

10 February 2025

Business and earnings update

Pilbara Minerals Limited (ASX:PLS) (**PLS** or the **Group**) today announces a business and earnings update for the half year period ended 31 December 2024 (H1 FY25).

PLS is in the process of finalising its H1 FY25 financial statements. The audit review of the Group's H1 FY25 results is currently in progress with the Group's H1 FY25 results announcement scheduled for Thursday, 20 February 2025.

H1 FY25 – Estimated Underlying Results¹

For the underlying Pilgangoora Operation, the Group's underlying earnings before interest, tax depreciation and amortisation (EBITDA) and net profit or (loss) after tax for H1 FY25 are expected to be in the following range:

- Underlying EBITDA: \$71M to \$75M
- Underlying net profit or (loss) after tax: \$(5)M to \$(7)M

The Group's expected underlying results reflect record production and sales volumes from its core Pilgangoora Operation and cost reductions from the P850 Operating Model. The results were also achieved during a period of implementation of major expansion programs across the Pilgangoora Operation with the P680 expansion project completed on schedule and budget. Pleasingly, post period end, construction of the P1000 Project was completed and first ore was achieved on 31 January 2025.

H1 FY25 – Estimated Statutory Results²

Expected H1 FY25 items in relation to the Group's investments in its new growth platforms (the POSCO Pilbara Lithium Solution Co. Ltd (PPLS) JV and the Mid-Stream Demonstration Plant Project (Demonstration Plant Project)) are estimated as follows:

- A non-cash reduction to the carrying value of the Group's call option to increase its stake in the PPLS JV from 18% to 30% (PPLS Call Option) of approximately \$16M recognised in the profit or loss statement under finance costs. This compares to a \$53M reduction in H1 FY24.
- A share of the net loss after tax of approximately \$22M for the PPLS JV (with no cash injection required in the period). This compares to \$8M in H1 FY24. This amount is recognised in the profit or loss statement under equity accounted investees and is inclusive of an approximately \$11M adjustment to the net realisable value of inventory by PPLS.
- Demonstration Plant Project construction costs of approximately \$24M recognised in the profit or loss statement under feasibility expense. This compares to \$7M in H1 FY24.

Taking the abovementioned results from our joint venture growth investments into account, and a small amount of one-off transaction costs, the Group's EBITDA and statutory net profit or (loss) after tax for H1 FY25 is expected to be in the following range:

- EBITDA: \$45M to \$49M
- Statutory net profit or (loss) after tax: \$(68)M to \$(71)M

As announced within the December 2024 Quarterly, the Group's cash balance as at 31 December 2024 remains strong at \$1.2B after accounting for the abovementioned investments. Refer to the appendix for a reconciliation of the abovementioned financial information.

H2 FY25 – Outlook for chemicals project investments

PPLS JV

As outlined above, consistent with prior periods, the PPLS JV is expected to report a net loss after tax for the H1 FY25 period. The net loss is reflective of the PPLS JV being in a ramp-up phase and current lower market prices for Lithium Hydroxide Monohydrate (LHM). There was no cash injection required from PLS in the period. The expected reduction to the carrying value of the Group's PPLS Call Option primarily reflects updated pricing forecasts.

Notwithstanding the impact of market prices, operationally the PPLS hydroxide facility ramp-up continues to reach key milestones on schedule. As referenced in the December 2024 Quarterly, Train 1 is ramping up in line with expectations and achieved first product certification in November 2024 allowing the sale of certified battery grade LHM. Train 2 ramp up has commenced, and the PPLS JV is targeting the start of certification in H2 FY25. The profit or loss impact to the Group of the PPLS investment in H2 FY25 will be dependent on ramp up progress, sales performance and market prices.

As referenced in the December 2024 Quarterly, additional PLS funding, representing a cash outlay, may be required into PPLS in CY25.

Demonstration Plant Project

As announced in October 2024, construction of the Demonstration Plant Project was paused until lithium market conditions improved or further Government support for project continuation could be secured.

