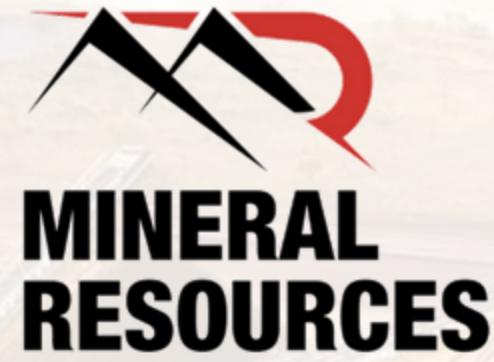




UNIVERSITY OF AUCKLAND
INVESTMENT
CLUB

Pitched by Tom, Cullen, and Shivam



ASX: MIN

Recommendation: BUY

Last Close: \$23.87 (25/05/25)

Implied Share Price: \$30.31

Upside: 27%

Overview



FY24 Financial & Operational Performance

Income Sources	Performance Overview	Key Figures														
<ul style="list-style-type: none"> ◆ Build, run and maintain mining operations for others – usually paid per tonne moved or processed ◆ Mine and sell iron ore (used in steel) sell at global market prices (mostly to China) ◆ Mine lithium to sell spodumene (for EV batteries) sell at global prices (very volatile) ◆ Drill for gas and oil - not generating much income yet 	<ul style="list-style-type: none"> ◆ Mining Services made a record \$550 million in profit, up 14%. Reliable and stable business. Onslow Iron started shipping – a massive project they built themselves. They shipped a record amount of lithium, which is impressive despite low prices. ◆ However Lithium prices dropped hard – cut into profits. This caused overall profit to drop 79% compared to last year. Debt rose to \$4.4 billion, mainly from building new mines and infrastructure. The company is investing a lot now for future growth, but it hurt their short-term profits. 	<table border="1"> <tbody> <tr> <td>Stock Price</td> <td>\$23.87</td> </tr> <tr> <td>Ticker</td> <td>ASX:MIN</td> </tr> <tr> <td>Market Cap</td> <td>\$4.69 Bn</td> </tr> <tr> <td>NPAT</td> <td>\$807 Mn</td> </tr> <tr> <td>Revenue</td> <td>\$5.3 Bn</td> </tr> <tr> <td>EBIDTA margin</td> <td>18.9%</td> </tr> <tr> <td>52 Week range</td> <td>\$14.05 - \$77.43</td> </tr> </tbody> </table>	Stock Price	\$23.87	Ticker	ASX:MIN	Market Cap	\$4.69 Bn	NPAT	\$807 Mn	Revenue	\$5.3 Bn	EBIDTA margin	18.9%	52 Week range	\$14.05 - \$77.43
Stock Price	\$23.87															
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EBIDTA margin	18.9%															
52 Week range	\$14.05 - \$77.43															



MINING

CRUSHING

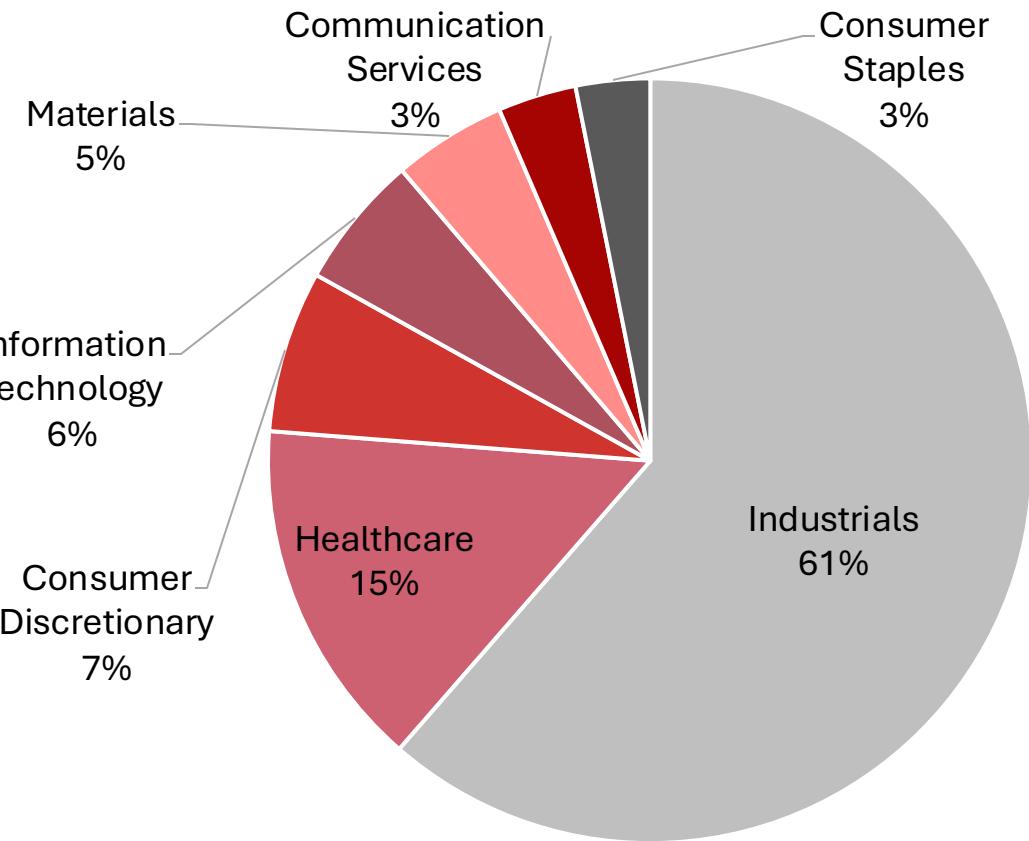
HAULAGE

PORT

TRANSSHIPPING



Position Within the Fund



We have no exposure to mining

Company Snapshot & Market Price

FY24



\$23.87

Share Price – 25/05/25



(\$1.233)B

Net Income



\$5.05B

Revenue



\$213M

EBITDA

Stock price over time

\$100

\$90

\$80

\$70

\$60

\$50

\$40

\$30

\$20

\$10

\$-

Jul-28-2006

Recent CEO scandal

Collapse of Lithium Prices

Jul-28-2011

Jul-28-2016

Jul-28-2021

CEO Scandal: Governance & Investor Implications

 The Guardian

Mineral Resources boss Chris Ellison tells shareholders 'I hate what I've done' after scandals rock company

Mineral Resources boss Chris Ellison tells shareholders 'I hate what I've done' after scandals rock company ... Embattled mining billionaire Chris...

21 Nov 2024



 AFR

MinRes and Chris Ellison face class action over 'misleading conduct'

MinRes and Chris Ellison face class action over 'misleading conduct' ... Mineral Resources and its embattled founder Chris Ellison have been...

1 month ago



 NZ Herald

Kiwi billionaire Chris Ellison to leave miner over 'profoundly disappointing' conduct

Share this article ... Mining billionaire Chris Ellison will step down as managing director of Australia's Mineral Resources after a company...

4 Nov 2024

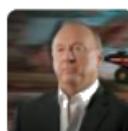


 Australian Broadcasting Corporation

Chris Ellison to step down and pay almost \$9 million to Mineral Resources over tax evasion allegations

Chris Ellison to step down and pay almost \$9 million to Mineral Resources over tax evasion allegations ... Has Video Duration: 2 minutes 1 second.

4 Nov 2024



Investment Thesis

1)

Mining Services is the Backbone

\$550M EBITDA in FY24 (+14% YoY), **up again in 1H25 to \$379M**, Revenue is annuity-like and **decoupled from commodity prices**

2)

Short-Term Lithium Pain, Long-Term Tier-1 Upside

Lithium EBITDA dropped due to prices, but production volumes hit record highs. Wodgina and Mt Marion are low-cost, expandable, and strategically located, Market ignoring plant upgrades, flotation studies, and improved recoveries

3)

Onslow Iron + Natural Gas = Hidden Value

Onslow Iron ramps to 35Mtpa in FY25: adds **\$1.5B in potential EBITDA**, cost curve leader, Monetisation of haul road (\$1.3B) + gas JV (\$780M) frees capital and unlocks cash flow, **Energy optionality** through gas discoveries and JV with Hancock Prospecting

4)

