13 Sep 2023

Ticker	Current Price
ASX:OMH	A$0.51
KLSE:OMH	MYR1.56

Market Data	
52-Week Range (A$)	0.495 – 0.850
3mth Avg Vol ('000)	141.2
Market Cap (A$M)	376.7
Shares Out. (M)	738.6
Est. Enterprise Value (A$M)	729.8
Cash (US$M)	60.7
Debt (US$M)	290.2

Earnings Snapshot			
FYE (US$M)	2020	2021	2022
REV	542	780	857
EBITDA	38	141	150
NPAT	4	62	68
EPS (cents)	0.5	8.4	9.2
P/E	2.5	18.3	3.3
D/E	0.89	0.68	0.65

Top 5 shareholders	
Huang Gang	14.0%
Amplewood Resources Ltd	13.6%
Low Ngee Tong (Chairman)	9.3%
Heng Siow Kwee (Director)	9.0%
Hanwa Co. Ltd	4.4%

OM Holdings Limited (ASX: OMH)

Desk Note

Cyprus Sia | Analyst | Spark Plus Pte Ltd. | cyprus@sparkplus.org

LOWEST-COST QUARTILE 'GREEN' FERROALLOY PRODUCER. OM Holdings Limited (OMH) operates 16 electric furnaces in Sarawak powered by low-cost hydropower. Since power cost contributes 20% - 40% of ferroalloys production cost, OMH's Power Purchase Agreement (PPA) with Sarawak Energy Berhad for 350MW makes its operations more economical than most of the major ferroalloy producers in Russia and China. Analysts estimate power costs for the Company's smelters to be US$0.04-0.06/kWh, allowing its cash cost to be 7%-30% lower than major smelters in Russia, China, and EU.

What are the Sparks?

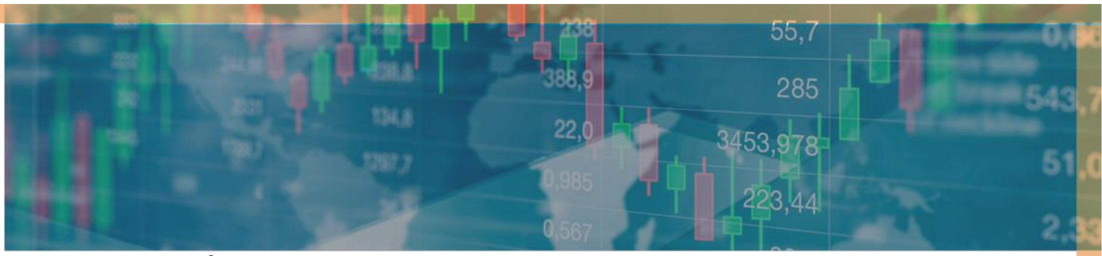
Maiden dividend policy provides certainty on shareholders' return. From FY2023 onwards, OMH will distribute 10% - 30% of NPAT, capped at 50% of free cash flow and other considerations, back to shareholders annually. We view this positively it demonstrates positive and relatively stable, financial strength of the Company and attracts institutional investors such as pension funds, sovereign wealth funds, etc which drives demand for its stock. OMH had paid dividends of A$0.02 and A$0.015 per share in FY2021 and FY2022 which accounted for only 18.0% and 10.7% of its NPAT for the respective year.

Production trough in FY23 priced, looking ahead to full production in FY24. OMH guided FY23 production to be 120-140kt of ferrosilicon (FeSi) and 223-263kt of manganese (Mn) alloys or a -1.0% to 12.8% increase YoY. FY23 has been tough so far with falling FeSi and Mn alloys prices and a suppressed Plant's utilization rate of ~72% (11-12 out of 16 furnaces in operation) due to the ongoing Major Maintenance program (MM) and the setback in the commissioning of silicon metal (MetSi) production. The MM is expected to be completed by end of FY23. In the meantime, 1 MetSi furnace will produce FeSi while rectification works continue on the other with commissioning targeted for early 2024. These will bring all 16 furnaces into production in FY24 resulting in a 40-43% YoY increase in production capacity (140-163kt FeSi, 330-400kt Mn alloys, and 10.5-12.3ktpa MetSi).

