



OM HOLDINGS LIMITED

Investor Presentation

October 2018

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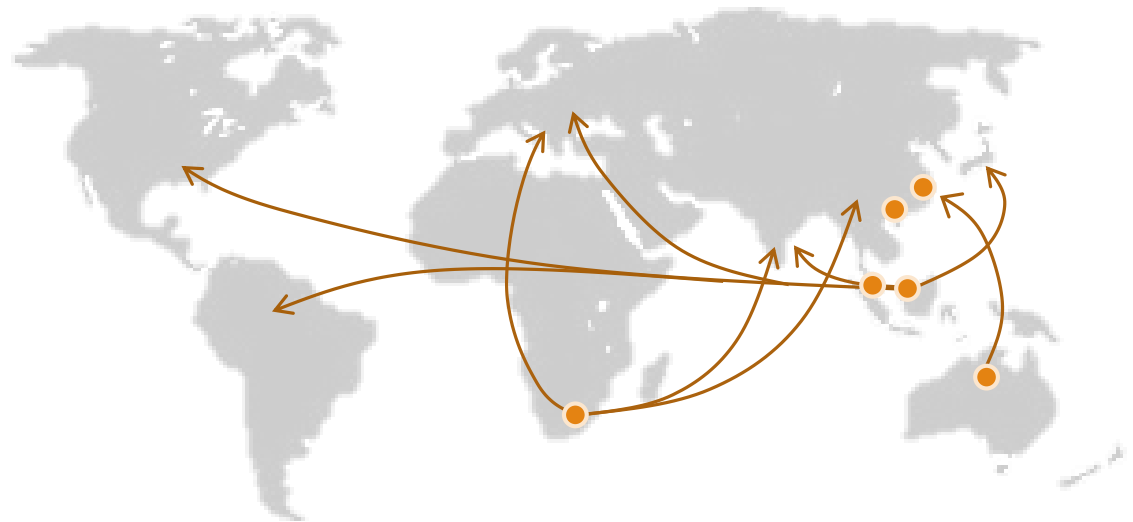
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GROUP OVERVIEW

OM Holdings Limited with its subsidiaries, is a vertically integrated commodity player engaged in the business of **mining, smelting, trading, and marketing of ores and ferroalloys**. With an established history of over 20 years in the industry, the Group is listed on the ASX and captures value across the entire value chain through operations in Australia, China, Japan, Malaysia, Singapore, and South Africa. The Group's flagship smelter complex in Sarawak commenced production in 2014, marking a successful foray into the production of silicon based products.

1994	Founded
1998	Listed on ASX
2005 - 2006	Started Bootu Creek mine and Qinzhou smelter
2010	Secured stake in Tshipi Borwa mine
2011	Initiated Sarawak project
2014	Started Sarawak smelter
2017	Completed furnace conversion at Sarawak



GROUP SNAPSHOT

From Oct 2018, OMH was included in the S&P/ASX 300, and S&P/ASX Small Ords indices

Share Metrics (as at 22nd Oct 18)

Issued Shares	738.6 million shares
Share Price	A\$ 1.685
52 weeks Low / High	A\$ 0.45 / A\$ 1.70
Market Capitalization	A\$ 1.24 billion

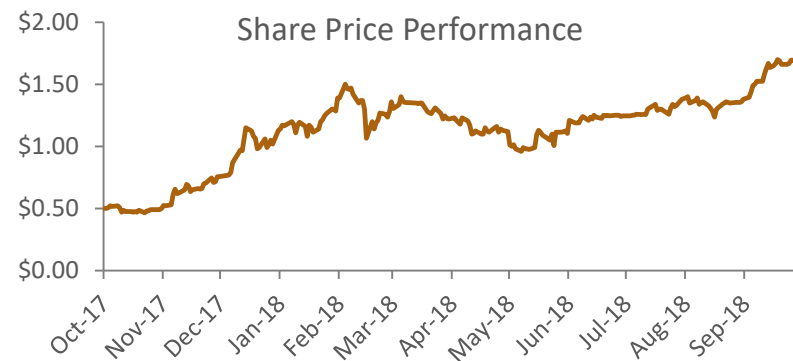
Debt (H1 2018)

