Lynas Rare Earths

LYNAS RARE EARTHS
1H21 Results

Investor Presentation

26 February 2021

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Strong results on all financial measures

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	1H 21	1H 20	Movement	
	$m	$m	$m	%
Sales Revenue	202.5	180.1	22.4	12%
Cost of Sales	(150.8)	(151.6)	0.8	(1%)
EBITDA	80.6	44.2	36.4	82%
Net Profit after tax	40.6	3.9	36.7	944%

	31 Dec 20	30 June 20	Movement	
	$m	$m	$m	%
Cash and short-term deposits	512.6	101.8	410.8	404%
Net Assets	964.4	518.4	446.0	86%
Market Capitalisation	3,586.3	1,262.1	2,324.2	184%

- Increased sales revenue
- Costs maintained on increased NdPr production
- Approx. $425m equity raising successfully completed
- Strengthened Balance Sheet
- Continued progress on *Lynas 2025* growth objectives
- Lynas to repay subsidies received from the Australian and Malaysian governments in 1H FY21

Note: Percentages may differ from the sum of the separate figures due to rounding

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Operational Update

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Production & Sales

- Ready for sale NdPr production volume: 2,709t (1H20: 2,512t)
- Sales volume: 8,551 REOt (1H20: 7,693t)
- Total cost of sales $150.8m, on increased NdPr production (1H20: $151.6m)
- NdPr Oxide China Domestic Price (VAT excluded) increased to US$55.5/kg in December 2020 due to demand recovery and supply stabilization

COVID-19 challenges

- Since October 2020 Malaysia has experienced a significant 3rd wave of infections
- Lynas has reinforced and strengthened health and hygiene protocols in both Malaysia and Western Australia to protect the health & wellbeing of our people and communities including:
  - Communication & education, disclosure & reporting, testing, physical distancing, hygiene & precautionary procedures
  - Lynas has increased contributions to local communities in Malaysia who have been affected by the recent flood event on the east coast and the pandemic
- Delays in some shipments due to limited shipping availabilities managed via:
  - Increased raw materials inventory for at-risk materials
  - Local supplier strategy in Malaysia

Malaysian Regulatory

- In light of COVID-19 restrictions in Malaysia, the regulator has extended the deadline for commencing development of the Permanent Disposal Facility (PDF) for WLP residue to 2 September 2021

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Favourable market settings

- Effect of global megatrends becoming apparent supports continued confidence in market growth

Demand for electric vehicles has accelerated

International Energy Agency (IEA) estimates 40% growth in global sales of EVs in 2020 vs. 2019[1]

Wind energy capacity growth of 8% in 2020, despite COVID-19 disruptions (IEA)[2]

Consumer Electronics market expected to grow to $17.7 billion by 2030 at CAGR of 4.9% [3]

(2020: $10.9 billion)

Global Smart Homes market expected to surpass US$289 billion by 2030 from US$63 billion in 2018 at CAGR of 27%[4]

1 https://www.iea.org/commentaries/how-global-electric-car-sales-defied-covid-19-in-2020
2 https://www.iea.org/fuels-and-technologies/wind

3 https://www.marketwatch.com/press-release/global-consumer-electronics-market-size-worth-17738889-mn-with-cagr-of-49-by-2030-top-industry-trends-and-outlook-2021-01-27

4 https://www.fatposglobal.com/reports/smart-homes-market/345

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Sustained focus on Zero harm as part of our commitment to ESG

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Caring for our people

- The 12-month total recordable injury frequency rate as at 31 December 2020 was 1.3 per million hours worked (June 2020: 3.5 per million hours worked).
- Strict COVID-19 health and wellbeing protocols remain in place at both operating sites

Caring for the environment

- Environmentally-responsible Rare Earths producer by design
- Mine to magnet traceability
- Life Cycle Assessment with selected partners
- Certified to ISO 14001 (Environmental Management Systems)

Caring for and supporting our communities

- Increased contributions to our local communities in Malaysia affected by the recent floods and the pandemic
- Sharing our best practice COVID-19 protocols with other firms in Malaysia
- Supporting community health/sport initiatives in Laverton, Western Australia