Higher value product, MetSi, to provide revenue and profit uplift. OMH has upgraded 2 FeSi furnaces to enable MetSi production with an annual capacity of 10.0-12.3kt each. Rectification works on the furnace performance is underway and the Company aims to commission the furnace in 1H'24. Unlike FeSi and Mn alloys which primarily serves the steel sector, MetSi has broader uses across various sectors including high growth sectors such as electric vehicles, solar panels and semiconductors. MetSi usually transacts >40% higher than FeSi prices with supposedly better margins as seen from Ferroglobe PLC (NASDAQ:GSM).

Expansion plans to support long-term growth. OMH plans to build 2 new 33MVA Mn alloy furnaces in the next 2 to 5 years which would add 150-160ktpa or ~30% of production capacity to a total of 630-725ktpa. CAPEX for these furnaces could cost around US$70-80M which will be funded through internally generated cashflows.

We value OMH at A$0.74 per share based on a 5-year average EV/Forward-EBITDA of 6.0x which is pegged to our projected FY23 EBITDA of US$96.6M (A$150.7M). Low utilisation rate and declining FeSi and Mn alloys price are likely to depress market sentiment in this sector until a clear indication of a bottom to the falling ferroalloys price is seen. Lower raw material costs, freight costs, and prudent cost management are likely to dampen the impact and position the Company for a recovery.



Company overview

OM Holdings Limited (OMH) is a vertically integrated manganese ore and ferroalloy company established in 1994. The Company operates in 3 segments, mining, smelting, and marketing and trading of manganese ore and ferroalloys.

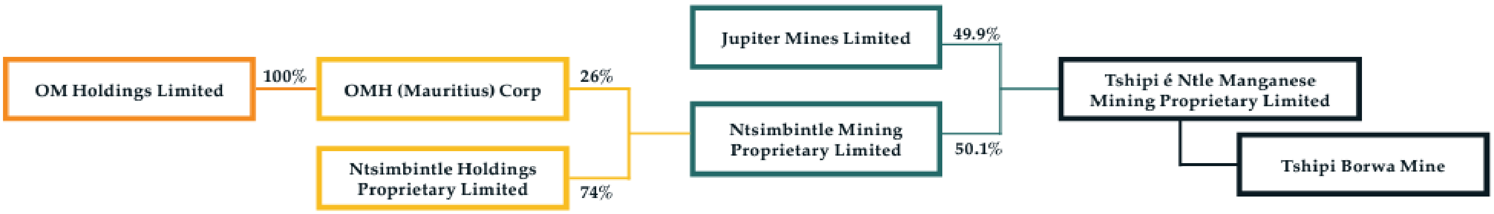
Mining segment

Self-operated mines

OMH owns the Bootu Creek Manganese Mine in Northern Territory of Australia which was producing an average of ~600ktpa of Mn ores before reaching its end of life in Dec'21. Bootu Creek Mine is now placed under care and maintenance while the Company works on improving screening efficiencies on its Ultra Fines Plant (UFP) to access the viability of processing the tailings of the Mine. The Company also owns a brownfield Weelarrana Project Area about 90km southeast of Newman, Western Australia, which is pending Heritage Clearance for a proposed initial RC drill program.

Non-operating interests

OMH also has an effective 13% equity stake in Tshipi Borwa Manganese Mine (Tshipi) through a 26% strategic partnership with Ntsimbintle Holdings Proprietary Limited which holds 50.1% of Tshipi, while the remaining 49.9% is held by Jupiter Mines (ASX:JMS).



Located in the world-class Kalahari Manganese Field in the Northern Cape of South Africa, Tshipi is one of the 5 largest manganese mines globally with a production capacity of 3.3Mtpa to 3.6Mtpa of Mn ores. Tshipi started production in Oct'12 and still has an Ore Reserves of 81Mt @ 35.61% Mn as of 28 Feb 2022 which suggests a mine life of at least another 22.5 years at the current production capacity. Tshipi distributes most of its profits as dividends semi-annually including a total of ZAR1,050M in 2022.

Other partnerships and JVs the Company has in the exploration and mining space include:

1. A 51% interest in the manganese rights of the Bryah Basin Manganese Project (BBMP) through a Farm-In and Joint Venture (JV) agreement with Bryah Resources (ASX:BYH). OMH is currently sole funding the next A$1.8M in exploration to earn a 60% interest in the JV.