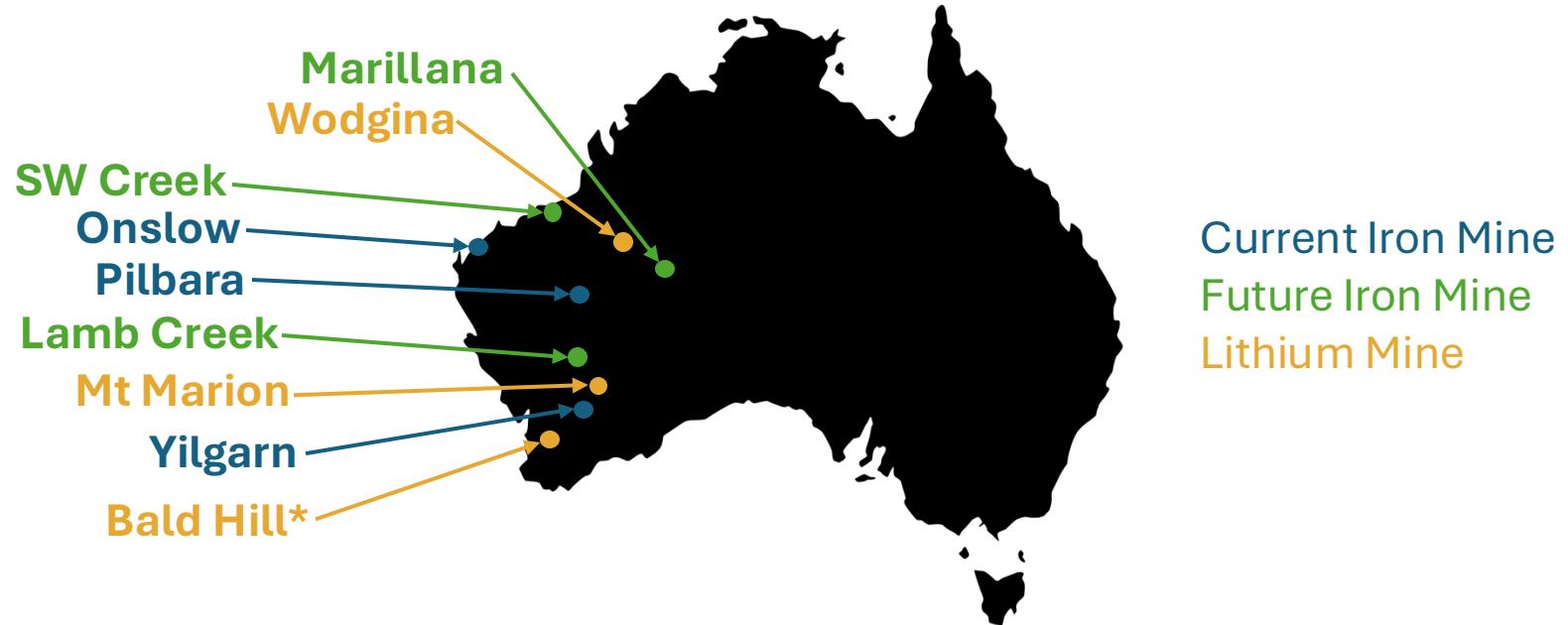
Oversold on Sentiment – Market is Missing the Upside

Share price impacted by Chris Ellison governance noise and lithium collapse, But fundamentals remain intact: long-life infrastructure, high-margin services, and growth visibility

Business



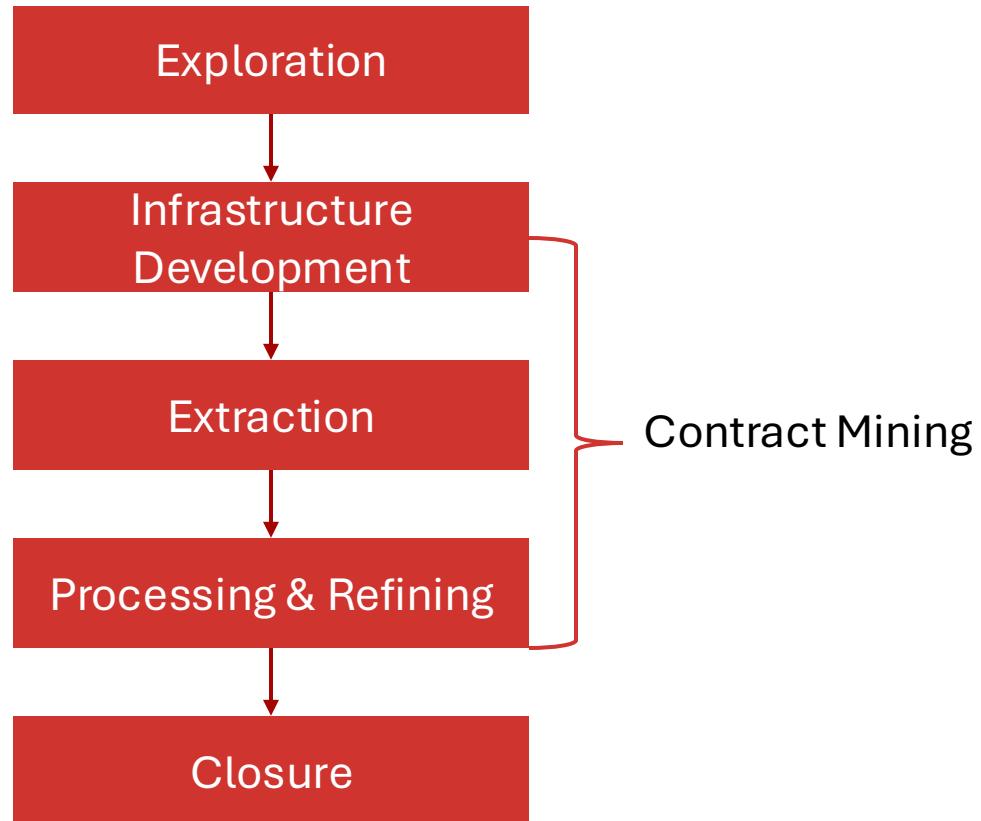
Mines in Australia



Present Iron Mines	Future Iron Mines	Lithium Mines
Onslow is the newest mine and is expecting a massive ramp up iron production from 0.32Mt to 35Mt by mid-2025.	Approval is still required for many of the mines, with Marillana being a joint venture with Brockman Mining. Lots of work is still yet to be done before operations can commence.	FY 2024 reached record lithium production values, though due to lithium price crash their financial performance was impacted.

Mining Business Model

Full Mining Operation



Full Mining Operations



Raw Materials



Iron Ore

Yilgarn Hub: Older mine that's shutting down by end of 2024

Pilbara Hub: Producing steadily

Onslow Iron: Their biggest, newest project. Massive mine, 50+ year life.

They built all the infrastructure, haul roads, ports, crushing plants. They mine iron ore, and ship it mostly to China. They earn money depending on global iron prices.

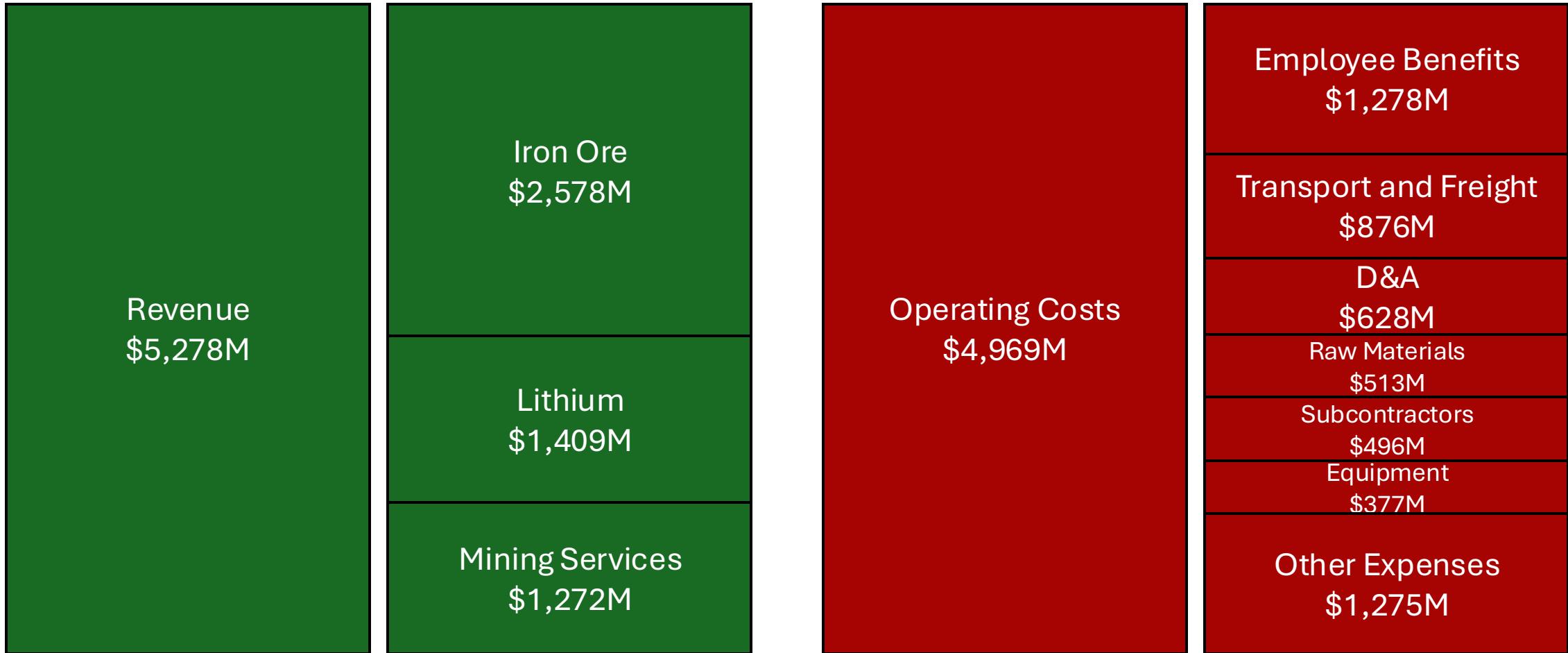


Lithium

They own or part-own three lithium mines: Mt Marion, Wodgina, Bald Hill. Lithium is used in EV batteries. BYD just opened largest factory ever 50 square miles. Using lithium as one of the main drivers.

