

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



---

No. of Pages Lodged: 12

28 November 2019

ASX Market Announcements  
ASX Limited  
4th Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**OM HOLDINGS LIMITED ("OMH") PRESENTATION**

Please find attached a copy of the OMH management presentation which will be used for a roadshow organized by UOB Kay Hian on 28th November 2019.

Yours faithfully

**OM HOLDINGS LIMITED**



Heng Siow Kwee/Julie Wolseley  
**Joint Company Secretary**



# OM HOLDINGS LIMITED

Australia • China • Japan • Malaysia • Singapore • South Africa

November 2019 • Management Presentation • ASX:OMH

## DISCLAIMER

This presentation has been prepared and issued by OM Holdings Limited ARBN 081 028 337 ("OMH"). This presentation contains summary information about OMH. The information in this presentation does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with OMH's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation contains "forward-looking" statements within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of OMH, and its directors, officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are therefore cautioned not to place undue reliance on forward-looking statements and OMH, other than required by law, assumes no obligation to update such information.

OMH makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omissions from, any information, statement or opinion contained in this presentation.

This presentation is for information purposes only and is not a financial product or investment advice or a recommendation to acquire (or refrain from selling) OMH shares. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. OMH is not licensed to provide financial product advice, either generally or in respect of OMH shares.



# COMPANY SNAPSHOT

Quarterly rebalance of S&P/ASX 300 index excluded OMH from September 2019

## Share Metrics

(as at 25<sup>th</sup> Nov 19)

Issued Shares	738.6 million shares
Share Price	A\$ 0.50
52 weeks Low / High	A\$ 0.40 / A\$ 1.45
Market Capitalization	A\$ 373.0 million

## Debt

(1H 2019)

Total Borrowings	A\$ 491.7 million
------------------	-------------------

## Cash

(1H 2019)

Cash & Cash Equivalent	A\$ 41.7 million
------------------------	------------------

## Earnings & Key Ratios

Enterprise Value	A\$ 819.3 million
Adj. EBITDA* (TTM)	A\$ 274.0 million
EPS (TTM)	A\$ 0.1622
EV : Adj. EBITDA (TTM)	2.99x
PER (TTM)	3.08x

## Share Price Performance



## Largest Shareholders (as at 26<sup>th</sup> Nov 19)

Huang Gang and Newtimes Marine Co Ltd	12.10%
Marc Chan, Amplewood Resources Ltd and Parfield International Ltd	10.92%
Low Ngee Tong	9.19%
Heng Siow Kwee and Dino Company Ltd	8.94%



\*Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, non-cash inventory write-downs, net finance costs, income tax and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures



# OPERATING DIVISIONS

## Exploration & Mining

### **Bootu Creek - Australia**

(100%)

Manganese ore: 0.8 Mtpa

### **Tshipi Borwa - South Africa**

(13%\*)

Manganese ore: 3.0-3.6 Mtpa

*\* Effective interest held via J/V with  
Nstimbintle (a BEE group)*

## Smelting & Sintering

### **Qinzhou - China** (100%)

Mn alloy: 80ktpa

Sinter ore: 300ktpa

### **Sarawak - Malaysia** (75%\*)

Mn alloy: 250-300ktpa

Ferrosilicon: 200-210ktpa

Sinter ore: 250ktpa

*\* J/V with conglomerate Cahya Mata  
Sarawak, listed on Bursa Malaysia*

## Marketing & Trading

### **Singapore/China** (100%)

Global sales and procurement

Manganese ore, Ferrosilicon,  
Silicomanganese, Ferromanganese,  
Quartz, Reductants (coke, coal), Fe  
units



# BOOTU CREEK MINING OPERATIONS UPDATE



## Focus on restarting mining while exploring expansion projects

### Current Issues:

- Mining operations pending approval from relevant authorities.
- TRP production commencement delayed.

### In Progress:

- Processing plants in operation, to yield additional ~100kt of saleable lower grade ore product for 4Q2019.
- No spill over on economics of smelting division.
- Bryah Basin Project progressing with 10% JV interest earned.



