IN RESERVES FROM ADDITION OF BLENDING IN LATERITIC DEPOSIT

**10% DECREASE IN CONGESTION**



**>120** MINE PLANNING STUDIES\*

**LEADER IN COAL BED METHANE ASSESSMENT**

\*PAST FIVE YEARS GLOBALLY

## PROJECT SERVICES

**620+** MINING SERVICES PROJECTS  
**OVER 65** PFS/FS

**OVER 40 UNDERGROUND METAL STUDIES**

**OVER 100** NI 43-101/JORC RESOURCE STATEMENTS\*



**EQUAL CAPABILITY FOR COAL AND METALS PROJECTS**



**OVER 50** CONCEPTUAL AND SCOPING STUDIES

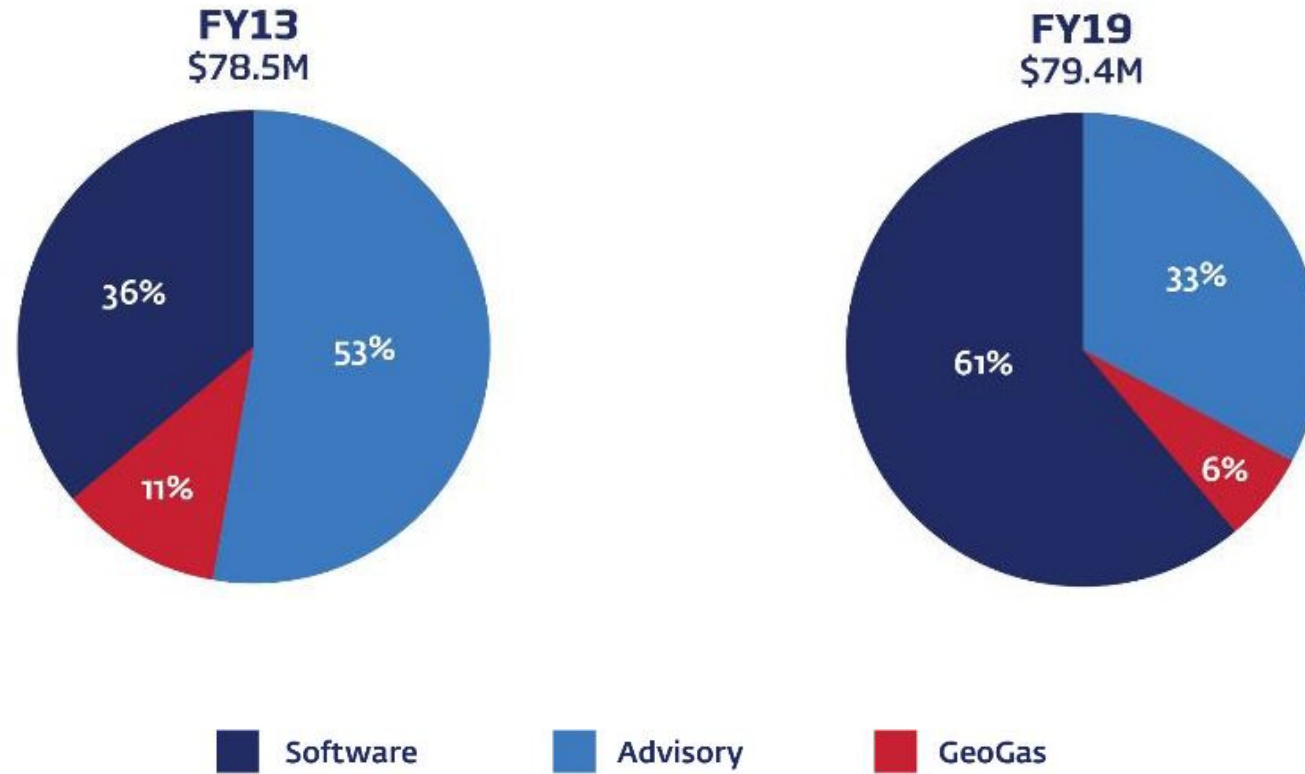
OVER 150 EXPLORATION, GEOLOGICAL ADVICE AND REVIEWS

