



OM HOLDINGS LIMITED

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

April 2019 • Sydney Mining Club • ASX:OMH

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THIS IS OUR STORY



OMH GROUP: MANGANESE & SILICON SPECIALIST

We are a vertically integrated Manganese and Silicon (**Mn/Si**) specialist, involved in mining, smelting, and trading

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

20 years on the ASX, now in the S&P 300, the Company offers unique exposure to niche **Mn/Si** space essential to steel and the modern world

With operations in Australia, China, Japan, Malaysia, Singapore, and South Africa, OMH is truly Asia-centric

With flagship US\$500m smelter complex in Sarawak having commenced in 2014, successfully pivoted into downstream production of **Mn/Si** products



COMPANY SNAPSHOT

From Oct 2018, OMH was included in the S&P/ASX 300, and S&P/ASX Small Ords indices

Share Metrics (as at 1st May 19)

| | |
|-----------------------|----------------------|
| Issued Shares | 738.6 million shares |
| Share Price | A\$ 1.23 |
| 52 weeks Low / High | A\$ 0.95 / A\$ 1.70 |
| Market Capitalization | A\$ 908 million |

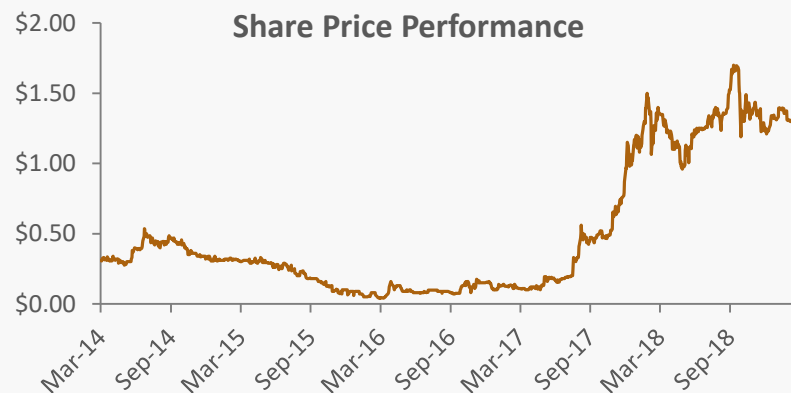
Debt (FY 2018)

| | |
|------------------|-----------------|
| Total Borrowings | A\$ 513 million |
|------------------|-----------------|

| | |
|------------------|------------------|
| Enterprise Value | A\$ 1.42 billion |
|------------------|------------------|

Earnings & Key Ratios

| | |
|---------------------------|-------------------|
| Adj. EBITDA (FY2018) | A\$ 339.5 million |
| Earnings / Share (FY2018) | A\$ 0.22 |
| EV : Adj. EBITDA | 4.18x |
| PER | 5.59x |



Largest Shareholders (as at 3rd Apr 18)

| | |
|---|--------|
| Huang Gang and Newtimes Marine Co Ltd | 12.10% |
| Marc Chan, Amplewood Resources Ltd and Parfield International Ltd | 10.92% |
| Low Ngee Tong | 9.10% |
| Heng Siow Kwee and Dino Company Ltd | 8.94% |
| Stratford Sun Limited | 7.96% |



*Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, non-cash inventory write-downs, deferred stripping, 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' figures.

OUR PEOPLE



Low Ngee Tong
Executive Chairman



Zainul Abidin Rasheed
Independent Deputy Chairman



Peter C. Church (OAM)
Independent Non-Executive Director



Julie Wolseley
Independent Non-Executive Director
Joint Company Secretary



Thomas Teo
Independent Non-Executive Director



Tan Peng Chin
Independent Non-Executive Director



OPERATING DIVISIONS

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
Nstimbintle (a BEE group)*

Smelting & Sintering

Qinzhou - China (100%)

Mn alloy: 80ktpa

Sinter ore: 300ktpa

Sarawak - Malaysia (75%*)

Mn alloy: 250-300ktpa

Ferrosilicon: 200-210ktpa

** 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

MANGANESE – TURNS IRON INTO STEEL

A quick lesson in metals - Mn

- Manganese is the 4th most consumed metal behind iron, aluminium and copper.
- Brittle, hard, silver-grey metal that looks like iron.

