

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



---

No. of Pages Lodged: 21

28 September 2017

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

Dear Sir/Madam

## **OM HOLDINGS LIMITED PRESENTATION**

Please find attached a copy of the presentation that is being delivered by Mr. Colin Ouwehand, General Manager Marketing and Trading of OM Materials (S) Pte Ltd, at the 4<sup>th</sup> Asian-Pacific Ferroalloys & Steel International Conference which is being held on Thursday 28<sup>th</sup> September 2017.

Yours faithfully

**OM HOLDINGS LIMITED**



Heng Siow Kwee/Julie Wolseley  
**Company Secretary**



# OM MATERIALS (SARAWAK) SDN. BHD.

*Driving Industry Transformation*

4th Asian-Pacific Ferroalloys & Steel International Conference  
September 2017 – Miri, Sarawak

## DISCLAIMER

This presentation has been prepared and issued by OM Holdings Limited ARBN 081 028 337 (“OMH”). This presentation contains summary information about OMH and its subsidiaries (“OM Group”). The information in this presentation does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with OMH’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“ASX”) which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation is not and should not be considered, and does not contain or purport to contain, an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in OMH (**Securities**) nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. This presentation does not constitute an advertisement for an offer or proposed offer of Securities. Neither this presentation nor anything contained in it shall form the basis of any contract or commitment and it is not intended to induce or solicit any person to engage in, or refrain from engaging in, any transaction. You must not act on the basis of any matter contained in this presentation but must make your own assessment of OMH and conduct your own investigation and analysis. OMH is not licenced to provide financial product advice, either generally or in respect of the Securities.

A number of figures, amounts, percentages, estimates and calculations of value in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

The operating and other information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of OMH's views on the OM Group's future performance or condition. You should note that past performance of the OM Group cannot be relied upon as an indicator of (and provides no guidance as to) future OM Group performance.



## DISCLAIMER (Cont'd)

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. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. 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.

No representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Any forward-looking statements in this presentation speak only as of the date of this presentation. Subject to any continuing obligations under applicable law or regulation (including the listing rules of ASX), OMH disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

OMH has prepared this presentation based on information available to it at the time of preparation, from sources believed to be reliable and subject to the qualifications in this presentation. To the maximum extent permitted by law, the OM Group and its respective directors, employees, officers, representatives, agents, partners, consultants and advisers (each a **Limited Party** and together, the **Limited Parties**) accept no responsibility or liability for the contents of this presentation and make no recommendation or warranties. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of the Limited Parties accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatsoever arising from the use of the information in this presentation or its contents or otherwise arising in connection with it.



