



Afrimat – 1H FY22 Results

Date: 05 November 2021

Its about Volumes Not Prices

Key message: Iron ore prices have retreated significantly, but we still forecast revenue in FY24 to be 2.4 times that in FY21 due to volume growth in existing and new mines.

- Afrimat released 1H FY22 results, with HEPS up 60.5% to 295.1c off an increase in revenue and operating profit of 55% and 65% respectively. An interim dividend of 40c was declared.
- While high iron ore prices boosted the result (lump ore up over 50%), the investment case for Afrimat continues to be the strong volume growth they are set to realise over the next three years.
- **Iron Ore:** The Jenkins mine has started to contribute and should deliver 650kt to AMSA in the year to June 2022. Production will then increase to 1.25mtpa. Mining costs at Jenkins are lower than Demaneng as it is direct shipping ore (DSO) with minimal beneficiation. With Demaneng continuing to export 875ktpa the iron ore business will more than double over the next 12 months. Mining costs increased as stripping ratios were raised while iron prices were high (management intentionally took the opportunity) – these should reduce now that iron ore prices have moderated.
- **Anthracite:** The Nkomati mine has experienced a strong turnaround and has been profitable from August 2021. After a large operating loss in this period, we expect a recovery to just over breakeven by year end. Anthracite prices are set annually in ZAR and are not linked to international prices.
- **Manganese:** The Gravenhage mine is set to start to produce in early FY24 (all approval obtained end FY22, development FY23). A more conservative mine plan is in place with a 750ktpa mine envisaged initially, bringing down the anticipated capital cost by approx. R500m to R1.1-1.4bn.
- Peak funding for all the above operations is approx. US\$45m (Gravenhage purchase price) and R760m mine development costs. The recent high iron ore prices have reduced the maximum net debt required to R500-600m. At commodity prices lower than current spot rates Afrimat could increase revenues by 2.4 times between FY21 and FY24, with all capital fully funded by internal cashflows.
- This increases our Sum-of-the-Parts valuation to R88 (from R81).

Analyst

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Price (05/11/2021): R52.00

Target Price: R88.00

Market cap R7,668m

Shares in issue 142.5mn

Financial summary

ZARmn (year to February)	FY20	FY21A	FY22E	FY23E	FY24E
Revenue	3304	3694	5147	6059	8977
EBITDA	788	1290	1777	2106	2771
Net income	463	774	1057	1168	1667
Headline EPS (diluted)	344	432	745	820	1170
PE Ratio	8.3	10.0	6.5	5.9	4.1
Dividend	36	148	124	205	433
Dividend yield (%)	4.1%	1.3%	2.6%	4.2%	9.0%

Source: Factset, Company data, Chronux Research estimates

Sponsored Research: Chronux Research is compensated by certain corporates to produce objective and impartial research. A Recommendation is not provided. Earnings forecasts and a Target Price are the independent view of the analyst, based on his/her view of all factors that could influence earnings and peer comparisons. Management has no editorial input.

Figure 1 Financial summary

Financial year to February	FY20	FY21A	FY22E	FY23E	FY24E
ZAR/USD exchange rate	14.77	16.35	14.47	14.90	15.28
Iron ore price - fines spot China (\$/t)	80.50	117.00	127.00	95.00	90.00
Iron ore lump premium (\$/t)	15.00	28.80	25.00	18.00	18.00
Manganese price CIF China (c/mtu)				550	500
Per share data					
Earnings (diluted)	338	559	742	820	1,170
Headline earnings (diluted)	344	432	745	820	1,170
NAV	10.90	14.78	20.43	25.24	32.27
Dividend	36	148	124	205	433
Valuation ratios					
P/E ratio	8.3	10.0	6.5	5.9	4.1
EV/EBITDA	5.2	5.6	3.8	3.2	2.4
P/B	2.29	2.71	2.20	1.80	1.43
Dividend yield	4.1%	1.3%	2.6%	4.2%	9.0%
Income Statement (ZARmn)					
Sales	3,304	3,694	5,147	6,059	8,977
<i>Sales growth</i>		11.8%	39.3%	17.7%	48.2%
Cost of sales	(2,239)	(2,235)	(2,946)	(3,490)	(5,337)
Gross Profit	1,065	1,459	2,201	2,569	3,639
<i>Gross margin</i>	32.2%	39.5%	42.8%	42.4%	40.5%
SG&A Expense	(478)	(571)	(729)	(857)	(1,270)
Other Operating Income/Expense	24	193	36	20	21
EBITDA	788	1,290	1,777	2,106	2,771
<i>EBITDA margin</i>	23.9%	34.9%	34.5%	34.8%	30.9%
Depreciation & Amortisation	(177)	(209)	(269)	(375)	(382)
EBIT (Operating Income)	611	1,081	1,508	1,731	2,389
<i>EBIT margin</i>	18.5%	29.3%	29.3%	28.6%	26.6%
Nonoperating Income - Net	(10)	(22)	(9)	0	0
Net Interest Expense	(28)	(17)	(25)	(67)	(24)
Equity in Earnings of Affiliates	0	0	0	0	0
PBT	573	1,042	1,475	1,664	2,366
Income Taxes	(108)	(265)	(413)	(466)	(663)
<i>Tax rate</i>	18.9%	25.5%	28.0%	28.0%	28.0%
Consolidated Net Income	465	776	1,062	1,198	1,704
Minority Interest	(3)	(3)	(5)	(30)	(37)
Net Income	463	774	1,057	1,168	1,667
Cash flow statement (ZARmn)					
Changes in working capital	(10)	(63)	81	(12)	(13)
Cash from operating activities	677	768	1,339	1,573	2,085
Capital expenditure	(154)	(189)	(389)	(1,644)	(539)
Other	24	(248)	(6)	(450)	(225)
Investing cash flow	(130)	(437)	(394)	(2,094)	(764)
Changes in borrowings	(250)	124	(397)	502	(490)
Dividend paid	(138)	(162)	(213)	(256)	(462)
Other	(49)	(23)	(7)	0	0
Financing cash flow	(437)	(60)	(618)	246	(952)
Change in cash	110	270	327	(274)	370
Balance sheet (ZARmn)					
Total assets	2,795	4,455	4,910	6,133	6,683
Cash and equivalents	168	871	816	543	916
Other current assets	742	980	942	980	1,020
Non-current assets	1,886	2,604	3,152	4,610	4,747
Total liabilities	1,106	2,197	1,782	2,311	1,850
Long-term liabilities	507	934	764	1,261	757
Current liabilities	599	1,263	1,017	1,050	1,093
Total shareholders' funds	1,689	2,258	3,128	3,822	4,833
Net debt/(cash)	128	77	(265)	510	(352)

Source: Factset, Company data, Chronux Research estimates

Valuation

- We value Afrimat using a Sum-of-the-Parts methodology. We value the iron ore assets (Demaneng and Jenkins) using a DCF for the life-of-mine. We have added a valuation for the Nkomati anthracite and Gravenhage manganese mines.
- Our base year for EBITDA multiples is FY23.

