

# OM HOLDINGS LIMITED

(ARBN 081 028 337)

(Malaysian Registration No. 202002000012 (995782-P))

Incorporated in Bermuda



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31 January 2024

ASX Market Announcements

ASX Limited

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Dear Sir/Madam

## **OM HOLDINGS LIMITED (“OMH”) PRESENTATION**

Please find attached a copy of the OMH Investor Presentation slides to be delivered at the Q4 2023 Investor Presentation Update on 31<sup>st</sup> January 2024.

Yours faithfully

**OM HOLDINGS LIMITED**

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**Joint Company Secretary**

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*This ASX announcement was authorised for release by the Board of OM Holdings Limited.*

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ASX Code: OMH | Bursa Code: OMH (5298)

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# Q4 KEY UPDATES AND FY24 PRODUCTION GUIDANCE

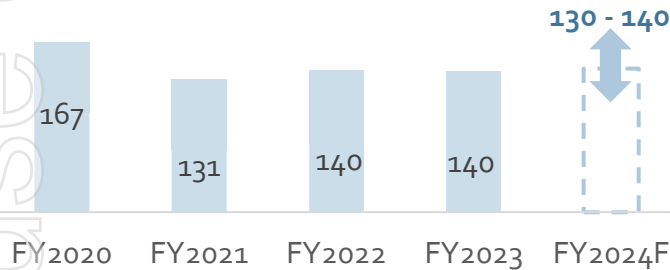
Executed a share subscription agreement with JFE Shoji Corporation for a consideration of A\$13 million

Temporary FeSi production at silicon metal furnaces to increase productivity

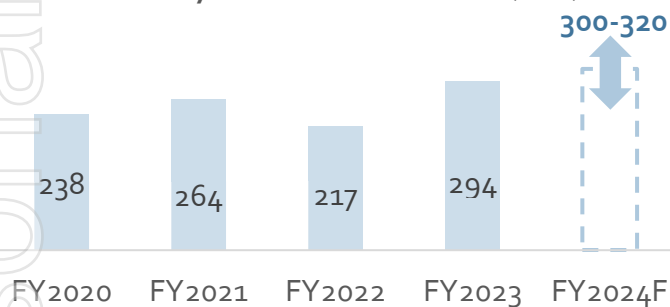
Silicon metal anticipated to resume production in early 2024

Repaid US\$9.3m to Project Finance Lenders

FeSi Production Volume (kmt)



Mn Alloy Production Volume<sup>(1)</sup> (kmt)



## Exploration and Mining (Mn Ore)

- Board approval for the restart of the UFP was obtained in November 2023.
- Mine remains under care and maintenance with rehabilitation works progressed as planned.





## Smelting (FeSi and Mn Alloy)

- As at 31 December, 14 out of 16 furnaces have completed major maintenance. Remaining 2 FeSi furnaces to undergo major maintenance works in 2025.
- Fabrication works are ongoing for the MetSi furnaces with expected completion by the end of February 2024. Expected restart in early 2024.

(1) FY2019 - FY2021 OMQ + OM Sarawak production volume. FY2022 onwards purely OM Sarawak production volume.

# MAJOR DEVELOPMENT PLAN 2024 & BEYOND

Capacity utilization stabilized 2024 onwards

	2023	2024 Guidance	Future
 <b>Fesi</b> 65-70 mt / day	5 to 7 furnaces 120-140ktpa	6 to 8 furnaces 130-140ktpa	6 130-140ktpa
 <b>Mn Alloys</b> 100-110 mt / day	5 to 8 furnaces 200-260ktpa	8 of 8 furnaces 280-308ktpa	8 280-308ktpa
 <b>MetSi</b> 35-40 mt / day	-	0 to 2 furnace (ramping up) 26-29ktpa	2 26-29ktpa
 <b>1 MetSi (33 MVA)</b> 49-54 mt / day	-	-	1 17-19ktpa
<b>Total Sarawak Plant Output (Est.)</b>	~434ktpa	430-470ktpa	450-490ktpa
	<ul style="list-style-type: none"> <li>Major maintenance continued</li> <li>Revised guidance with more furnace expected to restart</li> </ul>	<ul style="list-style-type: none"> <li>Commissioning of 2 MetSi furnaces</li> <li>Utilization rate expected to be &gt;85%</li> </ul>	

