

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 25

11 June 2021

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

Dear Sir/Madam

OM HOLDINGS LIMITED ("OMH") PRESENTATION

Please find attached a copy of the OMH presentation which will be used for a virtual analyst briefing on 11 June 2021.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Joint Company Secretary

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

OM HOLDINGS LIMITED

Australia • China • Japan • Malaysia • Singapore • South Africa

June 2021 • Virtual Analyst Briefing • ASX:OMH

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This presentation contains "forward-looking" statements within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of OMH, and its directors, officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are therefore cautioned not to place undue reliance on forward-looking statements and OMH, other than required by law, assumes no obligation to update such information.

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A MANGANESE ORE & FERROALLOY COMPANY

Vertically integrated manganese ore and ferroalloy company, involved in **mining, smelting, and trading**

Powered by **sustainable hydro-power**, pursuing growth and natural diversification into new commodities like silicon metal

23 years on the ASX, OMH offers **unique exposure** to the niche manganese and silicon ferroalloy space (estimated US\$27.5bn market in 2019), essential to steel and the modern world

Lowest cost quartile smelter complex in Sarawak, the largest of its kind in Asia (ex-China)

Operations in Australia, China, Japan, Malaysia, Singapore, and South Africa



COMPANY SNAPSHOT

Balancing debt reduction with sustainable dividends, refinancing a priority

Share Metrics (as at 31st May 2021)

Issued Shares	738.6 million shares
Share Price	A\$ 0.75
52 weeks Low / High	A\$ 0.29 / A\$ 1.00
Market Capitalization	A\$ 554.0 million

Debt (FY 2020)

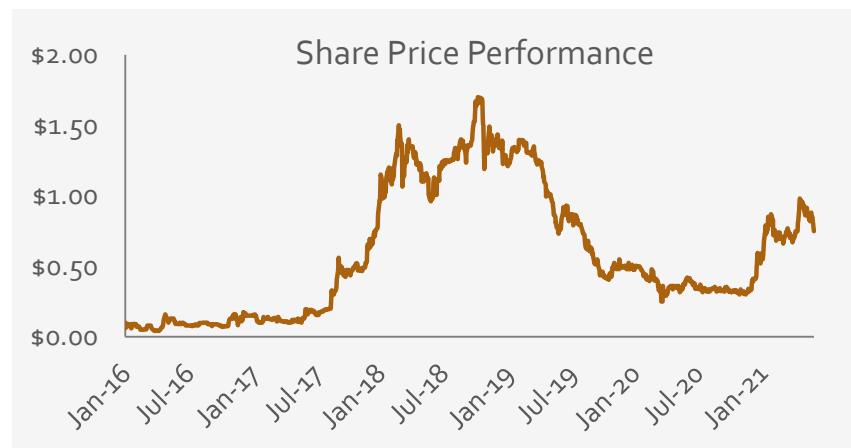
Total Borrowings	A\$ 415.0 million
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Cash (FY 2020)

Cash & Cash Equivalent	A\$ 45.9 million
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Earnings & Key Ratios

Enterprise Value	A\$ 923.1 million
Adj. EBITDA* (FY 2020)	A\$ 81.4 million
EPS (FY2020)	0.73 cents
EV : Adj. EBITDA	11.3x
Price Earning Ratio	102.7x



Largest Shareholders (as at 1st Feb 2021)

Huang Gang	14.03%
Marc Chan, Amplewood Resources Ltd	13.57%
Low Ngee Tong	9.22%
Heng Siow Kwee	8.93%

*Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, net finance costs, income tax and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures.

KEY INVESTMENT POINTS

The Largest & Lowest Cost Quartile Ferroalloy Smelter in the Region

1

Lowest Cost Quartile Ferroalloy Smelter In The Region⁽¹⁾

Backed by low cost environmentally friendly hydro power from a 20-year PPA agreement with Sarawak Energy and a 10-year tax holiday

2

One of the Largest and Fast Growing Ferroalloy Smelters in the Region⁽²⁾

FeSi market share almost doubled from 7.3% to 12.5% FY17-19 while SiMn grew from 7.5% to 16.9% in the same period

3

Prime Beneficiary of Commodities Supercycle

Driven by surging steel demand and increasing industry usage from construction, infrastructure, energy and automotive sectors

4

Vertically Integrated Production

Smelting production feedstock is de-risked by mining production while in-house trading arm supports sales and distribution

5

Future Growth from Capacity Expansion & Product Diversification

Additional 150k MT/pa of Mn alloys by FY23 from currently 300k and further product mix diversification from venture into silicon metal

6

Strong Executional Track Record

>25 years of operational expertise with a solid relationship with shareholders since ASX listing in 1998



Source for (1) and (2): OMH Prospectus (11 June 2021), AlloyConsult

OUR OPERATIONS

6

Exploration & Mining

Bootu Creek - Australia

(100%)

Manganese ore: 0.8 Mtpa

Tshipi Borwa - South Africa

(13%*)

Manganese ore: 3.0-3.6 Mtpa

** Effective interest held via J/V with
Ntsimbintle (a BEE group)*

Smelting & Sintering

Qinzhou - China (100%)

Mn alloy: 80-95ktpa

Sinter ore: 300ktpa

Sarawak - Malaysia (75%*)

