

Genesis Minerals Limited

2Q24: Solid – Awaiting 5-year outlook in March

GMD produced a solid 2Q24 result – coming broadly in-line with our estimates despite a seismic event at Gwalia (proximal to the 1729 level). Although early days since Leonora ownership (30 June 2023), early signs (~140koz pa at ~A\$2,115/oz AISC) are positive compared to recent historical production (120-130koz pa at ~A\$2,521/oz). We retain our Hold Recommendation on valuation grounds (1.1x P/NAV vs 0.9x peers and 9.9x EV/EBITDA vs 4.3x peers) and await the 5-year outlook (~March 2024), which should outline a more granular path towards the Company's growth ambitions (+300koz).

Solid result

- GMD's 2Q result has come broadly in-line with our assumptions for the production (+3% vs OMLe) as higher grades (4.6g/t Au vs OMLe: 3.8g/t) offset lower throughput (250kt vs OMLe: 290kt).
- AISC costs followed suit (-1% vs OMLe), along with cash position (-1% vs OMLe). A few moving factors driving the latter - higher capex (A\$43m vs OMLe A\$19m) offset by: a working capital adjustment (~A\$5m), higher gold sales (~39koz vs OMLe: 34koz) and Dacian cash acquired (A\$12m vs OMLe: A\$10m).

5-year outlook and R+R imminent (March)

In relative terms, GMD screens as expensive given it is trading at elevated levels to domestic peers. In absolute terms, however, GMD is trading approximately in-line with our valuation given the Target Price we derive (using our consistent methodology) utilises higher multiples to account for the relative management premium. We would not be inclined to take a negative view on the equity given the solid foundation set and the strength of near-term cash flows (OMLe FY25: A\$180m) and the balance sheet (~A\$190m cash, no debt). It's what happens next that matters most to us. Therefore, the forthcoming 5-year outlook (planned ~March 2024) acts as a near-term catalyst, as it could further articulate growth plans and give us comfort to bake in upside opportunities (see our initiation [here](#)). In the interim, we balance the growth outlook and management quality against a stretched valuation.

Earnings and valuation impact

We incorporate the result and account for the recent cash and scrip acquisition (Bruno-Lewis / Raeside). The dilution of the acquisition is partially offset by our Exploration STOP where we include the acquired ounces. Our Target Price reduces to A\$1.70/sh (-3% - dilution) and we retain our Hold Rating.

Year-end June (\$)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenue (\$m)	-	77.0	426.5	447.8	512.4
EBITDA (\$m)	(46.3)	(41.0)	163.5	182.5	208.5
EBIT (\$m)	(46.4)	(65.1)	108.4	138.4	154.9
Reported NPAT (\$m)	(46.4)	(117.2)	78.4	100.0	112.5
Reported EPS (c)	(6.3)	(16.3)	7.6	9.7	10.9
Normalised NPAT (\$m)	(46.3)	(62.7)	78.4	100.0	112.5
Normalised EPS (c)	(6.3)	(8.7)	7.6	9.7	10.9
EPS Growth (%)	-	-	-	27.6	12.4
Dividend (c)	-	-	-	-	-
Net Yield (%)	-	-	-	-	-
Franking (%)	-	-	-	-	-
EV/EBITDA (X)	-	-	8.9	7.5	6.4
Normalised P/E (x)	-	-	20.8	16.3	14.5
Normalised ROE (%)	-	-	8.9	10.4	10.9

Source: OML, Iress, Genesis Minerals Limited

Last Price

A\$1.59

Target Price

A\$1.70 (Previously A\$1.75)

Recommendation

Hold

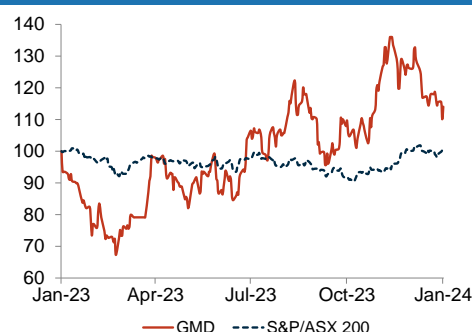
Risk

Higher

Gold

ASX Code	GMD
52 Week Range (\$)	0.94 - 1.89
Market Cap (\$m)	1,778.2
Shares Outstanding (m)	1,121.9
Av Daily Turnover (\$m)	7.3
3 Month Total Return (%)	3.9
12 Month Total Return (%)	14.0
Benchmark 12 Month Return (%)	0.4
NTA FY24E (¢ per share)	88.5
Net Cash FY24E (\$m)	174.9