# SARAWAK SMELTING OPERATIONS UPDATE



**Focus on optimizing production, and diversifying customers by producing higher value products.**

- Phase II-A expansion projects nearing completion (sinter plant, laboratory, storage yards)
  - Sinter plant expected to be fully completed in Q4 2019
- Phase II-B expansion projects:
  - Increase of 2 to 4 new manganese furnaces
  - Upgrading of two existing furnaces to metallic silicon
- Trials for refined ferroalloys in progress for East Asian steelmakers



# CAPEX PROJECTS DELIVERED IN 2019

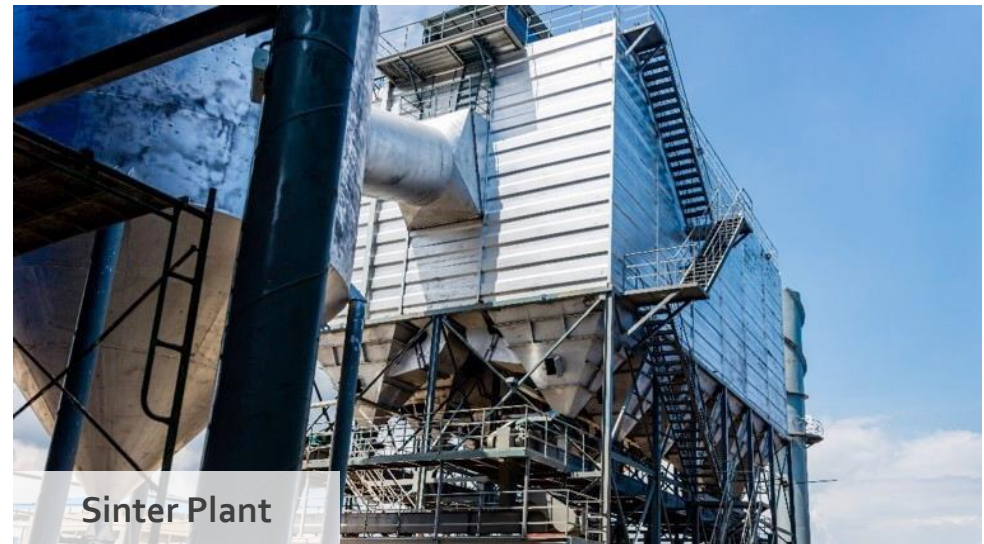
Phase II-A Enhancement Projects for cost savings and operational enhancement