INTRODUCTION OF MODERN PLANNING AND TECHNOLOGY PRACTICES IN 5 DEVELOPING COUNTRIES

**OVER 80 NI 43-101/JORC RESERVE STATEMENTS\***

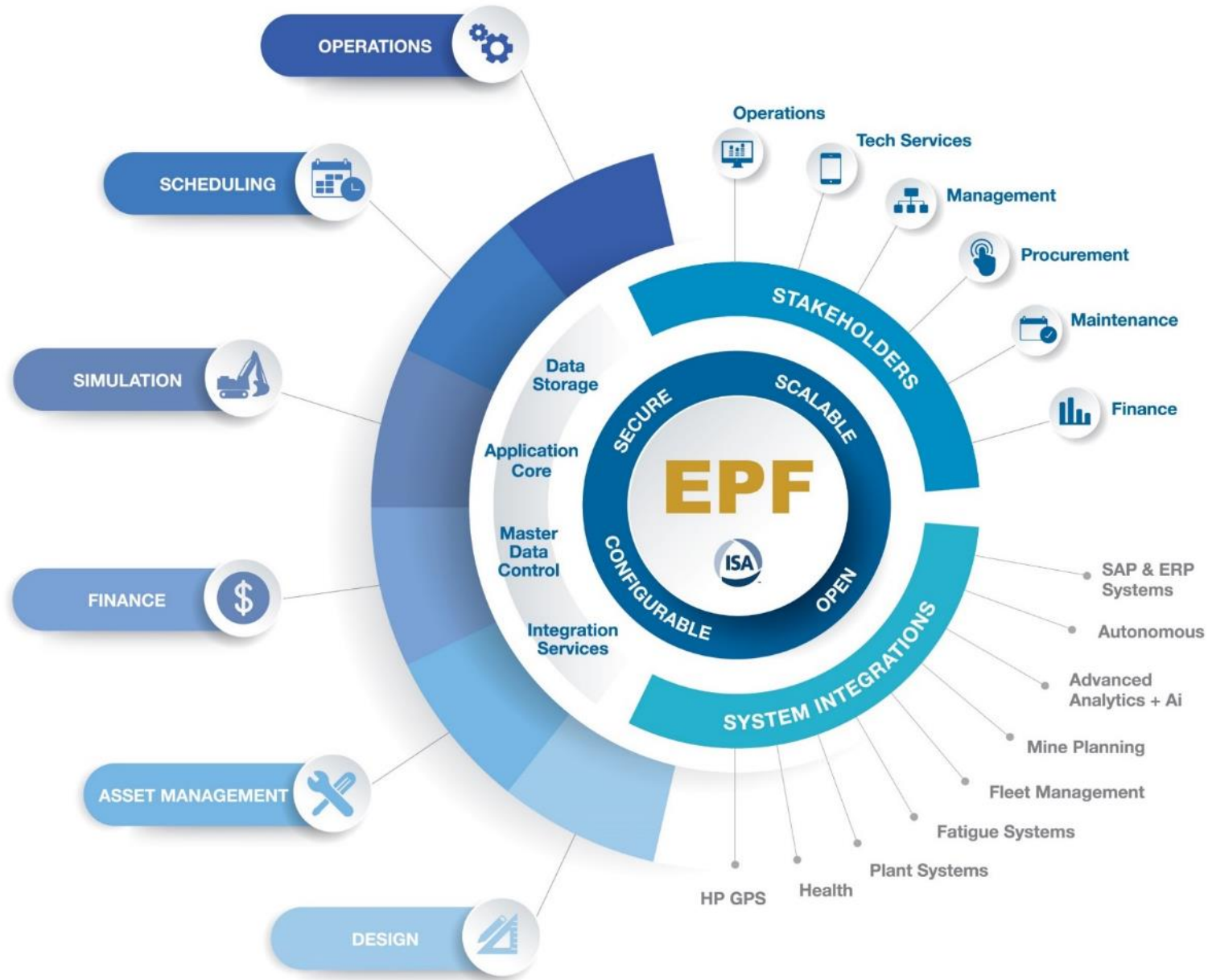
\*PAST FIVE YEARS GLOBALLY

# Historical Comparative Revenue by Division (FY2013 v FY2019 Comparative)

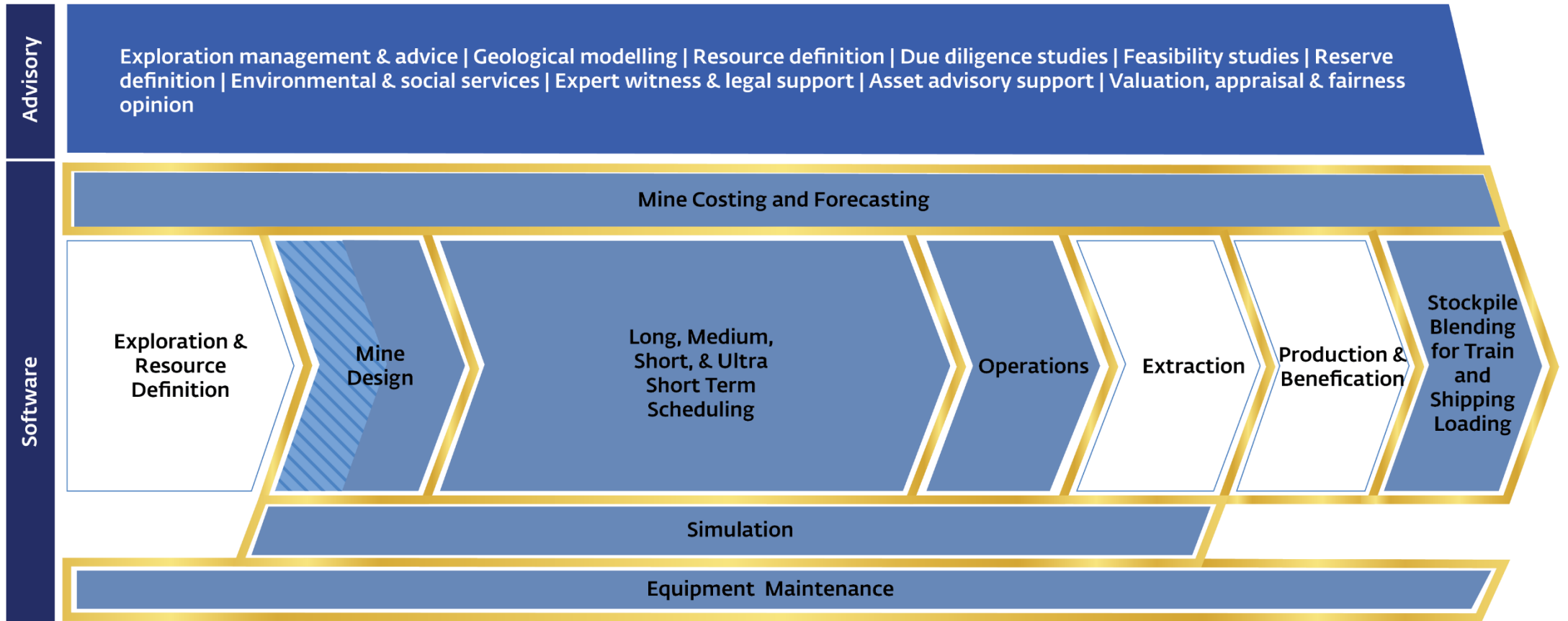


# Our Intelligent Mining Platform

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**INTELLIGENT  
MINING**  
RPMGLOBAL