They sell a spodumene concentrate (SC6). It's the raw lithium-rich rock that gets turned into battery chemicals. Prices have been very high recently, but in 2024 they dropped a lot.

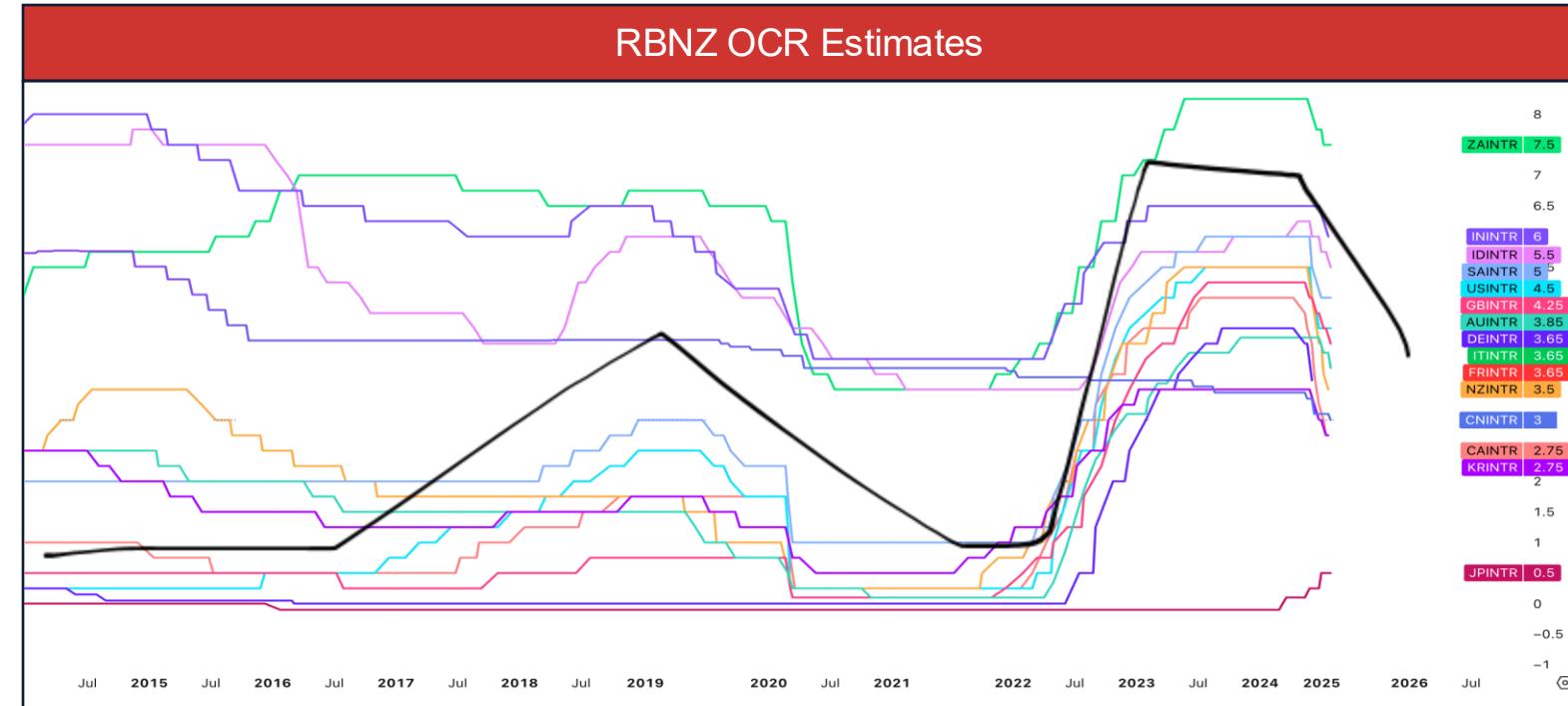
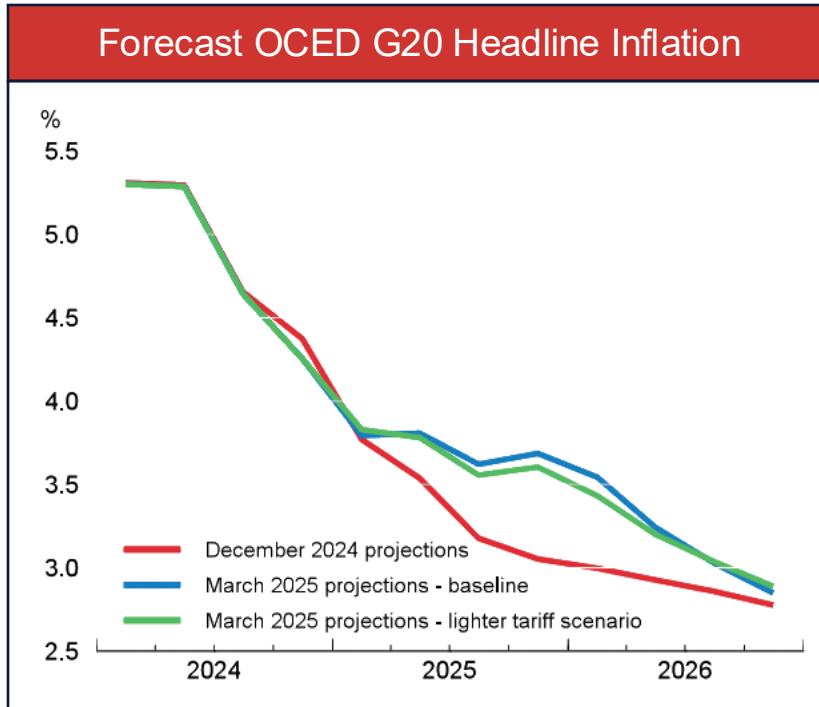
Revenue and Cost Breakdown (FY2024)



Industry



Mining Industry Outlook: Rates/Demand



Commentary

- ◆ **Global inflation is easing**, with OECD projections and rate cut expectations (including from the RBNZ) pointing to a more supportive macro backdrop for capital-intensive industries.
- ◆ **Falling interest rates boost construction and infrastructure**, key demand drivers for mining services like crushing, haulage, and site development.
- ◆ **Cyclical uplift isn't enough**, long-term value depends on structural demand, which MinRes captures through multi-decade contracts and vertically integrated assets like Onslow.

Iron Ore Supply/Demand Trends

Rio Tinto's Simandou Project

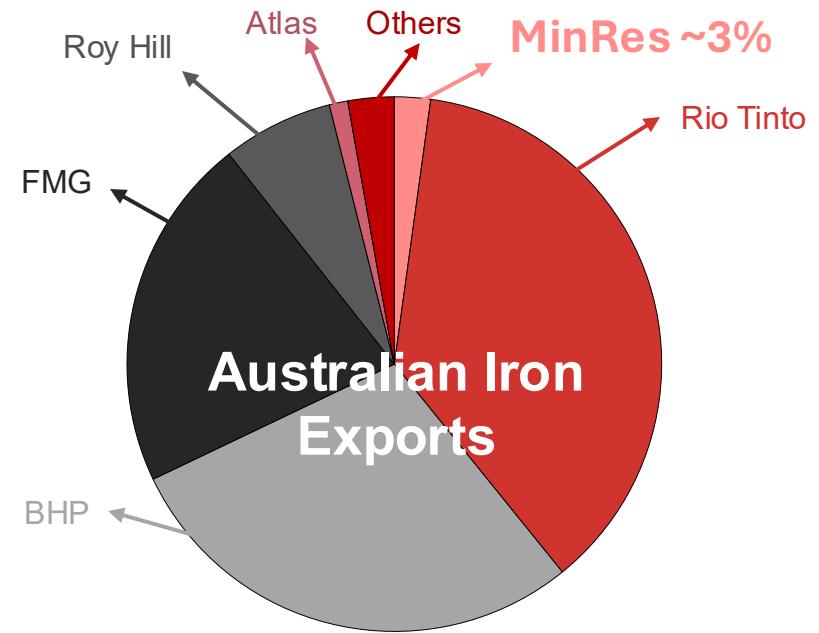
- ◆ Large new African mine contributing to iron ore oversupply can aggressively impact price

 AFR

Iron ore faces 'riot point' in 2025 as Rio Tinto floods the market

The mining giant's Simandou project will bring a fresh wave of supply late next year, further exacerbating growing stockpiles of the...