   BBMP covers 660km^2 of exploration tenements approximately 150km north of the town of Meekatharra in Western Australia. The Project achieved a 70% upgrade in JORC Mineral Resource estimate to 3.07Mt @ 20.2% Mn (68% Indicated) in Aug'23, mainly from the maiden resource (781kt @ 18.6% Mn) at Redrum deposit and a 387kt increase at the Brumby Creek deposit. Further drilling and metallurgical test work is underway to extend the current Mineral Resource and define he beneficiation yields.

2. A Farm-In and Exploration JV with Great Sandy Pty Ltd on the 701 Mile Manganese Project located 5km east of the Weelarrana Project Area in Newman, Western Australia. OMH can earn a 51% interest in the 701 Mile Manganese JV by spending A$1.25M in exploration works by Oct'25 and further increase to 80% by spending an additional A$1.0M over the following 2 years.

Smelting segment (75% of FY2022 revenue including intercompany eliminations)

OM Sarawak

OMH owns and operates a ferrosilicon (FeSi) and Mn alloy smelting plant in Sarawak, Malaysia (the "Plant") which is located 7km away from the Samalaju Industrial Port. It consists of 8 main workshops with a total of 16 units of 25.5MVA furnaces, of which 6 furnaces are allocated for the production of FeSi, 8 units producing Mn alloys, and 2 to produce silicon metal (MetSi), or FeSi when required. Mn alloys products include high-carbon ferromanganese (HCFeMn), low-carbon silicon manganese (LCSiMn), and silicon manganese (SiMn). Such design equips the Plant with a production capacity of 120kt to 140kt of FeSi, 333kt to 400kt of Mn alloys, and 21kt to 24.5kt of MetSi per annum depending on the product mix in each category. The Plant also consists of a 250ktpa sinter plant which produces sinter ore for internal consumption.

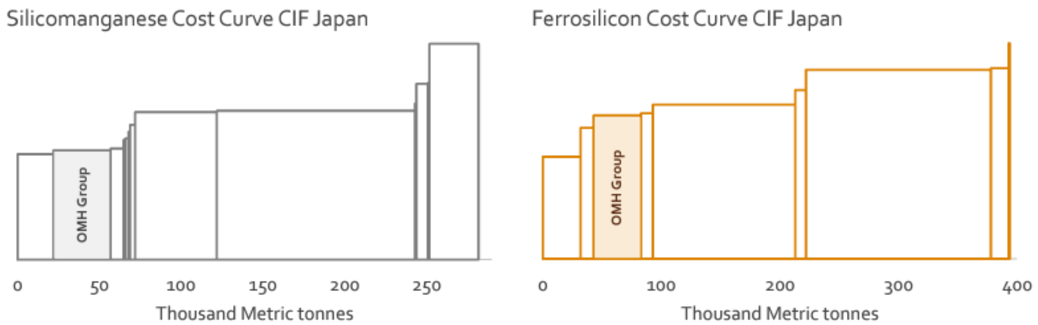
Aerial view of OM Sarawak

Source: OMH

Clean and low-cost enegy supply

The Plant is mainly powered by renewable (hydro) energy generated from the 2.4GW Bakun dam and 0.9GW Murum dam except for the sinter plant, logistics operations, and land transportation that consume diesel. OMH has a 20-year Power Purchase Agreement (PPA) with Sarawak Energy Berhad for 350MW power till 2033. The terms are take-or-pay with a fixed price escalation rate subject to inflation at an agreed rate. UOBKH analysts estimate that electricity costs under the PPA could be US$0.04-0.06/kWh with a 1.5-2.5% p.a. escalation. This puts OMH in the lowest quartile of the cost curve given electricity makes up about 40% of production costs for FeSi and 25% for SiMn.

OMH in the lowest quartile of the cost curve



Source: OMH presentation deck

Current operations

The Plant is undergoing a Major Maintenance (MM) program, started in Jun'22, where 2-3 furnaces are shut down in batches for maintenance works. MM is a routine performed every 5-6 years with typical downtime of 3-6 months for each furnace. All 8 Mn alloy furnaces have completed MM as of Apr'23 resulting in a 35.7% QoQ increase in Mn alloy production in 2Q'23. At the end of 2Q'23, 1 FeSi furnace has completed MM with 1 undergoing MM and the remaining 4 scheduled throughout the rest of 2023.

