## **BELL POTTER**

Analyst Bradley Watson 618 9326 7672

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### Recommendation Buy (unchanged) Price \$46.82 Target (12 months) \$75.00 (previously \$70.00)

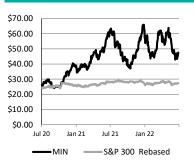
#### **GICS Sector**

Materials

Expected Return	
Capital growth	60.2%
Dividend yield	1.0%
Total expected return	61.2%
<b>Company Data &amp; Ratios</b>	
Enterprise value	\$9,213m
Market cap	\$8,868m
Issued capital	\$189.4m
Free float	78%
Avg. daily val. (52wk)	\$84.3m
12 month price range	\$36.95 to
	\$66.88

Price Performance					
	(1m)	(3m)	(12m)		
Price (A\$)	48.31	62.03	59.27		
Absolute (%)	-3.1	-24.5	-21.0		
Rel market (%)	-7.1	-23.3	-18.5		

#### **Absolute Price**



SOURCE: IRESS

BELL POTTER SECURITIES LIMITED ABN 25 006 390 772 AFSL 243480

## Mineral Resources Ltd (MIN)

The year of the white rocks

### Lithium product sales forecast to jump in FY23

MIN guided sales of ~225kt of lithium spodumene concentrates for FY22. In FY23, we forecast increased sales of spodumene concentrates (580kt, up 160%), and first significant sales of lithium hydroxide (~43kt). Production of lithium products is forecast to increase throughout FY23 and FY24. Growth is to come from plant expansions, reopening mines, lithium hydroxide conversion via toll-treating, and first sales of lithium hydroxide from JV owned conversion capacity in Western Australia. This growth in lithium product sales is delivered into a strong demand environment, and supportive product prices. So far in CY22, the spot 6% Li2O spodumene price is up 190%, and the spot battery grade lithium hydroxide prices is up 130%.

### MIN's lithium business to step out of the shadows

We forecast strong EBITDA growth for MIN in FY23 (>200% to \$2.3 billion, from FY22e: \$750m). This strong EBITDA growth is primarily a function of the growth of lithium product sales, and relatively high forecast lithium product prices. In FY21 and FY22, MIN's share price was particularly sensitive to the performance of the iron ore business, and iron ore prices. Through FY23 and FY24, we anticipate that MIN's share price will be increasingly supported by the lithium business, and the electrification thematic.

### Investment thesis: Buy, TP\$75.00/sh (from TP\$70.00/sh)

MIN owns a growing portfolio of mining services and commodities businesses. Within commodities, we forecast the lithium business will start yielding significant returns from FY23. In Iron Ore, MIN is set to begin transitioning the business to a more competitive cost base with the Ashburton Project. Longer term, the embryonic Energy business has the potential to further broaden the earnings base, while providing lower carbon intensity energy security, and another service offering. EPS changes in this report include: FY22 -34%; FY23 +22%; and FY24 +95%, driven by extensive changes to our model, and updates to our commodities price forecasts.

Year end June 30	2021a	2022e	2023e	2024e
Sales (A\$m)	3,733.6	3,318.0	6,291.1	6,935.1
EBITDA (A\$m)	1,907.8	747.8	2,357.6	2,599.5
NPAT (reported) (A\$m)	1,267.7	386.4	1,268.7	1,402.8
NPAT (adjusted) (A\$m)	1,107.6	241.3	1,268.7	1,402.8
EPS (adjusted) (¢ps)	586.5	127.4	669.9	740.7
EPS growth (%)	26.1	(69.6)	228.3	10.6
PER (x)	8.0	23.7	7.0	6.3
FCF Yield (%)	4.9	(4.0)	(5.1)	4.6
EV/EBITDA (x)	4.3	9.6	3.9	3.5
Dividend (¢ps)	171.9	48.4	167.5	185.2
Yield (%)	3.2	1.0	3.6	4.0
Franking (%)	na	na	na	na
ROE (%)	39.1	11.7	29.2	26.1

SOURCE: BELL POTTER SECURITIES ESTIMATES

## The year of the white rocks

### Lithium product sales forecast to jump in FY23

For FY22 MIN guided sales of 225-237.5kt of lithium spodumene concentrates. In FY23, we are forecasting increased sales of lithium spodumene concentrates (~580kt, up 160%), and first significant sales of lithium hydroxide (~43kt). MIN's production of lithium products is forecast to increase throughout FY23. Increased production is forecast to be source from:

- <u>Mount Marion Spodumene Concentrate</u>: In April 2022, MIN announced the expansion of processing capacity at Mount Marion (to 900ktpa of mixed grade concentrates, 100% basis), completion due by the end of CY22. MIN's share of FY23 forecast production is 375kt of 4% Li<sub>2</sub>O spodumene concentrate.
- <u>Mount Marion Lithium Hydroxide</u>: In February 2022, MIN announced that it had taken possession of its spodumene concentrate from its offtake partner Jiangxi Ganfeng Lithium Co.Ltd (Ganfeng, not covered). At that time MIN announced an initial sevenmonth toll treating agreement, with an option to extend, to convert spodumene concentrate to lithium hydroxide. We forecast FY23 production of 35.7kt of lithium hydroxide (assuming ongoing toll treatment).
- <u>Wodgina Spodumene Concentrate</u>: In October 2021, MIN announced that it and Albemarle Corporation (NYSE: ALB, not covered) would restart the Wodgina Lithium Mine in Western Australia (which had been on care and maintenance since November 2019, due to cyclic low in lithium product prices). We forecast that Wodgina will continue to ramp up production throughout FY23, and that MINs share (40%) of production will be 207.5kt of 6% Li<sub>2</sub>O spodumene concentrate.
- <u>Kemerton Lithium Hydroxide Plant</u>: At Kemerton, MIN announced that first sales from Train 1 (25ktpa capacity, 100 basis, per train) are expected in December 2022. We forecast first sales from Train 2 in the June quarter 2023. Accordingly, we forecast MIN's share of FY23 production will be 7.5ktpa lithium hydroxide, before achieving nameplate production in FY24 (MIN's share 20ktpa).

This growth in lithium product sales (spodumene concentrate: +160% to 580kt, lithium hydroxide: commencing at ~43kt) is delivered into a strong demand environment, and supportive product prices. So far, in CY22 spot 6% Li2O spodumene concentrate prices have appreciated from US\$2,300/t to US\$6,625/t (+190%), and spot battery grade lithium hydroxide prices have appreciated from US\$33,000 to US\$75,000/t (+130%), (source: fastmarkets, MB-LI-0012 and MB-LI-0033 respectively).

### MIN's lithium business to step out of the shadows

We forecast strong EBITDA growth for MIN in FY23 (>200% to \$2.3 billion, from FY22e: \$750m). This strong EBITDA growth is primarily a function of the growth of lithium product sales, and the relatively high forecast lithium product prices. Forecast FY22 EBITDA was impacted by significant declines in Iron Ore prices in 1HFY22.

We anticipate the growing performance of MIN's lithium business will progressively be recognised through FY23, first through guidance provided with FY22 results, and subsequently evidenced through ongoing periodic reporting.

During FY21 and FY22, MIN's share price was supported by, and sensitive to the performance of the iron ore business, and iron ore prices. We anticipate that through FY23 and FY24, MIN's share price will be increasingly supported by the lithium business, and the demand for electric vehicles, and the electrification thematic generally. And MIN will be increasingly recognised as a leading Australian lithium business.

### Changes to our forecasts and valuation

With this update we have made significant changes to our forecasts and valuation, including:

- The construction of a new valuation model, changing the way we model intersegment allocations, and updating for our latest commodity price forecasts.
- Updating for MIN's current capital structure (including incorporating the senior unsecured bonds issued in May 2022) and rolling our model forward.
- Updating our production scenarios for Kemerton Lithium Hydroxide Plant, Mount Marion Lithium Hydroxide, Ashburton Iron Ore Hub and the Pilbara Iron ore Hub.
- Including the Ashburton Iron Ore Hub and Mount Marion in our estimated financial statements.