Mn alloy: 250-300ktpa

Ferrosilicon: 200-210ktpa

Sinter ore: 250ktpa

(estimated production capacity)

** J/V with conglomerate Cahya Mata
Sarawak, listed on Bursa Malaysia*

Marketing & Trading

Singapore/China (100%)

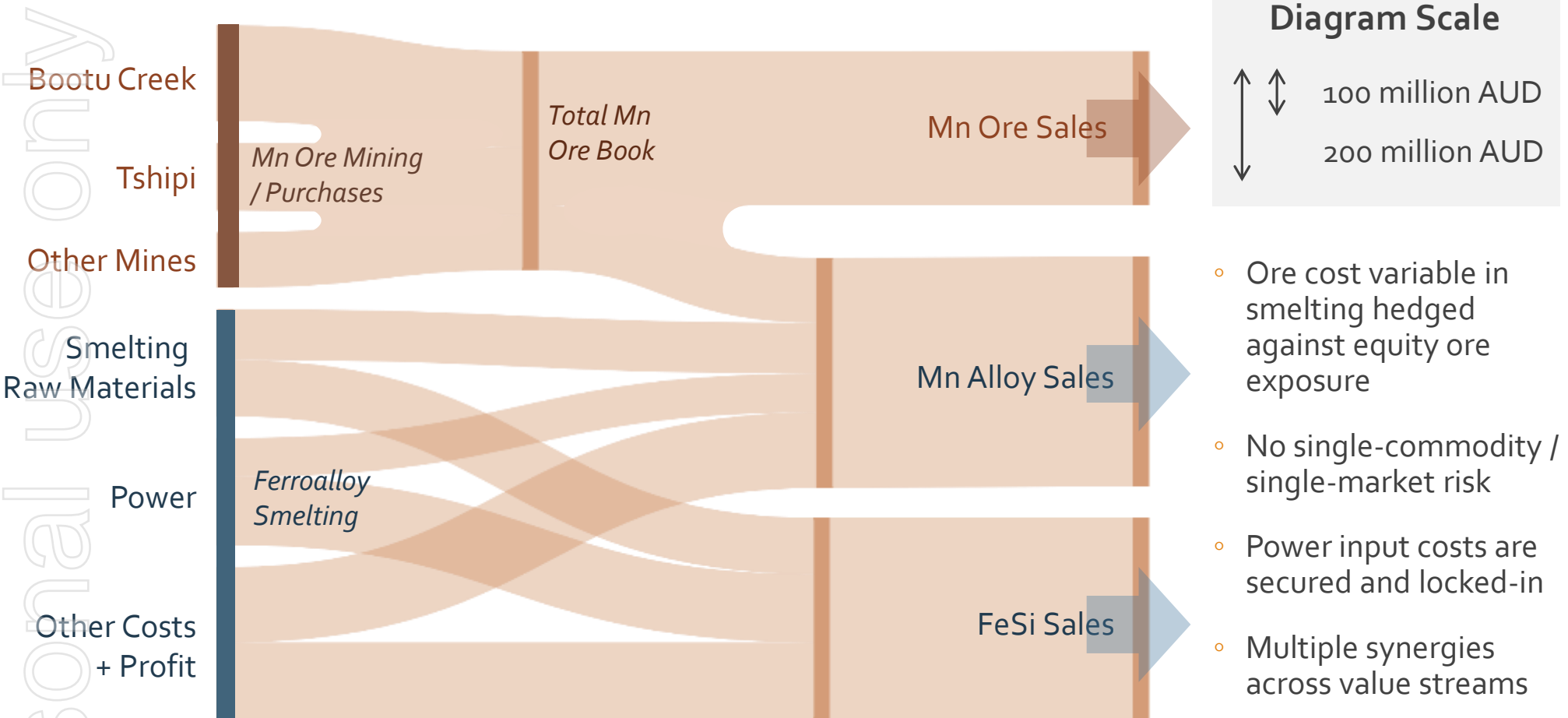
Global sales and procurement

Manganese ore, Ferrosilicon,
Silicomanganese, Ferromanganese,
Quartz, Reductants (coke, coal), Fe
units

THE PROVERBIAL VALUE CHAIN

OMH is a low cost integrated miner + smelter, not a pure play Mn mining company

Notional size of OMH value flows in an average year



For illustrative purposes only, scale of flows are representative of the size of operations but not based on any actual year

SAMALAJU INDUSTRIAL PARK: ASIA'S NEW SMELTING HUB

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Sarawak, Malaysia

- Culturally diverse state, unique demographics
- Low population density
- Stable operating environment

Sarawak Corridor of Renewable Energy (SCORE)

