



MEDIA RELEASE

OM HOLDINGS LIMITED DEMONSTRATES RESILIENCE ACROSS DIVERSE SEGMENTS IN 1H2023 FINANCIAL RESULTS AMIDST MARKET VOLATILITY

28 August 2023 - OM Holdings Limited (“OMH” or the “Company”), a manganese and silicon smelting company, with vertical exposure in mining and trading, has today announced its interim financial report for the half-year ended 30 June 2023 (“**1H2023**”). In a complex market environment, the Company demonstrated enduring financial resilience by achieving a Profit After Tax (“**PAT**”) of US\$19.3 million.

Key financial highlights included revenue from operating activities for the first half of 2023 amounting to US\$319.7 million, a 31% decrease from the US\$466.7 million recorded for the half-year ended 30 June 2022 (“**1H2022**”). Despite a drop in revenue, the Company's gross profit margin stood at 21.4% in 1H2023 against 27.7% in 1H2022. Earnings Before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) recorded during 1H2023 amounted to US\$49.8 million, compared to US\$105.1 million in the previous corresponding year.

Executive Chairman and Chief Executive Officer of OMH, Mr Low Ngee Tong, highlighted the company's ability to navigate these challenging times: *"Market conditions in the first half of 2023 posed significant challenges, including declining commodity prices and broad economic uncertainties. However, the adaptability and commitment of our team, as well as our strategic decision-making will carry the Company through these challenging dynamics."*

"The access to long term and affordable power prices continues to provide a competitive advantage for our ferroalloy smelting business. This structural advantage will underpin robust financial outcomes for OM Holdings when the markets for our products become more buoyant in the future."

Low average selling prices for manganese ores, ferrosilicon, and silicomanganese were cited as the primary reason for the decrease in revenue. This is evident as sales volume for 1H2023 and 1H2022 showed little variance. Low average prices in 1H2023 were in contrast to the elevated prices driven by



the robust global recovery from the COVID-19 pandemic and geopolitical uncertainties in 1H2022. The latter part of 2022 witnessed a decline in these impacts, leading to suppressed demand from steel mills, higher energy costs, and a weakening global steel market, which continued to influence prices into 1H2023.

"Despite these challenges, we continue to focus on cost management initiatives and operational efficiency to strengthen our financial performance. While the global economic landscape remains uncertain, we are well-equipped to adapt and tide through the attrition phase of the price cycle," Mr Low further emphasised.

OMH's smelting business segment recorded revenue of US\$202.0 million for 1H2023, reflecting a year-on-year decrease from US\$370.6 million in 1H2022. The reduction in revenue was primarily attributed to lower average prices for ferroalloy sales during 1H2023.

The Company's trading operations faced similar challenges amid a testing market landscape, with revenue decreasing by 23.6% from US\$382.1 million in 1H2022 to US\$292.1 million in 1H2023. This decline was primarily driven by lower average prices for ores and ferroalloys traded during the first half of 2023, despite relatively stable total product volume sold. As a result, the profit contribution from the Company's trading operations also declined to US\$3.0 million, compared to US\$11.0 million in 1H2022.

Low average prices were a common thread across various segments, driven by subdued demand from steel mills given the broad decline in demand amidst higher interest rates and geopolitical turbulence. OMH's performance in its business segments underscores its commitment to operational excellence and prudent management practices. The Company is resolutely focused on maximising value across its diversified portfolio.

This media release is to be read in conjunction with the Group's announcement on its 1H2023 Half-Year Financial Results posted on the ASX website on 28 August 2023.

ABOUT OM HOLDINGS LIMITED

OM Holdings Limited ("OMH" or the "Group") is a manganese and silicon smelting company, with vertical exposure in mining and trading. We are engaged in the business of trading raw ores, smelting, and marketing of processed ferroalloys. With over 25 years in the industry, OMH is listed on both ASX and Bursa Malaysia and has operations across Australia, China, Malaysia, Singapore, and South Africa. Today, the Group is one of the world's leading suppliers of manganese ores and ferroalloys and seeks to be the main ferroalloy supply partner to major steel mills and other industries.

For more information, visit <http://www.omholdingsltd.com/>

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