26 Dec 2024



Commentary

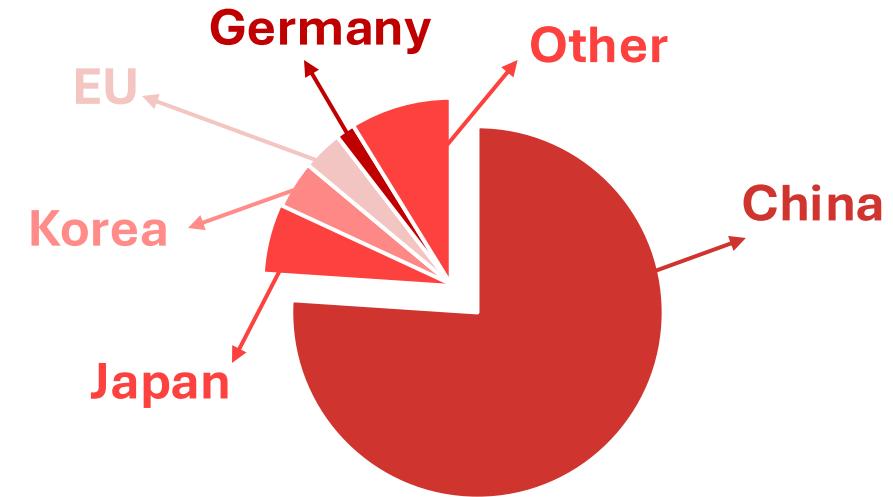
- ◆ **China is the Primary Demand Engine.** Over 70% of global seaborne iron ore demand comes from China. This makes Chinese construction and infrastructure activity the single largest swing factor, a stimulus-driven rebound can lift prices sharply, while a prolonged downturn poses downside risk.
- ◆ **Steel-Heavy Sectors Dictate Demand.** Chinese demand for iron ore is closely tied to activity in steel-intensive sectors like infrastructure, real estate, and manufacturing. These industries directly influence steel production volumes and thus the appetite for imported iron ore.
- ◆ **MinRes Earnings Highly Leveraged to Iron Ore Prices.** MinRes's iron ore segment is highly sensitive to global price movements (USD/tonne). With fixed costs largely in AUD, rising iron ore prices directly expand margins, while price softness compresses earnings.

Iron Ore Supply/Demand Trends

China Real Estate ≠ Total Construction



Chinese Demand Matters

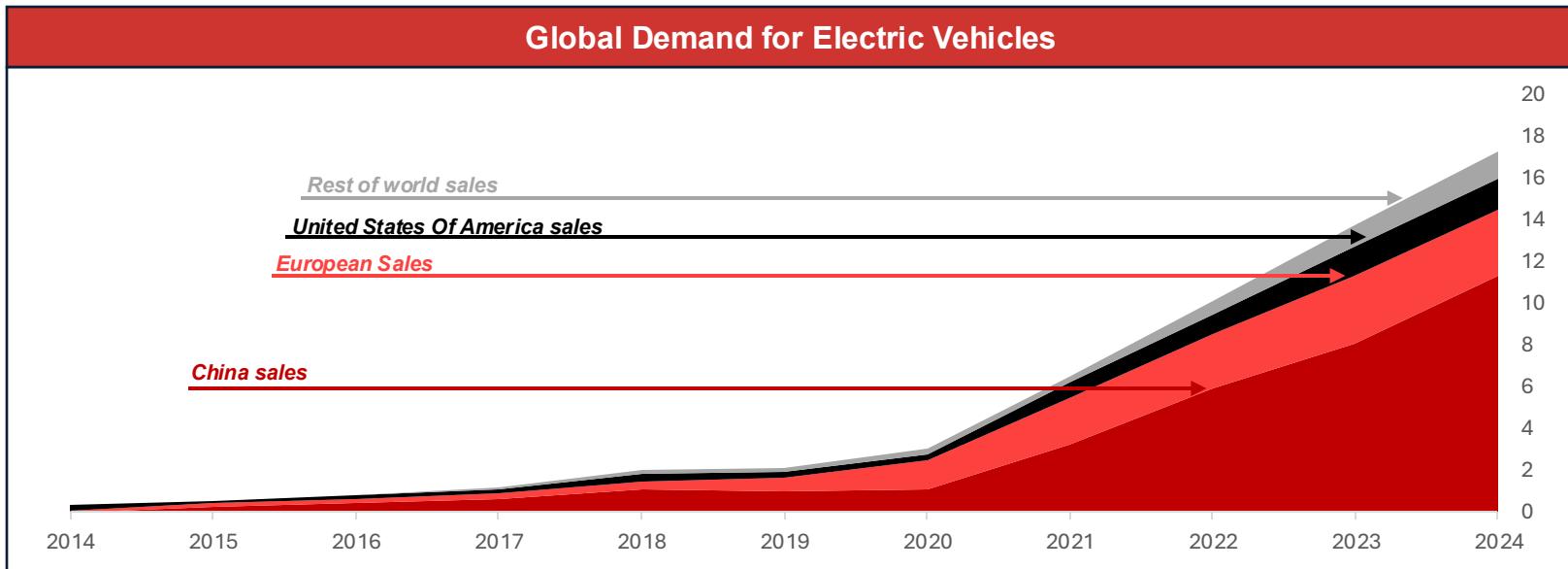


- ◆ **China's residential construction has pulled back sharply**, but broader construction activity, including infrastructure and industrial builds, remains far more stable, softening the overall impact on materials demand.
- ◆ **Iron ore prices still track broader construction trends**, not just real estate, highlighting the importance of looking beyond housing headlines when evaluating long-term demand.
- ◆ **China dominates global iron ore demand**, far surpassing Japan, Korea, and the EU meaning even modest stability in Chinese construction supports a structurally strong demand base for producers like MinRes.

Lithium Trends



**USED IN BATTERIES
INCLUDING EV BATTERIES**



Commentary

- ◆ **Each electric vehicle battery contains roughly 8–10 kg of lithium**, depending on the battery size and chemistry — meaning a single million EVs require up to 10,000 tonnes of lithium, directly linking EV adoption to sustained spodumene demand for producers like MinRes.
- ◆ **Accelerating EV demand is driving long-term structural growth in lithium consumption**, bolstering the outlook for spodumene producers. Despite current pricing volatility, MinRes is well positioned with tier-one assets and ongoing cost-out programs to benefit from tightening supply–demand dynamics.
- ◆ **Global EV sales are forecast to grow from 14 million in 2023 to over 17 million in 2025**, reflecting a strong ~10% CAGR. This growth is propelled by government subsidies, regulatory support, and improving consumer adoption worldwide.

Lithium (EV Trends)

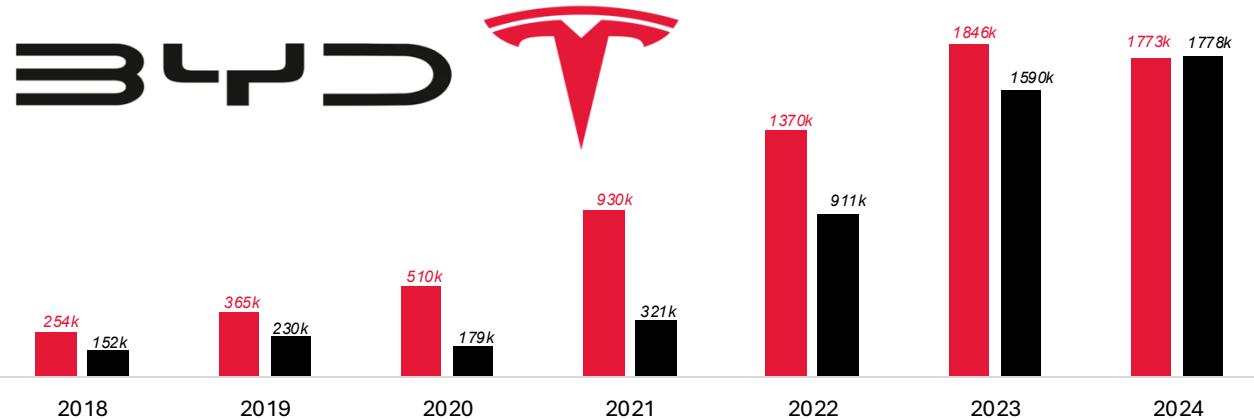
China and BYD build new 50 Square Mile Factory



BYD Hit \$100 Billion. Next: An EV Factory Bigger Than San Francisco

BYD raked in \$107 billion in revenue in 2024. Now it aims to pump out one million EVs annually at its city-sized production plant.

Recent Success in EV Sale Growth in Millions



Explosive EV Growth Sustains Demand for Lithium

BYD and Tesla EV sales have grown at a > 50% CAGR since 2018, with BYD surpassing 1.8M and Tesla over 1.7M units by 2024. This strong uptrend supports long-term lithium demand fundamentals.

China & BYD Scaling Rapidly

BYD has built a new 50-square-mile EV factory, targeting production of 1M units annually. Backed by \$107B in 2024 revenue, this expansion underpins China's strategic dominance in the global EV supply chain.

Global EV Competition Strengthens Demand Tailwinds for MinRes. As Tesla faces increasing competition from BYD and others, the diversification of EV demand across automakers enhances the durability of global lithium consumption. This supports **MinRes' lithium operations** by reducing dependency on any single OEM and reinforcing long-term spodumene demand.