- Samalaju Industrial Park - supported by 3.3GW* of hydropower

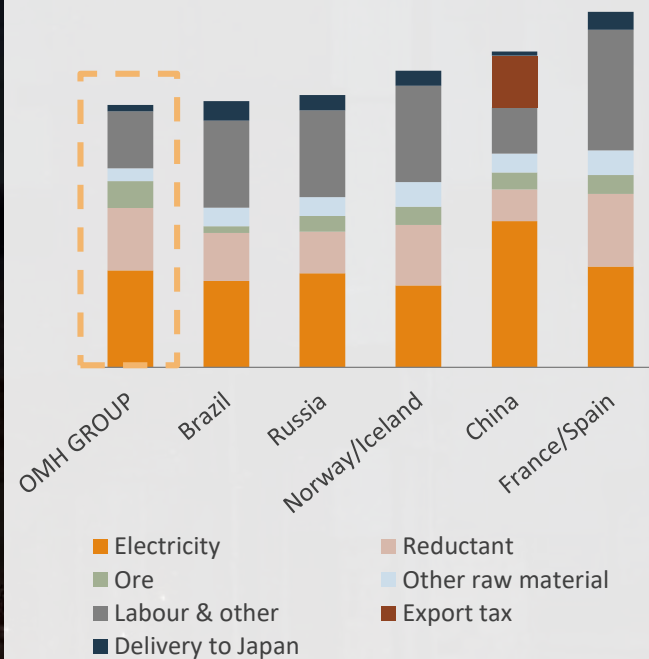
Samalaju Port

- Purpose built port for Samalaju Industrial Park
- 7km from OM Sarawak
- Vessels up to 58,000 DWT Supramax

SMELTING – AT THE HEART OF WHAT WE DO

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FeSi Production Cost Comparison



- Sustainable producer, first-quartile of cost curve
- 350MW of competitively priced, reliable power, locked in for 20 years
- Hands on management
- Close proximity to the Asian market

Lowest Quartile Producer • Structural Cost Advantage • Sustainable Hydro-power

OUR PRODUCTS

Critical alloying element to steel - a product essential to basic industries and modern infrastructure



Manganese Ore

Manganese is the 4th most consumed metal behind iron, aluminium and copper.

Steel accounts for over 90% of manganese ore consumption, with batteries a small but growing market.

Products: **Manganese Ore**



Manganese Alloys

Main alloying element – **Manganese**

- Deoxidises and desulphurises steel
- Acts as a hardening agent
- No known substitute and cannot be recycled
- 6 manganese alloys furnaces

Products: **Ferro-manganese, Silico-manganese**



Silicon Alloys

Main alloying element – **Silicon**

- Deoxidises steel
- Used in specialty electrical steels for transformers
- No known substitute and cannot be recycled
- 10 ferrosilicon furnaces

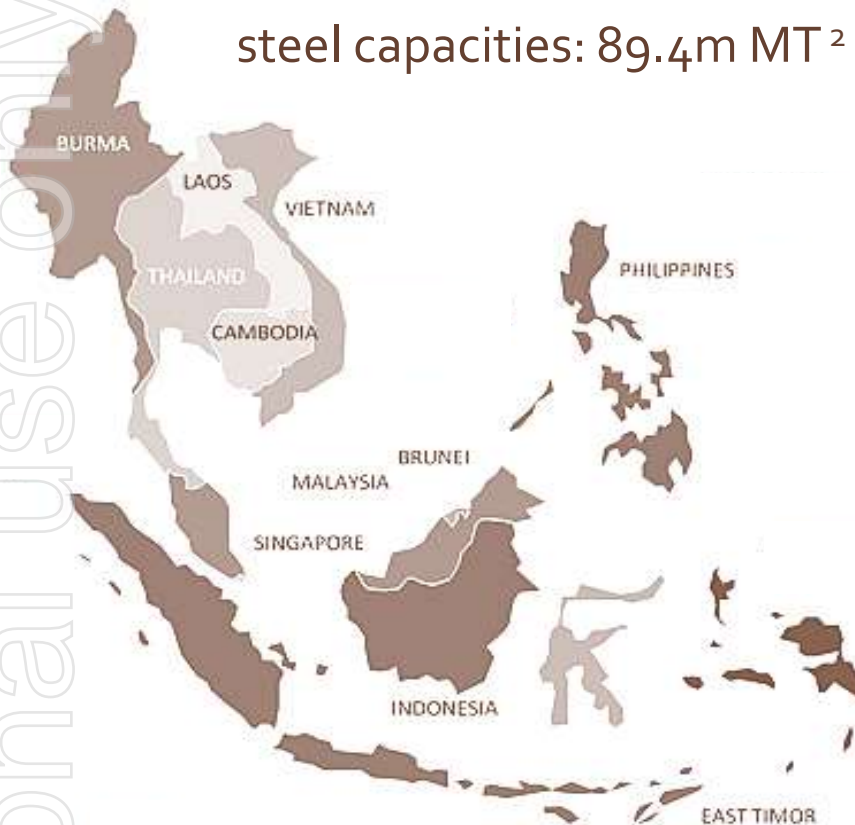
Products: **Ferrosilicon**



GROWTH OF STEEL IN SOUTHEAST ASIA (SEA)

Regional steel demand remains positive in the long run

South East Asia
steel capacities: 89.4m MT²



Addition of steel capacity in SEA

- Surge of foreign investments in SEA steel mills since 2015 (~25 million MT)¹
- Additional capacity of 61.5 million MT² expected from all identified integrated steel mills in SEA

Rapid urbanization in SEA

- Higher standards of living
- 2.5 billion increase in urban population by 2050³
- 100 million people expected to migrate into cities in the next decade⁴