Relative Price Performance



Source: FactSet

Consensus Earnings

	FY24E	FY25E
NPAT (C) (\$m)	68.4	62.3
NPAT (OM) (\$m)	78.4	100.0
EPS (C) (c)	8.2	6.8
EPS (OM) (c)	7.6	9.7

Source: OML, Iress, Genesis Minerals Limited

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Figure 1: GMD operating and financial summary

All AUD unless noted							Year End June 30					
Key Details							Ratio Metrics					
Target Price	\$/sh	1.70					Earnings - Adjusted	\$/sh	(FY23)	(FY24E)	(FY25E)	(FY26E)
Recommendation		Hold					P/E Multiple	x	-18.2x	20.8x	16.3x	14.5x
Risk Assessment		Higher					CFPS (CFO)	\$/sh	(\$0.04)	\$0.16	\$0.15	\$0.16
Share Price	\$/sh	\$1.59					FCFPS (CFO-capex-expl.)	\$/sh	(\$0.05)	\$0.06	\$0.09	\$0.04
2023E Dividend	\$/sh	\$0.00					P/CF Multiple	x	-43.4x	10.0x	10.5x	9.8x
NAV	\$/sh	\$1.42					FCF Yield	%	(3.2%)	3.7%	5.5%	2.3%
Implied Total Return	%	7%					Dividends Per Share	\$/sh	\$0.00	\$0.00	\$0.00	\$0.00
P/NAV	x	1.12x					Dividend Yield	%	0.0%	0.0%	0.0%	0.0%
No Shares	m	1122					Gearing (ND: ND+E)	%	(27.1%)	(25.7%)	(37.6%)	(42.2%)
Market Cap	M \$	\$1,778					Return on Equity (ROE)	%	(7.4%)	8.6%	9.9%	10.7%
Enterprise Value	M \$	\$1,588					Return on Capital (ROIC)	%	(6.2%)	7.1%	8.2%	8.9%
Prices & Exchange Rates							P&L Statement					
Gold Price	US\$/oz	1831	1882	2095	2025	1875	Revenue	M \$	(FY23)	(FY24E)	(FY25E)	(FY26E)
Exchange rate	AUD:USD	0.67	0.67	0.69	0.71	0.72	Operating Costs	M \$	(\$118)	(\$263)	(\$265)	(\$304)
Production, Costs & Guidance							EBITDA					
Leonora Hub	koz Au	n.a.	141	147	179	192	D&A	M \$	\$24	\$55	\$44	\$54
Mt Morgan Hub	koz Au	n.a.	0	0	0	54	EBIT	M \$	(\$65)	\$108	\$138	\$155
Total Gold Production	koz Au	n.a.	141	147	179	246	Other Income/Expenses	M \$	\$2	\$4	\$4	\$6
<i>Guidance</i>	<i>koz Au</i>	<i>n.a.</i>	<i>n.a.</i>				EBT	M \$	(\$63)	\$112	\$143	\$161
Total C1 Cash Cost	\$/oz	n.a.	1732	1714	1628	1643	Taxes	M \$	\$0	\$34	\$43	\$48
Leonora Hub	\$/oz	n.a.	2136	2062	1943	1902	Net Income - Adjusted	M \$	(\$63)	\$78	\$100	\$112
Mt Morgan Hub	\$/oz	n.a.	n.a.	n.a.	n.a.	2168	Adjustments	M \$	\$55	\$0	\$0	\$0
Total All-in Sustaining Cash Cost	\$/oz	n.a.	2136	2134	2113	2085	Net Income - Reported	M \$	(\$117)	\$78	\$100	\$112
<i>Guidance</i>	<i>\$/oz</i>	<i>n.a.</i>					Weighted average diluted shares	M	720	1,029	1,029	1,029
Capex Breakdown (attrib)							Cash Flow Statement					