Total Borrowings	A\$ 497 million
- Sarawak Project	- A\$ 469 million
- Corporate	- A\$ 28 million

Enterprise Value	A\$ 1.74 billion
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Earnings & Key Ratios

Adj. EBITDA (Jun 2018, trailing 12 months)	A\$ 319 million
Earnings / Share (Jun 2018, trailing 12 months)	A\$ 0.25
EV : Adj. EBITDA	5.45x
PER	6.74x



Largest Shareholders (as at 3rd Apr 18)

Huang Gang and Newtimes Marine Co Ltd	12.10%
Marc Chan, Amplewood Resources Ltd and Parfield International Ltd	10.92%
Low Ngee Tong and Ramley International Ltd	9.10%
Heng Siow Kwee and Dino Company Ltd	8.94%
Stratford Sun Limited	7.96%



*Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, non-cash inventory write-downs, deferred stripping, and other non-cash items. Adjusted EBITDA is not a uniformly defined measure and other companies in the mining industry may calculate this measure differently. Consequently, the Group's presentation of Adjusted EBITDA may not be readily comparable to other companies' figures.

GROUP OVERVIEW

OMH's Board of Directors

Low Ngee Tong (Executive Chairman & CEO)	○ A qualified mechanical engineer, having graduated from the National University of Singapore ○ Has over 38 years of experience in the steel, ferroalloy and building materials industries in Asia ○ Founded OMH and held the position of CEO from incorporation to subsequent listing on the ASX in 1998. In October 2008, became the Executive Chairman of OMH
Zainul Abidin Rasheed (Independent Deputy Chairman)	○ Graduated with Bachelor of Arts (Honours) in Economics and Malay Studies from the University of Singapore ○ Had an extensive career in journalism and served as a Member of the Parliament of Singapore and in a number of government agencies ○ Non-resident Ambassador to the State of Kuwait and the Foreign Minister's Special Envoy in the Middle East
Julie Wolseley (Independent Non-Executive Director & Joint Company Secretary)	○ Holds a Bachelor of Commerce degree and is a Chartered Accountant ○ Has over 26 years experience as Company Secretary to a number of ASX listed companies operating primarily in the resources sector ○ Previously an audit manager both in Australia and overseas for an international accounting firm as well as a Member of the Australian Institute of Company Directors
Tan Peng Chin (Independent Non-Executive Director)	○ Founded Tan Peng Chin LLC, a Singapore based law firm, and was formerly its Managing Director and consultant until he retired from the firm on 31 December 2015 ○ Legal expertise includes corporate finance, banking, company and commercial laws, international trade, joint ventures, and shareholder issues ○ Currently holds a number of directorships on a number of companies in Asia
Thomas Teo Liang Huat (Independent Non-Executive Director)	○ Holds a Master of Business in Information Technology from the Royal Melbourne Institute of Technology and a Bachelor of Accountancy from the National University of Singapore ○ A Fellow member of the Institute of Singapore Chartered Accountants and the CFO of G.K. Goh Holdings Limited ○ Current executive responsibilities extend to the financial and investment management as well as being a board representative on various subsidiaries and associates
Peter C. Church (Independent Non-Executive Director)	○ An Australian commercial lawyer with over 30 years of experience providing legal and corporate advisory in South East Asia and India ○ Also holds various executive roles as the Chairman of AFG Venture Group, Special Counsel to Stephenson Harwood, and a non-executive director of a number of corporations and not for profit organisations ○ Awarded the Medal of Order of Australia (OAM) by the Australian Government for his promotion of business between Australia and South East Asia, and is a Fellow of the Australian Institute of Company Directors



ACTION AND STRATEGY

Delivered (2017 – 2018)

- Mn furnace conversion at OM Sarawak: Gains in total return
- Achieved cost competitive production for 16 furnaces, run on green and sustainable hydropower
- Secured 50 MW (total of 350 MW) additional power to support high production rates

