

20 August 2024

ASX: DRR

Full Year Report for the period to 30 June 2024

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to release its full year results for the financial year ended 30 June 2024 (FY24).

Highlights:

- Royalty business model continues to deliver strong financial performance:
 - revenue increased 5% to \$240.5 million (FY23: \$229.3 million):
 - Mining Area C (MAC): royalty revenue of \$239.3 million with no capacity payment received in FY24
 - Mineral sands royalties: \$1.2 million
 - EBITDA of \$227.9 million at a margin of 95%
 - Net Profit After Tax (NPAT) of \$154.9 million
- Fully franked final dividend of 14.40 cents per share declared representing 100% of NPAT
 - Total full year FY24 dividend of 29.29 cents per share, fully franked (interim dividend of 14.89 cents per share)
- Mining Area C (MAC) achieved annual production of 125 million wet metric tonnes (Mwmt), down 1% on the prior year.
 - South Flank ramped up to full production capacity of 80 Mwmtpa on a run-rate basis in FY24 as planned¹
- Offer to acquire Trident Royalties Plc (Trident) with an attractive portfolio of 21 royalty and royalty-like offtake assets including its name plate royalty over the advanced development US lithium asset Thacker Pass, has been approved by Trident shareholders and is subject to UK court approval expected on 29 August 2024
- Net-zero operational (scope 1 and 2) Greenhouse Gas emissions and ongoing partnership with Earbus Foundation WA

¹ BHP Operational Review for the full year ended 30 June 2024

Key Points of Note:

\$ million, unless otherwise stated	FY24	FY23	Inc/(dec)
Revenue	240.5	229.3	4.9%
EBITDA ²	227.9	219.3	3.9%
EBITDA ² Margin	95%	96%	(1.0)%
Net Profit After Tax (NPAT)	154.9	152.5	1.6%
Dividends paid and declared (cents per share)	29.29	28.85	1.5%
Dividend as a % of NPAT	100%	100%	
Franking	100%	100%	

Deterra's Managing Director, Julian Andrews, commented on the results:

"Deterra's full year results for FY24 once again reflect the quality of our cornerstone MAC asset and the high margin nature of our business model.

"South Flank completed its ramp up to full production capacity of 80 Mwmtpa (100% basis) on a run rate basis in FY24 as planned, bringing name-plate production capacity at MAC to 145 Mwmtpa.

"Total revenue was up nearly 5% from the prior year as stronger iron ore pricing more than offset marginally lower sales tonnes at MAC and the lack of capacity payment and our mineral sands royalties recorded strong growth.

"With strong earnings margins delivering \$154.9 million in net profit after tax, the Directors have declared a fully franked dividend of 14.40 cents per share which, combined with the 14.89 cents per share interim dividend paid in March this year, brings the total dividend for FY24 to 29.29 cents per share fully franked, 100% of NPAT. This brings the total dividends returned to shareholders to more than \$550 million since our listing in 2020.

"I am also very pleased to note that in FY24 we announced an offer to acquire Trident Royalties Plc. This investment is a first step in our strategy to grow and diversify our portfolio, providing immediate cash flow from currently producing operations, as well multiple sources of near- and medium-term growth from assets in construction and longer-term optionality from development stage assets. Whilst the Trident offer is an important investment in its own right, we continue to evaluate opportunities to add to the Company's portfolio through value-accretive investment in bulk, base and battery commodities. With the increasing cost and reduced risk appetite we have seen in broader capital markets, as well as greater volatility in commodity markets, we believe that our long-term outlook and short-term liquidity, position us well to execute on these growth ambitions over time."

Overview of Financial Performance:

Revenue for the period was \$240.5 million, an increase of 5% on the prior year. Royalties from MAC were \$239.3 million, up 11% (FY23 \$215.2 million) as a 13% increase in iron ore pricing was

² Non-IFRS measures are unaudited but derived from the audited accounts and reconciliations included in Deterra's Annual Report 2024

partially offset by a 2% decrease in sales volumes. This was offset as total annual production did not result in a capacity payment in FY24 (FY23 \$13.0 million). \$1.2 million (FY23 \$1.1 million) was received from ongoing operations at the Yalyalup and Wonnerup mineral sands assets.

Total operating costs for the period were \$13.1 million³, an increase of \$2.7 million on the prior period largely due to due diligence costs associated with Trident, business development costs due to the volume of growth opportunities assessed and market based employee cost increases. Net financing costs of \$1.7 million were slightly higher than FY23 mainly due to the increase in bilateral credit facilities of \$150 million during the year. At 30 June 2024 a \$4.2 million (FY23 nil) non cash fair value loss was incurred on the derivative instrument entered into to manage the foreign exchange risk of the Trident offer.

Dividend:

The Board has determined to pay a fully franked, final dividend to eligible Deterra Shareholders of \$76.1 million or 14.40 cents per share. Together with the interim dividend of \$78.7 million or 14.89 cents per share paid in March this year brings the total FY24 dividends to \$154.8 million or 29.29 cents per share equal to 100% of NPAT. The dividend is expected to be paid on 24 September 2024 to shareholders of record as at 28 August 2024.

FY24 Financial Results Teleconference:

Deterra's Managing Director and Chief Executive Officer, Julian Andrews, and Chief Financial Officer, Jason Clifton, will host a conference call for equity markets participants to discuss the FY24 financial results. The conference call will take place at 9:30am (AEST) on Tuesday, 20 August 2024. The live audio webcast and on-demand replay of the results briefing will be available at www.deterraroyalties.com and via the following link:

<https://edge.media-server.com/mmc/p/negkaop5>

This document was approved and authorised for release by Deterra's Managing Director.

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About Mining Area C

Mining Area C is one of four hubs within BHP's Western Australian Iron Ore (WAIO) business and consists of two major mining areas, North Flank and South Flank. The North Flank operation has

³ Total Costs of \$13.1 million includes \$9.1 million of operating expenses, \$3.5 million of business development expenses and \$0.5 million of depreciation and amortisation.

been in production since 2003 with nameplate capacity of 65 Mwmtpa. South Flank achieved its first ore production in May 2021 and ramped up to full production capacity of 80 Mwmtpa on a run-rate basis in FY24 as planned.⁴ The combined MAC mining hub is expected to operate for over 30 years ramping up to 145 Mwmtpa to form the largest operating iron ore hub in the world⁵.

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⁴ BHP Operational Review for year ended 30 June 2024

⁵ BHP Mining Area C Mine Closure Plan, October 2017