Sustaining Capex	M \$	6.2	38.3	37.8	43.6	61.2	Cash Flows from Operating Activities					
Expansionary Capex	M \$	4.6	51.5	20.0	78.0	34.0	Net Income	M \$	(\$63)	\$78	\$100	\$112
Exploration	M \$	0.0	12.1	8.0	8.0	8.0	D&A	M \$	\$24	\$55	\$44	\$54
Total	M \$	10.8	101.9	65.8	129.6	103.2	Taxes Paid	M \$	\$0	\$0	\$43	\$48
Attributable Reserves & Resources (incl. 100% Dacian)							Non Recurring/Other					
		Au	EV				M \$	(\$28)	(\$5)	(\$0)	(\$0)	
		Moz	\$/oz				Operating Cash Flow	M \$	(\$66)	\$128	\$187	\$214
Proven/Probable Reserve (P&P)		3.9	\$410				Changes in Working Capital	M \$	\$29	\$34	(\$32)	(\$48)
Measured/Indicated (MM&I) - Inclusive		11.3	\$141				Net Operating Cash flow	M \$	(\$38)	\$162	\$155	\$166
Inferred		14.7	\$108				Cash Flows From Investing Activities					
Group All-In Sustaining Costs, Production and NAV Breakdown							Capital Expenditure					
							M \$	(\$11)	(\$90)	(\$58)	(\$122)	
							Other	M \$	(\$350)	(\$70)	(\$8)	(\$8)
							Net Investing Cash Flow	M \$	(\$360)	(\$159)	(\$65)	(\$129)
							Cash Flows From Financing Activities					
							Equity Issues (net of costs)	M \$	\$566	\$0	\$0	\$0
							Net Borrowings	M \$	\$0	\$0	\$0	\$0
							Dividends Paid & Other	M \$	(\$3)	\$2	\$0	\$0
							Net Financing Cash Flow	M \$	\$563	\$2	\$0	\$0
							Increase (Decrease) in Cash	M \$	\$165	\$5	\$90	\$37
							Cash at End of Year	M \$	\$182	\$186	\$276	\$313
							Operating Free Cash Flow	M \$	(\$48)	\$73	\$97	\$44
							Free Cash Flow	M \$	(\$398)	\$3	\$90	\$37
Net Asset Value (Attrib)							Balance Sheet					
Leonora Hub	DR (%)						Cash & Equivalents	M \$	\$182	\$186	\$276	\$313
Mt Morgan Hub	DR (%)						Other Current Assets	M \$	\$36	\$77	\$77	\$77
Total							PP&E & Mining Interests	M \$	\$595	\$629	\$643	\$641
Listed investments							Other Long Term Assets	M \$	\$204	\$216	\$224	\$231
Exploration (assets)							Total Assets	M \$	\$1,016	\$1,108	\$1,219	\$1,262
Cash & Bullion							Current Liabilities	M \$	\$75	\$75	\$75	\$75
Corporate G&A							Long Term Debt	M \$	\$7	\$7	\$7	\$7
Debt							Other Long Term Liabilities	M \$	\$83	\$117	\$128	\$128
Other							Total Liabilities	M \$	\$165	\$198	\$209	\$209
Total Net Asset Value							Shareholder Equity	M \$	\$852	\$910	\$1,010	\$1,053
P/NAV							Total Liabilities & Shareholder Equity	M \$	\$1,016	\$1,108	\$1,219	\$1,262