Short-term / Actionable

- Sinter plant for cost reduction
- Tailings retreatment to efficiently produce ore fines
- Secure additional 100 MW power to fuel future growth
- Continuous product development at OM Sarawak to capture full market value

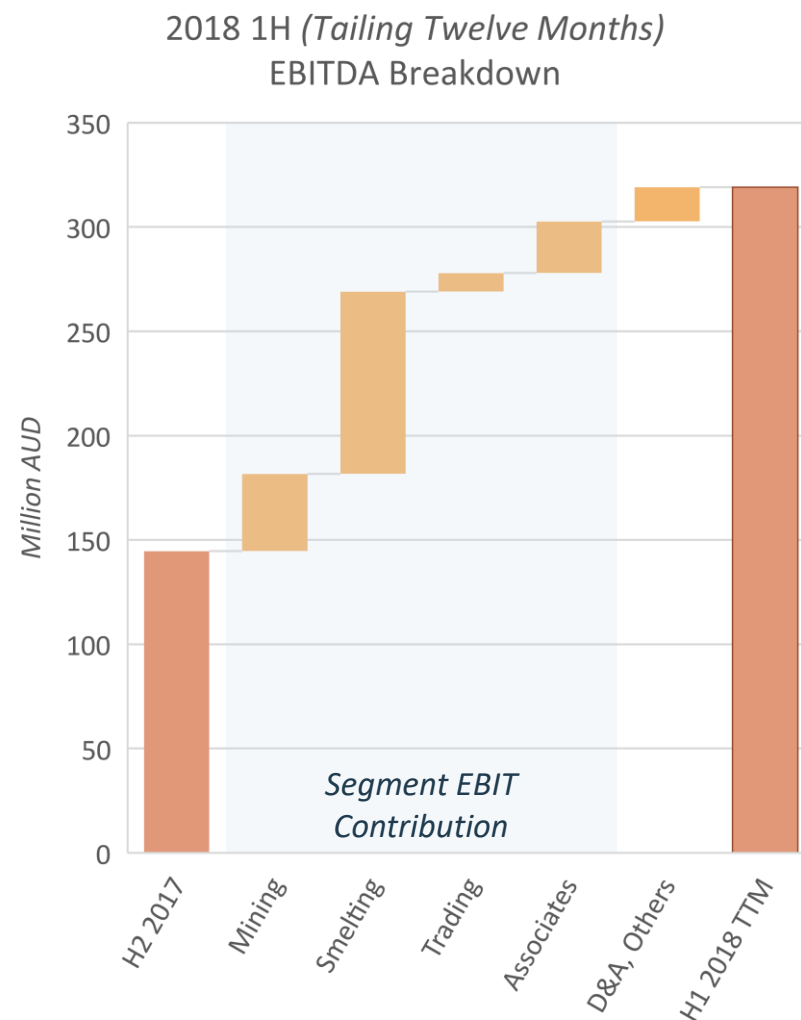
Long-term / Strategic

- Expand Mn alloy capacity
- Develop Silicon metal production
- Raw material development
- Trading based on long-term relationships



FINANCIAL HIGHLIGHTS

A\$'million	2015	2016	2017	H1 2018
Revenue	338.5	414.2	988.2	828.3
Gross Profit	6.1	60.1	209.6	184.6
GP Margin (%)	1.8	14.5	21.2	22.3
Adjusted EBITDA*	(37.6)	35.0	186.1	174.5
Profit/(Loss) before tax	(131.6)	(8.1)	72.6	125.8
Profit/(Loss) Attributable to Owners	(122.1)	7.9	92.7	90.4
Shareholders' Funds	87.2	139.7	228.0	329.9
Borrowings	570.1	617.6	510.7	496.6
Borrowings to Equity ratio (times)	4.76	3.05	1.77	1.22
Basic Earnings/(Loss) per Share (AUD cents)	(16.69)	1.08	12.67	12.32
Cash and equivalent	12.7	20.6	29.9	63.6
Dividend (AUD cents)	0	0	0	3.0



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WHAT WE DO

Raw Materials

Manganese Ore

Quartz

Products

Ferromanganese

Silicomanganese

Ferrosilicon (incl. Refined Grade)