### Legend

- RPM Software Capabilities
- Intergration points between RPM software as well as key partners solutions
- In development



# FINANCIAL SUMMARY

A\$'m	1H20	2H19	\$ Var	% Var	1H19	\$ Var	% Var
Subscriptions	3.9	1.6	2.3	144%	0.8	3.1	388%
Annual Software Support	10.9	10.9	-	-	10.9	-	-
Perpetual Licences	2.6	7.0	(4.4)	(63)%	5.0	(2.4)	(48)%
Laboratory Testing	2.3	2.2	0.1	5%	2.0	0.3	15%
Advisory and Consulting Services	21.4	21.4	-	-	17.7	3.7	21%
<b>Revenue</b>	<b>41.1</b>	<b>43.1</b>	<b>(2.0)</b>	<b>(5)%</b>	<b>36.4</b>	<b>4.7</b>	<b>13%</b>
Direct Costs	(4.6)	(3.9)	(0.7)	18%	(3.0)	(1.6)	53%
<b>Net Operating Revenue</b>	<b>36.5</b>	<b>39.2</b>	<b>(2.7)</b>	<b>(7)%</b>	<b>33.4</b>	<b>3.1</b>	<b>9%</b>
Field Expenses	(21.7)	(21.8)	0.1	-	(20.7)	(1.0)	5%
Development Expenses	(5.8)	(6.4)	0.6	(9)%	(6.4)	0.6	(9)%
Corporate Expenses	(4.4)	(4.5)	0.1	(2)%	(4.2)	(0.2)	5%
Rent Expenses *	(0.3)	(1.8)	1.5	(83)%	(1.7)	1.4	(82)%
<b>Operating EBITDA</b>	<b>4.3</b>	<b>4.7</b>	<b>(0.4)</b>	<b>(9)%</b>	<b>0.4</b>	<b>3.9</b>	<b>975%</b>
Depreciation & Amortisation *	(3.2)	(2.0)	(1.2)	60%	(2.0)	(1.2)	60%
Foreign Exchange Gains/(Losses)	(0.2)	0.1	(0.3)	-	0.5	(0.7)	-
Net Finance and Fair Value Costs *	(0.1)	0.1	(0.2)	-	(0.1)	-	-
<b>Operating Profit/(Loss) Before Tax</b>	<b>0.8</b>	<b>2.9</b>	<b>(2.1)</b>	<b>(72)%</b>	<b>(1.2)</b>	<b>2.0</b>	<b>-</b>
<b>Net Profit/(Loss) After Tax</b>	<b>0.5</b>	<b>(4.2)</b>	<b>4.7</b>	<b>-</b>	<b>(1.7)</b>	<b>2.2</b>	<b>-</b>

\* The operating expenses, depreciation and finance income in 1H20 in this report are presented under the new standard AASB 16.

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# FINANCIAL SUMMARY NARRATIVE

- Gross revenue increased by 13% and net revenue increased by 9% on the prior corresponding half year.
- The Advisory and consulting division's net revenue grew 21% over 1H19, with the division's financial contribution increasing by \$1.5m to \$2.1m (1H19: \$0.6m) and its contribution as a percentage of net revenue growing 216% to 19% (1H19: 6%).
- The Software division's net revenue grew by 4% on the prior corresponding half with perpetual license sales dropping 48%, subscription revenue growing 388% and both support revenue and consulting revenue remaining steady.
- The Company's Annual Recurring Revenue (ARR) from software subscriptions at the date of this report is \$10.7m p.a. up from \$4.3m at 30 June 2019.
- The Company' Total Contracted Value (TCV) from new software subscriptions sold year-to-date is \$21.5m of which only \$1.8m was recognised in the first half year financials.
- The Company has sold \$4.1m year-to-date of new perpetual license sales of which only \$3.5m will be recognised in FY2020.
- Research and Development costs dropped 9% from the previous half year to \$5.8m.
- Operating costs (excluding rent) increased by only 2% to \$31.9m (1H19: \$31.3m).
- Operating EBITDA increased by \$3.9m to \$4.3m (1H19: \$0.4m).
- As at 31 December 2019, the Company had \$24.6m in cash (and no debt) after having paid out \$1.9m in acquisition earn-outs (iSolutions: \$1.7m, MinVu: \$0.2m) during 1H20. The remaining value of acquisition earn-outs is \$0.8M. As at the date of this report the Company has \$32.9m in cash (and no debt).
- Cash outflow from operations for the first six months (which is always a lower cashflow half due to the majority of annual software support payments (approximately \$20m) being received in the second half) was \$0.7m.