Sinter Plant and Storage Yard



Storage Yard

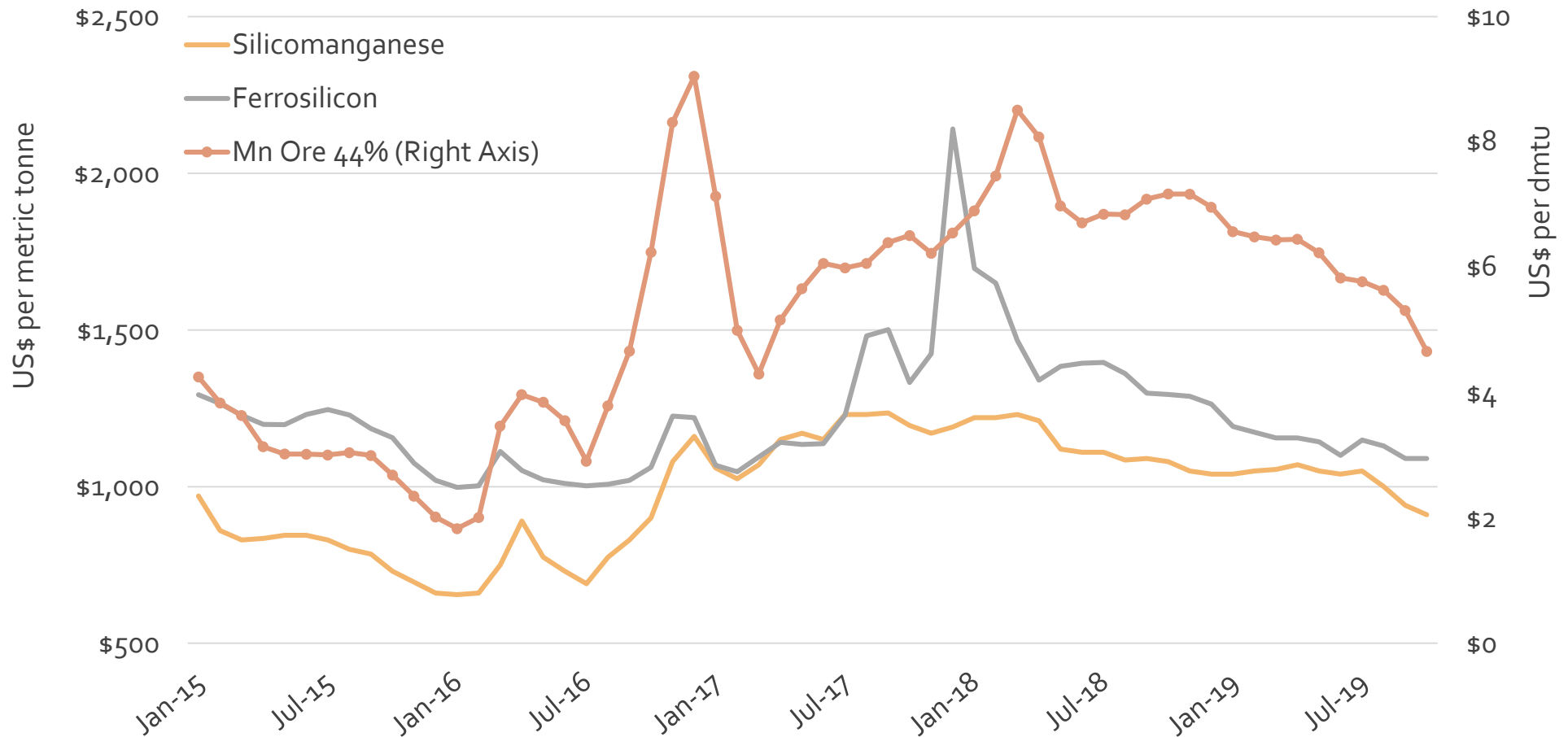


Sinter Plant



# DEPRESSED PRICE ENVIRONMENT

Market in decline due to elevated supply amidst stalling global steel production



# ACHIEVED A\$109M OF EBITDA IN 1H2019

Sustained positive performance in spite of market conditions, committed to lowering debt