Figure 2 Sum-of-the-Parts Valuation – FY23 EBITDA (Base Case)

ZARm	Multiple range	Comment	FY23 EBITDA	EV/EBITDA Multiple	Enterprise Value
Construction Materials	4-6x	Mid range multiple	379	5.0x	1,896
Iron ore		DCF @ WACC (12.8%)			6,334
Manganese		DCF @ 20% (pre-development)			2,446
Anthracite - Nkomati		DCF @ 20% (difficult seam conditions)			1,562
Industrial Minerals	4-6x	Mid range multiple	169	4.0x	675
					12,914
Other assets		From balance sheet			85
Minorities		From balance sheet			-8
Net (debt)/cash		From balance sheet			-510
Equity value					12,481
Number of shares ('m)					142,496
Valuation (ZAR per share)					87.59

Source: Company data, Chronux Research estimates

Construction Materials

- We use a 5 times EBITDA multiple to value this division. This is in line with how we value comparable company Raubex – the two companies have similar construction materials businesses with significant regional footprints.
- Losses in Mozambique totalled approx. R28m (operational losses and depreciation). The moveable capital items have been extracted.
- The W Cape was slow in July/August 2021 due to bad weather.
- The division is still trading at levels lower than FY19/FY20. We do expect margins to recover after the Mozambique losses.

Bulk Commodities

- We value the iron ore operation (Demaneng and Jenkins) using a DCF methodology.
- The Coza acquisition does allow for an extension of the LOM for iron ore exports from 10 years to +20 years (Coza should extend the LOM by more than 20 years). We have included this in our iron ore valuation.
- We now factor in the sale of 1.25mtpa of direct shipping ore (minimal processing required) to AMSA as a boost to earnings, with margins/t expected to be similar to export margins (AMSA will buy the product on an export parity pricing model).
- Sales from the iron ore division will more than double as a result at a similar profit margin. The Coza acquisition provides more than 20 years of reserves for this expanded production – the iron ore division has moved from a limited-life small mine to a significant operation with reserves to maintain production for 30-40 years.
- We have added a valuation for Nkomati Anthracite – we use a high 20% discount rate for the DCF valuation to account for the difficult seam conditions.

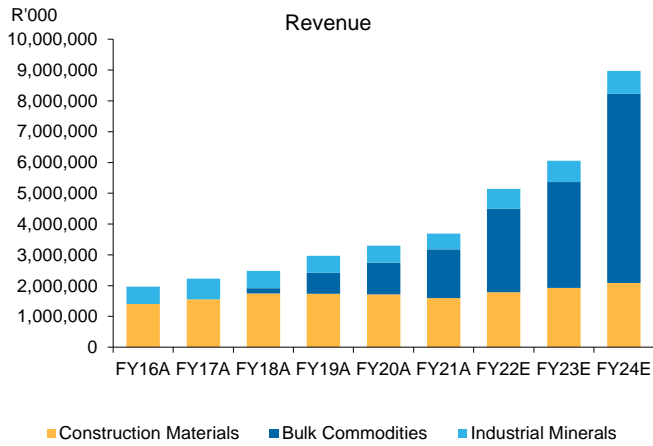
- Nkomati has turned profitable in August 2021, and we expect the full year to be just over breakeven (after a R108m loss in 1H). Afrimat has greatly improved the geological model of the mine and, although mining conditions remain difficult, better mine planning should result in steadier production.
- An underground expansion is planned in FY23 to maintain production volumes.
- The contribution from Gravenhage (manganese) comes in from FY24. We use a DCF valuation for the operation at a relatively high 20% discount rate to account for the development risk of bringing the project into operation.
- Outstanding conditions precedent to finalise the purchase of the deposit include the water use licence and Section 11 transfer of mining rights. Management believe that this could be in place by March 2022.
- The development of the mine will start when these conditions are met, and a development phase of 12 months is expected before first revenue. This is likely to occur only in FY24 at development cost of approx. R600m.
- The mine will initially produce 750ktpa and will ramp up to 1.5mtpa using internal cashflows.
- A purchase consideration of US\$30m is payable on the conditions being met, with a further US\$15m 12 months after the first revenue is produced.
- The Gravenhage deposit will produce oxide grade manganese ore, which trades at a premium to the normal carbonate ore. Demand is not expected to be a limiting factor.

Industrial Minerals

- We use a 4 times EBITDA multiple to value this division. Afrimat has well-placed quarries close to market with high-grade material.
- Margins are under pressure in this division as major customers have faced difficult financial conditions. An improvement in 2H is expected.

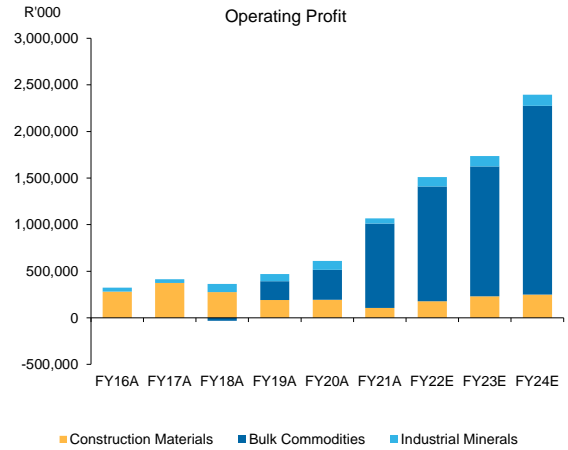
Group Forecast

Figure 3 Group Revenue



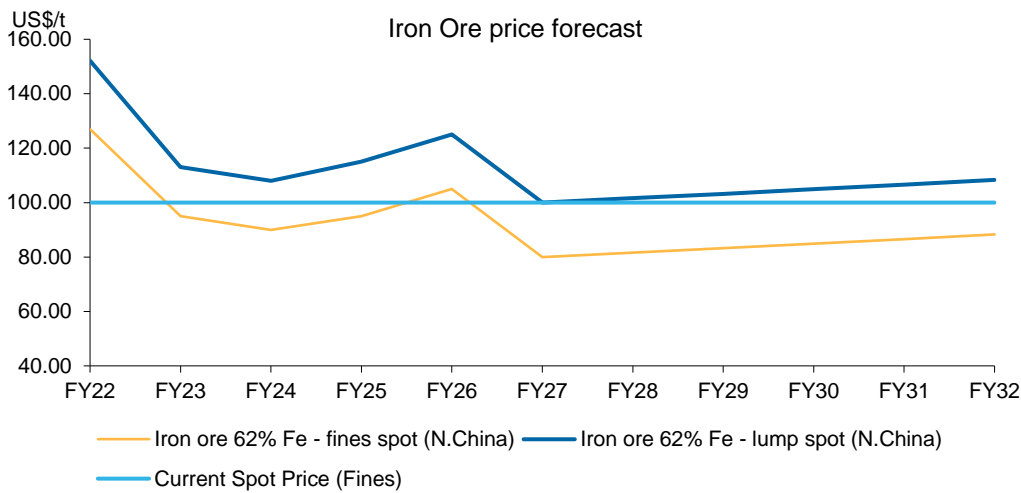
Source: Company data, Chronux Research

Figure 4 Group Operating Profit



Source: Company data, Chronux Research

Figure 5 Iron Ore Fines Price Forecasts (US\$/t)



Source: Company data, Chronux Research

- We have made some changes to our iron ore price forecast, which follows Macquarie commodity forecasts.

