

15 August 2023

ASX: DRR

## Full Year Report for the period to 30 June 2023

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to release its full year results for the financial year ended 30 June 2023 (FY23).

### Highlights:

- Royalty business model continues to deliver strong financial performance:
  - revenue of \$229.3 million:
    - Mining Area C (MAC): revenue royalty \$215.2 million plus \$13.0 million capacity payment from the South Flank expansion;
    - Mineral sands royalties: \$1.1 million
  - EBITDA of \$219.3 million at an EBITDA margin of 96%;
  - Net Profit After Tax (NPAT) of \$152.5 million;
- Fully franked final dividend of 16.85 cents per share, distributing 100 per cent of NPAT:
  - total full year FY23 dividend of 28.85 cents per share, fully franked (interim dividend of 12.00 cents per share)
- Significant organic growth from Mining Area C:
  - annual production of 126 million wet metric tonnes, up 14 per cent on the prior year
- Net-zero operational Greenhouse Gas footprint and establishment of partnership with Earbus Foundation WA

Existing bilateral credit facilities have been expanded by \$150 million on existing terms, increasing the total available funding to \$500 million.

### Key Points of Note:

\$ million, unless otherwise stated	FY23	FY22	Increase/(decrease)
Revenue	229.3	265.2	(14%)
EBITDA <sup>1</sup>	219.3	256.8	(15%)
EBITDA <sup>1</sup> Margin	96%	97%	(1%)
Net Profit After Tax (NPAT)	152.5	178.5	(15%)
Dividends paid and declared (cps) <sup>2</sup>	28.85	33.76	(15%)
Dividend as % NPAT	100%	100%	-
Franking	100%	100%	-

<sup>1</sup> Non-IFRS measures are unaudited but derived from the audited accounts and reconciliations included in Deterra's Annual Report 2023.

<sup>2</sup> Dividend per share is calculated on the Group's number of shares at the time the dividend was declared.

Deterra's Managing Director, Julian Andrews, commented on the results:

*“Deterra’s full year results for FY23 once again reflect the quality of our assets and the operation of our business model.*

*“Our cornerstone asset, the Mining Area C (MAC) royalty continued to deliver volume growth, producing 126 million wet metric tonnes (Mwmt), an increase of 14 per cent on the prior year as the South Flank expansion continued its ramp up to full production.*

*“Although total revenues were down 14 per cent on FY22, this was largely due to reduced one-off capacity payments from Mining Area C as South Flank approaches completion. The value of this expansion was once again evident as the growth in volumes largely offset softer realised iron ore pricing, which along with an increase in mineral sands royalty revenue, resulted in a net 1.6 per cent decline in underlying royalty revenue.*

*“I am pleased to note the Directors have declared a fully franked dividend of 16.85 cents per share, which combined with the 12.00 cents per share interim dividend paid in March this year brings the total dividend for FY23 to 28.85 cents per share, 100 per cent of net profit after tax.*

*“We continue to look at opportunities to add to our portfolio and our team has evaluated a large number of potential acquisitions and investments, although we have yet to execute on any value accretive opportunities as we maintain our patience and discipline. We recognise our role as financier in a cyclical industry and maintain a long-term focus in our investment decisions. Deterra has maintained a strong balance sheet and has significant liquidity, further enhanced by our announcement today of an increase in our credit facilities to a total of \$500 million, to be able to make value-accretive investments for the benefit of its shareholders throughout the commodity cycle.”*

### **Overview of Financial Performance;**

Revenue for the period was \$229.3 million, a decrease of 14 per cent on the prior year. This decrease in revenue is largely due to a reduction in the one-off capacity payment from Mining Area C (\$13.0 million, down from \$46.0 million in FY22) as the South Flank expansion approaches full capacity.

Revenue royalties from MAC were \$215.2 million, down 1.6 per cent on FY22, as a 14 per cent increase in sales volumes largely offset a 15 per cent decline in iron ore pricing. An additional \$1.1 million was received from ongoing operations at the Yalyalup and Wonnerup mineral sands assets.

Total operating expenses for the period were \$10.3 million. The increase on the prior year reflects an increase in business development activity as the Company continues to invest its growth capability and assess investment opportunities.

### **Dividend:**

The Board has determined to pay a fully franked, final dividend of \$89.1 million or 16.85 cents per share. Together with the interim dividend of \$63.4 million or 12.00 cents per share paid in March this year this brings the total FY23 dividends to \$152.5 million or 28.85 cents per share equal to 100 per cent of NPAT. The final dividend is expected to be paid on 19 September 2023 to shareholders of record on 23 August 2023.

## **FY22 Financial Results Teleconference**

Deterra's Managing Director and Chief Executive Officer, Julian Andrews, and Chief Financial Officer, Brendan Ryan, will host a conference call for equity markets participants to discuss the FY23 financial results. The conference call will take place at 9:30am (AEST) on Tuesday, 15 August 2023. The live audio webcast and on-demand replay of the results briefing will be available at [www.deterraroyalties.com](http://www.deterraroyalties.com) and via the following link:

<https://edge.media-server.com/mmc/p/oro8jp6s>

This document was approved and authorised for release by Deterra's Managing Director.

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