# OMH GROUP OVERVIEW

MARKET UPDATE

SARAWAK UPDATE

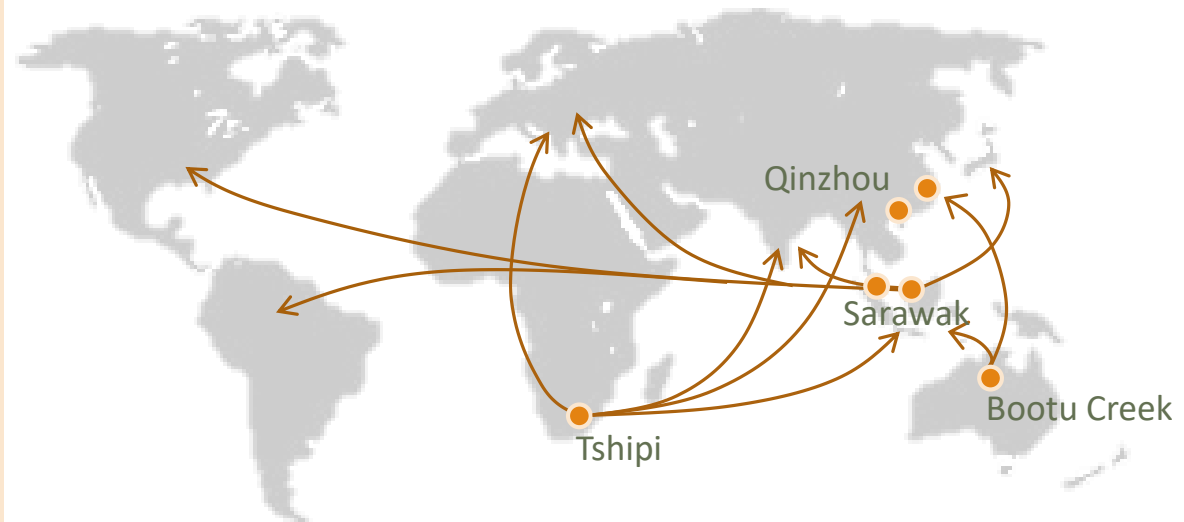


# GROUP INTRODUCTION

OMH together with its subsidiaries (the OM Group), is an integrated commodity player engaged in the business of mining, smelting, trading, and marketing ferroalloys and ores. It operates across the value chain and in 2014 commenced production at its flagship Sarawak smelting asset. This tier one smelter is the largest ferroalloy plant in the region, run on clean hydropower.

OMH's primary market is in East Asia, with a trading network that extends to Europe, USA, South Asia, and the Middle East.

<b>1994</b>	Founded
<b>1998</b>	Listed on ASX
<b>2005 - 2006</b>	Started Bootu Creek mine and Qinzhou smelter
<b>2010</b>	Secured stake in Tshipi Borwa mine
<b>2011</b>	Initiated Sarawak project
<b>2014</b>	Started Sarawak smelter
<b>2016</b>	First furnace conversion at Sarawak



# COMPANY OVERVIEW

## World-class expandable mining and alloy smelting assets

Exploration & Mining	Ferroalloy Smelting	Marketing & Trading
<p><b>Mining - South Africa*</b></p> <ul style="list-style-type: none"> <li>Tshipi Borwa: Manganese ore production capacity of up to 3.0 million MT per annum</li> </ul> <p><b>Mining - Malaysia</b></p> <ul style="list-style-type: none"> <li>Lasah/Lawin: Quartzite production capacity of 300k MT per annum</li> </ul> <p><b>Mining - Australia</b></p> <ul style="list-style-type: none"> <li>Bootu Creek: Manganese ore production capacity of up to 1.0 million MT per annum</li> </ul>	<p><b>Smelting - Malaysia</b></p> <ul style="list-style-type: none"> <li>OM Sarawak : Ferrosilicon and manganese alloys for the carbon and stainless steel industry</li> <li>Production capacity of 170-200k MT of ferrosilicon alloy and 250-300k MT of manganese alloys</li> <li>Joint venture with Cahya Mata Sarawak Berhad, a leading Malaysian conglomerate</li> </ul> <p><b>Smelting - China</b></p> <ul style="list-style-type: none"> <li>OM Qinzhou: Production capacity of 80k MT manganese alloy and 300k MT sinter</li> </ul>	<p><b>Equity Sales, Marketing Agency, Third Party Trading (Singapore, China, Malaysia)</b></p> <ul style="list-style-type: none"> <li>Manganese ore</li> <li>Ferrosilicon</li> <li>Manganese alloys</li> <li>Quartz</li> <li>Coal &amp; Coke</li> <li>Fe units</li> </ul>



\* OMH has an effective 13.0% interest in the Tshipi Borwa mine

# OMH OPERATING SEGMENTS & FUNDAMENTALS

## Manganese Ore

- Sarawak to absorb increasing quantities of Mn ore
- Captive Mn ore assets providing natural synergies
- Increasing captive sinter production a potential strategy



## Manganese Alloys

- OM Sarawak provides a large scale, competitive, long term supply solution
- Cost competitiveness will allow for leadership
- Scale and modular production provides flexibility

