



High-climber seeks sun after lithium winter

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Body

New heights Dale Henderson thrives on challenges, everything from battling short sellers to scaling mountains, writes Brad Thompson.

Dale Henderson and his teenage mates would trek all the way to the snow line while growing up on New Zealand's rugged South Island, but it wasn't enough.

The Pilbara Minerals boss wanted to go even higher. He learned to mountain climb, a passion that eventually took him to the Himalayas where he avoided the tourist traps of Everest and climbed peaks up to 7000 metres in what he calls the back blocks of Nepal.

When he took up distance running, a marathon wasn't ambitious enough. He chose an ultra-marathon in northern Mongolia, near the Russian border, as his first big challenge.

Henderson's ambition in lithium is to win, and to win by so much it is an embarrassment to his rivals.

He's living through his second lithium winter and says he and the company are better prepared this time.

We meet late on a Friday afternoon at the Phat Brew Club near his office. Four days earlier, Henderson was running long before sunrise in Perth to let off steam before the release of the Pilbara Minerals full-year results.

The big news was that Henderson was taking on a \$1 billion loan to expand the company's flagship mine near Port Hedland in Western Australia and paying \$560 million in scrip for a lithium project in Brazil.

It is a bold countercyclical move given the price for lithium, the key ingredient to making batteries and for energy storage, continues to flatline. In a reminder of how volatile the sector remains, ASX-listed lithium stocks jumped on Wednesday amid unconfirmed reports a Chinese miner was cutting production.

The 42-year-old thrives on a "messy challenge". If Henderson were a doctor and not a civil engineer turned mining executive, you would find him in the emergency ward. His mother is not a fan of his approach. She hoards press clippings of mountain climbing fatalities to temper his sense of adventure.

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Henderson left a prominent headhunter shaking their head after turning down a plum executive role with one of the world's biggest gold miners to join Pilbara Minerals in 2017.

He had just quit a senior role with the iron ore miner **Fortescue**. Pilbara Minerals stock was worth 30¢, the company had a rundown office in West Perth, a Nordic bond and big plans to build the Pilgangoora lithium mine.

"I had an offer from a major miner and much more stable company for a senior role through a very well-respected, high-cost headhunter. I went for the junior because it was a challenge," he recalls.

"Often big challenges are a bit messy, and I'm reasonably comfortable with it. I know that sounds crazy.

"In contrast, there's a very steady situation where you're just monitoring the vital signs. That's not me. To put it bluntly, that's the kind of choice you can end up having.

"There are very successful, stable resources companies, and you can have a very successful career monitoring the vital signs and doing the next incremental approval.

"I was more driven by the excitement of 'gee, look at that, we've got to get that built, we've got to get it running, or we've got to survive'."

The short sellers targeting Pilbara minerals probably have no idea what they are up against in Henderson. Behind the neat suit and conservative commentary in his public-facing duties as leader of the most heavily shorted stock on the ASX, there is a highly competitive, battle-hardened fighter.

A child workaholic, teenage scholarship winner and then brilliant engineer who's always "loved building things", he's a survivor of multiple commodity downturns on top of being a mountaineer and ultra-marathon runner in the days when he had more spare time.

Henderson sold vegetables from his backyard as a child growing up in the rugby obsessed town of Timaru on New Zealand's South Island. He delivered newspapers, mowed lawns, did whatever he could to make a dollar and dreamed of going to university.

He made it, thanks to a scholarship from what was then known as the Graeme Bringans Property Education Trust (now called Keystone Trust).

Armed with a degree in civil engineering and a bit of experience at a state-owned coal mine, he left New Zealand in his early 20s and never looked back professionally. First stop was WA and the iron ore industry, but his burning desire was to work on big oil and gas projects in the Middle East.

A three-month trial with New York-listed Occidental Petroleum in Oman turned into a multi-year stint embedded in a large-scale project that faced many challenges. "I grew with it as it grew. I just got thrown more and more challenges because I was successful in getting the works delivered. It was a big job, there was lots of pressure. So that three months turned into quite a few years, and I navigated up the chain."

The global financial crisis threw a spanner in the works, and he helped deliver some of the big cuts in oil.

The relative calm of the post-GFC period allowed Henderson to finally take a break when he travelled through South America and deep into the Amazon, and then to the Himalayas. He eventually ended up in Perth with three job offers on the table.

He took a role with Worley Parsons because it was winning a lot of work for the likes of Chevron and Woodside in WA's offshore oil and gas industry.

But first Worley Parsons wanted Henderson to help **Fortescue** with its iron ore shipping infrastructure at Port Hedland. "I said look, I'm a hydrocarbons guy - that was the way I thought about myself - and I'd like you to put me on these big hydrocarbons projects," he says.

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He agreed to help **Fortescue** for a few months. That turned into a couple of years, and he eventually joined **Fortescue**, where he became the equivalent of a general manager.

Henderson was part of a team that implemented a big cost-cutting package at the then debt-heavy **Fortescue** when the iron ore price crashed and 1000 workers were sacked in 2012.

He quit once **Fortescue** was in good health and made the fateful call to join Pilbara Minerals over the blue-chip gold miner. He was hired by then Pilbara Minerals boss Ken Brinsden to build Pilgangoora, and that's what he did.

"In 2017, the sky was bright for lithium. And by early 2018 the sky was very bright. Pilbara's share price rocketed to \$1.20, and we thought how good is this? It started to go down from that point forward, and we went into the first lithium winter," he says.

It got so bad that mining stopped unless there was an order to fill. Office workers rang a bell every time an order came through.

By 2022-23, the orders were so big and the prices so high, they needed a new office calculator to crunch the profit numbers. Pilbara Minerals made a net profit of \$2.4 billion that year when the average price a tonne for spodumene concentrate from Pilgangoora was \$US4447 and the company paid a maiden dividend.

Now the company is suffering through another lithium winter. Prices for the lithium ore typically produced by Pilbara and other Australian hard-rock mines fell to \$US720 a tonne in the first week of September, according to S&P Global's Platts.

Henderson, who took the reins as managing director and CEO in July 2022, is trusting his team to survive and thrive. When hiring, Henderson looks for leaders who inspire their teams to follow them through their integrity and character.

They must also be capable and confident in their role and have an X-factor or spark, he says.

His own leadership style has evolved based on observing his former bosses and what works well and what doesn't.

Henderson is not losing sleep worrying about the short sellers as Pilbara Minerals doubles down on lithium.

"At the end of the day, they've got to buy their stock back. What I focus on is what we can control, which is navigating this market environment, " he says.

"My message to the team is, 'Ok, we're going pretty well, but what we want to do is put distance between us and the competition'. We want it to be an embarrassment. So what are we doing next?" AFR

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