Customers

Steel Mills

Foundries

Magnesium
Production

Crude Steel

- Flat products
- Long products

Stainless Steel

High-tech Steels

- Electrical steels
- High strength steels

Cast Products

- Machinery parts
- Consumer good parts



WHAT WE DO

One-stop source of crucial ferroalloys to top regional and global steel-makers

- **Manganese ferroalloys (Silicomanganese and Ferromanganese)** are smelted from **manganese ore**, and are essential to the production of steel with no known substitutes. Manganese ferroalloys are added to deoxidize molten steel, remove sulphur, and act as a hardening agent.
- **Ferrosilicon** is an irreplaceable raw material for all steel making. It is also used to deoxidize molten steel, and to maintain the temperature of molten steel during refining. Ferrosilicon is used in higher concentrations in specialty steel products especially in the automotive industry.



Our Customers:

China Steel Corporation (Taiwan)
Erdemir (Turkey)
Formosa Ha Tinh Steel (Vietnam)
Gerdau (Americas)
Hyundai Steel (South Korea)

JFE Steel Corporation (Japan)
JSW (India)
Nippon Steel & Sumitomo Metal (Japan)
POSCO (South Korea)
Thyssenkrupp (Germany)



OPERATIONAL DIVISIONS

Exploration & Mining	Smelting & Sintering	Marketing & Trading
Mining - Australia (100%) ◦ Bootu Creek: Manganese ore production target of 0.8 million MT per annum Mining - South Africa (13%*) ◦ Tshipi Borwa: Manganese ore production target of 3.6 million MT per annum Mining - Malaysia (Under Development) (60%) ◦ Lasah/Lawin: Quartzite production	Smelting - China (100%) ◦ OM Qinzhou: Production capacity of 80k MT manganese alloy and 300k MT sinter Smelting - Malaysia (75%) ◦ OM Sarawak: Ferrosilicon and manganese alloys ◦ Production capacity of 200-210k MT of ferrosilicon alloy and 250-300k MT of manganese alloys ◦ 75% owned, J/V with Cahya Mata Sarawak Berhad, a listed Malaysian conglomerate	Marketing and Trading - Singapore/China (100%) ◦ Procurement and sales for Group companies ◦ Products: Manganese ore, Ferrosilicon, Silicomanganese, Ferromanganese, Quartz, Reductants (coke, coal), Fe units



* Effective interest held via J/V with Nstimbintle (a BEE group)

FUTURE ORGANIC GROWTH

Creating value by doing simple things right

1. OM Manganese – Tailings Retreatment Plant

- Beneficiation of existing fines stockpile, proven technology
- Cost effective production, ore fines production of 250k metric tons per annum
- Capex: ~A\$12m, Operational in Q2 2019

2. OM Sarawak - Sinter plant

- On-site sinter production, synergies with Tailings Retreatment
- Raw material cost savings, capacity of 250k metric tons per annum
- Synergies with OM Manganese project
- Capex: ~A\$20m, Operational in Q2 2019

3. OM Sarawak - Expansion

- Power purchase agreement – Clawed back to 350 MW, seeking additional 100 MW (in principle agreement subject to necessary approvals)
- Lateral diversification into Silicon Metal (diversify customer base, uncorrelated returns)



MINING OVERVIEW

Revenue contribution of A\$136.4m in 2017, a significant turn around from 2016

OM Manganese Ltd (“OMM”)

