



FY19 Results Presentation

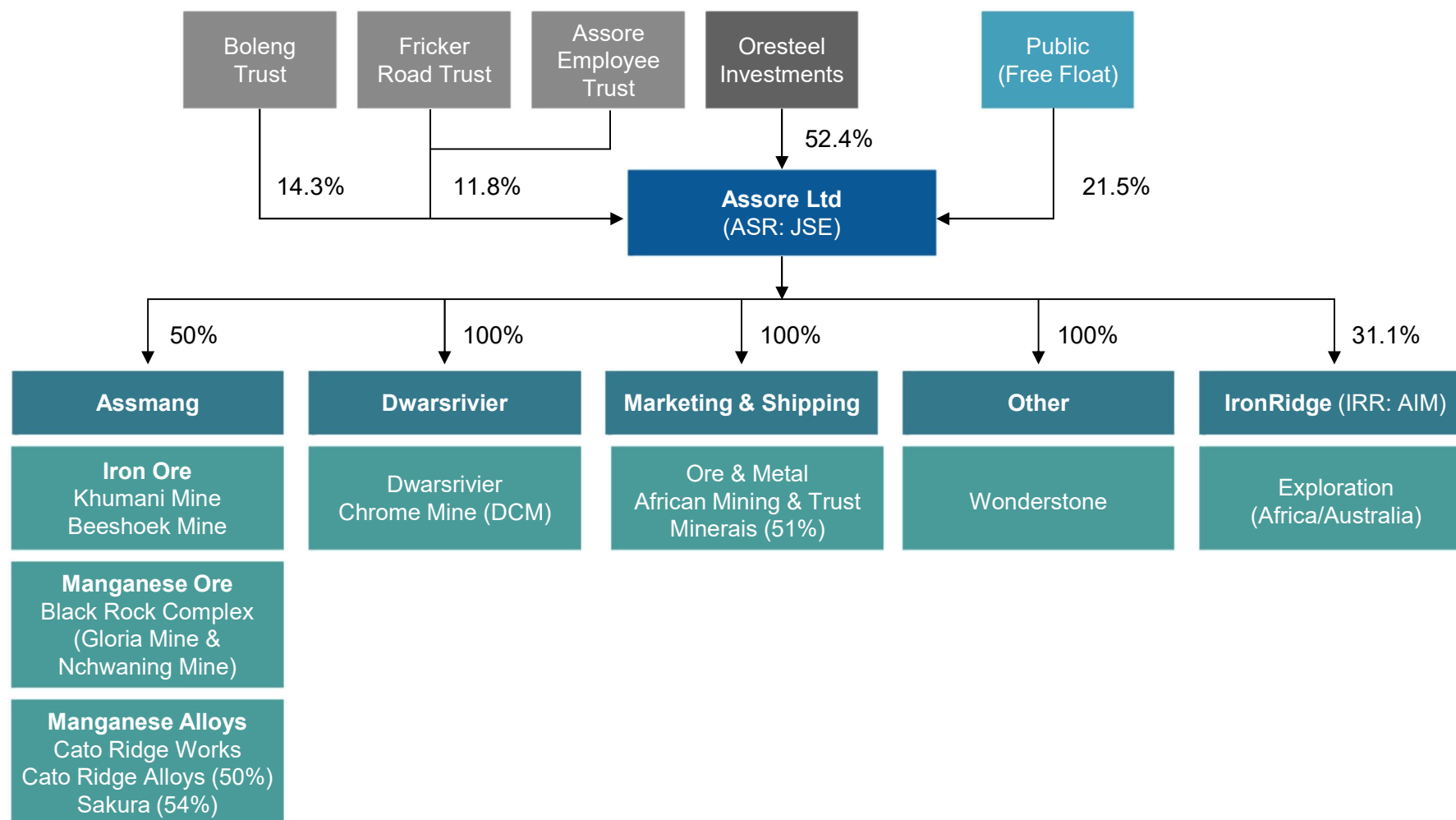
September 2019



Black Rock

- **Charles Walters** Chief Executive Officer (CEO)
- **Patrick Sacco** Deputy CEO and Executive: Marketing & Sales
- **Ross Davies** Chief Financial Officer (CFO)
- **Tiaan van Aswegen** Executive: Operations & Technical
- **Kieran Daly** Executive: Growth & Strategic Development
- **Bongani Phakathi** Executive: HR & Corporate Affairs
- **Mandla Tobela** Executive: Legal

Assore Group Structure



FY19 Group Highlights

Headline Earnings up 25% y/y



▲ 4%

Revenue

R8 140m

▼ 13%

Profit After Tax (pre-Assmang)

R1 451m

▲ 16%

Attributable Earnings

R5 932m

▲ 25%

Headline Earnings

R6 382m

▲ 25%

HEPS

R61.87

▲ 9%

DPS

R24.00

▼ 11%

Free Cash Flow

R4 215m

▲ 14%

Net Cash (excluding Assmang)

R9 004m

FY19 Group Highlights



Net Cash up 14% y/y to R9bn

- HEPS up 25% y/y to R61.87; EPS up 16% to R57.51.
- Manganese Ore/Alloys sales volumes up y/y; Iron Ore volume marginally down.
- Iron Ore market price up 16% y/y; Lump Premium up 62% y/y; Chrome Ore price down 17% y/y.
- Assmang (100%) Headline Earnings up 41% y/y to a record R10.0bn (78% of Assore).
- Assmang (100%) Sakura impairment of R1bn due to weaker alloy price outlook and higher ore feed cost outlook.
- Dwarsrivier Chrome Mine earnings down 41% y/y on lower prices.
- Marketing & Shipping earnings up 40% y/y buoyed by higher iron ore prices.
- Net Cash increased 14% y/y to R9.0bn.
- Final Dividend of R14.00/sh takes FY19 to R24.00/sh (52%* payout).

