

tharisa

PROFITABLE LOW COST CO-PRODUCER – PGMS AND CHROME

OCTOBER 2018



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THARISA MARKET INFORMATION

MID TIER OPEN PIT PGM AND CHROME CONCENTRATE CO-PRODUCER WITH AN INTEGRATED MARKETING, SALES, AND LOGISTICS PLATFORM

ONE YEAR PERFORMANCE

(4 OCTOBER 2018)

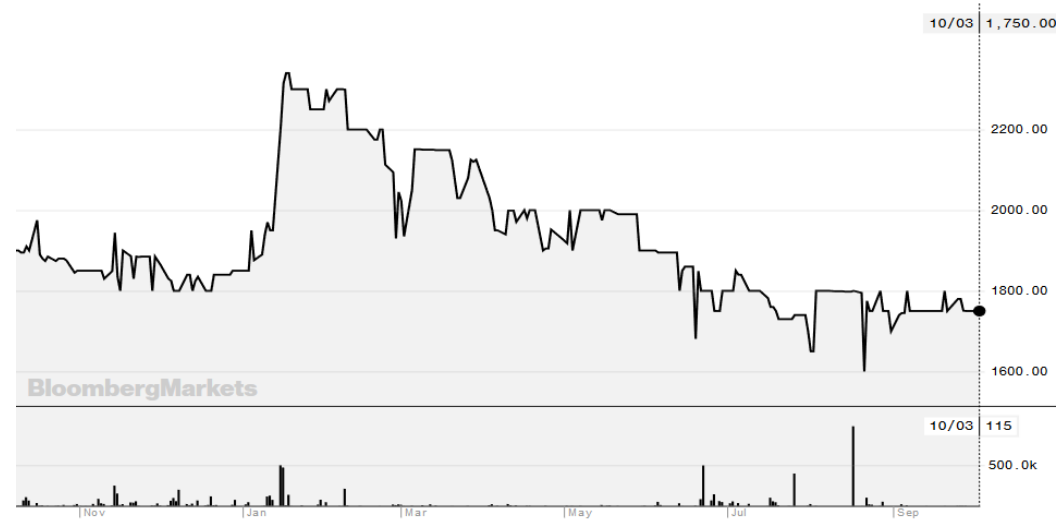
	JSE: THA	LSE: THS
Price	ZAR17.50	GBp95.0
High	ZAR24.00	GBp143.0
Low	ZAR15.50	GBp86.00
Market capitalisation	ZAR4.6 billion	GBP251.8 million
One year return	(3.8)%	(1.9)%
PE ratio	5.9	6.2
Average volume traded (30 days)	7 460	34 959

ANALYST TARGET PRICES

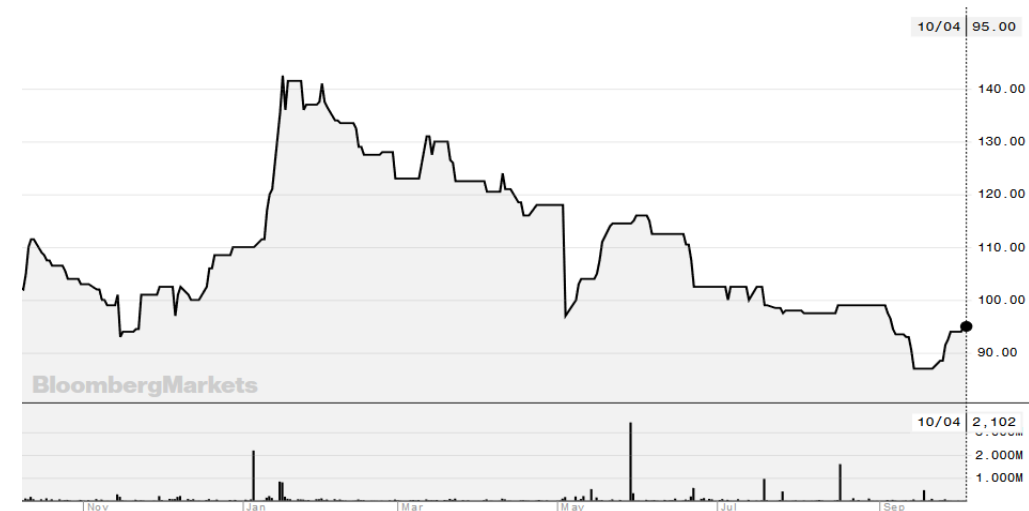
POST Q3 PRODUCTION REPORT

Peel Hunt	GBp220.00
BMO	GBp160.00
HSBC	ZAR28.00
Nedbank CIB	ZAR26.00
Vunani	ZAR25.70