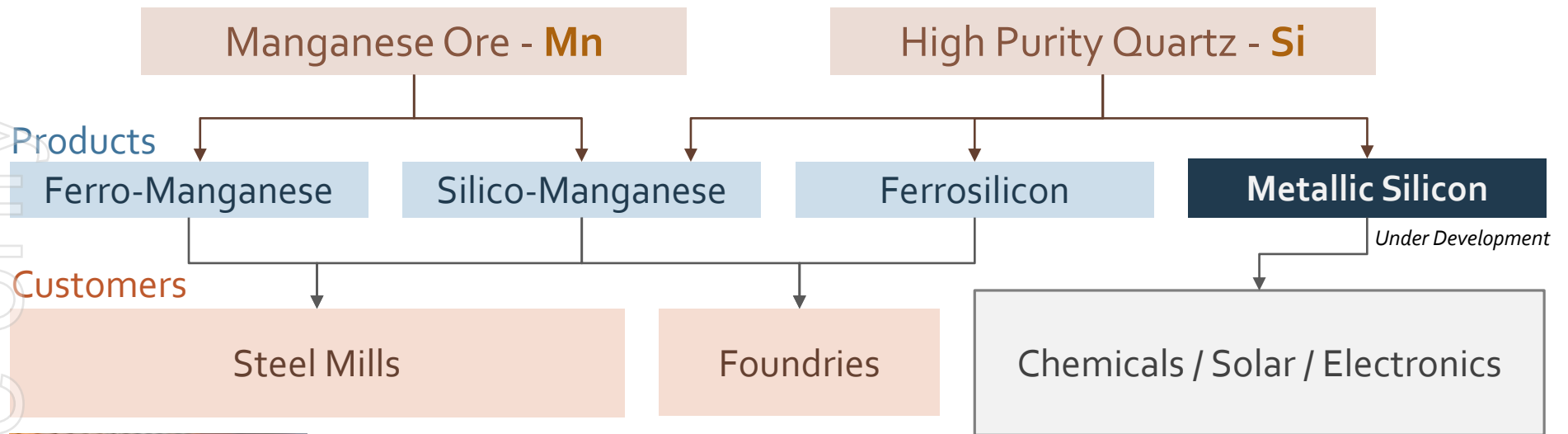
Growth of steel

- Expected long term growth prospects spurred by urbanization growth in the SEA region
- Apparent steel consumption forecast to rebound by 5% in 2021 (79.3 million MT in 2020 vs 83.2 million MT)⁵
- Increased demand for steel via infrastructure, transport and domestic appliances



(1) Internal sources; (2) Organisation for Economic Co-operation and Development (OECD) South East Asia Iron and Steel Institute (SEAISI) March 2020 presentation; (3) UN Department of Economic and Social Affairs; (4) The Straits Times; (5) MySteel Global

SMELTING: RAW MATERIALS TO CRITICAL ADDITIVES



Some of our Customers:

China Steel Corporation (Taiwan)	JFE Steel Corporation (Japan)
Erdemir (Turkey)	JSW (India)
Formosa Ha Tinh Steel (Vietnam)	Nippon Steel Corporation (Japan)
Hyundai Steel (South Korea)	POSCO (South Korea)



FERROSILICON MARKET REVIEW

Strong demand from steel makers supported prices in Q1

1

Overall 2020

Regional key steel producing countries cut production by 20%-30% YoY from Q2-Q3 2020. FeSi prices under downward pressure.

Steel production recovered faster than expected. FeSi supply tightened. Freight costs surged as containers became limited.

2

Q1 2021

China remains a marginal supplier for FeSi for East Asian and South East Asian steel mills.

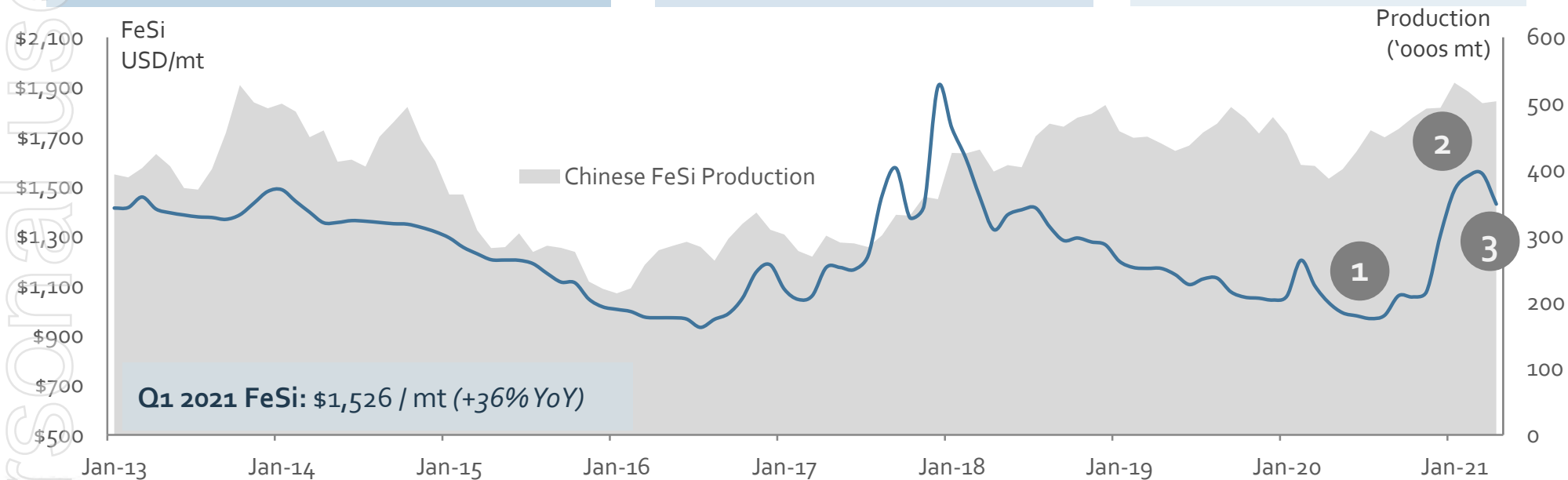
FeSi prices largely supported in Q1.