Mine: Bootu Creek

Location: Northern Territory, Australia

Product: ~36% Grade Siliceous Manganese Ore

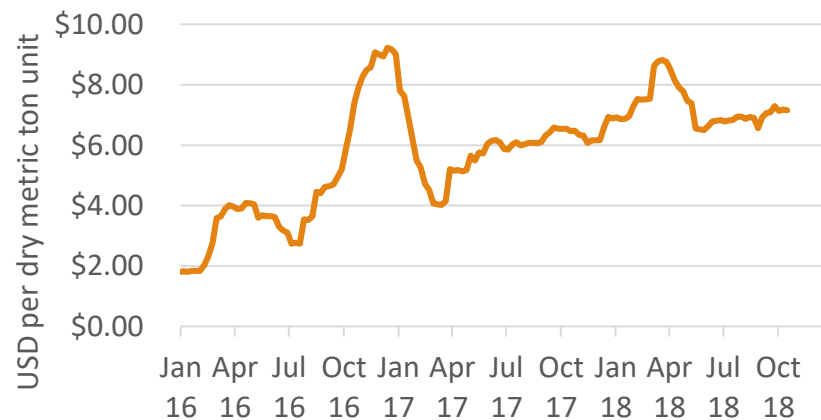
Capacity: Up to 0.8 million mt per annum

Plants: 1 x Primary Processing Plant, 1 x Secondary Processing Plant

Brief History

- Exploration commenced in 2001
- Commenced mining at end of 2005, with first lot processed and shipped in 2006.
- As a result of global slow down, put into voluntary administration in 2016
- Exited administration in Q3 2016
- Restarted mining in Q1 2017

Mn Ore Price (Metal Bulletin 44% CIF)



SMELTING OVERVIEW

Green field projects developed in-house, organically grown revenue of A\$545.6m in 2017

OM Materials (Sarawak) Sdn Bhd (“OMSA”)

75% owned, J/V with Cahya Mata Sarawak Berhad, a leading industrial conglomerate listed on Bursa Malaysia

Location: Sarawak, Malaysia

Product: FeSi, Manganese alloys (SiMn, HCFeMn)

Furnaces: 16 x 25.5 MVA furnaces

Capacity: 200-210k mtpa of FeSi, 250-300k mtpa of manganese alloys

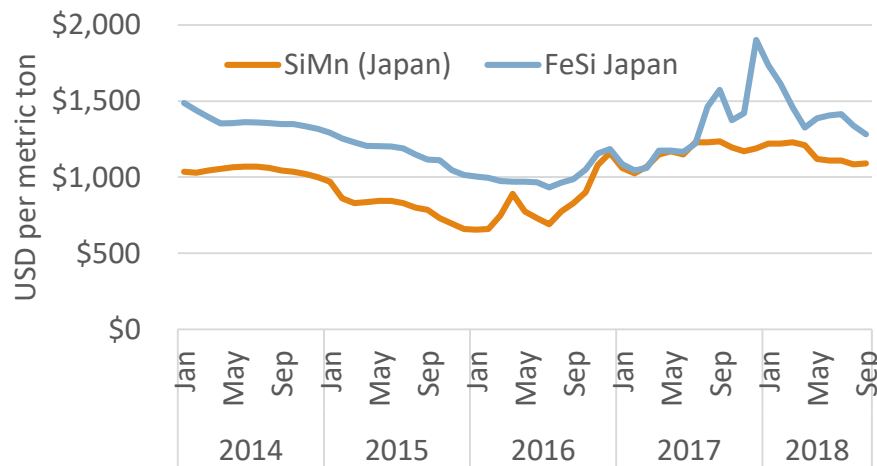
OM (Qinzhou) Co Ltd (“OMQ”)

Location: Guangxi, China

Product: HCFeMn, Sinter ore

Furnaces: 2 x 16.5 MVA furnaces, 1x 3.5 MVA furnace

Capacity: 80k mtpa of HCFeMn, 300k mtpa of Sinter ore



Brief History - OMQ

- 2002: Commenced OMQ project, constructed based on in-house design and engineering
- 2004: First tapping at OMQ

Brief History - OMSA

- Apr 2013: Execution of EPC contract for OMSA
- Sep 2014: First tapping of FeSi at OMSA
- Dec 2016: Successful modification and first tapping of manganese alloy at OMSA

Notes:

FeSi – Ferrosilicon, SiMn – Silicomanganese, HCFeMn – High Carbon Ferromanganese, mtpa – metric tons per annum