The net impact of these changes are summarised in the forecast changes table below.

#### Table 1 - Changes to our forecasts

Table 1 - Changes to our it		Duradana		•	New			01	
		Previous			New			Change	
Year ending 30 June	2022e	2023e	2024e	2022e	2023e	2024e	2022e	2023e	2024e
Prices & currency									
Iron ore fines@62%FeCFR	132	110	95	138	105	93	4%	-5%	-3%
Spodumene concentrate(6%)	2,317	2,750	2,000	3,170	4,750	2,178	37%	73%	9%
Lithium Hydroxide Monohydrate	37,303	47,000	38,000	43,717	54,250	38,950	17%	15%	3%
Spot freight (Aust-China)	10.86	12.00	12.00	11.2	12.0	12.0	3%	0%	0%
AUD:USD	0.74	0.73	0.73	0.73	0.70	0.70	-1%	-5%	-4%
Equity production									
Iron Ore (Mt)	19	19	16	19	18	20	3%	-3%	31%
Spodumene Concentrate(kt)	237	449	449	226	375	450	-5%	-17%	0%
Lithium Hydroxide(kt)	5	20	20	1.8	35.7	42.9	-65%	79%	114%
Earnings									
Revenue (\$m)	3,603	5,038	3,848	3,318	6,291	6,935	-8%	25%	80%
EBITDA (\$m)	1,117	1,925	1,369	748	2,358	2,600	-33%	22%	90%
NPAT (adjusted) (\$m)	585	1,043	721	386	1,269	1,403	-34%	22%	95%
EPS (adjusted) (cps)	309.3	551.4	381.1	127.4	669.9	740.7	-59%	21%	94%
PER (x)	19.6	11.0	15.9	23.7	7.0	6.3	21%	-37%	-60%
DPS (reported) (cps)	40.9	96.0	147.3	48.4	167.5	185.2	18%	74%	26%
Yield(%)	0.67	1.58	2.43	1.00	3.58	3.95	49%	126%	63%
Price Target (A\$/sh)		70.00			80.00			14%	

### **Upcoming catalysts**

Upcoming catalysts include:

- <u>MIN's share price is sensitive to both iron ore price and lithium product prices:</u> Ongoing volatility impacting these prices, and price realisation can have significant effects on MIN's share price. Ongoing COVID related supply chain issues can have significant cost impacts.
- <u>Announcements relating to development iron ore projects</u>: joint venture agreements, Government approvals and investment decisions are important catalysts for MIN. For the Ashburton Iron Ore Project, MIN has announced it's aiming for first product sales at by the March quarter CY24. Announcements relating to joint venture terms, and final investment decisions are expected in mid CY22.
- <u>100% conversion of spodumene concentrates to lithium hydroxide:</u> Announcements relating to agreements, and capital costs, relating to further expansions of MIN's downstream lithium business are likely to have positive impacts on valuation.
- <u>Energy group</u>: exploration drilling of at least six wells in the Perth Basin is planned in the next two-years, in addition to the two exploration wells planned in the Carnarvon basin, in JV with Buru Energy.

## Valuation

Our valuation for MIN is based upon the 12-month forward NPV of our forecast attributable free cash flows for the services, iron ore and lithium businesses. This is included in a sumof-the-parts valuation for the company which also includes a valuation for MIN's development projects and listed investments. We also include a discounted cash flow estimate of corporate costs, adjust for our estimate of MIN's net cash position, and dilute our valuation for in-the-money options.

Our latest valuation is summarised in the table below.

Ordinary shares (m)		189.4
Options in the money (m)		C
Diluted (m)		189.4
Sum-of-the-parts	\$m	\$/sł
Services	5,297	27.96
Commodities (Iron Ore and Lithium)	6,418	33.89
Corporate	-644	(3.40
Investments & Energy	767	4.05
Project – Pilbara Iron Oe Hub (risk-adjusted)	1,196	6.32
Project – Lithium Hydroxide Pant (risk-adjusted)	2,201	11.62
Subtotal	15,235	80.44
Net Cash (debt)	-1,019	(5.38
Total (undiluted)	14,216	75.06
Add options in the money (m)	-	
Add cash	-	
Total (diluted)	14,216	75.06

With this update we increase our valuation by 7% to \$75/sh. Our increased valuation is a function of significant changes to our model and increased commodity produces.

The table below lists a breakdown of our forecast EBITDA by service / product. For FY23 year-on-year EBITDA growth is >200% of our forecast FY22 estimate (\$747.8m).

Item	Unit	FY23e	FY24e	FY25e
Mining Services	A\$m	511	708	923
Iron Ore	A\$m	(258)	(183)	433
Lithium Spodumne 4% Li <sub>2</sub> O (average)	A\$m	574	330	181
Lithium Spodumne 6% Li <sub>2</sub> O	A\$m	555	578	409
Lithium Hydroxide – Battery Grade	A\$m	1,071	1,199	741
Corporate	A\$m	(96)	(98)	(100)
Total	A\$m	2,358	2,534	2,587
YoY Growth	%	215	7	2

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The table overleaf lists a breakdown of our forecast production by operation and product. Significant growth in EBITDA is a result of growth in lithium spodumene concentrates (Mount Marion and Wodgina) and lithium hydroxide (Kemerton and Mount Marion toll treating).

Table 4 - Forecast	production breakdown - attributable

Item	Unit	FY21a	FY22e	FY23e	FY24e	FY25e
Iron Ore - Utah Point Hub	Mt	6.8	10.5	10.0	10.0	10.0
Iron Ore - Yilgarn Hub	Mt	10.5	8.6	8.0	8.0	6.0
Iron Ore - Ashburton Project	Mt	-	-	-	2.3	12.8
Total Iron Ore	Mt	17.3	19.0	18.0	20.3	28.8
Lithium Sopdumene - Mount Marion - 4% Li <sub>2</sub> O (average)	kt	243.0	225.5	375.0	450.0	450.0
Lithium Sopdumene - Wodgina - 6% Li <sub>2</sub> O	kt	-	-	207.5	300.0	300.0
Total Sopdumene	kt	243.0	225.5	582.5	750.0	750.0
Lithium Hydroxide - Kemerton	kt	-	-	7.5	20.0	20.0
Lithium Hydroxide - Mount Marion	kt	-	1.8	35.7	42.9	42.9
Lithium Hydroxide - Wodgina	kt	-	-	-	-	-
Total Lithium Hydroxide	kt	-	1.8	43.2	62.9	62.9

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

#### The table below lists a breakdown of forecast revenue by service / product.

Item	Unit	FY23e	FY24e	FY25e
Mining Services	A\$m	1,893	2,316	3,015
Iron Ore	A\$m	1,559	1,945	3,708
Lithium Spodumne 4% Li2O (average)	A\$m	871	664	510
Lithium Spodumne 6% Li2O	A\$m	683	754	579
Lithium Hydroxide – Battery Grade	A\$m	2,580	2,809	2,158
Intersegment Eliminaton	A\$m	(1,296)	(1,553)	(1,950)
Total	A\$m	6,291	6,935	8,020
YoY Growth	%	90	10	16

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

### Details yet to be finalised / announced

Several projects have outstanding details to be finalised and announced, including:

- <u>Targeting 100% conversion of spodumene concentrate to lithium hydroxide in 4</u> <u>years</u>: A key goal is the conversion of 100% of MIN's spodumene concentrates to lithium hydroxide (an input to the lithium battery production process). Details are yet to be finalised and announced.
- <u>Finalisation of expanded MARBL Lithium JV</u>: MIN has announced intensions to expand its MARBL Lithium JV with Albemarle Corporation (NYSE: ALB, not covered). Finalisation of the changes are yet to be announced. Key changes contemplated include the ownership of the Wodgina mine changing from 60:40 (ALB:MIN) to 50:50, and addition of a new 50:50 JV to own additional conversion assets (for which MIN would contribute its share of capital costs).
- Long-term Mount Marion Hydroxide Conversion: In February 2022, MIN executed a toll-treating agreement with Mount Marion JV participant Jiangxi Ganfeng Lithium Co.Ltd (Genfeng, not covered). The agreement extended with to August 2022, with an option to extend. The long-term solution for conversion of this material is yet to be announced.
- <u>Ashburton Iron Ore Hub, approvals, final terms and FID:</u> Development of the Ashburton Hub remains subject to: receiving all necessary Government approvals, final JV negotiations, and final investment decisions by the other JV participants. Final details of all necessary approvals, and agreements are yet to be announced, and are necessary for full project development.
- <u>Pilbara Iron Ore Hub</u>: MIN and Hancock Prospecting Pty Ltd (Hancock) have announced an agreement to jointly investigate the development of new iron ore export capacity at Stanley Point Berth 3, at the Port of Port Hedland in WA. Government approvals and agreements between the JV participants are yet to be finalised. If the project is developed MRL is aiming to ship at least 20Mtpa (we model first production from mid CY27) of iron ore per annum, from its Marillana and Ophthalmia deposits (MIN 50%).

### Items not valued

Several opportunities are not currently included in our sum-of-the-parts valuation for MIN including:

- <u>Increase in ownership of Wodgina to 50%</u>: MIN has announced it is negotiation to increase its ownership in the Wodgina Lithium Mine to 50% (from 40%). We currently model MIN ownership of 40%, pending announcement of conclusion of negotiations.
- <u>Wodgina Spodumene Expansion</u>: MIN has announced it (and JV participant, ALB) would evaluate the expansion of the Wodgina Lithium Mine by 25% (or 250ktpa of spodumene concentrates). Presently, we don't ascribe any value to this option.
- <u>Yilgarn Hub Magnetite Project</u>: MIN has announced that it is studying (including exploration and Resource drilling) the possibility of transforming the Yilgarn Iron Ore Hub from a hematite operation to a magnetite operation.
- <u>Energy</u>: Outside of MIN's initial exploration success at the Lockyer Deep 1, and its listed investments, we don't ascribe additional value to its other exploration assets.

## **Mineral Resources Ltd (MIN)**

### **Company description**

Based in Western Australia (WA), MIN is a mining services company, which holds a portfolio of mining operations and development projects. MIN's portfolio spans a wide range of business activities. MIN's services business encompasses: construction, mining, crushing, processing and haulage, as well as a range of other services. MIN operates two Iron Ore export businesses in WA, the Yilgarn Hub, and the Utah Point Hub, with combined capacity of ~20Mtpa. MIN holds direct interests in two lithium mines (Mount Marion and Wodgina, and a lithium hydroxide processing plant (Kemerton) in WA. Increasing, MINs lithium business has become the focus of expansion efforts, in response to surging demand and prices for lithium products. MIN is advancing a number of Iron Ore development projects in WA, including the 30Mtpa Ashburton and the 20Mtpa Stanley Point Berth 3. MIN is exploring for natural gas in the Perth and Carnarvon Basin's, and reported initial success at the Lockyer Deep 1 Well. MIN has a portfolio of investments and exploration assets in WA.

### Investment thesis: Buy, TP\$75.00/sh (previously TP\$70.00/sh)

MIN owns a growing portfolio of mining services and commodities businesses. Within commodities, we forecast the lithium business will start yielding significant returns from FY23. In Iron Ore, MIN is set to begin transitioning the business to a more competitive cost base with the Ashburton Project. Longer term, the embryonic Energy business has the potential to further broaden the earnings base, while providing lower carbon intensity energy security, and another service offering. EPS changes in this report include: FY22 - 34%; FY23 +22%; and FY24 +95%, driven by extensive changes resulting from our model rebuild, and updates to our commodities price forecasts.

## **Risks of investment**

Risks include, but are not limited to:

- **Operating and development risks:** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single mine company. Development of mining assets may be subject to receiving permits, approvals timelines or weather events, causing delays to commissioning and commercial production.
- COVID-19 risks: Mining companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures being put in place to combat the COVID-19 pandemic are posing risks to these conditions.
- **Operating and capital cost fluctuations:** The cost and availability of exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour costs as well as access to, and availability of, technical skills, operating equipment and consumables.
- Commodity price and exchange rate fluctuations: The future earnings and valuations of exploration, development and producing Resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- Funding and capital management risks: Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments and managing debt repayments. Exploration and development companies with no sales revenues are reliant on access to equity markets and debt financing to fund the advancement and development of their projects.
- **Resource growth and mine life extensions:** The viability of future operations and the earnings forecasts and valuations reliant upon them may depend upon resource and reserve growth to extend mine lives, which is in turn dependent upon exploration success, of which there are no guarantees.
- **Regulatory changes risks:** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **Sovereign risks:** Mining companies' assets are subject to the sovereign risks of the jurisdiction within which they are operating.
- **Geopolitical risks:** Mining companies' assets are subject to geopolitical risks, arising from events in, and outside, the jurisdictions they operate in.
- Corporate/M&A risks: Risks associated with M&A activity including differences between the entities and the market's perception of value associated with completed transactions.

# Mineral Resources Ltd as at 25 July 2022

### Recommendation Price

Buy \$46.82

Target (12 months)