Figure 6 Macquarie Commodity Price Forecasts

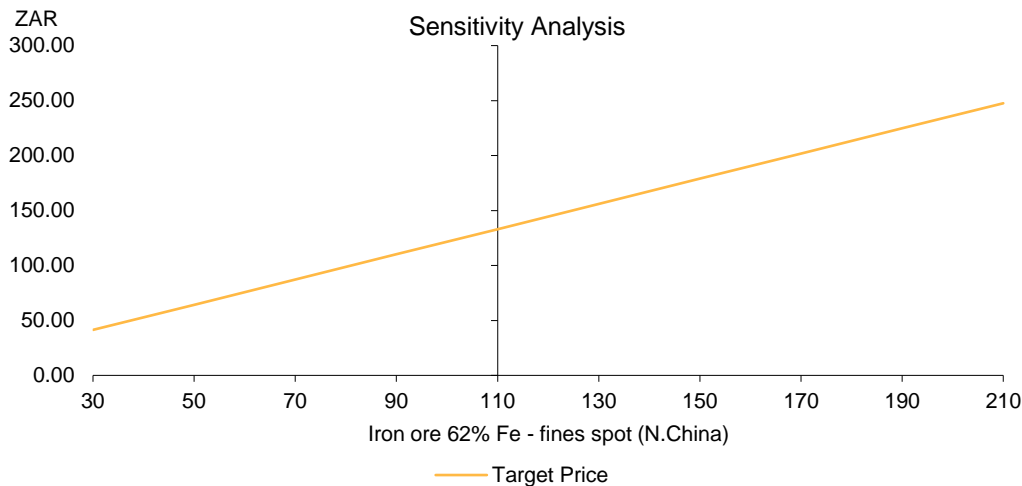
commodity	unit	LT price 2020\$ real	Sep-21 est.	Dec-21 est.	Mar-22 est.	Jun-22 est.	Sep-22 est.	2021 est.	2022 est.	2023 est.	2024 est.	2025 est.	2026 est.
copper	\$/tonne	7,500	9,400	9,000	8,750	8,750	8,500	9,149	8,563	8,000	8,250	8,750	9,250
aluminium	\$/tonne	2,250	2,650	3,000	2,850	2,750	2,650	2,535	2,713	2,650	2,700	2,600	2,600
zinc	\$/tonne	2,250	2,985	3,000	2,850	2,750	2,600	2,912	2,675	2,400	2,450	2,500	2,550
nickel	\$/tonne	17,000	19,150	18,750	18,500	18,000	17,500	18,195	17,750	16,500	17,000	18,500	19,500
lead	\$/tonne	1,820	2,360	2,075	1,900	1,900	1,900	2,144	1,900	1,850	1,875	1,900	1,950
tin	\$/tonne	26,000	34,712	36,000	35,000	32,000	32,000	31,820	32,750	29,000	28,000	31,000	34,000
gold	\$/oz	1,400	1,790	1,725	1,700	1,650	1,600	1,781	1,625	1,500	1,600	1,650	1,700
silver	\$/oz	20.0	24.30	21.00	20.00	20.00	19.00	24.55	19.50	19.50	21.25	23.00	24.50
platinum	\$/oz	1,050	1,025	1,000	1,050	1,050	1,100	1,093	1,100	1,275	1,200	1,275	1,300
palladium	\$/oz	1,000	2,450	2,050	2,150	2,250	2,200	2,424	2,175	1,850	1,500	1,250	1,200
rhodium	\$/oz	2,000	17,000	15,000	17,000	15,000	12,000	20,294	13,500	8,000	5,000	3,000	2,750
iron ore, spot fines	\$/tonne, cif China	80	160	100	135	120	110	157	120	95	90	95	105
iron ore, spot lump	\$/tonne, cif China	96	172	108	150	144	132	178	141	113	108	115	125
hard coking coal	US\$/tonne, fob Aust	145	270	320	250	220	175	214	205	150	200	175	165
LV-PCI	US\$/tonne, fob Aust	106	185	224	160	150	119	157	137	113	147	130	124
semi-soft coking coal	US\$/tonne, fob Aust	97	188	224	143	134	107	154	123	102	133	117	107
manganese ore	\$/mt, cif China	4.70	5.20	5.50	5.50	5.50	5.50	5.18	5.50	5.00	5.50	5.00	5.30
steel (avg HRC)	\$/tonne	457	1,281	1,114	895	755	720	1,115	769	604	619	650	675
steel scrap (avg #1HMS)	\$/tonne	230	468	400	496	442	417	434	447	360	345	360	398
thermal coal, spot	US\$/tonne, fob Aust	56	165	210	185	165	140	142	153	80	68	66	66
thermal coal, JFY	US\$/tonne, fob Aust	58	110	110	110	160	160	100	147	123	80	68	68
EU carbon	EUR/t, spot	80	60	60	65	65	65	52	65	70	80	70	75
alumina	US\$/tonne, spot fob Aust	288	320	440	420	380	350	334	370	320	325	337	340
ferrochrome	c/lb, EU	130	156	170	170	160	155	150	154	134	143	150	155
molybdenum	\$/lb	11.00	19.09	17.00	15.00	14.00	13.00	15.30	13.50	12.00	12.00	12.00	13.00
cobalt	\$/lb (99.8%)	28.5	24.50	24.00	23.00	23.00	23.00	22.83	23.50	25.50	26.25	27.00	27.00
lithium	\$/tonne, Asia Carbonate	13,000	11,677	13,500	15,000	20,000	20,000	11,072	18,500	17,750	16,125	15,250	14,500
crude oil - Brent	\$/bbl	56.00	72.00	72.00	68.00	65.00	60.00	68.60	62.75	58.00	59.50	61.03	62.60
crude oil - WTI	\$/bbl	52.00	68.00	67.50	63.50	60.50	55.50	64.94	58.25	53.85	55.25	56.67	58.13
natural gas - HH	\$/mmBtu	2.80	4.40	4.80	4.40	3.65	3.40	3.77	3.71	2.69	2.76	2.83	2.91

Source: Macquarie Commodity Strategy, LME, CME, ICE, Bloomberg, Platts, (i.e. 2021\$ real, active from 2026), Sept 2021

Source: Macquarie Commodity Strategy, Chronux Research

Sensitivity

- Our valuation is most sensitive to the iron ore price and currency – the most volatile variables for Afrimat. The following chart shows the AFT valuation sensitivity to the iron ore price.

Figure 7 Sensitivity to Iron Ore Prices

Source: Company data, Chronux Research

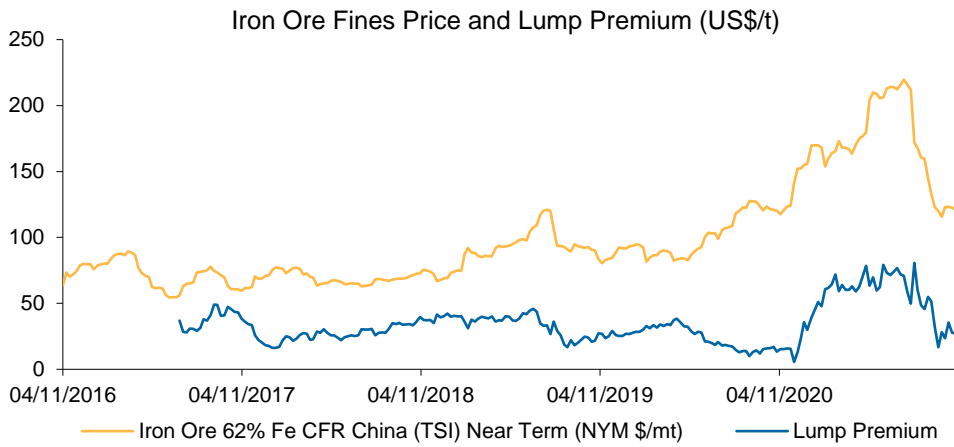
Coza Mining acquisition

- Afrimat has announced the acquisition of 100% of Coza Mining (Pty) Ltd for R300m. Coza owns adjacent properties to Demaneng with iron ore and manganese resources.
- The price paid works out to less than US\$1/ton direct shipping ore – with further resources still to be explored. Management have previously been wary of reserves for sale at around US\$1/ton, considering that too expensive (Demaneng was purchased at US\$0.33/ton).
- Coza has three iron ore projects that would be able to extend the life of the iron ore export operation of Demaneng, where reserves are limited, and the current mine life is approx. 10 years.
- Coza has reserves 20mt of high-quality direct shipping ore (minimal beneficiation required). This deposit is earmarked for sale to AMSA. Further deposits are present for the future extension of iron ore exports when the Demaneng deposit is exhausted. Management believe that the resources will extend the LOM for exporting iron ore by at least 20 years.
- Arcelor Mittal South Africa (AMSA) is part of the selling group and a sales agreement to AMSA has been negotiated. This entails AMSA purchasing 1.25mtpa of direct shipping ore. Margins per ton are expected to be similar to export margins (AMSA will buy the product on an export parity pricing model).
- The DMRE has granted mining rights for iron ore and manganese on the three farms involved in the transaction.
- Capital of R110m is expected to start mining operations.
- While separate mining operations would be established, the proximity of the Coza reserves would allow the relatively easy transfer of mining assets as new reserves are exploited. The processing plant on the Demaneng property would be used for ongoing mineral processing.