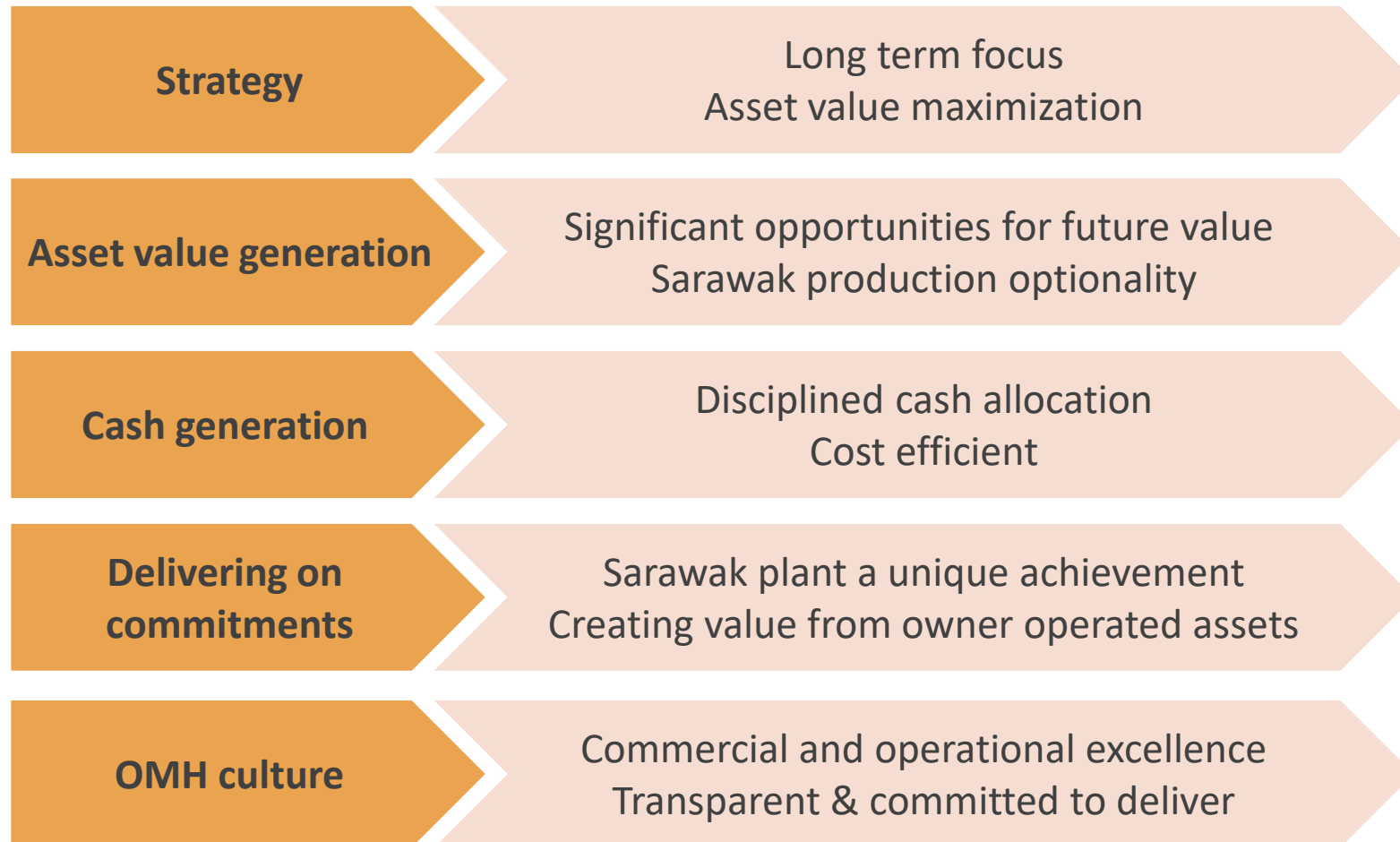


## Ferrosilicon

- A changing landscape in China provides opportunities for Sarawak
- High purity production provides optionality
- Metallic silicon another potential future strategy