## \$75.00

Sevenue         Sm         2,1247         3,736.6         3,316.0         6,291.1         6,303.5           Expense         Sm         (1,376.1)         (1,825.8)         (2,570.2)         (3,93.5)         (4,335.6)           BITDA         Sm         T46.6         1,907.8         747.8         2,337.5         (2,33.5)         (4,33.2)           Depreciation         Sm         (193.6)         (228.0)         (322.4)         (343.2)         (232.5)           EBIT         Sm         (104.9)         (05.8)         (08.0)         (225.5)         (226.6)           Diter         Sm         (143.4)         (255.0)         (144.9)         (55.3)         (144.9)         (55.3)         (149.9)         (56.3)         (001.2)           VPAT (ported)         Sm         1,436.2         1,792.7         586.4         1,426.7         1,402.6           VPAT (moderlying)         Sm         320.6         1,107.6         2,413         1,268.7         1,402.6           Care anding June         Unit         2022a         2022a         2022a         2022a         2024a         2022a         2024a         2022a         2024a         2024a         204.7         1,603.7         1,60.23         1,157.4	PROFIT AND LOSS						
Spenne         Sm         (1.376.1)         (1.826.8)         (2.570.2)         (3.33.5)         (4.336.5)           EBITDA         Sm         746.6         1.907.8         747.8         2.397.6         2.398.6           EBIT         Sm         653.0         (152.6.0)         (322.4)         (33.2.2)         (33.2.2)           EBIT         Sm         653.0         1.649.8         426.3         2.014.3         2.216.5           Interested gains (Impairments)         Sm         (225.6)         1.792.7         551.3         1.812.5         2.004.4           fax expense         Sm         (434.0)         (525.0)         (144.9)         (543.7)         (601.7)           VPAT (underlying)         Sm         320.6         1.107.6         2.413.3         1.402.6           VPAT (underlying)         Sm         2.109.2         3.689.7         3.038.7         6.071.3         6.298.6           Payments         Sm         (1.304.7)         (1.710.6)         (2.51.3)         (601.7)         (62.20.2)         2022.9         2022.9         2022.9         2022.9         2022.9         202.20         202.20         202.20         202.20         202.20         202.20         202.20         202.20         202.20 </th <th>Year ending June</th> <th>Unit</th> <th>2020a</th> <th>2021a</th> <th>2022e</th> <th>2023e</th> <th>2024e</th>	Year ending June	Unit	2020a	2021a	2022e	2023e	2024e
BITDA         Sm         746.6         1.907.8         747.8         2.387.6         2.598.2           Depreciation         Sm         (193.6)         (258.0)         (322.4)         (343.2)	Revenue						6,935.1
Sm         (193.6)         (256.0)         (322.4)         (343.2)         (383.2)           BT         Sm         553.0         1.644.8         425.3         2,014.3         2,216.4           BT         Sm         (258.8)         (45.5)         -							
Bit         Sm         553.0         1,649.8         425.3         2,014.3         2,216.4           Vel interest expense         Sm         (104.9)         (95.8)         (89.0)         (225.5)         (226.5)           Dher         Sm         1,273.9         285.2         215.0         23.7         16.3           PAT (reported)         Sm         1,436.2         1,792.7         5613         1,812.5         2,004.1           PAT (reported)         Sm         1,002.2         1,267.7         386.4         1,268.7         1,402.6           PAT (reported)         Sm         1,007.6         241.3         1,268.7         1,402.6           PAT (reported)         Sm         2,189.2         3,689.7         3,388.7         6,071.3         6,928.8           Care anding June         Unit         2020a         2024a		1 1					
Vet Interest expense         Sm         (104.9)         (95.8)         (89.0)         (225.5)         (228.6)           Diter         Sm         (258.8)         (44.5)         -<							
Jincalised gains (Impairments)         Sm         (285.8)         (44.5)         -         -           Other         Sm         1,273.9         285.2         215.0         23.7         16.3           PBT         Sm         1,435.2         1,792.7         5651.3         1,812.5         2,004.1           fax expanse         Sm         1,436.2         1,267.7         3364.4         1,2268.7         1,402.6           VPAT (uported)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           CASH FLOW         Care anding June         Unit         2020a         2021a         2022e         2023e         2024a           Care anding June         Unit         2020a         2021a         2021e         2023e         2024a           Payments         Sm         (1,347.7)         (1,719.6)         (2,613.0)         (3,596.8)         (4,121.0)           Tax         Sm         (116.6)         (584.3)         (316.1)         (54.37)         (600.1)         (212.3)           Other         Sm         (150.6)         (45.3)         (31.6)         (54.7)         (80.6)           Ine development         Sm         (150.6)         (505.7)							
Sm         1.273.9         285.2         215.0         23.7         16.3           PBT         Sm         1.436.2         1.792.7         551.3         1.812.5         2.004.1           Rax expanse         Sm         1.002.2         1.267.7         366.4         1.268.7         1.402.6           VPAT (underlying)         Sm         320.6         1.107.6         241.3         1.268.7         1.402.6           Cash FLOW         Care anding June         Unit         2020a         2021a         2022a         2023a         2024a           Cash FLOW         Sm         2.189.2         3.689.7         3.388.7         6.071.3         6.928.5           Gar anding June         Unit         2020a         2021a         2022a         2023a         2024a           PPERTing CASHFLOW         Sm         (1.394.7)         (1.716.6)         (2.613.0)         (3.596.8)         (4.21.0)           Are interest         Sm         (1.394.7)         (1.719.6)         (2.613.0)         (3.596.8)         (4.21.1)           Other         Sm         (1.394.7)         (1.719.6)         (2.613.0)         (3.596.8)         (4.21.2)           Other         Sm         (1.394.7)         (1.576.4) <th< td=""><td></td><td></td><td>, ,</td><td></td><td>(89.0)</td><td>(225.5)</td><td>(228.6)</td></th<>			, ,		(89.0)	(225.5)	(228.6)
PBT         Sm         1,436.2         1,792.7         551.3         1,812.5         2,004.4           fax expense         Sm         (434.0)         (525.0)         (164.9)         (543.7)         (601.2)           VFAT (underlying)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           VFAT (underlying)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           Cost of ing June         Unit         2020a         2021a         2022a         2023a         2024a           PERATING CASHFLOW         Sm         (1,394.7)         (1,719.6)         (2,613.0)         (3,506.8)         (4,121.0)           Tax         Sm         (116.6)         (564.3)         (316.1)         (54.37)         (601.2)           Year ending June         Sm         (16.6)         (504.3)         (211.7)         (507.7)         (450.3)         (191.7)           Year ending Cash flow         Sm         (150.6)         (462.2)         328.1         -         -         -           Yoperty, plant and equipment         Sm         (157.6)         (228.1)         (538.0)         (450.1)         408.4           Wine development         S		+	. ,	. ,	-	-	-
Fax expense         Sm         (434.0)         (525.0)         (164.9)         (543.7)         (601.2)           VPAT (underlying)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           VPAT (underlying)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           CASH FLOW         Care ending June         Unit         2020a         2021a         2022e         2023a         2024a           Secelpts         Sm         2,189.2         3,689.7         3,388.7         6,071.3         6,928.5           Agments         Sm         (1.16.6)         (584.3)         (316.1)         (54.7)         (61.2)           View interest         Sm         (116.6)         (543.3)         (76.3)         (201.9)         (212.3)           Operty, joint and equipment         Sm         -         (92.6)         (17.14)         (191.7)           Operty, joint and equipment         Sm         (150.57)         (450.3)         (11.188.5)         (806.6)           Mine development         Sm         1,192.6         (84.2)         328.1         -         -         -         -         -         -         -         -         -		+	,				
VPAT (reported)         Sm         1,002.2         1,267.7         386.4         1,268.7         1,402.6           VPAT (underlying)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           CASH FLOW         2022a         2022a         2022a         2022a         2023a         2024a           PSERATING CASHFLOW         3,689.7         3,386.7         6,071.3         6,528.6           2ayments         Sm         (1,394.7)         (1,716.6)         (2,613.0)         (3,598.8)         (4,121.0)           Tax         Sm         (11,864.7)         (601.3)         (212.3)         (211.9)         (212.3)           Other         Sm         -         (92.6)         (171.4)         (191.7)           Operty, plant and equipment         Sm         (190.9)         (505.7)         (450.3)         (1,188.5)         (498.6)           Vesting cash flow         Sm         (157.6)         (226.1)         (538.0)         (819.0)         (597.2)           Diter         Sm         (157.6)         (226.1)         (538.0)         (450.1)         408.4           Inde development         Sm         1,438.7         493.4         (368.5)         (450.1)         408.	. = .						