Iron Ore forecasts

- Iron ore prices and the lump premium have enjoyed a spike over the recent year, with prices pulling back sharply recently.

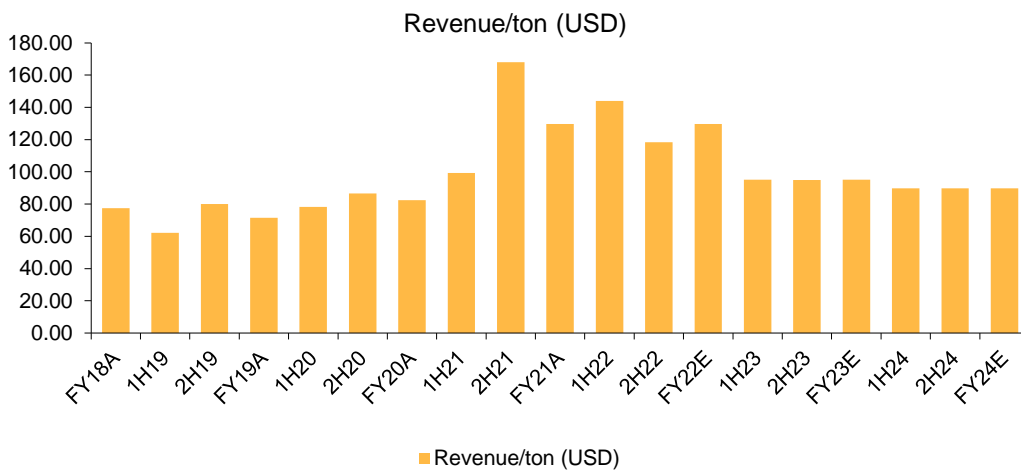
Figure 8 Iron Ore Price



Source: Company data, Chronux Research

- The revenue per ton for the division has also experienced a spike. We do see iron ore prices settling to below USD100/t in the forecast period.

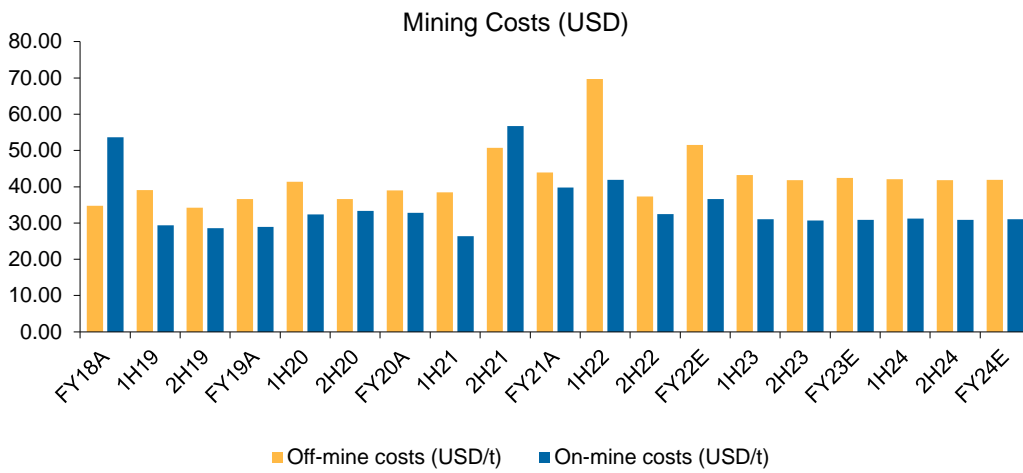
Figure 9 Revenue per Ton (USD)



Source: Company data, Chronux Research

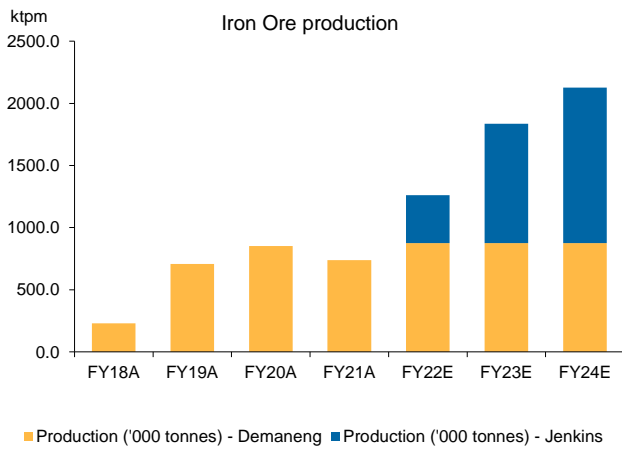
- Afrimat has used the opportunity to increase the stripping ratio while iron ore prices were very high and on-mine costs have increased as a result. We do expect the on-mine costs to return to historic levels now that iron ore prices have normalised.
- Off-mine costs also spiked in recent periods, mainly due to significantly increased freight rates.

Figure 10 Cost per Ton (USD)



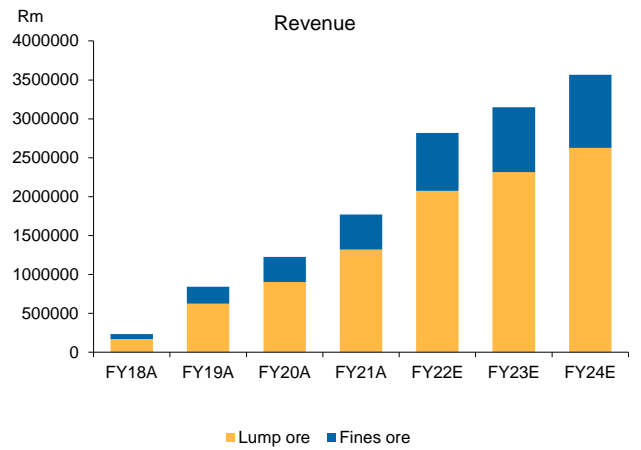
Source: Company data, Chronux Research

Figure 11 Iron Ore - Production



Source: Company data, Chronux Research

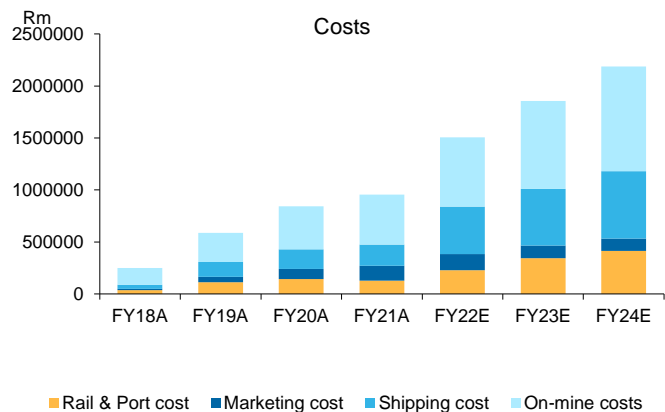
Figure 12 Iron Ore - Revenue



Source: Company data, Chronux Research

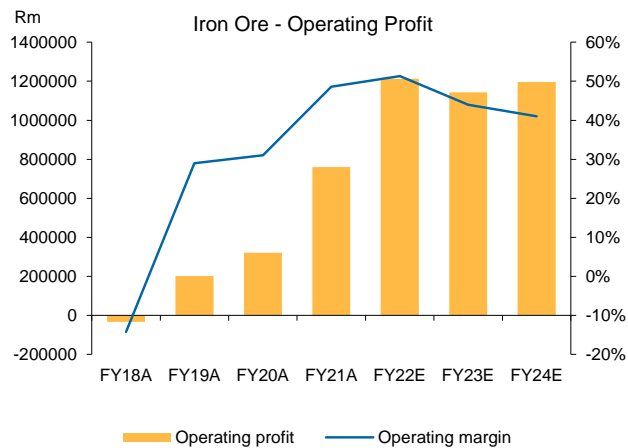
- Jenkins has come into operation and should ramp up to full production in FY24. This should result in continued revenue growth for the iron ore division for the next few years.