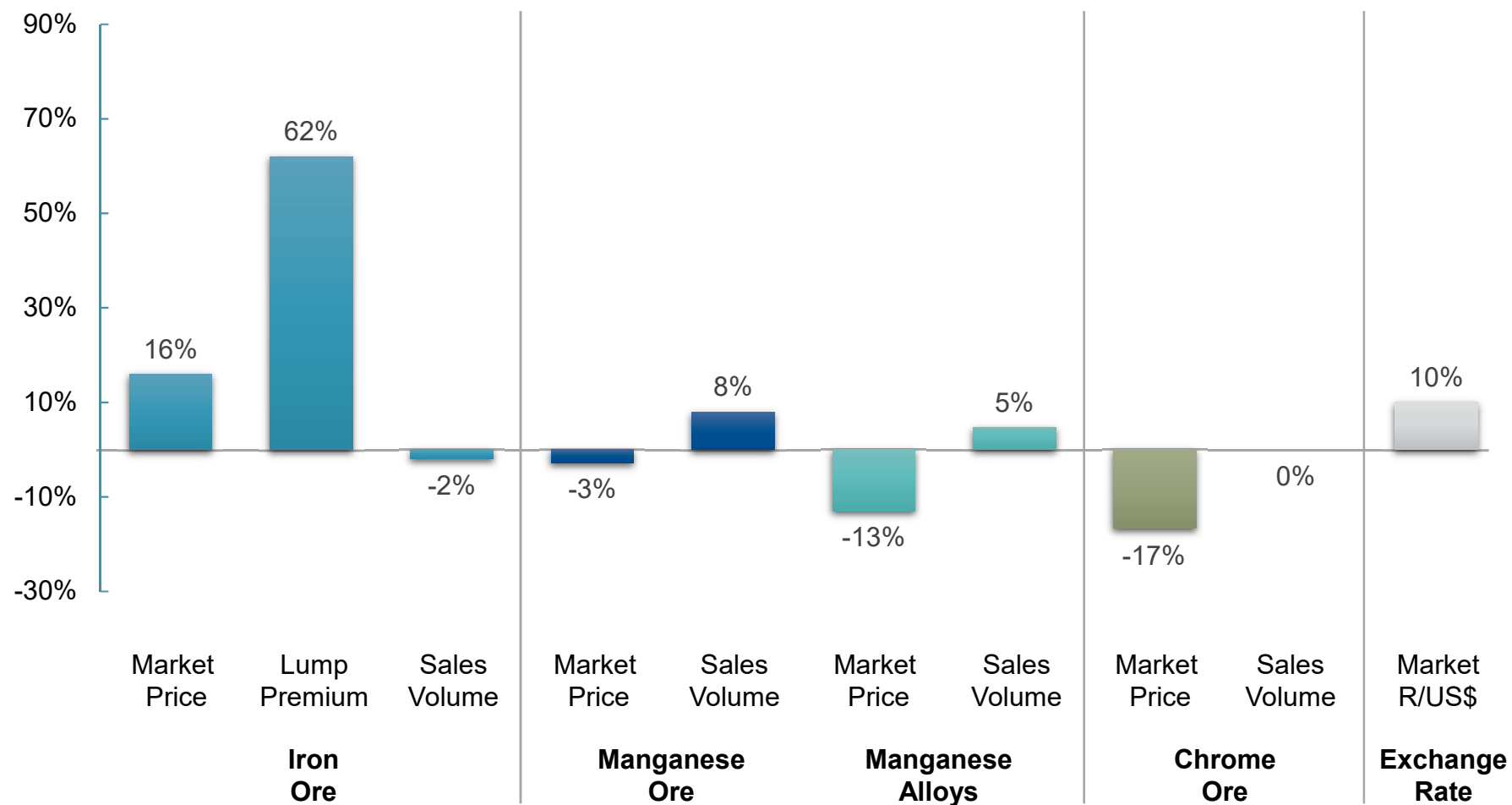
*Payout is on Headline Earnings; HEPS on 103m shares; DPS on 140m shares

Key Drivers - Sales Volumes & Prices



Iron Ore prices and premiums materially higher y/y

FY19 vs. FY18

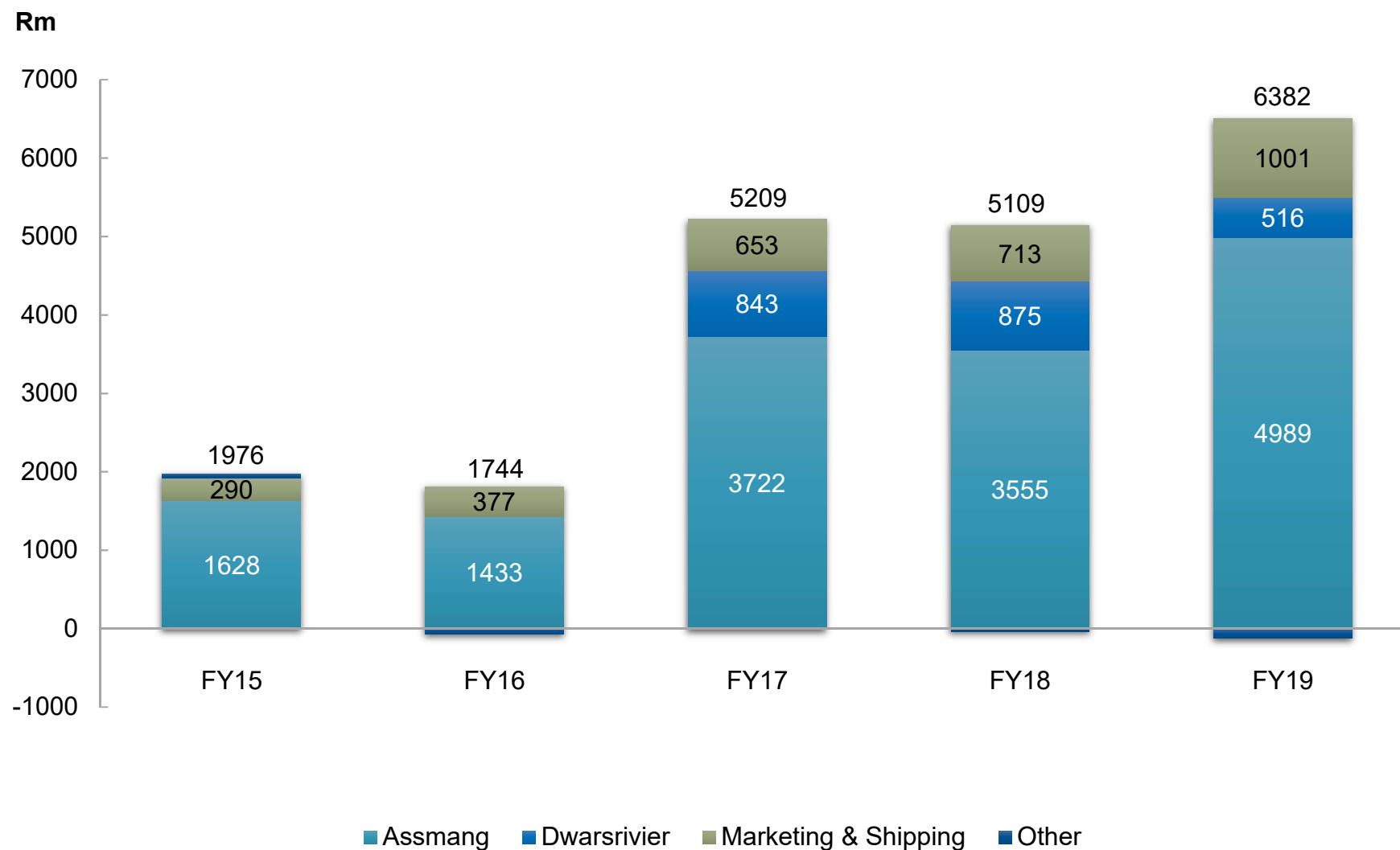


Note: Sales Volumes & Market Prices per Slides 16-21

Headline Earnings (by segment)