THA



THS



THARISA – AN OVERVIEW

THARISA MINERALS

RESOURCE

867.5 Mt resource
97.0 Mt reserve of which 78.3 Mt open pit

MINING

17 year open pit LOM
40 year underground extension

PROCESSING

400 ktpm nameplate capacity
Genesis Plant (100 ktpm)
Voyager Plant (300 ktpm)

LARGE SCALE

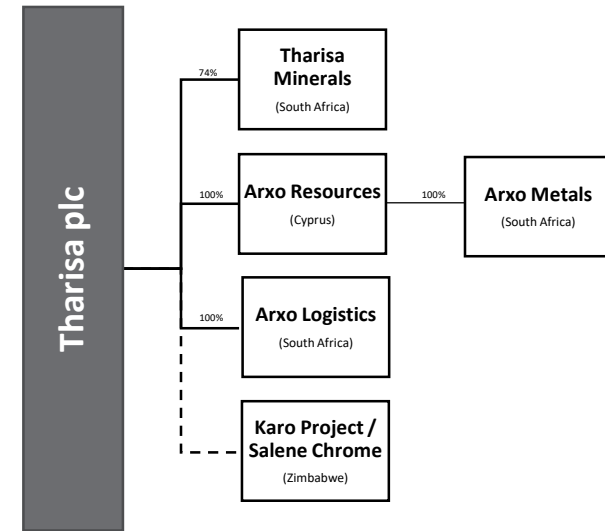
One of the world's largest single chrome resources

MECHANISED

Mechanised open pit mining with a skilled and focused labour force
Owner mining model

DERISKED

In production, major capex complete
FY2019 production of 160.0 koz PGMs and 1.5 Mt of chrome concentrates



ARXO METALS

BENEFICIATION

Production of specialty grade chrome concentrates

R&D

New technology assessment
1 MW PGM smelter

ARXO RESOURCES / ARXO LOGISTICS

MARKETING AND SALES

Significant trader of chrome concentrates to China
Third party trading
Global reach for specialty chrome concentrates

LOGISTICS

PROJECTS

ZIMBABWE

26.8% shareholding in Karo Mining Holdings, developing the integrated PGM project in Zimbabwe

Salene Chrome illuvial chrome exploration project

CUSTOMERS

AGREEMENTS

PGM offtake– Impala Platinum and Lonmin
Specialty offtake/agency – Rand York Metallurgical agency – Noble Group
Strategic agreement – Tisco JV
Relationships with stainless steel and ferrochrome producers and global commodity traders

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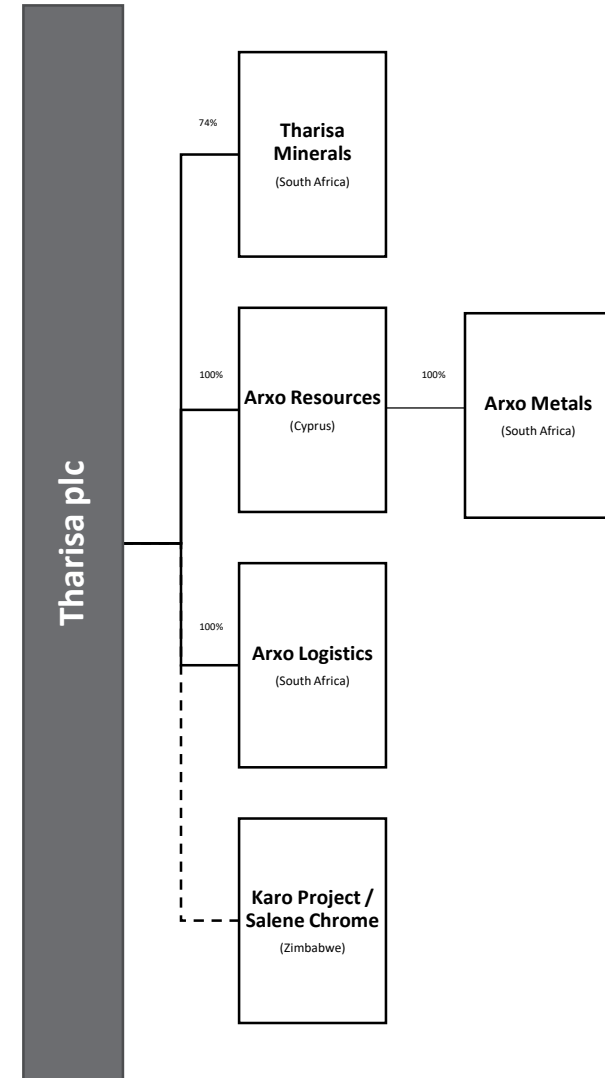
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LOGISTICS

Road/rail transport, warehouse and port facilities for bulk chrome concentrates
Road transport of PGMs

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H1 FINANCIAL AND FY PRODUCTION FY2018 HIGHLIGHTS

SPECIALTY GRADE CHROME
367.7 kt ↑ 13.8%
(FY2017: 323.1 kt)