Figure 13 Iron Ore - Cost breakdown



Source: Company data, Chronux Research

Figure 14 Iron Ore – Operating Profit



Source: Company data, Chronux Research

Iron Ore DCF Valuations

Figure 15 Iron Ore DCF Model

Table with 23 columns (FY18A to FY21) and 23 rows (FY19 to FY21). Rows include Life of mine, Production (ktpm), Production (000 tonnes), Lump ore (000 tonnes), Fine ore (000 tonnes), Lump ore %, ZAR/USD, Iron ore 62% Fe - fines spot (N.China), Iron ore 62% Fe - lump spot (N.China), Fines premium, Lump premium, Adjusted fines - 62% Fe and other (Si), Adjusted lump - 65.3% Fe and other (Si), Sth Africa to China, Rail & port cost, Transport & siding costs, One mine costs, Sales, Revenue, Lump ore, Fines ore, Rail & Port cost, Transport & siding costs, Shipping cost, Operating profit, Operating margin, On-mine profit (ZAR/t), Off-mine costs (USD/t), Free cash flow, DCF @ WACC (Rm), Terminal value (present value), WACC.

Source: Company data, Chronux Research estimates

Figure 16 Iron Ore DCF Model (Spot)

Table with 23 columns (FY18A to FY21) and 23 rows (FY19 to FY21). Rows include Life of mine, Production (ktpm), Production (000 tonnes), Lump ore (000 tonnes), Fine ore (000 tonnes), Lump ore %, ZAR/USD, Iron ore 62% Fe - fines spot (N.China), Iron ore 62% Fe - lump spot (N.China), Fines premium, Lump premium, Adjusted fines - 62% Fe and other (Si), Adjusted lump - 65.3% Fe and other (Si), Sth Africa to China, Rail & port cost, Transport & siding costs, One mine costs, Sales, Revenue, Lump ore, Fines ore, Rail & Port cost, Transport & siding costs, Shipping cost, Operating profit, Operating margin, On-mine profit (ZAR/t), Off-mine costs (USD/t), Free cash flow, DCF @ WACC (Rm), Terminal value (present value), WACC.

Source: Company data, Chronux Research estimates

Nkomati

- Nkomati was purchased for an effective price of R350m (incl 250m of working capital - R170m for the open pit and R80m for the underground operation). R100m of capex remains to get the mine to full production, with R14m of this spent in 1H.
- The open pit mine requires overburden stripping to access reserves. The underground mine has collapsed, and a new decline shaft needs to be opened to access these reserves.
- The mine should be able to generate approx. R200-220m PAT. The payback period for the purchase could be as short as 2-3 years.

Figure 17 Nkomati Model

Nkomati Mine											
ZAR000's	FY19A	FY20A	1H22	2H22	FY22E	1H23	2H23	FY23E	1H24	2H24	FY24E
Production ('000tpm)	31	70	16.1	50.0	33.0	67.0	67.0	67.0	67.0	93.8	80.4
Yield	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%
Sales ('000tpm)	17.3	39.2	8.99	28.0	18.50	37.5	37.5	37.5	37.5	52.5	45
Sales ('000t)	207.76	470.4	54.0	168.0	222	225	225	450	225	315	540
Anthracite price (R/t)	1300	1800	1100	1751	1600	1850	1850	1850	1943	1943	1943
<i>Reported revenue</i>			60,924								
Revenue	270	846720	60924	294276	355200	416250	416250	832500	437063	611888	1048950
<i>Reported OP</i>			-107,876								
Operating profit			-107876	125636	17760	124875	124875	249750	131119	183566	314685
<i>Operating margin</i>			0%	43%	5%	30%	30%	30%	30%	30%	30%
PBT			-107876	125636	17760	124875	124875	249750	131119	183566	314685
Tax			-30205	35178	4973	34965	34965	69930	36713	51399	88112
PAT			-77671	90458	12787	89910	89910	179820	94406	132168	226573

Source: Company data, Chronux Research estimates

- Nkomati mines high grade anthracite, which is in high demand from South Africa's ferro alloy producers. The ferrous metals producers are dependent upon high grade anthracite with low impurities, such as low volatile matter (<9%), low sulphur (<1.0%) and low phosphorus (<0.03%) to produce quality ferro steel and ferro chrome. Glencore is a key local customer, with anthracite prices set on an annual basis giving some stability to pricing. Current prices are approx. R1800/t.
- Nkomati's anthracite has the lowest sulphur impurities (<0.5%) of all anthracite producers in South Africa, while its phosphorus levels are on par (<0.03%) with the best producing mines. The combination of very low sulphur and phosphorous content of Nkomati's deposit makes it sought after and positions the mine as a key supplier to the local market.

Figure 18 Nkomati DCF Model

Nkomati Mine																					
ZAR000's	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	
Production ('000tpm)	33.03571	66.96429	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	80.35714	
Yield	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%	
Sales ('000tpm)	18.5	37.5	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	
Sales ('000t)	222	450	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	
Anthracite price (R/t)	1600	1850	1942.5	2001	2061	2123	2186	2252	2319	2389	2461	2535	2611	2689	2770	2853	2938	3026	3117	3211	
Revenue	355200	832500	1048950	1080419	1112831	1146216	1180602	1216021	1252501	1290076	1328778	1368642	1409701	1451992	1495552	1540418	1586631	1634230	1683257	1733755	
Operating profit	17760	249750	314685	324125.6	333849.3	343864.8	354180.7	364806.2	375750.3	387022.9	398633.5	410592.5	422910.3	435597.6	448665.6	462125.5	475989.3	490269	504977	520126.4	
<i>Operating margin</i>	5%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	
PBT	17760	249750	314685	324125.6	333849.3	343864.8	354180.7	364806.2	375750.3	387022.9	398633.5	410592.5	422910.3	435597.6	448665.6	462125.5	475989.3	490269	504977	520126.4	
Tax	4973	69930	88112	90755	93478	96282	99171	102146	105210	108366	111617	114966	118415	121967	125626	129395	133277	137275	141394	145635	
PAT	12787	179820	226573	233370	240372	247583	255010	262660	270540	278656	287016	295627	304495	313630	323039	332730	342712	352994	363583	374491	
Free cash flow																					
Operating profit	17760	249750	314685	324126	333849	343865	354181	364806	375750	387023	398634	410593	422910	435598	448666	462126	475989	490269	504977	520126	
Tax	4973	69930	88112	90755	93478	96282	99171	102146	105210	108366	111617	114966	118415	121967	125626	129395	133277	137275	141394	145635	
Depreciation&Amortisation	17724	18079	18440	18809	19185	19569	19960	20360	20767	21182	21606	22038	22479	22928	23387	23854	24332	24818	25315	25821	
Expansion capex		-100000																			
Maintenance capex	5%	-17760	-41625	-52448	-54021	-55642	-57311	-59030	-60801	-62625	-64504	-66439	-68432	-70485	-72600	-74778	-77021	-79332	-81711	-84163	
FCF	22697	196134	368790	379669	390871	402405	414282	426510	439102	452068	465418	479164	493319	507894	522901	538354	554266	570651	587522	604895	
DCF @ WACC (Rm)		1,562,094																			
WACC		20.0%																			

