

OM HOLDINGS LIMITED

(ARBN 081 028 337)

(Malaysian Registration No. 202002000012 (995782-P))

Incorporated in Bermuda



No. of Pages Lodged: 8 Covering letter
14 ASX Appendix 4E – Preliminary Final Report

27 February 2023

ASX Market Announcements
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

The Board of OM Holdings Limited (“**OMH**”, or the “**Company**”, and together with its subsidiaries (the “**Group**”), is pleased to provide the financial results of the Group for the year ended 31 December 2022. A copy of the Group’s Appendix 4E for the financial year ended 31 December 2022 is attached to this announcement.

HIGHLIGHTS

- **Net profit after tax attributable to owners of the Company for the year ended 31 December 2022 (“FY2022”) of US\$67.8 million as compared to US\$61.5 million for the year ended 31 December 2021 (“FY2021”).**
- **Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US\$163.0 million for FY2022 compared with US\$152.8 million for FY2021.**
- **Basic and diluted earnings per ordinary share of the Group of 9.21 cents for FY2022 as compared to 8.35 cents for FY2021.**
- **Revenue from operating activities for FY2022 was US\$856.6 million, representing a 10% increase over FY2021. This increase was primarily attributed to higher average selling prices for the year, despite lower total manganese ore and manganese alloys (mainly silicomanganese (“SiMn”)) volumes traded in FY2022.**
- **Gross profit margin declined slightly to 24.2% in FY2022, from 26.4% in FY2021.**
- **The Group’s share of results from its associates for FY2022 was US\$8.4 million.**
- **Total borrowings decreased from US\$296.8 million as at 31 December 2021 to US\$254.7 million as at 31 December 2022 which included repayments against the Sarawak Project Finance Loan of US\$25.8 million, lower utilisation of trade facilities of approximately US\$29.5 million for the purchase of ores, alloys and raw material inventories, as well as settlement of shareholders’ loans and interest of US\$10.9 million as part of the consideration paid to acquire the non-controlling interests in OM Sarawak and OM Samalaju. As a result, total borrowings to equity ratio decreased from 0.67 times as at 31 December 2021 to 0.64 times as at 31 December 2022.**
- **Consolidated cash position of US\$62.4 million (included cash collateral of US\$9.1 million) as at 31 December 2022 as compared to US\$81.5 million (included cash collateral of US\$11.7 million) as at 31 December 2021.**
- **Net cash generated from operating activities of US\$197.0 million for FY2022.**



HIGHLIGHTS (CONT'D)

- **Net asset backing per ordinary share of the Group was 54.26 cents as at 31 December 2022 as compared to 60.23 cents per ordinary share as at 31 December 2021.**
- **With the Group having recorded a net profit after tax of US\$82.6 million, the Board has resolved to declare a final dividend of A\$0.015⁽¹⁾ per share for FY2022. The Record Date for the dividend will be 5 May 2023 and the Payment Date will be 26 May 2023.**

(1) For shareholders whose shares are held on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the final dividend of A\$0.015 per share (approximately MYR 0.045 per share) will be paid on 26 May 2023. The exchange rate will be fixed at the Record Date of 5 May 2023. All other shareholders will be paid in AUD.

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OM HOLDINGS LIMITED – GROUP KEY FINANCIAL RESULTS

KEY DRIVERS (Tonnes)	Year ended 31 December 2022	Year Ended 31 December 2021	Variance %
Sales volumes of Ores	888,698	1,557,142	(43)
Sales volumes of Alloys	409,020	419,689	(3)

FINANCIAL RESULTS (US\$' million)			
Total sales	856.6	779.9	10
Gross profit	206.9	206.0	0
Gross profit margin (%)	24.2	26.4	
Other income	4.0	10.7	(63)
Distribution costs	(48.5)	(51.5)	(6)
Administrative expenses	(16.0)	(16.2)	(1)
Other operating expenses	(31.0)	(44.3)	(30)
Exchange gain/(loss)	0.6	(8.8)	NM
Impairment charge	(0.1)	(0.6)	(83)
Finance costs	(18.7)	(14.8)	26
Share of results of associates	8.4	4.1	NM
Profit before income tax	105.6	84.6	25
Income tax expense	(23.0)	(2.5)	NM
Profit for the year	82.6	82.1	1
Non-controlling interests	(14.8)	(20.6)	(28)
Profit after tax attributable to owners of the Company	67.8	61.5	10

OPERATING RESULTS ADJUSTED FOR NON-CASH ITEMS		
Net profit after tax	82.6	82.1
Adjust for non-cash items:		
Impairment charge	0.1	0.6
Write off of property, plant and equipment	10.1	5.5
Depreciation/amortisation ⁽²⁾	27.1	42.3
Unrealised exchange losses	2.7	5.2
Finance costs (net of income)	17.4	14.6
Income tax expense	23.0	2.5
Adjusted EBITDA⁽¹⁾	163.0	152.8
Less Depreciation/amortisation	(27.1)	(42.3)
Adjusted EBIT	135.9	110.5

(1) Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment expense, write-off of property, plant and equipment, net finance costs, income tax and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in similar industries may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures.

(2) Inclusive of depreciation and amortisation charges recorded through cost of sales.



