

# ASX Announcement

16 February 2023

## FY23 HALF-YEAR FINANCIAL RESULTS AND INTERIM DIVIDEND

Evolution Mining Limited (ASX: EVN) has today reported an 11% increase in statutory net profit of \$101 million for the six months ended 31 December 2022 ("the half-year") and that it will pay an interim dividend of 2.0 cents per share fully franked, the 20<sup>th</sup> consecutive dividend.

### Key highlights for the half-year included:

- Statutory net profit after income tax of \$101 million (H1 FY22: \$91 million)
- Underlying net profit after income tax of \$103 million (H1 FY22: \$100 million)
- EBITDA up 13% to \$446 million (H1 FY22: \$393 million)
- Sector leading EBITDA margin of 39% (H1 FY22: 44%)
- Mine operating cash flow of \$477 million (H1 FY22: \$396 million)
- Net mine cash flow of \$86 million (H1 FY22: \$120 million) after \$302 million of planned investment in major growth projects
- Mineral Resources estimated to contain 30.3 million ounces of gold and 1.8 million tonnes of copper – an increase of 724,000 ounces of gold (2%) and 322,000 tonnes of copper (22%) compared with the estimate as at 31 December 2021<sup>1</sup>
- Ore Reserves estimated to contain 10.0 million ounces of gold and 661 thousand tonnes of copper – a decrease of 360,000 ounces of gold (4%) and an increase of 21,000 tonnes of copper (3%) compared with the estimate as at 31 December 2021<sup>1</sup>
- Gold production of 327,502 ounces at an All-in Sustaining Cost of \$1,307 per ounce<sup>2</sup> (US\$876/oz)<sup>3</sup>
- Cash position of \$313 million (30 June 2022: \$572 million) as at 31 December 2022
- Full year production and cost guidance maintained with the company positioned for a strong second half of the financial year

### Fully franked interim dividend declared

The Directors have declared a fully franked interim dividend of 2.0 cents per share for the half-year (31 December 2021: 3.0 cents per share), an aggregate payment to shareholders of \$37 million. This is the 20<sup>th</sup> consecutive dividend paid to shareholders for a total of \$1,090 million since 2013. The dividend balances capital investment and balance sheet management with investor returns.

- Dividend amount – 2.0 cents per share fully franked
- Ex-dividend date – 28 February 2023
- Record date – 1 March 2023
- Payment date – 2 June 2023
- Nil Conduit Foreign Income (CFI) component

<sup>1</sup> See ASX release entitled "Annual Mineral Resources and Ore Reserves Statement" released today for details on Mineral Resources and Ore Reserves, available to view at [www.evolutionmining.com.au](http://www.evolutionmining.com.au)

<sup>2</sup> AISC (All-in Sustaining Costs) includes C1 cash cost, plus royalties, plus sustaining capital, plus general corporate and admin expense. Calculated on a per ounce sold basis

<sup>3</sup> All USD values in this release have been calculated using the average AUD:USD exchange rate for the half-year of \$0.6705

Commenting on the half-year, Evolution's Chief Executive Officer and Managing Director, Lawrie Conway, said:

*"The half-year to 31 December 2022 has delivered strong operating cash flow which reinforces Evolution's position as one of the lowest cost, highest margin global gold producers. With a significant investment in growth projects at our cornerstone assets, supported by a high-quality Mineral Resource and Ore Reserve base, our business is well positioned to deliver a strong second half. We remain on track to deliver Group FY23 production and cost guidance with performance weighted to the second half of the year, which was considered when declaring the interim dividend. Evolution's history of dividend payments with over A\$1 billion paid since 2013 demonstrates our commitment to maximising shareholder returns."*

[Evolution's FY22 Sustainability Report](#) and [FY22 Modern Slavery Statement](#) were published during the half-year. The FY22 Sustainability Report was aligned with globally recognised ESG reporting frameworks including the Task Force on Climate-Related Financial Disclosure, Global Reporting Initiative, United Nations Global Compact and the Sustainable Development Goals.

Evolution continues to be recognised for its Sustainability performance, maintaining an industry leading rating of 'AA' in the MSCI ESG Ratings assessment and being one of only three gold mining companies to be included in S&P Global's Dow Jones Sustainability Index Australia, ranking among the top performing Australian mining companies for corporate sustainability in this category. The Group's total recordable injury frequency (TRIF) was 9.32 as at 31 December 2022 (30 June 2022: 10.66).