Metallurgical

- Over 90% of demand comes from steelmaking and cast iron, no suitable substitute for the metal exists, it cannot be recycled.
- Manganese is usually added in the form of ferroalloys: Ferro-Manganese (FeMn) and Silico-Manganese (SiMn).
- Manganese ferroalloys are added to deoxidize molten steel, remove sulphur, and act as a hardening agent.
- It is also used in batteries, chemicals and the aluminum industry.



Ferromanganese



SILICON

9

A quick lesson in metals - Si

- Silicon in the form of quartz is the second most abundant mineral in the earth's crust.
- Very energy intensive to smelt.

Metallurgical

- Deoxidizer in steel making, especially in specialty steels for motors and transformers.
- Added to steel making in the form of an alloy: Ferro-Silicon (FeSi)

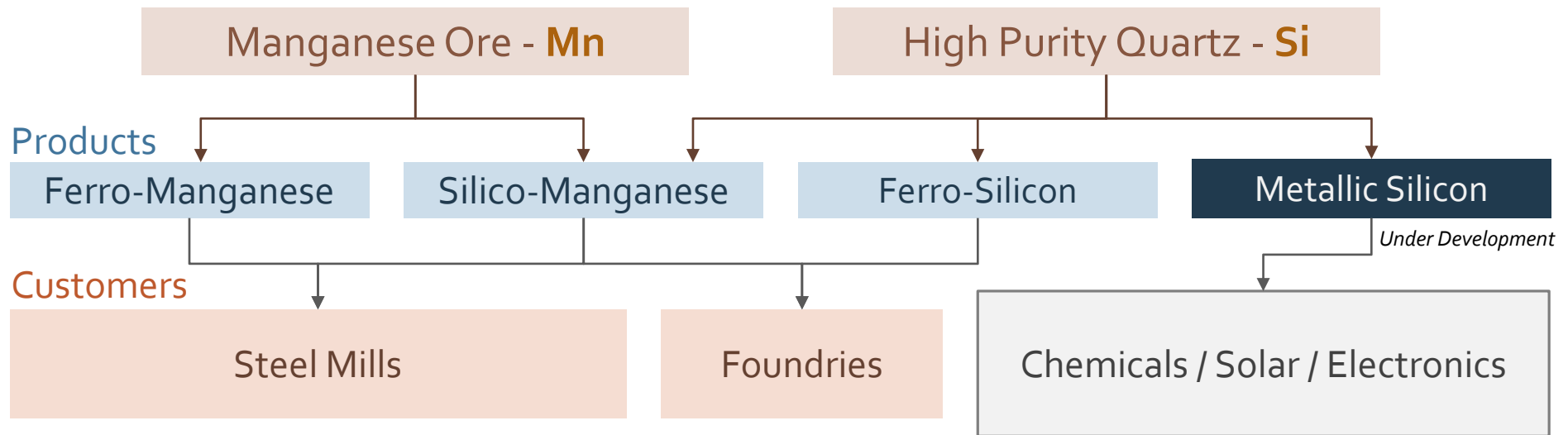
A ton of Ferrosilicon ready to be shipped

OMH IS A ONE-STOP SOURCE OF CRUCIAL FERROALLOYS TO TOP REGIONAL AND GLOBAL STEELMAKERS

Our Customers:

China Steel Corporation
(Taiwan)
Erdemir (Turkey)
Formosa Ha Tinh Steel
(Vietnam)
Gerdau (Americas)
Hyundai Steel (South Korea)
JFE Steel Corporation (Japan)
JSW (India)
Liberty OneSteel (Australia)
Nippon Steel Corporation
(Japan)
POSCO (South Korea)
Thyssenkrupp (Germany)

SMELTING: RAW MATERIALS TO CRITICAL ADDITIVES



Used in:

Crude and
Stainless Steels



Specialty Steels

- Car bodies
- Transformers



Cast Products

- Machinery parts
- Engine blocks





OUR MATERIALS

MINING - SMELTING - TRADING

BOOTU CREEK, NORTHERN TERRITORY, AUSTRALIA

Revenue contribution of A\$229.1m in 2018, +68% year on year

OM Manganese Ltd (“OMM”) - 100% Owned

Mine: Bootu Creek

Location: Northern Territory, Australia

Product: ~36% Grade Siliceous Manganese Ore

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

Plants: Crushing + Screening Plant

HMS Plant

Tailings Retreatment Classifier (2019)



Brief History

- Exploration commenced in 2001
- Commenced mining at end of 2005, with first lot processed and shipped in 2006.
- Due to market conditions, entered and exited voluntary administration in 2016
- Restarted mining in Q1 2017
- Tailings retreatment to commence 2019

BOOTU CREEK, NORTHERN TERRITORY, AUSTRALIA



Pyrolusite and cryptomelane in a silica rich gangue within the supergene zone, above a Rhodochrosite and Braunite unweathered protore.