# OMH VALUE PROPOSITION





OMH GROUP OVERVIEW

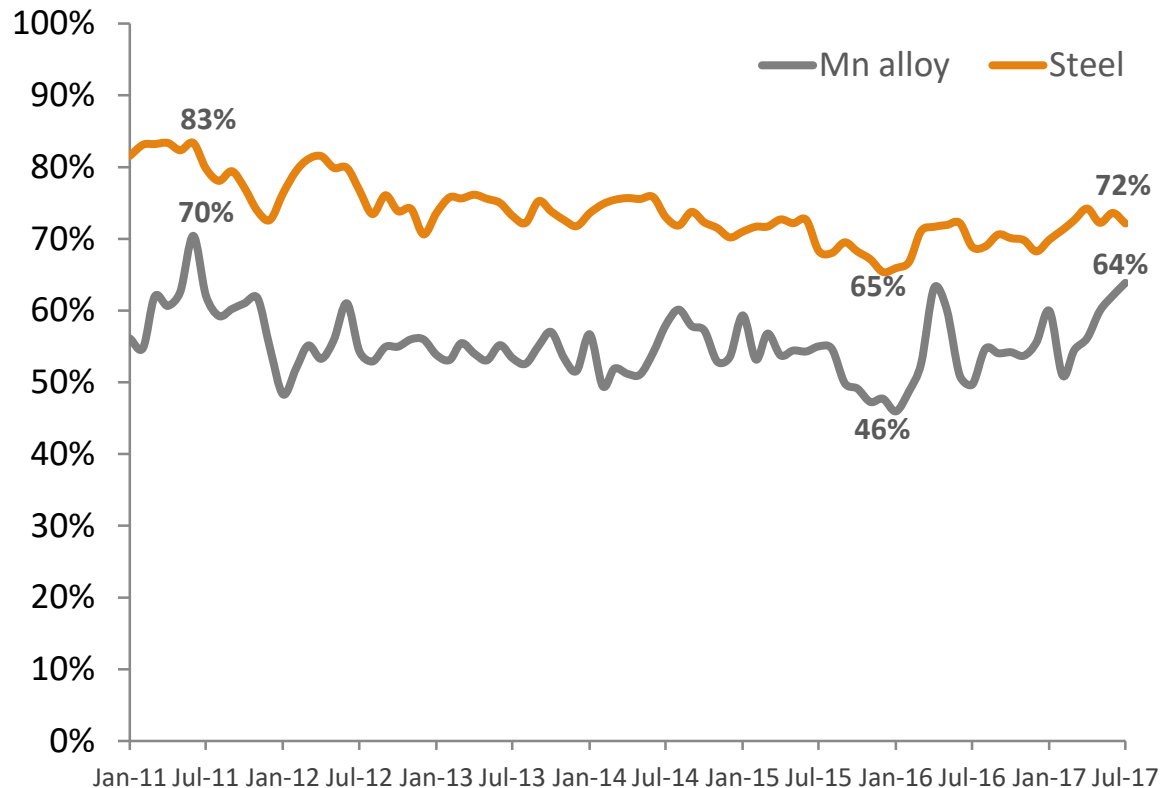
MARKET UPDATE

SARAWAK UPDATE



# GLOBAL UPSWING IN CAPACITY UTILIZATION RATIOS

**Global Monthly Capacity Utilization Ratios  
2011 - 2017**



- Steel utilization ratios recovered from a low of 65%
- Mn alloy utilization ratio recovery after a period of inventory destocking
- Mn alloy capacity utilization typically more responsive than steel
- Utilization ratios underpinning forward Mn ore demand