3

28th April 2021

China increased the export tax for FeSi from 20% to 25% to discourage power intensive industrials.

Expected to provide renewed price support.



MANGANESE ORE AND ALLOY MARKET REVIEW

Strong demand from steel makers and constrained supply supported prices in Q1

1

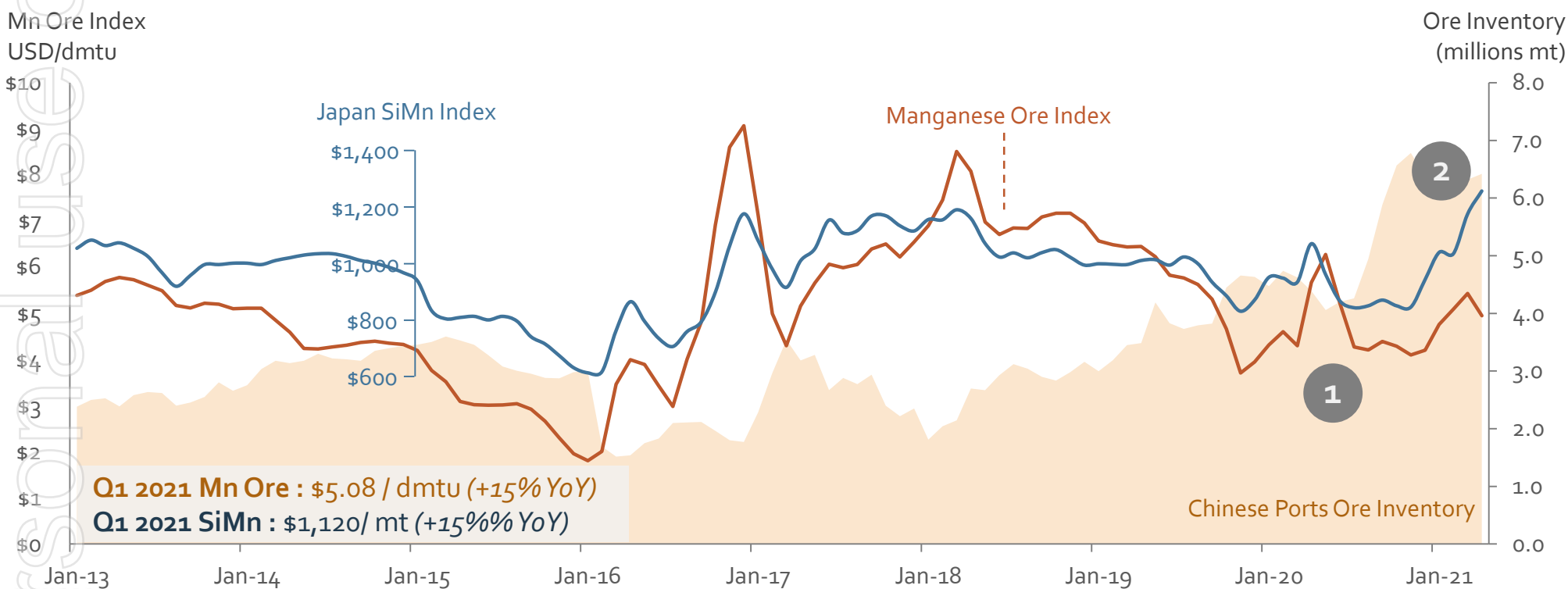
Overall 2020

SiMn prices relatively stable but global demand depressed. Price spread between ore and alloy supported sustainable smelting margins.

2

Q1 2021

Ore and alloy prices rise with post-COVID growth. SiMn prices rise significantly higher than correlation implied price, suggesting supply constraints for manganese alloy smelting.



Source: Fastmarkets MB, Platts, the IMnI, and CNFEOL

*High Carbon Ferromanganese (HCFMn) not included due to relatively low liquidity and absence of representative non-Chinese Asian benchmark