Source: Company data, Chronux Research estimates

Gravenhage acquisition

- Afrimat announced the acquisition of the Gravenhage manganese mining right in the Northern Cape (50km north of Hotazel). Afrimat has been looking at manganese for some time as it complements the bulk commodity mining business already established in the region.
- Gravenhage is an undeveloped long-life resource in the northern part of the Kalahari Manganese Field. A long legal battle delayed the award of a mining right for the deposit to seller Aquila Steel, with the Constitutional Court in February 2019 eventually upholding a High Court ruling to award the mining right to Aquila.
- The purchase price is US\$45m plus R15m for the property. A first tranche of US\$30m will be paid on fulfilment of the conditions precedent (key being section 11 transfer of mining right and Water Use License) plus R15m for the property purchase. A second tranche of US\$15m will be payable at the earlier of Afrimat diluting its mining right interest to less than 50% or 12 months after the first product is mined.
- A summary of the deposit can be found on the Aquila Resources website ([click here](#)). We include these details in this report.
- The project is viable using trucks to transport the ore as opposed to rail (rail R700/t and trucks R1000/t), although a rail option is being discussed with Transnet.
- Afrimat can fund the acquisition and development of the mine through existing cash flows and some debt – a capital raise is not necessarily required.

Figure 19 Gravenhage Model

ZAR000's	1H22	2H22	FY22E	1H23	2H23	FY23E	1H24	2H24	FY24E	1H25	2H25	FY25E
Production ('000tpm)	0	0	0	0	0	0	62.5	62.5	62.5	125	125	125
Sales ('000t)	0	0	0	0	0	0	62.5	62.5	62.5	125	125	125
Sales ('000t)	0	0	0	0	0	0	375	375	750	750	750	1500
<i>Lump</i>	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
<i>Fines</i>	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Mn content	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%
On mine cost (R/t)	800	800	800	824	824	824	849	849	849	874	874	874
Off mine cost												
- Transport (R/t)	850	850	850	876	876	876	902	902	902	929	929	929
- Marketing (3% of revenue)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
- Shipping (\$/t)	25	25	25	25	25	25	25	25	25	25	25	25
ZAR/USD	14.31	14.62	14.47	14.81	14.99	14.90	15.18	15.37	15.28	15.56	15.76	15.66
Manganese price (c/mtu CIF China)	510	550	530	550	550	550	500	500	500	550	550	550
Discount			3%	3%		3%	3%		3%	3%	3%	3%
Fines discount			20%	20%		20%	20%		20%	20%	20%	20%
Revenue				0	0	0	1082387	1095959	2178346	2440783	2471388	4912171
- Lump				0	0	0	848988	859634	1708622	1914468	1938474	3852943
- Fines				0	0	0	233399	236325	469724	526314	532914	1059228
On mine cost				0	0	0	318270	318270	636540	655636.2	655636.2	1311272
Off mine cost				0	0	0	512949.8	515141.5	1028091	1061585	1066162	2127747
Operating profit				0	0	0	251167	262548	513715	723561	749590	1473151
<i>Operating margin</i>				#DIV/0!	#DIV/0!	#DIV/0!	23%	24%	24%	30%	30%	30%
PBT				0	0	0	251167	262548	513715	723561	749590	1473151
Tax				0	0	0	70327	73513	143840	202597	209885	412482
PAT				0	0	0	180840	189034	369875	520964	539705	1060669

Source: Company data, Chronux Research estimates

Figure 20 Gravenhage DCF Model

Gravenhage Mine	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
ZAR000's	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42
Production (000tpm)	0	0	62.5	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125
Sales (000tpm)	0	0	62.5	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125
Sales (000t)	0	0	750	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
Lump	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Fines	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Mn content	41%	41%	41%	41%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
On mine cost (R/t)	800	800	800	824	849	874	900	927	955	984	1,013	1,044	1,075	1,107	1,141	1,175	1,210	1,246	1,284	1,322	1,362
Off mine cost																					
- Transport (R/t)	850	850	850	876	902	929	957	985	1,015	1,045	1,077	1,109	1,142	1,177	1,212	1,248	1,286	1,324	1,364	1,405	1,447
- Marketing (3% of revenue)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
- Shipping (\$/t)	25	25	25	25	25.5	26.0	26.5	27.1	27.6	28.2	28.7	29.3	29.9	30.5	31.1	31.7	32.3	33.0	33.6	34.3	35.0
ZAR/USD	14.47	14.90	15.28	14.83	15.20	15.58	15.97	16.37	16.78	17.20	17.63	18.07	18.52	18.98	19.46	19.94	20.44	20.95	21.48	22.01	22.56
Manganese price (\$/mtu CIF China)	5.10	5.50	5.00	5.50	5.00	5.30	4.70	4.79	4.89	4.99	5.09	5.19	5.29	5.40	5.51	5.62	5.73	5.84	5.96	6.08	6.20
Discount	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Fines discount	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Revenue	0	0	2178346	4652156	4017771	4365308	3967900	4148440	4337194	4534536	4740858	4956567	5182090	5417875	5664389	5922118	6191575	6473292	6767826	7075762	7397710
- Lump	0	0	1708622	3648996	3151405	3424002	3112288	3253898	3401950	3556739	3718570	3877765	4064658	4249600	4442957	4645112	4856464	5077434	5308457	5549892	5802516
- Fines	0	0	469724	1003160	866366	941306	856612	894542	935244	977798	1022287	1068801	1117432	1168275	1221432	1277007	1335110	1395858	1459370	1525771	1595193
On mine cost	0	0	600000	1236000	1273080	1311272.4	1350610.6	1391128.9	1432862.8	1475848.6	1520124.1	1565727.8	1612699.7	1661080.6	1710913.1	1762240.5	1815107.7	1869560.9	1925647.7	1983417.2	2042919.7
Off mine cost	0	0	989267.61	2008890.2	2054557.6	2132015.8	2189546.6	2266928.1	2347163.2	2430361.7	2516637.7	2606110.2	2698902.7	2795143.6	2894966.7	2998511.1	3105921.4	3217348.3	3332948.3	3452884.5	3577326.3
Operating profit	0	0	589079	1407266	690133	922020	427743	490383	557168	628326	704096	784729	870488	961651	1058509	1161367	1270546	1386382	1509230	1639461	1777464
Operating margin	#DIV/0!	#DIV/0!	27%	30%	17%	21%	11%	12%	13%	14%	15%	16%	17%	19%	19%	20%	21%	21%	22%	23%	24%
PBT	0	0	589079	1407266	690133	922020	427743	490383	557168	628326	704096	784729	870488	961651	1058509	1161367	1270546	1386382	1509230	1639461	1777464
Tax	0	0	164942	394034	193237	258166	119768	137307	156007	175931	197147	219724	243737	269262	296383	325183	355753	388187	422584	459049	497690
PAT	0	0	424137	1013231	496896	663854	307975	353076	401161	452395	506949	565005	626751	692389	762127	836184	914793	998195	1086646	1180412	1279774
Free cash flow																					
Operating profit	0	0	589079	1407266	690133	922020	427743	490383	557168	628326	704096	784729	870488	961651	1058509	1161367	1270546	1386382	1509230	1639461	1777464
Tax	0	0	-164942	-394034	-193237	-258166	-119768	-137307	-156007	-175931	-197147	-219724	-243737	-269262	-296383	-325183	-355753	-388187	-422584	-459049	-497690
Depreciation&Amortisation	0	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
Expansion capex																					
Maintenance capex	2.5%	0	-54459	-116304	-100444	-109133	-99198	-103711	-108430	-113363	-118521	-123914	-129552	-135447	-141610	-148053	-154789	-161832	-169196	-176894	-184943
FCF	0	100000	469677.93	996927.34	496451.72	654721.64	308777.56	349364.62	392731.02	439031.2	488427.46	541090.37	597199.12	656942	720516.78	788131.24	860003.58	936362.98	1017450.1	1103517.7	1194831.1