**Sustaining Capex:** US\$4m annually, with major maintenance capex of \$20-30 million occurring every 5-7 years

# FERROSILICON MARKET REVIEW

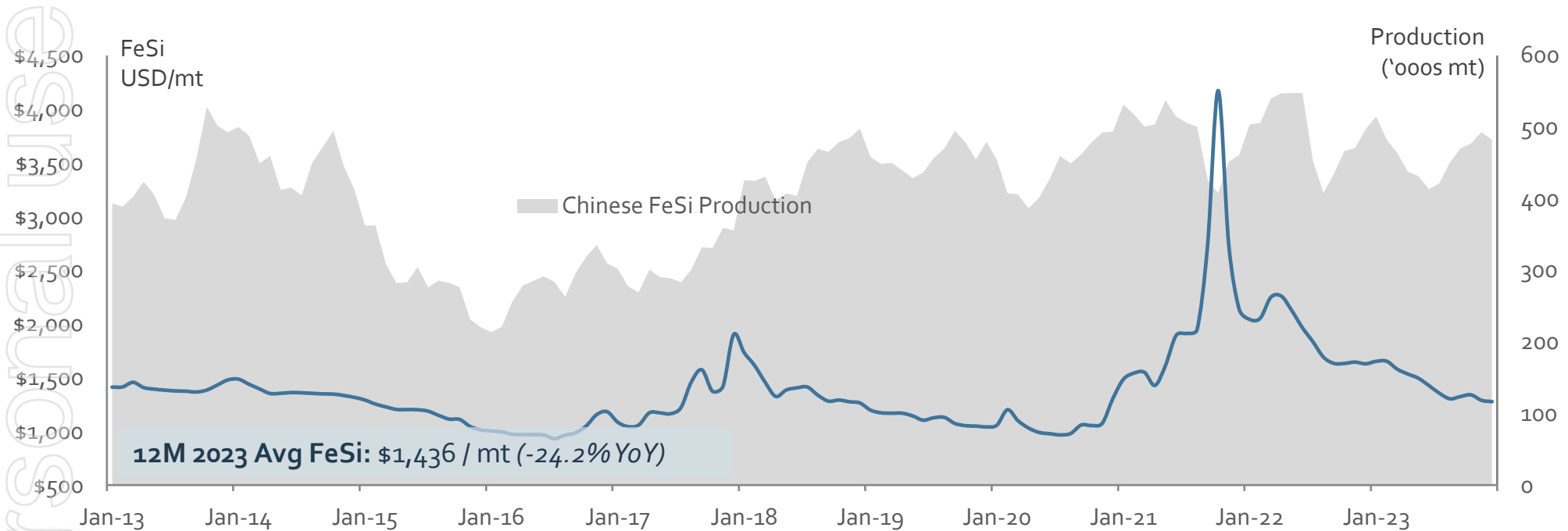
Overall market weakness with prices and Chinese output both declining steadily

Relatively fixed input costs, earnings correlate well with absolute prices

Prices follow typical commodity price cycles

**Covid & Russian-Ukraine War:** China coal & power crisis in Q3 2021 led to price surge to historical highs. Post-COVID market supported by structurally higher Chinese power prices with floating industrial power costs. China and Russia top two global exporters, with Russian markets shrinking post invasion.