UPAT (underlying)         Sm         320.6         1,107.6         241.3         1,268.7         1,402.6           CASH FLOW         Constrained         Unit         2020a         2021a         2022e         2023e         2024e           CASH FLOW         Sm         2,189.2         3,689.7         3,388.7         6,071.3         6,928.5           Percenting CASHFLOW         Sm         (1,394.7)         (1,171.6)         (2,613.0)         (3,598.8)         (4,121.0)           Tax         Sm         (166.6)         (584.3)         (316.1)         (543.7)         (601.2)           Vesting cash flow         Sm         C         -         -         (92.6)         (171.4)         (191.7)           Operty, Jaint ad equipment         Sm         (190.9)         (505.7)         (450.3)         (1,188.5)         (806.6)           Vivesting cash flow         Sm         1,192.6         (84.2)         328.1         -		1 1	, ,		. ,	,	, ,
CASH FLOW         Constraints         Constraints <thconstraints< th=""> <thconstraints< th="">         &lt;</thconstraints<></thconstraints<>							
Car ending June         Unit         2020a         2021a         2022e         2023e         2024e           PERATING CASHFLOW         secepts         sm         (1,394.7)         (1,719.6)         (2,613.0)         (3,596.8)         (4,121.0)           Payments         \$m         (116.6)         (584.3)         (316.1)         (543.7)         (201.9)         (212.3)           Car exclusion         \$m         (16.6)         (584.3)         (316.1)         (543.7)         (601.2)           Velocitien cash flow         \$m         693.6         1,309.4         291.7         1,557.4         1,802.2           Operty, Jaint and equipment         \$m         -         -         (92.6)         (171.4)         (191.7)           Operty, Jaint and equipment         \$m         (190.9)         (505.7)         (450.3)         (1188.5)         (806.6)           Jiher         \$m         (1157.6)         (226.1)         (538.0)         (450.1)         (587.2)           Other         \$m         1,192.6         (84.2)         (22.07.5)         (1,393.8)           Free Cash Flow         \$m         1,183.7         438.4         (366.1)         -         -           Pare exaluation         \$m <td< td=""><td>NEAT (underlying)</td><td>i olli</td><td>320.0</td><td>1,107.0</td><td>241.3</td><td>1,200.7</td><td>1,402.0</td></td<>	NEAT (underlying)	i olli	320.0	1,107.0	241.3	1,200.7	1,402.0
Car ending June         Unit         2020a         2021a         2022e         2023e         2024e           PERATING CASHFLOW         secepts         sm         (1,394.7)         (1,719.6)         (2,613.0)         (3,596.8)         (4,121.0)           Payments         \$m         (116.6)         (584.3)         (316.1)         (543.7)         (201.9)         (212.3)           Car exclusion         \$m         (16.6)         (584.3)         (316.1)         (543.7)         (601.2)           Velocitien cash flow         \$m         693.6         1,309.4         291.7         1,557.4         1,802.2           Operty, Jaint and equipment         \$m         -         -         (92.6)         (171.4)         (191.7)           Operty, Jaint and equipment         \$m         (190.9)         (505.7)         (450.3)         (1188.5)         (806.6)           Jiher         \$m         (1157.6)         (226.1)         (538.0)         (450.1)         (587.2)           Other         \$m         1,192.6         (84.2)         (22.07.5)         (1,393.8)           Free Cash Flow         \$m         1,183.7         438.4         (366.1)         -         -           Pare exaluation         \$m <td< td=""><td>CASH FLOW</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	CASH FLOW						
DPERATING CASHFLOW         Sm         2,189.2         3,689.7         3,388.7         6,071.3         6,928.5           Payments         Sm         (1,394.7)         (1,719.6)         (2,613.0)         (3,596.8)         (4,121.0)           Fax         Sm         (116.6)         (584.3)         (316.1)         (543.7)         (601.2)           Vet interest         Sm         (133.3)         (76.4)         (75.3)         (201.9)         (212.3)           Ditter         Sm         -         (92.6)         (171.4)         (191.7)         (190.7)         (450.3)         (1.188.5)         (806.6)           NVESTING CASHFLOW         Sm         (190.9)         (505.7)         (450.3)         (11.86.5)         (676.2)         (2,007.5)         (1,333.8)           Nue evaluation         Sm         1.192.6         (84.2)         328.1         -		Unit	2020a	2021a	2022e	2023e	2024e
Seceipts         Sm         2,189.2         3,689.7         3,388.7         6,071.3         6,028.5           Payments         Sm         (1,394.7)         (1,716.6)         (2,613.0)         (3,598.8)         (4,121.0)           fax         Sm         (116.6)         (584.3)         (316.1)         (543.7)         (601.2)           Vet interest         Sm         (13.3)         (76.4)         (75.3)         (201.9)         (212.3)           Other         Sm         -         (92.6)         (171.4)         (190.2)           Poperty, plant and equipment         Sm         (190.9)         (505.7)         (450.3)         (11.188.5)         (806.6)           Wine development         Sm         (197.6)         (226.1)         (538.0)         (81.9.0)         (587.2)           Other         Sm         (192.6)         (44.2)         328.1         - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Payments         Sm         (1,394.7)         (1,719.6)         (2,613.0)         (3,596.8)         (4,121.0)           fax         Sm         (116.6)         (584.3)         (316.1)         (543.7)         (601.2)           Vel interest         Sm         (68.3)         (76.3)         (201.9)         (212.3)           Dther         Sm         -         (92.6)         (171.4)         (191.7)           Operty, Iginat and equipment         Sm         (190.9)         (505.7)         (450.3)         (11.188.5)         (806.6)           Mine development         Sm         (197.6)         (226.1)         (538.0)         (819.0)         (587.2)           Other         Sm         (117.6)         (226.1)         (538.0)         (819.0)         (587.2)           Other         Sm         1.192.6         (84.2)         328.1         -         -           resc Cash Flow         Sm         1.183.7         493.4         (368.0)         (490.4)         -           Share issues/(buy-backs)         Sm         -         (20.2)         (16.9)         -         -           Obt repayments         Sm         (11.5)         (12.4)         (324.4)         (324.3)         (223.5)         <	Receipts	\$m	2.189.2	3,689.7	3,388.7	6,071.3	6,928.5
Fax         Sm         (116.6)         (584.3)         (316.1)         (543.7)         (601.2)           Vet interest         Sm         (83.3)         (76.4)         (75.3)         (201.9)         (212.3)           Ditter         Sm         -         (92.6)         (171.4)         (191.7)           Opperty, plant and equipment         Sm         (190.9)         (505.7)         (450.3)         (1.188.5)         (806.6)           NVESTING CASHFLOW         Sm         (190.9)         (505.7)         (450.3)         (11.188.5)         (806.6)           Nine development         Sm         -         <	Payments						(4,121.0)
Vet interest         Sm         (83.3)         (76.4)         (75.3)         (201.9)         (212.3)           Dther         Sm         -         -         (82.6)         (171.4)         (191.7)           Operating cash flow         Sm         -         -         (82.6)         (171.4)         (191.7)           Property, plant and equipment         Sm         -         <	Tax						(601.2)
Dither         Sm         -         (92.6)         (171.4)         (191.7)           Operating cash flow         Sm         594.6         1,309.4         291.7         1,557.4         1,802.2           NVESTING CASHFLOW         Toperty, jaint and equipment         Sm         -	Net interest	\$m		. ,		,	(212.3)
NVESTING CASHFLOW         Sm         (190.9)         (505.7)         (450.3)         (1,188.5)         (806.6)           Afric development         Sm         -	Other	\$m	-	-		(171.4)	(191.7)
Property plant and equipment         Sm         (190.9)         (505.7)         (450.3)         (1,18.8.0)         (806.6)           Mine development         Sm         -	Operating cash flow	\$m	594.6	1,309.4	291.7	1,557.4	1,802.2
Property plant and equipment         Sm         (190.9)         (505.7)         (450.3)         (1,18.8.0)         (806.6)           Mine development         Sm         -							
Mine development         Sm         -							
Exploration & evaluation         Sm         (157.6)         (226.1)         (538.0)         (819.0)         (819.2)           Dither         Sm         1.192.6         (84.2)         328.1         -         -           nivesting cash flow         Sm         1.435.7         493.4         (366.5)         (450.1)         408.4           Fine Cash Flow         Sm         1.435.7         493.4         (366.5)         (450.1)         408.4           Fine Susse(Duy-backs)         Sm         -         (20.2)         (16.9)         -         -           Pabt propendes         Sm         11.6         31.9         1.751.3         -         -           Dabt repayments         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (366.1)           Dividends         Sm         (160.0)         (435.5)         1.423.5         (366.1)         40.3           Shape in cash         Sm         1.278.7         57.9         955.0         (673.6)         40.3           SSETS         Sm         1.751.8         1.542.1         2.505.7         1.832.1         1.872.4           Cocouts receivable         Sm         1.77.5         331.3         288.3         508.1			(190.9)	(505.7)	(450.3)	(1,188.5)	(806.6)
