



Afrimat – Earnings Update

Key message: *The promise of earnings growth and stable operations needs to be delivered on in FY26 to maintain operating credibility.*

- Afrimat recently hosted an Investor Day and we update our earnings after this event.
- **Key takeaways from the event:** Afrimat has been negatively impacted by a number of internal and external factors recently and earnings have suffered as a result. However, progress is being made on the key earnings drivers – Nkomati and Cement. It seems that 1H FY26 will still involve some headwinds but these businesses should start to contribute meaningfully from 2H FY26.
- In the cement division, shutdowns have been completed on Kiln 3 and 4. Kiln 3 is operating at an OEE of 60% and Kiln 4 was at this level prior to the shutdown. The two kilns are now primed to run at the expected 1.2mtpa output that should deliver a profit at normal industry EBITDA margins of at least 10%. Maintenance capex for the cement division should be approx. R65m per annum.
- In the iron ore division, disruptions at AMSA in the prior year impacted local sales significantly. The run rate in 2H FY25 and FY26 so far has been good – expected sales for FY26 is on track for at least 1.2mt. The purchase of the Salene iron ore rights adds to reserves and Doringfontein is the next deposit to be exploited. The Jenkins LOM of 20 years increases to 24 years with the adjacent Salene reserves.
- Nkomati has been a disappointment and slow to ramp up. Conditions in the u/g mine have been more difficult than expected and a change in mine plan and management was needed. The open cast operations had been held up by environmental approval delays and moving of graves and water Eskom lines. This is now largely complete and an optimised mine plane can now be followed in the o/c operations.
- We continue to expect a better performance in FY26 with an improvement in local iron ore sales, a better result from Nkomati and the cement business to break even at least. 1H FY26 is still likely to be impacted by some of the above factors and we reduce our FY26 HEPS forecast to 436c (from 563c) largely due the weaker 1H. Afrimat has a number of balls in the air at the moment and the next year will be key to settling the portfolio into stable operations and delivering the earnings that are promised for the operations.
- We adjust our Target Price to R63.40 (from R70).

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Price (20/06/2025): R46.32
Target Price: R63.40
Dividend yield: 3.5%
Total return: 43%

Market cap R7.32bn
Shares in issue 150.7mn

Financial summary

ZARmn (year to February)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	6083	8318	9868	11004	11734
EBITDA	3393	1093	1771	2161	2557
Net income	782	96	670	983	1306
Headline EPS (diluted)	561	71	436	640	851
PE Ratio	18.3	63.9	10.5	7.1	5.4
Dividend	194	25	162	237	315
Dividend yield (%)		0.5%	3.5%	5.2%	6.9%

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	FY24A	FY25A	FY26E	FY27E	FY28E
ZAR/USD exchange rate	18.68	18.28	18.25	18.35	18.58
Iron ore price - fines spot China (\$/t)	121.00	105.00	95.00	100.00	105.00
Iron ore lump premium (\$/t)	15.00	15.00	15.00	15.00	15.00
Anthracite orice (R/t, contract)	1,933	2,600	2,632	2,711	2,792
Per share data					
Earnings (diluted)	514	62	436	640	851
Headline earnings (diluted)	561	71	436	640	851
NAV	28.48	30.84	29.43	33.47	38.83
Dividend	194	25	162	237	315
Valuation ratios					
P/E ratio	12.0	95.3	10.5	7.1	5.4
EV/EBITDA	6.0	10.6	4.8	4.0	3.4
P/B	2.09	2.10	1.46	1.29	1.12
Dividend yield		0.4%	3.5%	5.2%	6.9%
ROE	18.7%	2.5%	14.0%	18.2%	20.9%
ROCE	22.5%	7.6%	18.5%	23.7%	27.4%
Income Statement (ZARmn)					
Sales	6,083	8,318	9,868	11,004	11,734
<i>Sales growth</i>		36.7%	18.6%	11.5%	6.6%
Cost of sales	(4,002)	(6,818)	(7,419)	(8,026)	(8,276)
Gross Profit	2,081	1,500	2,449	2,978	3,458
<i>Gross margin</i>	34.2%	18.0%	24.8%	27.1%	29.5%
SG&A Expense	936	(1,203)	(1,323)	(1,475)	(1,573)
Other Operating Income/Expense	7	181	18	18	19
EBITDA	3,393	1,093	1,771	2,161	2,557
<i>EBITDA margin</i>	55.8%	13.1%	17.9%	19.6%	21.8%
Depreciation & Amortisation	(369)	(615)	(628)	(640)	(653)
EBIT (Operating Income)	3,023	478	1,143	1,521	1,904
<i>EBIT margin</i>	49.7%	5.7%	11.6%	13.8%	16.2%
Nonoperating Income - Net	0	0	0	0	0
Net Interest Expense	(41)	(176)	(200)	(160)	(77)
Equity in Earnings of Affiliates	2	0	0	0	0
PBT	2,984	302	944	1,361	1,827
Income Taxes	(325)	(189)	(249)	(337)	(468)
<i>Tax rate</i>	10.9%	62.4%	26.3%	24.8%	25.6%
Consolidated Net Income	789	114	695	1,024	1,360
Minority Interest	(7)	(18)	(25)	(41)	(53)
Net Income	782	96	670	983	1,306
Cash flow statement (ZARmn)					
Changes in working capital	44	(187)	(26)	(27)	(28)
Cash from operating activities	1,237	240	1,464	1,666	2,014
Capital expenditure	(695)	(593)	(1,003)	(550)	(587)
Other	49	(421)	55	55	55
Investing cash flow	(646)	(1,014)	(948)	(495)	(531)
Changes in borrowings	23	712	(459)	(400)	(300)
Dividend paid	(229)	(258)	(112)	(354)	(505)
Other	(159)	39	0	0	0
Financing cash flow	(366)	493	(571)	(754)	(805)
Change in cash	225	(281)	(55)	417	678
Balance sheet (ZARmn)					
Total assets	6,749	9,203	9,216	9,537	10,165
Cash and equivalents	505	301	168	585	1,263
Other current assets	1,550	2,360	2,375	2,471	2,571
Non-current assets	4,694	6,542	6,672	6,480	6,331
Total liabilities	2,185	4,805	4,431	4,121	3,916
Long-term liabilities	873	996	1,001	1,001	1,001
Current liabilities	1,312	3,809	3,431	3,121	2,914
Total shareholders' funds	4,563	4,388	4,785	5,415	6,249
Net debt/(cash)	52	1,558	1,232	415	(563)

Source: Factset, Company data, Chronux Research estimates

Valuation

- We value Afrimat using a Sum-of-the-Parts methodology. We value the mining assets (iron ore, anthracite, FMM) using a DCF for the life-of-mine. The Lafarge acquisition is included in Construction Materials. Our base year for EBITDA is FY26.