In January 2025, the Western Australian Government announced the award of \$15M of grant funding from the Western Australian Government's Investment Attraction Fund for the Demonstration Plant Project. In light of this funding, the Boards of both PLS and Calix Ltd are now discussing the resumption of construction.

Assuming the project is recommenced, construction is expected to be completed in the December Quarter 2025 with an expected H2 FY25 cost to PLS of \$15M fully offset by Government grant funding.

PLS' Managing Director and CEO, Dale Henderson, said:

"PLS delivered a strong set of operating outcomes for the first half. This included achieving a new record for total production and sales from the Pilgangoora Operation along with delivering the P680 project on-time and on-budget. The underlying EBITDA and net result after tax reflect these achievements.

Beyond our core business, we advanced our chemicals strategy to increase our exposure to value-added battery chemicals while further diversifying our supply chain. During the period, the PPLS JV and Midstream Demonstration Plant project progressed through their ramp-up and development phases respectively. These projects continue to reflect the effects of current lower market pricing, development costs or ramp up costs as shown in the expected results. We remain very positive about the long-term potential of these strategic investments and both projects offer a staged investment pathway for future scale-up at PLS' discretion.

We continue to be excited about the long-term outlook for the lithium market and will grow the business in step with market dynamics. This consistent strategy of incremental investment, aligned with market conditions, is underpinned by the strong operating foundation at our Pilgangoora Operation and a solid balance sheet with \$1.2 billion of cash as at December 2024."

Release authorised by Dale Henderson, PLS' Managing Director and CEO.

Contact

Investors / shareholders

James Fuller
T: +61 (0) 488 093 763
E: james.fuller@pls.com

Media

Michael Vaughan
Fivemark Partners
T: +61 (0) 422 602 720

About PLS

PLS is a leading global producer of lithium materials, with a diversified portfolio of assets and strategic partnerships in the rapidly growing battery materials sector. The Group owns 100% of the world's largest, independent hard-rock lithium operation, the Pilgangoora Operation in Australia, and the Colina Project in Brazil. PLS is also integrated into the lithium value chain through its joint venture with POSCO in South Korea, which manufactures battery-grade lithium hydroxide.

With significant scale, high-quality assets, and a strong commitment to advancing the global energy transition, PLS has established enduring partnerships with leading international companies in the sector such as POSCO, Ganfeng, Chengxin, Yahua, and General Lithium.

Important Information

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

Guidance including as to earnings is based on assumptions, budgets and estimates existing at the time of assessment which may change over time impacting the accuracy of those estimates. These estimates are developed in the context of an uncertain operating environment including in respect of inflationary macroeconomic conditions, incomplete engineering and uncertainties surrounding the risks associated with mining and project development including the commissioning and ramp up of P1000 which may delay or impact production and have a flow on effect on sales. Actual results may therefore vary significantly depending on these risks and the timing required to address them. All information is provided as an indicative guide to assist sophisticated investors with modelling of the Company. It should not be relied upon as a predictor of future performance.

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

Appendix

Financial Information – H1 FY25 Expectations³

	High	Low
EBITDA – Underlying (\$M)	75	71
Midstream construction costs	~24	~24
One-off transaction costs	~2	~2
EBITDA	49	45

Net profit or (loss) after tax – Underlying (\$M)	(5)	(7)
Midstream construction costs	~24	~24
PPLS JV share of loss of equity accounted investee	~22	~22
PPLS JV call option fair value movement	~16	~16
One-off transaction costs and tax effects	~1	~1
Net profit or (loss) after tax – Statutory	(68)	(71)

¹ Underlying results exclude the share of profit or loss from equity accounted investments (i.e. POSCO JV), changes to the carrying value of the PPLS Call Option, Midstream construction costs recognised in exploration and feasibility expenses, and one-off costs. These adjustments are made to reflect the core Pilgangoora Operation.

² EBITDA is a non-IFRS measure and is defined as earnings before interest, tax, depreciation and amortisation. EBITDA also excludes the share of profit or loss from equity accounted investments (i.e. POSCO JV).

³ Numbers may not add due to rounding.