SARAWAK'S HYDRO-ELECTRIC PLANTS

*Bakun Dam, image courtesy of
Sarawak Energy Bhd.*

3.3 GW

Powering our Future

BAKUN

SAMALAJU INDUSTRIAL PARK: ASIA'S NEW SMELTING HUB



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
- Vessels up to 58,000 DWT Supramax

GREENFIELD IN-HOUSE DEVELOPED SMELTING PLANTS

OM Qinzhou – 100% Owned

Location: Guangxi, China

Product: HCFeMn, Sinter ore

Furnaces: 2 x 16.5 MVA furnaces, 1x 3.5 MVA furnace

Capacity: 80ktpa of HCFeMn, 300ktpa of Sinter ore

OM Sarawak – 75% Owned

Location: Sarawak, Malaysia

Product: FeSi, Manganese alloys (SiMn, HCFeMn)

Furnaces: 16 x 25.5 MVA furnaces

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

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



SMELTING — AT THE HEART OF WHAT WE DO

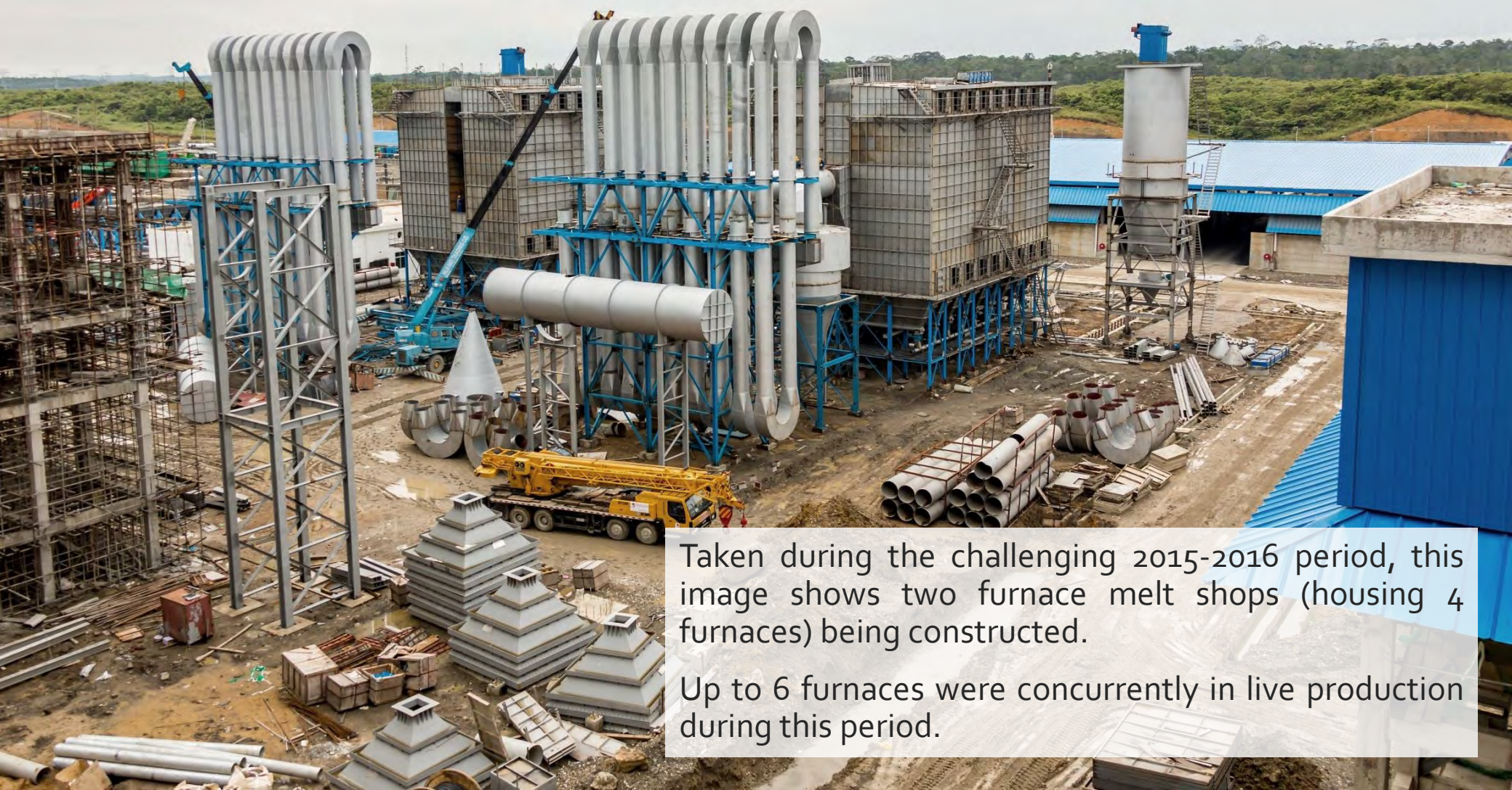
A large industrial ladle is shown pouring a thick, bright orange-yellow stream of molten metal into a mold. The background is dark and industrial, with some structural elements visible. The overall scene is dramatic and highlights the intense heat and scale of the smelting process.