# ROBUST DEMAND GROWTH SUPPORTING MN ALLOYS MARKET BALANCE

Jan-Jul 2017 In million mt	Supply	% Change in supply	Demand	% Change in demand	Supply & demand balance
China	5.4	↓ -4%	5.1	→ 0%	0.3
Rest of Asia & Oceania	2.6	↑ 25%	2.1	↑ 6%	0.4
CIS	1.1	↑ 8%	0.6	↓ -2%	0.5
Europe	0.7	↑ 1%	1.1	↑ 4%	-0.5
Americas	0.4	↑ 13%	0.9	↑ 3%	-0.5
Africa & Middle East	0.3	↑ 6%	0.3	↑ 3%	0.0
<b>World</b>	<b>10.4</b>	<b>↑ 4.5%</b>	<b>10.1</b>	<b>↑ 2%</b>	<b>0.3</b>

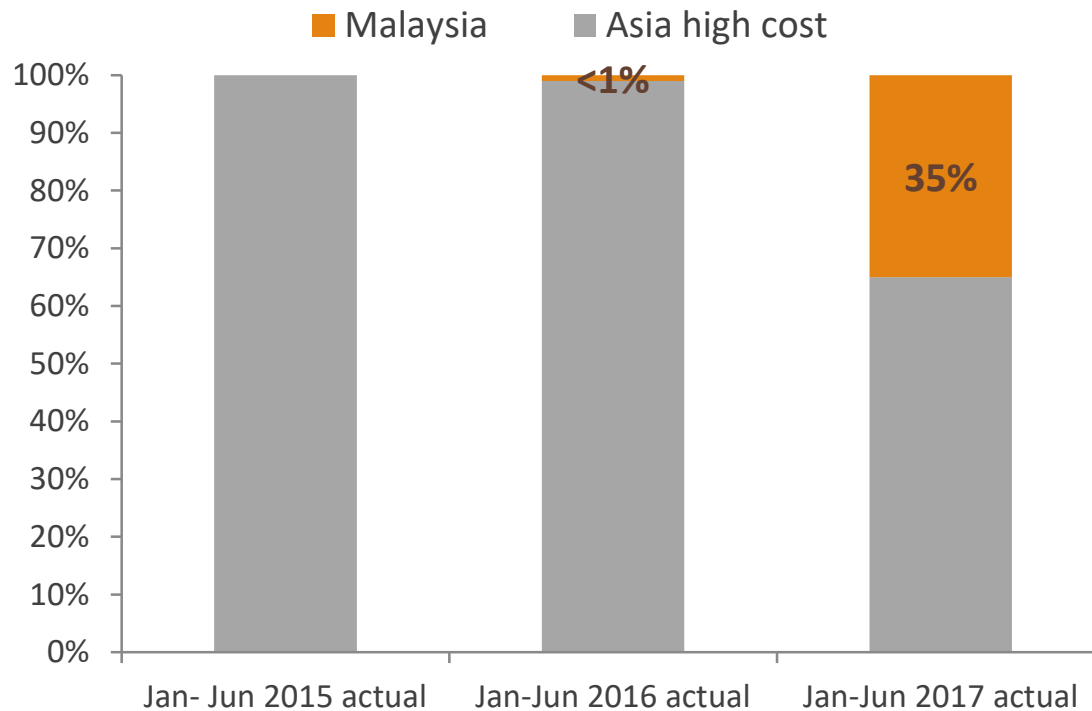
- Healthy industry fundamentals following global destocking trends
- Asia (excluding China) driving supply growth: Malaysia's seaborne share set to grow further
- Asia natural market for Malaysian seaborne supply: ability to fill supply gaps in Western markets



# SARAWAK TO DRIVE THE NEXT TRANSFORMATION CYCLE

The next Asian supply transformation is inevitable

## Asian Mn alloy seaborne supply snapshot



- Pre 2009 seaborne supply dominated by China
- Seaborne supply dominance shifted to S.Korea and India following China's export ban
- Sarawak will drive the next Asian supply transformation from high to low cost supply
- Sarawak uniquely placed to drive this change