The conversion or upgrade of 2 furnaces to enable MetSi production capability was completed in late 2022. However, maiden production is temporarily suspended at the 1st MetSi furnace announced on 12 Apr'23 due to low recoveries in Si as well as off-gas ducting and heat removing system not performing as anticipated within the framework of the Engineering, Procurement and Construction contract. Rectification works are underway with the expectation to commission the furnace by 1H'24. In the meantime, the 2nd MetSi furnace is reallocated to produce FeSi.

As a result of the MM and MetSi conversion program, the utilisation rate of the Plant is expected to be ~75% (12 out of 16 furnaces in operation) for FY2023.

Plant capacity schedule

	2022	2023 *Revised*	Future
Fesi *65-70 mt / day*	4 to 6 furnaces *110-130ktpa*	5 to 7 furnaces *120-140ktpa*	6 of 6 *130-140ktpa*
Mn Alloys *100-110 mt / day*	4 to 6 furnaces *200-220ktpa*	5 to 8 furnaces *200-260ktpa*	8 of 8 *330-400ktpa*
MetSi *35-40 mt / day*	-	1 furnace *11ktpa*	2 of 2 *21-25ktpa*
Mn Alloys New 33 MVA *200-220 mt / day*	-	-	2 of 2 *150-160ktpa*
Total Sarawak Plant Output (Est.)	~360ktpa	*340-400ktpa*	630-725ktpa

Source: edited from OMH presentation

OMH mainly supplies the APAC region but remains flexible to take advantage of better margins from other parts of the world given its strategic location on the global map. Raw materials such as quartz are sourced from China and India, Mn ores from South Africa (including Tshipi) and Australia, as well as Gabon and Brazil. Coke and semi-coke are sourced mainly from China and some from Europe and South America.

OMH's sales by geographical segment

Year	2022	2021	2020	2019	2018
Region	**%**	**%**	**%**	**%**	**%**
APAC	77.4	86.4	86.1	83.6	82.1
Americas	13.7	3.7	1.7	4.6	2.6
Europe	6.1	6.3	5.5	7.7	9.8
Middle East	2.7	3.6	6.3	3.9	5.5
Africa	0.1	0	0.4	0.2	0.1
Total	100.00	100.00	100.00	100.00	100.00

Source: Copied from OMH Annual Report

OM Qinzhou

OMH also owns a Mn alloy smelting plant in Qinzhou ("OMQ"), China which has ceased production since Dec'20 due to high power tariffs in China. The Company has expressed its intention to sell 90% interest in OMQ and is in discussion with a third party currently. Due diligence by the third party is ongoing with the proposed sale expected to be completed within 12 months from May'23. With the commitment to sell 90% of OMQ, OMH has reclassified US$8.2M in assets as held for sale and US$0.2M in associated liabilities.

Marketing and Trading (25% of revenue)

OMH trades manganese ore, FeSi, Mn alloys, and sinter ore under this segment. These include procuring raw materials and managing inventories for the Plant as well as selling ferroalloys produced by the Plant. This segment generates a profit from marketing fees and the spread between purchase and sale prices.

Ferroalloy Market

FeSi and Mn alloys are mainly used (>70% and >95% respectively) in steelmaking process as a deoxidizer and to improve the properties of the final steel. As such, FeSi and Mn alloys prices are highly sensitive to the demand and production of steel.

Both FeSi and Mn alloys prices have eased 67% and 53% from their peak in late 2021 to US$1,280/mt and US$890/mt in Aug'23 due to the gradual relief in logistic challenges post-covid as well as a weaker market demand from the troubled property market in China and rising interest rates. The current prices of FeSi are slightly higher than its pre-covid average of ~US$1,200/mt while Mn alloys trade below its pre-covid average of ~US$1,000/mt. However, the rise in overall costs due to recent inflation in most parts of the world has caused producers at the higher end of the cost curve to produce at negative margins. In regions where power costs are relatively higher, producers are forced to shutdown part of their operations including India's top producers, Maithan Alloys (BSE:590078) and Facor Alloy Limited (BSE:532656), and peers in parts of China.

The World Steel Association is expecting steel demand to rebound 2.3% to 1,822.3Mt in 2023 and further grow 1.7% in 2024, with manufacturing expected to lead the recovery. The potential rebound in steel demand is likely to encourage steel mills to start restocking inventories and ripple through the supply chain. With the possibility of more ferroalloys supply falling off under current price levels, we speculate that FeSi and Mn alloys prices might be near a bottom.