FINANCIAL ANALYSIS

The Group recorded revenue of US\$856.6 million for FY2022, which was a 10% increase from the US\$779.9 million recorded for FY2021. The increase in revenue was mainly attributed to higher average selling prices of ore and alloys and an increase in volume of FeSi traded in FY2022, offset by a reduction in volume of ores and manganese alloys traded in FY2022.

With the borders of many countries opening up and the relatively stable handling of the COVID-19 pandemic, there has been a strong global recovery since the middle of 2021 with increased regional demand for manganese ores and ferroalloys which have driven up prices in the first half of 2022. In addition, the conflict between Ukraine and Russia has also created uncertainty in the global supply of ferroalloys which has also contributed to the support of ferroalloy prices in the first half of 2022. However, FeSi prices and SiMn prices have been softening since mid-2022 onwards, mainly driven by the suppressed demand from steel mills amid higher energy costs during the weakening global steel market.

Platts reported that prices of FeSi continued an upward trend since late 2021 into the first half of 2022, closing at US\$2,225 per metric tonne CIF Japan at the end of March 2022. However, it has since declined to US\$1,925 per metric tonne CIF Japan at the end of June 2022, US\$1,620 per metric tonne CIF Japan at the end of September 2022, before stabilising in 4Q 2022 with a marginal increase to close at US\$1,630 per metric tonne CIF Japan at the end of December 2022. The increase in prices for FeSi in early 2022 was mainly attributable to the Ukraine-Russia conflict. Russia and Ukraine were the second largest exporting countries of FeSi and manganese alloys respectively in 2021. However, FeSi prices gradually decreased across the year and stabilised to close at US\$1,630 per metric tonne CIF Japan, mainly driven by reduced demand from steel mills amid higher energy costs and a weaker global steel market.

The prices of SiMn to Japan in FY2022 also followed the same trajectory as FeSi. SiMn prices closed at US\$1,775 per metric tonne CIF Japan at the end of March 2022, and decreased across the year to close at US\$1,225 and US\$1,040 per metric tonne CIF Japan at the end of June 2022 and September 2022 respectively, before stabilising in 4Q 2022 and softening slightly to close at US\$1,030 per metric tonne CIF Japan at the end of December 2022. The price trend is similar to FeSi, with the same driving factors which caused the increase in early 2022, followed by a gradual decrease and stabilisation of prices in the second half of 2022.

As an indication, the index manganese ore prices (44% Mn published by Fastmarkets MB) also increased from US\$5.60/dmtu CIF China at the end of December 2021, up to US\$7.80/dmtu CIF China at the end of March 2022. It decreased gradually to US\$7.27/dmtu CIF China at the end of June 2022, and decreased further to US\$4.41/dmtu at the end of September 2022, before recovering to US\$5.13/dmtu CIF China at the end of December 2022.

As a result of the above, the Group recorded marginally the same gross profit of approximately US\$206.9 million in FY2022 (with a gross profit margin of approximately 24%) as compared to a gross profit of US\$206.0 million in FY2021 (with a gross profit margin of approximately 26%).

Other income decreased by US\$6.8 million mainly due to a one-off US\$6.7 million gain from the de-recognition of financial liabilities which arose from the redenomination of the MYR portion (MYR 230 million) of the project finance loan to USD in 2021.

Total distribution costs decreased by approximately 6% in FY2022 due to a decrease in the total volume of products traded and sold in FY2022, offset by elevated freight rates in the first half of 2022. Freight rates peaked in mid-2022, and gradually declined throughout the second half of 2022.

Other operating expenses decreased to US\$31.0 million for FY2022, from US\$44.3 million in FY2021 mainly due to:

- higher depreciation and amortisation in FY2021 mainly from the accelerated depreciation/amortisation of the Australian mining asset with the stoppage of mining activities in December 2021; and
- provisions and payments of employee entitlements/redundancies at OMM in December 2021 due to the cessation of mining activities at the Mine.

The above is offset by:

- a US\$4.5 million increase in write-off of fixed assets of OM Sarawak, as a result of the dismantling of assets arising from the on-going major maintenance works and furnace conversion projects by OM Sarawak.



Foreign exchange gain of US\$0.6 million was recorded in FY2022 as compared to foreign exchange loss in FY2021 of US\$8.8 million. The foreign exchange losses in FY2021 were mainly due to the discontinuation of cash flow hedges (approximately US\$2.2 million loss in FY2021, as compared to a US\$47k gain in FY2022) and exchange losses from OM Sarawak and OMM.

Finance costs for FY2022 increased by approximately 26% to US\$18.7 million (as compared to US\$14.8 million for FY2021) mainly due to higher interest rates in FY2022.

The Group's share of results from its associates of US\$8.4 million related to the operating results of its 13% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd.

Income tax expense increased by US\$20.5 million in FY2022. OM Sarawak has provided for 24% tax on 100% of its taxable income in FY2022, and is currently working towards meeting all the conditions set by MIDA to be eligible for a second 5 year tax exemption period (from 1 December 2021 to 30 November 2026) on 70% of its taxable income. Upon satisfaction by OM Sarawak of the MIDA conditions, OM Sarawak's annual tax position will be adjusted accordingly.