Energy (Natural Gas) – Optionality & Upside



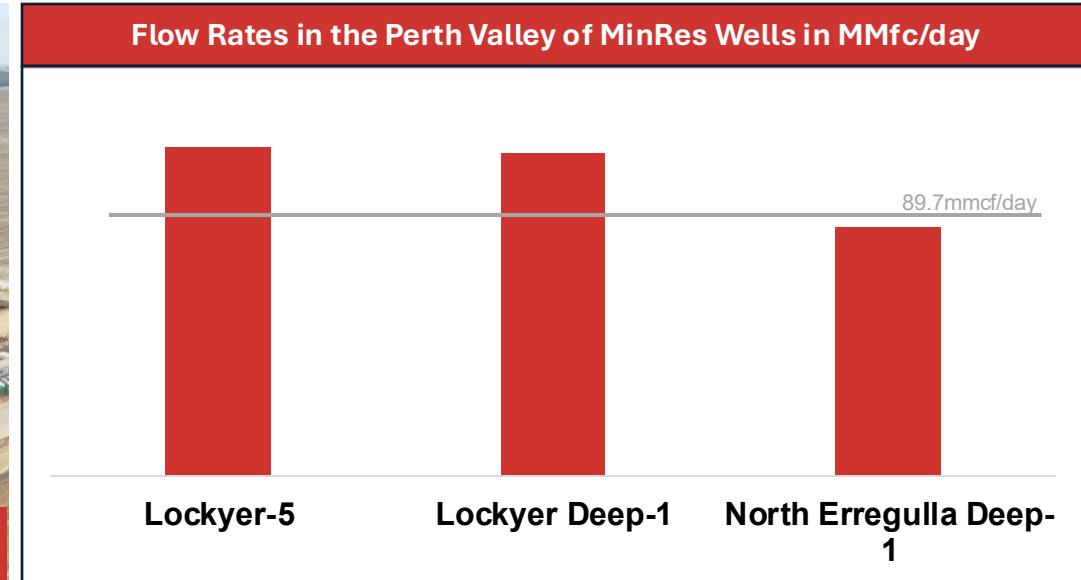
Lockyer Deep-1



North Erregulla Deep-1



Lockyer-5



Commentary

- ◆ **Energy Optionality Remains Underpriced.** MinRes' energy assets are a long-term value lever the market is largely ignoring. With no current reliance on gas for cash flow, they provide upside without pressure on short-term earnings or capital intensity.
- ◆ **Exploration Results Signal Commercial Potential.** In FY24, MinRes drilled three successful wells in the Perth Basin and expanded seismic activity in the Carnarvon Basin. Flow rates at Lockyer and North Erregulla rank among the highest in the region, positioning the assets as strong candidates for future development.
- ◆ **Strategic Hedge With Flexible, Disciplined Rollout.** While gas is not core today, it offers valuable optionality: a natural hedge against lithium and iron ore volatility, potential supply to the east coast market if prices spike, and scope for internal use or spinout. Development will be staged, maintaining flexibility and capital discipline.

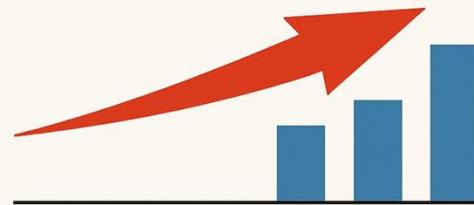
Strategy & CA



Growth Strategy

Onslow ramp-up

- ◆ Currently at ~5Mtpa, Onslow is ramping toward 35Mtpa by FY26. Infrastructure is largely in place: 3 crushers commissioned, port and haul road operational, and 3 of 5 transhippers active
- ◆ **Onslow is transformative for MinRes**, delivering long-life, low-cost iron ore with integrated haulage and port services. At full ramp, it's expected to generate >\$1.5bn EBITDA p.a. (MinRes share), slashing group net debt and anchoring annuity Mining Services earnings



Scaling production to 35Mtpa

Mining Services Expansion

- ◆ **FY24 production volume hit 269 Mt with \$550M EBITDA (+14%)**, and FY25 guidance is 280–300 Mt. The division operates 29 crushing plants, 110 jumbo road trains, and growing marine logistics through transhippers
- ◆ **MinRes is aggressively growing third-party contracts**, securing 6 new agreements in FY24 and leveraging its vertically integrated build-own-operate model. Earnings are indexed, commodity-agnostic, and expected to accelerate as Onslow volumes scale.



Strategic Lithium Repositioning

- ◆ **MinRes shipped 261kt SC6 in 1H25** from Mt Marion (100kt), Wodgina (101kt), and Bald Hill (60kt). Wodgina and Mt Marion remain active, while Bald Hill was paused in Nov 2024 due to cost pressures
- ◆ **Focus is on cost reduction and plant optimisation** (e.g., float study at Mt Marion, pit access at Wodgina). Meanwhile, 1,900km² of Goldfields lithium rights and idle capacity at Bald Hill provide optionality when market conditions improve.



Growth Strategy



Inorganic Growth

- ◆ **Bald Hill Lithium (Acquired Nov 2023)**, Acquired at the market trough to expand MinRes' lithium footprint and integrate with Goldfields infrastructure; placed into care and maintenance in Nov 2024 due to cash costs and pricing pressure, but retains long-term optionality
- ◆ **Iron Valley (Acquired FY24)**, A low-capex move to boost short-term iron ore output with minimal development risk; aligned with MinRes' pit-to-port model but flagged for closure by Dec 2024 due to diminishing margins
- ◆ **Onslow Road Haul Infrastructure (49% sold in FY25)**, Monetized underappreciated infrastructure mid-construction, raising \$1.3bn while retaining operational control (51%); enhances capital efficiency and accelerates payback on the Onslow Iron project
- ◆ **Hancock JV – Energy Assets (Oct 2024)**, Strategic reshuffle in energy: sold 100% of select permits and formed a 50/50 JV on remaining tenements; received \$780M upfront, de-risking exploration while maintaining upside in gas exposure
- ◆ **Goldfields Lithium Consolidation (FY24)**, Acquired 1,900km² of lithium rights to support a "hub-and-spoke" strategy leveraging Mt Marion and Bald Hill infrastructure; positions MinRes as a dominant player in a Tier-1 jurisdiction
- ◆ **Acquisition Trends**, MinRes targets assets with long-term optionality or vertical integration value — often buying low (e.g., Bald Hill, Iron Valley), monetizing midstream infrastructure (Onslow), and partnering to reduce risk (Hancock JV). The focus remains on scale, flexibility, and strategic control across lithium, iron ore, and energy.

Competitive Advantages

Vertically Integrated Pit-to-Port Model

- ◆ Owns and operates **end-to-end infrastructure**: mining, crushing, haulage, road, port, and transhipping.
- ◆ This integration reduces dependency on third parties, **lowers unit costs**, and ensures **schedule and margin control**.



Industry-Leading Mining Services Business

- ◆ Provides crushing, haulage, and transhipping services to both internal and third-party clients.
- ◆ **Commodity-agnostic, indexed contracts** deliver stable, recurring EBITDA regardless of iron ore or lithium price fluctuations



Onslow Iron: A Game-Changing Asset

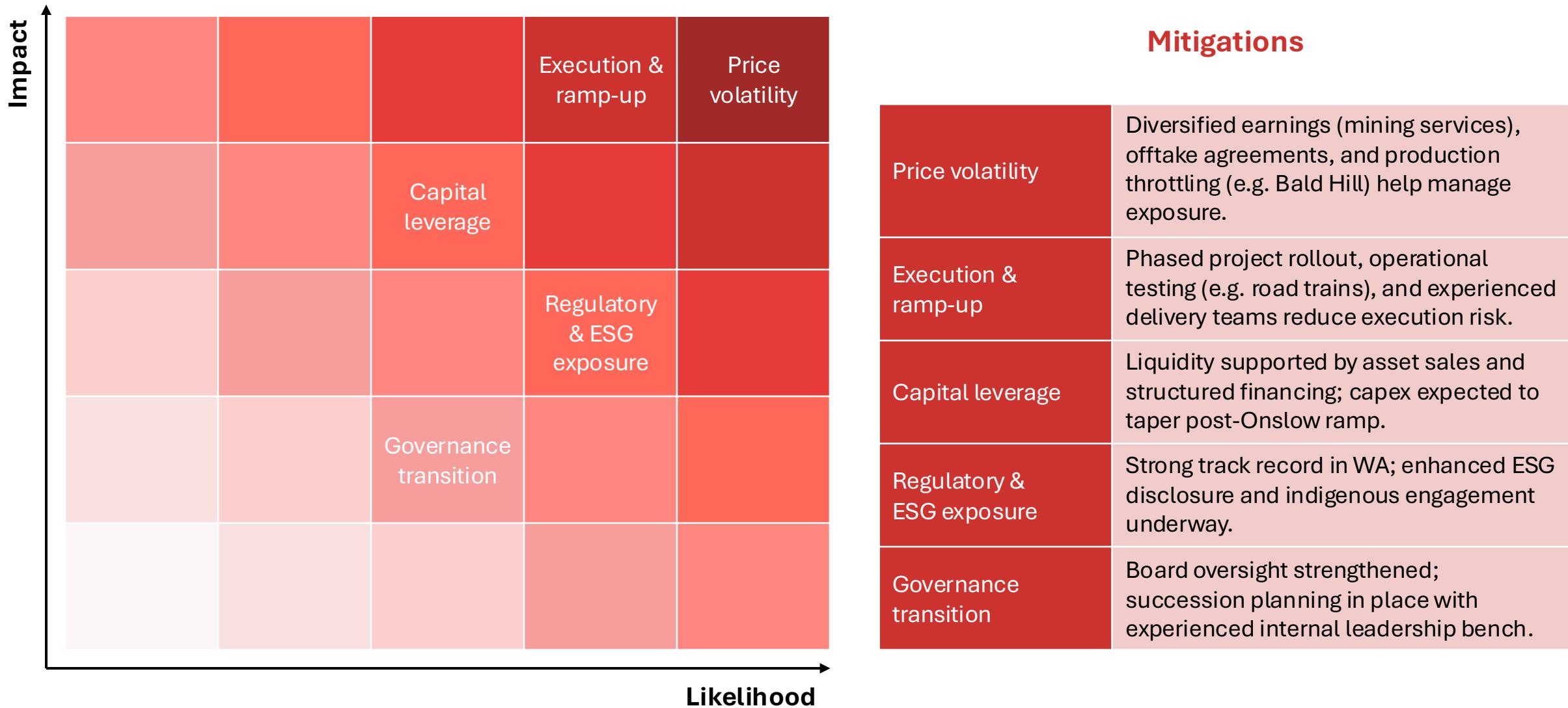
- ◆ A 35Mtpa, 50+ year mine life project with a targeted A\$45/wmt FOB cost. Onslow shifts MinRes from a marginal iron ore producer to a globally competitive, low-cost player — underpinning both Mining Services and commodity earnings.