Figure 2 Sum-of-the-Parts Valuation – FY26 EBITDA (Base Case)

ZARm	Multiple range	Comment	FY26 EBITDA	EV/EBITDA Multiple	Enterprise Value
Construction Materials	4-6x	Mid range multiple	735	5.0x	3,673
Industrial Minerals	4-6x	Mid range multiple	99	4.0x	398
Iron ore		DCF @ WACC (13.4%)			2,474
Anthracite - Nkomati		DCF @ 14%			2,597
Glenover - phosphate stockpile		DCF @ 16%			297
					9,439
Other assets		From balance sheet			163
Minorities		From balance sheet			-32
Net (debt)/cash		From balance sheet			-958
Tax loss (Lafarge, Nkomati)		R3bn Lafarge, R1bn Nkomati			1,120
Equity value					9,731
Number of shares ('m)					153,521
Valuation (ZAR per share)					63.39

Source: Company data, Chronux Research estimates

- We adjust our Target Price to R63.40 (from R70) as Nkomati looks to take longer to settle into steady state with difficulties in the underground mining section. Iron ore prices are also lower.
- On a PE basis Afrimat falls to a 10.6 times multiple in FY26. Based on the growth expected for existing and potential new acquisitions we do believe that a multiple of 7-9 times is justified.

Figure 3 PE Valuation

	<u>FY25A</u>	<u>FY26E</u>	<u>FY27E</u>
Diluted HEPS	71	436	640
AFT PE	64.4	10.6	7.2
TP exit PE	88.7	14.5	9.9

Source: Company data, Chronux Research

Construction Materials

- We use a 5 times EBITDA multiple to value this division due to the growth added by the Lafarge acquisition and the potential to turn the cement business around.
- Activity levels have picked up with multiple road projects active across the country.

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.

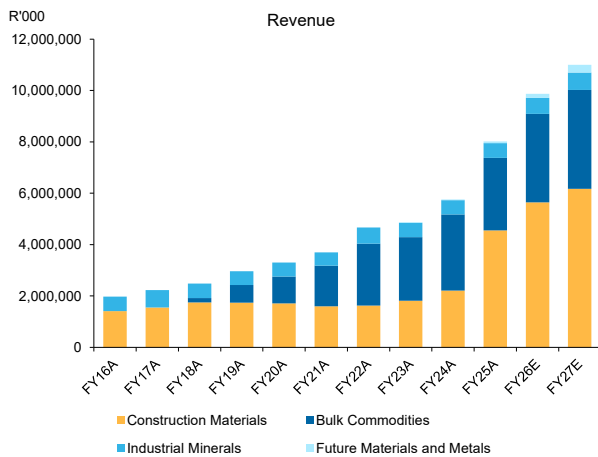
Bulk Commodities

- We value the iron ore operation (Demaneng and Jenkins) using a DCF methodology.

- **Iron Ore:** The Coza acquisition (Jenkins, Driehoekspan) 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 +20 years.
- **Nkomati:** Afrimat has greatly improved the geological model of the mine and, although mining conditions remain difficult, better mine planning should result in steadier production. Nkomati should deliver operating profit of >R400m per year with little variance (prices are set annually).
- **Glenover:** The Glenover acquisition contains several phases, with Phase 1 involving the sale of the high-grade phosphate stockpile. We value Phase 1 using a DCF valuation with a 16% discount rate.
- **Capex:** Maintenance capex of R300m is expected in FY26.

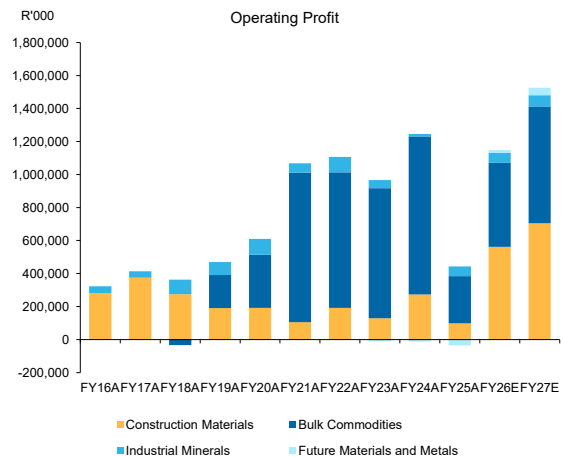
Group Forecast

Figure 4 Group Revenue



Source: Company data, Chronux Research

Figure 5 Group Operating Profit



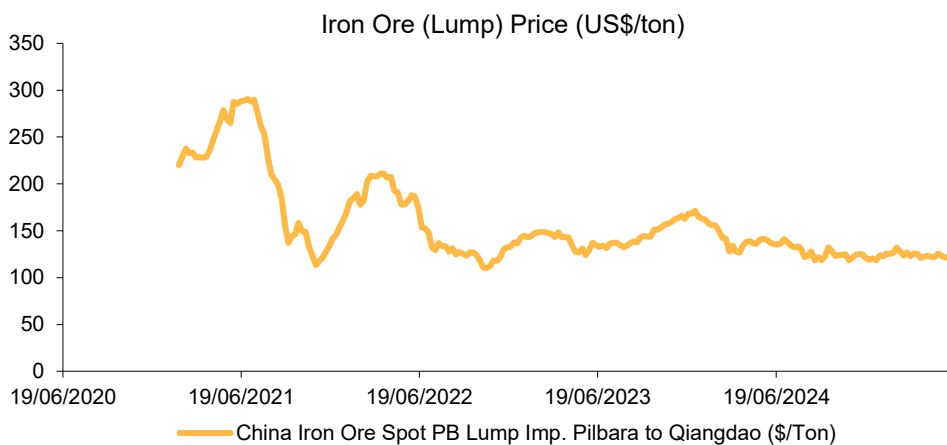
Source: Company data, Chronux Research

Iron Ore

Iron Ore forecasts

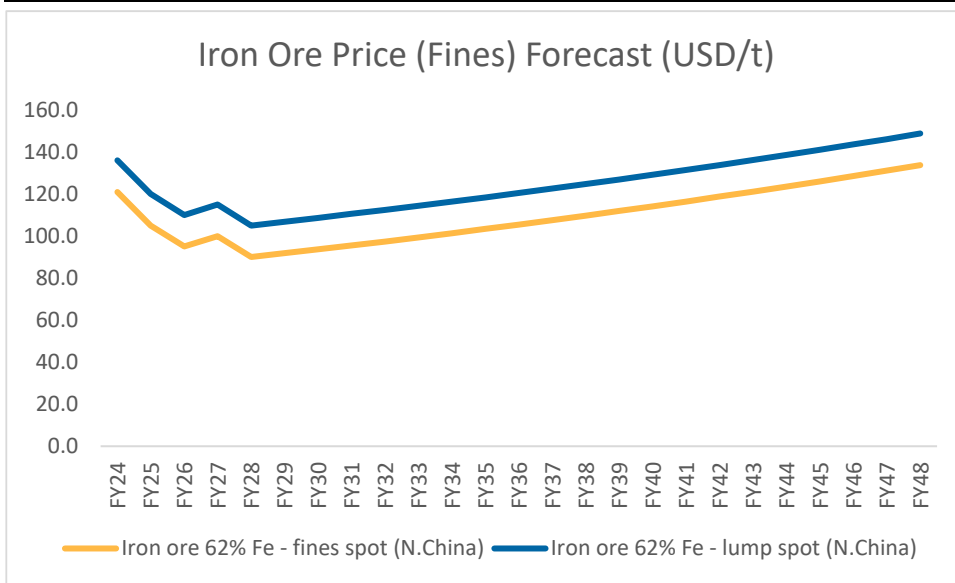
- We forecast iron ore prices to average US\$105 in FY25.