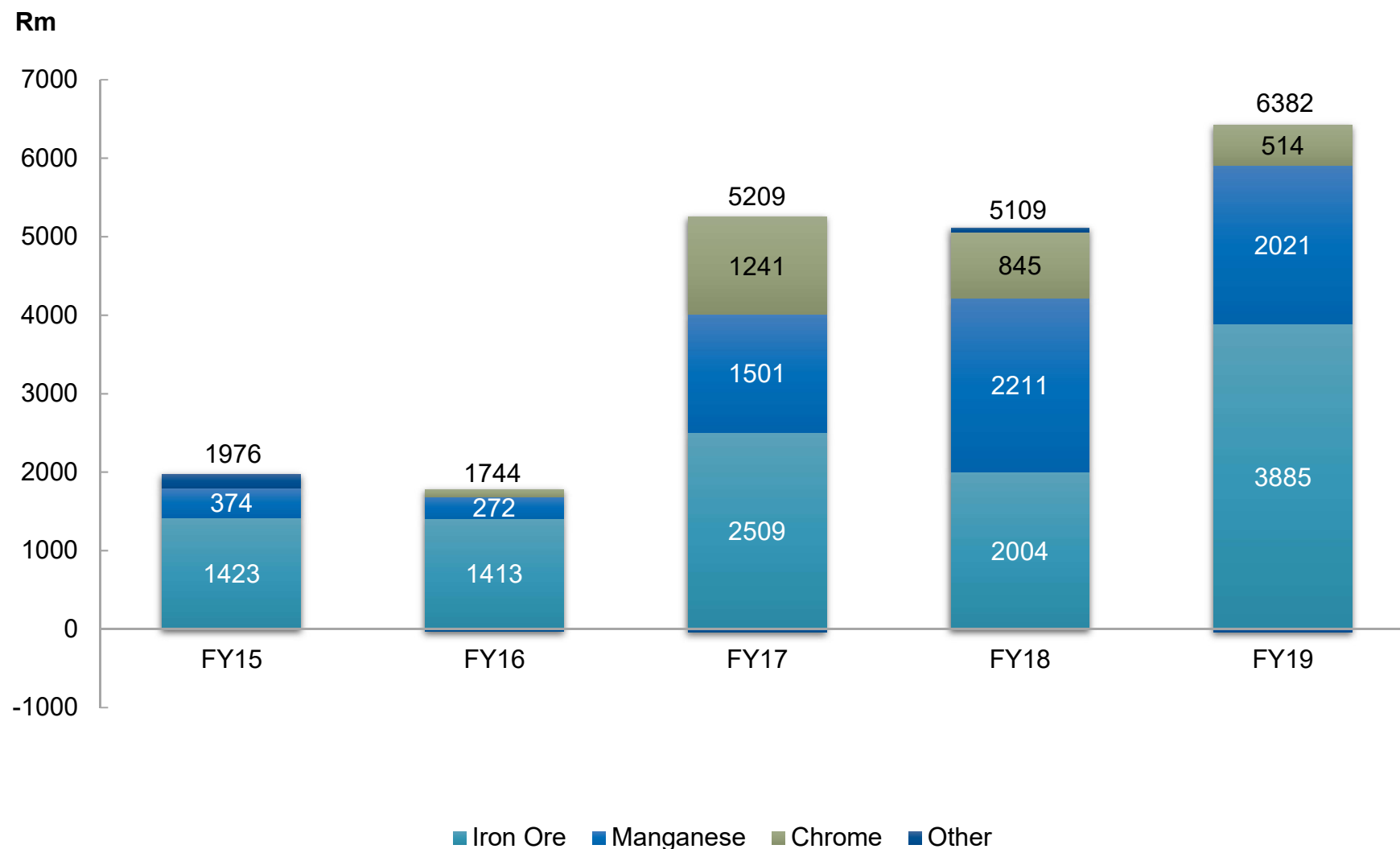
Record earnings from Assmang; Dwarsrivier share of earnings down to 8% (FY18: 17%)



Headline Earnings (by commodity)