A\$859.1m

in segment revenue, five-years
from construction contract

Essential to Steel • No known Substitutes • Cannot be Recycled

OM SARAWAK – DELIVERING ON A US\$500 MILLION PROMISE



Taken during the challenging 2015-2016 period, this image shows two furnace melt shops (housing 4 furnaces) being constructed.

Up to 6 furnaces were concurrently in live production during this period.

OM SARAWAK – DECEMBER 2018



- 16 Electric Arc Furnaces
- In full production Jun 2018

SMELTING IS POWER INTENSIVE

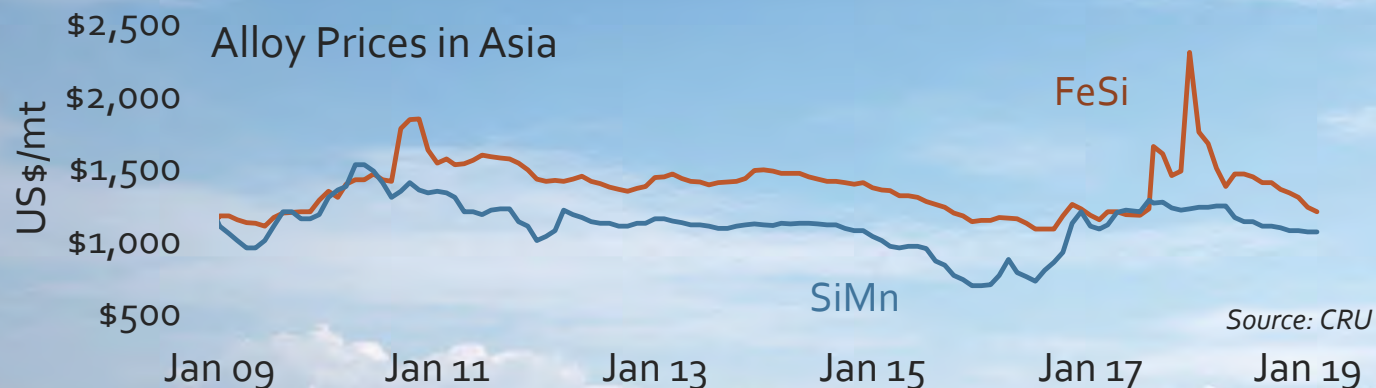
FeSi Production Cost Comparison



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

** Chinese production costing based on research by CNFEOL (Sep 2017). Costing adjusted to account for grade differences. Diagram for illustrative purposes only.*

SOLID FUNDAMENTALS TO WEATHER THE COMMODITY CYCLE



Competitive Hydro Power

- 20-year Power Purchase Agreement
- Competitive with fixed escalation factor
- Stable supply

Sustainability

- Sustainable and clean energy source
- Sustainable smelting hub (20-year agreement)

Strategic Flexibility

- Modular furnaces convert easily
- Product diversification
- Option of silicon metal production

Global Market Coverage

- Variety of shipping options
- Established sales network
- Key end-user partners