REEF MINED

4.9 Mt

(FY2017: 5.0 Mt)

REEF MILLED

5.1 Mt

(FY2017: 4.9 Mt)

↑ 3.9%

PGM PRODUCTION

152.2 koz

(FY2017: 143.6 koz)

↑ 6.0%

CHROME PRODUCTION

1.4 Mt

(FY2017: 1.3 Mt)

↑ 8.8%

REVENUE

↑ 13.8%

US\$199.2m

(H1 FY2017: US\$175.1m)

EBITDA

↓ 33.2%

US\$54.1m

(H1 FY2017: US\$81.0m)

CASH FLOWS FROM
OPERATIONS

↑ 17.9%

US\$52.1m

(H1 FY2017: US\$44.2m)

HEPS

↓ 37.5%

US\$ 10 cents

(H1 FY2017: US\$ 16 cents)

MAIDEN INTERIM DIVIDEND OF US\$ 2 CENTS (18.3% OF NPAT)

HIGHLIGHTS

H1 AVERAGE PGM PRICE
US\$909/oz ↑ 19.6%
 (H1 FY2017: US\$760/oz)

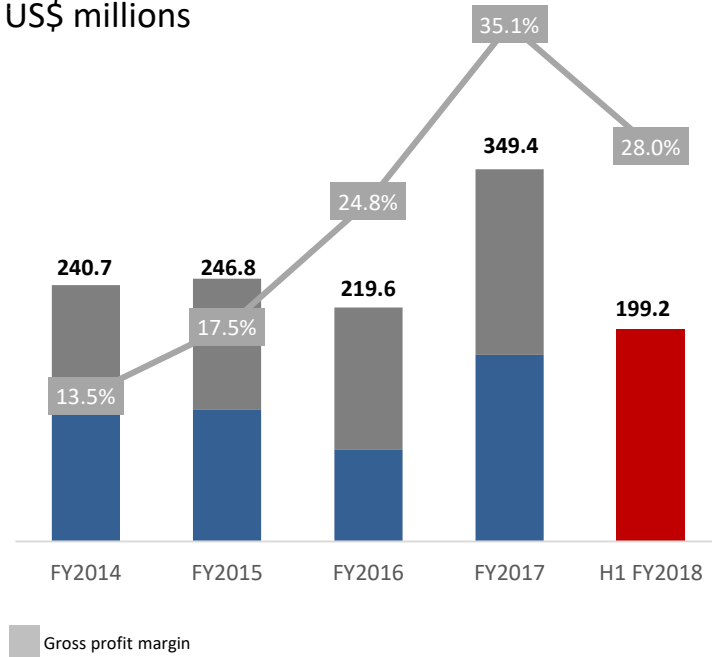
H1 42% CHROME PRICE (CIF CHINA)
US\$193/t ↓ 30.6%
 (H1 FY2017: US\$278/t)

FY AVERAGE PGM PRICE
US\$923/oz ↑ 17.4%
 (FY2017: US\$786/oz)

FY 42% CHROME PRICE (CIF CHINA)
US\$186/t ↓ 7.0%
 (FY2017: US\$200/t)