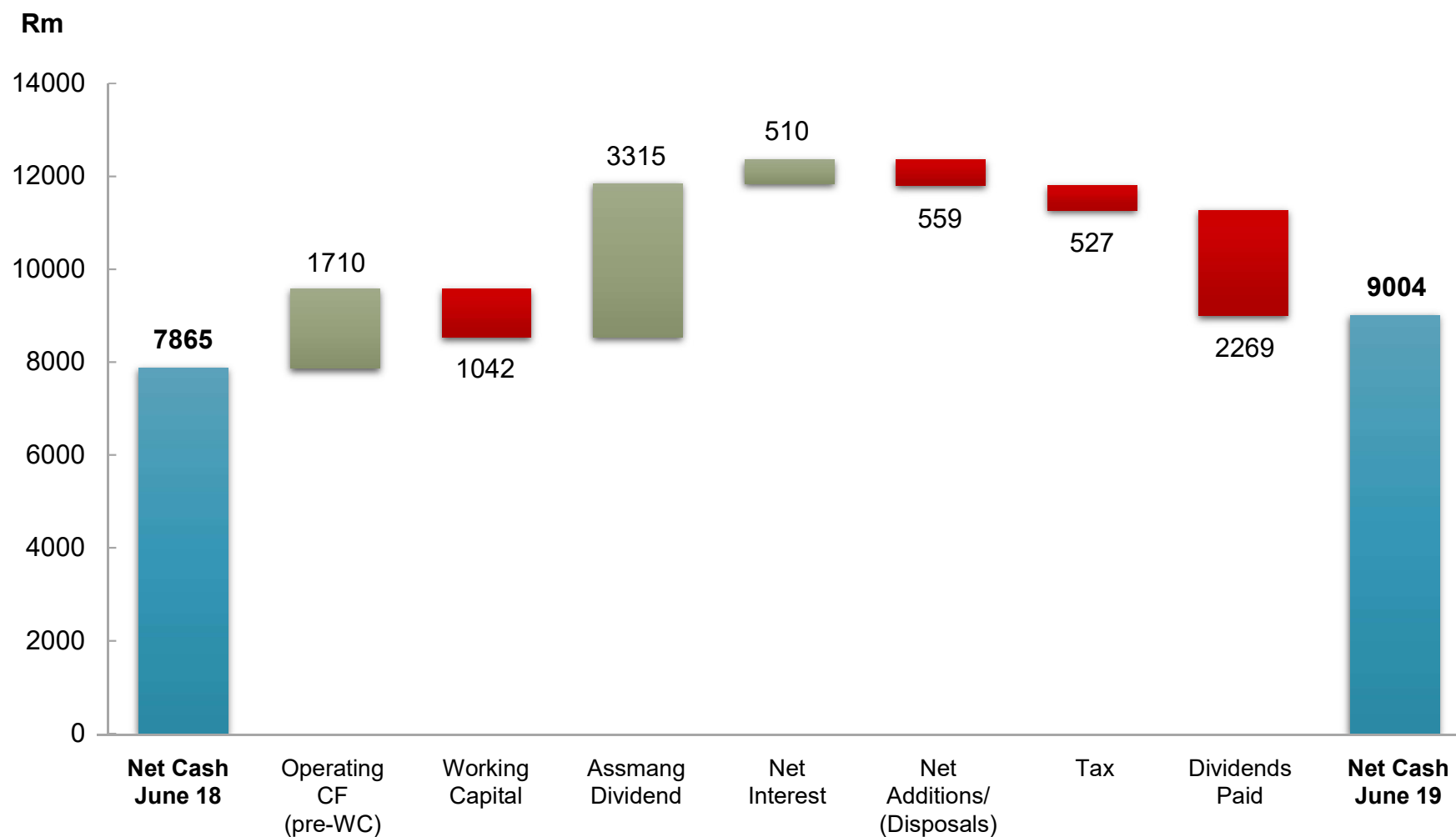


Iron Ore share up from 32% in FY18 to 61% in FY19



Cash Flow

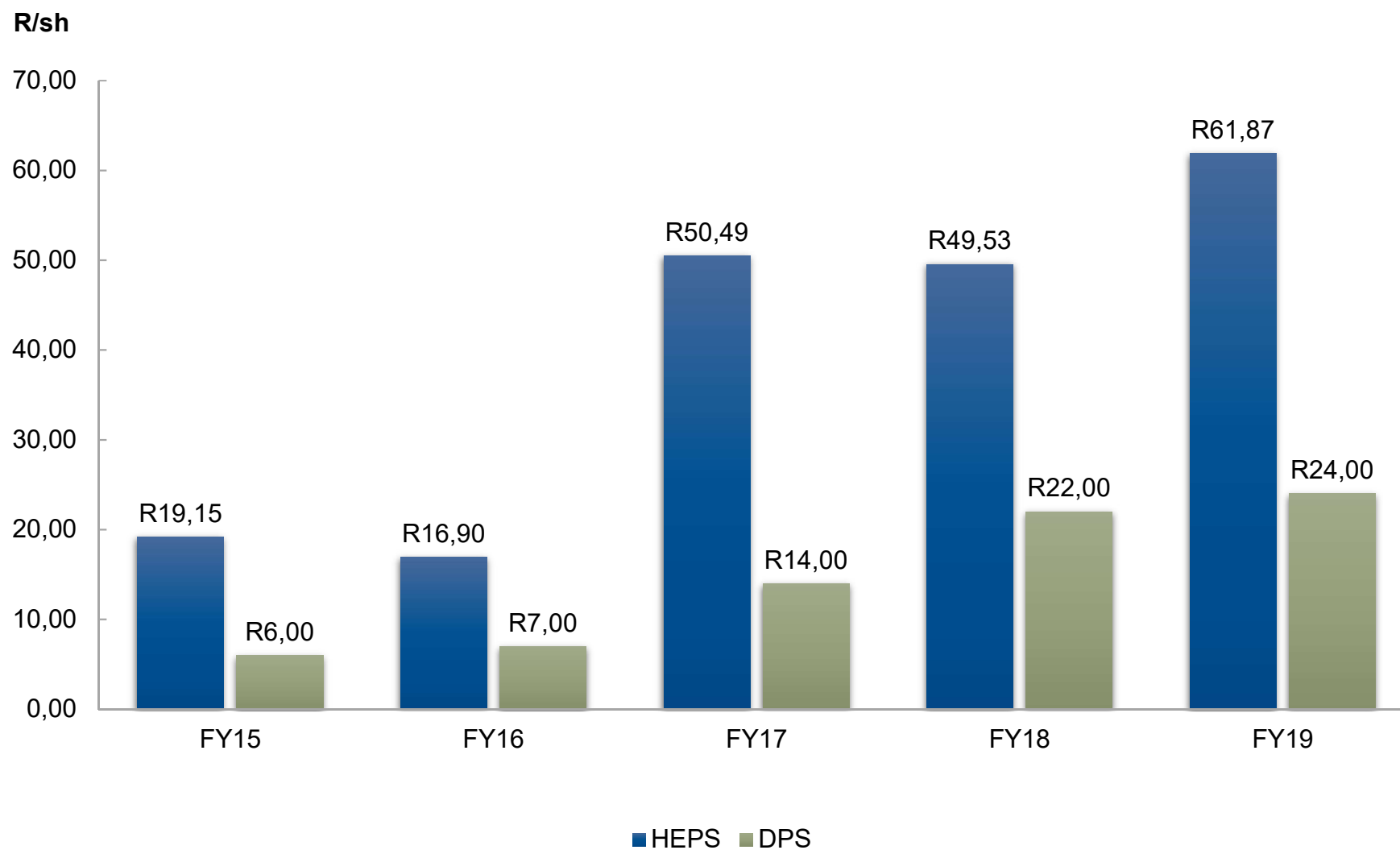
Net Cash up to R9.0bn



Dividends



Payout remains in line with the sector at 52%*

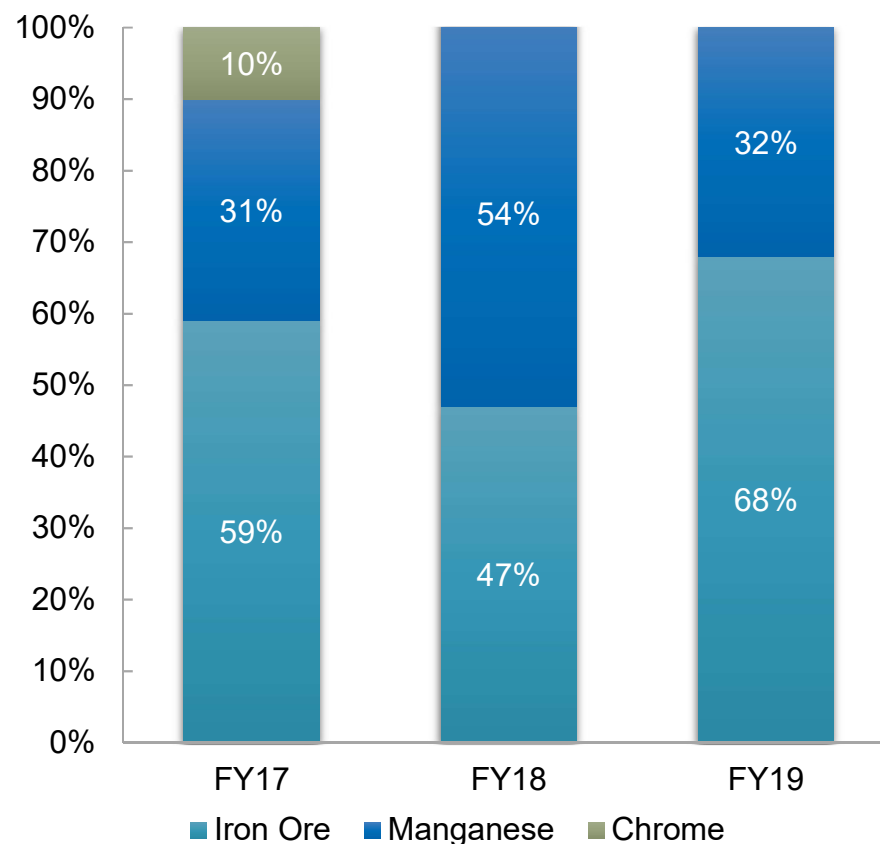


*Payout is on Headline Earnings; HEPS on 103m shares; DPS on 140m shares

Record earnings driven by Iron Ore

- LTIFR increased to 0.19 from 0.13 in FY18.
- Headline Earnings up 41% y/y to R10.0bn (FY18: R7.1bn).
- Iron Ore 68% of earnings (FY18: 47%).
- Net Cash of R5.8bn (FY18: R4.8bn).
- **Iron Ore**
 - Production down 4% y/y; Sales down 2% y/y.
 - Khumani on-mine unit cash cost up 9% y/y.
 - Headline Earnings up 103% y/y to R6.8bn.
- **Manganese (Ore & Alloys)**
 - Ore production down 8% y/y; Sales up 8% y/y.
 - Black Rock on-mine unit cash cost up 15% y/y.
 - Mn Ore Headline Earnings up 8% y/y to R3.5bn; Mn Alloys made a R228m loss (FY18: R616m).
 - Sakura impairment of R1bn.

Contribution to Assmang Headline Earnings



**All numbers shown on 100% basis; Assore attributable share is 50%*

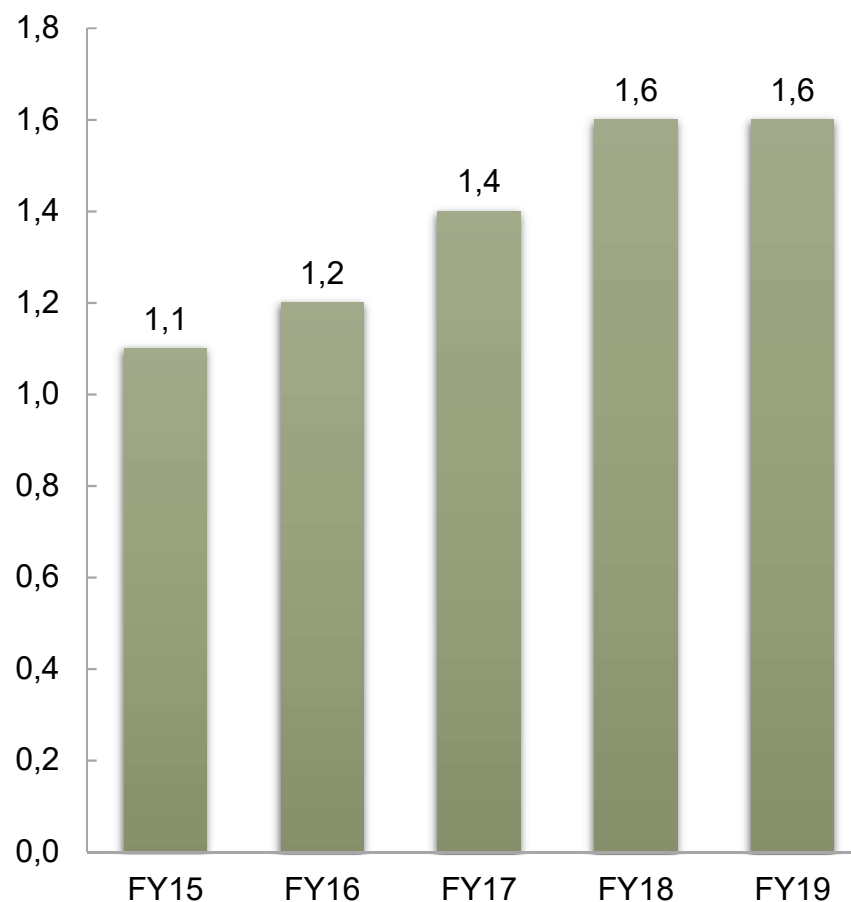
Dwarsrivier Chrome Mine (DCM)



Chrome Ore market materially weaker y/y; costs impacted by stoppages

- LTIFR down from 0.19 to 0.17.
- Headline Earnings down 41% y/y to R516m (FY18: R875m).