Debt/Equity of

**1.01X**

down from 1.14x

**~A\$24m repaid in  
Q3 2019**

Ability to service debt even as  
commodity prices decline

**Over A\$130m of  
debt repaid**  
over the last 3 years

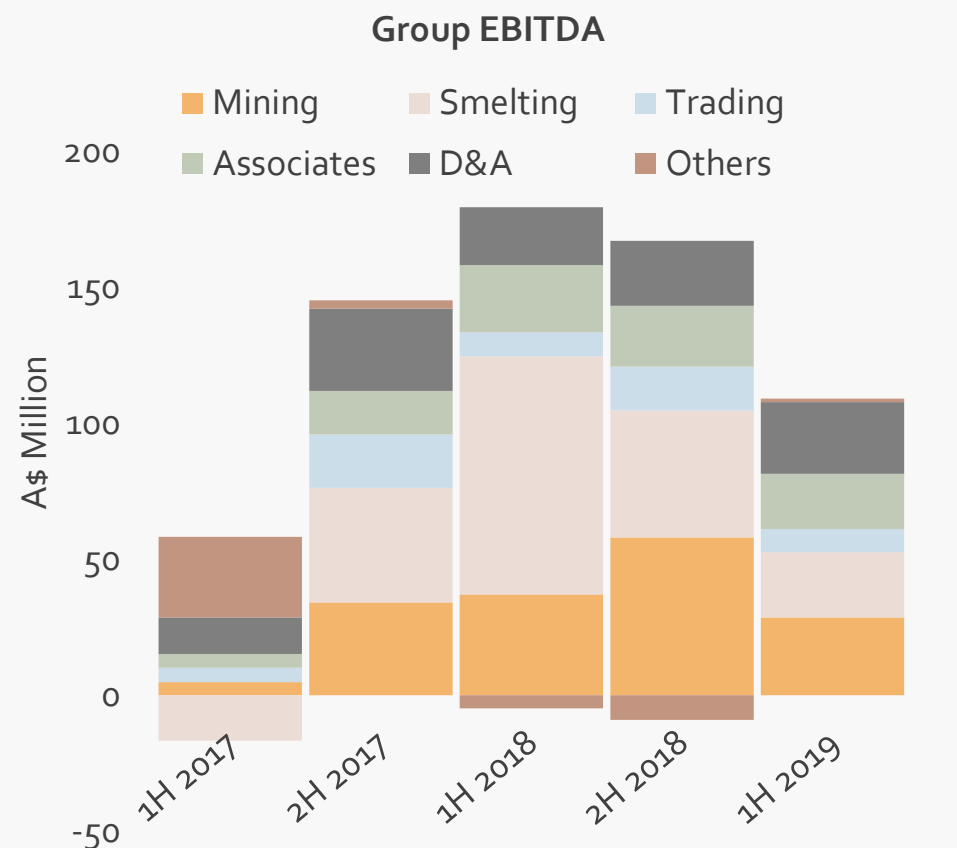
TTM  
Net Debt / EBITDA

**1.64x**

Generated  
**A\$109m**  
EBITDA in 1H2019

**ROI 20-30%**  
expected for Phase II

Achieved A\$109m EBITDA with even contribution from mining, smelting, and strategic investments.



*\*Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, non-cash inventory write-downs, deferring stripping, and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' figures.*



# FINANCIAL HIGHLIGHTS

A\$'million	2015	2016	2017	2018	1H 2019
Revenue	338.5	414.2	988.2	1,510.4	534.6
Gross Profit	6.1	60.1	209.6	353.3	106.2
GP Margin (%)	1.8	14.5	21.2	23.4	19.9
Adjusted EBITDA*	(37.6)	35.0	186.1	339.7	109.0
Profit Before Tax	(131.6)	(8.1)	72.6	236.9	58.4
Profit Att. To Owners	(122.1)	7.9	92.7	161.7	47.8
Shareholders' Funds	87.2	139.7	228.0	388.6	424.5
Borrowings	570.1	617.6	510.7	512.9	491.7
Borrowings to Equity Ratio (times)	4.76	3.05	1.77	1.14	1.01
EPS (AUD cents)	(16.69)	1.08	12.67	22.05	6.49
Dividend (AUD cents)	-	-	-	5.00	1.00



Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment, write-back/expense, non-cash inventory write-downs, net finance costs, income tax and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures.

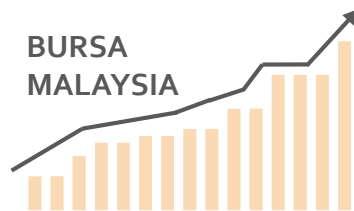
# OUTLOOK AND ACTIONS

Well positioned with expansion plans, prepared for industry recovery



## Lowest Quartile Producer

- Of top 10 non-Chinese ferroalloy smelters, 4-5 have reduced production significantly
- Expect lasting changes as some competitors exit the business globally



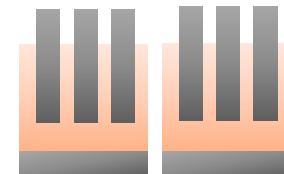
## Dual Listing on Bursa Malaysia

- Pursuing secondary listing on Bursa Malaysia in 2020, with a signed mandate
- Unlock value with greater access to wide range of Asia focused investors bringing liquidity



## Higher Value Add (~Capex A\$30 mil)

- Planned for 2021/2022
- Conversion to metallic silicon to produce higher value added products
- Diversify into aluminium, chemicals, and solar downstream industries
- Furnaces still able to produce ferrosilicon for added flexibility



## Expanding Capacity (~Capex A\$100-150 mil)

- Planned for 2021/2022
- Manganese capacity expansion with 2 to 4 33MW-furnaces for improved efficiency
- Expected to generate highest average returns over the full price cycle, and improve hedging ratio with ore