Prices in chart as assessed by Platts and CRU

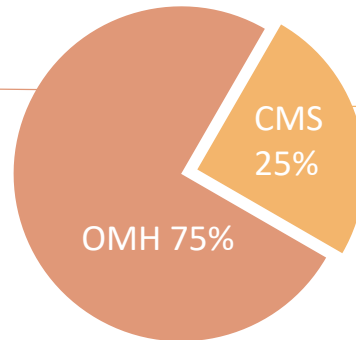


SMELTING – OM SARAWAK FUNDAMENTALS

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*

Competitive Hydro Power

- 20-year Power Purchase Agreement
- Competitive with fixed escalation factor
- Stable supply

Access to Raw Material

- Sited along major sea route
- Access to global 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 developed and are currently owner operated (with the exception of Tshipi mine)

Strategic Flexibility

- Able to convert furnaces freely between silicon and manganese
- Option of silicon metal production

Sustainability

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



SMELTING – OM SARAWAK

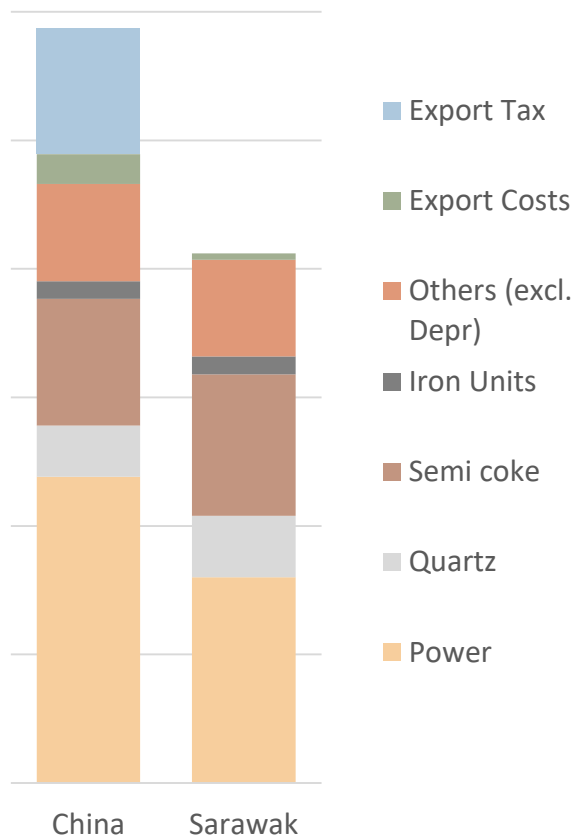
Aerial View



SARAWAK'S STRUCTURAL COMPETITIVENESS

OM Sarawak is positioned in the bottom quartile of the global cost curve

FeSi Production Cost Comparison



Competitive Advantage

- Marginal producers in China operate on higher power costs (main cost component)
- OM Sarawak has a cost advantage over current marginal suppliers, even without Chinese export duty
- Long-term, sustainable plant with 20-year fixed-escalation power tariff
- China's environmental policy stance clear:
 - Enforcement by ministry inspectors, fines levied by tax bureau
 - Quarrying/mining increasingly restrictive
 - Emissions cap and trade to be implemented

Sources and assumptions:

- Chinese production costing based on research by CNFEOL (Sep 2017)
- Costing adjusted to account for grade differences
- Diagram not drawn to scale and purely for illustrative purposes only



SARAWAK'S OPERATING ENVIRONMENT

One of two Malaysian states on the island of Borneo



Sarawak, Malaysia

- Culturally diverse state, unique demographics
- Low population density
- Stable operating environment

Sarawak Corridor of Renewable Energy (SCORE)

- Samalaju Industrial Park - supported by 3,344 MW* of hydropower

Samalaju Port

- Purpose built port for Samalaju Industrial Park
- 7km from OM Sarawak
- Capable of berthing vessels up to 58,000 DWT ("Supramax")

*Installed capacity of Bakun and Murum dams. Source: <https://www.sarawakenergy.com/>