- US\$ market price (44% Cr) down 17% y/y.
- Chrome Ore production now at 1.6mtpa steady-state.
- On-mine unit cash cost increase of 15% y/y; impacted by three week strike in H2 (March) and Section 54.
- Capex up 60% y/y to R480m (FY18: R300m).

DCM Saleable Production (mt)



Marketing & Shipping

- Commissions up 27% y/y in line with Assmang/DCM revenue.
- Headline Earnings up 40% y/y.

Other Operations

- Wonderstone - Market becoming more competitive.
- Rustenburg Minerals, Zeerust Chrome and Groupline Projects* exited.

IronRidge Resources (AIM: IRR)

- Assore currently has a 31.1% stake in IronRidge.
- Listed on AIM with ~£48m current market cap
- Exploration and metallurgical test work at Cape Coast Lithium Project in Ghana continues to show promising results.

**Disposal was subsequent to FY19 year-end*

Outlook



Macro environment is concerning

- Global economic uncertainty prevails.
- US/China “trade war” is impacting market confidence.
- Positive impact of Chinese environmental restrictions continues.
- Demand for high quality raw materials expected to remain strong.
- Recent rapid iron ore price fall is concerning, but probably overdone.
- Management focussed on streamlining and modernising the business.
- Actively looking for appropriate, value-accretive, growth opportunities.



Questions?