Risks



Risks and Mitigations



Financials

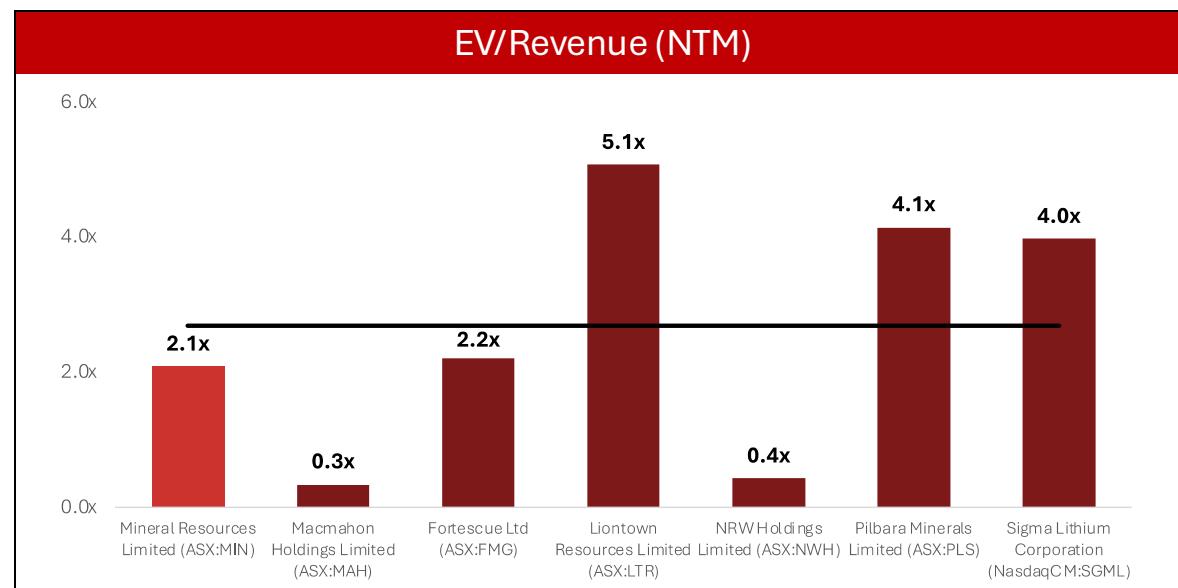
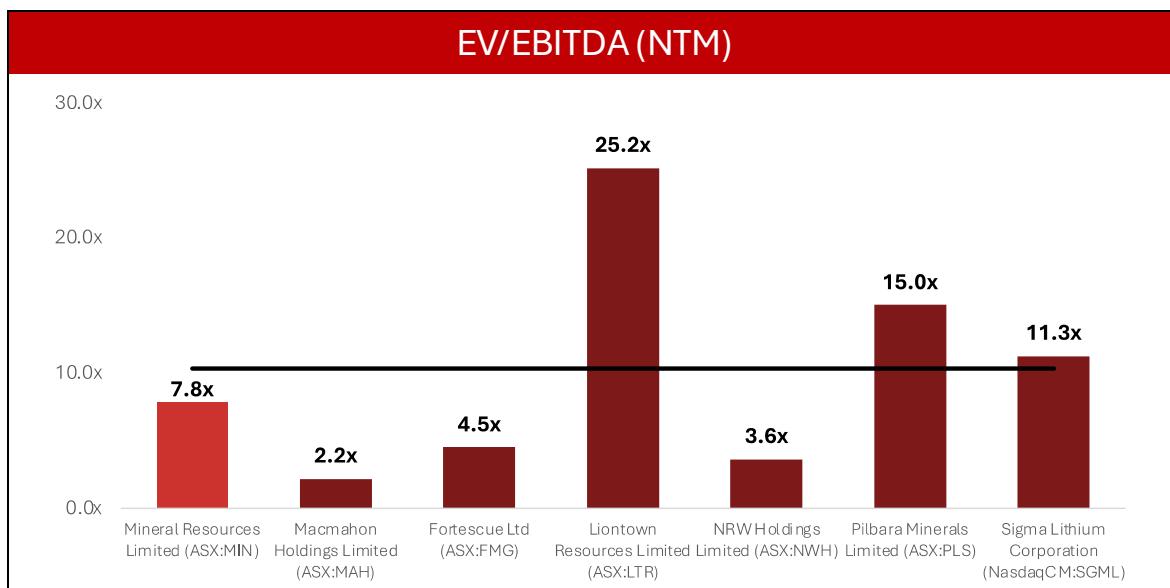


Comparables imply ~30% undervaluation

Summary

- EV-based multiples indicate MIN is undervalued** relative to peers, despite similar or stronger fundamentals
- Peer set includes **ASX-listed lithium, iron ore, and mining services operators**, selected for comparable commodity exposure and business model
- Forward multiples (NTM)** used to reflect **normalising earnings** post FY24 margin compression and ramp-up capex

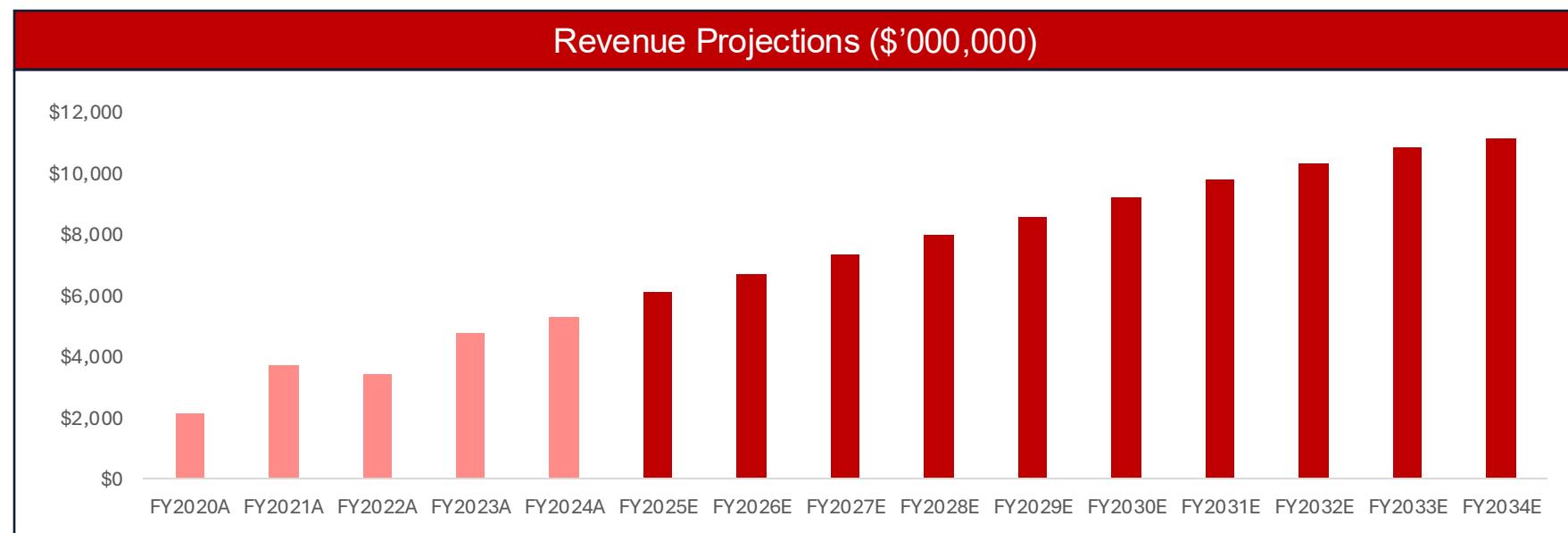
	Reconcile to share price	EV / EBITDA (NTM)	EV / Revenue (NTM)
Mean Multiple		10.3x	2.7x
Implied EV (\$ millions)		\$13,446	\$13,197
Implied Equity Value (\$ millions)		\$6,136	\$6,022
Implied Share Price		\$31.40	\$30.82
Weight		50%	50%
Target Share Price			\$31.11
Current Share Price			\$23.87
Upside			30.3%



Discounted Cash Flow Summary

Key Assumptions	
Revenue is based on 10y diminishing growth rates and done per segment, this has returned an average revenue growth of 7% over the next 10 years	
COGS and Operating Expenses: COGS and OpEx are held constant at 14% and 60% of revenue , reflecting lithium recoveries, and disciplined cost control during commodity volatility.	
A WACC of 7.6% is used based on a balanced capital structure, incorporating moderate gearing, a ~6% cost of debt, and a beta near 0.9, consistent with a diversified resources and services business.	
Long-Term Growth Rate: A terminal growth rate of 2% reflects long-life asset bases (e.g. 50+ year Onslow Iron), structural lithium demand, and a cautious view below Australia's historical GDP trend.	