Diversifying from steel market dependency

Unlike FeSi and Mn alloys, MetSi has wider use in downstream applications including aluminium alloys, solar cells, semiconductors, and silicones. These markets support sectors expected to lead the next wave of growth such as aluminium frames for electric vehicles, solar cells for renewable energy, and electronics for digitalisation. As such, they are expected to experience higher growth than the steel market over the next decade. MetSi trades at a premium to FeSi due to its higher silicon purity of >98.5% as compared to the typical 50%-75% in FeSi. Referencing from Ferroglobe, MetSi usually trades >40% higher than FeSi and records better net margins on average.

OMH Peers' Comparison

Ticker	Company Name	MCap (A$M)	EV (A$M)	EV/ EBITDA LTM	EV/ Fwd EBITDA NTM	PE ratio LTM	Fwd PE NTM	Debt/ Equity	EBITDA Margin (%)	EBITDA Margin 5yrs variance (%)	Net Margin LTM (%)	Net Margin 5yrs variance (%)	Dividend yield (%)
ERA FP Equity	Eramet SA	3,421	5,326	4.65	4.08	7.03	5.28	0.98	25.85	7.81	14.76	13.35	4.91
ELK NO Equity	Elkem ASA	2,005	3,011	2.24	4.37	2.76	8.92	0.51	31.48	7.40	21.24	7.35	27.99
GSM US Equity	Ferroglobe PLC	1,560	1,646	2.58	3.41	4.62	7.72	0.50	30.64	12.72	16.95	14.73	0.00
MAIT IN Equity	Maithan Alloys Ltd	615	256	2.77		6.58		0.00	29.97	7.19	21.24	7.35	0.53
5563 JP Equity	Nippon Denko Co Ltd	409	549	6.85		12.66		0.32	14.21	7.69	10.02	11.51	2.49
	AVERAGE			3.82	3.95	6.73	7.31	0.46	26.43	8.56	16.84	10.86	7.18
OMH AU Equity	OM Holdings Ltd	392	745	4.75	7.45	6.61	8.21	0.72	17.92	4.54	7.92	3.36	2.83

Source: Bloomberg, 11 Sep 2023

Most of OMH's peers are private companies in China, Russia, Ukraine, and India with the table above showing some of the publicly listed peers. There are many factors contributing to the wide range of operating metrics and valuation including various business segments, different operating regions, where it is listed and the associated investment style in that region, size of the company, etc. We deemed 2 factors as the major contributors namely 1) diversified revenue streams and 2) target markets.

Revenue streams as of FY2022

3. **Eramet:** Production of Mn alloys (32%), mining of Mn ore (31%), mining and smelting of nickel products (28%), and mineral sands mining and processing of mineral sands (9%).
4. **Elkem:** Production of silicon products including ferrosilicon (51%), silicones (40%), carbon solutions (8.0%),
5. **Ferroglobe:** Production of silicon metals (47%), Mn alloys (27%), and Si alloys (26%)
6. **Nippon Denko:** Production of Mn alloys (74%), functional materials (14%), water and waste recycling (7%), and renewable power generation (2%)
7. **Maithan Alloys:** Production of FeSi and Mn alloys (100%)
8. **OMH:** Production of FeSi and Mn alloys (75%) and trading of ores and alloys (25%)

Nippon Denko has the closest target markets to OMH, Maithan mainly serves its domestic market (India), and the 3 other peers derive most of their revenue outside of APAC where the metal alloys are transacted at a premium to Asia's prices and the various government incentives differ. These factors have contributed to an improved margin for some of the peers but similarly, created a larger fluctuation in their margins and earnings.

Valuation

We value OMH at A$0.74 per share (45.4% upside) based on its 5-year average EV/EBITDA of 6.0x and pegged to our projected FY23 EBITDA of US$96.6M (A$150.7M). Low utilisation rate and declining FeSi and Mn alloys price are likely to depress market sentiment in this sector until we see a clear indication of a bottom to the falling ferroalloys price. Nonetheless, with the view that FeSi and Mn alloys prices may have bottomed and stabilised at current price levels, we believe the current weakness in OMH's share price poses an opportunity to accumulate during a trough of a commodity cycle.