Source: Company reports, OMLe.

Result reconciliation

- GMD's 2Q result came broadly in-line with our assumptions for the production (+3% vs OMLe) as higher grades (4.6g/t Au vs OMLe: 3.8g/t) offset lower throughput (250kt vs OMLe: 290kt).
- AISC costs followed suit (-1% vs OMLe), along with cash position (-1% vs OMLe). A few moving factors driving the latter - higher capex (A\$43m vs OMLe A\$19m) offset by: a working capital adjustment (~A\$5m), higher gold sales (~39koz vs OMLe: 34koz) and Dacian cash acquired (A\$12m vs OMLe: A\$10m).
- Production and costs compare well with recent performance from Gwalia (~120-130koz pa at FY23 AISC of A\$2,521/oz).
 - The Company is on track to release a 5-year outlook in March 2024, including updated Group Resources and Reserves.

Key takeaways from the result

- **Q4 Production:** 35koz (broadly in line with OMLe) as higher grades (4.6 g/t Au; +21% to OMLe) offset lower milled volumes 242kt (-14% vs. OMLe).
 - Production results FYTD of 69koz at A\$2,114/oz compare well to recent performance from Gwalia (~120-130koz pa at FY23 AISC of A\$2,521/oz).
 - Admiral open pit: Mining continues to ramp up with first ore processed in the DecQ.
 - Ulysses underground: First firing of the portal planned for the March quarter.
- **Gold sales:** 39koz exceeded our expectations (+14% vs. OMLe) as bullion inventories were sold down (from \$10m in SepQ to \$2m).
 - Average realised price of A\$3,016/oz was slightly softer than our numbers (-3% vs. A\$3,125/oz OMLe), but still broadly in line.
- **AISC:** A\$2,141/oz was in line with OMLe as inventory adjustments (-A\$294/oz) offset higher mining costs, corporate costs and sustaining capital (vs. OMLe).
 - Capital expenditure of \$43m significantly exceeded our expectations (+\$24m vs. OMLe) with higher sustaining spend (incl. \$8.9m for underground mine development drilling and \$5.7 for corporate expenses) and growth capex (\$8.9m for Admiral development, \$5.3m for surface infrastructure and \$4.7m for 'miscellaneous items').
- **Exploration spend:** \$5m was slightly higher than our estimates (+\$3m vs. OMLe).
- **Cash:** \$190m (excl. bullion) was in line with our expectations as higher gold sales offset elevated capital expenditures (vs. OMLe), along with a positive working capital adjustment (\$4.6m) and larger cash balance acquired from Dacian (\$12m vs. OMLe: \$10m).
 - GMD has no bank debt as of 31 December 2023 in line with our expectations.
- **Guidance** has not yet been provided for FY24, but the business is focussed on delivering a five-year outlook to the market in March 2024.
- **Corporate / other:** GMD announced it had acquired 100% of Dacian (ASX: DCN) on 7 Dec 2023.

- On 14 Dec 2023 agreed to acquire the Bruno-Lewis and Raeside gold deposits (15.7Mt resources at 1.2 g/t for 610koz) from Kin Mining (ASX: KIN).

Figure 2: Result summary of the quarter vs our previous period estimates

	Unit	Actual Sep-23	OMLe Dec-23	Actual Dec-23	Beat / Miss (%)
Production & Sales					
Leonora Hub	Koz	34	34	35	3%
Total	Koz	34	34	35	3%
Gold Sales	Koz	31	34	39	14%
Achieved Gold Price	A\$/oz	2944	3125	3016	-3%
All-in Sustaining Cost					
Leonora Hub	A\$/oz	2088	2165	2141	-1%
Total	A\$/oz	2088	2165	2141	-1%
Capex breakdown					
Capital expenditure (sustaining + growth)	A\$m	22	19	43	125%
Exploration	A\$m	3	2	5	181%
Balance sheet					
Cash (excl. bullion)	A\$m	160	192	190	-1%
Debt	A\$m	0	0	0	n.a.
Net Debt (Cash)	A\$m	-160	-192	-190	-1%

Source: Company reports, OML. Note we have only presented historical performance from the SepQ given the acquisition of the Leonora assets from SBM completed on 30 June 2023.

Earnings and valuation impact

We incorporate the Dec Q 2023 result, roll our model forward and make minimal changes to our forecast outlook. There is little impact to our estimates, whilst our Target Price lowers slightly (-3%) as the dilution from the recent acquisition (offsetting our Exploration SOTP) combines with slightly lower cash flows over the next 12 months. We retain our Hold recommendation on valuation grounds and with minimal TSR (7%).

Figure 3: Our changes

		FY23		FY24E		FY25E			FY26E		
		Actual	Current	Previous	Change	Current	Previous	Change	Current	Previous	Change
Underlying Net Profit	A\$m	-62.7	78.4	77.6	1%	100.0	100.8	(1%)	112.5	113.2	(1%)
Underlying EPS	¢	-8.7	7.6	7.5	1%	9.7	9.8	(1%)	10.9	11.0	(1%)
Dividend	¢	0.0	0.0	0.0	<i>n.a.</i>	0.0	0.0	<i>n.a.</i>	0.0	0.0	<i>n.a.</i>
Gold Production	koz Au	<i>n.a.</i>	141	140	1%	147	147	0%	179	179	0%
AISC	A\$/oz Au	<i>n.a.</i>	2136	2142	(0%)	2134	2139	(0%)	2113	2113	0%
NAV	A\$/share		1.42	1.43	(1%)						
12 Month TP:	A\$/share		1.70	1.75	(3%)						

Source: Company reports, OMLe.

Catalysts, comps and relative performance

Catalysts

The following catalysts are expected could potentially have a positive impact on the share price over the next 12 months.