# SARAWAK MN ORE DEMAND SET TO GROW

## Sarawak underpinning Asian Mn ore demand growth

Mn ore demand by 2021

Alloy + 1.5% CAGR

Ore + 2.4% CAGR



### Sarawak scenario based on IMnI installed capacities:

- ~500kt Mn alloy capacity
- 1 - 1.2 million mt Mn ore demand

### Potential Sarawak scenario based on additional furnace conversions:

- ~800kt Mn alloy capacity
- 1.6 - 1.8 million mt Mn ore demand

# OM SARAWAK – SUPPLY ADAPTABILITY

## Adaptable smelting hub in sync with market dynamics

### DEVELOPMENT PLAN (NO. OF 25.5 MVA FURNACES)

16 Fesi



#### Original Plan

- Construction completed Q4 2015
- Empty ground to commissioning: 1½ years

8 Fesi



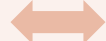
8 Mn Alloys



#### Current Plan

- Successful conversion and tapping of SiMn in Q4 2016, HC FeMn in Q1 2017

Fesi



SiMn



FeMn



#### Adaptable Smelter Complex

- React to market changes with agile conversion
- Plant configuration allows value maximization

### CONVERSION FLEXIBILITY

16 Mn Alloy

SiMn



FeMn



#### If all furnaces converted to Mn...

- Would consume ~2 Mt Mn ore per annum
- Full access to all seaborne ores

SiMet



#### Growth potential

- Potential foray into silicon metal
- Multiple high grade raw material sources



# OMH GROUP OVERVIEW

## MARKET UPDATE

### SARAWAK UPDATE

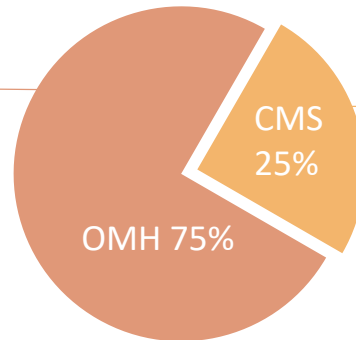


# OM SARAWAK – FUNDAMENTALS

## Project rests on strong fundamental pillars

### OM Holdings Limited (“OMH”)

*Experience*  
*Operational track record*  
*Access to raw materials*  
*Access to markets*



### Cahaya Mata Sarawak Berhad (“CMSB”)

- Conglomerate listed on Bursa Malaysia
- Major presence in Sarawak
- Wide portfolio ranging from construction, materials, and trading to financial services and education

*Local connectivity and support*  
*Access to regional industry*  
*Local risk mitigation*

#### Hydro Power

- 20-year Power Purchase Agreement
- Competitive tariff
- Stable supply

#### Access to Raw Material

- Sited along major sea route
- Access to captive and seaborne Mn Ore supply
- Access to regional raw materials (e.g. Borneo coal)

#### Access to Global Markets

- Multiple transshipment hubs and logistic options
- Competitive freight to Western markets
- Key end-user partners

#### Operational Experience

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

#### Strategic Flexibility

- Able to convert furnaces freely between silicon and manganese
- Able to convert to various grades of Mn alloys
- Option of silicon metal production

#### Sustainability

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



# PROJECT PARTNER – CAHYA MATA SARAWAK BERHAD

## Core businesses of our partner

Cement



Construction Materials



Construction & Road Maintenance



Property Development



Samalaju Development



# PROJECT BACKGROUND

Powered by local hydropower, supported by local infrastructure

## Sarawak Corridor of Renewable Energy (SCORE)

Launched in 2008, supported by competitively priced hydropower. Main hydroelectric project Bakun is 120km away from OM Sarawak.