Valuation Table	FY2023F 31-Dec-23
Revenue (US$M)	669.6
EBITDA excl. unusual items (US$M)	96.6
Multiplier (x)	6.00
Target EV (US$M)	579.8
Add Cash (US$M)	60.7
Less Debt (US$M)	290.2
AUD/USD	1.56
Target Mcap (A$M)	546.4
Target Price (A$)	0.74
Current Price (A$)	0.51
Upside (%)	45.43%

Key Risk

Raising interest rates. The global construction sector, which is the largest market for steel, remains to be weak in 1H'23 as higher borrowing costs and recession fears linger. Further interest rate hikes would further destroy demand for steel which directly affects demand and prices for FeSi and Mn alloys. OMH has a total debt of US$290M of which US$127.0M is repayable within 12 months. A higher interest rate would reduce earnings if the Company chose to refinance its debt.

Slower-than-expected recovery in China. Asian steel mills have anticipated steel demand to surge as China, the world's largest steel consumer, reopens earlier this year since COVID started in Mar'20. However, global companies are warning of a slower-than-expected recovery in China while the country works through its high inventory levels.

Delays in MetSi furnace commissioning. Two out of sixteen furnaces have undergone conversion to produce MetSi which lowers the Company's utilisation rate and overall production. Minor setbacks during the commissioning phase in 1Q'23 have deferred the commencement of production from 1H'23 to 1H'24 (expected). Although 1 of the 2 furnace is reassigned to produce FeSi in the meantime, further delays in MetSi commissioning are opportunity costs to the Company.

Other risk factors include fluctuation in commodity prices, supply chain risk, sovereign risk, exploration and evaluation risk on its mining assets, and foreign currency risk (mainly the depreciation of MYR against USD).