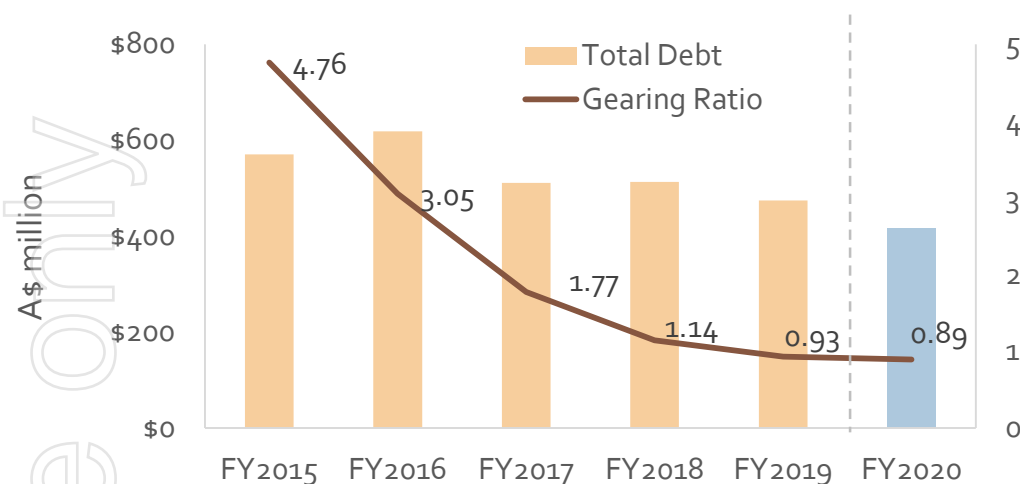
FINANCIAL HIGHLIGHTS

A\$'million	2015	2016	2017	2018	2019	FY2020
Revenue	338.5	414.2	988.2	1,510.4	1,026.5	784.6
Gross Profit	6.1	60.1	209.6	353.3	152.5	96.3
GP Margin (%)	1.8	14.5	21.2	23.4	14.9	12.3
Adjusted EBITDA*	(37.6)	35.0	186.1	339.7	154.5	81.4
Profit/(Loss) Before Tax	(131.6)	(8.1)	72.6	236.9	58.9	(4.7)
Profit Att. To Owners	(122.1)	7.9	92.7	161.7	56.6	5.4
Shareholders' Funds	87.2	139.7	228.0	388.6	424.9	399.6
Borrowings	570.1	617.6	510.7	512.9	473.9	415.0
Borrowings to Equity Ratio (times)	4.76	3.05	1.77	1.14	0.93	0.89
EPS (AUD cents)	(16.69)	1.08	12.67	22.05	7.69	0.73
Dividend (AUD cents)	-	-	-	5.00	2.00	-

Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, net finance costs, income tax and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' disclosures.



GEARING RATIO LOWERED, POSITIVE CASH POSITION MAINTAINED



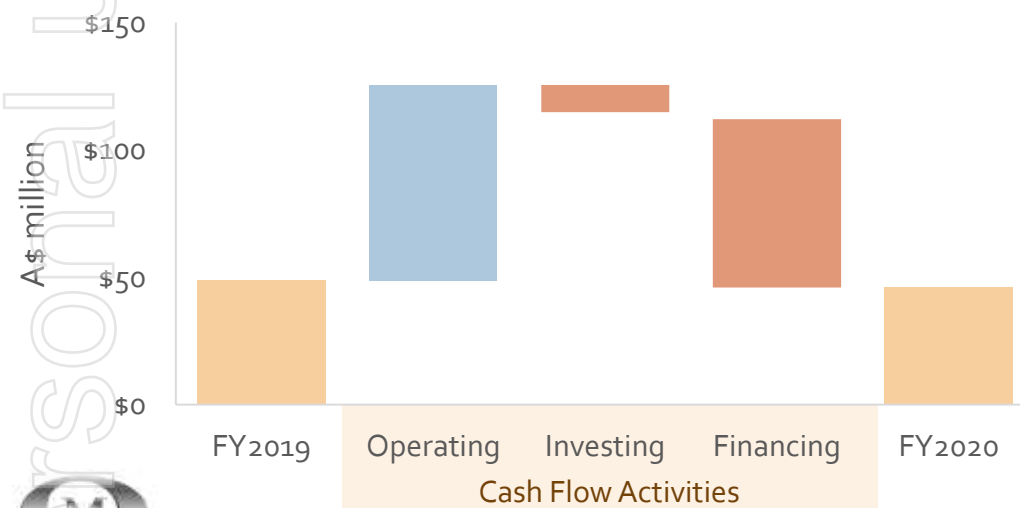
Continue to focus on paying down debt

- Repaid A\$33.2 million comprising Sarawak project finance loan and other debt in FY2020
- Gearing ratio decreased to 0.89 times
- Majority of borrowings associated to Sarawak Project Financing, ring-fenced at asset level