Beeshoek

Production & Sales Volumes (100%)



	Units	FY19	FY18	y/y
Production Volumes				
Iron Ore	mt	17.8	18.6	(4%)
Manganese Ore	mt	3.4	3.7	(8%)
Manganese Alloys	kt	455	462	(2%)
Chrome Ore	kt	1 551	1 619	(4%)
Sales Volumes				
Iron Ore	mt	17.5	17.9	(2%)
Manganese Ore*	mt	3.4	3.2	8%
Manganese Alloys	kt	398	378	5%
Chrome Ore	kt	1 556	1 557	-

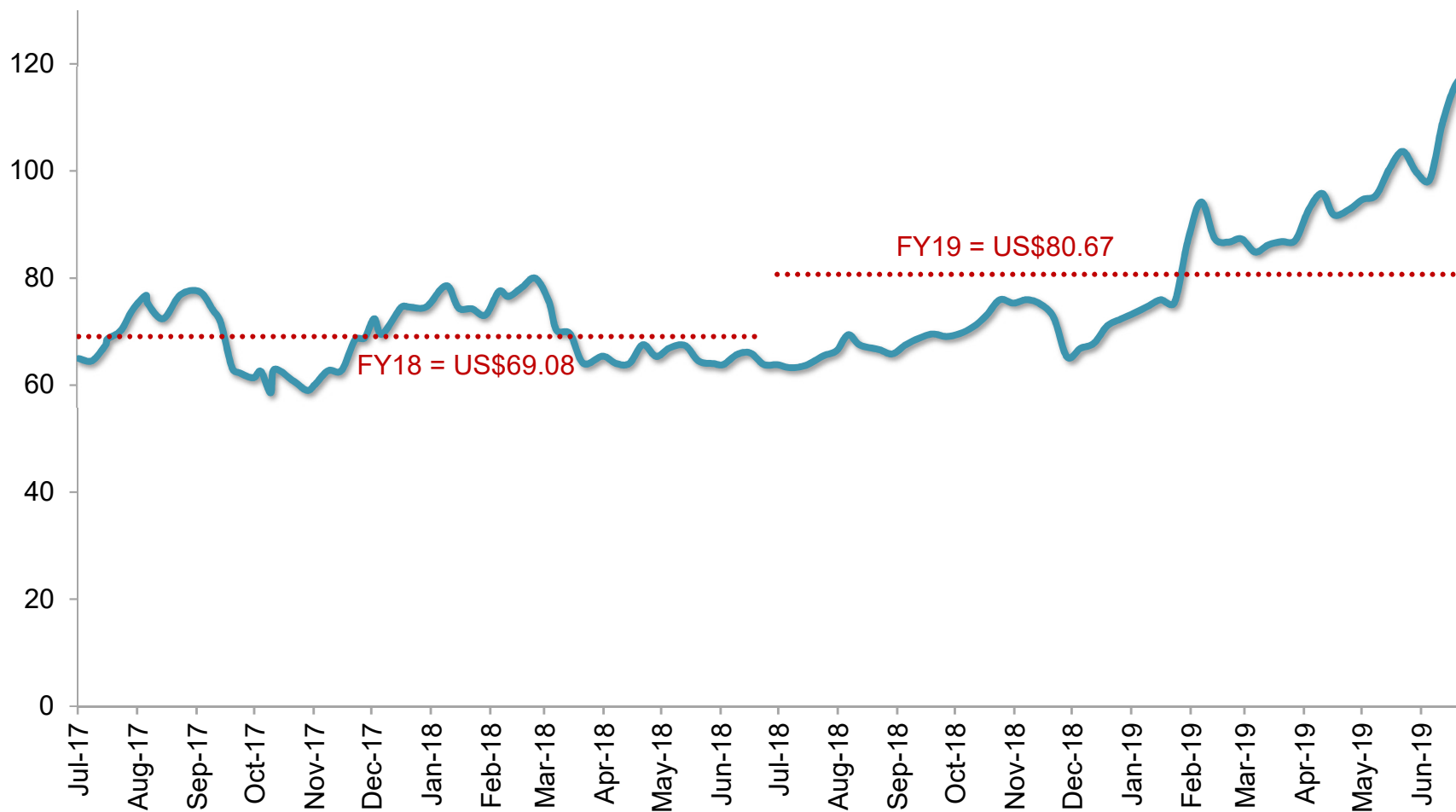
**Excluding intragroup sales to Cato Ridge Works*