The Group has remained resilient despite the global uncertainties arising from the ongoing war between Ukraine and Russia, as well as China's policies towards the COVID-19 pandemic. The Group recorded a strong profit after tax of US\$82.6 million for FY2022 (against a profit after tax of US\$82.1 million for FY2021). The Group's basic and diluted profit per ordinary share for FY2022 was 9.21 cents as compared to the basic and diluted earnings per share of 8.35 cents for FY2021.

The Group also recorded a strong positive EBITDA of US\$163.0 million in FY2022 as compared to US\$152.8 million in FY2021, an increase of 7%, on the back of stronger ferroalloy prices in the first half of 2022, despite lower total product volumes traded.

Results Contributions

The contributions from the Group's business segments were as follows:

US\$ million	Year ended 31 December 2022		Year ended 31 December 2021	
	Revenue*	Contribution	Revenue*	Contribution
Mining	19.8	(5.7)	63.0	(26.3)
Smelting	648.7	103.0	479.0	104.7
Marketing, logistics and trading	657.4	21.0	693.7	21.8
Others	53.1	(3.7)	27.8	(5.1)
Net profit before finance costs		114.6		95.1
Finance costs (net of income)		(17.4)		(14.6)
Share of results of associates		8.4		4.1
Income tax expense		(23.0)		(2.5)
Profit after tax		82.6		82.1
Non-controlling interests		(14.8)		(20.6)
Profit attributable to owners of the Company		67.8		61.5

* revenue contribution from segments is subsequently adjusted for intercompany sales on consolidation

Mining

This category included the contribution from the Bootu Creek Manganese Mine (the "Mine").

Revenue for FY2022 amounted to US\$19.8 million and OMM recorded a negative contribution of US\$5.7 million for FY2022.

The Mine (100% owned and operated by the Company's wholly owned subsidiary OMM) produced 18,071 tonnes of manganese ore with an average grade of 28.69% Mn in FY2022, as compared to 854,487 tonnes of manganese ore with an average grade of 28.42% Mn in FY2021. Mining activities ceased in December 2021 and the processing plant ceased production on 24 January 2022. The Mine was placed under care and maintenance since the end of January 2022 with no further mining and processing activities. OMM shipped



144,352 tonnes of manganese ore with an average grade of 28.87% Mn in FY2022 (FY2021: 697,328 tonnes shipped with an average grade of 28.49%).

Smelting

This business segment covered the operations of the FeSi and manganese alloy smelter operated by OM Sarawak, and manganese alloy smelter operated by OM Materials (Qinzhou) Co Ltd (“OMQ”).

OM Sarawak and OMQ recorded revenues of US\$648.7 million for FY2022 as compared to US\$479.0 million for FY2021. The increase in revenue was mainly due to the higher average selling prices achieved for ferroalloy sales in FY2022, as compared to FY2021. The Group produced 140,355 tonnes, 216,813 tonnes and 112,711 tonnes of FeSi, manganese alloys and manganese sinter ore respectively in FY2022 (FY2021: 131,059 tonnes, 216,539 tonnes and 99,824 tonnes of FeSi, manganese alloys and manganese sinter ore respectively).

OMQ has suspended its operations since December 2021 due to elevated power-tariffs from power rationing imposed by the government authorities in China.

The smelting segment recorded a contribution of US\$103.0 million for FY2022 (FY2021: US\$104.7 million).

Marketing, logistics and trading

Revenue from the Group’s trading operations decreased by 5% from US\$693.7 million in FY2021 to US\$657.4 million in FY2022. This decrease was primarily due to lower total volumes of manganese ore and manganese alloys (mainly SiMn) traded in FY2022. As a result, the profit contribution from the Group’s trading operations decreased by 4% to US\$21.0 million in the current year as compared to US\$21.8 million in FY2021. This was mainly due to lower freight and distribution costs especially in the second half FY2022.

Others

This segment included the corporate activities of OMH, logistics services as well as procurement services rendered by a number of the Group’s subsidiaries.

The revenue recognised in this segment mainly related to procurement fees, logistics services and other services rendered by certain subsidiaries of the Group to OM Sarawak. The higher negative contribution of this segment in FY2021 was mainly due to amounts paid to professional advisors in relation to the secondary listing of the Group on Bursa in June 2021.

FINANCIAL POSITION

As at 31 December 2022, the Group’s consolidated cash position was US\$62.4 million (including cash collateral of US\$9.1 million) as compared to US\$81.5 million (including cash collateral of US\$11.7 million) as at 31 December 2021. For FY2022, net cash generated from operating activities was US\$197.0 million as compared to net cash generated of US\$70.2 million for FY2021.

Inventories decreased to US\$235.4 million as at 31 December 2022 from US\$256.4 million as at 31 December 2021. In FY2022, a write down of inventories of US\$51.8 million (2021: US\$2.8 million) was recorded.

Trade and other receivables decreased to US\$31.8 million as at 31 December 2022, compared to US\$40.9 million as at 31 December 2021 due to lower sales prices in Q4 2022 compared to Q4 2021.

Trade and other payables increased by approximately 8% to US\$180.9 million as at 31 December 2022 from US\$167.7 million as at 31 December 2021 due to the accumulation of power inventories.