Sher         1.192.6         (84.2)         328.1         -         -           nivesting cash flow         Sm         844.1         (816.0)         (660.2)         (2,007.5)         (1,393.8)           rive Cash Flow         Sm         1.438.7         493.4         (866.5)         (450.1)         406.4           FINANCING CASHFLOW         Sm         -         (20.2)         (16.9)         -         -           Share issues/(buy-backs)         Sm         -         (20.2)         (16.9)         -         -           Debt proceeds         Sm         (11.5)         (12.8)         (17.2)         -         -           Dividends         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (368.1)           Dividends         Sm         (160.0)         (435.5)         1,323.5         (223.5)         (368.1)           Diange in cash         Sm         1,278.7         57.9         955.0         (673.6)         40.3           SALANCE SHEET         Care anding June         Unit         2020a         2021a         2022e         2023e         2024c           ASSETS         Sm         1,551.8         1,542.1         2,505.7         1,832.1         <			- (157.6)	(226.1)	(538.0)	- (819.0)	(587.2)
Free Cash Flow         \$m         1,438.7         493.4         (368.5)         (450.1)         408.4           FINANCING CASHFLOW         -	Other					(010.0)	(001.2)
FINANCING CASHFLOW         Sm         -         (20.2)         (16.9)         -         -           bhare issues/(buy-backs)         Sm         11.6         31.9         1,751.3         -         -           bebt prozeeds         Sm         11.6         31.9         1,751.3         -         -           Debt prozeeds         Sm         (11.5)         (12.8)         (17.2)         -         -           Dividends         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (368.1)           Dither         Sm         (160.0)         (109.8)         (673.6)         4.02           Charge ending June         Unit         2020a         2021a         2022a         2023a         2024e           SSETTS         Sm         1,521.8         1,542.1         2,505.7         1,832.1         1,872.4           Scounts receivable         Sm         1,775.5         313.3         288.3         3098.9         3,633.2           Stiporation & evaluation         Sm         -         -         45.0         135.6         2,708.2           Stiporation & evaluation         Sm         -         -         45.0         135.6         2,805.9	Investing cash flow	\$m	844.1	(816.0)	(660.2)	(2,007.5)	(1,393.8)
Share issues/(buy-backs)         Sm         -         (20.2)         (16.9)         -           Debt prozeeds         Sm         11.6         31.9         1.751.3         -         -           Debt prozeeds         Sm         (11.5)         (12.8)         (17.2)         -         -           Dividends         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (368.1)           Dividends         Sm         (160.0)         (435.5)         1,223.5         (223.5)         (368.1)           Change in cash         Sm         1,278.7         57.9         955.0         (673.6)         40.3           Statt Statt         2021a         2022a         2023a         2024e         2025a         2024e           Statt Statt         1,521.8         1,542.1         2,605.7         1,832.1         1,872.4           Counts receivable         Sm         1,77.5         331.3         288.3         508.1         514.7           Operty, Jaint & equipment         Sm         1,265.9         1,824.6         2,153.8         3,098.9         3,633.2           Unce devolopment expenditure         Sm         632.0         484.4         1,535.7         2	Free Cash Flow	\$m	1,438.7	493.4	(368.5)	(450.1)	408.4
Share issues/(buy-backs)         Sm         -         (20.2)         (16.9)         -           Debt prozeeds         Sm         11.6         31.9         1.751.3         -         -           Debt prozeeds         Sm         (11.5)         (12.8)         (17.2)         -         -           Dividends         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (368.1)           Dividends         Sm         (160.0)         (435.5)         1,223.5         (223.5)         (368.1)           Change in cash         Sm         1,278.7         57.9         955.0         (673.6)         40.3           Statt Statt         2021a         2022a         2023a         2024e         2025a         2024e           Statt Statt         1,521.8         1,542.1         2,605.7         1,832.1         1,872.4           Counts receivable         Sm         1,77.5         331.3         288.3         508.1         514.7           Operty, Jaint & equipment         Sm         1,265.9         1,824.6         2,153.8         3,098.9         3,633.2           Unce devolopment expenditure         Sm         632.0         484.4         1,535.7         2	EINANCING CASHELOW						
Sm         11.6         31.9         1,751.3         -           Deb trepayments         Sm         (11.5)         (12.8)         (17.2)         -           Deb trepayments         Sm         (11.5)         (12.8)         (17.2)         -         -           Deb trepayments         Sm         (96.1)         (324.6)         (324.3)         (22.3.5)         (366.1)           Dther         Sm         (160.0)         (435.5)         (132.5)         (223.5)         (366.1)           Dther cash         Sm         1.278.7         57.9         955.0         (673.6)         40.3           SALANCE SHEET         Corrending June         Unit         2020a         2021a         2022a         2023a         2024c           SSETS         Sm         1,521.8         1,542.1         2,505.7         1,832.1         1,872.4           Accounts receivable         Sm         177.5         331.3         288.3         308.9         3.63.2           Systeriation & evaluation         Sm         1,752.8         1,824.6         1,53.5         2,305.8         2,708.2           Systeriation & evaluation         Sm         -         -         45.0         135.6         228.4		\$m	_	(20.2)	(16.0)	_	
Sm         (11.5)         (12.8)         (17.2)         -         -           Dividends         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (366.1)           Dividends         Sm         (96.1)         (324.6)         (324.3)         (223.5)         (366.1)           Dividends         Sm         (160.0)         (435.5)         1,223.5         (223.5)         (366.1)           Dividends         Sm         (160.0)         (435.5)         1,223.5         (223.5)         (366.1)           Shal ANCE SHEET         Foar ending June         Unit         2020a         2021a         2022e         2023e         2024e           SSETS         Sm         1,521.8         1,542.1         2,505.7         1,832.1         1,872.4           Accounts receivable         Sm         1,365.9         1,824.6         2,153.8         3,098.9         3,633.6           Une development expenditure         Sm         1,365.9         1,824.6         2,153.8         3,098.9         3,633.6           Une development expenditure         Sm         933.7         1,306.5         1,108.4         1,108.4         1,108.4           Colar exployable         Sm         319.1         581.8 <td></td> <td></td> <td>11.6</td> <td></td> <td></td> <td>-</td> <td></td>			11.6			-	
Sm         (164.0)         (109.8)         (169.4)         -         -           Financing cash flow         Sm         (160.0)         (435.5)         1,323.5         (223.5)         (366.1)           Dange in cash         Sm         1,278.7         57.9         955.0         (673.6)         40.5           BALANCE SHEET	Debt repayments					-	-
Financing cash flow         Sm         (160.0)         (435.5)         1,323.5         (223.6)         (368.1)           Change in cash         Sm         1,278.7         57.9         955.0         (673.6)         40.3           SALANCE SHEET	Dividends					(223.5)	(368.1)
Sm         1,278.7         57.9         955.0         (673.6)         40.3           SALANCE SHEET         Cear ending June         Unit         2020a         2021a         2022e         2023e         2024e           SSETS         San & short term investments         Sm         1,521.8         1,542.1         2,505.7         1,832.1         1,872.4           Accounts receivable         Sm         177.5         331.3         288.3         508.1         514.7           Operty, Jant & equipment         Sm         1,365.9         1,824.6         2,153.8         3,089.9         3,633.3           Wine development expenditure         Sm         632.0         848.4         1,535.7         2,305.8         2,708.2           Exploration & evaluation         Sm         -         -         45.0         135.6         228.4           Other         Sm         1,306.5         1,108.4         1,108.4         1,108.4           Fotal assets         Sm         4,630.9         5,852.9         7,636.7         8,988.9         10,065.5           LABILITIES         Cocounts payable         Sm         1,109.7         1,261.9         2,850.9         2,850.9         2,850.9         2,850.9         2,850.9         2,850.9 </td <td>Other</td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>-</td>	Other					-	-