- **Outcome of strategic review and five-year outlook (MarQ 2024):** Following the acquisition of SBM's Leonora assets, GMD is undertaking a strategic review to optimise existing operations and plan for future growth. This is expected to inform development of a detailed five-year outlook (due to release in MarQ 2024), which is expected to provide investors with comfort regarding future plans for production, costs, exploration and other initiatives.
- **Successful ramp-up of Admiral open pit:** The Admiral open pit is a shallow, high-grade (1.6 g/t Au) resource that contains 120koz Au. Admiral is expected to provide 1.5Mt of ore to help fill the 1.4Mtpa Leonora mill. We have assumed first material will be extracted in DecQ 23 and mill throughput will ramp up to full capacity of ~350kt by JunQ 24. Accelerated development and ramp up of Admiral could present upside to our estimates.
- **Tower Hill permitting:** GMD are yet to receive permitting for development of Tower Hill (560koz reserve at 1.8 g/t Au), which will require relocation of the rail line. Receipt of necessary approvals would provide investors with a positive indication of the restart of the Mt Morgans mill and more clarity regarding potential timeframes (OMLe: FY27).
- **Ongoing exploration results** from the Company's interests in the minerally-endowed Leonora and Mt Morgans regions. This would provide investors with confidence of likely reserve and resource additions / replenishment. Any news flow surrounding the evaluation of additional resources found along strike or through step out drilling is likely to be well received as it improves ore source optionality.

Comps

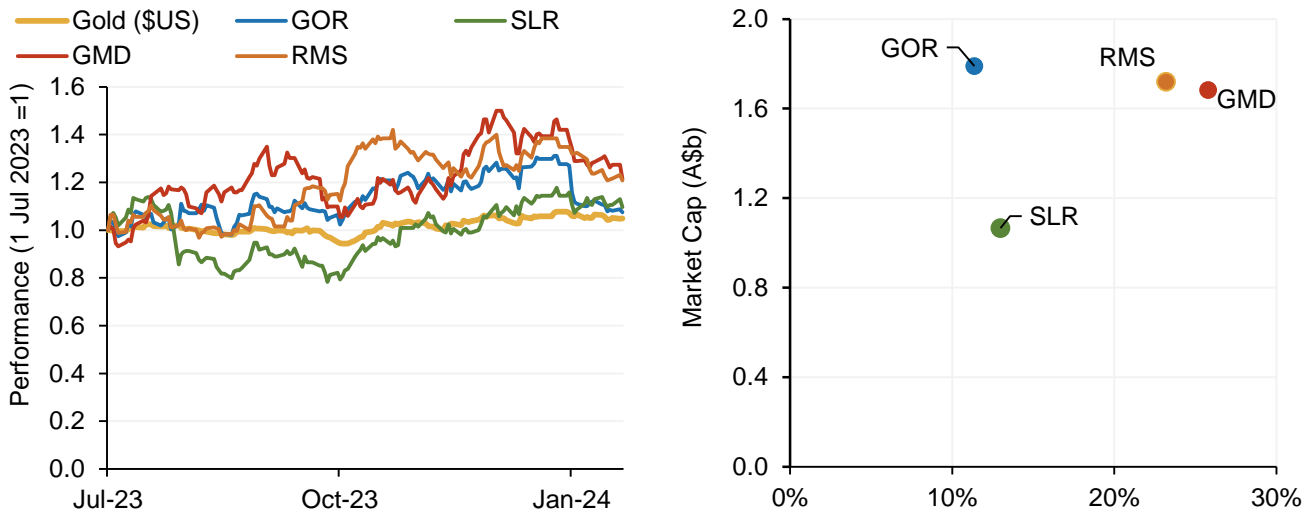
Figure 4: GMD comps across our coverage list

Company	Ticker	Analyst	Market Cap (\$m)	OML Estimates					OML Valuation						
				Recommendation	Risk	Price (\$/sh)	Target price (\$/sh)	Implied TSR (%)	Dividend yield (%)	NAV (\$/sh)	P/NAV (x)	EV/EBITDA (x) FY24e	P/E (x) FY24e	P/CF (x) FY24e	FCF yield (%) FY24e
Silver Lake Resources	SLR	PK	1073	Buy	Medium	1.18	1.90	62%	0.0%	1.5	0.8	2.4	9.0	3.2	13.0%
Ramelius Resources	RMS	PK	1743	Buy	Medium	1.54	2.00	32%	2.4%	1.6	1.0	4.4	13.7	4.9	11.9%
Gold Road Resources*	GOR	PK	1843	Buy	Higher	1.72	2.10	25%	2.3%	1.9	0.9	5.0	9.8	6.7	10.0%
Northern Star Resources	NST	PK	14731	Accumulate	Medium	12.81	13.90	11%	2.7%	9.4	1.4	6.7	21.6	7.0	3.1%
Evolution Mining	EVN	PK	6176	Accumulate	Medium	3.12	3.40	11%	1.6%	2.5	1.2	5.8	11.3	5.7	5.3%
Alkane Resource	ALK	PK	341	Accumulate	Higher	0.57	0.70	24%	0.0%	0.7	0.8	2.5	7.8	3.8	-8.2%
Pantoro Limited	PNR	PK	213	Spec. Buy	Higher	0.04	0.06	46%	0.0%	0.1	0.5	15.4	-9.1	16.3	-16.6%
Red 5 Limited	RED	PK	1072	Spec. Buy	Higher	0.31	0.37	19%	0.0%	0.3	1.0	7.0	24.4	8.0	5.9%
St Barbara Limited	SBM	PK	143	Hold	Higher	0.18	0.20	14%	0.0%	0.3	0.6	-1.2	-2.2	2.8	-23.7%
Genesis Minerals Limited	GMD	PK	1778	Hold	Higher	1.59	1.70	7%	0.0%	1.4	1.1	9.9	22.3	10.7	3.4%
Average									0.9%	2.0	0.9	5.8	10.9	6.9	0.4%