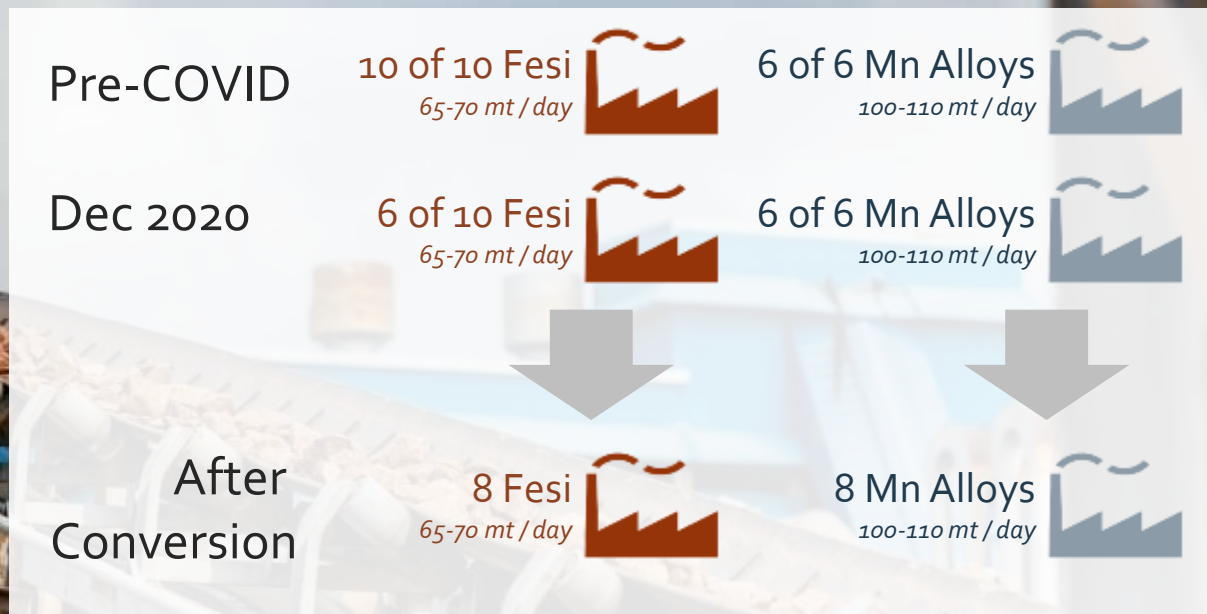
Prudent Cash Management

- Recorded positive operating cash flow of A\$76.6 million in line with earnings and optimisation of working capital
- Capital investment plans re-examined: Capital intensive projects temporarily postponed to conserve cash
- Recorded cash and cash equivalent of A\$46 million in FY2020, maintaining liquidity for short-term cash needs

Cash Flow Movements for FY2020



NORMALIZE OPERATIONS IMPACTED BY COVID TO PRE-PANDEMIC LEVELS



Working towards full operation of smelting segment:

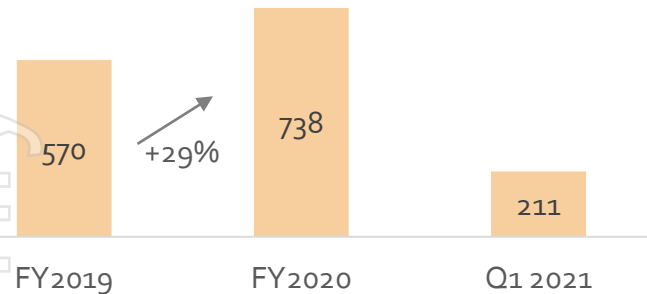
- Conversion of 2 FeSi furnaces to produce SiMn, parts arrived in Q1 and pending foreign contractor availability
- Restart 2 FeSi furnaces when feasible, pending foreign skilled manpower availability

Key challenges:

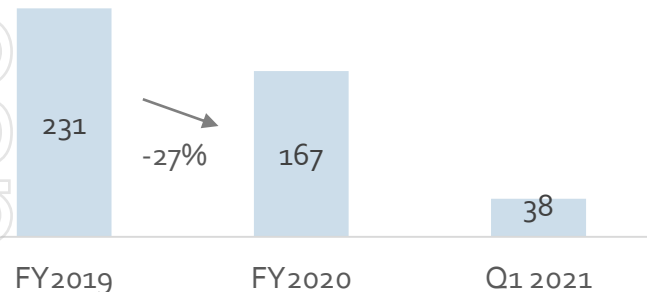
- Foreign workforce entry into Sarawak - visas, quarantine requirements, quotas for foreign workers
- Enforcement of movement restriction policy in Sarawak, increasing need to rotate workers

OPERATIONAL PERFORMANCE Q1 2021

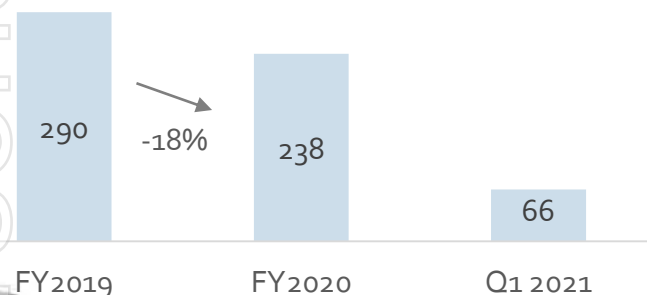
Mn Ore Production Volume (kmt)



FeSi Production Volume (kmt)



Mn Alloy Production Volume⁽¹⁾ (kmt)



(1) Inclusive of OM Sarawak and OMQ's production volume

Mining Segment (Mn Ore)

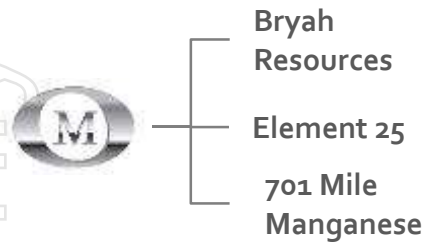
- FY2021: Last mile strategy to accelerate mining and production to optimize remaining lifetime mining cost
- Lump product grade strategy focused to target 26% Mn in line with increasing plant yields
- Sales of 181,382 tonnes in Q1 2021 (65,138 tonnes in Q1 2020)

Smelting Segments (FeSi and Mn Alloy)

- As at March 2021, 12 out of 16 furnaces remain in operation at the Sarawak smelter plant
- Full commercial operation restarted at Qinzhou smelter, contributing to Mn Alloy production volumes
- **2H 2021 production plan may be readjusted.** Manpower situation remains fluid at the Sarawak smelter plant due to existing COVID-19 related restrictions and the need to provide for scheduled leave rotation for the workforce in dormitories
- Production guidance to be provided once available