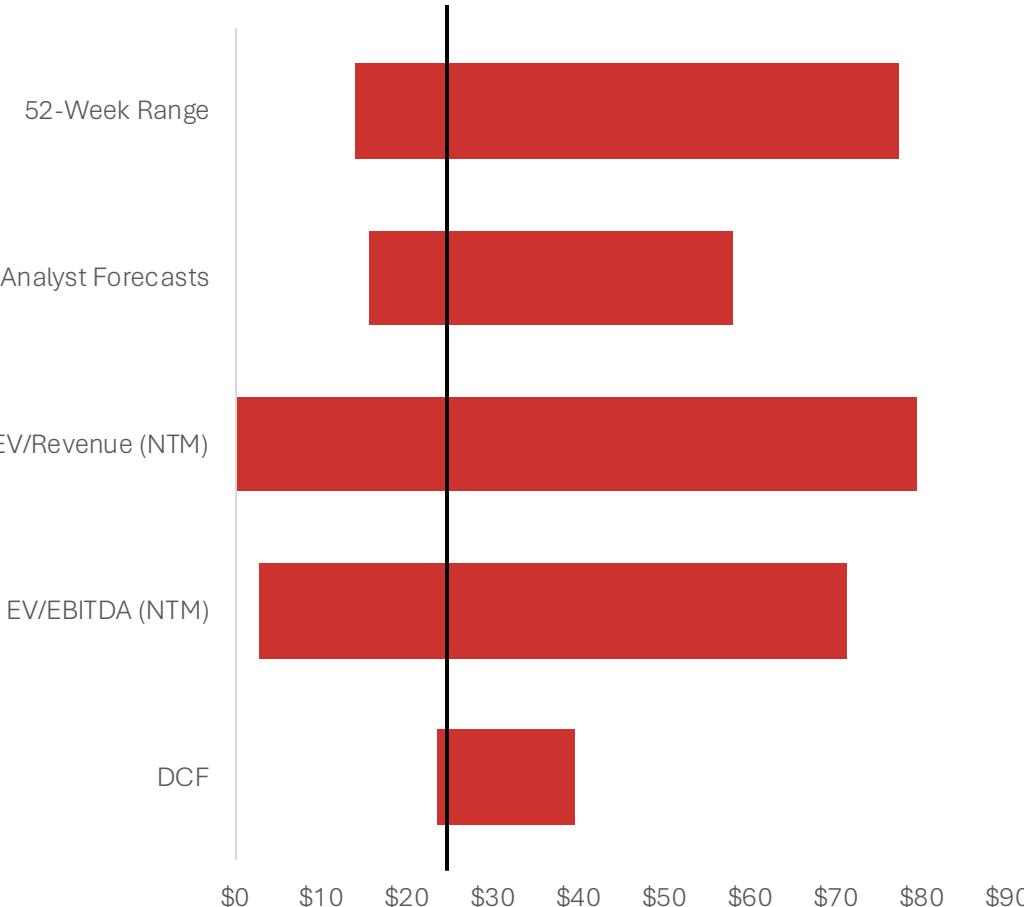
		TGR					
		1.50%	1.75%	2.00%	2.25%	2.50%	
WACC	6.56%	\$ 39.02	\$ 41.78	\$ 44.84	\$ 48.25	\$ 52.09	
	7.06%	\$ 32.31	\$ 34.50	\$ 36.91	\$ 39.57	\$ 42.52	
	7.56%	\$ 26.73	\$ 28.51	\$ 30.44	\$ 32.55	\$ 34.88	
	8.06%	\$ 22.04	\$ 23.49	\$ 25.07	\$ 26.78	\$ 28.64	
	8.56%	\$ 18.03	\$ 19.24	\$ 20.54	\$ 21.95	\$ 23.47	



Weighted share price target of \$30.31, ~27% undervalued

Valuation Football Field

Current Trading Price: **\$23.87**



Reconciliation to target price

Valuation Method	Price Target	Upside	Weight
DCF	\$30.44	28%	40%
Weighted Comps	\$31.11	30%	40%
Analyst Forecasts	\$28.46	19%	20%
Target Price			\$30.31
<i>Upside</i>			<i>27%</i>

Recommendation

- **Recommend BUY** based on ~27% upside to weighted target price
- **Valuation:** DCF and comparables imply current price undervalues normalised earnings
- **Catalysts:** Onslow ramp-up, lithium market recovery, and capital intensity tapering from FY26

Appendices



Comparables analysis (expanded)

Multiples	EV/EBITDA (LTM)	EV/EBITDA (NTM)	EV/EBIT (LTM)	EV/EBIT (NTM)	EV/Revenue (LTM)	EV/Revenue (NTM)	P/E (NTM)						
Mineral Resources Limited (ASX:MIN)	48.0x	7.8x	-16.7x	18.9x	2.0x	2.1x	119.4x						
Macmahon Holdings Limited (ASX:MAH)	3.9x	2.2x	8.3x	5.0x	0.4x	0.3x	5.8x						
Mount Gibson Iron Limited (ASX:MGX)	23.1x	-	0.6x	-	-0.2x	-	-						
Fortescue Ltd (ASX:FMG)	4.0x	4.5x	5.6x	6.9x	2.0x	2.2x	9.9x						
Liontown Resources Limited (ASX:LTR)	-42.5x	25.2x	-41.1x	-42.2x	21.8x	5.1x	-						
NRW Holdings Limited (ASX:NWH)	4.6x	3.6x	8.5x	6.7x	0.5x	0.4x	9.7x						
Pilbara Minerals Limited (ASX:PLS)	65.7x	15.0x	-1561.7x	63.8x	4.2x	4.1x	138.0x						
Sigma Lithium Corporation (NasdaqCM:SGML)	53.0x	11.3x	1170.5x	15.2x	4.8x	4.0x	-						
Mean	16.0x	10.3x	-58.5x	9.2x	4.8x	2.7x	40.8x						
Market and financial data	Price	Shares (000)	Market Cap (000)	Net Debt (000)	Enterprise Value	Revenue LTM	EBITDA LTM	EBIT LTM	EPS LTM	Revenue NTM	EBITDA NTM	EBIT NTM	EPS NTM
Mineral Resources Limited (ASX:MIN)	23.87	195.4	4664.4	4428	10221.4	5053	213	-611	-3.92	4901.03	1305.35	539.77	0.2
Macmahon Holdings Limited (ASX:MAH)	0.29	2,111.5	601.8	146.6	838.7	2,243.6	216.4	101.6	0.02	2,517.76	386.52	168.6	0.05
Mount Gibson Iron Limited (ASX:MGX)	0.3	1,179.6	348.0	(451.2)	(96.9)	396.0	(4.2)	(172.9)	(0.08)	-	-	-	-
Fortescue Ltd (ASX:FMG)	15.51	3,074.5	47,685.1	767.6	50,921.7	25,246.4	12,702.0	9,171.2	1.81	23,052.45	11,216.13	7,393.45	1.57
Liontown Resources Limited (ASX:LTR)	0.64	2,427.5	1,541.4	338.0	2,192.9	100.4	(51.6)	(53.3)	(0.01)	432.48	87.12	(51.96)	(0.03)
NRW Holdings Limited (ASX:NWH)	2.8	457.4	1,280.6	78.8	1,439.8	3,141.3	315.2	169.3	0.21	3,332.77	397.64	214.49	0.29
Pilbara Minerals Limited (ASX:PLS)	1.38	3,217.9	4,440.7	(1,070.7)	3,904.2	922.6	59.4	(2.5)	-	943.11	259.61	61.16	0.01
Sigma Lithium Corporation (NasdaqCM:SGML)	9.11	111.9	1,019.3	211.3	1,170.5	246.0	22.1	1.0	(0.46)	294.72	103.94	76.93	-

Appendices

DCF (P&L, Workings to FCFF)