Source: Company reports, OMLe

Relative performance (6-months)

Figure 5: GMD relative performance vs domestic small-cap peers



Source: Company reports, OMLe

Valuation and risks

Valuation

Our A\$1.70/share Target Price is based on a 50:50 blended DACF and NAV valuation. Our target multiples of 10x DACF and 1.3x NAV are higher than other emerging producers commensurate with our view on management, mine life, margin and overall risk profile. Our Target Price and 7% TSR supports our Hold rating.

- **NAV:** Sum-of-the-parts (SOTP) NAV incorporates life-of-mine DCFs on Gwalia and Gwalia discounted at a ~10% WACC. Additional SOTP items include: exploration value, cash and bullion and corporate G&A. We utilise a 1.3x P/NAV multiple, in line with historical trading of emerging producers, and apply no risk weighting to any of the projects.
- **DACF:** Debt-adjusted cash flow multiple of 10x which is higher than our ASX emerging peers coverage when considering production, mine life and reserve growth potential.

Risks

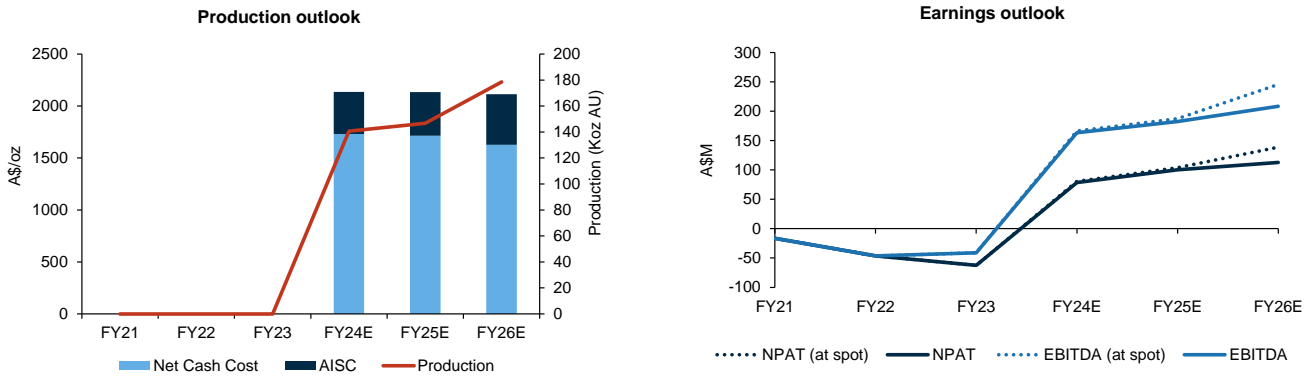
Key risks to our view include the following:

- **Gold price and currency:** The most significant risk to our forecasts remains the gold price. Our estimates assume a long-term price of ~US\$1,800/oz, with LT USD:AUD to average ~72c.
- **Risks to ramp up.** There are material deliverability risks with starting new mines and ramping up production. Potential challenges could include permitting, grade reconciliation, labour availability, design failures or malfunctioning equipment. However, we note that delivery risks are somewhat mitigated by the GMD's strong balance sheet (i.e. no debt).
- **Single asset risks:** GMD has concentrated exposure to the performance of a single operating asset. Any underperformance at Gwalia could potentially result in significant downside to its financial performance. However, we note this risk is somewhat mitigated through the expected ore source optionality provided by Admiral.

- **Resource/reserve delivery:** We have assigned a material value of \$810m (50% of NAV) to residual resources. Most of this relates to resources at Gwalia and adjacent deposits. that could potentially be produced beyond our life of mine of 13 years. However, there is a risk that this value is not realised given uncertainty as to whether it could be extracted economically. However, we take confidence from Gwalia's location in a known high-grade gold field and the success of GMD's recent exploration.
- **Other operational disruptions:** There are a range of other operational disruptions that could adversely affect mining and processing activities including labour availability, COVID-19, weather and other factors.