Iron Ore Market Price

62% Fe Fines CFR China



US\$/t



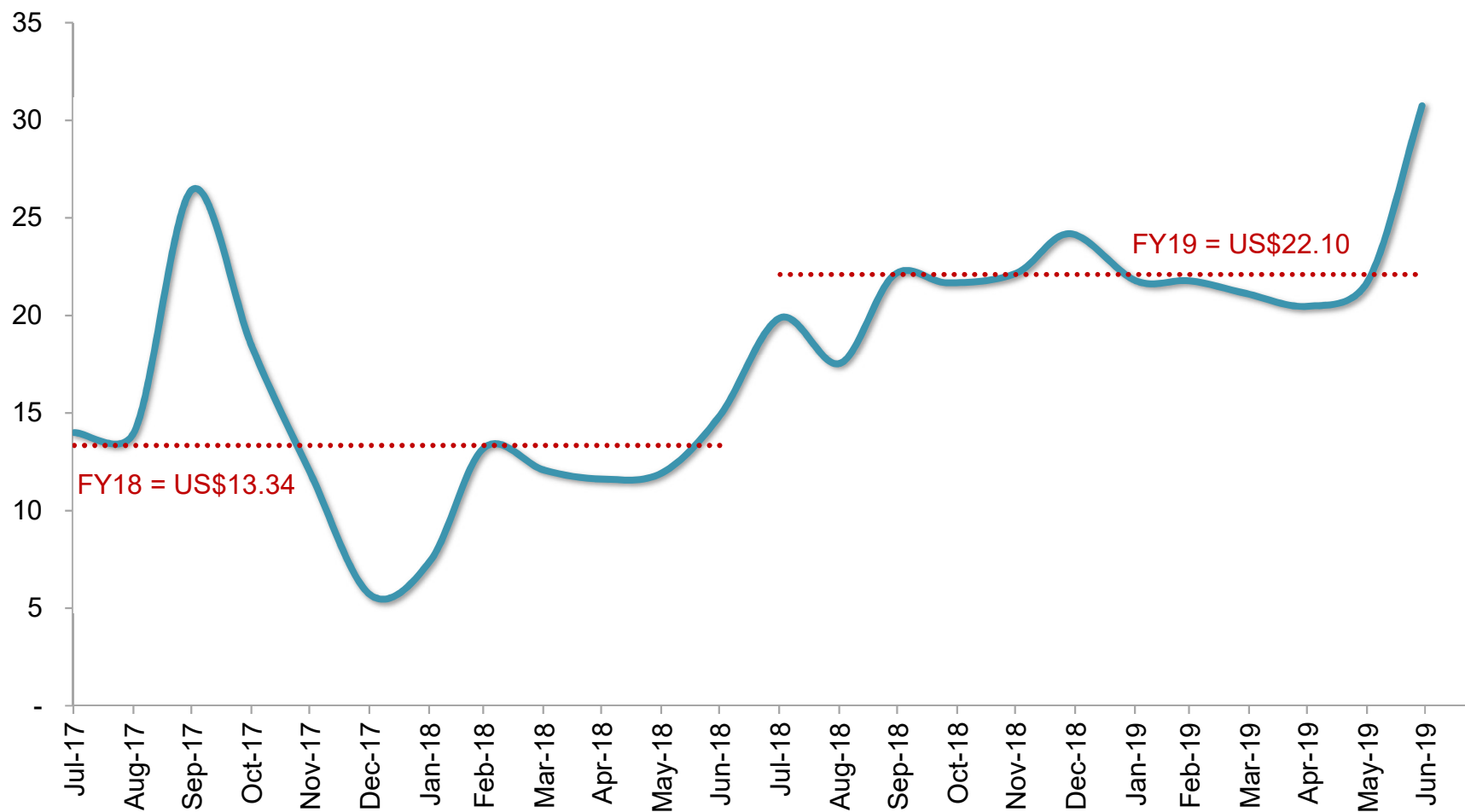
Source: Platts

Iron Ore Lump Premium

65% Fe



US\$/t



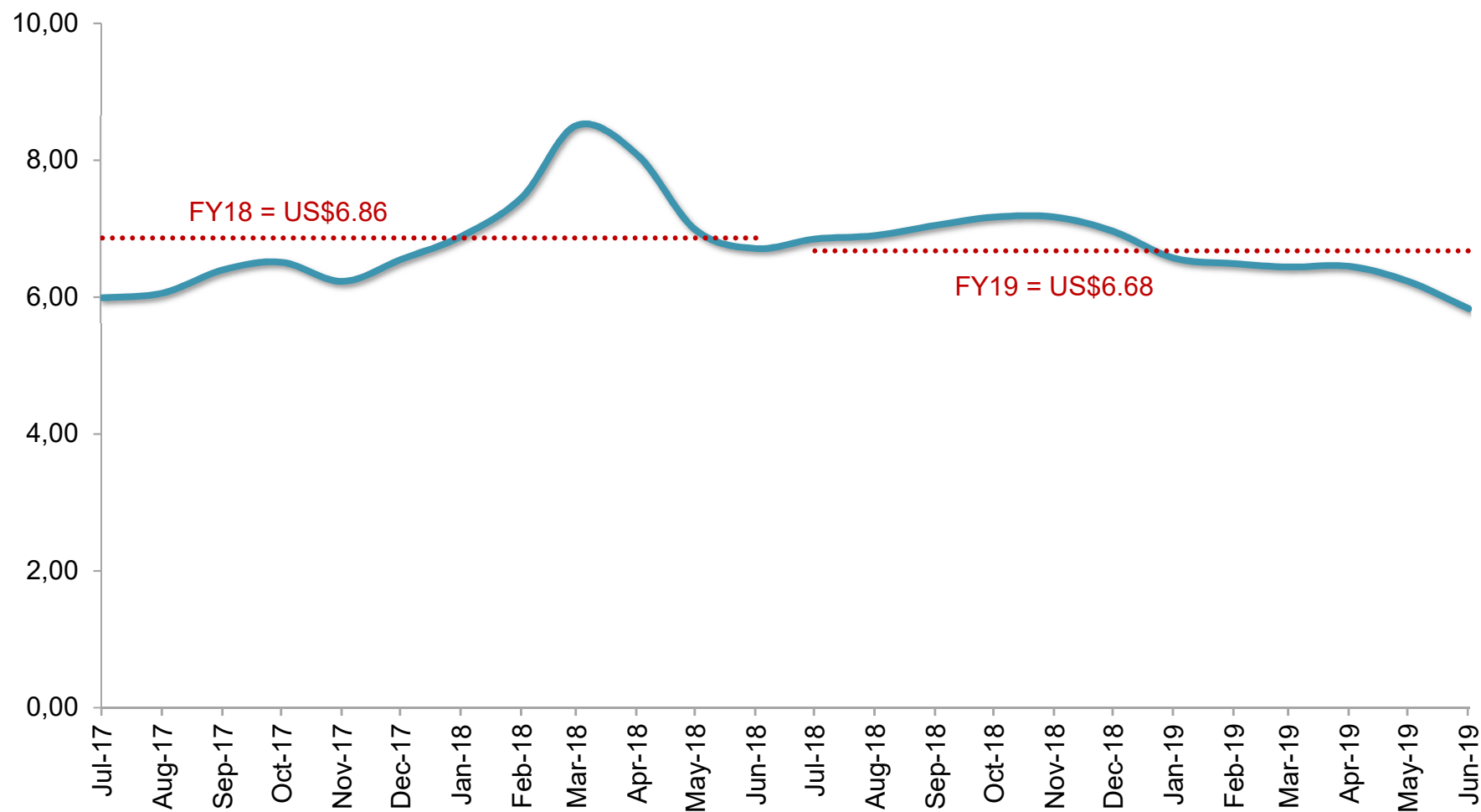
Source: Platts

Manganese Ore Market Price

44% Mn CIF China



US\$/mtu

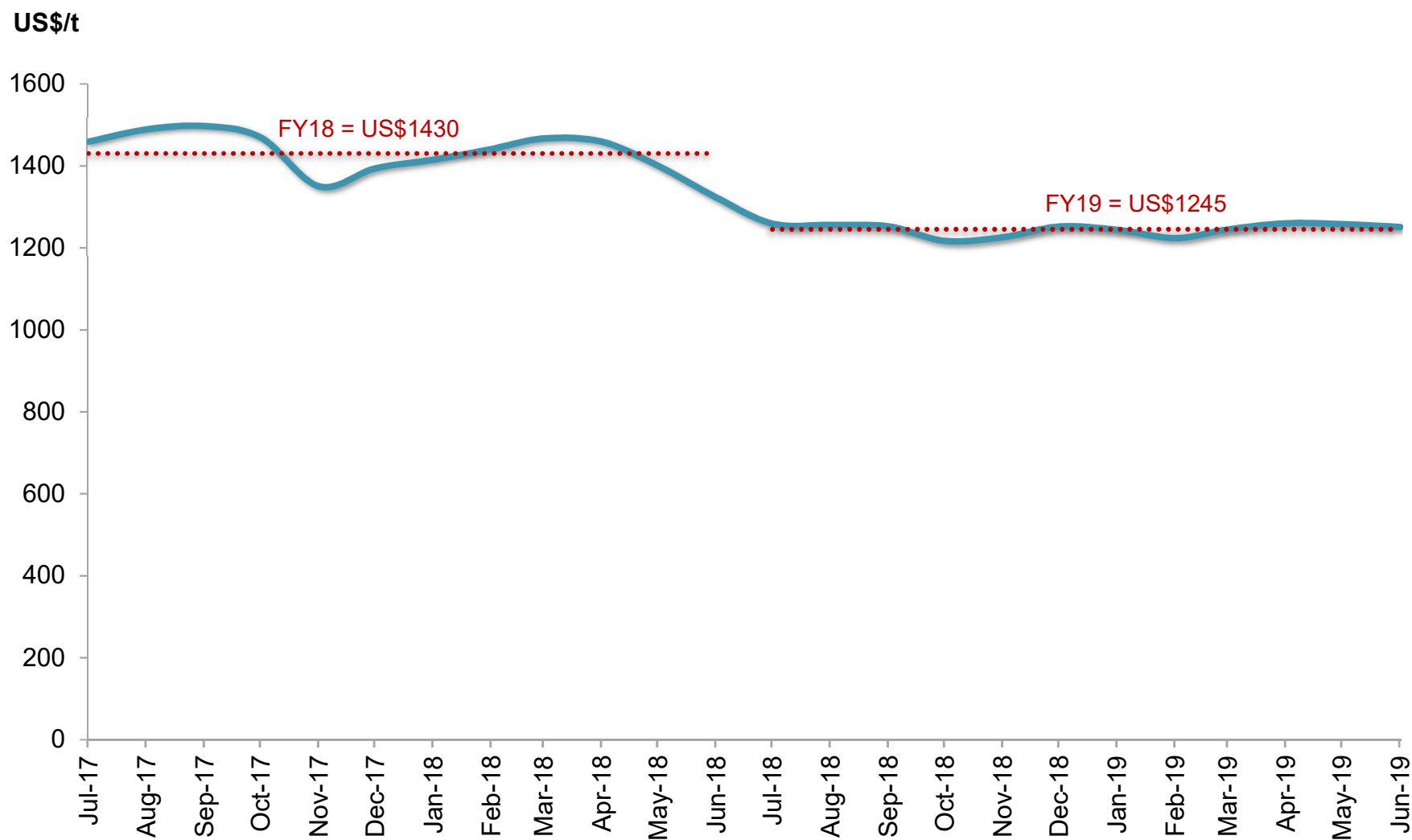