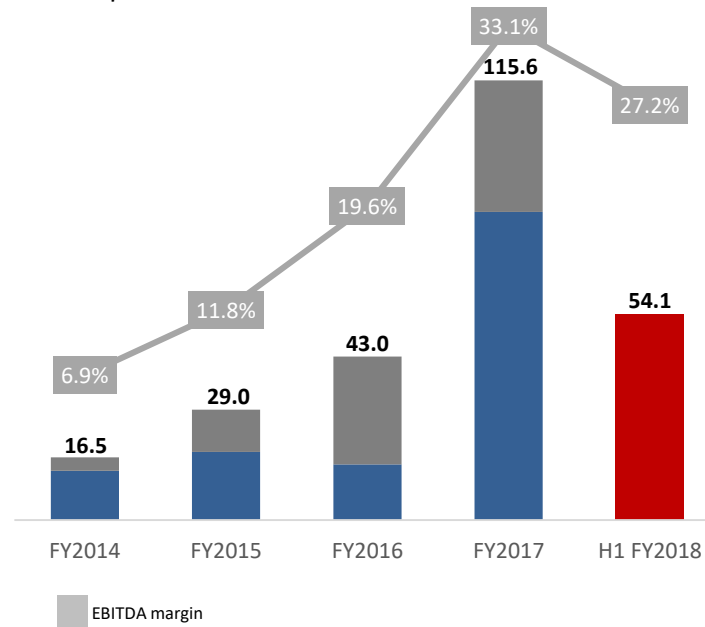
GROUP REVENUE

US\$ millions



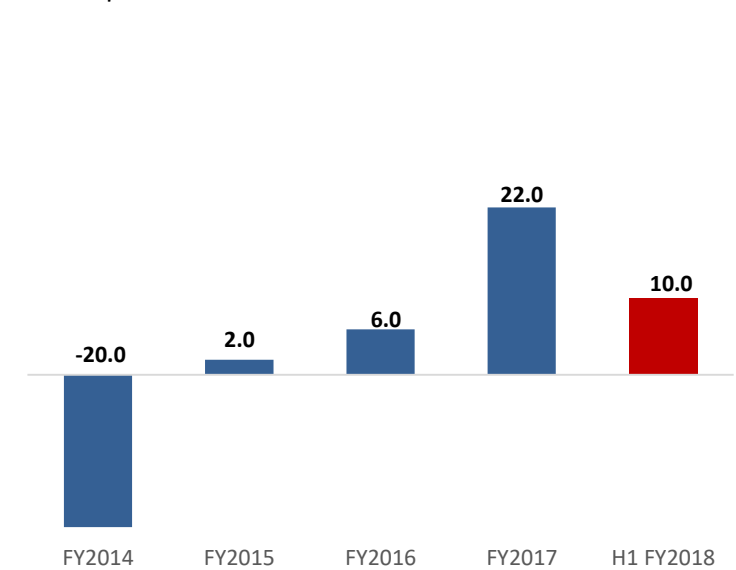
EBITDA

US\$ millions



HEPS

US\$ cents



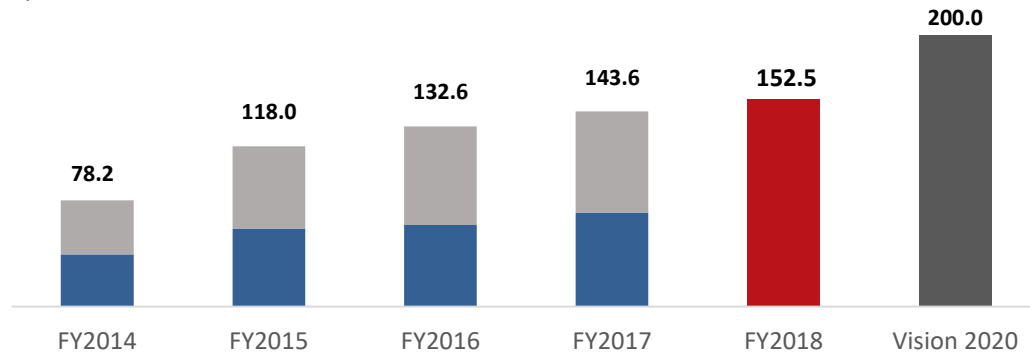
PRODUCTION HIGHLIGHTS

FY2019 PGM PRODUCTION GUIDANCE
160.0 koz

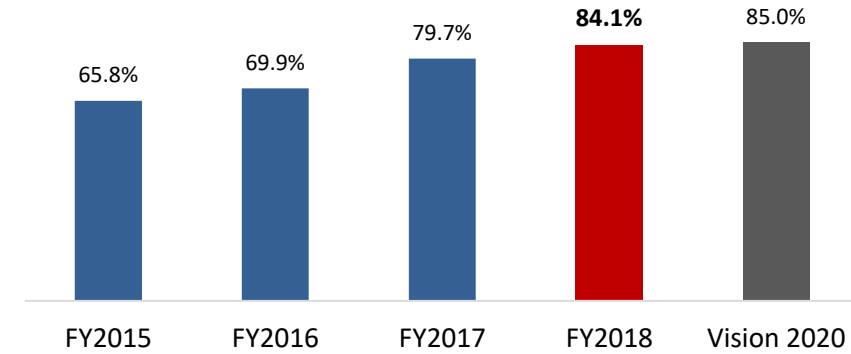
FY2019 CHROME PRODUCTION GUIDANCE
1.5 Mt