BALANCE SHEET           Gear ending June         Unit         2020a         2021a         2022e         2023e         2024e           SSETS							
Vera ending June         Unit         2020a         2021a         2022e         2023a         2024a           SSETS	change in cash	्रणा	1,270.7	51.5	555.0	(073.0)	40.3
Vera ending June         Unit         2020a         2021a         2022e         2023a         2024a           SSETS	BALANCE SHEET						
ASSETS         Image: Cash & short term investments         \$m         1,521.8         1,542.1         2,505.7         1,832.1         1,872.4           Coash & short term investments         \$m         1,755.5         331.3         288.3         508.1         514.7           Property, plant & equipment         \$m         1,365.9         1,824.6         2,153.8         3,098.9         3,633.8           Aline development expenditure         \$m         632.0         848.4         1,535.7         2,305.8         2,708.2           Exploration & evaluation         \$m         632.0         848.4         1,108.4         1,108.4         1,108.4           Other         \$m         933.7         1,306.5         1,108.4         1,108.4         1,108.4           Cotal asets         \$m         450.9         5,852.9         7,636.7         8,988.9         10,065.5           LABILITIES         \$m         319.1         581.8         420.6         727.5         769.2           Accounts payable         \$m         319.1         581.8         420.6         727.5         769.2           Cotal maphibies         \$m         1,200.7         1,261.9         2,850.9         2,850.9         2,850.9         2,869.9         2,850.9 </td <td></td> <td>Unit</td> <td>2020a</td> <td>2021a</td> <td>2022e</td> <td>2023e</td> <td>2024e</td>		Unit	2020a	2021a	2022e	2023e	2024e
Accounts receivable         \$m         177.5         331.3         288.3         508.1         514.7           Property, plant & equipment         \$m         1,365.9         1,824.6         2,153.8         3,098.9         3,633.5           Mine development expenditure         \$m         632.0         848.4         1,535.7         2,305.8         2,706.2           Exploration & evaluation         \$m         -         -         45.0         1,366.5         2,708.2           Dther         \$m         933.7         1,306.5         1,108.4         1,108.4         1,108.4           Fotal assets         \$m         933.7         1,366.5         7,636.7         8,988.9         10,065.9           Accounts payable         \$m         319.1         581.8         420.6         727.5         769.9           Onrowings         \$m         1,120.7         1,261.9         2,850.9	ASSETS						
Accounts receivable         \$m         177.5         331.3         288.3         508.1         514.7           Property, plant & equipment         \$m         1,365.9         1,824.6         2,153.8         3,098.9         3,633.5           Mine development expenditure         \$m         632.0         848.4         1,535.7         2,305.8         2,706.2           Exploration & evaluation         \$m         -         -         45.0         1,366.5         2,708.2           Dther         \$m         933.7         1,306.5         1,108.4         1,108.4         1,108.4           Fotal assets         \$m         933.7         1,366.5         7,636.7         8,988.9         10,065.9           Accounts payable         \$m         319.1         581.8         420.6         727.5         769.9           Onrowings         \$m         1,120.7         1,261.9         2,850.9	Cash & short term investments	\$m	1,521.8	1,542.1	2,505.7	1,832.1	1,872.4
Property, plant & equipment         \$m         1,365.9         1,824.6         2,153.8         3,098.9         3,633.6           Mine development expenditure         \$m         632.0         848.4         1,535.7         2,205.8         2,708.2           Suploration & evaluation         \$m         632.0         848.4         1,535.7         2,205.8         2,708.2           Dither         \$m         633.7         1,306.5         1,108.4         1,108.4         1,108.4           Other         \$m         933.7         1,306.5         1,108.4         1,108.4         1,006.5           LABILTIES         \$m         4,630.9         5,852.9         7,636.7         8,988.9         10,065.5           Accounts payable         \$m         319.1         581.8         420.6         727.5         769.6           onrowings         \$m         1120.7         1,261.9         2,850.9 </td <td>Accounts receivable</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>514.7</td>	Accounts receivable						514.7
Mine development expenditure         \$m         632.0         848.4         1,535.7         2,305.8         2,708.2           Exploration & evaluation         \$m         -         -         45.0         135.6         228.4           Diter         \$m         933.7         1,306.5         1,108.4         1,108.4         1,108.4           Fotal assets         \$m         4,630.9         5,852.9         7,636.7         8,988.9         10,065.5           LABLITIES         *         319.1         581.8         420.6         727.5         769.9           Accounts payable         \$m         319.1         581.8         420.6         727.5         769.9           Accounts payable         \$m         116.9         166.7         7.2         7.2         7.2           Sorrowings         \$m         1,290.7         1,261.9         2,850.9         2,	Property, plant & equipment						3,633.9
Exploration & evaluation         Sm         -         -         45.0         135.6         228.4           Dther         Sm         933.7         1,306.5         1,108.4         1,108.4         1,108.4           Total assets         Sm         933.7         1,306.5         7,636.7         8,988.9         10,065.5           LABILITIES         Sm         319.1         581.8         420.6         727.5         7.2         7.2           Accounts payable         Sm         119.9         166.7         7.2         7.2         7.2         7.2           Oprowings         Sm         1.290.7         1.261.9         2.850.9	Mine development expenditure	1 1					2,708.2
Sm         933.7         1,306.5         1,108.4         1,108.4         1,108.4         1,108.4           Otal assets         Sm         4,630.9         5,852.9         7,636.7         8,988.9         10,065.9           LABLITIES         Sm         319.1         581.8         420.6         727.5         769.6           Accounts payable         Sm         415.9         166.7         7.2         7.2         7.2         7.2           Onrowings         Sm         1290.7         1,261.9         2,850.9	Exploration & evaluation	\$m	-		45.0		228.4
Fotal assets         \$m         4,630.9         5,852.9         7,636.7         8,988.9         10,065.9           LABILITIES	Other	\$m	933.7	1,306.5			1,108.4
LABILITIES         Figure 1         State	Total assets	\$m	4,630.9	5,852.9	7,636.7	8,988.9	10,065.9
ncome tax payable         \$m         415.9         166.7         7.2         7.2         7.2         7.2           barrowings         \$m         1.290.7         1.261.9         2.850.9         2.850.9         2.850.9         2.850.9         2.850.9         2.850.9         2.850.9         2.850.9         1.061.3	LIABILITIES						
Sorrowings         Sm         1,290.7         1,261.9         2,850.9         2,730.3         3,775.6         4,810.9         2,730.4         3,742.0	Accounts payable	\$m	319.1	581.8	420.6	727.5	769.9
State         \$m         309.6         596.4         1,061.3 </td <td>Income tax payable</td> <td>\$m</td> <td>415.9</td> <td>166.7</td> <td>7.2</td> <td>7.2</td> <td>7.2</td>	Income tax payable	\$m	415.9	166.7	7.2	7.2	7.2
Total liabilities         Sm         2,335.3         2,606.8         4,340.0         4,646.9         4,689.3           SHAREHOLDER'S EQUITY         Sm         2,516.3         514.5         506.8	Borrowings	\$m	1,290.7	1,261.9	2,850.9	2,850.9	2,850.9
SHAREHOLDER'S EQUITY         Sm         516.3         514.5         506.8         506.8         506.6           Share capital         \$m         516.3         514.5         506.8         506.6 <td>Other</td> <td>\$m</td> <td>309.6</td> <td>596.4</td> <td>1,061.3</td> <td>1,061.3</td> <td>1,061.3</td>	Other	\$m	309.6	596.4	1,061.3	1,061.3	1,061.3
Share capital         \$m         516.3         514.5         506.8         506.8         506.8           Reserves         \$m         10.1         15.7         16.6         16.6         16.6           Relained earnings         \$m         1.738.4         2.673.3         2.730.3         3.775.6         4.810.3           Fotal equity         \$m         2.295.6         3.246.1         3.296.7         4.342.0         5.376.7	Total liabilities	\$m	2,335.3	2,606.8	4,340.0	4,646.9	4,689.3
Reserves         \$m         10.1         15.7         16.6         16.6         16.6           Retained earnings         \$m         1,738.4         2,673.3         2,730.3         3,775.6         4,810.3           Fotal equity         \$m         2,295.6         3,246.1         3,296.7         4,342.0         5,376.7	SHAREHOLDER'S EQUITY						
Retained earnings         \$m         1,738.4         2,673.3         2,730.3         3,775.6         4,810.3           Fotal equity         \$m         2,295.6         3,246.1         3,296.7         4,342.0         5,376.7	Share capital	\$m	516.3	514.5	506.8	506.8	506.8
Fotal equity \$m 2,295.6 3,246.1 3,296.7 4,342.0 5,376.7	Reserves	\$m	10.1	15.7	16.6	16.6	16.6
	Retained earnings	\$m	1,738.4	2,673.3	2,730.3	3,775.6	4,810.3
	Total equity						5,376.7
	Weighted average shares	m					189.4

