

## ASX Announcement

### Dynamic 193% increase in Revenue and 178% in EBITDA

Dynamic Group Holdings Limited (ASX: DDB) ("Dynamic" or the "Company") is pleased to announce a strong financial performance in the first half of FY 2022, underpinned by impressive performances by both Company divisions.

#### Highlights

- Strong 1H FY22 Revenue of A\$34.7m and EBITDA of A\$8.1m delivered an impressive 193% and 178% increase from 1H FY21
- Well-supported by a strong balance sheet with A\$10.1m in cash, trade receivables of A\$10.4m and access to undrawn facilities A\$7.3m
- Performance highlights continued delivery of operational and financial growth since listing
- 18 active projects being supported by drill rig fleet of 39, with 240+ personnel
- Well positioned to service the rapidly growing WA mining sector, with strong projected growth forecasts for commodities, such as gold, lithium, nickel and copper
- Significant pipeline of growth opportunities, with a strong level of enquiry for short, medium and long-term projects
- Growth opportunities continuing to be evaluated, including the assessment of value accretive acquisitions

Commenting on the solid operational performance and another half of improved earnings and growth, Dynamic Group Holdings Non-Executive Chairman Mr Garret Dixon said, "This is a very pleasing result. Execution of our detailed growth strategy has created a strong platform for a very exciting year ahead. We will look to capitalise on our impressive and integrated service offering to continue to build Company size and scale to grow shareholder value."

"We are operating in a challenging supply environment which management has navigated well. The Company continues to receive a strong level of demand for our services and through a large fleet of rigs and 240-plus personnel, are very well-placed to transition our significant pipeline of tender opportunities into future work and service the growing demand across the WA mining sector."

#### Financial Performance

Dynamic has delivered:

- 1H FY 22 revenue of A\$34.7m, a 193% increase from 1H 21 revenue, leading to a 1H FY 22 EBITDA of A\$8.1m, a 178% increase from 1H 21 EBITDA.
- 1H FY 22 NPAT (Normalised) of \$A3.4m a 185% increase from 1H FY 21 NPAT of \$A1.2m<sup>1</sup>

The strong financial performance highlights the resilience of the Company during a difficult period imposed by COVID-19 constraints, which has and continues to make access to personnel and equipment difficult. Dynamic has assembled a highly experienced team which has grown to



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over 240 personnel and provided the necessary capacity to ensure ongoing, successful outcomes for the Company's growing client base.

### Operational Performance

During 1H, a wide base of projects were either continued or commenced across a diverse set of projects including gold, lithium, iron ore, civil / construction, nickel and copper.

The Drill and Blast Division delivered a high-level of execution, completing key milestones on a number of key projects. Multiple short-term projects were also undertaken.

Due to the ongoing demand and growing pipeline of tender opportunities, the Company purchased 3 additional drill rigs during the half, with latent capacity introduced to be deployed.

The Exploration Drilling Division (Orlando Drilling Pty Ltd) also experienced significant demand across long and short-term projects.

Orlando was selected by Global Lithium Resources (ASX:GL1) to complete a 60,000m RC drill program at their Marble Bar Project, which is now underway.

Orlando also entered into a number of smaller contracts, with ongoing exploration across the Pilbara, Murchison and Gold Field regions, focusing on a diverse mix of commodities including gold, lithium, nickel and copper.

### Looking Ahead

Dynamic is in a strong financial position, with A\$10.1m in cash, trade receivables of A\$10.4m and access to undrawn facilities A\$7.3m.

The Company is well placed to service growing demand for specialist drill and blasting and exploration drilling and is focused on building the size, scale and service offering.

This announcement has been authorised by the Board of Dynamic Group Holdings Limited.

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### About Dynamic Group Holdings Limited

*Dynamic Group Holdings Limited ("Dynamic") holds two wholly owned subsidiaries, Dynamic Drill & Blast Pty Ltd and Orlando Drilling Pty Ltd.*

*Dynamic Drill & Blast Pty Ltd is a supplier of drilling and blasting services to clients in the mining and construction sectors in Western Australia and has a highly experienced executive management team focused on quality service provision, employee safety and providing solutions. Dynamic Drill & Blast Pty Ltd focuses on mining and construction projects within a range of commodity sectors, including iron ore, lithium and gold.*

*Orlando Drilling Pty Ltd is a Western Australian based company providing grade control, exploration and resource definition drilling services to the mining industry since 2007, utilising its fleet of AC, RC and diamond drill rigs and experienced personnel.*

*Dynamic's significant project pipeline is based around medium to long term contracts. Dynamic also undertakes short term specialised drilling and blasting projects.*

*Dynamic is committed to business and quality management systems that provides the framework for its personnel to achieve its customer's measurable objectives, while using continual improvement initiatives to strive for best practice performance.*

*Since incorporation, Dynamic has developed comprehensive policies, procedures and processes that aid the safe, high quality, effective and efficient provision of services.*

### **Forward-Looking Statements**

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Dynamic Group Holdings Limited's planned work and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential", "should," and similar expressions are forward-looking statements. Although Dynamic Group Holdings Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual work will be consistent with these forward-looking statements.*

<sup>1</sup> Normalised NPAT equals 1H FY22 Statutory NPAT (\$A1.4m) adjusted for the non-cash expense related to the Orlando acquisition (\$A2m). On acquisition, accounting standards require the value of Orlando's contracts to be recognised as an intangible asset, which is then amortised over the remaining term of the respective contracts (Refer ASX Announcement: H1 FY22 Financial Report).