Figure 6 Iron Ore Price



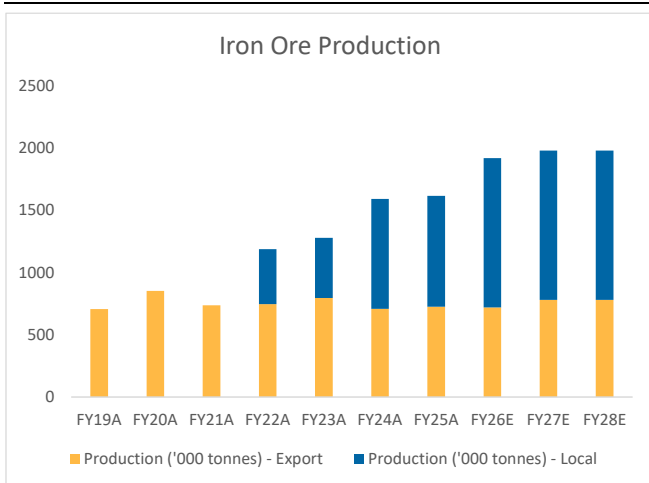
Source: Company data, Chronux Research

Figure 7 Iron Ore Fines Price Forecasts (US\$/t)



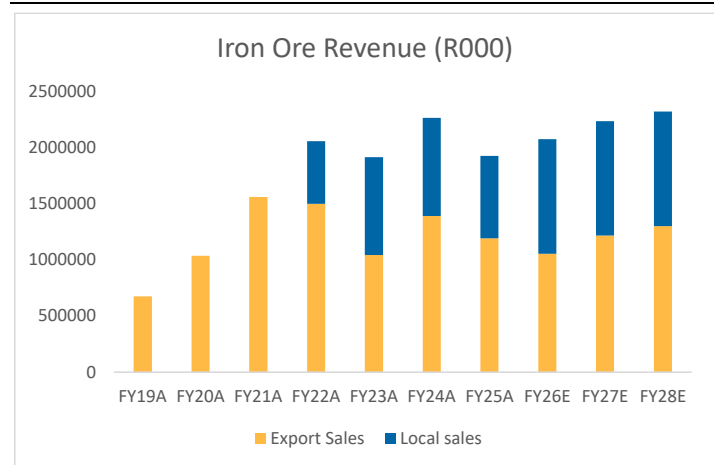
Source: Company data, Chronux Research

Figure 8 Iron Ore - Production



Source: Company data, Chronux Research

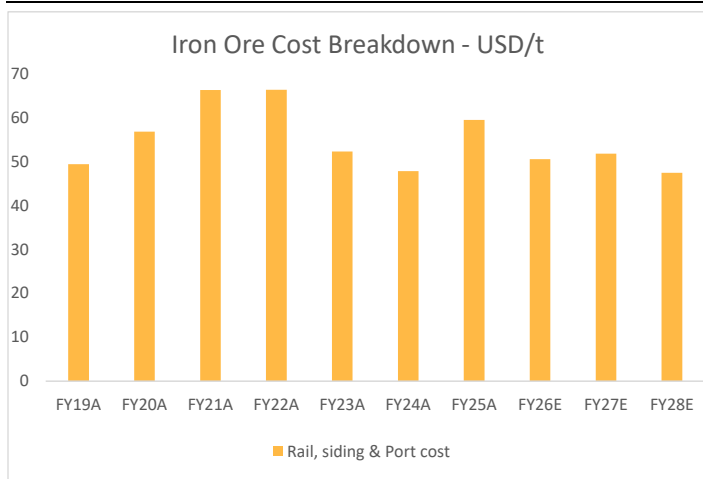
Figure 9 Iron Ore - Revenue



Source: Company data, Chronux Research

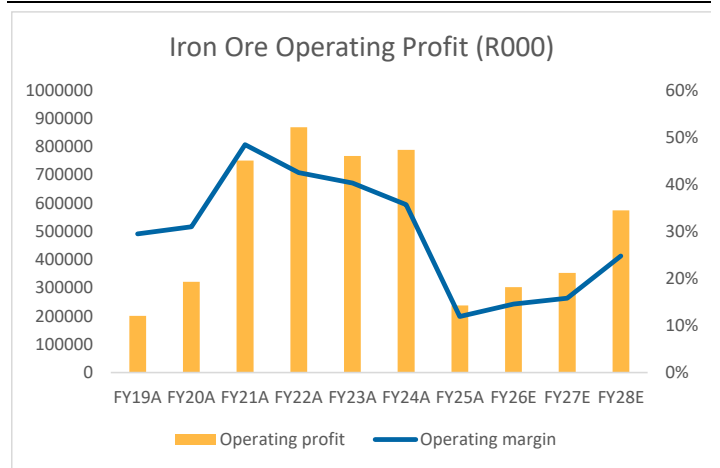
- We have been conservative on local sales going forward with the uncertainty around AMSA’s future production profile. Export volumes are expected to be flat in FY26 with a recovery in FY27 as Transnet is assumed to be able to improve its performance.
- The potential to gain more export capacity through allocation to smaller miners in 2027 could boost export volumes.