**Outlook:** Continued weak market sentiment but well poised for cyclical recovery.



Source: S&P Global Platts, CNFEOL

# MANGANESE ORE AND ALLOY MARKET REVIEW

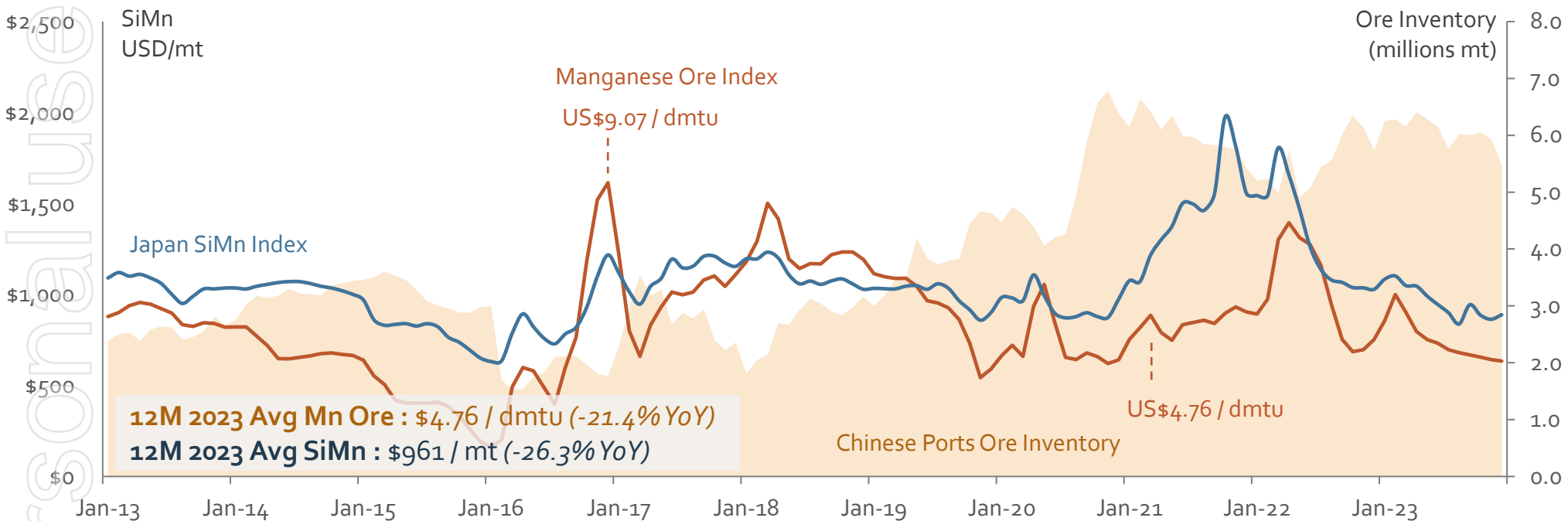
Mn alloy prices retraced to COVID levels, despite power price increase in key production regions

Strong **monthly** contemporaneous **correlation** between Mn Ore and Mn alloys

“Conversion” **margin** between ore and alloy prices **mean-revert**, creating **resilience**

**Covid & Russian-Ukraine War:** Strong margins with post COVID super-cycle. Price shock post invasion of Ukraine, world’s second largest exporter. Subsequent decline with Ukraine’s output fully displaced by exports from India.

**Outlook:** Prolonged weakness necessary to shed inventory overhang. Current reduction in global production prepping for cyclical recovery.



Source: Fastmarkets MB, S&P Global Platts, the IMnI, and CNFEOL

\*High Carbon Ferromanganese (HCFMn) not included due to relatively low liquidity and absence of representative non-Chinese Asian benchmark

# KEY TAKEAWAYS

OM, now a simpler story

## STRONG MARGINS

### Lowest Cost Quartile Ferroalloy Smelter in the Region<sup>(1)</sup>

Backed by low cost environmentally friendly hydro power from a 20-year PPA agreement with Sarawak Energy and a 10-year tax holiday

### Prime Beneficiary of Rising Power Prices & Transition to Renewables

Rising global power prices and power liberalization policies in China creates a strong price floor for power intensive ferroalloys

## STABLE OUTPUT + GROWTH

### Largest Producer in the Region, with Growth and Diversification Plans

Prioritize diversification to silicon metal targeting renewable energy, additional 150ktpa Mn alloys production capacity

### Strong Execution & Operating Track Record

>25 years of operational expertise with owner developed assets, since ASX listing in 1998

### Heat recycling

Generate more power by recycling exhaust heat

### Price on Carbon

Industry players prioritize decarbonization in 5 year plans

Carbon tax border adjustment to realize value of hydro

### Cash flows post growth

Cash distribution to increase post-growth



Sources:

(1) OMH Prospectus (11 June 2021) & AlloyConsult



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