

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



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### MEDIA RELEASE

## OM Holdings Limited Reports NPAT of A\$14.2 million for 1H 2020, Overall Financial Performance Impacted by the COVID-19 Pandemic

### Highlights

- **1H 2020 EBITDA down to A\$53.1 million impacted by weaker global prices and reduced product volumes traded amidst the COVID-19 pandemic**
- **Revenue decreased 28% to A\$386.5 million against 1H 2019 revenue of A\$534.6 million**
- **Borrowings to equity ratio lowered to 0.86 times from 0.93 times as at 31 December 2019**
- **Net asset value per ordinary share increased to 71.26 cents compared to 66.31 cents as at 30 June 2019**
- **Net cash generated from operating activities of A\$52.7 million for 1H 2020 despite challenging market conditions due to the COVID-19 pandemic**
- **Balance of FY 2019 final dividend of A\$0.005 per ordinary share previously deferred resolved to be paid out on 27 November 2020**
- **Profit per share of 1.84 cents in 1H 2020 as compared to 6.49 cents for 1H 2019**

**31 August 2020** – ASX-listed OM Holdings Limited and its subsidiaries (“OMH” or the “Group”); a vertically integrated manganese mining, smelting and trading company, today announced its consolidated financial results for the six months ended 30 June 2020 (“1H 2020”). The Group recorded an EBITDA of A\$53.1 million for 1H 2020, a decrease from A\$109.0 million in 1H 2019, attributed to weaker manganese ore and ferroalloy prices, and reduced product volumes traded amidst the COVID-19 pandemic.

The Group’s smelting operations contributed A\$272.1 million to the Group’s revenue for 1H 2020, a decrease from A\$366.1 million for 1H 2019. The lower contribution was due to lower



volumes of ferroalloys produced and sold, coupled with the softening of ferroalloy prices in 1H 2020. The Group's mining operations produced 301,148 tonnes of manganese ore as compared to 360,378 tonnes in 1H 2019. Production volumes were affected by the slow restart of mining and processing activities following the 4 month suspension of mining activities in August 2019. In addition, wet ore extracted from certain pits further impacted the processing plants feed and affected the production of ore in 1H 2020.

Mr Low Ngee Tong, Executive Chairman of OMH commented: *"The COVID-19 pandemic has created unprecedented disruptions to the way we live and the way global supply chains function which in turn have impacted the way we operate. These changes will have lasting effects. Notwithstanding the difficulties operating under the current environment, the Group's strategy and business operations remain resilient and we are pleased to report an EBITDA of A\$53.1 million for our half year performance. The long-term fundamental competitiveness of our global assets have not changed despite the challenges from COVID-19, and we remain focused and committed to improving our operational efficiencies, while prioritizing the safety and wellbeing of our people. In line with our stated policy, we repaid A\$27.3 million of debt in the first half of 2020, effectively lowering our cost of financing."*

During the half-year ended 30 June 2020, US\$12.9 million (equivalent to approximately A\$20.9 million) of the Sarawak Project Finance Loan was repaid. As a result, total borrowings to equity ratio decreased from 0.93 times as at 31 December 2019 to 0.86 times as at 30 June 2020. Net asset backing per share for the Group increased by 7% to 71.26 cents per ordinary share as at 30 June 2020 compared to 30 June 2019.

The weaker ore and alloy prices, coupled with lower trading volumes reduced the Group's 1H 2020 gross profit margin to 13.8% compared to 19.9% in 1H 2019. However, a net profit after tax of A\$14.2 million was still recorded for 1H 2020, while net cash generated from operating activities was A\$52.7 million. On the back of these results, the Board has resolved to pay out the deferred balance of A\$0.005 per ordinary share of the final dividend for FY2019 previously announced. The Group will continue to monitor and assess the potential impact of the COVID-19 pandemic while adjusting and repositioning itself for a post COVID-19 recovery environment.

As previously announced, the Record Date for the dividend balance remains at 8 May 2020 and the Payment Date will be 27 November 2020.

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This media release is to be read in conjunction with the Group's announcement on 2020 Half Year Result posted on the ASX website on 31 August 2020.

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