DCF @ WACC (Rm) 2,446,297

WACC 20.0%

Source: Company data, Chronux Research estimates

Divisional Forecast

Figure 21 Divisional Forecast

Divisional Data									
ZAR000's	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	1,969,786	2,228,157	2,481,231	2,966,399	3,304,376	3,693,759	5,147,203	6,058,569	8,976,612
Construction Materials	1,409,937	1,553,285	1,745,489	1,739,496	1,714,180	1,595,055	1,786,462	1,929,379	2,083,729
Bulk Commodities			175,985	682,198	1,037,513	1,584,413	2,717,878	3,434,897	6,143,047
- Iron ore - Demaneng			175,985	682,198	1,037,513	1,551,661	1,642,624	1,241,667	1,201,410
- Iron ore - Jenkins							720,054	1,360,731	1,714,341
- Manganese								0	2,178,346
- Nkomati						32,752	355,200	832,500	1,048,950
Industrial Minerals	559,849	674,872	559,757	544,705	552,683	514,291	642,864	694,293	749,836
Revenue growth		13.1%	11.4%	19.6%	11.4%	11.8%	39.3%	17.7%	48.2%
Construction Materials		10.2%	12.4%	-0.3%	-1.5%	-6.9%	12.0%	8.0%	8.0%
Bulk Commodities				287.6%	52.1%	52.7%	71.5%	26.4%	78.8%
- Iron ore - Demaneng						49.6%	5.9%	-24.4%	-3.2%
- Iron ore - Jenkins								89.0%	26.0%
- Manganese									
- Nkomati								134.4%	26.0%
Industrial Minerals		20.5%	-17.1%	-2.7%	1.5%	-6.9%	25.0%	8.0%	8.0%
Operating profit	321,688	405,601	350,399	471,152	600,952	1,058,901	1,508,304	1,730,975	2,389,431
Construction Materials	281,838	374,986	274,580	190,182	192,438	104,906	178,646	231,525	250,047
Bulk Commodities			-33,443	201,329	321,665	907,285	1,229,896	1,393,363	2,024,410
- Iron ore - Demaneng			-33,443	201,329	321,665	751,539	842,723	545,645	492,806
- Iron ore - Jenkins							369,413	597,967	703,204
- Manganese								0	513,715
- Nkomati						155,746	17,760	249,750	314,685
Industrial Minerals	40,878	39,238	88,393	78,012	95,568	55,481	102,858	111,087	119,974
Other	-1,028	-8,623	20,869	1,629	-8,719	-8,771	-3,096	-5,000	-5,000
Margin	16.3%	18.2%	14.1%	15.9%	18.2%	28.7%	29.3%	28.6%	26.6%
Construction Materials	20.0%	24.1%	15.7%	10.9%	11.2%	6.6%	10.0%	12.0%	12.0%
Bulk Commodities			-19.0%	29.5%	31.0%	57.3%	45.3%	40.6%	33.0%
- Iron ore - Demaneng			-19.0%	29.5%	31.0%	48.4%	51.3%	43.9%	41.0%
- Iron ore - Jenkins							51.3%	43.9%	41.0%
- Manganese									23.6%
- Nkomati						475.5%	5.0%	30.0%	30.0%
Industrial Minerals	7.3%	5.8%	15.8%	14.3%	17.3%	10.8%	16.0%	16.0%	16.0%
Operating profit growth		26.1%	-13.6%	34.5%	27.5%	76.2%	42.4%	14.8%	38.0%
Construction Materials		33.1%	-26.8%	-30.7%	1.2%	-45.5%	70.3%	29.6%	8.0%
Bulk Commodities				-702.0%	59.8%	182.1%	35.6%	13.3%	45.3%
- Iron ore - Demaneng				-702.0%	59.8%	133.6%	12.1%	-35.3%	-9.7%
- Iron ore - Jenkins								61.9%	17.6%
- Manganese									#DIV/0!
- Nkomati								1306.3%	26.0%
Industrial Minerals		-4.0%	125.3%	-11.7%	22.5%	-41.9%	85.4%	8.0%	8.0%

Source: Company data, Chronux Research estimates

Figure 22 Income Statement - Forecast

Afrimat Limited	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024
Sales	996	1338	1901	1999	1970	2228	2457	2966	3304	3694	5147	6059	8977
Cost of Goods Sold (COGS) incl. D&A	750	1026	1450	1483	1363	1476	1709	2055	2260	2235	2946	3490	5337
Gross Income	246	312	451	516	607	752	748	912	1044	1459	2201	2569	3639
SG&A Expense	124	157	221	247	290	346	392	439	458	571	729	857	1270
Other Operating Expense	0	0	0	0	0	5	0	-7	-8	-7	-36	-20	-21
EBIT (Operating Income)	123	155	230	269	317	401	356	479	594	896	1508	1731	2389
Nonoperating Income - Net	17	8	15	24	23	40	27	16	24	-4	19	17	21
Interest Expense	9	14	23	19	18	36	53	59	37	27	44	84	45
Unusual Expense - Net	0	5	1	-1	2	3	6	18	8	-4	0	0	0
Income Taxes	39	41	58	73	91	123	79	117	108	265	413	466	663
Equity in Earnings of Affiliates	0	0	0	-1	-4	1	0	2	0	0	0	0	0
Consolidated Net Income	91	104	163	200	224	279	245	304	465	604	1071	1198	1704
Minority Interest	1	1	8	2	2	2	0	3	3	3	5	30	37
Net Income	90	103	155	198	222	278	246	301	463	601	1066	1168	1667
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income available to Common	90	103	155	198	222	278	246	301	463	601	1066	1168	1667
Per Share													
EPS (recurring)	0.64	0.72	1.06	1.36	1.55	1.96	1.82	2.29	3.42	4.33	7.68	8.49	12.11
EPS (diluted)	0.64	0.70	1.06	1.36	1.54	1.94	1.79	2.20	3.38	4.35	7.42	8.20	11.70
Earnings Persistence	95.44	77.71	81.32	85.54	93.24	72.97	80.23	90.93	89.56	78.24			
Dividends per Share	0.19	0.28	0.39	0.50	0.57	0.70	0.62	0.81	1.17	0.36	1.24	2.05	4.33
EBITDA													
EBITDA	169	213	329	349	403	502	480	626	771	1105	1777	2106	2771

All figures in millions of South African Rand except per share items.