The Group’s total borrowings decreased from US\$296.8 million as at 31 December 2021 to US\$254.7 million as at 31 December 2022. The decrease was mainly attributed to the repayments of the Sarawak Project



Finance loans during FY2022, lower utilisation of trade facilities, as well as settlement of shareholders' loans and interest of US\$10.9 million as part of the consideration paid to acquire the non-controlling interests in OM Sarawak and OM Samalaju. This decrease was partially offset by a private bond issuance by a wholly owned subsidiary of A\$30.9m (approximately US\$21.0 million). The Group's total borrowings to equity ratio decreased from 0.67 times as at 31 December 2021 to 0.64 times as at 31 December 2022.

The Company's net asset backing per ordinary share was 54.26 cents per ordinary share as at 31 December 2022 as compared to 60.23 cents per ordinary share as at 31 December 2021.

Capital Structure

As at 31 December 2022, the Company had on issue 738,623,337 ordinary shares.

As at 16 February 2023, a total of 109,658,386 shares were listed on Bursa Malaysia and 628,964,951 shares listed on the Australian Securities Exchange.

INVESTMENT IN NTSIMBINTLE MINING PROPRIETARY LIMITED

Ntsimbintle Mining Proprietary Limited ("NMPL") holds a 50.1% interest in Tshipi é Ntle Manganese Mining (Pty) Ltd ("Tshipi"), an independently operated and managed black empowered manganese mining company that operates the Tshipi Borwa Manganese Mine located in the world class Kalahari Manganese field in South Africa. The Tshipi Borwa Manganese Mine currently has a production target of approximately 3.4 million tonnes per annum. The Company has a 13% effective beneficial interest in this project via its NMPL investment holding. The Group equity accounts its 13% effective interest in Tshipi's results which equated to a contribution of US\$8.4 million for FY2022 compared to US\$4.1 million for FY2021. The increase from the share of results from Tshipi was mainly due to Tshipi's higher net profits in FY2022 as compared to FY2021 mainly due to higher average selling prices throughout the period.

In FY2022, Tshipi declared and paid dividends of ZAR 1,050 million to its two shareholders. The Group received its share of this dividend of ZAR 131.0 million (approximately US\$7.9 million) (net of withholding taxes) from NMPL in FY2022.

FINAL DIVIDEND

With the Group having recorded a net profit after tax of US\$82.6 million, the Board has resolved to declare a final dividend of A\$0.015⁽¹⁾ per share for FY2022. The Record Date for the dividend will be 5 May 2023 and the Payment Date will be 26 May 2023.

(1) For shareholders whose shares are held on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the final dividend of A\$0.015 per share (approximately MYR 0.045 per share) will be paid on 26 May 2023. The exchange rate will be fixed at the Record Date of 5 May 2023. All other shareholders will be paid in AUD.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley

Joint Company Secretary



Important note from page 3

Earnings before interest, taxation, depreciation and amortisation (ie 'EBITDA') and earnings before interest and tax (ie 'EBIT') are non-IFRS profit measures based on statutory net profit after tax adjusted for significant items and changes in the fair value of financial instruments. The Company believes that such measures provide a better understanding of its financial performance and allows for a more relevant comparison of financial performance between financial periods.

The Company believes that EBITDA and EBIT are useful measures as they remove significant items that are material items of revenue or expense that are unrelated to the underlying performance of the Company's various businesses thereby facilitating a more representative comparison of financial performance between financial periods. In addition, these profit measures also remove changes in the fair value of financial instruments recognised in the statement of comprehensive income to remove the volatility caused by such changes.

While the Company's EBITDA and EBIT results are presented in this announcement having regard to the presentation requirements contained in Australian Securities and Investment Commission Regulatory Guide 230 titled 'Disclosing non-IFRS financial information' (issued in December 2011) investors are cautioned against placing undue reliance on such measures as they are not necessarily presented uniformly across the various listed entities in a particular industry or generally.

This ASX announcement was authorised for release by the Board of OM Holdings Limited.

Further enquiries please contact:
Ms Jenny Voon
Tel: +65 6346 5515
Email: investor.relations@ommaterials.com

OM HOLDINGS LIMITED

A.R.B.N 081 028 337

Malaysian Registration No. 202002000012 (995782-P)

Appendix 4E

Preliminary Final Report

For the year ended 31 December, 2022

(previous corresponding period being the year ended 31 December, 2021)

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OM Holdings Limited and Controlled Entities
Preliminary Final Report
APPENDIX 4E

Results for Announcement to the Market
OM Holdings Limited
For the year ended 31 December 2022

Name of Entity:	OM Holdings Limited	
ARBN:	081 028 337	
Malaysian Registration No:	202002000012 (995782-P)	
1. Details of the current and prior reporting period		
Current Period:	1 Jan 2022 to 31 Dec 2022	
Prior Period:	1 Jan 2021 to 31 Dec 2021	
2. Results for announcement to the market		
		US\$'000
2.1 Revenue from ordinary activities	Up 10% to	856,552
2.2 Profit for the year	Up 0.6%% to	82,591
2.3 Net profit for the year attributable to owners of the Company	Up 10.3% to	67,842
2.4 Dividend distributions	Amount per security	Franked amount per security
	A\$0.015 ⁽¹⁾	Nil
2.5 Record date for determining entitlements to the dividend	5 May 2023	
3. Consolidated statement of comprehensive income	Refer Appendix 1	
4. Statements of financial position	Refer Appendix 2	
5. Consolidated statement of cash flows	Refer Appendix 3	
6. Details of dividends or distributions	Record Date: 5 May 2023 Payment Date: 26 May 2023	
7. Consolidated statement of changes in equity	Refer Appendix 4	
	Current Period US\$	Previous Corresponding Period US\$
8. Net asset backing per ordinary security	54.26 cents	60.23 cents

