



OM HOLDINGS LIMITED

MEDIA RELEASE

OM Holdings Limited Reports NPAT Attributable to Owners of A\$5.4 million, Mining and Smelting Segments Impacted by the COVID-19 Pandemic

Highlights

- **Net profit after tax attributable to owners of A\$5.4 million for FY2020 compared to A\$56.6 million for FY2019**
- **FY2020 EBITDA remains positive at A\$81.4 million**
- **Revenue decreased 24% to A\$784.6 million against FY2019 revenue of A\$1.03 billion with weakened commodity prices**
- **Net asset value per ordinary share decreased to 63.56 cents compared to 68.94 cents as at 31 December 2019**
- **Net cash generated from operating activities of A\$76.6 million for FY2020 despite challenging market conditions due to the COVID-19 pandemic**
- **Profit per share of 0.73 cents for FY2020 as compared to 7.69 cents for FY2019**

26 February 2021 – 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 year ended 31 December 2020 (“FY2020”). The Group sustained a net loss after tax of A\$2.9 million, the bulk of which was recognised in 2H 2020, impacted by depressed demand and weaker global prices amidst the COVID-19 pandemic. FY2020 EBITDA remained positive at A\$81.4 million, a decrease of approximately 47% compared with A\$154.4 million for FY2019. Revenue declined 24% to A\$784.6 million against FY2019 revenue of A\$1.03 billion, on the back of weakened prices with demand depressed by the COVID-19 pandemic.



The Group's smelting operations recorded a revenue of A\$548.7 million while mining operations recorded a revenue of A\$85.9 million for FY2020. Both operations recorded negative contributions to the Group upon consolidation due to decreased ferroalloy production volumes and weaker manganese ore and ferroalloy prices experienced in 2H 2020. The Group's mining operations produced 738,019 tonnes of manganese ore as compared to 570,090 tonnes in FY2019, an increase of approximately 29%. Production volumes were normalized in FY2020 after a 4 month period of halted mining activity in FY2019.

Despite an increase in product volumes traded in FY2020, weaker ore and ferroalloy prices reduced the Group's FY2020 gross profit margin to 12% in FY2020 compared to 15% in FY2019. Net profit attributable to owners of the Company was A\$5.4 million for FY2020 against A\$56.6 million for FY2019.

Commenting on the FY2020 financial performance, Mr Low Ngee Tong, Executive Chairman of OMH commented: *"2020 turned out to be one of the most challenging years. While our 1H 2020 was profitable, in the second half of the year we felt the full impact of the pandemic as demand faded with global economic uncertainty. The lower ore and ferroalloy prices, and higher unit operating costs due to limiting production, led to a net loss for 2H 2020. On a full year basis our EBITDA of A\$81.4 million and a comparable operating cash generation of A\$76.6 million demonstrated that the core business is sound and able to deliver value. As uncertainty evaporates and demand returns in 2021, we will work towards quickly returning to optimising full production, while pursuing our organic growth plans in manganese ore and manganese alloy production."*

In line with the Group's policy to continue reducing financing costs, approximately US\$16.1 million (approximately A\$25.4 million) of the Sarawak Project Finance Loan was repaid in FY2020, lowering the total borrowings to equity ratio to 0.89 times as at 31 December 2020.

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This media release is to be read in conjunction with the Group's announcement on 2020 Full Year Result posted on the ASX website on 26 February 2021.

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