Figure 10 Iron Ore - Cost breakdown



Source: Company data, Chronux Research

Figure 11 Iron Ore – Operating Profit



Source: Company data, Chronux Research

Figure 12 Iron Ore Model

		FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Production (ktpm) - Export		60.0	71.0	61.5	62.2	66.3	59.1	60.5	60.0	65.0	65.0
Production (ktpm) - Local					36.9	40.4	73.5	74.1	100.0	100.0	100.0
Production ('000 tonnes) - Export		707.1	852.2	737.8	746.0	795.5	709.7	726.4	720.0	780.0	780.0
Production ('000 tonnes) - Local					443.0	484.5	882.2	889.6	1200.0	1200.0	1200.0
Production ('000 tonnes)		707.1	852.2	737.82	1189.0	1280.0	1591.9	1616.0	1920.0	1980.0	1980.0
<i>Production increase</i>		<i>207%</i>	<i>21%</i>	<i>-13%</i>	<i>61%</i>	<i>8%</i>	<i>24%</i>	<i>2%</i>	<i>19%</i>	<i>3%</i>	<i>0%</i>
ZAR/USD		13.75	14.77	16.35	14.89	17.00	18.68	18.28	18.25	18.35	18.58
<i>% change</i>		<i>5%</i>	<i>7%</i>	<i>11%</i>	<i>-9%</i>	<i>14%</i>	<i>10%</i>	<i>-2%</i>	<i>0%</i>	<i>1%</i>	<i>1%</i>
Sales											
Export		527	852	738	746	795	710	726	720	780	780
<i>% change</i>		<i>276%</i>	<i>62%</i>	<i>-13%</i>	<i>1%</i>	<i>7%</i>	<i>-11%</i>	<i>2%</i>	<i>-1%</i>	<i>8%</i>	<i>0%</i>
Domestic		180	0	0	443	485	882	890	1200	1200	1200
<i>% change</i>		<i>100%</i>	<i>-100%</i>	<i>#DIV/0!</i>	<i>#DIV/0!</i>	<i>9%</i>	<i>82%</i>	<i>1%</i>	<i>35%</i>	<i>0%</i>	<i>0%</i>
Export Sales											
Iron ore 62% Fe - fines spot (N.China)	US\$/t	77.00	93.00	144.00	145.00	97.00	121.00	105.00	95.00	100.00	105.00
Lump premium		35.00	29.00	34.00	49.00	15.00	15.00	15.00	15.00	15.00	15.00
Iron ore 62% Fe - lump spot (N.China)	US\$/t	112.00	122.00	178.00	194.00	112.00	136.00	120.00	110.00	115.00	120.00
Fines adjustment (FE content, SI,Al)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lump adjustment (FE content, SI,Al)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Adjusted fines - 62% Fe and other (Si)	US\$/t	77.00	93.00	144.00	145.00	97.00	121.00	105.00	95.00	100.00	105.00
Adjusted lump - 65.3% Fe and other (Si)	US\$/t	112.00	122.00	178.00	194.00	112.00	136.00	120.00	110.00	115.00	120.00
Sth Africa to China		24.00	22.00	25.00	30.00	25.00	20.00	20.00	20.00	20.00	20.00
Rail, siding & port cost	ZAR/t	215	235	235	235	235	244	254	264	275	286
Transport	ZAR/t	55	55	55	55	55	55	57	59	62	64
One mine costs	ZAR/t	410	530	510	620	500	500	510	520	531	541
	<i>Fixed (60%)</i>		318	306	372	300	300	306	312	318	325
	<i>Variable (40%)</i>		212	204	248	200	200	204	208	212	216
On mine costs	USD/t		35.88	31.20	41.64	29.41	26.77	27.91	28.50	28.92	29.13
Balancing cost		30	30	300	280	50	500	820	700	700	500
Sales ('000t)		707	852	738	746	795	710	726	720	780	780
Lump	70%	495	597	516	522	557	497	509	504	546	546
Fines	30%	212	256	221	224	239	213	218	216	234	234
Lump ore - revenue		762328	1074931	1502984	1508614	1060410	1261802	1115185	1011757	1152134	1217325
Fines ore - revenue		224614	351178	521099	483245	393596	481128	418194	374481	429367	456497
Revenue pre shipping		986942	1426109	2024083	1991860	1454006	1742930	1533380	1386238	1581501	1673822
Shipping cost		233366	276914	301562	333273	338141	265084	265520	262794	286245	289839
Marketing cost (5% of CFR price)		78955	114089	161927	159349	72700	87147	76669	69312	79075	83691
Revenue post shipping		674621	1035106	1560594	1499238	1043165	1390699	1191190	1054132	1216181	1300292
Reported Revenue		682198	1037513	1551661	1487559	1034560					
Revenue/t (ZAR)		954	1215	2115	2010	1311	1960	1640	1464	1559	1667
Revenue/t (USD)		69	82	129	135	77	105	90	80	85	90
<i>% change</i>			<i>19%</i>	<i>57%</i>	<i>4%</i>	<i>-43%</i>	<i>36%</i>	<i>-14%</i>	<i>-11%</i>	<i>6%</i>	<i>6%</i>
Rail, siding & Port cost		152027	200267	173388	175318	186937	173453	184643	190327	214435	223012
Transport		38891	46871	40580	41032	43751	39034	41552	42831	48257	50187
On-mine profit		483704	787968	1346626	1282888	812476	1178212	964996	820974	953490	1027092
On-mine costs		311124	477232	597637	671432	437513	709709	966160	878544	959871	812149
Operating profit		172580	310736	748989	611457	374963	468503	-1164	-57570	-6381	214944
Reported operating profit		201329	321665	751539	604821	369321					

Source: Company data, Chronux Research estimates

Figure 13 Iron Ore Model

Local sales		FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales					443.0	484.5	882.2	889.6	1200.0	1200.0	1200.0
Reported revenue					557099	872127					
Revenue					557099	872127	874578	733883.7	1020000	1020000	1020000
Revenue/t (ZAR)					1258	1800	991	825	850	850	850
Revenue/t (USD)					84	106	53	45	47	46	46
% change						25%	-50%	-15%	3%	-1%	-1%
Reported operating profit					264820	398578					
Operating profit					264820	398578	521711	244628	360000	360000	360000
Margin					48%	46%	60%	33%	35%	35%	35%
Total cost					292279	473549	352867	489256	660000	660000	660000
Total cost/t (ZAR)					660	977	400	550	550	550	550
Total cost/t (USD)					44.31	57.48	21.42	30.09	30.14	29.97	29.60
% change						30%					
Total Iron Ore											
Total reported revenue		682,198	1,037,513	1,551,661	2,044,658	1,906,687	2,211,166	1,995,991	2,074,132	2,236,181	2,320,292
Total Revenue					2056337	1915292	2265277	1925074	2074132	2236181	2320292
Total cost		480869	715848	800122	1175017	1138788	1422118	1757899	1771702	1882563	1745348
Total cost/t (ZAR)		680	840	1084	988	890	893	1088	923	951	881
Total cost/t (USD)		49.45	56.87	66.33	66.36	52.32	47.84	59.52	50.56	51.82	47.44
% change						-21%	-9%	24%	-15%	2%	-8%
Reported operating profit		201329	321665	751539	869641	767899	789048	238092	302430	353619	574944
Operating profit					881320	776504	843159	243464	302430	353619	574944
Operating margin		30%	31%	48%	43%	40%	36%	12%	15%	16%	25%