(1) For shareholders whose shares are held on Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the final dividend of A\$0.015 per share (approximately MYR 0.045 per share) will be paid on 26 May 2023. The exchange rate will be fixed at the Record Date of 5 May 2023. All other shareholders will be paid in AUD.

OM Holdings Limited and Controlled Entities
Preliminary Final Report

9. Control gained over entities during the period	N/A	
10. Details of associate and joint venture entities	Refer Note 3	
11. Other significant information	Refer Note 4	
12. Accounting Standards used by foreign entities in compiling the report	International Financial Reporting Standards	
13. Commentary on the result for the period	Refer accompanying ASX Announcement	
	Current Period	Previous Corresponding Period
13.1 Profit per share (basic and diluted)	9.21 cents	8.35 cents
13.4 Segment results	Refer Appendix 5	
14. Status of audit or review	This report is based on financial statements that are in the process of being audited.	
15. Dispute or qualification - accounts not yet audited	N/A	
16. Qualifications of audit/review	N/A	

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Consolidated statement of comprehensive income for the financial year ended 31 December 2022

	Note	Year ended 31 December 2022 US\$'000	Year ended 31 December 2021 US\$'000
Revenue		856,552	779,893
Cost of sales		(649,686)	(573,932)
Gross profit		206,866	205,961
Other income		3,966	10,719
Distribution costs		(48,547)	(51,534)
Administrative expenses		(15,970)	(16,205)
Other operating expenses		(30,451)	(53,641)
Finance costs		(18,652)	(14,823)
Profit from operations		97,212	80,477
Share of results of associates		8,417	4,057
Profit before income tax		105,629	84,534
Income tax expense		(23,038)	(2,451)
Profit for the year	1	82,591	82,083
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to Owners of the Company)		(6,014)	(4,393)
Cash flow hedges		(47)	2,125
		(6,061)	(2,268)
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences arising from foreign subsidiaries (attributable to non-controlling interests)		(419)	(34)
		(419)	(34)
Other comprehensive income for the year, net of tax		(6,480)	(2,302)
Total comprehensive income for the year		76,111	79,781
Profit attributable to:			
Owners of the Company		67,842	61,520
Non-controlling interests		14,749	20,563
		82,591	82,083
Total comprehensive income attributable to:			
Owners of the Company		61,789	58,721
Non-controlling interests		14,322	21,060
		76,111	79,781
Profit per share			
		Cents	Cents
- Basic		9.21	8.35
- Diluted		9.21	8.35

OM Holdings Limited and Controlled Entities
Preliminary Final Report

Statements of financial position
as at 31 December 2022

Appendix 2

	Note	The Company			The Group		
		31 December 2022 US\$'000	31 December 2021 US\$'000	1 January 2021 US\$'000	31 December 2022 US\$'000	31 December 2021 US\$'000	1 January 2021 US\$'000
Assets							
Non-Current							
Property, plant and equipment	-	-	-	-	445,556	443,975	472,894
Land use rights	-	-	-	-	6,533	6,755	6,872
Exploration and evaluation costs	2	-	-	-	2,255	2,142	1,791
Mine development costs	-	-	-	-	1,878	1,951	12,882
Investment property	-	-	-	-	427	434	442
Right-of-use assets	-	-	-	-	4,163	5,858	1,535
Deferred tax assets	-	-	-	-	12,578	13,408	10,621
Interests in subsidiaries	-	102,532	104,245	109,460	-	-	-
Interests in associates	3	-	-	-	80,875	86,572	97,686
Other investment	-	-	-	-	-	-	1,454
		102,532	104,245	109,460	554,265	561,095	606,177
Current							
Inventories	-	-	-	-	235,415	256,376	166,602
Trade and other receivables	-	6,380	6,833	9,668	31,783	40,900	48,519
Capitalised contract costs	-	-	-	-	538	1,077	1,429
Prepayments	1	-	91	68	1,620	2,664	2,718
Cash collateral	-	-	-	-	9,121	11,731	12,520
Cash and bank balances	-	24	32	32	53,262	69,793	36,040
		6,405	6,956	9,768	331,739	382,541	267,828
Total assets		108,937	111,201	119,228	886,004	943,636	874,005
Equity							
Capital and Reserves							
Share capital	-	32,035	32,035	32,035	32,035	32,035	32,035
Treasury shares	-	(2,058)	(2,058)	(2,058)	(2,058)	(2,058)	(2,058)
Reserves	-	14,271	31,831	33,880	366,133	338,009	279,288
		44,248	61,808	63,857	396,110	367,986	309,265
Non-controlling interests		-	-	-	3,624	75,727	52,387
Total equity		44,248	61,808	63,857	399,734	443,713	361,652
Liabilities							
Non-Current							
Borrowings	-	-	-	-	204,817	214,866	222,026
Lease liabilities	-	-	-	-	1,753	3,029	320
Trade and other payables	-	-	-	-	54,323	39,417	42,200
Provisions	-	-	-	-	4,778	5,786	8,371
Deferred tax liabilities	-	-	-	-	18,393	938	948
Deferred capital grant	-	-	-	-	7,131	7,698	8,264
		-	-	-	291,195	271,734	282,129
Current							
Borrowings	-	-	-	10,785	49,923	81,927	97,640
Lease liabilities	-	-	-	-	1,757	2,565	967
Trade and other payables	-	64,689	49,393	44,586	126,604	128,241	119,975
Provisions	-	-	-	-	188	1,390	1,392
Deferred capital grant	-	-	-	-	567	564	567
Contract liabilities	-	-	-	-	10,536	7,028	4,670
Income tax payables	-	-	-	-	5,500	6,474	5,013
		64,689	49,393	55,371	195,075	228,189	230,224
Total liabilities		64,689	49,393	55,371	486,270	499,923	512,353
Total equity and liabilities		108,937	111,201	119,228	886,004	943,636	874,005