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# BALANCE SHEET

A\$m	Dec-19	Jun-19	\$ Var	% Var
Cash	24.6	28.2	(3.6)	(13)%
Receivables and WIP	19.9	23.9	(4.0)	(17)%
Property, Plant and Equipment	2.1	1.7	0.4	24%
Right-of-Use Assets	4.3	-	4.3	-
Intangibles	32.8	34.2	(1.4)	(4)%
Deferred Tax	2.7	2.7	-	-
Prepayments, Deposits, etc	3.9	2.8	1.1	39%
<b>Total Assets</b>	<b>90.3</b>	<b>93.5</b>	<b>(3.2)</b>	<b>(3)%</b>
Trade Payables	(5.5)	(7.9)	2.4	(30)%
Provisions - Employees	(5.4)	(5.2)	(0.2)	4%
Provisions - Other	(0.3)	(0.6)	0.3	(50)%
Contingent Consideration	(0.8)	(2.4)	1.6	(67)%
Unearned Income	(12.1)	(17.1)	5.0	(29)%
Right-of-Use Lease Liabilities	(4.7)	-	(4.7)	-
Tax payable, lease incentives	(0.2)	(0.6)	0.4	(67)%
<b>Total Liabilities</b>	<b>(29.0)</b>	<b>(33.8)</b>	<b>4.8</b>	<b>(14)%</b>
Share Capital	88.8	87.9	0.9	1%
Reserves and Accumulated Losses	(27.5)	(28.2)	0.7	(2)%
<b>Total Equity</b>	<b>61.3</b>	<b>59.7</b>	<b>1.6</b>	<b>3%</b>

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# CASHFLOW

<i>\$'m</i>	1H20	2H19	1H19
Net Cash Opening	28.2	19.9	23.3
<b>Cash from Operations</b>	<b>(0.7)</b>	10.1	-
<b>Rent</b>	<b>(1.4)</b>	(1.4)	(1.4)
Payments for:			
Property Plant & Equipment	(0.6)	(0.4)	(0.3)
Software Acquisitions	(2.0)	(0.5)	(2.3)
	<b>(2.6)</b>	(0.9)	(2.6)
Proceeds from:			
Exercise of Options	0.9	0.1	0.1
<b>Net Increase/(Decrease) in Cash</b>	<b>(3.8)</b>	7.9	(3.9)
FX Restatement	0.2	0.4	0.5
<b>Net Cash Closing</b>	<b>24.6</b>	<b>28.2</b>	<b>19.9</b>

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# MANAGEMENT COMMENTS

We continue to see a smooth transition from perpetual software license sales to multi-year subscription revenue. Pleasingly in 1H20 the Company's underlying EBITDA (\$4.3m) was greater than the value of one-off perpetual license sales (\$2.6m) meaning the Company is not dependent on perpetual licenses to be EBITDA positive.

The move to subscription revenue continues to gain momentum with the Company's calendar year 2020 pipeline of subscription deals particularly strong especially for the new products which have been released to the market in recent years.

We are very pleased with the momentum of :

- RPM's Short Interval Control product (XECUTE) which has been purchased by six customers in FY2020 to-date and has a very impressive pipeline; and
- RPM's Enterprise Simulation product (SIMULATE) which is quickly becoming the de-facto standard for the Global Original Equipment Manufacturers (OEMs) after previous years' sales to Volvo (2015), Komatsu (2017), Hitachi (2018) and more recently Caterpillar (early 2020).

The Company has added eleven (11) new software customers this year and expects that number to increase.

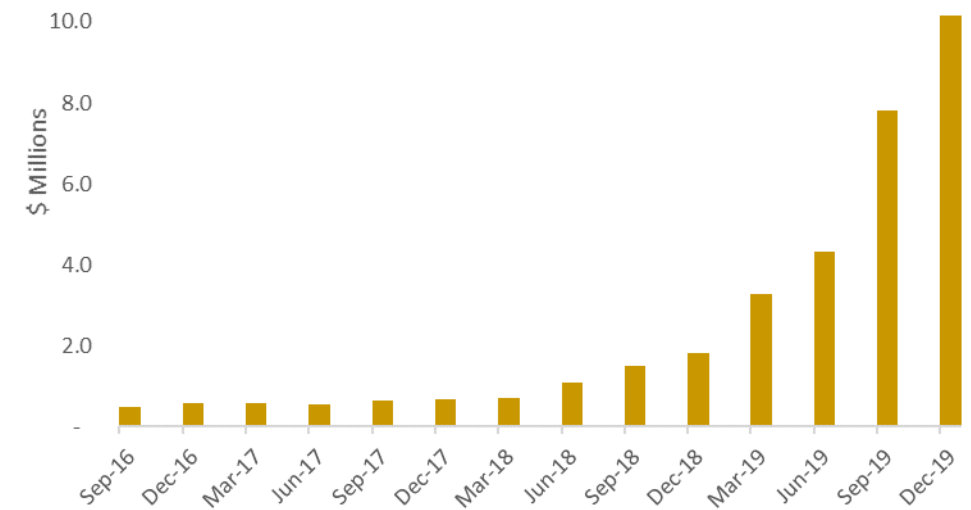
Significant progress has been made on the development of our new Design products with the release of "Underground Metals" in 1H20 and the soon to be released "Open Pit" and "Underground Coal" versions.

The Company is extremely pleased with the market response to these innovative, state-of-the-art and ground-breaking products. In management's view, there is little doubt that these parametric design-based products will change the way mine engineers visualise and evaluate multiple mining scenarios so as to identify the most economic and profitable mine plan available to them.