Source: Samalaju Port website

## Samalaju Port

**2014**

First vessel received  
(2 barge berths)



**H1 2017**

(13.5m draft)  
4 Handymax berth +  
1 Handysize berth +  
Storage Facility



**Future**

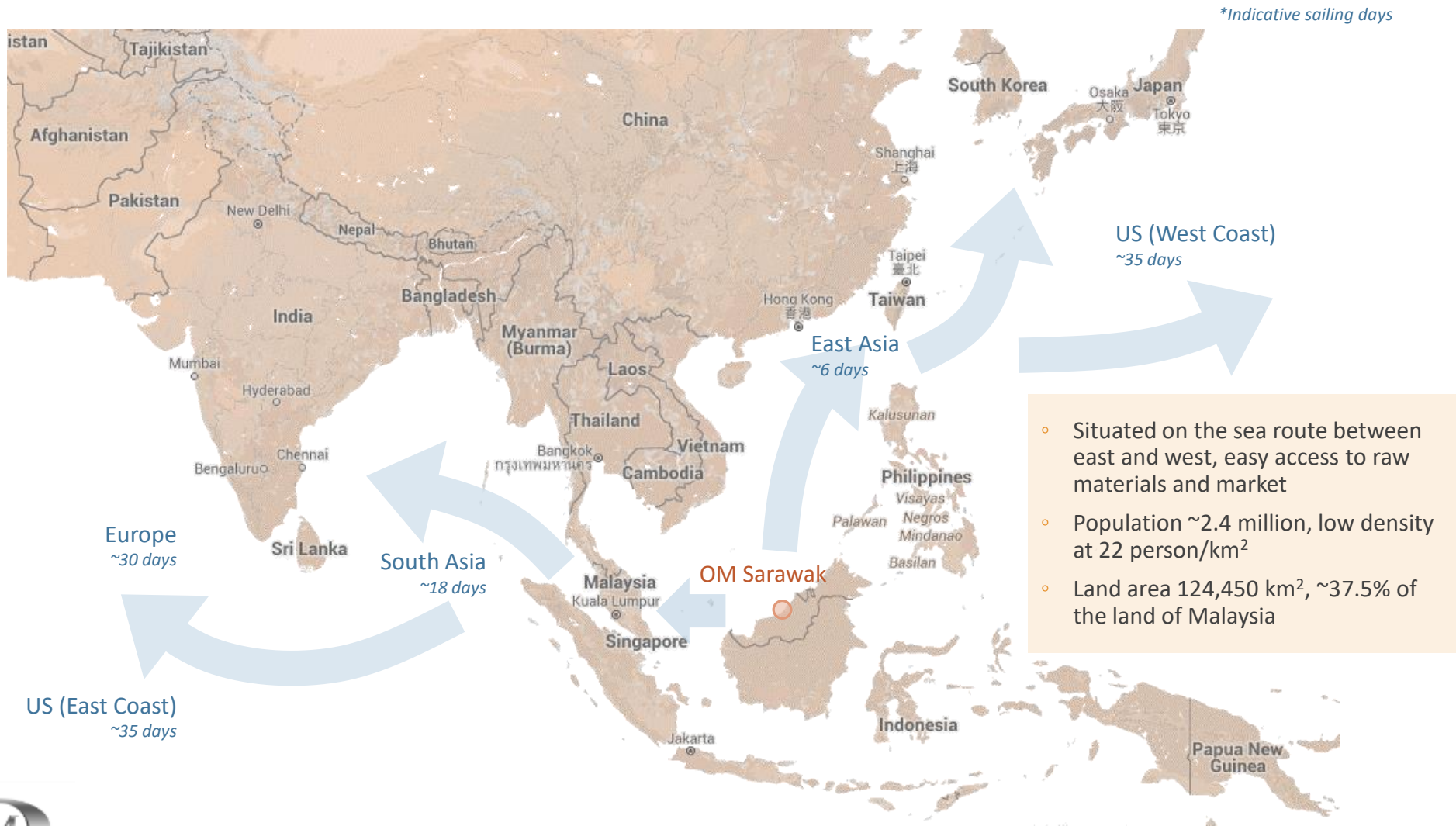
More facilities  
under development



- Purpose-built port for Samalaju Industrial Park
- 7 km from OM Sarawak
- Wholly-owned by Bintulu Port Holdings Berhad
- Developed on a 156 hectare site with a total cost of RM1.9B (~ USD 440 million)

# PROJECT BACKGROUND

Strategically sited with access to global markets





**OM HOLDINGS LIMITED**

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