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Appendix 3

Consolidated statement of cash flows
for the financial year ended 31 December 2022

	Year ended 31 December 2022 US\$'000	Year ended 31 December 2021 US\$'000
Cash Flows from Operating Activities		
Profit before income tax	105,629	84,534
Adjustments for:		
Amortisation of land use rights	143	145
Amortisation of deferred capital grant	(564)	(567)
Amortisation of mine development costs	392	9,622
Depreciation of property, plant and equipment	24,750	28,684
Depreciation of right-of-use assets	2,356	4,405
Depreciation of investment property	8	8
(Gain)/loss on disposal of property, plant and equipment	(3)	14
Write-off of property, plant and equipment	10,052	5,490
Gain on disposal of other investment	-	(581)
Unwinding of discount on non-current trade payables	-	63
Reclassification from hedging reserve to profit or loss	(47)	2,125
Write-down of inventories to net realisable value	561	2,830
Gain from derecognition of financial liabilities	-	(6,681)
Write-off of exploration and evaluation costs	130	114
Impairment loss on trade and other receivables	-	484
Interest expense	18,652	14,823
Interest income	(1,205)	(223)
Share of results of associates	(8,417)	(4,057)
Operating profit before working capital changes	152,437	141,232
Decrease/(increase) in inventories	23,216	(82,476)
Decrease in trade receivables	4,328	4,928
Decrease in capitalised contract costs	539	353
Decrease/(increase) in prepayments, deposits and other receivables	5,642	(1,899)
Increase in contract liabilities	3,508	2,358
Increase in trade payables	26,388	14,249
Decrease in other payables	(10,112)	(5,111)
Decrease in provisions	(2,398)	(2,585)
Cash generated from operations	203,548	71,049
Income tax paid	(6,590)	(813)
Net cash generated from operating activities	196,958	70,236
Cash Flows from Investing Activities		
Payments for exploration and evaluation costs	(395)	(547)
Purchase of property, plant and equipment	(39,402)	(7,038)
Purchase of right-of-use asset	(166)	(15)
Proceeds from disposal of other investment	-	2,035
Dividends received from an associate	7,868	9,697
Interest received	1,205	223
Net cash (used in)/generated from investing activities	(30,890)	4,355

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Consolidated statement of cash flows (cont'd)
for the financial year ended 31 December 2022

	Year ended 31 December 2022 US\$'000	Year ended 31 December 2021 US\$'000
Cash Flows from Financing Activities		
Repayments of bank and other loans	(65,964)	(38,343)
Proceeds from bank and other loans	22,826	15,830
Principal repayments of lease liabilities	(2,484)	(4,208)
Acquisition of non-controlling interests	(109,127)	-
Capital contribution by non-controlling interest	-	2,280
Decrease in cash collateral	2,610	789
Dividend paid	(10,948)	-
Interest paid	(17,661)	(16,501)
Net cash used in financing activities	(180,748)	(40,153)
Net (decrease)/increase in cash and cash equivalents	(14,680)	34,438
Cash and cash equivalents at beginning of year	69,793	36,040
Exchange difference on translation of cash and cash equivalents at beginning of year	(1,851)	(685)
Cash and cash equivalents at end of year	53,262	69,793

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Appendix 4

Consolidated statement of changes in equity for the financial year ended 31 December 2022