PGM PRODUCTION

kozpa

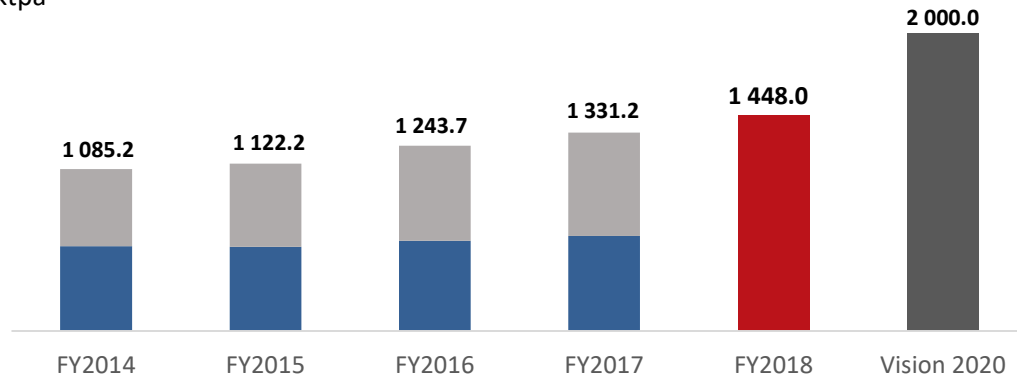


PGM RECOVERIES

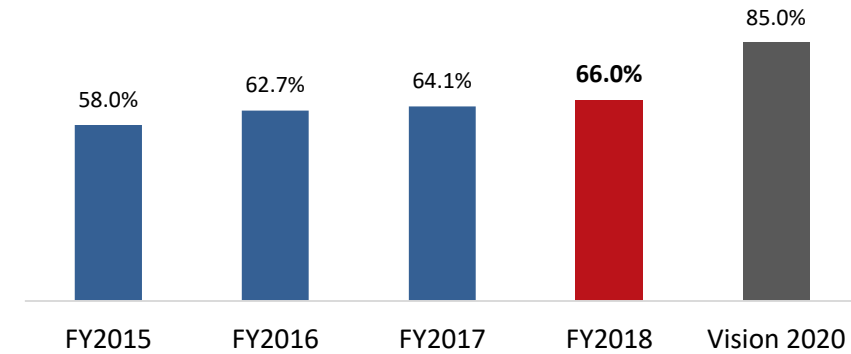


CHROME PRODUCTION

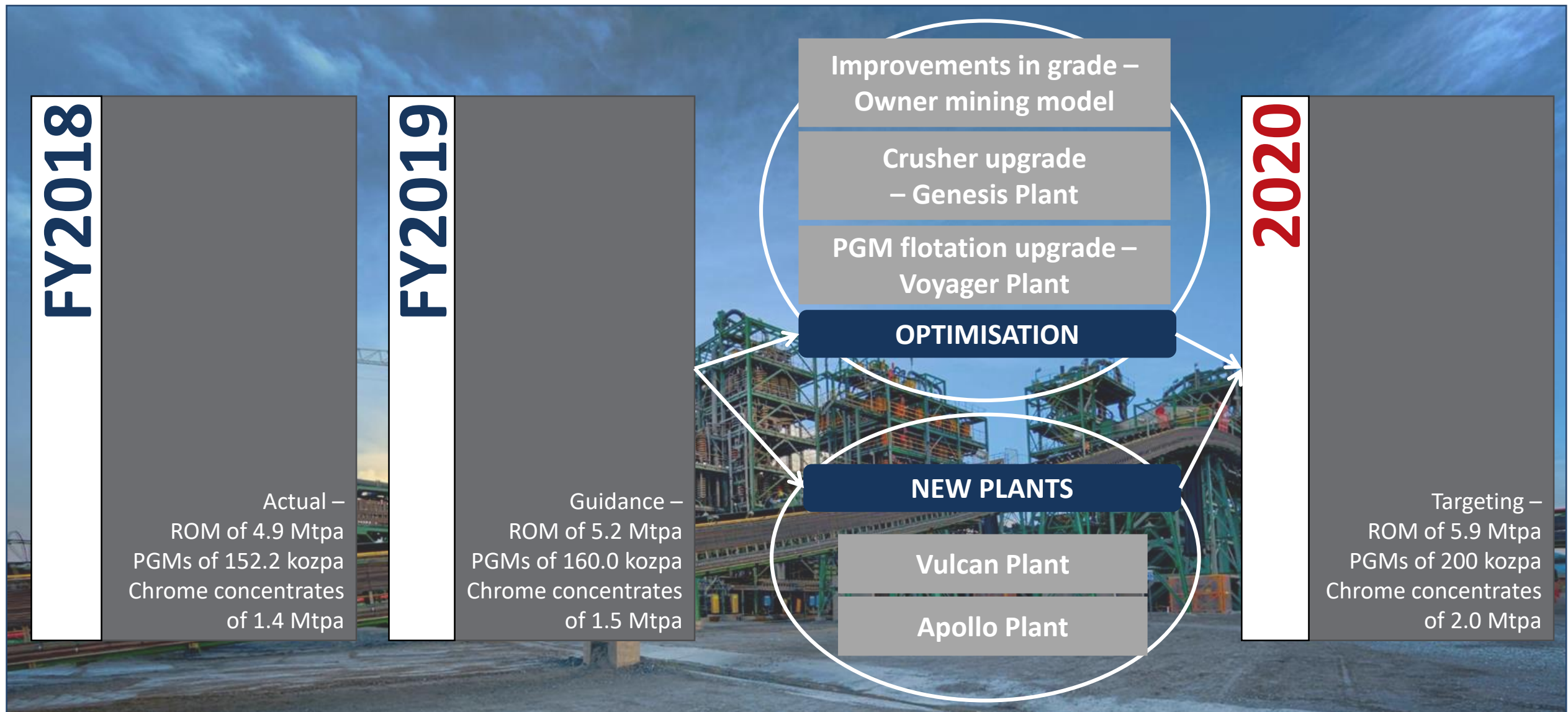
ktpa