MID-TERM OUTLOOK

Macroenvironment

- Continued infrastructure support a boon to steel given trade tensions

Manganese

- Demand supported in spite of record exports, due to mining controls in China

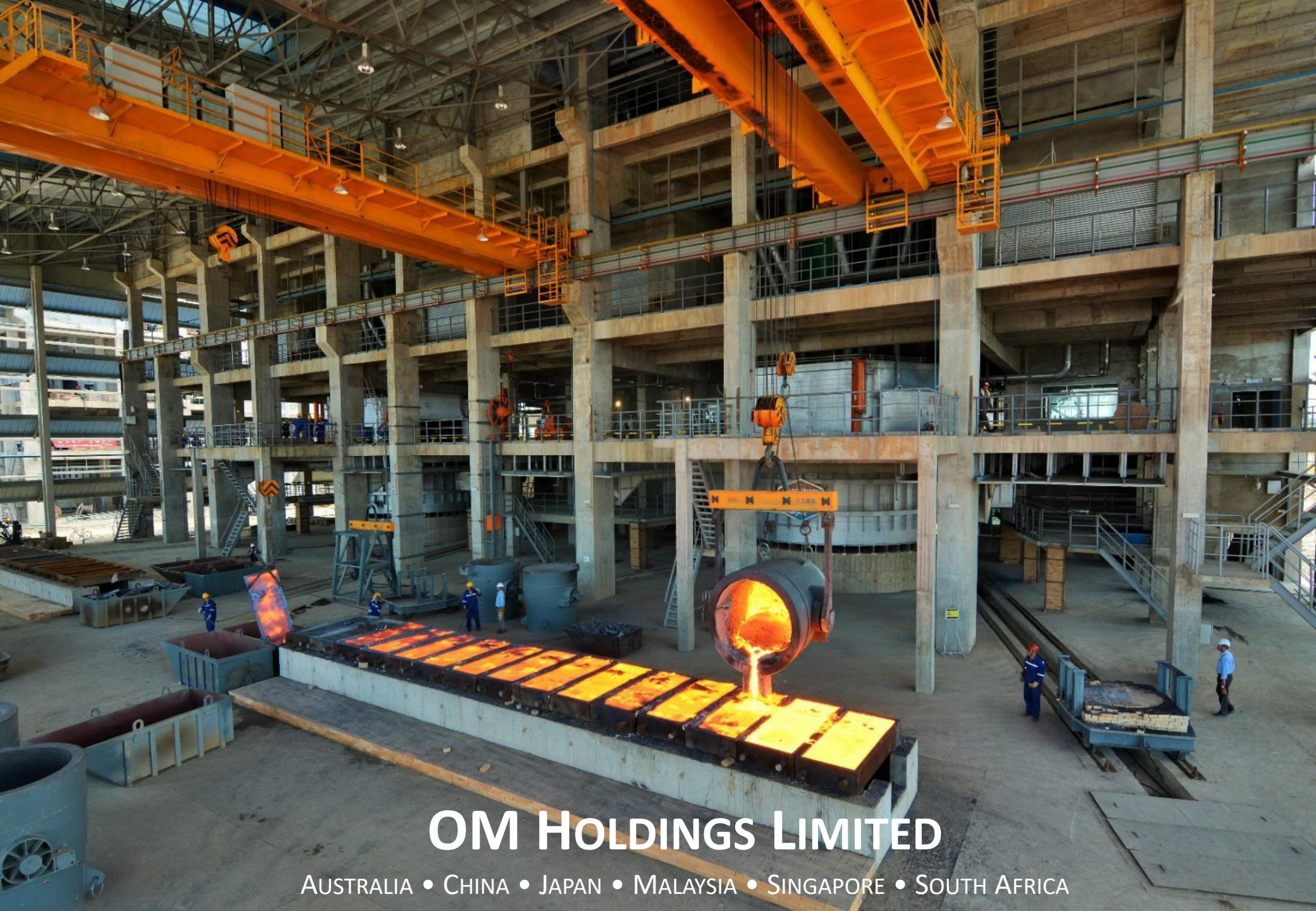
Ferroalloys

- Global Mn alloy prices slipping but demand in China remains high due to new rebar standards

Corporate

- Refinance Sarawak project loan
- Debt repayment at corporate level
- Sustainable dividends





OM HOLDINGS LIMITED

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