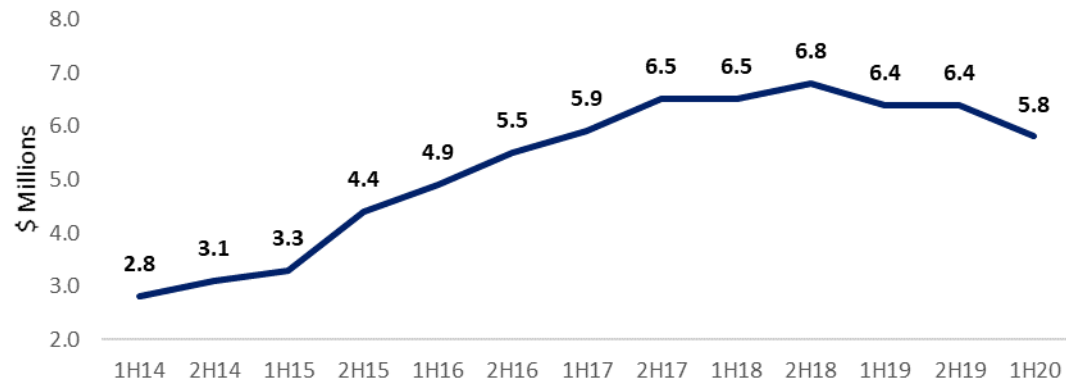
# SOFTWARE DIVISION

A\$m	1H20	2H19	\$ Var	% Var	1H19	\$ Var	% Var
Consulting	6.4	6.2	0.2	3%	6.4	-	-
Subscriptions	3.9	1.6	2.3	144%	0.8	3.1	388%
Perpetual Licences	2.6	7.0	(4.4)	(63)%	5.0	(2.4)	(48)%
Support	10.9	10.9	-	-	10.9	-	-
<b>Software Revenue</b>	<b>23.8</b>	<b>25.7</b>	<b>(1.9)</b>	<b>(7)%</b>	<b>23.1</b>	<b>0.7</b>	<b>3%</b>
Direct Expenses	(0.9)	(0.6)	(0.3)	50%	(1.1)	0.2	(18)%
<b>Net Revenue</b>	<b>22.9</b>	<b>25.1</b>	<b>(2.2)</b>	<b>(9)%</b>	<b>22.0</b>	<b>0.9</b>	<b>4%</b>
Operating Expenses	(12.0)	(12.3)	0.3	(2)%	(11.5)	(0.5)	4%
<b>Gross Contribution</b>	<b>10.9</b>	<b>12.8</b>	<b>(1.9)</b>	<b>(15)%</b>	<b>10.5</b>	<b>0.4</b>	<b>4%</b>
Software Development	(5.8)	(6.4)	0.6	(9)%	(6.4)	0.6	(9)%
<b>Contribution</b>	<b>5.1</b>	<b>6.4</b>	<b>(1.3)</b>	<b>(20)%</b>	<b>4.1</b>	<b>1.0</b>	<b>24%</b>

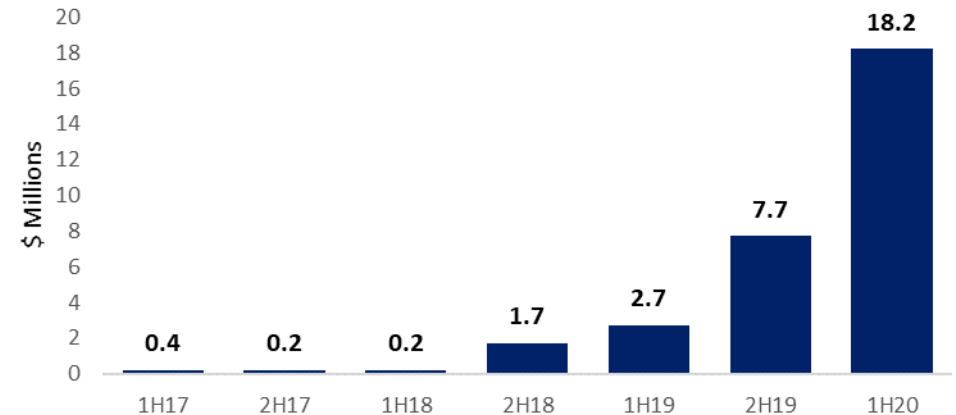
## Subscription Annual Recurring Revenue



## Research & Development Expense



## Subscription Sales (Total Contract Value)



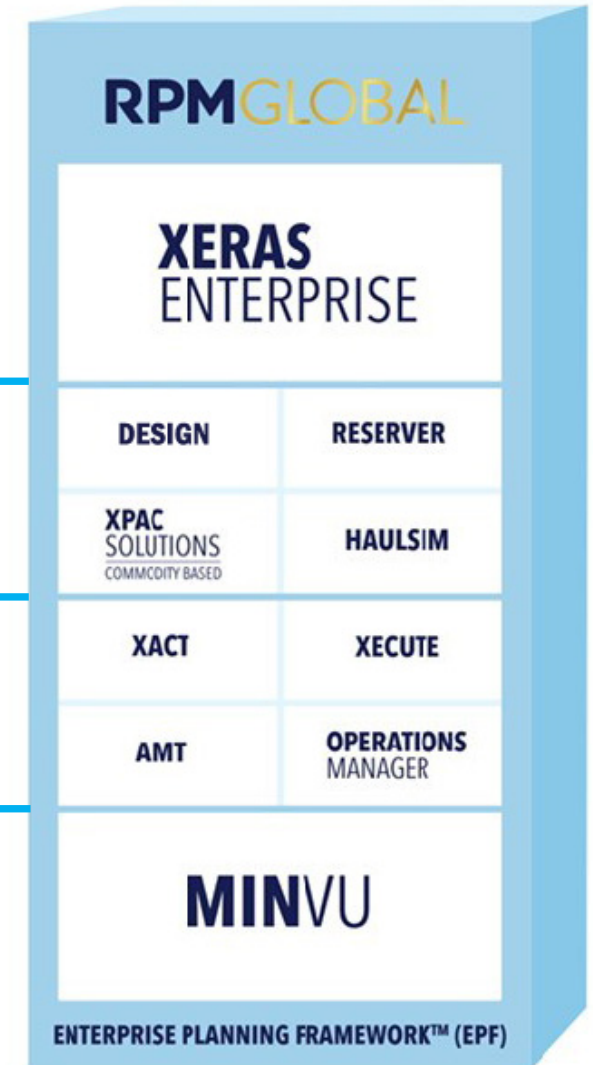
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# SOFTWARE STRATEGY