The Group recorded a statutory net profit after tax of \$101 million for the half-year to 31 December 2022, an 11% increase on the same period prior year (31 December 2021: \$91 million). EBITDA margins of 39% were recorded reflecting the high-quality portfolio and makes Evolution one of the lowest cost global gold producers.

Basic earnings per share was 5.5 cents per share (31 December 2021: 5.0 cents).

The Group's cash balance was \$313 million as at 31 December 2022 (30 June 2022: \$572 million). The Group maintained a strong liquidity position as at 31 December 2022 of \$838 million after scheduled debt repayments during the half-year. Net debt was \$1,455 million excluding pre-paid loan fees and impacts of cross currency swaps, resulting in a gearing level of 31% within internal limits of 35%.

Today the Group released its annual Mineral Resource and Ore Reserve estimates as at 31 December 2022. Highlights include a 2% year-on-year increase in Mineral Resources to 30.3 million ounces of contained gold (31 December 2021: 29.6Moz) net of mining depletion of 877,000 ounces. The Ernest Henry Mineral Resource significantly increased year-on-year in contained copper to 1.2 million tonnes (36%) and contained gold to 2.3 million ounces (37%). The Ernest Henry Mine Extension Pre-Feasibility Study has been extended to the June quarter 2023 to incorporate a larger mine footprint defined by successful ongoing drilling programs and is expected to materially increase the reported Ernest Henry Ore Reserve. Full details are contained in the annual Mineral Resources and Ore Reserves Statement available on Evolution's website [www.evolutionmining.com.au](http://www.evolutionmining.com.au).

## **Dividend payment**

The Company's dividend policy is, whenever possible, to pay a dividend based on Group cash flow generated during a year. The Group's free cash flow is defined as cash flow before debt, dividends, and acquisitions. The Directors assess the Group cash flow and outlook for the business with the intention to return excess cash to shareholders and targeting a level around 50% of Group cash flow. The level of capital invested in growth projects, predominantly at Cowal and Red Lake, significantly reduced the Group cash flow for the period. However, these projects will move to commercial production in the second half of the year which will lead to increased operating cash flow and a significant reduction in the level of major capital investment.

In considering the performance and outlook of the business, the upcoming planned reduction in major capital investment and the position of the balance sheet, the Board has declared a fully franked dividend of 2 cents per share. The aggregate amount of the interim dividend to be paid on 2 June 2023 is estimated at \$37 million.

This is Evolution's 20<sup>th</sup> consecutive dividend and increases the total amount returned to shareholders, upon payment of this interim dividend, to \$1,090 million since August 2013.

Full details of the FY23 Half-Year Financial Results are available in the Appendix 4D released to the ASX today and are also available on Evolution's website [www.evolutionmining.com.au](http://www.evolutionmining.com.au).

## Approval

This release has been approved by the Evolution Board of Directors.

## Conference Call

Jake Klein (Executive Chair), Lawrie Conway (Chief Executive Officer and Managing Director) and Glen Masterman (Vice President Discovery) will host a conference call to discuss the FY23 Half-Year Financial Results and the Annual Mineral Resources and Ore Reserves Statement at 11.00am (Australian Eastern Daylight Time time) **today**. Access details are provided below.

## Shareholders – Live Audio Stream

A live audio stream of the conference call will be available on Evolution's website [www.evolutionmining.com.au](http://www.evolutionmining.com.au). The audio stream is 'listen only' and available to access on the home page and under the menu, Investors/Webcasts & Media. The audio stream will also be uploaded to Evolution's website shortly after the conclusion of the call and can be accessed at any time.

## Analyst and Media – Conference Call Details

Conference call details for analysts and media includes Q & A participation. To access the conference call, participants will pre-register for the call at the link below.

<https://s1.c-conf.com/diamondpass/10027468-cl9iw5.html>

You will receive a dial in number, a passcode and a unique code which will be emailed to you as a calendar invite. Please dial in five minutes before the conference call starts, enter the passcode followed by your pin and you will join the conference. To ask a question, participants will need to dial \*1 (star, 1) on their telephone keypad.

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## About Evolution Mining

Evolution Mining is a leading, globally relevant gold miner. Evolution operates five wholly-owned mines – Cowal in New South Wales, Ernest Henry and Mt Rawdon in Queensland, Mungari in Western Australia, and Red Lake in Ontario, Canada. Financial Year 2023 gold production guidance is 720,000 ounces (+/-5%) at a sector leading All-in Sustaining Cost of \$1,240 per ounce (+/-5%).

## Forward looking statements

This announcement includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business

and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.