	Share capital US\$'000	Treasury shares US\$'000	Share premium US\$'000	Non-distributable reserve US\$'000	Capital reserve US\$'000	Hedging reserve US\$'000	Exchange fluctuation reserve US\$'000	Retained profits US\$'000	Total attributable to equity holders of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 January 2022	32,035	(2,058)	156,920	7,643	12,138	(818)	(33,032)	195,158	367,986	75,727	443,713
Profit for the year	-	-	-	-	-	-	-	67,842	67,842	14,749	82,591
Other comprehensive income for the year	-	-	-	-	-	(39)	(6,014)	-	(6,053)	(427)	(6,480)
Total comprehensive income for the year	-	-	-	-	-	(39)	(6,014)	67,842	61,789	14,322	76,111
Dividends	-	-	-	-	-	-	-	(10,525)	(10,525)	(438)	(10,963)
Acquisition of non-controlling interests	-	-	-	-	(23,176)	1,129	(1,093)	-	(23,140)	(85,987)	(109,127)
Transactions with owners	-	-	-	-	(23,176)	1,129	(1,093)	(10,525)	(33,665)	(86,425)	(120,090)
Transfer to statutory reserve	-	-	-	279	91	-	-	(370)	-	-	-
At 31 December 2022	32,035	(2,058)	156,920	7,922	(10,947)	272	(40,139)	252,105	396,110	3,624	399,734
At 1 January 2021	32,035	(2,058)	156,920	7,643	12,138	(2,412)	(28,639)	133,638	309,265	52,387	361,652
Profit for the year	-	-	-	-	-	-	-	61,520	61,520	20,563	82,083
Other comprehensive income for the year	-	-	-	-	-	1,594	(4,393)	-	(2,799)	497	(2,302)
Total comprehensive income for the year	-	-	-	-	-	1,594	(4,393)	61,520	58,721	21,060	79,781
Capital injection from non-controlling interest	-	-	-	-	-	-	-	-	-	2,280	2,280
Transactions with owners	-	-	-	-	-	-	-	-	-	2,280	2,280
At 31 December 2021	32,035	(2,058)	156,920	7,643	12,138	(818)	(33,032)	195,158	367,986	75,727	443,713

Operating segments

For management purposes, OM Holdings Limited and its controlled entities ("Group") are organised into the following reportable operating segments as follows:-

Mining	Exploration and mining of manganese ore
Smelting	Production of manganese ferroalloys, ferrosilicon, silicon metal and manganese sinter ore
Marketing and Trading	Trading of manganese ore, manganese ferroalloys, ferrosilicon and sinter ore

Each of these operating segments is managed separately as they require different resources as well as operating approaches.

The reporting segment results exclude the finance income and costs and share of results of associates, which are not directly attributable to the business activities of any operating segment, and are not included in arriving at the operating results of the operating segment.

Sales between operating segments are carried out at arm's length.

Segment performance is evaluated based on the operating profit or loss which in certain respects, as set out below, is measured differently from the operating profit or loss in the consolidated financial statements.

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Operating segments (cont'd)

	Mining		Smelting		Marketing and Trading		Others		Total	
	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000	2022 US\$'000	2021 US\$'000
Reportable segment revenue										
Sales to external customers	-	-	288,874	186,262	567,021	593,574	657	57	856,552	779,893
Inter-segment sales	19,822	62,997	359,790	292,746	90,382	100,090	52,492	27,767	522,486	483,600
Elimination									(522,486)	(483,600)
	19,822	62,997	648,664	479,008	657,403	693,664	53,149	27,824	856,552	779,893
Reportable segment (loss)/profit	(5,744)	(26,283)	103,045	104,711	21,058	21,751	(3,700)	(5,102)	114,659	95,077
Reportable segment assets	48,320	70,915	809,893	780,176	540,745	405,889	139,185	132,465	1,538,143	1,389,445
Elimination									(733,014)	(532,381)
Interest in associates									80,875	86,572
Total assets									886,004	943,636
Reportable segment liabilities	119,541	142,988	429,520	460,822	283,660	175,558	79,676	64,140	912,397	843,508
Elimination									(426,127)	(343,585)
Total liabilities									486,270	499,923
Other segment information										
Purchase of property, plant and equipment	94	1,239	38,900	5,429	78	101	330	269	39,402	7,038
Depreciation of property, plant and equipment	947	4,510	23,085	23,468	72	123	646	583	24,750	28,684
Write off of property, plant and equipment	-	91	10,051	665	-	56	1	4,678	10,052	5,490
(Gain)/loss on disposal of property, plant and equipment	-	-	(3)	14	-	-	-	-	(3)	14
Amortisation of land use rights	-	-	143	145	-	-	-	-	143	145
Addition of exploration and evaluation costs	367	467	-	-	-	-	28	80	395	547
Amortisation of mine development costs	392	9,622	-	-	-	-	-	-	392	9,622
Depreciation of right-of-use-assets	461	2,575	1,305	1,309	366	330	224	191	2,356	4,405
Depreciation of investment property	-	-	-	-	8	8	-	-	8	8
Write off of evaluation and exploration costs	-	-	-	-	-	-	130	114	130	114
Write-down of inventories to net realisable value	211	2,830	39	-	311	-	-	-	561	2,830
Impairment loss on trade and other receivables	-	-	-	-	-	-	-	484	-	484
Amortisation of deferred capital grant	-	-	(564)	(567)	-	-	-	-	(564)	(567)

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Operating segment (cont'd)

Reconciliation of the Group's reportable segment profit to the profit before income tax is as follows:

	2022	2021
	US\$'000	US\$'000
Reportable segment profit	114,659	95,077
Finance income	1,205	223
Share of results of associates	8,417	4,057
Finance costs	(18,652)	(14,823)
Profit before income tax	105,629	84,534

The Group's revenues from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	Revenue from external customers		Non-Current Assets	
	2022	2021	2022	2021
Principal markets	US\$'000	US\$'000	US\$'000	US\$'000
Asia Pacific	662,759	673,770	460,898	461,125
Europe	52,346	48,909	-	-
Middle East	22,840	28,225	-	-
Africa	976	48	80,789	86,562
America	117,631	28,941	-	-
	856,552	779,893	541,687	547,687

The geographical location of customers is based on the locations at which the goods were delivered. The geographical location of non-current assets is based on the physical location of the assets.