*Deliver a complete Commercial-off-the-Shelf Enterprise Planning Framework built on open industry standards.*

*Release simplified, standardised, **integrated and optimised** solutions for different commodities and mining methods which cover the full mining value chain.*

*Provide software solutions that deliver a step change in mining productivity through **investments in innovation.***



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# RPMGLOBAL

**21** NEW PRODUCTS



**7** ACQUISITIONS



**> 100** NEW INTEGRATION ADAPTORS

**300%** INCREASE IN DEVELOPMENT RESOURCES



**\$130M+** INVESTMENT IN TECHNOLOGY

**1** ENTERPRISE PLATFORM



# NEW PRODUCT ADOPTION - FY2020

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HAULSIM



DETOUR GOLD



nexa

XECUTE



Teck



XERAS



HUDBAY

AMT



SIMULATE



OPMS | XPAC SOLUTIONS



SDCS | XPAC SOLUTIONS



UGCS | XPAC SOLUTIONS





**KOMATSU 4D**  
Equipment Simulation



**CATSIM**  
Equipment Simulation



**VOLVO SITE SIMULATION**

Volvo Construction Equipment

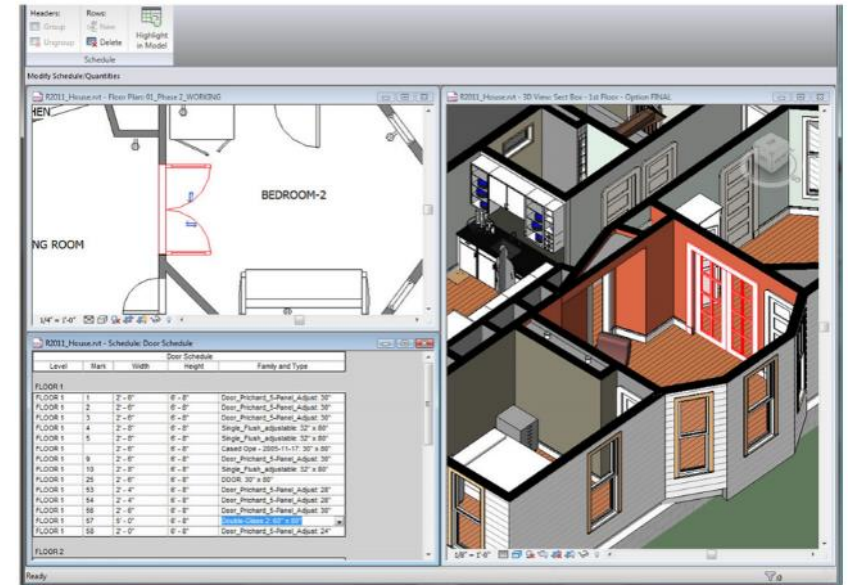


**HITACHI**  
MINING PRODUCTION  
CALCULATOR

# Parametric modelling / design

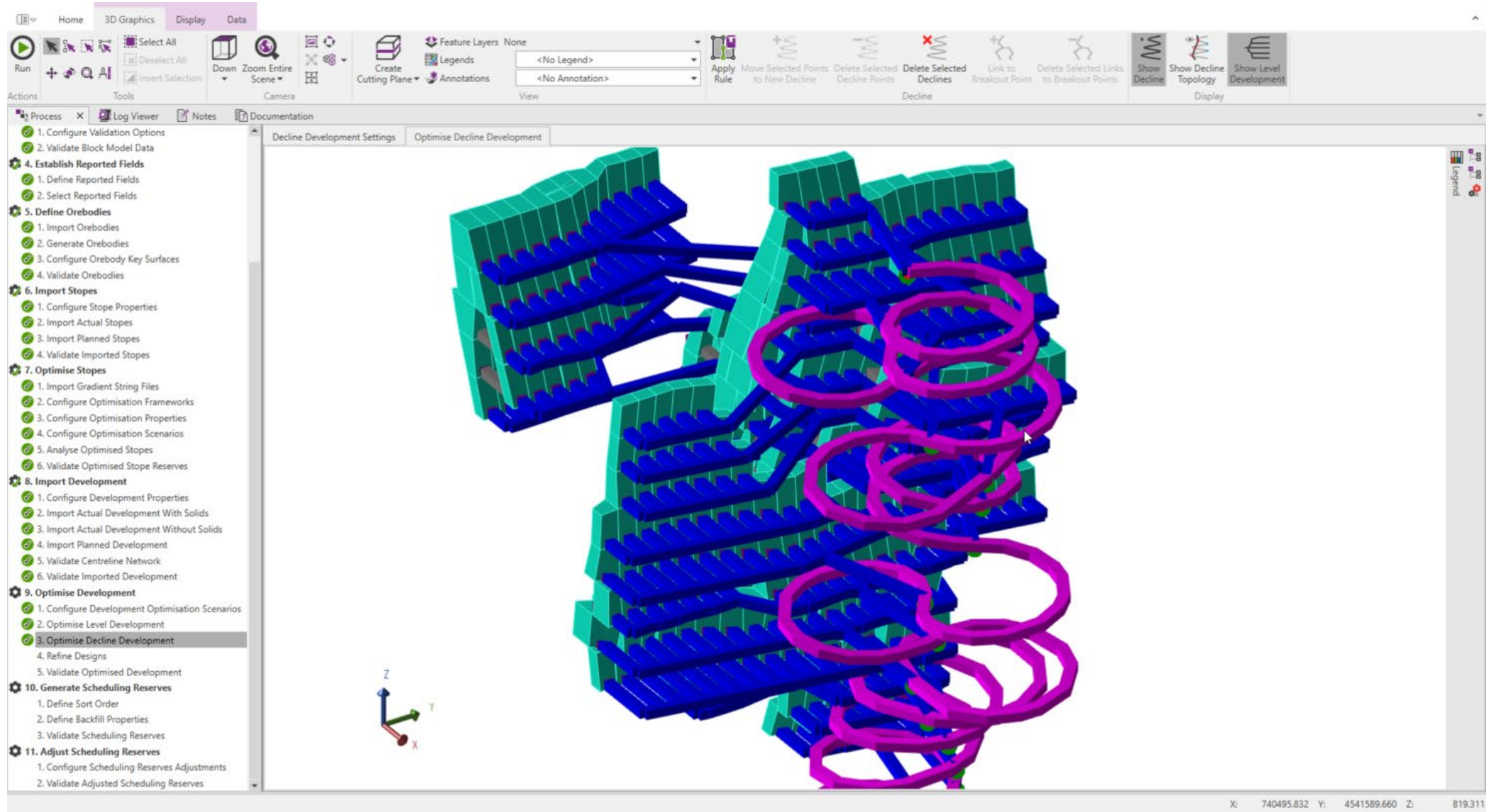
Parametric modelling and design allows users to change key parameters in a complex system and understand the impact of those changes