FINANCIAL RATIOS						
Year ending June	Unit	2020a	2021a	2022e	2023e	2024e
VALUATION		4 000 0	1 007 7	000.4	4 000 7	4 400 0
NPAT Reported EPS	\$m c/sh	1,002.2 532.2	1,267.7 671.3	386.4 204.0	1,268.7 669.9	1,402.8 740.7
Adjusted EPS	c/sh	170.2	586.5	127.4	669.9	740.7
EPS growth	%	506.5	26.1 -	69.6	228.3	10.6
PER	x	4.0x	8.0x	23.7x	7.0x	6.3x
DPS	c/sh	51.0	171.9	48.4	167.5	185.2
Franking	%	100.00	100.00	100.00	100.00	100.00
Yield	%	2.41	3.20	1.00	3.58	3.95
FCF/share	c/sh	765.6	262.0 -	194.6 -	237.7	215.6
P/FCFPS	x	2.8x	20.5x	-24.8x	-19.7x	21.7x
EV/EBITDA	x	5.4x	4.3x	9.6x	3.9x	3.5x
EBITDA margin	%	81.2	58.9	28.9	37.5	37.5
EBIT margin	%	72.1	51.8	19.2	32.0	32.0
Return on assets	%	21.6	21.7	5.1	14.1	13.9
Return on equity	%	43.7	39.1	11.7	29.2	26.1
LIQUIDITY & LEVERAGE						
Net debt (cash)	\$m	- 231.1 -	280.2	345.2	1,018.8	978.5
ND / E	%	- 10.1 -	8.6	10.5	23.5	18.2
ND / (ND + E)	%	- 10.1 -	8.7	10.4	23.3	18.1
EBITDA / Interest	X	18.3	25.6	10.7	10.5	11.4
ASSUMPTIONS - Prices						
Year ending June - average	Unit	2020a	2021a	2022e	2023e	2024e
AUD:USD	A\$/US\$	0.67	0.75	0.73	0.70	0.70
Iron ore fines @ 62% Fe, CFR	\$/dmt	94	155	138	105	93
Spodumene concentrate (6% basis, CFR)	\$/dmt	519	478	3,170	4,750	2,178
Lithium Hydroxide (battery grade, CFR)	\$/dmt	11,236	10,510	43,717	54,250	38,950
ASSUMPTIONS - Production						
Year ending June	Unit	2020a	2021a	2022e	2023e	2024e
Mining Services - Contract Tonnes	Mt	212	249	272	262	296
Iron Ore Shipments	Mt	14	17	19	18	20
Spodumene concentrate (4% average)	kt	197	243	226	375	450
Spodumene concentrate (6% average) Lithium Hydroxide (battery grade)	kt kt			2	208 43	300 63
VALUATION						
Ordinary shares (m)		189.4		189.4		189.4
Options in the money (m)		-		-		-
Diluted (m)		189.4		189.4		189.4
Sum of the norte	current	¢ (ab	+12 months		24 months	¢/ah
Sum-of-the-parts Mining Services	\$m 5,014	\$/sh 26.5	\$m 5,297	\$/sh 28.0	\$m 5,375	\$/sh 28.4
Commodities	6,176	32.6	6,418	33.9	6,625	35.0
Corporate	(646)	(3.4)	(644)	(3.4)	(640)	(3.4)
Investments & Energy	(040) 767	(0.4)	767	4.0	767	(3.4)
Project - Pilbara Iron Ore	1,147	6.1	1,196	6.3	1,249	6.6
Project - Lithium Hydroxide Conversion	2,075	11.0	2,201	11.6	2,336	12.3
Subtotal	14,533	76.7	15,235	80.4	15,712	83.0
Net Cash (debt)	(345)	(1.8)	(1,019)	(5.4)	(979)	(5.2)
Total (undiluted)	14,188	74.9	14,216	75.1	14,734	77.8
Add options in the money (m)	-	-	-	-	-	-
Add cash	-	-	-	-	-	-
Total (diluted)	14,188	74.9	14,216	75.1	14,734	77.8
CAPITAL STRUCTURE						
Total shares on issue	m					189.4
Share price	\$/sh					46.82
	\$m					8,867.8
Market capitalisation						-345.2
Net cash	\$m					9,213.0
Net cash Enterprise value (undiluted)	\$m <b>\$m</b>					
Net cash Enterprise value (undiluted) Options outstanding (m)	\$m <b>\$m</b> m	(price \$0.00	per share)			0.0
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money)	\$m <b>\$m</b> m	(price \$0.00	per share)			0.0 0.0
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options)	\$m <b>\$m</b> m m m	(price \$0.00	per share)			0.0 0.0 189.4
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted)	\$m <b>\$m</b> m m m m	(price \$0.00	per share)			0.0 0.0 189.4 8,867.8
Net cash Enterprise value (undiluted) Options outsanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)			0.0 0.0 189.4 8,867.8 -345.2
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted)	\$m <b>\$m</b> m m m m	(price \$0.00	per share)			0.0 0.0 189.4 8,867.8
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market captalisation (diluted) Net cash + options Enterprise value (diluted)	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)			0.0 0.0 189.4 8,867.8 -345.2
Net cash Enterprise value (undiluted) Options outsanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)		%	0.0 0.0 189.4 8,867.8 -345.2 <b>9,213.0</b>
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market captalisation (diluted) Net cash + options Enterprise value (diluted)	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)		<u>%</u> 11.8	0.0 0.0 189.4 8,867.8 -345.2
Net cash Enterprise value (undiluted) Options outstanding (m) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS Shareholder	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)			0.0 0.0 189.4 8,867.8 -345.2 <b>9,213.0</b> m
Net cash Enterprise value (undiluted) Options outstanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted) MAJOR SHAREHOLDERS Shareholder Christopher Ellison	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)		11.8	0.0 0.0 189.4 8,867.8 -345.2 <b>9,213.0</b> <b>m</b> 22.3
Net cash Enterprise value (undiluted) Options outsanding (m) Options (in the money) Issued shares (diluted for options) Market capitalisation (diluted) Net cash + options Enterprise value (diluted)  MAJOR SHAREHOLDERS Shareholder Christopher Ellison BlackRock, Inc.	\$m <b>\$m</b> m m m m \$m	(price \$0.00	per share)		11.8 5.4	0.0 0.0 189.4 8,867.8 -345.2 9,213.0 m 22.3 10.2

SOURCE: BELL POTTER SECURITIES ESTIMATES

#### **Recommendation structure**

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

**Hold:** Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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