Source: Metal Bulletin

Manganese Alloy Market Price



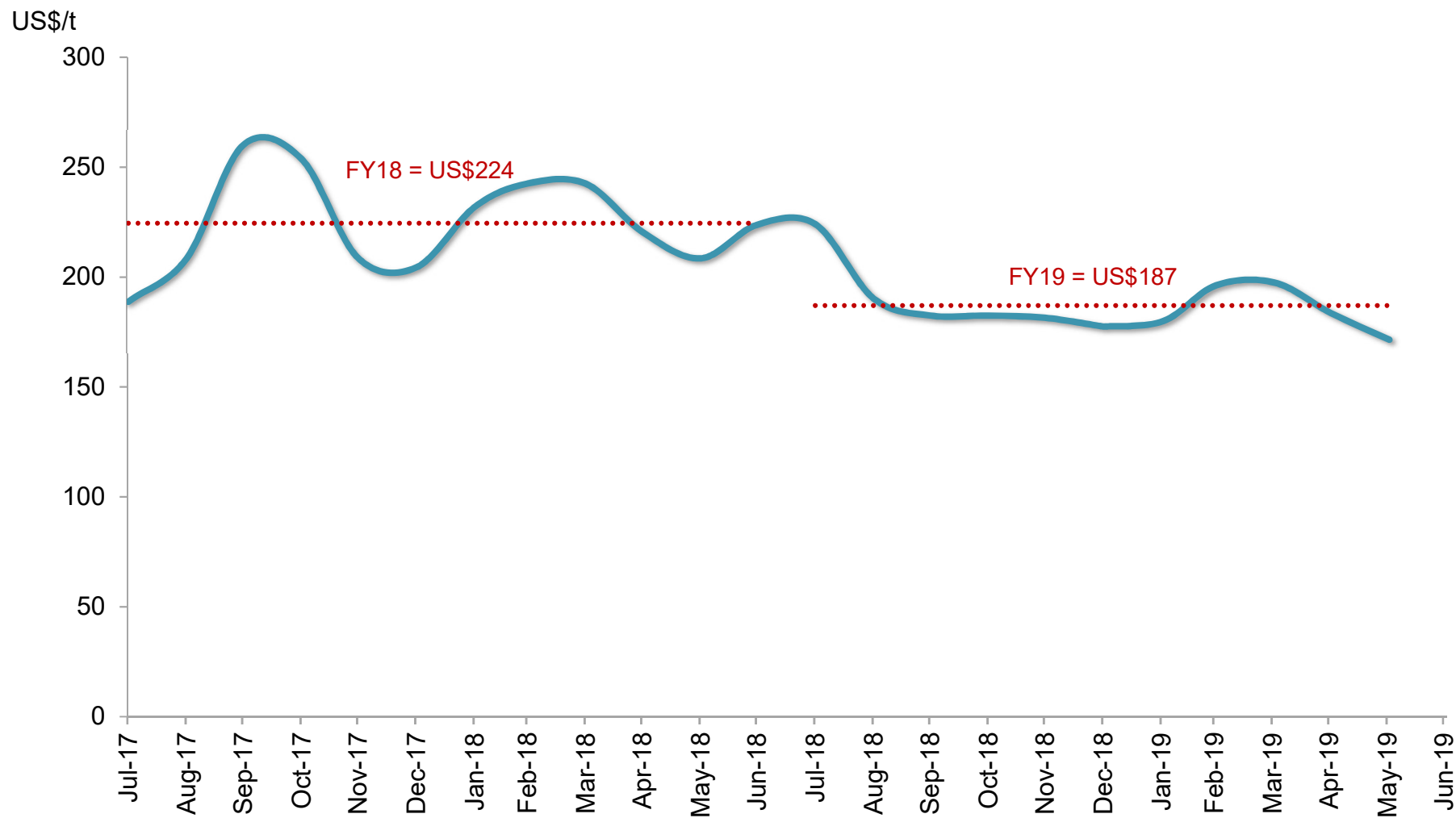
HCFeMn (Average US/Europe delivered price)



Source: CRU

Chrome Ore Market Price

44% Cr Concentrate CFR China



Source: CRU



Thank You



Beeshoek

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