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29 April 2024

# Perenti secures US$350 million from US bond market

**Highlights:**

- Successful issue of US$350 million Notes (circa A$538 million) in US bond market.
- Group debt levels not impacted, with proceeds to be used to partially repay Perenti Finance Pty Ltd's existing US$433 million Notes and partially pay down amounts drawn under Perenti's syndicated debt facility.
- Notes are unsecured and at an interest rate of 7.50%, an attractive coupon relative to US Treasury rates and reflecting the significant improvement in the strength of the Perenti business since the last issue in 2020.
- Significantly lengthened maturity profile with repayment due April 2029.

Perenti Limited (ASX: PRN) ('Perenti' or 'the Company') is pleased to announce that its wholly owned subsidiary, Perenti Finance Pty Ltd, has successfully concluded a US$350 million (circa A$538 million) issue of Guaranteed Senior Unsecured Notes ('Notes') in the US bond market.

Prior to this successful Notes issue, Perenti's existing core debt comprised US$433 million (circa A$666 million) of Notes that mature in October 2025, and as such would become a current liability in October of this year. In line with good financial management, it is important that the refinancing structure be implemented before the existing Notes become a current liability. The Company elected to conclude the refinance in the first half of the calendar year, using its December half-year accounts, to avoid the possible impact of the US presidential election on the global debt markets in the latter part of this calendar year.

Following a global marketing campaign, investors were invited to participate in the new issue via a bookbuild process. The support received from the global market for the new issue was exceptional, with orders totalling US$2.3 billion (circa A$3.5 billion) submitted during the bookbuild. These orders were then reviewed, with US$350 million (circa A$538 million) ultimately allocated to global Note investors with 40% to Asia, 40% to the US and 20% to Europe.

The interest rate for the new issue was set at 7.5%, reflecting a spread of only 2.82 percentage points on the US 5-year Treasury Rate. When Perenti priced its last issue in this market in 2020, the US 5-year Treasury Rate was 0.27%, and today it is 4.68%. This significant improvement in Perenti's interest rate relative to the US 5-year Treasury Rate is reflective of the strength of Perenti, delivering improvements to its fundamental financial strength and operating performance since the last Notes issue in 2020.

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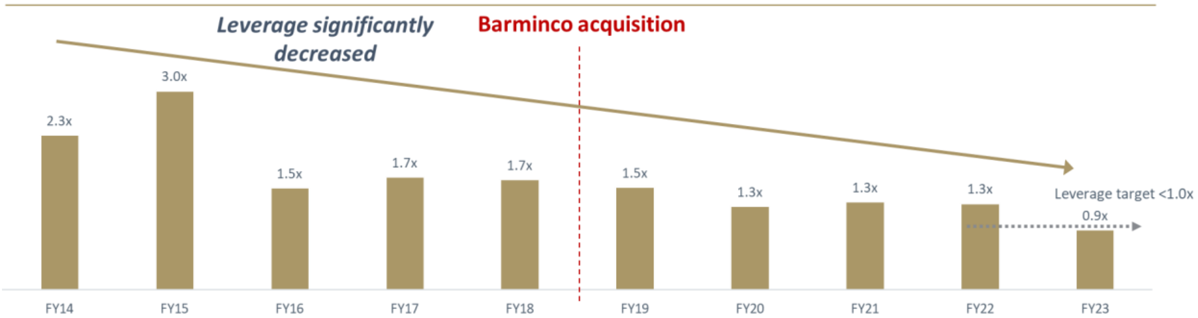
The Notes, which are unsecured and guaranteed by Perenti and certain subsidiaries of Perenti, mature in April 2029, significantly lengthening Perenti's debt maturity profile. Importantly, the Notes do not impact Perenti's overall debt levels, with proceeds intended to be applied as follows:

1. US$230 million (circa A$353 million) towards partially redeeming existing US$433 million 6.50% Guaranteed Senior Unsecured Notes, due October 2025, issued by Perenti's wholly owned subsidiary, Perenti Finance Pty Ltd.
2. US$120 million (circa A$185 million) towards partially paying down amounts drawn under Perenti's syndicated debt facility.