Source: Company data, Chronux Research estimates

Iron Ore DCF Valuations

Figure 14 Iron Ore DCF Model

	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43
Production (ktpm) - Export	59.1	60.5	60.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
Production (ktpm) - Local	73.5	74.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Production ('000 tonnes) - Export	709.7	726.4	720.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0
Production ('000 tonnes) - Local	882.2	889.6	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0
Production ('000 tonnes)	1591.9	1616.0	1920.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0	1980.0
ZAR/USD	18.7	18.3	18.2	18.3	18.8	19.3	19.8	20.3	20.8	21.3	21.8	22.4	22.9	23.5	24.1	24.7	25.3	25.9	26.6	27.2
Sales																				
Export	709.7	726.4	720.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0	780.0
Domestic	882.2	889.6	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0
Export																				
Iron ore 62% Fe - fines spot (N.China)	US\$/t	121.0	105.0	95.0	100.0	90.0	91.8	93.6	95.5	97.4	99.4	101.4	103.4	105.4	107.6	109.7	111.9	114.1	116.4	118.8
Lump premium		15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Iron ore 62% Fe - lump spot (N.China)	US\$/t	136.0	120.0	110.0	115.0	105.0	106.8	108.6	110.5	112.4	114.4	116.4	118.4	120.4	122.6	124.7	126.9	129.1	131.4	133.8
Fines adjustment (FE content, SI,Al)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Lump adjustment (FE content, SI,Al)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Adjusted fines - 62% Fe and other (SI)	US\$/t	121.0	105.0	95.0	100.0	90.0	91.8	93.6	95.5	97.4	99.4	101.4	103.4	105.4	107.6	109.7	111.9	114.1	116.4	118.8
Adjusted lump - 65.3% Fe and other (SI)	US\$/t	136.0	120.0	110.0	115.0	105.0	106.8	108.6	110.5	112.4	114.4	116.4	118.4	120.4	122.6	124.7	126.9	129.1	131.4	133.8
Sth Africa to China		20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Rail, siding & port cost	ZAR/t	244.4	254.2	264.3	274.9	277.7	280.4	283.2	286.1	288.9	291.8	294.7	297.7	300.7	303.7	306.7	309.8	312.9	316.0	319.2
Transport	ZAR/t	55.0	57.2	59.5	61.9	62.5	63.1	63.7	64.4	65.0	65.7	66.3	67.0	67.7	68.3	69.0	69.7	70.4	71.1	71.8
One mine costs	ZAR/t	500.0	510.0	520.2	530.6	535.9	541.3	546.7	552.1	557.7	563.2	568.9	574.6	580.3	586.1	592.0	597.9	603.9	609.9	616.0
		300.0	306.0	312.1	318.4	321.5	324.8	328.0	331.3	334.6	337.9	341.3	344.7	348.2	351.7	355.2	358.7	362.3	365.9	369.6
		200.0	204.0	208.1	212.2	214.4	216.5	218.7	220.9	223.1	225.3	227.6	229.8	232.1	234.4	236.8	239.2	241.6	244.0	246.4
On mine costs	USD/t	26.8	27.9	28.5	28.9	28.5	28.1	27.7	27.3	26.9	26.5	26.1	25.7	25.3	25.0	24.6	24.2	23.9	23.5	23.2
Balancing cost		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Sales ('000t)		710	726	720	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780	780
Lump	70%	497	509	504	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546	546
Fines	30%	213	218	216	234	234	234	234	234	234	234	234	234	234	234	234	234	234	234	234
Lump ore - revenue		1261802	1115185	1011757	1152134	1078247	1124150	1172062	1222073	1274277	1328771	1385657	1445043	1507039	1571762	1639333	1709881	1783537	1860441	1940738
Fines ore - revenue		481128	418194	374481	429367	396091	414113	432955	452655	473250	494783	517296	540633	565441	591168	618066	646188	675500	706329	738467
Revenue pre shipping		1742930	1533380	1386238	1581501	1474338	1538263	1605017	1674728	1747527	1823554	1902953	1985876	2072480	2162930	2256009	2350127	2451927	2567771	2692064
Shipping cost		265084	265520	262794	286245	293401	300736	308254	315960	323859	331956	340255	348761	357480	366417	375578	384967	394591	404456	414567
Marketing cost (8% of CFR price)		87147	76669	69312	79075	73717	76913	80251	83736	87376	91178	95148	99294	103624	108147	112870	117803	122956	128339	133960
Revenue post shipping		1396999	1191190	1054132	1216181	1107221	1160614	1216512	1275031	1336292	1400421	1467551	1537821	1611373	1688366	1769929	1853299	1941580	2033976	2123078
Revenue/t (ZAR)		1960	1640	1464	1559	1420	1488	1560	1635	1713	1795	1881	1972	2066	2165	2268	2376	2489	2608	2732
Revenue/t (USD)		105	90	80	85	75	77	79	81	83	84	86	88	90	92	94	96	98	101	103
Rail, siding & port cost		173453	184643	190327	214435	216579	218745	220933	223142	225373	227627	229903	232202	234524	236870	239238	241631	244047	246488	248952
Transport		39034	41552	42831	48257	48739	49227	49719	50216	50718	51225	51738	52255	52778	53305	53838	54377	54921	55470	56024
On-mine profit		1178212	964996	820974	953490	841902	892642	945861	1001673	1060200	1121568	1185910	1253363	1324073	1398191	1475875	1557291	1642612	1732019	1825701
On-mine costs		354855	370482	374544	413871	418010	422190	426412	430676	434983	439333	443726	448163	452645	457171	461743	466360	471024	475734	480492
Operating profit		823358	594513	446430	539619	423892	470452	519449	570997	625217	682236	742184	802500	871429	941020	1014132	1090931	1171588	1266285	1345210
Total cost		567341	596677	607702	676563	683328	690162	697063	704034	711074	718185	725367	732621	739947	747346	754820	762368	769992	777692	785468
Total cost/t (ZAR)		799	821	844	867	876	885	894	903	912	921	930	939	949	958	968	977	987	997	1007
Total cost/t (USD)		42.80	44.94	46.25	47.27	46.58	45.90	45.23	44.56	43.91	43.27	42.64	42.01	41.40	40.79	40.20	39.61	39.03	38.46	37.89
Local																				
Sales		882.2	889.6	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0	1200.0
Revenue		874577.8	733883.7	1020000	1020000	1066410	1114932	1165661	1218699	1274149	1332123	1392735	1456104	1522357	1591624	1664043	1739757	1818916	1901677	1988203
Revenue/t (ZAR)		991	825	850	850	889	929	971	1016	1062	1110	1161	1213	1269	1326	1387	1450	1516	1585	1657
Revenue/t (USD)		53.1	45.1	46.6	46.3	47.3	48.2	49.2	50.1	51.1	52.2	53.2	54.3	55.4	56.5	57.6	58.8	59.9	61.1	62.3
Operating profit		86485	-233788	-87314	-120947	-126450	-132204	-138219	-144508	-151083	-157957	-165144	-172659	-180515	-188728	-197315	-206293	-215679	-225493	-235753
Total cost		788093	967672	1107314	1140947	1192860	1247135	1303880	1363207	1425233	1490081	1557879	1628763	1702871	1780352	1861358	1946050	2034595	2127169	2223956
Total cost/t (ZAR)		893	1088	923	951	994	1039	1087	1136	1188	1242	1298	1357	1419	1484	1551	1622	1695	1773	1853
Total cost/t (USD)		47.8	59.5	50.6	5															

Nkomati

- 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.
- 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 15 Nkomati Model