GOLD 2019 ecovadis CSR Rating

TOGETHER FOR SUSTAINABILITY

WE SUPPORT UN GLOBAL COMPACT

SUSTAINABLE DEVELOPMENT GOALS

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Lynas 2025 growth vision update

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FOUNDATION PROJECT FUNDING

- Successfully completed approx. $425m equity raising
- Funding will be allocated to the planned Kalgoorlie Rare Earth Processing Facility and associated upgrades at the Lynas Malaysia plant

KALGOORLIE PROJECT

- DAWE confirmed not a controlled action under EPBC
- Project referral submitted to WA EPA
- Detailed engineering design complete
- 2 site configuration
- Procurement of long lead time equipment continued
- Kiln fabrication is underway and on schedule
- Extensive community engagement

USA PROJECT

- Project scope confirmed with Light Rare Earth (LRE), Heavy Rare Earth (HRE) and specialty products capability
- Funding for LRE plant announced
- HRE detailed work in progress & on schedule
- Planning and submissions underpinned by proven performance

Our advantage is our proven track record of project delivery – on time and on budget

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Lynas offers exposure to global megatrends & future-facing technologies

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Investing in Rare Earths provides excellent exposure to global megatrends that will shape economies and consumer behaviour over the next decade

- Sustainable mobility
- Electronics and industrial automation
- Global climate change policy incl. new energy sources (e.g. wind)
- Heightened focus on supply chain resilience
- Technology incentives & R&D subsidies

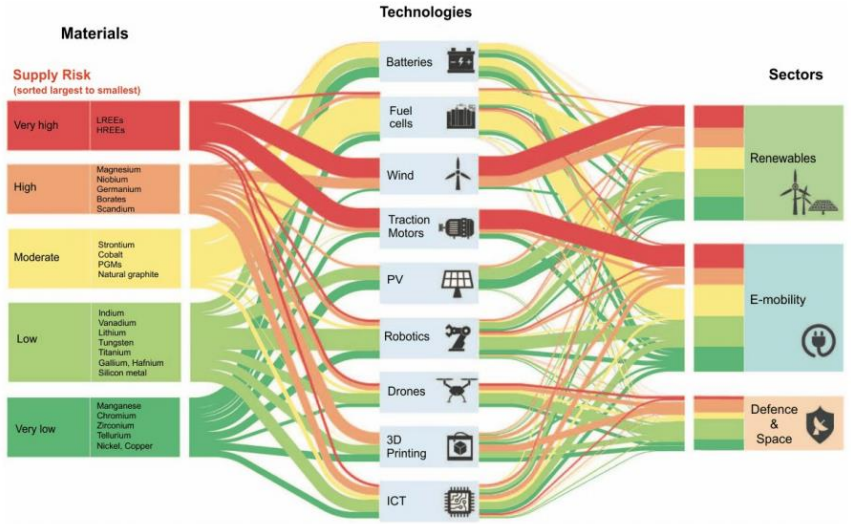
Lynas is uniquely positioned to respond to these megatrends

- World-leading ore body with further exploration planned
- Proven producer with inhouse IP & expertise
- Clear & ambitious growth strategy in progress
- Track record of successful execution de-risks growth plan

Megatrends

1. Digital transformation
2. Investing in supply chain resilience
3. Localisation and staying closer to home
4. A changing economic landscape
5. Stepping into the new normal

Source: Global Trade & Investment Megatrends, CSIRO Data 61, Austrade, November 2020



Source: European Commission, Critical materials for strategic technologies and sectors in the EU-a foresight study, 2020.

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OUR VALUES

Care

We care for and respect each other, our communities and the environment. We make sure we all go home safe and well.

Achievement

We are resilient and committed. We overcome challenges to achieve our goals.

Expertise

We are driven to be the world's best in Rare Earths and to earn the respect of our customers.

Diversity

We are a multicultural company. We value and embrace diversity.

Sustainability

We are passionate about contributing to a sustainable future and green technologies.

Visit our Investor Centre at LynasRareEarths.com

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