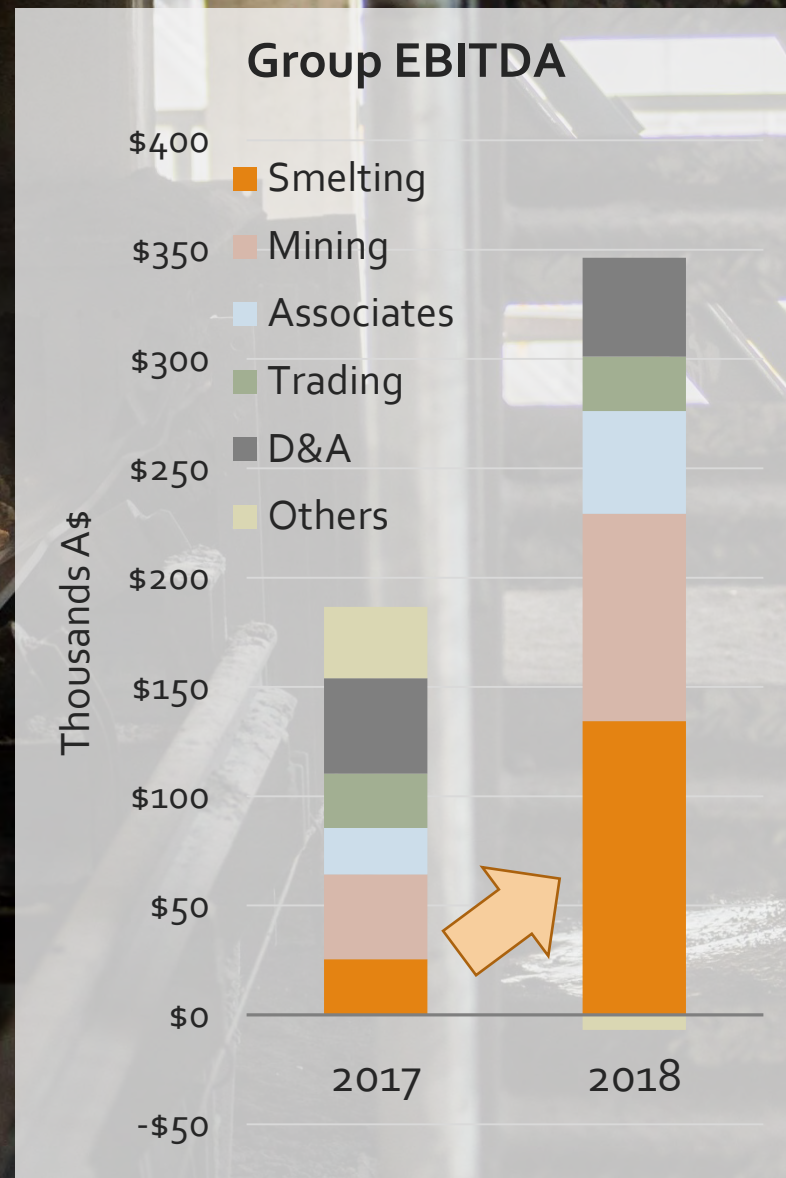
Access to Raw Material

- Sited along major sea route
- Access to regional raw materials
- Knowledge of Manganese ore