ZAR000's	1H22	2H22	FY22A	1H23	2H23	FY23E	1H24	2H24	FY24A	1H25	2H25	FY25A	1H26	2H26	FY26E	1H27	2H27	FY27E	1H28	2H28	FY28E
Production ('000tpm)	16.1	50.6	33.3	55.0	55.0	57.3668	36.8	62.2	49.5	51.0	17.0	34.0	45.0	55.0	50.0	60.0	60.0	60.0	70.0	70.0	70.0
Yield	56%	56%	56%	56%	56%	56%	64%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Sales ('000tpm)	9.0	28.3	18.3	30.8	30.8	30.8	23.5	40.5	32.2	33.2	11.1	22.1	29.3	35.8	32.5	39.0	39.0	39.0	45.5	45.5	45.5
Sales ('000t)	54	166	220	185	185	370	141	245	386	199	66	265	176	215	390	234	234	468	273	273	546
Export sales - ships										2	0	2	2	3	5	2	3	5	2	3	5
Export sales - ('000t)										60	0	60	60	90	150	60	90	150	60	90	150
Export price (R/t)										2300		2300	2300	2300	2300	2300	2300	2300	2300	2300	2300
Anthracite price (R/t)	1129		1656	1865		1552	1746		1933	2371		2600	2632		2632	2711		2711	2792		2792
Reported revenue	60,924	303,128	364,052	344,631	229,037	573,668	246,557	500,093	746,650	471,588	357,492	829,080	599,879	771,519	1,371,397	772,314	841,314	1,613,627	900,234	969,234	1,869,467
Revenue	60924	303128	364052	344631	229037	573668	246557	500093	746650	471588	357492	829080	599879	771519	1371397	772314	841314	1613627	900234	969234	1869467
Reported OP	-107,876	58,445	-49,431	20,567	-813	19,754	-21,114	189,841	168,727	34,745	13,829	48,574	59,988	145,722	205,710	169,909	185,089	354,998	225,058	242,308	467,367
Operating profit	-107876	58445	-49431	20567	-813	19754	-21114	189841	168727	34745	13829	48574	59988	145722	205710	169909	185089	354998	225058	242308	467367
Operating margin	-177%	19%	-14%	6%	0%	3%	-9%	38%	23%	7%	4%	6%	10%	19%	15%	22%	22%	22%	25%	25%	25%
PBT	-107876	58445	-49431	20567	-813	19754	-21114	189841	168727	34745	14906	49651	59988	145722	205710	169909	185089	354998	225058	242308	467367
Tax	-30205	16365	-13841	5759	-228	5531	-5912	53155	47244	9729	4174	13902	16797	40802	57599	47575	51825	99399	63016	67846	130863
PAT	-77671	42080	-35590	14808	-585	14223	-15202	136686	121483	25016	10732	35749	43191	104920	148111	122334	133264	255599	162042	174462	336504
Profit/ton (ZAR/t)			-225			53			437			187			527			759			856

Source: Company data, Chronux Research estimates

Figure 16 Nkomati DCF Model

Nkomati Mine	FY22	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
ZAR000's		FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41	FY42	FY43	
Production ('000tpm)	33.3	55.0	49.5	34.0	50.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	
Yield	56%	56%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	
Sales ('000tpm)	18.3	30.8	32.2	22.1	32.5	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	
Sales ('000t)	220	370	386	265.2	390	468	468	468	468	468	468	468	468	468	468	468	468	468	468	468	468	468	
Anthracite price (R/t)		1656	1552	1933	2600	2632	2711	2846	2989	3138	3295	3460	3633	3814	4005	4205	4416	4636	4868	5112	5367	5635	5917
Revenue		364052	573668	746650	827520	1371397	1613627	1332059	1398661	1468595	1542024	1619126	1700082	1785086	1874340	1968057	2066460	2169783	2278272	2392186	2511795	2637385	2769254
Operating profit		-49431	19754	168727	49651.2	205709.6	354998	399617.6	419598.4	440578.4	462607.3	485737.7	510024.5	535525.8	562302	590417.2	619938	650934.9	683481.7	717655.7	753538.5	791215.5	830776.2
Operating margin		-14%	3%	23%	6%	15%	22%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
PBT		-49431	19754	168727	49651	205710	354998	399617.6	419598.4	440578.4	462607.3	485737.7	510024.5	535525.8	562302	590417.2	619938	650934.9	683481.7	717655.7	753538.5	791215.5	830776.2
Tax		-13841	5531	47244	13902	57599	99399	111893	117488	123362	129530	136007	142807	149947	157445	165317	173583	182262	191375	200944	210991	221540	232617
PAT		-35590	14223	121483	35749	148111	255599	287725	302111	317216	333077	349731	367218	385579	404857	425100	446355	468673	492107	516712	542548	569675	598159
Free cash flow																							
Operating profit		-49431	19754	168727	49651	205710	354998	399618	419598	440578	462607	485738	510025	535526	562302	590417	619938	650935	683482	717656	753539	791216	830776
Tax		-13841	5531	47244	13902	57599	99399	111893	117488	123362	129530	136007	142807	149947	157445	165317	173583	182262	191375	200944	210991	221540	232617
Depreciation&Amortisation		65309	66615	67947	151126	154148	157231	160376	163583	166855	170192	173596	177068	180609	184221	187906	191664	195497	199407	203395	207463	211612	215844
Expansion capex																							
Maintenance capex		4%	-14562	-22947	-29866	-33101	-54856	-64545	-53282	-55946	-58744	-61681	-64765	-68003	-71403	-74974	-78722	-82658	-86791	-91131	-95687	-100472	-105495
FCF		15156	57891	159564	153774	247403	348284	394818	409748	425327	441588	458562	476282	494784	514105	534284	555361	577379	600383	624420	649539	675792	703233
DCF @ WACC (Rm)		2,596,813																					
WACC		14.0%																					

