

22 February 2024

## FY24 INTERIM RESULTS

# SOLID OPERATING PERFORMANCE DELIVERS 55% EBITDA MARGIN

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

	Units	H1 FY23	H1 FY24	Change
<b>Physicals</b>				
Production	kt	309.3	<b>320.2</b>	4%
Sales <sup>1</sup>	kt	286.9	<b>306.3</b>	7%
Realised Price <sup>1,2</sup>	US\$/t	4,993	<b>1,645<sup>3</sup></b>	(67%)
<b>Profit and Loss</b>				
Revenue <sup>4</sup>	\$M	2,180	<b>757</b>	(65%)
EBITDA <sup>5</sup>	\$M	1,812	<b>415</b>	(77%)
EBITDA Margin	(%)	83	<b>55</b>	(28%)
Underlying Profit after Tax <sup>6</sup>	\$M	1,242	<b>273</b>	(78%)
Statutory Profit after Tax	\$M	1,242	<b>220</b>	(82%)
<b>Cash Flow</b>				
Cash Margin from Operations	\$M	1,825	<b>536</b>	(71%)
Cash Balance	\$M	2,226	<b>2,144</b>	(4%)

### KEY POINTS

- Spodumene concentrate production increased 4% to 320.2 thousand tonnes (**kt**), compared to the prior corresponding period (**half year ended 31 December 2022 or H1 FY23**). Sales increased 7% to 306.3kt (H1 FY23: 286.9kt).
- The average estimated realised price for spodumene concentrate was US\$1,645/dry metric tonnes<sup>3</sup> (**dmt**) (CIF China) on a ~SC5.3 basis. On an SC6.0 equivalent basis, the average estimated sales price was US\$1,880/dmt (CIF China).
- Revenue declined 65% to \$757M, reflecting a 67% decline in average realised price partly offset by a 7% increase in sales volume.
- EBITDA was 77% lower than prior corresponding period at \$415M, before depreciation and amortisation costs of -\$65M, tax expense of -\$121M, and net financing income of \$44M resulting in an underlying profit after tax of \$273M.
- EBITDA margin remained strong at 55% for the period.
- Statutory Profit after Tax was 82% lower than prior corresponding period reflecting the lower average realised sales price.
- Ending cash balance was \$2,144M, with positive cash margin from operations of \$536M and a 4% decline in cash of \$82M compared to the prior corresponding period.
- P680 Expansion Project (**P680 Project**) and P1000 Expansion Project (**P1000 Project**) progressed on schedule and budget.
- Commissioning commenced on Train 1 at the POSCO Pilbara Minerals' JV chemical plant in South Korea and Final Investment Decision (**FID**) made to construct the Mid-Stream Demonstration Plant Project (**Demonstration Plant Project**).

- Pilgangoora Ore Reserves<sup>7</sup> increased by 35% to 214Mt, and study commenced to explore further expansion of production capacity beyond 1Mtpa.
- Pilgangoora Operation Power Strategy released which is expected to materially reduce power related emissions intensity and unit costs over time.

Commenting on the results for the six-month period ended 31 December 2023 (**H1 FY24**), Pilbara Minerals Limited's (**Pilbara Minerals** or the **Group**) Managing Director and CEO, Dale Henderson said:

*“The first half of the financial year represents a strong set of operational outcomes and successful project milestones that continue to advance the Company’s growth strategy as an emerging lithium materials leader.*

*“The successful delivery of the P680 Primary Rejection Facility was executed and ramped-up during the period providing an expanded production base. This production base will be further extended on completion of the next leg of expansion care of the P1000 Project that is also tracking well. This further capacity increase will provide scale cost benefits and firmly position the Company as a major low-cost lithium materials supplier globally.*

*“Pilbara Minerals’ long-standing objective to participate in lithium chemical manufacturing was advanced with the commencement of commissioning of Train 1 at our POSCO Pilbara Minerals’ JV chemical plant in South Korea. A fantastic milestone for the JV and Pilbara Minerals shareholders.*

*“Strong EBITDA margins of 55% were delivered during the period despite the softer pricing environment for lithium. Although pricing has reduced significantly from the prior year record highs, the Company finds itself in a position of strength. Our strong balance sheet positions the business to navigate any period of softer pricing and provides a competitive advantage relative to many peers within the sector.*

*“To further reinforce the balance sheet, prudent steps were undertaken to further preserve capital including the decision to withhold any interim dividend payment.*

*“With the Company’s low unit-cost structure and strong balance sheet, Pilbara Minerals is uniquely placed to better withstand periods of softer pricing whilst continuing to build-out the production base to capitalise on improved pricing conditions.”*

## **FINANCIAL SUMMARY**

Pilbara Minerals delivered a number of positive financial outcomes in the reporting period with strong EBITDA margins, positive cash margin from operations and a strong ending cash balance despite market price volatility.

Group revenue reduced by 65% to \$757M, driven by a 67% decrease in the average estimated realised price, partly offset by an increase in sales volume of 7% to 306.3kt.

Group EBITDA reduced by 77% to \$415M primarily reflecting lower realised prices partially offset by lower total costs driven by lower royalty expenses and supported by cost reductions.

EBITDA margin remained strong at 55%. Statutory profit after tax decreased 82% to \$220M primarily reflecting the decline in the average realised price.

Ending cash balance of \$2,144M remained largely flat compared to the prior corresponding period ended 31 December 2022.

Operating cash margin decreased 71% to \$536M, with the lower average realised price partly offset by increased sales volume and operational efficiencies. This enabled an increase in capital investment in Plant Property and Equipment of \$398M for expansion programs and operating efficiency including<sup>8</sup> \$211M on the P680 and P1000 expansion projects, \$78M on capitalised mine waste development, \$47M on new projects and enhancements, and \$40M on sustaining capital expenditure.