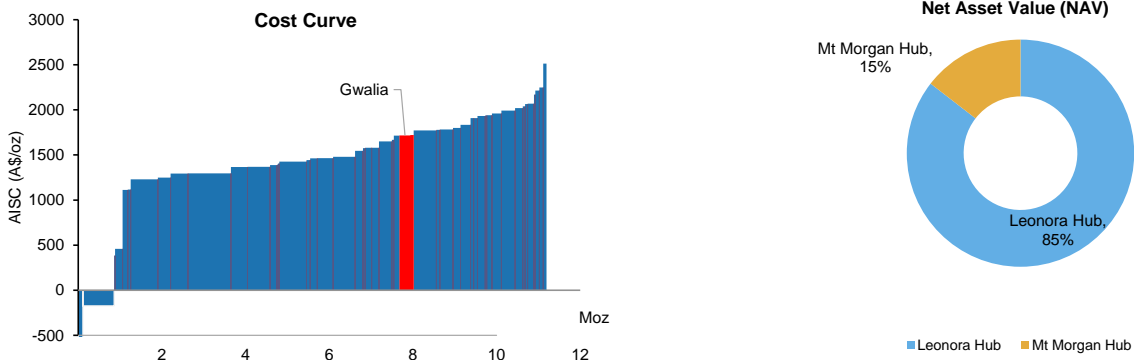
GMD key charts

Figure 7: Production and earnings outlook



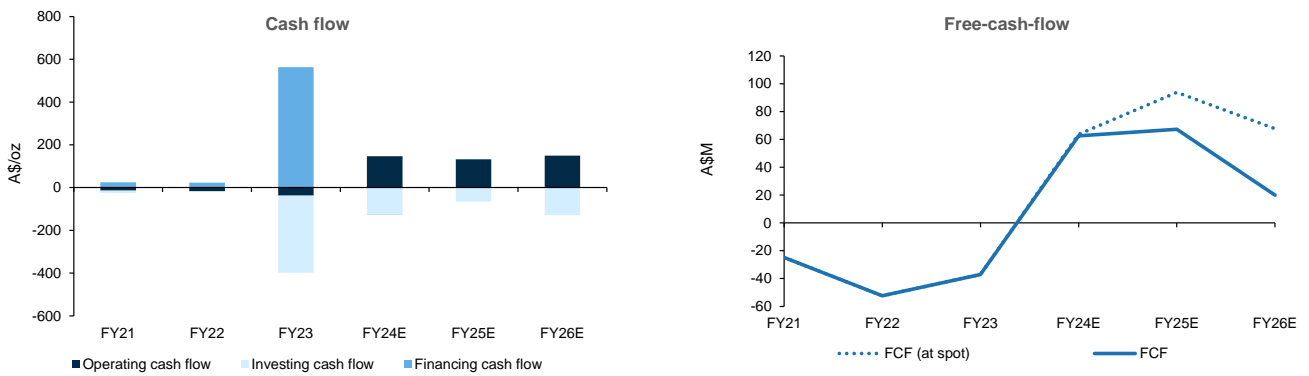
Source: Company reports, OML

Figure 8: GMD cost curve distribution of assets (LHS) and OML current NAV assumptions (RHS)



Source: Company reports, OML.

Figure 9: OML Cash flow outlook



Source: Company reports, OML

Genesis Minerals Limited

PROFIT & LOSS (A\$m)	2022A	2023A	2024E	2025E	2026E
Revenue	-	77.0	426.5	447.8	512.4
Operating costs	46.3	117.9	263.0	265.4	304.0
Operating EBITDA	(46.3)	(41.0)	163.5	182.5	208.5
D&A	0.1	24.1	55.2	44.0	53.6
EBIT	(46.4)	(65.1)	108.4	138.4	154.9
Net interest	0.0	2.4	3.6	4.5	5.8
Pre-tax profit	(46.3)	(62.7)	112.0	142.9	160.7
Net tax (expense) / benefit	-	-	33.6	42.9	48.2
Normalised NPAT	(46.3)	(62.7)	78.4	100.0	112.5
Reported NPAT	(46.4)	(117.2)	78.4	100.0	112.5
Normalised dil. EPS (cps)	(6.3)	(8.7)	7.6	9.7	10.9
Reported EPS (cps)	(6.3)	(16.3)	7.6	9.7	10.9
Effective tax rate (%)	-	-	30.0	30.0	30.0
DPS (cps)	-	-	-	-	-
DPS (cps)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Payout ratio (%)	-	-	-	-	-
Franking (%)	-	-	-	-	-
Diluted # of shares (m)	737.7	720.4	1,028.8	1,028.8	1,028.8