Parametric modelling and design is not new in other industries (for example construction) however until now it has not been harnessed within mining



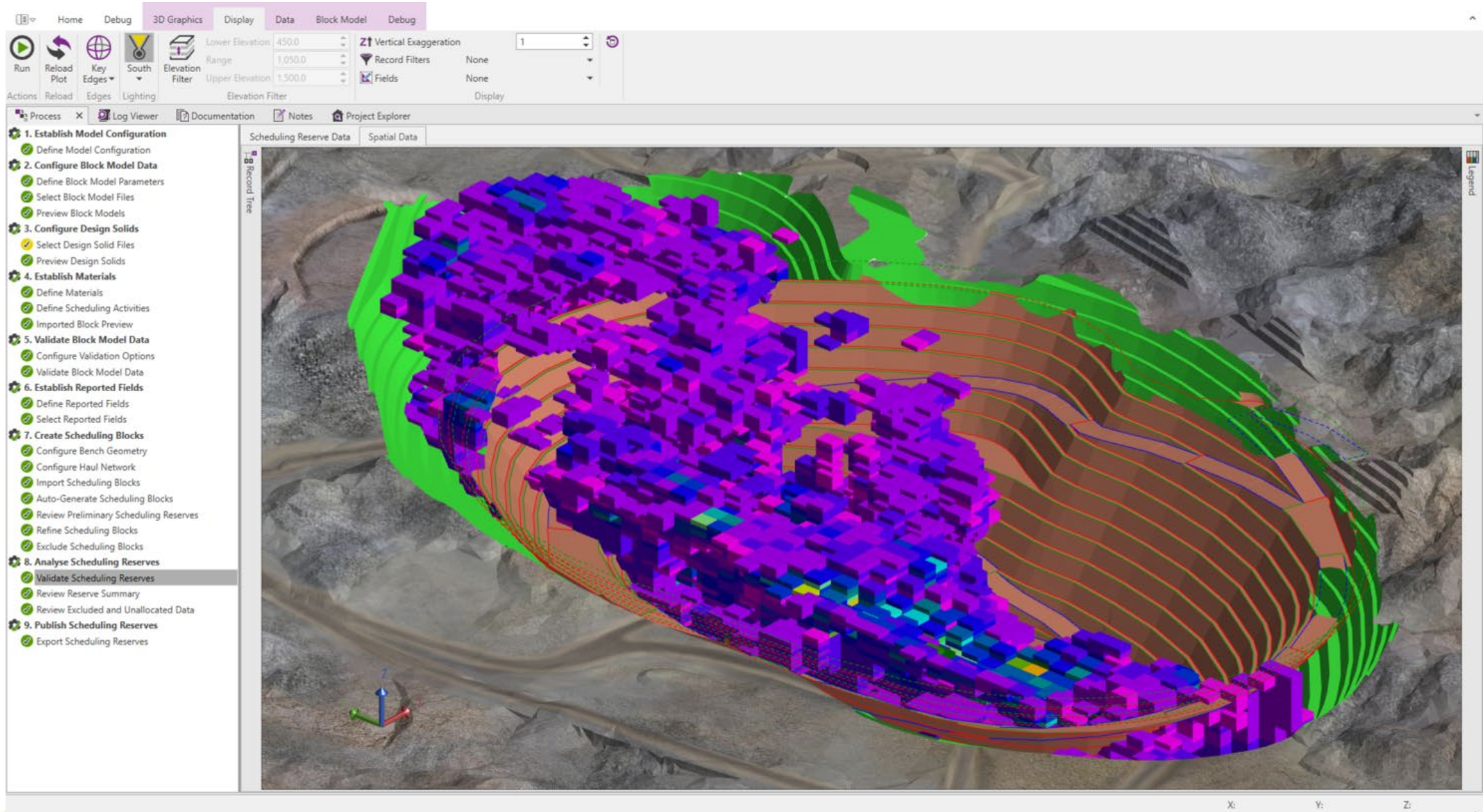
# Design – Underground Metals

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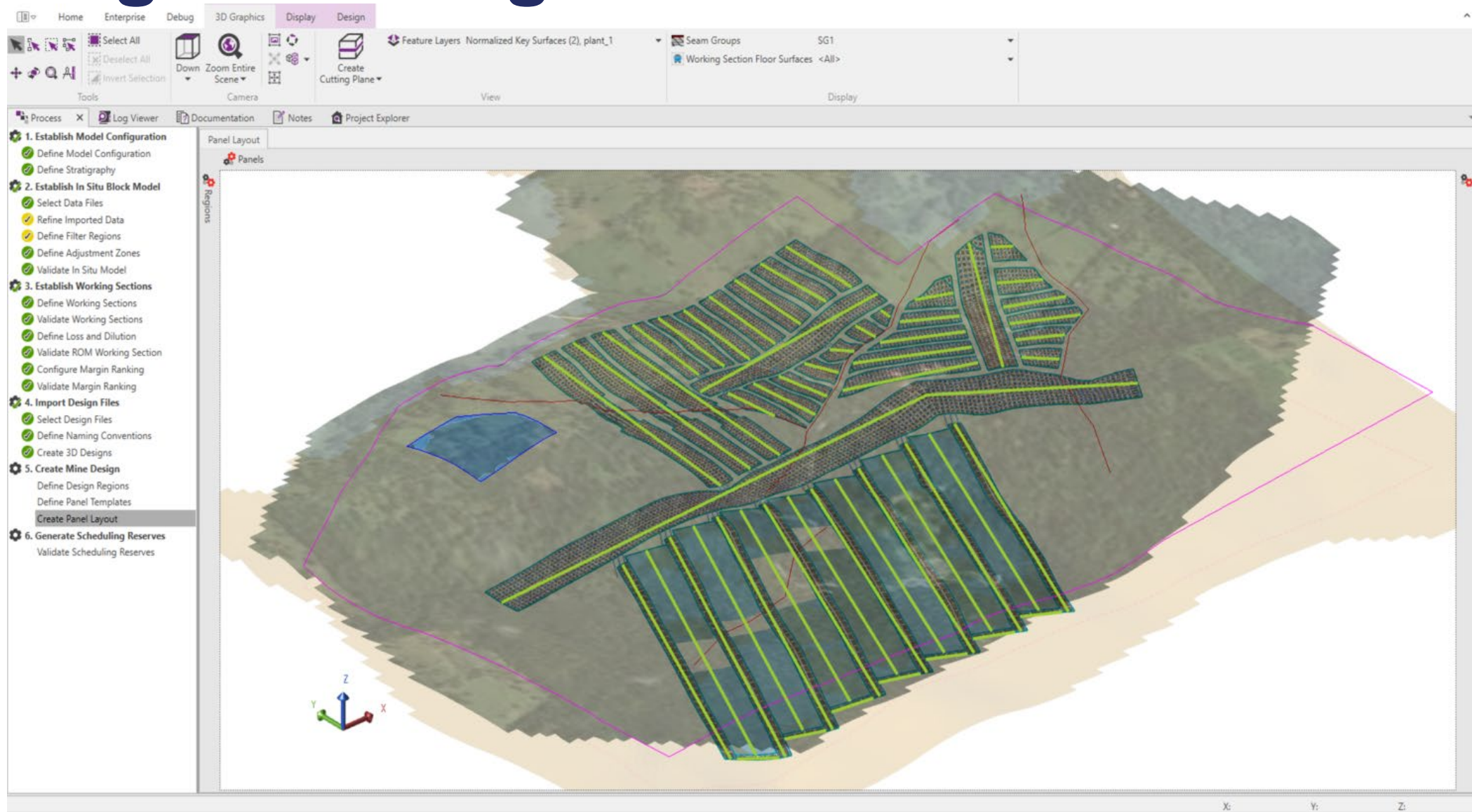
# Design – Open Pit Metals

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# Design – Underground Coal

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# OUTLOOK

The move to software subscription licensing is likely to accelerate as we offer this pricing alternative to our current customers.

The slow but steady acceptance by mining companies of technical enterprise software products plays to our competitive strengths and endorses the investments we have made over the last six years.

We remain confident that our mobile equipment simulation products (HAULSIM / SIMULATE) will become the de-facto standard for the industry in calendar year 2020 and believe our ultra-short term scheduling product (XECUTE) has the same potential over the next few years.

The decision to extend our offerings into the area of “Design” (which we announced in March 2019) is proving to be a positive one. Given the feedback we have received from mining companies we now believe these software offerings will over time replace the common outdated approaches of the past.

Six months ago we said “It feels like we are one year through a two-to-three year subscription transition” it now feels like “we only have another four months to go”.

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*The material in this presentation is a summary of the results of RPMGlobal Holdings Limited (RPM) for the six months ended 31 December 2019 including historical financial information from prior half year's results as announced to the market and an update on RPM's business and activities and is current at the date of preparation, 24 February 2020. Further details are provided in RPM's Appendix 4D - Half Yearly Results - 31 December 2019 released to the market on 24 February 2020 and RPM's Appendix 4E and Annual Report for the full year ended 30 June 2019 released on 23 August 2019.*

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