Board and Management

Low Ngee Tong Executive Chairman	Mr Low has over 42 years of experience in the steel ferroalloy and building materials industries in Asia. Prior to founding OM in 1994, he gained his experience from several engineering and trading companies, from Chiyoda Limited, a global Japanese civil engineering company, to Intraco, and lastly C. Itoh & Co. (now Itochu Corporation), a major Japanese metals trading house. He was CEO of OMH since listing on the ASX in 1998 and became Executive Chairman in 2008.
Zainul Abidin Rasheed Independent Deputy Chairman	Mr Zainul was, until 2011, a Member of Parliament (from 1997) and served as Senior Minister of the State for the Ministry of Foreign Affairs of the Government of Singapore, a position he held since 2006. Prior to becoming a politician, Mr Zainul had an outstanding career in journalism which included the positions of Editor of Berita Harian, The Singapore Business, The Sunday Times and Associate Editor of The Straits Times. Mr Zainul currently serves as the Ambassador to Kuwait (Non-Resident) and the Foreign Minister's Special Envoy to the Middle East. Mr Zainul is also currently a Corporate Adviser to Singapore's Temasek International Pte Ltd, and member of the Nanyang Technological University Board of Trustees and Board of Directors of Mediacorp.
Julie Anne Wolseley Non-Executive Director and Joint Company Secretary	Ms Wolseley is the principal of a corporate advisory company and has over 31 years of experience as Company Secretary to a number of ASX-listed companies operating primarily in the resources sector. Previously Ms Wolseley was an Audit Manager both in Australia and overseas for an international accounting firm. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, IPOs, capital raisings, cash flow modelling and corporate governance.
Tan Peng Chin Independent Non-Executive Director	Mr Tan was the founder, managing director and consultant of Tan Peng Chin LLC until he retired from the firm on 31 December 2015. Mr Tan was also a Notary Public and Commissioner for Oaths from 1995 to 2015. He was an Accredited Mediator with the Singapore Mediation Center. Mr Tan's legal expertise includes corporate finance, banking, company and commercial laws, international trade, joint ventures and issues concerning shareholders and directors. In addition, Mr Tan has acted in numerous complicated cross border transactions in the course of his legal career spanning more than 35 years. Mr Tan has served as an Independent Director in numerous listed companies since 1996.
Dato' Abdul Hamid Bin Sh Mohamed Independent Non-Executive Director	Dato' Abdul Hamid Bin Sh Mohamed started off his career in an accounting firm before joining Bumiputera Merchant Bankers Berhad, a merchant and investment bank, and subsequently Amanah Capital Malaysia Berhad. He eventually joined the Kuala Lumpur Stock Exchange ("KLSE"), now known as Bursa Malaysia, as a Senior Vice President Strategic Planning & International Affairs and eventually the Chief Financial Officer. He holds directorships in various companies in Malaysia including MMC Corporation Berhad (a listed company on Bursa Malaysia), Maybank Investment Bank Berhad (a subsidiary and investment banking arm of Malayan Banking Berhad which is also listed on Bursa Malaysia), and Ekuiti Nasional Berhad (a Malaysian government-linked private equity company). He is currently the Executive Director of Symphony House Sdn Bhd, a privately owned investment holding company. Other directorships outside Malaysia include Maybank Kim Eng Holdings Limited and PT Maybank Kim Eng Sekuritas where both companies are involved with dealings in securities.
Tan Ming-Li Independent Non-Executive Director	Ms Tan is currently a partner of the Malaysian legal firm, Chooi & Company + Cheang & Ariff. She graduated with a double degree in Law (Hons) and Science from the University of Melbourne. She was called to the Malaysian Bar in 1994 and has been in legal practice for over 26 years. Her areas of expertise include corporate and securities laws where she is involved in advising on capital market transactions, mergers and acquisitions, corporate restructuring and corporate finance related work. She currently serves as an independent director for CapitaLand Malaysia Trust, BP Plastics Holding Berhad and from 1 April 2023, she has been redesignated as a non-independant non-executive director of Tune Protect Group Berhad (companies listed on Bursa Malaysia) and Tune Insurance Malaysia Berhad, a subsidiary of Tune Protect Group Berhad.
Heng Siow Kwee	Director, Group HR, Joint Company Secretary
Daphne Ang	Joint Group Financial Controller
Eugene Tan	Joint Group Financial Controller
Chen Xiao Dong	Managing Director, OM Sarawak
Dai Han Ping	Deputy Managing Director OM Sarawak
Adrian Low	Managing Director, OMS
Fanie Van Jaarsveld	Managing Director, OMM
Don Heng	Managing Director, OMML
Goh Ping Choon	General Manager, Corporate, OMS
Mustapha Bin Ismuni	Director, OM Sarawak
Lisa Chee	General Manger, HR, OM Sarawak
Choi Pik Choing	Deputy General Manager, Finance, OM Sarawak
Liu Xian Feng	General Manager, OMQ
Pu Guo Liang	General Manager, Engineering, OMA
Chen Hui Zhi	General Manager, Trades, OMQT

Appendix – Financials

Income Statement

Income Statement US$'000	FY2021A 31-Dec-21	FY2022A 31-Dec-22	FY2023F 31-Dec-23	FY2024F 31-Dec-24	FY2025F 31-Dec-25
Revenue	779,893	856,552	669,603	802,372	915,522
COGS	-573,932	-649,686	-535,683	-637,886	-723,262
Gross profit	205,961	206,866	133,921	164,486	192,260
Other income	10,496	2,761	2,096	2,512	2,866
Operating expenses	-79,083	-67,884	-42,915	-51,523	-58,122
D&A	-42,297	-27,084	-30,841	-35,534	-35,405
Operating income	95,077	114,659	62,261	79,941	101,599
EBITDA excl. unusual items	140,710	149,538	96,629	112,194	134,015
Finance income	223	1,205	1,000	1,000	1,000
Finance costs	-14,823	-18,652	-22,129	-23,461	-20,079
Share of results of associates	4,057	8,417	6,576	6,576	6,576
PBT	84,534	105,629	47,708	64,056	89,097
Tax expenses	-2,451	-23,038	-10,287	-14,376	-20,639
PAT	82,083	82,591	37,421	49,680	68,458
Basic EPS (US cents)	8.35	9.21	5.08	6.74	9.29
Diluted EPS (US cents)	8.35	9.21	5.08	6.74	9.29
Oustanding shares ('000)	736,690	736,690	736,690	736,690	736,690

