

26 February 2021

## LYNAS RARE EARTHS HALF YEAR 2021 RESULTS

*Lynas lifts revenue, retains strong cost control and enhances balance sheet for future growth*

- Net Profit: **\$40.6m** (1H 2020: \$3.9m)
- Revenue: **\$202.5m** (1H 2020: \$180.1m), with record sales achieved in the December quarter
- EBIT: **\$46.1m** (1H 2020: \$8.4m)
- EBITDA: **\$80.6m** (1H 2020: \$44.2m)
- Cost of sales: **\$150.8m** (1H 2020: \$151.6m)
- **\$425m** equity raising completed to fund *Lynas 2025* foundation projects
- Closing cash and cash equivalents of **\$312.6m** (1H 2020: \$111.8m) plus **\$200.0m** held in short term deposits
- Debt position reduced to the JARE Facility in the principal amount of US\$145m, following the conversion of the final tranche of convertible bonds by the bondholders.

Lynas Rare Earths Ltd (ASX:LYC, OTC:LYSDY) today released its Financial Report for the half year ending 31 December 2020 (1H 2021).

Lynas Rare Earths CEO and Managing Director, Amanda Lacaze, commented: "This half year demonstrated our ability to achieve strong results across all key financial metrics, while running production at 75% of Lynas NEXT rates.

"Despite ongoing uncertainty in the global economy and logistics/supply chain systems due to the effects of the pandemic, Rare Earths market settings were favourable and pricing for Rare Earths materials improved. We demonstrated our ability to capitalise on this upside during the period, with cost of sales maintained at \$150.8m while achieving an increase in sales revenue to A\$202.5 million.

"The drive and discipline of the whole Lynas team has enabled us to meet the challenges presented by the pandemic whilst delivering strong results.

"During the period, we enhanced our balance sheet with a \$425m equity raising to fund our *Lynas 2025* foundation projects, being the planned Kalgoorlie Rare Earth Processing Facility and associated upgrades at the Lynas Malaysia plant. We now have over \$500m in cash and short term deposits, and following the conversion of the final tranche of convertible bonds during the half year, our only remaining debt is the US\$145m JARE facility," Ms Lacaze commented.

On 24 February 2021, in light of the strong results for the half year ended 31 December 2020, the Lynas Board resolved to repay, to the relevant authorities, the Australian Jobkeeper subsidy and the Malaysian wage subsidy received in respect of 1H 2021.

"We appreciated the support these payments provided our staff during a time of uncertainty and will repay approximately A\$1m in support received," Ms Lacaze added.

### **Progressing Lynas 2025 growth initiatives**

Progress on Lynas 2025 projects continued. A number of project milestones were achieved and critical path items secured for the Kalgoorlie facility during the period. The USA projects team continued to progress the Phase 1 planning and design work for a U.S. based Heavy Rare Earths separation facility. In line with Department of Defense Phase 1 milestones, we expect this Phase 1 work to be completed in the 2021 financial year.

As announced on 22 January 2021, Lynas has also signed an agreement with the United States Government for the development of a Light Rare Earths separation plant in the United States. We expect that Department of Defense funding will be capped at approximately US\$30 million and Lynas will also be expected to contribute approximately US\$30 million under the agreement.

## Outlook

"Lynas has a unique position in an exciting market. We are the 2<sup>nd</sup> largest producer of separated Rare Earths in the world and have a proven track record in developing and operating our production assets. Our team remains absolutely focused on serving our long-term strategic customers with high quality products and on contributing to the development of a sustainable Rare Earths supply chain outside China," Ms Lacaze said.

**If you have any queries in relation to this announcement, please contact Jennifer Parker or Lauren Stutchbury, our communications consultants at Cannings Strategic Communications on +61 2 8284 9990.**

Authorized By:  
The Lynas Board of Directors