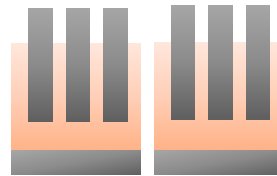
FUTURE PLANS AND GROWTH

Core fundamentals unchanged, growth plans for both upstream and downstream



Raw Material Development

- Explore prospective manganese opportunities in central Western Australia
- Expand OMH's manganese exposure to extract value across the entire manganese value chain
- Entered into binding offtake agreement with Element 25



Expanding Capacity (~Capex A\$100-150 mil)

- Planned for 2023
- Expected to yield additional 150ktpa of SiMn
- Manganese capacity expansion with 2 to 4 33MVA-furnaces for improved efficiency
- Mn smelting expected to generate highest average returns over the full price cycle, and improve hedging ratio with ore



Higher Value Add (~Capex A\$30 mil)

- Conversion to metallic silicon to produce higher value added products
- Diversify into aluminium, chemicals, and solar downstream industries
- Furnaces still able to produce ferrosilicon for added flexibility

SECONDARY LISTING ON BURSA MALAYSIA



OM Holdings Limited

Primary Listing status: Australian Securities Exchange (ASX)

Secondary Listing status: Bursa Malaysia Securities Berhad (Bursa Malaysia)

Stock code: ASX:OMH | OMH (5298)

- Upon listing on Bursa Malaysia, all shares quoted on both the ASX and Bursa Malaysia will be fully fungible.
- Listing Reference Price calculation: ASX closing price on 21st Jun 2021, converted at Bank Negara Malaysia's A\$:RM closing rate on 21st Jun 2021

TIMELINE

Friday

11 June 2021



Fri-Wed

11-16 June 2021



Monday

21 June 2021



Tuesday

22 June 2021

Launch of Prospectus

Commence share removal process from the Australian to the Malaysian register (at least 3 market days to complete)

Announcement of Listing Reference Price of OMH shares on Bursa Malaysia

Tentative Listing Date

At least 10 million shares committed to be made available for trading on Bursa Malaysia on Listing Date

OM HOLDINGS LIMITED

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APPENDIX

BOOTU CREEK, NORTHERN TERRITORY, AUSTRALIA

An owner operated mine, wholly owned by the Group since 2007

OM Manganese Ltd ("OMM") - 100% Owned

Mine: Bootu Creek

Location: Northern Territory, Australia

Product: Siliceous Manganese Ore

Capacity: Ore production 0.8 million mt per annum,
Ultra fines 0.25 million mt per annum

(design production capacity)

Plants: Crushing + Screening Plant

HMS Plant

Tailings Retreatment Classifier (2021)



Brief History

- Exploration commenced in 2001
- Commenced mining at end of 2005, with first lot processed and shipped in 2006.
- Tailings retreatment to commence 2021



GREENFIELD IN-HOUSE DEVELOPED SMELTING PLANTS

OM Qinzhou – 100% Owned

Location: Guangxi, China

Product: Manganese alloys (SiMn, HCFeMn), Sinter ore

Furnaces: 1 x 16.5 and 1 x 25.5 MVA furnaces

Capacity: 80-95ktpa of manganese alloys, 300ktpa of Sinter ore

OM Sarawak – 75% Owned

Location: Sarawak, Malaysia

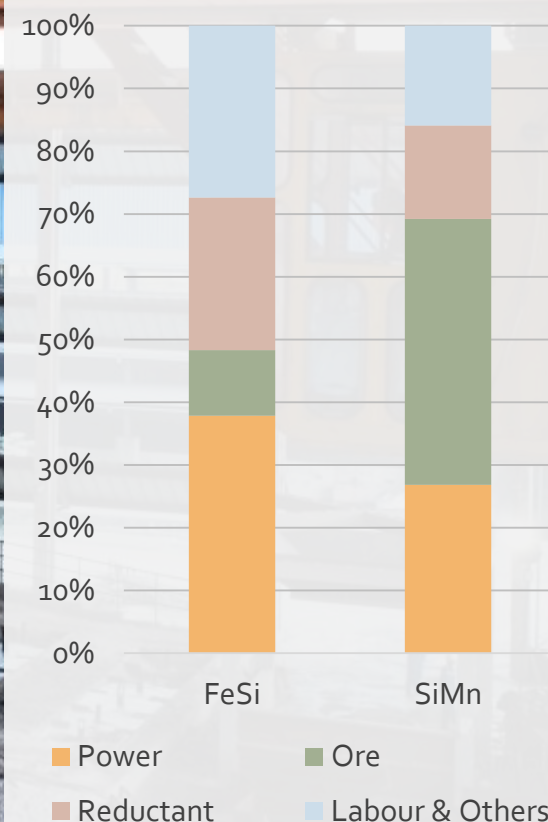
Product: FeSi, Manganese alloys (SiMn, HCFeMn), Sinter ore

Furnaces: 16 x 25.5 MVA furnaces

Capacity: 200-210ktpa of FeSi, 250-300ktpa of manganese alloys, 250ktpa of Sinter ore

75% owned, J/V with Cahya Mata Sarawak Berhad, a leading industrial conglomerate listed on Bursa Malaysia

Malaysia Smelting Cost Structure



Source: AlloyConsult