CHROME RECOVERIES



GROWTH OPPORTUNITIES – VISION 2020 & ZIMBABWE



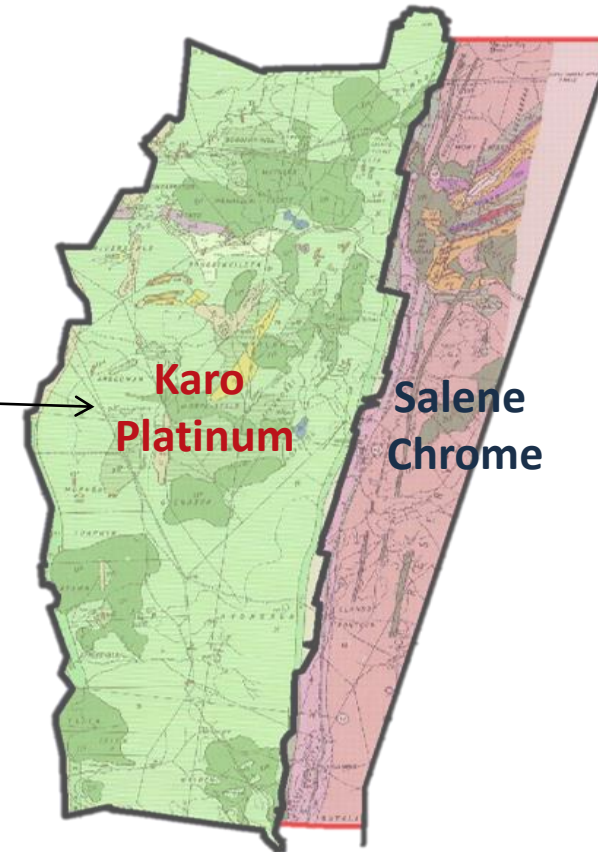
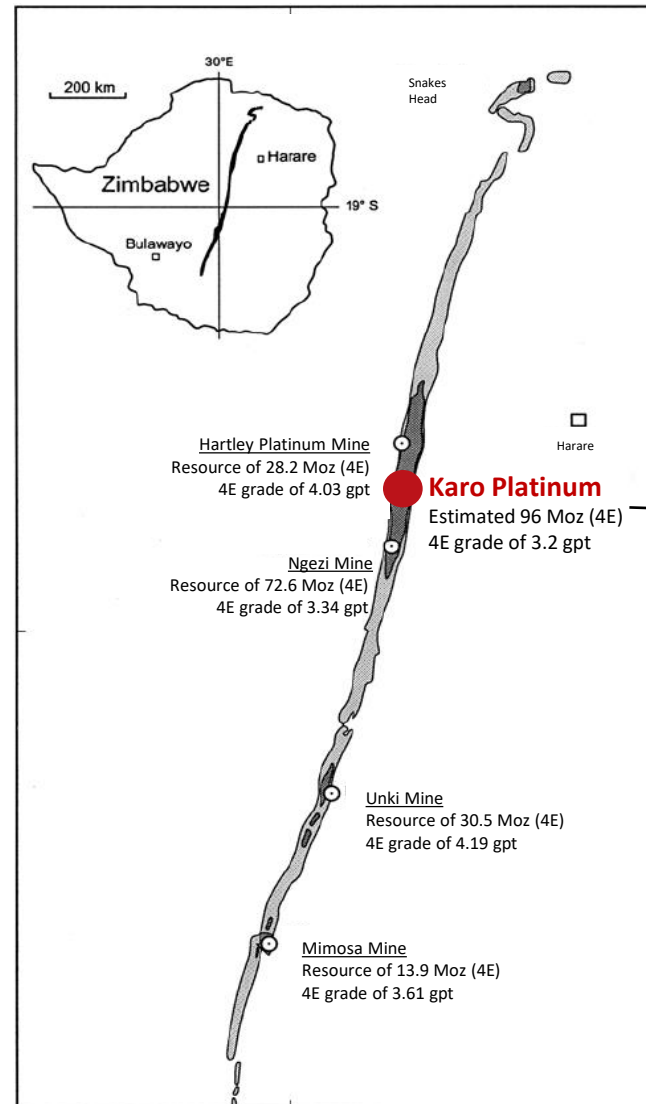
GROWTH OPPORTUNITIES – VISION 2020 & ZIMBABWE