## PRESERVING BALANCE SHEET STRENGTH

To further preserve the Group's balance sheet strength while it continues investment in the P680 and P1000 Projects, the Board has not declared an interim dividend for the period.

## INVESTOR WEBCAST AND TELECONFERENCE DETAILS

Access the FY24 Interim Results investor, analyst and media webcast today at 7.00am (AWST) / 10.00am (AEDT):

- Retail shareholders and investors – [Webcast link](#)
- Analysts, brokers, fund managers and media – [Teleconference link](#)

*Release authorised by Dale Henderson, Pilbara Minerals Limited's Managing Director and CEO.*

### Contact

#### Investors / shareholders

James Fuller

T: +61 (0) 488 093 763

E: [james.fuller@pilbaraminerals.com.au](mailto:james.fuller@pilbaraminerals.com.au)

#### Media

Michael Vaughan

Fivemark Partners

T: +61 (0) 422 602 720

## About Pilbara Minerals

Pilbara Minerals is the leading ASX-listed lithium company, owning 100% of the world's largest, independent hard-rock lithium operation. Located in Western Australia's resource rich Pilbara region, the Pilgangoora Operation produces spodumene and tantalite concentrates. The significant scale and quality of the operation has attracted a consortium of high quality, global partners including Ganfeng Lithium, General Lithium, POSCO, Chengxin Lithium and Yibin Tianyi.

## Important Information

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein.

Information in this announcement regarding production targets and expansions in nameplate capacity of the Pilgan Plant in respect of the P680 and P1000 projects are underpinned by the Company's existing Ore Reserves that have been prepared by a Competent Person in accordance with the JORC Code (2012 Edition) and were released by the Company to ASX on 24 August 2023. The relevant proportions of proven Ore Reserves and probable Ore Reserves are 9% proved Ore Reserves and 91% probable Ore Reserves. The Company confirms it is not aware of any new information or data that materially affects the information included in that release or report and that all material assumptions and technical parameters underpinning the Ore Reserves estimates continue to apply and have not materially changed.

All references to dollars (\$) and cents in this announcement are to Australian dollars, unless otherwise stated.

## Appendix

### Physicals summary

Total Ore Mined and Processed	UNITS	Sep Q FY24	Dec Q FY24	H1 FY24	H1 FY23
Ore mined	wmt	1,411,017	<b>1,618,748</b>	<b>3,029,765</b>	2,538,284
Waste material	wmt	7,741,062	<b>7,965,907</b>	<b>15,706,969</b>	12,901,285
Total material mined	wmt	9,152,078	<b>9,584,655</b>	<b>18,736,733</b>	15,439,569
Average Li <sub>2</sub> O grade mined	%	1.3%	<b>1.4%</b>	<b>1.3%</b>	1.4%
Ore processed	dmt	852,148	<b>982,028</b>	<b>1,834,176</b>	1,704,892

Total Production and Shipments	UNITS	Sep Q FY24	Dec Q FY24	H1 FY24	H1 FY23
Spodumene concentrate produced	dmt	144,184	<b>175,969</b>	<b>320,153</b>	309,256
Spodumene concentrate shipped	dmt	146,354	<b>159,897</b>	<b>306,250</b>	286,876
Tantalite concentrate produced	lb	8,496	<b>15,392</b>	<b>23,888</b>	34,943
Tantalite concentrate shipped	lb	-	<b>19,128<sup>9</sup></b>	<b>19,128</b>	24,548
Spodumene concentrate grade produced	%	5.2%	<b>5.2%</b>	<b>5.2%</b>	5.2%
Lithia recoveries	%	66.6%	<b>65.9%</b>	<b>66.2%</b>	68.3%

<sup>1</sup> Sales and realised price figures do not include middlings product.

<sup>2</sup> The table below shows the SC6.0 CIF China equivalent price, adjusted pro-rata for an assumed SC6.0 lithia content, compared to the realised price (CIF China) in each period with corresponding lithia content. Lithia content may vary between production and sales figures due to blending and other factors.

Sales	Units	H1 FY23	H1 FY24	(%)
<b>SC6.0 CIF China</b>	US\$/t	5,570	1,880	<b>(66%)</b>
<b>Realised Price CIF China</b>	US\$/t	4,993	1,645	<b>(67%)</b>
<b>Lithia Content</b>	%	~5.4%	~5.3%	<b>(2%)</b>

<sup>3</sup> Average estimated realised price for ~5.3% Li<sub>2</sub>O grade (SC5.3 CIF China) as at 11 January 2024. This included approximately 73 kdmT shipped in December which reflected reference pricing data up to 11 January 2024. The average realised price after all final adjustments is \$1,634/t (SC5.3 CIF China).

<sup>4</sup> H1 FY23 Revenue includes revenue from the sale of spodumene concentrate and middlings concentrate. There were no sales of middlings in the H1 FY24 period.

<sup>5</sup> A bridge from EBITDA (a non-IFRS metric) to the statutory financial statement is provided in the Appendices of the accompanying document "FY24 Interim Financial Results investor presentation" released to the ASX on 22 February 2024.

<sup>6</sup> Underlying Profit after Tax excludes the fair value movement of the Group's call option to increase the Company's interest in the incorporated downstream joint venture (POSCO - Pilbara Minerals Lithium Solutions Co Ltd) from 18% to 30% which is a non-cash item.

<sup>7</sup> For more information see Pilbara Minerals ASX announcement "55Mt increase in Ore Reserves to 214Mt" dated 24 August 2023.

<sup>8</sup> The categories of capital investment for H1 FY24 are based on additions of property, plant, equipment, and mine properties per note 3.3 of the financial statements.

<sup>9</sup> Tantalite sales include provisional volumes, pending final reconciliation and assay results.