Source: Company data, Chronux Research estimates

Divisional Forecast

Figure 17 Divisional Forecast

ZAR000's	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	1,969,786	2,228,157	2,481,231	2,966,399	3,304,376	3,693,759	4,680,078	4,908,238	6,083,280	8,317,766	9,867,609	11,003,916	11,734,072
Construction Materials	1,409,937	1,553,285	1,745,489	1,739,496	1,714,180	1,595,055	1,626,221	1,809,333	2,212,760	4,552,667	5,644,919	6,175,254	6,511,791
Aggregates										3,541,008	3,895,109	4,206,718	4,543,255
Cement										1,011,659	1,749,810	1,968,536	1,968,536
Industrial Minerals	559,849	674,872	559,757	544,705	552,683	514,291	632,544	553,889	554,546	575,149	621,161	670,854	724,522
Bulk Commodities			175,985	682,198	1,037,513	1,584,413	2,408,710	2,480,355	2,957,816	2,825,071	3,445,530	3,849,809	4,189,759
Iron Ore			175,985	682,198	1,037,513	1,551,661	2,044,658	1,906,687	2,211,166	1,995,991	2,074,132	2,236,181	2,320,292
- Iron ore - Export													
- Iron ore - Local							557,099	872,127					
- Nkomati						32,752	364,052	573,668	746,650	829,080	1,371,397	1,613,627	1,869,467
Future Materials and Metals								25,215	31,266	68,054	156,000	308,000	308,000
Services							12,603	39,446	326,892	296,825			
Revenue growth		13.1%	11.4%	19.6%	11.4%	11.8%	26.7%	4.9%	23.9%	36.7%	18.6%	11.5%	6.6%
Construction Materials		10.2%	12.4%	-0.3%	-1.5%	-6.9%	2.0%	11.3%	22.3%	105.7%	24.0%	9.4%	5.4%
Aggregates											10.0%	8.0%	8.0%
Cement											73.0%	12.5%	0.0%
Industrial Minerals		20.5%	-17.1%	-2.7%	1.5%	-6.9%	23.0%	-12.4%	0.1%	3.7%	8.0%	8.0%	8.0%
Bulk Commodities				287.6%	52.1%	52.7%	52.0%	3.0%	19.2%	-4.5%	22.0%	11.7%	8.8%
Iron Ore					52.1%	49.6%	31.8%	-6.7%	16.0%	-9.7%	3.9%	7.8%	3.8%
- Iron ore - Export					52.1%	49.6%	-4.1%	-30.5%					
- Iron ore - Local								56.5%					
- Nkomati							1011.5%	57.6%	30.2%	11.0%	65.4%	17.7%	15.9%
Future Materials and Metals									24.0%	117.7%	129.2%	97.4%	0.0%
Operating profit	321,688	405,601	350,399	471,152	600,952	1,058,901	1,108,911	961,561	1,152,365	477,735	1,143,214	1,521,258	1,904,069
Construction Materials	281,838	374,986	274,580	190,182	192,438	104,906	192,480	129,603	273,448	98,030	562,358	704,356	748,106
Aggregates										383,458	506,364	546,873	590,623
Cement										-285,428	55,994	157,483	157,483
Industrial Minerals	40,878	39,238	88,393	78,012	95,568	55,481	94,427	49,387	13,803	58,759	62,116	67,085	72,452
Bulk Commodities			-33,443	201,329	321,665	907,285	820,210	787,653	957,775	286,666	508,139	708,616	1,042,311
Iron Ore			-33,443	201,329	321,665	751,539	869,641	767,899	789,048	238,092	302,430	353,619	574,944
- Iron ore - Export													
- Iron ore - Local							604,821	369,321					
- Nkomati						155,746	-49,431	19,754	168,727	48,574	205,710	354,998	467,367
Future Materials and Metals								-11,437	-12,851	-34,980	15,600	46,200	46,200
Other	-1,028	-8,623	20,869	1,629	-8,719	-8,771	1,794	6,355	-79,810	69,260	-5,000	-5,000	-5,000
Margin	16.3%	18.2%	14.1%	15.9%	18.2%	28.7%	23.7%	19.6%	18.9%	5.7%	11.6%	13.8%	16.2%
Construction Materials	20.0%	24.1%	15.7%	10.9%	11.2%	6.6%	11.8%	7.2%	12.4%	2.2%	10.0%	11.4%	11.5%
Aggregates										10.8%	13.0%	13.0%	13.0%
Cement										-28.2%	3.2%	8.0%	8.0%
Industrial Minerals	7.3%	5.8%	15.8%	14.3%	17.3%	10.8%	14.9%	8.9%	2.5%	10.2%	10.0%	10.0%	10.0%
Bulk Commodities			-19.0%	29.5%	31.0%	57.3%	34.1%	31.8%	32.4%	10.1%	14.7%	18.4%	24.9%
Iron Ore			-19.0%	29.5%	31.0%	48.4%	42.5%	40.3%	35.7%	11.9%	14.6%	15.8%	24.8%
- Iron ore - Export													
- Iron ore - Local							40.7%	35.7%					
- Nkomati						475.5%	-13.6%	47.5%	45.7%				
Future Materials and Metals								-3.4%	22.6%	5.9%	15.0%	22.0%	25.0%
Other								-45.4%	-41.1%	-51.4%	10.0%	15.0%	15.0%

Source: Company data, Chronux Research estimates

Figure 18 Income Statement - Forecast

Afrimat Limited	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028
Sales	1970	2228	2457	2966	3304	3694	4680	4908	6083	8318	9868	11004	11734
Cost of Goods Sold (COGS) incl. D&A	1363	1476	1709	2055	2260	2235	3022	3278	4068	6859	7419	8026	8276
Gross Income	607	752	748	912	1044	1459	1658	1630	2015	1458	2449	2978	3458
SG&A Expense	290	346	392	439	458	571	650	744	862	1107	1323	1475	1573
Other Operating Expense	0	5	0	-7	-8	-7	-8	-11	-14	-33	-18	-18	-19
EBIT (Operating Income)	317	401	356	479	594	896	1015	897	1168	384	1143	1521	1904
Nonoperating Income - Net	23	40	27	16	24	-4	101	80	18	123	37	-8	18
Interest Expense	18	36	53	59	37	27	39	41	55	197	237	152	95
Unusual Expense - Net	2	3	6	18	8	-4	11	1	19	6	6	6	6
Income Taxes	91	123	79	117	108	265	291	269	325	189	249	337	468
Equity in Earnings of Affiliates	-4	1	0	2	0	0	0	0	2	-2	0	0	0
Consolidated Net Income	224	279	245	304	465	604	775	665	789	114	689	1018	1354
Minority Interest	2	2	0	3	3	3	2	4	7	18	25	41	53
Net Income	222	278	246	301	463	601	773	661	782	96	664	977	1300
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	6	6	6
Net Income available to Common	222	278	246	301	463	601	773	661	782	96	658	971	1294
Per Share													
EPS (recurring)	1.55	1.96	1.82	2.29	3.42	4.33	5.52	4.51	5.23	0.65	4.42	6.48	8.61
EPS (diluted)	1.54	1.94	1.79	2.20	3.38	4.35	5.47	4.50	5.14	0.62	4.36	6.40	8.51
Earnings Persistence	93.24	72.97	80.23	90.93	89.56	78.24	73.03	81.39	84.68	75.98			
Dividends per Share	0.57	0.70	0.62	0.81	1.17	1.48	1.86	1.50	1.94	0.25	1.62	2.37	3.15
EBITDA													
EBITDA	403	502	480	626	771	1105	1328	1276	1558	1023	1771	2161	2557

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

Afrimat Limited	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028
Rental Expense	63	82	77	138	176	148	383	493	545	769			
Stock Option Comp Exp (Net of Tax)	3	5	4	5	11	14	21	25	26	27			
Foreign Currency Translation Gains/Losses	-	-	-	1	6	-18	16	40	17	17			
Tax Rate	28.5	30.6	24.2	28.0	18.9	30.5	27.3	28.8	29.2	62.1	28.0	28.0	28.0
Headline EPS	1.57	1.96	1.81	2.34	3.48	4.42	5.43	4.58	5.67	0.72	4.42	6.48	8.61
Headline EPS (diluted)	1.54	1.94	1.79	2.33	3.44	4.32	5.29	4.51	5.61	0.71	4.36	6.40	8.51