DIVERSIFICATION
FROM SINGLE ASSET

HIGHLY
PROSPECTIVE
AREA

MINERAL RICH
GEOGRAPHY

LARGE SCALE



PRODUCT
EXPANSION

FURTHER
GROWTH
OPPORTUNITIES

STRONG
CASH GENERATION
POTENTIAL

LOW COST
PRODUCTION

BALANCING GROWTH OPPORTUNITIES

PROVEN TRACK RECORD OF GREENFIELD DEVELOPMENT

EXISTING OPERATIONS

- Stability and productivity
- Maximise value extraction from existing asset by implementing Vision 2020

CAPITAL DISCIPLINE

- Dividend policy unchanged
- Projects are assessed against stringent investment criteria
- Low risk, staged capital and development of new projects

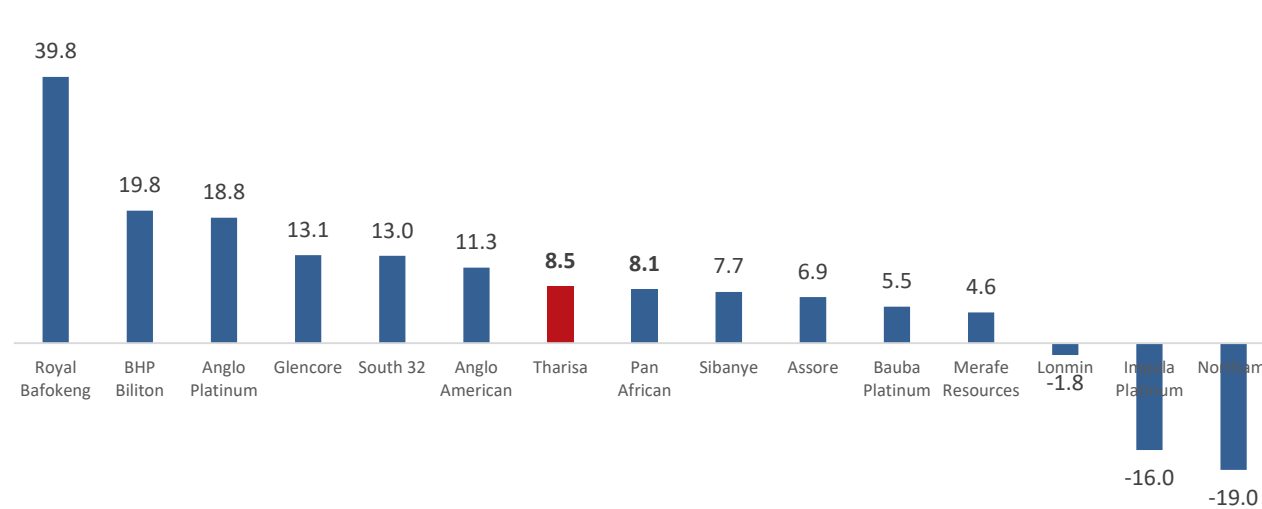
EXPLORATION

- Replicate innovative approach to Tharisa in a different jurisdiction
- Maximise value upside
- Projects have the “right address”
- In line with growth strategy

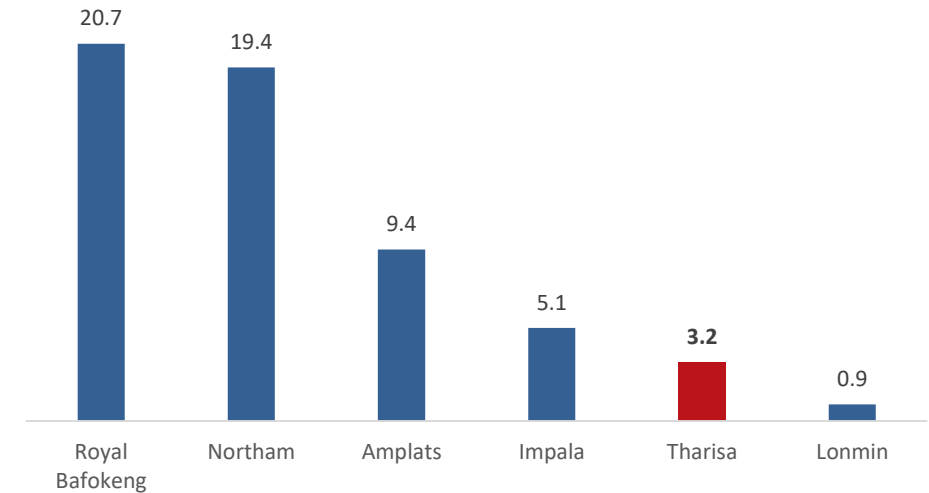


UPSIDE VALUE GROWTH POTENTIAL

PE RATIO (4 OCTOBER 2018)



EV/EBITDA



US\$ millions	Royal Bafokeng	Northam	Amplats	Impala	Tharisa	Lonmin
EV	695	2 208	8 671	1 713	336	38
EBITDA 2018E	34	114	922	335	105	42