Balance Sheet

Balance Sheet US$'000	FY2021A 31-Dec-21	FY2022A 31-Dec-22	FY2023F 31-Dec-23	FY2024F 31-Dec-24	FY2025F 31-Dec-25
Current assets					
Cash and bank balances	81,524	62,383	36,831	132,925	152,921
Trade and other receivables	44,641	33,941	29,676	35,132	39,782
Inventories	256,376	235,415	278,253	228,560	247,010
Total current assets	382,541	331,739	353,004	404,861	447,957
Non-current assets					
PPE	443,975	445,556	433,050	419,339	437,465
Other non-current assets	30,548	15,256	21,756	19,987	26,215
Interests in associates	86,572	80,875	81,861	82,848	83,834
Total non-current assets	561,095	554,265	549,246	534,751	560,092
Total assets	943,636	886,004	902,250	939,613	1,008,049
Current liabilities					
Trade and other payables	128,241	126,604	88,057	104,858	118,892
Provisions	1,390	188	550	659	752
Lease liabilities	2,565	1,757	3,543	3,037	3,634
Borrowings	81,927	49,923	36,393	41,042	-2,934
Other current liabilities	14,066	16,603	16,603	16,603	16,603
Total current liabilities	228,189	195,075	145,369	166,421	137,170
Non-current liabilities					
Trade and other payables	39,417	54,323	54,323	54,323	54,323
Provisions	5,786	4,778	4,778	4,778	4,778
Lease liabilities	3,029	1,753	5,847	3,664	8,589
Borrowings	214,866	204,817	235,783	214,741	247,675
Other non-current liabilities	8,636	25,524	25,524	25,524	25,524
Total non-current liabilities	271,734	291,195	326,255	303,030	340,889
Total liabilities	499,923	486,270	471,625	469,451	478,059
NAV	443,713	399,734	430,625	470,162	529,990
Equity					
Share capital	32,035	32,035	32,035	32,035	32,035
Treasury shares	-2,058	-2,058	-2,058	-2,058	-2,058
Reserves	338,009	366,133	397,136	436,673	496,501
NCI	75,727	3,624	3,512	3,512	3,512
Total equity	443,713	399,734	430,625	470,162	529,990

Cash Flow Statement

Cashflow Statement US$'000	FY2021A 31-Dec-21	FY2022A 31-Dec-22	FY2023F 31-Dec-23	FY2024F 31-Dec-24	FY2025F 31-Dec-25
Cashflows from operating activities					
PBT	84,534	105,629	47,708	64,056	89,097
Adjustment for:					
D&A	42,297	27,084	30,841	35,534	35,405
Interest expense	14,823	18,652	22,129	23,461	20,079
Interest income	-223	-1,205	-1,000	-1,000	-1,000
Share of results of associates	-4,057	-8,417	-6,576	-6,576	-6,576
Change in inventories	-82,476	23,216	-42,838	49,693	-18,450
Change in account receivables	4,928	4,328	4,265	-5,456	-4,650
Change in other receivables	-1,546	6,181			
Increase/(decrease) in AP	14,249	26,388	-38,547	16,800	14,035
Increase/(decrease) in other payables	-5,338	-9,001	362	109	93
Income tax paid	-813	-6,590	-10,287	-14,376	-20,639
Other non-cash items	3,858	10,693	7,473	0	0
Cash from operating activities	70,236	196,958	13,530	162,246	107,393
Cashflows from investing activities					
CAPEX	-7,600	-39,963	-31,800	-19,200	-51,200
Proceeds from disposal of other investment	2,035				
Dividends received from an associate	9,697	7,868	5,590	5,590	5,590
Interest received	223	1,205	1,000	1,000	1,000
Cash from investing activities	4,355	-30,890	-25,210	-12,610	-44,610
Cashflows from financing activities					
Repayment of bank and other loans	-38,343	-65,964	-77,282	-36,393	-41,042
Proceeds from bank and other loans	15,830	22,826	94,718	20,000	30,000
Principal repayment of lease liabilities	-4,208	-2,484	-2,650	-3,543	-3,037
Dividend paid	0	-10,948	-7,506	-11,226	-9,936
Interest paid	-16,501	-17,661	-21,041	-22,379	-18,773
Other financing activities	3,069	-106,517	0	0	0
Cash from financing activities	-40,153	-180,748	-13,761	-53,542	-42,787
Net increase/(decrease) in cash	34,438	-14,680	-25,440	96,094	19,995
Start cash	36,040	69,793	53,262	27,822	123,916
FX adjustment	-685	-1,851			
End cash	69,793	53,262	27,822	123,916	143,912

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