Afrimat Limited	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024
Rental Expense	50	58	61	74	63	82	77	138	176	148			
Stock Option Comp Exp (Net of Tax)	2	2	3	8	3	5	4	5	11	14			
Foreign Currency Translation Gains/Losses	0	0	-	-	-	-	-	1	6	-18			
Tax Rate	30.0	28.2	26.3	26.6	28.5	30.6	24.2	28.0	18.9	30.5	28.0	28.0	28.0
Headline EPS	0.63	0.77	1.09	1.36	1.57	1.96	1.81	2.34	3.48	0.44	7.71	8.49	12.11
Headline EPS (diluted)	0.61	0.75	1.06	1.33	1.54	1.94	1.79	2.33	3.44	0.43	7.45	8.20	11.70

All figures in millions of South African Rand except per share items.

Afrimat Limited	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024
Price / Sales	0.8	0.9	1.0	1.2	1.8	2.0	1.6	1.4	1.2	1.7	1.4	1.2	0.8
Price / Earnings	8.8	11.7	11.9	11.9	15.5	15.5	16.1	13.5	8.3	10.0	6.9	6.3	4.4
Price / Book Value	1.2	1.6	2.2	2.5	3.4	3.5	3.3	2.9	2.3	2.7	2.4	1.9	1.5
Price / Tangible Book Value	1.4	2.0	2.7	3.0	3.9	3.9	4.3	3.4	2.6	3.0	2.5	2.0	1.6
Price / Cash Flow	5.5	7.3	7.7	9.2	10.9	10.7	19.8	10.0	5.8	8.0			
Price / Free Cash Flow	10.9	14.3	15.4	24.3	18.5	16.0	48.6	12.9	7.5	10.6			
Dividend Yield (%)	3.3	3.3	3.0	3.0	2.4	2.3	2.1	2.7	4.1	1.3	2.4	4.0	8.4
Enterprise Value / EBIT	6.2	8.0	8.6	9.2	10.9	10.8	12.3	9.1	6.7	6.9	4.8	4.2	3.0
Enterprise Value / EBITDA	4.5	5.9	6.0	7.1	8.6	8.7	9.1	7.0	5.2	5.6	4.1	3.4	2.6
Enterprise Value / Sales	0.8	0.9	1.0	1.2	1.8	2.0	1.8	1.5	1.2	1.7	1.4	1.2	0.8
EBIT / Interest Expense (Int. Coverage)	13.5	10.9	9.9	14.0	17.2	11.1	6.8	8.2	15.9	33.7	34.2	20.5	53.0

Source: Factset, Company data, Chronux Research estimates

Figure 23 Balance Sheet and Cash Flow - Forecast

	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024
Assets													
Cash & Short-Term Investments	133	134	92	79	118	245	112	192	168	871	816	543	916
Short-Term Receivables	161	199	310	288	298	335	401	449	481	701	552	574	597
Inventories	72	89	113	127	133	163	242	261	261	279	374	389	405
Other Current Assets	6	2	4	9	6	7	-	-	-	-	16	17	18
Total Current Assets	371	425	519	503	554	750	755	902	909	1851	1758	1524	1936
Net Property, Plant & Equipment	426	504	662	725	763	1058	1418	1470	1572	2247	2360	3720	3870
Total Investments and Advances	13	14	28	17	19	33	54	60	72	81	1	1	1
Long-Term Note Receivable	70	102	110	144	141	247	8	0	-	-	0	0	0
Intangible Assets	114	154	156	153	150	148	300	222	210	216	216	225	234
Deferred Tax Assets	5	3	5	25	21	30	55	34	32	60	314	326	339
Other Assets	0	0	0	0	0	0	0	0	0	0	261	338	303
Total Assets	1000	1201	1479	1568	1648	2266	2591	2687	2795	4455	4910	6133	6683
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	55	112	128	119	105	351	255	282	157	647	251	253	263
Accounts Payable	77	78	174	155	164	145	202	181	194	264	619	644	670
Income Tax Payable	10	3	6	6	3	9	11	4	11	11	136	142	148
Other Current Liabilities	40	73	91	109	119	250	282	219	237	341	11	11	12
Total Current Liabilities	182	266	399	388	391	754	751	686	599	1263	1017	1050	1093
Long-Term Debt	45	59	95	57	47	95	272	236	139	301	300	800	300
Provision for Risks & Charges	31	34	56	67	76	96	130	141	153	239	146	152	159
Deferred Tax Liabilities	70	81	92	106	108	114	208	215	216	394	318	308	299
Other Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	328	439	641	618	623	1059	1361	1277	1106	2197	1782	2311	1850
Common Equity	668	758	824	937	1018	1199	1219	1398	1682	2250	3119	3814	4824
Total Shareholders' Equity	668	758	824	937	1018	1199	1219	1398	1682	2250	3119	3814	4824
Accumulated Minority Interest	4	4	14	12	7	8	10	11	7	8	8	8	8
Total Equity	672	762	838	949	1025	1207	1229	1410	1689	2258	3128	3822	4833
Total Liabilities & Shareholders' Equ	1000	1201	1479	1568	1648	2266	2591	2687	2795	4455	4910	6133	6683
Per Share													
Book Value per Share	4.87	5.29	5.79	6.56	7.20	8.81	8.93	10.30	12.46	16.35	21.95	26.82	33.91
Tangible Book Value per Share	4.03	4.22	4.70	5.49	6.15	7.73	6.73	8.67	10.90	14.78	20.43	25.24	32.27
	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024
Operating Activities													
Net Income / Starting Line	130	144	221	273	315	402	324	422	573	869	990	1210	1716
Depreciation, Depletion & Amortization	46	58	97	77	82	101	124	146	177	209	269	375	382
Other Funds	-28	-37	-69	-87	-78	-134	-114	-70	-42	-205	0	0	0
Funds from Operations	149	165	249	263	319	368	334	498	709	874	1259	1585	2098
Changes in Working Capital	-2	5	-5	-1	1	38	-133	-87	-32	-106	81	-12	-13
Net Operating Cash Flow	146	170	244	262	320	406	201	410	677	768	1339	1573	2085
Investing Activities													
Capital Expenditures	-72	-83	-121	-162	-131	-135	-119	-94	-154	-190	-389	-1644	-539
Net Assets from Acquisitions	-	-87	-70	-8	-4	-280	-38	-9	-27	-1	-15	-450	-225
Sale of Fixed Assets & Businesses	17	7	17	34	14	27	27	14	34	54	13	0	0
Purchase/Sale of Investments	0	-32	9	-18	-2	-116	-68	0	6	-17	0	0	-225
Other Funds	0	0	-1	0	0	0	0	0	0	-283	-4	0	0
Net Investing Cash Flow	-54	-194	-166	-155	-123	-504	-197	-89	-141	-437	-394	-2094	-989
Financing Activities													
Cash Dividends Paid	-24	-30	-45	-59	-76	-88	-96	-86	-136	-160	-213	-256	-462
Change in Capital Stock	-4	-7	-27	-15	-60	-18	-14	-31	-29	-13	0	0	0
Issuance/Reduction of Debt, Net	-19	32	-50	-47	-23	293	180	-165	-250	124	-397	502	-490
Other Funds	0	0	0	0	0	38	-25	-3	-3	-2	-73	0	0
Net Financing Cash Flow	-47	-5	-122	-121	-158	225	45	-286	-426	-60	-683	246	-952
Exchange Rate Effect	-	-	-	-	-	-	-	0	-	-	0	0	0
Net Change in Cash	45	-29	-44	-14	39	127	49	36	110	270	262	-274	145
Free Cash Flow	74	87	123	99	189	272	82	317	523	577	951	-70	1547
Free Cash Flow per Share	0.53	0.59	0.84	0.68	1.31	1.90	0.60	2.31	3.82	4.17	6.67	-0.49	10.85
Free Cash Flow Yield (%)	9.2	7.0	6.5	4.1	5.4	6.2	2.1	7.7	13.4	9.4	12.9	-1.0	21.0

Source: Factset, Company data, Chronux Research estimates

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