	30/06/2020	01/07/2020	01/07/2021	01/07/2022	01/07/2023	01/07/2024	01/07/2025	01/07/2026	01/07/2027	01/07/2028	01/07/2029	01/07/2030	01/07/2031	01/07/2032	01/07/2033	01/07/2034				
	Start date	End date	Financial year	Actual/Forecast	Discount	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E	FY2032E	FY2033E	FY2034E
	Actual	Actual	Actual	Actual	Actual	31/01/2025	31/01/2026	31/01/2027	31/01/2028	31/01/2029	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030	30/06/2031	30/06/2032	30/06/2033	30/06/2034
Free Cash Flows																				
Total revenue	2125	3734	3418	4779	5278	6046	6589	7207	7774	8337	8890	9426	9937	10413	10744					
Mining Services Segment	1275	1750	2116	2562	3380	3752	4131	4512	4888	5252	5596	5913	6196	6437	6630					
% of revenue	60%	47%	62%	54%	64%	62%	63%	63%	63%	63%	63%	63%	63%	62%	62%	62%	62%	62%	62%	
% growth	0%	37%	21%	21%	32%	11%	10%	9%	8%	7%	7%	6%	5%	4%	3%					
Iron Mining Segment	1553	3057	1996	2147	2578	2733	2888	3042	3194	3343	3487	3627	3760	3885	4002					
% of revenue	73%	82%	58%	45%	49%	45%	44%	42%	41%	40%	39%	38%	38%	37%	37%					
% growth	0%	97%	-35%	8%	20%	6%	6%	5%	5%	4%	4%	4%	4%	3%	3%					
Lithium Mining Segment	0	130	791	1892	1409	1522	1635	1748	1858	1966	2068	2165	2254	2334	2404					
% of revenue	0%	3%	23%	40%	27%	25%	25%	24%	24%	24%	23%	23%	23%	22%	60%					
% growth	0%	0%	509%	139%	-26%	8%	7%	7%	6%	6%	5%	5%	4%	4%	3%					
Energy and other Commodities Segment	0	0	22	21	35	53	121	264	360	466	584	711	848	994	1041					
% of revenue	0%	0%	1%	0%	1%	1%	2%	4%	5%	6%	7%	8%	9%	10%	10%					
% growth	0%	0%	-99%	-4%	67%	12%	11%	10%	9%	8%	7%	6%	5%	4%	3%					
Inter-Segment Adjustments	523	835	1203	1506	1843	2013	2186	2358	2527	2690	2845	2990	3121	3237	3334					
Cost of Good Sold	287	422	319	377	1,025	864	942	1,030	1,111	1,191	1,271	1,347	1,420	1,488	1,535					
% of revenue	13.51%	11.31%	9.33%	7.89%	19.42%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%					
Gross Profit	1,838	3,311	3,099	4,402	4,253	5,182	5,647	6,177	6,663	7,145	7,620	8,079	8,517	8,925	9,208					
% of revenue	86.5%	88.7%	90.7%	92.1%	80.6%	85.7%	85.7%	85.7%	85.7%	85.7%	85.7%	85.7%	85.7%	85.7%	85.7%					
Operating Expenses	1,099	1,433	2,115	2,666	3,239	3,627	3,953	4,324	4,664	5,002	5,334	5,656	5,962	6,248	6,446					
% of revenue	51.7%	38.4%	61.9%	55.8%	61.4%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%					
EBITDA	739	1,878	985	1,736	1,014	1,554	1,694	1,853	1,999	2,143	2,286	2,423	2,555	2,677	2,762					
% of revenue	34.8%	50.3%	28.8%	36.3%	19.2%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%					
Depreciation & Amortisation	194	258	352	450	628	628	628	628	628	628	628	628	628	628	628					
EBIT	545	1,620	632	1,286	386	926	1,066	1,225	1,371	1,515	1,658	1,795	1,927	2,049	2,134					
% of revenue	25.7%	43.4%	18.5%	26.9%	7.3%	15.3%	16.2%	17.0%	17.6%	18.2%	18.6%	19.0%	19.4%	19.7%	19.9%					
Tax on EBT	99	466	121	129	25	278	320	367	411	455	497	539	578	615	640					
NOPAT	446	1,155	512	1,157	361	1,204	1,386	1,592	1,782	1,970	2,155	2,334	2,505	2,664	2,774					
Add D&A	194	258	352	450	628	628	628	628	628	628	628	628	628	628	628					
Less CAPEX	700	745	800	1,800	3,355	1,433	1,914	2,422	2,442	2,461	2,481	2,501	2,521	2,541	2,562					
Less Change in NWC	-	59	516	818	(1,571)	291	(39)	(45)	(41)	(40)	(39)	(37)	(35)	(35)	(24)					
Unlevered Free Cash Flow	(60)	608	(452)	(1,012)	(795)	108	139	(157)	9	178	342	500	649	785	864					
% of FCF for discounting						10%	100%	100%	100%	100%	100%	100%	100%	100%	100%					
Adjusted Unlevered Free Cash Flows						10	139	(157)	9	178	342	500	649	785	864					
Discount period						0.048	0.685	1.685	2.685	3.688	4.688	5.688	6.688	7.690	8.690					
Discount factor						0.997	0.951	0.884	0.822	0.764	0.711	0.661	0.614	0.571	0.531					

DCF (WACC, PV and Valuation)

Financial year	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	
Adjusted Unlevered Free Cash Flows	10	139	(157)	9	178	342	500	649	785	864	
Terminal Value										15,848	
<i>Discount period</i>	0.051	0.690	1.690	2.690	3.693	4.693	5.693	6.693	7.696	8.696	
<i>Discount factor</i>	0.996	0.951	0.884	0.822	0.764	0.710	0.660	0.614	0.571	0.530	
Present Value of Free Cash Flows	10	133	(139)	8	136	243	330	398	448	459	
Present Value of Terminal Value										8,407	
Cost of Debt	Notes										
Interest Expense	287	Cost of debt was taken from Annual Report slide 15 where cost of debt was stated to be 8.6% because 287/5081 gives 5.61% pre tax which is unrealistic in this environment									
Long-term Debt + Non-Current Lease Liabilities	5,081										
Pre-Tax Cost of Debt	8.60%										
Marginal Tax Rate	30.00%	AU Corporate Tax Rate									
After-Tax Cost of Debt	6.0200%										
Cost of Equity	Notes										
Risk-free rate	4.49%	AU 10y BOND.									
Beta	0.895166408	5Y Daily Beta (against ASX50 Index)									
Market Risk Premium	5.00%										
Cost of Equity	8.96%										
Weightings											
Net Debt	4,173 Long-Term Debt plus Non-Current Lease Liabilities										
Total Equity	4,598	Market Cap									
Proportion of Debt	47.58%										
Proportion of Equity	52.42%										
WACC	7.56%										
Sum of PV of FCF		2,025									
PV of Terminal Value		8,407									
Enterprise Value		10,432									
Add Cash		908									
Less Debt		5,336									
Equity Value		6,004									
Shares outstanding		198									
Implied Share Price	\$	30.40									
Current Share Price	\$	23.87									
Fair Value Gap	27.4%										

Fixed Asset Schedule / NWC

Fixed Asset Schedule															
Year Ended June 30th	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E	FY2032E	FY2033E	FY2034E
Opening Plant Property and Equipment	2,583	3,503	4,344	5,613	10,601	12,169	10,834	10,283	10,366	10,449	10,533	10,618	10,704	10,790	10,877
Depreciation and Amortisation of PPE	741	952	941	1,087	1,787	2,768	2,465	2,339	2,358	2,377	2,396	2,415	2,435	2,455	2,474
Capital Expenditure on PPE	700	745	800	1,800	3,355	1,433	1,914	2,422	2,442	2,461	2,481	2,501	2,521	2,541	2,562
Adjustments, Impairments and Revaluations on PPE	860	1,048	1,410	4,275	4,555	5,228	4,655	4,418	4,454	4,490	4,526	4,562	4,599	4,636	4,673
Closing Plant Property and Equipment	3,503	4,344	5,613	10,601	12,169	10,834	10,283	10,366	10,449	10,533	10,618	10,704	10,790	10,877	15,637
Net Working Capital															
Year Ended June 30th	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E	FY2032E	FY2033E	FY2034E
Current Assets															
Accounts Receivables	178	331	617	673	1,027	832	907	992	1,070	1,147	1,223	1,297	1,368	1,433	1,479
Inventories	156	123	253	606	607	661	720	788	850	911	972	1,030	1,086	1,138	1,174
Prepaid Expenses and Other Current Assets	39	37	50	816	98	135	147	161	173	186	198	210	221	232	239
Current Liabilities															
Accounts Payable	306	557	576	821	1,700	1387	1512	1654	1784	1913	2040	2163	2280	2389	2465
Accrued Expenses	53	69	82	114	269	189	206	225	243	260	278	294	310	325	336
Income Taxes Payable	416	167	11	54	14	38	42	46	49	53	56	60	63	66	68
other current liabilities	149	191	228	265	479	452	493	539	582	624	665	705	743	779	804
Net working capital	-552	-493	23	841	-730	-439	-478	-523	-565	-605	-646	-685	-722	-756	-780
Change in Net Working Capital	0	59	516	818	-1,571	291	-39	-45	-41	-41	-40	-39	-37	-35	-24
Assumptions															
Averages (Taken Inputs)															
Current Assets															
Age of Accounts Receivable	30.49	32.39	65.86	51.40	71.02	50.23									
Inventory Turnover	197.82	105.99	289.21	586.71	216.15	279.18									
Prepayments AAPO Revenue	2%	1%	1%	17%	2%	2.23%									
Current Liabilities															
Age of Accounts Payable	388.90	481.80	659.02	794.87	605.37	585.99									
Accrued Expenses AAPO COGS & SGA less PPE D/A	3.85%	3.74%	3.37%	3.75%	6.31%	4.20%									
Income Tax Payable AAPO COGS & SGA less PPE D/A	30.01%	8.98%	0.46%	1.77%	0.33%	0.85%									
Income Tax Payable AAPO COGS & SGA less PPE D/A	10.76%	10.29%	9.35%	8.71%	11.23%	10.07%									
Plant Property and Equipment															
D/A AAPO Opening PPE	28.68%	27.19%	21.66%	19.37%	16.86%	22.75%									
CAPEX AAPO Opening PPE	30.97%	21.27%	18.42%	32.07%	31.65%	23.55%									
Adjustments and Revaluations AAPO Opening PPE	33.31%	29.93%	32.46%	76.16%		42.96%									