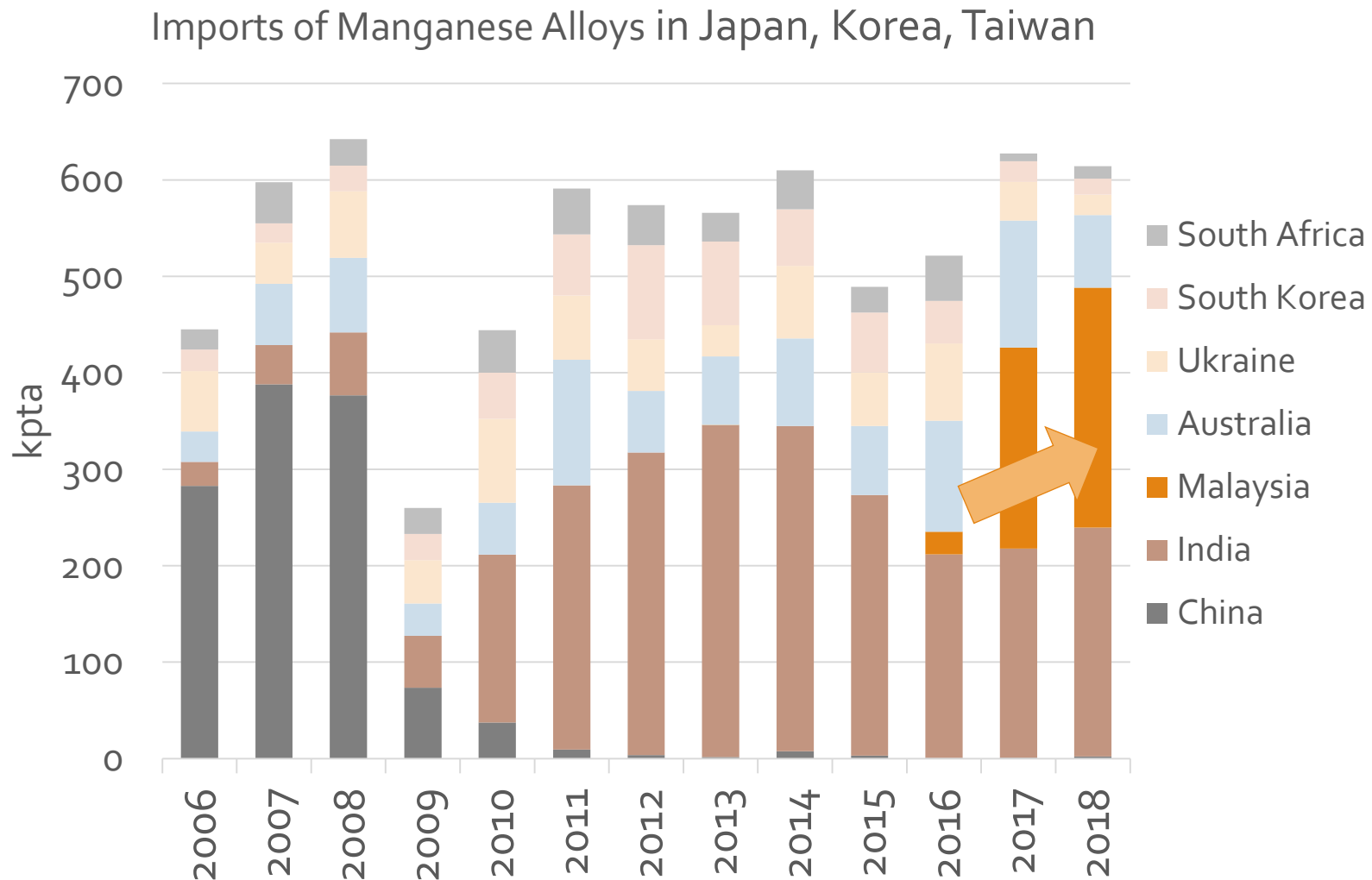
Operational Experience

- All OM assets were owner developed and are currently owner operated (with the exception of Tshipi mine)

SARAWAK SMELTER: EARNINGS DRIVER



SUPPLY EVOLUTION OF ASIAN MARKETS



Source: International Manganese Institute



STRATEGY AND ACTIONS

Strategy

Actions

**Before
2017**

- Early risk diagnosis, planned for diversification
- Secure competitive power

- Successfully launched Sarawak smelter

**2018 -
2019**

- Organic expansion
- Go up the value chain

- Secured additional power
- Tailings retreatment ~250ktpa
- Sarawak sintering ~250ktpa
- Feasibility studies for new products

Future

- High grade silicon metal
- Capacity expansion, custom-refined alloy for partners
- Raw material strategy

FINANCIAL HIGHLIGHTS

First dividend after Sarawak smelter investment, sustainable growth a key target.


| A\$'million | 2015 | 2016 | 2017 | 2018 |
|------------------------------------|---------|--------|-------|---------|
| Revenue | 338.5 | 414.2 | 988.2 | 1,510.4 |
| Adjusted EBITDA* | (37.6) | 35.0 | 186.1 | 339.5 |
| Profit/(Loss) after tax | (125.0) | (33.5) | 91.4 | 184.7 |
| Borrowings | 570.1 | 617.6 | 510.7 | 512.9 |
| Borrowings to Equity ratio (times) | 4.76 | 3.05 | 1.77 | 1.14 |
| Dividend (AUD cents) | 0 | 0 | 0 | 5.0 |



OM Sarawak lab staff and management



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- Simultaneously miner and smelter, best **exposure** to the **Mn/Si** basic material space
 - Unlike other operators, have **fished from the same Mn/Si pond for 25 years**
 - Regional leader, assured **lowest quartile producer** run on hydro-power
 - A **concrete vision** of our future which includes silicon metal and other strategic alloys
 - Direct exposure South East Asia, only region with **double-digit steel growth** countries in recent history
 - **First dividend** after successful US\$500m smelter, committed shareholders



OM HOLDINGS LIMITED

AUSTRALIA • CHINA • JAPAN • MALAYSIA • SINGAPORE • SOUTH AFRICA