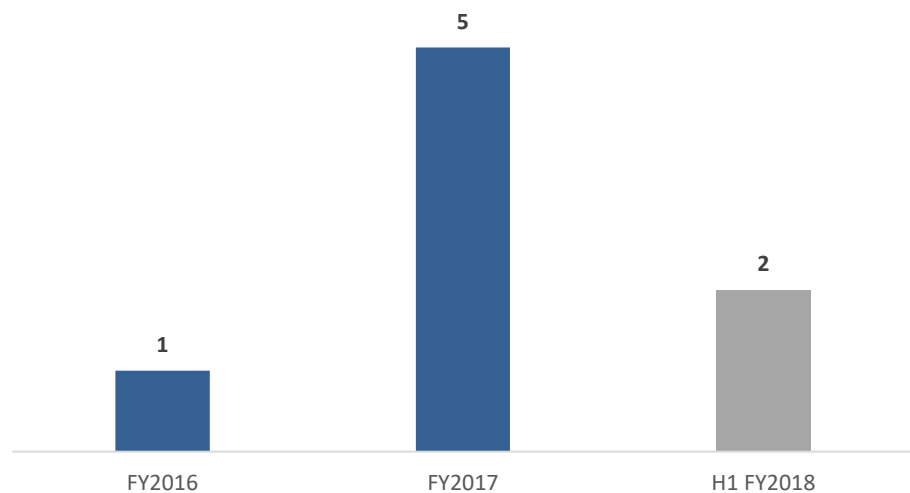
EXCLUDES UPSIDE POTENTIAL FROM VISION 2020 & ZIMBABWE ASSETS

CAPITAL DISCIPLINE

DIVIDEND POLICY TO DISTRIBUTE AT LEAST 15% OF ANNUAL NET PROFIT AFTER TAX

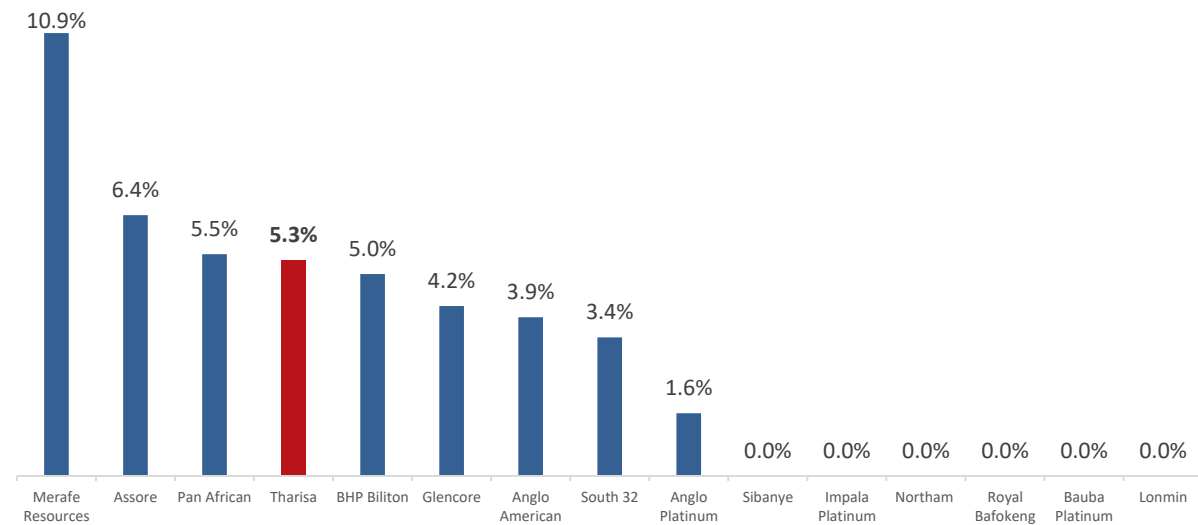
DIVIDENDS DECLARED

(US cents per share)



US\$ millions	FY2016	FY2017	H1 FY2018
Total dividend	2.6	13.0	5.3*

DIVIDEND YIELD



*18.3% of NPAT

DELIVERING ON OUR STRATEGY

LEADING NATURAL RESOURCES GROUP

Globally significant diversified low cost operations

INNOVATION

Innovative research and development feeding organic growth

OPTIMISATION INITIATIVES

Maximise value extraction

LEVERAGING MARKETING AND LOGISTICS PLATFORM

Marketing, sales and logistics platform
Expansion into multi-commodities
Geographic diversity

CAPITAL DISCIPLINE

Dividend policy of minimum 15% NPAT
Capital allocation to low risk projects

Robust performance and entering new jurisdiction

Vision 2020 and development of new projects

Continuous improvement principles applied

Third party agency and logistics

Maiden interim dividend of US 2 cents per share