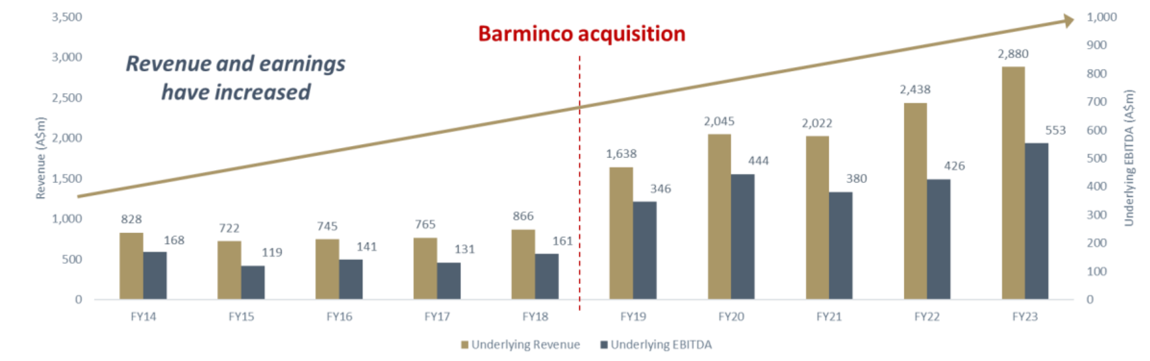
Mark Norwell, Managing Director & Chief Executive Officer of Perenti said, "The Notes issuance aligns with our 2025 Strategy, and its success reflects the significant progress we have made as a business since our existing Notes were issued in 2020 and reaffirms the strength of the Perenti business. This refinancing ensures Perenti continues to be well positioned with strong liquidity to capitalise on the substantial growth opportunities to deliver enduring value for our shareholders.

"The continued improvement in the financial performance and strength of the business is clearly demonstrated in the 10-year graphs below.

LEVERAGE[2] (x)




UNDERLYING REVENUE[3] (LHS) AND UNDERLYING EBITDA (RHS)

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"Since the acquisition of Barminco and the formation of Perenti, through to FY23, the quality of our earnings has improved as we have delivered on our strategic objectives. Revenue has grown by 232%, EBITDA has grown by 242% and leverage has reduced by 45%. As per our market guidance, our significant improvement in our financial performance is set to continue in FY24 on the back of ongoing business improvement and the DDH1 acquisition in October 2023."

Peter Bryant, Chief Financial Officer of Perenti said, "We are delighted to have received such overwhelming support from the global debt market and to have completed the Notes issuance in such a smooth and efficient manner.

"The orderbook was significantly oversubscribed at over US$2.3 billion (circa A$3.5 billion), with allocations made to an extremely high quality and balanced investor base, which is testament to the strength of the business. Pleasingly, we have secured a 7.50% interest rate, exceeding our internal and market expectations, at a spread of circa 2.82% above the US 5-year Treasury Rate. This compares favourably to our existing Notes which were placed at a 6.50% interest rate with a spread of circa 6.23% above the US 5-year Treasury Rate. These factors reflect the improved fundamentals of the Perenti business. This financial strength is further reflected by the Company's credit ratings that have all improved after our 2020 refinance and are approaching investment grade.

"The Notes issuance further strengthens our robust balance sheet by lengthening our maturity profile and demonstrates our continued prudent financial and capital management."

The offering was made to qualified institutional buyers in the United States pursuant to Rule 144A under the United States Securities Act of 1993, as amended ('Securities Act'), and to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from us and that will contain detailed information about us and our management, as well as financial statements.

Authorised by:
Mark Norwell
Managing Director & CEO

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