CASH FLOW (A\$m)	2022A	2023A	2024E	2025E	2026E
Net Interest (paid)/received	0.0	2.4	3.6	4.5	5.8
Income tax paid	-	-	-	(31.9)	(48.2)
Other operating items	(13.4)	(27.7)	(5.2)	(0.3)	(0.3)
Operating Cash Flow	(16.8)	(37.6)	162.4	155.0	166.1
Other investing items	-	(345.0)	(57.7)	-	-
Investing Cash Flow	(1.1)	(360.3)	(159.4)	(65.4)	(129.3)
Inc/(Dec) in borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other financing items	(0.4)	(3.0)	1.7	-	-
Financing Cash Flow	23.1	563.3	1.7	-	-
FX adjustment	-	-	-	-	-
Net Inc/(Dec) in Cash	5.2	165.4	4.7	89.6	36.8

BALANCE SHEET (A\$m)	2022A	2023A	2024E	2025E	2026E
Cash	16.1	181.5	186.3	275.8	312.6
Receivables	0.2	4.0	4.0	4.0	4.0
Inventory	-	31.9	31.9	31.9	31.9
Other current assets	-	-	41.0	41.0	41.0
PP & E	0.4	594.8	629.3	643.1	641.1
Investments	22.0	195.3	206.9	214.6	222.3
Financial Assets	-	8.9	8.9	8.9	8.9
Intangibles	-	-	-	-	-
Other non-current assets	-	-	-	-	-
Total Assets	38.7	1,016.5	1,108.4	1,219.4	1,261.9
Short term debt	0.2	4.4	4.4	4.4	4.4
Payables	3.2	66.4	66.4	66.4	66.4
Other current liabilities	-	-	-	-	-
Long term debt	-	7.0	7.0	7.0	7.0
Other non-current liabilities	6.7	83.1	116.7	127.7	127.7
Total Liabilities	10.1	164.7	198.3	209.2	209.3
Total Equity	28.6	851.8	910.1	1,010.2	1,052.6
Net debt (cash)	(15.9)	(170.2)	(174.9)	(264.5)	(301.3)

Hold

DIVISIONS	2022A	2023A	2024E	2025E	2026E
KEY METRICS (%)	2022A	2023A	2024E	2025E	2026E
Revenue growth	-	-	454.2	5.0	14.4
EBITDA growth	-	-	-	11.6	14.2
EBIT growth	-	-	-	27.7	11.9
Normalised EPS growth	-	-	-	27.6	12.4
EBITDA margin	-	-	38.3	40.7	40.7
OCF / EBITDA	7.5	30.0	100.3	100.2	100.2
EBIT margin	-	-	25.4	30.9	30.2
Return on assets	-	-	7.1	8.3	8.7
Return on equity	-	-	8.9	10.4	10.9

VALUATION RATIOS (x)	2022A	2023A	2024E	2025E	2026E
Reported P/E	-	-	20.8	16.3	14.5
Normalised P/E	-	-	20.8	16.3	14.5
Price To Free Cash Flow	-	-	26.9	18.2	44.4
Price To NTA	40.8	1.3	1.8	1.6	1.5
EV / EBITDA	-	-	8.9	7.5	6.4
EV / EBIT	-	-	13.4	9.9	8.6

LEVERAGE	2022A	2023A	2024E	2025E	2026E
ND / (ND + Equity) (%)	(125.2)	(25.0)	(23.8)	(35.5)	(40.1)
Net Debt / EBITDA (%)	34.4	415.3	(106.9)	(144.9)	(144.5)
EBIT Interest Cover (x)	1,449.2	26.9	-	-	-
EBITDA Interest Cover (x)	1,446.8	16.9	-	-	-

SUBSTANTIAL HOLDERS	m	%
Australian Super Pty Ltd	195.5	18.8%
Van Eck Associates Corporation	94.0	9.1%
State Street Global Advisors	80.4	7.8%

VALUATION	
WACC (%)	9.9
Equity NPV Per Share (\$)	1.42
Multiples valuation method	P/DACF
Multiples	10.0
Multiples valuation	1.77
Multiples valuation method	P/NAV
Multiples	1.3
Multiples valuation	1.60
Target Price (\$)	1.70
Valuation disc. / (prem.) to share price (%)	7.3

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SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

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