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

Afrimat Limited	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028
Price / Sales	1.8	2.0	1.6	1.4	1.2	1.7	2.0	1.6	1.6	1.1	0.7	0.6	0.6
Price / Earnings	15.5	15.5	16.1	13.5	8.3	10.0	11.9	11.8	12.0	95.3	10.5	7.1	5.4
Price / Book Value	3.4	3.5	3.3	2.9	2.3	2.7	3.1	2.1	2.1	2.1	1.5	1.3	1.1
Price / Tangible Book Value	3.9	3.9	4.3	3.4	2.6	3.0	3.3	2.2	2.2	2.2	1.6	1.4	1.2
Price / Cash Flow	10.9	10.7	19.8	10.0	5.8	8.0	12.8	8.0	7.7	38.5			
Price / Free Cash Flow	18.5	16.0	48.6	12.9	7.5	10.6	68.2	44.8	17.6	-			
Dividend Yield (%)	2.4	2.3	2.1	2.7	4.1	3.3	2.8	2.8	3.1	0.4	3.5	5.2	6.9
Enterprise Value / EBIT	10.9	10.8	12.3	9.1	6.7	6.9	9.4	8.9	8.0	28.2	7.5	5.6	4.5
Enterprise Value / EBITDA	8.6	8.7	9.1	7.0	5.2	5.6	7.2	6.3	6.0	10.6	4.8	4.0	3.4
Enterprise Value / Sales	1.8	2.0	1.8	1.5	1.2	1.7	2.0	1.6	1.5	1.3	0.9	0.8	0.7
EBIT / Interest Expense (Int. Coverage)	17.2	11.1	6.8	8.2	15.9	33.7	26.3	22.0	21.2	1.9	4.8	10.0	20.1

Source: Factset, Company data, Chronux Research estimates

Figure 19 Balance Sheet and Cash Flow - Forecast

	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028
Assets													
Cash & Short-Term Investments	118	245	112	192	168	871	292	290	655	301	168	585	1263
Short-Term Receivables	298	335	401	449	481	701	803	749	785	1182	1229	1279	1331
Inventories	133	163	242	261	261	279	568	461	614	1101	1146	1192	1240
Other Current Assets	6	7	-	-	-	-	-	-	-	-	0	0	0
Total Current Assets	554	750	755	902	909	1851	1664	1500	2054	2584	2544	3056	3834
Net Property, Plant & Equipment	763	1058	1418	1470	1572	2247	2696	3326	3898	5665	5894	6132	6380
Total Investments and Advances	19	33	54	60	72	81	92	122	148	163	0	0	0
Long-Term Note Receivable	141	247	8	0	-	-	-	-	-	-	3	6	6
Intangible Assets	150	148	300	222	210	216	213	260	235	256	266	277	288
Deferred Tax Assets	21	30	55	34	32	60	361	261	198	248	198	159	127
Other Assets	0	0	0	0	0	0	20	213	215	287	314	-87	-464
Total Assets	1648	2266	2591	2687	2795	4455	5046	5681	6749	9203	9219	9543	10171
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	105	351	255	282	157	647	496	146	347	1743	1281	884	588
Accounts Payable	164	145	202	181	194	264	382	400	547	1127	1703	1771	1843
Income Tax Payable	3	9	11	4	11	11	7	16	15	8	9	9	9
Other Current Liabilities	119	250	282	219	237	341	290	440	403	931	438	456	474
Total Current Liabilities	391	754	751	686	599	1263	1174	1003	1312	3809	3431	3121	2914
Long-Term Debt	47	95	272	236	139	301	149	166	210	194	200	200	200
Provision for Risks & Charges	76	96	130	141	153	239	265	291	280	280	291	303	315
Deferred Tax Liabilities	108	114	208	215	216	394	450	367	363	394	382	370	359
Other Liabilities	0	0	0	0	0	0	0	5	20	138	128	128	128
Total Liabilities	623	1059	1361	1277	1106	2197	2039	1832	2185	4815	4431	4121	3916
Common Equity	1018	1199	1219	1398	1682	2250	2998	3835	4541	4356	4752	5383	6217
Total Shareholders' Equity	1018	1199	1219	1398	1682	2250	2998	3835	4541	4356	4752	5383	6217
Accumulated Minority Interest	7	8	10	11	7	8	9	14	22	32	32	32	32
Total Equity	1025	1207	1229	1410	1689	2258	3007	3849	4563	4388	4785	5415	6249
Total Liabilities & Shareholders' Equ	1648	2266	2591	2687	2795	4455	5046	5681	6749	9203	9216	9537	10165
Per Share													
Book Value per Share	7.20	8.81	8.93	10.30	12.46	16.35	21.70	25.91	30.04	28.62	31.17	35.27	40.70
Tangible Book Value per Share	6.15	7.73	6.73	8.67	10.90	14.78	20.16	24.15	28.48	26.93	29.43	33.47	38.83
Operating Activities													
Net Income / Starting Line	315	402	324	422	573	869	1066	935	1113	302	862	1052	1389
Depreciation, Depletion & Amortization	82	101	124	146	177	209	297	379	390	639	628	640	653
Other Funds	-78	-134	-114	-70	-42	-205	-280	-259	-246	-328	0	0	0
Funds from Operations	319	368	334	498	709	874	1083	1056	1257	613	1490	1693	2042
Changes in Working Capital	1	38	-133	-87	-32	-106	-346	-68	-20	-373	-26	-27	-28
Net Operating Cash Flow	320	406	201	410	677	768	737	987	1237	240	1464	1666	2014
Investing Activities													
Capital Expenditures	-131	-135	-119	-94	-154	-190	-604	-811	-695	-742	-1003	-550	-587
Net Assets from Acquisitions	-4	-280	-38	-9	-27	-1	-15	-29	-7	-381	0	0	0
Sale of Fixed Assets & Businesses	14	27	27	14	34	54	26	21	69	100	55	55	55
Purchase/Sale of Investments	-2	-116	-68	0	6	-17	-9	-25	-12	9	0	0	0
Other Funds	0	0	0	0	0	-283	0	23	0	0	0	0	0
Net Investing Cash Flow	-123	-504	-197	-89	-141	-437	-601	-820	-646	-1014	-948	-495	-531
Financing Activities													
Cash Dividends Paid	-76	-88	-96	-86	-136	-160	-214	-266	-227	-255	-112	-354	-505
Change in Capital Stock	-60	-18	-14	-31	-29	-13	-16	465	-32	-23	0	0	0
Issuance/Reduction of Debt, Net	-23	293	180	-165	-250	124	-37	-485	23	815	-459	-400	-300
Other Funds	0	38	-25	-3	-3	-2	-3	118	-124	-20	0	0	0
Net Financing Cash Flow	-158	225	45	-286	-426	-60	-284	-175	-366	493	-571	-754	-805
Exchange Rate Effect	-	-	-	0	-	-	-	-	-	-	0	0	0
Net Change in Cash	39	127	49	36	110	270	-148	-8	225	-281	-55	417	678
Free Cash Flow													
Free Cash Flow per Share	1.31	1.90	0.60	2.31	3.82	4.17	0.98	1.20	3.57	-3.27	3.00	7.27	9.30
Free Cash Flow Yield (%)	5.4	6.2	2.1	7.7	13.4	9.4	1.5	2.2	5.7	-5.4	6.6	15.9	20.4

Source: Factset, Company data, Chronux Research estimates

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