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NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1: Profit after taxation

	2022	2021
The Group	US\$'000	US\$'000
Profit before income tax has been arrived at after charging/(crediting):		
Amortisation of land use rights	143	145
Amortisation of deferred capital grant	(564)	(567)
Amortisation of mine development costs	392	9,622
Depreciation of property, plant and equipment:		
- cost of sales	16,213	16,468
- other operating expenses	8,537	12,216
Depreciation of right-of-use assets	2,356	4,405
Depreciation of investment property	8	8
Write off of property, plant and equipment	10,052	5,490
Gain on disposal of other investment	-	(581)
Unwinding of discount on non-current trade payables	-	63
Write-down of inventories to net realisable value	561	2,830
Cost of inventories recognized as expenses and included in cost of sales	649,686	573,932
Foreign exchange (gain)/loss – net	(592)	8,818
Rental expenses:		
- short-term leases	2,962	7,148
- leases of low-value assets	33	14
Interest income	(1,205)	(223)
Finance costs:		
- loans	17,447	13,877
- lease liabilities	171	251
- others	1,034	695
Employee benefits expenses	47,656	63,935

Note 2: Exploration and evaluation costs

	2022	2021
The Group	US\$'000	US\$'000
At beginning of year	2,142	1,791
Costs incurred during the year	395	547
Written off/impairment during the year	(130)	(114)
Exchange Realignment	(152)	(82)
At end of year	2,255	2,142

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Note 3: Interests in associates

	2022 US\$'000	2021 US\$'000
The Group		
Interests in associates	80,875	86,572

The material associates are:

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Percentage of equity held</u>		<u>Principal activities</u>
		2022	2021	
Ntsimbintle Mining Proprietary Limited	South Africa	26%	26%	Investment holding
OM Materials Japan Co., Ltd.	Japan	33%	33%	Trading of metals and ferroalloy products

Note 4: Other significant information

Acquisition of the remaining 25% interest in key Malaysian operating subsidiaries

On 6 December 2022, the Company's wholly owned subsidiary, OM Materials (S) Pte Ltd ("OMS"), completed the acquisition of the remaining 25% interest in OM Materials (Sarawak) Sdn Bhd ("OM Sarawak") and OM Materials (Samalaju) Sdn Bhd ("OM Samalaju"). The total consideration was US\$120.0 million, which comprised US\$109.1 million for the acquisition of the shares of OM Sarawak and OM Samalaju, and US\$10.9 million for the repayment of loans to the non-controlling interest.

The Company now owns 100% of the equity interest in both OM Sarawak and OM Samalaju through OMS with effect from 6 December 2022.

Sponsor Guarantee issued under the terms of the Power Purchase Agreement with Syarikat SESCO Berhad

Pursuant to the Amended Power Purchase Agreement ("PPA") between a subsidiary, OM Sarawak, and Syarikat SESCO Berhad ("SSB"), the Company issued guarantees to SSB for certain obligations of OM Sarawak under the PPA.

The guarantees disclosed above do not fall into the category of financial guarantees as they do not relate to debt instruments. The purpose of these guarantees is essentially to enable SSB to provide the power supply to OM Sarawak on the condition that these guarantees are provided by the Company in the event that there are any unpaid claims arising from the PPA owed to SSB. There are no bank loans involved in these guarantees. As such, there is no need for the guarantees to be fair valued.

Project Support guarantee issued under the terms of the Facilities Agreement and the Project Support Agreement

OM Sarawak, a subsidiary of the Company entered into a project finance Facilities Agreement ("FA") for a limited recourse senior project finance debt facility. Concurrently, the Company and OMS, the ultimate and immediate holding company of OM Sarawak, entered into a Project Support Agreement ("PSA") in relation to the project finance debt facility. The PSA governs the rights and obligations of the Company and OMS. These obligations and liabilities are severally liable.

The PSA will lapse upon the final payment of the project financing facilities.

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Note 4: Other significant information (cont'd)

Tourag Fatality

On 24 August 2020, a significant wall failure in Tourag pit resulted in the death of an employee of OM (Manganese) Ltd. ("OMM"). The incident was immediately reported to NT Police, the Department of Industry, Tourism and Trade and NT WorkSafe, with mining operations suspended immediately.

OMM has complied with all notices issued by NT WorkSafe and the Northern Territory Coroner to provide all information to assist with their investigations.

On 30 August 2021, NT WorkSafe served OMM with a summons to attend court, charging OMM with contraventions of Division 5 of the Work Health and Safety (National Uniform Legislation) Act 2011 (NT) ("Act"). OMM has indicated its intention to enter a guilty plea to a "Category Two" failure to comply with a work health and safety duty, contrary to section 32 of the Act. The maximum penalty for this offence is AUD1.5 million. A final outcome is expected by the middle of 2023.

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